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PROCEEDINGS AND DEBATES OF THE 96th CONGRESS, FIRST SESSION

SENATE—*Wednesday, November 14, 1979*

(Legislative day of Monday, November 5, 1979)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by Hon. DONALD STEWART, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Almighty God, our refuge and our strength, we would be still and know that Thou art God, a very present help in trouble. Look upon this troubled world and send into it Thy light and Thy truth. Make us strong in support of justice, compassionate when there is suffering, generous where there is need, honest in our dealing with other nations. Bestow Thy blessing on all who labor in this place. Store our minds with Thy truth, our hearts with Thy love, that we may be calm in a crisis, strong under stress, triumphant in the storm, ever guided by that inner light which never fails.

This we pray in Thy holy name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., November 14, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DONALD STEWART, a Senator from the State of Alabama, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. STEWART thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized for not to exceed 5 minutes.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I reserve the remainder of my time, for the moment.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized for not to exceed 5 minutes.

Mr. BAKER. Mr. President, I thank the Chair.

PRESIDENT CARTER FREEZES IRANIAN GOVERNMENT ACCOUNTS IN AMERICAN BANKS

Mr. BAKER. Mr. President, early this morning, the Secretary of the Treasury called to inform me of the President's decision to freeze Iranian Government accounts in American banks.

Later this morning it was my privilege to attend a leadership breakfast at the White House during which the President elaborated on his position.

Mr. President, I take this opportunity to applaud the President of the United States and to assert here three assurances that the Republican leadership gave him at the breakfast meeting: First, that our support for his attempts to negotiate the release of American hostages in Tehran is unwavering; second, that our commitment to protect the security interests of the United States in this time of trouble is unwavering; and third, to commend him for the specific action he has taken today.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER TO VITIATE ORDER FOR RECOGNITION OF MR. PRYOR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time under the order for the recognition of Mr. PRYOR be vitiated at his request.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REVISED STANDING RULES OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 430, a resolution to revise and modernize the Standing Rules of the Senate, with the understanding that there be no more than 20 minutes thereon, to be equally divided between Mr. ROBERT C. BYRD and Mr. BAKER, that no amendments be in order, and that no motions be in order except a motion to reconsider.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, on the contrary, I join the majority leader in that request.

Mr. President, yesterday at our regular weekly meeting of the Republican Policy Committee I once again advised Members on our side of the aisle that we would consider this measure on today and that, absent requests to the contrary, I would agree to a unanimous-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

consent request to proceed on a limited basis, and without amendment.

I will not extend the reservation further except to say that this is a rules recodification. It does not change the rules. It is the matter I spoke of yesterday at the policy luncheon. I agree to the request of the majority leader.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The resolution will be stated by title.

The assistant legislative clerk read as follows:

> A resolution (S. Res. 274) to revise and modernize the Standing Rules of the Senate without substantive change in the Senate procedure and to incorporate therein certain other rules of the Senate.

The Senate proceeded to consider the resolution.

Mr. ROBERT C. BYRD. I yield myself such time as I may require, under the time allotted.

Mr. President, the Senate, since it adopted its first set of rules in the First Congress, has adopted or readopted its complete body of rules on only six other occasions; namely, on March 26, 1806; January 3, 1820; February 14, 1828; March 25, 1868; January 17, 1877; and lastly on January 11, 1884. Of course, many major amendments by piecemeal have been made to that body of rules adopted in 1884.

Since my first election to the Senate, I have thought a good deal about the idea of bringing the rules up to date. The parliamentary procedure by which the Senate operates is scattered among various documents, resolutions, and laws, including the Legislative Reorganization Acts of 1946 and 1970, making it very difficult if not impossible for anyone to locate a particular procedure of the Senate expeditiously. It should not be that way. In this concept, I am not proposing any substantive changes in the rules and procedure, but only recommending alterations and rewrites when needed to put the language in keeping with the present procedure—but, I emphasize, without amending the rules substantively. I felt so strongly about this that on May 15, 1975, I introduced a resolution to that effect. The following year on May 6, 1976, the Committee on Rules and Administration reported Senate Resolution 156 which was passed 4 days later (May 10). As approved by the Senate the resolution reads as follows:

> *Resolved*, That the Committee on Rules and Administration is authorized and directed to prepare a comprehensive codification and revision of the Standing Rules of the Senate which will—
>
> (1) provide for an orderly and logical arrangement of the standing rules,
>
> (2) incorporate therein rules of the Senate which presently are not, but properly should be, part of the standing rules and
>
> (3) omit provisions which are no longer applicable to the procedures and practices of the Senate.
>
> Such revision shall not make any substantive change in the standing rules, or any other rule of the Senate incorporated therein, or make any other change which is inconsistent with the procedures and practices of the Senate.
>
> SEC. 2. The committee shall report the revision prepared pursuant to this resolution to the Senate as soon as practicable.

Three years later, after much study, preparation, and rewriting, the Committee on Rules and Administration voted unanimously to report Senate Resolution 274, to revise and modernize the Standing Rules of the Senate without substantive change in Senate procedure and to incorporate therein certain other rules of the Senate.

Before the Committee on Rules and Administration reported out this resolution to recodify the rules it was circulated among all members of the Rules Committee as well as various other Senators for their examination and consideration. A number of suggestions were made by different Senators and some were incorporated into this version of the resolution as reported, but none which included any substantive changes in existing Senate procedure.

It would be impractical to consider this resolution during this Congress if it should be thrown open to amendments here on the Senate floor and, therefore, the Senate will consider this resolution and, hopefully, approve it as reported from the committee.

Mr. President, it has been nearly 100 years since the Senate last saw fit to readopt or recodify its body of rules. It is true that the Senate has taken such action only six times in its entire history; that is, since the first set of rules was adopted on April 16, 1789. More important, however, is the fact that this has been the longest span of time yet that the Senate has gone without recodifying or readopting its body of standing rules. The next longest period of time was between February 14, 1828, and March 25, 1868—a period of only 40 years; no other period between readoption or recodification of the rules has reached a span of 15 years. Thus it appears the time has come to reexamine the language of the rules defining Senate procedure; all piecemeal changes which have been made by the Senate in its rules and procedure since 1884, from time to time, should be consolidated.

We are not proposing to rewrite the Senate rules of procedure or to make substantive changes therein. A special effort has been made to avoid the introduction of any new subject matter in its procedure or to alter in any manner the established way of doing business by the Senate. The objective has been to redraft the language of the rules as they now exist to define accurately the procedure now utilized by the Senate—frequently omitting language no longer applicable to its existing procedure and practices.

This proposed recodification would eliminate two rules (rule IX and rule XXXI) since they are out of date and have not been used since the early 20th century.

A place for the procedure defined in rule IX has been eliminated. Senate operations have been so established in accordance with other rules that if rule IX were called into play again, it would create confusion and conflict in the established procedures by which the Senate has operated for many years. Rule XXXI is proposed to be stricken since the procedure prescribed thereunder can be cared for under the provisions of rule XXX.

All provisions of the Legislative Reorganization Acts of 1946 and 1970 concerned directly with Senate procedure, and various orders and resolutions adopted from time to time by the Senate, which modify the Senate rules or which establish a particular Senate procedure have been dove-tailed into the appropriate standing rule of the Senate.

Some of the rules have been renumbered, and various provisions of different rules have been transferred from one to the other in order to get like subject matter together as well as related procedures. A special effort has been made to bring the rules together in an orderly fashion where all the material on the same subject may be found at the same place and with the least possible effort.

Effort has been made to avoid making any substantive change in the rules themselves or established procedures of the Senate though much language has been rewritten. For example, rule XXIV, appointment of committee, has been rewritten but without substantive changes in the procedure of electing chairmen and members of committees.

As ruled by the Chair on various occasions, as here proposed, this rewrite of the rule will carry out in every detail the intent of the old rule and at the same time provide for all of the established procedures now utilized by the Senate in the election of committee chairmen and committee memberships. The proposed change simplifies the rule and would avoid the Senate's acting contrary to the provisions of the rule, as has often been the case in recent decades under the rule as now written.

Most of the provisions of the Legislative Reorganization Acts of 1946 and 1970, because of their subject matter, have been consolidated into rules XXVI and XXXI, entitled "Committee Procedure," and "Committee Staffs," respectively; but the provisions of these laws have been rearranged to make them coherent.

The provisions of these two legislative reorganization acts, though the first one was adopted in 1946, still stand completely separated from the standing rules. They should be dovetailed into the standing rules.

Many well-established practices and precedents, such as the two-thirds vote requirement for suspension of the rules—not now written into the rules—were not incorporated in the proposed draft. It was felt, even though such procedure has been well established for many, many years, that this could be considered as introducing too great a substantive change and taking too much liberty in the rewrite of that rule "on amending and suspending the rules of the Senate." However, much of the language has been rewritten to bring certain rules into focus with the existing Senate procedure so as to care for the commonly accepted changes since the last recodification in 1884.

As proposed by this draft, the language of the rules would be much clearer, more coherent, and like subject matter would be brought together in the same place.

Various aspects of Senate structure have been altered during this span of almost a century. To cite only a few illustrations: The phrase "certificate of appointment" did not come into vogue until the adoption of the XVII amendment to the Constitution in 1913. Thus, the rule on presentation of credentials of Senators in the absence of an amendment to that effect, makes no mention of certificates of appointment, and they have now become significant. The appropriate procedure has been established by precedent and practice, but the rules should also be so written.

The same is true in case of the Chaplain. The rules make no mention of the office nor when the daily prayer will be made; orders to that effect have been adopted in part, and precedents and practices have been established, but the rule should be so written.

The Senate frequently does not meet at 12 noon, but the existing rules stipulate the terms 1 o'clock and 2 o'clock for termination of morning business and the morning hour; the appropriate procedure has been established by precedents and practices, but really the rule should be worded so as to define the correct procedure. Hence it is being proposed to use the terms "1 hour" or "2 hours" after convening a new legislative day, which would remove any conflict between the language of the rule and the procedure regardless of the hour the Senate convenes.

Lastly, the language in the last part of paragraph 1 of rule XXXII is obsolete. It provides: "And all papers referred to committees and not reported upon at the close of a session of Congress shall be returned to the office of the Secretary of the Senate, and be retained by him until the next succeeding session of that Congress, when they shall be returned to the several committees to which they had previously been referred." This rule was adopted in 1884 but the Senate workload has grown so since that time that it would be impossible for the Secretary of the Senate to collect and store in his office all of the papers of all of the committees between sessions of a Congress—merely to be returned to the appropriate committee at the beginning of the next session.

There are numerous other provisions just as obsolete or inappropriate. In each instance, changes in the language of the rules are proposed so as to bring them up to date without any substantive change in the rule or to make the rules at variance with the established procedures of the Senate as spelled out by practices and precedents.

During the last century the procedures of the Senate have not only been changed piecemeal, by amending certain provisions of particular rules without correction or modifying the language of all other provisions of the rules which were not in conformity with the specific amendments, but also, just as important, Senate procedures during that time have been greatly modified and supplemented by the passage of the two legislative reorganization acts, previously referred to and by established practices and precedents.

These practices and precedents, established since 1884, though first developed by vote or decision of the Senate or by rulings and statements by the Chair, which the Senate did not see fit to overrule or later, have not been written into the rules; or, at least, the rules have not been rewritten or modified to make them definitive of or to conform to such newly established procedure. To cite only one case in point, the words "on each legislative day" have been inserted at the beginning of rule VII, to make the rule jibe with Senate procedure. The rule now reads: "After the journal is read, the Presiding Officer shall * * *." But the Journal is not required to be read at its meeting following a recess; it is only required under established procedure to be read at the beginning of a new legislative day.

All of this history of changes in Senate procedure has created conflicts between the verbiage of the rules themselves and the actual procedure now utilized by the Senate. This should be corrected. The rules should be recodified so that the language of the rules would properly define the procedure by which the Senate operates. This proposed draft will accomplish that objective.

Mr. BAKER. I yield myself such time as I may utilize.

Mr. President, in 1976, the Rules Committee was directed to prepare a comprehensive recodification of the Standing Rules, while being fully faithful to the practices and procedures of the Senate. The recodification we consider today successfully meets the terms of that mandate.

The recodification is largely the product of Dr. Floyd Riddick, who brought to his efforts considerable credibility and unsurpassed expertise. Dr. Riddick's work is typically straight forward and devoid of partisanship. Without his assistance, this matter might have engendered substantial controversy. Because this is his project, I predict it will readily meet acceptance in the Senate as a whole.

As drafted, the recodification will simplify and expand the language of the Standing Rules. It will coalesce like subject matter and incorporate relevant statutes and precedents. It will ease appreciation and comprehension of Senate procedures.

I am pleased to endorse the recodification and to support its passage.

Mr. President, I also express my appreciation to Marty Gold, of the minority staff, for his assistance to Dr. Riddick and for his good service in the review of this measure.

I urge the adoption of this resolution.

Mr. ROBERT C. BYRD. Mr. President, I join the distinguished minority leader in calling attention to the work that has been done by the Parliamentarian emeritus of the U.S. Senate, Dr. Floyd Riddick, in connection with the revision and recodification of the Senate rules.

Dr. Riddick is the author of a number of books and treatises on Senate rules and Senate procedure. The book we currently use, entitled "Senate Procedure," is the product of Dr. Riddick's work; and it was only fitting that he be assigned the labors of bringing about the revision and recodification of the Senate rules.

I think the fact that the Rules Committee unanimously reported this resolution was a tribute to Dr. Riddick and an indication of the great respect and trust which the members of the Rules Committee place in Dr. Riddick. He was assigned the task of revising and recodifying the rules, making sure that there was no substantive change. Every member of that committee entrusted that work to him, the revision and recodification, without substantive change.

So the committee demonstrated its faith in Dr. Riddick.

Mr. President, this is a rather historic occasion, in a way, when we recall that it has been 95 years since the last revision of the rules, and I doubt that many of us will be around when the next 95 years have come and gone, that being almost a century.

Whether or not the Senate rules will undergo changes between now and the year 2074, I have no way of knowing but they may not. This may be the last recodification revision of the rules that will occur for a long, long time. Certainly if we look back upon the history of the rules we will feel that we have perhaps performed a greater service than we know. At least those of us who have to work daily with the rules and precedents of the Senate do appreciate the achievement that has been attained here and the goal that has been reached.

I have for quite a long time wanted to see the rules revised, recodified, and brought up to date, and that accomplishment is now about to be realized.

I express my gratitude to the distinguished minority leader for his cooperation in helping to get this resolution reported and cleared for floor action.

Mr. President, having been in the Senate 22 years, I have seen rollcalls occur on a lot less important matters than this one and, if the minority leader is agreeable, I suggest that we set a time later today for a vote on this matter and at that time have a rollcall.

Mr. BAKER. Mr. President, if the majority leader will yield to me, I am entirely in accord with that. I think we should. I think it will underscore the importance of this event. I understand the majority leader to say then that we might choose a time, say, later this morning or early this afternoon to do that.

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. I think that is a good suggestion.

Mr. ROBERT C. BYRD. How will the minority leader respond to the hour of, say, 12 noon?

Mr. BAKER. Twelve noon will be fine.

Mr. ROBERT C. BYRD. Very well.

Mr. President, I ask unanimous consent that a vote occur on agreeing to the resolution at 12 noon today without further debate, motion, or amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

Mr. BAKER. Mr. President, I have some time remaining. I have another word or two I wish to speak.

First, I commend the majority leader for his initiative in this respect. I said in the Rules Committee earlier and repeat now that I have never known another man who had such a thorough familiarity of and working knowledge of the rules of the Senate as the distinguished majority leader. He is truly a scholar of the Senate.

I watch both with admiration and sometimes with awe as he works his way through the complexities and the labyrinthian intricacies of the Senate rules.

I think it is especially fitting then that it should be his initiative which produces this recodification of the rules.

I, as well pay my respects to the distinguished senior Republican on the Rules Committee, the Senator from Oregon (Mr. HATFIELD) for his cooperation, encouragement, and efforts to deal with this delicate and difficult matter in his committee. It is characteristic of Senator HATFIELD that he handled the matter promptly, and with characteristic thoroughness.

I pay respect as well to the chairman of the Rules Committee for his efforts. He handles the committee with fairness and efficiency.

Mr. President, in a word, I think this is a job well done and I commend it to all Members of this body for their favorable consideration.

Mr. ROBERT C. BYRD. Mr. President, I share the expressions that have been made by the distinguished minority leader with respect to the thanks that we owe to the chairman of the Rules Committee, Mr. PELL, and the ranking minority member, Mr. HATFIELD. Without their support and cooperation, of course, this resolution would not have been brought to its present stage.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimus consent that the Senate proceed to the consideration of other measures that have been cleared, I believe, by the distinguished minority leader, they being as follows: Calendar Orders Nos. 426, 428, 432, 434, and 435.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, the purpose of the reservation is to advise the majority leader, as he knows, that these items are cleared on our calendar and we have no objection to their consideration and passage.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

BUDGET ACT WAIVER

The resolution (S. Res. 262) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1918, was considered and agreed to, as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 1918, a bill to amend title 10, United States Code, to revise and make uniform the provisions of law relating to appointment, promotion, separation, and retirement of Regular commissioned officers of the Army, Navy, Air Force, and Marine Corps, to establish the grade of commodore admiral in the Navy, to equalize the treatment of male and female commissioned officers, and for other purposes.

Such a waiver is necessary because section 402(a) of the Congressional Budget Act of 1974 provides that it shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which, directly or indirectly, authorizes the enactment of new budget authority for a fiscal year, unless that bill or resolution is reported in the House or the Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year.

For the foregoing reasons, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to S. 1918, as reported by the Committee on Armed Services.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

JUNIOR ACHIEVEMENT WEEK

The joint resolution (S.J. Res. 107) authorizing and requesting the President to issue proclamations designating the weeks of January 21 through January 27, 1979, and January 20 through January 26, 1980, as "Junior Achievement Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That in honor of the sixtieth anniversary of Junior Achievement, an organization dedicated to the American enterprise system, service to youth, and all the freedoms that this partnership embodies, the President is authorized and requested to issue a proclamation designating the week of January 21 through January 27, 1979, as "Junior Achievement Week", and a proclamation designating January 20 through January 26, 1980, as "Junior Achievement Week".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REIMBURSEMENT FOR LEGAL EXPENSES

The resolution (S. Res. 256) authorizing reimbursement of the contingent fund of the Senate for legal expenses incurred by Senator THURMOND in defending a civil action brought against him, was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate is authorized and directed to pay to the Senator from South Carolina (Mr. THURMOND) the sum of $800 in reimbursement for legal expenses, including attorneys' fees, incurred by him in defending the case of Mims against Thurmond in the United States District Court for the Southern District of Georgia (No. 79–2638). Such payment shall be made on a voucher signed by the Senator from South Carolina and approved by the Committee on Rules and Administration.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

GERTRUDE G. DISSMORE

The resolution (S. Res. 276) to pay a gratuity to Gertrude G. Dissmore, was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Gertrude G. Dissmore, mother of Karol A. Reed and to Chester H. Dissmore, father of Karol A. Reed, an employee of the Senate at the time of her death, a sum to each equal to one month's compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

"HANDBOOK FOR SMALL BUSINESS"

The concurrent resolution (S. Con. Res. 45) authorizing the printing of a revised edition of the "Handbook for Small Business" as a Senate document, was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That a revised edition of Senate Document Numbered 91–45, entitled "Handbook for Small Business," explaining programs of Federal departments, agencies, offices, and commissions of benefit to small business and operating pursuant to various statutes enacted by the Congress, shall be printed with illustrations as a Senate document; and that there shall be printed six thousand additional copies of such document, which shall be for the use of the Senate Select Committee on Small Business.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business, that Senators may speak therein up to 3 minutes each, and that the period not extend beyond 10 a.m.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(Mr. ZORINSKY assumed the chair.)

HOME ENERGY ASSISTANCE ACT

The ACTING PRESIDENT pro tempore. Under the previous order the Senate will now resume consideration of the pending business, S. 1724, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 1724) to authorize the Secretary of Health, Education, and Welfare to make grants to States in order to provide assist-

ance to households which cannot meet the high cost of fuel, and for other purposes.

The Senate resumed consideration of the bill.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

Mr. GLENN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DeConcini.) Without objection, it is so ordered.

UP AMENDMENT NO. 805

Mr. GLENN. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Ohio (Mr. Glenn) proposes an unprinted amendment numbered 805.

Mr. GLENN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 32, line 12 strike "not to exceed 15 per centum" and substitute "not to exceed 10 per centum".

On page 32, line 20 add the following: "; *provided, however*, That upon proof of unusual circumstances and upon application to the Secretary, the Secretary may allow any state an additional amount for administration under the conditions of this subsection but not exceeding an additional 5 per centum of the cost of carrying out the plan;"

Mr. GLENN. Mr. President, this amendment will reduce the funds permitted for administrative costs under S. 1724, the Home Energy Assistance Act, from a maximum of 15 percent of program funding to a maximum of 10 percent.

The Labor and Human Resources Committee bill provides that States receiving grants under the home energy grant program may not use more than 15 percent for administrative costs. Of that amount, the Federal share is to be 50 percent of the cost and the State share is the remaining 50 percent. I firmly believe that this 15 percent cost is excessive.

Let me give some figures on this. The bill in its original version authorized $1.6 billion for fiscal 1980. That has now been deleted, as I understand it. However, the bill provides for $3 billion in fiscal 1981 and $4 billion in fiscal 1982.

Fifteen percent of the authorized amounts for the 2 years would mean administrative costs totaling $1.50 billion for that period.

I know from our experience in my own home State of Ohio that an excellent program can be formulated with substantially lower administrative costs than those I have just indicated. In Ohio we have had a program which has operated for the past two winters. The Ohio energy credit program provides for a 25-percent credit on utility bills for eligible households. This amount is paid by the State to the applicable utility.

Mr. President, I realize that the programs that may be set up pursuant to this Home Energy Assistance Act may differ considerably from the Ohio program and may, therefore, have differing administrative costs. But those costs should not be so excessive that they even approach 15 percent. Let me tell the Senate what administrative costs have been for the Ohio program. For the Ohio program, administrative costs for the last two winters ran 1.7 percent of program expenditures for the first year and 2.4 percent in 1978.

Surely, programs in other States could be fashioned so as to limit administrative costs to no more than 10 percent, as my amendment does. In the bill, as it stands now, it would mean that we would be providing six times the administrative support that we experienced in Ohio in 1977 and four times what we experienced in Ohio in 1978. So even allowing for a considerable change of program we should be able to get by with considerably less than the 15 percent provided in the bill.

As Senator Javits has proposed, and I have accepted as part of this amendment, my amendment provides that if there is a showing of very unusual circumstances, if a State elected to come up with a far more complex and complicated plan, for example, which was approved by the Secretary, then, upon apppication to the Secretary, the Secretary might allow any State an additional amount for administrative expenses under the conditions of this particular subsection but in no case to exceed an additional 5 percent of the cost of carrying out the plan.

That would mean that there would have to be unusual circumstances with respect to the administration of a State plan before the Secretary could allow an additional 5 percent of the cost of the State plan for administrative expenses. This 5 percent would have to be divided equally between the Federal and State governments as provided in the subsection.

I agreed with Senator Javits concerning his proposal but with the clear understanding that the Secretary, before such an additional amount could be granted, would have to have very clear and convincing evidence that such an amount was necessary for a State to successfully administer its plan.

I cannot imagine at this moment that the Secretary will have many applications such as this because, with the experience Ohio has had in administering its plan, it has been able to keep administrative expenses relating to the program down to 2.4 percent. I cannot imagine that we are going to have States that would be so completely inefficient and unable to administer similar programs, even expanded programs, that they would need four times what the experience in Ohio has shown they needed.

So I want it clearly understood that there must be clear and convincing evidence of unusual circumstances before the Secretary may allow administrative expenses to exceed 10 percent. The Secretary must insure that if additional funds are permitted for administrative expenses those funds are used for administrative expenses in direct support of this program and this program alone.

I am glad to yield to the Senator from New York.

Mr. JAVITS. Mr. President, first, I am very grateful to the Senator for accepting this proviso. Second, I thoroughly agree with the Senator. Ten percent is a lot of money for administration. And lastly, the Senator will note the proviso calls for proof not just on the existence of unusual circumstances, but proof of unusual circumstances and also the proviso is subject to the 50–50 matching just as is the remainder of the subsection.

So I think with that in mind the Senator's purposes are served, and I thoroughly agree with the Senator on the cut and thank the Senator for accepting the proviso and for yielding.

Mr. GLENN. I thank the Senator for his comments.

Mr. WILLIAMS. Mr. President, certainly the Senator from Ohio has good standing to bring this amendment to us. It is designed to reduce the permitted administrative costs. Many of us are familiar with the experience of Ohio which has had an energy assistance program in place for 2 years, in which a significantly lower level of the program's total costs have been expended for administrative purposes.

I suggest that this national effort does put a greater administrative burden back in the States with our provision for a State plan which must detail the State and local administrative arrangements and procedures and should include descriptions of general administration, outreach activities, determination of eligibility, certification of eligible households, and plans for coordination with related agencies and programs.

This is a program that has to be tight. It is the most humane measure we could come forward with in these times of incredible energy costs. But it must be tight and administered well so that we do not find that great humanitarian effort suffering as some programs have in the past under abuses that arise out of administrative laxities.

So it seems to me that 10 percent can do the job on a matching basis, 5 and 5, with the proviso. So I am happy to accept this measure as modified, that has been proposed by the Senator from Ohio.

Mr. JAVITS. The amendment is acceptable on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

The amendment was agreed to.

Mr. GLENN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WILLIAMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 806

(Purpose: To modify the allocation formula for low income energy assistance)

Mr. WILLIAMS. Mr. President, I send to the desk an amendment, offered for myself and the Senator from Louisiana (Mr. LONG).

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Jersey (Mr. WILLIAMS) for himself and Mr. LONG proposes an unprinted amendment numbered 806.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 19, line 20, strike out "$1,600,000,000 for the fiscal year 1980" and insert in lieu thereof "from the Low Income Energy Assistance Trust Fund established under section 103 of the Crude Oil Windfall Profit Tax Act of 1979".

On page 23, strike out lines 13 through 22, and insert in lieu thereof the following:

(A) first reserve $2,500,000 to be apportioned on the basis of need between the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and Northern Mariana Islands and the Trust Territory of the Pacific Islands, and

(B) then transfer to the Director of the Community Services Administration $100,000,000, subject to the provisions of the second sentence of this paragraph for carrying out energy crisis related activities under section 225(a)(5) of the Economic Opportunity Act of 1964.

The percentage of the amount transferred under subparagraph (B) of this paragraph and available for use in each State shall be the same percentage as the percentage allotted to such State under this section for the total amounts available for allotment to States under subsections (a) and (b) of this section.

On page 23, line 23, strike out "(B)" and insert in lieu thereof "(A)".

On page 39, between lines 17 and 18, insert the following new subsection:

(g) The Secretary, in cooperation with such other agencies as may be appropriate, shall develop and implement the capacity for estimating total annual energy expenditures of low-income households in each State. The Secretary shall submit to the Congress his estimates pursuant to this subsection together with a description of the manner in which they were determined prior to the beginning of each calendar year starting with 1981.

On page 39, beginning with line 18, strike out through line 7 on page 44.

Mr. WILLIAMS. Mr. President, at the same time that the Labor and Human Resources considered legislation to provide assistance to low income households to offset rising energy costs, the Finance Committee also recognized the need for such a program and reported out a program of assistance as part of the crude oil tax bill. Senator LONG and his colleagues on the Finance Committee worked hard to develop this legislation and I commend their efforts. The two programs of assistance, the Home Energy Assistance Act, reported by Labor and Human Resources, and the Finance Committee program, part 2 of title III, of the Crude Oil Tax Act have many similarities.

As the Senate had pending before it these two measures providing assistance to low income households, Senator LONG and I met to discuss the similarities and differences in the bills.

The goals of the two committees were essentially the same. Both sought to offset rapidly rising home energy costs for those least able to pay for such increases. The programs of assistance provided and the eligible population were also very similar. Therefore, Senator LONG, the chairman of the Finance Committee, and I concluded that an appropriate course to follow would be to come to a compromise between the two bills, and that is embodied in the amendment which is now pending before the Senate.

The amendment Senator LONG and I are offering has five parts. The first part of the amendment strikes the 1980 authorization level of $1.6 billion and ties the authorization for fiscal year 1981 and fiscal year 1982 to the low income energy assistance trust fund created by the windfall profits tax. When the Labor and Human Resources Committee reported out S. 1724, a conference agreement had not been reached on funding for a low income energy assistance program for fiscal year 1980. Therefore, although the committee believed there was sufficient authority for a 1980 appropriation under section 222(a)(5) of the Economic Opportunity Act, which is under the jurisdiction of the committee, a 1980 authorization was included in order to express the committee's intent with regard to the 1980 appropriation. Now that the funding for fiscal year 1980 is assured in the interior conference report, it is appropriate that the authorization in S. 1724 be dropped. Section 14 provides for the program of assistance for fiscal year 1980. The Williams-Long amendment strikes section 14 which details the particulars of the program, as well as the actual authorization for 1980 contained in section 4.

S. 1724 is not presently tied to the windfall profits tax, although the members of the Labor and Human Resources Committee intended that the program be funded from the revenue derived from that tax if the tax were enacted. The Finance Committee program is tied directly to the tax, and this amendment authorizes appropriations to be made only from the low income energy assistance trust fund created by the Crude Oil Windfall Profit Tax Act.

A new study is added to section 9 which provides for uniform data collection. Information on energy expenditure is not currently available by income class. The study directs that the Secretary develop a capacity for determining annual energy expenditure by low income households in each State. This data will certainly be useful to the committee in reauthorizing S. 1724.

The amendment makes a technical change in section (6)(B) changing the order of the set asides for Puerto Rico and the territories and the CSA allocation for crisis activities, and it also clarifies the intent that the formula apply to the transferred funds.

The original Williams-Long amendment as it was printed in the RECORD also contained a provision which established a floor in the State allocation formula. That floor was based on the formula that the Finance Committee developed and the amendment published did include that floor amendment.

The amendment which is now pending does not include the floor provisions in the original Williams-Long amendment. They will be arrived at a later time when the formula decision is before the Senate. It is not timely for that part of allocation to be considered now, so the amendment that is pending does not have that part of the printed Williams-Long amendment. Again, that floor principle will be applied later.

This is another situation where in the Committee on Labor and Human Resources we have had a very cooperative attitude with the other committee, the Committee on Finance, and its chairman, the most distinguished Senator from Louisiana. It is always an enlightening occasion to work with him, and always in an atmosphere of full cooperation of attitudes. I am glad we have been able to come together with this amendment which will solidify this relationship of common objectives of the Senate Labor and Human Resources Committee with the Finance Committee.

Mr. LONG. Mr. President, I congratulate the Senator for offering this amendment. It demonstrates again that the Human Resources Committee can work with the Finance Committee in achieving goals that are desirable for the country. We can appreciate the merits of the suggestions of one another and we can resolve our differences without asking the Senate to resolve them for us. We have been able to work together on legislation in this fashion where it has been necessary for the two committees to recognize that both have a very compelling interest in a matter. I am pleased to say it has been a joy to work with the leadership of the Human Resources Committee, so ably headed on both sides of the aisle by men whom I admire, who are statesmen, the Senator from New Jersey (Mr. WILLIAMS), the Senator from New York (Mr. JAVITS), and the Senator from Pennsylvania (Mr. SCHWEIKER). And may I say the Senator from Wisconsin (Mr. NELSON) has been a great catalyst. He serves on both committees and has been a very effective contributor. I am very pleased with this amendment.

Mr. SCHWEIKER. Mr. President, I want to join in supporting this amendment. I think it is a good accommodation between our Committee on Human Resources and the Finance Committee. I believe it does tie the proposal into the windfall tax approach and I think it makes sense. I support it.

Mr. WILLIAMS. Mr. President, this harmony comes at a most appropriate time when we have been joined on the floor by a former colleague, a former Senator from Wyoming, Mr. Hansen. Notice how fabulous he looks.

Mr. SCHWEIKER. He looks very good, Mr. President. I commend the great service he rendered to this body. I am delighted to see Cliff again. I was proud to serve with him as a Senator and I am glad to have him back.

Mr. WILLIAMS. Mr. President, I do not have any other request for time on this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WILLIAMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LONG. I move to lay that motion on the table, Mr. President.

The motion to lay on the table was agreed to.

Mr. WILLIAMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HEFLIN). Without objection, it is so ordered.

REVISED STANDING RULES OF THE SENATE

The Senate continued with the consideration of Senate Resolution 274.

Mr. ROBERT C. BYRD. Mr. President, this request has been cleared with the distingiushed minority leader.

UP AMENDMENT NO. 807

I ask unanimous consent that in Senate Resolution 274, where the words "on objection by any Senator" appear in rule XVI, the phrase be changed to "on a point of order made by any Senator."

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I also ask unanimous consent that the same phrase be stricken from rule XV, paragraph 3.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield for a question?

Mr. ROBERT C. BYRD. I yield.

Mr. HARRY F. BYRD, JR. As I understand it, this makes no substantive change in the rules of the Senate.

Mr. ROBERT C. BYRD. The Senator is correct.

I made this request to remove any question about there having been any substantive change in the paragraph and the provision alluded to.

Mr. HARRY F. BYRD, JR. So the entire resolution codifies the rules but makes no substantive change.

Mr. ROBERT C. BYRD. Codifies and revises the rules but makes no substantive change.

The instance here is one in which the Parliamentarian emeritus thought there might have been substantive change without intent. The request is to make it clear that there is none.

Mr. HARRY F. BYRD, JR. I thank the able majority leader.

Mr. ROBERT C. BYRD. I thank my friend.

The PRESIDING OFFICER. Under the previous order, the vote will now occur on Senate Resolution 274.

Mr. ROBERT C. BYRD. Mr. President, this may underline what I just said to Senator HARRY F. BYRD, JR.:

The resolution on which we will now vote makes no substantive change whatsoever in the rules. It merely codifies and revises the rules, brings them up to date, brings them all into one place—the Senate rules involved in the Legislative Reorganization Act of 1946, the Legislative Reorganization Act of 1970. It brings all these together, it deletes any obsolete rules, and is the first revision and codification of the rules that has occured since 1884—95 years.

I hope all Senators will vote for this historic resolution, on this historic occasion.

Mr. LONG. Mr. President, will the Senator explain that again, please?

Mr. ROBERT C. BYRD. The Senate has revised and codified its rules only six times since 1789. The last time it was done was 95 years ago, in 1884.

Three years ago, I submitted a resolution to provide that the rules be revised and codified, and the Parliamentarian emeritus of the Senate, Dr. Riddick, was assigned this task by the Rules Committee. He has completed the task, and it was circulated to all members of the Rules Committee several weeks ago, and the committee reported the resolution unanimously.

I simply was assuring Senators that no substantive changes in the rules will be enacted by the adoption of this resolution.

Mr. LONG. I thank the Senator.

Mr. ROBERT C. BYRD. I thank the Senator from Louisiana.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

● Mr. HATFIELD. Mr. President, I salute the majority and minority leaders for their diligence in bringing the monumental task of updating our rules to a conclusion. It has been too many years since the Senate acted to update its rules, to insure that all relevant provisions of law, simple Senate resolution, and accepted practice were brought within the ambit of the rules. Since the last recodification, we have seen major reorganizations of prominent elements of the Senate, through the Legislative Reorganization Acts of 1946 and 1970, and the major changes brought about by Senate Resolution 4 of the 95th Congress. Yet one wishing to understand these wholesale changes could not find them in the rules of this body. Although bringing this outside material into the rules will double their size, we will emerge with the comforting knowledge that all pertinent provisions are encompassed in this one document.

My sincere thanks also to our Parliamentarian emeritus, Dr. Floyd Riddick, whose task this recodification has largely been. The Senate and Rules Committee acted wisely in selecting Dr. Riddick to accomplish this difficult task, for few have an equal command of the rules.

Senate Resolution 274 has been scrutinized carefully by the minority leader and his staff, by myself as ranking minority member of the Committee on Rules and Administration, by the minority staff of that committee, and by many other Members on this side of the aisle. I am confident that this document is true to its charge of not altering the substance of the rules.

Mr. President, I would like to add one note for the future. In a few years we could easily find ourselves in the identical situation of having an official body of rules which does not encompass all relevant measures affecting our practices and procedures. Once again we may have to ask an authority on the rules, such as Dr. Riddick, to update them, when with a little discipline, we can easily keep them updated ourselves. In my view, the proper place for the precepts and principles dictating the workings of this body is in the rules. I would discourage other Members from suggesting modifications to the rules in the form of statutes, or simple resolutions which do not amend the rules, and I would urge this body not to consider proposals in forms other than modifications to this document. Let us insure that our rules are what they were intended to be—a document containing all governing principles of this great body.●

The PRESIDING OFFICER. The question is on agreeing to the resolution. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Massachusetts (Mr. KENNEDY) and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Kansas (Mr. DOLE) is necessarily absent.

The PRESIDING OFFICER. Are there other Senators in the Chamber wishing to vote?

The result was announced—yeas 97, nays 0, as follows:

[Rollcall Vote No. 406 Leg.]

YEAS—97

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart

Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—0

NOT VOTING—3

Dole
Kennedy
Moynihan

So the resolution (S. Res. 274), was agreed to, as follows:

S. RES. 274

Resolved, That the Standing Rules for Conducting Business in the United States Senate are amended to read as follows:

"STANDING RULES OF THE SENATE

"RULE I

"APPOINTMENT OF A SENATOR TO THE CHAIR

"1. In the absence of the Vice President, the Senate shall choose a President pro tempore, who shall hold the office and execute the duties thereof during the pleasure of the Senate and until another is elected or his term of office as a Senator expires.

"2. In the absence of the Vice President, and pending the election of a President pro tempore, the Acting President pro tempore or the Secretary of the Senate, or in his absence the Assistant Secretary, shall perform the duties of the Chair.

"3. The President pro tempore shall have the right to name in open Senate or, if absent, in writing, a Senator to perform the duties of the Chair, including the signing of duly enrolled bills and joint resolutions but such substitution shall not extend beyond an adjournment, except by unanimous consent; and the Senator so named shall have the right to name in open session, or, if absent, in writing, a Senator to perform the duties of the Chair, but not to extend beyond an adjournment, except by unanimous consent.

"RULE II

"PRESENTATION OF CREDENTIALS AND QUESTIONS OF PRIVILEGE

"1. The presentation of the credentials of Senators elect or of Senators designate and other questions of privilege shall always be in order, except during the reading and correction of the Journal, while a question of order or a motion to adjourn is pending, or while the Senate is voting or ascertaining the presence of a quorum; and all questions and motions arising or made upon the presentation of such credentials shall be proceeded with until disposed of.

"2. The Secretary shall keep a record of the certificates of election and certificates of appointment of Senators by entering in a well-bound book kept for that purpose the date of the election or appointment, the name of the person elected or appointed, the date of the certificate, the name of the governor and the secretary of state signing and counter-signing the same, and the State from which such Senator is elected or appointed.

"3. The Secretary of the Senate shall send copies of the following recommended forms to the governor and secretary of state of each State wherein an election is about to take place or an appointment is to be made so that they may use such forms if they see fit.

"THE RECOMMENDED FORMS FOR CERTIFICATES OF ELECTION AND CERTIFICATE OF APPOINTMENT ARE AS FOLLOWS:

"CERTIFICATE OF ELECTION FOR SIX-YEAR TERM

" 'To the President of the Senate of the United States:

" 'This is to certify that on the — day of ——, 19—, A—— B—— was duly chosen by the qualified electors of the State of —— a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3d day of January, 19—.

" 'Witness: His excellency our governor —, and our seal hereto affixed at ——— this — day of ——, in the year of our Lord 19—.

" 'By the governor:

" 'C—— D——,
" 'Governor.

" 'E—— F——,
" 'Secretary of State.' "

" 'CERTIFICATE OF ELECTION FOR UNEXPIRED TERM

" 'To the President of the Senate of the United States:

" 'This is to certify that on the — day of ——, 19—, A—— B—— was duly chosen by the qualified electors of the State of —— a Senator for the unexpired term ending at noon at the 3d day of January, 19—, to fill the vacancy in the representation from said State in the Senate of the United States caused by the —— of C—— D——.

" 'Witness: His excellency our governor ——, and our seal hereto affixed at ——— this — day of ——, in the year of our Lord 19—.

" 'By the governor:

" 'E—— F——,
" 'Governor.

" 'G—— H——,
" 'Secretary of State.' "

" 'CERTIFICATE OF APPOINTMENT

" 'To the President of the Senate of the United States:

" 'This is to certify that, pursuant to the power vested in me by the Constitution of the United States and the laws of the State of ——, I, A—— B——, the governor of said State, do hereby appoint C—— D—— a Senator from said State to represent said State in the Senate of the United States until the vavancy therein caused by the —— of E—— F——, is filled by election as provided by law.

" 'Witness: His excellency our governor ——, and our seal hereto affixed at ——— this — day of ——, in the year of our Lord 19—.

" 'By the governor:

" 'G—— H——,
" 'Governor.

" 'I—— J——,
" 'Secretary of State.' "

"RULE III

"OATHS

"The oaths or affirmations required by the Constitution and prescribed by law shall be taken and subscribed by each Senator, in open Senate, before entering upon his duties.

"OATH REQUIRED BY THE CONSTITUTION AND BY LAW TO BE TAKEN BY SENATORS

"I, A B, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter: So help me God. (5 U.S.C. 3331.)

"RULE IV

"COMMENCEMENT OF DAILY SESSIONS

"1. (a) The Presiding Officer having taken the chair, following the prayer by the Chaplain, and a quorum being present, the Journal of the preceding day shall be read, and any mistake made in the entries corrected. Except as provided in subparagraph (b) the reading of the Journal shall not be suspended unless by unanimous consent; and when any motion shall be made to amend or correct the same, it shall be deemed a privileged question, and proceeded with until disposed of.

"(b) Whenever the Senate is proceeding under paragraph 2 of rule XXII, the reading of the Journal shall be dispensed with and shall be considered approved to date.

"2. During a session of the Senate when that body is in continuous session, the Presiding Officer shall temporarily suspend the business of the Senate at noon each day for the purpose of having the customary daily prayer by the Chaplain.

"RULE V

"JOURNAL

"1. The proceedings of the Senate shall be briefly and accurately stated on the Journal. Messages of the President in full; titles of bills and resolutions, and such parts as shall be affected by proposed amendments; every vote, and a brief statement of the contents of each petition, memorial, or paper presented to the Senate, shall be entered.

"2. The legislative, the executive, the confidential legislative proceedings, and the proceedings when sitting as a Court of Impeachment, shall each be recorded in a separate book.

"RULE VI

"QUORUM—ABSENT SENATORS MAY BE SENT FOR

"1. A quorum shall consist of a majority of the Senators duly chosen and sworn.

"2. No Senator shall absent himself from the service of the Senate without leave.

"3. If, at any time during the daily sessions of the Senate, a question shall be raised by any Senator as to the presence of a quorum, the Presiding Officer shall forthwith direct the Secretary to call the roll and shall announce the result, and these proceedings shall be without debate.

"4. Whenever upon such roll call it shall be ascertained that a quorum is not present, a majority of the Senators present may direct the Sergeant at Arms to request, and, when necessary, to compel the attendance of the absent Senators, which order shall be determined without debate; and pending its execution, and until a quorum shall be present, no debate nor motion, except to adjourn, or to recess pursuant to a previous order entered by unanimous consent, shall be in order.

"RULE VII

"MORNING BUSINESS

"1. On each legislative day after the Journal is read, the Presiding Officer on demand of any Senator shall lay before the Senate messages from the President, reports and communications from the heads of Departments, and other communications addressed to the Senate, and such bills, joint resolutions, and other messages from the House of Representatives as may remain upon his table from any previous dav's session undisposed of. The Presiding Officer on demand of any Senator shall then call for, in the following order:

"The presentation of petitions and memorials.

"Reports of committees.

"The introduction of bills and joint resolutions.

"The submission of other resolutions.

All of which shall be received and disposed of in such order, unless unanimous consent shall be otherwise given, with newly offered resolutions being called for before resolutions coming over from a previous legislative day are laid before the Senate.

"2. Until the morning business shall have been concluded, and so announced from the Chair, or until one hour after the Senate convenes at the beginning of a new legislative day, no motion to proceed to the consideration of any bill, resolution, report of a committee, or other subject upon the Calendar shall be entertained by the Presiding Officer, unless by unanimous consent: *Provided, however,* That on Mondays which are the beginning of a legislative day the Calendar shall be called under rule VIII, and until two hours after the Senate convenes no motion shall be entertained to proceed to the consideration of any bill, resolution, or other subject upon the Calendar except the motion to continue the consideration of a bill, resolution, or other subject against objection as provided in rule VIII, or until the call of the Calendar has been completed.

"3. The Presiding Officer may at any time lay, and it shall be in order at any time for a Senator to move to lay, before the Senate, any bill or other matter sent to the Senate by the President or the House of Representatives for appropriate action allowed under the rules and any question pending at that time shall be suspended for this purpose. Any motion so made shall be determined without debate.

"4. Petitions or memorials shall be referred, without debate, to the appropriate committee according to subject matter on the same basis as bills and resolutions, if signed by the petitioner or memorialist. A question of receiving or reference may be raised and determined without debate. But no petition or memorial or other paper signed by citizens or subjects of a foreign power shall be received, unless the same be transmitted to the Senate by the President.

"5. Only a brief statement of the contents of petitions and memorials shall be printed in the Congressional Record; and no other portion of any petition or memorial shall be printed in the Record unless specifically so ordered by vote of the Senate, as provided for in paragraph 1 of rule XXIX, in which case the order shall be deemed to apply to the body of the petition or memorial only; and names attached to the petition or memorial shall not be printed unless specially ordered, except that petitions and memorials from the legislatures or conventions, lawfully called, of the respective States, Territories, and insular possessions shall be printed in full in the Record whenever presented.

"6. Senators having petitions, memorials, bills, or resolutions to present after the morning hour may deliver them in the absence of objection to the Presiding Officer's desk, endorsing upon them their names, and with the approval of the Presiding Officer, they shall be entered on the Journal with the names of the Senators presenting them and in the absence of objection shall be considered as having been read twice and referred to the appropriate committees, and a transcript of such entries shall be furnished to the official reporter of debates for publication in the Congressional Record, under the direction of the Secretary of the Senate.

"RULE VIII

"ORDER OF BUSINESS

"1. At the conclusion of the morning business at the beginning of a new legislative day, unless upon motion the Senate shall at any time otherwise order, the Senate shall proceed to the consideration of the Calendar of Bills and Resolutions, and shall continue such consideration until 2 hours after the Senate convenes on such day; and bills and resolutions that are not objected to shall be taken up in their order, and each Senator shall be entitled to speak once and for five minutes only upon any question; and an objection may be interposed at any stage of the proceedings, but upon motion the Senate may continue such consideration; and this order shall commence immediately after the call for 'other resolutions', or after disposition of resolutions coming 'over under the rule', and shall take precedence of the unfinished business and other special orders. But if the Senate shall proceed on motion with the consideration of any matter notwithstanding an objection, the foregoing provisions touching debate shall not apply.

"2. All motions made during the first two hours of a new legislative day to proceed to the consideration of any matter shall be determined without debate, except motions to proceed to the consideration of any motion, resolution, or proposal to change any of the Standing rules of the Senate shall be debatable. Motions made after the first two hours of a new legislative day to proceed to the consideration of bills and resolutions are debatable.

"RULE IX

"MESSAGES

"1. Messages from the President of the United States or from the House of Representatives may be received at any stage of proceedings, except while the Senate is voting or ascertaining the presence of a quorum, or while the Journal is being read, or while a question of order or a motion to adjourn is pending.

"2. Messages shall be sent to the House of Representatives by the Secretary, who shall previously certify the determination of the Senate upon all bills, joint resolutions, and other resolutions which may be communicated to the House, or in which its concurrence may be requested; and the Secretary shall also certify and deliver to the President of the United States all resolutions and other communications which may be directed to him by the Senate.

"RULE X

"SPECIAL ORDERS

"1. Any subject may, by a vote of two-thirds of the Senators present, be made a special order of business for consideration and when the time so fixed for its consideration arrives the Presiding Officer shall lay it before the Senate, unless there be unfinished business in which case it takes its place on the Calendar of Special Orders in the order of time at which it was made special, to be considered in that order when there is no unfinished business.

"2. All motions to change such order, or to proceed to the consideration of other business, shall be decided without debate.

"RULE XI

"OBJECTION TO READING A PAPER

"When the reading of a paper is called for, and objected to, it shall be determined by a vote of the Senate, without debate.

"RULE XII

"VOTING PROCEDURE

"1. When the yeas and nays are ordered, the names of Senators shall be called alphabetically; and each Senator shall, without debate, declare his assent or dissent to the question, unless excused by the Senate; and no Senator shall be permitted to vote after the decision shall have been announced by the Presiding Officer, but may for sufficient reasons, with unanimous consent, change or withdraw his vote. No motion to suspend this rule shall be in order, nor shall the Presiding Officer entertain any request to suspend it by unanimous consent.

"2. When a Senator declines to vote on call of his name, he shall be required to assign his reasons therefor, and having assigned them, the Presiding Officer shall submit the question to the Senate: 'Shall the Senator for the reasons assigned by him, be excused from voting?' which shall be decided without debate; and these proceedings shall be had after the rollcall and before the result is announced; and any further proceedings in reference thereto shall be after such announcement.

"3. A Member, notwithstanding any other provision of this rule, may decline to vote, in committee or on the floor, on any matter when he believes that his voting on such a matter would be a conflict of interest.

"4. No request by a Senator for unanimous consent for the taking of a final vote on a specified date upon the passage of a bill or joint resolution shall be submitted to the Senate for agreement thereto until after a quorum call ordered for the purpose by the Presiding Officer, it shall be disclosed that a quorum of the Senate is present; and when a unanimous consent is thus given the same shall operate as the order of the Senate, but any unanimous consent may be revoked by another unanimous consent granted in the manner prescribed above upon one day's notice.

"RULE XIII

"RECONSIDERATION

"1. When a question has been decided by the Senate, any Senator voting with the prevailing side or who has not voted may, on the same day or on either of the next two days of actual session thereafter, move a reconsideration; and if the Senate shall refuse to reconsider such a motion entered, or if such a motion is withdrawn by leave of the Senate, or if upon reconsideration the Senate shall affirm its first decision, no further motion to reconsider shall be in order unless by unanimous consent. Every motion to reconsider shall be decided by a majority vote, and may be laid on the table without affecting the question in reference to which the same is made, which shall be a final disposition of the motion.

"2. When a bill, resolution, report, amendment, order, or message, upon which a vote has been taken, shall have gone out of the possession of the Senate and been communicated to the House of Representatives, the motion to reconsider shall be accompanied by a motion to request the House to return the same; which last motion shall be acted upon immediately, and without debate, and if determined in the negative shall be a final disposition of the motion to reconsider.

"RULE XIV

"BILLS, JOINT RESOLUTIONS, AND RESOLUTIONS

"1. Whenever a bill or joint resolution shall be offered, its introduction shall, if objected to, be postponed for one day.

"2. Every bill and joint resolution shall receive three readings previous to its passage which readings on demand of any Senator shall be on three different legislative days, and the Presiding Officer shall give notice at each reading whether it be the first, second, or third: *Provided*, That each reading may be by title only, unless the Senate in any case shall otherwise order.

"3. No bill or joint resolution shall be committed or amended until it shall have been twice read, after which it may be referred to a committee; bills and joint resolutions introduced on leave, and bills and joint resolutions from the House of Representatives, shall be read once, and may be read twice, if not objected to, on the same day for reference, but shall not be considered on that day nor debated, except for reference, unless by unanimous consent.

"4. Every bill and joint resolution reported from a committee, not having previously been read, shall be read once, and twice, if not objected to, on the same day, and placed on the Calendar in the order in which the same may be reported; and every bill and joint resolution introduced on leave, and every bill and joint resolution of the House of Representatives which shall have received a first and second reading without being referred to a committee, shall, if objection be made to further proceeding thereon, be placed on the Calendar.

"5. All bills, amendments, and joint resolutions shall be examined under the supervision of the Secretary of the Senate before they go out of the possession of the Senate and all bills and joint resolutions which shall have passed both Houses shall be examined under the supervision of the Secretary of the Senate, to see that the same are correctly enrolled, and, when signed by the Speaker of the House and the President of the Senate, the Secretary of the Senate shall forthwith present the same, when they shall have originated in the Senate, to the President of the United States and report the fact and date of such presentation to the Senate.

"6. All other resolutions shall lie over one day for consideration, if not referred, unless by unanimous consent the Senate shall otherwise direct. When objection is heard to the immediate consideration of a resolution or motion when it is submitted, it shall be placed on the Calendar under the heading of 'Resolutions and Motions over, under the Rule,' to be laid before the Senate on the next legislative day when there is no further morning business but before the close of morning business and before the termination of the morning hour.

"RULE XV

"BILLS—COMMITMENT AND CONSIDERATION BARRED

"1. When a bill or joint resolution shall have been ordered to be read a third time, it shall not be in order to propose amendments, unless by unanimous consent, but it shall be in order at any time before the passage of any bill or resolution to move its commitment; and when the bill or resolution shall again be reported from the committee it shall be placed on the Calendar.

"2. Whenever a private bill, except a bill for a pension, is under consideration, it shall be in order to move the adoption of a resolution to refer the bill to the Chief Commissioner of the Court of Claims for a report in conformity with section 2509 of title 28, United States Code.

"3. No private bill or resolution (including so-called omnibus claims or pension bills), and no amendment to any bill or resolution, authorizing or directing (1) the payment of money for property damages, personal injuries, or death, for which a claim may be filed under chapter 171 of title 28, United States Code, or for a pension (other than to carry out a provision of law or treaty stipulation); (2) the construction of a bridge across a navigable stream; or (3) the correction of a military or naval record, shall be received or considered.

"RULE XVI

"APPROPRIATIONS AND AMENDMENTS TO GENERAL APPROPRIATIONS BILLS

"1. On a point of order made by any Senator, no amendments shall be received to any general appropriation bill the effect of which will be to increase an appropriation already contained in the bill, or to add a new item of appropriation, unless it be made to carry out the provisions of some existing law, or treaty stipulation, or act or resolution previously passed by the Senate during that session; or unless the same be moved by direction of the Committee on Appropriations or of a committee of the Senate having legislative jurisdiction of the subject matter, or proposed in pursuance of an estimate submitted in accordance with law.

"2. The Committee on Appropriations shall not report an appropriation bill containing amendments to such bill proposing new or general legislation or any restriction on the expenditure of the funds appropriated which proposes a limitation not authorized by law if such restriction is to take effect or cease to be effective upon the happening of a contingency, and if an appropriation bill is reported to the Senate containing amendments to such bill proposing new or general legislation or any such restriction, a point of order may be made against the bill, and if the point is sustained, the bill shall be recommitted to the Committee on Appropriations.

"3. All amendments to general appropriation bills moved by direction of a committee having legislative jurisdiction of the subject matter proposing to increase an appropriation already contained in the bill, or to add new items of appropriation, shall, at least one day before they are considered, be referred to the Committee on Appropriations, and when actually proposed to the bill no amendment proposing to increase the amount stated in such amendment shall be received on objection by any Senator.

"4. On a point of order made by any Senator, no amendment offered by any other Senator which proposes general legislation shall be received to any general appropriation bill, nor shall any amendment not germane or relevant to the subject matter contained in the bill be received; nor shall any amendment to any item or clause of such bill be received which does not directly relate thereto; nor shall any restriction on the expenditure of the funds appropriated which proposes a limitation not authorized by law be received if such restriction is to take effect or cease to be effective upon the happening of a contingency; and all questions of relevancy of amendments under this rule, when raised, shall be submitted to the Senate and be decided without debate; and any such amendment or restriction to a general appropriation bill may be laid on the table without prejudice to the bill.

"5. On a point of order made by any Senator, no amendment, the object of which is to provide for a private claim, shall be received to any general appropriation bill, unless it be to carry out the provisions of an existing law or a treaty stipulation, which shall be cited on the face of the amendment.

"6. When a point of order is made against any restriction on the expenditure of funds appropriated in a general appropriation bill on the ground that the restriction violates this rule, the rule shall be construed strictly and, in case of doubt, in favor of the point of order.

"7. Every report on general appropriation bills filed by the Committee on Appropriations shall identify with particularity each recommended amendment which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.

"8. On a point of order made by any Senator, no general appropriation bill or amendment thereto shall be received or considered if it contains a provision reappropriating unexpended balances of appropriations; except that this provision shall not apply to appropriations in continuation of appropriations for public works on which work has commenced.

"RULE XVII

"AMENDMENT MAY BE LAID ON THE TABLE WITHOUT PREJUDICE TO THE BILL

"When an amendment proposed to any pending measure is laid on the table, it shall not carry with it, or prejudice, such measure.

"RULE XVIII

"AMENDMENTS—DIVISION OF A QUESTION

"If the question in debate contains several propositions, any Senator may have the same divided, except a motion to strike out and insert, which shall not be divided; but the rejection of a motion to strike out and insert one proposition shall not prevent a motion to strike out and insert a different proposition; nor shall it prevent a motion simply to strike out; nor shall the rejection of a motion to strike out prevent a motion to strike out and insert. But pending a motion to strike out and insert, the part to be stricken out and the part to be inserted shall each be regarded for the purpose of amendment as a question; and motions to amend the part to be stricken out shall have precedence.

"RULE XIX

"DEBATE

"1. (a) When a Senator desires to speak, he shall rise and address the Presiding Officer, and shall not proceed until he is recognized, and the Presiding Officer shall recognize the Senator who shall first address him. No Senator shall interrupt another Senator in debate without his consent, and to obtain such consent he shall first address the Presiding Officer, and no Senator shall speak more than twice upon any one question in debate on the same legislative day without leave of the Senate, which shall be determined without debate.

"(b) At the conclusion of the morning hour at the beginning of a new legislative day or after the unfinished business or any pending business has first been laid before the Senate on any calendar day, and until after the duration of three hours of actual session after such business is laid down except as determined to the contrary by unanimous consent or on motion without debate, all debate shall be germane and confined to the specific question then pending before the Senate.

"2. No Senator in debate shall, directly or indirectly, by any form of words impute to another Senator or to other Senators any conduct or motive unworthy or unbecoming a Senator.

"3. No Senator in debate shall refer offensively to any State of the Union.

"4. If any Senator, in speaking or otherwise, in the opinion of the Presiding Officer transgress the rules of the Senate the Presiding Officer shall, either on his own motion or at the request of any other Senator, call him to order; and when a Senator shall be called to order he shall take his seat, and may not proceed without leave of the Senate, which, if granted, shall be upon motion that he be allowed to proceed in order, which motion shall be determined without debate. Any Senator directed by the Presiding Officer to take his seat, and any Senator requesting the Presiding Officer to require a Senator to take his seat, may appeal from the ruling of the Chair, which appeal shall be open to debate.

"5. If a Senator be called to order for words spoken in debate, upon the demand of the Senator or of any other Senator, the exceptionable words shall be taken down in writing, and read at the table for the information of the Senate.

"6. Whenever confusion arises in the Chamber or the galleries, or demonstrations of approval or disapproval are indulged in by the occupants of the galleries, it shall be the duty of the Chair to enforce order on his own initiative and without any point of order being made by a Senator.

"7. No Senator shall introduce to or bring to the attention of the Senate during its sessions any occupant in the galleries of the Senate. No motion to suspend this rule shall be in order, nor may the Presiding Officer entertain any request to suspend it by unanimous consent.

"8. Former Presidents of the United States shall be entitled to address the Senate upon appropriate notice to the Presiding Officer who shall thereupon make the necessary arrangements.

"RULE XX

"QUESTIONS OF ORDER

"1. A question of order may be raised at any stage of the proceedings, except when the Senate is voting or ascertaining the presence of a quorum, and, unless submitted to the Senate, shall be decided by the Presiding Officer without debate, subject to an appeal to the Senate. When an appeal is taken, any subsequent question of order which may arise before the decision of such appeal shall be decided by the Presiding Officer without debate; and every appeal therefrom shall be decided at once, and without debate; and any appeal may be laid on the table without prejudice to the pending proposition, and thereupon shall be held as affirming the decision of the Presiding Officer.

"2. The Presiding Officer may submit any question of order for the decision of the Senate.

"RULE XXI

"MOTIONS AND AMENDMENTS

"1. All motions and amendments shall be reduced to writing, if desired by the Presiding Officer or by any Senator, and shall be read before the same shall be debated.

"2. Any motion, amendment, or resolution may be withdrawn or modified by the mover at any time before a decision, amendment, or ordering of the yeas and nays, except a motion to reconsider, which shall not be withdrawn without leave.

"RULE XXII

"PRECEDENCE OF MOTIONS

"1. When a question is pending, no motion shall be received but—

"To adjourn.

"To adjourn to a day certain, or that when the Senate adjourn it shall be to a day certain.

"To take a recess.

"To proceed to the consideration of executive business.

"To lay on the table.

"To postpone indefinitely.

"To postpone to a day certain.

"To commit.

"To amend.

Which several motions shall have precedence as they stand arranged; and the motions relating to adjournment, to take a recess, to proceed to the consideration of executive business, to lay on the table, shall be decided without debate.

"2. Notwithstanding the provisions of rule II or rule IV or any other rule of the Senate, at any time a motion signed by sixteen Senators, to bring to a close the debate upon any measure, motion, other matter pending before the Senate, or the unfinished business, is presented to the Senate, the Presiding Officer, or clerk at the direction of the Presiding Officer, shall at once state the motion to the Senate, and one hour after the Senate meets on the following calendar day but one, he shall lay the motion before the Senate and direct that the clerk call the roll, and upon the ascertainment that a quorum is present, the Presiding Officer shall, without debate, submit to the Senate by a yea-and-nay vote the question:

" 'Is it the sense of the Senate that the debate shall be brought to a close?'

"And if that question shall be decided in the affirmative by three-fifths of the Senators duly chosen and sworn—except on a measure or motion to amend the Senate rules, in which case the necessary affirmative vote shall be two-thirds of the Senators present and voting—then said measure, motion, or other matter pending before the Senate, or the unfinished business, shall be the unfinished business to the exclusion of all other business until disposed of.

"Thereafter no Senator shall be entitled to speak in all more than one hour on the measure, motion, or other matter pending before the Senate, or the unfinished business, the amendments thereto, and motions affecting the same, and it shall be the duty of the Presiding Officer to keep the time of each Senator who speaks. Except by unanimous consent, no amendment shall be proposed after the vote to bring the debate to a close, unless it had been submitted in writing to the Journal Clerk by 1 o'clock p.m. on the day following the filing of the cloture motion if an amendment in the first degree, and unless it had been so submitted at least one hour prior to the beginning of the cloture vote if an amendment in the second degree. No dilatory motion, or dilatory amendment, or amendment not germane shall be in order. Points of order, including questions of relevancy, and appeals from the decision of the Presiding Officer, shall be decided without debate.

"After no more than one hundred hours of consideration of the measure, motion, or other matter on which cloture has been invoked, the Senate shall proceed, without any further debate on any question, to vote on the final disposition thereof to the exclusion of all amendments not then actually pending before the Senate at that time and to the exclusion of all motions, except a motion to table, or to reconsider and one quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before the final vote begins. The one hundred hours may be increased by the adoption of a motion, decided without debate by a three-fifths affirmative vote of the Senators ably chosen and sworn, and any such time thus agreed upon shall be equally divided between and controlled by the Majority and Minority Leaders or their designees. However, only one motion to extend time, specified above, may be made in any one calendar day.

"If, for any reason, a measure or matter is reprinted after cloture has been invoked, amendments which were in order prior to the reprinting of the measure or matter will continue to be in order and may be conformed and reprinted at the request of the amendment's sponsor. The conforming changes must be limited to lineation and pagination.

"No Senator shall call up more than two amendments until every other Senator shall have had the opportunity to do likewise.

"Notwithstanding other provisions of this rule, a Senator may yield all or part of his one hour to the majority or minority floor managers of the measure, motion, or matter or to the Majority or Minority Leader, but each Senator specified shall not have more than two hours so yielded to him and may in turn yield such time to other Senators.

"Notwithstanding any other provision of this rule, any Senator who has not used or yielded at least ten minutes, is, if he seeks recognition, guaranteed up to ten minutes, inclusive, to speak only.

"After cloture is invoked, the reading of any amendment, including House amendments, shall be dispensed with when the proposed amendment has been identified and has been available in printed form at the desk of the Members for not less than twenty-four hours.

"RULE XXIII

"PREAMBLES

"When a bill or resolution is accompanied by a preamble, the question shall first be put on the bill or resolution and then on the preamble, which may be withdrawn by a mover before an amendment of the same, or ordering of the yeas and nays; or it may be laid on the table without prejudice to the bill or resolution, and shall be a final disposition of such preamble.

"RULE XXIV

"APPOINTMENT OF COMMITTEES

"1. In the appointment of the standing committees, or to fill vacancies thereon, the Senate, unless otherwise ordered, shall by resolution appoint the chairman of each such committee and the other members thereof. On demand of any Senator, a separate vote shall be had on the appointment of the chairman of any such committee and on the appointment of the other members thereof. Each such resolution shall be subject to amendment and to division of the question.

"2. On demand of one-fifth of the Senators present, a quorum being present, any vote taken pursuant to paragraph 1 shall be by ballot.

"3. Except as otherwise provided or unless otherwise ordered, all other committees, and the chairmen thereof, shall be appointed in the same manner as standing committees.

"4. When a chairman of a committee shall resign or cease to serve on a committee, action by the Senate to fill the vacancy in such committee, unless specially otherwise ordered, shall be only to fill up the number of members of the committee, and the election of a new chairman.

"RULE XXV

"STANDING COMMITTEES

"1. The following standing committees shall be appointed at the commencement of each Congress, and shall continue and have the power to act until their successors are appointed, with leave to report by bill or otherwise on matters within their respective jurisdictions:

"(a)(1) Committee on Agriculture, Nutrition, and Forestry, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to the following subjects:

"1. Agricultural economics and research.

"2. Agricultural extension services and experiment stations.

"3. Agricultural production, marketing, and stabilization of prices.

"4. Agriculture and agricultural commodities.

"5. Animal industry and diseases.

"6. Crop insurance and soil conservation.

"7. Farm credit and farm security.

"8. Food from fresh waters.

"9. Food stamp programs.

"10. Forestry, and forest reserves and wilderness areas other than those created from the public domain.

"11. Home economics.

"12. Human nutrition.

"13. Inspection of livestock, meat, and agricultural products.

"14. Pests and pesticides.

"15. Plant industry, soils, and agricultural engineering.

"16. Rural development, rural electrification, and watersheds.

"17. School nutrition programs.

"(2) Such committee shall also study and review, on a comprehensive basis, matters relating to food, nutrition, and hunger, both in the United States and in foreign countries. and rural affairs, and report thereon from time to time.

"(b) Committee on Appropriations, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

"1. Appropriation of the revenue for the support of the Government, except as provided in subparagraph (e).

"2. Rescission of appropriations contained in appropriation Acts (referred to in section 105 of title 1, United States Code).

"3. The amount of new spending authority described in section 401(c)(2) (A) and (B) of the Congressional Budget Act of 1974 which is to be effective for a fiscal year.

"4. New spending authority described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 provided in bills and resolutions referred to the committee under section 401(b)(2) of that Act (but subject to the provisions of section 401(b)(3) of that Act).

"(c)(1) Committee on Armed Services, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

"1. Aeronautical and space activities peculiar to or primarily associated with the development of weapons systems or military operations.

"2. Common defense.

"3. Department of Defense, the Department of the Army, the Department of the

Navy, and the Department of the Air Force, generally.

"4. Maintenance and operation of the Panama Canal, including administration, sanitation, and government of the Canal Zone.

"5. Military research and development.

"6. National security aspects of nuclear energy.

"7. Naval petroleum reserves, except those in Alaska.

"8. Pay, promotion, retirement, and other benefits and privileges of members of the Armed Forces, including overseas education of civilian and military dependents.

"9. Selective service system.

"10. Strategic and critical materials necessary for the common defense.

"(2) Such committee shall also study and review, on a comprehensive basis, matters relating to the common defense policy of the United States, and report thereon from time to time.

"(d)(1) Committee on Banking, Housing, and Urban Affairs, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

"1. Banks, banking, and financial institutions.

"2. Control of prices of commodities, rents, and services.

"3. Deposit insurance.

"4. Economic stabilization and defense production.

"5. Export and foreign trade promotion.

"6. Export controls.

"7. Federal monetary policy, including Federal Reserve System.

"8. Financial aid to commerce and industry.

"9. Issuance and redemption of notes.

"10. Money and credit currency and coinage.

"11. Nursing home construction.

"12. Public and private housing (including veterans' housing).

"13. Renegotiation of Government contracts.

"14. Urban development and urban mass transit.

"(2) Such committee shall also study and review, on a comprehensive basis, matters relating to international economic policy as it affects United States monetary affairs, credit, and financial institutions; economic growth, urban affairs, and credit, and report thereon from time to time.

"(e)(1) Committee on the Budget, to which committee shall be referred all concurrent resolutions on the budget (as defined in section 3(a)(4) of the Congressional Budget Act of 1974) and all other matters required to be referred to that committee under titles III and IV of that Act, and messages, petitions, memorials, and other matters relating thereto.

"(2) Such committee shall have the duty—

"(A) to report the matters required to be reported by it under title III and IV of the Congressional Budget Act of 1974;

"(B) to make continuing studies of the effect on budget outlays of relevant existing and proposed legislation and to report the results of such studies to the Senate on a recurring basis;

"(C) to request and evaluate continuing studies of tax expenditures, to devise methods of coordinating tax expenditures, policies, and programs with direct budget outlays, and to report the results of such studies to the Senate on a recurring basis; and

"(D) to review, on a continuing basis, the conduct by the Congressional Budget Office of its functions and duties.

"(f)(1) Committee on Commerce, Science, and Transportation, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

"1. Coast Guard.

"2. Coastal zone management.

"3. Communications.

"4. Highway safety.

"5. Inland waterways, except construction.

"6. Interstate commerce.

"7. Marine and ocean navigation, safety, and transportation, including navigational aspects of deepwater ports.

"8. Marine fisheries.

"9. Merchant marine and navigation.

"10. Nonmilitary aeronautical and space sciences.

"11. Oceans, weather, and atmospheric activities.

"12. Panama Canal and interoceanic canals generally, except as provided in subparagraph (c).

"13. Regulation of consumer products and services, including testing related to toxic substances, other than pesticides, and except for credit, financial services, and housing.

"14. Regulation of interstate common carriers, including railroads, buses, trucks, vessels, pipelines, and civil aviation.

"15. Science, engineering, and technology research and development and policy.

"16. Sports.

"17. Standards and measurement.

"18. Transportation.

"19. Transportation and commerce aspects of Outer Continental Shelf lands.

"(2) Such committee shall also study and review, on a comprehensive basis, all matters relating to science and technology, oceans policy, transportation, communications, and consumer affairs, and report thereon from time to time.

"(g)(1) Committee on Energy and Natural Resources, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

"1. Coal production, distribution, and utilization.

"2. Energy policy.

"3. Energy regulation and conservation.

"4. Energy related aspects of deepwater ports.

"5. Energy research and development.

"6. Extraction of minerals from oceans and Outer Continental Shelf lands.

"7. Hydroelectric power, irrigation, and reclamation.

"8. Mining education and research.

"9. Mining, mineral lands, mining claims, and mineral conservation.

"10. National parks, recreation areas, wilderness areas, wild and scenic rivers, historical sites, military parks and battlefields, and on the public domain, preservation of prehistoric ruins and objects of interest.

"11. Naval petroleum reserves in Alaska.

"12. Nonmilitary development of nuclear energy.

"13. Oil and gas production and distribution.

"14. Public lands and forests, including farming and grazing thereon, and mineral extraction therefrom.

"15. Solar energy systems.

"16. Territorial possessions of the United States, including trusteeships.

"(2) Such committee shall also study and review, on a comprehensive basis, matters relating to energy and resources development, and report thereon from time to time.

"(h)(1) Committee on Environment and Public Works, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

"1. Air pollution.

"2. Construction and maintenance of highways.

"3. Environmental aspects of Outer Continental Shelf lands.

"4. Environmental effects of toxic substances, other than pesticides.

"5. Environmental policy.

"6. Environmental research and development.

"7. Fisheries and wildlife.

"8. Flood control and improvements of rivers and harbors, including environmental aspects of deepwater ports.

"9. Noise pollution.

"10. Nonmilitary environmental regulation and control of nuclear energy.

"11. Ocean dumping.

"12. Public buildings and improved grounds of the United States generally, including Federal buildings in the District of Columbia.

"13. Public works, bridges, and dams.

"14. Regional economic development.

"15. Solid waste disposal and recycling.

"16. Water pollution.

"17. Water resources.

"(2) Such committee shall also study and review, on a comprehensive basis, matters relating to environmental protection and resource utilization and conservation, and report thereon from time to time.

"(i) Committee on Finance, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

"1. Bonded debt of the United States, except as provided in the Congressional Budget Act of 1974.

"2. Customs, collection districts, and ports of entry and delivery.

"3. Deposit of public moneys.

"4. General revenue sharing.

"5. Health programs under the Social Security Act and health programs financed by a specific tax or trust fund.

"6. National social security.

"7. Reciprocal trade agreements.

"8. Revenue measures generally, except as provided in the Congressional Budget Act of 1974.

"9. Revenue measures relating to the insular possessions.

"10. Tariffs and import quotas, and matters related thereto.

"11 Transportation of dutiable goods.

"(j)(1) Committee on Foreign Relations, to which commitee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

"1. Acquisition of land and buildings for embassies and legations in foreign countries.

"2. Boundaries of the United States.

"3. Diplomatic service.

"4. Foreign economic, military, technical, and humanitarian assistance.

"5. Foreign loans.

"6. International activities of the American National Red Cross and the International Committee of the Red Cross.

"7. International aspects of nuclear energy, including nuclear transfer policy.

"8. International conferences and congresses.

"9. International law as it relates to foreign policy.

"10. International Monetary Fund and other international organizations established primarily for international monetary purposes (except that, at the request of the Committee on Banking, Housing, and Urban Affairs, any proposed legislation relating to such subjects reported by the Committee on Foreign Relations shall be referred to the Committee on Banking, Housing, and Urban Affairs).

"11. Intervention abroad and declarations of war.

"12. Measures to foster commercial intercourse with foreign nations and to safeguard American business interests abroad.

"13. National security and international aspects of trusteeships of the United States.

"14. Oceans and international environmental and scientific affairs as they relate to foreign policy.

"15. Protection of United States citizens abroad and expatriation.

"16. Relations of the United States with foreign nations generally.

"17. Treaties and executive argeements, except reciprocal trade agreements.

"18. United Nations and its affiliated organizations.

"19. World Bank group, the regional development banks, and other international organizations established primarily for development assistance purposes.

"(2) Such committee shall also study and review, on a comprehensive basis, matters relating to the national security policy, foreign policy, and international economic policy as it relates to foreign policy of the United States, and matters relating to food, hunger, and nutrition in foreign countries, and report thereon from time to time.

"(k) (1) Committee on Governmental Affairs, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

"1. Archives of the United States.

"2. Budget and accounting measures, other than appropriations, except as provided in the Congressional Budget Act of 1974.

"3. Census and collection of statistics, including economic and social statistics.

"4. Congressional organization, except for any part of the matter that amends the rules or orders of the Senate.

"5. Federal Civil Service.

"6. Government information.

"7. Intergovernmental relations.

"8. Municipal affairs of the District of Columbia, except appropriations therefor.

"9. Organization and management of United States nuclear export policy.

"10. Organization and reorganization of the executive branch of the Government.

"11. Postal Service.

"12. Status of officers and employees of the United States, including their classification, compensation, and benefits.

"(2) Such committee shall have the duty of—

"(A) receiving and examining reports of the Comptroller General of the United States and of submitting such recommendations to the Senate as it deems necessary or desirable in connection with the subject matter of such reports;

"(B) studying the efficiency, economy, and effectiveness of all agencies and departments of the Government;

"(C) evaluating the effects of laws enacted to reorganize the legislative and executive branches of the Government; and

"(D) studying the intergovernmental relationships between the United States and the States and municipalities, and between the United States and international organizations of which the United States is a member.

"(l) Committee on the Judiciary, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

"1. Apportionment of Representatives.

"2. Bankruptcy, mutiny, espionage, and counterfeiting.

"3. Civil liberties.

"4. Constitutional amendments.

"5. Federal courts and judges.

"6. Government information.

"7. Holidays and celebrations.

"8. Immigration and naturalization.

"9. Interstate compacts generally.

"10. Judicial proceedings, civil and criminal, generally.

"11. Local courts in the territories and possessions.

"12. Measures relating to claims against the United States.

"13. National penitentiaries.

"14. Patent Office.

"15. Patents, copyrights, and trademarks.

"16. Protection of trade and commerce against unlawful restraints and monopolies.

"17. Revision and codification of the statutes of the United States.

"18. State and territorial boundary lines.

"(m) (1) Committee on Labor and Human Resources, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

"1. Measures relating to education, labor, health, and public welfare.

"2. Aging.

"3. Agricultural colleges.

"4. Arts and humanities.

"5. Biomedical research and development.

"6. Child labor.

"7. Convict labor and the entry of goods made by convicts into interstate commerce.

"8. Domestic activities of the American National Red Cross.

"9. Equal employment opportunity.

"10. Gallaudet College, Howard University, and Saint Elizabeths Hospital.

"11. Handicapped individuals.

"12. Labor standards and labor statistics.

"13. Mediation and arbitration of labor disputes.

"14. Occupational safety and health, including the welfare of miners.

"15. Private pension plans.

"16. Public health.

"17. Railway labor and retirement.

"18. Regulation of foreign laborers.

"19. Student loans.

"20. Wages and hours of labor.

"(2) Such committee shall also study and review, on a comprehensive basis, matters relating to health, education and training, and public welfare, and report thereon from time to time.

"(n) (1) Committee on Rules and Administration, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

"1. Administration of the Senate Office Buildings and the Senate wing of the Capitol, including the assignment of office space.

"2. Congressional organization relative to rules and procedures, and Senate rules and regulations, including floor and gallery rules.

"3. Corrupt practices.

"4. Credentials and qualifications of Members of the Senate, contested elections, and acceptance of incompatible offices.

"5. Federal elections generally, including the election of the President, Vice President, and Members of the Congress.

"6. Government Printing Office, and the printing and correction of the Congressional Record, as well as those matters provided for under rule XXIX.

"7. Meetings of the Congress and attendance of Members.

"8. Payment of money out of the contingent fund of the Senate or creating a charge upon the same (except that any resolution relating to substantive matter within the jurisdiction of any other standing committee of the Senate shall be first referred to such committee).

"9. Presidential succession.

"10. Purchase of books and manuscripts and erection of monuments to the memory of individuals.

"11. Senate Library and statuary, art, and pictures in the Capitol and Senate Office Buildings.

"12. Services to the Senate, including the Senate restaurant.

"13. United States Capitol and congressional office buildings, the Library of Congress, the Smithsonian Institution (and the incorporation of similar institutions), and the Botanic Gardens.

"(2) Such committee shall also—

"(A) make a continuing study of the organization and operation of the Congress of the United States and shall recommend improvements in such organization and operation with a view toward strengthening the Congress, simplifying its operations, improving its relationships with other branches of the United States Government, and enabling it better to meet its responsibilities under the Constitution of the United States; and

"(B) identify any court proceeding or action which, in the opinion of the Committee, is of vital interest to the Congress as a constitutionally established institution of the Federal Government and call such proceeding or action to the attention of the Senate.

"(o) Committee on Veterans' Affairs, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

"1. Compensation of veterans.

"2. Life insurance issued by the Government on account of service in the Armed Forces.

"3. National cemeteries.

"4. Pensions of all wars of the United States, general and special.

"5. Readjustment of servicemen to civil life.

"6. Soldiers' and sailors' civil relief.

"7. Veterans' hospitals, medical care and treatment of veterans.

"8. Veterans' measures generally.

"9. Vocational rehabilitation and education of veterans.

"2. Except as otherwise provided by paragraph 4 of this rule, each of the following standing committees shall consist of the number of Senators set forth in the following table on the line on which the name of that committee appears:

"Committee	Members
Agriculture, Nutrition, and Forestry	18
Appropriations	28
Armed Services	17
Banking, Housing, and Urban Affairs	15
Budget	20
Commerce, Science, and Transportation	17
Energy and Natural Resources	18
Environment and Public Works	14
Finance	20
Foreign Relations	15
Governmental Affairs	17
Judiciary	17
Labor and Human Resources	15.

"3. (a) Except as otherwise provided by paragraph 4 of this rule, each of the following standing committees shall consist of the number of Senators set forth in the following table on the line on which the name of that committee appears:

"Committee	Members
Rules and Administration	10
Veterans' Affairs	10.

"(b) Each of the following committees and joint committees shall consist of the number of Senators (or Senate members, in the case of a joint committee) set forth in the following table on the line on which the name of that committee appears:

"Committee	Members
Aging	12
Intelligence	13
Small Business	17
Joint Economic Committee	10.

"(c) Each of the following committees and joint committees shall consist of the number of Senators (or Senate members, in the case of a joint committee) set forth in the following table on the line on which the name of that committee appears:

"Committee	Members
Ethics	6
Indian Affairs	5
Joint Committee on Taxation	5.

"4. (a) Except as otherwise provided by this paragraph—

"(1) each Senator shall serve on two and no more committees listed in paragraph 2; and

"(2) each Senator may serve on only one committee listed in paragraph 3 (a) or (b).

"(b) (1) Each Senator may serve on not more than three subcommittees of each committee (other than the Committee on Appropriations) listed in paragraph 2 of which he is a member.

"(2) Each Senator may serve on not more than two subcommittees of a committee listed in paragraph 3 (a) or (b) of which he is a member.

"(3) Notwithstanding subparagraphs (1) and (2), a Senator serving as chairman or ranking minority member of a standing, select, or special committee of the Senate or joint committee of the Congress may serve ex officio, without vote, as a member of any subcommittee of such committee or joint committee.

"(4) No committee of the Senate may establish any subunit of that committee other than a subcommittee, unless the Senate by resolution has given permission therefor. For purposes of this subparagraph, any subunit of a joint committee shall be treated as a subcommittee.

"(c) By agreement entered into by the majority leader and the minority leader, the membership of one or more standing committees may be increased temporarily from time to time by such number or numbers as may be required to accord to the majority party a majority of the membership of all standing committees. When any such temporary increase is necessary to accord to the majority party a majority of the membership of all standing committees, members of the majority party in such number as may be required for that purpose may serve as members of three standing committees listed in paragraph 2. No such temporary increase in the membership of any standing committee under this subparagraph shall be continued in effect after the need therefor has ended. No standing committee may be increased in membership under this subparagraph by more than two members in excess of the number prescribed for that committee by paragraph 2 or 3(a).

"(d) A Senator may serve as a member of any joint committee of the Congress the Senate members of which are required by law to be appointed from a standing committee of the Senate of which he is a member, and service as a member of any such joint committee shall not be taken into account for purposes of subparagraph (a) (2).

"(e) (1) No Senator shall serve at any time as chairman of more than one standing, select, or special committee of the Senate or joint committee of the Congress, except that a Senator may serve as chairman of any joint committee of the Congress having jurisdiction with respect to a subject matter which is directly related to the jurisdiction of a standing committee of which he is chairman.

"(2) No Senator shall serve at any time as chairman of more than one subcommittee of each standing, select, or special commitmittee of the Senate or joint committee of the Congress of which he is a member.

"(3) A Senator who is serving as the chairman of a committee listed in paragraph 2 may serve at any time as the chairman of only one subcommittee of all committees listed in paragraph 2 of which he is a member and may serve at any time as the chairman of only one subcommittee of each committee listed in paragraph 3 (a) or (b) of which he is a member. A Senator who is serving as the chairman of a committee listed in paragraph 3 (a) or (b) may not serve as the chairman of any subcommittee of that committee, and may serve at any time as the chairman of only one subcommittee of each committee listed in paragraph 2 of which he is a member. Any other Senator may serve as the chairman of only one subcommittee of each committee listed in paragraph 2, 3(a), or 3(b) of which he is a member.

"(f) A Senator serving on the Committee on Rules and Administration may not serve on any joint committee of the Congress unless the Senate members thereof are required by law to be appointed from the Committee on Rules and Administration.

"(g) A Senator who on the day preceding the effective date of title I of the Committee System Reorganization Amendments of 1977 was serving as the chairman or ranking minority member of the Committee on the District of Columbia or the Committee on Post Office and Civil Service may serve on the Committee on Governmental Affairs in addition to serving on two other standing committees listed in paragraph 2. At the request of any such Senator, he shall be appointed to serve on such committee but, while serving on such committee and two other standing committees listed in paragraph 2, he may not serve on any committee listed in paragraph 3 (a) or (b). The preceding provisions of this subparagraph shall apply with respect to any Senator only so long as his service as a member of the Committee on Governmental Affairs is continuous after the date on which the appointment of the majority and minority members of the Committee on Governmental Affairs is initially completed.

"(h) (1) A Senator may serve on the Committee on the Budget in addition to serving on two other committees listed in paragraph 2, but any Senator so serving may not serve on any committee listed in paragraph 3 (a) or (b).

"(2) Notwithstanding subparagraph (1), a Senator who is serving on the Committee on the Budget and two other committees listed in paragraph 2 may also serve on the Select Committee on Small Business or the Special Committee on Aging or, in the case of a Senator who was a member of the Select Committee on Intelligence on the last day of the Ninety-fifth Congress, may continue to serve on such select committee so long as his service on such select committee is continuous and he is eligible to serve on such select committee under the provisions of section 2(b) of Senate Resolution 400, Ninety-fourth Congress, as amended.

"(3) A Senator who is eligible under subparagraph (1) to serve on three committees listed in paragraph 2 may serve on the Committee on the Budget in addition to serving on such committees, but any Senator so serving may not serve on any committee listed in paragraph 3 (a) or (b).

"(i) (1) A Senator who on the last day of the Ninety-fifth Congress was serving as a member of three committees listed in paragraph 2 (as this rule was in effect on such day) may, during the term he is serving on the first day of the Ninety-sixth Congress, continue to serve as a member of each of such committees so long as his service as a member of each such committee is continuous.

"(2) A Senator who on the last day of the Ninety-fifth Congress was serving as a member of the Committee on Energy and Natural Resources and the Committee on the Judiciary may, during the term which he is serving on the first day of the Ninety-sixth Congress, also serve as a member of the Committee on Labor and Human Resources so long as his service as a member of each of such committees is continuous, but in no event may he serve by reason of this subparagraph, as a member of more than three committees listed in paragraph 2.

"(3) A Senator who on the last day of the Ninety-fifth Congress was serving as a member of the Committee on Agriculture, Nutrition, and Forestry and the Committee on Appropriations or the Committee on Finance may, during the term which he is serving on the first day of the Ninety-sixth Congress, also serve as a member of the Committee on the Judiciary so long as his service as a member of each of such committees is continuous, but in no event may he serve, by reason of this subparagraph, as a member of more than three committees listed in paragraph 2.

"(4) A Senator who on the last day of the Ninety-fifth Congress was serving as a member of the Committee on Agriculture, Nutrition, and Forestry and the Committee on Banking, Housing, and Urban Affairs may, during the term which he is serving on the first day of the Ninety-sixth Congress, also serve as a member of the Committee on Foreign Relations so long as his service as a member of each of such committees is continuous, but in no event may he serve, by reason of this subparagraph, as a member of more than three committees listed in paragraph 2.

"RULE XXVI

"COMMITTEE PROCEDURE

"1. Each standing committee, including any subcommittee of any such committee, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to take such testimony and to make such expenditures (not in excess of $10,000 for each committee during any Congress) as it deems advisable. Each such committee may make investigations into any matter within its jurisdiction, may report such hearings as may be had by it, and may employ stenographic assistance at a cost not exceeding the amount prescribed by the Committee on Rules and Administration. The expenses of the committee shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

"2. Each committee[1] shall adopt rules (not inconsistent with the Rules of the Senate) governing the procedure of such committee. The rules of each committee shall be published in the Congressional Record not later than March 1 of each year, except that if any such committee is established on or after February 1 of a year, the rules of that committee during the year of establishment shall be published in the Congressional Record not later than sixty days after such establishment. An amendment to the rules of any such committee shall be published in the Congressional Record not later than thirty days after the adoption of such amendment. If the Congressional Record is not published on the last day of any period referred to above, such period shall be extended until the first day thereafter on which it is published.

"3. Each standing committee (except the Committee on Appropriations) shall fix regular weekly, biweekly, or monthly meetings days for the transaction of business before the committee and additional meetings may be called by the chairman as he may deem necessary. If at least three members of any such committee desire that a special meeting of the committee be called by the chairman, those members may file in the offices of the committee their written request to the chairman for that special meeting. Immediately upon the filing of the request, the clerk of the committee shall notify the chairman of the filing of the request. If, within three calendar days after the filing of the request, the chairman does not call the requested special meeting, to be held within seven calendar days after the filing of the request, a majority of the members of the committee may file in the offices of the committee their written notice that a special meeting of the committee will be held, specifying the date and hour of that special meeting. The committee shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the committee shall notify all members of the committee that such special meeting will be held and inform them of its date and hour. If the chairman of any such committee is not present at any regular, additional, or special meeting of the committee, the ranking member of the majority party on the committee who is present shall preside at that meeting.

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[1] The term "each committee" when used in these rules includes standing, select, and special committees unless otherwise specified.

"4. (a) Each committee (except the Committee on Appropriations and the Committee on the Budget) shall make public announcement of the date, place, and subject matter of any hearing to be conducted by the committee on any measure or matter at least one week before the commencement of that hearing unless the committee determines that there is good cause to begin such hearing at an earlier date.

"(b) Each committee (except the Committee on Appropriations) shall require each witness who is to appear before the committee in any hearing to file with the clerk of the committee, at least one day before the date of the appearance of that witness, a written statement of his proposed testimony unless the committee chairman and the ranking minority member determine that there is good cause for noncompliance. If so requested by any committee, the staff of the committee shall prepare for the use of the members of the committee before each day of hearing before the committee a digest of the statements which have been so filed by witnesses who are to appear before the committee on that day.

"(c) After the conclusion of each day of hearing, if so requested by any committee, the staff shall prepare for the use of the members of the committee a summary of the testimony given before the committee on that day. After approval by the chairman and the ranking minority member of the committee, each such summary may be printed as a part of the committee hearings if such hearings are ordered by the committee to be printed.

"(d) Whenever any hearing is conducted by a committee (except the Committee on Appropriations) upon any measure or matter, the minority on the committee shall be entitled, upon request made by a majority of the minority members to the chairman before the completion of such hearing, to call witnesses selected by the minority to testify with respect to the measure or matter during at least one day of hearing thereon.

"5. (a) Notwithstanding any other provision of the rules, when the Senate is in session, no committee of the Senate or any subcommittee thereof may meet, without special leave, after the conclusion of the first two hours after the meeting of the Senate commenced and in no case after two o'clock post-meridian unless consent therefor has been obtained from the majority leader and the minority leader (or in the event of the absence of either of such leaders, from his designee). The prohibition contained in the preceding sentence shall not apply to the Committee on Appropriations or the Committee on the Budget. The majority leader or his designee shall announce to the Senate whenever consent has been given under this subparagraph and shall state the time and place of such meeting. The right to make such announcement of consent shall have the same priority as the filing of a cloture motion.

"(b) Each meeting of a committee, or any subcommittee thereof, including meetings to conduct hearings, shall be open to the public, except that a meeting or series of meetings by a committee or a subcommittee thereof on the same subject for a period of no more than fourteen calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated in clauses (1) through (6) would require the meeting to be closed, followed immediately by a record vote in open session by a majority of the members of the committee or subcommittee when it is determined that the matters to be discussed or the testimony to be taken at such meeting or meetings—

"(1) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

"(2) will relate solely to matters of committee staff personnel or internal staff management or procedure;

"(3) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

"(4) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

"(5) will disclose information relating to the trade secrets of financial or commercial information pertaining specifically to a given person if—

"(A) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

"(B) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

"(6) may divulge matters required to be kept confidential under other provisions of law or Government regulations.

"(c) Whenever any hearing conducted by any such committee or subcommittee is open to the public, that hearing may be broadcast by radio or television, or both, under such rules as the committee or subcommittee may adopt.

"(d) Whenever disorder arises during a committee meeting that is open to the public, or any demonstration of approval or disapproval is indulged in by any person in attendance at any such meeting, it shall be the duty of the Chair to enforce order on his own initiative and without any point of order being made by a Senator. When the Chair finds it necessary to maintain order, he shall have the power to clear the room, and the committee may act in closed session for so long as there is doubt of the assurance of order.

"(e) Each committee shall prepare and keep a complete transcript or electronic recording adequate to fully record the proceeding of each meeting or conference whether or not such meeting or any part thereof is closed under this paragraph, unless a majority of its members vote to forgo such a record.

"6. Morning meetings of committees and subcommittees thereof shall be scheduled for one or both of the periods prescribed in this paragraph. The first period shall end at eleven o'clock antemeridian. The second period shall begin at eleven o'clock antemeridian and end at two o'clock postmeridian.

"7. (a) (1) Except as provided in this paragraph, each committee, and each subcommittee thereof is authorized to fix the number of its members (but not less than one-third of its entire membership) who shall constitute a quorum thereof for the transaction of such business as may be considered by said committee, except that no measure or matter or recommendation shall be reported from any committee unless a majority of the committee were physically present.

"(2) Each such committee, or subcommittee, is authorized to fix a lesser number than one-third of its entire membership who shall constitute a quorum thereof for the purpose of taking sworn testimony.

"(3) The vote of any committee to report a measure or matter shall require the concurrence of a majority of the members of the committee who are present. No vote of any member of any committee to report a measure or matter may be cast by proxy if rules adopted by such committee forbid the casting of votes for that purpose by proxy; however, proxies may not be voted when the absent committee member has not been informed of the matter on which he is being recorded and has not affirmatively requested that he be so recorded. Action by any committee in reporting any measure or matter in accordance with the requirements of this subparagraph shall constitute the ratification by the committee of all action theretofore taken by the committee with respect to that measure or matter, including votes taken upon the measure or matter or any amendment thereto, and no point of order shall lie with respect to that measure or matter on the ground that such previous action with respect thereto by such committee was not taken in compliance with such requirements.

"(b) Each committee (except the Committee on Appropriations) shall keep a complete record of all committee action. Such record shall include a record of the votes on any question on which a record vote is demanded. The results of rollcall votes taken in any meeting of any committee upon any measure, or any amendment thereto, shall be announced in the committee report on that measure unless previously announced by the committee, and such announcement shall include a tabulation of the votes cast in favor of and the votes cast in opposition to each such measure and amendment by each member of the committee who was present at that meeting.

"(c) Whenever any committee by rollcall vote reports any measure or matter, the report of the committee upon such measure or matter shall include a tabulation of the votes cast by each member of the committee in favor of and in opposition to such measure or matter. Nothing contained in this subparagraph shall abrogate the power of any committee to adopt rules—

"(1) providing for proxy voting on all matters other than the reporting of a measure or matter, or

"(2) providing in accordance with subparagraph (a) for a lesser number as a quorum for any action other than the reporting of a measure or matter.

"8. (a) In order to assist the Senate in—

"(1) its analysis, appraisal, and evaluation of the application, administration, and execution of the laws enacted by the Congress, and

"(2) its formulation, consideration, and enactment of such modifications of or changes in those laws, and of such additional legislation, as may be necessary or appropriate,

each standing committee, (except the Committees on Appropriations and the Budget) shall review and study, on a continuing basis the application, administration, and execution of those laws, or parts of laws, the subject matter of which is within the legislative jurisdiction of that committee. Such committees may carry out the required analysis, appraisal, and evaluation themselves, or by contract, or may require a Government agency to do so and furnish a report thereon to the Senate. Such committees may rely on such techniques as pilot testing, analysis of costs in comparison with benefits, or provision for evaluation after a defined period of time.

"(b) In each odd-numbered year, each such committee shall submit, not later than March 31, to the Senate, a report on the activities of that committee under this paragraph during the Congress ending at noon on January 3 of such year.

"9. Each committee which requires authorization for the expenditure of funds in excess of the amount specified in paragraph 1 of this rule shall offer one annual authorization resolution to procure such authorization. Each such annual authorization resolution shall include a specification of the amount of all such funds sought by such committee. The annual authorization resolution of any committee shall be offered not later than January 31 of that year, except that, whenever the designation of members of committees occurs during the first session of any Congress at a date later than January 20, such resolution may be offered at any time within thirty days after the date on which the members of such committees are designated. After the date on which an annual authorization resolution has been offered by any committee in any year, such committee in that year may procure authorization for additional expenditures only by offering a supplemental authorization resolution. Each such supplemental authorization resolution shall include a specification of the amount of all supplemental funds sought by that committee. Each such supplemental authorization resolution shall amend the annual authorization resolution of such committee for that year unless the committee offered no annual authorization resolution for that year, in which case the committee's supplemental authorization resolution shall not be an amendment to any other resolution and any subsequent supplemental authorization resolution of such committee for the same year shall amend the first such resolution offered by the committee for that year. Each such supplemental resolution reported by such committee shall be accompanied by a report to the Senate specifying with particularity the purpose for which such authorization is sought and the reason why such authorization could not have been sought at the time of, or within the period provided for, the submission by such committee of an annual authorization resolution for that year. This paragraph shall not apply to any resolution requesting funds in addition to the amount specified in paragraph 1 of this rule and which are to be expended only for the same purposes for which such amount may be expended. This subparagraph does not apply to the Committee on Appropriations.

"10. (a) All committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the Member serving as chairman of the committee; and such records shall be the property of the Senate and all members of the committee and the Senate shall have access to such records. Each committee is authorized to have printed and bound such testimony and other data presented at hearings held by the committee.

"(b) It shall be the duty of the chairman of each committee to report or cause to be reported promptly to the Senate any measure approved by his committee and to take or cause to be taken necessary steps to bring the matter to a vote. In any event, the report of any committee upon a measure which has been approved by the committee shall be filed within seven calendar days (exclusive of days on which the Senate is not in session) after the day on which there has been filed with the clerk of the committee a written and signed request of a majority of the committee for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to the chairman of the committee notice of the filing of that request. This subparagraph does not apply to the Committee on Appropriations.

"(c) If at the time of approval of a measure or matter by any committee (except for the Committee on Appropriations), any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than three calendar days in which to file such views, in writing, with the clerk of the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter. The report of the committee upon that measure or matter shall be printed in a single volume which—

"(1) shall include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report, and

"(2) shall bear upon its cover a recital that supplemental, minority, or additional views are included as part of the report.

"This subparagraph does not preclude—

"(A) the immediate filing and printing of a committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph; or

"(B) the filing by any such committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by that committee upon that measure or matter.

"11. (a) Each committee (except the Committee on Appropriations) which has legislative jurisdiction shall, in its consideration of all bills and joint resolutions of a public character within its jurisdiction, endeavor to insure that—

"(1) all continuing programs of the Federal Government and of the government of the District of Columbia, within the jurisdiction of such committee or joint committee, are designed; and

"(2) all continuing activities of Federal agencies, within the jurisdiction of such committee or joint committee, are carried on;

so that, to the extent consistent with the nature, requirements, and objectives of those programs and activities, appropriations therefor will be made annually.

"(b) Each committee (except the Committee on Appropriations) shall with respect to any continuing program within its jurisdiction for which appropriations are not made annually, review such program, from time to time, in order to ascertain whether such program could be modified so that appropriations therefor would be made annually.

"RULE XXVII

"REFERENCE TO COMMITTEES; MOTIONS TO DISCHARGE; REPORTS OF COMMITTEES; AND HEARINGS AVAILABLE

"1. Except as provided in paragraph 3 in any case in which a controversy arises as to the jurisdiction of any committee with respect to any proposed legislation, the question of jurisdiction shall be decided by the presiding officer, without debate, in favor of the committee which has jurisdiction over the subject matter which predominates in such proposed legislation; but such decision shall be subject to an appeal.

"2. A motion simply to refer shall not be open to amendment, except to add instructions.

"3. (a) Upon motion by both the majority leader or his designee and the minority leader or his designee, proposed legislation may be referred to two or more committees jointly or sequentially. Notice of such motion and the proposed legislation to which it relates shall be printed in the Congressional Record. The motion shall be privileged, but it shall not be in order until the Congressional Record in which the notice is printed has been available to Senators for at least twenty-four hours. No amendments to any such motion shall be in order except amendments to any instructions contained therein. Debate on any such motion, and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than two hours, the time to be equally divided between, and controlled by, the majority leader and the minority leader or their designee.

"(b) Proposed legislation which is referred to two or more committees jointly may be reported only by such committees jointly and only one report may accompany any proposed legislation so jointly reported.

"(c) A motion to refer any proposed legislation to two or more committees sequentially shall specify the order of referral.

"(d) Any motion under this paragraph may specify the portion or portions of proposed legislation to be considered by the committees, or any of them, to which such proposed legislation is referred, and such committees or committee shall be limited, in the consideration of such proposed legislation, to the portion or portions so specified.

"(e) Any motion under this subparagraph may contain instructions with respect to the time allowed for consideration by the committees, or any of them, to which proposed legislation is referred and the discharge of such committees, or any of them, from further consideration of such proposed legislation.

"4. (a) All reports of committees and motions to discharge a committee from the consideration of a subject, and all subjects from which a committee shall be discharged, shall lie over one day for consideration, unless by unanimous consent the Senate shall otherwise direct.

"(b) Whenever any committee (except the Committee on Appropriations) has reported any measure, by action taken in conformity with the requirements of paragraph 7 of rule XXVI, no point of order shall lie with respect to that measure on the ground that hearings upon that measure by the committee were not conducted in accordance with the provisions of paragraph 4 of rule XXVI.

"5. Any measure or matter reported by any standing committee shall not be considered in the Senate unless the report of that committee upon that measure or matter has been available to Members for at least three calendar days (excluding Saturdays, Sundays, and legal holidays) prior to the consideration of that measure or matter. If hearings have been held on any such measure or matter so reported, the committee reporting the measure or matter shall make every reasonable effort to have such hearings printed and available for distribution to the Members of the Senate prior to the consideration of such measure or matter in the Senate. This paragraph—

"(1) may be waived by joint agreement

of the majority leader and the minority leader of the Senate; and

"(2) shall not apply to—

"(A) any measure for the declaration of war, or the declaration of a national emergency, by the Congress, and

"(B) any executive decision, determination, or action which would become, or continue to be, effective unless disapproved or otherwise invalidated by one or both Houses of Congress.

"6. (a) The report accompanying each bill or joint resolution of a public character reported by any committee (except the Committee on Appropriations and the Committee on the Budget) shall contain—

"(1) an estimate, made by such committee, of the costs which would be incurred in carrying out such bill or joint resolution in the fiscal year in which it is reported and in each of the five fiscal years following such fiscal year (or for the authorized duration of any program authorized by such bill or joint resolution, if less than five years), except that, in the case of measures affecting the revenues, such reports shall require only an estimate of the gain or loss in revenues for a one-year period; and

"(2) a comparison of the estimate of costs described in subparagraph (1) made by such committee with any estimate of costs made by any Federal agency; or

"(3) in lieu of such estimate or comparison, or both, a statement of the reasons why compliance by the committee with the requirements of subparagraph (1) or (2), or both, is impracticable.

"(b) Each such report (except those by the Committee on Appropriations) shall also contain—

"(1) an evaluation, made by such committee, of the regulatory impact which would be incurred in carrying out the bill or joint resolution. The evaluation shall include (A) an estimate of the numbers of individuals and businesses who would be regulated and a determination of the groups and classes of such individuals and businesses, (B) a determination of the economic impact of such regulation on the individuals, consumers, and businesses affected, (C) a determination of the impact on the personal privacy of the individuals affected, and (D) a determination of the amount of additional paperwork that will result from the regulations to be promulgated pursuant to the bill or joint resolution, which determination may include, but need not be limited to, estimates of the amount of time and financial costs required of affected parties, showing whether the effects of the bill or joint resolution could be substantial, as well as reasonable estimates of the recordkeeping requirements that may be associated with the bill or joint resolution; or

"(2) in lieu of such evaluation, a statement of the reasons why compliance by the committee with the requirements of clause (1) is impracticable.

"(c) It shall not be in order for the Senate to consider any such bill or joint resolution if the report of the committee on such bill or joint resolution does not comply with the provisions of subparagraphs (a) and (b) on the objection of any Senator.

"7. Whenever a committee reports a bill or a joint resolution repealing or amending any statute or part thereof it shall make a report thereon and shall include in such report or in an accompanying document (to be prepared by the staff of such committee) (a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee. This paragraph shall not apply to any such report in which it is stated that, in the opinion of the committee, it is necessary to dispense with the requirements of this subsection to expedite the business of the Senate.

"RULE XXVIII

"CONFERENCE COMMITTEE; REPORTS; OPEN MEETINGS

"1. The presentation of reports of committees of conference shall always be in order, except when the Journal is being read or a question of order or a motion to adjourn is pending, or while the Senate is voting or ascertaining the presence of a quorum; and when received the question of proceeding to the consideration of the report, if raised, shall be immediately put, and shall be determined without debate.

"2. Conferees shall not insert in their report matter not committed to them by either House, nor shall they strike from the bill matter agreed to by both Houses. If new matter is inserted in the report, or if matter which was agreed to by both Houses is stricken from the bill, a point of order may be made against the report, and if the point of order is sustained, the report is rejected or shall be recommitted to the committee of conference if the House of Representatives has not already acted thereon.

"3. (a) In any case in which a disagreement to an amendment in the nature of a substitute has been referred to conferees, it shall be in order for the conferees to report a substitute on the same subject matter; but they may not include in the report matter not committed to them by either House. They may, however, include in their report in any such case matter which is a germane modification of subjects in disagreement.

"(b) In any case in which the conferees violate subparagraph (a), the conference report shall be subject to a point of order.

"4. Each report made by a committee of conference to the Senate shall be printed as a report of the Senate. As so printed, such report shall be accompanied by an explanatory statement prepared jointly by the conferees on the part of the House and the conferees on the part of the Senate. Such statement shall be sufficiently detailed and explicit to inform the Senate as to the effect which the amendments or propositions contained in such report will have upon the measure to which those amendments or propositions relate.

"5. If time for debate in the consideration of any report of a committee of conference upon the floor of the Senate is limited, the time allotted for debate shall be equally divided between the majority party and the minority party.

"6. Each conference committee between the Senate and the House of Representatives shall be open to the public except when managers of either the Senate or the House of Representatives in open session determine by a rollcall vote of a majority of those managers present, that all or part of the remainder of the meeting on the day of the vote shall be closed to the public.

"RULE XXIX

"PRINTING OF PAPERS, ETC.

"1. Every motion or resolution to print documents, reports, and other matter transmitted by the executive departments, or to print memorials, petitions, accompanying documents, or any other paper, except bills of the Senate or House of Representatives, resolutions submitted by a Senator, communications from the legislatures or conventions, lawfully called, of the respective States, shall, unless the Senate otherwise order, be referred to the Committee on Rules and Administration. When a motion is made to commit with instructions, it shall be in order to add thereto a motion to print.

"2. Motions or resolutions to print additional numbers shall also be referred to the Committee on Rules and Administration; and when the committee shall report favorably, the report shall be accompanied by an estimate of the probable cost thereof; and when the cost of printing such additional numbers shall exceed the sum established by law, the concurrence of the House of Representatives shall be necessary for an order to print the same.

"3. Every bill and joint resolution introduced or reported from a committee, and all bills and joint resolutions received from the House of Representatives, and all reports of committees, shall be printed, unless, for the dispatch of the business of the Senate, such printing may be dispensed with.

"RULE XXX

"WITHDRAWAL OF PAPERS

"1. No memorial or other paper presented to the Senate, except original treaties finally acted upon, shall be withdrawn from its files except by order of the Senate.

"2. The Secretary of the Senate shall obtain at the close of each Congress all the noncurrent records of the Senate and of each Senate committee and transfer them to the General Services Administration for preservation, subject to the orders of the Senate.

"RULE XXXI

"COMMITTEE STAFF

"1.(a) Each standing committee (other than the Committee on Appropriations) is authorized to appoint, by majority vote of the committee, not more than six professional staff members in addition to the clerical staffs. Such professional staff members shall be assigned to the chairman and the ranking minority member of such committee as the committee may deem advisable, except that whenever a majority of the minority members of such committee so request, two of such professional staff members may be selected for appointment by majority vote of the minority members and the committee shall appoint any staff members so selected. A staff member or members appointed pursuant to a request by the minority members of the committee shall be assigned to such committee business as such minority members deem advisable. Services of professional staff members appointed by a majority vote of the committee may be terminated by a majority vote of the committee and services of professional staff members appointed pursuant to a request by the minority members of the committee shall be terminated by the committee when a majority of such minority members so request. Professional staff members authorized by this subparagraph shall be appointed on a permanent basis, without regard to political affiliation, and solely on the basis of fitness to perform the duties of their respective positions. Such professional staff members shall not engage in any work other than committee business and no other duties may be assigned to them.

"(b) Subject to appropriations which it shall be in order to include in appropriations bills, the Committee on Appropriations is authorized to appoint such staff, in addition to the clerk thereof and assistants for the minority, as that committee, by a majority vote, shall determine to be necessary, such personnel, other than the minority assistants, to possess such qualifications as the committee may prescribe.

"(c) The clerical staff of each standing committee (other than the Committee on Appropriations), which shall be appointed by a majority vote of the committee, shall consist of not more than six clerks to be attached to the office of the chairman, to the ranking minority member and to the professional staff, as the committee may deem advisable, except that whenever a majority of the minority members of such committee so requests, one of the members of the clerical staff may be selected for appointment by majority vote of such minority members and the committee shall appoint any staff member so selected. The clerical staff shall handle committee correspondence and stenographic work, both for the committee staff and for the chairman and ranking minority member on matters related to committee work, except that if a member of the clerical staff is appointed pursuant to a request by the minority members of the committee, such clerical staff member shall handle committee correspondence and stenographic work for the minority members of the committee staff appointed under subparagraph (a) pursuant to request by such minority members, on matters related to committee work. Services of clerical staff members appointed by majority vote of the committee may be terminated by majority vote of the committee and services of clerical staff members appointed pursuant to a request by the minority members of the committee shall be terminated by the committee when a majority of such minority members so request.

"(d) In any case in which a request for the appointment of a minority staff member under subparagraph (a) or subparagraph (c) is made at any time when no vacancy exists to which the appointment requested may be made—

"(1) the person appointed pursuant to such a request under subparagraph (a) may serve in addition to any other professional staff members authorized by such subsection and may be paid from the contingent fund of the Senate until such time as such a vacancy occurs, at which time such person shall be considered to have been appointed to such vacancy; and

"(2) the person appointed pursuant to such a request under subparagraph (c) may serve in addition to any other clerical staff members authorized by such subparagraph and may be paid, until otherwise provided, from the contingent fund of the Senate.

"2. (a) Staff members appointed pursuant to a request by minority members of a committee under subparagraph (a) or subparagraph (c) of paragraph 1, and staff members appointed to assist minority members of committees pursuant to authority of a resolution described in paragraph 9 of rule XXVI or other Senate resolution, shall be accorded equitable treatment with respect to the fixing of salary rates, the assignment of facilities, and the accessibility of committee records.

"(b) The minority shall receive fair consideration in the appointment of staff personnel pursuant to authorty of a resolution described in paragraph 9 of rule XXVI.

"(c) The staffs of committees (including personnel appointed pursuant to authority of paragraph 1 and personnel appointed pursuant to authority of a resolution described in paragraph 9 of rule XXVI or other Senate resolution) should reflect the relative number of majority and minority members of committees. A majority of the minority members of any committee may, by resolution, request that at least one-third of all funds of the committee for personnel (other than those funds determined by the chairman and ranking minority member to be allocated for the administrative and clerical functions of the committee as a whole) be allocated to the minority members of such committee for compensation of minority staff as the minority members may decide. The committee shall thereafter adjust its budget to comply with such resolution. Such adjustment shall be equitably made over a four-year period, commencing July 1, 1977, with not less than one-half being made in two years. Upon request by a majority of the minority members of any committee by resolution, proportionate space, equipment, and facilities shall be provided for such minority staff.

"(d) No committee shall appoint to its staff any experts or other personnel detailed or assigned from any department or agency of the Government, except with the written permission of the Committee on Rules and Administration.

"RULE XXXII

"BUSINESS CONTINUED FROM SESSION TO SESSION

"1. At the second or any subsequent session of a Congress the legislative business of the Senate which remained undetermined at the close of the next preceding session of that Congress shall be resumed and proceeded with in the same manner as if no adjournment of the Senate had taken place.

"2. The rules of the Senate shall continue from one Congress to the next Congress unless they are changed as provided in these rules.

"RULE XXXIII

"PRIVILEGE OF THE FLOOR

"Other than the Vice President and Senators, no person shall be admitted to the floor of the Senate while in session, except as follows:

"The President of the United States and his private secretary.

"The President elect and Vice President elect of the United States.

"Ex-Presidents and ex-Vice Presidents of the United States.

"Judges of the Supreme Court.

"Ex-Senators and Senators elect.

"The officers and employees of the Senate in the discharge of their official duties.

"Ex-Secretaries and ex-Sergeants at Arms of the Senate.

"Members of the House of Representatives and Members elect.

"Ex-Speakers of the House of Representatives.

"The Sergeant at Arms of the House and his chief deputy and the Clerk of the House and his deputy.

"Heads of the Executive Departments.

"Ambassadors and Ministers of the United States.

"Governors of States and Territories.

"Members of the Joint Chiefs of Staff.

"The General Commanding the Army.

"The Senior Admiral of the Navy on the active list.

"Members of National Legislatures of foreign countries.

"Judges of the Court of Claims.

"The Mayor of the District of Columbia.

"The Librarian of Congress and the Assistant Librarian in charge of the Law Library.

"The Architect of the Capitol.

"The Chaplain of the House of Representatives.

"The Secretary of the Smithsonian Institution.

"The Parliamentarian Emeritus of the Senate.

"Members of the Staffs of committees of the Senate and joint committees of the Congress when in the discharge of their official duties and employees in the office of a Senator when in the discharge of their official duties (but in each case subject to such rules or regulations as may be prescribed by the Committee on Rules and Administration). Senate committee staff members and employees in the office of a Senator must be on the payroll of the Senate and members of joint committee staffs must be on the payroll of the Senate or the House of Representatives.

"RULE XXXIV

"SENATE CHAMBER—SENATE WING OF THE CAPITOL

"1. The Senate Chamber shall not be granted for any other purpose than for the use of the Senate; no smoking shall be permitted at any time on the floor of the Senate, or lighted cigars, cigarettes, or pipes be brought into the Chamber.

"2. It shall be the duty of the Committee on Rules and Administration to make all rules and regulations respecting such parts of the Capitol, its passages and galleries, including the restaurant and the Senate Office Buildings, as are or may be set apart for the use of the Senate and its officers, to be enforced under the direction of the Presiding Officer. The committee shall make such regulations respecting the reporters' galleries of the Senate, together with the adjoining rooms and facilities, as will confine their occupancy and use to bona fide reporters of newspapers and periodicals, and of news or press associations for daily news dissemination through radio, television, wires, and cables, and similar media of transmission. These regulations shall so provide for the use of such space and facilities as fairly to distribute their use to all such media of news dissemination.

"RULE XXXV

"SESSION WITH CLOSED DOORS

"1. On a motion made and seconded to close the doors of the Senate, on the discussion of any business which may, in the opinion of a Senator, require secrecy, the Presiding Officer shall direct the galleries to be cleared; and during the discussion of such motion the doors shall remain closed.

"2. When the Senate meets in closed session, any applicable provisions of rules XXXVI and XXXVIII, including the confidentiality of information shall apply to any information and to the conduct of any debate transacted.

"RULE XXXVI

"EXECUTIVE SESSIONS

"1. When the President of the United States shall meet the Senate in the Senate Chamber for the consideration of Executive business, he shall have a seat on the right of the Presiding Officer. When the Senate shall be convened by the President of the United States to any other place, the Presiding Officer of the Senate and the Senators shall attend at the place appointed, with the necessary officers of the Senate.

"2. When acting upon confidential or Executive business, unless the same shall be considered in open Executive session, the Senate Chamber shall be cleared of all persons except the Secretary, the Assistant Secretary, the Principal Legislative Clerk, the Parliamentarian, the Executive Clerk, the Minutes and Journal Clerk, the Sergeant at Arms, the Secretaries to the Majority and the Minority, and such other officers as the Presiding Officer shall think necessary; and all such officers shall be sworn to secrecy.

"3. All confidential communications made by the President of the United States to the Senate shall be by the Senators and the officers of the Senate kept secret; and all treaties which may be laid before the Senate, and all remarks, votes, and proceedings thereon shall be kept secret, until the Senate shall, by their resolution, take off the injunction of secrecy.

"4. Whenever the injunction of secrecy shall be removed from any part of the proceedings of the Senate in closed Executive or legislative session, the order of the Senate removing the same shall be entered in the Legislative Journal as well as in the Executive Journal, and published in the Congressional Record under the direction of the Secretary of the Senate.

"5. Any Senator or officer of the Senate who shall disclose the secret or confidential business or proceedings of the Senate shall be liable, if a Senator, to suffer expulsion from the body; and if an officer, to dismissal from the service of the Senate, and to punishment for contempt.

"6. Whenever, by the request of the Senate or any committee thereof, any documents or papers shall be communicated to the Senate by the President or the head of any department relating to any matter pending in the Senate, the proceedings in regard to which are secret or confidential under the rules, said documents and papers shall be considered as confidential, and shall not be disclosed without leave of the Senate.

"RULE XXXVII

"EXECUTIVE SESSION—PROCEEDINGS OF TREATIES

"1. (a) When a treaty shall be laid before the Senate for ratification, it shall be read a first time; and no motion in respect to it shall be in order, except to refer it to a committee, to print it in confidence for the use of the Senate, or to remove the injunction of secrecy.

"(b) When a treaty is reported from a committee with or without amendment, it shall, unless the Senate unanimously otherwise direct, lie over one day for consideration; after which it may be read a second time on demand and considered as in Committee of the Whole, when it shall be proceeded with by articles, and the amendments reported by the committee shall be first acted upon, after which other amendments may be proposed; and when through with, the proceedings had as in Committee of the Whole shall be reported to the Senate, when the question shall be, if the treaty be amended, "Will the Senate concur in the amendments made in Committee of the Whole?" And the amendments may be taken separately, or in gross, if no Senator shall object, after which new amendments may be proposed. At any stage of such proceedings the Senate may remove the injunction of secrecy from the treaty.

"(c) The decisions thus made shall be reduced to the form of a resolution of ratification, with or without amendments, as the case may be, which shall be proposed on a subsequent day, unless, by unanimous consent, the Senate determine otherwise, at which stage no amendment to the treaty shall be received unless by unanimous consent; but the resolution of ratification when pending shall be open to amendment in the form of reservations, declarations, statements, or understandings.

"(d) On the final question to advise and consent to the ratification in the form agreed to, the concurrence of two-thirds of the Senators present shall be necessary to determine it in the affirmative; but all other motions and questions upon a treaty shall be decided by a majority vote, except a motion to postpone indefinitely, which shall be decided by a vote of two-thirds.

"2. Treaties transmitted by the President to the Senate for ratification shall be resumed at the second or any subsequent session of the same Congress at the stage in which they were left at the final adjournment of the session at which they were transmitted; but all proceedings on treaties shall terminate with the Congress, and they shall be resumed at the commencement of the next Congress as if no proceedings had previously been had thereon.

"RULE XXXVIII

"EXECUTIVE SESSION—PROCEEDINGS ON NOMINATIONS

"1. When nominations shall be made by the President of the United States to the Senate, they shall, unless otherwise ordered, be referred to appropriate committees; and the final question on every nomination shall be, "Will the Senate advise and consent to this nomination?" which question shall not be put on the same day on which the nomination is received, nor on the day on which it may be reported by a committee, unless by unanimous consent.

"2. All business in the Senate shall be transacted in open session, unless the Senate as provided in rule XXXV by a majority vote shall determine that a particular nomination, treaty, or other matter shall be considered in closed executive session, in which case all subsequent proceedings with respect to said nomination, treaty, or other matter shall be kept secret: *Provided*, That the injunction of secrecy as to the whole or any part of proceedings in closed executive session may be removed on motion adopted by a majority vote of the Senate in closed executive session: *Provided further*, That any Senator may make public his vote in closed executive session.

"3. When a nomination is confirmed or rejected, any Senator voting in the majority may move for a reconsideration on the same day on which the vote was taken, or on either of the next two days of actual executive session of the Senate; but if a notification of the confirmation or rejection of a nomination shall have been sent to the President before the expiration of the time within which a motion to reconsider may be made, the motion to reconsider shall be accompanied by a motion to request the President to return such notification to the Senate. Any motion to reconsider the vote on a nomination may be laid on the table without prejudice to the nomination, and shall be a final disposition of such motion.

"4. Nominations confirmed or rejected by the Senate shall not be returned by the Secretary to the President until the expiration of the time limited for making a motion to reconsider the same, or while a motion to reconsider is pending unless otherwise ordered by the Senate.

"5. When the Senate shall adjourn or take a recess for more than thirty days, all motions to reconsider a vote upon a nomination which has been confirmed or rejected by the Senate, which shall be pending at the time of taking such adjournment or recess, shall fall; and the Secretary shall return all such nominations to the President as confirmed or rejected by the Senate, as the case may be.

"6. Nominations neither confirmed nor rejected during the session at which they are made shall not be acted upon at any succeeding session without being again made to the Senate by the President; and if the Senate shall adjourn or take a recess for more than thirty days, all nominations pending and not finally acted upon at the time of taking such adjournment or recess shall be returned by the Secretary to the President, and shall not again be considered unless they shall again be made to the Senate by the President.

"7. (a) The Official Reporters shall be furnished with a list of nominations to office after the proceedings of the day on which they are received, and a like list of all confirmations and rejections.

"(b) All nominations to office shall be prepared for the printer by the Official Reporter, and printed in the Congressional Record, after the proceedings of the day in which they are received, also nominations recalled, and confirmed.

"(c) The Secretary shall furnish to the press, and to the public upon request, the names of nominees confirmed or rejected on the day on which a final vote shall be had, except when otherwise ordered by the Senate.

"RULE XXXIX

"THE PRESIDENT FURNISHED WITH COPIES OF RECORDS OF EXECUTIVE SESSIONS

"The President of the United States shall, from time to time, be furnished with an authenticated transcript of the public executive records of the Senate, but no further extract from the Executive Journal shall be furnished by the Secretary, except by special order of the Senate; and no paper, except original treaties transmitted to the Senate by the President of the United States, and finally acted upon by the Senate, shall be delivered from the office of the Secretary without an order of the Senate for that purpose.

"RULE XL

"SUSPENSION AND AMENDMENT OF THE RULES

"No motion to suspend, modify, or amend any rule, or any part thereof, shall be in order, except on one day's notice in writing, specifying precisely the rule or part proposed to be suspended, modified, or amended, and the purpose thereof. Any rule may be suspended without notice by the unanimous consent of the Senate, except as otherwise provided by the rules.

"RULE XLI

"COMMITTEE AMENDMENTS NOT WITHIN ITS JURISDICTION

"It shall not be in order to consider any proposed committee amendment (other than a technical, clerical, or conforming amendment) which contains any significant matter not within the jurisdiction of the committee proposing such amendment.

"RULE XLII

"PUBLIC FINANCIAL DISCLOSURE

"For purposes of this rule, the provisions of title I of the Ethics in Government Act of 1978 shall be deemed to be a rule of the Senate as it pertains to Members, officers, and employees of the Senate.

"RULE XLIII

"GIFTS

"1. (a) No Member, officer, or employee of the Senate, or the spouse or dependent thereof, shall knowingly accept, directly or indirectly, any gift or gifts having an aggregate value exceeding $100 during a calendar year directly or indirectly from any person, organization, or corporation having a direct interest in legislation before the Congress or from any foreign national unless, in an unusual case, a waiver is granted by the Select Committee on Ethics. In determining whether an individual has accepted any gift or gifts having an aggregate value exceeding $100 during a calendar year from any person, organization, or corporation, there may be deducted the aggregate value of gifts (other than gifts described in subparagraph (c)) given by such individual to such person, organization, or corporation during that calendar year.

"(b) For purposes of subparagraph (a), only the following shall be deemed to have a direct interest in legislation before the Congress:

"(1) a person, organization, or corporation registered under the Federal Regulation of Lobbying Act of 1946, or any successor statute, a person who is an officer or director of such a registered lobbyist, or a person who has been employed or retained by such a registered lobbyist for the purpose of influencing legislation before the Congress; or

"(2) a corporation, labor organization, or other organization which maintains a separate segregated fund for political purposes (within the meaning of section 321 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b)), a person who is an officer or director of such corporation, labor organization, or other organization, or a person who has been employed or retained by such corporation, labor organization, or other organization for the purpose of influencing legislation before the Congress.

"(c) The prohibitions of subparagraph (a) do not apply to gifts—

"(1) from relatives;

"(2) with a value of less than $35;

"(3) of personal hospitality of an individual; or

"(4) from an individual who is a foreign national if that individual is not acting, directly or indirectly, on behalf of a foreign corporation, partnership or business enterprise, a foreign trade, cultural, educational or other association, a foreign political party or a foreign government.

"2. For purposes of this rule—

"(a) the term 'gift' means a payment, subscription, advance, forbearance, rendering, or deposit of money, services, or anything of value, including food, lodging, transportation, or entertainment, and reimbursement for other than necessary expenses, unless consideration of equal or greater value is received, but does not include (1) a political contribution otherwise reported as required by law, (2) a loan made in a commercially reasonable manner (including requirements that the loan be repaid and that a reasonable rate of interest be paid), (3) a bequest, inheritance, or other transfer at death, (4) a bona fide award presented in recognition of public service and available to the general public, (5) a reception at which the Member, officer, or employee is to be honored, provided such individual receives no other gifts that exceed the restrictions in this rule, other than a suitable memento, (6) meals, beverages, or entertainment consumed or enjoyed, provided the meals, beverages, or entertainment are not consumed or enjoyed in connection with a gift of overnight lodging, or (7) anything of value given to a spouse or dependent of a reporting individual by the employer of such spouse or dependent in recognition of the service provided by such spouse or dependent; and

"(b) the term 'relative' has the same meaning given to such term in section 107(2) of title I of the Ethics in Government Act of 1978 (Public Law 95-521).

"3. If a Member, officer, or employee, after exercising reasonable diligence to obtain the information necessary to comply with this rule, unknowingly accepts a gift described in paragraph 1, such Member, officer, or employee shall, upon learning of the nature of the gift and its source, return the gift or, if it is not possible to return the gift, reimburse the donor for the value of the gift.

"4. (a) Notwithstanding the provisions of this rule, a Member, officer, or employee of the Senate may participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization if such participation is not in violation of any law and if the Select Committee on Ethics has determined that participation in such program by Members, officers, or employees of the Senate is in the interests of the Senate and the United States.

"(b) Any Member who accepts an invitation to participate in any such program shall notify the Select Committee in writing of his acceptance. A Member shall also notify the Select Committee in writing whenever he has permitted any officer or employee whom he supervises (within the meaning of paragraph 11 of rule XLV) to participate in any such program. Prior to the beginning of any such program, the chairman of the Select Committee shall place in the Congressional Record a list of all individuals participating; the supervisors of such individuals, where applicable; and the nature and itinerary of such program.

"(c) No Member, officer, or employee may accept funds in connection with participation in a program permitted under subparagraph (a) if such funds are not used for necessary food, lodging, transportation, and related expenses of the Member, officer, or employee.

"RULE XLIV[1]

"OUTSIDE EARNED INCOME

"1. During the period of service in a calendar year of a Senator, or of an officer or employee of the Senate compensated at a rate exceeding $35,000 a year and employed for more than ninety days in a calendar year, the aggregate amount of the outside earned income of such individual for such period shall not exceed 15 per centum of—

"(1) the aggregate amount of the salary of such an officer or employee disbursed by the Secretary of the Senate during such period; and

"(2) in the case of a Senator, the aggregate amount of base salary paid to Senators and disbursed by the Secretary of the Senate for that period.

"2. (a) A Senator shall not receive honoraria in excess of $1,000 for each appearance, speech, or article.

"(b) An officer or employee of the Senate covered by paragraph 1 shall not receive honoraria in excess of—

"(1) $300 for each appearance, speech, or article, and

"(2) $1,500 in the aggregate in any one calendar year.

"(c) Notwithstanding the limitations under paragraph 1 or 2(b)(2), any Senator, officer, or employee may accept honoraria in excess of the amount allowed in paragraph 1 or 2(b)(2) but not in excess of $25,000, if he donates such honoraria to an organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1954 and if no tax benefits accrue to such Senator, officer, or employee for such donation.

"3. (a) For purposes of this rule, the term 'outside earned income' shall, subject to the provisions of subparagraph (b), mean any income earned by an individual (other than the salary received as a Senator or officer or employee of the Senate) which is compensation received as a result of personal services actually rendered.

"(b) For purposes of subparagraph (a), the term 'outside earned income' does not include—

"(1) advances on books from an established trade publisher under usual contract terms;

"(2) royalties from books;

"(3) proceeds from the sale of creative or artistic works;

"(4) any 'buyout' arrangement from professional partnerships or businesses which is reasonably related to the fair market value of the partnership or business interest in the enterprise at the time of the sale of such interest, payable within a reasonable period of time, and not related to future services or profitability of the enterprise;

"(5) income from family enterprises, if the services provided by the Senator, officer or employee are managerial or supervisory in nature, necessary to protect the interests in the family enterprise and do not consume significant amounts of time while the Senate is in session; and

"(6) distributive shares of partnership income if the distributive share received represents not more than a pro rata return on the capital invested in the partnership and the services provided by the Senator, officer, or employee are managerial or supervisory in nature, necessary to protect the interests in the partnership, and do not consume significant amounts of time while the Senate is in session.

"RULE XLV

"CONFLICT OF INTEREST

"1. A Member, officer, or employee of the Senate shall not receive any compensation, nor shall he permit any compensation to accrue to his beneficial interest from any source, the receipt or accrual of which would occur by virtue of influence improperly exerted from his position as a Member, officer, or employee.

"2. No Member, officer, or employee shall engage in any outside business or professional activity or employment for compensation which is inconsistent or in conflict with the conscientious performance of official duties.

"3. No officer or employee shall engage in any outside business or professional activity or employment for compensation unless he has reported in writing when such activity or employment commences and on May 15 of each year thereafter so long as such activity or employment continues, the nature of such activity or employment to his supervisor. The supervisor shall then, in the discharge of his duties, take such action as he considers necessary for the avoidance of conflict of interest or interference with duties to the Senate.

"4. No Member, officer, or employee shall knowingly use his official position to introduce or aid the progress or passage of legislation, a principal purpose of which is to further only his pecuniary interest, only the pecuniary interest of his immediate family, or only the pecuniary interest of a limited class of persons or enterprises, when he, or his immediate family, or enterprises controlled by them, are members of the affected class.

"5. No Member, officer, or employee of the Senate compensated at a rate in excess of $25,000 per annum and employed for more than ninety days in a calendar year shall (a) affiliate with a firm, partnership, association, or corporation for the purpose of providing professional services for compensation; (b) permit that individual's name to be used by such a firm, partnership, association or corporation; or (c) practice a profession for compensation to any extent during regular office hours of the Senate office in which employed. For the purposes of this paragraph, 'professional services' shall include but not be limited to those which involve a fiduciary relationship.

"6. No Member, officer, or employee of the Senate compensated at a rate in excess of $25,000 per annum and employed for more than ninety days in a calendar year shall serve as an officer or member of the board of any publicly held or publicly regulated corporation, financial institution, or business entity. The preceding sentence shall not apply to service of a Member, officer, or employee as—

"(a) an officer or member of the board of an organization which is exempt from taxation under section 501(c) of the Internal Revenue Code of 1954, if such service is performed without compensation;

"(b) an officer or member of the board of an institution or organization which is principally available to Members, officers, or employees of the Senate, or their families, if such service is performed without compensation; or

"(c) a member of the board of a corporation, institution, or other business entity, if (1) the Member, officer, or employee had served continuously as a member of the board thereof for at least two years prior to his election or appointment as a Member, officer, or employee of the Senate, (2) the amount of time required to perform such service is minimal, and (3) the Member, officer, or employee is not a member of, or a member of the staff of any Senate committee which has legislative jurisdiction over any agency of the Government charged with regulating the activities of the corporation, institution, or other business entity.

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[1] Effective Jan. 1, 1983. (Effective date changed from Jan. 1, 1979, to Jan. 1, 1983, by S. Res. 93, 96-1, Mar. 8, 1979.)

"7. An employee on the staff of a committee who is compensated at a rate in excess of $25,000 per annum and employed for more than ninety days in a calendar year shall divest himself of any substantial holdings which may be directly affected by the actions of the committee for which he works, unless the Select Committee, after consultation with the employer's supervisor, grants permission in writing to retain such holdings or the employee makes other arrangements acceptable to the Select Committee and the employee's supervisor to avoid participation in committee actions where there is a conflict of interest, or the appearance thereof.

"8. If a Member, upon leaving office, becomes a registered lobbyist under the Federal Regulation of Lobbying Act of 1946 or any successor statute, or is employed or retained by such a registered lobbyist for the purpose of influencing legislation, he shall not lobby Members, officers, or employees of the Senate for a period of one year after leaving office.

"9. If an employee on the staff of a Member, upon leaving that position, becomes a registered lobbyist under the Federal Regulation of Lobbying Act of 1946 or any successor statute, or is employed or retained by such a registered lobbyist for the purpose of influencing legislation, such employee may not lobby the Member for whom he worked or that Member's staff for a period of one year after leaving that position. If an employee on the staff of a committee, upon leaving his position, becomes such a registered lobbyist or is employed or retained by such a registered lobbyist for the purpose of influencing legislation, such employee may not lobby the members of the committee for which he worked, or the staff of that committee, for a period of one year after leaving his position.

"10. For purposes of this rule—

"(a) 'employee of the Senate' includes an employee or individual described in paragraphs 2, 3, and 4(c) or rule XLIX:

"(b) an individual who is an employee on the staff of a subcommittee of a committee shall be treated as an employee on the staff of such committee; and

"(c) the term 'lobbying' means any oral or written communication to influence the content or disposition of any issue before Congress, including any pending or future bill, resolution, treaty, nomination, hearing, report, or investigation; but does not include—

"(1) a communication (i) made in the form of testimony given before a committee or office of the Congress, or (ii) submitted for inclusion in the public record, public docket, or public file of a hearing; or

"(2) a communication by an individual, acting solely on his own behalf, for redress of personal grievances, or to express his personal opinion.

"11. For purposes of this rule—

"(b) a Senator or the Vice President is the supervisor of his administrative, clerical, or other assistants;

"(b) a Senator who is the chairman of a committee is the supervisor of the professional, clerical, or other assistants to the committee except that minority staff members shall be under the supervision of the ranking minority Senator on the committee;

"(c) a Senator who is a chairman of a subcommittee which has its own staff and financial authorization is the supervisor of the professional, clerical, or other assistants to the subcommittee except that minority staff members shall be under the supervision of the ranking minority Senator on the subcommittee;

"(d) the President pro tempore is the supervisor of the Secretary of the Senate, Sergeant at Arms and Doorkeeper, the Chaplain, the Legislative Counsel, and the employees of the Office of the Legislative Counsel;

"(e) the Secretary of the Senate is the supervisor of the employees of his office;

"(f) the Sergeant at Arms and Doorkeeper is the supervisor of the employees of his office;

"(g) the Majority and Minority Leaders and the Majority and Minority Whips are the supervisors of the research, clerical, or other assistants assigned to their respective offices;

"(h) the Majority Leader is the supervisor of the Secretary for the Majority and the Secretary for the Majority is the supervisor of the employees of his office; and

"(i) the Minority Leader is the supervisor of the Secretary for the Minority and the Secretary for the Minority is the supervisor of the employees of his office.

"RULE XLVI

"PROHIBITION OF UNOFFICIAL OFFICE ACCOUNTS

"1. No Member may maintain or have maintained for his use an unofficial office account. The term 'unofficial office account' means an account or repository into which funds are received for the purpose, at least in part, of defraying otherwise unreimbursed expenses allowable in connection with the operation of a Member's office. An unofficial office account does not include, and expenses incurred by a Member in connection with his official duties shall be defrayed only from—

"(a) personal funds of the Member;

"(b) official funds specifically appropriated for that purpose;

"(c) funds derived from a political committee (as defined in section 301(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431)); and

"(d) funds received as reasonable reimbursements for expenses incurred by a Member in connection with personal services provided by the Member to the organization making the reimbursement.

"2. No contribution (as defined in section 301(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431)) shall be converted to the personal use of any Member or any former Member. For the purposes of this rule 'personal use' does not include reimbursement of expenses incurred by a Member in connection with his official duties.

"RULE XLVII

"FOREIGN TRAVEL

"1. Unless authorized by the Senate (or by the President of the United States after an adjournment sine die), no funds from the United States Government (including foreign currencies made available under section 502(b) of the Mutual Security Act of 1954 (22 U.S.C. 1754 (b)) shall be received for the purpose of travel outside the United States by any Member of the Senate whose term will expire at the end of a Congress after—

"(a) the date of the general election in which his successor is elected; or

"(b) in the case of a Member who is not a candidate in such general election, the earlier of the date of such general election or the adjournment sine die of the second regular session of that Congress.

"2. No Member, officer, or employee engaged in foreign travel may claim payment or accept funds from the United States Government (including foreign currencies made available under section 502(b) of the Mutual Security Act of 1954 (22 U.S.C. 1754(b)) for any expense for which the individual has received reimbursement from any other source; nor may such Member, officer, or employee receive reimbursement for the same expense more than once from the United States Government. No Member, officer, or employee shall use any funds furnished to him to defray ordinary and necessary expenses of foreign travel for any purpose other than the purpose or purposes for which such funds were furnished.

"3. A per diem allowance provided a Member, officer, or employee in connection with foreign travel shall be used solely for lodging, food, and related expenses and it is the responsibility of the Member, officer, or employee receiving such an allowance to return to the United States Government that portion of the allowance received which is not actually used for necessary lodging, food, and related expenses.

"RULE XLVIII

"FRANKING PRIVILEGE AND RADIO AND TELEVISION STUDIOS

"1. A Senator or an individual who is a candidate for nomination for election, or election, to the Senate may not use the frank for any mass mailing (as defined in section 3210(a)(5)(D) of title 39, United States Code) if such mass mailing is mailed at or delivered to any postal facility less than sixty days immediately before the date of any primary or general election (whether regular, special, or runoff) in which the Senator is a candidate for public office or the individual is a candidate for Senator.

"2. A Senator shall use only official funds of the Senate, including his official Senate allowances, to purchase paper, to print, or to prepare any mass mailing material which is to be sent out under the frank.

"3. (a) When a Senator disseminates information under the frank by a mass mailing (as defined in section 3210(a)(5)(D) of title 39, United States Code), the Senator shall register annually with the Secretary of the Senate such mass mailings. Such registration shall be made by filing with the Secretary a copy of the matter mailed and providing, on a form supplied by the Secretary, a description of the group or groups of persons to whom the mass mailing was mailed.

"(b) The Secretary of the Senate shall promptly make available for public inspection and copying a copy of the mail matter registered, and a description of the group or groups of persons to whom the mass mailing was mailed.

"4. Nothing in this rule shall apply to any mailing under the frank which is (a) in direct response to inquiries or requests from persons to whom the matter is mailed; (b) addressed to colleagues in Congress or to government officials (whether Federal, State, or local); or (c) consists entirely of news releases to the communications media.

"5. The Senate computer facilities shall not be used (a) to store, maintain, or otherwise process any lists or categories of lists of names and addresses identifying the individuals included in such lists as campaign workers or contributors, as members of a political party, or by any other partisan political designation, (b) to produce computer printouts except as authorized by user guides approved by the Committee on Rules and Administration, or (c) to produce mailing labels for mass mailings, or computer tapes and discs, for use other than in service facilities maintained and operated by the Senate or under contract to the Senate. The Committee on Rules and Administration shall prescribe such regulations not inconsistent with the purposes of this paragraph as it determines necessary to carry out such purposes.

"6. (a) The radio and television studios provided by the Senate or by the House of Representatives may not be used by a Senator or an individual who is a candidate for nomination for election, or election, to the Senate less than sixty days immediately before the date of any primary or general election (whether regular, special, or runoff) in which that Senator is a candidate for public office or that individual is a candidate for Senator.

"(b) This paragraph shall not apply if the facilities are to be used at the request of, and at the expense of, a licensed broadcast organization or an organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1954.

"RULE XLIX

"POLITICAL FUND ACTIVITY; DEFINITIONS

"1. No officer or employee of the Senate may receive, solicit, be a custodian of, or distribute any funds in connection with any campaign for the nomination for election, or the election, of any individual to be a Member of the Senate or to any other Federal office. This prohibition does not apply to two assistants to a Senator, at least one of whom is in Washington, District of Columbia, who have been designated by that Senator to perform any of the functions described in the first sentence of this paragraph and who are compensated at an annual rate in excess of $10,000 if such designation has been made in writing and filed with the Secretary of the Senate and if each such assistant files a financial statement in the form provided under rule XLII for each year during which he is designated under this rule. The Secretary of the Senate shall make the designation available for public inspection.

"2. For purposes of the Senate Code of Official Conduct—

"(a) an employee of the Senate includes any employee whose salary is disbursed by the Secretary of the Senate; and

"(b) the compensation of an officer or employee of the Senate who is a reemployed annuitant shall include amounts received by such officer or employee as an annuity, and such amounts shall be treated as disbursed by the Secretary of the Senate.

"3. Before approving the utilization by any committee of the Senate of the services of an officer or employee of the Government in accordance with paragraph 2(d) of rule XXXI or with an authorization provided by Senate resolution, the Committee on Rules and Administration shall require such officer or employee to agree in writing to comply with the Senate Code of Official Conduct in the same manner and to the same extent as an employee of the Senate. Any such officer or employee shall, for purposes of such Code, be treated as an employee of the Senate receiving compensation disbursed by the Secretary of the Senate in an amount equal to the amount of compensation he is receiving as an officer or employee of the Government.

"4. No Member, officer, or employee of the Senate shall utilize the full-time services of an individual for more than ninety days in a calendar year in the conduct of official duties of any committee or office of the Senate (including a Member's office) unless such individual—

"(a) is an officer or employee of the Senate,

"(b) is an officer or employee of the Government (other than the Senate), or

"(c) agrees in writing to comply with the Senate Code of Official Conduct in the same manner and to the same extent as an employee of the Senate.

Any individual to whom subparagraph (c) applies shall, for purposes of such Code, be treated as an employee of the Senate receiving compensation disbursed by the Secretary of the Senate in an amount equal to the amount of compensation which such individual is receiving from any source for performing such services.

"5. In exceptional circumstances for good cause shown, the Select Committee on Ethics may waive the applicability of any provision of the Senate Code of Official Conduct to an employee hired on a per diem basis.

"6. (a) The supervisor of an individual who performs services for any Member, committee, or office of the Senate for a period in excess of four weeks and who receives compensation therefor from any source other than the United States Government shall report to the Select Committee on Ethics with respect to the utilization of the services of such individual.

"(b) A report under subparagraph (a) shall be made with respect to an individual—

"(1) when such individual begins performing services described in such subparagraph;

"(2) at the close of each calendar quarter while such individual is performing such services; and

"(3) when such individual ceases to perform such services.

Each such report shall include the identity of the source of the compensation received by such individual and the amount or rate of compensation paid by such source.

"(c) No report shall be required under subparagraph (a) with respect to an individual who normally performs services for a Member, committee, or office for less than eight hours a week.

"(d) For purposes of this paragraph, the supervisor of an individual shall be determined under paragraph 11 of rule XLV.

"RULE L

"EMPLOYMENT PRACTICES

"No Member, officer, or employee of the Senate shall, with respect to employment by the State or any office thereof—

"(a) fail or refuse to hire an individual;

"(b) discharge an individual; or

"(c) otherwise discriminate against an individual with respect to promotion, compensation, or terms, conditions, or privileges of employment

on the basis of such individual's race, color, religion, sex, national origin, age, or state of physical handicap.".

SEC. 2. (a) Sections 131, 133, 133A, 133B, 134, 135, 136, and 139 of the Legislative Reorganization Act of 1946, insofar as they relate to the Senate, are repealed. Until otherwise provided by law or resolution of the Senate, the provisions of subsections (a) through (h) of section 202 of such act shall not apply to committees of the Senate.

(b) Sections 243, 252(a), 253(a), and 253(b) of the Legislative Reorganization Act of 1970 are repealed.

(c) Section 703(e) of Senate Resolution 4, Ninety-fifth Congress, agreed to February 4 (legislative day, February 1), 1977, is repealed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. MATSUNAGA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HOME ENERGY ASSISTANCE ACT

The Senate continued with the consideration of S. 1724.

Mr. MATSUNAGA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THANKSGIVING RECESS

Mr. ROBERT C. BYRD. Mr. President, the Thanksgiving holiday was to have begun at the close of business on Wednesday next. In consideration of the Members who have to get reservations on airlines and travel long distances, the Thanksgiving holiday will include Wednesday next. So Senators will work Monday and Tuesday but not on Wednesday next, as had previously been scheduled.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 1:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, it is my understanding that it will be another 45 minutes before the managers of the bill will have information they are awaiting before proceeding further on the amendment by Mr. BOSCHWITZ and Mr. MUSKIE. I therefore ask unanimous consent that the Senate stand in recess until 1:30 p.m. today.

There being no objection, the Senate, at 12:45 p.m., recessed until 1:30 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. EXON).

RECESS FOR 30 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

There being no objection, the Senate, at 1:31 p.m., recessed for 30 minutes; whereupon, at 2:01 p.m., the Senate reassembled when called to order by the Presiding Officer (Mr. BOREN).

Mr. WILLIAMS. Mr. President, the recess was occasioned by the necessity of getting information requisite to the offering of an amendment. It is still being worked over; the data has just reached the Senate. There have been various sequences worked on. While that is proceeding, with no speakers seeking recognition, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE FREEZING OF IRANIAN ASSETS

Mr. CHURCH. Mr. President, with respect to the decision to freeze Iranian assets in U.S. banks, the message to the Iranians is clear: We will release their money when they release the American prisoners.

This emergency measure, taken by the United States, constitutes no threat whatever to any other oil-producing government which observes international law. Its assets in this country remain accessible and secure.

The freezing of Iranian assets has been brought on by a renegade government in Tehran that has defied every principle of comity and civility by illegally permitting student anarchists to hold American citizens hostage in our own Embassy.

This is an escalating crisis, but the Iranians had best know that the United States will neither back down nor bend to blackmail.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, appoints the Senator from Kansas (Mr. DOLE) to attend the United Nations Conference of the Food and Agriculture Organization, to be held in Rome, Italy, November 10–29, 1979.

QUORUM CALL

Mr. WILLIAMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll and the following Senators entered the Chamber and answered to their names:

[Quorum No. 8 Leg.]

Boren
Boschwitz
Bradley
Byrd, Robert C.
Chafee
Cranston
Danforth
Dole
Levin
Long
Matsunaga
McClure
Morgan
Muskie
Nelson
Pell
Schweiker
Stevens
Williams

The PRESIDING OFFICER (Mr. BAUCUS). A quorum is not present. The clerk will call the names of absent Senators.

The assistant legislative clerk resumed the call of the roll.

Mr. ROBERT C. BYRD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Massachusetts (Mr. KENNEDY), the Senator from New York (Mr. MOYNIHAN), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT) and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The PRESIDING OFFICER. Have all Senators in the Chamber wishing to vote cast their votes?

The result was announced—yeas 91, nays 3, as follows:

[Rollcall Vote No. 407 Leg.]

YEAS—91

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Williams
Zorinsky

NAYS—3

Goldwater
McClure
Weicker

NOT VOTING—6

Gravel
Kennedy
Laxalt
Moynihan
Stennis
Young

So the motion was agreed to.

The PRESIDING OFFICER. With the addition of Senators voting who did not answer the quorum call, a quorum is present.

Are there further amendments?

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I had hoped we would get an amendment up soon.

Mr. ROBERT C. BYRD. Mr. President, I believe that the distinguished Senator from Minnesota is about ready to call up his amendment.

UP AMENDMENT NO. 808

(Subsequently numbered Amendment No. 593)

(Purpose: To modify the allocation formula)

Mr. BOSCHWITZ. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Minnesota (Mr. BOSCHWITZ) proposed an unprinted amendment numbered 808.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 22, line 23, strike out "one-half" and insert in lieu thereof "one-quarter".
>
> On page 23, line 4, strike out "one-half" and insert in lieu thereof "three-quarters".
>
> On page 23, line 4, strike out "one-half" and insert in lieu thereof "three-quarters".
>
> On page 23, line, 5, insert, "squared" after the word "State".

Mr. BOSCHWITZ. Mr. President, we have gone through a considerable amount of negotiation here in the last day and a half. We have been trying to come up with an amendment to S. 1724 that would bring about the greatest amount of relief for the States that have cold weather and heating problems in the winter.

I have worked with the distinguished chairman of the Committee on Labor and Human Resources, Senator WILLIAMS, and the distinguished chairman of the Committee on Finance, Senator LONG, and we have come up with an amendment.

The amendment I have offered is the original Boschwitz-Muskie amendment that was printed on this chart. The amendment is predicated on a formula which would be 75 percent times heating degree days squared, times the low-income population, as opposed to the lack of emphasis on heating degree days in the original bill, and 25 percent times energy expenditures.

This bill did not include a base that would be given all SSI and food stamp recipients or to AFDC recipients. However, this amendment does carry out what I believe is the intent of the bill as stated on page 5 of the report, which says:

> There was general agreement that a greatly expanded home energy assistance program is needed to provide aid to low and lower middle income households in meeting the dramatically rising cost of home heating. There was also discussion of the need for some level of assistance to be provided to certain eligible households, where excessive heat is a factor in threatening life and health.

That is the reason for the second part of the equation, which is 25 percent times energy expenditures—not just heating expenditures but energy expenditures—though the amendment places far greater emphasis, as can be seen by the figures, on the idea of heating degree days.

Many Members of the Senate may feel that the Government should hold all individuals harmless with respect to all increases in energy costs, and I certainly would join in that, but budgetary considerations simply would not allow that.

The committee report spelled out its intent, also, on page 8, where it says:

> . . . (the committee) intends that this Act

> offset high heating costs (and cooling where medically necessary) and that assistance not be simply a supplement of all utilities and their use to run appliances, etc.

That is what we are trying to achieve in this amendment: We are trying to offset high heating costs and to provide funds where cooling is medically necessary. These funds go to the States so that the States can determine the exact proportion of how they are distributed.

In the report, the committee also said that it is not simply a supplement for all utilities and their use to run appliances, et cetera. That was not the intention of the bill.

So, Mr. President, I submit my amendment. It emphasizes what I think is the original purpose of the bill—the idea of helping the poor, the elderly, and those on fixed incomes with the escalating heating costs.

In Minnesota, a gallon of fuel oil has gone from 50 cents to 90 cents in the last year.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BENTSEN. Mr. President, will the Senator yield for a question?

Mr. BOSCHWITZ. I yield.

Mr. BENTSEN. Do I correctly understand that this is a modification of the original amendment the Senator had presented and that he is now talking about, 50 percent heating degree days squared, 50 percent heating expenditures?

Mr. BOSCHWITZ. I cannot hear the Senator.

Mr. BENTSEN. Do I correctly understand this to be the original amendment or a modification of the amendment that the Senator was discussing yesterday? Is the Senator now talking about a 50–50 division, or is he talking about 75–25?

Mr. BOSCHWITZ. Seventy-five to twenty-five. The 50–50 division was predicated entirely on heating degree days when a base was put in for people on SSI, AFDC, or food stamps. This amendment is 75–25: Seventy-five percent of the emphasis is times heating degree days squared; 25 percent of the emphasis is on all energy costs.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. BOSCHWITZ. I yield.

Mr. MUSKIE. Mr. President, after almost 24 hours of discussion and negotiation with Senator LONG, the chairman of the Finance Committee, and the floor manager of the bill over the formula which would reflect the philosophy described by my good friend, the Senator from Minnesota (Mr. BOSCHWITZ), we found it impossible to devise a formula for distribution which reflects that philosophy and at the same time takes into account other equities which are important to other Senators from States which would be affected less favorably than the committee bill or less favorably than the original Boschwitz-Muskie amendment.

We have talked about establishing a floor, and there is a floor, I think, recognized in the committee bill which we sought to apply to the compromise. Again, as is so often the case with these formula approaches to Government programs, we found ourselves with States adversely affected by the change in formula in ways that they find not acceptable.

We have considered several formulas, three of which are reflected in the table which has been distributed, I think, to all Senators through three columns—one is marked "S. 1724," which is the committee bill; the second column is the original Boschwitz-Muskie amendment; and the third is an alternative to that amendment with a minimum which would establish a floor below which States would not fall. We thought that the third column, given the concepts built into the formula, looked like a fair compromise.

Now, as we have gotten the computer printout which shows its impact upon all of the States, several Senators have indicated that the impact with respect to their States either as between the third column and the first column or the third column and the second column is unacceptable. So at this point we do not seem to have a formula on which we can build a consensus.

Looking at these three columns, 15 States appear to be benefited most by the committee bill; 22 States seem to be benefited most by the amendment before us, the Boschwitz-Muskie amendment; and 13 States seem to be benefited most by the third column. I give Senators these totals to suggest the difficulty of accommodating these various points of view.

Mr. President, I simply wish to reemphasize, if I might, the reasons why I have supported the original Boschwitz amendment, because I think that the basic philosophy reflected in this amendment should be reflected in whatever solution the Senate finally approves.

The amendment would not increase the cost of the low-income energy assistance program. We have not been focusing on dollars. It would target the funds authorized under the committee bill to those States in which low-income households have the greatest need for assistance because they have the coldest weather.

It is clear that the energy assistance program provided under the committee bill and the program for fiscal year 1980 funded under the Interior appropriations bill are intended primarily to help people with home heating costs. Yet the allocation formula in the committee bill does not target the funds to the States where the need for assistance with home heating costs is the greatest.

The need for an enlarged program of low-income energy assistance became apparent when the OPEC countries increased the price of oil from $14.54 a barrel to $20.12 a barrel. Further increases, plus the impact of decontrol, could double—or more than double—home heating bills in my State and in other States across the northern tier in the country.

The impact of these tremendous increases of home heating costs will be greatest on low-income households in States which have the coldest weather. The most reasonable and efficient use of the authorized funds is to target the aid to those areas where the need is greatest. The amendment before us now would accomplish that objective by providing an allocation formula that gives greater weight to the number of heating degree days in a State. The allocation formula provided under the amendment would distribute the authorized funds more equitably among the States since 29 States would get increased funds.

The amendment would also decrease the weighting in the allocation formula for home energy expenditures from 50 percent to 25 percent. Home energy expenditures, are an imperfect measure of the need for assistance for home heating costs because they include expenditures for items other than heating—air-conditioning, cooling, lighting, and so on. Home heating expenditures would be a better standard, but I understand that reliable data are difficult to determine which to base such a measure. Nevertheless, with respect to some of the modifications we have been discussing today, we have used a home heating costs basis.

Since home energy expenditure is an imperfect measure, it should be given less weight in the allocation formula. As I mentioned, under the amendment pending before us the weighting of home energy expenditures in the formula is reduced from 50 percent to 25 percent.

This amendment will help to assure that needy people in the coldest weather States will get more adequate payments than they would under the committee bill. Failure to target the authorized funds to those most in need of help with their home heating bills would undermine the objectives of the energy assistance program before us today. It could also give rise to pressures to increase program funding in future years to give more aid to the neediest group.

Mr. President, I believe that the amendment will improve the Home Energy Assistance Act by targeting the funds to the group most in need of assistance with their home heating bills.

It is for that reason, Mr. President, that I supported the Boschwitz amendment as a cosponsor.

Several Senators addressed the Chair.

Mr. BOSCHWITZ. Mr. President, I yield 30 seconds to the Senator from Maine.

Mr. COHEN. I thank the Senator for yielding.

Mr. President, I simply take this opportunity to express my support for the amendment offered by the Senator from Minnesota and my colleague, Senator MUSKIE.

It is essential that an energy assistance program be directed toward areas of the country that will be the hardest hit by severe climate and rising fuel costs. This amendment proposes a formula which would direct assistance to areas with the greatest need, because it properly weighs the relatively severity of climate.

During debates on this subject in the past, the emphasis on energy assistance legislation was placed on the need to assist individuals who will suffer because of rising heating costs. The formula approved in the Interior appropriations bill for emergency fuel assistance reflects this intent because it places greater emphasis on the number of heating degree days a State experiences. I contend that S. 1724 should adopt a similar allocation formula which would properly weigh the relative severity of climate.

The amendment would provide a higher allocation for generally those States which suffer the coldest weather. I urge my colleagues to adopt this amendment which would direct energy assistance to those who will be the hardest hit by severe climate.

Mr. METZENBAUM addressed the Chair.

Mr. BOSCHWITZ. Mr. President, I yield to the Senator from Texas.

Mr. METZENBAUM. Mr. President, am I not correct that no one has control of the floor at the moment, or am I incorrect

The PRESIDING OFFICER. The Senator from Minnesota has the floor and he yielded to the Senator from Texas who may yield for a question.

Mr. METZENBAUM. I did not know. If the Senator from Texas will yield for a question, I want to be certain what we are considering. Am I correct that we have before us the original Boschwitz-Muskie amendment?

Mr. BOSCHWITZ. That is correct.

Mr. METZENBAUM. And the figures in connection therewith are those that the Senator put in the RECORD the other day; is that correct?

Mr. BOSCHWITZ. That is correct, on Friday.

Mr. METZENBAUM. I thank the Senator from Minnesota, and I thank my friend from Texas for yielding.

Mr. BENTSEN. Mr. President, could I be recognized in my own right here?

Mr. BOSCHWITZ. I yield to the Senator.

Mr. BENTSEN. I would rather be recognized in my own right.

The PRESIDING OFFICER. Does the Senator yield the floor?

Mr. BOSCHWITZ. I yield the floor.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. BENTSEN. Mr. President, I heard the distinguished Senator from Maine, Senator MUSKIE, talking about the problems in coming up with an appropriate and fair formula, and that is right. He is absolutely correct. It is not easy, and each of us obviously wants to represent his State, but in turn we want to represent the Nation and we want to try to arrive at something that we think is fair.

I think it is an interesting, not just coincidence, but through distillation of thought, debate, and compromise in trying to arrive at equity that the Labor and Human Resources Committee came up with a formula that is very close to what the Finance Committee came up with after a great deal of give and take, and it went on for days and days, with experts testifying, trying to find out what was right and what was fair.

Sure, there was some give and take in that because the poor of this country are across the land, and all of them pay energy bills. These people who thought that finally they had their homes paid for, elderly people who finally paid off the mortgages, are now finding that the costs of energy have escalated to such heights that they are in danger of not being able to live in their homes and face the possibility of losing their homes.

Minnesota has those problems; Maine has those problems; Texas has those problems. I think those in the colder States deserve some extra consideration. But the legislation the committee worked out does just that. It gives them some extra consideration.

Squaring degree days—how do you like that one? Squaring degree days—how in the world does that correlate to equity? How does that finally relate to the poor across this Nation?

I will tell you how it works. It just means you get more money for Minnesota or Maine, and I understand that. I understand that kind of motivation. But I sure do not see equity in it. I do not see any kind of a correlation to the suffering, to the concern of not meeting bills, for having to make the cruel choices about whether you turn on the lights, whether you keep the food from spoiling, whether you are able to cook it, you are able to heat, or all the rest of it.

Our people have those problems, too. They have the problem of skyrocketing costs. So let us try to take some figures that correlate. Let us try to take some things that we can count on.

Take a look at what the Community Services Administration did in their study. That is a 1977 study on energy consumption by the poor. It has a very appropriate title. It is called "Colder * * * Darker." That is where we are headed on energy costs. It notes that only about one-half of the poor's total energy costs is for heating, about one-half. Not 75 percent squared, whatever that adds up to, but about one-half goes to heating.

The devastating choices being faced by the poor of our Nation in whatever State they are in are not limited to paying the fuel oil supplier or the landlord, but also paying the gas bill or the grocer, the electric bill or the doctor. Fully half of that comes about because the poor are faced with these decisions because of the rising costs of energy for heating and for things other than heating.

For that reason I strongly object to this amendment which would distribute low-income energy assistance 75 percent on heating degree days squared.

I object for two reasons, the first being that the problem our Nation's poor are facing is not based 75 percent on home heating but, as the CSA study shows, it is 50 percent based on home heating and the other 50 percent on things that are important for people to be able to survive, be able to have just some of the modest comforts of life that they can turn to, and being able to see that their food does not spoil.

Some of my friends will say, "Well, you know, we are talking about people getting awfully cold." That is right, and I am deeply concerned about that. But someone will dismiss it and say, "Well, you have got air-conditioning, too. Well, you really do not need that. They can sweat it out. You do not need that."

But let me give you some of the facts on that. Heat does kill. Here is a headline out of the Dallas Times-Herald last year, "Heat Kills 11 More Here." The other headline had about 24 dead in Dallas, "Sunday's heatstroke victims in Dallas included an elderly west Dallas couple, Roy Hickman, 85, and his 76-year-old wife, who were found by their daughter shortly after 9 a.m. in their home which had no air-conditioning."

Here is another one. Here is one "Bordelon was taken to Methodist Hospital, but was dead on arrival. A medical investigator said his body temperature was 106 degrees at the time of death."

"Otha Wright, 39, investigators said her home was not air-conditioned. She suffered cramps after drinking a large amount of ice water. Hospitalized since Friday, she died at the Parkland Memorial Hospital, pushing the official death to 16 from the continuous 100-degree-plus weather."

It is of concern and it is a problem, but maybe not a problem of cold, and I understand that, and that is why I am ready to make a special concession to the colder States. But do not take it all and do not neglect our poor because you have figured out a formula that will get you 29 States. Let us have a little equity and not total self-interest as we vote on this legislation.

I want to tell my colleagues that this is not a problem that just has its regionalized effects in the North. It is a problem that hurts the well-being of America's poor across this Nation of ours.

Let me give you an idea of what has happened to the cost of energy in this Nation and how it has skyrocketed. Whether you are from Minnesota or Boston or Detroit or from Houston, Texas, over the 10-year period ended in July 1979, fuel oil prices rose 407 percent, and in the same period natural gas prices rose 387 percent, almost identical.

The Consumer Price Index also prepares an index of retail prices for fuels and utilities. That is what you are really up against when you are trying to take care of turning on the lights, heating, cooking your food. That index shows fuel in the Twin Cities area of Minnesota, which cost $100 in April of 1978 now costs $242. Let us get that. It has gone in the Twin Cities from $100 to $242.

Now, that same combination of fuels cost $217 in the Pittsburgh area, but in Houston that same fuel mix is $271. So skyrocketing energy costs surely are not localized just to the Northern and the colder States. That pattern has been nationwide, and often the cruelest and the most exorbitant of those increases have been in my home State where much of that energy is produced.

Do not misunderstand me; I am not talking about denying something extra to the poor in the colder States. But that is what the Committee on Finance worked long and hard at, and we thought we had brought about equity. That is what the Committee on Labor and Human Resources worked long and hard at.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BENTSEN. Yes.

Mr. LONG. In line with the Senator's argument, may I point out that both the Committee on Finance as well as the Committee on Labor and Human Resources have a majority of Senators who come from the so-called frost belt. In other words, they come from States where heating is a real problem. For example, on the Committee on Finance we have a Senator from Connecticut (Mr. RIBICOFF), from Wisconsin (Mr. NELSON), from Alaska (Mr. GRAVEL), from New York (Mr. MOYNIHAN), from Montana (Mr. BAUCUS), from New Jersey (Mr. BRADLEY), from Oregon (Mr. PACKWOOD), from Missouri (Mr. DANFORTH), from Rhode Island (Mr. CHAFEE), from Pennsylvania (Mr. HEINZ), from Wyoming (Mr. WALLOP), and from Minnesota (Mr. DURENBERGER).

That is a majority of 12 out of 20 members on that committee. Even the remainder do not all come from the very deep Southern States. So clearly the composition of that committee had a majority of Senators who came from Northern States where cold weather is a real problem.

Then, over on the Committee on Labor and Human Resources you have Mr. WILLIAMS from New Jersey and Mr. SCHWEIKER from Pennsylvania, both of whom know what cold weather is.

You have Mr. PELL of Rhode Island, Mr. KENNEDY of Massachusetts, Mr. NELSON of Wisconsin, Mr. EAGLETON of Missouri, Mr. CRANSTON of California, Mr. RIEGLE of Michigan, Mr. METZENBAUM of Ohio and, in addition, you have Mr. JAVITS of New York, Mr. STAFFORD of Vermont, Mr. HATCH of Utah, Mr. ARMSTRONG of Colorado, and Mr. HUMPHREY of New Hampshire.

The nearest on that committee that you can come to a Sunbelt Confederate would be the Senator from West Virginia, Mr. JENNINGS RANDOLPH. West Virginia is usually more or less thought of as a border State.

The formula that evolved from the two committees, the Labor and Human Resources Committee and the Finance Committee, the formula that evolved from those committees had one thing in common: it is known as the Nelson formula. That was a suggestion formulated and put together as the brainchild of the Senator from Wisconsin. And, unless my memory is very poor, my recollection tells me that that State borders on Canada. Is that right? That is my recollection. Is that correct, that it borders on Canada?

Mr. BENTSEN. It also borders on being a very equitable State, he having sponsored that.

Mr. LONG. I am told it does not border on Canada. It borders on Minnesota. (Laughter.) But a State on the icy shores of Lake Michigan certainly would know something about cold weather.

One of the States that would do best by any formula devised in terms of putting cold weather as the No. 1 element to be considered, that would be most benefited by putting cold weather as the principal consideration, would be Wisconsin. This formula that was evolved by the two committees was supported by Senators from the States that have cold weather. It was supported by Senators from New England, from the Northern States, from States that border on Canada, including Alaska. And this formula was one that everyone thought was fair; even then, those of us from the Sunbelt States felt that it really ought to give us more consideration, but we felt that those from the other States were kind enough to at least consider our problem. They did put sort of a minimal proposal in there.

I point out that this Boschwitz proposal would increase the funds available for the State of Wisconsin; for example, about 50 percent beyond what the Senator from Wisconsin himself proposed as a fair formula. And, of course, the State of Minnesota was represented on the Finance Committee.

How much do you think it would increase the amount that Minnesota would receive over what the Finance Committee and the Labor Committee were able to recommend? From 2.64 percent of the funds available up to 4.35 percent. A very, very large increase; not quite 100 percent, but a very large increase, indeed, when one considers the fact that the formula we had was one that was proposed by a Senator from these far Northern States. It was one that was thought to be fair by Mr. WILLIAMS of New Jersey, Mr. SCHWEIKER of Pennsylvania, Mr. JAVITS of New York, Mr. KENNEDY of Massachusetts, apparently, Mr. PELL of Rhode Island, and apparently Mr. METZENBAUM of Ohio and Mr. RIEGLE of Michigan who voted for it. Mr. STAFFORD from Vermont up there in New England seemed to think it was fair, and so did, apparently, Mr. HUMPHREY of New Hampshire.

Now, that formula really took in very, very little of the problems of the people in Southern States. For example, it completely tended to ignore air conditioning or the cost of keeping cool in the summertime, as the Senator has mentioned. It did not take into account transportation at all.

People who are poor still have to move around some just to get to town. They still have to move if they hope to get a job. They have to go out and look for something. They have to go shopping. They cannot live inside a little hovel all the time.

Transportation costs were ignored. They were just left out. Those that come from Southern and Western States, who have to move around a lot, who do not have much public transportation and have considerable transportation expenses, were ignored by that formula; is that not correct?

Mr. BENTSEN. That is correct; absolutely.

Mr. LONG. But the formula went a very long way toward considering the total household expense for energy, not just heating.

After all, any person in the country has to spend money, even in the North, on refrigeration to keep food from spoiling. I know, in the South, that a person has an expense all year long of keeping food from spoiling, to have refrigeration, a little icebox. They have to do some cooking and that type of thing. Any expense of keeping cool or being comfortable or preserving food, that would all be left out by a formula relating to cold days, would it not, or cold weather?

Mr. BENTSEN. That is correct.

Let me give you some of the inequities that you see if you use the degree days. Let us take an example of the degree days and see how it really works. Let us take the State of Washington. Do you know where the State of Washington ranks on energy costs per home, where they rank with the rest of the Nation? Dead last; the lowest; the cheapest.

But if we pass this kind of a bill, they would receive more assistance than 31 other States. Now, where is the fairness and equity in that? More assistance per family than 31 other States, and yet they rank the lowest; they are the cheapest.

I see my friend from Oklahoma is here. I ask him, do you know that the poor in the State next to you, in Colorado, a fine State, would receive twice what the poor in Oklahoma receive, although each year the poor in Oklahoma spend 35 percent more per family on energy than the poor do in Colorado?

Where is the fairness in that? You know, it has been a tough job, as the Senator from Louisiana has been saying, trying to bring about some equity. But we have two staffs, two competent staffs, that have worked long and hard trying to resolve the differences, work out the compromises, and see if they cannot bring fairness and equity to it—and the same thing happened over in the Finance Committee, with the members arguing back and forth trying to find something they could live with. And it is incredible, almost, that here they come up with virtually the same thing.

Why? Because they had one man who was really seeking equity there and was able to sell it on both sides, and that is the Senator from Wisconsin (Mr. NELSON). This is his amendment that we finally agreed to adopt.

Mr. LONG. Will the Senator yield further?

Mr. BENTSEN. Yes.

Mr. LONG. Does the Senator care to just give a little attention to explaining to anybody who reads the RECORD how this squaring proposition works? For example, this proposed amendment would take degree days and square it. I can understand that if, in my part of the country, I have only 60 cold days and the other folks have 120 cold days, I can understand that they would get four times as much consideration as I would receive, rather than twice as much.

Mr. BENTSEN. I would just say to my friend there is nothing square about this amendment.

Mr. LONG. As I understand it, it would be like, say, if one had a factor of 10 and the other a factor of 5. When you square the figures, the fellow with 10 becomes 100 and the fellow with a 5 becomes 25. So if you have one-half the cold weather the other fellow has, instead of getting one-half as much consideration, you get only one-fourth as much consideration.

Mr. BENTSEN. That is right.

Mr. LONG. That squaring factor can be brutal and vicious in itself. But then when you proceed to leave out totally the expense of someone trying to stay cool by a little window air conditioner or by an old-fashioned electric fan, when you take that out of it, too, that is unfair. Why leave out transportation? The only logical reason I can think of is that somebody else in some other part of the country might be considered. Can the Senator think of any other reason for cutting transportation expenses?

Mr. BENTSEN. No. We have just compromised and compromised and finally came down to something on which we could work together.

Mr. DOLE. Will the Senator yield?

Mr. BENTSEN. I yield to the Senator from Kansas.

Mr. DOLE. The Senator from Kansas left about this time yesterday. I have come back and I did not miss a thing. We are back on this very critical issue. I think that indicates how difficult it is. If we each worry about whether one State gets $5 more than another State, we will be here for some time.

I would say to the Senator from Minnesota, the Senator from Kansas in the committee adopted almost the same idea the Senator from Minnesota is now presenting to the full Senate. But in the spirit of compromise, and I think equity also, as the distinguished Senator from Texas has pointed out, there are other factors, though certainly trying to keep people warm is the top priority. I do not know anybody who will hold out just because somebody may have a better formula. But finally after weeks and weeks in the Senate Finance Committee, we compromised, as is so often the case, and I think it is a good compromise. It is probably one that did not satisfy everybody completely.

It would seem to me that our compromise that we ended up with is pretty much the same as S. 1724, and pretty much the same as the third column of the original Boschwitz-Muskie, with a minimum. It would seem to me if we could amend the original Boschwitz-Muskie and add a minimum, then, in effect, we would dissipate some of the justified fears that the Senator from Texas and the Senator from Oklahoma, and others, may have. By doing that, if we are concerned about States, 24 States would do better under that compromise than under the Human Resources bill, and about 5 States would stay the same.

It is not my idea, but it would seem to get some resolution. Perhaps it might be a good thing to offer an amendment to the original Boschwitz-Muskie amendment which provides the minimum worked out by the distinguished chairman, Senator LONG, the Senator from Texas, and probably a group of other Senators, too.

Mr. BENTSEN. No, that is not quite correct.

Mr. BOSCHWITZ. Will the Senator yield?

Mr. DOLE. I do not have the floor, but I am suggesting that though that might not be what the Senator has in mind it is a movement which not only does better for colder States, Alaska, Iowa, Maine, Michigan, Montana, Nebraska, South Dakota, and all the other colder States, but also it benefits Hawaii, Louisiana, and Mississippi. It does somewhat better for certain States and leaves other States about the same. At the appropriate time perhaps the Senator from Kansas could offer an amendment providing that minimum.

Mr. BOSCHWITZ. Will the Senator yield?

Mr. DOLE. The Senator from Texas has the floor.

Mr. BENTSEN. The Senator from Oklahoma has been asking me to yield for some time. I yield to the Senator from Oklahoma.

Mr. BOREN. I compliment the Senator from Texas for bringing these facts which he has just presented to the attention of the Members. I thought this assistance was to help people who cannot help themselves in coping with the energy cost, people who are facing a total energy bill they cannot pay. They are at the poverty level or on fixed incomes, such as the elderly, and have no way of protecting themselves. All of us want to be of help to those people. Our goal should be to try to help them cope with the actual size of the energy bills they have.

As the Senator from Texas has ably pointed out, just because someone happens to live in a colder climate does not necessarily mean that they have a larger energy bill to cope with.

We have to regard energy as a necessity of life, whether it is to cook food, to heat one's home, or sometimes in the summertime, particularly with the elderly and those with health problems, to keep the homes at reasonable levels of coolness as well. We have to look at the total picture. But if we look at only one element, such as degree days, we obscure what we are trying to do. We end up with an unjust situation. We end up providing more help to some people who have less increased energy cost, basically, than others.

The compromise which has been worked out by the committee is a fair compromise. It tries to take into account all of these elements of cost. It tries to provide assistance on the basis of need, not on the basis of any other kind of artificial formula. Just on the basis of need as best we can determine it, using all of these factors and bring them together.

I do not think the committee version is perfect from my own point of view in terms of how it affects my State. It certainly does not give my State all the aid I would hope we could receive. But on balance, it is fair and it tries to attack this problem on the basis of need.

I must say with all due respect to the authors of the amendment, and I am sure they are sincere in offering it, I think they have, in an oversimplified way, looked at only one aspect of the problem, focusing on degree days, and, therefore, they have departed from the whole purpose of this program. The purpose is to help people on the basis of the need they have to cope with the increased energy bills which they are facing.

I compliment the Senator from Texas and I associate myself with his remarks. I hope we can find another solution which will be fairer than that proposed in the amendment.

The PRESIDING OFFICER (Mr. NUNN). The Senator from Kansas.

Mr. DOLE. Mr. President, it would seem to me that one way to find out about this matter would be to start out with substitutes or amendments or combinations thereof. Having spent several days in the Finance Committee trying to figure out some compromise, the distinguished Senator from Wisconsin came up with one which was accepted. It will be very difficult to try to satisfy each of the 100 Senators in this body.

I think everyone is familiar with the different alternatives. We have S. 1724. We have the original Boschwitz-Muskie amendment. We have the Boschwitz-Muskie amendment with a minimum. We have a couple of other alternatives based on a 50–50 division with no minimum, and I assume there may be others.

I am not quite prepared to offer an amendment or a substitute, but it would seem to me we ought to vote on something. Does the distinguished Senator from Wisconsin have any other wizardry available that we can satisfy everyone with?

Mr. NELSON. I say to the distinguished Senator from Kansas that the formula that was adopted by the Committee on Finance, of course, does have a minimum, which I am sure the Senator from Kansas is aware of, which slightly changes the formula from the one adopted in the Committee on Human Resources, which does not have a minimum. An argument obviously can be made for any proposal that anyone makes. The State of Wisconsin would be better off by quite a bit under the formula proposed by the distinguished Senator from Minnesota because of its almost single emphasis upon degree days. I would be happy to see that formula adopted from the standpoint of my own State.

However, we looked at that very carefully in drafting a whole series of proposals, which were done at my request by my staff. We considered the question of including only degree days. We considered various combinations of degree days, household energy consumption, and poverty factors in the various formulas.

Finally, we simply decided to propose the formula that was adopted, which does this: It provides that one-half the formula shall be determined by heating degree days, weighted by low-income households as measured by 125 percent of the poverty level. Then we put into the formula that the other half shall be the total State aggregate energy expenditures weighted by household. That, therefore, takes into consideration the total energy used by any household, regardless of whether that household may be in Florida or California or Texas or Wisconsin, Minnesota, New York, or Maine. We did that on the theory that poor people, low-income people, no matter where they may be, are, in fact, paying a good deal more for energy. They are not paying a great deal more for energy in some of the warmer States to heat the premises, but they are paying a great deal more for the other purposes of energy consumption in the household. To limit the formula solely to heating does not totally respond to the additional burden of the increased cost of energy upon people in the low-income category. So, as a compromise, we made a proposal which was accepted in the Committee on Human Resources. We spent many, many days on it. It was accepted in the Senate Committee on Finance, with a minimum figure put in it.

So there is a difference between the two formulas, because the Finance Committee adopted the same formula that was adopted by the Human Resources Committee, but it put a minimum factor in which changes the figures slightly.

It seems to me that this formula does go down the middle and that it is about as fair as we can make it, given the information we have available. It would be more fair—more equitable—if we had statistics on the energy consumption per capita of low-income people in every State. But we do not have it. In the Finance Committee bill, we direct that HEW do a study and give us the statistics, which it will take them a year or two to do, respecting the consumption of energy by low-income people. When we have that information, we can then target the formula more specifically to address the question of poor people.

Obviously, in this formula, in which one-half of the money is apportioned according to the energy expenditure by household, we are, in fact, taking into consideration the energy consumption in air-conditioning in the so-called sunbelt States. Only 78 percent of the people in Florida, for example, have air-conditioning; there are 22 percent who do not. So it is a fact that that formula takes into consideration an energy usage factor which determines how much Florida should get, includes in that energy usage factor air-conditioning, but those people in Florida who are eligible for energy assistance do not have air-conditioning. Therefore, sunbelt States get the benefit of air-conditioning usage in the allocation factors, while those persons eligible for energy assistance do not have air-conditioning.

The committee's formula, therefore, gives benefit to warmer States that they would not get under any formula which used solely degree days as the test matter.

I think we can come up with 30, 40, or 50 formulas, and I am sure that there will be other formulas. There are many formulas that would be argued by many on the assumption that those formulas are as good as the formula adopted by Human Resources and Finance Committees, or better. There is any combination that could be made. I think we came out with a compromise, where those who represent parts of the country that do not have the same problem respecting degree days as the North does made compromises. Those who represented States that had the higher degree days made compromises. It seems to me we struck a fairly happy medium respecting the formulas we adopted in Human Resources and Finance. I hope that we will stick with one of these formulas. As I said, the Finance Committee has a factor in it as a minimum for a State, whereas the Human Resources Committee does not.

I add one more thing: even though, as I say to my distinguished friend from Minnesota, the formula he has is better for my State than the formula I proposed in the Finance Committee—and I would rather have it—to be practical about it, however, I say to my good friend from Minnesota, I think that if we go with his formula, there is not going to be any formula at all adopted around here, because there are a number of Representatives from a number of States who will be compelled to discuss this matter at great length. Then, I do not think we shall get the benefit of the improved formula in any event.

I think we struck a compromise in a parliamentary body which will work and which we can pass, and I think if we go beyond that in either direction—if we went to the administration formula, which was an outrage—that is what were dealing with. The administration formula was what I term "The Florida primary formula." It gave all kinds of benefits in areas that really do not need it and the formula did not make any rational sense. I am astonished that HEW would come up with such a formula. And we beat it in the Finance Committee, although it favored the Southern States. It favored Texas, and the Senator from Texas would be better off with the administration formula. The Senator from Louisiana would be better off with the administration formula. But they were agreeable to compromise because we found the administration formula, which did not give enough benefit to degree days, an unfair, unfortunate formula.

We were going to refuse to accept it, just as they will refuse to accept one that goes as far as the formula proposed by the distinguished Senator from Minnesota.

I think if either formula is pushed, we end up without achieving a result at all because it is not going to be accepted. It will be debated at great length.

I say to everybody here, if the shoe were on the other foot and the substitute amendment were being offered and it was the administration's formula and the administration were down here lobbying for their formula, I would be talking here for the next 2 weeks because I do not think it is fair. If we do the same thing to those who represent States agreeable to a compromise, they will be down here speaking for the next 2 weeks because they do not think it is fair. Some places, we have to compromise.

So I say that even though I prefer the formula of the distinguished Senator from Minnesota and the distinguished Senator from Maine, and I can see arguments made for it, I also see arguments that are legitimate on the other side. I do not think we can have a bill unless we strike something closer to the middle.

Mr. DANFORTH. Will the Senator yield for a question?

Mr. NELSON. Yes.

Mr. DANFORTH. Mr. President, as I understand the issue, it is to weigh the costs that an individual will experience by virtue of living in a relatively cold climate versus the costs that the individual will experience by virtue of having to consume energy for purposes other than heating and that, therefore, the basic issue that is before us right now, the Senate bill versus the Boshwitz amendment, has to do with the relative weighing by virtue of living in a colder climate and, therefore, able to heat the home.

I can understand that kind of controversy and it is one we hashed out in the Finance Committee. But what I never was able to understand in the Finance Committee and do not understand now is what rational arguments would exist for factoring in any kind of a minimum. That is, it seems to me that the minimum is simply giving money to people without any reference to any kind of energy use at all, whether for heating the home, or for lighting it, or transporting themselves around.

Mr. NELSON. May I say to the distinguished Senator from Missouri, there was a rational argument made for it, whether or not it justifies the minimum is another question. The rational argument made for it was that administratively it would be much more simple to have some minimum without trying to figure each penny—whether it is $7.10, $5.58 or whatever. That was the argument made for it.

Whether that is a valid argument in the whole picture is another question.

Mr. DANFORTH. What is the Senator from Wisconsin's opinion?

Mr. NELSON. I do not think there is a good justification on the merits for the minimum. But that is what we adopted in the Finance Committee, but not in the Human Resources Committee.

Mr. DANFORTH. I thank the Senator.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, in the Senate Finance Committee, as the Senator from Kansas indicated, we had a number of formulas presented.

We agreed that a fair way to provide assistance was half on the basis of temperature and half on the basis of residential energy expenditures. In that way, we met the objective of providing greater assistance to the coldest States while still providing adequate energy assistance to all other States. We agreed that while a major objective is to provide assistance for heating needs, other energy expenses are also rising and should be accommodated, if we can possibly accommodate them.

In committee I argued in favor of weighting the allocation formula more heavily toward the cold States. I suggested basing two-thirds of the funds on heating-degree days and one-third on energy expenditures. But, as the Senator from Wisconsin indicated, there was a compromise, much of it engineered by the Senator from Wisconsin.

So we accepted the 50 to 50 formula in the Finance Committee bill along with the minimum. I am not certain about whether we can provide a minimum on the basis of cold, but we can on the basis of votes—and we needed the votes.

So that was the minimum we were looking at. I think it is realistic because it is pretty difficult for someone from some State that is not getting money to come here and suggest or say that we never got a dime under this formula, even though electricity and heating needs have gone up.

The Senator from Texas made that point about every 10 minutes in the Senate Finance Committee very effectively. It is pretty difficult to go home empty handed every time. We understand that.

We agreed we should compromise. I do not know of any objection to the compromise in the Senate Finance Committee. At the same time, in the Human Resources Committee they were working on formulas, and the formula in S. 1724 came out almost the same, except that it did not have a minimum.

So the indication after long staff effort and a lot of effort by Senators from hot States, cold States, moderate States, whatever, was that we pretty much had some agreement that we had to balance the equity, that poor people are poor people, whether they are hot or cold, and their energy costs are going up whether they are poor or not poor, live in a cold State or not in a cold State.

Mr. LONG. Will the Senator yield at that point?

Mr. DOLE. I am happy to.

Mr. LONG. That is true. Poor people do move around. They have transportation expenses that would be a little more difficult to determine. But we know they have those transportation expenses, and those are going up, too.

If they can afford it, in the areas where it is very hot, they are going to purchase such refrigeration as they can afford, even if it is only a small refrigerator. They will have something.

Even if they cannot afford air conditioning, where they swelter in certain areas of 100 degree weather, where, as the Senator from Texas indicated, people die because of the heat in the summertime, they will spend money if they can to try to make themselves comfortable.

So while it may not be as obvious as the needs that are based on cold weather what people are really doing there is not spending their money to keep themselves from freezing to death or from dying of heat prostration. in the main, then spend money to try to be comfortable, try to move around, and cook and have refrigeration.

When we try to put some formula together, none will be completely fair to everybody. None of us have the wisdom to put together a formula that is completely fair as applied to everybody. That is why we are in favor of a minimum where at least we can get a certain amount.

When we put these formulas together and try to work something out, we usually try to see that everybody gets something, will just get a little something, as little as it may be.

Mr. DOLE. I might say to my chairman, we may have overlooked a very good formula. As I said earlier, I started out with somewhat the same approach as now suggested by Senators MUSKIE and BOSCHWITZ. Talking about providing for warmth in cold States, the Senator from Wisconsin noted under some of the formulas his State did much better. But then we have to add up the entire package and find out that there are other concerns, whether transportation, refrigeration costs, or some other kinds of heat.

In the State of Kansas, for example, we do not use much of the expensive heating oil, about 1 percent, about 7 percent electricity, and a lot of propane.

Mr. CRANSTON. Mr. President, I rise to express my strong opposition to the Boschwitz amendment. It is clear that the intent of S. 1724 is to "offset the rising costs of home energy that are excessive in relation to household income." Recent increases in the cost of home energy have caused hardship for poor persons nationwide.

The committee bill, under the leadership of the Senator from New Jersey, allocates moneys under the legislation in an equitable manner. My colleague from Minnesota would skew the allocation formula so far toward the Northern Tier States that we would be unable to achieve the intent of this bill in all States. For example, in California there are approximately 1.8 million households eligible for assistance under this bill. Under the Boschwitz formula, we would be able to assist eligible households in California with an average of only about $60 per eligible household. Contrast that situation to what would prevail in Minnesota where each eligible household could receive about $450 under the pending amendment.

I have just seen a computer printout of the various proposed alternatives to the formula proposed by my colleagues from Maine and Minnesota. While I have not yet studied the elements of this formula at length, since they have only recently been made available, it is clear that the alternative under consideration places a disproportionate burden on the poor people of California and a number of other States who have every legitimate need and reason to expect equal treatment under the laws enacted by this body.

Mr. President, I simply do not believe the amendment proposed by the Senators from Maine and Minnesota is in the best national interest, or would further the express purpose of the bill.

UP AMENDMENT NO. 809 (TO UP NO. 808)

Mr. DOLE. Mr. President, I will send to the desk an amendment in the nature of a substitute. Perhaps, as I said earlier, we could at least start expressing the will of the Senate on some of the various formulas that have been offered to us.

I ask for immediate consideration of the amendment, and I will yield to the Senator from Maine in a moment. I will explain the substitute.

I am willing to offer almost any substitute if we can get a resolution of the very difficult problem we have.

Mr. MUSKIE. I think I can suggest a better substitute.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an unprinted amendment numbered 809 to unprinted amendment numbered 808 by the Senator from Minnesota (Mr. BOSCHWITZ).

Mr. DOLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

To be offered as a substitute for amendment 808—strike beginning with line one through the entirety of the amendment and insert in lieu thereof the following:

On page 27, between lines 13 and 14, insert the following new subsection:

(h)(1) If the allotment for any State determined under paragraphs (1) and (2) of subsection (a) of this section is less than $100,000,000, the allotment of such State shall, subject to paragraphs (4) and (5) of this subsection, be the greater of its allotment as so determined under such paragraphs or the product of the total amount available for allotment under subsection (a) of this section and such State's alternative allotment percentage.

(2) The alternative allotment percentage for any State shall equal the percentage of 90 per centum of the total amount authorized to be appropriated for fiscal year 1981 under section 4(b) which would be allotted to such State if—

(A) of such 90 per centum (i) one-half was allotted to each State according to the ratios determined under paragraph (1) of subsection (a) of this section and (ii) one-half was allotted to each State according to the ratios which would be determined under paragraph (2) of such subsection (a) if, for purposes of such paragraph, the term "lower living standard" were defined as 125 per centum of the poverty level as determined in accordance with the criteria established by the Office of Management and Budget; and

(B) the allotment of each State as determined under subparagraph (A) were increased to the extent necessary (as determined by the Secretary on the basis of what he determines to be the best available information) so that, if such allotment were divided in a manner such that the amount for all recipient households in such State consisting of one individual were equal, and the amount for all other recipient households in such State were equal to 150 per centum of such amount for a one-individual household, sufficient additional amounts would be available to assure that the amount for each recipient household would be at least $120.

(3) For purposes of this subsection, the term "recipient household" means—

(A) a household that is an eligible household under section 3(i) of the Food Stamp Act of 1977 and participates in the food stamp program, but which is not a recipient household under subparagraph (B) or (C) of this paragraph;

(B) a household that contains any individual who receives aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act, but which is not a recipient household under subparagraph (C); and

(C) a household that contains an individual who is an eligible individual or eligible spouse receiving supplemental security income benefits under title XVI of the Social Security Act, or an individual receiving payments from the Secretary under an agreement entered into by the Secretary under section 1616 of such Act or section 212 of Public Law 93-66.

For purposes of subparagraphs (B) and (C) the term "household" shall be defined by the Secretary, and shall not include an institution.

(4) The allotment of any State shall be increased under paragraphs (1) and (2) of this subsection only if the increase is attributable in whole or part to the provisions of subparagraph (B) of paragraph (2).

(5) The allotments for any fiscal year determined under paragraphs (1) and (2) of subsection (a) of this section which are not increased pursuant to paragraphs (1) and (2) of this subsection shall be adjusted to the extent necessary and on a pro rata basis to assure that the total of such allotments when added to the allotments which are increased pursuant to paragraphs (1) and (2) of this subsection do not exceed 95 per centum of the sums appropriated for such fiscal year pursuant to section 4(b).

Mr. DOLE. Mr. President, this amendment is a substitute for the Boschwitz amendment and adds the Finance Committee floor, the minimum, to the bill of the Committee on Human Resources, S. 1724.

The formula is based on a minimum for categorically eligible households. The floor does not affect actual benefit levels which are set by the States but was devised only for the purpose of determining a State minimum. The floor is based on $120 per unduplicated AFDC, SSI, and food stamp single person household plus $167 per such households with more than one individual.

The floor affects only three States when applied to the formula in S. 1724. I believe that providing a minimum allocation level through such a floor is appropriate, since increases in energy prices affect all States. It is pretty much the same thing we have been discussing for the past couple of hours.

I support the inclusion of this floor in the formula. I believe that the formula contained in S. 1724 is equitable and that the floor provision assures a minimum level of support for all States. I have not gone down each column to see how much difference it makes for the State of Kansas or any other State, whether it is a thousand dollars, $500,000, a million dollars. It seems to me that this is one way to start some resolution.

If the substitute is defeated, we will be back to the original amendment of the Senators from Maine and Minnesota (Mr. MUSKIE and Mr. BOSCHWITZ).

I point out again that this is a formula reached by different committees at different times, and it came out almost the same, except for the floor. If we add the Finance Committee floor, I think we answer some of the fears of many Senators.

This amendment is offered in the spirit of a resolution of a very difficult problem.

I ask for the yeas and nays on the substitute.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. DOLE. I yield the floor.

Mr. MUSKIE. Mr. President, I say to the Senator from Kansas that the problem is that the committee bill does not respond to the needs of the cold poor people of this country.

The Senator, by his amendment, proposes to resolve that problem by tilting the committee bill even more away from those people.

The PRESIDING OFFICER. The Chair informs the Senator from Kansas that this is not a proper substitute, as it is directed toward a different provision of the bill.

Mr. MUSKIE. I am glad to hear that ruling by the Chair.

Nevertheless, if what the Senator is interested in is a decent response to the problems of 29 States, 29 colder States, which would benefit from the Boschwitz amendment, he should move in that direction and not in the reverse direction, as the Senator from Kansas proposes.

Mr. President, I have listened very carefully to the argument of the distinguished Senator from Wisconsin, and I do not really quarrel with his basic thesis that we should give consideration to the higher energy costs of the poor, whether those higher energy costs are attributable to heating costs or to other energy costs.

If the Senator from Wisconsin had for our consideration a comprehensive analysis of those costs, so that we could know which are attributable to heating costs, which are attributable to transportation costs, and which are attributable to lighting costs and cooling costs, I would be impressed. I am interested in getting such figures. At this point, I would expect Senators from States where heating is not a problem to give whatever facts are available to make the case as to whether or not higher energy costs for the poor in those States are as urgent or as close to life threatening as the heating costs problem of the poor in the northern States. I know what those costs are, and they have increased by 50 percent since last year.

The average cost of heating a Maine home in 1978 was $616. This year it is $935, based on 85 cents a gallon, which is the current price, and there are indications that the price is going up to a dollar.

These people are served by independent dealers whose working capital for carrying accounts receivable is almost minimal. Most of those dealers, in order to stay in business, especially at these higher prices, have to ask for cash on delivery.

The typical delivery is 200 gallons once a month or twice a month. So these people have to have, potentially, $160 to $200 in cash on hand to pay for heat for the next 2, 3, or 4 weeks, when the delivery truck comes to the door.

We are talking about people who are on social security—social security payments of $180 to $250 to $300 a month.

They must have that kind of cash on delivery. When they pay that cash, whatever is left is what they eat on or go to market with.

We are talking about a life-affecting requirement. I can get along without air conditioning a lot better than I can without heat, in a State where, for the entire month of January, the thermometer does not rise often above zero degrees—32 degrees below freezing.

Meeting that kind of urgent problem is a little different from cutting down on mileage in an automobile, even for the poor. Many of them would rather walk than be warm—and do.

I am not saying that there are not urgent problems for the poor in other States. I wish we had the figures. But I think the case should be very persuasive before we reduce the minimum requirements of those who are affected by cold and rather arbitrarily assume that the energy costs in noncold States are as large and as urgent. I do not make that assumption until the case is made.

What we are talking about in the Boschwitz amendment is a proposal not that eliminates energy costs generally but that reduces its influence on the distribution—50 percent of the total to 25 percent. Whether that is better than 50 percent, as the Senator from Wisconsin argues, is debatable if you do not have the basic facts. But I have enough of the basic facts in my State about the cost of heating, and the choice that people are forced to make between heating and eating, to believe that the 25 to 75-percent division is probably more equitable, regardless of the consensus reached in the Committee on Labor and Human Resources and the Committee on Finance.

I was not aware such a consensus was developing. I would have tried to influence it if I had been.

I recall a few years ago when President Ford imposed an import fee on oil coming into this country. Within the week I was in Maine going through a cotton textile plant. We call them minimum-wage plants because the wage level tends to be the minimum wage. A middle-aged man approached me as I was leaving. He said:

> Senator, I can afford one tank of gasoline a week. That is just enough to take me from my house to this job and back again. I cannot afford gas for any other purpose. If you let them increase the price of gasoline you are going to make it impossible for me to come to my job.

I did not ask him about what his heating problem was because at that time the cost of fuel oil was 18 cents a gallon—18 cents, in 1974-75. It is now 85 cents and going to a dollar. With the latest situation in Iran I expect it will go above that. How do we expect a man like that to heat his home?

The people of Maine have conserved in heating since that date. The people of Maine are forced by the current price to reduce their consumption of heating oil by almost 20 percent. Now they are going to be priced out of comfortable homes or barely marginally comfortable homes or livable homes even more by the rise in prices, and we are told that their problem is not any more urgent than other energy costs; cooling, transportation, and so on.

I am perfectly willing to compromise in the direction of whatever urgent needs exist in any State. But I think that the problems of the poor and the cold States, States where I campaigned in January in temperatures of 45 degrees below zero, day after day—I am talking about the middle of the afternoon, not midnight—the problems of those States and those poor have not been adequately addressed by the bill before us. And I do not question the good faith or the motivation of any member of either committee. The Senator from Wisconsin is a man whose compassion is well written in the record. I do not criticize him or his motive or his attempt to compromise. But I just do not believe that this formula in the committee bill, however well motivated, addressed the problems of the cold in this country.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I certainly concur in the eloquently presented remarks of the Senator from Maine.

I ask unanimous consent to add the names of Senators JEPSEN of Iowa, SIMPSON of Wyoming, GRAVEL of Alaska, and HATCH of Utah as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOSCHWITZ. Mr. President, to accentuate once again the remarks of the Senator from Maine, let me make a comparison for the benefit of the Senator from Kansas and others who have spoken. What we have done this year and what this formula that is put into S. 1724 if adopted will mean next year is as follows:

In the case of Texas, for instance, this year they are receiving 1.03 percent of the appropriation, or $16.4 million, roughly; next year under S. 1724 and assuming $2 billion is appropriated they would receive 4 percent of the total, approximately $80 million which is an increase of almost 400 percent.

On the other hand, the State of Maine this year will receive a relatively large amount because, as its distinguished Senator points out, there are days upon days in the month of January when the thermometer does not rise above zero and with the windchill factor the temperature is often 50 or 60 degrees below zero. In 1980 Maine is receiving $25.2 million, and on the basis of .91 percent of next year's appropriation of $2 billion it will receive only $18.2 million.

In the case of Florida, this year they are receiving $5.25 million, next year under S. 1724, they will receive $40.8 million, an increase of 700 percent, while the State of Maine goes down 28 percent.

The same happens in Minnesota, which is one of the coldest States, where we would have a decrease of approximately 30 percent next year. This means, of course, that Senators will be back in this Chamber asking for an enormous budget-busting increase in order to insure that the bill will include enough money to heat the homes of the poor, the needy, and the elderly of the Northern States.

We ask for equity. We are not greedy, as has been suggested. We ask for equity and we ask that the original intent of this legislation be adhered to; that is, to prevent people from freezing, and to heat the homes in cold climates. That is why I introduced, together with the distinguished Senator from Maine, the amendment.

But it is an important aspect of the entire bill to realize that next year the States that are in need are going to have substantially less money than they do this year, with a result that once again we will have to come back to this Chamber and ask for far greater appropriations, appropriations that will cast still further doubt on our ability to balance the budget and reduce the rate of inflation.

This bill must not be allowed to cause those kinds of shifts to occur, and that is why we introduced and support our amendment.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. NELSON. Mr. President, I say to the distinguished Senator from Maine that all of the issues were considered. This Senator also comes from a cold State. Up near Rice Lake, Wis., we beat the most severe temperature Minnesota or Maine had last year; we hit 61 degrees below zero.

Mr. MUSKIE. I have been in 72 below zero temperatures.

Mr. NELSON. But not last year. I was looking at the records.

Mr. MUSKIE. Not last year. But I predict with the help of the Senate we may this year.

Mr. NELSON. But I remind the Senator that all of these issues were considered; all of them were raised. This Senator represents a State that is a very high-level cold degree day State. We have a very substantial number of cold degree days.

I wish to say further, that this issue is not new to the Senator from Wisconsin, as I offered the legislation in 1974 which created the program under which emergency assistance to the poor for energy has been provided in 1975, 1976, 1977, 1978, and even this year.

Mr. MUSKIE. I was the author of that legislation myself, may I say to the Senator, the Community Services Administration program. I got it into the first budget resolution in the conference, so I have been for it for a long time.

Mr. NELSON. Let me say to the Senator that the legislation under which this authorization is based is an amendment to the Economic Opportunity Act, section 222(a)(5), which I introduced and which was adopted in 1974. That is the authorizing legislation.

Mr. MUSKIE. I understand. I am simply identifying myself with the origins of that legislation with which the Senator identified himself, so if age of exposure to the policy qualifies one to judge the adequacy of a committee bill, then my credentials, perhaps, are similar to that of the Senator.

Mr. NELSON. I was not making any suggestion they were not. The Senator left the impression from his talk that the issue was not well considered.

Mr. MUSKIE. I did not.

Mr. NELSON. I wanted the Senator to know, if he did not know it, that I authored the authorizing legislation. I have worked on it for 5 or more years.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. NELSON. So I am well aware of what the issues are.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. NELSON. I will not yield. Let me finish my statement.

Mr. MUSKIE. All right.

Mr. NELSON. I just want him to understand all of the various issues had been well considered.

Mr. MUSKIE. I did not challenge that point, Senator.

Mr. NELSON. They are not brand new.

Mr. MUSKIE. I did not raise that point. You raise a red herring.

Mr. NELSON. I am happy to hear that. The Senator gave the impression that the issues had not been well considered by the States from the north, and that is not so.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. NELSON. No, I will not yield. I did not interrupt the Senator.

Mr. MUSKIE. I did not——

Mr. NELSON. I did not yield to the Senator. Speak on your own time if you wish.

Now, we struck a compromise which, I think, is reasonable. There is no perfect formula. As I said, I would rather have the formula the Senator from Maine and the Senator from Minnesota are advocating, but that was not what we could get passed.

Furthermore, it is fair to take into consideration increased energy costs of people who come from warmer States. If you are poor and have to cook your meals you have to cook them whether you live in Florida, Louisiana, or Texas or California, and it comes out of your pocket—you have to eat just like everybody else.

Now, we took into consideration therefore as half the formula the household energy costs.

I will agree with the Senator it would be better if we had the facts to determine precisely what the costs were for poor people. But those facts are not available any place in the United States, and we directed that they be made available by HEW. They were directed by the Finance Committee to conduct a study and give us the figures so that we could tailor them in a more accurate fashion to the needs of the poor. On that score I agree with the Senator from Maine.

But we do not have the figures. There is nothing we can do about that at this time.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. BENTSEN. Mr. President, I was very much interested in that debate. I thought it was educational. The Senator from Wisconsin has gone through much of the debate we went through in the Committee on Finance and has repeated a good deal of it. I understand they had the same kind of debate in the Committee on Labor and Human Resources.

I heard my distinguished friend from Maine say he could get along better with heat than he could with cold.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. BENTSEN. Let me finish my thought and then I would be delighted to yield. I did not interrupt the Senator.

Mr. MUSKIE. I would be glad to yield to either Senator in the course of my remarks. I did not realize that exchange was unprofitable.

Mr. BENTSEN. Fine.

Mr. MUSKIE. You know I do not mind being challenged as to my conclusions. But I would like to make sure that the assumption upon which I base my conclusions is fully understood.

Mr. BENTSEN. Fine.

Mr. MUSKIE. With respect to myself, whether it is in Maine or in Texas or in Washington or in Florida, I would find heat, within the parameters that we know heat in America—we might not in the Sahara—more tolerable than I can the kind of cold that we know in the coldest places in America. In other words. I could compromise with air-conditioning more than I could compromise in protection against the kind of cold that we know.

Mr. BENTSEN. My friend, I do not think I was excluding that, but I was making the point that each of us has been reared in an environment, and Maine is one of the most beautiful States in this country, and while I thoroughly enjoy it, I understand they do not have the air-conditioning problem in the summer. That is where the rich flee to in the summer but, unfortunately, my poor cannot do that. They cannot go up there. The heat is a serious problem in this country.

Let me give the Senator an example of some of the problems of heat. Here is a headline which is out of the Dallas Times-Herald. "Heat Wave Blamed for 21 Deaths." Then it talks about a hot streak "July 2 101 degrees every day through July 19, over 100-degree days." It talks about the deaths of people.

Mr. President, I see the Senator from Kansas seeking recognition.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

UP AMENDMENT NO. 810

(Subsequently numbered amendment No. 594)

Mr. DOLE. Mr. President, I understand the amendment the Senator from Kansas offered in the nature of a substitute was subject to a point of order, so I will now send to the desk a perfecting amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The substitute amendment was not in order.

Mr. DOLE. I am sending a perfecting amendment to the Boschwitz amendment to the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. Dole) for himself, Mr. Williams and Mr. Long proposes an unprinted amendment numbered 810.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 22, line 23, strike out "one-half" and insert in lieu thereof "one-half (subject to paragraphs (3) through (7) of this subsection)"

On page 23, line 4, strike out "one-half" and insert in lieu thereof "one-half (subject to paragraphs (3) through (7) of this subsection)"

On page 23, line 5, in lieu of the language proposed to be inserted, insert the following: multiplied by the number of households in such State having incomes equal to or less than the lower living standard income level bears to the sum of such products for all States.

(3) If the allotment for any State determined under paragraphs (1) and (2) of this subsection is less than $100,000,000, the allotment of such State shall, subject to paragraphs (6) and (7) of this subsection, be the greater of its allotement as so determined under such paragraphs or the product of the total amount available for allotment under this subsection and such State's alternative allotment percentage.

(4) The alternative allotment percentage for any State shall equal the percentage of 90 per centum of the total amount authorized to be appropriated for fiscal year 1981 under section 4(b) which would be allotted to such State if—

(A) of such 90 per centum (i) one-half was allotted to each State according to the ratios determined under paragraph (1) of subsection (a) of this section and (ii) one-half was allotted to each State according to the ratios which would be determined under paragraph (2) of such subsection (a) if, for purposes of such paragraph, the term "lower living standard" were defined as 125 per centum of the poverty level as determined in accordance with the criteria established by the Office of Management and Budget; and

(B) the allotment of each State as determined under subparagraph (A) were increased to the extent necessary (as determined by the Secretary on the basis of what he determines to be the best available information) so that, if such allotment were divided in a manner such that the amount for all recipient households in such State consisting of one individual were equal, and the amount for all other recipient households in such State were equal to 150 per centum of such amount for a one-individual household, sufficient additional amounts would be available to assure that the amount for each recipient household would be at least $120.

(5) For purposes of this subsection, the term "recipient household" means—

(A) a household that is an eligible household under section 3(i) of the Food Stamp Act of 1977 and participates in the food stamp program, but which is not a recipient household under subparagraph (B) or (C) of this paragraph;

(B) a household that contains any individual who receives aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act, but which is not a recipient household under subparagraph (C); and

(C) a household that contains an individual who is an eligible individual or eligible spouse receiving supplemental security income benefits under title XVI of the Social Security Act, or an individual receiving payments from the Secretary under an agreement entered into by the Secretary under section 1616 of such Act or section 212 of Public Law 93-66.

For purposes of subparagraphs (B) and (C) the term "household" shall be defined by the Secretary, and shall not include an institution.

(6) The allotment of any State shall be increased under paragraphs (3) and (4) of this subsection only if the increase is attributable in whole or part to the provisions of subparagraph (B) of paragraph (4).

(7) The allotments for any fiscal year determined under paragraphs (1) and (2) of this subsection which are not increased pursuant to paragraphs (3) and (4) of this subsection shall be adjusted to the extent necessary and on a pro rata basis to assure that the total of such allotments when added to the allotments which are increased pursuant to paragraphs (3) and (4) of this subsection do not exceed 95 per centum of the sums appropriated for such fiscal year pursuant to section 4(b).

Mr. DOLE. I might say that this amendment is not subject to a point of order. It has been discussed with the Parliamentarian. If the amendment is adopted, we would also strike page 23, lines 6 through 9, so it will not appear twice.

As I said, this is the formula found in S. 1724 with the Finance Committee floor, and it is the best judgment of everybody on the Committee on Finance and everybody on the Committee on Labor and Human Resources, and I am prepared to vote on it.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MUSKIE. Mr. President, first, I would like to make clear to my good friend from Wisconsin that I did not suggest nor did I intend to suggest that he did not fully consider the issues in the Labor and Human Resources Committee or in the Committee on Finance. I did suggest, and intended to suggest, that the result was an improper response, an inappropriate response, to the nature of the problem for every State across the country.

I would have said so in committee. I do not think the fact that you considered these issues in those two committees makes your work the final wisdom on this issue. I do not think the fact that we disagree on the floor means we are not equipped to challenge that wisdom.

With respect to facts, the Senator says there are no facts bearing on these issues anywhere in the United States. I respectfully—and I emphasize respectfully—disagree. All the facts may not be available, but surely it would not be difficult to go into any State to get a survey of what poor households spend for cooking. We cook in Maine, too. If it takes energy to cook in Florida, it takes energy to cook in Maine, so that there is not a difference in energy costs in the South that offsets heating costs in the North. That is a common problem, using energy to cook.

Electric lights, sure they use electric lights in the South and in the North. But I suspect that the lighting season, the artificial lighting season, in the North is greater than it is in the South.

I do not go to the South that often, but I find the days longer and brighter, less cloud covered; so I suspect that lighting costs are heavier in the North than in the South.

With respect to transportation costs, those do not vary so much on the basis of whether a State is in the South or the North, but how sparsely settled it is. There are people in my State who drive 200 miles a day to get to their work, 100 miles each way. There is no public transportation. We were the first State in the Union to lose rail passenger service, and it has never returned. Our communities are not large enough to support transportation in the form of buses, by and large, so our people have to use the automobile, and they carpool. Bath Iron Works, one of the premier shipbuilding yards in the country, draws workers from a radius of 50 miles, and they carpool; but still they have no alternative in the form of public transportation.

So these kinds of analyses of the energy costs of the poor can be rather rapidly identified in my State, or in any State. And to ignore that fact by saying no facts at all are available, no realistic impressions at all are available to try to measure the relative urgency of the problems of the poor in warm States, cold States, Southern States, Northern States, Eastern States, or Western States—I think there are very clear impressions that can be gathered, as the Senator himself has suggested with respect to the State of Wisconsin.

What we really ask, you know, of our colleagues in the warmer States of the country, is the kind of understanding of our problems that the Senator from Wisconsin gives to them with respect to their problems. It was suggested earlier today that we ought to consider a formula that distributes the money basically on the basis of population, to guarantee that no State will get less than 70 percent of what it would get by a population distribution, and that no State ought to get more than 140 percent of what it would get with a population distribution.

Now, what kind of connection is there between that approach and the heating needs of the poor people of the North? But, no, we are dealing with a pragmatic exercise. So the answer of the Senator from Kansas to those of us who have a problem finding equity in this bill for the cold States is to partly reduce our equity—not by much, but that is his answer to the people of the cold States: To set a minimum which benefits no cold State, but benefits Louisiana, Mississippi, and Hawaii, three warm States. His amendment is to raise the amount those States would get under the committee bill, and that money would come from the rest of the States, including the cold States of the North. That is his answer to the problem.

I contrast his attitude toward States with different circumstances than his own with the attitude of the Senator from Wisconsin, who is willing to move in the direction of the warmer States and the energy problems of the people in the warmer States.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. MUSKIE. The Senator from Kansas takes the reverse approach.

Yes, I yield.

Mr. DOLE. I tried in committee to do what I think the Senator from Maine is trying to do now. I did not succeed. We went around and around for about a week in the Finance Committee.

As the Senator suggests, certainly everybody has a right to question the wisdom of our committees. All wisdom is not lodged in the Finance Committee or in the Human Resources Committee; but, we finally came up with something that there was nearly unanimous support for in the committee. I would suggest that the Senator from Kansas was traveling down the same road the Senator from Maine is now on, and I was derailed.

Mr. MUSKIE. I understand that what the Senator's amendment does is simply modify the committee bill by establishing the floor.

Mr. DOLE. Right.

Mr. MUSKIE. So that my description of it is acurate; you move away from any relief for the colder States and toward relief for three States, Louisiana, Mississippi, and Hawaii; in a bill designed to protect people who are cold from the consequences of higher heating costs.

Mr. DOLE. Right; it is to protect people who are poor. That is the theory of my amendment.

Mr. MUSKIE. I understand the purpose of the floor, and I was willing to consider a floor.

Mr. DOLE. The poor and the floor, I think, are in my amendment.

Mr. MUSKIE. I understand what the Senator is saying, and I understand what I am saying, and I think what I am saying is a more accurate description of the Senator's amendment than what he is saying.

Mr. President, there seems to be no disposition to debate this issue further, and I think we can get to the heart of the problem before us if we dispose of the Dole amendment. So I move to lay on the table the amendment of the Senator from Kansas, and I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. Tsongas). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the perfecting amendment of the Senator from Kansas (Mr. Dole). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Virginia (Mr. Harry F. Byrd, Jr.), the Senator from Kentucky (Mr. Huddleston), the Senator from Massachusetts (Mr. Kennedy), the Senator from South Dakota (Mr. McGovern), the Senator from Montana (Mr. Melcher), the Senator from North Carolina (Mr. Morgan), and the Senator from New York (Mr. Moynihan) are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. Morgan) would vote "nay."

Mr. STEVENS. I announce that the Senator from New Hampshire (Mr. Humphrey) and the Senator from Oregon (Mr. Packwood) are necessarily absent.

The PRESIDING OFFICER. Are there other Senators who wish to vote?

The result was announced—yeas 41, nays 50, as follows:

[Rollcall Vote No. 408 Leg.]

YEAS—41

Armstrong
Baucus
Bayh
Boschwitz
Burdick
Church
Cohen
Culver
Danforth
Durenberger
Durkin
Exon
Garn
Glenn
Gravel
Hart
Hatch
Heinz
Javits
Jepsen
Leahy
Levin
Lugar
Magnuson
McClure
Metzenbaum
Muskie
Nelson
Percy
Pressler
Proxmire
Riegle
Schweiker
Simpson
Stafford
Stevens
Stevenson
Tsongas
Wallop
Young
Zorinsky

NAYS—50

Baker
Bellmon
Bentsen
Biden
Boren
Bradley
Bumpers
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cranston
DeConcini
Dole
Domenici
Eagleton
Ford
Goldwater
Hatfield
Hayakawa
Heflin
Helms
Hollings
Inouye
Jackson
Johnston
Kassebaum
Laxalt
Long
Mathias
Matsunaga
Nunn
Pell
Pryor
Randolph
Ribicoff
Roth
Sarbanes
Sasser
Schmitt
Stennis
Stewart
Stone
Talmadge
Thurmond
Tower
Warner
Weicker
Williams

NOT VOTING—9

Byrd,
Harry F., Jr.
Huddleston
Humphrey
Kennedy
McGovern
Melcher
Morgan
Moynihan
Packwood

So the motion to lay on the table Mr. Dole's amendment (UP No. 810) was rejected.

The PRESIDING OFFICER. The question recurs on the amendment by the Senator from Kansas.

The Senator from Maine is recognized.

Mr. MUSKIE. Mr. President, for the benefit of Senators who are interested, I do not expect that a vote on the Dole amendment will take place very soon, at least not before I have an opportunity to describe what I understand to be the consequences of the vote just taken for States in circumstances similar to my own State's and what would be the consequences of approval of the Dole amendment. There are some 29 States which are in those circumstances.

The immediate effect of adoption of the Dole amendment or the vote on the tabling motion would indicate that, at the moment, the majority of the Senate would support the Dole amendment. The effect of that, for those Senators who have been interested in the Boschwitz amendment, would be to kill the Boschwitz amendment. We would have no other opportunity to modify the Boschwitz amendment to try to accommodate the Boschwitz amendment to the committee bill.

What the Dole amendment does is move in the opposite direction from the direction in which those of us from cold States sought to move with the Boschwitz amendment. The Dole amendment does not involve a lot of money, but what it does is establish a floor for three States: Louisiana, Mississippi, and Hawaii. Those are estimable States, but they are not cold States.

Senator Dole listened to the debate on the Boschwitz amendment, which is designed to modify the pending bill to a more sensitive response and a more appropriate response to the problems of the poor who are cold. The Senator from Alaska knows what I am talking about, and there are other Senators who know. His response is not to try to accommodate our problem, but to provide even more money for the warmer States, so that more money is to be taken away from the colder States. That is what the Senate just voted to do. I simply cannot casually submit to that judgment without protesting and, at the same time, wrack my brain for some way to move in a more equitable direction with respect to the people in my State.

I have listened to the rationale on the committee bill. What it is is this, as I understand it——

Mr. HELMS. Mr. President, may we have order?

The PRESIDING OFFICER. If the Senator will suspend.

Mr. STEVENS. Will the Senator yield for just a moment?

Mr. MUSKIE. Without losing my right to the floor.

Mr. STEVENS.. Mr. President, I ask unanimous consent the Senator not lose his right to the floor while I make a brief comment, since he mentioned my State.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, the Senator from Maine is, I think, right on course.

Mr. President, as far as I am concerned, I am from the coldest State of the Union. The impact of the bill we just passed in Interior appropriations, $1.6 billion, would provide Alaska with some $5 million in assistance. It will cost our people more money in taxes than this bill will bring back to our State. With the Dole formula that is cut down significantly and we would be paying $14 million to Washington to achieve that.

I am willing to support the bill with the Muskie amendment because I understand some of the problems of the cold States in New England. But I would urge the absolute defeat of this bill if we do not change it the way the Senator from Maine wishes, because the people from cold States are paying more than those from these warm States.

There is no reason for this fantastic amount of assistance to be going into States which do not have a heating problem.

We just debated this in the conference committee on the Interior appropriation bill. We debated it at length. Now I see even the Dole formula does not go as far as we want in the Interior bill in trying to work out the balance for the cold States.

In my opinion, the Boschwitz and Muskie formula is the minimum that ought to be agreed to.

Again, I personally urge defeat of the bill with the Dole amendment because existing law in the Interior appropriation bill that is going to the President for his signature now is better than the Dole formula, with all due respect to my friend from Kansas.

Mr. DOLE. Will the Senator yield at that point?

Mr. STEVENS. I do not have the floor. He has the floor.

I want to say that there is no reason for this bill at all if it is going to obscure existing law.

I think Members of the Senate ought to reconsider this because we just voted on the Interior appropriation bill to provide a formula for the first year, that is workable.

If we cannot work it out suitably now, let us at least let the first year proceed and not pass a bill, or not attempt to place a bill on the windfall profits tax legislation—if it is worse than the bill already sent to the President.

I thank the Senator from Maine.

Several Senators addressed the Chair.

Mr. MUSKIE. I will yield in a moment. But I would like to take up what we have just been told by the Senator from Alaska (Mr. Stevens).

Mr. President, the fact is, I say to the Senators here, that the formula written into law in the Interior appropriations bill with the support of a majority of this Senate and a majority of the House is on its way to the President—if he has not already signed it—and it more accurately reflects the kinds of equities that Senator Boschwitz seeks to serve with his amendment than the committee bill.

The fact is that with a program this winter going into effect under the Interior appropriation bill formula, it will be cut back—cut back in many of our States if the pending bill becomes law for 1981 and 1982.

Let me emphasize that again. If this year's program is administered in accordance with the formula of the Interior appropriation bill—as it will be—and if the pending bill becomes law for 1981 and 1982, my State in 1981 will find its program cut back 38 percent.

Now, what kind of sense, what kind of justice, will that be perceived as being by the people of affected States?

We pass one law for the 1980 heating season and within a week we pass another law that cuts it back for States in the cold-weather areas of the country for 1981 and 1982.

That may make sense to those Senators who voted against tabling the Dole amendment. It does not make sense to me. It does not make sense to the Senator from Minnesota.

We are going to talk about this nonsense and this injustice until somehow we get the message across to my colleagues in the Senate.

This body is made up of a lot of people who have different opinions about a lot of subjects. But I find we are not all totally parochial in our view. We are not totally insensitive to concepts of fairness and justice.

The fact is that I considered offering an amendment—I still may if I can find a way to do it, but it will be hard to do with the Dole amendment standing between me and that objective—to write into this bill the formula we approved in the Interior appropriation bill.

What could be more sensible than that? If we start a program for the 1980 heating season under one formula, why do we not continue with it for 2 or 3 years to see whether it works, and then change it. But, to change it before we have even implemented the program for this year; what kind of nonsense is that?

We are told that the Human Resources Committee and the Finance Committee debated these issues at length and they came up with a formula in the bill before us. I say to the Senate that the House and Senate conference on the Interior appropriation bill went through the same kind of exercise, listening to the arguments, discussing the issues, and I am sure the case on every side was put as vigorously as it was in the Finance Committee and the Human Resources Committee. Why then do we not adopt that formula instead of this formula which changes the rules after one winter?

I mean, what is so almighty right about the formula in this bill that justifies us in concluding that the Interior appropriation bill formula is wrong?

And if we do that, what will we do next week about the formula—next week, when some other vehicle brings the issue before us and we consider what we ought to do?

The Senate would be spinning around on the merry-go-round so fast that all our heads would be turned. We would not know where to focus our attention or what equities to serve.

Mr. President, I do not intend to let this come to a vote until we get a better shake with respect to this issue and our very real problem that we are now faced with in the form of the Dole amendment. I do not intend to stop talking until we find a way to do that.

Before we debated this this afternoon, all yesterday afternoon and all today, we debated formulas, modifications of the committee bill, and there seemed to be no reluctance on the part of the floor manager or the chairman of the Finance Committee to recognize that maybe we had a case to which they ought to respond.

Before noon today, we had been presented, I think, with four different alternatives—three alternatives to the Boschwitz amendment and three modifications of those alternatives based upon the idea of a floor. None of those ever has been offered. They were offered privately. They were considered as a possible consensus. None has been offered.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MUSKIE. Instead, the Dole amendment—I watched the activity on the floor—was generated out of the leadership on the bill pending before us; and apparently it was offered in order to block these other proposals that we had been considering in private as a possible compromise.

That is what the Dole amendment is. The Dole amendment does not represent any of the substantive alternatives that were discussed over a 24-hour period, with one of which we almost reached agreement—not one of them. All it does is pick up the floor for three States. Obviously, that is not the real thrust of the Dole amendment.

Hawaii, Mississippi, and Louisiana do not really need that kind of supplemental assistance with respect to either heating costs or total energy costs. The Dole amendment was offered to block any other modification of Boschwitz-Muskie.

Mr. WILLIAMS. Mr. President, will the Senator yield for a question?

Mr. MUSKIE. If the Dole amendment is approved, we cannot amend further. We could offer any of the proposals that have been considered seriously by the chairman of the Finance Committee, the floor manager of the bill, and other Senators, all of whom have been working for 24 hours to try to put together a consensus formula.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. MUSKIE. And we cannot offer them now. I want to be sure that the whole picture is laid out, I say to the Senator from Kansas.

Mr. WILLIAMS. If the Senator is interested in that, will he yield?

Mr. MUSKIE. I yield.

Mr. WILLIAMS. Before I ask the question, I will refer to the evolution in discussion of proposals for an amendment.

We all were part of it—the Senator from Maine, the Senator from Minnesota, the Senator from Louisiana, I and others.

It was first discussed, and so designated, as alternative No. 1 to Boschwitz-Muskie, and the runs were made. That was discussed and the runs were made on the basis of no minimum.

Later on—and this took a long time, over many hours—another alternative Boschwitz-Muskie amendment was drawn, incorporating a minimum.

Then there was a gathering, and it was felt that one of those was going to be offered by the Senator from Minnesota. So we all repaired to our desks and looked to the Senator from Minnesota, and the amendment was not either of those alternatives. It was a total surprise to me, I know, to go down there and find the scribbling of the amendment that incorporated the original Boschwitz-Muskie amendment.

Mr. MUSKIE. May I respond to that?

Mr. WILLIAMS. I am going to ask the Senator to respond.

After all those hours of development and of those runs that were made and a feeling—obviously, not a certainty, but there was a feeling—that we were going to have one of the alternative Boschwitz-Muskie amendments we had all worked on, then came a surprise.

Mr. MUSKIE. It was not a surprise.

Mr. WILLIAMS. It was to us.

Mr. MUSKIE. Wait a minute. I see the Senator from Louisiana shaking his head "yes." I will tell the Senator what my conversation was, in the time frame to which he has been addressing his remarks.

We were trying to move toward a consensus. A handful of us were involved. The Senator from Louisiana constantly emphasized that he had to be sure that the people on his committee were fully apprised of everything with respect to their interests in their States. We received like consideration.

So, before we met to a final agreement—I do not want to be accused again of saying something that my friends did not hear—we sent our staffs out to prepare this sheet, which was designed to show Senators the basic choices: The committee bill, the original Boschwitz-Muskie amendment, and the alternative that we thought might be the basis for compromise. That is the point to which our discussions, I understood, had finally reduced themselves—three possible options.

By the time these sheets came back to us, they were being distributed to other Senators, so that other Senators could react; and we were made aware of inequities, from the point of view of some Senators, that we had not considered as we were developing the proposed compromise.

So Senator Long, Senator Boschwitz, and I—and I thought Senator Williams—again he is going to miss what I am saying. Senator Williams was in the grouping around Senator Long's chair. I said:

> Why don't we ask Senator Boschwitz to lay down his amendment so that we can begin the discussion and so that all Senators will have an input into it? Then, in the course of that discussion, maybe we can generate support for one or another of these alternatives. At least, Senators will have a chance to respond to them, to raise questions about them.

So the Boschwitz amendment was not offered in defiance of the negotiating process in which we had been engaged. It was offered as a way of continuing the negotiating process.

Then, suddenly, we were confronted with the Dole amendment, which cut all this off—all of them.

Mr. DOLE. Not all.

Mr. MUSKIE. We had no opportunity to develop a consensus behind one of these other options or some modification of them—none whatsoever. The negotiations were completely without any significance or meaning at this point.

The Dole amendment is not suggested as an option. We never discussed it as an option—not at all. In the six alternatives—and that is what they come down to—not one has been presented.

Senator Boschwitz has discussed the Boschwitz-Muskie amendment, with a minimum, with Senator Dole, and we thought that Senator Dole was positive and responsive to that, but that is not what Senator Dole offered.

Another Senator was interested in offering the alternative with a minimum which we discussed and which came closest to being a consensus amendment before we hit the floor with it, but that never was offered.

Instead, we are completely sidetracked by an amendment which blocks all these other efforts at compromise—completely blocks any attempt on the part of the Northern States, who believe we have a good case, from any opportunity to get equity, either in the form of the Boschwitz amendment No. 1 or Boschwitz No. 2, or these others, or some modification.

The floor manager and the chairmen of these committees have decided to play hardball. Since they cannot get us to play it their way, they are going to shove it down our throats. That seems to be what the shift in tactics is all about. I can understand the temptation of people who have the votes on the floor to use those votes to ride roughshod over a perceived minority, and I suppose that has been done more than once. I have seen it done more than once. But I really expected something more from the sympathy that I was told the floor manager and the chairman of the Finance Committee felt toward our problem. They assured us of that.

Now they have been engaging in a parliamentary tactic that blocks us off, cuts our feet from under us. I do not understand why, because 29 States would benefit from the Boschwitz amendment over the committee amendment. But the Senators from some of those 29 States have been blocked because they are tied down to the agreement between the Human Resources Committee and the Finance Committee to attach this bill to the windfall profits tax and to make the human resources bill the fuel assistance policy of this Congress. So in order to get that bill attached to Finance, Human Resources struck a deal with Finance which required that all the members of both committees stick to the deal. That is what we are confronted with, and that is where we lost the votes.

All he has to do is go through the rollcall to identify the Senators from cold States who supported this.

Mr. WILLIAMS. Mr. President, will the Senator yield to make sure we do not get too far from the facts?

Mr. MUSKIE. I yield.

Mr. WILLIAMS. If the Senator looks at the last rollcall, he will find that a lot of members of the Labor and Human Resources Committee voted to table Dole. That is contrary to what the Senator said.

Mr. MUSKIE. That is their judgment. There are a lot who did not.

Mr. WILLIAMS. They are not locked into anything. That vote shows it.

There is a lot of opinion here but that is fact, and they are not locked in and they voted against the position of this chairman. I do not know what happened with the chairman of the Finance Committee, that is, whether his troops were solidly with him or not.

Mr. MUSKIE. I am not going to pursue that line.

Mr. WILLIAMS. The Senator should not start it.

Mr. MUSKIE. I talked to some of the Senators from States that would be benefited and heard their response personally about why they could not support the motion to table.

Whether they all did, I have not analyzed the rollcall vote, no. But I have talked to enough of them to know that they were influenced by their commitment to this agreement.

Mr. WILLIAMS. The Senator is saying he was partially wrong in what he said before.

Mr. MUSKIE. I will concede that if the Senator will concede he is partially wrong.

Mr. WILLIAMS. I found no one locked in. I tried to lock a few in.

Mr. MUSKIE. I withdraw my concession.

If the same facts do not suggest the same conclusion to both of us then the facts are disputable. That is what the Senator is saying.

Mr. WILLIAMS. There is no one on the committee who contributed more to the work of the Labor and Human Resources Committee in energy and his response to it than the Senator from Wisconsin, and I believe he voted earlier today.

Mr. MUSKIE. That is quite clear from the vote earlier today and I acknowledged that. The Senator from Wisconsin is a man who has my highest respect as a Senator. I have the highest esteem of him and his friendship. As a matter of fact, I have the same feelings toward the floor manager of the bill. But that does not mean I agree with every conclusion the two Senators draw or the Senator agrees with every conclusion I draw about what the facts in my State relative to this problem mandate that I do.

The Senator has had his way with the vote on the last amendment. I see no way to get my way or anything approaching it. So I am engaged in protesting what I regard as an act of injustice by the Senate, and I will protest as long as I have voice to do so, and I am trying to do so.

Mr. LONG. Mr. President, will the Senator yield?

Mr. MUSKIE. I am trying to do so. I see other Senators. I do not often do this. As a matter of fact, this is my 21st year in the Senate, and I can recall only one other time in which I have sought to use delay and extended debate to make a point and to achieve justice. I am not a filibusterer. If I did not believe deeply about this I would not be standing here. I could be quiet and let the committee bill pass and then go to my State and say, "See what I did for you; you have $25 million coming in the State next year," if that is what the figure is. I will not have to tell them next year it will be cut back to $18 million because of this bill. But it will be. It will be cut back to $18 million next year if this bill becomes law. I will have to explain that next year.

Mr. LONG. Mr. President, will the Senator yield?

Mr. MUSKIE. But I will not take that row. I think this is an injustice.

Mr. LONG. Will the Senator yield?

Mr. MUSKIE. Yes.

Mr. LONG. Mr. President, it seems to this Senator that what the Senator from Maine is doing right now is illustrating and proving the point that the Senator from Louisiana has been trying to make in the beginning, and that is that whatever we come up with here should be a compromise because a number of States, feeling that they are being victimized, have every right, and when they feel strongly their Senators will stand on this floor and do just what the Senator from Maine is doing, talk at length and make clear that they do not think it is fair, that they do not think it is right and marshal their case. The difficulty about it is that when you get something that has perhaps a majority but that does not have a 60-percent majority, Senators who feel strongly that they are not being treated fairly might feel so strongly that they just keep on talking about the matter and we never do pass anything.

What this Senator hopes to do is to try to accommodate the views of all Senators, especialy insofar as they have a good point and a good logical argument.

Mr. MUSKIE. Why does the Senator exclude me from that?

Mr. LONG. Just a minute. I will explain to the Senator why I do not.

This Senator has worked on the Finance Committee, and his committee managed to work out a compromise where we came out with a formula. Everyone on the committee voted for it. Every single Senator on the committee voted for a formula that we agreed upon, even though I think those from the frost-belt States felt they were not getting all the consideration they deserved and those from the sunbelt States felt that they certainly were not getting all the consideration they deserved. But we have agreed on a formula and we voted for it.

Mr. MUSKIE. Does the Senator believe that the legislative process stops in committee?

Mr. LONG. No. But now the same formula that we are talking about was agreed to in the Labor Committee where there was not a single Senator from the so-called sunbelt at all on that committee so that the nearest one——

Mr. MUSKIE. It was not agreed to in the conference on the Interior appropriations bill.

Mr. LONG. I do not know about that. I am familiar with the bill I am talking about here.

Please understand, I say to the Senator, as far as the Senator from Louisiana is concerned, he is willing to compromise. I think the Senator from Maine knows that.

He has discussed with the Senator from Maine and the Senator from Minnesota and others various suggestions, and may I say to the Senator that when the Senator from New Jersey was on his feet and referred to the fact that the Boschwitz amendment that was offered was a surprise, I hope the Senator will pardon the Senator from Louisiana for nodding. It was not much of a surprise to me, because I was not sure which Boschwitz amendment he was going to offer. But it was a surprise to the Senator from New Jersey, and that is what I was nodding about. It was a surprise to the Senator from New Jersey because he was under the impression the Boschwitz amendment which was going to be offered was one that had been the subject of some negotiations and was something of a compromise between those who had offered the original proposal and the other one.

Mr. WILLIAMS. I have my speech in which I was going to agree with it. It will never be given, I guess.

Mr. LONG. As a matter of fact, the Senator was going to agree with the proposed compromise by the Senator from Minnesota. So it was clearly a surprise to him.

The Senator from Louisiana was not sure which Boschwitz amendment was going to be offered, but he knew that the Senator was thinking about offering his original suggestion rather than one of the compromise proposals that have been discussed.

But the Senator has a good point when he says he proposes to stand here and fight as he has the capability to fight for what he believes is right, and I hope he understands that he is not the only Senator who has the talent, the ability, and the inclination to do that when he really feels that his State is not being treated fairly. That is why this Senator believes that what we need is something that takes into consideration the arguments of all and the views of all parts of the Nation, not just something that one section of a nation imposed on another, but something where we all try to consider the viewpoint of the others and bring something that shows respect for the point of view of all Senators and all States.

Mr. MUSKIE. May I say to the Senator, first of all, I suppose I should not have made an ambiguous nod a matter of record, and if I misinterpreted the Senator's nod, I apologize. But, second, the Senator talks compromise and he surely did, all yesterday afternoon and all morning, and he was still talking compromise as I was when it was agreed that Senator Boschwitz would offer his amendment, but then the Senator participated in the Dole strategy which cut off all possibility of compromise. So I assume that the Senator's patience for compromise had terminated at some point without my realizing it.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. MUSKIE. As a matter of fact, when Senator Dole rose, at that moment we were considering offering one of the proposals that we had considered as a compromise, and of course we were cut off by the action of Senator Dole.

Since I referred to Senator Dole a couple of times, I will yield to him without losing my right to the floor.

The PRESIDING OFFICER (Mr. Stewart). The Senator from Kansas.

Mr. DOLE. The fact is that the Senator from Maine knows the Senator from Kansas—maybe I just came in at the wrong moment, but I did not see anything happening around here, and I thought I could get something happening, get this thing moving again. I was prepared to offer at one point the Boschwitz-Muskie proposal with the floor, but

I did not see the Senator and the Senate then decided to go to something else. I remembered the majority leader's admonition to do something.

I certainly am willing to compromise. I was not in on all of the negotiations even when this bill was brought to the floor. The Senator from Kansas had no part in that. But I will say again, having gone through the exercise in the Senate Committee on Finance adopting the approach taken by the Senator from Maine and the Senator from Minnesota, and having failed in that, it seemed to me that we had an obligation in the Committee on Finance to do something, and with the leadership of the distinguished Senator from Wisconsin and others on the committee, we finally forged this compromise.

It was not satisfactory to everyone, but at least it was something we could get out of the committee by unanimous vote. So, in effect, what we have now as the Dole amendment is the Human Resources Committee formula with the Senate Finance Committee floor. The two committees adopted essentially the same low-income energy assistance programs, and I ask unanimous consent at this point to put a description of both in the RECORD. I will not go through all the differences.

There being no objection, the description was ordered to be printed in the RECORD, as follows:

Major differences in the Finance and Human Resources versions of low-income energy assistance

	FINANCE	HUMAN RESOURCES
Authorization of Funds	Low Income Energy Assistance Trust Fund.	Not designated.
Appropriation Levels	$1.2 billion in fiscal year 1980; $3 billion in fiscal year 1981; and $3 billion in fiscal year 1982.	$1.6 billion in fiscal year 1980; $3 billion in fiscal year 1981; and $4 billion in fiscal year 1982.
Allocation of Funds	One half on degree days multiplied by households at or below 125 percent of poverty; one half on low income energy expenditures; minimum benefit equal to $120 a year per transfer unit.	One half on degree days multiplied by households at or below the lower living standard; one half on residential energy expenditures; no minimum.
Fiscal Year 1980 Program	Same as fiscal year 1981 and fiscal year 1982.	Direct payments to SSI and/or State program under CSA regulations.
Direct Cash Payments	Direct cash payments to AFDC, SSI and food stamp households through HEW and State welfare agencies.	No provision.
Block Grants	Block grants to the States as an option in lieu of cash grants to individuals.	Block grants to the States in fiscal year 1981 and fiscal year 1982.
	Virtually no strings.	States submit a plan to HEW for approval; HEW can withhold funds for failure to comply with plan.
Set Asides	No provision.	Five percent of the funds are set aside for the territories, for crisis intervention, and for State matching grants.

Mr. DURKIN. Mr. President, will the Senator yield for a short question?

Mr. MUSKIE. I have the floor.

Mr. DOLE. I hope that perhaps we will have an opportunity to work out a compromise. I am not trying to block a compromise. I am trying to stir up one, and if we can accomplish that we have made some progress.

Mr. MUSKIE. I think in order to move toward a compromise the Senator's amendment would have to be withdrawn.

Mr. DOLE. I may do that.

Mr. BENTSEN. Mr. President, will the Senator yield for a comment without his losing the floor?

Mr. MUSKIE. Yes.

Mr. BENTSEN. Let me point out again what the Senator from Maine has talked about and what the Senator from Kansas has talked about. There has been a compromise. The administration bill that was proposed to the Committee on Finance was more favorable to Texas, frankly, and we have had a long and tough fight with a very diverse committee, with a wide spectrum of philosophy.

You have seen the same thing happen in the Committee on Labor and Human Resources. So what you have brought before you is really the result of a great deal of compromise taken over a long period of time.

But the comment was made earlier about how can you arrive at a formula, how can you do justice to this and try to get some kind of correlation for it? We had such an approach, I think, in the Committee on Finance because we had the Community Services Administration study here in Washington in 1977 that said that half of the energy costs for a poor family goes to heat. I am sure that it probably exceeds that sum in Maine but, nevertheless, there was a ratio, and we arrived at that radio, and we gave half credit for degree days, and we adjusted that for the poor.

Then we tried to balance that off. There was a rationale to this approach. We tried to balance that off by the energy costs to the individual family.

We are talking about the problems of the poor across this Nation, and we have given additional consideration to the colder States of our Nation because, frankly, we thought they had the best part of the argument.

But when we talk about taking 75 percent, and then squaring that, I cannot see any rationale at all in something called squaring. I do not believe it is a square amendment when you try to bring in that kind of an approach.

Frankly, what we are talking about are the same things the Senator is talking about, which are the choices for the poor, whether it is for heating or lighting or cooking or keeping their food from spoiling. They are tough choices today, and the costs have gone up at a very substantial rate and to a very substantial degree.

If you use just degree days, you take a situation like the State of Washington, which has a substantial number of degree days above the national average. Yet, when it comes to the cost per family for energy they are dead last, they are the lowest. So you run into some major inequities, and that is what we have tried to finally balance out.

You feel just as strongly as you do, I say to the Senator, and I feel just as strongly on the other side. But I have been through that fight and I have been through that compromise, and that is what I thought we had brought before us and that is where I have to stand.

Mr. MUSKIE. The Senator has heard the old saying—and I forget what senatorial character first uttered it, but he was for every compromise of which he was a part.

I was not a part of one of the compromises that went into the committee, and I have rarely seen a controversial piece of legislation where compromise has been limited to the committee. The Senate is entitled to compromise, too. The number of Senators who are affected by the Boschwitz amendment are entitled to their day in court, and they have been denied it by the introduction of the Dole amendment and the motion to table which cuts off their legislative opportunity to make their case and to get a fair judgment on it.

So I understand, I acknowledge, after Senator NELSON had made his comments, sure, the two committees had addressed a lot of time to this, considered the issues and made the best judgment they could make. But that does not mean that their judgment is immune. There are a lot of us from cold weather States here who will not agree with the cold weather Senators who are part of their compromise, and clearly we do not agree. Nevertheless, we think we have a case.

I yield without losing my right to the floor to the Senator from Ohio.

Mr. METZENBAUM. Mr. President, I appreciate the Senator from Maine yielding to me.

It seems to me that we have a situation here where it is really a question of whose ox is being gored. I came to the floor at one point this afternoon and had been told that a compromise had been effected, and then I started to look at the figures, and I found that the compromise had been achieved by having some concern about certain States, but I also thought that a compromise would provide something between the original bill and the Boschwitz-Muskie amendment.

It was only when I started to look at the figures that I found a number of States had been compromised off the bed sheet, and my own happens to be one of them. Tennessee happens to be another. West Virginia, the State of our majority leader, was another; Illinois, Indiana, and Kentucky were all in that group.

It seems to me—and there may be others, Mr. President—I say this to the floor leaders that we are going to be discussing this subject for a good many hours while the Senator from Maine makes his point effectively, and I believe that somewhere between Boschwitz-Muskie and the original bill there probably is a formulation that could be brought about that would not cause any State to wind up getting less than it does under either of those two formulations.

But I will say to the floor managers that they are not going to achieve that while they are standing on their feet on the floor. All they are really doing is playing with mathematical formulas, and I have the feeling that if you put this matter aside for a bit—and I do not make this a formal suggestion—I think that kind of a formula could be found, and then I think it would bring some States, all States, into a more equitable position.

I want to say to my friend from Maine that I am a member of the Human Resources Committee. In spite of that fact I voted with the Senator on the question of tabling the Dole amendment. But I think we have to find something in between these two proposals while, at the same time, not causing any State to go down below the figures which are assigned for one or the other.

Mr. MUSKIE. Mr. President, I yield to my friend, the sponsor of the Boschwitz-Muskie amendment, without losing my right to the floor.

Mr. BOSCHWITZ. Mr. President, I certainly join in the remarks of the distinguished chairman of the Budget Committee. I would also point out the enormous increase that will have to be made next year just to keep the Northern States at the level where they are this year, not even considering the increases in costs that will undoubtedly come with fuel.

I would just like to say, in response to the distinguished Senator from New Jersey, the chairman of the Labor and Human Resources Committee, that it was unclear to me exactly which amendment was going to be introduced. And in the process of considering which to introduce, together with Senator Muskie, a live quorum call came on, which further complicated the decision of which one to introduce.

But most importantly, this Dole amendment, which was not considered in any way during the last 1½ days, would vastly change the whole approach that is reflected, as Senator Muskie pointed out, in the Interior appropriations bill that was just passed. In that bill, the Southern States received somewhat in excess of 7 percent of the appropriation of $1.6 billion. In this new bill, S. 1724, with Senator Dole's formula, they will receive well over 20 percent, close to 21 percent—practically a tripling—with the result that States such as Maine will have a loss next year of 38 percent of their allotment at the same time that fuel costs are going up.

States such as Texas will have a 400-percent gain; Florida will have a 700-percent gain.

Mr. President, I refer back to the committee report, which talks about the intent of the act being to "offset high heating costs (and cooling where medically necessary) and that assistance not be simply a supplement of all utilities and their use to run appliances, etc." That is a quotation, Mr. President, from the committee report.

It is very clear that it is the intent of the Senate to help keep people warm. Certainly, all of us have received phone calls and mail, when it became known that there were going to also be subsidies for air-conditioning. At least the folks up in my neck of the woods thought that that should not be the purpose of the bill. North Dakota, our neighboring State, will be cut by 40 percent, virtually in half, next year, and it is the second coldest State in the country.

The coldest State in the country, Alaska, in heating degree days, will have a lower amount of money to help in financing their fuel costs next year than they do this year by about 20 percent. As I have stated, Maine will receive 38 percent less. And Minnesota this year will receive $72.9 million to help in offsetting the cold weather bills. As Senator Muskie has said, fuel bills in his State are approximately $925 per household. We figure $950 per household in our State; so that, indeed, we do need the $72.9 million that we are receiving this year, while next year it will go down to $53 million. Certainly that should not be the intent of the Senate.

If you look at the Interior appropriations bill that was just passed, once again you will see that it is very close, indeed, to the Muskie-Boschwitz amendment. And the Muskie-Boschwitz amendment was also considered with a floor. We would be happy to consider the Muskie-Boschwitz amendment with that floor once again. I certainly would be very much agreeable to the idea of further negotiations in compromise.

It simply should not happen in our body that cold weather States, where one has to pay practically $1,000 a month to keep warm in the average household in Minnesota or in Maine, should be penalized next year.

Indeed, as our distinguished colleague from Wisconsin knows, this year his State will receive, under the Interior appropriations bill, a total of $63.2 million and next year, according to the formula, would receive somewhere around $50 million, so that there will be quite a decrease in the appropriation available to our neighboring State of Wisconsin.

I do not think that this is the intent of the Senate. I do not think that the Senate wants to take away the funding for heating the homes of the poor and the elderly, particularly in the rural areas of the country where so many of them live. I think it is just a misunderstanding, frankly, on the part of some of the Senators from these States who have voted against this.

I will join Senator Muskie in speaking as long as necessary to gain some form of compromise, to gain some form of understanding that will not penalize the cold States, which I do not think is the intent of the Senate, the intent my friend from Wisconsin, nor the intent of any of the other Senators here.

Some of the Southern States, under our formula, do not do as well as under the committee's formula. None of those States, however, do worse than they do under the present Interior appropriations bill. All of them, in fact, do better.

I see our distinguished colleague from Oklahoma in the Chamber. Under the Interior appropriations bill just passed, his State receives fifty-eight one-hundredths of 1 percent of the total appropriations, while under the Muskie-Boschwitz amendment, they would receive eighty-eight one-hundredths of 1 percent. And so it goes that in every instance, in every State, whether it be North or South, as under the Interior appropriations bill, the Muskie-Boschwitz amendment is far closer to the actual allocation that we made barely a week ago.

I think that now for the Senator to come up with yet another type of amendment, with yet another type of formula, is really creating an inconsistent fact. And that certainly is the point that I make and the point that the distinguished Senator from Maine also makes.

Mr. MUSKIE. I thank my good friend from Minnesota for those contributions to the dialog.

There is another point that I think needs to be made with respect to the differences, the real differences, that exist in the circumstances of different areas of the country and different States.

For example, New England, more than any other region of the country, is dependent upon oil; as a matter of fact, imported oil. New England's energy problem is both price and supply.

When I was growing up, as a boy, our principal fuel was coal; soft coal and hard coal. This was true until, really, after World War II, when we converted on a massive scale in New England to oil.

As our consumption of oil climbed, because we had no indigenous sources of oil, our dependence on foreign sources grew. So, having abandoned coal because oil became the fashionable and more convenient and cleaner fuel, we then became reliant upon imported oil.

As a result of this, New England's energy costs are 26 percent higher than the national average. Eighty percent of all our energy sources in New England are oil. The national average is 47 percent. Seventy-nine percent of all of our oil is imported, as against 39 percent as a national average. Sixty-three percent of all of our energy source is imported oil, as against 18 percent which is the national average. And 40 percent of all of our energy sources is OPEC oil, as against 13 percent as the national average.

The result of all these statistics, each of which tells the same story from a different perspective, is that we are using the highest cost energy source to a much greater degree than any other region of the country. So when you distribute funds under a fuel assistance program to New England and the rest of the country, and if the per capita distribution is based upon some national average cost of energy, that formula is bound to discriminate against New England, because the dollars that we get will go only half as far as they will go in regions of the country where the basic energy source is cheaper.

The ACTING PRESIDENT pro tempore. Will the Senator suspend?

May we have order in the Chamber?

Mr. MUSKIE. Natural gas at this point is cheaper than other resources, and, as a result, energy cost in regions that are able to use natural gas is cheaper. The average household heating cost will be less and other energy costs will be less than in New England. We have no natural gas. Our market is not big enough to have made it profitable for any company to pipe natural gas into our State. So we do not have the advantage of that cheap energy source.

We do have a lot of wood. Ninety percent of our land area is forest covered. So a lot of Maine people are turning to wood stoves and to wood. But because the competing energy source is oil, and our oil is the most expensive in the Nation, the cost of oil in Maine is driving up the cost of wood.

A cord of wood in Maine today will cost up to $100. In Btu equivalents, that is at least as expensive as the oil we import. So we cannot even go out in our backyard and get energy cheaper for our elderly and for our poor because the cost of that indigenous energy source has been driven up by the cost of the imported oil that we have to bring in.

I repeat, Mr. President, the result of this is that when you use a national per capita formula to distribute these fuel assistance funds they go only half as far in Maine as they do in areas of the country which are served by basically cheaper energy sources than Maine.

This is true not only of my State but it is true also of other New England States.

There is another respect in which we are deficient. That is hydroelectric energy. There have been 175 major hydroelectric projects funded by Uncle Sam out of the U.S. Treasury in those areas south of the Mason-Dixon line and west of the Mississippi. Not one has ever been built in the areas northeast of those lines.

I have been in the State of Washington. The entire Columbia River has been harnessed with the help of the Federal Treasury.

I have been in the areas served by the Tennessee Valley Authority, whose hydroelectric energy sources have been harnessed with the help of the Federal Treasury. For years, that cheap hydroelectric energy kept the cost of energy down in those blessed areas of the country.

But not in New England. The one project we have developed over the years in New England, authorized by the Congress in 1965, we still have not been able to get the Congress to approve funding for. Measured against the same criteria of eligibility that have been used to build 175 projects in the rest of the country, Dickey Lincoln School was better than 75 percent of them and we have not been able to get that project funded because we do not have the political clout and have not had the political clout.

Here again, with this bill, we obviously do not have the political clout in order to get appropriate, sensitive attention to the nature of our energy problems.

So we do not get any help at the hydroelectric energy level and we get no help on oil prices. Even our indigenous wood supplies rise to the equivalent price of our imported oil, which is as high as anything in the country. Then Senators may wonder why this is only the second occasion in my Senate career I have to undertake to delay the Senate from proceeding with its business until I see some evidence of movement in the direction of equity and justice in this pending bill.

I understand that there is some consideration being given to a possible compromise. I welcome the effort. I hope that that effort springs not out of my intransigence but out of a real feeling of compassion and understanding for the problems of my area. But whatever the motivation, I would respond to any suggestion of compromise if it is offered at some point so that we can get on with the business of dealing with this amendment.

Mr. President, may I say with respect to the pending bill I do like the approach of using the budget as against using the Tax Code for the purpose of creating and distributing funds for fuel assistance. I like that part of the bill and I said that to the distinguished floor manager of the bill a week ago before this present parliamentary strategy was agreed to by the Human Resources Committee and the Finance Committee. I am glad they found it possible to accommodate their different approaches to the windfall profits tax bill so that we would not face the possibility in this body of approving both a spending bill and a tax bill, both directed to the same problem.

I was worried, as chairman of the Budget Committee, that we might find ourselves in that fix. So the fact that Senator WILLIAMS and Senator LONG agreed on parliamentary strategy for combining the two into one bill is a tactic to which I am not opposed. That is parliamentary wisdom. My one concern is this one provision of the bill, and I would hope that we can work it out.

Maybe we can work it out better if I stand here talking on the Senate floor while others are talking privately. Maybe my aggressive personality got in the way of reaching an agreement in private negotiations.

I am not practiced in lengthy debate, certainly not as practiced as the distinguished Senator from Louisiana, and I could use some of his experience at this point to stretch this discussion out. Also, I suspect before I get through I might be able to use some of the physical resources which have sustained him on the many occasions on which he has held the attention of the Senate at great length.

I envy my southern colleagues who now serve by silence, whereas I have to serve by the unaccustomed tool of talk. In any case, I would hope that I might be as effective as my Senate colleagues have been in the past in dealing with problems about which they felt very intensely and very strongly as they affected and impacted upon their regions.

I am sure they felt they often had lost a battle but continued to fight the war. I do not know how, with respect to history, they view the results in their regions and States the national policy which has developed out of those confrontations and those battles in my early years in the Senate.

I suspect that accommodation useful to their areas of the country has been reached and that the whole country is healthier for those accommodations. I seek a similar accommodation but in a shorter time frame. I should like to see an accommodation reached this evening or even possibly, if we have to, tomorrow. In any case, I hope that we can move toward an accommodation.

Mr. DOLE. Will the Senator yield?

Mr. MUSKIE. I yield to my good friend from Kansas.

Mr. DOLE. Mr. President, I am not sure we might not be able to work out something if we could all get away from the floor and look at it. I am not certain any formula is going to satisfy anyone. The Senator from Kansas does not want to obstruct progress, whatever that is. I certainly agree with the Senator from Maine. I think he is totally within his rights and if we can help accommodate the views of every Senator, I would certainly be willing. As the ranking Republican on the Committee on Finance, my only purpose is to try to arrive at some consensus that we can have a general agreement on.

It might be better if we meet early in the morning or yet tonight, unless something is going on that I do not know about now on the floor.

Mr. MUSKIE. Mr. President, I say to the Senator, I am most appreciative of his sympathetic attitude on reaching an accommodation. Frankly, we are in the process of doing two things. No. 1, I understand that there is work being done toward developing a compromise that we could all embrace and bring the matter to a conclusion by some kind of consensus of that sort. I am perfectly willing, indeed eager, to pursue that route.

In addition, we are pursuing the parliamentary options that may or may not be available to us in the event the Dole amendment is adopted. We simply cannot drop the fight with the adoption of the Dole amendment.

I know that my good friend from Kansas is willing to move aside for a compromise, if one can be developed. He has told me that. He has said so himself. So maybe in one of these two ways we can reach an accommodation and a firm result. I have no desire to delay the Senate unduly if we can get some movement in that direction.

At this point, Mr. President, I am happy to yield to my good friend from Minnesota, who, I understand, has been seeking the floor in his own right.

Mr. BOSCHWITZ. Mr. President, I, too, hope that we shall find a means of compromise. I hope the Senator from Kansas will meet with my distinguished friend from Maine so that a compromise can be sought. We are going to be faced in the coming year with many choices to make that are budgetary in nature, many choices that are going to require the dollars of our Government that are often in such short supply. As we look forward, we certainly can see those kinds of demands, whether they come from the military or whether they come from various programs that are already underway.

The formula that has been introduced by my colleague from Kansas and that is before us now, and upon which a motion to table failed, would require a large outpouring of funds, in this program, despite the fact that the program is already many billions of dollars and is a new program. Certainly, we must move forward to help those who are in need, those who are unable to keep warm in the depth of winter.

As we see the statistics as they apply to my State, next year we shall have 30 percent less and, I am sure, just as heating costs will expand by 80 percent this year, next year there will be another increase—hopefully, not to that same degree, but obviously at a pace considerably faster than inflation. We shall have to approach this body once again for an expanded appropriation, for an expanded authorization under this act, because people in Maine and people in North Dakota and New Hampshire, New York, Pennsylvania—indeed, the entire belt that crosses the United States on a line not very far north of some of the States that will have large increases next year—will find themselves without adequate funds to exist. They will be without adequate funds to keep the poor and the elderly from suffering the inclemency of winter. In his State, he noted, the temperature often does not rise above zero in the month of January. In my State, that often begins in December and does not end until well into February. As a matter of fact, last year, I believe, we had 56 or 60 consecutive days where the temperature did not rise above freezing. Where the winds come across the prairies. As the wind whips across the prairies, the wind chill temperature often goes to 60° or 70° below zero and sometimes considerably below that.

So we are going to be left, Mr. President, with a situation in this coming year where a number of other Senators from other States will have to come back to this body, some of whom, paradoxically, voted against the amendment offered by Senator Muskie and myself.

That is not the point we want to make. That is not the track that we want to be on. If we are to contain the economic problems of our country, and reduce the inflation that has attacked the very fiber of our being in this country—if we are to do that within our Government, we have to exercise some stability, we have to exercise some reluctance to expand programs such as this—particularly a new program that authorizes many billion dollars.

We have to consider what is coming up in the coming year and not allow the inflationary pattern that has been the subject of so much discussion on this floor to be exacerbated by increased allocations to keep people warm. Certainly, this body will not allow Americans—will not allow the elderly, will not allow the poor, whether they be in Louisiana or New Jersey or Minnesota—to be cold in the wintertime, to be subject to the elements in such a way that they have to make some terrible choices that should not occur in our society.

They have to make choices between food or other necessities of life and keeping warm. They have to make choices that, really, our country should have grown beyond. It is my hope that we are making some progress in coming forth with a compromise that will not make these things necessary, that will not make necessary the adoption later on this year of a supplemental appropriation. That would add further to the budget deficit that we foresee, a budgetary deficit that already is somewhere in the neighborhood of $30 billion.

We see a State like Minnesota or a State like North Dakota being so severely affected by this new formula that, next year, their allotments will be severely cut back. Yet, as I have noted, Mr. President, the price of fuel moves inexorably forward, moves inexorably higher—indeed, the people in those States will be unable to cope with that.

They will be unable to cope with that and we will have to come back to this body for more.

The distinguished cosponsor of my amendment also recognizes this, as the chairman of the Budget Committee. Unless the formula in S. 1724 is changed, we once again would have to increase the budget, we once again would have to expand the debt that has caused us to increase the money supply at such a rate as to bring about the inflation experienced in recent years, or at least contributes very substantially in that regard.

As I see the allotments going down from $73 million to $52 million in a State as cold as Minnesota, I simply must object. I simply must use the privilege of this body for the purpose of objecting in the hope that a compromise will be worked out.

The Senator from Maine says that in his long experience in the Senate this is only the second time he has found it necessary, and felt so strongly that he has found it necessary, to use tactics of delay in order to obtain justice.

I am a newer and younger Member of this body than the distinguished chairman of the Budget Committee and this is the first time I must do this. But, nevertheless, I feel as strongly as he does that we cannot allow this situation to develop, that we cannot, in fairness to the people from the northern climates, we cannot in fairness to our own people whom we represent, allow the deterioration of the funding of moneys to keep our people warm. There is not that kind of option.

One of the interesting aspects of my career here in the Senate came in the first few weeks I was in this body, when the very subject of dilatory procedures, or extended debate—whatever is proper to say—was discussed and discussed. We found ourselves recessing 1 day to the other rather than adjourning, and found ourselves in the position of trying to negotiate the rules in such a way that we would not be unduly delayed.

But Mr. President, I do indeed feel that this is a cause for delay. I do indeed feel that the Senate has not caused justice to come forward in this past vote.

I do hope we are proceeding along toward the idea of compromise, because compromise is certainly the best way to work out this dilemma.

I ask my colleague from Maine if there is any sense of compromise in this body and whether or not we should continue to proceed, which I am certainly prepared to do.

Mr. MUSKIE. Mr. President, there is an effort. Whether we are any more successful than the efforts made earlier today is the question.

There are also some parliamentary options which we are pursuing which would require some time-consuming preparation.

So that I am not sure it is going to be possible to get to a quick resolution of the problem. As the Senator can see, there is consultation going on in more than one area of the floor. Precisely what the subject of discussion is, whether or not it is likely to be favorable, I am not sure.

● Mr. GRAVEL. Mr. President, accelerating inflation is gripping the finances of the poor people of this Nation in a manner which has not been experienced for many decades. The impact of this inflation is felt by all people throughout the Nation; yet the poor in every State will feel the bite more severely than the rest of us. While the Nation as a whole rocks under this burden, the poor people of Alaska are the closest to my heart. I, therefore, support the low-income energy assistance program for poor people throughout the country, especially bearing in mind the plight of those in the cold Northern States, including my own State of Alaska.

We are today considering a measure to assist the poorer citizens in meeting their rapidly rising energy bills. At the same time we must not forget that the cost of many commodities is soaring upward at a similar rate. Prices for the four basic necessities of life—food, housing, medical care, and energy—rose over the 3 months ending in September at the rate of 17.6 percent according to the National

Center for Economic Alternatives, a Washington-based research group. Energy is but one of the life necessities which has climbed in price this past year.

We in Congress have a duty to assist those Americans who will suffer the greatest economic pinch this coming winter. In Alaska, rural energy problems will continue, as in the past, to be severely compounded by the OPEC price hikes, inflation, and a lack of economic base in rural villages. The fuel supply problem in rural Alaska is unique and varied, involving both high costs and limited accessibility to remote locations.

Since January, the cost of diesel fuel has climbed dramatically, to as much as $1.30 a gallon, for dozens of communities served by the Alaska Village Electrical Cooperative. Worse, bush dwellers buying by the barrel face prices approaching $2.50 a gallon. The village of Kaktovik, located a few short miles from Prudhoe Bay, pays $2.50 a gallon for diesel. However, fuel supplies, while being principally a problem indigenous to rural areas of Alaska, is not the only cause of the steep fuel price increases. Another major cause of rising prices can be traced to Federal regulations which prevent refineries from passing on to consumers any savings from buying relatively cheaper oil.

In a report to the Alaska State Legislature, the Alaska Village Electric Cooperative provided figures showing that the cost of fuel has climbed nearly as much in the past 9 months as these same costs did between 1973 and 1978. I ask that these figures be reprinted in the RECORD at this point.

The figures follow:

Utility and location	Jan. 19, 1979 price	Latest reported	Percentage increase
Alaska Electric Light & Power: Juneau	47.4	71.5	50.84
Alaska Power & Telephone:			
Craig	48.9	72.0	47.23
Hydaburg	49.0	60.7	23.87
Skagway	48.9	72.0	47.23
Tok	55.2	74.8	35.50
Aniak Power Co.: Aniak	61.1	73.9	20.94
Alaska Village Electric Coop.: 48 Villages	77.9	110.0–130.0	41.2–66.9
Bethel Utilities Corp.: Bethel	55.6	75.9	36.51
Bettles Light & Power, Inc.: Bettles	89.0	92.0	3.37
Copper Valley Electric Assoc.:			
Glennallen	43.5	75.8	74.25
Valdez	40.5	66.0	62.96
Fort Yukon Utilities: Fort Yukon	76.2	100.6	32.02
Haines Light & Power: Haines	45.2	71.0	57.07
Kodiak Electric Assoc.: Kodiak	47.2	73.5	55.7
Kotzebue Electric Assoc.: Kotzebue[1]	56.0	80.6	43.92
McGrath Light & Power: McGrath	70.1	83.4	18.97
Northern Power & Engineering: Cold Bay	56.0	84.0	50.00
Northway Power & Light: Northway	53.1	75.3	41.80
Nushagak Electric Cooperative: Dillingham	53.6	76.4	42.53
Tlingit-Haida Regional Electric Cooperative:[2]			
Angoon	53.9	76.4	41.74
Hoonah	51.3	77.3	50.68
Kake	50.4	73.5	45.83
Kasaan	48.9	61.5	25.76
Klawock	58.9	75.0	27.33
Yakutat Power Co.: Yakutat	52.1	75.2	44.33

[1] Fuel prices only, freight excluded.

[2] Delivered price of fuel.

Mr. GRAVEL. Limited accessibility to the remote villages also contributes to the fuel supply problem. Few roads have been constructed in rural Alaska, making villages accessible only by barge in the summer months—June through September—and the remainder of the year by air. Frequently this means the entire winter fuel supply must be brought in during the few months rivers are navigable.

At least 30 villages in rural Alaska are known to have experienced fuel shortages during the winter of 1978–79. Causes of the shortages differed. However, in many cases the barge companies' inability to deliver the annual fuel supply left villages without fuel as early as October 1978. This meant that the fuel had to be flown into the village at substantially higher cost. The Rural Alaska Community Action Program, Inc., (RurAL CAP) which administers the Community Services Administration's crisis intervention fuel loan program, reported on their activities during the 1978–79 winter season. To demonstrate the costs experienced by some of the communities which participated in the program, the following comparisons of some of the barge and air bulk fuel prices paid by the communities were made:

Heating fuel No. 1, per gallon bulk rate (400-plus gallons)

	Including barge cost	Including air freight
Chevak	$.829	$2.249
Nondalton	1.021	3.219
	1.021	1.651
Pilot Station	.894	1.764
Quinhagak	.854	1.699
Shungnak	1.035	1.750
Tuntutuliak	.749	1.229

While fuel costs to rural Alaska generally are substantially higher than other areas of the country, higher costs will not be unique to these villages. Anchorage, Fairbanks, and other communities whose transportation expenses are lower can expect to experience similar price hikes for energy this winter.

Such high costs to Alaskans convince me of the need for low-income energy assistance such as that now being considered by the Senate. As a member of the Finance Committee, I have already cast my vote in favor of the program. I believe S. 1724, the measure currently before the Senate, will help soften a portion of these higher fuel costs. The measure will provide $1.6 billion for the nationwide program in 1979, with an increase to $3 billion in 1981 and $4 billion in 1982. The situation faced by Alaskans in rural areas of the State, as well as those living in more urban locations, encourages my support of the energy assistance program. First, the direct benefit payment to individuals and households will be a welcome addition to this winter's budget. Second, the fuel budget will also benefit from the $2 billion in tax credits which low-income taxpayers will realize immediately during the 1979 tax year. The need for fuel assistance which the low-income residents of Alaska as well as many other States have demonstrated convinces me to support the low-income energy assistance proposal.

I do believe, however, that this program need not be tied to the excise tax on oil which now has been approved by a majority of the Finance Committee members. Testimony before the Finance Committee and before the Subcommittee on Energy and Foundations made clear that sufficient revenues would be generated by the corporate income tax to adequately fund this low-income energy assistance program, as well as funding the President's highly questionable, and capital intensive, synfuels proposal.●

VETERANS' DAY 1979

Mr. CRANSTON. Mr. President, we have just celebrated Veterans' Day. A great debt is owed to the veterans of our country.

Mr. President, this past Sunday, November 11, Americans observed Veterans' Day. This day of tribute to our Nation's more than 30 million living veterans and to those who lost their lives in defense of our freedom was marked by the traditional services at the tomb of the Unknown Soldier and the Memorial Amphitheater at Arlington National Cemetery. I attended those services, Mr. President. They were quite moving. All of us who watched Administrator of Veterans' Affairs Max Cleland lay the wreath on the tomb of the Unknown Soldier were deeply touched by the simple ceremony and acutely aware that America has much to thank its veterans for.

For the fifth consecutive year, thank God, Veterans' Day occurred during a moment of peace in our history. We are deeply grateful for this peace to the men and women who serve and have served in our Armed Forces. They have secured our borders at home and supported our allies around the world.

Those of us at Arlington Cemetery last Sunday joined in the prayers of all Americans that the selfless and heroic sacrifices of life and limb in service to our country that helped to secure this peace have not been made in vain.

Our Nation is strong today, Mr. President. And we, the current keepers of the peace, must pledge to guard that strength. We owe that much to our veterans, to their survivors, and to their sons and daughters.

To honor Veterans' Day I believe that a grateful Nation must reaffirm its commitment to fulfill its moral and legal obligations to its veterans who fought and lived, and to the survivors of those who died.

The Nation meets its commitment to veterans in large part through the programs administered by the Veterans' Administration. As Chairman of the Committee on Veterans' Affairs, I would like to take this opportunity—the golden anniversary year of the Veterans' Administration—to salute the employees of the VA, for their dedication. Day after day they do their best to meet the needs of our Nation's veterans and, by and large, they do an effective job.

I would especially like to note today the outstanding work that Max Cleland has done since he became the Administrator of Veterans' Affairs in 1977. As he pledged he would, Max has inspired greater commitment and compassion throughout the VA. He has improved services to veterans by making the VA a more helpful and caring agency.

Max Cleland has implemented a substantial number of programs to improve veterans' services and has taken forceful steps to improve VA organization, management, and planning. He has made millions of Americans aware of VA programs and of veterans' needs and problems. The youngest Administrator in VA history, he has traveled 133,000 miles and spoken to thousands of Americans to deliver a forceful, vigorous, realistic picture of the veteran today. He has fought hard—often against heavy odds—on behalf of the veteran. He has made service to the service-connected disabled veteran the VA's No. 1 priority, as it should be. Some may doubt the effectiveness of his advocacy. I do not.

The attention of the Veterans' Administration has been refocused on the importance of meeting the needs of the service-connected disabled veteran—the most important mission of the VA. An identification system has been developed in all VA health-care facilities so that service-connected veterans receive priority hospital and medical services.

For the first time since my coming to the Senate, annual increases in disability compensation benefits for service-connected disabled veterans have consistently been included in the President's budget.

Due to Max's deep personal concern, rehabilitation—too often slighted by the medical profession—is receiving increased emphasis within the Veterans' Administration. Two new rehabilitation engineering research and development centers—pursuant to legislation I had authored many years earlier—have been inaugurated at Hines, Ill., and Palo Alto, Calif. Engineering and medical expertise are joined to enable those with spinal cord injuries, amputations, and other severe disabilities to become more functional and to lead more fulfilling lives. A national conference on rehabilitation, a first for the VA, was held this year to bring the best thinking to bear on the subject. The VA proposed to Congress a long-overdue, major legislative revision of VA's mission and authority regarding vocational rehabilitation—the first such proposal since 1944. Career development centers have been expanded to provide disabled veterans with sophisticated training on how to sharpen their job-seeking skills.

The President's October 1978 policy review memorandum (PRM) on Vietnam-era veterans indicated several areas of great concern. Under Max Cleland the VA has pursued solutions to the basic problems cited in the PRM. Efforts to reach disabled, minority group, educationally and financially disadvantaged, and incarcerated Vietnam-era veterans have been increased; public information programs, such as the "Operation Boost," have reminded Vietnam-era veterans all across the country of their GI bill educational opportunities. Toll-free telephone service to the VA is now available to veterans in every State.

The administration has submitted legislation to extend the delimiting period for GI bill eligibility specifically to help Vietnam-era veterans who most need to use their GI bill benefits—those who do not have a high school education and those who could benefit from apprenticeship or other on-job training programs. Legislation based on this proposal is pending now before the Senate in S. 870, as reported by our committee.

Mr. President, on June 13 President Carter signed into law as Public Law 96–22 the Veterans' Health Care Amendments of 1979. This new law includes long-overdue authorization, which I have been working to achieve for over 8½ years, for readjustment counseling to Vietnam-era veterans. Although this provision had been before the Congress for almost a decade, and been passed by the Senate numerous times, all prior VA Adminstrators opposed it; Max Cleland supported it strongly. The VA is implementing this vitally important program, called Operation Outreach, through 86 counseling operations located across the country in low-key, store-front facilities.

Mr. President, Max Cleland has also shown sensitivity and common sense with respect to the volatile issue of Agent Orange and its possible health effects on veterans who were exposed to it, as he was, during service in Vietnam. The VA has attempted to get at the facts through an advisory committee on herbicides and through scientific research both within and without the VA. VA medical facilities have been directed to make full examinations available to all veterans who believe that they may be suffering adverse effects from exposure to Agent Orange.

Max Cleland has done much to sensitize the public, and the Veterans' Administration itself, to the contributions to our society that Vietnam-era veterans can make and are making. More than 33,000 Vietnam-era veterans have been hired by the VA since 1976. They now comprise 33 percent of the VA's male workforce. The VA, a leader in utilizing the veterans readjustment appointment authority, appointed 5,736 under the VRA program this past year.

In addition to the concerns of disabled and Vietnam-era veterans, much attention has been given the special problems of older veterans. Today, less than 9 percent of our veterans are 65 or older. But this percentage will increase to nearly 17 percent by 1985 and to 30 percent in the year 2000. This increase will require a marked change in the kinds and the quantity of services necessary to fulfill our commitment to our veterans, as recognized by the report, "The Aging Veteran," completed last year by the VA. The VA is pressing hard to keep abreast of the tremendous challenges it will face in the coming years. The Administrator has called for increased emphasis on the specific diseases and conditions relating to aging. The VA now offers special gerontological fellowships to train health care professionals to meet the specific health care needs of all veterans and has established eight regional geriatric, research, education, and clinical centers (GRECC's). Increased construction of nursing homes and domiciliaries is a VA priority. Five year construction plans submitted to the VA to Congress just recently project over $2.8 billion in expenditures in the next 5 years alone. The VA is also aggressively examining alternatives to institutionalization, such as hospital-based home care, personal-care home placement, and geriatric day-care centers.

Further, the VA worked very closely with the 95th Congress in the development of pension reform legislation—to provide more equitable assistance to older veterans and survivors—enacted last year as Public Law 95–588.

In 1977, the VA, under Max Cleland's leadership, for the first time supported the concept of judicial review of VA decisions denying claims for benefits. This change in the agency's historic position typifies his vision and willingness to take a fresh look at problems in order to help the veteran, and has greatly increased the chances that legislation will be enacted to give those veterans and their survivors whom the bureaucracy may have treated unfairly the chance to have the courts review their cases. Legislation providing this opportunity was passed by the Senate in September of this year.

Mr. President, the VA's ability to provide treatment for alcohol and drug dependence—one of the most serious problems facing veterans is expanding; this also has been a top priority for Max Cleland. Since 1976, the VA has added 35 new alcohol and drug treatment units. And, as a result of Public Law 96–22, the VA now has the authority sought by the Administration—to contract for such care in community-based facilities that offer alternative modalities of treatment.

Mr. President, some of the most important changes that have occurred within the VA in recent years are the least known publicly. They are management changes which do not grab headlines and often do not bear full fruit until many years later, but they are changes that ultimately determine the quality of service that an agency renders its clients.

Since his first day as Administrator, Max Cleland has attempted to foster an attitude of competent, courteous, compassionate care by each of the 226,000 employees in the Veterans' Administration. The "VA—may I help you" campaign was just one effort to emphasize this personal commitment needed by all VA employees. He has personally communicated his deep personal commitment to these goals in his visits to VA facilities in every part of the country.

Other measures include VA's "Halls and Walls" project to revitalize drab hospital, clinic, and office settings. New life has been breathed into VA hospital volunteer programs, which last year received the help of over 100,000 volunteers.

The Administrator has been instrumental in resolving major problems in obtaining final approval of the VA's new very complex computer system, called "Target," which is designed to assist in the processing of compensation, pension, and education claims. When fully implemented, this system will reduce processing time and improve services at a reduced cost to the Government. Necessary development of computer support for VA health care is also well underway.

Extensive organizational changes have been instituted. An Inspector General's Office was established 10 months in advance of legislation requiring it. The numbers of VA auditors and investigators has been greatly increased and the periodicity of audits has been reduced from 13 to 3 years. The Office of Planning and Program Evaluation was created to provide the VA with greatly increased analytical ability for assessing program alternatives and evaluating program management accomplishments. To make VA programs more sensitive to the needs of veterans, programs have been instituted to provide for "consumer" participation in the development of major policy, including a feedback system offering veterans an opportunity to comment on the VA services they have received.

The implementation of better planning in the construction program is identifying VA needs earlier and producing more efficient use of construction dollars. In a time of energy shortages, the VA, as the fifth largest energy consumer in Government, has maintained zero energy growth despite rising energy costs and extra energy needs for additional square footage and mechanical systems.

The establishment of an Office of Human Goals, an important innovation of the Administrator, has enabled the VA to monitor problems and accomplishments in the area of equal rights for employees and veterans. Minorities represent a larger proportion in the VA than in Government employment as a whole—and in the vast majority of grades. Similarly, women, who constitute 51 percent of the VA work force, hold 18 percent of the VA jobs at the GS-12 level and above, compared to 7 percent for the entire Government.

And, the VA, through its "leadership VA" program, is actively identifying and training mid- and top-level management in order to develop a base of young, talented leaders for the future.

Finally, in a day when the public is particularly concerned with waste and inefficiency in Government, the VA is taking major steps to deal with these problems. Increased efforts to reduce overpayments and to collect money due the Government are well underway. The virtual elimination of Federal subsidization of first-class air travel, including travel by the Administrator, is a symbolic but important step in restoring public trust in the use of taxpayer dollars.

Mr. President, although I have only touched on the highlights, I believe the VA accomplishments under Max Cleland's leadership are impressive; strong efforts are being made—day in and day out—to improve services to our Nation's veterans.

I must point out, of course, that despite this major progress, all is not rosy at the VA. Large problems remain. That is the nature of Government and the nature of humankind. Regrettably, Government bureaucracy—of which the VA is one of the largest parts—is too often impersonal and ridden by convention. There is an inertia inherent in all bureaucracy that creates an ocean of redtape and a sea of paperwork in which Government is literally drowning. Service is depersonalized and the vital interaction of individuals with their Government, stymied.

Mr. President, the VA is the third largest agency in our Government. It employs a quarter of a million people—more than any other agency except the Department of Defense and the Postal Service. It is not surprising that an entity this large would have trouble dealing effectively with individual constituents. The VA does have difficulty in fine tuning its massive benefit programs to the needs of the individual veterans it serves.

Government employees are like most Americans. They have good intentions and are trying to do the best they can. While some are above average in ability, and some are below, most are in between. Thus, the VA, like all other Government programs, often operates at less than ideal levels of effectiveness and efficiency.

I believe Max Cleland truly understands this. He is a newcomer, he has viewed Government from afar—from the perspective of an individual veteran trying to recover from a catastrophic disability—and as a State legislator and a congressional staff investigator. He perceives the problems and limits of bureaucracy very clearly.

The attempt to overcome and alleviate the inherent limitations of the VA's bureaucracy is a task that he has undertaken with vigor. Of course, no single individual can surmount the problems created by a bureaucracy. No one person or few persons can ever do as well as we in Congress would like. But, in my view, Max Cleland has done well and will continue to do so as Administrator of Veterans' Affairs.

Mr. President, as chairman of the Committee on Veterans' Affairs in the Senate, I am dedicated to making programs for veterans more effective and more responsive. I hope that all who are dedicated to helping us fulfill our commitment to our veterans will take the occasion of Veterans' Day to pledge their best efforts to the tasks ahead. I make that pledge, and I am delighted to work with Max Cleland and VA employees around the Nation toward making veterans' programs the best they can be.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to extend beyond 30 minutes, with Senators being permitted to speak up to 5 minutes each.

The PRESIDING OFFICER (Mr. HEFLIN). Without objection, it is so ordered.

NORTH AMERICAN CONSORTIUM

Mr. MATHIAS. Mr. President, one of the problems in an election year is that issues which should not be politicized are politicized. Rail as we may against the tendency of candidates to inject politics into areas where they would better be excluded, it has little practical effect.

But the other side of this coin is that election years produce new ideas and generate national debate on the great issues of our times. Frequently the debate is less than illuminating. But the new ideas surfaced in the heat of political competition retain their value long after the debate subsides. And, irrespective of their parentage, worthwhile new ideas have a way of entering the public domain.

Revenue sharing is such an idea. It was first vetted in the Kennedy administration and ultimately enacted in the Nixon administration.

Last night Ronald Reagan, in his speech announcing his candidacy, injected what seems to me to be a new and innovative concept into the American political debate.

I was personally very much interested in his proposal to marshal the resources of the North American continent by the coordinated political action of the United States, Canada and Mexico. Each of these great countries has been richly endowed by nature, but none is independent. If they act in concert, however, the continent can be very largely independent, at least to a much greater extent than it is today.

This idea, which marries commonsense to sophisticated political thought, has great appeal. I am sure there are also flaws and difficulties which will need to be explored. There always are with any complex concept. But I think we owe Governor Reagan an objective examination of an interesting proposal.

What he proposes is increased communication; not increased commerce. By now, I think we have learned that commerce alone wins us no friends. But, when the process of communication becomes both sensitive and sophisticated, then much else may eventually follow.

WINDFALL PROFIT TAX

Mr. RIBICOFF. Mr. President, the Crude Oil Windfall Profit Tax, H.R. 3119, which has been reported by the Finance Committee, is a bill with one purpose: To produce and conserve energy in America as rapidly as possible.

The committee's decisions regarding tax levels for various categories of oil were related primarily to production response. Where there appeared a substantial probability that a tax would impede new oil production or production by expensive tertiary methods, we rejected a tax. On the other hand, in the case of categories of old oil, where the investment had been made and was profitable at prices much lower than today, we generally supported a stiff tax. The revenue is needed to develop alternative sources of energy rapidly, because under even optimistic production scenarios, our oil shortfall will be at least 8 million barrels a day in 1990. The committee also correctly dedicated substantial portions of the tax revenue to mass transportation and to soften the economic blow that OPEC and decontrol are dealing to poor and lower middle-income taxpayers.

The committee was only partly successful in meeting its goal of stimulating additional oil production while simultaneously raising the revenue for these other purposes. A mark of our frustration in attempting to arrive at the correct balancing point is the unusual set of additional views, signed by a majority of the committee, which ask the Senate to reconsider the revenue-raising aspects of the bill.

We differed on just how the revenue problem should be resolved, which exemptions should be allowed, how the phaseout of the tax should be altered, and exactly what percentage tax should be levied on each tier. But it is clear there is ample opportunity to raise substantial new sums while doing no damage to the production incentives in the bill.

In light of the crucial importance of this legislation, and for the information of my colleagues, I submit for the Record the additional views of this committee majority.

The material follows:

[Excerpt from Finance Committee report]

VIII. Additional Views of Senators Ribicoff, Nelson, Moynihan, Baucus, Bradley, Packwood, Roth, Danforth, Chafee, Heinz, and Durenberger

Our Nation faces a dire crisis of overdependence on insecure foreign oil, a dependence which makes us vulnerable to supply disruptions and further weakens the dollar. The philosophy which has guided our taxing and spending decisions in this legislation has been to direct a major portion of the revenues generated by decontrol to accelerate conservation and domestic production of energy. Our concern has been to provide energy security for America. We seek to get our energy problem under American control, not to punish any one segment of our economy.

Clearly, we need to increase domestic production of oil. The urgent need for new oil requires the elimination of obstacles in the way of increased production. Some of us departed from past-held views by agreeing to exempt from the tax newly discovered oil and oil extracted by tertiary methods. We believe that on those categories of oil there should be no tax which impedes a significant production response.

Where a higher price will not result in significantly greater production, we believe a stiff tax should be levied. Substantial revenues must be raised to stimulate development of alternative sources of energy, relieve the growing energy cost burden on lower income persons, fund energy efficient transportation and moderate economic imbalances caused by decontrol and OPEC price increases.

The bill is a reasonable one, but only partly embodies this philosophy. Several special exemptions are allowed which are unjustified because they do not enhance production and because they significantly reduce badly needed revenue. In addition, the tax on some categories of oil and the phaseout of the tax should be reconsidered.

TIER I TAX

The committee remained true to its general philosophy of taxing those categories of oil which are not expected to experience a significant increase in production from a higher price by approving a 75 percent tax rate on lower tier oil. This is oil that is now selling for an average of $6 and will sell for the world price, which is already $23, after decontrol. Here, we believe, there is a huge "windfall" to producers; presumably, this oil was profitable at $6 and will be over 400 percent more profitable after decontrol. Because a negligible production response is expected from increasing the price of lower tier oil, we unanimously supported a 75 percent tax rate.

Those who disagreed with us and supported a lower tax rate contend that revenues from this oil are essential to ensure the cash flow necessary for new exploration and production. We believe this is not so. Oil companies do not need to keep all the windfall profits from prior investments as an incentive to expand exploration and production, as long as they are assured of higher prices. According to their third quarter reports, cash flow is not a problem for most oil companies. Even under the committee bill, decontrol will add $374 billion to oil producers' net revenues over the next 10 years.

TIER II TAX

The committee's decision to tax upper tier oil at 60 percent and allow a severance tax deduction is disappointing. Similar to lower tier oil, this oil is now profitably flowing at $13 and will rise to the world price after decontrol. Decontrol will add at least $10 to the price of this oil, without a significant production response. Given the generous exemptions from the tax provided as production incentives, we believe a higher tax on upper tier oil is appropriate.

INDEPENDENT PRODUCERS AND STRIPPER WELLS

We concur with the committee's rejection of the proposed 3,000 barrel per day independent producer exemption. This exemption is unwarranted. The committee wisely agreed that an exemption of this magnitude was not consistent with the supply response estimated by the Treasury Department, Department of Energy and most observers. In addition, independent producers are entitled to percentage depletion on 1,000 barrels of oil production per day under current law. This favorable treatment under current law and the absence of significant supply response required rejection of the 3,000 B/D exemption.

We also agree with the committee's rejection of an exemption for all stripper well production. While some argue that there would be a modest supply response, this estimate was not large enough to justify the reduction in revenues from such an exemption. Price sensitive, high cost stripper wells will be protected by the net income limitation provided in both the House and committee bills.[1]

PHASEOUT

Under the committee's version, the tax will begin to phaseout once net revenues reach 90 percent of the total now estimated, or approximately $138 billion. We differ on the question of whether the tax should be phased out, or whether all or parts of it should remain to recapture future "windfalls" caused by increases by OPEC. We are in agreement that the phaseout adopted by the committee is not the best option, although some of us supported it as the best available alternative at the time.[2] Setting a specific dollar figure leaves the tax at the mercy of the committee's economic assumptions. No one can say what future oil prices will be or how fast they will rise. We can make guesses, and they may be good ones. But the history of oil prices in recent months and years has defied all predictions. A tax limited by a guess is not the proper way to legislate.

LOW-INCOME ASSISTANCE

Heating bills of all Americans are soaring, but in considering the uses and distribution of tax revenues, a primary objective of the committee was to assure that those segments of the population most adversely affected by the decision to decontrol oil be assisted in bearing the resultant financial burden. This means principally those low and lower middle income households that heat their homes with oil and other energy sources whose price is directly responsive to oil. Within this group people have difficulty paying the price to heat their homes during the winter.

The committee's income assistance program is to provide aid in the form of a small tax credit for all households with incomes below $20,000, a slightly larger credit for those that heat with oil, propane and imported Canadian natural gas, and cash grants to recipients of AFDC, SSI and food stamps. Flexibility is given to those States which desire to revise the target populations.

We fully recognize that the committee's program is the result of compromises made by all members and is in one sense comprehensive. However, it departs from our original intentions. We did not set out to institute a general tax cut, particularly one which is large in its application but small—some would say nominal—in its effect. Rather, we sought a program of targeted, and substantial assistance to the principal victims of unprecedented price increases that are directly attributed to the soaring price of oil.

The committee's decision was reached in a spirit of comity and in the recognition that other persons also face high energy costs. We may, however, have ended up—with respect to the $20 minimum "general" tax credit—spending a significant amount of money in a way that will provide a tiny amount of assistance to a very large number of people. Included are many whose energy costs, while possibly high, cannot be attributed to the decontrol of domestic petroleum prices—the reason that we have a windfall profits tax at all. The relief offered is token. It helps little, if at all, while using up funds that could be far better employed to aid those with greater and more pressing needs.

SOLAR AND CONSERVATION CREDITS

S. 1760, introduced by Senator Packwood on behalf of himself, each signer of these views, and also Senators Dole, Wallop, and Boren, provided tax incentives for a range of conservation and alternative energy sources, including the purchase by individuals and businesses of conservation property, renewable energy property (solar, wind, geothermal, hydroelectric, biomass and ocean thermal energy conversion), cogeneration property and for the production of alcohol fuels. We are encouraged that the windfall profits bill which was reported by the Committee contains most of these provisions (although modified to provide lower credit percentages and shorter duration in most cases), tax credits for high efficiency wood stoves and residential furnaces as well as important additional production subsidies for oil shale and certain unconventional gases. The windfall profits tax is an excellent source of revenues for financing these credits.

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[1] Senators Ribicoff, Nelson, Moynihan, Bradley, Danforth and Chafee believe the 1,000 B/D exemption for stripper wells produced by independents is unwarranted.

[2] Senators Packwood, Roth, Danforth, Chafee, and Heinz.

TRANSPORTATION

The committee wisely decided to set aside $15 billion in a trust fund for energy efficient transportation initiatives.

TAXPAYER TRUST FUND

We are also pleased the committee earmarked a portion of the increased Federal revenues which will result from oil price decontrol for a Taxpayer Trust Fund. The revenues in this trust fund will be available if the Congress decides to offset the substantial payroll tax increases scheduled for 1981. The committee action will enable Congress to use a portion of the increased revenues from oil decontrol to provide additional tax relief to the American people.

ABRAHAM RIBICOFF,
GAYLORD NELSON,
DANIEL PATRICK MOYNIHAN,
MAX BAUCUS,
BILL BRADLEY,
BOB PACKWOOD,
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S. 1991—AMENDMENT OF FEDERAL TRADE COMMISSION ACT

Mr. FORD. Mr. President, last week I introduced S. 1991, a bill to amend the Federal Trade Commission Act. Today I received from the Commission a thorough review of the legislation. I request that the entire text of the letter be printed in the RECORD so that all Members of the Senate have an opportunity to study the views of the Commission.

The letter follows:

FEDERAL TRADE COMMISSION,
Washington, D.C., November 13, 1979.
Hon. WENDELL H. FORD,
Chairman, Subcommittee on Consumer, Committee on Commerce, Science and Transportation, Washington, D.C.

DEAR MR. CHAIRMAN: The Federal Trade Commission has studied carefully the proposed modifications of the Federal Trade Act that you introduced in the Senate on November 8, 1979, as S. 1991. In offering the following comments, we wish to emphasize our continuing recognition that the Commission exists only by the will of Congress, to implement the laws that Congress enacts. Because we are the public servants responsible for enforcement of the Federal Trade Commission Act, we believe it is our compelling duty to offer you and the Committee our views as to the impact of the proposed amendments on the underlying purpose of the statute—to protect consumers and businessmen in the marketplace by eliminating unfair methods of competition and unfair and deceptive acts and practices.

We welcome several of the proposed measures as constructive additions to the regulatory process. For example, we support the concept of a regulatory agenda and a regulatory calendar as sound methods of assuring as much advance public input to the regulatory process as is feasible. We also support the idea of a regulatory analysis, in rulemaking, so that all reasonable alternative methods of achieving the agency's statutory objectives are considered. These measures will require considerable resources and they may delay the adoption of some rules, but we believe the process will ultimately lead to more carefully tailored regulation.

Other provisions in the bill are also consistent with the Commission's basic mandate: a preliminary determination of prevalence prior to initiation of rulemaking, provisions intended to ensure the confidentiality of line-of-business data and other confidential commercial information, custodianship arrangements for investigatory documents, Commissioner superintendence of subpoenas, assured independence for presiding officers in rulemaking, and continued oversight. While in some instances these objectives can be accomplished without statutory change, and in other instances we offer drafting suggestions, we agree with the purpose and effect of these provisions.

The Commission is deeply concerned, however, that some of the measures that you have proposed, singly and in combination, are likely to damage severely, and perhaps irreparably, the ability of the Commission to protect consumers and competition.

We are most concerned about Section 2 of the bill, which would restrict the Commission's authority regarding commercial advertising to the prevention of false and deceptive advertising. Enactment of this provision would mean that the Commission would no longer be authorized to prevent unfair advertising—by either adjudication or rulemaking—unless it was also false and deceptive. A wide range of Commission activities on behalf of consumers would thereby be jeopardized.

For example, the amendment could adversely affect the advertising substantiation program, a central and well-accepted part of our entire advertising enforcement program. If consumers cannot rely upon advertisers to have a reasonable basis for their advertisements, the credibility of all advertising is inevitably cast into doubt. Similarly, by limiting Section 5's reach over advertising claims which are both false *and* deceptive, it would be much harder in some cases impossible to deal effectively with misleading advertising. Such a change would make it far more difficult, for example, to deal with claims that contain literally true statements, but which are nonetheless deceptive because they fail to disclose other material facts. An advertisement for "Land in Florida—only $2500 per acre" may be literally true, but can be highly misleading if it fails to disclose (as have some advertisements in the Commission's experience) that the land happens to be under water.

In addition to the general limitation which the bill would place on the Commission's authority to protect consumers from unfair advertising, the bill contains provisions which would alter the Commission's rulemaking authority and procedures. As you have made clear in public statements concerning your proposals, some are designed to terminate or limit particular proceedings to which objections were raised during the recent oversight hearings.

The Commission believes that completion of these rulemaking proceedings, in which all affected persons may participate, is in the public interest. Moreover, the proposals are drafted in broad, categorical terms that will have effects well beyond the termination or limitation of these particular proceedings, and are likely to enmesh the Commission in litigation as to their meaning for years to come. We urge that such broad amendments to the Commission's authority first be the subject of full legislative hearings so that unintended adverse consequences can be avoided.

With respect to the proposed changes in the Commission's subpoena powers, we share your desire to keep investigations focused and to limit the burden of compliance. Our concern with the provisions, as drafted, is that they may straitjacket the conduct of investigations and encourage more rather than less litigation. For example, the proposal would restrict access to information in the hands of third parties, information that may be essential to an investigation. We also have some fear that the showing required before issuance of compulsory process may also be an unnecessary source of litigation.

In sum, though we welcome the oversight process and support many of the proposals resulting from it, we are concerned that other proposals involve fundamental changes to a charter that long has served to protect consumers and honest businessmen, without adequate consideration of the harm that could result.

Our detailed discussion of these points follows.

TERMINATION OF THE COMMISSION'S MANDATE TO PREVENT UNFAIR ADVERTISING

Section 2 of the proposed bill would withdraw a form of consumer protection that has been in the law at least since passage of the Wheeler-Lea Act in 1938—the Commission's responsibility to prevent unfair commercial advertising. Despite the absence of even one contention during the oversight hearings that there had been abuse by the Commission of this power in an adjudicative context, the Commission's mandate to prevent unfair advertising on a case-by-case basis would be ended.

The apparent purpose of this provision, as indicated in your statement of November 8, 1979, would be to cause termination of the Children's Advertising Trade Regulation Rule Proceeding, to which various interested parties raised objections during the oversight process. As drafted, however, the proposed bill would place in jeopardy and subject to lengthy and uncertain litigation a wide range of consumer protection activities that it is not our understanding that the Committee wishes to prohibit.

Under its "unfairness" mandate, as construed, reviewed, and supervised by the courts for decades, the Commission has protected consumers from advertising practices that offend public policy as established by statutes or common law, which may be "immoral, unethical, oppressive or unscrupulous," and which may "cause substantial injury to consumers."[1]

Not all advertising fraud can be reached as false or deceptive,[2] and depending upon subsequent judicial construction of these terms, the Commission's ability to protect the public from abusive advertising practices may be seriously impaired by the proposed amendment. Of course, should the amendment be enacted into law, the Commission would endeavor to the best of its ability to preserve traditional areas of consumer protection from the numerous legal challenges that will inevitably follow. The future success of these efforts, however, would be uncertain.

By way of illustration of the jeopardy to consumer protection activity, the Commission has for many years prohibited unsubstantiated claims in advertising as an unfair act or practice. As consumers, members of the Committee can doubtless appreciate the importance to the consuming public of knowing that when an advertising claim is made, it is not based upon mere "wishful thinking" on the advertiser's part.

When a consumer buys a gasoline additive that has been advertised as increasing the mileage of his car, he assumes that the advertiser did not just make up that claim, but instead, has evidence to support it. When a consumer buys a tire that is advertised as safe, he similarly assumes that the tire manufacturer has done the testing necessary to make that assertion.[3]

Since the Commission's decision in *Pfizer, Inc.*, 81 F.T.C. 23 (1972), the Commission has conducted a regular program to ensure that when advertisers make claims for their products in advertising, those claims are supported by a "reasonable basis." In *Pfizer*, the Commission indicated that the failure of an advertiser to have such a basis for affirma-

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tive product claims was unfair in light of the gross imbalance of knowledge (with respect to the advertised product) and resources between a business enterprise and its customers. The Commission noted that unfairness both to consumers and competitors resulted from the relative inability of consumers to determine the reliability of product claims, because of the costs of obtaining such information for a wide number of products, and the inability of consumers to make the necessary tests or investigations to determine whether product claims are true. 81 F.T.C. at 61–62. The requirement that advertisers possess substantiation for their claims has successfully withstood judicial review,[4] and is now widely recognized and accepted by advertisers and consumers alike.

The value of advertising in a market economy is only as great as the ability of citizens to believe in it. Advertising that is unsubstantiated cannot command the confidence of the public, and is unfair to honest competitors as well, because it undermines consumers' reliance on advertising generally. It is, therefore, in the best interests of both advertisers and consumers that advertising claims not be made without a reasonable basis.

While the Commission has contended in the past that the use of unsubstantiated advertising is deceptive as well as unfair, a principal basis underpinning the program has been unfairness, and particular applications of the substantiation rule remain subject to close court supervision under existing statutory standards. The effect of the amendment, however, would be to cast into doubt the validity of the advertising substantiation effort, and subject it to countless challenges on legal grounds.

The Commission's authority to prohibit unfair advertising practices is also reflected in various Commission orders aimed at advertising practices that promote products to particularly vulnerable groups (the young, the old, the infirm, alcohol or drug dependent) or take advantage of the inability of the audience to evaluate the claims that are being made to them.

For example, consent orders have prohibited advertisements aimed at very young children—and subject to imitation by those viewers—depicting models engaging in dangerous activities (riding a bicycle into a busy street without looking for cars; [5] eating unidentified wild fruits; [6] leaning over an activated gas burner).[7] All of these are examples of abusive and injurious advertising practices that would be rendered more difficult, or perhaps impossible to prevent if the proposed amendment were enacted.[8]

The proposed amendment would also affect in uncertain ways a wide variety of ongoing rulemaking proceedings, other than Children's Advertising, that we do not understand it to be the intention of the amendment to undermine. For example, the Insulation R-Value Rule requires that important information be provided in certain advertisements and at point of sale. The information regarding the R-Value (insulating power) of home insulation products permits prospective purchasers of such products to judge and compare competing brands. The Commission found that the market had failed to provide information from which consumers could decide which product affords the greatest efficiency and potential for energy savings. This rule is plainly in the national interest at a time when our legislative policy calls for the encouragement of efficient home insulation. Without the "unfairness" standard, the Commission might have been unable to promulgate this R-Value rule, in its present form and thus might have been unable to assist both consumers and competing sellers of insulation products in avoiding confusing and conflicting non-comparable claims for insulation efficiency.[9]

Other promulgated or proposed rules that might be affected in various ways by the proposed change include the Hearing Aid, Food Advertising, Protein Supplement, Over-the-Counter Drug Advertising, Over-the-Counter Antacid, and Vocational School Rules.

Finally, as regards this provision, the particular wording of the proposed amendment, prohibiting only advertising that is both "false *and* deceptive," would almost surely render it impossible for the Commission to prohibit a wide variety of advertising claims that may be literally true, but are highly misleading because they omit material facts. It has long been a popular defense of the least scrupulous that their fraudulent advertising was "literally true"; however, courts in construing Section 5's prohibition on "deceptive" practices have recognized, wisely we believe, the common sense proposition that literal truth does not save an advertisement from being misleading. *Koch* v. *FTC*, 206 F. 2d 311, 317 (6th Cir. 1953).

A primary example of the kind of fraud the Commission could well be helpless to deal with under a "false *and* deceptive" standard is bait-and-switch advertising, in which consumers are lured into a store by claims of low prices on some items, and then skillfully manipulated by a salesman to purchase other nondiscounted items instead. This is the classic example of unfair and deceptive advertising, but we doubt that it could be proven to be both false and deceptive.

To cite another example, an advertisement for "1 acre of land in Florida—$2500" may be literally true, but it is highly deceptive if the land turns out to be submerged under water and that fact is not disclosed. See *GAC Corp.*, 84 F.T.C. 163 (1974). The obligation to prove both falsity and deceptiveness would seriously impair, if not destroy, this agency's ability to proceed against massive frauds that injure thousands of individuals.

For 41 years the courts have sustained Commission attacks upon highly misleading advertising that in many cases may have been literally true, but was deceitful because it omitted material facts, or told only half the truth.

> To tell less than the whole truth is a well known method of deception; and he who deceives by resorting to such method cannot excuse the deception by relying upon the truthfulness *per se* of the partial truth by which it has been accomplished. [*P. Lorillard Co.* v. *FTC*, 186 F.2d 52, 58 (4th Cir. 1950).]

The proposed "false and deceptive" standard would wipe from the books literally hundreds of judicial precedents and render it virtually impossible for the Commission to afford the public any meaningful protection against various forms of misleading advertising.

For the foregoing reasons, the Commission strongly urges that you reconsider Section 2 of the proposed bill. The statutory prohibition against "unfair or deceptive acts or practices" is necessarily broad, to permit the Commission the flexibility to deal with the infinite variety of unscrupulous practices that may arise. This mandate has been subject to careful judicial scrutiny over the years, and has given rise to a settled body of law. We believe that severe adverse consequences for both the consuming public and honest businessmen alike will result if Congress were to amend radically the statutory framework, because of displeasure with the particular application of it in the Children's Advertising proceeding. Although the Commission [10] believes that the Children's Advertising proceeding should be permitted to reach its conclusion, we also believe that if Congress disagrees, it should simply pass a law (as Congress did in 1964 with respect to cigarettes) prohibiting the conduct of this proceeding. A generic amendment to Section 5, the effects of which have not been heretofore considered at any legislative hearing, would have crippling and unintended effects on the Commission's ability to do its job.

REQUIREMENT THAT CHILDREN'S ADVERTISING RULEMAKING BE DISCONTINUED

A second generic change in the statute, which appears directed towards the Children's Advertising proceeding, would likewise have potentially detrimental effects beyond that proceeding. Section 5(b) would direct the Commission to include in any notice of proposed rulemaking "the text of the rule, including alternatives, which the Commission proposes to prescribe . . ." Section 5(c) provides that as to any ongoing rulemaking where a text of the proposed rule has not been published, and where hearings have not been completed, the rulemaking "shall be discontinued." This latter provision has application only to one proceeding, the Children's Advertising rulemaking.

In all but two of the nineteen rulemaking proceedings instituted under the Magnuson-Moss Act, the Commission has published the text of a proposed rule at the outset of the proceeding. The Commission intends to continue this practice in an overwhelmingly large percentage of rulemakings it conducts. Nevertheless, there may be occasions in the future, as there have been in the past, where the Commission believes it has sufficient reason to commence a rulemaking but has an insufficient in-depth knowledge of the economic or other impact of alternative remedial schemes to publish the text of a rule proposal until after evidence is gathered in the rulemaking proceeding itself. At present, both the Magnuson-Moss Act and the generally applicable rulemaking provisions of the Administrative Procedure Act (APA) permit the commencement of rulemaking without the text of a proposed rule so long as those who wish to participate in the rulemaking are given sufficient information about the concerns of the agency and the matters in issue so that they can provide informed comment.[11]

Therefore it does not seem to us that proposed section 5(b) is necessary to allow informed participation, and it may have an adverse impact on some rulemaking proceedings. By focusing attention on the specific text of a proposed rule, persons commenting on the rule may not provide the Commission with the broader policy viewpoints and alternative remedial approaches that the rulemaking process is designed to elicit. The Commission would of course comply with this provision should it be enacted, but we remain of the belief that in the infrequent instances when the Commission might feel that a proposed text should not be published until later in the proceeding, it should be permitted to structure the initial notice in the manner best calculated to serve the needs of informed rulemaking.

Whatever the requirement for future rulemakings, the Commission believes it inefficient and contrary to the public interest to require that the ongoing Children's Advertising rulemaking be discontinued by virtue of the retroactive application of a new legal requirement (Section 5(c)), only to be reinitiated with a proposed text, should the Commission elect to do so. As Commissioner Clanton stated during this Committee's recent oversight hearings, the Commission intends to publish the text of a proposed rule and to provide sufficient time for public comment in any event, if it decides tentatively that some children's advertising rule should be adopted.[12] This procedure should satisfy any concern that the Commission might promulgate a final rule without sufficient public input.[13]

TERMINATION OF THE STANDARDS AND CERTIFICATION RULEMAKING PROCEEDING

Section 6 of the bill provides that the Commission shall not use its Magnuson-Moss authority to promulgate trade regulation rules with respect to unfair methods of competition.[14] The statement accompanying in-

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troduction of the proposed bill states that Section 6 "eliminates the standards and certification rulemaking proposal," although this intention is not specifically manifested in the bill itself.

The Standards and Certification rulemaking was initiated under the Commission's Magnuson-Moss authority because of our belief that the practices in question could result in direct injury to consumers, as well as to competitors foreclosed from participation in the standard-setting process. In the words of Section 5 of the FTC Act, the Commission believed that the standard-setting process could involve conduct which was both an unfair act or practice and an unfair method of competition.[15]

The Commission believes that Magnuson-Moss rulemaking should not be precluded simply because the same conduct may also unfairly injure competitors. The legislative history of the 1938 Wheeler-Lea Amendment, which added "unfair or deceptive acts or practices" to the conduct proscribed by Section 5 of the Act, makes clear the Congressional understanding that many activities classified as unfair or deceptive acts or practices could also be termed unfair methods of competition; the intent of the Amendment was to allow the Commission to proscribe a practice based on a showing of harm to consumers, a showing which would often be easier than demonstrating harm to competitors.[16]

The investigation which preceded this rulemaking produced information, according to staff, indicating that abuses of the standard-setting process, and misuse of standards and seals of approval, may have a direct cost to consumers of millions of dollars annually. This preliminary evidence also suggests that deception and unfairness may result from the standards and certification process, because of the repeated use of a given standard in commerce. Thus, each valid complaint could mean a significant number of point-of-sale deceptions stemming from the one occurrence about which a complaint was filed. In addition, the limitation that the standards process may have created on the availability of goods or product information may be unfair or deceptive.

The proceedings are not yet completed; the Commission's staff is continuing to obtain and evaluate information and the Commission has not begun to evaluate the record. However, in light of the issues regarding the Commission's authority to conduct this rulemaking, we requested that our staff advise us of the major complaints of consumer injury received thus far. They report that over 160 complaints have been received. (As noted above, each individual complaint potentially involves a large number of transactions.) Individual complaints allege $3.5 billion in annual energy waste; $100 million in needless hospital expenditures for just one type of equipment; and that enormous potential waste of fossil fuel due to alleged domination of building energy conservation committees by electrical manufacturers and utilities have resulted from abuses in the standard-setting and certification process. The staff has prepared a synopsis of complaints, which is available to the Committee upon request.

The record in the rulemaking is still open and has not been analyzed by staff. Nor is the Commission in a position to make judgments about the significance of the complaints on the record, the causes of any problems, or the need for or content of a rule to remedy such problems. However, the Commission believes that it is important to address the issues which have been raised regarding the standard-setting and certification processes, including whether the complaints illustrate institutional patterns; whether the acts or practices which are alleged as abuses are necessary features of standards development; and if not, whether a case-by-case approach addresses the alleged defects, and with what degree of clarity. A full analysis of the rulemaking record should provide some answers to these questions and will provide a basis for a reasoned Commission and Congressional decision on these important issues. We therefore urge that Congress not take any action to terminate the rulemaking at this juncture.

RESTRICTION ON USED CAR RULEMAKING

Section 17 of the bill would limit the potential remedies in the Used Car rulemaking proceeding by prohibiting the final rule from requiring that used car dealers inspect cars and advise consumers of their findings. Such a proposal has been recommended by the rulemaking staff, but the Director of the Bureau of Consumer Protection disagreed. The Commission recognizes that prior Congressional intent concerning this difficult legal matter has been a central issue from the beginning of the Used Car rulemaking proceeding.

The Commission would accordingly welcome Congress' clarification of its intent on this matter, although because the commission has not yet reached any decision on whether the rule should include any provision regarding inspection at all, perhaps a more appropriate time for any needed remedial legislation would be following the completion of the Commission's deliberations on the Rule.

RESTRICTIONS ON COMMUNICATIONS IN RULEMAKING

The Commission understands the concerns expressed that unrestricted staff access to Commissioners in rulemaking proceedings may preclude the Commission from receiving a balanced input fully reflecting the views of all parties. While we believe the Commission has taken into account all such views in each of the proceedings that has come before it for review, we also appreciate the importance of seeing to it not only that parties, in fact, have been heard but that they feel they have been heard by the Commission. However, notwithstanding our agreement with this objective, we have some serious reservations about the workability of requiring that any communication between a member of the rulemaking staff and a Commissioner or a Commissioner's personal adviser be publicly noticed and formally transcribed or summarized. Rather, we believe there may be alternative approaches, such as expanding the presiding officers' functions, that should be explored before consideration is given to adopting this proposal. As we discuss more fully below, the extension of ex parte requirements to staff communications, while seemingly innocuous on its face, presents some very practical problems that will impede sound, efficient Commission decisionmaking in lengthy, complex rulemaking proceedings.

Those who support requirements such as this take the view that the agency staff are simply advocates for predetermined position, and that it is unfair to allow them unrestricted access to the Commission. However, any rule that is issued must be justified by *record evidence*, and the statute itself as well as the Commission's own rules already provide that if evidence beyond that contained in the record is presented to the Commission by its staff, such evidence must be made public. See 15 U.S.C. § 57a(e)(1)(B); 16 C.F.R. §§ 1.18(a) and (b). In two proceedings, the Used Car Rule and Holder-in-Due Course (Part II), the Commission placed such evidence on the record and allowed additional public comment upon it.

The vast majority of contacts between Commissioners or their staffs and members of the Commission staff with responsibility for conducting rulemaking proceedings do not involve the broad questions of whether or not a rule should issue and what form it should take. These questions are, in any event, already addressed at great length in public filings and at public oral presentations by both outside parties and staff. Rather, most contacts between agency decisionmakers and staff experts involve the numerous, highly technical issues that inevitably arise in the drafting of most rules of any substance. Such contacts permit the decisionmaking personnel to probe more deeply into formal written recommendations, and permit innumerable minor details to be ironed out so that the resulting rule is based upon the most intelligent evaluation of the record that the agency is capable of mustering.

Staff communications allow the Commissioners to receive essential assistance in reviewing what are often massive records from the persons in the Commission who are most familiar with the record. As Professor Barry Boyer, consultant to the Administrative Conference in its study of Magnuson-Moss rulemaking, testified at the recent oversight hearings:

> . . . I think it is unrealistic to expect the Commissioners themselves and their personal assistants to come cold to a record that runs over 100,000 pages and master it in any reasonable amount of time. [Transcript of Sept. 18, 1979, at 29.]

The Commission does not need to meet ex parte with its staff to reach broad conclusions such as whether or not rules should issue, and, if issued, what their general content should be. But it is far more efficient and productive for the Commissioners and their personal advisers to be able to meet on a recurring basis and on short notice with staff experts who are familiar with the rulemaking record if the Commission is to have optimum ability to deal intelligently with the myriad of highly technical issues that arise in most rulemakings.

The foregoing necessities inevitably result in staff playing a dual role, first as architects of the rulemaking record, and then as advisers to the Commission. This dual role, however, is hardly unique to the Federal Trade Commission. It is played by staff at every government agency that engages in hybrid rulemaking.

If the sources of minor contacts between decisionmakers and rulemaking staff were to be subjected to cumbersome notice and recordkeeping requirements, one of two results would occur. (1) Rulemaking records would become even larger and more unwieldy, because they would include a host of transcripts or summaries of routine meetings between decisionmaking staff and rulemaking staff. (2) In order to avoid the obstacles that the bill would place on communication with the staff, decisionmakers would engage in less consultation with knowledgeable members of the staff. They would not necessarily adopt their recommendations less often; they would simply not subject their recommendations to detailed scrutiny, because of the repeated delays and procedural burdens that this would entail. The result would be rules that would be less sound than those that the Commission is able to produce with the aid of cooperation between itself and the most expert members of its staff.

The courts, perhaps mindful of these practical difficulties, and of the additional need to protect the deliberative process, have imposed no requirements like those in the proposal. For example, in *Ass'n of Nat'l Advertisers* v. *FTC*, Civil Action No. 75-0896 (D.D.C. Dec. 21, 1978), the court held that deliberative staff communications to the Commissioners in Magnuson-Moss rulemaking need not be disclosed under the Freedom of Information Act:

> Documents not intended for publication (as evidenced by the fact that they were not published) have been protected by Congress to encourage frank written communication without the dotting of every "i" and the crossing of every "t", thereby facilitating

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franker advice and freer deliberation. With relevant information provided by staff already required to be part of the record, this provision is unnecessary and would hinder the decisionmaking process. [Slip op. at 4.]

The issue of the proper role of staff in rulemaking is one of governmentwide import. Various regulatory reform proposals have been introduced in Congress, but none would alter the current role of agency staff in rulemaking. Neither the Carter Administration regulatory reform bill (S. 755) nor the Ribicoff bill (S. 262) changes existing law with respect to *ex parte* contacts in any respect, and while the Kennedy regulatory reform bill (S. 1291) does contain a provision concerning *ex parte* communications in rulemaking, that provision applies only to comunications from persons outside the agency, not to agency staff.

The Administrative Conference of the United States, the body charged with analyzing such governmentwide issues has never expressly studied the role of agency staff in rulemaking and the extent to which staff communications to agency decisionmakers on the merits of proposed rules should be memorialized and made available to the public. Because the change proposed by this section would be unique to the Commission and would cause the severe difficulties we have discussed, we suggest that the Committee withhold action on this proposal and instead direct the Administrative Conference to study the proposal, and the larger issue concerning the role of staff in agency rulemaking it reflects, and report its recommendation to the Committee. Alternatively, the Committee might direct the Commission to undertake a study of this issue, with the input of concerned members of the private bar and others, and report back in 90 days.

Section 11 of the proposed bill would also impose new restrictions on the ability of persons outside the Commission to communicate informally with Commissioners during the entire investigation preceding a possible rulemaking. This restriction goes well beyond any suggestion in the case law,[17] any provision in the Commission's current rules, or any other agency's practice. We doubt that it is desirable to impose barriers to the kind of informal give-and-take that would be most helpful to the Commission's consideration of alternatives to rulemaking. This proposal too would benefit from careful analysis by the Administrative Conference or the Commission.

REIMBURSEMENT OF PRIVATE LAWYERS' FEES AND OTHER EXPENSES

Section 14 of the proposed bill would authorize the award of fees for attorneys and experts and for other expenses to a party against which the Commission issued an administrative complaint if the party prevailed in subsequent adjudicative proceedings. Similar awards would also be authorized to a prevailing party in any civil action brought by or against the Commission in any court which has jurisdiction of the suit.

Companies with a net worth up to $5 million would be eligible for such reimbursement and individuals with a net worth of up to $1 million would also be eligible. There would be no requirement that these parties demonstrate that they could not defend themselves unless reimbursed. Fees and other expenses would be awarded to the prevailing party unless it were found that the position of the Commission as a party to the proceeding was "substantially justified" or that "special circumstances" would make an award "unjust." A party dissatisfied with the Commission's award could seek judicial review.

Any fees and expenses awarded would be paid out of the Commission's appropriation, but appropriations specifically for the purpose of paying such awards would be prohibited. Awards in any judicial proceeding would include compensation for services performed during the administrative proceeding under the standards set forth in Section 14.

The Commission appreciates the sometimes high cost borne by small businesses in defending themselves in administrative proceedings, and we agree that in some instances there should be a means of reimbursement. We are concerned, however, that this section would have serious detrimental effects and is broader than necessary to achieve its objective. Because this issue is one of governmentwide significance, we also suggest that it be decided in that context.

The most serious problem with Section 14 as drafted is its vague and subjective standard, compounded by a presumption that whenever complaint counsel or the Commission loses, the proceeding lacked substantial justification. The standard for award of fees should reflect the exceptional nature of this departure from a well-settled legal principle.[18] Adopting a standard that has evolved in the civil rights area, an award should be made only if the agency's position is found to be "arbitrary, frivolous, unreasonable or groundless," or that the government continued the litigation after these conditions became apparent. See *Christiansburg Garment* v. *EEOC*, 434 U.S. 412 (1978).

Furthermore, the burden of proof should be on the party seeking fees from the government treasury. Otherwise, there would be an unwarranted chilling effect on some Commission action for fear of the budgetary consequences of failing to refute the presumption.

The proposal would also create a complex, unanswered set of questions relating to the practical administration of this program. For example, what is the appropriate measuring technique to apply when an adjudication of a multiple count complaint results in a decision where a violation is found with respect to some, but not all, of the counts contained in the complaint? How is the Commission or a court to determine which portion of attorney fees and other expenses are attributable to various counts? What mechanism should be used to dissect attorney fees when multiple parties raise common questions of law and fact? Similar unanswered questions would arise when judicial review of the agency's adjudications resulted in modification to, but not reversal of, the agency's decision, or when judicial review of a rule resulted in a partial remand.

The purpose of the section—to forestall unwarranted action aimed at small businesses and individuals—would be fully served by a provision limited to awards in adjudicatory cases brought *by* the Commission and found to be unjustified. Authorizing such awards in court cases brought *against* the Commission simply invites litigation and introduces needless complexity.

Further, the interest of small businesses in Commission rulemaking proceedings should be distinguished from that of individual adjudication. In rulemaking proceedings the Commission does not single out individual small businesses, but rather promulgates rules applicable to all those engaged in particular practices regardless of their size. In those instances the prospect of reimbursement of expenses for small businessmen would seriously hamper the Commission's endeavors.

The requirement that awards be paid from the Commission's regular appropriations could potentially disrupt the orderly planning and budgeting process undertaken by the Commission. Without a special appropriated fund, investigations and proceedings would be subject to disruption if their funds were required to be diverted for the purposes of paying these awards.

We respectfully submit that such far-reaching legislation should be adopted, if at all, only after the most careful consideration, and in its proper governmentwide context. There have been no hearings on the impact of this provision on the FTC, and we can recall no mention of this proposal by any witness in the recent oversight hearings of this Committee. While we recognize that the Senate has passed S. 265, a bill which would impose similar provisions on the government as a whole, we note that the Department of Justice has vigorously opposed this legislative proposal and it has not yet been considered by the House of Representatives. In these circumstances, we suggest that inclusion of this provision in the Commission's authorization bill would be both premature and potentially harmful to the mission of this agency.

CIVIL INVESTIGATIVE DEMANDS

Section 12 of the bill would add a new Section 20 to the FTC Act, setting forth requirements governing investigations of false, unfair or deceptive acts or practices. Some of the provisions of that section as currently drafted might have an adverse impact on the Commission's ability to enforce the Act. However, we believe that this impact would be significantly lessened if the section were conformed to the analogous provisions in the Antitrust Civil Process Act, as amended, and if it were applied prospectively, to newly opened investigations, not to ongoing ones.

Subsection (b) provides that "[n]o information obtained pursuant to any other investigatory process under this Act may be used to enforce section 5 of this Act for the purposes of investigating unfair or deceptive acts or practices." This provision, if enacted, would require the Commission, when determining what law enforcement action should be taken in the public interest, to close its eyes to some or all of the information in its possession, lawfully obtained, that may be relevant to its decision. In an extreme case, it might prevent the Commission from proceeding against clearly illegal activity of which it had knowledge, where that knowledge was obtained in an investigation conducted under other powers. For example, if in the course of adjudicatory discovery in a proceeding the Commission's counsel found evidence of another potential law violation, there seems no policy reason why that evidence ought not to be used. Moreover, as applied to adjudicative proceedings, it is at variance with the requirement elsewhere in the Act that, whenever the Commission has "reason to believe" that a violation of the Act is taking place, it "shall" institute a proceeding. 15 U.S.C. § 45(b). There is no similar restriction on use by the Justice Department of material obtained in response to a civil investigative demand ("CID") under the Antitrust Civil Process Act. Thus, if evidence of a violation of a criminal statute is subpoenaed during the course of a validly constituted civil investigation, the Department is free to use the evidence in a criminal prosecution. To enforce the FTC Act effectively the Commission needs similar flexibility.

Section 12(c) contains eight subparts providing for the obtaining of information by CID rather than, as currently done, by subpoena pursuant to Sections 6 and 9 of the Act. This section also governs the content and method of service and enforcement of such demands. A number of the provisions of subsection (c) cause us concern.

Subsection (c)(1) tracks the language of the CID procedures applicable to the Antitrust Division of the Department of Justice contained in Section 3 of the Antitrust Civil Process Act as enacted in 1962, but fails to include important amendments to that section passed in Title I of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, 15 U.S.C. § 1312(a) (1976). Thus, the bill limits the issuance of CID's to persons "under

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Footnotes at end of article.

investigation" who may be in custody of any documentary material" relevant to the inquiry, but fails to take into account the key 1976 legislative changes which permit the Antitrust Division to issue CID's to "any person" who "may have any information" relevant to the investigation. At present, the FTC has the authority, given to the Antitrust Division in 1976, to subpoena third parties. Our experience has been that such authority is essential to effective law enforcement. As we understand it, the intent of this proposed section is to incorporate the present language applicable to the Antitrust Division. If that is the case, the provision should be redrafted to reflect the 1976 amendments.

Subsection (c) (1) of the proposal does not provide for answers in writing to written questions and the giving of oral testimony as provided in 15 U.S.C. § 1312(a), as amended (although subsequent subsections of § 12(c) correctly contemplate such authority). Other important provisions added by Congress in 1976 (15 U.S.C. §§ 1312(d) (2) and (e)) are also absent from the bill and should be included, *i.e.*, provisions for service of CID's in the manner provided in the Federal Rules of Civil Procedure for service in a foreign country and manner of service on natural persons.

Subsection (c) (2) would require that each demand "state the nature of the conduct constituting the alleged violation which is under investigation and the provision of law applicable thereto." We recognize the concern that underlies this proposal. In many consumer protection matters, it is feasible and desirable for compulsory process to state both the conduct and the possible violation under inquiry. Our hesitancy about endorsing subsection (c) (2) stems from the risk that this change in well-settled FTC subpoena standards would generate dilatory litigation. Every CID would be subject to challenge over the sufficiency of the required statements, and those interested in frustrating a Commission investigation would often seize the opportunity.

Our further concern in this regard is that the language of subsection (c) (2) requiring that the Commission specify the "alleged violation" it is investigating might be judicially construed to require that the Commission have in all cases hard evidence of law violations before it may issue a subpoena. In many cases, of course, the Commission does possess such evidence (although it would usually hamper its law enforcement efforts considerably to be obliged to disclose it prematurely). In other cases, however, the Commission may issue process simply in order to monitor an industry's compliance with the law, without having hard evidence of specific violations—usually because such evidence is only available from the industry's own files.

To cite an example, monitoring compliance with the Equal Credit Opportunity Act, as we are required to do by Congressional directive, necessitates that the files of companies be periodically reviewed for evidence of any pattern of systematic denial of credit on the basis of factors such as race or sex. Without being able to review a company's files, there would be no way for the Commission ever to know whether or not discrimination had occurred. Consumer complaints are not probative. Merely because a few individuals have been denied credit says nothing as to whether or not a discriminatory pattern exists. In a case such as this, then, the Commission would not be alleging any violation of law by investigating; it is rather seeking to make sure that no violation of law has occurred. A second example concerns the advertising substantiation program. In order to ensure that companies have substantiation for their advertising, the Commission periodically subpoenas substantiation for their advertisements from the manufacturers in a given industry. This helps ensure that all advertisers adhere to the requirement to have support for their ads. But again, the Commission is in no position to allege any violation when it begins the investigation, because the only evidence would come from the files of the party being investigated.

We fully support the objective of greater Commission control, from the outset, of the subpoena process, as embodied in subsection (1). We would recommend that the nondelegation requirement be limited to industry-wide investigations—in order to give the Commissioners the opportunity to focus on those subpoenas that tend to raise the most serious questions of scope and burden. We would note, in this regard, that Commission Rules of Practice already provide for the filing of motions to quash subpoenas, reviewable only by the Commission, so that even in those nonindustrywide investigations in which parties may object to the scope of a particular subpoena, they will continue to have an opportunity to present their objections directly to the Commission before court action occurs. In light of our concern about delaying litigation which might result from the change proposed in subsection (c) (2), we suggest that the Committee refrain from enacting that provision until, through the oversight process, it has an opportunity to evaluate the Commission's performance in issuing subpoenas under subsection (1).

Subsection (e) provides that petitions for enforcement of civil investigative demands be filed in any judicial district in which the person receiving such a demand resides, is found, or transacts business. This differs from the present venue provision, which permits enforcement to be sought in the judicial district in which the investigation is carried on. The Commission believes the present provision is more efficient and fair since it permits one court to render a decision in a single action as to all recipients of compulsory process in an investigation. This conserves judicial and administrative resources, and eliminates the risk of inconsistent judgments with respect to the same subpoena.

Under § 9 of the FTC Act, Congress provided for enforcement of subpoenas in the jurisdiction of the district court in which the Commission's inquiry is being carried on. This venue is necessary, when documents are subpoenaed, because the Commission, like other federal agencies, frequently conducts investigations involving parties located in several disparate judicial districts. "As a practical matter, we must consider that in any major proceeding subpoenas *duces tecum* are issued to many witnesses in various parts of the country. * * * It makes for uniformity in the application of the law and economy of judicial administration to center the enforcement proceedings in a single court." *FTC* v. *Browning*, 435 F. 2d 96, 100 (D.C. Cir. 1970).

Where the subpoena calls for the appearance of a witness to testify, the court at the site of the inquiry can perform the enforcement function more efficiently than can any other forum. Enforcement requires not only orders directing witnesses to appear and testify, but also the resolution of objections to or refusals to answer specific questions at ongoing administrative hearings. In the latter situation, witnesses may be brought before the court, which can then determine the merits of the objections and, when appropriate, direct the witness to answer.[19]

Subsection (f) provides for the filing with the Commission of petitions to set aside or modify CID's and provides for an automatic stay of compliance until the Commission acts on the petition. However, unlike 15 U.S.C. § 1312(b), it does not require compliance with portions of a contested demand which are not being challenged. We suggest that the wording be conformed with the current CID statute.

Finally, we note that some of the limitations in the section might also have an adverse effect on other agencies whose compulsory process authority references that of the Commission. One example that has been brought to our attention is the provision in 42 U.S.C. § 7255 that invests the Secretary of Energy with "the same powers and authorities as the Federal Trade Commission under section 49 of Title 15 with respect to all functions [granted by the Department of Energy Act]." Because proposed subsection 20(b) states that "all actions of the Commission taken under section 6 and section 9 of this Act shall be conducted pursuant to" the civil investigative demand procedure in consumer protection investigations, arguably the Secretary of Energy must follow that procedure as well. At a minimum it is unclear how the proposed change would affect the Department of Energy's ability to obtain information, or the authority of other agencies with statutory references to the FTC's authority. We believe that this example of harmful legal uncertainty highlights the need for further, careful consideration in legislative hearings of this proposal. At this point we cannot be sure whether other such problems exist.

CONFIDENTIALITY AND CUSTODIAL REQUIREMENTS

Section 3 of the bill would afford new statutory protection to information which is commercially or financially sensitive. Under this section, such information, to the extent that it is "confidential" and "not in the public domain," would not be disclosable except in limited circumstances. We support this section, though we do offer a few drafting changes. For instance, to avoid the possibility that this language would be interpreted as inconsistent with the Freedom of Information Act, 5 U.S.C. § 552, the two Acts could be brought into conformity, by replacing the phrase "which is not in the public domain" with the phrase "within the meaning of 5 U.S.C. § 552(b) (4)."

We believe that this section might also be amended to permit sharing of information with other federal law enforcement agencies, in addition to the Department of Justice. On numerous occasions the Commission has obtained information that federal laws outside of its enforcement jurisdiction have been violated, and it has shared such information with the Securities and Exchange Commission, the Consumer Product Safety Commission, the Food and Drug Administration, the International Trade Commission, the U.S. Customs Service, and the U.S. Postal Service, among other agencies. Similar, conforming changes should also be made in Section 12 of the bill. Also, the Commission should be allowed to share information with local as well as state law enforcement agencies, since there are numerous county and city law enforcement agencies which protect consumers.

Section 13 of the bill would permit a person to bring an action in district court to block disclosure of allegedly confidential documents in a district court action. Here, also, we suggest that the standard for disclosure be brought into conformity with the Freedom of Information Act, and the phrase "which is not is the public domain" in Subsection 20(b) (2) be replaced with the phrase "within the meaning of 5 U.S.C. § 552(b) (4)."

The final sentence of Section 13(b) (2) would impose a ban on disclosure of documents pending any judicial proceedings including appeals, no matter how frivolous or protracted. This appears to be contrary to the traditional notion that preliminary injunctions and stays pending appeals are to be granted only in limited instances where the party has shown a likelihood that it will prevail on the merits of the proceeding, that failure to grant the relief will cause irreparable injury, and that an injunction would be in the public interest. See, *e.g., Virginia Petroleum Jobbers Ass'n* v. *FPC,* 259 F.2d 921 (D.C. Cir. 1959); *Washington Metropolitan Area Transit Authority* v. *Holiday Tours, Inc.,* 559 F.2d 841 (D.C. Cir. 1977). We suggest that this judicial standard be incorporated in the provision.

Section 13 of the proposed bill would also add a new Section 21 to the Act. Subsection (a) of that section essentially would impose on the Commission the same documentary custodianship procedures that apply to documents and testimony obtained by the Department of Justice under the Antitrust Civil Process Act. The Commission endorses the objective of this provision to ensure the security of subpoenaed materials. However, we would urge that two technical changes to the language be made:

1. Subparagraph (a), line 5, should be amended to make explicit that these procedures are limited to precomplaint investigations.

2. Subsection (a)(5) should be revised to permit the Commission to share such information with other federal government agencies and local as well as state law enforcement agencies. As previously noted, the Commission has corrective law enforcement responsibilities with such agencies and it is in the public interest to permit the sharing of evidence regarding potential law violations.

Because the confidentiality provisions in the bill are complex and would impose different obligations on the Commission depending upon how a particular document was obtained, we would appreciate the opportunity to work with the Committee to clarify other technical aspects of Section 13.

CONFIDENTIALITY OF LINE OF BUSINESS DATA

The proposed amendment would prohibit the Commission from (1) using information obtained in its Line of Business ("LB") program for other than satistical purposes; (2) publishing or disclosing information from which LB data of any business can be identified; and (3) disclosing individual LB data to the public or to any government agency. This provision of the proposed bill essentially reimposes provisions that had been in effect in appropriations riders enacted with the Commission's appropriations for fiscal years 1975–1977. The objective, with which we agree, is to ensure that sensitive LB data will be kept confidential. With the expiration of the 1975–77 appropriations riders, the Commission proposed rules to govern access to line of business data in the event of FOIA requests. 44 Fed. Reg. 59552 (Oct. 16, 1979). The proposed rules contemplate this data would be withheld for sufficient periods of years to ensure that when released they would no longer be competitively sensitive.

The Commission does not oppose continuation of some form of statutory protection for LB data. However, an absolute, permanent prohibition on disclosure may not be necessary or in the public interest. A flat prohibition would preclude the public or independent researchers from access to the data even after they can no longer be considered sensitive. We would prefer that Congress consider imposing a prohibition on release for a specific period of years following collection of the data, after which individual firm data would be publicly available unless a company could demonstrate that the data were still sensitive.

The Congress may also wish to consider the needs of other agencies which could use the LB data for statistical or research purposes to the benefit of the business community, the public, and the government. For example, the Bureau of Economic Analysis of the Department of Commerce has requested that LB confidentiality rules be changed to permit the Bureau to have access to the data for satistical non-enforcement purposes under proper confidentiality safeguards.

REGULATORY ANALYSIS

The Commission has repeatedly supported responsible measures for regulatory reform. It has testified in support of omnibus legislation sponsored by the Carter Administration (S. 755), Senator Ribicoff (S. 262), and Senator Kennedy (S. 1291), and it has testified before Senator Culver's Subcommittee on Administrative Practice and Procedure in support of that subcommittee's efforts to synthesize and improve upon the various regulatory reform proposals.

In particular, the Commission favors a requirement that regulatory analyses be undertaken for major rulemaking, even though such a requirement itself may bear considerable cost. The benefits of a careful consideration of economic and other effects, and of the range of feasible alternatives, are plain. The issues raised by measures to reform the regulatory process are obviously of governmentwide import. Nonetheless, the Commission believes that the particular reform provisions that would be applied to it by H.R. 2313, the Federal Trade Commission Improvements Act of 1979, as reported by the House Committee on Interstate and Foreign Commerce, strike an appropriate balance between the legitimate objectives of regulatory analysis and the need to avoid undue burden and delay of already complex rulemaking proceedings.

Our most serious concern with respect to regulatory analysis provisions generally has to do with judicial review. The opportunity to litigate every alleged procedural irregularity in a regulatory analysis could effectively erode the managerial benefits of the analytical process. Charles L. Schultze, Chairman of the Council of Economic Advisers and a leading advocate of regulatory analysis, recently warned against this danger:

"I would like to stress my strong conviction that both the Administration and you, Chairman Ribicoff, have chosen wisely in precluding judicial review of regulatory analyses. There are some who contend that the threat of judicial review is necessary to assure that agencies respect statutory requirements to analyze the economic effects of regulatory decisions. Certainly no one is more interested than I in seeing that economic analysis becomes an important feature of regulatory decisionmaking. However, judicial evaluation of the quality of these analyses will hamper achievement of that goal—not promote it.

"The key function of the federal courts in reviewing administrative action is to evaluate substantive validity of decisions and to assure that individual rights have been respected in the decision process. The courts' function is not to second guess internal management arrangements or processes. If every assertion, phrase, or figure in a regulatory analysis can be subjected to adversary attack in litigation, then new delays in the regulatory process seem a likely prospect. And these delays would happen with no offsetting gains in the quality of the analysis or in its actual use by decisionmakers. If these documents are to become the basis of invalidating an agency action then they are likely to become litigation-oriented briefs rather than candid attempts to illuminate the difficult choices that regulation inevitably involves. Their value to agency decisionmakers as well as to the Congress and the public could be severely impaired." [Testimony of Charles L. Schultze before the Senate Governmental Affairs Committee, April 6, 1979, at 17–18.]

We are concerned that Section 13 of the bill may not effectively preclude these harms. The language suggested by Senator Ribicoff in his letter to you of November 5, 1979, appears well suited to this objective:

[T]he validity of a special regulation should not rise or fall, depending on what the analysis says or how it was prepared. If that were the case, it would easily become a source of delay and obstruction for those opposed to the regulation. Therefore, the analysis must be somewhat distinct, in a legal sense, from the regulatory decision itself. In order to accomplish that objective, two steps are necessary. First, *there should be an express statement that the analysis requirement does not, in any way, effect* [*sic*] *the substantive and procedural standards otherwise established by statute.* Second, to as great an extent as possible, *we should preclude judicial review of the specific findings and process of the analysis.* Of course, there would still be full judicial review of the regulation itself. [Emphasis added.]

The first of these two suggested provisions appears in Section 12 of the bill. However, the second does not. We urge the Committee to adopt the following additional language, or its equivalent in H.R. 2313, the FTC authorization bill awaiting House floor action: "Except for the failure to prepare any regulatory analysis, no Commission action may be invalidated, remanded, or otherwise affected by any court on account of any failure to comply with the requirements of this title." With this change, the judicial review provision should sufficiently protect against the cost and delay of litigation over the particular contents and adequacy of the analysis.

ADVANCE NOTICE OF PROPOSED RULES AND REGULATORY AGENDA

The Commission supports the requirement of an advance notice of proposed rulemaking prior to the initiation of any Magnuson-Moss rulemaking proceeding and the requirement that a semiannual agenda of forthcoming rules be issued. The advance notice would supplement the wide variety of devices that the Commission presently uses to give notice of its forthcoming rulemaking efforts. During any investigation leading up to a rulemaking proposal, staff members are under standing instructions to contact a wide range of government, consumer, and business representatives to obtain their views on possible rulemaking initiatives. See Operating Manual Ch. 7.3.5.4 (1978). In addition, the Commission already voluntarily complies with Executive Order 12044 by publishing a semiannual agenda of its forthcoming rulemaking and other activities. Finally, the Commission has submitted detailed explanations of possible future rulemakings for publication in the governmentwide Regulatory Calendar. Douglas Costle, Chairman of the Regulatory Council, said the following about the Commission's Calendar entries:

"[T]he Federal Trade Commission has done more than participate in the process, it has provided an excellent example for others to follow. . . . Your summaries and brief analyses of regulations under development are thorough, in complete conformance with our suggested guidelines, and not only in plain English, but written so as to be interesting to the reader." [Letter of Oct. 1, 1979, from Douglas Costle to Chairman Pertschuk.]

All of these techniques are intended to give wide notice of our rulemaking plans, so as to encourage as much participation as possible. Routine publication of advance notices of proposed rulemaking would be another salutary means to that objective.

PREVALENCE OF UNLAWFUL ACTS AND PRACTICES

Section 7 of the bill would require a preliminary assessment by the Commission of the prevalence of the practices which are the subject of the rulemaking. Such a requirement would formalize at an early stage of the rulemaking the analysis presently conducted by the Commission, and is a desirable refinement. Section 18 of the FTC Act currently requires "a statement as to the prevalence of the acts or practices treated by the rule" be included in the Statement of Basis and Purpose for any rule adopted. 15 U.S.C. § 57a(d)(1)(A). The Commission's Operating Manual requires that the prevalence of acts be considered by staff in recommending whether a rulemaking proceeding be initiated and that the staff report accompanying any such recommendation contain, *inter alia*, "a summary and analysis of relevant information gathered indicating the existence and prevalence of unfair or deceptive acts or practices and consumer injury." Operating Manual Ch. 7.3.1 and 3.8.1.1 (1978). Our only suggestions about this provision are technical in that the word "pattern" be used instead of the phrase "pattern or practice," to avoid inappropriate application of a body of law developed over that phrase in the equal employment context; and that there not be interlocutory judicial review of this preliminary determination.

RESTRICTIONS ON MAGNUSON-MOSS PUBLIC PARTICIPATION PROGRAM

A limitation of $50,000 on the amount any participant could receive in a single fiscal year or in a single rulemaking proceeding would not, in most instances, impair the ability of public participants to present their views effectively to the Commission. The only materal risk is that situations might arise in which the only qualified applicant could not receive sufficient funds because of this limitation. In these cases there should be some flexibility to exceed the limitation, perhaps by a nondelegable grant of authority to the Commission to approve reimbursement exceeding the limit when it finds that such an unusual case exists.

PRESIDING OFFICERS

Section 9 of the bill would require that presiding officers in rulemakings "not be responsible to or subject to the supervision or direction of any officer, employee or agent engaged in the performance of investigative or prosecuting function of the Commission."[20] In August 1978 the Commission transferred all of the presiding officers from the Bureau of Consumer Protection to the Office of the General Counsel. The Office of the General Counsel is not involved in investigations preceding rulemaking, it has no involvement in developing the rulemaking record, and it does not participate in the rulemaking hearings.

The General Counsel exercises limited managerial supervision over the presiding officers. Shortly after the Presiding Officers' unit was transferred to General Counsel's office, a rulemaking participant inquired as to the degree of control by that office over the presiding officers. The attached response of the Presiding Officer who received the inquiry describes the limited nature of the relationship. While the Commission would have no objection to establishing the presiding officers as a separate unit within the agency, it believes that their present location in the General Counsel's Office and the present practice of the General Counsel meet the objectives of this provision and would comply with the terms of the provision itself.

OVERSIGHT

Section 16 would mandate semiannual oversight hearings by your subcommittee during the period of the authorization. We strongly support this provision for oversight by law. Chairman Pertschuk, speaking for the Commission at the recent hearings, said that though the oversight process is tough and demanding, "it is the right and appropriate mechanism for examining the performance of an agency and calling it to account."

In conclusion, the Commission suggests that, where particular ongoing activities are the source of your concern, prohibitions upon their continuation be drawn narrowly as such. The proposed categorical modifications to the Commission's organic statute are uncertain in meaning and would cast a shadow over a wide range of activities to which we do not believe that the Congress would object.

Similarly, the Commission urges that certain restrictions upon agency procedures that have nowhere else been tried be considered, if at all, in the context of governmentwide changes, wherein the Congress will be able to obtain a better understanding of their likely impact upon this agency and the administrative process in general.

The Commission recognizes and believes in the propriety of the oversight process as the fundamental means by which Congress may review the activities of the Commission and formulate action to alter those activities to which it objects. The Commission urges, however, that in seeking to alter specific activities of the Commission, the Committee not impose upon the Commission without benefit of legislative hearings broad and unprecedented limitations upon its statutory authority and methods of operation that could, for years to come, impair the agency's ability to protect competition and the consuming public.

Respectfully submitted,
Michael Pertschuk, Paul Rand Dixon,
David A. Clanton, Robert Pitofsky,
Patricia P. Bailey.

FOOTNOTES

[1] *Sperry and Hutchinson* v. *FTC*, 405 U.S. 233, 244–45 n.5 (1972). The Commission has articulated additional factors for its consideration in determining whether an unfair practice has occurred since it first delineated these factors in its *Statement of Basis and Purpose of Trade Regulation Rule, Unfair or Deceptive Advertising and Labeling of Cigarettes in Relation to the Health Hazards of Smoking*, 29 Fed. Reg. 8324, 8354–55 (1964). See, *e.g., Pfizer, Inc.*, 81 F.T.C. 23 (1972), discussed below.

[2] We note that the draft legislation proposes to limit the Commission's authority to police "false *and* deceptive" advertising. For reasons we shall indicate later, a "false *and* deceptive" standard would probably ensure that the Commission could not police misleading advertising in any meaningful fashion.

[3] While some unsubstantiated claims can readily be proven to be deceptive, and attacked on that basis, many others could only be disproven at a prohibitive cost. Without a requirement of prior substantiation, advertisers are free to invent any number of claims for their products, secure in the knowledge that because the claim cannot be disproven without a prohibitively costly study, no legal action could be taken against it, even though the advertiser has no basis whatsoever for making the claim. The advertising substantiation program arose precisely because the Commission was confronted by claims for a variety of products for which the advertiser had absolutely no basis, but which would have cost hundreds of thousands of dollars to disprove.

[4] See, *e.g., Fedders Corp.* v. *FTC*, 529 F.2d 1398 (2d Cir. 1976); *National Dynamics Corp.* v. *FTC*, 492 F.2d 1333 (2d Cir. 1974), *cert. denied*, 419 U.S. 933 (1975).

[5] *AMF, Inc.*, File No. 782–3025 (accepted and published for comment).

[6] *General Foods Corp.*, 86 F.T.C. 831 (1975).

[7] *Uncle Ben's Inc.*, 89 F.T.C. 131 (1977). See also *Mego International, Inc.*, 92 F.T.C. 186 (1978).

[8] Moreover, Section 5's prohibition of unfair advertising practices stands as a bulwark against a variety of advertising practices that would not necessarily be false or deceptive, but may be unfair *e.g.*, advertising alcohol or cigarettes to children; advertising drug paraphernalia to teenagers; or advertising stimulant or sedative over-the-counter drugs to teenagers.

The proposal would also produce legal uncertainty, in many instances, over whether an injurious practice was "an act or practice with respect to commercial advertising." For example, in one case, the Commission prohibited the inclusion of sample razor blades in advertising of home delivery newspapers because of the likelihood of injury to unsuspecting readers. *Philip Morris, Inc.*, 82 F.T.C. 16 (1973). It is unclear whether this practice would fall within the operative phrase of the proposal or not.

[9] While one of the industries involved has objected to an aspect of the R-Value Rule (small cellulose insulation manufacturers have told the Commisison, to the contrary, that it should implement the rule, including this aspect, as quickly as possible), this controversy relates only to the standard for testing R-Value, and not the need for an advertising, measuring, and labeling rule.

[10] Neither Chairman Pertschuk nor Commissioner Pitofsky participated in preparing the portions of this letter relating specifically to the proposed Children's Advertising rule.

[11] Under the Magnuson-Moss Act, the Commission is required to comply with the requirements of § 553(b) of the APA, which in turn requires the notice of proposed rulemaking to contain "either the terms or substance of the proposed rule or a description of the subjects and issues involved," as well as the additional requirement that the Commission "publish a notice of proposed rulemaking stating with particularly the reasons for the proposed rule," 15 U.S.C. § 57a(b)(1). The House Report on the Magnuson-Moss Act notes that the reason for the proposed rule must be stated "with particularity sufficient to allow informed comment."

In complying with the requirement to allow for "informed comment," the Commission includes in the initial notice statements of the practices that might be unfair or deceptive (or both) and to which the proposed rulemaking is addressed. Notices also list issues on which public comment is particularly invited. In addition to the notice, the Commission published an extensive staff report indicating the staff's initial concerns and tentative views regarding advertising to children. In our view, the notice published in the children's advertising proceedings clearly meets existing legal requirements. See, *e.g.*, *Willapoint Oysters, Inc.* v. *Ewing*, 174 F.2d 676, 684 (9th Cir. 1949); *Buckeye Cablevision, Inc.* v. *FCC*, 387 F.2d 220, 226 (D.C. Cir. 1967).

[12] "We deliberately decided to put this proposal out without specific language. In other words, to make sure that the range of alternatives was available, and we did this deliberately to focus the parties' attention and the public's attention on the underlying issues involved rather than on trying to get everybody's focus on specific language of a rule.

"And I would add that if the Commission decides at some point and if we're able to, to propose specific rule language, I don't think that we would end up putting out a rule at the end of all of this process and promulgating it immediately.

"I would expect, from my own personal standpoint, we would need some additional comment on the specific language of that rule because I don't think that we would be in a position to, at the end of both of these sets of proceedings, the legislative proceeding and the adjudicative proceeding, to come forward with a specific language in a rule and immediately promulgate it.

"So I think that there's going to be an opportunity if we get to that point, if we decide that a rule proposal is desirable, to have comment on specific language." Transcript of Proceedings, October 5, 1979, at pp. 152–53.

[13] As the Supreme Court has stated in *United States* v. *Florida East Coast Ry.*, 410 U.S. 243–44 (1973):

"Though the initial notice of the proceeding by no means set out in detail what the Commission proposed to do, its tenative conclusions and order of December 1969 could scarcely have been more explicit or detailed. All interested parties were given 60 days following the issuance of these tentative findings and order in which to make appropriate objections. Appellees were 'fairly advised' of exactly what the Commission proposed to do sufficiently in advance of the entry of the final order to give them adequate time to formulate and to present objections to the Commission's proposal."

[14] The section also provides that nothing therein affects any other authority of the Commission to promulgate such rules. As the Committee is aware, violation of a Magnuson-Moss rule carries the risk of a court-imposed penalty. Violation of a rule promulgated under the Commission's general Section 6 authority would merely lead to the institution of an administrative proceeding possibly culminating in a cease-and-desist order.

[15] The Commission's reliance on unfairness and deception theory is not meant to downplay important competitive issues that arise in the standards area. The investigation (and the record developed in the rulemaking proceeding) contain allegations of restrictive standards that operate to block entry by small firms, particularly those with innovative products. Further, there are allegations that Sherman Act remedies are not available to under-capitalized businesses because of costs and delays.

[16] The Senate report states:

"It * * * appears that much time and money must now be expended in order to establish competition and to show injury to competitors, as the courts have held that competition and injury to the same must be established in order for the Commission to retain jurisdiction. Under the proposed amendment, if the Commission should have reason to believe that unfair or deceptive acts and practices are being engaged in * * * it could issue its restraining order without being put to the necessity of establishing competition and injury to such competition. [S. Rep. No. 1705, 74th Cong., 2d Sess. 7 (1936).]

[17] See, *e.g., Home Box Office, Inc.* v. *FCC*, 567 F. 2d 9, 57 (D.C. Cir.) *cert. denied*, 434 U.S. 829 ("communications received prior to issuance of a formal notice of rulemaking do not, in general, have to be put in a public file"). Even the restrictions on *ex parte* communications in adjudications do not apply until "a proceeding is noticed for hearing."

[18] The long-established "American Rule" is that the prevailing party does not recover legal expenses in a litigation except in cases of patent abuse of the legal process.

[19] The Commission's choice of venue for subpoena enforcement purposes is already subject to judicial safeguards. "The test whether the Commission is undertaking an inquiry in a particular place is whether that place and the activities occurring there bear a reasonable relation to the subject matter of the investigation. * * * [T]he Commission's choice of a place of inquiry is subject to the bound of reasonableness." *Federal Election Comm'n* v. *Committee to Elect Lyndon LaRouche*, No. 77–1987 (D.C. Cir. August 23, 1979) slip op. 11, quoting from *FTC* v. *MacArthur*, 532 F.2d 1135 (7th Cir. 1976).

[20] We suggest changing the coverage of this section to "employees with investigative or program responsibilities in rulemaking proceedings," because rulemaking staff do not engage in "prosecuting" functions. A similar change should be made in Section 11 concerning *ex parte* meetings, if the Committee determines that such a provision should be approved.

SEPARATE STATEMENT OF COMMISSIONER PITOFSKY

I have signed the Commission's letter to Senator Ford regarding the bill proposing modifications in the Federal Trade Commission Act and related statutes because I subscribe to all but one of the positions set forth.

In particular, I would emphasize that proposed limits on Commission enforcement authority against "unfair" advertising should not be adopted. I also oppose the provision limiting complaints against advertising challenges to ad campaigns that are both "false and deceptive." Both proposed changes threaten to wipe out lines of authority or Commission programs that have been in place for many years and are widely accepted. Here, as in other areas of the proposed bill, it may be that the draft language has effects that go well beyond the intent of the drafters and I would hope the Commission comments are useful to bring to the attention of Congress consequences of the proposal that must be fully appreciated when these proposals are further considered.

In one important area, however—limitations on the Commission's investigative authority—I cannot agree with the Commission's position. Legitimate questions have been raised in FTC oversight hearings and elsewhere about the issue in the context of a general concern about regulatory reform. While there are certainly difficult judgments to be made, I am not as persuaded that there are no serious present problems or that changes in present practice would undermine the ability of the Commission to discharge its responsibilities in a fair and effective way.

The key provisions concerning modifications in current Commission investigative authority would require that any Commission demand "state the nature of the conduct constituting the alleged violation which is under investigation and the provisions of law applicable thereto" [(c)(2)]; that demands for documentary material "describe the class or classes of documentary material to be produced thereunder with such definiteness and certainty as to permit such material to be fairly identified" [(c)(3)]; and demands for written answers "propound with definiteness and certainty the reports or customs to be answered" [(c)(4)]. These provisions apply only to investigations of possible unfair or deceptive acts or practices or false and deceptive acts or practices in commercial advertising—that is, to the Commission's consumer protection rather than antitrust mandate.

I see nothing wrong and indeed a net benefit in an amendment requiring the Commission to be more specific in its investigative demands in consumer protection enforcement. The Commission will be required by such amendments to think through more clearly and thoroughly what information it seeks, and the recipients of investigative demands will be in a better position to resist unnecessary investigations or comply in a reasonable way. In the long run, more specificity in information demands should discourage rather than invite dilatory challenges.

In consumer protection work, there is no reason why the Commission cannot know in advance of an investigation the nature of the conduct that it is concerned about and no reason why it cannot disclose that information at the beginning of any investigation.

CLIFFORD, GLASS, MCILWAIN & FINNEY,
Washington, D.C., November 7, 1978.

Re Proposed Trade Regulation Rule Concerning Advertising for Over-The-Counter Drugs (16 CFR Part 450)—Rule No. 511009 Public Record No. 215–51.

DEAR MR. FITZPATRICK: In a recent issue of the publication FTC: WATCH it was reported that a Presiding Officer's report at the Federal Trade Commission concerning a Trade Regulation Rule proceeding is "currently undergoing substantive review in the general counsel's office . . ." The article in FTC: WATCH further states that the report is understood to concern over-the-counter drugs.

I, of course, have no idea whether the report in FTC: WATCH is in any way accurate. I am, therefore, writing this letter on behalf of The Proprietary Association to inquire whether any report from you in the above-entitled matter, including any draft of your Initial Decision, is in fact being reviewed by the general counsel's office of the Federal Trade Commission.

If such a review is being conducted, I would appreciate being advised as to the nature and purpose of it.

Thank you for your consideration of this matter.

Sincerely,
ROBERT A. ALTMAN,
Counsel to the Proprietary Association.

FEDERAL TRADE COMMISSION,
Washington, D.C., November 13, 1978.
MR. ROBERT A. ALTMAN, ESQUIRE,
Clifford, Glass, McIlwain and Finney, Attorneys and Counsellors at Law, Washington, D.C.

DEAR MR. ALTMAN: This is in response to your inquiry of November 7, 1978, requesting that you be advised of the nature and purpose of a review by the General Counsel of the Presiding Officer's report in the matter of the proposed Trade Regulation Rule concerning Advertising for Over-the-Counter Drugs.

It is the present policy of the General Counsel to review the final reports of Presiding Officers. Please be advised that a final draft of my report in the OTC rulemaking proceeding has been reviewed by the General Counsel's Office prior to final printing. The review consisted primarily of comments concerning writing style, suggested editorial changes and suggested minor organizational and procedural comments that for the most part were designed to make the report more clear and understandable.

The modifications and notes of clarification pointed out in the review by the General Counsel's Office were suggested changes, any decision to adopt them was left to the discretion of the presiding officer, and no further review was required or requested by the General Counsel's Office. I might add here, that some of the comments and suggestions were adopted in the final report, others were not. In any event, I should note that no attempt was made to have the presiding officer's basic findings or conclusions (as required under the Rules of Practice) changed or revised.

The review of the final draft of the OTC report was qualitative, not substantive, in nature and not unlike reviews normally conducted within the confines of this office for the purpose of assisting in the publication of readable and understandable documents.

Thank you for your interest.

Sincerely,
ROGER J. FITZPATRICK,
Presiding Officer.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Officer laid before the Senate a message from the President of the United States submitting the nomination of Shirley Mount Hufstedler, of California, to be Secretary of Education, which was referred to the Committee on Labor and Human Resources.

BLOCKING IRANIAN GOVERNMENT PROPERTY—MESSAGE FROM THE PRESIDENT—PM 134

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

Pursuant to Section 204(b) of the International Emergency Economic Powers Act, 50 U.S.C.A. § 1703, I hereby report to the Congress that I have today exercised the authority granted by this Act to block certain property or interests in property of the Government of Iran, its instrumentalities and controlled entities and the Central Bank of Iran.

1. The circumstances necessitating the exercise of this authority are the recent events in Iran and the recent actions of the Government of Iran.

2. These events and actions put at grave risk the personal safety of United States citizens and the lawful claims of United States citizens and entities against the Government of Iran and constitute an extraordinary threat to the national security and foreign policy of the United States.

3. Consequently, I have ordered blocked all property and interests in property of the Government of Iran, its instrumentalities and controlled entities and the Central Bank of Iran which are or become subject to the jurisdiction of the United States or which are or come within the possession of persons subject to the jurisdiction of the United States. I have authorized the Secretary of the Treasury to employ all powers granted to me by the International Emergency Economic Powers Act to carry out the blocking.

4. Blocking property and property interests of the Government of Iran, its instrumentalities and controlled entities and the Central Bank of Iran will enable the United States to assure that these resources will be available to satisfy lawful claims of citizens and entities of the United States against the Government of Iran.

5. This action is taken with respect to Iran for the reasons described in this report.

JIMMY CARTER.

THE WHITE HOUSE, *November 14, 1979.*

MESSAGES FROM THE HOUSE

At 1:30 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 5192. An act to amend and extend the Higher Education Act of 1965, and for other purposes; and

H.R. 5811. An act to allow the Interest Rate Modification Act of 1979, passed by the Council of the District of Columbia, to take effect immediately.

At 3:19 p.m., a message from the House of Representatives delivered by Mr. Berry, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 4308. An act to provide for the establistment of the Legionville National Historic Site in the State of Pennsylvania, and for other purposes;

H.R. 5037. An act to amend the Federal Reserve Act respecting the positions of chairman and vice chairman of the Federal Reserve Board, and for other purposes; and

H.R. 5235. An act to amend chapter 5 of the title 37, United States Code, to revise the special pay provisions for certain health professionals in the uniformed services.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 200. Concurrent resolution expressing the sense of the Congress with respect to the Baltic States and with respect to Soviet claims of citizenship over certain United States citizens.

The message further announced that the House insists upon its amendments to the bill (S. 1143) to extend the authorization for appropriations for the Endangered Species Act of 1973, and for other purposes, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. MURPHY of New York, Mr. BREAUX, Mr. DINGELL, Mr. BOWEN, Mr. MCCLOSKEY, and Mr. FORSYTHE were appointed as managers of the conference on the part of the House.

The message also announced that the House has passed the bill (S. 1300) to amend the Federal Aviation Act of 1958 in order to promote competition in international air transportation, provide greater opportunities for U.S. air carriers, establish goals for developing U.S. international aviation negotiating policy, and for other purposes, with an amendment; that the House insists upon its amendment to the bill and requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. JOHNSON of California, Mr. ROBERTS, Mr. ANDERSON of California, Mr. LEVITAS, Mr. YOUNG of Missouri, Mr. HARSHA, and Mr. SNYDER were appointed as managers of the conference on the part of the House.

HOUSE BILLS AND CONCURRENT RESOLUTION REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 4308. An act to provide for the establishment of the Legionville National Historic Site in the State of Pennsylvania, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 5037. An act to amend the Federal Reserve Act respecting the positions of chairman and vice chairman of the Federal Reserve Board, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 5192. An act to amend and extend the Higher Education Act of 1965, and for other purposes; to the Committee on Labor and Human Resources.

H.R. 5235. An act to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for certain health professionals in the uniformed services; to the Committee on Armed Services.

The following concurrent resolution was read by title and referred as indicated:

H. Con. Res. 200. Concurrent resolution expressing the sense of the Congress with respect to the Baltic States and with respect to Soviet claims of citizenship over certain United States citizens; to the Committee on Foreign Relations.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–2469. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Urban Homesteading: A Good Program Needing Improvement"; to the Committee on Banking, Housing, and Urban Affairs.

EC–2470. A communication from the Comptroller General of the United States transmitting, pursuant to law, a communication entitled "Outlook Dim for Revised Accounting System Needed for Changing Telephone Industry"; to the Committee on Commerce, Science, and Transportation.

EC–2471. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, a report on the study and designating of two mill tailing sites in New Mexico; to the Committee on Energy and Natural Resources.

EC–2472. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, a report entitled "Protecting Visibility: An EPA Report to Congress"; to the Committee on Environment and Public Works.

EC–2473. A communication from the Chairman of the Commission on Security and Cooperation in Europe, transmitting, pursuant to law, a report entitled "Fulfilling Our Promises: The United States and the Helsinki Final Act"; to the Committee on Foreign Relations.

EC–2474. A communication from the Auditor of the District of Columbia, transmitting, pursuant to law, copies of nine reports relative to various District of Columbia matters; to the Committee on Governmental Affairs.

EC–2475. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a copy of an Act of the Council signed by the Mayor; to the Committee on Governmental Affairs.

EC–2476. A communication from the Chairman of the Council of the District of

Columbia, transmitting, pursuant to law, a copy of an Act of the Council signed by the Mayor; to the Committee on Governmental Affairs.

EC-2477. A communication from the Under Secretary of State for Management, transmitting, pursuant to law, a report on a new system of records under the Privacy Act; to the Committee on Governmental Affairs.

EC-2478. A communication from the Acting Commissioner of Immigration and Naturalization, transmitting, pursuant to law, a report on the admission of certain aliens under section 212(d)(3) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-2479. A communication from the Acting Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a report on the admission of certain aliens under section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-2480. A communication from the Executive Deputy Commissioner for Educational Programs of the Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on the condition of bilingual education in the Nation and the administration and operations of the Bilingual Education Program and of other programs for persons of limited English proficiency; to the Committee on Labor and Human Resources.

EC-2481. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Health Costs Can Be Reduced By Millions of Dollars If Federal Agencies Fully Carry Out GAO Recommendations"; to the Committee on Labor and Human Resources.

EC-2482. A communication from the Director of the Office of Management and Budget, transmitting, pursuant to law, a cumulative report on budget rescissions and deferrals as of November 1, 1979; by unanimous consent, referred jointly to the Committee on Agriculture, Nutrition, and Forestry, the Committee on Armed Services, the Committee on Banking, Housing, and Urban Affairs, the Committee on Commerce, Science, and Transportation, the Committee on Finance, the Committee on Foreign Relations, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, the Select Committee on Indian Affairs, the Committee on the Judiciary, and the Committee on Labor and Human Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-491. A joint resolution adopted by the Legislature of the State of Wisconsin; to the Committee on Commerce, Science, and Transportation:

"ASSEMBLY JOINT RESOLUTION 88

"Whereas, a substantial portion of the households, businesses and institutions in the State of Wisconsin depend upon petroleum for heating; and

"Whereas, Wisconsin's lack of native petroleum, combined with the current worldwide shortage of petroleum, presents a serious threat to the well-being of the citizens of this state and especially to the citizens in the northern portion of this state; and

"Whereas, the crude oil pipeline proposed by the Northern Tier Pipeline Company would supply substantial amounts of crude oil to Wisconsin's primary petroleum refinery; and

"Whereas, such pipeline is in an advanced planning stage as compared to pipelines in other proposals before the President; now, therefore, be it

"*Resolved by the assembly, the senate concurring,* That the legislature of the state of Wisconsin urges the President of the United States to act immediately to approve the Northern Tier Pipeline proposal for construction of a crude oil pipeline from Port Angeles, Washington to Clearbrook, Minnesota; and, be it further

"*Resolved,* That duly attested copies of this resolution be transmitted to the President of the United States, the secretary of the Interior, the secretary of the U.S. senate, the chief clerk of the U.S. house of representatives and to each member of the Wisconsin congressional delegation."

POM-492. A resolution adopted by the Assembly of the State of Wisconsin; to the Committee on Finance:

"ASSEMBLY RESOLUTION 18

"Whereas, legislation is pending in the U.S. Congress (H.R. 3712) which would limit the use of tax-exempt bonding for owner-occupied residences; and

"Whereas, the proposed federal legislation eliminates the federal tax exemption for bonds used for mortgages on, or other financing of, owner-occupied residences, but maintains the tax exemption for bonds if the proceeds of the bonds are used to provide residences for veterans and if the bonds are secured by the general obligation of the state; and

"Whereas, Wisconsin recently enacted legislation which provides $280,000,000 for revenue bonds for veterans housing loans which are not secured by the general obligation of the state; and

"Whereas, under the proposed federal legislation revenue bonds issued under the newly enacted program for veterans housing loans in Wisconsin would not be eligible for an exemption from federal tax; now, therefore, be it

"*Resolved by the assembly, That* the assembly of the Wisconsin Legislature strongly urges the Congress of the United States to modify H.R. 3712 or any similar federal legislation which may be proposed to permit a federal tax exemption for revenue bonds issued under Wisconsin's newly enacted program which provides housing loans for veterans; and, be it further

"*Resolved, That* duly attested copies of this resolution be transmitted to the secretary of the U.S. senate, the chief clerk of the house of representatives and to each member of the congressional delegation from this state."

POM-493. A joint resolution adopted by the Legislature of the State of Wisconsin; to the Committee on Foreign Relations:

"ASSEMBLY RESOLUTION 36

"Whereas, the State of Wisconsin and the Republic of China have traditionally maintained strong commercial, economic and cultural ties; and

"Whereas, a 1978 purchase mission from the Republic of China to the State of Wisconsin resulted in contracts for Wisconsin-made or Wisconsin-supplied goods valued at more than $20 million; and

"Whereas, President Carter has stated that he will pursue an open and just foreign policy; and

"Whereas, President Carter has also stated that he will not compromise the freedom and security of the people of the Republic of China, nor jeopardize their well-being; now, therefore, be it

"*Resolved by the Assembly the Senate concurring That* the people of Wisconsin through their elected representatives strongly endorse the statements by which President Carter expressed his commitment to the freedom and security of the Republic of China; and, be it further

"*Resolved,* That the U.S. Congress and the Government of the United States, while engaged in a lessening of tensions with the People's Republic of China, are hereby urged to do nothing to compromise the freedom of our friend and ally, the Republic of China; and, be it further

"*Resolved, That* duly attested copies of this resolution be transmitted by the Chief Clerk to the President of the United States, the Secretary of the U.S. Senate, the Chief Clerk of the U.S. House of Representatives, and each member of the congressional delegation from Wisconsin."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHURCH, from the Committee on Foreign Relations, without amendment, but with a preamble:

S. Res. 277. A resolution relating to the commitment to ease the human suffering in Cambodia.

By Mr. MAGNUSON, from the Committee on Appropriations, with amendments:

H.J. Res. 440. A joint resolution making further continuing appropriations for the fiscal year 1980, and for other purposes.

By Mr. JACKSON, from the Committee on Energy and Natural Resources, with an amendment:

H.R. 39. An act to provide for the designation and conservation of certain public lands in the State of Alaska, including the designation of units of the National Park, National Wildlife Refuge, National Forest, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes (together with additional views) (Rept. No. 96-413).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. RANDOLPH, from the Committee on Environment and Public Works:

Eckardt C. Beck, of New Jersey, to be an Assistant Administrator of the Environmental Protection Agency.

Robert H. Harris, of Maryland, to be a Member of the Council on Environmental Quality.

(The above nominations from the Committee on Environment and Public Works were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GRAVEL:

S. 2006. A bill for the relief of Carol Lou Green, Sharon Marie Carter, Sharon Irene Carter, Brenda Lou Carter, and David John

Carter; to the Committee on Energy and Natural Resources.

By Mr. HAYAKAWA:

S. 2007. A bill to designate thirty-five wilderness areas and additions to wilderness areas and areas for other purposes on the Angeles, Cleveland, Eldorado, Inyo, Klamath, Lassen, Los Padres, Mendocino, Modoc, San Bernardino, Sequoia, Shasta-Trinity, Sierra, Six Rivers, Stanislaus, and Toiyabe National Forests, all within the State of California; to the Committee on Energy and Natural Resources.

By Mr. MATHIAS (for himself and Mr. Eagleton):

S. 2008. A bill to amend the Act of April 8, 1935, to increase the powers and the number of members of the board of trustees of Trinity College of Washington, District of Columbia; to the Committee on Governmental Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HAYAKAWA:

S. 2007. A bill to designate 35 wilderness areas and additions to wilderness areas and areas for other purposes on the Angeles, Cleveland, Eldorado, Inyo, Klamath, Lassen, Los Padres, Mendocino, Modoc, San Bernardino, Sequoia, Shasta-Trinity, Sierra, Six Rivers, Stanislaus, and Toiyabe National Forests, all within the State of California, to the Committee on Energy and Natural Resources.

RARE II

● Mr. HAYAKAWA. Mr. President, today I am introducing the California Wilderness Act of 1979. This legislaton would designate 35 new wilderness areas and additions to existing wilderness areas in California. This expansion of our wilderness system includes lands on the Angeles, Cleveland, Eldorado, Inyo, Klamath, Lassen, Los Padres, Mendocino, Modoc, San Bernardino, Sequoia, Shasta-Trinity, Sierra, Six Rivers, Stanislaus, and Toiyabe National Forests.

This is the second comprehensive roadless area review and evaluation (RARE II) that the U.S. Forest Service has conducted in recent years. The Forest Service issued their recommendations only after carefully evaluating their research, and the written and oral comments of 360,000 citizens. I believe that the Forest Service has responsibly weighed the interests of the entire public, and has considered the needs of all citizens.

My bill very closely parallels the wilderness recommendations of the U.S. Forest Service, with the exception of the Mount Shasta Wilderness Area. I cosponsored legislation for a Mount Shasta Wilderness Area earlier this year, and those same acreage figures are employed in this legislation.

Many people regard our national forests in terms of recreational opportunities, for hiking, camping, fishing and hunting, et cetera. Some people prefer a total wilderness experience, without the use of motorized vehicles; they wish to pursue rigorous physical activities that require very active, physically fit people. Others who enjoy recreation on our national forest lands prefer motorized access, and cannot withstand the rigors of long hikes, et cetera. This group includes the handicapped, elderly, and disabled, or even those who do not have the luxury of taking long periods of time for recreation—parents with young children who cannot afford a babysitter, et cetera. Still other people view these lands in terms of a valuable renewable resource that can be carefully managed for the production of timber. Some view the lands in terms of its value for underground mining.

This bill also includes release language for all Forest Service lands in California not included in a wilderness designation. This section is crucial because often a land management decision is held up for lengthy periods because law suits are filed against the management plans. This type of delay is responsible for a reduction in our timber supply, which we can no longer afford with the recent sharp increases in wood prices. In addition such delays result in the loss of many potential jobs. The unemployment rate is extremely high in some areas of California. The unemployment problem is especially serious in the north where many thousands of acres are out of production as the result of lawsuits, and expanded wilderness areas and national parks.

By clearly stating in the law that nonwilderness areas are to be managed under a multiple-use designation, I hope we can clarify the intent of Congress in managing our national forests. Our public lands should serve the needs of everyone, not just a select few. This release language is intended to help the Forest Service and the public proceed with multiple use activities without the harassment of lawsuits and without the ominous shadow of wilderness threats hanging over timber harvesting plans. The Congress should clearly state their intent, so that these doubts are removed and people are free to act more decisively in land management decisions.

Since the Forest Service, in compiling their RARE II recommendations, has taken into account all needs and points of view, this bill represents a balance of interests. There may still be some individual problems that exist within the purview of these recommendations such as access to private lands, but these matters can be worked out. I am introducing the California Wilderness Act of 1979 because it is extremely important to draw the RARE II process to a close. I do think that the faster we move on this legislation, the better we serve the public.●

By Mr. MATHIAS (for himself and Mr. Eagleton):

S. 2008. A bill to amend the act of April 8, 1935, to increase the powers and the number of members of the board of trustees of Trinity College of Washington, D.C.; to the Committee on Governmental Affairs.

● Mr. MATHIAS. Mr. President, I am introducing a bill today, for myself and Senator Eagleton, to amend the charter of Trinity College of Washington, D.C., in order to restructure the board of trustees and the administration of that college.

Trinity College has a record of long and distinguished service, not only to this Federal city, but to the entire Nation. For over 100 years, this institution has provided women with quality education in both the liberal arts and professional studies.

In order to improve the college's administrative structure, the board of trustees of Trinity College has requested that the college corporate charter, granted under the Special Charter Act of April 8, 1935, be amended in several respects. The bill, which I am introducing in response to their request, would alter the charter in the following manner:

First, it would allow for expansion of the board of trustees and permit between 9 and 30 individuals to serve as trustees of the college. The present charter limits the number of trustees to no more than 15, and no fewer than 8.

Second, it would specifically grant the board of trustees the authority to elect or appoint its own officers, and separate administrative officers of the college.

Third, it would eliminate the present charter's requirement that certain officers of the college be members of the board of trustees.

It is the opinion of the board, in which I concur, that these measures will enable Trinity College to evaluate its programs and services by providing greater participation from the community at large. I urge the Senate to expedite the passage of this bill in order to enable Trinity College to continue its outstanding educational programs.●

ADDITIONAL COSPONSORS

S. 104

At the request of Mr. Schmitt, the Senator from Utah (Mr. Garn) was added as a cosponsor of S. 104, the Regulatory Reduction and Congressional Control Act.

S. 246

At the request of Mr. Bentsen, the Senator from New Hampshire (Mr. Humphrey) was added as a cosponsor of S. 246, a bill to amend the Internal Revenue Code of 1954 to encourage greater individual savings.

S. 1250

At the request of Mr. Stevenson, the Senator from Washington (Mr. Magnuson) was added as a cosponsor of S. 1250, the National Technology Innovation Act of 1979.

S. 1467

At the request of Mr. Dole, the Senator from Minnesota (Mr. Durenberger) was added as a cosponsor of S. 1467, a bill to provide retirement replacement betterment methods of accounting be used by a common carrier.

S. 1775

At the request of Mr. Talmadge, the Senator from Minnesota (Mr. Durenberger) was added as a cosponsor of S. 1775, the Agricultural, Forestry, and Rural Energy Act of 1979.

S. 1792

At the request of Mr. McGovern, the Senator from Florida (Mr. Stone) was added as a cosponsor of S. 1792, a bill to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Simon Wiesenthal.

S. 1862

At the request of Mr. McClure, the Senator from South Carolina (Mr. Hollings), the Senator from Pennsylvania (Mr. Heinz), the Senator from North Dakota (Mr. Young), and the Senator from Iowa (Mr. Jepsen) were added as cosponsors of S. 1862, to improve the administration of Federal firearms laws, and for other purposes.

S. 1948

At the request of Mr. Mathias, the Senator from Maryland (Mr. Sarbanes) was added as a cosponsor of S. 1948, a bill to amend the act entitled "An Act for the relief of Alice W. Olson, Lisa Olson Hayward, Eric Olson, and Nils Olson."

S. 1969

At the request of Mr. Dole, the Senator from Mississippi (Mr. Cochran) was added as a cosponsor of S. 1969, a bill to amend the Administrative Procedure Act to require Federal agencies to analyze the benefits, costs, and other adverse effects of proposed rules.

SENATE JOINT RESOLUTION 119

At the request of Mr. Mathias, the Senator from Washington (Mr. Magnuson), the Senator from South Dakota (Mr. Pressler), the Senator from Colorado (Mr. Hart), the Senator from Oklahoma (Mr. Bellmon), the Senator from New Jersey (Mr. Bradley), and the Senator from Indiana (Mr. Lugar) were added as cosponsors of Senate Joint Resolution 119, a joint resolution to authorize the Vietnam Memorial Fund, Inc., to construct a memorial in the District of Columbia in recognition of the men and women of the armed services of the United States who served in the Vietnam War.

SENATE CONCURRENT RESOLUTION 51—SUBMISSION OF A CONCURRENT RESOLUTION WITH RESPECT TO SANCTIONS AGAINST ZIMBABWE-RHODESIA

Mr. HELMS submitted the following concurrent resolution, which was referred to the Committee on Foreign Relations:

S. Con. Res. 51

Resolved by the Senate (the House of Representatives concurring), That, pursuant to section 408(b) of the Act entitled "An Act to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting", approved on August 15, 1979 (93 Stat. 406), the Congress rejects the determination of the President, set forth in the report of the President transmitted to the Congress on November 14, 1979, that the termination of sanctions against Zimbabwe-Rhodesia would not be in the national interest of the United States.

Sec. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President.

CONTINUATION OF SANCTIONS ON ZIMBABWE-RHODESIA: A TILT TOWARD TERRORISM

Mr. HELMS. Mr. President, the President of the United States has sent to the Congress today a determination that it is in the national interest of the United States to continue sanctions against Zimbabwe-Rhodesia at this time. This report was sent pursuant to the so-called Helms amendment to the State Department authorization bill passed this summer. Had the President not sent such a report, sanctions against Zimbabwe-Rhodesia would have been terminated at midnight tonight.

Mr. President, this action continues the tilt toward terrorism that has characterized the State Department's policy in Africa for the past 3 years. It is perfectly obvious that the only leverage which the Soviet-backed Patriotic Front has had in these negotiations is the threat of continuing terrorism and murder. At no time has the Patriotic Front ever accepted the principles of democracy and peaceful political debate. That situation has continued throughout the London Conference, now drawing to a close.

On the other hand, the national unity government of Prime Minister Abel Muzorewa has repeatedly acted with statesmanship and cooperation, and full acceptance of democratic principles. The Prime Minister has accepted one demand after another, including demands which conceivably could put his own government and the future security of the citizens of Zimbabwe-Rhodesia in jeopardy. The Muzorewa government has virtually nothing left to concede.

The Patriotic Front, by contrast, has put one roadblock after another in the way of peace. Even now, Joshua Nkomo and Robert Mugabe are still refusing to come to agreement on the preelection transitional arrangements, and on a cease fire. The Patriotic Front has not even accepted the concept of a cease fire, much less the date for a cease fire.

Thus the situation of the two opposing parties at the London Conference is by no means equal. If there were ever any need to put pressure on the Muzorewa Government, that need has long since passed. There remain no significant issues to which the present Government of Zimbabwe-Rhodesia has not agreed. There is no room left for the democratic side to harden its position, and no chance that they would withdraw.

On the other hand, the Patriotic Front has not agreed to the key positions. Moreover, the Patriotic Front has moved at least 15,500 terrorists over the borders of Zimbabwe-Rhodesia over the past few weeks, placing them in the tribal trust lands. Such a force of intimidation could make it impossible to have free elections. By continuing sanctions, the President weakens the present democratic government of Zimbabwe-Rhodesia, and encourages the Communist-backed guerrillas to remain intransigent. The longer that the Patriotic Front drags out the negotiations, the more time they will have to prepare for future terrorism, and future intimidation of the democratic process.

If the President had allowed sanctions to expire, as was the will of the Senate—expressed on several occasions by overwhelming majorities, he would have rewarded the Muzorewa Government for its cooperation on behalf of democracy, and intensified the pressure on the terrorists to come to a settlement. By taking the opposition position, he has intensified the tilt toward terrorism that has been undermining freedom in Africa and Zimbabwe-Rhodesia.

It might be useful at this point to recall the major concessions that the Muzorewa Government has made.

First. The Muzorewa Government agreed to attend the London Conference. This was a major concession in itself, since the Muzorewa Government was the legally elected and democratically constituted Government of Zimbabwe-Rhodesia. Although the government had not achieved external recognition, the fact remains that it was a freely elected government that controlled the territory of the country. Under international law, it was the legal government de facto. The opponents of the government were attacking it from outside the country. Yet the Muzorewa Government showed its good faith by agreeing to go to London.

Second. Even though the Muzorewa Government had a Constitution written through the process of democratic negotiation, and agreed to by all political factions that had accepted the principle of peaceful democratic change, the Prime Minister and his Ministers agreed to accept further external negotiations on the matter of its Constitution. Thus the Muzorewa Government agreed to negotiate the very basis of its legal existence.

Third. Although the Muzorewa Government had agreed to attend a constitutional conference only, and the British had announced in advance that only constitutional matters would be discussed, the British Prime Minister bowed to the demands of the Patriotic Front and added to the agenda the two questions of transitional arrangements and a cease fire. The Muzorewa Government accepted this broadening of the agenda, even though it held great peril to its future.

Fourth. The Muzorewa Government agreed to major constitutional changes which could threaten the human rights and stability of the nation. These included:

The dropping of the so-called "blocking mechanism," under which it would require a coalition of whites and blacks to agree to major changes in the constitution.

A reduction in the number of seats assigned to whites for the 10-year transition period, even though this reduction threatens to reduce the confidence of the white community in the future of the nation.

Alterations in the independence of the civil service, the judiciary, and the defense forces, which removed protections against political appointments and corruptions.

Fifth. The Muzorewa Government accepted the concept of new elections, even though this very year Zimbabwe-Rhodesia had just held the freest elections ever held in Africa, under international observation which confirmed the scrupulous objectivity of the polling and massive public support for the new constitutional process.

Sixth. The Muzorewa Government accepted the return of thousands of terrorists into the country despite the fact that no cease-fire concept has been reached.

Seventh. The Muzorewa government accepted the presence of Commonwealth observers for the new election, even though many of these observers would come from countries which are the sworn enemies of Zimbabwe-Rhodesia.

Eighth. The Muzorewa government accepted the idea of an international peaceforce, composed of troops from Australia, Nigeria, and other Commonwealth countries, even though the Zimbabwe-Rhodesian troops are known for their discipline and willingness to follow orders.

Ninth. The Muzorewa government accepted the idea of a British Governor-General ruling without a Parliament—a virtual dictator—even though Rhodesia always governed itself in its internal affairs since it was established in 1923. Although other countries had British governors, Rhodesia never had one.

Tenth. Finally, the Muzorewa government agreed, in the utmost act of cooperation, to dissolve the Parliament, and for the Prime Minister to step down with all his ministers during the preelection period. Thus the Prime Minister and his allies would give up their major political basis of incumbency.

With all of these concessions, the time has come to support democracy, and put the pressure on the Communist-backed guerrillas to come to terms. It is noteworthy that in the justification of his action which President Carter sent to Congress, the President stated:

> A termination of sanctions at this stage could lead all the parties to harden their positions and would jeopardize the chances for a successful settlement for Zimbabwe-Rhodesia.

But, on the contrary, the lifting of sanctions would strengthen the democratic elements in the settlement, and put pressure on the Marxist elements to accept democracy. It is frankly inconceivable to this Senator why we should continue to support Marxism and terrorism.

The President also notes that—

> At the present time, the great bulk of British sanctions remain in force.

This is simply not correct. At midnight tonight, section 2 of the 1965 Rhodesia Act will expire. This is the main foundation of British sanctions. It is the legal basis under which the British asked the United Nations to impose sanctions under the Wilson government. It was aimed specifically at trading with Rhodesia through third nations, principally South Africa. But since it is almost physically impossible to trade with Rhodesia except through South Africa, this is a major alteration. It is the main sanctions order which has been abrogated.

Although other sanctions remain in place by administrative decision, these are actions taken under general authority of laws passed as long ago as 1939. They do not even mention the name of Rhodesia, and the British have promised that they will be lifted when the British Governor General arrives in Salisbury—an event which could come as early as next week or the week after. I note that the President states:

> We would . . . be prepared to lift sanctions when a British Governor General assumes authority in Salisbury and a process leading to impartial elections has begun. Our policy will continue to be that no party should have a veto over fair settlement proposals.

This could be a positive element in the President's report. Yet it is obvious that even this is qualified. If the Patriotic Front should withdraw from the London Conference and refuse to accept a secure cease-fire, there will no doubt be advisers to the President asserting that elections without the Maxists are not impartial, and that sanctions should continue, no matter what the British do.

On June 7, when the President announced that he did not believe that the conditions of the Case-Javits amendment had been met and that he was continuing sanctions, he criticized only the content of the Zimbabwe-Rhodesian Constitution, the lack of participation in the elections of the Patriotic Front, and the good faith of the Muzorewa government to attend an all-parties conference. Now that the Muzorewa government has agreed to changes in the Constitution demanded by the British, and has demonstrated complete good faith and generosity at what, in effect, has become an all-parties conference. In the April elections, the only reason why the Patriotic Front was banned from participating was because it refused to lay down its arms, and submit itself to the electorate. The invitation to participate stood only on that one condition. It would be a great disservice to the cause of democracy if a similar refusal to lay down arms were the excuse to continue sanctions even after the British dropped them.

The British have moved forward to bring about internationally recognized Rhodesian independence. Today the Queen signed the Rhodesian enabling act, passed by Parliament yesterday, which provides for the lifting of all administrative sanctions as soon as the British Governor General arrives. The United States must be prepared to move with the same speed.

Therefore, pursuant to section 408(b) of the act to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting (93 Stat. 406), I am introducing a concurrent resolution rejecting the President's determination. Under the procedures of that act, such a resolution is highly privileged. The Foreign Relations Committee will have 10 calendar days to report the resolution, at which time a privileged motion is in order to discharge the resolution from further consideration. If reported to the floor, a vote must be taken within 20 days, a total of 30 days. I hope that the Senate will act with dispatch upon this resolution.

Meanwhile, I call upon the people of Zimbabwe-Rhodesia to continue to have courage at what may be the moment of hardest trial. The time now is to demonstrate, black and white together, that the people of Zimbabwe-Rhodesia believe in justice and freedom, and that they can work together to demonstrate to the Marxist nations of Africa that freedom, human rights, property rights, and justice can survive in the African Continent. I, myself, firmly believe that Zimbabwe-Rhodesia is in the vanguard of the movement to restore freedom in Africa, and that its citizens can put to shame the socialist tyrannies that surround them.

Mr. President, I therefore send to the desk the concurrent resolution that I have just discussed, and ask that it be referred to the Foreign Relations Committee.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, would the referral automatically be to the Committee on Foreign Relations?

Mr. HELMS. Yes.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

Mr. HELMS. Mr. President, I ask unanimous consent that the President's report and justification be printed in the Record.

There being no objection, the material was ordered to be printed in the Record as follows:

Memorandum for the Secretary of State

Subject Maintenance of Sanctions Against Zimbabwe-Rhodesia Under Section 408 (b) of the Department of State Authorization Act, Fiscal Years 1980 and 1981.

Pursuant to Section 408(b) of the Department of State Authorization Act, Fiscal Years 1980 and 1981 (93 Stat. 405), I hereby determine that it is in the national interest of the United States to continue sanctions against Zimbabwe-Rhodesia at this time.

You are requested, on my behalf, to report this determination promptly to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate.

You are further requested to report to me immediately upon the conclusion of the present Constitutional Conference on Zimbabwe-Rhodesia being held in London, describing the conclusions of that conference and your recommendations for action by the United States with respect to the termination of sanctions.

This determination shall be published in the Federal Register.

Jimmy Carter.

Justification for Presidential Determination Under Section 408(b) of the Department of State Authorization Act, Fiscal Years 1980 and 1981 Concerning Sanctions Against Zimbabwe-Rhodesia

PROBLEM

Section 408(b) of the Department of State Authorization Act, Fiscal Years 1980 and 1981 requires that sanctions against Zimbabwe-Rhodesia be terminated by November 15, 1979, unless the President determines that it would not be in the national interest of the United States and so reports to the Congress.

JUSTIFICATION

Encouraging progress has been made in recent months toward a peaceful resolution of the conflict in Zimbabwe-Rhodesia; however, the negotiations presently being conducted by the United Kingdom with the parties have not yet been concluded, and differences still remain. A termination of sanctions at this stage could lead all the parties to harden their positions and would jeopardize the chances for a successful settlement for Zimbabwe-Rhodesia.

The British Government has not yet concluded negotiations that would end the rebellion in Rhodesia. They have stated this will occur when the British Governor arrives in Salisbury and assumes authority. At the present time, the great bulk of British sanctions remain in force and none of our major allies has taken action to terminate sanctions.

The negotiations are now at a critical stage. We hope they will be rapidly and successfully concluded. While the talks continue, it would be premature for the United States to alter its position on sanctions. We would, however, be prepared to lift sanctions when a British Governor assumes authority in Salisbury and a process leading to impartial elections has begun. Our policy will continue to be that no party should have a veto over fair settlement proposals.

This issue will be kept under continuous review and the President will promptly notify the Congress when conditions warrant the lifting of sanctions.

AMENDMENTS SUBMITTED FOR PRINTING

WINDFALL PROFIT TAX—H.R. 3919

AMENDMENT NO. 587

(Ordered to be printed and to lie on the table.)

Mr. STONE submitted an amendment intended to be proposed by him to H.R. 3919, an act to impose a windfall profit tax on domestic crude oil.

AMENDMENT TO DEDUCT UTILITY TAXES

● Mr. STONE. Mr. President, today I am submitting an amendment to the windfall profits tax bill which would provide for a Federal tax deduction in the amount of State and local utility taxes individuals must pay on their utility bills for heating and cooling their homes. This deduction would be available for those taxpayers who do not itemize their deductions as well as those who do. I originally introduced this proposal on July 27, 1979 as S. 1591.

In this time of spiraling energy costs, especially utility bills, my bill is one way to ameliorate the impact of these costs, especially for those living on low or fixed incomes. In Florida, for example, the average utility customer allowed a deduction of $37 in computing his Federal income tax liability.

With taxes so high, on top of unrestrained inflation, it is unfair for taxpayers to have to pay taxes twice on the same income. Under present law, individuals pay State and local utility taxes and then are required to pay Federal income tax on that same income, which is used to purchase needed electricity or gas. It is important to remember that most commercial and industrial customers can already deduct these utility taxes as a business operating expense. I cannot see the rationale for not allowing this deduction for the individual American taxpayer.

I believe that we must provide relief, especially to our elderly who are on fixed incomes. These people must heat and cool their homes. With double-digit inflation, how can we expect them to continue to meet the costs of these necessities? Unfortunately, it is unlikely that fuel costs can be controlled in the short term. Therefore, we must look for every reasonable approach to ease the burden of utility expenses for the American consumer.

Mr. President, if the Senate adopted this amendment, we would be saving American utility customers roughly $128 million in fiscal year 1980. Under my amendment, this would not be a drain on the Treasury as the deduction would be financed by the taxpayer trust fund.

Given that my amendment will not drain the Treasury and given the savings we would pass on to the embattled energy consumer, I feel that this is a must-pass amendment, and I urge my colleagues to join me in seeing it accepted.

Mr. President, I ask unanimous consent that the text of my amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 95, line 18, after "equal to" insert "the sum of".

On page 95, line 20, after "1954" insert "and the amount of the deductions allowed under section 164(a)(5) of such Code".

On page 179, after line 21, insert the following new section:

SEC. 402. DEDUCTION OF SEPARATELY-STATED STATE AND LOCAL UTILITY TAXES.

(a) IN GENERAL.—Section 164 (relating to taxes) is amended—

(1) by inserting immediately after paragraph (4) of subsection (a) the following new paragraph:

"(5) Certain State and local utility taxes.", and

(2) by adding at the end of subsection (b) the following new paragraph:

"(6) Certain state and local utility taxes.—The term 'certain State and local utility taxes' includes only a separately-stated State or local tax imposed on, or for the use of, electrical energy, gas, or steam for the principal residence of an individual.".

(b) DEDUCTION WITHOUT REGARD TO ITEMIZED DEDUCTIONS.—

(1) IN GENERAL.—Section 63 (relating to definition of taxable income) is amended—

(A) by striking out "and" at the end of subparagraph (A) of subsection (b)(1),

(B) by inserting after subparagraph (B) of subsection (b)(1) the following new subparagraph:

"(C) the deduction allowed by section 164 with respect to certain State and local utility taxes, and",

(C) by striking out "and" at the end of paragraph (1) of subsection (f),

(D) by striking out the period at the end of paragraph (2) of subsection (f), and inserting in lieu thereof a comma and the word "and", and

(E) by adding at the end of subsection (f) the following new paragraph:

"(3) the deduction allowed by section 164 (a)(5) with respect to certain State and local utility taxes.".

(2) CONFORMING AMENDMENT FOR WITHHOLDING PURPOSES.—Subsection (m) of section 3402 (relating to withholding allowances based on itemized deductions) is amended—

(A) by striking out subparagraph (A) of paragraph (1) and inserting in lieu thereof the following:

"(A) the sum of—

"(i) the estimated itemized deductions, and

"(ii) the deduction allowed by section 164 (a)(5) with respect to certain State and local utility taxes, over", and

(3) by striking out "section 151" in paragraph (2)(A) and inserting in lieu thereof "section 151 and section 164(a)(5)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1978, and with respect to State and local utility taxes paid or incurred after that date.

On page 39, in the table of contents, after the item relating to section 401 insert the following new item:

SEC. 402. DEDUCTION OF SEPARATELY-STATED STATE AND LOCAL UTILITY TAXES.●

AMENDMENT NO. 588

(Ordered to be printed and to lie on the table.)

Mr. McCLURE (for himself and Mr. COCHRAN) submitted an amendment intended to be proposed by them, jointly, to H.R. 3919, an act to impose a windfall profit tax on domestic crude oil.

AMENDMENT NO. 589

(Ordered to be printed and to lie on the table.)

Mr. BENTSEN (for himself and Mr. PERCY) submitted an amendment intended to be proposed by them, jointly, to H.R. 3919, an act to impose a windfall profit tax on domestic crude oil.

AMENDMENTS NOS. 590 AND 591

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted two amendments intended to be proposed by him to H.R. 3919, an act to impose a windfall profit tax on domestic crude oil.

AMENDMENT NO. 592

(Ordered to be printed and to lie on the table.)

Mr. STEVENS submitted an amendment intended to be proposed by him to H.R. 3919, an act to impose a windfall profit tax on domestic crude oil.

Mr. STEVENS. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of an amendment I intend to offer to the windfall profit tax legislation. My amendment would provide relief to those taxpayers experiencing inflated tax liabilities due to involuntary liquidations of LIFO inventories caused by a Government action or request.

LIFO refers to an accounting method which assumes that the last items acquired are the first to be sold. The inventory on hand at the end of an accounting period, therefore, is assumed to consist of those items first acquired. Generally, in inflationary periods, those items which were "last-in" were acquired at costs higher than those in the inventory pool and thus LIFO, by matching current costs with current selling prices, has the effect of reducing taxable profits. Congress authorized this procedure, at least in part, to eliminate the effects of price inflation on taxable income and to cope with the erosive effects of inflation on capital. Any significant decrease or liquidation of inventory profits in a period of rising prices will ordinarily result in the realization of substantial inventory profits. The consequential tax liability could severely deplete available cash for the replacement of inventories and, therefore, companies will likely choose to replace their inventories prior to the close of the tax year.

Mr. President, I have become aware

of a very serious problem with regard to the liquidation of petroleum and petroleum related inventories due to circumstances beyond the control of the taxpayers. Overall shortages of crude oil, DOE misallocations of available supplies last summer, and political pressures not to make spot purchases of foreign crude have resulted in inventory liquidations for petroleum based companies.

The current situation in Iran and President Carter's most recent decision to cease importation of Iranian oil threatens to exacerbate an already serious problem. Efforts to replenish depleted inventories before the end of the tax year could lead to steep jumps in the price of oil as purchases on the spot market increase. This increased demand, coupled with diminishing supplies, could be devastating for the American consumer. While it is difficult to determine the total impact on oil prices of companies' attempts to restore LIFO bases, initial reports already indicate that sellers on the spot market are asking $45 to $50 for a barrel of crude compared to the Iranian contract price of $23.50. These price hikes will be directly transferable to increases in gasoline at the pumps as well as similar increases in all petroleum based products—rubber, pharmaceuticals, plastics, fertilizers, and clothing.

I understand that both the Treasury Department and the Department of Energy have been investigating the implications of LIFO inventory liquidations and are concerned with the price increases that could arise from spot market purchases. The amendment I am proposing will discourage spot market purchases for the purpose of replenishing inventories liquidated for reasons beyond the control of the taxpayer. Companies would be allowed to adjust their taxable incomes by the difference between estimated replacement costs and the cost of the goods in the opening inventory. Actual replacement of inventory could then be made within 3 years after liquidation.

On two prior occasions, Congress has recognized the need to legislate a solution to the problems arising from involuntary liquidations of LIFO inventories. During both World War I and the Korean war, the IRS code was amended to reduce the increase in taxable income resulting from liquidations due to the war conditions. Liquidations were deemed involuntary if due to Government regulations, limited foreign supplies, and other prevailing war conditions beyond the control of the taxpayer. My amendment is similar in that it applies to any failure on the part of the taxpayer to replace inventories which is due directly, as determined by the Secretary, to any Federal regulation, request, or foreign trade interruption.

Mr. President, I believe this is an important amendment and could have a substantial impact, not only on the capital formation of these companies, but also on the price consumers will be forced to pay for petroleum and petroleum-based products. I hope my colleagues will carefully consider my proposal.

Mr. President, I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

At the appropriate place, insert the following new section:

SEC. . INVOLUNTARY LIQUIDATION OF LIFO INVENTORIES.

(a) TREATMENT OF INVOLUNTARY LIQUIDATIONS.—

(1) IN GENERAL.—Subpart D of part II of subchapter E of chapter 1 (relating to inventories) is amended by adding at the end thereof the following new section:

"SEC. 473. INVOLUNTARY LIQUIDATION OF LIFO INVENTORIES.

"(a) GENERAL RULE.—If, for any taxable year ending after October 31, 1979—

"(1) the closing inventory of any taxpayer inventorying goods under the method provided in section 472 reflects a decrease from the opening inventory of such goods for such taxable year, and

"(2) the taxpayer establishes to the satisfaction of the Secretary that such decrease is attributable to the involuntary liquidation of such inventory,

then, if the taxpayer elects to have the provisions of this section apply, the taxable income (determined without regard to this section) of the taxpayer for such taxable year (hereinafter referred to as the 'liquidation year') shall be reduced by an amount equal to the excess of the estimated replacement cost of such goods over the cost of such goods reflected in the opening inventory for such taxable year.

"(b) REPLACEMENT OF GOODS WITHIN 3 YEARS.—

"(1) IN GENERAL.—If, as of the close of the third taxable year following the liquidation year, the taxapayer has failed to replace in whole or in part the liquidated goods, the taxable income (determined without regard to this paragraph) for the liquidation year, shall be increased by the amount by which the taxable income of the taxpayer was reduced under subsection (a) with respect to such goods which were not replaced. Any such increase shall be assessed and collected as a deficiency with interest as provided in section 6601 (a).

"(2) ADJUSTMENT IN YEAR OF ACTUAL REPLACEMENT.—If the closing inventory of any of the first 3 taxable years after the liquidation year reflects a replacement, in whole or in part, of liquidated goods taken into account under subsection (a), then the taxable income (determined without regard to this section) of such taxpayer for the taxable year of replacement shall be—

"(A) increased by the amount by which the estimated replacement cost taken into account under subsection (a) with respect to such goods exceeds the actual replacement cost, or

"(B) decreased by the amount by which such actual replacement cost exceeds such estimated replacement cost.

"(c) DEFINITION AND SPECIAL RULES.—For purposes of this section—

"(1) ESTIMATED REPLACEMENT COST.—The term 'estimated replacement cost' with respect to any goods means the average cost of such goods during the 6 month period ending with the last day of the liquidation year.

"(2) DEFINITION OF INVOLUNTARY LIQUIDATION.—The term 'involuntary liquidation' means the voluntary or involuntary sale or other disposition of goods inventoried under the method described in section 472, coupled with a failure on the part of the taxpayer to purchase, manufacture, or otherwise produce and have on hand at the close of the taxable year in which such sale or other disposition occurred such goods as would, if on hand at the close of such taxable year, be subject to the application of the provisions of section 472, if such failure on the part of the taxpayer is due, directly and exclusively, to—

"(A) any Federal regulation or request, or

"(B) foreign trade interruption,

but only if the Secretary determines that the application of this section in the case of such regulation, request, or interruption is necessary to carry out the purposes of this section.

"(3) REPLACEMENTS.—If, in the case of any taxpayer subject to the provisions of this section, the closing inventory of the taxpayer for a taxable year, subsequent to the liquidation year but prior to the complete replacement of the goods so liquidated, reflects an increase over the opening inventory of such goods for the taxable year, the goods reflecting such increase shall be considered, in the order of their acquisition, as having been acquired in replacement of the goods most recently liquidated (whether or not in a year of involuntary liquidation) and not previously replaced, and if the liquidation was an involuntary liquidation shall be taken into purchases and included in the closing inventory of the taxpayer for the year of replacement at the inventory cost basis of the goods replaced.

"(4) ELECTION.—

"(A) IN GENERAL.—An election to have the provisions of this section apply shall be made in such manner and form, and at such time, as the Secretary may prescribe by regulation.

"(B) IRREVOCABLE ELECTION.—An election under this section shall be irrevocable and shall be binding for the liquidation year and for all determinations for prior and subsequent taxable years insofar as such taxable years are related to the liquidation year or the taxable year of replacement.

"(5) NOTICE OF FINAL REPLACEMENT.—A taxpayer shall notify the Secretary, in such manner and at such time as the Secretary may by regulations prescribe—

"(A) of the date on which all liquidated goods taken into account under subsection (a) for any taxable year are replaced, or

"(B) if subsection (b)(1) applies, that all goods have not been replaced during the 3 succeeding taxable years.

"(d) CROSS REFERENCES.—For assessment authority in the case of a deficiency, see section 6501(t).".

(2) CONFORMING AMENDMENT.—The table of sections for such subpart D is amended by adding at the end thereof the following new item:

"Sec. 473. Involuntary liquidation of LIFO inventories.".

(b) ASSESSMENT AUTHORITY.—Section 6501 (relating to limitations on assessment and collections) is amended by adding at the end thereof the following new subsection:

"(t) LIFO LIQUIDATIONS.—In the case of a deficiency attributable to the application of section 473(b)(1), such deficiency may be assessed at any time before—

"(1) the expiration of the period within which a deficiency may be assessed for the third taxable year following the taxable year in which the liquidation with respect to which the deficiency is being assessed occurred, or

"(2) if the taxpayer has notified the Secretary under section 473(c)(5)(A) of the final replacement of the liquidated goods, the expiration of the period within which a deficiency may be assessed for the taxable year in which such notice is given.".

HOME ENERGY ASSISTANCE ACT—S. 1724

AMENDMENT NO. 593

(Ordered to be printed.)

Mr. BOSCHWITZ proposed an amendment to S. 1724, a bill to authorize the Secretary of Health, Education, and Welfare to make grants to States in order to provide assistance to households which cannot meet the high cost of fuel, and for other purposes.

AMENDMENT NO. 594

(Ordered to be printed.)

Mr. DOLE (for himself, Mr. WILLIAMS, and Mr. LONG) proposed an amendment to amendment No. 593 to S. 1724, supra.

NOTICES OF HEARINGS

SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS

Mr. CHURCH. Mr. President, I would like to announce that the Subcommittee on East Asian and Pacific Affairs of the Committee on Foreign Relations will hold an oversight hearing on the Taiwan Relations Act, with particular emphasis on the United States-Taiwan Civil Air Agreement, on November 15, 1979, at 2 p.m. in room 4221 Dirksen. Witnesses are scheduled from the executive branch, the U.S. business community, and academic institutions.

Anyone interested in testifying at this hearing should contact Carl Ford of the Committee on Foreign Relations staff at 224-5481.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

● Mr. TALMADGE. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry will meet on Tuesday, November 27, to consider amendments to the Food and Agriculture Act of 1977. Specifically, the committee will consider H.R. 3398 which raises target price payments for the 1979 crop of wheat, feedgrains, and certain other crops. This bill recently passed the House and is pending in the Senate Agriculture Committee. In addition, several Senate bills which provide for increased target price payments will be taken up at the same time.

Over the past several years, the Senate Agriculture Committee has held extensive hearings on U.S. farm policy, and all Agriculture Committee members are well aware of and sympathetic to the tight financial position facing many American farmers today. Therefore, in order to move this legislation as quickly as possible, the committee will hold a brief hearing beginning at 8 a.m. on November 27 at which representatives of the U.S. Department of Agriculture and the major farm organizations will present a brief review of their positions. Upon conclusion of the hearing, the Senate Agriculture Committee will immediately mark up the pending legislation, and hopefully, report a bill.

The meeting will be held in room 324 Russell Senate Office Building.

Anyone wishing further information should contact the Agriculture Committee staff at 224-2035.●

SUBCOMMITTEE ON ENVIRONMENT

● Mr. MELCHER. Mr. President, the Subcommittee on Environment, Soil Conservation and Forestry will hold a field hearing on S. 1996 at 10 a.m. on Friday, November 30, in the Federal courthouse at Missoula, Mont.

S. 1996 authorizes the recovery of wood residues in the national forests for use as fuel, for conversion to use as petrochemical substitutes or wood products, and for other purposes.

Its purpose is to see if, through certain incentives, purchasers of public timber can be convinced that it is economical at times to go back after a timber sale and collect the slash remaining on the ground, and deliver it to collection points for energy purposes.

Just the other day the Senate agreed that the Nation should pursue the development of wood for fuel, and in that respect, the bill is not controversial.

There are two basic concerns, however, that must be addressed in this legislation. First, we must insure that through our good intentions we do not give wood for energy an artificially high price that would interfere with the highest and best uses of wood. And second, we do not want so much slash to be removed that we cause soil depletion or other environmental damage.

Those wishing to testify should contact James Giltmier of the committee staff at 224-6922, or Geoff Abdian of my staff at 406-329-3528.●

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, on December 11 and 12, the Select Committee on Small Business will hold hearings on the subject of the structure of the solar energy industry. The hearings will be held in room 424 of the Russell Senate Office Building and will begin at 9:30 a.m. each day. Persons with questions concerning the hearings should contact the committee staff at 224-5175. Senator SASSER will chair the hearings.●

SUBCOMMITTEE ON FOREIGN AGRICULTURAL POLICY

● Mr. STONE. Mr. President, I would like to announce that the Subcommittee on Foreign Agricultural Policy of the Committee on Agriculture, Nutrition, and Forestry plans to hold an oversight hearing on the hunger crisis in Cambodia at 10 a.m. on November 19 in room 324, Russell Senate Office Building.

This hearing is being held to examine how U.S. food aid is being provided, the problems of delivery and coordination, and future program direction and funding requirements. There will be witnesses from the administration and private agencies involved in the relief effort. For further information, contact Nelson Denlinger or Denise Alexander of the committee at 224-2035.●

AUTHORITY OF COMMITTEES TO MEET

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate today to hold a markup session on S. 1725, the Economic Opportunity Act Amendments of 1979.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of Senate today to hold an oversight hearing on industrial innovation and to hold a hearing on the National Agricultural Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Development be authorized to meet during the sessions of the Senate today, Thursday, Friday, Monday, Tuesday, and Wednesday, November 14 through 21, 1979, to hold all day hearings on the Chrysler financial situation.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

IRAN

● Mr. GARN. Mr. President, like most of my colleagues, I have found it very difficult, but necessary, to restrain my outrage regarding the situation in Iran, where some 60 American citizens, including a constituent of mine, are today still being held hostage at the American Embassy compound. My restraint, and that of my colleagues, is in consideration of the safety and well-being of the hostages. It has been our concern that any strong statement of our feelings might be misinterpreted by the terrorists, or by Khomeini, and used as an excuse for some violent reprisal aganst one or more of the hostages.

While I continue to believe that such restraint is necessary, I do believe it is important to attempt to put this situation in what I believe is its proper perspective.

I have listened, as we all have, to the news these past few days, Mr. President. I have read the papers and heard of the outrage and frustration being expressed by the American people. While I feel some apprehension about the impact of these events on the dangerous situation of the hostages, I cannot help but feel a sense of pride in the spirit of the Americans who are speaking out.

Some of their words are maybe more vicious than need be. Some of their actions are maybe too violent; but they are motivated by the same sort of thing that I have been feeling for some time now. They are angry. They are frustrated. They are proud of this country, and sick and tired of hearing it run down by people and governments who have no claim whatever to a higher standard or virtue from which to judge us. They are tired of people in this country who find some way to excuse the erratic behavior of other nations, as if somehow America has caused their neuroses by being so big and having so much wealth. They are tired of being asked to understand the Third World. They want a little understanding for themselves, and for their country, and for what America is really all about. They want to be respected for being Americans because they believe the record shows that America has earned it. And they want to be feared by those who know we have earned that respect, but want to drag us down anyway. They are not out looking for a fight, but they are certainly not going to walk away from one that involves their freedoms or the values on which they are based.

We should not minimize the significance of the Iranian crisis. The attention of the world, of both our friends and of our enemies, is focused on the response we make to this challenge. It is consistent with America's value system that the first concern we have in this crisis is the preservation of human life. That is ahead of strategic responses or international posturing, and it deserves our first attention, and will always remain the priority consideration in any circumstance.

But the people of this country are demanding more than merely the acknowledgment that we have 60 or so Americans in a very precarious situation in Iran. They want to know what we are going to do about it. They do not want to see it happen again, in some other country, with some other group of American citizens.

The demonstrations I have referred to are only the tip of the iceberg of American public opinion on this question, as the polls will show, I am sure.

While we continue to press through diplomatic channels to secure the release of our countrymen, we should keep in mind what we are dealing with in Iran. This is not merely a band of students gone a little wild. This is not a Berkeley-style sit-in. It is an act of terrorism, in violation of international law, which has been carried out and allowed to continue with the sanction and even encouragement of the Iranian Government. It is an act of blackmail that cannot be tolerated in the United States or by the international community. It defies all laws and customs of international law and order and, if it is allowed to go unpunished, will establish a dangerous precedent threatening the tradition of diplomatic immunity that has survived even the tyranny of Fascist and Communist regimes.

President Carter has suspended the purchases of Iranian oil, has suspended the sale of military parts to Iran, and has frozen certain Iranian financial assets in this country. In addition, he has initiated steps to enforce strictly the immigration laws and terms of visas issued to Iranian "students" who are demonstrating and defacing our national monuments and insulting our democratic institutions, while guests of this country.

I applaud these actions and view them as constructive steps in dealing with this crisis. But they are only a beginning. There is more that should be done.

In the case of oil, the Iranians will, of course, begin selling their oil to other customers, and will not be hurt much by our refusal to buy. We must encourage our own allies to join in this embargo of Iranian oil. They need to be told, if they do not already know it, that they, too, are subject to the kind of economic arrogance of the oil-producing countries. We certainly should suspend any sales of refined heating oil to Iran, and we should at the very least delay any proposed food sales to Iran.

In addition to freezing Iranian assets, there are a number of other actions the President should consider, under the International Emergency Economic Powers Act. These include: limiting or prohibiting any transactions using Iranian funds in this country and limiting or prohibiting any credit transfers or payments within banking institutions which involve Iranian financial interests.

These actions could be taken and left in effect for some period of time or until some specified conditions are met, beginning with the release of the hostages. There may be other economic sanctions that might be useful in bringing pressure on the Iranian leaders. It should be made absolutely clear to the Iranians that these actions represent a response to their acts of aggression against our Embassy staff. More importantly, it should be made clear that any injury inflicted on any hostage in Tehran, or the death of a single American held in that country, will spark the wrath of this country the likes of which has not been seen since Pearl Harbor. That is the message I hear from the American people, and the Iranian rulers will do well to heed it.

Some have suggested that we respond to the Embassy takeover as an act of war, and that the United States should retaliate in a "warlike" way. Others caution that such a response is too extreme, particularly while the hostages are still being held.

However, war in the 20th century is not limited to the sending in of troops or even the dropping of bombs or firing of missiles. In an economically interdependent world, economic warfare is possible, and, in fact, is being used against the United States all the time. The United States has the resources to conduct economic warfare, if necessary, to protect its vital national interests. What it needs is the will to do so. I believe anyone walking out among the American people will find that the people of this country have that will and are prepared to support leaders who will use this country's vast resources, not in a shooting war, which is not now necessary, but in a war of wills and a war of resources.

I encourage President Carter to continue along the path he has begun with his oil trade embargo of Iran, and other actions, and let the economic strength of the United States be felt in the world. Such a course would earn him the respect of Americans, and would earn America back the respect of the rest of the world.●

NUCLEAR "FALSE ALARM" SHOWS DANGER OF ACCIDENTAL WAR

● Mr. McGOVERN. Mr. President, a false alarm was dispatched this week by computer from the North American Air Defense Command warning that a missile attack against the United States was taking place. For 6 minutes, fighter aircraft were scrambled, missile bases went on low-level alert around the country, air traffic controllers were told to be prepared to notify all commercial aircraft to be prepared to land and other steps were taken to defend against the attack.

Fortunately, Mr. President, there was no actual attack. Fortunately, the error was discovered within 6 minutes and the messages of alarm were recalled. But the incident highlights the potential danger of nuclear war caused by miscalculation, computer breakdown, and human error. We live under the constant shadow of this threat. Every few years an accident happens, it causes a small stir and then it is forgotten. But one day our luck will run out.

This most recent incident confirms the necessity of moving toward genuine and mutual arms reductions in SALT. Lower arms levels on both sides should reduce the political or military incentive to use them by design—while narrowing the possibility of accidental war.

Mr. President, I am submitting several articles for the RECORD which describe the NORAD false alarm.

The texts of the articles follow:

[From the Washington Star, Nov. 10, 1979]

"FALSE ALARM" TRIGGERS U.S. MILITARY ALERT

(By Christopher Hanson and Paul Clancy)

Defense forces throughout North America were placed on alert for about 10 minutes yesterday morning due to what the Defense Department called a computer error.

The false alarm—which caused military jets to be sent aloft from three locations and alerted air control centers around the country—occurred when the nation's air defense computer system signaled that a Russian missile was approaching U.S. air space.

Lt. Cmdr. Gordon Peterson, a military spokesman, explained how the false signal was sent. He said that "at 10:50 a.m. a test tape was loaded on the North American Air Defense Command computer (in Colorado Springs, Colo.) as part of a computer test. The tape simulated a missile attack against North America."

He explained that a "possible malfunction" caused the simulated tape attack to be transmitted to a "number of other commands and agencies." The error was "corrected in six minutes," and the incident is under investigation, he added.

As a result of the alert, 10 U.S. and Canadian interceptor jets—including F–101s and F–106s—took off from three air bases: Kingsley Field, Ore., Sawyer Air Force Base in Missouri and Canadian Forces Base Comox in British Columbia, other Defense officials reported.

Thomas Ross, assistant secretary of defense for public affairs, said "We discovered quickly it was not for real and so the alert was called off. Only a very short period of time expired before it was determined that no actual missile attack was taking place."

The Defense Department termed the incident a "minor alert."

And Pentagon officials stressed that only "middle-level" officials were notified, and that neither President Carter nor Defense Secretary Harold Brown was informed at the time of the alert.

But according to officials at the Federal Aviation Administration, which controls civilian and military air space, nothing like it has happened in at least 10 years, if ever.

A 23-year veteran FAA controller said the only such alert he could recall came during the 1962 Cuban missile crisis.

During the alert, air traffic controllers at the Washington Air Traffic Control Center in Leesburg, Va. were told to notify all commercial aircraft to be prepared to land.

Angelo Viselli, Leesburg air traffic control center chief, told a reporter who was on the scene that the center was instructed to secure the building and begin emergency procedures.

In such a situation, Viselli said, "only priority (meaning military) aircraft would be allowed into the air. If they (the Air Force) need air space we are going to give it to them."

Defense spokesman Ross explained that the emergency systems "can be alerted by a wide range of events, from one missile launching on upward."

Pentagon officials were reluctant to disclose details of the emergency warning procedure. "I am really under wraps on this one because of the nature of the event and the seriousness of the alert warning procedures," Ross said.

They stressed, however, that the alert had nothing to do with the present crisis in Iran.

The Star was unable to confirm one FAA official's report that jet fighters were also "scrambled"—meaning that the pilots were told to man their planes—at Langley Air Force Base in Hampton, Va.

At the Leesburg air traffic center "unauthorized persons" were ordered to leave the compound as a warning buzzer sounded shortly after 11:00. Supervisors were instructed to report to a control room, a reporter on the scene observed.

A Congressional defense expert explained that several things other than missiles can trigger the U.S. alert procedures. Objects entering the earth's atmosphere have been known to "trick" American radar surveillance, he said.

"But such mistakes don't usually cause missile alerts," added the expert.

White House spokesman Lynn Lefkow said, "I'm told it (the missile intrusion) didn't happen. Absolutely nothing occurred." He referred all other questions to the Pentagon press office.

Military liaison officers serve in all 20 of the FAA's air traffic control centers, and officers from the Army, Navy and Air Force are constantly on duty in the agency's regional headquarters.

Their function, said one official, is to "coordinate" with military air traffic control, keeping military and civilian aircraft separate during normal conditions and clearing the skies of commercial aircraft during air alerts.

[From the New York Times, Nov. 13, 1979]

Error Alerts U.S. Forces To a False Missile Attack

(By A. O. Sulzberger Jr.)

Washington, November 10.—A false alert triggered some of the nation's defenses against a nonexistent missile attack yesterday morning, Defense Department officials said today. But the alert was taken skeptically, they said, and was deemed insufficiently urgent to warrant notifying top Government or military officials.

Pentagon officials said, however, that had the six-minute alert lasted even another minute, the information would have been passed to President Carter and Secretary of Defense Harold Brown.

A mechanical error sent "war game" information into the sensing system that provides early warning of nuclear attack, indicating to military officers that the United States was under attack from a few missiles launched by a Soviet submarine, probably located in the northern Pacific, a Pentagon official said.

As a result, 10 jet interceptors from three bases in the United States and Canada scrambled aloft, and missile bases throughout the nation went on a low-level alert.

However, no planes from the nation's B–52 bomber force were ordered into the air, which supports the contention of Pentagon officials that the alert was taken skeptically.

Defense experts believe that submarine-based missiles, which have a shorter flight time than land-based missiles, are targeted at B–52 bases. Had the North American Air Defense Command, which controls the air defense system, thought an actual attack was under way, they would have alerted the air bases to get as many of the bombers airborne as possible.

Pentagon officials said there had been several false alarms of this sort over the years, caused by computer failures, natural phenomena and test firings, especially in the late 1950's and early 1960's, when the early-warning system was in its early days.

However, a spokesman for NORAD said he could not recall another incident in which an alert had gone out from the NORAD complex to the command centers of the vast defense chain across the United States. The entire incident was under investigation, officials said.

CRITICISM FROM LONDON

A spokesman for the Pentagon said the military was "quite satisfied" with the response to the imagined threat. However, the alert raised an immediate outcry in London from British legislators opposed to nuclear weapons.

Jody Powell, the White House press secretary, dismissed the criticism from abroad, noting the Administration's preoccupation with the Americans being held hostage in Tehran. "Given the fact that our people are sitting over there" in Iran, he said, "anybody who wants to get angry about a technical error is not going to get a long hearing."

Pentagon officials were disclosing very little about the mishap today for fear of compromising military plans and capabilities. However, it is known that at 10:50 a.m. Friday, a "war game" tape was loaded into the NORAD computer in Colorado Springs, Colo., as part of a computer test.

The tape simulated a missile attack on North America, and by mechanical error, that information was transmitted into the highly sensitive early warning system, which read it as a "live launch" and thus initiated a sequence of events to determine whether the United States was actually under attack.

This included the "scrambling" of the 10 fighters—two F–106's from Kingsley Field, Oreg., two more F–106's from Sawyer Air Force Base in Missouri, and six F–101's from a Canadian Forces base in British Columbia.

It took six minutes, during which the nation was in a low-level state of "nuclear war" alert, to discover the mistake. Defense officials said the system had a series of human and mechanical doublechecks to prevent computers from prompting orders to launch American missiles in a counterattack.

President Carter, Secretary Brown and the Joint Chiefs of Staff all remained unaware of the situation, which was handled by what the Pentagon will describe only as "middle-level" officers.●

ECONOMIC OUTLOOK

● Mr. MATHIAS. Mr. President, I commend to my colleagues here in the Senate a statement delivered by David J. Mahoney, chief executive officer of Norton Simon, Inc., at a recent hearing of the Joint Economic Committee held to elicit the views of experts from the business, labor, and financial community in New York City on the domestic and international implications of the Federal Reserve's new monetary policies of October 6. This hearing was chaired by my esteemed colleague, Senator Javits, Republican of New York, and Congressman Reuss, Democrat of Wisconsin on Monday, November 5.

Mr. Mahoney's statement applauds the recent moves by Federal Reserve Chairman Volcker as a major step to bringing inflation under control, but also perceptively cautions us that our Nation is suffering from an acute case of eroded consumer confidence. Mr. Mahoney argues that only by instituting fundamental tax reforms to stimulate savings and investment, will we engender renewed productivity growth, that can set the U.S. economy on a steady course again.

Mr. Mahoney makes many valuable points. He draws attention to our inability to develop a comprehensive energy policy and finds this failure to be a major source of instability for the economy both for the near- and the long-term.

Mr. President, I ask that this thoughtful statement be printed in the Record.

The statement follows:

David J. Mahoney Statement on Economic Outlook

As chief executive of Norton Simon Inc., a major international marketing company of consumer goods and services, my principal concern is the American consumer. I am troubled by the erosion of consumer confidence, particularly in this country, which has been severely impacted by inflation, high interest rates, the declining dollar, speculation in gold and commodities, a falling stock market, and the energy crisis. The consumer is reacting in disturbing ways. His real income is down this quarter yet total consumption up—meaning that the deceptively strong economic activity we are now seeing really reflects buying in anticipation of inflation.

That is a very unhealthy picture, and it is against that background that I fully endorse the new monetary policy of the Federal Reserve Board under Chairman Volcker. Controlling the supply of money more than just controlling the cost of money is the first real commitment I see to an all-out attack on inflation which is our No. 1 problem. It goes to the heart of our and any other economic system in the free world.

I fully support the Volcker policy but feel we need to take positive action in two other major areas as well. First is fundamental tax reform to stimulate savings and investments which will allow us to increase productivity. We have lost our edge against our major trading partners. Unless U.S. productivity turns back up, we cannot expect to maintain or increase our real income, pay for vital imports, and bring our balance of payments, and with it the U.S. dollar, back on a solid footing. I feel we must explore measures to—

First. Stimulate personal savings through the elimination of double taxation of dividends.

Second. Encourage business spending through increased investment tax credits and depreciation allowances that reflect replacement costs rather than historical costs—as proposed in the Capital Cost Recovery Act, House bill 4646.

Third. Reduce permanently personal and corporate tax rates and perhaps even consider a value added tax.

Fourth. Sharply reduce or eliminate tax on capital gains. It should not escape our notice that the fastest-growing industrial country in the world does not have a capital gains tax. (Japan.)

The fact is, we cannot survive as the industrial leader of the free world by saving less than 5 percent of our gross national product when others save and invest three times that amount.

Second, we cannot continue the massive budget deficits that seem to survive no matter what part of the economic cycle we are in and, more alarming yet, seems to grow even as inflation boosts the Government's tax take. Simply put, the Government is at the core of the problem of too many dollars chasing too few goods. Unless proper fiscal policies and constraints are followed, we are going to see more proposition 13 type of proposals and the real possibility of a constitutional amendment for a balanced budget which may not be in the best interests of our country.

Our experts tell me that weakening household incomes, heavy debt burdens, a change in State and Federal Government expenditure policy away from stimulus, combined with the new Volcker policy make a 1980 recession a certainty. Compared to 1979, 1980 will be a tough year. I agree with their forecast although more from the vantage point of someone watching consumer behavior.

From what I see in our foreign operation, I do not expect much economic stimulus from our major trading partners next year. The 1979 oil price increase and resultant anti-inflationary policies will lead to reduction in their imports from the United States, further aggravating our problem. Japan and Germany cannot long continue to support the world economy.

I have deep concern over the absence of a comprehensive and effective U.S. energy policy and believe that our position from here on will be far more precarious. So far this year we have been able to build up our oil inventories while slightly cutting consumption, but with oil prices moving out of sight there is a real question whether we will be able to afford imports at their present rate. The total world oil bill this year will be some $225 billion, up from about $150 billion last year. Our own oil imports will go from $43 billion last year to well over $90 billion in 1981. We must have an effective policy because we cannot afford that type of bill very long. The car rental system of our Avis subsidiary has more vehicles than any one else in the world, some 235,000 units in more than 100 countries, and from that practical vantage point I can tell you that the 55 mile per hour speed limit we have had for 6 years is a far cry from a solution to our problems. It is not much to show compared to the strong actions taken in Europe (substantial price increases, $3 a gallon gasoline, energy conservation, nuclear expansion, export drives, and so forth.)

In summary, I welcome the Volcker policy as a major step to bringing inflation under control. But, we need more. We must stimulate savings and investment through tax reform to increase productivity. We must prevent too many dollars chasing too few goods by putting some realistic and practical limits on Government spending. And we must have a sensible and effective energy policy. Time is running out. We need to move now.●

NUCLEAR OVERKILL DOES NOT ENHANCE AMERICAN OR SOVIET POWER

● Mr. McGOVERN. Mr. President, in a recent issue of the New Republic, Prof. Hans Morganthau analyzes one of the central issues of the SALT debate: Whether there is a relation between nuclear weapons and the perception of international influence. Dr. Morganthau explains that strategic thinking rests on the outmoded assumption that nuclear weapons are essentially like conventional weapons and that nuclear war is essentially liken conventional war. But nuclear weapons have radically transformed the relationship between military force and political influence because neither side has anything to gain militarily from increasing its nuclear arsenal above the level required to assure destruction of the other side. In other words, nuclear and conventional weapons are essentially dissimilar because no political advantage accrues to the party which expands its nuclear overkill capacity.

Professor Morganthau's analysis should receive widespread attention during the forthcoming SALT debate. I submit his article to be printed in the RECORD for that purpose.

The text of the article follows:

THE OBSOLESCENCE OF THE SALT II DEBATE: FIGHTING THE LAST WAR

What Einstein said decades ago is still true today: "The unleashed power of the atom has changed everything except our way of thinking." The debate over the SALT II treaty demonstrated this truism once again. For all their disagreements over "first strike capability," verification, and so forth, the opposing camps in the strategic arms debate share an obsolete style of thinking about nuclear weapons. They both think and act, by and large, as though the atomic revolution of 1945 never occurred. This intellectual obsolescence is, in the long run, more dangerous to American security than all the issues the SALT debaters are arguing about.

Nuclear weapons fundamentally altered the traditional relationship between political aims and physical violence. From the beginning of history until 1945, a great power could rationally choose to wage all-out war against another great power in order to achieve political ends, as long as the calculus of risk and advantage seemed favorable. Today, however, such a calculus counsels against the use of nuclear weapons, since their unprecedented destructiveness, both short and long term, heavily outweighs any possible political gain. The use of nuclear weapons, even if at first on a limited scale, would unleash an unmitigated disaster, which could lead only to the destruction of both belligerents.

The very application of conventional language to nucelar "weapons" and "war" is outmoded. By definition, a "weapon" is a tool for executing the tactics and strategy of battle; "war" is fought for the attainment of political goals. In Clausewitz's phrase, it is "politics by other means." In short, both words imply a rational relationship between the nature of the battle and the objectives for which it is fought. Yet how and for what ends can nuclear weapons rationally be used? How can nuclear war be fought? What is the meaning of—and what is the difference between winning and losing a nuclear war? The conventional language conceals the new reality for whose novelty we have not yet found appropriate words.

The uncritical application of conventional language to the unprecedented phenomena of nuclear weapons not only obscures the truth, it also hinders rational policymaking. Thus it is fatal to the cause of nuclear arms control to deal with nuclear weapons and nuclear war as if they were simply larger versions of conventional weapons and conventional war. In truth, they are different in kind because they are instruments of total destruction, and therefore incapable of performing the traditional functions of conventional weapons and war.

A successful strategy for arms control must explicitly recognize the distinction between nuclear and conventional arms. Starting with the Russian proposals of 1816, attempts at controlling conventional arms have been numerous and almost always unsuccessful. They have failed because the size and quality of a nation's stockpile of conventional weapons directly affects that nation's ability to pursue its political aims successfully. The more pieces of artillery a nation can put into the field, the more political power it can project. Hence, conventional disarmament remained impossible as long as the political issue that gave rise to the arms race in the first place remained unsettled.

Nuclear weapons radically transformed this conventional relationship between military destructive capacity and political power. Once you are able to destroy your enemy utterly, even under the worst of circumstances, you have reached an optimum level of armaments beyond which it is obviously senseless to continue stockpiling. This distinction between conventional and nuclear armaments is what makes nuclear disarmament theoretically possible. For once you have enough nuclear weapons to insure the destruction of the enemy, you need no more; additional weapons beyond this point have no military or political significance.

Both the United States and the Soviet Union are today able to devastate the other's civilization many times over. Neither side gains anything militarily or politically by increasing its might beyond this already unprecedented level of destruction. Yet both sides, applying the concepts of conventional arms to the nucelar field, have ignored this fundamental fact, and have embarked upon a nuclear arms race which promises no military or political advantage to either side, and therefore is completely irrational.

In recognition of that irrationality, both sides have tried to control the nuclear arms race, and even proclaim total disarmament as an ultimate goal. Yet in the process they have revealed how much they are, in practice, oblivious to the distinction between conventional and nuclear arms. They have haggled for seven years over issues that might be relevant to conventional weapons but are mostly irrelevant to nuclear armament. Does it matter, for instance, that SALT II allows certain Russian missiles to carry only a specified number of independently targetable warheads? Would it make any strategic difference if they carried more, either by mutual consent or in violation of the treaty? As long as the number of warheads does not affect the mutual ability of assured destruction, the size and number of each side's weapons are irrelevant. As long as my enemy has one gun that can kill me, it is irrelevant to our relationship that he also has the finest collection of guns in town.

The military balance as a bean-counting exercise is just one concept among many, hallowed by tradition, that have been rendered obsolete by the nuclear revolution. Defense, limited war, victory, alliances, and the distinction between combatants and noncombatants also have lost most practical meaning. Yet our strategic experts disquietingly continue to think in obsolete terms, and thus construct obsolescent policies concerning the nuclear weapons that have transformed the condition of our existence.

The SALT II debate is the best recent example of this cultural lag, which has dominated the theory and practice of nuclear weapons policy since 1945. The history of nuclear military doctrine and practice is a story of successive futile attempts to adapt nuclear weapons to the conventional functions of the nation-state. For more than three decades—from the so-called "clean" H-bomb to the counterforce strategy and the neutron bomb, we have tried to make it appear that nuclear weapons are just conventional weapons writ large, to be manipulated in a conventional way.

The heart of the SALT II debate is the issue of strategic superiority between the United States and the Soviet Union. Both sides in the debate recognize in the abstract how irrelevant the concept of "superiority" is when applied to nuclear weapons. Henry Kissinger cried out during a press conference in July 1974: "What in the name of God is strategic superiority? What is the significance of it . . . at these levels of numbers? What do you do with it?" Yet speaking to the Senate Foreign Relations Committee this past July, Kissinger expressed regret over his rash statement of five years ago:

"My statement reflected fatigue and exasperation, not analysis. If both sides maintain the balance, then indeed the race becomes futile and SALT has its place in strengthening stability. But if we opt out of the race unilaterally, we will probably be faced eventually with a younger group of Soviet leaders who will figure out what can be done with strategic superiority."

It hardly needs to be pointed out that this is a less than convincing argument in favor of seeking strategic superiority.

Kissinger and other witnesses, particularly Secretary of Defense Harold Brown, all admitted that the concept of nuclear superiority has no meaning in any conventional military sense. Yet they endeavored to give it a new political meaning. Increases in nuclear strength beyond the point of assured destruction have no military significance, they argued, but nuclear superiority can add significantly to a nation's political power. The reason is that what counts in the power calculus is not only the actual power available, but also the perceptions of one's power by other nations. If the Soviet Union possesses more warheads than the United States, this does not make it militarily more powerful than the United States; but these extra warheads do increase Soviet political power compared to the United States because people perceive the USSR—albeit falsely—to have become more powerful militarily.

This argument assumes that other governments are in the hands of stupid people who cannot discern the superficial from the meaningful. Admitting that they themselves understand the difference between nuclear and conventional weapons, these policymakers argue that the difference shouldn't be reflected in policy because others are not so perceptive.

Besides this psychological argument, defenders of the intellectual status quo also advance a political and military argument typical of obsolete thinking. The strategy of assured destruction, they say, drastically limits the options of the president of the United States. In the event of a limited nuclear attack by the Soviet Union, the president is faced with two equally unacceptable choices: the slaughter of tens of millions of civilians or, if he is repelled by this barbarous alternative, appeasement. Nuclear arms beyond the level required for "assured destruction," so goes this argument, make it possible to wage limited nuclear war, a type of warfare that leaves in its wake the sort of limited destruction that is familiar from modern conventional war.

There must be a way, so the prevailing argument runs, in which nuclear weapons can be used as instruments not of total destruction but of limited war. Consequently, there must be a way in which nuclear weapons can be used rationally for the purpose of victory rather than deterrence. It is to that conventional position that Kissinger, in his recent utterances, has returned. Most of our approaches to nuclear strategy have been predicated upon that position.

Since 1945 we have tried to adapt nuclear power to our conventional way of thinking. But as three decades of debate have shown, it cannot be done. Limited nuclear war with limited damage is conceivable only if the stakes of the war are also limited. But it is difficult to imagine a rational resort to nuclear weapons on behalf of interests that are not of supreme importance, justifying—initially or through escalation—unlimited nuclear commitment and potentially unlimited damage. This is why nuclear weapons have not been used since 1945. "Limited" nuclear war is a contradiction in terms: nuclear weapons are instruments of uncontrollable and potentially unlimited destruction, to be used only in defense of the most critical interests. Soviet military doctrine operates on the assumption that nuclear war begun on behalf of limited interests probably will escalate into all-out nuclear war. If nuclear weapons are used on behalf of critical interests, such as saving Western Europe, they surely will be used as instruments of total war.

Conventional modes of thought have not dominated the nuclear debate by accident. They are the symptoms of a pervasive unwillingness to part with conventions hallowed by all of history, and to apply to nuclear weapons the logic and policies appropriate to them. It is this gap between reality and subjective consciousness that not only reduces the SALT II debate to irrelevance, but also delivers us helplessly to the prospect of nuclear destruction. ●

THE FBI REJECTS HOOVER BUILDING MIXED USE ALONG PENNSYLVANIA AVENUE

● Mr. STAFFORD. Mr. President, I regret to report that Director of the Federal Bureau of Investigation recently rejected the idea that shops could be placed in the space along the Pennsylvania Avenue side of the Hoover FBI Building here in Washington, D.C.

According to the Washington Star:

> The original plan for Pennsylvania Avenue envisioned retail stores on the ground floor of the FBI building. But that plan is not feasible. Webster said, because of danger to the FBI's communications and computer systems from electronic eavesdropping, explosives and "microphone penetration."
>
> Conceivably, the shops might be built on the sidewalk outside the building walls. But even that approach might be troublesome because the FBI has equipment buried under the sidewalk, Webster said.

I regret this decision. I do not believe it is a sound one. I remain convinced that the FBI can effectively develop a mixed use plan along the Pennsylvania Avenue side of the Hoover Building, if the agency really wants to make an effort to do so, without endangering national security in any way or form.

I ask that a copy of an article on this issue from the Washington Star be printed in the RECORD.

The article follows:

NO SHOPS BELOW FBI, CHIEF SAYS

(By Robert Pear)

> After conducting a feasibility study, FBI Director William H. Webster has concluded that security problems rule out the possibility of any retail shops behind the monolithic facade of the FBI Building on Pennsylvania Avenue NW.
>
> Webster's decision, disclosed yesterday, sets back efforts to liven up the architectural sterility of FBI headquarters, an integral part of the Pennsylvania Avenue redevelopment plan.
>
> Webster said he had met this week with W. Anderson Barnes, executive director of the Pennsylvania Avenue Development Corporation, to discuss alternative types of decoration.
>
> In his conference room at FBI headquarters, Webster unveiled a scale model showing various murals, decorative panels, a glass box of flags and display cases full of museum exhibits that might be placed in front of the J. Edgar Hoover Building.
>
> Several of the panels consisted of colorful panoramic landscape vistas.
>
> The original plan for Pennsylvania Avenue envisioned retail stores on the ground floor of the FBI building. But that plan is not feasible, Webster said, because of danger to the FBI's communications and computer systems from electronic eavesdropping, explosives and "microphone penetration."
>
> Conceivably, the shops might be built on the sidewalk outside the building walls. But even that approach might be troublesome because the FBI has equipment buried under the sidewalk, Webster said.
>
> There is substantial interest in Congress to see "mixed use" of space at the FBI building. Sen. Robert T. Stafford, R-Vt., views the FBI headquarters as a test of the government's willingness to implement the Public Buildings Cooperative Use Act, under which "mixed use" is encouraged.
>
> The Hoover building, located between 9th and 10th streets on Pennsylvania Avenue, "has come to epitomize, for many people, the cold, public-keep-out atmosphere of too many federal office buildings," Stafford said. "It is the perfect building for a careful review of possible mixed commercial-federal usage."
>
> Rita Abraham of the PADC said that Webster and Barnes were still "working toward some kind of improvement in the blank facade of the FBI building."
>
> Kiosks on the sidewalk, she said, would dress up the block and attract people with commercial activity while posing no danger to FBI operations.
>
> "We'd like to be a good neighbor," Webster said, "but we have real security problems in going behind those walls. I'm excited about the idea of bringing displays, now locked up in museums, to the premier boulevard of Washington." ●

MILWAUKEE RAILROAD SERVICE

● Mr. McGOVERN. Mr. President, over the next several months the Milwaukee Railroad will be taking every possible step to eliminate rail service on more than half of its 9,800 miles system. Because many of the lines which may be abandoned are critical to local and regional economies, shippers and local governments have begun the fight to preserve their service.

These groups are becoming increasingly sophisticated in their efforts. Instead of simply trying to fight abandonment proceedings—generally a losing battle—they have begun to organize rail authorities, shortlines and cooperative efforts to take over service. This effort has become predominant in South Dakota where at least six organizations have been formed to acquire rail service which would otherwise be eliminated.

Absent any action on their part, almost 1,000 miles of track will be abandoned in South Dakota. Much of this service is essential to a prosperous agricultural economy. The cost of moving agricultural commodities from farm to market by truck is not only energy inefficient, but would place devastating financial hardships on thousands of farmers.

Mr. President, Congress must be prepared to provide the assistance these organizations will need to preserve essential service. Although the Department of Transportation administers a branchline program and the Department of Agriculture has indicated their willingness to assist in this effort, both programs are undercapitalized.

Mr. President, I ask that an article detailing some of these efforts from the

October 31, 1979 edition of the Wall Street Journal be printed in the RECORD.

The article follows:

A County Buys Its Economic Lifeline—A Branch of Failing Milwaukee Railroad

(By Steve Weiner)

NEWPORT, WASH.—Shortly after midnight a few weeks ago, three crewmen climbed aboard a freight train here. Engineers John Nustrom gunned the throttle, and the 30 cars rumbled north through the wild northeastern Washington countryside on the routine 61-mile run to Metaline Falls.

Thus, with no ceremony, was born the nation's newest railroad—the Pend Oreille Valley Railroad.

Hauling coal and gypsum north and cement and lumber south, the publicly owned Pend Oreille (pronounced pahn-duh-RAY) Line emerges from the turmoil of the disintegrating Chicago, Milwaukee, St. Paul & Pacific Railroad—the Milwaukee Road. Until the 8,000 residents of Pend Oreille County paid $1.4 million for it, the branch line to Metaline Falls was among dozens of dilapidated, failing Milwaukee Road routes.

A year and a half ago, the Milwaukee, deep in bankruptcy proceedings, made it plain that it intended to abandon the Pend Oreille branch. The cement plant and lumber mill served by the line warned that loss of the railroad would leave them no way to haul their products out. "If the railroad closes, we close the plant," said John P. O'Neill, regional vice president of Lehigh Portland Cement Co.

A year ago, voters formed a new unit of government, a port district. Using federal grants and revenue-bond money, the port bought the branch and hired a private short-line contractor, Kyle Railways Inc., of San Francisco, to run its railroad. Five days each week, the Pend Oreille Line makes its run, and the local businesses have been saved. "If anything, we have more traffic than we can handle," says Harold Sargent, the line's general manager. "It's coming along fine."

TALES OF WOE

The Pend Oreille Line apparently will become one of the few success stories to result from the chaotic Western railroad situation. The Milwaukee Road isn't alone in its woes. The Chicago, Rock Island & Pacific appears headed for the scrap heap. Hopes remain that something of the Milwaukee may survive after the line discards 60 percent of its 9,800 miles of track, as planned, but there seems little chance that the cashless Rock Island Line will exist in any form much longer.

"It's a crisis, a very dangerous situation," says Robert Gallamore, No. 2 man at the Federal Railroad Administration.

Though the Interstate Commerce Commission is directing other railroads to provide essential service to high traffic areas, the decline of the Milwaukee and the 7,200-mile Rock Island means that hundreds of small communities will lose some or all of their rail service. During the reorganization period, disruptions may affect larger cities as well. So, around the west, people like those in Pend Oreille County are looking for answers to the question: What do you do when the trains stop moving?

Neither railroad collapse comes as a surprise. The Milwaukee has been operating since December 1977 under Section 77 of the Bankruptcy Act. The Rock Island has been in the same situation since March 1975. As early as 1969, Midwestern carriers, led by Chicago & North Western Transportation Co., began abandoning their least-used branch lines. Last winter dealt especially severe financial blows. The Milwaukee has been losing more than $10 million a month this year, and the Rock Island, during the year's first six months, had operating losses of $46.6 million.

Like other railroads, the Milwaukee and Rock Island have too much track that produces too little revenue. And all railroads face competition that didn't exist when their far-flung systems were built. Railroads carry an estimated 35 percent of all freight mileage now, down from 75 percent at the close of the Second World War. Trucks, barges and pipelines carry the rest.

DECAYING TRACK

To compensate for loss of revenue, railroads have deferred maintenance along much of their track. An estimated 20 percent of the Rock Island's system now is considered too unsafe to use. A Milwaukee Road freight train requires nearly six days to make the journey from St. Paul to Tacoma, three times longer than competitors, because of its low average speed: 13 miles an hour. Bad track is why.

Officials of the Chicago & North Western believe abandonment programs are the only way to end the drain of low-revenue lines. The North Western has dropped 2,700 miles of track in the last 10 years, and its officers say that is one reason why the line now is profitable.

"People told us rural America was going to dry up and blow away because of abandonments, but it hasn't happened," says a North Western spokesman. "We've abandoned thousands of miles, and no one has missed it."

Large portions of the Rock Island and the Milwaukee also mightn't be missed. Mr. Gallamore says essential shipments will continue, either under directed service orders or voluntarily, as other lines buy portions of both failing railroads that fit well with their systems. Some experts believe loss of the Rock Island and a scaled-down Milwaukee Road will benefit other regional carriers. They note that neither railroad is so dominant that its loss would be catastrophic.

A COURT DECISION

Some immediate concerns may be resolved soon. A federal judge has ordered the Milwaukee to cease operations on about two-thirds of its track tomorrow morning, with the ICC directing other railroads to assume freight operations over portions of the embargoed line.

The ICC has voted tentatively to direct seven railroads to assume that service. But it has delayed issuing a final order, so Congress can consider bills that could provide enough money to keep the Milwaukee Road operating its entire system until this spring. Yesterday both houses of Congress passed emergency legislation that would delay the closing of any Milwaukee track and provide federal funds to keep the line operating while plans are devised to sell it to shippers and its employes.

The Rock Island, meanwhile, has until early December to file a reorganization plan or begin liquidation. But already, the railroad is being operated, under ICC order, by the Kansas City Terminal Railway. The Rock Island went into directed service after it all but ceased to function when struck by two unions. The strike has been settled, but the railroad's future remains in doubt.

So decision time has come for communities along the troubled lines, with Pend Oreille County among the first areas to respond. The Lehigh Portland Cement Co. plant at Metaline Falls and the Louisiana Pacific Corp. lumber mill at Ione are essential to the local economy.

Lehigh, a unit of Heidelburg Cement AG, ships 200,000 tons of cement from its plant here each year and brings in 60,000 tons of coal for power. Mr. O'Neill, the regional vice president, says business has been so good that the company wants to double plant capacity.

Louisiana Pacific's lumber mill, the only other shipper, moves about 90 percent of its annual 40 million board feet of lumber by rail. Expansion is anticipated for this plant, too.

Though the train trip to both is slow—maximum speed is 25 miles per hour in some spots, 10 m.p.h. in others—Mr. O'Neill and Elden Knauf, Louisiana Pacific's division manager, agree there is no other way to move their products. Roads in the area are old, narrow and unlikely to stand up under heavy truck traffic. Even if trucking were feasible, the two men say, the difference in freight rates would make their plants uncompetitive.

Local leaders chose the port district as their best possibility for saving the 250 jobs that would have been lost by closedowns.

Though the economic issues seemed clear, the port district—which has taxing authority but so far isn't using it—wasn't formed without a fight. Some residents feared new taxes. Others didn't think government should operate what is usually a private enterprise. The port-authorization measure passed with 56 percent approval.

Studies by a business-development agency indicate that the new line can support itself because it doesn't have the Milwaukee's huge debts and costly union contracts. The Milwaukee says it will take $7 million to rebuild the line properly, but Neil Margoles, the port's director, thinks it can be done for $4 million because local labor is cheaper than railroad workers, and full-scale reconstruction will be postponed.

Some rehabilitation work has started. Mr. Margoles says there won't be a grand-opening celebration until the line is rebuilt to the point where visiting dignitaries would be safe riding the line.

Over in Britton, S.D., farmers and grain-elevator operators along a 43-mile, century-old branch line of the Milwaukee are almost as desperate for rail service as the people of Pend Oreille County. They stand to earn greater returns on their crops if they can ship by rail instead of by truck.

ADVANTAGE OF RAIL

Britton's Farmers Cooperative Grain Co. recently paid farmers $4.03 a bushel for wheat to be shipped by rail east to the Great Lakes. Wheat bound for the Great Lakes by truck fetched only $3.87, and was discounted another 10 cents on arrival to cover the higher costs of handling the relatively small truck shipments. In a season, that difference can cost farmers hundreds of thousands of dollars.

Donald Jarrett, a local farmer, has formed the Dakota Co-op Railroad Co. with local grain-elevator operators. If necessary, the company will try to buy the line and operate it as the Dakota Road. Mr. Jarrett hopes the company can get a $2 million Farmers Home Administration loan to buy and repair the line.

The railroad estimates it will cost $8 million to repair the branch, with tracks now so bad that in some places, rail cars that weren't moving have fallen off. But Mr. Jarrett says that with local labor, the needed work will cost less than a quarter of that amount. A major unanswered question is whether there is enough traffic along the line to make it profitable.

Some towns have lost interest entirely. Edgerton, Minn., lies alongside a 98-mile Milwaukee branch line running between Jackson, Minn., and Egan, S.D. It is the only railroad in town, but Mayor Charles E. Walhof says most people don't care if it goes or stays.

"There's some concern, of course, but not great concern," says Mr. Walhof. "The railroad has long since let the area down with bad service. It's got so that if a train comes through now, people run out and look at it, it's been so long since they've seen one." He says shippers have turned to trucks and are doing just fine.●

SMALL HYDROPOWER

● **Mr. STAFFORD.** Mr. President, the Subcommittee on Water Resources is presently marking up omnibus water resources legislation. Certainly, one of the important initiatives that I anticipate will be included in the bill is my proposal authorizing technical assistance to communities so they can develop new hydropower projects at former industrial sites. The revival of small hydropower sites offers a significant opportunity to increase our national energy pool.

To help my colleagues understand the potential of this work, I ask that a recent article from Water Spectrum, published by the Army Corps of Engineers, be printed in the Record.

The article follows:

Look Back at the Future

(By Norman L. Clapp and Albert H. Garner)

Water power—the energy source that powered the early industrial development of America—is back in the news again. This time it is the undeveloped hydroelectric potential of existing dams. Some of these dams are large but not utilized to their full capacity, some of them have no hydroelectric generation facilities installed, and a great many of them are small, low-head structures once used, but long since abandoned as power sources when the electric utility industry moved on to the greater attractions of larger scale generation.

But thousands of dams that once turned the wheels of the textile industry in New England, ran sawmills, ground corn and wheat into meal and flour, supplied power for early factories in the east, the south, the midwest, and elsewhere are still there in varying states of disuse and neglect.

In 1900 almost 20,000 manufacturing establishments in the nine northeastern states depended primarily on water power. In Maine, New Hampshire, and Vermont, hydropower remained the principal source of energy for industry, and it met between a quarter and third of industrial power demands in Massachusetts, Connecticut, and New York.

The world's first hydroelectric central generating station built was completed in 1882. Located on the Fox River in Appleton, Wisconsin, the plant provided enough capacity to power only 250 lightbulbs! But its impact on the future was much larger. Rivers and streams all over the country were rapidly developed to generate electricity. Although the early hydroelectric plants were small, they soon prompted the development of larger installations.

World War I saw the development of Muscle Shoals, Alabama to generate the electricity needed to produce nitrogen for munitions. Out of the post-war debate over the peacetime use of Muscle Shoals came the concept of the Tennessee Valley Authority (TVA) to harness the rest of the energy of the Tennessee River and its tributaries, prevent floods, improve navigation, and turn it all toward the improvement of life for an entire region.

Flood control and production of electricity joined hands in other areas, principally the southeastern states and parts of the southwest. Reclamation of arid lands through the impoundment of waters for irrigation also added substantially to the hydroelectric resources of the nation.

TVA, the Department of Energy, and the Power Authority of the State of New York—with power from Niagara Falls and the St. Lawrence River—are today major marketers of hydroelectric power. Altogether, hydroelectric developments provided almost 69 million kilowatts of power in 1977 and generated over 220 billion kilowatt hours.

But as the hydroelectric potential was being developed on a larger and larger scale from big dams and major impoundments of water, the smaller sites were being abandoned as power stations by electric utilities. The economies of scale and low fuel costs dictated the nation's energy development, and the smaller stations were allowed to fall into a state of disrepair. The expense required to rehabilitate these plants usually could not be justified because of the lower per-unit costs of large-scale competitive energy sources.

To significant developments now promise to change all that. First is the critical increase in the cost of constructing large-scale generating capacity of all kinds. Second is the enormous increase in the cost of oil as a fuel for intermediate or peak-load generation that has resulted from our growing dependence upon imported fuel oil and the prices set by the oil exporting countries following the oil embargo of 1973. Base-load coal-fired plants which came on line in 1974 were built at a cost of approximately $220 per kilowatt of capacity. Nuclear plants of the same period cost around $370 per kilowatt of capacity. One study estimates that coal-fired plants coming on line between 1987 and 1989 will be as high as $1150 per kilowatt with corresponding nuclear plant costs approaching $1270 per kilowatt. Indications are that inflation and unexpected delays may prove these estimates low, with some plants costing as much as $2000 per kilowatt. Fuel oil for utility boilers, which cost an average .65¢ per kilowatt-hour in 1972, averaged 2.34 cents per kilowatt-hour in 1977. The plans of the OPEC countries to increase the price of crude oil by 14.5 percent this year will drive utility fuel bills even higher.

This has prompted a new look at a number of hitherto ignored alternatives, including all those old dams that were put on the sidelines over the past 30 years or more.

Perhaps no single public figure has been more responsible for the reexamination of the small hydro potential than David Lilienthal, a founding director and subsequent chairman of TVA and a builder of big dams not only in the Tennessee Valley but, in later years, overseas as well. As he saw the mounting difficulties of other sources of electrical energy gather momentum, he was among the first to speak out and urge a reappraisal of the possibilities of bringing the smaller, long neglected hydroelectric sites back into the mainstream of the nation's energy supply.

He pointed to the great number of existing, but unused, small dams located throughout the country, the comparative absence of environmental problems in making use of dams already built and reservoirs already in place, and the new range of alternative costs against which the economic feasibility of the small sites must now be measured. He also spoke of what the rehabilitation of local dams could do for the revival of local community spirit and morale, as well as its economy.

Among those who heard and understood was Mayor Lawrence Kramer of Paterson, New Jersey. Paterson is located on the Great Falls of the Passaic River, and there, where the river cascades some 65 feet over a spectacular waterfall, the penstocks, turbines and generators of a once-operating power plant stand idle.

A city of 155,000 people in an incorporated area of only 36 square miles, Paterson is one of the most densely populated cities of the country. Under the leadership of Mayor Kramer, it has launched an extensive program of community development to create new employment opportunities and restore the pride and spirit of a community beset with more than its share of industrial decay and unemployment so common among older urban centers.

An important part of this program is to be the restoration of the hydroelectric plant at Great Falls. A feasibility study has been completed, and an application for a license from the Federal Energy Regulatory Commission is being completed.

The Paterson Great Falls project represents a most unique mix of early history and present day energy realities. The history goes back to Alexander Hamilton, this country's first Secretary of the Treasury. It was Hamilton who sounded a call for the development of industry in the United States as an escape from the exploitation of British mercantilism. And it was Hamilton who took the lead in organizing the Society for establishing Useful Manufactures (S.U.M.) at Paterson as the first corporation in the state. It was chartered by the Legislature on November 22, 1791.

During his search for a proper location for S.U.M. Hamilton received a letter from an associate describing the falls of the Passaic. It was stated that "one of the finest situations in the world . . . can be found there . . . the quality of the water is good and in sufficient quantity to supply works of almost any extent." Acting on this and other advice, the area surrounding Great Falls was chosen in 1792 to be the home for S.U.M. It was named Paterson after the then governor of New Jersey.

After a shaky start during which it came close to collapse, S.U.M. grew and prospered. By the early 1800s, three raceways, or canals, conveying water to power industry had been built. In 1815, half of the manufacturing concerns in the state were located in Paterson. By 1882, water flowing through S.U.M.'s raceways provided 2108 horsepower for local industry.

With the advent of the 20th century, the energy needs of Paterson's industry exceeded the capacity of the raceways. Also, the technology of hydroelectric generation had become established and offered significant advantages over the traditional water wheel mechanical power. Therefore, in 1912, S.U.M. began construction of a hydroelectric generating station at Great Falls. The plant, which was completed in 1914, was equipped with four S. Morgan Smith double-runner Francis turbines with a total installed capacity of just over 4900 kilowatts. Eventually S.U.M. constructed a steam plant to supplement the hydroelectricity produced at Great Falls. Surplus power was sold to the Public Service Electric and Gas Company (PSE&G), the electric utility serving Paterson.

A century and a half of industrial history ended in 1945 with the sale of the assets and entitlements of S.U.M. to the City of Paterson for $450,000. The city then leased the Great Falls hydroplant to PSE&G, which operated the plant until 1969, when it was determined that extensive repair would be needed in order to continue the plant's operation. In view of the lower costs of large central-station generation, it was decided that the required expense could not be justified. The plant ceased operation.

Then, in 1971, the old industrial area, including the dam and powerplant complex, the raceways, and many of the early factory buildings, was declared a National Historic Landmark. This area constitutes what is called the S.U.M. Historical District, and a grant of $11.3 million from the Economic Development Administration has recently been obtained for its development. Plans call for the rehabilitation of about 60 historic industrial structures for mixed use, and the redevelopment of the river front.

It is in this climate of historical awareness and activity that the efforts to restore the hydroplant are taking place in Paterson. As Mayor Kramer has put it, "By restoring and reactivating existing hydropower sites, we will be preserving much of the heritage upon which our society is based."

But these efforts are not based solely on historical considerations. As a result of the dramatic increases in fuel costs, which by all accounts will continue to rise, the economic soundness of restoring generation at many abandoned sites is assured.

A feasibility study which examined a total of 17 development alternatives for the Paterson project was completed last fall. Consideration was given to rehabilitation and updating of the existing units, installation of various types and capacities of new turbines, repairing the existing dam, and construction of a new dam. The options for the new turbines included fixed and adjustable blade tube type, and cross flow designs, both of which are considered applicable to the 65-foot head and the flow conditions at Great Falls. The range of installed capacity examined was between 4600 and 10,500 kilowatts.

The capital costs of the alternatives, including site rehabilitation, fell between $717 and $1131 per kilowatt. The unit cost of service, including capital, operation and maintenance, project administration, and other annual costs, is projected to vary between a low of 2.10 cents to a high of 2.58 cents per kilowatt-hour in 1981, the first year of proposed operation.

The local utility has indicated a willingness to purchase all of the energy produced at the restored power plant. Although a purchase price has not been negotiated, a conservative 1977 value for hydroelectricity in the Paterson area was established to be 2.5 cents per kilowatt-hour. This was based on a number of considerations, the most important of which was competitive fuel costs. Due to the wide seasonal variations in the flow of the Passaic, little or no firm capacity can be developed, and therefore no value was assigned to this aspect.

Adjusting the above value by a modest annual six percent increase in competitive energy costs, the value expected during the first year of operation is 2.98 cents per kilowatt-hour. Comparison of this to the costs of production indicates that for every alternative, revenues will exceed costs. The development of the alternative of uprating the existing units to a total capacity of 7500 kilowatts would generate over $270,000 in net revenues for the city during the plant's first year of operation, on the basis of an average annual flow. Since much of the cost associated with the plant's operation is fixed capital expense, these net revenues will tend to rise further during the project's life as competitive fuel costs increase and the value of the energy increases.

So the project itself makes sound economic sense. But, as the Mayor has stated, "The energy produced from the hydroelectric facility is not viewed as an end in itself, but as a vehicle to be used to sustain and promote the economic health and vitality of our city."

Nearly two hundred years ago, Alexander Hamilton explained his reasons for creating the Society for establishing Useful Manufactures in much the same way.

Although the history of the Paterson project is unique, the economics of its feasibility do not appear to be unusual. On the basis of both study and some experience to date, capital costs for rehabilitation or installation of hydroelectric facilities in existing small dams can be expected to fall in the $1000 to $2000 range per kilowatt of capacity, with the cost of energy produced ranging between 2.4 and 5 cents per kilowatt hour. With the cost of fuel oil already approaching 2.5 cents per kilowatt hour produced and promising to go higher, the feasibility of such projects, although marginal at the moment, seems assured in the future.

In any event the U.S. Department of Energy, under the recent authorizations of the Congress, is seeking to find out. More than 50 sites, distributed broadly across the country, are now being studied to determine the feasibility of hydroelectric installations in existing dams with heads of 20 meters or less. These were funded out of an allocation of $2.5 million in Fiscal Year 1978. For the present fiscal year, the Congress has appropriated $10 million for 90 percent loans to finance more studies, perhaps 200 or more, at additional sites of existing small dams. Any of these study loans may be forgiven by the Secretary of Energy if the studies show to his satisfaction that project development is not economically or technically feasible.

Demonstration projects are coming. The upgrading of the damaged hydroelectric plant at Idaho Falls, Idaho is the first. Others for which proposals were solicited by the Department of Energy last fall are in the works. The demonstrations are to show not the technology, but rather the economic viability of such projects and the marketability of the power from such smaller installations under current operational and marketing requirements. They probably will demonstrate some of the institutional problems encountered in developments of this size, also. All this will be useful in learning how to take advantage of this unused energy potential most effectively.

And the potential is there. It is not of sufficient magnitude to offer an overall solution to the nation's energy problems, but it is significant. With relatively short lead times for construction, it can buy valuable time for the electric industry and the nation's productive economy, while the major solutions in fossil-fired and nuclear-fueled generation are developed and delays overcome.

In 1977, at President Carter's direction, the U.S. Army Corps of Engineers undertook to determine just how much additional electric generating capacity could be added in existing dams in the nation. The Corps' study, entitled Estimate of National Hydroelectric Potential at Existing Dams, was the first thorough examination of its kind. The Corps concluded that there is as much as 54,600 megawatts of undeveloped capacity at existing structures which, if developed, would generate 160 billion kilowatt-hours of electricity. This is broken down into three categories:

As much as 5100 megawatts could be added to present hydro capacity by replacing present turbines and generators with newer, more efficient equipment.

An additional 15,900 megawatts could be obtained by installing additional turbines and generators at existing hydropower sites.

A potential of 33,600 megawatts could be realized by constructing powerhouses at existing dams which are not presently or have never been tapped for the production of hydropower.

The latter category includes some 26,600 megawatts at sites with an individual potential capacity of less than 5 megawatts. These small sites could generate more than 84 billion kilowatt-hours annually. It must be noted, of course, that the number in each category represents an upper limit on the physical potential; environmental, economic, and social factors were not considered in the study.

The public interest in this potential is manifested too. From the days of 1976 when David Lilienthal attracted national attention for his insistence on a new look at renewed hydro-electric production from the nation's neglected small dams, public interest has steadily mounted. Turbine manufacturers, engineering firms, and the Federal government can attest to that in the number of inquiries received. Making better use of what we already have is a type of conservation that appeals to people.

The Congress early sensed the gathering momentum behind the small hydro idea and authorized several programs of the Department of Energy. Although the Administration budget did not provide for a low-head hydroelectric demonstration program, the House of Representatives Committee on Science and Technology and the Senate Committee on Energy and Natural Resources recommended that $15 million be authorized "for the initiation of a broad program to exploit the potential of low-head hydroelectric power resources." In response to this recommendation the Congress did appropriate $7.5 million, which, with other funds available from Department of Energy allocations, made a $10 million program possible in Fiscal Year 1978—of which $2.5 million was used to fund feasibility studies. The balance was dedicated to technological research and development and an initial demonstration program.

In the present fiscal year the funding for small hydroelectric development has been increased to a total of $28 million. Of this, $10 million is intended for feasibility studies and the balance for research, development, and demonstration.

Low-head hydro is now one of the energy technologies officially designated by the Department of Energy for commercial application.

And finally, although the implementing appropriations are still far short of the mark, Congress has authorized a low-interest loan program of $100 million annually for three years to provide up to 75 percent of the project costs for hydroelectric development at sites of not more than 15,000 kilowatts capacity in existing dams. Although the President's proposed budget for the coming fiscal year does not recommend any significant funding for the project loan program, Congress may yet again take the lead in funding the program on its own initiative.

The potential energy is there to be developed, the economic feasibility for a great deal of it appears to be assured, the public interest is mounting, and there only remains to be supplied the necessary funding and leadership to bring it all together. But what Paterson, New Jersey and some other pioneers in this field are already doing, can be done in hundreds if not thousands of locations across the country.●

ACCURATE COMPARISONS OF UNITED STATES AND SOVIET DEFENSE SPENDING ARE NEEDED

● Mr. McGOVERN. Mr. President, comparisons of United States and Soviet defense spending play a large role in the SALT debate and in the consideration of military appropriations bills. I am concerned that simple comparisons are often misleading because the force structure requirements, the technological capabilities and the economic organization of the two societies are so different. Many of the standard comparisons tend to exaggerate Soviet defense spending by costing out Soviet programs in dollar terms. Prof. Franklyn Holzman, of Tufts and Harvard Universities, recently analyzed for the New York Times the shortcomings of this methodology. According to Professor Holzman, this dollar-ruble comparison undervalues America's technological lead in the arms race and therefore may overstate Soviet military outlays. We need to have accurate perceptions of Soviet defense efforts to enable us to plan our forces. Professor Holzman's critique of the dollar-ruble debate appears to be well deserved.

Mr. President, I am submitting the text of Professor Holzman's article, "Of Dollars and Rubles," for printing in the RECORD.

The text of the article follows:

OF DOLLARS AND RUBLES

(By Franklyn D. Holzman)

MEDFORD, MASS.—Central Intelligence Agency documents of the last eight years indicate that the Soviet Union has been outspending America on defense annually. If the C.I.A.'s data are accurate, they would constitute important evidence for the debates over SALT II and the American defense budget. But I think that they are not.

There are many sources of possible exaggeration in the C.I.A. estimates of Soviet military expenditures relative to America's. Three of them follow:

1. Comparisons of military outlays can be made either in dollars or rubles. The C.I.A.'s published comparisons are always in dollars. Prices expressed in dollars exaggerate Soviet expenditures; prices in rubles exaggerate American expenditures. This is because the Soviet armed forces have twice the personnel of America's but add only a little more new equipment each year, and because, in the words of the Director of Central Intelligence, Adm. Stansfield Turner: "In the United States manpower is relatively more expensive than hardware [while] in the Soviet Union military hardware is much more expensive than manpower." So, when the cost of the personnel of the Soviet armed forces, with their 4.5 million people—the precise number is hard to ascertain—is valued at American armed-forces wages, a high Soviet defense figure, in dollar terms, results. This figure would be about $10 billion smaller if military pay were adjusted for the lower educational and training levels of Soviet soldiers. A 20 percent pay discount is regularly made by the C.I.A. in dollar comparisons involving other sectors.

2. A ruble comparison, which the C.I.A. says is as valid as the dollar comparison, exaggerates American expenditures. This is because our armed forces have more equipment per person than the Soviet forces and because equipment is relatively high priced in the Soviet Union. The C.I.A. admits this and in response to Congressional questioning presented an unofficial comparison in rubles that put Soviet 1977 defense expenditures at 25 percent more than America's. This is less of a difference than the official dollar comparison, which has the Russians outspending us by 40 percent. While these two not-very-different figures satisfy Congressional interrogators, it did not satisfy economists used to such United States-Soviet comparisons. Experience has shown that ruble-dollar differentials typically exceed 50 percent. Clearly, then, if the Soviet Union outspends the United States in dollars by 40 percent, one would expect the United States to equal or outspend the Russians in rubles. These C.I.A.'s figures, therefore, are highly suspect.

3. According to the C.I.A., the major reason why a careful ruble estimate is not made and published is that while all military equipment the Russians produce is within our technology and can be given a real dollar price, a large part of United States equipment is beyond Soviet technology and cannot be given an actual ruble price. The C.I.A. procedure in valuing American high-technology equipment is to use ruble prices "applicable to the closest substitute goods which can be produced in both economies." What this means is that the C.I.A.'s ruble calculation values this American equipment at ordinarily high Soviet ruble prices but not at what the former Director of Central Intelligence William E. Colby called prices that are so high as to be "almost uncountable." No wonder American defense expenditures priced in rubles are estimated at less than the Russians' defense expenditure. If a properly high ruble price tag could be put on our high technology, the American defense package would certainly cost the Russians more to produce than their own. It might well be that they cannot produce our defense package at any cost.

The major fallacy in the C.I.A. procedure is that the very dimension of the arms race in which America has the greatest advantage—advanced technology—and which makes most of the difference between military superiority and inferiority, is enormously undervalued. The C.I.A.'s ruble comparison asks implicitly: Which country's defense package would cost the Russians more to produce *assuming that America has no technological lead?* This question is a proxy for another one: Which country's defense package is stronger, assuming that the United States has no lead in weapons technology? These questions are analogous to asking: Would Wilt Chamberlain have been a great basketball player if he had been six-foot-one instead of seven-foot-one inches tall? All things considered, the C.I.A.'s categorical conclusion that the Soviet Union is outspending the United States on defense may well be a figment of its faulty methodology.●

THE VALUE OF OUR CONGREGATE MEALS PROGRAM

● **Mr. CULVER.** Mr. President, I would like to share with my colleagues a recent article from the Cedar Rapids Gazette about the success of our elderly congregate meals program.

In supporting this nutrition program for the elderly over the past several years, I have often claimed that congregate meals offer more than just a hot, well-balanced meal once a day. On many an occasion I have said the program also provides senior citizens with the important opportunity to get together and visit with their friends. This Gazette article demonstrates the point quite effectively.

The article, concerning congregate meal sites in Vinton and Central City, Iowa, clearly illustrates the value of the companionship senior citizens can and do gain from this program. It relates how the site often becomes the daily focus of social activities and entertainment. By offering the chance to enjoy a nutritious meal among friends and neighbors each day, the congregate meals program is a very effective means by which to help avoid the isolation that particularly those who may live alone.

Mr. President, it is very encouraging to see the success and popularity of this vital program for our senior citizens. With the rise in the cost of basic necessities—such as food, fuel, and medical care—outpacing the rise in the overall inflation rate and social security benefits, this congregate meals program will become more vital to the well-being of our Nation's senior citizens.

Mr. President, I ask that this Cedar Rapids Gazette article be printed in the RECORD, and I urge my colleagues to review it to better understand the contributions of our elderly congregate meals program.

The article follows:

AT CONGREGATE MEALS: FOOD FOR THE SOUL, TOO

(By Gail Cooper-Evans)

Around noon almost any weekday, in every county in Iowa, you'll find scores of older folks gathered together to eat lunch.

Some will be silent, patiently waiting to be served, perhaps with stomachs growling.

But most of them will be talking to their neighbors, laughing, reminiscing, "discovering" old friends they haven't seen in years.

The settings are congregate meals sites, places where the elderly (those 60 and over, and their spouses who can be under 60) gather to buy lunches prepared by community volunteers.

More often than not, the participants discover, it is not just the food, which they say is "very good" and well balanced, that keeps them coming back time after time, but the companionship.

"IT'S THE PEOPLE"

"You see," said one woman at a congregate meals gathering last week, "it's the people that we come for."

That woman, Elsie Wright of Vinton, a widow who is "past 80," gets a twinkle in her eyes when she talks about the Vinton congregate meals program she attends nearly every day.

She leaned close as she confided to her visitor:

"I think it's about the best thing that ever happened to us old gals up here. Why, do you know, they even pick us up and takes us home!"

For Elsie like many others there that day, congregate meals is a sort of "godsend."

"If I weren't here," she said, "I'd be moping around home, I suppose, I just think it's wonderful!"

The meals are also helping to keep elderly people healthy—in spirit as well as nutritionally. Many of the meals sites, like the one at the Marion Community Center, also serve as senior activity centers. It's not uncommon to see several people sitting together most of the day playing cards. At other sites, like the one in Central City, some form of entertainment is usually offered either before or after lunch.

One man, who attends a rural congregate meals site, got started several years ago on encouragement from neighbors. The story goes that he "just sort of fell apart" when his wife died. He let his appearance and his house go unattended, and didn't seem to care about life. Now, according to a source who asked to remain anonymous, the man attends meals every day and "really seems to enjoy himself. He's become active again—takes care of himself and is even getting involved in the community."

For Lil Smith, 81, of Coggon, who eats at the Central City site, the meals are especially good for single elderly. "When you live alone, you don't always eat so well. You don't take the time to cook well. Here, we can eat good meals."

"And it's fun to get out and visit with others," added Beulah Butterfield, 69, of Center Point. She and about eight others are driven to the Central City congregate meals site on a L.I.F.T.S. bus every Wednesday. They each pay the bus driver $1 and another $1 for the meal.

"It's a reasonable cost," Mrs. Butterfield said. "But I couldn't afford it every day, not on my Social Security income."

HELPS WITH EXPENSES

The meals, which cost according to what one can pay, will be one way the elderly can help keep living expenses down this winter, while the cost of fuel continues to rise.

At last months' meeting of the Heritage Agency on Aging's Advisory Council, director Russell Profitt predicted a harsh winter for rural elderly who will have trouble paying high fuel bills. He admonished council members, representing seven counties, mostly rural areas, to "appeal to the elderly in your counties to be aware of the congregate meals and meals on wheels programs."

Proffitt said he fears many elderly will go without food in order to pay their fuel bills. He added that many who "should" be going to congregate meals are not, "probably because of pride, or they say they don't need it."

"Everyone is treated the same at congregate meals," said Perry Hummel, 76, of Vinton. "You can be a millionaire or a pauper—everyone is treated equally here, and nobody knows how much money you pay for your meal." Hummel owns the building the Vinton meals site is in, and he and his wife occassionally eat there.

Hummel said he was in on the original planning of a meals for the elderly program in the town, before the Heritage Agency on Aging funded it.

(Because the money contributed by the elderly does not always cover all the costs of serving meals, congregate meals are funded by the Older Americans Act through the 13 area agencies on aging around the state. There is at least one congregate meals site in each of the 99 Iowa counties. From Oct. 1, 1978, to Sept. 30, 1979, some 81,000 persons were served 2.6 million meals statewide. HAA funds 11 sites in five Eastern Iowa counties. In some counties, meals programs are funded by county boards of supervisors, by town budgets, or by churches.)

For a time, Hummel said, Vinton elderly were allowed to buy lunches at the school.

"The hardest job we had when we first started the program," he said, "was to sell these people on the idea that it isn't a poor people's program."

NOT WELFARE

Many consider congregate meals a welfare program, Hummel said.

It isn't welfare, says a spokesman in the state Commission on aging's planning division. "Because it's not something for nothing. That's what a welfare program is."

The spokesman in Des Moines told The Gazette Friday afternoon, "Our meals are 'contribute if you can.' We recommend that a person pay $1.50, but we won't turn anyone away if they can't pay that much, or if they can't pay at all."

No matter what a person pays, for some, like Ed Heldt who farms near Ryan and ate at the Central City site one day last week, the meals are better than eating at a restaurant or at home alone.

"My wife told me I'd have to eat out of the refrigerator today," said 76-year-old Heldt, "so I decided to stop in here while she's at the doctor's. I like it; it's good food."

Mahlon and Hetty Mills, who spend half the year in Central City and the other half in Mesa, Ariz., say they eat at the Central City congregate meals site because of the "sociability."

And, too, said Mills, 83, "We've been paying taxes 60 years, so why not take advantage of it?"

Mrs. Mills, 81, had another reason: "We're helping to keep this place going. If no one came, they'd shut it down."

Fay and Mabel French, 3095 15th Ave., Marion, who were at the Central City meals site Wednesday, say eating there helps them save money. They eat at one of three sites—Marion, Springville or Central City—every day and spend "about $20 a week" on meals.

"The only thing wrong," said Mrs. French, "is we are gaining weight from eating so good!" ●

THE RAILROAD POLICY ACT OF 1979

● Mr. McGOVERN. Mr. President, the Senate Commerce Committee is presently considering the Railroad Policy Act of 1979, which would ease rail-regulatory problems. This legislation has been greatly modified from the administration's original bill which was considered by this committee last year.

Although I continue to have serious concerns about certain provisions of this legislation, I believe the new bill is much more acceptable and will provide some protection for smaller shippers in rural areas. I do believe, however, that additional adjustments will be necessary before those of us who represent rural, agricultural States can lend our support to the bill.

Mr. President, I ask that testimony I gave before the Senate Commerce Committee relating to the Railroad Policy Act of 1979 be printed in the Record.

The testimony follows:

Statement by Senator George McGovern

THE RAILROAD POLICY ACT OF 1979

The future of the Nation's rail industry and the degree to which national transportation and energy goals are achieved will be largely determined by the proposals of this committee and the response to those proposals by Congress during the weeks ahead. The basic question at issue in these deliberations is whether our rail system, the most energy efficient mode of transportation for most of the Nation, will have both the opportunity and the ability to meet rapidly mounting demands for service during this period of escalating fuel costs and diminishing supplies of oil and gas.

For the Senate the focal point of this effort, Mr. Chairman, is the Railroad Transportation Policy Act of 1979, which you introduced with the cosponsorship of Senators Long and Packwood. In my view, this comprehensive regulatory reform bill is a solid and thoughtful initiative to construct the framework for deliberations aimed at enabling the rail industry to regain its competitive vigor while protecting legitimate public interest concerns.

As you yourself have pointed out, Mr. Chairman, one of the most important provisions of your bill is section 106 dealing with contract rates. All things considered, this may well be the single most important aspect of the legislation. In effect, section 106 clearly establishes in law the policy that service and rate contracts between shippers and carriers are legal if they do not result in a reduction of service to noncontract shippers, produce discriminatory or other anticompetitive practices or jeopardize the going concern status of the contracting railroad. Beyond this, section 106 would retain common carrier obligation service for noncontract shippers. In this connection, the ICC would be directed to conduct a survey of the Nation's freight car and locomotive fleet in order to determine whether a proposed contract will in fact cause impairment of common carrier service.

I would not say that great minds think alike, but I find it personally gratifying that these provisions coincide almost exactly with corresponding elements of the railroad contract act of 1979 which I introduced and which is now before this committee for consideration.

I am convinced that forthright legalization of service and rate contracts, more than any other single proposal, can create the conditions under which the railroads can ultimately become subject to effective and fair economic self-regulation through mutually beneficial agreements with shippers which reflect both market forces and the legitimate needs of both parties. Railroads and shippers will be able to do this free of the catspaw of the ICC rate regulations through which railroads must now struggle while losing business to competitive modes which are largely free of rate restrictions. For the first time the rail industry will be able to dedicate equipment and personnel to move all types of traffic well in advance with the certainty that shippers have voluntarily committed themselves to pay for such service. Shippers will be assured of reliable and adequate performance by railroads in the future at a cost which they have negotiated. Both parties will subject themselves to effective failure penalties.

Mr. Chairman, I think another and far less attractive certainty may be present in the contract service and rate issue. That is, unless we provide otherwise, we will likely find that contracts are being negotiated by large shippers while small shippers continue to be left hanging by their thumbs from common carriers obligation service that, despite regulatory theory, is all too often horrendously inadequate.

To illustrate the point, there is already great apprehension in the grain producing States that while Cargill, Continental and other large grain dealers will be able to readily contract for rail service because of their market leverage, small grain shippers and the grain producers who depend on them, will either be ignored or offered contracts which are totally unacceptable both in terms of service or cost or both. Thus, we may find ourselves having enacted legislation enabling the rich to get richer while small shippers are consigned to rail service oblivion.

I know that some observers of this issue argue that small shipper contracts, if not equally so, are nevertheless attractive to railroads because of the inherent benefits of such agreements. I am not persuaded by untried theory standing against the deplorable history of common carrier service for small shippers. If the theory is borne out by experience then there should be no objection to adding provisions to contract legislation which will establish reasonable assurance that small shippers will indeed be able to enjoy the benefits of contracts. If the theory is wrong, we will have remedied the problem beforehand.

Mr. Chairman, what I have in mind specifically is a provision which requires rail carriers to offer similar contracts to similarly situated shippers. For example, if a rail carrier enters into a service and rate contract with a large grain shipper, that railroad, upon request, must offer a similar contract to a smaller grain shipper located on the same system. For practical purposes it is acknowledged that there will be differences in both services and cost between these two contracts because of differences in traffic volume, shipping patterns, destinations, and possibly other items. The ICC would be directed to establish standards and criteria by which to define similarly situated shippers. If a similarly situated shipper and a railroad are unable to reach agreement after a reasonable negotiation period, the ICC should have authority to develop and impose a service and rate arrangement which, in view of actual similar contract experience, is equitable to both parties. A shipper would continue to remain under common carrier service in the event it rejects such an arrangement.

In addition, Mr. Chairman, I think it would be extremely helpful to the shipping community in general and to small shippers in particular, if section 106 of your bill contained a provision establishing within the ICC a railroad contract rate advisory service which would function on two levels.

Such a service would be given the responsibility to review all contracts and to make recommendations for commission approval or denial depending on whether contracts would impair common carrier service, reduce the going concern status of the railroad, or promote anticompetitive or other abusive practices. Equally important, the contract review service would establish an information retrieval system through which summaries of nonconfidential contract information would be available to shippers and other interested parties as an aid in negotiated contracts and to trace contract developments as they occur throughout the rail industry. The service would interpret these contract activities and provide appropriate advice to both the commission and to interested parties.

Mr. Chairman, there are two other matters I wish to bring to the committee's attention.

It was the intent of Congress, through the Local Rail Service Assistance Act, to help States preserve important branchlines which otherwise would be abandoned by owning railroads. Unfortunately, serious problems have blocked some branchline takeover efforts initiated by States and local shippers despite the fact that Federal funding assistance had been made available.

In my own State of South Dakota a regional rail authority was formed to acquire a branchline which was under abandonment proceedings. Although all the necessary elements were in place to complete the transaction, the owning railroad used every tactic to delay the takeover and the shippers were forced to give up the project. I know that the committee realizes these circumstances are of critical importance in the Midwest and Upper Plains States which face the prospect of numerous abandonments resulting from the bankruptcies of both the Rock Island and Milwaukee Railroads. Increasing numbers of local shippers are now organizing to launch branchline takeovers in these regions.

In view of the obvious public interest concern associated with branchline takeovers, it seems to me that the ICC should be given authority to compel owning railroads to make timely release of branchlines when equitable, good faith offers have been made for their purchase. I urge the committee, as part of its current proceedings, to consider strengthening the local rail service assistance act in this way or in some other way that will help assure that takeovers will occur where needed.

Mr. Chairman, I know that you intended the Railroad Policy Act of 1979 to serve as a legislative outline to aid the committee in its deliberations rather than serve as a set of final committee recommendations. It is in this vein that I point out that the legislation does not adequately address the capital funding needs of the rail industry as a whole. I am not suggesting that the committee at this late date consider this matter in connection with reporting the Railroad Policy Act. I do, however, wish to use this opportunity to call attention to what I consider to be the erroneous administration hope that deregulation of the rail industry will allow railroads to generate the billions of dollars they will need in the immediate years ahead to sustain and improve their systems. As the committee knows, various studies have estimated that the capital deficit of the rail industry may exceed $16 billion in the 10-year period ending in 1985. Given the present intolerable inflationary pressures and the possibility of a serious recession, this problem takes on even more alarming dimensions.

I share the conviction of many of the Nation's largest railroad shippers and some railroad executives that a financing vehicle to help the industry meet its capital needs must be designed and put in place soon. Without going into great detail, I wish to state that there is, in my judgment, a growing consensus favoring the establishment of a national railroad trust fund, or something akin to it. Loan funds for such a program could be made available by the Federal Government through the sale of obligations in the money market. Railroads could repay these loans over an extended period of time through a small surcharge on traffic. Such a fund could be administered jointly by representatives of the rail industry, the shipping community and the Federal Government, with the Federal presence minimized.

Mr. Chairman, unless a national railroad trust fund or some other program that adequately serves the same purpose is established, many, if not most of the regulatory reforms being addressed by the committee today will never be achieved. Instead we will continue to have an interdependent rail industry crippled by the inability of important, and otherwise viable elements to obtain capital to survive and progress.

I hope that the committee will turn its attention to this vital issue as soon as it can.●

FARM LABOR CONTRACTOR REGISTRATION ACT

● Mr. JOHNSTON. Mr. President, there is increasing concern within Congress and throughout the agricultural community about the Department of Labor's administration of the Farm Labor Contractor Registration Act as amended. Reflecting that concern, a letter to Secretary Ray Marshall was recently signed by 52 Members of this body, including myself, and hand delivered to the Secretary. I shall submit that letter for the Record immediately following my remarks.

Mr. President, our concern is based on a growing number of actions in which the Department of Labor has ruled that farmers, ginners and certain other agricultural employers, or their employees, are required to register as farm labor contractors. The Department has held that anyone employed in agriculture is a migrant worker, anyone. This and other extremely narrow interpretations of the law by the Department of Labor have had the effect of completely circumventing the intent of Congress.

The Farm Labor Contractor Registration Act, or FLCRA as it is commonly known, was enacted by Congress in 1963 and amended in 1974. The purpose of this legislation was to protect migrant agricultural workers from being abused and exploited by unscrupulous crew leaders. To prevent those abuses, the act provides for the registration of crew leaders and establishes certain other requirements.

Those required to register must obtain a Certificate of Registration annually and be listed in a public directory in the Department of Labor. Other requirements include: First, being fingerprinted; second, designating the Secretary of Labor as lawful agent to accept summons in the event of departing jurisdiction; third, disclosing to employees the "charges to be made for (contracting) services;" fourth, posting of signs at the job sites indicating terms and conditions of employment, including the rate of pay; fifth, certifying any vehicle used to transport workers has a farm labor contractor liability endorsement with insurance coverage not less than required under the Interstate Commerce Act; and sixth, obtaining authorization from the Department of Labor (which requires a doctor's certificate) to operate any vehicle carrying migrant workers.

These regulations and requirements were made necessary because of the transient nature of crew leaders and past employment practices. They apply only to crew leaders—farm labor contractors, (sometimes called the "middlemen" who act between farmers) or other agricultural employers—and their employees. Specifically exempt from the scope and coverage of the law's requirements are farmers, ginners, canners, processors and certain other agricultural employers who hire and recruit solely for their own operation. Also exempt are full-time and regular employees of farmers and other agricultural employers if they are engaged in hiring and recruiting only for their own employer and do so on no more than incidental basis.

These exemptions were provided by Congress to focus the law's application on crew leaders and to avoid imposing an undue penalty and regulatory burden on farmers and other agricultural employers. The Department of Labor's actions, however, have had the exact opposite effect. In another example of overregulation. an increasing number of farmers, ginners and other agricultural employers are being cited for failure to register as farm labor contractors.

This, however, is not the only concern. Even more disturbing is the loss in protection which migrant agricultural workers have suffered as a result of the Department's failure to administer the law as Congress intended by not concentrating its efforts on those needing regulation the most. Therefore, I urge the Department to review its present policy, focus its limited resources on curbing abuses by unscrupulous crew leaders, and end its harassment of farmers, ginners and other good-faith agricultural employers.

The letter follows:

U.S. Senate,
Committee on Appropriations,
Washington, D.C., October 24, 1979.

Hon. F. Ray Marshall,
Secretary of Labor,
U.S. Department of Labor,
Washington, D.C.

Dear Mr. Secretary: We are writing this letter to express our increasing concern over the Department of Labor's administration of the Farm Labor Contractor Registration Act as amended.

The Farm Labor Contractor Registration Act was enacted by Congress to protect not only migrant and seasonal agricultural workers, but also farmers and other agricultural employers from abuses and exploitation by unscrupulous crew leaders. This remains the purpose of the Act and we fully support the continuing need for such legislation. However, we are concerned that the law is not being administered fairly or uniformly in a manner consistent with Congressional intent.

In a growing number of actions the Department has ruled that farmers and certain other agricultural employers, or their employees, are required to register as farm labor contractors. Such a requirement we believe goes beyond any reasonable interpretation of the law.

Under Sections 3(b)(2) and 3(b)(3), no "farmer, processor, canner, ginner, packing shed operator, or nurseryman who personally engages in any such activity for the purpose of supplying migrant workers solely for his own operation, or any full-time or regular employee of such entity . . . who engages in such activity solely for his employer on no more than an incidental basis . . ." is required to register as a farm labor contractor.

The Department's actions, which are apparently based on its own extremely narrow interpretation, are completely contrary to Congressional intent and purpose and has only served to impose an undue penalty and economic burden on those specifically exempted by Congress from the scope and coverage of the law's requirements. Moreover, these actions have resulted in a misdirection of the Department's limited resources at the expense of those the law was intended to protect.

We strongly urge therefore that the Department review its present policy and concentrate its resources on curbing abuses by unscrupulous crew leaders as Congress intended.

We appreciate your attention to these concerns and we look forward to hearing from you.

Sincerely,

J. Bennett Johnston, Lloyd Bentsen, Herman E. Talmadge, Thad Cochran, Donald W. Stewart, Russell B. Long, David Pryor, Dale Bumpers, George McGovern, J. James Exon.

John Tower, Dennis DeConcini, S. I. Hayakawa, Thomas F. Eagleton, Lawton Chiles, John C. Stennis, Strom Thurmond, Pete V. Domenici, Henrv Bellmon, David L. Boren, Milton R. Young, Richard (Dick) Stone, Ernest F. Hollings, Jesse Helms, Edward Zorinsky.

Richard Lugar, Gordon J. Humphrey, Rudy Boschwitz, John Melcher, William S. Cohen, Barry Goldwater, Donald W. Riegle, Jr., Sam Nunn, Howard H. Baker, Jr., Bob Dole, Roger W. Jepsen, Orrin G. Hatch, Jim Sasser, Harrison Schmitt, Nancy Landon Kassebaum, William V. Roth, Jr., Bob Packwood, Harry F. Byrd, Jr.

Frank Church, Dave Durenberger, Mark O. Hatfield, Howell T. Heflin, Larry Pressler, Paul Laxalt, Malcolm Wallop, Robert Morgan, James A. McClure, *U.S. Senators.*●

THE WATER CRISIS: IT'S ALMOST HERE

● Mr. DOMENICI. Mr. President, our Nation needs a national water policy. Our present "policy"—a collection of ad hoc decisions—has no capability for meeting, in any systematic way, the problems of the future.

While that existing approach in the past treated many areas of the Nation, including the West, quite well, it is an approach that no longer has a broad constituency. It is an approach, I fear, that is incapable of meeting our needs for the future.

Earlier this year, Senator MOYNIHAN and I introduced legislation designed to assure that needed projects would move forward more rapidly, and that States would have a far more active role in project development, with that development to be based on the identification of priority projects.

That bill, S. 1241, is currently under consideration in the Subcommittee on Water Resources.

Forbes magazine recently carried an interesting article entitled "The Water Crisis: It's Almost Here" on this general issue. I ask that the following article be printed in the RECORD.

The article follows:

THE WATER CRISIS: IT'S ALMOST HERE

(By Kathleen K. Wiegner)

Right now much of the world is forced to lick OPEC's boots for the oil it so desperately needs. Whose boots will we lick when we finally run short of usable water?

Just as Americans are beginning to recognize the inevitability of an energy crisis, another equally serious shortage is fast approaching. We are beginning to run out of water, and if you think waiting in gasoline lines and sweltering at 78 degrees is tough, just wait until you have to start counting water by the drop in your business if not in your home.

Already water looms as a major obstacle in efforts to loosen the Organization of Petroleum Exporting Countries' stranglehold on the U.S. "We grant permits to have oil wells drilled in town," smiles Gillette, Wyo.'s parttime Mayor Michael Enzi. "But we sort of hope they come up dry. Then we can use the pipes to gather water." Gillette has plently of oil, and also sits on top of enough coal to keep the U.S. warm for a long time. But there is not enough water.

Without more water the demographics of the last decade could also reverse overnight. The growth of the Sunbelt states could shrivel as quickly as it has blossomed, while northeastern states, which have abundant water supplies, could witness a surprising resurgence. Buffalo, N.Y., not Phoenix, Ariz., could be where the 21st century action is.

A water shortage? There's plenty of water, you say. Yes, but there are also huge quantities of oil in the world. What happened in oil was that demand grew faster than supply, and we had the energy crisis. The same thing is happening in water. Only the crisis point is somewhat further in the future. But only somewhat.

The politics of water is not so much a question of scarcity as it is of wasteful use. In essence, we have no more water today than our ancestors did, and our descendants will have no more water than we. To speak of a water "shortage" really means that there are more uses (and users) for the water than available supply, since water itself is one of our few indestructible commodities. At the center of every water war is a war over choices. Water stored behind a dam can be used for recreation but not for irrigation, just as water used to irrigate wheat cannot be used to slurry coal or make paper. You can fish in it or you can drop waste in it. You can't do both.

The U.S. has a dependable supply of fresh water equal to about 600 billion gallons of water a day, or about 3% of the world's total. (Canada and the Soviet Union each have more than 20%.)

In the past, the U.S. supply has usually been adequate, but if the U.S. begins developing energy on a massive scale, usage could grow at a frightening pace. In 1960 we used about 270 billion gallons a day. A decade later the figure had risen to 370 billion gallons. By 1985 total daily use will grow to at least 422 billion gallons—but that's without an energy push. But even if usage does not approach total supply, much of the water isn't where it is most needed. In Louisville, Ky., for example, the groundwater table has risen 32 feet over the last five years; leaving basements flooded in many homes. But in some areas of Arizona the water tables have dropped 400 to 450 feet, and in Tucson people have been asked not to water lawns or wash cars between 4 p.m. and 8 p.m.

Any dramatic rise in water usage will force the kinds of hard choices that are at the heart of every water war. It takes only seven gallons of water to refine the equivalent of a billion Btus from Standard Oil of California's Richmond oil refinery. But it takes twice that much water to get the same energy from nuclear reactors like the one at San Onofre, Calif. and three to four times that amount to get it from oil shale. In addition, many of the "new generation" fuels, like geothermal, also consume much more water when they are used to generate power.

Nowhere is the conflict over water use more serious than in the Rocky Mountain states. It is there that much of America's most easily developed energy alternatives are located. But it is also there that water is often most deficient. At least six coal gasification plants have been proposed for western states since 1970. As yet, none has been able to get the necessary water rights and other approvals. Last spring Wyoming Governor Edward Herschler vetoed a $1.8 billion plan to pipe crushed coal out of Wyoing and Montana to power plants along the Gulf Coast. Why? Because the water needed to slurry the coal would have come from Wyoming. Herschler and his supporters argued that it would have been difficult if not impossible to replace the water. A similar plan to move Utah slurry coal by pipeline to California for shipment to Japan and South Korea has also been blocked by conservationists who don't mind exporting coal but who are opposed to exporting water.

The rolling grassland and wheat fields of the Ft. Union area in eastern Montana contain some 43 billion tons of strippable coal, making it the richest such deposit in the U.S. Six major energy companies, including Tenneco, Gulf Oil and Sun Co., hold leases on the coal. They would like to strip-mine it and turn it to synthetic fuel in gasification plants. These plants, however, would require huge amounts of water from the Yellowstone River, and last year, under pressure from a coalition of ranchers and environmentalists, the Montana Board of Natural Resources and Conservation gave rights to most of the water to preserving wildlife and for municipal and agricultural use, effectively shutting out energy firms from all but a small amount.

Most of the oil shale plants that President Carter has proposed are to be built in northwestern Colorado. But Colorado's Governor Richard Lamm and others in the state worry about the amount of water needed to process shale. The West is willing to develop its natural resources for the nation's benefit if that development pays its way and doesn't despoil the land," says Lamm.

Governor Lamm is opposed to a massive gasohol project because it would require the use of much of the state's groundwater. The promoter behind the project says he needs the water to grow 2 million acres of trees that would, in turn, provide wood alcohol for the project. Lamm argues that he is not opposed to gasohol development, but believes the promoter is really trying to rip off the state's water. Lamm also complains that Colorado had to give up 300,000 acres of farmland last year to energy development and urban growth and he fears last year was just the beginning. "We are worried about energy usurping agriculture in our state's economy."

Then there are the Indians. Angry leaders of the Ute tribe which owns the rights to one-third of the water needed for a key section of the Central Utah water project have threatened to withdraw their support unless their hunting and fishing rights are extended. Indeed, the whole question of Indian water rights is a bomb waiting to go off, since no one knows precisely how much water the Indians were granted back at the turn of the century when the Supreme Court ruled that they could have as much water as they needed to develop their reservations. "Indians in Arizona are screwed by the state," argues Navajo Gary Verburg, a lawyer for the Navajo tribe. "The Central Arizona Project, a giant aqueduct, to bring the Colorado's water to central Arizona, is essentially taking away our reserved water rights."

Water disputes, of course, aren't new in America and, in the West, they have been almost a way of life. Only 100 years ago a barrel of water cost more than a barrel of oil in some places. "Sell the water and give the land away" was the slogan used by many a real estate developer. In this century, it is no coincidence that the longest oral argument made before the Supreme Court involved a water fight between Arizona and California. The final ruling, which followed eight years of oral testimony, gave Arizona the right to take 2.8 million acre-feet of water from the Colorado River. That ruling put an end to nearly 40 years of feuding between the two states, including a spell in which Arizona declared martial law over some territory and called up the National Guard to keep the water from the hated Californians.

Nowadays water still incites deep passions. During the 1976 drought in California, the Los Angeles aqueduct, which brings water down from the Owens Valley, was bombed, probably by angry valley residents who have a long-standing feud with the city.

The rapid growth of the Southwest came only because vast state and federal water projects made the "desert bloom," attracting population and industry. It is that water that creates an illusion of plenty in a land of scarcity.

The key to that illusion is the Colorado River, the major source of fresh surface water in the West. Rising high in the Colorado Rockies, it winds 1,400 miles through seven states (Wyoming, Colorado, Arizona, California, Nevada, Utah and New Mexico) with 29 million people. During the 1930s, federal reclamation and flood control projects tamed the unpredictable Colorado so that today it is the most overallocated river in the U.S., watering 3.4 million acres of crops worth well over $1 billion yearly and providing power to more than 200 utilities. The Colorado River compact of 1922 divided up the water among these seven states, and in 1944 Mexico, by treaty, got a share of its own. But, in hindsight, the compact divided up more water than there is in the Colorado. So far there has been no serious problem because the states have not been taking their full share. This could change rapidly if synfuel plants and slurry pipelines get built on anything like the scale President Carter proposes. And after 1985, when the Central Arizona Project and Nevada Water Project begin operating, states at the lower end of the river will be using their full share. Southern California, which has been drawing Arizona's "unused" water from the Colorado, may find itself high and dry unless it can begin taking water from the northern part of the state, where sentiment runs high against sending water south.

It is Arizona, however, that is the state most premised on endless supplies of water. Phoenix, once a sleepy agricultural town set among the cactus and sagebrush, has grown from 105,800 people in 1950 to a sprawling metropolis of 800,000, as residents have poured in from the old Northeast and Midwest. At Fountain Hills, a planned community in the middle of the desert, a giant fountain throws water hundreds of feet into the air almost in defiance of the arid landscape. Although it has only 9 to 12 inches of rainfall a year, it ranks in the top ten states in per capita consumption of water and has more boat owners per capita than New York with its average rainfall of over 40 inches. But the state's growth long ago outstripped usable surface water supplies, and in many areas underground water is being used faster than it can be replaced.

In the jargon of hydrologists, Arizona water is being "mined," like coal, because it is not being renewed. In the major agricultural center of Pinal County, between Phoenix and Tucson, overpumping by farmers has collapsed whole sections of the land, cracking sections of the interstate highway and tearing up rail lines. Since 1960, nearly 100,000 acres in Pinal County—more than one-third of the area's irrigated acreage—have gone out of production. The massive Central Arizona Project was originally planned to replace dropping groundwater tables in Arizona's main agricultural area. But by the time it is completed much of the water will be needed to slake the insatiable thirst of Phoenix and Tucson. Around Tucson, farmland was bought up by the city just to get the water for mushrooming urban growth. Says Tom Caywood, a born and bred Arizonian who recently sold his farm: "Water is just costing too much to pump and it is getting harder and harder to stay in business." Jim Henness, who owns an 800-acre farm in Casa Grande, says that "before any water from the Central Arizona Project comes, this area will have gone back to desert. The only area than can produce foodstuffs 360 days a year is drying up." Scattered incidents? Perhaps. But so were the early signs of the oil crisis, which began not with the 1973 Arab embargo but in 1967, when the U.S. crossed over from being self-sufficient in oil to being a net importer.

Water is already an issue in foreign policy. Mexicans have been rankled by the salty condition of the water they receive from the Colorado River. The salt is leached from the irrigated soil of farmers on the U.S. side of the border. In 1973 the U.S. agreed to clean up its water, including proposing to build a large $220 million desalting plant near Yuma, Ariz. But the plant, if built, is expected to do only part of the job once the big water projects (like those in Utah and Arizona) come into operation in the next five years.

Those parts of the southwestern Sunbelt not nourished by the Colorado River gain their sustenance from smaller streams and lakes and underground aquifers, porous rock formations that trap water as it sinks through the earth. These resources are also being used faster than they can be replaced.

The high plains of west Texas rest on a giant underground aquifer known as the Ogallala aquifer, which contains water stored by thousands of years of rain and snow. Three decades ago there were some 2,000 wells in the area. Now there are over 70,000 wells watering 25 percent of the U.S. cotton production and herds of cattle. But land under irrigation has already peaked, and in 20 years irrigated acreage will have declined to 3.2 million acres vs. 6 million acres today.

In southwest Nebraska, eastern Colorado, and western Kansas, which draw from the same aquifer, water tables are dropping so rapidly that by the turn of the century the recoverable groundwater will be gone. Without irrigation, Nebraska will revert to dry farming, where the yield per acre for corn may be only 25 bushels, vs 125 bushels using irrigation.

In California's rich San Joaquin Valley, which gets much of its water from aquifers, farmers are pumping nearly 1.5 million acre-feet of water a year more than is being replaced and in the process creating soil and water quality problems, the result of salts and minerals the water collects as it sinks through the soil.

What can be done? Grand water schemes abound. In Texas people still talk about building a pipeline from the Mississippi or Arkansas rivers to provide water for the Texas panhandle. Wyoming would like to pipe water from the Missouri River in South Dakota. And the grandest water scheme of all, the North American Water and Power Alliance (NAWPA), would bring the abundant frozen waters of the Yukon River in Alaska down to the lower 48 states and Mexico for a price tag of close to $200 billion.

Perhaps these things can be done. But consider the price. Again, the analogy with oil and synfuel holds: The costs in energy itself and in money for these projects will be enormous and will divert resources that could be used for other things. With water as with oil, conservation is the cheapest and best answer. With oil, it is late in the day; we have not run out of cheap water yet but the time has come to begin conserving it so that it may remain cheap. But the necessary changes won't come easily, given the archaic patchwork of laws governing water and the entrenched nature of the "water establishment"—that is, the Bureau of Reclamation, the Army Corps of Engineers and, perhaps most important, powerful congressmen beholden to agricultural interests. For years three northern California congressmen—Bizz Johnson, Bernie Sisk and John McFall—exercised virtually unchallenged control over the $3.6 billion federal water system serving California's 400-mile-long Central Valley. Their influence extended far beyond California. They could deliver projects not only for their own constituents but also for friends in Congress, having mastered the pork-barrel art. It was Sisk who often said, "I'd rather trust another man with my wife than with an acre-foot of water." Sisk has retired from Congress and McFall was defeated after 22 years in Congress last term, but Johnson remains as chairman of the Public Works and Transportation Committee, which has control over so many pork-barrel projects.

Even western governors who often side with environmentalists scream when anyone suggests that a water project ought to be curtailed or eliminated in their states. Colorado's Governor Lamm, for example, while opposing development elsewhere in the state, is firmly behind the proposed Savery-Pot Hook project that would serve Colorado and Wyoming, even though statistics indicate the project makes no economic sense. "We need water projects continually to regain energy independence," says Utah's Governor Scott Matheson. "By no means have we exhausted the need to develop water."

The federal government controls only navigable waters and federal irrigation and hydroelectric projects. And even that control is limited. The rights to who uses the water are really controlled by the states. California has made some efforts to establish consistent policies, but even there interests with the most political influence often prevail. In 1977 a federal court ruled that the 1902 Reclamation Act, which established the principle of federally subsidized water for agriculture, applied only to farms of 160 acres per person living on the farm. But the Senate is expected soon to approve a bill that would virtually repeal the 160-acre law, which is opposed by big agribusiness. Even Governor Edmund (Jerry) Brown, who initially supported the small farmers, has backed off under pressure from big water users.

That would seem to argue for more federal control of water policy. But as might be expected, Washington's track record gives little reason to believe things would be more-efficient if it were more involved. Part of the confusion stems from the fact that 25 separate federal agencies are responsible for spending more than $10 billion a year. For example, the Office of Water Resources & Technology has an annual budget of $28.5 million while the Alaska Power Administration's budget is $2.6 million. Additional confusion stems from the fact that benefits were always seen as an end in themselves—damn the cost.

Carter tried to attack the "water establishment" by demanding that future water projects pay some attention to the cost of providing water. Another approach before Congress would establish block grants to states which would then decide themselves which projects to build. A recent Rand study for the Department of Energy points out that in many Bureau of Reclamation projects cost overruns occurred on over 50 percent of the projects for the period studied. In addition, benefits may be considerably below costs. In the proposed Savery-Pot Hook Project, for example, the Bureau of Reclamation figures the government would get 89 cents in benefits for every dollar spent since the $70 million project is designed to provide irrigation water to only 106 large family ranches. Other officials claim the California Central Valley Project is also cost ineffective.

To give some idea of the disparity between controlled water prices and free market price, in Utah a California utility paid $1,750 an acre-foot for water that in the past farmers had got for less than $25. Cheap water for farmers is based on a concept introduced during the Depression to keep farmers in business, that prices water roughly on ability to pay. Again, the analogy is chilling: Oil prices, too, were kept deliberately low to encourage use.

Farmers' cries to the contrary, irrigated agriculture wastes water on a grand scale. At the 5,000-acre Merzoian Elmeo Vineyards in California's San Joaquin Valley, for example, water floods through a series of small ponds in the furrows between the rows of grapes, consuming far more water than is needed. But as energy costs for pumping rise, Robert Merzoian admits, "We will reach a point where it is more efficient to install a drip irrigation system."

A recent study by the General Accounting Office concluded that at least half of the water used in irrigation is wasted. A Bureau of Reclamation study done in 1973 found that with water priced at $1 to $3 an acre-foot, irrigation efficiency was less than 44%. But as the price rose to $10 an acre-foot, efficiency jumped to more than 60%.

As prices rise, water users will have to pay these higher costs, as will utilities and municipalities. Farmers growing high value added crops, such as citrus growers or big corporate farmers, will continue to buy water at the new price, but smaller more marginal users will be penalized. Grocery costs will go up.

During recent droughts much has been made of the need for personal conservation. But domestic water use is a drop in the bucket compared with agricultural and industrial useage. Only 9 percent of the water used daily in the U.S. goes for physical and domestic uses such as flushing toilets, baths, drinking and watering the lawn. About 47 percent of the water nationwide is used by agriculture and 43 percent by industry. Bricks in toilet tanks or shutting off sprinklers hissing on summer lawns make better symbolism than sense in dealing with water shortages.

Ponder these statistics. It takes more than 30,000 gallons of water to produce a ton of steel, 200 gallons to make 1 pound of synthetic rubber, 184,000 gallons for a ton of high quality book paper and 1 gallon to brew a pint of beer. It takes 4,000 gallons to raise 1 pound of beef, 1,300 to grow 1 pound of cotton and 500 gallons to grow a pound of rice. One medium-size paper mill turning out 1,000 tons of paper a day, uses as much water as all the people in a city of 1 million. The implications for continued industrial expansion and for a rising standard of living are ominous.

In forming water policies it is important to give some preference to products where water isn't consumed—that is, in which it isn't diverted for long periods of time from its natural channels. "Consumption" is even more critical than the total quantity of what used, because it is water that is not available for other uses. Generation of hydroelectric power is nonconsumptive since water that turns turbines almost immediately returns to the river. Agriculture on the other hand, is responsible for 83 percent of total water "consumed."

Closely related to the question of water "consumption" is that of water quality, especially in the eastern and midwestern U.S. For years wastes from petrochemical plants, pulp mills and foodpacking plants spewed into eastern rivers and lakes, making the water unusable for other purposes.

The Water Pollution Control Act of 1972 set out to clean up the water by requiring that by 1983 all lakes and streams be returned to a purity described in layman's terms as "fishable and swimmable." Rough estimates put the cost at the time at $500 billion to meet these standards. But in retrospect the price may have been worth it. By purifying water so that it can be reused, or released into a lake or river clean enough to be used again, the East will be able to guarantee industry adequate clean water supplies while the West struggles to meet all the demands on its water.

There is still a great deal that can be done for conservation once water begins to be treated as a scarce resource. Trickle and drip irrigation, which places water directly at a plant's root system rather than running it through dirt-lined irrigation ditches that soak up more water than the plants use, is a practicable technology. The Irvine Ranch in southern California has been able to reduce its water use by 25 percent to 30 percent, enough water to supply 10,000 families in Los Angeles for a year, through an intensive drip and wastewater reclamation program. Reinjection in wells can pump purified drainage water back into aquifers. Industry and municipalities with advanced treatment systems can reuse water again and again in closed loop systems: In Japan, for example, 62 percent of the water used by industry is recycled water. Construction of a $21.6 million pilot project, the world's first, began last spring in Denver to turn sewage into drinking water.

The ultimate solution is, of course, desalination of ocean water. That's where most of the world's water is—in the oceans—97 percent of it.

In water starved Hong Kong, the world's largest distillation desalination plant produces over 48 million gallons of fresh water a day. Desalination has been feasible for years, but the cost is astronomical; desalination is to water what shale and synfuel are to oil.

The world's population is continuing to explode in spite of birth control, but its water supply is not. The water crisis, when it comes, may make the energy crisis look like a brief thunderstorm on a soft summer day.●

S. 1241: THE NEED FOR GREATER UNIFORMITY IN NATIONAL WATER POLICY

● Mr. DOMENICI. Mr. President, one of the problems of present water policy is the wide variety of cost-sharing options available for various types of water projects. Such variations encourage local sponsors to shop around for the project that is least costly to them, rather than the most effective project. These variations encourage agencies to overbuild those aspect of multipurpose projects with low levels of local cost sharing, disregarding benefits that may cost local sponsors additional funds.

S. 1241, the legislation Senator MOYNIHAN and I have sponsored with other Senators, would correct this imbalance by placing water needs on a like cost-sharing basis.

Mr. President, I ask to print in the RECORD the following table showing the myriad of differing cost-sharing arrangements on water projects, as prepared by the Water Resources Council.

WATER RESOURCES COUNCIL—OPTIONS FOR COST SHARING: COST-SHARING ISSUES—DIMENSIONS, CURRENT SITUATION, AND OPTIONS

SUMMARY OF THE MEAN, EFFECTIVE, COMPOSITE NON-FEDERAL COST SHARING FOR ALL PROGRAMS AND PROJECTS BY PURPOSE, BY AGENCY[1]

[In percent]

Purpose	ASCS	FmHA	FS	SCS	COE	EDA	NOAA	EPA	CPD	FIA	FDAA	BLM	USBR	BOR	FWLS	NPS	CG	FPC	TWA	SBA	USA
Urban flood damage reduction	—	—	—	(*)	17	—	—	—	—	13	(*)	—	(*)	—	—	—	—	—	[2] 94	47	2
Rural flood damage reduction	—	80	—	27	7	—	—	—	—	—	—	—	10	—	—	—	—	—	60	—	1
Drainage	34	—	—	58	35	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	4
Agricultural water supply (irrigation)	34	—	—	54	19	—	—	—	—	—	—	—	18	—	—	—	—	—	—	—	19
Erosion and/or runoff control	34	—	(*)	89	5	—	—	—	—	—	—	(*)	—	—	—	—	—	—	—	—	34
Rural flood damage reduction and agricultural production	34	80	(*)	47	8	—	—	—	—	—	—	(*)	18	—	—	—	—	—	60	—	16
Commercial fisheries	—	—	—	—	5	—	(*)	—	—	—	—	—	—	—	—	—	—	—	—	—	5
Services	—	—	—	—	—	—	(*)	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Aquacultural production	—	—	—	—	5	—	33	—	—	—	—	—	—	—	—	—	—	—	—	—	8
M & I water	—	91	(*)	100	54	—	—	—	—	—	—	—	71	—	—	—	—	—	—	—	64
Steamflow regulation	—	—	—	—	2	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2
Water quantity management	—	91	(*)	100	40	—	—	—	—	—	—	—	71	—	—	—	—	—	—	—	54
Point source	—	92	(*)	—	3	—	—	62	79	—	—	—	82	—	—	—	—	—	102	—	64
Nonpoint source	—	—	—	—	3	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	3
Water quality management	—	92	(*)	—	3	—	—	62	79	—	—	—	99	—	—	—	—	—	102	—	60

WATER RESOURCES COUNCIL—OPTIONS FOR COST SHARING: COST-SHARING ISSUES—DIMENSIONS, CURRENT SITUATION AND OPTIONS

SUMMARY OF THE MEAN, EFFECTIVE, COMPOSITE NON-FEDERAL COST SHARING FOR ALL PROGRAMS AND PROJECTS BY PURPOSE, BY AGENCY—Continued

[In percent]

Purpose	ASCS	FmHA	FS	SCS	COE	EDA	NOAA	EPA	CPD	FIA	FDAA	BLM	USBR	BOR	FWLS	NPS	CG	FPC	TWA	SBA	USA
General	—	—	(*)	63	17	—	—	—	50	—	—	(*)	18	(*)	—	(*)	—	—	94	—	19
Fish and wildlife	—	—	—	57	11	—	—	—	—	—	—	(*)	13	—	25	—	—	—	—	—	14
Boating (berthed and launched)	—	—	—	—	38	—	—	—	—	—	—	—	—	—	—	—	48	—	—	—	38
Recreation	—	—	(*)	62	17	—	—	—	50	—	—	(*)	15	(*)	25	(*)	48	—	94	—	19
Natural areas	(*)	—	(*)	—	—	—	—	—	—	—	—	—	4	—	4	—	—	—	—	—	4
Historic and cultural sites	—	—	—	—	—	—	—	—	—	—	—	—	(*)	—	—	—	—	—	—	—	(*)
Ecological systems	—	—	—	—	—	—	(*)	—	—	—	—	—	—	—	51	—	—	—	—	—	26
Other	—	—	—	—	(*)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(*)
Natural Areas and Cultural Resources	(*)	—	(*)	—	(*)	—	(*)	—	—	—	—	—	4	—	9	—	—	—	—	—	6
Commercial harbors	—	—	—	—	16	—	—	—	—	—	—	—	—	—	—	—	(*)	—	—	—	16
Waterways	—	—	—	—	6	—	—	—	—	—	—	—	7	—	—	—	7	—	[2] 94	—	6
Services	—	—	—	—	1	—	—	—	—	—	—	—	—	—	—	—	(*)	—	—	—	(*)
Navigation	—	—	—	—	7	—	—	—	—	—	—	—	7	—	—	—	5	—	[2] 94	—	7
Hydro-Power Generation	—	—	—	—	61	—	—	—	—	—	—	—	65	—	—	—	—	(*)	123	—	64
Area Redevelopment Benefits	—	—	—	—	2	66	—	—	—	—	—	—	(*)	—	—	—	—	—	(*)	—	60
General Support or Unallocated	—	—	—	18	13	—	—	—	—	—	—	—	100	(*)	3	(*)	—	—	9	—	23
Other	—	—	—	—	30	—	—	—	—	—	—	—	17	—	—	(*)	—	—	—	—	25
Agency mean, all purposes	34	89	(*)	49	20	66	33	62	73	13	(*)	(*)	37	(*)	20	(*)	8	(*)	76	47	30

[1] Weighting for the major purpose such as Water Quality Management may reflect programs which were unallocated to the subpurpose shown but included in the major purpose aggregate; (*) means there is a program of project activity for that purpose but no cost sharing was reported; (—) means there is no program or project activity reported for that purpose.

[2] Upon review, TVA indicates that this rate is virtually zero. Consult TVA before use.

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UNITED STATES-JAPAN RELATIONS: AN ADDRESS BY AMBASSADOR MIKE MANSFIELD

● Mr. CHURCH. Mr. President, there is no one who could represent the United States better in Japan than our former colleague and majority leader, Mike Mansfield. He brought to his present position a unique combination of long experience in Asian affairs and of deep knowledge of the workings of the U.S. Government. He has made a great contribution to United States-Japanese relations during his time as Ambassador to Japan, and his presence in Tokyo makes it certain that the U.S. Government will have the benefit of wise counsel in dealing with our key Asian ally.

Ambassador Mansfield recently made an important speech appraising the evolution of United States-Japanese relations during the past few years. He not only stresses the close cooperation that exists between Japan and the United States in political and military affairs, but sets forth his reasons for cautious optimism regarding our bilateral economic relations. In particular, he points out that Japanese imports from the United States during the first half of 1979 increased by 46 percent compared to the 1978 level, while Japanese exports to the United States were up by only 8 percent. This does not mean that the problem has been solved, and Ambassador Mansfield has no illusions on this point. But he emphasizes the solid progress that has been made, and sets forth some excellent suggestions for further actions to deal with this key issue.

I recommend Ambassador Mansfield's wide-ranging and insightful speech to everyone interested in our relations with Japan, and ask that it be printed in the RECORD.

The speech follows:

UNITED STATES-JAPAN RELATIONS: AN ADDRESS BY AMBASSADOR MIKE MANSFIELD TO THE FOREIGN AND DOMESTIC ISSUES COUNCIL, TOKYO, SEPTEMBER 12, 1979

When I first arrived in Japan in June of 1977, I felt strongly that the framework of close and friendly ties between our two countries was firmly established. After many years in the U.S. Congress, and on the basis of a long and enthusiastic interest in Asia, I had concluded that our two democracies had much in common and that a U.S.-Japan partnership was vital to our mutual well-being.

There were some problems in our relationship—for example, the concern here about the disposition of U.S. ground forces in Korea, and differences concerning the initial operation of the nuclear fuel reprocessing plant at Tokai Mura—but I felt confident that those questions could be managed and resolved with goodwill and cooperation on both sides. That confidence was well placed. We have worked out good understanding on those and other issues, testifying to the basic strength of our relationship.

The state of our economic relations in June of 1977, however, was not good. We were in serious difficulty. The U.S. was heading into a period of severe trade deficits, while Japan was having record breaking surpluses. There was a long list of problems and complaints relating to particular industries. Color television exports to the U.S. were arousing strong objections from industry and labor. Some TV trade issues were being tested in U.S. courts. We had problems in our trade in special and carbon steel. The multilateral trade negotiations had been going on for four years, but had made virtually no substantive progress. The mood in the U.S. Congress was problematical and there were increasing pressures for protectionist actions which would have left serious long-term damage.

In short, while there was no doubting our strong ties of friendship and our ability to talk to each other frankly, our ties were deeply troubled by many difficult issues. The next two years, consequently, were among the most difficult period in our relationship since the end of World War II.

Today the picture is markedly different—and the change has been for the better. Our two countries have developed a broader and more productive political partnership and are cooperating actively in a growing variety of areas. The breadth and depth of our relations were demonstrated by the highly successful visits to Washington by former Prime Minister Fukuda last year and Prime Minister Ohira last May, and that of President Carter to Tokyo in June. The Joint Communique agreed to between President Carter and Prime Minister Ohira on May 2 did not concern only bilateral issues. It mirrored in its scope and variety the fact that our two countries have a growing mutual concern about world issues and that our bilateral relationship has a growing multilateral dimension. President Carter's state visit just before the Tokyo Summit demonstrated a new maturity and balance in our relations. In addition to the very good discussions he held with the Prime Minister, and the important formal aspects of his stay, the President was particularly gratified to have had the opportunity to meet and talk directly with the Japanese from all walks of life at his town meeting in Shimoda which dramatized the close ties and common interests which characterize U.S.-Japan relations. In some respects that meeting was the highlight of the bilateral visit.

Japan seems to me to be reaching out, taking on a new and more active international role—and I believe this is good, for Japan and the world. As it does so, the United States will remain a consistent partner and fellow activist, for we believe in the old saying that far more can be achieved by two nations—no less than two persons—working together than by the sum of our separated efforts. We welcome Japan's new activism and leadership, whether in coordinating our approaches to the energy crisis, or in dealing with the tragedy of Indochina refugees. I should add that Japan's performance as host for the Economic Summit in June demonstrated clearly its stature as a leading country in the free world.

One of the most rewarding and satisfying aspects of our ties in the time I have been here has been U.S.-Japan security relations, which have never been better. In the last two years, a number of steps have been taken which enhance them. Japan is going ahead with the procurement of modern defense systems such as the F-15 fighter, the P3C anti-submarine warfare aircraft, and the E2C early-warning aircraft which lend credibility to its defensive posture. Japan has contributed a substantial share to the cost of U.S. Defense Forces located in Japan for mutual security purposes. Representatives of our two governments have developed guidelines for defense planning, which will add a new and important dimension to our cooperation in the security field. We are also engaged in intensive and high-level consultations on a broad range of defensive issues; the recent successful meeting between JSDA Director General Yamashita and Defense Secretary Brown in Washington is a good example.

But perhaps the most impressive improvement has been in the area of our trade and economic relations. I think the extent of the change is not fully appreciated, so I would like to cite the record.

In the first half of 1979 U.S. exports to Japan were up 46 percent compared to a year ago. U.S. imports from Japan were also up, but only by 8 percent. When in the past U.S. representatives said they were seeking a correction of the trade imbalance, but not restrictions on imports, this was precisely the trend they had in mind.

Japan's global current account surplus has disappeared and Japan had a deficit of $1.8 billion for the first seven months of 1979. In part that is the result of sharply higher oil prices, but it also reflects import increases across the board. By the end of 1979 we may well see more increases in Japanese exports, but there is no reason why the problem of burdensome Japanese surpluses should not be behind us.

Some of Japan's traditionally strong exports have declined or levelled off, at least in volume terms. Color TV shipments to the U.S. so far in 1979 are down by 52 percent compared with the similar period in 1978. Steel is down by 6.8 percent, and autos are down 3.2 percent. Because of strong demand in the U.S. for smaller, energy efficient cars it is certain that Japanese auto exports will rise to some extent. This trade is beneficial to both countries, and we should expect increases in response to demand, but I hope that they are smooth and in accord with market developments.

U.S. agriculture continues to be a bright spot in our world trade, and Japan is our best foreign market. In 1978 we shipped $4.4 billion in agricultural products to Japan, up by half a billion dollars from the year before, and the total should be over $5 billion this year. We are also doing well in capital goods up 29 percent in 1978, and in consumer goods which were up 33 percent.

There are many reasons for this improvement, but one of them is that we Americans are following your advice and working harder at selling in Japan. You sent a record-breaking trade development mission to the U.S. in the spring of 1978, and we reciprocated by sending a mission of over 100 members to Japan in October. This year we and the Japanese Government are cooperating in a project to use the Japanese exhibit ship, the Shin Sakura Maru, to bring U.S. consumer products to 13 port cities in Japan beginning in October for two months. One hundred forty eight U.S. firms will be represented and we will find local distributors for them to develop their sales in the future. U.S. products will be sold, not just shown, and I hope all of you will find the time to visit the ship and see what we will have to offer.

The successful completion of the Multilateral Trade Negotiations is another major achievement. Japan made a splendid contribution, agreeing to lower duties on industrial goods from applied rates by 28 percent and much more from statutory rates, while the U.S. cut will be 31 percent. As a result, Japan's average tariff on dutiable industrial goods will be 4.9 percent, the lowest of any major industrial country. Japan also contributed greatly in the negotiation of new codes governing international trade, and I hope Japan will ratify them expeditiously. The success of the MTN and continuing benefit of all is our best answer to protectionism.

As trade expands and more and more business is conducted across national boundaries, the rules of international conduct become more important. The Lockheed scandal which shook Japan is an example how things can go wrong. We must be sure that international business is carried on in accordance with the highest ethical standards. However, I do not think that any one country can or should dictate what is ethical behavior in international business. Therefore, I firmly support Senator Proxmire's proposal last month for a conference of leading industrial countries to consider an international convention on business conduct. This idea is not new; the need for multilateral action is clear, and I think all industrialized countries should act on this without delay.

We still have much to do. Our problems really have not all disappeared. I have heard it said, for example, that Japan's payments surplus has not gone away for good, but is only hiding for awhile and will soon be back. There is no reason for that to happen; surely we have all learned that a balanced course is a wiser course, and that all countries share the responsibility for avoiding excessive surpluses or deficits. The Carter-Ohira Communique of May 2 confirms that we must take a common approach which will contribute to a stable payments pattern. It is clearly in our interest to do so.

The success of the MTN also imposes obligations on us all to make it work. The U.S. Congress has already passed our implementing legislation by an overwhelming vote. The Japanese Diet will have to act soon in accordance with Japanese law. The MTN codes and the agreement of June 2 between Ambassador Ushiba and Ambassador Strauss also commit both countries to clear up some difficult problems relating to import standards, sales of tobacco to the Japan tobacco monopoly, and procurement by government controlled agencies, especially NTT. We must approach these issues in a spirit of compromise and with the will to settle them in a manner consistent with the principles of reciprocity and open trade. The objective is to assure reciprocal access and expanded opportunities for business.

Japan also needs to develop a better image in the U.S. as a business partner. The task is not easy. Much of the difficulty lies in our different approaches to trade expansion. We see our market as fully open to all, and only after imports in one category grow too fast or too large, do we seek to restrain them. When that happens Japanese exporters feel that they are blamed for being "too successful". When we try to sell to Japan the most severe problems arise before the entry of a new company or product. Sometimes the result is that a would-be American exporter fails before he even gets started. To him that seems unfair—as if he had never even had a chance. We need to find a way to avoid giving such an impression to newcomers to Japan.

Changing our attitudes and styles of behavior is not easy. We Americans need to take a longer view, and not give up in the face of initial resistance. We also need to invest our resources and energy for benefits received over a long time. Japanese need to recognize how damaging it can be to them when an American is given a bad impression at the start. American exporters know that they must market competitive products and meet Japanese standards. They should be given to understand that they can export to Japan on the same basis as Japanese export to the U.S.

Such problems can rise owing to the cultural and societal differences between us. Despite our friendship, partnership and interdependence, we are separated by cultural gaps which have to be understood if they are to be bridged. To help that process along I would like to propose a program of work-study grants to help Americans understand Japan better. Many Japanese learn English and spend many years in America really learning American ways firsthand and conducting profitable business as American experts. They make a tremendous contribution to better understanding, but there are few Americans who do the same in Japan. We need more. I would like to see U.S. businesses operating in Japan devote a portion of their profits to supporting several top U.S. graduate students in Japanese studies each year who would come to Japan for a year or two of language study and academic preparation, followed perhaps by a three-year assignment in the Japan offices of an American company. They would live and work in a business environment in Japan for a long period. Having learned something of Japanese language, culture, history and society first they would move on to learning first-hand how modern business and life in Japan really works. This would represent a long-term investment, both for the individuals and for the organizations which would participate, but in time it would pay great dividends.

Another theme I wish to emphasize is the importance of increasing U.S. productivity. Productivity is a major determinant of how competitive any country is in world trade, and also of the general welfare of workers themselves. In the United States our record has been poor. U.S. productivity has risen only 0.3 percent annually since 1973, and in recent months has actually gone down. Japan during the 1970's has increased productivity by an average of 7.7 percent every year. Japan has continued to save and invest a high proportion of personal income and substantial gains in that income have resulted. This is an example Americans should study. In a spirit of friendship and cooperation there is much we can learn from you. In such an environment we can solve problems, increase the welfare of people in both our countries, and work to build a more peaceful and prosperous world. We can all be proud of our major achievements to date, but I do not think we should let that make us too complacent. For, as our experience has shown, by working together we can make the most of the many opportunities ahead.

ORDER FOR RECESS UNTIL 8:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President. I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 8:30 tomorrow morning.

The PRESIDING OFFICER. Without objection. it is so ordered.

Mr. ROBERT C. BYRD. We have got several special orders.

EXTENSION OF TIME FOR COMMITTEE TO FILE REPORT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources have until midnight tonight to file a report.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders have been recognized, the following Senators be recognized, each for not to exceed 15 minutes: Mr. Robert C. Byrd, Mr. Goldwater, Mr. Javits, Mr. Church, and Mr. Harry Flood Byrd, Jr.—not necessarily in that order.

The PRESIDING OFFICER. Without objection. it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the names of the following Senators be added to the orders for tomorrow, but that the orders which I am about to enter precede the orders already entered: Mr. TSONGAS, Mr. PRYOR, and Mr. SCHMITT—each for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS

The PRESIDING OFFICER. The Chair, on behalf of the majority and minority leaders, appoints the following Senators as advisers to the President's Commission for a National Agenda for the Eighties:

The Senator from Maine (Mr. MUSKIE), the Senator from Wisconsin (Mr. NELSON), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Texas (Mr. BENTSEN), the Senator from Colorado (Mr. HART), the Senator from Alabama (Mr. STEWART), the Senator from Montana (Mr. BAUCUS), the Senator from Maryland (Mr. MATHIAS), the Senator from Utah (Mr. GARN), the Senator from Minnesota (Mr. DURENBERGER), and the Senator from Kansas (Mrs. KASSEBAUM).

FUELS TRANSPORTATION SAFETY AMENDMENTS ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. FORD, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 411.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 411) entitled "An Act to improve the protections afforded the public against risks associated with the transportation of hazardous commodities by pipeline", do pass with the following amendments:

Strike out all after the enacting clause, and insert:

SHORT TITLE; TABLE OF CONTENTS

SECTION 1. (a) This Act may be cited as the "Fuels Transportation Safety Amendments Act of 1979".

(b) The table of contents for this Act is as follows:

TABLE OF CONTENTS

Sec. 1. Short title; table of contents.
Sec. 2. References to Natural Gas Pipeline Safety Act of 1968.

TITLE I—FUELS TRANSPORTATION GENERALLY

Sec. 101. Hazardous pipeline facilities.
Sec. 102. Coverage of pipeline transportation of liquefied petroleum gas.
Sec. 103. Pipeline safety program standard.
Sec. 104. Exemption from standards.
Sec. 105. Coverage of gas distributed in connection with rental or lease of real property.
Sec. 106. Pipeline safety inspectors.
Sec. 107. Technical Pipeline Standards Committee.
Sec. 108. Cost-benefit analysis of increased fuels transportation safety regulation.
Sec. 109. Appropriations authorization.
Sec. 110. Effective date; interim standards.

TITLE II—SITING AND SAFETY OF LNG FACILITIES

Sec. 201. Definitions.
Sec. 202. Siting and safety standards.
Sec. 203. Financial responsibility.
Sec. 204. Enforcement of standards and financial responsibility requirements.
Sec. 205. Intervention by the Secretary in safety proceedings.
Sec. 206. Appropriations authorization.

TITLE III—MISCELLANEOUS PROVISIONS

Sec. 301. Willful destruction of interstate pipeline transmission or LNG facilities.
Sec. 302. Appointments of Director of Pipeline Safety Operations and Director of Materials Transportation Bureau.
Sec. 303. Simplification of filing requirements.
Sec. 304. Technical, clerical, and conforming amendments.

REFERENCES TO NATURAL GAS PIPELINE SAFETY ACT OF 1968

SEC. 2. Except as otherwise expressly provided, whenever in this Act, any reference, amendment, or repeal is expressed in terms of a reference or amendment to, or repeal of, a section or other provision, it shall be considered to be made to a section or other provision of the Natural Gas Pipeline Safety Act of 1968.

TITLE I—FUELS TRANSPORTATION GENERALLY

HAZARDOUS PIPELINE FACILITIES

SEC. 101. (a) Section 8 is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

"(b)(1) If the Secretary finds, after reasonable notice and an opportunity for hearing, that any pipeline facility is hazardous to life or property, he shall, by order, require the person operating the facility to take necessary corrective action. Such corrective action may include physical inspection, testing, repair, replacement, or other action, as appropriate.

"(2) The Secretary may find a pipeline facility to be hazardous under paragraph (1)—

"(A) if under the facts and circumstances he determines the particular facility is hazardous to life or property, or

"(B) if the pipeline facility or a component thereof has been or is proposed to be constructed or operated with any equipment, material, or technique which he determines is hazardous to life or property, unless the operator involved demonstrates to the satisfaction of the Secretary that under the particular facts and circumstances involved such equipment, material, or technique is not hazardous to life or property.

"(3) In making a determination under paragraph (2), the Secretary shall consider—

"(A) the characteristics of the pipe and other equipment used in the pipeline facility involved, including its age, manufacturer, physical properties (including its resistance to corrosion and deterioration), and the method of its manufacture, construction, or assembly;

"(B) the nature of the materials transported by such facilities (including their corrosive and deteriorative qualities), the sequence in which such materials are transported, and the pressure required for such transportation;

"(C) the aspects of the areas in which the pipeline facilities are located, in particular the climatic and geologic conditions (including soil characteristics) associated with such areas, and the population density and population and growth patterns of such areas;

"(D) any relevant recommendation of the National Transportation Safety Board issued in connection with any investigation conducted by the Board under other provisions of law; and

"(E) such other factors as the Secretary may consider appropriate.

"(4) The Secretary may waive any requirements for hearing and a period of reasonable notice and provide for expeditious issuance of an order under this subsection in any case in which he determines that the failure to do so would result in the likelihood of serious harm to life or property.".

(b) Section 3(b) is amended by striking out the fourth sentence.

(c) The first sentence of section 5(a) is amended by striking out the fourth sentence of section 3(b)," and inserting in lieu thereof section 10(b),".

COVERAGE OF PIPELINE TRANSPORTATION OF LIQUEFIED PETROLEUM GAS

SEC. 102. (a) Section 2(3) is amended—

(1) by striking out "Transportation of gas" and inserting in lieu thereof Pipeline transportation"; and

(2) by inserting after "interstate or foreign commerce" the following: ", or the transmission or distribution (but excluding the gathering) of liquefied petroleum gas by pipeline, in interstate or foreign commerce"

(b) Section 2 is amended by redesignating paragraphs (3) through (10) as paragraphs (4) through (11), respectively, and by inserting after paragraph (2) the following new paragraph:

"(3) 'Liquefied petroleum gas' means propane, butane, any related product, or any mixture or combination thereof;".

(c) Section 2(2) is amended by inserting ", but such term does not include liquefied petroleum gas" after "toxic or corrosive".

(d) Section 2(4), as amended and redesignated, is further amended by inserting after distribution of gas" the following: "(whether in a gaseous or nongaseous state)"

(e) Section 2 is amended by inserting "(a)" after "SEC. 2." and by adding at the end thereof the following new subsection:

"(b) Any storage facility, or category of storage facilities, physically connected to any pipeline facility, or facilities, used for the transmission or distribution of liquefied petroleum gas shall be included by the Secretary, by regulation, within the meaning of subsection (a)(5) if—

"(1) the Secretary finds that such inclusion would further the purposes of this Act; and

"(2) such facility has a storage capacity of 30,000 gallons or more, is used in connection with one or more other storage facilities at the same site which have, in the aggregate, a storage capacity of 30,000 gallons or more.".

(f)(1) The heading for section 4 is amended by striking out "COMMITTEE" and inserting in lieu thereof "COMMITTEES".

(2) Section 4(a) is amended by—

(A) inserting "(1)" after "(a)";

(B) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively; and

(C) by adding at the end thereof the following new paragraph:

"(2) The Secretary shall establish a Technical LPG Safety Standards Committee. The Committee shall be appointed by the Secretary, after consultation with public and private agencies concerned with the technical aspect of transportation and storage relating to liquefied petroleum gas or the operation of pipeline facilities relating to liquefied petroleum gas, and shall be composed of fifteen members each of whom shall be experienced in the safety regulation of such transportation and facilities or technically qualified by training, experience, or knowledge in one or more fields of engineering applied in such transportation or operation to evaluate safety standards relating to liquefied petroleum gas, as follows:

"(A) Five members shall be selected from governmental agencies, including State and

Federal Governments, two of whom shall be selected from State governments;

"(B) Four members shall be selected from the liquefied petroleum gas industry after consultation with industry representatives, not less than three of whom shall be currently engaged in the active operation of liquefied petroleum gas pipelines; and

"(C) Six members shall be selected from the general public."

(3) Section 4(b) is amended by—

(A) by striking out "the Committee" where it appears in the second sentence and in each succeeding place it appears and inserting in lieu thereof "either Committee"; and

(B) by striking out "The Committee" the first place it appears and inserting in lieu thereof "With respect to matters under their jurisdiction, each Committee".

(4) Section 4(c) is amended by striking out "the Committee" the first and third places it appears and inserting in lieu thereof "either Committee".

(g) Section 3 is amended by adding at the end thereof the following new subsection:

"(f) Any standard under this section applicable with respect to liquefied petroleum gas shall take account of the distinguishing characteristics and different properties of gas and liquefied petroleum gas and shall be established separately from those applicable with respect to gas unless specific reasons exist for the standard to be common to both, and those reasons are set forth when the standard is prescribed or made applicable to liquefied petroleum gas.".

(h)(1) The following provisions are amended by striking out "the transportation of gas" each place it appears and inserting in lieu thereof "pipeline transportation":

(A) section 2(a) (5) and (9), as redesignated by subsection (a);

(B) section 3 (b) and (e);

(C) section 4(b);

(D) section 8(a);

(E) section 11;

(F) section 12(a);

(G) section 13(b); and

(H) section 14(a)(4).

(2) The following provisions are each amended by striking out "transportation of gas" each place it appears and inserting in lieu thereof "pipeline transportation":

(A) section 2(a)(10), as redesignated by subsection (a);

(B) section 5(b)(3); and

(C) section 10(a).

(3) The following provisions are each amended by striking out "gas pipeline" each place it appears and inserting in lieu thereof "pipeline";

(A) section 3(e); and

(B) section 14(b).

(4) Section 2(a)(4), as redesignated and amended, is further amended by striking out "or its storage" and inserting in lieu thereof ", or its storage in connection with such gathering, transmission, or distribution.".

(5) Section 5(c)(1) is amended—

(A) by striking out "gas safety programs" and inserting in lieu thereof "pipeline safety programs", and

(B) by striking out "date of enactment of this section," and inserting in lieu thereof the following: "date of enactment of the Fuels Transportation Safety Amendments Act of 1979.".

(6) The short title set forth in the first section is amended to read as folows: "Fuels Transportation Safety Act".

PIPELINE SAFETY PROGRAM STANDARD

SEC. 103. (a) Section 3(b) is amended by inserting "(1)" after "(b)", by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), and by adding at the end thereof the following new paragraph:

"(2) Not later than 12 months after the date of the enactment of the Fuels Transportation Safety Amendments Act of 1979, the Secretary shall provide that the Federal minimum safety standards established under this section include a requirement that any operator of pipeline facilities—

"(A) participate in any public safety program—

"(i) which provides for notice to pipeline facility operators of proposed demolition, excavation, tunneling, or construction near or affecting such facility;

"(ii) which requires such operators to identify specific pipeline facilities which may be affected by the proposed demolition, excavation, tunneling, or construction, for the purpose of preventing damage to such facilities; and

"(iii) which the Secretary determines is being carried out in a manner adequate to assure protection against the hazards to that operator's pipelines facilities created by such demolition, excavation, tunneling, or construction; or

"(B) to the extent that such a program is not available, take such steps as the Secretary shall prescribe to provide services to the public with respect to that operator's pipeline facilities which are comparable to those which would be available to the public under such a program.".

(b) Section 5(a)(4) is amended by striking out "excavation" and inserting in lieu thereof "demolition, excavation, tunneling, or construction".

(c) Certification and information requirements established by regulation under the amendments made by subsection (a) shall not apply with respect to annual certifications under section 5 during the 2-year period which begins on the effective date of such regulation.

EXEMPTION FROM STANDARDS

SEC. 104. (a) Section 3(e) is amended by inserting "(1)" after "(e)" and by adding at the end thereof the following new paragraph:

"(2) Upon application by any person engaged in pipeline transportation or the operation of pipeline facilities or LNG facilities, the Secretary may, after notice and opportunity for hearing and under such terms and conditions and to such extent as he deems appropriate, exempt any person or category of persons from all or part of the requirements from any standard established under this Act if the Secretary determines that—

"(A) the financial and administrative burdens of being covered by such requirements are not justified by the benefits resulting from that coverage; and

"(B) the costs to such person or persons by being covered by such requirements would significantly increase consumer rates or charges and such exemption would not endanger the public health or safety.

The Secretary shall state in writing his reasons for any such exemption.".

(b) Section 7 is amended by inserting "or exemption" after "waiver".

(c) Section 14(a)(3) is amended by striking out "waiver granted under section 3(e)" and inserting in lieu thereof "waiver or exemption granted under section 3(d)".

COVERAGE OF GAS DISTRIBUTED IN CONNECTION WITH RENTAL OR LEASE OF REAL PROPERTY

SEC. 105. Section 2, as amended, is amended by inserting at the end thereof the following new subsection:

"(c)(1) Unless paragraph (2) applies, there shall be included within the meaning of subsection (a)(3) any pipeline distribution of gas by any person in connection with the rental or lease of real property by that person to others, whether or not—

"(A) a separate charge is made for such gas;

"(B) the distribution to each rental or lease unit is separately metered; or

"(C) the person distributing such gas is otherwise treated as being engaged in local distribution of gas.

"(2) The Secretary shall, by regulation, provide that the provisions of paragraph (1) not apply in cases in which the public health and safety are adequately protected by reason of the existence and enforcement of appropriate building or housing codes or similar laws.".

PIPELINE SAFETY INSPECTORS

SEC. 106. (a)(1) Section 3(b), as amended, is amended by adding at the end thereof the following new paragraph:

"(3) Not later than 12 months after the date of the enactment of the Fuels Transportation Amendments Act of 1979, the Secretary shall provide that the Federal minimum safety standards established under this section which relate to inspection and other enforcement shall set forth minimum training and educational requirements for pipeline inspectors.".

(2) Section 5(c) is amended by adding at end thereof the following new paragraph:

"(5) The Secretary may not make any payment under this subsection to a State agency for any calendar year beginning after December 31, 1982, unless such State agency has demonstrated that from the payments to such agency for such year funds will be applied for the training and education of pipeline safety inspectors of such State agency in order to enable them to better perform their responsibilities. The amounts to be applied for such purposes are to be adequate to assure that the pipeline safety inspectors maintained by such State agency comply with any standards established under section 3(a) for training and education of pipeline inspectors.".

(3) Certification and information requirements established by regulation under the amendments made by paragraph (1) shall not apply with respect to annual certifications under section 5 during the 2-year period which begins on the effective date of such regulation.

(b) Section 5(f) is amended to read as follows:

"(f)(1) The Secretary shall determine, after reasonable notice and opportunity for hearing, the minimum number of pipeline safety inspectors which must be maintained by a State agency in order to assure adequate monitoring of compliance with applicable safety standards within such State.

"(2) No State agency shall be considered to meet the requirements for certification under subsection (a), nor may the Secretary enter into any agreement under subsection (b) or allow a State to act as his agent with respect to interstate transmission facilities, unless the State agency involved has demonstrated that such agency has and will continue to maintain no less than the minimum number of pipeline inspectors determined by the Secretary under paragraph (1) to be required for such State.".

TECHNICAL PIPELINE STANDARDS COMMITTEE

SEC. 107. (a) Section 4(b) is amended—

(1) by striking out the first sentence and inserting in lieu thereof the following: "The Secretary shall submit to the appropriate Committee or Committees any proposed standard under this Act, or any proposed amendment to a standard under this Act, for their consideration. Within 90 days after receipt by a Committee of any proposed standard or amendment, the Committee shall prepare a report on the technical feasibility, reasonableness, and practicability of such standard or amendment. The Secretary may prescribe a final standard or final amendment to a standard at any time after the 90th day after its submission to the appropriate Committee or Committees, whether or not they have reported on such standard or amendment.";

(2) by inserting after "published by the Secretary and" the following ", if timely made,"; and

(3) by inserting before the last sentence thereof the following new sentence: "Each

Committee shall meet with the Secretary (or his designee) not less frequently than once every 6 months.".

(b) Section 4(c) is amended by striking out "not to exceed $100 per diem" and inserting in lieu thereof "not to exceed the daily equivalent of the maximum annual rate of basic pay then currently payable under the General Schedule under section 5332 of title 5, United States Code, for each day".

COST-BENEFIT ANALYSIS OF INCREASED FUELS TRANSPORTATION SAFETY REGULATION

SEC. 108. (a) Within 12 months after the date of the enactment of this section, the Secretary of Transportation, after affording an opportunity for consultation and comment by persons operating pipeline facilities, State and local regulatory authorities with jurisdiction over pipeline safety, and consumers shall conduct and complete a cost-benefit analysis to determine whether additional Federal legislation on pipeline safety is beneficial and submit a report of his findings to the Congress.

(b) As part of the cost-benefit analysis required by subsection (a), the Secretary of Transportation shall conduct a study of the adequacy and effectiveness of existing pipeline safety regulations. In addition to existing pipeline safety regulations, the study shall address the following issues:

(1) whether pipeline safety could be significantly enhanced in a cost-effective manner by regulations requiring pipeline facility operators to—

(A) prepare and maintain a general description of their pipeline facilities, including—

(i) the location of the pipeline and the pipeline facilities;

(ii) the type, age, manufacturer, and method of construction of such pipeline and facilities;

(iii) the nature of the materials transported, the sequence in which they are transported, and the pressure at which they are transported; and

(iv) the climatic, geologic, seismic, and conditions (including soil characteristics) associated with the areas in which the pipeline facilities are located, and the existing and projected population and demographic characteristics associated with such areas;

(B) prepare, maintain, and submit to State and local entities authorized to approve demolition, excavation, tunneling, or construction activities in the areas in which the pipeline facilities are located a detailed description of the pipeline's location;

(2) the cost-effectiveness of public safety programs of persons operating pipeline facilities which have been established voluntarily or under State or local law or regulation, under which—

(A) notice is required to be provided to pipeline facility operators of proposed demolition, excavation, tunneling, or construction near or affecting such facility; and

(B) such operators are required to identify specific pipeline facilities which may be affected by the proposed demolition, excavation, tunneling, or construction, for the purpose of preventing damage to such facilities;

(3) the cost-effectiveness, feasibility, and potential benefits of establishing in the Department of Transportation a program for use in an electronic data-processing system, which would be used to process and maintain pipeline-safety information obtained under existing and future Federal laws and regulations;

(4) whether it is necessary and cost-effective to amend existing Federal law and regulations on the reporting of pipeline leaks to require the reporting of any such future leak which—

(A) the person owning or operating the pipeline facility knew or reasonably should have known existed;

(B) was not caused by operation, inspection, or adjustment procedures which were properly carried out; and

(C) posed a threat to public health or safety, property, or the environment; and

(5) whether it is necessary and cost-effective to amend the provisions of the Act to include any type or class of facility or equipment used in the transportation on land of gas or liquefied petroleum gas, in interstate or foreign commerce, or storage in connection with such transportation.

APPROPRIATIONS AUTHORIZATION

SEC. 109. Section 15 is amended to read as follows:

"APPROPRIATIONS AUTHORIZED

"SEC. 15. (a) For the purpose of carrying out the provisions of this Act (other than provisions for which funds are authorized to be appropriated under subsection (b)), there are authorized to be appropriated—

"(1) $6,000,000, for the fiscal year ending September 30, 1980;

"(2) $7,000,000, for the fiscal year ending September 30, 1981; and

"(3) $8,000,000, for the fiscal year ending September 30, 1982.

"(b)(1) For the purpose of carrying out the provisions of section 5(c) of this Act, there are authorized to be appropriated—

"(A) $4,500,000, for the fiscal year ending September 30, 1980;

"(B) $5,500,000, for the fiscal year ending September 30, 1981; and

"(C) $6,500,000, for the fiscal year ending September 30, 1982.".

EFFECTIVE DATE; INTERIM STANDARDS

SEC. 110. Section 3 is amended by adding at the end thereof the following new subsection:

"(g)(1) Except as expressly provided otherwise, standards, or amendments to standards, required under this section by reason of the enactment of the Fuels Transportation Safety Amendments Act of 1979 shall be prescribed not later than thirty-six months after the date of the enactment of such Act.

"(2) As soon as practicable but not later than 3 months after the enactment of such Act, the Secretary shall, by order, adopt interim minimum Federal safety standards for pipeline facilities and pipeline transportation to the extent not covered by this Act immediately before the date of the enactment of the Fuels Transportation Safety Amendments Act of 1979. Such standards shall, to the extent the Secretary determines appropriate, be—

"(A) the State standards regulating pipeline facilities and pipeline transportation within such State on such date of enactment; or

"(B) the standards in effect under part 195 of title 49, Code of Federal Regulations, on the date of the enactment of such Act, in any case in which no such State standards are in effect on such date or the State standards in effect on such date are less stringent than the standards under such part 195.

Interim standards shall remain in effect until amended or revoked pursuant to this section. Any State agency may adopt such additional or more stringent standards for pipeline facilities and pipeline transportation not subject to Federal ratemaking or safety jurisdiction under the Natural Gas Act, the Interstate Commerce Act, or chapter 39 of title 18, United States Code, as are not incompatible with the Federal minimum standards, but may not adopt or continue in force after the interim standards provided for above become effective any such standards applicable to interstate transmission facilities.".

TITLE II—SITING AND SAFETY OF LNG FACILITIES

DEFINITIONS

SEC. 201. Section 2(a), as redesignated, is amended by striking out "and" at the end of paragraph (10), by striking out the period at the end of paragraph (11) and inserting a semicolon in lieu thereof, and by adding at the end thereof the following new items:

"(12) 'LNG' means natural gas in a liquid, semisolid, or solid state;

"(13) 'LNG facility' means any storage tank, pipeline, or other structure or equipment used for the transportation or storage of LNG, or for LNG conversion, in interstate or foreign commerce, but does not include any structure or equipment (or portion thereof) located in navigable waters (as defined in section 3(8) of the Federal Power Act (16 U.S.C. 796(8)));

"(14) 'LNG conversion' means conversions of natural gas into LNG (liquefaction or solidification) or the conversion of LNG into natural gas (vaporization);

"(15) 'Construction' means construction, reconstruction, or erection, and, with respect to any LNG facility, any act which the Secretary, by regulation, determines would result in the creation or substantial increase of capacity of such facility for transporting or storing LNG or for LNG conversion;

"(16) 'Existing LNG facility' means any LNG facility for which an application for the approval of the siting, construction, or operation of such facility was filed before March 1, 1978, with—

"(A) the Department of Energy or any predecessor organization of the Department, or

"(B) the appropriate State or local agency, in the case of any facility not subject to the jurisdiction of the Department of Energy under the Natural Gas Act,

except that such term does not include any facility the construction of which commences on or after the date of the enactment of this paragraph and such construction is not pursuant to such an approval:

"(17) 'New LNG facility' means any LNG facility other than an existing LNG facility;

"(18) 'LNG accident' means any release, burning, or explosion of LNG resulting from—

"(A) a rupture or other failure of a storage tank, pipeline, or other LNG facility;

"(B) natural hazards (including earthquakes, hurricanes, and high winds);

"(C) sabotage; or

"(D) any other cause;

other than any such release, burning, or explosion which, as determined in accordance with regulations prescribed by the Secretary, does not pose a threat to public health or safety, property, or the environment; and

"(19) 'Interstate or foreign commerce' means any trade, traffic, transportation, exchange, or other commerce—

"(A) between any State and any place outside of such State, or

"(B) which affects any trade, transportation, exchange, or other commerce described in subparagraph (A).".

SITING AND SAFETY STANDARDS

SEC. 202. (a) The Act is amended by redesignating sections 6 through 17 as sections 8 through 19, respectively, and by inserting after section 5 the following new section:

"STANDARDS FOR LNG FACILITIES

"SEC. 6. (a)(1) Not later than 180 days after the date of the enactment of this section, the Secretary shall establish, by regulation—

"(A) minimum safety standards for determining the location of any new LNG facility which is to be stationary, and

"(B) minimum standards for the construction of any new LNG facility.

"(2) After the date standards first take effect under this section, no new LNG facility may be constructed unless such construction is in accordance with the applicable standards prescribed under this section. The Secretary shall ensure that the facility will be constructed and operated in compliance with such standards.

"(3) No new LNG facility may be operated unless the person operating such facility has previously submitted a contingency plan which sets forth those steps which are to be taken in the event of an LNG accident and which is determined to be adequate by the Department of Energy or the appropriate State agency, in the case of any facility not subject to the jurisdiction of the Department under the Natural Gas Act.

"(b)(1) The standards under subsection (a) shall not apply in the case of siting or construction with respect to which an application for approval was filed before March 1, 1978, with—

"(A) the Department of Energy or any predecessor organization of the Department; or

"(B) the appropriate State or local agency, in the case of any facility not subject to the jurisdiction of the Department under the Natural Gas Act.

"(2) Nothing in this section shall preclude—

"(A) the application of standards under section 3 to pipeline facilities (other than LNG facilities) associated with LNG facilities;

"(B) the application of standards under section 3 in effect as of the date of the enactment of the Fuels Transportation Safety Act Amendments of 1979 to new LNG facilities until such time as standards are established under this section; or

"(C) the application of section 3(a).

"(c) Not later than 270 days after the date of the enactment of this section, the Secretary shall establish minimum standards to be maintained with respect to the operation of any LNG facility.

"(d) In prescribing general safety standards under subsections (a) and (c), the Secretary shall take into consideration—

"(1) with respect to standards relating to the location of any stationary new LNG facility—

"(A) the nature of the use of the facility;

"(B) criteria to be used in determining the number and characteristics of other sites to be considered as alternative locations for such LNG facility;

"(C) the existing and projected population and demographic characteristics associated with each location considered;

"(D) the existing and proposed land uses near each such location;

"(E) the meteorological, geological, topographical, seismic, and other natural physical aspects of each such location;

"(F) the medical, law enforcement, and fire prevention capabilities existing near each such location to cope with risks created by such a facility;

"(G) the costs of constructing and operating such LNG facility at each such location, including the costs to the United States and to State and local governments which are associated with such construction and operation; and

"(H) the need to encourage remote siting;

"(2) with respect to standards applicable to the construction of any new LNG facility—

"(A) the thermal resistance and other characteristics of materials to be used in the construction of such facility as compared to alternative materials;

"(B) design factors (such as multiple diking, insulated concrete, and vapor containment barriers);

"(C) the characteristics of the LNG to be stored or converted at, or transported by, such facility (for example, whether it is to be in a liquid, semisolid, or solid state); and

"(D) the public safety factors of the design as compared to alternative designs (particularly the ability under such a design to prevent and contain an LNG spill); and

"(3) with respect to standards for the operation of any LNG facility—

"(A) the conditions, features, and type of equipment and structures which comprise, or which are used in connection with, such facility;

"(B) the fire prevention and containment equipment at such facility;

"(C) the security measures to be used with respect to the operation of such facility for the prevention of sabotage or other intentional acts which could cause an LNG accident;

"(D) maintenance procedures and equipment;

"(E) the training of personnel with respect to the equipment, structures, measures, and procedures described in subparagraphs (A), (B), (C), and (D); and

"(F) other factors and conditions relating to the safe handling of LNG.

"(e) At any time after the effective date of standards initially prescribed under subsections (a) and (c), the Secretary shall, on his own motion or on the motion of any person, amend such standards to the extent he considers necessary to reflect changes in technology or to otherwise carry out the purposes of this section.

"(f) Any standards prescribed under this section, and amendments thereto, shall become effective 30 days after the date of issuance of such standards unless the Secretary, for good cause recited, determines an earlier or later effective date is required as a result of the period reasonably necessary for compliance and such date is specified in the order establishing or amending such standard.

"(g) The provisions of subchapter II of chapter 5 of title 5, United States Code, shall apply to all orders establishing, amending, or revoking, any standard established under this section. The Secretary shall afford interested persons an opportunity to participate fully in the establishment of such safety standards through submission of written data, views, arguments with opportunity to present oral testimony and agreement.".

(b)(1) Section 2(a)(4) (definition of pipeline transportation), as redesignated, is amended by striking out "or affecting".

(2) Section 2(a) (9) and (10) (definitions of interstate and intrastate transmission facilities), as redesignated, is amended by inserting ", LNG facilities," after "pipeline facilities" the first place it appears therein.

(3) Section 3(d)(1) (relating to waiver of standards), as redesignated, is amended—

(A) by inserting "or LNG facilities" after "pipeline facilities"; and

(B) by inserting after "in the same manner" the following: "and to the same extent".

(4) Section 4(b) (relating to Technical Safety Committees) is amended by inserting ", LNG facilities," after "pipeline facilities".

(5) Section 9 (relating to cooperation), as redesignated, is amended—

(A) by inserting "or LNG facility" after "affected pipepline facility" and after "gas pipeline"; and

(B) by inserting "or LNG facilities" after "pipeline facilities".

(6) Section 10 (relating to compliance), as redesignated, is amended by inserting "or LNG facilities" after "pipeline facilities".

(7) Section 13 (relating to injunction and jurisdiction), as redesignated, is amended by inserting after "pipeline facility" the following: "or LNG facility".

(8) Section 14 (relating to inspection and maintenance plans), as redesignated, is amended—

(A) by inserting after "facilities" the following: "or LNG facilities" each place it appears;

(B) by striking out "pipeline safety" each place it appears and inserting in lieu thereof "pipeline and LNG facility safety"; and

(C) by inserting in paragraph (2) after "pipeline transportation" the following: "or LNG facility".

(9) Section 15 (relating to records, etc.), as redesignated, is amended by inserting after "pipeline facilities" each place it appears the following: "and LNG facilities".

(10) Section 17(a)(2) (relating to annual report), as redesignated, is amended by inserting after "pipeline" the following: "or LNG facilities".

(11) Section 17(a)(4) (relating to annual report), as redesignated, is amended by striking out "and pipeline facilities" and inserting in lieu thereof ", pipeline facilities, and LNG facilities,".

FINANCIAL RESPONSIBILITY

SEC. 203. The Act, as amended by section 202 of this Act, is further amended by inserting after the new section 6 the following new section:

"FINANCIAL RESPONSIBILITY FOR CERTAIN LNG ACTIVITIES; STUDIES

"SEC. 7. (a) Not later than 270 days after the date of the enactment of this section, the Secretary shall—

"(1) conduct a study of—

"(A) the risks associated with the production, transmission, and storage of LNG;

"(B) the risks associated with the production, transmission, and storage of liquefied petroleum gas;

"(C) the methods of assuring adequate financial responsibility for those engaged in any such activity; and

"(2) prepare and transmit to each House of the Congress a report on the result of such study, together with the recommendations of the Secretary for such legislative or administrative action as he considers appropriate.

"(b)(1) Whenever the Secretary has reason to believe that any operator of an LNG facility is not maintaining adequate insurance or otherwise does not have adequate financial responsibility with respect to such facilities, he shall issue and serve upon such operator notice thereof, together with a statement of the amount of the financial responsibility that the Secretary would consider adequate.

"(2) Any person issued notice under paragraph (1) shall have a right to hearing on the record in accordance with section 554 of title 5, United States Code, to be held not later than 30 days after notice under paragraph (1), at which such person has the right to show cause as to why an order should not be issued by the Secretary requiring such person to demonstrate and maintain financial responsibility at or above the amount indicated in the notice under paragraph (1).

"(3) After an opportunity for hearing under paragraph (2), the Secretary may, if he determines it is justified in the public interest, order the person issued notice of such hearing to demonstrate and maintain financial responsibility at or above an amount determined appropriate by the Secretary, taking into account any information, data, and views presented in such hearing.

"(4)(A) Any person aggrieved by an order issued under paragraph (3) may seek judicial review of such order only by filing a petition for review in the appropriate court of appeals of the United States within 60 days after such order is issued.

"(B) Upon receipt of notice of the filing of such petition, the Secretary shall file in the court the record in the proceeding, as provided in section 2112 of title 28, United States Code. Upon such filing, the court may affirm, modify, remand, or set aside the order of the Secretary, and may enforce the order to the extent that such order is affirmed and issue such writs as are ancillary to its jurisdiction or are necessary in its judgment to prevent injury to the public pendente lite. The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive.

"(C) The judgment and decree of the court shall be final, except that such judgment and decree shall be subject to review by the Supreme Court upon certiorari, as provided in section 1254 of title 28, United States Code.

"(c) For purposes of subsection (b) of this section, financial responsibility may be maintained by any one of, or a combination of, the following methods acceptable to the Secretary:

"(1) evidence of insurance,

"(2) surety bonds,

"(3) qualification as a self-insurer, or

"(4) other evidence of financial responsibility.".

ENFORCEMENT OF STANDARDS AND FINANCIAL RESPONSIBILITY REQUIREMENTS

SEC. 204. (a) Section 11(a) (relating to civil penalty), as redesignated by section 202 of this Act, is amended by inserting "(1)" before "Any person" and by adding at the end thereof the following new paragraph:

"(2) Any person who violates the provisions of section 6 or any order under section 7(b) shall be subject to a civil penalty of not to exceed $50,000, which penalty shall be in addition to any other penalties to which such person may be subject under this subsection.".

(b) The Act is further amended by redesignating sections 12 through 19 (as redesignated) as sections 13 through 20, respectively, and by inserting after section 11 the following new section:

"CRIMINAL PENALTY

"SEC. 12. Any person who willfully and knowingly violates the provisions of section 6 or any order issued under section 7(b) shall, on conviction thereof, be punished by a fine of not more than $50,000, or by imprisonment for not more than five years, or both.".

INTERVENTION BY THE SECRETARY IN SAFETY PROCEEDINGS

SEC. 205. (a) Section 16, as redesignated, is amended by adding at the end thereof the following new subsection:

"(e) The Secretary may as a matter of right intervene or otherwise participate in any proceeding before the Federal Energy Regulatory Commission, or any State agency, which involves safety requirements relating to LNG facilities. The Secretary shall comply with rules of procedure of general applicability governing the timing of intervention or participation in such proceeding or activity and, upon intervening or participating therein, shall comply with rules of procedure of general applicability governing the conduct thereof.".

(b) Section 16(a), as redesignated, is amended by striking out "section" and inserting in lieu thereof "subsection".

(c) Section 16(b), as redesignated, is amended by inserting ", or any appropriate State agency," after "Commission".

APPROPRIATIONS AUTHORIZATION

SEC. 206. Section 18(b) (relating to appropriations authorization), as redesignated, is amended by adding at the end thereof the following new paragraph:

"(2) For the purpose of carrying out sections 6 and 7 of this Act, there are authorized to be appropriated—

"(A) $2,000,000, for the fiscal year ending September 30, 1980; and

"(B) $2,000,000, for the fiscal year ending September 30, 1981.".

TITLE III—MISCELLANEOUS PROVISIONS

WILLFUL DESTRUCTION OF INTERSTATE PIPELINE TRANSMISSION OR LNG FACILITIES

SEC. 301. Section 12 (as added by section 204 of this Act) is amended by inserting "(a)" after "SEC. 12." and by adding at the end thereof the following new subsection:

"(b) Any person who willfully injures or destroys, or attempts to injure or destroy—

"(1) any pipeline facility for the interstate transmission of gas, liquefied petroleum gas, or petroleum, including any facility or equipment covered under this Act under section 2(b), or

"(2) any liquefied gas facility to which section 6 applies,

shall be fined not more than $15,000 or imprisoned not more than fifteen years, or both.".

APPOINTMENTS OF DIRECTOR OF PIPELINE SAFETY OPERATIONS AND DIRECTOR OF MATERIALS TRANSPORTATION BUREAU

SEC. 302. (a) Notwithstanding any other provision of law—

(1) no individual may serve for more than 180 days (in the aggregate) in an acting capacity in a position the principal duties of which were identified as of March 1, 1978, as assigned to the Director of the Office of Pipeline Safety Operations, Department of Transportation, or may serve as the Acting Director of the Materials Transportation Bureau, Department of Transportation, and

(2) if a person is not appointed to such position within 180 days after a vacancy occurs in that position, the Secretary shall personally carry out the functions of such position until an appointment is made to that position, and all delegations of authority under the Fuels Transportation Safety Act shall be suspended until such appointment is made.

(b) In the case of any vacancy in such positions on the date of the enactment of this Act, periods of service before the date of enactment shall not be taken into account for purposes of subsection (a).

SIMPLIFICATION OF FILING REQUIREMENTS

SEC. 303. (a) (1) The first sentence of section 14, as amended and redesignated, is amended by striking out "shall file with the Secretary or, if a certification or an agreement pursuant to section 5 of this Act is in effect, with the appropriate State agency, a plan for inspection and maintenance" and inserting in lieu thereof "shall establish, and maintain at such office or offices of that person as the Secretary determines appropriate, a plan for inspection and maintenance".

(2) The second sentence of such section 14 is amended by striking out "file such plans" and insert in lieu thereof "similarly establish and maintain such plans".

(b) Section 10(a) (2) as amended and redesignated, is amended by striking out "file and comply with a plan of inspection and maintenance required by section 14" and insert in lieu thereof "establish and maintain a plan of inspection and maintenance required by section 14 and comply with such plan".

TECHNICAL, CLERICAL, AND CONFORMING AMENDMENTS

SEC. 304. (a) Section 2(a) (8) (relating to the national organization of State commissions), as redesignated, is amended by striking out "part II of the Interstate Commerce Act" and inserting in lieu thereof "subchapter III of chapter 103 of title 49, United States Code".

(b) Section 3 (relating to standards), as amended, is amended by striking out subsection (a) and by redesignating subsections (b) through (g) as subsections (a) through (f), respectively.

(c) Section 3(b), as redesignated by subsection (b), is amended by inserting after "period reasonably necessary for compliance" the following: "and such date is specified in the order establishing or amending such standard".

(d) Clause (ii) of section 5(a) (relating to State certifications) is amended by inserting after "property damage exceeding $1,000" the following: "(whether or not sustained by a person subject to the safety jurisdiction of the State)".

(e) Section 5(a) is amended by striking out "; except that a State agency may file a certification under this subsection without regard to the requirement of injunctive and monetary sanctions under State law for a period not to exceed five years after the date of enactment of this Act".

(f) Section 11(a) (1) (relating to civil penalties), as redesignated, is amended by striking out "; *Provided*, That for a reasonable period of time, not to exceed one year after the date of enactment of this Act, such civil penalties shall not be applicable to pipeline facilities existing on such date of enactment".

(g) Section 17(a) (3) (relating to annual reports), as redesignated by sections 202 and 204 of this Act, is amended by striking out "section 3(e)" and inserting in lieu thereof "section 3(d)".

(h) The following provisions are each amended by striking out "Federal Power Commission" and inserting in lieu thereof "Federal Energy Regulatory Commission":

(1) section 2(a) (9) and (10), as redesignated;

(2) section 9 (relating to cooperation), as redesignated, including the section heading; and

(3) section 16(b) (relating to administration), as redesignated.

(i) Paragraphs (9) and (10) of section 2(a), as redesignated, are each amended by inserting "or the Interstate Commerce Act" after "the Natural Gas Act".

(j) (1) Section 5(a) is amended by striking out "section 12(b)", "section 12", "section 11", and "sections 9 and 10" and inserting in lieu thereof "section 15(b)", "section 15", "section 14", and "sections 11 (other than subsection (a) (2) thereof) and 13", respectively.

(2) Section 5(a) is further amended by inserting "section 20," before "and except as otherwise provided in this section".

(3) Section 5(b) (2) is amended by striking out "section 11" and inserting in lieu thereof "section 14".

(4) Section 5(c) (2) is amended by striking out "section 15(b)" and inserting in lieu thereof "section 18(b) (1)".

(5) Section 10 (relating to compliance), as redesignated, is amended by striking out "section 11" and "section 12" and inserting in lieu thereof "section 14" and "section 15", respectively.

(6) Section 11(a) (1) (relating to civil penalty), as redesignated, is amended by striking out "section 8(a)" and inserting "section 10" in lieu thereof.

(7) Section 13 (relating to injunction and jurisdiction), as redesignated, is amended by striking out "section 9" each place it appears and inserting in lieu thereof "section 11 or 12".

(k) Section 17(a) (relating to annual report) as redesignated, is amended by striking out "March 17" and inserting in lieu thereof "June 1".

(l) Any reference in any other provision of law, rule, regulation, or order to the Natural Gas Pipeline Safety Act of 1968 shall be considered to refer to the Fuels Transportation Safety Act.

Amend the title so as to read: "An Act to amend the Natural Gas Pipeline Safety Act of 1968 to provide for the safe operation of pipelines transporting natural gas and liquefied petroleum gas, to provide standards with respect to the siting, construction, and operation of liquefied natural gas facilities, and for other purposes.".

● Mr. FORD. Mr. President, I strongly support the passage of S. 411, as amended. This bill will greatly enhance the Department of Tranportation's ability to protect the public from the hazards of pipeline transportation. This bill is the end result of months of discussions with the administration, the affected industries, the States, other interested persons, and, most recently, with the House of Representatives. The bill was originally introduced by Senator CANNON at the request of the administration on February 9, 1979. After 3 days of general oversight hearings and 3 days of hearings on the bill and after reviewing written comments from more than 30 persons, the Commerce Committee reported the bill with committee amendments on May 15 of this year. The Senate subsequently passed the bill by unanimous consent on June 4. On September 18, the House passed S. 411 with an amendment in the nature of a substitute consisting of the text of H.R. 51, as amended. Since that time we have been engaged in discussions with the House to develop a mutually acceptable compromise of the two versions.

As a result of these efforts, and with the assistance of all interested persons, we have finally achieved a bill which has received virtually unanimous strong support from the Department of Transportation, the affected industries, the States, and other interested persons.

S. 411, as amended, consists of two titles. Title I of the act consists of amendments to the Natural Gas Pipeline Safety Act of 1968 (NGPSA) which will:

First. Require the Department of Transportation to develop regulations to make sure that excavators have a means of determining the location of pipelines to prevent accidental damage to the lines;

Second. Require the Department of Transportation to develop safety standards for liquefied natural gas (LNG) facilities;

Third. Provide for greater public and expert input in the development of safety standards;

Fourth. Strengthen and expand the Department's enforcement powers by providing authority to issue compliance orders, collection of civil penalties, and criminal penalties for willful violations;

Fifth. Require studies and reports regarding the cost benefit of increased pipeline safety regulation, implementation of the Department's authority over small gas distribution systems, the adequacy of State pipeline inspectors, and the adequacy of LNG facility financial responsibility;

Sixth. Authorizes a total of $10.7 million for fiscal year 1980 and $12.4 million for fiscal year 1981 to carry out the provisions of this title.

Title II of S. 411, the Hazardous Liquid Pipeline Safety Act of 1970 will:

First. Repeal the antiquated Transportation of Explosives Act of 1908, which is the Department's only existing authority for regulating hazardous liquid pipelines;

Second. Establish a statutory framework similar to the NGPSA to regulate the transportation of hazardous liquids by pipeline;

Third. Establish a State enforcement program, similar to that in the NGPSA, so that the appropriate agency within a State would be certified to enforce the Federal standards, and establish a State grant-in-aid program to fund such a State program;

Fourth. Authorize a total of $2.3 million for fiscal year 1980 and $2.6 million for fiscal year 1981 for the purpose of carrying out the provisions of this title.

In conclusion, Mr. President, I strongly urge that the Senate pass S. 411. This bill will strengthen the Department of Transportation's ability to protect the public from the serious hazards of pipeline transportation. Yet, as evidenced by the fact that this bill has been endorsed by those who will be regulated under it. S. 411 provides this strengthened authority in a rational and responsible manner. In these days when a consensus is a great rarity, this bill represents a consensus.

I ask that the section-by-section analysis be printed in the RECORD.

The analysis follows:

SECTION-BY-SECTION ANALYSIS

SHORT TITLE: TABLE OF CONTENTS

Section 1—This section provides that this Act may be cited as the "Pipeline Safety Act of 1979" and provides a table of contents for the Act.

REFERENCE TO NATURAL GAS PIPELINE SAFETY ACT OF 1968

Sec. 2—This section provides that, except as otherwise expressly provided, any references or amendments made by this Act shall be considered references or/and amendments to provisions of the Natural Gas Pipeline Safety Act (hereinafter referred to as the NGPSA).

TITLE I

SUBTITLE A—GENERAL PROVISIONS

PIPELINE PARTICIPATION IN CERTAIN UTILITY SAFETY PROGRAMS

Sec. 101—This section requires that the Secretary, not later than 12 months following the date of enactment of this Act, shall provide that the Federal minimum safety standards established under this section include a requirement that any operator of pipeline facilities participate in any public safety program which provides for notice to pipeline facility operators of proposed demolition, excavation, tunneling, or construction near or affecting such facility, which requires such operators to identify specific pipeline facilities which may be affected by the proposed demolition, excavation, tuneling, or construction, for the purpose of preventing damage to such facilities, and which the Secretary determines is being carried out in a manner adequate to assure protection against the hazards of demolition, excavation, tunneling, or construction of that operator's pipeline facilities. To the extent that such a program is not available, the operator is required to take such steps as the Secretary shall prescribe to provide services to the public with respect to that operator's pipeline facilities which are comparable to those which would be available to the public under such a program. This section also provides that certification and information requirements established by regulation under this section shall not apply with respect to annual certifications under section 5 during the 2-year period which begins on the effective date of such regulation.

TECHNICAL PIPELINE STANDARDS COMMITTEE

Sec. 102—This section amends section 4 (Technical Pipeline Safety Standards Committee) to broaden the permissable qualifications for members of the Committee and, to provide that the Secretary must submit any proposed standard or proposed amendment to a standard for consideration by the committee and that within 90 days from the submission the committee must prepare a report on the technical feasibility, reasonableness and practicability of such standard or amendment. The Secretary could prescribe a final standard or amendment any time after the 90th day after submission whether or not the Committee has prepared its report. Also, the committee would be required to meet with the Secretary or his designee at least once every 6 months.

REPORTING AND MONITORING REQUIREMENTS UNDER STATE SAFETY PROGRAMS

Sec. 103(a) amends the reporting and investigation requirements imposed on State agencies certified under section 5 of the NGPSA. Currently, under section 5(a)(5)(ii), State agencies investigate and report on accidents or incidents involving personal injury resulting in hosptialization, fatality, or property damage exceeding $1,000. The amendment increases the level of property damage required to trigger the State reporting requirements to $5,000 (whether or not such damage was sustained by a person subject to the safety jurisdiction of the State agency). In addition, the State agency would be required, notwithstanding the extent of injury to persons or property, to investigate and report on any accident which the agency considers significant.

The increase to $5,000 more accurately reflects the extents of property damage considered serious enough to require the commitment of limited State agency resources to completing required investigations and reports. The added parenthetical clarifies that State agencies are to report accurately the full extent of property damage as opposed to only that damage suffered by a pipeline operator. The added requirement that State agencies investigate and report any accident which the agency considers significant assures that the Department will not fail to receive useful data on significant accidents that do not result in serious personal injury, fatality, or extensive property damage.

Sec. 103(b) deletes sections 5(b)(3) and 5(b)(4) of the NGPSA. Deleting paragraph (3) reflects the fact that State agencies working with the Secretary under a section 5(b) agreement are not involved in a compliance program beyond carrying out inspection activities. The closing sentence in existing section 5(b), which is retained here, expressly provides that if a violation or probable violation of Federal standards is discovered by such inspection, the 5(b) State agency is to notify the Secretary who will then pursue the appropriate compliance action. Because of that mandated procedure, and because existing section 5(b)(1) already requires the establishment of an inspection program, paragraph (3) need not be retained.

While paragraph (4), dealing with Federal monitoring of State programs, is deleted from section 5(b), the authority for such monitoring is addressed in proposed new section 5(c).

Sec. 103(b) also adds a new section 5(c) dealing with the Secretary's authority to monitor State programs. This new section incorporates the provisions of existing section 5(b)(4) and appropriate portions of existing section 12(b). Existing sections 5(c)–5(e) are redesignated to reflect the addition of new section 5(c). Also, existing section 5(f) has expired by its own terms and has been deleted.

Sec. 103(b)(3) amends the opening language of section 5(a) to reflect more accurately the intent of the NGPSA that, with certain exceptions, pipeline facilities subject to a section 5(a) State jurisdiction are not subject to Federal regulation and enforcement. Because of this change, and exception in existing law relating to the Secretary's authority with respect to hazardous facilities is deleted as unnecessary since that authority is independent from his authority to issue or enforce standards.

ENFORCEMENT POWERS

Sec. 104—Section 104(a)(1) establishes a new Section 8(b), authorizing the Secretary to issue orders directing compliance with the NGPSA or regulations issued thereunder. Upon petition by the Attorney General, the United States district courts can enforce such orders by appropriate means.

It is recognized that in certain situations the issuance of a compliance order would be more effective than the assessment of monetary penalties in ultimately achieving compliance with the NGPSA or regulations issued thereunder. The following are examples of such situations:

1. When an otherwise appropriate civil penalty may be too burdensome on the alleged violator. The burden may be created when the violator must pay both the penalty and the cost necessary to achieve compliance, which result in a substantial risk that he may be put out of business. Most typically, this situation arises with gas distribution systems owned and operated by small municipalities located in the south and southwestern United States.

2. In cases where the evidence does not warrant or fully support a civil penalty, issuance of a compliance order permits the formal establishment of a precise description of the noncompliance or violation and provides the evidentiary framework for follow-up inspections. Failure to meet the terms of the compliance order could lead to a more supportable civil penalty assessment or Government action to seek court enforcement of the terms.

3. As a method of closing out old cases, which because of their age may make them unacceptable to the U.S. Attorney's office for prosecution, the compliance order enables the Government to recognize violations and impose formal sanctions of record thereon.

Sec. 104(a)(2) provides that orders directing compliance shall be issued in compliance with the Administrative Procedures Act. It is intended that these orders be issued by informal rulemaking in the same manner as compliance orders are issued pursuant to the Hazardous Materials Transportation Act.

Sec. 104(b) amends the NGPSA by deleting sections 9 and 10 and by adding new sections 11 and 12.

Sec. 11(a), except for certain editorial changes, provides for assessment of civil penalties in the same manner as existing section 9(a).

Sec. 11(b) establishes the procedure for the collection of civil penalties. If the Secretary is unable to collect a civil penalty through compromise, the Secretary may refer the matter for collection of the penalty to the Attorney General for district court action. S. 411, as originally passed by the Senate, also authorized the Secretary to directly * * * to the Federal Magistrate for collection of relatively small penalties. However, since this provision merely restated existing authority under Section 636 of Title 28, U.S. Code, this provision was deleted from the bill Notwithstanding this deletion, it is recognized that the Federal pipeline enforcement program can derive great benefit from involvement of the U.S. Magistrate in the civil penalty litigation process. For this reason the Department of Transportation, the Department of Justice and the Federal district courts are encouraged to cooperate for the purpose of involving U.S. Magistrates in the process to the extent permitted under 28 U.S.C. 636.

Sec. 11(c) provides new criminal penalties for willful and knowing violation of the NGPSA or regulations or orders issued thereunder, and for willful and knowing destruction or attempted destruction of interstate gas transmission facilities. For the former offense, a person would be subject to a fine of not more than $25,000 or imprisonment for not more than 5 years, or both. For the latter offense, a person would be subject to a fine of not more than $25,000 or imprisonment for not more than 15 years, or both. The addition of criminal penalties gives recognition to those situations that require more onerous sanctions than civil penalties.

Sec. 11(d) states that nothing in this Act shall be construed to authorize the imposition of penalties for the violation of any regulation and the violation of any order under section 10(b) or 12(b) if both violations are based on the same act.

Sec. 104 also establishes a new section 12. Section 12(a) provides the means by which the Secretary can seek equitable relief to redress or restrain a violation by any person of a provision of the NGPSA or a regulation issued thereunder. The Attorney General, at the request of the Secretary, may bring such an action in an appropriate U.S. district court, with such courts having jurisdiction to determine the action and grant whatever relief is necessary or appropriate, including mandatory or prohibitive injunctive relief, interim equitable relief, and punitive damages. This goes beyond the existing specific relief provision (section 10(a)) of the NGPSA that only provides for injunctive relief to restrain violations of the Act or regulations issued under the Act. Like existing section 10(b), new section 12(a) assures any person charged with criminal contempt for violation of a mandatory or prohibitive injunction to demand a trial by jury. The matters addressed in existing sections 10(c) and (d) are provided for by the Federal Rules of Civil Procedure and are therefore not included in proposed section 12(a).

Sec. 12(b) states if the Secretary finds a pipeline facility to be hazardous to life or property, he must require, after adhering to procedural safeguards, the person operating the facility to take steps necessary to remove such hazard. The Secretary could make the finding that a particular facility is hazardous if: the facts and circumstances of a particular pipeline warrant such finding or if the facility has been constructed or operated with equipment, materials or techniques which the Secretary determines are hazardous to life or property. However, if the Secretary determines that serious harm could occur before the hearing could be completed, he could postpone the hearing and take immediate action. In making a determination that a facility is hazardous, the Secretary is to consider a broad range of varibles including if relevant:

a. the characteristics of the pipe and other equipment used in the pipeline facility such as the age manufacturer, physical properties (including resistence to corrosion and deterioration) and the method of its manufacture, construction or assembly;

b. the nature of the material transported by such facilities (including their corrosive and deteriorative qualities), the sequence in which such materials are transported and the pressure required for such transportation;

c. the aspects of the area in which the pipeline facilities are located, such as climatic and geological conditions (including soil characteristics) and population density and growth patterns;

d. any recommendation of the National Transportation Safety Board issued in connection with any investigation conducted by the Board under other provisions of law; and

e. such other factors as the Secretary may consider appropriate.

Sec. 104(c), and (d), and (e) make technical changes.

SIMPLIFICATION OF FILING REQUIREMENTS

Sec. 105—This section provides that pipeline operators are required to establish, and maintain at such office or offices as the Secretary determines appropriate, a plan for inspection and maintenance—rather than file the plan with the Secretary, as is required under current law. Any operator shall deliver a copy of any plan to the Secretary upon request.

ADMINISTRATION

Sec. 106—This section amends section 12 of the NGPSA by redesignating it as section 14 and by rearranging, clarifying and expanding on the current administrative powers and duties of the Secretary under sections 12 and 13(a).

Sec. 14(a) authorizes the Secretary, to the extent necessary to carry out his responsibilities, to conduct investigations, make reports, issue subpenas, conduct hearings, require the production of relevant documents and records, take depositions, and conduct directly or indirectly, research, testing, development, demonstration, and training activities. Such authority to issue subpenas is needed to carry out compliance and accident investigation activities effectively. The authority to conduct research, testing, development and training activities is currently addressed in section 13(a) of the NGPSA. Before the Secretary may require testing of portions of pipeline facilities which have been involved in or affected by an accident, he shall make every effort to negotiate a mutually acceptable plan with the owner of such facilities and, where appropriate, the National Transportation Safety Board for performing such testing.

Sec. 14(b) incorporates, with minor changes, the language in existing section 12 (a) pertaining to the obligation of persons engaged in the transportation of gas or who own or operate pipeline facilities to establish, maintain, and make vilable, records, reports, and other information that the Secretary considers necessary to determine whether such persons have acted or are acting in compliance with the NGPSA and the standards or orders issued under the NGPSA.

Sec. 14(c) combines, in one section, the current authority of the Secretary under existing section 12(a) and 12(b) to inspect records and facilities.

Sec. 12 is further amended by redesignating existing sections 12(c) and 12(d) as sections 14(d) and 14(e) respectively.

ANNUAL REPORT REGARDING STATE PIPELINE SAFETY INSPECTORS

Sec. 107—This section amends section 16 (relating to annual report), as redesignated, by requiring that the Secretary include in that report a description of the number and qualifications of State inspectors in each State for which a certification or agreement is in effect under Section 5, together with the number of such pipeline inspectors (and their qualifications) which the Secretary recommends for that State.

APPROPRIATIONS AUTHORIZATIONS

Sec. 108—This section amends section 17 of the act as redesignated, to provide appropriations authorizations.

For the purposes of carrying out the provisions of this act: $6.2 million for fiscal year 1980, and $6.9 million for fiscal year 1981.

For the purpose of funding the Federal share of State programs under section 5 (d) and (f), $4,500,000 for fiscal year 1980 and $5,500,000 for fiscal year 1981.

TECHNICAL, CLERICAL, AND CONFORMING AMENDMENTS

Sec. 109—This section makes various technical, clerical and conforming amendments.

COST-BENEFIT ANALYSIS OF INCREASED PIPELINE SAFETY REGULATION

Sec. 110—This section directs the Secretary, within 12 months of enactment of the section and after affording an opportunity for consultation and comment by persons operating pipeline facilities, State and local regulatory authorities with jurisdiction over pipeline safety and consumers, to conduct and complete a cost-benefits analysis to determine whether additional Federal legislation on pipeline safety is beneficial and to submit a report of his findings to Congress. The section further directs the Secretary to conduct a study of the adequacy and effectiveness of existing pipeline safety regulations as a part of the study and also to address issues of whether pipeline safety could be significantly enhanced in a cost-effective manner by requiring pipeline facility operators to prepare and maintain a general description of their pipeline facilities, including the location of the pipeline and the pipeline facilities; the type, age, manufacturer, and method of construction of such pipeline and facilities; the nature of the materials and the sequence in which they are transported, and the pressure at which they are transported; and the climatic, geologic, seismic, and conditions (including soil characteristics) associated with the areas in which the pipeline facilities are located, and the existing and projected population and demographic characteristics associated with such areas.

The section also requires the Secretary to address the issue of the cost-effectiveness, feasibility, and potential benefits of establishing in the Department of Transportation a program for use in an electronic data-processing system, which would be used to process and maintain pipeline safety information obtained under existing and future Federal laws and regulations.

Finally, the section requires the Secretary, as a part of the study, to address whether it is necessary and cost-effective to amend existing Federal law and regulations on the reporting of pipeline leaks to require the reporting of any such future leak which the person owning or operating the pipeline facility knew or reasonably should have known and was not caused by operation, inspection, or adjustment procedures which were properly carried out and did not pose a threat to public health or safety, property, or the environment.

REPORT ON IMPLEMENTATION EFFORTS REGARDING DISTRIBUTION OF GAS IN CONNECTION WITH THE RENTAL OR LEASE OF REAL PROPERTY

Sec. 111—This section directs the Secretary, within 18 months of enactment of this section and after reasonable notice and an opportunity for public comment, to report to Congress on how, when, and to what extent the Department intends to implement its safety jurisdiction over the distribution of gas by any person in connection with the rental or lease of real property by that person, particularly in instances in which the gas being distributed to the renter or lessee is not separately metered.

EFFECTIVE DATE

Sec. 112—Section 112(a) provides that this subtitle shall take effect on the date of enactment.

Sec. 112(b) provides that judicial and other types of proceedings pending upon the date of enactment of Title I be completed as if Title I had not been enacted, unless the Secretary makes a determination that the public safety otherwise requires.

SUBTITLE B—LNG FACILITIES

DEFINITIONS

Sec. 151—Terms pertaining to safety aspects of liquefied natural gas facilities (Subtitle B of the bill) are defined in this section. Liquefied natural gas means natural gas in a liquid or semisolid state. A liquefied natural gas facility is a pipeline facility used for the transportation or storage of LNG, or for LNG conversion, in interstate or foreign commerce, but does not include any structure or equipment located in navigable waters. The purpose of this exclusion is to clarify and emphasize that, in its regulation of the safety of LNG and other hazardous materials facilities, the Coast Guard was, and is, intended to operate exclusively under the authority of the Ports and Waterways Safety Act, as amended (33 U.S.C. 1221 et seq.). The section also defines new and existing LNG facilities.

SITING AND SAFETY STANDARDS

Sec. 152—This section amends the act by adding a new section which pertains to standards for the design, construction, operation, and maintenance of LNG facilities. No new liquefied natural gas facility could be constructed unless the construction, operation, and maintenance of such facility is in accordance with standards prescribed under this section. (The Secretary presently has the authority to seek a court order enjoining violations of a standard or rule under section 10.) Additionally, a liquefied natural gas facility may not be operated unless the applicant submits a contingency plan which details steps to be taken in case of a liquefied natural gas accident.

Standards prescribed under this Act after March 1, 1978 would not apply to the construction of a facility with respect to which an application for approval was filed before March 1, 1978 with the Department of Energy or any predecessor organization or with an appropriate State or local agency. These facilities, considered to be existing facilities, would only be subject to standards mandated by this section which pertain to operation and maintenance of facilities. Other standards may apply to any replacement component or part thereof of an LNG facility only if such applicability would not render such component or part incompatible with other components or parts of the facility or would not otherwise be impracticable.

The section also requires that, within 180 days after enactment, the Secretary must establish minimum standards pertaining to the location, design, installation, construction, initial inspection, and initial testing of any new LNG facility. Within 270 days of enactment, the Secretary would be required to establish minimum standards pertaining to the operation and maintenance of any liquefied natural gas facility.

In prescribing minimum general safety standards for the location of new facilities, the Secretary is required to consider: (1) the nature of the use of the facility; (2) the existing and projected population and demographic characteristics associated with the location involved; (3) the existing and proposed land uses near such location; (4) the meteorological, geological topographical, seismic, and other natural physical aspects of such location; (5) the medical, law enforcement, and fire prevention capabilities existing near such location to cope with risks created by such a facility; and (6) the need to encourage remote siting.

In promulgating general safety standards for the design and construction of any new liquefied natural gas facility the Secretary must consider: (1) thermal resistance and other characteristics of materials used in the construction of such facilities; (2) design factors (e.g. multiple diking); (3) the characteristics of the liquefied natural gas to be stored or converted (e.g. whether the gas is in liquid or semisolid state); and (4) the public safety factors of the design as compared to alternative designs (with special attention to design elements intended to prevent and contain a liquefied natural gas spill).

Present pipeline and LNG standards will continue and the adoption of standards for new LNG facilities would not preclude the applicability of present standards to existing LNG facilities. This section is in addition to and not in lieu of present policy and will not preclude continuation of existing preemptive provisions.

In promulgating standards relating to the operation and maintenance of any liquefied natural gas facility, the Secretary must consider the following:

(1) the condition, features and type of equipment and structure utilized in the facility; (2) the fire prevention and containment equipment of the facility; (3) the security measures to be used to prevent sabotage; (4) training techniques in regard to the equipment; (5) its operation and security measures; and (6) other factors pertaining to the safe handling of liquefied natural gas.

The Secretary is directed to amend the regulations, on his own motion or on the motion of any person, in order to reflect changes in technology or to carry out the purposes of this section. Additionally, provisions of section 3 relating to preemption, the effective date of such regulation, the applicability of the Administrative Procedures Act, and waivers are expressly made applicable to standards promulgated under this section.

This section also contains amendments of a technical and conforming nature.

FINANCIAL RESPONSIBILITY FOR CERTAIN LNG ACTIVITIES

Sec. 153—Within 9 months after the date of enactment, the Secretary is required to conduct a study of the risks associated with the production, transmission and storage of LNG and LPG and the methods of assuring financial responsibility for those engaged in such activities.

The Secretary would be required to report to Congress on his findings and recommendations for appropriate legislative or administrative action.

If the Secretary has reason to believe that any operator of an LNG facility is not maintaining adequate insurance or does not have adequate financial responsibility concomitant with the nature and extent of risk inherent in such activities, he may serve notice of his finding together with a statement of the amount of financial responsibility he deems adequate. The person would be afforded a hearing on the record to show cause as to why an order should not be issued.

If a person files an appeal, the Secretary would be required to file with the court the record of the proceeding which the court would either affirm, modify, remand or set aside. The court would be permitted to enforce an order it affrmed and issue such writs as it deems necessary to prevent injury to the public. The Secretary's findings of facts would be conclusive if supported by substantial evidence.

ENFORCEMENT OF STANDARDS AND FINANCIAL RESPONSIBILITY REQUIREMENTS

Sec. 154—This section amends section 11 (civil penalty) by imposing a civil penalty of not to exceed $50,000 upon any person who violates new section 6 or new section 7(b) of the act. These penalties are in addition to others mandated by the act.

INTERVENTION BY THE SECRETARY IN SAFETY PROCEEDINGS

Sec. 155—This section authorizes the Secretary, as a matter of right, to otherwise participate in FERC or State proceedings involving LNG safety requirements. The Secretary must comply with appropriate procedural rules governing such participation.

This section is not intended to imply, however, that DOT's intervention in FERC proceedings is the only appropriate means for these two agencies to interact in this area. To the contrary, it is expected that DOT and the FERC will work closely to coordinate their efforts to assure the safety of LNG facilities. To that end, it is expected that the two agencies will resume discussions with the purpose of developing a Memorandum of Understanding (MOU) formally setting forth a framework for coordination. Recognizing that the primary source of disagreement in the past has been over whether FERC shall retain its authority to impose safety requirements in addition to those imposed by DOT, it is anticipated that the MOU will resolve this question by a stipulation to the effect that, while FERC will retain its authority to impose safety conditions exceeding DOT's standards, FERC will generally defer to those standards and exercise its authority only in exceptional cases and after consultation with DOT.

EFFECTIVE DATE

Sec. 156—This section provides that this subtitle shall take effect on the date of enactment.

TITLE II—LIQUID PIPELINE SAFETY

SHORT TITLE

Section 201—This section provides that Title II of the proposed Act (hereinafter referred to as Title II) shall be cited as the "Hazardous Liquid Pipeline Safety Act of 1979". The provisions of Title II are patterned after the NGPS.

The following chart indicates the parallels between the NGPSA and Title II:

Title II, section:	*Section of NGPSA as amended by title I*
203	3
204	4
205	5
206	8
207	10
208	11
209	12
210	13
211	14
212	15
213	16
214	17
215	19

The analysis of Sections 203–213 and 215 generally corresponds to the analysis of those NGPSA sections, and therefore, need not be repeated. The remaining sections under Title II (Sections 202, 214, 216, 217, and 218) are discussed below.

DEFINITIONS

Sec. 202—This section contains definitions which describe the persons, hazardous liquid, transportation, and facilities covered.

Persons covered.—Each person who engages in the transportation of hazardous liquids by pipeline or who owns or operates pipeline facilities comes within the jurisditcion of Title II. The jurisdiction extends to operations of public bodies, but it is not intended that the provisions apply to Federally operated facilities, including the military.

Hazardous liquids covered.—Hazardous liquid is defined to mean a substance or material in liquid form (excluding liquefied natural gas) which may pose an unreasonable risk of life or property when transported by pipeline facilities. This definition parallels the Hazardous Materials Transportation Act of 1974 which regulates hazardous materials moving by other modes, such as truck and rail. Although hazardous liquid expressly includes petroleum and petroleum products, the Secretary has broad discretion to classify, by regulation, other liquids as hazardous if they meet the risk criteria stated above.

Transportation covered.—The term "transportation of hazardous liquids" is defined as the movement of hazardous liquid by pipeline or its storage incidental to such movement in or affecting interstate or foreign commerce.

Pipeline facilities covered.—The term "pipeline facilities" is defined to include any new or eixsting pipe, rights-of-way, and equipment, facilities, or buildings used or intended to be used in the transportation of hazardous liquids. It is anticipated that the Materials Transportation Bureau and the Coast Guard will develop a Memorandum of Understand (MOU) with respect to hazardous liquids facilities which is similar to their MOU with respect to LNG facilities, and that the Coast Guard will continue to carry out its functions in this area under the authority of the Ports and Waterways Safety Act.

The term "interstate pipeline facility" is defined to include pipeline facilities that, either on their own or by connection with other pipeline facilities, are used to move hazardous liquids in interstate or foreign commerce. It is intended that a pipeline facility be classed as an interstate pipeline facility if it is physically part of a pipeline system that moves hazardous liquids in interstate or foreign commerce.

The term "intrastate pipeline facility" is defined to mean those facilities which are not "interstate pipeline facilities." Including intrastate facilities within the scope of the bill provides the Secretary with broader authority than he currently possesses. With respect to those intrastate facilities over which new authority is provided, it is intended that the Secretary not undertake enforcement actions until the operators have had a reasonable period of time to come into compliance with newly applicable standards.

Other definitions.—Other definitions are included in this section covering what is meant by "interstate or foreign commerce"; "State" (includes District of Columbia and the Commonwealth of Puerto Rico); "municipality," "national organization of State commissions," and "Secretary."

APPROPRIATIONS AUTHORIZATION

Sec. 213—This section authorizes appropriations for the Hazardous Liquids Pipeline Safety Act.

For the purposes of carrying out the provisions of this act: $1.8 million for fiscal year 1980 and $2.1 million for fiscal year 1981.

For the purpose of funding the Federal share of State programs under section 205, $500,000 for fiscal year 1980 and $535,000 for fiscal year 1981.

CONFORMING AMENDMENTS

Sec. 216—This section provides for conforming amendments to other laws.

If Title II of this bill becomes law, the Transportation of Explosives Act (18 U.S.C. 831–835), which currently authorizes the Secretary's hazardous liquid pipeline safety programs, will no longer be utilized. Because of that, and because hazardous liquid pipelines are the only mode of transportation still regulated under the TOEA, Section 216 would repeal Sections 831–835 of Chapter 39 of Title 18 U.S.C.

Sec. 216 also proposes to amend Section 112(c) of the Hazardous Materials Transportation Act (49 U.S.C. 1811(c)) (HMTA) to reflect the repeal of the TOEA. Section 112(c) excepts pipelines regulated under the TOEA from the provisions of the HMTA. Because hazardous liquid pipelines are regulated under the provisions of Title II, it is proposed to replace the reference to the TOEA in Section 112(c) with a reference to Title II.

EFFECTIVE DATE

Sec. 217—This section provides that Title II shall take effect on the date of enactment.

SAVINGS PROVISION

Sec. 218—Although Section 215 of Title II would repeal Sections 831–835 of Chapter 39 of Title 18, U.S.C., continuity for the hazardous liquid pipeline safety programs being carried out under the authority of those sections is necessary. Therefore, Section 218(a) provides that all orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges which have been issued, made, granted, or allowed to become effective under Sections 831–835, which are in effect at the time Title II takes effect, shall continue in effect as though issued, made, granted or allowed to become effective under the authority of Title II, according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary, by any court of competent jurisdiction, or by operation of law.

Sec. 218(b) provides that judicial and quasi-judicial proceedings pending upon the date of enactment of Title II be completed as if Title II had not been enacted, unless the Secretary makes a determination that the public safety otherwise require.●

● Mr. MAGNUSON. I strongly urge the passage of S. 411, the Pipeline Safety Act. This bill will provide greater assurance that the public is protected from pipeline accidents, and that that protection will be rational and cost-effective.

I would like to clarify one point for the record. While S. 411 provides authority to the Secretary of Transportation, it is intended that the Secretary delegate that authority to the Materials Transportation Bureau. More specifically, it is not intended that this bill create overlapping authority with the Port and Waterways Safety Act. Last year when the Congress enacted the Port and Tanker Safety Act, which amends the Port and Waterways Safety Act, we intended that that law would be the exclusive and comprehensive authority for the Coast Guard to regulate the safety of hazardous materials facilities. This is still our intent; the Coast Guard is not intended to exercise authority under this act.

I have discussed this matter with the Department of Transportation, and they have assured me by letter that they agree with this statement of intent. That letter states as follows:

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., November 13, 1979.

Hon. WARREN G. MAGNUSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MAGNUSON: We have learned of your concern over possible use by the U.S. Coast Guard of the preemption authority that is contained in Title II of S. 411, the Hazardous Liquid Pipeline Safety Act of 1979.

As you know, Title II of S. 41 replaces the Transportation of Explosives Act (18 U.S.C. — 831–835) and provides the Department's Research and Special Programs Administration (RSPA) with a new legislative basis for the safety regulation of hazardous liquid pipeline transportation. Like the Transportation of Explosives Act, Title II would authorize regulation for the safety of pipeline facilities beyond the shoreline used in the transportation of hazardous liquids in interstate or foreign commerce, including (as concurrently provided by 33 U.S.C. 1507) pipelines used in the transportation of oil by a carrier operating a deepwater port. This authority for regulating the safety of pipeline facilities beyond the shoreline is similar to authority provided under the Submerged Lands Act and the Outer Continental Shelf Lands Act.

It is our understanding that you are concerned that pursuant to a delegation by the Secretary of Transportation, the authority provided by Title II as to facilities beyond the shoreline would be exercised by the Coast Guard in a manner which you believe would cause a result inconsistent with the intent of the Ports and Waterways Safety Act (PWSA). In order to prevent the Coast Guard from exercising regulatory authority pursuant to a Secretarial delegation under Title II of S. 411 to complement their safety responsibilities under the PWSA, it has been suggested that Congress except from coverage under that title those facilities located in the navigable waters of the United States. While such an exception would resolve your concern, it would unnecessarily jeopardize the RSPA's long established safety authority and responsibilities for offshore hazardous liquid pipeline facilities.

Instead of a statutory amendment, we would like to give you our commitment that the Department of Transportation will take no administrative action, through delegations of S. 411 authority, to limit state regulatory authority which is preserved by the Port and Waterways Safety Act.

We appreciate your giving us the opportunity to state the Department's views on this issue.

The Office of Management and Budget advises that, from the standpoint of the program of the President, there is no objection to our transmittal of this letter.

Sincerely,

MORTIMER L. DOWNEY,
Acting Secretary.

In conclusion, I strongly urge passage of this important bill. It provides comprehensive authority for the regulation of pipeline safety by the Materials Transportation Bureau which is complementary to, and not overlapping with, the authority provided the Coast Guard by the Ports and Waterways Safety Act.

● **Mr. CANNON.** I strongly support passage of S. 411, the Pipeline Safety Act of 1979. This bill will add substantially to the protections afforded the public against both gas and hazardous liquid pipeline accidents. At a time when we have become all too familiar with the dangers associated with hazardous materials transportation, today we have an opportunity to assure that the public is adequately protected from accidents involving the pipeline mode of transporting these materials.

The compromise version of the bill which is being offered today is the result of lengthy discussions with the House, and it clearly incorporates the best provisions of both the House and the Senate versions. In addition to representing a consensus of the House and Senate, this bill represents agreement among virtually every group which has participated in the development of this legislation. Not only has the Department of Transportation strongly endorsed the bill, but every industry trade association which is concerned with the bill has come out in strong support of it.

This bill, therefore, truly represents a consensus and will provide greater assurance that the public will be protected from pipeline accidents. I therefore urge the Senate to pass S. 411.●

● **Mr. PACKWOOD.** I join Senators CANNON, FORD, and MAGNUSON in support of this compromise bill.

The purpose of this bill is to improve the protection afforded the public against risks associated with the transportation of hazardous commodities by pipeline. A recent accident at an LNG facility in Cove Point, Md., brings home the importance of pipeline safety. One man was killed and another seriously injured when a power building exploded as a result of an LNG valve leak.

I will highlight a few of the important improvements this compromise will make in present Federal law.

Title I of S. 411 strengthens and expands the enforcement powers of the Secretary under the Natural Gas Pipeline Safety Act by providing authority to issue compliance orders, more stringent civil penalties for violations of the standards relating to LNG, and criminal penalties for willful violations.

The compromise also strengthens the Technical Pipeline Safety Standards Committee which has proven itself as an excellent way of improving communications between the Department of Transportation, the regulated industry, and the public.

There are also several studies required in the bill that will provide useful information to the Department of Transportation and Congress.

The compromise further requires the Secretary to study the adequacy of the LNG industry's financial responsibility to the public and allows the Secretary to order any operator of an LNG facility to demonstrate and maintain financial responsibility at or above an amount determined by the Secretary.

Title II of the compromise retains the S. 411 provision for a statutory framework similar to the Natural Gas Pipeline Safety Act to regulate transportation of hazardous liquids by pipeline. The Department of Transportation would therefore have authority to promulgate safety standards and assure compliance with the standards.

Title II also retains the S. 411 provision establishing a State enforcement program so that the appropriate agency within a State would be certified to enforce the Federal standards and establishing a State grant-in-aid program to fund such a State program.

Finally, the compromise provides authorizations for appropriations to carry out the provisions of title I and title II.●

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. FORD I move that the Senate concur in the amendments of the House with an amendment.

The PRESIDING OFFICER. The clerk will report the amendment.

UP AMENDMENT NO. 811

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) on behalf of Mr. FORD proposes an unprinted amendment numbered 811.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SHORT TITLE; TABLE OF CONTENTS

SECTION 1. (a) This Act may be cited as the "Pipeline Safety Act of 1979".

(b) The table of contents for this Act is as follows:

TABLE OF CONTENTS

Sec. 1. Short title; table of contents.
Sec. 2. References to Natural Gas Pipeline Safety Act of 1968.

TITLE I—NATURAL GAS

SUBTITLE A—GENERAL PROVISIONS

Sec. 101. Pipeline participation in certain utility safety programs.
Sec. 102. Technical Pipeline Standards Committee.
Sec. 103. Reporting and monitoring requirements under State safety programs.
Sec. 104. Enforcement powers.
Sec. 105. Simplification of filing requirements.
Sec. 106. Administration.
Sec. 107. Annual report regarding State pipeline safety inspectors.
Sec. 108. Appropriations authorization.
Sec. 109. Technical, clerical, and conforming amendments.
Sec. 110. Cost-benefit analysis of increased pipeline safety regulation.
Sec. 111. Report on implementation efforts regarding distribution of gas in connection with the rental or lease of real property.
Sec. 112. Effective date.

SUBTITLE B—LNG FACILITIES

Sec. 151. Definitions.
Sec. 152. Siting and safety standards.
Sec. 153. Financial responsibility.
Sec. 154. Enforcement of standards and financial responsibility requirements.
Sec. 155. Intervention by the Secretary in safety proceedings.
Sec. 156. Effective date.

TITLE II—LIQUID PIPELINE SAFETY

Sec. 201. Short title.
Sec. 202. Definitions.
Sec. 203. Regulations governing hazardous liquid pipeline facilities.
Sec. 204. Technical Hazardous-Liquid Pipeline Safety Standards Committee.
Sec. 205. State certifications and agreements.
Sec. 206. Judicial review.
Sec. 207. Compliance.
Sec. 208. Penalties.
Sec. 209. Specific relief.
Sec. 210. Inspection and maintenance.
Sec. 211. Powers and duties of the Secretary.
Sec. 212. Pipeline safety coordination and cooperation.
Sec. 213. Annual report.
Sec. 214. Appropriations authorized.
Sec. 215. Citizens civil action.
Sec. 216. Conforming amendments.
Sec. 217. Effective date.
Sec. 218. Savings provisions.

REFERENCES TO NATURAL GAS PIPELINE SAFETY ACT OF 1968

SEC. 2. Except as otherwise expressly provided, whenever in this Act any reference, amendment, or repeal is expressed in terms of a reference or amendment to, or repeal of, a section or other provision, it shall be considered to be made to a section or other provision of the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. 1671 and following).

TITLE I—NATURAL GAS

SUBTITLE A—GENERAL PROVISIONS

PIPELINE PARTICIPATION IN CERTAIN UTILITY SAFETY PROGRAMS

SEC. 101. (a) Section 3(b) is amended by inserting "(1)" after "(b)", by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), and by adding at the end thereof the following new paragraph:

"(2) Not later than 12 months after the date of the enactment of the Pipeline Safety Act of 1979, the Secretary shall provide that the Federal minium safety standards established under this section include a requirement that any operator of pipeline facilities—

"(A) participate in any public safety program—

"(i) which provides for notice to pipeline facility operators of proposed demolition, excavation, tunneling, or construction near or affecting such facility;

"(ii) which requires such operators to identify specific pipeline facilities which may be affected by the proposed demolition, excavation, tunneling, or construction, for the purpose of preventing damage to such facilities; and

"(iii) which the Secretary determines is being carried out in a manner adequate to assure protection against the hazards to that operator's pipeline facilities created by such demolition, excavation, tunneling, or construction; or

"(B) to the extent that such a program is not available, take such steps as the Secretary shall prescribe to provide services to the public with respect to that operator's pipeline facilities which are comparable to those which would be available to the public under such a program.".

(b) Section 5(a)(4) is amended by striking out "excavation" and inserting in lieu thereof "demolition, excavation, tunneling, or construction".

(c) Requirements under the amendments made by subsection (a) shall not apply with respect to annual certifications under section 5 during the 2-year period which begins on the effective date of such requirements.

TECHNICAL PIPELINE STANDARDS COMMITTEE

SEC. 102. (a) Section 4(a) is amended by striking out "and experience" and inserting in lieu thereof ", experience, or knowledge".

(b) Section 4(b) is amended—

(1) by striking out the first sentence and inserting in lieu thereof the following: "The Secretary shall submit to the Committee any proposed standard under this Act, or any proposed amendment to a standard under this Act, for its consideration. Within 90 days after receipt by the Committee of any proposed standard or amendment, the Committee shall prepare a report on the technical feasibility, reasonableness, and practicability of such standard or amendment. The Secretary may prescribe a final standard or final amendment to a standard at any time after the 90th day after its submission to the Committee, whether or not the Committee has reported on such standard or amendment.";

(2) by inserting after "published by the Secretary and" the following ", if timely made,"; and

(3) by inserting before the last sentence thereof the following new sentence: "The Committee shall meet with the Secretary (or his designee) not less frequently than once every 6 months.".

(c) Section 4(c) is amended by striking out "not to exceed $100 per diem" and inserting in lieu thereof "not to exceed the daily equivalent of the maximum annual rate of basic pay then currently payable under the General Schedule under section 5332 of title 5, United States Code, for each day".

REPORTING AND MONITORING REQUIREMENTS UNDER STATE SAFETY PROGRAMS

SEC. 103. (a) Section 5(a)(11) is amended to read as follows: "(11) all accidents or incidents reported during the preceding 12 months by each such person involving personal injury requiring hospitalization, fatality, property damage exceeding $5,000 (whether or not sustained by a person subject to the safety jurisdiction of the State agency) and any other accident which the State agency considers significant, together with a summary of the State agency's investigation as to the cause and circumstances surrounding such accident or incident;".

(b)(1) Section 5(b) is amended by inserting "and" at the end of paragraph (1), by striking out the semicolon at the end of paragraph (2) and inserting a period in lieu thereof, and by striking out paragraphs (3) and (4).

(2) Section 5 is further amended—

(A) by striking out subsection (f);

(B) by redesignating subsections (c), (d), and (e) as (d), (e), and (f), respectively; and

(C) by inserting after subsection (b) the following new subsection:

"(c) The Secretary may conduct whatever monitoring may be necessary of any State program established by certification or agreement under this section to assure that such programs are being carried out in compliance with such certification or agreement. State agencies shall cooperate fully in any monitoring of their programs under this subsection.".

(3) Section 5(a) is amended by striking out "Except for the fourth sentence of section 3(b), section 12(b), and except as otherwise provided in this section, the provisions of this Act" and inserting in lieu thereof "Except for section 19, and except as otherwise provided in this section, the authority of the Secretary under this Act to prescribe safety standards and enforce compliance with such standards".

ENFORCEMENT POWERS

SEC. 104 (a)(1) Section 8 is amended by redesignating subsection (b) as subsection (c) and inserting after subsection (a) the following new subsection:

"(b)(1) The Secretary may issue orders directing compliance with this Act or any regulation issued under this Act. Any such order shall clearly set forth the particular actions required of the person to whom the order is issued.

"(2) The district courts of the United States shall have jurisdiction, upon petition by the Attorney General, to enforce any such order by appropriate means."

(2) Section 3(d) is amended by inserting "directing or" before "waiving compliance with".

(b) The Act is amended by striking out sections 9 and 10, redesignating sections 11 through 17 as sections 13 through 19, respectively, and inserting before section 13 (as redesignated) the following new sections:

"PENALTIES

"SEC. 11. (a)(1) Any person who is determined by the Secretary to have violated any provisions of section 10(a) or any regulation or order issued under this Act, including any order issued under sections 10(b) and 12(b), shall be liable to the United States for a civil penalty of not more than $1,000 for each violation for each day that violation persists, except that the maximum civil penalty shall not exceed $200,000 for any related series of violations.

"(2) The amount of the penalty shall be assessed by the Secretary by written notice. In determining the amount of the penalty, the Secretary shall consider the nature, circumstances, and gravity of the violation and, with respect to the person found to have committed the violation, the degree of culpability, any history of prior violations, the effect on ability to continue to do business, any good faith in attempting to achieve compliance, ability to pay the penalty, and such other matters as justice may require.

"(b) A civil penalty assessed under subsection (a) may be recovered in an action brought by the Attorney General on behalf of the United States in the appropriate district court of the United States or, prior to referral to the Attorney General, it may be compromised by the Secretary. The amount of the penalty, when finally determined (or agreed upon in compromise), may be deducted from any sums owed by the United States to the person charged. All penalties collected under this subsection shall be deposited in the Treasury of the United States as miscellaneous receipts.

"(c)(1) Any person who willfully and knowingly violates section 10(a) or a regulation or order issued under this Act, including any order issued under sections 10(b) and 12(b), shall, upon conviction, be subject, for each offense, to a fine of not more than $25,000, imprisonment for a term not to exceed 5 years, or both.

"(2) Any person who willingly and knowingly injures or destroys, or attempts to injure or destroy, any interstate transmission facility shall, upon conviction, be subject, for each offense, to a fine of not more than $25,000, imprisonment for a term not to exceed 15 years, or both.

"(d) Nothing in this Act shall be construed to authorize the imposition of penalties for the violation of any regulation and the violation of any order under section 10(b) or 12(b) if both violations are based on the same act.

"SPECIFIC RELIEF

"SEC. 12. (a)(1) The Attorney General, at the request of the Secretary, may bring an action in an appropriate district court of the United States for equitable relief to redress or restrain a violation by any person of a provision of this Act or a regulation issued under this Act. Such district courts shall have jurisdiction to determine such actions and may grant such relief as is necessary or appropriate, including mandatory or prohibitive injunctive relief, interim equitable relief, and punitive damages.

"(2) In any proceeding for criminal contempt for violation of a mandatory or prohibitive injunction issued under this subsection, which violation also constitutes a violation of this Act, trial shall be by the court or, upon demand of the accused, by a jury. Such trial shall be conducted in accordance with the practice and procedure applicable in the case of proceedings subject to the provisions of rule 42(b) of the Federal Rules of Criminal Procedure.

"(b)(1) If the Secretary finds, after reasonable notice and an opportunity for hearing, that any pipeline facility is hazardous to life or property, he shall, by order, require the person operating the facility to take necessary corrective action. Such corrective action may include suspended or restricted use of the facility, physical inspection, testing, repair, replacement, or other action, as appropriate.

"(2) The Secretary may find a pipeline facility to be hazardous under paragraph (1)—

"(A) if under the facts and circumstances he determines the particular facility is hazardous to life or property, or

"(B) if the pipeline facility or a component thereof has been contructed or operated with any equipment, material, or technique which he determines is hazardous to life or property, unless the operator involved demonstrates to the satisfaction of the Secretary that under the particular facts and circumstances involved such equipment, material, or technique is not hazardous to life or property.

"(3) In making a determination under paragraph (2), the Secretary shall consider, if relevant—

"(A) the characteristics of the pipe and other equipment used in the pipeline facility involved, including its age, manufacturer, physical properties (including its resistance to corrosion and deterioration), and the method of its manufacture, construction, or assembly;

"(B) the nature of the materials transported by such facility (including their corrosive and deteriorative qualities), the sequence in which such materials are transported, and the pressure required for such transportation;

"(C) the aspects of the areas in which the pipeline facility is located, in particular the climatic and geologic conditions (including soil characteristics) associated with such areas, and the population density and population and growth patterns of such areas;

"(D) any recommendation of the National Transportation Safety Board issued in connection with any investigation conducted by the Board under other provisions of law; and

"(E) such other factors as the Secretary may consider appropriate.

"(4) The district courts of the United States shall have jurisdiction, upon petition by the Attorney General, to enforce orders issued under this subsection by appropriate means.

"(5) The Secretary may waive the requirements for notice and hearing under this subsection and provide for expeditious issuance of an order under this subsection in any case in which he determines that the failure to do so would result in the likelihood of serious harm to life or property. However, the Secretary shall include in such an order an opportunity for hearing as soon as practicable after issuance of an order.".

(c) Section 3(d) is amended by striking out "all orders" and inserting in lieu thereof "all actions".

(d) Section 3(e) is amended by inserting ", by order" after "the Secretary may",

(e) Section 6 is amended—

(1) by striking out the section heading and inserting in lieu thereof "JUDICIAL REVIEW";

(2) in subsection (a), by striking out "any order issued under this Act" and inserting in lieu thereof "any regulation issued under this Act or any order with respect to an application for a waiver under section 3(d)" and by striking out "such order is issued" and inserting in lieu thereof "such regulation or order is issued"; and

(3) in subsections (b) and (c), by striking out "order" and inserting in lieu thereof "regulation or order".

SIMPLIFICATION OF FILING REQUIREMENTS

Sec. 105. (a) (1) The first sentence of section 13, as amended and redesignated, is amended by striking out "shall file with the Secretary or, if a certification or an agreement pursuant to section 5 of this Act is in effect, with the appropriate State agency, a plan for inspection and maintenance" and inserting in lieu thereof "shall prepare, maintain at such office or offices of that person as the Secretary determines appropriate, and carry out a written current plan for inspection and maintenance".

(2) Section 13, as so amended and redesignated, is further amended by inserting after the fourth sentence the following new sentence: "Such plans shall be made available to the Secretary or the appropriate State agency upon request pursuant to section 14.".

(b) Section 8(a) (2) is amended by striking out "file and comply with a plan of inspection and maintenance required by section 18" and inserting in lieu thereof "prepare and maintain a plan of inspection and maintenance required by section 13 and comply with such plan".

ADMINISTRATION

Sec. 106. Section 14 (relating to records, reports, and inspection for compliance), as redesignated, is amended to read as follows:

"POWERS AND DUTIES OF THE SECRETARY

"Sec. 14. (a) The Secretary may, to the extent necessary to carry out his responsibilities under this Act, conduct investigations, make reports, issue subpenas, conduct hearings, require the production of relevant documents and records, take depositions, and conduct, directly or, by contract, or otherwise, research, testing, development, demonstration, and training activities; however, before the Secretary may exercise authority under this section to require testing of portions of pipeline facilities subject to the provisions of this Act which have been involved in or affected by an accident, he shall make every effort to negotiate a mutually acceptable plan with the owner of such facilities and, where appropriate, the National Transportation Safety Board for performing such testing.

"(b) Each person who engages in the transportation of gas or who owns or operates pipeline facilities shall establish and maintain such records, make such reports, and provide such information as the Secretary may reasonably require, and shall submit such reports and shall make such records and information available as the Secretary may request, to enable him to determine whether such person has acted or is acting in compliance with this Act and the standards or orders issued under this Act.

"(c) Officers, employees, or agents authorized by the Secretary, upon presenting appropriate credentials to the person in charge, are authorized to enter upon, inspect, and examine, at reasonable times and in a reasonable manner, the records and properties of persons to the extent such records and properties are relevant to determine whether such persons have acted or are acting in compliance with this Act and the standards or orders issued under this Act.

"(d) Accident reports made by any officer, employee, or agent of the Department of Transportation shall be available for use in any civil, criminal, or other judicial proceeding arising out of such accident. Any such officer, employee, or agent may be required to testify in such proceedings as to the facts developed in such investigations. Any such report shall be made available to the public in a manner which need not identify individuals. All reports on research projects, demonstration projects, and other related activities shall be public information.

"(e) All information reported to or otherwise obtained by the Secretary or his representative pursuant to subsection (a), (b), or (c) which information contains or relates to a trade secret referred to in section 1905 of title 18 of the United States Code shall be considered confidential for the purpose of that section, except that such information may be disclosed to other officers or employees concerned with carrying out this Act or when relevant in any proceeding under this Act. Nothing in this section shall authorize the withholding of information by the Secretary or any officer, employee, or agent under his control, from the duly authorized committees of the Congress.".

ANNUAL REPORT REGARDING STATE PIPELINE SAFETY INSPECTORS

Sec. 107. Section 16 (relating to annual report), as redesignated, is amended by striking out "and" at the end of paragraph (9), by striking out the period at the end of paragraph (10) and inserting in lieu thereof "; and", and by adding at the end thereof the following:

"(11) a description of the number and qualifications of State pipeline safety inspectors in each State for which a certification or agreement is in effect under section 5, together with the number of such pipeline inspectors (and their qualifications) which the Secretary recommends for that State.".

APPROPRIATIONS AUTHORIZATION

Sec. 108. Section 17, as redesignated, is amended to read as follows:

"APPROPRIATIONS AUTHORIZED

"Sec. 17. (a) For the purpose of carrying out the provisions of this Act (other than provisions for which funds are authorized to be appropriated under subsection (b)), there are authorized to be appropriated—

"(1) $6,200,000, for the fiscal year ending September 30, 1980; and

"(2) $6,900,000, for the fiscal year ending September 30, 1981.

"(b) For the purpose of carrying out the Federal grants-in-aid provisions of section 5(d) of this Act, there are authorized to be appropriated—

"(1) $4,500,000, for the fiscal year ending September 30, 1980; and

"(2) $5,500,000, for the fiscal year ending September 30, 1981.".

TECHNICAL, CLERICAL, AND CONFORMING AMENDMENTS

Sec. 109. (a) Section 2(7) (relating to the national organization of State commissions) is amended by striking out "part II of the Interstate Commerce Act" and inserting in lieu thereof "subchapter III of chapter 103 of title 49, United States Code".

(b) Sections 2(8) and 2(9) (relating to certain interstate and intrastate facilities) are amended by striking out "Federal Power Commission" and inserting in lieu thereof "Federal Energy Regulatory Commission".

(c) Section 3 (relating to standards), as amended, is amended by striking out subsection (a) and by redesignating subsections (b) through (e) as subsections (a) through (d), respectively.

(d) The first sentence of section 3(a), as redesignated by subsection (c), is amended by striking out all that precedes "establish minimum" and inserting in lieu thereof "The Secretary shall, by regulation,".

(e) Section 3(a), as redesignated by subsection (c), is amended by striking out the fourth sentence in paragraph (1), by inserting in paragraph (1) (B) "or facility" after "pipeline transportation", and by inserting "safety" after "or more stringent".

(f) Section 3(b), as redesignated by subsection (c), is amended by inserting after "period reasonably necessary for compliance" the following: "and such date is specified in the regulation establishing or amending such standard".

(g) Section 5(a) (relating to State certifications and agreements) is amended by striking out "; except that a State agency may file a certification under this subsection without regard to the requirement of injunctive and monetary sanctions under State law for a period not to exceed five years after the date of enactment of this Act".

(h) (1) Section 5(a) is amended by striking out "section 12", "section 11", and "sections 9 and 10" and inserting in lieu thereof "section 14", "section 13", and "sections 11 (other than subsection (a) (3) thereof) and 12", respectively.

(2) Section 5(b) (2) is amended by striking out "section 11" and inserting in lieu thereof "section 13".

(3) Section 5(d) (2), as redesignated, is amended by striking out "section 15(b)" and inserting in lieu thereof "section 17(b)".

(4) Section 8 (relating to compliance) is amended by striking out "section 12" and inserting in lieu thereof "section 14".

(i) Section 7 (relating to cooperation with Federal Power Commission and State commissions) is amended, in the section heading, by striking out "FEDERAL POWER COMMISSION" and inserting in lieu thereof "FEDERAL ENERGY REGULATORY COMMISSION" and, in the text, by striking out "Federal Power Commission" each place it appears and inserting in lieu thereof "Federal Energy Regulatory Commission".

(j) Section 15 (relating to administration), as redesignated, is amended—

(1) by striking out the section heading and inserting "NATURAL GAS SAFETY COOPERATION AND COORDINATION"; and

(2) by striking out subsection (a) and redesignating subsections (b), (c), and (d) as subsections (a), (b), and (c), respectively.

(k) Section 15(a), as redesignated, is amended by striking out "Federal Power Commission" and inserting in lieu thereof "Federal Energy Regulatory Commission".

(l) Section 16(a) (3) (relating to annual reports), as redesignated, is amended by striking out "section 3(e)" and inserting in lieu thereof "section 3(d)".

(m) Section 16 (relating to annual report), as redesignated, is amended by striking out "March 17" and inserting in lieu thereof "June 15".

COST-BENEFIT ANALYSIS OF INCREASED PIPELINE SAFETY REGULATION

Sec. 110. (a) Within 12 months after the date of the enactment of this section, the Secretary of Transportation, after affording an opportunity for consultation and comment by persons operating pipeline facilities. State and local regulatory authorities with jurisdiction over pipeline safety, and consumers shall conduct and complete a cost-benefit analysis to determine whether additional Federal legislation on pipeline safety is beneficial and submit a report of his findings to the Congress.

(b) As part of the cost-benefit analysis required by subsection (a), the Secretary of Transportation shall conduct a study of the adequacy and effectiveness of existing pipeline safety regulations. In addition to existing pipeline safety regulations, the study shall address the following issues:

(1) whether pipeline safety could be significantly enhanced in a cost-effective manner by regulations requiring pipeline facility operators to prepare and maintain a general description of their pipeline facilities, including—

(A) the location of the pipeline and the pipeline facilities;

(B) the type, age, manufacturer, and method of construction of such pipeline and facilities;

(C) the nature of the materials transported, the sequence in which they are transported, and the pressure at which they are transported; and

(D) the climatic, geologic, seismic, and conditions (including soil characteristics) associated with the areas in which the pipeline facilities are located, and the existing and projected population and demographic characteristics associated with such areas;

(2) the cost-effectiveness, feasibility, and potential benefits of establishing in the Department of Transportation a program for use in an electronic data-processing system, which would be used to process and maintain pipeline-safety information obtained under existing and future Federal laws and regulations;

(3) whether it is necessary and cost-effective to amend existing Federal law and regulations on the reporting of pipeline leaks to require the reporting of any such future leak which—

(A) the person owning or operating the pipeline facility knew or reasonably should have known existed;

(B) was not caused by operation, inspection, or adjustment procedures which were properly carried out; and

(C) posed a threat to public health or safety, property, or the environment.

REPORT ON IMPLEMENTATION EFFORTS REGARDING DISTRIBUTION OF GAS IN CONNECTION WITH THE RENTAL OR LEASE OF REAL PROPERTY

SEC. 111. (a) Not later than 18 months after the date of the enactment of this Act, the Secretary of Transportation shall prepare and transmit to each House of the Congress a report on how, when, and to what extent the Department of Transportation intends to implement its safety jurisdiction over the distribution of gas by any person in connection with the rental or lease of real property by that person, particularly in instances in which the gas being distributed to the renter or lessee is not separately metered.

(b) The Secretary shall provide reasonable notice and an opportunity for public comment in connection with the preparation of the report required under subsection (a).

EFFECTIVE DATE

SEC. 112. (a) The provisions of this subtitle, including amendments made by such provisions, shall take effect on the date of the enactment of this Act.

(b) Suits, actions, or other proceedings pending upon the date of the enactment of this subtitle shall not be affected by the provisions of this subtitle and shall be completed as if this title had not been enacted, unless the Secretary makes a determination that the public safety otherwise requires.

SUBTITLE B—LNG FACILITIES

DEFINITIONS

SEC. 151. Section 2 is amended by striking out "and" at the end of paragraph (9), by striking out the period at the end of paragraph (10) and inserting a semicolon in lieu thereof, and by adding at the end thereof the following new items:

"(11) 'LNG' means natural gas in a liquid or semisolid state;

"(12) 'LNG facility' means any pipeline facility used for the transportation or storage of LNG, or for LNG conversion, in interstate or foreign commerce, but does not include any structure or equipment (or portion thereof) located in navigable waters (as defined in section 3(8) of the Federal Power Act (16 U.S.C. 796(8)));

"(13) 'LNG conversion' means conversions of natural gas into LNG (liquefaction or solidification) or the conversion of LNG into natural gas (vaporization);

"(14) 'Existing LNG facility' means any LNG facility for which an application for the approval of the siting, construction, or operation of such facility was filed before March 1, 1978, with—

"(A) the Department of Energy or any predecessor organization of the Department, or

"(B) the appropriate State or local agency, in the case of any facility not subject to the jurisdiction of the Department of Energy under the Natural Gas Act, except that such term does not include any facility the construction of which commences on or after the date of the enactment of this paragraph and such construction is not pursuant to such an approval;

"(15) 'New LNG facility' means any LNG facility other than an existing LNG facility;

"(16) 'LNG accident' means any release, burning, or explosion of LNG resulting from—

"(A) a rupture or other failure of a storage tank, pipeline, or other LNG facility;

"(B) natural hazards (including earthquakes, hurricanes, and high winds);

"(C) sabotage; or

"(D) any other cause;

other than any such release, burning, or explosion which, as determined in accordance with regulations prescribed by the Secretary, does not pose a threat to public health or safety, property, or the environment; and

"(17) 'Interstate or foreign commerce' means any trade, traffic, transportation, exchange, or other commerce—

"(A) between any State and any place outside of such State, or

"(B) which affects any trade, transportation, exchange, or other commerce described in subparagraph (A).".

SITING AND SAFETY STANDARDS

SEC. 152. (a) The Act is amended by redesignating sections 6, 7, and 8 as sections 8, 9, and 10, respectively, and by inserting after section 5 the following new section:

"STANDARDS FOR LNG FACILITIES

"SEC. 6. (a) (1) Not later than 180 days after the date of the enactment of this section, the Secretary shall establish, by regulation—

"(A) minimum safety standards for determining the location of any new LNG facility, and

"(B) minimum safety standards for the design, installation, construction, initial inspection, and initial testing of any new LNG facility.

"(2) After the date standards first take effect under this section, no new LNG facility may be constructed other than in accordance with the applicable standards prescribed under this section. The Secretary shall ensure that the facility is constructed and operated in compliance with such standards.

"(3) No new LNG facility may be operated unless the person operating such facility has previously submitted a contingency plan which sets forth those steps which are to be taken in the event of an LNG accident and which is determined to be adequate by the Department of Energy or the appropriate State agency, in the case of any facility not subject to the jurisdiction of the Department under the Natural Gas Act.

"(b) Not later than 270 days after the date of the enactment of this subsection, the Secretary shall establish minimum standards to be maintained with respect to the operation and maintenance of any LNG facility.

"(c) (1) (A) Except to the extent provided under subparagraph (B), any standard issued under this Act after March 1, 1978, affecting the design, location, installation, construction, initial inspection, or initial testing shall not apply to an existing LNG facility either—

"(i) under the authority of this Act; or

"(ii) under the authority of any other Federal law if such standard was not issued at the time such authority was exercised.

"(B) Any such standard (other than one affecting location) may be made applicable under the provisions of such standard to any replacement component or part thereof of an LNG facility if that component or part is placed in service after the date of the issuance of that standard, but only if such applicability—

"(i) would not render such component or part incompatible with the other components or parts of the facility involved; or

"(ii) would not otherwise be impracticable.

No standard issued under this Act after March 1, 1978, affecting location shall apply to any replacement component or part thereof of an existing LNG facility.

"(2) Nothing in this section shall preclude the application of standards under section 3 to pipeline facilities (other than LNG facilities) associated with LNG facilities.

"(3) Standards affecting the design, installation, construction, initial inspection, and initial testing shall not be applicable to LNG facilities in existence on the date such standards are adopted.

"(d) In prescribing general safety standards under subsections (a) and (b), the Secretary shall take into consideration—

"(1) with respect to standards relating to the location of any new LNG facility—

"(A) the nature of the use of the facility;

"(B) the existing and projected population and demographic characteristics associated with the location involved;

"(C) the existing and proposed land uses near such location;

"(D) the meteorological, geological, topographical, seismic, and other natural physical aspects of such location;

"(E) the medical, law enforcement, and fire prevention capabilities existing near such location to cope with risks created by such a facility; and

"(G) the need to encourage remote siting:

"(2) with respect to standards applicable to the design, installation, construction, initial inspection, and initial testing of any new LNG facility—

"(A) the thermal resistance and other characteristics of materials to be used in the construction of such facility as compared to alternative materials;

"(B) design factors (such as multiple diking, insulated concrete, and vapor containment barriers);

"(C) the characteristics of the LNG to be stored or converted at, or transported by, such facility (for example, whether it is to be in a liquid or semisolid state); and

"(D) the public safety factors of the design as compared to alternative designs (particularly the ability under such a design to prevent and contain an LNG spill); and

"(3) with respect to standards for the operation and maintenance of any LNG facility—

"(A) the conditions, features, and types of equipment and structures which comprise, or which are used in connection with, such facility;

"(B) the fire prevention and containment equipment at such facility;

"(C) the security measures to be used with respect to the operation of such facility for the prevention of sabotage or other intentional acts which could cause an LNG accident;

"(D) maintenance procedures and equipment;

"(E) the training of personnel with respect to the equipment, structure, measures, and procedures described in subparagraphs (A), (B), (C), and (D); and

"(F) other factors and conditions relating to the safe handling of LNG.

"(e) At any time after the effective date of standards initially prescribed under subsections (a) and (b), the Secretary shall, on his own motion or on the motion of any person, amend such standards to the extent he considers necessary to reflect changes in technology or to otherwise carry out the purposes of this section.

"(f) The provisions of the last two sentences of subsection (a)(1) of section 3 and of subsections (b), (c), and (d) of section 3 shall apply with respect to standards prescribed under this section in the same manner as they apply to standards prescribed under section 3.".

(b)(1) Section 2(3) (definition of transportation of gas) is amended by striking out "or affecting".

(2) Section 3(d) (relating to waiver of standards), as redesignated, is amended by inserting after "in the same manner" the following: "and to the same extent".

(3) Section 9 (relating to cooperation with Federal Energy Regulatory Commission), as redesignated, is amended—

(A) by inserting "section 3 or" after "proceedings under";

(B) by inserting "to import natural gas or" after "authority";

(C) by striking out "a gas pipeline which is" and inserting in lieu thereof "pipeline facilities which are"; and

(D) by inserting "the Department of Energy and" before "the Commission unless".

FINANCIAL RESPONSIBILITY

SEC. 153. The Act, as amended by section 152 of this Act, is further amended by inserting after the new section 6 the following new section:

"FINANCIAL RESPONSIBILITY FOR CERTAIN LNG ACTIVITIES; STUDIES

"SEC. 7. (a) Not later than 270 days after the date of the enactment of this section, the Secretary shall—

"(1) conduct a study of—

"(A) the risks associated with the production, transportation, and storage of LNG;

"(B) the risks associated with the production, transportation, and storage of liquefied petroleum gas;

"(C) the methods of assuring adequate financial responsibility for those engaged in any such activity; and

"(2) prepare and transmit to each House of the Congress a report on the results of such study, together with the recommendations of the Secretary for such legislative or administrative action as he considers appropriate.

"(b)(1) Whenever the Secretary has reason to believe that any operator of an LNG facility is not maintaining adequate insurance or otherwise does not have adequate financial responsibility with respect to such facilities, he may issue and serve upon such operator notice thereof, together with a statement of the amount of the financial responsibility that the Secretary would consider adequate.

"(2) Any person issued notice under paragraph (1) shall have a right to hearing on the record in accordance with section 554 of title 5, United States Code, to be held not later than 30 days after notice under paragraph (1), at which such person has the right to show cause as to why an order should not be issued by the Secretary requiring such person to demonstrate and maintain financial responsibility at or above the amount indicated in the notice under paragraph (1).

"(3) After an opportunity for hearing under paragraph (2), the Secretary may, if he determines it is justified in the public interest, order the person issued notice of such hearing to demonstrate and maintain financial responsibility at or above an amount determined appropriate by the Secretary, taking into account any information, data, and views presented in such hearing.

"(4)(A) Any person aggrieved by an order issued under paragraph (3) may seek judicial review of such order only by filing a petition for review in the appropriate court of appeals of the United States within 60 days after such order is issued.

"(B) Upon receipt of notice of the filing of such petition, the Secretary shall file in the court the record in the proceeding, as provided in section 2112 of title 28, United States Code. Upon such filing, the court may affirm, modify, remand, or set aside the order of the Secretary, and may enforce the order to the extent that such order is affirmed and issue such writs as are ancillary to its jurisdiction or are necessary in its judgment to prevent injury to the public pendente lite. The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive.

"(C) The judgment and decree of the court shall be final, except that such judgment and decree shall be subject to review by the Supreme Court upon certiorari, as provided in section 1254 of title 28, United States Code.

"(c) For purposes of subsection (b) of this section, financial responsibility may be maintained by any one of, or a combination of, the following methods acceptable to the Secretary:

"(1) evidence of insurance,

"(2) surety bonds,

"(3) qualification as a self-insurer, or

"(4) other evidence of financial responsibility."

ENFORCEMENT OF STANDARDS AND FINANCIAL RESPONSIBILITY REQUIREMENTS

SEC. 154. Section 11(a) (relating to penalties), as added by section 104, is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following new paragraph:

"(2) Any person who is determined by the Secretary to have violated any standard or order under section 6 or 7(b) shall be subject to a civil penalty of not to exceed $50,000, which penalty shall be in addition to any other penalties to which such person may be subject under this subsection.".

INTERVENTION BY THE SECRETARY IN SAFETY PROCEEDINGS

SEC. 155. (a) Section 15, as redesignated, is amended by adding at the end thereof the following new subsection:

"(d) The Secretary may as a matter of right intervene or otherwise participate in any proceeding before the Federal Energy Regulatory Commission, or any State agency, which involves safety requirements relating to LNG facilities. The Secretary shall comply with rules of procedure of general applicability governing the timing of intervention or participation in such proceeding or activity and, upon intervening or participating therein, shall comply with rules of procedure of general applicability governing the conduct thereof.".

(b) Section 15(a), as redesignated, is amended by inserting ", or any appropriate State agency," after "Commission".

EFFECTIVE DATE

SEC. 156. The provisions of this subtitle, including amendments made by such provisions, shall take effect on the date of the enactment of this Act.

TITLE II—LIQUID PIPELINE SAFETY

SHORT TITLE

SEC. 201. This title may be cited as the "Hazardous Liquid Pipeline Safety Act of 1979".

DEFINITIONS

SEC. 202. As used in this title—

(1) "person" means any individual, firm, joint venture, partnership, corporation, association, State, municipality, cooperative association, or joint stock association, and includes any trustee, receiver, assignee, or personal representative thereof;

(2) "hazardous liquid" means—

(A) petroleum or any petroleum product, and

(B) any substance or material which is in liquid state (excluding liquefied natural gas) when transported by pipeline facilities and which, as determined by the Secretary, may pose an unreasonable risk to life or property when transported by pipeline facilities;

(3) "transportation of hazardous liquids" means the movement of hazardous liquids by pipeline, or their storage incidental to such movement, in or affecting interstate or foreign commerce; except that it shall not include any such movement through gathering lines in rural locations or onshore production, refining, or manufacturing facilities or storage or in-plant piping systems associated with any of such facilities;

(4) "pipeline facilities" includes, without limitation, new and existing pipe, rights-of-way, and any equipment, facility, or building used or intended for use in the transportation of hazardous liquids but 'rights-of-way' as used in this title does not authorize the Secretary to prescribe the location or the routing of any pipeline facility;

(5) "interstate pipeline facilities" means the pipeline facilities used in the transportation of hazardous liquids in interstate or foreign commerce;

(6) "intrastate pipeline facilities" means pipeline facilities which are not interstate pipeline facilities;

(7) "interstate or foreign commerce" means commerce between any point in a State and any point outside thereof, or between points within the same State but through any place outside thereof;

(8) "State" includes each of the several States, the District of Columbia, and the Commonwealth of Puerto Rico;

(9) "municipality" means a city, county, or other political subdivision of a State;

(10) "national organization of State commissions" means the national organization of the State commissions referred to in subchapter III of chapter 103 of title 49, United States Code; and

(11) "Secretary" means the Secretary of Transportation.

REGULATIONS GOVERNING HAZARDOUS-LIQUID PIPELINE FACILITIES

SEC. 203. (a) The Secretary shall, by regulation, establish minimum Federal safety standards for the transportation of hazardous liquids and pipeline facilities. The standards shall apply to each person who engages in the transportation of hazardous liquids or who owns or operates pipeline facilities. The standards shall be practicable and designed to meet the need for safe transportation of hazardous liquids.

(b) In prescribing standards under this section, the Secretary shall consider—

(1) relevant available pipeline data;

(2) whether the standards are appropriate for the particular type of pipeline transportation or facility;

(3) the reasonableness of any proposed standards; and

(4) the extent to which the standards will contribute to public safety.

(c) Standards under this section may apply to the design, installation, inspection, emergency plans and procedures, testing, construction, extension, operation, replacement, and maintenance of pipeline facilities. Any standard issued under this section affecting the design, installation, construction, initial inspection, and initial testing shall not be applicable to pipeline facilities in existence on the date such standard is adopted.

(d) Any State agency may adopt additional or more stringent safety standards for intrastate pipeline facilities and the transportation of hazardous liquids associated with such facilities, if such standards are compatible with the Federal standards issued under this title. No State agency may adopt or continue in force any safety standards applicable to interstate pipeline facilities or the transportation of hazardous liquids associated with such facilities.

(e) The Secretary may provide that the Federal minimum safety standards established under this section include a requirement that any operator of pipeline facilities—

(1) participate in any public safety program—

(A) which provides for notice to pipeline facility operators of proposed demolition, excavation, tunneling, or construction near or affecting such facility;

(B) which requires such operators to identify specific pipeline facilities which may be affected by the proposed demolition, excavation, tunneling, or construction, for the purpose of preventing damage to such facilities; and

(C) which the Secretary determines is being carried out in a manner adequate to assure protection against the hazards to that operator's pipeline facilities created by such demolition, excavation, tunneling, or construction; or

(2) establish and carry out a damage prevention program which provides services to the public with respect to that operator's pipeline facilities which are comparable to those which would be available to the public under a program described in paragraph (1).

(f) Any standards prescribed under this section, and amendments thereto, shall become effective thirty days after the date of issuance of such standards unless the Secretary, for good cause recited, determines an earlier or later effective date is required as a result of the period reasonably necessary for compliance and such date is specified in the regulation establishing or amending such standard.

(g) The provisions of subchapter II of chapter 5 of title 5 of the United States Code shall apply to all actions establishing, amending, revoking, or directing or waiving compliance with, any standard established under this Act. The Secretary shall afford interested persons an opportunity to participate fully in the establishment of such safety standards through submission of written data, views, or arguments with opportunity to present oral testimony and argument.

(h) Upon application by any person engaged in the transportation of hazardous liquids or the operation of pipeline facilities, the Secretary may, by order, after notice and opportunity for hearing and under such terms and conditions and to such extent as he deems appropriate, waive in whole or in part compliance with any standard established under this title, if he determines that a waiver of compliance with such standard is not inconsistent with pipeline safety. The Secretary shall state his reasons for any such waiver. A State agency, with respect to which there is in effect a certification pursuant to section 205(a) or an agreement pursuant to section 205(b), may waive compliance with a safety standard in the same manner and to the same extent as the Secretary, provided such State agency gives the Secretary written notice at least sixty days prior to the effective date of the waiver. If, before the effective date of a waiver to be granted by a State agency, the Secretary objects in writing to the granting of the waiver, any State agency action granting the waiver will be stayed. After notifying such State agency of his objection, the Secretary shall afford such agency a prompt opportunity to present its request for waiver, with opportunity for hearing, and the Secretary shall determine finally whether the requested waiver may be granted.

TECHNICAL HAZARDOUS-LIQUID PIPELINE SAFETY STANDARDS COMMITTEE

SEC. 204. (a) Not later than 12 months after the date of the enactment of this Act, the Secretary shall establish a Technical Hazardous-Liquid Pipeline Safety Standards Committee and appoint the initial members of the Committee. The Committee shall be appointed by the Secretary, after consultation with public and private agencies concerned with the technical aspect of the transportation of hazardous liquids or the operation of pipeline facilities, and shall be composed of fifteen members each of whom shall be experienced in the safety regulation of the transportation of hazardous liquids and of pipeline facilities or technically qualified by training, experience, or knowledge in one or more fields of engineering applied in the transportation of hazardous liquids or the operation of pipeline facilities to evaluate pipeline safety standards, as follows:

(1) five members shall be selected from governmental agencies, including State and Federal Governments, two of whom, after consultation with representatives of the national organization of State commissions, shall be State commissioners;

(2) four members shall be selected from the hazardous liquids industry after consultation with industry representatives, not less than three of whom shall be currently engaged in the active operation of pipeline facilities; and

(3) six members shall be selected from the general public.

(b) After the Committee has been established and its members appointed, the Secretary shall submit to the Committee any proposed standard under this title, or any proposed amendment to a standard under this title, for its consideration. Within 90 days after receipt by the Committee of any proposed standard or amendment, the Committee shall prepare a report on the technical feasibility, reasonableness, and practicability of such standard or amendment. The Secretary may prescribe a final standard or a final amendment to a standard at any time after the 90th day after its submission to the Committee, whether or not the Committee has reported on such standard or amendment. Each report by the Committee, including any minority views, shall be published by the Secretary and, if timely made, form a part of the proceedings for the promulgation of standards. In the event that the Secretary rejects the conclusions of the majority of the Committee, he shall not be bound by such conclusions but shall publish his reasons for rejection thereof. The Committee may propose safety standards for pipeline facilities and the transportation of hazardous liquids to the Secretary for his consideration. The Committee shall meet with the Secretary (or his designee) not less frequently than once every 6 months. All proceedings of the Committee shall be recorded and the record of each proceeding shall be available for public inspection.

(c) Members of the Committee other than Federal employees may be compensated at a rate to be fixed by the Secretary at not to exceed the daily equivalent of the maximum annual rate of basic pay then currently payable under the General Schedule under section 5332 of title 5, United States Code, for each day (including traveltime) when engaged in the actual duties of the Committee. All members, while away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently. Payments under this section shall not render members of the Committee employees or officials of the United States for any purpose.

STATE CERTIFICATIONS AND AGREEMENTS

SEC. 205. (a) Except for section 215 and except as otherwise provided in this section, the authority of the Secretary under this Act to prescribe safety standards and enforce compliance with such standards shall not apply to intrastate pipeline facilities or the transportation of hazardous liquids associated with those facilities, when the safety standards and practices applicable to same are regulated by a State agency which submits to the Secretary an annual certification that such State agency—

(1) has regulatory jurisdiction over the safety standards and practices of intrastate pipeline facilities and the transportation of hazardous liquids associated with those facilities;

(2) has adopted, as of the date of the certification, each Federal safety standard established under this title which is applicable to intrastate pipeline facilities and the transportation of hazardous liquids associated with those facilities or, with respect to each such Federal safety standard established within one hundred and twenty days before the date of certification, is taking steps pursuant to State law to adopt such standard;

(3) is enforcing each such standard;

(4) is encouraging and promoting programs designed to prevent damage to pipeline facilities as a consequence of demolition, excavation, tunneling, or construction activity; and

(5) has the authority to require record maintenance, reporting, and inspection substantially the same as are provided under section 211 and the filing for approval of plans of inspection and maintenance described in section 210 and that the law of the State makes provision for the enforcement of the safety standards of such State agency by way of injunctive and monetary sanctions substantially the same as are provided under sections 208 (other than subsection (a)(2) thereof) and 209.

Each annual certification shall include a report, in such form as the Secretary may by regulation provide, showing (i) name and address of each person subject to the safety jurisdiction of the State agency; (ii) all accidents or incidents reported during the preceding twelve months by each such person involving personal injury requiring hospitalization, fatality, or property damage exceeding $5,000 (whether or not sustained by a person subject to the safety jurisdiction of the State agency) and any other accident which the State agency considers significant, together with a summary of the State agency's investigation as to the cause and circumstances surrounding such accident or incident; (iii) the record maintenance, reporting, and inspection practiced by the State agency to enforce compliance with such Federal safety standards, including a detail of the number of inspections made of pipeline facilities by the State agency during the preceding twelve months; and (iv) such other information as the Secretary may require. The report included with the first annual certification need not show information unavailable at that time.

(b) With respect to any intrastate pipeline facilities or transportation of hazardous liquids associated with those facilities for which the Secretary does not receive an annual certification under subsection (a), the Secretary may, by agreement with a State agency authorize such agency to assume responsibility for, and carry out on behalf of the Secretary as it relates to those facilities or associated transportation, the necessary actions to—

(1) establish an adequate program for record maintenance, reporting, and inspection designed to assist compliance with Federal safety standards; and

(2) establish procedures for approval of plans for inspection and maintenance substantially the same as are required under section 210.

Any agreement executed pursuant to this subsection shall require the State agency promptly to notify the Secretary of any violation or probable violation of a Federal safety standard which it discovers as a result of its program.

(c) The Secretary may conduct whatever monitoring may be necessary of any State program established by certification or agreement under this section to assure that such programs are being carried out in compliance with such certification or agreement. State agencies shall cooperate fully in any monitoring of their programs under this subsection.

(d)(1) Except as otherwise provided in this section, if an application submitted not later than September 30 in any calendar year, the Secretary shall pay out of funds appropriated or otherwise made available up to 50 percent of the cost of the personnel, equipment, and activities of a State agency reasonably required during the following calendar year to carry out a safety program under a certification under subsection (a) or an agreement under subsection (b) of this section; or to act as agent of the Secretary with respect to interstate pipeline facilities. The Secretary may, after notice and consultation with a State agency, withhold all or any part of the funds for a particular State agency if he determines that such State agency (A) is not satisfactorily carrying out a safety program under a certification under subsection (a) or an agreement under subsection (b) of this section, or (B) is not satisfactorily acting as agent of the Secretary with respect to interstate pipeline facilities. No such payment may be made unless the State agency making application under this subsection gives assurances satisfactory to the Secretary that the State agency will provide the remaining cost of such a safety program and that the aggregate expenditures of funds of the State, exclusive of Federal grants, for hazardous liquid pipeline safety programs will be maintained at a level which does not fall below the average level of such expenditures for the last 2 fiscal years preceding the date of enactment of this section

(2) Funds authorized to be appropriated by section 214 of this title shall be allocated among the several States for payments to aid in the conduct of pipeline safety programs in accordance with paragraph (1) of this subsection.

(3) Payments under this section may be made in installments, in advance or by way of reimbursement, with necessary adjustments on account of overpayments and underpayments.

(4) The Secretary may, by regulation, provide for the form and manner of filing of applications under this section, and for such reporting and fiscal procedures as he deems necessary to assure the proper accounting for Federal funds.

(e) A certification which is in effect under subsection (a) shall not apply with respect to any new or amended Federal safety standard established for intrastate pipeline facilities or transportation of hazardous liquids associated with those facilities pursuant to this title after the date of such certification. The provisions of this title shall apply to any such new or amended Federal safety standard until the State agency has adopted such standard and has submitted an appropriate certification in accordance with provisions of subsection (a).

(f) If after receipt of annual certification under subsection (a), the Secretary determines that the State agency is not satisfactorily enforcing compliance with Federal safety standards, he may, on reasonable notice and after opportunity for hearing, reject the certification or take such other action as he deems appropriate to achieve adequate enforcement including the assertion of Federal jurisdiction. When such notice is given by the Secretary, the burden of proof shall be upon the State agency to show that it is satisfactorily enforcing compliance with Federal safety standards.

(g) Any agreement under subsection (b) may be terminated by the Secretary if, after notice and opportunity for a hearing, he finds that the State agency has failed to comply with any provision of such agreement. Such finding and termination shall be published in the Federal Register and shall become effective no sooner than fifteen days after the date of publication.

JUDICIAL REVIEW

SEC. 206. (a) Any person who is or will be adversely affected or aggrieved by any regulation issued under this title or any order issued relating to an application for waiver under section 203(h) may at any time prior to the sixtieth day after such regulation or order is issued file a petition for a judicial review with the United States Court of Appeals for the District of Columbia or for the circuit wherein such petitioner is located or has his principal place of business. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary or other officer designated by him for that purpose.

(b) Upon the filing of the petition referred to in subsection (a), the court shall have jurisdiction to review the regulation or order in accordance with chapter 7 of title 5 of the United States Code and to grant appropriate relief as provided in such chapter.

(c) The judgment of the court affirming or setting aside, in whole or in part, any such regulation or order of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28 of the United States Code.

(d) Any action instituted under this section shall survive, notwithstanding any change in the person occupying the office of the Secretary or any vacancy in such office.

(e) The remedies provided for in this section shall survive, notwithstanding any stitution for any other remedies provided by law.

COMPLIANCE

SEC. 207. (a) Each person who engages in the transportation of hazardous liquids or who owns or operates pipeline facilities shall—

(1) at all times after the date any applicable safety standard established under this title take effect and comply with the requirements of such standard;

(2) establish and maintain a plan of inspection and maintenance required by section 210 and comply with such plan; and

(3) permit access to or copying of records, and make reports or provide information, and permit entry or inspection, as required under section 211.

(b)(1) The Secretary may issue orders directing compliance with this Act or any regulation issued under this Act. Any such order shall clearly set forth the particular actions required of the person to whom the order is issued.

(2) The district courts of the United States shall have jurisdiction, upon petition by the Attorney General, to enforce any such order by appropriate means.

(c) Nothing in this title shall affect the common law or statutory liability of any person.

PENALTIES

SEC. 208. (a)(1) Any person who is determined by the Secretary to have violated any provisions of section 207(a) or any regulation or order issued under this title, including any order issued under section 207(b) or 209(b), shall be liable to the United States for a civil penalty of not more than $1,000 for each violation for each day that violation persists, except that the maximum civil penalty shall not exceed $200,000 for any related series of violations.

(2) The amount of the penalty shall be assessed by the Secretary by written notice. In determining the amount of the penalty, the Secretary shall consider the nature, circumstances, and gravity of the violation and, with respect to the person found to have committed the violation, the degree of culpability, any history of prior violations, the effect on ability to continue to do business, any good faith in attempting to achieve compliance, ability to pay the penalty, and such other matters as justice may require.

(b) A civil penalty assessed under subsection (a) may be recovered in an action brought by the Attorney General on behalf of the United States in the appropriate district court of the United States or, prior to referral to the Attorney General, it may be compromised by the Secretary. The amount of the penalty, when finally determined (or agreed upon in compromise), may be deducted from any sums owed by the United States to the person charged. All penalties collected under this subsection shall be deposited in the Treasury of the United States as miscellaneous receipts.

(c)(1) Any person who willfully and knowingly violates section 207(a) or a regulation or order issued under this title, including any order issued under section 207(b) or 209(b), shall, upon conviction, be subject, for each offense, to a fine of not more than $25,000, imprisonment for a term not to exceed 5 years, or both.

(2) Any person who willfully and knowingly injuries or destroys, or attempts to injure or destroy, any interstate pipeline facility shall, upon conviction, be subject, for each offense, to a fine of not more than $25,000, imprisonment for a term not to exceed 15 years, or both.

(d) Nothing in this title shall be construed to authorize the imposition of penalties for the violation of any regulation and the violation of any order under section 207(b) or 209(b) if both violations are based on the same act.

SPECIFIC RELIEF

SEC. 209. (a)(1) The Attorney General, at the request of the Secretary, may bring an action in an appropriate district court of the United States for equitable relief to redress or restrain a violation by any person of a provision of this title or a regulation issued under this title. Such district courts shall have jurisdiction to determine such actions and may grant such relief as is necessary or appropriate, including mandatory or prohibitive injunctive relief, interim equitable relief, and punitive damages.

(2) In any proceeding for criminal con-

tempt for violation of a mandatory or prohibitive injunction issued under this subsection, which violation also constitutes a violation of this Act, trial shall be by the court or, upon demand of the accused, by a jury. Such trial shall be conducted in accordance with the practice and procedure applicable in the case of proceedings subject to the provisions of rule 42(b) of the Federal Rules of Criminal Procedure.

(b) (1) If the Secretary finds, after reasonable notice and an opportunity for hearing, that any pipeline facility is hazardous to life or property, he shall, by order, require the person operating the facility to take necessary corrective action. Such corrective action may include suspended or restricted use of the facility, physical inspection, testing, repair, replacement, or other action, as appropriate.

(2) The Secretary may find a pipeline facility to be hazardous under paragraph (1)—

(A) if under the facts and circumstances he determines the particular facility is hazardous to life or property, or

(B) if the pipeline facility or a component thereof has been constructed or operated with any equipment, material, or technique which he determines is hazardous to life or property, unless the operator involved demonstrates to the satisfaction of the Secretary that under the particular facts and circumstances involved such equipment, material, or technique is not hazardous to life or property.

(3) In making a determination under paragraph (2), the Secretary shall consider, if relevant—

(A) the characteristics of the pipe and other equipment used in the pipeline facility involved, including its age, manufacturer, physical properties (including its resistance to corrosion and deterioration), and the method of its manufacture, construction, or assembly;

(B) the nature of the materials transported by such facility (including their corrosive and deteriorative qualities), the sequence in which such materials are transported, and the pressure required for such transportation;

(C) the aspects of the areas in which the pipeline facility is located, in particular the climatic and geologic conditions (including soil characteristics) associated with such areas, and the population density and population and growth patterns of such areas;

(D) any recommendation of the National Transportation Safety Board issued in connection with any investigation conducted by the Board under other provisions of law; and

(E) such other factors as the Secretary may consider appropriate.

(4) The district courts of the United States shall have jurisdiction, upon petition by the Attorney General, to enforce orders issued under this subsection by appropriate means.

(5) The Secretary may waive the requirements for notice and hearing under this subsection and provide for expeditious issuance of an order under this subsection in any case in which he determines that the failure to do so would result in the likelihood of serious harm to life or property. However, the Secretary shall include in such an order an opportunity for hearing as soon as practicable after issuance of an order.

INSPECTION AND MAINTENANCE

SEC. 210. (a) Each person who engages in the transportation of hazardous liquids or who owns or operates pipeline facilities shall prepare, maintain at such office or offices of that person as the Secretary determines appropriate, and carry out a current written plan for inspection and maintenance of each facility used in that transportation and owned or operated by that person in accordance with regulations prescribed by the Secretary or, where a certification or agreement pursuant to section 205 of this title is in effect, by the appropriate State agency. The Secretary may, by regulation, also require persons who engage in the transportation of hazardous liquids or who own or operate pipeline facilities subject to the provisions of this title to file such plans for approval. A plan required by this subsection shall be practicable and designed to meet the need for pipeline safety and shall be made available to the Secretary or appropriate State agency upon request pursuant to section 211.

(b) If the Secretary or appropriate State agency finds that a plan required under this section is inadequate to achieve safe operation of pipeline facilities, the Secretary or appropriate State agency shall, after notice and opportunity for a hearing, require the plan to be revised. In determining the adequacy of a plan filed under this section, the Secretary or appropriate State agency shall consider—

(1) relevant available pipeline safety data;

(2) whether the plan is appropriate for the particular type of pipeline transportation or facility;

(3) the reasonableness of the plan; and

(4) the extent to which such plan will contribute to public safety.

POWERS AND DUTIES OF THE SECRETARY

SEC. 211. (a) The Secretary may, to the extent necessary to carry out his responsibilities under this title, conduct investigations, make reports, issue subpenas, conduct hearings, require the production of relevant documents and records, take depositions, and conduct, directly or, by contract, or otherwise, research, testing, development, demonstration, and training activities; however, before the Secretary may exercise authority under this section to require testing of portions of pipeline facilities subject to the provisions of this title which have been involved in or affected by an accident, he shall make every effort to negotiate a mutually acceptable plan with the owner of such facilities and, where appropriate, the National Transportation Safety Board for performing such testing.

(b) Each person who engages in the transportation of hazardous liquids or who owns or operates pipeline facilities shall establish and maintain such records, make such reports, and provide such information as the Secretary may reasonably require, and shall submit such reports and shall make such records and information available as the Secretary may request, to enable him to determine whether such person has acted or is acting in compliance with this title and the standards or orders issued under this title.

(c) Officers, employees, or agents authorized by the Secretary, upon presenting appropriate credentials to the person in charge, are authorized to enter upon, inspect, and examine, at reasonable times and in a reasonable manner, the records and properties of persons to the extent such records and properties are relevant to determining whether such persons have acted or are acting in compliance with this title and the standards or orders issued under this title.

(d) Accident reports made by any officer, employee, or agent of the Department of Transportation shall be available for use in any civil, criminal, or other judicial proceeding arising out of such accident. Any such officer, employee, or agent may be required to testify in such proceedings as to the facts developed in such investigations. Any such report shall be made available to the public in a manner which need not identify individuals. All reports on research projects, demonstration projects, and other related activities shall be public information.

(e) All information reported to or otherwise obtained by the Secretary or his representative pursuant to subsection (a), (b), or (c) which information contains or relates to a trade secret referred to in section 1905 of title 18 of the United States Code shall be considered confidential for the purpose of that section, except that such information may be disclosed to other officers or employees concerned with carrying out this title or when relevant in any proceeding under this title. Nothing in this section shall authorize the withholding of information by the Secretary or any officer, employee, or agent under his control, from the duly authorized committees of the Congress.

PIPELINE SAFETY COORDINATION AND COOPERATION

SEC. 212. (a) Upon request, the Secretary shall furnish to the Federal Energy Regulatory Commission or any appropriate State agency, with respect to matters under their jurisdiction, any information he has concerning the safety of any materials, operations, devices, or processes relating to the transportation of hazardous liquids or the operation of pipeline facilities.

(b) The Secretary is authorized to advise, assist, and cooperate with other Federal departments and agencies and State and other interested public and private agencies and persons, in the planning and development of (1) Federal safety standards relating to hazardous liquids, and (2) methods for inspecting and testing to determine compliance with Federal safety standards relating to hazardous liquids.

(c) The Secretary is authorized to consult with, and make recommendations to, other Federal departments and agencies, State and local governments, and other public and private agencies or persons, for the purpose of developing and encouraging activities, including the enactment of legislation, to assist in the implementation of this title and to improve State and local pipeline safety programs relating to hazardous liquids.

ANNUAL REPORT

SEC. 213. (a) The Secretary shall prepare and submit to the President for transmittal to the Congress on June 15 of each year a comprehensive report on the administration of this title for the preceding calendar year. Such report shall include—

(1) a thorough compilation of the leak repairs, accidents, and casualties occurring in such year with a statement of cause whenever investigated and determined by the National Transportation Safety Board;

(2) a list of Federal hazardous liquid pipeline safety standards established or in effect in such year with identification of standards newly established during such year;

(3) a summary of the reasons for each waiver granted under section 203(h) during such year;

(4) an evaluation of the degree of observance of applicable safety standards for the transportation of hazardous liquids and pipeline facilities including a list of enforcement actions, and compromises of alleged violations by location and company name;

(5) a summary of outstanding problems confronting the administration of this title in order of priority;

(6) an analysis and evaluation of research activities, including the policy implications thereof, completed as a result of Government and private sponsorship and technological progress for safety achieved during such year;

(7) a list, with a brief statement of the issues, of completed or pending judicial actions under the title;

(8) the extent to which technical information was disseminated to the scientific community and consumer-oriented information was made available to the public;

(9) a compilation of—

(A) certifications filed by State agencies (including municipalities) under section 205 (a) which were in effect during the preceding calendar year, and

(B) certifications filed under section 205 (a) which were rejected by the Secretary during the preceding calendar year, together with a summary of the reasons for such rejection; and

(10) a compilation of—

(A) agreements entered into with State agencies (including municipalities) under section 205(b) which were in effect during the preceding calendar year, and

(B) agreements entered into under section 205(b) which were terminated by the Secretary during the preceding calendar year, together with a summary of the reasons for each such termination.

(11) a description of the number and qualifications of State pipeline safety inspectors in each State for which a certification or agreement is in effect under section 205, together with the number of such pipeline inspectors (and their qualifications) which the Secretary recommends for that State.

(b) The report required by subsection (a) shall contain such recommendations for additional legislation as the Secretary deems necessary to promote cooperation among the several States in the improvement of hazardous liquid pipeline safety programs.

(c) The Secretary is authorized to submit one annual report in satisfaction of the report requirements of this section and of section 16 of the Natural Gas Pipeline Safety Act of 1968.

APPROPRIATIONS AUTHORIZED

SEC. 214. (a) For the purpose of carrying out the provisions of this title (other than provisions for which funds are authorized to be appropriated under subsection (b)), there are authorized to be appropriated—

(1) $1,800,000, for the fiscal year ending September 30, 1980; and

(2) $2,100,000, for the fiscal year ending September 30, 1981.

(b) For the purpose of carrying out the Federal grants-in-aid provisions of section 205 of this title, there are authorized to be appropriated—

(1) $500,000, for the fiscal year ending September 30, 1980; and

(2) $535,000, for the fiscal year ending September 30, 1981.

CITIZENS CIVIL ACTION

SEC. 215. (a) Except as provided in subsection (b), any person may commence a civil action for mandatory or prohibitive injunctive relief, including interim equitable relief, against any other person (including any State, municipality, or other governmental entity to the extent permitted by the eleventh amendment to the Constitution, and the United States) who is alleged to be in violation of this title or of any order or regulation issued under this title. The district courts of the United States shall have jurisdiction over actions brought under this section, without regard to the amount in controversy or the citizenship of the parties.

(b) No civil action may be commenced under subsection (a) with respect to any alleged violation of this title or any order or regulation issued under this title—

(1) prior to the expiration of sixty days after the plaintiff has given notice of such alleged violation to the Secretary (or to applicable State agency in the case of a State which has been certified under section 205 (a) and in which the violation is alleged to have occurred), and to any person who is alleged to have committed such violation; or

(2) if the Secretary (or such State agency) has commenced and is diligently pursuing administrative proceedings or the Attorney General of the United States (or the chief law enforcement officer of such State) has commenced and is diligently pursuing judicial proceedings with respect to such alleged violation.

Notice under this subsection shall be given in such manner as the Secretary shall prescribe by regulation.

(c) In any action under subsection (a), the Secretary (with the concurrence of the Attorney General) or the Attorney General may intervene as a matter of right.

(d) Nothing in this section shall restrict any right which any person (or class of persons) may have under any statute or at common law to seek enforcement of this title or any order or regulation under this title or to seek any other relief.

(e) In any action under this section the court may, in the interest of justice, award the costs of suit, including reasonable attorney's fees and reasonable expert witnesses fees, to a prevailing plaintiff. Such court may, in the interest of justice, award such costs to a prevailing defendant whenever such action is unreasonable, frivolous, or meritless. For purposes of this subsection, a reasonable attorney's fee is a fee (1) which is based upon (A) the actual time expended by an attorney in providing advice and other legal services in connection with representing a person in an action brought under this section, and (B) such reasonable expenses as may be incurred by the attorney in the provision of such services, and (2) which is computed at the rate prevailing for the provision of similar services with respect to actions brought in the court which is awarding such fee.

(f) For purposes of this section, a violation of any safety standard or practice of any State shall be deemed to be a violation of this title or of any order or regulation under this title only to the extent that such standard or practice is not more stringent than the comparable Federal safety standard.

CONFORMING AMENDMENTS

SEC. 216. (a) Section 112(c) of the Hazardous Materials Transportation Act (49 U.S.C. 1811(c)) is amended by striking out "chapter 39 of title 18, United States Code" and inserting in lieu thereof "Hazardous Liquid Pipeline Safety Act of 1979".

(b) Sections 831 through 835 of chapter 39 of title 18, United States Code are repealed.

EFFECTIVE DATE

SEC. 217. The provisions of this title shall take effect on the date of enactment.

SAVINGS PROVISIONS

SEC. 218. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges which have been issued, made, granted, or allowed to become effective under the provisions of chapter 39 of title 18, United States Code repealed by this title and which are in effect at the time his title takes effect, shall continue in effect as though issued, made, granted, or allowed to become effective under the authority of this title, according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary, by any court of competent jurisdiction, or by operation of law.

(b) Suits, actions, or other proceedings pending upon the date of enactment of this title shall not be affected by the provisions of this title and shall be completed as if this title had not been enacted, unless the Secretary makes a determination that the public safety otherwise requires.

The PRESIDING OFFICER. The question is on agreeing to the motion to concur in the House amendments with an amendment.

The motion was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today.

REMOVAL OF INJUNCTION OF SECRECY—EXECUTIVE HH, 96TH CONGRESS, 1ST SESSION

Mr. ROBERT C. BYRD. As in executive session,

I ask unanimous consent that the injunction of secrecy be removed from the Convention on the Inter-American Institute for Cooperation on Agriculture (Executive HH, 96th Cong., 1st session), transmitted to the Senate today, and ask that the treaty be considered as having been read the first time, that it be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, the Convention on the Inter-American Institute for Cooperation on Agriculture (the Convention) which was signed at Washington on March 6, 1979. For the information of the Senate, I also transmit the report of the Department of State with respect to the Convention.

The Convention is a revision of the 1944 Convention on the Inter-American Institute of Agricultural Sciences. It clarifies the 1944 Convention and strengthens and broadens the mandate of the Inter-American Institute of Agricultural Sciences (the Institute).

Membership in the Institute under the Convention is open to states which are members of the OAS and the existing Institute, or other American states whose admission is accepted by the Inter-American Board of Agriculture.

Under the Convention, the Institute will consist of three principal organs—the Inter-American Board of Agriculture, the Executive Committee, and the General Directorate. The Inter-American Board of Agriculture will be the highest organ of the Institute and will consist of one representative from each Member State. The new Convention stipulates that such representatives should preferably be persons connected with agriculture or rural development. This Board will be responsible for setting policy and budgetary priorities of the Institute.

To reflect the changed responsibilities of the Institute, its name has been changed to the Inter-American Institute for Cooperation on Agriculture.

The Convention will enter into force when two-thirds of the states parties to the 1944 Convention have deposited instruments of ratification. Correspondingly, the 1944 Convention will cease to be in force for those states for which the new Convention is in force.

I recommend that the Senate give early and favorable consideration to the Convention and advice and consent to ratification.

JIMMY CARTER.

THE WHITE HOUSE, *November 14, 1979.*

ENVIRONMENTAL RESEARCH AND DEVELOPMENT — CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. CULVER I submit a report of the committee of conference on H.R. 2676 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2676) to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1980, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of November 9, 1979.)

● Mr. CULVER. Mr. President, the pending business is the conference report on research, development, and demonstration authorizations for the Environmental Protection Agency (EPA) for fiscal year 1980.

This bill directs the Environmental Protection Agency to conduct a broad-ranging research program dealing with sources of pollution and ways to abate pollution that are cost effective and which protect the public health. This includes ongoing programs in clean air, clean water, safe drinking water, toxic substances, radiation, and control of energy-related pollutants. The agency has been directed to begin new research programs in groundwater pollution and pollution from hazardous wastes, which have been newly identified as subjects of growing environmental and public health concern.

The bill authorizes a second stage of a demonstration program to solidify wastes onsite at a hazardous waste disposal site in Charles City, Iowa. In addition, it authorizes expanded funding of research into contaminants of groundwater, including research into surface runoff and soil pollution. Because of its leading role in soil quality research, Iowa State University at Ames, Iowa, is suggested as one possible site for some of the groundwater and soil-related pollution research.

The bill and the joint explanatory statement of managers speak clearly for themselves, for the most part. However, in one small respect, I would like to further illuminate the understanding of the Senate conferees. This point is in regard to section 2(a)(7)(B)(i), which authorizes a $300,000 study of nonnuclear hazardous waste disposal. The study is to include "consideration of the effects of such disposal on the environment, and a general review of disposal technology, alternatives to disposal, and options for containing or removing hazardous wastes already in the environment."

It is the understanding of the Senate conferees that this analysis is to be technical in nature, and that it is for the purpose of providing guidance for EPA's future research and development activities regarding hazardous waste disposal and alternatives to disposal. This study is not intended to be a policy vehicle providing guidance on the creation of a hazardous substances response fund, which is now being considered by committees of both the House and Senate. That is the understanding of the Senate conferees. It is the intention of the Committee on Environment and Public Works of the Senate that action on hazardous waste legislation take place without regard to the timetable or the content of this study, which is meant only to be a guide for future research by the Environmental Protection Agency in this area.

I thank the Chair.●

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from Wisconsin.

REGAINING U.S. LEADERSHIP IN HUMAN RIGHTS

Mr. PROXMIRE. Mr. President, the United States has long been proud of its position as a leader in the human rights movement. Our President has given human rights a new priority in this administration's foreign policy. Our State Department has found new courage in denouncing gross violations of human rights by other nations. Our news media takes great care to widely publicize these instances of neglect.

But are we really a leader in the human rights movement? Let us take a look at our record.

A 1974 report by the House Subcommittee on International Organizations and Movements bluntly stated that "the U.S. record on ratification of human rights treaties is not good." And that statement is as true today as it was 5 years ago.

There are currently 28 human rights conventions which the United States has not ratified. A sampling of the titles—international covenants on civil and political rights, genocide, war crimes, refugees, and racial discrimination—shows their importance and our neglect.

Mr. President, this is not the record of a human rights leader. Even the subcommittee noted that "the United States, through its failure to become a party to all but a few of the human rights treaties, has become increasingly isolated from the development of international human rights law. This failure impairs both our participation in the U.N. work in human rights, and our bilateral efforts to persuade governments to respect international human rights standards."

It is time to focus our efforts on international human rights. For too long we have satisfied ourselves with conventions on migratory birds, whaling regulations, and seizure of aircraft. We must rearrange our priorities. Human lives should be our No. 1 concern. And we can begin with the Genocide Convention.

Mr. President, the importance of the Genocide treaty cannot be emphasized enough. Through ratification not only will we bring attention to this treaty, but we will reaffirm our leadership in human rights. In the words of the 1974 report, "the United States cannot be persuasive in urging other governments to respect the terms of a convention which we have failed to ratify."

Mr. President, the United States should not pride itself on a record filled with holes. We must take steps to improve our record and restore our position as an international human rights leader. We can do this by Senate ratification of the Genocide Convention of 1949.

I thank my good friend the majority leader for yielding.

ENERGY-EXPO 1982

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 389, S. 1012.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill (S. 1012) to provide for the participation of the United States in the International Energy Exposition to be held in Knoxville, Tennessee, in 1982, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with an amendment on page 8, line 13, strike "$25,700,000" and insert "$20,800,000", so as to make the bill read:

S. 1012

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with Public Law 91-269 (22 U.S.C. 2801 et seq.), the President is authorized to provide for United States participation in an international exposition to be known as Energy-Expo 82 (hereinafter in this Act referred to as the "exposition"), to be held in Knoxville, Tennessee, in 1982. The purposes of this exposition are to—

(1) offer the citizens of the world a greater understanding of the effective uses of energy and energy resources, of the necessity to conserve existing energy resources, and of the need for creativity in the development of new and alternative energy sources; and

(2) encourage tourist travel in and to the United States, stimulate foreign trade, and promote cultural exchanges.

SEC. 2. (a) The President, through the Secretary of Commerce (hereinafter referred to as the "Secretary") and such other officials as may be designated herein, is authorized to carry out in the most effective manner the proposal for United States participation in the exposition transmitted by the President to the Congress, pursuant to section 3 of Public Law 91–269 (22 U.S.C. 2803) and to carry out the responsibilities of the Federal Government for the organization, development, and administration of the exposition as required by the Paris Convention of November 22, 1928, on International Expositions, as amended (hereinafter referred to as the "Convention") and the General Rules for Energy-Expo 82, as approved by the Bureau of International Expositions.

(b) The President is authorized to appoint, by and with the advice and consent of the Senate, a Commissioner General of the United States Government for Energy-Expo 82, who shall be recognized as the senior Federal official for the exposition and who shall have such duties and exercise such responsibilities for the organization, development, and administration of the exposition as may be necessary and appropriate to fulfill the requirements of the Convention and the General Rules for Energy-Expo 82. The Commissioner General shall be in the Department of Commerce, and shall be compensated at the rate prescribed for level IV of the Federal Executive Salary Schedule.

(c) The Secretary shall designate a Commissioner General of Section for United States participation in the exposition (as provided for in the proposal referred to in subsection (a)), who shall be in the Department of Commerce and who shall perform such duties in the execution of this Act as may be delegated or assigned by the Secretary, including serving as director of the United States pavilion.

SEC. 3. (a) The Secretary is authorized to obtain the services of consultants and experts as authorized by section 3109 of title 5, United States Code, to the extent the Secretary deems it necessary to carry out the provisions of this Act. Persons so appointed shall be reimbursed for travel and other necessary expenses incurred, including a per diem allowance, as authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently.

(b) The Secretary is authorized to appoint and fix the compensation of persons, other than consultants and experts referred to in subsection (a), who perform functions to carry out the provisions of this act, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates: *Provided, however*, That no person appointed under this paragraph shall receive compensation at a rate in excess of that received by persons appointed subject to chapter 51 of such title for performing comparable duties.

(c) The Secretary is authorized to enter into such contracts as may be necessary to provide for United States participation in the exposition.

(d) The Secretary is authorized to erect such buildings and other structures as may be appropriate for United States participation in the exposition on land (approximately 4.6 acres, including land necessary for ingress and egress) conveyed to the United States, in consideration of participation by the United States in the exposition, and without other consideration. The Secretary of Commerce is authorized to accept title in fee simple to such land and any interest therein: *Provided, however*, That the land may be accepted only if the Secretary determines that it is free of liens, or of any other encumbrances, restrictions, or conditions that would interfere with the use of the property for purposes of the United States or prevent the disposal of the property as hereinafter set out. In the acceptance of such property and in the design and construction of buildings and other structures and facilities thereon, the Secretary shall consult with the Administrator of General Services and the heads of other interested agencies to assure that such activities will be undertaken in a manner that (i) minimizes to the greatest extent practicable any adverse effects on the recreational and other environmental values of the area; and (ii) preserves and enhances to the greatest extent practicable the utility of the property for public purposes, needs, or other benefits following the close of the exposition.

(e) The Secretary is authorized to incur such other expenses as may be necessary to carry out the purposes of this Act, including but not limited to expenditures involved in the selection, purchase, rental, construction, and other acquisition, of exhibits and materials and equipment therefor and the actual display thereof, and including but not limited to related expenditures for costs of transportation, insurance, installation, safekeeping, printing, maintenance, and operation, rental of space, representing and dismantling; and the purchase of reference books, newspapers, and periodicals.

SEC. 4. The head of each department, agency, or instrumentality of the Federal Government is authorized—

(1) to cooperate with the Secretary, with respect to carrying out any of the provisions of this Act; and

(2) to make available to the Secretary from time to time, on a reimbursable basis, such personnel as may be necessary to assist the Secretary in carrying out any of the provisions of this Act.

SEC. 5. The Secretary shall report to the Congress within one year after the date of the official close of the exposition on the activities of the Federal Government pursuant to this Act, including a detailed statement of expenditures. Upon transmission of such report to the Congress, all appointments made under this Act shall terminate, except those which may be extended by the President for such additional period of time as he deems necessary to carry out the purposes of this Act.

SEC. 6. After the close of the exposition, all Federal property shall be disposed of in accordance with provisions of the Federal Property and Administrative Services Act of 1949 and other applicable Federal laws relating to the disposition of excess and surplus property.

SEC. 7. The functions authorized by this Act may be performed without regard to the prohibitions and limitations of the following laws:

(1) That part of section 3109(b) of title 5, United States Code, which reads "(not in excess of one Year)".

(2) Section 16(a) of the Administrative Expenses Act of 1946 (ch. 744, August 2, 1946; 60 Stat. 810; 31 U.S.C. 638a) to the extent that it pertains to hiring automobiles.

(3) Section 3648 of the Revised Statutes, as amended (31 U.S.C. 529) (advance of public moneys).

(4) Sections 302 through 305 of the Federal Property and Administrative Services Act of 1949 (June 30, 1949, ch. 288, 63 Stat. 393 et seq.), as amended (41 U.S.C. 252–255) (competitive bids; negotiated contracts, advances).

(5) Section 322 of the Act of June 20, 1932 (ch. 314, 47 Stat. 412; 40 U.S.C. 278a) (lease of buildings to Government; maximum rental).

(6) Section 3709 of the Revised Statutes, as amended (41 U.S.C. 5) (advertisement of proposals for competitive bids).

(7) Section 3710 of the Revised Statutes (41 U.S.C. 8) (opening of bids).

(8) Section 2 of the Act of March 3, 1933 (ch. 212, 47 Stat. 1520; 41 U.S.C. 10A) (Buy American Act).

(9) Section 3735 of the Revised Statutes (41 U.S.C. 13) (contracts limited to one year).

(10) Section 501 of title 44, United States Code (printing by Government Printing Office).

(11) Section 3702 of title 44, United States Code (advertisements without authority).

(12) Section 3703 of title 44, United States Code (rates of payment for advertisement).

SEC. 8. There are hereby authorized to be appropriated not to exceed $20,800,000 to remain available until expended, to carry out United States participation in the exposition.

The committee amendment was agreed to.

The **PRESIDING OFFICER**. The bill is open to further amendment.

UP AMENDMENT NO. 812

(Purpose: To provide for the participation of the United States in the International Energy Exposition to be held in Knoxville, Tennessee, in 1982, and for other purposes)

Mr. **ROBERT C. BYRD**. Mr. President, in behalf of the Senator from Florida (Mr. CHILES), I send to the desk an amendment and ask for its immediate consideration

The **PRESIDING OFFICER**. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD), for Mr. CHILES, proposes an unprinted amendment numbered 812:

On pages 7 and 8, strike section 7 and insert the following:

Mr. **ROBERT C. BYRD**. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendment is as follows:

On pages 7 and 8, strike Section 7 and insert the following:

SEC. 7. The functions authorized by this Act may be performed without regard to the prohibitions and limitations of the following laws:

(1) That part of section 3109(b) of title 5, United States Code, which reads "(not in excess of one year)".

(2) Section 16(a) of the Administrative Expenses Act of 1946 (31 U.S.C. 638a) to the extent that it pertains to hiring automobiles.

(3) Section 201 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481).

(4) Section 305(c) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 255), provided that the Secretary of Commerce determines that it is impracticable to obtain adequate security and that there is a compelling need to make an advance payment.

(5) Section 3648 of the Revised Statutes (31 U.S.C. 529) (advance of public moneys), to the extent necessary to enable the Secretary of Commerce to make advance payments pursuant to the provisions of the preceding paragraph of this Act.

(6) Section 322 of the Act of June 20, 1932 (40 U.S.C. 278a) (lease of buildings to the Government), provided that the Secretary of Commerce makes a determination

that any such waiver would be in the best interests of the Government.

(7) Section 2 of the Act of March 3, 1933 (41 U.S.C. 10a) (Buy American Act).

(8) Section 501 of title 44, United States Code (printing by Government Printing Office).

(9) Section 3702 of title 44, United States Code (advertisements without authority).

(10) Section 3703 of title 44, United States Code (rates of payment for advertisement).

Mr. ROBERT C. BYRD. I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. Mr. President, I would like to offer several perfecting amendments to section 7 of S. 1012. Section 7 enables the Secretary of Commerce to waive several Government procurement laws for contracts awarded with funds authorized by this Energy Expo '82 bill. My amendments would narrow several of these waivers, yet insure that the Secretary has the wherewithal to complete this unique project.

We all recognize that the people putting on this kind of exposition will likely encounter all sorts of unique problems, which will call for on the spot solutions. We all recognize that this is one project that cannot be 1 day late—it has to be finished on time.

But we also recognize that the taxpayers' money will be spent here. The procurement laws are designed to insure that the taxpayers' money is spent efficiently; these laws emphasize competition and evenhanded treatment of all bidders. The laws recognize that exigent situations rise from time to time in which the need to act promptly outweighs the normal emphasis on open competition and fair play. They allow for expedited action, but they require that someone take responsibility for that action.

My amendments would require the Energy-Expo '82 project to follow the normal Government procurement laws as a matter of general practice. They also provide the flexibility which will be necessary to insure that the energy expo 1982 authorities will be able to meet all of the unique problems which go hand in hand with this kind of project.

Mr. President, I understand that the sponsors of this legislation are amendable to these amendments and that the Commerce Department is amenable to them as well.

I ask unanimous consent that an explanation of the amendments be printed in the RECORD at this point.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

EXPLANATION OF SENATOR CHILES' AMENDMENTS TO SECTION 7 OF S. 1012

Section 7 of S. 1012, as reported to the full Senate, contained 12 waivers. The Chiles amendment would affect each of the waivers in the following way:

(1) No change. The waiver permits hiring of temporary employees for more than 1 year.

(2) No change. The waiver enables the Secretary of Commerce to hire automobiles which may be needed during the Exposition.

(3) Renumbered and Modified (Now Sec. 7(5)). This waiver is necessary to conform with the advance payments authority contained in Sec. 7(4) of S. 1012.

(4) Renumbered and Modified (Now Sec. 7(3)(4)). As reported, this provision waived the procedures relating to advertising, advance payments and competition for government contracts.

The waivers for advertising and competition have been removed. The waiver of the lien requirements for advance payments has been conditioned upon the requirement that the Secretary (personally or through his delegate) make a determination that such payments are necessary. Finally, the amendments insert into the bill, as reported, a House-approved waiver of the requirement that the Secretary, in connection with Energy-Expo 82, rely on GSA for certain supplies.

(5) Modified and Renumbered. This provision allows for building rents to exceed the current maximum if the Secretary or his delegate determines that the waiver is necessary.

It recognizes that some short term rentals, such as for warehouse space, might have to be made under circumstances in which it would be impracticable to meet the maximum rental requirements.

(6) (7) (9) All removed as unnecessary.

(8) Retained and renumbered (Now Sec. 7 (7)). This provision provides for a waiver of the Buy American Act.

(10) (11) (12): Retained and renumbered. (Now Sec. 7 (8) (9) (10)). These provide for waivers from certain requirements related to printing and advertisement.

Amend section 7 of S. 1012 to read as follows:

SEC. 7. The functions authorized by this Act may be performed without regard to the prohibitions and limitations of the following laws:

(1) That part of section 3109(b) of title 5, United States Code, which reads "(not in excess of one year)".

(2) Section 16(a) of the Administrative Expenses Act of 1946 (31 U.S.C. 638a) to the extent that it pertains to hiring automobiles.

(3) Section 201 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481).

(4) Section 305(c) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 255), provided that the Secretary of Commerce determines that it is impracticable to obtain adequate security and that there is a compelling need to make an advance payment.

(5) Section 3648 of the Revised Statutes (31 U.S.C. 529) (advance of public moneys), to the extent necessary to enable the Secretary of Commerce to make advance payments pursuant to the provisions of the preceding paragraph of this Act.

(6) Section 322 of the Act of June 20, 1932 (40 U.S.C. 278a) (lease of buildings to the Government), provided that the Secretary of Commerce makes a determination that any such waiver would be in the best interests of the Government.

(7) Section 2 of the Act of March 3, 1933 (41 U.S.C. 10a) (Buy American Act).

(8) Section 501 of title 44, United States Code (printing by Government Printing Office).

(9) Section 3702 of title 44, United States Code (advertisements without authority).

(10) Section 3703 of title 44, United States Code (rates of payment for advertisement).

The PRESIDING OFFICER. The question is on agreeing to the amendments, en bloc, of the Senator from Florida (Mr. CHILES).

The amendments (UP No. 812, en bloc) were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

UP AMENDMENT NO. 813

(Purpose: To provide for the participation of the United States and the International Energy Exposition to be held in Knoxville, Tennessee, in 1982, and for other purposes)

Mr. CHURCH. Mr. President, I send to the desk a series of technical amendments, and ask for their immediate consideration, en bloc.

The PRESIDING OFFICER. The amendments will be stated.

The assistant legislative clerk read as follows:

The Senator from Idaho (Mr. CHURCH) proposes unprinted technical amendments numbered 813, en bloc:

SEC. 1. On page 3, line 24, after "United States," insert the following:

Mr. CHURCH. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

Sec. 1. On page 3 in line 24 after "United States Code", insert the following: "at rates not to exceed the daily rate in effect for grade GS-18 under the general schedule,";

Sec. 2. On page 5 in line 3 delete the following: ": *Provided, however*, That the land may be accepted only";

Sec. 3. (a) On page 5 in line 22 delete "and" and

(b) On page 5 in line 22 after the first comma insert "and the disposition,"

Sec. 4. On page 6 in line 9 after the word "reimbursable" insert "(or non-reimbursable)"

Mr. CHURCH. Mr. President, I ask unanimous consent that an explanation of these technical amendments be printed in the RECORD.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

EXPLANATION OF TECHNICAL CHANGES

1. The reported bill failed to specify a salary limitation for temporary and intermittent consultants which may be employed by the Secretary of Commerce for Expo. The amendment sets the salary limit at GS-18 (General Schedule).

2. The amendment deletes redundant language regarding the acquisition of the site. The change does not alter the effect of the section.

3. These words, "and the disposition," were apparently inadvertently dropped in the Reported bill. They complete a list of powers of the Secretary in dealing with the property of Expo.

4. The bill authorizes the Secretary to accept the services of employees of federal agencies on a "reimbursable" basis. The change clarifies that the Secretary may also do so on a non-reimbursable basis.

Mr. CHURCH. Mr. President, I move the adoption of the amendments. They are purely technical in nature.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from Idaho.

The amendments (UP No. 813, en bloc) were agreed to.

Mr. CHURCH. Mr. President, on October 9, 1979, the Committee on Foreign Relations ordered S. 1012 favorably reported to the Senate with an amendment. This bill provides for the participation of the United States in the International Energy Exposition to be held in Knoxville, Tenn., in 1982.

Mr. President, S. 1012 would authorize an appropriation of up to $20.8 million for the costs of U.S. participation in this exposition, including the construction and operation of a U.S. pavilion. The overall Federal responsibility for the management of the exposition will be given to the Commissioner General of Energy Expo '82, a Presidential appointment subject to the advice and consent of the Senate. In addition, the bill would authorize the President, acting through the Secretary of Commerce, to carry out in the most effective manner the plan of participation. This includes provisions which grant the Secretary all authorities and waivers necessary to implement the plan in time to meet the May 1, 1982, opening date of the exposition. These authorities and waivers are similar to those approved by the Congress for previous expositions, including Expo '74 which was held in Spokane.

In considering this issue, Mr. President, the committee recognized that previous bills similar to this legislation have been criticized as "back door urban renewal projects." This criticism was based on the fact that U.S. pavilions constructed for earlier international expositions have passed on to State or municipal authorities at little or no cost. The question of the residual use of these pavilions is of some concern to me. Therefore, I will be joining with Senator BAKER in requesting the General Accounting Office to study this question and to make legislative recommendations concerning the most equitable residual use of these facilities. It seems to me that any structure built by Federal funds for use at an international exposition, which has no residual Federal use, should be sold at fair market value.

I thank the Senator from Tennessee (Mr. BAKER) in this connection for his contribution, as, indeed, I wish to thank the junior Senator from Tennessee (Mr. SASSER) for his great interest and added support for the legislation.

In my conversations with Senator BAKER, he has expressed the same desire, to save the American taxpayer, in connection with the disposition of such Federal pavilions once the exposition has been completed and closed; and it is our intention, Mr. President, to develop a legislative proposal this year that will hopefully insure that Federal funds used for this type of exposition will not be a back door urban renewal project.

Therefore, on that basis, I urge the Senate to pass S. 1012 without further amendment.

Mr. BAKER. Mr. President, I express my appreciation to the distinguished Senator from Idaho, the chairman of the Foreign Relations Committee, for agreeing to handle this matter in this way, and I do indeed agree with the sentiments he has just expressed, and privately express to him my intention to cosponsor the legislation to effectuate the purposes he has just suggested.

I congratulate my colleague from Tennessee (Mr. SASSER) for his enthusiasm and interest in bringing this legislation to this point, and express my support for S. 1012, authorizing U.S. participation in Energy Expo '82.

This authorization will provide for the construction and operation of a U.S. pavilion and exhibit at a cost to the Federal Government of $20.9 million. In conjunction with an additional $22 million which is being put up by the State of Tennessee and the city of Knoxville, these funds will provide for permanent facilities, worthy of the international participation which is sought. And an additional $25 million in financing has been arranged through an international consortium of banks and lending institutions. So the Federal share is but a small part of total investment in Energy Expo.

One of the most important aspects of the world's fair will be its effect upon the redevelopment of the central business district of Knoxville. The exposition will be located on a 70-acre site. The facilities and plaza, which will be constructed for the fair will greatly enhance the downtown environment and contribute to a more rational growth pattern in the city.

The theme of the world's fair is energy and exhibitors from around the world will demonstrate energy technologies which will play an important role in energy production and conservation for the future.

The fair is sanctioned by the Bureau of International Expositions in Paris and will draw upon the resources of the University of Tennessee, the Oak Ridge National Laboratory, and the Tennessee Valley Authority, all located in the vicinity of the project.

I urge my colleagues to support U.S. participation in this timely exposition.

Mr. SASSER. Mr. President, I thank the able chairman of the Foreign Relations Committee for the interest that he has shown in this very worthy project. I also express my appreciation to my able colleague for the leadership that he has shown in moving this matter through the Foreign Relations Committee.

Mr. President, I rise in support of S. 1012 which provides for Federal participation in the International Energy Exposition to be held in 1982.

The location of the exposition is in the heart of the Tennessee Valley where perhaps the greatest energy experiment in history has been a proven success. I refer, of course, to the Tennessee Valley Authority.

This location is ideal from the standpoint of the resources of TVA which has been delegated a lead role in energy development by the President.

It is near Oak Ridge where there are tremendous resources and brainpower available in many areas of energy.

So, as I said Knoxville is an ideal location.

An international energy exposition, I believe, is very timely. During this time of shortages and energy uncertainties it will provide an opportunity for all interested nations, including the United States, to display their ideas for energy conservation and development. In addition, an international exposition will help bolster international cooperation in the area of energy policy.

There will be residual benefits to the exposition as well. Expo '82 should result in a large increase in foreign visitors to the United States. Not only will this promote improved international understanding, but it should also help improve our balance of payments.

I support the administration's request for Federal recognition of the exposition and the construction of the Federal pavilion. This project has long enjoyed bipartisan support in Tennessee as well as in our National Government. Early meetings were held several years ago with Secretary of Commerce Elliot Richardson when the planning for Federal participation first got underway. In April of 1977, President Carter announced his support and granted Federal recognition of the event. Last December, the President extended a formal invitation to the nations of the world to participate in Expo '80. I am pleased to report that, it is my understanding, the international response to the Energy Expo has been tremendous. The exposition has been officially registered by the Bureau of International Expositions in Paris and several other nations have already visited the area to pick out sites for their pavilions.

The administration requests authorization of $20.8 million for the American pavilion. That is a very moderate amount of money, which I might add was tentatively approved by the Senate Appropriations Committee in late July, following receipt of a budget amendment from the Office of Management and Budget. I would like to emphasize that the Federal Government is not the only investor in the exposition. The State of Tennessee has already approved $10 million for a State pavilion. In addition more than $25 million in private commitments have been pledged to this effort. The city of Knoxville has also approved $11.5 million.

The House of Representatives has passed a companion bill to S. 1012. I would point out that this legislation needs to be approved and the funds appropriated in order to get the pavilion construction underway in early 1980 and completed in time for the opening of the event.

Mr. President, I urge approval of this legislation.

Mr. CHURCH. Mr. President, if there are no further amendments, I think we are ready to move to the third reading of the bill.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 1012) was ordered to be engrossed for a third reading, and was read the third time.

Mr. CHURCH. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be discharged from further consideration of H.R. 5079, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

An act (H.R. 5079) to provide for participation of the United States in the International Energy Exposition to be held in Knoxville, Tennessee, in 1982, and for other purposes.

Mr. CHURCH. Mr. President, I move to strike out all after the enacting clause of H.R. 5079, and to substitute in lieu thereof the text of S. 1012, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Idaho.

The motion was agreed to.

The amendment was ordered to be engrossed, and the bill to be read the third time.

The bill (H.R. 5079) was read the third time, and passed.

Mr. CHURCH. Mr. President, I ask unanimous consent that S. 1012 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL OPERATING ROOM NURSE DAY—NOVEMBER 14, 1979

Mr. JEPSEN. Mr. President, today, Wednesday, November 14, 1979, is "National Operating Room Nurse Day," and as such I rise in order that the Senate of the United States and the people of this country recognize the vital role of the operating room nurse in the care of the surgical patient.

The operating room nurse is the guardian and overseer of operating room procedures, preserving and maintaining the sterility of the operating environment while at the same time monitoring the patient's vital signs and other special health needs.

The public in this particular period of expanding and spiraling health-care costs is often unaware of the critical nature and value of nursing care given during surgical intervention.

Surgery does not really begin and end in the operating room. Before surgery, patients may be fearful and distraught. Afterward they need to know how to participate in their own recovery. Increasingly, registered nurses are coming out of the operating rooms to meet with patients before and after their operations. They explain what the operating room will be like and how they will be cared for. After surgery, they may visit patients to see how they are doing and to evaluate nursing care given in the operating room.

The Association of Operating Room Nurses (AORN) in recognizing November 14, 1979, as "National Operating Room Nurse Day," seeks to reinforce its goal to provide educational opportunities to educate the public about the role of the operating room nurse.

As a father of an operating room nurse, and in my capacity as a United States Senator, I applaud the educational goals and public awareness initiatives of the operating room nurses. I know that the other Members of the Senate share my thoughts and appreciation for the outstanding service that operating room nurses perform for us all. I wish them well and Godspeed.

Mr. President, before closing I ask unanimous consent that a proclamation recognizing November 14, 1979, as "National Operating Room Nurse Day" be printed in the RECORD.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

PROCLAMATION: "NATIONAL OPERATING ROOM NURSE DAY" NOVEMBER 14, 1979

Believing that surgery today is highly technical sophisticated, and exacting; and

Believing that the registered nurse in the operating room is a highly skilled expert in providing nursing care and managing the operating room environment; and

Believing that the surgical patient needs expert care for the mind and spirit as well as the body; and

Believing that the registered nurse is also an expert in allaying a patient's fears, preparing the patient for what will happen during surgery and how he or she will feel afterward, and understanding the patient as a total person; and

Believing that the registered nurse acts as the patient's advocate during surgery;

Therefore be it proclaimed that November 14, 1979, is Operating Room Nurse Day, dedicated to the recognition of the nation's registered nurses who practice in the operating room.

ORDER VITIATING ORDERS FOR RECOGNITION OF SENATOR TSONGAS AND SENATOR SCHMITT ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the orders for the recognition of Mr. TSONGAS and Mr. SCHMITT on tomorrow be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I believe that leaves six special orders for tomorrow, which would consume about an hour and a half.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, it is a hard life being a 10 o'clock fellow in a 9 o'clock town, as they say. I guess some will make it rough on me.

Mr. President, I ask unanimous consent that the Senate convene tomorrow at 9 a.m. rather than 8:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTES TOMORROW—LONG DAYS AHEAD

Mr. ROBERT C. BYRD. Mr. President, there will be rollcall votes tomorrow.

Mr. President, I would expect a long day tomorrow, a long day Friday, a long day Saturday, a long day Monday, a long day Tuesday, and then Thanksgiving.

RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in acordance with the order previously entered, that the Senate stand in recess until 9 o'clock tomorrow morning.

The motion was agreed to; and at 7:46 p.m., the Senate recessed until tomorrow, Thursday, November 15, 1979, at 9 a.m.

NOMINATION

Executive nomination received by the Senate November 14, 1979:

DEPARTMENT OF EDUCATION

Shirley Mount Hufstedler, of California, to be Secretary of Education (new position).

HOUSE OF REPRESENTATIVES—*Wednesday, November 14, 1979*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O God, heavenly King, protect this Nation and all the people from any injury or harm that may come to them. Deliver us from injustice and any demands that threaten our freedom or dignity, and may the knowledge of Your presence give confidence to those in need.

May Your spirit prompt us to reach out to all people with the message of reconciliation and hope that together as one people we may express more clearly the majesty and glory of Your creation and the reality of Your love to us. This we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. THOMAS. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the

Speaker announced that the ayes appeared to have it.

Mr. THOMAS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 332, nays 14, answered "present" 2, not voting 85, as follows:

[Roll No. 657]

YEAS—332

Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burlison
Butler
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Clinger
Coleman
Collins, Ill.
Collins, Tex.
Conte
Corcoran
Corman
Cotter
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Devine
Dickinson
Dicks
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
Erdahl
Erlenborn
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Ford, Tenn.
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Gore
Gradison
Gramm
Grassley
Gray
Green
Guarini
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kildee
Kindness
Kostmayer
Kramer
LaFalce
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Livingston
Loeffler
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lundine
McClory
McCormack
McDade
McDonald
McEwen
McHugh
McKay
Maguire
Markey
Marks
Marlenee
Martin
Matsui
Mavroules
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
O'Brien
Oakar
Oberstar
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rostenkowski
Roth
Roybal
Royer
Russo
Satterfield
Sawyer
Scheuer
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shuster
Simon
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Spellman
Spence
St Germain
Staggers
Stanton
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zeferetti

NAYS—14

Conable
Coughlin
Danielson
Derwinski
Dornan
Goodling
Harkin
Jacobs
Lloyd
Mitchell, Md.
Obey
Quayle
Sabo
Wilson, Bob

ANSWERED "PRESENT"—2

Forsythe
Ottinger

NOT VOTING—85

Abdnor
Alexander
Anderson, Ill.
Applegate
Badham
Boggs
Bonior
Bonker
Breaux
Brown, Ohio
Burgener
Burton, John
Burton, Phillip
Byron
Campbell
Chisholm
Cleveland
Coelho
Conyers
Crane, Philip
Dannemeyer
Diggs
Dingell
Dixon
Eckhardt
English
Evans, Del.
Findley
Flood
Foley
Ford, Mich.
Fountain
Garcia
Giaimo
Goldwater
Grisham
Hagedorn
Hansen
Holland
Hyde
Jenrette
Jones, N.C.
Kemp
Kogovsek
Lagomarsino
Lee
Lewis
Lott
Lungren
McCloskey
McKinney
Madigan
Marriott
Mathis
Mattox
Mazzoli
Moorhead, Calif.
Murphy, N.Y.
Neal
Nolan
Nowak
Rangel
Rose
Rosenthal
Rousselot
Rudd
Runnels
Santini
Schroeder
Schulze
Shumway
Skelton
Solomon
Stack
Stangeland
Stark
Treen
Walgren
Walker
Wampler
Williams, Ohio
Winn
Wyatt
Young, Alaska
Zablocki

☐ 1010

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 209. Concurrent resolution authorizing the Clerk of the House of Representatives to correct the enrollment of the bill H.R. 4930.

The message also announced that the Senate agrees to the amendments of the House with amendments to a bill of the Senate of the following title:

S. 932. An act to extend the Defense Production Act of 1950, as amended.

The message also announced that the Senate has passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4391. An act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1980, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 4991) entitled "An act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1980, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HUDDLESTON, Mr. INOUYE, Mr. JOHNSTON, Mr. SASSER, Mr. MAGNUSON, Mr. HOLLINGS, Mr. LAXALT, Mr. STEVENS, Mr. YOUNG, and Mr. SCHMITT to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 673) entitled "An act to authorize appropriations for the Department of Energy for national security programs for fiscal year 1980," agrees to a conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JACKSON, Mr. STENNIS, Mr. HART, Mr. EXON, Mr. LEVIN, Mr. COHEN, Mr. TOWER, and Mr. THURMOND to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1308) entitled "An act to provide for an expedited and coordinated process for decisions on proposed non-nuclear energy facilities, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JACKSON, Mr. CHURCH, Mr. JOHNSTON, Mr. BUMPERS, Mr. FORD, Mr. DURKIN, Mr. METZENBAUM, Mr. MELCHER, Mr. TSONGAS, Mr. BRADLEY, Mr. MCCLURE, Mr. WEICKER, Mr. DOMENICI, Mr. STEVENS, Mr. BELLMON, and Mr. WALLOP to be the conferees on the part of the Senate.

RESOLUTION INTRODUCED EXPRESSING SUPPORT FOR PRESIDENT DURING IRANIAN CRISIS—CALM, COOL, AND COLLECTED WITH CARTER

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GONZALEZ. Mr. Speaker, in the course of this current crisis my personal motto is to stay calm, cool, and collected with Carter. I believe the President is exerting effective and telling leadership in this crisis.

We hear a lot of talk about lack of leadership, most of it coming from the people who would like to claim the role of leader, but I think, in my humble opinion, that what we need is a lot of followership. What we need is not more chiefs, but we need followers, loyal followers.

With that position in mind, I am introducing later today a simple House resolution expressing the sense of the House that we support our President during this current crisis.

☐ 1020

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO FILE REPORTS ON H.R. 5871, TO AUTHORIZE APPORTIONMENT OF FUNDS FOR THE INTERSTATE SYSTEM, AND H.R. 5872, TO MODIFY THE NEW MELONES DAM AND RESERVOIR PROJECT, CALIFORNIA

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation may have until midnight tonight to file reports on H.R. 5871, to authorize the apportionment of funds for the Interstate System, to amend section 103(e)(4) of title 23, United States Code, and for other purposes, and H.R. 5872, to modify the New Melones Dam and Reservoir project, California.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

HOUSE MEMBERS AND STAFF SKIP LUNCH FOR CAMBODIA

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, this is just a reminder that tomorrow on November 15 up until now over 100 Members of the House have volunteered to skip their lunches tomorrow and to send checks in for the Cambodian Relief program. We have at this point well over 300 or 400 staff members and Members who are also volunteering to do the same.

For those who have not had a chance to do it as yet, we hope you will notify us of your intention of skipping your lunch tomorrow and helping the people of Cambodia. I also urge the Members to talk to their staffs. We will have a movie in the Cannon caucus room at noon showing and illustrating the Cambodian problem, and we will have people who have been there who will talk to staff members and anyone who wants to come. We urge your support and notification to us at this time.

MAKE U.S. RESOLVE ON IRAN KNOWN TO THE WORLD

(Mr. LLOYD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LLOYD. Mr. Speaker, during the last 11 days this Nation has watched the events in Iran unfold with restraint, for the most part silently, but I fear with a growing impatience at the hesitancy of our own Government.

While I applaud the President's move to sever direct oil ties with Iran and the freezing of assets—and I am sure the country approves—this action may not, in my opinion, change matters concerning the hostages. It merely indicates that the people of the United States are willing to tighten their belts.

I strongly urge the President to maintain the momentum he has in dealing with the Iranian issue. First, do not allow the Immigration Service to drag its feet in dealing with the Iranians in violation of their visas. Second, invoke every economic sanction available to us—restricting grain, food, and military sales to Iran.

Third, and most important, reiterate our policy of strict adherence to international law, firmly defining the sanctity of our embassies and protection of their confines.

Clearly, it is time for the President to make our resolve known to the Iranian people, and the rest of the world as well. Even though the United States would like to be all things to all countries, we simply cannot. But, perhaps now we can at least be true to the rights of our own people.

CITY OF CLEVELAND, TENN., AND SURROUNDING BRADLEY COUNTY MAKE COMMITMENT TO KEEP AMERICA FREE OF FOREIGN BLACKMAIL

(Mrs. BOUQUARD asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. BOUQUARD. Mr. Speaker, with a unity seldom demonstrated in recent years, Americans have united in condemnation of the terrorist act of the Khomeini government in Iran. It is thoroughly understandable that our countrymen feel frustrated and helpless against the outrageous conduct of what purports to be a civilized nation. But while our Nation prays, and our leaders work for the safe release of the Americans now held hostage in Iran, I want to call to the attention of my colleagues the positive and constructive steps being taken by one exceptional community in our Nation.

The citizens of the city of Cleveland, Tenn., in my district, and the surrounding county, Bradley County, have pledged to reduce their consumption of oil by 25 percent until the Americans now held by Iran are safely released. Furthermore, in a gesture of their commitment to keep America free of foreign blackmail these same citizens have pledged to reduce their consumption of oil by 5 percent after the hostages are free. It is anticipated that 15,000 residents of this area will have signed this petition by Friday.

I would urge each of you here today to offer this pledge to the communities of your own congressional districts as a model for emulation. Henceforth we must all work to assure that never again will our great country be placed in the position of yielding to aggression in order to protect foreign supplies of energy.

A STATEMENT OF SOLIDARITY

We, the undersigned citizens of Bradley County, Tennessee, a community within these United States of America, clearly and unequivocally deplore and view as totally unacceptable the actions or inactions of the Iranian government in supporting the lawless conduct of irresponsible Iranians in threatening the safety of American citizens. Likewise, we will not accept a position of negotiation based on blackmail insofar as the safety of our diplomatic personnel is concerned.

We support our government totally in its attempts to obtain the freedom and safe passage of American citizens from Iran.

We condemn the association of religion with such irreligious concepts as blackmail, kidnapping and extortion.

We insist that our government immediately take economic and diplomatic sanctions against Iran so long as the disrespect for the country continues. In the event of physical harm to American citizens, we will insist that our country depose any government which would tolerate such atrocities.

Furthermore, we pledge to reduce our consumption of oil by twenty-five (25 percent) percent until the American hostages are released and five (5 percent) percent after their release to show our support for the ideal of an independent and proud America.

PRESIDENT TAKES FIRM ACTION OF SEIZING IRANIAN ASSETS IN THIS COUNTRY

(Mr. LEVITAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVITAS. Mr. Speaker, we should all commend the President for his firm action taken this morning in freezing the Iranian assets in this country as another demonstration of our determination not to be blackmailed. The President's performance in this crisis has been one of calm and firmness. He has not panicked in this crisis. There is good hope still for the safe release of the hostages. Our restrained firmness, at this time, will help accomplish this goal.

The embargo on importing Iranian oil has been another part of this restrained firmness. I hope that the administration will now call upon our industrial allies to join with us in refusing to buy oil from a nation which has so flagrantly disregarded international decency and international law. All Americans will support the President in his calm but firm actions in this crisis.

BASIC RESEARCH REVITALIZATION ACT OF 1979

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VANIK. Mr. Speaker, I have today introduced H.R. 5881, the Basic Research Revitalization Act, to provide a tax incentive for research and development.

Today our Nation has substantially exhausted the reservoir of research and development which was stimulated by World War II, Vietnam, Korea, and the space program.

More than anything else, American enterprise needs a peacetime stimulant to generate new ideas, new products, and new technology. Our domestic and export business must be restored to its former competitive position. There are new domestic markets—if we can reach them with new ideas or better ideas. Our potential for new export business is an exciting challenge.

My bill will provide for the development of technology in the academic setting with research paid for and directed by the business sponsor. This would insure that technology will produce useable and saleable items. The use of academic facilities will provide research and development at the lowest possible cost and provide an exciting higher level of utilizing educational resources. The sponsoring enterprise would receive a business deduction and a tax credit for these outlays. For a little tax incentive, we will put into motion a huge job-creating system for domestic and export goods. This legislation may help restore America's traditional role as world leader in technology development.

AMERICAN STANDING IN THE COMMUNITY OF NATIONS CANNOT BE DEGRADED AND DEMEANED

(Mr. SCHEUER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHEUER. Mr. Speaker, that degrading and offensive spectacle picture on the front pages of today's papers of Iranian students defiling our flag and dragging out the garbage from the Embassy wrapped in the American flag, I think, will have an enormous significance. If ever a picture was worth a thousand words, that picture represents a calculated and demeaning insult to our flag. To our nationhood, to our national honor, and to our national interests, that is likely to take place more and more throughout the Middle East unless our American society gets its collective act together and follows the President's lead on energy conservation and in every other measure that the President has proposed to free us from the thralldom of these Persian Gulf coast Arab oil sheiks.

I fervently hope that picture will serve this purpose and will galvanize our Nation into a collective understanding in a way that most Americans have not yet grasped that we cannot permit American interests and American prestige and American standing in the community of nations to continue to be degraded and demeaned. We must get our act together to free us from this pressure, by moving on every front to achieve energy independence and self-sufficiency.

I am confident that the President will continue his outstanding efforts in urging the American people to conserve energy and I call upon the American people to comprehend the full significance of that picture and what lies behind that picture, and to make the sacrifices the changes in their lifestyles and the commitment that every one of 200 million Americans must make to free us from the pressures and the dependency that put us in a position where a picture like that could be snapped by an Associated Press photographer.

Unless we join in a national program of both energy conservation and energy production of truly herculean proportions—we are condemning ourselves to seeing this appalling scenario acted out systematically by different actors and on different stages in the Middle East. We must not let the underlying condition of energy dependency prevail—which hurts our vital interests, and feeds the perception worldwide—that we have lost any sense of national discipline and national purpose, and that we have truly become a quivering, helpless muscle-bound giant, unable to defend either our national honor or our vital interests.

PERUVIAN SEIZURE OF U.S. FISHING VESSELS

(Mr. ANDERSON of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON of California. Mr. Speaker, on Monday evening, Peruvian armed forces seized two United States and one foreign vessel.

The U.S. boats were in full compliance with United States-recognized maritime laws. I denounce this act as unjustified and intolerable.

Like other countries, Peru has established a 200-mile economic limit in order to conserve its native resources. This is a reasonable course to follow, but it should provide exemptions in special cases, such as fishing for tuna. Tuna are migratory fish that roam great distances. A country should not have the exclusive right to catch them merely because they swim within 200 miles of its shore.

This past February, following another tuna boat seizure by the Peruvians, as our laws provide we imposed an embargo on Peruvian tuna and tuna products. If fines are paid for the release of the two boats, recently seized, the embargo will be automatically imposed again. However, we should consider broadening this embargo to include certain other Peruvian fish exports, if the American boats and their crews are not quickly released.

In the meantime, I urge the State Department to negotiate for the speedy release of the seized American vessels.

COMBATING THE OIL SHORTAGE

Mr. COLLINS of Texas. Mr. Speaker, let us hope that the Iranian crisis gets through to the American people the point that there is an oil shortage in the United States. I find it difficult to believe, but surveys say 50 percent of the people in this country believe there is no oil shortage.

Mr. Speaker, there is an oil shortage. What we are doing in receiving this oil from Iran, means we are going to have to pay for it. Iran is now demanding $12 billion. The answer is to stop importing oil. Four percent of our oil consumed is from Iran. It would be easy to conserve 4 percent of our oil used.

Mr. Speaker, 60 percent of the American people do not turn their thermostats below 69 degrees at night. Sixty percent of Americans do not turn down their thermostats. Let us turn down the heat and let us stop using Iranian oil. Let us stop using all foreign oil and make America independent on energy.

AN IRRESPONSIBLE IRANIAN GOVERNMENT

(Mr. LUJAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUJAN. Mr. Speaker, there are 65 American citizens being held hostage in Iran while blackmail demands are made of this Nation. The Government of Iran has disclaimed any responsibility for this international act of piracy, and yet Khomeini reinforces the demands of the mob who hold our people captive.

If a mob of students from Georgetown University were to attack the Iranian Embassy in Washington, seize the diplomatic personnel who are legally in this country, and demand that Iran send us the ayatollah to stand trial for this kidnaping, the response of our Government would be immediate and firm. Because we are a nation of law, we would jail the mob, free the captives, apologize to Iran, and pay reparations for any damage done to the Embassy.

That would be the response of a responsible and legal government. I rise to charge that Khomeini has proven himself to be neither responsible, nor law-abiding. He is a pirate who uses a lawless mob to carry out his policies of state. Having proven himself as such, he should be treated as such.

There is no need for America to try to deal in diplomatic terms with international outlaws who show no respect for the laws of right, the laws of morality or the international covenants on the rights of individuals.

I call on our President to treat this outlaw precisely in the way we treated the outlaw Government of Nazi Germany when it ran roughshod over international law and the sovereignty of other nations. When Germany invaded its neighbors, we confiscated the holding of those countries that were in our banks and we refused to turn those holdings over to the Nazi international outlaws who demanded their return.

I call on the Congress to insist that the President seize all of the holdings in this country of the outlaw Government of Iran, and to let this pirate know in simple language that we have had enough.

Twenty-seven years ago, a young man from Idaho who keynoted the National Democratic Convention, asked us "How long, Oh Lord, how long?" Today, with the Nation beset by 10 times the troubles it was at that time, it is time for the Congress to reply with its own firm declaration: "Ya Basta!" which means, enough is enough.

SHUSTER URGES QUARANTINE OF IRANIAN EMBASSY

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, I rise to commend the President for his action at 8 a.m. this morning in freezing the assets of the Government of Iran and I further urge the President to prepare now for long-term, strong measured action against Iran once the American hostages are freed. I believe the President will receive wide bipartisan support in taking firm, long-term action against Iran.

I call upon the President to take a specific further step and quarantine the Iranian Embassy and its consulates around the United States, thereby restricting the movement of Iranian diplomats in the United States.

MEAT IMPORT ACT OF 1979

Mr. ULLMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2727) to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2727, with Mr. GORE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN (Mr. GORE). When the Committee of the Whole rose on Tuesday, November 13, 1979, the gentleman from Oregon (Mr. ULLMAN) had consumed 11 minutes of time for general debate, and the gentleman from Minnesota (Mr. FRENZEL) had consumed 8 minutes of time for general debate.

The Chair now recognizes the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Missouri (Mr. COLEMAN).

Mr. COLEMAN. Mr. Chairman, I rise in support of H.R. 2727, the Meat Import Act of 1979. It is rare that a bill comes before this body that is equally favorable to producers and consumers alike, but this is one of those times.

As a member of the House Agriculture Committee, and a representative whose district has a large rural orientation as well as significant numbers of urban and suburban consumers, I know the impact that administrative and congressional action can have on agricultural producers as well as consumers.

Far too often we have had to say "either/or" to producers or consumers. However, the Meat Import Act of 1979 will benefit both the livestock producer and the consumer at the supermarket.

The countercyclical approach that this bill contains allows the President to reduce meat imports when domestic supplies are abundant and consumer prices are low, thus moderating the price decline for producers. On the other hand, when domestic supplies are low and prices at the supermarket are high, the President can increase meat imports, thus moderating price increases to the consumer.

Last year we suffered a setback when the President vetoed a meat import bill. He believed last year's legislation deprived the White House of the only anti-inflationary tool it has in this segment of the economy. The President also objected to the 1.2-billion-pound minimum access level contained in the 1978 version.

However, I understand that the administration concurs with this year's legislation. I commend the administration for realizing that this Meat Import Act is of benefit to all concerned.

Under current law, meat imports have been used as a politically expedient way to artificially hold down prices at the supermarket. This practice has caused great hardship on the farmers who raise livestock for a living, and in the long run is a shortsighted policy guaranteeing a low domestic supply and higher prices for consumers.

The bill before us today is designed to allow more imports during times of national emergency or when a disaster of some kind significantly reduces domestic production. This safeguard is justified to prevent exorbitant price rises should American meat production drop substantially.

Specifically, H.R. 2727 makes it clear that the President must prove that lifting import quotas is required by overriding economic or national security interests and that domestic supplies are inadequate to meet consumer demand at reasonable prices. Futhermore, the President must give 30 days notice of his intention to lift import quotas under these circumstances.

We must realize, and this bill does, that excessive meat imports or sudden decisions which allow substantial increases in imports can devastate our domestic livestock production industry. Some American producers believe that we should place even tighter limits than the 1.2 billion pounds of imports that this legislation guarantees.

I understand their concern, however, I feel that this legislation is a reasonable compromise considering the realities of our economic and international situation.

In the long run I believe the Meat Import Act of 1979 will serve the best interests of livestock producers and the American consumer. I urge my colleagues to support this legislation.

Mr. ULLMAN. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, again, just to recap what we said yesterday, this bill gives us a countercyclical formula that works more in accord with the marketplace; it is better for consumers as well as producers; it allows increased imports at a time when we have shortages here. Overall, meat imports will enter at times that are more beneficial to consumers and producers.

Mr. Chairman, let me relate this to a report from the Congressional Budget Office:

> During the next several years, from approximately 1980 to 1984, H.R. 2727 would probably have a deflationary effect by reducing slightly the retail price of beef relative to what it would be under the current law. When the cattle herd enters the liquidation phase of the next production cycle, from about 1985 to 1989, H.R. 2727 would have an inflationary impact as a result of higher retail beef prices. The net effect of H.R. 2727 over the next 10 years would be about neutral.

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Mr. Chairman, this bill is an extremely important bill. I urge the Members to support it. There will be one amendment that I will support and that is to change the floor from what we have in the bill, 1.2 billion pounds to 1.25 billion pounds, the amendment will be offered by the gentleman from Minnesota (Mr. FRENZEL), and is supported by the chairman of our subcommittee, the gentleman from Ohio (Mr. VANIK). With that amendment, we will insure that the bill will have the support, as I understand it, of the administration, the President, and all parties concerned.

Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. KAZEN).

Mr. KAZEN. Mr. Chairman, some 13 months ago, when the House passed the Meat Import Act of 1978, I urged passage of that bill, because I believed it would benefit every American, whether he be a producer or consumer. I make the same argument again today. This bill, like the similar one I introduced earlier in this session, aims at stability of prices. If our domestic supplies of beef become scarce, more imported meat would be allowed into our markets, but if our domestic supplies are in surplus, we would hold down the import quotas.

Obviously, I am concerned about the ranchers and cattlemen so important in the economic base of rural America, but I would stress that every American household has an interest in an economically sound meat supply program.

They key word is "supply." If ranchers cannot anticipate adequate return on their labor and investment, they will not raise cattle. If local bankers cannot foresee successful investments in ranching and feedlot operations, they will not make the loans to finance production; and if supplies of cattle drop in the marketing system, there will be fewer jobs at packing plants, on railroads or truck lines, and even at the markets.

The essential solution in this bill, like the one I introduced, is the countercyclical balance that protects both the producer and the consumer.

I ask my colleagues to recall with me our country's experience with oil supplies. Do you remember the time when foreign oil could be shipped to this country for 50 cents a barrel, when a barrel of oil cost between $2 and $3 a barrel f.o.b. east coast U.S.A. from the Middle East, and the consumers thought they were getting a bargain?

I need not dwell on what happened to the oil supplies in this country. I hope we do not repeat that history, cut our domestic supplies of beef and come to depend on foreign countries for our food.

I have read again the President's memorandum of disapproval when he vetoed the 1978 bill. He said he did not sign the bill because it would have severely restricted his presidential authority to increase meat imports and would have placed too low a floor on meat imports. He also said the United States must avoid imposing excessive restrictions on our trading partners who supply us with meat.

I respect presidential authority. I am concerned about our trade with other nations. I respectfully contend, however, that this bill would provide essential protection to all Americans, consumers and producers, and in their interest I urge my colleagues to pass this bill.

Mr. FRENZEL. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from Nebraska (Mrs. Smith).

Mrs. SMITH of Nebraska. Mr. Chairman, I rise in support of H.R. 2727, the Meat Import Act of 1979.

I am gratified that this legislation incorporating essential changes in the 1964 act has been brought back to the House floor again. As a cosponsor of this legislation in the last Congress and again this year, I wish to commend the Ways and Means Committee for scheduling the bill for reconsideration after a Presidential veto killed a similar bill last year.

That bill passed the House and Senate by comfortable margins. It is unfortunate that the President saw fit to veto it. He did so on the grounds that his own authority to increase the quota on imported meat was too restricted. The bill we are considering today gives the President authority to increase import quotas under certain circumstances. The authority is limited, but the modifications from last year's language are acceptable to the administration.

The most important feature of the bill is the authorization for a countercyclical formula for determining the level of meat imports. The operation of the formula permits more imports when domestic production is low and reduces them when the volume of domestic production increases.

This is a stabilizing factor for the benefit of both producers and consumers. A steady supply of meat at reasonable prices will be assured. We will not have the boom and bust fluctuations to contend with. Producers can manage their herds more effectively throughout the cattle cycle. Consumers can reap the benefits at the meat counter because of the stable market provided.

Had last year's bill been approved with this provision, the countercyclical formula would have had an opportunity to prove itself throughout the year. In this regard, it is important to note the statement emphasized on page 3 of the committee report. It bears repeating, and I quote:

> Had the countercyclical formula been in place for 1979, allowable imports under the law would have been higher than the level announced by the President after he suspended the quota. This would have benefitted consumers and would have helped retard the rate of food price inflation.

As I have stated before, this feature is the cornerstone of the amendments being offered to the 1964 law. It is the one single change that will make the law operate with notable improvement for the cattle industry and the consumers it serves.

In addition to the countercyclical formula, there are other improvements provided by the language of H.R. 2727. One provision would include all forms of fresh, chilled, and frozen beef, veal, mutton, and goat meat under the law so that we can get away from the circumvention that was so harmful in the past. Another provision would require the Secretary of Agriculture to study the regional economic impact of meat imports and report back to the Congress on the findings.

There is also a minimum access level of imports provision in the bill. It needs adjustment to make it acceptable to all concerned, but I am convinced that can be worked out. New modified Presidential authority for increasing import quotas is also spelled out, and finally, for purposes of calculating the import quota, the carcass weight equivalent of live cattle imports will be deducted from domestic production figures.

All of these amendments are improvements, but the authority to use the countercyclical formula is the most important as far as making the law work equitably and effectively is concerned.

We are a nation of meat eaters. We have a livestock industry that can provide all the meat we need without imports. The Meat Import Act recognizes that the commerce between our trading partners and the United States requires that a degree of access must be provided for imports. The arrangement is fair. It will be beneficial for all concerned. I respectfully urge that the bill be given the same margin of support it enjoyed when a similar bill was before the House last year.

Mr. FRENZEL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Iowa (Mr. Grassley).

Mr. GRASSLEY. Mr. Chairman, I rise in support of this bill. I voted for the bill that passed last year. I did not like the fact that the President vetoed it. I reintroduced the same bill that he vetoed the first day of the session this year.

Now, naturally, not all that is in this bill is what I would like to have passed, but it is better than what is presently in the law in the 1964 act.

I support the principle of the countercyclical formula, because it will bring a measure of certainty, and more importantly, commonsense to public policy so that the cattle industry will respond in a way that will level out the peaks and valleys in the supply picture of beef. It is going to encourage expansion by the producer and encourage investment. That expansion is the best way to protect those consumer interests that seem to be so paramount in the minds of so many Members crying about the shortcomings of this bill.

Of course, I do not understand those Members and those consumer groups who want to repeal the Meat Import Act of 1974. I feel that their goal is very shortsighted, not only because it will bring shortages and a reduction in supply, but it is going to have a concomitant increase in the cost to the consumer. In fact, there would not be any need for any law on the books, the 1964 act or this bill, if foreign processors of meat coming into this country had to meet those same high standards of sanitary conditions that the American processors have to meet to protect the consumer interests in this country. There would not be any need for an import law to protect the American producer if the imported meat coming into this country had to be labeled as imported meat, again to protect the consumers' interests, because imported meat is not the same high quality as that produced by the American producer.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from South Dakota (Mr. Daschle).

Mr. DASCHLE. Mr. Chairman, the bill before the committee today, the Meat Import Act of 1979, represents the culmination of many years of hard work on the part of the livestock industry, and those Members of Congress representing rural States.

Currently, an outdated Meat Import Act of 1964 is responsible for controlling the importation of chilled, fresh, or frozen beef, veal, mutton, and goat meat. Unfortunately, this legislation operates with a formula that works the opposite of what logic would dictate.

Under current law, during periods of domestic surplus, more imports are allowed into the country, compounding the problem of domestic surplus, and depressing the market even further.

Just the opposite is true during periods of domestic shortages. In that situation, imports are restricted, adding price increases.

The roller coaster price fluctuations experienced as a result of the Meat Import Act of 1964, are not in anybody's best interest, serving only to create misleading price fluctuations in the market place.

The legislation before us today would attempt to recognize the counterproductive effect that current meat import law has on the livestock market, by introducing a countercyclical formula into meat import law.

Basically, the Meat Import Act of 1979 would reverse the current import formula, allowing more imports during times of domestic shortage, and restricting imports during periods of domestic surpluses.

It is obvious that the price leveling effect of this type of formula would greatly assist in stabilizing the current trend of market fluctuations realized under current law.

Second, this legislation, which will become effective on January 1, 1980, would include all forms of chilled, fresh, and frozen beef, veal, mutton, and goat. This provision would bring to a halt any attempt to circumvent the meat import law as was experienced in 1976 with shipments of imported meat allowed to enter through the so-called free trade zone without being counted against the importing country's quota.

In addition, this bill sets a floor of 1.2 billion pounds of imported meat. With administration support, this bill is expected to be amended to a minimum access level of 1.25 billion pounds.

Finally, this bill defines the authority of the President to suspend quotas in cases of national economic and security interests.

Organizations are lining up in opposition to H.R. 2727. One such group, the Consumers for World Trade, recently sent a letter to House Members urging defeat of H.R. 2727. In their letter, CWT observed:

> This act, by limiting the supply of imported beef to the American market, would escalate the cost of meat to American consumers, adding new inflationary pressures. . . .

It is unfortunate that responsible organizations, such as CWT, do not recognize the cyclical nature of the livestock industry, and the positive effect that consumers would realize as a result of the price leveling that this bill would promote.

Finally, through their own admission, CWT recognizes the faults of our current meat import legislation by citing the 1976 costs of meat to consumers as a result of the Meat Import Act of 1969.

Mr. Chairman, this legislation looks beyond the short-term interests that have been advocated by those in opposition to this legislation, and recognizes the long-term benefits that can be realized by both consumers and producers alike through the price stabilization affect that this bill would have on the industry's market prices.

This bill is necessary, and long overdue in the interests of consumers and producers alike.

I want to thank the distinguished chairman of the Ways and Means Committee, Mr. ULLMAN, for the leadership and foresight he has shown by bringing this legislation to the floor for full committee consideration, and urge its adoption.

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Mr. FRENZEL. Mr. Chairman, I yield 1 minute to the distinguished gentleman from South Dakota (Mr. ABDNOR).

Mr. ABDNOR. Mr. Chairman, I rise in support of H.R. 2727, the Meat Import Act of 1979, but in doing so I want to emphasize that I feel that the legislation falls short of what the domestic cattle industry deserves. Nevertheless, it is the best it is going to get for now.

This is both a consumer's bill and a producer's bill. By allowing more imports when U.S. production is down, and vice versa, it will iron out the peaks and valleys in the 10-year domestic cattle production cycle. Producers will be able to plan with some certainty and consumers should see a stabilization of prices at the meat counter.

Recent higher prices for beef are the direct result of disastrously low prices to producers during the mid-1970's. Many were forced to sell off their herds to avoid bankruptcy.

As herds now are being rebuilt due to better prices, supply and demand are coming into a better balance and market prices have declined from the recent high.

Consumers would have been better off during the past year if the President had not vetoed last year's bill, which was very similar to this one. I believe the 1.2-billion-pound floor to which the President objected last year treats fairly our trading partners. It compares with an annual import level of 725.4 million pounds under present law.

The present act was passed 15 years ago. The formula adopted at that time is outdated. The Ways and Means Committee wisely substituted a more current base period of 1968–77, representing a complete cattle cycle of more recent times.

The committee has had an additional year to consider all the factors involved here, and once again it has recommended the 1.2-billion-pound floor. I believe both the Congress and the President would be well advised to accept that advice; however, the administration is unwilling to accept anything less than 1.25 billion pounds.

In the interests of building stability in prices for both producers and consumers, we have little choice but to go along.

Mr. FRENZEL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Nebraska (Mr. BEREUTER).

Mr. MARLENEE. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I am pleased to yield to the distinguished gentleman from Montana.

Mr. MARLENEE. Mr. Chairman, I rise in support of the Meat Import Quota Act of 1979. Since Montana is a leading beef-producing State, this legislation is vital to the ranchers of my State and to the consumers of the Nation. I have worked long and hard to see that legislation designed to curtail imports and bring stability into the livestock industry and market be passed. It is time consumers as well as producers were able to count on a reasonable price variation for beef—not the wild fluctuations they have experienced over the past several years. The legislation on which we are about to vote allows imports into the United States on a sound basis of domestic supply. The countercyclical formula will react quickly to changes in the domestic cattle market; which in turn translates into stable prices. The formula works by inversely limiting imports with the U.S. production so that when domestic production decreases, import limitations will be liberalized, and when U.S. production is on the increase, imports will be lowered. This bill is a long time coming. For many years the influx of meat from foreign countries has precipitated price swings and kept the rancher in a state of operating on credit.

I am pleased with the provision of the bill which instructs the Secretary of Agriculture to conduct a study to determine the economic impact of imports in regions near ports of entry. I trust the Secretary will consider not only the meat products covered by the Meat Import Act before us today, but the importation of live cattle as well. At present, the amount of live cattle entering the United States does not come under import restrictions, and border States such as Montana feel the influx of these imports through the lower prices received at sales within the State. In addition to placing live cattle under import restrictions, there are several other measures which should be taken to protect the livestock producer as well as the consumer.

The inspection of foreign meat processing plants should be increased in number. We cannot continue to allow the consumer to think that all meat purchased within the United States has met the same high standards for wholesomeness and quality. Foreign meats are by no means as thoroughly inspected and chemically free as those of their American counterparts. In point of fact, in 1977 the USDA collected 2,424 random samples from the 1.7 billion pounds of imported meat. This figure breaks down to one sample per 700,000 pounds of beef, or approximately one sample for every 1,100 head if tested on a fixed percentage basis. This compares to full-time continuous inspection by approximately 8,500 USDA personnel. Our consumers and producers deserve better protection than that now provided.

The legislation befores us is of grave importance to the livestock industry. We cannot continue to delay implementation of laws that will protect the consumer and the producer from wide price swings in the meat industry. I strongly urge my colleagues to vote for H.R. 2727.

Mr. BEREUTER. Mr. Chairman, I rise in support of the legislation.

Mr. Chairman, I am pleased that the House leadership has found this legislation important enough to bring it to the floor at this time, for the legislation that is before us today, H.R. 2727, is a proposal that is long overdue. It is one that will collectively benefit both the cattle producer and the consumer. I would like to point out to my colleagues that this legislation will provide the necessary assurances to help stabilize the cattle industry in this country. The most beneficial of those assurances being the countercyclical formula for determining import levels. Under this provision, when domestic supplies are scarce and beef prices begin to climb, more imported beef would be allowed on the U.S. market. When domestic supplies expand and prices fall, importation of meat would decline. The U.S. Department of Agriculture estimates that with the countercyclical formula, more total imports would be allowed during the course of a cattle cycle than would be the case under the current law. The legislation would also give the President the authority to suspend quotas, but only in the case of a natural disaster, a national emergency, or a major market disruption, something that was lacking in the version vetoed by the President last year. He would also have to give Congress 30 days' notice of his intention to allow more beef to be let into the country.

Mr. Chairman, we cannot continue to have the cattlemen of this country face the uncertainties caused by governmental intervention which have been witnessed by the industry in the past few years. This legislation will go a long way in helping to appropriately alleviate those uncertainties. I urge my colleagues to support it.

Mr. FRENZEL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Kansas (Mr. SEBELIUS).

Mr. SEBELIUS. Mr. Chairman, I rise in very strong support of this bill, and I am pleased to have the opportunity to offer my comments in support of the enactment of H.R. 2727 to amend the Meat Import Quota Act of 1964. This legislation, which I cosponsored along with 89 Members of the House of Representatives, provides a varying quota designed to be countercyclical to the U.S. meat cycle. As you well know, a form of this legislation was passed by the Congress last year and then it was vetoed by the President. Although I disagreed with the rationale President Carter used in justifying his veto, I think this legislation as presently drafted will meet the President's requirements and will give us legislation that the cattlemen sorely need.

Turning to the situation the cattlemen now face, it appears to me that we must correct the current meat import law because as production of beef increases so do imports of beef, and when we have declining production, we have declining imports; and this has been demonstrated to cause harm, not only to the beef producer, but also to the consumer.

Additionally, the amendments under consideration would limit the President's authority to increase or remove entirely import quotas during periods of decreased production. I feel that we have designed this legislation so that it should not hamstring the President in this regard. Admittedly, it is a compromise, but we must be realistic and understand that in order to get the President's signature, we have to be willing to give a little.

In my estimation, when we change the law on imports, we should not only deal with fresh, chilled, or frozen meat, but we should also consider limitations on cooked, preserved, prepared meats, and on live cattle. In years past, foreign countries have circumvented the 1964 Meat Import Act, and we should deal with this matter at this time, because it may be some time before Congress finds itself dealing with this legislation again. In my part of the country, there has been much sentiment expressed about live cattle coming in from Mexico and Canada, disrupting the cattle markets for our producers. With the cattle prices at an all-time high and limited numbers of cattle available for slaughter, this may seem to be a poor time to consider this limitation. But, I feel that it has disrupted the system in the past and it will do so again, so we should consider this situation and find some solutions.

Mr. Chairman, I appreciate the opportunity to state my support for amending the Meat Import Quota Act of 1964. By enactment of these amendments, we are signaling to the beef producer that we recognize the problem he has faced over the past few years, that we desire stability in the industry, that we recognize that the industry must be given time to rebuild the numbers of cattle so that ultimately it will be advantageous to the consumer, and that this legislation will also give guidance to beef producers worldwide as to our intentions in the future. I urge passage of this legislation.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa (Mr. SMITH.)

Mr. SMITH of Iowa. Mr. Chairman, I support this bill, and I want to commend the members of the committee, the chairman of the committee, the ranking minority member, and also especially the gentleman from Ohio (Mr. VANIK) for the work that he did on this bill. It has not been easy. I know that a lot of time went into this bill.

I still think it would be better to either have both a floor and a ceiling or neither one. I do not think it is right to have a floor and not a ceiling, but I understand the practical situation here.

My support for this concept goes back to 1964. At that time I voted against the present import act because it had an upside down formula in it. It was just the wrong thing to do. The Cattlemen's Association was hoodwinked into doing what the packers wanted at that time. It was a packers' bill. What they really wanted was this: When there is fat meat and more trim, they want more imports of lean beef to mix with the fat so they could sell the hamburger. What this present law does is to encourage the Australians and the New Zealanders to have their cycle coincide with our cycle, which is exactly the wrong thing.

So what we are trying to do in this bill is to do what we should have done in 1964, and that is to have a countercyclical formula which reduces imports when we have a surplus and increases them when we have a shortage and will help both producers and consumers.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, I certainly want to express my congratulations to the gentleman in the well, the gentleman from Iowa (Mr. SMITH). It was his recommendations and suggestions that got us on the right track on this legislation. As one Member who has had experience with farm legislation, he was very constructive.

I want to thank the gentleman for his very objective actions and his assistance to the committee.

Mr. SMITH of Iowa. Mr. Chairman, I thank the gentleman from Iowa (Mr. VANIK) for those words.

I just want to say that this is another example of how Congress ought to think for itself instead of rubberstamping commodity organizations' positions. That is what Congress did in 1964. The Cattlemans' Association wanted it, and the packers wanted it, so Congress rubberstamped a formula that was not in the interests of either the cattlemen or the consumers.

Mr. Chairman, it is time we think for ourselves around here. If we had done the right thing before, we would not have had 15 years and two cattle cycles, with millions and millions of dollars in lost income to cattlemen that could have been reduced under a countercyclical formula.

Mr. Chairman, we are straightening out something now that should never have happened to start with.

Mr. STANGELAND. Mr. Chairman, as a cosponsor of this vital piece of legislation, I rise in support of H.R. 2727, the Meat Import Act of 1979, and the countercyclical meat import formula it establishes. The beef cattle industry has been in severe financial difficulty for several years. The problem is multifaceted. In a free enterprise system such as the beef cattle industry, there are going to be periods of high production as well as periods of low production. However, the cattle industry has not always been allowed to operate in a totally free enterprise system. In the late 1960's, it was determined by the Agriculture Department that somewhere in the future, we would be extremely short of beef for consumers in this country. Our cattlemen relied on these projections and began to gear up their production to meet these needs as outlined by the Department of Agriculture.

When wage and price controls were implemented in the early 1970's, raw agricultural production was excluded from these controls; however, meatpackers were required to adhere to the guidelines. When it became apparent that wage and price controls were not the answer to reducing inflation, they were removed. In the mid-1970's the price of beef to the consumer rose substantially in a very short period. This triggered consumer boycotts of beef at a time when consumption was increasing. If this increased consumption would have continued, it would have led to orderly growth and marketing.

Because Government interference such as this has exacerbated the market fluctuations impacting the beef cattle industry, it is imperative that the present procyclical formula be reversed. The present Meat Import Act is structured to allow an increased importation of beef in times of excessive domestic production and a reduction of imports at a time when domestic production is down. This type of approach destabilizes both the price and supply of beef, thereby adversely affecting both consumers and producers.

The countercyclical formula of H.R. 2727 will help protect the consuming public in times of low beef production in the United States by allowing greater meat imports when the domestic supplies are low and consumer prices are high. This action will also help moderate prices during such a period of low domestic supply. Thus, we will have an adequate supply of beef and our producers will not suffer from the peaks and valleys that have plagued them for the last few years.

Another very severe problem which has impacted beef cattle producers in recent years is the drought, resulting in a reduction of herds. Had the price of beef been at a profit level, those producers who were forced to sell out would have been purchasing feed to stay in business with some minor adjustments.

If current projections that the number of cattle and calves on farms is declining for the fifth consecutive year are correct, on January 1, 1980, this number will be 16.7 percent below the high reached on January 1, 1975. This is one of the most severe liquidations in the history of the cattle industry. Cattle numbers were reduced only 0.2 percent in the 2-year liquidation phase of the cattle cycle which occurred in 1966–67 and only 5.6 percent in the 3-year liquidation which occurred in 1956–58.

The effects of this severe reduction will be felt for a number of years. One of the unfortunate aspects of the present cattle situation is that reduction in marketings will inevitably occur as better prices encourage producers to rebuild their herds, thus increasing also the use of meat extenders. Adoption of a countercyclical formula would inversely correlate domestic production with imports. The overall effect of this change would have a very minor impact on the total quantity of imports over the beef production cycle. However, it would stabilize the supply of beef, and thus the price of beef, by causing imports to fluctuate in a balanced manner with domestic beef production.

The price received for beef after the price-fall of 1973 was only 50 percent higher than that received at the outset of the period of herd expansion in 1976, whereas the cost of production per cow was $180 and revenue from that cow was $239. For the first quarter of every subsequent year (1974–79), cost of production increased while revenue decreased. Beginning in 1974, cost of production was $200, revenue was $239; in 1975 cost was $200, revenue was $105; in 1976 cost was $215, revenue was $161; in 1977, cost was $230, revenue was $156; in 1978, cost was $248, revenue was $207; and in the first quarter of 1979, cost of production was $265 and revenue was $378, showing, for the first time, a profit for the cow/calf producer.

In his veto message to Congress regarding H.R. 11545, the Meat Import Act of 1978, President Carter indicated the legislation would severely restrict the Presidential authority to increase meat imports and would place a floor or minimum access level for meat imports that he felt was too low. He contended the bill deprived the President of the only anti-inflationary tool available in this area.

Such administration concerns are not present with H.R. 2727, the Meat Import Act of 1979. As cited by the Ways and Means Committee Report, the administration supports H.R. 2727, as amended, regarding Presidential authority. Moreover, the adoption of a countercyclical formula should provide for longer term stability in the cattle industry, thus reducing the need for Presidential flexibility and discretion to suspend quotas on meat imports, as necessary in the past under the procyclical approach.

Failure to pass a comprehensive countercyclical measure poses immediate danger to the beef producer and long-range implications to the consumer. Should the beef cow herd be reduced still further with the growth in population that we are experiencing, we are facing a very real possibility of beef shortages.

The purpose of amending the Meat Import Act of 1964 to reverse the procyclical formula is to bring economic order to the beef production industry. Wide price fluctuations, with 4 to 5 years of good prices and subsequent years of very low prices, hurt the producer, especially in these times of high inflationary rates. Many producers simply go out of business. Their personal loss, as well as the loss to the economic well-being of our Nation, is not easily restored. We need legislation that will assure the cow/calf producer some fiscal stability and that will encourage him to gear up production.

We also need legislation that will stabilize market fluctuations so the beef producers can see their way to a modest profit and some gain in their endeavor to produce quality beef. For these reasons, I strongly urge my colleagues to support H.R. 2727.

● Mr. ALBOSTA. Mr. Chairman, I rise in support of H.R. 2727, the Meat Import Act of 1979.

Currently this country's meat import laws allow the importation of more beef and veal when these supplies are plentiful and less when the domestic supplies are low. This law makes no sense at all. It permits prices to rise when beef supplies are tight and then gluts the market when supplies are high. As a result, cattle prices experience wide fluctuations causing supermarket prices to rocket out of sight for such foods as ground beef and veal.

The present system is ridiculous and should be changed to reflect domestic meat supply. H.R. 2727 will accomplish this by instituting a countercyclical formula. Under this formula, the limitations on imports would vary inversely with U.S. production of beef and veal so that as U.S. production decreases, imports would increase, and vice versa. H.R. 2727 will prevent rapid beef price increases while at the same time permitting orderly and stable production in the cattle business.

If we are serious about changing laws that contribute to inflation, particularly in such a vital commodity as beef, then the House should pass H.R. 2727, the Meat Import Act of 1979. I urge my colleagues to act favorably on H.R. 2727.●

● Mr. RAILSBACK. Mr. Chairman, I rise in support of H.R. 2727, the Meat Import Act of 1979. I believe that the import formula set forth in this measure strikes a fair balance between the interests of U.S. meat producers and consumers from across the country. By limiting the imports of meat inversely with U.S. production, this bill will stabilize beef supply and prices, a goal that should be supported by my colleagues on both sides of the aisle.

I can tell you that when I talk to livestock producers in my district I am convinced beyond any doubt that greater stability in supply and price is essential if we are to maintain a healthy meat industry in this country. These farmers, in an attempt to produce the most meat for the lowest price, are forced to make tremendous investments of time and money, investments which can literally be destroyed in one year by a flood of cheap imports.

No one supporting this bill is saying that livestock farmers should be protected from the healthy competition of imports, but we are saying that some protection must be given against the dumping of meat imports on U.S. markets in quantities greater than consumer demands. This bill provides this minimal protection, a protection which in the short term and the long term will benefit the consuming public as well as the producer.

I urge my colleagues to support this measure on final passage.●

● Mr. ALEXANDER. Mr. Chairman, as a cosponsor of this legislation, I am pleased to speak in its behalf. As the representative of a district and a State that includes a significant number of meat producers, I am keenly aware of the problems that our meat producers have encountered in recent years in keeping their heads above water.

Under current law, as domestic production increases, imports increase. As domestic production decreases, imports go down.

Present law wreaks havoc in the domestic marketplace, and it is the American cattleman as well as the American consumer who loses. The countercyclical approach is reasonable and will restore order to the market.

The President has made his objections to the bill that was vetoed last year clear, and the committee has responded to his objections. I am also pleased that the President earlier this year determined that there was no need to increase the level of imports this year.

The provisions of this bill call for an increase in imports when domestic supplies are tight and a restraint in imports when domestic supplies are abundant and prices are low.

This measure will, I believe, bring greater stability to the domestic cattle industry and to the supply and price of beef.

I urge my colleagues to support the bill.●

● Mr. KELLY. Mr. Chairman, I rise in strong support on H.R. 2727, a bill to provide needed market stability and fairness for America's cattlemen.

America's cattlemen have just suffered through an extended period of severely depressed prices, caused largely by shortsighted Government policies.

Repeatedly during the past few years, every time beef prices started to rise to a point where cattlemen might realize a decent return, the Government has stepped in to increase beef imports and drive the price back down. But in the process of "protecting" the consumer, the Government drove many cattlemen out of business.

H.R. 2727 will restrict the President's authority to manipulate import levels in order to keep beef prices low. When Congress originally passed this legislation, last year, the President vetoed it on the grounds that it too severely restricted his flexibility to control beef prices by increasing imports. But the issue here is not one of congressional control or of Presidential prerogative. The issue is what is best for beef producers and consumers.

The central feature of H.R. 2727 is a countercyclical formula for determining import levels. Countercyclical imports mean that import levels will be allowed to rise during times of low-domestic production, and then will be lowered when domestic beef production is high. Under this formula, prices and supplies are kept fairly in balance, allowing cattlemen a fair and steady return.

H.R. 2727 is not a perfect bill. For instance, it provides that regardless of the formula, there will be an import floor of 1.2 billion pounds of meat. This means that no matter how high domestic production goes, or how low the market price gets, at least 1.2 billion pounds may be imported. I would support any effort to remove this import floor, to allow the completely free working of the countercyclical formula.

Despite this flaw, H.R. 2727 should be passed. A continuation of present beef import policies will destroy the domestic beef industry, resulting in interrupted supplies and higher prices to consumers. Obviously, that would not "protect" anyone's interests.

Mr. Chairman, there is one provision of H.R. 2727 that is particularly important for Florida's cattlemen. H.R. 2727 requires the Secretary of Agriculture to study the regional economic impact of meat imports. One aim of the study is to determine the economic effects on Florida's cattle industry of the huge amounts of imported beef that enter this country through the port in Miami.

According to USDA, more beef is imported into Florida than any other major cattle-producing State. The result is frequently a glut of beef in Florida, driving market prices down and crippling the cattle industry in Florida. I urge the Secretary promptly to conduct this study and report his findings to the Congress for immediate action.

If this Congress is seriously interested in providing consumers with quality beef products at reasonable, stable prices, and in saving the domestic cattle industry, then we should vote for this bill and support the American cattlemen.

Government price supports on grain have long increased feed costs to the cattlemen. We should at least have the good grace not to allow cheap imports to burden them more.●

● Mr. DE LA GARZA. Mr. Chairman, I rise in support of H.R. 2727, the Meat Import Act. Although there are still parts of this legislation which I do not feel are totally acceptable, I believe this is the best compromise which the Committee on Ways and Means could have brought to our attention.

We all worry about our consumers and fluctuating prices, but we should also, in fact, worry about our domestic cattle producers because without them we will become entirely dependent on foreign imports of meats. Our domestic cattle producers should rightly be afforded a decent price at the market for their cattle. If we do not allow our cattle producers the opportunity to receive a just price at the market they will be at the mercy of inflation.

The buying power of the domestic cattle producer, who is also a major consumer, has been curtailed drastically because of the high operating prices they are paying in comparison to the prices they receive.

The passage of this bill would:

First. Prevent extended periods of low market prices for producers;

Second. Protect consumers from inflated meat prices; and

Third. Assure foreign exporters access to our domestic meat market.

This is not too much to ask for such an important segment of our food chain.●

● Mr. CAVANAUGH. Mr. Chairman, I rise in support of this legislation which will return stability and commonsense to this Nation's meat import policy and insure the American consumer of an adequate and reasonably priced supply of meat and meat products in the years ahead. I would like to commend the Ways and Means Committee and its distinguished chairman for their efforts in resolving the objections which the administration expressed to this legislation when it was approved by the Congress last year by a vote of 289 to 66. The administration has now indicated its support for this bill, if the floor on import levels can be raised to 1.25 billion pounds, and I encourage my colleagues to maintain that commitment which the Congress made to our domestic meat producers last year.

Passage of this legislation is essential if we are to bring stability to this vital industry. Our domestic producers simply cannot tolerate the high influx of imported beef at a time when domestic supplies are also high and prices resultingly low. The countercyclical nature of this legislation will serve to maintain a stable supply of meat products and, at the same time, protect the American livestock producer from being undercut by huge amounts of imported meat.

An amendment has been offered to this legislation providing for an increase in the floor level of imports to 1.25 billion pounds per year, and I believe that this level represents an acceptable compromise between the committee and the administration positions on this issue and will guarantee foreign suppliers access to our markets on a continuing basis.

Mr. Chairman, I would like to express my strong support for this legislation and for the amendment to be offered raising the import floor, and I am confident that passage of this legislation will result in a stable and continuing supply of reasonably priced meat and meat products for the American consumer in the years ahead.●

Mr. FRENZEL. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, the minority side is ready to close this portion of the debate.

I think the bill has been accurately described as an attempt to establish a countercyclical import quota formula and thereby establish a beef cycle in countries which export to us which is countercyclical to our own.

We must stress, however, that this is a theory, and it is only our hope that this bill will make the theory work. We have no guarantee that when U.S. production is down, the imported beef will be available to come into this country.

We hope that the bill will encourage that.

This bill is, as most speakers, including the distinguished chairman of the Committee on Ways and Means, have indicated, a compromise which has been delicately put together, through the valiant efforts of the agricultural beef producers, consumer groups, the administration, and the members of our committee.

Perhaps no one is wholly satisfied with it, but it seems to me the bill represents the best compromise, with the addition of the 1.25-billion-pounds amendment, that can be put together, passed by this Congress, and signed into law.

Like the milk bill we passed last year, I think this represents a new and more mature cooperation between producers and consumers, and I hope, in that particular spirit of compromise, the interests of both can be protected.

Mr. Chairman, having no further requests for time, I yield back the balance of my time.

Mr. ULLMAN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 2727

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act of August 22, 1964, entitled "An Act to provide for the free importation of certain wild animals, and to provide for the imposition of quotas on certain meat and meat products" (19 U.S.C. 1202 note) is amended to read as follows:

"SEC. 2. (a) This section may be cited as the 'Meat Import Act of 1979'.

"(b) For purposes of this section—

"(1) The term 'entered' means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States.

"(2) The term 'meat articles' means the articles provided for in the Tariff Schedules of the United States (19 U.S.C. 1202) under—

"(A) item 106.10 (relating to fresh, chilled, or frozen cattle meat);

"(B) item 106.20 (relating to fresh, chilled, or frozen meat of goats and sheep (except lambs)); and

"(C) items 107.55 and 107.60 (relating to prepared and preserved beef and veal (except sausage)), if the articles are prepared, whether fresh, chilled, or frozen, but not otherwise preserved.

"(3) The term 'Secretary' means the Secretary of Agriculture.

"(c) The aggregate quantity of meat articles which may be entered in any calendar year after 1979 may not exceed 1,204,600,000 pounds; except that this aggregate quantity shall be—

"(1) increased or decreased for any calendar year by the same percentage that the estimated average annual domestic commercial production of meat articles in that calendar year and the 2 preceding calendar years increases or decreases in comparison with the average annual domestic commercial production of meat articles during calendar years 1968 through 1977; and

"(2) adjusted further under subsection (d).

For purposes of paragraph (1), the estimated annual domestic commercial production of meat articles for any calendar year does not include the carcass weight of live cattle specified in items 100.40, 100.43, 100.45, 100.53, and 100.55 of such Schedules entered during such year.

"(d) The aggregate quantity referred to in subsection (c), as increased or decreased under paragraph (1) of such subsection, shall be adjusted further for any calendar year after 1979 by multiplying such quantity by a fraction—

"(1) the numerator of which is the average annual per capita production of domestic cow beef during that calendar year (as estimated) and the 4 calendar years preceding such calendar year; and

"(2) the denominator of which is the average annual per capita production of domestic cow beef in that calendar year (as estimated) and the preceding calendar year.

For the purposes of this subsection, the phrase 'domestic cow beef' means that portion of the total domestic cattle slaughter designated by the Secretary as cow slaughter.

"(e) For each calendar year after 1979, the Secretary shall estimate and publish—

"(1) before the first day of such calendar year, the aggregate quantity prescribed for such calendar year under subsection (c) as adjusted under subsection (d); and

"(2) before the first day of each calendar quarter in such calendar year, the aggregate quantity of meat articles which (but for this section) would be entered during such calendar year.

In applying paragraph (2) for the second or any succeeding calendar quarter in any calendar year, actual entries for the preceding calendar quarter or quarters in such calendar year shall be taken into account to the extent data is available.

"(f)(1) If the aggregate quantity estimated before any calendar quarter by the Secretary under subsection (e)(2) is 110 percent or more of the aggregate quantity estimated by him under subsection (e)(1), and if there is no limitation in effect under this section for such calendar year with respect to meat articles, the President shall by proclamation limit the total quantity of meat articles which may be entered during such calendar year to the aggregate quantity estimated for such calendar year by the Secretary under subsection (e)(1); except that no limitation imposed under this paragraph for any calendar year may be less than 1,200,000,000 pounds.

"(2) If the aggregate quantity estimated before any calendar quarter by the Secretary under subsection (e)(2) is less than 110 percent of the aggregate quantity estimated by him under subsection (e)(1), and if a limitation is in effect under this section for such calendar year with respect to meat articles, such limitation shall cease to apply as of the first day of such calendar quarter. If any such limitation has been in effect for the third calendar quarter of any calendar year, then it shall continue in effect for the fourth calendar quarter of such year unless the proclamation is suspended or the total quantity is increased pursuant to subsection (g).

"(g)(1) Notwithstanding the preceding subsections, the total quantity of meat articles which may be entered during any calendar year after 1979 (as established for such year under the preceding subsections) may be—

"(A) increased by the President if the average index ratio for two consecutive calendar quarters (whether none, one, or both of such quarters are within that calendar year) is 1.10 or higher; or

"(B) decreased by the President if the average index ratio for two consecutive calendar quarters (whether none, one, or both of such quarters are within that calendar year) is 0.90 or lower.

"(2) The following apply in the implementation of this subsection:

"(A) The index ratio for any calendar quarter is the number obtained by dividing the Department of Agriculture Farm Price of Cattle Index for the calendar quarter by the Department of Labor Beef and Veal Price Index for the calendar quarter.

"(B) The average index ratio for any two consecutive calendar quarters shall be computed by the Secretary, on the basis of the best evidence available at the time, before the close of the last of such quarters.

"(C) Any increase or decrease made under the authority of this subsection shall take effect on the first day of the calendar quarter immediately after the two consecutive calendar quarters on which such increase or decrease is based, unless the increase or decrease is subject to paragraph (3), in which case the increase or decrease may not take effect sooner than the first day of the month after the month in which occurs the close of the 30-day period referred to in such paragraph (3).

"(3) The President may not, under paragraph (1), increase or decrease by more than 10 percent (whether such limitation is exceeded by means of a single increase or decrease or in combination with any previous increase or decrease imposed under paragraph (1) for the calendar year concerned) the total quantity of meat articles that may be entered during any calendar year after 1979 (as established for such year under the preceding subsections)—

"(A) unless the President—

"(i) submits to the Speaker of the House of Representatives and the President of the Senate, on the same day, written notification of his intention to effect such an increase or decrease, and

"(ii) submits, on the day referred to in clause (i), notification of that intention for publication in the Federal Register; and

"(B) until the close of the 30-day period beginning on the day on which the submission required under subparagraph (A)(i) is made.

"(h) The President may suspend any proclamation made under subsection (f), increase the amount of any total quantity proclaimed under such subsection, or increase the amount of any total quantity established under subsection (g) if—

"(1) during a period of national emergency declared under section 201 of the National Emergencies Act of 1976, he determines and proclaims that such action is required by overriding national security interests of the United States, or

"(2) he determines and proclaims that the supply of articles of the kind to which the limitation would otherwise apply will be inadequate, because of a natural disaster, to meet domestic demand at reasonable prices.

Any such suspension shall be for such period, and any such increase shall be in such amount, as the President determines and proclaims to be necessary to carry out the purposes of this subsection. The effective period of any such suspension or increase made pursuant to paragraph (1) may not extend beyond the termination, in accordance with the provisions of section 202 of the National Emergencies Act of 1976, of such period of national emergency, notwithstanding the provisions of section 202(a) of that Act.

"(i) The Secretary shall allocate the total quantity proclaimed under subsection (f)(1) and any increase in such quantity provided for under subsection (g) among supplying countries on the basis of the shares of the United States market for meat articles or cattle, as the case may be, such countries supplied during a representative period. Notwithstanding the preceding sentence, due account may be given to special factors which have affected or may affect the trade in meat articles or cattle. The Secretary shall certify such allocations to the Secretary of the Treasury.

"(j) The Secretary shall issue such regulations as he determines to be necessary to prevent circumvention of the purposes of this section.

"(k) All determinations by the President and the Secretary under this section shall be final.

"(l) The Secretary of Agriculture shall study the regional economic impact of imports of meat articles and report the results of his study, together with any recommendations (including recommendations for legislation, if any) to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate not later than June 30, 1980.".

Mr. VANIK (during the reading). Mr. Chairman, I ask unanimous consent that section 1 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 3, strike out "item 106.20" and insert "items 106.22 and 106.25".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment:

The Clerk read as follows:

Committee amendment: Page 3, line 8, after "sage))" insert ", or under the equivalents of such items provided for by the Trade Agreements Act of 1979,".

AMENDMENT OFFERED BY MR. VANIK TO THE COMMITTEE AMENDMENT

Mr. VANIK. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK to the committee amendment: On page 3, lines 8 and 9, in lieu of the matter to be inserted, strike "107.60" on line 6 and insert "107.62".

Mr. VANIK. Mr. Chairman, this amendment is purely technical and simply reflects changes which have been made in the numbering of the tariff schedules of the United States by passage this summer of the Trade Agreements Act of 1979.

Since the Ways and Means Committee was considering both this bill and the Trade Agreements Act at approximately the same time, we had to include in this bill certain italicized committee amendments in the event that this bill was brought to the floor before the trade agreements bill. That did not happen, and a number of the committee amendments are now unnecessary.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. VANIK) to the committee amendment.

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment, as amended.

The committee amendment as amended, was agreed to.

☐ 1100

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 5, line 22, insert the following:

The President may include in the articles subject to any limit proclaimed under this paragraph any article of meat (not otherwise included) which is specified in a trade agreement, approved by Congress under the Trade Agreements Act of 1979, relating to high-quality beef specially processed into fancy cuts.

AMENDMENT OFFERED BY MR. VANIK AS A SUBSTITUTE FOR THE COMMITTEE AMENDMENT

Mr. VANIK. Mr. Chairman, I offer an amendment as a substitute for the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK as a substitute for the committee amendment: On page 5, line 22, in lieu of the matter to be inserted, substitute the following: "The President shall include in the articles subject to any limit proclaimed under this paragraph any article of meat provided for in item 107.61 of the Tariff Schedules of the United States (relating to high-quality beef specially processed into fancy cuts)."

Mr. VANIK. Mr. Chairman, this, again, is a technical amendment to the committee amendment. The passage of the Trade Agreements Act of 1979 makes unnecessary some of the language in the original committee amendment. The trade agreements include a provision with Canada whereby we shall place imports of certain high-quality cuts, now defined in TSUS 107.61, under the quotas established by this law. The technical amendment I am offering today clarifies that point.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. VANIK) as a substitute for the committee amendment.

The amendment offered as a substitute for the committee amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 6, strike out line 14 and all that follows thereafter down through line 19 on page 8 and insert the following:

(g) The President may, after providing opportunity for public comment by giving 30 days' notice by publication in the Federal Register of his intention to so act, suspend any proclamation made under subsection (f), or increase the total quantity proclaimed under such subsection, if he determines and proclaims that—

(1) such action is required by overriding economic or national security interests of the United States, giving special weight to the importance to the Nation of the economic well-being of the domestic cattle industry;

(2) the supply of meat articles will be inadequate to meet domestic demand at reasonable prices; or

(3) trade agreements entered into after the date of enactment of this Act insure that the policy set forth in subsections (c) and (d) will be carried out.

Any such suspension shall be for such periods, and any such increase shall be in such amount, as the President determines and proclaims to be necessary to carry out the purposes of this subsection.

(h) Notwithstanding the previous subsections, the total quantity of meat articles which may be entered during any calendar year may not be increased by the President if the fraction described in subsection (d) for that calendar year yields a quotient of less than 1.0, unless——

Mr. VANIK (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VANIK. Mr. Chairman, this committee amendment provides a revision of the President's authority to suspend quotas. It is an amendment approved by the committee and acceptable to the administration.

PARLIAMENTARY INQUIRY

Mr. GRADISON. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GRADISON. Mr. Chairman, my understanding was that my amendment would be appropriate to offer at a later time, after these technical amendments are completed. I do not want to lose my opportunity to do so, but that was my understanding.

The CHAIRMAN. The Chair will advise the gentleman that the amendment which begins on page 8 would be in order as a proper substitute for the committee amendment which has just been reported by the Clerk.

Mr. GRADISON. Mr. Chairman, I move to strike the last word, and I do so for the purpose of inquiring of the gentleman from Ohio (Mr. VANIK), we are referring here to the question of Presidential authority?

Mr. VANIK. If the gentleman will yield, the amendment that I am dealing with here and offering to the Committee is one dealing with Presidential authority. I believe the gentleman's amendment would be in order at this point unless some other arrangement is made.

AMENDMENT OFFERED BY MR. GRADISON AS A SUBSTITUTE FOR THE COMMITTEE AMENDMENT

Mr. GRADISON. Mr. Chairman, I offer an amendment as a substitute for the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. GRADISON as a substitute for the committee amendment: On page 8, strike line 20 and all that follows thereafter through line 19 on page 10, and insert in lieu thereof the following new subsection:

> "(g) The President may suspend any proclamation made under subsection (f), or increase the total quantity proclaimed under such subsection, if he determines and proclaims that—
>
> "(1) such action is required by overriding economic or national security interest of the United States, giving special weight to the importance to the nation of the economic well being of the domestic livestock industry;
>
> "(2) the supply of meat articles will be inadequate to meet domestic demand at reasonable prices; or
>
> "(3) trade agreements entered into after the date of enactment of the Act insure that the policy set forth in subsections (c) and (d) will be carried out.
>
> Any such suspension shall be for such periods, and any such increase shall be in such amount, as the President determines and proclaims to be necessary to carry out the purposes of this subsection."
>
> Relabel subsections "i" through "l" accordingly.

Mr. GRADISON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MOORE. Mr. Chairman, I reserve a point of order on the amendment.

Mr. GRADISON. Mr. Chairman, this amendment would correct the second problem at the root of the President's veto last year. It would remove the restrictions placed on Presidential discretion and, instead, maintain current law. H.R. 2727, like the meat bill last year, reduces Presidential authority to permit higher imports. In his memorandum of disapproval, President Carter said:

> Current law allows the President substantial flexibility to increase meat imports when, in his judgment, domestic supplies are inadequate to meet demand at reasonable prices. I am convinced that this flexibility must be preserved, as a weapon against inflation.

H.R. 2727 would reduce the President's authority to suspend quotas by making his actions dependent upon a price formula. In the past we have seen that price formulas are not always accurate. Presidential discretion—at least as provided under current law—is needed as a check against unforeseen events.

This issue has been of major concern to the administration. During hearings before the Ways and Means Trade Subcommittee, Howard Hjort, the Director of Economics, Policy Analysis, and Budget for the Department of Agriculture, explained what is at stake:

> . . . No formula, neither the one in the 1964 Meat Import Act nor those in the bills referred to this Committee, can be relied on to react ideally to all unforeseen circumstances in which additional meat imports might be needed. No one in the Administration, and I suspect few, if any, in the Congress, is willing to lock a major instrument of U.S. food policy into a mechanical formula which contains only marginal adjustment provisions. We believe it is not in the best interest of consumers, nor in the long-term interest of domestic cattle producers, to remove the flexibility, provided to the President under the current law, to increase meat imports when they are needed.

The proposed countercyclical formula in the bill before us is totally untested. There is no justifiable reason to tie the President's hands in this area. There is no justifiable reason to lessen his power to fight inflation. There is no justifiable reason to change current law.

The CHAIRMAN. Does the gentleman from Louisiana (Mr. MOORE) insist upon his point of order?

Mr. MOORE. I do not, Mr. Chairman.

Mr. ULLMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the provision in the bill on Presidential authority has been very carefully and laboriously worked out with the administration and with all parties concerned. The provisions in the bill are supported now by the administration. Last year's bill was vetoed largely because of the President's concern, and that is why we spent so much time working out the provisions in the bill.

Let me say that I believe that the new formula, with its countercyclical aspects, will make Presidential intervention in the suspension of quotas largely unnecessary. For example, under the formula, the level of meat imports which would have been allowed this year would have been even higher than that which the President decided to allow under the suspension authority.

The new language in H.R. 2727 does place some limits on when he can suspend quotas. It does allow flexibility for national emergencies. It is a system that the administration will accept. It would be better for the cattlemen than the present law which gives the President complete authority in this area.

Mr. Chairman, I strongly urge that the Members oppose this amendment and stay with the very delicately worked out arrangement that has the full support now of both the cattlemen and the administration.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the amendment offered by the gentleman from Ohio (Mr. GRADISON) is one that I have offered myself several times in the process of the development of this bill. It reinstates the language of the current law and represents, in my judgment, good policy.

However, as the chairman has described, the wording in the bill now does allow the President some flexibility, and the administration has accepted this limited flexibility. The wording of the bill represents a solid part of the compromise that was put together to preserve and to pass this bill.

So while I believe that the gentleman's amendment is well intentioned and represents good policy, I believe that it might destroy the delicate balance of the bill and cause its downfall. At least it would disrupt the progress of the bill. Therefore, I would ask each member of this committee to look at the whole bill, together with the 1.25 billion pound quota floor amendment which is also part of that compromise, and to reject amendments like this one, even though the amendment may represent very good policy.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the distinguished chairman of the subcommittee.

☐ 1100

Mr. VANIK. Mr. Chairman, under the bill which Chairman ULLMAN introduced last year and which was vetoed, the President's authority to suspend quotas would have been restricted to the point where he could have suspended them only once in the past decade. This year, when I first introduced H.R. 2727, I provided a more flexible authority—one which would have permitted suspension 3 years out of the past 10. The committee amended this authority so that it is now estimated that the President would have had authority to suspend quotas 6 out of the past 10 years.

In other words, if the limits contained in this bill had been in force during the 1970's, the President would have been constrained from suspending quotas in only 1 of the 7 years in which he used his present authority.

In light of the tremendous disruption that such suspensions create for producers and the return on their investment, I believe that this very modest "tightening" up of the President's authority is justified.

Mr. FRENZEL. I thank the chairman of the subcommittee for his opposition and his careful reasoning for that opposition to the Gradison amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. MOORE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I agree with the comments of the gentleman from Minnesota and the chairman of the subcommittee concerning this amendment.

Let me explain in a little less delicate terms what we are talking about. The whole point behind this bill, and the one which passed the Congress last year, is to restrict the power of the President to play around with this quota. We have seen this President and the one before him, from both political parties, essentially cast aside the quota when beef prices began to rise and consumers began to complain.

Yet, when beef prices fell, and the cattlemen complained, there was nobody to hear their plea. This bill came about to simply restrict that interference with the quota system and have a countercyclical formula that would work without any interference from politicians.

Now, the bill last year was too restrictive in the eyes of the President, so he vetoed it.

The cattlemen gave in in this year's bill, and essentially the compromise is on the part of the cattlemen, not the administration.

The restrictions in this bill on the President's power to interrupt this quota system are not that substantial, and so I urge the defeat of this amendment, because this amendment is going right at the heart of the bill.

If this amendment passes, there is no point in having a bill. We then would have the same law we have now thereby defeating the purpose of the bill. I urge its defeat.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Texas.

Mr. PICKLE. I thank the gentleman for yielding.

I want to concur in the gentleman's statement. If this amendment were adopted, it, in effect, nullifies the entire measure before us. I do not think that would be the intent of our committee or this body. We did have difficulties last year when the Meat Import Act was passed, and the administration protested, because it said it unduly restricted the President's authority to impose quotas.

The committee this year met those oppositions, and we put into the bill this specific section which grants a reasonable balance and gives to the President the authority to act in this area when it was appropriate.

The administration is satisfied, and they approved of the bill in this form. Therefore, we ought not to take action on this amendment that would in effect do away with the entire purpose of the bill we have advanced thus far, and on which we have an agreement with both our committee, the cattle people and the administration.

This amendment should be defeated.

Mr. MARLENEE. Mr. Chairman, I rise in opposition to this amendment, because all parties to this legislation have come to an agreement. This amendment now seeks to invalidate that agreement, and it forces more compromise on the livestock producers. It binds them in a fixed position, yet leaves them open to manipulation.

I urge the defeat of this amendment.

Mr. CONTE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I rise in opposition to this bill and in support of the amendments which the gentleman from Ohio (Mr. GRADISON) will be offering. I have always been opposed to laws and regulations that restrict free trade, and I am particularly opposed when such laws are inflationary and hurt the American consumer.

Mr. Chairman, this body spends a good deal of time talking about the need to contain inflation. It also talks a lot about reducing Government regulation of the economy. Congress now has a chance to demonstrate whether it is prepared to do more than just talk about these two concerns, when it votes on the Gradison amendments.

We have just recently completed deliberation of the sugar bill this year. Congress wisely decided in that case that the sugar industry should not receive special protection in the marketplace. Why then should the cattle industry, which appears to be very healthy, receive special treatment? Figures from the USDA indicate that retail beef prices have increased 23.9 percent in the first half of 1979. Any measure that might restrict the amount of meat we import, thus decreasing the supply of this commodity, will almost certainly force up the price of meat. Furthermore, since roughly 90 percent of all imported beef is used in hamburger and processed foods, a reduction in the supply of imported meat will impact particularly harshly on lower income families which rely on this kind of meat for a large portion of the protein in their diet.

The gentleman from Ohio will have two very moderate amendments which seek to correct certain of the major flaws in this bill, flaws which led President Carter to veto very similar legislation last year. First, one amendment will raise the minimum import floor for imported beef from 1.2 billion to 1.3 billion pounds. His second amendment will merely return to the President the same standby authority that the present legislation gives him, to suspend or waive import quotas. President Carter feels that this is a very important tool which he or any President requires to help fight inflation.

Considering the general feeling of opposition to any meat quotas at all, that I, and many of my colleagues have, acceptance of these Gradison amendments is a very generous compromise. I therefore urge acceptance of the Gradison amendments to H.R. 2727, and would further urge that this bill only pass if it is so amended.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. GRADISON) as a substitute for the committee amendment.

The amendment offered as a substitute for the committee amendment was rejected.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 9, line 25, strike out "States, or" and insert "States;".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 10, line 4, after "disaster," insert "disease, or major national market disruption".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 10, line 5, strike out "prices." and insert "prices; or".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 10, between lines 7 and 10, insert the following:

(3) on the basis of actual data for the first two quarters of the calendar year, a revised calculation of the fraction described in subsection (d) for the calendar year yields a quotient of 1.0 or more.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 10, line 24, strike out "or cattle, as the case may be,".

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. FRENZEL

Mr. FRENZEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRENZEL: On page 5, line 21, strike out the words "1,200,000,000 pounds" and insert in lieu thereof: "1,250,000,000 pounds".

Mr. FRENZEL. Mr. Chairman, my amendment would increase the minimum access level for imported meat from 1.2 billion pounds now in the bill to 1.25 billion pounds.

There was considerable discussion in committee on this issue. And there was some confusion as to what the administration felt must be in the bill based on the impact of the minimum access level on domestic prices and, more importantly, on the understandings reached with Australia in the MTN on that particular country's market share.

The administration has now clarified its position and has said that a floor of 1.25 billion pounds would be acceptable to the President. The cattle industry also has agreed that this level is satisfactory and will not interfere unduly with the countercyclical formula.

The United States agreed, as part of the multilateral trade negotiations (MTN) to allow imports of meat from all sources at a minimum level of 1.2 billion pounds annually. This is global access commitment which is applied nondiscriminately to all market economies. However, we also have a special understanding with Australia, and, to a lesser extent, with New Zealand, in the context of the MTN, that if a countercyclical formula were to be enacted into U.S. law that resulted in a level of imports below 1.3 billion pounds, and Australia's quota allocation is adversely affected vis-a-vis other suppliers, then the balance of concessions achieved in the MTN between Australia and the United States could be affected. In other words, the two nations would consult, and Australia might withdraw certain industrial concessions given to the United States in order to realine the balance.

The administration now feels that a 1.25-billion-pound minimum access level will adequately protect consumers and will not interfere with our commitments to Australia with respect to their traditional share of the quota. Australia is an important source of low-cost meat for our country, and they have always competed in the world market openly and fairly. Neither the cattle industry in Australia nor Australia's exports of meat to the United States are subsidized in any way. In other words, Australia is following rules of free trade that the United States consistently urges all nations to follow.

Also, Australia has given to the United States important industrial concessions in return for a commitment that they will be able to continue to export meat to this country at traditional levels. It is important that Australia not be penalized by our efforts to establish a domestic program whereby imports complement domestic production.

I urge my colleagues to support my amendment.

☐ 1120

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to my colleague from Ohio, the distinguished subcommittee chairman.

Mr. VANIK. Mr. Chairman, I certainly want to commend the gentleman for offering the amendment. I think it moves in the right direction.

I do want to point out that the gentleman from North Carolina (Mr. Rose) was one of those urging adoption of this legislation. I certainly want to indicate my support for this proposal.

Mr. FRENZEL. I thank the gentleman very much for his contribution. I would further add that Mr. Rose has a strong interest in livestock through his position on the Agriculture Committee and was very helpful in negotiating this compromise.

Mr. ULLMAN. Mr. Chairman, I move to strike the last word and rise in support of the amendment.

I want to commend the gentleman in the well, but also commend all of the parties concerned, the cattlemen, the administration, the Agriculture Committee members, and the members of our committee for getting together on this compromise, which I think strikes right at the heart of the problem and gets behind us any reason for opposing the legislation before us. I want to commend the gentleman from North Carolina on the Agriculture Committee, Mr. Rose, for his very active efforts in working toward this compromise amendment. It is the right solution to a very difficult problem and I think gives everyone in this body a reason to support the bill. I strongly support the amendment.

AMENDMENT OFFERED BY MR. GRADISON TO THE AMENDMENT OFFERED BY MR. FRENZEL

Mr. GRADISON. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. Gradison to the amendment offered by Mr. Frenzel: In lieu of the words "1,250,000,000 pounds", insert the words "1,300,000,000 pounds".

Mr. GRADISON. Mr. Chairman, we are told that a compromise has been worked out that is acceptable to all of the parties. We are told it is acceptable to the administration, to the Agriculture Department, to the Agriculture Committee, and to the meat-producing industry. I have no reason to question that.

But I would suggeset there is another party with an interest in this legislation: The consumers of this Nation whose interests, in my judgment, are not properly reflected in the legislation before us.

Mr. Chairman, this amendment is an extremely modest attempt to do something about that. As a matter of fact, this amendment is something which the administration, until very recently, has been trying very hard to obtain. This amendment was specifically recommended by the President in his veto message of almost exactly 1 year ago, the one dated November 11, 1978. It would correct one of the problems in the bill before us.

I would also call attention of my colleagues to the committee report with regard to the bill now before us where the distinguished chairman of the Trade Subcommittee agreed with this position when he said "A floor of 1.2 billion is simply too low and restrictive. I will support an amendment in the House to increase the minimum access level to 1.3 billion pounds."

Mr. Chairman, the import floor should be set no lower than 1.3 billion pounds for a number of reasons. First, any floor below 1.3 billion will only worsen the detrimental effects of meat import quotas on U.S. trade policy. Import quotas on meat, in and of themselves, are harmful to the trade position of the United States because they reduce the purchasing power of our trading partners and they encourage retaliatory trade restrictions. There is no reason to make this problem worse by imposing a floor at less than 1.3 billion pounds.

Second, the United States may lose valuable trade concessions from Australia as a direct result of imposing a floor below 1.3 billion. This point has been touched upon by the distinguished gentleman from Minnesota (Mr. Frenzel.)

Third, a floor below 1.3 billion pounds may hinder our access to foreign supplies of meat in periods of domestic shortage. As expressed in past testimony, since the United States is the primary market for several meat exporting countries, especially Australia and New Zealand, an additional limitation on meat imports could impose an economic hardship on these countries by requiring them to bear much of the brunt of the U.S. cattle cycle. This of course, could jeopardize their capacity as sources for additional meat supplies when our production is low.

Mr. Chairman, the administration pushed hard for the 1.3 billion pounds floor during Ways and Means consideration of this legislation and their arguments are as strong now as before. For example, in his statement to the committee, Howard Hjort, the Director of Economics, Policy Analysis and Budget at the Department of Agriculture, said:

> Throughout the Tokyo Round of the Multilateral Trade Negotiations, the United States had accorded the highest priority to obtaining less restricted trade in red meats, especially high-quality grain-fed beef which we produce more efficiently than any other country. The U.N. has the potential to become the largest exporter of beef and livestock products if world trade in beef is liberalized. It is, therefore, more than a little inconsistent to take actions which will be perceived by our trading partners as further reducing their access to the U.S. market when we have succeeded in opening new markets for U.S. beef with significant future growth potential. Therefore, the Administration continues to feel that equity for our suppliers requires a minimum access level of no less than 1.3 billion pounds.

We would have much to lose and little, if anything, to gain by setting the floor below 1.3 billion pounds. Increasing the floor is only a marginal change of the legislation being considered. It would make the meat import quotas less severe, yet leave the main thrust of the bill—the countercyclical formula—completely intact. I urge my colleagues support for increasing the floor to 1.3 billion pounds.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. GRADISON. I yield to the chairman of the subcommittee.

Mr. VANIK. Mr. Chairman, I support the objectives of my distinguished colleague from Ohio. What we are talking about here is increasing imports of meat by one-quarter pound per person per year, and it is really an insignificant amount.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent Mr. Gradison was allowed to proceed for 2 additional minutes.)

Mr. GRADISON. Mr. Chairman, I yield to my colleague from Ohio (Mr. Vanik).

Mr. VANIK. Mr. Chairman, I would say that the added import is not really going to be that significant. However, we have to confront the entire industry, the producers all over America. Everyone else is now committed to go along with the proposal which the White House has indicated would be signed. I would say to the gentleman from Ohio, Mr. Gradison, that if his amendment fails, I hope he will join me in an effort, along with the distinguished gentleman from Minnesota, the ranking Republican Member (Mr. Frenzel), to monitor very, very carefully the import level of beef and the effect it has on American prices. I want to be sure that the American consumer is fairly dealt with. If it appears that this legislation is working in an adverse manner, I will certainly take appropriate action to protect the interests of the consumer.

I feel that we have gotten so much support for the present policy that it appears unlikely that the House will increase the import quota by even one-quarter a pound per person per year.

☐ 1130

Mr. ULLMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment was offered in subcommittee, and in full committee, and was rejected. It strikes at the very heart of the compromise that has been carefully worked out between the administration, the producers, and all parties concerned.

I would say that the administration has talked to Australia, talked to the importing nations before it came to the decision that it would support the compromise. In the best interests of the consumers, the producers, and everyone, and in order to get this legislation passed, I strongly urge that we reject this amendment and then accept the amendment of the gentleman from Minnesota, the carefully worked out compromise at 1.25 billion pounds, which is where the legislation must be in order to get the support of all parties concerned.

Mr. FRENZEL. Mr. Chairman, will the chairman yield?

Mr. ULLMAN. I yield to the gentleman from Minnesota.

Mr. FRENZEL. I thank the chairman for yielding to me. I want to support his statement. One point three billion pounds may have made sense last year or 6 months ago, but now the arrangement that has been agreed to by all parties is 1.25. I join the chairman in urging rejection of the Gradison amendment.

Mr. MOORE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I do not support the Frenzel amendment. I am not going to oppose it because a compromise has been struck. I do oppose the Gradison amendment to the Frenzel amendment. One point two billion pounds floor on foreign beef allowed to come in, no matter how low domestic prices are, was a compromise to start with.

I was a cosponsor of this bill in the last Congress. We preferred to have no floor whatsoever, the idea being that the countercyclical window would open up with no ceiling to protect the cattlemen, and close down with no floor to protect beef importers. In other words it would open or close without restriction.

But, all of a sudden, before we knew it, we had a 1.2 billion floor forced on us in the bill last year, as an absolute protection to foreign importers and consumers, but no ceiling protection to cattle producers. We went along with that although it interferred with the free working of the countercyclical window as a compromise. That was the first compromise. Last year, the House and Senate passed it with the 1.2 billion figure in it. The President did veto the bill, but I submit respectfully not because of the floor. He really vetoed that bill because of the restrictions we put on his ability to interfere with the working of the quota system which has already been worked out and debated. The 1.2 billion floor really was not the issue.

This year, when the chairman of the Ways and Means Committee (Mr. ULLMAN), again introduced this bill—and I joined him again—we had 1.2 billion floor in there again as a compromise to those people who felt there should be one. Again, we thought that was a satisfactory compromise.

During consideration of the Multilateral Trade Negotiation before the Trade Subcommittee, I specifically asked American negotiators of this 1.2 billion pounds floor posed any problem in our international trade negotiations, and the answer was "No"; no, it was not a problem, our foreign trading partners knew we were going to pass it again because we had done so in the last Congress, and they were prepared to accept that 1.2 billion pounds.

Then, due to the great skill of the chairman of the Trade Subcommittee, Mr. VANIK, a 1.3 billion pound amendment passed in the Trade Subcommittee to this bill. At that point the administration saw the chance to have its cake and eat it too, and so it said sure, they would rather have 1.3 billion pounds.

But I know and I want all the Members to know that they were prepared to accept 1.2 billion and had accepted 1.2 billion at one point. I offered an amendment in the full committee to bring the floor back down to 1.2 billion pounds, it passed, survived a reconsideration vote and is now before us.

Therefore, the Congress has spoken, the administration has spoken, the cattlemen have spoken and I see no need now to go to 1.25 billion pounds. But, the cattlemen are willing to accept it. They are giving in again. It seems like every compromise is on the part of the cattlemen, not the administration or importers, but the producers.

So, I am not going to oppose the Frenzel amendment out of deference to this compromise, but I darn sure do not support it. Now, we come along with an amendment to up the floor to 1.3 billion pounds again by my very distinguished friend from Ohio. I urge that it be defeated. That is going simply too far, pushing the situation to the point where I do not think the cattlemen ought to support the bill if it passes. We are just pushing producers too far. We are sending a negative signal to the producers, the people who are producing the red meat we hope to eat at a reasonable price. We are telling them, "You have given in and given in but not enough, so give in some more."

Those cattlemen are just liable to think—and I think rightly—"Why not reduce my herd some more? What is in it for me to go on producing and continuing to lose money?"

They do 9 out of 10 years. What is the point of keeping it up? That is going to cause the American consumers to pay more for beef. We keep playing around with this, reducing further the protection to producers and they will reduce the herd size and wind up with beef costing more to the consumer.

I want to point out something else that we talked about in general debate last night. This bill lets more foreign beef come in than does existing law.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

(By unanimous consent, Mr. MOORE was allowed to proceed for 2 additional minutes.)

Mr. MOORE. The point I am trying to make is, we do not need an amendment to raise a guaranteed floor for imported meat to 1.3 billion pounds because this bill lets more foreign beef come in than is the law now. That is another compromise the cattlemen have made for some sort of security and stabilization in this area. I point out that the unfairness in this countercyclical formula is, there is a floor that works to the disadvantage of the cattlemen, but there is no ceiling to their advantage. I think that is unfair to start with and a compromise to start with.

Mr. Chairman, I finish as I started by simply saying that I am not going to oppose the Frenzel amendment, but I urge the defeat of the Gradison amendment as being unneeded, not the same as accepted by the House and Senate, rejected by the Ways and Means Committee, accepted by our foreign trading partners and the administration, and there will be more beef coming in with the 1.25 level than now. Therefore, there is no real need or reason to raise the floor further.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, may this also seem to the producers the same type of signal sent by the administration when it raised the imports, and as a result prices dropped dramatically for a while, but look at the results now and what has happened. Prices will go up because production has remained up for a long period of time. This is the same type of signal. If they do this and the cattlemen get the idea they are going to have more imports coming into this country, production will drop, and when production drops prices go up. Is that correct?

Mr. MOORE. Precisely the signal. It has happened time after time after time.

Mr. VOLKMER. People do not remember, but that is why the price of beef shot up to $78 in some areas of this country, and they say they are trying to help the consumers, but they are just doing the opposite.

□ 1140

Mr. SMITH of Iowa. Mr. Chairman, I rise in opposition to the amendment.

The gentleman from Louisiana (Mr. MOORE) said everything I was going to say except one thing, I think—and I will not repeat. The one thing I want to point out here is that this amendment is not really in the interest of consumers or producers, either one, for an additional reason. Part of the reason for the countercyclical formula is to encourage the Australians and New Zealanders not to have a parallel cattle cycle, and the more we raise the floor, the less encouragement there is for them to change their cycle. They can do it. We cannot do it as easily in this country but they can.

I happened to have been over there

back a few years ago when I was in a condition of servitude, and I know how those cattle stations operate. I have also been back there since. They have areas over there where it is from 70° to 80° the year around. All they have to do is spread nitrogen fertilizer by an airplane. They do not have to have any haymaking equipment and 2 people can handle 2,000 head of cows. In that situation, it is just a decision of whether they sell 7-year-old cows or 8-year-old cows. They can make their cycle so that it does not parallel our cycle. Anything we do to raise this floor just works the opposite of the way we want it to. We want to encourage them to have a cycle that is the opposite of our cycle, and I think this is a bad amendment for both producers and consumers.

Mr. PEYSER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take the floor at this time because in listening carefully to the debate, both in my office and now on the floor, and particularly when I notice my good friend, the gentleman from Ohio (Mr. VANIK), the chairman of the subcommittee, is supporting this legislation and opposing this amendment, I find it very difficult to go against him because he has been long associated with the consumer efforts in this country. But I have some concern as I listen to the debate.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Ohio.

Mr. VANIK. I thank the gentleman for yielding. I do not think the gentleman understood. I support the objectives of the Gradison amendment, the amendment offered by the gentleman from Ohio.

Mr. PEYSER. The gentleman supports the Gradison amendment?

Mr. VANIK. I support the Gradison amendment, but I am also considering the floor problem. We have worked out a compromise with the cattle producers. What we are talking about here in the Gradison amendment is one-quarter pound per person per year. I would not like to create a situation in which the producers of America would go out on strike or cause some violent antimarket reaction for the little bit of beef import that is involved.

I support the goals of the Gradison amendment, but I am also dealing with the overall problem on which we have in effect worked out a compromise with the producers, which I think is satisfactory and I think the consumer can live with. I assure the gentleman from Ohio (Mr. GRADISON) that we are going to do a very thorough oversight job and follow the progress of meat prices to be sure that the consumers' interest is protected. If it works the other way, then we will have to take appropriate action.

Mr. PEYSER. I thank the gentleman for those comments. I know of his intent and of his concern for this matter. However, I do think after hearing the various Members speaking on the floor just now, when we are speaking of the poverty or the problems of the cattle producers in this country, any business has its ups and downs. There is no question of that. The cattlemen have certainly been in that situation.

As I recall just 4 years ago when we had the billion dollar guarantee loan program for cattle producers, which we again renewed a year later and I thought that they proved to the Congress that was necessary to do, Congress gave them that support. But it seems to me when we look at the inflationary problem that we are facing in this country, every little step of the way, every little thing we add to it just hurts that much more. There is no question of the fact that one of the prime causes of the inflationary spiral that we have been in, certainly in the early part of this year and right up to date, has been caused by beef prices. Beef prices have risen, I think, 23 to 25 percent during that period of time. Cattle producers, to my knowledge, are having an excellent outstanding year, and I do not begrudge it to them. They have had some bad years. But it seems to me that it is symbolic if nothing else, if we are only dealing with that quarter of a pound of beef per person why do we not go the other way and let that quarter of a pound reflect the holding down and making an effort of holding down the inflationary impact of this particular legislation?

Mr. GRADISON. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Ohio.

Mr. GRADISON. I thank the gentleman for yielding.

I would like to thank the gentleman for his support of the amendment and point out that if we look at this in perspective, this particular amendment is just a quarter-pounder amendment. The total imports today at the $1.2 billion level represent about 7 percent of the domestic consumption. I think it is important to put this into perspective lest it sound like that is a flood of foreign beef. But more to the point is that this foreign imported product in general tends to be used in lower price beef products, especially hamburger. So there is not a uniform effect on our markets. An increase in imports is much more likely to help the purchasers of lower cost beef who are especially hard hit by the present inflation than those who buy the more expensive cuts such as steak, which tends to come from domestic production.

Mr. PEYSER. The gentleman means the lower middle-income, the working poor, and the elderly are the ones primarily affected by the restriction of the imports; is that correct?

Mr. GRADISON. I do not think they were in on the compromise that was struck.

Mr. PEYSER. I see. I appreciate that, and I would like to say that I urge that the Members give consideration to this amendment and support this amendment. I think it makes sense. It does not create a major problem, and no cattle producer is going to go out of business because of it.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Missouri.

Mr. VOLKMER. I thank the gentleman for yielding.

Does the gentleman have any cattle producers in his district?

Mr. PEYSER. No; I have no cattle producers, but I probably have many more consumers than anybody else.

Mr. VOLKMER. I agree we do not want prices to get extraordinarily high, and I agree that the price of beef has gone high.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. VOLKMER, and by unanimous consent, Mr. PEYSER was allowed to proceed for 2 additional minutes.)

Mr. VOLKMER. If the gentleman will yield further, I do have cattle in different types, and most of them are cow-calf operators. What that means is that they have to make a decision when that calf gets 6 months to a year old whether to sell that calf, especially if it is a heifer, or to breed it. OK? If he decides to sell it because we are going to import more beef, our cattle production is going to go down, because you are not going to have that many more calves. Does the gentleman understand that?

Mr. PEYSER. I understand that.

Mr. VOLKMER. When I go back to my district, periodically that question invariably comes up. Are we going to have more imported beef? They want to know because if we are, they are going to sell out. OK? And they are not going to breed. That means our production goes down and our prices go up.

Mr. PEYSER. I appreciate the gentleman's comments. It was just 2 years ago that the cattle producers in this country killed off much of their own stock. That was it. That immediately created the problem that we are in today. They did it, I believe, out of, one, either misinformation or, two, the ability of doing something to force prices higher.

Mr. VOLKMER. No, no.

Mr. PEYSER. I do have the time. I have also, while I do not have cattle, been long actively involved with cattle producers. I spoke to the Montana Cattle Growers Association in Butte, Mont., 3 years ago. I had over 1,000 cattle producers who came in looking for my head, but they went out, perhaps, with a better understanding of the problem. All I am saying is that this is not a major, major thing that the Gradison amendment is calling for, and I think that the scale ought to tilt a little toward the consumer on this, not any great step, but a little toward the consumer, and help him at this time.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. PERKINS, and by unanimous consent, Mr. PEYSER was allowed to proceed for 2 additional minutes.)

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I would be delighted to yield to my chairman.

Mr. PERKINS. I thank the gentleman for yielding.

Let me state that I do not know whether we have ever had a shortage of breeding stock in this country or not, but the prices were deplorable up to 1976, and some of the farmers in the country—many of them—did reduce their herds. After the farmers commenced to make a little money out of cattle they commenced to rebuild those herds.

□ 1150

I feel it is the wrong time to come along and jerk the rug out from under the farmers, when the farmers have had such an uphill battle throughout the years. I think you are going to make the situation much worse in the long run and I think that we should let our present import quotas remain as they are, not up them at this time.

I would certainly hope that the committee would go along accordingly, because this is going to adjust itself if we just give it another year, in my judgment. I do not think there is any doubt about it. I think prices are going to go down. I think farmers are going to lose money in the future on cattle.

I feel if we adopt the amendment at this time, we are going in the wrong direction.

Mr. PEYSER. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The time of the gentleman from New York (Mr. PEYSER) has expired.

(By unanimous consent, Mr. PEYSER was allowed to proceed for 1 additional minute.)

Mr. PEYSER. Mr. Chairman, there is no one certainly to my knowledge in the Congress who has fought harder for the small farmers in many areas and many products than the gentleman from Kentucky. I respect that, as I always have.

I just feel that in this particular situation with cattle prices where they are today, with what beef is costing in the supermarkets, that this small addition can do nothing but put a little more lid on the inflationary spiral, because I do not see prices going down. I would be delighted if we saw a descending of the prices in the marketplace, but that is not what we are seeing. For that reason, I would urge that this amendment be supported by the amendment of the gentleman from Ohio.

Mr. MARLENEE. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, I think the gentleman from New York had one point that he stated correctly, that any business has its ups and downs; what he does not seem to realize is what the livestock industry has is downs and when the ups come we open up imports.

This amendment says that when it has its downs, we are going to add to the industry's woes and add to its problems by increasing the number of pounds that we can bring into this country.

The gentleman from New York may have been out to Butte, Mont., at one time, but I do not think the gentleman learned a whole lot about the livestock industry. The gentleman does not realize that they are faced also with inflation, that they cannot pass along increased fuel costs, increased labor costs, increased equipment costs.

What we have here is one-sided price controls and that is what the livestock industry has lived with for many years.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. GRADISON) to the amendment offered by the gentleman from Minnesota (Mr. FRENZEL).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. GRADISON. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

Pursuant to the provisions of clause 2 of rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their present by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 658]

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Clinger
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dixon
Dodd
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gilman
Gingrich
Ginn
Glickman
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Sawyer
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walker
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

□ 1210

The CHAIRMAN. Three hundred and eighty-nine Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Ohio (Mr. GRADISON) for a recorded vote.

Does the gentleman from Ohio insist on his demand for a recorded vote?

Mr. GRADISON. Yes, Mr. Chairman, I do.

A recorded vote was ordered.

The CHAIRMAN. Five minutes will be allowed for this vote.

The vote was taken by electronic device, and there were—ayes 136, noes 266, not voting 31, as follows:

[Roll No. 659]

AYES—136

Addabbo
Ambro
Anderson, Calif.
Annunzio
Ashley
Atkinson
Barnes
Beilenson
Benjamin
Bennett
Biaggi
Bingham
Blanchard
Boland
Brademas
Brodhead
Broomfield

Burton, John
Burton, Phillip
Carney
Clay
Conte
Conyers
Corman
Cotter
Coughlin
D'Amours
Dellums
Derwinski
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Drinan
Early
Edwards, Calif.
Emery
Ertel
Fascell
Ferraro
Fish
Fisher
Florio
Forsythe
Garcia
Gibbons
Gilman
Gingrich
Gradison
Gray
Green
Guarini
Harris
Hawkins
Heckler
Hollenbeck
Holtzman
Howard
Hughes
Hyde
Jacobs
Kemp
Kildee
Kostmayer
LaFalce
Lederer
Lehman
Lent
Levitas
Long, Md.
Luken
Lungren
McDade
McDonald
McHugh
McKinney
Maguire
Markey
Matsui
Mavroules
Mikulski
Miller, Calif.
Minish
Moakley
Moffett
Moorhead, Pa.
Mottl
Murphy, Ill.
Myers, Pa.
Nedzi
Nowak
Ottinger
Patten
Paul
Pease
Peyser
Pritchard
Pursell
Rahall
Rangel
Ratchford
Reuss
Rinaldo
Ritter
Rodino
Roe
Roybal
Russo
Scheuer
Schulze
Seiberling
Shannon
Simon
Snowe
Solarz
Spellman
St Germain
Stack
Stanton
Stark
Stewart
Stockman
Studds
Thompson
Van Deerlin
Vanik
Waxman
Weiss
Wilson, C. H.
Wolff
Wydler
Yates
Zablocki
Zeferetti

NOES—266

Abdnor
Akaka
Albosta
Alexander
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Aspin
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bereuter
Bethune
Bevill
Boggs
Bolling
Boner
Bonior
Bouquard
Bowen
Brinkley
Brooks
Brown, Calif.
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clinger
Coleman
Collins, Ill.
Collins, Tex.
Conable
Corcoran
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Devine
Dickinson
Dicks
Dornan
Downey
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Okla.
English
Erdahl
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fazio
Fithian
Flippo
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Ginn
Glickman
Gonzalez
Goodling
Gore
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harsha
Hefner
Heftel
Hightower
Hillis
Hinson
Holt
Hopkins
Horton
Hubbard
Huckaby
Hutto
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kindness
Kogovsek
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Leland
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lowry
Lujan
Lundine
McClory
McCormack
McEwen
McKay
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mica
Michel
Miller, Ohio
Mineta
Mitchell, Md.
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Nelson
Nichols
Oakar
Oberstar
Obey
Panetta
Pashayan
Patterson
Perkins
Petri
Pickle
Preyer
Price
Quayle
Quillen
Railsback
Regula
Rhodes
Richmond
Roberts
Robinson
Rose
Rostenkowski
Roth
Rousselot
Royer
Rudd
Runnels
Sabo
Satterfield
Sawyer
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solomon
Spence
Staggers
Stangeland
Steed
Stenholm
Stokes
Stratton
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Udall
Ullman
Vander Jagt
Vento
Volkmer
Walker
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wirth
Wolpe
Wright
Wyatt
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.

NOT VOTING—31

Anderson, Ill.
Bonker
Breaux
Brown, Ohio
Cleveland
Coelho
Crane, Philip
Erlenborn
Fenwick
Findley
Flood
Giaimo
Goldwater
Holland
Jones, N.C.
Lee
McCloskey
Mazzoli
Neal
Nolan
O'Brien
Pepper
Rosenthal
Santini
Schroeder
Treen
Walgren
Wampler
Wilson, Bob
Wilson, Tex.
Winn

Mrs. HECKLER and Mrs. SNOWE changed their votes from "no" to "aye."

Messrs. LIVINGSTON, QUAYLE, and DORNAN changed their votes from "aye" to "no."

So the amendment to the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. Frenzel).

The amendment was agreed to.

□ 1220

The CHAIRMAN. Are there additional amendments to section 1? If not, the Clerk will read section 2.

The Clerk read as follows:

Sec. 2. This Act shall take effect January 1, 1980.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 11, strike out line 17, and insert the following:

Sec. 2. Subpart B of part 2 of schedule 1 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by striking out item 106.20 and inserting in lieu thereof the following:

106. 22	Sheep (except lamb)...	2.5¢ per lb..	5¢ per lb.
106. 25	Goats.................	2.5¢ per lb..	5¢ per lb.

Sec. 3. (a) The amendment made by the first section of this Act shall take effect January 1, 1980. The amendment made by section 2 shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after January 1, 1980.

Mr. VANIK. Mr. Chairman, I rise in opposition to the committee amendment.

It is no longer necessary in light of the Trade Agreement Act of 1979.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for yielding.

The description is correct. It is no longer necessary because of the MTN Implementation Act. It should be voted down.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was rejected.

The CHAIRMAN. Are there further amendments to the bill? If not, under the rule the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. Murtha) having assumed the chair, Mr. Gore, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2727) to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes, pursuant to House Resolution 454, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. GRADISON

Mr. GRADISON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. GRADISON. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Gradison moves to report the bill, H.R. 2727, to the Committee on Ways and Means.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ULLMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 352, nays 48, not voting 33, as follows:

[Roll No. 660]

YEAS—352

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Bauman
Beard, R.I.

Beard, Tenn.
Bedell
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bouquard
Bowen
Brademas
Brinkley
Brooks
Brown, Calif.
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Clinger
Coleman
Collins, Ill.
Collins, Tex.
Conable
Corcoran
Corman
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Devine
Dickinson
Dicks
Dixon
Dodd
Dornan
Downey
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fazio
Ferraro
Fish
Fisher
Fithian
Flippo
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harsha
Hawkins
Hefner
Heftel
Hightower
Hinson
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lehman
Leland
Levitas
Lewis
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patterson
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Rhodes
Richmond
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Seiberling
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Udall
Ullman
Vander Jagt
Vanik
Vento
Volkmer
Walker
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—48

Barnes
Beilenson
Benjamin
Broomfield
Burton, John
Burton, Phillip
Conte
Conyers
Cotter
Coughlin
D'Amours
Dellums
Derwinski
Dingell
Donnelly
Dougherty
Drinan
Early
Fascell
Fenwick
Florio
Gibbons
Gradison
Gray
Hall, Ohio
Harris
Heckler
Hollenbeck
Hughes
Jenrette
Lederer
Lent
Livingston
Maguire
Markey
Mavroules
Mottl
Myers, Pa.
Patten
Paul
Rinaldo
Russo
Shannon
Stark
Studds
Thompson
Van Deerlin
Yates

NOT VOTING—33

Anderson, Ill.
Boggs
Bonker
Breaux
Brodhead
Brown, Ohio
Cleveland
Coelho
Crane, Philip
Diggs
Erlenborn
Findley
Flood
Giaimo
Goldwater
Gramm
Hillis
Holland
Jones, N.C.
Lee
McCloskey
Mazzoli
Neal
Nolan
Pepper
Reuss
Rosenthal
Schroeder
Treen
Walgren
Wampler
Wilson, Bob
Winn

☐ 1240

The Clerk announced the following pairs:

Mrs. Boggs with Mr. Anderson of Illinois.
Mr. Jones of North Carolina with Mr. Findley.
Mr. Pepper with Mr. Treen.
Mr. Mazzoli with Mr. Brown of Ohio.
Mr. Giaimo with Mr. Cleveland.
Mr. Breaux with Mr. Goldwater.
Mr. Brodhead with Mr. Walgren.
Mr. Diggs with Mr. Hillis.
Mr. Rosenthal with Mr. McCloskey.
Mr. Neal with Mr. Bob Wilson.
Mr. Reuss with Mr. Philip M. Crane.
Mr. Nolan with Mr. Wampler.
Mr. Bonker with Mr. Lee.
Mr. Coelho with Mr. Erlenborn.
Mrs. Schroeder with Mr. Winn.
Mr. Holland with Mr. Gramm.

Mr. DRINAN changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VANIK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 2727, just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On November 9, 1979:

H.R. 4249. An act to amend title 23 of the United States Code, the Surface Transportation Assistance Act of 1978, and for other purposes;

H.R. 4387. An act making appropriations for Agriculture, rural development, and related agencies programs for the fiscal year ending September 30, 1980, and for other purposes; and

H.R. 5218. An act to amend the Foreign Assistance Act of 1961 to authorize special Caribbean hurricane relief assistance.

On November 13, 1979:

H.R. 4955. An act to authorize additional appropriations for migration and refuge assistance for the fiscal years 1980 and 1981 and to authorize humanitarian assistance for the victims of the famine in Cambodia.

THE LATE WILLIAM F. ARBOGAST

(Mr. BENNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BENNETT. Mr. Speaker, it is my sad duty and responsibility to report to the House today the death of William F. Arbogast.

William F. Arbogast, who died last night, was for many years the dean of newspaper correspondents covering the House, and later assistant staff director of the Committee on Standards of Official Conduct.

A native of Kentucky, Arbogast joined the Associated Press in 1931 after several years on Kentucky newspapers. He was transferred to Washington in 1938, began covering the House in 1941, and became head of the AP House staff in 1944 where he retired in 1973 and shortly thereafter joined the committee staff.

Arbogast became an acknowledged expert on the House, its procedures and especially the appropriations process. He enjoyed the confidence of House leaders of both parties, especially of the late Speaker, Sam Rayburn. For many years, Arbogast was one of the few newsmen allowed to sit in at the "board of education" sessions where Rayburn gathered at the end of the day with congressional leaders, not only of the House, but also of the Senate, such as Lyndon Johnson.

Arbogast was in the House Press Gallery on March 1, 1954, when a group of Puerto Rican extremists opened fire wounding five Members. He dictated a running account from the gallery.

Bill Arbogast was a highly competent man in everything he undertook to do, whether in the field of writing or of administration. He had a blithe and happy outlook toward life and was a man who gave his warm friendship with ease and loyal support. He will be greatly missed.

Arbogast was married to the late Eleanor Regan. He is survived by several children and grandchildren.

Funeral arrangements are not yet complete, but information can be obtained by calling the Demaine Funeral Chapel, 5308 Backlick Road, Springfield, Va., at 549–0074.

● Mr. RHODES. Mr. Speaker, I was deeply sorry to hear of the death of my good friend Bill Arbogast at the age of 71. His energy, sagacity, and good humor had already made him an expert on the House when I first came here as a freshman in 1953. He arrived in Washington as a reporter for the Associated Press in

1938, began covering this body in 1941, and was named to head the AP's House bureau in 1944. He held that position until he retired from the AP in 1973 after a total of 42 years with that organization. Shortly thereafter he was appointed assistant staff director for the Committee on Standards of Official Conduct, a position he held until now. I think it is a measure of the regard in which Bill Arbogast was held that he would be appointed to the staff of that very sensitive committee. Such was his esteem as a reporter, I am told, that he was among the very few newsmen invited to attend the Board of Education meetings held by Speaker Sam Rayburn, at which he and other congressional leaders of both parties would discuss legislative strategy. Bill's diligence, thoroughness, and accuracy made him virtually an institution in this body. In his coverage of the news, exemplified the creed of the wire service reporter—try to get it first, but first get it right. We will all miss him.●

GENERAL LEAVE

Mr. BENNETT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the death of the late William F. Arbogast.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

PERSONAL EXPLANATION

Mr. RAHALL. Mr. Speaker, due to a commitment I had to speak at a dinner celebrating the 15 years of service the Head Start program has provided to the residents of Mingo County, I was not present for rollcall No. 648, a motion by Mr. YATES that the House recede from its disagreement to the amendment of the Senate numbered 108 and concur therein.

Had I been present, I would have voted in the affirmative to provide $1.2 billion for emergency fuel assistance programs administered by CSI, SSI, and AFDC.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORTS

Mr. ZEFERETTI. Mr. Speaker. I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 2063, NATIONAL ECONOMIC DEVELOPMENT AND PUBLIC WORKS ACT OF 1979

Mr. ZEFERETTI. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 474 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 474

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2063) to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for three additional years, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and amendments made in order by this resolution and shall continue not to exceed one and one-half hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works and Transportation, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Public Works and Transportation now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be read for amendment by titles instead of by sections and each title shall be considered as having been read, and all points of order against said substitute for failure to comply with the provisions of clause 7 of rule XVI, clause 5 of rule XXI, and section 401(a) of the Congressional Budget Act of 1974 (Public Law 93–344) are hereby waived. It shall be in order to consider en bloc the amendments to said substitute printed in the Congressional Record of October 25, 1979, by Representative Moorhead of Pennsylvania, and said amendments shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole. It shall be in order to consider the amendments to said substitute printed in the Congressional Record of November 1, 1979, by, and if offered by, Representative Dodd and all points of order against said amendments for failure to comply with the provisions of clause 7, rule XVI and clause 5, rule XXI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committtee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 2063, the House shall proceed, section 401(a) of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, to the consideration of the bill S. 914, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and to insert in lieu thereof the provisions contained in H.R. 2063 as passed by the House.

The SPEAKER pro tempore. The gentleman from New York (Mr. ZEFERETTI) is recognized for 1 hour.

Mr. ZEFERETTI. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 474 provides for the consideration of H.R. 2063, the Economic Development and Public Works Act of 1979. The Committee on Rules granted an open rule allowing 1½ hours of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works and Transportation. The resolution makes in order a committee amendment in the nature of a substitute to be considered as an original bill for purposes of amendment to be read by titles instead of by sections, and provides for waivers of clause 7, rule XVI (germaneness), and clause 5, rule XXI (appropriations in a legislative bill), to the committee substitute. Additionally, the resolution permits a waiver of section 401(a) of the Congressional Budget Act of 1974. Section 401(a) provides that it shall not be in order to consider any bill which provides new contract authority unless that bill also provides that such new authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in advance in appropriation acts.

The Rules Committee has been advised that the Public Works and Transportation Committee will offer an amendment limiting any new contract authority to such extent or in such amounts as are provided in advance in appropriation acts, thereby curing the violation.

Furthermore, the rule gives special consideration to amendments if offered by Congressman MOORHEAD of Pennsylvania printed in the CONGRESSIONAL RECORD of October 25, to be considered en bloc to the substitute prohibiting a division of the question in the House or in the Committee of the Whole, and amendments if offered and printed in the CONGRESSIONAL RECORD of November 1 by Congressman DODD waiving clause 7, rule XVI and clause 5, rule XXI against Mr. DODD's amendments. In addition the resolution will allow one motion to recommit with or without instructions.

After passage of H.R. 2063 it shall be in order to strike all after the enacting clause of S. 914 and insert in lieu thereof the provisions contained in H.R. 2063 as passed by the House waiving section 401(a) of the Congressional Budget Act of 1974 against consideration of the Senate bill.

Mr. Speaker, H.R. 2063 extends the authorization for programs established by the Public Works and Economic Development Act of 1965 and sets authorization levels for fiscal years 1980 and 1981. In addition the measure reauthorizes the Appalachian Regional Development Act and establishes authority to appropriate funds for local public works contingent upon specific unemployment levels. The purpose of this act is to help eliminate extreme levels of unemployment and underemployment by the utilization of grants, supplementary grants, loans for public works projects, business development loans, loan and lease guarantees, and the implementation of numerous technical assistance and planning programs. I believe since its inception 14 years ago, the Economic Development Act has been extremely helpful in relieving unemployment in rural and urban areas and urge my colleagues to enthusiastically support its continuation.

I would, however, like to bring to the attention of my colleagues a particular stumbling block that we have encountered in my district in Brooklyn. Presently, we have two large buildings which are part of the now closed Brooklyn Army Terminal and total approximately 4 million square feet. We have been notified by the city of New York that if it could acquire the property and use it for redevelopment, they could create 1,200 jobs for each 1 million square feet renovated. Though not specifically stated, under present definition EDA is prohibited from using Federal grant funds to acquire surplus Federal Government property. With the large number of military bases shut down in the last several years I feel sure this problem has surfaced in other areas as well. To rectify this problem when this measure is opened for amendment I plan to offer language which would permit eligible recipients to use EDA grant money to purchase surplus Government property. A similar amendment was agreed to by voice vote in the Senate, and I am hopeful the House will follow in this regard. I believe this is another practical way of utilizing surplus property and at the same time benefiting hundreds of our citizens.

☐ 1250

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I agree with the statements just made by the gentleman from New York (Mr. Zeferetti) concerning this rule. I would like to point out that we have heard a lot of criticism over the past several months about the Rules Committee's granting closed rules. Let me say that here is a rule that is wide open, and it goes overboard the other way.

As a matter of fact, it makes in order additional amendments which are not germane. I would like to point out that there is one $2 billion matter here for local public works with 100 percent Federal financing when the unemployment rate reaches 6.5 percent. This has been called various names, for example, a "boondoggle" by the gentleman from Maryland.

But let me just say that it is something that was not in the budget that was just passed by the House, and it was not requested by the administration. An opportunity will be had to strike this from the bill, and certainly since it was not in the budget and not requested by the administration, I hope that it will be stricken.

Mr. Speaker, I will include at this point a more detailed description of the rule.

In addition to providing an open amending procedure with 1½ hours of general debate, this rule makes in order four specified amendments, and includes a total of six waivers of points of order.

First, the rule provides for the consideration of H.R. 2063 as introduced, a bill to amend the Public Works and Economic Development Act of 1965.

Then the rule makes in order, as an original bill for the purpose of amendment, the substitute of the Committee on Public Works and Transportation. The substitute will be considered by titles and each title will be considered as read. Three different waivers are required to protect the substitute from possible points of order.

First the germaneness rule is waived. This is necessary as the original bill is a simple one year authorization, while the substitute contains many provisions making permanent changes in law. If the rule did not contain this waiver, the substitute would be subject to points of order for failure to comply with the germaneness rule.

The second waiver is necessary in order to circumvent the prohibition against appropriating on legislative bills. The problem arises because the bill broadens the uses to which some previously appropriated funds may be put. Technically, this constitutes an appropriation for a new purpose, and therefore the waiver is necessary.

The third waiver is necessary as the substitute provides contract authority not subject to appropriations, in violation of section 401(a) of the Budget Act. The chairman of the Budget Committee has agreed to this waiver based on his understanding that the Budget Act violation will be cured by amendment on the House floor.

Next, the rule makes it in order to consider en bloc, amendments by the gentleman from Pennsylvania (Mr. Moorhead). According to a letter signed by leaders of the Committee on Banking, Finance and Urban Affairs, these amendments represent an accommodation between the Banking Committee and the Public Works Committee.

The rule then makes in order two amendments by the gentleman from Connecticut (Mr. Dodd). As described in the Rules Committee, these amendments deal with compensation to employees of defense contractors where contracts are terminated or reduced significantly. At the request of the gentleman from Connecticut two waivers of possible points of order were included to protect these amendments. The first waiver is of the germaneness rule. The waiver is necessary because the proposed amendments would allow direct payments to individuals, while the substitute being amended relies on block grants and related mechanisms, but not on grants to individuals. The amendments are not germane to the text being amended.

The second waiver was included out of an abundance of caution. The prohibition against appropriations on a legislative bill was waived. It turns out that the waiver is not actually necessary to protect the amendments as finally drafted, but that was not certain at the time the Rules Committee acted.

After passage of the House bill, the rule provides that it will be in order to insert the House passed language in the Senate bill number, in order to expedite going to conference. Technically, this requires consideration of the Senate bill in the House, and since the Senate bill violates the prohibition on contract authority which is not subject to the appropriation process, section 401(a) of the Budget Act is waived as it applies to the Senate bill. The chairman of the Budget Committee has written that he has no objection to this waiver, since the violation will be cured when the Senate bill is amended with the House-passed language.

Mr. Speaker, the purpose of the bill made in order by this rule is to extend the authorization for programs established by the Public Works and Economic Development Act of 1965 and set authorization levels. It also reauthorizes the Appalachian Regional Development Act and establishes authority to appropriate funds for local Public Works contingent upon specific unemployment levels. The bill authorizes $4.433 billion for fiscal year 1980, $3.078 billion for fiscal year 1981 and smaller amounts for future years.

Mr. Speaker, I have no requests for time and reserve the remainder of my time.

Mr. ZEFERETTI. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. Charles H. Wilson).

Mr. CHARLES H. WILSON of California. I thank the gentleman for yielding.

Mr. Speaker, I am interested in knowing, and perhaps the gentleman from California (Mr. Johnson) may provide, or some member of the committee, the answers to one or two questions that I would like to ask.

The bill is much larger in funding this year, I believe, than it has been in the past. It has been enlarged to include some 90 percent of the cities of the country. I am wondering if there is anything in it that would specifically qualify the city of Los Angeles for Olympic funding in this EDA bill. Is there someone on the committee who can respond to that?

Mr. ZEFERETTI. If the gentleman will yield, it is my understanding from the committee that there is no such funding available, I will say to the gentleman from California (Mr. Charles H. Wilson).

Mr. CHARLES H. WILSON of California. There is absolutely no way that the city of Los Angeles can get Federal funding out of this bill for the 1984 Olympic games?

Mr. ZEFERETTI. Not under the present provisions in the bill.

Mr. CHARLES H. WILSON of California. I thank the gentleman.

Mr. Speaker, the city of Los Angeles is in Washington this week to convince the President that $141,511,356 is needed for the running of the 1984 Summer Olympics to be hosted by Los Angeles. I wrote the President telling him of my opposition to using Federal tax dollars for this event even though I support the concept of the Olympics.

Mr. Speaker, just this weekend, the President urged his Cabinet and staff to pay close attention to their 1981 budget requests. I urge the President to be as frugal as his Cabinet and reject this additional budget request.

The following is my letter to the President outlining the reasons why the Olympics can be held without the use of local, State, and Federal tax dollars.

House of Representatives,
Washington, D.C., November 8, 1979.

President Jimmy Carter,
The White House,
Washington, D.C.

Dear Mr. President: I understand that your staff will be meeting with officials from Los Angeles concerning the possibility of committing federal funds for the construction of permanent sports facilities for Los Angeles and the 1984 Summer Olympics. While I fully support the City hosting the Summer Olympics, I believe it would be a serious mistake for the federal taxpayer to assume financial responsibility for the Olympics. Consequently, I am opposed to federal funding for the L.A. Olympics.

It is important to realize from the very outset that I support the concept of Olympic competition and the need for our international sport teams to be competitive. Our mutual agreement on this is certainly not in dispute. However, federal funding specifically for the 1984 L.A. Olympics has no bearing on (1) the competitive ability of our team since the funding is for facility construction, nor (2) the need for federal funds in order to have the Olympics in Los Angeles. The Olympic Games in 1984 can go on without the spending of federal tax dollars.

I urge you to be cautious in the midst of the present rush by individuals seeking to have federal tax dollars committed in the fiscal year 1981 budget which you will present to Congress next spring. Please take into consideration some of the problems with committing federal tax dollars to the 1984 Olympics—which I have briefly outlined below.

First, the elected officials of the City of Los Angeles, and the people of Los Angeles, made a pledge and voted for a city-wide referendum limiting the use of Los Angeles tax dollars to support the 1984 Olympics. The City also reaffirmed its commitment to this referendum by prohibiting the use of City funds to be added to the $141,511,356 application for federal funds for matching grant purposes.

Are we to assume that the Los Angeles community will not differentiate between the use of their local tax dollars as opposed to their federal tax dollars? Are we to assume that for some reason it is proper to use federal tax dollars in order to circumvent the prohibition of the use of local tax dollars? I think not. It is clear that the Los Angeles public does not want the use of any tax dollar to subsidize the Olympics. The State of California has recognized the public's feeling by refusing to commit state money to the Olympics. Mr. President, a public referendum against using local tax monies, coupled with the State of California's refusal to spend state tax monies, cannot justify the use of federal tax monies.

Second, the Los Angeles Olympic Organizing Committee has, in its financial plan, estimated that it will have a profit of over $21,000,000. This does not include any federal funding at all, which is true to the Committee's pledge of running a "spartan" Olympics. Yet, this profit of over $21,000,000 does not tell the whole story. In addition to this figure, the Committee has figured in $48,000,000 they are willing to commit to construction and improvement costs, and there is an additional $39,000,000 the Committee has placed in a contingency fund which equals 15% of the Committee's expenses. This is a total of $108,000,000 either committed or ready for utilization over and above the anticipated, budgeted expenditures for operating the Olympics.

Also in the financial plan of the Committee is the affirmative commitment that existing venues or facilities can be adequately utilized and that the sports which cannot be accommodated with existing facilities be provided with temporary facilities. Mr. President, the Olympic Committee has devised a plan for putting on the Olympics. It is public record that the Olympics in Los Angeles can be a financial success through the involvement of private business and with the support of the public. There is no need for any federal funds. The central question is whether the Olympics can be held under existing financial arrangements. The answer is yes, perhaps not with all of the luxurious trappings that government supported Olympics of the past have had (and resulted in cost overruns I might add), but the Olympics will go on.

Third, the City of Los Angeles has proposed an initial request of over $141,000,000 to construct permanent facilities for the Olympics instead of effectively utilizing the plan of the Organizing Committee to use temporary facilities. I can understand the City's desire to have the federal government finance its recreation facilities. And that, Mr. President, is what the City's request comes down to.

It is a private relief request for the City of Los Angeles' recreation program. Take a look at what the City is requesting, yet remember that there has been no discussion of the transportation or security arrangements which will be part of an additional request from Los Angeles.

In addition to the rowing, yachting, bicycling, and archery facilities which have a limited value for post-Olympic utilization, there is the renovation of the Los Angeles Coliseum.

As we all know, the Los Angeles Rams will be leaving the Coliseum facilities to go to Anaheim which is presently redoing its stadium facility at local public expense.

Because the professional football team is leaving, every effort is underway to have another team move from an existing franchise to Los Angeles.

I find it interesting that almost 40% of the Los Angeles request is to renovate the L. A. Coliseum to provide for such expenses as putting in a new scoreboard, enlarging and renovating dressing rooms, putting in additional seating in a stadium that already seats over 97,000 people, the addition of private boxes, and the installation of a new playing field.

A number of prospective football teams have expressed an interest in moving to Los Angeles, but the NFL would not allow them to move unless, the Coliseum was renovated.

It should not be the policy of the federal government to subsidize the National Football League, or in the case of Los Angeles, to subsidize the renovation of a stadium for a city to lure an existing professional football team from another city.

The federal government has always been a booster of Olympic competition and has encouraged the American public to support our Olympic teams. This is a national effort, and in the case of Southern California, an event that it can be proud of hosting. If Los Angeles really needs help in siting Olympic events because of their lack of facilities, cities such as San Diego have offered to assist the Olympic Committee by holding events in facilities provided by San Diego. Certainly this cooperative effort should be encouraged, but with the federal government electing to provide funding to just the City of Los Angeles, the whole atmosphere is changed. Are we to assume that the cooperative effort of the Southern California area is less viable than federal funding for a program only for Los Angeles? The object is to put on the Olympics, and utilizing existing facilities is far better than building duplicative and unnecessary facilities in Los Angeles.

I think it is ironic that the Los Angeles Olympic Organizing Committee can locate facilities or sites to construct temporary facilities within the Los Angeles community for the Olympics, but the City of Los Angeles is clamoring for additional, permanent facilities. Where is the demonstrated need for the facilities and why can't the City use the temporary facilities being developed by the Committee?

Mr. President, the selling point stressed by the L.A. committee was in-place, ready-to-go, facilities that required minimal upgrading and new construction. It is inconceivable that the Los Angeles area can at once meet the standards of the International Olympic Committee and then turn around and ask the American taxpayers to subsidize the construction of new facilities to hold the Olympics.

I have briefly described the reasons why I cannot support federal funding for the 1984 L.A. Olympics, and will oppose any effort to provide funds for the Games. But opposition to direct federal subsidies does not mean that there is not a possible alternative. In this case, an alternative exists that: shows the federal government is committed to fielding a quality, competitive, international team; will not obligate federal tax dollars; and will provide the American public with a vehicle to easily and voluntarily support the Olympics and get behind American amateur athletics.

H.R. 5222, which has a companion bill in the Senate, S. 1630, provides for a voluntary $1.00 check-off on the federal income tax form. The proceeds will be placed in a special fund for Olympic development. The dollar is either taken out of an individual's tax refund, or included as an extra amount in the individual's tax payment. This is a far better vehicle for federal involvement than the direct use of federal tax dollars. It will encourage the development of our international teams as opposed to a small segment of Los Angeles' business and sport community.

Mr. President, there has been no demonstrated need or justification for the funds the City is requesting. The City has not shown that there will be a real benefit to the community by building these facilities. The City has not shown who will be displaced when they build new facilities. The City has not shown that they can support the operation and maintenance of the facilities once the Olympics are over.

I urge you to reject the Los Angeles request for federal tax dollars, and let the citizens of Los Angeles provide the 1984 Olympics through the sound and viable program to which they are now committed.

Very truly yours,

Charles H. Wilson.

Mr. ZEFERETTI. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 382, nays 10, not voting 41, as follows:

[Roll No. 661]

YEAS—382

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Clinger
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, Mich.
Davis, S.C.
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Deckard
Dellums
Derwinski
Devine
Dickinson
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Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
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Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
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Forsythe
Fountain
Fowler
Frenzel
Frost
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Garcia
Gaydos
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Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
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Grassley
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Green
Grisham
Guarini
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Holtzman
Hopkins
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
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Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Rodino
Roe
Rose
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Seiberling
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Stenholm
Stewart
Stockman
Stokes
Stratton
Stump
Swift
Synar
Tauke
Taylor
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Volkmer
Walker
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—10

Bauman
Collins, Tex.
Dannemeyer
Hansen
Kramer
McDonald
Paul
Sensenbrenner
Thomas
Wyatt

NOT VOTING—41

Anderson, Ill.
Bonker
Breaux
Brown, Ohio
Cleveland
Coelho
Corman
Crane, Philip
Derrick
Diggs
Erlenborn
Findley
Flood
Giaimo
Goldwater
Hagedorn
Holland
Horton
Jones, N.C.
Lee
McCloskey
Mazzoli
Montgomery
Neal
Nolan
Pepper
Reuss
Robinson
Rosenthal
Sabo
Schroeder
Steed
Studds
Symms
Treen
Vento
Walgren
Wampler
Wilson, Bob
Winn
Young, Alaska

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The Clerk announced the following pairs:

Mr. Giaimo with Mr. Erlenborn.
Mr. Montgomery with Mr. Findley.
Mr. Vento with Mr. Anderson of Illinois.
Mr. Steed with Mr. Brown of Ohio.
Mr. Reuss with Mr. Cleveland.
Mr. Corman with Mr. Philip M. Crane.
Mr. Breaux with Mr. Goldwater.
Mr. Derrick with Mr. Sabo.
Mr. Mazzoli with Mr. Symms.
Mr. Jones of North Carolina with Mr. Bob Wilson.
Mr. Rosenthal with Mr. Robinson.
Mrs. Schroeder with Mr. McCloskey.
Mr. Nolan with Mr. Lee.
Mr. Neal with Mr. Horton.
Mr. Pepper with Mr. Hagedorn.
Mr. Coelho with Mr. Walgren.
Mr. Bonker with Mr. Wampler.
Mr. Diggs with Mr. Young of Alaska.
Mr. Holland with Mr. Winn.
Mr. Studds with Mr. Flood.

Mr. DICKS changed his vote from "nay" to "yea."

Mr. WYATT changed his vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON S. 1143, ENDANGERED SPECIES ACT AUTHORIZATION

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1143) to extend the authorization for appropriations for the Endangered Species Act of 1973, and for other purposes, with House amendments thereto, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York? The Chair hears none and, without objection, appoints the following conferees: Messrs. MURPHY of New York, BREAUX, DINGELL, BOWEN, McCLOSKEY, and FORSYTHE.

There was no objection.

NATIONAL ECONOMIC DEVELOPMENT AND PUBLIC WORKS ACT OF 1979

Mr. ROE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2063) to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for 3 additional years.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. ROE).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 2063, with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from New Jersey (Mr. ROE) will be recognized for 45 minutes, and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) will be recognized for 45 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. ROE).

Mr. ROE. Mr. Chairman, I yield such time as he may consume to the distinguished chairman of the Committee on Public Works and Transportation, the gentleman from California (Mr. JOHNSON).

Mr. JOHNSON of California. Mr. Chairman, we are here today to urge passage of H.R. 2063, the National Economic Development and Public Works Act of 1979, which was reported by the Committee on Public Works and Transportation on May 15.

The bill would permit the continuation of the economic and regional development programs authorized by our committee for 2 years.

Title I of the bill would revise and extend what is popularly known as the EDA program authorized by the Public Works and Economic Development Act. As you know, this legislation has been available to areas of high unemployment and underemployment since 1965.

Some of the tools provided by this act include grants, and loans for public works projects needed to induce private industry to remain or locate in economically distressed areas; business loans, loan and lease guarantees to stimulate business and industry in the area; and a wide range of technical assistance and planning to prepare for sound and sustained economic progress.

Title II of the bill would revise and extend the Regional Action Planning Commissions authorized by title V of the Economic Development Act. Multistate economic development regions are designated by the Secretary of Commerce at the request of the States in which the region is located. A commission is composed of the Governors of the States in the region and a Federal cochairman to represent the Federal Government for the purpose of working together to address common regional economic problems and to plan for the economic growth and development of the region.

Title III of the bill amends and extends, with only minor amendments, the Appalachian Regional Development Act of 1965, which is helping to reverse the longstanding economic deterioration in this region of our country. Many signs of positive change are evident in the region. Appalachia's poverty population has decreased and the outmigration trend of its residents from the region has now been reversed. Between 1965 and 1977, the region added approximately 1.48 million jobs. However, the region still lags behind the Nation and remains one of America's largest pockets of poverty. This bill also extends the authority to continue the funding for the construction of the Appalachian development highway system to provide access to isolated sections of the region and to make possible a greater flow of industry and commerce within the region. A little more than half of the highway system is now either completed or under construction. Authorizations for the nonhighway programs such as those designed to upgrade health, education, and community services are also extended.

Finally, Mr. Chairman, title IV of this bill would authorize a standby local public works program that could be started quickly in the event that the economy falls off, and we need economic stimulation. This title would authorize grants by the Secretary of Commerce to State and local governments for the construction, renovation, repair, or other improvement of public facility projects that can be started within 90 days from the date of approval. The purpose of this legislation is two-fold: To provide jobs for the construction and construction materials industries, and to assist State and local governments to build badly needed but unfunded public facilities. By authorizing a standby program now, we can move quickly, if and when, it is needed.

Mr. Chairman, I wish to extend my thanks to Mr. HARSHA, our ranking minority member, for his help and cooperation on this bill.

Both Mr. ROE, the chairman, and Mr. HAMMERSCHMIDT, the ranking minority member of the Subcommittee on Economic Development, deserve particular tribute for the tremendous amount of work they put into this bill. They not only have participated fully in the extensive hearings but have worked diligently to iron out differences to produce the bill we bring before you today. I urge its favorable consideration.

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Mr. HARSHA. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Ohio.

Mr. HARSHA. I thank the distinguished chairman for yielding.

Mr. Chairman, I rise in support of this legislation. As the distinguished chairman has pointed out, it deals not only with the economic development program, but also with the Appalachian program, a program which has served this country well throughout the Appalachian States. This bill continues that program in the basic grant section for 2 years, and the highway program, the development highway program, for 4 years. I urge its adoption, Mr. Chairman.

Mr. Chairman, I support H.R. 2063. The highway network of the Appalachia Regional Commission is at the base of the total development program for the region. Even as it is being completed, the system is opening up opportunities and the construction itself is providing about 9,000 direct and indirect jobs annually. The total system is well over halfway to completion with 1,700 miles or 56 percent of the total either complete or under construction. This highway system, along with the 680 miles of access road construction assisted by Appalachian funding, is already opening up the region to the rest of the country and making it easier for Appalachian people to get to jobs, housing and public services.

And when the entire system is completed, a recent study shows, 85 percent of the people of Appalachia will be within 30 minutes of a high-quality highway. The same study shows that some 65 percent of our highway system passes through or is adjacent to major coal fields.

One particular access road illustrates the continuing, long-term payoff of the ARC investment in highways. In April, 1968, ARC approved funds for a 2½ mile access road to a 450-acre industrial park in Carroll County, Ga. Total cost of the road was $810,000 and ARC invested $567,000.

Over the years, one by one, industries have filled 170 acres of that park. Most have been relatively small, but a Columbia Broadcasting System manufacturing plant now under construction at a cost of more than $50 million will employ approximately 3,000 people. There will be an accumulating payoff from this ARC investment of a decade ago.

The accomplishments of partial completion of the system have been enormous. That is why the Governors of the Appalachian States remain committed to 100 percent of the system.

Another system of vast importance to the region is the interrelatedness of its natural resources, its environment and its energy. Gasification plants at Duffield, Va., and at Hazleton, Pa.; test gas wells in Ohio and New York; timber development organizations in Mississippi, Kentucky, and North Carolina and Tennessee; flood recovery programs and flash flood warning systems; mine area restorations; and solid waste disposal systems are a few examples of the many types of ARC-assisted projects undertaken to both protect and develop the vast resource potential of Appalachia.

Still another kind of system of concern to ARC is the range of basic resources a community can offer that in large measure will set the direction for economic development—clean water, good sanitation, decent housing, recreation opportunities. The Commission has funded well over 1,000 of these types of facilities and services. The small community of David, Ky., illustrates what needs to be done and how local people work with the State, ARC, and Federal to get the job done. Five years ago, David used an ARC demonstration grant to prepare a community development plan and took steps to carry it out. A water system funded by ARC and HUD was completed in 1977 and a sewer system funded by ARC and Farmers' Home was completed recently. A 28-home subdivision, now under construction, was planned with the help of an ARC site development grant and is the first FHA-insured subdivision in eastern Kentucky.

Although the Appalachian program has made great progress in meeting the many of the long-standing problems of the region, there are several critical areas that require expanded effort.

The region's housing problem is one of the biggest challenges facing the Commission. Almost 1 million homes in the region today do not meet the Federal definition of safe and adequate housing. One of the reasons for this is the severe lack of sites suitable for housing. Building sites are extremely expensive, and the cost of providing public utilities far exceed those outside the region where the terrain is not so rugged.

The present 10-percent statutory limitation for write-down costs simply is not adequate to move ahead on meeting the needs of families in Appalachia. H.R. 2063 authorizes the Commission to use its funds to acquire land as well as meet the costs of offsite and onsite development and raise the write-down limitation from 10 to 25 percent. The Governors of the region have told the committee that the Appalachian expanded housing program is one of the best ways to go about putting the region on a more equal basis with the rest of the Nation.

ARC has funded a wide variety of programs aimed at providing for private employment growth. These programs focus on assistance to existing business because about 70 percent of the new jobs in the region are created by these firms.

Business development in the region, however, has labored under two severe handicaps. First, Federal program coverage in rural areas is inadequate. Second, the money available has been concentrated in support of the dominant industries. ARC's flexibility is extremely useful in filling gaps not covered by other Federal support programs. New authority is needed to permit the Commission to make funds available to States for establishing revolving funds to use as loans to small businessmen, farmers, and others. This loan approach is not new. The Commission's housing program has provided considerable experience administering such programs.

A number of the Commission's projects have been designed to provide services for our residents who live in underserved, remote, and hard-to-reach areas. Rural clinics, emergency medical services, rural transportation projects, regional educational services agencies, satellite educational programs, and other programs seek to extend the range of basic services which are accessible to people living in isolated communities and rural areas within the region. However, the present policies of many agencies limit the services available to these people. Insufficient funds are available, agency policies frequently favor larger or more conventional projects, and often there may be inadequate authority to respond to these needs. H.R. 2063 provides clear and explicit program authority for the Commission to address the acute need for programs of health and education services and facilities to people in the underserved areas of the region.

I urge enactment of H.R. 2063.

Mr. JOHNSON of California. Mr. Chairman, I thank the gentleman for his contribution.

Mr. ROE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am privileged today to bring H.R. 2063, the National Economic Development and Public Works Act of 1979, to the House.

This bill represents the culmination of 4 years of effort by our committee to develop a truly national economic development program—one that recognizes that the problems of the 1980's cannot be effectively attacked with the programs designed when the price of Middle East oil was $1.80 per barrel in 1965.

This bill is designed to respond to problems like lagging productivity and innovation, fostering the birth and growth of new firms and helping older business survive in the face of new trade adjustment conflicts and increasing energy costs.

In fact, even since this bill was reported from the Committee on Public Works and Transportation, a series of events have greatly increased its importance to the national economy. We are all aware that there is a clear slowdown in rate of job growth, and that there is an almost unanimous agreement that unemployment will increase sharply next year—at a time when many States like Michigan, Illinois, Pennsylvania, and New Jersey have been unable to pay back the funds they borrowed from the Federal unemployment account to make unemployment compensation payments during the last recession.

Members of the House, I am sure, do not need to debate the impact of present unprecedented historically high interest rates, particularly on the smaller businesses that supply most of the new jobs in the country. This problem was clearly spelled out in the thoughtful "Dear Colleague" letter sent out a few days ago by Chairman Neal Smith of the Small Business Committee.

The bill we are bringing you today is carefully designed to attack these problems. This bill is the result of a major effort by all members of the Committee on Public Works and Transportation.

I greatly appreciate and welcome the opportunity to acknowledge the outstanding efforts of the senior members of our Public Works Committee in the formulation of this important economic legislation and I know you will want to join with me in acknowledging the leadership of Chairman Johnson; our ranking minority member, Bill Harsha, and, particularly, the ranking member of our subcommittee, John Paul Hammerschmidt. I would like to break with tradition and give particular thanks to some of the newer members of the Subcommittee, many who serve as freshmen in the House but who have earned their Ph. D.'s in economic development.

Mr. Chairman, I doubt if there has even been a bill brought to the House floor by a subcommittee with three experts who have traded their chairs at the witness table for seats on the rostrum as Members of the House. I am thinking particularly of Bill Clinger, who is a former General Counsel of EDA; Marvin Leath with long experience working with an economic development district. And veteran Jim Oberstar, who has spent many years with extensive expertise in both the administrative and legislative branches of Government. And this is just a start.

Gene Atkinson comes with expert credentials as a county commissioner working with the Appalachian program. Brian Donnelly has worked with neighborhood economic development in Boston. Jerry Lewis is a nationally recognized expert on the tough tradeoffs between air quality and economic development. Don Albosta has brought rare insight into the problems of agricultural economic development.

As chairman of the subcommittee, I am enormously grateful for the expert contributions that the members of the committee have made to this and the long hours that they put in to develop the bill we are bringing to you today.

In addition to the Public Works Committee, we have also had the benefit of consulting with Representative Moorhead, chairman of the Subcommittee on Economic Stabilization who will be offering some significant amendments later in this debate.

Mr. Chairman, this bill will reauthorize and significantly revise and improve programs of the Economic Development Administration and the regional development commissions. For 15 years their job has been to generate private investment and job creation in distressed areas of our country.

The history of this legislation in cities and towns across the Nation directly contradicts the view that negative local economic trends cannot be altered or stabilized by private and public intergovernmental action. In case after case our experience has shown that communities and regions can help to determine their economic dynamics and economic futures and that they can create an environment in which private businesses will flourish; they can influence the number, location, and type of jobs that will be produced in the private sector—the only solid foundation for local prosperity.

Mr. Chairman, here in the House, title I of this bill would extend the authorizations for the EDA program for 2 years.

Much of what is contained in this title consists of programs with which you are familiar—grants for construction of public facilities to help support permanent, private sector job retention and creation enterprises; technical assistance and planning grants to permit effective local economic development and loans and loan guarantees for businesses that will enable them to retain or expand employment.

We are actually authorizing no new authorities in this bill—what is basically new is an expanded and improved business development program for the private sector, including loans, loan guarantees and interest subsidies—supported by expanded grants for public facilities, an expanded interest subsidy program for the most distressed areas, and an experimental program for grants that could defray up to 15 percent of the private sector cost to retain or create jobs in the most severely distressed places.

The question that I have asked most often is, "Why are we proposing greatly increased authorizations in H.R. 2063 in a year when inflationary and budget cutting pressures are so intense?"

The basic reason is that we are convinced that economic development investment can be a very cost effective way for the Federal Government to address structural economic problems and the attendant unemployment. Imperfections in the marketplace often lead entrepreneurs to overinvest in more attractive areas and underinvest in less attractive places. Overinvestment causes inflationary pressures and ultimately leads to other economic inefficiencies. By focusing on the credit availability problem for films in places where there is underutilized labor, land, and facilities, EDA assistance can save jobs and generate new investment and jobs without adding to inflation. Similarly, the use of EDA incentives to influence the locational decisions of firms allows the underutilized labor force to be put back to work in places where private investment probably would not have occurred. Over the long run, geographically balanced development approach that we have incorporated in this bill can compensate for excesses in the marketplace and contribute to overall growth for the national economy.

The legislation that we are considering today will give EDA the necessary mandate and resources to carry out a comprehensive national program of business development assistance aimed at the revitalization of local private economies. The proposed bill will give EDA the capacity to influence large amounts of private resources through the effective use of a relatively small amount of public funds. It is important to point out that in this time of budget constraint, the President believes that this program is one that warrants this additional funding.

This bill addresses three major problems that act to stifle private investment in distressed locations. These problems are the lack of available credit, the high cost of credit, and the high cost of doing business in distressed places. In both rural and urban areas, our hearings have shown that economically distressed communities are characterized by their inability to support the expansion of existing firms or the development of new ones. Each element of this legislation will perform an important function in alleviating these problems.

A $275 million increase in funds for public sector grants is a necessary counterpart to the expanded EDA development financing program. Public sector grants represent a critically important tool for economic development in distressed areas of the country. These grants are used in accordance with local economic development plans to help provide a commercial or industrial environment conducive to private business location, expansion, and retention. Eligible activities include the design of public facilities, land acquisition and site preparation, construction and rehabilitation of public facilities, and special projects to provide immediate jobs for the unemployed. Funds under the expanded public sector grant program can also be used to defray up to 15 percent of the costs of a private firm that needs assistance in order to modernize, expand, or establish facilities in an eligible area. These grants will be made available to local public entities for the purchase and/or improvement of real property. The acquisition and preparation of land, and the construction or rehabilitation of a plant are examples of activities that can be financed with additional grant funds.

The substantial increase in EDA business finance assistance calls for a complementary program of planning and technical assistance to local government and private firms in rural and urban areas. A $25 million increase in EDA's planning and technical assistance would be authorized to accomplish this objective. These funds will finance a wide variety of technical assistance services, including management assistance, feasibility or market studies, productivity analyses, and other assistance tailored to the needs of firms.

In short, this bill builds on the proven experience of EDA to help strengthen the economic development of distressed rural and urban communities. It will provide new private sector jobs and badly needed income to the citizens of these communities. It will strengthen tax bases, attract new private investment, help them support essential public services without imposing high property taxes on their citizens, and help communities and their citizens become more self-sufficient in the future.

Mr. Chairman, title II of this bill extends the authorization for the regional development commissions which were first created in 1965. At that time, even though the country was experiencing a period of vigorous national growth there were regions in the country—Appalachia, Upper Great Lakes, Ozarks—which, because of special problems, lagged behind the rest of the Nation in growth and development and required special attention.

Title V of the Public Works and Economic Development Act provided for the establishment of multi-State regional commissions, patterned after the Appalachian Regional Commission, to assist those regions of the country which were experiencing economic decline. Composed of the Governors of the affected region and a Federal representative appointed by the President, these Federal-State partnerships were authorized to analyze the needs of their regions, set priorities, develop plans, and formulate programs to remove obstacles to growth and foster development.

The setting today is different. We must now think in terms of balance, and the legislation before us attempts to do so. Title II of H.R. 2063 reflects the fact that there must be a close link between public policies and resources with respect to lagging economies and those areas which are experiencing severe stresses due to growth, especially growth due to energy development. Ideally, these two areas should assist and support one another. This is the idea of balanced growth which was reflected in the findings and recommendations of the White House Conference on Balanced Growth and Economic Development. This bill is designed to let us deal with both lagging and growing areas and be evenhanded in setting our priorities.

Title II of H.R. 2063 carries this concept forward by extending the regional commission program, expanding the role of the commissions to deal with major national and regional development concerns, and setting forth a regional development process for the commissions which increases their ability to plan for their regions and stimulate regional growth and development activities. This bill recognizes that regional problems vary from region to region and that those officials on the scene, particularly the Governors, are the best qualified to make decisions affecting the well-being of their region. The bill also places program responsibilities directly on the commissions and provides that they develop and approve their long-range plans and set their own spending and investment priorities. This bill makes it clear that planning is conducted by local and State officials—not Federal agencies.

To assure that the regional priorities are made known to Federal agencies concerned with development problems, the bill provides for an interagency mechanism to provide better program coordination and support for the commissions' plans, programs, and policies.

While providing the commissions with program flexibility, the bill imposes certain fiscal and management responsibilities to improve the administration of the program. One important, new feature is the authorization for incentive grants to help new commissions get off to a faster start to permit the commissions to respond more quickly to regional problems.

I believe this bill provides a balanced approach to regional development and enhances the States' ability to deal better with problems shared with other States as well as the Federal Government.

Mr. Chairman, title III of H.R. 2063 extends the Appalachian Regional Commission for 2 additional years.

The Commission was created in 1965 to address the severe and unique problems of the Appalachian region. Appalachia, despite its rich natural resources, had traditionally lagged behind the rest of the Nation in its rate of growth and economic development.

In the 14 years since its inception, the Appalachian Regional Commission program has made significant progress in bettering the lives of the people of the region and in building a foundation for future economic gain.

Appalachia's poverty population has decreased since 1960 from 31 percent of the total populace to 14 percent in 1976. This represents a 55-percent decline in poverty incidence during a period when nationwide figures show a 48-percent decline.

In per capita income, between 1965 and 1976, Appalachian total personal income climbed from 78 to 85 percent of the national average.

An existing trend of outmigration has been reversed. An average of 58,000 persons per year have migrated to the area.

The region added approximately 1.35 million jobs between 1965 and 1977, bringing Appalachia's official unemployment rate down to a level more nearly approximating that of the rest of the Nation.

In education, as of 1960, only one-third of the region's adult population had completed high school. By 1976, the percentage is estimated to have risen to approximately 60 percent.

In the area of health, the average number of physicians in the region rose from 92 for every 100,000 residents in 1963, to 116 per 100,000 in 1976.

Another major accomplishment under the Appalachian program has been the development of vocational schools. To date, the Commission has invested more than $300 million in a regionwide system of vocational schools. There are now nearly 500 such schools serving 300,000 students.

The importance of the Appalachian Development Highway System to the economic growth of this mountainous region cannot be overemphasized. Of the entire 3,025 miles now authorized, approximately 1,700 miles, or 56 percent are either completed or under construction. An additional 680 miles of access roads have been built to service industrial sites, hospitals, schools, or other public facilities. When the entire system is completed, 85 percent of the people of Appalachia will be within 30 miles of a high quality highway. The highway program is vital to the development of Appalachia.

While this is an impressive record of achievement, much remains to be done in Appalachia.

Of the area's 19 million inhabitants, 2.7 million continue to live in poverty. Only 6 out of the region's 397 counties have a per capita income that has reached the national income average. Despite improvements in the availability of the health facilities, serious health problems continue. Infant mortality rates still exceed those in the rest of the country. There is a high incidence of diseases of hepatitis, streptococcus, and tuberculosis, measles, and rubella which remains and the 1976 ratio of 116 physicians to every 100,00 persons lags behind the national average of 174 per 100,000 persons.

The nonhighway authorization for the Commission is $340 million for the two fiscal periods 1980 and 1981.

The development highway authorizations are $400 million for fiscal year 1980; $500 million for fiscal year 1981; $550 million for fiscal year 1982; and $550 million for fiscal year 1983.

We also propose to incorporate some new authorities in this legislation to address the continuing problems of Appalachia.

One of the most pressing problems in the Appalachian Region is the lack of adequate housing. One million homes in Appalachia are substandard—either unsafe, with insufficient plumbing or overcrowded. In central Appalachia 38 percent of all housing is inadequate.

Under the Commission's housing program, site development grants and planning loans have been used to assist in the construction of 8,400 homes. Other types of grants have resulted in the construction or repair of an additional 1,900 homes. Technical assistance funds have been used by all 13 States to strengthen the technical competence of low- and moderate-income housing sponsors, and 10 States have established an Appalachian housing fund to stimulate housing production in the region.

Suitable land for housing is difficult to find in Appalachia, and for a number of reasons. In many areas the only land that is flat enough, frankly, to build on successfully is located in the flood plain, and is subject to frequent, very devastating floods. In other areas much of the land is owned by a few landowners who to this date have been unwilling to sell.

In addition to the lack of available land, the mountainous terrain of most of Appalachia requires excessive development costs for water, sewers, site preparation, and so forth.

This legislation would permit the Appalachian Commission to use its funds to acquire land and to stimulate housing development.

The child development demonstration program has been one of the most significant Commission efforts. The program was initiated to respond to the severe health problems and high mortality rates among infants and children of the region. All of the States have begun early child development programs and are beginning to address the health needs of young children. This activity has enabled many low-income and single-parent families to augment their income by freeing family members to find employment while their preschool children are being cared for. It is also an effective learning experience for these children.

The Appalachian Regional Development Act was amended in 1975 to allow Commission funding for the operation of child development centers to be continued for an additional 2 years beyond the 5-year limitation placed on all other demonstration projects. This extension was granted because many of the worthwhile programs were having difficulty finding other funding sources for continued operation. This, unfortunately, is still the case.

H.R. 2063 further permits continued operational funding for child development centers upon the request of a State for projects supported in 1979. Projects initially approved after September 30, 1979, will be subject to the existing 5-year funding limitation.

This legislation also gives the Commission new authorities to make grants to stimulate natural resources and business activities in the region. Those grants can be made for business-related technical assistance or to establish non-Federal revolving loan funds for business, forestry, and agricultural enterprises.

A number of the Commission's projects have been designed to provide services for people who live in underserved, remote and hard-to-reach areas. Rural clinics, emergency medical services, rural transportation projects, regional educational services agencies, satellite educational programs, and other programs seek to extend the range of basic services which are accessible to people living in isolated communities and rural areas within the region.

However, the present policies of many agencies limit the services available to these people. Insufficient funds are available, agency policies frequently favor larger or more conventional projects, and often there may be inadequate authority to respond to these needs. This legislation is recommending an amendment which would provide program authority for the Commission to address the acute need for programs of health and education services and facilities to people in the underserved areas of the region.

I think that it is important to note while the Appalachian Regional Commission was created to assist an economically depressed area, it is not simply a poverty program. The overwhelming testimony that we received from the Governors and from the local people supported our efforts to reauthorize the Appalachian Commission because of the way the Commission works. This is the only govermental organization I know of where programs are initiated by local people in accordance with local needs, rather than being handed down by a distant bureaucracy.

In the Appalachian program, policies are made in partnership after debate and consultation, rather than in the form of mandates appearing in the Federal Register. The Appalachian Regional Commission is, in fact, an equal partnership between the Federal Government and the 13 member States. This partnership, and the cooperative spirit of its members, are the major factors in its success.

Title IV of this bill would authorize $2 billion for a standby round III of the local public works capital development and investment program that was first enacted as the antirecession jobs program in 1975.

Our oversight hearings have clearly shown that this was a very successful program—$6 billion was obligated quickly for 10,164 badly needed local public works projects throughout the country providing 400,000 productive jobs.

One justified criticism of the local public works program was that the last program lagged in getting started and the principal reason was the time it took to get the authorizing legislation enacted. In order to cut down this delay in the event this kind of economic stimulation is needed in the next 2 years, this bill authorizes a standby program that could be triggered by Budget and Appropriation Committees after national unemployment has been higher than 6.5 percent for 3 months.

Considering the uncertain course of the national economy, we feel very strongly that this is a prudent—and totally justified recommendation.

In conclusion, Mr. Chairman, this bill is a major step toward a national economic development policy that recognizes that there are numerous urban and rural areas which still have high unemployment, low average incomes, substantial poverty and lagging jobs growth. Many communities are seriously hurt by foreign imports and others do not have enough private investment to provide jobs to their residents, nor do they have the private sector tax base to support essential public services. These are the communities that require special aid to bring in new private sector jobs and investment.

Our goal is to move toward a national economic development program that recognizes that even when things are going well nationally, you may be sure that things are going poorly in some areas; and when things are going poorly with the Nation, conditions are much worse in many localities. The basic justification for this proposal is that national macroeconomic policies cannot guarantee that local areas will share fairly in national prosperity.

At the start of this session, I would have argued that this law should be enacted because in a time of inflation and budget restraint, it offered a means for strengthening local economies and their productivity in a noninflationary manner.

Now, facing the threat of a recession, I argue that we must enact this bill to guarantee that we can provide relief to areas with already weak economies that will be further weakened by an economic downturn.

Clearly, this is a program that serves us well at any point in the economic cycle. On the upside, it offers a means for taking up the slack in struggling areas, without unduly contributing to a general overheating of the economy. On the downside, it provides the tools to fend off the blows to the places always hardest hit and to soften the cyclical impact on otherwise basically healthy areas.

What the Joint Economic Committee had to say this year in its annual report is worth repeating:

> The Economic development programs provide valuable assistance to jurisdictions of all sizes—large and small cities as well as rural areas—in adjusting to and improving their local economic circumstances. The Committee believes that these important programs remain underfunded. With an adequate budget, EDA could provide business assistance, and flexible grants for public and private initiatives, and local capacity building. These are the essential elements of economic development. Utilizing these programs to rebuild local tax bases and generate jobs is consistent with the goal of achieving greater efficiency in the use of each federal dollar.

Mr. Chairman, for these and many other reasons, I urge a favorable vote on the passage of H.R. 2063.

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Chairman, I want to congratulate the chairman and the members of the committee for the fine work you have accomplished in the face of the challenge of reviewing and revising, for the first time, all of these economic development programs at the same time.

There are two matters which are of considerable concern to me and which I would like to discuss with the chairman and ranking minority member of the Subcommittee on Economic Development.

I am in complete agreement with the committee statements on page 12 of House Report 96–180 wherein you say that the districts are "probably among the most effective substate planning and program delivery system that Congress has created" and that the revisions in this bill "should in no way diminish or hinder the operation of the district program."

In recent years there have been various efforts directed at turning Federal economic and community development investment over to the State government. EDA's investment program has always rested heavily on planning and development priorities set by the boards of districts. The decisions have been based on grassroots knowledge of local conditions, local needs, local preferences, and local capabilities.

I agree that it is desirable for there to be coordination between Federal, State, and local levels of government.

What I would like to know is whether, when it was formulating the recommendations it has made, the committee intended that the economic development planning and investment decisions should continue to rest heavily on the planning and development priorities established by substate planning and development districts. Or, is it the committee's intent that decisions at the State government level should control the flow of EDA funds within the State?

Mr. ROE. We certainly agree that there has to be coordination between the economic development activities of local, State, and Federal levels of government, and we have made significant changes in this bill—both for the EDA and regional commission programs—that clearly show that our basic philosophy is to have a "bottoms up" planning and policy development process that depends primarily on the capability and knowledge of local governments and the economic development districts.

Mr. ALEXANDER. For many years there has been imprecision and a lack of coordination of definitions when the terms "urban" and "rural" are used. Under the Bureau of the Census definition "urban" means places with populations of 2,500 or more. Under the usage applied by too many Federal agencies "urban" means places with populations of 50,000 or more. I have found this to be a result of the "big city" bias that exists in many Federal agencies and programs. Since its creation EDA has been charged with the responsibility of working toward balanced national growth.

There are 18,635 places in the Nation with populations of less than 50,000. It is in these places with 66 percent of our Nation's people make their homes. In formulating the recommendations which the committee has before us today, has it been your intention that EDA should continue to give full and fair consideration and response to the needs of midsized cities, small towns and rural communities in the countryside? In this instance I am talking about places of populations of less than 50,000.

Mr. ROE. As you know, the policy of this committee has consistently stressed that the EDA programs should be focused on needy areas where there is capability to make the most effective public investments and we have strongly resisted any attempts to turn this into a formula grant program or earmark any of the program for any particular region. We would also resist any effort to legislatively direct that the EDA programs give priority to any size city. We have confidence in the eligibility and designation system in this bill and are confident that there will be discrimination against rural areas in the operation of the program.

□ 1330

Mr. PERKINS. Mr. Chairman, will the distinguished gentleman from New Jersey (Mr. Roe) yield to me?

Mr. ROE. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, first let me congratulate our distinguished colleague, the gentleman from New Jersey (Mr. Roe), and all of the members of his subcommittee, as well as the chairman of the full committee for bringing this legislation to the floor.

I have been supporting similar legislation for many years.

We commenced with the ARA, which was unsatisfactory, the accelerated public works bill, which was satisfactory, but when we got a new President, they wanted his imprint on that bill; so we changed it to the Economic Development Administration, which has worked out well.

Today, I would feel derelict if I did not express the view that if we undertook to cripple the legislation that the chairman of this subcommittee has brought to the floor, we will be doing serious damage and harm to the economy, in my judgment.

I anticipate within the next few months with this high interest rate of 15 percent the unemployment rate will be above 6½ percent, and we are going to need this standby, local public works authority.

Mr. Chairman, I strongly support H.R. 2063, which I have evidenced by my cosponsorship, and I commend the chairman of the Public Works Committee, the distinguished gentleman from California (Mr. Johnson) and the chairman of the subcommittee, the gentlemen from New Jersey (Mr. Roe), for the early introduction of the bill and for getting it to the floor of the House for today's action.

In truth, unemployment in many areas demands the immediate application of the programs authorized by the legislaiton and, if the past serves any indication of what we can anticipate in the near future, the unprecedented level for interest rates forbodes unemployment rates for the Nation far in excess of what current predictions are.

It is my privilege to represent 27 eastern Kentucky Counties. With the exception of one county, they are all rural with small community-based enterprises. In many instances, the counties are large, with a population clustered in small communities in mountainous areas.

In 15 of the counties I represent, 41 percent to 57 percent of the families are below the poverty level according to the most recent census data. In five, families below the poverty level were 30 percent to 37.5 percent. Five more had in excess of 22.8 percent below the poverty level. In two other counties the comparable figures are 14.2 percent and 18.5 percent.

I want to talk a minute about the unemployment rate in the counties that I represent. The latest figures, and I am sure that you have received your figures for September 1979. These came out just a few days ago through the labor departments in your respective States, and they have been compiled here in Washington likewise.

In Bath County, the unemployment rate is 12.9 percent.

In Breathitt County it is 7.9 percent.
In Carter County it is 8.3 percent.
In Floyd County it is 6.5 percent.
In Lawrence County it is 7.9 percent.
In Knott County it is 8.1 percent.
In Letcher County it is 13 percent.
In Lewis County it is 8 percent.
In Magoffin County it is 7.4 percent.
In Menifee County it is 17.2 percent.
In Montgomery it is 12.8 percent.

In Perry County it is 8.1 percent.

In Powerll County it is 8.9 percent.

In Robertson County it is 8.5 percent.

In Wolfe County it is 7.5 percent.

These are intolerable rates of unemployment significantly above the national rate and above the Kentucky State unemployment rate of 5.3 percent. In many instances, the unemployment rates in eastern Kentucky defy reason. The Nation faces an energy crisis and shortage far more critical than that which confronted us during World War II. To this day we have not taken a single positive step to encourage the use of our abundant coal resources. We must replace our dependence on foreign oil by using Appalachian coal, helping the economy of an area now suffering unemployment several times that of the Nation as a whole. Our national economy is strained to the breaking point in the flow of dollars to foreign nations in obtaining our energy needs. Whether or not we see the light in development of an effective energy policy using coal as a basic energy resource, the legislation we have before us today is essential.

I would like to challenge anybody that would state in this day and age that we do not need this program.

There are hundreds of thousands of tons of coal that cannot be marketed in eastern Kentucky in those yards. There are hundreds of coal operators presently going out of business. I mean the small businesses with the small stripping operations that cannot restore mountain slopes to the original contour as required by the reclamation laws. They are just going out of business and people are becoming unemployed.

In several of those counties we do not have any water systems. Several communities that are incorporated do not have water systems in that area, and they do not have the resources to finance those water systems and public buildings.

I have one county, Magoffin County, we had some money here a year ago to build a gymnasium that had burned down. That gymnasium has still to be completed.

The State people tell me that they cannot participate. And we have these sanitation problems throughout the Appalachian area. Over half the people in the district I represent do not have sanitation facilities.

I think that reflects our Government to a great extent and I know we are not going to get enough money here to do this job. But we would never start and those people will live another generation without sanitation if we do not have this program. And it is the only program that is really reaching the poor people.

I would say to you that we need to educate everybody that needs to be educated to make sure that we do not lose sight of the program, or see that it is not cut back anywhere along the line.

Being a rural district, the economic well being of the residents has risen and fallen with what has happened generally with respect to the farmers' income. But in most of the counties the nature of the farming enterprise is marginal and provides at best a subsistence level of living for the families.

There are in my area about 30,000 tobacco growers with small acreage allotment.

The economy of many of the rural areas depends upon the production of coal. Most of the coal operations are from very small operators whose annual tonnages are insignificant, but in the total, supply the Nation with a significant portion of its coal needs.

Thus, these scattered communities in the coal counties suffer even more severely than other coal-producing areas of the Nation because of the ups and downs of the coal situation.

Throughout the coal-laden counties small isolated communities sprang up when coal was the Nation's chief source of fuel for industry and for domestic heat. People in these communities energized the industry which successfully brought us through two World Wars. Hopefully, it will provide the Nation with the energy needed to become energy self-sufficient.

As imported oil took over the market for coal, hundreds of communities in these coal-producing counties went through long periods of economic stagnation. Maintenance of public facilities lagged. Public facilities deteriorated.

In many communities there are no sewers and no water systems. There are no local finances available for road improvement, and severe winters and flooding which have occurred in the last 2 years have brought much hardship to many communities which are virtually isolated because of road conditions.

These conditions have an adverse effect on all aspects of community life. In letter after letter that I have received in my office this year and in conversations I have had with families through the area, countless tales of suffering have been brought to my attention.

Schoolbuses cannot travel the roads. Persons in need of medical attention have not been able to travel to medical centers.

Because of the lack of local resources to meet these urgent public facility needs, the people of my district have looked hopefully to the Public Works and Economic Development Act, which H.R. 2063 would extend, as the means by which economic vitality and a better life can be brought to these communities of that Appalachian area.

For these reasons I strongly endorse the provisions of the bill extending the Public Works and Economic Development Act of 1965 and to extend the Appalachian Regional Development Act for 2 years.

Mr. ROE. I thank the chairman for his very strong support. I know of his deep knowledge of the effectiveness of this legislation.

Mr. de la GARZA. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Texas.

Mr. de la GARZA. I appreciate the gentleman yielding.

Rather than take the time later, I will take this opportunity to commend the gentleman and the members of the committee for the work they have done on this legislation.

I have been a supporter of this legislation since its inception. I think perhaps my congressional district would be one of the ones that we could really point at. Every project that the EDA has involved itself in has been successful. The loans have been repaid. The grants have been repaid, tremendous amounts of money.

Every time I visit the annual programs of the local development programs, one can see the slide projector, and one can see the slides of the projects.

I would like to commend the gentleman and want whatever support I can get to continue this program and the good efforts that they have done, especially being provincial in my area of Texas.

Mr. ROE. We greatly appreciate, I know, on behalf of the committee, the kind thoughts the gentleman has expressed and the strong support for this legislation.

I might suggest, sir, with the great success story the gentleman is sharing with us today, the gentleman is a very effective Member of the House.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I, too, want to take this opportunity to speak to the successful operation of the program. It is hard for me to recall any program which has been more effectively administered by agencies of Government than has this particular effort.

It has been singularly successful, and it is rare that I stand to praise a governmental agency on this floor, but I think because of the close cooperative working relationship between the chairman, the members of the committee, and EDA, we have just had maximum value derived from these programs.

I certainly want to offer my congratulations to the gentleman. I am contemplating offering four amendments. I would hope people would have their minds open for consideration of them.

I think this is a very effective and needed program. I thank the gentleman.

Mr. ROE. I thank the gentleman.

The CHAIRMAN. The Chair now recognizes the gentleman from Arkansas (Mr. Hammerschmidt).

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to concur fully with the distinguished chairman of the full committee, the gentleman from California (Mr. Johnson); our ranking minority member, the gentleman from Ohio (Mr. Harsha); as well as the statement of our capable and distinguished subcommittee chairman, the gentleman from New Jersey (Mr. Roe).

I support the bill, H.R. 2063. I see no need to take much time of the Members by reiterating what has already been explained fully by my colleagues.

We, for the first time, have incorporated four major economic development efforts that have been created by past legislation in the Congress into one legislative package. We did this to try to establish a uniform national economic investment and development policy.

I will quickly tick off what those four major items are: Title I improves and extends the Public Works Act of 1965 for 2 years. Title II amends and extends the regional development commission, of which there are 11, and they encompass nearly all States of the Union. In fact, all but two States are now involved in regional development commission activity. It extends that title for 2 years.

Title III amends the Appalachia Regional Development program, 4 years for the highway program, 2 years for the balance of the other programs.

Title IV is the Local Public Works Capital Development and Investment Act. We put that in as a standby program in case the economy takes a turn for the worse and we have a rise in unemployment. It would require approval by the Committee on the Budget, and it would have to be approved by the Appropriations Committee, so it has those safeguards; but it is a standby effort that is important in case the Nation needs phase 3 of another public works investment activity.

I want to associate myself with the colloquy initiated by my friend, the gentleman from Arkansas (Mr. ALEXANDER), and the gentleman from New Jersey (Mr. ROE), where we both have the same concern that we want to clarify congressional intent that the rural areas will continue to be served fairly and effectively under the EDA program.

□ 1340

It has been a great program for the rural areas and, of course, we do not want to lose that effectiveness.

To more comprehensively expand on the legislation, H.R. 2063 contains four titles to amend various economic development laws. Title I amends the Public Works and Economic Development Act of 1965 to provide a continuation of grants for public facilities program, a new development financing program for loans and guarantees for private development, revised planning programs for States and localities, a continued program of grants to redevelopment areas (section 204) and States (section 304), expanded eligibility criteria for areas suffering economic decline or distress and a continued program for special economic development and adjustment assistance.

Title II of H.R. 2063 amends the regional development commissions to revise the program for existing regional commissions and a mechanism for the formation of new commissions. This program, commonly known as the title V commission program, is fast becoming a wall-to-wall system encompassing parts of all but two States in the Nation. The language substantially changes the manner in which money is allocated to each commission, providing a tighter fiscal control over commission spending. Planning requirements in the title V amendments include the provision for substate planning to be encompassed in the regional planning process which, to me, is an important feature in any economic bill that we consider.

Each commission will, under the bill, receive an annual overall grant for their activities for the fiscal year, and will be responsible for the expenditure of funds from the grant. Such an approach will facilitate accountability of the expenditures and allow audits of the commission records.

Title III of H.R. 2063 amends the Appalachian Regional Development Act to authorize an additional 4 years of funding for the highway program, through fiscal year 1983, and 2 years of funding for the nonhighway programs. New provisions include grants for innovative projects to meet human service needs and a program for enterprise development in Appalachia. The highway program is expanded to 3,100 miles partly for technical purposes and to meet certain environmental requirements in the highway corridor in Southern Appalachian States.

Title IV of H.R. 2063 amends the Local Public Works Capital Development and Investment Act to provide $2 billion on a standby basis whenever the average national unemployment rate exceeds 6½ percent for one calendar quarter and provides for new projects to be accepted in this event.

The changes under the Economic Development Act will improve this program. The committee considered the administration proposals which would have created a new program for grants, loans, and planning functions of this agency. The committee accepted the proposed reorganization of development financing and its attendant expansion of this program to include some $569 million for direct loans and interest subsidies and $1.8 billion for loan guarantees for fiscal year 1980, and $850 million in direct loans and subsidies and $2.5 billion in guarantees for fiscal year 1981. The committee also accepted the revised planning title which authorizes planning grants for States, substate districts, localities, Indian tribes, and planning for special adjustment assistance. While the committee retained certain features of the current title III EDA programs such as coordination between State and substate planning and the section 304 program for grants and supplemental grants to State governments for EDA projects, the committee is willing to provide new authority to the administration to carry out planning functions of this act.

However, the administration draft bill was never introduced by committee members.

However, by restructuring the grant program and combining titles I, III, IV, and IX, we would eliminate existing law; and every regulation, administrative decision, guideline, and pending project would be abolished. We have no idea how a new grants program would be administered, nor do we know how new applications would be filled out. The committee is, on the whole, pleased with the grants programs under EDA; 14 years of regulations, decisions, and guidelines cannot be eliminated. We do not wish to start over. There are relationships that are fundamental to the program; the economic development districts clearinghouse approach to projects in districts, the public works impact program to name but two such efforts.

The grants program is the heart of this program. The committee and Congress have built on this grant program over the years to its current structure. We intend it to remain in effect. This by no means is an insult to the administration for not accepting their portion of the draft bill on public works grants, but rather this action is a reaffirmation of the existing programs.

The committee is willing to allow the title V regional commission program to be reorganized in accordance with the administration request.

Overall, the commissions have not received high marks in recent Federal audits. One such audit states:

> Departmental coordination, guidance and direction of commission operations have not been effective. Rather than adopting an active approach in commission operations, the Department has chosen to let the commissions operate on their own . . .

The new language would correct this problem.

An annual grant, by the Secretary, for each commission to carry out its programs, projects, planning activities, and technical assistance is authorized under section 21. The bill authorizes an overall regional plan, an annual investment program to identify all projects necessary to implement the multiyear plan, and a financial plan which identifies projects to serve the program in each fiscal year after consideraion of State plans. Additionally, each commission may propose regional growth policy recommendations which may be adopted by Federal, State, and local agencies in order to implement the regional plan and annual investment program. It is not required. What may be required is a State plan, which is actually a product of substate economic development districts. There is some concern that these commissions, now wall to wall, are regional governments run by unelected officials. It is not so. The commissions are products of the member States, created and organized to serve those States, with a wide source of input into planning and project implementation. The sovereignty of any member State is not lessened by participation in a regional development commission. I note the recognition of economic development districts' role in developing State plans. It is this grassroots effort that has given EDA its success over the years. We have the opportunity to apply the same approach to the planning process in the regional commissions. All of these changes address past omissions and indifference that have plagued the commissions.

The Appalachia program changes are requested by the administration and the Governors of the Appalachian States.

Since 1965, ARC has helped add nearly 1½ million jobs in Appalachia and has lowered the unemployment rate to a level near the national average: The region's unemployment rate in the early 1960's had been nearly double that of the Nation. Income has also been affected; between 1965 and 1976 Appalachian total personal income per capita climbed from 78 percent to 85 percent of the national average.

The creation and retention of jobs does not automatically help Appalachians, however; the people themselves must be qualified and able to hold onto their jobs or move into the new ones. This means a healthy and educated population, which ARC programs have targeted.

The Appalachian program has funded 496 primary medical and dental care projects and over 1,000 other health projects since 1965. Making health care accessible to all Appalachians, reducing costs, and preventing disease have been the goals. This basic health care strategy, with its emphasis on preventive, basic level and family oriented care was the basis for a nationwide primary care program for rural areas recently developed by the Department of Health and Welfare.

Matching the program's performance in health is its performance in education. The region is now generally served by job-relevant vocational and technical schools. ARC has helped fund nearly 500 of these over the years and has equipped thousands of youths and adults for entry or advancement in the job market. Welding, pipefitting, mine equipment repair, railroading, solar energy design and fabrication are only a few of the new skills attained by Appalachians who may otherwise have been high school dropouts or unemployed adults.

Lastly, H.R. 2063 contains standby authority for a local public works program. If in the event the economy takes a turn for the worse, a program will be ready to go to help counter any recession this country may experience. According to the latest economic forecasts, the economy may plunge next year, with construction hardest hit. Interest rates are at record levels, making housing and construction projects too expensive. The Congress can achieve the same result of aiding an ailing industry as it did in 1976 and 1977 where the unemployment rate exceeded 18 percent in the construction industry.

I urge enactment of H.R. 2063.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr HAMMERSCHMIDT. I am happy to yield now to a very valuable member of the committee, Mr. Clausen of California.

Mr. CLAUSEN. Mr. Chairman, I want to join my colleague, Mr. Hammerschmidt, in supporting this legislation and also to compliment the members, Chairman Roe, Bizz Johnson, Bill Harsha, and all of the members of the committee, for having developed what I think is a very comprehensive economic development package. I noted that the chairman made reference earlier to the fact that there has been a reversal of the migration trends in this country as a result of this legislative effort that took place a few years ago. I do not think we can overemphasize the importance of that, because one of the fundamental problems in America today has been the overcrowded conditions brought about as a result of a lack of addressing adequately the kinds of infrastructure requirements that these rural sections of America need.

I have always said a lot of the urban ills of America could be resolved through revitalization of rural America, and the thrust of this legislation is directed toward that objective.

In my own congressional district I have seen first hand, the revitalizing and stabilizing influence EDA projects have had on many of our communities and counties. The counties of Sonoma, Mendocino, Lake, Humboldt, and Del Norte have been eligible and the recipients of substantial benefits from the program.

In addition to the regular EDA program which is directed toward the chronically depressed economic areas of the Nation, the legislation we have developed in our committee contains the continuance of the so-called title IX program.

Title IX has as its purpose the special economic development and adjustment assistance program to help State and local areas meet special needs arising from economic dislocation including unemployment arising from actions of the Federal Government.

Having experienced the adverse impact on the economy of my area caused by the expansion of the Redwood National Park, the impacted counties of Humboldt and Del Norte in California here relied heavily on this title to implement an economic recovery and rehabilitation effort designed and adopted by the counties themselves to mitigate the losses caused by a Government decision.

Therefore, it is absolutely vital to these areas that this extension of the EDA program be passed by the House, approved by the Senate and hopefully, signed by the President.

Mr. TAYLOR. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Missouri (Mr. Taylor).

Mr. TAYLOR. Mr. Chairman, I would like to express my appreciation to the chairman of the subcommittee and to our ranking member for their zeal and dedication in guiding this legislation through the Committee on Public Works and Transportation, and their dedication in continuing the mission of EDA in providing jobs to the private sector which has, indeed, been fruitful to the people of this Nation and to our economy.

At this time, if I might, I would like to direct a question to the distinguished chairman of the subcommittee.

Mr. Chairman, I understand that EDA's legislative history prohibits the agency from providing assistance that will benefit firms in the apparel and garment industry. I also understand that this prohibition has caused more than one distressed area to lose out on jobs and income that would have been created if EDA incentives had been available. I would appreciate knowing what the committee's position is on this issue. In other words, is it still appropriate to preclude EDA from providing assistance to firms in the apparel and garment industry?

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I will yield to the chairman for a response to the question.

Mr. ROE. I thank the gentleman for yielding. I think the chairman has raised a very important issue.

The strict prohibition against the use of any assistance under this act for highly mobile and intensely competitive apparel or garment trades is no longer necessary. The basic section of this act which prohibits the relocation of industry is sufficient to prevent firms in these industries from moving plants from one area of the country to another and thereby eliminating employment for an existing work force.

It is important that EDA be allowed to provide direct or indirect assistance to firms in the apparel and garment trades to generate or save jobs in depressed areas. This is supported by the unions representing apparel and garment workers. It is only the legislative history back in 1965, when the act was first passed, that prohibits EDA from providing assistance to the apparel and garment trades.

This history is now outdated, and the prohibition is no longer needed or desirable.

I trust that answers the gentleman's question.

Mr. TAYLOR. I thank the distinguished chairman for that very concise and definitive answer to my question. I trust that the agency will be guided by the intent of the committee as has been expressed by our distinguished chairman of the subcommittee.

Mr. HAMMERSCHMIDT. Mr. Chairman, I want to thank the gentleman from Missouri for further clarifying the legislative intent of the committee bill. He is one of the most valuable members of our Subcommittee on Economic Development and I appreciate him bringing the issue to the floor.

Mr. ROE. Mr. Chairman, I yield 15 minutes to my distinguished colleague from Pennsylvania (Mr. Moorhead) who is the chairman of the Subcommittee on Economic Stabilization.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I would first like to express my appreciation to the distinguished chairman of the subcommittee for yielding to me and to express my gratitude for the cooperation that has been exhibited between the Committee on Public Works and Transportation and the Committee on Banking, Finance, and Urban Affairs, to the ranking member, the gentleman from Ohio and, of course, the gentleman from New Jersey and the gentleman from Arkansas (Mr. Hammerschmidt). I think we have managed to work out an arrangement which reflects the interest and expertise of both committees. I think, Mr. Chairman, you have produced legislation that is of great help to this Nation.

It is in this spirit of cooperation that I would like to explain briefly the importance of this bill, some of its history and the interest of the Banking Committee in it. It is not too much to say that this bill marks a major new departure in our long-sought but elusive goal of achieving sound economic development in the parts of our country that have been left behind—whether they were once prosperous and have fallen into decline, or were always poor, and regardless of whether they were urban or rural.

The underlying premise of this legislation is that the road to prosperous economic development for a country, town, or city lies above all in the creation of lasting jobs in the private sector. A remarkable degree of consensus has emerged on that premise. A secondary premise, perhaps a little more controversial, is that there are gaps or imperfections in our private credit markets—gaps that often make it difficult for sound and healthy businesses to obtain the long-term capital, and I emphasize long-term capital, that they need in order to grow and create more jobs. The problem exists mainly for smaller or middle sized businesses, and it is particularly serious in depressed areas.

The combination of these two fundamental conclusions has led to the present legislation. Its most important feature—the thing that distinguishes it from previous reauthorizations of the economic development administration—is a very large increase, indeed more than a quadrupling, in the funds available for the business credit assistance tools of the EDA, chiefly loan guarantees. I can give you an idea of what is involved by a single set of figures that emerged from the hearings on this and related legislation by our Subcommittee on Economic Stabilization. Up to now, the EDA has been approving fewer than 100 business credit assistance deals a year; under this legislation it expects to approve more than 1,000 a year. The loan guarantee authority in this bill is $1.8 billion for the current fiscal year and $2.5 billion for the next year.

The Banking Committee has long been interested in—indeed has jurisdiction over—credit assistance to business. But apart from that, the origins of this legislation explain our interest. In early 1978, after lengthy deliberations by a special urban policy task force, President Carter proposed to tackle the problems of local economic distress through what he called a national development bank, which was to have essentially the same tools for business credit assistance that we are talking about here today. The administration legislation was introduced rather late last year. Our subcommittee held hearings on it—the only committee in either House of Congress to do so—but it was not possible to enact such important legislation in such a short period.

I had myself been interested for a long time in the concept of a domestic development bank, and had introduced legislation to create such a bank together with the late Senator Hubert Humphrey. I still believe there is much to be said for a new, fresh, and independent organization to tackle this baffling problem on how to bring prosperity to the parts of our country that are lagging. But there are conflicting views on this question of organization.

In any event, President Carter changed his mind this year and proposed, instead of a new development bank, the big expansion of the existing EDA that we now have before us. The business credit tools, to repeat, are essentially the same as in last year's proposal for a bank.

I will not try to hide the fact that there were some jurisdictional difficulties with the Public Works Committee, which has long handled EDA legislation. But that is now water over the dam. The gentleman from New Jersey (Mr. ROE) and I were able to reach an agreement by which the work and input of the Banking Committee will be reflected, through a series of en bloc amendments that I will offer under the rule. I should mention at this point that other changes in the bill—I would call them improvements—that we approved in our subcommittee, but which are not in the en bloc amendments, will be offered here on the floor when we go under the 5-minute rule, and I expect to support them.

I would emphasize that the Banking Committee concerned itself solely with the business credit aspects of this bill. Our jurisdictional interest is established and will continue for as long as the EDA is the major source of business credit for economic development purposes—for as long, that is, as the EDA is the equivalent of a development bank.

Mr. Chairman, I would be remiss if I did not mention the feelings of not only myself but also the other members of our subcommittee on the issue of targeting or area eligibility. In a word, I feel that this bill is not sufficiently targeted to the places that are genuinely distressed, as measured by such factors as high unemployment, low growth of jobs or low income. We have deferred to the Public Works Committee on that question, and understand their reasoning, though in general we supported the administration proposals for somewhat tighter targeting than in the present law.

Finally, Mr. Chairman, I would like to express a few thoughts about where I think this major new effort of the EDA should be directed. I believe that most of these thoughts are shared by members of our subcommittee, though of course I cannot speak for them.

First, as will be reflected in one of the en bloc amendments that I will be offering under the rule, the credit assistance should match the credit gap problem. That is, it should go to medium-sized and smaller firms, which do not have access to the bond market, and not be dissipated in a few large loans. Our amendment will impose size-of-loan and size-of-firm limitations to make sure that this happens, though with some degree of flexibility for larger loans.

Second, we strongly support the development of a secondary market in this loan paper, and the bill is designed with that in mind. Such a secondary market is indispensable to enable smaller commercial banks in particular, but also larger banks, to grant the long-term credit that will be involved, and in the magnitude that will be involved.

Third, success of this legislation in achieving its purpose requires something of a change in the traditional attitude of the EDA. In the past, it has devoted much of its limited resources to saving jobs by providing credit aid to firms that were in danger of failing. While this is certainly a worthwhile purpose in some cases—and as Members know we are now considering aid to the Chrysler Corp.—the best hope for lasting private sector jobs is for the agency to assist successful, profitable, smaller firms that need credit for growth and expansion, including in particular, younger firms with good future prospects. The testimony before us was most convincing in this regard. The real hope for the areas of our country that are not experiencing full prosperity lies in investments in the future, not the past.

Mr. Chairman, I strongly support this legislation, with the amendments that I will be offering. It provides potent tools for private job creation, and if they are well used, we should begin to see results in a return to greater prosperity of the parts of our country that have been left behind.

□ 1350

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. Mr. Chairman, I thank the gentleman for yielding to me. One of the regrets I have in serving Congress here is not being able to serve on the committee that has the responsibility for the oversight of the Appalachian Regional Commission, EDA, and title V commissions. I have had an opportunity to work with a great number of economic development districts for the last 8 to 10 years. In fact, I have encouraged formation thereof in various ways, both as a private consultant and as a member of a gubernatorial staff. The fact that I wear eyeglasses may in part have resulted from the fact that, over a period of time, I looked at every single committee report and every hearing report coming from this committee on this subject for about a 10-year period, back to the time when we were dealing with the predecessor to EDA, the ARA. Some of the names of the people heavily involved in the committees today are still the same.

Mr. Chairman, what I primarily wanted to say today, and will have more to say on later about the title V commissions since I have had substantial involvement with the Appalachian Commission and the Ozark Regional Commission in the past, is to deliver a compliment to the committee on its effort. Even though this has been called an oversight Congress, the public has the impression that the oversight activities that need to be pursued by Congress are never pursued.

One of the things I came away impressed with during my very detailed review of those 10-years' worth of reports, especially the oversight hearings, is how very well the committee has dealt with a complex program, adapted it to changing conditions, and then went back to check exactly how things were working down at the local level, the economic development district level. That is to say this committee has pursued its oversight function diligently and will succeed.

So, I just simply want to add my congratulations on the continued adaptations of the product coming from this committee through its oversight, and I commend the committee for its continued progress.

Mr. ROE. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from California (Mr. ANDERSON), a member of the committee.

Mr. ANDERSON of California. Mr. Chairman, H.R. 2063, the Economic Development and Public Works Act of 1979, is a good and sound bill. We are taking a strong, proven program with a successful track record, and extending it.

Today, we will hopefully pass legislation that can benefit many areas around our country. It will help areas struggling with rural poverty that are trying to develop themselves, and it will assist urban centers that are striving for revitalization.

The standby authority for a round 3 local public works program is particularly important, and a feature of the House bill that is not contained in the version passed by the Senate. It will help serve as a brake on recession. If unemployment becomes too bad in this Nation, it will help put workers back on the job. And as we have seen in the past, in communities throughout the Nation, it is important work that is conducted through EDA. It is constructive work. It is work that helps build our towns and make them better places to live. It is the construction of libraries where there were none before. It will mean new and better police and fire stations that will protect their communities for years to come. And it will be dinner on the table of families throughout the country that was earned through hard, meaningful work. It is certainly not charity. Because the people of this Nation will be compensated for the money this program costs.

Most of the benefits of this legislation are well known. There is one other I would like to mention today. Economic Development Administration support of cultural resource projects as contemplated in H.R. 2063 will be of immense benefit to our Nation's most economically distressed urban centers. The arts and other cultural programs generate employment opportunities and economic vitality in these urban areas such as Long Beach in my district. With EDA assistance city officials can more effectively coordinate public and private support of the arts so that they will yield the most beneficial investment opportunities. EDA support is crucial to a local economic strategy and funding of the arts can play a vital role in the revitalization of a city's economy. I strongly support EDA funding of cultural resource projects.

And I strongly support the passage of H.R. 2063, which is before us today. It was carefully thought out in committee and is, in my judgment, a bill the House can be proud of.

Mr. Chairman, at this time, I would like to enter into a colloquy with the distinguished chairman of our subcommittee, Mr. ROE.

One of the critical elements in economic development is the training of workers for the jobs that are created by the public investments authorized in this bill. I know that EDA has supported construction of vocational educational facilities both under the regular program and the antirecession local public works program in 1977. I know you are familiar with the excellent program of the Southern California Regional Occupational Center in Torrance—a vocational educational center supported by six school districts, and the problem we had because the school was located in a community that was not eligible for the last local public works program even though the cities that support the facility were. I would like to ask the chairman if there is any intent to preclude regional centers from being eligible for assistance under the bill?

Mr. ROE. The answer to your question is certainly not. Under this bill the city of Torrance is eligible for EDA assistance as are the other cities that send students to this outstanding school. We believe that vocational education is a crucial element in economic development and have consistently supported the use of economic and regional development funds for this purpose. Although we cannot predict unemployment levels and fund allocations will be if and when the standby antirecession jobs program authorized in this bill is activated, we have no intention of making a facility like this ineligible for consideration when a majority of the students come from eligible areas.

Mr. ANDERSON of California. I thank the chairman for clearing up this point.

Mr. ROE. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the Economic Development Administration program is one of the most remarkable tools that the Federal Government possesses to stimulate creation of jobs, to stimulate the development of local economies, and to get this country moving again. It served as that kind of tool in the early 1960's; it has served as that kind of tool during the 1970's, and as we embark on the 1980's this legislation is about to create a whole new thrust, a whole new streamlined program of economic development targeted to the neediest areas of this country by providing an extraordinarily varied economic development tool which will be of use to States, muncipalities, to counties, to multicounty development entities, to provide that broad base of economic development and growth which this country so desperately needs.

The European economies are largely centrally planned economies with programs dictated by a powerful central government. Their economic policy trickles down, but here in this legislation we have, as the late Hubert Humphrey was often so wont to say and so fond of saying, an economic policy that percolates up. It starts in the grassroots, depends on local planning and local initiative, and works it way on up to the Federal Government. It uses those resources without the dictation of the central government.

One of the most flexible features of this economic development program that we have fashioned over the years, and that fashioning and shaping has been the product of the Public Works Committee, and it is this committee that has been the inspiration and has provided the guiding motivation for improvements of this legislation over the years, one of the most flexible tools is title IX of the basic 1965 Public Works and Economic Development Act.

□ 1400

Title IX's special economic development and adjustment assistance program has proved to be a remarkable instrument for responding to unique local problems. One of the local problems that we have throughout this country is changes in Government actions that cause the sudden rise in unemployment and sudden downturns in local economic conditions. Included in the definition of "Government actions" are laws passed by Congress, such as in my own district last year with the passage of the new Boundary Waters Canoe Area law that created a wilderness out of the northern tier of my district, disadvantaged local resorts and businesses and communities, and I think it is fortunate that we have this title IX program available in law to help areas such as ours respond to and ameliorate the problems created by actions of Government, including the laws we pass in Congress.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROE. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Connecticut (Mr. RATCHFORD).

The CHAIRMAN. The Chair will assume that the gentleman from Pennsylvania (Mr. MOORHEAD) yielded back his time to the chairman.

Mr. ROE. No, he did not. He reserved the remainder of his time.

The CHAIRMAN. The chairman does not have but 1 minute remaining.

Mr. HAMMERSCHMIDT. Mr. Chairman, I would be pleased to yield whatever time is needed over there. How much time does the minority leader have left?

The CHAIRMAN. The minority has 36 minutes remaining.

Mr. ROE. Could the gentleman yield some time? We seem to be more loquacious.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 15 minutes to the gentlemen from New Jersey (Mr. ROE).

Mr. ROE. Mr. Chairman, I yield the 3 minutes to the gentleman from Connecticut (Mr. RATCHFORD).

Mr. RATCHFORD. Mr. Chairman, I rise to offer my strong support for the reauthorization of the 1965 Public Works and Economic Development Act because of the critical importance of the programs under this act to the Fifth Congressional District and the entire State of Connecticut.

The Federal financial and developmental assistance provided State and local governments, as well as regional economic development groups, has proven absolutely vital to efforts to induce private industry to locate or remain in economically distressed areas. Assistance rendered has been in the form of grants, loans, loan guarantees, and equally important technical assistance and planning. I would like to take just a few moments, Mr. Chairman, to discuss the economic conditions of my State of Connecticut today and to relay to my colleagues some very important and extremely successful programs which the Economic Development Administration has involved itself within my district.

Recession is an ugly word which bears with it the imminent loss of millions of jobs. During the years of 1973 and 1974, the New England region alone suffered thousands of job losses—and in fact, many of these States had the worst unemployment rates in the country. During these years and leading up to 1978, Connecticut's populations slowed dramatically to less than half of the national average, and its employment growth rate was less than half of the national growth rate. In fact, between 1970 and 1977 Connecticut suffered the worst percentage loss of manufacturing jobs of any State in New England, losing nearly 39,000 jobs.

The unemployment rate for the State of Connecticut has consistently been 1 to 2 percentage points higher than the national average. Illustrative of this are the December 1976 unemployment statistics which would indicate that the national unemployment rate hovered at 7 percent, while the Connecticut unemployment rate was roughly 9 percent. Coupled with a rate of investment in new capital equipment over the same period which was less than half the national average of 82.5 percent, and significantly higher prices paid for commercial and industrial energy. For example, the State in 1976 paid more than twice the national average for gas—the highest in the Nation. Connecticut can amply demonstrate a crying need for economic development assistance.

My district, Mr. Chairman, represents the industrial core of the State of Connecticut. The largest city of Waterbury has the lowest per capita income in the State, while the Naugatuck Valley region has chronically faced an unemployment rate 2 to 3 percent above the State average. The picture was bleak, but with the assistance of the Economic Development Administration efforts were initiated to reverse the economic decline of the entire area. It was concluded at the start that the sharp decline in employment over recent years was not entirely the result of plant relocations, but rather of plant closings. The relocation of many industries in the South or Southwest has certainly led to a net flow of jobs from the Northeast to the Sunbelt, yet economic development efforts must focus on inducing present industry to remain in the area. This task is particularly difficult in this region because so many of our manufacturing firms and their plant facilities are much older than the national average.

The regional development commissions established under this act, as well as other forms of remedial assistance, have contributed to some critical efforts to revitalize the region as a whole and the areas of my district which I have discussed specifically. For example, through the technical assistance and support of the EDA, the Waterbury Office of Economic Development was able to complete just last week a major study aimed at the development of an economic development strategy to reverse the economic decline of the central Naugatuck Valley region. The final plan specifically describes what actions are required, in cooperation with State and Federal support, to allow Waterbury to once again possess a viable economic base, reduce the level of unemployment, and secure a future of strong competition with other areas of New England and the Nation. The study closely examined the area's workforce, facilities, utilities, transportation systems, fiscal status, and the requirements for the development of a regionwide economic development process.

It is this notion of regional coordination, which the EDA has fostered, that has become so important to the growth and stability of the region. For example, the completion of the aforementioned study coincided with the establishment by our Governor Grasso of the Naugatuck Valley Economic Development Advisory Task Force. One of the primary functions of this task force is to solicit and evaluate proposals from area towns for EDA funded economic development projects.

Through such cooperative efforts, Mr. Chairman, I am certain that in the immediate years ahead we can realize real job-creating economic growth not only in the Naugatuck Valley of Connecticut, but in the region as a whole as well. A continued effective local, State, and Federal EDA partnership can achieve such vital goals as:

Assisting industry now physically located in outmoded plants to undertake new capital investments;

Converting older vacant manufacturing space to new manufacturing processes;

Further promote the use of existing and development of new job training programs for the unskilled and semiskilled worker displaced from his long held employment;

Continue the utilization of trade adjustment assistance to enable an industry adversely impacted by imported manufactures to expand its capacity in other areas; and

Encourage further economic diversification for the industry of the region which has traditionally been so dependent on the brass, rubber, metal fabrication, footwear, and defense industries.

The results thus far, Mr. Chairman, have been tangible. With the support of EDA we have experienced the rapid development of industrial parks in Waterbury, Naugatuck, and Shelton and the beginning of industrial development around the Oxford Airport which is so very important to the future economic growth of the Naugatuck Valley region. Though the active participation of EDA in these and many other efforts, I am confident that we will continually be able to attract new industry to the State and the region, and further present efforts to retain present industry. This bill represents both an expansion of present program efforts and a streamlining of many programs and resources of the current EDA system. Particularly as we experience another recessionary cycle, the reauthorization of these economic development programs takes on an absolute critical importance, and I ask my colleagues to join me in supporting this legislation.

Mr. ROE. Mr. Chairman, I yield 3 mintes to the distinguished gentleman from Michigan (Mr. ALBOSTA).

Mr. ALBOSTA. Mr. Chairman, first, I would like to congratulate the chairman of the Subcommittee on Economic Development of the Committee on Public Works and Transportation, the gentleman from New Jersey (Mr. ROE), for the fine work that has been done on this particular bill.

Mr. Chairman, I rise in support of H.R. 2063, the National Economic Development and Public Works Act of 1979, a bill that will extend the life, and expand the functions, of the Economic Development Administration and the regional commissions, including the Upper Great Lakes Commission in my home State, for 2 additional years.

H.R. 2063 also extends for 2 years and amends the title V regional action planning commissions of the Public Works and Economic Development Act of 1965. Under the provisions in this bill, the existing commissions will become known as regional development commissions and the administration has suggested a complete overhaul of the regional development programs.

This bill, for the first time, sets forth the objectives of the commissions against which they may be judged. It makes clear the broad authority the commissions, which function as partners with State and Federal governments, have to address regional development problems which would include either rapid economic growth or decline. Requiring the regional commissions, assisted by the States, substate, and private interests, to participate in the decisionmaking process would result in the improvement of formulating individual plans. Although the secretary will continue to approve the multiyear plan, he would not have to approve the annual investment program or individual projects.

The bill requires the States to make appropriate use of existing State and substate organizations' plans and resources in shaping top regional plans. The President will be authorized to use a senior level White House interagency mechanism to provide administration-wide program support for regional development plans, programs, and growth policy recommendations. Each Federal department and agency will assist the commissions in carrying out these activities through conforming use of their development program and planning authorities. The President, by Executive order, has already authorized the commissions to implement their priorities beyond their individual budgets by working with the interagency group to solve program implementation problems as they arise. This mechanism will allow and encourage commissions to make greater use of existing Federal programs.

Since the beginning of the program, all funds have been allocated to commissions on a formula basis which in itself offers no incentive and little opportunity for program or administrative improvement. In lieu of relying on restrictive regulations, the bill will offer incentive funding as a means of strengthening performance and modernizing commission functions. Use of this fund will not interfere with the commission decisionmaking process in any way.

The bill lists the responsibilities of the Federal cochairman and provides a consultative mechanism by which the secretary can work cooperatively with the Federal cochairman on policy and administrative improvements. The bill provides for incentive funding to commissions for management improvements. It also provides that program funds will flow to the commissions via grants. While the secretary has no role in individual project approval, there is authority to provide policy guidance and to audit commissions and their subgrantees.

The net result would promote a national balanced growth and development policy implemented by public investments through a national system of multistate regional commissions.

Mr. Chairman, although I have restricted my comments to the proposed regional development commissions, I wish to make it clear that I strongly support all four titles contained in H.R. 2063, and urge my colleagues to join with me in voting affirmatively to pass this bill which is designed to provide assistance in areas of high unemployment and underemployment.

☐ 1410

Mr. ROE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from New York (Mr. Nowak), a member of the committee.

Mr. NOWAK. Mr. Chairman, I rise in support of H.R. 2063, a bill to extend for 2 years the Public Works and Economic Development Act, including the title V regional action planning commissions, and the Appalachian Regional Development Act of 1965.

I wish to particularly address my statement to title IV, the local public works program and section 117 of title I, presently identified as title IX, special economic development and adjustment assistance.

Round I and round II of the Local Public Works Capital Development and Investment Act of 1976 resulted in a construction program that completed approximately 6,000 needed improvement projects in communities with high unemployment and provided short-term employment of at least 425,000 person years.

Title IV of this bill is drafted as a standby program to be triggered when the national unemployment rate remains at 6.5 percent for a calendar quarter.

The LPW has a proven track record.

It was designed to create jobs as quickly as possible targeted to local areas of high unemployment.

It achieved that purpose.

It is, I believe, in the best interest of our country, to have a standby LPW program which can be implemented quickly if the unemployment rate reaches the unacceptably high level of 6.5 percent.

This standby public works program would be subject to the appropriations process before being implemented. However, by having the authorization in place, we are much better prepared to expedite funding for this program should the national economic situation warrant its implementation.

In reference to what is presently known as title IX, Mr. Chairman, I insert at this point in the Record, a case study of a highly successful EDA project funded under title IX.

> On August 17, 1977, Bethlehem Steel Company announced that it would immediately begin laying off approximately 3,500 workers in its plant in Lackawanna, New York. Well before that announcement, the Erie County Industrial Development Agency (ECIDA) had been working with EDA to prepare an application for an adjustment planning grant aimed at upgrading the waterfront area and other transportation improvements to encourage industrial diversification and retention of the steel industry in the area. Following Bethlehem Steel's announcement, ECIDA was authorized to expand the application to encompass elements addressing that dislocation specifically.
>
> A $380,000 grant was approved under the Title IX program in September, 1977, and included the following elements:
>
> a. Funding of labor-management councils to improve labor-management communications and assist in the search for industrial improvements in the mutual interest of both labor and management.
>
> b. Funding of a Crisis Management Center to coordinate and manage a referral service for social agency relief, training, job placement, and an information clearinghouse for employees immediately affected by the Bethlehem layoffs.
>
> c. Development of an Adjustment Plan aimed at industrial diversification and stabilization, and at retention of the steel industry in the area.
>
> In May, 1978, the grant was amended to extend the life of the Crisis Management Center and provide additional funds to carry out its work.
>
> Labor-management councils were established, and continue to function at the present time.
>
> The Adjustment Plan was completed in October, 1978; it constitutes the first major comprehensive and coordinated effort at mapping out a strategy both to reverse the long-term determination in the Erie County economy and to offset the consequences of recent major dislocations. The Adjustment Plan calls for a total of $115.7 million in investments over a three year period. Of these, $16 million are sought from a variety of Federal agencies. As a result of the adjustment planning effort, EDA, in June, 1979, approved a $3 million grant to assist in implementation of the Adjustment Plan.

Mr. Chairman, I would like to ask the distinguished chairman of the Economic Development Subcommittee about the types of local public works projects that title I of this bill is intended to fund. For example, in the city of Buffalo, N.Y., we have a highly successful area known as the Thruway Industrial Park. All the currently usable land space is fully occupied by a wide range of light industry tenants. Under the city of Buffalo's master plan for developing this industrial park, a project is pending proposing a $4.5 million drainage construction project. This would open up an additional 300 acres of land for expanding the Thruway Industrial Park to attract new tenants and create additional jobs in the economically distressed Buffalo, N.Y. area. My question, Mr. Chairman, is this proposed industrial park expansion the type of project title I was intended to support.

Mr. ROE. From the gentleman's description, it would certainly appear that this is the type of job-creating project title I is designed to assist.

Mr. NOWAK. I thank the gentleman for his comments.

Mr. ROE. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from West Virginia (Mr. Rahall), a member of the committee.

Mr. RAHALL. Mr. Chairman, I rise in support of H.R. 2063 and support all of the titles contained therein. However, I do wish to address my statement particularly to title III which extends the Appalachian Regional Development Act for 2 additional years. As a member of the Economic Development Subcommittee of the House Committee on Public Works and Transportation, I wish to commend the chairman of the full committee, Congressman Harold T. (Bizz) Johnson, and the distinguished ranking minority member from Ohio, Congressman William H. Harsha for reporting this legislative proposal to this body for consideration without further delay. Moreover, I believe my subcommittee chairman, Bob Roe, and the ranking minority member John Paul Hammerschmidt, together with my colleagues on the subcommittee have earned this body's praise for the timely reporting of this bill, working under an extremely tight time frame.

As a Member of Congress from one of the Appalachian States, West Virginia, I have first-hand knowledge of the valuable programs and assistance the Appalachian Regional Commission has provided for my State. Thanks to ARC, the "island of poverty" that once characterized Appalachia has undergone sweeping changes since Congress created a special commission in 1965 to funnel vital aid to this distressed region.

The transformation is due largely to the rebirth of the coal industry. But ARC, the conduit which Congress created, has contributed much to the economic revival of West Virginia and the dozen other States of Appalachia. As we look back over the life of the program, many signs of positive change are evident in the region. However, while progress has been made, the region still lags behind the Nation; the region remains one of America's largest pockets of poverty—2.7 million of its 19 million inhabitants live in poverty.

Despite improvements in the availability of health facilities and the delivery of health and child development services in many areas of Appalachia, serious health deficits remain. Appalachians continue to be afflicted with high incidence of hepatitis, streptococcus, tuberculosis, measles, and rubella. Parts of Appalachia continue to have infant mortality rates that exceed those for the rest of the Nation. Meanwhile, the region's shortage of physicians and supporting health manpower continues.

In 1970, 13 percent of the Nation's housing units were deficient while over 18 percent of the region's units were deficient. This represents over 1 million Appalachian homes. Over 69 percent of these units lacked one or more plumbing facilities and 32 percent had plumbing, but were overcrowded. This situation still prevails today.

Furthermore, the very features which have given the region its beauty and appeal pose challenges to be met in fostering development while protecting its natural environments.

Appalachia's population is generally more scattered and less concentrated in large urban areas than the national population—60 percent of the Nation lived in large urban areas in 1970, compared to only 30 percent in the region; at the opposite extreme, 45 percent of Appalachia's population lives in dispersed locations, compared to a national average of only 22 percent. In short, Appalachian geography has dictated a pattern of small urban type settlements of under 1,000 people widely scattered along its valleys and streams. Consequently, the usual approaches to the delivery of public services in urban and suburban areas are often not suitable to the region—and more costly when applied there.

The region's rugged, mountainous terrain limits land available for development. Available sites for housing, industrial and commercial facilities are more limited than in most areas of the Nation.

Parts of the region are so isolated that it is difficult to get people to services or services to people.

I feel the Commission is committed to responding to these concerns and is proposing a number of amendments to its authorizing act, which are included in the proposals in H.R. 2063; and I strongly urge my colleagues to join with me in voting to support this bill.

Normally, in previous years, the life of the Commission was extended by enactment of specific legislation and not included as a part of other EDA extension bills. However I am sure my committee colleagues did not regard the Appalachian Regional Commission as being of lesser importance than in the past. But this method served as a matter of expediency. Incidentally, the extension of this program was passed in this body in 1975 by a vote to suspend the rules which resulted in 309 yeas and 88 nays.

The Appalachian Regional Commission programs are initiated by local people to meet local needs who work as copartners with State and Federal governments to address the needs and to improve depressed areas.

Mr. Chairman, I believe that this local input may be a key factor that has made the Appalachian Regional Commission so successful and which has served as a model in providing the infrastructure for our other Regional Commissions to follow.

At this point in the RECORD, I wish to insert the section-by-section analysis of H.R. 2063 as it pertains to title III.

TITLE III

Section 301.—Cites title as ARC Amendments of 1979.

Section 302.—Amends Section 2 of the Appalachian Regional Development Act of 1965 (hereinafter referred to as "the Act") to make clear that ARC funds may be used for investments in emerging small cities, and urban centers, distressed communities, and areas affected by energy development, and to provide for human service needs in remote and hard-to-reach areas of the region.

Section 303.—Amends Section 101 of the Act to require a quorum of State members only for decisions involving Commission policy, allocation of funds among the states and approval of state regional plans or investment programs.

Amends Section 105 of the Act to authorizo the administrative expenses for the two-fiscal-year period ending September 30, 1981, not to exceed $7 million.

Section 304.—Amends Section 106 of the Act to extend authority to lease office space to September 30, 1981.

Amends Section 106 of the Act to authorize a salary for the executive director equal to Salary Rate of ES–6 established for the Senior Executive Service under Title IV of the Civil Service Reform Act of 1978.

Section 305.—Amends Section 201 of the Act to increase authorized mileage to 3,100 and authorize $400 million for fiscal year 1980; $500 million for fiscal year 1981; $550 million for fiscal year 1982; and $550 million for fiscal year 1983 to carry out the highway program. It also increases the maximum Federal share from 70 percent to 80 percent for reimbursement of State pre-financed projects.

Section 306.—Amends Section 202 of the Act to permit child development demonstrations assisted under this section in fiscal year 1979, upon State request, be considered for continued support beyond that period.

In addition, it authorizes the Commission to make direct grants to the States (including grants for reasonable administrative expenses) for innovative projects and demonstrations to help meet human service needs of individuals and families in the region which the Commission determines, after consultation with interested Federal agencies, cannot reasonably be accomplished under other Commission programs and especially in more remote and hard-to-reach areas and areas impacted by energy development. The Federal share of the cost may be as much as 100 percent of the costs of a program component for the first two years and 80 percent thereafter; but no component can be assisted for more than five years.

Section 307.—Amends Section 205 of the Act to permit reclamation of strip mined land owned by public or private nonprofit organizations for housing, industrial, commercial, or other economic development purposes. Presently, reclamation of land owned by private nonprofit organizations is permitted only for public recreation, conservation, community facilities, and public housing.

Section 308.—Amends Section 207 of the Act to broaden low and moderate income housing assistance program by permitting use of ARC funds for reasonable costs of acquiring and developing sites when necessary to the economic feasibility of a construction or rehabilitation project. Presently, only site development (not acquisition) costs and necessary offsite improvement costs may be assisted, but not for more than 25 percent of total housing constructions cost or 25 percent of the value of rehabilitated housing.

Section 309.—Amends Title II of the Act to insert a new Section 209, broadening the commission's authority to make direct grants to the States (including grants for reasonable administrative expenses) for certain business-related activities, notwithstanding the general restrictions on such activities in Section 224(b) of the Act. Provides for consultation with interested Federal agencies. States may use grant funds for: business-related technical assistance; and establishing non-Federal revolving funds for making business, agricultural, and forestry enterprise development loans, with special emphasis on loans furthering development opportunities identified through technical assistance activities under the Act.

Section 310.—Amends Section 214 of the Act to extend definition of grant-in-aid programs eligible for supplementation with ARC funds to include programs authorized on or before October 1, 1982. Presently, only programs authorized on or before December 31, 1978, are eligible.

It also makes clear that the present prohibition on the use of Section 214 funds for highway or road construction applies only to Department of Transportation programs under Title 23, United States Code, and the Appalachian Development Highway and local access road programs under Section 201 of the Appalachian Act. The prohibition does not apply to incidental roadway construction eligible for assistance under other Federal grant-in-aid programs covered by Section 214.

Section 311.—Amends Section 224 of the Act to make clear that the restriction in subsection (b)(2) concerning industrial plants, commercial facilities, machinery, working capital, or other industrial facilities is intended only to prohibit direct subsidization of private business concerns for costs of such facilities or assistance for establishments undertaking work previously performed in other areas. The amendment affirms commission interpretation of the subsection.

Section 312.—Amends Section 401 of the Act to authorize appropriations of $340 million for the two-fiscal-year period ending September 30, 1981, for Appalachian Act programs (other than commission administrative expenses under Section 105 and highways under Section 201 for which separate authorizations are provided). It also limits the amounts that may be obligated in any fiscal year for direct grants by the commission for the purposes of Section 202(f) human service demonstrations, and Section 209 business-related activities to not more than 10 percent of the funds appropriated for commission programs (excepting highways and administrative expenses) for fiscal years 1980 and 1981.

Section 313.—Amends Section 405 of the Act to extend the termination date of the act, except for highway programs, to October 1, 1981.

Mr. ROE. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Tennessee (Mrs. Bouquard).

Mrs. BOUQUARD. Mr. Chairman, I rise in support of H.R. 2063, a bill to extend the Public Works and Economic Development Act. I commend our chairman, the gentleman from New Jersey, for his leadership ability and the staff for their expertise and valuable support. I am especially pleased to see the inclusion of the title 5 regional action planning commissions and the Appalachian Regional Commission in this authorization.

Whereas I support all of the provisions proposed and reported by the Committee on Public Works and Transportation respecting H.R. 2063, I wish to address my comments to title 3, the Appalachian Regional Development Act Amendments of 1979. This title calls for an additional 2 years' authorization of the Appalachian Regional Development Act of 1965.

The highly successful Appalachian Regional Commission, which has existed for the last 14 years, has clearly demonstrated that the Federal Government and the 13-member States can form a partnership that works to assist our citizens who are in need.

Mr. Chairman, we are well aware of the many years of high outmigration of the young people in Appalachia prior to 1965, when the original act was passed. Young people grew up with plans to leave the area because of the limited opportunity of finding jobs and little chance to develop needed technical skills. The Appalachian Regional Commission has succeeded in helping to reverse this trend by investing several million dollars in a regionwide system that developed vocational schools to provide technical training, which resulted in a more desirable area for industries to locate.

During the past 10 years, many parts of the region have experienced an influx of people and the young no longer look to big cities for an opportunity to make a living. As a result of this, the residents of this region now enjoy a life comparable to other areas of our country. The Appalachian Regional Commission has provided many opportunities for these people to acquire very important skills.

In addition to its work in training the residents of this region, the ARC has been very important in seeing that the people receive adequate health care. The ARC has made the funding available for basic health services for these residents through the creation of health care clinics.

It is very important to note that the programs funded by the Appalachian Regional Commission are initiated by the local citizens to meet local needs. I feel that it is imperative that we extend the life of the Commission and I would urge my colleagues to join with me in supporting this legislation.

Mr. ROE. Mr. Chairman, I yield such time as she may consume to the gentlewoman from New York (Ms. Ferraro), a member of the committee.

Ms. FERRARO. Mr. Chairman, I would like to commend Chairman Roe and members of his subcommittee for the diligent work that went into the preparation of H.R. 2063, the Economic Development and Public Works Act of 1979, and to add my wholehearted support for this legislation. A considerable amount of thought, time, and effort went into its drafting, and I feel that the result is a rational and prudent measure which, when enacted, will add greatly to our Government's ability to aid our Nation's cities and industries. The passage of this legislation will not only insure that the valuable assistance provided by the Economic Development Administration will continue, but that it will also be targeted toward providing the specific type of aid that will help keep our economy stable during periods of recession and high unemployment.

Since its creation in 1965, the EDA has consistently provided aid to businesses in our country through its industrial opportunity loan programs, the trade adjustment assistance program, technical and planning assistance, and public works grants. This assistance has been particularly helpful to New York City's efforts to attract and retain businesses and jobs. An example of the importance of this assistance can be seen in the recently established, EDA assisted, revolving loan program to aid businesses in hard-pressed areas of the city obtain and renovate properties for expansion. In addition, EDA helped create a fund to provide assistance for these industrialists to purchase and install security devices to reduce the negative impact of crime and vandalism on their businesses.

Further, it is important to note that EDA provides assistance most often as part of a package involving Federal, State, local, and private resources. This assistance encourages private effort by usually requiring that at least one job be created or saved for each $10,000 provided by EDA. In addition, EDA's increasing use of the business loan program emphasizes the need for businesses to help themselves. Industrialists utilizing EDA funds are given an opportunity to make it on their own—not given a free ride through a Government handout.

I am fully supportive of EDA's efforts to help businesses help themselves and I urge my colleagues to join me in supporting H.R. 2063.

Mr. ROE. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Massachusetts (Mr. Donnelly).

Mr. DONNELLY. Mr. Chairman, I rise in support of H.R. 2063, the National Economic Development and Public Works Act of 1979, a bill that will extend the life, and expand the functions, of the Economic Development Administration and the Appalachian Regional Commission for 2 additional years.

Mr. Chairman, I support all of the titles contained in this bill. However, I wish to direct my colleagues' attention particularly to section 117 of title I—presently identified as title IX, "Special Economic Development and Adjustment Assistance."

In Brockton, Mass., in my congressional district, as a result of an EDA adjustment planning grant under title IX, the community is experiencing a renaissance of economic recovery adjustment that I believe is worthy of our Members' attention at this time .

Mr. Chairman, in August 1978 EDA approved a $170,000 adjustment planning grant under the title IX program for the Old Colony Planning Council, headquartered in Brockton, Mass.

Old Colony Planning Council—OCPC—was an authorized but unfunded Economic Development District that had been serving Bristol, Norfolk, and Plymouth counties for 6 years, at the time the grant was approved. Average unemployment in the area stood at 9 percent. The shoe industry had been a major component of the area's economy since the early 1800's, and had been in a state of decline for the past 25 years. The decline was exacerbated by recent massive footwear imports, and over 1,000 unemployed shoe workers were trade-certified at the time the grant was approved.

Mr. Chairman, OCPC had a highly qualified staff, and had mounted numerous planning, industrial land inventory, industrial marketing, and other development activities. The adjustment planning grant had been awarded because of the large number of shoe industry workers recently dislocated as a consequence of import competition. The point of concern to OCPC was that while the local shoe industry could and should be strengthened, it could not be expected again to employ the large number of workers it had in the past. Furthermore, OCPC wanted to complement its program of "growth from within" based on retention, expansion, and new enterprise formation. It had therefore proposed an unusual form of adjustment planning that focused on specific gaps in the region's overall development program. A number of diverse adjustment planning elements were to be carefully integrated and aimed specifically at alleviating the hardships arising from dislocations in the shoe industry, but were expected to have benefits in terms of strengthening the overall area economic base as well.

The main elements of the OCPC adjustment planning effort are:

Creation of an adjustment coordinating committee as an adjustment input mechanism for labor, management, the unemployed, public officials, and citizens;

Collection of data on unemployed shoe workers, to facilitate directing the benefits of other activity to these workers;

Immediate reemployment opportunities program design, including the design of a community energy/weatherization corporation;

Design of a program to stabilize the local shoe industry, to include a labor-management "shoe industry enhancement team";

Design of a small enterprise stimulation program, to include small business information, training, and incubation components;

Design of a long-term industrial stability program; and

Design of retraining and other service programs for the unemployed, with an emphasis on matching indigenous unemployed with new job opportunities.

This grant is now nearing completion. All project elements have progressed on schedule. A number of innovative approaches to reemployment and the stabilization and expansion of small local enterprise have emerged from this effort, and will be of use as models that can be followed by other areas faced with similar problems and circumstances.

Mr. Chairman, I believe my colleagues will agree that this program is a unique part of the highly successful EDA program, and again I wish to say that I strongly support H.R. 2063 and urge my colleagues to join with me and pass this proposed legislation overwhelmingly.

Mr. NELSON. Mr. Chairman, the $2 billion standby local public works program was started back in the 1974–75 recession as a local public works program administered by the Economic Development Administration with its purpose to help us out of the recession that we were in at the time. We were told that this program was targeted toward projects that were ready to go—money was to be spent right away. To back up their belief that this public works project was different from earlier unsuccessful public works projects, the administration put aside $2 billion for the first year. Of this only about 25 percent was spent in that first year. Most of the actual spending occurred 2 or 3 years later as our economy was expanding.

Now we are coming into phase III of the program with another $2 billion. If we approve this authorization, we will be tying the hands of the President by requiring him to reserve $2 billion in standby authority for an antirecession program that, in fact, becomes an inflationary program. The actual spending usually does not begin until the economy begins to pull out of a recession and is moving into an inflationary cycle. When these projects are triggered during the recession even though funds for long term construction projects are obligated immediately, most outlays are in the second and third year. Throwing more money into an expanding economy just fuels inflation further. It is an economic fact of life—a national countercyclical public works program cannot be triggered and targeted to cyclically distressed areas in a timely manner to compensate for cyclical fluctuations in unemployment and aggregate economic activity.

For example, in the public works impact program, only 27 percent of the jobs that were generated went to the previously unemployed. These wages accounted for less than 7 percent of the total program costs. Generally, the employment opportunities created require a higher skilled type of construction worker, thereby reducing the opportunities for the hardcore unemployed.

Because of the high skill required for most of these projects, local labor resources are insufficient to meet construction labor requirements. Labor bottlenecks have occurred. Under the public works impact program, 62 percent of all jobs were filled by nonarea residents.

During expansion it has been estimated that more than 85 percent of the total person years of employment would be generated during the economic expansion regardless of the existence of a public works program.

I want to be on record in opposition to this program. This money is not in the appropriations bill and I do not see any reason to "reserve" $2 billion just in case the unemployment rate does reach 6.5 percent.

● Mr. CORRADA. Mr. Chairman, I rise in strong support of H.R. 2063, the Public Works and Economic Development Act of 1979.

The bill before us today, if enacted in the form reported by the House Public Works and Transportation Committee, will prove to be a vital ingredient in the national search for weapons with which to fight the twin evils of inflation and recession.

The legislation before us will extend, for 2 more years, the wide variety of economic development programs of the U.S. Department of Commerce and that agency's Economic Development Administration.

Combined with other existing Federal programs, those of EDA, to many, have come to mean jobs for progress. In Puerto Rico, the Federal assistance extended to the island's economy in rounds I and II of the local public works program helped renovate and construct badly needed public facilities all over Puerto Rico.

Our State government, and our local municipalities, still have—on the drawing board—additional projects that are ready to be funded.

In a time of crisis, the business development, grant and loan programs that would be reauthorized by H.R. 2063 will—in future years—be increasingly helpful as our society struggles to achieve true economic progress.

The Subcommittee on Economic Development, headed by Congressman Robert Roe of New Jersey, is to be commended by the significant legislation it has developed in the months of hearings

Of particular importance is the provision to authorize a standby local public works program which will be on the books should the national unemployment rate reach 6.5 percent for any calendar quarter.

The legislation is significant, too, for its continuing endorsement of a wide variety of business development programs which—taken together—constitute a sound endorsement for those believing in the continued economic well-being and future of our country, and certainly that of Puerto Rico.

H.R. 2063 is a prudent, necessary piece of legislation and is a major antirecession tool that deserves the support of all Members concerned with economic development.●

● Mr. HOLLENBECK. Mr. Chairman, I rise in support of the National Public Works and Economic Development Act of 1979. I consider this legislation as crucial for the economy of the governments in New Jersey and I commend the gentleman from New Jersey (Mr. Roe) for his diligence, perseverance, and sponsorship of the bill.

Economic decline and hardship are closely related to downturns in business activity and it is true that in New Jersey the birth rate of new firms is somewhat lower than in other parts of the country. Existing firms have a lower rate of expansion and the predictions of a recession in the near future portends ill for the entire Northeast.

As Treasury Secretary William Miller recently said, the "New England, Middle Atlantic, and East North Central regions are expected to bear the brunt" of such a recession.

This legislation responds to area needs by providing for a major expansion of the Economic Development Administration's efforts to increase business investment in distressed areas. The legislation proposes thoughtful new economic development initiatives.

First, it authorizes equity financing demonstration programs which are vital for new and small growing businesses which in recent years have found it increasingly difficult to raise capital to get started or expand their operations.

It provides for direct loans, loan guarantees, and interest rate subsidies to aid in financing business growth. This will undoubtedly increase the availability of capital and reduce the high costs associated with private investment in distressed areas.

Also, the bill allows the Economic Development Administration to extend its assistance for demonstration programs to employee-owned enterprises. Research has shown that in the absence of Government assistance, financing for employee-owned purchases of businesses has been very difficult to obtain from commercial sources.

And, importantly, it establishes for the first time a comprehensive business development financing program which will generate and maintain jobs in distressed areas by providing financial assistance to businesses to encourage them to remain, expand, or locate in such areas.

I am convinced that a business development financing program is one strategy needed to reverse economic decline in distressed areas by using the private sector. This approach uses only limited public resources to leverage long-term business investment, thus creating permanent, unsubsidized jobs and placing communities on firmer economic footings.

I urge my colleagues to support the basic legislation and ask for their opposition to any amendments which will weaken the bill's impact on those States which need it most.●

● Mr. GILMAN. Mr. Chairman, I rise in

support of H.R. 2063, the National Economic Development and Public Works Act of 1979.

Mr. Chairman, this proposal will set into place a new round of local public works projects which were so important to my congressional district, and, indeed, throughout the Nation, during the last recession. Under this bill, a $2 billion program will be triggered when the national rate of unemployment exceeds 6.5 percent.

In addition, this bill revises and extends the authority of the Economic Development Administration to expand the existing business development financing program to encourage the retention, expansion, and location of private businesses in distressed areas by increasing the availability of capital, and by reducing the high costs associated with private investment in such places.

By fiscal year 1981, $850 million will be available for development financing. Authority is included in this measure to provide direct loans of up to 75 percent of total project costs, guaranteed loans of up to 90 percent, and substantial interest rate subsidies.

H.R. 2063 will provide a needed boost for areas of our Nation that are economically distressed. Accordingly, I urge my colleagues to support this measure.●

● Mr. BIAGGI. Mr. Chairman, I rise in support of H.R. 2063, the National Economic Development and Public Works Act of 1979.

The urgent need for this legislation cannot be overemphasized. Whether this Nation is approaching, or already has entered, a recessionary period is semantical. What is guaranteed to occur is higher unemployment rates. H.R. 2063, in and of itself, will not promote full employment. However, it can provide a shield against severe and chronic levels, or pockets of unemployment in areas of this Nation.

Primarily, the bill provides Federal assistance for economic development projects; defines limits and eligibility requirements for such assistance; and authorizes a $2 billion standby local public works program for periods when the national unemployment rate reaches 6.5 percent.

As New York's ranking member on the House Education and Labor Committee, I am very pleased with the effective manner in which this bill addresses the problem of unemployment. I am especially supportive of provisions authorizing $2 billion for a local public works program whenever the national unemployment rate averages at least 6.5 percent for the most recent calendar quarter. The program would provide Federal grants to State and local governments for the construction, renovation, or improvement of public facilities.

Being familiar with the serious unemployment problems that have plagued New York City over the years, I firmly believe there is a need for rapid implementation of this antirecession measure in the event of a significantly high national unemployment rate. If there are delays enacting the local public works program, the injection of Federal money as an economic stimulus will not be as meaningful. H.R. 2063 addresses this problem by authorizing the program on a standby basis, and requiring a 90-day start-up for eligible projects.

The success of this program has already been clearly proven. During the recession in 1976 and 1977, the local public works program was one of the more effective means of combating high unemployment and keeping small businesses from having to close. Such a program is especially important to a city like New York where out of some 190,000 business firms, 90 percent have 20 or fewer employees and 98 percent have less than 100 employees.

Nationally, some 400,000 small businesses are forced to close each year. Four out of five small companies do not survive their first year and only 20 percent of those small businesses started remain operational after 2 years. During an economic downturn, small business suffers far worse without the necessary assistance. With this in mind, I feel that placing this program on standby is responsible action.

This bill also authorizes $569 million in fiscal year 1980 and $850 million in fiscal year 1981 to improve available credit for firms which remain, expand, or locate in distressed areas. These provisions will substantially assist the redevelopment efforts in areas such as the South Bronx, where Federal assistance has already helped substantially. This legislation would help to further such positive efforts.

Finally, the bill would provide a total of $200 million in fiscal year 1980 and $250 million in fiscal year 1981 for assistance to areas which are adversely affected by military base closings and for the construction and operation of facilities for the production of gasohol and methane.

As one who has contacted President Carter to express concern about the serious and adverse economic impact Department of Defense base closings and mission reductions are having on the Northeast region, I certainly do recognize the need for such provisions. The pattern of declining defense expenditures in the Northeast and Midwest has increased unemployment and other economic problems in those areas.

Increased facilities for the production of gasohol is an extremely important part of our overall effort to become energy independent. Gasohol has proven to be an energy efficient alternative to gasoline. A Department of Energy study has revealed that by increasing gasohol consumption, the United States could reduce its dependence on imported oil. I am very enthusiastic about the potential benefits to be derived from increased production of alcohol fuels. I wholeheartedly support efforts in that regard, as provided for in this bill.

Mr. Chairman, H.R. 2063 is comprehensive legislation dealing with a very complicated issue. At a time when our Nation is faced with serious economic problems, we must be bold in our efforts to combat unemployment and poverty. The legislation before us today would certainly go a long way in that direction. I urge my colleagues to join me in supporting its passage.●

Mr. ROE. Mr. Chairman, we have no more requests for time on this side.

Mr. HAMMERSCHMIDT. Mr. Chairman, I have no further requests for time.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Pursuant to the rule, it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Public Works and Transportation now printed in the bill as an original bill for the purpose of amendment and each title shall be considered as having been read. It shall be in order to consider en bloc the amendments to said substitute printed in the CONGRESSIONAL RECORD of October 25, 1979, by the gentleman from Pennsylvania, Representative MOORHEAD.

The Clerk will designate section 1.

Section 1 reads as follows:

Be it enacted by the Senate and House of Representatives of the Unitcd States of America in Congress assembled, This Act may be cited as the "National Economic Development and Public Works Act of 1979".

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The CHAIRMAN. Are there any amendments to section 1? If not, the Clerk will designate title I. Title I reads as follows:

TITLE I

SEC. 101. This title may be cited as the "Public Works and Economic Development Act Amendments of 1979".

SEC. 102. (a) Section 101(a)(1) of the Public Works and Economic Development Act of 1965 is amended by inserting after "(1) to make direct grants" the following: "(including grants for design, engineering, environmental assessment, and related expenses)".

(b) Section 101(b) of such Act of 1965 is amended to read as follows:

"(b) Subject to subsection (c) hereof, the amount of any direct grant under this section for any project shall not exceed 80 per centum of the cost of such project, except that a project for environmental assessment may receive up to 100 per centum of the cost of such project.".

(c) Section 101(a) of such Act of 1965 is amended by adding at the end thereof the following:

"(3) To make grants to enable eligible applicants to pay 15 per centum of the cost of any private sector economic development or adjustment project which would not be undertaken in an area without such assistance.".

(d) Section 101(a)(1)(C) of such Act of 1965 is amended by striking out "section 202 (b)(10)" and inserting in lieu thereof "subsection (e) of this section".

(e) Section 101 of such Act of 1965 is amended by inserting immediately after subsection (d) the following new subsection:

"(e) No assistance shall be extended under this Act unless there shall be submitted to and approved by the Secretary an overall program for the economic development of the area and a finding by the State, or any agency, instrumentality, or local political subdivision thereof, that the project for which financial assistance is sought is consistent with such program. Nothing in this Act shall authorize financial assistance for any project prohibited by laws of the State or local subdivision in which the project would be located, nor prevent the Secretary from requiring such periodic revisions of previously approved overall economic development programs as he may deem appropriate.".

"(f) Section 105 of such Act of 1965 is amended by adding at the end thereof the following new sentences: "There is authorized to be appropriated to carry out this title not to exceed $700,000,000 for the fiscal year ending September 30, 1980, and $750,000,000 for the fiscal year ending September 30, 1981. Not less than 15 per centum nor more than 35 per centum of appropriations made for the fiscal years ending September 30, 1980, and September 30, 1981, under authority of the preceding sentence shall be expended in redevelopment areas designated as such under section 401(a)(6) of this Act.".

SEC. 103. Sections 201 and 202 of the Public Works and Economic Development Act of 1965 are amended to read as follows:

"TITLE II—DEVELOPMENT FINANCING

"SEC. 201. (a) The Secretary is authorized to make direct loans for eligible projects which are located in an area designated under section 401 of this Act and which are consistent with an approved economic adjustment plan or overall economic development program, as appropriate.

"(b) The Secretary shall make direct loans at an interest rate not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, plus additional charges, if any, toward covering other costs of the programs as the Secretary may determine to be consistent with its purpose. Loans shall not exceed 75 per centum of the aggregate cost to the applicant, excluding all other Federal aid, for all eligible activities.

"(c) Loan assistance under this section shall be on the condition that not less than 15 per centum of the aggregate cost is to be supplied as equity capital or as a loan repayable in no shorter period of time and at no faster an amortization rate than the loan extended under this section is being repaid and if such a loan is secured, its security shall be subordinated to the lien or liens securing the loan extended under this section.

"(d) During any time that any loan made under this section is outstanding, the Secretary is authorized, under regulations prescribed by the Secretary, to take any and all actions determined to be necessary or desirable in dealing with or realizing on loans.

"(e) A direct loan shall only be available if the Secretary determines the project could not be accomplished in the same manner by a guaranteed loan under this title.

"SEC. 202. (a) The Secretary is authorized to guarantee the payment of the principal amount of, and interest on, one or more loans made to finance eligible projects upon application of the maker of such loans. Such guarantee may be for 100 per centum of up to 90 per centum of such loans, including principal and interest, except that no such guarantee shall at any time exceed the guaranteed portion of the amount of the outstanding unpaid balance of such loan including reasonable costs as determined by the Secretary.

"(b) The Secretary shall not guarantee any loan under this section if—

"(1) the rate of interest on either the portion to be guaranteed or the portion not to be guaranteed is determined by the Secretary to be excessive; or

"(2) the interest on the loan is exempt from Federal income tax under section 103 of the Internal Revenue Code of 1954, as amended.

"(c) Guarantees under this section shall only be made for projects which are located in areas designated under section 401 of this Act and which are consistent with an approved economic adjustment plan or overall economic development program, as appropriate.

"(d) The full faith and credit of the United States is pledged to the payment of all guarantees made under this section with respect to both principal and interest, including interest as provided for in the guarantee accruing between the date of default under a guaranteed obligation and the payment in full of the guarantee.

"(e) The Secretary of the Treasury shall approve the interest rate, timing, and other terms and conditions of the financing of guaranteed obligations, except that the Secretary of the Treasury may waive this requirement with respect to the financing of any guaranteed obligation when it is determined that such financing does not have a significant impact on the market for Government and Government-guaranteed securities.

"(f) The Secretary may assess appropriate and reasonable fees and charges to guarantee loans.

"(g) The Secretary of the Treasury is authorized to purchase loan guarantees under this Act through the Federal Financing Bank. This authority may be exercised only if the Secretary determines that an adequate secondary market is not available in the private sector.

"SEC. 203. (a) In the case of any loans guaranteed under this title or any other loan made to finance an eligible project located in an area designated under section 401 of this Act, the Secretary is authorized to contract to pay annually, or at such shorter intervals as the Secretary deems appropriate, for a period not to exceed thirty years, on behalf of the borrower a portion of each interest payment with respect to the principal amount of such loan, except that such interest payments may be made only if—

"(1) the interest on the loan is not exempt from Federal income tax under section 103 of the Internal Revenue Code of 1954, as amended; and

"(2) the loan is not the subject of any other guarantee, interest subsidy, or other form of financial assistance from any other Federal agency, or any State or local government, or any agency, department, or instrumentality thereof.

"(b) In the case of direct loans under section 201, the Secretary is authorized to provide an interest subsidy by reducing the interest rate established in section 201(b) in accordance with section 203(c).

"(c) In no event shall such payments under section 203(a) or reduction of interest under section 203(b) on loans by the Secretary reduce the effective rate of interest payable more than 7 percentage points. In no event shall the rate payable be reduced to a rate lower than 3 per centum per annum.

"SEC. 204. The following activities will be eligible for assistance under this title if they are related to industrial or commercial purposes and will generate or retain private sector employment:

"(1) the purchase or development of land and facilities including, demolition; the construction of new buildings; and the rehabilitation, alteration, conversion, or modernization of occupied or unoccupied buildings;

"(2) the purchase or modernization of machinery or equipment;

"(3) the provision of working capital;

"(4) the payment of debts with respect to which a legally enforceable lien has been obtained to secure the payment of money for the purchase of or improvement to real or personal property or for working capital;

"(5) guaranteeing rental payments of leases for building and equipment, except that no such guarantee shall exceed 90 per centum of the remaining rental payments required by the lease.

"SEC. 205. Assistance under this title shall be on such terms and conditions as the Secretary determines, subject, however, to the following restrictions and limitations:

"(a) Such assistance shall be extended only if the Secretary determines the credit is not otherwise available on terms adequate to achieve the purposes of this title for activities within an area designated under section 401 of this Act.

"(b) Such assistance shall not be extended without the concurrence of the chief elected official or such official's designees responsible for economic development in the area in which the eligible activities will be located, or without a waiver of this concurrence by the Secretary. Such waiver shall only be granted in the case of unavoidable conflicts of interest or through regulations established by the Secretary.

"(c) No loans shall be made or guaranteed unless the Secretary determines through an appropriate method that there is reasonable assurance of repayment.

"(d) No loan or guarantee, including renewals or extensions thereof, may be made under this title for a period exceeding the lesser of thirty years or the expected life of the asset financed. The foregoing restrictions on maturities shall not apply to securities or obligations received by the Secretary as a claimant in bankruptcy or equitable reorganization or as a creditor in other proceedings attendant upon insolvency of the obligor.

"(e) Any guarantee or interest subsidy agreement shall be conclusive evidence of the eligibility of the obligation for such guarantee or interest subsidy, and the validity of any guarantee or interest subsidy agreement shall be incontestable.

"(f) To the extent the Secretary finds such action necessary to encourage financial participation in a particular project by other lenders and investors, and except as otherwise provided in section 201(c) of this title, any Federal financial assistance extended under this title may be repayable only after other loans made in connection with such project have been repaid in full, and the security, if any, for such Federal financial assistance may be subordinate and inferior to the lien or liens securing other loans made in connection with the same project.

"(g) Dollar amount limitations on loans to be guaranteed under this title shall be determined by regulation.

"(h) For any direct or guaranteed loan made under the authority of this title, the Secretary is authorized to enter into arrangements for the servicing, including foreclosure, of such loans or evidences of indebtedness on reasonable terms and protecting the financial interests of the United States.

"SEC. 206. Notwithstanding any other provision of this Act, an applicant located in an area eligible for designation under section 401 of this Act, may receive any assistance under this title, during fiscal years 1980 and 1981, even if such area does not have an overall economic development program approved by the Secretary.

"SEC. 207. (a) There are authorized to be appropriated to carry out the development financing programs of this title, $569,353,000 for the fiscal year ending September 30, 1980; and $850,000,000 for the fiscal year ending September 30, 1981. Not more than 30 per centum of such funds shall be used for working capital loans and guarantees.

"(b) The Secretary is authorized to pay the principal and interest on loans guaranteed under the authority of section 202 of this Act, and there is hereby authorized to be appropriated such amounts as may be necessary for the repayment of principal and interest on loans in default and guaranteed pursuant to section 202 of this Act, to remain available until expended.

"(c) For the fiscal year ending September 30, 1980, the full value of loans guaranteed under section 202 of this title are authorized in an amount not to exceed $1,800,000,000.

For the fiscal year ending September 30, 1981, the full value of loans guaranteed under section 202 of this title are authorized in an amount not to exceed $2,500,000,000.

"SEC. 208. To the extent the Secretary deems it appropriate, consistent with the principles of section 552(b)(4) and section 552b(c)(4) of title 5, United States Code, that portion of any record, material, or data received by the Secretary in connection with any application for financial assistance under this title which contains trade secrets or commercial or financial information regarding the operation or competitive position of any business shall be deemed to be 'privileged or confidential' within the meaning of those sections.".

SEC. 104. Section 203 of the Public Works and Economic Development Act of 1965 is redesignated as section 209 (including any references thereto) and is amended (1) by striking out "section 201" and inserting in lieu thereof "this title", and (2) by striking out "sections 201, 202, and 403," and inserting in lieu thereof "this title and section 403,".

SEC. 105. Section 204 of the Public Works and Economic Development Act of 1965 is redesignated as section 210 (including any references thereto) and subsection (a) of such section is amended to read as follows:

"(a) If a redevelopment area prepares a plan for the redevelopment of the area or a part thereof and submits such plan to the Secretary for his approval and the Secretary approves such plan, the Secretary is authorized to make a grant to such area for non-Federal revolving loan funds for the purposes of carrying out such plan. Such plan may include industrial land assembly, land banking, acquisition of surplus Government property, acquisition of industrial sites including acquisition of abandoned properties with redevelopment potential, real estate development including redevelopment and rehabilitation of historical buildings for industrial and commercial use, rehabilitation and renovation of usable empty factory buildings for industrial and commercial use, and other investments which will accelerate recycling of land and facilities for job creating economic activity. Any such grant shall be made on condition (1) that the area will use such grant to make loans to carry out such plan, (2) the repayment of any loan made by the area from such grant shall be placed by such area in a revolving fund available solely for the making of other loans by the area for the economic redevelopment of the area.".

(b) Subsection (c) of such redesignated section 210 is amended by adding at the end thereof the following new sentence: "There is authorized to be appropriated to carry out this section not to exceed $125,000,000 per fiscal year for the fiscal years ending September 30, 1980, and September 30, 1981.".

SEC. 106. Title II of the Public Works and Economic Development Act of 1965 is amended by adding at the end thereof the following new section:

"SEC. 211. The Secretary is authorized to provide assistance to aid employee ownership plans, including employee stock ownership plans as defined in section 4975(e)(7) of the Internal Revenue Code of 1954 in order to encourage broader employee ownership of businesses. Such assistance may be made available under this title and titles III, IV, and IX of this Act. The Secretary shall issue rules to assure that the interests of participants and beneficiaries in a stock ownership trust established with assistance under this Act shall be adequately safeguarded.".

SEC. 107. Sections 301, 302, and 303 of title III of the Public Works and Economic Development Act of 1965 are amended to read as follows:

"TITLE III—ECONOMIC DEVELOPMENT AND ADJUSTMENT PLANNING ASSISTANCE AND TECHNICAL ASSISTANCE

"SEC. 301. The purpose of this title is to provide assistance to develop public capacities at the State, economic development district, and other substate regional, and local levels, and where appropriate, to develop capacities of the private sector to undertake economic development planning and implementation programs that provide for the coordination of Federal, State, local, and private development actions and investments needed to: ensure the maintenance of healthy economies; aid the rehabilitation of long-term distressed economies and the growth of underdeveloped economies; and respond to severe economic adjustment problems.

"SEC. 302. (a) The Secretary is authorized to extend the following types of assistance:

"(1) General capacity building assistance for—

"(i) States under section 303(a);

"(ii) substate planning and development organizations, including economic development districts under section 303(b);

"(iii) local areas under section 303(c); and

"(iv) Indian tribes under section 303(d).

"(2) Adjustment planning assistance under section 303(e).

"(3) Technical assistance under section 304.

"(b) Appropriate programs and activities supported under section 303(a) through (d)—

"(1) shall be directed toward increasing long-term permanent employment in private sector enterprises, increasing incomes, developing stable private sector oriented economies and strengthening State and local tax bases;

"(2) shall be a continuous process involving public officials and private citizens (including representatives of the business community, the unemployed and underemployed, and the socially and economically disadvantaged individuals) in analyzing local economies, defining development goals and objectives, identifying and assessing options and strategies, and formulating and implementing development programs;

"(3) shall be part of an ongoing comprehensive planning process that relates economic development, physical development, human resource development, and natural resource development goals, policies, strategies, and programs and is integrated with the State or local budgetary and programing system;

"(4) shall produce comprehensive strategies: for use as a guide to public decisionmaking; for public understanding of development goals and programs; and that provide the basis for the coordination of Federal, State, and local actions and investments and for achieving the desired levels and types of private sector investment;

"(5) shall be part of an ongoing intergovernmental process designed to address problems that transcend jurisdictional boundaries and maximize consistency among Federal, multistate regional, State, economic development district, substate regional, and local actions and investments; and

"(6) shall identify the needs for special studies and subarea planning to support strategy implementation and economic adjustment assistance.

"(c) Continued assistance under section 303 shall be predicated upon; the design of a development program appropriate to individual State and local economies and institutional settings within the objectives described in section 302(b); the accomplishment of tasks contained in the development program; and, the implementation of actions and investments consistent with strategies resulting from the program.

"SEC. 303. (a)(1) The Secretary is authorized to make grants to States for the establishment and maintenance of an economic development planning program. The program shall be conducted by the Governor as a part of the State's comprehensive planning process in order to provide policy recommendations and technical support to the planning and budgeting process, consistent with the economic development goals of the State. The State shall provide mechanisms for economic development district and other substate regional and local participation in the State economic development program and shall provide assistance to economic development district and other substate regional and local economic development programs in the provision of data and technical information, program coordination, and staff development. The State program shall work in partnership with multistate regional, economic development district and other substate regional, and local economic development programs to provide a framework for the allocation of Federal and State resources relating to economic development.

"(2) Any overall State economic development plan prepared with assistance under this section shall be prepared cooperatively by the State, its political subdivisions, and the economic development districts located in whole or in part within such State. Upon completion of any such plan, the State shall certify to the Secretary (A) that in the preparation of such State plan, the local and economic development district plans were considered and, to the fullest extent possible, such State plan is consistent with such local and economic development district plans, and (B) that such State plan is consistent, with such local and economic development district plans, or, if such State plan is not consistent with such local and economic development district plans, all of the inconsistencies of the State plan with the local and economic development district plans, and the justification for each of these inconsistencies.

"(b)(1) The Secretary is authorized to make grants to substate regional planning and development organizations including those which cross State boundaries for the establishment and maintenance of economic development programs. Such programs in metropolitan and nonmetropolitan areas shall focus on the formulation of economic development strategies which target Federal and State investments to areas of distress or impending growth, where appropriate. The economic development planning program shall be conducted by the governing board of such organization and shall contribute technical support and policy recommendations in all aspects of the comprehensive planning process. The planning process shall involve local, private, and public interests, including representatives of the business community, the unemployed and underemployed, and socially and economically disadvantaged individuals, and shall provide recommendations to the State economic development program. Such assistance shall support—

"(A) the administrative and program costs of the economic development programs of economic development districts, and

"(B) the planning program costs of economic development strategies formulated by substate planning and development organizations which are not economic development districts.

"(2) In addition, the Secretary is authorized to assist economic development districts in—

"(A) providing technical assistance (other than by grant) to local governments within the district; and

"(B) carrying out any review procedure required pursuant to title IV of the Intergovernmental Cooperation Act of 1968, if such district has been designated as the agency to conduct such review.

"(c) The Secretary is authorized to make grants to general purpose units of local government for the establishment and maintenance of an economic development planning program. The economic development planning program shall be conducted by the chief elected official as a part of a comprehensive planning process in order to provide policy recommendations and technical support to the planning and budgeting process, consistent with the economic development goals of the locality. The planning program shall provide for the participation of neighborhood development groups and private sector involvement in the planning process, shall address the local government's ability to implement program recommendations, and shall provide recommendations to the substate regional and State economic development programs.

"(d) The Secretary is authorized to make grants to Indian tribes to plan and administer an economic development program. The Secretary shall prescribe regulations to ensure that the planning program supported under this subsection is properly coordinated with planning programs supported on Indian reservations under other legislation.

"(e) The Secretary is authorized to make grants to multistate organizations, States, Indian tribes, political subdivisions of States, economic development districts, and other substate planning and development organizations, and area or local private nonprofit organization which are representative of the area or locality to help defray reasonable costs associated with such organizations for adjustment planning, the preparation of an impact assessment or an economic adjustment plan, and administrative expenses incurred in connection with the overall area coordination and management of adjustment planning. Adjustment planning shall be coordinated with an area's or locality's comprehensive development strategy where such a strategy exists.

"Sec. 304. (a) The Secretary is authorized to provide technical assistance to any eligible applicant as defined in subection (d) of this section. Such assistance may include project planning and feasibility studies, management and operational assistance, management training, studies evaluating the need and potential for economic development and growth, industrial analyses and productivity studies relating to particular industries, and environmental impact analyses and other studies required in connection with projects financed under this Act.

"(b) Such assistance may be provided by the Secretary through members of the Secretary's staff, through the payment of funds authorized for this section to other departments or agencies of the Federal Government, through the employment of private individuals, partnerships, firms, corporations, or other suitable institutions, under contracts entered into for such purposes, or through grants.

"(c) The Secretary may require the repayment of assistance provided under this section and prescribe the terms and conditions for such repayment.

"(d) Eligible applicants for assistance under this section are multistate organizations, States, Indian tribes, political subdivisions of States, substate planing and development organizations, area or local private nonprofit organizations, individuals, partnerships, firms, corporations, or other appropriate entities.

"Sec. 305. (a) Plans and strategies prepared with assistance under this title shall be submitted to the Secretary for approval. If approved by the Secretary, these plans and strategies shall fulfill the economic development planning requirements of this legislation. In addition, the Secretary shall work with other Federal departments and agencies to develop mutually acceptable plans that fulfill the planning requirements of such Federal departments and agencies and this legislation.

"(b) Such plans and strategies shall be in such forms as may be used by State and local governments and be used by them as the foundation for economic development investment decisions in the areas covered by the plans and strategies.

"Sec. 306. (a) In providing assistance under sections 303 (a) through (d) and 304, the Secretary shall give priority to applicants from areas designated under section 401 of this Act.

"(b) The amount of any grant under this title may not exceed 80 per centum of the eligible costs, except that grants for Indian tribes and grants for environmental impact analyses may be for up to 100 per centum of eligible costs:

"(1) The Secretary may waive the 20 per centum non-Federal share requirement in exceptional cases of need.

"(2) In determining the non-Federal share, the Secretary shall include cash and contributions in kind, fairly evaluated, including but not limited to, space, equipment, and services.

"Sec. 307. There are hereby authorized to be appropriated to carry out sections 301 through 306 of this title $100,000,000 per fiscal year for the fiscal years ending September 30, 1980, and September 30, 1981, except that not more than $45,000,000 per fiscal year may be expended for the purposes of section 303 of this title.".

Sec. 108. (a) Existing section 304 of the Public Works and Economic Development Act of 1965, including any references thereto, is renumbered as section 308 and is amended by adding at the end thereof the following new subsection:

"(f) Where an economic development district exists, a grant for a project made by a State from funds apportioned to it under tihs section shall be made only if such project is in conformance with the development plan of the economic development district.".

(b) The first sentence of subsection (a) of such renumbered section 308 is amended by striking out "and September 30, 1979," and inserting in lieu thereof "September 30, 1979, September 30, 1980, and September 30, 1981.".

(c) (1) The second sentence of subsection (b) of such renumbered section 308 is amended to read as follows: "Funds apportioned to a State under subsection (a) shall be obligated by such State during the fiscal year for which apportioned and any amounts not obligated by such State shall revert to the Secretary for use under title I of this Act, except that any State may have an unobligated balance of apportioned funds under this section of not to exceed $100,000, without regard to the fiscal years for which such funds were apportioned."

(2) The amendment made by this subsection shall take effect October 1, 1979.

(d) The first sentence of subsection (d) of such renumbered section 308 is amended by striking out "the Secretary of Commerce" and inserting in lieu thereof "the State", and by striking out "of this Act" and inserting in lieu thereof "of Federal law".

Sec. 109. Title III of the Public Works and Economic Development Act of 1965 is further amended by adding at the end thereof the following:

"Sec. 309. (a) The Secretary is authorized to conduct programs of evaluation and program analysis to—

"(1) assist in determining the causes of unemployment, underemployment, severe economic adjustment problems, and chronic distress in areas and regions of the United States;

"(2) assist in formulating, implementing, or improving programs at the National, State, regional, or local levels which are designed to raise income levels, increase employment in private firms, assist depressed industry sectors, or otherwise promote economic development or adjustment.

"(b) The Secretary is authorized to conduct any demonstration program which the Secretary determines is designed to foster regional productivity and growth, prevent outmigration, alleviate problems of economic distress, assist depressed industry sectors, broaden the economic base, or otherwise carry out the purposes of this Act, including a program in equity financing for the purpose of promoting economic development in distressed areas.

"(1) Such demonstration programs may include programs which are intended to test the feasibility of new and innovative approaches which hold promise for general solutions to problems of economic distress in areas and regions of the United States.

"(2) In extending assistance for a demonstration program, eligible activities include any form of assistance authorized under any of the titles of this Act or any other activity, including assistance for employee stock ownership trusts, which demonstrably furthers the objectives of the Act.

"(c) The Secretary is authorized to provide personnel to conduct such programs.

"(d) The Secretary is authorized to provide assistance under this title—

"(1) in areas designated under section 401 of this Act; and

"(2) in other areas which the Secretary determines have a substantial need for such assistance.

"Sec. 310. Programs authorized by section 309 of this title may be carried out by the Secretary acting through the staff of the Department; in cooperation with or by the provision of funding to other departments or agencies of the Federal Government; or through any form of assistance authorized by this Act to multistate organizations, State and local agencies, profit or nonprofit corporations, institutions or other associations, partnerships or persons, whether public or private.

"Sec. 311. There are hereby authorized to be appropriated to carry out sections 309 and 310 of this title $20,000,000 for the fiscal year ending September 30, 1980 and $50,000,000 for the fiscal year ending September 30, 1981.

"Sec. 312. (a) The Secretary shall conduct a study of the long-term economic effects in the area which consists of Dauphin, Cumberland, York, Lancaster, and Lebanon Counties, Pennsylvania, of the accident which began March 28, 1979, at the Three Mile Island Nuclear Power Plant. Such study shall include, but not be limited to, the effects of such accident on retail sales, income derived from tourism, property values, revenues derived from rental property, expenditures and tax revenues of local governments, and decisions of businesses on whether or not to locate in such area.

"(b) Not later than February 1, 1980, and every six months after such date, the Secretary shall submit to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate a report on the status and results of the study being conducted under subsection (a) of this section and the Secretary's recommendation's, if any, concerning administrative or legislative action which should be taken concerning the economic effects of the accident referred to in such subsection. The first such report shall also include a summary of the manner in which such study is being conducted.

"(c) There are hereby authorized to be appropriated to carry out this section not to exceed $200,000 per fiscal year for each fiscal year beginning after September 30, 1979.".

Sec. 110. Section 401 of the Public Works and Economic Development Act of 1965 is amended by adding at the end thereof the following new subsection:

"(f) In addition to designation of redevelopment areas under the preceding subsections, upon the application of any area which meets criteria established by the Secretary by regulation and which has an overall economic development program approved by the Secretary or which is located in an economic development district with such a program, the Secretary is authorized to designate—

"(1) A developed area suffering chronic economic distress, an area with persistent underdevelopment, or an area exhibiting incipient decline or short-term economic distress as a redevelopment area. Such area shall be eligible for all forms of assistance authorized by this Act. In order to be designated, an area must meet one of the following criteria:

"(A) have a per capita income of 80 per centum or less of the national per capita income rate as determined by statistics from the Department of Commerce;

"(B) for the most recent four-calendar-year period for which statistics are available from the Department of Labor, suffer an average unemployment rate above the national average unemployment rate;

"(C) for the most recent twenty-four-month period for which statistics are available from the Department of Labor, suffer an average unemployment rate at least 1 per centum above the national average unemployment rate, and suffer an average unemployment rate for the same twenty-four-month period of at least 7½ per centum;

"(D) net employment loss for the most recent four-year period for which statistics are available from the Secretary of Labor;

"(E) the percentage of population living in poverty exceeds 16½ per centum of the area's population for the most recent year for which statistics are available; or

"(F) in the case of a local government which encompasses, or is within, a standard metropolitan statistical area or central city for which current population surveys were used to determine annual unemployment rates before January 1, 1978, the Secretary of Labor, for the purposes of paragraphs (B), (C) and (D) of this subsection, shall determine or assign the unemployment rates for such government calculated by the current population survey methodology, if such rates are higher than rates determined or assigned by the Secretary of Labor for that government for the appropriate six-month periods without applying the current population survey methodology. This methodology shall be used until such time as the Secretary of Labor determines that current population survey data is available for use on a satisfactory basis for such areas and the remaining area of each State.

"(2)(i) An area as a pocket of distress if such area has severe economic distress as indicated by the criteria of paragraph (1) (A), (B), (C), (D) or (E) of this subsection but the appropriate Department of Labor or Department of Commerce statistics are not available or, in areas of extreme need, such area does not otherwise meet the definition of area established by the Secretary by regulation. An area requesting designation as a pocket of distress shall submit the statistical information on which it relies for qualification to the Secretary. The designation of an area which is defined without regard to political boundaries shall be requested by the chief executive officer or the officer's designee of the political subdivision(s) within which it is contained. The Secretary shall evaluate the accuracy and reliability of such statistics and shall determine if such statistics qualify the area for designation. A pocket of distress is eligible for all forms of assistance under this Act.

"(ii) Notwithstanding any other provision of this Act, the Secretary shall have the authority to waive or modify the overall economic development program requirement for pockets of distress in circumstances where the capacity of the area and the nature of the assistance sought make the requirement inappropriate.

"(3)(i) Any area which has a per capita income in excess of 125 per centum of its group average national per capita income is not eligible for designation under the criteria of clause (B), (C), or (D) of paragraph (1) and under paragraph (2).

"(ii) A project may not be located in any community which is in a designated area and which has a per capita income in excess of 125 per centum of its group average national per capita income, except where the area's overall economic development program specifically sets forth the proposed project and the project will have substantial benefits to the unemployed and underemployed of the area.

"(iii) The percentage of its group average national per capita income used to limit designations in clause (i) shall, for local governments in the States of Alaska and Hawaii, be increased by the average State percentage of basic pay which civilian employees of the United States Government receive as an allowance under section 5941 of title 5, United States Code. Such average State percentage shall be determined for the most recently completed calendar year for which data are available based on data provided by the Office of Personnel Management and reported to the Secretary.

"(iv) Any area which has for the most recent five-year period for which statistics are available an employment growth rate exceeding 200 per centum of the national employment growth rate is not eligible for designation under the criteria of clause (B), (C), or (E) of paragraph (1) or under the criteria of paragraph (2), unless the area's average unemployment rate for that five-year period exceeds 175 per centum of the national average unemployment rate for that period.

"(4) A project may not be located in a nonqualified balance of central county area in a redevelopment area unless the Secretary determines that such project shall provide substantial direct benefits to the population of the qualified areas within such counties.

"(5) An area presently identified by the Community Services Administration as an urban or rural special impact area under the provisions of part A of title VII of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2981). Such an area shall be eligible for all forms of assistance authorized by this act.

"(6) An area in which the majority of the families are living in poverty, as defined by the Community Services Administration guidelines (45 CFR 1060.2 attachment A). Such an area shall be eligible for all forms of assistance authorized by this act.

"(g) As used in subsection (f) of this section, the term—

"(1) 'area' means any political jurisdiction or group of political jurisdictions, or any community or neighborhood defined without regard to political or other type of boundary, that meets criteria established by the Secretary;

"(2) 'balance of central county area' means the area of the central county of a metropolitan area excluding that county's central city and the other separately qualified areas within the county;

"(3) 'group average national per capita income' when used to limit eligibility under section 401(f) of this Act means the separately computed national per capita incomes for standard metropolitan statistical areas and for areas outside standard metropolitan statistical areas;

"(4) 'impact assessment' means a document that identifies the magnitude and specific impacts of an economic adjustment problem; and

"(5) 'pocket of distress' means an area designated by the Secretary under the criteria of section 401(f) of this Act.".

SEC. 111. (a) The last sentence of subsection (d) of section 401 of the Public Works and Economic Development Act of 1965 is hereby repealed.

(b) Section 402 of such Act of 1965 is amended to read as follows:

"LOSS OF DESIGNATION

"SEC. 402. No redevelopment area and no economic development district, designated as such by the Secretary under this Act shall have such designation terminated or otherwise modified so as to lose such designation.".

(c) Section 403(g) of such Act of 1965 is amended by striking out "and September 30, 1979" and inserting in lieu thereof "September 30, 1979, September 30, 1980, and September 30, 1981,".

(d) Section 404 of such Act of 1965 is amended by striking out "and September 30, 1979" and inserting in lieu thereof "September 30, 1979, September 30, 1980, and September 30, 1981,".

(e) Title IV of such Act of 1965 is further amended by adding at the end thereof the following:

"REGULATIONS ESTABLISHING CRITERIA ON DEFENSE DEPENDENCY

"SEC. 406. Not later than September 30, 1980, the Secretary, after consulting the Commissioner of Labor Statistics, the Secretary of Defense, the Director of the Census, and the Director of the United States Arms Control and Disarmament Agency and after conducting research and studies, shall issue regulations establishing, for the purpose of this Act, criteria on the basis of which the Secretary can determine whether the economic well-being of a redevelopment area is significantly dependent on one or more defense contracts. In issuing such regulations, the Secretary shall consider, among others, the following factors:

"(1)(A) The number of persons who, during any calendar year, reside in the area and are directly employed in connection with any defense contract.

"(B) The number of persons who, during such calendar year, reside in the area and are indirectly employed in connection with any defense contract.

"(C) The ratio of the number of persons described in subparagraphs (A) and (B) of this paragraph to the total number of persons who, during such calendar year, reside in the area and are employed.

"(2)(A) The total amount of compensation paid persons described in paragraph (1) (A) of this section during the calendar year referred to in such paragraph.

"(B) The ratio of such total amount to the total amount of compensation paid all persons who, during such calendar year, reside in the area.

"(3)(A) The total amount of local property taxes which, during any year, is paid with respect to real property used in the area in connection with a defense contract.

"(B) The ratio of such total amount to the total amount of local property taxes which, during such year, is paid with respect to all real property in the area.

If, on the basis of these regulations, the Secretary determines that the economic well-being of a redevelopment area is significantly dependent on one or more defense contracts, the Secretary shall assist such defense-dependent redevelopment area, including any community within such area, in diversifying its economy through assistance under this Act.".

SEC. 112. (a) Subsection (a) of section 601 of the Public Works and Economic Development Act of 1965 is amended to read as follows:

"(a)(1) The Secretary shall administer this Act. An Under Secretary for Economic Development shall be appointed by the President by and with the advice and consent of the Senate and shall be compensated at the rate provided for level III of the Federal Executive Salary Schedule. Such Under Secretary shall perform such functions as the Secretary may prescribe.

"(2) Paragraph (4) of section 5314 of title 5, United States Code, is amended by adding '(2)' after 'Under Secretary of Commerce.' ".

(b) Paragraph (120) of section 5316 of title 5, United States Code is hereby repealed.

SEC. 113. Section 604 of the Public Works and Economic Development Act of 1965 is hereby repealed.

SEC. 114. (a) Section 701(5) of the Public Works and Economic Development Act of 1965 is amended by inserting immediately after "(5)" the following: "notwithstanding section 205 of this Act,".

(b) Section 701(8) of such Act of 1965 is amended by striking out "in sections 201, 202, 301, 403, and 503 of" and inserting in lieu thereof "by".

(c) Section 701 of such Act of 1965 is further amended by redesignating paragraph (12) as paragraph (13) and inserting immediately after paragraph (11) the following:

"(12) in making grants, retain an amount not to exceed 10 per centum of the grant until the recipient provides assurances satisfactory to the Secretary that the project meets all the requirements imposed pursuant to this Act;"

(d) Section 702 of such Act of 1965 is amended by adding at the end thereof the following: "Financial assistance may be provided, however, in those instances where the project is located in an economically distressed geographical area and when modernization of productive services or facilities is essential for the retention of existing employment in that area."

(e) Section 703 of such Act of 1965 is hereby repealed.

(f) Subsections (a), (b), (c), and (d) of section 704 are hereby repealed.

(g) Section 706 of such Act of 1965 is amended by striking out "and American Samoa." and inserting in lieu thereof "American Samoa, and the Commonwealth of the Northern Mariana Islands.".

(h) Section 707 of such Act of 1965 is amended to read as follows:

"ANNUAL REPORT

"SEC. 707. The Secretary shall make a comprehensive and detailed report to the Congress of the operations of this Act, including assistance authorized by section 211, for each fiscal year beginning with the fiscal year ending September 30, 1981. Such report shall be printed and shall be transmitted to the Congress not later than April 1 of the year following the fiscal year with respect to which such report is made.".

(i) Section 710(a) of such Act of 1965 is amended by striking out "section 101, 201, 202, or 403" and inserting in lieu thereof "this Act".

(j) Section 711 of such Act of 1965 is amended by striking out "section 101, 201, 202, or 403" and inserting in lieu thereof "this Act".

(k) Section 706 of such Act of 1965 is further amended by inserting immediately after "this Act," the following: "(other than title V),".

SEC. 115. Title VII of the Public Works and Economic Development Act of 1965 is amended by adding at the end thereof the following new section:

"NONRELOCATION

"SEC. 717. Financial assistance under this Act shall not be extended to assist establishments relocating from one area to another or to assist subcontractors whose purpose is to divest, or whose economic success is dependent upon divesting, other contractors or subcontractor of contracts theretofore customarily performed by them. Such limitations shall not be construed to prohibit assistance which allows the expansion of an existing business entity through the establishment of a new branch, affiliate, or subsidiary of such entity if the Secretary finds that the establishment of such branch, affiliate, or subsidiary will not result in an increase in unemployment in the area of original location or in any other area where such entity conducts business operations, unless the Secretary has reason to believe that such branch, affiliate, or subsidiary is being established with the intention of closing down a substantial portion of the operations of the existing business entity in the area of its original location or in any other area which it conducts such operations."

SEC. 116. Titles VIII and X of the Public Works and Economic Development Act of 1965 are hereby repealed.

SEC. 117. (a) Section 901 of the Public Works and Economic Development Act of 1965 is amended by inserting immediately after "Federal Government" the following: "(including, but not limited to, military base closings, curtailments or reductions)".

(b) Section 903(a)(1) of such Act of 1965 (42 U.S.C. 3243(a)(1)) is amended by inserting immediately after "relocation of individuals and businesses," the following: "construction and operation of facilities for the production of gasohol and of methane,".

(c) Section 903(a)(1) of such Act of 1965 is further amended by striking out "or (B)" and inserting in lieu thereof the following: "(B) which the Secretary determines has experienced, or may reasonably be foreseen to be about to experience, sudden major economic changes beyond the ability of the area to correct, including, but not limited to, the establishment of a major defense installation, or (C)".

(d) Section 905 of such Act of 1965 is amended by adding at the end thereof the following: "There is authorized to be appropriated to carry out this title $200,000,000 for the fiscal year ending September 30, 1980, and $250,000,000 for the fiscal year ending September 30, 1981. Not to exceed $100,000,000 per fiscal year of the funds authorized to carry out this title for the fiscal years ending on September 30, 1980, and September 30, 1981, shall be expended for making grants and loans for construction and operation of facilities for the production of gasohol and of methane.".

AMENDMENT OFFERED BY MR. CLAUSEN

Mr. CLAUSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLAUSEN: Page 42, line 5, strike out "and the Commonwealth of" and insert in lieu thereof "the Trust Territory of the Pacific Islands, and the Commonwealth of".

Mr. CLAUSEN. Mr. Chairman, I have discussed this matter with the chairman of the committee and the ranking minority member.

Mr. Chairman, under the 1947 U.N. Trusteeship Agreement, the United States is obligated to promote political, social and economic advancement in the Trust Territory of the Pacific Islands, commonly known as Micronesia. In discharging this responsibility, it has been common practice to allow the Micronesians to participate in most Federal grant-in-aid programs. For example, the trust territory was eligible and did participate in the Local Public Works Employment Act which was administered by EDA. In fact, I was surprised to learn that the trust territory has not already been incorporated into the Public Works and Economic Development Act of 1965. My amendment merely corrects this oversight, making the trust territory eligible for EDA programs on the same basis as other U.S. offshore areas.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. CLAUSEN. I yield to the gentleman from New Jersey.

Mr. ROE. Mr. Chairman, I thank the distinguished gentleman from California for yielding.

Mr. Chairman, we have analyzed this amendment. We think it is totally fitting and acceptable in the bill. We have no objections on this side to the acceptance of the amendment.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. CLAUSEN. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, the minority has met with the majority on this matter. We have had a caucus on this amendment, we are in full agreement, and we accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. CLAUSEN).

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. MOORHEAD OF PENNSYLVANIA

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, pursuant to the rule, I offer en bloc a series of amendments, which are at the desk.

The Clerk read as follows:

Amendments offered by Mr. MOORHEAD of Pennsylvania: Page 10, strike out lines 3 and 4 and insert in lieu thereof the following:

"(f) The Secretary shall assess a fee of not less than one-quarter of 1 per centum of the amount of each guarantee to cover administrative and other costs of the loan guarantee program under this section.

Page 10, line 15, strike out "thirty years" and insert in lieu thereof "ten years".

Page 11, line 11, strike out "3 per centum" and insert in lieu thereof "4 per centum".

Page 13, line 8, strike out the period and insert in lieu thereof a comma and the following: "or to an extension of the maturity of any loan or guarantee made under this title, beyond the periods stated in such loan, guarantee, or debt or in this title, for an additional period of not to exceed ten years, if such extension will aid in the orderly liquidation of such loan, guarantee, or debt.".

Page 12, line 12, strike out "(a)" and insert "(1)".

Page 12, line 16, strike out "(b)" and insert "(2)".

Page 12, line 23, strike out "(c)" and insert "(3)".

Page 13, line 1, strike out "(d)" and insert "(4)".

Page 13, line 9, strike out "(e)" and insert "(5)".

Page 13, line 14, strike out "(f)" and insert "(6)".

Page 13, strike out lines 24 and 25 and insert in lieu thereof the following:

"(7)(A) With respect to loans guaranteed under section 202 of this title, the total principal amount of guaranteed loans outstanding in any fiscal year for any one firm may not exceed $20,000,000.

"(B) With respect to direct loans made under section 201 of this title, the total principal amount of direct loans outstanding in any fiscal year for any one firm may not exceed $10,000,000.

"(C) Direct loans under section 201 of this title and guaranteed loans under section 202 of this title shall not be made for projects involving firms which had assets in excess of $50,000,000 in their most recent fiscal year.

"(D) Not more than 15 per centum of the aggregate principal amount of loans which may be made or guaranteed in any fiscal year may be made without regard to the limitations of subparagraphs (A), (B), and (C) of this paragraph, except that the aggregate principal amount of loans which may be made or guaranteed to any one firm may not exceed $50,000,000.

"(E) Not more than 30 per centum of the aggregate principal amount of loans which may be made or guaranteed in any fiscal year may be used to provide working capital."

Page 14, line 1, strike out "(h)" and insert "(8)".

Mr. MOORHEAD of Pennsylvania (during the reading). Mr. Chairman, these amendments have already been printed in the CONGRESSIONAL RECORD of October 25, 1979, and, therefore, I ask unanimous consent that they be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I believe that these amendments, though significant, should be noncontroversial. They reflect the work of the Banking Committee—particularly the Subcommittee on Economic Stabilization, of which I am chairman—on this and related bills, and they have been agreed to by the Public Works Committee.

The most important of these amendments imposes size-of-loan and size-of-firm limitations on the vastly expanded EDA credit assistance tools. The aim is to make sure that the credit goes where it is needed and where the result will be the most new jobs—that is, to middle-sized and smaller firms who cannot float bonds in the bond market and who do not have ready access to other long-term lenders such as insurance companies.

The basic limits are $20 million in loan guarantee to any one firm, $10 million in direct loans and no loan or guarantee to any firm with assets of more than $50 million. There is an exception to these limits for up to 15 percent of the total amount authorized for loans and loan guarantees to permit somewhat larger loans, but in no case could any loan be larger than $50 million. For the first year, the exception would make possible as much as $300 million in loans larger than the basic limits, which is a desirable degree of flexibility, chiefly to help save jobs in cases where a larger firm has reasonable long-term prospects of success but might have to shut down without Government credit assistance. But I repeat that in no case could a loan be larger than $50 million, so that $1.8 billion in loan guarantee authority in the bill would not all be used up in a few large loans.

Two of the amendments tighten somewhat the new credit tool of interest subsidies, which EDA has not used before and intends to use only in a limited number of cases where the subsidy will make the crucial difference in permitting an investment to go forward. The amendments require that the subsidy can apply to no more than 10 years of the loan, and that the borrower must pay a floor interest rate himself of at least 4 percent. The interest subsidy itself is limited to 7 percentage points.

The fourth amendment imposes a requirement of a loan guarantee fee of at least one-half of 1 percent. The final amendment is largely technical, permitting an extension of these loans where such an extension would help the Government recover its money in case a firm defaults or goes into bankruptcy.

Mr. Chairman, I believe that these amendments improve the program, and I urge their adoption.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I am delighted to yield to the distinguished chairman of the subcommittee.

Mr. ROE. Mr. Chairman, we want to thank the gentleman from Pennsylvania (Mr. MOORHEAD) for his excellent contribution to the efforts of our Subcommittee on Economic Development of the Committee on Public Works and Transportation.

As to the amendments the gentleman has offered en bloc, we have reviewed them in depth. These amendments make an improvement to our legislative process, and as far as the majority is concerned, we agree to accept the amendments as printed and as offered by the gentleman from Pennsylvania.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I thank the gentleman from New Jersey (Mr. ROE).

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I yield to my good friend, the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, we have carefully gone over the amendments offered en bloc by the distinguished gentleman from Pennsylvania (Mr. MOORHEAD), and this side accepts those amendments as offered.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I do not intend to talk myself out of my good position, so I call for the question on the amendments and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Pennsylvania (Mr. MOORHEAD).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. HARSHA

Mr. HARSHA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARSHA: Page 17, line 5, strike out "section" and insert in lieu thereof "sections".

Page 17, line 15, strike out the quotation mark and the last period.

Page 17, after line 15, insert the following:

"SEC. 212. Notwithstanding any other provision of this title, in order to permit the orderly phase-out of the special Economic Development Administration steel loan guarantee program, no limitation or other restriction contained in this title relating to the amount of a loan, or loan guarantee, or the size of a firm, shall be applicable during fiscal years 1980 and 1981 to any loan guaranteed under such steel loan guarantee program, except that the aggregate amount of all such guarantees during such fiscal years shall not exceed $160,000,000.".

Mr. HARSHA. Mr. Chairman, I offer this amendment to insulate the two remaining loan guarantees under the special steel loan guarantee program from the amendment offered by the gentleman from Pennsylvania (Mr. MOORHEAD) limiting the size of loans and guarantees.

In January of 1978, the administration proposed a $550 million loan guarantee program for rehabilitation of domestic steel mills. This program was aimed at providing incentives for plant and equipment modernization, and was aimed at medium-size firms engaged in raw steel manufacturing. The funds came from the repayment of loans to the revolving loan program, under section 203 of the act; $100 million was allocated, which was leveraged to $550 million in 90-percent loan guarantees. To date, six guarantees have been awarded, totaling $364 million. The program expired October 1, with two loans still being processed. These two loan guarantees are for $100 million for modernization of a steel mill in Youngstown, Ohio, and $60 million modernization of a coke plant for McLouth Steel Co. of Detroit, Mich. These loan guarantees are meritorious and deserve the attention and time the other applications have received.

If the limitation on the size of loan guarantees goes into effect before the two loan guarantees are made, then the guarantees could not be made.

The amendment I have proposed does not increase the authorization by one penny. It merely allows the processing of paper to proceed at its pace, without encumbering this steel loan guarantee program with a legislative mandate on the overall loan program.

I urge adoption of this amendment.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. HARSHA. I am happy to yield to the distinguished chairman of the subcommittee.

Mr. ROE. Mr. Chairman, the majority has reviewed in depth the text and the intent of the Harsha amendment. We feel that it is in order, and we have no objection to the amendment from this side of the aisle.

Mr. HARSHA. Mr. Chairman, I thank the distinguished chairman of the subcommittee.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. HARSHA. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, I have, of course, been over this amendment with our ranking minority member. We are very familiar with the amendment, and we have no objection to it.

Mr. HARSHA. Mr. Chairman, I thank the gentleman from Arkansas (Mr. HAMMERSCHMIDT).

Mr. MILLER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HARSHA. I yield to the gentleman from Ohio.

Mr. MILLER of Ohio. Mr. Chairman, I rise in support of the amendment introduced by my good friend and colleague from Ohio (Mr. HARSHA).

As one very concerned with the state

of our Nation's economy and with the overall health of our country's steel industry, I strongly urge passage of this amendment.

What this amendment does, is extend EDA's special loan guarantee program for small steel producers through 1980 and 1981 with the condition that the aggregate amount of such guarantees not exceed $160,000,000.

As one who has traditionally supported efforts to promote America's lagging productivity, I view this amendment as an opportunity to do just that.

By extending this program through 1980 and 1981 you will permit the consideration of two very worthwhile loan applications that were pending when the program's present loan authority expired this past September 30.

As most of you will recall, the steel loan guarantee program was initiated in the wake of the steel crisis in 1977. Nearly 5,000 Youngstown, Ohio, union steel workers lost their jobs as a result of that crisis. Since that time the Youngstown community has been marshaling their efforts to develop a viable economic development program. Part of that effort is a pending application for a $100 million loan guarantee that will permit Youngstown officials to go forward with a much needed steel project for their city.

And unless this amendment passes another Ohio community, Ironton, stands in danger of losing a major source of their employment—the Ironton Coke Corp. has more than 500 employees. It is a subsidiary of the McLouth Steel Corp. of Detroit, Mich., which has approximately 5,000 employees. Because the Ironton facility provides a vital component for McLouth's production, its closing could very well jeopardize the parent corporation's continued existence. Ironton is developing a project, which would require approximately a $60 million EDA guarantee, to refurbish its physical plant. If funded, this project has the potential to save approximately 5,000 jobs.

Again, this amendment insures that the Government's commitment to Youngstown, one that they have taken very, very seriously, will be kept and that the Ironton project could receive a Federal guarantee by providing for an orderly completion of the special Economic Development Administration steel loan program. I urge you to support it. Thank you.

Mr. HARSHA. Mr. Chairman, finding myself somewhat in the position of the distinguished gentleman from Pennsylvania (Mr. MOORHEAD), I shall not lose track of my position, and, therefore, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. HARSHA).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ZEFERETTI

Mr. ZEFERETTI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZEFERETTI: Page 5, line 6, after "Sec. 102. (a)" insert "(1)".

Page 5, after line 10, insert the following:

(2) Such section 101(a)(1) is further amended by inserting "(including surplus Federal property)" after "of land and improvements".

Mr. ZEFERETTI. Mr. Chairman, the purpose of this amendment to section 102 of title I of the bill is to make eligible the use of public works grants for the acquisition and development of Federal surplus property. The current law is not clear on this subject, and the present policy of the Economic Development Administration is not to allow such grants to be used for that purpose.

The proposed amendment provides a remedy to the past discrimination on the part of the Federal Government in the location of Federal facilities. There are many parcels of Federal property—shipyards, air and naval bases—which have been closed, which could be modernized and renovated and made available again for a fraction of the cost of building brandnew facilities.

As many of you know, in 1978 the President issued an Executive order making it the policy of the Federal Government to give the highest priority to old urban areas in the location of Federal facilities. Though some have said there is no compelling rationale for the Federal Government to help the urban industrial States end their massive economic hemorrhaging, what we really are saying is that here is an opportunity as far as the Federal Government is concerned to stem the alarming exodus of Federal facilities and employees from the Nation's cities.

A study done by the Northeast-Midwest Institute showed that economically distressed cities across the Nation have been hurt the worst by the loss of Federal civilian employment.

In the 10 years covered in the study from 1966 to 1976, the total loss from economically distressed cities was 93,000 Federal civilian employees representing a net loss of 12 percent in contrast to noneconomically distressed central cities across the Nation which gained 51,000 Federal civilian jobs representing an increase of 9.6 percent.

While this amendment cannot replace those thousands of jobs lost, it does provide a mechanism for the rehabilitation of abandoned Federal facilities. The effective and realistic use of title I moneys could mean the rebirth of hundreds of decaying Federal wastelands and inspire new commercial development promising the creation of thousands of new jobs.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. ZEFERETTI. I yield to the distinguished subcommittee chairman.

Mr. ROE. Mr. Chairman, we have reviewed this amendment, and we have had a discussion on its intent. We find it is in conformance with the economic development program, and we have no objection on the majority side to the acceptance of this amendment.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. ZEFERETTI. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, we, too, have reviewed this amendment. I am aware that there is such language pending in the other body. We think this is a constructive amendment, and we accept it on this side.

Mr. ZEFERETTI. Mr. Chairman, I thank the ranking minority member and also the chairman of the subcommittee, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. ZEFERETTI).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DODD

Mr. DODD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DODD: Page 44, after line 19, insert the following:

Section 903 of such Act of 1965 is amended by adding at the end thereof the following new subsection:

"(e) (1) During fiscal years 1981, 1982, 1983, 1984, and 1985 the Secretary, as an experimental program, shall, subject to such amounts as are provided in appropriation Acts, make weekly assistance payments computed under paragraph (2) of this subsection to any employee whose employment under a major defense contract the Secretary finds is terminated as a result of cancellation of such contract or a reduction of $10,000,000 or more in the value of such contract. Such weekly assistance payments shall be made during a period which begins on the date of termination of such employment and which is equal to the employee's seniority or the time such employee was, on the date of such termination, continuously employed by the person whose major defense contract was canceled or reduced in value, but such period shall not exceed two years.

"(2) (A) Subject to the provisions of subparagraph (B) of this paragraph, the amount of each such weekly assistance payment shall be equal to an amount determined by adding—

"(i) 90 percent of the amount, not to exceed $20,000, of the annual gross income received by the employee through his employment under the major defense contract on the day before the date of termination of such employment; to

"(ii) 50 percent of any amount, in excess of $20,000 but not to exceed $25,000, of such annual gross income;

and dividing such sum by 52.

"(B) In computing the amount of each such weekly assistance payment, the Secretary shall deduct from the amount determined under subparagraph (A) the total amount of any employment compensation payment, earned income, or public assistance (other than assistance received under this subsection) which the Secretary determines that such individual is receiving.

"(3) During any period of time in which weekly assistance payments are being made to any employee under this subsection, the Secretary, in addition, shall, subject to such amounts as are provided in appropriation Acts, take such action, including the payment of premiums or other fees, as may be necessary to ensure that any health insurance coverage which such employee has through his employment under the major defense contract on the day before the date of termination of such employment is maintained at the same levels and on the same terms and conditions.

"(4) (A) Any individual eligible to receive assistance under this subsection shall submit to the Secretary an application in such form and containing such information as the Secretary may, by regulation, require.

"(B) Each individual receiving assistance under this subsection shall promptly notify the Secretary of any change in the sources or amounts of any income or assistance which such individual is receiving. Failure to comply with the provisions of this subparagraph shall result in immediate loss of eligibility for assistance under this subsection.

"(C) Each individual receiving assistance under this subsection must be available for employment and have not refused suitable employment.

"(5) For the purposes of this subsection, the Secretary shall issue regulations for determining the amount of annual gross income received by an employee through his employment under a major defense contract on the day before the date of termination of such employment.

"(6) For the purposes of this subsection, the term—

"(A) 'defense agency' means the Department of Defense (including the military departments), the Department of Energy, and the National Aeronautics and Space Administration; and

"(B) 'major defense contract' means—

"(i) any agreement or other arrangement, involving not less than $10,000,000, made before, on, or after the effective date of this subsection—

"(I) by a defense agency with any person (including any public or private institution or organization) for the purposes of furnishing a defense material or defense service to such defense agency; or

"(II) by any foreign country or person acting on behalf of a foreign country with any person for the purpose of furnishing to such country a defense material or defense service subject to control under the Arms Export Control Act or any other law of the United States pertaining to export of a defense material; and

"(ii) any subcontract, involving not less than $10,000,000, made before, on, or after the effective date of this subsection in connection with an agreement or other arrangement described in clause (i) of this subparagraph.".

Redesignate the subsequent subsection accordingly.

Mr. DODD (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. DODD. Mr. Chairman, I rise to offer an amendment which is designed to rectify what I see as a major omission in the way we use the Public Works and Economic Development Act.

The Economic Development Administration was established to assist communities in need to strengthen their economic foundations. EDA has sought to help regions, States, and communities develop their economies through a system of grants, loans, technical assistance, and planning assistance. EDA provides direct assistance to both communities and to private firms. EDA will administer loans and guarantee loans to private industries it believes will help develop an area. EDA, however, does not offer any assistance to what is often the most important economic resource in an area: that area's skilled work force.

For many areas, it is as economically important to retain the skilled work force in the community as it is to help industry expand or move into the area. This is particularly true in the case of highly skilled defense workers. When a major defense contract is canceled or significantly reduced, the community can lose its most important economic resource as skilled defense workers look elsewhere for jobs. I believe that there is a role for the Economic Development Administration to play in providing adjustment assistance to workers as well as in providing grants and loans to communities and businesses.

The amendment I am offering would establish a 5-year pilot program to provide adjustment assistance to workers who lose their jobs as a direct result of the cancellation or significant reduction of a major defense contract. Only contracts or reductions in contracts of $10 million or more would be covered under this program.

Workers who lose their jobs when a major defense contract is canceled would be entitled to a maximum of 2 years of adjustment assistance. If a defense worker has worked for less than 2 years, he would be eligible for benefits for a period of time equal to his length of employment. Affected workers would be eligible for benefits totaling 90 percent of the first $20,000 earned under the canceled defense contract, and 50 percent of the next $5,000 up to $25,000. Naturally, all other forms of public assistance such as unemployment compensation or food stamps would first be deducted from the amount the worker is entitled to under this program. Any outside earned income would also be deducted of course, and a worker would have to be eligible for employment during the time he is receiving benefits and not have refused suitable employment. Payments to affected workers would be made by EDA on a weekly basis after a worker has submitted an application and been approved.

I should make it clear at the outset that this amendment will have no effect on this year's budget or appropriations as it will not take effect until fiscal year 1981. The adjustment assistance program established by my amendment would be subject to the appropriation of sufficient funds as well.

When this Congress or the White House or the Defense Department cancels or significantly reduces a major defense contract, I believe that the Government has a responsibility for the adverse economic effects that cancellation causes. Neither the company nor the work force have any real control over Government decisions to cancel contracts. Yet the workers are expected to shoulder the full economic brunt of such defense-related dislocations. Interestingly, when the Government cancels a major defense contract it must usually pay a termination payment to the defense contractor for breach of contract. Not surprisingly, the people who actually do the work on the contract seldom receive the benefits of these termination payments. I believe that the Government owes an equal responsibility to the defense workers as it does to the defense contractor in the event of a breach of contract.

We owe some consideration to the people who lose their jobs as a result of decisions made here in this Chamber or over in the Defense Department. Many of the people in the defense industry have devoted their working lives to our national defense as much as any soldier or sailor. Yet when a major defense contract is canceled suddenly they are laid off without any other benefits but the usual unemployment compensation. Compare that to how we treat our servicemen and women who are entitled to GI bill and Veterans' Administration benefits when they are separated from the service. I believe that we as a Nation owe more to the people who maintain our arsenals than we seem to be willing to acknowledge.

I should point out that there are ample precedents for providing adjustment assistance to workers who lose their jobs as a result of Government action. In the last session of Congress, we passed a law providing compensation to men and women—primarily lumberjacks—who lost their jobs as a result of our decision to significantly expand the Redwood National Park. I might add that there were few limitations on how much an affected worker could receive under the Redwood legislation. At that time we felt that if the Government were to make a specific decision which would result in the loss of a worker's livelihood, then the Government owed that worker full compensation for the loss of his employment.

In the 93d Congress we passed the Trade Act of 1974 into law and in it provided adjustment assistance to workers whose jobs were lost as a result of increases in foreign competition. At the present time, a worker who loses his job because of increased imports can receive up to $250 a week in compensation from the Government. I would like to emphasize that we provide this trade adjustment assistance to workers who lose their jobs as only an indirect result of Government action. It is only because our Government has agreed to refrain from taking certain actions—such as increasing tariffs and lowering quotas—that workers are eligible for trade adjustment assistance. Because of our historic commitment to free trade, we liberalized our trade policies, but at the same time we recognized that the Government has a responsibility to compensate those workers who are adversely affected by our decisions.

In the past then, we have provided almost full compensation to forest industry workers who lost their jobs because of our decision to increase the Redwood National Park, and we have provided significant compensation to workers who lose their jobs because of foreign competition. Why then do we feel that we do not have the same responsibility to workers who lose their jobs as a direct result of our decisions concerning our national defense? We owe the same responsibility to defense workers who lose their jobs because of Government decisions as we have stated we owe to forest industry and trade impacted workers.

Providing adjustment assistance to defense workers then is not only a matter of good economic development policy, it is also a simple matter of equity.

Let me remind my colleagues that the program I am seeking to establish would only be a 5-year pilot program, and would only cover workers who lose their jobs due to the premature cancellation or reduction of $10 million or more of a defense contract. If we were to give defense workers the same consideration we have already given lumberjacks and trade impacted workers, I would not have set a $10 million limit nor would I have drafted this as a pilot program. However, I recognize that one should not try to cover every single defense contract regardless of whether we cancel a strategic bomber or a supply of boots, so I set a $10 million limit to insure that we only deal with really major employment dislocations. I should point out that limiting assistance to workers who lose their jobs only when a contract is worth $10 million or more significantly limits the scope of this program. For example, over the past 5 years, there has been an average of only three contract cancellations of $10 million or more per year. In short, what I am proposing is really a very modest program.

Let me now turn to the issue of cost. In a preliminary cost analysis, the Congressional Budget Office has estimated that the program I have proposed in this amendment would cost approximately $690,000 per $10 million contract cancellation. In other words, CBO estimates that this defense workers' adjustment assistance program would cost less than 7 percent of the cost of the canceled contract.

Considering that a yearly average of $180 million worth of defense contracts were canceled or reduced over the past 5 years, one can estimate that the cost of this program would be only $12 million per year. These estimates include the cost of maintaining health insurance coverage for affected workers.

I should point out that I personally believe that these cost estimates may be on the high side. CBO estimates that 315 workers will lose their jobs as a result of a $10 million contract cancellation. However, CBO could not estimate how many of these 315 workers might normally be absorbed by the company which lost the contract. It is entirely possible that instead of being thrown out of work as a result of a contract cancellation of $10 million or more, workers might be absorbed into other contract work by the same firm.

In any case, whether these cost estimates are high or not, I believe that less than 7 percent of the contract cost is a very small price to pay to assume our responsibility to workers who lost their jobs as a direct result of Government decisions.

By way of reference, the estimated cost of this program compares very favorably with other worker adjustment programs. For example, the cost of the worker adjustment assistance program under the Trade Act of 1974 is over $180 million per year, and the cost of the Redwoods adjustment program has already been $11 million over the past year and one-half.

Mr. Chairman, I believe that the program I have proposed is a necessary one to help communities retain their skilled work force, and to assume responsibility for the actions of the Government. I would urge my colleagues to support this amendment.

□ 1430

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. Dodd) has expired.

(At the request of Mr. Davis of South Carolina and by unanimous consent, Mr. Dodd was allowed to proceed for 1 additional minute.)

Mr. DAVIS of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from South Carolina.

Mr. DAVIS of South Carolina. Mr. Chairman, economic insecurity due to unemployment is a serious menace to health, morals, and welfare. Involuntary unemployment is therefore a subject of general interest and concern and requires appropriate action.

I agree with my colleague from Connecticut that the Federal Government has a responsibility for the economic consequences of its own decisions. It has a moral obligation to limit the social consequences of its defense decisions.

But we must remember that this Government is a business—especially that part of Government that is the business of defense.

This business of government must only be required to be responsible to a reasonable degree. The degree of responsibility that governments set for the responsibility of other business employers should be a sufficient degree for Federal defense agencies.

It is therefore my opinion that the public good and the general welfare of our citizens require the enactment of this measure.

Mr. HAMMERSCHMIDT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am struck by the similarity of the gentleman's amendment with the provision in the EDA bill 5 years ago. That bill authorized unemployment compensation as part of an adjustment plan under title IX. However, in supplemental views to H.R. 14883, June 7, 1974, 10 members of the committee supported the view that such an unemployment compensation scheme was undesirable because it would be expensive, result in a fragmented and unequitable compensation system, be difficult to administer, be unnecessary because of existing unemployment compensation systems and was a last minute bid for inclusion in the bill, without open and proper legislative formulative process. Certainly we are in that same position today.

If $65 were paid per week to 100,000 affected workers for a year, it would have cost $238 million. If $65 were paid to 1 million workers annually, it would have cost $3.38 billion.

Fortunately, this language was changed to provide discretion to the Secretary to pay unemployment compensation just as he has discretion to pay rent supplements, mortgage assistance, relocation of individuals and businesses, training and other assistance.

We have gone over this before. Mandated unemployment compensation is just not needed. It has no rightful part of this legislation.

This amendment would be prohibitively expensive. It would create a special program for a limited group of workers. Every "defense" contract that expires under the amendment with workers affected by that expiration would receive benefits. I must oppose the amendment.

AMENDMENT OFFERED BY MR. OBERSTAR TO THE AMENDMENT OFFERED BY MR. DODD

Mr. OBERSTAR. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. Oberstar to the amendment offered by Mr. Dodd: In the matter proposed to be inserted by the Dodd amendment as a new paragraph (1) of subsection (e) of section 903 of the Public Works and Economic Development Act of 1965 (1) strike out "1981, 1982, 1983, 1984, and 1985 the Secretary, as an experimental program" and insert in lieu thereof "1981 and 1982, the Secretary, as a demonstration program", and (2) strike out the last sentence and insert in lieu thereof the following: "Such weekly assistance payments shall be made during the period such employee is eligible under State law for unemployment compensation as a result of such termination.".

In the matter proposed to be inserted by the Dodd amendment as new subsection (e) of such section by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) (A) Subject to the provisions of subparagraph (B) of this paragraph, the amount of each such weekly assistance payment shall be 70 percent of the amount, not to exceed $20,000, of the annual gross income received by the employee through his employment under the major defense contract on the day before the date of termination of such employment divided by 52.

"(B) The Secretary shall deduct from the amount of the weekly assistance payment determined under subparagraph (A)—

"(i) earned income;

"(ii) unemployment compensation and any other public assistance (other than assistance received under this subsection); and

"(iii) adjustment assistance provided by a labor union;

which the Secretary determines that such individual received during the week for which such payment is made.

At the end of the matter proposed to be inserted by the Dodd amendment as such new subsection (e), strike out the quotation marks and the final period and add the following new paragraphs:

"(7) Not later than March 1, 1983, the Secretary shall submit to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate a report on the results of the demonstration program conducted under this subsection and the Secretary's recommendations, if any, concerning any additional authorization of such program.

"(8) There is authorized to be appropriated to carry out the provisions of this subsection not to exceed $20,000,000 per fiscal year for fiscal years 1981 and 1982.".

Mr. OBERSTAR (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. OBERSTAR. Mr. Chairman, the gentleman from Connecticut has offered a very sound approach to the problems of unemployment in the defense industry and indeed, by extension, to any other industry that is affected by the operation of government, but particularly in the defense industry, where there is such an enormous peak-and-valley effect in government contracts and where there are unique situations, such as in certain military programs where they are building only one of a kind of an item or only two or three of a kind of an item, and once that contract is over or the Government changes its policy or the military changes its mind about weaponry or the Congress changes its mind about funding a program, which is then terminated, a contractor, as the gentleman from Connecticut has adequately explained, is taken care of by provisions in the contract that cure the financial problems the contractor may incur. But there is no similar protection for the employee.

☐ 1440

What the gentleman seeks very rightly to do is to provide some financial security and protection for employees now. Now, I concur with the view of the gentleman from Arkansas that perhaps the amendment is too far reaching and sweeping. I do recall very well the language in the 1970 EDA amendments which was subsequently changed, because it was perceived to be too far reaching.

I do propose in this amendment to essentially keep the concept of the Dodd proposal, but restrict its scope to a 2-year demonstration program to be administered by EDA, to target in on those contracts of the nature that the gentleman discussed in his remarks which are substantial contracts, where for example there may be a reduction of $10 million in the amount of the contract, which would cause a substantial economic dislocation in an area.

I propose then in this amendment that we limit its operation to 2 years to give the Secretary of Commerce, the EDA program, an opportunity to observe the operation of this program on a limited basis, to determine appropriate guidelines, determine standards for carrying out and administering the program, and in so doing, we will then develop the kind of information we need in order to proceed further and perhaps at some later date expand this program to a national and permanent program.

So under my amendment we would have a 2-year demonstration program that would begin in fiscal year 1981, that would conform to State unemployment compensation programs, a suggestion of the gentleman from South Carolina, and a very sensible and wise one, which further restricts the application of this program by not setting up a separate Federal program in opposition to or overriding a State program; and it would be patterned after the already-proven Trade Adjustment Assistance Act, which provides annual benefits equal to 70 percent of an amount not to exceed $20,000. That would mean about $14,000 a year, from which we would subtract other income, such as earned income, standard unemployment compensation, and adjustment assistance provided by labor unions.

So, I believe with this amendment we have accomplished essentially the spirit and the purpose of the Dodd amendment, restricted its scope, and put it on a basis where it is manageable and where the Congress can continue to observe its operation in the years ahead.

Mr. DODD. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Connecticut.

Mr. DODD. I thank the gentleman for yielding.

I thank him for his kind remarks about my amendment.

Let me just ask one basic question here.

The gentleman's amendment to my amendment would not limit demonstration necessarily to just one contract but could be more than just one contract termination situation?

Mr. OBERSTAR. That is correct. It is not the purpose to have a demonstration program under which the Secretary would pick out just one contract. My understanding is that there are not a great many contracts that would fall within the purview of the gentleman's amendment or of my amendment to his amendment, probably no more than three in any given year.

Mr. DODD. The gentleman is correct.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. OBERSTAR) has expired.

(At the request of Mr. DODD and by unanimous consent Mr. OBERSTAR was allowed to proceed for 1 additional minute.)

Mr. DODD. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Connecticut.

Mr. DODD. A further question: It would be the gentleman's intention with this amendment to the demonstration program that we would be looking forward at the conclusion of the demonstration period to then come forward and try and work on a piece of legislation that would make this a more permanent program over the years once we worked out the particulars of it?

Mr. OBERSTAR. The gentleman is absolutely correct. I think we would be able to build a data base with this program on which we can then justify and expand and develop a national and hopefully a permanent program for which the gentleman deserves full credit for his leadership.

Mr. DODD. I thank the gentleman.

Mr. ROE. Mr. Chairman, I rise to strike the requisite number of words.

I feel that this issue has been around for quite some time, and there has been some eligibility under title IX of the EDA legislation.

I subscribe in part to the feelings expressed by my good friend, the gentleman from Arkansas, Mr. JOHN PAUL HAMMERSCHMIDT, our distinguished minority leader, but in view of the amendment offered by the gentleman from Minnesota (Mr. OBERSTAR), that would create a demonstration program, which, I think, really is long overdue. I would rise in support of that, because I think that gives our committee an opportunity to test out its adaptability under the defense program. It also gives us the opportunity to have a chance to gain some knowledge and background on the implementation of this program.

I would for one support the Dodd amendment as amended by the gentleman from Minnesota (Mr. OBERSTAR).

Mr. CORMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask a couple of questions about the pilot program. Do I understand all this would be carried out by the Secretary of Commerce?

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Yes. The program would be directed by the Secretary of Commerce. We anticipate, of course, that the Secretary would work in cooperation with the Department of Labor and with other Government agencies that deal with unemployment compensation.

Mr. CORMAN. I guess a pilot program is not quite as bad as going the full route. I have a sense that we are about to do something. I think it is a tragic mistake. If there is one thing we do that is bad, it is to fragment all of the programs we have.

We are blessed with a pretty good unemployment compensation system in this country. It is an insurance system that pays for itself. It is administered primarily under State law, though we have tried and succeeded modestly over the years to adopt some Federal standards.

In the areas of welfare we have so totally fragmented that field, taking care of a little piece here and a little piece there, that now a big chunk of the dollars we spend go for administration.

The other day we saved about a quarter of a billion dollars in administrative costs just by combining a couple of the systems and simplifying some rules.

I would hope that we might retain a single system of replacing wage loss because of unemployment.

Now, to get another department involved, with different funding, with different standards, I think, is a mistake. I would hope that we would not do it at all. If we do it, I would hope it would be a very modest pilot program. Then we could take a look at both equity among unemployed people and how much it costs us to run dual systems.

Mr. OBERSTAR. If the gentleman will continue to yield, I think the gentleman makes a very good point about the fragmentation of the already existing programs that are working well.

We have a saying in Minnesota, "If it works, don't fix it." But in this case, I think what we are attempting to do is target one particular area of need where there is a higher responsibility and perhaps a unique situation of need in defense contracting, and the gentleman's State is a very prime defense contracting State, where there is a unique situation.

I think what we have attempted to do in narrowing down the concept of the Dodd amendment to $20 million a year authorization for 2 years only to see how this program could work, I think we are responding, not attempting to fragment, but perhaps to add on to and respond to a unique need within that unemployment compensation program.

Mr. CORMAN. Well, my only response is that I am concerned about anybody who is unemployed. I am not sure I want to give substantially more benefits to the fellow on the assembly line than the fellow who is down at the grocery store who loses his job because the plant closes.

When we start balancing equity among unemployed people, it gets to be pretty hard to do.

Mr. Chairman, I yield back the balance of my time.

☐ 1450

Mr. HAMMERSCHMIDT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this amendment would superimpose a Federal system on top of the existing Federal-State unemployment which would be cumbersome and result in duplication of efforts. This program is not justified even on an experimental basis, since unemployment insurance has been in existence since 1935 and does not require demonstration of its effectiveness.

The committee held extensive hearings on the extension of EDA. Again, not one single witness testified on a proposal remotely resembling this amendment. There is not one scintilla of evidence that it is needed. We do not know the budgetary impact on such payments. We do not know the number of workers affected. In fact, we have no factual basis for the need for this assistance.

I remind my colleagues that a defense agency is defined here as Department of Defense, Department of Energy, and the National Aeronautics and Space Administration. There was an estimated 375 contracts involved of over $10 million. The value of military contracts was $36.9 billion, involving 687,000 workers in 1977. I appreciate the gentleman from Minnesota in limiting the scope of this bill to $20 million. The correct ceiling on this proposal should be zero. I will say to my friend, Mr. Oberstar, the gentleman from California (Mr. Corman) is so correct, a colleague who is in a better position to know what an error we are making than are most members of this committee who have no real jurisdiction over this matter.

The Departments of Commerce and Labor opposed a similar provision in 1974; I suspect these departments would oppose this amendment in 1979. I know I do. I urge defeat of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. Oberstar) to the amendment offered by the gentleman from Connecticut (Mr. Dodd).

The question was taken; and on a division (demanded by Mr. Hammerschmidt) there were—ayes 16, noes 4.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. Dodd), as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. MCKINNEY

Mr. McKINNEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McKinney: Page 45, after line 4, insert the following:

(e) Title IX of the Public Works and Economic Development Act of 1965 is amended by redesignating sections 904 and 905 as sections 905 and 906, respectively, and by inserting after section 903 the following new section:

"DEFENSE-RELATED ECONOMIC ADJUSTMENT ASSISTANCE"

"Sec. 904. (a) (1) The President shall establish procedures to assure that the Secretary is notified of the anticipated closure or realinement of any military installation with respect to which a public announcement is made under section 2687 of title 10, United States Code, or of the anticipated termination, cancellation or conclusion of any major defense contract. Any such notification shall—

"(A) in the case of a military installation, be transmitted to the Secretary on the same day on which a public announcement is made with respect to such military installation under section 2687 of title 10, United States Code;

"(B) in the case of a major defense contract, be transmitted to the Secretary not less than one year before that date of the anticipated termination, cancellation or conclusion of such major defense contract, except that such notice shall be transmitted not less than ninety days before such date in any case in which shortened notice—

"(i) is required for reasons of national security or a military emergency; or

"(ii) is required due to the termination or cancellation of such major defense contract by an action of a foreign nation;

"(C) include a recommendation indicating whether the economic consequences of such anticipated action should qualify the area involved to receive a defense-related grant under subsection (c) of this section; and

"(D) in the case of a redevelopment area designated under section 401 of this title, include a recommendation whether the economic consequences of such anticipated action should qualify the area for priority assistance under subsection (d) of this section.

(2) This subsection shall not apply to the termination or cancellation of a major defense contract due to an Act of Congress or to a breach of such contract.

"(b) The Secretary, upon the adoption of any recommendation made under subsection (a) (1) (C) or (a) (1) (D) of this section shall promptly notify all public officials responsible for economic development planning in the area involved of such recommendation and of all types of assistance available under this Act, including defense-related planning grants available under this section. The Secretary shall also make available to the general public information regarding such recommendation and assistance.

"(c) (1) With respect to areas in which a public notice has been given by the Secretary under subsection (b) of this section, the Secretary, upon receipt of a request from that eligible recipient in such area whom the Secretary deems, in his discretion, most qualified, shall promptly, but not later than the thirtieth day after the date the Secretary receives the first such request, make a defense-related grant to such recipient in accordance with the provisions of paragraph (2) of this subsection, except that with respect to any such area, not more than one such grant shall be made as a result of any such public notice."

(2) (A) Each such grant shall be made only for the purpose of assisting the eligible recipient to plan for adjustment to the economic problems resulting from the closure or realinement of a military installation or the termination, cancellation or the conclusion of a major defense contract. The Secretary, as a condition of such grant, shall establish a deadline for early submission of an economic adjustment plan designed to qualify the area involved under section 903 (a) (1) of this title. Such plan may include the preservation of jobs in an affected establishment, including the conversion of such establishment to other uses.

(B) Each such grant shall be made in an amount sufficient to pay costs related to the defense-related economic adjustment planning of such eligible recipient, except that no such grant may exceed $100,000.

"(d) With respect to any redevelopment area which is recommended under subsection (a) (1) (D) of this section for priority assistance, the Secretary

(1) shall establish procedures for the prompt consideration of applications from such redevelopment area for assistance under this title;

(2) shall consider applications for such assistance from an affected establishment in such redevelopment area before any other application from such redevelopment area, except that this paragraph shall only apply with respect to applications from such an affected establishment if the Secretary determines that the assistance requested can reasonably be expected to preserve or create jobs for workers affected by the anticipated action specified under subsection (a) (1) (B) of this section; and

(3) except as provided in paragraph (2) of this subsection, shall consider applications for such assistance from any business in such redevelopment area, other than an affected establishment, before any other application from such redevelopment area if the Secretary determines that the assistance requested can reasonably be expected to preserve or create jobs for workers affected by the anticipated action specified under subsection (a) (1) (B) of this section.

"(e) With respect to any area which receives a grant under subsection (c) of this section and subsequently qualifies under section 903(a) (1) of this section for assistance under this title the Secretary may consider for approval applications from any business in such area for the assistance authorized under title II of this Act if the Secretary determines that the assistance requested can reasonably be expected to preserve or create jobs for workers affected by the anticipated action specified under subsection (a) (1) (B) of this section.

"(f) For the purposes of this section the term 'major defense contract' means a contract of not less than $10,000,000.

Mr. McKINNEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN pro tempore (Mr. Corman). Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. McKINNEY. Mr. Chairman, the amendment which I am offering today has one simple goal: To allow communities whenever possible, the opportunity to prepare for the economic consequences resulting from the loss of a major defense contract or military installation. The provisions of the amendment merely call for better utilization of information that is already available, and for sharing that information among Government offices that already exist. The amendment is in no way designed to affect the defense industry, except to reduce the number of economic horror stories experienced by defense-dependent communities—horrible, indeed, because much of that economic dislocation is unnecessary and avoidable.

I learned the hard way about the economic uncertainties of the defense industry. In 1969, the Sikorsky Aircraft Division of United Technologies Corp., located in and around my district, was employing 16,000 workers. Two years later, Sikorsky's contracts for the S-55 and S-51 helicopters expired and 8,400 people lost their jobs in those 2 years, and in Bridgeport, Conn., unemployment soared to 14 percent. In June of that year, DOD's Office of Economic and Adjustment was contacted. In October they arrived in Bridgeport only to return to Washington to develop a plan. Finally, in February of the following year, 8 months later, that plan was presented to city officials. Unfortunately, OEA's yeoman efforts were not enough. Today, Sikorsky has replaced only 2,400 of the 8,400 jobs lost. While I know that contract expirations are a reality of the defense industry, economic dislocation need not be. With sufficient leadtime and proper planning, thousands of defense workers can avoid the unemployment rolls and maintain their status as income-earning, taxpaying citizens.

Fluctuations in defense-related production and employment spare no region of the country, as a study prepared for Congress in July of this year documents. The study found that the States of New York, New Jersey, and Pennsylvania lost 14 percent of their share of total DOD prime contracts between 1951 and 1978. In that same period, the region that includes the States of Illinois, Indiana, Michigan, Ohio, and Wisconsin lost 21 percent of its share. Between 1960 and 1975 Arkansas, Oklahoma, and Texas dropped nearly 4 percent in the distribution of total DOD contract awards. But perhaps more significant is the fact that the New England region was actually experiencing an increase in contract awards while 8,400 workers became unemployed in Bridgeport.

The same "boom or bust" cycle can be found in Defense Department employment figures. Between 1960 and 1975 civilian and military employment from DOD had increased as much as 16 percent in some regions and declined as much as 50 percent in others. The amendment that I am offering provides the simplest and easiest means to avoid the economic consequences of these defense industry fluctuations.

In short, Mr. Chairman, my amendment intends that when DOD enters into a contract, they make a note to let the Department of Commerce know 1 year in advance of the conclusion of a major defense contract. The Commerce Department can then pass that information on to the affected community in time for city planners to prepare for potential economic dislocation. And, if that community needs assistance in starting or coordinating that planning, they can receive a grant as soon as possible, the effort required by any agency or department, affected by my amendment, is minimal; as are the costs of the measure.

Clearly, Mr. Chairman, it would be neither wise nor practical for those responsible to provide the Secretary of Commerce with notice, to do so for every contract expiration. Nor is it practical to expect them to honor contracts that have breached or to anticipate the unexpected. Consequently, my amendment limits the prenotification requirements to those contracts in excess of $10,000,000, under the present system of calculating the value of contracts. The amendment also provides specific exemptions from prenotification in the case of an act of Congress which results in the early expiration of a contract or in the case of a breached contract. My amendment further provides that in the case of a national or military emergency, or as the result of the action of a foreign government, that prenotification would be shortened from 1 year to 90 days.

In any case, however, where prenotification is required, the President would be directed to establish procedures to assure that the Secretary of Commerce is notified of all major contract terminations, conclusions, or cancellations and when a military installation may be subject to realinement or closure. In the case of contracts, the Secretary would receive notice 1 year in advance, except where exempted as described above. In the case of a military installation, the Secretary would receive notice when public announcement of realinement candidacy is made. Included with the notice would be a recommendation, presumably from the Department of Defense's office of economic adjustment, indicating whether an affected area should receive economic assistance in the form of a defense planning grant.

The Secretary, upon adoption of the recommendations, would notify all public officials who are responsible for economic development planning in the affected area. The Secretary will also insure that workers of the affected plant or military installation are alerted of the recommendation and availability of assistance. Upon the request of an eligible recipient, the Secretary will have no more than 30 days to award the grant to whomever he deems best qualified of those who have applied. The grant will be for planning purposes only and will in no case exceed $100,000.

The last figures available, Mr. Chairman, show that 65 communities in 26 States had military contracts in excess of $10,000,000 concluded in fiscal 1977. If every one of those communities were to receive the maximum amount of planning assistance, the total cost to the Federal Government would have been $6½ million. I suspect that it is much more than $6 million but I can only guess at the amount of income maintenance money that would have been saved if those 65 communities had been given the opportunity to plan for job creation, job maintenance, alternative production, or economic diversification programs.

Can prenotification and planning grants help avoid economic dislocation? England, Germany, and Sweden are benefiting from such programs. In Delaware County, Pa., a $100,000 grant from Sun Oil Co. and the creation of a community planning committee avoided the economic consequences of the loss of defense dollars. Furthermore, at least four areas of the civilian economy are ripe for the transfer of skills from defense to nondefense production lines—and would create more jobs per billion dollars as well. The newly developing resource recovery industry is well able to utilize the skills and equipment found in machine shops of the defense industry. The solar energy field could easily employ sheet metal workers and assemblers in the manufacture of solar collectors. The mass transit and rail industries would also accommodate an easy transfer of men and machines from terminated defense contract work. Sikorsky's plans to maintain employment by diversifying its production line to include mass transit, were thwarted only by uncoordinated Government policy and the lack of advanced planning.

The method, the opportunity and without a doubt, the need to provide communities with the chance of a more stable economy is before us now. Unemployment rates, inflation, and a $29 billion budget deficit mandate that we take that chance. Mr. Chairman, on behalf of all the communities whose workers contribute to the defense of this country, let us give them the opportunity to defend themselves. I urge passage of this amendment.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I am delighted to yield to the chairman of the subcommittee.

Mr. ROE. Mr. Chairman, we have analyzed the gentleman's excellent amendment very carefully and feel it is in complete keeping with the direction and the need of the economic development program. The majority has no opposition to the gentleman's amendment.

Mr. McKINNEY. I thank the gentleman.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I am delighted to yield to my friend.

Mr. OBERSTAR. Mr. Chairman, I thank the gentleman for yielding and I rise strongly to support the gentleman's amendment. It makes good sense and will help planning in this process of dealing with defense contracts and defense base cutbacks.

Mr. DAVIS of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I am delighted to yield to a gentleman who represents a bastion of defense.

Mr. DAVIS of South Carolina. Mr. Chairman, I support the gentleman's amendment.

The need for this legislation is readily apparent and urgent.

The way the system works now, whenever military bases close or defense contracts are terminated, reduced, or unexpectedly canceled, impacted workers lose their jobs and are thrown to the end of the unemployment line. Communities lose tax revenues and businesses go under.

The Department of Defense's Office of Economic Adjustment moves into the disaster area only after the disaster has struck. And then, OEA can only come in if invited by the local community and can only conduct an economic impact survey, which may take a year or 2 years to complete. All the while, plant and equipment are idle, skills are wasted, and tools rust. The Office of Economic Adjustment cannot give communities or businesses or workers adjustment assistance. To do that, it must call in the Economic Development Administration. Unfortunately, that agency is too often short funded and understaffed and simply cannot help all those who may need help.

The McKinney amendment will put the affected businesses and communities on notice that the base is going to shut down or that the defense contract is going to run out, or be reduced or that the procurement order is going to be cut back. At that point, the McKinney amendment will permit the affected business or the local community to request a grant to plan for alternative production, which will keep the people working and stabilize the local economy.

In other words, the McKinney amendment enables business and communities to plan for job creation and alternative production before the layoffs and shutdowns occur.

That makes good sense and will permit the Federal Government to alleviate hardships which, by its own actions and decisions, it has caused.

In the long run, it will pay off in terms of revenues flowing into the Federal Treasury and help achieve fiscal stability.

Mr. DODD. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I am delighted to yield to my colleague from Connecticut.

Mr. DODD. Mr. Chairman, I thank my colleague for yielding. I, too, rise in strong support. I think this is an excellent approach and I think it will alleviate a lot of the questions in doubt that plague us in this particular arena. I congratulate the gentleman on the amendment and I support him.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I am happy to yield to the gentleman.

Mr. HAMMERSCHMIDT. Mr. Chairman, we have examined the amendment carefully on this side of the aisle. I want to thank the gentleman, Mr. McKINNEY, for making this very constructive contribution to the Public Works and Economic Development Act. We have no problem with the amendment at all.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I am happy to yield to the gentleman.

Mr. EDGAR. As chairman of the Northeast-Midwest Congressional Coalition who is vitally concerned about defense issues as it relates to the 18 States in our region, I would like to compliment the gentleman in the well for his amendment. I support the amendment.

Mr. McKINNEY. Mr. Chairman, I will long remember this day of happiness.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I am glad to yield to my good friend and sometime Representative from Maryland (Mr. BAUMAN).

Mr. BAUMAN. The gentleman is welcome as a resident of Ocean City at any time, a city which I have the honor to represent.

But I want to ask the gentleman a question since I am one of the few Members here who is not a member of the committee. What does the gentleman's amendment do?

Mr. McKINNEY. No. 1, because I know where the gentleman is coming from, my amendment is totally within budget and does not cost an extra dime.

No. 2, all it states is that those defense contracts of which there is foreknowledge they are going to be canceled communities will be given notification of this cancellation within a year, and be given direct access to planning funds which are already in the budget and which are already there, thereby short circuiting the 6, 8, or 9 months that it takes to get the planning money before they can do the planning and come back and get the rest.

It is my feeling, in essence, that this amendment will save the Government a great deal of money in unemployment, welfare, food stamps, and other things by short circuiting this one avenue to funds that are already budgeted and appropriated.

It also requires that this only be done in contracts of $10 million or more, and it exempts those contracts, for instance, an example would be a contract through the Defense Department to make fighters for the Iranian Government, which we are not the slightest bit interested in doing any more, or a contract that is canceled for malfeasance or anything of that sort.

Mr. BAUMAN. If the gentleman will yield further, is the gentleman attempting to do in the case of a defense contract cancellation what the Defense Department already has authority to do in the case of military base closings; and that is give assistance in planning for the local communities to meet the problem that arises? Is that the intent?

Mr. McKINNEY. It is essentially so, and it is interesting that the gentleman should bring that up, because the city of Bridgeport, Conn., which is one of the most heavily defense oriented areas in the country per capita-wise, was devastated by two such contract cancellations, the Sikorsky and the Lycoming. We made application to the Defense Department's group. They came into the city, but by the time they came in and presented a plan 11 months had elapsed after the fact. But what this would do simply is say, for instance, if I were to use that example of the Defense Department, which knew full well that it was going to cancel the contract, had they notified the governmental entity required to deal with EDA it would have given them their planning grant up to a maximum of $100,000 and would have allowed them to go into the planning, so by the time the contract actually had ended, we would have had the planning done and the city would have been in for its grant.

Mr. BAUMAN. So we already have a program that helps in military base closings now, and this new proposed program would help in defense contract cancellations; and the last amendment, the Dodd-Oberstar amendment, would help the individual employees who are impacted by the defense closing, is that correct?

Mr. McKINNEY. Right. There is no real connection between this and Dodd-Oberstar whatsoever. Theirs deals strictly with the employee problem. Mine is a prenotification amendment simply to get the planning process done before rather than after the fact.

Mr. BAUMAN. I just wanted to wish all of the gentlemen from Connecticut well in their future endeavors.

● Mr. RAILSBACK. Mr. Chairman, I rise in support of the McKinney amendment to H.R. 2063 which would provide funding to employers and the community to plan for job-creating alternatives when the realinement of a military installation takes place along with requiring notification from the Department of Defense to the Economic Development Administration when a proposed realinement or the termination of defense contracts would take place.

I would like to site a dramatic example, within my congressional district, of the disruption, fear, and the uncertainty experienced by employees when the proposed realinement of a military installation occurs.

For a period of over 4 years I fought the transfer of the Rodman Laboratory from the Rock Island arsenal to the Picatinny Arsenal in New Jersey. The congressional intervention was unsuccessful and approximately 735 employees and their families were displaced. The result of this action severely affected the economics of the community as well as the morale of the displaced employees and their families. I personally have witnessed the mental anguish experienced by these people.

The passage of the McKinney amendment to H.R. 2063 would provide the needed funding and notification to help resolve the problems associated with contract terminations and realinements causing the displacement of personnel.

For these reasons, I urge my colleagues on both sides of the aisle to support this amendment.●

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Connecticut (Mr. McKINNEY).

The amendment was agreed to.

● Mr. HEFTEL. Mr. Chairman, I address the House today to express my support for the Dodd and McKinney amendments to H.R. 2063, the National Economic Development and Public Works Act of 1979. Passage of these amendments today is a victory for communities adversely affected by the cancellation of major defense contracts or closings of military bases. These amendments recognize the value of a skilled work force by providing much-needed supplemental assistance and advance notice when sudden changes in defense policies threaten to cause serious economic disruptions.

The House, in passing the Dodd and McKinney amendments, has begun to responsibly react to the consequences of these economic dislocations. I thank my colleagues for their support for the many defense workers who will be protected by these legislative initiatives, and I look forward to further progress in this area.●

AMENDMENT OFFERED BY MR. CLINGER

Mr. CLINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLINGER: Page 24, line 17, insert "(1)" after "(a)".

Page 25, after line 2, insert the following:

"(2) Technical assistance under this title may also be provided to any eligible applicant as defined in subsection (d) of this section to assist in the preparation or completion of applications for assistance under title II of this Act. The Secretary shall insure that the organization receiving assistance under this paragraph is not—

"(A) a borrower of a direct or guaranteed loan under such title;

"(B) a lender who has made a loan which has a superior collateral position to a direct or guaranteed loan under such title; or

"(C) directly or indirectly involved with the development financing assistance for which technical assistance is being provided under this paragraph.

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Mr. CLINGER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CLINGER. Mr. Chairman, the purpose of this amendment is to keep the fox out of the chicken coop. Under title II of EDA we are proposing to vastly increase EDA's direct and guaranteed loan authority over the next 2 years. I have had some reservations about the ability of the Agency to administratively deal with this enormous increase in business development activity—particularly in fiscal year 1980 already 2 months old. My concern is that in the rush to shovel $1.8 billion in loan guarantees out the door, EDA will not have the personnel or the time to carefully review the packages submitted to them. And the result may be that the Agency will end up with a basketful of lemons. The chances of this happening are greatly increased if—as most everyone believes—we are entering a recession which is going to put tremendous pressure on the banks to try to get protection from their riskiest loans. The purpose of this amendment is to insure that EDA does not delegate any authority to approve any loans or loan guarantees to institutions which stand to benefit from the loan or guarantee.

EDA has had an outstanding record thus far with its loan and loan guarantee program. The default rate has been less than 5 percent which is remarkable when you consider that the Agency is often the lender of last resort. The reason for this success story is because the Agency submits each application to a rigid inspection, analysis, and inhouse review. It is clear that the Agency is going to have to reliquish some of this control under the expanded program. Assistance in preparing acceptable loan and guarantee packages formally provided by Economic Development representatives and by EDA's regional offices will have to be provided by nonagency personnel and organizations. There is nothing intrinsically wrong with this. Over the years EDA has developed an extensive network of public organizations qualified to assist in the development of applications.

This amendment would make it clear, however, that only such public organizations would qualify for this role. It would exclude those institutions which have a vested interest in having a loan made or guaranteed. If we are going to allow EDA to delegate some of its functions we must at least be sure that the delegates are unbiased, impartial, and do not stand to benefit in any way if the applications they help process are approved. I urge adoption of the amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. CLINGER).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CLINGER

Mr. CLINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLINGER: Page 17, line 5, strike out "section" and insert in lieu thereof "sections".

Page 17, line 15, strike out the quotation marks and the final period.

Page 17, after line 15, insert the following:

"SEC. 212. Applications for assistance under this title shall be processed by the Secretary or by an organization receiving assistance under this Act and shall be approved by the Secretary. The Secretary shall not have authority to designate any organization other than one described in the preceding sentence or any other person to process or approve such applications.".

Mr. CLINGER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CLINGER. Mr. Chairman, this amendment clearly stipulates that the Economic Development Administration and organizations recognized by EDA under title III of the act shall be the processors of loan applications under the new loan provisions. Additionally, the Secretary shall be authorized to approve loans under this provision.

I believe that EDA should maintain autonomy and promote in-house capability in the processing and approval of loan applications. If EDA wishes to provide grants to outside entities to provide technical assistance in filling out loan applications, they may do so. However, any outside entity shall not have a part in the processing of loans and the Secretary through the Economic Development Administration shall be the sole approver of such loans.

Mr. OBERSTAR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask the gentleman, what programs does the gentleman have in mind when he refers to programs under title III?

Mr. CLINGER. I am talking about the programs that EDA normally deals with, that is to say, economic development districts, LDC's, and so forth.

Mr. OBERSTAR. Does the gentleman intend with this amendment, then, to make the development districts processors of loan applications?

Mr. CLINGER. To the extent that they would be permitted to do so by the Secretary. The main intent of the amendment is to prevent the involvement of lending institutions or others who stand to benefit from the approval of a loan or loan guarantee application from participating in the processing and approval of that loan or loan guarantee. Their role should be limited to assembling and submitting the application. They should have no voice in determining the merit of the application.

My concern is that obviously there are not enough personnel within the agency at the present time to do all the screening and processing as we have historically done with the agency, so we are going to have to expand that processing operation.

Mr. OBERSTAR. Would it be the gentleman's intention and the purpose of this language to continue the existing process under which loans are reviewed within EDA?

Mr. CLINGER. That is correct.

Mr. OBERSTAR. It is not to circumvent that process, but to give perhaps an additional dimension to it?

Mr. CLINGER. That is correct. The problem as I see it, I will tell the gentleman, is that we are expanding this loan guarantee program enormously this year, tenfold. That means, I think, that the agency is literally going to be overwhelmed with applications for loan guarantees. That being the case, all of those applications are not going to be able to be processed by EDA personnel. There is going to have to be some processing done by the normal constituency of EDA.

Mr. OBERSTAR. I concur with the gentleman, the rather substantial expansion we are making in this aspect of the EDA program will perhaps put a strain on the EDA staff. I am concerned that perhaps with the gentleman's amendment we might be getting into an area where we have the development districts, which have not performed a function of this kind, having to hire additional staff and causing some additional financial burden to them.

I would hope that this language would remain discretionary, and that the Secretary would use it very sparingly. Yet, I do agree with giving the development districts a wider role in the EDA program.

Mr. CLINGER. That is entirely proper.

Mr. OBERSTAR. I also think it would be appropriate for the Secretary to consult with and cooperate with the Small Business Administration, as was done in the earliest days of the predecessor of EDA, the Area Redevelopment Administration. I think that would be entirely appropriate.

Mr. CLINGER. I would agree with the gentleman. I think my primary concern here is that obviously some of the processing of applications is going to be done by others than EDA. I am not suggesting in any way that the loan guarantees would ultimately be approved by somebody other than EDA. There is no way we can delegate that authority, but merely getting at the point I want to nail down, there would be no possibility for any organization which stands to benefit from the loan or loan guarantee to be involved in the approval process. At the same time, I do not intend to preclude lending institutions from developing and submitting loan guarantee applications for approval.

Mr. OBERSTAR. With that further clarification, I think the gentleman's amendment is a very good one. It does bring this whole economic growth process to the lowest common denominator, the people, and goes through the mechanism of development districts to bring both the public and the districts into the whole planning and development process. I think it is a very sound amendment, and I hope it will be adopted.

Mr. CLINGER. I thank the gentleman for his support.

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The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. CLINGER).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ALEXANDER

Mr. ALEXANDER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ALEXANDER: Page 27, line 7, strike out "section" and insert in lieu thereof "sections".

Page 27, line 12, strike out the quotation marks and the last period.

Page 27, after line 12, insert the following:

"(g) Before the first day of each fiscal year which begins after the date of enactment of this subsection, the State shall submit to the Secretary a list of approved projects for which funds apportioned to such State for such fiscal year will be obligated during such for any project unless such expenditure has been approved by the Secretary. The State may, from time to time during such fiscal year, delete approved projects from, and add approved projects to, such list."

Mr. ALEXANDER. Mr. Chairman, the amendment I am proposing refines what is known as the "section 304" program, which is now section 308 of the authorizing proposal. My amendment will provide the program with much needed Federal input and coordination.

The program was initiated in 1974. Its authorization provides for the appropriation of funds to be distributed to the States to be used in supplementing or initiating Economic Development Administration projects.

Through the program States receive an allotment on the basis of the relationship between the amount of EDA investment going to a State, and the total amount of EDA investment. For example, Arkansas has received 1.4 percent of EDA's funding from fiscal year 1966 through fiscal year 1978. Arkansas' share of the funding under section 308, therefore, is 1.4 percent.

My proposal does not affect the program fund distribution formula.

There are several flaws in the section 308 program.

The funds allocated are available for use by the States until committed by them. By March of this year 54 percent of all the allocated funds since 1974 remained unobligated by the States. In August 41 percent had still not been obligated.

In other words, of the $97.9 million appropriated by the Congress and allocated to the States since 1974, $40.8 million were still available for obligation in August of this year.

This has occurred in a period when States have regularly come to the Congress pleading for the appropriation of increased funding to help create job opportunities. That is what EDA funding is all about—job creation. And, generally, Congress has responded with dollars. It has occurred during a time when EDA has regularly had more applications for project funding than it has had money for investing.

Obviously, State governments have applied different standards when considering the need for investing money that EDA controls, with guidance from Congress, and investing money that has been allocated to the States themselves.

There are economic development projects going begging for funding, and for some reason the States seem not to recognize this. Allocations of funds have been made to all 50 States, the District of Columbia, Puerto Rico, Guam, American Samoa, and the Virgin Islands. Six States have not participated in the program. Of those which have, none had obligated all their funds by August 31 of this calendar year.

The bill the committee has recommended refines the program by requiring obligation of the allocation in the fiscal year in which the funds are appropriated, and requires that the projects be coordinated with district project priorities.

Mr. HAMMERSCHMIDT. Mr. Chairman, I rise in support of the amendment offered by my distinguished colleague from the State of Arkansas (Mr. ALEXANDER). The State grant program (section 304—EDA) has since its inception in 1974 received some $97 million allocated to the States on a formula basis, and available to States until expended. This program was initiated by the other body and was reluctantly agreed to by conferees in August 1974. The Committee on Public Works never has held hearings on this program, nor has the committee formally endorsed the program. We have renewed it once. During consideration of H.R. 2063 earlier this year, the committee considered an amendment to eliminate the program. States have not acted responsibly toward these funds, and consider it a separate entity, outside the overall development effort. Furthermore, some $40.8 million remains unexpended.

This amendment would provide a responsibility to States to account at the beginning of each fiscal year for all projects to be funded by this program. It will not be an added burden. States know what projects they intend to fund. Projects must be approved by EDA before they are eligible for funding under this program.

This amendment is really a matter of coordination with Federal funding of projects. By allowing the Secretary to approve the list of State funded projects, he can more efficiently allocate Federal funds for other projects.

This amendment is needed for a more workable program. I urge its adoption.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from New Jersey.

Mr. ROE. I thank the gentleman for yielding.

Mr. Chairman, I think that from what I observe in the gentleman's amendment, what he is doing here is really giving more responsibility and accountability, if you like, in the establishment of priorities as far as capital development projects would be concerned under the State's plan. Would that be reasonable?

Mr. ALEXANDER. Yes. My amendment adds a further fine tuning. It requires the States to submit to EDA at the beginning of each fiscal year a list of projects the State intends to fund or supplement with its section 308 money.

No project could be funded without EDA approval. A State could submit a new candidate for funding should a proposed project not receive EDA's OK. The result would be that, together with other changes proposed by the committee, projects will be funded more quickly and will be better coordinated with an overall investment strategy.

The result will be a coordinated plan for project placement. EDA has, over the years, pursued investment strategies designed to maximize EDA investment, to aid the most distressed areas and create lasting job opportunities. The overall economic development plan, which has its roots in local planning and decision-making, provides a blueprint for this kind of coordinated action. If the State section 308 program is to be effective, and we have no evidence that it is, then it must be brought into the mainstream of a coordinated plan for EDA investment.

This program has, up to now, received little attention from the House. It is time to examine this funding process. Just as States have an opportunity to participate in the EDA program, through the section 308 program, they also have the responsibility to participate in the investment process for maximum EDA return. Without some coordination, this program is fragmented and warrants serious consideration for reduction or elimination.

I am not proposing ending the program, but that coordination be increased, that Congress adopt for itself a method of evaluating more accurately the achievements of the program. Those are the objectives of my amendment.

I urge my colleagues to accept this amendment.

Mr. ROE. Mr. Chairman, I rise in support of the gentleman's amendment because I think it adds a dimension that brings the Government closer to the people so that local communities have something to say about the planning process for capital projects. I support the gentleman's amendment.

Mr. ALEXANDER. I thank the gentleman for his comments.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Arkansas (Mr. ALEXANDER).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. EDGAR

Mr. EDGAR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDGAR: page 16, line 10 after the word "including" insert the following: "design,".

Page 16, line 12, after the word "commercial" insert the following: ", or multiple".

Page 24, line 20 after the word "planning" insert the following: ", design,".

Mr. EDGAR (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EDGAR. Mr. Chairman, I offer at this time a technical amendment which I hope both the majority and the minority will accept. It simply includes in two instances the word "design" and in one instance the word "multiple."

The design of structures under Public Works Acts has an important impact on the areas in which they are located, and I believe that including the word "design" will help the EDA focus on the issue of designing buildings that are adequate and compatible with the community. Design is generally not given adequate attention in the planning of these projects. Relating structures to site and to the surrounding areas should be considered in the planning process. Grantees should be encouraged to view all federally assisted construction as opportunities to improve the quality just as they are to stimulate economic and employment opportunities.

Mr. Chairman, I believe that this initiative to include the word "design" will improve the quality of Federal facilities and takes the same view of federally proposed construction.

The Department of Commerce and EDA, along with HUD, GSA, and the Department of Transportation, have increasingly recognized the need to improve the design quality of federally assisted buildings. I ask my colleagues to accept this amendment.

Mr. Chairman, I yield back the remainder of my time.

Mr. HAMMERSCHMIDT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do not know enough about what this amendment does. I do not know the far-reaching implications of it. I notice it is in the language in the other body. I know that it has sponsors from the urban areas, but we have held no real hearings on it. We tried to include this proposition in the local Public Works Act previously in the committee but we chose not to authorize money for design purposes at that time. If this was considered before the subcommittee and the full committee, that might still be the consensus, but we have no way of knowing, Mr. Chairman. For that reason, because I do not know the implications of it and do not have any current information on it, I oppose the amendment.

Mr. ROE. Mr. Chairman, I move to strike the requisite number of words.

I realize that we have not, as my good distinguished colleague, the gentleman from Arkansas (Mr. HAMMERSCHMIDT), has pointed out, had in-depth discussions and review on the suggested amendment, but it seems to me that we are responsible for expending great sums of money on public improvements. It would seem to me, and I would have to state this to the distinguished gentleman from Arkansas (Mr. HAMMERSCHMIDT), on what I have observed in the character of design now, we are getting into the point of solar heating and other new technology, that esthetics should be considered. I think we have got to start directing a little bit of attention to that goal.

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It would seem to me that in view of the fact that this bill is only a 2-year bill that I do not see where it would denigrate the intent of our legislation. I think it gives us an added start and puts a proper emphasis on good design, not necessarily for beautification, but for a utilitarian value; so it would seem to me that the gentleman from Pennsylvania is offering a very important amendment. I would like to see us accept the amendment. I can strongly support it, because I think it is a chance for us to start to direct better design and construction that is utilitarian and cost effective rather than going the same old route. I think it is a matter that should be considered. I would strongly support the amendment.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. ROE. Of course, I yield.

Mr. HAMMERSCHMIDT. Mr. Chairman, I would agree with the gentleman that it is constructive in nature certainly. I think that organizations that represent cities recognize this; but I do not know how far we should go in using economic development money toward the esthetics of construction, particularly design.

I just do not know how far it goes. That is the reason for my opposing the bill. I do not oppose the idea. I just do not know exactly what it will cost. I do not know what the far-reaching implications are.

Mr. ROE. Mr. Chairman, it would seem to me that we would be in a position if this concept is properly adapted to the intent of the legislation, there could really be considerable savings and construction would be much more efficient. I would think we should be testing it out just to be able to get that extra edge now rather than let it go another 2 years.

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. Mr. Chairman, my understanding is that the provision is in the bill of the other body. Would it be possibly a suggestion that if it is not in the other body, that we would have an opportunity to discuss this further in conference if it is not in our bill and make a determination then as to what the ramifications of the bill might be. We have never had this kind of authorization in EDA before. I am a little concerned, too.

Mr. ROE. Maybe it is long overdue because we have not had it in the program before. It seems to me that if we are responsible for billions of dollars worth of construction, I for one being technically trained would want to say that we do not want to turn that total decision over to the architects and just let them dream, when there is an efficiency and an equity involved. I do not disagree with the gentleman, but I would just say we should give that some thought.

Mr. CLINGER. Mr. Chairman, if the gentleman will yield further, one comment I would make to the gentleman from Arkansas, too. I think the LPW provision, the concern there was that we wanted to have projects that were ready to go right then and not have to go through the design process. I am not sure that the same argument would apply here, but I guess my reservation is just that it could turn out to be a fairly enormous project.

Mr. ROE. Well, if the gentleman would yield further, I think we are going to be having early oversight hearings ourselves and we can get into that, and also urge that the agency would have to develop guidelines on it. I think that we can have a great input in that particular area and call them up to review the guidelines, as we did under the LPW program.

Mr. CLINGER. I think it would be helpful, surely.

Mr. EDGAR. Mr. Chairman, if the gentleman will yield, it occurs to me as the author of the amendment and I come to its defense, it occurs to me that we are really interested in trying to provide the best opportunities for cities to develop themselves.

We have already in the language of the bill words like "project planning, feasibility studies, management studies."

We talk about commercial use, but we do not talk about multiple use structures that could be used for multiple purposes. We include words like, "redevelopment and rehabilitation of historic buildings." It seems to me that the word "design" has a very important role if, in fact, we say that we have got to stop doing bad things to cities, make them livable, make them an environment in which people can live and have a quality of life that is important to them.

I do not intend in the amendment to see large sums of money go into fancy designs, but I do intend in the language of the amendment to focus our attention on making our projects paid for at Federal expense as attractive as possible and to allow the local communities in cases of cities or municipalities the option to include some design standards in the projects that they put forward.

The CHAIRMAN. The question is on the amendment of the gentleman from Pennsylvania (Mr. EDGAR).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CLINGER

Mr. CLINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLINGER: Page 17, after line 15, insert the following:

SEC. 107. The Comptroller General shall review operations of the loan guarantee program conducted under title II of the Public Works and Economic Development Act of 1965. Such review shall be based on a statistical sampling of at least 5 per centum of the total number of loan guarantees made under such title. Such review shall begin not later than one year after the date of enactment of this Act, and a report of the results of such review, together with recommendations, shall be submitted to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate not later than 90 days after the date such review is begun.

Renumber the succeeding sections and references thereto accordingly.

Mr. CLINGER. Mr. Chairman, as former chief counsel for EDA, I am both pleased and displeased with H.R. 2063. I am pleased because the administration and Congress are emphasizing the critical need for a greater role and higher priority for economic development programs. However, I am displeased by the loan guarantee targets set forth in title II.

I know from first-hand experience the implementation problems associated with legislative initiatives. When a NEDPWA bill is enacted into law, EDA will have to draft and promulgate regulations, hire and train staff, and set up a machinery for processing applications.

The authorization levels of $1.8 billion in fiscal year 1980 and $2.5 billion in fiscal year 1980 are many times over the amount of loans guaranteed by EDA in the past. The authorization, therefore, may seriously overload the agency's capabilities. Either EDA may fall short of congressional targets or, EDA may lose control over daily decisionmaking on loan applications.

We have already begun the 1980 fiscal year, and the late enactment of this legislation will shorten the lead time for implementing NEDPWA's broad legislative initiatives. The potential for serious abuses may threaten the reputation of this program and as a result its future success. Much more needs to be known about the off-budget nature of Federal loan guarantee programs; about the inflationary impact on tight money markets, and about the substitution of bad bank debts for Federal loan guarantees.

My grave reservations have prompted me to offer an amendment to require the GAO, within a year after enactment, to evaluate at least 5 percent of the loan guarantees granted by EDA under this title and to report the findings along with recommendations to the committee. I urge my colleagues to support this amendment so that we may know more about the impact of this program and make any necessary adjustments when reauthorizing economic development legislation.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. CLINGER. I would be happy to yield to my chairman.

Mr. ROE. Mr. Chairman, we have reviewed this amendment. We think it is a good amendment, because what the gentleman is doing here is establishing really a monitoring system, if you like, for the effectiveness of this entire program. It is a good housekeeping amendment. We would accept it on this side. We have no objection to it.

Mr. CLINGER. Mr. Chairman, I thank my chairman for his support.

Mr. HAMMERSCHMIDT. Mr. Chairman, would the gentleman yield?

Mr. CLINGER. I would be glad to yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, we, too, have reviewed the amendment on this side. I know that originally the gentleman intended for a full review by the GAO and now the gentleman has reduced that to certain select samplings.

We can monitor the program far better that way. I commend the gentleman. I am sure we have no problems with the amendment.

Mr. CLINGER. Mr. Chairman, I thank the gentleman from Arkansas. I will quit while I am ahead.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. CLINGER).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. LUNDINE

Mr. LUNDINE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LUNDINE: Page 17, line 6, after "211." insert "(a) (1)".

Page 17, strike out lines 12 through 15 and insert in lieu thereof the following: this Act in any case in which such ownership plan is formed to preserve jobs or to purchase businesses which would otherwise cease operation. Assistance under this title may be provided only if the Secretary determines that the business operated by the employee ownership plan involved has a reasonable prospect for success.

"(2) Such assistance may be used to enable employees to purchase stock in the business involved and to enable such business to pay for initial operating and capital expenses, initial working capital, and technical services.

"(b) With respect to direct loans which are made under this title to employee ownership plans, the provisions of section 201(c) of this Act regarding the per centum of the aggregate project cost to be supplied as equity capital may be reduced by the Secretary to not less than 5 per centum in cases which the Secretary determines are of unusual need.

"(c) The Secretary shall prescribe regulations which shall include procedures to assure that there will be adequate safeguards for the interests of employees, participants, and beneficiaries of employee ownership plans receiving any type of assistance specified in subsection (a) of this section.

"(d) Upon request of an employee ownership plan, the owner of a company, or appropriate State and local officials, the Secretary shall provide information regarding the types of assistance specified in subsection (a) of this section, including technical assistance provided in title III of this Act.

"(e) In order to carry out the provisions of this section, the Secretary shall consult with the Chairman of the Securities and Exchange Commission to determine whether simplified procedures may be developed for the registration of securities issued by an employee ownership plan receiving any type of assistance specified in subsection (a) of this section. Such simplified procedures shall not affect the provisions of section 12(2), section 17, and section 24 of the Securities Act of 1933 as applied to any willful violation of section 17 of such Act.

"(f) The Secretary shall attempt to insure that not less than 5 percent of the aggregate principal amount of loans which may be made or guaranteed in any fiscal year under this title shall be provided to employee ownership plans.".

Mr. LUNDINE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LUNDINE. Mr. Chairman, this amendment aims to encourage employee ownership of business as a constructive response to the problem of plant closings.

Most communities in this country dread the consequences of plant shutdowns—with good reason. The economic dislocations can last for years, causing extended hardship for workers and their families and costly increases in public expenditures. The current troubles of the Chrysler Corp. have heightened these kinds of concerns—not only in areas with Chrysler plants but wherever there are businesses dependent upon this giant manufacturer.

Where feasible, to prevent losses of jobs and industry, my amendment calls upon the Economic Development Administration (EDA) to help finance employees who are interested in purchasing and operating plants that would otherwise close. Specifically, the amendment provides that the Secretary shall attempt to insure that at least 5 percent of EDA's annual authority to make or guarantee loans shall be provided for the purpose of assisting such plans. It is anticipated that in some cases the employee ownership plans will also include community investors—most likely through the involvement of industrial development corporations or similar local entities.

Under my amendment, employee ownership projects are also eligible for technical and other types of assistance available through EDA. The Agency is required to determine, before extending any financial assistance, that the new owners have good prospects of making the business economically viable.

In making direct loans to employee groups, EDA will be allowed in cases of unusual need to reduce a requirement for a minimum equity percentage from 15 to 5 percent. Under H.R. 2063, no similar requirement exists for guaranteed loans. The Agency is further directed to work with the Securities and Exchange Commission toward developing a simplified procedure for registration of securities to facilitate employee purchase plans.

The amendment is patterned after the Voluntary Jobs Preservation and Community Stabilization Act, which I first introduced with my colleagues from Pennsylvania (Mr. KOSTMAYER) and New York (Mr. MCHUGH) on March 1, 1978. Over 70 Members of the House cosponsored this legislation, which sought to establish a special program in EDA to assist employee ownership arrangements. An identical measure was reintroduced by the three original sponsors on February 15 of this year.

Instead of creating a new program, the amendment would encourage EDA to make available additional resources under existing programs to aid employee-owned firms. Based on the authorization levels in H.R. 2063, a 5-percent target would mean that approximately $100 million of loans and guarantees could be used for this purpose.

Employee ownership has worked in a variety of situations and, in some cases, dramatically improved the company's performance. With a clear financial stake in their enterprise, workers and managers are encouraged to find ways to increase productivity and make the business run better.

In 2 days of hearings, the Economic Stabilization Subcommittee of the House Banking Committee learned about the successful experiences of such employee-owned firms as the South Bend Lathe Co., the Jamestown Metal Products Co., the Al Tech Specialty Steel Corp., and the Vermont Asbestos Group. Witnesses provided detailed case histories of their companies, including their financial achievements under employee ownership as well as steps and assistance required to arrange the transaction. The subcommittee also heard from employees who had attempted to purchase companies on the verge of closing but were unable to make the necessary arrangements in time to save the firm.

EDA can provide badly needed assistance to employee groups that experience difficulties obtaining financing from commercial sources and dealing with legal, technical, and other complexities raised by the purchase. Under existing programs, EDA has assisted 10 employee organizations with purchases of their companies, all of which have operated successfully. In most cases, however, assistance was provided as a last resort, because of unusual circumstances. With other priorities for its funds under each program, the agency has given only preliminary consideration to hundreds of inquiries and requests for support of employee ownership plans.

In seeking the use of a minimum of 5 percent of total loan and loan guarantee authority each year to assist employee and employee-community ownership plans, I believe this alternative can benefit a much larger number of areas facing losses of industry. The amendment would give the Agency discretion, however, not to spend the full amounts if it does not receive a sufficient number of worthwhile requests for assistance.

The amendment further directs EDA to issue regulations establishing criteria for making and guaranteeing loans to employee organizations. Such guidelines should assure that all employees are offered the opportunity to participate in the ownership plan and that, except in unusual circumstances, establishment of Employee Stock Ownership Plans (ESOP's) will not replace employee pension programs.

EDA is also authorized under the amendment to make available technical assistance to help employee and employee-community organizations with financial, marketing, legal, and managerial aspects of the transfer as well as possible changes in work systems and the structure of decisionmaking in the new firm. The agency should attempt to make these organizations aware of the different forms of ownership which are possible under State law, and the ways these choices can influence the structure and operation of the new enterprise.

Technical assistance may also be provided to aid in an initial assessment of project feasibility. In assessing the viability of a proposed plan for employee ownership, the agency is expected to consider more than the company's past record of profits and losses: it should focus on potential profitability, and give weight in its evaluation to evidence that steps will be taken to improve productivity and the quality of work life at the new firm.

In proposing a goal for assistance to employee-owned businesses, we anticipate that EDA will develop appropriate outreach activities, to assure that information on this option is widely available to potential applicants. The agency is urged to involve its regional offices and relevant local organizations in efforts to identify potential plant closings, as far in advance as possible, to permit consideration of the alternative of employee ownership in time to make the necessary arrangements.

Finally, there is need for major simplification of Federal stock registration requirements in situations involving employee purchases of businesses. The type and format of financial information involved in the regular procedures have generally precluded employee groups from registering their stock sales with the SEC. The lack of adequate alternatives to the full procedures has caused employee groups to restrict their ownership plans and design their stock sales to fit an SEC exemption.

All of us recognize the need for disclosure of relevant financial information to potential purchasers of a company's stock and seek to assure that employees can make informed decisions about such purchases. The SEC has developed two alternate procedures, Commission regulation A and the new form S–18, that modify the requirements for registering stock offerings of less than $1,500,000 and $5,000,000 respectively. In urging the development of a simplified procedure when firms are being purchased by their employees, we intend that whatever form or filing procedure is decided upon provide information that is understandable to employees and meet the need for disclosure with a minimum of time and expense.

In closing, I believe that modest assistance from the Federal Government will go a long way toward encouraging employee ownership where local groups wish to pursue this alternative. This amendment would make such resources available through EDA, and I strongly urge my colleagues to adopt it.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. LUNDINE. I yield to the chairman of the subcommittee.

Mr. ROE. Mr. Chairman, we have reviewed and analyzed in depth, as the gentleman knows, this amendment that the gentleman is offering, which in effect adds a dimension to our employee stock ownership trust program, which we think is very workable and we commend the gentleman for his amendment. The majority will accept the amendment as it is.

Mr. LUNDINE. Mr. Chairman, I thank the chairman, the gentleman from New Jersey. As the gentleman correctly states, the amendment aims to encourage employee ownership of business as a constructive response to plant closings.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. LUNDINE. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, we on the committee on this side have also been over the gentleman's amendment and we support it.

Mr. KOSTMAYER. Mr. Chairman, I support this amendment to the National Public Works and Economic Development Administration bill (H.R. 2063) on employee ownership. It provides an important element in ensuring that job preservation through employee ownership can be applied in appropriate situations throughout the country.

On March 1, 1978, and again on February 15, 1979, I introduced the Voluntary Job Preservation and Community Stabilization Act together with my two colleagues from New York (Messrs. LUNDINE and MCHUGH). We authored this legislation in response to the problem of plant shutdowns which in the past decade have hurt increasing numbers of Americans and threatened the economic stability of their communities. Employee ownership, when the circumstances are right and the local initiative is there, is a promising alternative to this problem. We encourage workers to preserve and save their own jobs.

I believe this summoning of personnel and cooperative initiative and community self-reliance speaks directly to the serious problems research tells us can afflict workers and their families after the loss of employment by a shutdown. In this sense one can view employee ownership as preventative mental health. Also, if the workers can purchase a firm threatened with shutdown, when it is economically feasible, the Federal Government saves a tremendous amount of money. Financially, the Government saves the cost of many transfer payments: unemployment insurance, food stamps, welfare, trade adjustment assistance, and related physical and mental health costs. When a plant shuts down the Government foots the bill for these costs not only for the workers involved but for workers from associated firms which also suffer, sometimes quite seriously. Income taxes paid by the workers and the firm are also saved.

When a firm is about to shut down, we believe the Economic Development Administration in coordination with other parts of Federal and local government and private networks of information, can make citizens aware of the alternative of worker ownership or worker-community ownership. If a feasibility study conducted by EDA indicates the firm could successfully continue under new ownership and financing then the Government would loan the workers the money to purchase the firm and finance initial start-up and operating costs. This is not a giveaway program. The loans would be repaid to the Government. In fact, this is just one example of an alternative legislative solution which recognizes that the big government approach is no longer feasible or realistic for handling every complex economic and social problem.

The threat of long-time inflation, deficit budgets, Government inefficiency, burdensome taxation, and the inability of bureaucratic solutions to get at the root of certain problems requires that we also encourage efficient and sensible non-governmental solutions. Our current dilemma demands that the Government begin to utilize alternative solutions that hold out the possibility of replacing State functions in some areas of our social and economic programs. We must begin to phase in as much as possible citizen, cooperative, and democratically run local solutions involving minimal Government resources.

This was our main concern in authoring the legislation; that the job preservation concept utilizing worker and worker-community ownership be applied in as many applicable situations as possible. We would urge the EDA to promote successful efforts of job preservation utilizing this concept because it both saves money and demonstrates the crucial concept of self-reliance and limited Federal involvement. EDA should endeavor to make the citizenry, other agencies, unions, management, and local governmental and private bodies aware that this alternative exists.

Research shows that leadtime and early notice of a shutdown is crucial in advancing the possibility of saving those jobs and realizing the tremendous savings in funds and citizen initiative. Until such time as legislation on early warning of shutdowns is passed, the EDA should use its existing branches and networks to identify firms in danger of shutdown and make sure they know of this alternative. Leadtime is vital. Generally, at least 3 months is necessary, while 6 months to a year provides a greater chance for saving jobs.

This amendment setting a target for EDA funds in the areas of loans, loan guarantees, technical assistance, grants, and demonstration projects and research, is really meant to insure that significant resources are applied to this alternative development concept. Hearings in both the House and Senate over the past 3 years and EDA-funded research have documented the success in terms of increased productivity, profitability, and employment in worker-owned firms, and the success of the employee ownership concept when even partially applied to firms. We have painstakingly examined the track record of these firms, and the pilot examples of saving jobs through this concept already conducted by the EDA.

One of the crucial themes running throughout previous hearings and research on this concept and crucial to the legislative intent of these proposals is the importance of workers clearly understanding all the options of ownership and control before they actually decide how to structure their new firm. It is important that they certify to the EDA they have considered and examined a wide variety of options of ownership and control open to them. Complete or even partial worker ownership entails new corporate problems and responsibilities and skills which may not be foreseen. Evidence suggests that new firms may easily reestablish the economic stability, but later may have more difficulty achieving the decisionmaking, leadership, and planning skills necessary to long-term survival and continued development.

In reviving a firm under employee ownership the following issues should be considered: First, the variety of the forms of ownership possible and their advantages and disadvantages, such as employee stock ownership plans, exclusive worker ownership, worker-community ownership, cooperative ownership (with a one person—one vote provision or otherwise); Second, the variety of forms of control possible and their advantages and disadvantages, such as voting rights with or without an ESOP, one person—one vote procedures of decisionmaking as in co-ops, varieties of voting or nonvoting stock types for different shareholders (for example, community blocks of investors or nonprofit corporate participants), or the more traditional way of voting according to the number of shares held; Third, evaluation of the type of technical assistance needed to insure improvement in the quality of working life, increased productivity, and worker participation in decisionmaking and a worker education program to diffuse both the appropriate individual and managerial skills consonant with the new type of organization created.

For example, the success of some firms could have been facilitated had the forms of ownership and control and the technical assistance and worker education necessary for success been originally designed to meet the needs and expectations of the group that originally took over the firm. Unfortunately, often the initial focus is only on saving the jobs quickly and not sufficiently also on developing the proper skills and arrangements to insure the most effective and efficient management.

It is the intent of this legislative section that EDA provide the necessary technical assistance to encourage this type of comprehensive planning at an early stage. I would hope this will include examples of the successes and problems of various worker- and worker-community-owned firms and materials on how the job preservation concept has been applied and carried out elsewhere. Our evidence indicates that many of the problems the job preservation concept runs into are of the "if we would only have known" type. By searching out the very best people with technical expertise in this area, EDA can insure a better attempt at improving on past experience.

I recommend that EDA follow the guidelines for employee ownership plans contained in S. 388, the Small Business Employee Ownership Act which passed the Senate on May 1, 1979, and also S. 914, the Senate EDA bill which also makes provisions for use of this concept. These guidelines are patterned after those in H.R. 2203 and are contained in the reports filed with both aforementioned pieces of legislation:

First. All employees of the firm should be offered an opportunity to participate in the plan;

Second. Where stock is distributed, participants in the plan will have a nonforfeitable right to such stock not later than the expiration date of the assistance made available by the EDA;

Third. At least 51 percent of the stock will be owned by 51 percent of the participants in the plan by expiration date of the assistance, except in unusual circumstances, such as when a company purchases a subsidiary prior to the expiration date. In these cases majority ownership by participants should be completed as soon as possible;

Fourth. The employee-owned company will have a plan to repurchase stock from employees leaving the firm; and

Fifth. The employee-owned firm will provide a mechanism for the periodic review of the role of the employees in the management of the company.

These guidelines deserve some brief comment and explanation. Evidence on employee ownership indicates that the greater the equity in the firm the greater the potential productivity and profitability. Thus the 51-percent suggestion. In regard to the repurchase guideline, I recommend the more specific wording of our original legislation noting that the worker-owned firm be guaranteed the right of first refusal to stock of an employee who might leave or die. One problem with these firms is that once local ownership is established, the jobs saved, and the firm becomes successful, individuals may choose to sell their stock and leave. If it is not sold to other employees, the crucial worker-ownership aspect which was central to reviving the firm, can be quickly reversed, and the attendant productivity and profitability advantages may suffer.

I believe it is also important to follow the recommendation of the two reports mentioned so that employee stock ownership plans, which are one form of worker ownership, not be used as a substitute for employee pension plans, except in unusual circumstances where a substitution is clearly warranted. This is in response to what I believe is a very proper concern of organized labor that pension plans offer a diversified risk to a worker who also owns a share of the firm in which he or she works. Obviously, under some circumstances a choice must be made between saving the firm and diversifying this risk, but I believe the availability of leveraged capital should offset the need for this choice.

I would like to address some additional issues upon which the success of this legislation depends: Coordination among Federal agencies offering business assistance, practical research on the concept, encouragement of an even greater involvement of the private sector in this concept, and the importance of democratic skills.

An employee-owned firm seeking loans may work with several agencies. I encourage EDA to give priority to organizations also receiving assistance through the Small Business Administration, the urban development action grant program of HUD, and the Farmers Home Administration.

Research on employee ownership is still needed. Despite the very encouraging and positive evidence of success of many job preservation efforts involving worker and worker-community ownership, much remains to be learned about this kind of cooperative private enterprise. There is no magic in the concept and it works best under very specific conditions. EDA should give attention to research and demonstration projects which focus on the following issues:

First, comparing different forms of ownership and control to understand relative advantages and disadvantages; second, worker education programs emphasizing skills in worker participation in decisionmaking, and quality of life improvement and productivity improvement, and comprehensive involvement of all workers in maximizing the conditions for success in the new firm; third, ongoing technical assistance needs and capital needs of such firms; fourth, the advisability of applying the job preservation idea selectively in certain industries or areas; fifth, the possibility of expanding the self-reliance and cooperative aspects of the firm to other areas that is, using this unique quality of worklife experiment to attempt other innovations directly beneficial to the firm and the workers involved; sixth, how management and decisionmaking are developed in such firms and their effect on productivity and profitability; seventh, the role of unions in these firms; eighth, the importance of local associations which identify opportunities for job preservation and provide initial and ongoing technical assistance to firms; ninth, applying the job preservation concept in service and educational industries; tenth, methods of disseminating the job preservation concept through the media; and eleventh, transfer payment reinvestment and worker ownership potential.

It is the intent of this legislation to be a demonstration of an already tested and laudable alternative which may apply in certain specific cases of plant shutdowns. It is not in itself nor can it be a comprehensive solution to the problem of business and firm shutdowns in this country. The intent is to encourage the increasing involvement of private lending institutions in supplementing and applying the job preservation through employee ownership concept on their own.

My observations suggest that there is already substantial private sector involvement in the job preservation concept which should be studied and encouraged. In areas where the concept has been applied, considerable local expertise and coordination has developed. Two cases in point are the central involvement of the new systems of work and participation program at Cornell University and the Industrial Cooperatives Association in Cambridge, Mass., in organizing and leveraging technical assistance to several job preservation efforts in their areas. One cannot escape the conclusion that the using of Government resources will be most effective where such local associations can concentrate energy, resources, will, and coordination. Given the potential savings to the Federal Government, such associations should be actively encouraged. I believe this holds special promise in combating youth unemployment.

Finally, let me address the importance of democratic skills. Really, this is the crux of this legislation. On the Federal level our intent is to say that the most aggressive and original ideas must be used to preserve and create jobs since jobs are the mainstay of our democratic system. Locally, the fact that voluntary citizen cooperation and local initiative are the main ingredients of a successful job preservation effort through worker ownership, is an example of the democratic principle at work.

Our research and our hearings and our case studies suggest that worker ownership works best when the people involved develop their democratic skills to the fullest. As Robert Strauss, former Presidential assistant on inflation said in testifying on this concept before the Senate Finance Committee: "Employee ownership can be a meaningful long-term measure to dampen inflation since people perform better if they have a piece of the action."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. LUNDINE).

The amendment was agreed to.

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AMENDMENT OFFERED BY MR. MITCHELL OF MARYLAND

Mr. MITCHELL of Maryland. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MITCHELL of Maryland: Page 16, line 20, strike out "solely for the making of other loans" and insert in lieu thereof "for the making of other loans and equity financing".

Mr. MITCHELL of Maryland. Mr. Chairman, before speaking to the amendment which is now before us, I would like to indicate that I had an amendment on page 12 which I planned to offer, an amendment which would have mandated that the Secretary establish certain criteria for the evaluation of projects and the selection of projects. That would have included such matters as the degree of economic stress, the level of private equity investment, and so forth.

I shall not offer that amendment because I have received assurances from the administration that those criteria will be addressed in either the regulations or the guidelines. I will not offer that first amendment, having received those assurances.

Mr. Chairman, as to the amendment now before us, all that we seek to do is to achieve the following objectives: to provide equity financing to economically and socially disadvantaged businesses from the money they have paid back under the bill. This complements the spirit intended in the language of the bill by providing financial assistance to those businesses that are least able to secure equity financing.

Obviously the intent of this amendment is to try to bridge the gap between the awesome problem that we have at the present time, to obtain capital and equity financing for small and disadvantaged businesses. As many of the Members of this House have noted from time to time, it appears our small and economically disadvantaged businesses are almost about to become extinct. The present spiraling of interest rates and increased costs for raw materials are pricing these businesses out of the marketplace.

Mr. Chairman, if this bill is to be truly effective, then it must provide these businesses with a mechanism to meaningfully complete with the nonsocially and economically disadvantaged businesses, and by providing for this equity financing mechanism, I think we accomplish that objective.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Pennsylvania.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would like to compliment the gentleman on his amendment and urge its adoption. Our subcommittee developed something very similar to this. I share the gentleman's view that there is an equity financing gap and that this is a useful experiment in trying to close it, at the purely local level and for purposes of local economic development. Our subcommittee heard much testimony on that point. I would note that the Federal Government, under this amendment, would never own stock in any company. I would like to ask the gentleman one question. This language is both brief and broadly permissive. Would the gentleman anticipate that the Secretary, by regulation at the time of the initial grant for the revolving loan fund, establish certain limits on the equity investment powers of these local funds? I have in mind such things as limits on the amount of investment in any one firm.

Mr. MITCHELL of Maryland. Mr. Chairman, that is precisely what the gentleman had in mind. We would hope, after this amendment is adopted, that the Secretary would establish limits not only on the number of loans going to a firm but on the volume of dollars going to any one firm. I think that would be very advantageous.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I thank the gentleman from Maryland (Mr. Mitchell).

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I am delighted to yield to the gentleman from New Jersey.

Mr. ROE. Mr. Chairman, we find ourselves somewhat confused, which is, I suppose, an admission one should not make on the floor of the House.

Be that as it may, according to the reports we have—and we do not have a full copy of the gentleman's amendment before us—we note in the records we have that there are four or there were to be four amendments offered by the distinguished gentleman from Maryland (Mr. Mitchell).

Now, we feel that some of those amendments may contravene each other because they are along the same line. If the gentleman will bear with me for a moment, the three amendments we are looking at are these: One amendment offered by the distinguished gentleman from Maryland (Mr. Mitchell) would be an amendment which would direct the agency to go into a program, a study program or inventory program, if you like, to identify areas of long-term structural unemployment or chronic unemployment distress. That was printed in the Record under date of November 13. That is one amendment.

The next amendment we find among the amendments the gentleman from Maryland (Mr. Mitchell) would offer is an amendment which would require rather than authorize the Secretary to conduct demonstration projects designed to increase regional productivity and broaden the regional economic base.

The third amendment the gentleman speaks to is the one he is discussing at this time.

Mr. MITCHELL of Maryland. Mr. Chairman, I would like to clarify the situation for the distinguished chairman of the subcommittee, if I may. Perhaps the gentleman was a little busy when I first took to the well. The first amendment which I intended to offer was on page 12, and, as I said, I have received assurances from the administration as to the provisions of that amendment.

Mr. ROE. Yes, I heard that.

Mr. MITCHELL of Maryland. Having received assurances from the administration, I will not offer that amendment. The amendment we are now discussing is on page 16.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. Mitchell) has expired.

(By unanimous consent, Mr. Mitchell was allowed to proceed for 3 additional minutes.)

Mr. MITCHELL of Maryland. Mr. Chairman, if I may continue, the amendment on page 16 merely establishes the principle of utilizing this kind of equity financing.

The third amendment, which is related to the one on page 16, Mr. Chairman, occurs on page 23, and that mandates that the Secretary shall carry on demonstration projects to create an equity financing kind of operation.

Is the gentleman with me up to this point?

Mr. ROE. Yes, I am.

Mr. MITCHELL of Maryland. Mr. Chairman, the final amendment is on page 43. That is an overall omnibus amendment with reference to the inclusion of an equalization of minority small and disadvantaged businesses, without using any quotas.

So the amendment on page 28 merely complements the amendment which we are now addressing.

Mr. ROE. Mr. Chairman, will the gentleman yield for another moment?

Mr. MITCHELL of Maryland. Certainly, I yield to the subcommittee chairman.

Mr. ROE. Mr. Chairman, let me ask, is the gentleman planning on offering these other amendments?

Mr. MITCHELL of Maryland. Yes, I am.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I am delighted to yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Chairman, I commend the gentleman from Maryland (Mr. Mitchell) for focusing our attention on the issue of equity financing.

This legislation does not address in a targeted way those small and medium-sized firms that are the ones we are trying to stimulate and incubate in our society. If our urban areas are to expand and grow, it is going to be due to our capacity to respond to the capital needs of particular businesses. Therefore, I think the gentleman's amendment and the amendment which I offered to the legislation that develops the demonstration projects in the equity financing area are most important.

I would hope that as we continue this dialog over the next few years, we will look at ways in which the Federal Government can assist, without buying up or taking over, small and medium-sized businesses. We must assist those small businesses to have some capital funds so they can move to a standard of living that is equal to the standard of living that some of the larger and more prosperous businesses in our communities have now.

Mr. Chairman, equity financing is absolutely essential to the creation growth, and general health of small firms and medium-sized firms. Because of a variety of changes in our Nation's capital markets over the past decade, access by small firms has diminished substantially. Many of the most important of these recent capital market changes are directly attributable to Federal action; for example, the Securities and Exchange Commission's rules with respect to small stock issues make it exceedingly difficult and expensive to obtain this form of financing.

The Small Business Administration reported in 1977 that public offerings of securities underwritten for companies with net worths of $5 million or less fell from 548 offerings in 1969, worth a total of $1.5 billion to four offerings in 1975, worth $16 million. While the situation has improved somewhat since 1975, many small and medium sized firms cannot obtain the equity capital they need.

The Federal Government has a large and respected history of involvement in equity finance. President Hoover invented and President Roosevelt expanded the Reconstruction Finance Corporation which used direct equity finance methods to save a large number of firms and the jobs that were dependent on them. More recently, we have created within the Small Business Administration the capacity to form and finance small business investment corporations and minority enterprise small business investment corporations which are empowered to use equity financing in their "tool kit." In addition, we have provided for the creation of community development corporations in some of our most severely distressed communities under the supervision and with the financial support of the Community Services Administration.

A number of community development corporations make very successful use of equity financing at a recent conference on development finance. Mr. Tom Miller, the able president of the Kentucky Highlands Community Development Corporation told us in some detail how equity was proving to be a vital part of his program for creating jobs in one of the poorest areas of Appalachian.

This amendment takes proper recognition of this history of Federal participation in equity financing by allowing the use of a modest part of the grants provided in H.R. 2063 for local revolving funds for equity financing on an experimental basis. The amendment is carefully drawn to make sure that EDA would have no direct-stock ownership role and that no local revolving fund would own a majority share of any investments.

Mr. Chairman, this is a sound, prudent amendment designed to help fill a genuine gap in the capital market and I urge its passage.

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the gentleman from Pennsylvania (Mr. Edgar) for his remarks. The gentleman states precisely what my amendment seeks to address, and for fear it would not be fully implemented for various reasons, the following amendment on page 28 which I will offer mandates that there be a demonstration project utilizing this kind of equity financing.

Mr. EDGAR. Mr. Chairman, I appreciate the gentleman's comments.

AMENDMENT OFFERED BY MR. GREEN TO THE AMENDMENT OFFERED BY MR. MITCHELL OF MARYLAND

Mr. GREEN. Mr. Chairman, I offer an amendment to the amendment.

The CHAIRMAN. The Clerk will report the amendment to the amendment.

Mr. GREEN. Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The amendment to the amendment is as follows:

Amendment offered by Mr. GREEN to the amendment offered by Mr. MITCHELL of Maryland: Add at the end of the Mitchell (Md.) amendment: On page 16, immediately after line 21, insert the following new subsections (b) and (c) and redesignate the succeeding subsections accordingly:

"(b)(1) The Secretary, on an experimental basis, may approve, and make grants for, non-Federal revolving loan funds which permit the use of not more than 10 percentum of the initial grant for investments in equity securities, or debt securities convertible into equity securities of businesses in the area. No eligible redevelopment area which receives a grant under this subsection may own more than 49 per centum of the outstanding voting shares of any business. Such investments shall not exceed $500,000 in any business, and may be otherwise limited by such conditions as may be prescribed by the Secretary at the time of the initial grant.

(2) The Secretary shall attempt to insure that not less than 10 per centum of the authorization provided for in this Section shall be used for such investments, as defined in Subsection (b)(1).

(3) Any earnings derived by the redevelopment area as a result of the non-Federal equity investments and funds obtained by selling the non-Federal equity investments shall be retained by the redevelopment area for the purpose of further non-Federal equity investments and loans.

(c) Each redevelopment area which receives assistance under this section shall annually during the period of such assistance make a full and complete report to the Secretary, in such manner as the Secretary shall prescribe, and such report shall contain an evaluation of the effectiveness of the assistance provided under this section in meeting the problem it was designed to alleviate and the purposes of this section.

Mr. GREEN. Mr. Chairman, when the Economic Stabilization Subcommittee considered the loan guarantee section of the national public works and economic development bill, it accepted my amendment providing equity financing for small business. I am pleased, therefore, to note that the Public Works Committee's version of the bill authorizes the Secretary of Commerce to establish an equity financing demonstration program. Certainly, favorable action by two House committees and the Senate is a clear indication of congressional interest in this concept. Considering the urgent need for equity financing and the successful precedents, however, I feel that a research and demonstration program is not enough.

Moreover, the amendment offered by the gentleman from Maryland (Mr. MITCHELL) would not as a practical matter permit the equity financing program to get underway in any substantial amount for some period of time. That is because the gentleman from Maryland (Mr. MITCHELL) uses so-called roll-over funds—the repayments of loans—as a basis for generating money for his equity financing proposal.

Obviously that is a step in the right direction, and whether my amendment passes or not, I certainly intend to vote for the amendment offered by the gentleman from Maryland (Mr. MITCHELL).

But I would like to see us enact an equity financing program that can start when this bill becomes law. Therefore, what my amendment does is this:

My amendment would permit the use of up to 10 percent of EDA's local revolving funds for equity investments.

The amendment I am proposing will address the equity needs of small companies. The Secretary will be able to allow local redevelopment areas to invest up to 10 percent of their revolving loan fund grant in equity investments. Most of the redevelopment areas will or already have set up economic development corporations and it is these corporations which will make the investments, thus removing the Federal Government from direct ownership in private enterprise.

I have included several provisions in my amendment which insure that these funds will go to those small growing businesses who will create long-term jobs. Any single equity investment must not exceed $500,000. In addition, no development corporation can own more than 49 percent of the voting shares in the business, thereby insuring that these businesses remain free of U.S. Government control. And finally, my amendment mandates that any earnings derived from these investments must be used to make further equity investments and loans in the redevelopment area.

Equity capital is crucial to the growth and economic health of small firms. Equity allows those firms to leverage more debt financing from the private sector, and it eases the pressing cash flow needs during the early years of operation.

Unfortunately in recent years it has become increasingly difficult for small firms to gain access to this type of capital financing. On the new issues market, the number of equity offerings by firms with a net worth under $5 million declined from 548 in 1969 to just 4 in 1975. In dollar terms, those offerings fell from $1.5 billion to $16 million. The sharp decline in equity financing occurred despite the fact that the evidence indicates that smaller firms have an equal or greater return on investment compared to larger firms.

For example, between 1972 and 1976, manufacturing firms with less than $1 million in assets produced an average after-tax return of 16 percent equity, while firms over $1 billion in assets returned 13 percent. The decline of the new issue market seems to be the result of the increasing costs of SEC registration requirements and the general state of the stock market, as well as higher capital gains tax rates.

The potential for success for this type of development financing is significant. Several development organizations have acquired lengthy track records of successful equity investments. For example, Kentucky Highland Corp., in the Appalachian area of Kentucky, has invested $2.5 million out of a total of $5.5 million in equity investments since 1972. This investment has created 430 jobs in 11 small, low-technology, labor intensive businesses. The total assets of these ventures is presently in excess of $10 million. States such as Massachusetts and Alaska are experimenting with publicly chartered development banks capable of investing equity in you and small firms.

Mr. Chairman, the issue of equity capital for these small businesses needs to be addressed now, if we are committed to providing private sector jobs for the unemployed and revitalizing depressed communities. My amendment addresses this issue effectively and directly, with due regard to the difficulties of meeting this need through effective and noninflationary means.

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Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, under the gentleman's amendment, would the revolving fund established under the bill be eliminated?

Mr. GREEN. No. In no way.

Mr. OBERSTAR. In effect, that is what would happen, it seems to me, on the surface of it.

Mr. GREEN. No. What I am saying is that up to 10 percent of the money initially granted to the area by the EDA can be used for equity purposes. And then, under my amendment, that money, when it comes back in, is available for both loan and equity purposes. But my amendment does not change the basic structure of the operation of these revolving funds.

The CHAIRMAN. The time of the gentleman from New York (Mr. GREEN) has expired.

(On request of Mr. OBERSTAR and by unanimous consent, Mr. GREEN was allowed to proceed for 1 additional minute.)

Mr. OBERSTAR. Mr. Chairman, if the gentleman will yield further, the way the gentleman has structured his amendment, it would make the program which we have carefully crafted in this bill operate in some automatic fashion beyond the control of EDA. I am wondering if the gentleman has some role model on which he has based the language of his amendment. The gentleman made reference to the Appalachian program.

Mr. GREEN. Yes, that is right, I did. And there are a number of other cases where there have been area development organizations that have made equity investments, and quite successfully. But essentially I do not change the basic structure of your bill, in terms of having funds, when they are repaid, in this case, when the stock is sold, again available for purposes of the local area.

Mr. OBERSTAR. If the gentleman will yield further, the concept sounds good, but it seems to me that we need to develop this theme a little more, to better understand it in terms of the concept of the legislation we have before us.

I thank the gentleman for his explanation.

Mr. ROE. Mr. Chairman, I rise in opposition to the amendment.

I would like to say to the distinguished gentleman from New York and also to the distinguished gentleman from Maryland that the committee is very well aware and supports the concept of equity financing. We have had some dialogue on this, we have had some hearings on this, and we are not opposed to that issue. But this specific amendment, what this amendment would do be as follows:

Under the EDA bill, we have a mechanism where EDA can make a grant to a State and/or a redevelopment area to establish an economic development revolving fund. That economic revolving account can be used for loans. As the company who is the recipient of the loans from that revolving account pays back that money, it is then utilized for further loans to permit expansion of business enterprises in the area served.

If you tack on the equity financing at a new element, it means that the equity financing is not returnable. And would in effect, it would take the form of a grant. The committee has not thoroughly digested and studied the issue: but we are concerned about how that equity capital being held by a public agency or quasi-private agency. What happens when the value of the stock goes up, how it is disposed of, if it is disposed of. Does that go back into the revolving account?

What we are trying to say here is that we have provided a substantial direction to get into equity capital financing by authorizing a demonstration program. In discussing it with the gentleman from Maryland (Mr. MITCHELL), there are two other amendments that I think will help to start to learn about the issue without attacking the economic development revolving account that is used for business loans. We do not want to denigrate the ability of the fund to make loans by transfering into equity financing. I believe this would be a mistake in this part of the bill.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from New York.

Mr. GREEN. Mr. Chairman, I really think the fears of the distinguished chairman are misplaced as to my amendment.

Mr. ROE. Most of my fears are.

Mr. GREEN. My amendment specifically provides that any earnings derived by the redevelopment area as a result of the equity investments and funds obtained by selling the equity investments shall be retained by the redevelopment area for the purpose of further equity investments and loans. There is a mechanism provided.

Mr. ROE. I thoroughly understand what the gentleman is saying, but I deeply regret that the gentleman does not understand what I am saying. I am trying to get across to the gentleman that the gentleman's amendment goes further than the gentleman's from Maryland did. The gentleman's amendment says that any grant that is made to an eligible economic development district or economic development unit could have a possible set-aside of X percentage of that funding used for equity funding. It is not going to be returned if it is equity, because there is nothing now that exists in the law that gives any guidance. Let us assume, hypothetically, if the time permits, that we were to buy $500,000 in stock of the XYZ private corporation.

Now, when the company is successful and the stock purchased is no longer worth $1 a share, it is worth $15 or $18 a share, what happens then? There is nothing in the law that mandates that they divest themselves of that. There is no way to get that money back into the economic development revolving account.

Mr. GREEN. If the gentleman will yield, first, there are two ways, obviously, that an equity investment can generate money; one, it can start paying dividends, and, second, it can be sold. My bill has a specific provision that requires any earnings to go back to the development area, to be available either for loans or for further equity investments, and it similarly provides that, on sale of the equity, that money, too, goes back to the development area for re-use either for loans or for further equity investments. So it seems to me I have dealt with the problem the gentleman has.

Mr. ROE. No. The major problem I have is that the gentleman has a problem. What I am trying to say to the gentleman is that the committee is not a novice or new in this field. They have taken a giant step forward. There was quite a debate in our own committee to get this approved. The fundamental point of view—if I have to say this I do not mean it to be anything personal, of course—we are going to create a situation where everybody and their brother can come up and get something from Uncle Sam and buy an equity interest in this store or that store, whatever.

There is no expertise on this that sits in this House committee, because no in-depth hearings have been held. What we want to do here is to provide a demonstration program so that we can gather facts and see how it is going to affect our other grants program.

I would just suggest to the gentlemen both involved that anything beyond this does not belong as an amendment on this section of the bill.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. ROE) has expired.

(By unanimous consent, Mr. ROE was allowed to proceed for 2 additional minutes.)

Mr. GREEN. If the gentleman will yield further, I recognize that there has been a problem here of committee jurisdiction.

Mr. ROE. I do not consider that we have a problem on committee jurisdiction at all.

Mr. GREEN. I am pleased that it has been resolved. But in the hearings of the Economic Stabilization Subcommittee, there was a good bit of testimony as to the need for equity for small businesses. I think that this amendment that I have offered to the amendment of the gentleman from Maryland, which was also considered in the Economic Stabilization Subcommittee, is a well crafted measure, and I think it does provide for the revolving fund to be replenished from these equity investments. It is a very modest proposal, because no more than 10 percent of a grant could be used for these purposes, and we limit it to $500,000 per business.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Maryland.

□ 1550

Mr. MITCHELL of Maryland. I sought to anticipate some of the gentleman's problems in the colloquy with my colleague from Pennsylvania, by saying that the Secretary shall promulgate such rules and regulations to cover matters of how much money can be invested in any one business, how many businesses, and what size or amount of money can be invested in any one business.

Obviously, we would anticipate that such rules would cover the mechanism for how do we control the flow, the return of money back to a general revolving fund. We have played around with it so long, and I do not see any reason to delay any longer on this if we are now prepared to move. Let us move it.

Mr. ROE. We are doing it. The question that the gentleman from Maryland and the gentleman from New York have raised is to do it their way.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. ROE) has expired.

(By unanimous consent, Mr. ROE was allowed to proceed for 3 additional minutes.)

Mr. ROE. We are not quarreling with equity financing. We are saying that what the gentleman is saying and our colleague from New York, is that they want to put a restriction on the economic development revolving funds.

Now, the revolving fund is not just $10 million or $1 million. It can vary depending upon the need of the region, and depending upon the program. It can be greater in some areas and lesser in others.

There is no structure at the moment to do that. We agree with the gentleman on equity financing. We are providing $20 million for it. We are providing the chance to go in and get it started.

We do not think it should be tacked on to the revolving fund, is what we are trying to say. It is a separate entity.

Why take away or add another burden on the revolving fund?

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. The special genius of this EDA program is that it has evolved slowly, carefully, over the years. It has not been done in one fell swoop.

We have established programs, watched them operate carefully through the oversight function of this committee, and then shaped and modified them and carefully crafted them to improve upon them with time and experience.

Here we have a new proposal that this committee and the Committee on Banking, Finance and Urban Affairs has crafted. It is not yet in place, and already it is being amended on this House floor. I find this a very dangerous step to take. We simply do not know how the program is going to operate itself, and already it is proposed to amend it to make it operate in some other fashion.

I just think that we ought to let the basic program go into operation, come back in a couple of years when we have some experience with it, see how well it has functioned, and if necessary at that time, to improve upon it.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. What specifically does the gentleman do in terms of the gentleman's demonstration program in the bill, vis-a-vis equity funding?

Mr. ROE. The demonstration project, the Secretary has the right to go in any direction he practically chooses with guidance of course by the committee.

Mr. MITCHELL of Maryland. Has the right to do that? Would the gentleman object to mandating the Secretary to do that?

Mr. ROE. That was one of the gentleman's proposed amendments. I thoroughly support that.

Mr. MITCHELL of Maryland. That one I will offer at the propitious time.

Mr. ROE. That one I will support.

Mr. HAMMERSCHMIDT. Mr. Chairman, I rise in opposition to the gentleman's amendment.

Mr. Chairman, I strongly oppose the amendment of my good friend from New York, because it opens up a whole new realm of financing on which we have held no hearings. We do not know where it leads us. It allows the Federal Government to retain equity in a company; in other words, to hold stock or buy into a firm.

We have always had a prohibition on grants to private business, for obvious good reasons.

In title IX, section 903, it says specifically:

> . . . But no grant shall be made by an eligible recipient to a private profit-making entity.

That comes from the long-developed wisdom of this committee and the Subcommittee on Economic Development.

We are not ready for EDA to buy into companies with no standards for payback, no criteria, no safeguards, no accountability in the operation of the business.

Admittedly, my distinguished friend from New York said there is a certain amount of safeguard in repayback to the economic development mechanism, but it does not say anything about safeguards on the selection of businesses for funding.

This may or may not have merit, but how do we know? We have not had hearings. This is no place to put it into legislation. I strongly oppose the amendment.

I did hear my friend say that the Committee on Banking, Finance and Urban Affairs or one of the subcommittees may have had hearings on this. I would be interested to know their consensus on it, however, for placing it into this legislation, I strongly oppose it, Mr. Chairman.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from New York.

Mr. GREEN. I thank the gentleman for yielding.

First, I would like to clear up a misunderstanding that some people may have. This amendment does not provide for direct Federal investment into any business. As in the rest of the bill, the mechanism is that funds go from the Secretary to a local redevelopment area, and it is that entity which makes the investment, just as it is that entity which makes the loans under the bill.

Mr. HAMMERSCHMIDT. Does the local redevelopment area get themselves engaged in sales and services, or do they support private industry or business that does provide that?

Mr. GREEN. Just as in the case of loans, they make a loan to a private business that has a going business, so in the case of equity, they make an equity investment in a business. It is really not that different from the loan situation in terms of what they have to do.

Mr. HAMMERSCHMIDT. Are they engaged in the banking business and take for collateral stock in the business itself?

Mr. GREEN. Yes; if the gentleman would yield further, I think there are some safeguards I have put in the measure.

First, we prevent the redevelopment area from owning more than 49 percent of the voting shares of the business. So the control clearly remains in the purely private sector. We have a limitation on $500,000 in any one business. Only 10 percent of the funds can, in any event, be used for this purpose.

There is a requirement that each redevelopment area annually report to the Secretary, which report is required to contain an evaluation of the effectiveness of the assistance provided under the section for the problem it was designed to alleviate.

Mr. HAMMERSCHMIDT. I appreciate the gentleman's initiative in bringing it to the floor, but obviously in a complicated new finance mechanism. This is no place to consider it. I only regret that the gentleman did not bring it before our subcommittee when we held hearings. I do not believe the members of the committee here today really understand fully his proposal. I am sure that all of the Members of the House would not.

Therefore, I think we should exclude it from this legislation.

I oppose it, Mr. Chairman.

Mr. OBERSTAR. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the amendment. Having listened at great length to the debate, having considered the language of the amendment and the amendment to the amendment, it occurs to me that anything that requires such extensive elaboration, that causes such great confusion on the floor, is not worthy of adoption, especially, as I pointed out earlier, an amendment to a program that is not yet in place, which we have not yet seen operate, and on which we have no track record of experience.

I think it is dangerous to move with such amendments at this time.

Mr. SHUMWAY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the Green amendment and the Mitchell amendment. As a member of the Economic Stabilization Subcommittee of the Banking Committee, which debated at some length development financing provisions similar to those contained in title I of the legislation before us today, I have long been quite concerned with the approach being suggested by Mr. Green and Mr. Mitchell.

I do not argue with the basic premise. Small businesses are perhaps the most integral part of our economic structure, in terms both of their diversity and efficiency and of the large number of job opportunities provided. It is also true that such firms are finding it increasingly difficult to attract capital for direct equity financing, particularly in view of the current volatility of our financial markets.

Nevertheless, to mandate that EDA grants be provided for equity financing—even indirectly—would be an extremely dangerous step. Heretofore, the provision of venture capital has been the exclusive domain of the private sector. Banks and other financial institutions have evaluated the firms seeking equity financing, and have made an economic decision as to whether such financing is to be made available.

For the Federal Government to intervene in this traditional market process would be a further affirmation of the increasingly prevalent view that the unelected bureaucrats who man Federal agencies are more capable of making basic economic decisions than the private sector; that they can more efficiently allocate scarce resources than the free market. Not only do I question this attitude, I am certainly not convinced that it is the role of the Federal Government to underwrite inherently risky ventures with the taxpayers' money.

The Economic Stabilization Subcommittee has recently completed its markup of the legislation proposed by the Carter administration to provide a Federal loan guarantee for the Chrysler Corp. While I have a number of problems with the Chrysler bill—most of which revolve around the question of Federal involvement in the free enterprise system—I am pleased that, thus far, all efforts to require that the Federal Government take an equity position in Chrysler have been rejected. In fact, a number of my friends on the other side of the aisle, who do not necessarily share my views about the overall Chrysler situation, have eloquently argued that it would be entirely inappropriate, and perhaps even dangerous, for the Government to play such a role.

Mr. Chairman, the problems of economic development cannot be resolved by even indirect Federal ownership of private business. No matter how small a program is contemplated, Government ownership is totally inconsistent with our basic economic principles. Once we permit the barriers to come down, I am afraid it will not be too long before this approach becomes generally accepted and commonplace—and we will be on the way to the end of the free enterprise system as we know it.

If we are serious about the problems of equity financing, as well as economic development in general, we should work to create an economic climate conducive to successful private sector activity. Rather than massive infusions of public funds, and rather than letting Government get involved in private business, we should adopt the necessary economic policies to stimulate business activity. These might generally include an across-the-board reduction in taxes for both businesses and individuals, enhanced capital cost recovery, and the elimination of the double taxation of dividends.

Mr. Chairman, this is the policy necessary to stimulate private sector activity—not an additional infusion of Federal involvement and control. I, therefore, urge my colleagues to join me in opposing the equity financing amendment.

□ 1600

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Green) to the amendment offered by the gentleman from Maryland (Mr. Mitchell).

The question was taken; and on a division (demanded by Mr. Green) there were—ayes 1, noes 18.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. Mitchell).

The question was taken; and on a division (demanded by Mr. Hammerschmidt) there were—ayes 6, noes 12.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. MITCHELL OF MARYLAND

Mr. MITCHELL of Maryland. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Mitchell of Maryland: Page 28, lines 23 and 24, strike out "is authorized to conduct any demonstration program which the Secretary determines is" and insert in lieu thereof "shall conduct demonstration programs which are".

Page 29, line 3, strike out ", including" and insert in lieu thereof a period and the following: "Such demonstration programs shall include".

Mr. MITCHELL of Maryland. Mr. Chairman, both sides have expressed a quantum interest in the matter of equity financing saying that it is good and desirable. All this amendment does is mandate that a demonstration project in this regard be carried out.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the distinguished chairman of the committee.

Mr. ROE. Mr. Chairman, I thoroughly agree with the gentleman. I have not discussed that aspect with my good friend and counterpart, Mr. Hammerschmidt, but it is the sincere intent of the Committee on Public Works and Transportation; we know where the gentleman is coming from on this and we are saying, look, we do not want a lot of rhetoric, but we want some action. I am in favor of the gentleman's amendment.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield for a question?

Mr. MITCHELL of Maryland. I yield to the gentleman from Pennsylvania.

Mr. MOORHEAD of Pennsylvania. Does the gentleman include, and I would like the attention of the chairman of the subcommittee, would it be possible under the gentleman's amendment, or even actually under the original language that the revolving fund concept could be one of the demonstration projects?

Mr. MITCHELL of Maryland. That is totally possible under the language of the bill as I understand it.

Mr. MOORHEAD of Pennsylvania. Does the gentleman from New Jersey agree that the language is broad enough even without this language?

Mr. ROE. Mr. Chairman, will the gentleman yield to me?

Mr. MITCHELL of Maryland. I yield to the chairman of the subcommittee.

Mr. ROE. As I attempted to express earlier in this stirring and sage debate on this floor, if my friends would listen to me, the Secretary has this broad prerogative. What the gentleman is simply doing here is coming back, as I see it, and saying, hey, we want to be sure the program is implemented, we do not want just a lot of language we want to get something done. I support that.

Mr. MITCHELL of Maryland. I thank the distinguished chairman for his support, and I would now solicit support from the minority side.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, I am sorry, I did not hear what the gentleman said.

Mr. MITCHELL of Maryland. The gentleman in the well was expressing his gratitude for the support given by the distinguished chairman, and he turned to solicit support from the minority side for his amendment, which does nothing more than mandate that which the gentleman has already indicated should be done in the law.

Mr. HAMMERSCHMIDT. Well, I have never supported the concept of equity financing, but I do realize that the administration has that proposal in a bill in the other body. I am assuming they are going to have these demonstration projects. I see not much difference in "shall" and "may" and, therefore, I shall not object to the gentleman's amendment.

Mr. MITCHELL of Maryland. I am enthralled by the gentleman's response. I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. Mitchell).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DASCHLE

Mr. DASCHLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Daschle: Page 44, line 12, strike out "gasohol and of methane," and insert in lieu thereof "alcohols (other than alcohols to be used in beverages) and methane from renewable resources,".

Page 45, line 4, strike out "gasohol and of methane," and insert in lieu thereof "alcohols (other than alcohols to be used in beverages) and methane from renewable resources.".

Mr. DASCHLE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. DASCHLE. Mr. Chairman, my amendment makes a number of important changes in this legislation. As reported, this measure authorizes the Secretary to make grants for the construction of facilities which produce gasohol. While gasohol is quickly becoming a generic term "gasohol" is a registered trademark for a blended motor fuel composed of 10 percent anhydrous ethyl alcohol and 90 percent unleaded gasoline. By limiting the authority of the Secretary to make grants for the construction of facilities which produce gasohol, the authority of the Secretary is being unnecessarily and perhaps unwisely restricted in two important respects.

First, grants for the construction of facilities would possibly only be made to alcohol fuel producers who intended to produce anhydrous ethyl alcohol a component of gasohol. This requirement is unnecessary. Ethyl alcohol of 160 to 180 proof is also an excellent fuel. Ethyl alcohol of 160 to 180 proof can be used alone as a fuel for motor vehicles and can also be used as a fuel for space heating systems in lieu of heating oil.

Secondly, as this measure now reads, alcohol fuel producers might be required to successfully contract for supplies of unleaded gasoline, the other component of gasohol. This requirement could be a very onerous requirement for alcohol fuel producers.

Additionally, my amendment requires renewable resources be used to produce alcohol in the facilities for which the Secretary can make a construction grant. Surely one principal reason for our Nation's energy vulnerability is our continued reliance on fuels produced from finite resources. Alcohol and methane are valuable fuels which can be produced and are being produced today from renewable resources. We can and must begin producing fuels from our renewable resources and make fuller use of our renewable resources.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. DASCHLE. I am happy to yield.

Mr. ROE. Mr. Chairman, we have analyzed that entire section. What the gentleman is doing is simply clarifying, in effect, the percentile of alcohol in the proper nomenclature or proper word usage.

Mr. DASCHLE. If I can just clarify for just a second, I think it might help in the colloquy to insure we know what we are talking about.

Basically what we are doing, gasohol is a defined term which requires a 90-percent blend of gasoline and a 10-percent blend of alcohol. I do not think it was the intention of the author of the bill or the author of the amendment to require this money to be only provided to manufacturers of that particular product.

Mr. ROE. If the gentleman will yield further, we thoroughly agree with the explanation and the amendment, and support the amendment.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. DASCHLE. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, I also accept the gentleman's amendment. He went over the amendment with me earlier, and I feel sure that it is the intention of the author of the amendment in the committee, Mr. Albosta, to include that. So we accept the amendment.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. DASCHLE. I yield to the gentleman from Kansas

Mr. GLICKMAN. Mr. Chairman, I want to compliment the chairman of the subcommittee, Mr. Roe, for his leadership in getting language on alcohol fuels in the bill. He has been one of the most active members in the area, and I think deserves special recognition for his efforts.

Mr. DASCHLE. I want to associate myself with the remarks of the gentleman from Kansas. I certainly agree.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota (Mr. Daschle).

The amendment was agreed to.

□ 1610

Mr. KAZEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time to ask the distinguished chairman of the subcommittee a couple of questions about this. It is my understanding that a 6.5-percent unemployment figure nationwide triggers the local public works program.

Mr. ROE. That relates to title IV, LPW. The answer to the gentleman's question is yes.

Mr. KAZEN. What happens in a whole area such as part of the district that I represent—actually, it is a majority of the district that I represent—where unemployment stays at 12, 13, 14, as much as 18 percent the year round, and we do not have the tax base to do some of the things that this bill would allow us to do as applicants? That means that my area could not take advantage of the provisions of this bill unless the unemployment rose to 6.5 percent nationwide. Am I correct?

Mr. ROE. If the gentleman would yield, the bill is made up, as the gentleman knows, into four titles. The title the gentleman is discussing is title IV, which is a standby program and would be triggered into action if we had a rise to 6.5 percent nationwide of unemployment. However, the gentleman's State and district is eligible under title I of the bill, which is the part we are in debate on right now, because with its high levels of unemployment, and with pockets of poverty in sections of the community.

Mr. KAZEN. I thank the gentleman for that explanation. My other question is, Will schools and school districts be able to be primary applicants under the provisions of this bill?

Mr. ROE. No. Let me see if I can correct that. Under title IV of the bill, which is the standby local public works bill, there is a provision which was in the last law that required that the mayor or governing body together with the president, and others, of the school board, to agree on priorities. So, if you would say that they had an equal opportunity under this particular provision of the bill, the answer is yes.

Mr. KAZEN. I understand. As far as I am concerned, I am very disappointed that schools are not going to be allowed to be primary applicants because, let me tell you, in round one and round two, 2 years ago or 3 years ago, many schools in low-income areas, in low tax-base areas, that could not afford the new schoolrooms they needed were helped tremendously by this program. This is the first time that I know of that schools became eligible under this type of program; by that I mean that these schools became eligible for brick and mortar.

This is what is needed in my area, and we took tremendous advantage of it. It is where the minorities are, where the low-income people are, where education is most needed. They are the ones that need school buildings more than any other section, because they do not have the tax base to afford to do it on their own.

Mr. ROE. Under the section of the bill known as title IV, which is the standby local public works program, the schools would be eligible. They are not eligible under the basic program per se, but would still be eligible under the program the gentleman referred to.

Mr. KAZEN. I thank the gentleman, and I appreciate the work he has done in this field.

AMENDMENT OFFERED BY MR. DONNELLY

Mr. DONNELLY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Donnelly: Page 44, line 9, after "amended", insert the following: by inserting immediately after "The Secretary is authorized" the following: "and directed" and

Mr. DONNELLY. Mr. Chairman, very briefly, this amendment I am offering does not create any new or special program. It only directs the Secretary to use existing and longstanding grant authority to aid regions, municipalities, personnel, economic districts or any eligible recipient to help soften the blow of the economic downturn.

The Secretary has had this authority for some time, and I am only trying to focus in on this unique authority. The amendment is certainly not an intricate one, but has this added bit of clarification to benefit areas and personnel facing severe economic distress. I feel it will be more than worthwhile.

Mr. ROE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have reviewed this proposed amendment with the gentleman from Massachusetts. It seems to me that what we are trying to do, and I think what he is trying to achieve under that section of the bill, is to have the Secretary and/or the Administrator under the section literally move on a number of areas that have been eligible for many years but apparently, for whatever the reason, the agency has never implemented that section of the legislation.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. ROE. Yes, of course.

Mr. HAMMERSCHMIDT. I have great reservations, if I may say to the Chairman, on the gentleman's amendment because we considered the idea of mandating these programs under title IX before in the committee, and we have always rejected that. I suppose one of the reasons is that while we agree with most of those provisions that are in that title, we have only received appropriations on 50 to 75 percent of the authorization level, and it would be really impossible for him to implement all those titles.

I think we would be very wise to stay with the past position of the subcommittee and the full committee in allowing the Secretary that discretion.

Mr. ROE. Well, if the gentleman would exchange some ideas with me here, I thoroughly agree with the point of view, as we have talked so many times, that the EDA program, in spite of all the good it does, has been woefully underfunded. I would not want to be in the position of saying that the Secretary has to do it in this particular way, but the fact still remains—and this has nothing to do with the gentleman's amendment—there are many programs we have provided that produce bluegrass and smoke, and nothing ever gets done.

If the author of the amendment would agree, I certainly would join with the gentleman and put very strong language in the conference report and come back and say that we expect those sections to be implemented and used—that is what they are there for.

Mr. HAMMERSCHMIDT. I believe that is a far better approach if the gentleman would agree to it. We can always then act in conference and try to develop some technical language.

Mr. DONNELLY. I have no problem with the colloquy between my two fellow colleagues on the subcommittee.

Mr. ROE. As I understand in the exchange of dialog, what the gentleman is saying that he wants very strong language to appear in the conference report which in itself can provide direct guidance to the Secretary. We expect that part of the bill to be implemented. That is what it is in there for.

Mr. DONNELLY. If the gentleman will yield, in response to the chairman it seems to me that if the language is in the law and good enough to be authorized, then it ought to be implemented, and that is the focus I am trying to bring the attention of the committee at this point.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDMENT OFFERED BY MR. MITCHELL OF MARYLAND

Mr. MITCHELL of Maryland. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MITCHELL of Maryland: Page 43, line 6, strike out "section" and insert in lieu thereof "sections".

Page 43, line 25, strike out the quotation marks.

Page 43, after line 25, insert the following:

SOCIALLY AND ECONOMICALLY DISADVANTAGED BUSINESSES

"SEC. 718. (a) The Secretary shall administer the programs under this Act in a manner affirmatively to further participation in those programs, and in the projects they support, by socially and economically disadvantaged individuals and by businesses owned and controlled by such individuals. Within 60 days of the date of enactment of this section, the Secretary shall publish a plan to implement the preceding sentence.

"(b) (1) For purposes of this Act, the term 'business owned and controlled by socially and economically disadvantaged individuals' means a business—

"(A) which is at least 51 per centum owned by one or more socially and economically disadvantaged individuals; and

"(B) whose management and daily business operations are substantially controlled by one or more socially and economically disadvantaged individuals.

"(2) For purposes of this Act, the term 'socially disadvantaged individual' means an individual who has been subjected to racial or ethnic prejudice or cultural bias because of his or her identity as a member of a group without regard to his or her individual qualities.

"(3) For purposes of this Act, the term 'economically disadvantaged individual' means an individual whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same business area who are not socially disadvantaged. In determining the degree of diminished credit and capital opportunities the Administration shall consider, but not be limited to, the assets and net worth of such socially disadvantaged individual.

"(4) Socially and economically disadvantaged individuals shall include black Americans, Hispanic Americans, Native Americans, and other minorities, and any other individuals found to be disadvantaged by the Small Business Administration pursuant to section 8 of the Small Business Act.

"(c) The Secretary may require each State or political subdivision of a State, applying for assistance under this Act, to demonstrate reasonable progress in providing socially and economically disadvantaged individuals with opportunity for participation in programs under this Act.".

☐ 1620

Mr. MITCHELL of Maryland (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. MITCHELL of Maryland. Mr. Chairman, as the Members well know, the Members of this House have voted time and time again to strengthen the entire small business operation. What my amendment seeks to do is to insure that we take the full quantum step to include what I would call the socially and economically disadvantaged businesses in this program insofar as we can. My amendment does not mandate any quotas; it does not say that x percent of all EDA funds must go to socially and economically disadvantaged people. It simply says that the Secretary shall act in a manner affirmatively to attempt to insure the participation of socially and economically disadvantaged businesses in this venture.

We have the support of the administration for this amendment. I checked with the agency and with the White House. We are supported in this amendment. A question might arise as to why the need for this amendment, when we have similar provisions, somewhat similar provisions, in the law under Public Law 95-507. The answer is very simple. We need these provisions simply because if you read the papers recently, you found that some of the agencies are not complying with the provisions of Public Law 95-507. Therefore, by incorporating this amendment, we merely strengthen to a very large extent the whole degree of commitment that is in this bill, and we obviously provide a degree of continuity between individuals in need and businesses that can meet that need. I feel no need to discuss the amendment further. I simply ask for your support on it.

Mr. Chairman, I yield back the remainder of my time.

Mr. HAMMERSCHMIDT. Mr. Chairman, here again I must oppose this amendment. This is language that was in the administration proposal that came up earlier to the Hill. The committee thought so poorly of it that they did not introduce it, although we considered the administration language and in our wisdom we omitted it from the bill that is before us today. There are just too many unknowns. It is clear from the record of the actions and the hearings of our subcommittee and the full committee that we do not and cannot support this concept. There is an activity going on within EDA, and I am not sure where EDA gets the authority, called Office of Special Projects, which moves along this line. They have done it with administrative initiative of their own. I would strongly oppose this amendment, as much as I regret opposing the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield for just a moment?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I appreciate the gentleman's yielding. I just want to make sure that the gentleman understands that all this does is to further implement existing law, law passed by this House—the Omnibus Small Business Act. We passed the legislation; it was signed into law by the President last September; and it is known as Public Law 95-507. The language here is almost identical to it except that we are moving it within the confines of the agency itself in implementation, the reason being that we have had some difficulty in securing implementation of Public Law 95-507. So what we offer here is in no way inconsistent or foreign to existing law passed by this House.

Mr. HAMMERSCHMIDT. I thank the gentleman for his contribution and for what he has just explained to me. I still feel that for me to fully understand it and all of its far-reaching implications, I would need to hear more witnesses and get more information on it.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank my colleague for yielding. I think his point is well taken. I think realistically we all know that the bureaucracy, in implementing legislation not only in this area but across the board, has drawn to themselves powers and reading interpretations that really were not there. To add the word "affirmatively," who knows how somebody is going to administer that? I think we should be very careful before doing it. I think the amendment should be rejected.

Mr. HAMMERSCHMIDT. I agree with the gentleman. It would be a process of mandating something that has already happened.

Mr. ROE. Mr. Chairman, I move to strike the requisite number of words. I regret that I have to rise in opposition to this particular amendment, and I do not rise in opposition to the concept of the amendment for any other reason than that it has not been reviewed and looked into as part of our oversight and other hearings on this bill.

I have the greatest personal regard for the gentleman from Maryland (Mr. MITCHELL) as he knows. But there is no program in all of the whole lexicon, if you like, of legislation throughout this Nation that has been more sensitive, more direct, more pioneering, that has shown such enormous progress and has been as equitable as the Federal assets that are allocated under the EDA program throughout the country. I must respectfully call to the attention of the author of the amendment—and I think he is totally right—that EDA cannot operate outside of any of the other laws of the land. They are subject to every other civil rights piece of legislation that is passed. To restate these principles in this piece of legislation has no bearing whatever. They cannot operate beyond the law. But the problem here with taking this language is without hearings and careful study as to how it impacts to the balance of the bill. And we all know that one section that does not lock in can change the entire thrust of the bill and the economic development program we have devised. This does not mean the committee will not and would not consider it, and we welcome having the gentleman join with us before our next hearings to see what we can do to strengthen the existing law. We are committed to improving the program.

The fact is that there is no area whatsoever in any phase or any part of the economic development legislation, including most particularly the local public works program where this committee has not been the leader in equitable distribution of the assets and participation of the people throughout the country, regardless of their background or ethnic origin.

I want to reiterate for the record, Mr. Chairman, that the reason I must join with my colleague, the gentleman from Arkansas (Mr. Hammerschmidt), in recommending the defeat of this amendment, is not based on nothing other than the fact that I think it needs additional review, which we would be glad to take up and see what we can do to improve our act.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. I thank the gentleman for yielding. I have researched the EDA history on minority funding and find that from the very beginning of this program no less than 5 percent in loans and loan guarantees have gone to minority enterprises, and in fiscal year 1980, 10 percent. For fiscal year 1981 they have a goal of no less than 10 percent, so EDA has been increasing their attention to and funding of minority enterprises already within the purview of the law. We have been monitoring that very carefully in this committee of ours. As the gentleman knows, under the local Public Works Act some $650 million of that program went specifically to minority enterprises under the language adopted by our committee. So to expand it further and make it a mandatory program, I think, would be going, perhaps, a little too far. We would like to monitor, but we have so many new aspects of this program I think we really ought to see them in operation and ride herd on EDA, which we shall do and have done very effectively in our committee, to insure that minority enterprises are given their due.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. I thank the gentleman for yielding. I want to comment on the remarks made by the gentleman from Minnesota (Mr. Oberstar) and the MBE enterprises. I would have to say with great respect to our colleague, the gentleman from Maryland (Mr. Mitchell), that that was his initiative and he full well understands that has been accomplished. I want to recognize that while he is still here on the floor.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I thank both gentlemen for their remarks. I must confess I, too, remain a bit puzzled. If, indeed, all of these good things have been done, and they have been done, then why do we not accept this amendment which merely facilitates that which has been done? I know I anticipate the Chairman's response, and I withdraw the question.

☐ 1630

Mr. FORD of Tennessee. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, I rise in support of the amendment of the gentleman from Maryland and also in support of the bill, H.R. 2063.

I would like to also call attention to the need for a portion of this bill's appropriation to be earmarked for financial and developmental assistance to minorities and other disadvantaged groups. A mechanism is already intact to carry out such an objective. The mechanism is the Tennessee Valley Center for Minority Economic Development, which was created last year by the administration in conjunction with the Tennessee Valley Authority. A fundamental purpose of the Center is to insure that greater opportunities and benefits are generated for minorities as a result of development agencies in the seven-State TVA region. Since the Economic Development and Public Works Act provides authorizations to regions to improve economic planning, promote economic development in depressed areas, and improve the delivery of Federal assistance, the Tennessee Valley Center for Minority Economic Development would be a natural agency to insure that assistance from this Federal program reaches disadvantaged groups where such groups are heavily populated.

The PVC has already earned a record for credibility. It has six operational divisions. These divisions include:

First. Capital and resource development;

Second. Regional studies;

Third. Business and agricultural and industrial development;

Fourth. Technology utilization and transfer and commercialization;

Fifth. Community economic development; and

Sixth. Program management.

Mr. Chairman, these six divisions are designed to insure that regional economic development must result in economic parity for all people in the TVA seven-State region. Such an objective is both fitting and proper for programs authorized under the Economic Development Public Works Act.

I go on record not only in support of this measure, as offered by my colleague, the gentleman from Maryland, but ask this Congress and this administration to look very closely at the program that is already in existence that was set up by the Tennessee Valley Authority and ask that my colleagues adopt this amendment, and hopefully we will look at the Tennessee Valley Authority and ask them to implement the program that is so badly needed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. Mitchell).

The question was taken; and on a division (demanded by Mr. Mitchell of Maryland) there were—ayes 6, noes 17.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. CLINGER

Mr. CLINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Clinger: Page 17, line 5, strike out "section" and insert in lieu thereof "sections".

Page 17, line 15, strike out the quotation marks and the final period.

Page 17, after line 15, insert the following:

"Sec. 212. The Secretary is authorized to provide assistance under title II of this Act to aid entrepreneurial energy enterprises to assist those activities having for their basic purpose energy conservation and energy cost saving.".

Mr. CLINGER. Mr. Chairman, capital shortages are causing severe delays in the birth and growth of businesses that market goods and services to the public for use in conserving energy and lowering the cost of energy.

My entrepreneurial energy enterprise amendment will not increase authorizations but simply make EDA funds available for this purpose. It is especially difficult for small and medium businesses to secure financing for efforts to market innovative conservation and cost-saving technology. Entrepreneurial efforts are frustrated and Americans are deprived of ways to solve their energy problems.

The Iranian situation has underscored our urgent need for stronger and more effective energy conservation programs. Moreover, the administration has strongly backed this part of U.S. energy policy.

Since EDA lacks the expertise to determine what is or what is not an energy conservation or cost-saving device, the National Bureau of Standards should be consulted on these matters. The National Bureau of Standards is a qualified agency for this task and already certifies energy conservation devices for Department of Energy grant programs.

I urge my colleagues to support my amendment in order to encourage American ingenuity by bringing vital technology out of the laboratory and into the marketplace.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. CLINGER. I am happy to yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, I want to say that I strongly support the gentleman's amendment. We have discussed it thoroughly and I just want to go on record as being in full support of the amendment.

Mr. CLINGER. Mr. Chairman, I thank the gentleman.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. CLINGER. I yield to the gentleman from New Jersey.

Mr. ROE. Mr. Chairman, I concur with the minority leader's observations. We have discussed this amendment and we have no objection to the amendment on this side.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. CLINGER).

The amendment was agreed to.

Mr. EDGAR. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take the well of the House as we close out the debate and the amendment on title I to just make a couple of observations.

First, I would like to commend the chairman for the actions that the gentleman has taken on this National Public Works and Economic Development Act of 1979. I think both the majority and the minority have worked hard to try to focus the legislation in a number of respects, to try to deal with some of the critical problems we face, particularly as we move up against a period of time which some are forecasting as a recession.

I would, however, not want to leave the impression that all of us on the committee feel that every aspect of title I and in fact every aspect of this bill has been carefully drawn and carefully written. When we were dealing with this legislation last spring, I took the opportunity to offer some amendments to try to focus the attention of the bill toward small businesses. I did so as a result of testimony given by David Birch from MIT, where he laid out that 8 percent of all industries die equally each year, North, East, South, and West, but that the new births of industry, the new entrepreneurs, were developing more in the South and West for a number of predictable reasons.

He further went on to state that a majority of the new job creations, in fact, 66 percent of all new job creations nationally come in those firms that are zero to 20 employees. It is multiplied even higher in the 18 States of the Northeast-Midwest region of the country.

I would have preferred that this legislation take a mandate to EDA and suggest that a majority of their loans and their grants and their services be targeted to the small employer, the small firm that has a difficult time going to a bank, getting the kind of financing that some of the larger firms have.

□ 1640

Second, I think that this bill is not targeted as well as it could be to areas of greatest need. Under the old EDA structure, about 80 percent of the Nation was targeted, carefully targeted for help.

We took the administration's eligibility requirements and the existing eligibility requirements in present law, and we put the two together, thinking we were providing a service to the Nation by target ing 90 percent of the Nation, as opposed to 80 percent.

Our European friends, who have some of the same economic problems we have, have learned that they have to target event smaller and even more narrowly to areas of economic distress.

So what I would hope is that, as we go to conference with this legislation, particularly on title I, we will focus it more carefully on small business, and that we will look at the dual eligibility requirements we have in the bill and select a careful eligibility criteria that makes some sense. I hope that we will try to narrow and target the aid to areas of distress.

If we have a billion dollars to spend and we spread that billion dollars over 90 percent of the Nation, we can do some good. But if we take that same billion dollars and target it more narrowly to 60 percent or 50 percent or perhaps even 40 percent of the Nation's distressed areas, we can then use that money to leverage economic development and growth in a more positive way.

The Northeast-Midwest Congressional Coalition last June held a conference on development finance, and we tried to study in depth the issues we are faced with in this legislation. Time and time again the experts in the field said, "Target the aid to small businesses. Target the aid to distressed areas. Use the EDA money to leverage economic development in communities of need throughout the Nation."

I believe that this bill should be passed, but I am hopeful that as we go into conference, the leadership of this committee and of the Senate will find that it is important to do some of the things that I have suggested and bring back a bill to the House that more adequately responds to the needs of our Nation in the 1980's and the 1990's.

Mr. Chairman, I rise in support of the National Public Works and Economic Development Act of 1979.

As a member of the House Public Works and Transportation Committee, I have listened to much debate and discussion concerning the economic development problems facing communities across the Nation. In late June, the Northeast-Midwest Congressional Coalition also sponsored a seminar on "Current Issues in Development Finance" for all Members of the House of Representatives and the Senate, legislative staff, various interest groups, and others. I have become convinced that the key to revitalizing local economies—whether they be urban or rural—is a close working relationship between the private and public sectors. Research has shown that in those communities where revitalization efforts have been successful, there is a strong public-private sector partnership.

This partnership has effectively taken advantage of opportunities to maximize private investment into distressed areas through leveraging governmental funds and packaging a variety of loan and grant programs available to both communities and businesses.

If we are to deal with the underlying economic decay of our Nation's distressed areas, therefore, we must move away from the traditional "band-aid" approaches which now are at the heart of many Federal programs. Instead, we must use our limited Federal dollars to stimulate the private-sector, long-term community investment needed to create new and lasting jobs and stable tax bases. We must provide the Economic Development Administration with the increased authority to leverage the kind of private investment that will create permanent, unsubsidized jobs and put communities on firmer economic footing.

And, the opportunities for leveraging and packaging of funds contained in the business development financing provisions of the legislation before us today is unique.

In response to the continuing declines in business activity in many distressed urban and rural communities, the National Public Works and Economic Development Act of 1979 provides for a major expansion of the Economic Development Administration's efforts to increase business investment in distressed areas. The proposed request for $569 million of budget authority for these business development financing programs represents a 171-percent increase over the amount in the administration's original fiscal year 1980 budget proposal and the loan guarantee authority request of $1.8 billion represents a 324-percent increase over the original request.

These economic development initiatives also represent an important departure from previous Economic Development Administration efforts. For example, the legislation:

Establishes, for the first time, a comprehensive business development financing program which will generate and maintain jobs in distressed areas by providing financial assistance to businesses to encourage them to remain, expand, or locate in such areas.

Includes among the development finance tools direct loans, loan guarantees, and interest rate subsidies. They are intended to increase the availability of capital and reduce the high costs associated with private investment in distressed areas.

Direct loans should help meet the financing needs of smaller and medium-sized businesses deemed too risky to obtain private capital on reasonable terms, while local guarantees should encourage lending institutions to give longer-term loans to less established businesses. Interest rate subsidies should act directly on the cost of capital.

Authorizes equity financing demonstration programs. This is very important for new and small growing businesses which in recent times have found it increasingly difficult to raise capital to get started or expand their operations.

Allows the Economic Development Administration to extend its assistance for demonstration programs to employee-owned enterprises. Research has shown that in the absence of Government assistance, financing for employee-owned purchases of businesses has been very difficult to obtain from commercial sources.

In short, the business development financing program is a strategy to reverse economic decline in distressed areas through the private sector. In testimony before the Senate Banking Committee on this economic development legislation, the Congressional Budget Office estimated that approximately $1 billion in private investment in distressed areas could result from the $569 million in budget authority requested for the business development financing provisions in the bill. As much as $700 million of this new investment would be for projects that would not otherwise have been undertaken in these areas.

The Congressional Budget Office also sees the new economic development financing initiatives as creating different kinds and number of jobs than those resulting from other Federal employment-creating programs such as public works employment and public service employment. According to the Congressional Budget Office, most of the jobs directly and indirectly created by the Economic Development Administration will be permanent. In contrast, only a small share of the jobs created by public works employment and public service employment are permanent. The Congressional Budget Office estimates that for every billion dollars in Federal spending, the new economic development financing provisions could yield as many as 142,000 permanent jobs at a cost ranging from as little as $200 to $850 per job per year. This compares very favorably with other Federal jobs programs.

It is significant that virtually the only new initiative contained in the President's fiscal year 1980 budget request is the expanded business development financing program of the Economic Development Administration. Clearly, the call for such an initiative in a year of fiscal restraint is in recognition of the fact that a major gap currently exists in our ability to adequately respond to the economic development needs of our Nation.

The effectiveness of these economic development funds, however, depends upon how targeted they are to areas of distress. Investments in economic development will merely offset each other unless investments in certain areas are much more substantial than investments in others.

For example, under a program with broad eligibility, businesses might well use loans, loan guarantees, and other financing tools to locate out of declining, low-income areas in favor of those expanding areas which also are eligible. Similarly, there might be little incentive for startups to take place in areas encountering long-term distress if the new capital development tools could be utilized elsewhere.

It also is clear that a program designed to combat poverty and unemployment cannot be effective unless it is concentrated in areas where those problems are to be found. In fact, providing assistance to the jurisdictions that do not have such characteristics not only would divert money away from the problems but would exacerbate them. It is for these reasons that the Economic and Community Development Task Force of the Northeast-Midwest Congressional Coalition recommends tight targeting of our economic development funds to areas of greatest distress.

It also is for these reasons that the Southern Growth Policies Board and the Coalition of Northeast Governors, earlier this year, sent a letter to the members of the Senate Banking and Public Works Committees urging them to carefully target our scarce public resources to areas of greatest distress.

The issue of targeting is not a regional issue. It is national in scope. However, attractive it may be politically to spread economic development assistance thinly, there are important economic results from doing so which must be understood.

The basic premise of the Economic Development Administration's programs is that they are to provide a small amount of incremental assistance to distressed areas, above what is available to everyone else, to help them get back on the path of economic recovery. I have seen how these programs have helped turn the tide in economically distressed locations to build new confidence and make possible new growth. But if virtually every community in the country is eligible to receive economic development assistance, the incentive of the incremental approach disappears and the basic premise of the economic development assistance disappears along with it. As Jim Howell, chief economist of the First National Bank of Boston, has said: "Legislation which seeks to hasten economic growth could be detrimental to distressed areas if the eligibility net is spread too broadly."

In closing, I would like to say a few words about the eligibility criteria included in the economic development legislation before us. Unfortunately, it is not tightly targeted to areas of greatest distress; rather it retains the eligibility criteria of the current law and adds the new criteria proposed by the administration resulting in 90 percent of the Nation being considered economically distressed. In my estimation, this is a bit absurd. It means that 9 out of every 10 people in this country are eligible for assistance and living in distressed areas.

In a time of tight budgets, it is my view that we should be moving in the opposite direction and developing more stringent eligibility criteria so that the Economic Development Administration's limited resources will be more sharply targeted to the Nation's most distressed areas. Recognizing this, the Senate bill includes only the new eligibility criteria proposed by the administration and reduce the eligible percentage of the population to 67 percent.

Despite my disappointment over the eligibility system included in the legislation before us, I urge my colleagues to support the National Public Works and Economic Development Act of 1979 and trust that the Economic Development Administration will continue to use its discretionary authority to target aid to the neediest communities.

The CHAIRMAN. Are there additional amendments to title I?

If not, the Clerk will designate title II.

Title II reads as follows:

TITLE II

SEC. 201. This title may be cited as the "Regional Development Commission Act of 1979".

SEC. 202. Title V of the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. 3181 et seq.), is hereby amended to read as follows:

"TITLE V—REGIONAL DEVELOPMENT COMMISSIONS

"PURPOSES

"SEC. 500. It is the purpose of this title to (1) address development problems shared by or common to two or more States through cooperative use of the full range of development tools available through Federal and State governments; (2) strengthen the Nation's system of regional development commissions by enhancing their ability to guide public and private development so as to advance multistate regional development and to assist sub-State areas impacted by economic decline and rapid growth, including those conditions which result from national policies or needs; (3) apply planning and development resources so as to improve the capability of States and localities to solve problems of decline and rapid growth and ultimately to meet their service and facility needs from their own resources; (4) provide a new mechanism for improving the ability of Federal programs to function more effectively by taking into account in shaping Federal agency policies and procedures specific regional differences, perspectives, and needs; (5) provide a model for simplified, flexible, and decentralized program administration, while assuring accountability for meeting statutory objectives; (6) provide a basis for coordinating relevant Federal development programs and planning assistance so as to facilitate unified growth and development decisionmaking by States and regions; (8) improve Commission fiscal and program management; (9) strengthen the Federal partnership and increase its ability to solve problems common to the Nation and the regions; and (10) improve Commission accountability to Congress.

"DEVELOPMENT REGIONS

"SEC. 501. (a) The Governors of States may join together and propose to the Secretary of Commerce the recognition of a development region composed of the States in which the region will be wholly or partially located. The Secretary and the Governors shall jointly recognize a region if they find that there are common cultural, economic, geographic, natural resource, and social relationships within such region and that the region is of sufficient geographic size and population to warrant recognition. A formal notice of recognition shall be published in the Federal Register.

"(b) No area of a State shall be included in more than one development region. Every region shall consist of two or more States, unless a Governor demonstrates to the Secretary a compelling reason for recognizing a single-State region.

"(c) The boundaries of a region may be altered in the same manner as they were established.

"(d) The Secretary shall take steps to include Michigan State development regions 1 through 6 as part of the Mid-America region within one year of the date of enactment of the Regional Development Commission Act of 1979.

"ESTABLISHMENT OF COMMISSIONS

"SEC. 502. (a) After the recognition of a development region, the States in the region shall establish a regional development commission which shall operate in accordance with the provisions of this title. Upon publication of the notice of recognition in the

Federal Register, a vacancy shall exist in the position of Federal Cochairman of the commission, to be filled as provided in section 504 of this title. After appointment of a Federal Cochairman, a commission may organize, adopt bylaws, and establish necessary policies and procedures.

"(b) Each commission shall be composed of one Federal member, who shall be the 'Federal Cochairman' appointed under section 504, and one member from each State in the region, who shall be the Governor of the State.

"(c) Upon the effective date of the Regional Development Commission Act of 1979, each regional action planning commission established prior to such date pursuant to this Act, shall become a regional development commission authorized by this title. Upon the effective date of the Regional Development Commission Act of 1979, the Federal Cochairman of each regional action planning commission shall become the Federal Cochairman of the regional development commission authorized by this title.

"FUNCTIONS OF COMMISSIONS

"SEC. 503. Each regional development commission shall, with respect to its region—

"(1) develop and implement a regional development process, in accordance with section 511 of this title, which shall include (i) a multiyear regional development plan, (ii) an annual investment program, and (iii) annual regional growth policy recommendations;

"(2) develop and implement mechanisms for coordinating the development and growth management activities of State governments and substate entities with regional policy development, including, but not limited to, economic development, coastal zone management, comprehensive planning, environmental protection, energy conservation and development, tourism, transportation, and outdoor recreation planning and implementation programs;

"(3) conduct, in cooperation with Federal and State agencies and private interests, research on and analysis of interstate and shared problems, resources, and opportunities for advancing regional development;

"(4) provide consultation to and liaison with Federal regional councils and those member Federal agencies whose planning and development activities affect regional plans, programs, and policies;

"(5) advise Federal agencies that fund multistate organizations not covered by this title on the relevance of such funding to regional development plans, programs, and policies, and on the steps required to avoid duplication of activties;

"(6) provide a liaison (A) with private sector leaders, especially those operating at the multistate level; (B) with other multistate organizations, including other regional commissions; and (C) with substate districts engaged in functional or comprehensive planning which affects the fulfillment of regional plans, programs, and policies;

"(7) engage in cooperative activities with other regional development commissions, with other regional organizations, and with Federal agencies and State and local governments in furtherance of regional bojectives.

"FEDERAL COCHAIRMEN

"SEC. 504. (a) There is hereby authorized the position of Federal Cochairman for each regional development commission, who shall be appointed by the President, by and with the advice and consent of the Senate. Each Federal Cochairman shall be compensated at level IV of the Executive Salary Schedule.

"(b) As the Presidentially appointed Federal partner to the Governors, each Federal Cochairman has the dual responsibility to present a national perspective to his regional Commission and to communicate the regional concerns of the State members to the Federal Government. Each Federal Cochairman is responsible for coordination and cooperation between his commission and Federal departments and agencies. As a member of a commission, each Federal Cochairman shall foster the development of a collaborative setting in which both State and Federal members jointly determine regional development policy.

"(c) Each Federal Cochairman shall—

"(1) present to the Secretary, on behalf of the commission, the regional development plan, annual investment program, growth policy recommendations, annual grant applications, legislative and budgetary recommendations, and reports on the activities of the commission;

"(2) encourage Federal departments and agencies to apply their programs and policies to support development plans, programs, and priorities established by the commission;

"(3) involve Federal departments and agencies in the activities of the commission, as appropriate;

"(4) assist the commission in developing regional growth policy recommendations;

"(5) consult with appropriate Federal departments and agencies concerning significant programs and projects prior to the commission vote on such matters; and

"(6) represent, in dealings with the commission, Federal policies affecting regional development established by the President and the Secretary.

"(d) When a Federal Cochairman dies, resigns, becomes disabled, is removed, or is absent from the country, his designated first assistant, unless otherwise directed by the President pursuant to the authority of section 3347 of title 5, United States Code, shall perform the administrative duties of the Federal Cochairman until a successor is appointed or the absence or disability stops.

"COMMISSION ORGANIZATION

"SEC. 505. (a) The State members of the commission shall select a State cochairman of the commission from among their number for a term of not less than one year.

"(b) Except where provided in section 522, a decision by a commission shall require the affirmative vote of the Federal Cochairman and of a majority of the State members (exclusive of members representing States delinquent under section 522). No decision involving basic commission policy or the approval of project or grant proposals, regional development plans, annual investment programs or regional growth policy recommendations may be made without a majority of State members present.

"(c) Each State member may have a single alternate, appointed by the Governor from among existing members of the Governor's cabinet or the Governor's personal staff. An alternate may vote in the event of the death, disability, removal, absence, or resignation of the State member for which he is alternate. A State alternate shall not be counted in establishing a quorum of the commission in any instance in which a majority of the State members is required to be present. The vote of any commission member may not be exercised by any person not a commission member or alternate.

"(d) A commission shall not pay a State member or alternate any compensation for services or reimburse a State member or alternate for any expenses, either directly or indirectly, through grants or contracts, but each such member or alternate shall be compensated or reimbursed by the State which he represents in accordance with the law of such State.

"(e) Each commission shall employ an executive director as the chief administrative officer of the commission and such other officers and staff as the commission may determine. The executive director shall be responsible for carrying out the administrative functions of the commission, for direction of the commission staff, and for such other duties as the commission may assign. The executive director shall be appointed and may be removed by vote of the commission. All other officers and employees of the commission shall be appointed by the executive director under such rules of procedure as the commission may determine. All appointments and promotions of such officers and employees of the commission shall be on the basis of merit and fitness and no test or qualification with respect to politics, race, color, national origin, sex, or age shall be permitted or considered. Any officer or employee of the commission who is found by the commission to be guilty of a violation of this section shall be removed from office or employment by the commission.

"(f) No member, alternate, officer, or employee of a commission shall be deemed a Federal employee for any purpose. This provision does not apply to the Federal Cochairman, his staff, or any Federal employee detailed to a commission under paragraph (5) of section 506.

"ADMINISTRATIVE POWERS

"SEC. 506. (a) Subject to the provisions of this title, each commission is authorized to—

"(1) accept, use, and dispose of such payments, grants, gifts, advances and other funds, properties, and services as may be transferred or made available to it;

"(2) adopt, amend, and repeal bylaws, rules, and regulations governing the conduct of its business and the performance of its functions;

"(3) sue and be sued in all courts of competent jurisdiction;

"(4) appoint and fix the compensation of the executive director and such other personnel as may be necessary to enable the commission to carry out its functions except that any such compensation shall not exceed the maximum scheduled rate for GS–18 of the General Schedule as set forth in section 5332 of title 5, United States Code;

"(5) request the head of any Federal department or agency (who is hereby so authorized) to detail to temporary duty with the commission such personnel within his administrative jurisdiction as the commission may need for carrying out its functions, each such detail to be pursuant to the procedures of the Intergovernmental Personnel Act, as amended (5 U.S.C 3371 et seq.), and without loss of seniority, pay, or other employee status;

"(6) enter into written agreements for the temporary services of personnel from any State or local government, or any subdivision or agency thereof, or any intergovernmental agency;

"(7) make arrangements to provide coverage of its employees in retirement and other employee benefit programs, including entering into written contracts with any participating State government for inclusion of a suitable retirement and employee benefit system of any commission employee who may not be eligible for, or continue in, another retirement or benefit system, except that the provision of section 506(a)(5) of this Act as it applied prior to the date of enactment of the Regional Development Commission Act of 1979, respecting the authority to provide continued coverage of former Federal employees under Federal employee retirement and benefit programs, shall continue to apply to any former Federal employee who meets the requirements of such section 506(a)(5) and is employed by a commission on or before the date of enactment of the Regional Development Commission Act of 1979;

"(8) provide financial assistance for programs and projects as authorized under this title;

"(9) accept funds from Federal agencies to assist programs which are authorized under this title;

"(10) enter into and perform such contracts, leases, or other transactions as may be necessary in carrying out its functions with any department, agency, or instrumentality of the United States (which is hereby so authorized) or with any department, agency or instrumentality of a State or of a political subdivision thereof, or any intergovernmental organization, or with any person, firm, association, or corporation;

"(11) maintain an office in the District of Columbia and an office in the region at such place as it deems appropriate; and

"(12) take such other actions and incur such other expenses as may be necessary.

"(b) Each commission shall develop and adopt administrative policies and procedures to prevent the over obligation of commission funds. Each commission, in consultation with the Secretary, shall develop and adopt specific policies and procedures to promote economy and efficiency in the administration of its programs and operations and to prevent and detect fraud and abuse in such programs and operations.

"DEVELOPMENT ASSISTANCE

"SEC. 507. (a)(1) Each regional development commission is authorized to provide financial assistance for programs and projects which will further regional development. Such projects may include, but are not limited to, fisheries, agriculture, tourism, forestry, and export expansion and promotion; business or industrial development; technological and productivity improvements; transportation; energy development and conservation; environmental and natural resource management; community conservation and growth management; vocational, educational, and training programs; promotion of arts and culture; flood or other natural hazard protection activities; and human resources.

"(2) No commission shall provide financial assistance for the purposes of allowing a recipient to use grant funds to make grants to profit-seeking business enterprises.

"(3) Each commission shall, to the extent practicable, provide assistance under this section by transferring funds for programs or projects approved by the commission to the heads of Federal departments or agencies to be used for—

"(i) providing funds to add to a Federal agency's contribution to programs or projects under any Federal grant-in-aid programs authorized on or before September 30, 1983, for the purpose of increasing the Federal contribution to programs or projects under such programs above the fixed maximum portion of the costs of such programs or projects otherwise authorized by the applicable law; or

"(ii) providing a commission contribution to approved programs or projects.

Notwithstanding any other law, the heads of Federal departments and agencies are hereby authorized to accept such funds, to disburse them in accordance with policies adopted by the commission, and to provide any assistance which may be necessary to carry out the approved program or project. The combined Federal and commission portion of the costs of each program or project assisted shall not exceed 80 per centum of the total costs.

"(b)(1) When a commission determines that a proposed program or project cannot reasonably be accomplished through a Federal agency under subsection (a)(3) of this section, the commission may make direct grants to States or to qualified multistate organizations or to regional organizations established by commissions to be used for innovative projects and for demonstrations of new methods and techniques for meeting the purpose of subsection (a) of this section if the project or demonstration is in accordance with the commission's regional development plan and annual investment program.

"(2) States may carry out such projects and demonstrations directly, or through the employment of private individuals or firms under contracts entered into for such purposes, or through grants to public bodies and qualified private nonprofit organizations.

"(3) Grants for such projects and demonstrations may be funded entirely from commission funds or in combination with other funds available under Federal grant-in-aid programs or from any source. Notwithstanding any provision of law limiting the Federal share in any such other program, funds provided to carry out this subsection may be used to increase such Federal share as the commission determines appropriate, up to 80 per centum of the total costs.

"(4) Grants for innovative projects and demonstrations under subsection (b) may be made for up to 80 per centum of the costs of any project during the five-year period following the commencement of any assistance. No innovative project or demonstration or any component thereof shall receive financial assistance under this title after five years following the commencement of any assistance for such project, program or component under this title or under the Appalachian Regional Development Act of 1965, as amended (40 U.S.C. App. 1 et seq.).

"(5) No grant shall be provided for an innovative program or project or a demonstration unless the Federal Cochairman determines the respect in which the project is innovative and what it is intended to demonstrate and certifies that there is a reasonable plan (A) to evaluate the results of the innovation or demonstration by an independent source and (B) to disseminate the results.

"(c) Each commission is authorized to make grants to public and private entities for the operation of any project or facility which meets the purpose of subsection (a) of this section. Such grants may include initial operating funds which may cover the cost of recruiting and training qualified personnel. A grant for the operation of any project shall be made only if the project or facility is not operated for profit. Such grants shall not exceed 80 per centum of the total costs for the five-year period which begins, for each facility or service or component thereof assisted under any such operating grant, on the first day that the facility or service enters into operation as part of a project. No grants for the operation of any project shall be made after five years following the commencement of such initial grant for operation of the project. No such grants shall be made unless the commission is satisfied that the operation of the project will be conducted under efficient management practices designed to avoid operating deficits. The contribution to a project may be provided entirely from commission funds or in combination with funds provided under Federal programs.

"(d) Financial assistance under this section shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law. Funds appropriated to carry out this title shall be available without regard to any limitations on authorization for appropriation in any other Act.

"(e) Financial assistance under this section may be used to acquire or develop land necessary for the success of the program or project being assisted, provided the Federal Cochairman certifies such necessity and the other requirements of this section are fulfilled.

"(f) No financial assistance under this title shall be provided—

"(1) to assist private establishments relocating from one area to another or to enable private contractors or subcontractors to undertake work previously performed in another area by other contractors or subcontractors;

"(2) to finance any project which will directly increase the production of goods, materials, commodities, services, or facilities when there is not sufficient demand to employ the efficient capacity of existing competitive, commercial, or industrial enterprises, except that assistance may be provided for projects located in economically distressed areas if modernization of productive services or facilities is essential to retain private employment in that area.

"(g) Each commission shall adopt specific policies and procedures to assure that any program or project which receives assistance is properly and efficiently administered, operated, and maintained.

"PLANNING AND TECHNICAL ASSISTANCE

"SEC. 508. (a) Each regional development commission, in order to carry out its functions under this title, is authorized to engage in planning, investigations, and studies, and to provide planning and research assistance to States and substate areas and communities, both urban and rural.

"(b) Activities authorized under this section may be carried out by the commission staff, through the payment of funds to departments, agencies, or instrumetalities of the Federal Government, or through the employment of private individuals, partnerships, firms, nonprofit corporations, or other suitable institutions under contracts or grants entered into for such purposes or through grants to agencies of State or local governments.

"(c) To further the purpose of this title, the regional development plan and the annual investment program, each commission is authorized to make grants for administrative expenses to substate planning and development districts certified pursuant to section 514 of this title.

"PROJECT APPROVAL

"SEC. 509. (a) An application for a grant or for any other assistance for a specific program or project under section 507 of this title shall be made through the State member or members of the commission representing the applicant. Such application may be approved only if it first receives the approval of the State member(s).

"(b) A grant proposal or any other program or project proposal under section 507 or 508 may be approved by the commission only when it has been determined—

"(1) to implement the commission's regional development plan;

"(2) to be consistent with the commission's annual investment program;

"(3) to be supported by adequate assurance and evidence that the project will be properly administered, operated, and maintained; and

"(4) to otherwise meet the requirements for assistance under this title.

"(c) Decisions on individual program or project approvals are final with the vote of the commission. Nothing contained in this title shall be interpreted as requiring any State or political subdivision of a State to engage in or accept any project under this title without its consent.

"NONDISCRIMINATION

"SEC. 510. No person in the United States shall, on the grounds of race, color, national origin, sex, or physical handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving financial assistance from a regional development commission.

"REGIONAL DEVELOPMENT PROCESS

"SEC. 511. (a)(1) Within eighteen months after its establishment or enactment of the

Regional Development Commission Act of 1979, whichever is later, each regional development commission shall prepare, in consultation with Federal, State, interstate, local, and substate development organizations and governments, and private interests, a multiyear development plan for its region. The plan shall consider the planning and proposed activities of Federal, State, interstate, substate, and local governments and the private sector which may significantly affect the region. The plan shall include the following elements:

"(A) A review of—

"(i) significant and relevant regional studies and plans,

"(ii) the current regional economy and the projected economy based on the best available data,

"(iii) multistate and shared problems requiring regional attention,

"(iv) the adequacy of existing Federal, State, and substate programs and policies to meet the commission's goals and strategies;

"(B) a framework for the continuing analysis of data needed to conduct effective regional development activities and to make decisions on programs and projects selection;

"(C) a determination of necessary and feasible regional goals and objectives, and priorities for regional development to guide Federal, regional, State, substate, and private investments;

"(D) a development program to achieve the commission's goals; and

"(E) criteria for the identification and selection of programs and projects which are consistent with the goals of the commission.

"(2) Prior to the commission's vote on the plan described in paragraph (a)(1) of the section, the Federal Cochairman shall have a maximum of seventy-five days in which to review the plan. The Federal Cochairman shall vote on the plan only after consulting with relevant Federal departments and agencies, in order to assure that—

"(A) the plan is consistent with related national policies,

"(B) the plan reflects interregional consistency and compatability, so that the activities of a commission will not adversely affect the condition or plans of another region,

"(C) the expected benefits of the plan will justify the estimated Federal investment.

After the concurrence of the Secretary, final approval of the plan shall be in accordance with section 505(b) of this title.

"(3) Each commission shall review its multiyear plan annually and formally assess the plan every five years.

"(b)(1) To implement the regional plan, each commission shall prepare, after consultation with relevant Federal departments and agencies, an annual investment program for each fiscal year. This program shall (A) identify Federal, interstate, State, substate, and private programs and projects necessary to implement the multiyear regional plan; and (B) include a financial plan which identifies projects and activities intended to serve the program in the fiscal year, after consideration of State plans where required by a commission under the authority of section 513 of this title.

"(2) Prior to the commission's vote on the program described in paragraph (b)(1) of this section, the Federal Cochairman shall have a maximum of seventy-five days in which to review the program. The Federal Cochairman shall vote on the program only after consulting with relevant Federal departments and agencies. Final approval of the program shall be in accordance with section 505(b) of this title.

"(c) Annually, each commission may propose, as a result of its regional development process, regional growth policy recommendations which may be adopted by Federal agencies and State and local governments in order to implement successfully the commission's regional plan and annual investment program. Upon the concurrence of the Secretary, recommendations shall be forwarded to the interagency mechanism authorized in section 512 of this title.

"(d) Regional development commissions and member States shall prepare and publish guidelines to assure full opportunity for public and private sector participation in the regional development process.

"FEDERAL COORDINATION

"Sec. 512. (a) The President is authorized to establish a senior-level interagency mechanism, or to use an existing interagency mechanism, to provide program coordination and support for the regional development plans, programs, and regional growth policy recommendations of the commissions.

"(b) Upon presentation to the Secretary of each commission's regional development plan, annual investment program and regional growth policy recommendations, the Secretary shall arrange for their review by the interagency mechanism established under subsection (a) of this section.

"(c) Each Federal department and agency shall assist the commissions in carrying out their activities under this title and, to the maximum extent practicable, shall adjust its procedures and policies in order to assure—

"(1) its participation in developing and implementing each commission's regional development plan; and

"(2) coordination among development programs and planning activities within States and between State and regional development programs and planning activities.

"(d) Each Federal department and agency shall consult with the appropriate commission or commissions in advance of providing financial assistance to any multistate organization engaged in activities related to the purposes of this title.

"STATE PLANNING

"Sec. 513. Each commission is authorized to require State members to prepare and submit development plans for their States in the region. Each State development plan shall reflect the goals, objectives, and priorities established in the regional development plan, shall involve the participation of local governments, the private sector, and substate planning and development organizations, shall be built upon an assessment of State problems and opportunities, and shall—

"(1) describe the State organization and process or unified development planning including the procedures, if any, established by the State for the participation of local governments and development districts in such process; the means by which such process is related to the State's budget processes; and the method of coordinating development planning, programs, and policies in the State under this title and other related Federal and State programs;

"(2) describe the unified development goals, objectives, and priorities of the State, with special reference to those of interstate or shared concern;

"(3) describe the unified development program for achieving such goals, objectives, and priorities, including major funding sources and recommendations for an implementing investment program;

"(4) describe the methods established to assure participation of the private sector in development planning and programing and to coordinate activities among public and private institutions; and

"(5) describe a system to evaluate the effectiveness of implementation programs which reflect the goals, objectives, and priorities of the regional and State plans and programs, including, to the extent feasible, quantified measures of impact.

"SUBSTATE PLANNING

"Sec. 514. (a) To the extent permitted under this title, State and substate planning processes shall be designed (i) to coordinate and utilize to the maximum extent possible existing substate institutions and Federal, State, and local programs, (ii) to consult with Indian tribes, (iii) to consider anticipated private as well as public investments, and (iv) to address problems of interstate or shared concern.

"(b) Governors who are members of commissions are authorized to certify to their commissions substate planning and development districts within their States if such districts are multijurisditcional and have responsibility for continuous and coordinated public facilities and services planning in their areas. Unless otherwise provided under State law, local development districts previously certified pursuant to the Appalachian Regional Development Act of 1965, as amended (40 U.S.C. App. 1 et seq.) and economic development districts designated pursuant to this Act, shall be certified as substate planning and development districts pursuant to this section. Wherever possible, areawide clearinghouses designated by either the Office of Management and Budget or the Governor pursuant to section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, as amended (42 U.S.C. 3334) or title IV of the Intergovernmental Cooperation Act of 1968, as amended (42 U.S.C. 4321 et seq.), shall be certified as substate planning and development districts pursuant to this section.

"(c) No entity shall be certified as a substate planning and development district unless the Governor finds that—

"(1) it is one or more of the following:

"(A) a nonprofit public body organized or chartered under the law of the State in which it is located;

"(B) an agency or instrumentality of a State or local government; or

"(C) an agency or instrumentality created through an interstate compact;

"(2) the proposed district is geographically and politically structured to carry out a unified, multi-functional planning and development program; and

"(3) the proposed district or its governing body has responsibility for all or most of the relevant development planning activities being undertaken in its area.

"(d)(1) The development planning process and the regional growth policy process shall be ultimately based on the goals, objectives, priorities, and recommendations of development districts and local governments as reflected in State development plans. The regional development plan, and annual investment strategies shall be developed from and shall incorporate such goals, objectives, priorities, and recommendations. The State, in the preparation of a State development plan, and the Commission, in the preparation of the regional development plan and annual investment strategies, shall accommodate and to the extent practicable harmonize the diverse goals, objectives, priorities, recommendations, and needs identified by development districts and local governments.

"(2) Public and private sector participation in the development of the goals, objectives, and priorities of regions, States, and development districts shall be provided for, encouraged, and assisted. Regional development commissions and member States shall prepare and publish guidelines to assure full opportunity for public and private sector participation in the establishment of such goals, objectives, and priorities.

"INFORMATION

"Sec. 515. In order to obtain information needed to carry out its duties, each commission—

"(1) may hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute so much of its proceedings and reports thereon as it may deem advisable;

"(2) may arrange for the head of any Federal, State, or local department or agency (who is hereby so authorized to the extent not otherwise prohibited by law) to furnish to the commission such information as may be available to or procurable by such department or agency; and

"(3) shall keep accurate and complete records of its doings and transactions which shall be made available for public inspection, and for the purposes of audit and examination by commission members, the Secretary, or the Comptroller General of the United States, or their duly authorized representatives.

"PERSONAL FINANCIAL INTERESTS

"SEC. 516. (a) Except as permitted by subsection (b) hereof, no State member or alternate and no officer or employee of a commission shall participate personally and substantially as a member, alternate, officer, or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in any proceeding, application, request for a ruling or other determination, contract, grant, claim, controversy, or other particular matter in which, to his knowledge, he, his spouse, minor child, partner, organization (other than a State or political subdivision thereof), in which he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest. Any person who shall violate the provisions of this subsection shall be removed from his position and fined not more than $10,000 or imprisoned not more than two years, or both.

"(b) Subsection (a) hereof shall not apply if the State member, alternate, officer, or employee first advises the commission, in writing and on the record, of the nature and circumstances of the proceeding, application, request for a ruling or other determination, contract, grant, claim, controversy, or other particular matter, makes full disclosure of the financial interest and receives in advance of commission action a written determination made by the commission that the interest is not so substantial as to be deemed likely to affect the integrity of the services which the commission may expect from such State member, alternate, officer, or employee.

"(c) No State member or alternate shall receive any salary, or any contribution to or supplementation of salary, for his services on the commission from any source other than his State. No person detailed to serve the commission under authority of paragraph (6) of section 506 shall receive any salary for his services on a commission from any source other than the State, local, or intergovernmental department or agency from which he was detailed or from the commission. Any person who shall violate the provisions of this subsection shall be fined not more than $5,000, or imprisoned not more than one year, or both.

"(d) Notwithstanding any other subsection of this section, the Federal Cochairman and his staff, and any Federal officers or employees detailed to duty with a commission pursuant to paragraph (5) of section 506, shall not be subject to any such subsections but shall remain subject to sections 202 through 209 of title 18, United States Code.

"PROHIBITED ACTIVITIES

"SEC. 517. (a) No officer or employee of a commission shall—

"(1) solicit or accept money or any other thing of value for services performed within the scope of his official duties in addition to the compensation or expenses paid him by the commission;

"(2) offer money or any thing of value for or in consideration of obtaining an appointment, promotion or privilege in his employment with the commission.

"(b) Any officer or employee who shall willfully violate any of the provisions of this section shall forfeit his office or employment.

"(c) Any agreement knowingly made in contravention of this section is void.

"BONDING, INSURANCE, LIABILITY

"SEC. 518. (a) The executive director of a commission and such other employees as the commission requires shall be bonded in such form and amounts as the commission may require. The commission may pay the premium for the bonds.

"(b) The commission shall purchase insurance and pay the premiums therefor against loss or damage to any of its personal property and against liability for injury to persons or property. Such insurance coverage shall be in such form and amount as the commission may determine, subject to the conditions of any grant from the Secretary.

"(c) The commission shall be responsible for claims arising out of negligent acts or omissions of its officers, agents, and employees only to the extent prescribed by law generally with respect to officers, agents, and employees of the Government of the United States.

"RECORDS AND AUDITS

"SEC. 519. (a) Each commission shall keep records which fully disclose the amount and disposition of the funds provided to the commission, and such other records which will facilitate an effective audit. The records, books, and accounts shall be available for audit by any member of the commission, the Secretary, and the Comptroller General of the United States or their duly authorized representatives.

"(b) All recipients of assistance from a commission and all contractors of a commission shall keep records which fully disclose the amount and the disposition by each recipient of the proceeds of such assistance or contract, the total cost of the project or activity for which the funds are given or used, and the amount or activity supplied by other sources, and such other records which will facilitate an effective audit. The Secretary, the commission, the Comptroller General of the United States or any of their duly authorized representatives shall have access for the examination and audit of any books, documents, and records of any recipients or contractors that are pertinent to assistance received under this title. Any recipient or contractor who fails to abide by this requirement or who refuses to make his books readily available for inspection and audit by those authorized to audit such records shall not be eligible for further funding under this title.

"ASSISTANCE BY THE SECRETARY

"SEC. 520. (a) In addition to other activities authorized by this title, the Secretary is authorized to obtain or provide technical assistance to aid the commissions in carrying out their responsibilities and undertaking new programs and policies which further regional development. Such assistance may be provided through members of the Secretary's staff; through the payment of funds to other departments or agencies of the Federal Government; through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purposes; or through grants to institutions of higher education or nonprofit organizations. Technical assistance may include studies and plans on the needs and potentials of regional development; administrative management assistance; research on improving the conservation and utilization of the human and natural resources of the region; planning, investigations and studies; and economic and demographic information and analysis. The Secretary shall make special provision to assist commissions to function fully and effectively as soon as practicable after creation.

"(b) The Secretary is authorized to make incentive grants to commissions for the following purposes:

"(1) to encourge and enable States to develop and improve mechanisms for unifying State development programs and planning and for coordinating State and commission development program and planning activities, the purpose of such grants being to help commissions enable Governors to develop among State agencies and levels of government a unified set of development objectives for programs, including, but not limited to, economic development, comprehensive planning, outdoor recreation, coastal zone management, tourism, transportation, and environmental protection programs;

"(2) to encourage commissions and States to develop improved procedures which enable States to participate in regional development processes for the purpose of shaping Federal and State programs and policies;

"(3) to encourage commission and State actions supporting energy, export, urban, and other national policies whose effectiveness would be significantly strengthened and advanced by commission and State participation; and

"(4) to encourage other activities needed to strengthen the overall program authorized by this title, including improving management practices, fostering interregional cooperation, creating regional management and data systems, expanding multistate activities, and increasing State financial and other support for commission plans.

"GRANT TO COMMISSIONS

"SEC. 521. (a) Each fiscal year the Secretary shall make grants to the commissions in order to enable them to carry out the programs authorized under sections 507 and 508 of this title.

"(b) The amount to be granted to each commission shall be determined according to a formula developed by the Secretary after consultation with the commissions, publication in the Federal Register, and an opportunity for public comment.

"(c) No grant shall be made to a commission prior to receipt by the Secretary of the approved annual investment program for the commission.

"ADMINISTRATIVE EXPENSES

"SEC. 522. (a) Each commission shall submit an annual application to the Secretary prior to the beginning of each Federal fiscal year for a grant to cover the administrative expenses of the commission for the upcoming fiscal year.

"(b) For the period ending on September 30 of the second full Federal fiscal year following the date of establishment of a commission, the Secretary shall make a grant each year to pay 100 per centum of the commission's administrative expenses which are approved by the commission and the Secretary. Thereafter, the Secretary shall make an annual grant to pay 50 per centum of the approved expenses; the remaining 50 per centum shall be paid by the member States in the commission. (The administrative expenses of the Federal Cochairman and his staff may not be considered as commission expenses.) The share of administrative expenses to be paid by each State shall be determined by agreement of the State members of the commission. At the discretion of the State members, States may contribute more than the amount of the annual grant from the Secretary.

"(c) Each commission shall adopt a schedule for the payment of the State contributions for administrative expenses. No assistance authorized by this title shall be furnished to any State or to any political subdivision or any resident of such State, nor shall the State member or alternate participate or vote in any determination by a commission, while such State is delinquent in payment of its share of administrative expenses.

"(d) If the boundary of the region for any group of State established as a new regional development commission under this title is identical to the boundary of the region of a regional action planning commission previously established for at least two years under this title, the Secretary shall not make grants for full funding of the administrative expenses of the new commission. Such expenses shall be paid 50 per centum from grants by the Secretary and at least 50 per centum from contributions by the States, pursuant to this section, from the date of the establishment of the new commission.

"(e) The administrative expenses of the Federal Cochairman and their staffs shall be paid entirely from funds provided by the Secretary.

"ADMINISTRATION

"SEC. 523. (a) The Secretary shall coordinate and provide policy guidance to the Federal Cochairman authorized under section 504 of this title. The Secretary is authorized to employ such staff as necessary to carry out the Secretary's functions authorized by this title, including the employment of experts and consultants pursuant to section 3109 of title 5, United States Code.

"(b)(1) There is hereby created a regional development council, composed of the Federal Cochairman of the regional development commissions, which shall serve as a mechanism for consultation regarding policy and administrative improvements in the program authorized by this title. The Secretary shall appoint, after consultation with the members of the council, one member to serve as chairperson and one to serve a vice chairperson.

"(2) There is hereby established in the Department of Commerce an Office of Regional Development, which shall be headed by a Director, appointed by the Secretary after consultation with the chairperson of the regional development council, and composed of such staff as may be necessary to carry out its functions. This office shall perform such duties as are prescribed by the Secretary, provide staff for the regional development council, perform reviews and studies, assist the Federal Cochairman in the preparation of the budget for the commission program, and provide supplemental technical and support services as necessary for the Federal Cochairman authorized by this title.

"(c) The Secretary shall develop procedures to ensure that commission activities are consistent with the provisions of this title and grants from the Department of Commerce. To this end, the Secretary shall adopt procedures and regulations governing—

"(1) the recognition of regions and changes in boundaries;

(2) the preparation, submission, and review of the regional developmental plan, annual investment and growth policy recommendations;

"(3) the submission of grant applications by commissions and the award of grants under sections 521 and 522;

"(4) the award of grants and contracts under section 520 of this title;

"(5) records to be kept by commissions and their recipients and contractors;

"(6) the administrative policies and procedures developed by the commission pursuant to section 506(b); and

"(7) the establishment and operation of a management information system covering activities authorized under this title.

"(d) The Secretary shall provide staff for the interagency mechanism authorized under section 512 when it considers regional development issues and activities.

"(e) There are hereby authorized to be appropriated to the Secretary to carry out the provisions of this title (except section 520) $250,000,000 per fiscal year for each of fiscal years ending on September 30, 1980 and September 30, 1981. Such sums shall remain available until expended.

"(f) There are hereby authorized to be appropriated to the Secretary to carry out the provisions of section 520 of this title sums not to exceed 20 per centum of the amount appropriated under the authority of subsection (e) of this section for each of the fiscal years ending on September 30, 1980, and September 30, 1981, to remain available until expended.

"REPORTS

"SEC. 524. (a) Not later than six months after the close of each fiscal year, each commission shall prepare and submit to the Governor of each State in the region and to the Secretary, for transmittal to the Congress, a report on the activities carried out under this title during the previous year, proposed activities for the present year, and and a description of the developmental state of the region.

"(b) Each biennium, the Secretary, with the assistance of each commission, shall submit a report to the Congress on economic trends, development inhibitors, growth problems and opportunities, and other relevant economic and social data for each development region.

"SEPARABILITY

"SEC. 525. Notwithstanding any other evidence of the intent of Congress, it is hereby declared to be the intent of Congress that if any provision of this Act or the application thereof to any persons or circumstances shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act or its application to other persons and circumstances.

"DEFINITIONS

"SEC. 526. When used in this title—

"(1) the term 'regional development' means the improvement of conditions and opportunities for individuals, communities, States, and regions through selective management of resources and activities toward the achievement of regional goals in the approved regional plan, including those goals which affect human and natural resources, institutional, community, and economic development;

"(2) the term 'regional development process' means the process of developing and communicating recommendations affecting shared and interstate problems of regional growth and decline as set out in the regional plan, annual investment programs, and growth policy recommendations necessary for the successful implementation of the regional plan and program;

"(3) the term 'commission' means a regional development commission authorized by this title;

"(4) the term 'Secretary' means the Secretary of Commerce;

"(5) the term 'State', 'States', or 'United States' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the territories of the Virgin Islands, Guam, and American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Marianas;

"(6) the term 'Governor' means the chief executive officer of the territorial or political unit included in the definition of the term 'State';

"(7) the term 'development region' means an area which includes a whole State or States or parts of States and which is recognized as a development region pursuant to section 501 of this title;

"(8) the term 'multiyear regional development plan' means the plan required by section 511(a) of this title;

"(9) the term 'annual investment program means the program required by section 511(b) of this title;

"(10) the term 'growth policy recommendations' means the recommendations authorized by section 511(c) of this title;

"(11) the term 'substate planning and development district' means an entity certified as a substate planning and development district pursuant to section 514 of this title; and

"(12) the term 'Federal Regional Councils' means the regional-based interagency coordination mechanisms established pursuant to Executive Order 11647, as amended, or such other mechanisms as may be established by the President to carry out the functions enunciated in the Executive order.".

AMENDMENT OFFERED BY MR. GLICKMAN

Mr. GLICKMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GLICKMAN: On page 46, line 2, insert immediately before the semicolon the folowing: "without preempting State and local authorities".

Mr. GLICKMAN. Mr. Chairman, this amendment is quite simple and straightforward. It is designed to respond to a concern which has been expressed to me by a number of my constituents and that is that the various regional development commissions not be allowed to usurp State and local prerogatives. It is my understanding that a number of other Members have been contacted by constituents of theirs expressing similar concerns.

Having reviewed the bill, as reported, and checked into the changes made during committee consideration, I am well aware that a number of provisions are included to assure that the planning processes which it covers work "from the bottom up" thereby making certain that the process brings local governments into the process at the very beginning and State governments shortly thereafter. My amendment goes one step further and states definitely that in the regional commissions' planning and development functions, they shall be precluded from preempting State and local authorities.

I have discussed the amendment with the subcommittee and it is my understanding that there is no objection. I urge my colleagues to join in supporting the addition of this clarifying and reenforcing language.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from New Jersey.

Mr. ROE. Mr. Chairman, we have analyzed the gentleman's amendment, and as he knows, it is the intent of the House and the committee of the House to most strongly follow the direction that he is setting with this amendment wherein all planning under the title V program should begin at the bottom of the totem pole, so to speak, which would be at the beginning at the local level of government.

So, Mr. Chairman, we most strongly support the gentleman's amendment. We accept the amendment and believe it is a great improvement to the legislation.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, as the gentleman knows, we have gone over these amendments with the gentleman. We think they make a contribution to the legislation, and they emphasize the intent of the committee. I view the amendments as technical in nature, but I do think they make a fine contribution to the bill.

Mr. Chairman, I support this amendment and accept it on this side.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas (Mr. GLICKMAN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GLICKMAN

Mr. GLICKMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GLICKMAN: On page 64, line 8, insert after the word "sex" the following: ", age".

Mr. GLICKMAN. Mr. Chairman, this amendment adds what I feel is a very important category to the bill's antidiscrimination language: age. Certainly, this Congress has a strong record of help for the elderly and of eliminating barriers to the ability of senior citizens to participate in a meaningful and productive fashion in a wide range of activities. In passing legislation last year raising retirement ages, we specifically recognized how important it is, both to the individuals involved and to our economy, to protect the right of senior citizens to work and be productive.

The bill we have before us is intended to address regional economic needs. In doing so, I want to make absolutely certain that we do not overlook the valuable resource we have in our older Americans and that we do not deny those who want to participate in development activities that opportunity. This amendment will make sure that we do not.

I have discussed the amendment with the committee, and it is my understanding that there is no objection there. I urge the rest of my colleagues to join me in supporting its adoption.

Mr. Chairman, I have also discussed this amendment with both the gentleman from New Jersey (Mr. ROE) and the gentleman from Arkansas (Mr. HAMMERSCHMIDT).

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the chairman of the subcommittee.

Mr. ROE. Mr. Chairman, we accept the amendment on our side of the aisle.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, I agree that the gentleman's amendment conforms with what our national policy is and is in line with legislation passed by the Congress. I support the gentleman's amendment.

The CHAIRMAN. Th question is on the amendment offered by the gentleman from Kansas (Mr. GLICKMAN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: On page 64, beginning on line 12, strike all through line 24, on page 72: and

On page 78, beginning on line 1, strike all through line 2, on page 80, and renumber the remaining sections accordingly.

Mr. BAUMAN. Mr. Chairman, title II goes to the expansion of the powers of regional development commissions which now blanket virtually the entire Nation.

It is my own feeling that these regional commissions are, quite frankly, unnecessary. They duplicate the work of State and local bodies as well as of Federal agencies.

The fact of the matter is that in recent years, since their creation, these commissions have expanded to fill an unneeded role and in so doing have cost millions of dollars to the taxpayers.

The legislation we have before us proposes a significant expansion of the powers of these regional development commissions. I am quite sure we will hear the argument made, and perhaps validly so, that certain parts of this title do in fact curtail and seek to give direction to these commissions.

My amendment does not disturb that thrust. I would only repeal those sections of the bill dealing with regional commissions which I feel go well beyond anything that is necessary.

The bill proposes, for instance, in the sections that I would repeal that these commissions develop a multiyear regional economic development plan and annual growth policy recommendations for their respective regions regardless of State lines.

The bill states, for instance, in its objective that each State development plan shall reflect the goals, objectives, and priorities established in any regional development plan. In other words, the State and local governments are in fact being made subservient to some master plan developed by a regional commission.

I do not think comprehensive economic development is the job of regional commissions. Some may say they may have some role in that, but even that is arguable.

In this instance we have seen in a number of investigative reporting articles done by newspapers, including the Boston Globe and the Charleston Gazette showing instances where money has been squandered. In fact these regional commissions have become tools for the State Governors to funnel Federal money into their own areas regardless of any regional concept.

Part of this bill may cure that problem, but again, I do not disturb that language.

The General Accounting Office in a recent study of the Appalachian Regional Commission—and I want to make clear I do not repeal any of the existing commissions, as much as I would like to do that—indicates that the overall expansion foreseen for these regional commissions could eventually cost the taxpayers in excess of $2 billion. I will repeat that: $2 billion.

So if we are going to have national economic planning, which I do not think we need, these are not the proper mechanisms, and I would hope the Members would support this amendment that would retain the regional commissions but severely curtail any expansion of their functions or their powers, looking toward the day that the people of these areas will make their own decisions rather than having unelected bureaucrats appointed to commissions that really have no useful purpose.

Mr. Chairman, I urge a vote in favor of my amendment to strike these sections.

Mr. HAMMERSCHMIDT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as much as I admire and respect the author of this amendment, I must oppose this amendment offered by the distinguished gentleman from Maryland to strike sections 511–514 and 520 of the title V commissions. While I agree with some of what the gentleman says regarding the commissions, striking this language will not remedy any deficiencies in the current commission structure.

For years the committee has felt that the title V commissions were generally unresponsive to their mandate and to Congress. Over the years, commission activities have reduced themselves to merely additional Federal dollars to bolster the member States and their own aims. Little was done for true regional development. And little was attempted or accomplished to coordinate a meaningful regional plan with the goals and objectives with local development efforts. In other words, Mr. Chairman, these commissions were not functioning as regional development commissions.

Sections 511–514 attempt to correct these deficiencies by instituting a planning system that allows local input to State plans and State planning input to regional plans. These sections also institute a process similar to that of the Appalachian Regional Commission, wherein the commission submits an investment plan for overall development and an annual investment program to accomplish that plan. If this amendment is adopted, we are striking the very language that attempts to address the deficiencies my colleague cites. We cannot in good conscience initiate a reform measure, only to strike it before it is even implemented.

I urge defeat of this amendment.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I think the gentleman will have to admit that in not seeking to strike a number of sections, section 507, section 509, section 515, that the gentleman from Maryland has tried to meet the objections that the gentleman raised. My amendment retains parts of this bill reforming the commission's activities that the gentleman has suggested. And those sections remain. My amendment removes those sections allowing comprehensive economic planning and additional powers which I do not feel will bring about reform but will probably compound the errors of the commissions activities in the past.

I think the gentleman has made an excellent statement against regional commissions in principle in the early part of his remarks, but I would respectfully suggest to my colleague that the remaining sections more than reform the operation without giving them the added authority, which I do not think they need nor deserve.

Mr. HAMMERSCHMIDT. Mr. Chairman, I appreciate the gentleman's further comments. Those sections that are being struck are the reform sections of the bill. We would be better off to strike the entire grant section than to give carte blanche to the States.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from New Jersey.

Mr. ROE. Mr. Chairman, I do call to the attention of the gentleman, the distinguished minority leader, that by striking section 14, that is the area where the gentleman's own amendment was added, on page 87, (d)(1), which literally tightened the entire operation and mandated that it be placed at a local level. So that by striking at least section 514 you would be striking your language.

Mr. HAMMERSCHMIDT. I agree with the gentleman. We add some responsiveness and discipline to the regional commissions that have never been there before, and by having to go back to the Secretary, they are subject to audit, they are subject to an overall review of the plans, even though the original plans emanated from the grassroots, the cities, the counties, the towns and the economic development districts.

Mr. ROE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have the greatest respect and regard for the distinguished gentleman from Maryland, and I happen to think that the gentleman has done a great deal of marvelous work in this House in many respects.

I would like to call to his attention—and I share sincerely, most sincerely, the gentleman's concern, and I have received a great deal of mail from throughout the country, from our own area, where Big Brother Government gets into, with that great, big almighty hand, and then as far as the local governments are concerned, the governments nearest the people, the counties, the States, and so forth. We ran into some of that experience under the Environmental Protection Agency so far as allocation of grants were concerned. In other words, they knew better than everyone else. So when we had our hearings, as the gentleman from Arkansas (Mr. HAMMERSCHMIDT) is pointing out, we went specifically to the heart of this issue, that the language of our bill, of our section of the bill—we are referring to section 5 and the area which the gentleman is speaking to—is not analogous or the same, by any stretch of the imagination, to that which is in the other body's bill.

I am in concert with the gentleman from Maryland in hoping that when we get to conference that I, for one, will join in the feeling that he has expressed here today, because I believe that if we are going to be successful, we have to have the strongest part of participation at every level of government, and particularly the State. I do not want any part of the Federal Government coming in and taking over my State. So I believe that the efforts we have put forth on our committee have been to strengthen the legitimate responsibilities of the communities and the counties so that Big Brother Government does not run away with them.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding, and I appreciate his kind remarks.

Directing my concerns to section 514, I understand the view shared by both the gentleman from Arkansas and the gentleman from New Jersey about bringing in local and State concerns in drawing these plans. But the fact remains that your legislation allows a Federal cochairman to veto any of these matters, and that means in fact that Governors and elected officials will be overriden by a Federal bureaucrat according to a cochairmanship.

Mr. ROE. If the gentleman will exchange dialog with me, that is a misreading of that section of the law. In other words, if there is an action that the committee wishes to take, with the Federal cochairman being a representative of the Federal Government has a veto power—what the gentleman says on that issue is correct. But that has absolutely nothing to do with nor does the commission have any jurisdiction whatever over local planning, county planning or State planning whatsoever.

Mr. BAUMAN. I concur with the gentleman. I am not saying that. What I am saying is that despite the fact that the gentleman is making a good-faith attempt to bring in local government and State government to bring about these plans, ultimately the decision is made by the Federal cochairman, who can veto the commission's action.

Mr. ROE. No. The gentleman is not correct. When there is a multi-State regional project—let us search one out, let us say a transportation project; I am not supposed to talk about highways—if four States get together and say, "We think this is an area which we should be working together on," and three of the States disagree and one State and the cochairman say, "We agree," the cochairman could override the State on that multi-State operation. But they have no jurisdiction whatsoever over an individual State or any of the political subdivisions of the State. They just do not have any authority whatsoever over those local governments, including the State governments. If there was an interregional project where the Federal Government was involved—the commission needs the authority we provide in this bill to get the Federal agencies to pay some attention to the regional plan. The way it is now, DOT goes in one direction and HUD goes in another direction, with their VOAG programs. Macy does not even talk to Gimbel's in the Federal Government, which you are well aware of. This is providing the commissions with a vehicle to say, "Hey, you just cannot go wandering off and jamming something down the throat of the State either." We are coming back and saying, "There has to be better coordination."

So I would not want to throw the baby out with the bath water by negating this section, particularly the way the House has written it in this bill.

Mr. HAMMERSCHMIDT. Mr. Chairman, if the gentleman will yield, I just want to comment further that in the past, if I may address my remarks to the gentleman from Maryland, the Federal cochairman could have vetoed any of these projects that the Governors all together came up with, but, as a matter of fact, they never have. They have been too weak. They have had—with all respect to Federal cochairmen—a sweetheart arrangement after they enter into this political appointment, and they get in with four or five Governors, and they never vetoed.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. ROE) has expired.

(On request of Mr. HAMMERSCHMIDT and by unanimous consent, Mr. ROE was allowed to proceed for 2 additional minutes.)

Mr. HAMMERSCHMIDT. If the gentleman will yield further, the point I am making is that we think some discipline is needed to the entire regional system; rather than letting each Governor use this money as pure block grant money and just pinpointing it in the areas that have no regional impact, that we purposely thought, "Well, we will give this power of overall review to the Secretary." In effect, we almost give it back to the Congress to some degree. I know there are now 11 of these regional commissions. They blanket the entire country. They have lost the original concept of regional commissions, of underfinanced, below the normal per capita income criteria that was originally used. They have now expanded geographically, politically across the entire landscape. We think this is one way to get some discipline and get them back under control.

Mr. BAUMAN. Mr. Chairman, will the gentleman from New Jersey yield at this point?

Mr. ROE. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I would

just respond that the gentleman has again touched on what my major concern is. The Founding Fathers formed a union of States, and one by one they have joined together to provide us with the present political structure of the United States. I understand the need for regional cooperation, but I think the mechanism that has been in existence in these commissions has proved faulty in any number of respects, and I simply do not see the need for overlaying these regional commissions over States with the power that this bill suggests. My amendment, to some small degree, would curtail that development.

□ 1700

Mr. OBERSTAR. Mr. Chairman, I rise in opposition to the amendment.

The gentleman from Maryland, for whom I have very great respect for his integrity, for his views, and for the very careful manner in which he approaches legislative matters on this floor, I think that the gentleman is reading more into the language of the bill than is really there, and that he is probably not familiar with the operation of the regional commissions.

These commissions were initiated in the 1965 act as a means of promoting cooperation among States to develop plans for dealing with common economic problems.

For instance, the States of Minnesota, Wisconsin, and Michigan all share the Great Lakes. They all share transportation problems. They all share natural resource problems. Those problems transcend State boundaries.

We wanted to provide a mechanism within the law for the States to get together, draw upon their collective resources and utilize the full range of resources of the Federal Government to focus on those problems in concert. We have provided very modest funding on the model of the Appalachian Regional Development Commission. The commissions have not been adequately funded. They have limped along. They have made a great many mistakes. We recognize that.

One of the failures of the commission program was that it did not have a charter. There was no basic guideline for the operation of those commissions.

We provide that charter in this legislation, section 500, the very opening language of this title of the bill, which was my amendment in committee, to make these commissions more accountable to Congress, to give us a yardstick by which to measure their performance. We have added a very tough, and I think a very important and much-needed, records and audit provision, section 519, so that the internal operations of these commissions can continually be reviewed and their programs can consistently be inspected and held up to the light of day and to measure their performance.

We have provided in those sections of the bill that the gentleman seeks to strike I think very much-needed cooperation with the very basic level of Government. One of the units of Government with which the commissions are required to cooperate in developing a plan are multi-county economic development districts created within States.

We have, for instance, a six-county economic development district in the northeastern corner of my district. There is a similar one in northwestern Wisconsin. That commission is composed of a mix of locally elected officials, not elected to that position but appointed to it, who are accountable to their several publics, and persons from the private sector. They get together and develop an economic plan to promote growth in these lagging areas.

We are saying now in this legislation that the commission must cooperate with those local development districts, that it must cooperate with the State, that it should not override and disregard the views of the States.

As for the question of veto by the Federal cochairman, the Federal cochairman works in concert with the Governors of that commission. They collectively have one vote. He has one vote. We are setting up a mechanism here where they really have to work together.

It is not an overriding mailed fist of one Federal agency official disregarding the States. They work as a body of equals.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

First of all, I think that is what my colleague from Maryland (Mr. BAUMAN), and I am, too, concerned about, is that in several places in this bill the gentleman gives this cochairman the power to override local government. The cochairman has that final authority. Maybe that is not what the gentleman wants to do, but that is the way I read it: "* * * shall require the affirmative vote * * *"—page 52—"* * * except where provided in section 522, a decision by a commission shall require the affirmative vote of the Federal cochairman."

That means the cochairman has the positive power to override their decisions.

Mr. OBERSTAR. From where is the gentleman reading?

Mr. ROUSSELOT. Page 52.

Mr. OBERSTAR. Which line?

Mr. ROUSSELOT. Line 8 through 12.

Mr. OBERSTAR. "* * * and a majority of State members."

So that the cochairman cannot by himself rule.

Mr. ROUSSELOT. It requires his affirmative vote, so if he does not give an affirmative vote, he has the power to override it.

Mr. OBERSTAR. But he has to work in concert with the States.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. OBERSTAR) has expired.

(At the request of Mr. ROUSSELOT and by unanimous consent, Mr. OBERSTAR was allowed to proceed for 3 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from California.

Mr. ROUSSELOT. As I read it, he basically has the power to deny.

Now I think then, to follow through even further, the gentleman mentions that it is not the intention of this committee to give this unwarranted power to this commission, and I say fine. That is nice to say.

We heard those same words when we went through the Department of Energy legislation. We now are living with some terrible decisions, because we did not tighten up language that I think the Federal Government, our agencies, all of them, tend to run away with far more power than we intended in our legislative intent. That is why I think many of us have received letters of concern about part of these sections. That is why my colleague, the gentleman from Maryland (Mr. BAUMAN), has chosen to strike some of these, because he feels that it is unwarranted power being given to the Federal Government, especially Federal agencies, and maybe they could run roughshod over local government.

Mr. OBERSTAR. If I may respond to the gentleman, it is a two-way street. The State Governors acting together can block any proposal that the Federal cochairman offers.

Mr. ROUSSELOT. My answer to that would be why have the commission then?

Mr. OBERSTAR. It is so they work together. That is in fact how these commissions have operated.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. I just want to make one point to my good friend from California. Even though the Federal cochairman had this veto power since 1965, since the inception of the original five commissions, to my knowledge they have never vetoed a project.

Incidentally, they cannot veto one unless there is a majority of the Governors present in a meeting, but they have never used that power. I think that is an important thing to note.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from California.

Mr. ROUSSELOT. I think, as I read this law here, that it reqiures an affirmative vote, the way I read it.

That is my concern, and that is why I have been very much impressed by my colleague, the gentleman from Maryland (Mr. BAUMAN) raising these issues, especially as it relates to regional development process.

The gentleman is stating to us that his intent is to encourage this cooperation.

I see it as giving more power to the Federal Government to be overinvolved. I think that is far too much.

Mr. OBERSTAR. As the program is operated, the authority of the Federal cochairman to block an action, and concurrently the authority of the State Governors to block an action on the part of the Federal cochairman, have acted to force them to work together like no other Federal-State relationship. None other has had this kind of splendid cooperation. It is a check and balance, not an overriding authority of one or another entity of Government.

Mr. RUDD. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The provisions of this bill regarding regional development commissions are not merely extensions of their existence—the need for which is questionable in the first place.

Rather, this bill grants new and broad, although vague, authority to the regional commissions—additional powers which would trample the sovereignty and independence of the individual States.

As if our citizens are not already complaining—and justifiably so—about exexcessive Federal interference in State and local matters, this bill would open the door to even more massive Federal intrusion.

For instance, section 513, which the Bauman amendment would eliminate, authorizes the regional commissions to "require" States to submit development which they belong.

There is the additional stipulation that these plans "shall" comply with the regional development plans of the regional commission.

The compulsory nature of State compliance—both to submit any plan at all and that such a plan conform to the regional "master plan"—is particularly inappropriate in our system of federalism whereby each State's independence is to be maximized.

These regional commissions could conceivably develop virtual veto power over much of the decisionmaking of individual States, thereby making elected State officials subservient to unelected Federal regionalcrats.

The potential for massive Federal mischief should be obvious. The categories which States must include in their plans, as envisioned by this bill, are "economic development, coastal zone management, comprehensive planning, environmental protection, energy conservation and development, tourism, transportation, and outdoor recreation and implementation programs."

The broad, sometimes innocuous, language of the bill should not disguise the face that this is expanded authority which opens the door to massive Federal intrusion into matters traditionally handled best by State and local officials.

The provision for these mandatory multiyear plans is excessive Federal regimentation which should be eliminated by the adoption of the Bauman amendment.

I urge the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. BAUMAN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. Pursuant to the provisions of clause 2, rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 662]

Abdnor
Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bouquard
Bowen
Brademas
Brinkley
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dixon
Dodd
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Hawkins
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McEwen
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Martin
Mathis
Matsui
Mattox
Mavroules
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Russo
Sabo
Santini
Satterfield
Schulze
Sebelius
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

☐ 1720

The CHAIRMAN. Three hundred and eighty-eight Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Maryland (Mr. BAUMAN) for a recorded vote. Five minutes will be allowed for a vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 137, noes 262, not voting 34, as follows:

[Roll No. 663]

AYES—137

Abdnor
Andrews, N. Dak.
Archer
Ashbrook
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Benjamin
Brooks
Broomfield
Burgener
Butler
Campbell
Cheney
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dornan
Edwards, Ala.
Edwards, Okla.
Emery
English
Evans, Del.
Evans, Ind.
Fenwick
Findley
Fithian
Forsythe
Frenzel
Gingrich
Gonzalez
Goodling
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hance
Hansen
Hightower
Hillis
Hinson
Holt
Hopkins
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jones, Okla.
Kelly
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lent
Levitas
Livingston
Loeffler
Long, Md.
Lott
Lungren
McClory
McDade
McDonald
McEwen
McKay
McKinney
Madigan
Marlenee
Martin
Mattox
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
O'Brien
Pashayan
Paul
Petri
Pursell
Quayle
Regula
Robinson
Roth
Rousselot
Rudd
Sabo
Santini
Satterfield
Schulze
Sebelius
Sensenbrenner
Sharp
Shumway
Smith, Nebr.

Snyder
Solomon
Spence
Stangeland
Stanton
Steed
Stenholm
Stockman
Stump
Symms
Synar
Tauke
Taylor
Thomas
Volkmer
Walker
White
Wilson, Bob
Wyatt
Wydler
Wylie
Young, Fla.

NOES—262

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bouquard
Bowen
Brademas
Brinkley
Brown, Calif.
Broyhill
Buchanan
Burlison
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Clinger
Coelho
Collins, Ill.
Conte
Conyers
Corman
Cotter
Courter
D'Amours
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Erdahl
Erlenborn
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Fish
Fisher
Flippo
Florio
Foley
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Glickman
Gore
Gradison
Gray
Green
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hollenbeck
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Ireland
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, La.
Lederer
Lehman
Leland
Lloyd
Long, La.
Lowry
Lujan
Luken
Lundine
McCormack
McHugh
Maguire
Markey
Marks
Mathis
Matsui
Mavroules
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Quillen
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Ritter
Roberts
Rodino
Roe
Rose
Rostenkowski
Roybal
Royer
Russo
Scheuer
Seiberling
Shannon
Shelby
Shuster
Simon
Skelton
Slack
Smith, Iowa
Snowe
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Stewart
Stokes
Stratton
Studds
Swift
Thompson
Traxler
Trible
Udall
Van Deerlin
Vander Jagt
Vanik
Vento
Walgren
Wampler
Watkins
Waxman
Weaver
Weiss
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—34

Anderson, Ill.
Bonker
Breaux
Brodhead
Brown, Ohio
Cleveland
Crane, Philip
de la Garza
Diggs
Flood
Ford, Mich.
Ford, Tenn.
Giaimo
Goldwater
Holland
Jones, N.C.
Kemp
Lee
Lewis
McCloskey
Marriott
Mazzoli
Neal
Nolan
Rhodes
Rosenthal
Runnels
Sawyer
Schroeder
Treen
Ullman
Wilson, C. H.
Winn
Young, Alaska

□ 1730

The Clerk announced the following pairs:

On this vote:

Mr. Breaux for, with Mr. Jones of North Carolina against.

Mr. Brown of Ohio for, with Mr. Runnels against.

Mr. Philip M. Crane for, with Mr. Lewis against.

Mr. Goldwater for, with Mr. Sawyer against.

Mr. Young of Alaska for, with Mr. Ford of Tennessee against.

Mr. Winn for, with Mr. Diggs against.

Mr. Lee for, with Mr. Brodhead against.

Mr. Marriott for, with Mr. Charles H. Wilson of California against.

Mr. McCloskey for, with Mr. Ullman against.

Mr. Kemp for, with Mr. Rosenthal against.

Mr. STUMP changed his vote from "no" to "aye."

Mr. WHITTAKER changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there additional amendments to title II?

AMENDMENT OFFERED BY MR. BEREUTER

Mr. BEREUTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BEREUTER: Page 49, line 23, delete "and".

Page 50, line 2, after the semicolon, insert the following: "and (D) with State legislatures through the formation and regular meeting of a State legislative liaison committee with the membership of such committee from each State to be determined by the legislature of the respective States which are located within the area served by the regional development commission;".

Mr. BEREUTER. Mr. Chairman, I will depart very substantially from my prepared remarks, speak extemporaneously, and in particular, to address my comments to the distinguished gentlemen at the two committee tables, hoping to convince them of the merits of this amendment. I have been working with this committee staff for a period in excess of a month on this proposed amendment, but I really have not had an opportunity to visit with the Members on each side of the aisle, on this committee. I would like to relate to them my experience with the title V, regional action planning commissions, because it is out of that experience that I bring to the floor this amendment.

I have worked in the past as a private sector economic development consultant and public works consultant in the Ozarks Regional Commission.

□ 1740

Mr. Chairman, later as a gubernatorial aide, I was one of three people to put together the application to have the old West Regional Commission certified, and that commission was eventually formed.

Later I was designated as an alternate for the Governor of Nebraska on the old West Regional Commission but never had an opportunity to serve in that capacity. Then, as a State legislator, I tried long and hard to have some kind of a State legislative liaison committee established with the old West Regional Commission. I was rebuffed in that effort on behalf of the legislators of those five States. It is for that reason that I bring this amendment to you.

Right now the title V regional commissions have the authority to establish liaison committees, purely advisory committees, with State legislatures. In the instance of the old West Regional Commission they refused to take that action. Why, I am not quite sure. I have some ideas.

I know indirectly, the same efforts have been initiated in the past with the Ozark Regional Commission, but again without success.

Now, I would like to stipulate what I have in mind by these legislative liaison committees.

First of all, they are designated as being purely advisory, that is to say they will have no policymaking role whatsoever. They parallel advisory committees that the old West Regional Commissions and other title V commissions established with the private sectors with multistate organizations, and with substate districts. In fact, the subsection that I am amending provides directly for liaison with those other three types of organizations, private multistate, and substate.

Why not, I ask, State legislatures? There is a specific reason why it would be good to involve the State legislatures in this effort. Here we sit in a body made up largely of at least to a substantial extent, of former State legislators. Why not liaison committees with State legislatures I say?

Mr. Chairman, my amendment to H.R. 2063 is simple and straightforward. It will take me just a few minutes to explain it. I will be happy to answer any questions from the committee, and then I urge my colleagues to join me in supporting it.

While I am a new Member of this body and do not sit on the particular committee which has jurisdiction over the pending bill, the amendment I am offering is based on rather extensive experience I have had with regional development commissions in both private business and in public life. Prior to my election to Congress, I worked as a private contractor on urban development projects, a gubernatorial aide with specific responsibilities in the areas of economic planning and development, and as a State legislator. In each of these capacities, I worked directly and extensively with regional development commissions.

I believe these commissions can provide an opportunity to make State-Federal partnership a reality, not just a political slogan. However, the verdict is still pending on that potential benefit. Based on my previous experience, I believe that the only way these commissions can be effective is to have the broadest base of support, both in the private sector and in the political arena. I think the committee recognizes this fact as evidenced by language in the bill requiring greater participation by substate and private interests in the formation of individual plans.

The bill can be strengthened even further in a manner that will broaden the commission's base of support without threatening its basic operating structure.

My amendment would require each title V commission to establish a legislative liaison committee whose membership shall consist of members of each of the State legislatures within the region. It is my intent that this body would meet formally on a regular basis to provide and receive information on the interstate and intrastate programs of the title V commission. Exact membership arrangements for this body would be at the discretion of each legislature with the legislature assuming any travel or related expenses associated with membership on this liaison body.

This committee would be purely a liaison body, and in no way would it conflict with the broad authority and decision-making powers vested in the Governors of each member State. Yet, from personal experience, I know that such liaison is now inefficient, and in many cases, almost nonexistent. Furthermore, I know that less formal efforts to provide such liaison have, at least on occasion, been rebuffed.

The intent of my amendment is to insure that State legislators, who are the elected officials often closest to individual constituent groups, have a formal mechanism by which they can have input into the planning process. They would serve as an important conduit of information—but without formal power to participate in the commission's decision process. They would be recognized as formal participants in sharing information and ideas rather than standing by on the sidelines forced to react to policies over which they exercised little influence.

I would also remind my colleagues that they must not overlook the very important role that State legislatures play in the implementation of policies advocated by these regional commissions. Oftentimes, implementing the intrastate or interstate programs proposed by regional commissions requires legislative action—in the form of required appropriations or other changes in State law. Pilot projects, for example, may require approval from the legislature. In short, State legislatures are a key element in the success of a regional commission's policies—both immediate and long-range.

The legislative liaison committee proposed in my amendment should not be viewed as a threat. Rather it should be viewed as an effort to correct an obvious shortcoming of past authorizing legislation and this legislative proposal. State legislators through this liaison committee can offer both input and later active support for the programs espoused by these regional development commissions. The subsection I am attempting to amend already provides for liaison with the private sector, with multistate organizations, and with substate districts. Why not add a vital missing element in implementing this unique Federal-State development effort—State legislators. It makes sense and does not infringe on the authority or responsibilities of the Federal cochairman or the Governor.

I ask my colleagues to support my amendment.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I would be happy to yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, I know of the gentleman's knowledge and expertise and background in dealing with regional commissions, as well as with State executive branches of government. It appears to me that all the gentleman is asking for is a liaison committee between the State legislatures and the regional commissions; is that correct?

Mr. BEREUTER. That is correct.

Mr. HAMMERSCHMIDT. Well, I might say to the gentleman, since the gentleman is yielding to me, that I have no problem with that and would be willing myself to support the amendment.

Mr. BEREUTER. Mr. Chairman, I thank the gentleman for those comments.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I would be happy to yield to the gentleman from New Jersey.

Mr. ROE. Mr. Chairman, we, too, have reviewed the gentleman's amendment. We feel it is an improvement to really tighten up the operation of our regional commissions, and our side has no objection to the gentleman's amendment.

Mr. BEREUTER. Mr. Chairman, I sincerely appreciate the comments of the distinguished gentleman from New Jersey and I appreciate that viewpoint. Just for a matter of legislative history, I would go on for just a minute or two and point out that what we have in mind by the passage of this amendment is a body that is purely advisory. The members are picked by the State legislators themselves, and furthermore that all costs associated with this advisory committee are borne by the State legislatures and not by the title V commissions. I happen to think that this kind of liaison effort is very important, because it also offers the likelihood that pilot projects that are started on an intrastate or interstate basis by the title V regional commissions will be continued and supported later by the State legislatures. I think if we take this opportunity to increase liaison with State legislators, it is much more likely that the programs and projects coming out of the title V regional commissions in the future will be much more acceptable to all concerned and more likely to produce greater benefits. I ask for your support of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska (Mr. BEREUTER).

The amendment was agreed to.

The CHAIRMAN. Are there additional amendments to title II? If not, the Clerk will designate title III.

Title III reads as follows:

TITLE III

SEC. 301. This title may be cited as the "Appalachian Regional Development Act Amendments of 1979".

SEC. 302. Section 2 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 2) is amended as follows:

(1) The fifth sentence of subsection (a) of such section is amended by inserting "including the provision of services to people in the region, and in distressed cities and communities in which the economic base of earlier days has deteriorated" after "special problems,".

(2) The sixth sentence of subsection (a) is amended to read as follows: "The public investments made in the region under this Act shall be concentrated in areas where there is a significant potential for future growth, including emerging small cities and urban centers, distressed cities and communities, and areas affected by energy development, where the expected return on public dollars invested will be the greatest, and in remote and hard-to-reach areas where there are special problems in providing for human service needs.".

SEC. 303. (a) The third sentence of subsection (b) of section 101 of the Appalachian Regional Development Act of 1965 is amended to read as follows: "No decision involving the approval of State regional plans or investment programs, the allocation of funds among the States, or affecting any basic Commission policy may be made without a quorum of State members present.".

(b) Subsection (b) of section 105 of the Appalachian Development Act of 1965 (40 App. U.S.C. 105) is amended by adding at the end thereof the following new sentence: "To carry out this section there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed $7,000,000 for the two-fiscal-year period ending September 30, 1981, of which amount not to exceed $1,100,000 shall be available for expenses of the Federal cochairman and staff.".

SEC. 304. (a) Paragraph (7) of section 106 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 106) is amended by striking out "1979" and inserting in lieu thereof "1981".

(b) The first sentence of paragraph (2) of section 106 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 106) is amended by striking out "except that" and all that follows down through the period at the end of such sentence and inserting in lieu thereof the following: "except that the Executive Director shall receive basic pay equal to salary rate ES–6 established for the Senior Executive Service under title IV of the Civil Service Reform Act of 1978.".

SEC. 305. Section 201 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 201) is amended as follows:

(1) The third sentence of subsection (a) of such section is amended by striking out "three thousand and twenty-five miles" and inserting in lieu thereof "three thousand and one hundred miles".

(2) Subsection (g) of such section is amended by striking everything after "1979", and inserting in lieu thereof: "$400,000,000 for fiscal year 1980; $500,000,000 for fiscal year 1981; $550,000,000 for fiscal year 1982; and $550,000,000 for fiscal year 1983.".

(3) Subsection (h)(1) of such section is amended by striking "70 per centum" and inserting in lieu thereof "80 per centum", and by adding at the end thereof the following new sentence: "Projects approved after March 30, 1979, and on or before the

date of enactment of this sentence may be adjusted to receive a Federal share not greater than 80 per centum.".

Sec. 306. Section 202 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 202) is amended as follows:

(1) The seventh sentence of subsection (c) is amended by striking out "except" and all that follows down through the period at the end of such sentence and inserting in lieu thereof "except that child development demonstration assisted under this section in fiscal year 1979 may, upon State request, be considered for approval under section 303 of this Act for continued support beyond that period."; and

(2) By adding at the end of such section the following new subsection:

"(f)(1) After consultation with the interested Federal agencies, the Commission may make grants to the States, including grants for reasonable administrative expenses, for innovative projects and for demonstrations approved pursuant to section 303, of methods and techniques for meeting human services needs of individuals and families in the region which the Commission determines cannot reasonablly be accomplished under other provisions of this title, and shall give special emphasis to demonstrations serving people in the more remote and hard-to-reach areas of the region and in areas impacted by energy development.

"(2) States may carry out such demonstrations directly, or through the employment of private individuals or firms under contracts entered into for such purposes, or through arrangements with public bodies and private nonprofit organizations.

"(3) Demonstrations may be funded entirely from appropriations to carry out this Act or in combination with funds available under other Federal grant-in-aid programs or from any source. Notwithstanding any provision of law limiting the Federal share in any such other program, funds appropriated to carry out this subsection may be used to increase such Federal share as the Commission determines appropriate for up to 100 per centum of the cost of any component of a project for the first two years and 75 per centum thereafter. No component of a demonstration shall receive financial assistance under this title after five years following the commencement of the assistance for such component.".

Sec. 307. Subsection (d) of section 205 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 205) is amended by striking everything after "facilities" and inserting in lieu thereof "and housing, or industrial, commercial, or other economic development purposes." .

Sec. 308. Subsection (c) of section 207 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 207) is amended as follows:

(1) Subsection (c)(1) is amended by inserting "technical assistance" immediately after "incident to"; and

(2) Subsection (c)(2) of such section is amended by—

(A) inserting "acquisition and" after "site",

(B) striking out "10 per centum" each place it occurs and inserting in lieu thereof at each such place "25 per centum"; and

(C) adding at the end thereof the folllowing new sentence: "The Secretary (or a State acting under subsection (e) of this section) shall assure that reductions in the cost of housing units due to the acquisition of land pursuant to this section shall accrue to the benefit of ultimate purchasers or tenants of such housing units."

Sec. 309. Title II of the Appalachian Regional Development Act of 1965 is amended by inserting after section 208 the following new section:

"ENTERPRISE DEVELOPMENT ACTIVITIES

"Sec. 209. (a) In order to assist in stimulating business and natural resources activities in the region, the Commission is authorized, notwithstanding section 224(b) (2), (3), and (4), to make grants approved pursuant to section 303 to the States, including grants for reasonable administrative expenses, for—

"(1) aiding State and local governments and other public bodies in programs of business-related technical assistance including entrepreneurial development, management advice, market analyses, and utilization of financial feasibility studies; and

"(2) establishing non-Federal revolving funds to be used for business, agricultural, and forestry enterprise development loans, with special emphasis on loans furthering development opportunities for entrepreneurs that are identified through technical assistance activities under this Act, with consultation of interested Federal agencies.

"(b) States may carry out such activities directly, or through the employment of private individuals or firms under contracts entered into for such purposes, or through arrangements with public bodies and private nonprofit organizations.

"(c) Assistance under this section may be funded entirely from appropriations to carry out this Act or in combination with funds available under other Federal grant-in-aid programs or from any source.

"(d) No grant to a State shall be used for more than 80 per centum of any loan approved more than three years after the date of the initial grant to such State under subsection (a)(2), and the remainder of any such loan shall be in cash or in kind fairly evaluated, including but not limited to sites, space equipment, and services.".

Sec. 310. Subsection (c) of section 214 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 214) is amended as follows:

(1) The first sentence of such subsection is amended by striking "December 31, 1978" and inserting in lieu thereof "October 1, 1981".

(2) The second sentence of such subsection is amended by inserting "authorized by title 23, United States Code" after "road construction".

Sec. 311. Subsection (b)(2) of section 224 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 224) is amended by inserting after "cost" the phrase "to private for profit establishments".

Sec. 312. Section 401 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 401) is amended to read as follows:

"Sec. 401. (a) In addition to the appropriations authorized in section 105 for administrative expenses, and in section 201(g) for the Appalachian development highway system and local access roads, there is authorized to be appropriated to the President, to be available until expended, to carry out this Act, $340,000,000 for the two-fiscal-year period ending September 30, 1981.

"(b) No more than 10 per centum of the funds appropriated under this section for the two-fiscal-year period ending September 30, 1981, shall be obligated for direct grants by the Commission to carry out the purpose of sections 202(f) and 209.".

Sec. 313. Section 405 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 405) is amended by striking "October 1, 1979" and inserting in lieu thereof "October 1, 1981".

AMENDMENT OFFERED BY MR. ERTEL

Mr. ERTEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Ertel: Page 93, line 14, strike out "section" and insert in lieu thereof "sections."

Page 94, line 23, strike out the quotation marks and the final period.

Page 94, after line 23, insert the following:

"COAL GASIFICATION PROJECTS

"Sec. 210. (a) Notwithstanding section 224(b)(4) of this Act, the Secretary of Energy is directed to make grants for feasibility studies, planning, development (including technical assistance) and construction of medium-BTU coal gasification projects.

"(b) Grants under this section may be made to—

"(1) States,

"(2) political subdivisions of States,

"(3) nonprofit corporations for the development or management, or both, of industrial parks or property.

"(c) No grant shall be made under this section unless—

"(1) the project will serve at least 3 commercial or industrial users,

"(2) the project site is located (A) in a standard metropolitan statistical area served by the Appalachian development highway system, or (B) in a redevelopment area,

"(3) the project site is located in a labor surplus area as determined by the Secretary of Labor,

"(4) the project site is served by adequate rail transportation facilities, and

"(5) the project site is located close to adequate bituminous and anthracite coal supplies.

"(d) No grant shall be made under this section for any coal gasification project for more than 80 per centum for the cost of such project, except that the Secretary of Energy may make a grant for a feasibility study of such a project for 100 per centum of the cost of such study. Subject to the requirements of the preceding sentence and the other requirements of this section, a grant may be made under this section for the purpose of increasing the Federal contribution to any such project for which Federal financial assistance is available under provisions of law other than this section.".

Page 96, line 3, strike out the quotation marks and the final period.

Page 96, after line 3, insert the following:

"(c) Not more than 10 per centum of the funds appropriated under this section for the two fiscal year period ending September 30, 1981, shall be obligated for grants under section 210 of this Act.".

Mr. ERTEL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ERTEL. Mr. Chairman, I offer this amendment to demonstrate the value of coal to the economic development of the Appalachian region.

We all recognize the value of coal as an energy alternative for the Nation. We all recognize that much of this Nation's coal reserves lie in the Appalachian region. And logic tells us that as the Nation turns away from foreign oil to coal, the Appalachian region will benefit.

How will the Appalachian region benefit? More jobs from an expanded coal mining industry, that is how.

But this is not enough. We note in the findings and statement of purpose of the Appalachian Regional Development

Act of 1965 that the region's uneven economic development results from its historical reliance on a few basic industries, coal mining among them. In other words, the Appalachian region has failed to diversify its economic base, vital to any region's self-sustaining growth.

Coal can offer more to the Appalachian region than an increase in the number of coal mining jobs. Coal can also be an incentive for business and industry to remain, expand, and locate in the region. Coal can promote the diversified economic development of the Appalachian region.

My amendment is an incentive toward this end. This Nation has the technology now to construct economical, medium-Btu coal gasification facilities.

The presence of such a facility as part of an area's economic infrastructure will be an incentive for business and industry to locate or expand in Appalachia because it will offer industry a fuel source uninterrupted by foreign suppliers and the needs of the residential sector, a fuel source which is clean burning, and a fuel source which uses existing distribution systems. Certainly, if I were looking for a place to locate or expand my manufacturing place, these factors would be important considerations. My amendment only would enable State and local governments and nonprofit industrial development corporations to explore the feasibility, and then undertake where feasible the development of these types of facilities.

I urge your support of this amendment.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentlemen yield?

Mr. ERTEL. I would be happy to yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, as the gentleman knows, we have discussed this amendment at length. It is my understanding that in the language the gentleman offered, the words "small scale" are removed and medium Btu coal gasification projects remain; is that correct?

Mr. ERTEL. That is correct.

Mr. HAMMERSCHMIDT. Mr. Chairman, I commend the gentleman for offering this amendment. As the gentleman knows, in this same bill we have an energy amendment that speaks to methanol, ethynol, and gasohol. The gentleman has put a cap on this of 10 percent of the appropriation, which would be about $12.5 million, and I would support the gentleman's amendment.

Mr. ERTEL. Mr. Chairman, I thank the gentleman for his support.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. ERTEL. I yield to the gentleman from New Jersey.

Mr. ROE. Mr. Chairman, I subscribe to the comments made by the minority leader.

We also on the majority side will accept the gentleman's amendment.

Mr. ERTEL. Mr. Chairman, I thank the gentleman for accepting the amendment.

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. ERTEL. I would be happy to yield to the gentleman from Pennsylvania.

Mr. CLINGER. Mr. Chairman, I just want to commend the gentleman on the amendment. I think it is an excellent amendment and I want to associate myself with the gentleman's remarks. I know, as the gentleman knows, that we have a struggling industry throughout the country in the coal industry. I think it is time that we began to give some encouragement and give some incentive to the coal industry, because it may well be that we will not have anybody there to mine the coal that we have in place, unless we start giving this sort of incentive; so I commend the gentleman on the amendment and support it.

Mr. ERTEL. Mr. Chairman, I thank the gentleman.

That is specifically the purpose of this amendment, to have coal gasification plants which will give us a steady supply of energy and will bring industry into the area, as well as coal mining itself; so what this does is help diversify the economic base of the Appalachian region.

The CHAIRMAN pro tempore (Mr. ZEFERETTI). The question is on the amendment offered by the gentleman from Pennsylvania (Mr. ERTEL).

The amendment was agreed to.

The CHAIRMAN pro tempore. Are there further amendments to title III?

Mr. AKAKA. Mr. Chairman, I move to strike the last word.

I would like to engage the chairman of the subcommittee in a short colloquy.

Am I correct in understanding that, under the provisions of the bill, the definition of State includes also the Trust Territory of the Pacific Islands, Guam, American Samoa, and the Commonwealth of the Northern Marianas?

Mr. ROE. Mr. Chairman, if the gentleman will yield, the distinguished gentleman is correct in his observation.

Mr. AKAKA. Mr. Chairman, under section 500 of the bill, regional development programs are said to address, in a broad manner, problems of rapid growth, as well as economic decline. In Hawaii and the Pacific Basin area, we face these problems with an intensity not experienced in other parts of the Nation. For example, the Pacific Basin's ethnic mix has drawn to the area a great number of immigrants, resulting in an unequaled period of growth. Additionally, the sugar industry in Hawaii has seen significant economic decline in recent years. This industry, next to tourism as the major private industry in the area, is responsible for the employment of nearly 30,000 people, posing severe economic questions in the next decade. Am I correct in recognizing these as examples of the broad criteria of economic decline and rapid growth as stated in the bill?

□ 1750

Mr. ROE. Mr. Chairman, the gentleman is correct. As the gentleman expressed it, those are examples in the Pacific Basin area of the broad basis or criteria that provide for economic decline and rapid growth.

Mr. AKAKA. Finally, Mr. Chairman, I want to point out to my friend the cultural, economic, geographic, natural resource, and social relationships that exist between the peoples of the Pacific Basin. The entire area depends on imports for its sustinence to a great degree, culturally are very close to one another due to shared cultural and ethnic heritage, and have historically clung closely to one another because of our geographic proximity, over 2,000 miles from the U.S. mainland. Would I be correct in assuming that these characteristics are examples of the criteria stated in section 501, "Development Regions"?

Mr. ROE. Mr. Chairman, the gentleman is totally correct in his observations.

Mr. AKAKA. Mr. Chairman, I thank the gentleman from New Jersey (Mr. ROE).

The CHAIRMAN pro tempore. Are there further amendments to title III?

If not, the Clerk will designate title IV.

Title IV reads as follows:

TITLE IV

SEC. 401. (a) Subsections (h) and (j) of section 108 of the Local Public Works Capital Development and Investment Act of 1976 (Public Law 94–369) are hereby repealed.

(b) Section 111 of the Local Public Works Capital Development and Investment Act of 1976 (Public Law 94–369) is amended by adding at the end thereof the following: "There is authorized to be appropriated an additional amount not to exceed $2,000,000,000 except that no appropriation of any of such amount is authorized under this sentence if a determination is made that the national average rate of unemployment has receded below an average of 6.5 per centum for the most recent calendar quarter as determined by the Secretary of Labor.".

AMENDMENT OFFERED BY MR. CLINGER

Mr. CLINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLINGER: Page 96, after line 21, insert the following:

SEC. 402. Subsection (b) of section 108 of the Local Public Works Capital Development and Investment Act of 1976 (P.L. 94–369) is amended by adding at the end thereof the following:

"(5) Notwithstanding the preceding paragraphs of this subsection, first priority and preference shall be given to those public works projects (A) for which Federal financial assistance is authorized under provisions of law other than this Act, (B) which are needed to meet the mandated requirements of a law of the United States, and (C) for which Federal financial assistance although authorized is not immediately available for such projects.".

Mr. CLINGER. Mr. Chairman, I am submitting this amendment on behalf of myself and the gentleman from New Hampshire (Mr. CLEVELAND).

Mr. Chairman, a number of traditional public works programs which Congress has seen fit to authorize have fallen victim in this age of budget consciousness to reduced appropriations. It is for this reason that we should consider once again a means of relating local public works employment legislation to existing Federal programs.

The purpose of this amendment is to provide a mechanism for channeling the potential billions of dollars that may become available to stimulate local public works employment into these traditional, longstanding, high priority programs which Congress has already authorized, but which are not being funded at or near their authorized levels.

Just recently, the Subcommittee on Oversight and Review of the Committee on Public Works and Transportation held hearings on the current status of the Clean Water Act's municipal wastewater treatment construction grants program. During those hearings we heard repeated instances where local communities went forward with efforts to comply with the Clean Water Act's mandate only to be told by the Federal Government to put these construction plans on the shelf and wait for 4 or 5 years until grant funds might be available to assist with construction.

Mr. Chairman, a good many jobs could be created by allowing for the immediate construction of these projects. Moreover, the job implications go far beyond the projects creation of direct employment and demand for materials and equipment in related industries. Many of these communities are under sewer moratoria, with the result that residential, commercial and industrial construction is halted. Lifting of such moratoria upon the installation or expansion of wastewater treatment facilities could trigger a surge of private job opportunities as affected communities are freed to resume normal development.

This amendment would enable communities to take these plans and specifications off the shelf and immediately put them into construction. Both the short-term benefit of job creation and the long-term benefit of community revitalization would be fostered. I urge its adoption.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. CLINGER. I am happy to yield to the ranking minority member of the subcommittee.

Mr. HAMMERSCHMIDT. Mr. Chairman, let me see if I get the thrust of the gentleman's amendment.

The gentleman is saying that if Congress in its wisdom and the Committee on Public Works and Transportation authorize the Local Public Works Capital Development and Investment Act, which is title IV of this bill, if it is implemented at a later date, and if there are already authorized Federal projects on the shelf, so to speak, ready to go, they would receive priority, and the Secretary would give them a priority over any other project coming on line?

Mr. CLINGER. Mr. Chairman, I would tell the gentleman from Arkansas (Mr. HAMMERSCHMIDT) that that is precisely the intent of this amendment. The intent is to give priority consideration to projects that may be waiting on the shelf some place but which do not have funding under their program's authorization.

Mr. HAMMERSCHMIDT. Mr. Chairman, I have spoken at length with the gentleman and with the gentleman from New Hampshire (Mr. CLEVELAND) about this amendment. This is not the same as adopting an amendment on the House floor without any hearings, because I know that in the Subcommittee on Oversight and Review there have indeed been hearings, as the gentleman suggested in the earlier part of his statement.

So, therefore, Mr. Chairman, I would strongly support th gentleman's amendment.

Mr. CLINGER. Mr. Chairman, I thank the gentleman for his support.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. CLINGER. I am happy to yield to the chairman of the subcommittee.

Mr. ROE. Mr. Chairman, I, too, will support the gentleman's amendment, because I think it is really a methodology to expedite what we might say are capital development and production projects that are in the pipeline and to give them first priority. I think this is a splendid addition to the bill on which we are working, and I support the gentleman's amendment.

Mr. CLINGER. Mr. Chairman, I thank the gentleman for his support.

Mr. Chairman, I think the accent on LPW—local public works—is always on speed, and certainly the projects we have ready to go which will not be funded because the money is not available can be funded under this amendment. We provide speed, and at the same time we get the job done.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. CLINGER. I am happy to yield to the gentleman from Illinois.

Mr. SIMON. Mr. Chairman, I have not had a chance to look at the gentleman's amendment, but let me make just one brief comment on public works projects in general.

Our task force on inflation of the Committee on the Budget held hearings, and one of the things we discovered is that in other countries one of the things they give to their chief executives is greater flexibility in applying public works. So, they are not quite as rigid as we are.

It does seem to me that we can possibly learn from that, so that we may give our Chief Executives a little greater opportunity to move with the economic times.

Mr. CLINGER. Mr. Chairman, I agree with the gentleman from Illinois (Mr. SIMON) on that. I think we have tended to become compartmentalized too much. We do not have the flexibility to move as we need to move, as certain circumstances may require, and I think this amendment addresses that situation.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. CLINGER).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1800

QUORUM CALL VACATED

The CHAIRMAN pro tempore (Mr. ZEFERETTI). One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The pending business is the demand of the gentleman from California (Mr. ROUSSELOT) for a recorded vote.

A recorded vote was refused.

So the amendment was agreed to.

Are there further amendments to title IV?

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: On page 96, line 12, strike all of subsection (b).

Mr. BAUMAN. Mr. Chairman, the amendment that the Committee has before it proposes to strike from this bill the $2 billion public works program which the bill suggests is necessary in the event that a 6.5 percent unemployment rate nationally occurs in this country.

Let me tell the Members a few things about this section of this bill and its origin. Those of us who have served in the Congress for a few years are not unfamiliar with this local public works concept and how it works in our districts.

This section of the bill was not authorized in the budget. It is not requested by the administration. Robert T. Hall, the Assistant Secretary of Commerce for Economic Development, called the provision excessive and unnecessary. Government officials have even said that the President might consider a veto of this legislation if it contains this $2 billion public works program.

The theory behind this is all very well and good; that the Government is going to create employment if the rate of unemployment in this country rises beyond 6½ percent.

Let me address myself, first of all, to the ability of the Department of Labor to in fact provide statistics that will even allow us to know whether we reach that unemployment level. All of the evidence that I have seen—and it has been considerable in recent months—has indicated that we do not have reliable statistical evidence to provide the kind of basis to make these decisions. Organizations such as the National Commission on Employment and Unemployment Statistics have said that there is no way, at any reasonable cost, to produce these accurate jobless statistics. One of the problems that we have had with these kinds of Federal programs is that we are dealing with local areas in need of some assistance but we are not at all sure which areas they are. The experience of the gentleman from Maryland is that those areas of highest unemployment in the 13 counties I represent did not receive assistance under this program during the recession several years ago simply because they did not have any public works projects ready to go. And the areas that happened to have had public works at some stage nearing building or plans already in progress, were handed the money on a basis that was hardly systematic or fair.

The cost of this program is something we ought to consider. The EDA has estimated that the cost in taxpayers' dollars to generate one man year of employment under this program would be—listen to this—$98,685. That is what it will cost to generate one year of employment for one employee under this program by the EDA's own admission. That is not to mention the fact that when these programs take effect they do so at a time well beyond the start of a recession. They usually have their full impact well after a recession is over. The net effect is not to cure the unemployment but in fact to exacerbate the inflation that continues to harm this country.

There are better ways, it occurs to me, to fight unemployment in this Nation than to have a $2 billion authorization in this legislation. I think it would be far better to consider this issue if indeed a need is shown—and I do not think it has been shown—to provide the detail program and avoid the pitfalls that occurred the last time we went through this kind of a Federal handout in a helter-skelter fashion.

So I would hope that my colleagues on the majority side of the aisle would want to support their President and the administration position and that my colleagues on my side of the aisle would want to support their conservative instincts and reject this particular section of the bill and approve my amendment.

Mr. ROE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we are almost finished with this complex legislation, and I wish to apologize to the Members of the Congress that it has taken us this long to complete this bill, because usually we move a little bit faster. But I think it has been a successful day.

I have the greatest regard for the gentleman from Maryland, but let me tell the Members something. First of all, we speak of the administration as not having asked for this piece of legislation. I have no hesitancy in saying that the administration is dead wrong. We have been frittering around here on energy projects and project after project that take forever to get it done. There is nobody in this Chamber that does not realize that we are going to be faced with high levels of unemployment. It is already happening in some areas. The whole purpose of economic development is to move in that direction. We should not be reacting to catastrophe; we should be prepared, we should be prepared and ready to go on contingency planning.

It took this House a year and one-half to pass the local public works bill. It amazes me that the administration can come back now, when this was the first major countercyclical measure undertaken by the Carter administration. Now they reverse the argument and say it is a boondoggle, and whatever. We are not asking anybody to put $2 billion out on the street at all. We are setting up a contingency, standby piece of legislation that says when the national unemployment, when it should—and we hope it does not—rises to 6½ percent, then in that instance this legislation would be triggered.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, I want to associate myself with the gentleman's remarks and say that a lot of the frustration out of round 1 and round 2 of the LPW program came from the fact that there were $22 billion worth of applications and only $6 billion in money.

Mr. ROE. Initially.

Mr. HAMMERSCHMIDT. And, therefore, that created a lot of frustration to people who did not get their project funded.

Mr. ROE. On the first round.

Mr. HAMMERSCHMIDT. We had $2 and $4 billion. I am speaking of both of them. There was still not enough money to go around.

I just want to say, furthermore, that unemployment in the construction industry at that time was 18 percent. So it did make a great contribution at that time. It could happen again. All we are doing is setting up an authorization. It would still need an appropriation. It would still need Budget Committee approval.

So for those reasons I support what the gentleman in the well is saying.

Mr. ROE. Mr. Chairman, I appreciate and respect the support from the distinguished minority leader.

I know the gentleman from Maryland would want me to correct that. Figures float all over. It is just simply not correct by any stretch of the imagination that any one man-year cost of this program is $98,000. The Chase Econometric Associates report, together with EDA's own evaluation, places the cost per job created at $17,000. That is point No. 1.

☐ 1810

Point No. 2, as I see this picture along the line, is that we put 10,164 projects into place. They were libraries. They were schools. They were firehouses. They were municipal complexes. They were parks and additions to hospitals. Was it not far better that we spent some billions of dollars for permanent, badly needed public works projects? We did not throw it away. In each one of our towns and cities and States there are tangible assets. There are buildings that need pressing for infrastructure that is the backbone of economic development. If we were to build those projects today, 3 or 4 years later, it would cost us 80 percent more from inflation alone.

At least we can go back to our people and say, "For God's sake, if we invested any of the public funds, we did not invest it in boondoggles. We did not invest it in wasteful projects. The projects are there and built, and they have benefited every person in every community across this Nation."

I would respectfully suggest, and pardon my enthusiasm I express on this issue, I believe that a Government ought to be prepared. I hope we never have to trigger this program, because that will mean our people are not working.

I think that amendment that was added by the gentleman from Pennsylvania (Mr. CLINGER), on behalf of the gentleman from New Hampshire (Mr. CLEVELAND), did a very important thing. He came back, and he said the following: "We do not have to gravitate new plans. They are there."

We have got sewer projects and drainage projects ad infinitum. We cannot get the money out of any other project to get it done. We are ready to go with those plans and specs, and we can go tomorrow morning.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. ROE) has expired.

(By unanimous consent, Mr. ROE was allowed to proceed for 1 additional minute.)

Mr. ROE. I would ask the Members to support this bill. Nobody is trying to get around anything. We will all decide whether we want to invest the money in it. That is going to be the determination of this body and of the appropriation process. I would ask this body to vote down this amendment, and let us be prepared in case we need this kind of legislation.

Thank you.

Mr. BROOKS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am in general support of the provisions of this bill. One provision that I do have some concern about, however, is title IV. Title IV would reactivate the so-called countercyclical public works program and would authorize an additional $2 billion to be appropriated for that purpose.

While I do not contend that this program is the same as the well-known revenue sharing countercyclical program, the program proposed in title IV does contain many of the same features. The funds are targeted toward the same recipients. They are triggered by a national unemployment level of 6.5 percent and the justification put forth in support of title IV is very similar to that put forth in support of general revenue sharing countercyclical aid.

The administration is not in support of additional funding for the countercyclical public works program. They contend that it is not likely to be triggered this year and it is not the most efficient means of combating a recession. In addition, there are some obvious considerations that we in the Congress should give to this proposal with regard to how it impacts our total budget situation and our fight against inflation.

In short, Mr. Chairman, while I support the other provisions of this public works bill, I support the amendment to delete title IV.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The question was taken; and on a division (demanded by Mr. ROUSSELOT) there were—ayes 19, noes 42.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. ROE

Mr. ROE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROE: Page 96, after line 21, insert the following:

SEC. 402. Any contract entered into pursuant to this Act or pursuant to any amendment made by this Act shall be effective only to such extent and in such amounts as may be provided in advance in an appropriation Act.

Mr. ROE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

Mr. ROUSSELOT. Mr. Chairman, I reserve the right to object.

Mr. ROE. Mr. Chairman, what this does, for the benefit of the gentleman from California (Mr. ROUSSELOT), this amendment brings the bill into accord, if you like, with the requirements of the appropriations act.

Mr. ROUSSELOT. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. ROE).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. NOWAK

Mr. NOWAK. Mr. Chairman, I offer an amendment.

Mr. Chairman, I ask unanimous consent for the consideration of the amendment at this time. It is an amendment to title I.

The Clerk read as follows:

Amendment offered by Mr. NOWAK: Page 13, after line 13, delete period after "incontestible" and insert the following: "by the United States, in the hands of a subsequent holder in due course, except for participation or acquiescence in fraud or misrepresentation."

The CHAIRMAN. Is there objection to the request of the gentleman from New York (Mr. NOWAK)?

Mr. HAMMERSCHMIDT. Mr. Chairman, I reserve the right to object.

Mr. Chairman, I do not plan to object, because I think the gentleman's request is valid and one that is needed.

I would yield to him to explain why he is asking this unanimous-consent request.

Mr. NOWAK. This is a technical amendment that has been agreed upon by EDA, which was an oversight in the original printing of the bill. This would clear up the matter of a company or an organization losing the right to sue against a guarantee or loan as the case may be, who believes they are an aggrieved party.

This language was drafted recently to overcome that objection from the original language in the bill.

□ 1820

Mr. HAMMERSCHMIDT. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York (Mr. NOWAK)?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. NOWAK).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: At page 96, line 9, redesignate subsection "(a)" as "(b)" and insert the following new subsection to Section 401:

"(a) Subsection (f)(2) of section 106 of the Local Public Works Capital Development and Investment Act of 1976 (Public Law 94-369) is hereby repealed."

Mr. ASHBROOK. Mr. Chairman, the purpose of my amendment is to repeal the preferential contracting provision in this title. This section has proven to be a costly, burdensome, and generally unworkable method of creating jobs and contracting opportunities for minorities. In addition, I have serious reservations regarding this provision's constitutionality. With respect to the first point, I would direct your attention to the GAO report issued in January of this year. The GAO has investigated the experience which contractors and local projects have had with this provision. On balance, the GAO concluded that this preferential contracting has little success.

Let me call your attention to these specific findings:

The Economic Development Administration utilized a full 25 percent of its administrative budget to monitor compliance of this provision—an outrageously disproportionate figure.

Project construction costs were inflated by 9 percent when contractors complied with the minority provision.

Rural projects face discrimination. Many areas must forgo simply because they cannot meet the preferential hiring provisions. One prime contractor on a rural project in Montana is quoted as saying:

> There are generally problems finding minority firms because many projects are in small towns where there are none. There are few qualified minority firms in the states of Wyoming, Montana, and Idaho. Also there is a large demand for the few minority firms that do exist because of the EDA projects.

I submit that this problem not only exists in those three States but in many other parts of the country where the population is primarily rural.

In addition, many prime contractors, and I quote from the GAO report, "established minority firms to take advantage of the program with no intent of continuing in business after the minority provision lapsed." Mr. Chairman, that is outright fraud.

Finally, I question the constitutionality of this provision, particularly in light of recent Supreme Court precedents. Specifically, I am referring to the Baake decision, in which the Court struck down the preferential admission policy at the University of California Medical School In what many commentators regard as the guiding opinion in this area, Justice Powell enunciates several principles on the issue of reverse discrimination. There is no need to give an extended discourse on those principles at this point. The bottom line, however, is that the Congress must develop a record demonstrating past discrimination and then can only devise remedies that are tailored to eradicating the past conduct and without unduly infringing upon the rights of others. If you look at the legislative history of this preferential contracting provision, which was enacted in 1977, you will find that it was a floor amendment. It was not an issue that was addressed by the Public Works Committee or reported favorably by that committee. In short, there is not the necessary record to substantiate this proposal.

On February 24, 1977, this colloquy between Mr. MITCHELL of Maryland and Mr. KAZEN, of Texas, took place:

Mr. MITCHELL of Maryland. I yield to the gentleman from Texas.

Mr. KAZEN. I thank the gentleman for yielding.

I can agree with practically everything the gentleman has said but, as I understand his amendment, it is mandatory that 10 percent be set aside; am I correct?

Mr. MITCHELL of Maryland. That is correct.

Mr. KAZEN. All right. What happens in the rural areas where there are no minority enterprises? Will the 10 percent be held up in order to bring minority enterprises from somewhere else where there is no unemployment into a place where there is unemployment and there is no minority enterprise?

Mr. MITCHELL of Maryland. In response to the gentleman's question, the answer is "No."

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. MITCHELL of Maryland was allowed to proceed for 2 additional minutes.)

Mr. MITCHELL of Maryland. Let me tell the gentleman why that would not occur. When Presidents Nixon and Ford put out their Executive orders to all the agencies to utilize minority contractors, the agencies then established certain guidelines which said, all right, we will utilize these minority contractors wherever possible, but where there are none, there can be no utilization, and therefore no project should be delayed.

For example, I would not expect to take my minority contractors from Maryland into Idaho to meet that State's requirement. That will not be an issue.

Mr. KAZEN. If the gentleman would yield further, this is what I wanted the gentleman to clarify, that where there are no minority enterprise contractors then this provision would not be in effect; am I correct?

Mr. MITCHELL of Maryland. That is absolutely correct, and that is done by administrative action already on the books with all of the agencies.

Mr. KAZEN. Does the gentleman's amendment leave room for that type of discretion in the Secretary?

Mr. MITCHELL of Maryland. I assume that it does. It would be my intent that it would because that is existing administrative law.

Well, now, let us look at what has happened. I would challenge my friend from Maryland or anyone on that side to place in the record the times the Secretary used this discretion that we were told would be used. They flat-out required it, we were told.

There has been little use of the discretion. If my colleagues will look at the GAO report, you have States like New Hampshire that have 57 percent out-of-State minority firms, 69 percent of those hired out of State. We have Wyoming with 51 percent, Vermont 50 percent, Kentucky 46 percent, Kansas 37 percent, North Dakota 32 percent, and on and on.

I think most of us know there is a difference between an intention, as the gentleman stated, from trying to set out guidelines as against putting a specific, hard statement in law that there must be a 10 percent set-aside.

I doubt there is a Member of this body who at some time in the last year has not had officials of local government talking about EDA projects being held up because of this particular set-aside provision. It clearly was sold to the Members of this body as something that was discretionary. It has not worked out like that. We should kill this insidious intrusion of racial favoritism and abuse which was used as a discretionary tool.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent Mr. ASHBROOK was allowed to proceed for 2 additional minutes.)

Mr. ASHBROOK. This clearly was something that was to be discretionary, something that would be administered with all of the reason and life we know exist in bureaucratic Washington.

Well, the truth of the matter is that it was implemented with an almost absolute iron hand, none of the discretion, none of the exceptions that were sold in debate in February of 1977.

Again, to reiterate, there is a big difference I think between holding out guidelines, courses we would like to take, and I think everyone in this chamber would like to encourage the use of minority enterprise set-asides. But to put it absolutely as a requirement, as we did then, was clearly a mistake.

In this amendment we would rectify that error and then probably and possibly go forward to a time and place where we can encourage minority enterprise without mandates, as we have done here, which has caused more problems and absolutely failed as far as its implementation is concerned.

Mr. MITCHELL of Maryland. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think it is necessary to correct some of the statements that were made by my colleague from Ohio (Mr. ASHBROOK).

First of all, in terms of what is available in the administration of this set-aside, there is a waiver provision. That waiver provision was used by the EDA many, many times. I am glad to announce that waivers were not just promiscuously granted to those areas that wanted to evade the law. That was not done. But, indeed, where there were legitimate, bona fide cases, waivers were made by EDA. I know this because I was consulting, almost on a weekly basis, with EDA on this issue.

The question of the constitutionality has been raised. Well, as I recall it, there were some challenges in the lower courts, maybe 20 or 30, I am not sure of the figure. But I know that the constitutionality was upheld in all of the lower courts except in two cases.

The issue is now going to be heard by the Supreme Court. I think that is on November the 27th, and that issue will finally get to the Supreme Court, however, at the lower court level the constitutionality of what we did has been established time and time and time again, except with two exceptions.

Now, let us deal with the GAO report. I read that report also and I was amazed at how they construed delays and how they interpreted more costs simply because we were trying to deal with minority businesses. Well, my colleagues in this House, all we have to do is look at any one of the projects on this Hill that we have worked on. There have been cost overruns of enormous consequence and with no minority enterprise involvement.

□ 1830

All we have got to do is look at the Rayburn Building where, when we completed the garage, there was a cost overrun equal to the total cost of constructing the garage. That issue has still not been resolved, and there was no minority business involved in that. So, I think it is a specious argument to say that simply because we use minority business we guarantee a cost overrun. I think the minority businesses were caught up in the same kind of predicament as every other business. The escalating costs of material and so forth, and they had to deal with those costs the same as any other business has to deal with them.

While I will admit—while I will reiterate my point that there are waivers in this act where they could not, after good honest searching, could not find a minority company to do the job, then the waiver is provided. But, my colleague raises the issue about out-of-State firms coming into the States to do business.

Potts and Callahan does. When they build a subway system in San Francisco, do not tell me that all the contractors are located in San Francisco or California. That is the name of the game. I do not know of any kind of business in this country where there has not been mobility associated with contractors. If you do a job down in Florida it may well be that the contractor is located in Vermont. So, why do we come up with this unusual kind of provision that says that somehow or another it is wrong to use an out-of-State minority business for the implementation of a job?

I think that that is a legitimate way of acting, and I think there is adequate protection added when we have a waiver provision which says that if the local jurisdiction really tries very hard to find a minority firm and cannot find one, then the waiver is granted.

Lastly, I would urge my colleagues not to act on this issue. We are less than, I would say, 3 weeks away from the Supreme Court hearing the issue, and I certainly intend to be there when the issue is presented before the Court. I think it would be totally and terribly wrong if we would act before the Court, which is about to hear this issue, acts on it. I would urge the defeat of the gentleman's amendment.

Let me add this one other thing: In the 10 years that I have been in this Congress, I have seen us come from no minority participation in almost any Government contract to a point where we are operating at about 2 percent. I think it would be terribly wrong of this Congress to suddenly stop that kind of forward progress. We are stopping people in terms of human survival programs, in terms of a whole lot of cuts in programs. We have cuts in the budget, but let us leave this one opportunity, let us leave this one opportunity so that we blacks can look toward economic parity, so that the minority businesses can begin to provide jobs for minority workers and others.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

(By unanimous consent Mr. MITCHELL of Maryland was allowed to proceed for 2 additional minutes.)

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to my distinguished colleague from Minnesota.

Mr. OBERSTAR. Mr. Chairman, I thank the gentleman for yielding. Under the Local Public Works Act, some $650 million was targeted to minority jobs by specific provision of that act. This committee, this subcommittee, held oversight hearings on the operation of that aspect of the program. We found not one scintilla of improper wrongdoing under that program. They did a splendid job. I think the operation of that program worked out for the great benefit of the whole country. What it did was target that assistance to those people who needed the help the most.

The gentleman from Maryland was the leader in providing that provision in our bill, and to his great and everlasting credit it worked out and redounded to the benefit of minorities throughout the country.

Mr. MITCHELL of Maryland. I thank the gentleman. There was one other added benefit. As I followed up on the implementation of this set-aside, I went into Mississippi and met with the minority contractors of Louisiana, Florida, all over the country, and the additional benefit was that those contractors said, "For the first time we were able to sit down with State governments, county governments, city governments, and say, 'Look, we want to be a part of this.' "

The reception by their governments was excellent. They said that for the first time they were able to sit and talk with majority contractors who wanted to do jobs and said, "Okay, here is the chance for us to begin to work together."

Ladies and gentlemen of the House, I know of no other measure that brought a better mixing of cooperative effort and economic and business development than did the set-aside. Let us not ruin it now. Let us at least wait until the Court acts on this matter sometime this month.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wonder if my colleague from Ohio could reiterate again the findings of the General Accounting Office, which I thought were rather impressive.

Mr. ASHBROOK. First of all, could I respond to the gentleman from Maryland? My colleague from Maryland was going to yield, but he evidently forgot to do so.

Mr. MITCHELL of Maryland. Mr. Chairman, I am sorry.

Mr. ASHBROOK. Could I respond to one of the gentleman's statements? You know, making the action of State minority firms appear that they are in the same mold as other companies coming in and bidding, what we are talking about is forcing out of State. If another company comes in and bids—McCloskey of Philadelphia, or wherever he is located—on the Rayburn Building, that is a part of the bidding process. That should not be confused with what my friend from Maryland is talking about. He is talking about an absolute 10-percent set-aside, which has been interpreted, as the GAO properly reported, "The guidelines directed prime contractors to use minority firms from a wide number of areas."

We are not even talking about in-State. We are talking about a contracting process, talking about interstate commerce.

Of course, companies do move around. Of course, an Idaho firm can bid in New York or Washington, D.C. What this amendment does is, it forces—it forces literally prime contractors in many cases to take out-of-State contractors whether or not it would be in the normal course of business, whether it is economically feasible.

I would like to have my friend from Maryland spread on the Journal all these exceptions. I have dutifully tried to find these exceptions, and they are long and hard to find. I would also say to my colleague from New Jersey (Mr. Roe) who was taken a little bit aback by this amendment then, probably just as he is taken aback now, that most of the questions he raised in that five-page debate, most of the areas where he had concerns, have occurred in actual practice. So, I think we ought to go back to encouraging, but certainly not this principle of mandatorily setting aside 10 percent for minority firms.

I think, to reiterate what my friend from Maryland has said, he said he thinks that there was wide latitude for the discretion of the Secretary whether he assumed it or not. I do not believe the Secretary on the record has exercised that wide discretion, and I think we can fill the Record with horror stories.

I repeat again, I think every Member of this body has examples in their districts where projects were stopped and delayed or overrun simply because of this requirement being implemented, and not with the discretion that was shown or indicated.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to my colleague from Maryland.

Mr. MITCHELL of Maryland. The figures supplied by EDA indicate that there were 1,269 full or partial waivers of the provision, and there were 274 full waivers. Now, if that does not suggest flexibility, I do not know what does. That does not suggest rigidity. It suggests flexibility, with 1,269 full or partial waivers, and of that number 274 were full waivers. Now, that certainly does not indicate to me any kind of rigidity on the part of the administration of this law.

Mr. ROUSSELOT. Out of how many projects? Could the gentleman tell us?

Mr. MITCHELL of Maryland. I do not have that figure. I will try to get it for the gentleman as quickly as I can.

Mr. ROUSSELOT. I am sure the gentleman could understand why I asked that question. I think that has quite a bit of bearing.

Mr. MITCHELL of Maryland. It may or may not, depending on how heavily concentrated certain projects were in areas of high minority populations.

Mr. ROUSSELOT. I am sure the gentleman was not trying to defend cost overruns. I heard him talking about that. Cost overruns are important. We ought not to wink at cost overruns.

□ 1840

Mr. MITCHELL of Maryland. I think cost overruns are terrible.

Mr. ROUSSELOT. I know both Mr. Ashbrook and I were here when appropriations were up for the Rayburn Building. We never voted for it because we knew where the cost overruns were going and we remember that the builder was the treasurer of the Democratic National Congressional Committee, so we remember why there were cost overruns.

Mr. MITCHELL of Maryland. I am not aware of that partisan aspect of it.

Mr. ROE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I realize when the shout goes up in this great Chamber where we work that people are weary and tired, it is no time to continue the debate. I, too, am tired, and I do not think that an economic development bill has debated for this length of time for as long as I have been in the Congress. But if the Members will permit my humble apology for taking additional time, I cannot allow the aspersions that have been made on the minority set-aside program to stand because they are, in my judgment, not accurate.

I greatly respect, of course, the gentleman from Ohio (Mr. Ashbrook) who offered this amendment, but I have to ask you to vote "no." Let me tell you something. There is nobody in this room who is not on a committee or subcommittee, and it does not matter whether it is defense or whether, who has not had the experience of congressional intent perverted by administrative regulation. How many amendments have been offered in this House in the last year to get a handle on this problem? So far we just cannot seem to get the strength to solve the problem but at least I believe we are reaching agreement on the Levitas amendment that says this House ought to have the right to review the regulations that are put out by this mass of bureaucracy. And they need to be told that those regulations ought to say what the Members of this House vote on and what they meant. Whether it is the minority or the majority is not material.

How many of you have sat in this House and said, "God, what am I doing here? That is not what I voted on. That is not what we put in the conference report." We never put in the conference report for EPA, for instance, that they would be able to negate congressional mandates on collector sewer systems and force the installation of septic tanks, costing the American people tens upon tens of millions of dollars. We did not want that, but it is there, and they are doing that.

Every person in this room has other examples in his district and is fighting the problem. And we cannot help but wonder, what am I doing here? Do we really speak for the people? Do we have anything to say about it? Are we sure? How could the gentleman from Maryland (Mr. Mitchell) do anything that was not honest? The same goes for this member and every other member of this committee, because we wrote in the bill, "Thou shalt have a waiver"—but waivers were consistently refused when we were trying to get the local public works program underway.

By any measure, there was a large degree of stupidity in the way that EDA carried out the local public works program, but it did not have to do with what the gentleman from Maryland, (Mr. Mitchell) meant to do and was trying to achieve. It did not have to do with minority people. That was not the issue. The real issue was a nutty bureaucracy that could not carry out congressional intent fairly, rightly, and soundly.

Why did we have to take contractors from Boston and send them to rural New Hampshire—what point was it proving? But this does not negate the whole program. Of course, there were failures. And one failure is ours, because for some reason in the Constitution we apparently are not permitted to write in the law "Do not do that." You cannot write in an amendment that even the worst guideline on regulation must be referred back to the Committee on Public Works and Transportation so we can see if it says what we really meant.

Even so, I will tell you something: The most effective minority assistance program—the most effective minority assistance program that has been put in place in any department including HUD, is EDA and particularly the local public works program. We put 10,000 projects under construction in 90 days and completed them in 2 years' time. If there was something that fell through the cracks, it was not our fault, it was the fault of the system, and the bureaucracy that does not pay enough attention to the Congress.

The question is whether we are going to be able to meet with the other body and we are going to be able to put something in that conference report that somebody will listen to that will say, "This is what the Congress meant. This is what every one of us voted on, and you people are negating the rights of the people of the country because you are negating the wishes of the Members of Congress and their votes."

So I will have to ask you—and you will pardon my enthusiasm—to vote down this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The amendment was rejected.

Mr. WEISS. Mr. Chairman, I rise in support of H.R. 2063, the Economic Development and Public Works Act of 1979, and in particular the two amendments to the legislation which were offered by my colleagues from Connecticut (Mr. MCKINNEY and Mr. DODD) and agreed to by the committee.

This bill offers a balanced approach to national economic development and to State and local public works programs. It is especially commendable in that it is designed to anticipate economic downturns and to counteract the impact of recession.

The provision in the legislation establishing a standby public works program, to be triggered when the nationwide unemployment rate reaches or exceeds 6.5 percent, is especially valuable in this regard. I commend the committee and its chairman for fashioning a program that will enable us to reduce joblessness quickly and effectively when economic conditions deteriorate.

I believe, Mr. Chairman, that the legislation has been further strengthened through our adoption today of the Dodd and McKinney amendments. Both measures address concerns which led me to introduce the Defense Economic Adjustment Act (H.R. 4436) earlier in this Congress.

In designing that legislation, I sought a method of ameliorating the serious consequences of sudden shifts in defense spending. Local communities and individual workers are often plunged into great economic uncertainty when a particular defense contract is either modified or eliminated entirely.

Two major provisions in my legislation would rationalize defense planning and spending so that localities and plant employees would enjoy a degree of economic security. One section of H.R. 4436 would require the Secretary of Defense to give a year's advance notice whenever practicable of a scheduled decrease in a particular defense program. The other would provide unemployment compensation and job retraining for workers who lose their livelihood as a result of these spending modifications.

Congressman MCKINNEY's amendment directly addresses the first of these points. It requires a 1-year prenotification of pending contract terminations or major reductions in the defense sector, unless security considerations make a shorter warning period unavoidable. Even in these circumstances, however, a 90-day notification would still be mandated under the gentleman's amendment. The measure would likewise provide planning grants to businesses affected by defense spending shifts or reductions so that alternative production modes and job creation programs can be developed.

The McKinney amendment implicitly recognizes that the Nation needs a functioning and effective means of easing and encouraging the transition from phased-out defense projects to beneficial civilian production. As numerous studies have shown, far more jobs are created in the civilian sector than in defense industries when an equal amount of capital is invested in either area.

The Dodd amendment also offers an innovative way of softening the impact of defense-related layoffs. It provides a compensation payment to a laid-off defense sector worker equal to 90 percent of the individual's gross earnings up to a $20,000 annual maximum, and 50 percent of gross earnings for the next $5,000. The amendment also extends health insurance coverage for the displaced employee.

The amendment would be triggered by the reduction or cancellation of a defense contract worth $10 million or more so that only large-scale projects, involving many workers, would qualify for this assistance.

The Federal Government, Mr. Chairman, has a special responsibility to intervene affirmatively and effectively when hundreds or thousands of workers in the defense sector lose their jobs. The Government is the sole source of funding for defense programs, and its decisions critically affect the lives of millions of Americans. A special unemployment compensation program already exists for workers in factories affected by U.S. trade decisions. Justice and commonsense demand that a similar effort be initiated in the defense sector.

Both the McKinney and Dodd amendments speak to immediate, pragmatic concerns and to the more long-range need to devise a workable method of converting defense facilities to civilian-oriented production. If the world is ever to experience a real relaxation of arms race tensions, the United States is going to require a practical means of avoiding economic displacement when weapons spending declines. Adoption of the McKinney and Dodd amendments puts us on the road toward this goal. I am pleased that my legislation provided the groundwork in this regard and I urge my colleagues to vote for H.R. 2063.

The CHAIRMAN. Are there additional amendments? If not, the question is on the committee amendment in the nature of a substitute, as needed.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BENNETT) having assumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2063) to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for 3 additional years, pursuant to House Resolution 474, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. SNYDER

Mr. SNYDER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. SNYDER. I am in its present form, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. SNYDER moves to recommit the bill, H.R. 2063, to the Committee on Public Works and Transportation, with instructions to report the bill back to the House forthwith, with the following amendment: On page 96, line 12, strike all of subsection (b).

The SPEAKER pro tempore. Does the gentleman wish to be heard on his motion to recommit?

Mr. SNYDER. I do, Mr. Speaker, I yield to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, this motion to recommit embodies the amendment which I offered earlier dealing with the local public works program. The motion would, if it were enacted, delete the $2 billion of authority that exists in this legislation.

Mr. Speaker, all of us have repeatedly assured our constituents that we do not want to unbalance the budget; we do not want to spend money excessively; we do not think inflation can be fought except by restraint on the floor of the Congress. This amendment removes from this bill a program that the President of the United States says he does not want, that was not authorized in the budget, that the Department of Commerce since said was excessive and too costly. It is a program that has been used before and which has failed before.

I did not get a chance in the debate on the amendment to bring it out, but the information that I have is that $800 million still remains unexpended from these programs in the past. The gentleman from New Jersey (Mr. Roe) shakes his head no. How much? Four hundred million dollars?

Mr. ROE. If the gentleman will yield, our report is that it is totally obligated.

Mr. BAUMAN. It may be obligated, but $800 million is not yet expended from the last round we went through on this.

Mr. ROE. If the gentleman will yield further, the gentleman will know if it is all obligated.

Mr. BAUMAN. If it is obligated and was needed at the time of real unemployment, why was it not spent, and therein lies the kernel of the problem.

□ 1850

Mr. ROE. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. The gentleman is a very eloquent spokesman. Therein lies the problem with this program. It simply does not work. It wastes money. It is a squandering of the taxpayers' money on whatever local public works at a given time happen to be available, good or bad.

Worst of all, it does not do what the gentleman says it will do, and that is counter unemployment. If the gentleman will read the Chase Econometric Model Study done on this program, the gentleman will find that when the last such program was triggered in months, years, after it was needed. All it did was encourage inflation and allow local governments instead of spending their own money, to substitute Federal money.

Now, if you ever wanted to show restraint on spending, here is the chance. President Carter does not want it. It will not work. All the studies have shown that it has not worked in the past.

Now, if you want to vote for $2 billion authorization that is not in the budget, go home and explain how you are for a balanced budget.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. SNYDER. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, it is true, as I recall, when I was on the Budget Committee, most of this was supposed to be for emergency spending. If it has not been moved along by this time, and much of it is not and has not been completed, I think we should vote for this motion to recommit, because it is basically money we are not even sure is going to be needed.

Mr. SNYDER. Mr. Speaker, I thank the gentleman.

I would say that the administration does not want this money in the bill. A vote to recommit with these instructions will be in accordance with what the administration and the President wants. I am taking this opportunity, which is seldom, to support the administration. I hope the motion to recommit will be adopted.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. SNYDER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present. Pursuant to the provisions of clause 5, rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question. Members will record their presence by electronic device.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 148, nays 250, not voting 35, as follows:

[Roll No. 664]

YEAS—148

Abdnor
Andrews, N.C.
Andrews, N. Dak.
Archer
Ashbrook
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bedell
Brooks
Broomfield
Broyhill
Burgener
Butler
Campbell
Cavanaugh
Cheney
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Deckard
Derwinski
Devine
Dickinson
Dornan
Duncan, Tenn.
Edwards, Okla.
Emery
English
Erlenborn
Fenwick
Fish
Fisher
Foley
Forsythe
Fountain
Frenzel
Gingrich
Glickman
Goodling
Gradison
Gramm
Grassley
Grisham
Guyer
Hall, Tex.
Hance
Hansen
Hightower
Hillis
Hinson
Holt
Hopkins
Hubbard
Huckaby
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jones, Okla.
Kelly
Kindness
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Lent
Livingston
Loeffler
Lott
Lungren
McClory
McDonald
McEwen
McKay
Madigan
Marlenee
Martin
Mattox
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Nelson
Nichols
O'Brien
Panetta
Pashayan
Paul
Pritchard
Quayle
Quillen
Regula
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Sebelius
Seiberling
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Steed
Stenholm
Stockman
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Vander Jagt
Walker
Whitehurst
Whittaker
Wyatt
Wydler
Wylie
Young, Fla.

NAYS—250

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Chappell
Chisholm
Clausen
Clay
Clinger
Coelho
Collins, Ill.
Conte
Conyers
Corman
Cotter
D'Amours
Danielson
Daschle
Davis, Mich.
Davis, S.C.
Dellums
Derrick
Dicks
Dingell
Donnelly
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Erdahl
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Findley
Fithian
Flippo
Florio
Ford, Mich.
Ford, Tenn.
Fowler
Frost
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Gonzalez
Gore
Gray
Green
Guarini
Gudger
Hagedorn
Hall, Ohio
Hamilton
Hammerschmidt
Hanley
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hollenbeck
Horton
Howard
Hughes
Hutto
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Levitas
Lewis
Lloyd
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lundine
McCormack
McDade
McHugh
McKinney
Maguire
Markey
Marks
Mathis
Matsui
Mavroules
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Nedzi
Nowak
Oakar
Oberstar
Obey
Ottinger
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pursell
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Roe
Rose
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Schulze
Shannon
Sharp
Simon
Skelton
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Stewart
Stokes
Stratton
Studds
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—35

Anderson, Ill.
Breaux
Brown, Ohio
Cleveland
Crane, Philip
de la Garza
Diggs
Dixon
Dodd
Dougherty
Duncan, Oreg.
Evans, Del.
Flood
Garcia
Giaimo
Goldwater
Harkin
Holland
Holtzman
Jones, N.C.
Kemp
Lee
McCloskey
Marriott
Mazzoli
Mitchell, N.Y.
Neal
Nolan
Rhodes
Rosenthal
Sawyer
Schroeder
Treen
Winn
Young, Alaska

□ 1900

The Clerk announced the following pairs:

On this vote:

Mr. Marriott for, with Mr. Garcia against.

Mr. Lee for, with Mr. Jones of North Carolina against.

Mr. Sawyer for, with Mr. Dixon against.

Mr. Winn for, with Mr. Diggs against.

Mr. Brown of Ohio for, with Mr. Mitchell of New York against.

Messrs. MADIGAN, SHELBY, and LIVINGSTON changed their votes from "nay" to "yea."

Mr. BEREUTER changed his vote from "yea" to "nay."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. The vote on final passage will be by electronic device. This will be a 5-minute vote. All Members are reminded of the previous announcement of the Chair that this vote will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 301, noes 99, not voting 33, as follows:

[Roll No. 665]

AYES—301

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Buchanan
Burlison
Burton, John
Burton, Phillip
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Clinger
Coelho
Coleman
Collins, Ill.
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
D'Amours
Danielson
Daschle
Davis, Mich.
Davis, S.C.
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fazio
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Gaydos
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gray
Green
Guarini
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hollenbeck
Horton
Howard
Huckaby
Hughes
Hutto
Ichord
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Marks
Marlenee
Mathis
Matsui
Mavroules
Mica
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Nedzi
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Patten
Patterson
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Roe
Rose
Rostenkowski
Roybal
Royer
Russo
Sabo
Santini
Scheuer
Schulze
Shannon
Sharp
Shelby
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stewart
Stokes
Stratton
Studds
Swift
Synar
Taylor
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Walgren
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wydler
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NOES—99

Archer
Ashbrook
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Broomfield
Burgener
Butler
Collins, Tex.
Conable
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Deckard
Derwinski
Devine
Dickinson
Dornan
Fascell
Fenwick
Foley
Forsythe
Frenzel
Gephardt
Gradison
Gramm
Grassley
Grisham
Hagedorn
Hance
Hansen
Hinson
Holt
Hopkins
Hubbard
Hyde
Ireland
Jacobs
Jeffries
Kelly
Kindness
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Loeffler
Lungren
McClory
McDonald
Madigan
Martin
Mattox
Michel
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Nelson
O'Brien
Panetta
Pashayan
Paul
Pease
Petri
Quayle
Quillen
Regula
Ritter
Roberts
Robinson
Roth
Rousselot
Rudd
Runnels
Satterfield
Sebelius
Seiberling
Sensenbrenner
Shumway
Snyder
Stangeland
Stenholm
Stockman
Stump
Symms
Tauke
Thomas
Volkmer
Walker
Whitehurst
Wilson, Bob
Wyatt
Wylie
Young, Fla.

NOT VOTING—33

Anderson, Ill.
Breaux
Brown, Ohio
Cleveland
Crane, Philip
de la Garza
Diggs
Dodd
Duncan, Oreg.
Evans, Del.
Findley
Flood
Garcia
Giaimo
Goldwater
Harkin
Holland
Holtzman
Jones, N.C.
Kemp
Lee
McCloskey
Marriott
Mazzoli
Neal
Nolan
Rhodes
Rosenthal
Sawyer
Schroeder
Treen
Winn
Young, Alaska

□ 1910

The Clerk announced the following pairs:

Mr. Breaux with Mr. Anderson of Illinois.

Mr. Jones of North Carolina with Mr. Philip M. Crane.

Mr. Harkin with Mr. Kemp.

Mr. Giaimo with Mr. Marriott.

Ms. Holtzman with Mr. McCloskey.

Mr. Dodd with Mr. Young of Alaska.

Mr. Rosenthal with Mr. Winn.

Mrs. Schroeder with Mr. Lee.

Mr. Nolan with Mr. Holland.

Mr. Neal with Mr. Garcia.

Mr. Mazzoli with Mr. Evans of Delaware.

Mr. Duncan of Oregon with Mr. Findley.

Mr. de la Garza with Mr. Cleveland.

Mr. Diggs with Mr. Brown of Ohio.

Mr. Sawyer with Mr. Goldwater.

So the bill was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for two additional years, to extend the authorizations for the Appalachian Regional Development Act of 1965 for two additional years, and for other purposes.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the bill, H.R. 2063.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. JOHNSON of California. Mr. Speaker, pursuant to the provisions of House Resolution 474, I call up from the Speaker's table the Senate bill (S. 914) to extend the Appalachian Regional Development Act and title V of the Public Works and Economic Development Act of 1965 and to provide for multistate regional development commissions to promote balanced development in the regions of the Nation and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. JOHNSON OF CALIFORNIA

Mr. JOHNSON of California. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. JOHNSON of California moves to strike out all after the enacting clause of the Senate bill, S. 914, and to insert in lieu thereof the provisions of the bill, H.R. 2063, as passed by the House, as follows:

This Act may be cited as the "National Economic Development and Public Works Act of 1979".

TITLE I

SEC. 101. This title may be cited as the "Public Works and Economic Development Act Amendments of 1979".

SEC. 102. (a) (1) Section 101(a) (1) of the Public Works and Economic Development Act of 1965 is amended by inserting after "(1) to make direct grants" the following: "(including grants for design, engineering, environmental assessment, and related expenses)".

(2) Such section 101(a) (1) is further amended by inserting "(including surplus Federal property)" after "of land and improvements".

(b) Section 101(b) of such Act of 1965 is amended to read as follows:

"(b) Subject to subsection (c) hereof, the amount of any direct grant under this section for any project shall not exceed 80 per centum of the cost of such project, except that a project for environmental assessment may receive up to 100 per centum of the cost of such project.".

(c) Section 101(a) of such Act of 1965 is amended by adding at the end thereof the following:

"(3) To make grants to enable eligible applicants to pay 15 per centum of the cost of any private sector economic development or adjustment project which would not be undertaken in an area without such assistance.".

(d) Section 101(a) (1) (C) of such Act of

1965 is amended by striking out "section 202(b)(10)" and inserting in lieu thereof "subsection (e) of this section".

(e) Section 101 of such Act of 1965 is amended by inserting immediately after subsection (d) the following new subsection:

"(e) No assistance shall be extended under this Act unless there shall be submitted to and approved by the Secretary an overall program for the economic development of the area and a finding by the State, or any agency, instrumentality, or local political subdivision thereof, that the project for which financial assistance is sought is consistent with such program. Nothing in this Act shall authorize financial assistance for any project prohibited by laws of the State or local subdivision in which the project would be located, nor prevent the Secretary from requiring such periodic revisions of previously approved overall economic development programs as he may deem appropriate.".

"(f) Section 105 of such Act of 1965 is amended by adding at the end thereof the following new sentences: "There is authorized to be appropriated to carry out this title not to exceed $700,000,000 for the fiscal year ending September 30, 1980, and $750,000,000 for the fiscal year ending September 30, 1981. Not less than 15 per centum nor more than 35 per centum of appropriations made for the fiscal years ending September 30, 1980, and September 30, 1981, under authority of the preceding sentence shall be expended in redevelopment areas designated as such under section 401(a)(6) of this Act.".

SEC. 103. Sections 201 and 202 of the Public Works and Economic Development Act of 1965 are amended to read as follows:

"TITLE II—DEVELOPMENT FINANCING

"SEC. 201. (a) The Secretary is authorized to make direct loans for eligible projects which are located in an area designated under section 401 of this Act and which are consistent with an approved economic adjustment plan or overall economic development program, as appropriate.

"(b) The Secretary shall make direct loans at an interest rate not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, plus additional charges, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purpose. Loans shall not exceed 75 per centum of the aggregate cost to the applicant, excluding all other Federal aid, for all eligible activities.

"(c) Loan assistance under this section shall be on the condition that not less than 15 per centum of the aggregate cost is to be supplied as equity capital or as a loan repayable in no shorter period of time and at no faster an amortization rate than the loan extended under this section is being repaid and if such a loan is secured, its security shall be subordinated to the lien or liens securing the loan extended under this section.

"(d) During any time that any loan made under this section is outstanding, the Secretary is authorized, under regulations prescribed by the Secretary, to take any and all actions determined to be necessary or desirable in dealing with or realizing on loans.

"(e) A direct loan shall only be available if the Secretary determines the project could not be accomplished in the same manner by a guaranteed loan under this title.

"SEC. 202. (a) The Secretary is authorized to guarantee the payment of the principal amount of, and interest on, one or more loans made to finance eligible projects upon application of the maker of such loans. Such guarantee may be for 100 per centum of up to 90 per centum of such loans, including principal and interest, except that no such guarantee shall at any time exceed the guaranteed portion of the amount of the outstanding unpaid balance of such loan including reasonable costs as determined by the Secretary.

"(b) The Secretary shall not guarantee any loan under this section if—

"(1) the rate of interest on either the portion to be guaranteed or the portion not to be guaranteed is determined by the Secretary to be excessive; or

"(2) the interest on the loan is exempt from Federal income tax under section 103 of the Internal Revenue Code of 1954, as amended.

"(c) Guarantees under this section shall only be made for projects which are located in areas designated under section 401 of this Act and which are consistent with an approved economic adjustment plan or overall economic development program, as appropriate.

"(d) The full faith and credit of the United States is pledged to the payment of all guarantees made under this section with respect to both principal and interest, including interest as provided for in the guarantee accruing between date of default under a guaranteed obligation and the payment in full of the guarantee.

"(e) The Secretary of the Treasury shall approve the interest rate, timing, and other terms and conditions of the financing of guaranteed obligations, except that the Secretary of the Treasury may waive this requirement with respect to the financing of any guaranteed obligation when it is determined that such financing does not have a significant impact on the market for Government and Government-guaranteed securities.

"(f) The Secretary shall assess a fee of not less than one quarter of 1 per centum of the amount of each guarantee to cover administrative and other costs of the loan guarantee program under this section.

"(g) The Secretary of the Treasury is authorized to purchase loan guarantees under this Act through the Federal Financing Bank. This authority may be exercised only if the Secretary determines that an adequate secondary market is not available in the private sector.

"SEC. 203. (a) In the case of any loans guaranteed under this title or any other loan made to finance an eligible project located in an area designated under section 401 of this Act, the Secretary is authorized to contract to pay annually, or at such shorter intervals as the Secretary deems appropriate, for a period not to exceed ten years, on behalf of the borrower a portion of each interest payment with respect to the principal amount of such loan, except that such interest payments may be made only if—

"(1) the interest on the loan is not exempt from Federal income tax under section 103 of the Internal Revenue Code of 1954, as amended; and

"(2) the loan is not the subject of any other guarantee, interest subsidy, or other form of financial assistance from any other Federal agency, or any State or local government, or any agency, department, or instrumentality thereof.

"(b) In the case of direct loans under section 201, the Secretary is authorized to provide an interest subsidy by reducing the interest rate established in section 201(b) in accordance with section 203(c).

"(c) In no evnet shall such payments under section 203(a) or reduction of interest under section 203(b) on loans by the Secretary reduce the effective rate of interest payable more than 7 percentage points. In no event shall the rate payable be reduced to a rate lower than 4 per centum per annum.

"SEC. 204. The following activities will be eligible for assistance under this title if they are related to industrial or commercial purposes and will generate or retain private sector employment:

"(1) the purchase or development of land and facilities including, demolition: the construction of new buildings; and rehabilitation, alteration, conversion, or modernization of occupied or unoccupied buildings;

"(2) the purchase or modernization of machinery or equipment;

"(3) the provision of working capital;

"(4) the payment of debts with respect to which a legally enforceable lien has been obtained to secure the payment of money for the purchase of or improvement to real or personal property or for working capital;

"(5) guaranteeing rental payments of leases for building and equipment, except that no such guarantee shall exceed 90 per centum of the remaining rental payments required by the lease.

"SEC. 205. Assistance under this title shall be on such terms and conditions as the Secretary determines, subject, however, to the following restrictions and limitations:

"(1) Such assistance shall be extended only if the Secretary determines the credit is not otherwise available on terms adequate to achieve the purposes of this title for activities within an area designated under section 401 of this Act.

"(2) Such assistance shall not be extended without the concurrence of the chief elected official or such official's designees responsible for economic development in the area in which the eligible activities will be located, or without a waiver of this concurrence by the Secretary. Such waiver shall only be granted in the case of unavoidable conflicts of interest or through regulations established by the Secretary.

"(3) No loans shall be made or guaranteed unless the Secretary determines through an appropriate method that there is reasonable assurance of repayment.

"(4) No loan or guarantee, including renewals or extensions thereof, may be made under this title for a period exceeding the lesser of thirty years or the expected life of the asset financed. The foregoing restrictions on maturities shall not apply to securities or obligations received by the Secretary as a claimant in bankruptcy or equitable reorganization or as a creditor in other proceedings attendant upon insolvency of the obligor, or to an extension of the maturity of any loan or guarantee made under this title, beyond the periods stated in such loan, guarantee, or debt or in this title, for an additional period of not to exceed ten years, if such extension will aid in the orderly liquidation of such loan, guarantee, or debt.

"(5) Any guarantee or interest subsidy agreement shall be conclusive evidence of the eligibility of the obligation for such guarantee or interest subsidy, and the validity of any guarantee or interest subsidy agreement shall be incontestable by the United States in the hands of a subsequent holder in due course, except for participation or acquiescence in fraud or misrepresentation.

"(6) To the extent the Secretary finds such action necessary to encourage financial participation in a particular project by other lenders and investors, and except as otherwise provided in section 201(c) of this title, any Federal financial assistance extended under this title may be repayable only after other loans made in connection with such project have been repaid in full, and the security, if any, for such Federal financial assistance may be subordinate and inferior to the lien or liens securing other loans made in connection with the same project.

"(7)(A) With respect to loans guaranteed under section 202 of this title, the total principal amount of guaranteed loans outstanding in any fiscal year for any one firm may not exceed $20,000,000.

"(B) With respect to direct loans made under section 201 of this title, the total principal amount of direct loans outstanding in any fiscal year for any one firm may not exceed $10,000,000.

"(C) Direct loans under section 201 of this title and guaranteed loans under section 202 of this title shall not be made for projects involving firms which had assets in excess of $50,000,000 in their most recent fiscal year.

"(D) Not more than 15 per centum of the aggregate principal amount of loans which may be made or guaranteed in any fiscal year may be made without regard to the limitations of subparagraphs (A), (B), and (C) of this paragraph, except that the aggregate principal amount of loans which may be made or guaranteed to any one firm may not exceed $50,000,000.

"(E) Not more than 30 per centum of the aggregate principal amount of loans which may be made or guaranteed in any fiscal year may be used to provide working capital.

"(8) For any direct or guaranteed loan made under the authority of this title, the Secretary is authorized to enter into arrangements for the servicing, including foreclosure of such loans or evidences of indebtedness on reasonable terms and protecting the financial interests of the United States.

"SEC. 206. Notwithstanding any other provision of this Act, an applicant located in an area eligible for designation under section 401 of this Act, may receive any assistance under this title, during fiscal years 1980 and 1981, even if such area does not have an overall economic development program approved by the Secretary.

"SEC. 207. (a) There are authorized to be appropriated to carry out the development financing programs of this title, $569,353,000 for the fiscal year ending September 30, 1980; and $850,000,000 for the fiscal year ending September 30, 1981. Not more than 30 per centum of such funds shall be used for working capital loans and guarantees.

"(b) The Secretary is authorized to pay the principal and interest on loans guaranteed under the authority of section 202 of this Act, and there is hereby authorized to be appropriated such amounts as may be necessary for the repayment of principal and interest on loans in default and guaranteed pursuant to section 202 of this Act, to remain available until expended.

"(c) For the fiscal year ending September 30, 1980, the full value of loans guaranteed under section 202 of this title are authorized in an amount not to exceed $1,800,000,000. For the fiscal year ending September 30, 1981, the full value of loans guaranteed under section 202 of this title are authorized in an amount not to exceed $2,500,000,000.

"SEC. 208. To the extent the Secretary deems it appropriate, consistent with the principles of section 552(b)(4) and section 552b(c)(4) of title 5, United States Code, that portion of any record, material, or data received by the Secretary in connection with any application for financial assistance under this title which contains trade secrets or commercial or financial information regarding the operation or competitive position of any business shall be deemed to be 'privileged or confidential' within the meaning of those sections.".

SEC. 104. Section 203 of the Public Works and Economic Development Act of 1965 is redesignated as section 210 (including any references thereto) and is amended (1) by striking out "section 201" and inserting in lieu thereof "this title", and (2) by striking out "sections 201, 202, and 403," and inserting in lieu thereof "this title and section 403,".

SEC. 105. Section 204 of the Public Works and Economic Development Act of 1965 is redesignated as section 210 (including any references thereto) and subsection (a) of such section is amended to read as follows:

"(a) If a redevelopment area prepares a plan for the redevelopment of the area or a part thereof and submits such plan to the Secretary for his approval and the Secretary approves such plan, the Secretary is authorized to make a grant to such area for non-Federal revolving loan funds for the purposes of carrying out such plan. Such plan may include industrial land assembly, land banking, acquisition of surplus Government property, acquisition of industrial sites including acquisition of abandoned properties with redevelopment potential, real estate development including design, redevelopment and rehabilitation of historical buildings for industrial and commercial, or multiple use, rehabilitation and renovation of usable empty factory buildings for industrial and commercial use, and other investments which will accelerate recycling of land and facilities for job creating economic activity. Any such grant shall be made on condition (1) that the area will use such grant to make loans to carry out such plan, (2) the repayment of any loan made by the area from such grant shall be placed by such area in a revolving fund available solely for the making of other loans by the area for the economic redevelopment of the area.".

(b) Subsection (c) of such redesignated section 210 is amended by adding at the end thereof the following new sentence: "There is authorized to be appropriated to carry out this section not to exceed $125,000,000 per fiscal year for the fiscal years ending September 30, 1980, and September 30, 1981.".

SEC. 106. Title II of the Public Works and Economic Development Act of 1965 is amended by adding at the end thereof the following new sections:

"SEC. 211. (a)(1) The Secretary is authorized to provide assistance to aid employee ownership plans, including employee stock ownership plans as defined in section 4975(e)(7) of the Internal Revenue Code of 1954 in order to encourage broader employee ownership businesses. Such assistance may be made available under this title and titles III, IV, IX of this Act in any case in which such ownership plan is formed to preserve jobs or to purchase businesses which would otherwise cease operation. Assistance under this title may be provided only if the Secretary determines that the business operated by the employee ownership plan involved has a reasonable prospect for success.

"(2) Such assistance may be used to enable employees to purchase stock in the business involved and to enable such business to pay for initial operating and capital expenses, initial working capital, and technical services.

"(b) With respect to direct loans which are made under this title to employee ownership plans, the provisions of section 201(c) of this Act regarding the per centum of the aggregate project cost to be supplied as equity capital may be reduced by the Secretary to not less than 5 per centum in cases which the Secretary determines are of unusual need.

"(c) The Secretary shall prescribe regulations which shall include procedures to assure that there will be adequate safeguards for the interests of employees, participants, and beneficiaries of employee ownership plans receiving any type of assistance specified in subsection (a) of this section.

"(d) Upon request of an employee ownership plan, the owner of a company, or appropriate State and local officials, the Secretary shall provide information regarding the types of assistance specified in subsection (a) of this section, including technical assistance provided in title III of this Act.

"(e) In order to carry out the provisions of this section, the Secretary shall consult with the Chairman of the Securities and Exchange Commission to determine whether simplified procedures may be developed for the registration of securities issued by an employee-ownership plan receiving any type of assistance specified in subsection (a) of this section. Such simplified procedures shall not affect the provisions of section 12(2), section 17, and section 24 of the Securities Act of 1933 as applied to any willful violation of section 17 of such Act.

"(f) The Secretary shall attempt to insure that not less than 5 percent of the aggregate principal amount of loans which may be made or guaranteed in any fiscal year under this title shall be provided to employee ownership plans.

"SEC. 212. Notwithstanding any other provision of this title, in order to permit the orderly phase-out of the special Economic Development Administration steel loan guarantee program, no limitation or other restriction contained in this title relating to the amount of a loan, or loan guarantee, or the size of a firm, shall be applicable during fiscal years 1980 and 1981 to any loan guaranteed under such steel loan guarantee program, except that the aggregate amount of all such guarantees during such fiscal years shall not exceed $160,000,000.".

"SEC. 213. Applications for assistance under this title shall be processed by the Secretary or by an organization receiving assistance under this Act and shall be approved by the Secretary. The Secretary shall not have authority to designate any organization other than one described in the preceding sentence or any other person to process or approve such applications.

"SEC. 214. The Secretary is authorized to provide assistance under title II of this Act to aid entrepreneurial energy enterprises to assist those activities having for their basic purpose energy conservation and energy cost saving.".

SEC. 107. The Comptroller General shall review operations of the loan guarantee program conducted under title II of the Public Works and Economic Development Act of 1965. Such review shall be based on a statistical sampling of at least 5 per centum of the total number of loan guarantees made under such title. Such review shall begin not later than one year after the date of enactment of this Act, and a report of the results of such review, together with recommendations, shall be submitted to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate not later than 90 days after the date such review is begun.

SEC. 108. Sections 301, 302, and 303 of title III of the Public Works and Economic Development Act of 1965 are amended to read as follows:

"TITLE III—ECONOMIC DEVELOPMENT AND ADJUSTMENT PLANNING ASSISTANCE AND TECHNICAL ASSISTANCE

"SEC. 301. The purpose of this title is to provide assistance to develop public capacities at the State, economic development district, and other substate regional, and local levels, and where appropriate, to develop capacities of the private sector to undertake economic development planning and implementation programs that provide for the coordination of Federal, State, local, and private development actions and investments needed to: ensure the maintenance of healthy economies; aid the rehabilitation of long-term distressed economies and the growth of underdeveloped economies; and respond to severe economic adjustment problems.

"Sec. 302. (a) The Secretary is authorized to extend the following types of assistance:

"(1) General capacity building assistance for—

"(i) States under section 303(a);

"(ii) substate planning and development organizations, including economic development districts under section 303(b);

"(iii) local areas under section 303(c); and

"(iv) Indian tribes under section 303(d).

"(2) Adjustment planning assistance under section 303(e).

"(3) Technical assistance under section 304.

"(b) Appropriate programs and activities supported under section 303 (a) through (d)—

"(1) shall be directed toward increasing long-term permanent employment in private sector enterprises, increasing incomes, developing stable private sector oriented economies and strengthening State and local tax bases;

"(2) shall be a continuous process involving public officials and private citizens (including representatives of the business community, the unemployed and underemployed, and the socially and economically disadvantaged individuals) in analyzing local economies, defining development goals and objectives, identifying and assessing options and strategies, and formulating and implementing development programs;

"(3) shall be part of an ongoing comprehensive planning process that relates economic development, physical development, human resource development, and natural resource development goals, policies, strategies, and programs and is integrated with the State or local budgetary and programing system;

"(4) shall produce comprehensive strategies: for use as a guide to public decisionmaking; for public understanding of development goals and programs; and that provide the basis for the coordination of Federal, State, and local actions and investments and for achieving the desired levels and types of private sector investment;

"(5) shall be part of an ongoing intergovernmental process designed to address problems that transcend jurisdictional boundaries and maximize consistency among Federal, multistate regional, State, economic development district, substate regional, and local actions and investments; and

"(6) shall identify the needs for special studies and subarea planning to support strategy implementation and economic adjustment assistance.

"(c) Continued assistance under section 303 shall be predicated upon: the design of a development program appropriate to individual State and local economies and institutional settings within the objectives in section 302(b); the accomplishment of tasks contained in the development program; and, the implementation of actions and investments consistent with strategies resulting from the program.

"Sec. 303. (a) (1) The Secretary is authorized to make grants to States for the establishment and maintenance of an economic development planning program. The program shall be conducted by the Governor as a part of the State's comprehensive planning process in order to provide policy recommendations and technical support to the planning and budgeting process, consistent with the economic development goals of the State. The State shall provide mechanisms for economic development district and other substate regional and local participation in the State economic development program and shall provide assistance to economic development district and other substate regional and local economic development programs in the provision of data and technical information, program coordination, and staff development. The State program shall work in partnership with multistate regional, economic development district and other substate regional, and local economic development programs to provide a framework for the allocation of Federal and State resources relating to economic development.

"(2) Any overall State economic development plan prepared with assistance under this section shall be prepared cooperatively by the State, its political subdivisions, and the economic development districts located in whole or in part within such State. Upon completion of any such plan, the State shall certify to the Secretary (A) that in the preparation of such State plan, the local and economic development district plans were considered and, to the fullest extent possible, such State plan is consistent with such local and economic development district plans, and (B) that such State plan is consistent, with such local and economic development district plans, or, if such State plan is not consistent with such local and economic development district plans, all of the inconsistencies of the State plan with the local and economic development district plans, and the justification for each of these inconsistencies.

"(b) (1) The Secretary is authorized to make grants to substate regional planning and development organizations including those which cross State boundaries for the establishment and maintenance of economic development programs. Such programs in metropolitan and nonmetropolitan areas shall focus on the formulation of economic development strategies which target Federal and State investments to areas of distress or impending growth, where appropriate. The economic development planning program shall be conducted by the governing board of such organization and shall contribute technical support and policy recommendations in all aspects of the comprehensive planning process. The planning process shall involve local, private, and public interests, including representatives of the business community, the unemployed and underemployed, and socially and economically disadvantaged individuals, and shall provide recommendations to the State economic development program. Such assistance shall support—

"(A) the administrative and program costs of the economic development programs of economic development districts, and

"(B) the planning program costs of economic development strategies formulated by substate planning and development organizations which are not economic development districts.

"(2) In addition, the Secretary is authorized to assist economic development districts in—

"(A) providing technical assistance (other than by grant) to local governments within the district; and

"(B) carrying out any review procedure required pursuant to title IV of the Intergovernmental Cooperation Act of 1968, if such district has been designated as the agency to conduct such review.

"(c) The Secretary is authorized to make grants to general purpose units of local government for the establishment and maintenance of an economic development planning program. The economic development planning program shall be conducted by the chief elected official as a part of a comprehensive planning process in order to provide policy recommendations and technical support to the planning and budgeting process, consistent with the economic development goals of the locality. The planning program shall provide for the participation of neighborhood development groups and private sector involvement in the planning process, shall address the local government's ability to implement program recommendations, and shall provide recommendations to the substate regional and State economic development programs.

"(d) The Secretary is authorized to make grants to Indian tribes to plan and administer an economic development program. The Secretary shall prescribe regulations to insure that the planning program supported under this subsection is properly coordinated with planning program supported on Indian reservations under other legislation.

"(e) The Secretary is authorized to make grants to multistate organizations, States, Indian tribes, political subdivisions of States, economic development districts, and other substate planning and development organizations, and area or local private nonprofit organization which are representative of the area or locality to help defray reasonable costs associated with such organizations for adjustment planning, the preparation of an impact assessment or an economic adjustment plan, and administrative expenses incurred in connection with the overall area coordination and management of adjustment planning. Adjustment planning shall be coordinated with an area's or locality's comprehensive development strategy where such a strategy exists.

"Sec. 304. (a) (1) The Secretary is authorized to provide technical assistance to any eligible applicant as defined in subsection (d) of this section. Such assistance may include project planning, design, and feasibility studies, management and operational assistance, management training, studies evaluating the need and potential for economic development and growth, industrial analyses and productivity studies relating to particular industries, and environmental impact analyses and other studies required in connection with projects financed under this Act.

"(2) Technical assistance under this title may also be provided to any eligible applicant as defined in subsection (d) of this section to assist in the preparation or completion of applications for assistance under title II of this Act. The Secretary shall insure that the organization receiving assistance under this paragraph is not—

"(A) a borrower of a direct or guaranteed loan under such title;

"(B) a lender who has made a loan which has a superior collateral position to a direct or guaranteed loan under such title; or

"(C) directly or indirectly involved with the development financing assistance for which technical assistance is being provided under this paragraph.

"(b) Such assistance may be provided by the Secretary through members of the Secretary's staff, through the payment of funds authorized for this section to other departments or agencies of the Federal Government, through the employment of private individuals, partnerships, firms, corporations, or other suitable institutions, under contracts entered into for such purposes, or through grants.

"(c) The Secretary may require the repayment of assistance provided under this section and prescribe the terms and conditions for such repayment.

"(d) Eligible applicants for assistance under this section are multistate organizations, States, Indian tribes, political subdivisions of States, substate planning and development organizations, area or local private nonprofit organizations, individuals, partnerships, firms, corporations, or other appropriate entities.

"Sec. 305. (a) Plans and strategies prepared with assistance under this title shall be submitted to the Secretary for approval. If approved by the Secretary, these plans and strategies shall fulfill the economic development planning requirements of this legislation. In addition, the Secretary shall work with other Federal departments and agencies to develop mutually acceptable plans that fulfill the planning requirements of such Federal departments and agencies and this legislation.

"(b) Such plans and strategies shall be in such form as may be used by State and local governments and be used by them as the foundation for economic development investment decisions in the areas covered by the plans and strategies.

"SEC. 306. (a) In providing assistance under sections 303 (a) through (d) and 304, the Secretary shall give priority to applicants from areas designated under section 401 of this Act.

"(b) The amount of any grant under this title may not exceed 80 per centum of the eligible costs, except that grants for Indian tribes and grants for environmental impact analyses may be for up to 100 per centum of eligible costs:

"(1) The Secretary may waive the 20 per centum non-Federal share requirement in exceptional cases of need.

"(2) In determining the non-Federal share, the Secretary shall include cash and contributions in kind, fairly evaluated, including but not limited to, space, equipment, and services.

"SEC. 307. There are hereby authorized to be appropriated to carry out sections 301 through 306 of this title $100,000,000 per fiscal year for the fiscal years ending September 30, 1980, and September 30, 1981, except that not more than $45,000,000 per fiscal year may be expended for the purposes of section 303 of this title.".

SEC. 109. (a) Existing section 304 of the Public Works and Economic Development Act of 1965, including any references thereto is renumbered as section 308 and is amended by adding at the end thereof the following new subsections:

"(f) Where an economic development district exists, a grant for a project made by a State from funds apportioned to it under this section shall be made only if such project is in conformance with the development plan of the economic development district.

"(g) Before the first day of each fiscal year which begins after the date of enactment of this subsection, the State shall submit to the Secretary a list of approved projects for which funds apportioned to such State for such fiscal year will be obligated during such fiscal year. No such funds shall be expended for any project unless such expenditure has been approved by the Secretary. The State may, from time to time during such fiscal year, delete approved projects from, and add approved projects to, such list.".

(b) The first sentence of subsection (a) of such renumbered section 308 is amended by striking out "and September 30, 1979," and inserting in lieu thereof "September 30, 1979, September 30, 1980, and September 30, 1981,".

(c)(1) The second sentence of subsection (b) of such renumbered section 308 is amended to read as follows: "Funds apportioned to a State under subsection (a) shall be obligated by such State during the fiscal year for which apportioned and any amounts not obligated by such State shall revert to the Secretary for use under title I of this Act, except that any State may have an unobligated balance of apportioned funds under this section of not to exceed $100,000, without regard to the fiscal years for which such funds were apportioned."

(2) The amendment made by this subsection shall take effective October 1, 1979.

(d) The first sentence of subsection (d) of such renumbered section 308 is amended by striking out "the Secretary of Commerce" and inserting in lieu thereof "the State", and by striking out "of this Act" and inserting in lieu thereof "of Federal law".

SEC. 110. Title III of the Public Works and Economic Development Act of 1965 is further amended by adding at the end thereof the following:

"SEC. 309. (a) The Secretary is authorized to conduct programs of evaluation and program analysis to—

"(1) assist in determining the causes of unemployment, underemployment, severe economic adjustment problems, and chronic distress in areas and regions of the United States;

"(2) assist in formulating, implementing, or improving programs at the National, State, regional, or local levels which are designed to raise income levels, increase employment in private firms, assist depressed industry sectors, or otherwise, promote economic development or adjustment.

"(b) The Secretary shall conduct demonstration projects which are designed to foster regional productivity and growth, prevent outmigration, alleviate problems of economic distress, assist depressed industry sectors, broaden the economic base, or otherwise carry out the purposes of this Act. Such demonstration programs shall include a program in equity financing for the purpose of promoting economic development in distressed areas.

"(1) Such demonstration programs may include programs which are intended to test the feasibility of new and innovative approaches which hold promise for general solutions to problems of economic distress in areas and regions of the United States.

"(2) In extending assistance for a demonstration program, eligible activities include any form of assistance authorized under any of the titles of this Act or any other activity, including assistance for employee stock ownership trusts, which demonstrably furthers the objectives of the Act.

"(c) The Secretary is authorized to provide personnel to conduct such programs.

"(d) The Secretary is authorized to provide assistance under this title—

"(1) in areas designated under section 401 of this Act; and

"(2) in other areas which the Secretary determines have a substantial need for such assistance.

"SEC. 310. Programs authorized by section 309 of this title may be carried out by the Secretary acting through the staff of the Department; in cooperation with or by the provision of funding to other departments or agencies of the Federal Government; or through any form of assistance authorized by this Act to multistate organizations, State and local agencies, profit or nonprofit corporations, institutions or other associations, partnerships or persons, whether public or private.

"SEC. 311. There are hereby authorized to be appropriated to carry out sections 309 and 310 of this title $20,000,000 for the fiscal year ending September 30, 1980 and $50,000,000 for the fiscal year ending September 30, 1981.

"SEC. 312. (a) The Secretary shall conduct a study of the long-term economic effects in the area which consists of Dauphin, Cumberland, York, Lancaster, and Lebanon Counties, Pennsylvania, of the accident which began March 28, 1979, at the Three Mile Island Nuclear Power Plant. Such study shall include, but not be limited to, the effects of such accident on retail sales, income derived from tourism, property values, revenues derived from rental property, expenditures and tax revenues of local governments, and decisions of businesses on whether or not to locate in such area.

"(b) Not later than February 1, 1980, and every six months after such date, the Secretary shall submit to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate a report on the status and results of the study being conducted under subsection (a) of this section and the Secretary's recommendations, if any, concerning administrative or legislative action which should be taken concerning the economic effects of the accident referred to in such subsection. The first such report shall also include a summary of the manner in which such study is being conducted.

"(c) There are hereby authorized to be appropriated to carry out this section not to exceed $200,000 per fiscal year for each fiscal year beginning after September 30, 1979.".

SEC. 111. Section 401 of the Public Works and Economic Development Act of 1965 is amended by adding at the end thereof the following new subsection:

"(f) In addition to designation of redevelopment areas under the preceding subsections, upon the application of any area which meets criteria established by the Secretary by regulation and which has an overall economic development program approved by the Secretary or which is located in an economic development district with such a program, the Secretary is authorized to designate—

"(1) A developed area suffering chronic economic distress, an area with persistent underdevelopment, or an area exhibiting incipient decline or short-term economic distress as a redevelopment area. Such area shall be eligible for all forms of assistance authorized by this Act. In order to be designated, an area must meet one of the following criteria:

"(A) have a per capita income of 80 per centum or less of the national per capita income rate as determined by statistics from the Department of Commerce;

"(B) for the most recent four-calendar-year period for which statistics are available from the Department of Labor, suffer an average unemployment rate above the national average unemployment rate;

"(C) for the most recent twenty-four-month period for which statistics are available from the Department of Labor, suffer an average unemployment rate at least 1 per centum above the national average unemployment rate, and suffer an average unemployment rate for the same twenty-four-month period of at least 7½ per centum;

"(D) net employment loss for the most recent four-year period for which statistics are available from the Secretary of Labor;

"(E) the percentage of population living in poverty exceeds 16½ per centum of the area's population for the most recent year for which statistics are available; or

"(F) in the case of a local government which encompasses, or is within, a standard metropolitan statistical area or central city for which current population surveys were used to determine annual unemployment rates before January 1, 1978, the Secretary of Labor, for the purposes of paragraphs (B), (C) and (D) of this subsection, shall determine or assign the unemployment rates for such government calculated by the current population survey methodology, if such rates are higher than rates determined or assigned by the Secretary of Labor for that government for the appropriate six-month periods without applying the current population survey methodology. This methodology shall be used until such time as the Secretary of Labor determines that current population survey data is available for use on a satisfactory basis for such areas and the remaining area of each State.

"(2)(1) An area as a pocket of distress if such area has severe economic distress as indicated by the criteria of paragraph (1) (A), (B), (C), (D) or (E) of this subsection but the appropriate Department of Labor or Department of Commerce statistics are not available or, in areas of extreme need, such area does not otherwise meet the definition of area established by the Secretary by regulation. An area requesting designation as a pocket of distress shall submit the statistical information on which it relies for qualification to the Secretary. The designation of an area which is defined without regard to political boundaries shall be requested by the chief executive officer or the officers designee of the political subdivision(s) within which it is contained. The Secretary shall evaluate the accuracy and reliability of such statistics and shall determine if such statistics qualify the area for designation. A pocket of distress is eligible for all forms of assistance under this Act.

"(ii) Notwithstanding any other provision of this Act, the Secretary shall have the authority to waive or modify the overall economic development program requirement for pockets of distress in circumstances where the capacity of the area and the nature of the assistance sought make the requirement inappropriate.

"(3)(i) Any area which has a per capita income in excess of 125 per centum of its group average national per capita income is not eligible for designation under the criteria of clause (B), (C), or (D) of paragraph (1) and under paragraph (2).

"(ii) A project may not be located in any community which is in a designated area and which has a per capita income in excess of 125 per centum of its group average national per capita income, except where the area's overall economic development program specifically sets forth the proposed project and the project will have substantial benefits to the unemployed and underemployed of the area.

"(iii) The percentage of its group average national per capita income used to limit designations in clause (i) shall, for local governments in the States of Alaska and Hawaii, be increased by the average State percentage of basic pay which civilian employees of the United States Government receive as an allowance under section 5941 of title 5, United States Code. Such average State percentage shall be determined for the most recently completed calendar year for which data are available based on data provided by the Office of Personnel Management and reported to the Secretary.

"(iv) Any area which has for the most recent five-year period for which statistics are available an employment growth rate exceeding 200 per centum of the national employment growth rate is not eligible for designation under the criteria of clause (B), (C), or (E) of paragraph (1) or under the criteria of paragraph (2), unless the area's average unemployment rate for that five-year period exceeds 175 per centum of the national average unemployment rate for that period.

"(4) A project may not be located in a nonqualified balance of central county area in a redevelopment area unless the Secretary determines that such project shall provide substantial direct benefits to the population of the qualified areas within such counties.

"(5) An area presently identified by the Community Services Administration as an urban or rural special impact area under the provisions of part A of title VII of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2981). Such an area shall be eligible for all forms of assistance authorized by this Act.

"(6) An area in which the majority of the families are living in poverty, as defined by the Community Services Administration guidelines (45 CFR 1060.2, attachment A). Such an area shall be eligible for all forms of assistance authorized by this Act.

"(g) As used in subsection (f) of this section, the term—

"(1) 'area' means any political jurisdiction or group of political jurisdictions, or any community or neighborhood defined without regard to political or other type of boundary, that meets criteria established by the Secretary;

"(2) 'balance of central county area' means the area of the central county of a metropolitan area excluding that county's central city and the other separately qualified areas within the county;

"(3) 'group average national per capita income' when used to limit eligibility under section 401(f) of this Act means the separately computed national per capita incomes for standard metropolitan statistical areas and for areas outside standard metropolitan statistical areas;

"(4) 'impact assessment' means a document that identifies the magnitude and specific impacts of an economic adjustment problem; and

"(5) 'pocket of distress' means an area designated by the Secretary under the criteria of section 401(f) of this Act.".

SEC. 112. (a) The last sentence of subsection (d) of section 401 of the Public Works and Economic Development Act of 1965 is hereby repealed.

(b) Section 402 of such Act of 1965 is amended to read as follows:

"LOSS OF DESIGNATION

"SEC. 402. No development area and no economic development district, designated as such by the Secretary under this Act shall have such designation terminated or otherwise modified so as to lose such designation.".

(c) Section 403(g) of such Act of 1965 is amended by striking out "and September 30, 1979" and inserting in lieu thereof "September 30, 1979, September 30, 1980, and September 30, 1981,".

(d) Section 404 of such Act of 1965 is amended by striking out "and September 30, 1979" and inserting in lieu thereof "September 30, 1979, September 30, 1980, and September 30, 1981.".

(e) Title IV of such Act of 1965 is further amended by adding at the end thereof the following:

"REGULATIONS ESTABLISHING CRITERIA ON DEFENSE DEPENDENCY

"SEC. 406. Not later than September 30, 1980, the Secretary, after consulting the Commissioner of Labor Statistics, the Secretary of Defense, the Director of the Census, and the Director of the United States Arms Control and Disarmament Agency and after conducting research and studies, shall issue regulations establishing, for the purpose of this Act, criteria on the basis of which the Secretary can determine whether the economic well-being of a redevelopment area is significantly dependent on one or more defense contracts. In issuing such regulations, the Secretary shall consider, among others, the following factors:

"(1)(A) The number of persons who, during any calendar year, reside in the area and are directly employed in connection with any defense contract.

"(B) The number of persons who, during such calendar year, reside in the area and are indirectly employed in connection with any defense contract.

"(C) The ratio of the number of persons described in subparagraphs (A) and (B) of this paragraph to the total number of persons who, during such calendar year, reside in the area and are employed.

"(2)(A) The total amount of compensation paid persons described in paragraph (1)(A) of this section during the calendar year referred to in such paragraph.

"(B) The ratio of such total amount to the total amount of compensation paid all persons who, during such calendar year, reside in the area.

"(3)(A) The total amount of local property taxes which, during any year, is paid with respect to real property used in the area in connection with a defense contract.

"(B) The ratio of such total amount to the total amount of local property taxes which, during such year, is paid with respect to all real property in the area.

If, on the basis of these regulations, the Secretary determines that the economic well-being of a redevelopment area is significantly dependent on one or more defense contracts, the Secretary shall assist such defense-dependent redevelopment area, including any community within such area, in diversifying its economy through assistance under this Act.".

SEC. 113. (a) Subsection (a) of section 601 of the Public Works and Economic Development Act of 1965 is amended to read as follows:

"(a)(1) The Secretary shall administer this Act. An Under Secretary for Economic Development shall be appointed by the President by and with the advice and consent of the Senate and shall be compensated at the rate provided for level III of the Federal Executive Salary Schedule. Such Under Secretary shall perform such functions as the Secretary may prescribe.

"(2) Paragraph (4) of section 5314 of title 5, United States Code, is amended by adding '(2)' after 'Under Secretary of Commerce.'".

(b) Paragraph (120) of section 5316 of title 5, United States Code is hereby repealed.

SEC. 114. Section 604 of the Public Works and Economic Development Act of 1965 is hereby repealed.

SEC. 115. (a) Section 701(5) of the Public Works and Economic Development Act of 1965 is amended by inserting immediately after "(5)" the following: "notwithstanding section 205 of this Act,".

(b) Section 701(8) of such Act of 1965 is amended by striking out "in sections 201, 202, 301, 403, and 503 of" and inserting in lieu thereof "by".

(c) Section 701 of such Act of 1965 is further amended by redesignating paragraph (12) as paragraph (13) and inserting immediately after paragraph (11) the following:

"(12) in making grants, retain an amount not to exceed 10 per centum of the grant until the recipient provides assurances satisfactory to the Secretary that the project meets all the requirements imposed pursuant to this Act;"

(d) Section 702 of such Act of 1965 is amended by adding at the end thereof the following: "Financial assistance may be provided, however, in those instances where the project is located in an economically distressed geographical area and when modernization of productive services or facilities is essential for the retention of existing employment in that area."

(e) Section 703 of such Act of 1965 is hereby repealed.

(f) Subsections (a), (b), (c), and (d) of section 704 are hereby repealed.

(g) Section 706 of such Act of 1965 is amended by striking out "and American Samoa." and inserting in lieu thereof "American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands.".

(h) Section 707 of such Act of 1965 is amended to read as follows:

"ANNUAL REPORT

"SEC. 707. The Secretary shall make a comprehensive and detailed report to the Congress of the operations of this Act, including assistance authorized by section 211, for each fiscal year beginning with the fiscal year ending September 30, 1981. Such report shall be printed and shall be transmitted to the Congress not later than April 1 of the year following the fiscal year with respect to which such report is made.".

(i) Section 710(a) of such Act of 1965 is amended by striking out "section 101, 201, 202, or 403" and inserting in lieu thereof "this Act".

(j) Section 711 of such Act of 1965 is amended by striking out "section 101, 201, 202, or 403" and inserting in lieu thereof "this Act".

(k) Section 706 of such Act of 1965 is further amended by inserting immediately after "this Act," the following: "(other than title V),".

SEC. 116. Title VII of the Public Works and Economic Development Act of 1965 is amended by adding at the end thereof the following new section:

"NONRELOCATION

"SEC. 717. Financial assistance under this Act shall not be extended to assist establishments relocating from one area to another or to assist subcontractors whose purpose is to divest, or whose economic success is dependent upon divesting, other contractors or subcontractor of contracts theretofore customarily performed by them. Such limitations shall not be construed to prohibit assistance which allows the expansion of an existing business entity through the establishment of a new branch, affiliate, or subsidiary of such entity if the Secretary finds that the establishment of such branch, affiliate, or subsidiary will not result in an increase in unemployment in the area of original location or in any other area where such entity conducts business operations, unless the Secretary has reason to believe that such branch, affiliate, or subsidiary is being established with the intention of closing down a substantial portion of the operations of the existing business entity in the area of its original location or in any other area which it conducts such operations."

SEC. 117. Titles VIII and X of the Public Works and Economic Development Act of 1965 are hereby repealed.

SEC. 118. (a) Section 901 of the Public Works and Economic Development Act of 1965 is amended by inserting immediately after "Federal Government" the following: "(including, but not limited to, military base closings, curtailments or reductions)".

(b) Section 903(a)(1) of such Act of 1965 (42 U.S.C. 3243(a)(1)) is amended by inserting immediately after "relocation of individuals and businesses," the following "construction and operation of facilities for the production of alcohols (other than alcohols to be used in beverages) and methane from renewable resources,".

(c) Section 903(a)(1) of such Act of 1965 is further amended by striking out "or (B)" and inserting in lieu thereof the following: "(B) which the Secretary determines has experienced, or may reasonably be foreseen to be about to experience sudden major economic changes beyond the ability of the area to correct, including, but not limited to, the establishment of a major defense installation, or (C)".

(d) Section 903 of such Act of 1965 is amended by adding at the end thereof the following new subsection:

"(e)(1) During fiscal years 1981 and 1982, the Secretary, as a demonstration program shall, subject to such amounts as are provided in appropriation Acts, make weekly assistance payments computed under paragraph (2) of this subsection to any employee whose employment under a major defense contract the Secretary finds is terminated as a result of cancellation of such contract or a reduction of $10,000,000 or more in the value of such contract. Such weekly assistance payments shall be made during the period such employee is eligible under State law for unemployment compensation as a result of such termination.

"(2)(A) Subject to the provisions of subparagraph (B) of this paragraph, the amount of each such weekly assistance payment shall be 70 percent of the amount, not to exceed $20,000, of the annual gross income received by the employee through his employment under the major defense contract on the day before the date of termination of such employment divided by 52.

"(B) The Secretary shall deduct from the amount of the weekly assistance payment determined under subparagraph (A)—

"(i) earned income;

"(ii) unemployment compensation and any other public assistance (other than assistance received under this subsection); and

"(iii) adjustment assistance provided by a labor union.

which the Secretary determines that such individual received during the week for which such payment is made.

"(3) During any period of time in which weekly assistance payments are being made to any employee under this subsection, the Secretary, in addition, shall, subject to such amounts as are provided in appropriation Acts, take such action, including the payment of premiums or other fees, as may be necessary to insure that any health insurance coverage which such employee has through his employment under the major defense contract on the day before the date of termination of such employment is maintained at the same levels and on the same terms and conditions.

"(4)(A) Any individual eligible to receive assistance under this subsection shall submit to the Secretary an application in such form and containing such information as the Secretary may, by regulation, require.

"(B) Each individual receiving assistance under this subsection shall promptly notify the Secretary of any change in the sources or amounts of any income or assistance which such individual is receiving. Failure to comply with the provisions of this subparagraph shall result in immediate loss of eligibility for assistance under this subsection.

"(C) Each individual receiving assistance under this subsection must be available for employment and have not refused suitable employment.

"(5) For the purposes of this subsection, the Secretary shall issue regulations for determining the amount of annual gross income received by an employee through his employment under a major defense contract on the day before the date of termination of such employment.

"(6) For the purposes of this subsection, the term—

"(A) 'defense agency' means the Department of Defense (including the military departments), the Department of Energy, and the National Aeronautics and Space Administration; and

"(B) 'major defense contract' means—

"(i) any agreement or other arrangement, involving not less than $10,000,000, made before, on, or after the effective date of this subsection—

"(I) by a defense agency with any person (including any public or private institution or organization) for the purposes of furnishing a defense material or defense service to such defense agency; or

"(II) by any foreign country or person acting on behalf of a foreign country with any person for the purpose of furnishing to such country a defense material or defense service subject to control under the Arms Export Control Act or any other law of the United States pertaining to export of a defense material; and

"(ii) any subcontract, involving not less than $10,000,000, made before, on, or after the effective date of this subsection in connection with an agreement or other arrangement described in clause (i) of this subparagraph.

"(7) Not later than March 1, 1983, the Secretary shall submit to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate a report on the results of the demonstration program conducted under this subsection and the Secretary's recommendations, if any, concerning any additional authorization of such program.

"(8) There is authorized to be appropriated to carry out the provisions of this subsection not to exceed $20,000,000 per fiscal year for fiscal years 1981 and 1982.".

(e) Section 905 of such Act of 1965 is amended by adding at the end thereof the following: "There is authorized to be appropriated to carry out this title $200,000,000 for the fiscal year ending September 30, 1980, and $250,000,000 for the fiscal year ending September 3, 1981. Not to exceed $100,000,000 per fiscal year of the funds authorized to carry out this title for the fiscal years ending on September 30, 1980, and September 30, 1981, shall be expended for making grants and loans for construction and operation of facilities for the production of alcohols (other than alcohols to be used in beverages) and methane from renewable resources.".

(f) Title IX of the Public Works and Economic Development Act of 1965 is amended by redesignating sections 904 and 905 as sections 905 and 906, respectively, and by inserting after section 903 the following new section:

"DEFENSE-RELATED ECONOMIC ADJUSTMENT ASSISTANCE

"SEC. 904. (a)(1) The President shall establish proceedures to assure that the Secretary is notified of the anticipated closure or realinement of any military installation with respect to which a public announcement is made under section 2687 of title 10, United States Code, or of the anticipated termination, cancellation or conclusion or any major defense contract. Any such notification shall—

"(A) in the case of a military installation, be transmitted to the Secretary on the same day on which a public announcement is made with respect to such military installation under section 2687 of title 10, United States Code;

"(B) in the case of a major defense contract, be transmitted to the Secretary not less than one year before that date of the anticipated termination, cancellation or conclusion of such major defense contract, except that such notice shall be transmitted not less than ninety days before such date in any case in which shortened notice—

"(i) is required for reasons of national security or a military emergency; or

"(ii) is required due to the termination or cancellation of such major defense contract by an action of a foreign nation;

"(C) include a recommendation indicating whether the economic consequences of such anticipated action should qualify the area involved to receive a defense-related grant under subsection (c) of this section; and

"(D) in the case of a redevelopment area designated under section 401 of this title, include a recommendation whether the economic consequences of such anticipated action should qualify the area for priority assistance under subsection (d) of this section.

(2) This subsection shall not apply to the termination or cancellation of a major defense contract due to an Act of Congress or to a breach of such contract.

"(b) The Secretary, upon the adoption of any recommendation made under subsection (a)(1)(C) or (a)(1)(D) of this section shall promptly notify all public officials responsible for economic development planning in the area involved of such recommendation and of all types of assistance available under this Act, including defense-related planning grants available under this section. The Secretary shall also make available to the general public information regarding such recommendation and assistance.

"(c) (1) With respect to areas in which a public notice has been given by the Secretary under subsection (b) of this section, the Secretary, upon receipt of a request from that eligible recipient in such area whom the Secretary deems, in his discretion, most qualified, shall promptly, but not later than the thirtieth day after the date the Secretary receives the first such request, make a defense-related grant to such recipient in accordance with the provisions of paragraph (2) of this subsection, except that with respect to any such area, not more than one such grant shall be made as a result of any such public notice."

(2) (A) Each such grant shall be made only for the purpose of assisting the eligible recipient to plan for adjustment to the economic problems resulting from the closure or realinement of a military installation or the termination, cancellation or the conclusion of a major defense contract. The Secretary, as a condition of such grant, shall establish a deadline for early submission of an economic adjustment plan designed to qualify the area involved under section 903(a) (1) of this title. Such plan may include the preservation of jobs in an effected establishment, including the conversion of such establishment to other uses.

(B) Each such grant shall be made in an amount sufficient to pay costs related to the defense-related economic adjustment planning of such eligible recipient, except that no such grant may exceed $100,000.

"(d) With respect to any redevelopment area which is recommended under subsection (a) (1) (D) of this section for priority assistance, the Secretary

(1) shall establish procedures for the prompt consideration of applications from such redevelopment area for assistance under this title;

(2) shall consider applications for such assistance from an affected establishment in such redevelopment area before any other application from such redevelopment area, except that this paragraph shall only apply with respect to applications from such an affected establishment if the Secretary determines that the assistance requested can reasonably be expected to preserve or create jobs for workers affected by the anticipated action specified under subsection (a) (1) (B) of this section; and

(3) except as provided in paragraph (2) of this subsection, shall consider applications for such assistance from any business in such redevelopment area, other than an affected establishment, before any other application from such redevelopment area if the Secretary determines that the assistance requested can reasonably be expected to preserve or create jobs for workers affected by the anticipated action specified under subsection (a) (1) (B) of this section.

"(e) With respect to any area which receives a grant under subsection (c) of this section and subsequently qualifies under section 903(a) (1) of this section for assistance under this title the Secretary may consider for approval applications from any business in such area for the assistance authorized under title II of this Act if the Secretary determines that the assistance requested can reasonably be expected to preserve or create jobs for workers affected by the anticipated action specified under subsection (a) (1) (B) of this section.

"(f) For the purposes of this section the term 'major defense contract' means a contract of not less than $10,000,000.

TITLE II

SEC. 201. This title may be cited as the "Regional Development Commission Act of 1979".

SEC. 202. Title V of the Public Works and Economic Development Act of 1965, as

SEC. 202. Title V of the Public Works and Economic Development Act of 1965, as

amended (42 U.S.C. 3181 et seq.), is hereby amended to read as follows:

"TITLE V—REGIONAL DEVELOPMENT COMMISSIONS

"PURPOSES

"SEC. 500. It is the purpose of this title to (1) address development problems shared by or common to two or more States through cooperative use of the full range of development tools available through Federal and State governments; (2) strengthen the Nation's system of regional development commissions by enhancing their ability to guide public and private development so as to advance multistate regional development and to assist sub-State areas impacted by economic decline and rapid growth, including those conditions which result from national policies or needs; (3) apply planning and development resources so as to improve the capability of States and localities to solve problems of decline and rapid growth and ultimately to meet their service and facility needs from their own resources without preempting state and local authorities; (4) provide a new mechanism for improving the ability of Federal programs to function more effectively by taking into account in shaping Federal agency policies and procedures specific regional differences, perspectives, and needs; (5) provide a model for simplified, flexible, and decentralized program administration, while assuring accountability for meeting statutory objectives; (6) provide a basis for coordinating relevant Federal development programs and planning assistance so as to facilitate unified growth and development decisonmaking by States and regions; (8) improve Commission fiscal and program management; ((9) strengthen the Federal partnership and increase its ability to solve problems common to the Nation and the regions; and (10) improve Commission accountability to Congress.

"DEVELOPMENT REGIONS

"SEC. 501. (a) The Governors of States may join together and propose to the Secretary of Commerce the recognition of a development region composed of the States in which the region will be wholly or partially located. The Secretary and the Governors shall jointly recognize a region if they find that there are common cultural, economic, geographic, natural resource, and social relationships within such region and that the region is of sufficient geographic size and population to warrant recognition. A formal notice of recognition shall be published in the Federal Register.

"(b) No area of a State shall be included in more than one development region. Every region shall consist of two or more States, unless a Governor demonstrates to the Secretary a compelling reason for recognizing a single-State region.

"(c) The boundaries of a region may be altered in the same manner as they were established.

"(d) The Secretary shall take steps to include Michigan State development regions 1 through 6 as part of the Mid-America region within one year of the date of enactment of the Regional Development Commission Act of 1979.

"ESTABLISHMENT OF COMMISSIONS

"SEC. 502. (a) After the recognition of a development region, the States in the region shall establish a regional development commission which shall operate in accordance with the provisions of this title. Upon publication of the notice of recognition in the Federal Register, a vacancy shall exist in the position of Federal Cochairman of the commission, to be filled as provided in section 504 of this title. After appointment of a Federal Cochairman, a commission may organize, adopt bylaws, and establish necessary policies and procedures.

"(b) Each commission shall be composed of one Federal member, who shall be the 'Federal Cochairman' appointed under section 504, and one member from each State in the region, who shall be the Governor of the State.

"(c) Upon the effective date of the Regional Development Commission Act of 1979, each regional action planning commission established prior to such date pursuant to this Act, shall become a regional development commission authorized by this title. Upon the effective date of the Regional Development Commission Act of 1979, the Federal Cochairman of each regional action planning commission shall become the Federal Cochairman of the regional development commission authorized by this title.

"FUNCTIONS OF COMMISSIONS

"SEC. 503. Each regional development commission shall, with respect to its region—

"(1) develop and implement a regional development process, in accordance with section 511 of this title, which shall include (i) a multiyear regional development plan, (ii) an annual investment program, and (iii) annual regional growth policy recommendations;

"(2) develop and implement mechanisms for coordinating the development and growth management activities of State governments and substate entities with regional policy development, including, but not limited to, economic development, coastal zone management, comprehensive planning, environmental protection, energy conservation and development, tourism, transportation, and outdoor recreation planning and implementation programs;

"(3) conduct, in cooperation with Federal and State agencies and private interests, research on and analysis of interstate and shared problems, resources, and opportunities for advancing regional development;

"(4) provide consultation to and liaison with Federal regional councils and those member Federal agencies whose planning and development activities affect regional plans, programs, and policies;

"(5) advise Federal agencies that fund multistate organizations not covered by this title on the relevance of such funding to regional development plans, programs, and policies, and on the steps required to avoid duplication of activities;

"(6) provide a liaison (A) with private sector leaders, especially those operating at the multistate level; (B) with other multistate organizations, including other regional commissions; (C) with substate districts engaged in functional or comprehensive planning which affects the fulfillment of regional plans, programs, and policies; and (D) with State legislatures through the formation and regular meeting of a State legislative liaison committee with the membership of such committee from each State to be determined by the legislature of the respective States which are located within the area served by the regional development commission;

"(7) engage in cooperative activities with other regional development commissions, with other regional organizations, and with Federal agencies and State and local governments in furtherance of regional objectives.

"FEDERAL COCHAIRMEN

"SEC. 504. (a) There is hereby authorized the position of Federal Cochairman for each regional development commission, who shall be appointed by the President, by and with the advice and consent of the Senate. Each Federal Cochairman shall be compensated at level IV of the Executive Salary Schedule.

"(b) As the Presidentially appointed Federal partner to the Governors, each Federal Cochairman has the dual responsibility to present a national perspective to his regional commission and to communicate the regional concerns of the State members to the Federal Government. Each Federal Cochairman is responsible for coordination and cooperation between his commission and Federal departments and agencies. As a member of a commission, each Federal Cochairman shall foster the development of a collaborative setting in which both State and Federal members jointly determine regional development policy.

"(c) Each Federal Cochairman shall—

"(1) present to the Secretary, on behalf of the commission, the regional development plan, annual investment program, growth policy recommendations, annual grant applications, legislative and budgetary recommendations, and reports on the activities of the commission;

"(2) encourage Federal departments and agencies to apply their programs and policies to support development plans, programs, and priorities established by the commission;

"(3) involve Federal departments and agencies in the activities of the commission, as appropriate;

"(4) assist the commission in developing regional growth policy recommendations;

"(5) consult with appropriate Federal departments and agencies concerning significant programs and projects prior to the commission vote on such matters; and

"(6) represent, in dealings with the commission, Federal policies affecting regional development established by the President and the Secretary.

"(d) When a Federal Cochairman dies, resigns, becomes disabled, is removed, or is absent from the country, his designated first assistant, unless otherwise directed by the President pursuant to the authority of section 3347 of title 5, United States Code, shall perform the administrative duties of the Federal Cochairman until a successor is appointed or the absence or disability stops.

"COMMISSION ORGANIZATION

"SEC. 505. (a) The State members of the commission shall select a State cochairman of the commission from among their number for a term of not less than one year.

"(b) Except where provided in section 522, a decision by a commission shall require the affirmative vote of the Federal Cochairman and of a majority of the State members (exclusive of members representing States delinquent under section 522). No decision involving basic commission policy or the approval of project or grant proposals, regional development plans, annual investment programs or regional growth policy recommendations may be made without a majority of State members present.

"(c) Each State member may have a single alternate, appointed by the Governor from among existing members of the Governor's cabinet or the Governor's personal staff. An alternate may vote in the event of the death, disability, removal, absence, or resignation of the State member for which he is alternate. A State alternate shall not be counted in establishing a quorum of the commission in any instance in which a majority of the State members is required to be present. The vote of any commission member may not be exercised by any person not a commission member or alternate.

"(d) A commission shall not pay a State member or alternate any compensation for services or reimburse a State member or alternate for any expenses, either directly or indirectly, through grants or contracts, but each such member or alternate shall be compensated or reimbursed by the State which he represents in accordance with the law of such State.

"(e) Each commission shall employ an executive director as the chief administrative officer of the commission and such other officers and staff as the commission may determine. The executive director shall be responsible for carrying out the administrative functions of the commission, for direction of the commission staff, and for such other duties as the commission may assign. The executive director shall be appointed and may be removed by vote of the commission. All other officers and employees of the commission shall be appointed by the executive director under such rules of procedure as the commission may determine. All appointments and promotions of such officers and employees of the commission shall be on the basis of merit and fitness and no test or qualification with respect to politics, race, color, national origin, sex, or age shall be permitted or considered. Any officer or employee of the commission who is found by the commission to be guilty of a violation of this section shall be removed from office or employment by the commission.

"(f) No member, alternate, officer, or employee of a commission shall be deemed a Federal employee for any purpose. This provision does not apply to the Federal Cochairman, his staff, or any Federal employee detailed to a commission under paragraph (5) of section 506.

"ADMINISTRATIVE POWERS

"SEC. 506. (a) Subject to the provisions of this title, each commission is authorized to—

"(1) accept, use, and dispose of such payments, grants, gifts, advances and other funds, properties, and services as may be transferred or made available to it;

"(2) adopt, amend, and repeal bylaws, rules, and regulations governing the conduct of its business and the performance of its functions;

"(3) sue and be sued in all courts of competent jurisdiction;

"(4) appoint and fix the compensation of the executive director and such other personnel as may be necessary to enable the commission to carry out its functions except that any such compensation shall not exceed the maximum scheduled rate for GS-18 of the General Schedule as set forth in section 5332 of title 5, United States Code;

"(5) request the head of any Federal department or agency (who is hereby so authorized) to detail to temporary duty with the commission such personnel within his administrative jurisdiction as the commission may need for carrying out its functions, each such detail to be pursuant to the procedures of the Intergovernmental Personnel Act, as amended (5 U.S.C. 3371 et seq.), and without loss of seniority, pay, or other employee status;

"(6) enter into written agreements for the temporary services of personnel from any State or local government, or any subdivision or agency thereof, or any intergovernmental agency;

"(7) make arrangements to provide coverage of its employees in retirement and other employee benefit programs, including entering into written contracts with any participating State government for inclusion of a suitable retirement and employee benefit system of any commission employee who may not be eligible for, or continue in, another retirement or benefit system, except that the provision of section 506(a)(5) of this Act as it applied prior to the date of enactment of the Regional Development Commission Act of 1979, respecting the authority to provide continued coverage of former Federal employees under Federal employee who meets the requirements of such continue to apply to any former Federal employee who meets the requirements of such section 506(a)(5) and is employed by a commission on or before the date of enactment of the Regional Development Commission Act of 1979.

"(8) provide financial assistance for programs and projects as authorized under this title;

"(9) accept funds from Federal agencies to assist programs which are authorized under this title;

"(10) enter into and perform such contracts, leases, or other transactions as may be necessary in carrying out its functions with any department, agency, or instrumentality of the United States (which is hereby so authorized) or with any department, agency or instrumentality of a State or of a political subdivision thereof, or any intergovernmental organization, or with any person, firm, association, or corporation;

"(11) maintain an office in the District of Columbia and an office in the region at such place as it deems appropriate; and

"(12) take such other actions and incur such other expenses as may be necessary.

"(b) Each commission shall develop and adopt administrative policies and procedures to prevent the over obligation of commission funds. Each commission, in consultation with the Secretary, shall develop and adopt specific policies and procedures to promote economy and efficiency in the administration of its programs and operations and to prevent and detect fraud and abuse in such programs and operations.

"DEVELOPMENT ASSISTANCE

"SEC. 507. (a)(1) Each regional development commission is authorized to provide financial assistance for programs and projects which will further regional development. Such projects may include, but are not limited to, fisheries, agriculture, tourism, forestry, and export expansion and promotion; business or industrial development; technological and productivity improvements; transportation; energy development and conservation; environmental and natural resource management; community conservation and growth management; vocational, educational, and training programs: promotion of arts and culture; flood or other natural hazard protection activities; and human resources.

"(2) No commission shall provide financial assistance for the purposes of allowing a recipient to use grant funds to make grants to profit-seeking business enterprises.

"(3) Each commission shall, to the extent practicable, provide assistance under this section by transferring funds for programs or projects approved by the commission to the heads of Federal departments or agencies to be used for—

"(i) providing funds to add to a Federal agency's contribution to programs or projects under any Federal grant-in-aid programs authorized on or before September 30, 1983, for the purpose of increasing the Federal contribution to programs or projects under such programs above the fixed maximum portion of the costs of such programs or projects otherwise authorized by the applicable law; or

"(ii) providing a commission contribution to approved programs or projects.

Notwithstanding any other law, the heads of Federal departments and agencies are hereby authorized to accept such funds, to disburse them in accordance with policies adopted by the commission, and to provide any assistance which may be necessary to carry out the approved program or project. The combined Federal and commission portion of the costs of each program or project assisted shall not exceed 80 per centum of the total costs.

"(b)(1) When a commission determines that a proposed program or project cannot reasonably be accomplished through a Federal agency under subsection (a)(3) of this section, the commission may make direct grants to States or to qualified multistate organizations or to regional organizations established by commissions to be used for innovative projects and for demonstrations of new methods and techniques for meeting the purpose of subsection (a) of this section if the project or demonstration is in accordance with the commission's regional development plan and annual investment program.

"(2) States may carry out such projects and demonstrations directly, or through the employment of private individuals or firms under contracts entered into for such purposes, or through grants to public bodies and qualified private nonprofit organizations.

"(3) Grants for such projects and demonstrations may be funded entirely from commission funds or in combination with other funds available under Federal grant-in-aid programs or from any source. Notwithstanding any provision of law limiting the Federal share in any such other program, funds provided to carry out this subsection may be used to increase such Federal share as the commission determines appropriate, up to 80 per centum of the total costs.

"(4) Grants for innovative projects and demonstrations under subsection (b) may be made for up to 80 per centum of the costs of any project during the five-year period following the commencement of any assistance. No innovative project or demonstration or any component thereof shall receive financial assistance under this title after five years following the commencement of any assistance for such project, program or component under this title or under the Appalachian Regional Development Act of 1965, as amended (40 U.S.C. App. 1 et seq.).

"(5) No grant shall be provided for an innovative program or project or a demonstration unless the Federal Cochairman determines the respect in which the project is innovative and what it is intended to demonstrate and certifies that there is a reasonable plan (A) to evaluate the results of the innovation or demonstration by an independent source and (B) to disseminate the results.

"(c) Each commission is authorized to make grants to public and private entities for the operation of any project or facility which meets the purpose of subsection (a) of this section. Such grants may include initial operating funds which may cover the cost of recruiting and training qualified personnel. A grant for the operation of any project shall be made only if the project or facility is not operated for profit. Such grants shall not exceed 80 per centum of the total costs for the five-year period which begins, for each facility or service or component thereof assisted under any such operating grant, on the first day that the facility or service enters into operation as part of a project. No grants for the operation of any project shall be made after five years following the commencement of such initial grant for operation of the project. No such grants shall be made unless the commission is satisfied that the operation of the project will be conducted under efficient management practices designed to avoid operating deficits. The contribution to a project may be provided entirely from commission funds or in combination with funds provided under Federal programs.

"(d) Financial assistance under this section shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law. Funds appropriated to carry out this title shall be available without regard to any limitations on authorization for appropriation in any other Act.

"(e) Financial assistance under this section may be used to acquire or develop land necessary for the success of the program or project being assisted, provided the Federal Cochairman certifies such necessity and the other requirements of this section are fulfilled.

"(f) No financial assistance under this title shall be provided—

"(1) to assist private establishments relocating from one area to another or to enable private contractors or subcontractors to undertake work previously performed in another area by other contractors or subcontractors;

"(2) to finance any project which will directly increase the production of goods, materials, commodities, services, or facilities when there is not sufficient demand to employ the efficient capacity of existing competitive, commercial, or industrial enterprises, except that assistance may be provided for projects located in economically distressed areas if modernization of productive services or facilities is essential to retain private employment in that area.

"(g) Each commission shall adopt specific policies and procedures to assure that any program or project which receives assistance is properly and efficiently administered, operated, and maintained.

"PLANNING AND TECHNICAL ASSISTANCE

"SEC. 508. (a) Each regional development commission, in order to carry out its functions under this title, is authorized to engage in planning, investigations, and studies, and to provide planning and research assistance to States and substate areas and communities, both urban and rural.

"(b) Activities authorized under this section may be carried out by the commission staff, through the payment of funds to departments, agencies, or instrumentalities of the Federal Government, or through the employment of private individuals, partnerships, firms, nonprofit corporations, or other suitable institutions under contracts or grants entered into for such purposes or through grants to agencies of State or local governments.

"(c) To further the purpose of this title, the regional development plan and the annual investment program, each commission is authorized to make grants for administrative expenses to substate planning and development districts certified pursuant to section 514 of this title.

"PROJECT APPROVAL

"SEC. 509. (a) An application for a grant or for any other assistance for a specific program or project under section 507 of this title shall be made through the State member or members of the commission representing the applicant. Such application may be approved only if it first receives the approval of the State member(s).

"(b) A grant proposal or any other program or project proposal under section 507 or 508 may be approved by the commission only when it has been determined—

"(1) to implement the commission's regional development plan;

"(2) to be consistent with the commission's annual investment program;

"(3) to be supported by adequate assurance and evidence that the project will be properly administered, operated, and maintained; and

"(4) to otherwise meet the requirements for assistance under this title.

"(c) Decisions on individual program or project approvals are final with the vote of the commission. Nothing contained in this title shall be interpreted as requiring any State or political subdivision of a State to engage in or accept any project under this title without its consent.

"NONDISCRIMINATION

"SEC. 510. No person in the United States shall, on the grounds of race, color, national origin, sex, age, or physical handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving financial assistance from a regional development commission.

"REGIONAL DEVELOPMENT PROCESS

"SEC. 511. (a) (1) Within eighteen months after its establishment or enactment of the Regional Development Commission Act of 1979, whichever is later, each regional development commission shall prepare, in consultation with Federal, State, interstate, local, and substate development organizations and governments, and private interests, a multiyear development plan for its region. The plan shall consider the planning and proposed activities of Federal, State, interstate, substate, and local governments and the private sector which may significantly affect the region. The plan shall include the following elements:

"(A) A review of—

"(i) significant and relevant regional studies and plans,

"(ii) the current regional economy and the projected economy based on the best available data,

"(iii) multistate and shared problems requiring regional attention,

"(iv) the adequacy of existing Federal, State, and substate programs and policies to meet the commission's goals and strategies;

"(B) a framework for the continuing analysis of data needed to conduct effective regional development activities and to make decisions on programs and projects selection;

"(C) a determination of necessary and feasible regional goals and objectives, and priorities for regional development to guide Federal, regional, State, substate, and private investments;

"(D) a development program to achieve the commission's goals; and

"(E) criteria for the identification and selection of programs and projects which are consistent with the goals of the commission.

"(2) Prior to the commission's vote on the plan described in paragraph (a) (1) of the section, the Federal Cochairman shall have a maximum of seventy-five days in which to review the plan. The Federal Cochairman shall vote on the plan only after consulting with relevant Federal departments and agencies, in order to assure that—

"(A) the plan is consistent with related national policies,

"(B) the plan reflects interregional consistency and compatability, so that the activities of a commission will not adversely affect the condition or plans of another region,

"(C) the expected benefits of the plan will justify the estimated Federal investment. After the concurrence of the Secretary, final approval of the plan shall be in accordance with section 505(b) of this title.

"(3) Each commission shall review its multiyear plan annually and formally assess the plan every five years.

"(b) (1) To implement the regional plan, each commission shall prepare, after consultation with relevant Federal departments and agencies, an annual investment program for each fiscal year. This program shall (A) identify Federal, interstate, State, substate, and private programs and projects necessary to implement the multiyear regional plan; and (B) include a financial plan which identifies projects and activities intended to serve the program in the fiscal year, after consideration of State plans where required by a commission under the authority of section 513 of this title.

"(2) Prior to the commission's vote on the program described in paragraph (b) (1) of this section, the Federal Cochairman shall have a maximum of seventy-five days in which to review the program. The Federal Cochairman shall vote on the program only after consulting with relevant Federal departments and agencies. Final approval of the program shall be in accordance with section 505(b) of this title.

"(c) Annually, each commission may propose, as a result of its regional development process, regional growth policy recommendations which may be adopted by Federal agencies and State and local governments in order to implement successfully the commission's regional plan and annual investment program. Upon the concurrence of the Secretary, recommendations shall be forwarded to the interagency mechanism authorized in section 512 of this title.

"(d) Regional development commissions and member States shall prepare and publish guidelines to assure full opportunity for public and private sector participation in the regional development process.

"FEDERAL COORDINATION

"Sec. 512. (a) The President is authorized to establish a senior-level interagency mechanism, or to use an existing interagency mechanism, to provide program coordination and support for the regional development plans, programs, and regional growth policy recommendations of the commissions.

"(b) Upon presentation to the Secretary of each commission's regional development plan, annual investment program and regional growth policy recommendations, the Secretary shall arrange for their review by the interagency mechanism established under subsection (a) of this section.

"(c) Each Federal department and agency shall assist the commissions in carrying out their activities under this title and, to the maximum extent practicable, shall adjust its procedures and policies in order to assure—

"(1) its participation in developing and implementing each commission's regional development plan; and

"(2) coordination among development programs and planning activities within States and between State and regional development programs and planning activities.

"(d) Each Federal department and agency shall consult with the appropriate commission or commissions in advance of providing financial assistance to any multistate organization engaged in activities related to the purposes of this title.

"STATE PLANNING

"Sec. 513. Each commission is authorized to require State members to prepare and submit development plans for their States in the region. Each State development plan shall reflect the goals, objectives, and priorities established in the regional development plan, shall involve the participation of local governments, the private sector, and substate planning and development organizations, shall be built upon an assessment of State problems and opportunities, and shall—

"(1) describe the State organization and process or unified development planning including the procedures, if any, established by the State for the participation of local governments and development districts in such process; the means by which such process is related to the State's budget processes; and the method of coordinating development planning, programs, and policies in the State under this title and other related Federal and State programs;

"(2) describe the unified development goals, objectives, and priorities of the State, with special reference to those of interstate or shared concern;

"(3) describe the unified development program for achieving such goals, objectives, and priorities, including major funding sources and recommendations for an implementing investment program;

"(4) describe the methods established to assure participation of the private sector in development planning and programing and to coordinate activities among public and private institutions; and

"(5) describe a system to evaluate the effectiveness of implementation programs which reflect the goals, objectives, and priorities of the regional and State plans and programs, including, to the extent feasible, quantified measures of impact.

"SUBSTATE PLANNING

"Sec. 514. (a) To the extent permitted under this title, State and substate planning processes shall be designed (i) to coordinate and utilize to the maximum extent possible existing substate institutions and Federal, State, and local programs, (ii) to consult with Indian tribes, (iii) to consider anticipated private as well as public investments, and (iv) to address problems of interstate or shared concern.

"(b) Governors who are members of commissions are authorized to certify to their commissions substate planning and development districts within their States if such districts are multijurisdictional and have responsibility for continuous and coordinated public facilities and services planning in their areas. Unless otherwise provided under State law, local development districts previously certified pursuant to the Appalachian Regional Development Act of 1965, as amended (40 U.S.C. App. 1 et seq.), and economic development districts designated pursuant to this Act, shall be certified as substate planning and development districts pursuant to this section. Wherever possible, areawide clearinghouses designated by either the Office of Management and Budget or the Governor pursuant to section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, as amended (42 U.S.C. 3334) or title IV of the Intergovernmental Cooperation Act of 1968, as amended (42 U.S.C. 4231 et seq.), shall be certified as substate planning and development districts pursuant to this section.

"(c) No entity shall be certified as a substate planning and development district unless the Governor finds that—

"(1) it is one or more of the following:

"(A) a nonprofit public body organized or chartered under the law of the State in which it is located;

"(B) an agency or instrumentality of a State or local government; or

"(C) an agency or instrumentality created through an interstate compact;

"(2) the proposed district is geographically and politically structured to carry out a unified, multifunctional planning and development program; and

"(3) the proposed district or its governing body has responsibility for all or most of the relevant development planning activities being undertaken in its area.

"(d)(1) The development planning process and the regional growth policy process shall be ultimately based on the goals, objectives, priorities, and recommendations of development districts and local governments as reflected in State development plans. The regional development plan, and annual investment strategies shall be developed from and shall incorporate such goals, objectives, priorities, and recommendations. The State, in the preparation of a State development plan, and the Commission, in the preparation of the regional development plan and annual investment strategies, shall accommodate and to the extent practicable harmonize the diverse goals, objectives, priorities, recommendations, and needs identified by development districts and local governments.

"(2) Public and private sector participation in the development of the goals, objectives, and priorities of regions, State, and development districts shall be provided for, encouraged, and assisted. Regional development commissions and member States shall prepare and publish guidelines to assure full opportunity for public and private sector participation in the establishment of such goals, objectives, and priorities.

"INFORMATION

"Sec. 515. In order to obtain information needed to carry out its duties, each commission—

"(1) may hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute so much of its proceedings and reports thereon as it may deem advisable;

"(2) may arrange for the head of any Federal, State, or local department or agency (who is hereby so authorized to the extent not otherwise prohibited by law) to furnish to the commission such information as may be available to or procurable by such department or agency; and

"(3) shall keep accurate and complete records of its doings and transactions which shall be made available for public inspection, and for the purposes of audit and examination by commission members, the Secretary, or the Comptroller General of the United States, or their duly authorized representatives.

"PERSONAL FINANCIAL INTERESTS

"Sec. 516. (a) Except as permitted by subsection (b) hereof, no State member or alternate and no officer or employee of a commission shall participate personally and substantially as member, alternate, officer, or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in any proceeding, application, request for a ruling or other determination, contract, grant, claim, controversy, or other particular matter in which, to his knowledge, he, his spouse, minor child, partner, organization (other than a State or political subdivision thereof), in which he is serving as officer director, trustee, partner, or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest. Any person who shall violate the provisions of this subsection shall be removed from his position and fined not more than $10,000 or imprisoned not more than two years, or both.

"(b) Subsection (a) hereof shall not apply if the State member, alternate, officer, or employee first advises the commission, in writing and on the record, of the nature and circumstances of the proceeding, application, request for a ruling or other determination, contract, grant, claim, controversy, or other particular matter, makes full disclosure of the financial interest and receives in advance of commission action a written determination made by the commission that the interest is not so substantial as to be deemed likely to affect the integrity of the services which the commission may expect from such State member, alternate, officer, or employee.

"(c) No State member or alternate shall receive any salary, or any contribution to or supplementation of salary, for his services on the commission from any source other than his State. No person detailed to serve the commission under authority of paragraph (6) of section 506 shall receive any salary for his services on a commission from any source other than the State, local or intergovernmental department or agency from which he was detailed or from the commission. Any person who shall violate the provisions of this subsection shall be fined not more than $5,000, or imprisoned not more than one year, or both.

"(d) Nothwithstanding any other subsection of this section, the Federal Cochairman and his staff, and any Federal officers or employees detailed to duty with a commission pursuant to paragraph (5) of section 506, shall not be subject to any such subsections but shall remain subject to sections 202 through 209 of title 18, United States Code.

"PROHIBITED ACTIVITIES

"Sec. 517. (a) No officer or employee of a commission shall—

"(1) solicit or accept money or any other thing of value for services performed within the scope of his official duties in addition to the compensation or expenses paid him by the commission;

"(2) offer money or any thing of value for or in consideration of obtaining an appointment, promotion, or privilege in his employment with the commission.

"(b) Any officer or employee who shall willfully violate any of the provisions of this section shall forfeit his office or employment.

"(c) Any agreement knowingly made in contravention of this section is void.

"BONDING, INSURANCE, LIABILITY

"SEC. 518. (a) The executive director of a commission and such other employees as the commission requires shall be bonded in such form and amounts as the commission may require. The commission may pay the premium for the bonds.

"(b) The commission shall purchase insurance and pay the premiums therefor against loss or damage to any of its personal property and against liability for injury to persons or property. Such insurance coverage shall be in such form and amount as the commission may determine, subject to the conditions of any grant from the Secretary.

"(c) The commission shall be responsible for claims arising out of negligent acts or omissions of its officers, agents, and employees only to the extent prescribed by law generally with respect to officers, agents, and employees of the Government of the United States.

"RECORDS AND AUDIT

"SEC. 519. (a) Each commission shall keep records which fully disclose the amount and disposition of the funds provided to the commission, and such other records which will facilitate an effective audit. The records, books, and accounts shall be available for audit by any member of the commission, the Secretary, and the Comptroller General of the United States, or their duly authorized representatives.

"(b) All recipients of assistance from a commission and all contractors of a commission shall keep records which fully disclose the amount and the disposition by each recipient of the proceeds of such assistance or contract, the total cost of the project or activity for which the funds are given or used, and the amount or activity supplied by other sources, and such other records which will facilitate an effective audit. The Secretary, the commission, the Comptroller General of the United States, or any of their duly authorized representatives shall have access for the examination and audit of any books, documents, and records of any recipients or contractors that are pertinent to assistance received under this title. Any recipient or contractor who fails to abide by this requirement or who refuses to make his books readily available for inspection and audit by those authorized to audit such records shall not be eligible for further funding under this title.

"ASSISTANCE BY THE SECRETARY

"SEC. 520. (a) In addition to other activities authorized by this title, the Secretary is authorized to obtain or provide technical assistance to aid the commissions in carrying out their responsibilities and undertaking new programs and policies which further regional development. Such assistance may be provided through members of the Secretary's staff; through the payment of funds to other departments or agencies of the Federal Government; through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purposes; or through grants to institutions of higher education or nonprofit organizations. Technical assistance may include studies and plans on the needs and potentials of regional development; administrative management assistance; research on improving the conservation and utilization of the human and natural resources of the region; planning, investigations and studies; and economic and demographic information and analysis. The Secretary shall make special provision to assist commissions to function fully and effectively as soon as practicable after creation.

"(b) The Secretary is authorized to make incentive grants to commissions for the following purposes:

"(1) to encourage and enable States to develop and improve mechanisms for unifying State development programs and planning and for coordinating State and commission development program and planning activities, the purpose of such grants being to help commissions enable Governors to develop among State agencies and levels of government a unified set of development objectives for programs, including, but not limited to, economic development, comprehensive planning, outdoor recreation, coastal zone management, tourism, transportation, and environmental protection programs;

"(2) to encourage commissions and States to develop improved procedures which enable States to participate in regional development processes for the purpose of shaping Federal and State programs and policies;

"(3) to encourage commission and State actions supporting energy, export, urban, and other national policies whose effectiveness would be significantly strengthened and advanced by commission and State participation; and

"(4) to encourage other activities needed to strengthen the overall program authorized by this title, including improving management practices, fostering interregional cooperation, creating regional management and data systems, expanding multistate activities, and increasing State financial and other support for commission plans.

"GRANT TO COMMISSIONS

"SEC. 521. (a) Each fiscal year the Secretary shall make grants to the commissions in order to enable them to carry out the programs authorized under sections 507 and 508 of this title.

"(b) The amount to be granted to each commission shall be determined according to a formula developed by the Secretary after consultation with the commissions, publication in the Federal Register, and an opportunity for public comment.

"(c) No grant shall be made to a commission prior to receipt by the Secretary of the approved annual investment program for the commission.

"ADMINISTRATION EXPENSES

"SEC. 522. (a) Each commission shall submit an annual application to the Secretary prior to the beginning of each Federal fiscal year for a grant to cover the administrative expenses of the commission for the upcoming fiscal year.

"(b) For the period ending on September 30 of the second full Federal fiscal year following the date of establishment of a commission, the Secretary shall make a grant each year to pay 100 per centum of the commission's administrative expenses which are approved by the commission and the Secretary. Thereafter, the Secretary shall make an annual grant to pay 50 per centum of the approved expenses; the remaining 50 per centum shall be paid by the member States in the commission (The administrative expenses of the Federal Cochairman and his staff may not be considered as commission expenses.) The share of administrative expenses to be paid by each State shall be determined by agreement of the State members of the commission. At the discretion of the State members, States may contribute more than the amount of the annual grant from the Secretary.

"(c) Each commission shall adopt a schedule for the payment of the State contributions for administrative expenses. No assistance authorized by this title shall be furnished to any State or to any political subdivision or any resident of such State, nor shall the State member or alternate participate or vote in any determination by a commission, while such State is delinquent in payment of its share of administrative expenses.

"(d) If the boundary of the region for any group of States established as a new regional development commission under this title is identical to the boundary of the region of a regional action planning commission previously established for at least two years under this title, the Secretary shall not make grants for full funding of the administrative expenses of the new commission. Such expenses shall be paid 50 per centum from grants by the Secretary and at least 50 per centum from contributions by the States, pursuant to this section, from the date of the establishment of the new commission.

"(e) The administrative expenses of the Federal Cochairman and their staffs shall be paid entirely from funds provided by the Secretary.

"ADMINISTRATION

"SEC. 523. (a) The Secretary shall coordinate and provide policy guidance to the Federal Cochairman authorized under section 504 of this title. The Secretary is authorized to employ such staff as necessary to carry out the Secretary's functions authorized by this title, including the employment of experts and consultants pursuant to section 3109 of title 5, United States Code.

"(b)(1) There is hereby created a regional development council, composed of the Federal Cochairman of the regional development commissions, which shall serve as a mechanism for consultation regarding policy and administrative improvements in the program authorized by this title. The Secretary shall appoint, after consultation with the members of the council, one member to serve as chairperson and one to serve as vice chairperson.

"(2) There is hereby established in the Department of Commerce an Office of Regional Development, which shall be headed by a Director, appointed by the Secretary after consultation with the chairperson of the regional development council, and composed of such staff as may be necessary to carry out its functions. This office shall perform such duties as are prescribed by the Secretary, provide staff for the regional development council, perform reviews and studies, assist the Federal Cochairman in the preparation of the budget for the commission program, and provide supplemental technical and support services as necessary for the Federal Cochairman authorized by this title.

"(c) The Secretary shall develop procedures to ensure that commission activities are consistent with the provisions of this title and grants from the Department of Commerce. To this end, the Secretary shall adopt procedures and regulations governing—

"(1) the recognition of regions and changes boundaries;

"(2) the preparation, submission, and review of the regional development plan, annual investment and growth policy recommendations;

"(3) the submission of grant applications by commissions and the award of grants under sections 521 and 522;

"(4) the award of grants and contracts under section 520 of this title;

"(5) records to be kept by commissions and their recipients and contractors;

"(6) the administrative policies and procedures developed by the commissions pursuant to section 506(b); and

"(7) the establishment and operation of a management information system covering activities authorized under this title.

"(d) The Secretary shall provide staff for the interagency mechanism authorized under section 512 when it considers regional development issues and activities.

"(e) There are hereby authorized to be appropriated to the Secretary to carry out the provisions of this title (except section 520) $250,000,000 per fiscal year for each of fiscal years ending on September 30, 1980, and September 30, 1981. Such sums shall remain available until expended.

"(f) There are hereby authorized to be appropriated to the Secretary to carry out the provisions of section 520 of this title sums not to exceed 20 per centum of the amount appropriated under the authority of subsection (e) of this section for each of the fiscal years ending on September 30, 1980, and September 30, 1981, to remain available until expended.

"REPORTS

"SEC. 524. (a) Not later than six months after the close of each fiscal year, each commission shall prepare and submit to the Governor of each State in the region and to the Secretary, for transmittal to the Congress, a report on the activities carried out under this title during the previous year, proposed activities for the present year, and a description of the developmental state of the region.

"(b) Each biennium, the Secretary, with the assistance of each commission, shall submit a report to the Congress on economic trends, development inhibitors, growth problems and opportunities, and other relevant economic and social data for each development region.

"SEPARABILITY

"SEC. 525. Notwithstanding any other evidence of the intent of Congress it is hereby declared to be the intent of Congress that if any provision of this Act or the application thereof to any persons or circumstances shall be adjudged by any court of competent jurisdiction to be invalid such judgment shall not affect, impair, or invalidate the remainder of this Act or its application to other persons and circumstances.

"DEFINITIONS

"SEC. 526. When used in this title—

"(1) the term 'regional development' means the improvement of conditions and opportunities for individuals, communities, States, and regions through selective management of resources and activities toward the achievement of regional goals in the approved regional plan, including those goals which affect human and natural resource, institutional, community, and economic development;

"(2) the term 'regional development process' means the process of developing and communicating recommendations affecting shared and interstate problems of regional growth and decline as set out in the regional plan, annual investment programs, and growth policy recommendations necessary for the successful implementation of the regional plan and program;

"(3) the term 'commission' means a regional development commission authorized by this title;

"(4) the term 'Secretary' means the Secretary of Commerce;

"(5) the term 'State', 'States', or 'United States' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the territories of the Virgin Islands, Guam, and American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Marianas;

"(6) the term 'Governor' means the chief executive officer of the territorial or political unit included in the definition of the term 'State';

"(7) the term 'development region' means an area which includes a whole State or States or parts of States and which is recognized as a development region pursuant to section 501 of this title;

"(8) the term 'multiyear regional development plan' means the plan required by section 511(a) of this title;

"(9) the term 'annual investment program' means the program required by section 511(b) of this title;

"(10) the term 'growth policy recommendations' means the recommendations authorized by section 511(c) of this title;

"(11) the term 'substate planning and development district' means an entity certified as a substate planning and development district pursuant to section 514 of this title; and

"(12) the term 'Federal Regional Councils' means the regional-based interagency coordination mechanisms established pursuant to Executive Order 11647, as amended, or such other mechanisms as may be established by the President to carry out the functions enunciated in the Executive order.".

TITLE III

SEC. 301. This title may be cited as the "Appalachian Regional Development Act Amendments of 1979".

SEC. 302. Section 2 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 2) is amended as follows:

(1) The fifth sentence of subsection (a) of such section is amended by inserting "including the provision of services to people in the region, and in distressed cities and communities in which the economic base of earlier days has deteriorated" after "special problems,".

(2) The sixth sentence of subsection (a) is amended to read as follows: "The public investments made in the region under this Act shall be concentrated in areas where there is a significant potential for future growth, including emerging small cities and urban centers, distressed cities and communities, and areas affected by energy development, where the expected return on public dollars invested will be the greatest, and in remote and hard-to-reach areas where there are special problems in providing for human service needs.".

SEC. 303. (a) The third sentence of subsection (b) of section 101 of the Appalachian Regional Development Act of 1965 is amended to read as follows: "No decision involving the approval of State regional plans or investment programs, the allocation of funds among the States, or affecting any basic Commission policy may be made without a quorum of State members present.".

(b) Subsection (b) of section 105 of the Appalachian Development Act of 1965 (40 App. U.S.C. 105) is amended by adding at the end thereof the following new sentence: "To carry out this section there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed $7,000,000 for the two-fiscal-year period ending September 30, 1981, of which amount not to exceed $1,100,000 shall be available for expenses of the Federal cochairman and staff.".

SEC. 304. (a) Paragraph (7) of section 106 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 106) is amended by striking out "1979" and inserting in lieu thereof "1981".

(b) The first sentence of paragraph (2) of section 106 of the Appalachian Regional Development Act of 1965 (40 App. U.S C. 106) is amended by striking out "except that" and all that follows down through the period at the end of such sentence and inserting in lieu thereof the following: "except that the Executive Director shall receive basic pay equal to salary rate ES-6 established for the Senior Executive Service under title IV of the Civil Service Reform Act of 1978.".

SEC. 305. Section 201 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 201) is amended as follows:

(1) The third sentence of subsection (a) of such section is amended by striking out "three thousand and twenty-five miles" and inserting in lieu thereof "three thousand and one hundred miles".

(2) Subsection (g) of such section is amended by striking everything after "1979", and inserting in lieu thereof: "$400,000,000 for fiscal year 1980; $500,000,000 for fiscal year 1981; $550,000,000 for fiscal year 1982; and $550,000,000 for fiscal year 1983.".

(3) Subsection (h)(1) of such section is amended by striking "70 per centum" and inserting in lieu thereof "80 per centum", and by adding at the end thereof the following new sentence: "Projects approved after March 30, 1979, and on or before the date of enactment of this sentence may be adjusted to receive a Federal share not greater than 80 per centum.".

SEC. 306. Section 202 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 202) is amended as follows:

(1) The seventh sentence of subsection (c) is amended by striking out "except" and all that follows down through the period at the end of such sentence and inserting in lieu thereof "except that child development demonstrations assisted under this section in fiscal year 1979 may, upon State request, be considered for approval under section 303 of this Act for continued support beyond that period."; and

(2) By adding at the end of such section the following new subsection:

"(f)(1) After consultation with the interested Federal agencies, the Commission may make grants to the States, including grants for reasonable administrative expenses, for innovative projects and for demonstrations approved pursuant to section 303, of methods and techniques for meeting human services needs of individuals and families in the region which the Commission determines cannot reasonably be accomplished under other provisions of this title, and shall give special emphasis to demonstrations serving people in the more remote and hard-to-reach areas of the region and in areas impacted by energy development.

"(2) States may carry out such demonstrations directly, or through the employment of private individuals or firms under contracts entered into for such purposes, or through arrangements with public bodies and private nonprofit organizations.

"(3) Demonstrations may be funded entirely from appropriations to carry out this Act or in combination with funds available under other Federal grant-in-aid programs or from any source. Notwithstanding any provision of law limiting the Federal share in any such other program, funds appropriated to carry out this subsection may be used to increase such Federal share as the Commission determines appropriate for up to 100 per centum of the cost of any component of a project for the first two years and 75 per centum thereafter. No component of a demonstration shall receive financial assistance under this title after five years following the commencement of the assistance for such component.".

SEC. 307. Subsection (d) of section 205 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 205) is amended by striking everything after "facilities" and inserting in lieu thereof "and housing, or industrial, commercial, or other economic development purposes.".

SEC. 308. Subsection (c) of section 207 of the Appalachian Regional Development Act 1965 (40 App. U.S.C. 207) is amended as follows:

(1) Subsection (c)(1) is amended by inserting "technical assistance" immediately after "incident to"; and

(2) Subsection (c)(2) of such section is amended by—

(A) inserting "acquisition and" after "site",

(B) striking out "10 per centum" each

place it occurs and inserting in lieu thereof at each such place "25 per centum"; and

(C) adding at the end thereof the following new sentence: "The Secretary (or a State acting under subsection (e) of this section) shall assure that reductions in the cost of housing units due to the acquisition of land pursuant to this section shall accrue to the benefit of ultimate purchasers or tenants of such housing units."

Sec. 309. Title II of the Appalachian Regional Development Act of 1965 is amended by inserting after section 208 the following new sections:

"ENTERPRISE DEVELOPMENT ACTIVITIES

"Sec. 209. (a) In order to assist in stimulating business and natural resources activities in the region, the Commission is authorized, notwithstanding section 224(b) (2), (3), and (4), to make grants approved pursuant to section 303 to the States, including grants for reasonable administrative expenses, for—

"(1) aiding State and local governments and other public bodies in programs of business-related technical assistance including entrepreneurial development, management advice, market analyses, and utilization of financial feasibility studies; and

"(2) establishing non-Federal revolving funds to be used for business, agricultural, and forestry enterprise development loans, with special emphasis on loans furthering development opportunities for entrepreneurs that are identified through technical assistance activities under this Act, with consultation of interested Federal agencies.

"(b) States may carry out such activities directly, or through the employment of private individuals or firms under contracts entered into for such purposes, or through arrangements with public bodies and private nonprofit organizations.

"(c) Assistance under this section may be funded entirely from appropriations to carry out this Act or in combination with funds available under other Federal grant-in-aid programs or from any source.

"(d) No grant to a State shall be used for more than 80 per centum of any loan approved more than three years after the date of the initial grant to such State under subsection (a)(2), and the remainder of any such loan shall be in cash or in kind fairly evaluated, including but not limited to sites, space equipment, and services.

"COAL GASIFICATION PROJECTS

"Sec. 210. (a) Notwithstanding section 224 (b)(4) of this Act, the Secretary of Energy is directed to make grants for feasibility studies, planning, development (including technical assistance) and construction of small scale, medium-BTU coal gasification projects.

"(b) Grants under this section may be made to—

"(1) States,

"(2) political subdivisions of States,

"(3) nonprofit corporations for the development or management, or both, of industrial parks or property.

"(c) No grant shall be made under this section unless—

"(1) the project will serve at least 3 commercial or indstrial users,

"(2) the project site is located (A) in a standard metropolitan statisical area served by he Appalachian development highway system, or (B) in a redevelopment area,

"(3) the project site is located in a labor surplus area as determined by the Secretary of Labor,

"(4) the project site is served by adequate rail transportation facilities, and

"(5) the project site is located close to adequate bituminous and anthracite coal supplies.

"(d) No grant shall be made under this section for any ccal gasification project for more than 80 per centum for the cost of such project, except that the Secretary of Energy may make a grant for a feasibility study of such a project for 100 per centum of the cost of such study. Subject to the requirements of the preceding sentence and the other requirements of this section, a grant may be made under this section for the purpose of increasing the Federal contribution to any such project for which Federal financial assistance is available under provisions of law other than this section.".

Sec. 310. Subsection (c) of section 214 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 214) is amended as follows:

(1) The first sentence of such subsection is amended by striking "December 31, 1978" and inserting in lieu thereof "October 1, 1981".

(2) The second sentence of such subsection is amended by inserting "authorized by title 23, United States Code" after "road construction".

Sec. 311. Subsection (b)(2) of section 224 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 224) is amended by inserting after "cost" the phrase "to private for profit establishments".

Sec. 312. Section 401 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 401) is amended to read as follows:

"Sec. 401. (a) In addition to the appropriations authorized in section 105 for administrative expenses, and in section 201(g) for the Appalachian development highway system and local access roads, there is authorized to be appropriated to the President, to be available until expended, to carry out this Act, $340,000,000 for the two-fiscal-year period ending September 30, 1981.

"(b) No more than 10 per centum of the funds appropriated under this section for the two-fiscal-year period ending September 30, 1981, shall be obligated for direct grants by the Commission to carry out the purpose of sections 202(f) and 209.

"(c) Not more than 10 per centum of the funds appropriated under this section for the two-fiscal-year period ending September 30, 1981, shall be obligated for grants under section 210 of this Act.".

Sec. 313. Section 405 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 405) is amended by striking "October 1, 1979" and inserting in lieu thereof "October 1, 1981".

TITLE IV

Sec. 401. (a) Subsections (h) and (j) of section 108 of the Local Public Works Capital Development and Investment Act of 1976 (Public Law 94–369) are hereby repealed.

(b) Section 111 of the Local Public Works Capital Development and Investment Act of 1976 (Public Law 94–369) is amended by adding at the end thereof the following: "There is authorized to be appropriated an additional amount not to exceed $2,000,000,000 except that no appropriation of any of such amount is authorized under this sentence if a determination is made that the national average rate of unemployment has receded below an average of 6.5 per centum for the most recent calendar quarter as determined by the Secretary of Labor.".

Sec. 402. Subsection (b) of section 108 of the Local Public Works Capital Development and Investment Act of 1976 (Public Law 94–369) is amended by adding at the end thereof the following:

"(5) Notwithstanding the preceding paragraphs of this subsection, first priority and preference shall be given to those public works projects (A) for which Federal financial assistance is authorized under provisions of law other than this Act, (B) which are needed to meet the mandated requirements of a law of the United States, and (C) for which Federal financial assistance although authorized is not immediately available for such projects.".

Sec. 403. Any contract entered into pursuant to this Act or pursuant to any amendment made by this Act shall be effective only to such extent and in such amounts as may be provided in advance in an appropriation Act.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "A bill to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for two additional years, to extend the authorizations for the Appalachian Regional Development Act of 1965 for two additional years, and for other purposes.".

A motion to reconsider was laid on the table.

A similar House bill (H.R. 2063) was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 4391, MILITARY CONSTRUCTION APPROPRIATIONS, 1980

Mr. McKAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4391) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1980, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah? The Chair hears none and, without objection, appoints the following conferees: Messrs. McKay, Ginn, Steed, Addabbo, Long of Maryland, Whitten, McEwen, Regula, and Conte.

There was no objection.

MAKING IN ORDER ON FRIDAY, OR ANY DAY THEREAFTER, CONSIDERATION OF CONFERENCE REPORT ON H.R. 4391, MILITARY CONSTRUCTION APPROPRIATIONS, 1980

Mr. McKAY. Mr. Speaker, I ask unanimous consent that it may be in order on Friday, or any day thereafter, to consider the conference report on the bill (H.R. 4391) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1980, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I am not at all sure the gentleman from Utah (Mr. McKay) can respond to my question. The gentleman's request presupposes a certain program on Friday. The gentleman from Maryland is not even sure what the program is for the remainder of the evening. Is there any Member in authority on the gentleman's side of the aisle who can speak, or can the gentleman inform us as to what the program is to be?

Mr. McKAY. Mr. Speaker, I cannot tell

the gentleman what the program may be on Friday. I am only preparing so that in case there is a program on Friday we will be able to accomplish the conclusion of this bill.

Mr. BAUMAN. Further reserving the right to object, Mr. Speaker, perhaps the gentleman from Illinois (Mr. ROSTENKOWSKI) could tell us what the program is for the remainder of this evening.

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Mr. ROSTENKOWSKI. If the gentleman will yield, it has, I think, been somewhat agreed that we would conclude the debate on the FTC bill, work to the Russo amendment, and through it, vote on the Russo amendment, and rise either at 9 o'clock or at the conclusion of the debate and voting on the Russo amendment, whichever comes first.

That was the arrangement that has been somewhat unofficially agreed to.

Mr. BAUMAN. I understand the gentleman's hand motions.

I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah (Mr. McKAY)?

There was no objection.

INTERNATIONAL EMERGENCY ECONOMIC POWERS ACT AUTHORITY TAKEN WITH RESPECT TO IRAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–226)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

Pursuant to Section 204(b) of the International Emergency Economic Powers Act, 50 U.S.C.A. § 1703, I hereby report to the Congress that I have today exercised the authority granted by this Act to block certain property or interests in property of the Government of Iran, its instrumentalities and controlled entities and the Central Bank of Iran.

1. The circumstances necessitating the exercise of this authority are the recent events in Iran and the recent actions of the Government of Iran.

2. These events and actions put at grave risk the personal safety of United States citizens and the lawful claims of United States citizens and entities against the Government of Iran and constitute an extraordinary threat to the national security and foreign policy of the United States.

3. Consequently, I have ordered blocked all property and interests in property of the Government of Iran, its instrumentalities and controlled entities and the Central Bank of Iran which are or become subject to the jurisdiction of the United States or which are or come within the possession of persons subject to the jurisdiction of the United States. I have authorized the Secretary of the Treasury to employ all powers granted to me by the International Emergency Economic Powers Act to carry out the blocking.

4. Blocking property and property interests of the Government of Iran, its instrumentalities and controlled entities and the Central Bank of Iran will enable the United States to assure that these resources will be available to satisfy lawful claims of citizens and entities of the United States against the Government of Iran.

5. This action is taken with respect to Iran for the reasons described in this report.

JIMMY CARTER.

THE WHITE HOUSE, *November 14, 1979.*

FEDERAL TRADE COMMISSION IMPROVEMENTS ACT OF 1979

Mr. SCHEUER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2313) to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in such act.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. SCHEUER).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2313, with Mr. LAFALCE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from New York (Mr. SCHEUER) will be recognized for 30 minutes, and the gentleman from North Carolina (Mr. BROYHILL) will be recognized for 30 minutes.

The Chair recognizes the gentleman from New York (Mr. SCHEUER).

Mr. SCHEUER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in deference to the late hour and in our joint wish to expedite matters, the distinguished gentleman from North Carolina (Mr. BROYHILL) and I have agreed to limit debate to a half hour, which we will share equally, 15 minutes each.

Mr. Chairman, the FTC has been functioning without an authorization bill for several years. On three separate occasions the House voted down authorization votes and votes to accept conference reports because of the fact that the bill is in unsatisfactory form to the House, mainly because it did not have a provision for legislative veto.

Now, the bill before us would authorize appropriations for the years 1980, 1981, and 1982, with some limitations on the use of those funds.

I want to say at this point that this bill has come out of the Subcommittee on Consumer Protection and Finance unanimously. It was reported by the full committee unanimously.

It has been the product of careful draftsmanship and negotiations by the Committee on Interstate and Foreign Commerce. I wish to pay a special tribute at this time to the Member from North Carolina (Mr. BROYHILL) and to the Member from New Jersey (Mr. RINALDO), for their patience, for their professionalism, and for their willingness and diligence in working out what has been a thoroughly professional compromise on this bill.

It is a totally bipartisan product of the Subcommittee on Consumer Protection and Finance and the Committee on Interstate and Foreign Commerce.

Mr. Chairman, this bill has several elements in it which make it more responsive to the sense of disquietude in the business community and very much more responsive to the pervasive sense in this Congress that we want to make regulatory agencies more responsive to our will, more responsible that we want to get a handle on what goes on out there.

First, the bill contains some regulatory reform provisions which should open it up to greater and more consistent and sympathetic scrutiny.

Second, there is a limitation on public participation funding in rulemaking proceedings.

Third, the bill on its face prohibits the FTC from petitioning the Patent and Trademark Office to cancel a trademark on the grounds that it has become a generic or common name.

And fourth, and by far not least, the bill provides a legislative veto that has been the result of literally hundreds of hours of scholarship and negotiation in a spirit of compromise.

For that, I want to pay a special tribute to our colleague from Georgia (Mr. LEVITAS), who has taken enormous leadership in drafting a legislative veto.

Now, this new rulemaking procedure for FTC was decreed by the Magnuson-Moss Act of 1975, and it provides more rights to affected industries and groups than any other rulemaking process in Government, with only one exception: Every single rule issued by the FTC since they began rulemaking in the early seventies, was initiated when the Commission had a majority of its members appointed by Presidents Nixon and Ford.

Indeed, Mr. Chairman, Michael Pertschuk was a Senate staff member when all but one of these rules was started.

This is a history of prudent, thoughtful, and responsible rulemaking.

Mr. Chairman, there are three amendments which are in order, of which two will be offered. I intend to oppose both of those amendments when the time comes.

Mr. Chairman, I yield 1 minute to the gentleman from North Carolina (Mr. PREYER).

Mr. PREYER. Mr. Chairman, it has been open season on the FTC, and I admit that I have been one of the hunters, as my remarks in the report on used car warranties will attest.

But fair is fair. We should not let the smell of blood drive us into a frenzied and foolish crippling of the FTC.

We should be discriminating—that is what intelligence is for. We should rein in the overzealousness of the FTC but recognize that the goal of the FTC—to promote competition and to protect consumers against unfair or deceptive trade practices—is a valuable and necessary goal.

This bill is discriminating in this sense. It disciplines the FTC and restrains it but does not cripple it so that it is unable to achieve its valid goals.

H.R. 2313 is a carefully drafted and negotiated piece of legislation. The bill contains levels of spending and eligible categories of spending that are the product of give-and-take within our subcommittee which, itself, I believe, represents a fairly broad cross section of the House. It also includes a legislative veto which, after considerable discussion, was determined to be the proper vehicle to balance the congressional desire to leave broad rulemaking in FTC, but to enhance the effective oversight by the Congress over its use.

As to the rulemaking power of the FTC, a subject of much concern to Congress, this bill imposes restraints on the FTC in this area, but we, as a Congress, also need to exercise some self-restraint. Much of the concern in Congress is to what the FTC might do, rather than, in fact, what it has done.

To legislate by floor amendment on the basis of some regulatory evil that might occur prevents the orderly working of the legislative process.

The proposed used car rule is a case in point. This proceeding started on January 6, 1976. As it made its way through the various stages of development, we in the subcommittee saw the possibility that, contrary to Magnuson-Moss, there was the possibility of preemption of State law or the creation of a series of implied warranties.

It was this danger that caused me and a number of my colleagues to raise this question in the committee report on H.R. 2313.

The record will show that the present FTC leadership will amend the proposed rule to correct this problem so there will no longer be a threat of mandatory implied warranties.

This is orderly process; this is the effective way to make needed changes, rather than through amendments on the floor which bypass the hearing process, and the rulemaking process. It is just this orderly process which is embodied in H.R. 2313.

I suggest to my colleagues that this compromise legislation, which has bipartisan support, is worthy of their support.

The funeral industry and agricultural cooperatives will have the full benefit of this orderly process: rulemaking, congressional oversight, and the added safeguard of a congressional veto. This is orderly democratic process. Maintaining that process is more important than this bill.

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Mr. BROYHILL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I support the legislation before us today because it contains a number of improvements in the FTC's rulemaking process. In my view, the most significant of these improvements is the provision calling for a congressional review and veto of FTC rules. The congressional veto device will significantly aid in the ability of the Congress to oversee the Federal Trade Commission.

Congress has done a less than adequate job in carrying out its oversight responsibilities with respect to the Federal Trade Commission. It is easy to find examples of the results of this lack of effective oversight. Indeed, we can point to a number of cases in which the FTC has artificially inhibited competition. For example, in the Encyclopaedia Brittanica case and the Johnsons Product case, the Commission imposed requirements on a company which were not applicable to its competitor. In the Federal Glass case, because the FTC prevented a merger, the company went out of business leaving the field to the company's large competitors.

In my view, the Commission has also from time to time begun a rulemaking proceeding without doing the necessary background work to determine whether a trade regulation rule is necessary in the first place. For example, the FTC has issued a rule to regulate the health spa industry. However, its own Bureau of Economics reported that any benefits flowing from such a rule could not be expected to be particularly significant. The provisions of the bill before us requires that the agency do more up-front work so that it will have a greater appreciation of the need for a proposal before it actually issues a proposed rule and goes through the rulemaking process.

The Commission has also, from time to time, proposed nonsensical rules. The proposed over-the-counter drug rule provides an example of this. The FTC is going to require that advertisers of the products use the scientific and medical terms now required by the Food and Drug Administration. Therefore if the FTC has its way, stomach gas will have to be called "antiflatulents."

Mr. Chairman, most people cannot understand language like this. Indeed I have seen one survey that shows that a number of people surveyed thought "antiflatulent" was a person who is against doctors while at least one person thought the term was a fancy name for a bust developer. Certainly we should be able to expect better from the rules flowing from our Federal agencies.

Of particular concern to me is the fact that the FTC rule proposals are often either duplicative or incompatible with other Federal laws or Federal policies. The FTC's mobile home rulemaking proceeding is a good example of this. In this proceeding, the FTC is proposing to regulate the mobile home industry even though the industry is now subject to comprehensive regulation by the Department of Housing and Urban Development. In my view, this duplicative regulatory action should not be encouraged.

The standards and certification rulemaking which is now ongoing at the Commission offers a classic example of the kind of problem I am talking about. The FTC has made certain proposals to govern the way in which our voluntary standards writing bodies go about their business. However, OMB will soon be issuing a circular directing the Department of Commerce to issue similar guidelines with respect to standards applicable to products purchased by the Government. Since these guidelines would apply to most major manufacturers, it seems to me that the FTC's proposed rule is at best superfluous in that its provisions are not identical to the Department of Commerce's guidelines, it is also inconsistent and confusing.

Further, the FTC rule duplicates the National Policy on Standards which is followed by most standards writing bodies. The FTC proposal is the kind of Federal regulation which we do not need, and if the FTC does finalize a rule in this area, it is my view at this time that it would be a good candidate for legislative veto.

The provisions of H.R. 2313 are very needed provisions. They will require that the Commission analyze more carefully the need for regulation before proposing a rule and will give the Congress the opportunity to look over the Commission's final work product before it goes into effect. Consequently, I urge my colleagues to support the legislation before us today.

Mr. KASTENMEIER. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. I appreciate the gentleman yielding. I take this time to discuss with him one of the sections in the bill which resembles a section in a bill to come before us later this week, the hospital cost containment policy. It relates to what is, in essence, a judicial review section relating to congressional review.

I have had discussions with both gentlemen from North Carolina and the gentleman from New York (Mr. SCHEUER), and others about this. It is a matter of a provision which would normally have come to the Judiciary Committee were it a separate bill.

Section 302(f) mandates that the district court, in terms of constitutional questions relating to this section in the bill, will certify such questions to the circuit court of appeals and that particular court, namely, the circuit court of appeals, must assemble en banc in the 5th and 9th circuits, which may mean as many as 20 or more judges, to expeditiously consider this matter. Actually this is somewhat judicial overkill, I believe.

In any event, I think it would have been more appropriate had we considered the implications. We are attempting to rationalize some of these expedited judicial procedures in other matters at the present time. In light of that, I am authorized to speak on behalf of the ranking minority member of my Subcommittee on Courts, Civil Liberties, and the Administration of Justice, the gentleman from Illinois (Mr. RAILSBACK).

We would urge that the gentleman

from North Carolina and the gentleman from New York, assuming the bill passes in more or less its present form and this section remains intact, and it is not subject to amendment, of course, would consider amending the bill in conference, bringing it back in some form to more or less resemble what we have already agreed to do in the other bill, the hospital cost containment policy bill.

Mr. BROYHILL. I appreciate the gentleman's remarks and the concerns expressed by the gentleman from Wisconsin. At the time the subcommittee considered the legislative review and veto provisions this subsection was put into the bill at the request of the gentleman from New York and, of course, I thought that it was an effort to try to get some answer from the courts quickly as to the constitutionality of legislative review and veto as it applies to the Federal Trade Commission rules and regulations.

As a result of that, I did agree with the gentleman from New York to putting it in the bill at this point. I can understand the concerns that the gentleman from Wisconsin has, and certainly as one member of the committee who is a potential conferee I will assure him that we will give very careful consideration to his views and suggested language that he thinks should be here. As he knows, under the present rule we are not able to amend at this time.

Mr. KASTENMEIER. If the gentleman will yield further, I appreciate the assurance of the gentleman from North Carolina and, of course, I accept that.

Mr. BROYHILL. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. SCHEUER).

Mr. SCHEUER. Mr. Chairman, I agree completely with the remarks of the gentleman from North Carolina, and we will attempt diligently in the conference to give meaning to the views expressed by the gentleman from Wisconsin. We will join in a mutual effort, I am sure.

Mr. BROYHILL. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey (Mr. RINALDO), the ranking minority member of the subcommittee.

Mr. RINALDO. Mr. Chairman, I support the bill before the House today for a number of different reasons.

In my view, this legislation makes some very necessary changes in the FTC's rulemaking processes.

Among the various provisions of the bill are requirements that the agency issue a regulatory analysis along with its rules, that it set and keep internal deadlines, that it publish a semi-annual regulatory agenda detailing its plans for the future, and that it review from time to time the continued need for rules which are already on the books.

The bill also contains a legislative veto provision.

I am convinced that this device will be most helpful in aiding the Congress to more carefully oversee the activities of the Federal Trade Commission.

In my opinion, one of the best examples of what I am talking about is the Federal Trade Commission's recently issued home insulation rule.

Now, it may be that the FTC had a good idea when they started this proceeding, but unfortunately, the rule which they finally issued could be substantially improved.

First of all, the rule is virtually impossible to comply with.

This is because the agency is requiring certain kinds of testing even though the equipment to do this testing does not yet exist.

Indeed, the National Bureau of Standards tells us that it will be a number of months before the equipment can be developed and the accuracy of that equipment verified.

Further, the rule specifies that certain kinds of disclosure statements must be included in all advertising, including television advertisements.

Those disclosure statements could take up to 15 seconds of the television advertisement.

Since many companies buy 30 second spots in prime time television, this requirement is very significant.

The requirement that radio and television advertisements contain specific disclosure statements is a rather innovative concept.

Although the Commission has from time to time ordered corrective advertising; in this case, the Commission is requiring disclosure of certain kinds of information without finding beforehand that deceptive advertising has indeed taken place.

Had a legislative veto device been included in the legislation in the 95th Congress, the FTC Conference Report would have passed the House, and we would not have to be dealing with it today.

The device would have been available to overturn this rule.

Therefore, it is important that we pass H.R. 2313 and send it to the other body for action as soon as possible.

Mr. BROYHILL. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. SHUMWAY).

Mr. SHUMWAY. Mr. Chairman, our Nation is confronted with serious economic problems. The annual rate of inflation is hovering around 13 percent; the prime interest rate is greater than 15 percent; the number of Americans unemployed can be expected to increase in the next few months; our level of savings and investment is dangerously low, as is our rate of productivity growth.

As a member of the Economic Stabilization Subcommittee of the Banking Committee, I have been participating in recent weeks in hearings on the Chrysler Corp.'s request for a Federal loan guarantee. It has been repeatedly argued that, if Federal assistance is not forthcoming, our 10th largest industrial corporation may actually fail. This, Mr. Chairman, is just one more indication—albeit a fairly dramatic one—of the perilous state of our economy.

Throughout our hearings, the witnesses have repeatedly alluded to two primary reasons for Chrysler's present condition: The impact of the energy crisis, and the burden of Federal regulation. We are all aware of the seriousness of our energy problems and, hopefully, are taking the actions necessary to ease the situation.

Yet what about the burden of Federal regulation, not only with regard to Chrysler, but as it affects our entire economy? It has been estimated that the cost of compliance with such regulations may, on an annual basis, exceed $100 billion. And, in a much more immediate sense, I am certain we have all heard from many of our constituents—small businessmen, farmers, professional people of all types—about the expense involved in complying with what are often perceived to be excessive, unnecessary, and even illogical Federal regulations.

The agency that has perhaps been most criticized for its apparent excess of zeal is the Federal Trade Commission. I, for one, have been one of these critics, as have a number of our colleagues. It is not really surprising that the FTC has been functioning without a formal congressional authorization for the past couple years—I seriously doubt whether the FTC would have been permitted to operate in just the same fashion it has if we in this body had taken up FTC authorizing legislation.

I am therefore pleased that an FTC authorization is now before us—although I am disturbed that it was felt necessary for us to deal with this under a restrictive rule. I think it is obvious that if an open rule had been adopted, we might be taking an even closer look at the FTC—and perhaps making further improvements—than will otherwise be the case.

Nevertheless, the legislation before us is not without merit. I am particularly supportive of the legislative veto provision. It is clear that, in many instances, the FTC has acted in a manner that exceeds, or is even contrary to the intent of Congress. It is essential that Congress require Federal agencies to carry out their duties in a fashion consistent with the laws as we write them. In fact, I do not expect that we will have to resort to the legislative veto very often—the mere fact of its existence will hopefully encourage the FTC to act in a more responsible way.

Mr. Chairman, our constituents demand that we do no less. We must restore to Congress the right to determine appropriate regulatory activity—and remove the great discretionary power that is being increasingly assumed by unelected bureaucrats. We have substantial laws on the books which guard against the practices with which the FTC is concerned—and they should be enforced. However, it is the propensity for the FTC to engage in "fishing expeditions" that we must eliminate—not their legitimate duties. Again, the legislative veto will be most helpful in this regard.

Mr. Chairman, the legislation before us today is not perfect. It will be improved if the two substantive amendments allowed under the rule are adopted. It could have been improved further if an open rule had been provided. To quote the distinguished Speaker of the House—

> I think the feeling of the House is that they—the FTC—have overextended themselves. I think they're a little ambitious—a little overly ambitious.

I am pleased to say that not only do I agree with the Speaker, I would be prepared to go further. The message we are getting from the American people is apparent: they are just plain fed up.

I only hope the legislation before us today is a forceful enough response to this message. Again, Mr. Chairman, I must urge our colleagues to recognize that if we are really serious about solving our economic problems, we must make even stronger efforts in the area of regulatory reform in the future.

Mr. BROYHILL. Mr. Chairman, I yield such time as he may consume to the gentleman from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. Mr. Chairman, I would like to take this opportunity to address the legislative veto provisions of the pending bill, H.R. 2313, the FTC Improvement Act of 1979. Specifically, I refer to section 302 of the pending bill—that section giving Congress the opportunity to override rules or regulations promulgated by this particular agency.

I will not use this time to defend or attack any of the industries that have been subject to FTC investigation and rulemaking. In fact, I would be the first to admit that there are instances of abuse within these industries to the point where the public's interests are not being served. Investigation and correction of such abuse is warranted. But that kind of activity is far different from allowing a small group of individuals who wish to engage in a vendetta against a particular industry to have free reign to attack and undermine an entire industry without clear oversight by elected representatives of the people.

The legislative veto provision allows Congress to overturn an FTC rule by passage of a concurrent resolution of both Houses within 90 days of submission of the rule to Congress; or, by passage of such a resolution by one House within 60 days and failure of the other House to overturn that action within 30 days. The bill also provides for an expedited judicial review of the constitutionality of the legislative veto mechanism.

To say that the American people are "fed up" with Government overregulation is an understatement. To blame such overregulation solely on Government bureaucrats is a "cop out."

I have felt for a long time that many of the problems and frustrations of modern government relate directly to the failure of Congress to aggressively exercise its oversight responsibilities. I am not here to defend Washington bureaucrats or the manner in which they choose to administer the laws we pass. I am here to say that Congress can do something about it.

It is Congress that passes the laws that govern our Nation. Administrative rulemaking represents the fine tuning of those laws. Congress, therefore, has both the authority and the obligation to assume a more active role in the approval and/or disapproval of rules and regulations promulgated by Federal agencies.

I can think of few Federal agencies that rival the Federal Trade Commission in their ability to rouse both genuine concern and downright outrage on the part of my constituents. If it is true that the FTC has become the focal point for critics of Government over-regulation, then I can think of no Federal agency that deserves it more.

While I had formed some opinions about this agency prior to my election to Congress, those opinions have been doubly reinforced since I came to Washington and have seen first-hand the extent to which this agency has interfered with, complicated and harassed a variety of constituent groups. Whether it is funeral directors, life insurance salesmen, the cereal industry, or used car dealers, the story is the same over and over again. The heavy-handed, arbitrary, arrogant manner by which this agency and its staff pursue a mission makes one wonder whether the charter for the agency should be extended, let alone without clear evidence that Congress intends to exercise considerably more influence over the direction of that agency's activities.

That is the primary reason behind the legislative veto provisions of the pending bill. While I was not here in the last Congress, I know that this particular House, on several occasions, came down very strongly in support of the legislative veto mechanism only to see its efforts frustrated by the Senate. There is absolutely no way that a reauthorization of the Federal Trade Commission should move forward without a legislative veto provision. And, if we have to keep returning such a bill to the Senate until it backs down, then so be it.

The legislative veto will do more than provide Congress with the opportunity to override excessive, unnecessary regulations. By its very existence, it will serve as a brake on the entire process.

The staff of the agency will be far more wary of engaging in a personal vendetta if they know their actions will be subject to the scrutiny and disapproval of Congress. If the staff can produce solid evidence and make a convincing case for Government regulation, then let them come forward and justify their recommendations. But, it is the U.S. Congress, elected by and representing the people, that should have the opportunity to review and if necessary, veto whatever recommendations and regulations are made.

In conclusion, Mr. Chairman, my support for the legislative veto goes far beyond the provisions in the pending bill. I believe it is a necessary addition to the entire regulatory process. Accordingly, I am a cosponsor of Congressman LEVITAS' bill, H.R. 1776, the Administrative Rule Making Reform Act.

The steps we are taking today are just the beginning of what I hope will become a major redirection of the entire regulatory process. I commend the committee for taking action with reference to the FTC reauthorization, and I urge the Congress to support the provisions of section 302.

Mr. BROYHILL. Mr. Chairman, I yield such time as he may consume to the gentleman from Colorado (Mr. KRAMER).

Mr. KRAMER. Mr. Chairman, I have become increasingly concerned about the rulemaking proceedings being conducted by the Federal Trade Commission. I have serious concerns about the appropriateness and the wisdom of many of these proceedings, particularly the FTC's standards and certification proceeding. I believe the Federal Trade Commission can be faulted on at least two grounds in this endeavor. The Federal Trade Commission is unwisely spending taxpayers' money on this proceeding, and the ultimate economic cost of the rule to the Nation's economy would be severe. It is these two costs—the rulemaking cost and the economic cost—that I wish to bring to the attention of my colleagues.

It is undisputed that standardization results in substantial benefits for society, industry, and government. These benefits are numerous. Standardization facilitates educated purchasing decisions about complex products. It protects the public from unsafe and shoddy merchandise. It promotes interchangeability of components, which results in turn from production efficiencies and which facilitates repairs. It facilitates convenience and price-quality comparisons by consumers through the elimination of needless product differentiation. It increases the acceptability of innovative products and technologies. And it facilitates market entry by new small businesses, or diversification into new product lines by existing firms. The aggregate benefits of standardization have never been calculated, but they are unquestionably huge. Given the tremendous economic benefits attributable to the Nation's standards system, it follows that the rule would only be in the public interest if unfair and deceptive acts or practices in the standards and certification processes were substantial and widespread. In fact, the FTC has based its rulemaking on a mere handful of abuses, and even these are already reachable under the existing antitrust law. In light of the relative absence of abuse, compared with the substantial positive benefits which have been realized through the voluntary standards process in the private sector, the proposed rule would amount to throwing a monkey wrench into a well-tuned piece of economic machinery.

I draw my colleagues attention to the fact that the Federal Trade Commission has been spending upward of a million dollars of the taxpayers' money to proceed with the current rulemaking. The FTC has budgeted, from 1974 through 1980, $723,000 for the proceeding, not including costs for the presiding officer. In addition, the FTC has already budgeted over $123,000 for public participation thus far.

My own view is that the results of the agency's efforts thus far do not justify further expenditure of tax dollars and further Government regulation in an area which, for all its complexity, has worked exceptionally well in the private sector. In addition to the direct costs incurred by the agency in proceeding with this ill-advised endeavor, we must also consider the indirect costs.

One assured effect of the proposed rule will be to substantially increase the cost of standards development, and hence the cost of products to the consumer. Many companies, groups, and individuals who formally participated in standards proceedings will find the increased monetary and time costs to be prohibitive. Some standards developers will undoubtedly also find these increased costs too high, and cease operations. The results will be fewer standards and increased concentration in the standards development industry. Only a few large organizations will be able to afford the expense and added risk which will be imposed by the rule. Each miscalculation in complying with the nebulous requirements of the rule can result in a civil penalty of up to $10,000 per day.

The increased legal risks created by the rule will serve as a significant disincentive to private standards development and use. The standards developers, certifiers, and marketers will incur substantial legal expenses in attempting to comply with the rule's complexity. For many reasons the only feasible course of action for many current standards participants will be to forego the benefits of standardization, to the ultimate detriment of the consumer.

In addition, there will be the additional costs associated with the expanded Government bureaucracy necessary to impose and monitor the rule, which is so broad in its coverage.

These costs must be weighed against the few if any benefits which might accrue from the rule itself. Given the great value to society, industry, and the government from the present standardization and certification processes, the minimal amount of abuse which has been found, the adequacy of existing law to deal with those abuses, the clear detrimental effect of the proposed rule, and the rule's questionable benefits, we are presented with a rule that is not in the public interest.

President Carter indicated a clear commitment to Congress concerning over-regulation. He stated:

> One of my administration's major goals is to free the American people from the burden of over-regulation. We must look, industry-by-industry, at what effect regulation has—whether it simply blunts the healthy forces of competition, inflates the prices, or discourages business innovation. Whenever it seems the free market would better serve the public, we will eliminate government regulation.

Clearly, The FTC's own records in this rulemaking proceeding indicate a waste of taxpayers' money and a potential regulation with crippling economic reverberations. Rather than throw good money after bad, I urge this body to send a clear message to the Federal Trade Commission that such proceedings are not in furtherance of the will of Congress.

Mr. BROYHILL. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. COUGHLIN).

Mr. COUGHLIN. Mr. Chairman, if this bill were not being considered under a closed rule, I would be prepared to advocate some needed changes in the Federal Trade Commission's governing charter.

Since 1977, the Federal Trade Commission has been operating without an authorization due to understandable differences of opinion between the House and Senate authorization committees. During this period, the House Appropriations Committee, upon which I serve, has funded the Commission through continuing resolutions and addressed many of its controversial decisions. The Appropriations Committee considered, for example, the proposed FTC ban on children's advertisements and this year included a provision in its expiring fiscal year 1980 continuing resolution forbidding the Commission from initiating any new procedures or promulgating any final rules until it has an authorization.

These deliberations have reinforced my strong belief that the FTC's authority is in many respects tantamount to legislation. Time and time again, we have seen our legislative efforts frustrated or distorted when the FTC issues its final rules and the Congress has had to resort to putting riders on appropriations bills to prevent a proposed rule from going into effect. While these riders are effective during the particular fiscal year, they are temporary. The FTC is making legislative decisions which should, in my opinion, be made by the law-making body elected by the people, the Congress. Therefore, I strongly support the committee's inclusion of a legislative veto and hope the Senate agrees with the House provision.

The Congress has been negligent in its responsibility to oversee the policies and performance of the FTC and Federal agencies in general. Through the legislative veto, we will be required to review and assess the rules and regulations being promulgated because of our legislative mandates. If the legislative veto proves onerous and/or time consuming, it will then be a valuable object lesson for the Congress to be more careful in drafting enacting statutes.

At the same time, however, my work on the Appropriations Committee has shown that the legislative veto will not totally solve the many abuses of the FTC. What the Congress ought to do is to redefine the basic grant of authority to the FTC and clearly spell out the Commission's responsibilities.

The basic mission of the FTC is an important one, aimed at protecting both consumers and industry against unfair methods of competition and unfair or deceptive acts or practices. However, recently we have seen the Commission take its broad statutory mandate and push it above and beyond its proper limitations. The Commission has taken unto itself the role of maker and shaper of public policy—a development which I believe to be contrary to congressional intent. In my opinion, the proper role of the FTC is as an arm of the Federal Government chartered to carry out established policies aimed at protecting—not changing—consumer habits or legal business practices. The Congress must firmly and clearly inform the FTC that it is in existence to carry out the public policy objectives of the Congress—not establish independent goals which may, in the Commission's opinion, be desirable to pursue.

I also believe that steps should be taken to keep the Commission out of the business of censoring truthful advertising on innovative "public-policy" grounds. Recent public statements by Commission members and staff indicate a belief that the Commission is authorized under the broad language of the law to regulate the content of nondeceptive advertising on the grounds that it is unfair, even though truthful, because it does not supply the kind of information that the FTC thinks it should supply. This Congress will be establishing a dangerous precedent if it permits a Government agency to set itself up as a censor of the content of truthful commercial speech on the basis of that agency's views of fairness.

We need to protect American business from overbroad investigative subpenas demanding the production of great quantities of information and documents with no requirement that these demands be relevant to some suspected violation. Over the years, the courts have expanded the Commission's authority to engage in fishing expeditions, holding that it can use its power to compel the production of information just to satisfy its "official curiosity." The Commission's powers of visitation and subpena are awesome powers that require reasonable safeguards against abuse. The Senate will soon mark up a bill which would curb this subpena power by requiring that the Commission specify the conduct they are investigating and why the Commission believes that the conduct violates the law. This would force the Commission to draft narrower and more reasonable subpenas, and also establish criteria for judicial review of these subpenas.

Unfortunately, the rule under which we are considering this measure does not allow amendments that would provide the basic changes I feel are necessary. I would hope, however, that the other body will make a concerted effort to correct the basic causes of excessive FTC regulations. If so, I would wish to call to the attention of the House Conferees that I am confident this approach would have considerable support in the House of Representatives.

Mr. BROYHILL. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. PASHAYAN), who has done a considerable study in prior times on this issue of the constitutionality of the legislative review and veto procedure.

Mr. PASHAYAN. Mr. Chairman, I thank the gentleman.

The legislative veto, in my personal opinion, is a perfectly constitutional and legitimate function for the Congress to play. Article I of the Constitution says that all legislative powers granted therein shall be vested in the Congress. The rulemaking function of the departments and agencies is in the nature of a legislative activity, and it seems to me that it is perfectly sound constitutional policy for the Congress to take an active role in overseeing the legislative functions of the agencies.

That is best expressed and best manifested in the form of a legislative veto. It is a practice that goes back not only to the early Congresses, but the early Congresses based their practice upon the practice done in parliamentary England. The early Congresses had statutes containing legislative veto provisions that were the same kind of statutes that the Parliament had in England. If our Founding Fathers were aware of the legislative veto provision in those days, certainly they did not deem it to be in violation of the Constitution or in violation of our separation of powers.

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Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I may say that I strongly disagree with the gentleman. When there is no opportunity for submission to the President for his veto on a matter which requires the concurrence of both Houses, I think it violates article I, section 7 of the Constitution.

Mr. Chairman, article I, section 7 of the Constitution unequivocably provides that any action which requires the concurrence of both Houses of Congress must be submitted to the President. He then has the authority to veto it. It cannot have effect unless the President has the opportunity to veto it. Section 302(a) (2) of the bill in subsection (A) provides that a final rule may be vetoed by concurrent resolution of both Houses. No provision is made for presentation to the President for his veto. In subsection (B), an alternative method of legislative veto, neither House may exercise its veto if the other House elects to disagree. Certainly, such condition requires the concurrence of both Houses. The regulation by one House of its nonconcurrence negates the attempt by the other to nullify the FTC rules. But even if the alternative process, by some strained and artificial contention, could be deemed not to require the concurrence of both Houses, the provisions of paragraph (2) must be read as a whole process. Clearly, the (A) process indicates that the (B) process is merely a procedural alternative. The entire section 302 must therefore fail as constitutionally defective.

Mr. PASHAYAN. I would simply like to say that the word "veto" is sometimes misconstrued. It has nothing to do with the Presidential veto whatsoever. The legislative veto is an entirely different matter. It simply is the Congress reserving to itself the power to nullify rules and regulations made pursuant to a delegation of legislative power that Congress has given to an agency or a department. Because that ability of the agency or department derives from the legislative powers delegated by the Congress, the Congress has a duty, an affirmative duty, to oversee that legislative function of departments and agencies in the form of a legislative veto.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I yield to the gentleman from North Carolina.

Mr. BROYHILL. Mr. Chairman, I know the gentleman from California agrees with me in this particular instance, that we are talking about an agency that is not a part of the executive branch. It is really an arm of the Congress, and the President has no authority over writing of rules and regulations for the Federal Trade Commission. That is authority that we granted to an independent agency, and as an arm of the Congress I think we do have some responsibility to review and pass some judgment over their end-work product.

Mr. PASHAYAN. The gentleman is perfectly right. In the case of an independent agency which, after all, essentially is a creature created in the 1930's, the case for legislative veto is even stronger.

Mr. BROYHILL. Mr. Chairman, I yield 1 minute to the gentleman from New York (Mr. GREEN).

Mr. GREEN. Mr. Chairman, I will vote against the Russo amendment, and would like to share with the Members the fact that Cal Collier, the last Republican Chairman of the FTC, called me recently to support this position.

The FTC funeral rule appears to be a necessary measure to protect bereaved consumers at their most vulnerable moments. It would be sad indeed if we denied consumers that assistance.

But more importantly, I am voting against this Russo amendment because of its importance to the House. For the question before us is not merely whether the Federal Trade Commission is properly carrying out its duties in this rule, but whether we are carrying out ours. Today we are being asked to judge the outcome of a 5-year action of a regulatory agency. But we are judging in a blind fashion. We need solid, impartial information to resolve the often conflicting statements we have heard from special interest groups. We have been given no such information. We have not referred this issue to committee so that hearings could be held. We have not had the facts assessed or advice rendered to this body. We have not given the Commission an opportunity to explain its recent cutbacks in the rule to us. Neither have we examined industry members or representatives of consumer groups who support the rule. In short, we have had no public opportunity to test the merits of the modified funeral rule.

This is not the way we should be doing business. It is an unsatisfactory method of regulatory oversight and an irresponsible abdication of our duties to those who elected us.

We have established procedures for dealing with these types of issues. We have formal oversight capabilities. And regardless of our disagreements on the proper procedures for legislative veto, we do have the power to overturn Federal regulations which are improper exercises of power.

In my view, a vote today in favor of the Russo amendment, is a vote to cast hasty judgment on a complicated issue. That is why this is a matter of importance to the House. A vote against the Russo amendment is a vote in favor of our ordinary and reasonable way of conducting business, and a vote in favor of public trust which has been invested in us.

Mr. SCHEUER. Mr. Chairman, I yield 1 minute to my colleague, the gentleman from Ohio (Mr. LUKEN).

Mr. LUKEN. Mr. Chairman, in passing H.R. 2313, the FTC authorization bill, we in the House are sending a clear signal that it is our intent to bring the regulatory machinery of the Federal Government under control. It is my hope that in the upcoming weeks, the Senate will take similar action on their FTC authorization bill.

While it is difficult to predict the future, there are some indications that for the first time since fiscal year 1977, we may have an authorization bill that both Houses of Congress can agree on. Of greatest importance to the overwhelming majority of House Members is the inclusion of a congressional veto provision which will encompass final rules and regulations promulgated by the FTC. The bill also directs the Commission to consider alternatives to proposed rules and regulations as well as considering the economic impact of rules and regulations that are proposed by the Federal Trade Commission. This bill will also force the Commission to keep deadlines on investigations that it is performing. The idea behind this is to keep the Commission from engaging in long-drawn out investigations into a variety of fields. In the large number of cases these investigations which last years provide little protection to the consumer and create an air of uncertainty in the industry.

This bill brings the FTC under control without impairing the important and positive work that it does. I believe that there is a need for the Federal Government to be active in insuring the competition exists in a free market economy and that we have consumers who are both informed and protected. However, overregulation and interventionist actions by the FTC have gone too far. That is why this bill is necessary.

Beyond question one of the most important facets of this bill, is the restriction placed on the Commission in its pursuit of canceling trademarks because it has fallen into common or generic usage. The FTC has launched its attempt to cancel the trademark "Formica" because of genericness. After careful examination of the facts of this case, I am convinced that the FTC's power is being so grossly misused that I felt compelled to offer an amendment to stop the FTC's action in its tracks.

The FTC has petitioned the Patent and Trademark Office in the Department of Commerce for cancellation of the Formica trademark under section 14(c) of the Lanham Act which passed the Congress in 1946. This is the first time that the Commission has taken this action, as the initiator of trademark cancellation.

NOT STRIKING REMEDY OF GENERICNESS

I am opposed to the idea that the Federal Government, with its weight and size of resources at its disposal should be allowed to randomly make a decision on genericness. A vague and nebulous term at best. There is no test for genericness under the Lanham Act, it is solely left to the discretion of the FTC.

I would prefer to see the private sector determine if there is truly a generic trademark. The law provides that a private concern can bring an action to have a trademark canceled on generic grounds. This would seem logical since if there is an inherent advantage in genericness, then there must be an injury suffered by a competitor or several competitors. Certainly they are best able to determine if there is an injury and if the marketplace is not operating in an efficient manner that will provide the consumer with the lowest possible price.

This is not the case with Formica. Rather the FTC has brought the weight of the Federal Government crashing down on one company in a competitive field. Not one other company in the decorative laminate field was sided with the FTC. Quite to the contrary, every company that has made a public statement about the Formica case has indicated strong opposition to the FTC action.

The fact of the matter is that the FTC has announced that by invoking its powers under the Lanham Act, they are employing an innovative method for insuring that there is competition in the American economy. Quite obviously that has never been the intent of the trademark provisions under the Lanham Act. Furthermore, a quick study of the decorative laminate field indicates that competition already exists. Formica's share of the laminate field is between 38 and 40 percent. Several other firms in recent years have registered impressive gains in their market share. But as I pointed out before, if there was truly a dislocation in the laminate field surely those who are suffering from that dislocation would take action. This has never happened.

Let me assure all of my colleagues that this amendment is narrow in scope. We do not infringe in any way on FTC power regarding trademarks in any other area other than genericness. Any attempts to restrict trade or engage in unfair business practices or abandonment of the trademark are still grounds for FTC action.

The question of genericness is not a suitable test in and of itself. This is a vague and in some cases a meaningless term. Trademarks are a means by which competitors identify to the public their products and the merits of those products. Any product that has achieved success in the marketplace is open to the charge that it is generic. We are then confronted with the reality of penalizing a company and a product because it has reached a level of success. This mistake is compounded by the fact that we bring the full weight and legal resources of the Federal Government into the private sector in search of what is "generic."

The futility of the search for what is and what is not generic is proven in the Formica case. Formica sells 90 percent of its product to wholesalers. In this case that would mean the manufacturers of cabinets, tables, and other products that use decorative laminates. Yet because the Lanham Act is silent on the appropriate test for a generic trademark, the Original Equipment Manufacturers, those who would use Formica's product were not consulted. Rather the FTC pursued the "man in the street." Clearly what is generic to one set of people may be entirely different to another group.

I have found no justifiable reason for the FTC to be involved in the quest of generic trademarks. There is plenty authority now for the FTC to insure that competition exists in the marketplace. This is one area where intrusions into the marketplace by the Federal Government does no one any benefit. This would include the company involved, the competitors and the consumer. Market forces exist, both through economics and statute to insure that no one gain an unfair advantage because of a generic trademark. That is as it should be, without the FTC involved.

Mr. SCHEUER. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. Nowak).

Mr. NOWAK. Mr. Chairman, I would like to take this opportunity to commend the FTC for its role in an agreement in the ready-to-eat cereal case which was reached recently. This agreement was the result of negotiations among the American Federation of Grain Millers, the cereal producers and the FTC, and will allow the AFGM to intervene in the read-to-eat cereal case. In addition, the FTC has agreed to initiate action to obtain a labor impact study in that case.

The FTC, in this circumstance, has demonstrated flexibility and cooperation through its willingness to accommodate the legitimate requests and concerns of the grain millers. This should not go unrecognized. Our regulatory agencies often have been criticized for insensitivity and inflexibility.

The FTC's actions in reaching this agreement in the ready-to-eat cereal case illustrates the kind of balanced, equitable approach that is needed to improve both the reputation and efficiency of our regulatory agency.

Mr. SCHEUER. Mr. Chairman, I yield 1 minute to the gentleman from Michigan (Mr. Wolpe).

Mr. WOLPE. Mr. Chairman, I want to begin by commending the gentleman from New York and the gentleman from North Carolina for their extraordinary efforts in connection with what is a very difficult and controversial piece of legislation. I intend to lend my support to their final work product. I believe it represents an important step forward toward establishing the legitimacy and utility of the legislative veto, which carries with it the important assurance that the FTC will remain ultimately accountable to the Congress in the exercise of its rulemaking function.

While I have been critical of some of the intitiatives of the FTC, particularly as it relates to the effort of the agency to write new law, I also want to acknowledge the very important cooperation recently extended by the FTC trial staff in connection with the FTC's antitrust action against the cereal industry.

Thanks to the assistance of the FTC trial staff, two major concerns of the cereal workers—that group which stands to be most adversely affected by the outcome of the case—have been addressed. Under the terms of a recent agreement negotiated by the FTC trial staff, Robert Willis of the American Federation of Grain Millers, and Congressmen Cavanaugh, Oberstar, Nowak, and myself, the FTC staff will support a motion of the grain millers to intervene directly in the proceedings. In addition, the FTC trial staff is requesting the Departement of Labor to undertake an analysis, for inclusion in the trial record, of the impact the proposed remedy would have on existing jobs, contractual obligations, and pension rights. (I also want to take note of the important assistance of Congressmen Kemp and Walker; their efforts were important in contributing to the successful resolution of these concerns.)

There is a third question of due process in the cereal industry case that remains unresolved. Serious questions have arisen with regard to the propriety of private negotiations that led to the contractual employment by the Federal Trade Commission of former Administrative Law Judge Harry Hinkes who was the hearing officer originally assigned to the case. This question is presently under litigation, and I am inserting in the Record recent correspondence I have had with the FTC on this issue.

The material follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., August 15, 1979.

Commissioner Michael Pertschuk,
Federal Trade Commission,
Washington, D.C.

Dear Commissioner Pertschuk: Recently several issues have come to my attention which raise serious questions regarding the Federal Trade Commission's (FTC) litigation against the Kellogg Company, General Mills, Inc. and General Foods Corporation (Docket 8883).

I would like to make clear from the outset that in no way do my concerns with this case go to the merits or substantive issues under consideration by the administrative hearing at the Federal Trade Commission. I recognize that it is not within the purview of Members of Congress to make qualitative judgments on proceedings under adjudication, and I have, as yet, even to reach a personal opinion on the questions raised by the *FTC* v. *Kellogg Company, et al.* However, upon detailed examination of all proceedings of the last year-and-a-half, a number of very disturbing process questions have surfaced which I feel are in need of resolution.

I find particularly disquieting the circumstances and conditions surrounding the retirement and subsequent contractual employment of former Administrative Law Judge (ALJ) Harry R. Hinkes by the Federal Trade Commission.

According to my understanding of the Administrative Procedure Act (APA), and the intent of Congress at the time of passage of the Act, there is the requirement of complete independence of Administrative Law Judges from any improper influence, however subtle, from the agencies over whose hearings they preside.

Upon examination of the available information regarding the circumstances of former ALJ Hinkes' retirement and contractual reinstatement, the question of judicial independence—so central to any fair and impartial inquiry—appears to be seriously called into question. It is this fundamental due process issue which brings this letter today.

After review of both the Administrative Procedures Act and the congressional debate surrounding the enactment of curative provisions in the Act, and upon the close of staff conversations with the American Law Division of the Library of Congress and the Office of Personnel Management, I have concluded that:

1. Through the APA of 1946, it is the intent of Congress to make fully independent ALJ's from the agencies to which they are assigned. This independence was accomplished by a strengthening of the Civil Service Commission (CSC) now the Office of Personnel Management.

2. It is to be the sole responsibility of the CSC to:

a. set and adjust the amount of pay ALJ's receive, independent of agency recommendations or ratings.

b. determine the tenure of ALJ's.

3. An agency may appoint an ALJ only with the prior approval of the CSC, except when it makes its selection from a "certificate of eligibles" furnished by the CSC.

4. An agency may remove an ALJ only for good cause established and determined by the CSC.

Clearly, through enactment of the APA, Congress attempted to establish a mechanism whereby ALJ's were sufficiently insulated from agency influence, in order that defendants could be assured the reasonable protection of a fair and impartial trial.

When on September 6, 1978, Harry R. Hinkes executed a private contract with the FTC, it would seem that the independence and objectivity of the ALJ was seriously undermined. Further, from the limited information which is available concerning the contractual arrangement between Judge Hinkes and the FTC, and through recent conversations with the Office of Personnel Management, it is apparent that:

1. Through the FTC contract, Judge Hinkes was to receive a salary which when combined with his annuity, was far above the standard allowable rate set by the CSC for administrative law judges (approximately $70,000, just below the compensation paid Associate Justices of the Supreme Court).

2. Judge Hinkes' salary, as specified in the contract was determined by the FTC, not the CSC, in direct contradiction to the provisions of the Administrative Procedures Act.

3. The length of Judge Hinkes' employment was determined solely by the FTC, not the CSC, which is impermissible under the APA. Further, Judge Hinkes could be removed from the hearing at the sole discretion of the FTC.

4. The FTC did not request of the CSC, nor were they granted by the CSC, prior approval of the contract between the FTC and Judge Hinkes. In fact, it appears that in discussions with the Civil Service Commission on the propriety of such a contract, the FTC was informed that the proposal did not conform with APA regulations. The FTC apparently consummated the agreement without regard of this information. Additionally, Judge Hinkes' contractual appointment would not fall under the "certified eligibles" exception, as he was a sitting Administrative Law Judge.

The December 8, 1978 decision by the Federal Trade Commission that found Judge Hinkes "unavailable" for service as of September 8, 1978, does not resolve any of the questions surrounding this extraordinary agreement. Moreover, it is precisely the unanswered questions which raise serious doubts as to whether the FTC has adhered to the intent of Congress as suggested by the Congress' passage of the APA. I seek your help in resolving my doubts through your responses to the following questions:

1. Why did the FTC pursue a contract with Judge Hinkes that seemed so overwhelmingly at odds with the provisions of the APA? Were other alternatives to this contract explored? If so, what were they and why were they not pursued?

2. At what time did Judge Hinkes first consider retirement?

3. Who initiated the idea of a special contract to retain the services of Judge Hinkes?

4. At what time did negotiations commence regarding the terms of Judge Hinkes' contract? Who was involved in those negotiations?

5. Who at the FTC, CSC, and Administrative Law Judge Office knew of the contract, and when did they know about it?

6. When was the contract actually offered to Judge Hinkes?

7. Did the CSC, in fact, advise the FTC that such a private contract was in violation of the APA? If so, when did this occur?

8. Why were the respondents not informed of the negotiations and the subsequent contract settlement?

9. Were any of the FTC Commissioners personally involved in Judge Hinkes' contractual agreement? If so, what was the nature and extent of that involvement, and how does that involvement square with the intended separation of ALJ's and the Commission?

The preceding queries relate directly to the process by which the administrative hearing has been conducted in the *FTC* v. *Kellogg Company, et al.* case. I am deeply concerned that without a resolution of these questions—questions which have arisen as a result of various FTC activities outside the hearing room—the credibility of the process will be severely undermined and the critical issues of public policy will be held in the balance.

The Congress and the various federal commissions share an ongoing interest in insuring the independence of our administrative procedures. Impartiality and objectivity—and the perception of both by the public—are the cornerstones of the success of our judicial and administrative systems.

I hope that as you review this matter, you will agree that a full disclosure of the facts surrounding Judge Hinkes' departure from his administrative law post is in the best interest of the regulatory system administered by the Federal Trade Commission.

I look forward to your reply.

Sincerely,

HOWARD WOLPE,
Member of Congress.

FEDERAL TRADE COMMISSION,
Washington, D.C., October 23, 1979.

Hon. HOWARD WOLPE,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN WOLPE: This responds to your letter of August 15, 1979, to each of the Commissioners concerning the retirement and subsequent contractual employment of former Administrative Law Judge Harry R. Hinkes by the Federal Trade Commission in an adjudicative proceeding, Docket No. 8883, *Kellogg Co., et al.*

As you know, certain issues regarding Judge Hinkes' retirement have been raised by Kellogg Co. in the adjudicative proceeding pending before the Commission: Under the Commission's procedures, the merits of such issues, whether they be characterized as substantive or procedural, may be addressed by the Commission only in the course of the proceeding, after collegial consideration of the parties' formal submissions. In addition, on September 7, 1979, Kellogg filed suit against the Commission in the U.S. District Court for the District of Columbia, raising issues concerning the circumstances of Judge Hinkes' retirement. *Kellogg Co.* v. *FTC,* No. 79–2368 (D.D.C. filed Sep. 7, 1979). The Commission has not as yet filed its response to Kellogg's complaint in the district court proceeding.

In both its motion before the Commission and its complaint in district court, Kellogg seeks an evidentiary hearing concerning the circumstances of Judge Hinkes' retirement. In its complaint, for example, Kellogg alleges that inquiry should be undertaken into the following "factual matters":

". . . when ALJ Hinkes first notified the Commission of his desire to take up residence in the Los Angeles area; when the Commission first proposed the Hinkes contract to ALJ Hinkes; which representative or representatives of the Commission actually prepared the Hinkes contract; which representatives of the Commission offered or authorized the offering of the Hinkes contract to ALJ Hinkes, and what was said by the participants during the course of those negotiations; what repsonse, if any, the Commission made to ALJ Hinkes regarding his request to continue as an administrative law judge after taking up residence in the Los Angeles area and for what reasons, if any, did the Commission reject that request; . . ." *Kellogg Co.* v. *FTC* (D.D.C. No. 79–2368), Complaint for Declaratory and Injunctive Relief, Sept. 7, 1979.

The areas of inquiry raised in your letter thus appear to be directly related to issues raised both in the administrative proceeding and in the district court action.

The Commission believes that, when Congress prescribed the adjudicatory procedures of the FTC Act and the Administrative Procedure Act, it intended that the Commission resolve the issues presented in a proceeding, including question of fact, as a court would: on the record of the proceeding, after full consideration of the submissions of the parties. Similarly, as defendant in the district court action, the Commission intends to state its position in the manner required by the rules of court. We can, however, summarize matters already on the record that we hope will respond to your concerns.

The complaint in Docket No. 8883 was issued on April 26, 1972. Shortly thereafter, the Chief Administrative Law Judge, following normal procedures, assigned the matter to Judge Hinkes. The Commission played no role in this selection. The matter then proceeded through prehearing discovery and much of the hearing itself. On August 16, 1978, the Chief Administrative Law Judge advised the Chairman that Judge Hinkes had expressed his intention to retire as of August 31, 1978. The Chief Administrative Law

Judge recommended that Judge Hinkes be offered a contract to continue to preside over the case after his retirement. Having been advised that the contract proposal was legally permissible and had been cleared with the Civil Service Commission, the Chairman, acting pursuant to Reorganization Plan No. 8 as the executive and administrative head of the agency, approved of the contractual arrangement. No other Commissioner had any involvement in the matter.

The Chairman approved the contractual arrangement, based on his understanding that it posed no legal problems, for the following reasons:

(1) Judge Hinkes had presided over the Kellogg case since the complaint had been issued in April 1972, and was therefore familiar with the extensive record of the case;

(2) Appointment of a substitute was likely to have resulted in a substantial loss of time required by this review of the already extensive record in the case; and

(3) If a substitute ALJ were appointed, issues would likely arise concerning the extent to which, if at all, the new ALJ was obliged or might wish to rehear witnesses who had testified.

These were the sole factors on which the Chairman's decision was based. The Chairman's statement, in its entirety, is attached.

During September and October 1978, several motions concerning Judge Hinkes' status were filed with the Commission. Respondents (Kellogg, General Mills, and General Foods) sought the disqualification of Judge Hinkes. Complaint counsel sought the appointment of a substitute administrative law judge together with an order directing that the hearings be resumed without retrial from the date of Judge Hinkes' retirement.

On December 8, 1978, the Commission found that the contract with Judge Hinkes had not been approved by the Civil Service Commission in accordance with applicable statutes and regulations. Once objected to, Judge Hinkes' service pursuant to the unapproved contract was "of questionable validity." In light of the legal questions about the contract that had arisen subsequent to the initial approval, and in view of the fact that no party sought Judge Hinkes' continued service, the Chairman determined not to submit the contract or any other employment arrangement for Civil Service Commission approval, as would have been within his authority under the Reorganization Plan. Therefore, the Commission held that Judge Hinkes became "unavailable" within the meaning of Section 554(d) of the Administrative Procedure Act upon his retirement. The Commission remanded the matter for the appointment of a substitute law judge, who would determine in the first instance the extent of any necessary retrial. A copy of the Commission's order is attached.

We will be pleased to provide you with any further information or materials you may wish, as they are filed in the adjudicative proceeding or in court.

By direction of the Commission. Commissioner Pitofsky did not participate.

Michael N. Sohn,
General Counsel.

Mr. SCHEUER. Mr. Chairman, I want to commend both Mr. Nowak and Mr. Wolpe, as well as Mr. Cavanaugh of Nebraska and my colleague from Minnesota, Mr. Oberstar, for their collective efforts in working out and compromising what was a truly innovative and challenging and perplexing problem affecting the grain millers. I want to congratulate them as well as the FTC for their working so cooperatively and diligently on that matter to the point where the amendment was no longer necessary.

Mr. Chairman, I also want to pay special tribute at this time to our colleague from Washington (Mr. Dicks), a member of the Appropriations Committee, for his enormously effective and thoughtful and profound support at all times in moving this bill along. Time does not permit me to describe his systematic and continually helpful efforts, but he played a fine role in bringing this bill to the floor in the form in which it now lies.

Mr. Chairman, I yield 4 minutes to our colleague, the gentleman from Georgia, Mr. Levitas, who played such a fine role in negotiating this legislative veto in a form acceptable to both sides.

Mr. LEVITAS. Mr. Chairman, I support this authorization bill for the Federal Trade Commission. Its passage will be a landmark in the efforts of the elected Congress to assert control over the rules issued by unelected bureaucrats. With the passage of this bill, a milestone will have been passed on the road to restoring to the American people control over their Government.

Many of you are familiar with the long, sometimes difficult, chain of events that has served to bring this bill before us today. For over 2 years, the FTC authorization bill has been the focal point of the House's efforts to establish congressional authority and control over the regulatory process. While many issues have been involved in our efforts at comprehensive regulatory reform, the real battle has centered on the question of congressional veto of FTC rules.

In the 95th Congress, the House added the congressional veto to the FTC authorization bill by a 2-to-1 vote, 272 to 139, but the Senate refused to accept the provision in conference. Subsequently, on two separate occasions, I asked the House to reject the FTC conference report because it did not contain a congressional veto of FTC regulations. On both occasions the House supported my position. The first vote was 146 to 255 and the second was 175 to 214. That two-time rejection of the conference report constituted unprecedented action by the House and firmly established this body as the leader in the fight for regulatory reform.

Thus the FTC has operated without an authorization of its activities or its funding for 2 years. It has been able to continue its activities only because funds were appropriated despite Congress failure to pass an authorization bill. This year the Appropriations Committee has made it clear that it will no longer approve FTC appropriations bills without an authorization. I commend this decision.

The Appropriations Committee was so intent on making this point to the Members of Congress and our leadership, that it introduced a special continuing resolution for the FTC which contained drastic restrictions on the Commission's authority and was shorter in duration than the separate continuing resolution the committee provided for other agencies. Although both resolutions were eventually combined, the committee was successful in maintaining these restrictions on FTC activity.

In the first continuing resolution and in the one we approved yesterday, the FTC is prohibited from initiating new investigations or from issuing any final trade regulations. In our actions yesterday, the FTC was further singled out for a special time-limit on its continued funding. An amendment I offered, with the support of the Appropriations Committee, will terminate FTC funding on March 15, 1980, if no authorization bill is approved.

With these actions, the Appropriations Committee and most of the Members of the House are saying that an FTC authorization bill must pass. That was the message the House sought to convey with the first continuing appropriations resolution in September, and yet this call for action has been ignored until today, nearly 2 months and another continuing appropriation later. I say we cannot avoid this issue any longer. We must act on this bill now and prepare to act on the conference report without delay and with a legislative veto.

I also want to commend the efforts of the Committee on Interstate and Foreign Commerce in reporting the bill we are considering today. The committee has been responsive to the will of the House in its drafting of legislation to provide a congressional veto restraint on FTC's rulemaking authority.

The bill we have before us contains many regulatory control mechanisms. It establishes time limits for the FTC in developing rules and in adjudicating matters before it, and it requires the review of all existing FTC regulations to determine if they are still necessary. It also requires the Commission to develop a detailed cost/benefit analysis of each proposed rule and its alternatives. This is another reform I have strongly supported and, in fact, I have introduced a separate piece of legislation which would require all Federal regulatory agencies to use cost/benefit analyses in developing their rules.

Of course, this authorization bill contains the legislative veto that I have proposed and advocated since coming to Congress. The language in this bill is almost identical to the general rulemaking veto bill which I reintroduced earlier this year as H.R. 1776. As with my general bill, the veto authority in this FTC authorization provides that whenever a rule or regulation is adopted by the FTC, it must be referred to both Houses of Congress for 60 days before it becomes effective. If during that 60-day period, either the House or the Senate adopts a resolution of disapproval, which is not rejected by the other body within 30 days, the rule in whole or part stands vetoed. While some critics have described this as a one-House veto, it is not. It is a modified one-House veto. Since both Houses of Congress could participate in the process, the principle of bicameralism is respected.

There are other provisions of the bill which also relate to the veto. One calls for expedited court action on any challenge to the constitutionality of this procedure. If such a challenge is made in any U.S. district court, the court is directed to immediately certify all questions of constitutionality to the appropriate U.S. court of appeals. Any decision is then reviewable by the Supreme Court on appeals brought within 20 days after the decision of the court of appeals, and the Supreme Court is requested to expedite its review to the greatest extent possible. In addition, the authorization calls for a report by the Library of Congress on the impact of the legislative veto on the FTC. This report is to be presented to the Congress by September 30, 1982.

Taking into account all of the rulemaking control mechanisms contained in this authorization, it is clear that we have before us a landmark regulatory reform measure. It is one that will send a clear signal that this Congress means what it says about getting control over the bureaucracy. Passage of this bill will have meaning not only for the FTC's rulemaking procedures, but it will also have implications for rulemaking at all Federal agencies. If we succeed in asserting Congress' rightful authority over FTC regulations, we can expect success with my general legislation providing for a legislative veto on all executive and independent agency rulemaking.

Let me make it clear that I believe we must maintain an active and vigorous FTC. I support the Commission's charter and its goal of promoting competition and protecting consumers. I do not seek now to rewrite the Moss-Magnuson Act nor to take away the FTC's authority to propose regulations or to degrade their antitrust powers. These powers are necessary for a strong FTC, and we need an agency that is strong and has the ability to serve as a watchdog for consumer, small business, and competitive interests.

The fact that I would like to see the FTC use its authority in a more responsible manner should not detract from the agency's purposes or ability to proceed in a reasonable fashion. The reforms included in the authorization bill are not designed to restrict proper conduct, they are intended to prevent bureaucratic excesses. Indeed, by making the FTC more accountable to Congress and the public it will enhance its credibility and regain its trust and respect. It will also become more responsive to the American people and not just to voices of a few elitists.

Nonetheless if there are any who still doubt that there is a need for these reforms, including possible veto of regulations developed by agencies such as the FTC, let me point to a recent statement by FTC Chairman Pertschuk. Speaking before the Senate Commerce Subcommittee, he acknowledged that members of the FTC staff have used the agency's authority to engage in a "vendetta" against certain businesses. Unfortunately, such a revelation is not surprising. As I have repeatedly pointed out, such abuses of authority occur not only in the FTC, but in every Federal regulatory agency. For example, the FTC decided that advertising eyeglasses was important enough to write rules which actually struck down laws in over 30 States. There is clearly no lack of regulatory imagination in our bureaucracy.

How do such proposals become reality? The reason is simple: the Congress has given these agencies broad rulemaking authority and then failed to oversee adequately its use. That is why I proposed the legislative veto when I first came to Congress in 1975. My fight is not over the rulemaking authority itself, but the abuses that have occurred and will occur so long as the rulemakers are not held accountable for their actions. Bureaucrats' freedom to make and enforce laws is contrary to the very principles of our Republic.

And, if we are to have any hope of correcting this situation, then the elected Congress must assert its constitutional authority over the rulemaking activities of these unelected bureaucrats. Remember that the rulemaking authority used by Federal agencies is an extension of congressional legislative authority. Rulemaking is lawmaking. It is done in behalf of Congress, using authority delegated by Congress. If we can delegate such authority, we can limit the authority.

As I have said repeatedly for 5 years, ever since I began the battle to win approval of the legislative veto concept, the question is, who makes the laws in our country? Is it the elected Congress or the unelected bureaucrats? Almost every school child will tell you, and most of their parents would agree, the Congress should make the laws. But you and I would have to say honestly that this is not the real truth. We know that the bureaucrats are making the vast majority of the Nation's laws. At last count, the unelected bureaucrats were cranking out 18 laws for every one that we, the elected lawmakers, pass.

Suggestions for curbing this lawmaking power of agencies such as the FTC have been offered by many people in and out of Congress including former Attorney General Griffin Bell. In a speech made earlier this year, Judge Bell questioned the sweeping authority these agencies have and called for major reductions in their powers. In a portion of his speech, Judge Bell said:

> I urge Congress to sharply curtail, if not abolish, the so-called rulemaking powers of the independent regulatory commissions. In truth, rulemaking is a total substitute for all other forms of government, executive, legislative and even judicial. Its abuse can stymie and frustrate the government of whole states and the operation of entire industries.

In light of Judge Bell's suggestions, the reforms contained in this bill, while effective, are modest. This legislation does not attempt to abolish FTC's rulemaking authority. Instead, it requires more order in FTC's rulemaking procedures and allows congressional review and veto before those rules can be put into effect. These are reasonable restraints which impose greater care in FTC's internal procedures and effective accountability to the elected Congress. I believe these restraints are vital to prevent future abuses such as those referred to by Mr. Pertschuk and Attorney General Bell.

The heart of the problem is that Congress has delegated almost unbridled rulemaking authority to both the independent regulatory agencies such as the FTC and to the agencies of the executive branch. Congress has the constitutional authority to make such a delegation of legislative authority under the necessary and proper clause, and therefore, having such authority, it is axiomatic that Congress may condition or limit the power delegated. Such a conditioning would not be precluded by the doctrine of separation of powers because, in taking such action, Congress is refining only the use of legislative authority and not those powers of any other branch. In short, since Congress can delegate legislative authority, it can put restrictions on that delegated authority.

That is what the legislative veto will do: Place restrictions on the broad delegation of lawmaking authority Congress earlier made to Federal agencies. The veto will give Congress an all-important check on the final actions of regulatory agencies without eliminating the authority to develop and propose those regulations. Obviously, Congress will then have the final word over regulations, as it should in all matters of lawmaking.

But the veto will do more than that. It will also make the FTC and other agencies attentive to congressional intent during the initial stages of rulemaking. It will dramatically reduce the number of ill-conceived regulatory proposals which now come forth from these agencies. As former Commissioner of the Federal Communications Commission Lee Loevinger wrote when he endorsed the legislative veto concept for FTC regulations:

> The veto will probably not be used often or effectively but it will have a salutory effect on restraining the FTC.

I believe that is precisely what will occur. More than any other single reform, the legislative veto will force the FTC's bureaucrats to think twice before they make a regulatory proposal. The veto will add that element necessary to balance reason with regulatory zeal. The FTC will begin to police itself because it will clearly be answerable to Congress if it does not, and Congress will be able to act if it believes any proposals are excessive. It is a simple approach which will swing the balance of legislative authority back to the Congress where it ought to be.

Our struggle for legislative veto has been a long one. Surprisingly, we have been opposed by some of our colleagues who would prefer to avoid the responsibilities associated with having final review of regulations. But we are succeeding; we have seen the tide turn in favor of legislative veto. The veto is now a part of the FTC authorization bill and is not a point of controversy in the House. Support for the idea is also growing in the other body, and I predict that, very soon, for the first time in 2 years, this House will be able to accept a conference report on the FTC authorization because it will contain a legislative veto. At that time every supporter of the legislative veto can take a share of the credit for restoring the Congress to its position as the ultimate legislative body in our Government.

I urge each of you to join with me in the effort to give Congress the veto authority. The threat of a legislative veto will make the FTC more accountable for its actions. It will make the Commission responsive to this Congress and, through us, to the American people as never before. For that reason alone, the authorization deserves your support. A vote for this authorization is a vote for legislative veto, and that is a vote which responds to the will of the American people.

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Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I will be happy to yield to the gentleman from California.

Mr. PASHAYAN. I thank the gentleman for yielding. Is the gentleman, therefore, pointing out that a rule or regulation as made and issued by a department or an agency for all practical purposes and intents is the same as a law? The citizens have to obey it? They can be held accountable for it in a court of law? It is the same thing; is it not?

Mr. LEVITAS. The gentleman is absolutely correct. A citizen of this country who violates a rule issued by an unelected bureaucrat, who violates that rule, or allegedly violates that rule, can suffer the same consequences, can share the same jail cell, can lose the same benefits and be subject to the same penalties as a person who violates a law passed by both Houses of Congress and signed by the President.

Mr. PASHAYAN. So the gentleman is saying, is he not, that is, therefore, why the Congress, the elected Representatives and the legislative branch, should have an active participation in the making of rules and regulations.

Mr. LEVITAS. It is absolutely essential. It is consistent with our traditions. If one asks most people in this country, "What do you think about a nation where most of the laws are made by people who are never elected?" they would say, "We ought to cut off aid to that country because they are violating human rights." But that is what we are doing in this country today.

Mr. PASHAYAN. As a matter of fact, the gentleman is reading a very interesting statistic, that the agencies and departments produce four or five times as many regulations and rules as the Congress passes laws each year; is that not correct?

Mr. LEVITAS. About 18 to 1. In an average year we pass approximately 500 laws and the bureaucracy issues about 10,000 or more regulations.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SCHEUER. Mr. Chairman, I yield 1 additional minute to the gentleman from Georgia (Mr. LEVITAS).

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding. The gentleman answered the previous colleague by stating that the rule has the same effect as law. Will the gentleman also agree that the reversal of the rule has the same effect as law?

Mr. LEVITAS. The reversal of a rule or a rejection—not the reversal but the rejection—of a rule simply says that the legislative branch of Government in the exercise of its conditioned delegation of authority has determined that that rule shall not go into effect. The status quo is maintained; a law is not repealed.

Mr. ECKHARDT. So it does alter the authority of an agency by such action; is that correct?

Mr. LEVITAS. This legislation is going to alter the procedure of laws made by unelected bureaucrats, and I think it is about time.

● Mr. MAZZOLI. Mr. Chairman, it has been over 2 years now that the Federal Trade Commission has been without authorizing legislation because of a deadlock with the other body over the best means to exercise responsible congressional oversight and control over the rules and regulations issued by this Federal agency.

Americans are becoming intolerant—and understandably so—of regulatory excess and it is our responsibility, as Members of Congress, to limit this demanding and unnecessary intrusion into all aspects of private endeavor.

Traditional mechanisms of control of Federal agencies such as the appropriations process, committee oversight, and investigation have proven inadequate to curb the expansion of the Federal bureaucracy.

Congress has another opportunity to express its disapproval of regulatory excess in the FTC authorizing legislation now on the floor. Twice last Congress, the House blocked passage of the FTC amendments because the measure did not contain the legislative veto. The legislative veto permits Congress to veto rules and regulations issued by an executive agency.

Because the other body refuses to accept this proposal, the FTC still has not received its reauthorization. However, there are indications that the other body may be ready to join the House in accepting the legislative veto.

I urge my colleagues to support H.R. 2313. In doing so, the House will regain control over the Federal bureaucracy.●

● Mr. ROSENTHAL. Mr. Chairman, when I came to the Congress in 1962, the Federal Trade Commission was known as the "old lady of Pennsylvania Avenue." For most of the 18 years since then the Commission has been systematically criticized by consumer organizations, by the American Bar Association and by the Congress itself for its failure to fufill its legislative mandate to protect consumers and assure competition in the marketplace.

I find it ironic, therefore, that today the Commission finds itself under attack not because it has done too little to protect consumers and encourage competition, but because it has done too much. Not because it has ignored the constructive recommendations of its critics, but because it has heeded them. Mr. Chairman, unless the House rejects the pending amendments to H.R. 2313, the concept of responsible and independent Federal regulation of the marketplace, will have been dealt a severe blow.

Mr. Chairman, during my years in the Congress, I have spent a great deal of time monitoring the performance of the Federal Trade Commission. Shortly after becoming a member of the Government Operations Committee, I headed up a special consumer task force which studied the Government's consumer protection apparatus, including the Federal Trade Commission. As a member of President Johnson's Food Marketing Commission, I had an opportunity to examine the FTC's antitrust activities in the food sector. For the past 5 years I have chaired the Commerce, Consumer, and Monetary Affairs Subcommittee which has oversight responsibility for the operations and activities of the Commission.

In short, Mr. Chairman, my strong opposition to attempts to weaken the authority of the Commission is premised on many years of oversight experience with that agency.

Mr. Chairman, certain provisions of H.R. 2313, in combination with proposed amendments, would place the Federal Trade Commission in double jeopardy: First, FTC Trade Regulation rules would become subject to a congressional veto. Second, certain industries or industrywide practices would become exempt from FTC consumer protection and antitrust jurisdiction. I would like to point out to our colleagues, Mr. Chairman, that the only major industry that Congress has previously seen fit to exclude from FTC law enforcement jurisdiction—the insurance industry—is rife with consumer abuse. I think it would be tragic, therefore, to compound that mistake by now adding the funeral industry and certain aspects of the food industry to this list of FTC-exempt organizations.

The case for regulating the practices of the funeral industry has already been well documented. Suffice it to say that if we allow this industry to escape the reach of the FTC, we will be making a mockery of Federal regulation of the marketplace. But the proposed exemptions for important segments of the food industry would impact most severely on consumers. The first would prohibit the FTC from enforcing the antitrust laws with respect to agricultural cooperatives and marketing orders. The second would block the FTC's shared monopoly case against the three largest cereal manufacturers.

At a recent hearing of my subcommittee into the Government's anti-inflation program, Alfred Kahn and Barry Bosworth—the President's chief inflation fighters—had this to say about skyrocketing food prices:

> In both the April and May Consumer Price Index the farm value of food fell sharply. . . . However, the moderation of farm prices has not been reflected at the retail level. This raises serious questions in

> our mind about the level of retail margins on beef, particularly, and processing and distribution margins generally.

Mr. Kahn also warned that in the food area, Government acreage limitations, trade restrictions, and price supports, including marketing orders, create unacceptable inflationary pressures.

Mr. Chairman, if the Council on Wage and Price Stability has identified producer margins and restrictive marketing agreements as being major contributors to food inflation, how do we justify crippling the FTC's ability to operate in these areas?

There is another recent example of why the Federal Trade Commission must not be taken off the consumer protection beat. Last month, allegations were made that several major meat companies—at least one of which is an agricultural cooperative—manipulated beef prices this summer and thereby artificially raised consumer prices at the supermarket. My subcommittee has asked the responsible Federal agencies, including the FTC, to investigate these charges. The FTC's regional office in Denver has underway an antitrust investigation of this and related matters.

Mr. Chairman, if the agricultural marketing exemption to H.R. 2313 is approved, this major FTC investigation will be stopped in its tracks.

Mr. Chairman, the Federal Trade Commission—like every other agency of Government—is not perfect. But it is a fact that with the possible exception of the Securities and Exchange Commission, the FTC is the most effective independent regulatory agency in Washington. It is the agency that has done more for the American consumer than any other; it is the agency that has done more to assure a free marketplace than any other; it is the one agency that has saved the American consumer hundreds of millions of dollars more than it has cost the American taxpayer. One recent consent order against a major manufacturer of pants and jeans prohibiting resale price maintenance has saved American consumers between $60 and $80 million annually.

I find it nothing short of cynical that there are those in this body who, under the banner of the "public interest," but at the urging of the special interests, would undermine the Government's preeminent consumer protection entity. But what disturbs me most is not what this bill will do, in the shortrun, to the FTC. What disturbs me most is that it will encourage other special interest groups, whose grievances are not redressed in this bill, to seek future exemption from FTC operations and activities. It will be read by the Federal courts in future decisionmaking as a statement of congressional intent to leave the policing of marketplace conduct to the private sector. And at what point in our history, Mr. Chairman, are we signaling this change? At a time when the need to fight inflation by enforcing the antitrust laws and by eliminating fraud and deception from the marketplace, is the greatest in our history.

Mr. Chairman, over the years my subcommittee has looked carefully at all aspects of FTC operations. Let me tell you what our findings have been:

First, on an organizational basis, the Federal Trade Commission now has one of Washington's most efficient systems for monitoring its programs and measuring their costs and benefits. Investigations and adjudications that are not cost-effective are quickly eliminated.

Second, in terms of procedural fairness, reforms have been instituted that assure all parties equal access to the agency that expedite administrative processes.

Third, on a substantive level, the Commission is embarked on a vitally important program to combat inflation in the key sectors of our economy.

In the health care area, for example, the FTC is responsible for progress in removing anticompetitive restrictions on price advertising for prescription drugs and eyeglasses; and on the advertising of professional services by attorneys, physicians, and dentists. The Commission is also involved in a rulemaking proceeding to determine whether manufacturers of hearing aids are providing sufficient information to consumers.

In the food area, the Commission is investigating and litigating against the growing trend toward shared monopolies, economic concentration, and anticompetitive practices in various sectors of our food industry. The Commission is also attempting to make advertising of food products more informative.

In the housing area, the Commission is cracking down on unfair practices in the conversion of rental units to co-ops and condominiums; it is moving against alleged anticompetitive practices in the real estate brokerage market. It is working to establish meaningful standards and better information relative to the home insulation market; it is seeking to put an end to redlining by some mortgage lenders and attempting to establish standards for new home warranties.

In the transportation area, it is moving to require disclosure of the condition of used cars, to increase competition in the manufacture of trucks; to permit small businessmen in the auto repair business to purchase parts from automobile manufacturers; to enhance competition in the auto rental market.

In the energy sector, the Commission is seeking to eliminate monopolies in the refining of petroleum products and to break the major oil companies' stranglehold on its dealers. The Commission is nearing completion of a proposed rule requiring energy efficiency labels on major appliances and residential furnaces. An existing rule requires gasoline stations to post octane levels. When the Congress and all Americans were angered and perplexed this past summer over gasoline lines and conflicting reports on the availability of crude oil, the subcommittee which I chair turned to the Federal Trade Commission, not to the Department of Energy, for answers. I turned to the FTC because it was, in my judgment, the only Federal regulatory agency that had sufficient independence, integrity, and expertise to deal with one of the most crucial issues of our time.

Mr. Chairman, this is not the record of an old lady of Pennsylvania Avenue. Nor is it the record of a national nanny. It is, instead, the record of an agency that is having an impact on the day-to-day lives of American citizens. It is the record of an agency that is setting a standard of performance for other agencies. In short, Mr. Chairman, the Federal Trade Commission is the rarest kind of public institution—one that really makes a difference!

If we exempt entire industry practices from their jurisdiction; if we, in short, accede to the demands of the funeral industry, the food industry, the used car industry, and the other special interest lobbies who want a defanged FTC, then we will be giving those who abuse consumer rights, effective control over those who are charged with protecting those rights; and we will have succeeded in politicizing the independent regulatory systems in America.

The U.S. Congress must eliminate excessive regulation. It should cut back or abolish agencies, like the Civil Aeronautics Board and the Interstate Commerce Commission, whose function is to set prices and guarantee profits among industry competitors and who thereby inhibit competition. But the Federal Trade Commission's role is much different: It is to further competition and to prohibit unfair practices that impede our free enterprise economy.

This Congress should not reward industries that are guilty of committing a pattern of anticonsumer practices by excluding them from FTC scrutiny. It has taken many years to make the Commission an effective protector of the publice interest. It is my hope that this body will not undo in a few days what has taken so many years to construct.●

● Mr. FRENZEL. Mr. Chairman, the FTC is such a mess that one hardly knows where to begin discussing its problems. It epitomizes all the things that Americans find excessive, unnecessary, wasteful, duplicative, and repugnant about regulatory agencies.

But the FTC is more than just your ordinary pain-in-the-neck. It is a king-sized cancer on our economy. It has undoubtedly added more unnecessary costs on American consumers who it is charged with protecting, than any other half dozen agencies combined.

It is bad enough to be counterproductive and therefore highly inflationary, but the FTC compounds its sins by generally ignoring the intent of the laws, and writing its own laws whenever the whimsey strikes it.

It indicts by press release. Due process is a phrase foreign to it. It invents its own extra-legal criteria for harassment. It engages in witch-hunts, demanding information which costs consumers dearly, for cases it never intends to complete.

Ignoring Congress can be a virtue, but the FTC's excessive nose-thumbing at the legislative branch has become legend. In short, the FTC has made itself into virulent political and economic pestilence, insulated from the people and their representatives, and accountable to no influence except its own caprice.

Obviously, it is way past time to pin the tail on this donkey. Congress ought to be as embarrassed by its unwillingness to curb FTC abuse as it is by the abuses themselves.

On my most charitable days, I think repealing the FTC would be a good idea. Whenever I pick up the paper and read of another atrocity wrought by it, I think more hideous thoughts about making the punishment fit the crime. For instance, every staff member and every Commission member should spend 20 years at hard labor filling in their own assinine forms. And then they should spend the rest of their lives resubmitting the same material upside down and backward.

H.R. 2313 is a tiny step in the right direction. Assuming repeal is impossible, a huge reduction in the FTC authorization, perhaps by one-half, is clearly in order. But because of the closed rule, a craven act of an unconfident majority, we are not allowed to amend the authorization. That rule is an affront to this body and should never have been passed.

The legislative veto is the heart of the legislation. It is the only feature that would induce me to vote for any bill that gives money to the FTC. I do not have a lot of confidence that Congress will exercise that veto either often or well, but it will provide the first shred of accountability for a rogue agency gone insane.

The Andrews amendment is a good one. It highlights another horrible example of FTC duplication. By law, the Department of Agriculture is charged with regulation of agricultural cooperatives. But with its customary disregard for the law, FTC has been sticking its nose into agricultural cooperatives, too. The usual chaos and extra costs for consumers have resulted.

The Russo amendment may seem less desirable, unless one is aware of FTC harassment of funeral parlors. The agency's work in this field has earned it, and the industry, a long rest from such labors. The amendment should be passed.

The FTC is the undisputed olympic champion of all unresponsive agencies. It deserves a comeuppance far worse than H.R. 2313. Nevertheless, H.R. 2313 is the only comeuppance available, so we ought to use it. I hope it will be passed.●

● Mr. CHARLES H. WILSON of California. Mr. Chairman, each of us here in Congress has been trying to reduce Government interference in the private lives of business and the public. The Federal Government and its various agencies and departments need to come under more scrutiny through congressional oversight so that a balanced, necessary role of program delivery is developed. It is a role that must be effective, but unobtrusive. The Federal Trade Commission is one such agency requiring additional congressional guidance.

It is time for the Federal Trade Commission to be put on notice that it cannot singlehandedly expand the legislative intent of Congress without a congressional mandate.

It is time for the Federal Trade Commission to be put on notice that it cannot unilaterally expand its rulemaking authority to areas of responsibility that the States have a history of fulfilling.

It is time for the FTC to be put on notice that it cannot redefine and reinterpret the laws and regulations developed by elected State officials and actively enforced by the government of each State for the benefit of each State's residents.

It is time for Congress to rein in the activities now underway by the Federal Trade Commission in regard to State regulated nonprofit professional personnel associations. I want to present to the Members of this body an explanation of the FTC activities in relation to nonprofit professional associations and offer a way of resolving this specific problem.

Nonprofit professional personnel associations are organizations which work with State agencies in determining dental, legal, medical, and other professional standards for their members. Among these responsibilities are standards of ethics, licensing procedures, and academic accredition of schools that provide training for these highly technical professions. None, however, are engaged in trade or commerce, nor are they organized to carry on business for their own profit. These nonprofit professional organizations promote scientific research and development, represent their professions in the local, State and Federal governments, and provide a stable and consistent working environment for their members. The FTC, however, is attempting to redefine the States and associations established relationship.

Under the rulemaking authority of the Magnuson-Moss Warranty FTC Improvements Act, the Federal Trade Commission has initiated investigations into such activities as licensure of health care practitioners and accreditation of professional schools. In addition, the FTC has developed and promulgated trade regulation rules to assert jurisdictional authority over nonprofit professional associations.

As you know, there is a great deal of interest in the health area concerning increased costs for health services and allegations of unfair and deceptive practices by professional associations. I firmly support the FTC's legitimate mandate to actively protect the consumers from these types of practices.

However, FTC intervention under its broadly self-defined rulemaking authority, particularly in the area of health care, is clearly beyond the Commission's expertise and is unnecessary. This is especially true in the areas of licensure law, school accreditation, other activities of State regulation boards and some Federal programs, specifically those of the Department of Health, Education, and Welfare.

Certainly Congress did not intend for the FTC to substitute regulatory edicts for the legislative judgments and procedures established by elected State officials.

Certainly Congress did not intend for the FTC to become a decisionmaking partner with the States and provide what must be viewed by the States as redundant "regulation overkill."

Certainly Congress did not intend for the FTC to pass judgment on States that have enacted vigorous professional practice acts and laws and to allocate FTC time, resources, and the taxpayers money to duplicate State efforts.

Certainly Congress did not expect the FTC to decide who may or may not participate in the delivery of health services and the standards that are to be applied to each professional. The FTC's job is to insure that the health system, that the legal system, that any professional system, does not undermine the ability of consumers to obtain quality professional assistance. The FTC is stretching its rulemaking authority not into areas that are void of proper guidance, but areas that are already operating under accepted standards and requirements.

Congress has an opportunity to act. As you are aware, the FTC Improvements Act of 1979 is being considered by the House and Senate. Unfortunately, the House has a modified rule on H.R. 2313, which will allow only two amendments to be offered. The Senate, however, is in the process of redefining the activities of the FTC in regard to professional nonprofit associations.

The effort in the Senate would specifically amend section 18 of the Federal Trade Commission Act, which is known as the Magnuson-Moss rulemaking authority of the Commission. By limiting the scope of the amendment to just the rulemaking authority of the Federal Trade Commission, the FTC could still pursue specific, possible Federal antitrust violations relating to the professions under section 5 of the FTC Act.

The amendment would temporarily suspend funding authority for FTC regulatory activities with respect to State regulated professions such as law, medicine, and dentistry, and their respective nonprofit professional organizations. The suspension of funding will give Congress the opportunity to evaluate FTC regulatory reform proposals, especially since the legislative veto provision will give Congress a mechanism to insure that its legislative mandates will be carried out. In the interim, nonprofit professional associations and their members would continue to be regulated by various other agencies at the State and Federal levels.

Congress did not give the FTC the authority to arbitrarily promulgate rules and regulations concerning State regulated professional associations. I encourage each Member to become familiar with the activities of the FTC in this area. Whether this issue is resolved through H.R. 2313 or other legislative initiatives, it will be brought up again.

I believe the FTC can put its resources and the taxpayers money to better use. I believe that the States can continue to regulate legal, medical, dental and other professional organizations without further assistance from the Federal Government.●

● Mr. GRASSLEY. Mr. Chairman, I take this opportunity to compliment the gentleman from Georgia (Mr. LEVITAS) for his leadership and persistency in the crusade to bring the bureaucracy under control through the implementation of the congressional veto.

Not only will this procedure present a forum for the debate and consideration of these rules, but it will give Congress an opportunity to disapprove and stop regulations going beyond congressional intent.

Congressmen are held responsible by our constituents for regulations just as if they passed Congress in the first instance. If we have that burden to carry, we might as well have the decisionmaking capability.

More importantly I feel the mere possibility of review and subsequent rejection by Congress will dampen the normal, innate thrust of unelected bureaucrats to crank out so many pages of regulations in the first place. What a reform that will be.●

● Mr. BALDUS. Mr. Chairman, as a member of the House Small Business Committee since 1975, I have participated in hearings and been aware of the FTC's efforts to regulate the funeral industry. I have listened to the arguments and met with individuals representing both sides. Throughout my discussions, I have yet to receive complaints from my constituents that they have been gouged or treated unfairly in the handling of a funeral.

At issue, therefore, are whether the problems cited by the FTC are common to all funeral homes or to a small number. In my view, the problems brought out in the FTC investigation seem to be more prevalent in large cities than in the small communities that I represent. In large cities, where individuals are more transient and frequently do not know personally the individuals with whom they are conducting business, the opportunity to practice deceitful and misleading business tactics is greater. In a rural community, everyone generally knows each other, and it is not uncommon for families to use the same funeral home for generations. The funeral director builds his business based on mutual respect and trust in the community, and any mortician who deceives and misleads his customers will have a limited stay in that community.

It is also important to note that funeral homes are currently subject to State regulation and licensing. Thus, there seems to be little need at this time for additional Federal involvement and paperwork requirement. The Wisconsin experience illustrates this point quite clearly. The Wisconsin Funeral Directors and Embalmers Examining Board already requires funeral homes to provide most of the price disclosure information and to abide by other guidelines called for in the FTC proposal. Consumer complaints, which are investigated by a separate division, are few and far between—approximately 10 in the last 18 months. At a time when we are seeking ways to streamline and minimize Federal involvement in our lives, the FTC's efforts seem to be unwarranted, intrusive, and a duplication of effort.

In conclusion, I urge my colleagues to reject the FTC's arguments and to support the Russo amendment.●

● Mr. RICHMOND. Mr. Chairman, I rise in opposition to the amendment that would prohibit the Federal Trade Commission from enforcing antitrust laws with respect to agricultural cooperatives and marketing orders.

Proponents of this amendment say that the FTC does not have the expertise in the area of agricultural cooperatives and, therefore, should not be allowed to enforce the antitrust laws in cases of violations by any co-op.

I am not so much concerned about how much the FTC knows about farming or market orders or co-ops as I am about the fact that the FTC has a lot more expertise in enforcing the antitrust laws than the Department of Agriculture. The Capper-Volstead Act has been on the books for 57 years, and I will tell you how many investigations the Department of Agriculture has conducted in those 57 years—none.

When we are talking about the enforcement of the antitrust laws, the expertise that we want and the public has a right to expect, is the expertise of an agency whose basic purpose and day-to-day responsibility is enforcing antitrust laws. That agency is the FTC.

No one would seriously propose that the Department of Energy be empowered to enforce the antitrust laws against the oil companies and other companies in the energy field. No one would suggest that the Department of Transportation be granted the sole authority to enforce the antitrust laws against the auto companies.

Congress has given the FTC one clear and overriding mission: to prevent "unfair methods of competition" and "unfair or deceptive acts or practices" in commerce. It seems to me that this legislative mandate applies to all types of commerce, including oil, and automobiles and agricultural cooperatives.

The Department of Agriculture has always considered its overriding mission with respect to co-ops to be promoting them. When the FTC enforces the antitrust laws as they apply to co-ops, the FTC is not burdened by this conflict of missions which could inhibit the fair application and enforcement of the antitrust laws.

I urge a "no" vote on the amendment.●

● Mr. BETHUNE. Mr. Chairman, I support the Russo amendment to H.R. 2313 which will forbid the Federal Trade Commission from implementing its proposed "funeral trade regulation rule."

I do this because I believe Federal regulations have gone too far. Must this country be like Sweden, where it is against the law now to spank your child, before we say "no" to the bureaucracy?

Industry is dying in America because of Federal regulations. It distresses me greatly to see a giant like Chrysler Corp., faltering to its haunches. Government regulations have contributed to its demise, and Ford and GM could be next in line unless we reverse this regulatory trend.

There are countless instances where the Federal Government is sapping the life out of U.S. productivity. A constituent of mine who is working in my office for a few weeks to acquaint himself with the ways of Congress relayed an example to me just this morning:

A lengthy delay in regulatory decisionmaking by one Federal agency has forced a company to put off a multimillion dollar plant expansion to produce a fungicide for which there is no other domestic manufacturer. In the interim, plant capacity of this firm will provide only one-half the agricultural demand for the product, and the cost of maintaining the old plant has priced the product beyond the benefit range for the potato market. This could have an effect on the potato yield and drive prices up in the supermarket.

The merits of the proposed FTC funeral regulations have been debated for some time and I believe the FTC had good intentions with this proposed rulemaking. However, regulations with benevolence can be just as destructive as a purposefully debilitating action. Frankly, the Federal Government has gotten this country into its biggest bureaucratic tangles with only the best of intentions. Let us leave issues like the one before Congress today to the States to handle. The States have laws to keep the funeral industry in check, and some laws are more stringent than the FTC's proposal. It is when the Federal Government steps in that the system becomes rigid, costly, and counterproductive.

No one knows for sure how much these regulations will cost the funeral industry. A few years ago when the first more stringent regulations were first circulated, the funeral industry submitted a study to the Council on Wage and Price Stability which indicated that those regulations could cost consumers $50,000,000. The final regulations have now been revised and unfortunately, I know of no new cost data. However, I think it is importatnt to look at the big picture. According to a recent study by the joint Economic Committee on the costs of Government regulation of business, in 1977 the aggregate cost of Federal regulations is estimated to be over $103 billion. Further, Government regulation is a drain on productivity. It is estimated that over the past 5 years, the proliferation of regulation is responsible for 0.4 percent per year reduction in productivity growth. If productivity had been 0.4 percent better in each of the last 5 years, it would have meant $28 billion in real growth.

The handwriting is on the wall for the FTC and all Federal bodies to stop killing the American businessman and our economy. Regulations are cutting productivity, forcing up the cost of goods, and spurring inflation. If the marketplace cannot weed out the bad from the funeral industry, I think it should be up to the States to address the problem. It is time for the Federal Government to stop meddling in areas like these, and instead direct its energies to solving the real guts of our Nation's problem with inflation and energy.

If we let it, private enterprise can solve these problems. Fewer Government impositions could make it possible for businesses to produce more and market more U.S. goods overseas. This translates into a reduction in the trade deficit, a sounder dollar and less inflation. The Government could also let business do more to reduce oil imports by improving the efficiency of transportation, developing new energy sources, and improving the thermal construction of our homes and buildings. These are just a few basic things businesses can do if we let them. We need to give the free enterprise system a fighting chance to work the way it should.●

Mr. QUAYLE. Mr. Chairman, I would like to commend him for his efforts on this bill. The House now has the opportunity to enact substantive administrative improvements regarding the FTC, particularly in the matter of legislative veto power over regulatory excesses.

However, I feel that there are many areas in which the FTC is currently involved, where the FTC is acting in the detriment of consumers and the probable damage of the industry it proposes to regulate. One example which comes to mind is the proposed rule to regulate the promulagation of voluntary standards and certification.

The voluntary standards system of the United States is composed of thousands of independent businessmen, consumers and technicians who together formulate the product standards for a wide range of items. These standards determine such things as the size of light bulbs, the order of keys on typewriters, and the gage of pipes used in construction. The standards affect nearly all aspects of daily life, and I would submit that the reason we are so seldom aware of this fact is because the current system works so well. Of the more than 25,000 standards in existence, fewer than 50 have ever been challenged.

The voluntary standards system is an excellent example of the private sector working well. It needs no Government interference. Yet the FTC proposes to not only interfere but burden this system with a stifling set of requirements, policing responsibilities, and $10,000 a day fines for even technical violations of the rule. In spite of no demonstrated need for such regulation, the FTC proposes to force on the private standards system a series of regulatory demands which would lengthen the time required to set standards, force compliance with costly administrative and reporting demands, and have the effect of forcing out the many participants in the system who volunteer their time and would not be able to spend time filling out forms for the Federal Government.

I cannot understand why the FTC feels it necessary to inject itself into a situation where its rule would simply create additional costs for consumers, for that is surely who bears the ultimate cost of this bureaucratic scheme. Any abuses of the private system can be dealt with, and are dealt with, under existing antitrust statutes. In recognition of the success of the private system in setting standards, just last summer the Department of Commerce moved to dramatically reduce the standards-setting operations of the National Bureau of Standards, and to encourage the development of voluntary product standards by the private standards-writing organizations. The Department of Commerce went on to state that such private standards systems:

> Promote economic growth through (1) reduction of manufacturing costs, inventory costs, and distribution costs; (2) better understanding among manufacturers, producers, or packagers, distributors, users, and consumers; (3) simplification of the purchase, installation, and use of the product being standardized.

Clearly the Commerce Department—with far more experience than the FTC in dealing with product standards—feels that it is preferable to let the private sector handle the job. I thoroughly agree. I had originally planned to offer an amendment to this bill which would have terminated the FTC's involvement in this area. Due to the rule, this option was foreclosed. I would like to therefore go on record in opposition to this proposed rule, and hope that if the FTC proceeds with it, we would be carefully observant of the impact and ready to use any available oversight regarding this rule.

● Mr. SYMMS. Mr. Chairman, in a recent editorial discussing the merits of Congress exercising the power of legislative veto over bureaucratic agencies, one of the country's most respected newspapers, the Cincinnati Enquirer, referred to the Federal Trade Commission as "the rogue elephant of the whole Federal bureaucracy."

The Congress has the right and responsibility to check the activities of the FTC "rogue elephant" whenever that agency tramples into areas not intended to be part of its jurisdiction when the legislative branch created the Federal Trade Commission.

What we who support the principle of legislative veto are talking about, in other words, is bureaucratic reform. Just as it was argued that the Central Intelligence Agency's activities were in need of reform, and that Congress had a duty to enact that reform, so too does Congress have the duty to reform the way in which the FTC carries out its congressional mandate.

Indeed, it is precisely because the FTC conducts its affairs with virtual lawmaking authority delegated to it by Congress pursuant to the 1975 Magnuson/Moss FTC Warranty Improvements Act, that legislative veto has become necessary. The FTC "rogue elephant" has ranged far and wide in its operations, and the list of its excesses could fill several catalogs. In the name of consumer protection, it is time for Congress to take measure of what we have created, and to take responsibility again for lawmaking and consumer protection, instead of continuing to fail to rein in the FTC in its self-assumed role as the absolute arbiter of the consumer marketplace.

It was not Congress' intention in creating the Federal Trade Commission to allow unelected bureaucrats to make law insulated from the public or constituent relationship that forms the basis of our representative democracy. Nor was it Congress' intention that the FTC venture into areas of the consumer marketplace to squander taxpayer dollars on such questionable projects as its children's advertising proposal—an unconstitutional solution to an unproved problem—and its proposal to force advertising upon the medical profession.

The cost to the consumer of such FTC forays as these two—and the list could go on and on—cannot be measured solely in terms of tax dollars. According to a new study done by the highly respected economist Murray Weidenbaum for Stanford's Hoover Institution, Americans pay a "hidden tax" of $500 every year for Federal rules and regulations imposed on corporations.

Mr. Chairman only through exercise of FTC legislative veto can Congress curb this "rogue elephant of the whole Federal bureaucracy," and the sooner the legislative branch begins to reassert its control over the bureaucratic jungle it has created, the better it will be for America's consumer-taxpayers.

To date, the American people have heard a great deal of rhetoric from Capitol Hill concerning the need to curb the excess of big, unresponsive, bureaucratic government. It is time that we back up that rhetoric with action. FTC legislative veto is not simply symbolic, but real action toward that end.

Moreover, FTC legislative veto, as reported this Congress by the Interstate and Foreign Commerce Committee, contains the added feature of a sunset element; that is, at the end of 3 years FTC legislative veto will automatically expire should the Congress at that time fail to extend it. Thus, 3 years from now should opponents of legislative veto be able to demonstrate that it does not work as an effective control on the FTC bureaucrat-lawyers' lawmaking, the law would lapse.

This is more than can be said of the orders and fiats that issue from the offices of the Federal Trade Commission—those bureaucratic intrusions into the marketplace which take on a life of their own, regardless of whether they work or not, or are justified.

Mr. Chairman, the American people want and deserve action to curb the rogue elephants of the Federal bureaucracy. Congress' assertion of the power of FTC legislative veto will represent not only our response to that public need, but our recognition that only Congress can institute workable reform in the bureaus and agencies it has created.●

● Mr. DUNCAN of Oregon. Mr. Chairman, had the Rules Committee granted an open rule for debate on this bill (H.R. 2313) I would have offered an amendment to delete authorization of $750,000 of Federal funds to finance public interest intervention in administrative rulemaking.

We have fought this fight on several previous occasions, both on the floor and in the appropriations committee. I have spoken before on funding the Office of Rail Public Counsel within the Department of Transportation and on the land and water conservation authorization bill. Today the issue arises again in the Federal Trade Commission reauthorization.

Agencies of this sort, including the Federal Trade Commission, were established precisely to protect, defend, and advocate the public's interests. That is their most fundamental function. We must be vigilant to keep the avenues of communication between the people and their government open. But I do not conceive that we need to pay the citizens on a selective basis to do so. To use public funds to provide private interest groups the opportunity to present their factional arguments in front of the Commissioners duplicates unnecessarily the agencies' basic functions and responsibilities.

Who, after all, is to decide what is in the "public interest." This year it may be fashionable to determine that Common Cause or the Friends of the Earth are representing the public's interest. But fashion should not be the criteria on which this republic makes its decisions. Next year it may be determined that the Chamber of Commerce or General Motors represent these interests. Who is to decide and on what basis?

Our form of government demands that citizens similarly situated should be treated similarly. It is the most fundamental premise of our national structure. But if we provide public moneys so that one group may express its viewpoint, must not we then provide money so that every other interested group may express its opinions? If that is not the case, then which unelected administrator shall we invest with the discretion to decide? Our administrators were hired, at least initially, to apply their expertise in a given field. They were not hired to appropriate public moneys—that is the responsibility and obligation of the Congress.

If the executive or independent agencies are not protecting the public interest then we should change, overhaul, or abolish the agency. The answer lies in the agencies themselves, not in funding interest groups to present their views. Such is an enormous waste of our public resources to fund private groups advocacy of what is already a Federal responsibility.●

Mr. SCHEUER. Mr. Chairman, I yield back the remainder of my time.

Mr. RINALDO. Mr. Chairman, I have no further requests for time, and I yield back the remainder of my time.

The CHAIRMAN. Pursuant to the rule, the committee amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the reported bill as an original bill for the purpose of amendment shall be considered as having been read. No amendments to the bill or to the committee amendment in the nature of a substitute shall be in order except: First, pro forma amendments for the purpose of debate; second, amendments recommended by the Committee on Interstate and Foreign Commerce; third, an amendment printed in the CONGRESSIONAL RECORD of October 17, 1979, by, and if offered by, the gentleman from Illinois (Mr. RUSSO); fourth, an amendment printed in the CONGRESSIONAL RECORD of October 16, 1979, by, and if offered by, the gentleman from North Dakota (Mr. ANDREWS); and fifth, an amendment printed in the CONGRESSIONAL RECORD of October 18, 1979, by, and if offered by, the gentleman from New York (Mr. KEMP); and said amendments shall not be subject to amendment except pro forma amendments for the purpose of debate.

The committee amendment in the nature of a substitute is as follows:

H.R. 2313

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Trade Commission Improvements Act of 1979".

TITLE I—AUTHORIZATION OF APPROPRIATIONS

AUTHORIZATION OF APPROPRIATIONS

SEC. 101. Section 20 of the Federal Trade Commission Act (15 U.S.C. 58) is amended—

(1) by striking out "and" after "1976;"; and

(2) by striking out "1977. For fiscal years ending after 1977, there may be appropriated to carry out such functions, powers, and duties, only such sums as the Congress may hereafter authorize by law." and inserting in lieu thereof "1977; not to exceed $75,000,000 for the fiscal year ending September 30, 1980; not to exceed $80,000,000 for the fiscal year ending September 30, 1981; and not to exceed $85,000,000 for the fiscal year ending September 30, 1982.".

TITLE II—ANALYSIS, MANAGEMENT, AND ORGANIZATION OF COMMISSION FUNCTIONS

DEFINITIONS

SEC. 201. For purposes of this title:

(1) The term "Commission" means the Federal Trade Commission.

(2) The term "rule" means any rule prescribed by the Commission under section 6 or section 18 of the Federal Trade Commission Act (15 U.S.C. 46, 57a), except that such term does not include interpretive rules, rules involving Commission management or personnel, general statements of policy, or rules relating to Commission organization, procedure, or practice. Such term does not include any amendment to a rule unless the Commission—

(A) estimates that such amendment will have an annual effect on the economy of $100,000,000 or more;

(B) estimates that such amendment will cause a substantial change in the cost or price of goods or services which are used extensively by particular industries, which are supplied extensively in particular geographic regions, or which are acquired in significant quantities by the Federal Government, or by State or local governments; or

(C) otherwise determines that such amendment will have a significant impact upon persons subject to regulation under such amendment and upon consumers.

(3) The term "rulemaking" means any Commission process for formulating, amending, or repealing a rule.

REGULATORY ANALYSIS

SEC. 202. (a) In any case in which the Commission publishes notice of a proposed rulemaking, the Commission shall issue a preliminary regulatory analysis relating to the proposed rule involved. Each preliminary regulatory analysis shall contain—

(1) a concise statement of the need for, and the objectives of, the proposed rule;

(2) a description of any reasonable alternatives to the proposed rule which may accomplish the stated objectives of the rule in a manner consistent with applicable law; and

(3) for the proposed rule, and for each of the alternatives described in the analysis, a preliminary analysis of the projected benefits and adverse economic and other effects, and of the effectiveness of the proposed rule and each alternative in meeting the stated objectives of the proposed rule.

(b) In any case in which the Commission promulgates a final rule, the Commission shall issue a final regulatory analysis relating to the rule. Each final regulatory analysis shall contain—

(1) a concise statement of the need for, and the objectives of, the rule;

(2) a description of any alternatives to the rule which were considered by the Commission;

(3) an analysis of the projected benefits and the adverse economic and other effects of the rule;

(4)(A) an explanation of the reasons for the determination of the Commission that the rule will attain its objectives, in a manner consistent with applicable law, with fewer adverse economic effects than the other alternatives considered; or

(B) an explanation of the reasons for the selection by the Commission of an approach entailing greater adverse economic effects; and

(5) a summary of any significant issues raised by the comments submitted during the public comment period in response to the preliminary regulatory analysis, and a summary of the assessment by the Commission of the comments.

(c)(1) In order to avoid duplication or waste, the Commission is authorized to—

(A) consider a series of closely related rules as one rule for the purposes of this section; and

(B) whenever appropriate, incorporate any data or analysis contained in a regulatory analysis issued under this section in the statement of basis and purpose to accompany any rule promulgated under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)), or in any part of the record of the rulemaking for purposes of judicial review, and incorporate by reference in any preliminary or final regulatory analysis information contained in a notice of proposed rulemaking or a statement of basis and purpose.

(2) The Commission shall include, in each notice of proposed rulemaking and in each publication of a final rule, a statement of the manner in which the public may obtain copies of the preliminary and final regulatory analyses. The Commission may charge a reasonable fee for the copying and mailing of regulatory analyses. Regulatory analyses shall be furnished without charge or at a reduced charge if the Commission determines that waiver or reduction of the fee is in the public interest because furnishing the information primarily benefits the general public.

(d) The Commission is authorized to delay completing any of the requirements established in this section by publishing in the Federal Register, not later than the date of publication of the final rule involved, a finding that the rule is being promulgated in response to an emergency which makes timely compliance with the provisions of this section impracticable. Such publication shall include a statement of the reasons for such finding.

(e) The requirements of this section do not alter the substantive or procedural standards otherwise applicable to any action by the Commission.

JUDICIAL REVIEW

SEC. 203. (a) The contents and adequacy of any regulatory analysis prepared or issued by the Commission under this title, including the adequacy of any procedure involved in such preparation or issuance, shall not be subject to any judicial review in any court, except that a court, upon review of a rule pursuant to section 18(e) of the Federal Trade Commission Act (15 U.S.C. 57a (e)), may set aside such rule if the Commission has failed entirely to prepare a regulatory analysis.

(b) Except as specified in subsection (a), no Commission action may be invalidated, remanded, or otherwise affected by any court on account of any failure to comply with the requirements of this title.

(c) The provisions of this section do not alter the substantive or procedural standards otherwise applicable to judicial review of any action by the Commission.

REGULATORY AGENDA

SEC. 204. (a)(1) The Commission shall publish at least semiannually a regulatory agenda. Each regulatory agenda shall contain a list of rules which the Commission intends to propose or promulgate during the 12-month period following publication of the agenda. On the first Monday in October of each year, the Commission shall publish in the Federal Register a schedule showing the dates during the current fiscal year on which the semiannual regulatory agenda of the Commission will be published.

(2) For each rule listed in a regulatory agenda, the Commission shall—

(A) describe the rule;

(B) state the objectives of, and the legal basis for, the rule;

(C) specify any dates established or anticipated by the Commission for taking action, including dates for advance notices of proposed rulemaking, notices of proposed rulemaking, and final action by the Commission; and

(D) state the best available estimate of the Commission of the effect of the rule on the economy.

(3) Each regulatory agenda shall include a list of rules scheduled to be reviewed in accordance with section 207 during the 12-month period following publication of the agenda, and the status of proposed rules listed on previous agendas which have not been promulgated or withdrawn by the Commission.

(4) Each regulatory agenda shall state the name, address, and telephone number of the Commission official responsible for responding to any inquiries relating to each rule listed.

(5) The first regulatory agenda published in any calendar year shall contain or refer to the report required in section 205(b).

(b) The Commission is authorized to propose or promulgate a rule which was not listed on a regulatory agenda only if the Commission publishes with the rule an explanation of the reasons the rule was omitted from an agenda.

DEADLINES

SEC. 205. (a)(1) Whenever the Commission provides notice of a proposed rulemaking or of a proceeding under section 5(b) of the Federal Trade Commission Act (15 U.S.C. 45(b)), the Commission shall include in such notice an announcement of the date on or before which it intends to complete final action in the rulemaking or other proceeding. Whenever the announcement indicates that the rulemaking or other proceeding will require more than 1 year to complete, the Commission also shall indicate the date on or before which it intends to complete each major portion of the rulemaking or other proceeding. In carrying out the provisions of this subsection, the Commission shall select dates for completing action which will assure the most expeditious consideration of the matter possible consistent with the interests of fairness and other priorites of the Commission.

(2) The requirements of this subsection do not apply to any rulemaking or other proceeding in which the Commission intends to complete action not later than 180 days after providing notice of the proposed action.

(3) If the Commission fails to complete action in a rulemaking or other proceeding or a major portion of a rulemaking or other proceeding on or before the date announced pursuant to paragraph (1), or, in the case of any rulemaking or other proceeding specified in paragraph (2), the Commission fails to complete action before the end of the 180-day period following notice of the proposed action, then the Commission shall establish a new date on or before which the Commission intends to complete action in such rulemaking or other proceeding or each major portion of such rulemaking or other proceeding. The provisions of this paragraph do not apply to rulemakings or other proceedings for which the Commission expects the delay in completing action to be not more than 30 days.

(b) The Commission shall prepare an annual report on rulemakings or other proceedings of the Commission which are subject to the requirements of this section. Each report shall include—

(1) the number of such rulemakings or other proceedings initiated by the Commission during the preceding year;

(2) the number of such rulemakings or other proceedings concluded by the Commission during the preceding year; and

(3) the number of instances during the preceding year in which the Commission failed to conclude a rulemaking or other proceeding on or before the date originally announced for its completion, together with an explanation of the reasons for such failure.

RESPONSIBILITIES OF COMMISSION

SEC. 206. (a) Not later than 6 months after the effective date of this section, the Commission shall establish a single office or other organizational unit, or shall designate an existing office or other unit within the Commission, as the unit to exercise, as one of its principal functions, primary responsibility for the planning and management of the regulatory activities of the Commission.

(b) Not later than 6 months after the effective date of this section, the Commission shall, for each of the requirements established in sections 202, 204, 205, and 207, formally assign, either to the office or other unit designated under subsection (a) or to any other office or unit within the Commission, responsibility for the compliance of the Commission with the provisions of this title. The office or other unit designated under subsection (a) shall monitor the compliance of the Commission with the provisions of this title.

(c) Not later than 6 months after the effective date of this section, the Commission shall issue guidelines to ensure that in any case in which a rule is promulgated—

(1) the rule is needed;

(2) the rule is written so that it can be readily understood by persons likely to be affected by the rule;

(3) the benefits and adverse economic and other effects of the rule have been adequately considered;

(4) alternative approaches to the rule have been considered and an approach selected which avoids imposing unnecessary adverse economic and other effects;

(5) the rule has been designed to provide effective and enforceable means of compliance;

(6) there has been full consultation with affected State and local governments; and

(7) the name, address, and telephone number of the Commission official responsible for responding to inquiries relating to the rule is included in the publication of the rule.

PERIODIC REVIEW OF REGULATORY REQUIREMENTS

SEC. 207. (a)(1) Not later than six months after the effective date of this section, the Commission shall prepare and publish in the Federal Register for comment a draft schedule for the review of each rule promulgated by the Commission before the effective date of this section. Such schedule shall provide for the review of each such rule before the end of the period during which this title is in effect (as specified in section 208).

(2) Not later than 90 days before publishing the draft schedule in the Federal Register, the Commission shall make the draft schedule available to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives. The Commission shall establish a date for the completion of the review of each rule included in the schedule in a manner designed to ensure the simultaneous review of related rules and to achieve a reasonable distribution of reviews over the period of the schedule.

(3) Not later than 1 year after the effective date of this section, the Commission shall publish in the Federal Register a final schedule for the review of rules. The Commission shall publish with the final schedule the response of the Commission to comments received relating to the draft schedule.

(b)(1) In any case in which the Commission reviews a rule scheduled for review under subsection (a), the Commission shall prepare an assessment of the rule, including a statement of—

(A) the benefits being provided by the rule;

(B) the adverse economic and other efects of the rule;

(C) the cost and nature of any problems encountered by the Commission in obtaining compliance with the rule;

(D) whether the objectives of the rule may be met through an alternative which imposes fewer adverse economic and other effects than the existing rule;

(E) whether the rule should be revised to better achieve its objectives;

(F) the extent to which the rule overlaps or duplicates other Federal rules, policies, or practices, including rules, policies, or practices of other agencies; and

(G) whether the rule should be rescinded, amended, or continued without change.

(2) The Commission shall publish in the Federal Register a summary of each assessment made under paragraph (1). The Commission shall make the complete assessment available to the public and may charge a reasonable fee for the copying and mailing of the assessment. A single assessment may relate to a series of closely related rules. Assessments shall be furnished without charge or at a reduced charge if the Commission determines that waiver or reduction of the fee is in the public interest because furnishing the information primarily benefits the general public.

(3) The Commission is authorized to comply with the requirements of this subsection by publishing a notice of proposed rulemaking in lieu of the assessment required in this subsection, if the notice of proposed rulemaking relating to the rule under review contains the information required in paragraph (1).

(c) The Commission may amend any schedule for review of rules, after notifying the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives, by publishing such amendment in the Federal Register.

EFFECTIVE DATE; TERMINATION

SEC. 208. (a) The provisions of this title shall take effect on October 1, 1979.

(b) Section 202 shall apply only to rules which are proposed after the effective date of this title.

(c) The provisions of this title shall cease to have any force or effect at the end of fiscal year 1982.

TITLE III—MISCELLANEOUS PROVISIONS

APPLICATION OF FEDERAL TRADE COMMISSION ACT TO SAVINGS AND LOAN INSTITUTIONS

SEC. 301. (a) Section 5 (a) (2) of the Federal Trade Commission Act (15 U.S.C. 45 (a)(2)) is amended by inserting after "banks," the following: "savings and loan institutions described in section 18(f) (3),".

(b)(1) Section 6(a) of the Federal Trade Commission Act (15 U.S.C. 45(a)) is amended by inserting after "banks" the following: ", "savings and loan institutions described in section 18(f) (3),".

(2) Section 6(b) of the Federal Trade Commission Act (15 U.S.C. 46(b)) is amended by inserting after "banks," the following: "savings and loan institutions described in section 18(f) (3),".

(3) the proviso at the end of section 6 of the Federal Trade Commission Act (15 U.S.C. 46) is amended—

(A) by inserting after "banks" the following: ", savings and loan institutions described in section 18(f)(3),"; and

(B) by inserting ", in business as a savings and loan institution," after "banking".

(c)(1) Section 18(f)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(f)(1)) is amended—

(A) in the first sentence thereof—

(i) by inserting "or savings and loan institutions described in paragraph (3)" after "banks" each place it appears therein; and

(ii) by inserting "or (3)" after "(2)";

(B) in the second sentence thereof, by inserting after "System" the following: "(with respect to banks) and the Federal Home Loan Bank Board (with respect to savings and loan institutions described in paragraph (3))"; and

(C) in the last sentence thereof—

(i) by inserting "each" before "such Board" the first place it appears therein;

(ii) by striking out "such Board finds that (A)" and inserting in lieu thereof "(A) either such Board finds that";

(iii) by inserting "or savings and loan institutions described in paragraph (3), as the case may be," after "banks" the first and second places it appears therein;

(iv) by inserting after "or (B)" the following: "the Board of Governors of the Federal Reserve System finds"; and

(v) by striking out "the Board" and inserting in lieu thereof "such Board".

(2) Section 18(f) of the Federal Trade Commission Act (15 U.S.C. 57a) (f) is amended by redesignating paragraphs (3), (4), and (5) thereof as paragraphs (4), (5), and (6), respectively, and by inserting after paragraph (2) thereof the following new paragraph:

"(3) Compliance with regulations prescribed under this subsection shall be enforced under section 5 of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464) with respect to Federal savings and loan associations, section 407 of the National Housing Act (12 U.S.C. 1730) with respect to insured institutions, and sections 6(i) and 17 of the Federal Home Loan Bank Act (12 U.S.C. 1426(i), 1437) with respect to savings and loan institutions which are members of a Federal Home Loan Bank, by a division of consumer affairs to be established by the Federal Home Loan Bank Board pursuant to the Federal Home Loan Bank Act.".

(d) The amendments made in this section shall cease to have any force or effect at the end of fiscal year 1982.

CONGRESSIONAL REVIEW OF RULES

SEC. 302. (a)(1) The Federal Trade Commission, after promulgating a final rule, shall submit such final rule to the Congress for review in accordance with this section. Such rule shall be delivered to each House of Congress on the same date and to each House of the Congres while it is in session. Such rule shall be referred to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Interstate and Foreign Commerce of the House, respectively.

(2) Any final rule which the Commission is required to submit to the Congress under paragraph (1) shall not become effective if—

(A) before the end of the period of 90 calendar days of continuous session after the date such final rule is submitted to the Congress, both Houses of the Congress adopt a concurrent resolution disapproving such final rule; or

(B) before the end of the period of 60 calendar days of continuous session after the date such final rule is submitted to the Congress, one House of the Congress adopts such a concurrent resolution and transmits such concurrent resolution to the other House, and such concurrent resolution is not disapproved by such other House (by the adoption of a resolution of disapproval) before the end of the period of 30 calendar days of continuous session after such transmittal.

(b)(1) If, at the end of 60 calendar days of continuous session of the Congress after the date on which a final rule is submitted to the Congress under subsection (a)(1), no committee of either House of the Congress has reported or been discharged from further consideration of a concurrent resolution disapproving the rule, and neither House has adopted such a resolution, the rule may go into effect immediately.

(2) If, before the end of the 60-day period specified in paragraph (1), such a committee has reported or been discharged from further consideration of such a resolution, or either House has adopted such a resolution, the rule may take effect (at any time after the end of the period of 90 calendar days of continuous session of the Congress after such rule is submitted to the Congress) unless the rule is disapproved under subsection (a)(2).

(c)(1) If a final rule promulgated by the Commission is disapproved by the Congress under subsection (a)(2), then the Commission may promulgate a final rule which relates to the same acts or practices as the final rule disapproved by the Congress in accordance with this subsection. Such final rule—

(A) shall be based upon—

(i) the rulemaking record of the final rule disapproved by the Congress; or

(ii) such rulemaking record and the record established in supplemental rulemaking proceedings conducted by the Commission in accordance with section 553 of title 5, United States Code, in any case in which the Commission determines that it is necessary to supplement the existing rulemaking record; and

(B) may contain such changes as the Commission considers necessary or appropriate.

(2) The Commission, after promulgating a final rule under this subsection, shall submit the final rule to the Congress in accordance with subsection (a)(1).

(d) Congressional inaction on, or rejection of, a concurrent resolution of disapproval under this section shall not be construed as an expression of approval of the final rule involved.

(e)(1) The Librarian of Congress shall prepare a report which examines the review of Commission rules under this section. Such report shall—

(A) list the rules submitted to the Congress by the Commission during the period in which this section is in effect;

(B) list the rules disapproved by the Congress under subsection (a)(2);

(C) specify the number of instances in which the Commission promulgates a final rule in accordance with subsection (c); and

(D) include an analysis of any impact which the provisions of this section have had upon the decisionmaking and rulemaking processes of the Commission.

(2) The Librarian of Congress shall submit the report required in paragraph (1) to the Congress before the end of fiscal year 1982.

(f)(1) Any interested party may institute such actions in the appropriate district court of the United States, including actions for declaratory judgment, as may be appropriate to construe the constitutionality of any provision of this section. The district court immediately shall certify all questions of the constitutionality of this section to the United States court of appeals for the circuit involved, which shall hear the matter sitting en banc.

(2) Notwithstanding any other provision of law, any decision on a matter certified under paragraph (1) shall be reviewable by appeal directly to the Supreme Court of the United States. Such appeal shall be brought not later than 20 days after the decision of the court of appeals.

(3) It shall be the duty of the court of appeals and of the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any matter certified under paragraph (1).

(g)(1) For purposes of this section—

(A) continuity of session is broken only by an adjournment sine die; and

(B) days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the periods specified in subsection (a)(2) and subsection (b).

(2) If an adjournment sine die of the Congress occurs after the Commission has submitted a final rule under subsection (a) (1), but such adjournment occurs—

(A) before the end of the period specified in subsection (a)(2)(A); and

(B) before any action necessary to disapprove the final rule is completed under subsection (a)(2);

then the Commission shall be required to resubmit the final rule involved at the beginning of the next regular session of the Congress. The period specified in subsection (a) (2)(A) shall begin on the date of such resubmission.

(h) For purposes of this section:

(1) The term "Commission" means the Federal Trade Commission.

(2) The term "concurrent resolution" means a concurrent resolution the matter after the resolving clause of which is as follows: "That the Congress disapproves the rule prescribed by the Federal Trade Commission dealing with the matter of , which rule was transmitted to the Congress on .". The blank spaces shall be appropriately filled.

(3) The term "rule" means any rule promulgated by the Commission pursuant to section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(i)(1) Except as provided in paragraph (2), the provisions of this section shall take effect on October 1, 1979, and shall cease to have any force or effect after September 30, 1982.

(2) Any action instituted under subsection (f) shall not be affected by the operation of paragraph (1).

COMPENSATION FOR PARTICIPATION IN RULEMAKING PROCEEDINGS

SEC. 303. (a) Section 18(h) of the Federal Trade Commission Act (15 U.S.C. 57a(h)) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) The amount of compensation which may be paid to any person under this subsection in connection with the participation by such person in any particular rulemaking proceeding under this section may not exceed $75,000. The aggregate amount of compensation paid under this subsection in any fiscal year to any person for all rulemaking proceedings in which such person participates during such fiscal year may not exceed $75,000.".

(b) Section 18(h)(4), as so redesignated in subsection (a), is amended by striking out "$1,000,000" and inserting in lieu thereof "$750,000".

(c) The amendments made in this section shall cease to have any force or effect at the end of fiscal year 1982.

RESTRICTION ON COMMISSION ACTION UNDER LANHAM TRADEMARK ACT

SEC. 304. The Federal Trade Commission shall not have any authority to use any funds which are authorized to be appropriated to carry out the Federal Trade Commission Act (15 U.S.C. 41 et seq.) for fiscal year 1980, 1981, or 1982 for the purpose of taking any action under section 14 of the Act entitled "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes" (15 U.S.C. 1064), commonly referred to as the Lanham Trademark Act, with respect to the cancellation of the registration of any mark on the ground that such mark has become the common descriptive name of an article or substance.

The CHAIRMAN. Are there any amendments?

AMENDMENT OFFERED BY MR. RUSSO

Mr. RUSSO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Russo: Page 26, after line 2, insert the following new section:

RESTRICTION ON COMMISSION REGULATION OF FUNERAL INDUSTRY

SEC. 305. (a) The Federal Trade Commission shall not have any authority to use any funds which are authorized to be appropriated under this Act to issue—

(1) in final form the proposed trade regulation rule described in subsection (b), and

(2) in proposed or final form any other trade regulation rule which sets forth rules substantially similar to the rules set forth in the proposed trade regulation rule described in subsection (b).

(b) For purposes of subsection (a), the proposed trade regulation rule described in this subsection is the proposed trade regulation rule which was published in the Federal Register of August 29, 1975, beginning on page 39901, and which concerns the regulation of funeral industry practices.

Mr. SCHEUER. Mr. Chairman, will the gentleman yield?

Mr. RUSSO. I yield to the gentleman from New York.

Mr. SCHEUER. Mr. Chairman, I ask unanimous consent that debate on the Russo amendment be limited to 40 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. BAUMAN. Reserving the right to object, it was my understanding that the gentleman from New York (Mr. Scheuer) was going to ask that the time be equally divided, half of it to be available to the gentleman from Illinois (Mr. Russo), and half to an opponent, I assume.

Mr. ECKHARDT. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. RUSSO. Mr. Chairman, my amendment will prohibit the Federal Trade Commission from issuing their proposed funeral rule, or a revised version of it. I do this because the American people want less Federal intervention into their daily lives, not more. If ever there was a classic case of the Federal bureaucracy entering an industry truly local in nature, and proceeding on the basis of little evidence of abuse—this is it. Their proposed funeral rule is unnecessary and will be a great burden to small business, which comprises 92 percent of the funeral industry.

For 4 years, a small business subcommittee has studied this rule proceeding. We held hearings. We issued a report. Twice members of the committee appeared before the Commission. We met with Commission officials. Yet it was to no avail. That is why I am before the House today.

Quite frankly, for the last several months I have been exasperated by the failure of the funeral rule's advocates to address the arguments I have raised concerning the entire FTC funeral proceeding.

FTC bureaucrats and well-intentioned but generally biased and uninformed opinionmakers have the attitude that the funeral industry is composed of a bunch of rip-off artists, and the only way to control them is to enact a new Federal law covering their industry for the first time. As for whether they have a record that supports the need for the law, or whether the record is a fair one, they could care less—just pass the regulation. Well, I say no; I will tell you why I feel that way.

First. The Commission staff has operated in a biased manner throughout this investigation. Many of the administrative procedures they used are, in my mind, questionable. Some appear to be in direct violation of the Magnuson-Moss Act. I and other Members of the House who have raised these objections, are not alone. The Administrative Conference of the United States, and the antitrust section of the American Bar Association have both criticized FTC rulemaking procedures and suggested changes.

Second. The Commission has not compiled a record which details a nationwide pattern of abuse and illegality. They themselves admit as much in their final report. We should not be allowing new Federal laws just because a few bureaucrats believe we need them. In fact, due to various errors, I say their record is invalid.

Recently, the members of the Federal Trade Commission appeared before a subcommittee of the Senate Commerce Committee. Chairman Michael Pertschuk said among other things:

> I think the early days of that funeral proceeding were unfortunate in terms of both the commission and the industry involved. There was a sense of a vendetta against the funeral industry in those early days and a feeling on the part of the funeral industry that it was not being heard and would not be heard.

Again about the funeral rule, Mr. Pertschuk said:

> And—well, let me leave you to ask the questions, but I do think that illustrates both that we did err in the early days and also that we are responding to the record and to the impact upon those affected.

The FTC staff apparently had their minds made up on this issue before they began. They statrted with less than a dozen complaints and then spent 6 months reading articles, magazines, books, et cetera, in reading the original staff report and subsequent documents, never is a good word about funeral directors found.

During the hearings, the FTC staff continually portrayed industry representatives as uncooperative. At one point, the hearing officer accused the industry of "stonewalling." The Small Business Committee has obtained a chronological list of industry contact with the FTC staff dating back to 1972. It would appear that in fact it was the Commission staff who was "stonewalling" contact. This list was given to the members of the Commission and has yet to be refuted.

Now let me turn to the issue of their record and various administrative procedures. I maintain that the Commission has not followed the intent of Congress and that they have made several grevious errors. Their record is invalid.

No one was allowed to examine FTC staff on the issue, in direct violation of the legislative history of the Magnuson-Moss Act.

FTC staff vigorously sought out "friendly" consumer groups to take advantage of public funds participation yet contacted no one else—for example, minority funeral directors.

Materials were incorporated into and referred to in the final report which were outside the rulemaking proceeding. This unfairly "beefed" up the final report.

The FTC staff took well over a whole year to compile their report summarizing the hearings, yet asked interested persons to comment on a 600-page detailed report in 30 days. They finally granted an additional 30 days to comment only after the original 30 days had almost expired.

On occasion, the hearing officer prevented cross-examination of certain witnesses.

No witnesses were sworn at any of the hearings. Yet some witnesses were allowed to slam the industry and could not be questioned. Some witnesses favorable to the industry were in the opinion of some people "grilled at length." In other words, the hearings were informal for some people and not for others. It depended upon what side of the issue you were on.

The conclusion one must reach is that this proceeding was biased and unfair. Furthermore, I question whether the record is a valid one. After spending well over $1 million and several years investigating the funeral industry, we find the following statement in the FTC's final report:

> The only fair conclusion which can be drawn from the record evidence is that the number of consumer complaints filed against funeral directors is indeed modest and consumers are generally satisfied with the performance of funeral directors.

In a democracy, it is not required that the public prove why the government should not regulate them, the burden is on the government to show why they should issue regulations against their citizens. This is not to be ignored because some consumer groups allied with some bureaucrats and various opinionmakers decide we need a new Federal law.

We are the chief legislators of the Nation. The FTC acts under our authority. In the instance of the funeral proceeding, the FTC acted in an unfair and biased manner. I claim their record is invalid. I maintain this is a clear, irrefutable case. We must act now and prohibit this particular rule.

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Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. RUSSO. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I want to commend the gentleman from Illinois for offering this amendment. It fills a definite need to place restraint on the Federal Trade Commission and its unwarranted intrusion into the funeral industry.

I have been concerned from the beginning of the FTC's crusade against the funeral industry that those who are professional funeral directors were being unjustly attacked on the basis of very little, if any, substantial evidence. The entire professional has been made to suffer because of the complaints of a very few people but mostly because of the unreasonable bias and zeal of the FTC and its staff.

I know many of the men and women who serve the public in the funeral industry in Maryland and they are among the most respected people in the communities where they live. They not only do not engage in unfair attempts to take advantage of bereaved relatives and friends, but most that I know go out of their way to assist people at a time when they badly need advice and friendship.

It is all too easy for the FTC and its staff to go after the many small businessmen who make up the funeral directors of America, and I would point out that more than 90 percent of all such firms are small, local businesses. For several years now the FTC has subjected the entire industry to trial by publicity and even have gone so far as to deny them procedural due process repeatedly.

If I thought the FTC would put an end to this outrageous conduct on their own part, I would be willing to forgo this amendment, but I see no such hope. The FTC has been arrogant in the extreme in this matter and we in the Congress, as representatives of the people, have the right and duty to put a stop to this bureaucratic persecution.

I strongly urge the adoption of your amendment and I thank the gentleman for offering this proposal.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. RUSSO. I yield to the gentleman from California..

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague yielding.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. RUSSO) has expired.

(At the request of Mr. ROUSSELOT, and by unanimous consent, Mr. RUSSO was allowed to proceed for 3 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. RUSSO. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I, too, support the amendment offered by the gentleman from Illinois (Mr. RUSSO) to prohibit the Federal Trade Commission from regulating the funeral industry for one very simple reason—that is, the question of how we go about burying our dead is simply just not a Federal problem. I really do not know whether abuses have occurred. However, I do know that if there are abuses, the various State and municipal governments around this country are more than able to deal with any problems that may have arisen in this industry.

The industry is one made up of small businessmen. You do not find national chains of funeral parlors stretching from coast to coast. The relationship which this industry has with interstate commerce is tenuous at best. Consequently, I simply fail to see why the Federal Government has an interest in regulating this kind of industry. The State and local regulatory bodies are already doing an adequate job. Indeed, I believe that if the House does not pass the Russo amendment, we will, in essence, be saying that for every problem, no matter how minor or no matter how personal, there is a Federal solution through Federal regulation. I, for one, am not prepared to do that. Consequently, I plan to support the Russo amendment and urge my colleagues to do so as well.

Mr. Chairman, we cannot all sit here today and state whether there have been substantial abuses in many cases, but we do know that if there are abuses, the various State and municipal governments around the country have been more than able to deal with those problems that have arisen in this industry.

Mr. Chairman, I compliment my colleague for making sure that we do rely, to make it clear that this House does rely on our State and local government officials that have the power to prevent abuses and to do something about it.

In most cases, the industry, as the gentleman knows, is made up of small businessmen. It is not usually national chains, certainly I do not think there is a General Motors in the funeral industry.

Mr. RUSSO. Ninety-two percent of the funeral directors are small businessmen in this country.

Mr. ROUSSELOT. That is correct. The gentleman has made that point and I wish to compliment the gentleman and I support the gentleman's effort.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. RUSSO. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, I also wish to compliment the gentleman on his amendment.

Mr. Chairman, I rise in support of the amendment to H.R. 2313 offered by the gentleman from Illinois (Mr. RUSSO).

Is the FTC proposed regulation needed?

The FTC record does not support the need. The FTC staff admitted in their final report:

> Even without verification of these statistics, the only fair conclusion which can be drawn from the record evidence is that the number of consumer complaints filed against funeral directors is indeed modest and consumers are generally satisfied with the performance by funeral directors.

The FTC testified before our Subcommittee on Special Small Business Problems, which held hearings on the regulation, that it had less than a dozen complaints of funeral directors when it started to prepare the regulations. I checked with the State Board of Examiners in Mortuary Science in Michigan and found that it has received only about 20 complaints a year on the average for the past 5 years related to the funeral industry.

The evidence uncovered by the subcommittee has failed to show that fraud and abuse is widespread enough to require such heavy-handed Federal regulation.

Now we must not confuse unfair funeral practices with high funeral costs. A funeral may, in fact, be an expensive proposition, but the FTC regulation concerns unfair and deceitful trade practices, not high prices.

The FTC refers over and again to the "billion dollar funeral industry." Yet we are not talking about one big business. We are talking about over 20,000 businesses, most of them small. Estimates indicate 92 percent of the funeral industry could be properly qualified as "small business" with annual receipts well under the SBA's $2 million level and a national average of 2.3 full-time employees.

For example, in Michigan there are 838 licensed establishments which are operated by only 2,458 individual licensees.

This FTC regulation means more controls and more paperwork for small businesses in this small business intensive industry. The owner of these small businessess does not have a legal department or an accounting department. Filling out more and more forms is a nonproductive use of his time.

Overregulation is destroying small business. At a time when we are trying to reduce regulation and paperwork, is this FTC regulation really necessary?

From the testimony our subcommittee received, it is very questionable that the Federal Government should have been involved in the regulation of this industry at all. The testimony we received without question revealed that State agencies are capable in dealing with abuses in the funeral industry. I think FTC pre-emption of the State agencies in this matter is unjustified.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. RUSSO. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, I just want to take this opportunity to congratulate the gentleman from Illinois. This is a very controversial amendment. I know it does not mean votes in the gentleman's district, but the gentleman has fought this battle I think on the basis of due process and the gentleman is to be commended. I think the gentleman has done a good job. The gentleman has convinced me that his amendment has merit. I congratulate the gentleman.

Mr. SCHEUER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I oppose this amendment substantially on two grounds. The first is the ground of process. This Congress has worked long and hard and the Members, like the gentleman from Georgia (Mr. LEVITAS) and my colleague, the gentleman from North Carolina (Mr. BROYHILL) have labored long, hard and diligently to create an instrument by which we can get a handle on what the regulatory agencies are doing.

I am very proud that I am a part of a movement that has brought to the floor of the House a historic proposition, the proposition that regulatory agencies are inelectably linked to the House from whence their powers flow and that this House has an absolute right on occasion to rein them in to get a handle on their activities. Now, we have done this. We have answered the persistent call of the House for some kind of involvement, some kind of intervention, some kind of control over the independent regulatory agencies. This is the first time we have done it. We are here today with such a proposition, which is sensitive and responsive to the persistent call of the House for that instrumentality.

Now, under the appropriation under which the FTC is operating now, they cannot make a single rule, they cannot engage in the rulemaking process for the next several months, and presumably by the time that their appropriation ends, this law will have passed. This law then provides an orderly means, an orderly disciplined means by which the Congress can have a systematic, consistent and current look-see over all their rulemaking actions.

Now, if this is an instrument that we have created after months and months of work and scholarship and negotiating and compromise, why should we subvert it now for this particular amendment?

The gentleman from Illinois (Mr. RUSSO) is an honored and respected member of the Committee on Interstate and Foreign Commerce from which this legislation comes. This legislation was considered in extenso in our subcommittee from which it was reported unanimously. This legislation was considered in extenso by the full committee from which it was reported unanimously.

At no time during that process did the gentleman from Illinois (Mr. RUSSO) or any other Member rise to question this bill. It is only now that it is coming to the floor of the House that we are now subject to debate by "Dear Colleague" letters, a very disorderly and chaotic process in total derogation of the new process that has been presented to this Congress by the subcommittee and this full committee.

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Mr. RUSSO. Mr. Chairman, will the gentleman yield on that point?

Mr. SCHEUER. I will yield very briefly.

Mr. RUSSO. Mr. Chairman, I have asked the gentleman to yield just so I may point out to the gentleman that I did serve on the Committee on Interstate and Foreign Commerce, but this matter was before the Committee on Small Business for 4 years. It was proposed by Chairman Hungate. I followed it up after that.

I find it very difficult to believe that this subcommittee and the members of its staff were unaware of what we were doing. We decided to work it out prior to taking it up in the committee so we would not be said to be holding a club over the subcommittee when they decided their discussions were leading to negotiations. Then we decided to come to the floor.

It would be easy to bring it up in the Committee on Interstate and Foreign Commerce and criticize the committee for working the matter out, so I decided to be a "good guy" and not use that as a club for the negotiations that were going on.

Mr. SCHEUER. Mr. Chairman, I would like to respond to my friend by saying that we are not considering legislation from the Committee on Small Business; we are considering legislation from the Committee on Interstate and Foreign Commerce.

If the gentleman, who is a highly respected member of that committee, had wished to do so, the proper forum for him to have raised his concerns was in the subcommittee and then in the full committee, but he did not do that.

Mr. Chairman, let me just add one more thing. The scope of this ruling has been radically narrowed and focused since we considered it first in the Committee on Small Business. The ruling that our colleague, the gentleman from Illinois (Mr. RUSSO), objected to was in 1976, if I am not mistaken.

That ruling covered the unauthorized removal of the remains of the deceased. This ruling has cut that out.

The ruling in 1976 to which the gentleman addressed himself covered the refusal of the mortician to release the remains to the family on request. That element has been cut out of this ruling.

The 1976 ruling covered profits on cash advanced items. This ruling has cut that out.

The 1976 ruling covered misleading statements about religious requirements for burial; this ruling cut that out.

The CHAIRMAN. The time of the gentleman from New York (Mr. SCHEUER) has expired.

(By unanimous consent, Mr. SCHEUER was allowed to proceed for 3 additional minutes.)

Mr. SCHEUER. Mr. Chairman, if I may continue, the 1976 ruling covered State laws with potential anticompetitive effects like State laws that restrict pre-need arrangements, and that means the cooperative funeral arrangements made by funeral societies that produce inexpensive funerals. That law or that ruling covered restrictive laws on advertising of funeral services and prices. All of that has been cut out.

The 1976 ruling covered the required display of the least expensive caskets. That has been cut out.

The 1976 ruling required that all casket prices be plainly marked; that the sales tactics that discourage the consideration of inexpensive merchandise be prohibited; that the bait-and-switch tactics and deceptive advertising in general be prohibited; that the use of compensation methods that discourage sales in emergencies be prohibited; that the disparagement of customers concerned with price and economy be prohibited—all of that has been cut out or been ruled out.

So we are really dealing with a totally different animal. We are dealing with a ruling that is qualitatively far removed from the ruling to which the gentleman objected in 1976.

Mr. Chairman, I am going to review a list. I have a piece of paper with the opponents of the Russo amendment on one side and the supporters on the other side. I think this amply demonstrates that the Russo amendment is running flatly counter to the overwhelming preponderance of the organized groups out there, the consumer groups, the religious groups, the labor groups, the environmental groups, and the good government groups that feel strongly that the Russo amendment penalizes elderly people, penalizes poor people, and penalizes people who must make the third most important financial decision in their lives. It is a decision coming only after the purchase of a house and a car, and it is at a time when they have been stricken by sorrow, at a time when they are emotionally destroyed, and at a time when they are least capable of understanding the very confusing and complicated decision about which they have very little prior knowledge.

Let me read to the Members the organizations that oppose the Russo amendment:

> The American Association of Retired Persons; the National Retired Teachers Association; the AFL–CIO; the American Federation of State, County, and Municipal Employees, AFL–CIO; the A.D.A. Consumer Affairs Committee; the Arizona State Board of Funeral Directors & Embalmers; the Center for Science in the Public Interest; Common Cause; Congress Watch; the Consumer Federation of America; the Consumers Union; the Continental Association of Funeral and Memorial Services; the Cooperative League of the U.S.A.

The CHAIRMAN. The time of the gentleman from New York (Mr. SCHEUER) has again expired.

(By unanimous consent, Mr. SCHEUER was allowed to proceed for 3 additional minutes.)

Mr. SCHEUER. Mr. Chairman, to continue with the reading of the list:

> The Food and Beverage Trades Department, AFL–CIO; the International Ladies Garment Workers' Union, AFL–CIO: the International Union of Operating Engineers, AFL–CIO; the National Association of Consumer Agency Administrators; the National Association of Spanish-speaking Elderly; the National Center on Black Aging; the National Consumers League; the National Council on Aging; the National Council of the Churches of Christ in the U.S.A.: the National Council of Senior Citizens; the Public Interest Economics Center; the Unitarian/Universalist Church; the United Auto Workers; the United Food and Commercial Workers Union, AFL–CIO; the United Steelworkers of America, AFL–CIO; and the Virginia Citizen Consumer Council.

Now, Mr. Chairman, on the other side of this paper are the national organizations, the prestigious national organizations that support the Russo amendment. It is a blank page.

Mr. RUSSO. Mr. Chairman, will the gentleman yield?

Mr. SCHEUER. Yes, I would be happy to yield briefly to my colleague, the gentleman from Illinois (Mr. RUSSO), if he will tell us what prestigious groups representing the general public, apart from the Funeral Directors of America, support his amendment.

Mr. RUSSO. Mr. Chairman, I thank the gentleman for yielding.

First of all, I hope the majority of the Members of Congress will support my amendment. I think the gentleman will have to answer later on to the authorities he quotes from or to somebody who may have made a statement concerning this amendment.

Mr. SCHEUER. Mr. Chairman, will the gentleman be kind enough to answer my question? I am yielding for the specific purpose of having the gentleman tell us what groups are supporting his amendment.

Mr. RUSSO. Mr. Chairman, one specific supporter happens to be the Speaker of the House, and I happen to believe he does have significance. The gentleman may not, but I do.

Mr. SCHEUER. Are there any groups in America, labor groups, civic groups, or consumer groups, who support the gentleman's amendment? Is there a priest, a minister, or a rabbi who supports the gentleman's amendment?

Mr. RUSSO. Mr. Chairman, will the gentleman yield?

Mr. SCHEUER. Yes, I yield to the gentleman from Illinois.

Mr. RUSSO. Mr. Chairman, I think what is important here is not who supports or who does not support my amendment. It is a question of whether the Members of Congress vote on the floor to enforce a rule, and if we have an invalid rule and we have this amendment offered, no Member should vote in favor of such a rule, no matter what type of rule it is. That is what we are going to be deciding on the floor of the House, I hope, in about a half hour.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. SCHEUER. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I just want to make one point.

The gentleman made a very telling point in the fact that with the adoption of the Levitas amendment we would have an opportunity in this Congress to do something. Some would call it an opportunity to rescind or nullify a rule of the FTC once it is put into effect.

What we are talking about here today is still a proposed rule, a rule that has been drastically reduced in scope and a rule which could be subject to a legislative veto.

That is why I do not understand why we are here today dealing with this matter which is blatantly special interest legislation.

Mr. SCHEUER. Mr. Chairman, I thank my colleague, the gentleman from Washington (Mr. DICKS).

Mr. RUSSO. Mr. Chairman, will the gentleman yield?

Mr. SCHEUER. I refuse to yield further.

Mr. Chairman, I am going to read another authority.

This is an editorial reported in American Funeral Director from April of 1975.

The CHAIRMAN. The time of the gentleman from New York (Mr. SCHEUER) has again expired.

(By unanimous consent, Mr. SCHEUER was allowed to proceed for 1 additional minute.)

Mr. SCHEUER. Mr. Chairman, if I may continue, let us read from an editorial opinion by Charles O. Case, the editor of the American Funeral Director, a paper from that year:

> While it is too early for judgment, we believe it can be more than likely that the rule originally proposed by the FTC commissioners will not be too difficult for funeral directors to accept and endure. We would advise against undue belligerency. On the surface, the proposals submitted by the FTC are to a layman both innocuous and praiseworthy.

Mr. Chairman, I yield back the balance of my time.

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. RUSSO. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. SCHEUER. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 30 minutes.

PARLIAMENTARY INQUIRY

Mr. HYDE. Mr. Chairman, I have a parliamentary inquiry.

Mr. Chairman, is it appropriate to make such a motion following three extensions of time for the gentleman's own statement and then limit other Members?

The CHAIRMAN. The Chair will inquire, does the gentleman from New York (Mr. SCHEUER) persist in his motion?

Mr. SCHEUER. I persist in my motion, Mr. Chairman.

Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 30 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from New York (Mr. SCHEUER).

The motion was agreed to.

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The CHAIRMAN. Members standing at the time the motion was agreed to will be recognized for 50 seconds each.

Mr. WEISS. Mr. Chairman, I ask unanimous consent that I may be permitted to yield my time to the gentleman from Washington (Mr. DICKS).

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Chair recognizes the gentleman from Washington (Mr. DICKS).

Mr. DICKS. Mr. Chairman, the Federal Trade Commission was established by Congress to protect the consumer. At one time, Congress was concerned about the consumer, concerned that they have the correct information to make good, educated choices about what they buy and how much they pay. The FTC changed the attitude from "let the buyer beware" to "let the seller beware" and the Congress supported that change.

Yes; at one time, Congress passed the Magnuson-Moss Act, which allowed the FTC to promulgate regulations preventing large scale consumer fraud and deceit rather than rule on each separate case, a time consuming and very costly process. Yes; at one time, Congress cared about the consumer and took the time to make sure the consumer was getting the best he could. Now the Federal Trade Commission is business's Government enemy No. 1, and the punching bag for just about everyone with a gripe against Government regulation. It seems that Congress just does not care about the consumer anymore.

A terrific example of this lack of concern is the Russo amendment. Here is our chance to cut the cost of funerals drastically and allow consumers—your constituents—to buy what they can afford rather than what a funeral director thinks they should afford.

It is entirely possible that these regulations could cut the cost of funerals by $600 or $700. Yet, Mr. RUSSO argues that giving cost estimates over the phone could add $5 to the price of a funeral. Somehow, the two just do not add up.

Let us get past the lynch mob attitude toward the FTC and get back to realizing what the FTC is trying to accomplish. Even funeral industry sources agree that consumer protection must be realized. These regulations help the consumer to make a knowledgeable choice and protect him from being taken advantage of.

How many constituents have you talked to recently which have had a death in the family, and have had contact with the funeral industry? In my queries, the average person shapes up something like this: They are shocked, melancholy, dazed, not thinking clearly, unsure of what to do next, or what the future might hold.

Until an actual death in the family, most people have never had contact with the funeral industry. They do not know what to expect, or what to do. They rely solely on the funeral director's judgment, for death is not a subject that most plan for, let alone think about much until it actually happens.

Yet the average funeral costs $1,400; the average funeral and burial $2,400; easily the third single largest expense an individual will usually make in his lifetime. That is a very large consumer purchase based on emotions and bereavement, not facts.

In 1976, a study by the Consumer Federation of America showed that most people who purchase the services of a funeral home are not told presale itemized information, are not quoted prices over the phone, are not asked for permission to embalm, and are not provided with information about options, and legal requirements, that would allow consumers to make knowledgeable choices. It is common practice for funeral directors to offer package funerals for lump sums under the misguided impression that clients would rather have all the details taken care of for them. Perhaps that is true in some cases, but a recent study showed that 93 percent of funeral parlor patrons wanted specific itemized information.

The FTC has listened to the funeral industry. The FTC agrees that the States are best able to handle the very fraudulent practices of a few unscrupulous funeral directors, so it dropped a number of its original proposals aimed at curbing those abuses. However, the past history shows that States have not taken the initiative.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Chairman, I yield to the gentleman from Washington (Mr. DICKS).

Mr. DICKS. I thank the gentleman for yielding.

Mr. Chairman, in the 12 years since Jessica Mitford wrote her book, "The American Way of Death," exposing the practices of the funeral industry, less than 5 percent of the States have taken any action in regulating funeral homes. And only now, in the wake of FTC action have a very few States been rocked to action.

The FTC has also listened to consumers—over 9,000 of them, and more than 70 consumer groups. Public comment showed that significant problems do exist with the funeral industry on an industrywide basis, and should be addressed not State by State but nationally.

It is my opinion that the FTC rulemaking is very modest. It does not force undue regulation upon the funeral industry but merely requires them to do what every other product and service orientated business now does at no additional cost. We also have the legislative veto with this bill.

If you wish to buy a stereo system, or move to a new home, or fix your lawnmower, you can call for price estimates and presale information. Why not the funeral industry? Why should they be exempt from these business practices? On behalf of the consumers of this country, I urge defeat of the Russo amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. CLAUSEN).

Mr. CLAUSEN. Mr. Chairman, I rise to support the Russo amendment. If ever there was a case of Federal overkill by a Government agency it is the proposed regulation of the Federal inquiry by the Federal Trade Commission.

This is a direct attack on small business. Over the years, I have become well acquainted with most of the funeral directors in my congressional district. They have demonstrated a sensitivity and understanding for people's problems at a very crucial time when people really need their services.

The Federal Government is already involved in too many areas of jurisdiction that should rightfully be retained by the States and local levels of government.

At a time when the people all over the country are crying "Get the Government off our back and out of our pockets," I think we should take this opportunity to say we, in the Congress are with you.

Let us put a check on the overregulators and strike a blow for small business and free enterprise by voting for this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. VOLKMER).

Mr. VOLKMER. Mr. Chairman, I rise in support of the amendment, and I wish to commend the gentleman from Illinois for his work in behalf of these people against this bureaucracy, and I also wish to commend the gentleman from Georgia for his work on the rules and regulations.

Mr. RUSSO. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from Illinois.

Mr. RUSSO. Mr. Chairman, just to make one point on the legislative veto, we have passed a legislative veto in this House twice, and it has never been accepted in the Senate. I do not know how the gentleman from Washington feels so secure that the legislative veto is going to be adopted in the Senate.

My colleague said this is special-interest legislation, rattled off a list of names of special-interest groups that are opposed to my amendment. I want to talk about the merits of the bill, the facts before us, not who supports the amendment or what special interest is behind it. What is important here is whether or not there is a valid, justifiable, accurate record upon which to base a rule. That is good lawmaking. This is not good lawmaking.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. STOCKMAN).

Mr. STOCKMAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I would suggest to the House that the issue here is not whether you are for or against the industry or whether you object or support each detail of these regulations. Basically, what we have is a question of where do you draw the line on this regulatory overkill that we have in this country today. I would suggest that if you look at the funeral industry you will see that it is a locally based, Main Street kind of business, that you are not dealing with national firms in a national market. If these are problems, they can be checked by the marketplace or by the State and local officials who have ample power or at least the potential to move into this area.

I would suggest, secondly, that if you look at the details of these regulations, what you find is an effort to regulate the operating day-to-day practices of an industry, such as whether or not you can charge extra or a profit margin for the flowers we buy. This is not the way we are going to rationalize this.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. IRELAND).

Mr. IRELAND. Mr. Chairman, I ask: Are we to pass a Federal law based on this FTC record? Are we to pass a law because the FTC staff and their allies in the media present a distorted image of an entire industry because of isolated incidents?

The answer to both questions should be no.

Mr. Chairman, I urge support of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia (Mr. BUTLER).

Mr. BUTLER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I just want to remind our colleagues that this particular investigation was triggered by 12 complaints. Twelve complaints led to this tremendous record, and when they got through with it, the FTC got around to giving its magnificent report, here is what we got:

> The only fair conclusion which can be drawn from the record evidence is that the number of consumer complaints filed against the funeral directors is indeed modest. Con-

sumers are generally satisfied with the performance of funeral directors.

That is the 12 complaints.

As the gentlewoman from New Jersey says, their kind hearts triggered this investigation, $1,200,000 for this report, and the conclusion is that nobody is unhappy with the industry. This is the time to tell the FTC, "Go back to something that really matters, get out of small business."

Mr. Chairman, I rise in support of the Russo amendment. I believe Mr. Russo has presented a substantial case that this proposed rule is based upon a biased and procedurally inaccurate record. In support of him, I would like to make several points.

First is the question of FTC jurisdiction. I do not think Congress had in mind the regulating of every commercial activity when it extended the Commission's jurisdiction in the Magnuson-Moss Act from "in commerce" to "in or affecting commerce." Unfortunately, I find no legislative history to explain entirely what Congress did mean, but the Small Business Subcommittee that held hearings on the proposed funeral regulation came to the conclusion that whatever Congress meant the Commission should not take it to mean the funeral industry. The subcommittee recommended that:

> The commission gave early consideration to a shift in emphasis from the investigation and regulation of businesses which operate primarily and traditionally in intrastate commerce, to those businesses which operate primarily and traditionally in interstate commerce, thereby reemphasizing the commission's compliance with the intention of Congress in its mandate to the Federal Trade Commission.

The FTC staff, on the other hand, has taken the position that the funeral industry affects commerce because of: Out-of-State purchases of supplies interstate communication and advertising and incidents of death in one State with burial in another.

In my opinion, the proposed funeral rule goes too far, the effect of the funeral industry on interstate commerce is so incidental as to be de minimis, and the $1.2 million the Commission has spent on the rule thus far could have been better spent on regulating an "unfair or deceptive act or practice" which cannot be effectively regulated by the State.

Secondly, I am appalled that the FTC began their investigation based on less than one dozen complaints in 10 million deaths. After spending years and hundreds of thousands of dollars they conclude in their final staff report that there are few consumer complaints and that most people are satisfied with funeral service. The Better Business Bureau each year compiles a list of the 10 businesses which get the most consumer complaints. The funeral industry has yet to make the list. Yet, the FTC says we need another law.

Finally, what about the impact of regulation on small business. Over 92 percent of all funeral homes are small businesses. Regulation will always have an effect on small business and not infrequently, an adverse one, but the cumulative effect of all Government regulations threatens the survival of many small firms. The Federal Trade Commission, and other Government agencies, need to take greater cognizance of the burden their regulations impose on small businesses and take steps to protect the viability of small businesses affected by their regulations.

The chairman of Service Corporation International, the largest funeral operator in the country, said the following about Federal regulation of the industry:

> Rules like these mean a real opportunity to us because independent funeral directors will be more willing to join our company.

The record does not indicate the evidence exists to support a Federal law in this area. Beyond that, I cannot believe the Federal Trade Commission ever got into this area and wasted so much money and manpower. I ask the House to send the FTC a message: Drop the funeral rule.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment strikes at the bedrock of consumer protection, the ability of the FTC to protect the consumer, to get the information necessary to make an informed judgment and not to be taken advantage of in the marketplace.

We are talking about consumers in a very vulnerable moment, when they must make a decision after the death of someone in the family. What we want to do is to allow these people to be protected from being taken advantage of. That is what the Federal Trade Commission is all about. Do not act so prematurely to abolish the jurisdiction of the FTC. If they come up with a regulation we do not think is reasonable, yes, we will have the one-House veto, unfortunately, from my perspective, but you will have another chance to look at it. Do not strip away jurisdiction from the FTC because you hear some complaints from the industry that would be affected. They have had the opportunity to study this issue. We should vote no.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I would like to remind my colleagues that for 4 years the FTC looked at this and they found 12 complaints. My colleague, the gentleman from California, said, "Do not act prematurely." They are the ones who acted prematurely over an industry that is already regulated at the local level.

I think this is absolutely stupid to come in here and ask that we now give to the FTC unlimited jurisdiction when they have not proven in 4 years they know what to do with it.

I think it is absolutely essential that we support this amendment on the basis of their own record. They do not know what to do with it. A volume this big, this huge, and they say there are some modest complaints.

Mr. RUSSO. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Illinois.

Mr. RUSSO. I thank the gentleman for yielding.

Mr. Chairman, just to correct a statement of the gentleman from California, they started with 12 complaints.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. JOHN L. BURTON).

Mr. JOHN L. BURTON. Mr. Chairman, I rise in opposition to the amendment, but I would like to say that I think dying is at least as important as buying a car, and probably it is as important as buying a house.

I will yield to my friend, the gentleman from Illinois, who I disagree with, so you can at least get the 12 complaints up to 2,000 complaints.

Mr. RUSSO. Mr. Chairman, I want to correct the record. The 12 complaints initially dealt with how the FTC got into it. In fact, there were a half a dozen complaints. They spent 4 years, actually 5 years, with this big campaign of trying to contact organizations and get complaints; and in 5 years 10 million people died in this country. The total amount of complaints that the FTC had was 1,000. That is one ten-thousandth of 1 percent complaint ratio against the industry.

Mr. JOHN L. BURTON. That is too many people to be ripped off, in my judgment.

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The CHAIRMAN. The Chair recognizes the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, my colleagues may be surprised that I rise in support of this amendment.

I was consumer director in my State. The first regulation I put through as consumer director concerned the funeral industry, so I know something about it.

This ought to be a State matter. This is small business, local, confined in most cases to one town or neighboring town. This should not be Federal legislation. There are State laws that govern in this area, and as the rules themselves suggest here, they vary from State to State. This is not an area for Federal legislation.

When I was on the Committee on Small Business, under Chairman Hungate, they came before us. They had already spent half a million dollars. On the basis of six letters and one magazine article, a young lawyer decided to involve the Government in this massive attack.

The CHAIRMAN. The time of the gentlewoman has expired.

(By unanimous consent, Mr. BROYHILL yielded his time to Mrs. FENWICK.)

Mrs. FENWICK. What did they spend the money on? They brought from Seattle, from the far west coast, the competitors of the funeral industry, not consumers, competitors, who were memorial societies, very anxious to find funeral directors were totally unnecessary and in the brave new world would not even exist.

It was a very expensive matter. They were brought here by air. This was the kind of testimony that they told us they were basing their plans for regulations on. It is a long, sorry story.

It is small business. It is not international commerce. It does not belong in Federal legislation. It varies under State laws, and under State jurisdiction is where it belongs. Chairman Hungate got in touch with the attorney general in Missouri. They had had in 35 years, 15 complaints. They never called me up in New Jersey to find out what was wrong. They never called a single consumer bureau.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts (Mr. Drinan).

Mr. DRINAN. Mr. Chairman, I rise to express my strong opposition to the amendment of the gentleman from Illinois (Mr. Russo) which would prohibit the Federal Trade Commission (FTC) from spending any funds to promulgate or enforce any rule regulating the funeral industry.

I find it hard to believe that we are seriously debating this issue today. The FTC's proposed funeral rules have been developed after years of careful study and have the support of a broad coalition of consumer, senior citizen, labor, and religious groups. Even these rules would provide only minimal protection for the 1,900,000 persons who arrange funerals each year. The average price of a funeral in the United States is $2,400, making funerals the third largest purchase most people will ever make. Overall, Americans spend $5.4 billion annually on funeral expenses.

As the FTC has correctly noted, consumers are particularly vulnerable to unscrupulous trade practices when they make funeral arrangements. Frequently, they find it a stressful experience, and seldom do they have any previous experience to help them make these decisions. Guilt, embarrassment, the press of time, and ignorance frequently prevent consumers from doing the sort of careful comparison shopping that they would do before making any other major purchase. Unfortunately, the funeral industry has not taken adequate steps on its own to address this situation and to educate consumers about the funeral options available to them.

Sixty-five percent of the Nation's funeral directors, for instance, refuse to itemize the prices of their services for prospective clients. Few funeral directors will disclose price information over the phone, and few will disclose full information about State funeral requirements. In addition, it is common practice among funeral directors to embalm without explicit prior permission. These practices interfere significantly with the consumer's right to make an informed judgment about funeral services.

The FTC's proposed rules are designed to address these industrywide practices, but they are really quite narrow in scope and still offer consumers only a modicum of protection. They would merely insure that consumers have access to full information about funeral prices and options, and would prohibit funeral directors from embalming without permission. In order to comply with the rule, funeral directors would have to prepare simple price lists, revise their contracts to bring them into conformity with a sample contract that has been prepared by the staff of the FTC, and refrain from misleading trade practices.

There is strong public support for these rules. Several surveys of public attitudes were conducted during the course of the FTC rulemaking. While their methodologies varied, each survey concluded that the public overwhelmingly supports these rules.

The FTC's rulemaking on the funeral industry has taken 6 years and is based on a 45,000-page rulemaking record. The funeral industry participated very fully in all aspects of these proceedings. Indeed, the record shows that written comments were submitted by 853 individual funeral directors, 53 State and national trade associations, 23 representatives of funeral related industries, and 30 State regulatory boards. Testimony was received from 43 individual funeral directors, 58 industry group representatives, and 21 State licensing board representatives. The postrecord comments submitted by the National Funeral Directors Association alone exceeded 500 pages. In addition, the FTC allowed four of the major industry groups to meet with the Commissioners in an informal session to present their views orally. The final proposed rules are significantly narrower in scope than those originally considered due to the input of these industry representatives.

Clearly then, there should be no doubt among any of my colleagues that the industry has had an adequate opportunity to present its views to the FTC. Similarly, there should be no doubt that these rules would not be burdensome to the funeral directors. As I have described, the rules are very simple and fair and should not interfere significantly with the operation of any reputable funeral home. This view is supported by the findings of an independent consulting firm which interviewed 47 urban and rural funeral directors about what it would cost them to comply with the FTC's proposed rules. Based upon the interviews it conducted, this firm concluded that the cost of compliance would be insignificant.

These rules have been endorsed by a very broad coalition including the American Association of Retired Persons, the National Council of Senior Citizens, the Gray Panthers, the Consumer Federation of America, the Americans for Democratic Action, the United Auto Workers, the United Steel Workers, Common Cause, and Public Citizen, as well as by a cross section of the Nation's religious leaders.

The issue before us today is not really whether or not the funeral industry should be regulated by the FTC. The answer to that question is clear—the trade practices of this industry definitely merit the kind of regulation proposed by the FTC. The issue is really whether or not the House will support a Federal agency that is carrying out its lawful mandate to prohibit "unfair or deceptive acts or practices," or whether it will answer to a powerful special interest that is attempting to protect its current privileged position.

If the funeral directors win today, all other special interests subject to investigation by the FTC—the used car dealers, the hearing aid salesmen, the purveyors of protein supplements, the rental car companies, the vocational schools, ad infinitum—will come to us seeking special exemptions for themselves. If we vote today to restrict the FTC's authority to regulate the funeral industry, we might as well save ourselves some time and trouble and vote today to abolish the whole agency and leave the American people to the mercy of the many charletans that engage in interstate trade.

I hope that when we vote today my colleagues will think about all of the people that they represent and that they will send the special interests a very clear message. I hope that we will defeat this amendment by an overwhelming number and in so doing declare that we will resist the blandishments of those who seek special exemptions from warranted regulation.

Mr. Chairman, I urge that this amendment be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. Hyde).

Mr. HYDE. Mr. Chairman, I had heard as a young man that the Federal Government regulated every aspect of life from the womb to the tomb, and this certainly gets us to the tomb.

As far as I am concerned, these so-called consumer groups have a habit of curing dandruff by decapitation. That is precisely what the FTC is trying to do.

There ought to be some aspect of life that the Federal Government does not extend its hand to regulate. I would suggest to my dear friends on the other side of the aisle, and there may be some over here, who really think this is a Federal concern, to return to elementary civics books and learn that there ought to be something for the States to legislate and regulate. Everything should not be a matter of Federal overkill.

I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia (Mr. Dan Daniel).

Mr. DAN DANIEL. Mr. Chairman, I rise in support of the Russo amendment.

I am closer to the expiring age than most Members of this House, I suppose. If there is a requirement for the regulation of the funeral industry, I prefer that the States do it.

(By unanimous consent, Mr. Bauman yielded his time to Mr. Ashbrook.)

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. Ashbrook).

Mr. ASHBROOK. Mr. Chairman, I support the Russo amendment. It is absolutely necessary. A few power-hungry bureaucrats, Ralph Nader-type activists have endeavored to carve out whole new areas of regulatory overkill. The funeral director is their most recent target. It is completely undeserved.

Few people I know in the many communities I am privileged to represent are more respected, more community minded, more service minded, and less deserving of FTC punishment than the funeral director or undertaker.

Mr. Chairman, I have seen many assaults on the freedoms of Americans over the years and many attempts to regulate everyday life in this country, but I do not think I know of any more massive or coordinated offensive on public liberties than the Federal Trade Commission. On almost every facet of consumer activity this agency has tried to supplant its own idea of individual choice for that of consumers in this country. The FTC has shown the utmost contempt for private enterprise and private choice. The agency is filled with bureaucrats who cannot tolerate the fact the everyday millions of American citizens make educated purchases of goods and services without the hand of regulation. The desire to play marketing god for the United States has led the FTC to push into every field of the marketplace. This is clearly not what this Congress intended for this agency. I hope that today's consideration of the reauthorization of this overblown and overzealous agency will establish firm, congressional parameters to rein in this dangerous and tyrannical entity.

The track record of the FTC has been dubious at best these last 6 or 7 years. It has clearly pushed far beyond its intended authority to dictate the buying habits and the business activities of this Nation. The legislation before us provides some substantive reform of this unbridled bureaucratic beast. The congressional veto provision is a sound and necessary reasserting of congressional authority over administrative actions. It is incredible to think that it has taken the Congress this long to move against such blatant power grabs by the FTC.

There are a number of actions by the FTC that are not addressed in this legislation and that the rule on this bill prevent from being discussed. Once again the leadership has triumphed in shutting down meaningful action by this supposedly democratic body. It is a crime against this Nation to have substantive bills bound and gagged by rules that stop the elected representatives of the people from offering their proposals in an open forum.

The bureaucrats in the FTC have become the masters of conceit in the Federal Government. Their high-handed attitude about the sanctity of their mission has been used to legitimize actions against consumer and businessman alike. The FTC considers private business a nest of thieves out to steal consumers blind. At the same time the FTC considers the consumers too stupid to make intelligent decisions without the hand of Government guiding their every move. The record of free enterprise in this Nation proves both of these FTC fantasies totally false. The free expression of consumer needs in the marketplace has built this Nation into the leading industrial power in the world. The American consumer is the best educated and conscientious buyer in the world today. At the same time the American merchant and businessman is the most responsive provider of goods and services known. This interaction of seller and buyer in an atmosphere of competition and open trading has helped guide the course of civilization in this country and the world. No hand of Government overseers has been needed to carry on these functions. Yet to listen to the FTC you would think the invention of the wheel or the use of fire was made possible only because the FTC was able to test and sign-off on their usefulness to humanity. Such pretension has no place in the U.S. Government and certainly not in the American marketplace.

The examples of FTC marauding in the name of regulation are too numerous to cover in one set of remarks. However, there are a number of recent examples that I would like to call my colleagues' attention that I think capture the essence of FTC demagoguery and social experimentation at the expense of the American consumer and taxpayer.

GOVERNMENT RUN AMOK

The FTC probably leads the pack of Government interventionists in the burden it places on businesses both large and small. Like most Government entities the FTC cannot seem to function without mountains of paperwork and miles and miles of bureaucratic drivel spelled out in vague fashion in countless pages in the Federal Register or in individual Federal edicts. In the case of the FTC moves against Brown & Williamson to find out how the company sells its products the company had to expend 24,000 man-hours to collect some 750,000 pieces of paper as well as other material like microfilm, video tape, and audio tape. The direct cost to this one business was over $800,000 not including overhead or lost production efficiency. All of this brouhaha was not because of any specific charges against Brown & Williamson, but because the FTC needed additional information for its own research on the effects of advertising on smoking in the United States. Such fishing trips into the marketplace on the sole justification of curiosity shows that things have gotten clearly out of hand.

One additional point in the Brown case. The FTC in typical fashion was able to draft a subpena for these mountains of documents that took 131 words and 44 punctuation marks just to define "document." This just goes to show that the FTC refuses to let OSHA and other regulatory anathemas upstage it in the most overblown jargon competition.

STACKING THE DECK FOR STATISM

The ability of the American public to call a halt to this runaway agency has been limited by the kangaroo court mentality of the FTC bureaucrats. Under the guise of public participation the FTC has used tax dollars to make sure the public hearing records on their actions are loaded with well financed howls and applause from the pro-interventionist peanut gallery. The FTC has given out about $2 million to 70 individuals and groups so that they can appear before FTC tribunals to sing their praises of Government regulation and the need for more FTC control over the lives of our citizenry.

One recent example was the headlong assault by the FTC on children's television and commercial advertising. According to the FTC oracles the children of America are in grave danger of having their minds and teeth rotted away by the barrage of television and ads. The FTC has figured that by limiting ads or controlling them, or even banning them the children of the United States could be free of tooth decay and of unsanctioned consumer wants. The FTC maintains that such questions about the constitutional right to free expression, the ability of the American family to choose television shows on its own, and the ability of children to make intelligent decisions without Federal mind control are trivial compared to the agency's need to expand into one more area that was not explicitly mandated for it by Congress. This is a dangerous situation and can only bode ill for the future course of government intervention into our homes and our lives.

The FTC could care less about these issues. The chorus of encouragement has been growing, thanks to thousands of dollars of tax money being spent to assure support of this dubious policy initiative. I submit for the RECORD the list of special interests financed by FTC for the hearing on children's advertising:

CHILDREN'S ADVERTISING

Amount requested and action taken

Council on Children, Media and Merchandising; $177,728; revised.

Council on Children, Media and Merchandising; $182,759; denied.

Center for Public Representation; $17,700; granted—$16,350.

Action for Children's television/Center for Science in the Public Interest (CSPI); $97,901; granted—$13,497.50.

Consumers Union/Committee for Children's Television; $142,084; granted—$19,700.

Safe Food Institute; $8,184; revised.

Community Nutrition Institute; $17,666; granted—$7,298.

Media Access Project; $35,163; granted—$35,163.

Council on Children, Media and Merchandising; $126,079; denied.

Public Interest Economics Foundation; $17,659.19; denied.

Center for Public Representation; $2,674; granted—$2,674.

Consumers Union/Committee for Children's Television, $10,238.00; granted—$22,238.00.

Action for Children's Television/CSPI; $35,725.00; granted—$35,725.00.

Safe Food Institute; $37,527.00; granted—$12,265.00.

Council on Children, Media and Merchandising; $35,230.00; granted—$35,230.00.[1]

Media Access Project; $1,650.00; granted—$1,650.00.

Action for Children's Television/CSPI; $5,820.00; granted—$11,920.00.[2]

Consumers Union/Committee for Children's Television; $51,024.00; denied.

Community Nutrition Institute; $32,768.00; granted—$7,298.00.[2]

Action for Children's Television/CSPI; $38,899.50; revised.

Council on Children, Media and Merchandising; $15,498.00; granted—$15,498.00.

Council on Children, Media and Merchandising; $35,218.00; denied.

Council on Children, Media and Merchandising (resubmission); $35,218.00; granted—$35,218.00.

Action for Children's Television/CSPI; $39,424.00; granted—$12,027.70.[3]

Consumers Union/Committee for Children's Television; $16,348.00; granted—$16,348.00.

Consumers Union/Committee for Children's Television; $26,838.00; granted—$15,630.00.

Council on Children, Media and Merchandising; $9,830.00; revised.

Council on Children, Media and Merchandising; $2,657.95; denied.

Community Nutrition Institute; $20,383.00; granted—$7,898.00.

Council on Children, Media and Merchandising; $11,175.00; granted—$7,676.00.

Council on Children, Media and Merchandising; $3,360.00; pending.

Community Nutrition Institute; $6,162.00; pending.

Action for Children's TV/CSPI; $14,079.00; granted—$11,444.00.

Wackman, Daniel B.; $316.00; pending.

Total granted—Children's; $325,690.20.

As my colleagues can see in reviewing these figures there has been virtually no attempt to fund any group or individual who in any way would be critical of FTC intervention. This is no way to run a democracy. The flim flams of denying one set of requests from an interest group and then turning around and giving out more money on the second request, as in the case of Consumers Union/Committee for Children's Television, is irresponsible and shows the FTC's contempt for taxpayers money. The blatant stacking of the public record to cover the FTC's tracks adds some validity to Formica spokesman Jack Alexander who characterized FTC Chairman Michael Pertschuk as "one of the most dangerous men in America" who is "a complete socialist" who "is personally committed to the dissection of large corporations and the reorganization of business and industry, and, in effect, the redistribution of wealth." Only through opening the Federal trough to pro-statist groups can Mr. Pertschuk and his pack of interventionists continue to destroy the private market system in America. It is time to call a halt to the FTC propaganda machine by ending intervenor funding.

ASSURING ENERGY DEPENDENCE

I used to think the Department of Energy was the only source of policies to keep America bound to OPEC for energy needs. Lately, however, the FTC has found a way to carve out its own area of blame for the current energy crisis. On May 18 of this year the Exxon Corp. announced that it had developed a reliable means of converting standard utility electricity into variable voltage and variable frequency electricity. What this breakthrough meant was that electric motors could have their energy use varied while still maintaining power output. This could reduce energy uses in most motors by as much as 50 percent. Such application of this new technology would create savings for 83 percent of industrial motor electricity consumption or 23 percent of total U.S. electricity use. These savings translate into one million barrels of oil a day or 100 million tons of coal per year.

The Exxon Corp. wanted to put this valuable contribution to America's energy independence into production immediately. Since Exxon itself lacked the manufacturing expertise necessary for rapid production and distribution it sought to aquire Reliance Electric Co. There were no problems about patents or antitrust yet the FTC has been able to hold up the acquisition on the grounds that they want to study the matter further. It is incredible to me that the Government is worrying about energy shortages and even considering rationing all the while the FTC is holding up a major conservation effort. Once again the ideologues in the Agency are more interested in forcing their vision of a regulated America on the Nation than in trying to help the country.

The FTC has become more trouble than it was ever worth. This bill before us has some good features in it that may finally bring this rampaging Agency back into line, like the congressional veto provision. However, this Congress should begin to realize that the FTC is ranging far beyond its mandate. Subjective judgment and demagoguery have replaced any rational policymaking that the Agency once had. It is time to reassess the FTC and its role in the market. It is time to think about what part of the FTC is really needed to assure fair competition. I say these things because I think it is time to take the useful parts of the FTC and place them within an enforcement arm in the Department of Commerce and abolish the Agency. The regulatory blight the FTC has created can no longer be tolerated. The time has passed when amendments were enough, major surgery at the hands of this Congress is the only way the American people can be free of at least one band of Government snoops and intervenors.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I rise in opposition to the Russo amendment which would exempt the funeral industry from Federal rulemaking by the Federal Trade Commission (FTC).

The FTC has done more to protect the American consumer than any other Federal agency. The Congress established this Agency to protect the American consumer. We should not now begin exempting special interest groups. In exempting one, we will open the flood gates to all special interest groups.

At a time when the consumer is most vulnerable, let us insure that their interests are protected. The funeral industry is the third largest consumer expense—costing $5.4 billion annually.

After a preliminary investigation indicated the existence of abuses, the FTC began a formal examination of the funeral industry back in 1975. That examination disclosed that—

Families who arrange funerals are particularly vulnerable and suggestible due to bereavement, guilt, time pressures, and general lack of knowledge about the funeral transaction. One consumer testified: "Because I was in a daze, it was days before I realized I had agreed to an impossible financial obligation."

Funeral directors use "lump-sum" prices, refusing to give customers information by phone or in person about the price of each item of funeral services and merchandise. Yet most people—93 percent according to one survey—want such specific prices.

Many funeral directors sell costly merchandise to people who lack accurate information about it. In one survey, 50 percent of people requesting embalming thought it was required by law (19 percent had been told so by the funeral home) whereas the State in which the survey was conducted had no such law. In the same survey, 21 percent thought embalming preserved the body for a long time, when in fact it does not.

Some funeral directors have used unfair and improper tactics to hinder consumers or competitors from providing alternative funeral arrangements (for example, preplanned funerals, immediate cremations). In Chicago, a church group trying to form a burial society was hit by a whispering campaign, while the funeral director working with them had spurious complaints of solicitation filed against him with the State.

The proposed FTC rules while not finalized would require:

First. Itemized price information must be provided to the consumer over the telephone.

Second. Prohibits funeral directors from misstating laws or cemetery requirements.

Third. Prohibits undisclosed padding of prices on items purchased on behalf of the customer from other persons.

Fourth. Prohibits the use of boycotts, threats, disparagements and similar tactics to prevent persons from starting competing businesses.

Mr. Chairman, let us be concerned about crippling the FTC from fulfilling its responsibility. It has taken many years of thorough investigation to lead us to this point; hearings have been held in more than six cities, taking 18,000 pages of testimony from more than 300 witnesses, including a full presentation of the funeral industry's views.

This rule is a much needed and a too much delayed step toward providing a greater concern and protection against

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[1] This budget as revised to $35,218.00.

[2] These applications were only partially approved due to a lack of funds for FY 78. They were reconsidered in FY 79.

[3] This budget was approved, in part, for legislative hearing participation only. Other portions will be considered as appropriate.

abuse of families in their most vulnerable moments of family decision—when we bury our dead.

I urge my colleagues to reject this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia (Mr. McDonald).

Mr. McDONALD. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois to prohibit the Federal Trade Commission from issuing final regulations covering the funeral home industry.

More than 92 percent of the U.S. funeral homes are small businesses which have been hardest hit by the regulatory policies of Federal agencies. The FTC has claimed in one of its reports that there is what the FTC calls a "considerable excess capacity" of funeral homes in this country. If that is the case, it would seem logical that an oversupply would stimulate more competition and lower prices. It is obvious to me that more Federal regulations would discourage competition—to the detriment of the consumer.

Overregulation is destroying private enterprise in this country. It is forcing up costs and contributing to our skyrocketing inflation. My distinguished colleague's amendment is an opportunity for this body to go on record against unnecessary Government regulation.

If we do not halt this power grab by the FTC, it is estimated by funeral representatives in their report to the Council on Wage and Price Stability that the proposed regulations could cost consumers $50 million per year because of increased paperwork, bookkeeping, and procedure changes.

Aside from the issue of overregulation, it is important to note that the FTC staff sought out so-called consumer groups to receive "public participation funds" for testifying against the funeral industry. However, the staff did not contact anyone else, such as minority owned and operated funeral homes.

Therefore, I call upon my colleagues to support the amendment offered by the gentleman from Illinois.

Thank you.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. Zeferetti).

Mr. ZEFERETTI. Mr. Chairman, I rise in support of the amendment, and I yield the remainder of my time to the gentleman from Illinois (Mr. Russo).

Mr. RUSSO. Mr. Chairman, I cannot agree more with my colleague from New Jersey. As somebody who worked on the funeral legislation in the gentlewoman's State, I think she put it in proper perspective. There has to be certain things done for the States to regulate. Here is an industry that is licensed by the State. It ought to be regulated by the States, and before we have a Federal law, we have to prove that there is such a nationwide abuse that Federal legislation is the only answer to the problem.

The FTC has not done that even though they incorporated almost 6,000 documents after they closed their own record.

Now that is not proper rulemaking. If anybody else did it, we would hear the halls of this Congress yelling and screaming. So here I am trying to bring late before the Members that it is not proper rulemaking proceeding. It is not whether or not it is a good or bad rule. It is whether or not the FTC abused their authority.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey (Mr. Hughes).

Mr. HUGHES. Mr. Chairman, I rise in strong support of the Russo amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. Ottinger).

Mr. OTTINGER. Mr. Chairman, I rise in strong opposition to this amendment. I think the most important reasons were the reasons given by the gentleman from Massachusetts (Mr. Drinan). We created a Federal agency. We have given them the authority to protect the consumer. Now we have one industry coming in and hollering that we are exempting them. We will certainly invite every other industry in to exempt them.

Second, I would like to say the rulemaking was fair. In point of fact, testimony was received from 58 funeral groups' representatives, 42 individual funeral directors, and 21 licensing board representatives. Most of the abuses that the gentleman from Illinois pointed out with respect to the 1975 proceedings, in those respects the Commission listened to and heard the objections that were raised and responded and cut back his rule accordingly. It is the worst kind of law that happens in this kind of special kind of legislation.

I urge defeat of the amendment.

Mr. Chairman, I support the Federal Trade Commission in its efforts to promulgate the proposed funeral rule. I do so because the rule is a simple, straightforward attempt to insure that funeral directors follow ordinary rules of business conduct.

There are two requirements which are at the core of this rule. One is that persons attempting to arrange funerals be provided with itemized price information by phone and in person. The other is that funeral arrangements not be based upon misinformation about such matters as embalming laws, cemetery requirements or the ability of funeral merchandise to preserve dead bodies.

These requirements respond to the problems confronting people who arrange funerals. For example, surveys of persons who have had to pay for a funeral show that such persons want to see itemized price information. The funeral rule requires that they be given this information on three simple price sheets. The rule places no more onerous a burden on funeral directors than that they let people know how much another limousine would cost, or what the charge is for use of their chapel. I have heard the FTC criticized for this proposal. But if anything is to be criticized, it is the fact that most funeral directors presently refuse to provide such information.

I am sure we are all aware, either from personal experience or from that of friends, how difficult and painful a death can be. Funeral directors, who deal with consumers in their grief-stricken and most vulnerable moments, should certainly live up to the highest standards of fair dealing and fair play. But this proposed funeral rule does not impose such high standards. It only requires that all funeral directors conduct themselves in a manner like that presently found in other sectors of our economy.

I would urge the Members of this body to look at the funeral rule carefully. The rule is governmental action tailored to provide specific benefits to persons who need those benefits. It is the type of responsible action which this body has always supported in the past. It is the type of action which we should continue to support in the future.

Keep in mind that Congress created the Commission to set industrywide consumer protection standards. Now the funeral industry is telling us a special exception should be created for this one industry, without one iota of justification. The precedent set by this special interest exception would be hazardous. If we were to grant it every special interest that made its plea to Congress—we would be inundated with special exemption requests and the FTC and the consumer protection it was chartered to deliver would be gutted.

I urge you to vote against this amendment in the interest of the consumer, and in the interest of maintaining the principles of consumer justice the FTC was mandated to uphold.

(By unanimous consent, Mr. Preyer yielded his time to Mr. Eckhardt).

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. Eckhardt).

Mr. ECKHARDT. Mr. Chairman, I agree with the gentleman from Illinois (Mr. Russo) on one point, and that is the question here ought to be decided on the merits. I say that the merits in this case are in favor of not making special exemptions to rulemaking authority ad hoc on the floor.

I know that the gentleman from Illinois is as sincere as any man on this floor in presenting his case. I think we can tell that from the demeanor of the gentleman in his presentation.

☐ 2040

But if one special interest, the morticians, have an opportunity to beat a rule before it becomes final by bringing the matter up, then we know perfectly well that every other special interest will come and ask for the same kind of exception.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The Chair recognizes the gentleman from Texas (Mr. Eckhardt).

Mr. ECKHARDT. In October of this year when this matter was before the subcommittee of the Appropriations Committee there was an attempt by the manufacturers of sugar-coated children's food products, by the banks, by vocational schools, by optometrists, by mobile home manufacturers, by credit merchants, and by drug manufacturers, to get themselves exempted, and in most cases before any rule had been even processed to the midpoint of consideration. Presently in the other body Senator Cannon and Senator Ford are providing exceptions for children's advertising, over-the-counter drugs, food advertising. My guess is that we open the gates for the Federal Trade Commission authority if we pass this amendment.

The Chair now recognizes the gentleman from New York (Mr. Scheuer).

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. SCHEUER. I yield to my colleague from New Jersey (Mr. Maguire).

Mr. MAGUIRE. Mr. Chairman, I thank the gentleman for yielding. I rise against the amendment and in favor of the argument that consumers are entitled to know the price of goods or services that they consider buying, and not be taken advantage of at a moment of supreme stress.

We have heard a good deal this session about the perils of Government overregulation. Now it is said that we have a live example of it before us: the Federal Trade Commission's rules on funeral practices.

I do not believe that this characterization is warranted. The proposed rule has none of the aspects of overregulation with which we are usually concerned. There are no reporting requirements. It imposes no unrealistic or technologically expensive standards. It does not require a new Federal bureaucracy to enforce it.

What I find in this rule is a set of principles with which no reliable businessman could quarrel. The first is that consumers are entitled to know the price of goods or services they may consider buying. The second is that the decision to buy should be made by the consumer, free of coercion and misrepresentation.

These are the very principles that allow our free market to function. Free and fair competition is based on access to important information about goods and services being offered by competitive sellers, including price information. As I view it, this rule is designed to let the market work by providing funeral buyers with basic information so that they can make their own choices.

The FTC wants all funeral homes to itemize prices and to give this information over the phone. In a recent Dear Colleague letter this is criticized because in one State it led consumers to choose more items than before. Apparently these Members want to prevent the Commission from offering consumers a choice.

But it is precisely the notion of consumer choice which makes this rule valuable. The FTC is not preventing funeral homes from offering services nor is it preventing consumers from choosing any costly option. Funeral prices may even increase because some consumers may choose more items. The point is that when most funerals are purchased—with little time and while great feelings of grief and bereavement are, present—the decedents' relatives will be able to make a rational and appropriate decision about the service they purchase, if the rule is adopted.

Sure, there is some regulation on the State level. But even in New Jersey which has one of the finest consumer protection departments in the country, our State Board of Mortuary Science identified patterns of abuses, not corrected by State regulation, but identified and properly dealt with in the FTC rule. If instructions are not specified with respect to embalming, it can take place and the consumer will pay. If direct disposal of the body is requested, the funeral director need not reduce his fixed fee for funeral services which reflects the overhead costs of a full-blown service. There is no requirement that the low-end of the casket line be displayed for price comparisons. There is no requirement to prevent directors from requiring the purchase of an outer enclosure. Gratuities are frequently included in the bill and not listed as optional. Directors whose clients request caskets for cremation often sell the immolated metal coffins for scrap with no rebate to the customer. Price increases on limousines rented from liveries are often passed-through to the customer. Despite the gains that we have made in New Jersey, let me say in response to my colleague from New Jersey (Mrs. Fenwick) that there are still plenty of problems which inflate the costs of funerals in our State, and across the country and these would be reduced by the FTC rule.

This rule is a reasonable response to specific problems which have been documented over the course of a 4-year rulemaking procedure. It is merely a guarantee that consumers will have full information, at a very upsetting time, to make choices about a service to honor their loved-ones in a manner that is consistent with their budgets.

This amendment is an affront to consumers and we must demonstrate, if we can, that Congress is still capable of acting on their behalf. I urge its rejection.

Mr. SCHEUER. Mr. Chairman, I yield to our distinguished colleague, the gentleman from Florida (Mr. Pepper) the balance of my time.

Mr. PEPPER. Mr. Chairman, I join in the commendation paid to my distinguished friend from Illinois by the gentleman from Texas. But I think it would be a shocking thing for this House to approve this amendment.

About two-thirds of the people who die are elderly people, and generally the people who are the ones left behind to make the funeral arrangements are elderly people also.

It would seem to me to be unthinkable that this industry, which is so vulnerable to abuse would be given immunity from regulation by the Government agency set up to prevent corruption and fraud. I even heard of one case where the funeral director persuaded the family to let him put springs in the bottom of the casket because surely they did not want their loved ones to lie on the bare floor. I hope this amendment will not be adopted.

The CHAIRMAN. The Chair now recognizes the gentleman from Illinois (Mr. Russo).

Mr. SKELTON. Mr. Chairman, will the gentleman yield?

Mr. RUSSO. I yield to the gentleman from Missouri (Mr. Skelton).

Mr. SKELTON. Mr. Chairman, I rise in support of the amendment offered by my colleague Mr. Russo. This amendment would prohibit the FTC from issuing, in final form, a proposed rule regulating funeral industry practices, or to propose any similar rule.

The rule proposed by the Federal Trade Commission to regulate the funeral industry is a classic example of costly Government overregulation. The FTC rule is likely to cost consumers $50 million per year and will not necessarily improve services or offer consumers better protection. The proposed rule also has the potential to hound many small funeral homes out of the business because of the high cost of compliance.

In its final report, the FTC itself concluded that "consumers are generally satisfied with the performance of funeral directors." In addition, the funeral industry is already regulated at the State level. The FTC has developed a bad habit of overprotecting the public in areas that need not be the concern of the Federal Government. The result has been costly for consumers and burdensome for the small businesses forced to comply with reams of regulations. We cannot afford to let the FTC run this country's economy. We have to get a grip on the trend toward Government by regulation.

Because of the unsubstantiated need for this proposed rule, and particularly in light of the high cost of this overregulation, I urge my colleagues to vote in favor of the Russo amendment.

Mr. RUSSO. Mr. Chairman, in closing, we have heard arguments on the other side of the question here. My colleagues will have noticed how they have not addressed the key issue here, which is whether or not the FTC has abused its rulemaking authority, and whether or not the FTC has made its case. They have stayed away from that. The reason they have stayed away from it is because they know I am right.

How they try to get around it is by saying it is a modest rule. They made a mistake and they are addressing it.

The fact of the matter is if it is an improper proceeding, then anything that comes out of that proceeding ought to be stricken, and that includes the rule.

One other thing the gentleman from Texas mentioned. He is afraid of special interests coming in here. Well, if the FTC conducts its hearings on every other industry the same way they did on the funeral industry, then they ought to come to the Congress, because they are not the elected people; we are. We have to stand up for our constituents, and we should no longer let the bureaucrats set policy in this Congress.

Mr. BEREUTER. Mr. Chairman, I rise in opposition to the pending Russo amendment that would prohibit the Federal Trade Commission from issuing a final trade regulation governing the funeral industry and from enforcing such a rule.

Because of the concern conveyed to me by some of the funeral directors in my congressional district, I gave a great deal of thought to how I should vote on this particular amendment. I, therefore, wish to take this opportunity to explain the reasons for my decision.

First, let me make clear that I am not an apologist for the Federal Trade Commission or the arbitrary and often, capricious nature of the investigatory and regulatory posture it assumes. I discussed my general concerns about this agency earlier in the debate. Those general observations can also apply as we become more specific and discuss the FTC's actions against various industries.

I can appreciate why any interest group or particular industry would want to be exempted from FTC's regulatory purview. This is especially true if it appears that the industry is under attack for reasons relating more to the personal philosophies and prejudices of the regulators rather than the clear need for action.

I was not a Member of Congress in 1975 when the FTC first announced its intention to promulgate rules affecting the funeral industry. I know that the sponsor of the pending amendment, Congressman Russo, was most active in the hearings that took place before the House Small Business Committee which looked into these proposed regulations in considerable detail.

I can understand, therefore, why the author of the pending amendment is so vigorously advocating adoption of his amendment to prevent the FTC from issuing a final trade regulation covering the funeral industry. Certainly, some of the arguments he presents in support of his position deserve the serious attention of this body before we allow any final regulation to be implemented.

As a member of the House Small Business Committee, I am particularly interested in the ramifications of this trade regulation because more than 92 percent of the Nation's funeral homes are small businesses. I read with great interest one of the recommendations of the House Small Business Committee's report on these regulations issued in October 1976. The committee questioned:

> Whether the Commission through its advisory boards and field office operations and the appropriate staff at the Washington headquarters cannot work with State or local government to attack flagrant industry abuses in those jurisdictions where they occur in lieu of a Federal regulation.

Mr. Chairman, I agree with my colleague, Congressman Russo, that we should not, at this time, allow the FTC to proceed with across-the-board excess regulation of the funeral industry. However, I must oppose his amendment to the pending bill because I think it is unnecessary, given the legislative veto provisions already found in section 302 of the bill.

Restrictions already imposed in the appropriations bill for the FTC prevent it from promulgating any trade regulation final rules, at least until Congress acts on the authorization bill. If the legislative veto provisions of section 302 remain in the authorization bill, Congress will retain the right to review and veto any regulations promulgated by this agency, including those affecting the funeral industry. So long as the legislative veto provisions remain in the bill, then the need for the Russo amendment does not exist. Indeed, I think it obscures the purpose of the legislative veto mechanism which I believe is the most important feature of the pending bill.

The strength of the legislative veto is that it obviates the need for special interest legislation, leaving that concern to be addressed in the more appropriate format of congressional oversight.

I know that the House of Representatives has established a good record with respect to its support of the legislative veto. The stumbling block has always been the Senate, though there is some indication that body is coming to realize the importance of its enactment.

I will vote against the Russo amendment because I believe the legislative veto provisions already in the bill will afford the funeral industry, indeed all industries, an opportunity to make their case before a popularly elected body of their representatives.

However, if the Senate refuses to endorse a provision similar to section 302 of the House bill and the conferees weaken that provision, then I will reconsider my vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. Russo).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SCHEUER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 223, noes 147, answered "present" 5, not voting 58, as follows:

[Roll No. 666]

AYES—223

Abdnor
Akaka
Alexander
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Ashbrook
Atkinson
Badham
Bailey
Baldus
Barnard
Bauman
Bedell
Bethune
Boggs
Boland
Bouquard
Bowen
Brinkley
Brooks
Broomfield
Broyhill
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carter
Chappell
Clausen
Clinger
Coelho
Coleman
Collins, Tex.
Conte
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, S.C.
Deckard
Derrick
Derwinski
Devine
Dickinson
Donnelly
Dornan
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fenwick
Findley
Flippo
Forsythe
Fountain
Frenzel
Frost
Fuqua
Gingrich
Ginn
Gonzalez
Goodling
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holt
Hopkins
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, Tenn.
Kazen
Kelly
Kindness
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lederer
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Lott
Lujan
Lungren
McClory
McDade
McDonald
McEwen
McHugh
McKay
Madigan
Marks
Marlenee
Martin
Mathis
Mattox
Mavroules
Michel
Miller, Ohio
Mineta
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nelson
Nichols
O'Brien
Patten
Paul
Perkins
Pickle
Preyer
Quillen
Railsback
Regula
Ritter
Robinson
Rose
Rostenkowski
Roth
Rousselot
Rudd
Russo
Santini
Satterfield
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spence
Stangeland
Stanton
Steed
Stenholm
Stockman
Stratton
Stump
Symms
Synar
Tauke
Taylor
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Tex.
Wright
Wyatt
Wylie
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOES—147

Addabbo
Albosta
Ambro
Anderson, Calif.
Annunzio
Ashley
AuCoin
Barnes
Beard, R.I.
Beilenson
Benjamin
Bennett
Bereuter
Bevill
Bingham
Blanchard
Boner
Bonior
Bonker
Brademas
Brodhead
Brown, Calif.
Buchanan
Burton, John
Burton, Phillip
Carr
Cavanaugh
Cheney
Chisholm
Clay
Collins, Ill.
Conyers
Corman
D'Amours
Danielson
Daschle
Dellums
Dicks
Dixon
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Fascell
Fazio
Ferraro
Fisher
Fithian
Florio
Foley
Ford, Mich.
Gaydos
Gephardt
Gibbons
Gilman
Glickman
Gore
Gray
Green
Hall, Ohio
Harris
Hawkins
Hollenbeck
Holtzman
Horton
Howard
Jacobs
Johnson, Calif.
Jones, Okla.
Kastenmeier
Kildee
Kogovsek
Kostmayer
Leach, Iowa
Lehman
Leland
Lloyd
Long, Md.
Lowry
Luken
Lundine
McCormack
Maguire
Markey
Matsui
Mica
Miller, Calif.
Minish
Mitchell, Md.
Moffett
Mottl
Nedzi
Nowak
Oakar
Oberstar
Ottinger
Panetta
Pashayan
Pease
Pepper
Petri
Peyser
Price
Pritchard
Rahall
Rangel
Ratchford
Reuss
Rinaldo
Rodino
Roybal
Sabo
Scheuer
Seiberling
Shannon
Sharp
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Stewart
Stokes
Studds
Swift
Thomas
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weaver
Weiss
Williams, Mont.
Wilson, C. H.
Wolff
Wolpe
Wydler
Yates
Yatron

ANSWERED "PRESENT"—5

Davis, Mich.
Ford, Tenn.
Hanley
LaFalce
Snowe

NOT VOTING—58

Anderson, Ill.
Archer
Aspin
Bafalis
Beard, Tenn.
Biaggi
Bolling
Breaux
Brown, Ohio
Cleveland
Conable
Crane, Philip
de la Garza
Diggs
Dingell
Dodd
Dougherty
Evans, Del.

Fish
Flood
Fowler
Garcia
Giaimo
Goldwater
Harkin
Holland
Jones, N.C.
Kemp
Lee
McCloskey
McKinney
Marriott
Mazzoli
Mikulski
Moorhead, Pa.
Murphy, Ill.
Neal
Nolan
Obey
Patterson
Pursell
Quayle
Rhodes
Richmond
Roberts
Roe
Rosenthal
Royer
Runnels
Sawyer
Schroeder
Shuster
Solomon
Treen
Wilson, Bob
Winn
Wirth
Young, Alaska

□ 2100

The Clerk announced the following pairs:

On this vote:

Mr. Jones of North Carolina for, with Mr. Aspin against.

Mr. Breaux for, with Mr. Garcia against.

Messrs. LEDERER, McDADE, and LEVITAS changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. GILMAN. Mr. Chairman, because of a commitment in my congressional district, I missed yesterday's last rollcall, rollcall No. 656, the vote on House Resolution 454, making in order the consideration of H.R. 2727, the meat import quota bill. That measure was passed by a vote of 372 to 5. Had I been present, I would have voted "aye."

Mr. SCHEUER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LaFalce, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2313) to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in such act, had come to no resolution thereon.

PERMISSION TO HAVE UNTIL MIDNIGHT THURSDAY, NOVEMBER 15, 1979, TO FILE CONFERENCE REPORT ON H.R. 4391, MILITARY CONSTRUCTION APPROPRIATIONS, 1980

Mr. McKAY. Mr. Speaker, I ask unanimous consent that the managers may have until midnight Thursday, November 15, 1979, to file a conference report on the bill (H.R. 4391) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1980, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

GENERAL LEAVE

Mr. BROYHILL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 2213, Federal Trade Commission Improvements Act of 1979, just under consideration.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

PERSONAL STATEMENT

Mr. FOUNTAIN. Mr. Speaker, I have been advised that on rollcall No. 653 relating to H.R. 5235 I am not recorded as having voted. I would like to have the Record show that had I been recorded, I would have voted "yea."

PERSONAL EXPLANATION

Mr. WAMPLER. Mr. Speaker, I was unable to vote on H.R. 2727, the Meat Import Act of 1979, today, because of unavoidable circumstances. I had a long standing engagement to observe the Commodity Exchange facilities in New York City and to address the members of the Commodity Exchange. I left for New York City last night after voting to adopt House Resolution 454, the rule on H.R. 2727, so that I could be present to address the Commodity Exchange meeting this morning.

My plane out of New York City to Washington, D.C., was delayed on the ground for 90 minutes because of a backup in departure of aircraft, and I was unable to arrive here in Washington in time to vote on H.R. 2727—such vote having taken place at 12:27 p.m.

But for the delayed departure of my aircraft, I would be been here to vote on H.R. 2727, and obviously I would have voted in favor of this bill, inasmuch as I have supported the measure. I expressed my views on this issue with the House Ways and Means Committee by filing my statement with them on April 30, 1979, and I have inserted my views on this bill, as taken up on the floor, as noted in the general debate on H.R. 2727 as printed in the Congressional Record.

MODIFYING THE BOUNDARY OF WHITE RIVER NATIONAL FOREST IN COLORADO

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1967) to modify the boundary of the White River National Forest in the State of Colorado and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. ROUSSELOT. Reserving the right to object, Mr. Speaker, may we hear from the gentleman from Colorado (Mr. Johnson) as to why we have to have this bill up right now?

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. This is a bill which transfers land from the Bureau of Land Management, which the gentleman, I am sure, has heard of.

Mr. ROUSSELOT. Yes, I have heard of it—too much.

Mr. JOHNSON of Colorado. The land is transferred over to the Forest Service, which I am sure the gentleman has heard of.

Mr. ROUSSELOT. Excellent, yes.

Mr. JOHNSON of Colorado. This is an interagency transfer that does not involve any kind of cost to the Federal Government, which I know that the gentleman is very concerned with.

Mr. ROUSSELOT. Let me be sure I understand that. There is absolutely no cost to the Federal Government?

Mr. JOHNSON of Colorado. Yes. As a matter of fact, if anything, there will be a saving involved.

Mr. ROUSSELOT. A saving? Mr. Speaker, while I am ahead, I will withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill, as follows:

H.R. 1967

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the exterior boundary of the White River National Forest in the State of Colorado is hereby modified to include the following described lands, containing 2,416 acres more or less:

(1) Township 10 south, range 85 west, sixth principal meridian:

Section 1, lots 1–7; and

(2) Township 10 south, range 84 west, sixth principal meridian:

Section 5: entire;

Section 6: north half, and southeast quarter except that part platted as a portion of the Red Mountain subdivision;

Section 7: east half of the east half, and that part of lot 27 outside the east half of the east half;

Section 8: entire;

Section 17: east half, north half of the northwest quarter, and lots 1, 3, and 6.

Section 18: that part of the northeast quarter of the northeast quarter bounded by M.S. 3905, M.S. 6120, and M.S. 6899.

Sec. 2. The exterior boundary of the White River National Forest is hereby further modified as follows:

Beginning at a point on the White River National Forest boundary at the southwest corner of lot 1, section 8, township 2 south, range 82 west, sixth principal meridian, Colorado;

thence north to the northern right-of-way boundary of State highway numbered 131;

thence westerly along the northern boundary of said highway to its intersection with northern boundary of tract 38, section 7, township 2 south, range 82 west, sixth principal meridian;

thence west to its confluence with the western most bank of the Colorado River;

thence generally southwesterly along the western most bank of the Colorado River to its confluence with the west bank of Goodson Creek;

thence southerly along the west bank of Goodson Creek traversing through sections 25 and 36, township 2 south, range 83 west, sixth principal meridian, and sections 1, 2, 10, and 11, township 3 south, range 83 west, sixth principal meridian;

thence southwesterly across the watershed divide to the headwaters of Alkali Creek;

thence southerly along the west bank of Alkali Creek traversing through sections 10, 15, 22, 27, and 34, township 3 south, range 83 west, sixth principal meridian, and sections 3, 9, 10, and 16, township 4 south, range 83 west, sixth principal meridian, to its confluence with the Eagle River;

thence southeasterly along the south bank of the Eagle River to its intersection with the west section lien of section 15, township 4 south, range 83 west, sixth principal meridian;

thence south along the section line to the southwest corner of section 27, township 4 south, range 83 west, sixth principal meridian;

thence west to the one-quarter corner common to sections 28 and 33, township 4 south, range 83 west, sixth principal meridian;

thence south to the White River National Forest boundary which is common with the one-quarter corner of sections 16 and 21, township 5 south, range 83 west, sixth principal meridian.

SEC. 3. Subject to valid existing rights, all lands owned by the United States in the areas described in section 1 and section 2 of this Act are hereby added to the White River National Forest, and shall be administered in accordance with the laws, rules, and regulations applicable thereto.

SEC. 4. For the purposes of section 7 of the Act of September 3, 1964 (78 Stat. 903, as amended; 16 U.S.C. 4601–9), the boundary of the White River National Forest, as modified by section 1 and section 2 of this Act, shall be treated as if it were the boundary of that forest on January 1, 1965.

COMMITTEE AMENDMENT

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, line 3, strike all after the enacting clause and insert in lieu thereof the following:

That the exterior boundary of the White River National Forest in the State of Colorado is hereby modified to include additional areas of approximately 2,416 acres and 66,665 acres respectively as shown on the U.S. Department of Agriculture, Forest Service map entitled, "Boundary Modification, White River National Forest," dated September 1979.

SEC. 2. All lands owned by the United States in the areas described in section 1 of this Act are hereby added to the White River National Forest, and except as provided in section 3 hereof, shall be administered in accordance with the laws, rules and regulations applicable thereto.

SEC. 3. Except as provided in this section, nothing in this Act shall affect the validity or term of any existing withdrawal, right-of-way, license, lease, easement, or prospecting permit issued pursuant to the Mineral Leasing Act of 1920, as amended (30 U.S.C. 181 et seq.) covering lands transferred by this Act. Any other existing permit or grazing authorization covering lands transferred by this Act is hereby cancelled effective December 31, of the year following enactment of this Act. During the period between enactment of this Act and said December 31, such permit or grazing authorization shall continue to be administered by the agency which initially issued the permit or grazing authorization. On or before said December 31, the holders of such permit or grazing authorization may apply for a new permit or grazing authorization to the agency which acquiries administrative jurisdiction of the land which such prior authorizations cover. The provisions of section 402(g) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1752(g)) shall not apply to the termination of any grazing authorization pursuant to this section.

SEC. 4. For the purpose of section 6 (renumbered section 7 by the Act of July 11, 1972, 56 Stat. 459) of the Land and Water Conservation Fund Act of 1965 (78 Stat. 903, as amended: 16 U.S.C. 460"l"–9) the boundary of the White River National Forest, as modified by section 1 of this Act, shall be treated as if it were the boundary of that Forest on January 1, 1965.

SEC. 5. The provisions of this Act shall take effect on the date of enactment of this Act.

Mr. SEIBERLING (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the committee amendment be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

The was no objection.

A TRIBUTE TO WARREN LEBECK

(Mr. ROSTENKOWSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROSTENKOWSKI. Mr. Speaker, before the construction of ever-more-towering skyscrapers, the skyline of the city of Chicago was dominated by the statue of Ceres that stands imposingly atop the 43-story Chicago Board of Trade. Today, higher buildings cast their shadows, but in a very real sense the mythical goddess of grain stands taller than ever. In recent years, she has been a silent witness to the growth of Chicago and its busy La Salle Street district as one of the Nation's greatest and most rapidly expanding financial centers.

Next Monday evening, in Chicago, a number of the men and women who have been participants in this growth will honor a native Chicagoan, a former president of the Chicago Board of Trade whose efforts and leadership have helped to construct the bridges from potential to reality. He is my good friend, Warren Lebeck.

In the quarter of a century since Warren Lebeck came to the Chicago Board of Trade, the growth of this great institution has been nothing short of spectacular. In his first year there, 1954, just over 2 million futures contracts were traded, all of them in agricultural commodities. Today, that same volume is achieved every few weeks. Total contract volume this year will exceed 33 million contracts and, in addition to the traditional grains and oilseeds, markets have been successfully initiated in lumber and poultry products, precious metals and a number of financial instruments.

Warren Lebeck joined the Chicago Board of Trade as assistant secretary, held numerous executive positions and, in 1973, became its president. His practical knowledge of futures trading and understanding of market fundamentals are widely acknowledged to have contributed significantly to both the growth in market participation and the development, implementation and commercial acceptance of the many new contracts.

In addition, Warren Lebeck has achieved well-earned recognition as a vigorous champion of American agriculture and an outspoken defender of this Nation's free enterprise system. He is a Director of the National Grain Trade Council and the U.S. Feed Grains Council. He has been a member of the Agricultural Policy Advisory Committee to the President's special trade representative. He has chaired international commodity conferences in England and France. He has twice represented U.S. agricultural interests as the guest of the Japanese Government and has traveled to the People's Republic of China at the invitation of the PRC Cereals Corp.

Earlier this fall, Warren Lebeck retired from the Chicago Board of Trade, but he has in no way retired from the pursuit of the ideals and goals in which he so strongly believes. He will continue to serve the Chicago Board of Trade and other Chicago financial institutions as a consultant. For his many past contributions, we have reason to be appreciative. For the fact that he will continue to contribute, we have reason to be grateful.

☐ 1030

ASSISTANCE TO U.S. CITIES

(Mr. EDGAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. EDGAR. Mr. Speaker, today we will consider the National Public Works and Economic Development Act of 1979 (H.R. 2063). It is important to note how vital this legislation is to the health of our Nation's cities. As the Chicago Sun-Times, the Christian Science Monitor, and the New York Times have editorialized, I urge my colleagues to give this measure their strong support.

I share the following editorials:

[From the Chicago Sun-Times, Sept. 27, 1979]

HELP FOR CITIES THAT NEED IT MOST

A few shreds of President Carter's battered urban policy are still drifting around Capitol Hill, and hostile lawmakers still are working to destroy those remaining fragments.

Part of the trouble, of course, is that major initiatives were trimmed back when Carter decided to emphasize budget austerity. (Most of that austerity, it turns out, is to be squeezed from domestic programs designed to help needy people and needy places.)

There's a second problem, one that has been chewing away at the President's urban proposals from the moment they reached Congress: the chronic issue of targeting. The Carter administration, usually with Senate backing, wants to concentrate scarce urban-aid money in older cities and depressed rural areas. The House tries to sprinkle the dollars around affluent suburbs and booming Sun Belt cities as well as the trouble spots.

The feud is festering again over a remnant of the urban plan. Months ago Carter abandoned his proposal to create a $4.6 billion National Development Bank to assist business and industry in ailing cities and rural areas. Instead, he recommended shifting this job and part of the allocation ($3.6 billion through 1983) to the Economic Development Administration, an arm of the Commerce Department.

The Senate backs his determination to focus on areas hit by a declining tax base: cities like Chicago, where small grants from the Economic Development Administration already are being put to good use in preparing industrial sites for new plants.

But in the House, there's a strong push to spread the money around the country.

The Senate bill, following Carter's recommendation, gives the agency new powers to aid companies that want to build, expand or renovate in ailing areas—including direct loans to capital-starved businesses, loan guarantees and interest subsidies. It also would pay for public improvements around the plant, such as streets, sewers and lights.

If the House insists on too-broad eligibility, the potential of this needed program will dwindle away. Members of the Chicago delegation should fight to make certain that doesn't happen.

[From the Christian Science Monitor, Oct. 15, 1979]

U.S. CITIES: A SOUND INVESTMENT

A troubled economy and the public demand for reduced government spending have produced a dramatic shift in attitudes about how best to pump new life into America's older, deteriorated cities. Instead of looking solely to Washington for help, many cities are starting to emphasize a "public-private partnership"—the use of limited government funds to spur new private investment in innercity neighborhoods. Increasingly this "new partnership," as President Carter has called it, is seen as the key to reversing the outmigration of firms and jobs, which over the years has whittled away the economic base of many downtowns and left them unlivable.

This growing emphasis on public-private cooperation is already producing some encouraging results. It takes strong local leadership and a continuing commitment on the part of communities to get long-term results. But experience in such diverse cities as Los Angeles (Watts); Stamford, Connecticut; South Bend, Indiana; and numerous others is proving that business and government working together can make a difference.

Take New England, for instance. New Bedford, Massachusetts, is a 19th century whaling port which has been in decline since the 1920s. The federal government has used $1.5 million in community development funds to trigger more than $3 million in private investments. More than 20 businesses have located or expanded along its once-dilapidated waterfront; more than 100 new jobs have been created; streets, sidewalks, and commercial buildings have been rehabilitated; public utilities upgraded. In Lowell, Massachusetts, a federal investment of $5 million has spurred a private commitment of $15 million.

The importance the Carter administration gives to this approach is reflected in legislation currently before Congress. It would provide some $3.1 billion in federal funds to "leverage" private investment in depressed urban and rural areas. That represents an 800 percent increase in such funding over the past three fiscal years. About all that remains of the Carter administration's scaled-down urban policy, the proposal aims to enlarge the Economic Development Administration. The EDA, in effect, would do much of what Mr. Carter's previously proposed National Development Bank would have done—i.e., provide low-interest loans and loan guarantees, grants, and interest subsidies. The idea is not to replace private investment but to prod businesses and banks to invest in areas normally thought to be too risky.

Some bankers already are discovering they can afford to break with tradition and be less conservative in putting money into depressed inner cities. As the president of one New England bank recently remarked, "Banks must realize not all loans will be gold-encrusted. They must be willing to accept an occasional loss, to take a chance."

The Carter proposal appears to have wide backing in Congress. The one major area of dispute is the perennial issue of targeting. The White House quite properly wants to restrict assistance to severely depressed urban and rural areas. Some members of Congress want to broaden the program to include a much larger proportion of the population. We feel Congress ought to reject diluting the program and limit assistance to those sections that need it most.

All in all, the plan to use more federal funds to spur private investment in depressed areas is a good one. It holds out the best hope of building on the resources that already exist in the nation's older cities. As President Carter aptly expressed it earlier this year, "Our nation can no longer afford to rely only on government to provide jobs and income to our disadvantaged citizens and to our distressed communities." Nor can Americans allow those needs to go unanswered. Government can provide needed encouragement, but in the end it is the private sector that holds the key to the cities' future.

[From the New York Times, Aug. 24, 1979]

DEVELOPING CITIES THAT NEED HELP MOST

There's still a trace of life in the Carter Administration's battered, half-forgotten urban policy. The White House has long since given up on creating a national development bank and on reorganizing other urban aid programs. But its proposal to increase the scope and funding of the Economic Development Administration seems headed for Congressional approval. Still to be settled, though, is the perennial issue of targeting. The Senate backs the Administration's plan to focus on depressed urban and rural areas. The House Public Works committee, generous as ever, wants to make money available to even more communities than today's already excessive number. We trust this issue will be settled sensibly soon after Congress gets back from its August recess.

The Senate bill, like the Administration's recommendations, increases E.D.A.'s public works budget. More important, it gives the agency new powers—including direct loans, loan guarantees and interest subsidies—to aid companies wanting to move into a distressed area or to renovate a plant in one. The bill would allow E.D.A. to help finance every phase of, say, a major waterfront project like New York City's South Street Seaport, or an industrial park in rural Alabama. It would pay for public improvements like pilings and sewers and offer capital loans to businesses. The bill also authorizes emergency grants to help communities prevent and cushion the loss of major employers.

The only Congressional debate over E.D.A. centers on how many places it should help rather than how to help them. Originally, E.D.A.'s public works program was aimed at severally distressed rural areas and a few struggling old cities. But in the last few years, Washington has so broadened eligibility that the program now covers 85 percent of the population. The House Public Works committee advocates even looser guidelines. The White House and the Senate, together with the House Banking Committee, seek more limited coverage; and their plan makes much better sense.

An enlarged Economic Development Administration could be as effective as a national development bank. When coupled with the expanded H.U.D. urban action grant program, likely to be passed by Congress, local officials will be better equipped than ever to lure firms their way. The House, by echoing the Senate's sentiments on targeting, could show that Congress, like the Administration, is willing to aim its money at the people and places that need it most.

☐ 2110

CALIFORNIA'S DISABLED VETERAN OF THE YEAR—TONY COLEMAN

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. CLAUSEN) is recognized for 10 minutes.

● Mr. CLAUSEN. Mr. Speaker, this past weekend we celebrated Veterans' Day. Traditionally we have set aside this day as a time when we pause to pay tribute to the many men and women who have courageously fought for our country during wartime. It is fitting that we observe this holiday to preserve the memory and honor the sacrifices of our veterans—as well as to educate our young people as to the cost of the freedom our Nation enjoys.

It is also appropriate at this time that I bring to the attention of my colleagues California's Disabled Veteran of the Year, Mr. Tony Coleman. Tony makes his home in the Second Congressional District of California which I have the honor of representing in the Congress and has come to my attention through his involvement in youth activities, especially Scouting, civic, and veteran activities. In my opinion, Tony exemplifies the highest standards of courage, perseverance, and honor for which our veterans are known.

Tony became paralyzed while serving our country in the Vietnam conflict and has been confined to a wheelchair since 1966. Although the wheelchair has been an "inconvenience" for Tony, he has not let it be a "handicap"—rather, Tony works at such a rapid pace he is difficult to keep up with. Since his return from Vietnam, Tony has served in every capacity related to Cub Scouting; Cubmaster, commissioner, and district Cub Scout chairman almost simultaneously. He has started numerous Cub Scout packs, including his own, and has had the distinction of having his pack judged the best of 45 packs in his district for the 3 years he served as its leader. The highlights of the Cub Scouting were the new and innovative programs he introduced, especially in the areas of physical fitness, such as Scouting Olympics and day camps during the summer.

Tony's most outstanding accomplishment with the Cub Scouts was during the 1976 Bicentennial. For several years Tony had been training and using Color Guards made up of 10-year-old Scouts. By 1976, he had prepared a Bicentennial Color Guard made up of 14, 10-year-old Scouts. Completely alone, Tony taught them how to march, taught them drill ceremonies and Color Guard protocol. They were trained for Color Guard presentations, learned sophisticated routines for parades and a 45-minute Bicentennial show. All this they learned from a man confined to a wheelchair. The group took nine first-place awards for Color Guards in parades and in most of these they competed against adult Color Guards and military Color Guards.

To accomplish all this, Tony devoted 2.500 hours to training and working with these boys plus raising over $7,000 to cover all their expenses. At the same time he remained active in other Scouting and veteran's activities.

Tony's contributions to all the veteran's organizations have been vast, but the two receiving the bulk of his attentions have been the Disabled American Veterans and the Veterans of Foreign Wars. Both organizations freely admit that Tony has been the catalyst for renewed enthusiasm and interest by their members. He has increased membership and has succeeded in getting members actively involved in group activities. He has served in many capacities, again simultaneously, with both organizations. DAV's Chapter 48 credits Tony with motivating their membership to be more active than they have been since the 1950's and it is well known that his assistance is always available to a needy veteran.

Tony Coleman is more than an example of successful rehabilitation—his outstanding performance and commitment to his country serves as a lesson for all of us on the importance of our veterans programs. We should keep this lesson in mind to insure that America honors the great debt she owes her veterans.●

MORE U.S. OIL AND GAS

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 20 minutes.

Mr. COLLINS of Texas. Mr. Speaker, did you read the message to the President and the Congress from 11 independent oil companies? They had invested more than $1.3 billion in oil and gas exploration, development, and production during the first 9 months of 1979.

The headline stated:

> We're proud of our profits. We are investing all of the profits, and more, in the search for more oil and gas.

The emphasis is on more investment capital needed because this group of 11 oil companies had invested 335 percent of their profits during the first 9 months.

Here are 11 small independents that are investing 335 percent of their profits to find more oil and gas.

They ask this logical question. Why is the windfall tax of 60 percent on their old oil production? It is from this old oil income that they will be able to generate additional capital for drilling and expanding American oil reserves. It seems better to pay $24 a barrel for U.S. oil and produce the oil in this country than it is to pay $24 to Iran and have them take over our embassy with all of our foreign officers.

Under the House windfall tax there is to be a 60-percent tax on U.S. oil companies and a zero percent tax on foreign oil companies. This seems impossible to believe but Congress taxes Americans 60 percent and taxes foreigners nothing.

The proved reserves of oil in the United States were 46.7 billion barrels of oil in 1971. At the end of 1978 the proved reserves in the United States were 35.4 billion barrels. American oil companies need replacement of reserves with current drilling cost dollars.

The proved reserves of natural gas were 290 trillion cubic feet in 1971 and were down to 208 trillion cubic feet at the end of 1978.

Not only do these independent oil companies produce more oil and gas, but remember that every time a shareholder receives $1 in dividends, $13 are paid in taxes to governments from the oil revenues.

With these 11 independent oil companies, we see an example of Amrican spirit at work. But they need the capital to keep exploring and developing the American oil. We can also gain as much secondary and tertiary oil production from our old fields as from the total discoveries of American oil to date.

Only one commodity in the United States is under price control. That commodity is oil and gas, and this price control has created the shortage.

We are all proud of these 11 great oil companies who believe in America and have reinvested 335 percent for America's future energy needs in oil and gas. These companies are:

Adobe Oil & Gas Corp.
American Quasar Petroleum Co.
C. & K. Petroleum Inc.
General American Oil Co. of Texas
Houston Oil & Minerals Corp.
Louisiana Land & Exploration Co.
Mesa Petroleum Co.
Mitchell Energy & Development Corp.
Sabine Corp.
Southland Royalty Co.
The Superior Oil Co.

CAPTIVE NATIONS WEEK HAS NUMEROUS HIGHLIGHTS

The SPEAKER. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 30 minutes.

● Mr. FLOOD. Mr. Speaker, one of the amazing things about the Captive Nations Week observances for the past 20 years is the highlights that each year produces. I know, for I have been an ardent supporter of the Captive Nations idea and its ramifications for most of this time, if not all of it. Troubled vehemence from Moscow and its satraps, opposition from our own high-level officials, spates of ignorance about the movement here and there, and foreign support for an American-created idea—these and others could fill volumes of what has emerged within a generation. Some historians may pick it up in the future. The framework of analysis and action is on plain record.

One of the highlights of the 1979 Captive Nations Week was John Chamberlain's nationwide column on, as some put it, "The Charade of Captive Nations Week." It is most interesting to read the editor's captions and the text of the article. If you follow the one—namely, the caption, it could be misleading. If you read the text, the meaning and context are entirely different, and true. As parts of the record of the congressionally designated week, I submit: First, the resolution of the city of Boston; second, the full account of the Chamberlain article in the New Orleans States-Item; third, the various captions produced for this article nationwide; and fourth, a letter in the Jamaica, Mass., Plain Citizen on the week:

[City of Boston]

RESOLUTION

Whereas, The United States Congress twenty years ago enacted Public Law 86-90 which established "Captive Nations Week" as the third week in July and designated it as a period for official, annnual recognition of those without the basic, human right of self-determination; and

Whereas, The peoples of the captive nations and their descendants and relatives here in America have never given up the dream that one day freedom and self-government will return to Poland, Ukraine, Armenia, Byelorussia, Estonia, Latvia, Lithuania, Georgia, Azerbaijan, Turkestan, North Caucasus, Hungary, Czechia, Slovakia, Romania and others; and

Whereas, The plight of the captive nations should not and cannot be indifferent to the freedom-loving American people, who always stood in defense of those prosecuted and oppressed; now, therefore, be it

Resolved, That the Boston City Council, in meeting assembled, officially recognizes the third week of July as "Captive Nations Week" through the reaffirmation of the policy of freedom, independence and nation self-determination for all peoples; and, be it further

Resolved, That the United States should not limit interest and concern for captive nations to one week per year, but should urge that all Americans rededicate themselves to the support of freedom around the world in order to prevent the flame of freedom from being extinguished.

[From the New Orleans States-Item, July 18, 1979]

THE CHARADE OF CAPTIVE NATIONS WEEK

(By John Chamberlain)

The week of July 15–21 is the 20th anniversary of Captive Nations Week, but who in the White House is interested in it? Ever since President Eisenhower signed the observance of the week into public law, our chief executives, including Eisenhower himself, have been either bored or annoyed at the very idea of calling attention to the fruits of our own acquiescence in the Yalta decision to let Stalin dominate a "cordon sanitaire" in Eastern Europe.

It has been a matter of "excuses, excuses." Eisenhower and Secretary of State John Foster Dulles, preoccupied with the status of the Suez Canal, stood aside when the Soviets, after momentary hesitation, decided it was safe to crush the Hungarian counterrevolution. And, as Dr. Lev Dobriansky of Georgetown University, who happens to have been the original author of the Captive Nations resolution, has mournfully indicated, all presidents since Eisenhower's time have preferred to think the captive status of the East Europeans has been evaporating. We have averted our eyes at the spectacle of Soviet tanks moving through the Carpathian Mountains to bring an abrupt end to the so-called Prague Spring in Czechoslovakia, when it was daringly suggested that giving a "human face" to communism might be tried. And when the Soviets proclaimed the Brezhnev Doctrine to justify taking protective custody of any satellite contiguous to Russia, our State Department had nothing to say.

Since Stalin's victory at Yalta cannot be reversed without risking an atomic showdown in Middle Europe, it is idle to think that Eastern Europe is going to be freed from the clutch of the bear tomorrow. But, as Dr. Dobriansky reminds us on the eve of the 20th anniversary of Captive Nations Week, the captive nations list now includes a number of countries that are not within direct reach of the Red Army, Cuba, the first Red Satellite in the Western hemisphere, remains free to dispatch its legions to Africa and to ship arms to the Sandinistas of Nicaragua only because Washington lacks the guts to invoke the Monroe Doctrine, which preceded the Brezhnev Doctrine by more than a century.

The Soviets, in pushing their imperialisms in areas that are not contiguous to Russia, always prefer indirection. Washington, bewildered by the disaster to the American cause in Southeast Asia, is now scared that any indirection on its own part would be considered ungentlemanly. So we refrain from letting arms go to the dissident Jonas Savimbi in Angola. With a little judicious eyewinking, Savimbi might be permitted to undermine the Cuban occupation of Angola. This would automatically terminate any danger that Cubans might help the pro-Red guerrilla forces of Joshua Nkomo and Robert Mugabe to add Rhodesia to the Captive Nations list. It would make it difficult for the Soviets to recruit foreign legion help to maintain Marxist regimes in Ethiopia and even in South Yemen.

We cannot free Czechoslovakia tomorrow, but we might at least use the platform afforded by the Captive Nations Week resolution to tell Brezhnev that he keeps his East European satellites only by the force of occupying tanks. Our own statecraft should insist that where Soviet tanks cannot go, there the revolution ceases. There is no reason why we should permit Cubans to take possession of Nicaragua by infiltration after the Somoza abdication. Lyndon Johnson sent Marines into the Dominican Republic to guarantee a truly democratic election in an important Caribbean island. He was reviled for it, but, in retrospect, it was a lone high point in his record. Suppose that the Left should raise its caterwauling voice at a similar response to the proposition that Central America must be kept free of satellization by Moscow via arms from Havana? Who would care three months hence?

If we can't keep the Captive Nations list from expanding in an area as remote from the reach of Moscow as Central America, we might as well admit that we are through as a world power.

Cato kept telling the Romans that Carthage must be destroyed. Where is our Cato to tell Americans that Castro must be destroyed? Such a voice is not to be found in Washington. So the Captive Nations list will continue to grow, and grow, and grow. And Captive Nations Week will remain a charade.

[From the Manchester Union Leader, July 13, 1979]

ON 20TH ANNIVERSARY OF FOUNDING—CAPTIVE NATIONS WEEK IS A "CHARADE"

(By John Chamberlain)

[From the Colorado Springs Gazette Telegraph, July 16, 1979]

WHY THE CHARADE OF "CAPTIVE NATIONS WEEK"?

(By John Chamberlain)

[From the New Haven (Conn.) Register, July 16, 1979]

"CAPTIVE NATIONS WEEK" A CHARADE

(By John Chamberlain)

[From the Richmond Times Dispatch, July 16, 1979]

"EXCUSES, EXCUSES" MARKS OBSERVANCE OF CAPTIVE NATIONS WEEK

(By John Chamberlain)

[From the Hazleton (Pa.) Standard Speaker, July 17, 1979]

CAPTIVE NATIONS WEEK CHARADE

(By John Chamberlain)

[From the Baton Rouge State Times, July 18, 1979]

THE CHARADE OF CAPTIVE NATIONS WEEK

(By John Chamberlain)

[From the Ironwood (Mich.) Daily Globe, July 18, 1979]

CHARADE OF CAPTIVE NATIONS

(By John Chamberlain)

[From the Indianapolis News, July 18, 1979]

THE CAPTIVE NATIONS CHARADE

(By John Chamberlain)

[From the Daily News, Washington (N.C.), July 20, 1979]

THE CHARADE OF CAPTIVE NATIONS WEEK

(By John Chamberlain)

[From the Tyler (Tex.) Courier-Times, July 23, 1979]

WHERE IS OUR CATO?

(By John Chamberlain)

[From the Tulsa Tribune, July 23, 1979]

IGNORING THE CAPTIVE NATIONS

(By John Chamberlain)

[From Human Events, Aug. 4, 1979]

CAPTIVE NATIONS WEEK—WHY WE MUST REMEMBER

(By John Chamberlain)

[From the Colorado Springs Gazette Telegraph, July 16, 1979]

WHY THE CHARADE OF "CAPTIVE NATIONS WEEK"?

(By John Chamberlain)

[From the Willimette (Conn.) Chronicle, July 13, 1979]

CAPTIVE NATIONS WEEK A CHARADE

(By John Chamberlain)

[From the Augusta Chronicle, July 16, 1979]

CAPTIVE NATIONS CHARADE

(By John Chamberlain)

[From the Doylestown (Pa.) Intelligencer, July 18, 1979]

CAPTIVE NATIONS MULTIPLY IN MIDST OF U.S. CHARADE

(By John Chamberlain)

[From the Staunton (Va.) Leader, July 18, 1979]

THE CHARADE OF CAPTIVE NATIONS WEEK

(By John Chamberlain)

[From the Amarillo (Tex.) News-Globe, July 18, 1979]

ANNIVERSARY IS A CHARADE

(By John Chamberlain)

[From the Phoenix Gazette, July 13, 1979]

THE CAPTIVE NATIONS WEEK CHARADE

(By John Chamberlain)

[From the Ft. Lauderdale News, July 16, 1979]

NO INTEREST AND NO U.S. GUTS—THE CAPTIVE NATIONS CHARADE

(By John Chamberlain)

[From the Jacksonville Florida Times-Union, July 13, 1979]

CAPTIVE NATIONS WEEK

(By John Chamberlain)

[From the Savannah Press, July 17, 1979]

IN CASE YOU CARE, IT'S CAPTIVE NATIONS WEEK

(By John Chamberlain)

[From the Terre Haute (Ind.) Star, July 19, 1979]

THE CAPTIVES

(By John Chamberlain)

[From the Richmond (Va.) Times-Dispatch, July 16, 1979]

"EXCUSES, EXCUSES" MARKS OBSERVANCE OF CAPTIVE NATIONS WEEK

(By John Chamberlain)

[From the San Antonio Light, July 14, 1979]

CAPTIVE NATIONS WEEK FARCE

(By John Chamberlain)

[From the New Haven Register, July 16, 1979]

"CAPTIVE NATIONS WEEK" A CHARADE

(By John Chamberlain)

[From the Middletown (Ohio) Journal, July 17, 1979]

CAPTIVE NATIONS WEEK (YAWN)

(By John Chamberlain)

[From the Tulsa Tribune, July 23, 1979]

IGNORING THE CAPTIVE NATIONS

(By John Chamberlain)

[From the Jamaica (Mass.) Plain Citizen, July 19, 1979]

"ONCE FREE" NATIONS CALL FOR U.S. SUPPORT

To the Editor:

The week of July 15–21 is observed nationally and in Massachusetts as "Captive Nations Week," according to proclamations issued by President Jimmy Carter and Governor Edward J. King. Enacted by U.S. Congress in July 1959, the Captive Nations Week Resolution, known as Public Law 86–90, enumerated 22 original captive nations under Russian communist domination, such as: Ukraine, Lithuania, Latvia, Estonia, Byelorussia, Armenia, Azerbaijan, Georgia, Idel-Ural, Cossackia, Turkestan. Also: Poland, Hungary, Romania, Czechoslovakia, Bulgaria, Albania, North Korea and others.

The Captive Nations Week Resolution recognized the fact that Soviet Union is an empire, holding in captivity many once free and independent nations. It also pointed to the persecution of Christian, Jewish, Moslem and Buddhist religions in the Soviet Union. The resolution called upon the United States "for leadership in bringing about liberation and independence" for captive nations.

Moscow cannot eradicate the captive nations' determination for freedom and national independence, despite its continuous process of Russification and destruction of national identity of captive peoples. However, captive nations need assistance from the free world, particularly from the United States of America.

The issue of national independence of captive nations must be tied to SALT II and Moscow's desire to obtain the "most favored nation status" in international trade. Moscow openly propagates the concept of "wars of national liberation" in Angola, Mozambioue, South Vietnam and Afghanistan, while denying the same national liberation to captive nations in its empire. The captive nations of the USSR and the peoples of the satellite countries are our faithful allies and friends. Let us give them our support.

OREST SZCZUDLUK,
Vice President, Ukranian Congress.

KING CRIME

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, I again bring to the attention of the House, as I have done before committees of the House, the fact that the resolution and even the successful investigation of the murder of Federal District Judge John W. Wood and the attempted murder of the First Federal District Attorney for the Western District, James Kerr, yet remain to even begin. No one has been arrested.

Mr. Speaker, the grand jury was finally brought in about 3 weeks ago in the Judge Wood case. This means at that point the grand jury was invited to come in by the law enforcement agencies, the FBI and so forth, actually to do a little bit of investigative grand jury work. They went back to the trail of the so-called bandidos or the motorcycle gang. Even at best no case has been made involving any members of that gang in the attempted murder of James Kerr. The grand jury had explored this before. All that has happened is, a couple supposed members of that gang were charged with illegal possession of weapons and were convicted on that charge. Nobody as yet, much less the grand jury, has followed any kind of a solid lead with respect to the most outrageous criminal act which has the most grievous implications for every one of us in the country. Not just those in the judiciary but those of us in the Congress and every law-abiding, peace-loving American in this country.

Mr. Speaker, in desperation I wrote a letter. I referred to this when I last spoke on this matter over 3 weeks ago. I had addressed a letter to the subcommittee chairman of proper jurisdiction of the Committee on the Judiciary. As yet I have received no acknowledgment of my letter.

In the meantime I have gone another route. Because I am the ranking member of a subcommittee of the Committee on Banking, Finance and Urban Affairs, I am taking an angle that is unprecedented, and that is, studying the unusual currency flows or cash transactions in that area, the Western Judicial District, through the Federal Reserve Bank.

In 1972 I was instrumental in having legislation approved by the Congress that would bring about a reporting of unusual, abnormal or inordinate flows of unaccounted for cash.

Mr. Speaker, it is very unusual and interesting to find that San Antonio, which unfortunately is the scene of these crimes, is one of those Federal Reserve district area offices that reports an unusually heavy volume of unaccounted for currency movements. It is the third in the Nation, third only to Miami and one other point also in Florida where you have heavy movement of illicit drug cash flowing.

I think we will be able to have a handle on the only real lead that I think ultimately will lead us to some kind of solid ground in the resolution of this heinous murder.

Mr. Speaker, I think we have lapsed into a smug and complacent attitude concerning this very horrible crime and the antecedent companion crime of the attempt on James Kerr.

I think that the United States, our country, is menaced by the biggest enemy it has. It is not communism, it is not the Iranians, it is not the Cambodians, it is not the Vietnamese, it is simply the inordinate and the overwhelming and preponderant force and control that organized crime has over every single movement in our society in the United States today, where this challenge to the constituted authority in the country, to the judiciary specifically, and to the law enforcement agencies generally, and to the Congress most directly, by those who are consecrated to crime and criminal activities, boldly and callously are telling us they are going to murder those judges who happen to enforce the law when they have an opportunuity to do so.

Mr. Speaker, this is all it amounts to, no more, no less. The murder of Judge Wood was a skilled, perpetrated crime. Nobody could have committed that crime who was not first briefed, casing the apartment complex from which the shot was fired, for months, not just for weeks.

There is no question in my mind what pattern of criminal activity that I have been reporting for more than a year is accountable for these challenges to our society.

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Mr. Speaker, I am distraught, because just as in the case of my letter to the Judiciary Subcommittee, I find that we have relaxed into a very smug and complacent scene of indifference. I cannot understand it when it involves the most dastardly crime that has been committed against the Federal judiciary in the history of the Federal judiciary.

Mr. Speaker, I yield back the balance of my time.

FOREIGN INVESTMENT STIRS CALL FOR PROBE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. GAYDOS) is recognized for 5 minutes.

● Mr. GAYDOS. Mr. Speaker, a series of developments over the last several weeks has convinced me that we, as representatives of the American public in the "People's House" of Congress, can no longer ignore the growth of foreign investment in the economic structure of the United States nor its effect on our future as a nation.

During a recent 6-week period, we learned of a British firm that acquired a Howard Johnson restaurant chain, a French automaker that formed an alliance with American Motors Corp. and will eventually become its principal stockholder and, as of late October, of a giant Japanese steelmaker that was revealed as the prospective buyer of "a substantial portion of the assets of America's ninth largest steel producer, Kaiser Steel Co.

Prior to these transactions, we heard, over the years, many Members, including myself, take the floor to express deep concern over the penetration of foreign interests in areas such as real estate, farming, energy, banking, fishing, and steel. We also have heard other Members protest the damage unrestricted foreign imports are having on industries such as textiles, leather, electronics, and glass.

Viewed singularly, perhaps our concern seemed parochial in nature. We were apprehensive about the economic threat to our particular district. Viewed collectively, however, our concerns represent a broad spectrum of the Nation's economic strength. Any rapid erosion of that strength, I believe, warrants close congressional examination.

I know there are Members who see no danger in unlimited foreign holdings of U.S. property, real or otherwise. Indeed, there are some who encourage such ventures. I am aware such endeavors, particularly in times like these, will provide the capital needed for expansion of domestic enterprises. I also recognize the brutal truth that some foreign nations are, to use the vernacular "loaded" with cheap American dollars and the best place to unload those dollars is in the United States. I know, too, the political risk of investing in the United States is far more secure than in the homelands of some of our foreign speculators.

But the rapid expansion of foreign investment in the United States during the past decade should make one pause and reflect as to what is happening, where our Nation is heading. My office checked with the Department of Commerce on the extent of foreign holdings, and frankly, I was taken aback at the findings.

Foreign investments, it appears are divided into three categories: Dollars held in reserve by foreign governments; stocks, bonds, securities, and so forth, held by foreign private firms and direct foreign investment into businesses, industries, real estate, and so forth.

In 1970, according to the DOC, the combined total of these foreign holdings was $106.8 billion. In 1974, it was $196.9 billion. As of 1979, the total stood at more than $373 billion.

A breakdown of the categories reveals foreign official holdings jumped from $26 billion to $79 billion to $175 billion in less than a decade. Portfolio investments went from $80 billion to $117 billion to $198 billion in the same period. Direct investments more than tripled: $13 billion in 1970, $25 billion in 1974, and $40 billion in 1979. I have no doubt 1979 figures, when available, will show a continuation of the trend.

Mr. Speaker, I am not at all convinced this is good business for America. I do not mind inviting guests to dinner, but I see no wisdom in inviting more guests than we have plates. We must have some control over who is buying what and in what quantity.

I cannot believe the gradual loss of control over our natural resources, raw materials, major businesses and vital industries is in the best interest of our country or our people. I am extremely uncomfortable with the prospect that someday the national security and defense of this Nation could be dependent upon people or firms who owe no allegiance to the United States or the American people.

I am gravely disturbed at the possibility that such a thing could occur. I am fearful it may already be happening. The case of Kaiser Steel is a good example. Here we have a major U.S. steel producer turning over a large part of its assets to a major foreign competitor. I cannot help but wonder about such a transfer. Why? What assets? What proportion?

Kaiser Steel, as many of my colleagues know, is the only major U.S. steel producer on the west coast, a region which has consistently been the target for the illegal dumping of steel imports. Those imports are said to be a primary factor in the reason why Kaiser's steelmaking operation has been in a decline for 3 years. Overall, the company is said to have made a profit but it is my understanding this was because of other "assets," such as its coal mines, its oil and gas resources.

Why then, I ask myself, should Japan's second largest steel firm, Nippon-Kokan, be interested in acquiring a substantial part of a U.S. steel company that is losing money making steel. Is it because of concern for the Kaiser steelworkers? Is it because of concern for the state of the American steel industry or the Nation's economy. I think not.

I wonder if it is not because the acquisition of Kaiser's steel plant is the last link in a chain of facilities that will tie Japanese-owned fabricating and distribution centers already centered on the west coast with Japanese steelmaking facilities in Japan. The U.S. steel industry has always been American-owned. This transaction could be the breakthrough that might lead to the eventual decimation of one of our country's most basic industries.

The acquisition of Kaiser Steel by Nippon-Kokan will provide a funnel for a flow of foreign-made steel into the United States from Japan. According to some experts in the industry, it will be impossible to separate the foreign steel from the domestic steel. Imports could flood the west coast. Foreign steel could be sold below cost and escape detection. American producers would have little or no chance to compete under such an arrangement.

For example, suppose another major domestic steelmaker wanted to bid for a west coast contract. That producer offers one price, Kaiser (alias Nippon-Kokan) submits a bid of $100 lower per ton. The Kaiser order could be comprised of, or supplemented by, Japanese steel produced with the help of a Japanese Government subsidy. The American producer loses the contract. That scenario, I believe, is possible. And if it could happen on a contract on the west coast, it could happen on a contract on the east coast as well.

I do not say it would happen. I emphasize it could happen. The acquisition of Kaiser Steel could be the forerunner of similar sales by American steel producers facing financial difficulty today.

Consequently, I believe that now is the time for Congress to take action on the unlimited investment of foreign interests in America. I believe we stand today on the brink of potential disaster should we continue to allow industries, businesses, and so forth which are vital to our national security and defense to become satellites for foreign financiers.

I believe, Mr. Speaker, American raw materials, American natural resources, American industries, and American business should remain in control of Americans. The continual sellout of these interests, I fear, could lead to the sell-out of our Nation and our people.●

THE BASIC RESEARCH REVITALIZATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 10 minutes.

● Mr. VANIK. Mr. Speaker, every American should be gravely concerned with the growing dimension of the current trade deficit which currently runs at the rate of about $28 billion per year. Except for the problems caused by imported oil, this deficit would be manageable and correctable. However, the likelihood of long-term requirements for imported oil provide no easy solution for this pressing problem which stimulates inflation in the United States and causes serious market disruption. It therefore becomes exceptionally important for America to develop not only a strong internal base for business but an external base for export business as well. Ways must be found to stimulate foreign purchases in the United States, particularly from the oil producing countries. It is incredible, for example, that Nigeria, from whom we purchase about $7 billion of oil, uses this tremendous transfer of American dollars to purchase most of its necessary equipment and goods from Japan and Europe and buys only about $500 million of American goods.

One of the basic American problems is that we are running out of high technology initiatives which are essential in the export marketplace. During World War I and World War II and the subsequent Korean and Vietnam wars, there was a heavy defense expenditure on military technology, which, to a considerable extent, had civilian utilization. Until recently, the defense spending program was a tremendous Government stimulant for research and development in areas that affected the whole spectrum of the economy. America must find a way of relying on something other than war and high defense spending to provide the necessary flow of technology which will make American products attractive to our trading partners.

Domestically, we are suffering a decline in productivity rates because of a lapse in the input of new ideas, new approaches, new machines, and new systems which would stimulate production in the United States and reverse the sag in American productivity.

The ingenuity of the American spirit must be restored, since our position of leadership of the world depends on the health of our economy. Recently Japan has announced extensive programs of research and development spending in the computer field. The Europeans and Japanese are preparing serious challenges in the aerospace industry which, until recently, was almost exclusively in the American domain. There are challenges from abroad in every area of high technology.

It is interesting to note that there are markets abroad for the technologies which America has developed in air and water pollution control which were mandated in recent years by American law. In this special area and because of special incentives provided by the Government, both by mandate and by its incentives, America has forged ahead to become a leader in the business of clean air, in the business of safe water, and in the business of accident-free industrial endeavor.

It is highly critical at this time that we move in a substantial and constructive way to stimulate research and development in all areas of commercial endeavor. This R. & D. need for the industrial and commercial sector transcends all other approaches to incentives to recover the economy and reverse declining productivity. The need for new technology and the need to recover the leadership of America's industry, agriculture and commerce through new technology transcends the need of any other kind of tax incentive at the present time. It is far more important for America to remain ahead in technology, than it is to provide general accelerated depreciation, capital formation, or relief on social security taxes.

With new technology, we can eliminate the need for other kinds of tax subsidies. New technology will make business in America strong enough to carry other burdens. New technology will create an incentive for the investment of capital by outsiders. New technology will attract capital far more effectively than expanded depreciation advantages which simply provide a crutch to an ailing patient. New technology will make it possible for business to move forward on its own, without subsidies, without prosthetic aids.

If we provide tax incentives for the rekindling of research and development in America, it is important that we calculate a method which will maximize the production of new technology with a minimum loss of taxpayer funds—in other words, a system that will have a high benefit ratio of new research and development technology per dollar of resources lost through taxation.

In discussing the shortfall of American technology, industrialists almost unanimously agree that a great part of the research and development that is essential to recover American preeminence in the fields of commerce and trade can best be accomplished on the university campus. The talents of academia are unlimited and underutilized. The laboratories and the teachers who are involved in the development of new technology are available at considerably lower cost in an academic setting. The underutilization of academia in the development of research and development in the United States today is one of our national shames. The laboratories and the facilities in the university setting are available for multipurpose uses and can be shared in a much more effective and efficient way than if they were installed in each American enterprise separately.

I propose that such research and development conducted in academia be in projects that would be sponsored by individual American corporations or proprietors, to be sure that research and development would be related to an essential product, an essential system, for which there is economic demand for either domestic use or for export. The corporation which would be using a substantial part of its research and development work would, of course, be desirous of projecting technology on the basis of its utilitarian value. In this way the research and development would be conducted with the highest likelihood of utilization.

This proposal would provide an incentive to the business, industrial, commercial, and agriculture sectors to invest its resources in research and development which is carried on in the academia setting. The utilization of university and academic facilities would create higher utilization of facilities in this very important area and increase the capacity of universities and academia to engineer education toward productive pursuits. This program would provide a substitute for military adventures or the space program in providing powerful, energizing forces for the creation of new technology. It will improve the quality of life in the United States and restore demand for American goods from abroad to their former high levels.

The Basic Research Revitalization Act provides a nonrefundable credit to business for 25 percent of the amount contributed in cash to a basic research reserve. However, the maximum credit is limited to 5 percent of the taxpayer's business income. A deduction is allowed for payment from the reserve if it is used for basic or exploratory research by colleges and universities. A basic research reserve is a reserve account which is exempt from income tax.

Penalty provisions are provided for use of reserve funds for other than basic research payments and for retention of amounts in the reserve for more than 4 years. The bill applies to contributions made to the reserve after December 31, 1979.●

CONTROLLING FEDERAL CREDIT PROGRAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. Nelson) is recognized for 5 minutes.

● Mr. NELSON. Mr. Speaker, I have introduced H.R. 5683, the Federal Credit Control Act of 1979, in cooperation with several of my colleagues of the House Budget Committee's Task Force on Budget Processes. This act proposes to amend the Congressional Budget Act of 1974 by requiring the Congress to set targets and ceilings in the congressional budget resolutions for direct loans and for loan guarantees by the Federal Government.

As a member of the House Budget Committee, I have become increasingly aware of the necessity for Congress to exert more control over all aspects of the Federal budget. Unless we take charge of this budget process, we will never convince the American people that we are serious about restraining Federal spending and balancing the budget.

The Office of Management and Budget is preparing to implement in the fiscal year 1981 budget, portions of the Federal credit program controls that it promised in both the fiscal year 1979 and the fiscal year 1980 budgets.

The adoption of this bill will insure that this process is actually implemented. The President plans to present to Congress the basic elements needed for Congress to begin to control the Federal Government's credit programs in his fiscal year 1981 budget proposal. The Federal Credit Control Act of 1979 will provide the statutory basis for a credit program control system within the congressional budget process.

Two criteria guided us in the definitions of the control points for this bill: Controls are to be on a gross basis, and, controls are to be applied at the point in the lending or guarantee process wherein the Federal Government commits itself and cannot cancel the loan or the guarantee arrangement without the agreement of the other party or parties. In other words, the control point of guaranteed lending is at the commitment stage.

Basically, this bill established procedures of credit program controls through amendments to title III and title IV of the Congressional Budget Act of 1974. Provisions to expand the target- and ceiling-setting process to gross direct lending and to loan guarantees are proposed to be added to title III, which established the concurrent budget resolution's setting of targets and ceilings on budget authority and outlays. Title IV, which established the procedural mechanisms to prevent "backdoor" spending on loan guarantees by requiring an appropriations action in order for loan guarantees to become effective.

Although direct Federal loans are included in the unified budget totals on a net of repayments basis, guaranteed loans are not included in the unified budget totals at all. This bill would supplement the controls on net direct loans by adding controls on gross obligations of direct loans in order to prevent understatement of the level of direct lending activity. For the first time, there will be controls on total commitments by the Federal Government to guarantee loan principal in all loan guarantee programs. There are still some issues that are unresolved in this area, but I feel that this is an important first step in making the Congress more aware of the necessity of credit control and in giving the Congress a hand in the control of direct loans and loan guarantees of the Federal Government.●

RAY ROBERTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Coelho) is recognized for 5 minutes.

● Mr. COELHO. Mr. Speaker, I take this opportunity to express my deep personal regrets upon learning that when the 96th Congress adjourns, we will be seeing the retirement of Ray Roberts as a Member of this body.

As a freshman member of the Committee on Veterans' Affairs, I have been deeply impressed by the effective leadership provided the committee by Chairman Roberts. Ray's handling of legislation and recommendations by subcommittee chairman has been eminently fair with an opportunity for each member to be recognized and heard on the issues under consideration. Although he is always a busy man, he has never been too busy to listen when I have raised questions on issues under consideration, and has always advised and assisted me with his counsel which reflects many decades of public service and experience in dealing with complex issues.

Ray Roberts' reputation as a leader of the Congress was well known to me when I was elected to be a Member of the 96th Congress. As a member of the Veterans' Affairs Committee, since he was elected to Congress in 1962, Ray has been a sponsor or supporter of almost every major piece of veterans' legislation which has been recommended by the committee and approved by the Congress.

Ray has participated in or presided over the programs for veterans and their families during the years of the Vietnam conflict and its aftermath. He has been a good leader and has kept veterans' programs on course.

The constituency of the Veterans' Affairs Committee is represented by 30 million living veterans and their families, together with the survivors of deceased veterans. It is estimated that the work of the Veterans' Affairs Committee is of direct interest to a potential 100 million Americans, which is close to one-half of the population.

It is no wonder, therefore, that Ray Roberts is a national figure who is well known throughout the Nation. I will not recite at this time the many achievements of Ray Roberts as a member of the Veterans' Affairs Committee, and as a Member of this body. Suffice it to say that he is an outstanding leader, and his wisdom and counsel in all matters will be sorely missed when he retires at the end of this Congress.

I am appreciative and grateful for having had the opportunity to work with Ray. He has the respect and admiration of every member of our committee, and I know that he is serving our Nation and his district well. I am glad he will continue as our chairman for another year, and I look forward to working with him during the next session of Congress in behalf of our Nation's veterans.●

THE HONORABLE RAY ROBERTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. Leath) is recognized for 5 minutes.

● Mr. LEATH of Texas. Mr. Speaker, it was with great disappointment and a sense of personal loss that I received the news that my friend, Ray Roberts, had informed the good people of the Fourth Congressional District of Texas that he would be retiring at the close of this Congress.

The distinguished gentleman has served in this body for almost 18 years. He is in his fifth year as chairman of the Veterans' Affairs Committee, and as the ranking Democrat on the Public Works and Transportation Committee is not only the chairman of the Subcommittee on Water Resources, but has frequently chaired the full committee. It is a source of personal satisfaction that I am privileged to be a member of both of these committees.

Long before I came to this great body, I knew of and appreciated the leadership and dedication that Chairman Roberts has brought to the long struggle to provide and protect the benefits for veterans and their families.

It has taken great courage on Ray Roberts' part to resist the easy choices offered, to resist reductions in veterans' benefits, and to seek economies in ways other than robbing those who have defended their country in time of peril of their medical care and adequate compensation.

The many honors heaped upon Chairman Roberts by all of the national service organizations, and by many State groups, is a small measure of the tremendous contributions he has brought all veterans.

I would remind you, however, that these valuable contributions are not the full story. There is not in this Congress a subject more controversial nor a work more important than that of the Water Resources Subcommittee. As the chairman of that subcommittee, the gentleman from Texas has brought an even-handed and understanding leadership that produced results for the water-hungry and the flood-threatened.

After an adult life devoted to public service in the Congress, in the Texas State Senate, in the National Youth Administration's early efforts to rescue a generation of young persons, and as a combat naval officer, Ray Roberts can retire with a sense of pride and fulfillment. We will miss his guidance, and I will certainly miss the help he has so generously given me. I am glad that he will have another year to give us.●

THE SENIOR CRYPTOLOGIC EXECUTIVE SERVICE ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Boland) is recognized for 5 minutes.

● Mr. BOLAND. Mr. Speaker, today, at the request of the Department of Defense, Mr. Robinson, Mr. McClory, Mr. Burlison, Mr. Murphy of Illinois, and I have introduced the Senior Cryptologic Executive Service Act of 1979.

In 1978, as part of the Civil Service Reform Act, Congress established a Government-wide Senior Executive Service. In so doing, Congress recognized the benefits of rewarding excellence and discouraging lackluster performance through the use of a merit pay and cash award system.

Because of security considerations and problems of integrating personnel of an intelligence agency with those of other executive agencies, the National Security Agency and other intelligence agencies were excepted from the provisions of the Civil Service Reform Act establishing a Senior Executive Service.

NSA, with the approval of the Department of Defense and the Office of Management and Budget, is now requesting legislation which would authorize the Agency to establish its own senior executive service. The proposed legislation, with the necessary exception of those provisions of title IV which authorize transfer of Senior Executive Service personnel among Federal agencies, would track the comparable provisions of title IV of the Civil Service Reform Act.

It is anticipated that the House Permanent Select Committee on Intelligence will begin hearings on this proposal in the near future.●

FATHER HESBURGH: HOPE AND FIRE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. Brademas) is recognized for 5 minutes.

● Mr. BRADEMAS. Mr. Speaker, each of us privileged to serve in the House of Representatives has constituents in whom he takes particular pride but I count myself particularly fortunate in that I represent the congressional district in which there lives the Reverend Theodore M. Hesburgh, C.S.C., president of the University of Notre Dame.

I can think of no living person, Mr. Speaker, in whom the American genius for idealism and effectiveness is more strikingly combined.

Members of the House have heard me before speak of Father Hesburgh's extraordinary contributions to our country and to humankind, and today, Mr. Speaker, I am pleased to insert in the Congressional Record the following excellent article by Colman McCarthy published in the Washington Post of November 14, 1979 and entitled, "Father Hesburgh: Hope and Fire":

[From the Washington Post, Nov. 14, 1979]

FATHER HESBURGH: HOPE AND FIRE

(By Colman McCarthy)

Notre Dame, Ind.—For a few perilous moments last month, the federal government was left dangling without the services of Fr. Theodore Hesburgh. When his work on the president's Commission on the Holocaust ended, a full 48 hours passed before he was appointed to head the Commission on Immigration and Refugee Policy.

The combats of public affairs have engaged Hesburgh since Dwight Eisenhower called on him in 1957 for help in civil rights. One of these years we will need a commission merely to pull together all the commission work that this intelligent, moral and liberal citizen has been involved in.

For more than 25 years, during which almost as a pastime he turned Notre Dame into one of the world's vibrant universities, Hesburgh has maintained a bigness of vision about what the country ought to be doing with its goals and talents.

In my own mind, he is one of the few idealists we have who aren't being ground down by the times. Consistency of fervor can be the hardest of all virtues, because when others give up or burn out, the one who insists on pushing ahead is dismissible as going "overboard."

Hesburgh's recent remark about getting food into Cambodia at first seemed like the excited talk of a zealot: "I'm perfectly willing to ride the lead truck and get shot at in the process, rather than sit back and have it on my conscience that I did nothing to stop a second Holocaust."

But the comment—if only we had a president who would speak with such spine—is a mix of hope and fire that marks much of Hesburgh's thinking. In a long and stimulating conversation the other afternoon, he confessed to being saddened by what he sees as "America's lost ideal of a common good." We lack "a total view of things," he said, and that creates a difficulty in itself, well apart from the crises and problems that keep coming on.

Appointive work, which is Hesburgh's specialty, creates wear and tear on the ego because much of it is anonymous. Elective work, which attracts both the chest-thumpers seeking higher and higher office and many in the media who think all the froth means something, has little appeal for Hesburgh. It helps that by nature he is unobtrusive. He has a new book out—"The Hesburgh Papers; Higher Values in Higher Education"—but, staying clear of any hint of self-promotion, he didn't allude to it once in our conversation.

In Washington, Hesburgh has a reputation among the politicians, or at least the ones who have an ideal or two left, as a man the country can rely on to take on the hard ones: civil rights, Vietnam amnesty, the volunteer army, global hunger, human rights. Every president since Eisenhower has gone to him for help.

Hesburgh's work on commissions, foundations and councils is a ministry that can easily create the illusion that "something is being done." Fake progress suits the establishment and its guardians. But in going among the latter, Hesburgh has had success because he has shrewdly judged just how hard to pressure for what is humane and fair. Figuring it out, while still being effective, demands mother wit. Go too far and you become the predictable radical; lay back, and you are the kept liberal of the powerful.

Hesburgh, the idealist, is taken seriously because he has had a base at Notre Dame. He runs something. As Notre Dame's longtime president—his name is on the diploma of four out of five of the university's living graduates—he has recruited some of the country's most gifted teachers.

Academia's backbiting has put some teeth marks in Hesburgh's hide. The Observer, the well-edited campus daily, carried an article recently that complained about Hesburgh's being off in Vienna for a U.N. conference when he should have been on hand to greet the freshmen and their parents during orientation week. Days later, though, a student wrote back to counter that it was "foolish to request that Fr. Hesburgh neglect the millions of poor and hungry in the world in order to please a handful of white, upper-middle-class, well-fed parents."

A year ago in a poll in U.S. News and World Report, Hesburgh was ranked second in influence in religion and third in American education. Friends say he could have been first in both had he a flair for the center stage. But Hesburgh prefers the wings and the backstage, where much of the country's anonymous work gets done. Besides, with most others shoving to get out front, he has all the room that an expansive-thinking man could want.●

EMANUEL L. BRANCATO

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland (Mrs. Spellman) is recognized for 5 minutes.

● Mrs. SPELLMAN. Mr. Speaker, Alexander Hamilton, one of the main architects of our Federal Constitution, noted that it is people who "ever maintain good government." I rise today to draw my colleagues' attention to one such person who has worked exceptionally hard and given much to maintain good government in my own congressional district for many years.

His name is Emanuel L. Brancato and, until last month, he was a resident and public official of the city of New Carrollton, Md. A long-time city resident, Mr. Brancato is by profession a research scientist, who recently retired as Assistant to the Director of the Naval Research Laboratory in Washington.

He played a key role in the affairs of his community as a member of the New

Carrollton Advisory Planning Committee for 6 years and as a city council member for 3 years. Mr. Speaker, any of my colleagues who have visited New Carrollton know that it is a charming and exceptionally well maintained suburban community. I feel the city's fine reputation and appearance is due in no small part to the work of Emanuel Brancato. His professionalism and dedication to the betterment of his community have been positively unsurpassed. His contributions to the planning committee led to his serving as chairman of that group from 1973 to 1976 and it was while he was planning committee chairman that Mr. Brancato was tapped to fill a vacancy on the city council.

His willingness to shoulder responsibility and carry out his council duties in an exemplary manner apparently impressed the voters of New Carrollton, for they overwhelmingly elected him to a second 2-year council term in May of this year.

Mr. Speaker, his retirement and a related move to Howard County, Md., brought an end to Mr. Brancato's official service to the city of New Carrollton on October 10. But his contributions to the community and its people will not soon be forgotten. In fact, many of Mr. Brancato's friends and associates will gather in Bladensburg, Md., this weekend to pay tribute to him—their friend, their ally, their colleague—a man who gave so much to his community during the last decade.

Mr. Speaker, I will be proud to be among those singing Emanuel Brancato's praises at that well-earned testimonial dinner. Without question, while his formal service to New Carrollton may have ended, Mr. Brancato's dedication will live on in the hearts of the people he served. I know my colleagues here today will want to join me in recognizing the many fine achievements of this most capable and respected former resident of my district. I know, too, they will want to join me in wishing Mr. Brancato and his wife, Eloise, well in all their future endeavors. And most of all, Mr. Speaker, I know my colleagues will want to join me in offering heartfelt thanks to Emanuel L. Brancato for his long and unselfish service to the city of New Carrollton, Md. He truly has done much to "maintain good government" in that community.●

LEGISLATING RESPONSIBLY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. HARRIS) is recognized for 5 minutes.

● Mr. HARRIS. Mr. Speaker, when Congress failed to pass many of the general appropriations measures by October 1 (the beginning of fiscal year 1980), the funding for most Federal agencies and programs was jeopardized. Paychecks to thousands of public servants were delayed while Congress haggled over a continuing appropriations resolution. We temporarily solved the funding crisis by passing a continuing resolution 12 days late, but this resolution expires next week, on November 20.

Once again, the paychecks for civil servants and uniformed military personnel and benefits for thousands of pensioners and disabled veterans could be held hostage while Congress debates other unrelated issues. We must not allow these Americans to be used as bargaining chips in the effort to resolve this legislative logjam. Congress must act promptly to complete consideration of a continuing resolution before the scheduled House recess this Friday, November 16.

I feel strongly that Congress should not be allowed to recess until this funding issue is completely resolved and I sent the following letter to Speaker O'NEILL yesterday emphasizing the urgency for final action:

> CONGRESS OF THE UNITED STATES,
> *Washington, D.C., November 13, 1979.*
> Hon. THOMAS P. O'NEILL,
> *Speaker, House of Representatives,*
> *The Capitol,*
> *Washington, D.C.*
>
> DEAR MR. SPEAKER: When Congress finally passed a continuing appropriations resolution last October, it was 12 days late. The delay jeopardized the funding for most federal programs and agencies. Elderly pensioners and disabled veterans, civil servants and uniformed military personnel, all had to face the prospect of falling back on their own resources for basic food, shelter and fuel costs. This continuing resolution will expire next week on November 20 and once again, these public servants, as well as disabled veterans and pensioners, could be penalized because of Congress' inability to work within the parameters of the appropriations process.
>
> Mr. Speaker, I am pleased the House moved quickly today in passing a new continuing appropriations resolution but I am deeply troubled that final action on this resolution may not be completed before the scheduled House recess on Friday, November 16. I believe it would be unconscionable and legislatively irresponsible for House members to leave for the Thanksgiving holidays before this funding issue is resolved.
>
> Congress has a responsibility to pay the salaries of federal government employees in full and on time and to ensure the funding of vital federal programs. I urge you to announce to all members that the House will not recess until action is completed on the continuing appropriations resolution.
>
> Sincerely,
> HERBERT E. HARRIS II,
> *Member of Congress.*●

CONTINUING PROBLEMS IN DOD'S CLASSIFICATION OF NATIONAL SECURITY INFORMATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. FREYER) is recognized for 5 minutes.

● Mr. PREYER. Mr. Speaker, I would like to bring to the attention of my colleagues a report issued by the General Accounting Office entitled "Continuing Problems in DOD's Classification of National Security Information." The report finds that the Pentagon continues to classify documents improperly, despite a new Executive order to facilitate the release of Government information.

The GAO's findings are included in a study requested by me as chairman of the House Government Information and Individual Rights Subcommittee of the Government Operations Committee, and by Senator WILLIAM PROXMIRE as Chairman of the Subcommittee on Priorities and Economy in Government of the Joint Economic Committee.

Earlier this year, the GAO reported in a study that the Department of Defense and the Central Intelligence Agency were evading the White House orders to declassify more material. On December 1, 1978, a new Executive order had gone into effect to make more Government information available and to protect only documents essential to national security.

The order, replacing a previous one that had been in effect since 1972, limits the classification of most information to 6 years although it protects information deemed more sensitive for up to 20 years.

Nevertheless, in its latest study released October 26, the GAO found that:

Information was classified by people in the Defense Department who were not authorized to do so.

Officials were improperly delegating authority to subordinates to extend classifications for more than 6 years.

Classification guidelines did not specify what levels of security should be applied to certain documents, thus leaving the choice of "Top Secret," "Secret," or "Confidential" label to people unauthorized to make such a decision.

Of 556 documents reviewed by the GAO, 285—or 49 percent—contained errors such as improper classification or improper use of classification authority. More specifically, 133—or 24 percent—contained such irregularities as: Information not related to national security but that still had been classified, information classified inconsistently, and information that had lost some of its sensitivity but that had not had its classification downgraded.

Guidelines that the Pentagon issues for deciding what should be classified can actually spread authority beyond those people who should be making these decisions, the GAO indicated.

"If use of the guide is not limited to those individuals," the report stated, "then anyone using that guide could extend classification for more than 6 years and be in compliance with the Executive order."

The report continued:

"The use of classification guides that lack specificity and require the users to determine the level of classification to apply to certain items of information is not the intent of the Executive order nor DOD's regulation."

The GAO also pointed out instances in which the Pentagon had improperly marked an entire document as classified when part of it could be released.

In a list of recommendations, the GAO suggested that the Pentagon:

Require that classification guides and revisions be reviewed by an official other than one who drafted the guidelines.

Pay more attention to inspecting classifications.

Specify what parts of documents should be classified for more than 6 years.

Train its people better in following the Executive order on classification, specifically as to how it determines who can classify national security information and what information is to be classified.

Mr. Speaker, I hope that these remarks will interest Members of the House to read the GAO report, the number of which is LDC-80-16, dated October 26, 1979.●

PROPOSED MARITIME EMBARGO OF IRAN

(Mr. MURPHY of New York asked and was given permission to extend his remarks at this point in the Record.)

● Mr. MURPHY of New York. Mr. Speaker, the hard facts surrounding the present situation in Iran need no repetition. Suffice it to say that the United States faces a difficult and trying situation with scores of American lives at stake. This is clearly a time for clear heads and firmness in the face of illegal and provocative acts by Iranian citizens.

To suggest, as some do, that the United States is faced with equally unacceptable policy choices, that is, the choice between nothing on the one hand and military action on the other, is inaccurate and misleading. We do indeed have alternatives, and I call upon the President today to implement one of those alternatives, namely the maritime embargo of Iran.

I ask the President to immediately call upon U.S.-flag ships as well as foreign-flag ships owned by U.S. corporations to immediately terminate all ship traffic destined for or originating in Iran. The Merchant Marine and Fisheries Committee just yesterday heard testimony from representatives of U.S.-owned foreign-flag shipping who testified to the patriotic willingness of their members to sacrifice in the national interest in time of emergency. We face just such an emergency today in Iran. What better way is there for us to demonstrate national solidarity and purpose than for our shipping corporations to voluntary and completely sever business relations with an outlaw nation.

This is a course of prudence and strength which relies on one of the classic means of censure, namely, the resort to boycott and embargo. We should perceive no need to subsidize or supply those who would humiliate and degrade us in contravention of international law.

It is high time that the United States marshal the considerable economic and commercial strength that we possess in support of justifiable positions under international law.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. de la Garza (at the request of Mr. Wright), after 4 p.m. today through Friday, November 16, on account of a death in the family.

Mr. Goldwater (at the request of Mr. Rhodes), for November 13 and 14, on account of personal business.

Mr. Rudd (at the request of Mr. Rhodes), for November 15 and 16 on account of official business.

Mr. Sawyer (at the request of Mr. Rhodes), after 5 p.m. today and balance of week, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Thomas) to revise and extend their remarks and include extraneous material:)

Mr. Miller of Ohio, for 15 minutes, today.

Mr. Wampler, for 5 minutes, today.

Mr. Kemp, for 15 minutes, today.

Mr. Clausen, for 10 minutes, today.

Mr. Collins of Texas, for 20 minutes, today.

Mr. Green, for 60 minutes, November 15.

(The following Members (at the request of Mr. Williams) to revise and extend their remarks and include extraneous material:)

Mr. Annunzio, for 5 minutes, today.

Mr. Flood, for 30 minutes, today.

Mr. Gonzalez, for 15 minutes, today.

Mr. Weaver, for 10 minutes, today.

Mr. Gaydos, for 5 minutes, today.

Mr. Vanik, for 10 minutes, today.

Mr. Nelson, for 5 minutes, today.

Mr. Coelho, for 5 minutes, today.

Mr. Leath of Texas, for 5 minutes, today.

Mr. Boland, for 5 minutes, today.

Mr. Brademas, for 5 minutes, today.

Ms. Spellman, for 5 minutes, today.

Mr. Harris, for 5 minutes, today.

Mr. Preyer, for 5 minutes, today.

Mr. Kildee, for 30 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Stangeland, during general debate on the bill H.R. 2727.

Mr. Nelson, to revise and extend and insert his remarks in the Record under general debate.

Mr. Rudd, to revise and extend his remarks, just prior to the vote on the Bauman amendment.

Mr. Kostmayer, to revise and extend his remarks, immediately prior to the vote on the Lundine amendment.

Mr. Weiss, immediately preceding the vote on H.R. 2063.

Mr. Bereuter, to revise and extend his remarks immediately before the vote on the Russo amendment.

(The following Members (at the request of Mr. Thomas) and to include extraneous matter:)

Mr. Conte.
Mr. Quayle.
Mr. Whitehurst.
Mr. Tauke.
Mr. Symms.
Mr. Derwinski.
Mr. Young of Alaska.
Mr. Bethune in two instances.
Mr. Devine.
Mr. Clausen.
Mr. Broyhill.
Mr. Campbell.
Mr. Dickinson.
Mr. Coughlin.
Mr. Lee.
Mr. Daniel B. Crane.
Mr. Beard of Tennessee.
Mr. Livingston.
Mr. Young of Florida.
Mr. Hyde.
Mr. Ashbrook in two instances.

(The following Members (at the request of Mr. Williams of Montana) and to include extraneous matter:)

Mr. Beard of Rhode Island.
Mr. Stokes.
Mr. Albosta.
Mr. Mineta.
Mr. Hamilton.
Mr. Edgar in two instances.
Mr. Roybal.
Mr. Wolff in two instances.
Mr. Coelho.
Mr. Williams of Montana.
Mr. de la Garza in three instances.
Mr. Downey.
Mr. Brademas in five instances.
Mr. Solarz in two instances.
Ms. Mikulski.
Mr. Conyers.
Mr. AuCoin.
Mr. McDonald in two instances.
Mr. Drinan.
Mr. Whitley.
Mr. Heftel.
Mr. Benjamin.
Mr. Applegate in two instances.
Mr. Peyser.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 4930. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1980, and for other purposes.

BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on November 13, 1979 present to the President, for his approval, a bill and a joint resolution of the House of the following title:

H.R. 4955. To authorize additional appropriations for migration and refugee assistance for the fiscal years 1980 and 1981 and to authorize humanitarian assistance for the victims of the famine in Cambodia; and

H.J. Res. 68. To authorize the President to issue a proclamation designating the week beginning on November 18, 1979, as "National Family Week."

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 20 minutes p.m.), the House adjourned until tomorrow, Thursday, November 15, 1979, at 10 a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees concerning the foreign currencies and U.S. dollars utilized by them during the third and amended first and second quarters of calendar year 1979 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1979

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Third International Topical Conference on High Power Electron and Ion Beam Research and Technology:											
Battista, Anthony R	6/29	6/30	England	45.36	100.00					45.36	100.00
	6/30	7/9	Russia	1,026	675.00					1,026	675.00
	7/9	7/10	Germany	340.38	186.00					340.38	186.00
Transportation funded by State Department.							2,470.20				2,470.20
Cooper, Thomas E	6/29	6/30	England	45.36	100.00					45.36	100.00
	6/30	7/9	Russia	1,026	675.00					1,026	675.00
	7/9	7/10	Germany	340.38	186.00					340.38	186.00
Transportation funded by State Department.							2,470.20				2,470.20
Hahn, Thomas S	6/29	6/30	England	45.36	100.00					45.36	100.00
	6/30	7/9	Russia	1,026	675.00					1,026	675.00
	7/9	7/10	Germany	340.38	186.00					340.38	186.00
Transportation funded by State Department.							2,470.20				2,470.20
Group in-country transportation funded by State Department.							199.00				199.00
Conference fee funded by State Department.									159.45		159.45
Group in-country transportation funded by DOD.							84.26				84.26
Miscellaneous expenses funded by DOD.									61.00		61.00
Carr, Hon. Bob	8/6	8/7	Germany	169.26	93.00					169.26	93.00
	8/7	8/8	Italy	61,500	75.00					61,500	75.00
	8/8	8/10	Turkey	7,065	150.00					7,065	150.00
Transportation funded by Department of the Army.							986.77				986.77
Daniel, Hon. W. C. "Dan"	8/5	8/7	Germany	338.52	186.00					338.52	186.00
	8/7	8/8	Italy	61,500	75.00					61,500	75.08
	8/8	8/10	Turkey	7,065	150.00					7,065	150.00
	8/10	8/11	Belgium	3,130	107.00					3,130	107.00
Transportation funded by Department of the Army.							2,347.84				2,347.40
Davis, Hon. Mendel J	8/5	8/7	Germany	338.52	186.00					338.52	186.00
	8/7	8/8	Italy	61,500	75.00					61,500	75.00
	8/8	8/10	Turkey	7,065	150.00					7,065	150.00
	8/10	8/12	Germany	282.10	155.00					282.10	155.00
	8/12	8/15	Norway	1,267.55	252.00					1,267.55	252.00
	8/15	8/16	Iceland	27,608	75.00					27,608	75.00
	8/16	8/17	England	101.77	230.00					101.77	230.00
Transportation funded by Department of the Army.							2,461.77				2,461.77
Dickinson, Hon. Wm. L	8/5	8/7	Germany	338.52	186.00					338.52	186.00
	8/7	8/8	Italy	61,500	75.00					61,500	75.00
	8/8	8/10	Turkey	7,065	150.00					7,065	150.00
	8/10	8/11	Belgium	3,130	107.00					3,130	107.00
Transportation funded by Department of the Army.							2,507.34				2,507.34
Dougherty, Hon. Charles F	8/5	8/7	Germany	105	150.00					105	150.00
	8/7	8/10	Israel	5,802.75	225.00					5,802.75	225.00
	8/10	8/11	Belgium	2,257	77.19					2,257	77.19
	8/11	8/12	Ireland	47.90	99.00					47.90	99.00
	8/12	8/13	England	40.77	115.00					40.77	115.00
Transportation funded by Department of State.							1,046.10				1,046.10
Transportation funded by Department of the Army.							527.04				527.04
Hillis, Hon. Elwood H	8/5	8/7	Germany	338.52	186.00					338.52	186.00
	8/7	8/8	Italy	61,500	75.00					61,500	75.00
	8/8	8/10	Turkey	7,065	150.00					7,065	150.00
	8/10	8/11	Belgium	3,130	107.00					3,130	107.00
Transportation funded by Department of the Army.							2,347.84				2,347.84
Ichord, Hon. Richard H	8/5	8/7	Germany	338.52	186.00					338.52	186.00
	8/7	8/8	Italy	61,500	75.00					61,500	75.00
	8/8	8/10	Turkey	7,065	150.00					7,065	150.00
	8/10	8/11	Belgium	3,130	107.00					3,130	10.00
Transportation funded by Department of the Army.							2,347.84				2,347.84
McDonald, Hon. Larry	8/5	8/7	Germany	338.52	186.00					338.52	186.00
	8/7	8/8	Italy	61,500	75.00					61,500	75.00
	8/8	8/10	Turkey	7,065	150.00					7,065	150.00
	8/10	8/11	Belgium	3,130	107.00					3,130	107.00
Transportation funded by Department of the Army.							2,347.84				2,347.84
Stump, Hon. Bob	8/5	8/7	Germany	338.52	186.00					338.52	186.00
	8/7	8/8	Italy	61,500	75.00					61,500	75.00
	8/8	8/10	Turkey	7,065	150.00					7,065	150.00
	8/10	8/11	Belgium	3,130	107.00					3,130	107.00
Transportation funded by Department of the Army.							2,347.84				2,347.84
Whitehurst, Hon. G. Wm	8/5	8/7	Germany	338.52	186.00					338.52	186.00
	8/7	8/8	Italy	61,500	75.00					61,500	75.00
	8/8	8/10	Turkey	7,065	150.00					7,065	150.00
	8/10	8/11	Belgium	2,001.19	68.44					2,001.19	68.44
Transportation funded by Department of the Army.							2,507.34				2,507.34
Wyatt, Hon. Joe, Jr	8/5	8/7	Egypt	105	150.00					105	150.00
	8/7	8/10	Israel	5,802.75	225.00					5,802.75	225.00
	8/10	8/11	Belgium	3,130	107.00					3,130	107.00
	8/11	8/12	Ireland	47.90	99.00					47.90	99.00
	8/12	8/13	England	50.77	115.00					50.77	115.00
Transportation funded by Department of State.							1,046.10				1,046.10
Transportation funded by Department of the Army.							527.04				527.04

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1979—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Cofer, Williston B., Jr	8/5	8/7	Germany	338.52	186.00					338.52	186.00
	8/7	8/8	Italy	61,500	75.00					61,500	75.00
	8/8	8/10	Turkey	7,065	150.00					7,065	150.00
	8/10	8/11	Belgium	3,130	107.00					3,130	107.00
Transportation funded by Department of the Army.							2,507.34				2,507.34
Hahn, Thomas S	8/5	8/7	Germany	338.52	186.00					338.52	186.00
	8/7	8/8	Italy	61,500	75.00					61,500	75.00
	8/8	8/10	Turkey	7,065	150.00					7,065	150.00
	8/10	8/11	Belgium	3,130	107.00					3,130	107.00
Transportation funded by Department of the Army.							2,347.84				2,347.84
Scrivener, Peter C	8/9	8/10	Belgium	3,127	107.00					3,127	107.00
	8/11	8/15	Norway	1,267.55	252.00					1,267.55	252.00
	8/15	8/16	Iceland	27,608	75.00					27,608	75.00
	8/16	8/17	England	101.77	230.00					101.77	230.00
Transportation funded by Department of State.							837.00				837.00
West, Michael A	8/5	8/7	Germany	338.52	186.00					338.52	186.00
	8/7	8/8	Italy	61,500	75.00					61,500	75.00
	8/8	8/10	Turkey	7,065	150.00					7,065	150.00
	8/10	8/11	Belgium	3,130	107.00					3,130	107.00
Transportation funded by Department of the Army.							2,347.84				2,347.84
White, Justus P., Jr	8/5	8/7	Germany	338.52	186.00					338.52	186.00
	8/7	8/8	Italy	61,500	75.00					61,500	75.00
	8/8	8/10	Turkey	7,065	150.00					7,065	150.00
	8/10	8/11	Belgium	3,130	107.00					3,130	107.00
	8/11	8/13	England	152.31	345.00					152.31	345.00
Transportation funded by Department of the Army							1,465.27				1,465.27
Group in-country transportation funded by Department of the Army							390.60				390.60
Miscellaneous in-country expenses funded by Department of State									119.39		119.39
Individual travel performed by HASC Members and staff:											
Evans, Hon. Melvin H	8/5	8/7	Japan	42,068	194.00					42,068	194.00
	8/7	8/10	Korea	108.900	225.00					108.900	225.00
	8/10	8/12	Hong Kong		156.00						156.00
	8/12	8/15	Thailand	4,594.50	225.00					4,597.50	225.00
	8/15	8/18	Singapore	481.50	225.00					481.50	225.00
Transportation funded by Department of the Army (Congressman Evans joined a House Post Office and Civil Service Committee delegation)							2,843.59				2,843.59
Wilson, Hon. Bob	8/20	8/22	Spain	10,165	154.00					10,165	154.00
	8/22	8/24	Portugal	7,275	150.00					7,275	150.00
	8/24	8/28	Yugoslavia	5,730	300.00					5,730	300.00
	8/28	8/31	Austria	5,132.15	384.00					5,132.15	384.00
	8/31	9/3	Belgium	9,428	321.00					9,428	321.00
Transportation funded by Department of the Air Force (Congressman Wilson joined a House Foreign Affairs Committee delegation)							948.16				948.16
Tsompanas, Paul L	6/29	7/9	England	226.80	495.00					226.80	495.00
Transportation funded by Department of State							1,671.00				1,167.00
Participation in NATO Conference: The Second Thirty Years:											
Beard, Hon. Robin L	8/31	9/2	Belgium	6,284.66	214.00						214.00
	9/4	9/5	Germany	489.58	269.00						269.00
Wilson, Hon. Charles H	8/31	9/3	Belgium	9,427	312.00						312.00
Transportation to Belgium funded by State Department.							805.50				805.50
Returned with Codel Zablocki on military transportation.							474.08				474.08
Schatzman, Frederick A	8/31	9/4	Belgium	12,570	428.00						428.00
Transportation funded by State Department.							1,611.00				1,611.00
Committee total					16,406.63		49,291.78		339.84		66,038.25

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

MELVIN PRICE,
Chairman, Committee on Armed Services.

Oct. 30, 1979.

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1, AND JUNE 30, 1979

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Delegation to the Paris Air Show, June 7–12, 1979: Local expenses paid by the State Department for the entire delegation.							4,268.99		1,244.12		5,513.11
Committee total							4,268.99		1,244.12		5,513.11

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

MELVIN PRICE,
Chairman, Committee on Armed Services.

Sept. 14, 1979.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1979

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Edwin W. Webber	8/18	8/26	South Africa		600.00		[3]2,838.00				3,438.00
	8/26	8/27	Brazil								
Richard C. Olson	8/18	8/26	South Africa		600.00		[3]2,838.00				3,438.00
	8/26	8/27	Brazil								
Norman G. Cornish	8/18	8/23	Germany		567.00		66.23				633.23
	8/23	8/26	Netherlands		320.00		50.69				370.69
	8/27	8/30	Scotland		293.89						293.89
	8/30	9/2	London		344.00		49.85				393.85
							[1]1,789.00				1,789.00
David S. Kiernan	8/18	8/23	Germany		567.00		105.96				672.96
	8/23	8/26	Netherlands		320.00		98.40				418.40
	8/27	8/30	Scotland		293.89						293.89
	8/30	9/3	London		458.34		49.85				508.19
							[1]1,789.00				1,789.00
Committee total					4,364.12		9,674.98				14,039.10

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Commercial air transportation.

Oct. 29, 1979.

HENRY S. REUSS,
Chairman, Committee on Banking, Finance and Urban Affairs.

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1979

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. James Leach	12/28	12/29	Hong Kong								[3]$4,469.60
	12/30	1/8	People's Republic of China.								
	1/9	1/12	Thailand								
Committee total											4,469.60

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Refund to U.S. Treasury.

Oct. 29, 1979.

HENRY S. REUSS,
Chairman, Committee on Banking, Finance and Urban Affairs.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BUDGET, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1979 AND SEPT. 30, 1979

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Eldon Rudd	8/5	8/8	Spain	3.51	231.00		1,059.80				1,290.80
Peter Storm	9/29	10/4	Yugoslavia	6,555	345.00		(3)			6,555	345.00
Bill Frenzel	9/29	10/4	Yugoslavia	7,125	375.00		(3)			7,125	375.00
Committee total					951.00		1,059.80				2,010.80

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Secretary of Treasury made arrangements for special transportation at no cost to participants invited and individual breakdown per person not available by Treasury.

Oct. 31 1979.

ROBERT N. GIAIMO,
Chairman, Committee on Budget.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY AND SEPTEMBER 1979

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Staggers, Harley O.	8/13	8/15	Japan	41,912	194.00	33,785	154.05	9,972	45.96	85,669	394.01
	8/15	8/22	China	808.53	525.00	753.00	489.03	236.63	153.67	1,798.16	1,167.70
Military							1,556.49				1,556.49
Van Deerlin, Lionel	8/13	8/15	Japan	41,912	149.00	33,785	154.05	9,972	45.96	85,669	394.01
	8/15	8/22	China	808.53	525.00	753.00	489.03	236.63	153.67	1,798.16	1,167.70
Military							1,556.49				1,556.49
Waxman, Henry A.	8/13	8/15	Japan	41,912	194.00	33,785	154.05	9,972	45.96	85,669	493.01
	8/15	8/22	China	808.53	525.00	753.00	489.03	236.63	153.67	1,798.16	1,167.70
Military							1,556.49				1,556.49
Walgren, Doug	8/13	8/15	Japan	41,912	194.00	33,785	154.05	9,972	45.96	85,669	394.01
	8/15	8/22	China	808.53	525.00	753.00	489.03	236.63	153.67	1,798.16	1,167.70
Military							1,556.49				1,556.49
Lent, Norman	8/13	8/15	Japan	41,912	194.00	33,785	154.05	9,972	45.96	85,669	394.01
	8/15	8/22	China	808.53	525.00	753.00	489.03	236.63	153.67	1,798.16	1,167.70
Military							1,556.49				1,556.49

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY AND SEPTEMBER 1979—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Painter, Kenneth	8/13	8/15	Japan	41,912	194.00	33,785	154.05	9,972	45.96	85,669	394.01
	8/15	8/22	China	808.53	525.00	753.00	489.03	236.63	153.67	1,798.08	1,167.70
Military							1,556.49				1,556.49
Kitzmiller, Michael	8/13	8/15	Japan	41,912	194.00	33,785	154.05	9,972	45.96	85,669	394.01
	8/15	8/22	China	808.53	525.00	753.00	489.03	236.63	153.67	1,798.08	1,167.70
Military							1,556.49				1,556.49
Rinaldo, Matthew	8/15	8/22	China	808.53	525.00	753.00	489.03	236.63	153.67	1,798.08	1,167.70
Military							783.25				783.25
Commercial (joined the delegation in Peking)							981.24				981.24
Moir, Brian	9/29	10/6	Ireland	324.29	693.00					324.29	693.00
Commercial							700.00				700.00
Scheuer, James H.	9/2	9/4	France	0	0	(Not claiming any expenses for this portion of the trip.)					
Committee totals					6,251.00		18,350.51		1,551.08		26,152.59

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce.

Oct. 31, 1979.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON POST OFFICE AND CIVIL SERVICE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1979

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Charles H. Wilson	9/5	9/7	Japan	42,068	194.00						194.00
	9/7	9/10	Korea	108,900	225.00						225.00
	9/10	9/12	Hong Kong	803.10	156.00						156.00
	9/12	9/15	Thailand	4,594.50	225.00						225.00
	9/15	9/18	Singapore	481.50	225.00						225.00
	9/18	9/22	Hawaii, U.S.A		410.18						410.18
Transportation provided by DOD (transpacific and intercountry). Have not yet received group transportation costs from Department of State.							2,843.59				2,843.59
Hon. William Clay	9/5	9/7	Japan	42,068	194.00						194.00
	9/7	9/10	Korea	108,900	225.00						225.00
	9/10	9/12	Hong Kong	803.10	156.00						156.00
	9/12	9/15	Thailand	4,594.50	225.00						225.00
	9/15	9/18	Singapore	481.50	225.00						225.00
	9/18	9/22	Hawaii, U.S.A		410.18						410.18
Transportation provided by DOD (transpacific and intercountry). Have not yet received group transportation from Department of State.							2,843.59				2,843.59
Kenneth R. Harding	9/5	9/7	Japan	42,068	194.00						194.00
	9/7	9/10	Korea	108,900	225.00						225.00
	9/10	9/12	Hong Kong	803.10	156.00						156.00
	9/12	9/15	Thailand	4,594.50	225.00						225.00
	9/15	9/18	Singapore	481.50	225.00						225.00
	9/18	9/22	Hawaii, U.S.A		410.18						410.18
Transportation provided by DOD (transpacific and intercountry). Have not yet received group transportation costs from Department of State.							2,843.59				2,843.59
Howard Cook	9/5	9/7	Japan	42,068	194.00						194.00
	9/7	9/10	Korea	108,900	225.00						245.00
	9/10	9/12	Hong Kong	803.10	156.00						156.00
	9/12	9/15	Thailand	4,594.50	225.00						225.00
	9/15	9/18	Singapore	481.50	225.00						225.00
	9/18	9/22	Hawaii, U.S.A		410.18						410.18
Transportation provided by DOD (transpacific and intercountry). Have not yet received group transportation costs from Department of State.							2,843.59				2,843.59
John Pontius	9/5	9/7	Japan	42,068	194.00						194.00
	9/7	9/10	Korea	108,900	225.00						225.00
	9/10	9/12	Hong Kong	803.10	156.00						156.00
	9/12	9/15	Thailand	4,594.50	225.00						225.00
	9/15	9/18	Singapore	481.50	225.00						225.00
	9/18	9/22	Hawaii, U.S.A		410.18						410.18
Transportation provided by DOD (transpacific and intercountry). Have not yet received group transportation costs from Department of State.							2,843.59				2,843.59

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON POST OFFICE AND CIVIL SERVICE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1979—Continued

	Date			Per diem [1]		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Herman Thompson	9/5	9/7	Japan	42,068	194.00						194.00
	9/7	9/10	Korea	108,900	225.00						225.00
	9/10	9/12	Hong Kong	803.10	156.00						156.00
	9/12	9/15	Thailand	4,594.50	225.00						225.00
	9/15	9/18	Singapore	481.50	225.00						225.00
	9/18	9/22	Hawaii, U.S.A		410.18						410.18
Transportation provided by DOD (transpacific and intercountry). Have not yet received group transportation costs from Department of State.							2,843.59				2,843.59
John Godwin	9/5	9/7	Japan	42,068	194.00						194.00
	9/7	9/10	Korea	108,900	225.00						225.00
	9/10	9/12	Hcng Kong	803.10	156.00						156.00
	9/12	9/15	Thailand	4,594.50	225.00						225.00
	9/15	9/18	Singapore	481.50	225.00						225.00
	9/18	9/22	Hawaii, U.S.A		410.18						410.18
Transportation provided by DOD (transpacific and intercountry). Have not yet received group transportation costs from Department of State.							2,843.59				2,843.59
Committee total					10,046.26		19,905.13		0		29,951.39

Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JAMES M. HANLEY,
Chairman, Committee on Post Office and Civil Service.

Oct. 31, 1979.

REPORT OF EXPENDITURES FOR OFFICAL FOREIGN TRAVEL, COMMITTEE ON RULES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1979

	Date			Per diem [1]		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Gillis W. Long, MC	8/19	8/28	Canada	250	214.59		154.54			250	369.15
Leo C. Zeferetti, MC (amended)	6/7	6/12	France	1,957.50	450.00					1,957.50	450.00
Committee total					664.59		154.56				819.15

[1] Per Diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RICHARD BOLLING,
Chairman, Committee on Rules.

Oct. 31, 1979.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE AND TECHNOLOGY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1979

	Date			Per diem [1]		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Don Fuqua		8/20	United States			R/T mil. air	948.16				948.16
	8/20	9/22	Spain	10,164	154.00	Gr. trans.	236.72			10,164	390.72
	8/22	8/24	Portugal	7,275	144.00					7,275	144.00
	8/24	8/28	Yugoslavia	5,730	300.00					5,730	300.00
	8/28	8/31	Austria	5,132.15	384.00					5,132.15	384.00
	8/31	9/3	Belgium	9,428	321.00					9,428	321.00
	9/3		United States								
Larry Winn, Jr		8/20	United States			R/T mil. air	948.16				948.16
	8/20	8/22	Spain	10,164	154.00					10,164	154.00
	8/22	8/24	Portugal	7,275	144.00					7,275	144.00
	8/24	8/28	Yugoslavia	5,730	300.00					5,730	300.00
P. D. refund				(2,270)	(118.85)					(2,270)	(118,85)
	8/28	8/31	Austria	5,132.15	384.00					5,132.15	384.00
	8/31	9/3	Belgium	9,428	321.00					9,428	321.00
	9/3		United States								
John D. Holmfeld		8/20	United States			R/T, mil. air	948.16				948.16
	8/20	8/22	Spain	10,164	154.00					10,164	154.00
	8/22	8/24	Portugal	7,275	144.00					7,275	144.00
	8/24	8/28	Yugoslavia	5,730	300.00					5,730	300.00
	8/28	8/31	Austria	5,132.15	384.00					5,132.15	384.00
	8/31	9/3	Belgium	9,428	321.00					9,428	321.00
	9/3		United States								
Note: Group local in country expenses reported by Committee on Foreign Affairs for Codel Zablocki.											
Tom Harkin		8/27	United States			Comm. air refund due.	538.00				538.00
	8/28	8/30	Austria	3,849.10	288.00	State Dept.				3,849.10	288.00
	8/30	9/2	Germany			Mil. air	127.54				127.54
	9/2	9/3	Belgium	3,142.66	107.00	Gr. trans.	45.08			3,142.66	152.08
	9/3		United States			Mil air, return.	474.08				474.08

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE AND TECHNOLOGY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1979—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Harold C. Hollenbeck		8/24	United States			Comm. air R/T, refund due.	1,729.00				1,729.00
	8/25	8/31	Austria	8,988	672.00	State Dept. gr. trans.	92.71			8,988.00	764.71
	8/31	8/31	Germany			Mil. air.	127.80				127.80
	8/31		United States								
Mike McCormack		8/8	United States								
	8/9	8/20	Germany	439.20	240.00	1,056.10	595.15			1,495.30	835.15
	8/20	8/22	Switzerland		300.00						300.00
	8/22	8/24	France		63.00						63.00
	8/24	8/26	Italy		160.00						160.00
	8/26	8/30	Austria		480.00	Gr. trans.	223.32				703.32
	8/30		United States								
Note: R/T airfare courtesy of SMIRT Conference; food and lodging courtesy of SMIRT Conference—Aug. 9 to 16, 1979. Science and Technology Committee authorized per diem and transportation on expenses—Aug. 17 to 30, 1979—14 days.											
George E. Brown, Jr		8/25	United States			Comm. air R/T, refund due.	1,717.00				1,717.00
	8/26	8/30	Austria	5,136	384.00	State Dept. gr. trans.	46.35			5,136	430.35
	8/30		United States								
James H. Scheuer		8/6	United States			Mil. air, Codel Wolff	725.96				725.96
	8/7	8/9	Hong Kong	800.75	156.00					800.75	156.00
	8/9	8/10	Thailand	3,063	150.00					3,063	150.00
	8/10	8/12	North Vietnam		150.00						150.00
	8/12	8/15	Sri Lanka	3,488	225.00					3,488	225.00
	8/15	8/17	Pakistan	1,485	150.00					1,485	150.00
	8/17	8/23	U.S.S.R	145.59	225.00	Comm. air	562.00			145.59	787.00
	8/23	8/25	Austria	2,569.90	192.00	Gr. trans.	77.17			2,569.90	269.17
	8/25	9/1	Sri Lanka								
	9/1	9/4	France								
	9/4		United States								
Note: Expenses reported by Committee on Interstate and Foreign Commerce for final portion of Congressman Scheuer's trip.											
Williams G. Wells, Jr		8/17	United States			Comm. air, R/T, refund due State Dept.	1,379.00				1,379.00
	8/17	9/1	Austria	19,256.40	1,440.00	8,181 Gr. trans.	611.78			27,437.40	2,051.78
	9/1	9/3	France	765	180.00					765	180.00
	9/3		United States								
Anthony Scoville		8/17	United States			Comm. air R/T, refund due State Dept.	1,409.20				1,409.20
	8/17	9/1	Austria	19,256.40	1,440.00					19,256.40	1,440.00
	9/1		United States								
Sliger		8/23	United States			Comm. air R/T, refund due State Dept.	1,199.00				1,199.00
	8/24	8/28	Yugoslavia	5,730	300.00	Mil. air	146.19			5,730	446.19
P.D. refund					(123.50)						(123.50)
	8/28	8/31	Austria	5,132.15	384.00					5,132.15	384.00
	8/31	9/1	Belgium								
	9/1		United States								
Committee total					11,352.65		14,907.53				26,260.18

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollars equivalent; if U.S. currency is used, enter amount expended.

Note: R/T air fare courtesy of SMIRT Conference; food and lodging courtesy of SMIRT Conference, Aug. 9 to 16, 1979. Science and Technology Committee authorized per diem and transportation expenses, Aug. 17 to 30, 1979, 14 days.

DON FUQUA,
Chairman, Committee on Science and Technology.

Oct. 30, 1979.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SELECT COMMITTEE ON AGING, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1979

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Claude Pepper	8/13	8/15	Japan	41,912	194.00	33,785.71	154.05	9,972.86	45.96	85,670.57	394.01
	8/15	8/22	China	808.25	525.00	810.80	526.40	268.28	174.22	1,887.33	1,225.62
Military transportation							1,556.49				1,556.49
Committee total					719.00		2,236.94		220.18		3,176.12

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Note: No claim, of any nature, for expenses incurred during the domestic portion of this foreign travel was made by Chairman Pepper from the Select Committee on Aging.

CLAUDE PEPPER,
Chairman, Select Committee on Aging.

Oct. 29, 1979.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1979

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Robert K. Dornan M.C	8/7	8/9	Hong Kong	800.75	156.00		659.00			800.75	815.00
	8/9	8/10	Thailand	3,063	150.00					3,063	150.00
	8/10	8/12	Vietnam		150.00						150.00
	8/12	8/15	Sri Lanka	3,488	225.00					3,488	225.00
	8/15	8/17	Pakistan	1,485	150.00					1,485	150.00
	8/17	8/24	Soviet Union[2]	145.59	225.00					145.59	225.00
Fortney H. Stark M.C	8/7	8/9	Hong Kong	800.75	156.00					800.75	156.00
	8/10	8/12	Thailand	4,594.50	225.00					4,594.50	225.00
	8/12	8/15	Sri Lanka	3,488	225.00					3,488	225.00
	8/15	8/17	Pakistan	1,485	150.00					1,485	150.00
	8/17	8/24	Soviet Union[3]	136.34	210.70					136.34	210.70
Billy L. Evans M.C	8/7	8/9	Hong Kong	800.75	156.00					800.75	156.00
	8/9	8/12	Thailand	6,126	300.00					6,126	300.00
	8/12	8/15	Sri Lanka	3,488	225.00					3,488	225.00
	8/15	8/17	Pakistan	1,485	150.00					1,485	150.00
	8/17	8/24	Soviet Union[3]	145.59	225.00					145.59	225.00
John W. Peploe	8/7	8/9	Hong Kong	800.75	156.00					800.75	156.00
	8/9	8/10	Thailand	3,063	150.00					3,063	155.00
	8/10	8/12	Vietnam		150.00						150.00
	8/12	8/15	Sri Lanka	3,488	225.00					3,488	225.00
	8/15	8/17	Pakistan	1,485	150.00					1,485	150.00
	8/17	8/24	Soviet Union[3]	145.59	225.00					145.59	225.00
Elliott A. Brown	8/7	8/9	Hong Kong	800.75	156.00					800.75	156.00
	8/9	8/12	Thailand	3,063	300.00					3,063	300.00
	8/12	8/15	Sri Lanka	3,488	225.00					3,488	225.00
	8/15	8/17	Pakistan	1,485	150.00					1,485	150.00
	8/17	8/24	Soviet Union[3]	89.59	138.45					89.59	138.45
Patrick L. Carpentier	8/7	8/9	Hong Kong	800.75	156.00					800.75	156.00
	8/9	8/12	Thailand	6,126	300.00					6,126	300.00
	8/12	8/15	Sri Lanka	3,488	225.00					3,488	225.00
	8/15	8/17	Pakistan	1,485	150.00					1,485	150.00
	8/17	8/24	Soviet Union[3]	95.59	147.72					95.59	147.72
Laura B. Sherman	8/7	8/9	Hong Kong	800.75	156.00					800.75	156.00
	8/9	8/12	Thailand	6,126	300.00					6,126	300.00
	8/12	8/15	Sri Lanka	3,488	225.00					3,488	225.00
	8/15	8/17	Pakistan	1,218	123.03					1,218	123.03
	8/17	8/24	Soviet Union[3]	112.59	174.00					112.59	174.00
Catherine M. Hunter	8/7	8/9	Hong Kong	800.75	156.00					800.75	156.00
	8/10	8 12	Thailand	4,594.50	225.00					4,594.50	225.00
	8 12	8/15	Sri Lanka	3,488	225.00					3,488	225.00
	8/15	8/17	Pakistan	1,485	150.00					1,485	150.00
	8/17	8/24	Soviet Union[3]	145.59	225.00					145.59	225.00
Committee totals					8,041.90		659.00				8,700.90

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Of the 7 days in the Soviet Union, 3 days of direct per diem were received as indicated above. The remaining 4 days of per diem were forfeited and the State Department assumed all charges directly. These costs are not available at this time.

Note: Military transportation costs totaled $11,615.44. Local transportation costs incurred in Hong Kong totaled $73.17.

LESTER L. WOLFF,
Chairman, Select Committee on Narcotics Abuse and Control.

Oct. 31, 1979.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO NORWAY, GERMANY, AND ENGLAND, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JUNE 30 AND JULY 7, 1979

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Jim Wright	6/30	7/2	Norway	1,278.65	252.00			649.62	128.03	1,928.27	380.03
	7/2	7/4	Germany	323.84	176.00			167.22	90.88	491.06	266.88
	7/4	7/7	England	143.56	318.00			31.83	70.51	175.39	388.51
Military air transportation							1,564.00				1,564.00
Samuel S. Stratton	6/30	7/2	Norway	1,278.65	252.00			649.62	128.03	1,928.27	380.03
	7/2	7/4	Germany	323.84	176.00			167.22	90.88	491.06	266.88
	7/4	7/7	England	143.56	318.00			31.83	70.51	175.39	388.51
Military air transportation							1,564.00				1,564.00
William S. Moorhead	6/30	7/2	Norway	1,278.65	252.00			649.62	128.03	1,928.27	380.03
	7/2	7/4	Germany	323.84	176.00			167.22	90.88	491.06	266.88
	7/4	7/7	England	143.56	318.00			31.83	70.51	175.39	388.51
Military air transportation							1,564.00				1,564.00
James J. Howard	6/30	7/2	Norway	1,278.65	252.00			649.62	128.03	1,928.27	380.03
	7/2	7/4	Germany	323.84	176.00			167.22	90.88	491.06	266.88
	7/4	7/7	England	143.56	318.00			31.83	70.51	175.39	388.51
Military air transportation							1,564.00				1,564.00
Robert A. Roe	6/10	7/2	Norway	1,278.65	252.00			649.62	128.03	1,928.27	380.03
	7/2	7/4	Germany	323.84	176.00			167.22	90.88	491.06	266.88
	7/4	7/7	England	143.56	318.00			31.83	70.51	175.39	388.51
Military air transportation	7/6	7/6	Scotland				465.00				465.00
Military air transportation							1,564.00				1,564.00
Gunn McKay	6/30	7/2	Norway	1,278.65	252.00			649.62	128.03	1,928.27	380.03
	7/2	7/4	Germany	323.84	176.00			167.22	90.88	491.06	266.88
	7/4	7/7	England	143.56	318.00			31.83	70.51	175.39	388.51
Military air transportation	7/6	7/6	Scotland				465.00				465.00
Military air transportation							1,564.00				1,564.00
Tim Lee Carter	6/30	7/2	Norway	1,278.65	252.00			649.62	128.03	1,928.27	380.03
	7/2	7/4	Germany	323.84	176.00			167.22	90.88	491.06	266.88
	7/4	7/7	England	143.56	318.00			31.83	70.51	175.39	388.51
Military air transportation							1,564.00				1,564.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO NORWAY, GERMANY, AND ENGLAND, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JUNE 30 AND JULY 7, 1979—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Susan Athy	6/30	7/2	Norway	1,278.65	252.00			649.62	128.03	1,928.27	380.03
	7/2	7/4	Germany	323.84	176.00			167.22	90.88	491.06	266.88
	7/4	7/7	England	143.56	318.00			31.83	70.51	175.39	388.51
Military air transportation							1,564.00				1,564.00
Jimmie Lee Bodiford	6/30	7/2	Norway	1,278.65	252.00			649.62	128.03	1,928.27	380.03
	7/2	7/4	Germany	323.84	176.00			167.22	90.88	491.06	266.88
	7/4	7/7	England	143.56	318.00			31.83	70.51	175.39	388.51
Military air transportation							1,564.00				1,564.00
Marshall L. Lynam	6/30	7/2	Norway	1,278.65	252.00			649.62	128.03	1,928.27	380.03
	7/2	7/4	Germany	323.84	176.00			167.22	90.88	491.06	266.88
	7/4	7/7	England	143.56	318.00			31.83	70.51	175.39	388.51
Military air transportation							1,564.00				1,564.00
Katherine Mitchell	6/30	7/2	Norway	1,278.65	252.00			649.62	128.03	1,928.27	380.03
	7/2	7/4	Germany	323.84	176.00			167.22	90.88	491.06	266.88
	7/4	7/7	England	146.56	318.00			31.83	70.51	175.39	388.51
Military air transportation							1,564.00				1,564.00
Richard C. Olson	6/30	7/2	Norway	1,278.65	252.00			649.62	128.03	1,928.27	380.03
	7/2	7/4	Germany	323.84	176.00			167.22	90.88	491.06	266.88
	7/4	7/7	England	143.56	318.00			31.83	70.51	175.39	388.51
Military air transportation							1,564.00				1,564.00
Patricia A. Perry	6/30	7/2	Norway	1,278.65	252.00			649.62	128.03	1,928.27	380.03
	7/2	7/4	Germany	323.84	176.00			167.22	90.88	491.06	266.88
	7/4	7/7	England	143.56	318.00			31.83	70.51	175.39	388.51
Military air transportation							1,564.00				1,564.00
Dennis J. Taylor	6/30	7/2	Norway	1,278.65	252.00			649.62	128.03	1,928.27	380.03
	7/2	7/4	Germany	323.84	176.00			167.22	90.88	491.06	266.88
	7/4	7/7	England	143.56	318.00			31.83	70.51	175.39	388.51
Military air transportation							1,564.00				1,564.00
Mollie D. Cohen	6/30		Norway								
		7/7	England								
Military air transportation							1,306.94				1,306.94
Committee totals					10,444.00		24,132.94		4,051.88		38,628.82

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JIM WRIGHT,
Delegation to Norway, Germany, and England.

Aug. 10 1979.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, LEADERSHIP TRIP TO EASTERN EUROPE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN AUG. 4 AND AUG. 16, 1979

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
John Brademas	8/4	8/8	Poland	11,288	369.37			3,130	101.71	14,418	471.08
	8/8	8/11	Hungary		228.00			3,586.7	176.00	3,586.7	404.00
	8/11	8/15	Romania	3,564	300.00	2,617.9	220.36	1,973.14	166.09	8,155.04	686.45
	8/15	8/16	France	765	180.00			45.3	10.06	810.3	190.06
Military Air Transport (round trip).							4,786.79				
Charles Vanik	8/4	8/8	Poland	2,882	94.30	5,411	175.83	3,130	101.71	11,423	371.84
	8/8	8/11	Hungary		228.00			3,586.7	176.00	3,586.7	404.00
	8/11	8/15	Romania	3,564	300.00	2,617.9	220.36	1,973.14	166.09	8,155.04	686.45
	8/15	8/16	France	765	180.00			45.3	10.06	810.3	190.06
Military Air Transport (round trip).							4,610.31				
Gillis Long	8/4	8/8	Poland	11,288	369.37			3,130	101.71	14,418	471.08
	8/8	8/11	Hungary		228.00			3,586.7	176.00	3,586.7	404.00
	8/11	8/15	Romania	3,564	300.00	2,617.9	220.36	1,973.14	166.09	8,155.04	686.45
	8/15	8/16	France	765	180.00			45.3	10.06	810.3	190.06
Military Air Transport (round trip).							4,786.79				
George O'Brien	8/4	8/8	Poland	11,288	369,37			3,130	101.71	14,418	471.08
	8/8	8/11	Hungary		228.00			3,586.7	176.00	3,586.7	404.00
	8/11	8/15	Romania	3,564	300.00	2,617.9	220.36	1,973.14	166.09	8,155.04	686.45
Military Air Transport							2,966.14				
Robert Carr	8/4	8/6	Poland	5,644	184.68	11,976	389.21	3,130	101.71	20,750	675.60
	8/9	8/11	Hungary		152.00			3,586.7	176.00	3,586.7	328.00
	8/11	8/15	Romania	3,564	300.00	2,617.9	220.36	1,973.14	166.09	8,155.04	686.45
	8/15	8/16	France	765	180.00			45.3	10.06	810.3	190.06
Military Air Transport (round trip).							4,832.99				
Donald Pease	8/4	8/8	Poland	8,928	292.15			3,130	101.71	12,058	393.86
	8/8	8/11	Hungary		214.00			3,586.7	176.00	3,586.7	390.00
	8/11	8/15	Romania	3,564	300.00	2,617.9	220.36	1,973.14	166.09	8,155.04	686.45
	8/15	8/16	France	445.5	104.83			45.3	10.06	490.8	114.89
Military Air Transport (round trip)							4,786.79				
James C. Healey, Jr	8/4	8/8	Poland	11,288	369.37			3,130	101.71	14,418	471.08
	8/8	8/11	Hungary		228.00			3,586.7	176.00	3,586.7	404.00
	8/11	8/15	Romania	3,564	300.00	2,617.9	220.36	1,973.14	166.09	8,155.04	686.45
	8/15	8/16	France	765	180.00			45.3	10.06	810.3	190.06
Military Air Transport (round trip)							4,786.79				
Edward Davey	8/4	8/8	Poland	11,288	369.37			3,130	101.71	14,418	471.08
	8/8	8/11	Hungary		228.00			3,586.7	176.00	3,586.7	404.00
	8/11	8/15	Romania	3,564	300.00	2,617.9	220.36	1,973.14	166.09	8,155.04	686.45
	8/15	8/16	France	765	180.00			45.3	10.06	810.3	190.06
Military Air Transport (round trip).							4,786.79				

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, LEADERSHIP TRIP TO EASTERN EUROPE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN AUG. 4 AND AUG. 16, 1979—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Mimi McGee	8/4	8/8	Poland	11, 288	369. 37			3, 130	101. 71	14, 418	471. 08
	8/8	8/11	Hungary		228. 00			3, 586. 7	176. 00	3, 586. 7	404. 00
	8/11	8/15	Romania	3, 564	300. 00	2, 617. 9	220. 36	1, 973. 14	166. 09	8, 155. 04	686. 45
	8/15	8/16	France	765	180. 00			45. 3	10. 06	810. 3	190. 06
Military Air Transport (round trip).							4, 786. 79				
Eleanor Kelley	8/4	8/8	Poland	11, 288	369. 37			3, 130	101. 71	14, 418	471. 08
	8/8	8/11	Hungary		228. 00			3, 586. 7	176. 00	3, 586. 7	404. 00
	8/11	8/15	Romania	3, 564	300. 00	2, 617. 9	220. 36	1, 973. 14	166. 09	8, 155. 04	686. 45
	8/15	8/16	France	765	180. 00			45. 3	10. 06	810. 3	190. 06
Military Air Transport (round trip).							4, 786. 79				
Stephen Ariel Weiss	8/5	8/8	Poland	9, 172	300. 13			3, 130	101. 71	12, 302	401. 84
	8/8	8/12	Hungary		228. 00			3, 586. 7	176. 00	3, 586. 7	404. 00
	8/12	8/15	Romania	2, 673	225. 00	2, 617. 9	220. 36	1, 973. 14	166. 09	7, 264. 04	611. 45
	8/15	8/16	France	765	180. 00			45. 3	10. 06	810. 3	190. 06
Military Air Transport (round trip).							2, 635. 13				

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JOHN BRADEMAS,
Chairman, Leadership Trip to Eastern Europe.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of the XXIV, executive communications were taken from the Speaker's table and referred as follows:

2819. A letter from the President of the United States, transmitting a budget amendment for fiscal year 1980 for foreign assistance (Doc. No. 96–227); to the Committee on Appropriations and ordered to be printed.

2820. A letter from the Assistant Secretary of Defense (Comptroller), transmitting the selected acquisition reports and SAR summary tables for the quarter ended September 30, 1979, pursuant to section 811(a) of Public Law 94–106; to the Committee on Armed Services.

2821. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Air Force's proposed sale of certain defense equipment and services to the Republic of Korea (Transmittal No. 80–17), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

2822. A letter from the District of Columbia Auditor, transmitting various reports issued by his office, pursuant to section 455 of Public Law 93–198; to the Committee on the District of Columbia.

2823. A letter from the Director, District of Columbia Pretrial Services Agency, transmitting the annual report of the D.C. Bail Agency for calendar year 1978, pursuant to section 23–1307 of the D.C. Code; to the Committee on the District of Columbia.

2824. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment and services to the Republic of Korea (Transmittal No. 80–17), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2825. A letter from the Under Secretary of State for Management, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2826. A letter from the Administrator of General Services, transmitting a report covering fiscal year 1979 on the disposal of surplus Federal real property for historic monument purposes, pursuant to section 203(o) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

2827. A letter from the Assistant Secretary of the Interior for Fish and Wildlife and Parks, transmitting a report covering fiscal years 1977 and 1978 on the implementation of the Interagency Archeological program; to the Committee on Interior and Insular Affairs.

2828. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a report on methods available for preventing or remedying impairment of visibility caused by man-made air pollution in mandatory class I Federal areas, pursuant to section 169A(a)(3) of the Clean Air Act, as amended (91 Stat. 742); to the Committee on Interstate and Foreign Commerce.

2829. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

2830. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

2831. A letter from the Comptroller General of the United States; transmitting a report on the Urban Homesteading program (CED–80–3, November 13, 1979); jointly, to the Committees on Government Operations, and Banking, Finance and Urban Affairs.

2832. A letter from the Comptroller General of the United States; transmitting a report on the Federal Communications Commission's efforts to revise its regulatory accounting system for the telephone industry (FGMSD–80–9, November 13, 1979); jointly, to the Committees on Government Operations, and Interstate and Foreign Commerce.

2833. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a report on the study of two uranium mill tailings sites in New Mexcio, pursuant to section 301 of Public Law 95–604; jointly to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 5487. A bill to designate certain National Forest System lands in the State of Colorado for inclusion in the National Wilderness Preservation System, and for other purposes; with amendments (Rept. No. 96–617). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Public Works and Transportation. H.R. 5872. A bill to modify the New Melones Dam and Reservoir project, California (Rept. No. 96–619). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Public Works and Transportation. H.R. 5871. A bill to authorize the apportionment of funds for the Interstate System, to amend section 103(e)(4) of title 23, United States Code, and for other purposes (Rept. No. 96–620). Referred to the Committee of the Whole House on the State of the Union.

Mr. ZEFERETTI: Committee on Rules. House Resolution 485. Resolution providing for the consideration of H.R. 2492. A bill to correct an anomaly in the rate of duty applicable to articles of apparel in which feathers or downs are used as filling and to extend until June 30, 1984, the duty provisions applicable to crude feathers and downs (Rept. No. 96–621). Referred to the House Calendar.

Mr. LONG of Louisiana: Committee on Rules. House Resolution 486. Resolution providing for the consideration of H.R. 2626. A bill to establish voluntary limits on the annual increases in total hospital expenses, and to provide for mandatory limits on the annual increases in hospital in-patient revenues to the extent that the voluntary limits are not effective (Rept. No. 96–622). Referred to the House Calendar.

Ms. CHISHOLM: Committee on Rules. House Resolution 487. Resolution providing for the consideration of H.R. 4962. A bill to amend title XIX of the Social Security Act to strengthen and improve medicaid services to low-income children and pregnant women, and for other purposes (Rept. No. 96–623). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 488. Resolution providing for the consideration of S. 423. An act to promote commerce by establishing a national goal for the development and maintenance of effective, fair, inexpensive, and expeditious mechanisms for the resolution of consumer controversies, and for other purposes (Rept. No. 96–624). Referred to the House Calendar.

Mr. DANIELSON: Committee on the Judiciary. H.R. 2148. A bill for the relief of Col. (doctor) Paul A. Kelly; with an amendment (Rept. No. 96–614). Referred to the Committee of the Whole House.

Mr. MOORHEAD of California: Committee on the Judiciary. H.R. 3872. A bill for the relief of Ball State University and the American Association of Colleges for Teacher Education. (Rept. No. 96–615). Referred to the Committee of the Whole House.

Mr. DANIELSON: Committee on the Judiciary. H.R. 4285. A bill for the relief of Morris and Lenke Gelb (Rept. No. 96–616). Referred to the Committee of the Whole House.

Mr. KINDNESS: Committee on the Judiciary. H.R. 5156. A bill for the relief of certain employees of the Naval Ordnance Systems Command; with an amendment (Rept. No. 96–618). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. VANIK (for himself, Mr. AuCoin, Mr. McCloskey, Mrs. Heckler, and Mr. Mineta):

H.R. 5881. A bill to amend the Internal Revenue Code of 1954 to provide taxpayers engaged in a trade or business a credit against income tax for amounts contributed to a reserve the payments from which must be used for basic research by institutions of higher education and to provide a deduction for such payments; to the Committee on Ways and Means.

By Mr. ANDERSON of California (for himself, Mr. Johnson of California, Mr. Harsha, and Mr. Snyder):

H.R. 5882. A bill to amend the Federal Aviation Act of 1958 in order to promote competition in international air cargo transportation, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. BAFALIS (for himself and Mr. Rangel):

H.R. 5883. A bill to amend the Internal Revenue Code of 1954 to treat amounts received on redemption of series E and series EE U.S. savings bonds as capital gain; to the Committee on Ways and Means.

By Mr. BEARD of Tennessee:

H.R. 5884. A bill to amend title 4 of the United States Code to limit the authority of any State or political subdivision to tax income of Federal employees who are not residents of such State, and for other purposes; to the Committee on the Judiciary.

By Mr. BOLAND (for himself, Mr. Robinson, Mr. Burlison, Mr. McClory, and Mr. Murphy of Illinois):

H.R. 5885. A bill to authorize the establishment of a Senior Cryptologic Executive Service and Merit Pay and Awards Systems within the National Security Agency and to make necessary amendments to title 5, United States Code; to the Permanent Select Committee on Intelligence.

By Mr. PHILIP M. CRANE:

H.R. 5886. A bill to amend the Internal Revenue Code of 1954 to exclude all interest from the gross income of individuals; to the Committee on Ways and Means.

H.R. 5887. A bill to amend the Internal Revenue Code of 1954 to repeal the estate and gift taxes and the tax on generation-skipping transfers; to the Committee on Ways and Means.

By Mr. KILDEE:

H.R. 5888. A bill to amend title 5 of the United States Code to provide death benefits to survivors of Federal law enforcement officers and firefighters, and for other purposes; to the Committee on Education and Labor.

By Mr. DOUGHERTY:

H.R. 5889. A bill to amend the Internal Revenue Code of 1954 to provide that electric fork-lift vehicles shall be eligible for the additional 10 percent investment tax credit for energy property; to the Committee on Ways and Means.

By Mr. GUARINI:

H.R. 5890. A bill to provide that the U.S. District Court for the Judicial District of New Jersey shall be held at Jersey City, N.J., in addition to those places currently provided by law; to the Committee on the Judiciary.

By Mr. HINSON:

H.R. 5891. A bill to amend the Internal Revenue Code of 1954 to provide that the amount of a deduction in the case of a disaster loss shall be increased by an amount computed with regard to the replacement cost of property lost in the disaster; to the Committee on Ways and Means.

By Mr. MINETA (for himself, Mr. Blanchard, Mr. Jeffords, Mr. Fuqua, Mr. Ottinger, Mr. Fish, Mr. Glickman, Mr. Gore, Mr. Young of Missouri, Mr. Volkmer, Mr. Mavroules, Mr. Anthony, Mr. Ertel, Mr. Hance, Mr. Roe, Mr. Harkin, Mr. Brown of California, Mr. Scheuer, Mr. Wolpe, Mr. Nelson, Mr. Kramer, Mr. Carney, Mr. Davis of Michigan, Mr. Ritter, Mr. Dornan, Mr. Walker, Mr. Royer, Mr. Winn, Mr. Goldwater, Mr. Hollenbeck, Mr. Edwards of California, Mr. Albosta, Mr. AuCoin, Mr. Kildee, Mr. Heftel, Mr. Conte, Mr. Edgar, Mr. Shumway, Mr. Dixon, Mr. Corrada, Mr. Flood, Mr. Anderson of Illinois, Mr. Boland, Mr. Mitchell of New York, Mr. Phillip Burton, Mr. Moffett, Mr. Roybal, Mr. Mottl, Mr. Dellmus, Mr. Cotter, Mr. Brodhead, Mr. Long of Maryland, Mrs. Chisholm, Mr. Akaka, Mr. Weaver, Mr. Bedell, Mr. Bingham, Mr. McHugh, Mr. Lagomarsino, Mr. Frost, Mr. Neal, Mr. Pepper, Mr. McCloskey, Mr. Gray, Mr. Studds, Mr. Yatron, Mr. Downey, Mr. Seiberling, Mr. Pickle, Mr. Stangeland, Mr. Donnelly, Mr. Matsui, and Mr. Udall):

H.R. 5892. A bill to provide for an accelerated program of wind energy research, development, and demonstration, to be carried out by the Department of Energy with the support of the National Aeronautics and Space Administration and other Federal agencies; to the Committee on Science and Technology.

By Mr. PAUL:

H.R. 5893. A bill to amend the National Aeronautics and Space Act of 1958 to make it clear that any person who makes an invention in connection with the production or modification of materials, equipment, or facilities which (under contract with NASA) are to be transported into orbit or into space shall retain all patent rights to such invention if NASA's functions with respect to such materials, equipment, or facilities are limited (under the contract) to the furnishing of such transportation; jointly to the Committees on Science and Technology, and the Judiciary.

By Mr. ST GERMAIN:

H.R. 5894. A bill to amend the Federal Reserve Act to authorize the automatic transfer of funds, to authorize negotiable order-of-withdrawal accounts at depository institutions, to authorize federally chartered savings and loan associations to establish remote service units, and to authorize federally insured credit unions to maintain share draft accounts, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. UDALL:

H.R. 5895. A bill to authorize the transfer of surplus aircraft in order to obtain one B–17 aircraft for the Tucson Air Museum of Pima County; to the Committee on Armed Services.

By Mr. UDALL: (for himself and Mr. Clausen) (by request):

H.R. 5896. A bill to amend the act of October 19, 1973 (87 Stat. 466), relating to the use or distribution of certain judgment funds awarded by the Indian Claims Commission or the Court of Claims, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WALKER:

H.R. 5897. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income gain on the sale or exchange of certain farmland if the owners of the farmland, in a covenant binding themselves and all future owners of their land, restrict the use of such land to use as farmland; to the Committee on Ways and Means.

By Mr. WILLIAMS of Montana:

H.R. 5898. A bill to establish the Rattlesnake National Education and Recreation Area and Wilderness in the State of Montana; to the Committee on Interior and Insular Affairs.

By Mr. JEFFORDS:

H.R. 5899. A bill to limit the applicability of certain penalty provisions of title 13, U.S. Code, relating to failure to answer questions presented in the decennial and mid-decade census, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. McCORMACK:

H.R. 5900. A bill to amend the act of August 9, 1955 (69 Stat. 539) (25 U.S.C. 415), as amended, to authorize a 99-year lease for the Moses Allotment Numbered 10, Chelan County, Wash.; to the Committee on Interior and Insular Affairs.

By Mr. SATTERFIELD:

H.R. 5901. A bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities; to the Committee on Ways and Means.

H.R. 5902. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for contributions for the construction or maintenance of buildings housing fraternal organizations; to the Committee on Ways and Means.

H.R. 5903. A bill to amend the Internal Revenue Code of 1954 to clarify the extent to which a State, or political subdivision, may tax certain income from sources outside the United States; to the Committee on Ways and Means.

H.R. 5904. A bill to amend the Internal Revenue Code of 1954 to provide an exclusion for income earned abroad attributable to certain charitable services; to the Committee on Ways and Means.

By Mr. GONZALEZ:

H. Res. 484. Resolution expressing the sense of the House of Representatives in support of the President's handling of the present crisis in Iran; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under Clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. COELHO:

H.R. 5905. A bill for the relief of Frank Fabian; to the Committee on the Judiciary.

By Mr. YOUNG of Florida:

H.R. 5906. A bill for the relief of Therese Mie; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials of the following titles were presented and referred as follows:

321. By the SPEAKER: Memorial of the Legislature of the State of Wisconsin, relative to the Republic of China; to the Committee on Foreign Affairs.

322. Also, memorial of the Legislature of the State of Wisconsin, relative to tax exemption for revenue bonds for veterans' housing loans; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1200: Mr. Evans of the Virgin Islands.

H.R. 1420: Mr. Clinger.

H.R. 1496: Mr. Evans of the Virgin Islands.

H.R. 1785: Mr. Bedell, Mr. Miller of California, Mr. Rodino, Mr. Edwards of Alabama, Mr. Spence, Mr. Bafalis, Mr. Burgener, Mr. Cleveland, Mr. Davis of Michigan, Mr. Downey, Mr. Duncan of Tennessee, Mr. Guyer, Mr. Jeffords, Mr. McDade, Mr. McCloskey, Mr. Oberstar, Mr. Wirth, Mr. Foley, Mr. Rose, Mr. Montgomery, Mr. Murtha, Mr. McKinney, Mr. Badham, Mr. Mottl, and Mr. Collins of Texas.

H.R. 1909: Mr. Young of Florida.

H.R. 2213: Mr. Hinson.

H.R. 2214: Mr. Hinson.

H.R. 3105: Mr. Livingston, Mr. McDonald, Mr. Miller of Ohio, and Mr. Royer.

H.R. 3427: Mr. de la Garza, Mr. Kindness, Mr. Dicks, Mr. Bowen, Mr. Miller of California, Mr. Frost, Mr. Guarini, Mrs. Bouquard, and Mr. Carr.

H.R. 3676: Mr. Mitchell of New York.

H.R. 3862: Mr. Collins of Texas.

H.R. 3981: Mr. Cheney.

H.R. 4639. Mr. Goldwater.

H.R. 4786: Mr. Williams of Ohio.

H.R. 4940: Mr. Collins of Texas.

H.R. 5038: Mr. Duncan of Tennessee and Mr. Applegate.

H.R. 5039: Mr. Barnes, Mr. Downey, Mr. Bailey, Mr. AuCoin, Mr. Fazio, Mr. Long of Maryland, and Mr. Murphy of Illinois.

H.R. 5267: Mr. Pritchard, Mr. Williams of Montana, Mr. Evans of Georgia, Mr. Edwards of California, Mr. Markey, Mr. Moakley, Mr. Howard, Mr. Lagomarsino, Mr. Mazzoli, Mr. Baldus, Mr. Erdahl, Mr. Pepper, Mr. Kildee, Mr. Frost, Mr. Gilman, Mr. Conte, Mr. Bereuter, Mr. Nolan, Mr. Seiberling, Mr. Fazio, Mr. Oberstar, and Mr. Albosta.

H.R. 5384: Mr. Grisham, Mr. Lagomarsino, and Mr. Erlenborn.

H.R. 5389: Mr. Blanchard and Mr. Oberstar.

H.R. 5468. Mr. Dan Daniel, Mr. Sensenbrenner, Mr. Whitehurst, Mr. Wolpe, Mr. Pepper, Mr. Mineta, Mr. Gingrich, Mr. Fazio, and Mr. Bonior of Michigan.

H.R. 5469: Mr. Dan Daniel, Mr. Sensenbrenner, Mr. Whitehurst, Mr. Wolpe, Mr. Pepper, Mr. Mineta, Mr. Gingrich, Mr. Fazio, and Mr. Bonior of Michigan.

H.R. 5470: Mr. Dan Daniel, Mr. Sensenbrenner, Mr. Whitehurst, Mr. Wolpe, Mr. Pepper, Mr. Mineta, Mr. Gingrich, Mr. Fazio, and Mr. Bonior of Michigan.

H.R. 5471: Mr. Dan Daniel, Mr. Sensenbrenner, Mr. Whitehurst, Mr. Wolpe, Mr. Pepper, Mr. Mineta, Mr. Gingrich, Mr. Fazio, and Mr. Bonior of Michigan.

H.R. 5561: Mr. Edwards of Oklahoma and Mr. Bedell.

H.R. 5586: Mr. Goldwater.

H.R. 5610: Mr. Cheney, Mr. Cleveland, and Mr. Fuqua.

H.R. 5842: Mr. Mottl, Mr. Symms, Mr. Collins of Texas, Mr. Stratton, and Mr. Winn.

H.R. 5846: Mr. Andrews of North Dakota, Mr. Evans of Georgia, Mr. Lagomarsino, Mr. Mathis, Mr. Volkmer, Mr. Winn, and Mr. Young of Alaska.

H.J. Res. 409: Mr. Rousselot and Mr. Hutto.

H.J. Res. 434: Mr. McKinney.

H. Con. Res. 208: Mr. Volkmer, Mr. Simon, Mr. Frenzel, Mr. Forsythe, Mr. Stark, Mr. Oberstar, Mr. Santini, Mr. Traxler, Mr. Hollenbeck, Mr. Thompson, Mr. Dixon, Mr. Blanchard, Mr. Vanik, Mr. Kindness, Mr. Dodd, Mr. Weiss, Mr. Pepper, Mr. Seiberling, Mr. Carr, Mr. Derwinski, Mr. Winn, Mr. Panetta, and Mr. Mitchell of Maryland.

H. Con. Res. 212: Mr. Collins of Texas, Mr. Drinan, Mr. Duncan of Tennessee, Mr. Ford of Tennessee, Mr. Forsythe, Mr. Fountain, Mr. Gilman, Mr. Guarini, Mr. Lederer, Mr. Lehman, Mr. Nichols, Mr. Oberstar, Mr. Rousselot, Mr. Sabo, Mr. Stratton, Mr. Winn, Mr. Wyatt, Mr. Carter, Mr. Price, Mr. Addabbo, Mr. Young of Florida, Mr. Biaggi, Mr. Livingston, Mr. Scheuer, Mr. Minish, Mr. Murtha, Mr. Zeferetti, Mr. Gaydos, Mr. Ambro, Mr. Howard, Mr. Carney, Mr. Jenrette, Mr. Moakley, Mr. Donnelly, Mr. Richmond, Mr. Murphy of Illinois, Mr. Fary, Mrs. Snowe, Mr. Murphy of New York, Mr. Rudd, Mr. Stokes, Mr. Marks, Mr. Lagomarsino, Mr. Guyer, Mr. Lungren, Mr. Kramer, Mrs. Heckler, Mr. Spence, Mr. Grassley, Mr. Dornan, Mr. Stangeland, Mr. Mica, Mr. Bowen, Mr. Kazen, Mr. Conyers, Mr. Weaver, Mr. Seiberling, Mr. Peyser, Mrs. Spellman, Mr. Stark, Mr. Mineta, Mr. Rangel, Mr. Ford of Michigan, Mr. Ireland, Mr. Clausen, Mr. Gonzalez, Mr. Mitchell of Maryland, Mr. Bailey, Mr. Lott, Mr. Moorhead of California, Mr. Moore, Mr. Mottl, Mr. Long of Maryland, Mr. Van Deerlin, and Mr. McDonald.

H. Res. 445: Mr. Simon, Mr. Tauke, and Mr. Yatron.

H. Res. 477: Mr. Stangeland, Mr. Mottl, Mr. Chappell, Mr. Kindness, and Mr. Martin.

PETITIONS, ETC.

Under clause 1 of Rule XXII, the following petitions and papers were presented and referred as follows:

219. By the SPEAKER: Petition of the Orange County School Boards Association, Santa Ana, Calif., relative to funding for the Indochinese Refugee Children Act; to the Committee on Appropriations.

220. Also, petition of the Florida School Food Service Directors Association, Palatka, Fla., relative to the National School Lunch Act; to the Committee on Education and Labor.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2063

By Mr. CLINGER:

—Page 17, line 5, strike out "section" and insert in lieu thereof "sections".

Page 17, line 15, strike out the quotation marks and the final period.

Page 17, after line 15, insert the following:

"Sec. 212. The Secretary is authorized to provide assistance under title II of this Act to aid entrepreneurial energy enterprises to assist those activities having for their basic purpose energy conservation and energy cost saving.".

—Page 17, after line 15, insert the following:

Sec. 107. The Comptroller General shall review operations of the loan guarantee program conducted under title II of the Public Works and Economic Development Act of 1965. Such review shall be based on a statistical sampling of at least 5 per centum of the total number of loan guarantees made under such title. Such review shall begin not later than one year after the date of enactment of this Act, and a report of the results of such review, together with recommendations, shall be submitted to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate not later than 90 days after the date such review is begun.

Renumber the succeeding sections and references thereto accordingly.

—Page 17, line 5, strike out "section" and insert in lieu thereof "sections".

Page 17, line 15, strike out the quotation marks and the final period.

Page 17, after line 15, insert the following:

"Sec. 212. Applications for assistance under this title shall be processed by the Secretary or by an organization receiving assistance under this Act and shall be approved by the Secretary. The Secretary shall not have authority to designate any organization other than one described in the preceding sentence or any other person to process or approve such applications.".

—Page 24, line 17, insert "(1)" after "(a)".

Page 25, after line 2, insert the following:

"(2) Technical assistance under this title may also be provided to any eligible applicant as defined in subsection (d) of this section to assist in the preparation or completion of applications for assistance under title II of this Act. The Secretary shall insure that the organization receiving assistance under this paragraph is not—

"(A) a borrower of a direct or guaranteed loan under such title;

"(B) a lender who has made a loan which has a superior collateral position to a direct or guaranteed loan under such title; or

"(C) directly or indirectly involved with the development financing assistance for which technical assistance is being provided under this paragraph.

—Page 96, after line 21, insert the following:

Sec. 402. Subsection (b) of section 108 of the Local Public Works Capital Development and Investment Act of 1976 (Public Law 94-369) is amended by adding at the end thereof the following:

"(5) Notwithstanding the preceding paragraphs of this subsection, first priority and preference shall be given to those public works projects (A) for which Federal financial assistance is authorized under provisions of law other than this Act, (B) which are needed to meet the mandated requirements of a law of the United States, and (C) for which Federal financial assistance although authorized is not immediately available for such projects.".

H.R. 2492

By Mr. JENKINS:

—Amend H.R. 2492 by adding a provision to the bill after line 16 to be designated section 3 and to provide as follows:

Sec. 3. That part 6 of Schedule 3 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately after headnote 2 of part 6 headnote the following new headnote:

3. "For purposes of this subpart or of Schedule 7, feathers or downs used as filling in articles of apparel shall be disregarded in determining the component material of chief value or chief weight in the apparel item."

Amend the title so as to read: "A bill to extend until July 1, 1984, the duty suspension on crude feathers and downs and to correct an anomaly in the rate of duty applicable to articles of apparel in which feathers or downs are used as filling."

H.R. 2626

By Mrs. SNOWE:

(To the amendment in the nature of a substitute reported by the Committee on Interstate and Foreign Commerce.)

Page 112, in the item relating to part B of title II, insert "AND EXISTING STATE VOLUNTARY PROGRAMS" after "STATE MANDATORY PROGRAMS".

Page 112, in the item relating to section 211, insert "AND EXISTING STATE VOLUNTARY PROGRAMS" before the period.

Page 112, in the item relating to section 212, insert "AND APPROVED STATE VOLUNTARY PROGRAMS" before the period.

Page 138, strike out lines 5 through 7 and insert in lieu thereof the following:

(b) The voluntary period of a State shall be considered—

(1) to begin with the later of—

(A) 1979, or

(B) 1980, in the case of a State which has enacted, before July 1, 1979, a program which requires each hospital in the State to submit its budget to an entity established or designated under State law for review and comment by such entity or its designee, but which program has not been in effect for 12 months before January 1, 1980, and

(2) to end with the earlier of 1984 or the first year—

Page 138, lines 8 and 11, strike out "(1)" and "(2)", respectively, and insert in lieu thereof "(A)" and "(B)", respectively.

Page 154, line 2, insert "AND EXISTING STATE VOLUNTARY PROGRAMS" after "STATE MANDATORY PROGRAMS".

Page 154, line 4, insert "AND EXISTING STATE VOLUNTARY PROGRAMS" after "PROGRAMS".

Page 154, line 14, strike out "January 1, 1979" and insert in lieu thereof "July 1, 1979".

Page 156, insert after line 4 the following new subsection:

(b) The chief executive of any State may apply to the Secretary for the approval for a year of a State voluntary hospital cost containment program established in the State. The Secretary shall approve such a program for the year only if—

(1) the voluntary program was established by statute enacted before July 1, 1979,

(2) the program requires each hospital in the State to submit its budget to an entity established or designated under State law for review and comment by such entity or its designee, and

(3) the program meets the standards set forth in paragraph (2) of subsection (a).

Page 156, lines 5 and 11, strike out "(b)" and "(c)(1)", respectively, and insert in lieu thereof "(c)" and "(d)(1)", respectively.

Page 156, lines 7 and 14, insert "and voluntary" after "mandatory".

Page 157, line 14, insert "AND APPROVED STATE VOLUNTARY PROGRAMS" after "PROGRAMS".

Page 157, line 18, insert "and in operating State voluntary hospital cost containment programs approved under section 211(b)" before the period.

Page 158, line 6, strike out "program" and insert in lieu thereof "mandatory program and up to 50 percent of the necessary expenses involved with the operation of such a voluntary program".

H.R. 4788

By Mr. BENNETT:

—Page 157, after line 16, insert the following:

SEC. 378. The water resources study to provide a plan for the development, utilization, and conservation of water and related land resources of the Consolidated City of Jacksonville which includes the urban area of Jacksonville and all of Duval County, Florida, authorized by the resolution of the Committee on Public Works of the House of Representatives, dated April 11, 1974, is hereby modified to authorize the Secretary of the Army, acting through the Chief of Engineers, to construct a deep monitoring well or wells, for the purpose of determining salt water intrusion and other problems relating to groundwater quality.

H.R. 5297

By Mr. LAGOMARSINO:

—Page 8, after line 11, insert the following new section:

SEC. 107. No amount authorized to be appropriated by this Act will be used to grant any license, permit or other authorization or permission to any person for the transportation to or the interim, long-term, or permanent storage of spent nuclear fuel or high-level radioactive waste on any territory or insular possession of the United States or the Trust Territory of the Pacific Islands unless—

(1) the President submits to the Congress a report on the transfer at least 30 days before such transfer and on a day during which both Houses of the Congress are in session or either or both Houses are not in session because of an adjournment of three days or less to a day certain; or

(2) the President determines that an emergency situation exists with respect to such transfer and that it is in the national interest to make such transfer and the President notifies as soon as possible the Speaker of the House of Representatives and the President of the Senate of such transfer.

The provisions of this Section shall not apply to the cleanup and rehabilitation of Bikini and Enewetak Atolls.

EXTENSIONS OF REMARKS

KIVI IN NAMPA, IDAHO, PRESENTS THE TRUTH ABOUT THE OIL COMPANIES

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

• Mr. SYMMS. Mr. Speaker, I wish to insert into the CONGRESSIONAL RECORD an editorial which was presented on KIVI, channel 6 television in Nampa, Idaho, on October 26. This editorial brings to light some of the facts about the oil companies and their profits in a clear and unbiased manner. Unfortunately, there is a great deal of misinformation which has been disseminated by most of the media concerning the profits of the oil companies.

I want to compliment KIVI for its thorough and objective reporting. Channel 6 is a welcome addition to Canyon County.

The editorial follows:

AN EDITORIAL WRITTEN AND DELIVERED BY KIVI VICE PRESIDENT AND GENERAL MANAGER KELLY BEEMAN, OCTOBER 26, 1979

The time has come for some tough, straight talk about oil, oil companies and oil profits. Some tough, straight talk is also in order for the press coverage of these complex issues.

This morning, The Statesman ran a scare headline about big oil. For the past week,

The Statesman has headlined the triple digit increases in oil company profits. What they have failed to do is put these huge numbers in perspective and by doing so they have overlooked one key fact: oil company profits are huge when viewed in a vacuum. When viewed in the context of total invested capital the scare becomes hot air. Let's look at some facts:

In 1978 Shell Oil Company earned 11.2 percent on its invested capital. In 1979, it will earn about 11 percent. This means that for every dollar invested it will earn 11 cents before taxes or 5.5 cents after taxes.

In comparison, Exxon earned 12.3 cents for each invested dollar in 1978 and will earn about 12.5 cents for each invested dollar in 1979. In 1979, this will reflect about 6.25 cents after taxes for each invested dollar.

Another interesting comparison is the earnings of Gannett, the owner of The Statesman. In 1978 Gannett earned 16.2 percent on invested capital and in 1979 will earn about 17 percent before taxes. These are greater returns than those of either Shell or Exxon. Gannett's stock price reflects this fact. It's stock is now selling at 13 times its last 12 months earnings while Shell and Exxon are selling at 8 times their previous 12 months earnings.

The reason I bring these facts to your attention is not because I am an apologist for big oil or because I dislike The Statesman. But the facts are clear: big oil profits are not excessive when viewed against their invested capital. These rates of return are less than those of Gannett, ABC Television and many other U.S. corporations. In fact, Exxon and Shell would return more to their investors by liquidating their assets and investing in tax-free AA-rated municipal bonds.

Keep these facts in mind before you run to Congress to have them whittle oil profits. Remember another fact: only one country in the world had widespread gas lines this year—the United States. The minute the government tries to protect you and me with artificially low prices, gas lines will automatically develop. If the same people who bring you Amtrak and the 15 cent postage stamp would get their do-good fingers out of oil pricing they would be doing more good than to ensure another gasoline crisis for all of us.•

THE NATIONAL PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1979

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

• Mr. EDGAR. Mr. Speaker, our colleagues, Representatives STANLEY LUNDINE of New York and WILLIAM CLINGER

of Pennsylvania have shared their creative bipartisan support of H.R. 2063, The National Public Works and Economic Development Act of 1979. I wish to share their statement with the House, including a regional analysis of several amendments. As chairman of the Northeast-Midwest congressional coalition, I fully support their conclusions. The letter and statement follow:

Northeast-Midwest
Congressional Coalition,
November 13, 1979.

Dear Coalition Member: We are writing to urge your support for the National Public Works and Economic Development Act of 1979 (H.R. 2063), which is scheduled to come before the House of Representatives for consideration on Wednesday, November 14. This legislation is vital to sustaining the economies of many state and local governments within the Northeast-Midwest region.

We all are aware that economic decline and hardship are closely related to downturns in business activity. It has been documented that in the Northeast-Midwest region the birth rate of new firms is much lower than in other parts of the country. Even for existing firms, the rate of expansion is much lower in our region. The predictions of a recession in the near future can only aggravate the situation.

In fact, Treasurer Secretary William Miller, in recent testimony before the Joint Economic Committee, said the "New England, Middle Atlantic, and East North Central regions are expected to bear the brunt" of such a recession. Chase Econometrics also has predicted that Northeastern and Midwestern states will suffer more than the rest of the country in a recession. Chase expects unemployment in the Northeast-Midwest region to average 9 percent in 1980, compared to 7.3 percent in the rest of the nation.

In response to the continuing declines in the economies of many state and local governments, the National Public Works and Economic Development Act of 1979 provides for a major expansion of the Economic Development Administration's efforts to increase business investment in distressed areas. A number of provisions represent major new economic development initiatives. For example, the legislation:

Establishes, for the first time, a comprehensive business development financing program which will generate and maintain jobs in distressed areas by providing financial assistance to businesses to encourage them to remain, expand, or locate in such areas.

Includes among the development financing tools direct loans, loan guarantees, and interest rate subsidies. They are intended to increase the availability of capital and reduce the high costs associated with private investment in distressed areas.

Authorizes equity financing demonstration programs. This is very important for new and small growing businesses which in recent years have found it increasingly difficult to raise capital to get started or expand their operations.

Allows the Economic Development Administration to extend its assistance for demonstration programs to employee-owned enterprises. Research has shown that in the absence of government assistance, financing for employee-owned purchases of businesses has been very difficult to obtain from commercial sources.

In short, the business development financing program is a strategy to reverse economic decline in distressed areas through the private sector. In a time of fiscal restraint it uses limited public resources to leverage the kind of long-term, business investment that is needed to create permanent, unsubsidized jobs and place communities on firmer economic footings. Unfortunately, this program is not tightly targeted to areas of greatest distress; rather it retains the eligibility criteria of the current law and adds the new criteria proposed by the Administration resulting in 90 percent of the nation being considered economically distressed.

The National Public Works and Economic Development Act of 1979 also is important to many of the economies in the Northeast-Midwest region because it permits the Economic Development Administration to provide special assistance to areas affected by closing, reduction, or establishment of major defense installations.

Because of the complexity of this issue, you may wish to refer to Development Financing for Distressed Areas, published in June by the Northeast-Midwest Institute.

In view of these benefits to the region, we urge you to support the National Public Works and Economic Development Act of 1979 when it comes to the House Floor. Please note that several floor amendments also will be of particular concern to many state and local governments in the Northeast-Midwest region and regional analysis of these amendments is attached.

Yours sincerely,
Stanley N. Lundine,
William F. Clinger, Jr.,
Co-chairmen, Economic and Community Development Task Force.

A Regional Analysis of Several Amendments to the National Public Works and Economic Development Act of 1979

The National Public Works and Economic Development Act of 1979 was referred jointly to the Public Works Subcommittee on the Economic Development Administration and the Banking Subcommittee on Economic Stabilization. Only the full Public Works Committee, however, has reported out legislation. On November 1, the Rules Committee recommended an open rule providing for one and one-half hours of general debate. The bill will be managed by Representative Robert A. Roe, Chairman of the Public Works Subcommittee on the Economic Development Administration.

SMALL AND MEDIUM-SIZED BUSINESS AMENDMENTS

Representative William S. Moorhead will offer a block of amendments to address the needs of small and medium-sized businesses. They would prohibit direct loans to firms with assets in excess of $50 million, and limit the amount of direct loans which can be made to a single firm to $10 million and the amount of loan guarantees to a single firm to $20 million. But to provide the flexibility needed to allow the system to deal with appropriate situations involving larger enterprises, 15 percent of the loans which can be made or guaranteed in one year are exempted from the small business provisions.

Available evidence suggests two distinct capital market imperfections, or "gaps," for smaller and medium-sized businesses: the unavailability of long-term debt capital and the shortage of venture and equity capital.

A commonly held belief is that these smaller and medium-sized businesses are less profitable and more risky than larger businesses and that the marketplace has acted rationally in keeping capital away from these businesses. A recent study, however, points out that the rate of return on capital for smaller manufacturing businesses actually is greater than that of most other size classes. This study concludes that smaller businesses appear to be excluded from both debt and equity markets.

Of even greater interest is information on the size of the businesses providing the most job expansion. A study by David Birch of the Massachusetts Institute of Technology notes that smaller firms generate about two-thirds of all new jobs in the United States and three-quarters of those in the Northeast-Midwest region.

EQUITY AMENDMENT

An amendment to expand upon the equity financing provision in H.R. 2063 may be offered.

This amendment would recognize what has been identified as an important gap in the capital market of the Northeast-Midwest region: the shortage of equity funds for small business start-ups. In the past decade, a prolonged weakness in the equity market has all but closed off the new-issue market for small and medium-sized firms.

The Small Business Administration reported in 1977 that public offerings of securities underwritten for companies with net worths of $5 million or less fell from 548 offerings in 1969 (worth a total of $1.5 billion) to four offerings in 1975 (worth $16 million). While the situation has improved somewhat since 1975, many small and medium-sized firms cannot obtain the equity capital they need.

Yet equity capital is essential to the creation, growth, and general health of new small and medium-sized firms.

EMPLOYEE OWNERSHIP

Representative Stanley N. Lundine will offer an amendment to provide for a greater federal role in employee ownership ventures than H.R. 2063. It would encourage the Secretary of Commerce to provide up to 5 percent of the development finance funds offered by the Economic Development Administration—approximately $100 million—to support employee and employee-community ownership of firms that otherwise would close down or relocate.

Research has shown that employee ownership of economically viable firms, when judiciously pursued, is a powerful tool for economic preservation and development in the Northeast-Midwest region. In the absence of government assistance, however, financing for employee and employee-community purchases of businesses has been very difficult to obtain from commercial sources.

ECONOMIC CONVERSION AMENDMENT—AFFECTED COMMUNITIES

Representative Stewart B. McKinney will offer an amendment to expand upon the economic conversion provision of H.R. 2063. Specifically, it would require one-year pre-notification to the Secretary of Commerce of termination or cancellation of all military contracts worth more than $10 million. In the case of a military base closing or realignment, the Secretary must be notified on the same day that such closings or realignments are announced. The amendment also would allow the Secretary of Commerce to offer an immediate adjustment planning grant of up to $100,000 to the affected establishments and surrounding communities.

This amendment is very important to the Northeast-Midwest region. Since the 1950s, the states in the region have lost a disproportionate share of the defense dollar and currently receive a lower level of military expenditures than any other area of the nation. Specifically:

Since 1961, nearly half of all base closings have occurred in the Northeast-Midwest region;

Between 1950 and 1976, the Northeast-Midwest region lost 11,507 Defense Department employees while the South gained 340,567 and the West gained 259,108;

During the same period, the share of prime contracts awarded to firms in the Northeast-Midwest region declined from more than 50 percent to 35 percent; and

In fiscal 1977, the Northeast-Midwest region, with nearly half of the nation's population, received only 9 percent of a $750 million domestic military construction budget.

Yet despite this enormous loss of defense dollars, jobs, and facilities, there continues to be an inadequate capacity at the federal level for assessing the economic impact of a base closing or contract loss on a community and assisting those areas in recovering from the economic shock.

ECONOMIC CONVERSION AMENDMENT—DISPLACED WORKERS

Representative Christopher J. Dodd also will offer an amendment to expand upon the economic conversion language contained in H.R. 2063. It would establish a five-year experimental program to provide adjustment assistance to defense workers who lose their jobs as a direct result of a premature cancellation of a major defense contract ($10 million or more) or a reduction of $10 million or more in the value of a defense contract.

Because of the military trends cited above, passage of the Dodd amendment would have a significant impact in the Northeast-Midwest region. It should be noted that the income maintenance aspects of this amendment represent a major departure from the Economic Development Administration's traditional focus on job creation.●

CONGRESSMAN ROYBAL WELCOMES 100-YEAR-OLD CONSTITUENT TO WASHINGTON, D.C.

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. ROYBAL. Mr. Speaker, I am very pleased today to welcome one of my constituents, Mrs. Maria Najar de Quiroz, to Washington, D.C. Mrs. Quiroz recently celebrated her 100th birthday, and she is here in Washington today to testify at a hearing of the House Select Committee on Aging. She has enjoyed, and continues to enjoy, a very active and fruitful life serving her family and community.

Maria Najar de Quiroz was born in Leon, Guanajuato, Mexico on October 20, 1879. She, along with her husband and children, came to the United States through El Paso, Tex. and settled in Los Angeles in 1919, when she was 30 years old. Mrs. Quiroz remembers when she and her husband bought their lot in Los Angeles for $50 and, little by little, built the house where she still lives. At that time, there were very few other houses around, and coyotes used to come and steal chickens from the yard. Mrs. Quiroz spoke very little English; when she went to the market, she would take small samples of the items she planned to buy so that she could show the merchants what she wanted.

When her husband died in 1924, the only family Mrs. Quiroz had in the United States was her four surviving children between the ages of 1 and 9. She supported her children by working at Goodwill Industries during the day and sewing at night. Her children helped out by selling the things she sewed and earning a few pennies shining shoes.

In spite of her own difficulties, Mrs. Quiroz has always been active in church and community affairs, always trying to help others in need. She is a deeply religious woman. Mrs. Quiroz remembers one occasion when she was walking along what is now Olvera Street in Los Angeles. She noticed a group of women gathered at the side of the road, and they asked her to join them. It turned out that they were praying for a church to be built on that spot. The church was eventually built, and Mrs. Quiroz still attends that church. She feels that God is in all of the churches, so she actually attends several different ones. To this day, she also holds twice-weekly prayer services in her home. She considers her long and fulfilling life to be a gift of God.

Today, Maria Najar de Quiroz still quilts and sews for the Salvation Army and still does her own washing and cooking. During her life, she had eight children, four of whom died very young, and two of whom are still alive. She has 12 grandchildren, 48 great grandchildren, 19 great great grandchildren, and two great great great grandchildren.

I am proud to have Mrs. Quiroz as my constituent and pleased to have her visiting in Washington, D.C., on this occasion.●

TRIBUTE TO RAY ROBERTS

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. BONER of Tennessee. Mr. Speaker, on the occasion of the announced retirement in December of next year of Ray Roberts from the House of Representatives, I take this time to pay tribute to him as chairman of the House Committee on Veterans' Affairs. I believe that the leadership of this important committee will rank highly among Congressman Roberts' accomplishments in a long and distinguished career in this House.

The veterans of this country owe an incalculable debt to Ray Roberts. He has been a staunch champion of veterans' benefits and his mettle and dedication have been proven particularly in the past several years of repeated diminishing budgets. Chairman Roberts has been a consistent, ardent, and resolute advocate of veterans' rights.

Under Ray Roberts' leadership, the current GI bill education and training program has provided benefits to more than 7,444,000 eligible veterans and service personnel. Nearly 4½ million have trained at the college level. It is indeed a tribute to Chairman Roberts' zeal in promoting veterans' education that we take note of the fact that approximately 65 percent of eligible Vietnam era veterans have trained under this program, compared with participation rates of about 50 percent for World War II veterans and 43 percent for veterans of the Korean conflict.

In the area of VA health care, Ray Roberts has tenaciously resisted the budgeteers' efforts to reduce the number of inpatient beds and ancillary funding for treatment of sick and disabled veterans. As the average age of the veteran population has increased, Chairman Roberts has consistently advocated more nursing care beds and the expansion of other types of care and services for the aged.

Ray Roberts' concern for our veterans has also been demonstrated by the vast improvement in rehabilitative services under his leadership. Plans are now in the final stages for the production of a model of a totally integrated physical rehabilitation program. Two ancillary rehabilitative areas—vocational and psychological readjustment—have been established to respond to the unique needs of Vietnam era veterans.

Beyond all of these achievements as chairman of the Committee on Veterans' Affairs, Ray Roberts is a gentleman who has won the affection and respect of his colleagues in the House.

Mr. Speaker, we are fortunate Chairman Roberts will lead us throughout the 96th Congress. Veterans across this Nation will continue to benefit from his knowledge and dedicated service.●

EARLY OBSERVATIONS ON THE 1980 CAMPAIGN

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, November 14, 1979, into the Congressional Record:

Early Observations on the 1980 Campaign

Nineteen-eighty promises to be a year of political drama and excitement. I have always suspected that the American people enjoy a rip-roaring political contest, and my guess is that they will not be disappointed in 1980. There will be tough issues, tight races, controversial personalities, a host of new political forces, and mountains of money. There are obvious signs that the 1980 campaign will be pretty rough, with both parties apparently headed for terrific internal battles. President Carter is being challenged from within his own party, and the Republicans, sensing the opportunity for a comeback, have fielded a large number of candidates. To make it all the more interesting, the whole process is starting up very early.

The presidential candidates arouse strong emotions. Both Mr. Reagan and Senator Kennedy inspire adulation among their followers but stir deep resentment among others. Many people are puzzled by Governor Brown, suspicious of Mr. Connally, and unimpressed by Mr. Carter. My view is that at this early stage the voters have hardly begun to think about the candidates and the issues of the 1980 campaign. They have a genuine interest in all the goings-on, but they are only inviting hopefuls to get into the presidential sweepstakes.

Most voters are a long way from making any choice. They are still skeptical of the candidates, though they are ready for a serious discussion of the things that divide and confound the nation. We are now in a kind of "warm-up" period during which the candidates test their themes. The response they get will determine their strategies in the months ahead. By historical standards, those months will be trying. In 1968 there were only 15 primaries in which less than 40 percent of the convention delegates were chosen, but in 1980 there will probably be 36 primaries in which more than 70 percent of the convention delegates will be selected.

Besides the headline-capturing race for the Presidency, the 1980 campaign will feature dramatic congressional skirmishes in just about every state. With the Democrat majority now at 275–159 in the House, the Republicans have virtually no chance to win that body even though they hope to gain as many as 30 seats. On the other side of Capitol Hill, the Republicans seek to pick up enough seats in the Senate, where the split now goes 59–41 against them, to wrest control from the Democrats. Thirteen of 50 governorships (including Indiana's) will be up for grabs in 1980, ten of them held by Democrats. With that party now in possession of 32 State houses, only a Republican landslide could force an overall change of hands. State legislative races will have added significance because each party wants to have the greater say in the congressional redistricting which is to follow the 1980 census. In the spring of 1981, legislatures in 44 states with more than one congressional district will reapportion the districts of their House members. About 14 of these states will gain or lose seats in the House.

No one can doubt that campaigns in America are becoming more complex and chaotic. A full decade of electoral reform has brought new campaign styles, new federal election laws, weaker parties, and stronger lobbies. The party bosses are gone, and the politicians, who generally stand low in public esteem, are more than ever on their own. They must try hard to raise funds and garner support. They face an electorate that is more informed, more independent, and more fragmented than ever before, and there are at least three considerations that must figure prominently in their thinking.

First, special interest groups are appearing everywhere, and these groups refuse to come under the umbrella of any political party. Spanning the ideological spectrum, they want only to reward their "friends" and punish their "enemies". More often than not, a candidate is labelled "friend" or "enemy" on the basis of his position on one issue.

Second, the electorate is gravely concerned about economic matters, especially inflation and energy. The highly unsettled economy and the potential shortage of oil are keeping voters on edge. Inflation and energy, of course, are problems which defy easy solution and cut deeply across party lines.

Third, the voting-age population has become younger as the "baby boom" generation has matured. A large contingent of 1980 voters will not remember World War II, the Korean War, or even the assassination of President Kennedy. How these less experienced voters will cast their ballots, or whether they will, is difficult to gauge. These considerations and others, such as the rise of ticket-splitting, mean turbulence on the political scene today and uncertainty in the 1980 campaign.

Another aspect of the 1980 campaign worthy of note is the increased role of television and other mass media in the campaign process. It is no secret that the 1980 campaign will be dominated by technicians and their technology: television crews, pollsters, campaign consultants, advertising executives, and mass mailing experts—the new political professionals. Campaigning in America, especially for high office, is in fact becoming a "television event." Candidates plan their budgets and schedules around that medium because it, perhaps more than any other single factor, shapes the views of voters today. Television is certainly the primary factor behind the skyrocketing cost of campaigns—$540 million in 1976, a 300-percent increase since 1952. Democracy has become a very expensive proposition. It even takes massive amounts of money to get beat.

So the 1980 campaign is shaping up as the most heated one in a long time. While you enjoy the spectacle, I know you will join me in hoping that the campaign produces as much lights as it does heat.●

COLDEST TOWN WITH WARMEST HEART

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. CONTE. Mr. Speaker, in these times of heating oil crises, with prices rising and supplies waning, all of us in Congress are concerned about individual consumers, especially in rural areas like my district in western Massachusetts. However, it seems as though we often overlook the unity and strength so common in our smaller communities—the communities in which commonsense and ingenuity reign in times of crisis.

An example of one such community meeting the heating oil challenge was recently cited in The Berkshire Eagle. The small community noted is Lanesboro, Mass., population 3,277, which has come up with its own ideas for meeting the heating needs of its citizens without Federal or State aid.

I would like to share the Eagle article about the "Coldest Town with the Warmest Heart" with my colleagues.

The article follows:

LANESBORO ENERGY PROGRAM ATTRACTS NATIONAL SPOTLIGHT

(By Linda Carman)

LANESBORO.—This town is attracting national attention by its direct approach to aiding residents caught in the heating oil crunch.

Bypassing loans or grants of money, the Selectmen have opted to loan residents enough oil, 15 or 20 gallons, to tide them over the two or three days until they can get enough money together to pay for a regular delivery.

The plan made the front page of The Boston Globe Oct. 30, has attracted cameras from NBC–TV to the fire station for filming tomorrow morning, and has prompted Time magazine to make inquiries.

Yesterday morning, Fire Chief Winslow P. Newton and Volunteer Fire Department engineer G. Henry Sayers bolted two 120-gallon tanks to the body of the department's forest fire-fighting pickup truck. When the tanks are filled, a crew from the department will make deliveries if they are authorized by any of the Selectmen or the Fire or Police chiefs.

Selectmen Chairman Bertram B. Robinson, who, with Selectman Walter F. Furtek, Jr., developed the idea after a fuel workshop sponsored by the County Commissioners last month, said the deliveries are intended for elderly or financially pinched residents who run out of fuel.

"Most oil dealers won't bother making a delivery of less than 150 gallons, and some people don't have the money for a large delivery toward the end of the month," Robinson said.

The Selectmen had hoped to keep their fuel tanks out of the glare of publicity, just quietly wheeling them out when a board member received a plea for help. But things haven't worked out that way.

"We weren't going to publicize it, at least not until we got everything ironed out," he said. "The more it's exposed to publicity, the more you get requests from people who don't feel any obligation to society, people who'll just say, 'Oh well, the town can pay for it'," Robinson said.

But from a network of National Weather Service stations reporting throughout the state, the one at Robert R. Wirtes' farm on North Main Street here reports the coldest temperatures. Based on those statistics, Lanesboro would rank as the coldest town in the state, although several hilltowns regularly report lower temperatures. Based on that billing, the Globe ran the fuel tank story on its front page last Tuesday.

Last night, the Finance Committee unanimously approved a transfer of $500 from free cash to the public health account to buy a $100 pump and fill the tanks at the going rate.

When a pump is found, probably within the next few days, the service can begin.

Robinson said he thinks most residents of this community of 3,227 will appreciate the town's help enough to pay for the fuel as soon as they are able, most within a month or so. Records will be kept, so that people in constant straits may be referred to a helping agency, and abusers dropped from the list.

"This is designed to help people who fall between the cracks, people who don't qualify for state or federal fuel aid," Robinson said.

The Selectmen don't plan to substitute any income guidelines of their own. "If you're out of oil, you're out of oil," added Selectman Raymond W. Hospot.

In any case, the town's investment in any given individual will be small, Robinson said.

"There may be cases where the town takes a beating, and I won't say there isn't going to be a deadbeat," Robinson said. "But at least we will have done something to keep somebody from having a cold house."●

MORTGAGE REVENUE BONDS

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. YOUNG of Alaska. Mr. Speaker, after consultation with the underwriting industry, on September 21, 1979, I introduced H.R. 5370. This measure is intended to supersede an earlier bill that I had introduced on this matter, H.R. 4332.●

INTERPRETATION OF MSHA

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

• Mr. TAUKE. Mr. Speaker, recently I had the opportunity to review a very informative letter and backup material from one of my Iowa constituents. Since this Congress has been considering the interpretation of the Federal Mine Safety and Health Act of 1977, I believe this material will be of interest and benefit to my colleagues.

I include the letter of Mr. Michael Wright, safety director of Alpha Industries, in the CONGRESSIONAL RECORD immediately following my remarks:

ALPHA INDUSTRIES,
Marion, Iowa, October, 2, 1979.

Hon. TOM TAUKE,
Washington, D.C.

DEAR CONGRESSMAN TAUKE: I am sending you this personal note to acquaint you with a concern regarding M.S.H.A.'s interpretation of Sec. 103(A). I would appreciate your consideration of this serious situation that has caused the Limestone producers of Iowa to be burdened to the point of governmental harassment.

The Federal Mine Safety & Health Act of 1977, Public Law 91–173 as amended by Public Law 95–164 states:

Sec. 103(A) "... the Secretary shall make inspections of each underground coal or other mine in its entirety at least four times a year, and each surface coal or other mine in its entirety at least two times a year. The Secretary shall develop guidelines for additional inspections of Mines based on criteria including, but not limited to, the hazards found in mines subject to this Act, and his experience under this Act and other health and safety laws."

M.S.H.A. interpretation of Sec. 103(A) causes small quarries in Iowa which may be active as few as 10 days per year and employ a handful of people to receive 2 inspections per year. Yet large coal mines and uranium mines employing thousands of miners on rotating 24 hr. shifts are only required 2 inspections per year.

The results of this regulation has almost completely destroyed my ability to direct an effective Safety program. Alpha Crushed Stone employs 65 people in aggregation production (including office and supervisory personnel). Since the middle of February of 1979 we have received forty-three (43) inspections. Federal M.S.H.A. Inspectors were on our properties a total of fifty-two (52) days. I have enclosed a list of the dates our quarries were inspected, the plants at the quarry during the inspection and the number of employees present during the inspection. We have four portable crushing plants that crushes in 28 quarries during the year. The majority of our quarries are worked in just a few weeks a year. Every time one of our plants moves into a quarry, M.S.H.A. is notified and they inspect the crushing plant. Hence, in the past seven and one-half months, Dick Sanborn's crew, which consists of Dick and three employees, has been inspected four times. The four employees in Leland Wink's crew have been inspected three times, the five employees in Jay Glick's crew have been inspected five times and the four employees of Dave Kagemann's crew have received four inspections.

Each inspection takes one to three days of my time, time which should be used to build an effective safety program.

I don't believe the intent of Congress was to produce an overkill of inspections in small quarries in Iowa. The intent of Congress was to see that large mining operations would receive at least 2 inspections per year. If our company were inspected twice per year in its entirety the intent of Congress would be met. The present inspection methods result in the same equipment and the same employees being inspected over and over and over. Because of M.S.H.A.'s interpretation of Sec. 103(A), M.S.H.A. views our one company of 65 employees as twenty-eight separate companies with 28 identification numbers, 28 legal identities and 28 mailing addresses, and M.S.H.A. fully intends to inspect us a minimum of 56 times per year.

Congressman Tauke, M.S.H.A.'s interpretation of the act is destroying the established safety programs in the quarry industry in Iowa. This is a statewide problem in the Crushed Stone industry. An industry problem in the state you represent. Even the production line employees are tired of repeated inspections. Workers don't like the government looking over their shoulders every other week. Other safety directors in Iowa have indicated that employees are considering petitioning the government to limit M.S.H.A. It's hard for an employee to understand the reason for a government employee in an air conditioned government car to drive 30–80 miles to inspect equipment which they inspected last week.

If you have any further questions please feel free to contact me.

Sincerely,

MICHAEL WRIGHT,
Safety Director.

ALPHA CRUSHED STONE

[Total days of inspection—43; total inspection days—52]

Date	Quarry inspected	Plant	MSHA inspectors	Employees present
Feb. 22	Marion Shop	Merv Seegers	2	5
Feb. 28	Olin Quarry	Dick Sanborn (plant)	1	5
Mar. 16	McGuire Quarry	Wayne Pond (plant)	2	6
Mar. 30	do	do	2	6
Apr. 4	Arnsdorf Quarry	Dave Kegeman (plant)	2	4
Apr. 5	Goose Lake Quarry	No plant	1	1
Do	Behr Quarry	Jay Glick (plant)	2	5
Apr. 16	Plower Quarry	Washing plant	1	2
May 1	Betenbender Quarry	No plant on site	1	1
May 2	do	do	1	1
Do	Jacobs Quarry	Dick Sanborn (plant)	1	4
May 1	East Marion Sand Pit	Dredge	1	2
May 3	do	do	1	2
Do	Finn Quarry	No plant or mach	1	0
Do	Bowser Quarry	No plant	1	2
Do	Behrends Quarry	Leland Wink (plant)	1	4
May 9	Shaffton Quarry	No plant working	1	2
May 10	Bloore Quarry	Jay Glick (plant)	1	5
May 11	do	do	1	5
June 5	Turner Pit	Portable dredge	2	2
June 6	do	do	2	2
Do	Lyons Quarry	Jay Glick (plant)	2	5
June 7	do	do	2	5
June 19	Sweeting Quarry	No plant present	1	1
June 26	East Marion Sand Pit	Dredge	1	1
July 3	Olin Quarry	No plant present	1	1
July 10	Behr Quarry	Dave Kageman (plant)	1	5
July 11	do	do	1	5
July 12	Goose Lake Quarry	Load out operation	1	2
Do	Teeds Grove Quarry	Jay Glick (plant)	1	5
July 13	do	do	1	5
July 18	McGuire Quarry	Leland Wink (plant)	1	5
July 19	do	do	1	5
July 26	Betenbender Quarry	Dick Sanborn (plant)	1	6
Do	Marion Shop	Merv Seegers	1	5
Aug. 22	Shaffton Quarry	No plant	1	2
Aug. 28	Bowser Quarry	Dick Sanborn (plant)	1	7
Sept. 5	Clemons Sand Pit	No plant	1	0
Sept. 12	Tenely Sand Pit	Portable dredge	1	2
Sept. 18	do	do	1	2
Sept. 20	Kings Quarry	Jay Glick (plant)	1	4
Sept. 25	Sweeting Quarry	Scale person	1	1
Sept. 28	Hunts Quarry	Leland Wink (plant)	1	4

Note: Alpha Crushed Stone is a portable quarry operation which employses about 65 people in quarry production and maintenance.

Crushing plant	Inspections	Inspection days
1. Dick Sanborn	4	4
2. Leland Wink	4	4
3. Jack Glick	5	8
4. Dave Kageman	[1] 4	5

[1] Including 2 inspections at Lowden Quarry which is a Wendling Quarry.

BEECHER QUARRIES

[Total days of inspecting—7; total inspection days—12]

Date	Quarry	MSHA inspectors
Apr. 17	Hermsen Quarry	2
June 7	Marjo Hills Quarry	2
June 8	do	2
Aug. 22	Asbury Quarry	1
Aug. 23	do	1
Sept. 5	Marjo Hills Quarry	2
Sept. 6	do	2

Note: Beecher Quarries is a small crushing operation which works in the Dubuque area. Beecher has a total of 13 employees. These 13 employees which work with 1 portable crushing plant have received 4 MSHA inspections which were conducted in 7 days. These inspections required 12 MSHA inspectors working days.

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Date	Quarry	Plant	MSHA inspectors	Employees present
Mar. 5	LeClaire Quarry	Wayne Jacobsen	3	12
Mar. 6	do	do	3	12
Mar. 7	McCausland Quarry	Jim Ganzer	3	10
Sept. 4	LeClaire Quarry	Wayne Jacobsen	1	12
Sept. 5	do	do	1	12
Sept. 6	do	do	1	12
Do	McClausland Quarry	Jim Ganzer	1	10

WENDLING QUARRIES

Date	Quarry inspected	Plant	MSHA inspectors	Employees present
Mar. 8	Atalissa Quarry	Gary Waltz	1	35
Mar. 9	do	do	1	35
Mar. 20	Dyersville Quarry	Jeff Madlom plant	1	9
Mar. 21	do	do	1	9
May 10	Lowden Quarry	Dave Kageman	1	5
May 30	do	do	1	5
May 31	Logan Quarry	Jeff Madlom plant	2	9
July 10	Atalissa Quarry	Gary Waltz	1	35
July 11	do	do	1	35
June 12	Tegler Lake Sand Pit	Sam King	1	2
June 19	Edgewood Quarry	Shop	1	1
Aug. 20	Bahl Quarry	Jeff Madlom	1	9
Aug. 21	do	do	1	9
Aug. 22	do	do	1	9
Aug. 29	Lowden Quarry	Dave Kageman	1	5
Sept. 11	Funke Quarry	Jeff Madlom	1	9
Sept. 12	do	do	1	9

Plant	Inspections	Inspection days	Employees
1. Jeff Madlom	4	8	9
2. Gary Waltz	2	3	18

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UNITED STATES-SOVIET NAVAL FORCES IN THE INDIAN OCEAN

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. WHITEHURST. Mr. Speaker, on October 25, 1979, Vice Adm. M. G. Bayne, USN (Ret.) delivered an address at The Citadel in Charleston, S.C., entitled "United States-Soviet Naval Forces in the Indian Ocean." This is a thoughtful and provocative speech, one that deserves this forum.

The credentials that Admiral Bayne brings to this subject are impressive. His last sea assignment was as commander of our Indian Ocean forces and those operating in the Persian Gulf. Before his retirement, he was head of the National War College here in Washington. Indeed, one cannot begin to enumerate fully the achievements of his distinguished naval career.

What makes his Citadel speech so cogent is the frustrating crisis that has occurred in Iran. Bear in mind that Admiral Bayne wrote this speech before that event occurred. The point is that America could find a challenge in any number of places in that part of the world, and if military measures are required, we are woefully lacking in our ability to employ them.

Admiral Bayne has sounded the tocsin in this address. I hope that all of my colleagues will heed it.

The address follows:

UNITED STATES-SOVIET NAVAL FORCES IN THE INDIAN OCEAN

(By Vice Adm. M. G. Bayne, U.S. Navy (Ret.))

Always the Title is misleading when discussing this matter. There are many such titles: Relative Military Capabilities: Indian Ocean Power Structure: Changing Military Trends in the Indian Ocean. All imply the same question, "what is the desirable (desirable sometimes spelled "necessary") level of military force in the Indian Ocean to support the national objectives of the United States and the Soviet Union?"

It is not accurate to consider only naval forces, for regardless of the number of ships and support activities for them, the level is a result of total military force available or assigned, political decisions, inter and intra regional associations, and above all the perceptions of those who have, or who take upon themselves the authority to make these decisions. This paper makes no attempt to add up and analyze relative numbers constituting naval activity in the region. There are many such analyses, but the numbers result from consideration of these basic factors.

At present the Soviets maintain about 7–9 "combatants" and 5–7 "support" ships in the area. The United States maintains the Middle East Force composed of a flagship and two to four destroyers, with itinerant travel through the area of varying units of the seventh fleet.

As the press indicates from time to time these seventh fleet visits respond to circumstances in the area: an Indian-Pakistani war in 1971: Response to Soviet Forces in Ethiopia last year: Iranian instability this year as examples. The actual numbers involved are determined by availability: Geography, current events, and each country's estimate of its needs: and most important; each country's perception of the other country's estimate of those needs and the reasons therefor.

In terms of availability: except for the ability to project power from sea based platforms, the Soviets have a larger source from which to draw naval forces than does the United States. The deployment of their naval forces worldwide: in the Atlantic, the Pacific, the Baltic, Mediterranean, Black and Caspian seas, requires considerably more than overnight determination to change the balance quickly, but the capability to move forces to the Indian Ocean with relatively little loss elsewhere weighs heavily in favor of the Soviets. They do not accept that this is so, but the sheer imbalance in numbers of ships compels disagreement with their point of view.

For the United States to change, in any significant way, the weight, or pressure, or presence of United States military activity in the region, requires it to reduce significantly its presence elsewhere. For this country then, the decision is to determine where it wishes to be least prepared. A decision to make a change of this nature becomes a national debate involving special interest groups, politicians, the news media and sometimes, even the military. In the Soviet Union national debate is not an issue. Forces are moved without much knowledge, or perhaps much care of the people.

I do not make this point to raise the issue of the best system of government, or to provoke the usual question, "Would you rather have it their way or ours?" I make it to set forth an important element, in some cases the important element in force availability. Availability comes first in any decision of this nature, for the size of the pot which cooks the stew determines either the number of portions to be served or the size of the portions themselves. We tend to forget this when our news programs, our Congress, our President, even sometimes our military officials, begin to debate force deployment.

The Joint Chiefs enter the argument with the classic—what is the threat—what forces are needed to counter the threat—where should these forces be deployed? In traditional keeping with the military/civilian separation of capabilities studies and estimates of political feasibility, the Chiefs do their work in an opaque globe, shielded considerably from the political world around them, and feeling uncomfortable when an unusually bright gleam of political reality pierces the opacity of that globe. This condition is a holdover from the British fierce separation of the functions of foreign policy and the application thereto of military force, or the Clemenceau nonsense that war is too important to be left to generals; a wonderfully quotable quote, usually used by those who are not experienced in the business of actual military conflict.

It is regrettable that in an otherwise free and open society, we rob ourselves of advice, professionalism, and influence from the segment of our society most knowledgeable of the reality of military conflict, its development, its prevention, its needs if encountered. I doubt that those who gave birth to our constitution foresaw the degree to which this attitudinal separation has now developed. So muchc for the military impact on force availability. It is not significant.

The political impact does not seem consistently significant either. It is made up of many disparate pieces. The "Hawks" and the "Doves" change the size, shape and color of their wings as frequently as the change of events which cause them to flap those wings. They are driven sometimes more by perception of their political needs than by clear perception of national security requirements. Sometimes these needs coincide, but often they are not driven by the complexities of the security equation.

The result is an amalgam: a force structure not finely tuned to probable use, but very coarsely tuned to numbers of contingencies: situations which are topical at the time the broad decisions are made: usually the budget cycle each year. Thus the factor of availability is an imprecise matter based on imprecise determinants, resulting in never having the correct force, in size, in place, in time, in composition, to respond to current needs. The final product is compromise and insufficiency.

Because of the physical and political geography of the Indian Ocean area, this matter of availability becomes acute. The distances are immense. The distance from Bahrain to Mombasa in Kenya is about the same as the distance from New York to Beirut. Although third in size of the world's oceans, the Pacific is over twice as large, and the Atlantic about five million square miles larger than the twenty eight million square miles of the Indian Ocean: ports of call are geographically or politically separated so that logistics planning for effective operation becomes complicated.

Twenty four nations form the basin which is filled by the Indian Ocean. There are ten others if one includes the basins of the Red Sea and the Persian Gulf. When an attempt is made to catagorize these thirty four differing states into similar governmental forms, alliances, interest, or groups, the complexity of decision making in the area becomes a bit clearer.

One such arrangement lists only four nations with identical forms of government: Transkei, India, Singapore and South Africa as parliamentary republics. There are several groupings of three: Burma, Kenya and the Sudan as one party republics; Egypt, the Seychelles, and Somalia as one party socialist states; Oman, Qatar and Saudi Arabia as absolute monarchies. The rest are listed by themselves or with a single similar partner: The presidential parliamentary republic of Sri Lanka; the military controlled monarchy of Thailand; the military dictatorship of Pakistan; the Communist state of Mozambique; the Communist military junta of Ethopia; the one party Marxist Socialist states of South Yemen and Madagascar, the Arab Emirate of Bahrain; the confederation of monarchies of the United Arab Republic (a seeming non-sequiter). Such examples frustrate attempts to define this mixture of old, contemporary, emerging and differing societies.

Any notion that from this difference there will emerge a nation, or a cooperative group of nations to agree on policies, forces and terms for an indigenous military capability in the area must be derived from logic that is seriously flawed. No such probability lies ahead. Such a capability has not existed before, and man must develop a far more sophisticated regional concept that even NATO has turned out to be, to produce such an arrangement today. Lacking such probability, the powerful nations, the nations with resource paths to the area, or seeking to develop such paths will attempt some form of order and control in the area.

We can all wish that this order could come about through purely diplomatic meetings and agreements, but historical precedents give little hope that this will happen. Options not exercised when they become available to one interest will be exercised by another. We have two recent examples that this is the way man still conducts his international business in the twentieth century. When Britain announced, in 1968, an intention to leave the area, Soviet interest picked up.

When President Carter announced in 1976, United States interest in "Demilitarizing" the area, Soviet interest was given a boost, for the President's announcement was understood to mean that this country sought reasons to withdraw its forces from the area. Together these two indications that the nations which had shown interest and capability in the past no longer had such interest, produced and reinforced Soviet plans to increase its activity there, since there seemed little likelihood that an increase would meet opposition.

Since 1968 the increase in Soviet activity has served them well, if by that we mean increased permanent military presence in the area, increased leverage to influence events there, increased freedom of military and political movement, and increased supply of Soviet military and economic aid to the nations there. In 1965 the British were in Aden. Today it is the principal Soviet port of call. They insist that it is not a "base," but one wonders how many visits for repairs, for supplies, for personnel turnover, for communication support—how many events of this nature add up to the term "base" rather than "port of call."

In 1970 Maputo, then Laurenco Marques, in Mozambique, was a normal turnover port visited by incoming and outgoing units joining and leaving the Middle East force. Today United States ships do not visit Maputo. It is a Soviet port of call. Massawa, in Ethiopia, was available to the United States on a notification basis. Today it is Soviet controlled. In 1970 ports in India were favored by Middle East force units. Today such visits are seldom made; Soviet ships are favored.

In 1971, upon British departure from the area, the United States made arrangements with the new government to lease certain logistics facilities, and to homeport the flagship of the force.

Today the flagship is homeported in Norfolk, Virginia, which means that the families formally living in Bahrain are no longer there. This increase of Soviet interest and capability is rather well known. It seems strange, therefore, that plans to develop a United States logistics facility on the island of Diego Garcia, in the near center of the area, are so misunderstood.

From the shrill opposition to this endeavor, opposition which has been consistent since 1965, one wonders just what lessons history is required to produce. The island is apolitical; its use does not require diplomatic permission for U.S. forces; it is far enough away from the mainland to be unnewsworthy, unless special efforts are taken to give it visibility—such as Congressional testimony that if we persist in this effort, it will serve to stimulate the Soviets to greater efforts.

The Navy has been persistent in its patient quest to build the facility. Had it given in to the pressures of the late Sixties and early Seventies, our position in the area today would have no anchor to windward at all. As it is, United States activity is so limited, and so monitored, as to make Diego Garcia seem the hinge on which the entire United States' presence swings.

Without the former availability of ports of call throughout the area, even more careful attention must be given to planning for visiting ships and air forces. Cruising a destroyer in monsoon climate, with a ten to fifteen percent margin of fuel because refueling ports are so few and far between is not the stuff which produces restful sleep for the commander.

It is extremely interesting to reflect that in the late Sixties and early Seventies, normal Soviet operational practice included necessary tankers and support ships with the naval forces they deployed to the area. It was not absolutely necessary for United States forces to operate in this fashion, since they had reasonable expectancy of obtaining diplomatic clearance to visit fueling ports. The Soviets continue to send fully supported forces to the area today, but the actual need for this type of logistic care now rests more with United States forces. The situation has nearly reversed. Thus the operational geography of the area is quite different from the operational geography of the larger oceans. The Pacific and the Atlantic, with their closer ports of call, their more highly developed communication support, offer less complication for the naval planner.

As mentioned earlier the Soviet view is quite different. It persists in the notion that United States forces in areas near the Indian Ocean are available, and should be counted in any relative assessment of force levels.

The fact that the Soviet Union is much closer to the area than is the United States, that Soviet naval forces (except for aircraft carriers) outnumber those available to the United States, that United States presence in the area has remained virtually unchanged since 1948, such facts are of no consequence in the logic by which the Soviets compute "presence". Military presence, they insist, includes the forces actually in the area; friendly forces in the area, whether bound by agreements or not; forces in areas near the Indian Ocean; and arrangements for use of area ports and facilities. Thus, they view United States "presence" as much greater than their own, claiming that the United States maintains a permanent force; the Middle East force; has on call additional forces from the Pacific, Atlantic and Mediterranean fleets; is supported by large naval complexes at Subic Bay in the Philippines and in Japan; can call, if needed on help from France, Australia and Britain; has area arrangements with Bahrain, Pakistan, Australia, Kenya, Saudi Arabia, Oman and Mauritius; and maintains a strategic base at Diego Garcia. The United States does not therefore require many "on station units" to balance Soviet presence. From their view they have no base structure, no established ports of call: rely on underway replenishment for their forces; no allies in the area; no means to call up forces from nearby areas; and in order to match or offset United States presence, must maintain a larger number of forces in being.

Any attempt to define a condition of parity begins with doing away with Diego Garcia, limiting visits of United States ships to area ports; agreeing not to deploy air forces to the area, and not increasing the size of the existing permanent force. Presumably if the United States could arrive at a unilateral determination to restrict its "presence" in the area in this way, the "presence" maintained by the two countries would be about equal. Then realistic discussions regarding "demilitarization" could begin. Such a decision on the part of the United States would result in the Middle East force cruising back and forth in the Ocean, attempting to keep its three ships fueled in some fashion: with some 12 to 14 Soviet ships moving pretty much at will about the area, ready to exert necessary "control", should such, from their point of view, be required. It is a heady thought.

It is appropriate to examine here the fundamental difference between United States' negotiating philosophy and that of the Soviets. It can be discussed in many ways, but essentially it is an "ends and means" argument. The Soviets are supreme pragmatists. The objective is worth whatever is necessary to achieve it.

Not bound by Christian or other spiritual ethic, the negotiating philosophy, can be stated as an effort to achieve concessions from the other side; to agree only to those matters which allow the expansion of Soviet influence to proceed, and to sign only agreements, which if broken, can be publicized as a default by the other side. United States philosophy is quite different. Essentially it is a search for positions to which both sides can agree. Implied is a moral commitment to honor whatever agreement is achieved. An obligation is felt to search for and offer language, positions, at times concessions, in order to arrive at agreement.

Thus the Soviets habitually play a waiting game; usually quite willing to patiently determine how much the United States desires agreement by steady insistence that more and more be offered. Unless the United States negotiator is equally patient, and quite frankly, clever, the United States negotiating team finds itself on the defensive, endlessly explaining their positions, and seldom able to elicit response from the Soviets to U.S. demands and questions. The Soviet definition of "presence" is an example of this type of negotiating "logic".

Perhaps nowhere else on earth today do current events exert such an immediate impact on military presence as in the Middle East. To protect its citizens, its image, its friendliness with those who live there, and to suggest to others that the risk of adventurism is to be weighed most carefully, it has been necessary to employ military presence several times since the Soviet build-up and the British departure.

In 1971 the USS Enterprise and her group stood by in the event American citizens in war-torn East Pakistan had to be evacuated. About that time South Yemen announced that henceforth a twelve mile territorial limit existed to the west of Perim island at the southern entrance to the Red Sea. The announcement required U.S diplomatic disagreement, and the movement of U.S. destroyers into the Red Sea past Perim island. The sea channel is about three and one half miles from the island. To pass at twelve miles, a ship must have wheels. Had the United States not taken action to maintain normal passage through this international strait, it would have acquiesced to control over entrance to the Red Sea by a country under the influence of the Soviet Union. Subsequently a French and an Israeli ship were fired upon from Perim island, but United States immediate reaction to this attempt to establish control removed any doubt that it would be successful. It remains as an option for South Yemen, or perhaps the Soviets, to exercise should they feel the circumstances make it worth the risks.

Soviet supply of Ethiopia through the Red Sea and the port of Assab last year required deployment of additional American forces to the area in the event diplomatic efforts to halt a drive into Somalia were not successful. The radical change in Iran this year, and the subsequent efforts to prevent area wide instability required military training and support for North Yemen, and deployment of aditional units from the Seventh Fleet.

Everything that is done in this area of the world reacts to, or is influenced by the increasingly delicate enigma further north. Our national policy is to support the security of Israel as an independent nation in the area. At the same time we maintain relationships with Israel's "enemies" since they supply nearly half the oil our economy requires. That oil moves through this area by ship. We can debate endlessly the misfortunes or misjudgments which brought us to this complicated state of affairs, but we cannot deny that we are there. No thinking individual in this country, or in the OPEC countries for that matter, doubt that we will maintain this flow of oil, by whatever means necessary, until alternate energy sources are available to us. The only issue that is in doubt is "the means that are necessary." As affairs ebb and flow in the volatile Middle East, our options for flexible and varied action must remain open. To keep them open does not indicate a reduction in our military force levels: in less questioning and more reactive times, an increase would already have occurred. The mood of the nation and its decision makers may now be in a process to arrive at this conclusion.

It is here that our accurate perception of the perceptions of others is essential. The basic message that we wish understood is that we respect the sovereignty and ownership of the nations and the peoples who for centuries have lived in this place. We wish them to adjust their differences so that all mankind benefits from the resources under their soil. Yet, if the adjustment of those differences results in critical deprivation of the availability of those resources at an appropriate and negotiable price, we must take steps to influence the circumstances quietly if at all possible—with noise if we must.

Unfortunately when statements such as this are made, the "quiet" part is not noticed, or deliberately overlooked, and the "noisy" part becomes a matter of domestic and international concern. Individuals break things jumping at conclusions such as this. Our search for sensation, our fantasy for hype, world preference for hearing what is desired rather than what is said, and the incredible communication technology which pushes even minor events about the earth at the speed of light—simply prevent objectivity. Therefore nations must move deliberately, making certain opportunity exists for adjustment before the step is taken—but making equally certain that once a step is advertised—it is taken.

Here military force in the area, at the appropriate time, and in the appropriate amount—is a preventive—not a stimulant. For too long now we have been charmed by those who with large brushes and bright colors paint a picture to indicate that "gunboat diplomacy" is no longer effective. With the red background of Vietnam, the somber colored border of the high costs of security systems, and rose colored hues that the Soviets are different than mankind has been throughout history, for their interest is only in defending their homeland from capitalistic encroachment: a large and attractive abstract is produced showing that peace and stability lie in the direction of trust, and reduction of military capabilities which can be misunderstood.

In the Indian Ocean today we no longer can gamble with such fantasy. We have tried it and it has been found wanting. At the time our efforts were directed at attempts to calm down the 1967 Arab-Israeli conflict, we were forced to turn our attention to Soviet attempts to introduce massive and destabilizing military capability into the area. At a time when we were conducting formal talks with the Soviets regarding stabilization of military forces in the Indian Ocean, we were forced to respond to the largest movement of seaborne military support to the area yet seen in peacetime, as the Soviets supplied Ethiopia. Wherever we look in the region: the Dhofari matter in the southern Arabian peninsula; in the unsettled Khurdish-Iranian border; in Afghanistan; in the horn of Africa; at Perim island; in India; at the fishing agreement with Mauritius; at Umm Qasr in Iraq; we see Soviet interests and options being developed.

If we believe, as some have suggested, that this is nothing more than the historical time for Russia to take her place as a world power, following her trade, becoming more and more a part of the world, feeling more and more western influence and culture, and consumer comfort, providing her people a new lifestyle from which they can never turn back: perhaps all is well, and we should encourage and help them in this perfectly normal emergence from their shell. If we believe, as some have suggested, that their interest in the Indian Ocean, their establishment of options there, look toward no sharing at all, but rather advancement of the Marxist belief that people must live ultimately on this planet under total governmental control, rather than in control of their own government, our planning must be far, far different.

If we believe the former and are wrong, we must plan for the establishment of resource quotas, for shipping limitations, for the redefinition of free enterprise, and for Soviet military control of Bab-el-Mandab via Perim Island; of the Cape route via South Africa; of the Mozambique Channel via Maputo; of the Strait of Hormuz via Oman and Iran; and of the Malacca Straits via naval patrol and air surveillance from Indian airfields. Under such conditions there will be no Diego Garcia, nor Middle East force. We will have long since defaulted our opportunity to operate them.

If we believe the latter and are wrong, the time and expense to establish a counter to this belief may have been unnecessary. In the first instance being wrong will cost us our way of life—in the second being wrong can result in some needless expenditure.

It seems that the evidence has long been plentiful to guide us toward a correct belief—current activities in Cuba reinforce such evidence.

Our action today should be direct and explicit. It should include a redefinition of the unified command plan to establish an Indian Ocean Command as a separate entity, reporting directly to the Joint Chiefs of Staff, and making available to it those sea, land and air forces necessary to respond to probable regional disturbances.

Opportunity should be given all indigenous states to associate in training and exercising with these forces. Clear mission statements to maintain stability, to allow the orderly development of the nations in the region, and to maintain the flow of commerce into and from the area should be publicised.

Of course such action will cause opposition, domestic and international; but that opposition will be temporal, and give way to a deep breath of relief that once again a reputable outside power has undertaken the responsibility for area security, until that historic time when those who live there can assume it for themselves.

A big swallow to take—yes, I suppose it is—but we have successfully swallowed larger bites—in 1918—in 1941—in 1948. To take this bite now may well prevent the necessity for the larger mouthfulls we were forced to handle in those years.●

THE CHRYSLER PRECEDENT

HON. ED BETHUNE

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. BETHUNE. Mr. Speaker, recently, Washington Star columnist James J. Kilpatrick stated his views on the Chrysler situation. Those views are as follows:

THE CHRYSLER PRECEDENT

(By James J. Kilpatrick)

There are times, perhaps, when a good case can be made for yielding economic principle to overriding reality, but such a case has not yet been made in the matter of the pending loan guarantee for the Chrysler Corp. Unless convincing evidence in support of the bill can be presented at this week's Senate hearings, the plan should be rejected.

We ought to be clear on what is at stake. It is not the $1.5 billion guarantee as such; there is no prospect that anything approaching this sum might actually be lost to the taxpayers; if all goes well, the Lockheed experience of several years ago could be repeated, and the Treasury would even turn a small profit.

No. Something far more precious is involved. The Carter administration's bill would undermine economic principles of the highest priority, and it would set a precedent that could plague the Congress for years to come.

We identify our industrial economy in terms of "the marketplace," or "venture capitalism" or the "free enterprise system." At bottom, ours is known for short as the "profit system." But as Professor Milton Friedman recently has remarked, that shorthand term is too short. Ours is not a profit system; it is a system of profit and loss.

Everything depends upon recognition of that fundamental concept. Capital is invested under the hope of gain, but it also is invested at the risk of loss. Take the element of risk away, and what remains. Nothing but a pallid imitation of free enterprise.

This is what is here proposed. The Treasury would guarantee the repayment by Chrysler of up to $1.5 billion in loans. To be sure, the ailing company would have to raise $1.5 billion in nonguaranteed loans or in "concessions" from its unions, but Chrysler has sufficient assets to overcome this requirement.

The administration's bill effectively would put the United States government in the automobile manufacturing business. The secretary of the Treasury would have to pass on "satisfactory" operating plans and "satisfactory" financing plans. The secretary would have to approve four-year programs of various kinds. And if the secretary should determine that Chrysler's problems in obtaining non-guaranteed credit are "the result of a failure on the part of management to exercise reasonable business prudence," the secretary shall require "such management changes as the secretary deems necessary."

What is the case in support of this extraordinary proposal? The administration says that if Chrysler went bankrupt, the collapse would have a "devastating impact" upon the company's 117,000 employees, its 4,700 dealers and its 19,000 suppliers. The Senate Banking Committee will want to receive overwhelming proof of this doomsday conjecture.

One has to sympathize, of course, with the prospective plight of the workers, but their pathetic scenario demands careful scrutiny. A reorganization under Chapter 10 of the Bankruptcy Act by no means requires the instantaneous shutdown of every Chrysler facility everywhere. Chrysler has about 9.3 percent of the automotive market; the company should market a million vehicles this year. The demand for this production will not evaporate if the company goes under. The demand will still be there, and its fulfillment will require, as before, workers, dealers and suppliers.

Treasury Secretary G. William Miller says that Chrysler's losses, amounting to $721 million through September, present "a unique situation." Yes and no. The situation is unique in that no other major U.S. corporation (Chrysler ranks 10th among manufacturers) is now in such miserable straits. But if principle is to be sacrificed in order to save No. 10 today, what of No. 12 tomorrow? Or No. 20? Ultimately such bail-out legislation must become a matter of pure politics—and principle be damned.

If Chrysler goes the way of Hupmobile, Hudson and Nash, competition in the auto industry would be reduced. It is not a happy prospect. But if we believe in the incentive system, we must believe that the marketplace eventually will cure the evil—that new investors will appear with greater faith in the system of profit and loss than the pending bill displays.●

UNCHAINED BUREAUCRACY GONE BERSERK

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. QUAYLE. Mr. Speaker, the following article appears in the current issue of Nation's Business. In it, James J. Kilpatrick details several good examples of the necessity for a legislative veto over bureaucratic rules and regulations.

Each of us hears almost daily from constituents who feel that the Federal Government has intruded too far upon their private lives. More often than not, this intrusion has come from regulation. Faced with an inability to obtain more reasonable rules, many of us have been led to the legislative veto as the only appropriate counterbalance to bureaucrats whose actions have the force and effect of law.

I commend this article to my colleagues' attention for its scholarly examination of the objections which are raised against the legislative veto. The authorization bill for the Federal Trade Commission will be on the floor very soon, which makes Kilpatrick's thoughtful observations all the more timely:

UNCHAINED BUREAUCRACY GONE BERSERK

(By James J. Kilpatrick)

Example No. 1, the private schools. Example No. 2, the funeral parlors. Example No. 3, the two-buck bill and the Anthony dollar. Going back a couple of years for Example No. 4, consider the Transportation Department and the ignition interlock. My theme is the arrogance of the bureaucracy, and my question is as old as the art of government: How best do we impose restraints upon power?

In the administration of public affairs, power is the name of the game: How to win power, hold power, and lose power. The Founding Fathers had corollary concerns: How much power should the people vest in their government? Where should power be distributed? What mechanisms could be written into law to prevent or to punish the abuse of power?

These were the grand considerations at Philadelphia in the summer of 1787, and they dominated the ratification debates of 1788. Most of the political leaders of the time felt that the Articles of Confederation delegated too little power to a national legislature. Their purpose was to fashion a new government with greater, but not unlimited, authority. In drafting the Constitution, the framers struggled to keep those two imperatives in balance—more power, but not too much power.

Theirs was a work of political genius, justifying Gladstone's extravagant praise: "The American Constitution is the most wonderful work ever struck off at a given time by the brain and purpose of man." The 55 members of the great convention came up with a charter that delegated power with one hand and snatched it back with the other. The Constitution, in conjunction with the Bill of Rights, is a marvelously intricate arrangement of checks and balances, of power granted, power circumscribed, and power forbidden.

The underlying philosophy was summarized at Virginia's ratification convention. "All delegated powers," said John Marshall, "are liable to be abused. The object of our inquiry is: Is the power necessary? And is it guarded?" George Mason thought entirely too much power was being vested in the national government. The taxing power alone, he said, "must carry everything before it." Patrick Henry, the most eloquent foe of the Constitution, scoffed at the framers' handiwork. "There will be no checks," he cried, "no real balances, in this government. What can avail your specious, imaginary balances, your rope-dancing, chain-rattling, ridiculous, ideal checks and contrivances?" And that wise countryman, William Grayson, put the matter in a single prescient sentence: Power ought to be granted, he said, "on a supposition that men will be bad, for it may be eventually so."

The framers devised two principal safeguards and a host of lesser ones. Power was to be restrained through a double process of fragmentation and containment—federalism and the separation of powers. By federalism, they meant the division of powers between the national government and the states, and in the one constitutional amendment demanded more insistently than any other, the Founding Fathers nailed it down: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the states, are reserved to the states respectively, or to the people." By separation of powers, they meant the distribution of authority among the executive, legislative, and judicial branches. Pendleton drew three circles, each touching but not intersecting the other two. To Madison, the concept embodied "the sacred maxim of free government." Hamilton believed this principle rested at the very heart of the Constitution. Separation of powers, said Jefferson, "is clearly the spirit of the Constitution."

So much for history. Those of us who cover Capitol Hill are hearing echoes every day. The same apprehensions that concerned Grayson and Henry and Mason in 1788 are sorely troubling such senators as Jesse Helms (R.-N.C.), Harrison Schmitt (R.-N.M.), and Dale Bumpers (D.-Ark.) today. The question hasn't changed in 191 years: How best do we impose restraints upon power?

For the past several years, the Internal Revenue Service has been endeavoring to rewrite Section 501(c)(3) of the tax code. This is the section under which certain exemptions are granted to educational institutions. Without a scintilla of authority from Congress, the IRS by its own naked fiat proposes to define approved educational institutions solely in terms of racial balance. Those institutions that meet IRS notions of racial acceptability would be exempt; contributions to such institutions could be deducted in the preparation of individual income tax returns. But those institutions found to be unsatisfactory would effectively be destroyed. It is the rare nonprofit school that could survive without Section 501(c)(3).

When the IRS first proposed this dictatorial decree, the public response was deafening. More than 100,000 protests poured in to Congress. Members of Congress complained that under the rule private schools would be guilty until they could demonstrate their innocence. The IRS was unmoved. Such is the arrogance of bureaucracy that the IRS declared its absolute determination to proceed willy-nilly. A group of outraged representatives in the House, led by Rep. Robert K. Dornan (R.-Calif.), and a handful of burned-up senators led by Sen. Helms wrote into an appropriation act a specific amendment to forbid the IRS from imposing its will.

Such policy-fixing amendments to appropriations acts ordinarily are ill-regarded. In theory, policies should be set by regular, substantive legislation. By the same token, it ordinarily is regarded as a bad piece of business—a violation of the principle of separation of powers—for Congress to provide itself with a legislative veto over the exercise of powers by an executive agency. But Sen. Schmitt, increasingly troubled by the swelling power asserted by the Federal Trade Commission, asked himself the old question: If the FTC abused its powers, how could the abuse best be prevented and the power most effectively restrained? Suppose, he says, Congress feels that a pending regulation on funeral parlors should not be imposed. The FTC is determined to impose it anyhow. Appellate review will take years and will put protesting funeral directors to enormous expense. Sen. Schmitt's answer—an answer that is commanding increasing support—is to provide that no trade regulation can become effective until Congress has had an opportunity to block the rule by legislative veto.

In ordinary court review, the regulations of an executive agency begin with a presumption of validity. It would be automatically supposed that the IRS had power to impose racial quotas upon private schools; it would be taken for granted that the FTC had power to make funeral directors itemize their prices. Sen. Bumpers has succeeded in upsetting this comfortable proposition. He sponsored an amendment directing the courts to dismiss such assumptions of validity and to examine every challenged regulation in terms of the basic legislation on which it is premised.

Congress is moving in other ways. The masters of our coins and currency are stuck with two lemons, the $2 bill reissued in the spring of 1976 and the Susan B. Anthony dollar issued last summer. In every conceivable fashion, the people have made it clear that they want no part of the two and the Susie. Cashiers in supermarkets routinely set the things aside for prompt return to banks. The bill and the coin were bureaucratic blunders. But will the bureaucracy accept the public's verdict? Not at all. The Treasury and the Federal Reserve, unabashed, appear determined to compel the people to use the two and the Susie by phasing out the $1 bill. This process could begin as early as next spring. Apparently, it will take an act of Congress to preserve the $1 bill as a medium of exchange.

An act of Congress, you will recall, was required a few years ago when the Transportation Department in an exercise of unbridled arrogance imposed upon the motoring public the infuriating device known as an ignition interlock. This sounded a loud and unceasing buzzer if a driver failed to fasten his seatbeat. Not until former Sen. James L. Buckley of New York obtained congressional action would the recalcitrant bureaucrats relent.

Examples could be multiplied endlessly. Our putatively free society has become a regulated society. Given the authority "to adopt rules and regulations having the force and effect of law," executive agencies have cast off the reins of self-restraint. Zealous men and women, eager to pursue their particular crusades, propose, adopt, and enforce their requirements upon businesses, individuals, and state and local governments. It is highly doubtful that Congress ever dreamed it was giving power to the bureaucracy to decree that equal sums must be expended on male and female athletics. I have yet to meet a member of Congress who will acknowledge having voted to prohibit father-son dinners, or boys' choirs, or all-girl school orchestras. Such lunatic rulings are the output of a bureaucracy gone beserk. How can such abuses be restrained?

It is an inadequate answer to say that the courts exist to override excesses of the executive branch. The federal courts themselves often exhibit an arrogance surpassing that of the regulatory agencies. In the beginning, it was supposed that the judiciary, having power over neither the purse nor the sword, would always be the weakest branch. The folly of Hamilton's supposition is demonstrated every day on the federal bench. The judge who enjoys life tenure has no fear of impeachment; that threat, as Jefferson said, is "not even a scarecrow." There is bound to be some effective way of preventing the Supreme Court from amending the Constitution in the guise of interpreting the Constitution, but no wise man has yet hit upon it.

We must keep searching. Wisconsin has an interesting approach. There, a legislative oversight committee of five members from each house has authority to suspend any rule or regulation of a state agency until the entire legislature can act upon it. This process is second-guessing the public officials who have been vested with responsibility in their particular areas, but some form of second-guessing may be required when the bureaucracy's first guesses are patently offensive.

There are no perfect answers, but the years have taught the wisdom of Jefferson's assertion that "free government is founded in jealousy and not in confidence." In questions of power, said the sage of Monticello, let no more be heard of confidence in man, "but bind him down from mischief by the chains of the Constitution."

Against the pervasive mischief of the federal bureaucracy, still stronger chains are needed now.●

AMERICAN HOSTAGES HELD BY IRAN

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. BEARD of Rhode Island. Mr. Speaker, I have wired the Honorable Donald F. McHenry, U.S. Representative to the United Nations, asking him to urge all member nations to refrain from buying oil from Iran until American hostages are released.

This reprehensible conduct must be rejected by all countries in order to preserve the common good.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations, or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, November 15, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

NOVEMBER 16

9:30 a.m.

Foreign Relations

To continue hearings on the following international treaties proposing human rights: the International Convention on the Elimination of All Forms of Racial Discrimination Treaty (Exec. C, 95th Cong., 2d sess.); the International Covenant on Economic, Social and Cultural Rights Treaty (Exec. D, 95th Cong., 2d sess.); the International Covenant on Civil and Political Rights Treaty (Exec. E, 95th Cong., 2d sess.); and the American Convention on Human Rights Treaty (Exec. F, 95th Cong., 2d sess.).

4221 Dirksen Building

Judiciary

To continue hearings on S. 1612, to create a statutory charter which defines the policy and intent of the investigative authority and responsibilities in matters under the jurisdiction of the FBI.

2228 Dirksen Building

10:00 a.m.

Appropriations

State, Justice, Commerce, the Judiciary Subcommittee

To resume oversight hearings to examine the effectiveness of the Federal Government's enforcement of drug law programs administered by the Drug Enforcement Administration, Department of Justice.

1318 Dirksen Building

Banking, Housing, and Urban Affairs

To continue hearings on S. 1937 and 1965, bills authorizing Federal loan guarantees to the Chrysler Corporation.

5302 Dirksen Building

Commerce, Science, and Transportation

To resume hearings on S. 1946, to provide railroads with more pricing rate flexibility and contract provisions.

235 Russell Building

Finance

Public Assistance Subcommittee

To hold oversight hearings on alleged fraud and mismanagement practices within HEW directed toward erroneous State payments to recipients of the Aid to Families with Dependent Children and Medicaid programs under the Social Security Act.

2221 Dirksen Building

Joint Economic

To resume hearings to examine the current unemployment trends and any relation thereto to the increase in criminal activity.

340 Cannon Building

10:30 a.m.

Judiciary

To hold hearings on S. 1179, to provide a Federal charter for the Gold Star Wives of America.

457 Russell Building

NOVEMBER 19

9:30 a.m.

Foreign Relations

To resume hearings on the following international treaties proposing human rights: the International Convention on the Elimination of All Forms of Racial Discrimination Treaty (Exec. C, 95th Cong., 2d sess.); the International Covenant on Economic, Social, and Cultural Rights Treaty (Exec. D, 95th Cong., 2d sess.); the International Covenant on Civil and Political Rights Treaty (Exec. E, 95th Cong., 2d sess.); and the American Convention on Human Rights Treaty (Exec. F, 95th Cong., 2d sess.).

4221 Dirksen Building

Judiciary

Improvements in Judicial Machinery Subcommittee

To hold hearings on S. 1981, to provide the Department of Justice with effective measures in pursuing fraudulent practices in dealings with the Federal Government.

6226 Dirksen Building

Judiciary

Jurisprudence and Governmental Relations Subcommittee

To resume hearings on proposed legislation to establish a non-profit corporation known as the State Justice Institute to further the development and adoption of improved judicial administration in the State courts in the U.S.

5110 Dirksen Building

10:00 a.m.

Agriculture, Nutrition, and Forestry

Foreign Agricultural Policy Subcommittee

To hold hearings on proposed food aid development programs to Cambodia.

324 Russell Building

Armed Services
Manpower and Personnel Subcommittee
To receive testimony on military recruiting practices by the U.S. Army.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
To resume hearings on S. 1937 and 1965, bills authorizing Federal loan guarantees to the Chrysler Corporation.
5302 Dirksen Building

2:00 p.m.
Judiciary
Business meeting, to mark up S. 1722 and 1723, bills to reform the Federal criminal laws and streamline the administration of criminal justice.
2228 Dirksen Building

NOVEMBER 20

9:00 a.m.
Select on Small Business
To resume hearings on the availability of investment capital to small businesses.
424 Russell Building

9:30 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices Subcommittee
To hold oversight hearings on the effect of casein (a protein derivative of milk and cheese) imports on the U.S. dairy industry.
324 Russell Building

Commerce, Science, and Transportation
Business meeting, to begin markup of S. 1656, to promote the development of a strong domestic fishing industry; S. 1863, to charter the nuclear ship *Savannah* to Patriots Point Development Authority, South Carolina, for public display; S. 1991, authorizing funds through fiscal year 1981 for the Federal Trade Commission; and to consider pending Coast Guard nominations.
235 Russell Building

*Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 1250, to develop techniques for analyzing and stimulating technological and industrial innovation by the Federal Government.
5110 Dirksen Building

Judiciary
Business meeting, to resume consideration of S. 1246, to protect against the growth of a monopoly power among major petroleum companies, and to encourage oil companies to invest profits back into oil exploration, research, and development; S. 702, to establish a pretrial diversion program within the Department of Justice; S. 608, a private relief bill; and to begin consideration of S. 414, to allow universities, nonprofit organizations, and small businesses to obtain limited patent protection on discoveries they have made under Government-supported research; and S. 68, a private relief bill, and pending nominations.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 1937 and 1965, bills authorizing Federal loan guarantees to the Chrysler Corporation.
5302 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To resume hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of the U.S. maritime policy.
235 Russell Building

Energy and Natural Resources
Energy Regulation Subcommittee
To resume hearings on S. 1684, to provide for the development, improvement, and operation of domestic refinery capabilities.
3110 Dirksen Building

Governmental Affairs
To resume oversight hearings on organizational and management aspects of the Department of Energy.
3302 Dirksen Building

Select on Indian Affairs
To hold hearings on S. 1730 and 1832, bills to declare certain lands in the States of Arizona and New Mexico to be Indian reservation lands.
1202 Dirksen Building

11:00 a.m.
Judiciary
Antitrust, Monopoly and Business Rights Subcommittee
To resume hearings on S. 334, to prohibit the acquisition and control of agricultural land by certain investors and foreign governments or foreign corporations.
6226 Dirksen Building

2:30 p.m.
Judiciary
Business meeting, to continue markup of S. 1722 and 1723, bills to reform the Federal criminal laws and streamline the administration of criminal justice.
2228 Dirksen Building

NOVEMBER 21

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 1937 and 1965, bills authorizing Federal loan guarantees to the Chrysler Corporation.
5302 Dirksen Building

NOVEMBER 26

10:00 a.m.
Select on Indian Affairs
To hold hearings on S. 1855, authorizing funds through fiscal year 1982 to provide technical assistance for tribally controlled community colleges.
5110 Dirksen Building

NOVEMBER 27

9:00 a.m.
Select on Small Business
To resume hearings on the availability of investment capital to small businesses.
424 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Business meeting to consider pending committee business.
235 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings to examine U.S. and East-West trade and technological competitiveness, focusing on S. 339, to provide identical requirements for determining the eligibility of any Communist state for "most favored nation" status and Export-Import Bank credits, and for reviewing and limiting such credits; S. Con. Res. 47, to approve the extension of nondiscriminatory treatment with respect to the products of China; and to review a report prepared by the Office of Technology and Assessment entitled "Technology and East-West Trade".
5302 Dirksen Building

NOVEMBER 28

9:00 a.m.
Select on Small Business
To continue hearings on the availability of investment capital to small businesses.
424 Russell Building

Select on Small Business
To hold hearings on adapting social security to a changing work force.
1224 Dirksen Office Building

9:30 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices and Foreign Agricultural Policy Subcommittees
To hold joint hearings to examine the implications of grain sales to the Soviet Union on the U.S. transportation system.
457 Russell Building

Judiciary
Limitations of Contracted and Delegated Authority Subcommittee
To resume hearings to discuss various aspects of issues relative to the investigation of alleged mismanagement practices within the General Services Administration.
6226 Dirksen Building

10:00 a.m.
Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

Rules and Administration
Business meeting, to consider a proposed revision in the procedures used to allocate funds to Senate Committees; and other legislative and administrative business.
301 Russell Building

Select on Indian Affairs
To hold hearings on S. 1466, to provide for distribution of certain judgment funds in favor of the Delaware Tribe of Indians and the absentee Delaware Tribe of Western Oklahoma.
1202 Dirksen Building

NOVEMBER 29

8:00 a.m.
Agriculture, Nutrition, and Forestry
Rural Development Subcommittee
To hold oversight hearings on the implementation of rural housing programs relative to loan guarantees administered by the Farmers Home Administration and the Department of Housing and Urban Development.
324 Russell Building

9:30 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices and Foreign Agricultural Policy Subcommittees
To continue joint hearings to examine the implications of grain sales to the Soviet Union on the U.S. transportation system.
457 Russell Building

Judiciary
Limitations of Contracted and Delegated Authority Subcommittee
To continue hearings to discuss various aspects of issues relative to the investigation of alleged mismanagement practices within the General Services Administration.
6226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To resume hearings on S. 1937 and 1965, bills authorizing Federal loan guarantees to the Chrysler Corporation.
5302 Dirksen Building

Governmental Affairs
Oversight of Government Management Subcommittee
To hold hearings on Federal agencies spending practices that occur just prior to the end of the fiscal year.
1318 Dirksen Building

Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

NOVEMBER 30

8:00 a.m.

Agriculture, Nutrition, and Forestry
Rural Development Subcommittee

To continue oversight hearings on the implementation of rural housing programs, relative to home weatherization serving rural areas.

324 Russell Building

DECEMBER 4

10:00 a.m.

*Select on Indian Affairs

To hold hearings on S. 341, 1795, and 1796, bills authorizing certain Indian tribes to file claims for damages for delay in payment for lands claimed to be taken in violation of U.S. laws.

5110 Dirksen Building

DECEMBER 5

10:00 a.m.

Rules and Administration

Business meeting, to resume consideration of a proposed revision in the procedures used to allocate funds to Senate Committees; and other legislative and administrative business.

301 Russell Building

DECEMBER 6

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold oversight hearings to insure equitable mortgage lending practices.

5302 Dirksen Building

DECEMBER 7

10:00 a.m.

Banking, Housing, and Urban Affairs

To continue oversight hearings to insure equitable mortgage lending practices.

5302 Dirksen Building

Joint Economic

To resume hearings on the employment-unemployment situation and price data information for November.

Room to be announced

DECEMBER 11

9:30 a.m.

Select on Small Business

To hold hearings on the structure of the solar energy industry.

424 Russell Building

DECEMBER 12

9:00 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee

To hold hearings on the scope of laser research and technology, focusing on the principal applications of lasers and future expectations from lasers.

235 Russell Building

9:30 a.m.

Select on Small Business

To continue hearings on the structure of the solar energy industry.

424 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs
International Finance Subcommittee

To hold oversight hearings to review international monetary policy relative to the Eurodollar currency.

5302 Dirksen Building

DECEMBER 13

10:00 a.m.

Banking, Housing, and Urban Affairs
International Finance Subcommittee

To continue oversight hearings to review international monetary policy relative to the Eurodollar currency.

5302 Dirksen Building

DECEMBER 14

9:00 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee

To resume hearings on the scope of laser research and technology, focusing on the principal applications of lasers and future expectations from lasers.

235 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs
International Finance Subcommittee

To continue oversight hearings to review international monetary policy relative to the Eurodollar currency.

5302 Dirksen Building

JANUARY 15, 1980

10:00 a.m.

Banking, Housing and Urban Affairs
International Finance Subcommittee

To hold hearings to examine U.S. trade and technological competitiveness with other industrialized countries, focusing on a report by the International Trade Commission on international trade in integrated circuits relating to the electronics industry.

5302 Dirksen Building

CANCELLATIONS

NOVEMBER 21

10:00 a.m.

Rules and Administration

Business meeting, to consider legislative and administrative business.

301 Russell Building

DECEMBER 4

10:00 a.m.

Select on Indian Affairs

To hold hearings on S. 1507, to provide for the purchase of certain facilities, lands, and water rights in and around the San Luis Rey River and Lake Henshaw, Calif., to be operated and maintained by specified bands of Mission Indians.

Room to be announced

SENATE—*Thursday, November 15, 1979*

(Legislative day of Monday, November 5, 1979)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by Hon. HOWELL HEFLIN, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

O Thou who withholds no good gift from those who walk uprightly and call upon Thee with sincere hearts, help us this day to think upon what is true and just and righteous in Thy sight. Grant us grace to speak prudently when we must speak; to remain silent when we have nothing to say; to learn by listening; to be unafraid of the hard decision; to act according to Thy will insofar as we understand it and to leave the consequences to Thy providence. Reward our faithfulness by souls at peace with Thee. This we pray in Thy holy name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., November 15, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HOWELL HEFLIN, a Senator from the State of Alabama, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. HEFLIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in adjournment for 2 seconds.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Thereupon, at 9:02:26 a.m. on Thursday, November 15, 1979, the Senate adjourned until 9:02:28 a.m., the same day.

AFTER ADJOURNMENT

THURSDAY, NOVEMBER 15, 1979

The Senate met at 9:02:28 a.m., pursuant to adjournment, and was called to order by Hon. HOWELL HEFLIN, a Senator from the State of Alabama.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

ORDER OF PROCEDURE, AND ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no resolutions come over under the rule, that no action be taken in accordance with rule XIV of the standing rules, and that morning business be for not to exceed 5 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

ORDER TO RESUME CONSIDERATION OF THE UNFINISHED BUSINESS—HOME ENERGY ASSISTANCE ACT (S. 1724)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of the orders, the Senate resume the consideration of what has now become the unfinished business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

BIRTHDAY WISHES TO THE MINORITY LEADER

Mr. GOLDWATER. Will the Senator yield for an observation?

Mr. ROBERT C. BYRD. Yes, for two of them.

Mr. GOLDWATER. I thank the majority leader.

Mr. President, I merely want to observe that today is a certain birthday—I do not know which one—of the minority leader. I just want to wish him well. It may be 39 and holding, or 35, or 45 We do not know the age of our Republican candidates.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Arizona for the timely and pertinent observation he has made. I join with him in congratulating the distinguished minority leader, the Senator from Tennessee (Mr. BAKER), on his 35th birthday. I wish him many happy returns of the day and many, many more happy birthdays.

Mr. BAKER. Mr. President, I must say that I am overwhelmed by the offers of good wishes by my respected colleague from Arizona and the majority leader.

I can only observe that on the reference to my 35th birthday, there was polite but discernible laughter that rang through the Chamber.

I observe as well that I have reached that place in life where I am perfectly willing to skip a birthday or two.

Having observed that, I express my appreciation for the good wishes of the majority leader and the Senator from Arizona, who are both not only colleagues but also dear friends.

Mr. PRYOR. Will the majority leader yield to me for just a moment?

Mr. ROBERT C. BYRD. Yes.

BIRTHDAY OF AVERELL HARRIMAN

Mr. PRYOR. Mr. President, in addition to wishing our distinguished minority leader a happy birthday today, I point out that our distinguished minority leader also shares a birthday with another famous American. That famous American who is celebrating his 88th birthday today, is Averell Harriman.

Averell Harriman, of course, has been a great servant of this country. In his 88 years he has served as Governor of New York, as our Ambassador to the Soviet Union and to Great Britain, as President Truman's national security adviser during the Korean war, as Secretary of Commerce during the Truman administration, and as the chairman of our delegation to the Paris Peace Conference in 1968. These are but a few of the many, many activities and duties of unselfish service rendered by Governor Harriman to this country.

I, too, would like to mention those two birthdays today. I especially wanted to rise and wish my distinguished neighbor from Tennessee a happy birthday and many more to come.

Mr. BAKER. Mr. President, if the Senator will yield, I thank the Senator from Arkansas for his good wishes and the high compliment paid in coupling those remarks with remarks on our distinguished fellow citizen, Averell Harriman, for whom I have such a high regard and respect. Indeed, he has contributed much to this country.

I might say as well that the distinguished Senator from Arkansas is, indeed, a neighbor. Tennessee and Arkansas have for years enjoyed a common unfortified boundary. I can assure him that our affection for his State and our respect for him will continue for many years to come.

Mr. ROBERT C. BYRD. Mr. President, to my friend from Tennessee:

Count your garden by the flowers,
Never by the rains that fall;
Count your days by the sunny hours,
Not remembering clouds at all.
Count your nights by stars, not shadows;
Count your life by smiles, not tears;
And on this beautiful November morning,
Count your age by friends, not years.

Mr. BAKER. Mr. President, if the majority leader will yield, I have the temerity to suggest that were it not for the implicit immodesty involved, I would ask that be printed as an official document of the Senate. But for fear it might be misunderstood, I will withhold the request and express my appreciation to the majority leader, who is clearly not only a great parliamentarian and leader but also a potential poet laureate of the United States.

The ACTING PRESIDENT pro tempore. The Chair would have to comment in its capacity as chairman of the Ethics Committee that it would have to rule on the merits of that if it were to come before the committee.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized.

Mr. BAKER. Mr. President, the minority leader is speechless.

I yield back the remainder of my time under the order.

RECOGNITION OF SENATOR PRYOR

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Arkansas (Mr. PRYOR) is recognized for not to exceed 15 minutes.

GOVERNMENT CONSULTANTS

Mr. PRYOR. Mr. President, last Friday, November 9, the Senate adopted an amendment I offered to the fiscal year 1980 Department of Defense appropriation bill. My amendment will reduce by $100 million the amount of funds appropriated under this act to pay for the compensation of so-called "experts" and "consultants."

The problem of increasing dependence on consultants and experts is one of growing concern to me, as I am sure it is to my colleagues. It is a problem which has consumed a great deal of my attention and time in the past few months and about which I have some very strong feelings.

It is a problem which exists, not just at the Department of Defense, but at every Federal agency and department. The use of consultants is going virtually unchecked.

The costs and numbers of consultants employed by the Government are astoundingly high, with estimates which run into thousands of people and cost figures exceeding $2 billion. The fact that we cannot seem to get a handle on, or even a ballpark figure of, the number of consultants hired by our Government should serve as a clear signal to us that the Congress must take some steps in controlling the use of consultants. I am afraid we as elected Members of Congress have abdicated our responsibility to the agencies and now the agencies are abdicating their responsibility to private firms for a profit.

For the past 35 years, Congress, as an institution, has routinely delegated many of its responsibilities and obligations to the executive branch and to the departments and regulatory bodies of the Government.

Now, Mr. President, in 1979, as we are about to begin a new decade, we find that the same governmental entities to which we have delegated these responsibilities are in turn now delegating these obligations to consultants and contractors from the private arena. I believe these consultant firms—this "invisible bureaucracy"—is pervading our governmental system and in some cases is literally taking over the decisionmaking process of our Federal Government.

The Government use of private consultants, as I have learned—and I have asked my staff to ask some very hard questions relative to this matter. I have learned that President Carter also asked these same questions on April 12, 1977, in a memorandum on consultants to then Director of the Office of Management and Budget, Bert Lance.

Mr. President, I ask unanimous consent that at the end of my statement, this memorandum from the President to Mr. Lance be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PRYOR. Mr. President, both the President and I, were interested in knowing—and still are—how many consultant contracts the Federal Government awards each year, the benefits the Government derives from these services, and how much money the Federal Government spends for these services. In response to the President's concerns, the Office of Management and Budget issued Bulletin 78–11 on May 5, 1978, which defined what a consultant service is and set forth certain controls and policies that were intended to eliminate many of the consultant abuses which the President stated he wanted "corrected without delay." There has been a long delay. There have been no real corrective steps since that time.

Two and one-half years after the President expressed his concern, not only do we not know how many consultants and experts are being used by the Federal Government, but we are not even sure what some of these people do for the Federal Government, how much their services cost the American taxpayer, or even why they were retained in the first place.

Although no exact figure has been compiled on how much the Federal Government spends for advice or studies, my research to date indicates that the amount is in the $2 billion range. Although I have not been able to discern any pattern to hiring practices, an overwhelming majority of consultants appear to gain access to Federal money as a result of friendships and previous contracts, rather than as a result of ability. More often than not, there exists absolutely no justification for the particular contract in the first place. The lists of abuses which I have been able to develop in the short time of my investigation looks more like "Ripley's Believe It or Not," rather than legitimate Government procurements. For example:

The Department of Energy awarded a sole-source (no-bid) consultant contract to an ex-employee of the Department to do the same type of work that the individual did when he was the Director of the Office of Energy Information Services. Except, the individual was paid $360 per day as a consultant as compared to the $169 a day that he received as a DOE employee.

In another instance, DOE hired a consultant firm to work on the budget it presented to Congress. The consultant firm not only prepared fancy Madison Avenue visual aids, but also prepared the narrative that the Assistant Secretary could use in testifying before the various subcommittees in Congress.

DOE has 19,000 employees—and we still have to hire consultants to perform the work that should be done "in-house."

Mr. President, I hate to keep holding up examples from the Department of Energy—they are certainly not the only guilty party—but their frequent use of consultants makes them particularly vulnerable. In one instance, their own Inspector General warned them about a contract that he considered questionable and I certainly understand his reasoning.

DOE awarded a consultant contract for $127,000 to Price Waterhouse and Co. to study and review DOE's plans for auditing the major oil companies. The Inspector General objected because Price Waterhouse just happens to be independent public accountant for 5 of the top 10 petroleum companies. In the Inspector General's report, he comments:

> The general public may find it difficult to understand why the Government is asking a public accounting firm, so closely associated with the oil industry, to provide this important audit assistance regarding compliance with the Government pricing regulations.

In other words, I believe the Inspector General, quite rightly, was warning against asking the fox to guard the chickenhouse.

In another case, HEW deserves credit for at least recognizing when it has made a mistake in hiring a consultant. It recently fired a hundred-dollar a day consultant who was employed to evaluate federally funded educational programs. The finished report contained sentences such as "the objectives did not specify to the quantifiable of the success of the proposed program." HEW paid this consultant at least $900 for contributing such insights. An HEW spokesman assures us it was "just one of those things. After all," he continues, and I am quoting his words exactly, "nobody are perfect."

Not all consultants are called upon to write long reports. HUD paid a consultant $1,500 to stuff a standard HUD form into a grant application to HUD. The consultant stated that it took him 4 days at $350 a day to insert the form into the package. Later, the HUD Inspector General, in a classic understatement, called the consultant fee "unrealistic." I'm just glad they did not contract for him to put the stamp on the envelope, too.

Ignoring results of completed studies is not unusual. A General Accounting Office study shows that of the Department of Defense consultant contracts reviewed, the finished product of 38 percent were never used.

Recently, a Washington Post article by Jonathan Neuman reported an incident where a Washington consulting firm, Mariscal & Co., was paid $29,000 by the Department of Health, Education, and Welfare for work never done. This firm was under contract to study why there is so much waste in the administration of the Nation's welfare system. Quite frankly, I think this firm was involved in collecting its own form of welfare from the American taxpayers.

Mr. President, I ask unanimous consent to have this article printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 2.)

Mr. PRYOR. Mr. President, who awarded this contract? Why was this firm chosen over others? These are the larger questions.

Mr. President, I might tell my colleagues at this time that I have requested the Inspectors General of each agency which has entered into consultant contracts with Mariscal and Co. to review each contract and to report their findings to the Subcommittee on Civil Service and General Services forthwith.

The only word I can find to describe these practices is "rip-off." The American taxpayer is being ripped-off. If we are ever to bring this situation under control, there are certain questions which we must answer.

First. We pay $5 million a day in taxpayer funds for consultants. What do we get in return?

Second. What checks and balances exist?

Third. How does one become a consultant?

Fourth. How does one get a consultant contract?

Fifth. Are consultant contracts awarded on a competitive basis?

Sixth. What qualifications are used as a basis for selecting consultants?

Seventh. Who determines whether the work can be done inhouse or whether it requires the services of a consultant?

Eighth. What guarantees of performance are required?

These are the questions which will shape the legislation I will introduce in the near future, known as "The Consultants' Sunshine Law."

On October 12, 1979, the Subcommittee on Civil Service and General Services, which I chair, held the first of a series of hearings on these questions and on the Federal Government's growing reliance on consultants and experts. On November 2, I also chaired the Governmental Affairs Committee oversight hearing on the use of consultants at the Department of Energy. I plan to continue these hearings and my investigation into this subject by examining practices at various Federal agencies and departments.

One witness, at the October 12 hearings, was a retired naval officer who testified under oath about the abuses with which he became familiar while working as a DOD consultant. During his 4 years as a consultant he testified to witnessing or participating in the completion of approximately 70 contracts totaling nearly $5 million, of which 94 percent were with the Department of Defense. Ninety-three percent of those were awarded on a sole source basis, that is, without competitive bids.

The witness testified to abuses, such as lack of competition in contracts by awarding either sole source contracts or what are known as "wired contracts", these were advertised to the public, but agreements had already been reached to award them to a particular consultant; use of security classifications arbitrarily applied as qualifications to limit competition; subdivision of contracts to avoid close scrutiny; exclusive information to contractors who "became cozy" with Government officials; improper billing by contractors to secure bonuses, first-class travel, and payment for such personal items as automobiles.

In addition, like findings have also been confirmed and documented by the General Accounting Office and the House Appropriations Subcommittee on Surveys and Investigations in February, 1977. The House report reviewed the Department of Defense's contract studies and analyses and reported that "there was found an abysmal lack of uniformity making it impossible to gather accurate study data." Further, according to the House report, "the many abuses make it doubtful the Department of Defense is adequately preserving the integrity, credibility, and even, the honesty of the negotiating method of procurement."

By allowing these practices to go unchecked and by permitting consultants virtually a "free rein" to cultivate those responsible for handing out fat Government consulting contracts, we have literally granted a hunting license to this "other government." Their prey, however, I am afraid, is the American taxpayer.

Mr. President, even though I often feel that I am fighting a grizzly bear with a switch, persistence shall prevail, before the bear eats us alive.

EXHIBIT 1

THE WHITE HOUSE,
Washington, April 12, 1977.

TO BERT LANCE: Pursuant to our conversation, prepare for me a one-page form for describing consultant contracts in effect in our government.

Include such items as:

(a) Name of consulting firm;
(b) Principals & special qualifications;
(c) Name of project;
(d) Information/advice to be derived;
(e) Total fee being paid to consultant;
(f) Date work commenced;
(g) Date work to be completed;
(h) Degree of need or benefit;
(i) Agency head recommendation.

Please expedite.

J. CARTER.

EXHIBIT 2

CONSULTING FIRM PAID $29,000 BY U.S. FOR WORK NEVER DONE

(By Jonathan Neumann)

Top executives of a Washington consulting firm fraudulently collected at least $29,000 in federal funds after the government gave their firm a contract to study why there is so much waste in the administration of the nation's welfare system, according to present and former employes.

An examination of personnel records and interviews with 18 employes of Mariscal and Co., the consulting firm, show that four company officials billed and collected salaries from the government for at least 84 days in which they did not work on the consulting study.

The study itself, a one-year project that cost the Department of Health, Education, and Welfare $184,000, was characterized as virtually meaningless by most of the consultants who worked on it, including the project manager.

Consultants said in on-the-record interviews that the study was hastily commissioned when HEW found itself with unspent money at the end of the fiscal year and that the firm, which was chosen by a process that does not require competitive bidding, submitted a proposal for the study that was written in less than 24 hours.

The interviews also disclosed that most of the people who worked on the study, including the project manager, considered themselves unqualified to conduct the research and that the data gathered was incomplete and ambiguous.

The consulting firm also ran out of its initial government money two months before the project was to be finished. So in July it asked for—and was immediately given—an additional $23,050.

Mariscal is one of hundreds of consulting firms in Washington, many of which survive on federal funds available for a seemingly endless variety of studies.

The federal government awards thousands of consulting contracts each year—many on a no-bid basis—totaling billions of dollars. There are no precise figures because the government has no central accounting system to track or audit consulting contracts.

In recent years, federal investigators and auditors in various departments have found growing problems of fraud, fund misuse and unaccountability in consulting firms. But the government has done little to control or even monitor the consulting industry.

Barry Rosenberg, a former vice president at Mariscal and Co., described his firm's one-year study as a "complete rip-off. It's a terrible, terrible study. The taxpayer is just throwing money down the tubes."

Samad Hafezi, the project manager for the study, described the rolls of both the federal government and the consulting firm as "chaotic and fruitless." He said he eventually refused to sign invoices from the firm to the government because he feared he might be authorizing the theft of federal funds.

"I couldn't do my job anymore because of all the false billing by company officials," Hafezi said.

According to company records and interviews:

The company's president, Manuel Aragon, a former deputy mayor of Los Angeles, billed the government for 23 days of work on the welfare study, for which he and the firm were paid a total of $8,167.93. Twelve people who worked on the study, including project manager Hafezi, said that to their knowledge, Aragon did not actually work on the project. Aragon denies that he billed falsely.

Three other officials of the firm billed HEW for days that they did not actually work, according to the project manager and others.

Roberto Moreno, a vice president, falsely billed HEW for 12 days totaling $3,482.31. Moreno denied in an interview that he ever billed falsely.

Rosenberg falsely billed HEW for 30 days totaling $9,397.31. Rosenberg said in an interview that false billing was a common practice at Mariscal and Co. "This was a black period in my life," he said. "I tried very hard not to compromise myself, to bill honestly. . . . But I'm afraid I did compromise myself . . . I'm not proud of it at all."

William Holleran, an associate of the firm, falsely billed HEW for 18 days totaling $7,931.59. Holleran acknowledged that he had billed to the project for days he had not actually worked on it, but said he later worked nights and weekends to try to make it up.

Aragon's weekly timecards from Oct. 1, 1978, to Oct. 1, 1979, contain billings to several government agencies under contracts held by the firm for 160 days work, totaling $46,396.17 in federal payments. The timecards bear the company president's signature in several different handwritings. Secretaries said they routinely filled out and signed Aragon's timecards in his absence, billing to the numerous contracts arbitrarily, while Aragon at times did not even know what was on the timecards.

In an interview last Wednesday, Aragon insisted that all of his billings were accurate and that he personally signed all of his timecards. Yesterday, Aragon said that he had rechecked his records and found that he was "in error" during the interview. He said someone else signed his timecards on a number of occasions at his direction. He maintained, however, that the billings were accurate.

Robert Mariscal, the owner of the company, denied all charges of wrongdoing by people in his firm.

Mariscal acknowledged that he spent much of the past year in Las Vegas, where he oversaw the opening last summer of a new hotel and casino, the Navada Palace. Mariscal is the chairman of the board and the majority stockholder of the casino.

"To my knowledge, there has never been anybody in the [consulting] company who has intentionally ripped off a contract," he said in an interview.

In a lengthy interview at the firm's Georgetown office, Aragon, Moreno and vice president Robert Graulek said the allegations against the firm were coming from a group of disgruntled former employes.

"There are about 20 former employes who are very unhappy," Aragon said.

"They hate us, there's no doubt about it," Moreno said.

Based on interviews with employes of Mariscal and of the federal government, this is the story of the welfare study contract:

In late August 1978, near the end of the fiscal year for HEW, several million dollars of contract money was still unspent at the Social Security Administration (SSA).

Two officials of the SSA's Office of Family Assistance, Ludwig Guckenheimer and Jacques Wong, had several ideas for contracts that could be awarded.

Earlier consulting studies had found that the largest portion of the nation's welfare system—a program called Aid to Families with Dependent Children (AFDC)—was costing the government too much because of waste in administration. The annual budget for AFDC was $6.7 billion.

Guckenheimer and Wong decided to hire a consulting firm to study why administrative costs were excessive. They prepared a questionnaire that would be sent to welfare offices in all 50 states to attempt to determine where the waste was.

The money that was available to fund this study fell into a special category in which the contracts were to go to small, minority-owned firms, on a no-bid basis.

Mariscal and Co. is classified as such a firm because its owner, Robert Mariscal, is a Mexican-American. His company is one of the largest minority-owned firms in the nation eligible for this program, with offices in Washington, Los Angeles, San Francisco and Phoenix. It handles about $1.9 million a year in contracts, most of which are publicly funded.

When Guckenheimer and Wong decided to contact Mariscal and Co. about the possible contract, they called John Broglie of their procurement office. Broglie called Aragon at Mariscal.

"Aragon told me of the AFDC offer," recalls Rosenberg, who was then the vice president for administration at Mariscal. "I had about 24 hours to write up a formal proposal to send to the government."

"Barry [Rosenberg] and I spent a few hours writing the proposal," said Mitchell Diamond, a consultant at the firm. "It was obvious that the government didn't know exactly what they wanted. This was the end of the year money they had to spend so they could use up their budget.

"So we wrote a couple of pages that didn't say anything, but we knew they'd accept it," Diamond said.

They wrote three pages discussing the proposal in general terms, beginning with the sentence: "Administrative costs in AFDC have demonstrated a continuing upward trend in recent years which has exceeded the growth rate in caseload expenditures."

The proposal estimated that the cost of data collection and data analysis studies would be about $180,000.

Aragon negotiated with the government during the next few weeks over the cost of the contract. On Sept. 25, 1978, Mariscal was awarded a contract for $161,245. Rosenberg was to oversee the administration of the project at Mariscal. The firm hired Hafezi, a former welfare official in Iran who had applied for a job earlier that summer, to be the manager of the project.

According to the contract, the government would collect the data—the questionnaire results from the states—and the consulting firm would analyze it.

"From the beginning," Hafezi recalled, "it was obvious we were going to face a lot of problems with data reliability and credibility. The questionnaire was not designed in a professional, proper way."

"There was no instruction manual for the survey," Rosenberg said. "The states were not told how to answer the questions. The data coming back would not be uniform and might well be useless."

Rosenberg and Hafezi voiced their concerns to Guckenheimer and Wong. But it was too late. The questionnaires had already gone out. They could not be changed.

Hafezi said that he did not know what to do. He wanted to keep the job—which paid him $25,000—but he was afraid it was meaningless work. He told Rosenberg of his concern.

Rosenberg, who says that in retrospect he is not proud of his role at Mariscal, recalls telling Hafezi: "Look, they're paying us a lot of money to do this. Don't complain. Do your job. I don't know what they [the federal government] want, either, but as long as they keep giving us money I won't complain."

For the first several months of the contract, Hafezi and others went to several states to meet with AFDC officials to discuss the questionnaire. Each month Hafezi wrote a "progress report" that went to the federal government. In it, he would say the study was advancing with no serious problems.

"I know the reports didn't really say anything," Hafezi recalled. "But what could I do? I wanted to keep my job."

In January, about three months after the study began, Guckenheimer and Wong decided to cut off the survey. At that point, 28 states had been contacted. The original plan was to survey all 50 states, but the federal officials thought that 28 states would be sufficient.

"I don't understand why they cut it off," Hafezi said. "This was not a representative sample or anything else scientific. It made no sense."

Many of the questions addressed to the 28 states were left unanswered. Statistical experts hired to compile and analyze the data found that on some key questions, as few as eight states had responded.

"The answers were in no way uniform," said one data analyst, who asked not to be named. "The same question was answered in four different ways by four states: in one, the response was in dollars; in another it was dollars per case; in another it was in manhours, in the fourth, the answer was in percentages. The data was useless."

Richard Clark, an attorney who works for the Department of Housing and Urban Development but formerly worked at Mariscal, was one of those who reviewed the data in the AFDC study.

"It was inadequate, no one can doubt that," Clark said in an interview. "We told the government all those things, but they didn't do anything about it."

So the firm continued to process and analyze the data, although the consultants believed the project was meaningless.

Hafezi admits that he had no statistical background, and he realized that he was not actually qualified to do the job assigned to him.

"Almost everyone working on the project was not properly qualified," he said.

But by April, Hafezi had other worries. One of his jobs each month was to gather and approve employes' billings for the project. He would sign the invoices to the federal government.

Hafezi became worried because he continually received billings to the project from people whom he had not asked to work on it, and who had not, in fact, worked on it on the days for which they had billed.

Among those who falsely billed were Aragon, Moreno, Rosenberg and Holleran, Hafezi said.

Rosenberg and Holleran worked on the project, but they did not work all of the days that they billed for, Hafezi said. Moreno did almost no work on the project, he said. Aragon did no work on the project, he said.

Hafezi's assessment of the roles of those four men was confirmed by 11 other people who worked at Mariscal.

Hafezi complained to his superiors about what he saw as false billing.

Moreno, in an interview, said he knew of no false billing, and said that Hafezi and the others who complained of it were being "ridiculous."

Holleran said that at one point, he conceded to Hafezi that he had billed for work on the AFDC project. He said he agreed to work nights and weekends to make up the work.

Others at the firm described Holleran as a "hard working" and "honest" man who was caught up in a dishonest system. They said that he, like others at Mariscal, was told to bill to certain contracts even if they did not work on the contracts.

Rosenberg said he was aware that false billing was a common practice at Mariscal.

"I refused to have anything to do with money. I refused to sign invoices," Rosenberg said. "We had constant difficulties with the West Coast offices—people always billing for work they hadn't done. This was much worse in other federal contracts."

William Elsey, another former vice president of the firm who quit because he was not paid, said in an interview: "Frankly, as far as I know, that [the AFDC study] was one of the cleaner contracts at the company . . . There was false billing all the time in the CSA [Community Service Administration] contract and a lot of false billing from the West Coast."

Aragon's account of his work at the firm differs sharply from the accounts of many staff members.

Aragon said that he worked an average of five or six days a week in the office, usually putting in 10 or 11 hours a day. He said he kept track daily of the projects he worked on, and filled out and signed his timecard at the end of every week.

Eighteen other employes of Mariscal said they never saw the president in the office five days a week. At an average, they said, he was in the office one day a week.

Frances Estes, formerly an office manager at Mariscal, said:

"I handled the time sheets for probably two years. Manuel [Aragon] would say, "Fill it out the opposite of the way it was filled out last week. Whichever contract had the most money on it, he would want to bill to it, whether he worked on it or not . . .

"I think he probably worked once in awhile, but it wasn't on the contract he billed to. He wouldn't even know half the time what he was billing to. I'd have to tell him."

Others in secretarial positions also said they filled out and signed timecards for Aragon.

An examination of Aragon's weekly timecards during the 12 months of the AFDC study showed that his signature differs quite dramatically on different weeks.

Asked last Wednesday to respond to what employes said of his working hours and billing, Aragon said: "There's a conflict here." Asked then about the discrepancies in his signatures, he said "Well, you know, sometimes you sign these things quickly."

He insisted in that interview, however, that he—and no one else—signed all of his time cards.

Yesterday, Aragon said he rechecked his records, and found "I was in error" during the first interview. He said that in May, June, July and half of August, "I didn't sign any of my timecards." He said secretaries signed for him.

"I was working mostly in my home during that period because of the pressure at the office," Aragon said. "I called in and asked secretaries to sign for me. It's not ideal practice, but as far as I can determine it's not illegal."

He said he chose not to come into the office because so many employes were unhappy. He said the company had "money problems," and could not pay all of its bills or expenses to employes.

Aragon billed to the AFDC contract for 25 days. Project manager Hafezi said that he knew of no work Aragon did on the study. However, he said Aragon might have been justified in claiming salary for two days over the course of the year for any informal conversations or phone calls he had in connection with the project. Thus, Hafezi said, Aragon falsely billed for 23 days.

By mid-July, because more people had billed to the project than had been planned, the project ran out of funds. It used up its $161,245 budget two months early.

So the company wrote to the federal government asking for more money. Hafezi, who said the reason for the overspending was false billings, refused to sign the letter to the government. Moreno signed the letter. In it, he explained that the government could actually save money by authorizing another $23,050 for the project.

By September, Hafezi refused to sign any invoices to the government. Rosenberg, Elsey and several others he had worked with had already quit in frustration. Still others had been fired for lack of funds or because they complained too much.

Graulek and Moreno took over Hafezi's financial duties.

In late September, Aragon fired Hafezi. "Samad," he told him, "we have no more billings for you. You can leave on October 1."

The report was supposed to be completed and in the hands of the government by Oct. 1. But it was not ready.

In late September, Wong and Guckenheimer read a partial draft of the report. They rejected it, and asked for changes. The consultants are still working on the report.

"They're not paying us for the work now," Aragon said. "The cost is coming out of our pockets. In the end, we're going to take a loss on this thing. We're going to be $3,000 or $4,000 in the red on this project in the end."

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, how much time remains to the majority leader and the minority leader under the original time allotted? How much time was yielded back?

The ACTING PRESIDENT pro tempore. The majority leader has 7½ minutes remaining. The minority leader has yielded back all his time.

Mr. ROBERT C. BYRD. How much time did the minority leader yield back?

The ACTING PRESIDENT pro tempore. He yielded back 9 minutes.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I ask unanimous consent that I may put in a quorum call and that the time may be charged against the time of the two leaders.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER PLACING REMAINING STANDING ORDER TIME UNDER CONTROL OF MAJORITY LEADER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time remaining under the orders for the two leaders be placed under my control for possible use later in the colloquy that is about to occur.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MUTUAL DEFENSE TREATY TERMINATION

Mr. ROBERT C. BYRD. Mr. President, as my colleagues are aware, the case of Goldwater against Carter seeks to restrain the administration from terminating the mutual defense treaty between the United States and Taiwan. On October 17, 1979, the U.S. district court for the District of Columbia issued a restraining order against Secretary of State Cyrus Vance, barring him from terminating the treaty at the end of this year unless and until that notice of termination is approved as was declared in the order issued by the U.S. district court for the District of Columbia.

That same order declared that the defendant President Carter's notice of termination of the 1954 mutual defense treaty between the United States and the Republic of China "must receive the approval of two-thirds of the U.S. Senate or a majority of both Houses of Congress for that notice to be effective under our Constitution to terminate the Defense Treaty of 1954."

That decision has been appealed. Oral arguments before the Court of Appeals for the District of Columbia circuit were heard on November 13.

I think it would be helpful to review the legislative history on this matter.

On December 15, 1978, President Carter served notice that the United States intended to terminate its mutual defense treaty with Taiwan in 1 year. This was in accordance with the treaty provisions, which require a 1-year notice of intent to terminate by either side.

On January 18, 1979, the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) introduced Senate Resolution 15, which stated as follows:

> That it is the sense of the Senate that approval of the United States Senate is required to terminate any mutual defense treaty between the United States and another nation.

On February 22, 1979, Senator HARRY BYRD introduced a sense of Congress resolution, Senate Joint Resolution 3, with the same wording as Senate Resolution 15.

In March of this year, the full Senate undertook consideration of S. 245, a bill to provide unofficial commercial and cultural ties with Taiwan. During the debate on S. 245, Senator HARRY BYRD of Virginia offered as an amendment to S. 245 the language he had proposed in Senate Resolution 15.

The Harry Byrd amendment presented an issue of major importance. It was my feeling that to allow full debate, the matter should be reviewed in committee and reported to the Senate as a separate item. At my request, the Senator from Virginia graciously withdrew his amendment, and by unanimous consent, Senate Resolution 15 was referred to the Committee on Foreign Relations with instructions. The instructions included the provision that the resolution be made the pending question before the full Senate no later than 90 days from March 8; and that, if the Senator from Virginia requested an up and down vote on the resolution, there would be such a vote at that time.

On May 7, the Foreign Relations Committee reported Senate Resolution 15 with an amendment in the nature of a substitute. On June 6, the Senate began consideration of the Foreign Relations Committee substitute. Senator HARRY BYRD then offered, as an amendment to the committee version, another amendment in the nature of a substitute. Senator HARRY BYRD's substitute amendment was to delete the committee version and restore the original language of Senate Resolution 15. A vote was taken on the Harry Byrd amendment on June 6, and it was adopted by a vote of 59 to 35.

After further consideration of Senate Resolution 15 on June 18 and 21, the resolution was returned to the Senate's Calendar. At the time the resolution was returned to the calendar, there was pending an amendment by Senators CHURCH and JAVITS, and a modified amendment by Senator GOLDWATER in the nature of a substitute to the Church-Javits amendment.

The amendment of Senators CHURCH and JAVITS would add the following language to the Harry Byrd amendment adopted by the Senate on June 6:

> The provisions of this resolution shall not apply with respect to any treaty the notice of termination of which was transmitted prior to the date of adoption of this resolution.

Mr. GOLDWATER's modified amendment, offered as a substitute to the Church-Javits amendment, reads as follows:

> (1) The provisions of this Resolution shall not be construed to approve or disapprove the termination of the Mutual Defense Treaty with the Republic of China, such proposed termination not having been submitted to the Senate or Congress for approval prior to the date of adoption of this Resolution, and (2) nor shall anything in this Resolution be construed to reduce or prejudice any of the constitutional powers of the Senate.

Senate Resolution 15 remains on the Senate's Calendar. No final action has been taken on the resolution.

In the meantime, as I have indicated, the case of Goldwater against Carter has progressed to the appellate level, where the injunction granted at the district court level is under review.

It is my view that treaty termination is a matter that should be resolved between the Senate of the United States and the President. It should not be left to the judicial branch to decide an issue we should confront here.

Toward that end, I recently have met several times with Senators GOLDWATER, HARRY BYRD, CHURCH, and JAVITS. We have discussed possible legislative language that would not only help to clarify the role of the Senate in treaty termination but language that also would leave the Senate with as much flexibility as possible to deal with treaty termination procedures.

In order to have the Senate reach a decision on such language, however, it would be necessary to enter into a time agreement. Time is of the essence. Many pieces of legislation are competing for attention by the Senate, such as excess profits tax, which will require a substantial period of time.

There are other measures, such as the continuing resolution and the SALT treaty.

The only practicable approach would be to have a time agreement on language that would be previously agreed on among Senators—especially Senators GOLDWATER, HARRY F. BYRD, JR., CHURCH, and JAVITS. There should be limited time for debate, or else that debate could go on for days before any final decision would be reached.

Lengthy delay would not be useful in view of the pending court proceedings, nor would delay be conducive to the orderly disposition of other business that should be taken up by the Senate before this session ends.

During these recent meetings, I proposed that we take the original language of the Harry F. Byrd, Jr., resolution, "That it is the sense of the Senate that approval of the United States Senate is required to terminate any mutual defense treaty between the United States and another nation," and that we add to that language the following language or similar language, "The Senate shall determine the manner by which it gives its approval to such proposed termination."

The full resolution would then read as follows:

> That it is the sense of the Senate that approval of the United States Senate is required to terminate any mutual defense treaty between the United States and another nation. The Senate shall determine the manner by which it gives its approval to such proposed termination.

It has not been possible, however, to reach agreement among the aforementioned Senators on the formulation of language that would be presented to the Senate. Until such agreement on language is reached, it will be impossible to reach a time agreement that would allow the Senate to debate the language for a reasonable period of time. Otherwise, the language would be subject to endless amendments and endless debate.

I thought it best that there be a discussion of this matter today. All the participants in a meeting in my office, Messrs. GOLDWATER, HARRY F. BYRD, JR., CHURCH, and JAVITS, agreed that this would be appropriate.

I would like to see the Senate debate this subject for a reasonable period of time. I believe we ought to have a time agreement. I believe we ought to have an up-and-down vote.

I would be perfectly willing, even delighted, to have an up-and-down vote on the matter of a termination of the treaty with Taiwan. I have no doubt that a majority vote exists in this Senate to support the President's action. I really have little doubt that a two-thirds vote in the Senate would support that action. I would not be surprised to see a three-fourths vote of the Senate support that action. Of course, this is one Senator's opinion, and we will never know, I suppose, unless there is an up-and-down vote.

I am willing to take the matter up at any time, provided we can get a time agreement that would allow for orderly disposition of the matter and, at the same time, allow the Senate to proceed with other important matters that confront it.

As it is now, an important cornerstone of our foreign policy—our relationship with China—may have been rendered less certain, and I think it is incumbent upon us to do what we can to remove any suggestion of uncertainty. The language I have suggested responds to these needs.

I do not think I am misrepresenting the distinguished Senator from Virginia when I say that it is my impression that he is agreeable to presenting to the Senate the language of his own resolution, Senate Resolution 15, and the additional language that I propose. The gist of this proposal would be that the Senate would determine the process by which a treaty is terminated. The Constitution grants the Senate the power to consent to the ratification of treaties. It grants the Senate the power to establish its own rules of procedure. From these two powers has sprung the power of the Senate to amend treaties, and to attach reservations to treaties, by a majority vote, or by any other vote that the Senate may wish.

The Senate's authority to condition its advice and consent to ratification with reservations has been accepted by the Supreme Court, and indeed has never seriously been questioned. Reservations, like treaty provisions, may refer to domestic political processes. They may provide that a treaty will not be effective without implementing legislation. Reservations may make clear when the full advice and consent of the Senate is necessary to approve actions under a treaty.

The Committee on Foreign Relations concluded that it was "clear beyond question" that the Senate could establish a procedure for termination when it consented to the ratification of particular treaties.

It follows that the Senate could require that a treaty be terminated only by an act of Congress, or by two-thirds of the Senate, or by three-fifths of the Senate, or by a simple majority of the Senate.

I strongly disagree with the court's order declaring that—

> The President's notice of termination must receive the approval of two-thirds of the United States Senate or a majority of both Houses of Congress for it to be effective under our Constitution to terminate the Mutual Defense Treaty of 1954.

This is a matter for the Senate to decide. The Senate may require two-thirds of a vote of the Senate to terminate a treaty. For example, to particularly reassure an ally, the Senate may specify that it would take two-thirds of the Senate to terminate a particular treaty. But this is a policy decision, a discretionary legislative decision. The particular type of majority required to support the termination of a treaty is a decision that the Senate—not the court—should make.

The language that I proposed, together with the language of Senator HARRY F. BYRD, JR., would recognize that fact and would make the role of the Senate clear without unnecessarily tying the Senate's hands. In my judgment, in a case—such as the Taiwan treaty—where the Senate has been silent on termination procedures, it can be assumed that the Senate, by its silence, has delegated its discretionary power to the President. Others may disagree with me, and that is their right to do so, but my proposed language, added to the Harry F. Byrd, Jr., language, would not change that fact.

I do not believe the Senate is bound by any rigid formula. I firmly believe, for example, that the Constitution does not require a two-thirds vote of the Senate to terminate a treaty, as the District Court argued and ordered.

The Constitution gives no real guidance on the matter of treaty termination. The focus at the Constitutional Convention was on entering treaties, not on terminating treaties. The debate centered around the issues of "large States versus small States," and around the issues of "entangling alliances."

The two-thirds of the Senate vote was a compromise. The treaty provisions in the Constitution cannot be looked at in terms of theoretical constitutional symmetry. For example, in my view it cannot persuasively be argued that since it takes two-thirds to enter a treaty, it takes two-thirds to exit one. The Constitution is not made of equations. It is made of practical compromises.

The constitutional authors required a two-thirds vote for entry into a treaty because they were wary of entering into "entangling alliances." That is one of the reasons why a two-thirds vote was required. They wanted to insure that the Nation did not enter lightly into "entangling alliances." George Washington, who presided over that Constitutional Convention, said in his farewell address, I believe, that this country should be wary of "entangling alliances."

In the context of the "entangling alliances" debate, the argument that it could take two-thirds of the Senate to terminate a treaty goes against commonsense. A two-third constitutional requirement would have the effect of a minority veto over efforts to get out of "entangling alliances," the opposite of what was intended by the constitutional framers.

Moreover, the two-thirds requirement came to be known as the "extraordinary majority" or a "supermajority." The framers called on it for special circumstances, such as when entering treaties, and they specified in the Constitution when there should be such a requirement. Nowhere in the Constitution did the framers specify a two-thirds vote to get out of a treaty.

Mr. President, I think it is elementary constitutional law that where the framers required a supermajority, they so stated clearly in the document. For example, that organic document requires two-thirds of the Senate and the House of Representatives to pass a constitutional amendment. It requires three-fourths of the States to ratify a constitutional amendment. In any instance in which the writers of that immortal document required more than a simple majority, they so stated. They did not leave it to happenstance or guesswork on the part of posterity; they laid it out. I think we have every right to assume that where they did not specify an exceptional majority, then a simple majority is all that is required.

Nowhere did the constitutional framers specify a two-thirds vote to get out of a treaty. I do not understand the district court's theory and philosophy on this point.

Nor does the Constitution specify or imply that it takes a majority of both Houses to terminate a treaty, as some argue.

The Constitution does not say it requires two-thirds to add a reservation to a treaty or to add an amendment to a treaty. The Constitution is silent on this point. I believe we can correctly assume that the constitutional forebears intended that reservations or amendments to a treaty may be adopted by a simple majority, or by any other procedure the Senate may choose.

The Constitution leaves to the Senate the power to determine its own rules of procedure to amend a treaty, or to add reservations to a treaty. The power to add reservations and amendments to a treaty includes the power to do so regarding the termination of a treaty.

Thus, we cannot look to the Constitution for specific guidance on this issue.

Nor can we look to the precedent of past legal decisions. The question of the allocation of the power to terminate a treaty has never been directly litigated. There are a number of historical examples where treaty termination has been dealt with, but always between the legislative and executive branches, not in the courts. In the past, the legislative and executive branches, by necessity and by accommodation, have successfully resolved their differences over the termination of treaties. The current situation is the first time in 200 years that, rather than following the more flexible route of accommodation, the matter has been placed in the courts.

So the case now before the court deals with the narrow questions of first, whether the Constitution requires that the Senate take part in the termination of a treaty in which the Senate attached no reservation that would specifically require the Senate's participation; and second, if the Senate's participation is required, whether the participation is only by two-thirds of the Senate or by a majority of both Houses.

Mr. President, under the language I had hoped we might be able to agree upon for our presentation to the Senate, the Senate would be stating that the Senate does have a role in the termination of mutual defense treaties. There is no question but that the Senate has a role in such treaty terminations. Whether it decides to exercise that role is another matter.

The Senate also would be stating that the Senate intends to determine just how it should participate, on a treaty-by-treaty basis, and not leave it to the courts to say that two-thirds of the Senate is required to terminate a treaty—which I think is faulty reasoning.

The language I have proposed is based on the practical principle of accommodation. The language would provide an accommodating role for the Senate, while continuing a flexible relationship between the executive and the legislative branches in this matter.

Other Senators may have other language. I am not particularly wedded to the language I have proposed, or to the language I have discussed. The Senator from Virginia (Mr. HARRY F. BYRD, JR.) was agreeable to those words. It seemed to the two BYRDS, representing the two Virginias, that it was appropriate language.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield at that point?

Mr. ROBERT C. BYRD. Yes.

Mr. HARRY F. BYRD, JR. It was agreeable to the Senator from Virginia provided the interpretation was put on that language as enunicated by the able Senator from New York. I think it is important to make that qualification.

Mr. ROBERT C. BYRD. Very well. As I say, I am not wedded to any particular language. But other than that, I would like to see the Senate have an up-or-down vote.

There is just one other thing I want to say in closing. That is that the brief by the appellees, which has been presented in the U.S. Court of Appeals for the District of Columbia Circuit, makes reference to the majority leader.

The appellees' brief omitted something that may or may not be important. It said:

> In normal course, the next step would have been a vote on the resolution as amended by this 59-35 vote of approval of the Harry Byrd substitute, but the Majority Leader, Senator Robert Byrd, did not allow this to happen.

The appellees' brief omits reference to the Church amendment, which followed the approval of the Harry Byrd amendment. The Church amendment was called up, and then the modified amendment by Mr. GOLDWATER was called up. The Senate would like to have voted—at least many of us would like to have voted—on the Church amendment.

The Senate wanted to vote on the Church amendment. I am sure there were a majority of Senators who wanted to vote on that, because they immediately saw that their vote on the Harry Byrd amendment could be misinterpreted. Certain Senators so stated on the floor.

But Mr. GOLDWATER offered his substitute amendment. In the order of procedure, a vote would have to occur on the Goldwater amendment before we could get to the Church amendment, and a vote on the Church amendment would then have precedence over a vote on the resolution.

One would not expect the district court to be aware of all of these nuances. But I do think it is an oversimplification to state that "the next step would have been a vote on the resolution as amended by this 59-to-35 vote approval of the Harry Byrd substitute." That would have been true if Mr. CHURCH had not offered his amendment, and if Mr. GOLDWATER'S amendment had not been offered, both of which had precedence over a vote on the resolution. I voted against the amendment by Mr. HARRY BYRD, one reason being that I was fearful that a vote for that amendment might be interpreted as meaning that the President's action in giving notice to terminate the Taiwan treaty was null and void, and that the treaty could not be terminated except by a vote of the Senate in spite of the termination provision therein.

I was fearful of that interpretation. There were several other Senators who voted for Senator HARRY BYRD'S amendment, but who, when this possible interpretation was called to their attention, stated that they would vote for the proposed Church amendment. The proposed Church amendment was so written as to exclude the Taiwan treaty from the requirement of the Byrd amendment.

Mr. President, I call attention also to the statement by the court as quoted in appellee's brief. It is as follows:

> The Court: "If you have a majority why don't you come out, show the majority? Senator Goldwater has done everything he can do." (App. Vol. IV, 785)

Mr. President, I think that statement by the court shows an unfamiliarity with the rules and procedures of the Senate.

The court apparently did not understand that it is one thing to say, "if you have a majority, why don't you come out, show the majority," but it is quite another thing, under Senate rules and procedures, to get to a vote that would show that majority.

The court apparently overlooked the fact that in the Senate we have what is often referred to as unlimited debate, and that unless cloture is invoked Senators can talk, and talk, and talk, thus preventing an issue from coming to a vote. This is what was happening in respect to the Goldwater and Church amendments. So it was impossible for the Senate, in the words of the court, to "show the majority," because we simply could not get to a vote in which to demonstrate a majority.

Those who were opposed to the Goldwater amendment did not want to vote on it; those who were opposed to the Church amendment did not want to vote on it. Since it was necessary for the Senate to get on with other business, I had no alternative but to put the measure back on the calendar.

The ACTING PRESIDENT pro tempore. The Senator's 3 additional minutes have expired.

Mr. ROBERT C. BYRD. But other such amendments were offered.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Arizona.

Mr. GOLDWATER. Mr. President, how much time do I have?

The ACTING PRESIDENT pro tempore. The Senator has 15 minutes.

Mr. GOLDWATER. I will use as much of that time as I need.

Mr. President, in no way do I wish to disagree with my good friend the majority leader or to challenge anything he has said. As I have indicated to him, both privately and publicly in the Senate Chamber, I will cooperate with the leadership and with the White House in reaching an early up or down resolution of the treaty termination issue.

I want to make one point clear about why I instituted the suit against the President of the United States. It had nothing to do with the recognition of Peking. What I objected to, and objected to in the courts—and that is the sole issue—is the President's unilaterally breaking or abrogating a mutual defense treaty with any country. It was not just the case of Taiwan, it was any country.

What I am afraid of, unless the courts, including the Supreme Court, make a judgment as to how these treaties should be abrogated, is that we have given the power or recognized the power as being vested in the hands of the President to terminate any treaty of mutual defense he wants to. This would include the NATO treaties, for example. And because a treaty is called the supreme law of the land and is the law of the land, we feel, under that same implied power, he could terminate any law of the land—the Clean Air Act—if he cared to. And, of course, there is argument on that point.

Mr. President, there has been a reference made to what the framers had in mind about all of this business. And I just say that one of the framers said at the Constitutional Convention, "The more difficulty in making treaties the more valuable they would be." These were the words of Gouverneur Morris.

The framers wanted to preserve treaty rights. They wanted to keep our hard won treaty rights to navigation on the Mississippi River and fishery rights off Newfoundland, for example. They clearly wanted it to be difficult for any branch or officer of the Government to give up those treaties.

The framers also clearly wanted it to be difficult to give up or denounce a peace treaty. This would amount to reviving war.

In fact, Thomas Jefferson, when he was Secretary of State, said to George Washington, the termination of any kind of treaties is cause for war by the other country. Washington agreed with Jefferson. He refused to end treaties with France after a revolution in that country.

Thus, the framers had a fear of canceling treaties. The abrogation of treaties would be reason for making an enemy out of an ally. It would damage valuable economic interests of New England, or the western States, or the southern coastal States that were looking forward to the benefits of commercial treaties. The protection of these interests were much at the front of their minds. They did not want one person alone to break these treaties.

Mr. President, there is a history involved here of events that have taken place on the public record and I will merely recount what has happened. I just want this discussion to show that it has always been my wish—and the wish of Senators who share my belief that the President cannot abrogate a treaty without legislative approval—to bring this issue forward for a final decision by the full Senate.

In fact, I would remind the Senator from West Virginia, that immediately after President Carter made his announcement on last December 15, I attempted to get this question before the Senate. I sent a telegram to the President on December 18 asking him to call a special session of the Senate or Congress so we could participate in acting on the treaty and our new relationship with the People's Republic and Taiwan. The minority leader, Senator BAKER, joined me in that request. I recall asking the majority leader if he would support my request, but his answer was negative. Neither Senator BAKER nor I even got the courtesy of an acknowledgment from the White House.

Senator BAKER, as minority leader, then sent a second request to President Carter asking this time that formal notice of termination of the treaty be postponed until after Congress reconvened in January. Again, the White House failed to answer or even acknowledge the request from the minority leader of the Senate.

On January 15 of this year, the very first day of the 96th Congress, Senator HARRY BYRD of Virginia introduced and asked for immediate consideration of a concurrent resolution declaring that the President cannot terminate a defense treaty without the approval of the Senate. The record shows that the majority leader objected to consideration of this resoluion and it went over.

Three days later, Senator HARRY BYRD reintroduced the text of his concurrent resolution in the form of a simple Senate resolution. This is Senate Resolution 15. The majority leader again objected when Senator BYRD asked for its immediate consideration.

On March 7 and 8 during consideration of the Taiwan Relations Act, Senator BYRD once more attempted to get an immediate vote on his proposal by offering it as an amendment, but the majority leader and others asked for a further delay by calling for committee hearings and consideration before the vote.

On June 6, after long hearings on the issue, at which many former State Department officials loyally trooped in to defend their past positions of expansive Presidential power, the Senate overturned the Foreign Relations Committee substitute version of Senate Resolution 15 by a vote—and get this—of 59 to 35.

In the words of HARRY BYRD before the vote, the committee amendment would have given the President a "blank check" to revoke any treaty he wanted. Six other Senators, who voted with the majority of 59 that day, voiced their opinion as well that the committee language went too far in adopting the President's position.

Senator HUDDLESTON, for example, said the committee resolution "expresses Senate approval of what in effect amounts to a carte blanche authority for the President to terminate treaties at will."

So in rejecting the committee amendment and going back to the language of the original Harry Byrd resolution, the Senate made a very important and deliberate decision to reject the executive branch's expanded claims of power.

Since then, I have twice sought to get votes on the matter. On June 18, I urged that the Senate take up the Byrd resolution, including amendments to it, and reach a final vote that same day. The majority leader requested that we wait until a later day. On June 21, 1979, I asked for unanimous consent two times, to hold a vote at a time certain the same day on my substitute amendment to an amendment offered to Senate Resolution 15 by the chairman of the Foreign Relations Committee (Mr. CHURCH). The chairman twice objected to allowing the Senate to vote on my amendment.

Later, on that same day, the resolution was returned to the calendar, but not by any vote or deliberate action of the Senate. Rather, the majority leader decided to exercise parliamentary authority previously given him, which enabled him to bring up the direct election própósal.

Mr. President, since that time, I have assured the majority leader, I have assured the President, I have assured the Secretary of State, I have assured Mr. Brzezinski that if the President wishes to send a message to the Senate or Congress asking for our approval of his notice of termination, I will cooperate with the leadership in reaching an early up-or-down vote. I do not know how I will vote until I see the request. I do know there are many Senators who will vote against it. But, to the best of my knowledge, no one will engage in dilatory tactics.

Mr. President, yesterday I received a personal letter from the President of the United States. I ask unanimous consent to have that printed in the RECORD at this point in my remarks.

In that letter, the President stated that he is still in agreement with his advisers that, in effect, he has the power unilaterally to end or abrogate mutual defense treaties; that until he saw the action of the appellate court, where the case now rests and from which we expect a decision within the next week or 8 days, he would cling to that decision. After the decision, he would reconsider and we would discuss it at that time. But the entire letter will appear in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D.C., November 10, 1979.

DEAR BARRY: I am grateful for your letter of October 22 and the frank advice it contains. I am replying in the same spirit.

Before deciding to terminate the Mutual Defense Treaty with Taiwan, I carefully considered my power to do so, and there were consultations not only with the State Department lawyers, but also with President Eisenhower's Attorney General, Herbert Brownell. Mr. Brownell believes the President has the power to act as I did and made a strong statement to that effect during hearings before the Senate Foreign Relations Committee in April 1979. The same view is held by the present Attorney General and Solicitor General.

Although the District Court decided in your favor, the Court of Appeals has agreed to hear argument on our appeal on November 13. The Attorney General believes that the Court of Appeals will render a prompt decision, so that if necessary the case can be reviewed by the Supreme Court by the year-end. Accordingly, we have concluded it is better to await at least one more level of decision before considering the advisability of an effort to have the Senate ratify the notice of termination of the Taiwan Treaty.

As you doubtless know, the leaders of the Senate Foreign Relations Committee have reached a similar conclusion with respect to the question of whether to include in the resolution on SALT II a provision dealing with Senate participation in any future withdrawal from that Treaty. As Senator Javits noted on behalf of himself and Senator Church, the question of an appropriate Senate role is an extremely complex one, and they have decided to postpone any recommendation until they have the benefit of the Court of Appeals decision in the Taiwan case.

After the Court of Appeals decision, we shall review the matter again, and then consult further with you and other leaders of the Senate.

Sincerely,

JIMMY CARTER.

Mr. GOLDWATER. That is the best way I can sum up what has happened and where we are on this issue. Whatever the outcome of the Court of Appeals case, it will likely wind up in the Supreme Court. If the administration wins in the appellate court, my lawyers will go to the Supreme Court. If we win in the appellate court, the administration lawyers will go to the Supreme Court. It is my feeling that the Supreme Court would welcome the chance to act on this matter, which is the first time in the 200-year history of our Republic that a President has exercised unilateral power in the termination of a defense treaty. I know that my lawyers will file a petition for writ of certiorari immediately, if the decision goes against me and the 25 Members of the Senate and House who are parties to the lawsuit.

Mr. President, that is as succinctly as I can put my position and the position of those Members of the Senate, former Members of the Senate, and Members of the House who are with me on this suit. If there are any questions, I shall be very happy to answer them.

I yield, Mr. President.

Mr. ROBERT C. BYRD. Mr. President, I did not want to interrupt the Senator, because he did not interrupt me, but he has invited questions.

I believe the Senator has said he will cooperate in an up-or-down vote on Taiwan, and he has indicated that. But I feel that he has also said that this must be on the terms that there be a two-thirds majority.

Am I correct?

Mr. GOLDWATER. I have expressed the feeling that has been mine, and I think the feeling of the majority of the Senate, that action on treaties requires a two-thirds vote of this body or a majority vote of both Houses if it goes in a legislative matter to both Houses. That, I think, is one of the important parts of this case.

Mr. ROBERT C. BYRD. But would the Senator agree to a vote up or down on Taiwan, without restriction that it be on his terms? I say that respectfully. By that, I mean that it require a two-thirds majority?

Mr. GOLDWATER. If the Senator infers that those are my terms, the inference, in my opinion, is that those are the terms of the Constitution that he evidently does not agree with.

I should like to see what the language of that resolution is. I have indicated to the President and his people that I did not think his asking the Senate to advise and consent would result in a refusal. I do not think anybody wants to upset the recognition of the People's Republic of China. So it is not Taiwan that concerns me, it is the constitutional requirement which, as I interpret it, requires us to give a two-thirds majority.

The majority leader disagrees with that. I would like to see the language, of which I repeatedly said, the language that he submitted to me has been rather too general. It does not specifically—I do not think it covers the points the Senator would like to cover.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. ROBERT C. BYRD. The Senator's time has expired, I guess.

The ACTING PRESIDENT pro tempore. The Senator from Idaho wants to be recognized next.

Mr. JAVITS. Mr. President, I shall seek recognition and will yield to the Senator from Idaho as soon as he arrives.

The ACTING PRESIDENT pro tempore. The Senator from New York has 12 minutes.

Mr. JAVITS. He is here now.

The ACTING PRESIDENT pro tempore. The Senator from Idaho is recognized.

Mr. CHURCH. I thank my colleague (Mr. JAVITS) very much.

(Mr. BOREN assumed the chair).

Mr. CHURCH. Mr. President, I am seriously concerned that the recent decision of the U.S. District Court by Judge Oliver Gasch has created two separate, but related, complications for the conduct of U.S. foreign policy. The first involves our relations with East Asia, and the second concerns the respective powers of Congress and the Executive in the termination of treaties.

President Carter's December 1978 announcement that the United States would extend diplomatic recognition to the People's Republic of China was an overdue acceptance of one of the central realities of Asian affairs, namely that the Government of China is located in Beijing rather than in Taipei. Failure of the United States to acknowledge and act upon this fact in earlier years contributed to the great costs in blood and resources that our country expended in a fanciful effort to contain China by fighting in Vietnam. It is small wonder that President Carter's action was welcomed by virtually every country in the world, including our key Asian allies.

Since early 1979, the United States and the People's Republic have made steady progress in expanding and strengthening our new relationship. A claims asset settlement has been reached, and a trade agreement which extends most-favored-nation treatment to the PRC has been signed and submitted to Congress for approval. A series of economic, scientific, and cultural agreements have been concluded, and negotiations on other matters are currently underway. Moreover, we have expanded our relations with China without taking any steps to "play the China card" against the Soviet Union, a scheme which would create more problems than it would solve. And, for the first time in decades, we have good relations with China and Japan at the same time, an achievement that enhances both the American position in East Asia and the outlook for peace in the area.

Equally impressive is the fact that our new relationship with the People's Republic is not something that was done at Taiwan's expense. The Taiwan Relations Act passed by Congress has already proven itself a great success.

This act, providing for continued United States-Taiwanese economic relations on an unofficial basis, has enabled the island's economy to continue its remarkable growth. Foreign investments in Taiwan, and the island's foreign trade, have increased dramatically this year compared to 1978. Indeed, the realinement in U.S. relations with the PRC and Taiwan has, according to news reports from Taiwan, had the effect of elevating Taiwan's credit standing in international financial circles by removing the uncertainty that had long surrounded the island's status. Taiwan's view of the value of the act is shown by its suggestions to other countries that this law provides a model for the conduct of their relations with the island.

But the Taiwan Relations Act did not limit itself to economic, legal, and cultural affairs. It is also concerned with Taiwan's security—a matter that was neglected in the bill the administration submitted to Congress.

The Senate Foreign Relations Committee remedied this deficiency by amendments which put the PRC on notice that U.S. diplomatic recognition rested "upon the expectation that the future of Taiwan will be determined by peaceful means," that the United States would "consider any effort to determine the future of Taiwan by other than peaceful means, including by boycotts, or embargoes, a threat to the peace and security of the Western Pacific area and of grave concern to the United States," and that the United States will "make available to Taiwan such defense articles and defense services in such quantity as may be necessary to maintain a sufficient self-defense capability."

Mr. President, the realinement of our relations with the PRC and Taiwan was not a simple matter, but one that required careful balancing of our relations with both. Similarly, the provisions concerning Taiwan's security were carefully considered and extensively debated in this body and in conference with Members of the House of Representatives. The PRC was opposed to the administration's plan to continue to sell arms to Taiwan, and even more strongly opposed to the action of Congress in writing its assurances into law. Vice Premier Deng Xiaoping made this abundantly clear to me as chairman of the delegation of the Senate Committee on Foreign Relations which visited China in April. Yet Beijing accepted these American decisions because the United States was willing to shift the basis of its relations with Taiwan from an official to an unofficial one. A part of this shift was the notice President Carter gave to Taiwan that the mutual defense treaty would be terminated on December 31, 1979, as provided for by the terms of the treaty.

The administration would have done well to consult Congress in a more serious manner than it did before it extended diplomatic recognition to the PRC and before it gave notice of termination of the mutual defense treaty to Taiwan. The administration's failure to do so was widely resented in Congress. It led Senator GOLDWATER and other Members of Congress to institute legal action in Federal court, challenging the constitutionality of the President's action terminating the mutual defense treaty without the approval of either the Senate or of Congress. It also led Senator HARRY F. BYRD, JR., to introduce a resolution stating that—

> It is the sense of the Senate that approval of the United States Senate is required to terminate any mutual defense treaty between the United States and another nation.

Senator BYRD agreed to have this resolution referred to the Committee on Foreign Relations, which held hearings and reported its own resolution.

The original Harry Byrd resolution, however, was substituted in place of the committee's version by a vote of the Senate, but was never given final approval. It remains upon the Senate Calendar.

Mr. President, the reason that the Harry Byrd resolution was never given final approval was because of a parliamentary predicament that developed which prevented us from making it clear that the intent of the Senate was for the resolution to affect future decisions to terminate mutual security treaties, but not to affect the notice President Carter had already given, relating to the termination of the Taiwan treaty.

Because of our inability to reach a clear-cut vote on that issue, the majority leader placed the matter back on the calendar. Thus, the proceeding was left uncompleted.

I think it is unfortunate that Judge Gasch interpreted this uncompleted proceeding as determinative of the attitude of the Senate regarding its role in terminating the mutual defense treaty with Taiwan, rather than as an indication of what it is believed its role should be in the future.

Notice of termination of the treaty with Taiwan had already had been given to the authorities there, and the 1-year termination period had begun to run. As Senator HARRY BYRD, himself, said in presenting the measure on the floor of the Senate, his principal concern was not the mutual defense treaty with Taiwan, but "the broader problem of what happens to future treaties made by the United States, ratified by the Senate, with other nations of the world." Several Senators have stated that, in voting for the resolution, they did not intend to try to invalidate the President's action regarding termination of the treaty with Taiwan. Their vote, they said, was directed toward future treaty terminations, instead.

Another indication that the President's action terminating the treaty with Taiwan was not being directly challenged by Congress was the action by both the Senate and the House of Representatives in writing security provisions into the Taiwan Relations Act. Surely we would not have done this if we had not concluded that it was necesary owing to the President's action in giving notice of the treaty's termination to Taiwan. It is unfortunate that Judge Gasch did not accord due weight to this key point.

Indeed, if the Congress had considered the President's action to be constitutionally invalid, there would have been no reason whatever to pass the Taiwan Relations Act.

Mr. President, the Constitution is silent on treaty termination, and practice has varied greatly over the years. Clarification of this matter is needed, and the Senate is quite capable of asserting its rights, as the Constitution may permit, relative to those of the President.

But this is a complicated business, and not one that can best be dealt with under the pressure of the approaching deadline regarding the Taiwan treaty. The careful balancing of our relations with the PRC and Taiwan is likely to suffer in the process.

I hope that any further court decisions on this matter would not tamper with the Senate's treaty powers. My intention as chairman of the Senate Foreign Relations Committee, in managing the Taiwan Relations Act, was to recognize the political realities of Asia, while at the same time, looking to the future for devising the means for Senate participation in the termination of mutual defense treaties.

As a responsible deliberative body, we should approach each new treaty proposed, on a case-by-case basis. In some instances, the Senate may well specify in its resolution of ratification that the treaty in question can be terminated only with the consent of the Senate. In other instances, the Senate may choose to allow the President to terminate the treaty at issue, with no more than prior notification to the Senate.

My bottom line analysis is that the uncertain world in which we live does not invite a rigid approach to treaty termination. We should reserve a maximum degree of flexibility for the Senate in handling the matter of treaty termination in the future.

I thank my good friend, the Senator from New York, for permitting me to take his time, and now I am happy to to yield him mine.

Mr. JAVITS. I thank my colleague.

Mr. President, may I claim the time allocated to me?

The PRESIDING OFFICER. The Senator from New York has 12 minutes.

Mr. JAVITS. Mr. President, in answer to the Senator's question, I say this: If the law left us in a vacuum, as it stood today, I would be far more understanding of the opinion of the district court which was rendered in Senator GOLDWATER's case.

However, I believe that the Senator from Idaho has quite accurately stated the existing situation:

One, on any new treaty—any new treaty, mutual defense or otherwise—the Senate may condition its advice and consent to ratification on a procedure for termination, and that procedure then would be a binding condition on the President respecting the entry into force and termination of the treaty. When he accepted the Senate's consent to the ratification of the treaty and proceeded with the exchange of the necessary instruments with the other party, the President would be accepting and adopting that condition, and he would be bound by it. That is U.S. constitutional law and it settles that matter.

As to existing treaties, I believe that because the privity of relation is between the Senate and the President, in respect of the way in which that treaty was ratified, a generic resolution of the Senate concerning its role in termination would be effective—in law, or at least in fact—in that a President would not thereafter terminate the kind of treaty described without referring it to the Senate for such procedure as the Senate had prescribed. His position would be most tenuous if he did otherwise.

While that question is as much a practical one as a legal one, there is no doubt about the fact that action taken by both Houses, in terms of a law, would control the President, assuming he signed it; if not, then if it were passed over his veto.

Last, there is the question of the President's termination of a treaty before the Senate has acted in the way I have described and before there is any law, and that is the Taiwan situation. There, the district court admitted that there are cases in which a treaty may be terminated by the President acting alone. I refer in that particular regard to notes 45 and 46, in which the court said:

> Many of the instances cited by defendants in which the President has acted alone involve one or more of the above factors.

The factors he cited are the following:

> When the treaty is superseded by an inconsistent law or treaty; when the treaty becomes impossible to perform or is otherwise rendered inoperative; when the treaty is violated or denounced by the other party; or when there has been a fundamental change in circumstances affecting the treaty. In such cases the President may determine that the continuing validity of the treaty has been destroyed, either because under principles of international law the United States could justifiably withdraw from the treaty or because the treaty is in conflict with more recent legislation.

Mr. President, it seems to me that that is exactly the case here; and yet the court said at note 18:

> The Court continues to reject defendants' suggestion that the enactment of the Taiwan Relations Act can be interpreted as legislative ratification of the notice of termination.

It seems to me that where the court admits that such authority could vest in the President by implication—and the court does that—it is incontestible that the passage of the Taiwan Relations Act was not exactly such notice.

In those circumstances, it is very difficult for me to see how the court made the quantum jump it made in order to hold this notice of termination unlawful.

We will see what the appellate courts do; but I must say that I found it very hard, simply taking the court's own opinion and the context of that opinion, to follow the court's reasoning. On the one hand, it says the President may be given this authority by Congress, by implication. On the other hand, it rejects the factor of implication, which was very clear, unmistakably—to wit, the Taiwan Relations Act, which in its express terms contemplated that the mutual defense agreement with Taiwan would be terminated.

So I think that has to be nailed down and laid at rest.

My own feeling, Mr. President, is this: I am very unhappy, and I think every Senator should be very unhappy, in terms of the historic tradition of this body, to see the procedures of the Senate and the relationships between the Senate and the President under the Constitution determined by a court. I think it is a great mistake for us, as Senators—as we are for the time being, holding a power in transition between Senators who come before us and Senators through the ages who will come after us—to allow the courts to write the rules of the game between the Senate and the President of the United States. We did not do it in the power to make war, which is a far more awesome power than the power to terminate a treaty. We passed the War Powers Act, and we passed it over a President's veto.

I believe that we should act here, if necessary, also by law, and also passing it over a President's veto, if that is what he makes us do. But I cannot see a court setting itself over the Senate, as to telling us that we are not proceeding fast enough, and interposing its ruling at any stage.

I reject Senator GOLDWATER's argument that if we allow a President to terminate a treaty under these circumstances, he may terminate a law under these circumstances. I reject that, because there is a difference in fact and in settled practice. Congress may not initiate a treaty, but

Congress does initiate a law. Therefore, a President cannot terminate a law which he cannot initiate. He has no power to initiate anything around here, but he has the power to initiate a treaty, expressly given to him by the Constitution. Therefore, in my opinion, he has the power to terminate it in the event there is no other inconsistent law or action which we have taken. And, we have taken none as of the date that he terminated the treaty.

He is further fortified by the clear implication of authority or acquiescence in his notice to terminate inherent in the Taiwan Relations Act.

Where does that leave us now? I thoroughly agree that the Senate should act on this matter and I thoroughly disagree that the courts should act on it. If we took a year or 2 years, that is still no reason for the courts to act on it in preemption or interference with our own action.

The real danger, if that is what the courts assert the power to do, is that they will abbreviate all our procedures; if we do not pass a law suitable enough to the judiciary, it may think it has the power to tell us, "Now get on your horse, boys, and pass this law."

Mr. President, that is not the way this Government is organized. I have said many times—and I repeat again on the floor of the Senate today—there can be a tyranny of a President, there can be a tyranny of a Congress, and there can also be a tyranny of the judiciary. But each is a breakdown in the separation and balance of powers which underpins our Constitution.

So, Mr. President, it is our job, hopefully, not to bring about a confrontation between the Senate and the judiciary. It is something we should avoid. I am not looking for it.

I understand the deep feelings Senator GOLDWATER has. He knows I love him really; he knows that. He feels the same way about me. But I really hope we can find a way out. I do not wish a court to write this for us.

I believe very honestly that if a court did, I doubt very much that we are likely to act in accord with what the court wants. It may stir us to act ourselves, but I am confident that we will. But why wait for that when an action which we decide to take may be inconsistent with an opinion of a court as to what we should do?

So my whole feeling is that what the majority leader has suggested is a very sound way out. I wish to explain it because I think Senator BYRD in a sense asked me to state what I think of his suggestion. It is only a suggestion—we do not know whether the Senate will back it—made by the majority leader. In my judgment it does the following:

First, it asserts the fact that no mutual defense treaty may be terminated without some form of concurrence at least by the Senate. Second, it says that the President we will now say cannot act without at least us, and when, as, and if the Senate acts, then it may in its resolution of ratification describe or state the proper form which it wishes its action to take, and obviously its choices are limited. They are three. It can act obviously by a majority, or it can parallel, though that is not written in the Constitution at all—but it may choose to go that route in a given case—it can parallel its treaty ratification power, to wit, two-thirds of the Members present and voting, or it may decide to go by a majority of itself and a majority of the House of Representatives which would make it the equivalent of a joint resolution, as the President will have requested such action and that is tantamount to a law, and there is no doubt about the fact that any treaty may be terminated by law, even a law the President does not sign. That is settled constitutional law. In short, if we acted and the House of Representatives acted affirmatively and the President refused to sign by veto or pocket veto, we might, nevertheless, terminate a treaty by passing it over his veto, leaving no act for him except the ministerial one of notifying the other party that the treaty had been terminated by law.

That, Mr. President, it seems to me is a way out of this existing situation. But I would be denying myself my own convictions if I did not say to my colleagues that to me the big point is that we, not the courts, should do it. We are competent to do it, we are able to do it, and we should have in our hearts and in our minds a resolve that in the interests of the historic function of the Senate it is we, not the courts, who should write this particular ticket.

Mr. President, I am happy to yield the remainder of my time to anyone who needs it.

I reserve my time.

Mr. ROBERT C. BYRD. Does the Senator have time remaining?

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. JAVITS. I yield.

Mr. ROBERT C. BYRD. Mr. President, I compliment the distinguished Senator for his statement. He agrees the Senate should act.

By way of substantiating the need for Senate action as expressed by the distinguished Senator from New York, let me say this.

I am told that, at yesterday's argument John Harmon, an Assistant Attorney General, advanced an expansive view of Presidential power. He contended that the President had the power under the Constitution to terminate the Taiwan treaty immediately. This means, his argument continued, that the President could have disregarded the 1-year notification provision of the Taiwan treaty.

Harmon is an Assistant Attorney General, I repeat.

Harmon's argument, if accepted, would threaten the Senate's power to condition its consent to particular treaties with a requirement that the Senate approve their termination. The Assistant Attorney General's proposition is that the President cannot waive his power under the Constitution and therefore retains, no matter what a treaty says, the exclusive power to terminate.

The distinguished Senator from Arizona and I both tend to oppose, in principle, judicial activism. Now, by the Assistant Attorney General's argument, the courts are being invited in to tread upon ground which the courts have wisely avoided in the past.

This is a political question that should be decided by the executive and judicial branches. This leads me to wonder whether Senator GOLDWATER might not want to see action taken by the Senate. I think we are both persuaded that the Senate shares an interest in protecting the future role of the Senate. If the Senate should act in the next several days on the Harry Byrd resolution, with the language that I propose or some such language, there might still be some time to influence the court's opinion.

But the Senate was clearly the missing party yesterday. Judge McGowan asked about the Senate's power to attach reservations, but no one picked up on that. And it seems to me the Senate should appear as amicus to inform the court about the resolution and to argue that the court should not prejudge the power of the Senate to implement the future treaties.

The PRESIDING OFFICER. The Senator's time expired.

Mr. ROBERT C. BYRD. Mr. President, I have 2 minutes. Mr. CHURCH had 2 minutes remaining. I ask unanimous consent that I may utilize that.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, here is the risk we run in letting the court make this decision. Suppose the court were to go—and I cannot believe it will—all the way in the direction in which the Assistant Attorney General was attempting to lead it in contending that the President has the power under the Constitution to terminate the Taiwan treaty immediately. The President could have disregarded the 1-year notification provision of the Taiwan treaty entirely, according to the argument of the Assistant Attorney General as reported to me. Such a theory of the constitutional power of the President with respect to treaties would threaten the Senate's power to condition its consent to particular treaties with the requirement that the Senate approve their termination.

Mr. President, I think, as Mr. JAVITS has said, the Senate has much at stake here, and it should be the Senate that is speaking, determining, and stating what its constitutional role is and will be in the termination of treaties.

So, I share the Senator's concern that the court remain as the arbiter in a matter which is our responsibility.

Mr. GOLDWATER. Mr. President, I ask unanimous consent for 3 minutes.

Mr. ROBERT C. BYRD. Will the Senator from Virginia yield to the Senator from Arizona?

Mr. HARRY F. BYRD, JR. I have been waiting here all morning. I will be glad to yield 3 minutes, but I want to get that 3 minutes back at a later time.

Mr. ROBERT C. BYRD. Will the Senator simply yield to the Senator 3 minutes?

Mr. HARRY F. BYRD, JR. I am glad to yield the Senator 3 minutes.

Mr. GOLDWATER. I thank my friend.

Mr. President, the question should be, Do we directly approve or disapprove of the President's action in giving notice of termination of the Taiwan treaty? The resolution the majority leader is talking about does not directly address that issue. I believe we should also vote on the specific action President Carter has taken instead of only the unspecific, general issue relative to every other treaty, even those we have not even ratified as yet. Why do the President's supporters not come forward with a plain resolution saying we hereby ratify what the President has done?

If they are certain of having the votes to approve the President's notice of termination, why do they not show it by putting that very issue before the Senate? That is the vote I want to see.

In reply to my friend, the majority leader, he is suggesting we open a can of worms at this late date in this session of Congress because I can assure him that an attempt to write something into the rules relative to the handling of treaties is not going to be taken lightly by this Senate, and I think the majority of the Members of this Senate share my feelings about the constitutional responsibility of this body.

So I am willing to continue, as I have in the past, to work with the majority leader in the hope that we might come to some language that is going to solve the question in my mind and, I hope, solve the question in his mind. I do not doubt that we can do it.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. GOLDWATER. I would be happy to yield.

Mr. ROBERT C. BYRD. Does the Senator want a vote up or down on the Taiwan termination?

Mr. GOLDWATER. I want a vote up or down when the President asks this body to advise and consent on what he has done about the Taiwan treaty.

Mr. ROBERT C. BYRD. Up or down, no strings attached, majority vote?

Mr. GOLDWATER. No, two-thirds vote.

Mr. ROBERT C. BYRD. The Senator wants it on his own terms.

Mr. GOLDWATER. Well, that is, I think, what the Constitution says, and the Senator is saying something else.

Mr. ROBERT C. BYRD. The Senator has a right to his opinion.

Mr. GOLDWATER. We have a right to disagree. You have a long row to hoe in here if you are going to change from two-thirds to a simple majority.

Mr. ROBERT C. BYRD. I want the RECORD to show that this Senator, the majority leader, is willing to have a vote up or down on the Taiwan resolution, let the chips fall where they may, get a time agreement, and let the majority vote of the Senate determine that issue.

Mr. GOLDWATER. Is the Senator willing to have a vote up or down on the language I have suggested?

Mr. ROBERT C. BYRD. Which would require two-thirds?

Mr. GOLDWATER. I have suggested the language from the President requesting the advice and consent on the action he has taken. That language——

Mr. ROBERT C. BYRD. And the question would be, Does the Senate consent?

Mr. GOLDWATER. It would be it, that would be it. It would be a two-thirds vote.

Mr. ROBERT C. BYRD. Oh, a two-thirds vote. There is the error in the able Senator's suggestion.

Mr. GOLDWATER. The Senator wants it his way.

The PRESIDING OFFICER. Under the previous order, the Senator from Virginia (Mr. HARRY F. BYRD, JR.) is recognized for not to exceed 15 minutes.

Mr. HARRY F. BYRD, JR. I yield myself 10 minutes.

Mr. President, the chairman of the Committee on Foreign Relations, Senator CHURCH, has expressed great concern that the Federal district court has ruled that the President of the United States acted unconstitutionally when he terminated the mutual defense treaty with the Republic of China.

The distinguished Senator from New York, the ranking member of the Committee on Foreign Relations, has likewise expressed great unhappiness. He says the matter should be determined by the Senate and not by the courts.

The distinguished majority leader has expressed a similar view. The distinguished majority leader a few moments ago read from statements made yesterday in the Federal court on behalf of the Justice Department, and it was the view, and correctly I think, of the majority leader, that if the Attorney General's view prevails the role of the Senate in terminating treaties will be nil.

Now, those statements made by the majority leader just a few moments ago dramatize better than anything I can say why on January 15, 10 months ago today, I introduced the following resolution:

> *Resolved*, That it is the sense of the Senate that approval of the United States Senate is required to terminate any mutual defense treaty between the United States and another nation.

Joining with me in presenting that resolution were the Senator from South Carolina (Mr. THURMOND), the Senator from Virginia (Mr. WARNER), the Senator from North Carolina (Mr. HELMS), the Senator from California (Mr. HAYAKAWA), the Senator from Utah (Mr. GARN), and the Senator from Wisconsin (Mr. PROXMIRE).

That was a bipartisan resolution. We sought to protect the Senate's role in the treaty terminating process.

The fact that the courts are involved in this matter is the fault of the Senate itself. So I do not have a great deal of sympathy for those who camplain about the court being involved.

The Senate should have asserted its own responsibility. I do not know whether the Committee on Foreign Relations wanted to submit the President's proposal to the Senate or not, that is, the issue of what the President did in purporting to terminate the mutual defense treaty with the Republic of China. It could have submitted to the Senate for approval or disapproval the President's action. But it chose not to do so.

Mr. GOLDWATER. Mr. President, will the Senator yield? Will the distinguished Senator yield at that point?

Mr. HARRY F. BYRD, JR. Yes.

Mr. GOLDWATER. Judge Gasch asked time and time again "When is the Senate going to use its prerogatives?" He gave the Senate months of time to take the vote that would have been necessary, and I will be honest with you in saying that judge might not have made that decision.

Mr. HARRY F. BYRD, JR. I thank the Senator from Arizona.

Let me read now from the report on the Taiwan Relations Act, the committee report of the Committee on Foreign Relations, U.S. Senate, March 1, 1979. This is what the Committee on Foreign Relations itself asserted on page 19:

> It appears to the committee, therefore, that the constitutional prerogatives of the Congress and the Senate have not been invaded in that neither the Congress nor the Senate has elected to exercise the powers granted to it by the Constitution to participate in the process of treaty termination. Had either done so a different conclusion would likely obtain.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate? The Senator is entitled to be heard.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Now, despite that assertion in the report of the Committee on Foreign Relations, unanimously adopted by the committee, committee leaders have opposed my resolution to put the Senate clearly on record. Despite that, the Senate has gone on record as clearly endorsing my position.

What the Senate did do is this, and it is highly significant: Senate Resolution 15, which was introduced the first days of the session—Mr. President, may we have order in this Chamber?

The PRESIDING OFFICER. The Senate will be in order. The Senator may continue.

Mr. HARRY F. BYRD, JR. The resolution which I read earlier, Senate Resolution 15, was subsequently submitted to the Committee on Foreign Relations. That committee held many hearings, and that committee reported back to the Senate a resolution diametrically opposed to the resolution I had introduced on January 15—completely the opposite. It gave the President a blank check in terminating treaties.

When that committee substitute was put before the Senate, I introduced as a substitute for the committee proposal my original resolution, and I will read it again:

> Resolved, That it is the sense of the Senate that approval of the United States Senate is required to terminate any mutual defense treaty between the United States and another nation.

A vote was taken on that on the 6th day of June 1979, and the Senate by a vote of 59 to 35 repudiated the proposal of the Committee on Foreign Relations and adopted the proposal which I have just read.

That is the last word, that is the final word, up to this point that the Senate has taken; it is a very conclusive action on the part of the Senate. Judge Gasch had every right to rely on that.

There are a minority in the Senate who feel that the Senate ought not to have a role in terminating treaties. But they are definitely in a minority. There is nothing wrong with being in a minority. I am in a minority most of the time, and I can understand that.

But on this issue, the Senator from Virginia is in a majority. Fifty-nine Members of the Senate, versus 35, stated that—I will read it again:

> It is the sense of the Senate that approval of the United States Senate is required to terminate any mutual defense treaty between the United States and another nation.

I feel it is unfortunate, as some of my colleagues do, that the courts are involved in this. I would have preferred the Senate handling the matter itself. That action could have been taken long ago, and finalized.

But I say also that the June 6 action of the Senate stands as the last word of the Senate.

Now, I want to read what the mutual defense treaty with the Republic of China states in regard to termination. It says:

> ARTICLE X
>
> This Treaty shall remain in force indefinitely. Either Party may terminate it one year after notice has been given to the other Party.

The giving of notice does not terminate the treaty.

Additional action must be taken by the Senate of the United States before that treaty can be terminated.

Why in the world the President will not submit the question of termination to the Senate I cannot understand. I cannot understand why the Committee on Foreign Relations did not take the initiative itself in submitting a resolution of approval.

Nevertheless, they have not done so.

Now, the distinguished Senator from New York, Senator JAVITS, has suggested this morning that somehow the passage of the Taiwan Relations Act seemed to approve the President's attempt to terminate the mutual defense treaty. In fact the exact opposite is the case.

Section 4(c) of the Taiwan Relations Act specifically provides that Congress approves the continuation in force of all treaties with the Republic of China in force on December 31, 1978.

So that the record is clear on this point, I will read section 4(c) which is now also the law of the land:

> For all purposes, including actions in any court in the United States, the Congress approves the continuation in force of all treaties and other international agreements, including multilateral conventions, entered into by the United State and the governing authorities on Taiwan recognized by the United States as the Republic of China prior to January 1, 1979, and in force between them on December 31, 1978, unless and until terminated in accordance with law.

Although the meaning of the provisions is on its face perfectly clear, the legislative history of the provisions here in the Senate also shows that it was fully intended to include the mutual defense treaty. That treaty, like all others with Taiwan, remains in force unless and until lawfully—and I will add, "constitutionally"—terminated.

The question that so deeply concerns the Senator from Arizona, the Senator from North Carolina, and the Senator from Virginia is not the merits or demerits of the China policy, nor the merits or demerits of the question of Taiwan.

It goes way beyond that. It is the question of how the U.S. Government will handle the question of terminating treaties.

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. HARRY F. BYRD, JR. I yield myself 3 minutes.

Let me say this, Mr. President: If the attitude of the President of the United States prevails, if the attitude of the Justice Department in arguing his case in the court prevails, if the attitudes of certain Members of the Senate prevail, then what we are going to find is that our country will be greatly injured in world affairs. What it will tell our allies is that the adherence of the United States to its solemn treaty comitments rests on nothing more substantial than the inclinations of the man occupying the Presidency at a particular time. That changes our whole treaty concept. That changes the Constitution.

I think this is one of the most important issues that has faced the Senate of the United States in many years. The resolution which I introduced is clear. The Senate has acted on it.

The Senate, by a vote of 59 to 35, states that approval of the U.S. Senate is required to terminate any mutual defense treaty between the United States and another nation.

I frankly do not see how a Member of the U.S. Senate, although 35 of them did, could vote against such a resolution. A treaty cannot become effective without Senate approval and it cannot be terminated without Senate approval, unless the treaty provisions so specify.

We saw what happened 15 or 20 years ago when the Senate gave away its own responsibilities and prerogatives. It has only been in recent years that the Senate has begun to reassert its prerogatives in the foreign relations field. Now we come along, on one of the most important problems of all, namely, the question of treaties with other nations, and there are many who seem to want the Senate to forgo that role.

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. HARRY F. BYRD, JR. I yield to the Senator from North Carolina.

Mr. HELMS. Mr. President, the Senator from Virginia is absolutely correct. I commend him for the position he has taken, and I am proud to have joined him in his original resolution.

In any issue which involves an interpretation of the Constitution, the best source of information is obviously the document itself. In my judgment, the meaning of the Constitution in this instance is clear and can be readily ascertained.

Senate Resolution 15, as introduced, expresses a proposition which at its core is a statement regarding the proper method for the termination of law. That statement would be correct, in my view, whether the law in question took the form of treaty or statute, or, if in treaty form, whether the treaty were a mutual defense treaty or any other treaty. Stated simply, the issue involves determining the proper modality under the Constitution for law termination.

Mr. President, the Constitution specifies precise modes for the creation of law. It specifies the manner in which statutory law is created, and it also specifies the manner in which treaty law is created. It establishes that treaty law has the same status as statutory law, and, as in the case of statutory law, it declares treaty law supreme over conflicting State statutes or constitutions. The Federal Constitution does not, however, expressly specify modes for repeal or termination of Federal law, whether it be law created by statute or treaty.

The only logical conclusion to be drawn from the failure of the Constitution to specify precise modes for the termination of law is that law can be terminated only in the manner in which it is made, that is, by an instrument of like dignity.

In other words, a statute may be terminated only by another statute adopted subsequent in time or by a treaty adopted subsequent in time. Similarly, a treaty may be terminated only by a subsequent statute or by a subsequent treaty or by some subsequent instrument of similar status and force.

Mr. President, it seems to me that any other conclusion cannot be supported. Any other conclusion would of necessity contemplate the termination of law by some action not itself arising to the dignity of law. That would not accord with basic concepts of democratic government since it would imply that, although law is to be made only with the participation of the people's representatives, it can be unmade without the same form of popular consent. It would further imply that law validly adopted is not inherently permanent in nature unless and until changed by subsequent law, thus introducing a new concept wholly foreign to all constitutional and governmental principles.

Admittedly, a statute or treaty could be made self-limiting by providing in its terms for termination of its effectiveness upon the occurrence of specified contingencies, for example, the expiration of a term of years. However, if a statute or treaty does not provide that it is to be in effect for a limited term or that it will automatically terminate on the happening of some other contingency, then it will not terminate, in my view, unless and until terminated by a subsequent statute or treaty or by some subsequent instrument of like status.

Again I commend the Senator from Virginia, and I thank him for yielding.

Mr. HARRY F. BYRD, JR. I thank the Senator from North Carolina.

I point out that article VI of the Constitution provides that "All treaties made, or which shall be made, under the Authority of the United States, shall be the Supreme Law of the Land." I think all of us, or at least most of us, recognize that a President alone cannot abrogate a supreme law of the land.

This is a highly important matter. I hope the circuit court will not overrule Judge Gasch. Although I am sorry that the courts are involved in it, if the circuit court does overrule his decision and states that the President can act unilaterally in abrogating treaties, then I am going to do something I would not do in December and shall join Senator GOLDWATER in going to the Supreme Court. But I think the Senate itself should resolve this matter, because it is a Senate responsibility, a Senate obligation, and a Senate prerogative that is involved.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 2 minutes.

The PRESIDING OFFICER (Mr. PRYOR). Is there objection? Without objection, it is so ordered.

CONTINUING APPROPRIATIONS—ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, the House of Representatives will recess tomorrow until November 26. The continuing resolution has been sent over by the other body, has been reported out on yesterday by the Appropriations Committee of the Senate, and qualifies under the 1-day rule to be taken up today. There is no committee report, and so the 3-day rule does not apply.

I understand that there are a couple of objections to proceeding with the consideration of this continuing resolution, but I would hope that those objections can be removed. The existing resolution expires on November 20.

With the House going out until November 26, it is very desirable on the part of the joint leadership that this continuing resolution be called up today, disposed of, and sent over to the other body, so that, hopefully, any disagreements between the two bodies could be resolved by the close of business tomorrow night when the House goes out.

Otherwise, the existing resolution will expire, and the Government is going to find itself back into the same kind of situation in which it was thrown recently by the inability of the two Houses to agree on the funding levels contained in the continuing resolution.

I would hope, therefore, that those two objections can be removed.

RECESS FOR 10 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 10 minutes, in the hope that we can find some resolution of this matter.

There being no objection, the Senate, at 11:11 a.m., recessed until 11:21 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. PRYOR).

The PRESIDING OFFICER. The majority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I hope that there will not be an objection to proceeding with consideration of the continuing resolution. I recognize that the distinguished Senator from Connecticut has a serious problem that has come about through no fault of his own. He has been forced to be away from the Senate because of surgery that his mother is undergoing. That is certainly no fault of his and all Senators would expect to be away from the Senate under the same circumstances.

As far as I am concerned, if there is a particular amendment in which that Senator is interested—as far as I am personally concerned, but I would have to leave it to the managers and the ranking member—I would be agreeable to delaying action on that particular amendment until later in the day, when he can return.

Other than that, I am constrained to say that I think it will be a serious mistake to hold up this resolution today. We have to remember that the continuing resolution under which the Department of Defense, for example, is operating now will expire on November 20. With the Iranian situation being what it is, with the House being out until November 26, come November 20, the Department of Defense is going to lack appropriations. I do not believe the Senate wants to carry that burden at the moment.

I do not believe any single Senator would want to shoulder the burden of blame for holding up Senate action on this continuing resolution, with the Iranian situation being what it is.

I am going to yield to the distinguished minority leader, after which I think I am going to be constrained to ask unanimous consent that the Senate proceed.

Mr. BAKER. Mr. President, I thank the majority leader for yielding. I think if the majority leader will withhold that request for a few moments, there is an improving expectation that this thing may work out.

We have, of course, the amendment to be offered by the distinguished Senator from Colorado (Mr. ARMSTRONG), which we have discussed at some length. There is also a concern, I think, from the Budget Committee, and we are trying to check that now. So I hope the request will be withheld for just a moment.

On behalf of the Senator from Connecticut, I am constrained to ask that this matter go over until either late this afternoon or tomorrow and explain to the Senator from Connecticut that, notwithstanding that he has to be in New York when his mother undergoes surgery today, it may be necessary for the Senate to proceed to the consideration of this item. I do not believe that the Senator from Connecticut would object to that.

My latest information is that he probably will not object, but I am willing, if I can contact him, to see if we can get someone else to offer that amendment if the distinguished managers of the bill will cooperate in that respect. Maybe that will resolve that matter.

I have three things I have to deal with now: The Weicker request, the Budget Committee concern, and the Armstrong amendment. All three are working at this moment. So if the majority leader will withhold his request, I think there is some possibility, maybe even a good possibility, that we can resolve that and maybe we can meet his objective.

Mr. MAGNUSON. Mr. President, if the Senator will yield, I appreciate the problems that the minority leader has in this matter, but we are running against time again. The Senate acted promptly, but the House did not pass the continuing resolution until the day before yesterday. We met the following day and passed the bill out. They are leaving Friday—tomorrow night—leaving town. Unless we finish this bill, as the majority leader points out, the 20th will go by and, here again, we are faced with a problem of defense appropriations and other appropriations which have not been resolved in conference.

The Weicker matter is a matter involving $4 million. We can go ahead with it and, if necessary, I can take it out of the conference. But let us go ahead with this bill.

Senator HOLLINGS has some feelings about the Weicker amendment; he said he had not heard of it. We can move to bring up this bill by a motion, but it is better to do it by unanimous consent.

I appreciate what the two leaders are trying to do, but let us get going on it. I am getting a little fed up with the Senate being held up on important matters by one Senator, who has some sort of a pet peeve or something that he is worried about. The Senate ought to proceed with these matters and let the chips fall where they may.

One Senator can hold up the whole Senate and that is what is the trouble with the Senate. That is why the people in the country wonder why we cannot get anything done.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may proceed for just a few minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Will the majority leader yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, I understand the feelings of the distinguished chairman of the Committee on Appropriations. He knows that I am sympathetic to his plight.

Mr. MAGNUSON. I know.

Mr. BAKER. But I am sure he understands my responsibility, which is to protect the Members on this side, and there are more than one. We have now three items before us. As I indicated, we are working toward resolution, we are working on those. I think there is some chance we can work them out.

If I understood the Senator from Washington on the Weicker amendment—did I understand the Senator from Washington to say he might accept the amendment? Is that the intendment of his remarks?

Mr. MAGNUSON. No; we discussed it and we voted on it in committee. We voted to put the 4.5 million in at the behest of the Senator from South Carolina. It is trade negotiaton realignment. We voted to put it in. The Senator from Connecticut said, well, he had not seen the matter.

It is a departmental request, it is a budget request, and we voted on it. I do not know why the Senator from Connecticut wants to hold up a bill over $4 million because he had not been, as he said, consulted about it. We had a chance, we have argued it back and forth.

The Senator from South Carolina presented his case, everybody talked about it, and we voted. We voted to accept the Senator from South Carolina's proposal.

I do not know why the Senator from Connecticut has to have any more to say about it. He may have an amendment to strike it out, and if we want to vote on $4 million and $5 million, let us vote. Let us get this over with.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from North Dakota.

Mr. YOUNG. Mr. President, I voted for the Hollings amendment, but I can understand Senator WEICKER's feelings. He is ranking Republican minority member on the subcommittee handling this. He was not consulted at all. I guess he was handed some kind of paper a few hours before. But he should have been consulted. I can understand his disgust at the procedure.

I voted for the amendment, and I would again. But I do not like the way it was handled.

Mr. BAKER. Will the majority leader yield?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, I think that pretty well summarizes the issues.

The Senator from Connecticut has a very important amendment and he is in a special position to make that judgment since he is ranking on the subcommittee.

I think the best thing to do at this moment, if the majority leader will permit it, is to withhold a request to proceed to this matter for a few more moments until I can finish touching the bases I need to touch to see if we can accommodate the requests I anticipate he will make.

Mr. ROBERT C. BYRD. I will be glad to do that.

Mr. President, before I yield the floor, however, I want to point out the House may not have a quorum tomorrow. I think any Senator who objects now should understand he is going to be responsible for payless paydays.

I again remind the Senate that the Department of Defense, which is one of the major agencies included in the continuing resolution, will be without authority to incur obligations after November 20. It would be highly irresponsible to leave the Department of Defense in this situation without authority due to lack of ability to fund operations, particularly with the potentially explosive situation confronting our Nation by the Iranian Government's actions.

The burden will be on any of those who object.

I can move, the motion will be debatable. But again, the obstacles to Senate action on this will be upon those who attempt to prevent action.

But at the moment, Mr. President, I ask unanimous consent to proceed for 1 more minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I will need only 15 seconds. Then I would like to ask the majority leader to yield to the Senator from Colorado, who is on the floor and may have something more substantive to say about this issue.

All I was going to say was that I really grow weary of finding ourselves in this position all of the time, when the House has the initiative on the schedule, and what we do is react to it.

I respect their prerogatives. I understand the requirements of their recess schedule. But it happens to us every time we get in this mess.

At some point, I hope we can rectify that situation, as well.

Mr. President, I hope the majority leader might yield to the Senator from Colorado.

Mr. ROBERT C. BYRD. I am glad to yield to the Senator.

Mr. ARMSTRONG. Mr. President, I appreciate the leader's courtesy. But the minority leader has said in a much more diplomatic and restrained fashion what I, in fact, intended to say.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

RECESS FOR 5 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 5 minutes.

There being no objection, the Senate, at 11:34 a.m., recessed until 11:39 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. PRYOR).

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

FURTHER CONTINUING APPROPRIATIONS, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent—I am sure the distinguished chairman of the Appropriations Committee will want to hear this request—that the Senate proceed to the immediate consideration of House Joint Resolution 440, and that the resolution not be subject to a call for the regular order.

Mr. ARMSTRONG. Mr. President, reserving the right to object—and I will not object—I would like to take a moment to say that the next time this kind of issue comes to us in this fashion, it is probable that I will object.

It seems to me that the statement of the minority leader is very apt and, as I pointed out earlier, is very restrained. But our friends in the House put us in this position over and over again, where it is impossible, as a practical matter, to handle the financial affairs of the country in a proper and reasonable way. They put a gun to our head. They preclude the orderly transaction of business, and then we are confronted with the question, as the majority leader said earlier, that if we do not act, we are going to precipitate a crisis.

We have to put the onus where it belongs. The next time this kind of issue arises at the 11th hour and the 59th minute, I will object.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield before he completes that sentence?

Mr. ARMSTRONG. I yield.

Mr. ROBERT C. BYRD. I hope the Senator will not complete that sentence. He is a reasonable man, and what is happening today is not his fault, nor is it the fault of the Senate. It can happen again.

Although a gun is held to one's head, I do not think we want to participate in the act of suicide by putting another gun to our own head. Although one body may at times act irresponsibly, I do not believe that justifies the other body in paralleling that act of irresponsibility.

The Senator has been a very reasonable man in this instance, and he will be a reasonable man in the next instance. I hope these instances do not occur again. They are most frustrating.

However, we have not only our own frustrations to consider; we also have the best interests of the country to consider. One body has to stand up for the best interests of the country if the other body does not. I am not saying it does or does not. I hope we will make that judgment when the time comes.

The Senator is going to make that judgment, I am sure. I have been very impressed with him as a new Member of this body, and particularly the fine spirit in which he viewed the action of the Senate recently in connection with an amendment he called up.

I think it took a big man to view that action as he did.

I have a feeling that we will reach each crisis and wait until the crisis arises before we say what we might do. The Senator can always object, without saying that he might do it this time.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. ARMSTRONG. I appreciate the majority leader's complimentary remarks. Of course, he is right; the Senate must behave responsibly.

However, Mr. President, I suggest that, for the sake of the country, it is important that more than one of the two bodies behave responsibly and work on a reasonable time schedule.

So long as the Senate acquiesces in this kind of short-deadline, gun-at-the-head proceeding, we have not let our friends in the House know that they are really running a grave risk.

So I say to the majority leader that the next time a similar instance arises, I may very well object, and I hope our friends in the House will be inclined to give us more notice and let us legislate, rather than proceed in this precipitate fashion.

I want to make it entirely clear that I was not criticizing the majority leader. I believe this continuing resolution has come from the House in the very recent past. It is not the fault of the Senate committee, the Appropriations Committee, or the majority leader, and certainly it is not the fault of this Senator from Colorado. The Senate, under precedents, cannot originate this. It comes from the House. However, I think they should get off the dime over there and start legislating, instead of playing this game of chicken, in which they send us a bill and say, "We're going to go home on recess."

I yield to the minority leader.

Mr. BAKER. Mr. President, I agree with and I support the sentiments expressed by the Senator from Colorado. Not only do I understand his point, but also, I share his enthusiasm for that point.

We have a very serious problem on our hands, and it is as much a question of the House's recess schedule as it is anything else.

I think the House should be on notice, to the extent one Senator can put them on notice, that in the future we are not going to accommodate their recess schedule at the sacrifice of our judgment on appropriation bills. I do not know how that will read in the Congressional Record, but I hope that our counterparts in the other body read that and understand that this has to stop. Some way or other, we have to arrange our affairs so that the Senate is not at the mercy of the House of Representatives in these matters.

I, too, will withhold any adamant and categorical statement as to what I will do, but I simply say that we have to do it on a rational basis.

My first request would be that the distinguished chairman of the Appropriations Committee and the distinguished senior Republican on the Appropriations Committee convey to their counterparts the intention at least of this Senator to see that we are not in this spot in the future, if we can avoid it.

Mr. ARMSTRONG. This concern we are talking about is not a theoretical concern; this is not a textbook issue in political science. This is a practical problem.

When the Senate last considered the continuing resolution, I believe it was the understanding of virtually every Member of the Senate that all appropriations would continue until November 20 and then they would expire. In fact, perhaps the Senator from Colorado was the only one who had that understanding, but I believe that was the general understanding of all or virtually all Senators. However, in fact, that is not what was in the continuing resolution.

We considered it in such haste and under such pressure of time and under such pressure of emotion that there was permitted to slip through, unknown to Senators, unknown to staff and unknown to members of the press, a provision which I think is seriously detrimental to the process, and that is that the legislative branch appropriation was continued until September 30, effectively precluding the right of those of us who wished to amend the legislative branch appropriations bill from the opportunity to do so.

Having served on the Legislative Branch Appropriations Subcommittee of the other body, I can tell Senators that there are some places where that appropriation could be amended, where money could be saved. We are precluded from doing it because a provision was included which, in effect, was unknown to the Senate. That is the reason why I object to these short deadlines.

It is not a mere argument over an abstract principle, but it is a reality that mistakes are made and Senators are not informed.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 440) making further continuing appropriations for the fiscal year 1980, and for other purposes.

The Senate proceeded to consider the joint resolution which had been reported from the Committee on Appropriations.

Mr. MAGNUSON. Mr. President, this is a very interesting dialog that is going here about Appropriation Committees.

The Senate was ready with its Appropriations Committee's work before the August recess, and the House committee had much of their work done before the August recess. It was mainly the fault of the legislative committees, the lack of authorization. That was a problem on both sides.

November 20, we thought, was the time when everything would be done. It has turned out that by November 20, Defense is still in conference, foreign operations is still in conference, Interior has been in conference, military construction is still in conference, and Transportation has been in conference. All these conference reports should be available for action by the Senate and Congress and sent to the White House by November 20.

The problem is that the House is going to leave tomorrow night, and they cannot approve of them. That is the problem.

I hope that by November 20, they all will be done, with the exception of the legislative appropriations bill, which already passed, until September 30; and that is because the House does not want to vote on the legislative appropriation bill and refused to have a conference.

The Senator from Colorado should understand these facts. I agree with him, and I would make this December 15, if necessary. However, in the meantime, we have to proceed. The only one that needs to go until September 30 is HEW.

Why is that being held up? It is over the abortion amendment. We have agreed on the figures. We agreed on HEW figures on July 20, and now we are going to have to vote again today. That will be the 35th vote the Senate has taken on it and the House of Representatives has taken 33. Those are the facts.

I do not blame the House Appropriations Committee. I blame the legislative committees that have failed to make their authorizations. That is the trouble with abortion. It does not belong on an appropriation bill at all.

Five bills were introduced on abortion. I took the Hyde amendment, the Senate version and all five versions of it, and sent them to the proper committees, including the Finance Committee which has the say on medicaid. They have not even asked for a hearing and this has been going on 6 years.

Let us not throw facts around here unless we know what the facts are.

I objected to the Labor-HEW extension. They had it in the original continuing resolution we passed just recently until September 30. And they passed the continuing resolution over there day before yesterday with a voice vote. And they sent it over here and we acted quickly. We acted in 1 day. We filed the bill within 24 hours. I thought we would take it up last night. But other legislative matters interfered.

So, there is another thing. The appropriations committees are getting to be the recipients of all the legislation. The amendment of the Senator from Colorado is legislation. It does not belong on a continuing resolution at all. It does not belong on an appropriation bill.

But they will not take them to the Armed Services Committee where they belong, and it is getting to be that with the process around here. Maybe we are going to have nothing left but the Finance Committee, the Appropriations Committee, and the Budget Committee.

If Members would cease and desist putting legislation on appropriations bills we would get them finished faster. We do not have any trouble with the money items.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. MAGNUSON. Mr. President, 2 years ago we had an HEW bill up. It was an appropriation of $112 billion, I think, at that time. We spent 5 days on the floor and we spent 20 minutes on $112 billion, and the remainder was over legislation on an appropriation bill.

I appreciate the feeling of the Senator from Colorado because I join with him in his criticism, but I think the facts should be clear.

Mr. YOUNG. Will the Senator yield?

Mr. MAGNUSON. Yes, I yield to Senator Young.

Mr. YOUNG. Mr. President, I share the concern expressed by the Senator from Colorado (Mr. Armstrong) and the distinguished chairman of the Senate Appropriations Committee regarding the House of Representatives sending over continuing resolutions for appropriations bills with no time for the Senate to give adequate consideration. This has been going on for a long while. The Senator from Washington and I have been here about 35 years and this thing has been going on for most of these 35 years. I do not know how we are going to reform them.

Mr. MAGNUSON. The first 30 years they were not putting legislation on appropriations bills. The last 5 they have.

Mr. YOUNG. I am trying to reform them. But I do not know whether we are going to do it or not. That is all.

Mr. MAGNUSON. As to this continuing resolution, I am hopeful that defense appropriations which is now in conference and, as I said, foreign operations, Interior, military construction, and transportation will all be resolved probably before the 20th date. But no one can act on them until after the House of Representatives comes back.

So I hope by the first of the year all appropriations bills will be acted upon and then the continuing resolution as it applies to them is moot. It will not apply to any of them with the exception of

HEW, which again is being held up by the abortion amendment.

The bill does have the expiration date for all departments and agencies of September 30, except for the Federal Trade Commission. There again the Appropriations Committee is being held up incessantly by the Federal Trade Commission. The Federal Trade Commission has been in the legislative committees for 2 long years, and they come to the Appropriations Committee and want to put all of these amendments on.

So we gave them until March 15. I suggested down at the Appropriations Committee we take it out. The House of Representatives acted on it and are voting on it, I guess, today, finishing it, and the Senate committee is going to take it up on next week, I believe.

But there again all of the criticism or the merits or demerits or what is happening down at the Federal Trade Commission is being held up because of lack of authorizing legislation and then they come to the Appropriations Committee and want us to legislate.

So we gave them until March 15. That was the House figure, and we accepted it.

Our committee retained the House language relating to a prohibition of any U.S. economic or military assistance to Iran. That is an emergency matter, I understand that, getting on an appropriations bill. The same provision was adopted yesterday by a vote in the House of Representatives of 379 to 0.

Our committee, by vote of 15 to 13, again deleted any reference to abortion limitations. It was agreed that the committee would pass the bill out this way, so the full Senate could express its will on the abortion issue. We will vote for the 36th time, I guess.

Our committee added, and this is an emergency—I can understand emergencies coming up—$18 million for special education assistance to approximately 70,000 refugee students, under the provisions of the Indochinese Refugee Assistance Act of 1976.

Then, we added the huge sum, after discussion and vote, of $4,456,000 that has been requested by the President to strengthen the role of the special representative for trade negotiations, and that is all we did. That is subject I guess to amendment. Senator HOLLINGS, who handles the State, Justice and Commerce Appropriations Subcommittee, submitted it as an emergency matter because they are changing personnel, and things like that. Strauss is not there anymore. And it seemed desirable.

It is important that we finish action on this bill, so that we can go to conference with the House at the first opportunity.

This is the only measure that we have that will provide vital program money and salary funds to all those departments and agencies with people across the entire Nation.

I would want to make it perfectly clear to all those departments and agencies—especially Labor-HEW—that when they allocate funds for fiscal year 1980 that they must follow the House and Senate reports, as well as any conference agreements.

Other members may wish to comment on specific changes we made in committee.

Due to the emergency of this continuing resolution we had to bring House Joint Resolution 440 to the floor this morning without the benefit of a formal report.

To further clarify what the committee intended in a number of areas, I ask unanimous consent that the record show at this point the report language that we had before us.

There being no objection, the report language was ordered to be printed in the RECORD, as follows:

REPORT

The Committee on Appropriations, to which was referred the resolution (H.J. Res. 440) making further continuing appropriations for fiscal year 1980, and for other purposes, reports the same to the Senate with amendments and with the recommendation that the resolution be passed.

PROGRAMS COVERED BY THE RESOLUTION

A continuing resolution (Public Law 96-86) was enacted on October 12 covering the period from October 1, 1979 to November 20, 1979. That resolution provided interim operating authority for the various departments and agencies for which regular annual appropriations for fiscal year 1980 had not been enacted. There has been considerable progress made in clearing appropriations bills since the previous continuing resolution was passed, but several major bills, including Defense, Foreign Assistance, Interior, Labor-Health, Education and Welfare, Military Construction, and Transportation, have still not been enacted. Thus it is necessary to provide further interim operating authority for programs and activities covered by these bills.

LEVELS OF FUNDING PROVIDED UNDER THE RESOLUTION

The authority conveyed by the accompanying resolution covers the period from November 20 until the time the applicable appropriation acts for the fiscal year 1980 are signed into law. The resolution follows the basic form and concept of similar resolutions in prior years. It is generally effective until September 30, 1980, but its applicability to the various Federal programs ceases as the regular appropriation bills are signed by the President.

In summary, the operating levels which obtain under the resolution are as follows:

1. Section 101(a) provides continuing authority for the Foreign Assistance, Interior, and Military Construction bills, which were covered in the previous resolution. Under this section, since these bills had passed only the House as of October 1, the rate of operation for programs and activities covered by these bills shall not exceed the current rate or the rate provided by the bill as passed by the House, whichever is lower.

2. Section 101(b) provides continuing authority for the Defense bill at the current rate or the rate of the budget estimate, whichever is lower.

3. Section 101(c) provides continuing authority generally at the current rate for certain programs not included in regular bills primarily due to the lack of authorizing legislation.

4. Section 101(e) provides continuing authority for the Transportation bill at the current rate or the rate of the budget estimate whichever is lower.

5. Section 101(g) provides continuing authority for the Labor-HEW bill at the rate of the conference agreement.

6. The resolution does not augment appropriations contained in the regular bills for fiscal year 1980. Section 105 provides that expenditures made pursuant to the continuing resolution shall be charged to the applicable appropriation or fund when the regular bill is enacted into law.

7. Section 106 contains a prohibition against initiating or resuming any project or activity for which funds were not available during fiscal year 1979.

COMPLIANCE WITH RESOLUTION

It is essential that officials responsible for administering programs during the period covered by the resolution take only the limited action necessary for orderly continuation of projects and activities, preserving to the maximum extent possible the flexibility of Congress in arriving at final decisions. Accordingly, the rates of operation for programs and activities under the resolution are to be interpreted as ceilings and not as mandatory spending levels. This is necessary in order to preserve congressional prerogatives in the course of the regular authorization and appropriation process. The Committee expects that departments and agencies will carefully avoid the obligation of funds, for specific budget line items or program allocations on which congressional committees may have expressed strong criticism, at rates which would impinge upon discretionary decisions otherwise available to the Congress.

FEDERAL TRADE COMMISSION

Section 101(c) of the joint resolution includes provision for continuation of the activities of the Federal Trade Commission conducted in fiscal year 1979 at a rate of operation not in excess of the 1979 rate. As passed by the House of Representatives this provision includes three restrictions on the activities of the Commission. Two of these restrictions were contained in the first continuing resolution; namely, that while the Commission's activities are authorized by the continuing resolution, no section 18 (Magnuson-Moss) trade regulation rules will be promulgated in final form, nor will any new activities be initiated by the Commission.

A new restriction was added by the House to this joint resolution prohibiting any new section 18 trade regulation rules already promulgated by the FTC becoming effective during the period the Commission is covered by this resolution unless authorizing legislation is enacted during such period. The joint resolution as passed by the House also provides that the authority and funds made available for the FTC shall remain available until March 15, 1980, instead of through September 30, 1980, as otherwise provided other agencies covered by the resolution.

The new restriction barring trade regulation rules (TRR's) from becoming effective would affect two TRR's, one requiring accurate and comparable information concerning the effectiveness of home insulation materials, and a second regarding student placements and fee refunds by vocational and home-study schools. Both of these rules were promulgated by the FTC before September 30, 1979, with the home insulation TRR to take effect on December 31, 1979; and the other on January 1, 1980.

The Committee has deleted the new restriction from the resolution. During September and October the Committee on Commerce, Science, and Transportation held extensive oversight hearings on the FTC. During these hearings the home insulation industry did testify to their problems with the TRR, but the additional amendments proposed by Senator Ford, chairman of the Consumer Subcommittee, following those hearings do not include any such restriction. Furthermore, the stated objective of the other body in making this new provision is to "give the Congress the opportunity to consider any legislative restrictions that it might wish to impose to such trade regulation rules during the consideration of the FTC authorization before such rules go into effect". Neither the pending Federal Trade Commission Improvements Act of 1979 (H.R. 2313), nor the rule providing for its consideration by the House of Representatives, contain any such restriction on implementation of trade rule regulations promulgated prior to September 30, 1979.

The Committee has approved the expiration date of March 15, 1980, for Commission operations pursuant to this continuing resolution. The FTC has not had an authorization for appropriations since September 30, 1977. While it is hoped that the authorization efforts now underway in Congress will be quickly completed, it is likely that the considerable controversy surrounding the FTC could draw the resolution of this matter out until early next year.

UNAUTHORIZED LABOR-HEW PROGRAMS

The joint resolution continues to make special provision in section 101(c) for certain ongoing programs for which funds would normally be included in the fiscal year 1980 Labor-HEW appropriation bill, but which were not included because of expiring authorizing legislation. Bills authorizing 1980 appropriations for these programs had not been enacted when the Labor-HEW appropriation bill passed the House in June. Most of the expiring authorizing legislation has still not been extended. The joint resolution permits the affected programs to continue in operation generally at the current level until 1980 authorizations and appropriations are enacted.

The Labor-HEW programs covered by section 101(c) of the resolution, which account for approximately $821 million in budget estimates for fiscal year 1980, are as follows:

Department of Health, Education, and Welfare:

Health Services Administration: Emergency Medical Services.

Center for Disease Control: Health education.

Alcohol, Drug Abuse, and Mental Health Administration:

Drug abuse community programs;
Alcoholism programs;
Mental health financial distress; and
Mental health consultation and education.
Health Resources Administration:
Emergency medical training;
Health planning;
Nursing institutional assistance;
Nursing student assistance; and
Nursing research and nursing program support.

Assistant Secretary for Health: Smoking and health.

Social Security Administration: Indochinese refugee assistance.

Related agencies: ACTION—Domestic volunteer programs (except older American programs).

This resolution will support the current rate of refugees in the United States and those entering at the rate of 14,000 per month.

INDOCHINESE REFUGEE EDUCATION ASSISTANCE

The Committee is recommending that $18,000,000 be included to help meet critical educational needs of Indochinese refugee children. To date, no money has been made available to assist in the education of these children. The Department of Health, Education, and Welfare has estimated that approximately 70,000 new refugee students will enroll in the Nation's schools during the 1979–80 school year.

In fiscal years 1977 and 1978, a total of $33,500,000 was appropriated under Public Law 94–405 to assist the refugees who entered the country after the Vietnam war. The Committee recommendation would provide 1980 funds under this authorization. A State education agency (SEA) may receive a maximum grant of $450 per refugee child. The SEA then allocates funds, to be $675 per child, to local school districts.

Including these funds in a continuing resolution is done only because of the current emergency funding needs. This is the only means available to provide this assistance to local school districts.

The large influx of refugees was not anticipated at the time the Congress was considering the fiscal year 1980 Labor-HEW appropriations bill. There probably will not be a supplemental appropriations bill until early 1980, too late for the funds to be allocated to school districts prior to the end of the 1979–80 school year.

Most of these new immigrant children speak no English; many do not even read and write their native language. They need specialized education materials, bilingual Indochinese teachers or aides, and special counseling. The money recommended by the Committee will help to provide these services.

These funds are designed principally to deal with refugee students entering school in this country during the 1979–80 school year. The Department, State education agencies, and local school districts must follow procedures to ensure that these funds are used only to assist in educating of Indochinese refugees. Further, the Department and State education agencies must make every possible effort to get these funds to local school districts by January 1980.

The Committee believes that school districts with small numbers of refugees should not be excluded from eligibility. Refugees who settle in areas with small Indochinese populations often face some of the toughest education and adjustment problems. A small amount of Federal assistance could prove to be a valuable assistance.

Due to the lack of concrete information about the number of refugees in our schools, the Department is directed to closely monitor this program and to provide the Committee with more accurate data as it becomes available, including information to show whether these funds are adequate to provide assistance to all of newly arriving refugees.

ALASKA RAILROAD

Section 107 includes language contained in the previous continuing resolution which indicates that none of the funds provided by this resolution shall be used for the reorganization of certain offices of the Alaska Railroad.

PAYMENT FOR ABORTIONS

Section 109 of the House passed resolution contained the so-called Hyde language which the Senate had repeatedly rejected. The Committee deleted all language in the bill making any reference to abortion.

MILITARY OR ECONOMIC AID FOR IRAN

The Committee concurs with provisions included in section 101(a)(2) and section 110, as passed by the House, prohibiting funds provided by this resolution to be used for military or economic aid for Iran. These provisions were agreed to by a rollcall vote of 379 to 0 in the House of Representatives.

OFFICE OF SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

Reorganization Plan No. 3 of 1979 significantly strengthens the role of the Special Representative for Trade Negotiations in coordinating U.S. trade policy. This office is given new areas of responsibility, such as East-West trade, commodities negotiations including enhanced coal exports, and surveillance of the bilateral agreements, particularly those pertaining to textiles. The Committee has provided in the joint resolution a supplemental appropriation of $4,456,000 requested by the President on November 5, 1979 (H. Doc. 96-218), which provides 57 additional positions as well as the establishment of an office in Geneva, Switzerland.

FEDERAL EXECUTIVE PAY—SENIOR EXECUTIVE SERVICE

It has come to our attention that there is uncertainty about the application of section 101(c) of Public Law 96–86, the existing continuing resolution, that limited cost-of-living pay increases for certain Federal executives to 5.5 percent instead of 12.9 percent which would otherwise have taken place October 1 under existing law.

Under the Civil Service Reform Act of 1978 the President has the authority to adjust rates of pay for the several levels of the new senior executive service (SES) so long as the rate for the lowest SES level at least equal to the minimum rate for GS–16, and the rate for the highest SES level does not exceed the rate for level IV of the executive schedule. In part, because of the manner in which positions under the SES were established, the 5.5-percent pay limitation of Public Law 96–86 had the effect of worsening the pay compression problem in the SES.

The Committee supports the aims of the Civil Service Reform Act, including the establishment of a pay level structure commensurate with responsibility and achievement. The limitations in Public Law 96–86 were not intended to restrict the President's authority to set SES pay levels within existing statutory limits. The Committee would have no objection to the establishment within the SES of appropriate pay levels, as determined by the President, which are generally consistent with the principle of limiting Federal executive pay increases to 5.5 percent during fiscal year 1980.

Mr. MAGNUSON. Mr. President, I ask unanimous consent—the usual request—that the first two committee amendments be considered and agreed to en bloc, and that the bill, as thus amended, be regarded, for purposes of amendment, as original text; provided, that no point of order shall be considered to have been waived by reason of agreement to this order.

Mr. YOUNG. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MAGNUSON. I yield to the Senator from North Dakota.

The PRESIDING OFFICER. Objection is heard. The clerk will report the first committee amendment.

Mr. MAGNUSON. Did you object?

Mr. YOUNG. You asked that all the committee amendments be adopted en bloc.

Mr. MAGNUSON. Just the first two.

Mr. YOUNG. We had objection on this side.

Mr. MAGNUSON. This is the normal thing.

Mr. YOUNG. I understand. We will work this out. I was not advised about this. All I was advised about was that there was objection on the Republican side, and I was raising objection for that reason. There was objection on this side, but I understand this was worked out. I was not advised, so I withdraw my objection.

The PRESIDING OFFICER. Is there further objection? The Chair hears none, and it is so ordered.

The first two committee amendments agreed to are as follows:

On page 5, line 14, beginning after the colon, strike through and including the colon in line 20;

On page 8, beginning with line 3, insert the following:

(h) To carry out title II of the Indochina Refugee Children Assistance Act of 1976 (Public Law 95–561), $18,000,000, notwithstanding the provisions of section 106 of this point resolution.

The PRESIDING OFFICER. The clerk will report the third committee amendment.

The legislative clerk read as follows:

On page 9, line 23, beginning with "'none" strike through and including page 10, line 1, and insert "no provision relating to abortion shall apply with respect to any funds made available by this joint resolution.";

Mr. SCHMITT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ARMSTRONG. Mr. President, I believe the pending business is the third committee amendment, and simply to expedite the work of the Senate, it is my understanding that we are not ready to go ahead with this amendment until the arrival of the Senator from North Carolina and, perhaps, other Senators, so I ask unanimous consent that this be laid aside temporarily and that I be permitted to offer an amendment at this time.

Mr. PRYOR. Mr. President, reserving the right to object——

The PRESIDING OFFICER (Mr. LEAHY). The Senator would have to ask unanimous consent to lay aside the remaining committee amendments. There is one other committee amendment besides this.

Mr. ARMSTRONG. I could not quite hear the Chair, but if the Chair was stating that I would have to ask unanimous consent to lay aside the remaining committee amendment so that I might be permitted to offer a floor amendment, that was my unanimous-consent request.

The PRESIDING OFFICER. The remaining committee amendments.

Mr. ARMSTRONG. I thank the Chair. I did not realize there were four amendments. My unanimous-consent request was intended to relate to all committee amendments.

The PRESIDING OFFICER. Is there objection?

Mr. PRYOR. I am reserving the right to object. I may not object.

The PRESIDING OFFICER. The right to object has been reserved.

Mr. PRYOR. I have no objection.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and by unanimous consent the request of the Senator from Colorado is so ordered.

UP AMENDMENT NO. 814

Mr. ARMSTRONG. I thank the Chair. I now send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Colorado (Mr. ARMSTRONG) proposes an unprinted amendment numbered 814:

Page 8, line 14, strike the words "September 30" and insert "February 20" and on page 5, line 24, change "March 15" to "February 28".

Mr. ARMSTRONG. Mr. President, today is about the 75th or 76th day of the new fiscal year. We have five appropriations bills which have not yet been enacted. The budget resolution, which should have been adopted by both houses 90 or 100 days ago, remains deadlocked, and there is a real question in my mind as to whether or not the budget and appropriations process are breaking apart.

I have watched with the utmost concern the way in which we have handled our business here. I said a few moments ago that it seemed to me that we were not proceeding responsibly.

The issue, I want to make it clear, is not the frustration of the Senator from Colorado. The Senator from Colorado kind of enjoys this rigmarole, and it is not in any event a question of frustration of any particular Member or of the body, but for the orderly planning of the Government of this country we need to get back on the track.

A couple of years ago we adjusted the fiscal year so that it would start on October 1 instead of July 1.

The reason was to permit the committees to report their authorizing legislation and the appropriations bills, and for both Houses to act, and to get those bills in place prior to the start of the fiscal year. To ask our administrators in any department to try to do their jobs on a day-by-day basis, without knowing what new programs are being funded, it seems to me is a near impossibility. So I very much share the concern which has been expressed by the distinguished chairman, the Senator from Washington, and the distinguished ranking Republican member of the Appropriations Committee, the Senator from North Dakota, that we somehow have got to get this appropriations process back on track.

I am sensitive to the explanation that they have given us that the delays have been caused in large measure by the other body, and also in large measure by efforts of some members to legislate on appropriation bills. Without going into the merits of the attempted amendments, let me just say the bottom line is that somehow we have got to get our appropriations process put back together. As a gesture, just a step in that direction, I offer the amendment to make this continuing resolution expire on the 28th of February, rather than on September 30 as it now specifies. It seems to me that to go for a whole year on a continuing resolution really seriously undermines the integrity of the appropriations process.

The Appropriations Subcommittees have held thousands of hours of hearings and markup sessions. The Senate itself, to say nothing of the other body, has had many hours of serious consideration of these appropriations bills here on the floor. Yet here we are, 75 days into the new fiscal year, and we are thinking about extending for the full length of the fiscal year a continuing resolution, which does not seem to be a good practice.

There are five remaining appropriation bills not yet enacted, for one reason or another. They are Labor-HEW, Interior, foreign assistance, Transportation, and military construction.

I am led to believe that at least three of those five will be resolved within the next few weeks, but as to the others there is doubt.

I think we ought to keep some degree of discipline on the conferees and on the two Houses themselves to arrive at a final resolution of these appropriation bills and dispose of them finally, rather than as a continuing measure. Therefore, my amendment would say that prior to February 28, 1980, we have to enact final appropriation legislation, or the issue will come back before the body.

Just one final word and I will yield the floor, because I think the issue is quite simple: Someone is going to make the observation, "Well, the House is adamant, and probably will not be willing to resolve the abortion controversy on HEW."

That may very well be true, but, if it is going to be true in February, it will always be the case. It is a problem of very long standing; it seems to me we would do a service to the Nation and to the institution of Congress itself if we would keep the pressure on, so that a solution of some kind can be found, and so that we do not have to get wrapped around the axle on that issue year after year.

That is the intent and spirit of my amendment, and I urge its adoption.

Mr. MAGNUSON. Mr. President, I appreciate the generosity of the Senator from Colorado. I want to point out that each appropriation he is talking about automatically drops out of the continuing resolution the minute the conferees approve it. They are all working, with the exception of HEW.

In February the Appropriations Committee will be working on the 1981 bills and appropriations. I say to my friend from Colorado that the work of our Committee on Appropriations is becoming an around-the-calendar job.

Mr. ARMSTRONG. I cannot hear the Senator.

Mr. MAGNUSON. We used to have the regular appropriation bills, and we would have one supplemental and one urgent. Now supplementals are considered around the calendar. The regular appropriations are built into the supplementals, which the Budget Committee tries to anticipate but has some difficulty, and we are meeting all the time down there on appropriations.

I oppose the amendment, because in February the committee will be acting on 1981 bills and continuing the round robin of supplementals and everything else.

Mr. ARMSTRONG. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. Yes.

Mr. ARMSTRONG. Will the Senator not agree that, since there are five conference committees in the process of acting, the existence of a continuing resolution which goes to the end of the fiscal year strengthens the hands of those who are dragging their feet in conference? I understand these conferees are working and attempting to reach an agreement between the two Houses, but does not the Senator believe that the continuing resolution will bail them out, strengthen the hands of those who want to delay it?

Mr. MAGNUSON. I do not think we need to strengthen the hands of the committees.

Mr. ARMSTRONG. I do not mean in the Senate committees; I mean the conferees on the appropriations measures.

Mr. MAGNUSON. All the conference committees on the appropriations measures are meeting, except for the legislative one, and I have explained that situation.

We will be starting on new appropriations in February, with supplementals and everything else. It is an around-the-calendar job. So I hope the amendment of the Senator from Colorado will not be agreed to.

I yield to the Senator from North Dakota.

Mr. YOUNG. Mr. President, there is some merit to the amendment offered by the Senator from Colorado. I can understand his frustration with the long delay in the handling of these appropriation bills. But I do not think it would really put much pressure on the conferees to resolve the questions on HEW on abortion, even if we advance the date.

The one advantage of having September 30 is that if they do not resolve the differences, HEW still will be funded. Those who are interested in getting the funds through the bill itself would still try to resolve their differences before this session ends.

So I support the chairman, in that I believe the continuing resolutions should be extended to September 30. The last time they were extended I was one who urged an earlier date, hoping it would put pressure on them; but it did not work then, and I do not think it will work now.

Mr. ARMSTRONG. Mr. President, I think we have probably about exhausted the discussion of this matter. I want to make just one further comment in support of the amendment.

As of this date, the budget resolution has not been agreed to either. Until that is agreed to, we do not know what the final disposition will be of the rescission question, which is very troublesome. We were able to work out an agreement acceptable, I think, to most Members of the Senate, but the House has not been able to come to grips with that, and as a result we have not been able to conclude our work on the budget resolution.

It seems to me that the adoption of an earlier date, such as February 28, January 31, or something like that, would be helpful in that direction as well.

Mr. MAGNUSON. Mr. President, I would point out that the budget resolution is 6 weeks late, and they have not resolved it yet. With appropriations, we are only about—well, we are about 6 weeks late.

Mr. ARMSTRONG. The chairman is exactly right, and I think that underscores the need for speeding up the process by which budget resolutions are acted upon.

Mr. President, I am not going to ask for the yeas and nays on this issue. There are only a few Senators here. But I am glad to have had a chance to air this issue, and I would hope that in the event my amendment does not pass here this morning, the Appropriations Committee would be disposed to entertain a similar approach another time. I think it is a problem which is of utmost concern to many of us, and not just to the Appropriations Committee.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Colorado.

All those in favor?

Mr. ARMSTRONG. Mr. President, let us have a division vote. I have never seen one of those, and this would be a good time to have one.

The PRESIDING OFFICER. The Senator certainly has a right to a division.

On a division, the amendment was rejected.

Mr. MAGNUSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, I ask unanimous consent that the pending committee amendments be set aside so that another amendment might be offered and considered.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 815

(Purpose: To provide additional funding for the humanitarian food aid programs of title II, P.L. 480)

Mr. EAGLETON. Mr. President, I have an amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Missouri (Mr. EAGLETON), for himself and Mr. PRYOR, proposes an unprinted amendment numbered 815.

Mr. EAGLETON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 10, after line 12, insert the following:

Sec. 112. For an additional amount for "Public Law 480", $96,638,000. The amount for titles I and III shall be reduced by $34,528,000 and the amount for title II shall be increased by $131,166,000. The authorized program level for title II is increased by $123,000,000. Funds provided in this section shall remain available until expended.

Mr. EAGLETON. Mr. President, the amendment I am proposing will increase the program level for title II of Public Law 480 by $123,000,000. The administration submitted this request on October 29, 1979.

Since the submission of the President's budget in January, commodity price increases have occurred which will force a 300,000 ton reduction in estimated title II shipments. In addition, emergency situations throughout the world have intensified so that the additional funding is necessary not only to maintain the legislatively mandated minimum tonnage but also to address emergency requirements which, in the first months of fiscal year 1980, already equal total emergency requirements during an average program year.

The crisis nature of existing and anticipated emergency requests makes immediate provision of the additional title II funding imperative. These needs are exemplified by the following situations:

The severe drought situation in Zambia where only 30 percent of normal crop production is expected.

Refugee feeding in Africa where total refugees are estimated at 3 to 4 million people. This situation is particularly critical in Somalia and Uganda.

The requirements of refugees in Southeast Asia as a result of the Kampuchea/Vietnam confrontation. This includes not only those needs to be addressed by the specific $20 million emergency feeding program in Kampuchea but concerns large numbers of refugees in Thailand, China, Indonesia (particularly East Timor) and the "boat people."

Disaster requirements in the Caribbean due to hurricane damage, particularly to food crops.

Price increases totaling over $103 million will result in a reduction of 12 to 15 million recipients or about 20 percent of the worldwide total. Rations will be spread thinner in order to reach the registered recipients with 300,000 metric tons less food. Some mothers will receive only 600 calories per day when 2,000 calories are required for nutritional maintenance. Voluntary agencies have generally received about 1 million metric tons annually out of the 1.6 million metric tons authorized. In 1980, they will be hard hit without the supplemental.

The three largest voluntary agency programs are India, Bangladesh, and the Philippines. They total $146.3 million of a worldwide program of $301.3 million. These three countries will be cut $25 million, $9 million, and $2 million respectively. Eight million people may be cut from the program. India and Bangladesh have been hit by drought conditions and cannot afford less food. Combined populations affected by drought total about 200 million people.

It has been suggested that it would be possible to use funds available for ongoing feeding programs to meet immediate emergency needs and that funds for these programs could then be replaced by supplemental funding later in the year. On paper this appears to be a realistic option. However, it does not take into account the following realities:

From the time an order for commodities is received for a specific feeding program, between 6 to 9 months will pass before a single pound is actually distributed to the recipients.

Procurements for regular programs have already been completed for the first 3 months of fiscal year 1980 operations. USDA started buying commodities in July for October export. These commodities will not be consumed in recipient countries until December, or later, depending on the country's location and the efficiency of the internal distribution system.

Thus, $165 million of the $556 million program level for fiscal year 1980 has already been spent and is not available for reallocation to meet emergency requirements.

In the absence of an absolute assurance that the full requested supplemental will be available, in order to meet current emergency requirements, every ongoing program must tell 20 out of each 100 participants that there is no longer any food left for them or tell all participants that, effective immediately, their ration will be reduced by 20 percent.

If the supplemental is not forthcoming now and feeding programs are cut to meet emergency requirements, provision of the supplemental later in the year will do little to quell today's hunger pains or ward off today's malnutrition.

Feeding programs operate on a day-to-day basis and affect the lives of 60 million people in developing countries. It is much easier to cut a dollar amount from a feeding program with a flick of a wrist in Washington than to tell that woman or that child or some worker in another country not to come back to the distribution center or to the clinic again. Furthermore, once a program is cut and supporting distribution systems are no longer maintained, a lengthy period of time will be required to reinstate a similar program later. Such cuts not only adversely affect the effectiveness of ongoing programs but also diminish the future acceptability of U.S. development efforts.

As I stated before, the administration strongly supports this amendment. I wish to make a part of the record a letter I have recently received from the Acting Secretary of Agriculture Jim Williams, who implores that action be taken immediately on the administration's pending supplemental request. To quote briefly, from his letter, he said:

> However, unless there is immediate action, our ability to maintain effective ongoing title II feeding programs will not be possible.

I urge my colleages to heed that warnin and support my amendment.

I ask unanimous consent that the full letter, dated November 6, from Acting Secretary Williams to me, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE
Washington, D.C., November 6, 1979.

Hon. THOMAS F. EAGLETON,
Chairman, Subcommittee on Agriculture, Rural Development and Related Agencies, Committee on Appropriations, U.S. Senate.

DEAR MR. CHAIRMAN: I am writing to bring to your personal attention the serious problems that have emerged with respect to fiscal year 1980 funding for the P.L. 480 program and particularly for Title II of that program. As you know, the President recently asked the Congress to provide additional funding for both Title I/III and Title II of the program to partially offset the impact of rising cost and to meet emergency needs. We want to emphasize that the situation is very serious and to urge action on the supplemental request before the end of this session of the Congress, preferably before the November recess. We appreciate the action of the Appropriations Committee in providing conference report language which reaffirms the availability of present Title II funding to carry out humanitarian aid to Cambodia and the conferees' agreement to act expeditiously on the pending request for additional funds. However, unless there is immediate action, our ability to maintain effective ongoing Title II feeding programs will not be possible.

We are aware of the many important matters now pending and we therefore do not make this recommendation lightly. However, there are several factors which make your earliest possible action imperative:

Because of rising costs for commodities and transportation, the funding shortfall in P.L. 480 is serious. For Title II, we are requesting $123 million or approximately 22 percent over previously budgeted levels. Without this additional funding actual shipments will fall substantially below the legally specified Title II minimum of 1.6 million metric tons of commodities and the 1.3 million metric ton subminimum for voluntary agencies and the world food program.

If purchases and shipments continue at the originally planned level, Title II funds will be depleted by the end of January. Thus, without an immediate supplemental, purchasing authority must be reduced during the November–January quarter at the latest.

Because of long lead times (6–9 months) required from commitment of Federal resources to actual delivery of commodities, a final decision on fiscal year 1980 funding must be made very shortly. We will have to advise the voluntary agencies by the end of November to reduce previously planned program levels by 25 percent unless Congress enacts a supplemental or gives strong indication that the supplemental will be approved during this session.

While present funding can be used to meet current emergencies and particularly to carry out the urgent humanitarian relief efforts in Cambodia, the Title II funding shortfall will have serious consequences for ongoing programs in other needy countries where hunger and malnutrition are already a major problem. In addition, we would be left with little or no means of meeting future emergencies which cannot be foreseen at this time.

Additional Title I funding is also required to respond to urgent needs in the Caribbean, the drought situation in Africa and the Near East and the deteriorating crop conditions on the Indian Subcontinent.

I have asked my staff to assign the highest priority to providing such detailed information as you may require in support of this funding request. A substantial amount of information has in fact already been provided. We will appreciate everything you can do to help on this important matter. Please let me know if any additional action on our part is required.

A similar letter is being sent to Senator Bellmon and to Congressmen Whitten and Andrews.

Sincerely,

JIM WILLIAMS,
Acting Secretary.

Mr. EAGLETON. Mr. President, I reserve the remainder of my time.

Mr. MAGNUSON. Will the Senator yield?

Mr. EAGLETON. I am delighted to yield to the Senator from Washington.

Mr. MAGNUSON. I understand that most of this money will go to private organizations.

Mr. EAGLETON. That is correct.

Mr. MAGNUSON. What would be the governments' role there?

Mr. EAGLETON. Our Government, of course, is the benefactor——

Mr. MAGNUSON. No, I meant the benefited governments.

Mr. EAGLETON. The benefited governments cooperate as best they can, considering what political conditions are in the various nations, with the voluntary agencies who distribute the food in those countries. The degree of cooperation varies from nonexistent cooperation in Kampuchea, otherwise known as Cambodia, to limited cooperation in Uganda, where the Government is still in the early stages of formation.

Mr. MAGNUSON. I am setting the Cambodia thing aside. That is a separate emergency. But I notice this has the Philippines in it. I did not know there is any feeding problem in the Philippines. Is there?

Mr. EAGLETON. Well, there is at the present time. Local climate and agricultural conditions have been such that there is malnutrition and hunger in the Philippines and it is our humanitarian wish to be of some assistance there.

Mr. MAGNUSON. I understand. I have no objection to this amendment, except I think the Senator from Oklahoma might have a better solution to this. I do not know. I yield to him.

Mr. EAGLETON. Before yielding to the Senator from Oklahoma, Mr. President, I ask unanimous consent to have printed in the RECORD at this point a summary sheet indicating, for the private voluntary agencies operating in the various recipient nations, the commodity cost in dollars that is allocated for about 40 nations that are on the list.

There being no objection, the summary sheet was ordered to be printed in the RECORD, as follows:

Private voluntary agency program

[Commodity cost in millions of dollars]

Country	
Egypt	16.5
Gaza	1.4
Jordan	0.5
Jordan WB	2.4
Morocco	10.0
Tunisia	2.8
Bolivia	10.4
Chile	5.8
Dominican Republic	5.1
Ecuador	1.2
El Salvador	2.8
Guatemala	4.9
Haiti	8.3
Honduras	3.3
Panama	0.8
Peru	13.2
Benin	0.4
Burundi	3.0
Cameroon	0.7
Chad	1.0
Ethiopia	2.8
Gambia	0.7
Ghana	4.6
Kenya	3.8
Lesotho	5.8
Madagascar	2.1

Mauritania	1.4
Rwanda	2.1
Senegal	5.2
Seychelles	0.3
Sierra Leone	2.1
Sudan	1.1
Tanzania	1.9
Tojo	4.5
Upper Volta	9.0
Bangladesh	10.3
India	120.5
Indonesia	5.5
Philippines	17.1
Sri Lanka	6.3
Total (924,800 MT)	301.6
Total with cuts (633,800 MT)	225.7

UP AMENDMENT NO. 816

Mr. BELLMON. Mr. President, I send a substitute amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Oklahoma (Mr. BELLMON) proposes an unprinted amendment numbered 816 in the nature of a substitute.

Mr. BELLMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with. I shall undertake to explain it.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> In lieu of the language proposed to be inserted by the amendment of Mr. EAGLETON, UP 815 insert the following:
>
> "Sec. 112. For an additional amount for title II of the Agricultural Trade Development and Assistance Act of 1954 under the heading "Public Law 480" in Public Law 96–108, $34,528,000, to remain available until expended. This sum shall be derived by transfer from funds appropriated to carry out titles I and III under that heading. The authorized program levels for title II is increased to $582,362,000."

Mr. BELLMON. Mr. President, I will explain the amendment, but before I begin I want to say that I very much sympathize with the position taken by the distinguished chairman of the Agriculture Appropriations Subcommittee. It is my pleasure to serve with him on that committee. I greatly respect the fine job he does in meeting the complex responsibilities of that position. I am in sympathy with him on this. I hope there is another way we can reach the same objective and do it within the constraints of our budget ceiling.

Mr. President, the substitute amendment that I am offering will provide a transfer to title II of the Public Law 480 program of $34.5 million which will allow this program to incur an increase of $26 million in outlays during fiscal year 1980.

This $26 million will more than offset the already programed $20 million in title II assistance for Cambodia.

We are taking $34.5 million from titles I and III and transferring to title II, which is the program under which the needs for Cambodia are being met.

My amendment will, in fact, make an additional $6 million available for other emergency assistance needs.

This point should be made clear. The urgently needed food assistance to Cambodia is already fully funded, that food is on its way—and no further appropriations are needed to address this situation.

But what has happened is that the funding of the Cambodia refugee program has forced cuts in the ongoing program and for that reason, I am offering this supplemental, because some funds are needed.

The $34.5 million increase for the title II program is the very maximum that can be provided within the constraints of the function 150 budget ceiling.

The conference committee on the foreign assistance appropriations bill is confronting a very difficult task in attempting to achieve the savings necessary to live within the functional total. A further increase for Public Law 480 will seriously impair their ability to meet these ceilings of $13.1 billion in budget authority and $8.4 billion in outlays.

I might add that the foreign assistance appropriations bill also contains an additional $44 million for Cambodian refugee assistance.

The amendment offered by the Senator from Missouri will increase budget authority by $96 million and outlays by $123 million.

I am sympathetic to the needs that his amendment would seek to address, but I believe it is imperative that we address only the most critical funding needs at this time.

Congress can, and should, consider the balance of the President's request for Public Law 480 early in spring—in time to make adjustments for the fiscal year 1980 program. In the spring, we will have a clearer perspective on our budget ceilings along with the President's supplemental requests for fiscal year 1980. We can then make better judgements on our priorities, and evaluate increased inflation and program-related needs across the Federal budget.

As I have stated before, my substitute will provide the funds reallocated for Cambodia along with a $6 million increase for other program needs. This supplemental will address the most critical funding needs and provide us time to consider the rest of the President's request.

Mr. President, there are two other comments I would like to make.

First, the problem we have in this program is partially due to the fact that there was a large increase in Export-Import Bank funds which added $670 million to budget authority and $130 million in outlays. This increase was not requested by the administration and it used up the room available for programs such as Public Law 480. That is the root of the problem.

That problem can be addressed. I see the chairman of that Appropriations Subcommittee is present. I hope it will be addressed in conference with the House.

The second point is that there is some question about the real needs of India, which, according to the chart which I believe Senator EAGLETON has already put in the RECORD, will get $120.5 million out of the Public Law 480 program in this current year.

There is a story which appeared in the Economist Magazine dated October 20, 1979, which I think is very pertinent as far as this subject is concerned.

Mr. President, I would like to have the attention of Senator EAGLETON, if I can, while I read a very brief excerpt from this story. It says:

> Parts of India are suffering from the worst drought in 25 years. But the country has never been better equipped to deal with a failed monsoon. It has more than 20m tons of food grain to distribute through the fair price shops which have been set up in all urban and semi-urban areas, as well as some rural ones. A food-for-work programme should put purchasing power into the hands of those who need it most when they need it most.
>
> Some $7 billion in foreign exchange reserves is available to pay for imports of scarce agricultural commodities like edible oils.

But, Mr. President, this is the main point:

> But for the first time in a dry year, India will not be importing any grain at all. Indeed, the government is donating 100,000 tonnes of rice to Cambodia through Oxfam and is giving a smaller quantity to Bangladesh, which is having to import 3m tonnes of grain this year because of the same monsoon failure.

Mr. President, I think what we have here is a possible case of where there is an questionable allocation of funds which can probably be deferred until the Congress has a chance to get this matter clearly into focus and deal with it next spring when we have a supplemental.

So, while I fully support the objectives of the distinguished Senator from Missouri, I believe there is a better way to reach those and still stay in the spending limits Congress has already adopted.

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, with some reluctance, I rise to support the amendment submitted by my friend from Oklahoma.

I wish that the budget picture was such that I would find myself able to support my friend from Missouri. However, these are the numbers.

When the Senate passed the foreign assistance bill a few weeks ago, the bill was $461,375,000 over the concurrent resolution in budget authority. It was $92,565,000 over the concurrent resolution in outlays.

We were aware of that when we passed the bill and we felt we could resolve this matter in conference.

The Foreign Assistance Subcommittee is presently in conference trying to do this. However, during the conference, the House, together with the administration, insisted upon adding a few more dollars, such as assistance to African refugees, and famine relief assistance for Cambodia. Now the overage in budget authority is not $461 million, but $773 million. The overage in outlays is not $92 million, but it is now $217 million.

If the Senate conferees were to recede to the House on the World Bank, which is one of the major issues facing us, which, incidentally, would take away the veto power of the U.S. representative and make us a second-class financial power, we would be able to bring down the overage to $110 million in authority and $151 million in outlays. We still have not reached that.

If we were to recede further and exclude the increases we had made in the Export-Import Bank, we might be able to come close because then, at that point, the outlays would be $13 million over the second concurrent resolution.

If the Eagleton proposal is adopted by the Senate, we would add $123 million to outlays. I am afraid, Mr. President, that it would make it extremely difficult, almost impossible, for the Senate conferees to resolve this matter, because many of the programs we have in the foreign assistance package are almost mandatory, covered by treaties, covered by executive agreements.

When we add $123 million for outlays, the well-balanced picture will become totally unbalanced, and I think we may have to operate under a continuing resolution, which is not the way I would like to do business.

On the other hand, the amendment submitted by the Senator from Oklahoma will increase the outlays by $26 million, and I think we can live with that.

If it were not for the restrictions put on by the concurrent resolution on the budget, I would be happy to support my friend from Missouri. However, being required to face up to the second concurrent resolution, I have no choice: I have to go along with my friend from Oklahoma.

So I hope the Senate will concur in the amendment submitted by the Senator from Oklahoma.

Mr. EAGLETON. Mr. President, I would like to make five points in rebuttal to the views expressed by both Senator BELLMON and Senator INOUYE.

First, although Senator BELLMON'S substitute would provide some money for the program, it would not go nearly far enough to meet the close to $100 million increase we have seen in the cost of commodities for the Public Law 480 programs.

Second, since the budget was submitted in January, we have found that wheat prices have increased by 30 percent over those originally estimated in the budget, and rice prices, for example, have increased by 20 percent. That is just a pragmatic fact of market prices around the world, and we have to face up to it.

Third, the Bellmon substitute still would result in the very strong possibility that between 12 million and 15 million people would be cut from the program or, alternatively, that all recipients who currently receive a minimum amount of food would be cut back as much as 20 percent.

Fourth, I talked this morning on the phone with some of the food for peace people. I spoke with one lady who has had a continuing experience with this program for a decade. She told me that this year is the worst the food for peace people have yet experienced insofar as the need for emergency relief to overcome famine and hunger around the world.

My fifth and final point is this: Of course, our attention recently has been focused on the deplorable conditions in Kampuchea, otherwise known as Cambodia. The events in that country have been dramatized and brought into every American's living room. The recent humanitarian visit by the First Lady of the United States showed the concern of our country over the conditions in that country.

In legislation, in recent days, we targeted some specific relief to Cambodia. But we should not be deluded into believing that, having targeted that money to Cambodia, we have solved, somehow miraculously, the hunger problem around the world.

I invite the attention of Senators to an article in today's Washington Post, Thursday, November 15, on page A-21. There is both an article and a heart-rending picture on page A-21. The headline reads, "Timorese Battle Famine; Relief Officials Compare It to Biafra, Cambodia." I will read the first three paragraphs of this dispatch, out of Jakarta:

> The Indonesian province of Timor is battling a famine and outbreak of disease that some relief officials here are calling as bad as Biafra and potentially as serious as Cambodia.
>
> While the plight of Cambodian refugees in Thailand has been drawing most of the attention, officials of the U.S.-based Catholic Relief Services have mounted a virtually unnoticed effort here to distribute 9,000 tons of food to 240,000 people in East Timor.
>
> Volunteers from the International Red Cross and Indonesian Red Cross are rushing aid to another 60,000 villagers, some of whom have been reduced to skeletons loosely draped with skin.

Take a look at this picture on A-21 of the Washington Post. The sad truth is, as the old cliche goes, a picture is worth "ten thousand words."

I am not faulting the attention we have paid—properly paid—to the Cambodian matter; but there are conditions around the world, in almost every continent, where people are hungry—not only hungry; they are dying of starvation.

I think it is unnecessarily constraining to try to cut back on this amendment as the Senator from Oklahoma seeks to do. I do not challenge his motives. He is just as concerned as I am and as every other Member of the Senate is with assisting hungry people. I take his remarks to mean that we can do it in a somewhat more restrained way. But I say this is not a time to try to nitpick about a dollar here and a dollar there.

If we are forced to cut back on some of these programs now and to lose the distribution network we have established in some of these countries, to rebuild these programs 6 months from now or a year from now, will be an almost insurmountable burden.

So I urge my colleagues not to be pennywise and pound foolish.

Mr. JAVITS. Mr. President, for the information of the Senate, the Senate should know that we have passed through the Foreign Relations Committee, unanimously, a Cambodian resolution, supported by well over 50 Senators—I think the number is 55 now—and it now has been cleared on both sides; and, with the cooperation of the leaders, it undoubtedly will be brought up today.

It pledges the Senate to the utmost cooperation in respect of this very serious matter.

I hope very much that in considering what to do about these amendments—and I am looking at them myself, in terms of the needed funds—we will lean to the side of doing everything the situation requires in order to redeem this commitment. We are resoluting, as it were, that we wish very materially to help in what is approaching a genocidal situation in Cambodia.

Mr. President, I state this for the information of the Senate because such a large number of Senators are cosponsors of this resolution.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. BELLMON. Mr. President, I believe the Senator from New York was not in the Chamber when I made my statement. The fact is that the urgently needed food assistance to Cambodia already has been taken care of. That point is not in controversy, and there are no further appropriations needed to address that situation.

What has happened is that funding of the Cambodia refugee program has forced cuts in other programs, and that is what we are debating here.

My proposal is that we reallocate $34.5 million from titles I and III to title II, to help take care of the needs of these other countries. That amount of money is available without breaching the budget resolution.

Mr. President, I would also like to respond to the point made by Senator EAGLETON about Timor.

Under the terms of my amendment, there still would be $6 million available to take care of the needs of areas such as Timor, and the cost of aid to Timor would be $2.4 million. So there is room to take care of Timor, plus roughly another $4 million.

The problem in Timor cannot be dealt with just with additional dollars. The problem there is a distribution problem, exacerbated by Government policy. So, putting more money into this program does not mean that the problem will be resolved.

Mr. President, I am ready to vote.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SARBANES). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BELLMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, there has been some discussion in the Chamber about this situation, and I believe that a way may have been worked out so that the matter can be dealt with here and finally resolved in conference.

So on that basis I ask unanimous consent to withdraw my substitute amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, I withdraw my amendment that is at the desk.

The PRESIDING OFFICER. The Senator's amendment is withdrawn.

UP AMENDMENT NO. 817

(Purpose: To Provide additional funding for the humanitarian food aid programs of title II, P.L. 480)

Mr. EAGLETON. I send another amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Missouri (Mr. EAGLETON) proposes an unprinted amendment numbered 817.

Mr. EAGLETON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 10, after line 2, insert the following:

Sec. 112. For an additional amount for "Public Law 480", $24,000,000. The amount for titles I and III shall be reduced by $314,528,000 and the amount for title II shall be increased by $58,528,000. The authorized program level for title II is increased by $50,362,000. Funds provided in this section shall remain available until expended.

Mr. EAGLETON. Mr. President, in essence, the amendment now before the body is a compromise between the contending positions of Senator BELLMON and myself.

To recapitulate just briefly, my original amendment called for a program increase of roughly $123 million. Senator BELLMON's substitute would have called for a program increase of $26 million. The amendment now pending compromises between those two figures at a $50 million program increase.

It is our hope if this increase stays in the supplemental through conference and on to the President's desk that this amount of money, although cutting it pretty close, in my opinion, probably would not result in the kind of programmatic cuts that I addressed my remarks to earlier this afternoon. I think we are getting very, very close to the line. I think this is cutting it about as close as one can. But it is our hope, our expectation, indeed our anticipation, that this additional $50 million may do the job and will not result in immediate programmatic cuts.

Mr. MAGNUSON. Mr. President, I think the compromise is a fair one. The reason Senator BELLMON and the Senator from Missouri feel the way they do, is that we are going to have a supplemental soon, so that we can take a better look at this thing. It may be that we will want more money, we just do not know. I think this is a good compromise, and I would be willing to accept it.

Mr. YOUNG. I think it is a good compromise.

Mr. JAVITS. Mr. President, I am very pleased to see the parties have gotten together. When I started this process, I felt it was the only way to do this in this situation. I think it shows a great spirit of cooperation and moderation on both sides.

Mr. President, if the Senator will allow me, I would be happy to join in this amendment.

Mr. EAGLETON. I am delighted.

I think it should be pointed out that this compromise was brought about through the efforts of Senator JAVITS from New York.

Mr. President, I ask unanimous consent that my amendment be modified. It should read "on page 10 after line 12" instead of line 2.

The PRESIDING OFFICER. The amendment is so modified.

Mr. EAGLETON. I take it that this amendment is now acceptable to the Senator from Oklahoma?

Mr. BELLMON. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from Missouri.

The amendment was agreed to.

Mr. MAGNUSON. Mr. President, the Senator from Virginia has an amendment in which the Senator from Washington joins. He can call it the Warner-Magnuson amendment if he wishes. I think it is a good one and I wish he would present it at this time.

UP AMENDMENT NO. 818

Mr. WARNER. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. Does the Senator from Virginia ask unanimous consent that it be in order to consider his amendment? There are two committee amendments still pending and not disposed of. Does the Senator make that request?

Mr. WARNER. I do.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the amendment of the Senator from Virginia.

The assistant legislative clerk read as follows:

The Senator from Virginia (Mr. WARNER) proposes an unprinted amendment numbered 818.

Mr. WARNER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following:

That in any case in which the employees of any Federal department, agency, or other instrumentality of the United States fail to timely receive their compensation for services to such department, agency, or instrumentality, in whole or in part, or in any case in which individuals fail to timely receive any annuity, pension, or other benefit, in whole or in part, which such individuals are entitled to receive under law, solely due to the unavailability of funds to pay such employees or individuals by reason of the failure of Congress to appropriate such funds—

(1) the Secretary of the Senate, notwithstanding any other provision of law, shall defer the pay of the President pro tempore of the Senate, the majority leader of the Senate, the minority leader of the Senate and each other Senator from the date that such pay is otherwise due until the expiration of a period of days equal to the number of days that such employees or individuals are required to be without such pay, annuity, pension, or benefits, or any part thereof, and

(2) the Clerk of the House of Representatives, notwithstanding any other provision of law, shall defer the pay of the Speaker of the House of Representatives, the majority leader of the House of Representatives, the minority leader of the House of Representatives, each Member of the House of Representatives, each Delegate to the House of Representatives, and the Resident Commissioner from Puerto Rico from the date that such pay is otherwise due until the expiration of a period of days equal to the number of days that such employees or individuals are required to be without such pay, annuity, pension, or benefits, or any part thereof.

Mr. WARNER. Of course, Mr. President, I thank my distinguished colleague from Washington, the President pro tempore of the Senate, for joining with me on this amendment.

My distinguished colleague from Georgia (Mr. NUNN) likewise joins me. The three of us have cosponsored this amendment.

Mr. President, earlier this month the Nation and, indeed, the world were witness to a regrettable incident of Congressional delay, deadlock, and inaction.

Many of us who serve in this distinguished body were embarrassed and unwilling participants in the unseemly wrangle between the Senate and the House of Representatives over the continuing resolution—a wrangle which resulted in payless and partial paydays for thousands of innocent Federal employees and recipients of Federal program benefits.

It would be difficult to overstate the consternation and hardship which gripped literally millions of American families—military and civilian—as the new fiscal year began and Congress had not acted.

Faced with an ever-escalating cost of living, vast numbers of families are living from paycheck to paycheck. Deferral of even one check, even for a few days, can wreck havoc in their lives.

Rent must be paid. Mortgage payments must be made. Creditors must be satisfied. Children must be fed and clothed and schooled.

To be a Member of the Senate of the United States—which, along with the House of Representatives, had the power to resolve the impasse and avert financial and personal tragedy for countless numbers of our fellow citizens—and yet to be largely powerless, as one individual Senator, to turn aside that rising tide of human suffering—was one of the most profoundly frustrating experiences I have encountered since I took my oath of office as a Member of this body. I have spoken with many of my colleagues, and I know the same was true for them.

Mr. President, in all candor, it is unconscionable that the paychecks of innocent Americans should be held hostage in any dispute between the Senate and the House.

However, Mr. President, it is one thing for Senators, individually or collectively or legislatively to offer assurances that—but it is something altogether different to make those assurances credible to an increasingly skeptical public.

Even procedural changes which Congress in good faith may adopt, seeking to prevent the recurrence of such painful situations, may not be foolproof.

Accordingly, I send to the desk an amendment, with the cosponsorship of the distinguished Senator from Georgia, Mr. NUNN and the distinguished Senator from Washington, Mr. MAGUSON. It would defer the pay of Members of Congress in the same manner and to the same extent as the pay and benefits of other employees and individuals are deferred, whenever funds are not available due to congressional inaction or delay.

This amendment would mean, in practice, that—if Congress ever again delays providing funds to pay Federal employees and Federal benefits—then Congress itself would have its pay delayed.

On this very day as we consider this continuing resolution we are informed that the House of Representatives may determine to go home early for a Thanksgiving vacation, and we could be in the same situation with the same problem that we were in some weeks ago.

If our failure to act ever again results in the deferral of even a single dollar in Federal pay or benefits rightfully due to other citizens, even for a single day—then our own pay would be deferred for a like period of time.

If Federal employees and benefit recipients ever again are made to suffer because we fail to do our job—then we too would bear a measure of the burden.

If we ever again hold their paychecks hostage—then ours, along with theirs, would be held hostage.

This, in my judgment, is nothing more nor less than simple justice.

With enactment of this amendment, we in the Congress will be laying not only our reputations but our paychecks on the line—as earnest of our determination to avoid ever again such disruptions of the lives and livelihood of innocent Americans.

The Congress as an institution is continually on trial before the supreme bar of the Republic—the citizens we serve.

Enactment of this amendment would be a clear and unmistakable signal to the Nation that the Congress is dead serious. It would be a graphic evidence of our recognition that we, too, are employees of the people, and are prepared to share a measure of the consequences of our actions.

Accordingly, Mr. President, I commend this amendment to the careful consideration of my colleagues. I respectfully request that the Senate move quickly to enact it and send it to the House.

Mr. MAGNUSON. Mr. President, of course, I join with the Senator from Virginia. I will point out to him a little irony in this matter. The only bill that is not subject to this continuing resolution is the legislative approoriation bill. The House decided they did not want to vote on it. They put that in for a continuing resolution for 1 year, and that, of course, has congressional pay in it. So this is a very, very worthy amendment. It puts them on notice that they cannot do things like that all the time and get away with it.

Mr. WARNER. I thank the distinguished President pro tempore of the Senate for joining in this legislation.

Mr. MAGNUSON. We accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Virginia.

The amendment was agreed to.

The PRESIDING OFFICER. The question now recurs on agreeing to the third committee amendment.

Does the Senator from Oregon seek recognition?

Mr. HATFIELD. Mr. President, I ask unanimous consent to bring up my amendment dealing with the refugee——

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will report the amendment of the Senator from Oregon.

Mr. MAGNUSON. It has already been adopted. Does he wish to speak on it?

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, what is the parliamentary situation? I have an amendment which has been adopted by the committee, but I understand that because of the parliamentary situation I have to have unanimous consent in order to talk about it.

The PRESIDING OFFICER. The Chair would inform the Senator that there are two committee amendments remaining, and therefore, in order for an amendment to be offered from the floor, unanimous consent would have to be obtained. The Senator can be recognized to speak, but if the Senator wishes to offer an amendment from the floor, since there are two committee amendments remaining, he would have to obtain unanimous consent to do so.

Mr. HATFIELD. I thank the Chair. I ask unanimous consent to withdraw my previous unanimous-consent request to offer an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

INDOCHINESE REFUGEE ASSISTANCE

Mr. HATFIELD. Mr. President. I rise to speak to an amendment which has been adopted by the committee. I focus on that subject merely to make a legislative record, and thus to focus attention on this particular issue.

Since 1978 there has been no appropriation to meet the educational needs of refugees coming out of Indochina. We now have approximately 38,000 such refugees entering our public schools so far this year and as a result, there is an impact upon cost factors as well as on the educational programs required to provide proper education for these refugee children.

We are told that that number will more than double, so that we will have approximately 75,000 new refugee children by the end of the spring terms of schools around this country this year. There are 15 States which have a particularly heavy influx of such refugee children. The Senator from Washington (Mr. MAGNUSON) and I have had communications from our States relative to the urgent need for getting some additional assistance for supporting these refugee programs.

We now have another dimension to the problem, in that there are a number of Mung tribesmen included among these refugees, and the Mung tribesmen have been, in large part, illiterate people who are not literate even in their own native tongue; so the educational complexities for those children are, of course, increased.

Mr. President, we have not only the problem of the educating of these children, but we have many cultural and other adjustments that have to be made, and the local school districts are really staggering under this growing responsibility. The Health, Education, and Welfare Department had contemplated the possibility of reprograming some $6 million of appropriated funds from other existing, in-place programs of that Department. The House of Representatives has indicated its displeasure with that procedure, as well as some Members of the Senate, because most generally the reprograming of the $6 million came from small programs that had already been cut or had not had increased funding.

So, on behalf of this particular need, and with the strong support of the chairman, the Senator from Washington (Mr. MAGNUSON), I offered the amendment in the appropriations markup session to add some $20 million to the refugee program, and Senator MAGNUSON had suggested that that figure be changed to $18 million, which we agreed to. That figure is computed on the basis that there is considered to be a requirement of about $450 per student for this special educational activity.

The $18 million that we would add would then be distributed through the State agencies of education, to get to the local school districts for the assistance required at this time and in anticipation of the increased assistance to be required in the months ahead.

I wanted to make this legislative record merely to underscore the importance of this program, and again to express my appreciation to the chairman of our Appropriations Committee for his strong support and sensitivity to this particular need.

Mr. MAGNUSON. Mr. President, this amendment had already been adopted, but I think it is wise that the Senator from Oregon has clarified what the money is to be used for. I want to make it clear that these are elementary and secondary students, and not college.

Mr. HATFIELD. It would be high school, but not college.

Mr. MAGNUSON. High school but not college, yes.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from North Carolina is now present.

Mr. MAGNUSON. I withdraw that suggestion, Mr. President.

The PRESIDING OFFICER. The Senator from North Carolina.

ORDER FOR YEAS AND NAYS ON COMMITTEE AMENDMENT RELATING TO SECTION 109

Mr. HELMS. I thank the Chair. Mr. President, I ask for the yeas and nays on the committee amendment relating to section 109.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HATFIELD. Mr. President, will the Senator from North Carolina yield for just one moment?

Mr. HELMS. I am delighted to yield to the Senator from Oregon.

Mr. HATFIELD. I failed, in my previous comments, to ask unanimous consent to have printed in the RECORD report language explaining this additional $18 million. I ask unanimous consent that such language be printed in the RECORD.

There being no objection, the report language was ordered to be printed in the RECORD, as follows:

INDOCHINESE REFUGEE ASSISTANCE

The Committee is recommending that $18,000,000 be included to help meet critical educational needs of Indochinese refugee children. To date, no money has been made available to assist in the education of these children. The Department of Health, Education and Welfare has estimated that approximately 70,000 new refugee students will enroll in the Nation's schools during the 1979–80 school year.

In fiscal years 1977 and 1978, a total of $33,500,000 was appropriated under P.L. 94–405 to assist the refugees who entered the country after the Vietnam War. The Committee recommendation would provide 1980 funds under this authorization, which is extended by P.L. 95–561. A State Education Agency (SEA) may receive a maximum grant of $450 per refugee child. The SEA then allocates funds, to $675 per child, to local school districts.

Including these funds in a continuing resolution is done only because of the current emergency funding needs. This is the only means available to provide this assistance to local school districts.

The large influx of refugees was not anticipated at the time the Congress was considering the fiscal 1980 Labor-HEW Appropriations bill. There probably will not be a supplemental appropriations bill until early 1980, too late for the funds to be allocated to school districts prior to the end of the 1979–80 school year.

Most of these new immigrant children speak no English; many do not even read and write their native language. They need specialized education materials, bilingural Indochinese teachers or aides, and special counseling. The money recommended by the Committee will help to provide these services.

These funds are designed principally to deal with refugee students entering school in this country during the 1979–80 school year. The Department, State Education Agencies, and local school districts must follow procedures to ensure that these funds are used only to assist in educating of Indochinese refugees. Further, the Department and State Education Agencies must make every possible effort to get these funds to local school districts by January 1980.

The Committee believes that school districts with small numbers of refugees should not be excluded from eligibility. Refugees who settle in areas with small Indochinese populations often face some of the toughest education and adjustment problems. A small amount of Federal assistance could prove to be extremely valuable.

Due to the lack of concrete information about the number of refugees in our schools, the Department is directed to closely monitor this program and to provide the Committee with more accurate data as it becomes available, including information to show whether these funds are adequate to provide assistance to all of the newly arriving refugees.

Mr. HELMS. Mr. President, as the Senator from Washington has said previously on this floor, we have debated this issue time and time again. I am not disposed to consume the time of the Senate with further discussion, unless other Senators desire it. I am ready to vote.

Mr. MAGNUSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, as as long as the Senator from North Carolina is not going to say anything about this, I am not going to say anything about it.

I just want to say that this is the 35th time the Senate has voted on this proposition, and the 67th time the House and Senate have voted on it. So I guess one more is not going to make much difference.

Mr. HELMS. The Senator is absolutely correct, Mr. President. And there would not have been so many of these votes if my friend from Washington had not repeatedly altered the House language. So he has encouraged these votes to some extent.

He is the one who is dissatisfied with the language which has been repeatedly voted by the House. So, apparently, my friend from Washington enjoyed the rollcall votes on that, and I am perfectly willing to participate in another rollcall vote.

Mr. MAGNUSON. Well, that is an uncalled for remark, that I am responsible for the vote. I and 66 other Senators.

Mr. HELMS. I did not mean to be unfair, and the Senator knows that. But the facts are the facts.

Mr. MAGNUSON. And the Senator from North Carolina represents the House; he does not represent the Senate in this matter. He represents the House.

Mr. HELMS. The Senator from North Carolina represents the Senator from North Carolina.

Mr. MAGNUSON. He represents the House. I represent the Senate.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, the committee language in section 109 concerning abortions goes far beyond the position that the Senate has taken on this issue all year. I think the Senators ought to be aware of that as they vote on this language which came out of committee on a sharply divided vote. We no longer are talking about what is or what is not a medically necessary abortion. We are promoting abortion on demand and we are using taxpayers' money to do it.

Indeed, with all deference to my friend from Washington and other Senators who disagree with the Senator from North Carolina on this issue, this appears to me to be a rather blatant attempt to expressly authorize abortion on demand.

So this is not just vote No. 32 or 33 or 34. This goes far beyond any position that the Senate has taken in the area of promoting abortions using taxpayers' money.

Now, let that point be clear. If any Senator doubts it, all he needs to do is look at the bottom of page 9 to section 109.

So this should be very, very clear, Mr. President: a vote for the committee's language is a vote for abortion funding with no restriction.

This simply has not been the position of the Senate this year. As a matter of fact, it opens up areas in which agreement has been reached with the House of Representatives on this issue previously. So I would caution Senators to be aware of what they are voting on when they come to the floor.

For example, the House and Senate have agreed that no money shall be used for abortions under the appropriation for the Peace Corps. This provision—that is to say the committee amendment—clearly reverses that agreement.

So again I say to Senators who may be listening on the loudspeakers in their offices, I hope you will know what it is that you are voting on.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. HELMS. Yes.

Mr. HATFIELD. I would like to thank the Senator for bringing up this point, because I think, in the obvious heat of controversy and in the rush to get a resolution completed and for many other reasons, that no one did this intentionally or with any kind of element of conspiracy. But, nevertheless, we have here a completely altered, completely new abortion position for the Senate——

Mr. HELMS. The Senator is absolutely correct.

Mr. HATFIELD (continuing). From anything that we have adopted in the past. If I understand the Senator's explanation, and as I read the language, I would agree totally with the Senator. I think that everyone should be put on due notice that for the first time, the Senate, if adopting this language, is taking a position in favor of abortion on demand. And that is far different than the Senate language that we have voted on umpteen times in the past, that relates to abortion being restricted to the health of the mother or the well-being of the mother, and other restrictions the Senate language had before.

We did have restrictions. This now is an open end, totally and completely uncontrolled in the sense of any criteria, any restrictions, any inhibitions at all on abortion on demand.

Is that correct?

Mr. HELMS. The Senator is absolutely correct. And I thank him for his observations.

Mr. MAGNUSON. Mr. President, the reason for the committee taking this position was that it follows what I have tried to say for a long time: that the abortion amendment does not belong on an appropriation bill, and that we should completely divorce ourselves from this issue and let the legislative committees work their will.

It is on the House bill, and we thought that, by knocking it out of the bill altogether, we could go to a conference with the House on the matter. That is the only purpose of it.

I appreciate that my viewpoint of not having it on an appropriation bill will not prevail. It is getting almost ridiculous, this question of abortion being on appropriations bills. We are trying to get the abortion issue subject to the appropriate legislative process. There is no intention for abortion on demand. Furthermore, we know that we are going to have to deal with the House on the matter and that process of compromise will most likely result in more restrictive language than the Senate would prefer.

Mr. HATFIELD. Will the Senator yield?

Mr. HELMS. I am delighted to yield.

Mr. HATFIELD. Mr. President, if I understand the chairman's comments correctly and understand the views of the Senator from North Carolina, then it would seem to me that what we have done is not exactly take the abortion issue out of the Senate bill. What we have done is remove restrictions and we have turned it absolutely in an opposite direction by removing what restrictions we have on abortion and making it an open-ended affair. Therefore, if we want to take the legislative abortion language out of an appropriation matter—and I support the Senator from Washington State on that—then I think we would all vote for the language of the Senator from North Carolina, which does precisely that.

Is that not what the language of the Senator from North Carolina does?

Mr. HELMS. No, I say to the Senator that I have asked only for an up or down vote on the committee amendment.

Mr. HATFIELD. But if we wanted to take this abortion language out of the Senate bill, completely remove that issue from the Senate bill, we would vote to remove the language entirely.

Mr. HELMS. Entirely, that is right.

Mr. HATFIELD. Therefore, the motion of the Senator from North Carolina gives us that opportunity.

Mr. HELMS. That is correct.

Mr. HATFIELD. It gives the opportunity to the Senate that the Senator from Washington State is proposing, to remove abortion from an appropriation measure. If I understood the Senator from Washington State, he said it does not belong in an appropriation measure and let us take the action on the Senate side to remove the question of abortion from the appropriation bill.

Mr. HELMS. The Senator is quite correct.

Mr. MAGNUSON. Then it would not be in conference. That is the point. We have to have a conference with the House on this matter.

We did this in the defense appropriation bill, I say to the Senator from North Carolina. In the defense appropriation bill, we removed all reference to abortion.

Now, they are having a conference on it and they are dealing with the House—they had last year's language, which had the rape and incest provisions. So they are negotiating over there on that.

That is the only purpose of this amendment.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS. Mr. President, the continuing resolution now before us, House Joint Resolution 440, does not deal with a national problem of constitutional dimensions. I am referring to the question regarding whether or not the Congress complied with article III, section 1 of the Constitution, when on October 12, 1979 it reduced the Federal judicial salaries which went into effect on October 1, 1979.

This constitutional dilemma arose from the difficulties the two Houses had in reaching agreement when the previous continuing resolution was considered. By lowering the judicial salaries on October 12, along with those of other senior Federal officers, the provisions of article III, section 1 has been directly implicated.

In light of our past action, we would be remiss if, in considering House Joint Resolution 440, we remained silent on the issue of judicial salaries. We must not do so. We must not ignore it. And, we should not be afraid to tackle it. We should express our view that the Congress previous action has resulted in a violation, however inadvertent, of the express prohibition in the Constitution against the diminution of judicial salaries during their term of office. That a violation has occurred becomes clear when we refer back to Alexander Hamilton's words in Federalist 79:

> Next to permanency in office, nothing can contribute more to the independence of the judges than a fixed provision for their support . . . In the general course of human nature, a power over a man's subsistence amounts to a power over his will. And we can never hope to see realized in practice, the complete separation of the judicial from the legislative power, in any system which leaves the former dependent for pecuniary resources on the occasional grants of the latter . . .
>
> This, all circumstances considered, is the most eligible provision that could have been devised. It will readily be understood that the fluctuations in the value of money and in the state of society rendered a fixed rate of compensation in the Constitution inadmissible. What might be extravagant today, might in half a century become penurious and inadequate. It was therefore necessary to leave it to the discretion of the legislature to vary its provisions in conformity to the variations in circumstances, yet under such restrictions as to put it out of the power of that body to change the condition of the individual for the worse. A man may then be sure of the ground upon which he stands, and can never be deterred from his duty by the apprehension of being placed in a less eligible situation. The clause which has been quoted combines both advantages. The salaries of judicial officers may from time to time be altered, as occasion shall require, yet so as never to lessen the allowance with which any particular judge comes into office, in respect to him.

Mr. President, given this background, perhaps we should have provided in this continuing resolution for a restoration of the judicial salaries which went into effect on October 1, 1979. We have not done that.

What we have done today is not that the problem exists and that there is a pending lawsuit on this question. I am not one who likes to delegate constitutional questions to the courts as a matter of course, and I particularly do not like doing it on a matter which so intimately and delicately touches on the judges' own prerogatives. But I do take note of the fact that the matter is now in court; it has not been ignored by the Senate, and it will not be ignored by the Senate.

Mr. President, I ask unanimous consent that a memorandum written by Johnny Killian, specialist in American public law, Congressional Research Service, entitled "Diminution of Judicial Salaries—A Consideration of the Constitutional Issue Raised by the Action of Congress With Respect to Judicial Salaries," be included in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

DIMINUTION OF JUDICIAL SALARIES—A CONSIDERATION OF THE CONSTITUTIONAL ISSUE RAISED BY THE ACTION OF CONGRESS WITH RESPECT TO JUDICIAL SALARIES

On October 12, 1979, the Senate and the House of Representatives agreed upon a temporary appropriations measure, H. Res. 412, which the President signed the same day. P.L. 96–86, 93 Stat. 656. Provisions of the law fix legislative, executive, and judicial salaries for fiscal 1980 by giving covered officials a raise of 5.5% over what they were paid in fiscal 1979. A constitutional issue is raised, however, by the fact that through operation of law an increase of 12.9% had become effective on October 1 for Justices and judges of the United States and the setting of only a 5.5% pay increase for Article III judges directly implicates the prohibition in Article III, §1, of the Constitution that judicial compensation may not be diminished while a judge continues in office.

This report considers the factual background to the present controversy and assesses the arguments over the constitutional validity of what Congress did on October 12.

JUDICIAL SALARIES

From 1789 to 1969, the salaries of the Chief Justice and the Associate Justices and of judges of the inferior federal courts (hereinafter judges will be used to refer to all) were those expressly set out in statutes enacted by Congress. See Act of September 23, 1789, 1 Stat. 72; Act of August 14, 1964, P.L. 88–426, 78 Stat. 434, codified at 28 U.S.C. §§ 5, 44(d), 135 (1970 ed.). But in 1967 and 1975 Congress put in place machinery for the fixing of legislative, executive, and judicial salaries which resulted after 1969 in salaries being determined by means other than legislation.

In the Federal Salary Act of 1967, P.L. 90–206, 81 Stat. 652, 22 U.S.C. §§ 351–361, Congress established a process in which quadrennial salary increases for legislative, executive, and judicial officials and for certain high-level executive employees are to be accomplished. A commission recommends salary levels to the President who transmits the recommendation to Congress and the recommendations go into effect if Congress approves them. 2 U.S.C. § 359, as amended by P.L. 95–19, 91 Stat. 45. This device is not an issue in this paper.[1]

The second pay device is the Executive Salary Cost-of-Living Adjustment Act of 1975, P.L. 94–82, 89 Stat. 419, which provides for annual automatic pay adjustments for Members of Congress, executive officials and certain executive employees, and the judiciary. This law is keyed into the Federal Pay Comparability Act of 1970, P.L. 89–554, 84 Stat. 1946, 5 U.S.C. § 5301 *et seq.*, which is the system by which most federal employees have their pay determined. Judges' pay is tied into the law in 28 U.S.C. § 461, which provides that in the annual adjustments, which could be downward as well as upward, the law "shall not apply to the extent it would reduce the salary of any individual whose compensation may not under section 1 of article III of the Constitution of the United States, be diminished during such individual's continuance in office."

In any event, under 5 U.S.C. §§ 5305, 5318, the President is directed to institute the process through which adjustments of pay are reported to him annually. If he agrees with the recommended rate, he proclaims it and the increase becomes "effective at the beginning of the first applicable pay period commencing on or after October 1 of the applicable year". *Id.*, § 5305(a) (2). If because of national emergency or economic conditions the President considers it inappropriate to institute the rate recommended to him, he transmits to Congress before September 1 of that year an alternate plan specifying a different rate. That different rate "because effective on the first applicable pay period commencing on or after October 1 of the applicable year and continues in effect" unless before the end of 30 calendar days either House of Congress adopts a resolution disapproving the alternative plan and in that case the rate originally recommended to the President goes into effect "as of the beginning of the first applicable pay period commencing on or after the date on which the resolution is adopted, or on or after October 1, whichever is later." *Id.*, §§ 5305(c), 5305 (m). This paper is concerned with the cost-of-living increases determined under this scheme for fiscal 1979 and 1980.[2]

In the Legislative Branch Appropriations Act of 1979, P.L. 95–391, 92 Stat. 788, § 304 (a), Congress provided that "[n]o part of the funds appropriated for the fiscal year ending September 30, 1979, by this Act or any other Act may be used to pay the salary or pay of any individual in any office or position in the legislative, executive, or judicial branch, . . . at a rate which exceeds the rate . . . of salary or basic pay payable for such office or position for September 30, 1978, . . ." if the office or position was within prescribed categories, as judges were.

On October 7, 1978, the President issued Executive Order No. 12087, 43 Fed. Reg. 46823 (also set out as a note to 5 U.S.C. § 5332), setting out the rates of pay determined to go into effect after October 1, 1978, pursuant to the statutory formula. Schedule 7 states the rates for Justices and judges as determined in accordance with the standards of relevant law but further notes that the Legislative Branch Appropriations Act of 1979 makes funds available to pay only the rates in effect on September 30, 1978, which the Order then proclaims to continue in effect. Judicial pay would have, absent the appropriations limitation, gone up 5.5%.

President Carter on August 31, 1979, transmitted to Congress his proposed cost-of-living pay increases for fiscal 1980. H. Doc. 96–177. He reported that under pay comparability standards the increases should be 10.41% but that because of adverse economic conditions he was fixing 7% as the alternative rate he wished to see go into effect. Congress did not in 30 calendar days thereafter disapprove this alternative and it went into effect in accordance with the statute.

Because of disagreements between Senate and House of Representatives with respect to whether Members of Congress, executive officials, and judges should receive an increase and if so, how much, neither did Congress act on any provision of law prior to October 1 which had any effect on either the fiscal 1979 or the fiscal 1980 increases. The vehicles being utilized in Congress had been first the Legislative Branch Appropriations Act of 1980, H.R. 4390, which had failed of passage in the House of Representatives of June 13, 1979, and then second a continuing appropriations resolution, H.J. Res. 404, which had failed of passage on September 28, 1979.

The consequences of the failure of Congress to act were (1) on September 30, 1979, the Legislative Branch Appropriations Act of 1979 expired and the provision of § 304 barring funds for the 5.5% increases due for fiscal 1979 expired with it (thus making effective the 5.5% with an additional 0.04% interest) and (2) the 7% recommended by the President for fiscal 1980 went into effect, for a total increase of approximately 12.9%.[3]

The law finally enacted on October 12, contained two relevant provisions in § 101(c). "For the fiscal year 1980, funds available for payment to executive employees, which includes Members of Congress, who under existing law are entitled to approximately 12.9 percent increase in pay, shall not be used to pay any such employee or elected or appointed official any sum in excess of 5.5 percent increase in existing pay and such sum if accepted shall be in lieu of the 12.9 percent due for such fiscal year.

"Provided, further, That for the purpose of carrying out this provision and notwithstanding the provisions of the Federal Pay Comparability Act of 1970, the Executive Salary Cost-of-Living Adjustment Act, or any other related provision of law, which would provide an approximately 12.9 percent increase in pay for certain Federal officials for pay periods beginning on or after October 1, 1979, and notwithstanding section 1102 of this joint resolution, the provisions of section 304 of the Legislative Branch Appropriations Act, 1979, which limit the pay for certain Federal offices and positions, shall apply to funds appropriated by this joint resolution or any Act for the fiscal year 1980, except that in applying such limitation the term 'at a rate which exceeds by more than 5.5 percent the rate' shall be substituted for the term 'at a rate which exceeds the rate' where it appears in subsection (a) of such section for the purpose of limiting pay increases to 5.5 percent."[4]

That the quoted provisions apply to judicial salaries is evident from the conference report, H. Rept. No. 96–513, p. 3, which lists "federal judges" as being among those whose cost-of-living increase is limited to 5.5 percent "instead of the 12.9 percent provided by law".

In Executive Order 12165, 44 Fed. Reg. 58671, issued on October 9, 1979, the President proclaimed the pay scales in effect, subject in certain instances to further congressional revision; unlike prior Executive Orders on the matter, this one omits a schedule of judicial pay.[5]

THE SECURITY OF COMPENSATION CLAUSE

Article III, § 1, of the Constitution provides that "[t]he Judges, both of the supreme and inferior Court, . . . shall, at stated Times, receive for their Services, a Compensation, which shall not be diminished during their Continuance in Office." This provision had its source in English law, the Act of Settlement of 1700, 12 & 13 Will. III, c. 2, § III, and the Act of 1760, 1 Geo. III, c. 23, which ensured the tenure and salary of judges against the King's power. Ziskind, "Judicial Tenure in the American Constitution: English and American Precedents," 1969 Sup. Ct. Rev. 135, 137. In listing the train of abuses committed by the King, the Declaration of Independence complained that "[h]e has made Judges dependent on his Will alone, for the tenure of their offices, and the amount and payment of their salaries." The "Declaration and Resolves" of the First Continental Congress in 1774 complained that "judges who before held only estates at will in their offices, have been made dependent upon the Crown alone for their salaries." Fellman, "The Diminution of Judicial Salaries," 24 Iowa L. Rev. 89, 90 (1938).

With this background, the plans of government presented in the Constitutional Convention all contained guarantees against diminution of judicial salaries and the only dispute that arose among the Framers was with respect to whether they should similarly bar increases so as to allow no legislative influence over the judges. 2 M. Farrand, *The Records of the Federal Convention of 1787* (1966 ed.), 44–45, 429–430; Fellman, *supra*, 90–93. The purpose of the inclusion of the restraint was to prevent the exertion of influence over judges through actual and threatened manipulation of their salaries to their detriment. As Hamilton wrote in No. 79 of *The Federalist:* "Next to permancy in office, nothing can contribute more to the independence of the judges than a fixed provision for their support . . . In the general course of human nature, a power over a man's subsistence amounts to a power over his will. And we can never hope to see realized in practice, the complete separation of the judicial from the legislative power, in any system which leaves the former dependent for pecuniary resources on the occasional grants of the latter . . .

"This, all circumstances considered, is the most eligible provision that could have been devised. It will readily be understood that the fluctuations in the value of money and in the state of society rendered a fixed rate of compensation in the Constitution inadmissible. What might be extravagant today, might in half a century become penurious and inadequate. It was therefore necessary to leave it to the discretion of the legislature to vary its provisions in conformity to the variations in circumstances, yet under such restrictions as to put it out of the power of that body to change the condition of the individual for the worse. A man may then be sure of the ground upon which he stands, and can never be deterred from his duty by the apprehension of being placed in a less eligible situation. The clause which has been quoted combines both advantages. The salaries of judicial officers may from time to time be altered, as occasion shall require, yet so as never to lessen the allowance with which any particular judge comes into office, in respect to him."

The judicial interpretation of the language of the provision emphasizes the restraint which it imposes on Congress. "The words and history of the clause indicate that the

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Footnotes at end of article.

purpose was to impose upon Congress the duty definitely to declare what sum shall be received by each judge out of the public funds and the times for payment. When this duty has been complied with the amount specified becomes the compensation which is protected against diminution during his continuance in office." *Miles* v. *Graham*, 268 U.S. 501, 508–509 (1925).[6] "The word 'salary' may be defined generally as a fixed annual or periodical payment for services, depending upon the time and not upon the amount of services rendered . . . It is a compensation which cannot be diminished during the continuance of the incumbent in office, and of which he cannot be deprived except by death, resignation, or impeachment." *Benedict* v. *United States*, 176 U.S. 357, 360 (1900).

Thus, the effect of the clause is to leave it to Congress to vary the compensation upward from time to time in accordance with changing circumstances but "to put it out of the power of that body to change the condition of the individual for the worse." *The Federalist*, No. 79. The plain language of the clause would appear to be opposed to what Congress did on October 12, unless it appears on close examination that the action was for one reason or another outside the boundaries of the proscription.

APPLICATION OF THE CLAUSE

A course of argument open to those who wish to defend the constitutionality of the congressional action is to focus on the purpose of the diminution of compensation clause. As noted above, the Framers intended to protect judges from coercion and influence in order that they might decide cases disinterestedly. One might argue, therefore, that Congress' present purpose is neither to coerce nor to influence and that the reduction would have no such effect. The purpose of the congressional action is "to contribute toward the objective of immediately slowing and over a period eventually stopping further inflation", H. Rept. No. 96–513, p. 3, an inflation which will erode and diminish judicial compensation just as it will the value of all other funds; moreover, the action, it can be further contended, is necessary to correct an inadvertent increase, inasmuch as it was not Congress' intent that judges, or anyone else, receive a full 12.9% pay increase.

In other words, it might be argued that motivation would exempt any reduction from the prohibition of the clause. However, it does not appear that this argument would be constitutionally availing.

First, motivation is important and relevant in some constitutional contexts, as, for example, in the determination when the adverse impact of some governmental action constitutes discrimination within the meaning of the equal protection clause. *Washington* v. *Davis*, 426 U.S. 229 (1976); *Personnel Admr. of Massachusetts* v. *Feeney*, 99 S. Ct. 2282 (1979). But the diminution of compensation clause contains an express prohibition, compensation shall not be reduced while a judge continues in office, which is determinable without reference to motivation, whereas the equal protection clause and similar provisions are often not capable of being applied without reference to matters extrinsic to them. "Inquiries into congressional motives or purposes are a hazardous matter . . . What motivates one legislator to make a speech about a statute is not necessarily what motivates scores of others to enact it, and the stakes are sufficiently high for us to eschew guesswork." *United States* v. *O'Brien*, 391 U.S. 367, 383–384 (1968).

Second, past interpretation of the clause is contrary to any argument that the absence of improper motivation is relevant to the restriction of the clause. Thus, in *Booth* v. *United States*, 291 U.S. 339 (1934), the Court held invalid a provision reducing judicial pensions by 15% as a Depression economy move.[7]

Third, the argument that the pay increase was inadvertent and unintended by Congress, even if it is relevant in terms of the proscription of the clause which is directed to a reduction without any words of limiting scope, runs afoul of several considerations. The pay increase was not unintended within the meaning of the machinery contained in a statutes enacted by Congress. The law provides that the rate recommended to the President if accepted by him goes into effect on or after October 1 and that an alternative rate adopted by the President goes into effect on or after October 1 unless Congress disapproves it; if one House of Congress does disapprove, the originally recommended rate, invariably a higher one, goes into effect. Only if Congress acts legislatively and enacts a law, either a substantive bill or a limitation in an appropriations bill, is the operation of law blocked. Thus, what Congress intended, intended, that is, by the only means Congress can express an intent which is binding in law, came about; there was a pay increase on October 1. Because Congress could not concur in a common intent and enact a law by October 1, the result was achieved, and that result is an entirely different matter than to say that something unintended and inadvertent happened.

Post-enactment actions or statements cannot alter the meaning of a law as enacted, *Regional Rail Reorganization Act Cases*, 419 U.S. 102, 132 (1974); *National Woodwork Manufacturers' Assn.* v. *NLRB*, 386 U.S. 612, 634 n. 34 (1967), although, of course, Congress can change the intent or effect of a law by enacting a new law. "[A] legislative body may by statute declare the construction of previous statutes so as to bind the courts in reference to all transactions occurring after the passage of the law, and may in many cases thus furnish the rule to govern courts in transactions which are past, provided no constitutional right of the party concerned is violated." *Stockdale* v. *Insurance Companies*, 20 Wall. (87 U.S.) 323, 331 (1874). Here, of course, the attempt to relate back the provision of the continuing appropriations resolution runs up against the diminution of compensation clause.

Another possible argument with which to counter the effect of the clause is to contend that so long as the reduction does not make the compensation less than that payable on the date the judge assumed office, then the reduction is valid. This argument draws not on the literal language of the clause but upon the gloss of Hamilton in No. 79 of *The Federalist*, wherein he said: "The salaries of judicial officers may from time to time be altered, as occasion shall require, yet so as never to lessen the allowance with which any particular judge comes into office, in respect to him."

This argument was rejected in *Booth* v. *United States*, 291 U.S. 339, 352 (1934), already referred to, in which Congress had legislated a 15 percent reduction in the pensions of retired federal judges; as to the plaintiff, the reduction left his compensation over twice as large as the compensation he received when originally appointed to the bench. "[I]s a diminution after an increase banned, if the compensation notwithstanding the reduction remains in excess of that payable when the incumbent took office? The answer must be in the affirmative. Several courts, in well-considered decisions, have so interpreted analogous provisions of state constitutions . . . and the Solicitor General with commendable candor admits that a contrary construction would be subversive of the purpose of § 1 of Article III."[8]

THE APPROPRIATIONS CLAUSE ARGUMENT

In Article I, § 9, cl. 7, it is provided that "[n]o Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law . . ." A suggestion has been made that this clause may be used to argue that judges have not received a pay raise until the money is actually appropriated for it and thus at any time up to the time the appropriation becomes law it would be constitutional to reduce the amount determined to have gone into effect on October 1.

The clause "was intended as a restriction upon the disbursing authority of the Executive department . . . It means simply that no money can be paid out of the Treasury unless it has been appropriated by an act of Congress." *Cincinnati Soap Co.* v. *United States*, 301 U.S. 308, 321 (1937). Without an appropriation for that purpose, no officer of the United States may pay a debt or satisfy a judgment, may make an expenditure of money for any reason, and even when the debt or judgment is owed an order to any officer, even the President, would be fruitless. *Reeside* v. *Walker*, 11 How. (52 U.S.) 272, 291–292 (1850).

It is not clear how an argument might be constructed under which it could be contended that until the money was appropriated the judges have not received a compensation which may not be reduced. Although both Houses of Congress have rules against legislation on appropriations bills and although the Supreme Court entertains a presumption against finding repeals or alterations of substantive laws in appropriations bills, *TVA* v. *Hill*, 437 U.S. 153, 190–191 (1978), Congress may alter permanent law through the appropriations process. *United States* v. *Dickerson*, 310 U.S. 554 (1940). "It would be somewhat unusual to find engrafted upon an act making special and temporary appropriations, any provision which was to have a general and permanent application to all future appropriations. Nor ought such an intention on the part of the legislature to be presumed, unless it is expressed in the most clear and positive terms, and where the language admits of no other reasonable interpretation." *Minis* v. *United States*, 15 Pet. (40 U.S.) 423, 445 (1841). Ordinarily, a legislative provision in an appropriations measure expires when the appropriation does, *United States* v. *Vulte*, 233 U.S. 509 (1914), but the decided cases make clear that Congress may provide otherwise. *United States* v. *Dickerson*, 310 U.S. 554, 561 (1940).

Congress could, therefore, determine what judicial salaries are to be in an appropriations measure. *James* v. *United States*, 202 U.S. 401 (1906). But usually compensation levels have been set in substantive laws and since 1969 pursuant to the machinery established by substantive law. The diminution of compensation clause would seem straightforwardly to mean that however Congress sets it, once it is set, Congress may not change it. The use of the word "set" or "sets" here is calculatedly ambiguous. Assume enactment of a law setting judicial salaries at x amount; the law would probably fix a date at which it became effective, say, judges are to receive x amount beginning October 1. Although the measure is law, it would appear that prior to October 1, Congress could enact a new law providing for x–y compensation, since the statute had not gone into operation and judges were not yet entitled to the amount. And, indeed, it would appear that Congress could provide that x–y is to be the compensation in an appropriations law.[9] The assumption is that until the effective date of the increase, Congress may repeal or alter it.

But if the date of effectiveness of the law has passed, if in the example, October 1 has come and gone, then the diminution of compensation clause appears to bar a reduction whether it was accomplished through enactment of a substantive law or through a substantive provision in an appropriations measure. In either case, the point of entitlement has been reached.

To construct an argument from the appropriations clause, therefore, requires one or

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Footnotes at end of article.

the other of the following arguments to be developed.

The word "receive" in the diminution of compensation clause might be given an interpretation in light of the appropriations clause to the effect that until the money is actually in hand, the judges have not received it and therefore a reduction of the amount of future payments would be permissible. This argument would appear to be a strained use of the word "receive." Thus, judges do not receive an annual salary in one lump sum; it is paid to them in installments of prescribed parts, in twelve equal sums at the end of each month. The receipt of the first installment, under this argument, would be insufficient to protect them from reductions of the remaining installments. The clause would mean no more than that once a judge had cash in hand none of it could be taken away.

A somewhat more credible argument could be advanced that "receive" should be given the construction that until the appropriations bill has become law, the judges are not entitled to "receive" the compensation and thus until that point Congress may reduce the compensation. This use of the word "receive" to fix a point of entitlement at the coming into force of an annual appropriations measure is subject to serious objection.

Strictly adhered to, it would mean that the clause was effectual only during the life of each year's appropriations act, that in each succeeding appropriation Congress could reduce compensation owed. This construction would obviously eviscerate the protection of the diminution of compensation clause. To resist this result, one would have to argue that the entitlement became fixed upon enactment of the first appropriation measure and thereafter could not be reduced, although to phrase the argument in this manner undermines the force which it was originally sought to give to the appropriations clause in the first place.

But the basic objection to the argument is that the appropriations clause is a restraint upon the executive, upon the disbursing authority. It requires congressional authorization for spending. It is not a restraint upon Congress' lawmaking powers; Congress obligates the expenditure of vast sums and creates entitlements in the receipt of federal monies through statutes, through substantive enactments, and the funds are subsequently appropriated. But the legal effect or the entitlement of the prior enactments is not held in abeyance until the appropriations measure is enacted.[10]

Beginning in 1789, Congress fixed the compensation of federal judges by statute. Congress still does through the device of the machinery established in the various pay acts. Congress has thus declared "what sum shall be received by each judge . . . and the time for payment . . . The amount specified becomes the compensation which is protected against diminution during his continuance in office." *Miles* v. *Graham*, 268 U.S. 501, 508–509 (1900). As it was noted above, Congress may legislate on an appropriations bill, may make substantive changes in law through the device of legislating on an appropriations bill. But just as with any other legislative action, Congress must observe constitutional constraints.

The operation of this principle can be observed in several cases that did not involve the diminution of compensation clause. In *United States* v. *Fisher*, 109 U.S. 143 (1883), the Court had before it a claim by certain territorial judges (who were not Article III judges and thus not protected by Article III, § 1) for additional salary owed them. Congress by law in 1870 had established salaries for these judges at $3000 annually; in appropriations acts passed in 1878, 1879, and 1880, Congress had appropriated sums "in full compensation" for their services of $2600. The Court held that the appropriations acts had manifested an intent by Congress to fix the salary for those years at the lower rate and to supersede the 1870 law by enacting a different rate.[11] In *United States* v. *Mitchell*, 109 U.S. 146 (1883), the claim for compensation was made by Indian interpreters who under an 1851 law were entitled to $400 annually but who had been paid only $300 annually under appropriations acts setting the pay at $300 annually. The Court held that the language of the appropriations acts altered (or at least suspended) the 1851 law and made the lower figure the compensation owed. And in *Wallace* v. *United States*, 133 U.S. 180 (1890), the claimant was envoy to Turkey and claimed he should be paid $10,000 annually under an 1875 law providing that salary for ambassadors and envoys; Congress in appropriations acts of 1882, 1883, and 1884 had specified a salary of $7500 annually. The Court noted that the 1875 law fixed $10,000 "unless where a different compensation is prescribed by law" and held that in the three appropriations acts Congress had prescribed by law a different compensation.

But in *United States* v. *Langston*, 118 U.S. 389 (1886), a prior statute had fixed the annual salary of a diplomatic officer at a designated sum, without limitation as to time. In 1884 and 1885, the appropriations acts appropriated a lesser amount for the services of the officer for the particular fiscal year, but the acts contained no words which expressly or by implication modified or repealed the prior statute. The Court held that the diplomatic officer should prevail in his action in the Court of Claims for the difference in pay because a failure of Congress to appropriate the full amount, with no words that expressly or by clear implication modified or repealed the prior statute, did not abrogate or suspend the previous fixing of the amount he should receive.

Moreover, even where Congress alters or suspends the effect of a prior law, if it does so in an appropriations act without clearly indicating an intent to make permanent alterations or suspensions, the expiration of the appropriations act at the end of the fiscal year reinstates in full the prior law. This principle in operation is illustrated in *United States* v. *Vulte*, 233 U.S. 509 (1914). Claimant was a Marine officer suing for an amount additional to what he had been paid for service in Puerto Rico and he was held to be entitled to recover. A 1902 law (originally enacted, it may be noted, as part of an appropriations act), provided for a 10% increase in pay over the prescribed amount for officers serving outside the United States. In appropriations acts in 1906 and 1907, Congress excepted Puerto Rico from the 10% increase provision. In the 1908 appropriations act (providing money for the period claimant served in Puerto Rico), Congress appropriated money to cover the pay of military personnel abroad "as now provided by law." The issue was whether the 1902 law or the 1906–1907 exceptions constituted the object of the phrase "as now provided by law." The Court held that by the provisos in 1906 and 1907 Congress had merely temporarily suspended the application of the 1902 law to service in Puerto Rico, that Congress had not meant to alter the 1902 law permanently, and that the provision in the 1908 act was thus keyed to the 1902 law, inasmuch as the proviso in the 1906 and 1907 acts had expired with the acts.

To summarize, therefore, it seems to be established that Congress may certainly create entitlements in either substantive law or in an appropriations act. But creation of that entitlement to funds is not conditioned in the Constitution upon the appropriation of funds to pay it. Congress may alter a previously created entitlement in an appropriations act; it may do so permanently by its choice of language or through other evidence of intention or it may do so for the duration of the appropriations act. But if it does temporarily alter or suspend a prior law, that law is restored to full force by the expiration of the appropriations act. In any event, in enacting appropriations measures, Congress is certainly not free of constitutional constraints that govern all its legislative actions. *United States* v. *Lovett*, 328 U.S. 303 (1946).

What this means is that there seems to be no support in the language of the appropriations clause and no precedent for a contention that the entitlement to compensation of judges which cannot be reduced arises only with the enactment of an appropriations bill.

Of course, the appropriations clause does have some bearing on this matter. Without appropriations, no salary may be paid. If Congress should decline to appropriate funds, it is doubtful in the extreme that any remedy exists by which action could be compelled. *Reeside* v. *Walker*, 11 How. (52 U.S.) 272, 291–292 (1850). But Congress has not declined to vote funds; it has voted funds for judicial salaries but with a limitation to a particular amount.[12] It will likely be called on to vote supplemental amounts to which the limitation will be applied. While the courts may not be able to compel Congress to appropriate, the courts would be able to invalidate restrictions upon the use of appropriated funds when the courts find those restrictions unconstitutional, thus requiring the payment of the full amount determined to be owed. See *United States* v. *Lovett*, 328 U.S. 303 (1946). The effect would be the payment of full judicial salaries but perhaps with some other functions in the judiciary suffering a deficit of funds.

CONCLUSION

From the foregoing, it appears that Article III judges in office on October 1, 1979, became entitled to a 12.9% pay increase. The limitation in the Legislative Branch Appropriations Act of 1979 expired with the Act on September 30, 1979, thus entitling them to a 5.5% raise and an additional amount of interest. Through the operation of 5 U.S.C. § 5305, the increase of 7% proposed by the President went into effect in the absence of congressional action. The language in § 101(c) of the law enacted on October 12 expressly recognizes that the two pay increases had gone into effect through operation of law. It says that the "funds available for payment" of salaries to those persons "who under existing law are entitled to approximately 12.9 percent increase in pay" shall not be used to pay more than 5.5%. The pay having been fixed by law at a 12.9% increase as of October 1 is certainly reduced by a provision fixing it at only a 5.5% increase instead. While the Constitution is silent with respect to the pay of all other officers and employees covered by § 101(c), it expressly provides that Article III judges "shall . . . receive for their Services, a Compensation, which shall not be diminished during their Continuance in Office." In the absence of some interpretation that would make this language inapplicable to what Congress did on October 12, the clause would furnish the textual basis for a judicial ruling voiding the limitation as to judges and restoring the full pay increase as to judges in office on October 12.[13] We have in the course of the paper considered several possible arguments with respect to interpretations that would allow an escape from the diminution of compensation clause but have found no textual or precedential support for them. It is of course entirely possible that another argument may be forthcoming that has not yet been considered, but in the light of the review conducted to date no reason has appeared to doubt the applicability of the diminution of compensation clause to § 101(c) of P.L. 96–86.

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Footnotes at end of article.

FOOTNOTES

[1] The pay of judges under the Act was increased in 1969. The statutory scheme was the subject of litigation in *Atkins* v. *United States*, 556 F. 2d 1028 (Ct. Cl. 1977), *cert. den.*, 434 U.S. 1009 (1978), and is also at issue in *Will* v. *United States*, No. 78 C 420 (N.D. Ill., decided August 29, 1979).

[2] The cost-of-living increase for fiscal 1977, not paid because of a provision of the Legislative Branch Appropriation Act of 1977, P.L. 94-440, 90 Stat. 1446, is also at issue in *Will* v. *United States*, *supra*, N. 1.

[3] Pursuant to statute, as set out above, the pay increases go into effect with the beginning of the first pay period beginning on or after October 1. According to the Administrative Office of the United States Courts, judges receive a salary check on the last day of each month which is the pay from the first of the month to the last. Thus, for them the pay increase was effective on October 1, 1979.

[4] Although the law carries a November 20, 1979, expiration date and is a temporary appropriations measure, § 101(c) at several points excepts itself from the termination date and is otherwise internally consistent with the construction that the quoted provisions are effecive throughout fiscal 1980.

[5] The Order is merely informational; the statute nowhere makes the effectiveness of a pay increase contingent on presidential proclamation.

[6] *Miles* v. *Graham* is one of a series of cases that held federal judicial salaries immune from taxation; the holding was overturned in *O'Malley* v. *Woodrough*, 307 U.S. 277 (1939), but the approach to the compensation clause embodied in the quotation appears to remain valid. *Atkins* v. *United States*, 556 F.2d 1028, 1043 (Ct. Cl. 1977), *cert. den.*, 434 U.S. 1009 (1978).

[7] Congressional practice at other times has been not to rely on such a possible argument. The Legislative Appropriations Act of June 30, 1932, §§ 106, 107(a)(5), 47 Stat. 401, reduced, as a Depression measure, federal salaries but exempted those judges "whose compensation may not, under the Constitution, be diminished during their continuance in office". See, *O'Donoghue* v. *United States*, 289 U.S. 516 (1933).

[8] Again, it should be noted that the congressional practice has been in accord with this approach. The 1932 general reduction, *supra*, N. 7, exempted the salaries of Article III judges without regard to the effect of a reduction on the salary received by the judge when he assumed office, and 28 U.S.C. § 461(b), forbidding an operation of the salary act that would reduce judicial salaries pays no attention to the matter.

[9] Of course, there would still be an interpretive problem whether Congress had suspended or altered the increase substantively or merely intended to restrict the use of funds for the purpose of effectuating the increase. *United States* v. *Dickerson*, 310 U.S. 554 (1940) is one example of the interpretive problem, as is *Preterm, Inc*. v. *Dukakis*, 591 F.2d 121 (C.A. 1), *cert. den.*, 99 S. Ct. 2282 (1979). In the context of judicial pay, it is at issue in *Will* v. *United States*, *supra*, N. 1.

[10] In any event, whatever argument that might be available in this context is inapplicable in the present situation. The October 12 Act did not appropriate funds for judicial salaries; it only imposed a limitation on already approprated funds for judicial salaries, contained in the State, Justice, Commerce, and Judiciary Appropriations Act for fiscal 1980, P.L. 96-68, 93 Stat. 416, 427, 428, signed into law September 24, 1979. A supplemental appropriation will probably be necessary in order to provide for the additional pay that went into effect on October 1, whether it is a 5.5% increase or higher and a 7% increase for employees, so that it is possible to use the appropriations clause argument in that respect. But the irrelevance of the clause here is only highlighted by this requirement, inasmuch as until a supplemental is enacted, the additional pay would come out of existing appropriations, which would not be permissible if an entitlement could only be created by enactment of the appropriations.

[11] The Court expressly noted that there was no provision of the Constitution which forbade a reduction. *Id.*, 145.

[12] As we have noted, *supra*, N. 10, the October 12 Act does not contain funds for judicial salaries but rather enacts a limitation upon previously appropriated funds.

[13] As to judges who take office after October 12, the limitation would be effective as to them, the clause being inapplicable, so that they would be paid at the rate in effect on September 30 with the addition of a 5.5% increase. This assumes that any judicial ruling would void only that part of the limitation which posed the constitutional problem. No constitutional issue would appear to be raised by the payment of different salaries to judges similarly situated.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CULVER). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SARBANES). Without objection, it is so ordered.

UP AMENDMENT NO. 819

(Purpose: To limit the funding of abortions except in certain circumstances including instances where severe and long lasting physical health damage to the mother would result)

Mr. MAGNUSON. Mr. President, I send to the desk a substitute for the Helms amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. MAGNUSON) proposes an unprinted amendment numbered 819:

In lieu of the language proposed to be inserted insert the following:

None of the funds provided for in this joint resolution shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term; or except for such medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service; or except in those instances where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term when so determined by two physicians.

Nor are payments prohibited for drugs or devices to prevent implantation of the fertilized ovum, or for medical procedures necessary for the termination of an ectopic pregnancy.

Mr. MAGNUSON. Mr. President, this substitute merely reenacts the present language, last year's language, that the Senate has voted on many, many times. I have no more to say about it than that.

It is last year's language. We must go to the House, which would have the Hyde language in the bill, and then we will try to work out an agreement again.

UP AMENDMENT NO. 820

Mr. EXON. Mr. President, I send to the desk a perfecting amendment and ask for its consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Nebraska (Mr. EXON) proposes an unprinted amendment numbered 820 as a perfecting amendment to unprinted amendment numbered 819 to the committee amendment:

At the end of committee amendment No. 3 add the following:

Notwithstanding any other provision of this joint resolution except section 102, none of the Federal funds provided by this joint resolution shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term; or except for such medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service;

Mr. MAGNUSON. Will the Senator yield for a minute?

Mr. EXON. I am happy to yield to the Senator.

Mr. MAGNUSON. Mr. President, my amendment reenacts last year's Senate position. But then we agreed to only rape and incest in the first continuing resolution, is what the Senator's amendments would do.

Is that correct?

Mr. EXON. I believe the Senator is essentially correct. I would be glad to enter into a colloquy with the Senator from Washington, and possibly with my friend from North Carolina, in an attempt to make a full explanation.

I would first like to say that the perfecting amendment I have just offered, if it is accepted, merely returns to the compromise that was struck by the House and Senate on many occasions.

I do not know how many times we have voted on the abortion issue during the short period I have been in the Senate, but I am sure it is over 20. Possibly my friend from North Carolina could respond at this time.

How many abortion votes have we had since January?

Mr. HELMS. Will the Senator yield?

Mr. EXON. I am happy to yield to the Senator.

Mr. HELMS. It is a great many. My friend from Washington says 32 one time, 33 another time. I believe he has lost track, too.

Mr. MAGNUSON. Actually, it is 34. I have lost count.

Mr. EXON. I thank my friends, the Senator from Washington and the Senator from North Carolina, for keeping track of the number of votes we have had on this issue.

I do not know if they will be able to tell me how much delay in time there has been in the business of the Senate on this issue.

Mr. President, if I can take just a moment, I want to state that the amendment I have just offered returns to the compromise that has been struck time and time again. What it essentially amounts to is a compromise between the Hyde amendment, on the one hand, that I have voted on on numerous occasions, on these 31, 32, 33, or 34 votes we have had, essentially because I was not offered, and could not have, a chance to vote what I have long held as my personal opinion on abortion. That simply is that we should allow abortions only when the life of the mother is being endangered or by promptly reportable rape or incest.

There are a lot of people that do not agree with my position on that. I do not hold any ill will whatsoever to those who want even more restricted abortion language, or those who propose we have more liberal abortion language.

I think the facts of the matter are that it is very unlikely we are going to come to any kind of agreement if we want to move ahead with this legislation, that we probably are not going to be able to come to any kind of agreement in compromise with the House unless we go back and cite the agreement made in the last instance.

I would suggest that while the amendment that has been offered by the Senator from Washington is, to answer his question, generally along the same lines as my amendment, I would point out that the term "or" in the amendment he has offered on line 7 expands the abortion language further than I would care to go, and I suggest would expand it far more than the majority Members of the House of Representatives would care to go.

Mr. HELMS. Will the Senator yield?

Mr. EXON. I am pleased to yield to the Senator from North Carolina.

Mr. HELMS. Mr. President, while we have Senators on the floor, I ask for the yeas and nays on the Senator's amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Will the Senator yield further?

Mr. EXON. I am glad to yield to my friend from North Carolina.

Mr. HELMS. Mr. President, I want to thank my friend from Nebraska for taking this action to move the Senate toward a resolution of this matter because the House is going to recess on Friday of this week, and, if the Senate were to make the mistake of approving the blanket provision envisioned in the committee bill, section 109, that would only impede attempts to reach agreement between the House and Senate before Friday—and we would again face the prospect of people not getting their paychecks and a question about whether agencies could function.

Let me say one thing more, Mr. President. We sometimes joke about the number of times the Senate has voted on this question. But the Senator from North Carolina does not consider it a joke when we consider the issue of the deliberate termination of innocent human life and using taxpayer funds to do it.

Now, that is the question and it is not subject to any frivolity or any joke.

We have to make the judgment as to whether we have the right to use taxpayers' funds to promote the deliberate termination of innocent human life.

I wish this issue would go away, as well as the Senator from Washington does. But it is not going away.

I thank the Lord for the House of Representatives for standing firm on this issue. They have the courage of their convictions.

Sooner or later, and I hope it will be sooner, the Senate is going to learn that there is a very definite, inescapable moral question here that strikes at the very heart of what this country is all about.

I do not care whether it is 150 votes or 2,000 votes. This Senator is going to use every opportunity he can to stop the practice of using taxpayers' money to encourage or promote the deliberate termination of innocent human life.

The amendment of the Senator from Nebraska is a movement toward a resolution of this matter. Unless Senators want to tie up this legislation in conference, knowing that the House is going to recess this Friday, they should support the Senator from Nebraska, as I am.

I will say frankly to the Senator that his amendment does not satisfy me completely. He knows that. But I am going to support it because it is a perfecting amendment to the pending amendment which he has offered in good faith. I accept it in good faith, and I thank the Senator for offering it.

Mr. EXON. I thank the Senator from North Carolina. He has summed up the situation very well.

I feel, once again, that if we are going to move ahead with the business of the Senate, and I think we should, and that if we are not going to reach an impasse such as we had last month with the House, when we could not pay the people who worked for the U.S. Government and could not meet the legitimate obligations of the U.S. Government, this is the time to strike a compromise.

I do not believe that the compromise I am offering is going to satisfy very many people, except those who happen to feel as I do, generally, about abortion, and especially if the taxpayer pays for abortion, following the point that has been made ably once again by the Senator from North Carolina. Therefore, the compromise I am offering probably is not going to satisfy all the people on this issue.

I do say, in all sincerity, that I believe the compromise I have offered is the only compromise we have a chance to pass, both in the Senate and in the House of Representatives, in a timely fashion, so that, once again, we will not be meeting a crisis with respect to Federal obligations.

Mr. MAGNUSON. Mr. President, the Senator from Nebraska is talking about a compromise. Why does he not let the conferees determine this compromise? Why make the compromise on the Senate floor? The House is just as adamant about this as we are.

Mr. EXON. Mr. President, will the Senator yield?

Mr. MAGNUSON. The language that the Senate has is the language we finally compromised on in the continuing resolution. That is what we did. We did that because it was not going to take effect until November 20. But now we are talking about the year's appropriation, and I am suggesting just exactly what the law was, what the compromise was in the regular bills.

It is a question of whether we have some room for compromise with the House on this matter. I do not know whether or not we can compromise. It is the language that has been the law of the land for the last 2 years—my amendment—and the Senator from Nebraska is going to change it.

It has been the law, has it not? The Senator is trying to change the law and establish his own compromise on the floor of the Senate.

Mr. EXON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. EXON. I thank the Senator very much.

Since I have great confidence in the integrity of my friend from Washington, I suspect that what he is saying is that it is in the law.

The point I am trying to make, time and time again, is that regardless of what the law is now, the House of Representatives, time and time again, has said that they are not going to go along with the law as it has been written in the past.

I ask this question of the Senator from Washington: I think we have had compromises before that follow almost exactly the amendment I have offered here, which, I emphasize once again, simply says that we will allow the use of funds for abortions only in the event of endangerment of the life of the mother and/or reportable rape or incest.

Therefore, I believe that what we should do in the Senate is not simply to say that we should pass some legislation and give us a chance, if we can, to come to some agreement with the House of Representatives, but to tell the House of Representatives that we have offered a legitimate compromise, in specific language, on the floor of the Senate, in the hope that they will give to some extent with respect to the Hyde amendment.

I am afraid that if we were to adopt the amendment offered by the Senator from Washington, we would then go to conference committee, and the conference committee would not agree, and we would have the shoot-out we had over the Federal expenditures only last month.

Therefore, I have offered my amendment, which I think is a reasonable compromise and which has the only reasonable chance of being accepted by the House of Representatives. I agree that my amendment is more restrictive than the language offered by the Senator from Washington, to some extent, but not to the extent that it would break down the bargaining that must be done with the House of Representatives.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. EXON. I do not have the floor.

Mr. MAGNUSON. Is the Senator speaking for the House or for the Senate? How does the Senator know what the House will compromise on? They compromised for 2 years on the language I have submitted. For 2 years, it has been the law of the land. What makes the Senator from Nebraska think that he knows what the House is going to do?

Mr. EXON. Mr. President, if the Senator will yield, I will be glad to respond.

I certainly do not know what the House of Representatives will do. I do know that the last time we got into an issue with them, they quit work and went home, and we had a crisis.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. MAGNUSON. It was not over the abortion matter.

We agreed because we had a time element, which the Senator understands. This is the compromise the House has agreed to for 2 years—the suggestion I made. I do not know where the Senator gets the idea that they will not accept it again.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. STEVENS. Mr. President, I understand the amendment that has been offered, and it comes very close to—and may even be identical to—the one that was on the last continuing resolution. The difficulty with this is that the House is getting into the habit of giving us a bill and going home; and if we put in this bill now the provision we had in the last continuing resolution, we will go to conference and they will insist on some change in it.

The only way we will have any bargaining position with the House in conference is to take it all out. If they will not offer us the compromise we agreed to last time, maybe we can work out something. It does not belong in a continuing resolution, in the first place. One way in which we can get out of the House the bills that are being held hostage is to take this entirely out of this continuing resolution. The burden then will be on those who want some provision in one of these bills to move these appropriation bills, in my opinion.

Mr. President, I left the Chamber a little earlier, and I have just been informed that the chairman has changed the signals on me. I wish we would keep the same signals. I still believe there should be no such language in this bill.

The trouble is that the Hyde amendment is going to come at us one way or the other. I am almost inclined to say that we should hold up the bill until the House goes home, until they are in pro forma session, and then send the bill to them.

I am getting tired of appropriations bills and continuing resolutions being held hostage to the abortion language on appropriations bills.

Each time, the Senate is worked into a position in which we are responsible for people not being paid, or we are responsible for contractors not being paid, or we are responsible, somehow, for some calamity, if we do not yield something in terms of the rights of the women of this country.

It is high time that was changed. I said last time that we were not going to yield further; and so far as I am concerned, that is true. I am prepared not to have this continuing resolution passed by the 20th, if there is any change from the way we passed it in the continuing resolution last time. I do not know why there should continue to be such a battle over appropriations bills. There are legislative committees; resolutions are pending to amend the Constitution. We should start concentrating some attention on those and see if the Senate—and Congress as a whole—wants to try to work its will in terms of this issue.

For myself, I believe it is a matter that should be determined by a woman and her doctor, in consultation with her husband, and it should not be something that 99 men fight with 30 times a year. We just do not have the competence to deal with this as a legislative matter.

I am of the opinion that if we are not careful, the House is going to do it to us again. I feel like Charlie Brown and the football: They are going to take the football away from us again, if we are not careful, just as we kick.

Maybe someone gets a bang out of that, but I do not. I think they are about ready to do it to us again. They are going home tomorrow night.

If the chairman wants to take this tactic of putting in the compromise language from the last 2 years, that is all right with me. I prefer to have nothing in there, but he is the one who has the say.

Mr. MAGNUSON. This will give us some leeway in the conference.

Mr. STEVENS. We took it all out of the Defense bill.

Mr. MAGNUSON. This is what they agreed to for 2 years.

Mr. STEVENS. I understand.

Mr. HELMS. What leeway does it give to the unborn child?

Mr. STEVENS. I might say to the Senator there is no issue here that pertains to an unborn child. The question is, what dollars pay for abortions? These abortions are going to take place anyway. They are going to be paid for by Federal funds, State funds, or foundation funds. And the question here is, to what extent does the Federal Government maintain its commitment to those people to whom we have made a commitment that they are entitled to Federal medical services or payment for medical services from the Federal Government? What is more precisely this.

Nothing in this is going to affect an unborn child. Those abortions are going to take place anyway.

The question is, Who is going to pay for them? That is why we do not see any reason why we should be debating year after year after year this abortion issue on these appropriations bills.

If the Senator does not like the laws, go change the State laws. If he does not think the Federal Government should have a Federal abortion law, then pass a Federal antiabortion law. But currently this is a matter of funding.

In my State, if this Hyde language were to pass, all it would do would be to shift the burden to the State or local government to pay the bills because the State law says those abortions are legal. It is not going to be changed at all by an appropriations bill. That is the same thing throughout the country.

Unfortunately, when you put it on a continuing resolution and it affects people overseas, then you do affect the lives of people to whom we have made a commitment. The dependents of military personnel and of civilian personnel abroad do not have any State funds and their payments are in these bills. That is why we took it out of the one bill. I think we should take it out of all appropriations bills because of the impact on dependents. Personnel of the Armed Forces and of the State Department throughout the world are affected by this language adversely as there are no moneys available for them and they are people to whom we have made a commitment that we will provide medical services, and I do not see any inclination to change that law.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. STEVENS. I yield.

Mr. HELMS. At what point and in what bill did we make a commitment to give them money to terminate innocent human life?

Mr. STEVENS. We made a commitment to provide medical services to those people who are dependent on military personnel. It has nothing to do with any commitment to provide money to terminate human life.

Mr. HELMS. What else is it?

Mr. STEVENS. This is a medical service that a woman is entitled to either as a member of the armed services or a dependent of a member of the armed services.

Mr. HELMS. Tell that to the unborn child.

Mr. STEVENS. I say to my good friend, I find it difficult to rationalize the concept of the unborn child when we are talking about things. And the Senator and I agree on defense.

Mr. HELMS. I could debate that with the Senator for 3 hours.

Mr. STEVENS. But we spend billions of dollars in getting ready to manufacture the arms for the defense of this country and provide arms throughout the world. What does the Senator think they are built for? Should we stop this? Should we stop appropriating money because it has an impact in some way incidentally on human life?

Mr. HELMS. Does the Senator really want to get into a discussion of that at this point? I am prepared to discuss that for hours.

Mr. STEVENS. I am saying to the Senator that I do not think he should use that concept with me, that it is my position that this is going to kill an unborn child.

Mr. HELMS. That is my position, not the Senator's.

Mr. STEVENS. It is not mine, either. The Senate is considering an appropriation bill and has no business talking about abortion. Stop talking about whether or not abortions are going to take place. This bill will not change the question whether abortions are going to take place anyway. There is no way we are going to change them in any way except in terms of these people who are not within a State of the United States and are entitled to medical services being paid for by the Federal Government. Those people are harmed grievously. They are harmed very grievously if the services are not available to them should we prohibit them on a Department of Defense bill, for instance, from providing such services to a woman.

What about the case of a child of a military man who is serving abroad and the child is a victim of rape?

Mr. HELMS. She is covered under the pending amendment.

Mr. STEVENS. She is covered, yes, but not in the Hyde amendment. Do not tell me that. It is not covered in the Hyde amendment at all. We keep seeing the Hyde amendment coming at us every year.

I for one took the floor on this to tell the chairman and my good friend, the ranking minority member, that in the House of Representatives the leadership came to me in a leadership capacity and asked me for my advice on what to do with this bill in terms of abortion. I advised them to keep the same provision that we had in the continuing resolution last time and there would be no argument about it. It was a diminution of that language that the Senator from Washington is offering now as the chairman of our committee. It was a restriction. But that was as far as I thought we would go and we should go no farther. Instead of doing that they decided to provoke the issue again and they put in a totally denuded Hyde amendment as far as I am concerned.

It is totally unacceptable and should be unacceptable to every Member of the Senate, in my opinion.

Again I warn Senators that they are about ready to go home. For those Senators who believe like I do, we have to find some way to stop this because they are going to go home tomorrow night and are going to serve us a bill that has the Hyde amendment on it, if we are not careful, and we will be responsible and put in a position of again saying we have to go along with it because all these people are not going to get paid in the Defense Department and the defense contractors, and everything else.

That has to stop, and I for one am serving notice to all that it has stopped, because if I have to be standing here alone on the floor on Tuesday night at midnight it is not going to happen.

That message better get to the House of Representatives because the chairman's provisions is reasonable and honorable. We voted on that how many times now—34 times or 35 times?

Mr. MAGNUSON. Yes.

Mr. STEVENS. Why should we constantly face this? And so did the House of Representatives, incidentally. Until this year the House of Representatives accepted the language that he has offered to us today.

The House of Representatives has accepted, and every time we have gone to the mat on this. That was the provision that became law last year in each bill we debated.

There is just no reason for this to continue. I again hope that my chairman will send a message to the House of Representatives that we are serious about this and I hope that maybe we will talk about how we can deliver it to them in a manner that they cannot change it.

Mr. HATFIELD. Vote.

Mr. MAGNUSON. Vote.

Mr. EXON. Mr. President, I appreciate very much the remarks that have just been made by the distinguished Senator from Alaska on a matter of philosophy. I certainly agree 100 percent with the Senator from Alaska that we probably should not be putting abortion language on the type of legislation as being put on this particular bill.

That was what I had allusion to earlier when I offered the amendment. I do not necessarily agree with my friend from North Carolina. We are joined on this issue. I think it would be much better if the House of Representatives and the Senate in an orderly fashion would make the determination on abortion and I suspect that I would not be with the majority in the Senate on that issue. I would more likely be closer to the position with the majority of the House of Representatives.

But we are not talking about philosophy here. The facts of the matter are that under our system the House of Representatives has the option of attaching to this continuing resolution or anything else the Hyde amendment, or anything else, on abortion. Likewise, it is true, and it is something that we respect very much in this body, that any Senator can offer almost anything, sometimes whether it is germane or not, on any piece of legislation.

So, when we have a situation where we get up and bemoan the fact that this legislation is in front of us, I think that might not necessarily be as realistic as I suggested we must be if we wish to move the business of the Senate along a little quicker, especially in view of the circumstances that the House of Representatives may be once again quitting and going home.

I certainly feel that, and I share the concerns of the Senator from Alaska on the image of the Congress.

However, if he intended to say that the failure of the Congress to act on the many matters before us has been laid at the doorstep of the U.S. Senate, I think that is not true. I think it was made abundantly clear during the last crisis situation on legislation that indeed it was the House of Representatives that decided to go home, and the U.S. Senate, in fact, during that very period had its only Saturday session to date.

Therefore, I think realistically we come down to the situation of whether or not we can pass some kind of legislation or wording on the abortion issue that might begin to resolve the differences.

I happen to feel that the amendment I have offered in good faith will start to do that. Whether or not the majority of my colleagues in the Senate agree with me remains to be seen during the vote.

I thank the Chair.

Mr. ROBERT C. BYRD. Mr. President, I wonder if we cannot vote now on the amendment by Mr. EXON, followed immediately by a vote on Mr. MAGNUSON'S amendment?

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote now occur on the amendment by Mr. EXON, and then it be followed by the vote on the amendment by Mr. MAGNUSON.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. HELMS. That does not preclude any motion to table?

Mr. ROBERT C. BYRD. Does the Senator wish to offer a motion to table the Magnuson amendment?

Mr. HELMS. I have not decided, but with the understanding that it not be precluded——

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a vote occur on the amendment by Mr. EXON followed immediately by a vote on the Magnuson amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The vote now occurs on agreeing to the amendment of the Senator from Nebraska. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. McGOVERN), the Senator from Montana (Mr. MELCHER), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Mississippi (Mr. COCHRAN), and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

I also announce that the Senator from Connecticut (Mr. WEICKER), is absent due to illness in the family.

The PRESIDING OFFICER. Are there other Members in the Chamber who wish to vote who have not voted?

The result was announced—yeas 44, nays 49, as follows:

[Rollcall Vote No. 409 Leg.]

YEAS—44

Armstrong
Bellmon
Boren
Boschwitz
Byrd,
 Harry F., Jr.
Byrd, Robert C.
Cannon
Church
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Goldwater
Hatch
Hatfield
Heflin
Helms
Huddleston
Humphrey
Jepsen
Johnston
Laxalt
Long
Lugar
McClure
Percy
Pressler
Proxmire
Pryor
Randolph
Roth
Stennis
Stone
Thurmond
Wallop
Warner
Young
Zorinsky

NAYS—49

Baucus
Bayh
Bentsen
Biden
Bradley
Bumpers
Burdick
Chafee
Chiles
Cohen
Cranston
Culver
Glenn
Gravel
Hart
Hayakawa
Heinz
Hollings
Inouye
Jackson
Javits
Kassebaum
Kennedy
Leahy
Levin
Magnuson
Mathias
Matsunaga
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Ribicoff
Riegle
Sarbanes
Sasser
Schmitt
Simpson
Stafford
Stevens
Stevenson
Stewart
Tower
Tsongas
Williams

NOT VOTING—7

Baker
Cochran
McGovern
Melcher
Schweiker
Talmadge
Weicker

So Mr. EXON's amendment (UP No. 820) was rejected.

Mr. MAGNUSON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MAGNUSON. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order so we may proceed.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. The vote now occurs on the so-called Magnuson amendment?

The PRESIDING OFFICER. The Senator is correct.

The Senate will be in order.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. Mr. President, will the Chair state the issue before the Senate?

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment offered by the Senator from Washington or an amendment in relation thereto, under the previous order.

Mr. HELMS. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. HELMS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment offered by the Senator from Washington. The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. MCGOVERN), the Senator from Montana (Mr. MELCHER), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Mississippi (Mr. COCHRAN), and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

I announce that the Senator from Connecticut (Mr. WEICKER) is absent due to illness in the family.

The PRESIDING OFFICER. Are there other Senators in the Chamber wishing to vote?

The result was announced—yeas 57, nays 36, as follows:

[Rollcall Vote No. 410 Leg.]

YEAS—57

Baucus
Bayh
Bellmon
Bentsen
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cohen
Cranston
Culver
Glenn
Goldwater
Gravel
Hart
Hayakawa
Heinz
Hollings
Inouye
Jackson
Javits
Kassebaum
Kennedy
Leahy
Levin
Magnuson
Mathias
Matsunaga
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Pell
Percy
Pryor
Ribicoff
Riegle
Sarbanes
Sasser
Schmitt
Simpson
Stafford
Stevens
Stevenson
Stewart
Thurmond
Tower
Tsongas
Wallop
Warner
Williams

NAYS—36

Armstrong
Biden
Boren
Boschwitz
Bradley
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Hatch
Hatfield
Heflin
Helms
Huddleston
Humphrey
Jepsen
Johnston
Laxalt
Long
Lugar
McClure
Packwood
Pressler
Proxmire
Randolph
Roth
Stennis
Stone
Young
Zorinsky

NOT VOTING—7

Baker
Cochran
McGovern
Melcher
Schweiker
Talmadge
Weicker

So Mr. MAGNUSON's amendment (UP No. 819) was agreed to.

Mr. MAGNUSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SCHMITT. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Washington.

THIRD COMMITTEE AMENDMENT—PAGE 9, LINE 23

Mr. MAGNUSON. Mr. President, in view of the last vote, I ask unanimous consent to vitiate the order for the yeas and nays on the amendment.

Mr. HELMS. Mr. President, I have no objection. I was going to ask for the yeas and nays, but it would be a repeat of the last vote.

Mr. SCHMITT. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, the order for the yeas and nays is vitiated.

The question recurs on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the committee amendment, as amended, was agreed to.

Mr. SCHMITT. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FOURTH COMMITTEE AMENDMENT

The PRESIDING OFFICER. The question is now on the fourth committee amendment, which will be stated.

The assistant legislative clerk read as follows:

On page 10, beginning with line 8, insert the following:

SEC. 111. For an additional amount for "Executive Office of the President, Office of the Special Representative for Trade Negotiations, Salaries and Expenses", $4,456,000, of which not to exceed $15,000 shall be available for official reception and representation expenses.

Mr. HOLLINGS. Mr. President, this particular committee amendment in the amount of——

The PRESIDING OFFICER. The Senator will suspend until we have order in the Chamber.

The Senator is recognized.

Mr. HOLLINGS. Mr. President, this committee amendment in the amount of $4,456,000 for the Office of the Special Representative for Trade Negotiations was added in to the continuous resolution yesterday on my motion with the cosponsorships of Senators ROBERT BYRD and CHILES. These funds provide for the added responsibilities envisioned by the congressional approval of the multilateral trade negotiations on the one hand and President Carter's reorganization plan No. 3, of September 25, of this particular year, which was submitted to the Congress at that time to more or less correlate, upstage, and give new direction and responsibility to the Government in the field of international trade.

I will yield in just a moment to the distinguished senior Senator from Connecticut (Senator RIBICOFF).

It should be said that those on the Finance Committee, chaired by Senator RIBICOFF, and others in the Congress have, for many years, been trying to really bring the U.S. Government into the field of competition in international trade. I can remember the endeavor of our good friend, the former majority leader, Senator Mansfield, and especially the effects of our distinguished chairman, Senator MAGNUSON, as they tried to get the commercial attachés of the Foreign Service responsible to the Department of Commerce rather than to the State Department.

Over many, many years, the efforts by the State Department left us with a rather fragmented address of the particular problems in international trade. Other governments have now become very, very competitive. For years we have relied on our technology and thought that we really did not have to give it too much attention, that we could let free enterprise take its course. We find now that they have become technologically competitive. In order to compete in a rational, coordinated fashion, we now need to fix that responsibility and address the problem.

Mr. President, if you will remember, when the MTN was presented to the Senate at the beginning of the fall, at that particular time the members of the Finance Committee said, "Mr. President, let us hold up until we get your message on what the intent is with respect to trade, specifically international trade."

Thereupon, the President promulgated and submitted his Reorganization Plan No. 3.

On the House side, that plan has had full hearings, has been brought to a vote, and has been approved.

On the Senate side we have had full hearings. The committee report is available. A resolution of disapproval has been submitted, Senate Resolution 245, has been submitted in the inverse fashion, in which we deal with these reorganization plans, but which will no doubt be approved, or the plan will be allowed to go into effect if we do not act within the 60-day period ending November 25.

When this was brought before the Appropriations Committee on yesterday, there was feeling on behalf of the junior Senator from Connecticut, my colleague, Senator WEICKER, that he did not have the opportunity to review it and he objected. No one has worked harder on our Subcommittee of State, Justice, and Commerce, which has the principal authority for the Special Trade Representative and the Office of the Budget—he is our ranking member. I regret that his mother is undergoing major surgery today and hope that we will soon have good news on her recovery.

I want to emphasize at this particular point that I had not had the opportunity to review it in detail, but that does not give me grave misgivings. I vote regularly on the floor relying on the judgment, the review, and the oversight of our other Senators more steeped in the field, and particularly when it concerns the authorizing committee. I checked and found that they were for it. Then I looked for the reason to try to submit it in this particular continuing resolution. We find if we do not make this appropriation in the continuing resolution at this particular point, the next supplemental will not come until March or April of next year and we will have lost the momentum. We will have withheld what the Congress was pressuring the administration for, on which the administration has now acted. We will have repudiated or rejected an opportunity for the Office to be changed from Special Trade Representative for Trade Negotiations to U.S. Trade Representative, and to take over certain functions from Treasury, certain responsibilities from State, certain added responsibilities in trying to get the negotiators going in the field of textiles. Mike Smith has just gotten on board there. We are still trying to work bilaterals with the People's Republic, with Korea, with Hong Kong.

The Commerce Department has just started a computerized textile import monitoring program and will have their own computer next year. We have to administer those bilaterals and the administration is at the behest of the Congress. The administration has taken certain unilateral actions in 10 categories of textiles alone. We have steel, footware, with the many caucuses that have resulted as a result of the concern that the trade and industry has had over the country, that we are not competing, that we are not on a fair basis. Here is the chance for Ambassador Askew, the new appointee, to get moving in this field. He needs the personnel and this backup of some $4.4 million.

I do not think we are doing it in a callous or casual fashion and I submit for the Record the information we presented yesterday to the Committee on Appropriations.

There being no objection, the information was ordered to be printed in the Record, as follows:

Necessity for Supplemental Appropriation

On November 5, 1979 the President transmitted a supplemental budget estimate of $4,456,000 for the Office of the Special Representative for Trade Negotiations (STR). These funds were requested to enable the STR to assume the broadened responsibilities required by the Trade Agreements Act (MTN) and Reorganization Plan Number 3. The Act and Plan strengthens the Office's role in coordinating U.S. trade policy and gives it several new areas of responsibility, such as East-West trade and commodity negotiations. In transmitting this request, the President indicated his desire to proceed with this aspect of the Plan on January 1, 1980.

The House approved Reorganization Plan Number 3 on November 8, 1979. The Senate Government Operations Committee recorded their approval of the Plan by unfavorably reporting the disapproval resolution on November 7, 1979.

This proposal will increase 1980 Outlays by $4.500,000.

Details of supplemental request:

New or expanded responsibilities to be assumed by the STR include the following:

1. GATT Representation (new).
2. Trade and Investment Policy (expanded).
3. East-West Affairs (new).
4. North American and Developing Country Affairs (expanded).
5. GATT Affairs (expanded).
6. Textile Negotiations (expanded).
7. Planning and Coordination (new).
8. Agricultural Trade Policy (expanded).
9. Industrial Trade Policy (expanded).
10. Congressional and Public Affairs (expanded).
11. Subsidy, CVD Dumping (expanded).

The STR presently operates on an appropriation of $4,000,000 that funds 59 positions. The supplemental appropriation of $4,456,000 supports 57 positions and includes $1,737,000 for the establishment of an office in Geneva. The following displays the current staff distribution, as well as the new positions requested:

Comparison by activity	1980 budget		1980 supplemental		1980 revised request	
	Permanent positions	Amount	Permanent positions	Amount	Permanent positions	Amount
Office of the special trade representative	5	$217,562	3	$62,362	8	$279,924
Congressional and public affairs	2	65,864	3	94,614	5	160,478
Deputy USTR, Geneva	3	93,689	8	288,800	11	382,489
Chief textile negotiator	2	84,942	2	43,904	4	128,846
Deputy USTR. Washington	3	105,110	1	25,397	4	130,507
Private Sector Advisory Committee	1	34,713	2	38,628	3	73,341
General Counsel	7	217,768	[1] 5	167,993	12	385,761
Associate STR for policy	5	192,901	2	50,186	7	243,087
Director for management	5	122,277			5	122,277
Agricultural trade policy	2	73,923	6	185,216	8	259,139
Industrial trade policy	5	183,376	[2] 8	245,964	13	429,340
GATT affairs	8	309,585	1	13,882	9	323,467
Trade policy development	5	199,446	9	241,738	14	441,184
Office of bilateral affairs	6	193,224	[3] 7	254,492	13	447,717
Total requirements	59	2,094,380	57	1,713,177	116	[4] 3,807,557

[1] Includes 1 transfer from another agency.

[2] Includes 3 transfers from another agency.

[3] Includes 5 transfers from another agency.

[4] See staffing pattern for computation of total additional funding which reflects addition for benefits and deductions for transfers, 1st quarter (lapse period), and dollar amount in fiscal year 1980 budget.

Mr. HOLLINGS. Before I yield to the distinguished Senator from Connecticut, I will yield to the minority side.

Mr. SCHMITT. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. Exon). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. I will yield to the Senator who really knows the most, the Senator from Connecticut. I will also yield the floor.

Mr. RIBICOFF. Mr. President, the distinguished Senator from South Carolina has stated what the basic purpose of this legislation is. I think it should be stated to this body that this entire matter is not at the initiative of the executive branch but is due to the unanimous initiative of the Finance Committee and the Governmental Affairs Committee.

The Finance Committee, for many, many years, has been deeply concerned with the status and stature and the ability of the U.S. competitive position in the field of international trade. We have been consistently and continually unhappy to see the thrust of international trade in the State Department and the Treasury Department. We have felt that in international negotiations, the United States invariably was emerging second and not first.

So, as a result of the work of the distinguished Senator from Delaware (Mr. Roth) and myself, we have set up and sought an ultimate objective of creating a department of international trade, commerce, and international investment. When MTN came before us, we felt that in order for MTN to work, we had to strengthen the office with an independent agency to represent the United States. Year in and year out, we have felt that, in negotiations, the trade function was being sacrificed for the geopolitical function of the State Department and that, in negotiations, they were not concerned about where America was coming out in trade for whatever other understanding they had with foreign governments. We have found that ecopolitics was taking the place of geopolitics in the affairs of nations and we were being outtraded and outsmarted, not only by the Japanese, not only by the West Germans, but by every other trading nation in the world.

Here the United States, the greatest industrial country in the world, now continues to run a huge trade deficit and our competitors are running trade surpluses. So, at the instigation, really, and the practically forcing of the hand of the President by Senator Roth and myself, we finally were able to get from the administration a reorganization plan which is Reorganization Plan No. 3. To my knowledge, there is no objection—let me say there is no objection. It came out unanimously from the Governmental Affairs Committee and unanimously from the Finance Committee, which has jurisdiction over trade functions.

Let me point out what happens in this plan.

Reorganization Plan No. 3 will establish the Office of U.S. Trade Representative. The USTR would be built on the existing STR but will have much larger responsibilities. The USTR will be responsible for the development, coordination, and implementation of U.S. trade, commodity, and direct investment policy. Currently, international commodity negotiations in such as rubber, wheat, and so forth are carried on principally by the State Department. USTR will do this in the future.

Currently, East-West trade negotiations are carried on by State, Treasury, and/or Commerce. USTR will do this in the future.

Currently, direct investment negotiations are carried on by State or Treasury. USTR will do this in the future.

Currently, the State Department represents the United States to the General Agreement on Tariff and Trade. USTR will do this in the future.

The distinguished committee chairman (Mr. HOLLINGS) pointed out that the commercial attaches are at State. Within this reorganization plan, the commercial attaches will now be in the Commerce Department, instead of the the State Department, where they will be able to look out for the interests of our businessmen.

If you talk to the people back in your home State that are trying to do business abroad, you will find that they unanimously say that, when they have a problem in a foreign country, they cannot get any attention; no one is interested in their problems. We have had the same complaints continually and we have felt that commercial attaches should be taken out from the aegis of the State Department and put in the Commerce Department, where their main function is to take care of the business and industrial economic interests of Americans doing business abroad.

The reorganization plan is, in fact, a congressional initiative. It will result in a strong central trade agency rather than the current chaotic dispersion of responsibilities among nations. The plan will become effective on January 1, 1980, but if we do not appropriate the funds for the new USTR on this resolution, then there will be no appropriation until some time in the spring of 1980. This would be inconsistent with congressional demand for trade reorganization which forced the President to submit the reorganization plan that we are now dealing with.

The USTR will be twice the size of the current STR, 59 people instead of 116. The budget, accordingly, will approximately double from $4 million, which has been appropriated to STR for fiscal 1980, to about $8.5 million for the fiscal year.

When Senator HOLLINGS talked to me last night about the concerns of Senator WEICKER, my esteemed and beloved colleague from the State of Connecticut, I put in a call to my colleague this morning and found that he was in New York today, where his mother is undergoing surgery. Therefore, I did not have the opportunity to discuss this with him. I do not know whether I would have been able to satisfy him, but, somehow, I feel that if I were able to explain the background and the need to my colleague—and we very seldom disagree on any issue, even though we are on opposite sides of the aisle—I do believe that I would have been able to satisfy him on why this extra $4.5 million is necessary.

It is important. This is a congressional initiative. It is not an Executive initiative, and it would be most unfortunate if this $4.5 million were not made available to put some sinew into the muscle of our trade function that we, ourselves, brought into being.

Mr. SCHMITT. Mr. President, Senator WEICKER, as has been indicated, is necessarily absent because of his mother's health. He asked me if I would present his case against this committee amendment. It is a case not against the spirit of the amendment, but against the procedural way in which it was handled.

I add for myself that I concur in Senator WEICKER's concerns. It is not that I do not agree with a great deal of what the distinguished senior Senator from Connecticut and the equally distinguished Senator from South Carolina have said. As a matter of fact, Senator STEVENSON of Illinois and myself and various subcommittees that we jointly work on have found, in a different type of setting, in innovation hearings of different kinds, that a lack of strategic trade capacity for this country over the last decade or two has seriously hurt the trade balance that we all realize is so absolutely necessary to the overall economic health of our country. We have found that the White House and various Federal agencies, such as Treasury, Commerce, Eximbank, State Department, all have been working at opposite ends with respect to trade policy, each in its own jurisdiction. And it is an overall issue.

However, as I have indicated before, in this committee amendment, Senator WEICKER's and my primary concern is a procedural one.

We have before us a continuing resolution for more than one-half of the departments of our Government. The Office of the Special Trade Representative has come screaming in at the last minute to seek a supplemental appropriation for fiscal year 1980. This is not just more money that they want, the request is for a 105-percent increase in their appropriated funds. The astounding factor here is that neither Chairman HOLLINGS nor Senator WEICKER were notified of this budget request until the night before last when this request appeared in the offices of those two Senators. We are being asked to support a last-minute, 100-percent increase in the budget for the Special Trade Representative without any hearings, without any prior notification and without any explanation as to what the money is for, other than the general discussions offered up to now. Neither the chairman nor Senator WEICKER knows what these extra funds will do, beyond what is presented in the budget request.

I think we have some general idea. I think the Senator from Connecticut's remarks helped expand on that as to how they will be used.

The question I have, Mr. President, is why did this happen? It is my understanding that at the Tokyo trade talks conducted in July of this year, it was agreed that participating nations would not use tariffs as a means of bargaining in international trade. New rules of the road were established governing trade among nations—the success of the new agreements relies on the willingness of other nations to comply to the new rules and our ability to monitor this compliance.

It would seem that STR would then have realized the need for an increased staff to monitor international trade. But the Governmental Affairs Committee which oversees appropriations for STR did not complete the reorganization plan until November 7. Why did this delay occur?

One explanation is the great turnover among the upper levels of the STR which occurred about a month ago. But the new legislative counsel, a Mr. Cassidy, was one of the chief formulators of the reorganization plan—it seems likely that he should have had some idea of the necessity for supplemental appropriations when he became legislative counsel for the STR. Since July 1979, it has been obvious that the STR was going to need additional funds to enhance their monitoring capabilities; yet we only get a request for funds the night before the Appropriations Committee is to discuss the request.

Mr. President, as I said in the committee hearing yesterday, I think the Appropriations Committee deserves more respect, and the Senate deserves more respect, from the administration than these last minute, last vehicle to get the money type of requests.

The issue that may be raised is that a delay in funding may hurt our international trade. We may lose markets to countries that had agreed in Tokyo to stay out of these areas. But 3 months have passed since the Tokyo talks and we have seen little or no evidence of noncompliance on these new rules.

It is said that if these extra funds cannot be provided now that STR will have to wait until next spring. If this item is so vitally important to our trade policy, and there is a congressional mandate, Chairman WHITTEN could introduce an emergency supplemental bill sometime in the near future. This would give us time to hold a hearing and responsibly analyze the request.

I urge my colleagues to reject this committee amendment and uphold the integrity of the appropriations process.

As I said, I think we deserve more respect from the administration than they appear to have had for us in this particular matter.

Mr. RIBICOFF. Mr. President, if I may respond, first, there is no justification for their failure to contact the Appropriations Committee much sooner. But when Ambassador Strauss left that post, the entire top echelon of the STR left.

I think we were most fortunate to get Governor Askew to take that post, but with him came a completely new team, completely unfamiliar with procedures on how Congress works and how the appropriations process works.

Consequently, they were remiss in not informing the Appropriations Committee of their basic needs. They woke up at the last minute to discover they had to have this money. It just did not come out of the blue to run their operation.

They are now going to be running the STR office in the Geneva Mission, which is under Ambassador Smith, who is very knowledgeable in the whole field of textiles.

They will have to have this money to take care of all the grievance procedures and the problems that will arise in nontariff barriers, and they need a staff to do the job we are going to get.

We are taking the jobs away from State, from Treasury, and putting them in STR.

I think it would be very unfortunate to allow Governor Askew to be naked, to expect him to carry on the entire trade functions of the United States without the staff to assist him.

The distinguished Senator from Florida I believe is more familiar with Governor Askew. But I do not believe we should strip him naked and put him in this new job with all these responsibilities in trade for the entire world without giving him the help he will need to carry on the trade functions of our Nation.

Mr. CHILES. If the distinguished Senator from Connecticut will yield, I view this a little differently than my good friend from New Mexico characterizes it, as being that the Appropriations Committee is being put upon by the fact that they waited until the last minute.

If I have ever seen a time in which the administration finally bowed to the wishes of this Congress, I would say this is it, in sending up this appropriation and sending it up now and not waiting a year so that we miss a whole year's cycle, so that our neighbors get the idea it is business as usual, that they can complete a treaty with the United States but do not have to abide by it because they never police it or determine whether they really mean what they say or not—and we never have in any of the trade treaties we have completed.

But it seems we want this different process this year, through the distinguished chairman from Connecticut, through the distinguished chairman from Louisiana, and the Finance Committee, and the requisite Members of the House, and over and over we said that we expect the treaty we are now concluding to be one the United States is going to enforce and that we are going to require our fellow nations to live up to the agreements under that treaty, and we expect, as to the administration, that we will create the kind of enforcement procedure, that we will create the kind of trade office, that will do that.

The Senator from Connecticut insisted that there was going to be this enforcement agency or he was not going to allow the treaty to move out of the committee. It was held up for a period of time. Senator ROTH made that same kind of insistence.

At that time, we were talking about a total office that had to be set up for the enforcement. Now we go through the reorganization process.

When was that reorganization process completed?

Mr. RIBICOFF. It will not be completed until November 25.

Mr. CHILES. So we have not totally completed that process, and not until November 25.

I think we ought to be saying for once that we can sort of compliment the administration. They did send up a supplemental and did not wait until it was all completed. They did not give us a year in which we have no staff, and no ability to enforce this.

I think the reason they did not is because of the insistence of the Senator from South Carolina, the Senator from Florida, the Senator from Connecticut, the Senator from Delaware, and many other Members of this body, that were saying that we are tired of it being the business the way it was, that we are expecting now to have an enforcement procedure.

Some always get their feelings hurt in our jurisdiction, and I am the same way when it comes to my jurisdiction on this thing, if I did not get the proper notice, maybe. Perhaps Governor Askew or someone did not quite understand the protocol of how we play the game up here and how they have to soothe our feathers to make sure we are not ruffled. But if we discount that, and I think we can, then if we are talking about, is there a need, I think there is.

Would we rather the administration have waited a year, or not? Then I think we would not. Not when this Congress has been as insistent as it has been on the matter of trade and trying to enforce it.

Then if we want to say that somebody did not follow the proper protocol, then maybe they want to say that they did, and that we hope in the future that will not happen.

But I know we are dealing with Governor Askew, with a hard-nosed negotiator who is going to hold some other nation's feet to the fire if we give him the ability to do so.

I think that to let this slip now because some of our feathers are ruffled would be the worst thing we could do.

I compliment the Senator from Connecticut in what he is doing in the reorganization process and what he has done in demanding that we have this kind of office and that we staff it in a proper way, so that it can do the job.

Mr. RIBICOFF. There is something even more important.

We are now going to set up in Geneva a bureaucracy that never existed before, an international bureaucracy, and they are going to have a new Director and a new Deputy Director. I have talked to Governor Askew and pointed out to him how important it is that at least the Deputy Director be an American.

As we all know, one of the great problems in setting up this international bureaucracy is that the United States not be put far behind. I told him that I expect, on behalf of the U.S. Senate, that he would insist that at least the number two man would be an American, to watch out for the interests of the United States.

One of the big items is to make sure that Americans are in key positions in this new bureaucracy, because they are going to make the decisions in enforcing this new MTN agreement.

The worst thing that could happen to America's position in the world would be to find out that we do not have the eyes and ears in Geneva to make sure that the new international bureaucracy was not set up in such a way that the United States would not know what was going on, on a day-to-day basis.

If we fail to put this additional staff into the STR, we will find out too late, to our dismay, that when it comes to all the grievances, procedures, and enforcing the rights that were in MTN, in the trade field, the United States was not covered.

I think it would be a very foolhardy and shortsighted proposal not to give the extra $4.5 million, when we consider that we are talking about more than $100 million in trade that the United States is involved in, internationally. This would be pennywise and pound-foolish.

Mr. SCHMITT. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield.

Mr. SCHMITT. I can find very little to argue with in the general philosophy presented by both the Senator from Connecticut and the Senator from Florida. I also have great respect for Governor Askew. I think he will be a hard-nosed negotiator. I hope he is, because that is what we need.

However, I have to disagree when it is said that he is being left naked in his first few weeks in office. He does have a $4 million budget. He does have 59 positions in that budget. He has just come on board, and it takes some time to organize an office. That not only gives him the time and the people to get started and to do the things the Senator from Connecticut and I agree must be done, but also, it gives him a few months during which Congress can look at an increase of $4.5 million and 57 permanent, full-time positions, and make sure that we exercise our responsibility, that we know that has been thought through and that it is enough.

I do not know that Senator WEICKER has an argument with the figures. I think he argues that we have not had the opportunity to find out, from our perspective, whether they are going to carry out the mandate Congress is giving them. It does not have to be 1 year. I think we would find very quickly, either in the spring supplemental or in a separate effort initiated on the part of Chairman WHITTEN, that this could be taken care of.

The junior Senator from Connecticut and I, and I think a few others, feel that we should not throw the normal procedures of the appropriations process into a cocked hat in order to expedite something that probably does not need to be expedited at this point.

Mr. HOLLINGS. Mr. President, I endorse the sentiments and the comments of the distinguished Senator from Connecticut and the distinguished Senator from Florida with respect to Governor Askew. I have been in constant contact with him since he became the Special Trade Representative, because we have an ongoing problem with bilaterals, particularly the one with the People's Republic and with respect to submitting the most-favored-nation treatment and status to the Congress.

We have not settled on that as yet, but in the meantime, no one is working more around the clock. If someone had to give his assessment of attention and time and whether or not he was understaffed or overstaffed, I can say that the distinguished gentleman, who has these new responsibilities as well as the old, is understaffed.

We have endorsements from various organizations, by way of telegram and letter sent to our committee: The Chamber of Commerce of the United States, the American Farm Bureau, the National Council of Farmer Cooperatives, the Air Transport, American Electronics, American Importers, American Paper Institute, Retail Federation, Cigar Association, Computer and Business Equipment, Motor Vehicle Manufacturers. I could keep on reading, but I ask unanimous consent to have these items printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

U.S. Chamber of Commerce,
Washington, D.C., November 14, 1979.
Hon. Ernest F. Hollings,
U.S. Senate,
Washington, D.C.:

On behalf of over 90,000 U.S. Chamber members, I respectfully urge you support necessary additional funds for special trade representative's office to fulfill its new responsibilities for coordinating U.S. trade policy under president's trade reorganization proposal.

Additional funding also necessary to insure effective implementation of MTN agreements.

I therefore urge you support amendment to H.J. Res. 440 to appropriate additional $4,456,000, bringing total FY '80 appropriation for USTR to $8.456,000.

Hilton Davies,
Vice President, Chamber of Commerce of the United States.

American Farm Bureau Federation,
Washington, D.C., November 13, 1979.
Hon. Ernest F. Hollings,
Chairman, Subcommittee on State, Justice, Commerce, and the Judiciary, Committee on Appropriations, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: As the President's proposal for reorganization of trade functions within the Executive Branch was being developed, Farm Bureau advocated, among other things, a strong STR. The proposal now before the Congress for approval calls for a strengthened Office for the U.S. Trade Representative.

In order to carry out the proposed Administration plan, a budget supplement must be approved for the Office of the U.S. Trade Representative. We understand that Ambassador Askew has asked for a budget supplement of $4.5 million. Farm Bureau hopes that this request will be approved since it is needed to bring about a strong follow-up to the Geneva MTN results.

Sincerely,

Vernie R. Glasson,
Director, National Affairs Division.

National Council of
Farmer Cooperatives,
Washington, D.C., November 13, 1979.
Hon. Ernest Hollings,
U.S. Senate, Washington, D.C.

Strongly support funding resolution for office of special trade representative at $4.456 million as recommended in H.J. Res. 440. Funds necessary to properly implement far-reaching provisions of Tokyo round trade decisions.

Kenneth D. Naden,
President.

Joint Industry Group,
Cincinnati, Ohio, November 14, 1979.
Re: Appropriations Committee November 14 Consideration of House Joint Resolution 440 and supplemental budget for Special Trade Representative.
Senator Ernest F. Hollings,
Russell Senate Office Building,
Washington, D.C.

Dear Senator: The Joint Industry Group on behalf of the Air Transport Association of America, American Electronics Association, American Importers Association, American Paper Institute, American Retail Federation, Chamber of Commerce of the United States, Cigar Association of America, Computer & Business Equipment Manufacturers Association, Electronics Industries Association, Foreign Trade Association of Southern California, Motor Vehicle Manufacturers Association, National Committee on International Trade Documentation, Scientific Apparatus Makers Association, and U.S. Council of International Chamber of Commerce strongly encourages your support for amendment of House Joint Resolution 440 to add the supplemental budget for the office of the special trade representative. This funding is urgently needed for proper implementation of the Tokyo round of trade negotiations and the Trade Agreements Act of 1979 passed overwhelmingly by Congress last summer. It is also needed to establish coordinated policy-making within the government on international trade matters. Please note that the present appropriation does not reflect the expanded role of the trade representative.

The Joint Industry Group, which has an especial interest in the customs valuation agreement, is concerned that without this supplemental appropriation the necessary work to ensure adequate implementation abroad will not be completed. Failure to accomplish this result would be damaging to U.S. export efforts and further be injurious to the balance of trade.

Very sincerely,

David J. Elliott,
Acting Chairman.

National Association of
Photographic Manufacturers, Inc.,
Harrison, N.Y., November 14, 1979.
Capitol One,
Washington, D.C.:

We strongly urge your support of H.J. Res. 440 with amendment that will provide the necessary funds to implement the Trade Agreement Act of 1979. While the amendment provides minimal dollars support, it is absolutely necessary to insure the future of United States efforts in world trade.

Joseph T. Morris,
Executive Vice President.

Mr. HOLLINGS. Mr. President, we begin to get a grasp of the complications involved here with respect to so many industries trying to work with our Government and positioning themselves to compete.

In addition to the Special Trade Representative, we are going to have a Deputy Secretary of Commerce, in charge of international trade, together with two assistant secretaries.

Going to the matter of procedure, as the Senator from New Mexico pointed out, both Senator Weicker and I received it the night before last, and we started working on it. It was given to his staff and to our staff, and I think we have outstanding staffs on both sides of the aisle, in our State-Justice-Commerce Subcommittee. They are reviewing it. It is sort of ongoing at this moment.

The amendment supports an additional 57 positions, and with the 59 already there, it brings the total to 116. I know that on the House side that Representative Vanik, of Ways and Means, wanted to get 130.

I am told that our counterpart, the distinguished Representative from West Virginia, Mr. Slack, would say, "Let's hold up and not give quite that many." This is going into conference. The only reason why it is first on the Senate side is that we did not get it until the House had acted. I am confident that the Senator from Connecticut can participate in the conference. I also will be looking at it, not with the idea of spending a great deal of money, but what it takes to get the job done.

Suffice it to say that Ambassador Askew is working around the clock. He needs these additional people if he is going to be taking on the new responsibilities. We will eliminate some of them from our budget in State and otherwise, now that they are being transferred over to the Trade Representative, rather than the Special Trade Representative.

I think it is a wonderful opportunity for Congress, the Government, and everyone else concerned to move forward in a positive fashion at this time.

The Government, in certain departments, will run out of money, as Senator Magnuson has pointed out, by November 20. Today is the 15th. The House will leave town tomorrow evening, and we must have a conference.

I want to go along with Senator Weicker, because he has gone along many times with our committee and has made a valuable contribution to the leadership on these items. But in this case, we will have to move on this one. I am sure that, in essence, when he gets back, he will understand and will support it, because he has stood for trying to develop a more coherent and more forward-looking international trade policy in our Government for many years.

I particularly appreciate the leadership given by the Senator from Connecticut (Mr. Ribicoff), with very complete hearings and a very detailed report.

If any Senators want to know where we are headed and what this appropriation is for, I will gladly state it, but it is better stated in the report of the Committee on Governmental Affairs, Reorganization Plan No. 3.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield.

Mr. DOLE. Mr. President, I agree with everything that has been said with respect to Ambassador Askew. He is an outstanding public servant. He came before our committee and was admonished by the committee to do something, not let it fall between the cracks, because Mr. Strauss was leaving and Mr. Wolfe was leaving.

In fact, the distinguished Senator from Connecticut and the distinguished Senator from Delaware were talking about trying to separate it from everything else. The committee felt that with someone like Governor Askew as the STR and with the appropriate funding, he could move ahead and we would not lose any ground.

Therefore, I must oppose the efforts to delete that amount of money, because it was the unanimous decision by the Finance Committee; and I believe it is a result, as the distinguished Senator from Connecticut knows, of months of effort by the Senator from Connecticut, together with the Senator from Delaware, who is not in the Chamber at this moment.

I hope the amendment will be accepted.

Mr. SCHMITT. Mr. President, I think everything has been said that needs to be said, at least on our side, and I suggest that we vote.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 10. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. McGovern), the Senator from Montana (Mr. Melcher), the Senator from Georgia (Mr. Talmadge), the Senator from Kentucky (Mr. Ford), and the Senator from Massachusetts (Mr. Kennedy) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Mississippi (Mr. Cochran), the Senator from South Dakota (Mr. Pressler), and the Senator from Pennsylvania (Mr. Schweiker) are necessarily absent.

I also announce that the Senator from Connecticut (Mr. Weicker) is absent due to illness in the family.

The PRESIDING OFFICER (Mr. Bradley). Are there any Senators in the Chamber desiring to vote who have not done so?

The result was announced—yeas 71, nays 19, as follows:

[Rollcall Vote No. 411 Leg.]

YEAS—71

Baucus
Bayh
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Durenberger
Durkin
Eagleton
Exon
Glenn
Gravel
Hart
Hatch
Hayakawa
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Jepsen
Johnston
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Simpson
Stennis
Stevenson
Stewart
Stone
Thurmond
Tsongas
Wallop
Warner
Williams
Young

NAYS—19

Armstrong
Bellmon
Boschwitz
Byrd,
Harry F., Jr.
Domenici
Garn
Goldwater
Hatfield
Helms
Humphrey
Kassebaum
Laxalt
McClure
Proxmire
Schmitt
Stafford
Stevens
Tower
Zorinsky

NOT VOTING—10

Baker
Cochran
Ford
Kennedy
McGovern
Melcher
Pressler
Schweiker
Talmadge
Weicker

So the committee amendment on page 10 was agreed to.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MAGNUSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MAGNUSON. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MAGNUSON. I understand there is only one more amendment. It should not take over 3 or 4 minutes for the presentation of that, and then we will have a final rollcall, so Senators should not leave.

I yield to the Senator from Kansas.

UP AMENDMENT NO. 821

(Purpose: To provide funds for the Mayetta-Hoyt School District located in the State of Kansas)

Mrs. KASSEBAUM. Mr. President, I call up an unprinted amendment, in behalf of Senator Dole and myself, which would give assistance to a school district in my State.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mrs. Kassebaum), for herself and Mr. Dole, proposes an unprinted amendment numbered 821:

Mr. MAGNUSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 8, line 1, after "1979" insert a comma and the following: "and such additional amounts as may be necessary, but not to exceed $1,000,000, shall be available to the Mayetta-Hoyt School District in the State of Kansas for assistance for the construction of school facilities as authorized by the Act of September 23, 1950 (Public Law 815, Eighty-first Congress)".

MAYETTA SCHOOL DISTRICT

● Mr. DOLE. Mr. President, the amendment Senator Kassebaum has proposed to assist unified school district No. 337, serving Mayetta and Hoyt, Kans., is critical for that school. Just as importantly for those of us watching the Federal budget, it will ultimately save the Government money.

SEVERE FINANCIAL PROBLEMS

This school district is facing some very severe financial problems because of first, a very limited tax base, second, an increasingly high population of Pottawatomie Indian students at the nearby Indian reservation, and third, a Federal funding formula which makes it almost impossible for the district to qualify for assistance.

HUD PROJECT

This district includes within its boundaries the Pottawatomie reservation which had 93 Indian students living on the reservation in 1978, a 100-percent increase since 1974. HUD is presently financing a large housing project on the reservation which will bring the number of Indian students living on the reservation to 210 by September 1980.

The financing problem arises because Indians living on the reservation are exempt from local property taxes which largely finance the school district's operations. Thus, the nonresidents of the reservation are asked to build school facilities and finance school operations not only for their children, but for the Indian children as well.

The district is considered one of the poorest in Kansas. The general fund mill rate is about 15 miles above the State median level.

FEDERAL ASSISTANCE THE DISTRICT IS SEEKING

First in July 1969, and again in March 1978, the district has applied for Federal impact aid under Public Law 81–815 to construct new facilities to handle the Indian and non-Indian students. Unfortunately, no funds will be available for Mayetta under Public Law 81–815 in the foreseeable future.

This district submitted a bond issue to the voters in February for nearly $2 million in anticipation of the denial of Federal assistance. If passed, the district would have the highest bond and interest levy in Kansas even though it is one of the poorest districts. Not surprisingly, the voters did not think they could afford to pay for what they consider to be a situation created by the Federal Government—more nontaxable Indian students moving onto the reservation.

URGENT NEED

Unified school district No. 337 urgently needs these funds. The school presently has 200 unhoused students. It is already burdened with construction problems resulting from the destruction of its junior high school by fire. School officials have employed portable classrooms to meet that need. Finally, as already noted, this is a poor school district that cannot afford to pay all of the necessary costs.

Significantly, this amendment will save Federal funds needed for other impacted schools. If we do not pass this amendment today, the main alternative is for the Pottawatomie Indians to form their own school, in which case they would clearly qualify for impact aid. However, this new school would cost $3 million, instead of the $1 million needed to expand the Mayetta facilities. This would also segregate the Indian and non-Indian students who now desire to study together.

In light of this great need, I urge that my colleagues support this amendment.

I would also like to praise my colleague from Kansas for her efforts to find a solution to this pressing problem. I think this amendment illustrates her dedication to helping the people in our State. It is with great pleasure that I join her in this amendment.●

Mr. MAGNUSON. Mr. President, I do not disagree with the purpose of the amendment, and am willing to accept it on behalf of the committee.

Mr. YOUNG. The amendment is acceptable to us.

Mrs. KASSEBAUM. I thank the Senator from Washington.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

The amendment (UP No. 821) was agreed to.

LEGISLATIVE APPROPRIATIONS

● Mr. ROTH. Mr. President, earlier this year the Committee on Appropriations instituted a practice with which I totally disagree. I would like to go on record as opposing this practice and the repetition of it in future fiscal years.

I refer specifically to the fact that we had no opportunity to consider the funding for the legislative branch separately this year. Instead, the funding was included in the continuing appropriations bill passed on October 10.

I have searched for some justification for this dubious practice. I found only the explanation of the chairman of the House Legislative Appropriations Subcommittee quoted in the Congressional Quarterly. He said the bill was handled in this way because the funding was not controversial enough, and that the spending was small compared to other appropriations' bills. He also said that "both sides," meaning the House and Senate, were in basic agreement about the funding levels.

I find each of his suppositions shocking but most incredible is that he does not consider a billion dollar appropriation bill important enough to be scrutinized by the Congress. Have we become so cavalier with the taxpayers' money that we consider a billion dollars to be pocket change? I would have thought the Congress would be particularly circumspect and frugal in spending the taxpayers' money on ourselves.

I believe we are in danger of making the appropriations' process into a complete charade. We parade the agencies up here for hearings, ask them for detailed justifications of their needs, debate the spending in committee and on the floor of each Chamber; but when it is time to justify our own spending, we refuse.

I cannot speak for others in this Chamber, but I do not consider $1 billion to be pocket change. I do not appreciate having my consent for funding for the legislative branch taken for granted. And I vehemently oppose the holding hostage of necessary continuing funds so that we can make a fast getaway with the taxpayers' money. This pickpocket approach to appropriations is totally irresponsible and must not be repeated.●

The PRESIDING OFFICER. The joint resolution is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the joint resolution.

The amendments were ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution (H.J. Res. 440) was read the third time.

The PRESIDING OFFICER. The joint resolution having been read the third time, the question is, Shall it pass?

Mr. LONG. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Shall the joint resolution pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Kentucky (Mr. FORD), the Senator from South Dakota (Mr. McGOVERN), the Senator from Montana (Mr. MELCHER), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that, if present and voting, the Senator from Montana (Mr. MELCHER) would vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Mississippi (Mr. COCHRAN), the Senator from New Mexico (Mr. DOMENICI), the Senator from South Dakota (Mr. PRESSLER), and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

I also announce that the Senator from Connecticut (Mr. WEICKER) is absent due to illness in the family.

The PRESIDING OFFICER. Are there other Senators in the Chamber wishing to vote, who have not done so?

The result was announced—yeas 80, nays 10, as follows:

[Rollcall Vote No. 412 Leg.]

YEAS—80

Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Durenberger
Durkin
Eagleton
Exon
Glenn
Goldwater
Gravel
Hart
Hatfield
Hayakawa
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kassebaum
Kennedy
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Thurmond
Tower
Tsongas
Wallop
Warner
Williams
Young
Zorinsky

NAYS—10

Armstrong
Byrd,
Harry F., Jr.
Garn
Hatch
Helms
Humphrey
Jepsen
Laxalt
McClure
Proxmire

NOT VOTING—10

Baker
Cochran
Domenici
Ford
McGovern
Melcher
Pressler
Schweiker
Talmadge
Weicker

So the joint resolution (H.J. Res. 440), as amended, was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the joint resolution was agreed to.

Mr. MAGNUSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MAGNUSON. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. BRADLEY) appointed Mr. MAGNUSON, Mr. STENNIS, Mr. INOUYE, Mr. BUMPERS, Mr. BAYH, Mr. HOLLINGS, Mr. BURDICK, Mr. YOUNG, Mr. HATFIELD, Mr. STEVENS, Mr. WEICKER, Mr. McCLURE, and Mr. LAXALT conferees on the part of the Senate.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the motion by which the conferees were appointed, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HOME EMERGENCY ASSISTANCE ACT

Mr. ROBERT C. BYRD. Mr. President, I ask for regular order.

The PRESIDING OFFICER. The Senate will now resume the unfinished business, which the clerk will state by title.

The legislative clerk read as follows:

> A bill (S. 1724) to authorize the Secretary of Health, Education, and Welfare to make grants to States in order to provide assistance to households which cannot meet the high cost of fuel, and for other purposes.

Mr. WILLIAMS. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the Dole amendment and the Boschwitz amendment to S. 1724.

Mr. WILLIAMS. Mr. President, I make the point of order that the Boschwitz amendment is not in order.

The PRESIDING OFFICER. The point of order is sustained, which will carry with it the Dole amendment.

Mr. WILLIAMS. Mr. President, I would like to review very briefly where we are with respect to this bill.

Over the past few days the Senate has agreed on the need for an energy assistance program and on the general design of the program as a block grant to the States. There has been considerable disagreement, however, on the way funds should be distributed to States. Several formulas have been discussed and each has its merits. The original committee formula is defensible from a substantive standpoint. Heating degree days multiplied by the eligible population form the basis for distribution of 50 percent of the funds. It is logical that to arrive at a need for heat that the degree days be weighted by the eligible population experiencing the heating degree days.

The other factor in the formula represents the aggregate cost of home energy in each State. With energy costs representing 50 percent of the distribution and 50 percent representing a need for heat, the formula in S. 1724 is an appropriate way to distribute funds to meet the energy needs in all the States.

The formula offered by the Senator from Minnesota (Mr. BOSCHWITZ), with the cosponsorship of the Senator from Maine (Mr. MUSKIE), uses the same factors but gives each a different weight. The Boschwitz formula increases the weight of heating degree days compared to the eligible population by squaring the degree days. The formula also increases the weight of degree days compared to energy costs by raising the degree days factor percentage of the formula to 75 percent and decreasing the energy factor to 25 percent.

I believe that this formula works an inequity because it lowers the sensitivity of the formula to the actual cost of energy.

Degree days are given too great weight in this formula. A compromise between these two formulas has been put forward and will be offered. The compromise that I offer at this point, Mr. President, maintains the sensitivity to energy costs in the committee bill by keeping the energy factor at 50 percent of the formula. The compromise does give a greater weight to degree days by squaring the degree days factor before weighing it by the eligible population. Increasing the weight of heating degree days in this manner is appropriate, in my view, and I believe the compromise formula is a good one.

Mr. STEWART. Mr. President, will the Senator yield for a question on the compromise?

Mr. WILLIAMS. May I first have the amendment before the Senate?

Mr. STEWART. Yes.

UP AMENDMENT NO. 822

Mr. WILLIAMS. Mr. President, I send this amendment to the desk and ask that it be stated. I offer this in behalf of myself and the Senator from Maine (Mr. MUSKIE), the Senator from Minnesota (Mr. BOSCHWITZ), and the Senator from Kansas (Mr. DOLE).

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Jersey (Mr. WILLIAMS), for himself, Mr. MUSKIE, Mr. BOSCHWITZ, and Mr. DOLE, proposes an unprinted amendment numbered 822.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 22, line 23, strike out "one-half" and insert in lieu thereof "one-half (subject to paragraphs (3) through (8) of this subsection)"

On page 23, line 4, strike out "one-half" and insert in lieu thereof "one-half (subject to pargraphs (3) through (8) of this subsection)"

On page 23, line 5, strike out "State" and strike out all that follows down through the end of line 9, and insert the following: State squared, multiplied by the number of households in such State having incomes equal to or less than the lower living standard income level bears to the sum of such products for all States.

(3) If the allotment for any State determined under paragraphs (1) and (2) of this subsection is less than $100,000,000, the allotment of such State shall, subject to paragraphs (6) and (8) of this subsection, be the greater of its allotment as so determined under such paragraphs or the product of the total amount available for allotment under this subsection and such State's alternative allotment percentage.

(4) The alternative allotment percentage for any State shall equal the percentage of 90 per centum of the total amount authorized to be appropriated for fiscal year 1981 under section 4(b) which would be allotted to such State if—

(A) of such 90 per centum (i) one-half was allotted to each State according to the ratios determined under paragraph (1) of subsection (a) of this section and (ii) one-half was allotted to each State according to the ratios which would be determined under paragraph (2) of such subsection (a) if, for purposes of such paragraph, the word "squared" were deleted and the term "lower living standard" were defined as 125 per centum of the poverty level as determined in accordance with the criteria established by the Office of Management and Budget; and

(B) the allotment of each State as determined under subparagraph (A) were increased to the extent necessary (as determined by the Secretary on the basis of what he determines to be the best available information) so that, if such allotment were divided in a manner such that the amount for all recipient households in such State consisting of one individual were equal, and the amount for all other recipient households in such State were equal to 150 per centum of such amount for a one-individual household, sufficient additional amounts would be available to assure that the amount for each recipient household would be at least $120.

(5) For purposes of this subsection, the term "recipient household" means—

(A) a household that is an eligible household under section 3(i) of the Food Stamp Act of 1977 and participates in the food stamp program, but which is not a recipient household under subparagraph (B) or (C) of this paragraph;

(B) A household that contains any individual who receives aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act, but which is not a recipient household under subparagraph (C); and

(C) a household that contains an individual who is an eligible individual or eligible spouse receiving supplemental security income benefits under title XVI of the Social Security Act, or an individual receiving payments from the Secretary under an agreement entered into by the Secretary under section 1616 of such Act or section 212 of Public Law 93–66.

For purposes of subparagraphs (B) and (C) the term "household" shall be defined by the Secretary, and shall not include an institution.

(6) The allotment of any State shall be increased under paragraphs (3) and (4) of this subsection only if the increase is attributable in whole or part to the provisions of subparagraph (B) of paragraph (4).

(7) If the allotment for any State determined under paragraphs (1) and (2) of this subsection (without the application of paragraph (8)) is less than the lower of—

(A) the amount which would be allotted to such State if "one-half" in paragraph (1) of this subsection were replaced by "one-quarter" and "one-half" in paragraph (2) of this subsection were replaced by "three-quarters"; and

(B) the amount which would be allotted to such State if the word "squared" in paragraph (2) of this subsection were deleted. Then the allotment of such State shall, subject to paragraph (8) of this subsection, be increased to the lower of the allotment it would receive under subparagraph (A) or (B).

(8) The allotments for any fiscal year determined under paragraphs (1) and (2) of this subsection which are not increased pursuant to paragraphs (3), (4), and (7) of this subsection shall be adjusted to the extent necessary and on a pro rata basis to assure that the total of such allotments when added to the allotments which are increased pursuant to paragraphs (3), (4), and (7) of this subsection do not exceed 95 per centum of the sums appropriated for such fiscal year pursuant to section 4(b).

Mr. WILLIAMS. Before I reply to the Senator from Alabama, I want to complete the explanation.

Mr. STEWART. I shall wait until the Senator finishes his explanation. Then I have a series of questions I wish to ask about the formula.

Mr. WILLIAMS. Mr. President, the amendment now pending represents a compromise that was arrived at by using as a basis for an equitable adjustment and compromise, the two formula approaches that were before the Senate through much of yesterday. The amendments that I have just described—the Boschwitz amendment and the amendment that was arrived at through interaction of the Labor and Human Resources Committee formula and the Finance Committee formula, which was introduced yesterday by the Senator from Kansas (Mr. DOLE)—used these approaches that were substantially dealing with the same factors but with different weightings, and arrived at different results in the distribution of the money to the States.

It was our objective to develop a compromise that would bring the greatest degree of equity to our Nation and to all of its States. As a result of the formula adjustment, the compromise that was arrived at brought that kind of equity that I suggest is a rare accomplishment, dealing with complex factors, where all States save five suffered not a bit. Those that were above the compromise figure came down a bit, those that were low came up a bit. All States received at least what they received under one or the other save five.

Within this compromise, there is a provision that those 5 States also will join the other 45 and no State suffers any degree of benefit decrease from the formulas that were before the Senate yesterday.

It presents itself—and I know there have been informal discussions with many here since it was developed out of all of those who took part in the debate yesterday. All of those who took part were part of the development of this compromise formula. The compromise formula, I suggest, is eminently fair. The States that do better under the Boschwitz approach of yesterday still do better than under the committee formula, and those that do better under the committee formula still do better than they would have done under the Boschwitz formula. In other words, almost all States give a little compared to their best position but, conversely, each gets more compared to their worst position of yesterday.

Mr. President, this compromise was arrived at through the cooperation of many Senators. I have indicated that all those offering amendments yesterday, those of us who have a responsibility on the floor in managing this bill, and other Senators, too, cooperated through this day to arrive at this result.

Certainly, as one Senator deeply involved in all of this, my most heartfelt gratitude and congratulations go to the chairman of the Committee on Finance (Mr. LONG) for his chairmanship on a matter on which he, Senator MUSKIE, Senator BOSCHWITZ, Senator DOLE, and others brought us to this most equitable submission as a compromise.

Mr. BUMPERS. Will the Senator yield for a question?

Mr. WILLIAMS. Mr. President, before I yield to the Senator from Arkansas for his observations, I send an amendment to the desk as a modification to the amendment just read.

The amendment was modified as follows:

On page 23, line 5, strike out "State" and strike all that follows down through the end of line 9, and insert the following: State squared, multiplied by the number of households in such State having incomes equal to or less than the lower living standard income level bears to the sum of such products for all States.

(3) If the allotment for any State determined under paragraphs (1) and (2) of this subsection is less than $100,000,000, the allotment of such State shall, subject to paragraps (6) and (8) of this subsection, be the greater of its allotment as so determined under such paragraphs or the product of the total amount available for allotment under this subsection and such State's alternative allotment percentage.

(4) The alternative allotment percentage for any State shall equal the percentage of 90 per centum of the total amount authorized to be appropriated for fiscal year 1981 under section 4(b) which would be allotted to such State if—

(A) of such 90 per centum (i) one-half was alloted to each State according to the ratios determined under paragraph (1) of subsection (a) of this section and (ii) one-half was allotted to each State according to the ratios which would be determined under paragraph (2) of such subsection (a) if, for purposes of such paragraph, the word "squared" were deleted and the term "lower living standard" were defined as 125 per centum of the poverty level as determined in accordance with the criteria established by the Office of Management and Budget; and

(B) the allotment of each State as determined under subparagraph (A) were increased to the extent necessary (as determined by the Secretary on the basis of what he determines to be the best available information) so that, if such allotment were divided in a manner such that the amount for all recipient households in such State consisting of one individual were equal, and the amount for all other recipient households in such State were equal to 150 per centum of such amount for a one-individual household, sufficient additional amounts would be available to assure that the amount for each recipient household would be at least $120.

(5) For purposes of this subsection, the term "recipient household" means—

(A) a household that is an eligible household under section 3(i) of the Food Stamp Act of 1977 and participates in the food stamp program, but which is not a recipient household under subparagraph (B) or (C) of this paragraph;

(B) a household that contains any individual who receives aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act, but which is not a recipient household under subparagraph (C); and

(C) a household that contains an individual who is an eligible individual or eligible spouse receiving supplemental security income benefits under title XVI of the Social Security Act, or an individual receiving payments from the Secretary under an agreement entered into by the Secretary under section 1616 of such Act or section 212 of Public Law 93–66.

For purposes of subparagraphs (B) and (C) the term "household" shall be defined by the Secretary, and shall not include an institution.

(6) The allotment of any State shall be increased under paragraphs (3) and (4) of this subsection only if the increase is attributable in whole or part to the provisions of subparagraph (B) of paragraph (4).

(7) If the allotment for any State determined under paragraphs (1) and (2) of this subsection (without the application of paragraph (8)) is less than the lower of—

(A) the amount which would be allotted to such State if "one-half" in paragraph (1) of this subsection were replaced by "one-quarter" and "one-half" in paragraph (2) of this subsection were replaced by "three-quarters"; and

(B) the amount which would be allotted to such State if the word "squared" in paragraph (2) of this subsection were deleted,

then the allotment of such State shall, subject to paragraph (8) of this subsection, be increased to the lower of the allotment it would receive under subparagraph (A) or (B).

(8) The allotments for any fiscal year determined under paragraphs (1) and (2) of this subsection which are not increased pursuant to paragraphs (3), (4), and (7) of this subsection shall be adjusted to the extent necessary and on a pro rata basis to assure that the total of such allotments when added to the allotments which are increased pursuant to paragraphs (3), (4), and (7) of this subsection do not exceed 95 per centum of the sums appropriated for such fiscal year pursuant to section 4(b).

Mr. STEWART. I yield to the Senator from Arkansas for a question.

Mr. BUMPERS. I have just one question, Mr. President.

Was there a definitive formula used in reaching this compromise agreement?

Mr. WILLIAMS. Will the Senator from Arkansas please repeat his question? I did not hear all of it.

Mr. BUMPERS. Was there a specific, definitive formula used in reaching this compromise? The Senator did not just go through and change the numbers, did he?

Mr. WILLIAMS. No, we did not. What we did, in effect, is use elements of both formulae that were before us yesterday. The Senator will recall the Boschwitz amendment did deal with heating degree days on the basis of squaring them and then multiplying times the low-income population. In that, they used 75 percent. We used the squaring in coming to this compromise, but the degree days squared times the eligible population, the low-income population, is only 50 percent, rather than 75 percent weighted as it was under Boschwitz. But degree days, and the energy expenditures, were the same factors in both. The squaring was added to one formula, and the 50 percent was a reduction from the Boschwitz formula.

Mr. BUMPERS. One of the reasons I asked that is that in my own State, of course, and I am going to rise above parochialism here, under the original bill with the original Boschwitz amendment, Arkansas got 0.7 of 1 percent of the funds. Under the Dole amendment, we got 1 percent, which is what we used to use as a rule of thumb because we have 1 percent of the Nation's population, if it were a pure population formula. I understand it is not here.

In any event, under the Dole amendment, we got 1 percent. Under the compromise, we get 0.78 percent.

With all due respect to my friend from Louisiana—and I do not think he is faring too well, because I understand Louisiana has 5 million people. Is that correct?

Mr. LONG. Four million.

Mr. BUMPERS. Under my rule of thumb, he would normally get around 4 percent and he is only getting 1.34 percent, so I am not criticizing the Senator from Louisiana, because I do not think he is faring too well under it, anyway. But I do note that the State of Louisiana gets 1.3 under the Dole amendment and under the compromise amendment.

I am just wondering why, for example, Louisiana would come out the same under both and all the rest of us come out somewhat differently.

Mr. LONG. Will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. LONG. When we had this issue before the Finance Committee, the majority on the committee was not willing at first to include anything about keeping cool in the summertime. So the majority on the committee insisted there be nothing in the formula related to the costs of refrigeration, or about air-conditioning, nothing for the cost of an electric fan, nothing for transportation. At that point the Senator from Louisiana agreed that we leave all that out, but that we ought to have some kind of a minimum—something that people could count on to compensate for dropping all of those factors.

The committee then was willing to agree to the concept of a minimum, even though we did not have information as to just how it would work out in each State. We agreed that for the households who would get benefits under the program in that Finance Committee bill, for that population we would have at least $10 per month for each recipient household under that program, which works out to about $120 per year.

When the two committees were trying to resolve that issue, the Labor Committee had a somewhat broader definition of who would be eligible. But the Labor Committee was willing to include the language in the Finance Committee bill that would at least save that part of the Finance Committee bill that provides for a minimum amount.

So far, in discussing this matter with various groups, most people have been willing to agree there ought to be some minimum.

And Louisiana would receive this minimum. The Labor Committee people thought that was fair, and agreed to modify the Labor bill to include that minimum. In discussion with the people sponsoring the Boschwitz amendment, they also thought that the provision for a minimum was fair.

As it turns out, only three States, apparently, would be benefited by the minimum, that is, under the Finance Committee bill, and under the proposed amendment to the bill reported out by the Labor Committee. The three States are Louisiana, Mississippi, and Hawaii. The others would not be benefited because the States would have received more than the minimum under the general formula in the Finance Committee bill.

Mr. BUMPERS. If I may interrupt——

Mr. LONG. But that language taken from the Finance Committee bill to apply a minimum would be equally applicable to the State of Arkansas.

The reason it does not do Arkansas any good is that Arkansas would receive more on a per household basis under the general formula. Based on the number of people eligible, Arkansas would receive more than the minimum.

This language which was agreed to in the Finance Committee, and which is in this compromise, it was also in the previous proposal, and in the Dole amendment, and it has been agreed to between the Finance Committee and the Labor Committee. That language is there.

The fact that Louisiana does not get its amount reduced is because we are getting the minimum to begin with, and it stays there. The same is true of Mississippi and Hawaii.

Mr. BUMPERS. I thank the Senator. That is a perfectly satisfactory explanation.

One other question, and I do not want to overstay my welcome. The Senator from Alabama has been very gracious in yielding.

One, the States will design their own distribution formula, is that correct, within certain——

Mr. LONG. Yes. They have that right.

Mr. BUMPERS. Second, are there any funds here that we have any prohibition regarding transportation, or can transportation—is it classified as an energy need under this bill?

Mr. WILLIAMS. Transportation is not defined as one of the needs. This is directed to home energy.

Mr. BUMPERS. I thank the Senator.

Mr. WILLIAMS. I know the Senator from Alabama did have a question.

Mr. STEWART. I have a number of questions.

I want to say that I commend both the Senator from New Jersey and the Senator from Louisiana. I particularly commend the Senator from Minnesota and the Senator from Maine.

I have particularly spent time with potato producers who came in; they spent a brief time with me. This formula was worked out. Had I not been there from 9 to 2:30, I certainly say to my colleagues, I would have been here, working as hard as I could to see to this formula, and I am going to be parochial, provincial, whatever we want to call it, in this particular matter, because I want to be convinced.

I stand ready, I say to my colleague from New Jersey, to be convinced that this formula would apply in the proper manner to Alabama.

I will not accept as parameters what has been set forth by the proponents of this particular proposal. The Boschwitz and Muskie proposal, I will agree, is a good suggestion, and I would have preferred to be in a situation where we brought in a suggestion which would serve as a parameter that might have done some of the things theirs did.

But I would like to start with a few questions that, frankly, apply to this minimum, or $120 minimum formula, and see where it leaves our State.

It is my understanding, as it was explained by the Senator from Louisiana a minute ago, that this $10 per person a month, or $120 per year, or $167 per family unit per year, is the minimum as applied in the bill—is that correct or incorrect—or does that apply generally and across the board?

Mr. WILLIAMS. Again, it was explained earlier by the Senator from Louisiana.

This is a minimum approach that was developed when the Finance Committee was dealing with the formula in its committee markup. There were States that did not reach a distribution of a minimum amount. So they said there should be established a minimum amount. As I understand it, the minimum amount is $120. The $167 I do not believe is stated as part of the minimum standard that was in the Finance Committee bill.

Mr. STEWART. As I understand the discussions earlier with other colleagues, the $167 figure per family unit was part of a minimum.

But that is not the case?

Mr. WILLIAMS. I believe that did come into discussion yesterday in connection with one of the compromises, but it was not——

Mr. STEWART. Not part of this?

Mr. WILLIAMS. Not the original approach to the minimum that was developed in the Finance Committee. That was $120, and that is the approach that we brought forward in the amendment offered yesterday by Mr. Dole, that came as the composite amendment from Labor and Human Resources and Finance. It was $120. The $167 was talked about, but was never put into any bill form, or amendment form, that I am aware of.

Mr. STEWART. It is my understanding that this minimum formula applies to a number of States. Can the Senator give me some idea as to the number of those States, which of those States?

Mr. WILLIAMS. I believe the Senator from Louisiana in colloquy with the Senator from Arakansas did describe this. As he described it, again going back to the beginning, when it was discovered by the Finance Committee in its formula that three States were not at the minimum, the subminimum States were raised to the minimum. Those three States were Hawaii, Mississippi, and Alabama.

Mr. STEWART. On what basis was it determined those States were subminimum States? How did they arrive at that decision where the minimum would apply?

Mr. WILLIAMS. I cannot answer that with authority, because the Finance Committee developed the minimum; but I imagine that the eligible population divided into the amount of money that was allocated under the formula to the State brought them to an amount that was less than everybody else and therefore subminimum.

Mr. LONG. This language was evolved in the Finance Committee. When the majority of the committee voted to exclude such items as air-conditioning and anything related to cooling a house and limited that formula to heating, this Senator contended that, if that were to be the case, there should be at least a minimum on which people could depend.

The Finance Committee agreed that based on the number of households that would be eligible in a State under the Finance Committee approval—that would include the people on food stamps and those on welfare—there would be at least enough money so that those households could be paid $10 a month or $120 a year.

So if that proposition were applied to all the States, the States of Louisiana, Hawaii, and Mississippi are the ones that would receive that amount.

It should be understood that Alabama would not benefit from that amendment, for the reason that under the Finance Committee formula, Alabama would receive more, anyway—more than $10 per household eligible for welfare and food stamps.

Mr. STEWART. Since I have not seen those figures, I have a problem, and I am trying to get those figures. That is all I am trying to determine. Until someone can show me those figures and how they were arrived at, I intend to stand here.

My folks have been trying to find the figures. They are trying to find out how the formula was arrived at. They are trying to find out how it applies to Alabama. For some reason, we cannot find out how it does apply. I would like to find out what the situation is and how they were arrived at and how my State is affected.

Mr. LONG. Let me explain how the Senator can get his figures. Perhaps one of his assistants or one of the officials in his State might help him get the figures together to check it out.

Here is how that was arrived at: Take the number of households in the State who are receiving welfare benefits. Take the number receiving welfare benefits in Alabama.

Mr. STEWART. That is a large figure. That is what concerns me.

Mr. LONG. Add to that the number of households receiving SSI benefits, and add to that the number of households receiving food stamps—who are not getting one of the other two benefits. Multiply that number by $10 a month or, for an annual rate, make it $120. If

Alabama is not receiving that much, they are entitled to it, because that is the language of the bill. That is the language in the amendment.

After the Finance Committee agreed to that minimum, the people in the Labor Committee were willing to agree to the same thing—that, in any event, each household would receive that much.

I take it that if this amendment does not benefit Alabama, it is because Alabama would be getting more than that, because the amendment is applicable to Alabama. It does not exclude Alabama.

Mr. STEWART. I hope the Senator from New Jersey, the Senator from Maine, or the Senator from Louisiana can convince me of that. I want to be convinced of that before I cast my vote.

Under the bill—and I do not expect to do well in this particular situation, although it applies differently to some other States—under the Williams-Long amendment, we did a little better than we did under the present compromise. It might be sensed from that that I have some concern, and I will continue to have some concern.

Mr. LONG. I think the problem has to do with this: Under the formula that was in the Finance Committee bill, the formula that was also in the Labor Committee bill, Alabama would have received more money, in terms of dollars, than Louisiana. It had to do with several things. One reason why Alabama would receive more was that the population center of the State of Alabama is farther north than the population center in Louisiana. There would be more cold days, on the average, than in Louisiana. If we apply the heating degree days to Alabama, Alabama has more heating degree days, because the population center is farther north than the population center of Louisiana.

The overall population of Louisiana is situated farther south than Alabama. Therefore, Alabama, under the formulas in the two bills, would have received more money per capita, because it had more heating days, on the average.

Then, when one changes the formula, Louisiana does not lose anything because it was already at the minimum.

So that under the minimum that could be determined under the language that has been agreed to, Louisiana, Mississippi, and Hawaii would stay right where they were. Alabama cannot be much above that minimum. But, apparently, that language does not do Alabama any good, so I take it that Alabama must be receiving more than the minimum as worked out by the Finance Committee amendment.

Mr. STEWART. The Senator says Alabama "must be." Is that something we can be assured of, that we are receiving over the minimum? I think that, based upon the energy bills, they have to receive more than that in order to pay them.

Mr. LONG. I can only say this: The language I explained, as to how this minimum formula was arrived at, is in the bill. It was in the Finance Committee bill. It is in this proposed Williams compromise. That language is applicable to Louisiana just as much as it is applicable to Alabama.

If Alabama is not shown as receiving the amount that that language would get it, then it is because somebody did not figure Alabama's amount in that fashion. In any event, if the estimates have not been made correctly, Alabama is entitled to the same consideration Louisiana is entitled to, which is to say that Alabama is entitled to $10 a month for every household on welfare, $10 a month for every household on SSI, $10 a month for every household who is not on one of those two programs but who is on food stamps. That works out to $120 per recipient household every year, under those programs.

That is what causes Louisiana to show 1.30, and that is what causes Mississippi to show what it shows in this formula, and that is what causes Hawaii to show what it shows in this formula.

The same language is applicable to Alabama. If Alabama's 1.06 had not been figured on that basis, it is because Alabama must be getting more, without relying on that.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. WILLIAMS. That percentage is of the authorized amount, and it should be understood that the figure in this bill for 1981 is $3 billion. That is the first year. It will be $4 billion for 1982. That, of course, will be in a position to be incorporated into a later bill, the tax bill that will come up under the trust fund from the Finance Committee. At any rate, that 1.06 applied to the $3 billion for 1981 does develop $31 million for Alabama.

The eligible population is based on the lower living standard income level of the Bureau of Labor Statistics. When we take the number of households that are eligible in Alabama, this will divide out to an average of $80 per household, of course, within that BLS figure there probably are many that Alabama under its State plan will find serve.

So those who are the poorest, the ones that the Senator from Louisiana just mentioned, I will say will be in a position to receive more than the minimum to meet their energy needs. So it seems to me that the Alabama situation, when analyzed, presents for the Senator from Alabama a very fair distribution for the people that he most appropriately feels and expresses concern for. The distribution of money under this program, I suggest, under the State plan will be developed for the people concerned better than the minimum discussed here of $120.

Let me say that the time and detail that has been put into these formulas will produce for the families of Alabama and all of our States, I think, a more sensitive and equitable result than under the emergency crisis legislation of this year.

Mr. STEWART. I will agree with that. We have 0.5 under that. What I am asking now is, will that sensitivity that the Senator speaks of and that equity that the Senator speaks of, that will be generated by these plans, the data base on which he figures this formula out? Is that the information that the Senator uses in arriving at this formula and how we distributed these moneys? Or is that something that we are going to see in the future as we begin to move into the development of the plans?

Mr. WILLIAMS. I am not quite clear on exactly what factors the Senator is considering. Certainly, we are using what in my judgment is the best measure of need, using the Bureau of Labor Statistics lower living standard. This does something that the poverty level standard does not do which appeals particularly to me as we discussed here yesterday. It does define living standards and needs in terms of urban and rural areas, and in the difference in cost of living by region, which is far more sensitive than a national figure for poverty for a household of four. It looks at the consumer prices within the region, and it distinguishes between the rural part of the city part of the regions. It is far more sensitive, in my judgment, in determining the needs of individuals, and that is a fundamental part of the formula that we have used here.

Mr. STEWART. If the Senator will answer this question then I will be through for right now. Is there any consideration given to the costs of providing heating homes in the different regions of the country? How did the Senator develop or use that information, if he did, in developing this formula?

Mr. WILLIAMS. That goes back to the aggregate expenditures for energy.

I did not completely answer the Senator from Alabama on the energy cost factor. That is what the question was. Let me read here from our statement of what was included:

> Allocations based on total residential energy expenditures are made by combining residential energy consumption and price data, by energy type and State collected in 1977 and supplied by the Department of Energy. This State-by-State residential energy expenditure data for 1977 is then updated to 1979 using the following price increase assumptions, nationwide:
>
> Distillates and kerosene up 91 percent;
> Liquid petroleum gas up 56 percent;
> Natural gas up 44 percent; and
> Electricity up 18 percent.
>
> 1977 State energy price data is published by the Department of Energy's Energy Information Administration in State Energy Fuel Prices by Major Economic Sector from 1960 through 1977.

It was issued in July of 1979:

> The source for 1977 residential energy is consumption data and is unpublished information supplied by the Department of Energy's Energy Information Administration from its "FEDS" (Federal Energy Data System) data base.

Mr. STEWART. The increase in electric energy cost certainly would not apply to our State. They have a 30-percent increase.

Mr. WILLIAMS. The total home energy cost is included in the Senator's State and for all States.

I yield to the Senator from New York.

Mr. MOYNIHAN. Mr. President, I thank the distinguished chairman for giving me the opportunity to speak. I should like first to congratulate him for this achievement of statesmanship and compassion, an achievement such as we have seen too few of in recent years. This legislation will distribute money generated by the windfall profits tax, to those people who will be most seriously and immediately in need. The winds of winter will bite deep into this population, and the Senator has come forward with a response.

I wonder if we could establish for the record just a certain number of facts. As chairman of the Subcommittee on Public Assistance I have been much involved in producing a parallel measure and as is well known we are working together toward a common goal.

May I ask the Senator: Is it the case, just so the record will be clear, that the Bureau of Labor Statistics's lower living standard is calculated only for metropolitan areas, and as such is not even for all of those? This is a figure that gives us the market basket, or the basket of goods, required to maintain a lower living standard in various parts of the country.

Mr. WILLIAMS. The Senator is exactly right.

Mr. MOYNIHAN. I thank the Senator.

It is my understanding that in order to carry out the CETA program the Employment Training Agency in the Department of Labor projected this data base for specific areas, like Philadelphia, and then used it as a general figure for New Jersey, applying to such cities as Trenton.

It could not be statistically exact, but it goes forward. There is no exact sample, but the Department of Labor has been conducting this survey of the city worker family budget, as it was known in the 19th century, for almost a century. It is one of our oldest economic series. The statisticians at the Department of Labor know what they are doing, they have done this for the CETA program, and it is these ETA figures which we are using.

Mr. WILLIAMS. The answer is, yes. Let me say first that I recognize that the Senator from New York has a background of working in the departments of Government that developed these responses, as an Assistant Secretary within the department.

Mr. MOYNIHAN. As an Under Secretary.

Mr. WILLIAMS. I am very grateful for the extensive background which the distinguished Senator from New York brings to bear here in this discussion because it is needed.

If I could turn a question to the Senator from New York, does not this approach show a greater sensitivity to the economic conditions and income relationship to cost of living than other formula?

Mr. MOYNIHAN. The chairman is exactly right in my view, and I assume that is why the chairman chose this data series.

It is a series in place. It was not developed to identify low-income populations across the country.

In the report of the committee you will find on page 49 the number of households with incomes equal to or less than 100 percent of the lower living standard by State and then, later on, by metropolitan area.

Consider Alabama. In Alabama the low-income budget is $10,960. In Tennessee the budget is $10,960, but it also goes up and down. In Hawaii it would be higher, and in Alaska higher still. It affects what a family has to have to maintain a lower living standard. It is a responsible—and if I can even say venerable—datum of the U.S. Government. I think you chose well.

Now, may I ask you another question, sir, which would be one of judgment, and you know there is no one's judgment to whom I would turn more in this matter.

We are contemplating that these moneys be turned over to State governments to be used for their lower income population.

Mr. WILLIAMS. That is exactly right.

Mr. MOYNIHAN. Would it be your judgment that the States should follow the standards by which we calculate the formula, and identify persons with incomes at or below this level as their lower income population, that is, conform with the ETA estimate of the Department of Labor?

Mr. WILLIAMS. I believe we so specify. There is great flexibility that we incorporate here in this program in the States, but some of the factors are elemental and defined, and eligibility criteria is one of them.

Mr. MOYNIHAN. This is one of them. These are the persons for whom we are passing this bill.

Mr. WILLIAMS. Exactly.

Mr. MOYNIHAN. So there may be no question about how many there are in each State and how the number is arrived at.

Mr. WILLIAMS. You are exactly right. On page 21 of the bill, under "Eligible Households" it is all spelled out. There is one factor which has been added here, and that is an emphasis which is suggested in the administering at the State level, to give priority to those who are indeed the poorest and most in need, the poorest who are elderly and the poorest who have handicaps.

Mr. MOYNIHAN. I have a final question. Mr. President. Does the chairman of the Committee on Human Resources realize that he has brought to the floor of the Senate a bill with a clear purpose, a defined mode of operation and a specific set of benefits to be provided to a targeted and defined population, and that this is as much clarity as we have seen in legislation around here for a very long time, and that if such things keep up it might be catching?

Mr. WILLIAMS. I did not know that bringing the bill here did that. But having heard that from the Senator from New York, now I have that deep feeling that we are doing the right thing. I appreciate this description of what we are doing from the Senator from New York who has a long background both on the executive side and now as a most valuable contributor in our efforts in the Senate with respect to the economic, the social, needs of the people of this country. This is and will be a part of our record that will be referred to with the greatest gratitude.

Mr. MOYNIHAN. I would just like to close and say that there are 17.9 million households in America, a quarter of the population of the United States, a quarter of our households, who have reason to be grateful to PETE WILLIAMS tonight and, whether they know it or not, I want to say it.

Mr. WILLIAMS. I appreciate that. I feel sort of lonely here and unworthy because we have had a whole Senate contributing to the measure before us, I would suggest to the Senator from New York.

Mr. STEWART. Mr. President, will the Senator yield for one question? I hate to ask it at this particular point in time after the Senator from New York made those statements. But I will join with him. I commend the Senator from New Jersey for the fine work he has done.

Will the Senator yield for one final question?

Mr. WILLIAMS. I am happy to yield.

Mr. STEWART. If the minimum applies, as the Senator says, to every State that was drawn in that fashion it should apply to each State; that is correct under the terms of the bill; is it not? It is equally applicable across the board; is that not correct?

Mr. WILLIAMS. That is right; it applies, however, only to the States at the minimum in the original Finance Committee formula.

Mr. STEWART. It apparently does not serve Alabama because, according to the Senator from Louisiana at this time, based on these figures here you assume that Alabama or the eligible recipients are receiving more than the minimum; is that not also correct?

Mr. WILLIAMS. Basically, yes.

Mr. STEWART. That was the statement that was made. If, in fact, the minimum should apply to Alabama, and by oversight it did not, and we find by later calculations that that should be the case, would the Senator be willing to modify his amendment so as to take care of that particular situation?

Mr. WILLIAMS. Well, with all we know right now, this bill, I trust, will be moving through to its next stage here today——

Mr. STEWART. It is my understanding we are not going to vote on it finally here.

Mr. WILLIAMS. Again I would rely on the Senator from Louisiana who, in the Finance Committee, understands the minimum approaches here.

Mr. LONG. Mr. President, let me just say this: There is no doubt in the mind of the Senator from Louisiana that the way the bill was drafted in the Committee on Finance the minimum was meaningless as far as Alabama was concerned because Alabama was getting more than the minimum, so the minimum was meaningless.

Mr. STEWART. So I understand.

Mr. LONG. It could be that the language that we agreed to add, taken from the Finance Committee bill and added to the Labor Committee bill, would not have the minimum make any difference to Alabama because Alabama would still be getting more than the minimum.

But when you actually recalculate what a minimum would do, it occurs to the Senator from Louisiana that it might be that Alabama would be entitled to receive more than that 1.06 percent, and if that should be the case, I think that commonsense, justice, and fairness would require that Alabama receive the benefit of the minimum.

The only possible reason I could think of where that language would not be applicable to Alabama the same as it would be to Louisiana or Mississippi would have to be a technical, inadvertent error because nobody intended to draw the language so as to exclude Alabama from the generality of that language.

If that should be the case, I, for one, would strongly support and urge every Senator that any consideration that is accorded Louisiana should be accorded Alabama. There is no reason why it should not.

If that were done, I do not see how that could conceivably involve any more than a tiny portion of the money in the bill.

Someone from Florida might say, "Well, hold on just a minute; let's go back and recalculate Florida and take a good look, and see whether Florida could be so affected also."

Frankly, I doubt that Florida would be affected, but conceivably it might be so. But even if an adjustment had to be made for those two States, I should not think it would involve more than one-half of 1 percent of the money in the bill; and while, of course, I would think no one would want to start making commitments without realizing the full impact of what he is committing himself to, it would seem to me only fair that if it is just purely a technical matter, and a matter of inadvertence, I would think, why, of course, Alabama should be included on the same basis as Louisiana, Mississippi, and Hawaii.

Mr. STEWART. Well, I would leave my request with the chairman, and wait to hear what he has to say.

Mr. NELSON. Mr. President, will the Senator from Louisiana yield further for a question?

Mr. LONG. If I have the floor, I will yield.

The PRESIDING OFFICER (Mr. BAUCUS). The Senator from New Jersey has the floor.

Mr. NELSON. I would like to address a question to the Senator from Louisiana.

Mr. WILLIAMS. First, was there a question directed to me?

Mr. STEWART. Yes; I would ask the Senator, if the amendment formula is revised due to a later calculation, would he include Alabama also?

Mr. WILLIAMS. Perhaps the Senator from Louisiana was answering for himself.

Mr. LONG. Mr. President. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURENBERGER. Mr. President, we have been debating the issue of energy income assistance in committees and on the floor of the Senate for many weeks now. The issue has arisen as a part of several legislative measures. The Congress has, in fact, already established an income assistance program for this winter. But despite all of this work and the close attention of the best minds in the Senate, we have not as yet reached a basic consensus on the purpose of energy assistance legislation.

The question that divides us is whether we intend to provide help to all low-income citizens with the high cost of all the energy they can consume or whether our purpose is limited to protecting the health and safety of the poor who face high heating bills in cold climates.

Our failure to resolve this issue after weeks of debate is in large part a failure of information. For myself, I believe that a significant portion of the windfall profits tax revenues should be used to protect those who are unable to pay the costs which result from decontrol and the cartel price. These costs are reflected in more than the heating bills of cold climate States. The OPEC price has a direct effect on transportation costs all across the Nation and on the costs of electricity in many States. It is only fair and right that the burden of the cartel price be lifted from the shoulders of every low-income American, not just those who pay for heat in New England, the upper Midwest, or the Northwest.

Unfortunately, we lack information as to the size of that burden. As I stated in my additional views to the Finance Committee report on H.R. 3919:

> But identifying which Americans and the extent of the need in individual cases was beyond the competence of the committee because we are not informed as to the energy consumption characteristics of low income households and cannot reach a large portion of the population in need—particularly the elderly—with existing Federal assistance programs.

So instead of designing an assistance formula which will be fair to everyone, we work backward from our assumptions about the amount of money which will be raised by the windfall profit tax designed by the Senate Finance Committee. And we are captive of a policy decision which has bothered me greatly—that a trust fund was necessary to capture one-half the proceeds of the tax for income assistance. My views on the trust fund were stated in the committee report as follows:

> I believe that the committee deliberations on this legislation are sufficient evidence to demonstrate the flaws in a trust fund for energy security. At one point the committee had adopted $99 billion of energy tax credits—all of which would have reduced oil imports—but believed that it had only $65 billion in revenues from the tax. The credits were cut to $25 billion. Later the price assumptions on which the revenue estimates are based were changed and the committee found that its tax would raise $138.2 billion. It quickly added new tax credits—none of which would reduce oil imports or go to oil users—and a trust fund to rollback social security taxes. Frankly, it is very difficult to project the revenues that will result from the tax or the spending that is necessary to achieve energy security. In any event, there is no cause and effect relationship between the two. The tax should fairly reflect the economics of the industry and the revenues from the tax should not limit our efforts to achieve energy security at an early date.

To complicate this matter of fairness even further, the income assistance program, and in particular the credits for low- and middle-income families which I have consistently supported, works at cross-purposes with the tax incentives for conservation and fuel conversion which I have sponsored. Because these credits are based on volumetric consumption, they provide a subsidy for higher levels of energy use. However, without these credits, American families of low and moderate income are left defenseless against an energy inflation that is affecting all fuels and that is too rapid to allow gradual adjustment.

However, Mr. President, having said all this about our efforts at fairness, those of us who come from the North—and those of us whose constituents must prepare for long winters—put one principle ahead of fairness. As a government, our first priority must be to assure the health and safety of the public. For the poor and elderly in the North, continued health will require substantial governmental assistance during the heating season.

If I could be certain that my constituents would receive timely and sufficient protection against the cold from the energy assistance legislation that we adopt, I would have no problems with dollars going to poor and elderly Americans in the South to offset increasing transportation and utility costs. But it is on that very point that I am most uncertain. The available information is not of sufficient quality to determine whether $200 or $400 or even $800 is enough to keep a low-income family warm throughout a Minnesota winter.

Because of this uncertainty, I have supported income assistance formulas that put more emphasis on climate than other factors. Because of this uncertainty, I supported provisions in the Finance Committee bill that would authorize an HEW study of low-income energy costs over the next year. I was pleased by the amendment of Senators WILLIAMS and LONG that will make provisions for such a study under the authority of S. 1724. Before we take up this issue in Congress again, we must have the information necessary to fully understand the problem.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORGAN. Mr. President, I assume

that the question before the Senate—what is the question before the Senate?

The PRESIDING OFFICER. The question before the Senate is the amendment of the Senator from New Jersey (Mr. Williams), numbered 822, as modified.

Mr. MORGAN. Mr. President, the Senate is now entering its third day of a trying and increasingly bitter argument over the allocation formula for the S. 1724, the low-income energy assistance bill. Having been through some formula fights on the floor in the past, and having managed to reach agreements on others in committee, I know that reaching agreement on this type of issue is much better for ourselves and for the country, if it is possible. It is much more important, when we debate issues on the floor of the Senate, that we discuss serious substantive questions, such as the one raised by the Senator from New Hampshire or the Senator from Pennsylvania in their amendments the other day.

For this reason, I was pleased when I saw that the Finance and Human Resources Committees' formulas were nearly identical. I think it is noteworthy that the only State with a less cold climate represented on the Human Resources Committee is California, and I am somewhat disturbed that the Senators from Maine and Minnesota are unable to agree with the formula they developed, a formula that, incidentally, was drawn up by the Senator from Wisconsin (Mr. Nelson).

I had written a speech in opposition to the Boschwitz-Muskie amendment which I was going to give, first on Tuesday and then yesterday, but unfortunately I did not have the opportunity to do this. However, I find that most of what I intended to say was said yesterday by the Senators from Texas and Oklahoma, so rather than delay the Senate unduly I will simply associate myself with their remarks. Suffice it to say, that I am very much opposed to the Boschwitz-Muskie amendment and support the amendment agreed to by the Human Resources Committee.

There is, however, one issue that needs to be raised and has not yet been discussed. As my colleagues know, I am the chairman of the Rural Housing and Development Subcommittee and a member of the Housing Subcommittee of the Banking Committee. And, I want to say a few words on a subject I am somewhat familiar with—housing insulation practices.

In my region of the country, people hardly knew what the word insulation, as applied to housing, meant 15 or 20 years ago. I dare say that 20 years ago there was not a single home in North Carolina which was adequately or sufficiently insulated against cold weather; certainly none of the older homes.

There was a good reason for this. At that time, and really until about 6 or 7 years ago, the price of energy was so cheap that, for most people, it was not worthwhile to make the capital investment required for home insulation.

This is now beginning to change but the process is slow. It is still true that most of the older homes, especially those belonging to lower income families, are not insulated. Most of the insulated homes belong to people who are not going to receive assistance under this bill in any case.

This is not true in most of the cold weather States. With the exception of summer resort homes and a few farms, most homes were originally built with insulation or have had it added in the last few years. In many places, insulation against winter weather is required by building codes, and where it is or was not required, most builders put in insulation because it was the only intelligent thing to do.

One of my concerns with the use of heating degree days, squared or not, as part of the formula is that it does not take into account this difference. I dare say that the absence of insulation increases heating costs by 10 or 15 degrees worth of heating.

I do not believe there are any real statistics on this, but this is the best estimate that my staff and I could come up with.

Unfortunately, I do not have exact statistics, but like the Human Resources Committee members, I found that useful figures in this area do not exist.

But I know one thing. Fifty-five people have frozen to death in North Carolina in the last two winters. Fifty-five people. On a per capita basis, that is, most unfortunately, nearly as high a figure as can be found in this country.

If we take this Boschwitz-Muskie amendment, I would not be surprised to find, next spring, that twice as many people froze in my State in half the time. Under the Boschwitz-Muskie amendment, the subsidy per poor household would be reduced from about $130 to about $90 in North Carolina. Meanwhile, the subsidy in Minnesota would be increased to $442 per poor household, nearly five times as much. In my view, it defies common sense to assert that Minnesota has five times the problem, and I cannot help but feel that the amendment simply represents a grab for more Federal dollars.

Finally, I would note that I am concerned about attempts to reach a compromise between the committee formula and the Boschwitz-Muskie formula. I think my colleagues realize that I am as willing to negotiate and to accommodate as any Member of the Senate. But I do not think it is right to negotiate between the formula most preferred by certain Senators from cold weather States and a formula that was a compromise formula to begin with. If negotiations are to be conducted on a fair basis it would seem to me that, in order to protect the position of States like mine, we would have to retreat back to the present formula to begin negotiations and not begin from a negotiation formula to start with. Of course, if I and like-minded Senators did that, we would be back to square one and we would probably be arguing about this matter until Christmas. And, of course, if we went back to square one, we would likely end up with a formula much like the one that was reached, by negotiation, by the Finance and Human Resources Committees.

So I urge my colleagues to stick with the formula that is in S. 1724 right now, and to pass this bill and move on to the next item on the agenda.

And for my part, while I will also be willing to continue negotiations, my inclination is to oppose any further changes in the formula, any further compromise which will lead to more discomfort in North Carolina.

● Mr. DOLE. Mr. President, as I stated yesterday, my main purpose in offering a substitute to the Boschwitz-Muskie amendment was to provide the Senate an opportunity to start expressing its will on this issue. I am happy to accept something which has the support of the great majority of the Senators, and I believe we have found that compromise. Therefore, I am happy to support the amendment and to cosponsor it.

The compromise allocates the funds on the basis of an energy-related formula, which falls between the formulas in the Boschwitz-Muskie amendment and my substitute. The formula is as follows:

> Fifty percent based on heating degree days squared multiplied by low income population.
>
> Fifty percent based on residential energy expenditures.

The formula also includes the minimum of $120 per unduplicated AFDC, SSI and food stamp households which is found in my substitution.

Since 5 States do worse under this compromise than under either of the other amendments, those States will receive the lower of the funds allocated under the other two formulae.

I believe this amendment goes a long way toward balancing heating needs against total energy needs while allowing every Senator to provide some minimum assurance to his State that it will receive adequate assistance. It is important to accommodate all of these needs if we are to be successful in our efforts to find the most equitable formula.

We need to attack this problem on the basis of need, and although there is certainly greater need in the cold States, there is significant need in other States as well. There is no perfect solution to this problem, because no matter what formula we use, some States will be better off and other States will be worse off than under some other formula. Therefore, we need to insure that no one loses too heavily, and we need to be willing to accept a little less than we would really like.

I urge my colleagues to accept this amendment in that spirit of compromise.●

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr.

MATSUNAGA). Without objection, it is so ordered.

EMERGENCY MEDICAL SERVICES

Mr. CRANSTON. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 497.

The PRESIDNG OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 497) entitled "An Act to extend the authorizations of appropriations relating to emergency medical services systems under title XII and section 789 of the Public Health Service Act; to increase the authorizations of appropriations for sudden infant death syndrome counseling and information projects and revise and improve authorities under title XI, part B, of such Act; and for other purposes", do pass with the following amendments:

Strike out all after the enacting clause, and insert: That section 789(g)(1) of the Public Health Service Act (42 U.S.C. 295g-9(g)(1)) is amended by striking out "the next five fiscal years" and inserting in lieu thereof "the next eight fiscal years".

SEC. 2. (a)(1) Paragraph (1) of subsection (a) of section 1207 of the Public Health Service Act (42 U.S.C. 300d-6(a)(1)) is amended to read as follows:

"(a)(1)(A) Except as provided in subparagraph (B), for the purpose of making payments pursuant to grants and contracts under sections 1202, 1203, and 1204, there are authorized to be appropriated $40,000,000 for the fiscal year ending September 30, 1980, $40,000,000 for the fiscal year ending September 30, 1981, and $40,000,000 for the fiscal year ending September 30, 1982.

"(B) No funds appropriated under subparagraph (A) may be used to make payments under the third and fourth grants and contracts made and entered into under section 1204. For the purpose of making payments under such grants and contracts, there are authorized to be appropriated $5,000,000 for the fiscal year ending September 30, 1980, $5,000,000 for the fiscal year ending September 30, 1981, and $5,000,000 for the fiscal year ending September 30, 1982."

(2)(A) Subparagraph (A) of paragraph (5) of such subsection is amended (i) by striking out "paragraph (1)" and inserting in lieu thereof "paragraph (1)(A)", and (ii) by striking out "two succeeding fiscal years at least 2½ per centum but" and inserting in lieu thereof "five succeeding fiscal years,".

(B) Subparagraph (B) of paragraph (5) of such subsection is amended (i) by striking out "paragraph (1)" and inserting in lieu thereof "paragraph (1)(A)", and (ii) by striking out "two succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

(b) Subsection (b) of such section is amended to read as follows:

"(b) For the purpose of making payments pursuant to grants and contracts under section 1205, there are authorized to be appropriated $4,000,000 for the fiscal year ending September 30, 1980, $4,000,000 for the fiscal year ending September 30, 1981, and $4,000,000 for the fiscal year ending September 30, 1982.".

(c) Subsection (c) of section 1221 of such Act (42 U.S.C. 300d-21(c)) is amended by inserting before the period a comma and the following: "and for each of the next three fiscal years".

(d)(1) Subsection (a) of section 1204 of such Act (42 U.S.C. 300d-3(a)) is amended by adding at the end the following: "A third or fourth grant or contract under this subsection may not be used to acquire equipment or facilities acquired with a previous grant or contract under this subsection."

(2) Subsection (b)(1) of such section is amended (A) by inserting after "(1)" the following: "The total number of grants and contracts which a system may receive under subsection (a) may not exceed four.", (B) by striking out "one additional", and inserting in lieu thereof "an additional," and (3) by striking out "under the first grant or contract" and inserting in lieu thereof "under the preceding grant or contract".

(3) Subsection (b)(2)(B) of such section is amended by striking out "second grant or contract" and inserting in lieu thereof "second or subsequent grant or contract".

(4) Subsection (d)(1) of such section is amended by striking out "A grant or contract" and inserting in lieu thereof "The first or second grant or contract".

(5) Subsection (d)(2) of such section is amended (A) by striking out "A second grant or contract" and inserting in lieu thereof "A second or subsequent grant or contract", and (B) by adding after and below subparagraph (B) the following: "A third or fourth grant or contract may not be made or entered into unless the emergency medical services system for which grant or contract will be made or entered into meets each of the requirements of section 1206(b)(4)(C)".

(6) Section 1206(b)(1)(B) of such Act (42 U.S.C. 300d-5(b)(1)(B)) is amended by striking out "five" and inserting in lieu thereof "seven".

(e) Title XII is amended by adding the following new part:

"PART C—POISON CONTROL INFORMATION AND TREATMENT CENTERS

"AUTHORIZATION OF ASSISTANCE

"SEC. 1231. (a) The Secretary may make grants to and enter into contracts with public and private nonprofit entities to assist in meeting the costs of establishing, training personnel for, operating, and acquiring equipment and materials for poison control information and treatment centers.

"(b)(1) Each grant or contract under subsection (a) shall be made or entered into for costs incurred in the twelve-month period beginning with the month after the grant or contract is made or entered into. The total number of months for which an entity may receive grants or contracts, or both, under subsection (a) may not exceed thirty-six.

"(2) The amount of a grant or contract under subsection (a) shall be determined by the Secretary, except that no grant or contract may exceed 50 percent of the costs for which it is made.

"(c) No grant may be made or contract entered into unless an application therefor is submitted to and approved by the Secretary. The application shall be in such form, submitted in such manner, and contain such information, as the Secretary may require by regulation.

"(d) To make payments under grants and contracts under subsection (a) there are authorized to be appropriated $10,000,000 for the fiscal year ending September 30, 1980, $8,000,000 for the fiscal year ending September 30, 1981, and $6,000,000 for the fiscal year ending September 30, 1982.".

(f)(1) Subsection (a) of section 340 of such Act (42 U.S.C. 256(a)) is amended by striking out "which provide health services".

(2) Subsections (c)(1) and (g)(4) of such section are each amended by striking out "section 301" and inserting in lieu thereof "section 301, 304, or 305".

SEC. 3. The amendments made by the first section and section 2 to sections 340 and 789 and title XII of the Public Health Service Act shall take effect with respect to appropriations made under those provisions for fiscal years beginning after September 30, 1979.

Amend the title so as to read: "An Act to extend for three fiscal years the programs under section 789 and title XII of the Public Health Service Act relating to emergency medical services and to authorize assistance for poison control and assistance centers.".

Mr. CRANSTON. Mr. President, this matter has been cleared on all sides. The Senate amendment I am about to submit embodies a compromise reached after discussions with the Subcommittee on Health and the Environment of the House Committee on Interstate and Foreign Commerce. The compromise agreement was reached in a fine spirit of conciliation and dedication to the goal of improving emergency medical services in the Nation, as well as to improving the administration and coverage of the sudden infant death syndrome information and counseling program and the accountability of that program.

Mr. President, the compromise we have reached on S. 497 clearly indicates Congress' continued commitment to carrying out the original intent of the Emergency Medical Services Systems Act of 1973, Public Law 93-154, to assist all areas of the Nation to achieve their maximum potential in providing comprehensive emergency medical services to their residents.

EMS SYSTEMS SUPPORT AND PROGRAM DURATION

Both the Senate bill and the House amendment extended the authorizations of appropriations for grants and contracts to support the development of emergency medical services systems for 3 additional fiscal years at $40 million each year. This action on the part of both Houses is a clear rejection of the administration's proposal to phase out the emergency medical services systems program rapidly during this fiscal year and the next 2 fiscal years.

Both committees considered this proposal and determined that a phaseout of the program over the next 3 years would be premature. Instead the compromise extends appropriations authorizations for the program at a level slightly higher than that currently appropriated with the understanding that if that level of funding is appropriated, we will be prepared to consider phasing out the program when the authorization of appropriations is next considered for extension in the 97th Congress.

I was very disappointed, Mr. President, that despite the fact that it was very clear that Congress would act to extend these authorizations at no less than the current level for the next 3 years, the administration has directed its regional offices to notify directors of EMS programs that it does not intend to support any grants to provide initial support under section 1204 to assist a community to expand and improve an EMS system.

Mr. President, this directive runs directly contrary to the intent expressed in the committee reports accompanying the EMS legislation in both Houses. I thus wrote to Secretary Harris on October 1, 1979, urging that she immediately direct each HEW region to notify EMS grantees that there will be no restrictions on the types of grants awarded in fiscal year 1980. I ask unanimous consent, Mr. President, that the text of that letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., October 1, 1979.

Hon. PATRICIA ROBERTS HARRIS,
Secretary of Health, Education, and Welfare, Washington, D.C.

DEAR PAT: I am most concerned by memoranda recently sent to grantees under title XII of the Public Health Service Act (Emergency Medical Services Systems) by the H.E.W. Regional Offices suggesting that grant funds in fiscal year 1980 will be allocated based on the Administration's proposed phaseout of the program. The directive also states that no funding of first-year section 1204 (expansion and improvement of emergency medical services systems) applications is projected.

As you know, the extension of authorizations of appropriations of the EMS Program is currently under consideration in Congress. The Senate unanimously passed S. 497, legislation I authored, last May 9, and the House amended it with the provisions of H.R. 3642 on September 28 by a vote of 245 to 12.

In both the Senate and the House consideration of the legislation, the Administration's suggested phaseout in fiscal year 1982 was specifically addressed and rejected. In each case, it was made very clear that the Administration's proposal was not acceptable, and both the Senate- and House-passed measures continue the program for the next three fiscal years at at least the current level of appropriations authorizations with the understanding that the phaseout of the program would be addressed in 1982 when reauthorization of the appropriations would be reconsidered.

I believe that the memorandum sent to the EMS grantees is clearly inconsistent with the current expressed Congressional intent regarding the pending extension and will create confusion among grantees, especially those eligible for first-year section 1204 grants. I understand 76 regions have completed their section 1203 grants and are eligible to apply for first-year section 1204 grants in fiscal year 1980. One of the issues raised during the Senate hearings was the need to be sure that policies governing grant awards are firmly established and understood well in advance of the deadline for submitting applications. As you know, the preparation of the applications is a costly and time-consuming process, and applicants are reluctant to prepare them when uncertainty exists as to the chances of eligibility.

I urge you to have the Regional Offices send out a new directive immediately, indicating the likelihood of enactment of legislation authorizing funding in the next three fiscal years sufficient to permit funding of grants in all stages of emergency medical services development and stating that the previous directive should be disregarded with respect to priority funding.

With best wishes,
Cordially,

ALAN CRANSTON.

Mr. CRANSTON. Mr. President I regret to report that I have not yet received a reply to that letter. Our action today reinforces the statements made in my letter, and I trust will result in an immediate change in the HEW enunciated policy.

RESEARCH AND TRAINING

The compromise on S. 497 also extends the authorizations of appropriations for research and for training in emergency medical services for fiscal years 1980, 1981, and 1982. In the case of training, we have provided for a steady increase in the authorizations of appropriations, authorizing $5 million in fiscal year 1980, $7 million in fiscal year 1981, and $8 million in fiscal year 1982. Testimony presented at the Senate hearings, as well as in the House hearings, clearly indicated that, as more systems are developed, there is a great need for more trained personnel to provide emergency medical services in the communities, as well as to manage these systems. For that reason, we have provided for a modest increment each fiscal year in the sums authorized for appropriation for training in emergency medical services.

THIRD SECTION—1204 GRANTS

The Senate has reluctantly agreed to a third grant under section 1204—expansion and improvement of an emergency medical service system—but has agreed to it only as an exception to the general rule regarding the length of title XII support for an EMS system and with two clear limitations.

First, a third section 1204 grant may be made only if one of two alternative criteria are met. The first is for an EMS system which received its first HEW support through a section 1204 grant or contract. In the early years of this program, Mr. President, there were some communities that had the rudiments of a comprehensive EMS system and they received their initial support under section 1204 to expand and improve their systems to achieve advance life-support capacity—the level systems are expected to achieve through the normal five-grant cycle of the EMS program. Most of these programs are operating well now and it is expected that few will merit an additional grant.

The alternative condition under which a 1204 grant can be awarded would be where the Secretary determines that the applicant demonstrates an exceptional need for the grant and that the applicant is making substantial progress toward achieving financial support to implement the plan for self-sufficiency required as a condition for support under section 1204. Mr. President, in 1976 when the EMS Act was last extended, Congress added requirements that EMS systems grantees demonstrate their capacity for self-sufficiency. These amendments were based on findings of the General Accounting Office that communities whose EMS systems were developed and improved with the aid of Federal funds authorized under the EMS act were very inconsistent in the level and duration of support provided by their participating local governments. These 1976 amendments added new grant application requirements designed to assure that every effort is made by EMS systems to develop community-based sources of funding for the continued operation of the system at the conclusion of eligibility for EMS Act support. Unfortunately, HEW did not issue regulations implementing these new requirements until November 1978. As a result, as the GAO recently reported to us, "Regional EMS program officials had difficulty providing guidance and enforcing the requirements without regulations and program guidelines."

As a result of those circumstances, Mr. President, we agree with the other body that some grantees may not have had a fair chance to achieve the financial self-sufficiency expected of them. The third grant authorized by the agreement with the House will enable those grantees that can show that they have made progress toward achieving this self-sufficiency to receive one additional section 1204 grant.

Second, Mr. President, funds would be authorized to be appropriated for third section 1204 EMS grants only for fiscal year 1981; thus this limited exception for funding would already have expired by the time the other EMS authorizations come up for reconsideration in 1982.

BURN, TRAUMA, AND POISON PROGRAMS

With respect to the programs relating to burn, trauma, and poison, I was pleased that the Senate position has prevailed that these programs should be funded as demonstration programs to show how best to meet national needs in these areas. We did accept a level of authorizations of appropriations for these programs somewhat closer to the higher levels included in the House bill.

However, the authorizations of appropriations for fiscal year 1982 are decreased from those of fiscal year 1981 in keeping with our view that these programs are demonstration programs that should be able to achieve their purpose in 3 years and that the financial support needed should drop off as they achieve this objective.

Regarding poisoning injuries, Mr. President, witnesses before the Senate Committee testified that demonstrations will show that regional poison centers, properly organized into a system of care, can reduce mortality and morbidity. They testified that regional centers would serve large populations—2 to 4 million—and provide consumer access and information about accidental ingestions of drugs and other potentially hazardous agents. According to these witnesses, major regional poison control centers now receive up to 60 thousand consumer inquiries per year and of these, poison calls, the experience of these centers has shown that 85 percent can be managed effectively at home or over the telephone, thereby preventing inappropriate utilization of expensive emergency department and hospital health care resources. These centers also provide consultation for physicians and other medical personnel in the region so that they in turn provide expert care appropriate to the patient.

California State officials estimate the operational cost of a regional poison control center to be $225,000 to $250,000 a year. These costs, when averaged across the community, are negligible—especially when compared to the health care savings made possible by home intervention, in the early phase of poisonings.

With regard to traumatic injuries, Mr. President, although the EMS Act has provided the greatest impetus to regionalization of trauma care, regional trauma systems are still not a reality everywhere. A significant number of trauma deaths are preventable. The Trauma Society reports that 1 out of 5 trauma deaths need not occur, and reports that 20,000 lives can be saved each year with proper trauma care. The bulk of trauma victims are young and resilient. With appropriate care, they can be fully restored to an active and full life.

To develop a rational system of trauma care, we need to know the incidence, prevalence, treatment standards, and rehabilitation needs related to trauma under different organizational approaches to providing that care.

The demonstration programs authorized by S. 497 should provide us with the information we need to address national needs in trauma and poison just as the current demonstration programs are providing this information with respect to burns.

TOTAL AUTHORIZATION LEVELS

On the whole, Mr. President, the EMS authorization figures in the bill fall roughly halfway between the Senate and House totals. These figures are all set forth in a chart I will later insert into the Record.

SUDDEN INFANT DEATH SYNDROME

Finally, Mr. President, I was gratified by the agreement to retain the provisions on sudden infant death syndrome—SIDS—included in the Senate bill and developed by the Subcommittee on Child and Human Development, which I am privileged to chair. These programs have been a source of great help to parents who have lost a baby to SIDS and have generated information that is helping us to understand more about the nature of the infants who succumb to SIDS. They offer hope that we may soon be able to prevent many of these deaths in the future.

Mr. President, I would like to express my appreciation for the cooperative attitude that prevailed during our discussions with the House. I am particularly gratified by the constructive suggestions made by my fellow Californian, the chairman of the Subcommittee on Health and the Environment, Representative Waxman, by the ranking minority member of that subcommittee, Representative Tim Lee Carter, as well as by Senators Kennedy and Schweiker, the chairman and ranking minority member, respectively, of the Subcommittee on Health and Scientific Affairs; that enabled us to reach agreement on the differences between the two bills.

I would also like to express my personal appreciation for the fine and constructive assistance of Steve Grossman, and Becky Beauregard of the Senate committee staff, Margery Colloff, Francie De Peyster, and George Hardy; of the House committee staff, and David Meade, House legislative counsel, as well as for the contributions of Chris Burch before she left Senator Kennedy's staff. Finally, I want to note the excellent work on this legislation throughout the process by Louise Ringwalt and Jon Steinberg.

I ask unanimous consent, Mr. President, that documents describing the provisions of the two versions and the compromises which were reached on the several differences between them and showing the changes made in existing law be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

EXPLANATION OF PROPOSED COMPROMISE AGREEMENT ON S. 497

TITLE XII, PART A, ASSISTANCE FOR EMERGENCY MEDICAL SERVICES SYSTEMS

Section 1202.—Grants and Contracts for Feasibility Studies and Planning:

Senate bill: Provides that priority in awarding grants and contracts for feasibility studies and planning for emergency medical services (EMS) systems must be afforded to entities seeking a first grant under section 1202 and earmarks a minimum of one percent of the EMS appropriations under section 1207 for each fiscal year for section 1202 grants or contracts.

House amendment: Provides that not more than five percent of such appropriations for each fiscal year may be used for section 1202 grants or contracts.

Compromise: The compromise includes the House provision with respect to the five-percent maximum, and the Senate provision with respect to the minimum with an amendment reducing the earmark to minimums of one percent for fiscal year 1980, three-fourths of one percent for fiscal year 1981, and one-half of one percent for fiscal year 1982.

Authorization of Appropriations for Emergency Medical Services Program and Administration's Proposed Phaseout of the Program:

Senate bill and House amendment: Both extend the authorization of appropriations for EMS systems development at $40,000,000 for each of fiscal years 1980, 1981, and 1982.

The Administration's proposal to phaseout the Emergency Medical Services (EMS) Systems program in fiscal year 1982 is rejected as premature. However, if sufficient funds are made available to the program in the fiscal years for which appropriations are authorized by S. 497, it is expected that at the end of the 3-year period only an additional 3 years would be needed for the remaining regions to complete their progress through the various stages of development to reach their maximum potential.

The relationship of EMS programs to the treatment of victims of domestic violence and of child abuse is recognized, and it is suggested that, in view of the likelihood of the victims of such violence and abuse seeking assistance in emergency rooms, it would be an appropriate and effective means of providing continued assistance to these abused individuals if emergency rooms posted telephone numbers through which the victims could seek appropriate assistance or referral in their communities.

Additional EMS Systems Grants under Section 1204.—Grants and Contracts for Expansion and Improvement of an Emergency Medical Services System:

House amendment: Authorizes a third or fourth grant or contract under section 1204 (expansion and improvement of an EMS system), specifying that such a third or fourth grant may not be used to replace equipment or facilities acquired with a previous grant or contract under existing section 1204 and that a third or fourth grant or contract may not be made or entered into unless the EMS system for which the grant or contract is made meets each of the requirements of existing section 1206(b)(4)(C); making applicable certain basic conditions applicable to second grants under existing section 1204 (that a third or fourth grant for a system may be made if the Secretary determines, after a review of at least the first nine months' activities of the applicant carried out under the preceding grant or contract, that the applicant is satisfactorily progressing in the expansion and improvement of the system in accordance with the plan contained in its application for the first grant under section 1204, that a third or fourth grant may not exceed 25 percent of the cost of the system for the year for which the grant or contract is made, or 50 percent of such costs for such year in the case of applications which demonstrate an exceptional need for financial assistance, and that a third or fourth grant or contract may not be made unless it complies with the provisions of existing section 1204(d)(2)); and authorizes appropriations of $5 million for fiscal years 1980, 1981, and 1982 for the purposes of making such grants or contracts.

Senate bill: Has no comparable provision.

Compromise: The compromise includes the House provision modified to (A) provide, as an exception, that a third (but not a fourth) section 1204 grant or contract may be awarded and specifying alternative conditions which must be met before such a grant or contract may be made: either (1) the applicant received its first funding from H.E.W. for emergency medical services under section 1204, or (2) the Secretary determines that the applicant demonstrates an exceptional need for such funding and that the applicant is making substantial progress toward achieving financial support to implement the specific financial plan described in existing section 1204(d)(1)(B)(ii); (B) retain the House provisions with respect to the federal share of the cost and the restrictions on the utilization of the grant to replace equipment or facilities; and (3) authorize the appropriation of $6,000,000 for fiscal year 1981 only.

Section 1209.—Interagency Committee on Emergency Medical Services:

Senate bill: Adds a representative of the Federal Emergency Management Agency to the Interagency Committee on Emergency Medical Services established by section 1209 of existing law.

House amendment: Has no comparable provision.

Compromise: The compromise includes the Senate provision.

Section 1205.—Research in Emergency Medical Services:

Senate bill: Extends the authorization of appropriations for EMS research at $3,000,000 for each of fiscal years 1980, 1981, and 1982.

House amendment: Extends this authorization of appropriations at $4,000,000 for each such fiscal year.

Compromise: The compromise authorizes appropriations of $3,000,000 for fiscal year 1980, $3,500,000 for fiscal year 1981, and $3,500,000 for fiscal year 1982 for EMS research.

In extending the authorization of appropriations for EMS research, both the House and the Senate Committee reports emphasized the need for research to be directed towards the provision of emergency medical services in rural areas. That concern is reiterated, and it is urged that the EMS research supported under section 1205 meet this need.

Section 789.—Training in Emergency Medical Services:

Senate Bill: Extends the authorization of appropriations for EMS training at $4,000,000 for each of fiscal years 1980, 1981, and 1982.

House amendment: Extends this authorization of appropriations at $10,000,000 for each of fiscal years 1980, 1981, and 1982.

Compromise: The compromise authorizes appropriations of $5,000,000 in fiscal year 1980, $7,000,000 in fiscal year 1981, and $8,000,000 in fiscal year 1982 for EMS training.

TITLE XII, PART B, BURN, TRAUMA, OR POISON TREATMENT PROGRAMS

Senate bill: Adds to existing section 1221—Program Relating to Burn Injuries—authority for grants and contracts for demonstration programs in treatment, research, and training relating to trauma or poison, as well as (in existing law) burn, and authorizes appropriations of $3,000,000 for each of fiscal years 1980, 1981, and 1982 for such purposes.

House amendment: Authorizes appropriations of $10,000,000 for each of fiscal years 1980, 1981, and 1982 for programs relating to burn injuries under present section 1221; and adds a new section 1231, Poison Control Information and Treatment Centers, authorizing grants and contracts to assist in meeting the costs of establishing, training personnel for, operating, and acquiring equipment and material for poison control information and treatment centers, specifying that each grant or contract shall be made for costs incurred in the twelve-month period beginning with the month after the grant or contract is awarded, limiting the number of months for which an entity may receive such grants or contracts to not exceeding thirty-six, specifying that no grant or contract may exceed 50 percent of the costs for which it is made, and authorizing appropriations of $10,000,000 for fiscal year 1980, $8,000,000 for fiscal year 1981, and $6,000,000 for fiscal year 1982 for the purpose of making such grants or contracts.

Compromise: The compromise contains the Senate provision with amendments providing that section 1221 grants and contracts may be used to demonstrate the effectiveness of different organizational arrangements, as well as methods, for the demonstration of treatment and rehabilitation of individuals injured by burns, trauma, or poison, specifying that a grant or contract for poison programs may not exceed 50 percent of the cost for which it is made; authorizing appropriations under the revised section 1221 of $6,000,000 for fiscal year 1980, $12,000,000 for fiscal year 1981, and $10,000,000 for fiscal year 1982; and requiring that not less than 50 percent of the funds appropriated for fiscal year 1980 for carrying out section 1221 shall be obligated for poison programs, and that not less than 25 percent of the funds appropriated for fiscal years 1981 and 1982 for such purpose shall be obligated for poison programs and not less than 25 percent for trauma programs.

It is recognized that until the findings of the burn demonstration programs are completed (currently expected to be February 1981) further support of burn demonstration programs may not be the most effective use of funds appropriated under section 1221. However, initial studies indicate that there is a considerable need for training health care personnel in the treatment of burn patients as well as in methods of developing relationships between burn centers and related community health or rehabilitation providers. Providing support for such burn training activities is a factor that should be considered in making grants or contracts with funds appropriated under section 1221.

Section 1221 has been amended to include support for demonstration of poison information and treatment services and organizational arrangements including the operation of demonstration programs for these purposes. It is expected that the development of a national network of regional poison control centers will substantially reduce mortality and morbidity due to poisoning and do so in a cost-effective manner stressing management of poisonings in the home rather than through hospitalization. The intent, therefore, is to encourage regionalization and consolidation of existing poison information and treatment services nationwide, while curtailing proliferation of additional new poison centers, particularly those offering only very limited services in a geographic area already able to be adequately served by a more comprehensive poison information and treatment center.

In allocating funds authorized for poison control activities under section 1221, highest priority should be given to those areas of the nation presently lacking regional poison control capability. With adequate appropriations, it is not contemplated that federal support of regional poison control centers will be extended beyond the specified three-year funding period.

TITLE XI, PART B, SUDDEN INFANT DEATH SYNDROME PROGRAMS

Senate bill: Establishes within H.E.W. an identifiable administrative unit to carry out the Sudden Infant Death Syndrome (SIDS) program and the functions assigned to the Secretary in title XI, part B, of the Public Health Service Act; requires that voluntary groups with a demonstrated interest in SIDS be appropriately represented in local SIDS projects; institutes, on an annual basis, the report regarding the administration of SIDS counseling and information projects previously required on a one-time basis (on January 1, 1976), making it more specific and adding to it inclusion in the February 1, 1980, report of a plan to extend counseling and information services to all states and territories by specified dates; renews, with slight modifications, the expired requirement for an annual report on SIDS and SIDS-related research originally mandated by P.L. 93–270; mandates the study of state laws, practices, and systems relating to death investigations and their impact on sudden and unexplained infant deaths and any appropriate means for improving such systems in the case of sudden and unexplained infant deaths; and increases the authorizations of appropriations in existing law by $1 million in fiscal year 1980 and $2 million in fiscal year 1981 to levels of $5,000,000 and $7,000,000, respectively.

House amendment: Has no comparable provisions.

Compromise: The compromise includes the Senate provision with amendments making minor clarifications in the reporting requirements relating to SIDS-related research, and clarifying that one appropriate means for improving state death investigation systems is the development of a model state law governing death investigations.

SECTION 340 PRIMARY CARE RESEARCH AND DEMONSTRATION PROJECTS

House Amendment: Makes technical and clarifying amendments to section 340 of the Public Health Service Act—Primary Care Research and Demonstration Projects—in order to remove the requirement that grantees under existing section 340 must provide health services, so that educational institutions, among other entities, would be eligible for such grants, and to clarify that grants under section 340 may be made to a project that could also be funded under existing section 304 (General Authority Respecting Research, Evaluations and Demonstrations in Health Statistics, Health Services, and Health Care Technology), and under existing section 305 (National Center for Health Services Research). Existing section 340 prohibits grants to those projects that could be funded under any authority of the Public Health Service Act other than section 301 (General Research and Investigation Authority).

Senate bill: Has no comparable provision.

Compromise: The compromise includes the House provision.

The following chart explains the amounts authorized to be appropriated in the Senate bill, the House amendment, and the compromise agreement:

AUTHORIZATIONS OF APPROPRIATIONS IN S. 497

[In millions of dollars]

	Fiscal year 1980			Fiscal year 1981			Fiscal year 1982		
	House	Senate	Compromise	House	Senate	Compromise	House	Senate	Compromise
EMS programs:									
Systems development	$40	$40	$40	$40	$40	$40.0	$40	$40	$40.0
Sec. 1204 3d grants	[1]5			[1]5		6.0	[1]5		
Research	4	3	3	4	3	3.5	4	3	3.5
Training	10	4	5	10	4	7.0	10	4	8.0
Subtotal	59	47	48	59	47	56.5	59	47	51.5
Sec. 1221 programs:									
Burn, poison, trauma		3	6		3	12.0		3	10.0
Burn only	10			10			10		
Poison only	10			8			6		
Poison earmark out of amounts appropriated (percent)			(50)			(25)			(25)
Trauma earmark out of amounts appropriated (percent)						(25)			(25)
Subtotal	20	3	6	18	3	12.0	16	3	10.0
Sudden infant death syndrome program	(2)	5	5	(2)	7	7.0			
Total	79	55	59	77	57	75.5	75	50	61.5

[1] House amendment included 4th grants also.

[2] Existing law authorizes the appropriation of $4 million for fiscal year 1980 and $5 million for fiscal year 1981.

	Fiscal year 1980	Fiscal year 1981	Fiscal year 1982	3-yr total
Totals:				
House	$79	$77.0	$75.0	$213
Senate	55	57.0	50.0	162
Compromise	59	75.5	61.5	196

Changes in Existing Law (Public Law 93-154, as Amended, Public Law 93-270, as Amended, and Public Law 95-626) Made by Compromise on S. 497

For the information of the Members of Congress, changes in existing law (Public Law 93-154, as amended, Public Law 93-270, as amended, and Public Law 95-626) made by the compromise on the bill (S. 497), are shown as follows (existing law to be omitted is enclosed in light brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

PUBLIC HEALTH SERVICE ACT, AS AMENDED

* * * * *

TITLE III—GENERAL POWERS AND DUTIES OF PUBLIC HEALTH SERVICE

* * * * *

Part D—Primary Health Care

* * * * *

Subpart IV—Research and Demonstration Projects in Primary Care

PRIMARY CARE RESEARCH AND DEMONSTRATION PROJECTS

Sec. 340. (a) The Secretary may make grants to, and enter into contracts with, public and private entities [which provide health services]—

(1) to demonstrate new and innovative methods for the provision of primary health services and dental health services, or

(2) to conduct research on such methods or on existing methods for the provision of primary health services and dental health services,

to medical underserved populations or to such other populations as the Secretary determines are necessary to demonstrate or conduct research on particular methods.

(b) Grants and contracts may be made under subsection (a) to demonstrate and conduct research on—

(1) methods of attracting and retaining primary care physicians, dentists, physician assistants, nurse practitioners, and other health professionals, both individually and as teams, to train and practice among medical underserved populations;

(2) differing types of organizational models and relationships including federations of health service centers designed to meet unique primary health and dental health service needs;

(3) management and technological improvements (including new or improved methods for biomedical communication and medical and financial recordkeeping and billing systems) to increase the productivity, effectiveness, efficiency, and financial stability of primary health and dental health service providers;

(4) methods of providing health promotion, disease prevention, and health education programs, including school health programs;

(5) methods of identifying, coordinating, and integrating existing primary health and dental health service programs with mental health and social service programs to maximize use of available resources, avoid duplication of effort, and ensure a coordinated, comprehensive care system;

(6) specific services or mixtures of services appropriate for a given area, including ambulatory care, home health care, environmental health services (described in section 330(a)(4)), community outreach activities, transportation services, and other supplemental health services (as defined in section 330(b)(2));

(7) the effect of availability of primary health and home health services in terms of reduction of emergency room visits, hospitalizations, and institutionalization in long-term care facilities;

(8) the use of mobile health screening clinics to provide preventive health care services to meet the needs of medical underserved populations; and

(9) such other projects as the Secretary determines to be necessary to further the purposes of this section.

(c)(1) The Secretary may not make a grant or enter into a contract under this section for a project if the project can be carried out under the authority of any other provision (other than section 301, *304, or 305*) of this Act.

(2) The Secretary shall, to the extent feasible, coordinate demonstration and research projects carried out under this section with any demonstration and research projects carried out under the Social Security Act for the reimbursement of services which are subject of projects under this section.

(d)(1) No grant may be made under this section unless an application therefor is submitted to, and approved by, the Secretary. Such an application shall be submitted in such form and manner and shall contain such information as the Secretary shall prescribe.

(2) The amount of any grant or contract under this section shall be determined by the Secretary.

(3) The Secretary may make payments under this section in advance or by way of reimbursement, and at such intervals and on such conditions as the Secretary may find necessary.

(e) The Secretary shall submit an annual report to Congress not later than March 1 of each year (beginning with 1979) describing—

(1) the projects conducted under this section during the fiscal year ending in the previous year and why they could not be assisted under the authority of other provisions of this Act;

(2) the amount of funds expended in such fiscal year for each project area set forth in subsection (b) and, if more than 20 per centum of the amount appropriated for this section was expended on any single such project area, the reasons for such concentration of expenditures; and

(3) any recommendations resulting from the conduct of such projects.

In the first such report, the Secretary shall include the number of demonstration projects which were funded under section 1110 of the Social Security Act during the fiscal year ending September 30, 1978, which were related to health services in rural medical underserved areas, and which could have been assisted under this section during the fiscal year ending September 30, 1979, but for subsection (c)(1) of this section.

(f) As used in this section, the term "medical underserved population" has the meaning given such term in section 330(b)(3).

(g)(1) There are authorized to be appropriated for the purposes of funding grants and contracts under this section in areas that are not urbanized areas (as defined by the Census Bureau) $18,000,000 for the fiscal year ending September 30, 1979, $20,000,000 for the fiscal year ending September 30, 1980, and $22,000,000 for the fiscal year ending September 30, 1981.

(2) There are authorized to be appropriated for the purposes of funding grants and contracts under this section in urbanized areas (as defined by the Census Bureau) $4,000,000 for the fiscal year ending September 30, 1979, $4,500,000 for the fiscal year ending September 30, 1980, and $5,000,000 for the fiscal year ending September 30, 1981.

(3) The authority of the Secretary to enter into contracts under this section shall be effective for any fiscal year only to such extent or in such amounts as are provided in advance in appropriation Acts.

(4) The Secretary may continue to support, out of funds appropriated under this section, those demonstration projects which were funded under section 1110 of the Social Security Act during fiscal year ending September 30, 1978, and which are related to health services in rural medical underserved areas, but only if such projects can not be carried out under the authority of any other provision (other than section 301, *304, or 305*) of this Act.

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TITLE VII—HEALTH RESEARCH AND TEACHING FACILITIES AND TRAINING OF PROFESSONAL HEALTH PERSONNEL

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Part F—Grants and Contracts for Programs and Projects

* * * * *

TRAINING IN EMERGENCY MEDICAL SERVICES

Sec. 789. (a)(1) The Secretary may make grants to and enter into contracts with hospitals having training programs which meet requirements established by the Secretary, schools of medicine, dentistry, osteopathy, and nursing training centers for allied health professions, other appropriate educational entities, and other appropriate public entities (as defined in paragraph (2)) to assist in meeting the cost of training programs in the techniques and methods of providing emergency medical services (including the skills required in connection with the provision of ambulance service), to assist in meeting the cost of training (including the cost of establishing programs for the training) of physicians in emergency medicine, especially training which affords clinical experience in providing medical services in emergency medical services systems receiving assistance under title XII of this Act, and to provide financial assistance (in the form of traineeships and fellowships) to residents who plan to specialize or work in the practice of emergency medicine.

(2) For the purposes of paragraph (1), the term "other appropriate public entity" means a State, unit of general local government, or any other public entity which—

(A) has established an emergency medical services system (as defined in section 1201 (1)), and

(B) except with respect to the basic training of emergency medical technicians, has entered into an agreement with an appropriate educational entity for a training program under this section.

(b) No grant or contract may be made or entered into under this section unless (1) the applicant is a public or nonprofit private entity, and (2) an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner and contain such information, as the Secretary shall by regulation prescribe.

(c) The amount of any grant or contract under this section shall be determined by the Secretary. Payments under grants and contracts under this section may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretary finds necessary. Grantees and contractees under this section shall make such reports at such intervals and containing such information, as the Secretary may require.

(d) Contracts may be entered into under this section without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

(e) No regulation, guideline, funding priority, or application form shall be established with respect to this section without the full participation in the development of such regulation, guideline, priority, or form, by the administrative unit described in section 1208.

(f) To the maximum extent practicable, the Secretary shall establish a uniform funding cycle so as to coordinate the submission and review of applications for grants and contracts under title XII and under this section and to coordinate funding policies among programs carried out under such authorities.

(g)(1) For the purpose of making payments pursuant to grants and contracts under this section, there are authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1974, and each of the next five fiscal years, *$5,000,000 for the fiscal year ending September 30, 1980, $7,000,000 for the fiscal year ending September 30, 1981, and $8.000,000 for the fiscal year ending September 30, 1982.*

(2) No less than 30 percent of the funds appropriated under paragraph (1) for any fiscal year shall be used in that fiscal year to assist in meeting the cost of training and of establishing of programs for the training of physicians in emergency medicine.

*   *   *   *   *

TITLE XI—GENETIC DISEASES, HEMOPHILIA PROGRAMS, AND SUDDEN INFANT DEATH SYNDROME

PART B—SUDDEN INFANT DEATH SYNDROME

SUDDEN INFANT DEATH SYNDROME COUNSELING, INFORMATION, EDUCATIONAL, AND STATISTICAL PROGRAMS

SEC. 1121. (a) *(1)* The Secretary, through *an identifiable administrative unit under the supervision of* the Assistant Secretary for Health, shall carry out a program to develop public information and professional educational materials relating to sudden infant death syndrome, and to disseminate such information and materials to persons providing health care, to public safety officials, and to the [public generally.] *general public. The Secretary shall administer, through such unit, the functions assigned in this section, and shall provide such unit with such full-time professional and clerical staff and with the services of such consultants and of such management and supporting staff as may be necessary for it to carry out such functions effectively.*

(2) The Secretary shall—

(A) develop and implement a system for the periodic reporting to the Department, and dissemination by the Department, of information collected under grants and contracts made under subsection (b) *(1) of this section; and*

(B) carry out coordinated clearinghouse activities on sudden infant death syndrome, including the collection and dissemination to the public, health and educational institutions, professional organizations, voluntary groups with a demonstrated interest in sudden infant death syndrome, and other interested parties of information pertaining to sudden infant death syndrome and related issues such as death investigation systems, personnel training, biomedical research activities, and information on the utilization and availability of treatment or prevention procedures and techniques, such as home monitors.

The Secretary is authorized to enter into contracts with public or private entities to carry out the information and clearinghouse activities required under this subsection.

(b) (1) The Secretary [may] *is authorized to* make grants to public [and] *or* nonprofit private entities, and enter into contracts with public [and] *or* private entities, for projects which include both—

(A) the collection, analysis, and furnishing of information (derived from post mortem examinations and other means) relating to the causes *and other appropriate aspects* of sudden infant death syndrome; and

(B) the provision of information and counseling to families affected by sudden infant death syndrome.

(2) No grant may be made or contract entered into under this subsection unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information as the Secretary shall, by regulation, prescribe. Each application shall—

(A) provide that the project for which assistance under this subsection is sought will be administered by or under *the* supervision of the applicant;

(B) provide for appropriate community representation (*including appropriate involvement of voluntary groups with a demonstrated interest in sudden infant death syndrome*) in the development and operation of such project;

(C) set forth such fiscal controls and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this subsection; and

(D) provide for making such reports in such form, *at such times,* and containing such information as the Secretary may reasonably [require.] *require, including such reports as will assist in carrying out the provisions of subsection* (*a*) (2) *of this section.*

[(3) Payments under grants under this subsection may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

[(4) Contracts under this subsection may be entered into without regard to sections 3648 through 3709 of the Revised Statutes (31 U.S.C. 529; 44 U.S.C. 5).

[(5) For the purpose of making payments pursuant to grants and contracts under this subsection, there are authorized to be appropriated $2,000,000 for the fiscal year ending 1975, $3,000,000 for the fiscal year ending 1976, $4,000,000 for the fiscal year ending September 30, 1977, $3,650,000 for the fiscal year ending September 30, 1978, $3,500,000 for the fiscal year ending September 30, 1979, $4,000,000 for the fiscal year ending September 30, 1980, and $5,000,000 for the fiscal year ending September 30, 1981.

[(c) The Secretary shall submit, not later than January 1, 1976, a comprehensive report to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives respecting the administration of this section and the results obtained from the programs authorized by it.]

(c) (1) Not later than February 1 of each year after 1979, the Secretary shall submit to the Committee on Labor and Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives a comprehensive report on the administration of this part (including funds and positions allocated for personnel) and the results obtained from activities thereunder, including the extent of allocations made to rural and urban areas. The report submitted on or before February 1, 1980, shall also set forth a plan to—

(A) extend counseling and information services to all possessions and territories of of Columbia by July 1, 1980; and

(B) extend counseling and information services to all possessions and territories of the United States by July 1, 1981.

(2) The Secretary shall conduct or provide for the conduct of a study on State laws, practices, and systems relating to death investigation and their impact on sudden and unexplained infant deaths, and any appropriate means (such as model State laws governing death investigations) for improving the quality, frequency, and uniformity of the post mortem examinations performed under such laws, practices, and systems in the case of sudden and unexplained infant deaths. Not later than December 31, 1980, the Secretary shall report to the Congress the results of such study, including recommendations as to any appropriate actions by the Department of Health, Education, and Welfare with respect to the conduct of post mortem investigations in all cases of sudden and unexplained infant death (including the desirability and feasibility of establishing pilot projects for centralized post mortem and specimen examination systems on a statewide or regional basis).

(d) (1) For the purpose of making grants and contracts under and otherwise carrying out this section, there are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975; $3,000,000 for the fiscal year ending June 30, 1974; $4,000,000 for fiscal year 1977; $3,650,000 for fiscal year 1978; $3,500,000 for fiscal year 1979; $5,000,000 for fiscal year 1980; and $7,000,000 for fiscal year 1981.

(2) Payments under grants under this section may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

(3) Contracts under this section may be entered into without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

(4) The Secretary shall seek to make equitable distribution of funds appropriated under this section among the various regions of the country and to ensure that the needs of rural and urban areas are appropriately addressed.

SUDDEN INFANT DEATH SYNDROME RESEARCH AND RESEARCH REPORTS

SEC. *1122. (a) From the sums appropriated to the National Institute of Child Health and Human Development under section 441, the Secretary shall assure that there are applied to research of the type described in subparagraphs (A) and (B) of subsection (b) (1) of this section such amounts each year as will be adequate, given the leads and findings then available from such research, in order to make maximum feasible progress toward identification of infants at risk of sudden infant death syndrome and prevention of sudden infant death syndrome.*

(b) (1) Not later than ninety days after the close of the fiscal year ending September 30, 1979, and of each fiscal year thereafter, the Secretary shall report to the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Labor and Human Resources of the Senate, and the Committee on Interstate and Foreign Commerce of the House of Representatives specific information of such fiscal year on—

(A) the (i) number of applications approved by the Secretary in the fiscal year reported on for grants and contracts under this Act for research which relates specifically to sudden infant death syndrome, (ii) total amount requested under such applications, (iii) number of such applications for which funds were provided in such year, and (iv) total amount of such funds; and

(B) the (i) number of applications approved by the Secretary in such fiscal year for grants and contracts under this Act for research which relates generally to sudden infant death syndrome, including high-risk pregnancy and high-risk infancy research which directly relates to sudden infant death syndrome, (ii) relationship of the high-risk pregnancy and high-risk infancy research to sudden infant death syndrome, (iii) total amount requested under such applications, (iv) number of such applications for which funds were provided in such fiscal year, and (v) total amount of such funds.

(2) Each report submitted under paragraph (1) of this subsection shall—

(A) contain a summary of the findings of intramural and extramural research supported by the National Institute of Child Health and Human Development relating to sudden infant death syndrome as described in subparagraphs (A) and (B) of such paragraph (1), and the plan of such Institute for taking maximum advantage of such research leads and findings; and

(B) provide an estimate of the need for additional funds over each of the next five

fiscal years for grants and contracts under this Act for research activities described in such subparagraphs.

(c) Within five days after the Budget is transmitted by the President to the Congress for each fiscal year after fiscal year 1980, the Secretary shall transmit to the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Labor and Human Resources of the Senate, and the Committee on Interstate and Foreign Commerce of the House of Representatives an estimate of the amounts requested for the National Institute of Child Health and Human Development and any other Institutes of the National Institutes of Health, respectively, for research relating to sudden infant death syndrome as described in subparagraphs (A) and (B) of subsection (b)(1) of this section, and a comparison of such amounts with the amounts requested for the preceding fiscal year.

* * * * *

TITLE XII—EMERGENCY MEDICAL SERVICES SYSTEMS

PART A—ASSISTANCE FOR EMERGENCY MEDICAL SERVICES SYSTEMS

DEFINITIONS

SEC. 1201. For purposes of this part:

(1) The term "emergency medical services system" means a system which provides for the arrangement of personnel, facilities, and equipment for the effective and coordinated delivery in an appropriate geographical area of health care services under emergency conditions (occurring either as a result of the patient's condition or of natural disasters or similar situations) and which is administered by a public or nonprofit private entity which has the authority and the resources to provide effective administration of the system.

(2) The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

(3) The term "modernization" means the alteration, major repair (to the extent permitted by regulations), remodeling, and renovation of existing buildings (including initial equipment thereof), and replacement of obsolete, built-in (as determined in accordance with regulations) equipment of existing buildings.

(4) The term "section 1521 State health planning and development agency" means the agency of a State designated under section 1521(b)(3).

(5) The term "section 1515 health systems agency" means a health systems agency designated under section 1515, and the term "health systems plan" means a health systems plan referred to in section 1513(b)(2).

GRANTS AND CONTRACTS FOR FEASIBILITY STUDIES AND PLANNING

SEC. 1202. (a)(1) The Secretary may make grants to and enter into contracts with eligible entities (as defined in section 1206(a)) for projects which include both studying the feasibility of and planning (A) the establishment and operation of an emergency medical services system, (B) the expansion and improvement of such a system, or (C) both.

(2) If the Secretary makes a grant or enters into a contract under this section for a study and planning project respecting an emergency medical services system for a particular geographical area, the Secretary may not make any other grant or enter into any other contract under paragraph (1) for such project, and he may not make a grant or enter into a contract under paragraph (1) for any other study and planning project respecting an emergency medical services system for the same area or for an area which includes (in whole or substantial part) such area.

(b)(1) The Secretary may make a grant to or enter into a contract with an eligible entity (as defined in section 1206(a)) with respect to an emergency medical services system for the purpose of enabling the entity—

(A) to study the feasibility of, or plan for, the expansion and improvement of such system to provide for the use in such system of advanced life-support techniques, or

(B) if such system is the system of a State for which system a study and planning grant or contract has been made or entered into under subsection (a) and if the entity is that State, to update the plan of such system to improve the delivery of emergency medical services in rural areas and to medically underserved populations of the State.

(2) If the Secretary makes a grant or enters into a contract under paragraph (1) respecting an emergency medical services system for a particular geographical area, the Secretary may not make any other grant or enter into any other contract under paragraph (1) respecting such system, or respecting any other such system for the same area or for an area which includes (in whole or substantial part) such area.

(c) An eligible entity which has received a grant from or entered into a contract with the Secretary under this section shall submit to the Secretary and the Interagency Committee on Emergency Medical Services (established under section 1209) a report on the results of such grant or contract at such intervals as the Secretary may prescribe, and shall submit to the Secretary and such Committee a final report on the results of such grant or contract not later than one year after the date the grant was made or the contract was entered into, as the case may be.

(d) An application for a grant or contract under this section shall—

(1) demonstrate to the satisfaction of the Secretary the need of the area for the emergency medical services system for which the application is made;

(2) contain assurances satisfactory to the Secretary that the applicant is qualified to plan an emergency medical services system for such area; and

(3) contain assurances satisfactory to the Secretary that the planning will be conducted in cooperation (A) with each section 1515 health systems agency whose health systems plan covers or will cover (in whole or in part) such area, and (B) with any emergency medical services council or other entity responsible for review and evaluation of the provision of emergency medical services in such area.

(e) The amount of any grant under this section shall be determined by the Secretary.

(f) [The Secretary may not obligate or expend in any fiscal year] *Priority* for *making* grants [and contracts made] or [entered] *entering* into [under subsection (b)(1) an amount greater than 50 per centum of the sums appropriated in such year for grants and contracts made or entered into] *contracts* under this section *shall be afforded to eligible entities applying for such grants or contracts under subsection (a) of this section.*

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GRANTS AND CONTRACTS FOR EXPANSION AND IMPROVEMENT

SEC. 1204. (a) The Secretary may make grants to and enter into contracts with eligible entities (as defined in section 1206(a)) for projects for the expansion and improvement of emergency medical services systems, including the acquisition of equipment and facilities, the modernization of facilities, and other projects to expand and improve such systems.

(b)(1) [If a] *Except as provided in paragraph (2), if a* grant or contract is made or entered into under this section for a system, the Secretary may make one additional grant or contract for that system if he determines, after a review of at least the first nine months' activities of the applicant carried out under the first grant or contract, that the applicant is satisfactorily progressing in the expansion and improvement of the system in accordance with the plan contained in its application (pursuant to section 1206(b)(4)) for the first grant or contract.

(2) The Secretary may make a third grant or enter into a third contract under subsection (a) for an emergency medical services system if—

(A) Federal financial assistance under this Act for emergency medical services for the geographical area with respect to which such grant or contract would be made or entered into was first provided under a grant or contract under this section, or

(B) the Secretary determines that the applicant (i) demonstrates an exceptional need for such grant or contract, and (ii) is making substantial progress toward achieving financial support to implement the plan described in subsection (d)(1)(B)(ii).

A third grant or contract under subsection (a) may not be used to replace equipment or facilities acquired with a previous grant or contract under such subsection.

[(2)] *(3)* Subject to section 1206(f)—

(A) the amount of the first grant or contract under this section for an emergency medical services system may not exceed (i) 50 per centum of the expansion and improvement costs (as determined pursuant to regulations of the Secretary) of the system for the year for which the grant or contract is made, or (ii) in the case of applications which demonstrate an exceptional need for financial assistance, 75 per centum of such costs for such year; and

(B) the amount of [the second] a grant or contract (*other than the first grant or contract*) under this section for a system may not exceed (i) 25 per centum of the expansion and improvement costs (as determined pursuant to regulations of the Secretary) of the system for the year for which the grant or contract is made, or (ii) in the case of applications which demonstrate an exceptional need for financial assistance, 50 per centum of such costs for such year.

(c) A grant or contract may not be made to or entered into with an entity under this section with respect to an emergency medical services system unless the entity submits with its application for such grant or contract assurances of the participation and support of the system by the public, private, and volunteer organizations and entities which are associated with and involved in activities essential to the effective provision of emergency medical services in the system's service area.

(d)(1) A grant or contract may not be made to or entered into with an entity under this section with respect to an emergency medical services system unless—

(A) the application for such grant or contract includes specific plans for the step-by-step achievement of compliance with each of the requirements of section 1206(b)(4)(C) within the period specified in section 1206(b)(4)(B)(i); and

(B) the application for such grant or contract includes assurances, evidenced by copies of formal resolutions, proclamations, or other acts of the executive or legislative governmental bodies of political subdivisions located in the system's service area which govern a substantial proportion of the population residing in such area, of such bodies'—

(i) support and cooperation with the system, and

(ii) endorsement and support of a specific financial plan which provides for the maintenance of the financial support of the system, after the conclusion of the period of the grant or contract, at the level required to maintain the level of expanded or improved activity to be achieved during the period of the grant or contract.

(2) A [second] grant or contract (*other than the first grant or contract*) may not be made to or entered into with an entity under this section with respect to an emergency medical services system unless—

(A) the Secretary has made the required determination under subsection (b) (1), and

(B) the application for such grant or contract includes assurances, of the executive or legislative governmental bodies of political subdivisions located in the system's service area which govern a substantial proportion of the population residing in such area, that substantial progress is being made toward achieving the financial support to implement the plan described in paragraph (1) (B) (ii).

(e) An eligible entity which has received a grant from or has entered into a contract with the Secretary under this section shall submit to the Secretary and the Interagency Committee on Emergency Medical Services (established under section 1209) a report on the results of such grant or contract at such intervals as the Secretary may prescribe, and shall submit to the Secretary and such Committee a final report on the results of grants made to or contracts entered into with the entity under this section not later than one year after the completion of the [second] *last* such grant or contract under this section.

* * * * *

GENERAL PROVISIONS RESPECTING GRANTS AND CONTRACTS

SEC. 1206. (a) For purposes of sections 1202, 1203, and 1204, the term "eligible entity" means—

(1) a State,

(2) a unit of general local government,

(3) a public entity administering a compact or other regional arrangement or consortium, or

(4) any other public entity and any nonprofit private entity.

(b) (1) (A) No grant or contract may be made under this part unless an application therefor has been submitted to, and approved by, the Secretary.

(B) No applicant may receive more than a total of five grants, contracts, or grants and contracts under this part, except that in determining the number of grants and contract which an applicant received under this part, the Secretary shall not include any grant or contract received under section 1202(b) (1) or 1205 *or a third grant or contract received under section 1204.*

(2) In considering applications submitted under this title, the Secretary shall give priority to aoplications submitted by the entities described in clauses (1), (2), and (3) of subsection (a).

* * * * *

AUTHORIZATION OF APPROPRIATIONS

SEC. 1207. [(a) (1) For] *(a) (1) (A) Except as provided in subparagraph (B), for* the purpose of making payments pursuant to grants and contracts under sections 1202, 1203, and 1204, there are authorized to be appropriated $30,000,000 for the fiscal year ending June 30, 1974, $60,000,000 for the fiscal year ending June 30, 1975, $35,000,000 for the fiscal year ending June 30, 1976, $5,083,000 for the period beginning July 1, 1976, and ending September 30, 1976, $45,000,000 for the fiscal year ending September 30, 1977, [and] $55,000,000 for the fiscal year ending September 30, [1978; and for the purpose of making payments pursuant to grants and contracts under sections 1202, 1203, and 1204, there are authorized to be appropriated] *1978*, $70,000,000 for the fiscal year ending September 30, 1979, *and $40,000,000 for the fiscal year ending September 30, 1980, and for each of the next two fiscal years.*

(B) No funds appropriated under subparagraph (A) may be used to make payments under a third grant or contract made or entered into under section 1204. For the purpose of making payments under such a grant or contract, there are authorized to be appropriated $6,000,000 for the fiscal year ending September 30, 1981.

(2) Of the sums appropriated under paragraph (1) for any fiscal year, not less than 20 per centum shall be made available for grants and contracts under this title for such fiscal year for emergency medical services systems which serve or will serve rural areas (as defined in regulations of the Secretary under section 1203(c) (5)).

(3) Of the sums appropriated under paragraph (1) for the fiscal year ending June 30, 1974, or the succeeding fiscal year—

(A) 15 per centum of such sums for each such fiscal year shall be made available only for grants and contracts under section 1202 (relating to feasibility studies and planning) for such fiscal year;

(B) 60 per centum of such sums for each such fiscal year shall be made available only for grants and contracts under section 1203 (relating to establishment and initial operation) for such fiscal year; and

(C) 25 per centum of such sums for each such fiscal year shall be made available only for grants and contracts under section 1204 (relating to expansion and improvement) for such fiscal year.

(4) Of the sums appropriated under paragraph (1) for the fiscal year ending June 30, 1976—

(A) 75 per centum of such sums shall be made available only for grants and contracts under section 1203 for such fiscal year, and

(B) 25 per centum of such sums shall be made available only for grants and contracts under section 1204 for such fiscal year.

(5) (A) Of the sums appropriated under paragraph (1) for the fiscal year ending September 30, 1977, and for each of the two succeeding fiscal years at least 2½ per centum but not more than 5 per centum of such sums for each such fiscal year shall be used for grants and contracts under section 1202. *Of the sums appropriated under paragraph (1) (A)—*

(i) at least one per centum of the sums appropriated for the fiscal year ending September 30, 1980, at least three-fourths of one per centum of the sums appropriated for the fiscal year ending September 30, 1981, and at least one-half of one per centum of the sums appropriated for the fiscal year ending September 30, 1982, and

(ii) not more than 5 per centum of the sums appropriated for any such fiscal year, shall be used for grants and contracts under section 1202.

(B) Of the sums appropriated under paragraph (1) *(A)* for the fiscal year ending September 30, 1977, and for each of the [two] *five* succeeding fiscal years, (i) not less than 20 per centum of such sums for each such fiscal [years] *year* and (ii) not less than 20 per centum of such sums for each such fiscal year shall be used for grants and contracts under section 1204.

(b) For the purpose of making payments pursuant to grants and contracts under section 1205 (relating to research) there are authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1974, and for each of the next five fiscal years, *$3,000,000 for the fiscal year ending September 30, 1980, $3,500,000 for the fiscal year ending September 30, 1981, and $3,500,000 for the fiscal year ending September 30, 1982.*

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INTERAGENCY COMMITTEE ON EMERGENCY MEDICAL SERVICES

SEC. 1209. (a) * * *

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(c) The Secretary or his designee shall serve as Chairman of the Committee, the membership of which shall include (1) appropriate scientific, medical, or technical representation from the Department of Transportation, the Department of Justice, the Department of Defense, the Veterans' Administration, the National Science Foundation, the Federal Communications Commission, *the Federal Emergency Management Agency (established pursuant to Reorganization Plan Number 3 of June 19, 1978)* and such other Federal agencies and offices (including appropriate agencies and offices of the Department of Health, Education, and Welfare) and from the National Academy of Sciences, as the Secretary determines administer programs directly affecting the functions or responsibilities of emergency medical services systems, and (2) five individuals from the general public appointed by the President from individuals who by virtue of their training or experience are particularly qualified to participate in the performance of the Committee's functions. The Committee shall meet at the call of the Chairman, but not less often than four times a year.

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PART B—BURN, TRAUMA, AND POISON INJURIES

PROGRAMS RELATING TO BURN, TRAUMA, AND POISON INJURIES

SEC. 1221. (a) (1) The Secretary may make grants to, and enter into contracts with, public or private nonprofit entities for the support of, and may conduct, programs for the establishment, operation, and improvement of activities to (A) demonstrate the effectiveness of different methods *and organizational arrangements* for the treatment and rehabilitation of individuals injured by burns, *trauma, or poison,* (B) conduct research in the treatment and rehabilitation of such individuals, and (C) provide training in such treatment and rehabilitation and in such research.

(2) The Secretary may enter into contracts with entities and individuals for the support of research in the treatment and rehabilitation of indivduals injured by burns, *trauma, or poison.*

(b) No grant or contract may be made or entered into under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be submitted in such form and manner and contain such information as the Secretary may require. In considering applications under this section, the Secretary shall give priority to applications for programs which (1) will provide services within a geographical area in which services are not currently being adequately provided, and (2) are in or accessible to the service area of an emergency medical services system (as defined in section 1201(1)). *No grant or contract under subsection (a) for a program relating to poison injuries may be made for an amount in excess of 50 per centum of the costs of the program for which it is made.*

(c) For purposes of carrying out subsection (a), there are authorized to be appropriated $5,000,000 for the fiscal year ending September 30, 1977, $7,500,000 for the fiscal year ending September 30, 1978, [and] $10,000,000 for the fiscal year ending September 30, 1979, *$6,000,000 for the fiscal year ending September 30, 1980, $12,000,000 for the fiscal year ending September 30, 1981, and $10,000,000 for the fiscal year ending September 30, 1982. Not less than 50 percentum of the funds appropriated under this subsection for the fiscal year ending September 30, 1980, shall be obligated for grants and contracts under subsection (a) for programs relating to poison injuries and not less than 25 per centum of funds appropriated under this subsection for each of the fiscal years ending September 30, 1981, and September 30, 1982, shall be obligated for grants and contracts under subsection (a) for programs relating to poison injuries and not less than 25 per centum of* *such funds shall be obligated for grants and contracts under subsection (a) for programs relating to trauma injuries.*

Mr. CRANSTON. Mr. President, I now move that the Senate agree to the House amendment to the text of the bill with the following substitute amendment which I send to the desk.

UP AMENDMENT NO. 823

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Seator fromn California (Mr. CRANSTON) proposes an unprinted amendment numbered 823.

Mr. CRANSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

That whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

TITLE I—EMERGENCY MEDICAL SERVICES SYSTEMS AMENDMENTS

SHORT TITLE

SEC. 101. This title may be cited as the "Emergency Medical Services Systems Amendments of 1979".

TRAINING IN EMERGENCY MEDICAL SERVICES

SEC. 102. Section 789(g)(1) (42 U.S.C. 295g-9(g)(1)) is amended by inserting before the period a comma and "$5,000,000 for the fiscal year ending September 30, 1980, $7,000,000 for the fiscal year ending September 30, 1981, and $8,000,000 for the fiscal year ending September 30, 1982".

ASSISTANCE FOR FEASIBILITY STUDIES AND PLANNING

SEC. 103. Section 1202(f) (42 U.S.C. 300d-1 (f)) is amended to read as follows:

"(f) Priority for making grants or entering into contracts under this section shall be afforded to eligible entities applying for such grants or contracts under subsection (a) of this section.".

ASSISTANCE FOR EXPANSION AND IMPROVEMENT

SEC. 104. (a) Subsection (b) of section 1204 (42 U.S.C. 300d-3(a)) is amended by (1) redesignating paragraph (2) as paragraph (3), and (2) adding after paragraph (1) the following new paragraph:

"(2) The Secretary may make a third grant or enter into a third contract under subsection (a) for an emergency medical services system if—

"(A) Federal financial assistance under this Act for emergency medical services for the geographical area with respect to which such grant or contract would be made or entered into was first provided under a grant or contract under this section, or

"(B) the Secretary determines that the applicant (i) demonstrates an exceptional need for such grant or contract, and (ii) is making substantial progress toward achieving financial support to implement the plan described in subsection (d)(1)(B)(ii).

A third grant or contract under subsection (a) may not be used to replace equipment or facilities acquired with a previous grant or contract under such subsection.".

(b)(1) Subsection (b)(1) of such section is amended by striking out "If a" and inserting in lieu thereof "Except as provided in paragraph (2), if a".

(2) Subsection (b)(3)(B) of such section (as so redesignated by subsection (a) of this section) is amended by striking out "the second grant or contract" and inserting in lieu thereof "a grant or contract (other than the first grant or contract)".

(3) Subsection (d)(2) of such section is amended by striking out "A second grant or contract" and inserting in lieu thereof "A grant or contract (other than the first grant or contract)".

(4) Subsection (e) of such section is amended by striking out "second such grant" and inserting in lieu thereof "last such grant".

(c) Section 1206(b)(1)(B) (42 U.S.C. 300d-5(b)(1)(B)) is amended by inserting before the period at the end "or a third grant or contract received under section 1204".

AUTHORIZATION OF APPROPRIATIONS

SEC. 105. (a) Section 1207(a)(1) (42 U.S.C. 300d-6(a)(1)) is amended by—

(1) striking out "(a)(1) For" and inserting in lieu thereof "(a)(1)(A) Except as provided in subparagraph (B), for"

(2) striking out "and" after "1977",

(3) striking out "1978; and for the purpose of making payments pursuant to grants and contracts under sections 1202, 1203, and 1204, there are authorized to be appropriated" and inserting in lieu thereof "1978,",

(4) inserting before the period at the end thereof a comma and "and $40,000,000 for the fiscal year ending September 30, 1980, and for each of the next two fiscal years", and

(5) adding at the end the following new subparagraph:

"(B) No funds appropriated under subparagraph (A) may be used to make payments under a third grant or contract made or entered into under section 1204. For the purpose of making payments under such a grant or contract, there are authorized to be appropriated $6,000,000 for the fiscal year ending September 30, 1981.".

(b)(1) Paragraph (5)(A) of subsection (a) of section 1207 is amended by adding at the end the following new sentence: "Of the sums appropriated under paragraph (1)(A)—

"(i) at least one per centum of the sums appropriated for the fiscal year ending September 30, 1980, at least three-fourths of one per centum of the sums appropriated for the fiscal year ending September 30, 1981, and at least one-half of one per centum of the sums appropriated for the fiscal year ending September 30, 1982, and

"(ii) not more than 5 per centum of the sums appropriated for any such fiscal year, shall be used for grants and contracts under section 1202.".

(2) Paragraph (5)(B) of subsection (a) of such section is amended by (A) striking out "paragraph (1)" and inserting in lieu thereof "paragraph (1)(A)", (B) striking out "such fiscal years" and inserting in lieu thereof "such fiscal year", and (C) striking out "two" and inserting in lieu thereof "five".

(c) Section 1207(b) is amended by inserting before the period at the end a comma and "$3,000,000 for the fiscal year ending September 30, 1980, $3,500,000 for the fiscal year ending September 30, 1981, and $3,500,000 for the fiscal year ending September 30, 1982".

INTERAGENCY COMMITTEE ON EMERGENCY MEDICAL SERVICES

SEC. 106. Section 1209(c) (42 U.S.C. 300d-8(c)) is amended by inserting "the Federal Emergency Management Agency (established pursuant to Reorganization Plan Number 3 of June 19, 1978)," after "Commission,".

BURN, POISON, AND TRAUMA INJURIES

SEC. 107. (a) Section 1221(a) (42 U.S.C. 300d-21(a)) is amended by—

(1) inserting "and organizational arrangements" after "different methods", and

(2) inserting a comma and "trauma, or poison" after "burns" both times it appears.

(b) Section 1221(b) is amended by adding at the end the following sentence: "No grant or contract under subsection (a) for a program relating to poison injuries may be made for an amount in excess of 50 per centum of the costs of the program for which it is made."

(c) Section 1221(c) is amended by—

(1) striking out "and" after "1978,",

(2) inserting before the period a comma and "$6,000,000 for the fiscal year ending September 30, 1980, $12,000,000 for the fiscal year ending September 30, 1981, and $10,000,000 for the fiscal year ending September 30, 1982", and

(3) adding at the end the following new sentences: "Not less than 50 per centum of the funds appropriated under this subsection for the fiscal year ending September 30, 1980, shall be obligated for grants and contracts under subsection (a) for programs relating to poison injuries. Not less than 25 per centum of the funds appropriated under this subsection for each of the fiscal years ending September 30, 1981, and September 30, 1982, shall be obligated for grants and contracts under subsection (a) for programs relating to poison injuries and not less than 25 per centum of such funds shall be obligated for grants and contracts under subsection (a) for programs relating to trauma injuries.".

(d)(1) The title of part B of title XII is amended by striking out "BURN INJURIES" and inserting in lieu thereof "BURN, TRAUMA, AND POISON INJURIES".

(2) The heading for section 1221 is amended by striking out "BURN INJURIES" and inserting in lieu thereof "BURN, TRAUMA, AND POISON INJURIES".

EFFECTIVE DATE

SEC. 108. The amendments made by this title to section 789 and title XII of the Public Health Service Act shall take effect with respect to appropriations made under those provisions for fiscal years beginning after September 30, 1979.

TITLE II—SUDDEN INFANT DEATH SYNDROME AMENDMENTS

SHORT TITLE

SEC. 201. This title may be cited as the "Sudden Infant Death Syndrome Amendments of 1979".

SUDDEN INFANT DEATH SYNDROME PROGRAM

SEC. 202. Part B of title XI (42 U.S.C. 300c-11) is amended to read as follows:

"PART B—SUDDEN INFANT DEATH SYNDROME

"SUDDEN INFANT DEATH SYNDROME COUNSELING, INFORMATION, EDUCATIONAL, AND STATISTICAL PROGRAMS; PLANS AND REPORTS

"SEC. 1121. (a)(1) The Secretary, through an identifiable administrative unit under the supervision of the Assistant Secretary for Health, shall carry out a program to develop public information and professional educational materials relating to sudden infant death syndrome, and to disseminate such information and materials to persons providing health care, to public safety officials, and to the general public. The Secretary shall administer, through such unit, the functions assigned in this section, and shall provide such unit with such full-time professional and clerical staff and with the services of such consultants and of such management and supporting staff as may be necessary for it to carry out such functions effectively.

"(2) The Secretary shall—

"(A) develop and implement a system for the periodic reporting to the Department, and dissemination by the Department, of information collected under grants and contracts made under subsection (b)(1) of this section; and

"(B) carry out coordinated clearinghouse activities on sudden infant death syndrome, including the collection and dissemination to the public, health and educational institutions, professional organizations, voluntary groups with a demonstrated interest in sudden infant death syndrome, and other interested parties of information pertaining to sudden infant death syndrome and related issues such as death investigation systems, personnel training, biomedical research activities, and information on the utilization and availability of treatment or prevention procedures and techniques, such as home monitors.

The Secretary is authorized to enter into contracts with public or private entities to carry out the information and clearinghouse activities required under this subsection.

"(b)(1) The Secretary is authorized to make grants to public or nonprofit private entities, and enter into contracts with public or private entities, for projects which include both—

"(A) the collection, analysis, and furnishing of information (derived from post mortem examinations and other means) relating to the causes and other appropriate aspects of sudden infant death syndrome; and

"(B) the provision of information and counseling to families affected by sudden infant death syndrome.

"(2) No grant may be made or contract entered into under this subsection unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information as the Secretary shall, by regulation, prescribe. Each application shall—

"(A) provide that the project for which assistance under this subsection is sought will be administered by or under the supervision of the applicant;

"(B) provide for appropriate community representation (including appropriate involvement of voluntary groups with a demonstrated interest in sudden infant death syndrome) in the development and operation of such project;

"(C) set forth such fiscal controls and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this subsection; and

"(D) provide for making such reports in such form, at such times, and containing such information as the Secretary may reasonably require, including such reports as will assist in carrying out the provisions of subsection (a)(2) of this section.

"(c)(1) Not later than February 1 of each year after 1979, the Secretary shall submit to the Committee on Labor and Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives a comprehensive report on the administration of this part (including funds and positions allocated for personnel) and the results obtained from activities thereunder, including the extent of allocations made to rural and urban areas. The report submitted on or before February 1, 1980, shall also set forth a plan to—

"(A) extend counseling and information services to the fifty States and the District of Columbia by July 1, 1980; and

"(B) extend counseling and information services to all possessions and territories of the United States by July 1, 1981.

"(2) The Secretary shall conduct or provide for the conduct of a study on State laws, practices, and systems relating to death investigation and their impact on sudden and unexplained infant deaths, and any appropriate means (such as model State laws governing death investigations) for improving the quality, frequency, and uniformity of the post mortem examinations performed under such laws, practices, and systems in the case of sudden and unexplained infant deaths. Not later than December 31, 1980, the Secretary shall report to the Congress the results of such study, including recommendations as to any appropriate actions by the Department of Health, Education, and Welfare with respect to the conduct of post mortem investigations in all cases of sudden and unexplained infant death (including the desirability and feasibility of establishing pilot projects for centralized post mortem and specimen examination systems on a statewide or regional basis).

"(d)(1) For the purpose of making grants and contracts under and otherwise carrying out this section, there are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975; $3,000,000 for the fiscal year ending June 30, 1976; $4,000,000 for fiscal year 1977; $3,650,000 for fiscal year 1978; $3,500,000 for fiscal year 1979; $5,000,000 for fiscal year 1980; and $7,000,000 for fiscal year 1981.

"(2) Payments under grants under this section may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(3) Contracts under this section may be entered into without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(4) The Secretary shall seek to make equitable distribution of funds appropriated under this section among the various regions of the country and to ensure that the needs of rural and urban areas are appropriately addressed.

"SUDDEN INFANT DEATH SYNDROME RESEARCH AND RESEARCH REPORTS

"SEC. 1122. (a) From the sums appropriated to the National Institute of Child Health and Human Development under section 441, the Secretary shall assure that there are applied to research of the type described in subparagraphs (A) and (B) of subsection (b)(1) of this section such amounts each year as will be adequate, given the leads and findings then available from such research, in order to make maximum feasible progress toward identification of infants at risk of sudden infant death syndrome and prevention of sudden infant death syndrome.

"(b)(1) Not later than ninety days after the close of the fiscal year ending September 30, 1979, and of each fiscal year thereafter, the Secretary shall report to the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Labor and Human Resources of the Senate, and the Committee on Interstate and Foreign Commerce of the House of Representatives specific information for such fiscal year on—

"(A) the (i) number of applications approved by the Secretary in the fiscal year reported on for grants and contracts under this Act for research which relates specifically to sudden infant death syndrome, (ii) total amount requested under such applications, (iii) number of such applications for which funds were provided in such fiscal year, and (iv) total amount of such funds; and

"(B) the (i) number of applications approved by the Secretary in such fiscal year for grants and contracts under this act for research which relates generally to sudden infant death syndrome, including high-risk pregnancy and high-risk infancy research which directly relates to sudden infant death syndrome, (ii) relationship of the high-risk pregnancy and high-risk infancy research to sudden infant death syndrome, (iii) total amount requested under such applications, (iv) number of such applications for which funds were provided in such fiscal year, and (v) total amount of such funds.

"(2) Each report submitted under paragraph (1) of this subsection shall—

"(A) contain a summary of the findings of intramural and extramural research supported by the National Institute of Child Health and Human Development relating to sudden infant death syndrome as described in subparagraphs (A) and (B) of such paragraph (1), and the plan of such Institute for taking maximum advantage of such research leads and findings; and

"(B) provide an estimate of the need for additional funds over each of the next five fiscal years for grants and contracts under this act for research activities described in such subparagraphs.

"(c) Within five days after the Budget is transmitted by the President to the Congress for each fiscal year after fiscal year 1980, the Secretary shall transmit to the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Labor and Human Resources of the Senate, and the Committee on Interstate and Foreign Commerce of the House of Representatives an estimate of the amounts requested for the National Institute of Child Health and Human Development and any other Institutes of the National Institutes of Health, respectively, for research relating to sudden infant death syndrome as described in subparagraphs (A) and (B) of subsection (b)(1) of this section, and a comparison of such amounts with the amounts requested for the preceding fiscal year.".

TITLE III—MISCELLANEOUS

MISCELLANEOUS

SEC. 301. (a)(1) Subsection (a) of section 340 (42 U.S.C. 256(a)) is amended by striking out "which provide health services".

(2) Subsections (c)(1) and (g)(4) of such section are each amended by striking out "section 301" and inserting in lieu thereof "section 301, 304, or 305".

(b) The amendments made by subsection (a) of this section shall take effect with respect to appropriations made under section 340 of the Public Health Service Act for fiscal years beginning after September 30, 1979.

Mr. CRANSTON. Mr. President, I believe we have produced a compromise that reflects the concerns of both Houses and will strengthen and improve the programs covered by S. 497.

I move adoption of the amendment.

Mr. JAVITS. Mr. President, my staff has reviewed this amendment and is satisfied with the fundamental thrust of the legislation as being preserved and that this is a proper way to proceed and a highly efficient way to proceed. I have signed off on it as a result. I am a member of the Health Subcommittee of the Committee on Labor and Human Resources.

Mr. CRANSTON. I thank the Senator from New York for his very great help all along the line.

Mr. JAVITS. I thank my colleague.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CRANSTON. Mr. President, I move that the Senate agree to the House amendment to the title of the bill with an amendment which I send to the desk.

The title was amended so as to read:

An Act to extend for three fiscal years the authorizations of appropriations under section 789 and title XII of the Public Health Service Act relating to emergency medical services, to revise and improve the authorities for assistance under such title XII, to increase the authorizations of appropriations and revise and improve the authorities for assistance under part B of title XI of such Act for sudden infant death syndrome counseling and information projects, and for other purposes.

Mr. CRANSTON. Mr. President, I ask unanimous consent that S. 497 be printed with the Senate amendment just agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOME ENERGY ASSISTANCE ACT

The Senate continued with the consideration of S. 1724.

UP AMENDMENT NO 822

Mr. WILLIAMS. Mr. President, I hope I have useful information for the Members of the Senate.

Pending is the compromise amendment that has been offered, regarding the formula under the fuel assistance bill. There has been general debate, and out of that discussion has come one suggestion for an additional amendment that will protect against any inequity that might appear later in the administering of this program. This measure is now being drafted. It is substantive, but it is of modest dimension in this bill. When the drafting is completed, we will offer it.

At this point, if there is any further discussion on the formula compromise in the amendment pending, I suggest that now would be an appropriate time.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. MUSKIE. Mr. President, since the pending amendment is the product of compromise between those who held the perspective of the distinguished Senator from Minnesota and myself and between the Senator from New Jersey and the Senator from Louisiana and others, I think I should at least say publicly that I am for it.

The amendment now before the Senate takes an important step toward addressing the needs that I see among poor people in the Northern Tier States and the needs that I tried to impress on the Senate yesterday. It represents, I think, a responsible and responsive approach to the objectives set out by the Labor and Human Resources Committee in its report on this bill.

At the same time, Mr. President, the allocation formula contained in this amendment provides substantial protection to all States. It assures a level of assistance adequate to meet the needs that my colleagues from warmer States see among their own constituencies.

In short, Mr. President, the amendment strikes a balance—a balance between strong regional interests, the kind of balance that is needed to gain consensus in this body.

As my colleagues from New Jersey, the distinguished floor manager of the bill, has described, the formula in this amendment strikes a middle path between the one in the committee bill and the Boschwitz-Muskie amendment. Almost without exception, it places State allocations squarely within the parameters defined by those two proposed formulas.

For the few States whose allocations would fall below the level provided by both the committee and the Boschwitz-Muskie formulas, there is an important protection.

The amendment provides that, in those cases, States will be guaranteed the minimum level of assistance they would have received under Boschwitz-Muskie or under the committee formula.

In other words, Mr. President, no State will receive less than the least it would have received under one of the two alternatives. We have achieved a fairer distribution of assistance and at the same time protected every State within the limits of the proposals we had before us.

It is an equitable solution to the question of how this bill should distribute assistance. And I recommend it to my colleagues.

Mr. President, for 21 years, I have seen these debates over formulas for the distribution of funds to the States. They are always very difficult, because any change in a formula inevitably generates resistance from those who have a vested interest in the formula which it is proposed to change.

In the case of this particular problem, we have considered at least a half dozen formulas. But the amendment before us represents, in my judgment, an unusual and effective compromise. I compliment the distinguished chairman of the Finance Committee and the distinguished floor leader for crafting this compromise.

What it does is this, in simple terms: It compares the Boschwitz amendment, the committee amendment, and a compromise. Twenty-eight States would benefit most from the Boschwitz amendment. Seventeen States would benefit most from the committee bill. The proposed compromise would be a benefit to only two States, as compared with the other two formulas.

So what the compromise requires is that every State back off from its preferred position. Those States which supported the Boschwitz amendment and those which supported the committee amendment—both groups—must give something in order to arrive at the compromise.

As one looks at the allocations to the different States, by and large, the compromise falls close to the middle between the two formulas.

There are some exceptions for which provision has been made. One of those provisions is that no State will get less than the lower of the two alternatives that were pending yesterday. But for that provision, five States would have received less. I think that was a wise provision, because there is no justice in a compromise which hurts States to a greater extent than the propositions which were being compromised.

Now we are considering another provision that reflects a response, and I think an appropriate response, to a problem surfaced by the distinguished Senators from Alabama. That proposal has the support of those who put this compromise together.

So to those who joined Senator BOSCHWITZ and me yesterday in supporting the Boschwitz amendment, I state that, in my judgment, this is a fair compromise; it is a thoughtful compromise. It represents a genuine effort to cooperate and to accommodate on the part of those who were involved in developing it; I compliment them, and I urge the Senate to support this compromise.

Mr. JAVITS. Mr. President, will the Senator from New Jersey yield?

Mr. WILLIAMS. I yield the floor.

Mr. JAVITS. I would like the Senator to answer a question, if the Senator will give me his attention.

This $25 million fund which the Senator is now trying to set up as an addition to what we all understood was a balanced program worked out over a period of days—will that be a fund for the purpose of assuring that the percentages of the aggregate appropriation, which are listed on the charts which have been distributed and used here, are attained, or does the Senator intend to make some change in the formula itself?

The reason I ask the question is this: I understand that in the run—that is, the computer run which developed these figures—the $120 minimum was not an element, and that may introduce variables into these figures. So I think it is important to find out whether the $25 million is going to change this formula or is going to be a fund to be sure that everybody gets what they think they are going to get.

Mr. WILLIAMS. Because this is an additional amount, it will not change the figures that appear in the formula that was arrived at.

Mr. JAVITS. So the answer is the latter—that is, it is an assurance that everybody will get what they believe they are going to get from consulting these tables.

Mr. WILLIAMS. And if it should develop that, for reasons we cannot describe now, there is any problem in meeting that, this fund would be available for that purpose.

Mr. JAVITS. That sounds all right to me. On that basis, I concur with Senator MUSKIE.

Mr. WILLIAMS. I appreciate that.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. HATCH. It is my understanding that, to the extent those funds are needed, they would be utilized; and if they are not needed, they would be returned.

Mr. WILLIAMS. To the General Treasury.

Mr. HATCH. That is correct. They are part of the authorization; is that correct?

Mr. WILLIAMS. They will be when it is agreed to, yes.

Mr. HATCH. So the funds would have to be appropriated if necessary?

Mr. WILLIAMS. Yes.

Mr. HATCH. By this body?

Mr. WILLIAMS. As with the other.

Mr. HATCH. There is no guarantee on this matter?

Mr. WILLIAMS. Yes, no guarantee.

Mr. HATCH. No guarantee.

I thank the Senator.

Mr. WILLIAMS. I thank the Senator from Utah for his cooperation.

Mr. STEVENS. Mr. President, does the Senator from New Jersey have the floor?

Mr. WILLIAMS. I do but I do not need it if the Senator wants the floor.

The PRESIDING OFFICER. The Senator from New Jersey has the floor.

UP AMENDMENT NO. 822, AS MODIFIED

Mr. WILLIAMS. If the Senator from Alaska will withhold a minute, I said a moment ago we are waiting for the drafting of this modification. It is in its proper form and I send this modification as an amendment to the desk.

The PRESIDING OFFICER. The Senator is privileged to modify his own amendment.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Jersey (Mr. WILLIAMS) proposes an unprinted amendment numbered 822, as modified.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Page 23, line 5, strike out "State" and all that follows down through the end of line 9, and insert the following:

State squared, multiplied by the number of households in such State having incomes equal to or less than the lower living standard income level bears to the sum of such products for all States.

(3) If the allotment for any State determined under paragraphs (1) and (2) of this subsection is less than $100,000,000, the allotment of such State shall, subject to paragraphs (6) and (8) of this subsection, be the greater of its allotment as so determined under such paragraphs or the product of the total amount available for allotment under this subsection and such State's alternative allotment percentage.

(4) The alternative allotment percentage for any State shall equal the higher of (A) percentage of the total the State would receive if its allotment were increased from the $25 million authorized under this subsection to the extent necessary (as determined by the Secretary on the basis of what he determines to be the best available information) so that, if such allotment were divided in a manner such that the amount for all recipient households in such State consisting of one individual were equal, and the amount for all other recipient households in such State were equal to 150 per centum of such amount for a one-individual household, sufficient additional amounts would be available to assure that the amount for each recipient household would be at least $120, or (B) the percentage of 90 per centum of the total amount authorized to be appropriated for fiscal year 1981 under section 4(b) which would be allotted to such State if—

(1) of such 90 per centum (I) one-half was allotted to each State according to the ratios determined under paragraph (1) of subsection (a) of this section and (II) one-half was allotted to each State according to the ratios which would be determined under paragraph (2) of such subsection (a) if, for purposes of such paragraph, the word "squared" were deleted and the term "lower living standard" were defined as 125 per centum of the poverty level as determined in accordance with the criteria established by the Office of Management and Budget; and

(ii) the allotment of each State as determined under subparagraph (A) were increased to the extent necessary (as determined by the Secretary on the basis of what he determines to be the best available information) so that, if such allotment were divided in a manner such that the amount for all recipient households in such State consisting of one individual were equal, and the amount for all other recipient households in such State were equal to 150 per centum of such amount for a one-individual household, sufficient additional amounts would be available to assure that the amount for each recipient household would be at least $120.

There are authorized to be appropriated $25,000,000 for each of the fiscal years 1981 and 1982 for the additional amounts to be allocated to States pursuant to the application of paragraph (A) of this subsection. In the event that the aggregate of such additional amounts would exceed the amount appropriated under the preceding sentence, the additional amount applicable to each State shall be reduced on a pro rata basis.

(5) For purposes of this subsection, the term "recipient household" means—

(A) a household that is an eligible household under section 3(i) of the Food Stamp Act of 1977 and participates in the food stamp program, but which is not a recipient household under subparagraph (B) or (C) of this paragraph;

(B) a household that contains any individual who receives aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act, but which is not a recipient household under subparagraph (C); and

(C) a household that contains an individual who is an eligible individual or eligible spouse receiving supplemental security income benefits under title XVI of the Social Security Act, or an individual receiving payments from the Secretary under an agreement entered into by the Secretary under section 1616 of such Act or section 212 of Public Law 93–66.

For purposes of subparagraphs (B) and (C) the term "household" shall be defined by the Secretary, and shall not include an institution.

(6) The allotment of any State shall be increased under paragraphs (3) and (4) of this subsection only if the increase is attributable in whole or part to the provisions of subparagraphs (A) or (B)(ii) of paragraph (4).

(7) If the allotment for any State determined under paragraphs (1) and (2) of this subsection (without the application of paragraph (8)) is less than the lower of—

(A) the amount which would be allotted to such State if "one-half" in paragraph (1) of this subsection were replaced by "one-quarter" and "one-half" in paragraph (2) of this subsection were replaced by "three-quarters"; and

(B) the amount which would be allotted to such State if the word "squared" in paragraph (2) of this subsection were deleted, then the allotment of such State shall, subject to paragraph (8) of this subsection, be increased to the lower of the allotment it would receive under subparagraph (A) or (B).

(8) The allotments for any fiscal year determined under paragraphs (1) and (2) of this subsection which are not increased pursuant to paragraphs (3), (4), and (7) of this subsection shall be adjusted to the extent necessary and on a pro rata basis to assure that the total of such allotments when added to the allotments which are increased pursuant to paragraphs (3), (4), and (7) of this subsection do not exceed 95 per centum of the sums appropriated for such fiscal year pursuant to section 4(B) plus the amount appropriated pursuant to the authorization in paragraph (4).

Mr. WILLIAMS. Now does the Senator want the floor?

Mr. STEVENS. Yes.

THE PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I am concerned about this, having been one of the two conferees on the Interior appropriations bill that dealt with the formula that applies to the existing funds that we have made available for this year. I appreciate the work that the Senator from Minnesota, the Senator from Maine, my good friend the Senator from Louisiana, and the Senator from New Jersey have done in terms of trying to work out some new formula.

Am I to understand that we are going to now abandon the whole concept of sending a portion of this money out to recipients of social security? And are we to now abandon the concept that we were really talking about assistance to those people who are incurring substantial increases in costs because of high heating costs?

If those are the two objectives that we still have, I certainly wish someone who is a proponent of the compromise would explain to me how it is that Alabama goes from 0.86 percent to 1.06 percent, California goes from 3.73 percent to 4.44 percent, Florida goes from 0.92 percent to 1.72 percent, Georgia from 1.06 percent to 1.3 percent—I could go through the list—Louisiana from 0.55 percent to 1.3 percent.

Where are the fantastic increases in heating costs in those States?

As a matter of fact, there are a series of them. There are 19 States I marked quickly in the chart that was given to me that have increased, and to my knowledge only one of them is a Northern State and that is New Jersey. It goes from 3.57 percent to 3.8 percent.

We did not use any low-income population and $120 minimum and 50 percent of energy expenditures and 50 percent of degree days squared in the Interior formula. We used a formula that was designed to give the assistance where I thought it was needed—in the cold States. I pointed out yesterday that the Interior bill cost my State three times as much as it will bring back into the State. But we supported it. I supported it because I thought we were trying to help the poor in the States that were facing high heating costs.

My message to those Senators who come from cold country States is that existing law provides a very good distribution formula. It has been approved by the House of Representatives and the Senate and will be approved by the President. It will be in effect for this winter, and there is no rush. Why should this be in the windfall profits tax bill?

Other than the fact that the Finance Committee handles raising the funds to go into the Treasury, I think this is the first bill I have ever seen where the Finance Committee claimed the jurisdiction of every comittee to decide where it was spent. I thought that was—with due respect to my friend from Washington—what we did on the Appropriations Committee.

As I take it, this takes us away from the Appropriations Committee for the period of the windfall profits tax. Am I incorrect in that? Does the Senator from New Jersey care to answer that question? It this one of the funds that backdoors funds so the Appropriations Committee never again gets involved in its direction?

Mr. LONG. Could I answer that?

Mr. STEVENS. I am happy to have my good friend from Louisiana answer.

Mr. LONG. The Appropriations Committee is not supposed to be a committee to initiate legislation and authorize programs. The Appropriations Committee is supposed to be a committee that appropriates money to fund programs. But the authorizing process is supposed to be in the other committees.

Mr. STEVENS. Will the Senator from Louisiana tell me when is the next time the Appropriations Committee will deal with the money raised by the windfall profits tax for this program if his bill is passed?

Mr. LONG. Next year.

Mr. STEVENS. On what basis? The Senator has already provided it. He has decided how it is going to be done.

Mr. LONG. This bill we are talking about here is an authorization.

Mr. STEVENS. I understand that. We just passed a bill that has funds in it.

Mr. LONG. We appropriate money, put it in the fund, and the Senator has the joy of spending it out of the fund. More power to him.

Mr. STEVENS. We can spend it as long as it is according to the formula. The Senator puts in the formula as he raises the taxes. I thought he was in the business of raising taxes, not providing heating money for the poor.

Mr. LONG. I think that I have as much right to offer an amendment here as the Senator has, even though I am a committee chairman.

But this particular amendment is not even offered by me. It is offered by the Senator from New Jersey who happens to be the chairman of the Labor and Human Resources Committee.

Mr. WILLIAMS. Which brought this bill to the floor.

Mr. MAGNUSON. Both Senators are guilty.

Mr. STEVENS. In order to take the place of the item already in the bill that came from the Finance Committee, right? What is it doing in the Finance Committee bill to start with? Are we going to go to third reading and put it aside until we take up windfall profits?

Mr. LONG. May I answer that for the Senator?

Mr. STEVENS. I am happy to have him answer that.

Mr. LONG. The Finance Committee has jurisdiction over SSI. The Finance Committee has jurisdiction over the social security bill. The welfare program is title 2 of the social security bill. We have jurisdiction over the taxes we raise to pay for the thing. We have proposed to raise the money to pay for it and this bill proposes to authorize a program.

The Labor and Human Resources Committee has every right to think about these same matters and to suggest how we should go about trying to help poor people and middle-income people meet their costs and to recommend authorizing legislation, and they have done so and I applaud them for doing exactly that.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. WILLIAMS. Five of the bills that were introduced on this subject matter were referred to Labor and Human Resources. We had an assignment to deal with them and we dealt with them. We have moved it and brought it here.

Mr. STEVENS. If we put in a windfall profits tax bill is the Senator going to be a conferee? Is his jurisdiction going to be carried out by putting it in this windfall profits tax bill?

Mr. WILLIAMS. It would be a very good idea, for me to be a conferee would the Senator say?

Mr. STEVENS. It would be a good idea.

Mr. WILLIAMS. Am I going to be?

Mr. LONG. My agreement with the Senator was if this is added to the Finance Committee bill, whatever we bring back here we will clear with the Labor and Human Resources Committee. And I expect to do that.

Mr. WILLIAMS. According to our informal discussion, the description of the responsibility of the Human Resources Committee on this bill when it reaches conference will be even a little stronger than that.

Mr. LONG. I told the Senator if he wanted to sit in and consult and suggest what he thought ought to be done I will be glad to listen to it.

Mr. WILLIAMS. I will even accept a vote.

Mr. MAGNUSON. Will the Senator yield?

Mr. WILLIAMS. It is something I believe we agreed to.

Mr. STEVENS. If I have the floor I am happy to yield to my friend from Washington.

Mr. MAGNUSON. When is the Senator going to clear these expenditures with the Appropriations Committee?

Mr. WILLIAMS. This is an authorization for 1981.

Mr. MAGNUSON. That is a simple question.

Mr. WILLIAMS. I think the Appropriations Committee is still occupied pretty much with some of the problems of 1980.

This authorization is for 1981. When in 1980 we look at appropriations for 1981, which begin in October of 1980, this subject matter may be before you again. There is a possibility that this bill will be adopted as part of the tax bill that will be coming before the Senate shortly. If that happens, and if it is funded from a trust fund created by that bill, this program would still be subject to appropriation. Do the appropriations for highway or airport trust funds and all others go before your committee?

Mr. MAGNUSON. They go before the Appropriations Committee, and the Appropriations Committee determines what they spend.

Mr. WILLIAMS. Exactly.

Mr. MAGNUSON. And we look at how the money is going to be spent.

Mr. WILLIAMS. Would this not take the same route?

Mr. STEVENS. Mr. President, with due respect, if I still have the floor——

The PRESIDING OFFICER. The Senator from Alaska has the floor.

Mr. MAGNUSON. Just because this is for 1981 does not mean you should bypass the Appropriations Committee.

Mr. LONG. We are not.

Mr. WILLIAMS. That is correct, we are not.

Mr. MAGNUSON. I asked you when are you going to clear this with the Appropriations Committee?

Mr. WILLIAMS. You mean this authorization bill? I don't understand your concern.

Mr. MAGNUSON. No, I mean the expenditures.

Mr. WILLIAMS. If this becomes law?

Mr. MAGNUSON. You are creating entitlements over which we have no say.

Mr. WILLIAMS. Oh, no, no. No entitlement benefits are included here.

The PRESIDING OFFICER. The Senator from Alaska yields at any point because silence is assent.

Mr. STEVENS. I thank the Senator from Hawaii who is sitting in the chair. Let me just make one other point.

Mr. MAGNUSON. Let us vote.

The PRESIDING OFFICER. The Senator from Alaska has the floor.

Mr. STEVENS. I would just as soon not vote on this until Senators understand what they are doing. For years we have been talking about uncontrollable expenditures, have we not? The Appropriations Committee has been saying we cannot balance the budget because we are getting into uncontrollable expenditures.

This legislation sets up a trust fund of moneys coming in, and they are totally uncontrollable. We have no opportunity to control these if this passes legislation without changing the basic law again in a rider, a legislative rider, on an appropriations bill.

I, for one, do not see why it should happen. I am perfectly willing to support the concept of providing these funds to support programs that should be coming from the authorization committee, and the authorization committee ought to give us the guidelines for how the money should be made available.

We checked with the Budget Committee on how much money we could use, and we said for this year we can use $1.6 billion for the poor. We did that. What is the matter with that procedure? We need a general authorization and it should come from the committee with jurisdiction over this subject area, that committee being Labor and Human Resources. But why should it be dealt with in a windfall profits tax bill? Why should it come from the Committee on Finance?

If you pass this bill the Appropriations Committee is not going to have any control over it for the period of the windfall profits tax. It is another trust fund exactly like the highway trust fund, and how much control do we have over that? I would ask that question of the chairman of the Appropriations Committee. We have none, zero.

So instead of putting together a program where the Budget Committee does its work, tells us how much money we have, and lets us decide how it is going to be split up among the various subcommittees of the Appropriations Committee, and then come to the floor with a balanced concept of dealing with aid to the poor by way of this program, we are already going off in 1981, 1982, 1983, 1984, and 1985 before we have even distributed the first dime for 1980. They told me those checks would not go out until January anyway for the program we just got through.

What is the rush, again I say to my friend from New Jersey? What is the rush? The Senator from Louisiana is one of my dear friends. We are going to work together in this windfall profits bill, I hope, but in terms of this matter it does not belong in a finance bill. This program ought to be designed to help people in cold weather States pay for the increased cost of fuel. It should not be just a general income transfer distribution mechanism to go throughout the country. This current compromise is nothing more than a way to redistribute some of the money that is coming in from the windfall profits tax. The Finance Committee is charged with raising money through the windfall profits tax, and I intend to support that bill and assist my friend from Louisiana throughout its consideration, but I respectfully disagree with the chairman of the Finance Committee over the right to earmark the money in the so-called compromise for the lifetime of that tax.

If that is the case, let us just transfer all jurisdiction to the Finance Committee and give up this Appropriations Committee process.

Lately it seems that I spend more of my time as a Senator in conferences over appropriations bills than I do on anything else. I see no reason to have a procedure where, with the most massive increases in taxes than in all of my 11 years in the Senate, a process is established so that the Finance Committee provides uncontrollable funds for a system of aid to the poor for fuel costs.

This would be totally out of control, in my opinion. If you pass this bill, it will serve as the sole control mechanism until we can get a piece of legislation to change it.

On the other hand, if we handle it the way we did our Interior bill this year, annually we decide what the balance will be, we will get some test of it this year and we will find out just how effective that provision was in that bill, and then we will see what adjustments ought to be made.

Ours was fair. The House passed it, and the Senate passed it. It dealt with a problem of providing income to those people who need additional income to meet increased heating costs. It was not an income redistribution concept, as this bill incorporates. This provision is totally unacceptable, and I hope I have some friends from cold weather States who will speak out because I do not see how any of us can vote on this compromise, not for quite a while anyway.

Mr. BENTSEN. Mr. President, will the Senator yield?

Mr. STEVENS. I will be happy to yield to my friend from Texas.

Mr. BENTSEN. I have great respect for my friend from Alaska and I am with him on many issues, but that formula in the appropriations bill was an absolute outrage, and it could not be more inequitable.

When my friend talks about the need for heating, the Community Services Administration made a study of that, and the 1977 study says that half the cost of energy for a home goes for heating, and that the rest of it goes for things like turning on the lights, cooking food, and keeping food from spoiling, and my people have the same kind of problems when it comes to costs of energy that my friend from Alaska does.

From 1974 to 1979 the cost of gas in San Antonio, Tex., went from 21 cents to $2.21. That is the kind of change I have seen.

When I take a look at the costs for the Twin Cities as compared to San Antonio, Tex., I find the energy costs for a family are higher in San Antonio, Tex., than they are in the Twin Cities. I find them higher in San Antonio, Tex., than they are in Boston.

If you want to take just degree days, then I take the State of Washington, which has the lowest cost per family for energy, and I congratulate them on it. They have hydroelectric power. But when you are talking about heating degree days, they are above the average.

When I take the State of North Dakota I find the same kind of situation on degree days. They are way above the average. But when it comes to costs per family, they are below the average. So do not tell me it is fair.

I understand my friend's concern for the poor he represents. I am concerned for the poor I represent. I am interested in their energy bills going above the costs they previously paid. They have paid off their homes and paid off their mortgages, and all of a sudden they thought they had their homes, but they do not have them any more because of what has happened to the cost of energy.

So we all share this problem across the Nation.

My friend talks about the problem of cold, and I understand that one, too, and it is very dramatic, and I am concerned about it. We in the Finance Committee and in the Labor and Human Resources Committee came up with almost the same kind of result. The Senator from Wisconsin played a very major role in that situation, and we tried to give extra credit for degree days and for the cold because we gave 50 percent for that, and the other 50 percent for the energy costs of families across this Nation, and we adjusted that for the poor because we share the same concerns that the Senator from Alaska shares.

Then I looked at what happened in that conference on the Interior appropriation, and I saw virtually no one who was there from the so-called Sun belt. I am surprised you fellows did not take it all while you were about it.

So, no, I do not agree with that approach at all, and I am deeply concerned about it.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. BENTSEN. Yes.

Mr. STEVENS. I still have the floor.

The PRESIDING OFFICER. The Senator from Alaska has the floor.

Mr. STEVENS. I am happy to respond to my friend from Texas. He is absolutely right. I thank the Senator from Texas for pointing out the jurisdiction of the Finance Committee in this matter.

I believe when we had the conference on that we looked at social security recipients, and when we dealt with that in conference we provided $400 million of the moneys made available this year went to social security recipients, and I think some of them are in Texas. I think the figures I have showed most of them were in the warm States. They do not stay in my State when they have social security. They go to California or Florida. But there is no reason to believe the moneys that are going to be used for assistance to those people who are already receiving public assistance for fuel ought to go so heavily into the areas which are what I would call the Sun belt.

That is what is going on this bill.

Mr. LONG. Will the Senator yield to me?

Mr. STEVENS. I am happy to yield to my friend from Louisiana.

Mr. LONG. I would just like to ask the Senator to think a little bit in terms of equity, and keep in mind that people die of heat prostration, just like they freeze to death with cold.

I would like to point out that Alaska is being treated better than any other State in the Union in this bill, and the Senator is still not satisfied. Alaska is getting more than twice its population weight. Alaska has 0.19 percent of the population, and under this bill Alaska would get 0.47 percent of the funds. But we still cannot satisfy the Senator; he thinks Alaska should get three or four times its population weight.

If we are going to have to start all over again, Senator, you are going to be confronted with an amendment to say that nobody is going to hog up these funds and get more than 140 percent of its population weight. Only 11 States would vote against that; that would mean that three-quarters of the States would keep one-quarter from hogging all the money up.

Under that Interior appropriation bill Louisiana would get 0.27 percent, and we have almost 2 percent of the population.

Mr. STEVENS. Let me ask the Senator this. What do you pay a gallon for fuel down in Louisiana? Do you pay $2.60 a gallon for fuel oil? I am representing people who pay $2.60 a gallon for fuel oil; yet you want to use some sort of low-income population figures. Surely expenditures have something to do with achieving an equitable formula. You put in 50 percent of the energy expenditures, and you weigh it against low-income population, and then set a $120 minimum.

But the real thing I am talking about and objecting to is that you set up a trust fund, an actual cash trust fund, and tie it down so that we do not have any control over the funds unless we come back and change the basic law. This is wrong; this is trust fund financing through taxes, and that is what we ought to change.

We in Alaska were treated just as badly in the Interior bill recently passed, in comparison with other cold weather States. So please do not talk to me about hogging the funds. Trust fund financing is what you are doing. Why is the Finance Committee creating so many trust funds? In order to control all these dollars you raise.

Mr. LONG. Hold on, Senator. Hold on just a minute. You just got through being a part of an appropriation conference where ordinarily you would not have had any jurisdiction at all. The Appropriations Committee is not supposed to write the authorizing legislation, but we had an unusual situation where legislation was offered on an appropriation bill, and whoever wanted to do it succeeded in doing that, until they gave us authorizing legislation on an appropriation bill, and by the time they get through with all this legislation down here, a State like Louisiana, which has about 1.8 percent of the population, would get 0.27 percent of the funds.

Mr. STEVENS. I did not know this was supposed to be a dividend based on population. I thought it was supposed to be aid to the poor who were facing higher fuel costs.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. LONG. I will tell you, Senator, you will never put that over on us again, a proposition where Louisiana, which has about 1.8 percent of the population, gets .27 percent of the funds. I wish I had known about that ahead of time; I can assure you will never put anything like that over on Louisiana again if I have anything to say about it.

Mr. STEVENS. I appreciate the credit, but I cannot take it, because I only worked on it. It certainly was not my idea.

I yield to the Senator from Florida.

Mr. LONG. You never would, because I would have been up here screaming about it.

Mr. CHILES. Mr. President, from what I have heard on this floor, I do not hear much talk about the eligible households. I hear everybody say my good friend from Louisiana is getting almost 2 percent of the money under this, and Maine is not getting but 1 percent, and Minnesota will have about 3 percent of the funding in here, and Florida is about to have 2 percent. No one mentions that Florida has 809,000 eligible households. So, Florida will end up with about $75 per eligible household, and that is poor people, poor people who have increased energy costs.

We have got high costs in Florida because we use imported oil. We make electricity from imported oil, until we have some of the highest energy costs in the Nation.

Mr. STEVENS. Will the Senator from Florida yield on that point?

Mr. CHILES. Not yet. Our poor families will get $75, but in Maine, they get $260, and Minnesota will get $292. I do not know what Alaska gets under the formula per family, but it is probably about $300.

Mr. STEVENS. If the Senator will yield, I say to the Senator from Florida again, you are missing the point. My basic reason for speaking and being out here right now is that I do not see why the Finance Committee should set up another trust fund that entirely evades the appropriations process and the budget process. I will be happy to have some limitation, take this bill to third reading, send it to the House, have the House pass on the program, and, depending on how much money is raised by the Senate Finance Committee's tax bill, and determine how much of that money we raise in the budget for the first year ought to go to a program like this.

Mr. LONG. Mr. President, will the Senator yield?

Mr. STEVENS. Let me finish with this last word to the Senator from Florida. There are trust funds throughout this bill, and the more I look at it, the more I realize that this bill is probably the most massive trust fund bill ever put before the United States Congress.

Mr. WILLIAMS. What do you mean when you say "this bill"?

Mr. STEVENS. The windfall profits bill.

Mr. WILLIAMS. That is not the pending bill before us.

Mr. STEVENS. Let us not kid each other, Senator. This bill will go to third reading and become a part of the windfall profits tax bill. The money for this program is going to come from a trust fund we will never control. The Senator from Maine will never see it on the budget resolution. The Senator from Washington will not see it before the Appropriations Committee, and I assure you that I will never see any of it; it will be a trust fund, a permanent law, just like the highway trust fund; and I do not think we ought to see the windfall profits tax deposited to a trust fund.

Mr. LONG. I am trying to follow the Senator's speech, but I cannot understand what he is trying to get at.

Mr. STEVENS. I am sorry; I am not as articulate as the Senator from Louisiana.

Mr. LONG. The Senator confused me, because I wondered whether the Senator understood that the bill we are presenting here, or talking about voting on, is an authorization bill. It is a bill to authorize a program.

Mr. STEVENS. Will the Senator agree that it will go to third reading and pass tonight, and that it will not become a part of the windfall profits tax bill? Can it go to third reading and pass, and go to the House?

Mr. LONG. Well, Senator, we have an understanding that we will make this a part of the windfall profits tax bill, and we do have language on the same subject matter in the windfall profits tax bill. Now, what is proposed here is to authorize an appropriation, and we propose also to raise money in the same bill to help pay for it. We do not propose to appropriate the money, Senator. It is just like a program that has to do with aid to highways, or a program that has to do with aid to airports; we put a formula in and say, "Here is what everybody's share of the money will be." But that is up to the Appropriations Committee.

Mr. STEVENS. Senator, we do not control either one of those. Those are uncontrollables. That is exactly what I am talking about. We do not appropriate the money for the highway or the airport trust funds; they are controlled by permanent authorization legislation, that furnishes the money out of trust funds. Ask the Senator from Maine how much of the budget is in uncontrollables. This brings in another uncontrollable, a totally uncontrollable; there is no way for us to have any control over it without changing the basic trust fund formula at some point in the future.

Several Senators addressed the Chair.

Mr. STEVENS. Mr. President, I yield to my friend from Washington, who has been anxious to speak.

The PRESIDING OFFICER. The Senator from Washington.

Mr. MAGNUSON. Mr. President, this brings the uncontrollables up to 72 percent.

Mr. STEVENS. Seventy-two percent of the budget that would be uncontrollable.

Before I yield my right to the floor, I yield to the Senator from New Mexico.

Mr. DOMENICI. I thought that we were here on the floor debating a formula for the assistance by the National Government to Americans that had serious problems because of the ever-rising costs of energy. But I think the Senator from Alaska has properly raised the real issue.

I want to say to my good friend from Louisiana, the chairman of the Finance Committee, that about 2 months ago in the Budget Committee we were finishing one day, getting ready to send the budget resolution from the committee to the Senate and the House, and one of the members of the Finance Committee, Senator MOYNIHAN, and I had a little discussion about what you and the Finance Committee were going to do with the windfall profits tax.

I predicted that day that there would be very little impact on the Treasury of the United States and the budget because, whatever the tax was that you gathered, the Finance Committee would see to it that the Finance Committee spent that money. And I meant "spent" not in an adverse sense, but you would provide programs of an entitlement nature, of a trust fund nature to use the money that you raised from the windfall profits tax.

I want to tell you that you can rise and say that that was not the Finance Committee's plan, but the Senator from New York acknowledged that that was going to be the plan; if you raised $100 billion or $200 billion, you were going to provide entitlements, you were going to make sure that the social security people got additional money provided automatically; that you had tax refunds, so that people would all get this money back.

Now, that is the real issue. And I regret to say that a good bill, which was drawn by the appropriate authorizing committee and would end up going through appropriations annually, is now here on the floor enmeshed in this debate because Senators have decided that they are going to make a good proposal to take an authorizing piece of legislation and put it in that Finance Committee windfall profits bill so they are assured they are going to take the place of the entitlement program that you have in there and set up a trust fund or use one of your trust funds to make sure that those people that need assistance are helped. And a good program is going to be lost, because we are tying it to the Finance Committee's approach which, basically, is: Whatever new taxes we gain, we do not want anybody else having anything to do with them. We are going to provide new entitlements and new trust funds. As far as we are concerned, we know best how to use the $140 billion, $120 billion, $260 billion, depending on whose estimate and which tax bill ultimately passes. The Finance Committee of this Senate knows how to spend that money best.

And I regret to say that whoever decided that we would take a good bill and make it part of that scenario in order to get some support, probably, before we are through, has made a mistake. Because the issue is not the formula now. The issue is, are we going to take all the windfall profits tax and find a way to say "It is a wash?" We raise $140 billion, but there is not anything around for anyone, because the Finance Committee, in their wisdom, has spent it all. They have got some new programs for energy, so we do not need an Energy Committee. They have got a litany that is going to take care of producing energy in America, but nobody else ought to be concerned. They got it in there. And they might be right. As far as the old people and the poor people that need help, we do not need anyone; the Finance Committee raised the money, the Finance Committee has a program for it.

Incidentally for those who wonder about the budget, if they raise it and they spend it, it does not show up anywhere. It is not in the budget. The Finance Committees run it. And that is fine, if that is what the Senate wants.

So I do not believe it is fair to say that the Senator from Alaska is talking about something that is not part of this subject matter, because it is obvious that a deal has been struck to finally settle this here and then take it over and make it part of the windfall profits tax and the expenditures provided for thereunder.

I personally do not think we ought to have any new trust funds from the windfall profits tax. I personally do not think we ought to have any new entitlements from it. I believe we ought to look at it, heads up, how much tax it is going to raise, and then the people and Congress ought to decide how to spend it.

I believe it probably could cut social security taxes; it could give everybody in America a tax cut. I am not so sure, from the size of it, that it ought not to be considered as a huge new general tax that we ought to approach from that standpoint.

I thank the Senator from Alaska.

Mr. STEVENS. Mr. President, let me repeat what my good friend from New Mexico, has just articulated. I am not sure that the message has really been conveyed to the Senator from Louisiana, I will try again.

I respect the Senator from Louisiana and the work he and his committee have done with respect to this whole concept of windfall profits. We face a unique situation due to the fact that we have the impact of OPEC on our oil pricing, our supply and demand, our private enterprise system is not setting the price for oil. It is being set by outside forces. And there are extra profits. Anyone who says there are not, I think is wrong. There are extra profits.

The Senator from Louisiana is from an oil-producing State, as I am. He is to be congratulated for having brought to the floor a very honest bill, as far as the windfall profits tax concept is concerned. He met his responsibility; certainly, he has worked hard. I intend to support him with regard to the provisions of that bill.

But, having done that and said that, the Senator then turns around and says, "Now, we have all this money, why don't we set up some trust fund"—there is a trust fund in here, I understand—so the Senator from New Jersey will not get disturbed with me again, I am talking about the windfall profits tax bill. There is a provision in there for a reserve for social security tax increases of some kind. That is a trust fund. There are four or five trust funds, I understand, established by this new bill.

And they are established in spite of the cry that we have heard on this floor of the Senate of, "Why don't we do something to stop this business of making expenditures uncontrollable?" This takes $140 billion over a period between now and what? 1990? Do we know when it will phase out. Well, it puts the bulk of these moneys—as a matter of fact, I think all but the moneys in the Energy Security Corporation go into a trust fund, or are they in trust funds too?

Mr. LONG. I do not know about that.

Mr. WILLIAMS. May I ask a question?

Mr. STEVENS. Let me ask the Senator from New Jersey this: If we could get your bill passed and sent to the House as an authorizing committee bill, so that those of us who deal with appropriations budget, and energy and housing committees could have some impact on it in the future, I would have no objection. This is going to become a part of a bill that has a trust fund that we will never see.

Mr. WILLIAMS. Could I first deal with that? It is part of the legislative plan, after third reading, to hold it and then offer it later on when the windfall tax is up. But, at the same time, this bill, if it passes here, this authorization bill from the legislative committee that has the legislative authority, this bill, if it passes here, tonight hopefully, will be kept on the calendar and if, for any reason, the Senate decides that it should not be part of a trust fund, it is available to take that other route.

So the discussion and debate and, perhaps, the vote on this subject matter as part of a trust fund can come at another time. That is not the debate now.

If I could ask the Senator from Alaska a question: First, let me say that I am not a member of the Finance Committee, I am not a member of the Appropriations Committee, and I am not a member of the Budget Committee, so I do not come with detailed knowledge of authorizations, appropriations, and those uncontrollable items that are in the budget. But this legislation does not create an entitlement to funds. It is an authorizing piece of legislation. And even though a trust fund might be established and this subject matter was part of it, it still becomes a controllable item within the appropriations and budget procedures, I believe.

We could go to an authority that knows more about this than I do, but we have been working with the theory that this is not an entitlement.

Mr. STEVENS. Do the Finance Committee representatives agree with that statement, that the trust fund is not similar to the highway trust fund, that it is subject to annual review by the Appropriations Committee and we could change the amount that is allocated each year and change the formula of its distribution? The Senator knows we do that in many programs, deciding how much money there will be. We see that we cannot put out very much money and so we change the formula.

Mr. LONG. If you change the formula, Mr. President, you will change the formula. It is just legislating on an appropriation bill. I saw what was done with regard to the monstrosity that we suffered through a short time ago, in which the Senator from Alaska participated. Of course, that is always possible, year by year. That is something, a prospect, a possibility, that we live with constantly.

Mr. STEVENS. Why do we have to have a trust fund for this?

Mr. LONG. Furthermore, let me say this: When money is placed in a trust fund, if you do not appropriate anything, on a consolidated budget basis, you can go and spend the same money for something else and your budget shows up just the same because——

Mr. STEVENS. I do not think the Senator from Maine would allow us to spend the moneys in the highway trust fund for aviation or the moneys in the aviation trust fund for highways through the appropriations process.

Mr. LONG. For years has not the Senator heard that administrations have been declining to spend the amount of money that was expected to be spent for highways and have been spending it for something else? On a consolidated basis, if it is not spent on the highways, it will go over to help in other respects.

Mr. STEVENS. When we are deficit financing, that is done, I agree. In a period of heavy borrowing, that is correct.

Mr. LONG. There is another point I want to make while I have the floor. I hope the Senator is not blaming the

Senator from Louisiana for the amendment that suggests that some of this money be used for that trust fund to set aside enough to postpone the social security tax increase. That amendment was offered by a Republican member of the committee.

Mr. STEVENS. I did not criticize it. I said it was there.

Mr. LONG. It was all we could do to muster enough Democrats to keep it from being agreed to.

Mr. STEVENS. The vote was 17 to 0, as far as I understood.

Mr. LONG. Well, we stood it off, to begin with, by a tie vote. It was every Republican vote that put that in there, that social security cut to be paid from the windfall profits tax money. Then the Senator came back with an amendment where he had the votes. He had the votes by that time, picking up one or two Democrats. He had something that was a right to lay claim on some of this money in the event the Senate does want to use some of the money raised by the windfall tax bill to avoid raising the social security tax.

Here is the description of the amendment—the taxpayer trust fund by Mr. Roth. Mind you, Mr. President, that is something that this Senator did not initiate, was against at first, and did what he could to try to keep it from being on the bill, until the Senator had the votes.

It would establish a taxpayer trust fund. Such funds as are necessary to offset the payroll tax increase scheduled for 1981 would be set aside in this trust fund. The revenue of the trust fund could then be used to finance a payroll tax freeze once the committee has the opportunity to hold hearings on a proposal to freeze the social security tax next year.

As far as I am concerned, if the Senator wants to oppose what his Republican colleagues unanimously fought for and put on the bill, it is perfectly all right with me. I had no interest in that matter. I hope the Senator is not blaming this Senator for that provision being in there. But in the event nothing comes of it, that money could be spent for something else.

Mr. STEVENS. I do not see that we could spend it for something else. The Senator from Maine will tell us that is not so.

Mr. BENTSEN. Will the Senator yield for a couple of minutes?

Mr. LONG. I wanted to finish this.

Twenty-five percent of the net revenues in the windfall bill, up to $15 billion, would go into a trust fund for transportation subject to authorizing language to be enacted by other committees, and then subject to annual appropriations by the Appropriations Committee. A sum of $19 billion will be put into reserve for a possible social security tax cut which we have discussed. The remaining 25 percent, plus more after the transportation fund has its $15 billion, is unallocated. So you can spend that however you want to, Mr. President, and appropriate it however you want to.

Mr. BENTSEN. Will the Senator yield?

Mr. STEVENS. If I may, I would like to say this. I would like to get some sort of an agreement that would prevent this from automatically going into the windfall profits bill, which is based on the concept of the trust fund, if there is any way to do it.

I see my good friend from West Virginia in the Chamber. I do not know if he wants to be drawn into it. I am very disturbed about the concept of the trust funds. I am also disturbed about the problem we face in terms of another formula that is different from the one we are just putting into effect. We will not have any chance, really, those of us who participate in that, to have any impact on this matter. It even changes the subcommittee that handles the jurisdiction of it.

Mr. LONG. If the Senator will yield, I promise the Senator we will not do to him in conference what he did to us in the conference on that Interior appropriations bill. The Senator can have my firm promise on it. He will not get any kind of treatment like that.

Mr. STEVENS. The Senator is very fair. I can only say that I took the amendment offered by his good friend from the House in terms of the subject matter of this amendment, as one of the conferees. I did not draft this amendment, although I still think it is fair. I yield to the Senator from Texas.

(Mr. LEVIN assumed the chair.)

Mr. BENTSEN. The Senator from Alaska has been talking about the highway trust fund as though it is something to be questioned. The highway trust fund is a program that has worked. It is a program that is a user tax. It is a program that lives within the budget. It is a Government program that lives within its means, and that is pretty unusual.

In addition to that, there is the old saying that, "If it ain't broke, don't fix it." The other day the whole Senate voted on that issue, and of all those people who were talking about doing away with the highway trust fund there were only nine who finally voted against it, if I recall correctly. I would guess that the Senator from Alaska probably voted against doing away with the highway trust fund.

As I stop to think about what has been spent in Alaska from the highway trust fund, I would say there is probably not another State in the Union where more has been spent per capita by the highway trust fund than what has been spent in Alaska. So I think Alaska has faired well with the highway trust fund and it has worked fairly effectively in giving them their highway system.

Mr. STEVENS. I would not disagree with that. That is a different kind of tax. It is a user tax. Those people who use the highway pay the gasoline tax and we use it to improve the highways. But this happens to be only gas producers who are paying taxes into a trust fund. I do not see any comparability between that trust fund and this one.

It does seem to me that this is getting into a different position. Once we establish this trust fund, how do we replenish it? How are we going to replenish it? The CIA testified the other day in the House, I understand, that in 1985 the price of oil will be $85 a barrel. That was public testimony I was informed about. If that is the case, we better find a way to find a lot more money to keep things like this going. I should think the appropriations process and the budget process ought to be involved as we make those judgments.

My basic problem now is that we agreed to this concept of taking this bill to third reading, putting it aside and putting it into the windfall profits tax bill before I realized the implications of this formula, its possible change, and the trust fund. Once this is done we have no more ability to change that than we have the ability to change the highway trust fund.

Mr. MAGNUSON. Will the Senator yield?

Mr. STEVENS. Yes.

Mr. MAGNUSON. There is a difference between the highway and the aviation trust funds in that it is specified what the money should be spent for and how. The Appropriations Committee process would determine how much.

As I understand the windfall profits tax which comes out of the Finance Committee it just establishes a trust fund and then leaves it up to the Finance Committee to determine in the future how it is going to be spent and what it is going to be spent for.

I say to the Senator from Alaska that I have an amendment to the windfall profits tax which I think will take care of this trust fund.

Mr. STEVENS. I say to my friend from Washington, that is why I am talking here. We are not going to have a chance. This bill will go to third reading, it will go on the windfall profits tax as an amendment in lieu of an amendment. It is not then amendable. At that point, there is no longer an amendment that can be offered. We cannot touch this again after tonight.

I do think I understand that part. I could stand to be corrected by my friend from West Virginia. He is the one friend I would allow to correct me on that. But I think I know what I am talking about.

The committee has an amendment to the bill, the House-passed bill. This is an amendment to that amendment. You find out how you are going to amend it or I am going to amend it in this process. There is no time. We are locked in concrete in this process tonight. I know what is going on.

I say to my good friend from Louisiana, he handles legislation more skillfully than any other Senator I know. There is not going to be any Christmas tree on this tax bill if he gets his way.

I do not want this foreclosed tonight. I want a chance to have some amendments when we get that trust fund and look at what it is. This action tonight is going to lock this in.

Let us not be fooled into thinking we are going to get another at this, because this is it. This is an amendment to an amendment on a House-passed bill and there "ain't" no amendment to that.

Mr. LONG. Will the Senator yield?

Mr. STEVENS. Yes.

Mr. LONG. Mr. President, that amendment is subject to amendment now. After it is amended, it will still be subject to amendment.

Mr. STEVENS. I understand it is going to third reading tonight.

Mr. LONG. Everybody knows when a bill goes to third reading, you cannot amend the bill.

Mr. STEVENS. It is going to third reading, and then it is going to be impossible to amend that bill when it comes up.

Mr. LONG. If you want to amend the bill, amend the bill; please amend the bill. Send your amendment down there.

Mr. STEVENS. Will this amendment be considered an amendment in the first degree when this comes up on the windfall profits tax? Will the Senator agree that it will be an amendment in the first degree when it comes up on the windfall profits tax bill?

Mr. LONG. No, I am not going to agree to that.

Mr. STEVENS. Then we have to do a little bartering.

Mr. LONG. If you want to amend the bill, why not go ahead and amend it? There it is, right there.

Mr. STEVENS. I need some time. We did not realize the impact this would have until a short while ago.

Mr. LONG. There is the bill. Where is your amendment? I am not going to vote for it, but where is your amendment?

Mr. STEVENS. I am thinking about it now. I want a chance to study it. I would like to put it aside. I have asked to put it aside.

Mr. LONG. I did not know you were interested. I have been around here for 3 days. Where is your amendment?

Mr. STEVENS. Our good friend from Louisiana has us in a procedural situation where there would not be any amendments after we go to third reading. There would not be any amendments after you offer this as a substitute for the committee's amendment. You know it and I know it.

Mr. LONG. I thought everybody around here knew it. I know everybody on the Finance Committee knew it. I know that everybody on the Labor Committee knew that we had a legislative measure that fell within the jurisdiction of two committees. They understood that we would take up the bill as reported by the Labor Committee; that the senior members on the Labor Committee would manage the bill; and that when the bill was passed, we would substitute that bill for the part of the windfall profits tax bill that relates to the same subject. It was understood that we are going to handle this matter under the leadership of the senior members of the Labor Committee.

I thought you knew that. I thought the Senator had been saying he has an amendment. But after 3 days now, to tell us that you suddenly realize, "Ye gods, don't tell me that if this bill goes to third reading, I can't amend it."

How long have you been in the Senate?

Mr. STEVENS. I have been in the Senate 11 years and I have watched the Senator in action all of those 11 years.

Ask my good friend from Washington. He thought he was going to offer an amendment, did he not?

Mr. MAGNUSON. Well——

Mr. LONG. If you want to offer an amendment, do.

Mr. STEVENS. When the windfall profits bill comes up——

Mr. LONG. If you want to amend this one, you amend this one.

Mr. STEVENS. That is what I am advising my good friend from Washington. If he wants to amend it, let's start thinking about how we are going to amend it.

I would like to carry it over until tomorrow if that is possible.

Mr. MAGNUSON. I expect the amendment I shall have tomorrow—I have not checked the legislative situation, but it would cover this also if they try to fold it in. I do not know. I shall have to take a look at it. I think it would be folded in.

Mr. STEVENS. I would like to think that we both have a chance at it when the windfall profits tax comes up. That is all I am thinking.

Will the Senator agree that this would be an amendment in the first degree for the purpose of amendment? Original text is even better.

Mr. LONG. Mr. President, if the Senator wants me to agree that after we dispose of this bill, it will nevertheless be in order to amend the windfall profits tax bill to say that there would not be any trust fund at all in it, any one or all, it is all right with me. I am willing to agree to that.

Mr. STEVENS. I would like to be able to say that if we take this bill to third reading—when we consider it again on the windfall profits tax, there will be this amendment in the bill dealing with the same subject this was to be intended as a substitute for—that we would be able to look at the formula in terms of the decision the Senate makes with regard to the trust fund and have a chance at that time, as the Senator from Washington indicates, to offer amendments to both the formula and the trust fund if we decide to do so. But I do not think we will be able to do it.

Mr. LONG. Mr. President, if this bill passed tonight, the Senator from Alaska would be locked in on that formula the minute that bill passed. It would be beyond his power to amend it or change it. And if the Senator does not like that formula, he ought to amend it so that we would have it as he wants it.

Let him propose an amendment. If he wants to filibuster, go ahead and filibuster if he does not want the floor amendment agreed to at all.

When we pass this bill after 3 days of debate, we should have settled at least this part of this bill and we should have settled the formula. The whole idea of agreeing that we would take up the Labor Committee bill was that when we finished acting on the Labor Committee bill, we would have finished acting on this formula and what is in that Labor Committee bill.

If you do not like what is in it, you have it within your power to keep us from voting tonight. Go ahead and filibuster and make the Senate come back tomorrow and we will consider this bill some more, unless the majority leader wants to take it down. Offer all the amendments you want to on it. But we ought to go ahead and decide what we are going to do on this bill. If you are happy, go ahead and do something.

Incidentally, there is no trust fund in this bill.

Mr. STEVENS. Will the Senator—Mr. President, do I still have the floor? I think I do.

The PRESIDING OFFICER. The Senator from Alaska has the floor.

Mr. STEVENS. My assistant informs me that the Parliamentarian now says I am mistaken. If I am wrong, I am happy to be corrected.

I make the parliamentary inquiry: If this bill goes to third reading tonight and establishes the formula and that bill is later offered as an amendment to the provision of the windfall profits tax, is the bill that has gone to third reading then subject to amendment as to the formula on the day that we take up the windfall profits tax system that this is offered as a substitute for?

The PRESIDING OFFICER. If the language of the bill, S. 1724, as amended, is proposed as an amendment to the windfall profits tax bill, it would then be subject to amendment.

Mr. STEVENS. The whole question of the formula is not settled tonight if this bill goes to third reading?

The PRESIDING OFFICER. This bill, when it goes to third reading, is not subject to further amendment. But the text——

Mr. STEVENS. I thought we got an agreement that it would be offered as a substitute for the provision of the bill. Is there not an agreement outstanding on that?

The PRESIDING OFFICER. There is no agreement to that effect.

Mr. STEVENS. I thank the Senator, I thank the Parliamentarian, and I apologize to my friend from Louisiana.

SEVERAL SENATORS. Vote!

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. If this bill is passed tonight or tomorrow, and then there is an attempt made to fold it into the windfall profits tax bill—I do not know what method they would use—then my amendment could cover this bill also, could it not?

The PRESIDING OFFICER. First, the Chair will clarify the agreement which has been reached.

There is an agreement that this bill will not be taken past third reading tonight. The bill will then be laid aside.

Mr. MAGNUSON. What I am trying to find out is if we can make an amendment to this bill, the trust funds, and things involved in this bill, by a separate amendment on the windfall profits tax bill if it is folded in?

The PRESIDING OFFICER. The Chair will state again that if the text of this bill is offered as an amendment to the windfall profits tax bill, that then the text would be subject to amendment in one more degree.

Mr. MAGNUSON. All right. That is what I wanted to know.

The PRESIDING OFFICER. While it is pending. It would be a first degree amendment.

Mr. MAGNUSON. It is subject to amendment?

The PRESIDING OFFICER. The Senator is correct.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey, as modified.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, this is not necessarily the last rollcall vote.

The PRESIDING OFFICER. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from Kentucky (Mr. FORD), the Senator from Ohio (Mr. GLENN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Montana (Mr. MELCHER), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Michigan (Mr. RIEGLE), the Senator from Maryland (Mr. SARBANES), the Senator from Georgia (Mr. TALMADGE), and the Senator from Massachusetts (Mr. TSONGAS) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. RIBICOFF) would vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Mississippi (Mr. COCHRAN), the Senator from Kansas (Mr. DOLE), the Senator from Pennsylvania (Mr. SCHWEIKER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I also announce that the Senator from Connecticut (Mr. WEICKER) is absent due to illness in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 69, nays 14, as follows:

[Rollcall Vote No. 413 Leg.]

YEAS—69

Armstrong
Baucus
Bayh
Bellmon
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Church
Cohen
Culver
Danforth
Domenici
Durenberger
Durkin
Eagleton
Exon
Garn
Gravel
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
McClure
McGovern
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Packwood
Pell
Percy
Pressler
Proxmire
Randolph
Roth
Schmitt
Simpson
Stafford
Stennis
Stevenson
Stewart
Wallop
Warner
Williams
Zorinsky

NAYS—14

Bentsen
Chiles
Cranston
DeConcini
Goldwater
Helms
Hollings
Nunn
Pryor
Sasser
Stevens
Stone
Thurmond
Tower

NOT VOTING—17

Baker
Biden
Byrd, Harry F., Jr.
Cochran
Dole
Ford
Glenn
Kennedy
Melcher
Ribicoff
Riegle
Sarbanes
Schweiker
Talmadge
Tsongas
Weicker
Young

So the amendment (UP No. 822), as modified, was agreed to.

Mr. WILLIAMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BOSCHWITZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Are there further amendments?

UP AMENDMENT NO. 824

Mr. NELSON. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

Mr. ROBERT C. BYRD. May we have order in the Senate?

The PRESIDING OFFICER. The Senator is correct.

Will the Senate be in order so the clerk can report on the amendment of the Senator from Wisconsin?

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. NELSON) proposes an unprinted amendment numbered 824.

Mr. NELSON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 23, insert before line 23 the following:

(C) Twenty per centum of the total amount transferred under subparagraph (B) may be utilized without regard to the requirements of the sentence following the first sentence of such subparagraph.

Mr. NELSON. Mr. President, I think this is a noncontroversial amendment. The amendment provides discretion for 20 percent of the funds transferred to the Community Services Administration to operate the crisis intervention program. Under the bill, $100 million is transferred to the Community Services Administration for purposes of administering the crisis program. Under an amendment adopted yesterday, the entire $100 million would be distributed to the States based upon the formula within the current pending legislation.

The sole purpose of the amendment is to give the Community Services Administrator some 20 percent of the $100 million to administer for crisis intervention situations which may occur in various parts of the country. The other 80 percent in the bill remains to the discretion of the Governors for crisis intervention within their own States. I think this flexibility is necessary, and I hope the Senate will approve it.

Mr. MOYNIHAN. Mr. President, will the Senator yield for a question?

Mr. NELSON. I yield.

Mr. MOYNIHAN. Is the Senator applying this 20 percent-80 percent to the whole of the funds appropriated?

Mr. NELSON. No; there is $100 million for crisis intervention. All of it is distributed under formula which means it would go to the States under the formula. I think there was an oversight. There was no reservation for crisis intervention at the national level by the Community Services Administration. So this reserves 20 percent.

Mr. MOYNIHAN. $20 million?

Mr. NELSON. $20 million. So if there is a particularly serious situation in New York or some place else in which more intervention money is needed for that crisis than is distributed under the formula to the Governor in that State, that discretion is within the discretion of the Administrator.

Mr. MOYNIHAN. I think the Senator has made a wise amendment. I hope it will be supported.

Mr. WILLIAMS. We share that view. This $20 million that is reserved outside of the formula for this is wise and gives the Administrator the flexibility to meet emergencies, and we support it.

Mr. NELSON. I thank the Senator.

Mr. JAVITS. Mr. President, this is 20 percent of what?

Mr. NELSON. Of the $100 million which is set aside for crisis intervention.

Mr. JAVITS. This makes it $20 million.

Mr. NELSON. This takes $20 million of the $100 million to be administered by the Community Services Administration.

Mr. JAVITS. That is fine. I support that amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment was agreed to.

Mr. MOYNIHAN. I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

● Mr. BIDEN. Mr. President, I rise in support of S. 1724, the Home Energy Assistance Act. Passage of this bill is important if we are to establish an effective system for delivery of home heating assistance to our low-income and elderly citizens. This legislation is the product of several days of hearings in the Labor and Human Resources Committee and draws upon the best features of several bills pending before the Congress. I would like to commend Senator WILLIAMS and my other colleagues on the Human Resources Committee for their efforts to bring this bill to the Senate floor before the end of the year. I am pleased to be added as a cosponsor of the legislation.

Mr. President, earlier this year I introduced my own legislation, the Emergency Fuel Assistance Act of 1979, to help senior citizens meet the rising costs of home heating fuel. Even before the most recent increases in the price of OPEC oil, it was apparent that many households, particularly senior citizens living on fixed incomes, were going to have difficulties paying their fuel bills.

Now with the prospect of heating fuel reaching $1 a gallon by mid-winter the need for some form of assistance has reached the crisis stage. The approval of an additional $1.35 billion in fuel assistance funds for this winter was a major step towards alleviating the crisis for this winter.

However, there is still a need for legislation to correct some of the major deficiencies in the delivery mechanisms for home heating fuel assistance.

Under past programs of energy crisis assistance a number of problems existed. Some States did not put adequate emphasis on helping those who needed help the most. Fuel assistance payments were given to people on a first-come, first-serve basis instead of to those with the greatest need. Fuel assistance was often given only to persons with outstanding unpaid fuel bills. This discriminated against poor persons who did not eat in order to pay their bills. These persons because they paid their bills on time were not eligible for assistance.

In other States lack of effective monitoring of local agencies led to some abuses of funds under the program. Finally, there was some reluctance among fuel retailers to become involved in the program because they were uncertain as to when they would be paid. My bill, S. 1331, was an attempt to resolve some of the problems in the existing CSA programs.

Mr. President, although S. 1724 approaches these problems in a somewhat different manner than my bill, the Home Energy Assistance Act represents a fair and flexible response to these problems.

First, S. 1724 authorizes substantial funds for fuel assistance over the next 2 years; $3 billion for 1981 and $4 billion for 1982. At the end of 1982, the program must be reauthorized. At that time we will better be able to assess the effectiveness of the program and make any changes which are necessary.

Second, assistance will be made available to all households eligible for food stamps, Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI) and other households with incomes below the lower living standard established by the Department of Labor.

Third, State plans under the act are required to develop plans with effective outreach programs particularly for the elderly and handicapped. I believe that States should give priority attention to the needs of the elderly and handicapped. These persons are most affected by the impact of cold weather. Effective outreach programs are absolutely necessary to the successful implementation of the fuel assistance program. Too often, the home-bound elderly and handicapped are excluded from programs because they do not know about them or have no way of getting to places to apply for aid. The integration of such successful programs like meals on wheels, domestic volunteer and senior center programs would aid immeasurably in spreading information about the availability of assistance to the home-bound elderly and handicapped.

S. 1724 also allows States to deliver assistance in a number of ways which eliminate the problem of not reimbursing households who pay their heating bills on time. By assuring vendors of payments they will be able to credit the amount of assistance available to each household. This is not true under programs of cash assistance where funds may or may not be used to pay fuel bills.

By providing payments to vendors in a timely manner energy suppliers are encouraged to participate in the program. This in turn could reduce the number of households terminated because of delinquent payments. In addition, the cash flow squeeze in which many small energy suppliers find themselves will be lessened.

Under S. 1724, each State will be required to designate a single State agency to administer the program. States are also expected to utilize existing welfare and social service rules and procedures. This provision could minimize new paperwork requirements. Criminal penalties can be imposed on persons who violate provisions of the act.

My major concern with this legislation is with the section of the bill dealing with cooling costs. Although I recognize that cooling may be medically necessary for some persons, I do not believe that the purpose of the bill should be to pay for air-conditioning when it is not at all certain whether the funds allocated under this act will be sufficient to meet home heating needs. If a provision to pay for cooling costs is necessary then perhaps it should be considered in the Community Services Administrations crisis intervention program.

In conclusion, Mr. President, I support the passage of S. 1724 and urge my colleagues to do likewise. This legislation takes a strong step toward correcting many of the problems under the existing programs of fuel assistance. Although the States are given flexibility in developing their own fuel assistance plans, there are Federal standards of eligibility which target assistance to those in greatest need.

With the enactment of this legislation, Mr. President, I believe we will have taken a major step toward alleviating the serious problems faced by our elderly and low-income families in trying to keep warm this winter. For these reasons this bill should be enacted.●

LOW-INCOME ENERGY ASSISTANCE

● Mr. BAUCUS. Mr. President, last weekend I was in Montana. It was snowing and temperatures were below freezing at night. For many Americans, not only in Montana, winter began over a month ago. The purpose of the energy assistance program is obvious: To help lessen the hardship on the low-income population brought about by higher fuel prices.

I want to commend my colleagues in the House and Senate for the joint effort to make assistance available now to meet this winter's heating needs. The mechanism for delivering assistance is in place and we are all hopeful that no one will forego food to heat or heat to eat.

I support the Finance Committee's decision establishing a trust fund to make energy assistance funds available to the poor and the low income. The revenues for the trust will be raised by a tax on windfall profits. The purpose of the trust fund is to ameliorate the impact of increasing energy costs on the poor.

OPEC increases in the price of oil coupled with the decontrol of oil led to unprecedented increases in heating bills for many Americans. Some households will experience a 100 percent increase in fuel prices over last year's price alone.

In my State of Montana, projected increases seem to be rising faster than the national average. The price of natural gas for 1980 will increase up to 40 percent over last year. The price of heating oil will increase 100 percent over 1979.

A report on heating oil supplies in Montana predicts that supplies may be adequate, but tight. A heating oil shortage in my State would be exacerbated since most homes using this source are in rural areas where alternatives, such as natural gas, are not available. And the current situation in Iran has led to reports by the Energy Department that some areas will experience spot shortages. It is therefore incumbent upon us to develop a simple procedure to quickly distribute energy assistance to eligible individuals and households.

The energy assistance program is targetted to help the low-income population. While all Americans are feeling the effects of decontrol and the OPEC price increase, the poor are especially hard hit.

All low-income individuals are adversely affected by increasing energy costs. Studies have documented the loss in their real purchasing power due to decontrol and OPEC price hikes. For example, low-income persons spent roughly $216 on home fuels and utilities in 1972. Findings for 1978 reveal that the average low-income family spent roughly $604 on home heating energy costs. This increase represents an average loss of purchasing power of $265. The poor will spend a total of $10 billion more for energy between 1978 and 1981 than they would have in the absence of OPEC increases and decontrol.

The formula for allocating energy assistance funds should reflect the decreasing purchasing power of all low-income persons. The formula, however, should also recognize variations in need. First and foremost is the need of individuals or families for assistance pending on the climate in which they live.

The severity of climate influences the amount and duration of income spent on residential heating. All of the formulas give weighting to degree days in a State in dividing up the pot money. The question rests on how much emphasis should climate receive.

The annual degree-day figure for Montana is 8,300. The number of annual degree days by State ranges from a low of 700 in Florida to high of roughly 9,500 in North Dakota. The national average is 4,700. Montana, therefore, has nearly twice as many degree days as the national average.

I believe that the methodology for allocating funds should give as much weight to degree days as possible.●

● Mr. KENNEDY. Mr. President, the Home Energy Assistance Act is as long overdue as it is badly needed. A succession of administrations has recognized the enormous burden placed on the poor by sharply rising energy prices, but since 1973, planning and appropriations to alleviate this growing problem have been haphazard and crisis-oriented. In 1974, the Labor and Human Resources Committee first provided specific authority to the Community Services Administration to conduct weatherization and energy crisis programs for the poor, and in 1977, 1978, and 1979, specific programs were implemented through CSA. However, all these programs have been stop-gap measures conducted in the absence of comprehensive authorizing legislation and subject to the shifting priorities of the Office of Management and Budget. The time has come to give this important subject the priority it deserves. The legislation that I initially cosponsored, with Chairman WILLIAMS and 13 other Senators, has undergone a thorough examination in the Committee on Labor and Human Resources, and has been strengthened in the process. It has enjoyed widespread support during the hearing process, and I am hopeful we will pass it expeditiously.

Mr. President, there can be little doubt that as the winter of 1979–80 sets in, low-income Americans are faced with unprecedented obstacles to making it through to this spring. Home heating oil prices that were 49 cents per gallon last September are 85 cents per gallon or more today.

From 1972 to 1978, while the Consumer Price Index increased 55.9 percent, fuel prices increased 151.7 percent.

In 1978, the average median income family spent 10.4 percent of their income on direct household expenditures for energy, while low-income families spent 25.3 percent, or more than one-quarter of their income directly on energy.

If energy prices increase by 50 percent this year, the average low-income family could find itself spending 38 percent of its family budget directly on energy, and as much as 27.5 percent even after eliminating automobile use.

National averages, while troubling, understate the true picture for regions like New England, where direct energy expenditures could approach 50 percent of the family budget if energy prices increase 50 percent over 1978.

Energy prices have far outstripped increases in income, resulting in a loss of $4 billion in purchasing power for 16.2 million low-income households since 1972.

Mr. President, the particular problems faced by the poor during a period of rapidly escalating fuel costs have been reviewed in a report entitled "Low-Income Assistance—A Profile of Need and Policy Options—Final Report—June 1979." This report, prepared by the Fuel Oil Marketing Advisory Committee of the Department of Energy, offers a comprehensive outline of this crisis, and I ask unanimous consent that portions of that report be printed in the RECORD at the conclusion of my remarks.

I ask my colleagues to take particular note of the following three points made in this report.

First, low-income families fortunate enough to be included in existing assistance programs are falling farther and farther behind because of the failure of such programs to account for soaring energy prices.

Second, low-income families have, out of sheer economic necessity, cut back their per capita energy use dramatically since 1973, in some cases to an unhealthy level.

Third, low-income families are not in a position to make their own investments in energy efficiency because, among other things, their monthly bills for fuel and other necessities use up all available capital.

The bill we have reported out of the Labor Committee goes a long way toward alleviating these continuing problems. The authorization levels in the bill are extremely modest—certainly far below the levels that experts have estimated would be necessary to offset completely the erosion of purchasing power of low-income families by high energy costs.

I am pleased that with the passage of the Interior appropriations bill last Friday, appropriations for fiscal year 1980 will be available shortly. While I would have preferred to have waited for the authorizing language in the committee bill, Senator JAVITS and I concluded several weeks ago that if we were to help this winter, we could not wait either for S. 1724 or the windfall profits tax. Therefore, we sponsored an amendment to the Interior appropriations bill for $1.2 billion to be spent using existing CSA authority. The conference bill increased that amount to the House level of $1.35 billion, which I applaud. All of this was accomplished over the opposition of the administration, which attempted to tie the health and welfare of the poor and elderly to the fate of the windfall tax. Fortunately, this position was unacceptable to Congress.

In conclusion, I would ask my colleagues to review the compelling statement of Ruth Toothaker before the Labor Committee. No words could better express the indomitable spirit of people living on the margin, maintaining hope and making do with what little comes their way. Ruth Toothaker, and those for whom she speaks, must not be neglected.

I ask unanimous consent that her statement be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM "FINAL REPORT—LOW-INCOME ENERGY ASSISTANCE, JULY 1979"—FUEL OIL MARKETING ADVISORY COMMITTEE OF THE U.S. DEPARTMENT OF ENERGY

THE PARTICULAR ENERGY HARDSHIP OF THE POOR

It is apparent that the low-income households in America pay a far higher proportion of their total annual income for energy than do higher-income households. However, it must be understood that these aggregate factors represent only a national average. The poor in various regions of the country where climate conditions are more severe than average—and energy costs are higher—face a still greater problem. For example, it was estimated in 1978, that it costs New England residents 38.8 percent more than the national average to supply adequate energy to their homes.[12] This points to the magnitude of the disparities in need and the resulting numerous cases of extreme hardship that lie behind the aggregate average figures.

Structural factors inherent in the energy delivery system combine to make the energy burden on the poor yet higher. First among these factors is the operation of the energy pricing structure. Utilizing inverted pricing schedules, with declining rates at higher usage levels, utility companies charge higher unit prices for those consumers using smaller amounts of energy (Sce Table IV).

TABLE IV.—NATIONAL WEIGHTED AVERAGE CHARGES FOR RESIDENTIAL SERVICE, 1972–78 (CITIES OF 2,500 POPULATION AND MORE)

[In cents]

	Average charge per kilowatt-hour				
	100 kWh	250 kWh	500 kWh	75 kWh	1,000 kWh
Jan. 1:					
1978	6.87	5.39	4.44	4.16	4.10
1977	6.54	5.14	4.17	3.90	3.82
1976	6.15	4.82	3.85	3.57	3.49
1975	5.89	4.60	3.59	3.30	3.28
1974	4.99	3.79	2.82	2.55	2.49
1973	4.65	3.47	2.51	2.26	2.19
1972	4.51	3.34	2.40	2.15	2.07

Source: DOE/EIA 0040/1 typical electric bills, Jan. 1, 1978.

As low-income households consume less energy than the average household they are particularly affected by inverted pricing schedules. Due to higher per-unit prices paid by low-income households, the difference in total amounts spent annually for energy between low-income households and all households was *less* than the difference in energy consumption (See Table V).

TABLE V.—DIFFERENTIAL IN CONSUMPTION AND EXPENDITURES FOR ELECTRICITY AND NATURAL GAS BETWEEN LOW-INCOME HOUSEHOLDS AND ALL U.S. HOUSEHOLDS, 1975

	Low-income households	All U.S. households	Difference (percent)
Electricity:[1]			
Average annual Btu's per household (million)	60.6	94.2	55.4
Average annual cost per household	$188.00	$278.10	47.9
Average price per million Btu's	$3.10	$2.95	
Natural gas:			
Average annual Btu's per household (millions)	109.8	136.3	24.1
Average annual cost per household	$182.30	$224.60	23.2
Average price per million Btu's	$1.66	$1.65	

[1] The Public Utility Regulatory Act of the National Energy Act staets that utility companies must consider, among other things, the applicability of a prohibition against declining block rates which favor larger users by pricing successive blocks of electricity at lower per-unit prices, and further, lifeline rates for essential needs.

Source: Washington Center for Metropolitan Studies, National Survey of Household Energy Use, 1975.

The same inverted pricing structure applies to fuel oil; for economic reasons most companies reduce the cost per gallon of fuel for large orders and increase the cost per gallon for smaller orders. Further, those using fuel oil are confronted with additional problems. In general, low-income consumers have smaller storage capacities and, with rare exception, do not have adequate resources to purchase larger orders even if they have larger storage capacities.[13] In addition, the credit and delivery practices of fuel oil dealers inadvertently penalize the poor. Because of credit practices, low-income persons are normally prevented from using credit or budget payments to pay for the fuel. They generally do not have a high enough credit rating to warrant these deferred approaches. As a result, low-income consumers are forced to pay "cash on delivery" (COD) for fuel oil. The COD system is particularly onerous for the poor and near-poor. For most households, fuel expenditures occur in a relatively short period of a few months. Those on credit or budget plans can spread fuel cost over a much longer time period than the low-income household which is forced to pay cash on delivery. Further, since low-income households do not generally have credit plans, they are for the most part denied automatic refills. They cannot have their tank filled when oil is needed, but only when they have sufficient cash for immediate payment. In addition, it must be noted that in many cases, persons who are not on credit or budget payments are forced to pay certain "surcharges" for such items as delivery at certain times and to certain places.[14]

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[12] Eunice and George Grier, "The New England Energy Consumer," January, 1978. p. 28.

The low-income family is further penalized by the quality of their housing stock, which is generally older, in poorer repair, and less well insulated than those houses utilized by higher income households. In northern climates, this results in the need to use more fuel to maintain a certain temperature than in well insulated homes. Thus, the low-income family's home is likely to be even less well heated than is suggested by the fact that the poor consume less energy per household than does the average American family.

In the South, the substandard quality of the poor's housing stock also manifests itself in higher energy costs. In cheaply designed dwelling units—particularly in mobile homes which are prevalent in Southern states—air conditioning is a necessity. Temperatures in non-air conditioned low-income southern homes present severe health hazards to the occupants—many of whom are elderly, suffering from respiratory or heart ailments made worse by increase in home temperature. In Dallas, Texas, July 1978, over twenty people died from heat prostration. They were *all* elderly, poor and lacked air conditioning.

Economic constraints in the marketplace: Why the poor have lost ground since 1972

There are three overriding economic factors in the marketplace which explain the poor's exceptional inability to adjust to higher energy costs. These are:

The average real income of the poor household has actually decreased since 1972;

Reduction in costs through conservation is extremely difficult for poor households;

Substitutability is lower for household energy needs than for most other goods or services in the economy.

According to the most recent national figures the disposable income of the poor and near-poor has not kept pace with the overall CPI. The major public assistance programs have not made up the inflationary gap for those low-income households receiving aid. All items in the CPI rose approximately 30 percent from 1973 to 1976. Unemployment insurance payments rose only 27.8 percent during the same period; further, since unemployment insurance is an inherently unstable and limited form of income, this probably had less impact on real income maintenance than is generally assumed. The more steady income maintenance programs did not come close to matching inflation during this period. Average AFDC benefits rose about 19 percent between 1973 and 1976, indicating a drop of roughly 8.5 percent in real income, while Supplemental Security Income (SSI) rose an average of 19.19 percent, amounting to a decrease in real income of about 7.8 percent.[15] Thus, a situation existed in 1976/1977 in which the major income transfer mechanisms did not maintain the real purchasing power of those receiving aid. This same decline in real purchasing power faced all households whose income from any source had risen less than 30 percent during the 1973 to 1976 period. Clearly, the low-income and elderly households, many of whom are on fixed incomes, are most seriously affected.

On a national aggregate level, reduction in household energy consumption through conservation has been somewhat successful in helping people live with higher energy prices. Northeast fuel oil dealers estimate that the response by homeowners to the first wave of price increases in 1973–1974 was a 15 percent average reduction in the use of home heating oil.[16] However, this tactic for reducing the amount of income spent on energy has not and will not work well for the poor. Simply put, evidence is ample that the poor generally are already conserving as much as they are able—more, in fact, than could be regarded as healthy. As Table V shows, low-income households use 54.0 percent less electricity and 24.1 percent less natural gas than the average U.S. household. Thus, the average low-income family subsist on lower amounts of energy than the average American, and has already conserved to the point of endangering health.

Conservation methods involving the upgrading of the quality of the housing unit are, by and large, out of the financial reach of the low-income family. While many poor would stand to gain through conservation resulting from the upgrading of their homes—as the dwellings tend to be highly inefficient in per-Btu utilization of energy—the cash is simply not available to them.

Unlike most middle- and upper-income families, the cash flow of the low-income family is not flexible enough to meet crisis situations. The large cash outlays needed for weatherization would be available only by foregoing expenditures on such pressing necessities as food or clothing. Further, due to low credit ratings, or in some cases because their homes are in an allegedly "redlined" neighborhood, low-income households' access to "home improvement" loans is severely limited. Further, since a higher proportion of low-income families rent, rather than own, their homes, there is little incentive to make improvements in which they would have no equity. To compound the problem, landlords renting units to low-income families often keep their units in poor repair and are reluctant to make improvements. Clearly, low-income families are already financially constrained to be thrifty in their energy use. This thriftiness is an illustration of the fact that low-income families have little or no scope for further reduction of energy use.

Substitutability is the dynamic economic factor which sets energy-caused income problems apart from other price and inflation-related income problems affecting the poor.

Substitution is the avenue that a consumer has open to offset the effect of an increase in price for a given good or service in the marketplace. If a good increases in price to the point that consumers cannot afford sufficient quantities of that good, they will substitute for it a different, cheaper good of the same general type. In most necessity items, substitution is a practical possibility. In food and clothing there are many alternative goods which consumers may substitute for a single good that they can no longer afford—for instance, there has been a dramatic rise in the purchase by consumers of non-name brand food products in the last five years of spiralling prices.

But in energy, substitution, particularly in the short term, is a practical impossibility. Current options available to the greatest number of low-income people for provision of household energy are limited to three: oil, gas, and electricity.

Capital costs of substitution among the three options are so prohibitively high that substitution has been proven to take place only over the very long-term—only with changes in the housing stock itself. Thus, low-income consumers do not have the practical option of substituting a different form of energy for their present source as their bills climb even higher. (Clearly, efforts should be made to utilize alternative sources where practical—such as solar, etc.).

Thus, energy, of all goods and services consumed by low-income households, presents a unique threat to the poor's well being. They are in a worse overall position to fight high energy prices than they were before the beginning of the oil price spiral in 1972. They are incapable, generally, of reducing their costs through reductions in consumption. And they have no other available option to continued consumption—there is no practical substitution possible that would provide cheaper energy sources. The unique nature of this hardship demands direct action to meet the goals of National Energy Plan I (NEP I). It is incumbent upon the government to institute a plan of assistance to ease the hardship caused the poor by high energy prices.

TABLE I.—ESTIMATED NATIONAL AVERAGE OF HOUSEHOLD EXPENDITURES FOR TOTAL ENERGY COSTS, 1978,[1]

	Annual costs		Cost as percentage of income	
	Low income household median income ($3,283)[2]	Typical median income household ($16,000)[3]	Low income, household	Typical income, household
1978 average energy expenditure	$832	$1,678	25.3	10.4
Increase in expenditure:				
10 percent	915	1,846	27.8	11.5
25 percent	1,040	2,097	31.6	13.0
50 percent	1,248	2,517	38.0	15.7

[1] Estimates for all direct household expenditures includint gasoline costs. It should be noted that these figures represen national averages and do not reflect regional differences. Estimates in this table are based on the Energy Information Agency CHRDS data base.

[2] Bureau of the Census Current Population Reports, "Consumer Income" series P–60, No. 115 issued July 1978.

[3] Bureau of the Census Current Population Report, series P–60, No. 116, issued July 1978.

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[13] Testimony, Anthony Maggiore, Fuel Oil Evidentiary Hearing.

[14] Ibid.

[15] Social Security Bulletin, April 1977, Dept. of HEW, Social Security Administration.

[16] Transcript, Case #DEH–0058, DOE Office of Hearings and Appeals, August 1978.

TABLE II.—ESTIMATED NATIONAL AVERAGE OF HOUSEHOLD EXPENDITURES FOR HOUSEHOLD ENERGY COSTS, 1978[1]

	Annual costs		Cost as percentage of income	
	Low income household median income ($3,283)[2]	Typical median income household ($16,000)[3]	Low income, household	Typical income, household
1978 average energy expenditure	$604	$768	18.4	4.7
Increase in energy expenditure:				
10 percent	668	845	20.0	5.3
25 percent	755	960	22.9	6.0
50 percent	906	1,152	27.5	7.2

[1] Estimates include only household expenditures; gasoline expenditures are not included. It should be noted that these figures represent national averages and do not reflect regional differences. Estimates in this table are based on projections based on unpublished data received from the Bureau of Labor Statistics. Similar projections based on data from the Urban Institute's Survey of Households (1976), the Energy Information Agency CHRDS series and data contained in the Consumer Expenditure Survey (1972–73) produced similar results, with the range of difference being plus or minus $30.

[2] Bureau of Census Current Population Reports, "Consumer Income" series P–60, No. 115, issued July 1978.

[3] Bureau of Census, Current Population Report, series P. 60, No. 116, issued July 1978.

TABLE III.—ESTIMATED NEW ENGLAND LOW INCOME HOUSEHOLD EXPENDITURES FOR TOTAL ENERGY AND HOUSEHOLD ENERGY COSTS, 1978[1]

	Annual costs low income household (median income $3,283)[2]		Cost as percentage of income	
	Household energy	Total energy	Household energy	Total energy
1978 average energy expenditure	$784	$1,008	23.6	30.7
Increase in energy expenditure:				
10 percent (exceeded May 1979)	862	1,109	25.9	33.8
25 percent	980	1,260	29.5	38.4
50 percent	1,176	1,612	35.8	49.1

[1] Household energy figures do not include transportation/gasoline expenditures; total energy costs include transportation/gasoline expenditure. Estimates in this table are based on the Energy Information Agency CHRDS data base. See also January 1979 "Analyzing Impacts of Energy Costs of Residents of New England" prepared for the New England Regional Energy Project and Griers "High Fuel Oil Prices: the Impact on Low Income Households" (August 1978).

[2] Bureau of the Census Current Population Reports, "Consumer Income", series P-60, No. 115, issued July 1978.

TESTIMONY OF MRS. RUTH TOOTHAKER

This winter, I might have to eat my pride: My name is Ruth Toothaker. I live in East Wilton, Maine, and I am 65 years old. I have been a widow for the past 14 months. My husband and I were married for 48 years. We were the parents of 12 children. I have 38 grandchildren and 5 great-grandchildren. I spent most of my free time in the past 10 years as a volunteer, running the clothing center for Franklin County Community Action Council, which is just up over the hill. When people ask me why I spend so much time up there, I tell them "Because I like to help poor people."

I live alone in a small house with a kitchen, sitting room, bedroom and bath. My house, which I have been in for 2 years, is about 100 years old, and is not insulated, but will be in a month or two, by the C.A.P. agency. When my husband was alive, we made a little bit too much money to get it insulated free and we couldn't afford to pay for it ourselves, plus we had made it for 48 years without asking for help so even when the outreach workers tried to give us help, we always said no. I wouldn't take help with oil last winter but I'm afraid I may have to take it this year as bad as I hate to.

I do everything I can to cut back on my oil bill. I put banking around the outside bottom of my house. To do this, I buy heavy plastic and put it on about a yard high all around the house and attach it with a staple gun. Then I get out my storm windows, which are large wooden frame windows that fit over each window and have to be put on with a screwdriver. Then I put caulking around the edges to help keep out the wind and cold. I also put plastic on the inside of all my windows. I close up my back door by nailing plastic over it. It makes me nervous to have only one way out of the house, but it lets in too much cold air. I also close up my bedroom and sleep on the couch in the sitting room. I keep a rug in front of my front door to keep out the drafts, but that door is pretty well taken care of, because it has felt all the way around it. I keep my thermostat turned down to 65 degrees and put on more clothes. I have 2 pairs of insulated underwear that my husband used to wear that I keep on most of the time in the winter. I also wear heavy sweaters, slacks and wool socks with sneakers. Sneakers are warmer than a pair of shoes to me.

I had to learn how to pinch a penny and keep warm right from the start! When you raise 12 kids on the little my husband made working on the state highway department, you don't get a chance to spend it foolishly. When we had been married for about 10 years and had 6 kids we were able to buy our first home for $16 a month, which came hard. It was sort of an apartment in the upstairs portion of an old grange hall. It had 5 rooms and a flush toilet and running cold water. It did not have a bathtub or a shower, so I heated water and bathed my kids in a washtub. I also heated hot water and washed all my clothes by hand in the same washtub. We raised all our kids in that apartment that we heated with oilburners. We had to leave that home in April of 1977 when it was condemned by the town when the chimney fell down. We really didn't want to leave our home where we had lived so many years, but we didn't have a choice.

We were lucky though and the bank gave us a loan to buy the little house which is right near where the old one was and where I live now.

When my husband died, there was money enough from his life insurance to pay his burial expenses and to pay off the mortgage and have the town sewer put in (which I had to do but did not want to, but it was government regulations). I had to spend about $300 to have it put in plus it costs me $43 quarterly now. I think I'm pretty lucky though. My house is mine free and clear, and it's a good thing because I don't know how I could pay a mortgage payment and all my other expenses out of my small Social Security check. I get $180.10 each month. That is my total income. The outreach workers tell me I should apply for SSI, but I'm independent and I don't want to take any welfare until I'm right down and out.

As for food stamps my mother, for example, who is 83 and lives nearby gets food stamps. By the time she has to pay someone to take her the 13 miles to and from the food stamp office and then another 8 miles to the Wilton town office to get the food stamps, she's more than spent her $10 benefit. I can't bother with that, no thank you, not me.

The first bills I pay each month are my lights which run about $40 a month, my telephone which is about $17. and my health insurance which is $10.10. Then, with the $113 I have left, I have to pay my food and save out money enough for my quarterly bills for water, sewer, house insurance and taxes which run together about $655.00 per year, which means I have to take out about $55 per month. This leaves me with about $58 to buy oil with or food. In the summer, I'm OK, but in the winter, it's another story.

Last winter, I spent $449.06 on oil which took about $74 a month for the six months I run my furnace. Even though the first frost of the season occurs in September, I don't turn on my furnace until November 1st and I turn it off April 30th. Even though it is 20 or 25 degrees outside, I can usually get by without my pipes freezing up. I keep it off just as long as I can. You can see in the winter after I pay for my oil, there is less than any money left and I have to save enough in the summer to get me through the winter. I try to buy all the food I can on sale and stock my freezer so I only have to buy a very minimum of groceries in the winter. Most winter months, all I buy is milk, bread and eggs. This year I had quite a setback, my freezer stopped and I didn't notice it so I lost almost $200 worth of vegetables and meat.

I really don't know what I'll ever do to make up for that. Even if people gave me meat and vegetables now I couldn't keep them because my freezer is too old to be fixed and I don't have any money for a new one. I have canned as much as I can out of my small garden and what neighbors have given me but I'm really going into the winter with far less food in stock than normal.

I've thought a lot about burning wood—in fact a year ago, I even bought a used wood stove for $50. I'd have to put something on the floor and on the wall to make it safe to install the wood stove, and I don't have the extra money, besides I've thought a lot about how I'd get the wood worked up. I guess I could split it if I had to, but I'm going to put it off as long as I can.

I'm starting out this winter with more worries than usual because it looks like my oil is going to be $900 this year instead of $450. My light bill will go up because of the fuel adjustment and the telephone company is getting another increase in its rates. It seems that everything is going up except my Social Security check; it looks like this winter is going to be food or oil. I can't close my house up any more than I have, I can't turn my thermostat down any lower, and when it's twenty or thirty degress below zero outside, and I can't keep my oil payments. I don't know what I'll do. The oil company has always trusted me before, but they say this year that if the last delivery isn't paid within ten days, they'll cut off our credit. I don't believe that Johnny (my oil dealer) will do that to me, but he is having all he can do to keep his bills paid because a lot of people still owe him from last year and if we can't pay him, he can't pay the big oil companies for his oil and he gets shut off, then we'll all be in a pretty pickle.

I'm luckier than many of my neighbors. I have one neighbor who has been on C.O.D. for the last few years. The town has to help her some. She can't get any oil unless she has the money to pay for it. She and her invalid husband get a little more money than I do, but they have medical expenses that aren't all paid for by the State and their house is bigger than mine.

I have a friend who is 77 years old and who has a big house a few miles away. She's had her house on the market for the past 3 years and can't sell it because it costs too much to heat. Her annual income is $3,200. Last year, she spent $1,200 on oil, just about ⅓ of her money, and she has wood too. She can't move and get into a low-income apartment because her house is counted as an asset.

She cries all the time, keeps her thermostat at 60 degrees and goes without food. The outreach staff is real worried about her but she says she'll freeze to death before she'd ask the town for help. I'm afraid she will too.

That just goes to show the old people in this country are proud. They don't like to tell their personal business—most of us have gotten by all these years by going without to make ends meet and don't want to change now. Even though I see the outreach workers at the C.A.P. agency every week and feel at home working up there, the thought of asking to get help from any of the programs makes my stomach feel sick. I'm just not used to asking for a handout and I don't want to start now, although with the price of oil it looks like this winter I might have to eat my pride.

In the clothing center, I hear lots of people scared about this winter. It isn't just the old ones like me, but there's lots of young ones too who work and make around $8,000 or $10,000 a year, who make too much money to get food stamps or help with oil. They have to pay taxes out of their wages. They can't feed themselves or heat their house and keep their kids warm.

I'm a lot more worried about other people than I am about me. I've made it for 65 years. I guess I'll make it a few more. ●

(Later the following occurred:)

Mr. STEVENS. Mr. President, I do not think my good friend from Louisiana heard me when I apologized to him a few minutes ago, and I do so again, based on my misunderstanding of the situation that occurred.

I thought we had an agreement that when that bill reached third reading, it would be substituted for the provisions of the bill that came out of the Finance Committee. I was disabused of that by the ruling of the Parliamentarian, and I apologize to him for any inference he may have thought I implied.

That was the agreement I thought we were trying to obtain. The minority leader participated in the final agreement with the majority leader, and I did not. I apologize to the Senator from Louisiana for anything in my remarks that he may have taken umbrage with.

Mr. LONG. Mr. President, let me assure the Senator that it is my intention to add the provisions of the bill that has been voted on by the Senate to the windfall profits tax bill, but the bill will be subject to amendment, and he can offer his amendment at that time.

Mr. ROBERT C. BYRD. Mr. President, the agreement was, I believe, that at such time as the bill which has been reported out of the Labor and Human Resources Committee had reached third reading, it would be set aside until such time as the windfall profits bill is called up, and then it was agreed that the windfall profits bill would follow on the third reading of that bill.

Mr. STEVENS. Then the statement of the Senator from Louisiana means that he is going to modify it, as he did just now, in terms of the Finance Committee bill, and it will be subject to amendment at that point?

Mr. LONG. Yes; that is correct.

Mr. STEVENS. I thank the Senator.

(Conclusion of later proceedings.)

The PRESIDING OFFICER. Is there further amendment to be proposed?

Mr. WILLIAMS. Mr. President, I ask unanimous consent to be able to make technical changes, if necessary.

The PRESIDING OFFICER. That authority has already been given.

Without objection, it is so ordered.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that following third reading of S. 1724 the bill be returned to the Calendar and the text of S. 1724, as amended, be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was advanced to third reading.

Mr. LONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PRIVILEGE OF THE FLOOR—H.R. 3919

Mr. LONG. I ask unanimous consent that the following staff members be allowed on the floor during debate and votes on H.R. 3919, the Crude Oil Windfall Profits Tax Act of 1979:

From the Committee on Finance:

Michael Stern, William Morris, Edward Hawkins, James Heinhold, Joseph Humphreys, William Galvin, Robert Lighthizer, Jack Nutter, Roderick DeArment, Linda McMahon.

From the Joint Committee on Taxation:

Bernard Shapiro, Mark McConaghy, James Wetzler, Tom Gallagher, Clint Stretch, Lin Smith, John Lepley, Albert Buckberg, Gregory Gadarian, Bernie Schmitt, Carl Bates, Randall Weiss, Alvin Geske.

Mr. CRANSTON. Mr. President, I ask unanimous consent that Jon Fleming of my staff have the privileges of the floor during the consideration of the tax bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

VETERANS' DISABILITY COMPENSATION AND SURVIVORS' BENEFITS AMENDMENTS OF 1979

Mr. CRANSTON. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 2282.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendments of the Senate to the bill (H.R. 2282) entitled "An Act to amend title 38, United States Code, to provide a cost-of-living increase in the rates of disability compensation for disabled veterans and in the rates of dependency and indemnity compensation for survivors of disabled veterans", with the following amendments: In lieu of the matter proposed by the amendment of the Senate to the text of the bill, insert:

That this Act may be cited as the "Veterans' Disability Compensation and Survivors' Benefits Amendments of 1979".

SEC. 2. Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—VETERANS' DISABILITY COMPENSATION BENEFITS

RATES OF DISABILITY COMPENSATION

SEC. 101. (a) Section 314 is amended—

(1) by striking out "$44" in subsection (a) and inserting in lieu thereof "$48";

(2) by striking out "$80" in subsection (b) and inserting in lieu thereof "$88";

(3) by striking out "$121" in subsection (c) and inserting in lieu thereof "$133";

(4) by striking out "$166" in subsection (d) and inserting in lieu thereof "$182";

(5) by striking out "$232" in subsection (e) and inserting in lieu thereof "$255";

(6) by striking out "$292" in subsection (f) and inserting in lieu thereof "$321";

(7) by striking out "$346" in subsection (g) and inserting in lieu thereof "$380";

(8) by striking out "$400" in subsection (h) and inserting in lieu thereof "$440";

(9) by striking out "$450" in subsection (i) and inserting in lieu thereof "$495";

(10) by striking out "$809" in subsection (j) and inserting in lieu thereof "$889";

(11) by striking out "$56", "$1,005", and "$1,408" in subsection (k) and inserting in lieu thereof "$62", "$1,104", and "$1,547", respectively;

(12) by striking out "$1,005" in subsection (l) and inserting in lieu thereof "$1,104";

(13) by striking out "$1,107" in subsection (m) and inserting in lieu thereof "$1,217";

(14) by striking out "$1,258" in subsection (n) and inserting in lieu thereof "$1,383";

(15) by striking out "$1,408" each place it appears in subsections (o) and (p) and inserting in lieu thereof "$1,547";

(16) by striking out "$604" and "$900" in subsection (r) and inserting in lieu thereof "$664" and "$989", respectively;

(17) by striking out "$905" in subsection (s) and inserting in lieu thereof "$995"; and

(18) by striking out "$175" in subsection (t) and inserting in lieu thereof "$192".

(b) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85–857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

RATES OF ADDITIONAL COMPENSATION FOR DEPENDENTS

SEC. 102. (a) Section 315(1) is amended—

(1) by striking out "$49" in clause (A) and inserting in lieu thereof "$54";

(2) by striking out "$83" in clause (B) and inserting in lieu thereof "$91";

(3) by striking out "$110" in clause (C) and inserting in lieu thereof "$121";

(4) by striking out "$137" and "$27" in clause (D) and inserting in lieu thereof "$151" and "$30", respectively;

(5) by striking out "$34" in clause (E) and inserting in lieu thereof "$37";

(6) by striking out "$61" in clause (F) and inserting in lieu thereof "$67";

(7) by striking out "$88" and "$27" in clause (G) and inserting in lieu thereof "$97" and "$30", respectively;

(8) by striking out "$40" in clause (H) and inserting in lieu thereof "$44";

(9) by striking out "$89" in clause (I) and inserting in lieu thereof "$98"; and

(10) by striking out "$75" in clause (J) and inserting in lieu thereof "$82".

(b)(1) Clauses (I) and (J) of such section (as amended by subsection (a)) are further amended by striking out "subsection" each place it appears and inserting in lieu thereof "section".

(2) Section 315(2) is amended by inserting "of this section" after "paragraph (1)".

CLOTHING ALLOWANCE FOR CERTAIN DISABLED VETERANS

SEC. 103. Section 362 is amended by striking out "$218" and inserting in lieu thereof "$240".

ELIGIBILITY FOR AID AND ATTENDANCE ALLOWANCE FOR CERTAIN VETERANS

SEC. 104. Section 314(r) is amended—

(1) by striking out "the" the first place it appears;

(2) by striking out "or" after "this section" and inserting in lieu thereof a comma;

(3) by inserting "or at the intermediate rate authorized between the rates authorized under subsections (n) and (o) of this section and at the rate authorized under subsection (k) of this section," after "subsection (p) of this section,"; and

(4) by striking out "compensation under subsection (o) or (p) of this section—" and inserting in lieu thereof "compensation—".

DETERMINATION OF INTERMEDIATE RATES

SEC. 105. Subsection (p) of section 314 is amended by inserting before the semicolon at the end thereof a period and "Any intermediate rate under this subsection shall be established at the arithmetic mean, rounded to the nearest dollar, between the two rates concerned".

TITLE II—SURVIVORS' DEPENDENCY AND INDEMNITY COMPENSATION BENEFITS

RATES OF DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES

SEC. 201. (a) Subsection (a) of section 411 is amended to read as follows:

"(a) Dependency and indemnity compensation shall be paid to a surviving spouse, based on the pay grade of the person upon whose death entitlement is predicated, at monthly rates set forth in the following table:

"Pay grade	*Monthly rate*
E–1	$326
E–2	337
E–3	345
E–4	367
E–5	377
E–6	386
E–7	404
E–8	426
E–9	[1] 446
W–1	413
W–2	430
W–3	442
W–4	$468
O–1	413
O–2	426
O–3	457
O–4	482
O–5	532
O–6	598
O–7	648
O–8	710
O–9	763
O–10	[2] 835

[1] "If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $480.

[2] "If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $895."

(b) Subsection (b) of such section is amended by striking out "$35" and inserting in lieu thereof "$38".

(c) Subsection (c) of such section is amended by striking out "$89" and inserting in lieu thereof "$98".

(d) Subsection (d) of such section is amended by striking out "$45" and inserting in lieu thereof "$49".

RATES OF DEPENDENCE AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 202. Section 413 is amended—

(1) by striking out "$150" in clause (1) and inserting in lieu thereof "$165";

(2) by striking out "$216" in clause (2) and inserting in lieu thereof "$237";

(3) by striking out "$278" in clause (3) and inserting in lieu thereof "$306"; and

(4) by striking out "$278" and "$56" in clause (4) and inserting in lieu thereof "$306" and "$62", respectively.

RATES OF SUPPLEMENTAL DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 203. Section 414 is amended—

(1) by striking out "$83" in subsection (a) and inserting in lieu thereof "$98";

(2) by striking out "$150" in subsection (b) and inserting in lieu thereof "$165"; and

(3) by striking out "$76" in subsection (c) and inserting in lieu therof "$84".

TITLE III—AMENDMENTS TO CERTAIN VETERANS' LIFE INSURANCE PROVISIONS

AUTHORITY FOR DIVIDENDS—VETERANS' REOPENED INSURANCE

SEC. 301. (a) Subsection (b) of section 725 is amended—

(1) by inserting "and" after the semicolon at the end of clause (6); and

(2) by striking out the semicolon at the end of clause (7) and all that follows in such subsection and inserting in lieu thereof a period.

(b) Subsection (c) of such section is amended—

(1) by striking out clause (4);

(2) by redesignating clauses (5), (6), and (7) as clauses (4), (5), and (6), respectively; and

(3) by inserting "and" after the semicolon at the end of clause (5) (as so redesignated).

(c) The first sentence of subsection (d) of such section is amended by striking out "shall be made from that fund" and inserting in lieu thereof a comma and "including payments of dividends and refunds of unearned premiums, shall be made from that fund and the interest earned on the assets of that fund".

AUTHORITY FOR HIGHER INTEREST RATES FOR AMOUNTS PAYABLE TO BENEFICIARIES

SEC. 302. (a) Subchapter I of chapter 19 is amended by adding at the end thereof the following new section:

"§ 726. AUTHORITY FOR HIGHER INTEREST RATES FOR AMOUNTS PAYABLE TO BENEFICIARIES

"Notwithstanding sections 702, 723, and 725 of this title, if the beneficiary of an insurance policy receives the proceeds of such policy under a settlement option under which such proceeds are paid in equal monthly installments over a limited period of months, the interest that may be added to each such installment may be at a rate that is higher than the interest rate prescribed in the appropriate section of this subchapter. The Administrator may from time to time establish a higher interest rate under the preceding sentence only in accordance with a determination that such higher rate is administratively and actuarially sound for the program of insurance concerned. Any such higher interest rate shall be paid on the unpaid balance of such monthly installments.".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 725 the following new item:

"726. Authority for higher interest rates for amounts payable to beneficiaries.".

SEC. 303. (a) Subchapter II of chapter 19 is amended by adding at the end thereof the following new section:

"§ 761. AUTHORITY FOR HIGHER INTEREST RATES FOR AMOUNTS PAYABLE TO BENEFICIARIES

"Notwithstanding section 744(b) of this title, if the beneficiary of an insurance policy issued under the provisions of this subchapter receives the proceeds of such policy under a settlement option under which such proceeds are paid in equal monthly installments over a limited period of months, the interest that may be added to each such installment may be at a rate that is higher than the interest rate prescribed in such section. The Administrator may from time to time establish a higher interest rate under the preceding sentence only in accordance with a determination that such higher rate is administratively and actuarially sound. Any such higher interest rate shall be paid on the unpaid balance of such monthly installments.".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 760 the following new item:

"761. Authority for higher interest rates for amounts payable to beneficiaries.".

TECHNICAL AMENDMENTS

SEC. 304. Sections 718(b) and 753 are amended by striking out "his" and inserting in lieu thereof "such person's".

TITLE IV—EXEMPTION OF VETERANS' ADMINISTRATION HOME LOANS FROM STATE ANTI-USURY PROVISIONS

SEC. 401. (a) Chapter 37 is amended by adding at the end thereof the following new section:

"§ 1828. EXEMPTION FROM STATE ANTI-USURY PROVISIONS

"If, under any law of the United States, loans and mortgages insured under title I or title II of the National Housing Act are exempt from the application of the provisions of any State constitution or law limiting the rate or amount of interest, discount points, or other charges which may be charged, taken, received, or reserved by lenders, then loans and mortgages guaranteed or insured under this chapter are also exempt from the application of such provisions.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"1828. Exemption from State anti-usury provisions.".

TITLE V—MISCELLANEOUS PROVISIONS

TECHNICAL AMENDMENTS

SEC. 501. (a) Section 611(c)(1) is amended by striking out "recognized by the Administrator for the purposes of" and inserting in lieu thereof "named in, or approved by the Administrator under,".

(b) Section 612A(d) is amended by striking out the comma after "this title)".

(c) Section 620A is amended—

(1) by striking out "of" after "treatment facilities" in paragraph (1) of subsection (a) and inserting in lieu thereof "for"; and

(2) by striking out the comma after "such request" in paragraph (2) of subsection (d).

(d) Section 663(d) is amended by striking out "order to carry" and inserting in lieu thereof "carrying".

(e) Section 5005(a) is amended by striking out "section 5031 of this title" and inserting in lieu thereof "subchapter III of this chapter".

ASSISTANCE IN LOCATING CERTAIN INDIVIDUALS EXPOSED TO OCCUPATIONAL HAZARDS DURING MILITARY SERVICE

SEC. 502. In order to effectuate more fully the policy underlying the enactment of section 6103(m)(3) of the Internal Revenue Code of 1954 regarding the location, for certain purposes, of individuals who are, or may have been, exposed to occupational hazards, the Director of the National Institute of Occupational Safety and Health, upon request by the Administrator of Veterans' Affairs (or the head of any other Federal department, agency, or instrumentality), shall (1) pursuant to such section 6103(m)(3), request the mailing addresses of individuals who such Administrator (or such department, agency, or instrumentality head) certifies may have been exposed to occupational hazards during active military, naval, or air service (as defined in section 101(24) of title 38, United States Code), and (2) provide such addresses to such Administrator (or such department, agency, or instrumentality head) to be used solely for the purpose of locating such individuals as part of an activity being carried out by or on behalf of the Veterans' Administration (or such other department, agency, or instrumentality) to determine the status of their health or to inform them of the possible need for medical care and treatment and of benefits to which they may be entitled based on disability resulting from exposure to such occupational hazards.

TITLE VI—EFFECTIVE DATES

EFFECTIVE DATES

SEC. 601. (a) The amendments made by titles I and II, and the provisions of section 101(b), shall take effect as of October 1, 1979.

(b) The amendments made by titles III, IV, and V shall take effect on the date of the enactment of this Act.

In lieu of the amendment of the Senate to the title of the bill, amend the title so as to read: "An Act to amend title 38, United States Code, to provide a cost-of-living increase in the rates of compensation paid to veterans with service-connected disabilities and in the rates of dependency and indemnity compensation paid to survivors of veterans, to modify certain veterans' life insurance programs, and to exempt Veterans' Administration home loans from State anti-usury laws; to provide for certain assistance in locating individuals who were exposed to occupational hazards during military service; and for other purposes.".

Mr. CRANSTON. Mr. President, as chairman of the Veterans' Affairs Committee, I will urge concurrence in the House amendments to the Senate amendments to H.R. 2282, the proposed Veterans' Disability Compensation and Survivors' Benefits Amendments of 1979, with committee amendments that I intend to propose. The measure has, I believe, been cleared on both sides.

Mr. President, the principal purpose of this bill is to provide for a cost-of-living increase in veterans' service-connected disability compensation. On July 16, 1979, the House passed H.R. 2282 with an 8.3-percent increase. The Senate amended the bill on August 3 to provide for an 11.1-percent increase and to make certain other modifications and improvements in veterans' programs. On October 30, the House amended the Senate amendment to provide for a 9.9-percent increase and agreed to most of the Senate-passed improvements.

Mr. President, I believe that the compromise offered in the House amendment before us basically vindicates the Senate version of H.R. 2282 by adopting five of the seven substantive Senate provisions with no comparable House counterparts and by setting the disability compensation and DIC rate increase at 9.9 percent—more than halfway between the House- and Senate-passed figures. Unfortunately, despite our very strong urging, the House committee refused, in the current atmosphere of deep concern with increasing Federal outlays, to go any higher on the rates. We insisted that the increase, in any event, be no less than was provided by law last July 1 to VA pensioners as well as social security and railroad retirement beneficiaries.

Mr. President, I believe the increase should have been higher. Inflation continues at an annual level in excess of 13 percent, and I truly feel that the 2.3 million veterans receiving service-connected disability compensation and the more than 300,000 survivors receiving DIC are entitled to the increase in the Senate-passed version. But, we clearly had to reach some agreement, and this is the very best that the Senate committee could do to vindicate the policy of the Senate on this very necessary rate increase.

Mr. President, with regard to the one remaining substantive difference with the House and the amendments I intend to offer on behalf of the Veterans' Affairs Committee, I would like to emphasize that Senate concurrence in the House amendment would provide for a 9.9-percent cost-of-living increase in the so-called "k" rate. Under the House amendment, that rate increase would be effective on October 1, 1979, as would the other rate increases in the House amendment. Under our amendment today, the 9.9-percent increase in the "k" rate would be made effective on September 1, 1980.

Mr. President, the Senate, in taking action originally on this legislation, did not provide for any increase in the "k" rate. The "k" rate is an add-on award for certain specific disabilities that is paid either to veterans who also receive compensation for those same disabilities under other subsections of section 314, or to veterans whose particular disability has no effect on the veteran's earning capacity.

In view of this, Congress has rarely provided for increases in the "k" rate. However, in view of the rapid increase in inflation during this past year and the lack of any cost-of-living increase in the "k" rate since 1976, it is the view of our committee that, in the interest of reaching an accommodation with the House, an increase in this rate should be provided. Nevertheless, in view of the continuing need to hold down Federal spending, we believe that the increase should be delayed until September 1, 1980. Our amendment so provides. This would result in a reduction of $5.7 million in fiscal year 1980 budget authority and outlays as compared with the effective date in the House amendment.

Finally, Mr. President, there is also one technical change and one clarifying change regarding VA mobile home loans in the amendment I am submitting.

RETROACTIVITY OF INCREASE

Mr. President, with the exception regarding the "K" rate that I have already mentioned, the effective date of the 9.9-percent increase provided for under the pending measure will be October 1, 1979. The increase will be retroactive to that date, but it will not be reflected in monthly payments to veterans and survivors until January 1980 when the December check will be mailed.

Mr. President, I regret that passage of this measure has been delayed to this point by the failure of the Congress to complete final action on the second concurrent budget resolution for fiscal year 1980—Senate Concurrent Resolution 36—which, under section 310(b) of the Congressional Budget Act, should have been completed by September 15—2 months ago. In the view of our committee, it would not have been advisable for the Senate to act on this measure while there was still major uncertainty about the outcome of the controversy concerning reconciliation instructions in that budget resolution. As twice passed by the Senate, that budget resolution has contained instructions to this committee to reduce spending in reported, enrolled, or enacted legislation for veterans' programs by $100 million in both budget authority and outlays. Under those instructions, the only option available to our committee to recommend such a reduction in spending, without breaching the commitment our Nation has made to veterans, would have been through a reduction in the cost-of-living increase provided in this measure from the 11.1-percent increase previously reported by this committee and passed by the Senate to the 9.9-percent increase passed by the House. If the Senate had acted on H.R. 2282 prior to the final adoption of a second concurrent budget resolution with reconciliation instructions, that option would have been foreclosed. Thus, the Committee was constrained to withhold action on this measure until after it became sufficiently clear whether the reconciliation instructions would be adopted. It now appears to me that the likelihood of such instructions being adopted by the Congress is so remote that we should proceed with H.R. 2282.

EXPLANATION OF PROVISIONS

Mr. President, in order that all Senators and the public may have a full understanding of the provisions of the compromise agreement, I would now like to provide an explanation, in lieu of the joint explanatory statement that would accompany a conference report, of the provisions of the House bill, the Senate amendment, and the compromise agreement, as it is incorporated in the House amendment to the Senate amendment to H.R. 2282.

EXPLANATION OF HOUSE BILL, SENATE AMENDMENT, AND COMPROMISE AGREEMENT

TITLE I—VETERANS' DISABILITY COMPENSATION RATE INCREASE

Sections 101, 102, and 103. The House bill would amend chapter 11 of title 38, United States Code, to increase, effective October 1, 1979, by 8.3 percent, the basic rates of service-connected disability compensation for veterans, the rates payable for certain severe disabilities, the dependents' allowances paid to service-connected disabled veterans rated 30-percent or more disabled, and the annual clothing allowance. The Senate amendment would increase by 11.1 percent, effective October 1, 1979, those same rates and allowances except the rate authorized under section 314(k) of title 38—the "k" rate.

The House amendment provides for a 9.9-percent increase, effective October 1, 1979, in all rates and allowances provided for under chapter 11, including the "k" rate. The floor amendment being proposed today would make the "k" rate increase effective on September 1, 1980, in order to reduce substantially—by about $5.7 million—the fiscal year 1980 impact of this increase, which was not included in the original Senate amendment.

ELIGIBILITY FOR AID AND ATTENDANCE ALLOWANCE FOR CERTAIN VETERANS

Section 104. Both the House bill and the Senate amendment, with minor differences in wording, would provide that a veteran compensated at the rate intermediate between the rates authorized under subsections (n) and (o) of section 314 of title 38—the "n½ + k" rate—shall be eligible for the aid-and-attendance allowances authorized under subsection (r) of section 314.

The compromise agreement contains the Senate version of this provision.

DETERMINATION OF INTERMEDIATE RATES

Section 105. The Senate amendment would provide that intermediate rates established by the VA under section 314(p) of title 38—rates intermediate between the rates authorized under subsections (l) and (m), (m) and (n), and (n) and (o) of section 314—shall be established at the arithmetic mean between the two rates concerned.

The House bill does not contain a comparable provision.

The compromise agreement contains the Senate amendment with a modification to provide that such intermediate rates shall be rounded to the nearest dollar.

TITLE II—SURVIVORS' DEPENDENCY AND INDEMNITY COMPENSATION BENEFITS

RATE INCREASES

Sections 201, 202, and 203. The House bill and the Senate amendment would amend chapter 13 of title 38, United States Code, to provide increases effective October 1, 1979, of 8.3 percent and 11.1 percent, respectively, in the basic rates of dependency and indemnity compensation—DIC—payable to the surviving spouses and surviving children of veterans whose deaths were service connected, including the rates for those surviving spouses who have dependent children, who are permanently housebound, or who are in need of regular aid and attendance. Survivors of certain totally disabled veterans whose deaths were not service connected would also receive this rate increase in their benefits, paid at DIC rates.

The compromise agreement provides for a 9.9-percent increase, effective October 1, 1979, in DIC rates.

TITLE III—AMENDMENTS TO CERTAIN VETERANS' LIFE INSURANCE PROVISIONS

AUTHORITY FOR DIVIDENDS—VETERANS' REOPENED INSURANCE

Section 301. The Senate amendment would authorize the payment of dividends on Veterans Reopened Insurance (VRI) policies—National Service Life Insurance (NSLI) policies issued to certain disabled veterans during the limited reopening of the NSLI program in 1965—from the Veterans Reopened Insurance trust fund.

The House bill does not contain a comparable provision.

The compromise agreement contains the Senate provision with an amendment to clarify that the payment of VRI dividends and refunds of unearned premiums shall be made from the assets of the Veterans Reopened Insurance Fund and the interest earned on those assets.

AUTHORITY FOR HIGHER INTEREST RATES FOR AMOUNTS PAYABLE TO BENEFICIARIES

Sections 302 and 303. The Senate amendment would authorize the payment of interest on NSLI, United States Government life insurance, and Veterans Special Life Insurance policy proceeds under settlement options where the proceeds are payable in a limited number of monthly installments, at rates that are higher than those currently payable and that the Administrator of Veterans' Affairs finds to be actuarially and administratively sound.

The House bill does not contain comparable provisions.

The compromise agreement contains the Senate provisions with minor technical amendments.

TITLE IV—EXEMPTION OF VETERANS' ADMINISTRATION HOME LOANS FROM STATE ANTIUSURY PROVISIONS

Section 401. The Senate amendment would amend chapter 37 of title 38, United States Code, to exempt VA guaranteed and insured home loans—including loans for conventional homes, mobile homes, condominiums, and home improvements—from State antiusury constitutional or statutory provisions limiting the rate or amount of interest that may be charged, in any State where any other Federal law provides an exemption from State antiusury provisions for home loans insured under title I or II of the National Housing Act.

The House bill does not contain a comparable provision. However, on June 25, 1979, the House passed H.R. 411, which would exempt VA home loans from State antiusury provisions in States having both constitutional and statutory antiusury provisions—only the State of Arkansas at present.

The compromise agreement as modified by the Senate amendment to the House amendment contains the initial Senate provisions, with an amendment to make clear that the exemption provided for under the compromise agreement extends to loans guaranteed or insured by the VA under chapter 37 of title 38, not to "mortgages," which are not eligible for guarantee or insurance under chapter 37, and that the exemption extends to all loans guaranteed or insured under chapter 37, not just those that are secured by a real property mortgage.

With regard to the exemption of FHA loans from State antiusury provisions, it should be noted that H.R. 3875, the proposed Housing and Community Development Amendments of 1979, as passed by the House on June 7, 1979, and as amended by the Senate on July 13, 1979, contains provisions amending the National Housing Act to provide for the exemption of "any loan, mortgage, or advance which is insured under title I or II of (the National Housing Act)." H.R. 3875 is currently pending in conference, and final action is expected during this session.

The exemption as modified would apply in any jurisdiction where loans insured under title I or II of the National Housing Act—FHA loans—are made exempt by Federal law even though the particular type of transaction might not be exempted if insured by the FHA.

It should be emphasized that the compromise agreement is intended to exempt from State antiusury provisions, in jurisdictions where FHA loans are exempt, any loan guaranteed or insured by the VA under chapter 37 of title 38 that is made for one or more of the purposes specified in section 1810(a) or section 1819(a)(1). Thus, in those jurisdictions, the exemption would apply to any repayment obligation insured or guaranteed by the VA, including a deferred payment financing transaction, security agreement, or other financing arrangement, even though the particular type of transaction, agreement, or arrangement may not be regarded under State law as a loan—as may be the case in connection with, for example, home improvements or mobile home purchases.

Thus, where a veteran uses his or her VA loan-guarantee entitlement for the purchase of a mobile home, for the purpose of making a home improvement, or for other purposes in connection with which the debtor's obligation is not secured by a real property mortgage, under a deferred-payment financing transaction, security agreement, or other financing arrangement, the maximum interest rate that may be charged would be governed by the applicable VA interest rate established for mobile home purchases, home improvements, or other authorized purposes, under the authority provided to the Administrator of Veterans' Affairs by sections 1819(f) and 1803(c)(1) of title 38, United States Code.

Thus, the committee emphasizes that the purpose of this provision as modified is to assure, to the maximum extent possible in any jurisdiction in which FHA loans are exempt, that no veteran seeking to use his or her loan-guarantee entitlement, whether for a conventional home, mobile home, home improvement, or any other authorized purpose, shall be discouraged or prevented from such purpose by reason of a State antiusury provision. Because one of the major purposes of the VA mobile home loan program is to assist Vietnam-era veterans to acquire homes, the committee strongly urges the VA to provide adequate and complete information concerning this provision to appropriate State officials and to the financing community.

TITLE V—MISCELLANEOUS PROVISIONS

TECHNICAL AMENDMENTS

Section 501. The Senate amendment contains technical amendments to chapters 17 and 81 of title 38 in order to correct minor technical errors resulting from the enactment of the Veterans' Health Care Amendments of 1979 (Public Law 96–22).

The House bill does not contain comparable provisions.

The compromise agreement contains the Senate provisions.

ASSISTANCE IN LOCATING CERTAIN INDIVIDUALS EXPOSED TO OCCUPATIONAL HAZARDS DURING MILITARY SERVICE

Section 502. The Senate amendment would require the Director of the National Institute of Occupational Safety and Health—NIOSH—upon the request of the VA, or another Federal agency, and under the provisions of section 6103 (m) (3) of the Internal Revenue Code, to request from the Internal Revenue Service current mailing-address information on persons who the agency head certifies may have been exposed to occupational health hazards while serving in the Armed Forces and to supply that information to the VA, or other Federal agencies, for certain medical followup and benefits notification purposes relating to such possible occupational hazard exposures.

The House bill does not contain a comparable provision.

The compromise agreement contains the Senate provision.

It should be emphasized that the purpose of this provision is to facilitate the completion of certain nuclear-weapons-test radiation followup studies currently under way and the dioxin—"Agent Orange"—study that would be required under section 304 of H.R. 3892, as passed by the Senate on June 18, 1979, and as included in the initial Senate amendment to H.R. 2282, and any comparable medical followup studies of persons exposed to occupational hazards during service in the Armed Forces. In view of the great significance of those studies to particular veterans and their survivors, it is clearly the will of Congress that the VA and other Federal agencies whose studies may be facilitated by this provision make prompt and expeditious use of the authority provided for under this provision.

PROVISIONS NOT INCLUDED IN COMPROMISE AGREEMENT

ADMINISTRATION-REQUESTED INSURANCE PROVISION

The initial Senate amendment—section 301, which was based on an administration-requested bill, S. 754—would provide for a limited expansion of the categories of persons to whom assignments of the proceeds of NSLI and USGLI life insurance policies may be made. The House bill does not contain a comparable provision, and the compromise agreement does not contain this provision because the House committee was not convinced that there is any pressing need for remedial legislation such as was requested by the administration.

AGENT ORANGE STUDY

The Senate amendment—section 503—would provide for a study of the long-range effects of the contaminant dioxin, as found in Agent Orange, a herbicide used in Vietnam during the Vietnam conflict. This provision is virtually identical to a provision in H.R. 3892 as passed by the Senate on June 18. The House bill does not contain a comparable provision, and the compromise agreement does not contain this provision because the House Committee prefers to work out any such study provision in the context of H.R. 3892. I very much hope we can reach agreement on that measure in the next several weeks. In the meantime, certain administrative activities are proceeding in the Veterans' Administration, the Department of the Air Force, and the Department of Health, Education, and Welfare, and I would like to take this opportunity to provide a brief outline for all Senators and the public of these matters of such vital concern to Vietnam-era veterans.

VETERANS' ADMINISTRATION

Mr. President, a VA Advisory Committee on the Health-Related Effects of Herbicides has been organized to provide a focus within the VA for analysis of the various health-care issues arising from the use of Agent Orange in Vietnam. In addition, all VA health-care facilities have been directed to make available thorough examinations and appropriate followup for possible effects from Agent Orange to all Vietnam-era veterans who believe they were exposed to a herbicide and, in this connection, to ask all Vietnam-era veterans being treated at VA facilities whether they were so exposed. To date, over 4,000 veterans who served from 1962 to 1970 have been examined by the VA.

The purpose of these medical examinations is to assist in establishing a clinical picture of the individual exposed to Agent Orange during military service and to begin to develop data pertaining to whether such exposure has resulted in specific symptoms and long-term effects on the health of the individuals who were exposed. In conjunction with this activity, the Armed Forces Institute of Pathology has established a special registry for the central collection of pathological material from these veterans. The VA is presently computerizing the collected data, which may then be utilized as part of a prospective epidemiological study to attempt to determine what, if any, long-term effects may be attributable to exposure to Agent Orange.

Mr. President, the VA is also conducting a scientific study to search for traces of dioxin in the body fat of individuals exposed to Agent Orange to compare the results of that search to body fat samples from persons who were not exposed to Agent Orange. Results of the study are expected by the end of this year.

Mr. President, on October 29, 1979, the Administrator of Veterans' Affairs, Max Cleland, wrote to me concerning the VA's Agent Orange study activities. Mr. President, I ask unanimous consent that the Administrator's letter be printed in the RECORD at the conclusion of my remarks along with appropriate correspondence and other documents pertaining to HEW activities underway in this area.

VETERANS' ADMINISTRATION,
Washington, D.C., July 6, 1979.

Hon. ALAN CRANSTON,
Chairman,
Committee on Veterans' Affairs.

DEAR MR. CHAIRMAN: I am providing you my comments, as stated to the Chairman, Senate Committee on Governmental Affairs, and to the Chairman, House Committee on Governmental Operations, on the Comptroller General's April 6, 1979 report, "Health Effects of Exposure to Herbicide Orange in South Vietnam Should be Resolved," CED–79–22. The report states that since 1977, Vietnam veterans have contacted the Veterans' Administration (VA) concerning health problems which they believe were caused by exposure to herbicides in Vietnam. VA's efforts to resolve veterans' concerns have been hampered because of problems in identifying personnel exposed to herbicides and determining the possible health consequences. GAO recommends that the Department of Defense (DOD), with the assistance and guidance of an appropriate interagency group, conduct a survey of any long-term medical effects on military personnel who were likely to have been exposed to herbicides in South Vietnam. It also recommends several additional actions VA and DOD should take.

The report assigned the primary role in the further investigation of the effects of Herbicide Orange on the health of Vietnam veterans to the Department of Defense (DOD). The VA does not object to DOD's major role in the study of this herbicide but wishes to point out that the majority of individuals exposed are undoubtedly no longer on active military duty. Accordingly, DOD's access to these individuals may be very limited. In contrast, the VA is the agency responsible for providing a range of services including health care for individuals, and could be called upon to resolve questions concerning the toxicity of Herbicide Orange.

The VA is vigorously investigating the toxicity of Herbicide Orange and a VA Central Office Steering Committee has been established to coordinate the investigation. The charter establishing an advisory group on the technical aspects of herbicide toxicity has been approved and published in the Federal Register. This group, entitled "Committee on the Health Related Effects of Herbicides," comprised of some of the most renowned individuals working in environmental health, will provide the VA with advice on its efforts.

The VA has established a registry of Vietnam veterans examined in our medical centers for herbicide toxicity to permit continuing followup. We anticipate medical followup for these individuals over a number of years in order to detect any development of herbicide related diseases. A study of the diagnostic value of determining dioxin levels in the fat of individuals exposed to Herbicide Orange is being conducted. This study should provide definitive information to determine if this test should be used to diagnose herbicide toxicity.

I have written the Secretary, Department of Health, Education and Welfare (DHEW), concerning the importance of epidemiological studies of populations exposed to large quantities of potentially toxic herbicides. The Secretary responded positively, indicating that DHEW will investigate the individuals exposed to dioxin during an industrial accident in Nitro, West Virginia.

In their report, the GAO recommends that I assure that "in evaluating herbicide related claims, regional offices obtain all military record information pertaining to a veteran's possible exposure to herbicides in Vietnam;

The Department of Veterans Benefits (DVB) has received 500 claims for compensation from veterans alleging current disabilities were caused by exposure to Herbicide Orange in Vietnam. We are obtaining military record information pertaining to their possible exposure to chemical herbicides in Vietnam. DVB also received information from the Department of Defense concerning herbicide chemical spraying missions. We plan to use this information to verify a veteran's presence in an area in which a herbicide chemical spraying mission was conducted.

"All veterans submitting such claims to VA regional offices are encouraged to contact VA health care facilities."

As early as October 17, 1978, all DVB field stations were advised of the examination procedures outlined in VA Circular 10–78–219. In that announcement, we indicated that Veterans Services Division personnel should advise each veteran alleging an Herbicide Orange related disease of the hospital examination and treatment program available. DVB Circular 21–79–6, issued April 25, 1979, requiries VA employees adjudicating claims to notify each veteran claiming a herbicide chemical related disease of the hospital examination and treatment program available at the nearest VA Medical Center.

Lastly, we believe it should be noted that we are constantly learning more about the health effects, both short-term and long-range, of exposure to herbicides. The current state of scientific data is in a flux and is undergoing careful scrutiny and examination by a variety of experts, both within and without the Federal Government. Therefore, we believe it is premature for the VA to undertake an outreach program at this time. You may be assured that as more data is received and analyzed, we shall take appropriate action, including an outreach program.

Sincerely,

MAX CLELAND,
Administrator.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. CRANSTON. Mr. President, HEW's activities concerning Agent Orange are being coordinated from a policy, priority, and implementation point of view by HEW's Coordinating Committee on Environment and Related Programs—CCERP—which includes the National Institutes of Health, the Center for Disease Control, and other HEW agencies involved in dioxin research. Two epidemiological studies of the long-term health effects on industrial workers exposed to dioxins through manufacturing processes or industrial accidents are underway. The first is an assessment of the health status of workers who were exposed some time ago—in the late 1940's—to dioxin compounds in a chemical plant in Nitro, W. Va. The second is a similar survey of workers in a Jacksonville, Ark., plant whose exposure is more recent.

Mr. President, HEW is also establishing a registry of U.S. industrial workers who have been exposed to dioxin through workplace exposures and accidents and is taking steps to participate in the development of a similar international registry.

Finally, Mr. President, during the latest CCERP meeting, preliminary discussions were held on designing and executing a study, in collaboration with the Bronx Veterans' Administration Hospital, of Vietnam-era veterans exposed to dioxins. Development of an appropriate protocol is now in process.

AIR FORCE

Mr. President, between 1962 and 1971, about 1,100 Air Force personnel were involved in so-called "Operation Ranchhand," the name attached to the Air Force herbicide spraying program in Vietnam. The Department of the Air Force has been planning an epidemiological study of the effects of dioxin exposure on these 1,100 Air Force personnel and Air Force veterans who were likely to have had significant exposure to Agent Orange in Vietnam during their involvement in "Operation Ranchhand."

The purpose of the study is to determine whether a causal relationship can be established between dioxin exposure and changes in the long-term health status of individuals who were exposed in this manner.

Mr. President, the initial phase of the study was scheduled to begin in early October, 1979, following completion of an extensive "peer review" of the medical protocol—a review by knowledgeable scientists of the scientific approach of the study—by several scientific groups, including the University of Texas Medical School at Houston, the Air Force Scientific Advisory Board, the Armed Forces Epidemiological Board, and the National Academy of Sciences. This peer review, which began in June 1979, has not been completed as quickly as originally anticipated. According to the Administration it now appears that the initial phase of the study may not begin until January 1980.

EXECUTIVE BRANCH COORDINATION

Mr. President, I have been concerned for some time about the various efforts underway in the executive branch in connection with research into the long-term health effects of exposure to dioxins. More than 9 months ago, I urged the President to establish an interagency effort to monitor, oversee, and coordinate the various studies. I believe that such an effort is essential in order to integrate and interrelate the findings of the various studies as well as to avoid unnecessary duplication and overlap among the activities of the numerous agencies involved and to attempt to assure sound scientific methodology in all such activities.

Mr. President, I have very recently been advised that the establishment of an interagency task force, under the chairmanship of the Department of Health, Education, and Welfare, is imminent. I applaud this forthcoming action. In addition, Mr. President, we have been in close contact with various components of the administration to discuss the various activities planned and underway, and to discuss in particular detail the Air Force's plans for the "Ranchhand" study. I am aware of considerable objections and reservations that have been expressed about the objectivity and scientific validity of that study to be carried out by Air Force personnel. It is my understanding that four steps will be taken to attempt to deal with these questions.

First, the study will not proceed unless and until the National Academy of Sciences has fully approved the protocol.

Second, the NAS will monitor the conduct of the study, including a full mid-course review.

Third, the Air Force physicians scheduled to carry out the physical examinations of the participants will not be informed as to which examinees are "Ranchhand" participants and which are in the control group; the detailed patient histories will be taken by personnel other than the examining physicians and will not be available to those physicians.

Fourth, appropriate biomedical and epidemiological HEW components will also be involved in reviewing and approving the Air Force protocol.

Whether these steps are sufficient to overcome concerns about the Air Force study is not yet clear to me. I will continue to consult widely on this question, Mr. President, and expect to reach a conclusion in the next few weeks. I invite any persons interested in this issue to communicate their views to me by contacting Cheryl Beversdorf or Molly Milligan of the committee staff at 224–9126.

CONCLUSION

Mr. President, the service-connected disability compensation program is the highest priority of this committee, and I strongly believe that the 9.9 percent cost-of-living increase and other provisions in the compromise agreement, as amended, are fully warranted. I am most grateful for the excellent contributions and cooperation of all the committee members in working on this legislation, as well as for the help of their staff members.

I would particularly like to express my appreciation to our distinguished ranking minority member, the Senator from Wyoming (Mr. SIMPSON), for his help and guidance and to Minority Counsel Garner Shriver and Associate Minority Counsel John Pressly.

I would also like to thank the able Senator from Georgia (Mr. TALMADGE) for his excellent work in the development of this legislation and for the assistance of his staff member, Bobby Avary.

Finally, I would like to thank for their very capable work committee staff members Mary Sears, Ed Scott, Molly Milligan, Jon Steinberg, Harold Carter, Terri Morgan, and Becky Walker, as well as Senior Legislative Counsel Hugh Evans.

Mr. President, in conclusion, I believe that this is a reasonable and fair measure that should be adopted by the Senate with the amendments I will propose. Mr. President, I ask unanimous consent to insert in the RECORD at this point the Congressional Budget Office estimate of the costs of H.R. 2282 with my amendment, as well as the inserts to which I have previously referred.

Congressional Budget Office,
Washington, D.C., November 1, 1979.
Hon. Alan Cranston,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Pursuant to Section 202 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for H.R. 2282, the Veterans' Disability Compensation and Survivors' Benefits Amendments of 1979.

Should the Committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

Alice M. Rivlin,
Director.

Congressional Budget Office—Cost Estimate

November 1, 1979.

1. Bill number: H.R. 2282.

2. Bill title: Veterans' Disability Compensation and Survivors' Benefits Amendments of 1979.

3. Bill status: A possible amendment to be offered by Senator Alan Cranston.

4. Bill purpose: This bill would increase the monthly rates of disability and survivors compensation by an average of 9.9 percent. These increases would be retroactive to October 1, 1979, with the exception of the increase to benefits paid under paragraph (k) (section 314, title 38, U.S.C.), which would be effective September 1, 1980. In addition, it would extend eligibility for aid and attendance allowances to certain disabled veterans and would amend certain provisions in the veterans housing and insurance programs.

5. Cost estimate: This bill would result in additional future Federal liabilities through extensions of existing entitlements and would require subsequent appropriation action to provide the necessary budget authority. The figures shown as "Required Budget Authority" represent an estimate of the additional budget authority needed to cover the estimated outlays that would result from enactment of H.R. 2282. Only those sections of the bill with a cost impact are addressed in the cost estimate.

[By fiscal years; in millions of dollars]

	1980	1981	1982	1983	1984
Required budget authority	669.7	682.5	690.0	697.9	705.9
Estimated outlays	618.5	685.7	693.4	701.2	709.3

Note: Detail shown under "Basis for estimate" may not add to total due to rounding.

The cost of this bill would fall within function 700.

6. Basis for estimate:

TITLE I

Sections 101–103: would increase the monthly rates of veterans' disability compensation by an average of 9.9 percent. The cost of the increase was calculated by multiplying the projected average benefit level in each year by 9.9 percent, then multiplying the result by the anticipated caseload level for that year.

For benefits under paragraph (k) (section 314, title 38, U.S.C.), the increase would be delayed until September 1, 1980. According to VA data, there were 85,963 such awards as of September, 1979.

[By fiscal years; in millions of dollars]

	1980	1981	1982	1983	1984
Required budget authority	549.6	562.8	570.3	577.8	585.4
Estimated outlays	505.1	561.9	569.5	577.4	585.4

Sections 104–105: would extend eligibility for aid and attendance allowances to veterans who are entitled to compensation at an intermediate rate between the rates provided by section 314(n) (title 38, U.S.C.) and section 314(o) and who are also entitled to additional compensation under section 314(k). According to the VA there were only 58 such cases receiving compensation in fiscal year 1978. There are no data available upon which to estimate the number of these veterans who would qualify for aid and attendance allowances. The maximum possible cost of this provision would be $688,000, if all the affected cases were determined to be eligible for the higher level aid and attendance allowance of $989 a month. This is not expected to be the case, however, since the types of disabilities involved are not likely to require the higher level of attendant care. If it is assumed that 50 percent of the newly eligible veterans would qualify for regular aid and attendance and an additional 10 percent would require the higher level care, the annual cost of this provision would be approximately $300,000.

TITLE II

Sections 201–203: would increase the monthly rates of disability and indemnity compensation by an average of 9.9 percent. The cost of the increase was calculated by multiplying the result by the anticipated caseload level for that year.

[By fiscal years; in millions of dollars]

	1980	1981	1982	1983	1984
Required budget authority	120.1	119.7	119.8	120.1	120.5
Estimated outlays	110.6	120.0	120.0	119.9	119.9

TITLE III

Section 301: would authorize the payment of dividends from the Veterans Reopened Insurance (VRI) fund. The VRI fund is not currently authorized by law to pay dividends. Since premium payments and interest coming into the fund exceed the cost of claims, a large surplus has accumulated in the fund which would allow the payment of dividends at no cost to the Federal Government. The payment of dividends would, however, increase the outlays from the fund. The estimated outlay increase shown for fiscal year 1980 only reflects the impact for three-fourths of the year, as the fund operates on a calendar year basis. The first dividend, therefore, would not be declared until January 1980.

[By fiscal years; in millions of dollars]

	1980	1981	1982	1983	1984
Estimated budget authority	0	0	0	0	0
Estimated outlays	2.8	3.8	3.9	3.9	4

Sections 302–303: The beneficiary of a National Service Life Insurance (NSLI) or United States Government life insurance (USGLI) policy has the option of receiving the proceeds of that policy in a limited number of monthly installments rather than in a lump sum. Interest is paid on the unpaid balance of such proceeds at the rate of 3 percent per annum. These unpaid balances are earning interest, however, at an average rate of 6.8 percent. The excess interest currently goes into the surpluses of the two funds and is paid out in dividends to policyholders. This provision would allow the Administration to adjust the rate at which interest is paid to beneficiaries to the rate at which the interest is actually being earned. There would be no Federal cost associated with this amendment, nor any significant change to total outlays, because the provision would only change the recipients of the outlays, but not the total amount.

TITLE IV

Section 401: would exempt VA home loans from state anti-usury laws and constitutional provisions. According to VA information, only the State of Arkansas would be significantly affected by this amendment. Other States either have state laws that exempt Federal home loan programs from the restrictions of their usury laws or have interest ceilings high enough to avoid conflict with current interest rates. Although enactment of the provision would increase loan activity in Arkansas, the increase should not significantly raise total program costs.

TITLE V

Section 502: would require the National Institute of Occupational Safety and Health (NIOSH) to obtain from IRS current addresses of persons who may have been exposed to radiation or other occupational hazards during military service. This amendment would be expected to result in some net savings to Federal expenditures as it would eliminate the need for these addresses to be obtained by VA through less efficient means. Neither the increase in costs to NIOSH and IRS nor the savings to VA should be significant. If these changes are absorbed in the current funding levels of the three agencies, there would be no budgetary impact.

7. Estimate comparison: None.

8. Previous CBO estimate: On June 21, 1979, CBO submitted an estimate of H.R. 2282 (shown below) as ordered reported by the House Veterans' Affairs Committee. This earlier version of the bill provided for an 8.3 percent rate increase, and did not contain the provisions relating to the insurance and housing programs found in the current bill.

[By fiscal years; in millions of dollars]

As passed in House, July 16	1980	1981	1982	1983	1984
Required budget authority	577.0	581.6	588.9	596.2	603.5
Estimated outlays	530.9	581.2	588.3	595.6	602.9

On July 26, 1979, CBO submitted an estimate of S. 689 to the Senate Veterans' Affairs Committee. H.R. 2282 was later amended by the Senate Committee to reflect the language originally contained in S. 689. This version of the bill provided for an 11.1 percent increase in compensation benefits as well as most of the housing and insurance amendments found in the current version. The original cost estimate of S. 689 is shown below.

[By fiscal years; in millions of dollars]

As passed in Senate, Aug. 3	1980	1981	1982	1983	1984
Required budget authority	758.1	765.5	773.6	784.1	792.3
Estimated outlays	700.2	768.7	776.8	787.1	795.6

On October 30, 1979, CBO submitted the following cost estimate of H.R. 2282 as it was amended and passed on the House floor on that date. That version of the bill provided for a 9.9 percent increase in compensation rates, effective for all categories as of October 1, 1979.

[By fiscal years; in millions of dollars]

As passed in House, Oct. 30	1980	1981	1982	1983	1984
Budget authority	675.4	682.5	690.0	697.9	705.9
Outlays	624.2	685.7	693.4	701.2	709.3

9. Estimate prepared by: K. W. Shepherd (225–7766).

10. Estimated approved by James L. Blum, Assistant Director for Budget Analysis.

COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., February 7, 1979.
Hon. JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I know you share my concern that the chemicals we use may have serious, long-term effects on our health that are unknown. The issue of the long-term effects on humans of the use of herbicides both in this country since the late 1940's and in the Indochina Conflict during the 1960's is of great concern to me. I am writing to you because I believe that a coordinated Federal interagency effort is badly needed to deal with this issue.

I believe that it would be tragic if exposure to herbicides in general and to the herbicide contaminant dioxin in particular had long-term health effects which we permitted to remain unrecognized, thus allowing additional persons to be harmed because of continuing exposure to a toxic substance. There is, as the Veterans' Administration has acknowledged, special cause for concern for the welfare of veterans who were exposed to dioxin, due to its presence in "Agent Orange" and other herbicides, during their service in the conflict in Vietnam; and it would be inexcusable if any resulting harm to them was not discovered because the issue was inadequately studied.

The toxicology of dioxin is not well enough understood at this time to answer questions about the long-term health consequences of exposure to this chemical agent. For example, we do not know whether the finding of long-term toxic effects in animals also applies to humans. We also do not know whether publicity surrounding the "Agent Orange" issue has created needless anxiety and contributed to a number of complaints of psychological origin or whether the publicity has prompted individuals to seek medical care with complaints that are related to dioxin exposure.

I understand there is one long-term study of a group of persons exposed to dioxin in Seveso, Italy, in 1976. I think it critical that additional groups and individuals exposed to dioxin be studied in such a way as to answer some of the questions raised above. There are numbers of persons in the United States who have been exposed to dioxin who should logically be included in such a study. One group, as stressed previously, consists of those service personnel who were exposed to dioxin in the Indochina Conflict in the 1960's. I've been unable to learn of any comprehensive, long-term epidemiological studies underway in this country to follow that group.

Although the Veterans' Administration has established written policies and procedures to start a "registry" of veterans who present themselves to VA medical facilities with complaints which the veteran feels might relate to herbicide exposure. I am concerned that this registry will be far from adequate for purposes of developing scientifically valid and definitive information about the effects of dioxin on our Vietnam veterans. Sound epidemiologic methods certainly require a much more broad-based method of sampling than waiting for those who happen to use VA health-care services to seek care at VA facilities.

Likewise, the VA's recently announced research program to search for traces of dioxin in the body fat of veterans exposed to dioxin in Indochina is not capable of providing complete answers to the questions that are raised. Although I agree that this study may supply "another piece" of the total puzzle, it certainly cannot be considered to be a comprehensive investigation into all the significant, relevant issues.

Thus, I strongly urge that serious consideration be given to starting a major, long-term epidemiologic study of individuals exposed to dioxin. Appropriate epidemiologic methods should be used to select both individuals exposed to dioxin in the Indochina Conflict in the 1960's and persons exposed to dioxin in this country since the 1940's to be followed by such a study. Other Federal agencies with some involvement in the issues—the Department of Defense, the Department of Health, Education, and Welfare, the Department of Agriculture, and the Environmental Protection Agency—should participate. The study should span sufficient time to obtain solid background data for determining the long-term health effects of the chemical on humans and the validity of claims against the Government relating to dioxin exposure. The study should also look at the effects of publicity on the presentation of complaints relating to possible health problems arising from dioxin exposure.

As Chairman of the Committee on Veterans' Affairs and a member of the Health Subcommittee of the Human Resources Committee, I strongly believe that these issues are of such importance to the people of the United States in general and to Vietnam veterans in particular as to warrant the major, long-term study that I have suggested. I respectfully urge that you give these suggestions your most serious consideration.

With warmest personal regards,
Cordially,
ALAN CRANSTON,
Chairman.

VETERANS' ADMINISTRATION,
DEPARTMENT OF MEDICINE AND SURGERY,
Washington, D.C., May 24, 1979.
Hon. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: President Carter has asked me to review your letter of February 7, on the subject of herbicide toxicity, and I have submitted it to my medical staff for comment. I am pleased to share with you our thoughts on the issues raised in your letter.

We fully agree with you that information on the long-term effects of herbicides on human health is incomplete and that every effort should be made to obtain definitive data on these effects. We also support your recommendation that these data are most likely to be obtained through studies which follow carefully designed protocols.

Among the available investigative methods relevant to such studies, the techniques of epidemiology appear to be especially valuable. In particular, we believe that epidemiological studies should be conducted on the following populations: (1) the individuals exposed to industrial accidents in Seveso, Italy and Nitro, West Virginia; (2) members of the Armed Forces who encountered heavy herbicide exposures while serving in Vietnam; (3) workers in factories where herbicides were manufactured; and (4) individuals residing near forested areas where intensive spraying with herbicides is practiced. The results obtained from studies on these groups of people should be compared to a control group with no known herbicide exposures.

The Veterans' Administration does not currently possess the technical expertise or the budgetary resources to conduct any of these investigations independently. However, we will be able to make some significant contributions to the epidemiological data on the effects of herbicides on health through our long-term study of those veterans in our patient population who were exposed to herbicides during the Vietnam War. We are establishing a registry for these patients which will enable us to follow them more efficiently.

We have elected at this time not to identify, locate or examine all of the veterans exposed to herbicides during the Vietnam War. We believe such an extensive outreach program might cause undue anxiety among the veteran population. This conclusion is supported by the comprehensive studies recently performed by the National Academy of Sciences and the Department of Defense. These studies produce no definitive evidence of any permanent adverse effects of herbicides on human health.

The VA is aware of the group of 1200 Vietnam veterans who received particularly intense exposure to herbicides while participating in "Operation Ranchhand." We have obtained the official list of names of the "Ranchhand" participants from the Department of Defense and we have initiated efforts to identify those individuals on this list who are actively utilizing VA health care services and to include them in our herbicide registry. In addition, we will offer appropriate cooperation to the Air Force with its proposed study of the "Ranchhand" group. These two groups of "Ranchhand Veterans" will then be available for examination and long-term study.

The VA has also initiated other studies which may also contribute to a resolution of the issue of herbicide toxicity. One of these studies has as its goal the determination of possible dioxin levels in the fat tissues of veterans exposed to herbicides in Vietnam compared with an unexposed control group. This study should help to resolve the controversy over whether present methods will detect dioxin residues in fat tissues long after exposure to this chemical. Studies such as this must precede any attempt to validate the theory which has recently been aspoused that residues of dioxin in body fat are evidence of long-term herbicide toxicity.

Another act of studies which we are undertaking is a review among Vietnam veterans of the incidence of diseases alleged by some to be induced by herbicides. The initial efforts will be directed towards a study of digestive tract malignancies. Other disease entities will be studied subsequently.

In order to share our efforts in the study of herbicide toxicity with outside experts, we are activating an advisory committee composed of recognized authorities recruited from other Federal agencies and from the private sector. This committee which has received GSA approval and has been announced in the Federal Register, will begin its operations in the near future.

In order to encourage the performance of those studies on herbicide toxicity which are beyond the current expertise or resources of the VA, we will specifically suggest that the appropriate agencies represented on the Advisory Committee undertake them. As the first step in this direction, we have written to the Department of Health, Education, and Welfare with the suggestion that they undertake those herbicide-related studies that are within its competence.

We will continue to search for mechanisms by which we can help resolve the issue of herbicide toxicity among humans. Hopefully, the coordinated efforts of the VA along with other Federal and private sector agencies will be able to complete this task in an expeditious manner.

We deeply appreciate your efforts to help arrange for the effective study of herbicide toxicity.

Sincerely yours,
JAMES C. CRUTCHER, M.D.,
Chief Medical Director.

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., August 1, 1979.
Hon. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR ALAN: Thank you for your letter regarding the potentially toxic effects on human health resulting from exposure to 2,4,5–T and its dioxin contamination, and other dioxin-contaminated phenoxy herbicides.

As you know, HEW has developed much of the laboratory information that shows the potential toxicity that these compounds present to human health. I agree that we should intensify our efforts to assess health effects in humans, and have asked Dr. James Dickson, Senior Advisor for Environmental Affairs, Public Health Service, to take the steps necessary to assess the impact that these herbicides and dioxins have on human health. In order to assure comprehensive and responsive research in this area, Dr Dickson is coordinating HEW's activities through our Committee to Coordinate Environmental and Related Programs, which includes the National Institutes of Health, the Center for Disease Control, and the other HEW agencies involved in this research.

HEW plans to conduct epidemiological studies of the long-term health effects resulting from exposure to these chemicals, and is taking several steps to develop a suitable population for this work.

Because toxicity can be more readily established where there are high levels of exposure over long periods of time, we have concentrated our initial efforts on the study of industrial workers exposed to the compounds through manufacturing processes, spills or other industrial accidents. We have initiated a number of efforts to study workers exposed to these compounds. First, we are assessing the health status of workers in one plant in West Virginia who were exposed some time ago. We are also supporting a similar survey which is being conducted on workers in a plant in Arkansas who may have more recent or current exposure. The Center for Disease Control through the National Institute for Occupational Safety and Health is establishing a registry for U.S. industrial workers who have been exposed to dioxin through workplace exposures and accidents, and HEW is taking steps to develop a similar international registry. These registries are an important step in determining the health effects of herbicides and dioxin exposure.

We have also identified certain research needs that can be satisfied through relatively short-term laboratory and animal tests. In particular, we are initiating studies on genetic and reproductive effects in males and their offspring.

On June 1, I met with representatives of several veterans' organizations and discussed the issue of alleged health effects resulting from exposure to Agent Orange and other herbicides which were used in the Vietnam conflict. We expect to receive from these organizations certain data that they have gathered on alleged health effects, and will make the maximum possible use of it.

As you know, HEW also needs certain critical information from the Department of Defense to determine whether studies of the health effects of exposures in Vietnam are feasible. We are now taking steps to determine whether this information is available. We also plan to review studies which the Department of Defense is conducting, and are providing scientific expertise to the Veterans' Administration Advisory Committee on Health-Related Effects of Herbicides.

We will keep you, as well as other interested parties, informed of our progress.

Sincerely,

JOSEPH A. CALIFANO, Jr.

DIOXIN AND DIOXIN-CONTAMINATED PHENOXY HERBICIDES

BACKGROUND

HEW is establishing a registry of U.S. workers who have been exposed to dioxins and certain dioxin-contaminated herbicides, and will conduct epidemiological studies of the long-term health effects of exposure to these chemicals.

Dioxins, which are chemical byproducts of the manufacture of certain herbicides, have been shown to cause birth defects, cancer and other health disorders, often leading to death in laboratory animals.

Combinations of dioxin-contaminated herbicides were used in Vietnam as defoliants under names such as Agent Orange. The herbicides have also been used in the United States to clear growth along roadways, railroads and power lines, to kill trees in forests, and to destroy weeds in range lands and rice fields.

Since the late 1960's HEW has been funding research that has now shown beyond doubt that dioxins are highly toxic in laboratory animals. Many of the herbicides themselves may also be toxic in laboratory animals. This research suggests that dioxins produce similar toxic effects in human beings, but scientific proof of these effects has not yet been developed.

The best way to confirm the effect of these chemicals is to study people who have been exposed to relatively high levels of the compounds over long periods of time. For that reason, initial research will focus on industrial workers—people exposed to dioxins and herbicides through ordinary manufacturing processes, spills or other industrial accidents.

The registry of workers will be established by the Center for Disease Control, acting through the National Institute for Occupational Safety and Health (NIOSH).

The techniques used in establishing the registry will conform to those used by the World Health Organization so that results of the epidemiological studies can be compared with those in other countries. HEW is also making arrangements with other countries for comparative studies of various populations exposed to dioxins.

HEW also plans to conduct epidemiological studies to assess the long-term health effects of exposure to dioxins and certain dioxin-contaminated herbicide. The Senate has recently passed an amendment which would require HEW to conduct such studies and the Department will undertake them as soon as it identifies an appropriate population or populations from which valid scientific conclusions could be drawn.

HEW is taking these additional steps to determine the health effects of dioxin exposure:

To assess the long-term effects of exposure, NIOSH and the National Institute for Environmental Health Science (NIEHS) will continue to provide funding and technical assistance for a study of a 1949 spill in Nitro, West Virginia, which affected several hundred workers. Preliminary results of this study are expected to be available within two months.

To assess the short-term effects of dioxin exposure, NIOSH and NIEHS will continue to work with the State government and the Environmental Protection Agency in studying a recent accident in Jacksonville, Arkansas. The incident involved chemicals which leaked out of disposal drums and contaminated the local water supply.

The Public Health Service will conduct short-term laboratory tests that will focus on the genetic and reproductive effects of dioxin exposure for males and their offspring. The results of these tests are expected within four to six months.

HEW is also concerned about the long-term health effects of dioxin exposure to Vietnam veterans, but needs information from the Department of Defense to determine whether studies of these health effects are feasible. HEW has asked the Department of Defense for its cooperation.

HEW will also review studies that the Department of Defense is conducting, and provide scientific assistance to the Veterans' Administration Advisory Committee on Health-Related Effects of Herbicides.

These efforts are aimed at fulfilling Secretary Califano's commitment to assess aggressively the health effects which may result from exposures to dioxins.

ASSESSING THE HUMAN HEALTH EFFECTS RESULTING FROM EXPOSURE TO DIOXINS AND DIOXIN-CONTAMINATED PHENOXY HERBICIDES

This assessment is being undertaken by the DHEW Committee to Coordinate Environmental and Related Programs (DHEW-CCERP) Ad Hoc Work Group on 2,4,5-T/dioxins and 2,4-D (Agent Orange). The impetus for this Work Group is our continued concern with the 2,4,5-T/dioxin issue: Seveso, waste chemical dumps, Alsea, chemical factories, etc. This is culminated by our present concern with the Agent Orange issue and what the Public Health Service (PHS) is doing and may do. The PHAS has done and currently is engaged in studies with those chemicals and their impurities found in Agent Orange. All of these efforts serve as the template against which we may compare effects reported by Vietnam veterans exposed to Agent Orange. More importantly, they are vital for comparison purposes for any study of the Vietnam veterans.

CHEMICAL STUDIES

1. The components of Agent Orange will be obtained and analyzed for any needed animal studies.

2. If available, samples of Agent Orange will be obtained and analyzed for their impurities: dioxins and furans.

ANALYTICAL CHEMISTRY

The state-of-the-art for existing methodologies for dioxins and furans will be evaluated relative to their possible applicability to ongoing and proposed epidemiologic and other studies.

BIOLOGICAL STUDIES

Laboratory and Animal Studies:

a. Review of the literature has indicated that the possibility of 2,4-D being a contributing factor to some of the symptoms reported by Vietnam veterans must be taken into consideration. This must be further evaluated in terms of possible studies.

b. Mutagenicity studies will be initiated as soon as the appropriate chemicals are purchased.

c. Male reproductive studies will be initiated with these same chemicals.

EPIDEMIOLOGICAL STUDIES

1. Occupational:

a. NIOSH is identifying workers in all 2,4,5-T plants in the U.S. for a possible follow-up study.

b. Mount Sinai School of Medicine's Environmental Sciences Laboratory (a Center Grantee of NIEHS) presently is studying 2,4,5-T workers, past and present, in Jacksonville, Arkansas and Nitro, West Virginia.

c. The University of Cincinnati is conducting a contract study of workers previously employed in a 2,4,5-T plant in Nitro, West Virginia.

2. Vietnam Veterans:

a. The Air Force has proposed a study of selected Air Force personnel previously engaged in the spraying of Agent Orange in Vietnam. The Work Group is attempting to obtain the protocol for this proposed study.

b. Exploratory discussion between the Mount Sinai School of Medicine and the Bronx Veterans' Administration Hospital indicated that a study of the Vietnam veterans exposed to Agent Orange is feasible and would have the full support of Headquarters, Veterans' Administration. Mount Sinai School of Medicine is continuing these activities.

Details on all of the above are contained in the attached minutes of the DHEW-CCERP Ad Hoc Work Group meetings on 2,4,5-T/dioxins and 2,4-D (Agent Orange).

VETERANS' ADMINISTRATION,
Washington, D.C., October 29, 1979.
Hon. ALAN CRANSTON,
Chairman, Senate Veterans' Affairs Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am pleased to inform you that I will be able to report to you no later than January 15, 1980, on what I believe will be substantial progress in the area of the Veterans' Administration's response to the herbicide Agent Orange problem. As you may know, the special Advisory Committee, convened for the purpose of looking into this matter, has had its second meeting and the deliberations of that group will prove of great benefit to us in pursuing an appropriate strategy in order to respond.

I believe that I will have specific items to report to you, although it is not likely that all the definitive answers will be known by that date. Included in our progress report will be a coordinated approach encompassing many elements of the Federal organization. Of interest, too, is the fact that we have convened a meeting of approximately 200 physicians, clinicians, epidemiologists and biochemists representing each of our 172 VA medical centers to exchange ideas about the most effective approach to solving the riddle of Agent Orange.

We appreciate your interest.

Sincerely,

MAX CLELAND,
Administrator.

UP AMENDMENT NO. 825

Mr. **CRANSTON**. Mr. President, I now move that the Senate concur in the House amendments to the Senate amendments to the text of the bill with the following amendments which I send to the desk and ask unanimous consent that they be considered en bloc.

The **PRESIDING OFFICER**. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from California (Mr. CRANSTON) proposes an unprinted amendment numbered 825.

Mr. **CRANSTON**. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendment is as follows:

On page 4 of the House-engrossed amendments, strike out lines 19 through 22 and insert in lieu thereof the following:

(b)(1)(A) Clause (i) of such section (as amended by subsection (a)) is further amended—

(i) by striking out "subsection" the first time it appears and inserting in lieu thereof "paragraph";

(ii) by striking out "(1)" and "or (2)" and inserting in lieu thereof "(i)" and "or (ii)", respectively; and

(iii) by striking out "paragraph (2) of this subsection" and inserting in lieu thereof "paragraph (2) of this section".

(B) Clause (J) of such section (as amended by subsection (a)) is further amended—

(i) by striking out "subsection" the first time it appears and inserting in lieu thereof "paragraph"; and

(ii) by striking out "paragraph (2) of this subsection" and inserting in lieu thereof "paragraph (2) of this section".

On page 11, line 13, of the House-engrossed amendment, strike out "and mortgages".

On page 13 of the House-engrossed amendment, strike out lines 17 through 19 and insert in lieu thereof the following:

SEC. 601. (a)(1) Except as provided in paragraph (2) of this subsection, the amendments made by titles I and II and the provisions of section 101(b) shall take effect as of October 1, 1979.

(2) With respect to the amendment made by clause (1) of section 101(a), that portion of the amendment amending subsection (k) of section 314 to increase certain monthly rates of compensation shall take effect as of September 1, 1980, and that portion of the amendment amending such subsection to increase certain maximum monthly amounts of compensation shall take effect as of October 1, 1979.

Mr. **MUSKIE**. Mr. President, I rise in support of the Cranston amendment, which would provide a 9.9 percent increase in compensation benefits to disabled veterans.

I commend the chairman of the Veterans' Affairs Committee for his excellent leadership in providing needed relief against inflation to disabled veterans, their dependents, and their survivors. While the level of increase is not as great as in the Senate-passed bill—11.1 percent, as assumed in the second budget resolution—it is considerably better than the 8.3 percent increase in the House-passed bill.

This 9.9. percent increase was recommended by the President. It is equal to the cost-of-living increase received earlier this year by social security and SSI beneficiaries. I believe that this level of increase will provide needed protection against inflation to veterans.

Mr. President, I would also like to commend the chairman of the Veterans' Affairs Committee, Senator CRANSTON, for his responsible efforts in holding to the budget.

With the adoption of this bill—amended to provide a 9.9-percent increase—and the only other bill on the calendar reported by the Veterans' Committee—S. 870, the GI Bill Amendments of 1979—the Veterans' Committee will be within its crosswalk under the second budget resolution.

I ask unanimous consent that a table be inserted in the RECORD at this point which shows the status of the Veterans' Affairs Committee's crosswalk.

Mr. President, I, along with every other Member of Congress, would like to provide veterans with even more generous benefits. However, we all must be mindful of the need for budgetary restraint in our efforts to curb the inflation which harms veterans as well as all Americans.

For this reason, I must state that I will have to oppose any amendment to this bill or any other bill—including S. 870, which the Senate will take up soon—which would violate the budget resolution.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—STATUS OF VETERANS COMMITTEE CROSSWALK

[Fiscal year 1980, millions of dollars]

	Budget authority	Outlays
Current law under Veterans Committee jurisdiction	13,353	13,326
Veterans Committee crosswalk	14,032	13,944
Amount current law under (−) crosswalk	−679	−618
Reported Veterans Committee bills:		
GI Bill Amendments Act of 1979 (S. 870)	−10	−10
Veterans' Disability Compensation and Survivor's Benefits Amendments Act of 1979 (H.R. 2282)[1]	675	624
Status of Veterans Committee legislation—amount under (−) crosswalk	−13	−4

[1] Amended to provide a 9.9 percent cost-of-living increase in veterans' compensation benefits.

Mr. **SIMPSON**. Mr. President, I thank the distinguished majority leader. My remarks are in concurrence with those of the distinguished Senator from California. As ranking minority member of the Veterans' Affairs Committee, I certainly concur in the remarks and the result just obtained as a result of hard decisions on hard issues. I think the Senator from California has made a commendable record.

The Veterans' and Survivors' Benefits Adjustment Act of 1979 again comes before the Senate in H.R. 2282. On August 3, 1979, the Senate passed this bill with a cost-of-living increase in disability compensation paid to service-connected veterans in the amount of 11.1 percent and with dependency and indemnity compensation paid to eligible survivors of veterans who died of service-connected disabilities at 11.1 percent rate of increase.

On July 16, 1979, the House passed measure provided for an 8.3 percent cost-of-living increase for the Veterans' Disability and Survivors' Benefits program.

This bill has now been sent back for Senate consideration with a rate of cost-of-living increase of 9.9 percent. I believe this is a reasonable compromise and will be of substantial benefit in the lives of our service-connected veterans and to survivors drawing dependency and indemnity compensation.

Mr. President, all of us are aware of our budgetary problems and of the need to bring economy to Government. We are also mindful of the needs of our service-connected disabled veterans. Inflation and the rapid rise of the cost of goods and services seriously affect the lives of our Nation's veterans who received disabilities in the service of their country. If there is any group our Nation and its citizens want to assist it is those who have suffered a loss in their earning capacity resulting from their period of service to the country.

The proposed 9.9-percent cost-of-living increase will require $675.4 million in fiscal year 1980. This represents $83 million less than the amount needed to fund the 11.1 percent increase in our original Senate-passed measure.

Through the years there have been frequent cost-of-living increases for disabled veterans and for dependency and indemnity compensation (DIC) for surviving spouses and children of veterans whose deaths were service connected. Although there is no relationship between veterans disability compensation and social security payments, it so happens that the 9.9-percent increase provided in this bill is exactly the same percentage as social security payments increased this year. The social security increase came about by indexing and was automatic. The increases provided in this bill will be retroactive to October 1, 1979, with the checks reflecting the 9.9-percent cost-of-living increase for October and November in the recipients' December checks.

The Congress has been delayed in taking final action on this bill while awaiting final action by the Budget Committee. However, there should be no further delay in letting the many disabled veterans know that we are mindful of our Nation's obligation to compensate for their sacrifice.

There are two technical provisions included in H.R. 2282, which would affect the severely disabled service-connected veterans. One would raise the rate of monthly compensation paid, the so-called "K" award. This group has not had an increase since 1976. Another would make eligible for consideration by the Veterans' Administration of the aid-and-attendance allowance. This so-called, "N ½ plus k" group of the most severely disabled service-connected veterans would apply to no more that 58 persons.

As fully explained when this legislation was considered by the Senate in August, the bill contains changes in the VA insurance programs. One provision would authorize the payment of dividends on certain policies and also higher rates of interest on insurance proceeds paid on an installment basis would be authorized. The Administrator may adjust the rate at which interest is paid to beneficiaries to the rate at which interest is actually being earned.

Another provision of the bill currently being considered would require the National Institute of Occupational Safety and Health to request from the Internal Revenue Service current mailing addresses of persons the Veterans' Administration certifies may have been exposed to health hazards while serving in the Armed Forces. Such addresses are to be used solely for the purpose of locating certain veterans as part of an activity being carried out by or on behalf of the VA or other Federal agencies to determine the status of their health or to inform them of the possible need for medical care and treatment and of benefits to which they may be entitled based on disability resulting from exposure to such occupational hazards. This is a cost saving provision.

I feel the compromise between House and Senate versions of this legislation results in a satisfactory legislative measure of real importance to our veteran population and assures that we have met the responsibility of this Nation to those who have given so much in behalf of the Nation. I join Chairman CRANSTON and other members of our Senate Committee on Veterans' Affairs in urging passage of H.R. 2282 as amended.

Mr. THURMOND. Mr. President, I rise in support of H.R. 2282, as amended, the Veterans' Disability Compensation and Survivors' Benefits Amendments of 1979.

This measure would amend title 38, United States Code, to provide a 9.9-percent cost-of-living increase in the rates of disability compensation for disabled veterans and in the rates of dependency and indemnity compensation for survivors of disabled veterans.

This measure also would provide for the payment of dividends on World War II Veterans' Reopened Insurance—VRI—policies. The VRI fund is not currently authorized to pay dividends; however, premium payments and interest coming into the fund exceed the cost of claims thereby creating a large surplus of funds which can be used to pay dividends to policyholders.

Also, matured World War II National Service Life Insurance—NSLI—and World War I U.S. Government life insurance—USGLI—policies pay monthly benefits to their beneficiaries rather than in a lump sum. Interest is paid on the unpaid balance of such proceeds at the rate of 3 percent per year. However, these unpaid balances are earning interest at a rate of 6.8 percent. H.R. 2282 would allow the VA to adjust these interest rates so that the beneficiaries would receive the interest that is actually earned.

Additionally, H.R. 2282 provides an exemption for VA housing and mobile home loans from limitations imposed by State constitutions and State usury statutes.

Mr. President, these are several provisions contained in H.R. 2282 which I believe are important and needed by our Nation's 30 million veterans. I believe H.R. 2282, as amended, is meritorious and urge my colleagues to support this measure.

The PRESIDING OFFICER (Mr. STONE). The question is on agreeing to the motion to concur in the House amendments with an amendment.

The motion was agreed to.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CRANSTON. Mr. President, I ask unanimous consent that H.R. 2282 be printed with the amendments just agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR McGOVERN INTERVIEWED ON "FACE THE NATION"

Mr. ROBERT C. BYRD. Mr. President, on Sunday, Senator GEORGE McGOVERN appeared on the nationally televised CBS program, "Face the Nation."

The senior Senator from South Dakota was questioned on several subjects, but most of the questioning related to the current situation in Iran.

In particular, Senator McGOVERN discussed the role of food as an instrument of U.S. foreign policy. As an experienced member of both the Committee on Foreign Relations and the Committee on Agriculture, Nutrition, and Forestry, he is especially well qualified to discuss these issues.

His thoughtful comments are an important contribution to the public discussion of these questions.

I ask unanimous consent to have the transcript of Senator McGOVERN's appearance on "Face the Nation" on November 11 printed in the RECORD.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

FACE THE NATION

Mr. HERMAN. Senator McGovern, you have frequently been an innovative and creative thinker on American foreign policy. Do you know of some new actions, some different policy which the United States could follow to help the situation of the Americans held hostage in Iran?

Senator McGOVERN. I personally think the Administration is doing everything they can possibly do to protect these hostages and to take the diplomatic steps that will lead to their return. I have talked to Secretary Vance just this morning. I have talked with him on Friday and earlier in the week. I am convinced that they have considered every option that anybody can think of and they have weighed them carefully and they are following the course that they think is best calculated to protect the lives of these hostages.

The best statement that has been made on this in my judgment came from the families of the hostages. They said clearly that they support the firm and peaceful and diplomatic efforts that are being undertaken by the Administration.

I have a copy of their statement. With your indulgence, I would like to read one or two lines. They say, "Let's solve this crisis the American way. Despite the frustrations and anger we all now share, we strongly urge that you commit no act that might lower American dignity. We want nothing done which will jeopardize the safety of the hostages."

I think we are dealing with a kidnap situation here. When you are dealing with kidnappers, you don't do anything precipitous that might lead them to murder their hostages.

ANNOUNCER. From CBS News, Washington, a spontaneous and unrehearsed news interview on Face the Nation with Senator George McGovern of South Dakota, a member of the Senate Foreign Relations Committee.

Senator McGovern will be questioned by CBS News Correspondent Bernard Kalb, by Lisa Myers, Congressional Correspondent for The Chicago Sun Times, and by CBS News Correspondent, George Herman. Face the Nation is produced by CBS News which is solely responsible for the selection of today's guest and panel.

Mr. HERMAN. Senator McGovern, allow me to pry just a little bit into some of the efforts that the United States is making to release the hostages. Would you expect that the most likely opportunity, the most likely avenue for success would be one of the known movements such as contacting the PLO, such as using Ramsey Clark, such as the United Nations and the United Nations' Security Council and Secretary General, or is there something else afoot that we don't know about that is more likely to be the avenue of success?

Senator McGOVERN. No. I think all of those possibilities that you have mentioned hold out some promise. I think the Administration has been right in seeking the help of other governments. Obviously there is clear anger against our country at the present time in Iran because of our holding the

Shah, harboring the Shah. So we are on sound ground, I think, diplomatically and working through every channel.

There are several countries that have had visitors to the embassy compound. Just in the last 24 hours, it is my understanding that several countries have had ambassadors talking with the hostages, talking with the government in Iran.

So I think those are the channels that are most useful and the Administration has properly said they will use any channel that is open to them, whether it is the PLO, or other governments or other capitals. I think anything that we can do ought to be done and I am convinced the Administration is making every possible effort.

Ms. Myers. Senator, the Shah has said that he is willing to accept President Anwar Sadat's invitation to go to Egypt. Is that an acceptable resolution of the crisis or would that make it appear as though the United States is bowing to Iranian blackmail?

Senator McGovern. Well, I don't think we ought to worry too much about appearances. What we want to do is settle this problem and bring about the release of the Americans. Obviously we are not going to do something dishonorable. We are not going to throw the Shah out into the cold, a dying man, but if it is practical for him to go to some other country and his medical condition will permit that, I think that ought to be considered.

He himself has said publicly that if he thought going away from the United States would bring about the release of the hostages, he would be willing to do that. His doctors have said he is not ready to travel. I accept that medical judgment, but if that condition changes and this tension can be broken and these Americans can be restored to safety, then we ought to consider some other alternative.

Mr. Kalb. Senator, there is a great deal of anger in the streets of America toward Iran at the present time. Do you think that that anger, those anti-Tehran demonstrations are a mistake, or do you think there is a way of tapping that anger and converting it into a policy to bring about the release of the hostages?

Senator McGovern. Well, I can certainly understand the anger. I don't think anybody feels more of a sense of outrage than I do about Americans who were on duty, performing their responsibilities peacefully, being seized and then held hostage.

I am not sure that the Iranian Government, such as it is, can bring about the release of these hostages right now. It is not clear to me whether there is a firm government in control there, but I think Americans have to understand that given the kind of explosive situation that exists inside Iran, a situation that we really don't know an awful lot about, we don't have a lot of information about these so-called students who are holding our hostages, that we have to be very careful.

Mr. Kalb. Do you think the demonstrations should stop here in America?

Senator McGovern. I think it would be useful if the demonstrations were conducted peacefully. This man whose words I read here a moment ago who spoke for the families of the hostages, doubtless feels as much anguish as anyone. The other families that signed that statement feel the anguish and the anger and the outrage. What they are saying, in effect, is don't do anything that is going to lead this explosive situation into an even worse condition where our loved ones are going to be killed.

Obviously when people in Tehran see on television Iranian students being kicked and pushed and cursed at and so on, while that may be understandable, it does express the outrage some Americans feel, it could trigger the kind of reaction on the other side that would be fatal to these 61 Americans. That is why I think we have to be peaceful about this.

Mr. Herman. We have taken some, I guess you could call them peaceful government actions. The President has cancelled a shipment of spare parts for Iranian military equipment; he has talked about deporting those Iranian "students" who are here illegally. Should we go further with that kind of quiet governmental pressure? For example, we ship a good deal of food to Iran, Americans are reluctant to use food as a weapon, but should we perhaps begin to clamp down on some of these other shipments to take some other actions?

Senator McGovern. I think the steps the administration has taken were justified. If there are Iranian students here illegally, this is a good time to deal with that problem. I can't see anybody complaining about the interruption of military supplies to Iran and we ought to do that. Whether there are other measures that can be taken, I am reluctant to say right now.

Mr. Herman. Would you favor taking some action?

Senator McGovern. I don't want to get into that. I think this is a matter for the Administration to weigh very carefully. They are on top of the whole situation. They have better communications there than any of the rest of us do. And I would hesitate to say anything that might add to the inflammatory character of this situation.

Ms. Myers. Senator, when all of this is over, regardless of the outcome, isn't the United States going to have to retaliate in some fashion to show the world that we will not tolerate this type of abuse?

Senator McGovern. I think there will be time to review that course after it is over. This is not a good time for us to be saying what we are going to do to punish Iran or anyone else under these circumstances. The time now is to be cool. If you want to be brave, confronting kidnappers, which is in effect what we are faced with here, you do it after the hostages are released, not while they are still in the hands of armed people who are filled with hatred, filled with emotion and so I think the less we talk about what we are going to do in retaliation right now the better for all concerned.

Mr. Kalb. Senator, I get the feeling with all due respect that you sound remarkably today like a carbon copy of the Administration position. You are very careful in your first reply to George to say the Administration is following a course that they think. Isn't there anything that you think? Isn't there anything by way of a McGovern bit of creativity in the field of diplomacy that can expedite the process?

Senator McGovern. I would have hoped that we had some kind of a contingency plan to face situations like this. I think the Administration is being accused of having done nothing. Actually, a number of measures were taken to make that embassy more secure. Before the Shah was admitted to the United States, we informed their government that this was under consideration; that he might very well be admitted for medical reasons and while they expressed some apprehension about that, they did tell our officials that they would provide protection to the Americans in Tehran. How strenuously they attempted to carry that out is not clear.

Apparently in the early part of the demonstration there was some effort on the part of the Iranian police.

Mr. Kalb. Excuse me. I want to follow up, if I could. Do you see the Tehran drama right now as a self-inflicted wound? You have described this Administration as a wounded giant, mostly by self-inflicted wounds. Is Tehran a self-inflicted wound?

Senator McGovern. Let me put it this way. We could go back over the history of our relations with Iran and see a lot of things that we should have done differently. I think it is hard to justify in the light of history the actions of our agency some 25 years ago in helping to depose the civilian government in Iran and installing the Shah in the first place. Doubtless we went too far in providing military equipment to that leader at a time when there were oppressive practices being carried out.

Nevertheless, we took that course. This was our man. This was our ally. We shipped him the arms. He provivded us with the oil. When he was deposed we refused to give him admission to this country until he was critically ill, at the point of death, at which point it was said that the only care that could possibly save his life was at the hospital in New York.

Now it seems to me at that point you don't begin reviewing the whole course of American policy in Iran. Doubtless we got ourselves into a very difficult situation in being so close to the Shah, but the fact is we did and a man's life is at stake, and I think we took the only course we could.

Ms. Myers. You said that the Administration should have had contingency plans. Specifically what do you mean? What options were available that should have been considered?

Senator McGovern. It seems to me we have talked about Iran here to the point where we are repeating ourselves. I am not going to try to go into a whole range of options that ought to be followed. I think that this is a critical and difficult situation. We had better leave it at that until we have worked out the release of our hostages.

Mr. Herman. Let me try a tangent on that. You talked about allies and our duty to our allies and our relationship with our allies. We are told that the new Foreign Minister of Iran is consulting with other embassy personnel from other embassies of our allies in Tehran as to how strongly they feel about diplomatic immunity and the occupation of the American embassy under the provocation of the Shah being in the United States.

How confident are you that our oil-consuming friendly Western allies will make a strong protest on our behalf?

Senator McGovern. I think they already have. I think we have—

Mr. Herman. Strong?

Senator McGovern. I think we have clear evidence. We have the evidence of the Security Council where a statement was worked out, a consensus of statements without any kind of dissent that included all of the members of the Security Council, strongly urging the release of these hostages.

Other ambassadors have gone to the compound on their own from various countries. So I think strong efforts have been made. I think the whole world has made clear their outrage over what has been done.

Mr. Herman. Senator, one other sort of tangential question. I mentioned early on that one of the avenues we were pursuing was contact with the Palestinian Liberation Organization by Ramsey Clark who is a spokesman for the President on this mission.

Am I not right? Will the situation—I mean, is this not a permanent change in the status of the PLO? Can the situation ever go back to where it was before where the United States doesn't recognize the PLO, when we did have official contacts with them when our people were endangered?

Senator McGovern. I don't think it has anything to do with that. I think that is a different question that has to be evaluated on its own merits. I think people understand that when we work through the PLO or any other channel in a situation like this, where American lives are at stake, that that doesn't represent a permanent change in American policy.

It represents an emergency outlet that we are trying to use to bring about the release of Americans whose lives are on the line.

Ms. Myers. But the PLO obviously—

Mr. Herman. Would you say we will have official contact with you when we are in trouble but not when we are not in trouble?

Senator McGovern. My view on that is that we ought to have a channel to the PLO in dealing with the problems in the Middle East. It doesn't disturb me personally that we are talking to the PLO. But I think in all fairness, one can't argue that the use of this channel at a time when American lives are on the line necessarily means that we are now officially giving recognition to the PLO.

Ms. Myers. Senator, without talking about Iran specifically, what can the United States do to correct our international image as a pitiful giant?

Senator McGovern. I don't think we have an image at all as a pitiful giant. I think that is a great myth that some people are working hard to create in this country for political reasons. The United States is far and away the most powerful military country on the face of the earth. It wasn't the absence of American power that explained what happened in Iran in the seizing of these Americans. Everyone knows that if we wanted to show our military muscle, we could obliterate Iran in 30 minutes, but we would obliterate the Americans with it.

Now I do think that there are things we have to be doing in American foreign policy that we are not doing very well these days. The biggest single problem confronting the United States today in the foreign policy field is the Third World. It is the rise of some 100 independent countries since the end of the Second World War and we have to do what we can to relate to those countries in an effective way.

The greatest single need of most of them is for food. We have an enormous potential weapon that we can use around the world—and I use "weapon" in a constructive way. "Instrument" would be a better word.

Mr. Kalb. Could I jump on you on this particular point, Senator? If you talk about food as a weapon, are you in fact for cutting off food to Iran?

Senator McGovern. I am not for cutting off food to Iran.

Mr. Kalb. Well, how do you square—

Senator McGovern. What I am talking about is the opportunity we have around the globe at a time when half the people of the world are deficient in food, to make greater use of that as a foreign policy tool, the foreign policy instrument. That is a better word than the word "weapon".

Mr. Kalb. It comes to the same thing, doesn't it? Whether you use it as an instrument or a weapon—

Senator McGovern. No. I don't think it comes to the same—

Mr. Kalb. What is intriguing, Senator—if I may interrupt—what is intriguing is you talk about the potential exploitation of food and yet there is right now a scene of enormous tension and you simply go right by the idea of some who suggest that food in fact be used as a weapon.

Senator McGovern. I don't think that a food embargo now against Iran is calculated to bring about the release of these American hostages. I think that would be the height of folly and I reject that out of hand. What I am suggesting to you is that if we want to correct what some have said is an image of ineffectiveness of the United States diplomatically, an ineffective image of the United States around the globe, there are certain useful things we can do.

One of those is to use the great abundance of food that we have in this country for constructive purposes. I think it is too bad that we weren't way out in front on this Cambodian crisis in the utilization of food.

If we can build Cam Ranh Bay in the middle of a war, it should have been possible over the last year as we have watched this crisis in Cambodia develop for us to be out in front in the food assistance efforts.

Mr. Herman. But isn't part of the problem whom the food goes to? Aren't some of the political forces there saying they don't want the food to go to the Khmer Rouge or this side or that side? It is not just getting the food there.

Senator McGovern. Obviously that is part of the problem, Mr. Herman, and it leads me to a second step that I think needs to be taken in that part of the world and that is more imaginative diplomacy on the part of the United States. Even if one were to respond in the best humanitarian way to the needs of Cambodia, we have to look at the fact that there is a major conflict going on there that we have done very little to ameliorate. What is basically at stake is the struggle between Vietnam and China, inside Cambodia. We have no diplomatic relations with Vietnam. We have been playing the so-called China card, almost encouraging them on their course in Southeast Asia. I think the time has come for a more imaginative diplomacy there in which we get into contact with the Vietnamese, establish some kind of relationship there, and use the options that we have.

Food is one of them. The Vietnamese are short on food. They want American investment. They want American trade. Several years ago, we had the option at the end of the war to follow that course. If we had taken that, it might very well be that we wouldn't have the tragedy that we are now experiencing in Southeast Asia.

Ms. Myers. Senator, a year ago you created quite a stir in this town when you suggested that military intervention in Cambodia might be the right answer. Do you still believe that that is an attractive option?

Senator McGovern. What I called for a year ago was that the Cambodian matter be put on the agenda at the United Nations before the Security Council. Seventy-nine other Senators joined with me in that appeal. It should have been done. It should have been put at the top of the agenda for debate a year ago.

If that course had been followed, and some kind of collective international action had been taken at that time, much of the tragedy that we are now witnessing in Cambodia and throughout Southeast Asia might have been prevented.

Mr. Kalb. Senator, could I go back to Iran? Are you for a moratorium among the political candidates right now on the subject of Iran, what the United States should do so long as the hostages are still being held.

Senator McGovern. I am indeed. I think beyond expressing their concern looking at some of the problems, that the fewer recommendations we have now as to what course ought to be followed, particularly retaliation, the better off we will all be.

Mr. Kalb. Are you prepared to talk at all about—I think you sidestepped a question earlier in this broadcast about what the United States might do afterwards, and I asked that in the context of American dependence to some degree on Iranian oil.

Senator McGovern. I am not going to discuss that today.

Ms. Myers. Senator, on the basis of your conversations with Secretary Vance this morning were you given any idea of what the timetable is now on the release of the hostages? Do they have any notion that the end may be in sight?

Senator McGovern. They have no idea what the timetable is. They are hopeful that some of these diplomatic efforts will produce results but they don't have any timetable.

Mr. Herman. Picking up on Mr. Kalb's question of a moment ago, would you also say in this or any other forum to unions who are refusing to load or unload shipments for or from Iran, would you say to them cool it and continue to load and unload?

Senator McGovern. I would say to follow the Administration lead on this, because I think it is such a delicate thing that we have to speak with one voice on the question of Iran.

Mr. Herman. And you are satisfied with the one voice that is now speaking?

Senator McGovern. I think the Administration under the circumstances is doing the best they can and I think the less criticism, the less suggestions of alternative courses that come from others the better. Obviously every American is outraged about this, but what good does it do for us to take some precipitous violent action now that would give us the satisfaction of saying, well we showed our muscle, if we end up with the destruction of 61 innocent Americans?

Let's get the Americans out; there will be plenty of time then to sit down and do the kind of planning that might reduce the danger of this happening again.

Mr. Herman. We have a few moments left, but is this a major concern in the mail from South Dakota?

Senator McGovern. It is a major concern right now in every State in the Union.

Mr. Herman. Thank you very much, Senator McGovern, for being our guest today on Face the Nation.

Announcer. Today on Face the Nation, Senator George McGovern of South Dakota was interviewed by CBS News Correspondent Bernard Kalb, by Lisa Myers, Congressional Correspondent for The Chicago Sun Times, and by CBS News Correspondent George Herman.

THE NATIONAL SECURITY AND MINERAL POLICY IMPLICATIONS OF A RECENT FEDERAL TRADE COMMISSION DECISION ON AMERICAN COPPER PROPERTIES.

Mr. THURMOND. Mr. President, a little more than 2 months ago, I described for this Chamber my growing concerns about the importance of southern Africa as a source for our Nation of vital strategic minerals. At that time my remarks concentrated on America's increasing dependence upon what I described as the "Persian Gulf of Minerals." And, at that time, I called attention to our ironic, often self-defeating, foreign policy toward the nations that hold many important strategic minerals.

Today, I raise a different aspect of the same problem—namely, the need for continued stable supplies of strategic minerals. My remarks at this time, however, are directly related to my earlier statement. We must recognize that our U.S. Government policies are inadvertently damaging America's future sources of minerals and basic raw materials which are so necessary to our Nation's strategic position and which, indeed, are the very heart of our national security.

Mr. President, while the concerns I expressed on September 5 dealt with foreign supplies of strategic minerals, today I would like to focus attention on a U.S.

policy that is certain to affect future domestic supplies and is likely to increase our dependence upon foreign sources of copper, an important strategic mineral that is found in abundance here at home.

This policy involves a recent decision by the U.S. Federal Trade Commission on copper. It involves a consent order that could have far-reaching, long-term implications for our Nation's ability to maintain control over its own domestic copper resources and for the United States' future capability to process copper ores into refined metal.

My concern, Mr. President, is not with the divestitures required by the FTC, but with the Commission's approach to divesture—specifically, the restrictions spelled out in the consent order which limit the ability of other American copper firms to bid on acquiring these properties and which all but assures that the important copper ore produced from these properties would be exported for processing overseas—that is, to serve foreign markets.

Despite FTC revisions to the original proposal, which do ease eligibility requirements for some U.S. firms somewhat, I am still concerned that restrictions are being placed upon American copper companies while foreign mining companies may still come in unhampered to acquire these properties for the purpose of exporting their important minerals to processing facilities overseas.

Mr. President, the recent Federal Trade Commission decision involves a consent order, requiring divestiture by the Atlantic Richfield Co. (ARCO) of certain copper and copper-molybdenum mineral properties that had been acquired through the company's acquisition of the Anaconda Copper Co. in early 1977. The consent order, which is intended as a settlement agreement on the FTC's opposition to the Arco-Anaconda merger dating to 1976, requires ARCO to divest its interest in three, still-undeveloped copper and copper-molybdenum properties in Montana and Nevada, as well as the company's 50-percent interest in the Anamax Mining joint venture, which owns a major operating copper-molybdenum mine at Twin Buttes, Ariz., and ARCO's 20 percent equity interest in Inspiration Consolidated Copper Co. an important, domestic copper mining, smelting, and refining company.

Mr. President, because of the extreme complexity of the FTC order, I will endeavor to limit my description of it to a very brief summary of only the major provisions. It should be noted that the FTC has modified some of its restrictions from its original proposed version. First, the FTC consent order bars any U.S. firm having more than 10 percent of U.S. primary copper mine production in specified calendar years as "ineligible" to acquire any of the ARCO properties to be divested. Second, under the revised order, firms with 5 to 10 percent of U.S. primary copper production may apply to the FTC to determine their eligibility to bid on these properties. Third, ineligible firms are barred from entering into any future joint ventures with ARCO for the development of copper properties, while three specific firms are barred from entering into joint ventures with ARCO in developing copper properties in Alaska. Finally, three Canadian firms and one South African firm are named as ineligible to acquire the divested properties.

In the international marketplace for mineral ores, charges paid for processing, that is, smelting and refining of ores into refined metal, are largely determined by the availability of smelting and refining capacity relative to mine production. Smelting and refining fees are also paid by the miners, who, in the custom smelting and refining market, generally seek the most attractive treatment charges for their ore production, taking into account such factors as transportation costs and quality of ore. Since there is currently a worldwide shortage of copper and molybdenum mine production relative to both smelting and refining capacity and to consumption of these metals, American processing facilities must bid in an intensely competitive marketplace for a limited supply of ores in order to acquire necessary feed material for their plants.

The competitive problems of the U.S. industry have been aggravated by the massive expenditures made in recent years for pollution control and other regulatory requirements. The expenditures have added costs, thus constraining the ability of domestic smelting and refining facilities to meet the competition for copper ores in the world market.

The contrast with foreign processing facilities could not be more sharp. Foreign smelters in countries such as Japan, Korea, Taiwan, and Brazil enjoy internal government subsidies, tariff protection, and other trade barriers, as well as favorable government policies designed to enhance the competitiveness of local processing facilities and as part of expressed national policies to assure long term supplies of vital raw materials. Thus, despite the evidence of equivalent costs, foreign processing plants, that is, Japanese smelters are outbidding United States processing plants for copper ore in the international marketplace. Meanwhile, American smelting and refining facilities have found it increasingly difficult to attract sufficient feed material to operate efficiently, thus threatening the future viability of domestic processing capacity.

This worsening competitive situation is reflected in the trade statistics for copper. Total U.S. exports of copper ores and concentrates have risen from only 7,536 short tons (copper content) in 1975 to 24,934 tons in 1977 and to 17,486 tons in 1978. In 1979, U.S. copper ore concentrate exports have soared to 32,600 tons through August alone, nearly double the amount recorded for the entire previous year. United States exports of ores and concentrates to Japan alone are especially telling, rising from only 2,694 tons (copper content) in 1977 to 8,501 tons in 1978, while shipments to Japanese smelters in the first 8 months of 1979 have nearly quadrupled over the entire previous year, to 30,750 tons. Significantly, much of the 1979 increase is attributable to the Anamax Twin Buttes mine, one of the properties at issue in the recent FTC decision.

Moreover, foreign firms, with the support of national minerals policies asserted by their governments, are conducting active searches worldwide for new minerals properties. These efforts have the expressed purpose of acquiring—through, either equity participation or long-term purchase contracts—sources of mineral ores and concentrates to provide long-term assurance of industrial raw material supplies.

This search includes active exploration in the United States. The level of exploration activity in the United States by foreign firms has increased substantially—a demonstration that America's vital natural resources are increasingly being annexed to foreign processing operations. A March 1979 article in Engineering/Mining Journal describes the results of a Canadian mining firm's survey of foreign firms doing exploration in the United States. This survey indicates a total foreign budgeting for U.S. mineral exploration of $68 million in 1978, possibly reaching $72 million during 1979. Although Canadian companies are most prominent, active exploration presence in the United States is shown by firms from the United Kingdom, Japan, France, West Germany, and Italy.

The point, I think, is clear Mr. President: Other nations encourage active development of minerals supplies to provide long-term raw material insurance, while in the United States, decisions such as the recent FTC order are cumulatively threatening the viability of our domestic capability to process mineral ores. The result will be increased ownership of American mineral reserves, higher exports of basic ores and concentrates, and rising U.S. imports of refined metal and copper products. In the final analysis, it makes little sense to export our copper minerals, which will come back as imported cars, television sets, and industrial equipment.

It makes even less sense from a national security standpoint to chip away at our domestic processing capacity this way and to foster, through U.S. Government policy, the annexation of American mineral properties to foreign control. As I noted in my September 5 remarks on Southern Africa, the dependence upon imports for strategic minerals not found domestically should be a high priority for U.S. policy. But to deliberately contribute to a similar vulnerability for copper, in which the United States has the capability to be virtually self-sufficient is sheer insanity.

Copper is an essential strategic mineral commodity used in a wide variety of direct military applications and in countless nonmilitary uses that would indirectly support the national economy in the event of an emergency. Some of the defense applications using copper include, for example, ammunition and ammunition shell casings, communications equipment, electrical and communications wire and cable, and heavy equipment. Large amounts of copper are required for both aircraft and on-ground military applications. Copper, along with steel, aluminum, and nickel, has always been one of the four "controlled" materials, considered necessary for either national emergencies or standby military preparedness. As such, authority exists, under the Defense Production Act of 1950, as amended, to place setasides on copper production and on shipments of copper semifabricated products. The military importance of copper was recognized in the 1960's, when the Government helped build a major operating copper-molybdenum mine in Arizona, using Defense Production Act loan authority.

The strategic importance is further recognized as a stockpile commodity. Although the recent stockpile goal was set in 1976 at 1.3 million short tons, indicating a need to acquire copper for the stockpile, this level may be revised as a result of an overall updating of stockpile goals now underway. Significantly, the degree of U.S. self-sufficiency affects stockpile planning. The question before us, however, is whether this self-sufficiency in fact will matter, if American ore reserves are owned by and earmarked for foreign processing plants.

Mr. President, this recent FTC action, so adverse to our national interest and our national security, is one more example of our Nation's fragmented approach to policies affecting an issue as basic as maintaining adequate future supplies of essential raw materials. This FTC action can be added to the host of other policies that are invoked separately without coordination by U.S. Government agencies motivated by single-purpose missions.

To conclude, let me summarize by quoting from a recent address delivered by Mr. Simon D. Strauss, a director of ASARCO, Inc., and a well known expert in minerals and metals markets:

> In terms of mineral self-sufficiency the Soviet Union and the United States are poles apart. The Soviet Union is virtually independent of imported supplies. By contrast the United States is increasingly dependent on imports. For some significant minerals it is wholly dependent . . . Both our economic welfare and national security depend on adequate supplies of basic materials.

THE OIL WINDFALL ACQUISITION ACT OF 1979, AN INVITATION TO RETALIATION FROM FRIENDLY FOREIGN COUNTRIES

Mr. THURMOND. Mr. President, I rise to express my most serious concern for yet another aspect of S. 1246 that adds even more strength to the already strong argument that this proposed legislation is not in the public interest. Specifically, I refer to the situation that if the Congress passes a bill which attempts, as S. 1246 does, the imposition of extraterritorial application of U.S. antitrust laws, we should expect retaliation. During hearings on S. 1246, formerly titled the Energy Antimonopoly Act of 1979, but now titled the Oil Windfall Acquisition Act of 1979, George Ball predicted more trouble ahead of this retaliatory nature for the United States.

Just as we would resent other nations interjecting the weight of their laws into commerce within the United States, the British share our views. I read an article which appeared in the New York Times recently, and I would like to share its contents with my colleagues. The British clearly are in the mood to pass legislation in "commercial self-defense" which will be counterproductive to U.S. interests.

Mr. President, the United States has already received, to this date, official protests from Great Britain, Canada, and Norway on S. 1246, the proposed legislation that is scheduled to soon come to a vote in the Committee on the Judiciary. As Mr. Ball predicted, these protests are the first step toward "commercial self-defense" by these countries.

Mr. President, so that my colleagues can share the concerns expressed by Great Britain. Canada. and Norway. as we give consideration to S. 1246, I ask unanimous consent that the article from the New York Times and protests of Great Britain, Canada, and Norway be printed in the RECORD following my remarks.

The material follows:

[From the New York Times, Nov. 1, 1979]

BRITAIN COUNTERING U.S. ANTITRUST LAWS

(By Robert D. Hershey, Jr.)

LONDON, October 31.—In a sharp response to alleged overreaching by American regulators, the Government introduced a wide-ranging bill today designed to protect British companies. The legislation could, in some cases, result in the attachment here of United States assets.

The measure, which Parliament is almost certain to pass by early next year, was described as a reaction to numerous attempts by the United States since the 1950's to unilaterally impose its own regulatory laws on other nations.

The main target is the Sherman Antitrust Act, but the British bill also has implications for such bodies as the Securities and Exchange Commission and the Commodities Futures Trading Commission. Several billion dollars is at stake in some currently contested cases.

ECONOMIC IMPERIALISM CITED

"It is one thing for a firm to be expected to abide by the laws of an overseas country whilst it is doing business in that country," John Nott, the Trade Secretary, said at a news conference this afternoon. "It is quite another thing to be expected to abide by the laws of that country, to accept the judgments of its courts or the requirements of its authorities, when operating elsewhere."

A number of major countries have previously passed laws in this area but Mr. Nott said Britain was the first to seek such wide powers to defend itself against what he termed American economic imperialism.

The most striking element of the bill was one that would allow a British company to recover punitive damages assessed against it by a United States court. Under the proposed bill, the British company could, after appealing to a British court, seize the assets here of an American company that had won such damages.

BILL REJECTS PUNITIVE DAMAGES

"This is one piece of legislation which we would be happiest never to use," said Mr. Nott of his bill. "Nevertheless, its need is self-evident and urgent. It is an instrument of justifiable commercial self-defense."

The bill also provides that British courts would not enforce judgments by foreign courts for punitive damages or awards made under "certain" competition laws. And it gives the Trade Secretary power to prohibit British companies, under penalty of unlimited fines, from complying with foreign orders to supply documents or information.

Britain, among other countries, has long complained of the long arm of United States antitrust enforcers and what it regards as improper prying by regulators such as the S.E.C. and C.F.T.C.

Two major antitrust cases that could result in treble damages against several British companies were the motivating factors behind the bill.

One involves the indictment of several European shipping lines, including the British-owned Atlantic Containerline Services Ltd. and Dart Containerline Ltd., for activities that would not have been illegal in Europe.

Britain insists that shipping is an international business and that when questions arise they should be dealt with jointly rather than unilaterally.

The other involves Rio Tinto-Zinc. which has been sued by the Westinghouse Electric Corporation over Rio Tinto's participation in an alleged international uranium cartel.

Westinghouse, which in 1975 said it could not meet commitments it had made to supply uranium to public utilities in the United States, was sued by the utilities for about $2 billion. In turn, it sued 29 uranium producers, thereby causing a theoretical liability to R.T.Z. of $6 billion.

U.S. INVESTIGATIONS CRITICIZED

Under the provision of today's bill, the British company could seek to recover the punitive, but not actual, damages by seizing Westinghouse assets in Britain. These assets would have to be those of the parent company, perhaps its shares of a British subsidiary, but could not be those of the subsidiary itself.

Mr. Nott, in response to a question, said the bill was not directly related to another contentious British-American issue, that of unitary taxation in which states like California seek to tax British companies on the basis of worldwide profits rather than just those of its California operations.

But he made it clear that while the main complaint was United States antitrust practice, with multiple damages "one of the most objectionable of all American legal devices," Britain also opposed overseas investigations by the S.E.C. and other Federal agencies.

"The tide of opinion in the United States appears to be running strongly in favor of the application of their economic policies outside their territorial jurisdiction," Mr. Nott said. "We must be ready to respond."

UNITED KINGDOM CONFIDENTIAL: NOTE NO. 191

Her Britannic Majesty's Embassy present their compliments to the Department of State and have the honour to refer to the proposed legislation, known as the Energy Antimonopoly Act of 1979 (S. 1246), and to the amendments thereto suggested by the United States Department of Justice on 18 September 1979.

Her Britannic Majesty's Embassy wish to inform the Department of State of the concern of the British Government at the extra-territorial provisions in the proposed bill which purport to control the activities of companies incorporated in the United Kingdom. Should this bill, without further appropriate amendment, become law, considerable economic and commercial effect would ensue for United Kingdom interests. The safeguard proposed by the United States Administration with regard to the application of international law and comity is welcome as an indication that the international aspects are recognized but does not remove the British Government's basic concern. Her Britannic Majesty's Embassy would be grateful, therefore, if the Department of State would draw the concerns of the British Government to the appropriate United States authorities.

Among the particular aspects which concern the British Government is the proposal to place a limit on the size of the stake which United States companies or their subsidiaries can acquire in foreign concerns and on the value of any assets that may be purchased. This provision could hinder the United Kingdom on and offshore exploration and development programme for oil and gas. Moreover, in general the British Government consider that any mergers or acquisitions which have been specifically approved by a foreign national competition authority should be exempted from the provisions of the proposed bill.

One of the conditions of acceptability suggested by the United States Department of Justice, for the purchase of a United States firm or subsidiary of a foreign firm, is that it should "enhance the competitiveness of the resulting firm to the clear benefit of foreign public policies". It has however been suggested by the United States Assistant Attorney General that a defence on these lines could be established by "increasing petroleum available for import" to the United States. In the British Government's view, it is possible to envisage mergers, technically covered by the proposed bill, not leading to an increase in United States imports particularly where UKCS development is involved

The British Government also consider that while the proposed one hundred million United States dollar limit will affect no more than a few companies, allowance should be made for the erosion of this limit by inflation. Furthermore since assets acquired in any three year period are to be treated as an acquisition, even quite small acquisition, caught under the provisions of the proposed bill. Active companies who are constantly seeking new investment opportunities would therefore be penalized.

Her Britannic Majesty's Embassy avail themselves of this opportunity to renew to the Department of State the assurances of their highest consideration.

CANADIAN EMBASSY, AMBASSADOR ON CANADA,

No. 549

The Embassy of Canada presents its compliments to the Department of State and has the honour to refer to Bill S—1246 entitled "The Oil Windfall Acquisition Act of 1979" which is now before the Senate Judiciary Committee for consideration. The Embassy has been instructed to set forth to the Department of State the following views.

While the Canadian government wishes to make clear that it is not seeking to comment on the intent of the United States government to regulate corporate behaviour of major oil companies in the United States, the proposed legislation as drafted goes far beyond United States jurisdiction. It deliberately and explicitly claims jurisdiction over foreign affiliates, including those incorporated in Canada, and therefore offends against Canadian sovereignty. The Canadian government considers this extraterritorial reach of the proposed legislation on the activities undertaken by Canadian corporations outside the United States to be unacceptable.

The Canadian government has noted that according to Bill S–1246 the applicability of the law to foreign acquisitions "shall be interpreted in accordance with the principles of international law and comity." However, in light of the substantial disagreement which exists between the United States and other countries, including Canada, over the extent of jurisdiction allowed by international law and comity, the Canadian government does not consider that this provision adequately alleviates the problem. This difference of view between United States authorities, including the courts, and Canadian autorities on the issue of international law and comity has been exemplified in previous bilateral issues concerning certain United States antitrust cases involving potash and uranium, as well as the application of United States trade embargo laws. Moreover, it is not acceptable to the Canadian government that the significance of Canadian interests in Canada may be interpreted unilaterally under United States law by United States enforcement officials and courts.

It is the view of the Canadian government that enforcement of the proposed legislation in respect of Canada could conflict with Canadian law and policy. In particular, the proposed legislation could, in the opinion of the Canadian government, at least hinder and possibly prevent investment in Canada by oil companies in non-energy sectors (e.g., minerals), downstream energy sector activities (e.g., petrochemicals), and energy transportation, including oil and gas pipelines even where the Canadian government considered such investment desirable and where funds for the investment were earned in Canada. The proposed legislation with its reverse-onus presumption whereby firms would be expected to show that their activities in Canada are not inconsistent with proposed legislation will, of itself, be a serious disincentive to oil companies investment decisions in general.

The Embassy of Canada requests that the Department of State transmit these views to the appropriate authorities.

The Embassy of Canada avails itself of this opportunity to convey to the Department of State assurances of its highest consideration.

AIDE-MEMOIRE

The Royal Norwegian Embassy presents its compliments to the Department of State and has the honour to refer to a bill, known as the Energy Antimonopoly Act of 1979 (S. 1246), at present under consideration in the United State Senate.

The Royal Norwegian Embassy has been instructed to inform the Department of State of the concern of the Norwegian Government as to the extraterritorial provisions in the proposed bill which would in effect mean control of the activities of companies established under Norwegian law and operating in Norway.

The bill, if enacted in its present form, could furthermore hinder such companies from entering into appropriate consortia agreements in connection with allocation of licenses for exploration for, and exploitation of, oil and gas on the Norwegian Continental Shelf. This could have serious negative consequences for the development of oil and gas on the Norwegian Continental Shelf.

The Norwegian Government, therefore, welcomes the suggestion by the Department of Justice, and supported by the Department of State, that the applicability of the proposed bill to foreign acquisitions shall be interpreted in accordance with international law and comity.

Furthermore, the Norwegian Government would hope that the bill, when enacted, will be formulated in such a way that it does not hinder U.S. oil companies from continued participation in the development of oil and gas on the Norwegian Continental Shelf. The Norwegian Government therefore welcomes the proposed amendment by the Department of State which provides that transactions would be permitted if their likely effect would be to substantially promote the production of energy.

The Royal Norwegian Embassy would be grateful if the views of the Norwegian Government could be brought to the attention of the appropriate U.S. authorities.

GENOCIDE: NOT JUST A FORGOTTEN RELIC

Mr. PROXMIRE. Mr. President, just before the final adoption of the Genocide Convention in 1948, the chief of the American delegation warned his colleagues in the U.N. General Assembly:

> In a world beset by many problems and great difficulties, we should proceed with this convention before the memory of recent horrifying genocidal acts has faded from the minds and conscience of man.

Unfortunately, the current news from Cambodia demonstrates that at least part of this warning was unfounded. We do not face the danger, we do not enjoy the luxury, of relegating the inhumanity of mass murder to the obscurity of the history books. We cannot resign mass murder as an outgrown barbarism of past, less civilized ages.

Genocide is a fact of our present-day world. It is as current an issue as any which will demand and receive the attention of the Senate today. We simply cannot avoid facing it.

And I would like to commend this body for the way it has responded to the immediate crisis in Cambodia. I think that it is clear that this Government is committed to doing all that circumstances, and the Cambodian Government, will allow to provide humanitarian aid to the survivors of Cambodia's holocaust.

But there is another aspect to the issue of genocide on which the Senate has been inexcusably negligent. I am, of course, speaking of the Genocide Convention and the 30 years it has awaited the final consideration of this body. I think it is imperative, as we show our concern for the starving in Cambodia, that we make our policy consistent and show our abhorrence of the crime of genocide itself.

I urge the Senate to ratify the Genocide Convention.

AIRPORT AND AIRWAY SYSTEM DEVELOPMENT ACT OF 1979

Mr. CANNON. Mr. President, I am pleased to file on behalf of the Committee on Commerce, Science, and Transportation the favorable report on S. 1648, the Airport and Airway System Development Act of 1979. This bill represents another major step in our continuing commitment to eliminating Federal involvement where it is not needed.

I must unfortunately add that I am very disappointed that the Carter administration has not yet endorsed the concept of "defederalizing" the larger airports. During the committee hearings on S. 1648 the administration testified that they believe (and the facts prove) that the larger airports are clearly capable of financing their own capital and operating needs—but then the administration witness stated they support continuing Federal aid to those airports anyway, "at the present time." I believe we have been more than patient enough in waiting for the administration to decide if they really believe in less Federal Government in our lives and less Federal spending or not. Continuing to subsidize businesses, some of which have half-billion-dollar budgets, and some of which admit they do not want the money, is not the kind of illogical, noncommitment to less government that I would expect from this administration.

The committee and the administration have legitimate differences on several issues involved in this legislation, and I respect the administration views on those matters even though I do not agree with them. However, on the elementary issue of whether or not we should give Federal financial assistance to million-dollar businesses that do not need it, I am frustrated by the administration's silence on changing its position.

I call on the President to personally review this matter. I find it impossible to believe that he will not instruct the Department of Transportation to end its apparent dilemma over a concept which is fundamental to our economic system and stated administration policy.

The Airport and Airway Development Act was originally passed in 1970 to establish an aviation trust fund. This legislation expires on June 30, 1980, and requires renewal of both the authorization of expenditure levels and the authorization of tax levels. By the end of fiscal year 1980 the trust fund will have an uncommitted surplus of $3.25 billion.

The concept embodied in S. 1648, as reported by the Committee on Commerce, Science, and Transportation, and S. 1649, which is before the Finance Committee, is the elimination of large- and medium-hub airports (those which enplane more than 700,000 passengers annually) from the ADAP program, with a concomitant reduction of the airline ticket tax from 8 percent of each fare to 2 percent. That recommendation represents a real 6 percent reduction of airline fares throughout the United States, or in dollar terms, a net $5 billion savings for passengers over the next 5 years.

The ticket tax reduction would provide the funds for the passengers (through the airlines) to pay increased user fees directly to each large- and medium-hub airport. Such a local collection and expenditure of funds will eliminate the cost of the middle-man (the Federal Government), reduce the redtape for airport development, and speed up the implementation of needed capital improvements. The large- and medium-hub airports are professionally staffed, self-sufficient revenue generators where ADAP does nothing but reduce the costs to the users.

The negotiation process between airlines and airports will continue as a responsible balance to the airport proprietors development desires. And, of course, safety regulation of airports by the FAA will be continued without diminution.

Increased needs for smaller airports and other system programs (such as navigational aids and other safety related equipment) are funded at substantially increased levels with a combination of the proposed ticket tax and the existing trust fund surplus.

The basic philosophy of this legislation is that two sophisticated business operations which rely on each other for their mutual economic life do not need the Federal Government involved in their financial relationships. The large- and medium-hub airports at present receive a very small percentage of their total capital and operating budget needs from ADAP funds (on the average about 10 percent), but as a result of accepting any Federal funds they are burdened with a mountain of redtape, bureaucratic requirements, and Federal Government meddling.

The reason we are facing a more than $3 billion surplus in the aviation trust fund is that OMB's under Republican and Democratic administrations have consistently sought to keep the fund's revenues high and expenditures low. There is no indication that this incentive will change in the future, so if we want user fees collected for system development to be spent for system development, the committee is convinced that we must shift some of that financial transaction from the Federal level to the local level.

The committee rejected the claim by some airport operators that "defederalizing" the larger airports can only be done if Congress repeals the prohibition on "head taxes." That prohibition was passed by Congress after local communities demonstrated abusive application of their head tax authority, with the most dramatic example being one major airport which charged passengers $2 to enplane and $3 to deplane. The money collected from this charge then went to subsidize unrelated city services. Congress overwhelmingly passed a head tax prohibition in 1973.

Airport operators charge passengers today for their use of an airport facility by charging the airlines landing fees who in turn pass that cost on to the passenger as part of the airline ticket. The committee does not accept the contention of some large- and medium-hub airport operators that they can get out of ADAP if they can charge the passenger directly through a head tax—which is not done today—but they cannot get out of the Federal program if the airport must charge the passenger through the airlines—which is the way airports do charge passengers today.

The airport-airline relationship is addressed further in the report, but I want to note in this introduction that we are only recommending the elimination of the largest, multimillion dollar operators. The smallest of these airports is worth over $100 million annually in gross revenue to the airlines, while replacement of ADAP at such an airport is only worth about $1½ million. Therefore, the monetary incentive for the airlines to bankrupt or ruin any of the 72 airports (based on 1978 enplanements) affected by defederalization simply does not exist.

One of the most important new features contained in S. 1648 is the "super discretionary fund" concept. In the past we have tried to guarantee individual types of smaller airport funds on an annual basis. The result has been that a lot of airports were guaranteed a small amount of money. But what is really needed at a smaller airport is a substantial amount of money, occasionally, when the airport has a major development or rebuilding project.

Therefore, S. 1648 combines the general aviation airports, reliever airports, commuter airports, and small air carrier airports into one eligible category and provides a large discretionary fund that will permit FAA the flexibility to allocate moneys on a priority basis in order to meet the real needs of these airports. Five-year minimum guarantees are provided for the total funding that will go to reliever, general aviation, and air carrier airports.

This legislation represents the committee's continuing commitment to defederalizing industries and public agencies which can better operate without a "helping hand" from Washington. This proposal also recognizes the increasing needs of smaller airports which cannot meet their capital requirements without assistance. And finally we recommend a ticket tax reduction to eliminate a substantial portion of the $3 billion that has been collected but never used for airport and airway improvements.

GEORGETOWN UNIVERSITY'S NATIONAL EXEMPLAR COAL POWERPLANT PROVIDES ENERGY MODEL FOR THOUSANDS OF INSTITUTIONS

Mr. RANDOLPH. Mr. President, earlier today it was my privilege to participate in the dedication of a new pollution-free powerplant—burning high-sulfur coal—on the campus of Georgetown University in the Nation's capital.

The "National Exemplar Atmospheric Fluidized Bed Combustion System" is expected to bring thousands of visitors from this country and abroad during the next few years to view the project. It could help save the United States millions of barrels of oil each year. The facility will heat and cool a complex of 51 buildings totaling 2.2 million square feet and will provide up to 100,000 pounds per hour of saturated steam.

This is the first in service of eight plants authorized in 1976 by the Department of Energy for construction in our country. Engineering and economic studies show that these new facilities offer an energy solution for 5,000 higher educational and 7,000 medical institutions faced with the necessity of converting to coal because of the curtailment or unavailability of oil and gas. The 12,000 establishments currently consume approximately 150 million barrels of oil or its equivalent per year.

Ground was broken in October 1977 for the new facility, construction was completed in June of this year, and the boiler was first fired on July 9. Hopes for energy savings on the project are high. Georgetown, for example, estimates that it will save between $400,000 and $500,000 this year by burning coal instead of gas or oil that it would normally use if the project were not in operation.

The demonstration project, which is in successful operation and now can become commercially available to other users, cost approximately $15 million for construction and operational expenses over the next 3 years. About one-third of the cost was supplied by Georgetown University in a partnership program with DOE.

The Federal Government's interest is in promoting development of power systems which conserve dwindling supplies of oil and natural gas. Parenthetically, high-sulfur coal reserves are estimated as sufficient for 200 to 300 years.

The demonstration project involved the Foster Wheeler Energy Corp., which supplied and erected the boiler, and Pope, Evans & Robbins, Inc., of New York, which designed and erected the balance of the plant.

More than 400 hours of operations have been logged in the new boiler. Whatever portion of the university's average steam load the fluidized bed boiler produces will directly offset the amount of gas that Georgetown now burns in its gas-fired boilers. Also, excess steam capacity provides flexibility should GU desire to cogenerate electricity.

The plant is capable of burning high-sulfur coal, which is produced in abundance in my home State of West Virginia. It is currently the least expensive fuel available. Environmentally, the plant's stack emissions are within Environmental Protection Agency and District of Columbia's established pollution limits.

I think it noteworthy that the Georgetown facility is situated next door to the university's athletic complex and near its fine medical facility. I note, too, that such were the assurances of a pollution-free environment that no protest groups appeared at any stage of construction.

Fluidized bed combustion technology, according to industry officials, is widely considered the most promising means of firing high-sulfur coal in an efficient and environmentally sound manner. It offers the ability to capture sulfur within the steam generator. In addition, the new system generates relatively low quantities of nitrogen oxides which are now considered to be a significant pollutant in combustion cases.

Among other advantages, the fluidized bed steam generation can fire a wide range of fuels, including coal with very low heating value formerly considered to be a waste product with disposal problems. Now the waste material from the plan has possible uses as fertilizer, wallboard material, and a component of both cement and structural products for road beds.

The boiler operates on the fluid bed principle in which granular particles of limestone are supported by a flat plate with nozzles through which air is passed upward with sufficient velocity to life and maintain the particles in suspension. The bed, in operation, exhibits properties of a boiling liquid as air bubbles pass up through the limestone particles. Coal—about 4 tons to each ton of limestone—is fed to the fluidized bed and burned within the bubbling limestone. Sulfur dioxide is absorbed by the bed material as it is released by the combustion of the coal. The facility also is designed to prevent the release of dust, odor and noise associated with traditional powerplants.

The purpose of developing and testing this fluidized boiler at Georgetown University is intended to prove that coal-fired boilers of this smaller industrial-institutional size can be esthetically and operationally acceptable in an urban or medical complex environment. Its operation meets all air pollution standards, and can be operated by regular powerplant personnel.

In meeting these objectives, the DOE hopes to develop the fluidized bed facility as a national example for burning of coal for centralized heating and cooling systems in a manner which not only will save oil and natural gas, but which will prove economically desirable to major institutions and municipalities.

Mr. President, we now have a proven technology which, in the words of the Rev. Timothy S. Healy, president of Georgetown University, "produces clean energy from a dirty fuel."

I ask unanimous consent that introductory comments at the plant dedication, together with remarks by DOE Under Secretary of Energy John M. Deutch and myself, be printed in the Record for the further enlightenment of my colleagues and all who are concerned with this Nation's energy future.

There being no objection, the material was ordered to be printed in the Record, as follows:

REMARKS BY THE REV. TIMOTHY S. HEALY, S.J., PRESIDENT, GEORGETOWN UNIVERSITY

Good—albeit cold and windy—morning to all of you who braved these elements to be with us for the dedication of our new coal-burning power plant. This climate helps remind us just what it is that we are being protected from with such an installation as this.

Our pollution-free power plant—powered by high sulfur content coal—is planned to apply some economic salve to two types of institutions which are near and dear to my heart—medical centers and universities. This is a prototype specifically designed to provide the necessary power to thousands of energy-starved urban complexes that tend to be the first affected during an energy shortage. With the end of Iranian oil imports, and with the freezing of Iranian assets casting a pall on our relationships with other OPEC nations, Americans are faced with the possibility of a major shortage of gas and oil from foreign sources. This looming shortage makes the operational debut of our totally American-supplied coal-fueled facility a timely event indeed. Of course this comes as no surprise to many of you in the audience. Some of you are among the far-sighted few who saw and planned for these eventualities during the preceding decades.

This would be a propitious time to recognize some of these pioneers in coal power technology. I would like to point out a few of these people in the audience if they would stand for a well-deserved accolade.

Assistant Secretary of Energy George Fumich has worked in the DOE coal program since 1963 when he was the first director of the Office of Coal Research. He was also instrumental in getting the fluidized bed program started in 1965.

E. L. Daman, vice president of Foster-Wheeler Energy Corporation and Chairman of the Board of Foster-Wheeler Development Corporation, the company's research arm. He has been actively involved in this new coal burning technology since it was started in 1969 and was one of its initial developers.

Finally, Michael Pope, president of Pope, Evans and Robbins was the inspiration behind the development of fluidized bed technology as applied at Georgetown University. He initiated this advanced technology for using coal in 1962, an unpopular move at a time when the whole world figured oil and gas would last until nuclear power became predominant.

We are proud to have them here and as long as we're making introductions this would be a sagacious time to introduce the august assembly on the stage.

To the far left is Father Royden Davis, who, when he is not giving invocations at power plants is dean of our College of Arts and Sciences.

Next is a staunch friend of this project—the Honorable Jennings Randolph, Senator from West Virginia, who will speak later.

Finally, Under Secretary John Deutch who first came to DOE in October 1977. He was Director of Energy Research and Acting Assistant Secretary for Energy Technology until President Carter nominated him for the post of under secretary. As under secretary, he is responsible for major funding programs in the department, including research and development of new energy sources. Dr. Deutch came to DOE from MIT where he was chairman of the chemistry department.

Now that we have Dr. Deutch back on a university campus, we're not going to let him get away without a sample of his classroom oratory.

REMARKS BY UNDER SECRETARY JOHN M. DEUTCH, DEPARTMENT OF ENERGY

Father Healy, Senator Randolph, distinguished guests and students. It is good to be here with you today.

One of the most satisfying aspects of any job is to see results—successful results. Those results are particularly rewarding when they come as testimony to years of challenge and perseverance.

In technology, the measure of that success is often hardware. More importantly, from the standpoint of a Federal research and development project, it is hardware that has progressed out of the laboratory and is ready to operate in a commercial environment. It is hardware that can hold its own in a marketplace where regulations must be met, permits obtained, and ledger sheets balanced. It is hardware in which the private sector has sufficient confidence—technically, economically and environmentally—to move forward on its own to replicate it.

That is what has been accomplished here.

And that is why this dedication is particularly gratifying—not only for me but for those of my colleagues who became involved in this technology long before it took on the critical significance it has today.

This advanced fluidized bed boiler is burning American fuel—American coal. It is burning fuel that cannot be cut off by foreign countries or held as barter by nations attempting to impose their demands on America.

Moreover, it is burning that fuel safely and cleanly.

We see this facility as a signpost that this nation has the technical capability to begin backing away from using undependable, expensive foreign oil—and yet not back away from its commitment to the environment.

America today is embroiled in a struggle to regain its energy security. Events these past two weeks have signaled once again that we live on a thin margin of oil separating supply from demand. Our dangerous dependence on foreign countries for almost half our oil is causing a devastating drain on our dollar, heightening our vulnerability to economic and political disruption, and undermining our confidence in the future.

Ultimately, we hope to fuel this nation with inexhaustible or renewable energy resources. But that will require not only new technology, which is being developed, but also time—time for both institutional and attitudinal changes that will touch each American's lifestyle.

So, to bridge the gap until a renewable energy economy is in place, we must use our fossil fuels—particularly coal.

To echo President Carter's remarks this summer in Kentucky, it is absolute folly for the United States to ship billions of dollars overseas each year to bring tankers of foreign oil to our shores while beneath our feet lie more than 300 years of coal reserves just waiting to be mined and waiting to be used.

As the Middle East is to oil, America is to coal. We own 31 percent of all the coal reserves in the world.

Yet today, as Senator Randolph can attest, we see a troubled coal industry. Miners are out of work; mines are inactive; and while many in the private sector are favoring greater coal use in general, few are taking the specific action needed to bring the result about. Georgetown University is an exception, and they are to be commended for it.

As you know, the root of coal's problems is its basic incompatibility with the environment—particularly the case with the high sulfur coal in the East.

Technology can and must help coal achieve the environmental and public acceptability it needs to carry its projected share of our energy burden.

If it falters, this nation is in serious trouble. No longer is imported oil an alternative.

If coal cannot play the major role in meeting the nation's incremental energy needs for the rest of this century, the only option is a permanent slowdown of our economy.

This facility will be a major step in giving this nation the technology it needs to help avoid that fate.

It is a functioning, real life demonstration that we do not have to choose between breathing foul air on one hand or mortgaging our future to the OPEC cartel on the other.

This facility demonstrates that we can chart a different course.

By removing sulfur in the boiler itself, the Georgetown facility eliminates the need for expensive, sometimes unreliable scrubbers. It eliminates the need for disposing of the wet sludge from scrubbers that can leach into underground water systems. And as you will notice on top of the building, it eliminates the need for unsightly tall stacks.

The Georgetown fluidized bed system is a forerunner of future equipment.

Our projections show that the year 2000, as much as 36 perecnt of the industrial market could be receiving its energy from boilers similar to the one here.

This facility represents a melding of engineering skills with academic creativity to meet a critical national need. It represents a visible payback of the taxpayers' investment in research and development. It will enable us to demonstrate that coal and the environment can be made compatible.

It is a major step in giving this nation the security of its own energy supply.

Remarks by Senator Jennings Randolph, Chairman, Senate Environment and Public Works Committee

This fluidized bed boiler to be used for space heating and cooling requirements at Georgetown University demonstrates that high sulfur coal can be burned in an environmentally acceptable manner, and thus can displace the use of oil and gas. Successful implementation of a policy to replace other fossil fuels with the direct use of coal will be determined by people like you and I who believe that we can use coal and meet environmental standards by a variety of new pollution control techniques. Fluidized bed combustion is the most promising of these techniques, making it possible to burn coal with very low heating values formerly considered to be a waste product with disposal problems. By using this technology sulfur can be retained in the actual steam generator thereby eliminating the need for external removal systems such as wet and dry scrubbers.

I am pleased to have had the opportunity to assist in this vital University/Department of Energy endeavor. But, although this facility serves as a model to other institutions and industries that fluidized bed combustion is reliable, we must have a continuing commitment within the Department of Energy to see that full commercialization of this technology is carried out. We must make sure that research, development and joint ventures between government and industry in this area, as well as coal washing and blending, pelletized coke, and coal oil mixtures are not stalemated pending the passage and implementation of energy proposals now working their way through Congress. Continuing emphasis must focus on these direct coal utilization technologies and not be pushed aside or held hostage to the longer range development of synthetic fuels or structure of a windfall profits tax. It makes no sense for Congress and the Administration to embark on massive new projects costing billions of tax dollars without implementing the coal methodologies that can be used today!

By 1985 the net generation of electric power from fossil fuels should reach 2,540 billion kilowatt-hours, compared with 1,310 billion in 1971. Most of the increased use of fossil fuels will come from large users—users wtih the capital to invest in the pollution control devices that will become increasingly necessary as coal use expands. Continued demonstrations such as the one we have here will give companies interested in commercial applications an alternative to the purchase of external pollution control equipment.

The President has clearly stated that the expected increase in coal use will come with full protection of the environment. He has made specific recommendations to protect air quality from increased coal use. Our efforts embodied in this demonstration plant will serve to augment coal development technologies in a manner which will provide the upmost protection of our air and our citizens' health.

The effort at Georgetown University represents in part what must be done now if the Nation is to rely on increased coal utilization. Coal is our nation's cheapest and most plentiful resource. Currently we are depending on foreign oil costing $70 billion annually, but the fact is that the four states of West Virginia, Kentucky, Indiana and Illinois have twice the British thermal unit (Btu) reserve in coal that all the Arab nations combined have in oil. It takes four and one-third barrels of oil imports to provide the same heat as a ton around $115 at current prices for the equivalent four and one-third barrels of imported oil.

I submit that all Department of Energy, Georgetown University, local government, Congressional, and private officials present today must join together to see that this facility is not only a successful demorstration project, but a starting point for a comprehensive commercialization effort to see fluidized bed is used throughout the utility and industrialized sectors of our Nation.

VOLUNTARY PRAYER IN PUBLIC SCHOOLS OF MASSACHUSETTS

Mr. JEPSEN. Mr. President, I would like to congratulate the senior Senator from Massachusetts, representing a State of people with good judgment.

The Governor of Massachusetts, on the 7th of November, signed into law the voluntary prayer period for public schools in Massachusetts. I think that is a very good judgment, and I think it sets the standard for the entire country.

RHODESIA SANCTIONS

Mr. TSONGAS. Mr. President, on November 14, President Carter issued his determination on the continuance of U.S. economic sanctions against Zimbabwe-Rhodesia. His decision is to maintain these sanctions in force at the present time.

I support the President's determination. To lift sanctions now would amount to a deliberate disruption of the London Conference. The President has taken the correct and prudent course. A peaceful settlement of the Rhodesian conflict is very near at hand in the London negotiations. We are all aware of how difficult and delicate these talks have been. Remarkable progress has been achieved in London. With so little remaining in the way of an all-parties settlement and an end to the war, it is inconceivable that either the United States or Britain should consciously undermine the London Conference by prematurely lifting sanctions.

I think that the Senate is united in its desire for peace in Rhodesia. That moment is near. Our duty is to stand back and let it happen.

PROPAGANDA FROM SOUTH AFRICA

Mr. TSONGAS. Mr. President, my distinguished colleagues should be well acquainted with the South African official propaganda agency, the Information Service. Earlier this year the press gave extensive coverage to the South African Government scandal known as the Muldergate or Infogate affair. Allegedly, untold millions of government funds were secretly channeled through the Information Service to covert operators overseas. The objective was to improve the image of South Africa through the purchase of mass media outlets in the United States and other countries. Here in the United States, Mr. John McGoff stands accused of receiving $11 million to finance the purchase of American newspapers and radio stations. My friends in the Senate will recall reports that Mr. McGoff attempted to buy the Washington Star with South African funds. I make no judgment on the allegations. I merely point out the source of these allegations.

Given this long-standing interest in American public opinion, it should come as no surprise that the South African Information Service is once again on the move in the United States. Monday, an advertisement paid for by the South African Information Service appeared in newspapers across the country. Each ad is two-thirds of a full page. The cost of this campaign is substantial.

The advertisement deals with the guerrilla war South Africa is fighting in Namibia. South Africa inherited the colony of Namibia from the Germans just after the First World War. Since the 1960's, the U.N. has repeatedly asked South Africa to relinquish control of the territory and allow independence elections to take place. South Africa has refused. Frustrated by South Africa's intransigence, a nationalist group known as SWAPO began a low-level guerrilla war in the mid 1960's. It continues to this day.

The only hope for peace in this escalating war is a U.N.-sponsored plan for free elections and independence. A group of five western nations including the United States has served as a contact group among South Africa, SWAPO, and the U.N. Negotiations began in 1977 and are currently stalled due to South Africa's refusal to accept a moderate compromise plan. Last year, similar South African tactics derailed the implementation of the U.N. plan at the precise moment when all parties had reached agreement.

South Africa has obstructed a negotiated settlement in Namibia again and again. The advertisement placed by the South Africans, however, presents a much different picture of the situation. South Africa's intransigence in the negotiations is ignored. There is no mention that the elections South Africa sponsored in December 1978 were boycotted by every major black political group in the territory. Not a word deals with South Africa's invasions of Angola throughout the negotiations. There is no indication of the massive South African military presence in Namibia. The ad does not contain lies, it simply omits the full truth. As such it falls into the category of crude propaganda.

Mr. President, I know that Americans now distinguish between propaganda and information. I do not think this ad is going to fool anybody. But I am deeply disturbed by the purpose of this public relations stunt. This advertisement is inflammatory war propaganda. It is a message of hate. While the international community is engaged in a major effort to bring peace and democracy to Namibia South Africa publishes a call to arms.

I will not attempt to summarize the content of this propaganda document, nor will I dignify it by placing it in the CONGRESSIONAL RECORD. If my colleagues wish to see for themselves how the South African Government seeks to manipulate American public opinion, I refer them to Monday's Washington Post, Monday's New York Times, and Wednesday's Los Angeles Times.

Why would South Africa launch a propaganda blitz of such scope and virulence at this time? Why is American public opinion on the Namibia issue so important to South Africa? I cannot read the minds of the South African leaders. I have no exclusive information. But the timing of this propaganda campaign is interesting. South Africa has been very busy in Namibia preparing the ground work for the installation of a sympathetic government. Pretoria officials hint openly of granting unilateral independence to their allies in Namibia before the end of the year. With the western nations badly divided over the sanctions issue, the South Africans are confident that they can successfully resist any U.N. proposals for punitive measures.

The Pretoria regime seems to feel that the momentum is on its side. This spurious document is not the work of a renegade bureaucrat. The Information Service answers directly to the powerful Minister of Foreign Affairs, Mr. Pik Botha. The ad was published under his authority. It represents a calculated step taken by a very determined government.

Namibia is a vital ingredient in the cauldron of racial tension and war in Southern Africa. If the U.N. plan fails and war replaces all hope for a settlement, the entire region will suffer. In southern Africa, war begets more war. Our interests are directly at stake. As I have said in this Chamber before, racial war in southern Africa threatens our security interests. Conflict embitters and radicalizes the antagonists. War precludes a moderate solution and invites outside intervention.

Mr. President, I am dismayed by the unprincipled tactics adopted by the South Africans. I am deeply alarmed by the provocative and belligerent tone of the advertisement.

I am confident that my discerning colleagues will give this propaganda the contempt it deserves.

A TRIBUTE TO UNION COUNTY HIGH SCHOOL DISTRIBUTIVE EDUCATION CLUB

Mr. FORD. Mr. President, I bring to the attention of my colleagues an antishoplifting campaign being sponsored by the Distributive Education Club at Union County High School, Morganfield, Ky.

Personally I regard the DECA students' project as one of special importance. It demonstrates an unusually clear perception of the nature and scope of the shoplifting problem. Moreover, the project has helped to enlist and integrate business, industry, citizen and civic organizations in a working partnership with local and State law enforcement officials to promote community awareness of the seriousness of this problem.

No one knows exactly the annual moneary losses from shoplifting. The National Coalition to Prevent Shoplifting estimates that the losses from shoplifting during the last 3 months of this year will be more than all the bank robbery losses in the past 10 years. Approximately 45 percent of all shoplifting occurs during the Christmas shopping season.

The best available statistics indicate that in 1976 the number of reported shoplifting offenses was 605,629. There is no way of telling how many more incidents occurred but were never reported.

According to the National Coalition to Prevent Shoplifting approximately 60 percent of all shoplifting crimes are committed by persons under the age of 20. Moreover, a 1977 survey of Georgia high school students found that 70 percent of them admitted to shoplifting. A similar survey of the Union County High School students showed 67 percent had shoplifted. Besides indicating the seriousness of the problem, these statistics show that many of our youth do not recognize the seriousness of this crime.

While much remains to be done by way of detailed experimentation and evaluation of antishoplifting programs, the students have demonstrated that many simple and inexpensive steps can be taken to prevent shoplifting. Simple diagnostic procedures have identified the areas where shoplifting is most likely to occur and where it may already be taking place.

This is the second year that the Union County High chapter of DECA has sponsored an antishoplifting project. The project's worthiness is demonstrated by the fact that in competition last year it placed first in the State of Kentucky and in the top 12 nationwide. The award-winning project involved the club members in various activities designed to prevent shoplifting. These activities included advertisements in local newspapers and radio stations, speaking before local civic groups and surveying high school students and businessmen about the shoplifting problems.

Mr. President, this project has been of great service to the community and demonstrates the great concern the 65 members of the club have for their community. In recognition of the group's efforts Union County Judge-Executive Bob Hite signed a proclamation designating last month as "DECA Anti-Shoplifting" month. I want to join in praising and applauding these students for their fine work in this area.

Mr. President, finally, I also take this opportunity to commend Mr. Mike Hamilton, the DECA adviser at Union County High. Mr. Hamilton has done an outstanding job in guiding the students in designing, mounting, and carrying out the antishoplifting program.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

REPORT OF DEFERRALS OF BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT—PM 135

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which was referred to the Committee on Appropriations, the Committee on the Budget, the Committee on Commerce, Science, and Transportation, the Committee on the Judiciary, the Committee on Foreign Relations, the Committee on Environment and Public Works, the Committee on Labor and Human Resources, and the Committee on Finance, jointly, pursuant to order of January 30, 1977:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report six new deferrals totalling $511.1 million and two revisions to previously transmitted deferrals increasing the amount deferred by $14.9 million. These items affect programs in the Departments of Commerce, Justice, State and Transportation; the

International Communication Agency; the Railroad Retirement Board; and the President's Commission on Pension Policy.

The details of the deferrals are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *November 15, 1979.*

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 11:08 a.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 4930. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1980, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore (Mr. MAGNUSON).

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 4391) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1980, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. McKAY, Mr. GINN, Mr. STEED, Mr. ADDABBO, Mr. LONG of Maryland, Mr. WHITTEN, Mr. McEWEN, Mr. REGULA, and Mr. CONTE were appointed as managers of the conference on the part of the House.

At 6:29 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1967. An act to modify the boundary of the White River National Forest in the State of Colorado.

The message also announced that the House agrees to the amendment of the Senate to the amendment of the House to the bill (S. 411) to improve the protections afforded the public against risks associated with the transportation of hazardous commodities by pipeline.

The message further announced that the House disagrees to the amendments of the Senate to the joint resolution (H.J. Res. 440) making further continuing appropriations for the fiscal year 1980, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. WHITTEN, Mr. BOLAND, Mr. NATCHER, Mr. STEED, Mr. SLACK, Mr. ADDABBO, Mr. LONG of Maryland, Mr. DUNCAN of Oregon, Mr. CONTE, Mr. MICHEL, Mr. McDADE, and Mr. ANDREWS of North Dakota were appointed as managers of the conference on the part of the House.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4440) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1980, and for other purposes; that the House recedes from its disagreement to the amendments of the Senate numbered 29, 40, 42, 47, 58, and 63 to the bill and concurs therein; and that the House recedes from its disagreement to the amendments of the Senate numbered 1, 51, 53, 61, 64, and 66 to the bill and concurs therein each with an amendment in which it requests the concurrence of the Senate.

HOUSE BILL REFERRED

The following bill was read twice by its title and referred as indicated:

H.R. 1967. An act to modify the boundary of the White River National Forest in the State of Colorado; to the Committee on Energy and Natural Resources.

REPORT OF A COMMITTEE SUBMITTED DURING THE RECESS

Under the order of the Senate of November 14, 1979, the following report of a committee was submitted on November 14, 1979, during the recess:

By Mr. CHURCH, from the Committee on Energy and Natural Resources, without amendment:

S. 2009. An original bill to designate certain public lands in central Idaho as the River of No Return Wilderness, to designate a segment of the Salmon River as a component of the National Wild and Scenic Rivers System, and for other purposes (together with additional views) (Rept. No. 96-414).

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated.

EC-2483. A communication from the Principal Deputy Assistant Secretary of State (Comptroller), transmitting, pursuant to law, a report of the value of property, supplies,, and commodities provided for the Berlin Magistrate, and under the German Offset Agreement for the quarter July 1, 1979 through September 30, 1979; to the Committee on Appropriations.

EC-2484. A communication from the Acting Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on a proposed letter of offer by the Air Force to Korea for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-2485. A communication from the General Counsel of the Department of Energy, transmitting, pursuant to law, a notice of meetings related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-2486. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a proposed prospectus for alterations at the Federal Office Building, 911 Walnut Street, Kansas City, Missouri; to the Committee on Environment and Public Works.

EC-2487. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a proposed prospectus for exercising an option to renew a lease for space presently occupied in the building at 1020 Eleventh Street, N.W., Washington, D.C.; to the Committee on Environment and Public Works.

EC-2488. A communication from the Attorney General of the United States, transmitting, pursuant to law, a report on the administration of the Foreign Agents Registration Act for calendar year 1978; to the Committee on Foreign Relations.

EC-2489. A communication from the Chairman of the Board for Foreign Scholarships, transmitting, pursuant to law, the sixteenth annual report of the Board covering the activities of the Board for calendar year 1978; to the Committee on Foreign Relations.

EC-2490. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "GSA's Personal Property Repair And Rehabilitation Program: A Potential For Fraud"; to the Committee on Governmental Affairs.

EC-2491. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Economic and Operational Benefits In Local Telephone Services Can Be Achieved Through Government-Wide Coordination"; to the Committee on Governmental Affairs.

EC-2492. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a report on the disposal of surplus Federal real property for historical monument purposes for fiscal year 1979; to the Committee on Governmental Affairs.

EC-2493. A communication from the Director of the District of Columbia Pretrial Services Agency, transmitting, pursuant to law, the report of the D.C. Bail Agency for the calendar year 1978; to the Committee on Governmental Affairs.

EC-2494. A communication from the Assistant Attorney General for Legislative Affairs, transmitting a draft of proposed legislation to grant State and local law enforcement officers designated by the Attorney General the authority to enforce the Controlled Substances Act of 1970; to the Committee on the Judiciary.

EC-2495. A communication from the Deputy Assistant Secretary of the Interior for Indian Affairs, transmitting, pursuant to law, final regulations relating to Indian education that have been sent to the Federal Register for publication; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 1648. A bill to provide for the improvement of the Nation's airport and airway svstem, and for other purposes (Rept. No. 96-415).

By Mr. BAYH, from the Committee on the Judiciary, with an amendment:

S. 10. A bill to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States (together with minority and additional views) (Rept. No. 96-416).

By Mr. RIBICOFF, from the Committee on Governmental Affairs and (on behalf of Mr. PELL) from the Committee on Rules and Administration, jointly, without amendment, unfavorably:

S. Res. 109. A resolution to limit the functions of the Select Committee on Ethics to investigations of improper conduct, to simplify financial disclosure requirements, to repeal the limitation on outside earned income, and for other purposes (together with additional views) (Rept. No. 96-417).

By Mr. MUSKIE, from the Committee on the Budget, without amendment:

S. Res. 269. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 1543.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. JACKSON, from the Committee on Energy and Natural Resources:

Ruth M. David, of Maryland, to be an Assistant Secretary of Energy (Resource Applications);

William Walker Lewis, of the District of Columbia, to be an Assistant Secretary of Energy (Policy and Evaluation); and

Charles B. Curtis, of Maryland, to be a member of the Federal Energy Regulatory Commission.

(The above nominations from the Committee on Energy and Natural Resources were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. JACKSON. Mr. President, today the Committee on Energy and Natural Resources ordered reported favorably the nominations of the following:

Ruth M. Davis, of Maryland, to be an Assistant Secretary of Energy for Resource Applications;

William W. Lewis, of the District of Columbia, to be an Assistant Secretary of Energy for Policy and Evaluation; and

Charles B. Curtis, of Maryland, to be reappointed as Chairman of the Federal Energy Regulatory Commission.

I ask unanimous consent that their biographies be printed in the RECORD.

There being no objection, the biographies were ordered to be printed in the RECORD, as follows:

PROFESSIONAL BIOGRAPHY, RUTH M. DAVIS, PH. D.

Ruth M. Davis obtained her B.A. degree in mathematics in 1950 from the American University, her M.A. in 1952, and her Ph.D. in applied mathematics in 1955 from the University of Maryland, all summa cum laude. She is a member of Phi Kappa Phi and Sigma Phi Sigma, scholastic honorary fraternities. While still in college, she engaged in computer research and computer applications in three of the first electronic digital computers designed and built. She taught the first advanced computer programming and numerical analysis courses at the University of Maryland. Her profesional career includes the development of the first computer programs for nuclear reactor design (1952–1955), original work in some of the first analyses and designs of military command and control systems (1955–1960). Since 1962, she has been active in several fields of computer science such as automation, robotry and control systems, biomedical applications of computers and communications, computer networks and applications of computers and communications to intelligence and reconnaissance operations.

She was selected as one of the five Outstanding Federal Employees of the Year in Maryland in 1961, and was elected a Fellow of the Society for Information Display in 1963. In 1972 she was awarded the Federal Women of the Year Award, and Systems Professional of the Year by the Association for Systems Management. She was awarded the Department of Commerce Gold Medal Award in 1972. She received the 1973 Rockefeller Public Service Award for Professional Accomplishment and Development which is a tax-free $10,000 grant and the most prestigious such "annual award given for the Nation's Federal career employees." In 1976, Dr. Davis received the National Civil Service League Award. In 1979 she received an honorary Doctorate of Engineering from Carnegie Mellon University and was selected "Computer Science Man of the Year" for 1979 by the Data Processing Management Association. She is in "Who's Who in America," "American Men and Women of Science" and "Who's Who of American Women."

In April 1976, she was elected to membership in the National Academy of Engineering. She served on the Advisory Council of the Electric Power Research Institute (1974–1979). She was elected to the National Academy of Public Administration in 1974 and to the Board of Directors of the American Association for the Advancement of Science. She served on the Maryland Governor's Science Advisory Council from 1972–1977. She serves on the Harvard Overseers Visiting Committee for the Division of Engineering Sciences and Applied Physics and the Department of Mathematics and the Council on Library Resources.

She has worked for the United Nations, the David Taylor Model Basin, the Director of Defense Research and Engineering, Department of Defense as a Staff Assistant for Intelligence and Reconnaissance: the National Library of Medicine, National Institutes of Health, as the Associate Director for Research and Development and as the Director of the Lister Hill National Center for Biomedical Communications: and was the Director of the Institute for Computer Sciences and Technology at the National Bureau of Standards from 1970–1977.

She is now Deputy Under Secretary of Defense for Research and Advanced Technology, Office of the Under Secretary of Defense for Research and Engineering.

In 1976 she was Adjunct Professor, Moore School of Engineering, University of Pennsylvania. She has taught in the graduate schools of the American University and the University of Maryland, and for the Association for Computing Machinery. She was a Visiting Professor in the Computer Sciences Department of the University of Pittsburgh for three years and has lectured at Harvard University. She has received medals from the University of Helsinki, in Finland, and Karolinska Institutet, in Sweden, for work in Information Sciences.

She has over 100 articles and publications to her name.

She is a member of (1) the New York Academy of Sciences, (2) the Washington Philosophical Society, (3) the Mathematical Society of America, (4) the American Mathematical Association, (5) the Association for Computing Machinery, (6) the American Society for Information Science, and (7) the American Institute for Astronautics and Aeronautics among others.

DR. WILLIAM W. LEWIS

Position: Principal Deputy Assistant Secretary of Defense, Program Analysis & Evaluation.

Education: B.S. with Honors, Physics, Virginia Polytechnic Institute, 1963 Ph.D., Theoretical Physics, Oxford University, 1966.

Experience:

1977-Present: Principal Deputy Assistant Secretary of Defense, Program Analysis and Evaluation.

1977-5 months: Deputy Assistant Secretary of Defense, Strategic Programs, Program Analysis and Evaluation.

1973-1977: World Bank, Washington, D.C. Sr. Operations Officer, Industrial Development & Finance Division, Eastern Africa Region, Sr. Programing Officer, Programing & Budgeting Dept.

1971-1973: Director, Office of Analytical Studies, University of California, Berkeley, Calif.

1969-1971: Associate Provcst for Resource Planning and Lecturer in Public and International Affairs, Princeton University, Princeton, New Jersey.

1966-1969: Office of Assistant Secretary of Defense (Systems Analysis), Washington, D.C., Director, NATO and General Purpose Force Analysis Div.; Director, Strategic Concepts, Command & Control Div.; Staff Member, Strategic Retaliatory Div.; Staff Member, NATO Div.

Honors, awards, and special achievements: Rhodes Scholar, Phi Kappa Phi, Omicron Delta Kappa, Sigma Pi Sigma, Captain VPI Tennis Team and New College, Oxford, Tennis Team.

Publications:

"Wick's Theorem and Linked Cluster Expansion for Heisenberg Ferromagnet" (with R. B. Stinchcombe) 1967, Proceedings of the Physical Society *92*, 1002–9.

"Thermodynamic Behavior of Heisenberg Ferromagnet" (with R. B. Stinchcombe) 1967. Proceedings of the Physical Society *92*, 1010–23.

"Budgeting and Resource Allocation at Princeton University" (with Benacerraf, Bowen, et al.) 1972, Princeton University, Princeton, New Jersey.

QUALIFICATIONS

My career has involved positions in policy planning and evaluation in a government department (Defense Department), universities (Princeton and University of California), and a financial institution (World Bank). This experience provides me with a background in policy planning and evaluation techniques that I can adapt for applications at the Department of Energy. Moreover, in my work at Defense and the World Bank I was responsible for economic and financial analysis of multi-million dollar investment projects. At the World Bank I led missions that identified and appraised two projects to establish and provide institution building for industrial development banks in Africa (Kenya and Malawi).

My current position is Principal Deputy Assistant Secretary of Defense for Program Analysis and Evaluation. I am thus the deputy to the Assistant Secretary of Defense who has the responsibilities at Defense corresponding to those of the position I would be assuming at Energy. In my current capacity, I divide responsibility for the substantive work with the Assistant Secretary and generally make decisions for the office in the area of strategic force analysis. In my current capacity, I served on the DoD Shale Oil Task Force, which evaluated the mobility fuel prospects for DoD. I was responsible for leading the analysis on overall supply and demand and for estimates about when DoD might begin to be affected by the tightening of supplies. Finally, I have a Ph.D. in physics and am thus able to evaluate technical problems, including those in the energy field.

CHARLES B. CURTIS, CHAIRMAN, INDEPENDENT, PENNSYLVANIA

Took office: October 28, 1977, two-year term.

Charles B. Curtis was born in Upper Darby, Pennsylvania, on April 27, 1940. He received his B.S. and B.A. degrees from the University of Massachusetts in 1962, and an LL.B. (cum laude) from Boston University School of Law in 1965.

In 1964 Mr. Curtis became a law clerk to the Attorney General, Commonwealth of Massachusetts. From 1965 to 1967 he was a supervising staff attorney in the Office of the Comptroller of the Currency.

From 1967 to 1971, Mr. Curtis served at the Securities and Exchange Commission, as special counsel to the Division of Trading and Markets; chief of the Branch of Regulation and Inspection; and attorney-advisor (finance).

Mr. Curtis was counsel to the House Committee on Interstate and Foreign Commerce from 1971 to 1976, with special emphasis on energy and securities regulation. From November 1976 to January 1977 he worked for the Carter-Mondale transition team as liaison to the Federal Energy Administration.

Mr. Curtis was with the Washington law firm of Van Ness, Curtis, Feldman & Sutcliffe from January 1977 until August 1977. He was nominated by President Carter on July 29, 1977, to become a member of the Federal Power Commission. Upon Senate confirmation, Mr. Curtis was sworn in as Chairman of the Federal Power Commission on August 10, 1977.

President Carter nominated Mr. Curtis to a two-year term as Chairman of the Federal Energy Regulatory Commission on September 30, 1977. His nomination was confirmed by the U.S. Senate on October 20, 1977.

Mr. Curtis is admitted to practice law in the District of Columbia and in Massachusetts, and is a member of the Board of Directors of the St. Luke's House, Inc.

Mr. Curtis is married to the former Rochelle Elaine Bates, and they have a son, Brent Arthur-Bates. The family resides in Bethesda, Maryland.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CHURCH (from the Committee on Energy and Natural Resources):

S. 2009. A bill to designate certain public lands in central Idaho as the River of No Return Wilderness, to designate a segment of the Salmon River as a component of the National Wild and Scenic Rivers System, and for other purposes. Original bill reported during the recess.

By Mr. CANNON:

S. 2010. A bill to amend title V of the Motor Vehicle Information and Cost Savings Act; to the Committee on Commerce, Science, and Transportation.

By Mr. HELMS:

S. 2011. A bill for the relief of Wayne Sung; to the Committee on the Judiciary.

By Mr. CHURCH (by request):

S. 2012. A bill to amend the Foreign Assistance Act of 1961 to authorize assistance in support of peaceful and democratic processes of development in Central America, with special attention to re-establishing conditions of stability and growth in the Nicaraguan economy and to provide additional economic support for other countries in Central America and the Caribbean, and for other purposes; to the Committee on Foreign Relations.

By Mr. RANDOLPH:

S. 2013. A bill for the relief of Pablo Esguerra, Jr., M.D.; to the Committee on the Judiciary.

S. 2014. A bill for the relief of Alberto A. Fernandez, M.D.; to the Committee on the Judiciary.

By Mr. RANDOLPH (for himself, Mr. CANNON, and Mr. WILLIAMS) (by request):

S. 2015. A bill to amend the Urban Mass Transportation Act of 1964, and title 23, United States Code, to provide for authorizations, and for other purposes; to the Committee on Environment and Public Works, the Committee on Commerce, Science, and Transportation, and the Committee on Banking, Housing, and Urban Affairs, jointly, by unanimous consent.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CANNON:

S. 2010. A bill to amend title V of the Motor Vehicle Information and Cost Savings Act; to the Committee on Commerce, Science, and Transportation.

● Mr. CANNON. Mr. President, we have all heard ample evidence of the economic difficulties being encountered in various segments of the auto industry. Others may measure these adverse effects solely in terms of corporate losses or sharp declines in sales and earnings. I measure them also in reports of recent and pending layoffs of workers throughout the industry.

We have also heard claims, some possibly exaggerated, that a portion of these difficulties may be attributable to certain provisions of the automobile fuel economy program administered by the National Highway Traffic Safety Administration (NHTSA), and mandated by title V of the Motor Vehicle Information and Cost Savings Act. In recognition of this potential, and for other reasons, NHTSA has advocated in its third annual report to the Congress on the automotive fuel economy program three amendments to title V of the aforesaid act which may provide needed relief without measurably affecting the vitally important fuel savings achieved by that act.

I am today introducing a bill resulting from extensive study by the staff of the Committee on Commerce, Science, and Transportation of those three NHTSA recommendations. This bill, in essentially all its particulars, encompasses those recommendations. It also includes in their entirety the provisions of S. 1583, previously introduced by my colleague, the distinguished senior Senator from Michigan, Mr. RIEGLE.

To assist committee members in early consideration of this bill so that we may act on it during this session, I am requesting public comment to supplement that already on the record in several previous hearings conducted by NHTSA and committees of the Senate and House in which to a varying degree most aspects of the issues involved were publicly aired. To facilitate this invitation for public comment I am authorizing this date a press release which explains the scope and intent of these proposed amendments. I ask unanimous consent that a copy of the bill and the committee press release be printed in the RECORD.

There being no objection, the bill and press release were ordered to be printed in the RECORD, as follows:

S. 2010

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Automotive Fuel Economy Amendments of 1979".

SEC. 2. Section 502(c) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2002(c)) is amended to read as follows:

"(c) The requirements for passenger automobiles of this section and subsection 505(a) do not apply to a manufacturer for any model year in which it manufactured (whether or not in the United States) fewer than 10,000 passenger automobiles.".

SEC. 3. The first sentence of section 503 (b)(1) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2003(b)(1)) is amended by inserting the phrase", other than a manufacturer whose domestically manufactured production commenced after the effective date of title V of the Motor Vehicle Information and Cost Savings Act," following the word "manufacturer".

SEC. 4. Section 507 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2007) is amended by—

(1) striking the words "The following conduct is unlawful: " and inserting in lieu thereof the words "Except as provided in subsection (4), the following conduct is unlawful: ", and

(2) adding at the end thereof the following new subsection:

"(4) Notwithstanding the provisions of subsections (1) and (2), the failure of any manufacturer to comply with any average fuel economy standard shall be deemed not to be 'unlawful conduct' unless, following a determination under section 508(a)(2) that the manufacturer violated either subsection (1) or subsection (2) of the section 507, the Secretary also determines (A) that the amount of any credits calculated pursuant to subparagraph A(ii) or B(ii) of section 508(a)(3), respectively, is not sufficient to fully offset the amount of any penalty assessed pursuant to section 508(b)(3), and (B) that the time, in which credits could be earned pursuant to subparagraph A(i) or B(i) of section 508(a)(3), respectively, so as to fully offset the amount of any such penalty, has expired.".

SEC. 5. Sections 508(a)(3)(A)(i)(I) or (II) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2008(a)(3)(A)(i)(I) and (II)) are amended to read as follows:

"(I) deducted from the amount of any civil penalty which has been or may be assessed against such manufacturer for a violation of section 507(1) occurring in the three consecutive model years immediately prior to the model year in which such manufacturer exceeds such applicable average fuel economy standard, and

"(II) to the extent that such credit is not deducted pursuant to subclause (I), deducted from the amount of any civil penalty assessed against such manufacturer for a violation of section 507(1) occurring in the three consecutive model years immediately following the model year in which such manufacturer exceeds such applicable average fuel economy standard.".

SEC. 6. Sections 508(a)(3)(B)(i)(I) or (II) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2008(a)(3)(B)(i)(I) or (II)) are amended to read as follows:

"(I) deducted from the amount of any civil penalty which has been or may be assessed against such manufacturer for a violation of section 507(2) occurring in the three consecutive model years immediately prior to the model year in which such manufacturer exceeds such applicable average fuel economy standard, and

"(II) to the extent that such credit is not deducted pursuant to subclause (I), deducted from the amount of any such civil penalty assessed against such manufacturer for a violation of section 507(2) occurring in the three consecutive model years immediately following the model year in which such manufacturer exceeds such applicable average fuel economy standard.".

FROM THE SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Senator Howard W. Cannon (D-Nevada), Chairman of the Senate Committee on Commerce, Science, and Transportation, today announced that the Committee is considering three amendments to the Motor Vehicle Information and Cost Savings Act recommended by the National Highway Traffic Safety Administration (NHTSA), of the Department of Transportation, in its third annual report to the Congress. The issues involved in these amendments have been publicly aired during NHTSA proceedings and, in part, during Senate and House hearings held in the past year. Senator Cannon requests that affected groups provide any additional comments on these amendments as contained in S. 2010 and S. 1583, to be received no later than November 30, 1979, to assist the Committee in finalizing its position on these measures during this session.

Following is a brief summary of the three amendments:

(1) Title V of the Motor Vehicle Information and Cost Savings Act imposes severe financial penalties on any automobile manufacturer for failure in any model year to achieve the corporate average fuel economy standards for that year. This penalty is $5.00 per automobile for every automobile produced in that model year by that manufacturer for each tenth of a mile per gallon by which that manufacturer's fleet falls short of the standard for that year. The law also permits offsetting credits for fleet performance superior to the standard calculated in the same manner. Such credits are limited to a one-year carry forward, carry back from any model year in which the credit is earned.

Sec. 4 of S. 2010 would extend this carry forward carry back provision to three years. S. 1583, introduced by Senator Donald W. Riegle, Jr. (D-Michigan), also offers this provision. These bills also redefine an "unlawful conduct" failure of any manufacturer within that extended time frame to accrue equivalent offsetting credits for any model year in which it failed to meet the standard.

(2) Title V of the Motor Vehicle Information and Cost Savings Act mandates compliance with applicable corporate average fuel economy standards for all manufacturers regardless of the production or sales volume of any manufacturer. Sec. 2 of S. 2010 provides an amendment which would exclude manufacturers of less than 10,000 passenger automobiles (worldwide) per year from the requirements of the fuel economy standards. It has been indicated that this would relieve the government of burdensome engineering and administrative costs incurred to establish, monitor, and enforce separate standards for many small manufacturers generally of specialty cars. U.S. sales volumes of such cars are in the range of a few hundred automobiles of each manufacturer per year which have no measurable effect on fuel consumption of the Nation's fleet of approximately 120 million automobiles.

(3) Title V of the Motor Vehicle Information and Cost Savings Act precludes any domestic manufacturer from including so-called "captive imports" in its total corporate fleet for purposes of meeting any model year's fuel economy standard. Each imported fleet of any manufacturer must separately conform to the applicable standard, whether such fleet is imported by an established U.S. manufacturer or by a subsidiary or affiliate of a foreign manufacturer.

Sec. 3 of S. 1583 permits any manufacturer commencing manufacture after the date of enactment of Title V of the Motor Vehicle and Cost Savings Act (Dec. 22, 1975) to combine domestically manufactured and imported vehicles in a single corporate fleet for compliance with any year's mandated fuel economy standard. At the present time any large foreign automobile manufacturer/importer which establishes a U.S. manufacturing subsidiary for production of any portion of its U.S. sales volume can combine that portion with its continuing imports provided the so-called "value added" in the U.S. assembled automobiles is held to less than 75 percent of their total production cost. By so doing, these automobiles are not considered domestically produced.

The intent of this amendment is to encourage such manufacturers to increase the value added content of U.S. assembled automobiles above 75 percent, and thereby to increase domestic employment. This amendment is not intended to affect previously established U.S. manufacturers.

In commenting on these amendments, Senator Cannon stated, "Recent events in the automobile industry have confirmed concerns voiced before this Committee during public hearings on March 23, 1979, to the effect that severe economic hardship might be encountered by certain segments of the automobile industry unless greater flexibility was permitted in the application of the automotive fuel economy program. While I have not finalized my position on any of these amendments, I have decided to introduce them for Committee consideration to ascertain if they can provide some economic relief for segments of a major industry and the people employed in that industry. For that reason I urge interested persons to submit their comments at an early date."

To assure consideration of comments on those proposed amendments, or to obtain further details relating thereto, interested persons are invited to communicate by mail or telephone to Committee Counsel Dan Jaffe at (202) 224-0417, or Committee Professional Staff Member Ed Smick at (202) 224-9351. All comments must be tendered by November 30, 1979, by submitting 6 copies of such comments to the Commerce Committee Staff, attention Ed Smick, at 5202 Dirksen Senate Office Building, Washington, D.C. 20510, and 6 copies to the Commerce Committee Minority Staff, attention William Diefenderfer, at the same address.●

By Mr. CHURCH (by request):

S. 2012. A bill to amend the Foreign Assistance Act of 1961 to authorize assistance in support of peaceful and democratic processes of development in Central America, with special attention to reestablishing conditions of stability and growth in the Nicaraguan economy and to provide additional economic support for other countries in Central America and the Caribbean, and for other purposes; to the Committee on Foreign Relations.

SPECIAL CENTRAL AMERICAN AND CARIBBEAN SECURITY ASSISTANCE

● Mr. CHURCH. Mr. President, I introduced by request a bill to amend the Foreign Assistance Act of 1961 to authorize special Central American and Caribbean security assistance.

The bill has been requested by the President of the United States and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the Record at this point, together with the section-by-section analysis of the legislation.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follows:

S. 2012

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Special Central American and Caribbean Security Assistance Act of 1979".

Sec. 2. Chapter 4 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"CENTRAL AMERICAN AND CARIBBEAN ECONOMIC SUPPORT

"Sec. 535. (a) The Congress finds that economic and poltical stability and economic growth in Central America, within a context of peaceful and democratic processes of development, are important to the national interests of the United States. The Congress further declares and finds that the United States can and should play a constructive role in this process and that United States assistance is necessary to help restore productivity and growth in the Nicaraguan economy, to help alleviate the human suffering arising from the recent civil strife in Nicaragua, and to provide additional economic support for other countries in Central America and the Caribbean.

"(b) To carry out the purposes of this chapter, there are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, not to exceed $80,000,000 for the fiscal year 1980, which amount is authorized to remain available until expended."

Section-by-Section Analysis of the Proposed Special Central American and Caribbean Security Assistance Act of 1979

Section 1. Short Title: This section provides that the Bill may be cited as the "Special Central American and Caribbean Security Assistance Act of 1979".

Section 2. Authorization: This section adds a new section 535 to chapter 4 of part II of the Foreign Assistance Act of 1961, to consist of two subsections as follows:

(a) This subsection contains a statement of congressional policy regarding the importance of economic and political stability in Central America to the national interests of the United States, and the need for U.S. assistance to foster that stability through the promotion of economic growth and the alleviation of human suffering resulting from the recent civil strife in Nicaragua, and to provide additional economic support for other countries in the region and in the Caribbean.

(b) This subsection authorizes fiscal year 1980 appropriations of $80,000,000 for Economic Support Fund assistance for the purposes set forth in subsection (a).●

By Mr. RANDOLPH (for himself, Mr. Cannon, and Mr. Williams) (by request):

S. 2015. A bill to amend the Urban Mass Transportation Act of 1964, and title 23, United States Code, to provide for authorizations, and for other purposes; to the Committee on Environment and Public Works, the Committee on Commerce, Science, and Transportation, and the Committee on Banking, Housing, and Urban Affairs, jointly, by unanimous consent.

TRANSPORTATION ENERGY EFFICIENCY ACT OF 1979

● Mr. RANDOLPH. Mr. President, with Senators Cannon and Williams, I am today introducing at the request of the administration a bill transmitted to the Congress by the Department of Transportation as part of the President's import reduction program announced on July 16, 1979. I ask unanimous consent that the transmittal letter and the accompanying explanation be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

THE SECRETARY OF TRANSPORTATION,
September 14, 1979.
Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The Department of Transportation is transmitting for your consideration and reference a draft bill:

To amend the Urban Mass Transportation Act of 1964; title 23, United States Code; and the Motor Vehicle Information and Cost Savings Act; to provide for authorizations, and for other purposes.

On July 16, 1979, the President announced an Import Reduction Program that will decrease the amount of petroleum brought into the United States by 4.5 million barrels per day over the next decade. Increasing dependence on imported sources of petroleum has made the United States vulnerable to supply interruptions, such as the Iranian production cutback. Also, the negative trade balance created by oil imports exerts a substantial inflationary pressure on the domestic economy. The President has resolved that the foreign oil flow into the country shall not exceed 1977 import levels. In fact, he seeks to reduce oil imports significantly by a program to spur domestic production and more wisely use available petroleum supplies. The President's program contains several significant actions to reduce energy consumption and oil imports rapidly and directly.

The transportation sector is a major oil consumer, using about one-half of the total petroleum consumed in the United States annually. There are tremendous opportunities to decrease oil imports and cut the trade deficit through better design and use of our transportation systems.

A series of well-chosen strong steps to use our transportation system more wisely can provide further energy conservation without a serious sacrifice of personal mobility or commercial transportation availability. The President has proposed to tax windfall profits of the oil industry; the revenues of the tax will be used to create a new Energy Security Trust Fund. This new source of revenues will provide for funding of many worthwhile energy conservation initiatives not previously possible due to the need for budgetary restraint to combat inflation. The President has proposed a total of $16.5 billion from the Fund over the 1980's for a combination of mass transit and automobile initiatives to reduce oil consumption and imports by at least 250,000 barrels per day in 1990.

MASS TRANSIT

The public transportation investment program will add $13 billion over the next decade to increase public transportation capacity by up to 50 percent over current levels, accommodating up to an additional 15 million passengers per day. Presently estimated Federal capital expenditures of about $27.5 billion over the next decade would be increased to about $40.5 billion; local and State matching funds will increase this total to $50 billion. New expenditures would be for discretionary capital grants under section 3 of the Urban Mass Transportation Act (UMT Act) for increased bus purchases and rehabilitation, extension and improvement of existing and committed rail systems, and related projects such as construction of passenger shelters.

Funds would also be available to increase funding of the section 103(e)(4) (title 23, U.S.C.) substitute transit projects under section 4(g) of the UMT Act. It is expected that transit and highway substitutions will occur at an increased rate as the 1983 deadline for decisions on completion of the Interstate System approaches. Funding from the Energy Security Trust Fund would permit the acceleration of 4(g) transit substitutions in the same manner as the Energy Security Trust Fund permits the acceleration of section 3 projects. Highway substitute projects carried out subsequent to this Act would be funded from the Highway Trust Fund instead of the General Fund. The overall result of these substitutions will be an increase in energy savings.

Funds would also be available for the purpose of financing a portion of formula grants to urban areas to purchase buses and bus-related equipment and for construction of bus-related facilities under section 5(a)(4) of the UMT Act.

The draft bill relies entirely on the use of existing program authority, so that the familiarity of Congress and all officials involved with every element of these programs can permit rapid utilization of funds. The mass transit needs of the nation are significant and have been rigorously analyzed, making them a prime target for rapid, productive use of revenues of the windfall profits tax. Also, much industrial and construction capability is in place to help absorb substantial increases in funding without distortion of the economy, while providing needed jobs.

IMPROVED AUTOMOBILE USE

About 35 percent of all petroleum used in the United States is consumed by the automobile. Thus, more efficient use of our automobiles and highways can produce an immediate and significant reduction in energy consumption. Congress has recognized the vast potential for decreased gasoline consumption by automobiles through enactment of such programs as the 55-mph national maximum speed limit. Also, ridesharing, programs designating high-occupancy-vehicle lanes, and the construction of commuter fringe parking permit the existing highway network to be used more efficiently by the present automotive fleet. Encouragement of alternate transportation modes, including biking and walking for short trips, are a means to reduce fuel consumption. Under existing program authority, the Department has initiated grant and demonstration programs that have identified, and to some degree, produced significant energy savings. The potential for vastly greater savings exists through expansion of new activities in a focused way.

Title II of the bill would add emphasis to these programs by providing $250 million annually from the Energy Security Trust Fund for them. A small portion of the funds would be retained by the Department for a public information program to increase interest in and support for more efficient highway and automobile use.

The primary means to stimulate State and local programs for better automobile use would be an increase in the Federal share of funding to 90 percent for title 23 projects advanced by the States that can be shown to directly conserve energy. The 15-percentage point increase would come from the Energy Security Trust Fund. The added funds could encourage State and local officials to choose more projects with energy conservation potential as they establish their program priorities for use of title 23 funds.

A second means for obtaining more efficient use of our highways and automobiles would be a selected number of discretionary Federal grants funded at the 90-percent Federal level entirely from the Energy Security Trust Fund. Examples of projects eligible for such grants would be assistance to States, localities, and private employers in initiating ridesharing programs under section 146 of title 23, to supplement existing and proposed motor vehicle inspection programs to improve automobile efficiency, and additional funding for equipment for improved enforcement of the 55-mph national speed limit under section 154 of title 23.

In order to provide assured funding for substitute highway projects which may be more efficient than planned Interstate segments, the automobile-use provisions also contain a modification of section 103(e)(4) of title 23 to authorize appropriations from the Highway Trust Fund for substitute highway projects approved under that section.

BASIC AUTOMOTIVE RESEARCH

The nation has been and will remain largely dependent on the automobile for most personal transportation. Major fuel savings in transportation without unacceptable loss of personal mobility can occur only with a radical improvement in the fuel efficiency of our vast automotive fleet. Basic research in automotive related technologies for the long term is necessary to reach this goal, because it is expected that near-term technology will be fully utilized to obtain available fuel economy improvements within the next ten to fifteen years. Title III of the bill will provide the President with the authority and funds ($800 million over a ten-year period) to administer a basic automotive research program in cooperation with automobile manufacturers and others on a cost-sharing basis.

FUEL ECONOMY TECHNOLOGY ASSESSMENT

The corporate average fuel economy (CAFE) standards enacted by Congress in 1975 will result in a doubling of new vehicle fuel economy from 14 mpg in 1974 to 27.5 mpg in 1985. The 27.5-mpg level represented the best estimate that could be made in 1975 of what improvements in technology were commercially achievable by 1985. It is now important to undertake a rigorous assessment of existing technology to determine what fuel economy improvements are commercially achievable beyond 1985.

Title IV of the bill would authorize a total of $200 million from the Energy Security Trust Fund, to be expended over the next 10 years, for purposes of carrying out technology assessment in automotive fuel economy under the Motor Vehicle Information and Cost Savings Act. Grants and contracts would be authorized for purposes of carrying out this requirement with States, interstate agencies, educational institutions, and other public or private agencies or organizations.

Applied research and assessment projects would focus on engine and drive-train technology, in particular, diesel emission controls; transmission optimization; advanced materials and structures; and specialized vehicle types such as the "workhorse" pickup and the two-passenger urban vehicle. Also, studies of the economic/market potential of fuel-efficient vehicles would be pursued.

Taken together, the series of actions I have outlined represent a strong program to reduce our dependence on foreign oil through improvement in the energy-efficiency of the national transportation system. By such initiatives we will succeed in preserving our way of living without a serious loss of the mobility we now enjoy. I commend these legislative actions to you for early consideration and enactment.

The Office of Management and Budget has advised that the enactment of this proposed legislation would be in accord with the program of the President.

Sincerely,

NEIL GOLDSCHMIDT.

SECTION-BY-SECTION ANALYSIS

TITLE I—ENERGY EFFICIENT PUBLIC TRANSPORTATION

Increased authorizations for public transportation

Section 101. The Urban Mass Transportation Act of 1964 (the "Act") contains authorizations in the existing section 4 for the section 3 discretionary capital grant program, the section 4(i) service and methods grant program and the section 8 planning grant program that total $7.48 billion for fiscal years 1979 through 1983. In addition, section

4(g) authorizes such sums as may be necessary to carry out public transportation Interstate transfer projects. These authorizations permit appropriations only from the General Fund of the Treasury.

Section 101 would add new appropriations authority to section 4(c) of the Act to provide additional authorizations for the section 3, section 4(i), section 5(a)(4)(A) and interstate transfer programs of $12.1 billion over the ten-year lifetime of the provision. The major effect of these changes would be to increase the overall amount of capital grant funds available for public transit projects and, consequently, to decrease this nation's dependence on foreign oil. All of these increased funding levels would come from an Energy Security Trust Fund financed by the Windfall Profits Tax. Therefore these increased funding levels for capital transit projects will not put additional demands on the general fund of the Treasury.

Each major project to be funded under this section must be consistent with a local energy conservation program and must be likely to produce significant energy savings at a reasonable cost or decrease this nation's dependence on foreign oil. The project approval process must be consistent with UMTA's alternatives analysis policy and must include an evaluation of the energy saving potential of the alternatives considered.

The use of the existing section 3 discretionary capital grant program will enhance the deployment of these funds since state and local governments are already familiar with the program requirements. This program can be used to fund a broad range of transit capital improvements from purchasing new buses to extending rail lines, to constructing passenger shelters. It offers the greatest flexibility to shape the Federal assistance to meet the local need. State and local governments would be responsible for developing the capital projects and would have to provide their local share. However, DOT would use its administrative discretion to give priority to projects which offer the greatest potential to reduce petroleum usage or increase energy efficiency.

The section 4(i) program would be used to encourage local officials to develop their own ways of making their transit systems more efficient movers of people. It could also be used to give grants to deploy innovative service methods that have been shown to increase the efficiency of public transportation.

The section 5(a)(4)(A) formula grant program, which draws upon the Energy Security Trust Fund in fiscal 1984 through 1989, would supplement the present financing of bus purchases and bus-related equipment as well as the construction of bus-related facilities.

The purpose of the language in this amendment dealing with substitute projects under section 4(g) is to permit funds from the Energy Security Trust Fund to supplement amounts from the General Fund that would be available under section 4(g) and is not intended to substitute for such appropriations. "Substitute transit projects" are created at local option after the withdrawal of an interstate highway segment. After the withdrawal is approved, the substitute transit project is administered like any section 3 capital project. It is anticipated that appropriations from the General Fund for these projects will remain steady or increase only modestly in the coming years. This amendment would enable DOT to accelerate energy efficiency substitute transit projects in the same manner that it accelerates section 3 capital projects.

Transit-related appropriations from the Energy Security Trust Fund as from the General Fund could be made a year in advance to help provide certainty to the funding levels. Any appropriations remain available for obligation for three years after the year for which the sums are appropriated. It is anticipated that appropriations for these programs would go through the normal budgetary process.

To encourage the expansion of the intercity bus system, the Secretary of Treasury will propose the enactment of a special intercity bus tax credit. This proposal would encourage private intercity bus carriers to upgrade their existing fleets, to make bus travel more attractive. The Treasury proposal would amend the Internal Revenue Code to increase from 10 to 20 percent the investment tax credit deriving from bus purchases by privately owned intercity bus companies. It also would permit these credits to be applied against carriers' full tax liabilities. The provision in this section allows for the possible reduction of the authorization in this section in order to cover the tax revenues lost as a result of this tax credit. It is anticipated that the tax credits will not exceed $20 million each year. This use of the Energy Security Trust Fund to finance bus fleet expansion would contribute directly to conservation of petroleum resources.

Additional authorizations from the energy security trust fund

SEC. 102. Section 102 is proposed so that the Congress will have an additional source of revenues which it can use to fully fund the levels authorized for section 3 through the 1978 amendments to the UMT Act.

The Administration has sought to limit the funds appropriated from the General Fund to help attain the goal of a balanced budget. This new authorization would permit the full funding of section 3 from the Energy Security Trust Fund without increasing demands on the General Fund.

Formula grant program

Section 103. Section 103 is analogous to section 102 in that it would give Congress an additional source of revenues which it can use to fully fund the levels authorized in the 1978 amendments to the UMT Act. The program authorizations being amended here would be those which authorize funds for formula grants for urbanized areas to purchase buses and bus-related equipment. This formula mechanism is a useful way to rapidly increase the size of the nation's bus capacity and decrease dependency on foreign oil by providing transit alternatives to the automobile. Section 103 would provide a mechanism to funnel funds from the Energy Security Trust Fund to cover shortfalls in General Fund appropriations for the section 5 formula capital program. The Administration still concludes that the bulk of funding for this program should be made available from appropriations from the General Fund. The Energy Security Trust Fund would be used only to achieve full funding.

Section 103 is drafted to insure that there will be an authorization in fiscal year 1983 which will permit appropriations from the Energy Security Trust Fund. The formula grant bus program which exists in section 5(a)(4) is not now authorized beyond fiscal year 1982. This amendment would create a symmetry in the funding provisions of the bill that deal with this section and the existing section 3 program.

Conforming change

Section 104. Section 4(1) is amended to conform to these authorizations by removing the limitation in section 4(1) that sums have to be appropriated pursuant to section 4(c)(3)(A).

TITLE II—IMPROVED AUTOMOBILE USE

Increased Federal funding for more efficient use of automobiles

Section 201 adds a new section 157 to Chapter 1 of title 23, United States Code, to provide for an increased Federal share of costs in title 23 projects designed to conserve energy. The increased Federal share would only be available in the case of projects which the Secretary determines by rule would conserve energy through improvements in the use of automobiles and highways.

Title 23 contains several sources of authority for projects that would conserve energy through improved use of automobiles and highways. Section 146, Carpool and Vanpool Projects, authorizes expenditures on ridesharing, including expenditures for coordination, personnel and support hardware, acquiring vehicles, and designation of preferential carpool and vanpool facilities. Section 142, Public Transportation, authorizes expenditures on such public transportation facilities as highway control equipment and preferential bus and high-occupancy-vehicle lanes on Federal-aid highways. Section 137, Fringe and Corridor Parking Facilities, authorizes construction of parking facilities in conjunction with public transportation lines to encourage transit trips in place of private automobile trips in congested areas. Section 217, Bicycle Transportation and Pedestrian Walkways, authorizes expenditures for bike and pedestrian facilities to provide for alternate, extremely fuel efficient transportation modes. The program developed under Chapter 4, Highway Safety, include several that could bear on fuel efficient driving, including programs to assist drivers in more fuel efficient practices and programs that derive from vehicle inspection activities, including improvements in inspection lanes.

Examples might include innovative projects authorized under this combination of authorities, such as parking enforcement programs on commuter corridors and in residential neighborhoods, automobile restricted zones and bike/pedestrian facilities, transportation contingecy planning, computer hardware, installation, and support services for ridesharing programs, and highway safety-related programs such as programs for enhanced fuel efficiency through vehicle inspection and driver information and education. In the case of ridesharing, if the combination of these steps results in a doubling of the number of commuters who carpool by 1990, over 200,000 barrels of oil per day could be saved.

Funding for monitoring compliance with the 55-mph national maximum speed limit (section 154, National Maximum Speed Limit) would also be eligible for funding under section 157 from the Energy Security Trust Fund. An additional source of funding for the 55-mph speed limit would increase the Federal government's flexibility in supporting those automobile-use initiatives which demonstrate the greatest payoff in fuel savings. Automobiles are estimated to achieve from 17 to 40 percent better gas mileage at 55 mph than at 70 mph. Current compliance levels are estimated to save 185,000 barrels of oil per day. If 85 percent compliance can be achieved, an additional 138,000 barrels a day could be saved.

Under the new section 157(a), the present 75-percent Federal share established in section 120 or 402(d) could be increased to 90 percent in the case of energy conservation projects. The 15-percentage point increase in the Federal share would be charged to the Energy Security Trust Fund. A 10-percent State or local match would be required for the balance.

The Secretary's authority to fund any particular project would be discretionary, so that the most effective automobile-use programs could be supported. A major criterion for the selection of projects in metropolitan areas would be their inclusion in a comprehensive transportation plan which includes specific energy conservation targets. No new program authority would be added to that already authorized by Congress.

The purpose of section 157(b) is to authorize funds from the Energy Security Trust Fund for a selected number of new discretionary project grants to conserve energy. Unlike section 157(a), 90 percent of project cost would be a Federal share drawn from the Energy Security Trust Fund, sparing these projects from direct competition for General Fund and Highway Trust Fund revenues.

Under the new section 157(b), assistance projects could be made available to public and private employers and employees and State and local governments, including authority to make grants and loans to States, counties, municipalities, metropolitan planning organizations, and other units of local and regional government. Grant and loan authority would be extended to private entities, other than individuals, for the first time.

Also, interest-free loans (presently allowable up to 75 percent of the cost) may be provided for the purchase and lease of vehicle for ridesharing purposes. Reasonable control on such purchases would be contained in the regulations required by section 157(b).

Section 157(b) would be used for the same types of projects as section 157(a), but the 90-percent funding in new monies would allow the Secretary to support particularly meritorious projects that cannot otherwise be accommodated in a State's priorities.

Fuel-efficient driver practices and vehicle tune-up

Section 202 amends section 402(a) Highway safety programs, to include discretionary authority for the States to develop fuel efficiency programs within the context of existing highway safety initiatives in such areas as the training of drivers in fuel efficient use of vehicles and the maintenance and inspection of vehicles. Funds for such programs shall be allocated by the Secretary on a case-by-case basis in the same manner as funds for innovative project grants under section 407 of this title. Such projects would qualify for funding from the Energy Security Trust Fund under the new section 157.

Innovative projects in this field have already been undertaken independently of the Federal government by interested organizations. The Missouri Auto Club, for example, charges a nominal fee to conduct a full safety, emissions, and fuel economy diagnosis that has produced documented results in better mileage. Mobile testing stations have also been developed, to diagnose employee vehicles in company parking lots during working hours. The proposed amendment of section 402 would tap this "grass roots" source of innovative ideas for the improved, more fuel-efficient use of our automotive fleet.

Authorization for improved automobile-use program

Section 203 is a single authorization from the Energy Security Trust Fund for fiscal years 1980 through 1989 to fund all of the automobile use improvement programs that are the subject of this title. The authorization would total $2.5 billion for fiscal years 1980 through 1989, in annual cumulative increments of $250 million, to be available until expended. No division of the authorization is made among the programs in chapter 1 and chapter 4 of title 23.

Three percent of the sums appropriated under the authorization would be available to the Secretary for public information on improvements in the efficiency of automobile-use.

Funding source for substitute highway projects

Sec. 204. Interstate substitution projects, created at local option after the withdrawal of an interstate highway segment, are presently funded from the General Fund of the Treasury. This section would change the funding scheme; it would require that highway substitute projects be funded out of the Highway Trust Fund. Public mass transit projects authorized under section 4(g) of the Urban Mass Transportation Act will continue to be funded out of the General Fund of the Treasury.

Under the 1976 Federal-Aid Highway Act, the Interstate substitution provision was expanded to permit highway substitute projects as well as public mass transit projects to be funded out of the General Fund. These highway substitutes would be funded under this amendment out of the State's regular Interstate Apportionment under 23 U.S.C. 104(b)(5)(A).

This section would require, after the approval of a withdrawal, the reduction of the State's Interstate apportionment only in the proportion that the amount made available for the Federal share of the substitute mass transit project bears to the Federal share of the total cost of all its Interstate routes which are included in the current Interstate construction estimates. Under present law, after a transfer pursuant to section 103(e)(4), a State's unobligated Interstate apportionment is proportionately reduced for the full project total. This amendment would also provide that, after a reduction of a State's Interstate funds, an amount equal to that reduction would be available to the Secretary to be reallocated to other States for ready-to-commence projects in accordance with the discretionary Interstate program established by the amendment to 23 U.S.C. 118 by the STAAct of 1978.

Adjustment of cost-to-complete formula

Section 205. Under present law the Secretary is required to submit periodically to the Congress a revised estimate of the cost of completing the Interstate system. This estimate is then used by the Secretary to make apportionments to the States. Inasmuch as the highway substitution projects under 23 U.S.C. 103(e)(4) would, under section 204 of this bill, be funded out of a State's regular Interstate apportionment, it is necessary to amend section 104 to allow the Secretary to amend the most recent cost estimate and future cost estimates to also reflect the amount available for highway substitution projects substituted as a result of approved withdrawals.

TITLE III—BASIC AUTOMOTIVE RESEARCH PROGRAM

This initiative would authorize and direct the President to expand significantly basic research efforts in automotive technology designed to result in more fuel-efficient automobiles. It prescribes the cooperative nature of the program with the automobile industry and others and authorizes an aggregate appropriation of $800,000,000 over a ten-year period to be funded out of the Energy Security Trust Fund.

While research activities have been initiated in recent years by the Federal Government seeking to improve the energy efficiency of the automobile, they have primarily focused on applied technology related to automobile component development and to statutorily mandated standards for fuel economy, emission control, and safety. Over this same period, the automobile industry has expended only a small part of its research and development dollars on basic research which would expand the scientific knowledge base and provide the foundation required in order to design the kind of automobile which will be needed in the 1990's and beyond, to preserve mobility in the face of even more costly and scarce fuel supplies.

The engineering and scientific community strongly supports the premise that basic research advances in automotive technology will lead to advances in automobile fuel economy. This was a finding of a conference of 700 scientists and engineers from industry, academia, consumer groups and government convened in February 1979 by the Department of Transportation. Moreover, the conferees agreed that the Federal Government should continue its initiative by planning such a basic research program and by formulating financing concepts, which is presently being undertaken by the Office of Science and Technology Policy in the White House.

With directed programs of basic research in such areas as thermal and fluid sciences; structural mechanics; electrochemistry; aerodynamics; materials sciences and processing; control systems; friction and wear; and acoustics and vibration, the efficiency of the automobile can be increased substantially and significant increases in composite mileage per gallon and decreases in total energy consumption are possible. Although it is not intended that the initiative be limited to these areas, they are the ones which have been identified by the research community as basic to the task of drawing usable results from basic automobile research. This new authorization provides the Federal input needed for a major expansion of the basic automotive research presently being conducted by Federal agencies, and a new opportunity for government-industry agreements concerning cost-sharing, program management, entry into and exit from the program, and the like, can be developed.

It is intended that the President provide for program analysis and evaluation to ensure that the soundest possible project selection and investment decisions will be made, that the results of the research accomplished through the initiative be disseminated widely, and that the initiative, among other things, encourage the training of scientists and engineers to ensure that the industry, research institutions, and the Government will enjoy the expertise needed to realize fully the knowledge gained.

The authorization relies on existing research authority of Federal agencies to employ the full range of acquisition techniques to accomplish the research envisioned. Thus, depending upon what is the most effective approach for the particular result to be achieved, contracts, grants or other cooperative arrangements with industry, universities, and others may be made to accomplish research.

The new initiatives which this legislation will facilitate hold the promise of substantial energy savings in the long term. This promise is based on the fact that the application of current technology based on past research can result in savings of over a million barrels of petroleum a day by the 1990's. Historically, when the Federal Government has become involved in supporting and stimulating basic research, the related industries have benefited and become more efficient and more competitive in world markets. Aerospace and computers are examples of this phenomena.

It is recognized that the automotive industry must fund the bulk of the research from which it will eventually benefit. Nevertheless, this legislation is important since the initiative has as its foundation the concept of cooperation, with industry supplying its appropriate share of the cost.

The $800 million dollars to be derived from the Energy Security Trust Fund and reflects the judgment the Department of Transportation and the Office of the Science and Technology Policy of the optimum rate at which the research community will be able to absorb funds and produce effective results.

TITLE IV—FUEL ECONOMY TECHNOLOGY ASSESSMENT

Title IV authorizes appropriations from the Energy Security Trust Fund of $200 million for the fiscal years 1980 through 1989, for the purposes of carrying out fuel economy technology assessment under the Motor Vehicle Information and Cost Savings Act. Such appropriations would remain available until expended.

The purpose of the authorization would be to supplement existing funds available for fuel economy research by the use of additional funds from the Energy Security Trust

Fund to assure adequate levels of fuel economy technology assessment in automobile subsystems that will allow vehicle fuel economy improvements beyond 1985. Findings on the time frame for commercial feasibility of new technologies will be particularly important.

Several key areas for increased research and assessment are apparent. The study of improved engine and drive-train components and systems would focus on emissions control technology for diesel engines in automobiles and light trucks, a new family of direct injection diesels for light duty applications, an optimized gasoline spark ignition engine, advanced transmissions and controls for passenger cars and light-duty vehicles, and advanced heavy-duty commercial vehicle engines.

A second major area of study would be structural design improvements. The major opportunity for fuel efficiency improvement in all classes of vehicles is in weight reductions. Research and assessment would concentrate on improved structures and materials substitution. Not enough is known of the durability and producibility in large quantities of such structures and alternative materials.

A third major area of study would be the integration of advanced concepts into particular types such as the two-passenger urban vehicle and the commercial pickup truck. Significant energy savings are possible only if dramatic weight reduction and power-train improvements are feasible without sacrifice of the utility and safety of such vehicle types.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill introduced by Senator Randolph, the Transportation Energy Efficiency Act of 1979, be referred jointly to the Committee on Environment and Public Works, the Committee on Commerce, Science, and Transportation, and the Committee on Banking, Housing, and Urban Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS

S. 299

At the request of Mr. Culver, the Senator from Massachusetts (Mr. Tsongas) and the Senator from New Hampshire (Mr. Durkin) were added as cosponsors of S. 299, the Regulatory Flexibility Act.

S. 1698

At the request of Mr. Matsunaga, the Senator from Arizona (Mr. DeConcini) was added as a cosponsor of S. 1698, a bill to amend title 5, United States Code, to improve the basic workweek of firefighting personnel of executive agencies, and for other purposes.

S. 1789

At the request of Mr. Culver, the Senator from Massachusetts (Mr. Tsongas) was added as a cosponsor of S. 1789, the Product Liability Risk Retention Act.

S. 1858

At the request of Mr. Bayh, the Senator from North Dakota (Mr. Burdick) was added as a cosponsor of S. 1858, the National Guard Tort Claims Act of 1979.

SENATE CONCURRENT RESOLUTION 50

At the request of Mr. Williams, the Senator from Montana (Mr. Melcher) was added as a cosponsor of Senate Concurrent Resolution 50, urging the Soviet Union to allow the emigration of Ida Nudel to Israel.

SENATE CONCURRENT RESOLUTION 52—SUBMISSION OF A CONCURRENT RESOLUTION WITH RESPECT TO SANCTIONS AGAINST ZIMBABWE-RHODESIA

Mr. HAYAKAWA submitted the following concurrent resolution, which was referred to the Committee on Foreign Relations:

S. Con. Res. 52

Resolved by the Senate (the House of Representatives concurring), That, pursuant to section 408 (b) of the Act entitled "An Act to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting", approved on August 15, 1979 (93 Stat. 406), the Congress rejects the determination of the President, set forth in the report of the President transmitted to the Congress on November 15, 1979, that the termination of sanctions against Zimbabwe-Rhodesia would not be in the national interest of the United States.

Sec. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President.

AMENDMENTS SUBMITTED FOR PRINTING

WINDFALL PROFIT TAX—H.R. 3919

AMENDMENTS NO. 595

(Ordered to be printed and to lie on the table.)

Mr. McCLURE (for himself, Mr. Domenici, Mr. Levin, and Mr. Matsunaga) submitted an amendment intended to be proposed by them, jointly, to H.R. 3919, an act to impose a windfall profit tax on domestic crude oil.

AMENDMENT NO. 596

(Ordered to be printed and to lie on the table.)

Mr. STONE submitted an amendment intended to be proposed by him to H.R. 3919, supra.

AMENDMENTS NOS. 597 THROUGH 617

(Ordered to be printed and to lie on the table.)

Mr. RIBICOFF submitted 21 amendments intended to be proposed by him to H.R. 3919, supra.

AMENDMENTS NOS. 618 AND 619

(Ordered to be printed and to lie on the table.)

Mr. RIBICOFF (for himself, Mr. Bradley, Mr. Chafee, Mr. Leahy, Mr. Moynihan, Mr. Nelson, Mr. Tsongas, and Mr. Weicker) submitted two amendments intended to be proposed by them, jointly, to H.R. 3919, supra.

AMENDMENT NO. 620

(Ordered to be printed and to lie on the table.)

Mr. DOLE (for himself, Mr. Baker, Mr. Danforth, and Mr. Javits) submitted an amendment intended to be proposed by them, jointly, to H.R. 3919, supra.

AMENDMENT NO. 621

(Ordered to be printed and to lie on the table.)

Mr. BUMPERS (for himself, Mr. Kennedy, Mr. Metzenbaum, Mr. Nelson, Mr. Biden, Mr. Leahy, Mr. Eagleton, and Mr. Riegle) submitted an amendment intended to be proposed by them, jointly, to H.R. 3919, supra.

● Mr. BUMPERS. Mr. President, I am introducing an amendment to H.R. 3919, the windfall profit tax. The amendment would substitute the version of the bill already passed by the House, and it would reserve the additional revenue raised by that substitute until Congress enacts legislation to ease the burden placed upon some people by the double impact of higher energy prices resulting from oil decontrol and from planned social security tax increases.

The House bill is a compromise which was welcomed by representatives of oil-producing States, so it is in the proper focus for debate here in the Senate. It is a bill which taxes only a portion of the profits resulting from the decontrol of oil prices, an action which, in reality, merely transfers the controls to OPEC. The House bill would produce nearly twice the revenue of the Finance Committee version, and it would still leave the oil industry with $166 billion in windfall revenues—more than adequate incentive and capital for further exploration and development.

These windfall profits come straight from consumers' pockets, and they deserve a return which is more direct than the possibility that the oil companies will find more oil, which assuredly will be sold at ever-increasing prices. My amendment would temporarily set aside funds while Congress determines the best way to alleviate the consumers' burden.

I personally favor using the money to reduce the scheduled increases in social security taxes. Both those increases and the windfall prices are inflationary. Since reducing social security taxes would be anti-inflationary, it is logical to use the windfall profits to do so. Also, the people who are most burdened by the social security increases are also most harmed by increases in energy costs. So they should be helped most. However, my amendment does not dictate how the funds will be used. That decision will be subjected to the regular authorization and appropriation process. Also, because this amendment raises greater revenues, there will be more money available to develop cheaper alternative fuels and to promote conservation, the cheapest and best way to produce energy.

Mr. President, I ask unanimous consent that my amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 621

On page 39, beginning with line 4, strike out through line 15 on page 91 and insert in lieu thereof the following:

(a) In General.—

(1) Amendment of subtitle d.—Subtitle D (relating to miscellaneous excise taxes) is amended by adding at the end thereof the following new chapter:

"Chapter 45—WINDFALL PROFIT TAX ON DOMESTIC CRUDE OIL

"Sec. 4986. Imposition of tax.
"Sec. 4987. Amount of tax.
"Sec. 4988. Taxable crude oil; the 3 tiers for tax purposes.
"Sec. 4989. Windfall profit; removal price.
"Sec. 4990. Adjusted base price.
"Sec. 4991. Newly discovered oil; certain Alaskan oil; tertiary recovery projects.

"Sec. 4992. Other definitions and special rules.

"Sec. 4993. Records and information; regulations.

"Sec. 4986. Imposition of tax.

"(a) Imposition of Tax.—An excise tax is hereby imposed on the windfall profit from taxable crude oil removed from the premises during each taxable period.

"(b) Tax Paid by Producer.—The tax imposed by this section shall be paid by the producer of the crude oil.

"Sec. 4987. Amount of tax.

"(a) In General.—Except as provided in the provisions referred to in subsection (b), the amount of the tax imposed by section 4986 with respect to any barrel of taxable crude oil shall be 60 percent of the windfall profit on such barrel.

"(b) Provisions Providing for 50 Percent Rate.—For provisions providing tax rate of 50 percent in the case of—

"(1) a certain portion of the windfall profit from newly discovered oil, see section 4991(a)(2), and

"(2) Sadlerochit oil, see section 4991(b)(1)(A).

"(c) Fractional Part of Barrel.—In the case of a fraction of a barrel, the tax imposed by section 4986 shall be the same fraction of the amount of such tax imposed on a whole barrel.

Sec. 4988. Taxable crude oil; the 3 tiers for tax purposes.

"(a) Taxable Crude Oil.—For purposes of this chapter, the term 'taxable crude oil' means all domestic crude oil other than—

"(1) qualified Alaskan oil (within the meaning of section 4992(b)(6)), and

"(2) newly discovered oil and incremental tertiary oil removed (or deemed removed) from the premises after December 31, 1990.

"(b) Tier 1 Oil.—For purposes of this chapter, the term 'tier 1 oil' means domestic crude oil which—

"(1) is lower tier oil, or

"(2) would be lower tier oil if the base production control level for such oil were reduced for January 1980 and each month thereafter by 1½ percent (instead of 3 percent).

For purposes of paragraph (2), the base production control level shall be determined under the June 1979 energy regulations as if the producer had elected the 1½ percent monthly reduction for 1979 and the 3 percent monthly reduction thereafter.

"(c) Tier 2 Oil.—For purposes of this chapter, the term 'tier 2 oil' means upper tier oil other than—

"(1) oil described in subsection (b)(2),

"(2) oil removed (or deemed removed) from the premises after December 31, 1990, and

"(3) Sadlerochit oil (within the meaning of section 4991(b)(3)).

"(d) Tier 3 Oil.—For purposes of this chapter, the term 'tier 3 oil' means taxable crude oil other than tier 1 oil and tier 2 oil.

"(e) Lower and Upper Tiers.—For purposes of this chapter—

"(1) Lower tier oil.—The term 'lower tier oil' means domestic crude oil which is or would be subject to the lower tier ceiling price rule of the June 1979 energy regulations.

"(2) Upper tier oil.—The term 'upper tier oil' means domestic crude oil which is or would be subject to the upper tier ceiling price rule of the June 1979 energy regulations.

"Sec. 4989. Windfall Profit; Removel Price.

"(a) General Rule.—For purposes of this chapter, the term 'windfall profit' means the excess of the removal price of the barrel of crude oil over the sum of—

"(1) the adjusted base price of such barrel, and

"(2) the amount of the severance tax adjustment with respect to such barrel provided by section 4992(d).

"(b) Net Income Limitation on Windfall Profit.—

"(1) In general.—The windfall profit on any barrel of crude oil shall not exceed the net income attributable to such barrel.

"(2) Determination of net income.—For purposes of paragraph (1), the net income attributable to a barrel shall be determined by dividing—

"(A) the taxable income from the property for the taxable year attributable to taxable crude oil, by

"(B) the number of barrels of taxable crude oil produced from such property during such taxable year.

"(3) Taxable income from the property.—For purposes of paragraph (2)—

"(A) In general.—Except as otherwise provided in this paragraph, the taxable income from the property shall be determined under section 613(a).

"(B) Certain deductions not allowed.—No deduction shall be allowed for—

"(i) depletion,

"(ii) section 263(c) costs, and

"(iii) the tax imposed by section 4986.

"(C) Taxable income reduced by cost depletion.—Taxable income shall be reduced by the cost depletion which would have been allowable for the taxable year with respect to the property if—

"(i) all section 263(c) costs had been capitalized and taken into account in computing cost depletion, and

"(ii) cost depletion had been used with respect to such property for all periods.

"(D) Section 263(c) costs.—For purposes of this paragraph, the term 'section 263(c) costs' means intangible drilling and development costs which (by reason of an election under section 263(c)) may be deducted as expenses for purposes of this chapter (other than this paragraph). Such term shall not include costs incurred in drilling a nonproductive well.

"(4) Special rules for transfers of proven oil or gas properties.—

"(A) In general.—In the case of any proven oil or gas property transfer which, but for this subparagraph, would result in an increase in the amount determined under paragraph (3)(C) with respect to the transferee, paragraph (3)(C) shall be applied with respect to the transferee by taking into account only costs incurred during periods after such transfer.

"(B) Proven oil or gas property transfer.—For purposes of subparagraph (A), the term 'proven oil or gas property transfer' means any transfer (including the subleasing of a lease) after 1978 of an interest (including an interest in a partnership or trust) in any proven oil or gas property (within the meaning of section 613A(c)(9)(A)).

"(5) Special rule where there is production payment.—For purposes of paragraph (2), if any portion of the taxable crude oil removed from the property is applied in discharge of a production payment, the gross income from such portion shall be included in the gross income from the property in computing the taxable income of the producer.

"(c) Removal Price.—For purposes of this chapter—

"(1) In general.—Except as otherwise provided in this subsection, the term 'removal price' means the amount for which the barrel is sold.

"(2) Sales between related persons.—In the case of a sale between related persons (within the meaning of section 103(b)(6)(C)), the removal price shall not be less than the constructive sales price for purposes of determining gross income from the property under section 613.

"(3) Oil removed from premises before sale.—If crude oil is removed from the premises before it is sold, the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

"(4) Refining begun on premises.—If the manufacture or conversion of crude oil into refined products begins before such oil is removed from the premises—

"(A) such oil shall be treated as removed on the day such manufacture or conversion begins, and

"(B) the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

"(5) Meaning of terms.—As used in this subsection, the terms 'premises' and 'refined product' have the same meaning as when used for purposes of determining gross income from the property under section 613.

"Sec. 4990. Adjusted base price.

"(a) Adjusted Base Price Defined.—For purposes of this chapter, the term 'adjusted base price' means the base price for the barrel of crude oil plus an amount equal to—

"(1) such base price, multiplied by

"(2) the inflation adjustment for the calendar quarter in which the crude oil is removed (or deemed removed) from the premises.

The amount determined under the preceding sentence shall be rounded to the nearest cent.

"(b) Inflation Adjustment.—

"(1) In general.—For purposes of subsection (a) the inflation adjustment for any calendar quarter is the percentage by which—

"(A) the implicit price deflator for the gross national product for the second preceding calendar quarter, exceeds

"(B) such deflator for the calendar quarter ending December 31, 1978 (June 3, 1979, in the case of tier 3 oil).

"(2) First revision of price deflator used.—For purposes of paragraph (1), the price deflator used shall be the first revision thereof.

"(c) Base Price for Tier 1 Oil.—For purposes of this chapter, the base price for tier 1 oil is the lower tier ceiling price (as of May 1979) for such oil under March 1979 energy regulations.

"(d) Base Price for Tier 2 Oil.—For purposes of this chapter—

"(1) In general.—Except as provided in paragraph (2), the base price for tier 2 oil is the upper tier ceiling price (as of May 1979) for such oil under March 1979 energy regulations.

"(2) Monthly increments starting November 1, 1986.—Beginning with November 1986, the base price for tier 2 oil of any grade and location shall include such monthly increments as may be provided pursuant to regulations prescribed by the Secretary (and modified by him from time to time) for the purpose of eliminating (as ratably as may be practicable) over the 50 month period ending December 31, 1990, the gap between the tier 2 base price for such oil and the tier 3 base price for such oil.

"(e) Base Price for Tier 3 Oil.—For purposes of this chapter, the base price for tier 3 oil is the price provided pursuant to regulations prescribed by the Secretary for the purpose of estimating (as nearly as may be practicable) the price at which uncontrolled crude oil of the same grade and location would have sold in December 1979 if the average landed price during such month for imported crude oil were $16 a barrel.

"Sec. 4991. Newly discovered oil; tertiary recovery projects; certain Alaskan oil.

"(a) Newly Discovered Oil and Tertiary Recovery.—

"(1) Base price to be $17.—The base price for any newly discovered oil and incremental tertiary oil shall be determined by substituting '$17' for '$16' in section 4990(e).

"(2) Rate of tax on first $9 of windfall profit shall be 50 percent instead of 60 percent.—For so much of the windfall profit on any barrel of newly discovered oil and incremental tertiary oil as does not exceed $9, the tax rate applicable under section 4987(a) shall be 50 percent instead of 60 percent.

"(3) Additional ½ of 1 percent quarterly adjustment.—

"(A) In general.—The adjusted base price for any barrel of newly discovered oil and incremental tertiary oil shall be determined by substituting for the implicit price deflator referred to in section 4990(b)(1)(A) an amount equal to such deflator multiplied by 1.005 to the nth power where 'n' equals the number of calendar quarters beginning after September 1979 and before the calendar quarter in which the oil is removed (or deemed removed) from the premises.

"(B) Inflation adjustment and additional ½ of 1 percent quarterly adjustment also apply to amount of windfall profit subject to the 50 percent tax.—The $9 figure contained in paragraph (2) shall be adjusted in a manner similar to that provided under subsections (a) and (b) of section 4990 (as modified by subparagraph (A) of this paragraph).

"(4) Severance tax adjustment not to apply to portion subject to 50-percent rate.—For purposes of determining the windfall profit on any barrel of newly discovered oil and incremental tertiary oil, section 4992(d)(1)(B) shall be applied by substituting for 'its adjusted base price' the following: 'its adjusted base price plus $9, adjusted as provided in section 4991(a)(3)(B)'.

"(5) Newly discovered oil defined.—For purposes of this chapter (including the application of the June 1979 energy regulations for purposes of this chapter)—

"(A) In general.—Except as otherwise provided in this paragraph, the term 'newly discovered oil' has the meaning given to such term by the June 1979 energy regulations.

"(B) Reopenings.—The term 'newly discovered oil' does not include crude oil produced from a property from which there has been any production of crude oil after 1969 and before 1979. For purposes of this subparagraph, the term 'property' has the meaning given to such term by the June 1979 energy regulations.

"(C) Behind-the-pipe oil.—The term 'newly discovered oil' does not include crude oil produced from a reservoir on a tract or parcel if—

"(i) the reservoir was penetrated after 1969 and before 1979 by a well (on such tract or parcel) from which crude oil was produced (whether or not such production was from such reservoir), and

"(ii) crude oil could have been produced from such reservoir through such well before 1979.

"(D) Production must have been in commercial quantities.—For purposes of subparagraphs (B) and (C), only production in commercial quantities shall be taken into account.

"(b) Alaskan Oil From Sadlerochit Reservoir.—For purposes of this chapter—

"(1) In general.—In the case of Sadlerochit oil—

"(A) Rate of tax.—The rate of tax provided in section 4987(a) shall be 50 percent instead of 60 percent.

"(B) Base price.—The base price shall be $7.50.

"(C) Adjusted base price increased by TAPS adjustment.—The adjusted base price for any calendar quarter (determined without regard to this subsection) shall be increased by the TAPS adjustment (if any) for such quarter provided by paragraph (2).

"(D) Removal price determined on monthly basis.—The removal price of such oil removed during any calendar month shall be the average of the producer's removal prices for such month.

"(F) Severance tax adjustment not to apply.—The amount of the windfall profit shall be determined without regard to section 4989(a)(2).

"(2) TAPS adjustment.—

"(A) In general.—The TAPS adjustment for any calendar quarter is the excess (if any) of—

"(i) $6.26 plus the product of $6.26 and the inflation adjustment, over

"(ii) the TAPS tariff for the preceding calendar quarter.

"(B) Inflation adjustment.—For purposes of subparagraph (A), the inflation adjustment shall be determined under section 4990(b) as if paragraph (1)(B) thereof referred to the calendar quarter ending June 30, 1978.

"(C) TAPS tariff.—For the purposes of subparagraph (A), the TAPS tariff for the preceding calendar quarter is the average per barrel amount paid for all transportation (ending in such quarter) of crude oil through the TAPS.

"(D) TAPS defined.—For purposes of this paragraph, the term 'TAPS' means the Trans-Alaskan Pipeline System.

"(3) Sadlerochit oil defined.—The term 'Sadlerochit oil' means crude oil produced from the Sadlerochit reservoir in the Prudhoe Bay oil field.

"(c) Incremental Tertiary Oil Treated as Tier 3 Oil.—For purposes of this chapter—

"(1) Treatment as tier 3 oil.—Incremental tertiary oil which is taxable crude oil shall be treated as tier 3 oil and not as tier 1 oil or tier 2 oil.

"(2) Incremental tertiary oil defined.—

"(A) In general.—The term 'incremental tertiary oil' means the excess of—

'(i) the amount of crude oil which is removed during any month and which is produced on or after the project beginning date and during the period for which a qualified tertiary recovery project is in effect on the property, over

"(ii) the base level for such property for such month.

"(B) Base level.—The base level for any property for any month is the average monthly amount (determined under rules similar to rules used in determining the base production control level under the June 1979 energy regulations) of crude oil removed from such property during the 6-month period ending March 31, 1979, reduced by the sum of—

"(i) 1 percent of such amount for each month which begins after 1978 and before the project beginning date, and

"(ii) 2½ percent for each month (after the last month described in clause (i) or, if no such month, after 1978) which is before the month for which the base level is being determined.

"(C) Minimum amount in case of projects certified by DOE.—In the case of a project described in paragraph (4)(A), the amount of the incremental tertiary oil shall not be less than the incremental production determined under the June 1979 energy regulations.

"(3) Allocation rules.—The determination of which barrels of crude oil removed during any month are incremental tertiary oil shall be made—

"(A) first by allocating the amount of incremental tertiary oil between oil which (but for this subsection) would be tier 1 oil and oil which (but for this subsection) would be tier 2 oil in proportion to the respective amounts of such oil removed from the property during such month, and

"(B) then by taking into account barrels of crude oil so removed in the order of their respective removal prices beginning with the highest of such prices.

"(4) Qualified tertiary recovery project.—The term 'qualified tertiary recovery project' means—

"(A) a qualified tertiary enhanced recovery project with respect to which a certification as such is in effect under the June 1979 energy regulations, or

"(B) any project for the tertiary recovery of crude oil which meets the requirements of paragraph (5).

"(5) Requirements.—A project meets the requirements of this paragraph if—

"(A) the project involves the application (in accordance with sound engineering principles) of one or more tertiary recovery methods which can reasonably be expected to result in a significant increase in the amount of crude oil which will ultimately be recovered from the property,

"(B) the project would be uneconomic without the benefits of this subsection,

"(C) the project beginning date is after May 1979, and

"(D) the operator submits (at such times and in such manner as the Secretary may by regulations prescribe) to the Secretary—

"(i) a certification from a petroleum engineer that the project meets the requirements of subparagraphs (A), (B), and (C) (and continues to meet the requirements of subparagraph (A)), and

"(ii) such other information as the Secretary may by regulations require.

"(6) Definitions and special rules.—For purposes of this subsection—

"(A) Tertiary recovery method.—The term 'tertiary recovery method' means—

"(i) any method which is described in subparagraphs (1) through (9) of section 212.78(c) of the June 1979 energy regulations, or

"(ii) any other method to provide tertiary enhanced recovery which is approved by the Secretary.

"(B) Project beginning date.—The term 'project beginning date' means the date on which the application of the method or methods referred to in paragraph (5)(A) begin.

"(C) Project only affects portion of property.—If a qualified tertiary recovery project affects only a portion of a property, such portion shall be treated as a separate property.

"(D) Significant expansion treated as separate project.—A significant expansion of any project shall be treated as a separate project.

"(d) Front-End Financing for Tertiary Recovery Projects.—If under any energy regulations crude oil receives special price treatment for purposes of providing front-end financing for tertiary recovery projects, for purposes of this chapter, such crude oil shall be treated as tier 2 oil.

"Sec. 4992. Other definitions and special rules.

"(a) Producer.—

"(1) In general.—For purposes of this chapter, the term 'producer' means the holder of the economic interest with respect to the crude oil.

"(2) Exception in case of certain specified amount production payments.—If a portion of the crude oil removed from a property is applied during the taxable year in partial or complete discharge of a production payment which—

"(A) is not limited by time or to a specified number of units, but

"(B) will be fully discharged only when a specified dollar amount (plus interest or other charges, if any) has been received by the holder of the production payment,

then the holder of the economic interest from which the production payment was created (rather than the holder of the production payment) shall be treated as the producer of such portion.

"(b) Other Definitions.—For purposes of this chapter—

"(1) Crude oil.—The term 'crude oil' has the meaning given to such term by the June 1979 energy regulations.

"(2) Barrel.—The term 'barrel' means 42 United States gallons.

"(3) Domestic.—The term 'domestic,' when used with respect to crude oil, means crude oil produced from an oil well located in the United States or in a possession of the United States.

"(4) United States.—The term 'United States' has the meaning given to such term by paragraph (1) of section 638 (relating to Continental Shelf areas).

"(5) Possession of the United States.—The term 'possession of the United States' has the meaning given to such term by paragraph (2) of section 638.

"(6) Qualified Alaskan oil.—The term 'qualified Alaskan oil' means any crude oil produced from a well north of the Arctic Circle other than Sadlerochit oil.

"(7) Taxable period.—The term 'taxable period' means each calendar quarter beginning after December 31, 1979.

"(8) Energy regulations.—

"(A) In general.—The term 'energy regulations' means regulations prescribed under section 4(a) of the Emergency Petroleum Allocation Act of 1973, as amended.

"(B) March 1979 energy regulations.—The March 1979 energy regulations shall be the terms of energy regulations as such terms existed on March 1, 1979.

"(C) June 1979 energy regulations.—The June 1979 energy regulations—

"(i) shall be the terms of energy regulations as such terms existed on June 1, 1979, and

"(ii) shall be treated as including final action taken pursuant thereto before June 1, 1979, and as including action taken before, on, or after such date with respect to incremental production from qualified tertiary enhanced recovery projects.

"(D) Continued application of regulations after decontrol.—Energy regulations shall be treated as continuing in effect without regard to decontrol of oil prices or any other termination of the application of such regulations.

"(c) Purchaser Collects Tax.—If the removal of any taxable crude oil is determined under section 4989(c)(1)—

"(1) the tax imposed by section 4986 with respect to such crude oil shall be collected by the purchaser of such crude oil by deducting the amount of such tax from amounts payable for such oil,

"(2) the producer shall not be required to file a return of the tax imposed by section 4986 with respect to such oil, and

"(3) the producer shall be treated as having paid the amount of tax collected by the purchaser on the due date prescribed by section 6076 for filing the return for the taxable period in which such oil was removed from the premises.

In determining the amount to be collected under paragraph (1), section 4989(b) shall not apply.

"(d) Severance Tax Adjustment.—For purposes of this chapter—

"(1) In general.—The severance tax adjustment with respect to any barrel of crude oil shall be the amount by which—

"(A) any severance tax imposed with respect to such barrel, exceeds

"(B) the severance tax which would have been imposed if the barrel had been extracted and sold at its adjusted base price.

"(2) Limitation on amount of severance tax.—The amount of severance tax taken into account under paragraph (1) shall not exceed the amount which would have been imposed under the State law in effect on March 31, 1979.

"(e) Special Rules for Post-1978 Transfers of Property.—In the case of a transfer after 1978 of any portion of a property, for purposes of this chapter (including the application of the June 1979 energy regulations for purposes of this chapter), after such transfer—

"(1) crude oil produced from any portion of such property shall not constitute stripper oil or newly discovered oil if such oil would not be so classified if the property had not been divided, and

"(2) the allocation of the base production control level among portions of the property shall be made under regulations prescribed by the Secretary.

"(f) Exemption for Certain Interests Held by State or Local Governments.—

"(1) In general.—If—

"(A) an economic interest in crude oil is held by a State or political subdivision thereof, or by an educational institution which is an agency or instrumentality of any of the foregoing, and

"(B) under the applicable State or local law, all of the net income received pursuant to such interest is dedicated to public education,

then no tax shall be imposed by section 4986 with respect to crude oil properly allocable to such interest. For purposes of this paragraph, the term 'net income' means gross income reduced by production costs, and severance taxes of general application, allocable to such interest.

"(2) Amounts placed in certain permanent funds treated as dedicated to public education.—The requirements of paragraph (1)(B) shall be treated as met with respect to any net income which, under the applicable State or local law, is placed in a permanent fund the earnings on which are dedicated to public education.

"Sec. 4993. Records and information; regulations.

"(a) Records and Information.—Each taxpayer liable for tax under section 4986, each partnership, trust, or estate producing domestic crude oil, each purchaser of domestic crude oil, and each operator of a well from which domestic crude oil was produced, shall keep such records, make such returns, and furnish such information with respect to such oil as the Secretary may by regulations prescribe.

"(b) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out the purpose of this chapter, including such changes in the application of the energy regulations for purposes of this chapter as may be necessary or appropriate to carry out such purposes."

(2) Clerical amendment.—The table of chapters for subtitle D is amended by adding at the end thereof the following new item:

"Chapter 45. Windfall profit tax on domestic crude oil."

(b) Technical Amendments.—

(1) The first sentence of section 164(a) (relating to deduction for taxes) is amended by inserting after paragraph (4) the following new paragraph:

"(5) The windfall profit tax imposed by section 4986."

(2) Subsection (a) of section 613 (relating to percentage depletion) is amended by inserting before the last sentence the following new sentence: "For purposes of this subsection and section 613A(d)(1), in the case of taxable crude oil (within the meaning of section 4988(a)), gross income from the property shall be reduced by the amount of the windfall profit (within the meaning of section 4989(a) determined without regard to the severance tax adjustment) and taxable income shall be determined without regard to the tax imposed by section 4986."

(c) Time for Filing Return of Windfall Profit Tax; Depositary Requirements.—

(1) Time for filing return of windfall profit tax.—

(A) Part V of subchapter A of chapter 61 (relating to time for filing returns and other documents) is amended by adding at the end thereof the following new section:

"Sec. 6076. Time for filing return of windfall profit tax.

"(a) General Rule.—Each return of the tax imposed by section 4986 (relating to windfall profit tax) for any taxable period (within the meaning of section 4992(b)(7)) shall be filed not later than the last day of the second month following the close of the taxable period.

"(b) Cross Reference.—

"For depositary requirements applicable to the tax imposed by section 4986, see section 6302(d)."

(B) The table of sections for such part V is amended by adding at the end thereof the following new item:

"Sec. 6076. Time for filing return of windfall profit tax."

(2) Depositary requirements.—Section 6302 (relating to mode or time of collection) is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) Windfall Profit Tax.—The mode and time for collecting the tax imposed by section 4986 (relating to windfall profit tax) shall be established by the Secretary by regulations."

(3) Technical amendment.—Section 7512 (relating to separate accounting for certain collected taxes, etc.) is amended—

(A) by striking out "or by chapter 33" in subsections (a) and (b) and inserting in lieu thereof ", by chapter 33, or by section 4986", and

(B) by striking out "or chapter 33" in subsections (b) and (c) and inserting in lieu thereof ", chapter 33, or section 4986".

(d) Certain Information Required To Be Furnished.—

(1) General rule.—Subpart B of part III of subchapter A of chapter 61 (relating to information concerning transactions with other persons) is amended by adding at the end thereof the following new section:

"Sec. 6050C. Information furnished by purchaser and operator regarding windfall profit tax on domestic crude oil.

"(a) Certain Information Furnished by Purchaser.—Under regulations prescribed by the Secretary, the purchaser of taxable crude oil (within the meaning of section 4988) shall furnish to the taxpayer liable for tax under section 4986 with respect to such oil a monthly statement showing the following:

"(1) the amount of taxable crude oil purchased from such taxpayer during such month,

"(2) the removal price of such oil,

"(3) the base price and the adjusted base price with respect to such oil,

"(4) the amount of such taxpayer's liability for tax under section 4986 with respect to such oil, and

"(5) such other information as may be required by regulation prescribed by the Secretary.

"(b) Information Furnished by Operator.—Under regulations prescribed by the Secretary, if the purchaser of taxable crude oil and the operator of the well from which such crude oil was produced make a joint election under this subsection, the monthly statement required to be furnished by the purchaser under subsection (a) shall be furnished by such operator.

"(c) Time for Filing Monthly Statement.—Each monthly statement required to be furnished under subsection (a) or (b) for any month shall be furnished before the first day of the second month which begins after the close of such month.

"(d) Certification Furnished by Operator.—Under regulations prescribed by the Secretary, the operator of the well from which crude oil subject to the tax imposed under section 4986 was produced shall certify (at such time and in such manner as the Secretary shall by regulations prescribe) to the purchaser the base price (within the meaning of section 4990) with respect to such crude oil. For purposes of section 6652 (b) (relating to additions to tax for failure to file other returns) such certification shall be treated as a statement of a payment to another person.

"(e) Cross References.—

"(1) For additions to tax failure to furnish information required under this section, see section 6652(b).

"(2) For penalty for willful failure to supply information required under this section, see section 7241."

(2) Technical and conforming amendments.—

(A) Section 6652(b) is amended by striking out "or section 6051(d)" and inserting in lieu thereof the following: "section 6050 C (relating to information regarding windfall profit tax on domestic crude oil), or section 6051(d)".

(B) The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by adding at the end thereof the following new item:

"Sec. 6050C. Information furnished by purchaser and operator regarding windfall profit tax on domestic crude oil."

(e) Criminal Penalty for Failure To Furnish Certain Information.—

(1) In general.—Part II of subchapter A of chapter 75 (relating to penalties applicable to certain taxes) is amended by adding at the end thereof the following new section:

"Sec. 7241. Willful failure to furnish certain information regarding windfall profit tax on domestic crude oil.

"Any person who is required under section 6050C (or regulations thereunder) to furnish any statement, information, or certification to any other person and who willfully fails to furnish such statement, information, or certification at the time or times required by law or regulations, shall, in addition to other penalties provided by law, be guilty of a misdemeanor and upon conviction thereof, shall be fined not more than $10,000, or imprisoned not more than 1 year, or both, together with the costs of prosecution."

(2) Clerical amendment.—The table of sections for such part II is amended by adding at the end thereof the following new item:

"Sec. 7241. Willful failure to furnish certain information regarding windfall profit tax on domestic crude oil."

(f) Information Furnished by Partnerships, Trusts, and Estates.—

(1) Information to be furnished to partners and to beneficiaries of estates and trusts.—Subpart B of part III of subchapter A of chapter 61 is amended by adding at the end thereof the following new section:

"Sec. 6050D. Windfall profit information to be furnished to partners and to beneficiaries of estates and trusts.

"(a) Requirement.—Under regulations prescribed by the Secretary, each partnership, estate, and trust producing domestic crude oil for any taxable period shall furnish to each partner or beneficiary, as the case may be, a written statement showing the following:

"(1) the name of such partner or beneficiary,

"(2) information received by the partnership, trust, or estate pursuant to section 6050C,

"(3) such partner's or beneficiary's distributive share of the items referred to in paragraph (2), and

"(4) such other information as may be required by regulations prescribed by the Secretary.

"(b) Time for Furnishing Written Statement.—Each written statement required to be furnished under this section with respect to any taxable period shall be furnished before the first day of the third month following the close of such period."

(2) Clerical amendment.—The table of sections for such subpart B is amended by adding at the end thereof the following new item:

"Sec. 6050D. Windfall profit information to be furnished to partners and to beneficiaries of estates and trusts."

(g) Effective Date.—The amendments made by this section shall take effect on January 1, 1980.

Sec. 102. Provisions relating to the tax court.

(a) Exclusive Jurisdiction Over Windfall Profit Tax Cases.—Section 7442 (relating to jurisdiction) is amended by adding at the end thereof the following new sentence: "Notwithstanding section 1340 of title 28, United States Code, the Tax Court and its divisions shall have exclusive original jurisdiction of any civil action arising under chapter 45 (relating to windfall profit tax on domestic crude oil). In all proceedings in connection with such actions, the Tax Court shall have the same powers as a United States District Court would have in a civil action brought before it.".

(b) Number of Judges.—Subsection (a) of section 7443 (relating to membership) is amended by striking out "16" and inserting in lieu thereof "19".

"Sec. 103. Reservation of windfall profit tax receipts for certain uses.

The Secretary of the Treasury shall reserve one-half of the amounts attributable to receipts of the tax imposed by section 4986 of the Internal Revenue Code of 1954, until September 30, 1980, or until Congress authorizes and appropriates funds to relieve taxpayers from the combined impact of higher energy costs and increased social security taxes which are scheduled to become effective after 1980, whichever is sooner.●

● Mr. KENNEDY. Mr. President, I join with Senator Bumpers and Senators Metzenbaum, Nelson, Biden, Leahy, Eagleton, Riegle, in submitting this amendment to the Crude Oil Windfall Profit Tax Act of 1979. This is a strengthening amendment, designed to accomplish two worthy purposes. First, it would raise revenues to levels that approach fairness and equity in a bill that was drastically compromised even before it was introduced.

Second, it would place the Senate on record in favor of using a substantial portion of the revenues to reduce the inflationary effects that pending social security tax increases, in combination with oil decontrol and OPEC price increases, will inflict on our economy and its people.

We are offering the House bill, minus the trust fund, as a full substitute for title I of the Senate bill. We recognize at the outset that the House bill raises less revenues than the bill that was reported by the Ways and Means Committee. But the House bill is a bipartisan measure sponsored by Representatives of producing States. It was offered by its sponsors because, in the words of Representative Jones of Oklahoma—

> It is the right approach. It is good public policy, it will raise revenues and it will substantially increase our base of oil supplies.

The House bill is a compromise between the interests of the general public and the oil industry in the following major respects:

It applies a tax rate of 60 percent to windfall revenues.

It subjects marginal oil to tier 2 treatment, instead of tier 1 treatment.

It subjects "newly discovered" oil to the 60-percent rate, once the base price reaches $26.

It exempts "newly discovered" oil after 1990.

It exempts "incremental tertiary" oil after 1990.

I would not normally be offering a bill which already contains so many concessions. Nevertheless, in combination with other provisions in the House bill, they represented compromises which were necessary to attract the support of representatives from producing States. Taken as a whole, it strikes an acceptable balance which can be called, in the words of President Carter, "reasonable."

This substitute would raise $138 billion in additional revenues beyond what would be raised by the Senate Finance Committee bill for a total of $277 billion. The amendment would still leave the industry approximately $166 billion in windfall profits.

According to a study completed in 1978 by Northwest Laboratories entitled "Analyzing of Incentives Used to Stimulate Energy Production," the estimated value of all Government incentives to the oil and gas industry for the 70 years from 1918–77 was $117 billion in 1977 dollars. Thus, in the 10 years, our amendment would give incentives to industry worth nearly one and one-half times as much as all the subsidies it has been accorded over the past seven decades.

We do not propose amending in any way the manner in which the first half of the revenues would be distributed. Thus, $138 billion would be available for the purposes outlined in the Finance Committee bill. Our amendment, does however, specify that the balance of revenues raised—an additional $138 billion over 10 years—can be made available to provide relief to taxpayers, in a manner to be determined by Congress from the impact of increased social security taxes scheduled to become effective in 1981. Unlike most other tax cuts, a cut in payroll taxes reduces the cost of doing business to employers. Such a cut would therefore have an anti-inflationary effect, since these lower costs will be reflected in lower consumer prices.

In conclusion, the amendment has three major advantages; it substantially strengthens the windfall profit tax; it fights inflation; and it provides a mechanism for substantial tax relief for working men and women. At the same time, it awards the oil industry enormous revenues to the oil industry. Our amendment should be accepted enthusiastically by this body on behalf of the American people.●

AMENDMENTS NOS. 622 THROUGH 625

(Ordered to be printed and to lie on the table.)

Mr. **PRESSLER** submitted four amendments intended to be proposed by him to H.R. 3919, supra.

● Mr. PRESSLER. Mr. President, I submit an amendment to H.R. 3919 which seeks to spur the development of domestic oil and discourage excessive incentive for the production of foreign oil.

Mr. President, like many Americans, I have been highly disturbed with the reports of huge returns which have been attributed to our oil companies. As a nation we cannot tolerate the excessive profits of those who have a monopoly on the supply of our vital needs. For this reason, I intend to support the windfall profit bill now before us providing, as it does, for some incentives for the production of new and undiscovered oil. The consumers should not have to bear unabated burdens which will result from decontrol. In levying this tax, we must, also, be careful not to stifle the incentive to produce more oil in this country.

Mr. President, as every Member in this Chamber is aware, one of the greatest threats to our Nation's security lies in our dependence on foreign oil. As events in recent days have tragically demonstrated, this dependence opens our Nation to easy blackmail.

In recent years and months our foreign suppliers have continually hiked the cost of oil, fueling the fires of this country's inflation. These increases have not only had an adverse effect on our balance of trade payments, and have lined the coffers of foreign nations, but also have been the largest single factor in the enormous profits recently reported by the giant multinational oil companies.

It is precisely these foreign oil-swollen profits, and the flow of money abroad, about which the public is in an uproar.

It is somewhat disturbing, therefore, Mr. President, that most of the public does not know that the thrust of the windfall profit bill before us is on profits of domestic oil, not foreign. In discussion with people around the country, I have found that even many informed individuals are unaware that the full title of the bill is the "Windfall Profit Tax on Domestic Crude Oil." It is my hope that the debate the Senate is embarking upon and the attendent newspaper coverage will be enlightening as to the requirements of domestic versus foreign oil.

It is essential that we seriously begin restricting the importation of the easy, profit-laden foreign oil and turn our attention to the production of the untouched billions of gallons here in our country. This turnaround cannot be achieved tomorrow, but it can be done in a relatively short time. The highly desired production of synthetic fuels and other alternative energy sources require, except for alcohol fuel, exotic technology and a number of years leadtime. New domestic oil can be drilled and processed beginning immediately and reaching new production heights in just a few years. It is in the next crucial 10 years that new domestic oil will have to fulfill our energy needs until alternative sources are in production.

This country's oil companies presently have the manpower, technology, and capital to begin new production tomorrow. Angry as we are with these companies because of high prices and long lines, most Americans, upon reflective pause, know that the Government cannot do this. As we all sadly know from past experiences, if it takes years, because of inherent bureaucratic inefficiency, for governmental entities to get organized and started.

We must take the existing resources and organization which we now have in hand and make them produce. Over the years, world conditions and government policies moved the oil companies toward the easy and profitable foreign oil, leaving domestic development neglected. We no longer have the luxury of depending on readily available foreign sources. We must revitalize and redirect the industry which, until the Middle East embargo of 6 years ago, long provided this Nation with a cheap energy source. This is an industry which in the past showed its unsurpassed ability in mastering complex technological and logistical problems.

We need laws and policies which will direct the oil companies' money and abilities into the production of more oil here at home rather than abroad. To this end, my amendment would:

First. Provide an additional 5 percent investment tax credit for new oil producing equipment used solely in this country;

Second. Place a much less favorable depreciation allowance method on foreign oil investments than on domestic oil investments; and

Third. Provide a sliding scale which proportionately lessens the windfall profit tax as oil companies increase their percentage of domestic as opposed to foreign production.

Mr. President, I ask unanimous consent that a table illustrating the sliding scale mentioned above be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Domestic production	Foreign production (MB)	Total production (MB)	Domestic production ratio (percent)	Percent of tax paid
0	100	100	0	100
10	90	100	10	100
20	80	100	20	100
30	70	100	30	100
40	60	100	40	100
50	50	100	50	100
60	40	100	60	90
70	30	100	70	80
80	20	100	80	70
90	10	100	90	60
100	0	100	100	50

Mr. PRESSLER. Mr. President, these measures are needed to provide the additional incentives to open up domestic production, thus freeing us from the grips of foreign oil producing countries.

Regrettably, we cannot move faster in this area. The blunt truth is that we cannot turn off the foreign spigots tomorrow without tremendous upheaval. But we can, as my amendment seeks to do, make future investments on foreign soil less attractive than increased domestic activity. More drastic approaches such as high tariffs on imported oil are not workable. Such measures would only indicate to the exporting nations that we are willing to pay a higher cost, and would incidentally, be directly passed on to the consumer. Likewise, the concept of placing a higher direct income tax on profits earned abroad by oil companies would result in placing U.S. companies at a disadvantage with foreign countries. We are going to continue to import oil in the foreseeable future; we must, however, curtail further expansion abroad and focus our efforts at home.

The plowback exemption to the windfall tax was not taken up in committee and is not in the bill before us. It is expected that amendments on this point will be offered on this point during the course of debate. I believe my approach is preferable because it singles out domestic development for encouragement.

Mr. President, I intend to call up my amendment at an appropriate time in the debate on this measure. Mr. President, for the benefit of Members who wish to familiarize themselves with this amendment, I ask unanimous consent that they be printed in the RECORD at the conclusion of my remarks.

Mr. President, I am also submitting today three separate amendments, each of which covers one of the three features of my above referred to amendment.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 622

On page 40, between lines 12 and 13, insert the following:

"(c) Reduction of Amount Based on Domestic-Foreign Production Ratio.—The amount of the tax imposed by subsection (a) with respect to a barrel of oil shall be reduced by one percentage point for each percentage point by which the taxpayer's production of domestic crude oil for a taxable period exceeds 50 percent of the taxpayer's total production of crude oil for the taxable period from all properties.

On page 107, between lines 9 and 10, insert the following:

"(v) Oil and natural gas exploration development and production property.—For qualified investment (as determined under subsections (c) and (d)) in property described in section 48 (1) (2) (A) (x) (relating to oil and natural gas exploration, development, and production property), the energy percentage is 5 percent for the period beginning on January 1, 1980, and ending on December 31, 1990.

On page 107, line 10, strike out "'(v)" and insert "'(vi)".

On page 108, line 3, strike out "'(vi)" and insert "'(vii)".

On page 110, line 8, strike out "or".

On page 110, line 9, strike out the closing quotation marks and the period and insert in lieu thereof "or".

On page 110, between lines 9 and 10, insert the following:

"(x) oil and natural gas exploration, development, and production property,".

On page 115, line 22, strike out the closing quotation marks and the final period.

On page 115, between lines 22 and 23, insert the following new paragraph:

"(16) Oil and natural gas exploration, development, and production property.—

"(A) In general.—The term 'oil and natural gas exploration, development, and production property' means new section 38 property used in exploration for, development of, or production from deposits of oil or natural gas.

"(B) Property must be used within the United States or within the northern portion of the Western Hemisphere.—Subsection (a) (2) (A) shall not apply to property described in subparagraph (A) which is used within the northern portion of the Western Hemisphere (as defined in the last sentence of subsection (a) (2) (A)).".

On page 116, line 22, after the comma insert the following: "any energy property described in section 48(1) (2) (A) (x) (relating to oil and natural gas exploration, development, or production equipment) shall be treated as meeting the requirements of section 48(a) (2) (A) if it is used in the United States or within the northern portion of the Western Hemisphere (within the meaning of the last sentence of section 48(a) (2) (B),".

On page 139, after line 21, insert the following new section:

SEC. 239. LIMITATION ON DEPRECIATION FOR CERTAIN PROPERTY USED OUTSIDE THE UNITED STATES.

(a) Section 167 (relating to depreciation) is amended by adding at the end thereof the following new subsection:

"(s) Straight Line Method for Oil and Natural Gas Property Used Outside United States or Northwestern Quadrasphere.—In the case of any property used in exploration for, development of, or production from oil or natural gas deposits located outside the United States and outside the northern portion of the Western Hemisphere (within the meaning of section 46(a) (2) (B))—

"(1) subsections (b), (j), and (l) shall not apply, and

"(2) the term 'reasonable allowance' as used in subsection (a) shall mean only an allowance computed under the straight line method using a useful life equal to the class life prescribed by the Secretary under subsection (m) which is applicable to such property (determined without regard to the last sentence of subsection (m) (1)).".

(b) Effective Date.—The amendment made by subsection (a) shall apply with respect to property placed in service after December 31, 1979, other than property—

(1) the construction of which by the taxpayer began before November 15, 1979, or

(2) if not constructed by the taxpayer, which was acquired by the taxpayer under a binding contract entered into by the taxpayer before such date.

AMENDMENT NO. 623

On page 40, between lines 12 and 13, insert the following:

"(c) Reduction of Amount Based on Domestic-Foreign Production Ratio.—The amount of the tax imposed by subsection (a) with respect to a barrel of oil shall be reduced by one percentage point for each percentage point by which the taxpayer's production of domestic crude oil for a taxable period exceeds 50 percent of the taxpayer's total production of crude oil for the taxable period from all properties.

AMENDMENT NO. 624

On page 107, between lines 9 and 10, insert the following:

"(v) Oil and natural gas exploration development and production property.—For qualified investment (as determined under subsections (c) and (d)) in property described in section 48(1) (2) (A) (x) (relating to oil and natural gas exploration, development, and production property), the energy percentage is 5 percent for the period beginning on January 1, 1980, and ending on December 31, 1990.

On page 107, line 10, strike out "'(v) " and insert "'(vi)".

On page 108, line 3, strike out "'(vi)" and insert "'(vii)".

On page 110, line 8, strike out "or".

On page 110, line 9, strike out the closing quotation marks and the period and insert in lieu thereof "or".

On page 110, between lines 9 and 10, insert the following:

"(x) oil and natural gas exploration, development, and production property,".

On page 115, line 22, strike out the closing quotation marks and the final period.

On page 115, between lines 22 and 23, insert the following new paragraph:

"(16) Oil and natural gas exploration, development, and production property.—

"(A) In general.—The term 'oil and natural gas exploration, development, and production property' means new section 38 property used in exploration for, development of, or production from deposits of oil or natural gas.

"(B) Property must be used within the United States or within the northern portion of the Western Hemisphere.—Subsection (a) (2) (A) shall not apply to property described in subparagraph (A) which is used within the northern portion of the Western Hemisphere (as defined in the last sentence of subsection (a) (2) (A).".

On page 116, line 22, after the comma insert the following: "any energy property described in section 48(1) (2) (A) (x) (relating to oil and natural gas exploration, development, or production equipment) shall be treated as meeting the requirements of section 48(a) (2) (A) if it is used in the United States or within the northern portion of the Western Hemisphere (within the meaning of the last sentence of section 48 (a) (2) (B),".

AMENDMENT NO. 625

On page 139, after line 21, insert the following new section:

SEC. 239. LIMITATION ON DEPRECIATION OF CERTAIN PROPERTY USED OUTSIDE THE UNITED STATES.

(a) Section 167 (relating to depreciation) is amended by adding at the end thereof the following new subsection:

"(s) Straight Line Method for Oil and Natural Gas Property Used Outside United States or Northwestern Quadrasphere.—In the case of any property used in exploration for, development of, or production from oil or natural gas deposits located outside the United States and outside the northern portion of the Western Hemisphere (within the meaning of section 46(a) (2) (B))—

"(1) subsections (b), (j), and (l) shall not apply, and

"(2) the term 'reasonable allowance' as used in subsection (a) shall mean only an allowance computed under the straight line method using a useful life equal to the class life prescribed by the Secretary under subsection (m) which is applicable to such property (determined without regard to the last sentence of subsection (m) (1)).".

(b) Effective Date.—The amendment made by subsection (a) shall apply with respect to property placed in service after December 31, 1979, other than property—

(1) the construction of which by the taxpayer began before November 15, 1979, or

(2) if not constructed by the taxpayer, which was acquired by the taxpayer under a binding contract entered into by the taxpayer before such date.●

ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT OF 1979—H.R. 39

AMENDMENT NO. 626

(Ordered to be printed and to lie on the table.)

Mr. TSONGAS (for himself, Mr. ROTH, Mr. NELSON, Mr. HART, Mr. MATHIAS, Mr. CULVER, Mr. METZENBAUM, Mr. CRANSTON, Mr. KENNEDY, Mr. BIDEN, Mr. PROXMIRE, and Mr. MCGOVERN) submitted an amendment intended to be proposed by them, jointly, to H.R. 39, an act to provide for the designation and conservation of certain public lands in the State of Alaska, including the designation of units of the National Park, National Wildlife Refuge, National Forest, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes.

ALASKA—THE CONSERVATION CHALLENGE OF THE CENTURY

Mr. TSONGAS. Mr. President, today 11 colleagues join me in placing before the Senate a substitute version of the Alaska lands conservation bill. We submit this substitute with great respect for the careful deliberations of the Congress to date. We act in the sober conviction that Alaska represents the greatest conservation challenge of the 20th century.

The Alaska lands bill reported by the Committee on Energy and Natural Resources is now designated H.R. 39, although it is very different from H.R. 39 as it passed the House of Representatives overwhelmingly. Our substitute is formally Senate Amendment No. 626 to H.R. 39. It is intended to assure that when our distinguished colleagues debate and decide the vital issues of the Alaska lands legislation, they will have a clear choice between the committee's reported bill and a comprehensive alternative.

POSITIVE ELEMENTS FROM CONTENDING APPROACHES

This great conservation debate over Alaska lands has come down now to a fundamental choice between the kind of bill passed by the House of Representatives and the very different kind of bill reported by our committee. The substitute we introduce today is offered in the spirit of compromise, as an effort to bridge the wide differences between those two approaches.

It is my privilege to sit on the Committee on Energy and Natural Resources and to have participated actively in the markup of this bill. I want to commend in the highest terms the leadership of the Senator from Washington, Mr. JACKSON, in bringing this complex legislation through 12 markup sessions in such a way that we could develop a series of important compromises on some of the most central issues involved. In particular, the Senator from Alaska, Mr. STEVENS, and I were able to work out agreements, which the committee adopted, that resolved a number of the central issues by reaching good, sound compromises. For example, we worked out a compromise to assure that a molybdenum mine can go forward, with needed road access, within the Misty Fjords area in southeast Alaska. That compromise resolves one of the thorniest and most hotly debated issues in this entire bill. It was achieved through the orderly processes of the Energy Committee and through the good offices of our distinguished chairman, Mr. JACKSON.

This case of U.S. Borax's molybdenum mine in the Misty Fjords area is just an example of the many key compromises we achieved—compromises which exemplify the value of our constructive committee processes.

Important as those committee compromises are, I must say now—as I said during the committee's markup—that they do not mitigate the basic deficiencies I find in the committee's reported bill. In my judgment, the reported bill is so seriously in need of amendment to its basic structure and approach that it is simply not the best underlying vehicle upon which the full Senate should build its ultimate Alaska lands bill.

From the outset, the Energy and Natural Resources Committee chose to develop its own vehicle, built on a structure very different than the House-passed measure and reflecting, in myriad details, a fundamentally different approach. If the only choice were between the committee's reported bill and the House-passed version, many of us in the Senate would have to opt for the House-passed measure. That would certainly be the overwhelming recommendation of America's conservation and sportsmen's organizations, for whom this legislation represents a near-absolute priority.

Initially, I was inclined toward such an approach, and I was strongly urged to do it. However, I have concluded that to offer the House-passed bill as the basic alternative to the committee-reported bill would be to pose a choice not up to date with the realities before us. In fact, during committee deliberations we adopted a series of important and helpful compromises which go a long way toward resolving some of the central issues involved.

Therefore, I have instead chosen to adopt the House-passed bill as the basic structure for this substitute amendment, but to leaven it by incorporating many of the specific compromises we worked out in the committee.

In this substitute, I believe we are offering the Senate a choice combining the best of our own committee's efforts to resolve some of these major central issues, and the best of the House-passed bill.

This substitute is a measure that Senators may support in the spirit of the House-passed measure, which enjoys such enormous public support all across America. At the same time, Senators may support this substitute with the confidence that it embodies important compromises which meet a number of the important concerns which have been raised by our respected colleague, Senator STEVENS, and by the State of Alaska.

In particular, I want to call attention to five of the major compromises worked out in the Energy Committee which are embodied in virtually the same form in this substitute. In doing so, I stress that these central issues were the main focus of our discussions and debates in the committee. The compromises we reached resolve the greater number of the vital issues around which the Alaska lands issue has been debated. Among them are several which have been viewed as critical by the State of Alaska.

REVOCATION

It is a matter of cardinal interest to the State of Alaska that the national monument designations made in Alaska, and certain other executive withdrawals of lands, be revoked in any Alaska lands legislation. It is important to stress that those withdrawals, made by President Carter, and by Secretary of the Interior Andrus last December, stand as one of the most historic Presidential acts for conservation in this century. They have gained very wide public support. Now, in reaching a legislative resolution of the land conservation issues, we are simply replacing those executive designations with statutory designations involving classifications which only the Congress can confer—such as national park and wilderness.

Revocation is appropriate only if the new statutory designations protect fully the land and wildlife involved in each conservation unit with appropriate boundaries. If and when there is sufficient protection, it is proper to revoke the now-overlapping executive withdrawals. No such revocation provision was included in the House-passed bill. Including it in the proposed substitute is a major compromise and concession to one of the foremost stated concerns of the State of Alaska and of the Alaska congressional delegation.

U.S. BORAX'S MOLYBDENUM DEPOSIT AT QUARTZ HILL

This has been perhaps the most hotly contested issue in this entire legislation, with the U.S. Borax Corp. locked in a seemingly irreconcilable debate with conservationists and Alaskan and Pacific Northwest fishermen. The House-passed bill included the U.S. Borax molybdenum claims at Quartz Hill within a wilderness in the national monument—but made explicit provisions for surface access to claims, expansion of existing claims, and future millsite leases. Despite assurances from the administration and House leadership that valid mining rights would be honored, both U.S. Borax and Senator STEVENS found the House language unacceptable.

We spent more time working to attempt to resolve this issue than any other, both in the Committee mark-up and in many days of separate meetings with representatives of U.S. Borax and Chemical Corp., the environmental community and the Departments of Agriculture and Interior. After staff narrowed the differences between the various interests, Senator STEVENS and I reached an agreement which would guarantee an access road to the proposed mine site immediately and exclude the mining claims from wilderness designation in return for certain environmental safeguards.

I believe that the Misty Fjords National Monument and wilderness should be expanded to the House-passed boundaries.

This substitute also incorporates the agreement between Senator STEVENS and myself on Quartz Hill. It goes beyond the House-passed bill by guaranteeing road access and rights for future mining operations. At this point, I believe that the U.S. Borax Quartz Hill molybdenum proposal is no longer an issue in the Senate's Alaska lands debate because of this agreement.

ALASKA'S ROLE IN MANAGEMENT OF FISH AND GAME

Unlike the House-passed bill, this substitute specifically details our agreement to protect the traditional role of the State to manage fish and resident wildlife, including such management on those Federal lands which are open to the taking of fish and game. This has been a matter of very central concern to the State of Alaska, and their concern is accommodated in this substitute. This also resolves an issue which had aroused the concern of fish and game officials in other States. It should satisfy their concerns as well.

ACCESS TO INHOLDINGS

Understandably, Alaskans are very concerned about access to existing State and private lands which lie within the boundaries of Federal conservation units, or which can be reached only by crossing such units. This problem is not as bad as it could be: There are relatively few such holdings. Nonetheless, it is a major worry for some Alaskans.

Our substitute adopts the committee's provision which assures full rights of access to such inholders within or effectively surrounded by conservation system units. This includes access across national parks, national wildlife refuges and even wilderness areas.

BRISTOL BAY—ILIAMNA LANDS AND COOPERATIVE MANAGEMENT

This issue has been another very major bone of contention between the State and the House-passed bill. Twice, the House has rejected the State's desire to make land selections within the drainage of Lake Iliamna. This 4,000,000-acre drainage in southwest Alaska is the State's top priority land selection objective, but it is not available to them under the terms of the Statehood Act. The area is not available for State selection because it is under a prior Federal withdrawal for potential designation as a national wildlife refuge. Interior Secretary Rogers Morton first proposed that it become a refuge, rather than being available for State selection.

Last year the Energy Committee adopted a complex Bristol Bay Cooperative Management Region package involving not only these Iliamna lands, but a number of other areas also proposed as Federal refuges. Under that approach, refuges were not established nor were any State selections allowed, pending a complicated cooperative management plan. That same approach has been soundly rejected on the House floor both last year and again this year.

This year the Energy and Natural Resources Committee was able to work out a resolution to this set of issues, thus reaching a determination of land status in this huge region. As incorporated in the substitute, we proceed with the designation of two new national wildlife refuges in the Bristol Bay region—the Alaska Peninsula and Togiak refuges. On the other hand, the State of Alaska will have a complete, no-strings-attached right to select Federal lands in the entire Iliamna drainage.

As a part of this resolution, we accept the basic idea for promoting cooperative management in the planning and administration of broad areas where both State lands and Federal conservation areas cover wildlife populations and habitats utilized by resident and migratory species.

A NATURAL FORTUNE FOR ALL AMERICANS

Mr. President, we must all reflect on the singular importance of this Alaska lands conservation issue. It will be, far and away, the most important land and wildlife conservation issue ever to come to the floor of the Senate. That is not rhetoric. It is the clear view of many, many thousands of America's most conservation-minded citizens.

The opportunity we have in Alaska is unparalleled. Clearly, it is our best, our last chance to do the conservation job right—the first time—before complex patterns of development have robbed us of the chance. Now is the time to set aside national parks, national wildlife refuges, wild rivers, and wilderness on our federally owned lands, in a historic, far-sighted act of conservation.

There is no reason to feel we are being unfair to the people of Alaska in accomplishing this objective. The bill the House passed has already been very much compromised to balance the State's needs, as I know from my service there as a member of the committee which last year wrote a similar version. This year, the results of the work of our Energy and Natural Resources Committee include a number of important further adjustments to reflect concerns of the State of Alaska. I have incorporated those key compromises into the basic structure of the House-passed bill, itself already a compromise, in preparing this substitute.

Over the years, the State of Alaska has done well at the hands of the Congress. Not only did the Statehood Act grant the citizens of Alaska an unprecedentedly huge statehood land grant, 104 million acres, but these selections now are being transferred to the State. Today more than 100 million acres of lands once owned federally are either patented, tentatively approved, or selected. The machinery for completing the full transfer has been significantly speeded.

Similarly, we are moving ahead to complete the transfers of the additional 44 million acres of land granted to the native peoples of Alaska in settlement of their land claims. In all, some 150 million acres of the once-federally-owned domain in Alaska is being turned over to the people of that State. It is essential to understand that these lands have been selected by Alaskans, in accordance with legislation which the State and native peoples have approved. This 150 million acres represents not simply 40 percent of all the land in Alaska, but in a relative sense, the very best, most valuable, most developable land.

What we face now is a matter of balancing the ledger. Having dealt with the people of Alaska so generously, it is only fair and right that the long-term interests of all the American people be similarly protected by designation of portions of the residual Federal lands in Alaska for conservation purposes.

Words simply cannot convey the incredible range of natural values involved in the federally owned lands that we propose to protect under this substitute. Here are Yosemites upon Yosemites, ranges of mountains unmatched on this continent, rivers of exquisite wilderness, and great sweeps of tundra wilderness. In these places live a dazzling array of wildlife. Here is a degree of ecological integrity we cannot hope to re-create—a natural resource of irreplaceable value.

We need have no doubt of the value which the American people place on this natural heritage on our lands in Alaska, and I emphasize "our lands." It is recognized in Massachusetts, as much as in Alaska, that this conservation opportunity rises to a scale and a significance unmatched in our history. To many thousands of Americans, in every State, what is at stake in this legislation has taken on a deep personal significance.

I am pleased to have as cosponsors of this legislation Senators Roth, Nelson, Hart, Mathias, Culver, Metzenbaum, Cranston, Kennedy, Biden, Proxmire, and McGovern.

The substitute we submit today respects the deliberate process that has taken place. It offers a fair, comprehensive compromise solution to a complex, vital set of issues. For American citizens, and for future Americans, I submit it for your careful consideration.

Mr. ROTH. Mr. President, I am proud to join with my colleague from Massachusetts (Mr. Tsongas) as the principal sponsor of the compromise substitute Alaska lands bill. Our substitute is endorsed by the Alaska Coalition, the National Wildlife Federation and others in the conservation community. It represents a compromise between the Energy Committee bill and the Udall-Anderson bill passed by the House last May 16 by a lopsided 360 to 65 vote.

I commend the Energy Committee, its chairman, Senator Jackson, and Alaska's Senators Stevens and Gravel for their hard work on the "d-2" lands issue, which is truly the conservation issue of the century. However, I believe the committee bill is seriously deficient in the protection of park, refuge, and wilderness lands such as the Gates of the Arctic, Yukon Flats, Admiralty Island, Wrangell-St. Elias, West Chichagof Island, and the Arctic National Wildlife Range.

For that reason, I cannot support the Energy Committee bill as reported. Instead, I urge my colleagues to join with me in sponsoring our compromise substitute.

Our compromise substitute is a balance between the legitimate development needs and desires of the great State of Alaska and the national wilderness treasures which belong to all Americans. The forest, the fowl and the fjords are irreplaceable, and this substitute will protect them for our future generations.

As the first and principal Republican sponsor of S. 222, the strong conservation bill in the 96th Congress, I want to point out that Delaware—"The First State"—has a long and proud history of commitment to preservation of our natural resources.

Conservation has never been the exclusive province of one or the other political party in this country. On the contrary, our impressive history of conservation achievements shows that each step has been built upon the previous step, regardless of which party controlled the Congress or held the White House. Teddy Roosevelt built much of the great foundation for our conservation policies during his Presidency. On these foundations later Presidents and later Congresses have built, without regard to partisan differences, the policies which now protect our clean air, our wildlife, and the migratory waterfowl so important to my own fellow Delawareans, the waters of our streams and rivers and shorelines, and our matchless forest and alpine wilderness.

Mr. President, I ask unanimous consent an acreage summary comparing our compromise substitute to the House-passed Udall-Anderson bill be inserted in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Acreage summary

(In millions of acres)

	Udall-Anderson	Tsongas-Roth
National park system	44.0	44.0
National wildlife refuge system	79.5	81.0
National forest system additions	2.8	2.7
Wilderness (including portions of existing units not counted in acreages above).		
National park system	34.0	34.0
National wildlife refuge system	27.5	27.0
National forest system	5.9	5.8
Total	67.4	66.8

Ten wild and scenic rivers are designated outside the boundaries of parks, refuges, and wilderness areas.

NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, I wish to announce that the Committee on Governmental Affairs will continue oversight hearings on the Department of Energy on Tuesday, November 20, 1979, at 10 a.m., in room 3302 of the Dirksen Senate Office Building.●

SUBCOMMITTEE ON INTERNATIONAL AFFAIRS

● Mr. STEVENSON. Mr. President, the Subcommittee on International Finance of the Committee on Banking, Housing, and Urban Affairs will hold oversight hearings on international financial conditions on December 12, 13, and 14. Hearings will begin at 10 a.m. each day in room 5302 of the Dirksen Senate Office Building.

Among the subjects to be addressed in the hearings are the following: Foreign exchange market instability and foreign exchange trading activities of U.S. banks; foreign treatment of U.S. banks; the performance record of U.S. banks in financing U.S. exports; the effect of the Eurodollar market on U.S. monetary policy; proposals to manage the growth of Eurodollars and other Xenocurrencies; the phenomenon of official reserve asset diversification and the proposal for a substitution account; prospects for wider use of SDR's; the future role of gold in the international monetary system; the implications of the European Monetary System for the dollar and SDR's; the growth of international indebtedness; the projected impact of OPEC oil price increases on the international economy and the consequences of the President's action to sequester Iranian assets. Witnesses will be invited to address as many of the issues as they can, in order that the subcommittee may obtain a comprehensive view of the state of international finance and a broad range of recommendations for legislative action.

Persons interested in testifying or desiring further information may contact Robert W. Russell, Counsel to the International Finance Subcommittee, 202-224-0819, or Paul Freedenberg, Minority Professional Staff Member, 202-224-0891.●

COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Labor and Human Resources has scheduled a hearing on Tuesday, November 27, 1979, at 2 p.m., in room 4232, Dirksen Senate Office Building, on the nomination of Shirley Mount Hufstedler, of California, to be Secretary of Education.●

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, I wish to announce that the Committee on Governmental Affairs will hold a hearing on the nomination of Inez Smith Reid, of New York, to be Inspector General of the Environmental Protection Agency, on Tuesday, November 20, 1979, at 10 a.m., in room 457 of the Russell Senate Office Building.●

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

● Mr. SASSER. Mr. President, the Subcommittee on Intergovernmental Relations of the Committee on Governmental Affairs, has recently concluded its hearing on S. 1108, a bill to amend the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. The hearing record on the bill will remain open until December 3, 1979. Anyone seeking further information on this legislation and the respective hearing record should call Lucinda Dennis at 224-4718.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. HOLLINGS. Mr. President, on behalf of the majority leader, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today beginning at 11 a.m. to hold a markup session on the Oregon wilderness bill and other pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. HOLLINGS. Mr. President, on behalf of the majority leader, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate today to hold a markup session on S. 1725, the Economic Opportunity Act Amendments of 1979.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE "SAGEBRUSH REBELLION"

● Mr. CHURCH. Mr. President, a phenomenon known as the "sagebrush rebellion" has attracted growing attention in recent months as many Westerners have given voice to the frustrations they encounter in dealing with the Federal Government, which holds vast amounts of land throughout the West.

These frustrations are understandable, given the landlord role of the Government. In Idaho, for example, the Federal Government controls nearly two-thirds of the land. People who must deal with this Federal presence—and with the bureaucrats who come with it—frequently throw up their hands in despair. The "sagebrush rebellion" is simply a manifestation of this frustration. I am especially aware of it because I have to deal daily with the problems that come with Federal management of so much land, trying to find common-sense solutions.

While the notion of turning control of the Federal domain over to the States—the goal of the sagebrush rebellion—has its appeal, there are problems with this approach that go much deeper than may appear on the surface. In this respect, an article—written by Ladd Hamilton, an editorial writer for the Lewiston Morning Tribune in Idaho—recently appeared in the New York Times.

This article explores some of the deeper ramifications of turning control of Federal land over to the States. These consequences have not been explored with the thoroughness they deserve, and Mr. Hamilton has done us a favor by calling them to public light. I recommend this article to all of my colleagues, and especially those from the major public land States. I ask that Mr. Hamilton's article from the October 22, 1979, edition of the New York Times be printed in the RECORD.

The article follows:

"SAGEBRUSH REBELLION?" HIGH NOON? SEZ WHO?

(By Ladd Hamilton)

LEWISTON, IDAHO.—There's a rumor going around that "the angry West" is in revolt against the Federal Government and that we will all ride out any minute now and take over the national forests.

Hardly.

Some Westerners would like to see the Federal lands given over to the states, and most Western legislatures are at odds with Washington, but that is nothing new. What is new this year is the slogan. The "sagebrush rebellion," they're calling it, this latest move to turn the public land over to the wealthy ranchers, miners and developers, who, we are told, can give these properties the attention they deserve. These people are relatively few but they and their friends in the state legislatures have managed to create the impression that they represent a great regional movement.

A news magazine devoted its cover story a few weeks ago to an examination of the "sagebrush rebellion," which it concluded had sprung out of a new regionalism in which the West finds itself pitted against the rest of the nation in defense of its lands and its values. Angry governors, angry Marlboro men and a generally angry populace, the country is being told, are rising up at last against their tormentors, the Interior Department, the Forest Service and the Bureau of Land Management.

Westerners do more than their share of griping about the Federal Government because they have more than their share of Federal lands. Cattlemen complain about stingy grazing allotments on the Federal range. Ranchers complain that the Government won't let them poison the coyotes that are killing their lambs. Timber companies and independent loggers complain about the Forest Service's cutting, road-building and fire-fighting policies. Some Idahoans are complaining just now that the Government wants to put too much land in a birds-of-prey sanctuary and some others are asking, Does a grizzly bear really need that much of the forest?

But when the griping is done, most of us would rather see the West's great forests and range lands continued under the management of the Government than turned over to the questionable mercies of the states. The states have neither the money nor the motivation to manage these lands properly. Most of them don't even have the legal authority to do so: As Interior Secretary Cecil D. Andrus has pointed out, Idaho's constitution requires the state to manage its lands for the maximum benefit of the school endowment fund, all other considerations aside. Idaho's constitution is typical.

It is also clear to most Westerners that transfer of these lands to the states would be merely a station-stop on their passage into private ownership. Private ownership, not state control, is the real aim of the "sagebrush rebellion," as some of its leaders are quick to admit. They justify it on the grounds that the bulk of these lands originally were intended to be settled and that it is time to get on with it. The fact is that the lands reserved by the Federal Government when statehood flowered in the West were never intended to be given over to a few big corporations. Besides, the idea then was that we should use up the frontier as rapidly as possible; our land philosophy is different now.

One theme of the "sagebrush rebellion" is that the Government is mismanaging its lands. Yet virtually every environmental interest in the West is opposed to their transfer to the states or to the users. The Idaho Environmental Council, for example, has been sharply critical of some Federal land policies, but it said in September that Federal management for the most part "has been far superior to that of the various land boards of the Western states managing the state-owned public lands."

Many Westerners, who otherwise might care little one way or the other, oppose state takeovers of Federal land because they fear it would lead to the establishment of hunting preserves, effectively locking them out. As things are now, Idahoans have as much access to the national forests in this state as the Californians who pour into them every fall. But under state control, the prime hunting areas might have to be sold (that school endowment fund again) to private hunting clubs.

Westerners' attitudes toward the Federal lands are akin to their attitude toward designated wilderness. A few of them object that they are suffering more than their fair share of nonproductive wilderness, while many more thank Heaven and the powers that be that they have been blessed with more than their fair share of this diminishing treasure.

Not that they wouldn't handle it differently, of course.●

BIG DADDY DOES IT AGAIN

● Mr. GOLDWATER. Mr. President, "Big Daddy" is at it again. This time, he wants to advise the people who are divorced on their possible plans for remarriage. Through the Department of Health, Education, and Welfare, Big Daddy has devised some pertinent questions for divorced people who obviously cannot think for themselves or have the slightest idea about what they are doing. The Department, through its National Institute of Mental Health, has developed a publication entitled "Yours, Mine, and Ours," which includes some great suggestions. It advises divorced people who are planning to marry to get to know their future spouses. I might add that nobody can argue with that suggestion. And further, the publication says it might be nice if such people would pay attention to family finances, following this with an entirely original plot, the publication reports, "Money problems are common in many marriages," and adds, "They can be doubly difficult when child support money is a consideration."

Finally, Mr. President, Big Daddy suggests that when a new family is formed, it is important to "let things develop slowly."

Mr. President, I suggest that our Government bureaucrats must have some more important things to do than to sit around constructing rules on how our citizens should conduct their private lives. In this connection, I ask that a press release announcing the publication of this long awaited breakthrough on how people who are considering remarriage should approach the future be printed in the Record.

The press release follows:

Yours, Mine, and Ours

There are over a million divorces in this country every year. And four out of five people who get a divorce remarry. So the number of stepfamilies is increasing. In fact, there are an estimated 15 million children living at least part-time with stepparents. In some of the most famous fairy tales stepparents used to be villains. Now, on television we see stepfamilies who are immediately harmonous and loving. The truth is that most stepfamilies have some clashes, but with time and effort, most learn to adjust to each other.

There are a number of things step and natural parents can do to ease that adjustment from two families into one. The National Institute of Mental Health of the Department of Health, Education, and Welfare has a new publication that suggests ways to prepare for becoming a stepfamily, how to help children cope with these changes, and where to get more help and information. For your copy of Yours, Mine, and Ours, send $1.30 to the Consumer Information Center, Dept. 108G, Pueblo, Colorado 81009.

Here are some of the suggestions:

Examine your motives and those of your future spouse for marrying. If you are looking for a housekeeper, hire one. And, if you are only looking for an instant family, that's not a good enough reason for marriage.

Get to know your future spouse as well as possible in all sorts of circumstances. Include the children often.

Discuss the changes that will be necessary to form the new stepfamily. This is particularly important when you talk about ideas on raising children or if you have contrasting lifestyles.

Talk with your children about the effects remarriage will have on them: new family relationships, new living arrangements, their relationship to your former spouse. Consider your children's feelings, but don't allow them to make the decision about remarriage for you.

And while the wedding is still in the future, talk over family finances. Money problems are common in many remarriages, but they can be doubly difficult when child-support money is coming in or going out.

Once the new family is formed, let things develop slowly. After all, love at first sight is rare for adults, and it is even rarer when the child sees you as a replacement for a missing parent. So be an additional parent, not a substitute. And don't expect too much, too soon—either from the children or yourself. Becoming a stepfamily isn't easy.

For more ideas for stepparents, send for the booklet, Yours, Mine, and Ours ($1.30). At the same time you will receive a copy of the free Consumer Information Catalog. It lists more than 200 selected free or low-cost publications from the federal government. The Catalog is published quarterly by the Consumer Information Center of the General Services Administration.●

SALT IS VITAL TO NATO

● Mr. BIDEN. Mr. President, our European allies are watching and waiting, nervously, to see whether the Senate approves the SALT II treaty. They know that rejection of SALT would imperil the alliance and weaken America's ability to lead on a broad range of issues.

Despite the repeated claims of some U.S. critics of this agreement that our allies secretly favor its defeat, European leaders have strongly and consistently supported SALT. From my own discussions with a broad spectrum of Europeans, both in government and in opposition, I am convinced that this support is sincere and deeply felt.

One respected and knowledgeable observer of these matters, Peter Jay, the former British Ambassador to the United States, discussed allied views in a recent article in the New York Times. He concludes that while rejection of SALT "would not cause the immediate collapse of the North Atlantic Treaty Organization [it] would leave its political foundations weaker than ever."

Mr. President, I ask that Mr. Jay's analysis be printed in the Record.

The analysis follows:

SALT's Wrong Foes

(By Peter Jay)

Washington.—The propensity of the "stupid right" to damage the very causes in which they profess to, and doubtless do, believe is well exemplified in the activities of the anti-SALT lobby.

It is possible to follow the logic, if not to extol the common sense, of those who challenge the SALT II treaty on the grounds that it does not go far enough in the desirable direction of controlling intercontinental nuclear weaponry and that too high a price for ratification is being paid in commitments to future defense spending. Idealists commonly make the *best* the enemy of the *good*.

But those more numerous opponents of the strategic arms limitation treaty who base their attitude on their—quite legitimate—fear of Soviet intentions and capabilities do not even have that degree of Alice in Wonderland logic on their side. They profess concern for the security of the West and then they do the one thing most likely to weaken the Atlantic alliance.

The attitude of European leaders toward SALT ratification has been made abundantly clear with almost monotonous regularity ever since President Carter's meeting in Guadalupe in January with the British, West German and French heads of government.

Only last month, the West German Chancellor Helmut Schmidt was asked by The Economist: "Is SALT II vital to maintaining the nuclear strategic balance?" He replied: "Yes . . . if after such a long period of negotiation and agreement, in the end parliaments refused to ratify that sort of treaty, the world becomes rather incalculable. How could you in the future depend on a policy carried out by an American President? It would be a disastrous blow to the necessary leadership of the United States as regards the West as a whole. I rule out amendments which would require renegotiation."

Britain's Foreign Secretary, Lord Carrington, was equally trenchant, when interviewed on the B.B.C. on June 25: "The British Government has on several occasions welcomed the signing of the SALT II pact and the Prime Minister went out of her way to hope that it would be ratified in the U.S. Congress, and there is no doubt that anybody who doesn't want arms limitations and want to see a genuine détente, to put it in slang, needs their head examined . . . I think it would be a very bad thing indeed if it were not ratified in the U.S."

President Valéry Giscard d'Estaing has made his views equally clear, most recently at the conclusion of the Franco-German summit meeting with Mr. Schmidt in Bonn on Oct. 2: "We have confirmed our judgment of the value of the ratification of this agreement."

On Oct. 31 in the Senate Foreign Relations Committee, SALT opponents tried to dilute these clear judgments by quoting Britain's Prime Minister, Mrs. Margaret Thatcher. She had said in Parliament the previous day that she did not believe that failure to ratify SALT II "would lead to the disintegration of NATO."

But, of course, no responsible European leader is going to predict "the disintegration of NATO" from an event that, however deplorable, could happen within a few weeks. British politicians are well-trained in not giving this kind of hostage to fortune.

The only significant body of opinion in Western Europe that would really like to see SALT II rejected by the Senate is the anti-American lobby, precisely because, as Chancellor Schmidt has pointed out, it would deal such a savage blow to American credibility and leadership. Mercifully, this is still a narrow group, though it has recently drawn some strength from the crazier fringe of Euro-fanaticism that regards Atlantic relations and European integration as a zero-sum game in which by definition whatever damages one benefits the other.

Henry A. Kissinger wrote in 1968 that "Atlantic relations, for all their seeming normalcy, face a profound crisis." And he accurately diagnosed—and repeats more vividly in his book "The White House Years"—the perennial European schizophrenia, fearing alternately a United States-Soviet condominium of superpowers, when détente was working, and a return to the cold war, when tensions increased.

That is but one example of the broader political and economic strains that are slowly fracturing the indispensible cohesion of the West.

The rejection of SALT II, superimposed on these other deep tensions in Atlantic relations while it would not cause the immediate collapse of the North Atlantic Treaty Organization would leave its political foundations weaker than ever. And the fact that Soviet leaders are so keen to have SALT proves not that SALT is bad for the West but that East-West relations, like United States-European relations, are not a zero-sum trade, whatever the zealots on each side may choose to believe.●

SOME ANSWERS ABOUT INFLATION AND TAXES

● Mr. DOLE. Mr. President, we in Congress should realize by now that public concern over the effect of inflation on taxes will not diminish until Congress does something about it. The inflation tax penalty can be a disaster for many families when inflation is in double digits. No matter how hard they work, our citizens cannot really get ahead so long as inflation overstates their real income and moves them into higher tax brackets. It is no wonder that working people are discouraged by our tax policies.

A piecemeal approach to the taxflation problem is inadequate; we must undertake real reform of the tax system to end the inflation tax penalty once and for all. That is why I have introduced the Tax Equalization Act, S. 12. It would automatically correct the tax tables for inflation each year.

Mr. President, I believe our citizens are keenly aware of this problem, and support the approach taken by the Tax Equalization Act. I also believe that with sufficient education on this issue, more and more of my colleagues in the Congress will see the wisdom of ending taxflation. To advance that process, I have prepared an explanation of the Tax Equalization Act in the form of questions and answers. This explanation tells, in summary form, why tax equalization is the most important tax reform we can undertake.

Mr. President, I hope that my colleagues will read over these questions and answers, and that they will be convinced of the merits of tax equalization. I ask that the Tax Equalization Act questions and answers be printed in the RECORD.

The questions and answers follow:

TAX EQUALIZATION ACT: QUESTIONS AND ANSWERS

(1) What is taxflation?

As inflation increases the cost of living, a taxpayer's income must also increase to enable the family to buy the same amount of goods and services. But, as the nominal income level rises, the taxpayer is pushed up into higher and higher tax brackets—thus, paying a larger tax bill—despite the fact that no gain in purchasing power has been realized. Because of our progressive tax system, the taxpayer is required to pay a higher percentage of his earnings in taxes. Thus, although the taxpayer is earning more money, his real standard of living may actually decline.

(2) How does taxflation affect a typical family?

Consider the dilemma of a typical family of four which earns $15,000 in 1979. Being conservative, assume an inflation rate of 12% in 1979. The family will need to earn $1,800 more in 1980 or $16,800 just to stay even with inflation. But the family does not really stay even. While their income increases by 12%, their income taxes actually increase by 29% or about $361.

(3) What is the Tax Equalization Act?

The Tax Equalization Act is designed to insulate taxpayers from the tax impact of inflation by automatically adjusting tax liabilities each year to reflect increases in the cost of living. The Tax Equalization Act would adjust the personal income tax rates, the personal exemption, and the zero bracket amount, i.e. the standard deduction, to reflect increases in the cost of living during the previous year as measured by the Consumer Price Index. The Tax Equalization Act is effective beginning with taxable years after 1980, and will remain in effect through December 31, 1983, at which point Congress will have an opportunity to review and determine whether to continue the indexing.

(4) How will indexing ease the impact of taxflation?

The Tax Equalization Act corrects automatically the income tax system to prevent inflation from pushing taxpayers into higher and higher tax brackets. It establishes a procedure that widens all tax brackets by a proportion equal to the rate of inflation. It also adjusts the personal exemption and the zero bracket amount. This has the effect of holding the real value of the tax rates constant and prevents taxpayers from being pushed up from one bracket to another, unless their real incomes have increased. The hypothetical family of four that earns $15,000 in 1979 with a 12% increase in earnings in 1979 will be saved about $106 in the first year by the Tax Equalization Act. The family earning $30,000 would save about $713.

(5) Does the Government have a vested interest in inflation?

The Federal treasury is the prime beneficiary of inflation. Many economists have stated that, when the cost of living goes up by 10%, the increased taxes flowing into the Federal treasury go up by as much as 16%. According to the Joint Committee on Taxation, in 1978 taxes were increased by nearly $9 billion. Indexing is not a real tax cut, but denies the Government this yearly windfall tax bonus.

(6) Will indexing be inflationary?

Tax indexing will not cause nor will it cure our inflationary problems. However, indexing may help keep wage increases down. Without indexing, a worker realizes that a wage increase that just keeps pace with inflation will push him into a higher tax bracket. In order for him to achieve a real gain, his wages must rise faster than the cost of living. The inflation penalty inherent in the present tax structure is one of the basic causes for inflationary wage demands, since workers must receive inflationary wage increases in excess of the cost of living increase simply to maintain the actual value of their take-home pay.

(7) Didn't Congress just pass a tax cut?

Because of inflation, Congress has passed tax cuts in each year since 1975. The Revenue

Act of 1978 provides $18.5 billion in tax reduction. However, because of inflation and other factors, 80% of our 88.5 million taxpayers will experience a tax increase in 1979.

(8) Does indexing preclude the Congress from changing the tax code?

Indexing the personal income tax is not intended to be a correction for all the inequities in the income tax law. Adoption of tax indexing does not prevent any other changes which the President wishes to propose or which the Congress wishes to enact. Even with indexation, the Congress could still change the degree of progressivity in the tax system or the amount of income tax revenues collected. The Tax Equalization Act simply guarantees that taxpayers will not be subject to non-legislated tax increases.

(9) Has indexing been tried anywhere else?

A number of other countries have already adopted some form of indexing their individual income tax rates. These countries include Canada, France, Luxembourg, Denmark, Israel, Brazil, the Netherlands, and recently Australia. Under the Canadian approach, which took effect in 1974, the personal exemptions in the tax bracket are adjusted annually by the rate of change in the Consumer Price Index for the year ending the previous September. As a result, the Canadians have adjusted their tax system 6.6% for 1974, 10.1% for 1975, 11.3% for 1976, and 8.6% for 1977.

In the United States, Colorado, California, Arizona, Iowa, Minnesota, and Wisconsin have initiated indexed systems for the collection of their state income tax.

(10) Does the public favor indexation?

The Roper Organization, in a study released to the Senate Finance Committee in July of 1978, indicated that the public would prefer an annual inflation adjustment factor built into the tax system by a fairly wide margin. According to the study, 57% of the American public preferred indexation to the periodic tax cuts that the government has made from time to time to keep taxes in line with inflation. Only 32% of the public preferred the periodic tax cuts.

(11) Why does the Tax Equalization Act index only individual income taxes?

The Tax Equalization Act is designed to establish a simple and modest approach which will offer both the Congress and the American people an opportunity to evaluate indexing on its merits. Indexing for capital gains, depreciation, and debt involves more complex indexing procedures and would require substantial changes in the present law. The Tax Equalization Act is simple and equitable. It would not require any changes in the present tax form. For these reasons, the Tax Equalization Act is the first step that needs to be taken for indexing.

(12) Does indexing represent a change in fiscal policy?

Fiscal policy since the early 1960's has focused on reductions of the personal income tax rates. Congress has legislated tax reductions in personal income taxes in 1962, 1964, 1969, 1975, 1976, 1977, and 1978. However, since 1965, the Congress has not cut taxes enough to offset the inflation-based tax increases that have occurred over that period.

(13) Some economists have stated that a progressive tax system acts as an automatic stabilizer on the economy during periods of high inflation. Would indexing remove this automatic stabilizer?

The automatic stabilizer theory is based on the assumption that inflation is the result of an excess aggregate demand. This requires full employment and the sum of all our individual demands will be greater than the available supply of goods. The aggregate demand theory, however, ignores the fact that inflation may be caused by other sectors of the economy, for example, food and energy.

In addition, if inflation and unemployment are occurring simultaneously, the automatic stabilizer becomes a destabilizer. It would be counterproductive during periods of high unemployment to reduce purchasing power that might be used for investment or consumption. Indeed, the failure to index the tax system made the sharp recession of 1974–75 far more severe than it otherwise would have been.●

WINPISINGER MEETS THE PRESS

● Mr. METZENBAUM. Mr. President, in recent years, William Winpisinger, president of the International Association of Machinists & Aerospace Workers, has emerged as one of the labor movement's most articulate spokesmen. Agree with him or not, Bill Winpisinger has something to say—and he is not shy about saying it.

On September 2, Bill Winpisinger appeared on NBC's "Meet the Press." I want to call this lively and provocative interview to the attention of my colleagues and so ask that a transcript of that program be printed in the RECORD.

The interview follows:

"MEET THE PRESS"

Mr. MONROE. Our guest today on Meet the Press is William Winpisinger, the one time auto mechanic, who is president of the International Association of Machinists and Aerospace Workers. The Machinists Union contains almost a million members who work as automobile mechanics and in the aerospace, railroad, airline and other industries.

Mr. Winpisinger is a major leader in the movement among dissident Democrats to draft Senator Edward Kennedy for president in 1980.

Mr. Winpisinger, somebody has said that if there is a leader of the "draft-Kennedy" movement, you are it. Where does the "draft-Kennedy" movement stand? Is it all talk or is something happening?

Mr. WINPISINGER. There is lots going on. It is not talk by any stretch of the imagination.

First of all, I am identified as a leader of it, I suspect, because I have indicated publicly I would support Senator Kennedy and because several of my colleagues who are like-minded, both in and out of the labor movement, have indicated a desire to get on with doing something about it. They more or less asked me to be the chairman of the "Call for Kennedy Committee," as we are identified. We have active committees now in over half of the 50 states. We have a mass mailing that has gone out to which we have had excellent response. There is another in the making at the moment that will reach a quarter-million Americans.

Mr. MONROE. What do you mean by excellent response to your mass mailing?

Mr. WINPISINGER. The number of returns we got, based upon what the consultants tell us is the normal response to a mass mailing, has been average or better, and it has been a mixed bag, of course, in the returns. The preponderance, however, at the moment, are favoring the candidacy of the senator, and many of the responses have been accompanied by financial contributions which enable us to make successive mailings.

We expect to have between one and two million pieces of mail out by the first of the year. We expect to have as a result of that fully 50,000 supporters both in terms of physical effort and financial resources for the senator's candidacy, if he agrees to become one

Mr. MONROE. You are pushing for a candidate who may not run. Suppose Senator Kennedy takes himself out of the race. What will happen to the "draft-Kennedy" movement? Will it get behind somebody like Governor Jerry Brown?

Mr. WINPISINGER. I don't really know whom we might get behind under those circumstances. I like to think we are in a better position than those who are supporting the president because if he decides that he can't make the race, which I think he should do, by the way, then those who are supporting him are left without a candidate. Those of us looking at it from our vantage point in the "Call for Kennedy Committee" at least have others to whom we can turn under those circumstances, and I am sure we would select one to whom we would turn.

Mr. MONROE. Suppose you wind up managing to nominate a liberal Democrat who goes against what seems to be the current national trend against big government spending. Might you not wind up simply electing a Republican candidate?

Mr. WINPISINGER. I think not. I don't happen to be one of those who believes that the American people are as conservative as they are being portrayed, both in the media and elsewhere. I think some of the votes that have been cast in recent times, such as the Proposition 13 vote in California, are a bit misleading, and I think they have been erroneously interpreted in terms of the desires of the voters.

I don't get any cries of outrage from the members of our organization, for example, who I think are a very accurate cross section of American life. We have run the whole gamut of industry—white collar, blue collar, and so on—and I think our membership being one million strong is a very accurate cross section. I don't get that outrage from them.

What they are wanting to do is be more selective about the kinds of programs we support with tax dollars.

(Announcements.)

Mr. SHABECOFF. Mr. Winpisinger, you have been a frequent critic of George Meany, the president of the AFL–CIO, and you have urged him to retire. He has been ailing for some months and has not been in his office since April.

Do you expect him to step down this year, and, if so, what changes do you expect in the American labor movement if he does?

Mr. WINPISINGER. It is a difficult question. I don't have any first-hand knowledge about his current physical health. I would hope, as I have always said, that he would select this point in time to retire and permit the leadership to be transferred to some other as yet unidentified individual and that as a result we can begin to refurbish the sagging image of the American labor movement. I have said often I have a great deal of admiration and respect for President Meany but our problem today is one of organizing, if we can, young workers, and I don't think there is any way that aging leadership can relate to the young workers who are in the industrial complex and in the offices of America today, and that passing the reins to a younger man would create a better line of identification. I would hope that does occur at this convention. I have no definite knowledge that it will.

Mr. SHABECOFF. Your argument with Mr. Meany is that he is too old and presents the wrong image, but on balance how would you assess his career as head of the American labor movement? Has he been a positive force or a negative force for labor and in American life generally?

Mr. Winpisinger. I think there is no question it has been a positive force, at least for the first many years of that career. He has got an illustrious career which speaks very eloquently for itself, and I wouldn't be so presumptuous as to try to pinpoint my criticisms with regard to that career.

I think it is fair to say that over the recent past the age has been telling both in terms of the image that is projected and in terms of the infrequent appearances that he makes publicly and in terms of the rather stultified views that become apparent, I think, over a 10-year period. I think it is time to move on.

Mr. Novak. Mr. Winpisinger, you are a major new figure in labor and politics, and I think that your personal philosophy might be of some interest to Americans who are not familiar with you.

You were recently quoted as saying that you are "not afraid of public ownership of the essential means of production." Now, as an avowed Socialist, would you like the government to nationalize some of the airline companies, or all of the airline companies and aerospace companies that your union has collective bargaining agreements with?

Mr. Winpisinger. Not necessarily, and I would take exception, first of all, to the expression that I am an "avowed Socialist," as though it is some kind of a moral crusade in which I am engaged.

Mr. Novak. Are you a Socialist?

Mr. Winpisinger. I don't know. I believe I am. The reason I answered in that fashion is that I am often asked whether or not I am, and my answer is always the same. If someone who believes that our country cannot meet the challenges of the future and cannot meet the problems that lie both right now in the immediate present and just over the horizon into the future without engaging in public ownership or some democratic expression of the people in the way we conduct business in our country, then I am a Socialist, because I believe that is what we have to do.

Mr. Novak. Would you favor nationalization of those companies with which your union has bargaining agreements?

Mr. Winpisinger. Only if they showed the propensity to be a lot less responsible than I think they have been. Anytime they appear to be irresponsible and, in fact, are irresponsible in their treatment of the public, the fair structure or the manner in which they operate their businesses, then I would say, yes, we would nationalize them. As long as they remain responsible, I would not.

Mr. Novak. Being responsible, does that mean getting wage agreements beyond the president's guidelines?

Mr. Winpisinger. Not necessarily. There are a great many industries that have achieved agreements beyond the President's guidelines, and I think the test there has to be whether or not those agreements are inflationary. And when the airline companies—United Air Lines in particular—went back flying after a very lengthy strike of 50-odd days, they began flying people for half price, and I would suggest to you that is hardly inflationary.

Mr. Novak. You say you don't mind being called a Socialist. You also have come out for a $30 billion cut in defense spending, which would change the type of military posture this country has rather radically. Do you also not mind being called a pacifist?

Mr. Winpisinger. I don't know what a pacifist is in the construction of the term as it relates to the defense budget. I believe in a strong America. I believe in a strong national defense, and I always have, and I don't think my view on that will change in the future. But I really believe that a strong defense does not require the tremendous sums of money that we currently invest in it; and I think there are many programs in the country to which we could divert that excess spending on defense, for socially useful projects and products where the production can be hardware of many types that is useful to people and thereby provide the same kind of employment—in fact, better employment—than does the defense industry.

Mr. Novak. The $30 billion is an accurate figure though?

Mr. Winpisinger. I don't recall ever saying that there is an automatic $30 billion that can be—that statement has been attributed to me, and I don't think I have ever made it.

I suggest to you there is waste that could run that high. I am prepared to say that the president himself, when he was a candidate for the office, said there was at least $7 billion or $8 billion in there that could be carved out; and last year it was $10.5 billion higher. I don't know what happened to the promise between running for the presidency and achieving it, but there is a disparity there of some $17 billion or $18 billion. I will stand on that. If it is good enough for the president, I would think it ought to be good enough for me.

Mr. Levine. What would it take for President Carter to regain the support of those in the labor movement, including yourself, or is he beyond recovery in that respect?

Mr. Winpisinger. I can only speak for myself and the organization I represent, and there is nothing he can do to redeem himself with the members of the Machinists' Union. He has gone to the well too many times on issues that are vital to our members, on issues that are vital in fact, to all of the American people, and come up dry, either reneging on campaign pledges or, worse, reneging on the party platform of the Democratic Party on which he ran and got elected.

So there is nothing we can see that would redeem his virtue, in our eyes.

Mr. Levine. You rather avoided an earlier question as to whom you would turn if Senator Kennedy refused to run. Governor Brown's name was mentioned. You didn't directly indicate whether you could support him.

Who do you see as your candidate if Senator Kennedy doesn't accept a draft?

Mr. Winpisinger. Very honestly, I have catalogued myself right along as an ABC guy, and translated that means "anybody but Carter," and I want to keep all of those options open. I very strongly think that the best available man to meet the challenges of our time in the presidency of this country is Senator Kennedy. I think he has all of the qualities it takes to cure the national malaise which the President himself admits exists today, and I hope very much that he will rise to that challenge.

Mr. Levine. When you say "anybody but Carter," that presumably includes Republicans?

Mr. Winpisinger. No, it doesn't.

Mr. Levine. If it doesn't include Republicans and if President Carter is the nominee, is there really any alternative for labor but to support President Carter?

Mr. Winpisinger. First of all, when I say it doesn't apply to Republicans, I am talking about any of those I have heard mentioned in connection with seeking the office thus far.

Mr. Levine. You know who the Republicans are. Is there any Republican candidate, announced or unannounced, whom you could support?

Mr. Winpisinger. None that I currently know of as being interested, having identified himself in any way with seeking the office, no.

Mr. Levine. One area in which you do agree with President Carter is on ratification of the SALT II treaty. You have expressed yourself as seeing it as a step toward peace, regardless of some inadequacies perhaps in the treaty. Does the recent revelation that the Soviet Union has a combat brigade stationed in Cuba affect your thinking about SALT II in any way?

Mr. Winpisinger. In no way whatsoever would it affect my thinking on it. That is a matter that has to be dealt with in the normal processing of the business of the people in our country, and I don't think it ought to encumber the SALT discussion because I don't think it is directly related in any way, shape, manner or form.

Mr. Monroe. A few days ago you said that television portrays union leaders, union members and blue-collar workers in a lousy fashion, provides a lousy image of union leaders, union members, et cetera. You described Archie Bunker as portraying the American working man as a bigoted lout. You said that some of your people are going to start monitoring television, and eventually you may go to the FCC to deny certain television stations their licenses, perhaps engage in boycotts.

Do you think the Federal Communications Commission or any other government agency ought to be in the business of telling American media, "You have got to provide a better image for this group, for that group, a better image for business, a better image for labor?"

Mr. Winpisinger. Absolutely; I think it ought to be regulated in some fashion. Unless we take all of the restrictions out of the airwaves and permit access to them on an equal basis to all groups who may have an image to perpetuate, preserve or create, for that matter, there is not equal access. I have investigated thoroughly, trying to create a story for television, one night a week, prime time: "The Life of a Worker." We see the lives of doctors, lawyers, nurses, detectives and everybody else portrayed. The only worker we see portrayed is the one who is bigoted, and in a kind of comical sort of a way that makes us laugh. And this has a value; I don't deny that. But I think we ought to find, maybe a counter-balance, for an equal amount of time, that portrays the worker of this country in terms of what he really is, what his life really is all about, and what it is like to go to work every day, and the things that you confront and the things you have to tolerate, and the things you do for a paycheck. We might be less enchanted about guidelines and things like that if we did, and that is missing.

I am told by the networks, arbitrarily, that we cannot create such a program, we cannot do it. We cannot cast it; we cannot get it on the air. We have license, if we care to, in our name, to buy commercial time to sponsor what network executives ordain that the American people will watch. I quite frankly resent that. I don't think any man or group of men ought to have that kind of unbridled commercial power, and for that reason the FCC must be the watchdog, and that is where we will address our grievance.

Mr. Monroe. You seem to think that labor is too low in public esteem. There are indications that labor unions are fairly low in esteem even among working people.

Do you blame television, for example, for the fact that unions have been losing elections more often than they used to, that the ratio of union members to the rest of the population has been going down, and union members often vote against the candidates chosen by their leaders?

Mr. Winpisinger. I don't know about the factual quantity of any of those questions. The best canvassing we can do after elections indicates that the preponderance of the members of our unions, ranging in the 85 percent area, voted for George McGovern, for an example, and if ever there was a candidate that pulled a low total of votes, it certainly was George McGovern, and yet we retained the allegiance of 85 percent of our members because our union did support him. That indicates to me that we do a fairly effective job.

I think we can do an equally effective job in a lot of other areas, but there are reasons for all of the conditions we meet today.

I have already discussed the sagging image of labor from the top, and we have to address the job creation potential of our country. We are not creating jobs in the traditional areas of union organizing in the recent past the way we did formerly. More and more of the kinds of jobs unions seek to represent the workers in are jobs that are going overseas religiously and regularly, but most important of all, we are losing a lot of elections because of the lawless conduct of employers. Employers have learned they can violate this nation's labor laws with absolute impunity. There are no punishments or effective remedies for their violations of law. So what we have is a whole range, I will say millions of workers, out here in the countryside who want to be members of unions and can't because of the lawless conduct of their employers.

Mr. SHABECOFF. Mr. Winpisinger, among the many things you don't like about the Carter administration has been the administration's anti-inflation policy. Now that policy is being revised what would you like to see? How would you think that inflation could be curbed without prejudice to workers?

Mr. WINPISINGER. I think, first of all, you eliminate any guideline programs. If we are going to have a so-called free market economy in this country, then labor ought to be an equal partner in that free market, which means the organized worker ought not be interrupted in his day-to-day conduct of collective bargaining and representation by a union, and that seems to me then that everybody starts equally.

It seems to me as well that if we are going to have a guideline program that it is ill-conceived if it doesn't reach all forms of income rather than just wages and hourly rates and salaries that can be reduced to the wage picture.

Let's talk about rents, dividends and all of the other forms of income that seem to flow to those that are at the apex, already reside astride the apex of the economic pyramid, not across the bottom where we all need the help.

Beyond that, I think that any anti-inflation program that doesn't attack the causes of inflation is a waste of time and a waste of effort and a waste of resources by the federal government.

There is no secret about what the causes of this inflation are. They have been delineated many times over, and this administration has done nothing effectively to come to grips with those.

Mr. SHABECOFF. Your own union's recent contracts with the airline industry have been averaging well over 30 percent for each three-year contract.

Aren't those contracts themselves inflationary?

Mr. WINPISINGER. How? I just reiterated a moment ago that United Airlines after a 50-odd day strike went back flying people for half price, and I certainly can't call that inflationary. Air fares are going down, not up. That is not inflationary.

Our members needed what they got to maintain parity. In fact they fell marginally behind the ravages of the inflationary spiral with the settlement they got, and I therefore pity anyone who got less than they did because they barely managed to preserve, they marginally slipped behind in preserving their living standards. I don't think the American worker ought to be asked to sacrifice his living standard on the altar of the progress of our country in the fight against inflation when nobody else is being asked to make those sacrifices.

Mr. NOVAK. Just for the record, a $30 billion figure was mentioned by you in a verbatim interview with the Village Voice earlier this year.

Now you are opposed to the MX missile which has been advocated by President Carter and, by the way, which would be manufactured by members of your union, even though defense specialists say it is absolutely necessary to maintain our missile force from a Soviet attack.

How do you put your judgment above the judgment of military authorities on that question?

Mr. WINPISINGER. I don't know what you mean by the import of the question. I am not trying to superimpose my judgment on anybody. I am simply opposing what I think is another escalation of the arms race which is the most inflationary thing this country can do. There is nothing on which we spend our money that is more inflationary than escalating the arms race, and there is a grave doubt. The military haven't always been right in the history of this country, and that is why we have civilian watchdogs to watch what the military does, because—you know, generals have a nasty habit. When you buy them enough playthings, they will finally find a way to use some of them, and I put the MX in that category.

Mr. MONROE. We have less than two minutes.

Mr. LEVINE. On this Labor Day weekend, what do you see as the outlook for labor in the next 12 months, particularly as concerns unemployment,

Mr. WINPISINGER. I am afraid very much that the news is all bad. It is clear the country is now in a recession. It is clear that unless the federal government intervenes in a very dramatic way that unemployment is going to be the first evidence of that problem, and I don't see any propensity on the part of this administration to intervene in that fashion. They are not even fully implementing Humphrey-Hawkins which is already on the books, and because they are not we have this week, Labor Day, National Employment Week, Implement Humphrey-Hawkins Week, to try to focus on that problem.

Mr. LEVINE. Your union has a rather unorthodox arrangement with Eastern Airlines called a "variable earnings plan" in which your union members who are employees of that airline give up 3.5 percent of their earnings if Eastern Airlines' profits go down by a certain amount, and if the profits go up, they get more.

In a time of recession, do you see this as a plan that could be applied to other industries to prevent layoffs?

Mr. WINPISINGER. That plan is the result of collective bargaining between our members on Eastern Airlines and that management. Anyplace else that a management and our members could get together on such a plan, I assume it could be done.

The people that conduct the bargaining have to make that decision. I cannot make it for them.

The situation on Eastern has worked out quite well for our people because you have a rather dynamic leader in the airline, and if we have other equally dynamic leaders it could be just as successful.

Mr. MONROE. Thank you, Mr. Winpisinger, for being with us today on Meet the Press.●

VOCATIONAL-TECHNICAL EDUCATION

● Mr. DURENBERGER. Mr. President, I wish to call to the attention of my colleagues in the Senate and to the Nation two articles on vocational/technical education appearing recently in the Washington Post column written by William Raspberry.

The first article written less than 1 month ago concluded that vocational education does not work, never has worked, and likely never will work.

The columnist has since recognized the error of his research and on November 12 repented in his article entitled "Where Vocational Education Does Work." Appropriately heading his list was the great State of Minnesota which, for more than a decade, has been known as the Nation's leader in secondary and postsecondary vocational/technical education.

The objective of the developing statewide network of local and regional vocational schools in Minnesota is to provide every high school student and every high school graduate the opportunity to develop job entry level skills, or to complete preapprenticeship training, or to pursue paraprofessional education, or to have advantage of a career exploration program.

Adult and continuing education and retraining have become an increasingly important function of our schools.

In Minnesota, vocational education means jobs and job satisfaction. The Washington Post cites the example that 98.6 percent of last year's graduates of the St. Paul Technical Vocational Institute are working in their vocational majors or closely related fields. For technical education graduates, the figure was 99.1 percent with an average starting pay of $866.52. Institute Director Ray Davoli boasts that—

> The quality of thousands of people's economic, social and emotional life, who have availed themselves of vocational technical education, is enormous. . . . Our job placement statistics attest to the effectiveness of both the philosophy and the outcome of our training efforts.

Vocational education works in Minnesota. Last year, one out of every four new entrants to the Minnesota labor force was a graduate of a postsecondary vocational/technical institute.

Vocational education has made the public school in Minnesota more responsive to the needs of the minority population. In a State which has less than 10 percent minority population, approximately 12 percent of all 1978 enrollees in our vocational schools were of minority ethnic groups.

Minnesota is well on the way to its target of assuring every public high school student the opportunity to explore job and career alternatives, to better understand his or her interests and ability, and to receive assistance in making occupational and career choices.

The people of Minnesota are confident that vocational education is worthwhile enough to spend their tax dollars to support local, regional, and statewide programs that have wide popular acceptance and respect. In August 1978, Mid-Continent Surveys, Inc., of Minneapolis conducted a public opinion poll in which they asked: "In your opinion, is the use of tax money to provide career training and retraining a wise use of tax dollars?" 83 percent said "yes".

Mr. President, I am proud to read about my State's accomplishments in the D.C. media. I am even more proud to elaborate on and broadcast them to my colleagues in the Senate and to the Nation which, every year, is looking more to Minnesota as a model for vocational/technical education.●

HOWARD COSELL WRITES MOVING TRIBUTE TO J. WALTER KENNEDY

● Mr. RIBICOFF. Mr. President, the late J. Walter Kennedy was one of the most generous, considerate, capable men I have ever known. He lived life to the fullest and brought happiness and strength to all who knew him. He gave great service to his community, State, and Nation. Walter was a close and dear friend of mine.

Sportscaster Howard Cosell has written a moving tribute to Walter in the Stamford, Conn. Advocate. I request that this article be printed in the RECORD.

The article follows:

COSELL REMEMBERS J. WALTER KENNEDY

(By Howard Cosell)

Walter Kennedy was one of the world's beautiful people. A man of courage, care, and love. A precious kind of courage. A courage never to complain, never to be other than cheery. He was striken, early on, with polio, leaving him with a club foot. No complaint. He had only one kidney, was blind in one eye, could hear with only one ear. No complaint. Indeed, the eye that could still see and the ear that could still hear remained open to the needs of others.

His joy was in his family, in his church, and in people. He loved people, and he understood the world around him. He learned much about that world in his days with the Harlem Globetrotters and Abe Saperstein. I can still see his eyes twinkling with laughter when he told how Nikita Khruschev jumped out of his car to greet Wilt Chamberlain in the Kremlin—or telling the story of how the Trotters played for an audience of one . . . the Pope at the Vatican, and His Holiness started tapping his right foot to the tune of "Sweet Georgia Brown."

Walter did not learn about people merely through his travels. He learned about people as mayor of Stamford, and dreamed desperately of the day that urban blight would be eliminated in this country. A man of many parts, he understood our political system, and successfully managed the election campaigns of Sen. Abraham Ribicoff of Connecticut.

I have never seen him happier, nor more gratified than when working as head of the Kennedy Center for Retarded Children and the Special Olympics.

His life with Marian was one of the great romances. He, an enduring rod for her, and she for him. Each lost without the other. Once, when we were together in Tivoli Gardens in Copenhagen, the music blared out with the lyrics, "Going Out of My Head Over You." Marian started dancing and singing the words. Walter said, "Marian, you're making a spectacle of yourself." She said, "I can't help it, that's the way I've always felt about you." And they laughed and embraced and their love shone like a lantern in the twilight.

His sons, David and Robert, and his daughter, Kathy, walked with pride in their father, and one can see in their faces, now, the character that made their father an exceptional man. Of course, like all the rest of us, he was reduced to babbling juvenility when it came to his grandchildren.

Apart from family, apart from people, for Walter Kennedy there was Sports. There was Notre Dame and Knute Rockne, who gave him a job sweeping out the press box. There were Moose Krause and Ted Husing and Ockie Kruger and every basketball player and coach and official who ever played or worked in the NBA. When he took the job of Commissioner of that league, he said, "You cannot compromise with integrity." He never did. He had to do two things with the NBA: oversee its growth and development, and achieve the financial stability that the league had to have for its long-term prosperity. The record showed he achieved both and the NBA became a major force in the sports spectrum of our nation. He left of his own volition, on top, the goals accomplished.

When he learned of the cancer, he was typical. No complaints. No fear. He found his hope and inspiration in the story of Gene Littler, the pro golfer, and to the end he thought only of his friends. Two weeks before the end, he called me, it was our last talk, and said, "I'm worried about you . . . It's that foul ball that hit you at Fenway Park."

I said, "Don't worry about me, Walter. How are you?" And he said, "Pretty good . . . just a slight irregularity in my blood count. They want to check my liver." They did. And it was over.

But he left us all enriched. Walk the streets of Stamford or any place he has ever been. Ask anyone whose life he's ever touched and they will tell you he was a wonderful man. That legacy is why there should be no sorrow that he is gone. Only gratitude that he was with us. Here is a poem he always carried with him that tells everything about Walter Kennedy:

Today, my hands are strong, so let me help you.

Tomorrow, they may be weak or old or sick, and you will have to lighten my load.

But today, my hands are strong, so let me share your burden.

For why do we exist if we cannot care for our fellow man? Walk his path. Know his sorrow.

Today my hands are strong. Let me help you.

And he did. Everyone of us.●

ISRAEL AND AMERICA'S SECURITY

● Mr. WARNER. Mr. President, many questions have been raised in the past year about U.S. support of Israel. It seems to me that our support for Israel is based not only on the fact that Israel is a friendly, democratic country in the heart of the Middle East, but also on the fact that Israel is a security asset to the United States.

In a recent issue of its newsletter, the Jewish Institute for National Security Affairs takes a detailed look at Israel's importance to America as a security asset. It seems to me this is a timely essay, and one that we should ponder carefully. If Israel is a security asset for America, are there ways we can take better advantage of Israel's willingness to be helpful? Will making use of Israeli facilities reduce some of our up front defense expenditures, and will a more formal connection with Israel improve the posture of our Sixth Fleet in the Mediterranean?

The Jewish Institute for National Security Affairs is a community-supported organization based in Washington. The sponsors of the institute come from the Washington area community, including Maryland, Virginia, and the District of Columbia.

I ask that the essay, "Israel as a Security Asset for the United States" be printed in the RECORD.

The article follows:

ISRAEL AS A SECURITY ASSET FOR THE UNITED STATES

The growth of Soviet naval powers in the Eastern Mediterranean, Indian Ocean and, through its basing facilities, the Persian Gulf gives the USSR the capability to bottle up Middle Eastern and Persian Gulf oil in a crisis situation. Moreover, the very capability the Soviets are developing creates conditions where the political leaders in the Middle East and Persian Gulf, as well as Northeast Africa, make efforts to be responsive to Soviet requests. All of this is harmful to Western interests. Given the growth in Soviet military capability and the incapacity for the US in the short term to do much directly about it, the following JINSA essay outlines the role Israel may well play in rendering to the US and the Western Alliance vital assistance.

Israel is a small country that, over its brief existence as a modern state, has spent most of its time fighting for its survival. Under this circumstance, consideration of Israel as a security "asset" to the United States might appear as presumptuous.

However, a number of important developments in the Middle East and in the competition between the United States and the Soviet Union have altered the picture considerably and have projected Israel from a state dependent entirely on military assistance to a nation of considerable and growing importance to the United States and to the Western alliance.

These developments can be summarized as follows: the expansion and elaboration of Soviet conventional force and its spill-over into the Middle East; the shifting naval balance of power in the Mediterranean, enhancing Soviet prestige in the third world and placing her nuclear capability realistically within range of the Middle East and Persian Gulf.

Most clearly visible is the growth of Soviet conventional military capability and the transfer by the Russians of sophisticated military hardware to her client states in the Middle East. By 1973 the Soviet had moved to the area advanced aircraft of the fighter and bomber variety, including swing-wing MIG 23 and advanced Tupolev and Sukhoi designs; modern tanks equipped with laser aiming devices and night-fighting gear; modern missiles, including the SA–6, then the most advanced type of its kind, enabling the Russian-backed Arab armies to move forward into Israeli-held territory under a "missile umbrella;" extremely modern bridging equipment, radars and other types of communications and target designating equipment; and surface to surface missiles with strategic potential and moderately long range, possessing relatively good accuracies.

The appearance of massive quantities of Soviet equipment in the region, and the realization by Western experts that much of the military hardware was much more effective than theretofore believed, required Israel to acquire on a rapid basis the means to combat any further convergence of Russian arms into the region. This was done with US backing and strenuous political and economic efforts by Israel, resulting in Israel today fielding one of the best equipped and battle tested military forces of its kind in the world.

Unfortunately, the pace Israel has had to keep up because of the potential of Soviet pressure—represented by recent heavy arms acquisitions by Syria, Iraq and Libya—has not been matched by parallel buildups of US forces in or near the Middle East. Quite the contrary, US power in the region has declined, partly with the loss of extensive facilities in Iran and an impressive list of front line military hardware, and partly with the lack of growth in US naval capability in the Mediterranean.

The centerpiece of American military power in the Middle East is the presence in the Mediterranean of the US Sixth Fleet. The Sixth Fleet is the anchor that secures the vital sea lanes of the Mediterranean, projects US power in southern Europe, safeguarding NATO's southern flank, and inhibits the Soviets from considering active military intervention in the Middle East and Persian Gulf. Recent signs of erosion of America's military capability—the more visible use by the Russians of surrogates such as the Cubans in the African Horn and in South Yemen (PDRY), the extensive Soviet program of base expansion in and around the area, and the stockpiling of large stores of modern Soviet weapons in countries like Libya, reveals a Russian perception of US vulnerability and weakness.

Authorities are generally agreed that Soviet boldness has been stimulated by the investment they have made over the past 15 years in their own naval presence in the Mediterranean. Lt. Commander Bruce Watson, writing in "Problems of Sea Power as We Approach the Twenty-first Century" says: "Since 1967, the shift in the Mediterranean balance of naval power has been in favor of the Soviet Union." In the decade, 1966 to 1976, the Soviets have indeed improved their naval position in the Mediterranean, as the chart below derived from the recently published Atlantic Council volume "Securing the Seas" illustrates:

[Chart not reproducible in RECORD.]

The chart reflects aircraft carriers, general purpose submarines, major surface combatants, minor surface combatants, amphibious ships and mine warfare ships. It does not account for the greater firepower of the smaller Soviet vessels compared to American vessels of equal tonnage, nor does it reflect the greater sea-carried air power of the U.S. carrier fleet, or the land-based Soviet naval air force, used to protect the Soviet fleet.

JINSA has prepared a brief summary of Soviet naval activity in the Mediterranean which appears at the bottom of this page. The summary helps point out how growing Soviet naval power has been used to enhance the Soviet political position in that region.

The expansion of Soviet naval capability in the Mediterranean, and its concentration in the Eastern Mediterranean, has not been matched by any enlargement of the U.S. Sixth fleet, or even by a rapid modernization of the carrier task force. Frequent battles in the Congress on devising ways to combat the Soviet build-up has hindered U.S. naval expansion on a timely basis. Moreover, the U.S. has experienced serious problems in the NATO alliance making it difficult to deploy large numbers of U.S. vessels on a regular basis, or to carry on effective NATO exercises in the Aegean and Mediterranean. This trouble, principally with Greece and Turkey is yet unresolved and neither country has yet reached a final military agreement with the U.S. Greece remains partly outside of the NATO alliance.

This leaves the southern flank of NATO partially unhinged and creates opportunities for the Russians to exploit Turkey and possibly Greece as well. Any conflict in the area in which U.S. naval forces became embroiled with the Soviet flotilla could leave the two sides in an undecided battle—perhaps enhancing Soviet opportunities on the ground in southern Europe. The recent Atlantic Council study suggests that ultimately the balance of forces in the Mediterranean turns on air power. "The battle for the Mediterranean," the study says, "would probably be heavily influenced by the relative availability of airpower to each side. A substantial force of land based, long-range naval aircraft from Soviet bases would be pitted against the extensive carrier-based aircraft of the Sixth Fleet. The outcome could well hinge on the ability to supplement U.S. naval carrier-based aircraft from various land bases on the Mediterranean littoral. Given U.S. control of the air, it would then be reasonable to expect that control of the surface—and the subsurface—would follow." (emphasis added)

Where would the extra airpower come from? The most sophisticated and battle tested air force in the Middle East area, effective and experienced in the Eastern Mediterranean, is the Israeli air force.

Indeed, the list of enhancements Israel can conveniently provide for the US Sixth fleet is extensive. JINSA has prepared the following "Quick Reference" on Israel as a security asset to the United States:

There is no doubt that Israel possesses the ability and the will to act as a vital back-up to the United States in the Mediterranean. The only outstanding issue is whether the US will take advantage of Israel's capability. This cannot be done passively. To make use of Israel's military power requires extensive, prior coordination between the two countries, detailed staff planning, and understanding of objectives between the commanders of the respective forces. While there has been some recent discussion of the potential of Israel, the critical issue for US national security, for NATO, and for Israel as well, is whether the US will take advantage of Israel's potential in a timely manner.

JINSA SUMMARY: USSR MEDITERRANEAN NAVAL ACTIVITY

1958—8 "Whiskey Class" Soviet Submarines with a submarine tender vessel operate in the Mediterranean for the first time. Submarines are home based in Vlone, Albania.

1960—Soviet intelligence ships and submarines conduct exercises in the Aegean sea to demonstrate ability to attack US carrier task force.

1961—Soviets lose Albanian base, discontinue Mediterranean activity.

1964—15 vessels from the Soviet Black Sea fleet make a grand tour of the Mediterranean. Continued buildup from this time of Soviet naval capability in the Mediterranean until middle 1970's.

1967—Admiral Gorshkov arrives in Egypt to seek Soviet port facilities. Soviets get port facilities at Alexandria and Port Said. Soviets start building a facility in Yemen. Soviets enhance fleet presence with Six Day war and begin regular monthly calls in Algeria. Berbera, Somalia base started.

1968—Soviet squadron begins operating in Indian Ocean. Four Soviet "spy ships" anchored in Arab ports—Basr, Iraq; Tartus. syria; Port Said, Egpyt; Hudeida, Yemen Arab Republic. Soviet "N" Class submarines visit Egypt. In 1968 Soviets complete 14,000 "ship days" in area.

1969—Soviet fleet "employed" in exercise to give diplomatic support to overthrow of King Idris of Libya. Soviets set up a ship-based air shield, blocking British from flying pilots into Libya from Cyprus.

1970—Soviet missile ships equipped with surface to air missiles (SAMs) stationed in Egyptian ports to hinder Israeli air strikes during war of attrition.

1972—Soviets begin enlarging base at Berbera. Soviets also build new naval facilities in Syria at Latakia and Tartus. Soviets average 18,000 ship days in Mediterranean. TU-16 reconnaissance aircraft transferred from Egypt to Syria.

1973—Iraqi deep water port of Basr used by Russians to support warships on patrol in the Persian Gulf. Soviet Mediterranean squadron nearly doubled with war. Ships stationed close to war zone and shadow U.S. sixth fleet with surface to surface missile boats positioned close to U.S. aircraft carriers. Four Soviet guided missile submarines also put within range of U.S. carriers. U.S. hesitates to deploy fleet close to war zone in early part of conflict.

1974—Soviets expand port facilities in Syria. First Backfire supersonic bombers assigned to Soviet naval aviation, some based in range of Soviet Mediterranean fleet.

1975—Soviets gain some limited facilities in Yugoslavia.

1976—Kiev "aircraft carrier" enters Mediterranean. Soviets finally expelled from Egypt.

1977—Soviets electronically jam radio circuits used by Egyptian fighter pilots in the border conflict with Libya. Soviets lose Berbera, but gain new facilities (still incomplete) in Ethiopia.

1979—New titanium-hull Soviet attack submarines identified by U.S. intelligence.

QUICK REFERENCE: ISRAEL AS A US SECURITY ASSET

1. Israel has a strong, secure location in the Eastern Mediterranean.

2. Israel has a well developed military infra-structure, featuring a wide range of sophisticated communications, transport, and supply systems.

3. Israeli forces are equipped to maintain, service and repair as needed US origin military equipment including the most sophisticated electronic equipment and aircraft. Israel has a proven capacity for quick turnaround during conflict and the capacity to innovate rapidly in wartime.

4. Israel has an excellent deep water port at Haifa bay, featuring communications and military infrastructure.

5. Nearby Haifa, Israel has excellent air facilities of the most modern type and can service virtually any variety of jet engine or aircraft type.

6. Israel is close to vital sea lanes in the Eastern Mediterranean, Red Sea and Persian Gulf. Her ability to effect a rescue at Entebbe, jam radars in Uganda, maintain in the air a command and control and medivac aircraft, indicate a clear ability to project power over long distances.

7. Israel maintains a domestic air force larger than many fighter forces in Western Europe and possessing more up to date military hardware.

8. Israel is a multilingual country with an in-depth capability to monitor Soviet and Eastern European broadcasts, and to maintain surveillance over hostile states in her immediate region. Most Israel officers read, write and speak English and received training in the United States, Great Britain or France.

9. Israel is experienced in combatting Soviet tactics and is familiar with a wide range of Soviet military methods.

10. Israel is well situated to provide substantial assistance to the US Sixth Fleet when operating in the Eastern Mediterranean. It keeps in its arsenal equipment com-

mon to the fleet, including naval models of the US Phantom F-4 aircraft, many types of missiles, and the E2-C early warning aircraft, used widely by the Sixth Fleet.

11. In the case of wide-scale war in which the US may be tied down in southern Europe, Israel can provide essential military support to the US by combatting flanking operations sponsored by the Soviets, by tying down local troublemakers, and by requiring the Soviets to commit forces to preventing an Israeli strike against her port facilities, air bases, and military stations in and around the Mediterranean. Israel can also provide emergency air cover for the Sixth Fleet if needed.

12. Israel is a democratic country with tested anti-Soviet, pro-Western leanings, a high level of internal order and a strong orientation to support the NATO system.●

THE CRISIS IN IRAN—WHERE ARE THE ALLIES?

● Mr. DOLE. Mr. President, 2 days ago I introduced a resolution of support for the President concerning the crisis in Iran. In this resolution the President was urged to take whatever appropriate action deemed necessary, with Congress standing foursquare behind him, to enlist the support of the international community in securing the release of the American hostages. The Senator from Kansas suggested two actions the United States, its friends and allies and, indeed, all the nations of the world who are themselves affected by this criminal act, could take to influence the situation.

First, all nations could close their embassies and withdraw their diplomatic personnel from Iran, recommend that their citizens leave that country, and suspend diplomatic relations until the hostages are released. The seizure of American diplomats on U.S. sovereign soil is a danger to every country that observes the standards of international conduct. If such actions are allowed to go unchallenged the entire network of international procedure and ability to transact diplomatic relations among nations will break down. This would not be the last taking of previously immune hostages.

Second, in order to remove the real club the Ayatollah is holding over all of our heads—the oil weapon—the global community ought to impose a unified, voluntary world embargo on the purchase of Iranian crude oil, until the Government of Iran guarantees that all diplomats and embassies will be given immunity and normal freedom of action.

International standards of conduct have been universally agreed to in the Vienna Convention on Diplomatic Relations, signed by Iran, as well as centuries of custom and tradition concerning diplomatic immunity. All nations have a stake in enforcing them, and the United States stands ready to accept the sacrifice a decrease in imported oil may mean, and to aid other countries who participate in the embargo to not suffer unduly from the cutoff.

Now, I see James Reston, writing in the New York Times has championed this same theme. In his editorial "Where Are the Allies" he makes these same points I have raised and goes further to expound on the basic criminality of Khomeini, who speaks as an outlaw, outside the mainstream of both Middle Eastern thought and events. I request that the full text of this article be printed in the RECORD.

The article follows:

WHERE ARE THE ALLIES?

(By James Reston)

WASHINGTON, November 13.—The niceties of normal diplomatic procedure are not working in Teheran because this is not a rational conflict between sovereign states but a hijacking.

Ayatollah Khomeini is as much an outlaw as any other criminal who takes over an airliner with a gun or a bomb, but with this difference: the hijacker usually acts on his own; Khomeini is acting in the name of a nation and a religion to the detriment of both, and placing what's left of diplomacy between nations in jeopardy.

It has been established for generations that an embassy is not only a symbol but a physical part of a nation's sovereign territory. Even in the ugliest phase of the cold war, embassies were respected not only as a safe haven for officials and their families but as a refuge for dissenters.

Much as Moscow hated the Roman Catholic Church and tried to intimidate its priests, it usually respected the sanctity of foreign embassies and had the decency—if that's the right word—or at least the good judgment, not to hound them down behind the gates, since the Soviets wanted diplomatic immunity for their own people.

Khomeini is now defying this tradition, and his new acting foreign minister, who has lived in France for 17 years and should know better, has sent a letter to the Secretary General of the United Nations, Kurt Waldheim, trying to change the question from Iran's violation of the U.N. Charter and the Vienna Convention on diplomatic immunity into an investigation of the Shah. At no point does he even mention the violation of the United States Embassy or the seizure of the hostages.

This is not merely a question between Washington and Teheran. You can argue that President Carter in the past should have handled the Iranian situation in general and the Shah in particular with more foresight, but what we are threatened with now is international anarchy, which is a concern of all civilized nations, and even those that are not so civilized.

But where are the allies? The Western Europeans who yearned for "collective security"? They have said many sensible things at home and at the United Nations. They have praised President Carter for his restraint and urged Ayatollah Khomeini to release the prisoners. No doubt they have expressed some sterner but discreet warnings in private; but this is not really good enough.

President Carter cannot deal with this diplomatic and religious tangle alone. Doubtless it was good politics to announce that the United States wouldn't buy any more Iranian oil (before they refused to sell it to us). But Teheran is probably right in saying that it can make more money by selling its oil on the spot-market in Rotterdam or elsewhere.

Two things are required, or so it seems in this corner:

First, a diplomatic boycott of Iran by the allies until Khomeini releases the hostages and restores normal diplomatic procedure. And if this fails, which it probably would, then a commercial boycott of Iran's exports and imports.

Second, some assertion from the nations of the Moslem world that Khomeini does not speak for their faith. The word "ayatollah" means a "reflection of Allah," but he is now giving Allah a bad name and bringing the principle of moderation—even the whole idea of religion—into disrepute in an increasingly secular world.

There is very little chance of either a diplomatic or commercial boycott of Iran, or of any general protest in the Moslem nations against Khomeini's heretical view of the true faith. The general attitude here and among most politicians is that he is an old fanatic who will be destroyed by the fatal flaw of thinking he is what he merely pretends to represent.

Not that Khomeini has a monopoly on hypocrisy. The allies are condemning Iran but buying its oil. The Communists are demonstrating in the streets of Teheran against the helpless hostages in the American Embassy, as they demonstrated against the Shah, and just waiting for the inevitable collapse of Khomeini.

And even here at home, we see an odd kind of hypocrisy. Khomeini has managed to do something that has eluded Jimmy Carter. He has been so outrageous that he has brought the American people together against him, but with one important exception: Even Khomeini can't make us save gas.

What we need now is not a lot of people using up more fuel and running around shaking their fists at this bearded old man, but finally some honest conservation to relieve our reliance on overseas supplies.

The answer to the Iranian crisis is a major effort at collective security—at home, in the alliance of the industrial nations, and if possible, with some help from the true spirit of the Moslem world.

Everybody is crying these days to be "free," but as Somerset Maugham once wrote: "If a nation values anything more than freedom, it will lose its freedom; and the irony of it is that if it is comfort or money that it values more, it will lose that too."

TRAGEDY IN TIMOR

Mr. KENNEDY. Mr. President, few Americans have probably heard of East Timor. A small island in the Indonesian archipelago, it is halfway around the world. And if we were to see pictures of starving men, women and children emerging from this tiny island, most of us would imagine that they were pictures from Cambodia, not a place called Timor.

But while the world's attention is understandably focused on mass famine in Cambodia, a similar tragedy is unfolding today in East Timor—and for similar reasons.

Over 250,000 people in East Timor—half the total population—now face critical starvation conditions, due to the ravages of a civil war which has raged since the Portuguese literally abandoned their island colony in 1975, with no preparation for self-sufficiency much less independence. This vacuum invited the subsequent invasion by Indonesian forces in an effort to incorporate the island into Indonesia.

A bloody guerrilla war has continued since then, and Timor was sealed from the view of the international community—by Indonesian authorities—very much as the regime of Pol Pot closed Cambodia to outside view. But finally the desperate conditions confronting their peoples could no longer be contained, and the spectre of mass famine could not be kept secret.

After many years of serious charges of human rights violations, Indonesia finally opened East Timor to the view of several international and voluntary agencies, permitting an international response to the escalating human needs on the island. Unlike Cambodia, the United States moved expeditiously to respond to the appeals of the International Committee of the Red Cross and Catholic Relief Services for emergency relief supplies.

In June, the Office of International Disaster Assistance in the Agency for International Development (AID) first provided some $1.3 million in cash and food assistance to the ICRC and Catholic Relief Services. The total now is $2.9 million in cash, plus $4.7 million in Public Law 480 Food-for-Peace commodities—or some $7.6 million combined.

In August an AID team visited East Timor and, along with an official of Catholic Relief Services, surveyed additional needs and reported their findings to our Government as well as to my office. I have closely followed developments in East Timor, and I commend AID for its expeditious action in support of international relief programs.

But if the specter of Biafra and Cambodia is not to be entirely repeated in East Timor, we must move not only to provide food and medicines. We must act as well to give strong diplomatic support to efforts to bring peace as well as relief to the people of Timor.

Mr. President, I ask that the following articles on the crisis in East Timor be printed in the Record.

[From the Washington Post, Nov. 15, 1979]

Timorese Battle Famine; Relief Officials Compare It to Biafra, Cambodia

(By Paul Zach)

Jakarta.—The Indonesian province of Timor is battling a famine and outbreak of disease that some relief officials here are calling as bad as Biafra and potentially as serious as Cambodia.

While the plight of Cambodian refugees in Thailand has been drawing most of the attention, officials of the U.S.-based Catholic Relief Services have mounted a virtually unnoticed effort here to distribute 9,000 tons of food to 240,000 people in East Timor.

Volunteers from the International Red Cross and Indonesian Red Cross are rushing aid to another 60,000 villagers, some of whom have been reduced to skeletons loosely draped with skin.

Indonesian authorities are blaming the tragedy developing in Timor on a drought and on the lingering effects of a brutal civil war that followed Indonesia's takeover of the former Portuguese colony in 1976.

[Indonesia has been accused by Timorese exiles and some international human rights groups of fostering the famine through its occupation policy there. Among their charges are that Indonesian troops forcibly take food that was to have gone to the Timorese people.]

"I have been doing this sort of work for 14 years, but East Timor is the worst I have ever seen," said Frank Carlin, the head of the Catholic Relief Services office in Indonesia.

Interviewed while directing operations in East Timor, about 1,500 miles east of Jakarta, Carlin and a handful of coworkers admitted they face a difficult task convincing the world of the need for aid in yet another pocket of suffering in Southeast Asia.

The stricken province comprises the eastern half of Timor island, sliced off from the west by Portugal nearly 400 years ago for use as its coffee plantation. When the Portuguese pulled out in 1974, they left behind a single high school, a native population of 653,000 that was 90 percent illiterate and only 13 miles of roads.

The absence of roads and facilities in the hostile jungles and mountains is hampering relief work. About $1.2 million of the $7.7 million budgeted for East Timor by the Red Cross is going for the charter of helicopters.

The Red Cross and Catholic relief group, with aid mainly from their own coffers, and the governments of the United States, Australia and West Germany, have managed to get some stocks of high-protein biscuits, sugar, dried milk powder, rice, cooking oil, corn soya blend, and some medical supplies to the docks of the province's capital city, Dili.

But transferring the supplies from the docks to the needy has been slowed by overgrown jungle tracks and limited carrying capacity of helicopters. Red Cross delegate Cedric Neukomm said his organization needs an additional $4 million to charter ships and increase the operating hours of helicopters.

Neukomm, a veteran of Red Cross work in critical areas, said he found conditions in East Timor worse than in Lebanon, Biafra or Bangladesh.

"What you have is a situation where people for four years have been on a starvation diet. Obviously, many will die and continue to die. But they still have a chance and a will to live and if we can get the supplies to them in time they will survive," he said.

Rescue workers report that as many as nine people die each day from starvation in the vicinity of the village of Halotia, 50 miles southwest of Dili. Red Cross doctors, who conducted a survey there, discovered 80 percent of the 8,000 villagers had malaria. Farther east, in Laga, doctors estimated malnutrition and disease claim three to five victims each day.

The terrain that has impeded transfer of supplies also has made it impossible for officials to determine the full extent of the problem.

U.S. Embassy officials, who have helped dole out $5.1 million in aid, said they believe the worst is behind them and substantial progress has been made in dealing with about 5,000 critical cases.

Other officials in East Timor said they fear only the fringe areas of suffering have been reached so far and that heavy rains expected in December could cut off supplies and lead to more deaths.

About one-fifth of East Timor's population of about 600,000 is believed to have fled from coastal areas to the mountains during fierce fighting that broke out in 1975 between a pro-communist independence group called Fretilin and a movement favoring merger with Indonesia.

The Indonesian government later launched an all-out invasion to bolster the latter group. After eight months of civil war, President Suharto announced in July 1976 that East Timor had been incorporated as the 27th province of Indonesia, a move still drawing fire from other Third World countries in United Nations debates.

To temper the criticism, Indonesia has allocated $15 million for development in East Timor this year. Thus far, most government contributions have gone for window-dressing like the introduction of color television in Dili.

Bitter battles between Fretilin guerrillas and Indonesians continued after annexation. The violence drove thousands of villagers into the mountains in search of refuge. It was not until Fretilin leader Nicolau Lobato was killed by Indonesian militia in an ambush late last year that the fighting subsided and people began returning from the mountains.

The island's poor soil barely allows subsistence level agriculture for residents in the best weather. But a drought last year wiped out the corn crop and the people took to eating the seeds that were to be used for this year's planting. Thus, there was little food for those returning from the mountains.

[From the New Republic]

Another Cambodia

Next time you see a photo of a gaunt-eyed, swollen-bellied Cambodian child, or read a report about mass death from war, disease, and starvation in Indochina, think about the small Asian island of East Timor. Much the same thing that has happened in Cambodia has happened in East Timor, some 2500 miles to the southeast. Between a tenth and a third of the island's population—60,000 to 200,000 persons—has been killed or has died from lack of food and medicine since fighting started in 1975. Half a generation of Timorese children may have been rendered mentally retarded by malnutrition. Right now 250,000 Timorese are languishing in resettlement camps which one recent visitor, a refugee-relief expert, described as "horrible—as horrible as any I've seen anywhere, including the Thai-Cambodian border." Of these 250,000, about 60,000 face starvation unless relief supplies reach them within the next two months, and 25,000 are in critical condition at this very moment.

For Americans, there is a big difference between Timor and Cambodia. We do not have the luxury, in the case of Timor, of blaming what's happened on Khmer Rouge fanatics or the communist government of North Vietnam. The agony of East Timor is the result of a bloody and brutal territorial seizure by America's friend, Indonesia, and we are deeply implicated in what has happened. Indonesia's original invasion, in December 1975, occurred just 12 hours after President Ford and Secretary of State Henry Kissinger had visited Jakarta, Indonesia's capital, raising no public objection to the impending attack. American weapons were used in the initial assault and throughout Indonesia's four-year campaign to suppress nationalist guerrillas. The Ford administration accepted Indonesia's claim to East Timor, and so did the Carter administration, which (despite its stated policy of limiting world arms transfers) increased military sales to Indonesia from the Ford level of three million dollars to $112 million in 1978.

Despite consistent reports by Australian and other sources about Indonesian atrocities in East Timor, and despite occasional congressional hearings on events there, the Carter administration has raised scarcely a public peep over human rights violations on the island. The US doesn't want unfortunate goings-on in an obscure place to frustrate better relations with the world's fifth most populous country, a resources-rich anti-communist ally strategically placed in the gap between the Asian mainland and Australia and between the Pacific and Indian Oceans. Indonesia, in effect, has extorted the United States into silence by making it clear it would allow no Western humanitarian relief agencies to visit and help Timor if too much were said about what's going on there. Even now, Carter administration officials are afraid to say too much, lest Indonesia refuse to cooperate in saving those who face starvation between now and the monsoon season.

The conscience of America will be eased to know that the US government, having supplied the weapons of Timor's destruction, is now providing 8119 tons of a high-protein rice and corn soy blend to feed its refugees, and has furnished $2.9 million in aid to the International Red Cross and Catholic Relief Services, the agencies responsible for helping Timor's population. However, the conscience of America should not rest too easy. American officials raise some doubt whether enough transportation facilities exist on the island to get food and medicine to all who need it before the rains start. An American researcher who has done extensive work on Timor, Arnold Kohen, also cites church and government sources in Australia, Indonesia, and the US as charging that Indonesian military authorities have systematically plundered previous relief shipments and parceled out the remainder on a politically discriminatory basis. The conscience of America really should not rest at least until the US government has done all it can to assure that the people it has made miserable really are helped.

It is not terribly surprising that America has paid little attention to Timor up to now. It is located nowhere—at the far southern end of the Malay archipelago, 350 miles north of Australia. The whole island is about double the size of New Jersey, and for 400 years it has been divided culturally and politically into eastern and western parts. West Timor was a Dutch colony, with a large Moslem population, and naturally joined Indonesia (which is predominantly Moslem) when the rest of the country won its independence. East Timor, however, was Portuguese and heavily Catholic. It was not at all necessary or natural that it would join Indonesia when the Portuguese withdrew in 1975. A brief, bloody civil war was fought in September of that year between left- and right-wing factions committed to independence. The left-wing faction, Fretilin, won out, using arms provided or taken from the former Portuguese garrison.

Indonesia was willing to tolerate a Portuguese East Timor, but not an independent mini-state. The right-wing government of President Suharto has asserted that Fretilin was a communist movement, but US officials say there is no evidence whatever to support the claim. Probably Indonesia figured it had nothing to gain by tolerating an independent neighbor. The Indonesians first sent in commando units from West Timor, which seized border areas in September 1975 and (according to Australian intelligence sources) killed five Australian television reporters who filmed the invasion.

In late November, Fretilin declared independence and on December 3 it appealed to President Ford to prevent Indonesia from invading. During Ford's visit to Jakarta, Kissinger issued a public statement saying that the United States "understands Indonesia's position on the question" of Timor. Whatever American officials may have said in private about what Indonesia was about to do, it certainly had no deterrent effect. On December 7 Indonesia launched a full-scale invasion against the East Timor capital of Dili. A high-ranking Indonesian general confirmed to a US congressional delegation that "of course there were US weapons used. These are the only weapons that we have."

There is virtually no dispute that the initial invasion was accompanied by widespread, indiscriminate killings of civilians by Indonesian troops. As in Vietnam, and as in Indonesia's own civil war, ethnic Chinese seem to have been a special target of systematic brutality and murder. US State Department officials admit excesses during the early days of fighting, but claim offending soldiers and commanders were removed and disciplined. Critics of US policy assert, however, that the top commander of the forces attacking Dili was not disciplined at all, but was decorated and promoted to brigadier general.

It is an interesting parallel between Cambodia and East Timor—and one which may not be coincidental—that the Indonesian government, like Pol Pot's regime in Cambodia, made it almost impossible for the outside world to know what it was doing as it attempted to assert control over the land. Prior to its invasion, Indonesia warned Australia to get all its nationals out of the country, and also demanded the departure of International Red Cross workers. As in Cambodia, foreign visits were permitted only rarely, and then were tightly controlled.

Because of the secrecy, it's impossible to know exactly what transpired in Timor from 1975 until this year, when a few Westerners again began to travel around the country as part of relief efforts. Indonesia justified its secrecy, and its activities, as an "internal matter" after May 1976, when an Indonesian-appointed "Regional Popular Assembly" unanimously voted to ask for incorporation of Timor into Indonesia. This action has been declared invalid three times by the United Nations General Assembly. The Carter administration's official human rights report declared diplomatically that the US "has accepted the incorporation of East Timor into Indonesia, but it does not recognize that a valid act of self-determination occurred." Recognition of the incorporation, however, saves the US from having to object to its ally's use of US-supplied equipment to commit aggression.

On the ground in East Timor, it's clear that after Indonesia's invasion, Fretilin's forces fled the island's small urban centers for the rugged highlands. The insurgents may have numbered as many as 25,000 persons. In 1976, the Indonesian military began to make use of Rockwell OV-10 "Bronco" counter-insurgency aircraft—slow-moving planes equipped with infrared detectors, bombs, rockets, napalm, and machine guns, specifically designed for close combat support against an enemy without an effective antiaircraft capability. US congressional committees have been told by critics of American policy that Indonesia used the planes not only to destroy guerrilla strongpoints, but also to wreck the villages and crops of highland dwellers in order to separate them from Fretilin.

Estimates of casualties in Timor vary greatly. In 1976, a leader of a provisional government created by Indonesia said he believed 60,000 persons had been killed. In March 1977, James Dunn, an Australian parliament researcher and former consul in Timor who is the most energetic gatherer of information about the island's travail, told a US congressional committee that 100,000 persons had been killed. He based his estimate on reports from Indonesian church officials and refugees. At the same congressional hearing, US State Department officials said such high reports were "greatly exaggerated." One official said that the death toll was probably 10,000. This year, James Dunn compared pre-war Portuguese census figures with current Indonesian military estimates of the population and found that 300,000 persons are "missing." Kohen, citing church sources, says more than 200,000 have died. One US State Department official said last week that 100,000 is the "generally accepted figure" on Timorese deaths. Another said he knew of no accepted figure. What American intelligence agencies know from Australian monitoring of Indonesian military communications, U.S. officials will not say.

The most intense fighting in Timor has occurred during the Carter administration's tenure in office—and so have most of the casualties. In mid-1977, Indonesia offered an amnesty to Fretilin, but also moved 10,000 fresh troops into the country and stepped up counter-insurgency operations. In the fall, a French photo-journalist slipped into the country and later claimed that the Indonesian army was "systematically wiping out" villages suspected of supporting the guerrillas. In 1978, employing search-and-destroy techniques, heavy air bombardments, and helicopter-borne attacks, the Indonesians began to make decisive headway against Fretilin. On the last day of the year, an Indonesian force killed the opposition's president, Nicolau Lobato.

The level of continuing resistance in Timor is in dispute. Indonesian authorities seem confident enough now to allow some Westerners to make helicopter visits around the countryside more or less freely as they inspect refugee camps. However other sources, including Arnold Kohen, contend that the resistance is still alive. Kohen asserts, citing reports from U.S. government officials and church sources, that the Indonesian military's policy is to execute summarily all Fretilin members, supporters, and their families, leaving resistance fighters little choice but to hide when they are unable to fight. Although the U.S. government recognizes Indonesia's take-over of Timor, it's still not clear that Timor has acquiesced.

During 1978 and 1979, a massive stream of Timorese refugees—some 300,000—has descended from the interior highlands to coastal areas and towns, driven by a combination of war devastation and drought to seek food, medicine, and shelter. The condition of the refugees has been described by witnesses as being worse than in Biafra, the Sahel, or Bangladesh during their respective disasters. In September 1978, church relief workers told visiting correspondents that 500 people per month were dying in one East Timor district alone. Other recent visitors say a third of the refugees are marasmic—emaciated, bellies swollen from malnutrition—or post-marasmic, in a state where their bodies are consuming their own protein. Of 250,000 now in refugee camps, one experienced relief official said he guessed 25,000 "are not going to make it" in spite of international relief efforts. The scale may be smaller, but Timor is another Cambodia—and it is partly our responsibility.

WINDFALL PROFIT TAX—UNANSWERED QUESTIONS

● Mr. GARN. Mr. President, on October 30 I wrote to Secretary William Miller, Secretary Charles Duncan, Jr., Secretary Harold Brown, and Mr. Stuart Eizenstat asking questions on the effect of the windfall profit tax on refiners and integrated producers. As of this date I have not received a reply to my questions from any of them.

We are about to start debate on the windfall profit tax and I am disappointed that I have not had the courtesy of a reply to my letters. I am hopeful that the administration will respond as the information I seek is important to the consideration of this bill.

I submit for the Record a copy of my letter and financial statements quoted.

The material follows:

United States Senate,
Washington, D.C., October 30, 1979.

Hon. G. William Miller,
Secretary of the Treasury,
Washington, D.C.

Dear Secretary Miller: If the Windfall Profit Tax bill recommended by the Senate Finance Committee is passed by Congress and the President's phased decontrol program continues, then the financial incentives facing independent oil producers will improve while the financial incentives for refiners and integrated producers will fall. In many cases, the rate of return for refiners and integrated producers may fall below that available for investing in comparatively risk-free U.S. Treasury Securities now yielding 13 percent. This raises the serious question of whether the Senate Finance Committee tax will prove counter-productive.

Since the overall rate of return for refiners and integrated producers is the relevant factor in determining whether cash raised from operations is reinvested in oil production and refinement or used to purchase financial securities, a precipitous drop in the consolidated reward from producing and refining crude oil is likely to result in less domestic crude oil and refined product availability after this tax and decontrol program than under a continuation of present policy. The reduction in domestic oil supplies may prove severe if integrated companies, who supply 75 percent of domestically produced crude oil, are forced by profit considerations to allocate their capital elsewhere, like Treasury securities.

The conclusion that refiners and integrated producers will find the rate of return unattractive after the Senate Finance Committee windfall profits tax is applied against company revenue, even after decontrol, rests on the case that their ability to "pass through" high domestic crude oil costs from decontrol have been overstated. U.S. refiners and integrated producers must operate in a world marketplace they do not dominate; their share of the world market is too small. Any attempt to sell refined products in the U.S. at prices higher than those prevailing worldwide, net of transportation costs, will result in losing sales to foreign firms. The "law of one price" is operative worldwide as the table below shows and places tight constraints on any cost pass through attempt by U.S. companies.

AVERAGE ANNUAL WHOLESALE PRICES FOR REGULAR GASOLINE ACROSS CONTINENTS

[In cents per gallon]

Year	New York Harbor, spot price	Rotterdam, Holland, spot price	Average U.S. dealer tankwagon price (excluding tax)
1975	33.5	32.6	35.8
1976	35.5	37.1	39.0
1977	38.4	36.4	42.5
1978	42.8	42.6	43.7

Note: Data from the Platts Oilgram Service.

Future OPEC price increases, since they will affect the costs of all foreign refiners and integrated producers, will be passed through, but higher costs from decontrol, which are unique to U.S. companies, cannot be passed through. Under decontrol, and the WPT, refiners and refiner subsidiaries of integrated companies will find their profit margins sharply eroded because of the inability to "pass through" higher costs due to foreign competitive pressure. Refiners will have to absorb the entire cost of higher domestic oil from decontrol. Integrated producers would be largely unaffected by decontrol only if there were no Windfall Profit Tax. Any reduction in income from their refining subsidiaries caused by higher domestic crude oil prices would be captured by their producing subsidiaries which supply them. The damage done to integrated company incentives will occur because the WPT will be levied on intercompany transfer payments, and it will flow through to the bottom line of these companies.

Unless it can be shown that revenues raised by the WPT will be used to raise energy availability through synfuels production and conservation by an amount greater than a reasonable estimate of reduced oil production caused by the tax, then a vote in favor of it is not in the interest of national security.

These qualitative conclusions follow from representative financial statements drawn up to cover likely profitability of independent producers and integrated oil companies under a continuation of existing policy and under immediate decontrol, coupled with the Senate Finance Committee WPT proposal.

By November 5, 1979, I would appreciate receiving any thoughts on this matter that the Department of the Treasury may have in determining whether more or less energy availability will result from passage of a Windfall Profit Tax. In responding, please direct your energies toward the financial economics facing individual companies, as I have done, to determine the loss of domestic production caused by a tax. To determine the amount of energy availability increased by the tax, please show how the specific revenues raised from an individual integrated oil company will be used and document the specific energy increase by source these new funds will purchase.

Sincerely,

JAKE GARN.

BALANCE SHEET—ABC INDEPENDENT OIL CO.

	Amount
Assets:	
Cash	$1,000,000
Equipment	6,000,000
Land and leasehold interests	1,000,000
Oil and gas reserves	6,000,000
Total	14,000,000
Liabilities:	
Bank loans	4,000,000
Paid-in capital	10,000,000
Total	14,000,000

Notes to ABC Independent Oil Company Income Statements:

CASE 1

(1) Sales Revenue consists of $1,300,000 from natural gas sales, and $5,340,000 from selling to a U.S. refinery 201,000 tier 1 barrels, 210,000 tier 2 barrels, and 56,000 tier 3 barrels.

CASE 2

(2) As before 467,000 crude oil barrels are produced, but now they are sold at $23.50 per barrel. Natural gas revenues remain at $1,300,000.

(3) Windfall profit tax liability is $8.35 per barrel.

Income statement—ABC Independent Oil Company

Case 1. Continued Price Controls & No Windfall Tax:

Sales Revenue	$6,640,000
Operating Costs	2,000,000
Royalty Payment	800,000
Amortized Equipment Expense	1,200,000
Exploration & Development	500,000
Severence & Property taxes	800,000
Profit	$1,340,000

Pre-tax rate of return on Shareholders Equity: 13.4%

Case 2. Immediate Price Decontrol & Senate Finance Committee version of Windfall Profit Tax:

Sales revenue	$12,300,000
Operating Costs	2,000,000
Royalty Payment	1,500,000
Amortized Equipment Expense	1,200,000
Exploration & Development	500,000
Severence & Property taxes	$1,400,000
Windfall Profits tax	3,000,000
Profit	1,800,000

Pre-tax rate of return on Shareholder's Equity 18.0%

BALANCE SHEET—INTEGRATED PETROLEUM, INC.

	Amount
Assets:	
Cash and marketable securities	$700,000,000
Equipment and buildings	2,000,000,000
Land and leasehold interests	300,000,000
Oil and gas reserves	1,000,000,000
Total assets	4,000,000,000
Liabilities:	
Loans	1,800,000,000
Paid-in capital	2,200,000,000
Total liabilities	4,000,000,000

Notes to Integrated Petroleum, Inc. income statements:

CASE 1

(1) Producing subsidiary revenue consists of $108,000,000 from natural gas sales, and $345,000,000 in crude oil sales to the refining subsidiary. Crude oil production equals 13.1 million tier 1 barrels, 13.6 million tier 2 barrels, and 3.6 million tier 3 barrels.

(2) Refining subsidiary revenue assumes refinery runs of 151.5 million barrels, which produce 147 million barrels of product sold at $28.50/barrel, generating $4,120,000,000.

(3) Cost of refining a barrel of oil is $3.51.

(4) Refinery mix of imported and domestic oil causes entitlement payments and credits to net to zero.

CASE 2

(5) Assumptions in Case 2 are the same as for Case 1, except that producing subsidiary now sells its crude oil to the refining subsidiary at $23.50/barrel and pays a windfall profit tax averaging $8.35 per barrel.

Income statement—Integrated Petroleum, Inc.

[Dollars in millions]

Case 1: Continued price controls and no windfall tax:

Producing subsidiary:	
Sales revenue	$453
Operating costs	184
Royalty payments	57
Amortized equipment expense	78
Exploration and development	32
Severence and property taxes	52
Subsidiary profit	50
Refining subsidiary:	
Sales revenue	4,120
Cost of transferred oil	345
Cost of imported oil	2,850
Cost of refining oil	520
Cost of entitlement tickets, net	0
Subsidiary profit	405
Consolidated profit	455

Pre-tax rate of return on shareholders' equity: 20.7 percent.

Income statement—Integrated Petroleum, Inc.

[Dollars in millions]

Case 2: Immediate price decontrol and Senate Finance Committee version of windfall profit tax:

Producing subsidiary:	
Sales revenue	$820
Operating costs	184
Royalty payments	103
Amortized equipment expense	78
Exploration and development	32
Severence and property taxes	94

Windfall profit tax	$253
Subsidiary profit	76
Refining subsidiary:	
Sales revenue	4,120
Cost of transferred oil	710
Cost of imported oil	2,850
Cost of refining oil	520
Subsidiary profit	40
Conslidated profit	116

Pre-tax rate of return on shareholders' equity: 5.3 percent.●

GENERAL JONES' "DEEP PERSONAL CONVICTION": SALT II SHOULD BE RATIFIED

● Mr. CRANSTON. Mr. President, on October 25, Gen. David C. Jones, Chairman of the Joint Chiefs of Staff, testified in favor of SALT II ratification before a special panel of the House Armed Services Committee chaired by my colleague from California, Congressman CHARLES H. WILSON.

General Jones stressed three themes which are central to any assessment of the merits of the SALT II treaty. First, he believes that the SALT II treaty fulfills the overall requirements which the Joint Chiefs of Staff established for the treaty throughout its negotiation. He stated:

> We have been intimately involved in every phase of the negotiations . . . Our objective in all cases was to restrict the Soviets to the greatest extent possible while providing maximum flexibility for U.S. programs.
>
> I have pointed out repeatedly during the course of my testimony before Senate Committees that the Agreement clearly restricts the Soviets more than the U.S. I have expressed my concerns about certain provisions but even these are mitigated by partial restraints. For example, although the BACKFIRE is not counted in the aggregate totals, there are restrictions on its production rate. The Treaty does not eliminate the 308 Soviet modern large ballistic missiles, but the ten warhead limit we insisted upon and won achieves an important restraint on the system's potential.
>
> The Treaty also prohibits interference with our means for monitoring compliance with the Agreement. Most important from our standpoint, Treaty restraints on U.S. programs are quite nominal. In fact, the only major restrictions on modernization of our forces are those we might impose on ourselves unilaterally.
>
> In sum, the Agreement essentially preserves flexibility for U.S. modernization requirements while restricting some—but not all—of the most threatening aspects of Soviet strategic momentum.

A second matter which General Jones emphasized was his belief that the advantages of ratifying SALT outweigh the consequences of rejection. In the technical manner befitting his background as an Air Force pilot, General Jones quantified his assessment, stating:

> If I were to rate ratification vs. rejection on a scale from zero to plus and minus ten, I would place the consequences of ratification at about plus three—a modest but useful step, not a total solution to our security problems for we would like to have achieved more, but a framework for continued progress with our own programs and with future arms control initiatives. However, I would place rejection at about minus seven or eight—a loss of the modest advantages of the Agreement itself, as well as the consequences of other nations (and our own people) questioning the ability of the United States to exercise a leadership role in the control of weapons of devastation.

Finally, with the eye of a realist, General Jones argued against attaching amendments or other changes to the treaty which would require renegotiation, saying:

> I see no circumstances in which we could address issues which bother us without losing ground and limiting flexibility in areas which are now to our advantage. What I have stated in my testimony is that the nation needs to get on with the ratification of SALT II, the initiation of SALT III, and the strategic, theater nuclear and conventional programs necessary to deal with the progressive shift in the military balance in the days ahead. This view remains my deep personal conviction.

Mr. President, I request that General Jones' testimony of October 25 be printed in the RECORD.

His testimony follows:

STATEMENT OF GEN. DAVID C. JONES

Mr. Chairman, members of the Panel:

I believe that an important result of the national attention to the SALT II debate has been an increasing recognition throughout the country of the very adverse trends in the military balance with the Soviet Union. There is now a general awareness that for many years the Soviets have been systematically devoting large and increasing shares of their annual budgets to building up their military capability, while until recently, we have been reducing our defense spending to the extent that, in real terms, we are devoting less to defense than at the time of the Cuban missile crisis. This disparity in investment—on the order of 75 percent—has been proceeding across the board for at least a decade, but has been especially prominent in the area of strategic nuclear forces, where for many years the Soviets have been out-spending us by a factor of nearly three to one.

There is also a gathering recognition that the 1980s will be a period of international turmoil and instability under the best of circumstances. The prospects for tension are seriously compounded by the growth in Soviet military power and their propensity to fish in troubled waters. We face a decade in which the Soviet leadership's options for projecting power and influence into areas of major interest to the United States will grow and there is no question in my mind that we must take the necessary actions to reduce the risks of encroachment and confrontation.

One of the central questions we must face in preparing to deal with this future—and the question of major concern to this Panel—is what role arms control should play in the perilous days ahead.

In my personal opinion, there is a substantial role for arms control, so long as it is viewed realistically in the larger perspective of our overall national security requirements. A recurring theme in US history, particularly in this century, has been the hope that arms control agreements can somehow serve as the source for enhanced security. In my judgment, the repeated disappointments on this score are due to the mistaken belief that armaments themselves—rather than fundamental clashes of national interest—are the roots of conflict. I believe that, at best, arms control can serve as a framework for enhancing security and promoting stability and ought to be pursued in that light, not as an abstract end in itself.

In short, we should neither expect too much nor strive too little in our continuing efforts to reduce the nuclear arsenals of both sides. In the context of SALT II, some proponents of the Agreement tended to claim that it accomplished too much, although such exaggeration has been muted as the debate has progressed. On the other hand, some opponents of the Agreement criticize it on the grounds that it doesn't solve our fundamental security problems and advocate its rejection for that reason. In reaching our judgment on SALT II, the Joint Chiefs of Staff have based our assessment on what we consider realistic and reasonable criteria which avoid both overgenerous appraisals and unrealistic expectations.

We have been intimately involved in every phase of the negotiations, addressed all the negotiating issues individually, and have fought hard for acceptance of our recommendations. Our objective in all cases was to restrict the Soviets to the greatest extent possible while providing maximum flexfbility for US programs.

As with all agencies of the Government which provide advice to the President, some of our recommendations were accepted and some were not. The final Agreement clearly does not accomplish all we would have wished and there are individual provisions we would have preferred to see more restrictive on the Soviets. SALT II will not solve the Minuteman vulnerability problem and the destructive power of their nuclear forces will continue to increase during the Treaty period. At best SALT II is half a loaf.

After the terms of the final Agreement were agreed upon between the two sides, the Chiefs deliberated intensively on the total package. After serious soul-searching, and under no pressure except the recognition of our obligation to recommend what was in our nation's best security interests, we concluded and testified that the Agreement made a modest but useful contribution to national security, provided it was recognized as but a single step in a long range process which must include the programs needed for our defense.

I have pointed out repeatedly during the course of my testimony before Senate Committees that the Agreement clearly restricts the Soviets more than the US. I have expressed my concerns about certain provisions but even these are mitigated by partial restraints. For example, although the Backfire is not counted in the aggregate totals, there are restrictions on its production rate. The Treaty does not eliminate the 308 Soviet modern large ballistic missiles, but the ten warhead limit we insisted upon and won achieves an important restraint on the system's potential.

The Treaty also prohibits interference with our means for monitoring compliance with the Agreement. Most important from our standpoint, Treaty restraints on US programs are quite normal. In fact, the only major restrictions on modernization of our forces are those we might impose on ourselves unilaterally.

We have the right to produce an MX system with the capability and survivability we need and at a pace which is technically and economically feasible. We can build a new bomber aircraft if we desire. We can build and deploy cruise missiles—air, ground, and sea-launched versions—with the performance characteristics we determine are necessary and on a program schedule which we can set. We can modernize our missile carrying submarine force and our sub-launched ballistic missiles in accordance with the program we have set for ourselves. In sum, the Agreement essentially preserves flexibility for US modernization requirements while restricting some—but not all—of the most threatening aspects of Soviet strategic momentum.

Therefore, the key question is, "Should we accept the advantages of the half loaf or lose even these modest restrictions on the Soviet threat by rejecting the Agreement, either directly or by attaching crippling amendments which would require renegotiation?" (Regarding this latter point, I do not favor reopening negotiations with the Soviets on SALT II. I see no circumstances in which we could address issues which bother us without losing ground and limiting flexibility in areas which are now to our advantage.) What I have stated in my testimoney is that the nation needs to get on with the ratification of SALT II, the initiation of SALT III, and the strategic, theater nuclear and conventional programs necessary to deal with the progressive shift in the military balance in the days ahead. This view remains my deep personal conviction.

To put the question in context, I have suggested that "if I were to rate ratification vs. rejection on a scale from zero to plus and minus ten, I would place the consequences of ratification at about plus three—a modest but useful step, not a total solution to our security problems for we would like to have achieved more, but a framework for continued progress with our own programs and with future arms control initiatives. However, I would place rejection at about minus seven or eight—a loss of the modest advantages of the Agreement, itself, as well as the consequences of other nations (and our own people) questioning the ability of the United States to exercise a leadership role in the control of weapons of devastation."

Regarding SALT III, I expect the negotiations in the days ahead to be a difficult and painstaking process. I would not look for sudden, major breakthroughs in the absence of a more fundamental change in the relations between our two countries. Our goals should continue to be to promote greater stability in the military balance while pressing for reciprocal reductions in the numbers of weapons in the arsenals of both sides. I would emphasize that, although I have never favored the use of systems as "bargaining chips," the fact remains that we would have been in a stronger position for SALT II—and could likely have achieved a more favorable Agreement—if we had had more extensive programs underway during the negotiations. It follows, then, that both our security and our negotiating leverage will be enhanced in the days ahead if we proceed with both the strategic and non-strategic programs which are needed to arrest the very adverse trends in the military balance.

At this time, Mr. Chairman, I am prepared to respond to questions from members of the Panel.●

PRINTING OF SALT II HEARINGS

● Mr. PELL. Mr. President, as the Senate prepares to consider the strategic arms limitation talks known as SALT II, I am proud to note that the thoughtful and thorough deliberations of the Committee on Foreign Relations are available in edited and printed form for the use of all 100 Senators during these important weeks ahead. Five printed volumes, representing over 3,000 pages of testimony and colloquy between Senators and witnesses, serve to establish the issues and arguments, both pro and con, which we will all weigh carefully as we proceed with full Senate consideration of SALT II. The capacity for the Senate to have these volumes printed within a week of the conclusion of the committee's editing is due to a new computer system which uses magnetic tapes delivered to GPO by the various reporting services.

This new system is one of several benefits brought to the Senate by new regulations for reporting services which the Rules and Administration Committee recently adopted. This system, now being implemented under the Rules Committee's direction, has enabled the Foreign Relations Committee staff, working with their reporting service and GPO, to have printed and bound volumes for all the SALT hearings, each within a week of committee submittal to GPO. I would contrast this technique with that of recent Senate considerations of nominations and treaties where no printed hearing record has been prepared. In order to proceed with consideration within Senate rules and procedures, expensive and unedited copies of raw transcript pages were necessarily purchased for each of 100 Senators. These were bulky and hard to use, and cost thousands of dollars more than would have been the case under the new system.

The new system is a tribute to our cooperative respective staffs and the Senate's willingness to invest in and experiment with new technologies.●

SYNTHETIC FUEL

● Mr. WALLOP. Mr. President, I have often found myself in disagreement with the Washington Post. However, I was struck by the persuasiveness of last Monday's editorial on our recent actions on synfuels. It drives hard at the fundamental question of why we do not need an expensive Government corporation to stimulate this fledgling industry.

Mr. President, I ask that the following editorial be printed in the Record.

The article follows:

There being no objection, the editorial was ordered to be printed in the Record, as follows:

How Not to Make Synthetic Fuels

Last week the Senate passed its version of the president's proposed synthetic fuels program. According to the Senate's plan, a government corporation would be created whose goal would be to build a synthetic fuels industry capable of producing 1.5 million barrels of oil per day by 1995. To do this, the corporation would be authorized to spend $20 billion of the taxpayers' money. It would also be directed to present to Congress within five years a plan for a much more expensive second-stage program, which would bring synthetic fuels into fullscale commercial production.

In reaching its final judgment, the Senate displayed some caution. It deleted $68 billion in funds and said the new corporation would have to win approval from Congress before going on to the second-stage commercialization effort. But in leaving the proposed government corporation intact, the Senate may be repeating some fundamental errors whose consequences should already be all too obvious. We have in mind the shortcomings that over the years became apparent in the way the country organized its efforts to oversee and promote nuclear technology. The industry was too much insulated from oversight, accountability and competition. And something similar seems to be lurking in the Senate synthetic fuels program.

In its frustrated search for a quick and easy to win independence from oil imports, in other words, the country may now be on the verge of again fostering the birth of an industry exempt from the usual checks of the political process and immune from the healthy rigors of economic competition. Just as with nuclear power, syntheic fuels pose awesome environmental, health and safety issues. And just as with nuclear power, the costs are likely to be a good deal higher than now predicted—perhaps large enough to be non-competitive with alternative sources of energy.

The worst possible outcome of the past year's floundering search for an energy policy would be to spend the next decade building a syntheic fuels industry, at huge public expense, only to discover that it could not survive without a steady diet of government subsidies and was the center of constant controversy over health and environmental concerns. In its consideration of the synthetic fuels proposal, the Senate Banking Committee rejected the idea of a government corporation for just these reasons—believing that the country would be better served in the long run by an industry that grew up in the competitive marketplace. That view did not prevail on the Senate floor, but there is still time to think twice about how, and how not, to develop synthetic fuels.●

LOW-INCOME HOUSING

● Mr. PELL. Mr. President, over the past 5 years the Federal Government has assumed the difficult task of providing large scale assistance for low-income housing production. HUD's section 8 program was created by the Congress in response to the tremendous demand for Federal assistance to the low-income housing market, and the need to get the Government out of the business of owning and managing public housing. Section 8 operates chiefy by providing the revenue support necessary to make low-income projects feasible and profitable for private developers.

Recently, some hard and troubling questions have been raised about the efficiency and cost of the section 8 program, about the program's administration in some cases, and about apparently large profits realized by developers through section 8 with very little capital investment on their part, and almost no risk. Most notably, these questions have been raised in a series of articles in the Providence (Rhode Island) Journal and Evening Bulletin. I believe these issues must be addressed, and resolved, if public confidence in the section 8 program is to be maintained.

In many ways, the section 8 program resembles a hydra, so vast and intricate in its operation that it is almost impossible for the Congress to get a handle on what we have created. Because of its disparate elements and complexity, I believe the program has had some unintended consequences which are wasting tax dollars at an alarming rate.

After a careful review of the section 8 program, I have concluded that several changes in its operation should be considered by the Congress:

First. In those States where the section 8 program is administered by a State agency instead of HUD, selection of developers for section 8 projects should be on an open competitive basis. To prevent even the appearance of favoritism or undue influence in the selection of section 8 developers, the selection process must be open and competitive, with the fullest possible public access to how the State agency is conducting the selection process.

Second. To prevent unwarranted escalation of land costs for section 8 projects, allowable land costs should be subject to an independent appraisal, and no land costs should be allowed for public financing purposes in excess of that appraisal.

Third. To prevent unwarranted Federal income tax reductions from the sale of section 8 tax shelters, the Federal tax laws should be amended to eliminate any claim for loss on a federally financed housing project, to the extent that financing is provided for the project by HUD directly, or by a State agency through the sale of mortgage revenue bonds.

I do not contend that these are the only changes that may be necessary to improve the section 8 program. The program is so complex that further study may indicate the need for other safeguards and reforms.

Some background is necessary to understand why the changes I have proposed are necessary.

Section 8 is the Federal Government's principal program for subsidizing the production of low- and moderate-income housing. Each year, the Federal Government allocates rent subsidies guaranteeing the rent payments of low income and elderly tenants above 25 percent of their monthly income. The Government subsidies, when combined with tenant rents, are intended to be sufficient to fully support the project, which is operated under contract with HUD for a 25 year period, after which the developer owns the project outright.

In States where HUD does not directly administer the section 8 program, there is frequently no requirement for competitive review in the developer selection process. The selection is made by a State housing agency—without any Federal regulatory guidelines to insure that the selection process is truly competitive and open to all who choose to participate. A selection process which is closed to public scrutiny breeds speculation that knowing the right people is really the way section 8 developers are selected. This is true regardless of whether the State agency is in fact selecting developers on an impartial basis. I believe that an open and competitive developer selection process should be required for all federally subsidized projects.

Another area where reform is needed deals with the acquisition of land for section 8 projects. Under current law, it is perfectly legal for developers to sell land, in effect, to themselves for section 8 projects at prices much higher than they originally paid for it. The developers acquire the land ultimately to be used for a section 8 new construction project, then form a separate partnership simply for the purpose of acquiring the land at a higher cost than they originally paid for it. The increased land costs are then included in the low-interest mortgages the partnership obtains from the State agency to build the project. Moreover, the mortgages are paid off, primarily, through the Federal rent subsidies paid directly to the developer by HUD.

It is obvious that tighter controls are needed on the acquisition of land for section 8 projects. Presently, the price for the land is essentially determined by whatever amount the State agency is willing to include for that purpose in the developer's loan (subject to a generous HUD ceiling). Reform is needed to prevent developers from reselling land they already own to partnerships they control without the benefit of independent, publicily available appraisals. Open appraisals are the best way to insure that inflated land costs are not part of the legitimate incentives the Federal Government provides to developers participating in the section 8 program.

A related area where closer legislative scrutiny is necessary is the matter of down payments by developers at the time they receive financing for section 8 projects. The low-interest mortgage for a new construction project is usually 90 percent of the total cost, presumably leaving the need for a 10 percent down payment. The Government currently allows the project developers a 10 percent profit on the overall project cost, which in many instances the developers are apparently using to cover the entire down payment.

Thus, it is possible for a developer to put down a very small amount of money—or no money at all—on a multimillion dollar federally subsidized project. In view of the fact that the Federal Government guarantees the rents of low-income tenants, the section 8 program is probably the safest "can't lose" investment available for little or no risk on the part of the developer.

The down payment problem is an example of the need for Congress to examine more closely the financial incentives provided to make the construction of low-income projects feasible and profitable. Congress considered the tax shelters available through investment in a section 8 project during action on the 1976 Tax Reform Act, and determined that they were necessary to attract sufficient capitalization to build low-income projects.

It now appears, however, that developers can make substantial profits selling shares in their projects to investors as tax shelters, but that the proceeds from these sales are neither needed nor used to finance construction of the projects.

In some States, financing for section 8 new construction projects is provided entirely through the sale of mortgage revenue bonds. The tax shelters intended by Congress to be capital generating shares in new projects, are in fact nothing more than "on paper" losses to reduce the Federal tax exposure of the investors. Under current law, a person can claim a loss on a section 8 in excess of his or her actual investment, and save hundreds of thousands of dollars in taxes. In essence, this is federally subsidized tax avoidance, and is costing the Federal taxpayers millions of dollars each year without any offsetting public benefits.

I believe Federal tax law should be changed to make it impossible for investors to claim a loss on projects which are subsidized entirely by public investment. Certainly it is legitimate for investors to claim losses to the extent that their capital is at risk and actually part of the financing for a new section 8 project. The Congress intended to provide a tax incentive to induce investors to contribute capital to projects that show a loss in their early years of operation, and a good case can be made for retaining this reasonable tax incentive. What we must end is the practice of tax write-offs based on investments which are not part of the actual financing for a new project.

I am sure there are other areas where the section 8 program could be improved, but I believe those I have cited indicate the scope of the problems and the need for a legislative remedy. Some of the incentives the Congress has provided for the section 8 program are undoubtedly necessary because of the risk associated with the low-income housing market. But incentives that are not necessary should be eliminated because directly or indirectly they cost the taxpayer's money.

We must also expect the taxpayers to demand higher accountability on a Federal program whose costs are absolutely staggering. Even if the Congress never appropriated another dime for the section 8 housing program, we would be contractually obligated to spend over $230 billion over the next 30 years to subsidize rents. Experts project that our annual expenditure on this program will soon exceed $10 billion per year.

A hydra of this size clearly demands closer scrutiny from the Congress. Subsidized housing—in one form or another—will be with us for the foreseeable future. We must act to rationalize the section 8 hydra, before public confidence in this fundamentally sound program is severely eroded. I intend to submit my recommendations for change to the relevant oversight committees in the Congress, as well as to HUD and the Treasury Department. I will be interested in their reactions and comments, because clearly input from many sources is required to improve a major Federal program like section 8.

What we cannot lose sight of is the necessity of eliminating avoidable costs in the section 8 program today. The task will not be an easy one, but I urge my colleagues to examine my recommendations as a reasonable starting point.●

ALASKA'S FISHING INDUSTRY

● Mr. GRAVEL. Mr. President, the fishing industry in the State of Alaska has always been of paramount importance. The latest issue of the Fisherman's News reports that "Nearly 90 percent of the catch off the coast of the entire United States comes from the waters off the coast of Alaska." Statistics such as this testify to the great stake Alaskans have in the continued vitality of the fisheries resources off the Alaskan shores. There are two pieces of legislation presently before Congress which I have cosponsored that deal with matters of great importance to the fishing industry in Alaska. The first is S. 1656, the National Fishery Development Act; the second is S. 1408, the National Aquaculture Act of 1979. Hearings on both of these measures have been held recently and I presented testimony on both occasions. The remarks I made at those hearings provide some valuable information on the role that the State of Alaska is destined to play in the future development of the fishing industry in this country. I ask that the text of those statements be printed in today's RECORD.

The material follows:

Statement by Senator Mike Gravel

Mr. Chairman, I am very pleased to be here today to testify in favor of S. 1656, "The National Fishery Development Act." This bill would rededicate and earmark special governmental funds for the purpose of fisheries development—something which would have a high degree of impact on my State of Alaska. I don't have to tell you, Mr. Chairman, the importance that this type of legislation can have for my State with the current high level of interest in development of the Alaskan bottomfish resource.

This legislation is in many ways a logical followup to the passage of Senate Resolution 50 which put the Senate on record in February of this year of strongly favoring not only fisheries development but development through the existing framework of the Saltonstall/Kennedy fisheries development fund. I was very happy to be a cosponosr and a strong supporter of that resolution.

S. 1656 will serve as another strong indicator of the interest of Congress in encouraging the expansion and development of the American fishing industry. It is intended to reaffirm the message of Senate Resolution No. 50 in a general way and go beyond in some ways which are more specific. The legislation has three major parts:

First, it insures the continued existence of the Saltonstall/Kennedy fisheries development fund and mandates that at least one-half of the money which annually goes to the Saltonstall/Kennedy fund will go for private fisheries development projects. I fully support this approach for use of the Saltonstall/Kennedy fund. In the past there has been much confusion as to the nature and purpose of the fund. It has been obscured in the overall national marine fisheries service budget and it has been difficult to identify its actual use on strict "fisheries development" projects. This legislation will set out with greater certainty the parameters for use of Saltonstall/Kennedy monies, it will require periodic congressional oversight, and it specifically earmarks fifty percent of the annual total amount of the fund for local industry development projects.

The second feature of the bill requires the creation of at least six new fisheries attachés to be stationed around the world in order to locate new markets for American fisheries products. There are presently only two worldwide. Most Americans are well aware of the impact which U.S. agriculture has on the world food market and the balance of trade of the United States. With a serious effort on the part of both the Federal Government and private industry, the U.S. fishing industry could also have an important impact on world food markets. A good first step in insuring that American fisheries products find their way into foreign markets is to have full-time commercial fisheries attachés stationed abroad like U.S.D.A. has had for years for their agricultural products in order to develop the export markets which are vital to the continued growth of the underutilized species fisheries.

The third and final specific proposal contained in S. 1656 would authorize the transfer of moneys from the Federal fisheries loan fund to the Federal ship financing fund and make that money available for loans for boats being used in newly developing fisheries as opposed to the traditional fisheries. This newly available funding for fishing boat financing would be especially timely in light of the current accelerated interest in the acquisition of vessels for use in the Alaskan bottomfishery. This aspect of the bill will be of great benefit to the citizens of Alaska.

Mr. Chairman, the development of the American fishing industry has been the subject of increasing attention these past few years and I believe this legislation will help to accelerate that development even further. The State of Alaska has an incredible stake in the development of the U.S. 200-mile fishery zone. Activities directed at getting Americans catching, processing and selling the commercially marketable fish products off the Alaskan coast have grown greater with each passing day over the past few years with no decrease in activity in sight. New boats are being built, new processing facilities are being constructed, new fish companies are being formed.

The passage of the Fishery Conservation and Management Act of 1976 set the stage for serious fisheries development in the United States. It created the opportunities which Senate Resolution 50 in February and this legislation today seeks to take advantage of. The passage of "the National Fisheries Development Act" will serve as yet another substantial step in the long process of full utilization of the resources of the U.S. Fishery Conservation Zone. I am proud to be a cosponsor of this proposed legislation and I thank the chairman for this opportunity to present my comments before the committee today.

Statement of Senator Mike Gravel

Mr. Chairman, members of the committees, I thank you for the opportunity to appear before you today to comment on the aquaculture legislation which is presently under consideration by the Senate Commerce and Agriculture Committees. I appeared last year before both the Agriculture Committee and the Commerce Committee to testify on similar aquaculture legislation. In the year since that testimony was presented, my resolve in seeing aquaculture legislation which meets the needs of the country and the State of Alaska has only been strengthened. As each Member here is quite aware, aquaculture is practiced in varying degrees of intensity throughout the world and I believe the time has now arrived to provide legislative encouragement for aquaculture activity in the United States.

AQUACULTURE—AN OVERVIEW

The world activity in aquaculture is wide and varied. China has been cultivating fish for over 2,000 years Japan now produces more than 10 percent of its seafood needs through aquaculture. And Russia has been giving aquaculture increased attention.

The United States has been dabbling in various forms of aquaculture for a considerable period of time, but it has grown insignificantly here compared to such activities in other parts of the world.

My home State of Alaska has been involved in the cultivation of fin fish since the late 1800's. With more than 50 percent of the entire U.S. coastline located within the State of Alaska, one can understand why my interest in aquaculture is great. The potential for marine aquaculture development within Alaska is truly incredible, not to mention the vast possibilities for future freshwater cultivation.

AQUACULTURE—MARKET POTENTIAL

World fishery resources were once thought to be practically unlimited. This has been clearly shown not to be the case. The world fishery resources are now estimated by some experts to be capable of yielding a maximum global harvest of 100 to 150 million metric tons per year. More conservative estimates rarely exceed 100 million metric tons, including that of the National Oceanic and Atmospheric Administration, which estimates that the 100 million metric ton figure will be met by 1980. This suggests that a world shortage of fish products is possible in the foreseeable future.

World per capita fish consumption has increased over the past several years and in the U.S. alone has risen to a present level of 12.9 pounds per person per year. Reliable estimates project American consumption to increase to 15.2 pounds by the year 2000. A Library of Congress study has predicted that in the same period of time overall demand for seafood products in the U.S., both edible and industrial, is expected to increase by a full 80 percent.

All these indicators suggest that the demand for fish products will only continue to increase in the years to come. With wild fish stock exploitation reaching maximum levels, per capita consumption of fish products on the rise and the world population expected to increase from a level of 4 billion today to 6 billion by the turn of the century, aquaculture must be viewed as a promising possibility in helping to meet these food demands.

AQUACULTURE—ECONOMIC POTENTIAL

For a nation practically surrounded by water and replete with possible sites for raising inland fish species, fishery imports into the U.S. are surprisingly high. In 1976 the U.S. imported 6.2 billion pounds of fishery products valued at $2.2 billion. The U.S. fishery exports in 1976 amounted to 241 million pounds, valued at only $330 million.

This leaves a net annual trade deficit of practically $2 billion for foreign fish products where close to 65 percent of fish consumed in the U.S. is imported from foreign countries.

The studious application of aquaculture techniques could help to reverse this unfavorable balance of trade situation. A promotion of aquaculture will result in the creation of many new jobs, fishery employment on a year-round rather than a seasonal basis, and an overall stability to the historical boom or bust fishery economy.

NATIONAL AQUACULTURE ORGANIC ACT—INTENT

Mr. Chairman, the intent of S. 1408 and S. 1650 as well as H.R. 20 is to provide long overdue impetus to the promotion of aquaculture in the United States. My desire is to encourage the development of aquaculture of all types in all parts of the U.S. This would include encouraging aquaculture for marine, as well as fresh water, species; for aquatic plants, as well as aquatic animals; for presently cultured species, as well as species as yet untested by the techniques of aquaculture; and for the rehabilitation and enhancement of public fisheries, as well as the promotion of commercial enterprises.

There are, however, three important areas which my bill, S. 1408, emphasizes, and I should like briefly to enumerate them:

First, I continue to believe that the national aquaculture development plan should be formulated only after information is systematically gathered from all parts of the United States. To ensure adequate input from interests as diverse as shrimp farmers in Florida, salmon ranchers in Alaska, oyster raisers in Maine and catfish farmers in the mid-west, information must be gathered on a regional basis. Only after these suggestions are received from all parts of the country should a national plan be drawn up. This will guarantee that the plan will be tailored to the varied interests and needs of aquaculturists throughout all 50 States. I believe the procedures for formulation of the national plan which are proposed in S. 1408 and H.R. 20 are preferable to that put forth in S. 1650.

Second, I believe that the enhancement and rehabilitation of traditional publicly owned fish stocks should be a major goal of this legislation. It seems obvious that in addition to encouraging development of commercial aquaculture for the private sector, we should not overlook the desirability of rehabilitating the numerous depleted fish stocks which are of vital importance to the public sector.

The third and final issue of importance my bill addresses is the problem of land and water access for aquaculture facilities. I believe the contributions which aquaculture can make in helping to meet nutritional needs, stimulating commercial activity, and enhancing existing fisheries warrant its being given due consideration in land and water use management deliberations.

CONCLUSION

Mr. Chairman, aquaculture is certainly an activity that has been neglected in this country for too long. The numerous benefits to be gained—commercial, nutritional and conservational, to name but three—have not yet been fully appreciated. Passage of this legislation will be a positive step towards translating these numerous potential benefits into tangible realities, and I urge favorable and swift consideration of these important legislative proposals.●

THE SALT II TREATY DEBATE

● Mr. MATHIAS. Mr. President, the three committees of the Senate which have been examining the SALT II treaty have completed their hearings. The Foreign Relations Committee, the committee with primary jurisdiction over treaties, is in the process of writing its final report. The Senate is poised for debate.

As one who would like to vote in favor of ratification of the SALT II treaty, but who is not committed either personally or publicly to do so, it might be a good time to express my hopes and fears about the results of the debate.

My hopes start with the modest desire to keep the exchange at the layman's level of language which will permit participation by the maximum number of Americans and will discourage few from freely joining the discourse. To achieve this goal the experts will have to refrain from exhibiting the special vocabulary of SALT to impress and stupefy. To talk about the details of hardware and technology may be impressive, but will certainly cause many people to tune out in frustration and confusion.

The failure to develop a national debate on SALT may be traced to the narrow character of the dialog to date.

But every American can readily understand the broad concepts and the historical sweep of an examination of the world scene and United States–U.S.S.R. relations with and without the treaty. Much attention has been devoted already to the advantages and disadvantages of a future in which the treaty plays a part. Less public attention has been given to assessment of the advantages and disadvantages of a world without the treaty. It is already obvious that enormous consequences will result from either course we follow and the American people must be made fully aware that there is a choice before us and the nature of the alternatives.

It is now clear that the treaty cannot and will not be considered in isolation, but rather will be viewed as part of the total system of national security and foreign policy. Here again, the debate must not be allowed to become overly technical and exclusive. Few of us will be able to judge the effect of national policy decisions that are portrayed only in fragmented and piecemeal form or as a percentage of the current defense effort unrelated to concrete needs and specific capacity.

There is an ongoing effort in the Senate to make an estimate of the commitments undertaken by the United States and the resources necessary to fulfill them. This is a serious task and one that will demand our best analytical effort and judgment.

But we can only express an opinion that is little more than inventory unless it is coordinated with the executive branch of Government.

Only the President of the United States can present a concept of national policy that envisions an orchestrated program of foreign policy and military competence that relates each to the other, and designates how he will employ each component part. The President commands the Armed Forces, and unless we are assured that his strategic ideas and ours are consonant, it will give us little assurance to vote increased supplies for the Department of Defense. It would, in fact, be wasteful in the extreme to procure military resources that the President would not use or that the Joint Chiefs did not want.

We are in an arms race that would be moderated but not terminated by SALT. We need to compare with the President our estimates of what it will take to compete globally both with and without the treaty. Such estimates will be speculative at best and so there is no room for any degree of misunderstanding between us or even a nuance of difference in our perception of the problem.

In short, the President must lay it out in comprehensive and explicit terms. The time for feint and thrust is over. We need to look into each others' minds now so that we need not stare into the abyss later. The President's active and personal participation is vital at this time and cannot be avoided.

Since the American economy is the core of our defense, the debate must include the impact of our discussion on the economy of the United States and on that of the Soviet Union. This surely is as important as any question of acquisition of hardware or technology.

My fear about the debate is a simple one. By the time the talking begins in the Senate Chamber there will be at least a dozen announced candidates for the Presidency. Patriotism demands that we divest the debate of politics and partisanship, but personal ambition and party tactics will make divestiture difficult. Already, the urge to politicize the debate is resulting in visible actions and audible words that would better remain undone and unsaid. The most sorely tempted will be the President himself and the White House staff, because they can mask their activities under an official cloak. While it may be asking a great deal, I fear the consequences if they do not resist the temptation.●

THE ALASKA LANDS LEGISLATION

● Mr. GRAVEL. Mr. President, on November 14, the Senate Committee on Energy and Natural Resources reported the Alaska lands bill (H.R. 39 with an amendment in the nature of a substitute).

This bill has tremendous potential impacts on the State of Alaska, and I would like to provide for the RECORD my views on this most critical legislation.

I ask unanimous consent that they be printed in the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BACKGROUND AND OVERVIEW

Prior to 1971, several proposals for additional park and refuge lands in Alaska had been discussed by conservationists and federal agencies, both within Alaska and outside. For example, a four million-acre Gates of the Arctic Park in the Central Brooks Range was urged in 1968 by Secretary Udall. A park or scenic area had also been proposed in the Wrangell-St. Elias area and extensions to McKinley Park had been discussed. Many of the important waterfowl nesting areas and other wildlife areas had already been designated as units of the National Wildlife Refuge System. In fact, 22 of 30 million acres in the National Wildlife Refuge System were located in Alaska.

In 1971, during final consideration of the Alaska Native Claims Settlement Act, a provision was added—section 17(d)(2), which authorized the Secretary of Interior to withdraw up to 80 million acres of federal land in Alaska for study as potential units of the national park, national wildlife refuge, national forest, and national wild and scenic rivers systems. There was nothing magical about this figure. It was not a figure representing the approximate acreage of proposed conservation units in Alaska at that time. It was merely an arbitrary number which was arrived at in conference as a compromise to "protect" the natural values of Alaska's lands in the nation's interest during study. I viewed this 80 million acres as the upper limit of the acreage which might eventually go into the conservation system units after study and following further Congressional action. At that time, even 80 million acres of additional conservation units in one state seemed inconceivable in light of the lands which had already been set aside in Alaska and the level of resource information known on these lands.

In 1973, Secretary Morton recommended 83 million acres of land for permanent designation of which nearly 19 million acres would have been designated as units of the multiple-use national forest system.

In 1977, Secretary Andrus announced the new Administration's Alaska lands proposal of approximately 93 million acres with little acreage added to the national forest system. The following year, the House passed legislation designating roughly 124 million acres in new units, and additional wilderness acreage in existing as well as new units.

This year the House again passed legislation designating 130 million acres in new conservation system units. The escalation in the amount of acreage to be designated was not due to an influx of new information on the natural values of these areas. The scenic beauty of the Central Brooks Range was not changing from the time of Secretary Udall's 1968 proposal for a four million-acre Gates of the Arctic Park. What in fact changed was the growing appetite of the national environmental community whose power had grown tremendously in the interim.

During the same time, the knowledge as to what the other resources of the lands involved were, such as hard-rock minerals and oil and gas, remained at a rudimentary level. We still do not know what resources may be in these lands, and which ones may be critical to the nation's energy and other needs, now and in the future.

I would be the first to press for permanent designation of many areas in Alaska where the obvious natural values clearly outweigh any development-oriented values. The Central Brooks Range, the Wrangells, the south side of Mt. McKinley National Park, Cape Krusenstern, and Aniakchak Caldera all represent some of the truly remarkable scenic, cultural and natural values of the nation and the world. These areas should be permanently protected for the enjoyment of all Americans and future generations.

But the proposals which have passed the House and which the Committee has reported for full Senate consideration are simply too much, too soon. They defy sound land practices at a time in which the nation's resources are sorely strapped. These deficiencies are related directly to our current economic difficulties, which show no sign of abating in the future, only deteriorating.

Ironically, it is politics, not resource considerations, which prompts this rush to lock up such enormous acreages. In November, 1978, after the last Congress adjourned without passing Alaska lands legislation, the Secretary used the Federal Land Policy and Management Act to withdraw over 110 million acres from all uses for up to three years. On December 1 of last year, the President proclaimed 56 million of these same acres in Alaska as national monuments, claiming to have authority for this extraordinary action under the 1906 Antiquities Act. He has threatened to use another provision of the Federal Land Policy and Management Act to turn most of the remaining 110 million acres into 20-year wildlife refuges if the Congress does not enact legislation this year which meets the desires of the Administration.

Why were these withdrawals necessary? Not to protect the land. Even the Secretary admits that. In a cover letter of October 25, 1978, requesting review comments on the Administration's supplemental EIS on the proposed withdrawals in Alaska, Cynthia Wilson, Special Assistant to the Secretary, said: "First it should be clear that the purpose of any administrative action is to give additional layers of protection to the land and preserve the option of Congress until legislation is enacted. Although the Administration is confident that the protective land withdrawals in December are capable of continuing to preclude the entry, location, or selection of the national interest lands, the lands are so significant to the nation that prudence dictates that they be protected as fully as possible under existing executive branch authorities, pending final Congressional action. . . ."

The Department admitted that the (d) (1) withdrawals which overlaid the (d) (2) withdrawals would remain in force after the December 18, 1978 expiration of the (d) (2) withdrawals. The Department conceded that (d) (1) would continue to "protect" the lands involved. Yet, this existing withdrawal was overlaid with another under the provisions of FLPMA in November of 1978. But even this was not enough. On December 1 of last year, monuments were created over roughly half of these same lands. Why do you need monuments where you have at least two other existing withdrawals on the land?

The real reason is this: Because Alaska was to be punished for not submitting to lands legislation. With the turnover of most of the monument land to the Park Service came a raft of new regulations, most onerous of which was the prohibition of sport hunting, guiding, and trapping in those areas.

This pressure to submit to legislation has been exacerbated now with the threat to create administratively 50–60 million acres of refuges. I deplore this kind of intimidation by the Executive and despair at the thought of legislating under this type of coercion.

GENERAL COMMENTS OF THE COMMITTEE BILL

I think there can be no doubt that the bill reported out of the Committee this year is more responsive to the needs of Alaska and the nation than the bill reported by the Committee last year. However, when viewed from the standpoint of the resources involved, both known and as yet unknown, the bill is still extreme and would do great damage to the economic and lifestyle pursuits of Alaskans and the needs of the nation in the years to come.

While there are provisions in the bill which hopefully will protect many of the ongoing uses of the lands involved, the bill falls far short of providing the options which we will need in the not-too-distant future if we are to continue to thrive as a state and as a nation. The vast land "locked up" by the bill (over 100 million acres), the inadequate provisions for future access across conservation system units created by the bill, and the imposition of a huge new federal bureaucracy will effectively freeze Alaska permanently in the economic state it is now, with limited opportunities for growth or diversification. The resources, especially energy resources, which these lands hold will be removed from the national inventory at a time when dependency on foreign sources is driving our economy into a downward spiral with no end in sight.

As pointed out in the following remarks, the boundaries of the designated units, in most instances, encompass far more lands than are reasonably necessary to protect the resource values involved. In many cases, the justification of "whole ecosystems" included in boundaries is violated and can only be viewed as a convenient device by which to place more land in conservation units.

SPECIFIC COMMENTS

Title II—National Park System

The bill would designate over 42 million acres in the National Park System, nearly 22 million acres of which would be in "pure park" areas where sport hunting would be prohibited. Although many popular hunting areas were excluded from the "pure park" boundaries, some areas experiencing moderate sport hunting and guiding activities remain in the park designations. In particular, the park designations in the Killik River area in the Gates of the Arctic, portions of the Wrangell-St. Elias park, and areas in the Lake Clark and Denali Park additions will displace many sport hunters and guides causing hardship and economic loss.

Traditional hunting has not significantly impacted wildlife populations in these areas over the past decades, and no apparent biological benefit would come through closure of these areas. For this reason, I offered in Committee an amendment which would have continued sport hunting in the designated park units for a period of five years. During this time, the Secretary would study the effects of sport hunting on wildlife populations.

Based on these studies, he could then make selective closures. To me, this makes much more sense than arbitrarily closing areas regardless of the impacts on wildlife.

Gates of the Arctic Park

As mentioned above, the original proposal for this area in 1968 was a four million-acre unit. The Committee bill designates nearly eight million acres. One area in particular, the so-called "boot", has been included not because of its unique natural features but because of the demands of the environmental community. This appendage conveniently forms a semi-circle around the Ambler River copper district, making surface access to this area all but impossible.

Lake Clark

This unit includes about 300,000 acres around Tazimina Lakes which were not even in the Administration's 1977 proposal. It was the understanding at the time of the Cook Inlet land trade that this area would most logically be managed by the state in concert with other state lands to the south. Furthermore, a hydroelectric site on Tazimina Lake has been identified as having the greatest potential for meeting the power needs of the Bristol Bay area in the near future. Designation of this area as a park preserve will probably endanger what could be an excellent source of long-range, economical and environmentally sound energy.

Kobuk Valley

In order to protect about 20,000 acres of unique arctic sand dunes and several key archeological sites along the Kobuk River, a park of 1.7 million acres is created.

It defies reason to believe that it takes such acreage to "protect" the ecosystems of the features involved.

Denali Additions

The addition to the north of the existing Mt. McKinley National Park sweeps far out onto the flats nearly to Lake Minchumina ostensibly to protect the winter range of a caribou herd. Ironically, the caribou range, on occasion, far beyond this area and no logical ecosystem boundary appears to be followed for this northern expansion. Furthermore, no studies were brought out demonstrating that park protection in this area was necessary or relevant to the population of the herd.

The addition on the south includes several key townships near the Tokositna River which are the subject of a study by the State to examine the potential for development of a recreational complex within Denali State Park. In order to manage this area more comprehensively, and to ensure that recreational facilities could be built according to a master plan for the area, several townships should be deleted and added to Denali State Park.

Yukon-Charley

The State of Alaska was denied selection of approximately 180,000 acres of prime agricultural and mineralized land along the extreme northwest edge of the 1.7 million-acre unit. Although the Statehood Act provided for state selections prior to ANCSA or this Act, several desired selection areas such as this are precluded by these designations.

Cape Krusenstern

The principal archeological sites are located in the 114 beach ridges on the Cape itself, comprising roughly 10,000 acres of land. Although the Federal-State Land Use Planning Commission for Alaska recommended 190,000 acres for protection of these resources, this bill takes 560,000 acres—clearly an unnecessary action.

Wrangell-St. Elias

In addition to the closure of several key Dall sheep hunting areas by this unit, approximately 150,000 acres of land within the over 12 million-acre unit were desired for selection by the State. These lands are located along the McCarthy Road on the far west side of the unit and would serve to consolidate existing state land ownership in the area.

Bering Land Bridge

The Administration has consistently pointed out the prime archeological and geological values of this unit. But an examination of the Department's EIS on this proposal shows the lava fields and the archeological sites clustered in several distinct units comprising less than a million acres—substantially smaller than the 2.5 million-acre unit in the bill. In addition, the configuration of the unit seals off the village of Shishmaref from any direct surface connection with the existing transportation system in the Nome area to the south.

Title III—National wildlife refuge system

Becharof

Because of the presence of state-selected lands, additional lands desired by the State, and the potential of this area for a cross-Peninsula transportation or utility link, an appropriate action would have been to include the area in the Bristol Bay Cooperative Region for further study and possible land ownership consolidation prior to permanent classification. Coupled with the extensive Alaska Peninsula Refuge designated by the bill, there remain few, if any, feasible routes across the Alaska Peninsula which will realistically be available after this legislative action.

Selawik

Although the Federal-State Land Use Planning Commission had recommended a 1.48 million-acre refuge in this nation encompassing the prime waterfowl habitat, the Committee bill designates a 2.15 million-acre unit. This acreage extends far into the upland areas beyond the waterfowl nesting and use areas. In the southeast corner of the unit, this arbitrary extension has particular consequences in that it includes a natural transportation or utility route between the Ambler River copper district to the north and the Norton Sound region to the south and west. Thus, inclusion of this additional acreage would certainly thwart any potential access in this region in the future.

Koyukuk

A similar case exists for the Koyukuk unit. While the Land Use Planning Commission recommended a 2.5 million-acre unit, this bill goes much beyond the rational boundaries necessary to protect the waterfowl nesting areas of the lowlands. Again, the extension of the unit into the uplands in the northwest corner where it connects with the Selawik Refuge effectively seals off the Ambler River district to the north from any possible overland access to the Norton Sound region.

Innoko

This unit is yet another example of including much more acreage than is reasonably necessary for the protection of the resources involved or to form any rational ecosystem boundaries. The 3.85 million-acre unit in the bill is 1.6 million acres more than the well-studied boundaries developed by the Land Use Planning Commission.

Yukon Flats

This area has been identified by the State of Alaska in its resource inventory as having some of the highest agricultural potentials in the State. Much of this high potential land is located on the uplands near the existing highway system on the western and southeastern fringes of the unit. Ironically, these are for the most part not the same areas—the lowlands—which have been surveyed as having high waterfowl values. In particular, the State has indicated a high-priority selection interest in 600,000 acres of the 5.710 million-acre unit along the western edge near the pipeline Haul Road. This land is mostly uplands of low or no waterfowl habitat value and could have been readily removed from the unit at no jeopardy to the resources involved.

Title IV—National conservation areas

In general, these are areas which were not recommended by the Administration for designation but were pushed for inclusion in wildlife refuges by the national environmental community. Justification for inclusion of these units in any system is frankly difficult. Designation of these areas as National Conservation Areas seems to be little more than an arbitrary "half-way house" effort to appease certain interest groups. One particular example where even logical ecosystem boundaries are violated by these units is the Chandalar unit.

The Chandalar NCA includes the upper drainage of the North Fork of the Chandalar River. All of the lands to the west and to the south of the unit, which comprise most of the Chandalar River drainage, are in state ownership. Logically, the State should manage all of these lands as a single unit, including the upper North Fork drainage. There are no particular values associated with the Chandalar unit. The fact of the matter is that it was a stop gap measure short of including it in the Arctic Range. Rather than stretching the "ecosystem" even further by placing it in with the 5.65 million-acre addition to the Range, the NCA was created as a kind of non-refuge/refuge due to its dubious ecological affinity with the Arctic extension lands.

Title V—National forest system

I commend the Committee for its adoption of the Porcupine National Forest. I think we need a plurality in the management of federal lands in Alaska to set up some administrative checks and balances. The creation of this interior national forest is a step towards achieving a more diverse approach to land management.

I think, however, that there are additional areas in the interior of the State which lend themselves to national forest management. The Forest Service has demonstrated its ability to manage diverse resources such as we have in the Yukon Flats region to the benefit of both environmentally sensitive values and resource extraction activities. I think that larger portions of the Flats could have been placed within the Porcupine National Forest and perhaps other areas, such as the Nowitna area along the Yukon River, could have been placed under the Forest Service's management charge.

Misty Fiords National Monument

The creation of the Misty Fiords National Monument is one of the clearest examples in the bill where the boundaries have been drawn to thwart development of potential resource commodities. The Committee defeated an amendment which would have removed the Quartz Hill molybdenum discovery from the unit. The potential for development of this mine will be in the hands of the Secretary of Agriculture. For although there are specific provisions which would permit the claims to be "proved up", other regulations governing mine development within the Monument may prove formidable and may adversely impact upon the economic viability of the project. When we create a national monument with very specific protective purposes, we set in motion a management scheme which will, by definition, subjugate uses such as the molybdenum mine to the primary purposes of the unit. Unfortunately we will not know the ultimate outcome of the bill's provisions for five to ten years after enactment.

The potential Quartz Hill deposit is estimated at 700 million tons grading at .15 percent moly, making it the world's first or second largest. This has an estimated inplace gross value of $7 billion. Operation of the mine would involve an annual gross sales of $150–200 million over the 40 years of operation. 700 permanent employees would be associated with the mine after construction. Clearly, the economic consequences of this mine are significant for Alaska and the nation.

Ironically, the character of the land around the mine site is not particularly distinctive when compared to many other areas in Southeast Alaska. The scenic values associated with the Granite Fiords 10–15 miles north of the site, which were the basis of the initial Forest Service wilderness study in the region, have little in common with the more mundane topographic features of the Quartz Hill area. Thus, inclusion of the mine site in the Monument can only be viewed as an effort by some to try to block any mining in the region. Inclusion in the Monument, in spite of the special provisions, may indeed give those who desire to stop the project the tools by which to succeed.

Allowing the mine owners to exercise their valid existing rights in moving towards development does not mean we must sacrifice the important fisheries values in the area. There is no doubt that the mine would be and should be made to conform to the highest water quality and fisheries protection standards. The question becomes, "Is additional fisheries protection language necessary above and beyond existing law?" The State and Federal governments currently have great control on discharges and development plans through the Clean Water Act, the Forest Management Practices Act, the Solid Waste Disposal Act, the Clean Air Act, the National Environmental Policy Act, the State's Anadromous Fish Act and other existing law and regulatory authority. I believe that we now have the law and the capability to adequately protect the salmon streams in the area.

The fishing industry is one of the biggest renewable resource components of the Alaskan economy and will be with us long after the moly mine. Thus, the State of Alaska in its own self-interest is not about to endanger the fisheries through development of the mine. With existing law, with this attitude on the part of the State, and with modern mining technology that we now have, I see no reason why we cannot reap the economic benefits of this mine while at the same time protect our fisheries.

Title VII—National wilderness preservation system

I think in the main the Committee designated wilderness areas carefully, relying heavily on studies which have already been undertaken for existing conservation system units.

Unfortunately, this approach was not followed in the Tongass Forest in Southeast Alaska. Wilderness designations in the Tongass Forest seriously jeopardize the continuation in the timber industry at current levels of harvest.

Rather than simply designating certain wilderness in the Tongass and leaving the balance available for multiple use management, the Committee bill tries to finesse the issue in an attempt to appease the demands of the various interest groups. What comes out is a significant amount of non-wilderness/wilderness areas in the form of "Special Management Areas" and hollow promises of additional federal spending to make more timber available for harvesting.

The wilderness actually designated in the bill—4.2 million acres—reasonably follows the recommendations of the Regional Forester in the Tongass Land Use Management Planning process. I think the truly unique and outstanding natural areas of the forest are protected. Unfortunately, some areas such as the Stikine River Valley and the

Unuk River Valley are also included which do not follow the Regional Forester's recommendations. These two areas are the most feasible routes for a transportation or utility link between Canada and Southeastern and will be permanently precluded by this bill.

The past seven-year average of timber harvest in the Forest has been 520 MMBDFT. Although less timber has been harvested in recent years due to market conditions, the longer average is probably more indicative of the long-range needs of the industry because of the cyclical nature of the world's pulp and lumber markets.

Claims are made that the Committee bill protects or even guarantees this level of harvest despite the 4.2 million acres of wilderness designation. This simply is not true in the real world.

According to the latest available Forest Service figures, the removal of the wilderness areas designated in the bill would leave 430 MMBDFT of timber available for harvest annually—nearly 90 MMBDFT below the long-term average.

The Committee further designates two million acres of Special Management areas in the Forest where timber harvesting is prohibited except by act of Congress upon the recommendation of the Secretary of Agriculture. The Special Management Areas remove an additional 70 MMBDFT of timber from the annual harvest, leaving only approximately 360 MMBDFT available for harvest. But now for the shell game. The bill provides that although the timber in the SMA's is not available for harvesting, the overall allowable cut of the Forest shall not be reduced by the amount of timber in the SMA's.

Thus, cutting is permitted in the Forest at a rate which cannot be sustained over the 100-year or so cutting cycle of the Forest. That is, at some point in the cycle, we will run out of timber if Congress never permits the cutting in the SMA's. I cannot realistically forsee this type of over-harvesting being permitted or condoned by the Forest Service or the environmental community. If this provision becomes law, I think we will be beseiged with law suits seeking to enjoin any cutting level beyond that commensurate with the amount of timber which is actually available for harvesting. In the end, I am afraid the ploy of creating *de facto* wilderness areas and not facing the true economic consequences of the action will not suceed.

Another sleight of hand is the bill's attempt to bridge the gap between the timber available after the wilderness and SMA designations and the 520 MMBDFT average cut. To achieve the difference between the 430 MMBDFT (which includes the timber in the SMA's) and the 520 level, the bill authorizes an additioinal $10 million appropriation for roading and precommercial thinning activities and a $5 million loan program for advanced harvesting technology. This would supposedly make available an additional 90 MMBDFT of marginal timber.

The obvious problem with this approach is that it depends on annual appropriations above and beyond that already appropriated to the Forest Service for timber mangement. As we have great difficulties getting the existing level of funding, it seems unrealistic to expect to secure this level of extra funding every year over the next 100 years of the cutting cycle. Such a request will undoubtedly be viewed as a subsidy of the industry in Alaska and in turn, a subsidy of foreign investment and products, as much of the timber products are currently exported to Japan.

In summary, to reach the 520 MMBDFT level we must be able to eventually cut in the Special Management Areas and must receive substantial annual appropriations beyond current levels. In the Committee's deliberations I had offered an amendment which would have taken one small step in making these provisions more realistic. Rather than permitting cutting in the SMA's only with Congressional approval, my amendment would have authorized the Secretary of Agriculture to allow such cutting after study and after concluding that the harvesting was necessary in order to reach the 520 MMBDFT level. I think this would have been tied more substantially to the problem at hand—that of providing sufficient timber to maintain the existing level of industry. Throwing this decision to the Congress invites a politicized decision, and one that would probably not favor the local interests of Alaskans who depend on this industry for their livelihood.

Title X—Federal North Slope Lands Study Program

Although the Committee bill was amended to replace a government exploration program (seismic only) in the Arctic Range with a private program, the provisions simply do not go far enough when viewed in the light of our current and future energy shortages.

During the Committee mark-up I offered an amendment which would have directed the Secretary to initiate a leasing program in both the National Petroleum Reserve-Alaska and the Arctic Wildlife Range within the next one to two years. In light of the nation's increasing dependence on foreign oil supplies and the devastating impacts of the resulting adverse balance of trade payments on the country's economy, we must begin to take immediate positive steps which will help result in continued energy supplies in the future.

Our energy problem will not go away by itself. Leasing in the Range or in NPRA will not solve today's gas lines, but it would certainly be a positive step in helping to solve the even greater shortages and lines we will experience six to ten years from now.

This is not to say that we must sacrifice environmental values. There is no question that protection of the Porcupine caribou herd should be a national priority. From the experience at Prudhoe Bay and from our experience with oil and gas exploration on the North Slope, there is no reason why exploration activities or even development activities should impact significantly on the migration patterns or calving activities of the caribou herd.

All exploration work would be done during the winter months when the caribou are not present. Seismic and drilling operations can be done without even the use of permanent structures or facilities using ice strips and ice roads. Any potential development could be designed and operated in such a manner as to minimize any disruption of caribou patterns. But, as is demonstrated at nearby Prudhoe Bay, caribou do not appear to be adversely affected in terms of numbers or movements by the presence of physical structures.

Furthermore, the area which might conceivably be utilized, should oil be discovered, is significant in comparison to the total area used for migration and calving activities of the herd. In fact, the area of highest oil and gas potential in the Arctic Range lies at the extreme western range of the calving area and is only occasionally used by the herd. There is nothing to indicate that even avoidance of such a developed oil field for calving activities would have any impact on the overall health or population of the herd—as has been the case at Prudhoe Bay where a small herd of 5,000 animals has reproduced at about the same rate from the onset of development to the present.

In the case of NPRA, the 19 wells which will soon be completed by the federal government will cost the taxpayers about $600 million. The current Interior appropriations bill calls for an additional $140 million or more to be spent in FY 80. Even the Secretary of the Interior has indicated that he will probably propose a leasing program in the near future. But continued Congressional funding of the exploration program will insure that leasing is postponed for several more years.

How ironic that we have clear indications that the oil companies are more than willing to bid on tracts right now. They feel they know enough. It is not just a few companies, either. Thus, I have no doubt that we would get good competition for leases and that such leases would receive sizeable bids and/or royalties.

If we have private companies standing in the wings to explore this area and pay us for the privilege, regardless if they find anything, why are we paying over $600 million for the government to poke around? And under the terms of the Naval Petroleum Act of 1976 the government is not even drilling to find oil—they are explicitly drilling off-structure where the oil is suspected not to be. Thus, if our aim is to get a better idea as to what price the public should receive from the oil companies for leases, we will really still not know what they may find. Additionally, when compared to the $900 million lease sale held by the State of Alaska after the Prudhoe Bay discoveries, how much more than the $600 million we have already spent can we expect to receive relative to what we would have received from the companies with much less public expenditure?

Clearly, it is time to cut our losses and move to immediate leasing of the NPRA. Oddly enough, the traditionally much larger Arctic caribou herd which calves in NPRA has been of less concern than the Porcupine herd as witnessed by the immediate leasing provisions for the Reserve/Refuge in the Udall-backed House lands bill.

From a larger perspective the Committee bill has potentially profound impacts on the future availability of oil and gas resources. By placing over 40 million acres of sedimentary basins in Alaska within conservation system units it has effectively removed any realistic chance of these lands even being explored for oil and gas resources. For although a majority of these lands lie within wildlife refuges where oil and gas leasing is theoretically permissible, there has not been a single lease let on any refuges in Alaska at the volition of the Secretary, or to my knowledge anywhere in the United States where prior rights did not exist. With this attitude on the part of the Administration, coupled with the "compatibility" test of such uses with the purposes for which the refuge was established, I think it is realistic to expect that these lands will never be leased and no meaningful exploration will ever take place.

Despite the recent downgrading of the potential for onshore oil and gas discoveries in Alaska by the Department of the Interior, the fact remains that little seismic exploration and almost no drilling has occurred on the sedimentary basins included in units in the bill. In fact, outside of Prudhoe Bay, the Cook Inlet area, and the NPRA, fewer than 30 exploratory wells have been drilled throughout Alaska. Even in total there have been less than 1,000 oil and gas wells drilled in the state to date, or about one well for every 375,000 acres in Alaska. In the lower 48 states there have been more than two million oil and gas wells drilled, or about one well for every 1,000 acres. With this level of exploration, it is absurd to "write off" any area as having no or low potential for oil and gas discoveries.

Title XI—Transportation and utility systems

Although the bill does contain a unique process for expediting decision-making in obtaining rights-of-way for transportation and utility systems across conservation system units, the decision to permit such access rests in one case (refuges and national recreation and conservation areas) with the various agency heads, with the possibility of an appeal to the President. In the case of parks and wilderness areas, the President must approve the access and then the Congress must approve it by joint resolution.

There is no question that this process is better than the procedures under existing law. But the circumstances in Alaska and the extraordinary designations under this bill clearly call for unusual provisions. The size of the conservation systems designated in the bill and the manner in which they link up to form barriers several hundred miles long in some instances pose almost insurmountable problems in reaching many adjacent State- and Native-owned lands.

While provisions in the bill hopefully ensure access for owners of property within the boundaries of conservation system units, access to lands adjacent to units remains at the discretion of the Secretary, the President or Congress. I offered an amendment in Committee which would have enabled the State to file for access and then allow sufficient time for study and right-of-way location. If after a certain time, the Secretary did not issue a right-of-way providing reasonable access at some location, the application of the State would be automatically approved. To me, this would have been an equitable manner to deal with access in light of the magnitude of the units designated.

If the units were not as large or were not so strategically arranged, special access language would not be necessary. I do not think the language in the bill will adequately deal with the problems which will arise in the future, and we will find ourselves perpetually denied needed access to adjacent State and private lands, by the Secretary, the courts or Congress.

The bottom line of this situation is the denial of the full range of use of these lands and hence, the *de facto* taking of property rights which have been granted to the State and to the Native corporations by the Alaska Statehood Act and by the Alaska Native Claims Settlement Act.

Title XIII—Administrative provisions

"No-More"

The Committee bill contains two provisions which I think are absolutely necessary to reassert Congress' authorities in the matter of land designations: (1) the revocation of the monuments and the other FLPMA withdrawals which were made last year by the Administration to put pressure on the legislative process, and (2) the exemption of Alaska from the wilderness study provisions of FLPMA in the just belief that with passage of this bill "enough is enough".

However, one further critical provision is lacking. With the designation of over 100 million acres by this bill, coupled with the 50 million acres of units already existing in Alaska, nearly 40 percent of the land mass of the State would be within conservation systems. Surely that sufficiently meets even the most generous allocation of land for this specific purpose to the exclusion of most other land uses. Should this bill become law, we in Alaska must have some assurance that this represents a final settlement of the nation's conservation interests. We cannot continue to be exposed to the threats and intimidation of a zealous Executive which may feel in the future that the Congress did not meet the Administration's desires for land designations in Alaska.

Thus, absent from this bill is a provision barring further conservation system designations through administration action such as the Antiquities Act. Obviously, the Congress could act again in the future if it were so inclined, but the arbitrary permanent removal of federal lands from the public domain can no longer be left to the Executive in Alaska. Deletion of such a provision in this bill is a serious deficiency which must be correct prior to any final action.

"Parks for People"

Another aspect of the administration of these various units which I find troublesome is the probability of future development of recreational facilities and access for the public to really enjoy and appreciate these many areas. I am afraid that if the same philosophy prevails which has led to the creation of these units, we will not see any meaningful efforts put forth over the next decade to provide for or enhance tourism.

That is not to say we will not receive visitors. I am sure that the numbers of backpackers in the Gates of the Arctic and the Wrangells will skyrocket. But for the older, less agile, and less affluent who now visit Yellowstone, the Grand Canyon, and Great Smokies, and other great units of our National Park System, most of the areas in Alaska will be nothing more than lines on a map.

That is not to say that we need extensive roads to and through all the new Alaska parks. Obviously the Gates of the Arctic Park should remain essentially a wilderness park where little or no development takes place. But other areas, such as the south side of Denali Park and the Wrangells and perhaps others, can and should accommodate significant numbers of visitors. By creation of these areas, we in the Congress and the Administration must assume a burden of future management responsibilities and the provision of visitor facilities. I would hope that the Administration will vigorously pursue the development of visitor facilities in these units at the earliest posible time so that these units will truly be for the people.

CONCLUSION

This piece of legislation, if enacted, will prove to be the most important legislation ever affecting Alaska—more significant than even Statehood and the Alaska Native Claims Settlement Act. For in this legislation are the seeds for the *de facto* repeal of those former laws.

Many of the provisions of this bill obviously can be read several ways. While we in the Congress may be reading the provisions one way now, the language ambiguities and regulatory tools are all laid out in the bill to give rise to a future bureaucratic nightmare for the people of Alaska. We do not know what future Administrations will do with the bill before us, but I am more than a little concerned based on the recent actions by the Administration in my State. Frankly, I am expecting the worst.

The "worst", as I see it, is the use of the massive conservation system designations to block any further exploration or development (including substantial recreation developments) of these lands and on non-federal adjacent lands. I see our State throttled down economically over the next decade. Ironically, I think the lack of visitor facilities permitted in most of the units will not even enable the State to take advantage of what could be a significant tourist industry.

As I mentioned in my prior comments, I do not think that this is really a question of choosing development issues over environmental concerns. The nation has and should have a great interest in protecting those unique natural areas such as we are blessed with in Alaska. But this legislation goes far beyond what is appropriate and proper to ensure this protection. It is a question of balance. This bill does not achieve that balance.

I feel we are doing the State of Alaska a great injustice, and ultimately we are doing the nation a great injustice, by not permitting the other resource contributions which Alaska lands could make in meeting the full spectrum of desires and demands of human existence.

MIKE GRAVEL.●

PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask to have printed in the RECORD at this point the notification I have just received.

The material follows:

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., November 14, 1979.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 80–17, concerning the Department of the Air Force's proposed Letter of Offer to Korea for defense articles and services estimated to cost $104.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERICH F. VON MARBOD,
Acting Director,
Defense Security Assistance Agency.

[Transmittal No. 80–17]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Korea.

(ii) Total Estimated Value: This mixed sales program has an estimated total value of $550 million. The FMS program is estimated to be $104 million; however, this figure could vary from $104 million to nearly $550 million, depending upon the FMS/commercial mix established in the MOU to be negotiated with the ROK.

(iii) Description of Articles or Service Offered: Program elements for the coproduction of 68 F-5E/F aircraft including: Government furnished aeronautical equipment for production installations; R&D and third country recoupment costs: support equipment, aircraft spares; and USAF management and travel costs.

(iv) Military Department: Air Force (SEA).

(v) Sales Commission, Fee, Etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: 14 Nov. 1979.●

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask for the regular order. Will the Senator just give me 30 seconds? I ask for the regular order.

CRUDE OIL WINDFALL PROFIT TAX ACT OF 1979

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 3919, which the clerk will state by title.

The legislative clerk read as follows:

A bill (H.R. 3919) to impose a windfall profit tax on domestic crude oil.

The Senate proceeded to consider the bill which had been reported from the Committee on Finance with an amendment, as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; AMENDMENT OF 1954 CODE; TABLE OF CONTENTS

(a) SHORT TITLE.—This Act may be cited as the "Crude Oil Windfall Profit Tax Act of 1979".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

(c) TABLE OF CONTENTS.—

SEC. 1. Short title; amendment of 1954 Code; table of contents.

TITLE I—WINDFALL PROFIT TAX ON DOMESTIC CRUDE OIL

Sec. 101. Windfall profit tax.
Sec. 102. Provisions relating to the Tax Court.
Sec. 103. Establishment of trust funds.
Sec. 104. Study of effects of decontrol of oil prices and of windfall profit tax.

TITLE II—ENERGY CONSERVATION AND PRODUCTION INCENTIVES

PART 1—RESIDENTIAL ENERGY CREDIT

Sec. 201. General provisions relating to credit.
Sec. 202. Energy conservation expenditures.
Sec. 203. Renewable energy source expenditures.

PART 2—BUSINESS ENERGY INVESTMENT CREDIT

Sec. 231. Changes in amount and period of application of energy percentage.
Sec. 232. Changes in energy property item descriptions.
Sec. 233. Other changes with respect to the investment credit for investment in energy property.
Sec. 234. Small hydroelectric generating property.
Sec. 235. Investment credit for van-pooling vehicles not restricted to employers.
Sec. 236. Gasohol.
Sec. 237. Energy-related uses of tax-exempt bonds.
Sec. 238. Tertiary injectants.

PART 3—PRODUCTION OF FUEL FROM NONCONVENTIONAL SOURCES

Sec. 251. Production tax credit.

PART 4—RESIDENTIAL ENERGY EFFICIENCY PROGRAM

Sec. 271. Credit to public utilities suffering reduced revenues attributable to certain federally-funded residential energy efficiency programs.

TITLE III—FINANCIAL ASSISTANCE FOR LOWER INCOME PERSONS SUFFERING INCREASED ENERGY COSTS

PART 1—TAX CREDITS

Sec. 301. Home heating credit.

PART 2—LOW INCOME ENERGY ASSISTANCE

Sec. 321. Amendment to title IV of the Social Security Act.
Sec. 322. Amendment to title XVII of the Social Security Act.
Sec. 323. Amendment to title XI of the Social Security Act.
Sec. 324. Effective date.

TITLE IV—MISCELLANEOUS PROVISIONS

Sec. 401. Carryover basis.

TITLE I—WINDFALL PROFIT TAX ON DOMESTIC CRUDE OIL

SEC. 101. WINDFALL PROFIT TAX.

(a) IN GENERAL.—

(1) AMENDMENT OF SUBTITLE D.—Subtitle D (relating to miscellaneous excise taxes) is amended by adding at the end thereof the following new chapter:

"Chapter 45—WINDFALL PROFIT TAX ON DOMESTIC CRUDE OIL

"Sec. 4986. Imposition of tax.
"Sec. 4987. Amount of tax.
"Sec. 4988. Taxable crude oil; the 3 tiers for tax purposes.
"Sec. 4989. Windfall profit; removal price.
"Sec. 4990. Adjusted base price.
"Sec. 4991. Definitions and special rules relating to categories of oil.
"Sec. 4992. Other definitions and special rules.
"Sec. 4993. Phaseout of tax.
"Sec. 4994. Records and information; regulations.
"Sec. 4995. Cross references.

"SEC. 4986. IMPOSITION OF TAX.

"(a) IMPOSITION OF TAX.—An excise tax is hereby imposed on the windfall profit from taxable crude oil removed from the premises during each taxable period.

"(b) TAX PAID BY PRODUCER.—The tax imposed by this section shall be paid by the producer of the crude oil.

"SEC. 4987. AMOUNT OF TAX.

"(a) IN GENERAL.—The amount of the tax imposed by section 4986 with respect to any barrel of taxable crude oil shall be—

"(1) 75 percent of the windfall profit on such barrel in the case of tier 1 oil, and

"(2) 60 percent of the windfall profit on such barrel in the case of tier 2 and tier 3 oil.

"(b) FRACTIONAL PART OF BARREL.—In the case of a fraction of a barrel, the tax imposed by section 4986 shall be the same fraction of the amount of such tax imposed on a whole barrel.

"SEC. 4988. TAXABLE CRUDE OIL; THE 3 TIERS FOR TAX PURPOSES.

"(a) TAXABLE CRUDE OIL.—For purposes of this chapter, the term 'taxable crude oil' means all domestic crude oil other than—

"(1) newly discovered oil,

"(2) incremental tertiary oil,

"(3) heavy oil, and

"(4) qualified stripper oil.

"(b) TIER 1 OIL.—For purposes of this chapter, the term 'tier 1 oil' means domestic crude oil (other than high water-cut oil or front-end tertiary oil) which—

"(1) is lower tier oil, or

"(2) would be lower tier oil if the base production control level for such oil were reduced for January 1980 and each month thereafter by 1½ percent (instead of 3 percent).

"(c) TIER 2 OIL.—For purposes of this chapter, the term 'tier 2 oil' means domestic crude oil which is—

"(1) upper tier oil (other than oil described in subsection (b)(2)), or

"(2) high water-cut oil or front-end tertiary oil.

"(d) TIER 3 OIL.—For purposes of this chapter, the term 'tier 3 oil' means taxable crude oil other than tier 1 oil and tier 2 oil.

"(e) LOWER AND UPPER TIERS.—For purposes of this chapter—

"(1) LOWER TIER OIL.—The term 'lower tier oil' means domestic crude oil which is or would be subject to the lower tier ceiling price rule of the June 1979 energy regulations.

"(2) DETERMINATION OF NET INCOME.—For oil' means domestic crude oil which is or would be subject to the upper tier ceiling price rule of the June 1979 energy regulations.

"(3) DISREGARD OF CUMULATIVE DEFICIENCIES.—For purposes of applying the June 1979 energy regulations to any domestic crude oil under paragraph (1), any cumulative deficiency shall not be taken into account in determining whether such oil is lower or upper tier oil unless such deficiency results from an attempt to avoid the tax imposed by section 4986.

"SEC. 4989. WINDFALL PROFIT; REMOVAL PRICE.

"(a) GENERAL RULE.—For purposes of this chapter, the term 'windfall profit' means the excess of the removal price of the barrel of crude oil over the sum of—

"(1) the adjusted base price of such barrel, and

"(2) the amount of the severance tax adjustment with respect to such barrel provided by section 4992(d).

"(b) NET INCOME LIMITATION ON WINDFALL PROFIT.—

"(1) IN GENERAL.—The windfall profit on any barrel of crude oil shall not exceed 90 percent of the net income attributable to such barrel.

"(2) DETERMINATION OF NET INCOME.—For purposes of paragraph (1), the net income attributable to a barrel shall be determined by dividing—

"(A) the taxable income from the property for the taxable year attributable to taxable crude oil, by

"(B) the number of barrels of taxable crude oil produced from such property during such taxable year.

"(3) TAXABLE INCOME FROM THE PROPERTY.—For purposes of paragraph (2)—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the taxable income from the property shall be determined under section 613(a).

"(B) CERTAIN DEDUCTIONS NOT ALLOWED.—No deduction shall be allowed for—

"(i) depletion,

"(ii) section 263(c) costs, or

"(iii) the tax imposed by section 4986.

"(C) TAXABLE INCOME REDUCED BY COST DEPLETION.—Taxable income shall be reduced by the cost depletion which would have been allowable for the taxable year with respect to the property if—

"(i) all section 263(c) costs incurred by the taxpayer had been capitalized and taken into account in computing cost depletion, and

"(ii) cost depletion had been used by the taxpayer with respect to such property for all periods.

"(D) SECTION 263(c) COSTS.—For purposes of this paragraph, the term 'section 263(c) costs' means intangible drilling and development costs incurred by the taxpayer which (by reason of an election under section 263(c)) may be deducted as expenses for purposes of this title (other than this paragraph). Such term shall not include costs incurred in drilling a nonproductive well.

"(4) SPECIAL RULES FOR TRANSFERS OF PROVEN OIL OR GAS PROPERTIES.—

"(A) IN GENERAL.—In the case of any proven oil or gas property transfer which, but for this subparagraph, would result in an increase in the amount determined under paragraph (3)(C) with respect to the transferee, paragraph (3)(C) shall be applied with respect to the transferee by taking into account only costs incurred during periods after such transfer.

"(B) PROVEN OIL OR GAS PROPERTY TRANSFER.—For purposes of subparagraph (A), the term 'proven oil or gas property transfer' means any transfer (including the subleasing of a lease or the creation of a production payment which gives the transferee an economic interest in the property) after 1978 of an interest (including an interest in a partnership or trust) in any proven oil or gas property (within the meaning of section 613A(c)(9)(A)).

"(5) Special rule where there is production payment.—For purposes of paragraph (2), if any portion of the taxable crude oil removed from the property is applied in discharge of a production payment, the gross income from such portion shall be included in the gross income from the property in computing the taxable income of the producer.

"(c) Removal Price.—For purposes of this chapter—

"(1) In general.—Except as otherwise provided in this subsection, the term 'removal price' means the amount for which the barrel is sold.

"(2) Sales between related persons.—In the case of a sale between related persons (within the meaning of section 103(b)(6)(C)), the removal price shall not be less than the constructive sales price for purposes of determining gross income from the property under section 613.

"(3) Oil removed from premises before sale.—If crude oil is removed from the premises before it is sold, the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

"(4) Refining begun on premises.—If the manufacture or conversion of crude oil into refined products begins before such oil is removed from the premises—

"(A) such oil shall be treated as removed on the day such manufacture or conversion begins, and

"(B) the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

"(5) Meaning of terms.—As used in this subsection, the terms 'premises' and 'refined product' have the same meaning as when used for purposes of determining gross income from the property under section 613.

"Sec. 4990. Adjusted Base Price.

"(a) Adjusted Base Price Defined.—For purposes of this chapter, the term 'adjusted base price' means the base price for the barrel of crude oil plus an amount equal to—

"(1) such base price, multiplied by

"(2) the inflation adjustment for the calendar quarter in which the crude oil is removed (or deemed removed) from the premises.

The amount determined under the preceding sentence shall be rounded to the nearest cent.

"(b) Inflation Adjustment.—

"(1) In general.—For purposes of subsection (a), the inflation adjustment for any calendar quarter is the percentage by which—

"(A) the implicit price deflator for the gross national product for the second preceding calendar quarter, exceeds

"(B) such deflator for the calendar quarter ending December 31, 1978.

"(2) First revision of price deflator used.—For purposes of paragraph (1), the price deflator used shall be the first revision thereof.

"(c) Base Price for Tier 1 Oil.—For purposes of this chapter, the base price for tier 1 oil is the lower tier ceiling price (as of May 1979) for such oil under the March 1979 energy regulations.

"(d) Base Price for Tier 2 Oil.—For purposes of this chapter—

"(1) In general.—Except as provided in paragraph (2), the base price for tier 2 oil is the upper tier ceiling price (as of May 1979) for such oil under the March 1979 energy regulations.

"(2) Monthly increments starting November 1, 1986.—Beginning with November 1986, the base price for tier oil 2 shall be increased by 6 cents per month over the 50-month period ending December 31, 1990.

"(e) Base Price for Tier 3 Oil.—For purposes of this chapter, the base price for tier 3 oil is the price provided pursuant to regulations prescribed by the Secretary for the purpose of estimating (as nearly as may be practicable) the price at which uncontrolled crude oil of the same grade and location would have sold in September 1979 if the average landed price during such month for imported crude oil were $15.30 a barrel.

"Sec. 4991. Definitions and special rules relating to categories of oil.

"(a) Newly Discovered Oil Defined.—For purposes of this chapter (including the application of the June 1979 energy regulations for purposes of this chapter), the term 'newly discovered oil' has the meaning given to such term by the June 1979 energy regulations.

"(b) Alaskan Oil From Sadlerochit Reservoir.—For purposes of this chapter—

"(1) In general.—In the case of Sadlerochit oil—

"(A) Adjusted base price increased by TAPS adjustment.—The adjusted base price for any calendar quarter (determined without regard to this subsection) shall be increased by the TAPS adjustment (if any) for such quarter provided by paragraph (2).

"(B) Removal price determined on monthly basis.—The removal price of such oil removed (or deemed removed) during any calendar month shall be the average of the producer's removal prices for such month.

"(2) TAPS adjustment.—

"(A) In general.—The TAPS adjustment for any calendar quarter is the excess (if any) of—

"(i) $6.26, over

"(ii) the TAPS tariff for the preceding calendar quarter.

"(B) TAPS tariff.—For purposes of subparagraph (A), the TAPS tariff for the preceding calendar quarter is the average per barrel amount paid for all transportation (ending in such quarter) of crude oil through the TAPS.

"(C) TAPS defined.—For purposes of this paragraph, the term 'TAPS' means the Trans-Alaskan Pipeline System.

"(3) Sadlerochit oil defined.—The term 'Sadlerochit oil' means crude oil produced from the Sadlerochit reservoir in the Prudhoe Bay oil field.

"(2) Incremental Tertiary Oil Defined.—For purposes of this chapter (and the application of the June 1979 energy regulations to this chapter)—

"(1) In general.—The term 'incremental tertiary oil' means the excess of—

"(A) the amount of crude oil which is removed (or deemed removed) from a property during any month and which is produced on or after the project beginning date and during the period for which a qualified tertiary recovery project is in effect on the property, over

"(B) the base level for such property for such month.

"(2) Determination of amount.—

"(A) Base level.—The base level for any property for any month is the average monthly amount (determined under rules similar to rules used in determining the base production control level under the June 1979 energy regulations) of crude oil removed (or deemed removed) from such property during the 6-month period ending March 31, 1979, reduced by the sum of—

"(i) the greater of—

"(I) 1 percent of such amount for each month which begins after 1978 and before the project beginning date, or

"(II) the average monthly rate of decline for the months described in subclause (I) multiplied by the number of such months, and

"(ii) 2½ percent of such amount for each month which begins after the project beginning date (or after 1978 if the project beginning date is before 1979) and before the month for which the base level is being determined.

"(B) Minimum amount in case of projects certified by DOE.—In the case of a project described in paragraph (4)(A), the amount of the incremental tertiary oil shall not be less than the incremental production determined under the June 1979 energy regulations.

"(3) Allocation rules.—The determination of which barrels of crude oil removed (or deemed removed) during any month are incremental tertiary oil shall be made—

"(A) first by allocating the amount of incremental tertiary oil between oil which (but for this subsection) would be tier 1 oil, oil which (but for this subsection) would be tier 2 oil, and oil which (but for this subsection) would be tier 3 oil in proportion to the respective amounts of such oil removed from the property during such month, and

"(B) then by taking into account barrels of crude oil so removed in the order of their respective removal prices beginning with the highest of such prices.

"(4) Qualified tertiary recovery project.—The term 'qualified tertiary recovery project' means—

"(A) a qualified tertiary enhanced recovery project with respect to which a certification as such has been approved and is in effect under the June 1979 energy regulations, or

"(B) any project for enhancing recovery of crude oil which meets the requirements of paragraph (5).

"(5) Requirements.—A project meets the requirements of this paragraph if—

"(A) the project involves a tertiary recovery process (within the meaning of paragraph (6)(A));

"(B) the project is implemented and operated in accordance with sound engineering principles;

"(C) the project area is delineated in such a manner that the property (for purposes of determining the amount of incremental tertiary oil) consists of that area from which the ultimate recovery of crude oil can reasonably be expected to be enhanced as a result of implementation and operation of the project; and

"(D) the operator submits (at such time and in such manner as the Secretary may by regulations prescribe) to the Secretary—

"(i) a certification from a petroleum engineer that the project meets, and continues to meet, the requirements of subparagraphs (A), (B), and (C); or

"(ii) a certification that a jurisdictional agency (within the meaning of paragraph (6)(C)) has approved the project as meeting, and continuing to meet, the requirements of subparagraphs (A), (B), and (C), and has not revoked such approval (within the meaning of paragraph (6)(D)).

"(6) Definitions and special rules.—For purposes of this subsection—

"(A) Tertiary recovery process defined.—The term 'tertiary recovery process' means an oil field operation which, according to sound engineering principles, reasonably can be expected to enhance the ultimate recovery of crude oil by—

"(i) any method which is described in subparagraphs (1) through (9) of section 212.78(c) of the June 1979 energy regulations, or

"(ii) any other method approved by the Secretary.

"(B) Project beginning date.—The term 'project beginning date' means the later of the date on which the injection of liquids or gases begins, or the date on which—

"(i) in the case of a project described in paragraph (4)(A), the project is certified as a qualified tertiary enhanced recovery project under the June 1979 energy regulations, or

"(ii) in the case of a project described in paragraph (4)(B), a petroleum engineer or jurisdictional agency certifies or approves the project as meeting the requirements of subparagraphs (A), (B), and (C) of paragraph (5).

"(C) JURISDICTIONAL AGENCY.—The term 'jurisdictional agency' means—

"(i) in the case of an application involving a tertiary recovery project on lands not under Federal jurisdiction—

"(I) the appropriate State agency in the State in which such lands are located which is designated by the Governor of such State in a written notification submitted to the Secretary as the agency which will approve projects under this subsection, or

"(II) if the Governor of such States does not submit such written notification within 180 days after the date of enactment of the Crude Oil Windfall Profit Tax Act of 1979, the United States Geological Survey (until such time as the Governor submits such notification), or

"(ii) in the case of an application involving a tertiary recovery project on lands under Federal jurisdiction, the United States Geological Survey.

"(D) REVOCATION OF APPROVAL BY JURISDICTIONAL AGENCY.—For purposes of paragraph (5)(D)(ii), the approval of a project may be revoked by the jurisdictional agency only if—

"(i) there was a misrepresentation of a material fact on the part of the operator in obtaining such approval, or

"(ii) the project is not implemented or operated in a manner reasonably consistent with the plan set forth in the materials submitted to such agency and upon which such approval was based or with an approved modification of such plan.

A revocation under clause (ii) shall not be effective prior to the date on which the operator ceased to implement and operate the project in a manner reasonably consistent with the plan, or approved modification of such plan, as determined by the jurisdictional agency.

"(E) PROJECT CONTINUES IN EFFECT.—For purposes of paragraph (1)(A), a tertiary recovery project approved under paragraph (5)(D)(ii) shall be considered to continue in effect during any period after termination of injection of liquids or gases if—

"(i) the project was implemented and operated in accordance with sound engineering principles and in accordance with the plan (or with an approved modification of the plan),

"(ii) the approval of the jurisdictional agency has not been revoked, and

"(iii) the terminated injection process was certified by the jurisdictional agency and by a petroleum engineer as being ineffective or counterproductive.

"(F) IMPLEMENTATION BY JURISDICTIONAL AGENCIES AND SECRETARY.—

"(i) FEDERAL.—Not later than 180 days after the date of enactment of the Crude Oil Windfall Profit Tax Act of 1979, the Secretary and the United States Geological Survey shall promulgate and make effective such regulations and establish such procedures as are necessary to carry out responsibilities under this subsection.

"(ii) STATE.—As soon as possible after the date of enactment of the Crude Oil Windfall Profit Tax Act of 1979 and following submission of written notice by the Governor of a State under subparagraph (C)(i), the jurisdictional agency of such State shall publish such regulations and establish such procedures as it determines necessary to carry out its responsibilities under this subsection.

"(G) BASIS OF REVIEW OF CERTAIN QUALIFIED TERTIARY RECOVERY PROJECTS.—In the case of any project for which a certification is submitted to the Secretary under paragraph (5)(D)(ii), the project shall be considered a qualified tertiary recovery project unless the Secretary determines that—

"(i) the approval of the jurisdictional agency was not supported by substantial evidence on the record upon which such approval was based, or

"(ii) additional evidence not contained in the record upon which such approval was based demonstrates that such project does not meet the requirements of subparagraph (A), (B), or (C) of paragraph (5).

In the event a project is determined not to be a qualified tertiary recovery project, the burden of proof shall be on the taxpayer to establish that the project meets the requirements of subparagraphs (A), (B), and (C) of paragraph (5).

"(H) RULINGS RELATING TO CERTAIN QUALIFIED TERTIARY RECOVERY PROJECTS.—In the case of any tertiary recovery project for which a certification is submitted to the Secretary under paragraph (5)(D)(ii), a taxpayer may request a ruling from the Secretary with respect to whether such project is a qualified tertiary recovery project. The Secretary shall issue such ruling within 180 days of the date he receives the request.

"(d) QUALIFIED STRIPPER OIL.—For purposes of this chapter—

"(1) IN GENERAL.—The term 'qualified stripper oil' means so much of an eligible taxpayer's qualified production during the taxable period as does not exceed the product of—

"(A) 1,000 barrels, multiplied by

"(B) the number of days during the taxable period.

"(2) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

"(A) QUALIFIED PRODUCTION.—A person's qualified production during any taxable period is the number of barrels of crude oil—

"(i) which are removed from any stripper property during such taxable period; and

"(ii) with respect to which such taxpayer is liable for the tax imposed by section 4986 (determined without regard to this subsection and section 4988(a)(4)).

"(B) ELIGIBLE TAXPAYER.—

"(i) IN GENERAL.—In the case of a qualified stripper property, the term 'eligible taxpayer' means any taxpayer other than an integrated oil company.

"(ii) OTHER STRIPPER PROPERTY.—In the case of any stripper property not described in clause (i), the term 'eligible taxpayer' means any taxpayer other than—

"(I) an integrated oil company,

"(II) a holder of any royalty or similar interest,

"(III) a taxpayer not actively engaged in the trade or business of the production of crude oil and natural gas, or

"(IV) any other taxpayer to the extent the taxpayer interest in such property was held by an integrated oil company on October 24, 1979.

"(C) QUALIFIED STRIPPER PROPERTY.—

"(i) IN GENERAL.—The term 'qualified stripper property' means any stripper property with respect to which less than 50 percent of the working interests were held by an integrated oil company on October 24, 1979 (determined without regard to whether such property was a stripper property on such date), and during that portion of the taxable period for which a determination is being made under paragraph (1).

"(ii) 50 PERCENT INTEREST.—In the case of a property with respect to which 50 percent of the working interests were held by an integrated oil company during the periods referred to in clause (i), one-half of the production from the property shall be treated as production from a qualified stripper property.

"(iii) STRIPPER PROPERTY.—The term 'stripper property' has the same meaning given such term by the June 1979 energy regulations.

"(D) INTEGRATED OIL COMPANY.—The term 'integrated oil company' means any taxpayer described in paragraph (2) or (4) of section 613A(d).

"(E) •ALLOCATION AMONG RELATED PERSONS.—•

"(i) In the case of persons who are members of the same related group during that period, the 1,000 barrel amount contained in paragraph (1) for days during such period shall be reduced for each person by allocating the 1,000 barrels among all such persons in proportion to their respective qualified production during such period.

"(ii) RELATED GROUP.—For purposes of clause (i), the term 'related group' means—

"(I) a controlled group of corporations (as defined in section 613A(c)(8)(D)(i)),

"(II) a group of entities among which an allocation would be made under subparagraph (B) of section 613(c)(8), and

"(III) members of the same family (as defined in section 613(c)(8)(D)(iii)).

"(F) SPECIAL RULE FOR PARTNERSHIPS.—In determining the amount of the exemption under paragraph (1) for any taxable period in the case of a partnership, the qualified production of the partnership (determined without regard to this subparagraph) shall be reduced, under regulations prescribed by the Secretary, by an amount which bears the same ratio to such amount as—

"(i) the interest of partners in such partnership who would be eligible taxpayers with respect to such production, bears to

"(ii) the interest of all partners in such partnership.

"(3) COMPUTATION OF TAX FOR EXCESS PRODUCTION.—If the qualified production of an eligible taxpayer during a taxable period exceeds the amount which may be treated as qualified stripper oil under paragraph (1), the windfall profit, for purposes of determining the amount of the tax imposed by section 4986 with respect to such excess, shall be equal to an amount which bears the same ratio to the amount of windfall profit on the total barrels of qualified production (determined without regard to this subsection) as—

"(A) the number of barrels of such excess, bears to

"(B) the number of barrels of such qualified production.

"(e) HEAVY OIL.—For purposes of this chapter, the term 'heavy oil' has the meaning given to such term by Executive Order Numbered 12153.

"(f) HIGH WATER-CUT OIL.—For purposes of this chapter—

"(1) IN GENERAL.—The term 'high water-cut oil' means crude oil removed from a high water-cut oil property.

"(2) HIGH WATER-CUT PROPERTY DEFINED.—

"(A) IN GENERAL.—The term 'high water-cut oil property' means any property which has had a water-oil ratio of 9 or more during any consecutive 12-month period beginning after December 31, 1977.

"(B) WATER-OIL RATIO.—The term 'water-oil ratio' with respect to any property means the amount determined by dividing—

"(i) the aggregate volume of water produced from the property during such consecutive 12-month period, by

"(ii) the aggregate volume of crude oil produced from the property during such period.

"(C) MAXIMUM FEASIBLE RATE.—A property shall not be treated as having a water-oil ratio of 9 or more during any such period unless production during such period was at its maximum feasible rate consistent with recognized conservation practice (determined in the same manner as under the June 1979 energy regulations).

"(g) FRONT-END TERTIARY OIL.—For purposes of this chapter—

"(1) IN GENERAL.—Any front-end tertiary oil shall be treated as tier 2 oil.

"(2) FRONT-END TERTIARY OIL DEFINED.—The term 'front-end tertiary oil' means any crude oil receiving special price treatment for purposes of providing front-end financing for tertiary recovery projects.

"SEC. 4992. OTHER DEFINITIONS AND SPECIAL RULES.

"(a) PRODUCER AND OPERATOR.—

"(1) PRODUCER.—For purposes of this chapter, the term 'producer' means the holder of the economic interest with respect to the crude oil.

"(2) OPERATOR.—The term 'operator' includes any person responsible for the management and operation of crude oil production on a property.

"(b) OTHER DEFINITIONS.—For purposes of this chapter—

"'(1) CRUDE OIL.—The term 'crude oil' has the meaning given to such term by the June 1979 energy regulations.

"(2) BARREL.—The term 'barrel' means 42 United States gallons.

"(3) DOMESTIC.—The term 'domestic', when used with respect to crude oil, means crude oil produced from an oil well located in the United States or in a possession of the United States.

"(4) UNITED STATES.—The term 'United States' has the meaning given to such term by paragraph (1) of section 638 (relating to Continental Shelf areas).

"(5) POSSESSION OF THE UNITED STATES.—The term 'pcssession of the United States' has the meaning given to such term by paragraph (2) of section 638.

"(6) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given to such term by section 106(b)(2)(C)(ii) of the Natural Gas Policy Act of 1978 (15 U.S.C. 3316(b)(2)(C)(ii)).

"(7) TAXABLE PERIOD.—The term "taxable period" means each calendar quarter beginning after December 31, 1979.

"(8) ENERGY REGULATIONS.—

"(A) IN GENERAL.—The term 'energy regulations' means regulations prescribed under section 4(a) of the Emergency Petroleum Allocation Act of 1973 (15 U.S.C. 753(a)).

"(B) MARCH 1979 ENERGY REGULATIONS.—The March 1979 energy regulations shall be the terms of the energy regulations as such terms existed on March 1, 1979.

"(C) JUNE 1979 ENERGY REGULATIONS.—The June 1979 energy regulations—

"(i) shall be the terms of the energy regulations as such terms existed on June 1, 1979, and

"(ii) shall be treated as including final action taken pursuant thereto before June 1, 1979, and as including action taken before on, or after such date with respect to incremental production from qualified tertiary enhanced recovery projects.

"(D) CONTINUED APPLICATION OF REGULATIONS AFTER DECONTROL.—Energy regulations shall be treated as continuing in effect without regard to decontrol of oil prices or any other termination of the application of such regulations.

"(c) RULES FOR COLLECTION AND DEPOSIT OF TAX.—

"(1) DEDUCTION AND WITHHOLDING OF TAX.—Except as provided in paragraphs (4) and (5), if the removal of any taxable crude oil is determined under section 4989(c)(1)—

"(A) the tax imposed by section 4986 with respect to such crude oil shall be collected by the purchaser of such crude oil by deducting and withholding the amount of such tax from amounts payable for such oil,

"(B) the purchaser of such crude oil shall be liable for the payment of the tax required to be deducted and withheld under subparagraph (A), and shall not be liable to any person for the amount of any such payment,

"(C) the producer shall not be required to file a return of the tax imposed by section 4986 with respect to such oil, and

"(D) the producer shall be treated as having filed the return and paid the amount of the tax collected by the purchaser on the due date prescribed by section 6076 for filing the return for the taxable period in which such oil was removed from the premises.

"(2) NET INCOME LIMITATION NOT TO BE APPLIED.—In determining the amount to be collected under paragraph (1)(A), section 4989(b) shall not apply.

"(3) DEPOSIT OF TAX DEDUCTED AND WITHHELD.—

"(A) In the case of a purchaser who is not an integrated oil company, deposit of the amounts deducted and withheld under paragraph (1)(A) shall be made not later than—

"(i) 45 days after the end of the month in which such oil was purchased, or

"(ii) in the case of oil purchased under a contract therefor by an independent oil refiner (as defined in subparagraph (C)) under which no payment is required to be made before the forty-sixth day after the date on which the oil is purchased, before the first day of the third month which begins after the end of the month in which such oil was purchased.

"(B) In the case of an integrated oil company (as defined in subparagraph (D)) other than an independent refiner, deposit of the estimated amount of the taxpayer's liability for the tax imposed by section 4986 shall be made semi-monthly.

"(C) For purposes of this paragraph, the term 'independent refiner' has the same meaning as in paragraph (3) of section 3 of the Emergency Petroleum Allocation Act of 1973 (15 U.S.C. 752), except that 'the preceding taxable period' shall be substituted for 'November 27, 1973' in applying such paragraph for purposes of this paragraph.

"(D) For purposes of this paragraph, the term 'integrated oil company' means a taxpayer, other than an independent refiner, described in paragraph (2) or (4) of section 613A(d).

"(4) ELECTION BY THE PURCHASER AND OPERATOR TO HAVE OPERATOR PAY TAX AND FILE RETURN.—Under regulations prescribed by the Secretary, if the purchaser of taxable crude oil and the operator of the well from which the crude oil was produced make a joint election under this paragraph, the tax shall be paid and the return shall be filed by the operator.

"(5) QUALIFIED STRIPPER PROPERTY.—

"(A) IN GENERAL.—In the case of crude oil removed from a qualified stripper property during any taxable period which is not qualified stripper oil, the tax shall be paid and the return shall be filed by the producer.

"(B) DEPOSIT OF TAX.—

"(i) IN GENERAL.—Except as provided in clause (ii), a producer required under subparagraph (A) to pay tax shall make a deposit of the amount of such tax within 45 days of the last day of the taxable period during which such oil was removed from the premises.

"(ii) INTEGRATED OIL COMPANY.—An integrated oil company required under subparagraph (A) to pay tax shall make a deposit of such tax in the same manner as a purchaser which is an integrated oil company makes such deposit under paragraph (3).

"(C) MEANING OF TERMS.—For purposes of this paragraph, the terms 'qualified stripper property', 'qualified stripper oil', 'integrated oil company' and 'eligible taxpayer' have the same meaning as in section 4991(d).

"(d) SEVERANCE TAX ADJUSTMENT.—For purposes of this chapter—

"(1) IN GENERAL.—The severance tax adjustment with respect to any barrel of crude oil shall be the amount by which—

"(A) any severance tax imposed with respect to such barrel, exceeds

"(B) the severance tax which would have been imposed if the barrel had been extracted and sold at its adjusted base price.

"(2) LIMITATION ON AMOUNT OF SEVERANCE TAX.—The amount of severance tax taken into account under paragraph (1) shall not exceed the amount which would have been imposed under the State law in effect on March 31, 1979, unless such excess is attributable to an increase in the rate of the severance tax which applies equally to all portions of the removal price.

"(3) SEVERANCE TAX IMPOSED BY INDIAN TRIBES.—For purposes of this subsection, the term 'severance tax' shall include any severance tax imposed by an Indian tribe, and such severance tax shall be treated in the same manner as a severance tax imposed by a State.

"(e) SPECIAL RULES FOR POST-1978 TRANSFERS OF PROPERTY.—In the case of a transfer after 1978 of any portion of a property, for purposes of this chapter (including the application of the June 1979 energy regulations for purposes of this chapter), after such transfer—

"(1) crude oil produced from any portion of such property shall not constitute stripper oil, newly discovered oil, marginal oil, heavy oil, or high water-cut oil if such oil would not be so classified if the property had not been transferred, and

"(2) the allocation of the base production control level among portions of the property shall be made under regulations prescribed by the Secretary.

"(f) EXEMPTION FOR CERTAIN INTERESTS HELD BY STATE OR LOCAL GOVERNMENTS.—

"(1) IN GENERAL.—If—

"(A) an economic interest in crude oil is held by a State or political subdivision thereof, or by an educational institution or other entity which is an agency or instrumentality of a State or political subdivision thereof, and

"(B) under the applicable State or local law, all of the net income received pursuant to such interest is dedicated to public education or another public purpose,

then no tax shall be imposed by section 4986 with respect to crude oil properly allocable to such interest. For purposes of this paragraph, the term 'net income' means gross income reduced by production costs, and severance taxes of general application, allocable to such interest.

"(2) AMOUNTS PLACED IN CERTAIN PERMANENT FUNDS TREATED AS DEDICATED TO PUBLIC EDUCATION OR OTHER PUBLIC PURPOSE.—The requirements of paragraph (1)(B) shall be treated as met with respect to any net income which, under the applicable State or local law, is placed in a permanent fund the earnings on which are dedicated to public education or other public purpose.

"(g) EXEMPTION FOR CERTAIN INTERESTS HELD BY INDIAN TRIBES.—If—

"(1) an economic interest in crude oil is held by an Indian tribe, an individual member of an Indian tribe, or a tribal organization and the crude oil is produced from lands or mineral interests which are—

"(A) held in trust by the United States for that tribe, member, or organization, or

"(B) held by that tribe, member, or organization and are subject to a restriction against alienation imposed by the United States, or

"(2) the proceeds from the sale of crude oil are deposited in the Treasury of the United States to the credit of tribal or native trust funds,

then no tax shall be imposed by section 4986 with respect to crude oil properly allocable to such interest or proceeds.

"(h) EXEMPTION FOR CERTAIN INTERESTS HELD BY CERTAIN CHARITABLE ORGANIZATIONS.—If an economic interest in crude oil—

"(1) is held by an organization—

"(A) described in clause (ii), (iii), or (iv) of section 170(b)(1)(A) that is not described in clause (vii) or (viii) of such section, and

"(B) which—

"(i) held that interest on October 24, 1979, and at all times during the period beginning on that date and ending on the last date of the taxable period, or

"(ii) received that interest by bequest after October 24, 1979, or

"(2) is held by an organization described in clause (i) of section 170(b)(1)(A) for the benefit of an organization described in paragraph (1)(A) of this subsection, and if all proceeds from such interest were dedicated to an organization described in paragraph (1)(A) of this subsection on October 24, 1979, and at all times during the period beginning on that date and ending on the last day of the taxable period,

then no tax shall be imposed by section 4986 with respect to crude oil properly allocable to such interest.

"(i) ADJUSTMENT OF REMOVAL PRICE.—In determining the removal price of oil from a property in the case of any transaction, the Secretary may adjust the removal price to reflect clearly the fair market value of oil removed.

"SEC. 4993. PHASEOUT OF TAX.

"(a) ESTIMATES BY SECRETARY.—

"(1) IN GENERAL.—Each month the Secretary shall make an estimate, on the basis of the best data available as of the time of the estimate, of the target fraction as of the last day of the succeeding month.

"(2) PUBLICATION.—Not later than the last day of the month in which the Secretary estimates that the target fraction for the succeeding month will equal 9/10 or more, the Secretary shall publish notice in the Federal Register that—

"(A) such target fraction will equal 9/10 or more for the succeeding month, and

"(B) the provisions of subsection (b) shall apply with respect to crude oil removed from the premises in any month after the target base month.

"(b) PHASEOUT EXEMPTION.—

"(1) IN GENERAL.—Notwithstanding any other provision of this chapter, no tax shall be imposed by section 4986 with respect to that portion of taxable crude oil removed from the premises in any month beginning after the target base month as is equal to the product of—

"(A) the total amount of taxable crude oil removed from the premises during such month (determined without regard to this section),

multiplied by

"(B) a percentage (not greater than 100) equal to the product of—

"(i) 3 percent, multiplied by

"(ii) the number of months (including the month for which the computation is being made) beginning after the target base month.

"(2) ALLOCATION RULES.—The determination of which barrels of crude oil removed during any month are exempt from tax by reason of this section shall be made—

"(A) first by allocating the amount of the oil determined to be exempt under paragraph (1) between oil which (but for this section) would be tier 1 oil, oil which (but for this section) would be tier 2 oil, and oil which (but for this section) would be tier 3 oil in proportion to the respective amounts of such oil removed from the property during such month, and

"(B) then by taking into account barrels of crude oil so removed in the order of their respective removal prices beginning with the highest of such prices.

"(c) DEFINITIONS.—For purposes of this section—

"(1) TARGET FRACTION.—The term 'target fraction' means a fraction—

"(A) the numerator of which is the net amount of revenue attributable to the tax imposed under section 4986 (other than any revenue attributable to an economic interest in crude oil held by the Federal Government) during the period beginning on January 1, 1980, and ending on the last day of the month for which an estimate is being made under subsection (a)(1), and

"(B) the denominator of which is $141,200,000,000.

"(2) TARGET BASE MONTH.—The term 'target base month' means the first month for which the Secretary estimates under subsection (a)(1) that the target fraction during such month will equal 9/10 or more.

"SEC. 4994. RECORDS AND INFORMATION; REGULATIONS.

"(a) RECORDS AND INFORMATION.—Each taxpayer liable for tax under section 4986, each partnership, trust, or estate producing domestic crude oil, each purchaser of domestic crude oil, and each operator of a well from which domestic crude oil was produced, shall keep such records, make such returns, and furnish such information with respect to such oil as the Secretary may by regulations prescribe.

"(b) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purpose of this chapter, including such changes in the application of the energy regulations for purposes of this chapter as may be necessary or appropriate to carry out such purposes.

"SEC. 4995. CROSS REFERENCES.

"(1) For additions to the tax and additional amount for failure to file tax return or to pay tax, see section 6651.

"(2) For additions to the tax and additional amounts for failure to file certain information returns, registration statements, etc., see section 6652.

"(3) For additions to the tax and additional amounts for fraud, see section 6653(b).

"(4) For additions to the tax and additional amounts for failure to make deposit of taxes, see section 6656.

"(5) For additions to the tax and additional amounts for failure to collect and pay over tax, or attempt to evade or defeat tax, see section 6672.

"(6) For criminal penalties for attempt to evade or defeat tax, willful failure to collect or pay over tax, willful failure to file return, supply information, or pay tax, and for fraud and false statements, see sections 7201, 7202, 7203, and 7206.

"(7) For criminal penalties for failure to furnish certain information regarding windfall profit tax on domestic crude oil, see section 7241.".

(2) CLERICAL AMENDMENT.—The table of chapters for subtitle D is amended by adding at the end thereof the following new item:

"CHAPTER 45. Windfall profit tax on domestic crude oil.".

(b) DEDUCTIBILITY OF WINDFALL PROFIT TAX.—The first sentence of section 164(a) (relating to deduction for taxes) is amended by inserting after paragraph (4) the following new paragraph:

"(5) The windfall profit tax imposed by section 4986.".

(c) TIME FOR FILING RETURN OF WINDFALL PROFIT TAX; DEPOSITARY REQUIREMENTS.—

(1) TIME FOR FILING RETURN OF WINDFALL PROFIT TAX.—

(A) Part V of subchapter A of chapter 61 (relating to time for filing returns and other documents) is amended by adding at the end thereof the following new section:

"SEC. 6076. TIME FOR FILING RETURN OF WINDFALL PROFIT TAX.

"(a) GENERAL RULE.—Each return of the tax imposed by section 4986 (relating to windfall profit tax) for any taxable period (within the meaning of section 4992(b)(7)) shall be filed not later than the last day of the second month following the close of the taxable period.

"(b) CROSS REFERENCE.—

"For depositary requirements applicable to the tax imposed by section 4986, see section 6302(d).".

(B) The table of sections for such part V is amended by adding at the end thereof the following new item:

"Sec. 6076. Time for filing return of windfall profit tax.".

(2) DEPOSITARY REQUIREMENTS.—Section 6302 (relating to mode or time of collection) is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) WINDFALL PROFIT TAX.—The mode and time for collecting the tax imposed by section 4986 (relating to windfall profit tax) shall be established by the Secretary by regulations.".

(3) TECHNICAL AMENDMENTS.—

(A) Subsection (a) of section 656 (relating to penalty for failure to make deposit of taxes) is amended by inserting "or 6302(d)" immediately after "section 6302(c)".

(B) Section 7512 (relating to separate accounting for certain collected taxes, etc.) is amended—

(i) by striking out "or by chapter 33" in subsections (a) and (b) and inserting in lieu thereof ", by chapter 33, or by section 4986", and

(ii) by striking out "or chapter 33" in subsections (b) and (c) and inserting in lieu thereof ", chapter 33, or section 4986".

(d) CERTAIN INFORMATION REQUIRED TO BE FURNISHED.—

(1) GENERAL RULE.—Subpart B of part III of subchapter A of chapter 61 (relating to information concerning transactions with other persons) is amended by adding at the end thereof the following new section:

"Sec. 6050C. INFORMATION FURNISHED BY OPERATOR REGARDING WINDFALL PROFIT TAX ON DOMESTIC CRUDE OIL.

"(a) CERTIFICATIONS FURNISHED BY OPERATOR.—Under regulations prescribed by the Secretary, the operator of the well from which crude oil subject to the tax imposed under section 4986 was produced shall certify (at such time and in such manner as the Secretary shall by regulations prescribe) to the purchaser, or, if the producer is required to pay the tax under section 4992(c)(5), to the producer—

"(1) the base price (within the meaning of section 4990) with respect to such crude oil,

"(2) whether any part of the production of such crude oil is exempt from the tax imposed under section 4986 by reason of section 4988(a) (1), (2) or (3), was from a property described in section 4991(d)(2)(C),

"(3) the type of property,

"(4) the base production control level for the property, and

"(5) such other information as the Secretary by regulation may require.

For purposes of section 6652(b) (relating to additions to tax for failure to file other returns), such certification shall be treated as a statement of a payment to another person.

"(b) CROSS REFERENCES.—

"(1) For additions to tax for failure to furnish information required under this section, see section 6652(b).

"(2) For penalty for willful failure to supply information required under this section, see section 7241.".

(2) TECHNICAL AND CONFORMING AMENDMENTS.—

(A) Section 6652(b) is amended by striking out "or section 6051(d)" and inserting in lieu thereof the following: "section 6050C (relating to information regarding windfall profit tax on domestic crude oil) or section 6051(d)."

(B) The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by adding at the end thereof the following new item:

"Sec. 6050C. Information furnished by operator regarding windfall profit tax on domestic crude oil.".

(e) Criminal Penalty for Failure To Furnish Certain Information.—

(1) In general.—Part II of subchapter A of chapter 75 (relating to penalties applicable to certain taxes) is amended by adding at the end thereof the following new section:

"Sec. 7241. Willful Failure To Furnish Certain Information Regarding Windfall Profit Tax on Domestic Crude Oil.

"Any person who is required under section 6050C (or regulations thereunder) to furnish any information or certification to any other person and who willfully fails to furnish such information or certification at the time or times required by law or regulations, shall, in addition to other penalties provided by law, be guilty of a misdemeanor and upon conviction thereof, shall be fined not more than $10,000, or imprisoned not more than 1 year, or both, together with the costs of prosecution.".

(2) Clerical amendment.—The table of sections for such part II is amended by adding at the end thereof the following new item:

"Sec. 7241. Willful failure to furnish certain information regarding windfall profit tax on domestic crude oil.".

(f) Deficiency Procedures.—Subchapter B of chapter 63 (relating to deficiency procedures in the case of income, estate, gift, and certain excise taxes) is amended—

(1) by striking out "and 44," each place it appears and inserting in lieu thereof "44, and 45,",

(2) by striking out "or 44," each place it appears and inserting in lieu thereof "44, or 45,", and

(3) by inserting "or chapter 45 tax for the same taxable period," immediately before "except in the case of fraud".

(g) Extension of Statute of Limitations Where Property or Oil Is Reclassified..—

(1) Assessment.—Section 6501 (relating to limitations on assessment and collection) is amended by redesignating the second subsection (q) as (r) and by adding at the end of such section the following new subsection:

"(s) Extension for Chapter 45 Liability Attributable to Reclassification.—In the case of a return of the tax imposed under chapter 45 (relating to windfall profit tax on domestic crude oil), if the classification under the June 1979 energy regulations (as defined in section 4992(b)(8)(C)) of a property or of domestic crude oil from a property with respect to which a tax is imposed under chapter 45 is changed, then the tax may be assessed at any time before the date which is 1 year after the date on which such change became effective.".

(2) Refund.—Section 6511 (relating to limitations on credit or refund) is amended by redesignating subsection (h) as (i) and by inserting after subsection (g) the following new subsection:

"(h) Special Rule for Chapter 45 Taxes.—In the case of any tax imposed by chapter 45 with respect to domestic crude oil, the period for filing a claim for credit or refund of any overpayment attributable to a reclassification of the oil or of the property from which the oil was produced with respect to which the tax was determined shall not expire before the date which is one year after the date on which such reclassification became effective.".

(h) Overpayments of Tax.—

(1) Overpayment of tax may be credited against income tax liability or treated as overpayment thereof.—Subsection (a) of section 6402 (relating to authority to make credits or refunds) is amended by adding at the end thereof the following: "For purposes of the preceding sentence, an overpayment of the tax imposed by chapter 45 may, under regulations prescribed by the Secretary, be credited against any liability in respect of a tax imposed by chapter 1 on the part of the person liable for the payment under section 4985(b), and the balance may be refunded to such person.".

(2) Interest on overpayments.—Section 6611 (relating to interest on overpayment) is amended by redesignating subsection (h) as (i), and by inserting after subsection (g) the following new subsection:

"(h) Windfall Profit Tax Refund Within 45 Days After Return Is Filed.—If any overpayment of tax imposed by chapter 45 is refunded within 45 days after the last date prescribed for filing the return of the tax imposed by chapter 1 for the taxable year with or within which the taxable period, with respect to which the overpayment was made, ends (determined without regard to any extension of time for filing the return) or, in case the return is filed after such last date, is refunded within 45 days after the date the return is filed, no interest shall be allowed under subsection (a) on such overpayment.".

(i) Tentative Refund Adjustment for Overpayment Attributable to Net Income Limitation.—

(1) In general.—Subchapter B of chapter 65 (relating to abatements, credits, and refunds) is amended by adding at the end thereof the following new section:

"Sec. 6429. Overpayments of Windfall Profit Tax.

"(a) General Rule.—A producer (as defined in section 4992(a)) who makes, or is treated under chapter 45 as making, an overpayment of the tax imposed by section 4986 for a taxable period, may file an application for a tentative refund of any amount attributable to the application of section 4989(b)(3), 4991(d)(2)(B)(ii), or 4992 (f), (g), or (h) and treated as an overpayment of the tax for the taxable year with or within which that taxable period ends. The application shall be in such manner and form as the Secretary may prescribe by regulation and shall—

"(1) be verified in the same manner as an application under section 6411(a),

"(2) be filed during the period beginning on the earliest date on which the return may be filed for such taxable year and ending on the date 12 months from the last day of such year, and

"(3) shall set forth in such detail and with such supporting data as the Secretary may require—

"(A) the amount of the tax for such taxable period computed without regard to the application of section 4986(b)(3), 4991(d)(2)(B)(ii), or 4992 (f), (g), or (h),

"(B) the amount determined under such section for the taxable period,

"(C) the amount of the overpayment attributable to the application of such section, and

"(D) such other information as the Secretary may require.

"(b) Allowance of Adjustments.—Within a period of 90 days from the later of the date on which an application is filed under subsection (a), or the last day of the month in which falls the last date prescribed by law (including any extension of time granted the taxpayer) for filing the return for the taxable year with or within which the taxable period, in which the overpayment occurs, ends, the Secretary shall—

"(1) review the application,

"(2) determine the amount of the overpayment, and

"(3) apply, credit, or refund such overpayment in a manner similar to the manner provided in section 6411(b).

"(c) Consolidated Returns.—Rules similar to the rules under section 6411(c) shall apply to an adjustment under this subsection to the extent and in the manner prescribed by the Secretary by regulation.

"(d) Application Not Treated as Claim for Credit or Refund.—An application under this section shall not be treated as a claim for a credit or refund.".

(2) Conforming amendment.—Subsection (c) of section 6405 (relating to tentative adjustments) is amended—

(A) by inserting "or 6429" immediately after "section 6411", and

(B) by striking out "In any such case," and inserting in lieu thereof "In the case of a credit or refund allowed or made under section 6411,".

(3) Clerical amendment.—The table of sections for such subchapter is amended by adding at the end thereof the following new item:

"Sec. 6429. Overpayments of windfall profit tax.".

(j) Effective Date.—The amendments made by this section shall take effect on January 1, 1980.

Sec. 102. Provisions Relating to the Tax Court.

(a) Exclusive Jurisdiction Over Windfall Profit Tax Cases.—Section 7442 (relating to jurisdiction) is amended by adding at the end thereof the following new sentence: "Notwithstanding section 1340 of title 28, United States Code, the Tax Court and its divisions shall have exclusive original jurisdiction of any civil action arising under chapter 45 (relating to windfall profit tax on domestic crude oil). In all proceedings in connection with such actions, the Tax Court shall have the same powers as a United States District Court would have in a civil action brought before it.".

(b) Number of Judges.—Subsection (a) of section 7443 (relating to membership) is amended by striking out "16" and inserting in lieu thereof "19".

Sec. 103. Establishment of Trust Funds.

(a) Creation of Trust Funds.—There is established in the Treasury of the United States—

(1) a trust fund to be known as the Low Income Energy Assistance Trust Fund,

(2) a trust fund to be known as the Transportation Trust Fund, and

(3) a trust fund to be known as the Taxpayer Trust Fund.

consisting of such amounts as may be appropriated or credited to each such trust fund as provided in this section. For purposes of this section, the term "Trust Funds" shall mean the trust funds established by this section.

(b) Transfer to Trust Funds of Amounts Equivalent to Certain Taxes.—

(1) In general.—There are hereby appropriated to—

(A) the Low Income Energy Assistance Trust Fund amounts determined by the Secretary of the Treasury (hereinafter referred to as the "Secretary") in the case of any fiscal year beginning after December 31, 1979, to be equivalent to 50 percent of the windfall tax amount for such fiscal year,

(B) the Transportation Trust Fund in each fiscal year amounts determined by the Secretary to be equivalent to 25 percent of the windfall tax amount for such fiscal year (except that the aggregate amount appropriated for all fiscal years shall not exceed $15,000,000,000), and

(C) the Taxpayer Trust Fund in each of fiscal years 1980, 1981, and 1982 amounts determined by the Secretary to be equivalent to the increase in income tax revenues under chapter 1 of the Internal Revenue Code of

1954 during such fiscal year as a result of the decontrol of crude oil prices, except that the aggregate amount appropriated for all fiscal years shall not exceed the excess of—

(i) the amount of social security taxes which would be imposed with respect to calendar year 1981 if the rates of taxes imposed by sections 3101, 3111, and 1401 of such Code and the contribution and benefit base determined under section 230 of the Social Security Act were the rates and base prescribed by law for 1981, over

(ii) the amount which would be imposed under clause (i) with respect to calendar year 1981 if the rates and base in effect during such calendar year were thé rates and base in effect during calendar year 1980.

(2) METHOD OF TRANSFER.—The amounts appropriated by paragraph (1) shall be transferred at least monthly from the general fund of the Treasury to the Trust Funds on the basis of estimates made by the Secretary of the windfall tax amount received in the Treasury and of the increase in income tax revenues as a result of the decontrol of crude oil prices. Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(3) WINDFALL TAX AMOUNT.—For purposes of this subsection the term "windfall tax amount" with respect to any fiscal year means the net amount of revenue attributable to the tax imposed under section 4986 during such fiscal year (other than any revenue attributable to an economic interest in crude oil held by the United States).

(c) MANAGEMENT OF TRUST FUNDS.—

(1) REPORT.—It shall be the duty of the Secretary to hold the Trust Funds, and to report to the Congress each fiscal year ending on or after September 30, 1980, on the financial conditions and the results of the operations of the Trust Funds during the preceding fiscal year and on their expected condition and operations during the next five fiscal years. Such report shall be printed as a House document of the session of the Congress to which the report is made.

(2) INVESTMENT.—

(A) IN GENERAL.—It shall be the duty of the Secretary to invest such portion of the Trust Funds as is not required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States. For such purpose, such obligations may be acquired (i) on original issue at the issue price, or (ii) by purchase of outstanding obligations at the market price.

(B) SALE OF OBLIGATIONS.—Any obligation acquired by the Trust Funds may be sold by the Secretary at the market price.

(C) INTEREST ON CERTAIN PROCEEDS.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Funds shall be credited to and form a part of the appropriate trust fund.

(d) EXPENDITURES FROM TRUST FUNDS.—

(1) LOW INCOME ENERGY ASSISTANCE.—Within 6 months of the close of each fiscal year, the Secretary shall transfer from the amounts in the Low Income Energy Assistance Trust Fund to the general fund of the Treasury an amount equal to the amount of the credits allowed under section 44F of the Internal Revenue Code of 1954 during the preceding fiscal year. The remainder of the amounts in such trust fund shall be available to carry out the low income energy assistance program established by the provisions of, and the amendment made by, part 2 of title III of this Act.

(2) TRANSPORTATION.—Amounts in the Transportation Trust Fund shall be available, as provided by appropriation Acts, for making expenditures for such purposes as may hereafter be specified by law. For purposes of section 142(k) of title 23, United States Code, the Transportation Trust Fund shall not be considered an Urban Transportation Trust Fund or similar assured funding for both highway and public transportation.

(3) TAXPAYER TRUST FUND.—Amounts in the Taxpayer Trust Fund shall be available to provide (in such manner as may hereafter be provided by law) relief to taxpayers from the combined impact of higher energy costs resulting from the decontrol of oil prices and increased social security taxes which are scheduled to become effective in 1981.

SEC. 104. STUDY OF EFFECTS OF DECONTROL OF OIL PRICES AND OF WINDFALL PROFIT TAX.

(a) GENERAL RULE.—The President shall, not later than January 1, 1983, submit to the Congress a report on the effect of decontrol of oil prices and the windfall profit tax on—

(1) domestic oil production,
(2) foreign oil imports,
(3) profits of the oil industry,
(4) inflation,
(5) employment,
(6) economic growth,
(7) Federal revenues, and
(8) national security.

(b) REPORT TO INCLUDE RECOMMENDATIONS.—The report required under subsection (a) shall include such legislative recommendations as the President determines to be advisable.

TITLE II—ENERGY CONSERVATION AND PRODUCTION INCENTIVES

PART 1—RESIDENTIAL ENERGY CREDIT

SEC. 201. GENERAL PROVISIONS RELATING TO CREDIT.

(a) REPEAL OF PRINCIPAL RESIDENCE REQUIREMENT.—

(1) IN GENERAL.—Paragraphs (1)(B) and (2)(A)(ii) of section 44C(c) (relating to definitions and special rules) are each amended by striking out "principal residence" and inserting "residence during any portion of the taxable year".

(2) CONFORMING AMENDMENTS.—

(A) Section 44C(c)(8) (relating to definition of principal residence) is amended to read as follows:

"(8) DWELLING UNIT.—The term 'dwelling unit' includes any appurtenant structure.".

(B) Section 44C(d)(1) (relating to dollar amounts in case of joint occupancy) is amended by striking out "principal".

(b) ALLOWANCE OF CREDIT TO LANDLORDS; JOINT OWNERSHIP.—Section 44C(d) (relating to special rules) is amended by redesignating paragraph (4) as paragraph (6) and by inserting after paragraph (3) the following new paragraphs:

"(4) EXPENDITURES BY LESSORS.—

"(A) LESSORS.—Notwithstanding any provision of this section requiring the taxpayer to use a dwelling unit as a residence, if an individual who is the lessor of a dwelling unit makes expenditures which, but for such provision, constitute energy conservation or renewable energy source expenditures, then, for purposes of this section, the lessor shall be treated as having made energy conservation or renewable energy source expenditures in connection with such dwelling unit.

"(B) AMOUNT OF CREDIT.—The amount of the credit allowed under subsection (a) in the case of a lessor shall be the amount otherwise determined under this section, except that in any case in which the depreciation allowance under section 167 (or amortization in lieu of depreciation) is allowed as a deduction with respect to the dwelling unit, subsection (b) shall be applied—

"(i) by substituting '10 percent' for '15 percent' in paragraph (1), and

"(ii) by substituting '40 percent' for '50 percent' in paragraph (2).

"(C) WHEN EXPENDITURE MADE.—An expenditure with respect to an item shall be treated as made when the original installation of such item is completed.

"(5) JOINT OWNERSHIP OF ENERGY ITEMS.—If two or more individuals make energy conservation or renewable energy source expenditures during any calendar year for any particular item installed in connection with two or more dwelling units used as residences by such individuals, the amount of the credit allowable under subsection (a) shall be computed separately with respect to the amount of the expenditures made by each such individual.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures made after September 30, 1979.

SEC. 202. ENERGY CONSERVATION EXPENDITURES.

(a) IN GENERAL.—Subparagraph (A) of section 44C(c)(4) (relating to definition of other energy-conserving components) is amended—

(1) by striking out "or" at the end of clause (vii), and

(2) by striking out clause (viii) and inserting in lieu thereof the following new clauses:

"(viii) a heat pump (including a water source heat pump) which replaces an electric resistance space or water heating system or is used as a back-up system for a solar hot water heater,

"(ix) an airtight woodburning stove,

"(x) a replacement oil or gas furnace or boiler which meets the requirements of paragraph (9), or

"(xi) a replacement coal furnace or boiler which is part of a central heating system.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 44C(c) (relating to definitions and special rules) is amended by adding at the end thereof the following new paragraphs:

"(9) REPLACEMENT FURNACES AND BOILERS.—An oil or gas replacement furnace or boiler meets the requirements of this paragraph if—

"(A) in the case of oil, it has an average fuel utilization efficiency rating of 80 percent or more, or

"(B) in the case of gas, it has an average fuel utilization efficiency rating of 75 percent or more.

"(10) AMOUNT OF CREDIT FOR REPLACEMENT COAL FURNACE.—In determining the amount of the credit in the case of an energy conservation expenditure for any item described in paragraph (4)(A)(xi), subsection (b)(1) shall be applied by substituting '25 percent' for '15 percent'.".

(2) Clause (i) of section 44C(c)(6)(A) (relating to regulations) is amended by striking out so much of such clause as follows "used in" and inserting in lieu thereof "prescribing performance and quality standards under paragraphs (3), (4), and (5), and".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures made after September 30, 1979.

SEC. 203. RENEWABLE ENERGY SOURCE EXPENDITURES.

(a) AMOUNT OF CREDIT.—Paragraph (2) of section 44C(b) (relating to qualified renewable energy source expenditures) is amended to read as follows:

"(2) RENEWABLE ENERGY SOURCE.—In the case of any dwelling unit, the qualified renewable energy source expenditures are 50 percent of so much of the renewable energy source expenditures made by the taxpayer during the taxable year with respect to such unit as does not exceed $10,000.".

(b) ELECTRICAL ENERGY.—Subparagraph (A) of section 44C(c)(5) (relating to definition of renewable energy source property) is amended to read as follows:

"(A) which, when installed in connection with a dwelling, transmits or uses—

"(i) solar energy or energy derived from geothermal deposits (as defined in section 613(e)(3)) for the purpose of heating or cooling such dwelling or providing hot water or electricity (through photovoltaics or otherwise) for use within such dwelling, or

"(ii) wind energy for nonbusiness residential purposes (including the providing of electricity),".

(c) Costs of Drilling Geothermal Well.—Subparagraph (B) of section 44C(c)(2) (relating to renewable energy source expenditure) is amended to read as follows:

"(B) Certain labor and other costs included.—The term 'renewable energy source expenditure' includes—

"(i) expenditures for labor costs properly allocable to the onsite preparation, assembly, or original installation of renewable energy source property, and

"(ii) expenditures for the drilling of an onsite well drilled for any geothermal deposit (as defined in section 613(e)(3)), but only if the taxpayer has not elected under section 263(c) to deduct any portion of such expenditures.".

(d) Differential Cost of Structural Components Treated as Renewable Energy Source Expenditure.—Paragraph (2) of section 44C(c) (relating to renewable energy source expenditure) is amended by adding at the end thereof the following new subparagraph:

"(D) Structural components.—In the case of an expenditure for renewable energy source property which is a structural component of a building, the amount by which the expenditure for that property exceeds the amount of the expenditure necessary for similar property which would not be renewable energy source property shall be treated as a renewable energy source expenditure.".

(e) Termination Date.—

(1) In general.—Section 44C(f) (relating to termination date) is amended to read as follows:

"(f) Termination Dates.—

"(1) In general.—Except as provided in paragraphs (2) and (3), this section shall apply to expenditures made before January 1, 1986.

"(2) Renewable energy source expenditures.—This section shall apply to renewable energy source expenditures made before January 1, 2000.

"(3) Wood stoves and coal furnaces.—This section shall apply to expenditures for items described in subsection (c)(4)(ix) and (xi) made before January 1, 1983.".

(2) Carryovers.—Section 44C(b)(6)(B) (relating to termination of carryovers) is amended to read as follows:

"(B) No carryovers to certain taxable years.—No amount may be carried under subparagraph (A) to any taxable year beginning after December 31, 1987, unless such amount is attributable to a renewable energy source expenditure, in which case such amount may be carried to a taxable year beginning before January 1, 2002.".

(f) Effective Date.—The amendments made by this section shall apply to expenditures made after September 30, 1979.

Part 2—Business Energy Investment Credits

Sec. 231. Changes in Amount and Period of Application of Energy Percentage.

(a) In General.—Subparagraph (C) of section 46(a)(2) (relating to energy percentage) is amended to read as follows:

"(C) Energy percentage.—

"(i) General rule.—Except as otherwise provided in this subparagraph, the energy percentage is 10 percent for the period beginning on October 1, 1978, and ending on December 31, 1982, and zero for any other period. For the purpose of applying this clause with respect to qualified investment (as determined under subsections (c) and (d)) in property described in section 48(l)(2)(A)(viii) (relating to cogeneration equipment) or property described in section 48(l)(5)(L) (relating to industrial heat pumps), 'January 1, 1980,' shall be substituted for 'October 1, 1978,' in the preceding sentence.

"(ii) Solar, wind, or geothermal energy property.—For qualified investment (as determined under subsections (c) and (d)) in property described in section 48(l)(4) (relating to solar or wind energy property) and property described in section 48(l)(3)(A)(viii) (relating to geothermal property), the energy percentage is 10 percent for the period beginning on October 1, 1978, and ending on December 31, 1979, and 20 percent for the period beginning on January 1, 1980, and ending on December 31, 1990.

"(iii) Ocean thermal property.—For qualified investment (as determined under subsections (c) and (d)) in property described in section 48(l)(3)(A)(ix) (relating to ocean thermal property), the energy percentage is 20 percent for the period beginning on January 1, 1980, and ending on December 31, 1990.

"(iv) Small hydroelectric generating property.—For qualified investment (as determined under subsections (c) and (d)) in property described in section 48(l)(2)(A)(vii) (relating to small hydroelectric generating property), the energy percentage is 10 percent for the period beginning on January 1, 1980, and ending on December 31, 1990.

"(v) Biomass property.—For qualified investment (as determined under subsections (c) and (d)) in—

"(I) biomass property described in clauses (i) and (ii) of section 48(l)(15)(A), the energy percentage is 10 percent for the period beginning on October 1, 1978, and ending on December 31, 1990, and

"(II) biomass property described in clauses (iii) and (iv) of section 48(d)(15)(A), the energy percentage is 10 percent for the period beginning on October 1, 1978, and ending on December 31, 1979, and 20 percent for the period beginning on January 1, 1980, and ending on December 31, 1990.

"(vi) Application of clause (i) to certain long-term projects completed after 1982.—For the purpose of applying the energy percentage determined under clause (i) to qualified investment (as determined under subsections (c) and (d)) in property which is a part of a project with a normal construction period of 2 years or more (within the meaning of section 46(d)(2)(A)(i)), 'December 31, 1990' shall be substituted for 'December 31, 1982' with respect to such qualified investment if—

"(I) before January 1, 1983, the taxpayer has completed all engineering studies in connection with the project, and has applied for all environmental and construction permits required under Federal, State, or local law in connection with the construction of the project, and

"(II) before January 1, 1986, the taxpayer has entered into binding contracts for the acquisition, construction, reconstruction, or erection of equipment specially designed for the project and the aggregate cost to the taxpayer of that equipment is at least 50 percent of the reasonably estimated cost for all such equipment which is to be placed in service as part of the project upon its completion.".

(b) Conforming Amendments.—

(1) Paragraph (1) of section 48(l) (relating to treatment of energy property as section 38 property) is amended by striking out "December 31, 1982" and inserting in lieu thereof "December 31, 1990".

(2) Paragraph (11) of section 48(l) (relating to special rule for property financed by industrial development bonds) is amended by striking out "5 percent" and inserting in lieu thereof "one-half of the energy percentage determined under section 46(a)(2)(C)".

Sec. 232. Changes in Energy Property Item Descriptions.

(a) In General.—Subsection (l) of section 48 (relating to energy property) is amended as follows:

(1) Subparagraph (A) of paragraph (2) (relating to definition of energy property) is amended—

(A) by striking out "or" at the end of clause (v), and

(B) by adding at the end thereof the following new clauses:

"(vii) small hydroelectric generating property,

"(viii) cogeneration equipment installed in an existing facility, but only to the extent that the cogeneration energy capacity of such facility is expanded, or

"(ix) biomass property,".

(2) Subparagraph (A) of paragraph (3) (relating to alternative energy property) is amended—

(A) by striking out "and" at the end of clause (vii),

(B) by striking out the period at the end of clause (viii) and inserting in lieu thereof a comma and the word "and", and

(C) by adding at the end thereof the following new clause:

"(ix) equipment which converts ocean thermal energy to usable energy.".

(3) Subparagraph (C) of paragraph (3) (relating to alternate substance) is amended—

(A) by striking out "and" at the end of clause (i),

(B) by inserting "(other than petroleum coke and pitch)" after "oil" in clause (ii),

(C) by striking out the period at the end of such clause and inserting in lieu thereof a comma and the word "and", and

(D) by adding at the end thereof the following new clause:

"(iii) biomass".

(4) Paragraph (4) (relating to solar or wind energy property) is amended—

(A) by striking out "or" at the end of subparagraph (A),

(B) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof a comma and "or", and

(C) by adding at the end thereof the following new subparagraph:

"(C) to provide solar process heat.".

(5) Paragraph (5) (relating to specially defined energy property) is amended—

(A) by striking out "or" at the end of subparagraph (K), and

(B) by striking out subparagraph (L) and inserting in lieu thereof the following new subparagraphs:

"(L) an industrial heat pump installed in connection with an existing industrial process in an existing industrial facility, or

"(M) modifications to alumina electrolytic cells,".

(6) Paragraph (10) of section 48(l) (relating to definition of existing) is amended—

(A) by striking out "or" at the end of subparagraph (A),

(B) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof a comma and "or", and

(C) by adding at the end thereof the following:

"(C) when used in connection with a dam, construction was completed before October 18, 1979.

"In applying the preceding sentence to property described in paragraph (2)(A)(viii) (relating to cogeneration equipment) or paragraph (5)(L) (relating to industrial heat pumps), 'January 1, 1980,' shall be substituted for 'October 1, 1978,', each place it appears.".

(7) By adding at the end of such subsection the following new paragraphs:

"(13) Small hydroelectric generating property.—

"(A) In general.—The term 'small hydroelectric generating property' means electrical generating equipment (up to, but not including, the electrical transmission stage), powerhouses, and fish passageways acquired, constructed, reconstructed, or erected in connection with a small hydroelectric generation project. Such term also includes an existing dam in connection with such a project to the extent that amounts are paid or incurred for rehabilitation or reconstruction of the dam.

"(B) Small hydroelectric power generation project.—For purposes of this paragraph, the term 'small hydroelectric power generation project' means a project located at the site of any existing dam which—

"(i) uses the water potential of such site to generate electricity, and

"(ii) does not have more than 25,000 kilowatts of installed capacity.

"(C) Special rule for new sites.—For the purpose of applying subparagraph (B) with respect to a site at which there is no existing dam and at which the construction of a dam or the creation of an impoundment of water is not carried out, subparagraph (B) shall be applied without regard to the words 'located at the site of any existing dam'.

"(14) Cogeneration equipment.—The term 'cogeneration equipment' means equipment installed in an existing industrial or commercial facility which—

"(A) produces steam, heat, or other forms of useful energy (other than electric energy) to be used for industrial (including water purification or desalinization), agricultural, commercial, or space-heating purposes, and

"(B) also produces electric energy.

A facility which uses oil or natural gas as fuel, other than an industrial or commercial facility which, as of January 1, 1980, used natural gas as fuel, shall not be treated as an existing industrial or commercial facility for purposes of this paragraph.

"(15) Biomass property.—

"(A) In general.—The term 'biomass property' which would be alternative energy property if 'biomass' were substituted for 'alternate substance' each place it appears in paragraph (3)(A) and which—

"(i) is equipment for converting wood, wood products, or timber waste into a synthetic solid fuel,

"(ii) uses wood, wood products, timber waste, or a synthetic solid fuel derived from biomass as its primary fuel,

"(iii) uses biomass (other than wood, wood products, or timber waste) as its primary fuel,

"(iv) is equipment for converting biomass (other than wood, wood products, or timber waste) into a synthetic solid fuel, or

"(v) is equipment for converting biomass into a synthetic liquid or gaseous fuel.

"(B) Biomass.—The term 'biomass' means—

"(i) biomass as defined in section 44D(d)(2), and

"(ii) wood, wood products, and timber waste,

but does not include coal, oil, natural gas, or any product of oil or natural gas.".

(b) Effective Date.—For the purpose of applying section 48(m) of the Internal Revenue Code of 1954 (relating to application of certain transitional rules), the amendments made by paragraphs (3) and (4) of subsection (a) shall apply after December 31, 1979.

Sec. 233. Other Changes With Respect to the Investment Credit for Investment in Energy Property.

(a) Regular Investment Credit Percentage To Be Allowed With Respect to Energy Property.—Subparagraph (D) of section 46(a)(2) (relating to special rule for certain energy property) is amended to read as follows:

"(D) Special rules for energy property.—For purposes of this paragraph—

"(i) the regular percentage shall not apply during the period beginning on October 1, 1978, and ending on December 31, 1979 (determined by applying section 48(m)) to any energy property which, but for section 48(l)(1), would not be section 38 property, and

"(ii) for purposes of applying the regular percentage after December 31, 1979, any energy property shall be treated as meeting the requirements of section 48(a)(1), and section 48(a)(3) shall not apply to such property, during the period (determined by applying section 48(m)) for which the energy percentage for that property is greater than zero.".

(b) Boilers Fueled by Petroleum Coke or Pitch.—Paragraph (10) of section 48(a) (relating to boilers fueled by oil or gas) is amended by inserting "other than petroleum coke or petroleum pitch" immediately before "unless".

(c) Energy Percentage Allowed With Respect to Certain Public Utility Property.—Subparagraph (B) of section 48(l)(3) (relating to exclusion for public utility property) is amended—

(1) by striking out "The terms" and inserting in lieu thereof the following: "Except in the case of property described in clause (viii) or (ix) of paragraph (3)(A) (relating to geothermal property and ocean thermal property, respectively), the terms", and

(2) by striking out ", 'solar or wind energy property',".

(d) Effective Date.—The amendments made by subsections (b) and (c) shall apply to—

(1) property to which section 46(d) of the Internal Revenue Code of 1954 does not apply, the construction, reconstruction, or erection of which is commenced by the taxpayer after December 31, 1979,

(2) property to which section 46(d) of such Code does not apply, acquired by the taxpayer after December 31, 1979, and

(3) property to which section 46(d) of such Code applies which is placed in service after December 31, 1979, but only to the extent of the qualified investment (as determined under subsections (c) and (d) of section 46 of such Code) with respect to qualified progress expenditures made after December 31, 1979.

Sec. 234. Small Hydroelectric Generating Property.

(a) Exemption From Public Utility Property Depreciation Rules.—Paragraph (3) of section 167(l) (relating to reasonable allowance in case of property of certain utilities) is amended by inserting immediately after subparagraph (I) the following new subparagraph:

"(J) Small hydroelectric generating property election.—At the election of the taxpayer, made at such time and in such manner as the Secretary may prescribe, this subsection shall not apply with respect to small hydroelectric generating property (as defined in section 48(l)(13)).".

(b) Treatment Under Asset Depreciation Range.—Notwithstanding any other provision of law to the contrary, for the purpose of applying the class life asset depreciation range system under section 167(m) of the Internal Revenue Code of 1954 (relating to class lives) to assets which are small hydroelectric generating property (as defined in section 48(l)(13) of such Code), the asset guideline period for the asset depreciation range shall be 20 years, with a lower limit of 16 years and an upper limit of 24 years, and the annual asset guideline repair allowance percentage shall be 4 percent.

(c) Effective Date.—The amendments made by this section shall apply to—

(1) property to which section 46(d) of the Internal Revenue Code of 1954 does not apply, the construction, reconstruction, or erection of which is commenced by the taxpayer after December 31, 1979,

(2) property to which section 46(d) of such Code does not apply, acquired by the taxpayer after December 31, 1979, and

(3) property to which section 46(d) of such Code applies which is placed in service after December 31, 1979, but only to the extent of the qualified investment (as determined under subsections (c) and (d) of section 46 of such Code) with respect to qualified progress expenditures made after December 31, 1979.

Sec. 235. Investment Credit for Van-Pooling Vehicles Not Restricted to Employers.

(a) In General.—Section 46(c)(6)(B)(ii) (relating to special rule for commuter highway vehicles) is amended by striking out "the taxpayer's" in subclause (I).

(b) Effective Date.—The amendment made by subsection (a) shall apply with respect to property acquired after December 31, 1979.

Sec. 236. Gasohol.

(a) Credit for Alcohol Fuels.—

(1) In general.—Subchapter B of chapter 65 (relating to rules of special application for abatements, credits, and refunds), as amended by section 101(i)(1), is amended by adding at the end thereof the following new section:

"Sec. 6430. Alcohol Used in Fuels.

"(a) General Rule.—Except as provided in subsection (f), the Secretary shall pay (without interest) to any producer of alcohol an amount equal to the product of—

"(1) 40 cents, multiplied by

"(2) the sum of—

"(A) the number of gallons of alcohol used by the producer in the production of a mixture of alcohol and gasoline or a special fuel for sale or use in a trade or business,

"(B) the number of gallons of alcohol sold by such producer during the taxable year for use by the purchaser, or for resale by the purchaser to a second purchaser for use, in the production of a mixture of alcohol and gasoline or a special fuel but only if such mixture is to be held for sale or use in a trade or business, and

"(C) the number of gallons of alcohol with respect to which the producer—

"(i) has been notified that such alcohol has been used in the production of a mixture of alcohol and gasoline or a special fuel for sale or use in a trade or business; and

"(ii) no payment under this section or credit under section 39(a)(5) has been allowed with respect to such alcohol.

"(b) Definitions and Special Rules.—For purposes of this section—

"(1) Alcohol defined.—The term 'alcohol' includes methanol and ethanol but does not include alcohol produced from petroleum or natural gas.

"(2) Special fuel defined.—The term 'special fuel' includes any liquid fuel of a type referred to in section 4041.

"(3) Section applies only to domestically produced and used alcohol.—No payment shall be made under subsection (a) with respect to any alcohol which—

"(A) is not produced in the United States from a substance produced in the United States, or

"(B) is mixed with gasoline or a special fuel for sale or use outside of the United States.

"(4) Alcohol made from coal.—In the case of alcohol produced from coal, subsection (a) shall be applied by substituting '10 cents' for '40 cents' in paragraph (1).

"(c) Time for Filing Claims; Period Covered.—

"(1) General rule.—Except as provided in paragraph (2), not more than one claim may be filed under this section by any person with respect to alcohol produced and sold or used during the taxable year; and no claim shall be allowed under this paragraph with respect to such alcohol during any taxable year unless filed by the taxpayer not later than the time prescribed by law for filing a claim for credit or refund of overpayment of income tax for such taxable year.

For purposes of this paragraph, a person's taxable year shall be his taxable year for purposes of subtitle A.

"(2) Exceptions.—

"(A) In general.—If $1,000 or more is payable under subsection (a) to any person with respect to alcohol produced and sold or used during any of the first three quarters of the taxable year, a claim may be filed under this section by the producer with respect to such alcohol during such quarter.

"(B) Time for filing claim.—No claim filed under this paragraph shall be allowed unless filed on or before the last day of the first quarter following the quarter for which the claim is filed.

"(d) Diversions of Alcohol to Other Uses.—In any case in which—

"(1) any person has certified to, or notified, the producer of alcohol that such alcohol is to be sold or used in the production of a mixture of alcohol and gasoline or a special fuel for sale or use in a trade or business, and

"(2) such alcohol is sold or used for a purpose not described in paragraph (1),

then there is hereby imposed on the person who sold or used such alcohol for such other purpose a tax in an amount equal to 40 cents (10 cents in the case of alcohol produced from coal) multiplied by the number of gallons so sold or used.

"(e) Applicable Laws.—

"(1) In general.—All provisions of law, including penalties, shall, insofar as applicable and not inconsistent with this section, apply in respect of—

"(A) the payments provided for in this section to the same extent as if such payments constituted refunds of overpayments of a tax imposed under this title; and

"(B) any tax imposed on any person as provided in subsection (d).

"(2) Examination of books and witnesses.—For purposes of ascertaining the correctness of any claim made under this section, or the correctness of any payment made in respect of any such claim, the Secretary shall have the authority granted by paragraphs (1), (2), and (3) of section 7602 (relating to examination of books and witnesses) as if the claimant were a person liable for tax.

"(f) Payment in Lieu of Income Tax Credit.—

"(1) Persons not subject to income tax.—Payment shall be made under this section only to—

"(A) the United States or an agency or instrumentality thereof, a State, a political subdivision of a State, or any agency or instrumentality of one or more States or political subdivisions, or

"(B) an organization exempt from tax under section 501(a) (other than an organization required to make a return of the tax imposed under subtitle A for its taxable year).

"(2) Exception.—Paragraph (1) shall not apply to a payment of a claim filed under subsection (c)(2).

"(3) Allowance of credit against income tax.—For allowances of credit against the income tax imposed by subtitle A for alcohol produced and used or sold for use in an alcohol fuel, see section 39.".

(b) Credit Against Income Tax.—

(1) In general.—Subsection (a) of section 39 (relating to credit for certain uses of gasoline, special fuels, and lubricating oil) is amended—

(A) by striking out "and" at the end of paragraph (3),

(B) by striking out the period at the end of paragraph (4) and inserting ", and", and

(C) by adding at the end thereof the following:

"(5) under section 6430 with respect to alcohol produced and used or sold for use in an alcohol fuel (determined without regard to section 6430(f)).".

(2) Technical and conforming amendments.—

(A) Subsection (b) of section 39 is amended—

(i) by striking out "or 6427" and inserting "6427, or 6430", and

(ii) by striking out "or 6427(h)" and inserting "6427(h), or 6430(f)".

(B)(i) The caption of section 39 is amended by inserting "; alcohol fuels" after "oil".

(ii) The term relating to section 39 in the table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting "; alcohol fuels" after "oil".

(iii) Sections 6201(a)(4) (relating to erroneous credit under section 39 or 43) and 6401(b) (relating to amounts treated as overpayments) are each amended by inserting "and to alcohol fuels" after "lubricating oil".

(c) Credit To Be Included in Income.—

(1) In general.—Part II of subchapter B of chapter 1 (relating to items specifically included in gross income) is amended by adding at the end thereof the following new section:

"Sec. 86. Alcohol Fuels Credit.

"Gross income includes an amount equal to the sum of—

"(1) the amount of the credit allowable to the taxpayer under section 39 for the taxable year to the extent such amount is determined under section 39(a)(5), and

"(2) the amount of any payment under section 6430(c) during such taxable year.".

(2) Conforming amendment.—The table of sections for such part II is amended by inserting at the end thereof the following new item:

"Sec. 86. Alcohol fuels credit.".

"(d) Exemption From Distilled Spirits Rules.—

(1) In general.—Subchapter B of chapter 51 (relating to distilled spirits, wines, and beers) is amended by redesignating section 5181 as section 5182 and by inserting after section 5180 the following new section:

"Sec. 5181. Distilled Spirits for Fuel Use.

"(a) In General.—On such application and bond and in such manner as the Secretary may prescribe by regulation, a person may establish a distilled spirits plant solely for the purpose of producing, processing storing, using, and distributing distilled spirits to be used exclusively for fuel use.

"(b) Authority To Exempt.—The Secretary may by regulation provide for the waiver of any provision of this chapter (other than this section or any provision requiring the payment of tax) for any distilled spirits plant described in subsection (a) if the Secretary finds it necessary to carry out the provisions of this section.

"(c) Withdrawal Free of Tax.—Distilled spirits produced under this section may be withdrawn free of tax from the bonded premises of a distilled spirits plant exclusively for fuel use as provided in section 5214(a)(12).

"(d) Prohibited Withdrawal, Use, Sale, or Disposition.—

"(1) In general.—Distilled spirits produced under this section shall not be withdrawn, used, sold, or disposed of for other than fuel use.

"(2) Rendering unfit for use.—For protection of the revenue and under such regulations as the Secretary may prescribe, distilled spirits produced under this section shall, prior to withdrawal from the bonded premises of a distilled spirits plant, be rendered unfit for beverage use by the addition of substances which will not impair the quality of the spirits for fuel use.

"(e) Definition of Distilled Spirits.—For purposes of this section, the term 'distilled spirits' does not include distilled spirits produced from petroleum or natural gas.".

(2) Technical and conforming amendments.—

(A) Section 5601(a) (relating to criminal penalties) is amended by adding the word "or" at the end of paragraph (14) and by inserting immediately after paragraph (14) the following new paragraph:

"(15) Unauthorized withdrawal, use, sale, or distribution of distilled spirits for fuel use.—withdraws, uses, sells or otherwise disposes of distilled spirits produced under section 5181 for other than fuel use;".

(B) Section 5214(a) (relating to withdrawal of distilled spirits from bonded premises free of tax) is amended by striking out the period at the end of paragraph (11) and inserting in lieu thereof a semicolon and the word "or" and by adding at the end thereof the following new paragraph:

"(12) free of tax in the case of distilled spirits produced under section 5181.".

(C) Section 5004(a)(2)(B) (relating to lien for tax) is amended by striking out "or (11)," and inserting "(11), or (12),".

(D) Section 5005(d) (relating to person liable for tax) is amended by striking out "or (11)," and inserting "(11), or (12),".

(E) The table of sections for subchapter B of chapter 51 is amended by striking out the item relating to section 5181 and by inserting after section 5180 the following new items:

"5181. Distilled spirits for fuel use.
"5182. Cross references.".

(e) Repeal of Exemption From Excise Tax.—Subsection (k) of section 4041 (relating to exemption from tax on special fuels mixed with alcohol) and subsection (c) of section 4081 (relating to exemption from tax on gasoline mixed with alcohol) are repealed.

(f) Credit Not Paid From Trust Fund.—Paragraph (6) of section 209(f) of the Federal-Aid Highway Act of 1956 is amended by adding at the end the following: "No amount shall be transferred from the Trust Fund with respect to the credit allowed under section 39(a)(5) for alcohol produced and used or sold for use in an alcohol fuel.".

(g) Reports.—

(1) In general.—Subsection (c) of section 221 of the Energy Tax Act of 1978 is amended to read as follows:

"(c) Reports.—On April 1 of each year, beginning with April 1, 1981, the Secretary of Energy, in consultation with the Secretary of the Treasury and the Secretary of Transportation, shall submit to the Congress a report on the use of alcohol in fuel. The report shall include—

"(1) a description of the firms engaged in the alcohol fuel industry,

"(2) the amount of alcohol fuel sold in each State, and the amount of gasoline saved in each State by reason of the use of alcohol fuels,

"(3) the revenue loss resulting from the payment by the Secretary under section 6430(c) for alcohol used in alcohol fuels, and the credit against income tax for alcohol used in alcohol fuels under section 39(a)(5), and

"(4) the cost of production and the retail cost of alcohol fuels as compared to gasoline and special fuels not mixed with alcohol.".

(2) Conforming amendment.—The first sentence of section 221(d) of the Energy Tax Act of 1978 is amended by striking out "gasoline described in section 4081(c) (or in producing liquid fuel described in section 4041(k)) of the Internal Revenue Code of 1954" and inserting in lieu thereof "alcohol fuels".

(h) Effective Date.—

(1) In general.—

(A) Gasohol provisions.—Except as provided in subparagraph (B), the amendments made by this section shall apply to alcohol sold or used by the producer after December 31, 1979, and before January 1, 2000.

(B) Distilled spirits plants.—The amendments made by subsection (d) shall take effect on the first day of the first calendar month beginning more than 60 days after the date of enactment of this Act.

(2) Transitional rule for tax-paid gasoline.—

(A) In general.—If any gasoline on which tax is imposed by section 4081 of the Internal Revenue Code of 1954 is used during calendar year 1979 by any person in producing a mixture described in section 4081(c) of such Code, as in effect before the amendments made by this section, which was sold or used during such calendar year in such person's trade or business, the Secretary shall pay (without interest) to such person an amount equal to the aggregate amount of the tax imposed on such gasoline.

(B) Filing of claim.—No payment shall be made under subparagraph (A) unless the person producing such mixtures files a claim for such payment before July 1, 1980.

(C) Coordination with other repayment provisions.—No payment shall be made under subparagraph (A) with respect to any gasoline with respect to which credit or refund of the tax imposed by section 4081 was made under any provision of such Code.

(D) Applicable laws.—To the extent not inconsistent with the provisions of this paragraph, the provisions of section 6427(g) of such Code shall apply to any payment made under subparagraph (A).

(3) Transitional rule for alcohol transferred by the producer prior to January 1, 1980.—For purposes of sections 39, 86, and 6430 of such Code, if—

(A) alcohol (other than alcohol produced from coal) has been transferred by the producer prior to January 1, 1980,

(B) such alcohol is mixed with gasoline or a special fuel before April 1, 1980, and

(C) the mixture is sold or used in a trade or business after December 31, 1979, and before April 1, 1980,

then, the person who mixed such alcohol and gasoline or special fuel shall be treated as if such person had produced and used or sold such alcohol on January 1, 1980. For purposes of the preceding sentence, section 6430 of such Code shall be applied without regard to subsection (b)(3).

Sec. 237. Energy-Related Used of Tax-Exempt Bonds.

(a) Solid Waste Disposal Facilities.—Section 103 (relating to interest on certain governmental obligations) is amended—

(1) by adding at the end of paragraph (4) of subsection (b) the following: "For purposes of subparagraph (E) the term 'solid waste disposal facility' includes any facility the primary use of which is to convert solid waste or fuel derived from solid waste into steam.",

(2) by redesignating subsection (g) as (h), and

(3) by inserting immediately after subsection (f) the following new subsection:

"(g) Governmental Use of Electrical Power Generated in Connection With a Solid Waste Disposal Facility.—

"(1) General rule.—A State or local obligation, which is part of an issue substantially all of the proceeds of which are used to provide a qualified facility, shall be treated as an industrial development bond which is part of an issue substantially all of the proceeds of which are used to provide a facility described in subsection (b)(4)(E) even if all or a portion of the steam or electrical energy that is generated by the facility is used by or for the benefit of an agency or instrumentality of the United States if—

"(A) all of the electrical energy and steam produced by the facility which is not used by the facility is sold, for purposes other than resale, to an agency or instrumentality of the United States, a State, or a political subdivision thereof, and

"(B) the facility is owned and operated by or for a State or political subdivision thereof.

"(2) Qualified facility.—For purposes of this subsection, the term 'qualified facility' means a solid waste disposal facility and a facility for the generation of electrical energy substantially all of the fuel for which is derived from solid waste from the solid waste disposal facility (whether or not both facilities are located at the same site).".

(b) Treatment of State and Local Obligations Funding Certain Hydroelectric Power Generating Projects.—Paragraph (4) of section 103(b) (relating to certain exempt activities) is amended by striking out "or" at the end of subparagraph (F), by striking out the period at the end of subparagraph (G) and inserting in lieu thereof a comma and the word "or", and by inserting immediately after subparagraph (G) the following new subparagraph:

"(H) facilities the primary function of which is the generation of hydroelectric power other than a facility, the construction of which commenced before October 25, 1979, the installed capacity of which is more than 25,000 kilowatts.".

(c) Effective Date.—The amendments made by subsection (a) shall apply with respect to obligations issued after October 18, 1979. The amendments made by subsection (b) shall apply with respect to obligations issued after October 24, 1979.

Sec. 238. Tertiary Injectants.

(a) Deduction for Tertiary Injectants.—

(1) In General.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"Sec. 193. Tertiary Injectants.

"(a) Allowance of Deductions.—There shall be allowed as a deduction for the taxable year an amount equal to the qualified tertiary injectant expenses of the taxpayer for tertiary injectants injected during such taxable year.

"(b) Qualified Tertiary Injectant Expenses.—For purposes of this section—

"(1) In General.—The term 'qualified tertiary injectant expenses' means any cost paid or incurred during the taxable year (whether or not chargeable to capital account) for any tertiary injectant (other than a hydrocarbon injectant which is recoverable) which is used as a part of a tertiary recovery process (within the meaning of section 4991(c)(6)(A)).

"(2) Hydrocarbon injectant.—The term 'hydrocarbon injectant' includes natural gas, crude oil, and any other injectant which is comprised of more than an insignificant amount of natural gas or crude oil. The term does not include any tertiary injectant which is hydrocarbon-based, or a hydrocarbon-derivative, and which is comprised of no more than an insignificant amount of natural gas or crude oil. For purposes of this paragraph, that portion of hydrocarbon injectant which is not a hydrocarbon shall not be treated as a hydrocarbon injectant.

"(c) Application With Other Deductions.—No deduction shall be allowed under subsection (a) with respect to any expenditure—

"(1) with respect to which the taxpayer has made an election under section 263(c), or

"(2) with respect to which a deduction is allowed or allowable to the taxpayer under any other provision of this chapter.".

(2) Technical and conforming amendments.—

(A) The table of sections for such part VI is amended by adding at the end thereof the following new item:

"Sec. 193. Tertiary injectants.".

(B) Section 263(a)(1) (relating to capital expenditures) is amended—

(i) by striking out "or" at the end of subparagraph (E),

(ii) by striking out the period at the end of subparagraph (F) and inserting in lieu thereof ", or", and

(iii) by adding at the end thereof the following new subparagraph:

"(G) expenditures for tertiary injectants with respect to which a deduction is allowed under section 193.".

(C) Section 1245(a) (relating to gain from dispositions of certain depreciable property) is amended—

(i) by striking out "or 190" each place it appears in paragraphs (2)(D) and (3)(D) and inserting in lieu thereof "190, or 193",

(ii) by inserting "193," after "190," each place it appears in paragraph (2), and

(iii) by inserting "or 193" after "190" in the last sentence of paragraph (2).

(D) Section 1250(b)(3) (relating to depreciation adjustments) is amended by striking out "or 190" and inserting in lieu thereof "190, or 193".

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1979.

Part 3—Production of Fuel From Nonconventional Sources

Sec. 251. Production Tax Credit.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits against tax) is amended by inserting after section 44C the following new section:

"Sec. 44D. Production of Fuels From Nonconventional Sources.

"(a) Allowance of Credit.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year the amount determined under subsection (b) with respect to the production of qualified fuels during the taxable year attributable to the taxpayer.

"(b) Amount of Credit.—The amount of the credit allowed by subsection (a) shall be equal to $3 multiplied by the barrel-of-oil equivalent of qualified fuels produced by the taxpayer which is sold during the taxable year.

"(c) Limitations and Adjustments.—

"(1) Phaseout of credit.—The amount of the credit allowable under subsection (a) shall be reduced by an amount which bears the same ratio to the amount of the credit (determined without regard to this paragraph) as—

"(A) the amount by which the reference price for the calendar year in which the taxable year begins exceeds $23.50, bears to

"(B) $6.

"(2) Credit reduced by proportion of Federal grant funding.—

"(A) In general.—The amount of credit allowable by subsection (a) shall be reduced by an amount equal to the aggregate Federal shares attributable to the barrels of oil (or equivalent amounts) taken into account under that subsection.

"(B) Federal share per barrel.—The Federal share attributable to a barrel (or its equivalent) shall be equal to—

"(i) an amount which bears the same ratio to the amount of credit which (but for this paragraph and paragraph (1)) would be determined under subsection (a) with respect to such barrel (or its equivalent), as

"(ii) the total amount of Federal financing which was used to acquire any equipment, facilities, or reserves used in the project which produced such barrel (or its equivalent) bears to the total cost of all equipment, facilities, and reserves used in such project.

For purposes of clause (ii), the term 'total amount of Federal financing' means the sum of the total amount of grants made by the United States and the total amount of financing the interest on which was exempt from tax under this title.

"(3) Credit and phaseout adjustment based on inflation.—The $3 amount in subsection (a) and the $23.50 and $6 amounts in subsection (b) shall each be adjusted by multiplying such amount by the inflation adjustment factor for the calendar year in which a taxable year begins.

"(4) Application with other credits.—The credit allowed by subsection (a) for a taxable year shall not exceed the tax imposed by this chapter for such taxable year, reduced by the sum of the credits allowable under a section of this subpart having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43.

"(d) Definition of Qualified Fuels.—

"(1) In general.—The term 'qualified fuels' includes—

"(A) oil produced from shale and tar sands,

"(B) gas produced from—

"(i) geopressured brine, Devonian shale, or coal seams (as determined in accordance with section 503 of the Natural Gas Policy Act of 1978), or

"(ii) biomass (other than biomass produced from wood),

"(C) liquid, gaseous, or solid synthetic fuels (other than alcohol) produced from coal,

"(D) gaseous fuels or qualifying processed wood fuels produced from wood, and

"(E) steam produced from solid agricultural byproducts.

"(2) Biomass.—The term 'biomass' includes, but is not limited to, animal waste, municipal and industrial waste, sewage, sludge, and oceanic and terrestrial crops.

"(3) Qualifying processed wood fuel.—The term 'qualifying processed wood fuel' means any processed solid wood product (other than a product used for ornamental or recreational purposes) which has a Btu content per unit of volume which is at least 40 percent greater than that of the wood from which it is produced.

"(4) Biomass steam.—Steam produced from solid agricultural byproducts which is used by the taxpayer in his trade or business shall be treated as having been sold by the taxpayer.

"(e) Other Definitions and Special Rules.—or purposes of this section—

"(1) Only production within the United States taken into account.—Fuel from nonconventional sources shall be taken into account under this section only if it is produced from property which is located within—

"(A) the United States (within the meaning of section 638(1)), or

"(B) a possession of the United States (within the meaning of section 638(2)).

"(2) Computation of inflation adjustment factor and reference price.—

"(A) In general.—The Secretary shall, not later than March 1 of each calendar year, determine and publish in the Federal Register the inflation adjustment factor and the reference price for the preceding calendar year in accordance with this paragraph. Such publication shall include a reasonably complete explanation of the calculations and data on which such determinations are made.

"(B) Inflation adjustment factor.—The term 'inflation adjustment factor' means, with respect to a calendar year, a fraction the numerator of which is the GNP implicit price deflator for the calendar year and the denominator of which is the GNP implicit price deflator for calendar year 1979. The term 'GNP implicit price deflator' means the first revision of the implicit price deflator for the gross national product as computed and published by the Department of Commerce.

"(C) Reference price.—For purposes of this paragraph, the term 'reference price' means with respect to a calendar year, the average refiner acquisition cost of a barrel of imported crude oil during the calendar year, as determined by the Secretary, after consultation with the Secretary of Energy.

"(3) Production attributable to the taxpayer.—

"(A) Oil and gas.—In the case of a qualified fuel described in subsection (d)(1)(A) or (B), production attributable to the taxpayer shall be determined on a property-by-property basis. Production from a property shall be attributable to the taxpayer for the taxable year in an amount which bears the same ratio to the total production from such property during such year as the amount of the taxpayer's gross income from such property for such year from such production bears to the aggregate gross income from such property for such year from such production. For purposes of the preceding sentence, gross income from a property shall be taken into account to the extent that such income is taken into account under section 613(a).

"(B) Other qualified fuels.—In the case of any qualified fuel not described in subparagraph (A), production attributable to the taxpayer shall be determined on a facility-by-facility basis. Production from a facility shall be attributable to the taxpayer for the taxable year in an amount which bears the same ratio to the total production from such facility during such year as the amount of the taxpayer's gross income from such facility for such year from such production bears to the aggregate gross income from such facility for such year from such production.

"(4) Barrel of oil equivalent.—The term 'barrel of oil equivalent' with respect to any fuel means that amount of such fuel has a Btu content of 5.8 million.

"(B) Barrel defined.—The term 'barrel' has the meaning given such term by section 613A(e)(4).

"(6) Fractions of a barrel.—For purposes of determining the amount of credit under subsection (a) in the case of a fraction of a barrel, the dollar amount which (but for this paragraph) would be applicable to such barrel shall be reduced by an amount which bears the same ratio to such dollar amount as the excess of a barrel over such fraction bears to a barrel.

"(f) Termination Date.—This section shall not apply to taxable years beginning after December 31, 2000.".

(b) Technical and Conforming Amendments.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 44C the following new item:

"Sec. 44D. Production of fuels from nonconventional sources.".

(2) Subsection (b) of section 6096 of such Code (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44C" and inserting in lieu thereof "44C, and 44D".

(c) Effective Dates.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to fuels produced after December 31, 1979, in facilities placed in service, or from wells drilled, after September 30, 1979, and before January 1, 1990.

(2) Exceptions.—

(A) Qualifying processed wood fuels.—In the case of qualifying processed wood fuels (within the meaning of section 44D(d)(2) of the Internal Revenue Code of 1954, as added by subsection (a)), the amendments made by this section shall apply to fuels sold after December 31, 1979, and before January 1, 1985, and produced in facilities placed in service after April 20, 1977, and before January 1, 1985.

(B) Biomass steam.—In the case of steam produced from solid agricultural byproducts, the amendments made by this section shall apply to steam sold after December 31, 1979, and before January 1, 1985, and produced in facilities placed in service after September 30, 1978.

Part 4—Residential Energy Efficiency Program

Sec. 271. Credit to Public Utilities Suffering Reduced Revenues Attributable to Certain Federally Funded Residential Energy Efficiency Programs.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting immediately before section 45 the following new section:

"Sec. 44E. Public Utility Credit for Revenue Losses Attributable to Certain Residential Energy Efficiency Programs.

"(a) In General.—In the case of a public utility (as defined in section 247(b)(1)) engaged in the furnishing of natural gas or electrical energy to residences, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the net revenue loss for the taxable year which is attributable to a qualified residential energy efficiency program.

"(b) Maximum Credit.—The amount of the credit allowed under subsection (a) for any taxable year shall not exceed the amount of the net additional revenue for the taxable year which would have been necessary to maintain the taxpayer's rate of return for the taxable year if the credit allowed by subsection (a) were not allowed for the taxable year.

"(c) Definitions; Special Rules.—For purposes of this section—

"(1) Qualified residential energy efficiency program.—The term 'qualified residential energy efficiency program' means a residential energy efficiency program which meets such requirements as may be imposed by Federal law enacted after October 31, 1979, for financial assistance under such law, as certified to the Secretary by the head of the department or agency of the United States charged with the administration of such law for the taxable year for which the credit is claimed.

"(2) Residential energy efficiency program.—The term 'residential energy efficiency program' means a program receiving financial assistance from the United States to underwrite the cost of installing insulation or other energy-conserving components in residential buildings located within the service area of the taxpayer without expense to the owners or tenants of such buildings.

"(3) Net revenue loss.—The net revenue loss attributable to a qualified residential energy efficiency program shall be an amount equal to—

"(A) the diminution in anticipated revenues for the taxable year from furnishing natural gas or electrical energy to residential buildings attributable to the installation of insulation and other energy-conserving components in such buildings under the program, reduced by

"(B) the cost of fuel which would have been required to furnish natural gas or electrical energy to such buildings for the taxable year if the insulation and other energy-conserving components installed under such program had not been installed.

"(d) Accounting Rules; Regulations.—The determinations required under this section shall be made in accordance with such accounting rules as the Secretary may by regulation prescribe. The Secretary shall prescribe such regulations, and such other regulations as may be necessary to carry out the provisions of this section.".

(b) CREDIT TO BE REFUNDED TO EXTENT IT EXCEEDS TAX LIABILITY.—Section 6401(b) of such Code (relating to amounts treated as overpayments) is amended—

(1) by striking out "and 43 (relating to earned income credit)," and inserting in lieu thereof "43 (relating to earned income credit), and 44E (relating to public utility credit for losses attributable to certain residential energy efficiency programs),", and

(2) by striking out "and 43" and inserting in lieu thereof "43, and 44E".

(c) TABLE OF SECTIONS AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting immediately after the item relating to section 44D the following new item:

"Sec. 44E. Public utility credit for revenue losses attributable to certain residential energy efficiency programs.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1979.

TITLE III—FINANCIAL ASSISTANCE FOR LOWER INCOME PERSONS SUFFERING INCREASED ENERGY COSTS

PART 1—TAX CREDITS

SEC. 301. HOME HEATING CREDIT.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowed), as amended by section 251(a), is amended by inserting immediately before section 45 the following new section:

"SEC. 44F. CREDIT FOR RESIDENTIAL USERS OF ENERGY.

"(a) GENERAL RULE.—In the case of an individual, there is allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the products of—

"(1) the applicable relative energy price percentage for any qualified home heating energy source for the calendar year in which such taxable year begins, multiplied by

"(2) the amount paid or incurred during such taxable year by the taxpayer for such source.

"(b) LIMITATIONS.—

"(1) MINIMUM DOLLAR AMOUNT.—The amount of the credit allowed by subsection (a) (determined before the application of paragraph (2)) shall not be less than—

"(A) $20 for taxable years beginning after December 31, 1978, and before January 1, 1980, and

"(B) $30 for taxable years beginning after December 31, 1979.

"(2) MAXIMUM DOLLAR AMOUNT.—The amount of the credit allowed to a taxpayer under subsection (a) for any taxable year shall not exceed the excess (if any) of—

"(A) $200, over

"(B) 10 percent of so much of the adjusted gross income of the taxpayer for the taxable year as exceeds $20,000 ($18,000 in the case of a taxable year beginning after December 31, 1978, and before January 1, 1980).

"(3) ONE INDIVIDUAL ELIGIBLE PER HOUSEHOLD.—

"(A) IN GENERAL.—In the case of any household, the credit under subsection (a) shall be allowed only to the individual residing in such household who furnishes the largest portion (whether or not more than one-half) of the cost of maintaining such household.

"(B) DETERMINATION OF AMOUNT.—In the case of an individual described in subparagraph (A), such individual shall, for purposes of determining the amount of the credit allowed under subsection (a), be treated as having paid or incurred during such taxable year for qualified home heating energy sources an amount equal to the sum of the amounts paid or incurred for such sources by all individuals residing in such household (including any amount allocable to any such individual under subsection (d)).

"(4) MARRIED INDIVIDUALS FILING SEPARATELY.—In the case of a married individual filing a separate return of tax, the provisions of subsection (b) of this section shall be applied—

"(A) by substituting '$10' for '$20' and '$15' for '$30' in paragraph (1), and

"(B) by substituting '$100' for '$200', '$10,000' for '$20,000', and '$9,000' for '$18,000' in paragraph (2).

"(5) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) for a taxable year shall not exceed the tax imposed by this chapter for such taxable year, reduced by the sum of the credits allowable under a section of this subpart having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43.

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) APPLICABLE RELATIVE ENERGY PRICE PERCENTAGE.—The term 'applicable relative energy price percentage' with respect to any qualified home heating energy source for a calendar year means a percentage (rounded to the nearest 1/10 of 1 percent) equal to the fraction determined by multiplying—

"(A) a fraction—

"(i) the numerator of which is equal to—

"(I) the national average price for such qualified home heating energy source for such calendar year, minus

"(II) the national average base price for such qualified home heating energy source multiplied by the inflation adjustment factor, and

"(ii) the denominator of which is equal to such national average price,

by—

"(B) .25

"(2) NATIONAL AVERAGE PRICE.—

"(A) NATIONAL AVERAGE PRICE.—The term 'national average price' with respect to any qualified home heating energy source for any calendar year means an amount determined by the Secretary, after consultation with the Secretary of Energy or his delegate, to be the average price for such source in the United States during September of such calendar year.

"(B) NATIONAL AVERAGE BASE PRICE.—The term 'national average base price' with respect to any qualified home heating energy source means the amount determined by the Secretary, after consultation with the Secretary of Energy or his delegate, to be the national average price in the United States for such source during September 1978.

"(3) QUALIFIED HOME HEATING ENERGY SOURCE.—The term 'qualified home heating energy source' means any energy source used for a qualified use.

"(4) QUALIFIED USE.—The term 'qualified use' means use in connection with any principal residence of the taxpayer located in the United States for purposes of heating such residence.

"(5) PRINCIPAL RESIDENCE.—The term 'principal residence' has the same meaning as in section 1034, except that—

"(A) no ownership requirement shall be imposed, and

"(B) the principal residence must be used by the taxpayer as his residence during the taxable year.

"(6) INFLATION ADJUSTMENT FACTOR.—The term 'inflation adjustment factor' means, with respect to a calendar year, a fraction the numerator of which is the Consumer Price Index for all urban consumers (all items—United States city average) as of September of the calendar year and the denominator of which is such price index as of September 1978.

"(d) ALLOCATIONS.—

"(1) TENANTS.—

"(A) IN GENERAL.—In the case of a tenant (other than a tenant-stockholder in a cooperative housing association) residing in a dwelling unit which is heated by a qualified home heating energy source and with respect to which the amount paid for such source is not separately stated, the credit allowable under subsection (a) for any taxable year for any qualified home heating energy source used for a qualified use shall be equal to the applicable relative energy price percentage for such source multiplied by an amount equal to that portion of rent paid by the taxpayer during such taxable year as is equal to the qualified rental portion.

"(B) QUALIFIED RENTAL PORTION.—For purposes of this paragraph, the term 'qualified rental portion' means that percentage of rental amounts paid for principal residences during a calendar year which the Secretary determines after consultation with the Secretary of Housing and Urban Development or his delegate and after taking into account regional differences in climate and heating costs, to be the average percentage of rental amounts paid in a region of the United States attributable to the payment of the costs of the qualified home heating energy source so used for a qualified use in connection with the principal residence.

"(2) CONDOMINIUMS AND COOPERATIVES.—The Secretary shall provide by regulation for the application of this section to condominium management associations (as defined in section 528(c)(1)) or members of such associations, and tenant-stockholders in cooperative housing corporations (as defined in section 216), in such a fashion that the amount allowed by subsection (a) is allowed, whether by allocation, apportionment, or otherwise, to the individuals paying, directly or indirectly, for the qualified home heating fuel so used.".

(b) CLERICAL AMENDMENTS.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting immediately after the item relating to section 44E the following new item:

"Sec. 44F. Credit for residential users of energy.".

(2) Section 6096(b) (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44D" and inserting "44D, and 44F".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1978, and before January 1, 1982.

PART 2—LOW INCOME ENERGY ASSISTANCE

SEC. 321. AMENDMENT TO TITLE IV OF THE SOCIAL SECURITY ACT.

Part A of title IV of the Social Security Act is amended by adding at the end thereof the following new section:

"ENERGY ASSISTANCE PAYMENTS

"SEC. 412. (a) Each State having a plan approved under this part shall pay, in addition to benefit amounts otherwise payable under the State plan, to each AFDC recipient household (as such term is defined in section 1132 of this Act) an energy assistance payment in an amount determined under such section 1132.

"(b)(1) The energy assistance payment required under subsection (a) may be included in the same payment as other amounts payable under the State plan, but for purposes of section 403 such payment shall not be included as aid to families with dependent children, and additional administrative costs incurred in making such energy assistance payment shall not be included as amounts expended for the administration of the State plan.

"(2) Any erroneous energy assistance payment made by the State shall not be counted in determining error rates for purposes of this part.

"(3) Energy assistance payments received by a recipient household shall not be included as income for purposes of any program based on need.

"(c) Each State plan approved under this part shall be deemed to incorporate the provisions and requirements of this section, and such incorporation shall be a condition for approval of such plan under this part; except that the provisions and requirements of this section shall not apply to any State which chooses, as provided in section 1132, not to make direct energy assistance payments to AFDC recipient households.".

SEC. 322. AMENDMENT TO TITLE XVI OF THE SOCIAL SECURITY ACT

Part A of title XVI of the Social Security Act is amended by adding at the end thereof the following new section:

"ENERGY ASSISTANCE PAYMENTS

"SEC. 1619. (a) In addition to benefit amounts otherwise payable under this title, the Secretary shall pay to each SSI recipient household (as such term is defined in section 1132 of this Act) an energy assistance payment in an amount determined under section 1132.

"(b)(1) The energy assistance payment required under subsection (a) shall be included in the same payment as the benefits payable under section 1611, but for purposes of any provision of law other than this section shall not be considered to be supplemental security income benefits payable under this title.

"(2) Any erroneous energy assistance payment made by the Secretary under this section shall not be counted for purposes of determining error rates for benefits payable under this title other than such energy assistance payments.

"(3) Energy assistance payments received by a recipient household shall not be included as income for purposes of any program based on need.

"(c) The requirements of this section shall not apply with respect to recipient households within a State which chooses, as provided in section 1132, not to have the Secretary make direct energy assistance payments to SSI recipient households.".

SEC. 323. AMENDMENT TO TITLE XI OF THE SOCIAL SECURITY ACT

Part A of title XI of the Social Security Act is amended by adding at the end thereof the following new section:

"LOW INCOME ENERGY ASSISTANCE

"SEC. 1132. (a) For the purpose of providing assistance to low income households, directly or through State programs, to meet needs related to increased energy costs, there shall be paid out of the Low Income Energy Assistance Trust Fund, established under section 103 of the Crude Oil Windfall Profit Tax Act of 1979, allotment amounts as determined under this section.

"(b)(1) The Secretary shall determine the allotment amount for each State for each fiscal year as provided under paragraph (2), based upon the most recent appropriate data available (as determined by the Secretary at the time he makes such determination. The Secretary shall make such determination with respect to fiscal year 1980 within ten days after the date of the enactment of this section, and shall make such determination not less than ninety days prior to the beginning of each succeeding fiscal year with respect to each such fiscal year.

"(2) The allotment amount for each State for each fiscal year shall be—

"(A) an amount which bears the same ratio to one-half of the total amount determined under paragraph (3) for such fiscal year as the aggregate of total energy expenditures by low income households (as determined by the Secretary and published not less than ninety days prior to the beginning of each fiscal year) for such State bears to the aggregate of such total energy expenditures by low income households for all the States; plus

"(B) an amount which bears the same ratio to one-half of the total amount determined under paragraph (3) for such fiscal year as the average annual heating degree days in such State (as determined by the Secretary), multiplied by the number of households (as determined by the Secretary) in such State having income equal to or less than 125 per centum of the property level, bears to the sum of such products for all the States.

"(3) For purposes of making the allotment under paragraph (2), the amount for each fiscal year shall be an amount equal to $250,000,000 multiplied by the number of months during such fiscal year during which the provisions of this section are effective. Such amount, if not a multiple of $100,000,000 shall be rounded to the next lowest multiple of $100,000,000.

"(4) For purposes of this section the poverty level shall be determined in accordance with the criteria established by the Office of Management and Budget.

"(5) With respect to the fiscal year 1980, the Secretary, in determining the allotment under paragraph (2)(A), shall use a factor of residential energy expenditures (as estimated by the Secretary for 1979) in lieu of total energy expenditures by low income households.

"(6) Notwithstanding the preceding provisions of this subsection, the amount of any State's allotment shall be increased if, and to the extent that, such increase is required, based on the estimates available at the time the allotment is made, to ensure that the minimum benefit requirement in subsection (c) is met, without regard to which option is chosen by such State. The allotment amount of all other States shall be reduced on a pro rata basis as may be necessary to permit such increase (but no State's allotment may be reduced below the amount required to ensure that the minimum benefit requirement of subsection (c) is met).

"(c)(1) Except as otherwise provided in paragraph (2), funds allotted to a State under subsection (b) shall be used—

"(A) by the Secretary to make payments to SSI recipient households in such State as provided in section 1619; and

"(B) by such State to make payments to AFDC recipient households under section 412 and to food stamp recipient households under this section.

"(2) With respect to its allotment under subsection (b), each State shall have the option to—

"(A) provide that payments shall be made by the State, or by the Secretary in the case of recipients of supplemental security income benefits, to each of the three categories of recipient households (as described in clauses (i), (ii), and (iii) of paragraph 3(A)) in accordance with paragraph (3) and sections 412 and 1619 of this Act;

"(B) provide that payments shall be made by the State, or by the Secretary in the case of recipients of supplemental security income benefits, to any one or any two of the categories of recipient households in accordance with paragraph (4), and receive a block grant in an amount determined under paragraph (4), to be used in accordance with paragraph (5); or

"(C) receive the full amount of such allotment as a block grant, to be used in accordance with paragraph (5).

"(3)(A) For purposes of this section, the term 'recipient household' means—

"(i) a household that is an eligible household under section 3(i) of the Food Stamp Act of 1977 and participates in the food stamp program, but which is not a recipient household under clause (ii) or (iii) of this subparagraph (hereafter in this section referred to as 'food stamp recipient households');

"(ii) a household that contains any individual who receives aid to families with dependent children under a State plan approved under part A of title IV of this Act, but which is not a recipient household under clause (iii) (hereafter in this section referred to as 'AFDC recipient households'); and

"(iii) a household that contains an individual who is an eligible individual or eligible spouse receiving supplemental security income benefits under title XVI of this Act, or an individual receiving payments from the Secretary under an agreement entered into by the Secretary under section 1616 of this Act or section 212 of Public Law 93–66 (hereafter in this section referred to as 'SSI recipient households').

For purposes of clauses (ii) and (iii) the term 'household' shall be defined by the Secretary, and shall not include an institution.

"(B) If a State chooses to make payments under paragraph (2)(A) to recipient households, the amount of such payment to each recipient household for any fiscal year shall be equal to 90 per centum of such State's allotment, divided in a manner such that the benefit amount for all recipient households in such State consisting of one individual shall be equal, and the benefit amount for all other recipient households in such State shall be equal to 150 per centum of such amount for a one-individual household; except that no benefit amount shall be less than an amount equal to $10 multiplied by the number of months in such fiscal year during which this section is effective.

"(C) In making the determination of the amount of such payment under subparagraph (B), the Secretary shall estimate such amount, and monthly payments shall be made to each AFDC recipient household and each SSI recipient household, equal to such estimated amount divided by the number of months in such fiscal year during which this section is effective.

"(D) Payments to food stamp recipient households shall be made twice during each fiscal year, and shall be equal to one-half of such payment amount; except that if, based on the most recent data available at the time such a payment is to be made, the Secretary determines that there will be insufficient funds remaining from such State's allotment to pay the full amount of all benefits required to be made under this section, the State shall reduce the amount of either or both such payments (without regard to the minimum benefit requirement) as may be necessary to ensure that sufficient funds will remain to pay the full amount of benefits to SSI recipient households and AFDC recipient households.

"(E) An amount equal to 10 per centum of any State's allotment shall be paid to such State making payments under this paragraph for administrative expenses; except that an amount that bears the same ratio to such 10 per centum of the State's allotment, as the number of SSI recipient households in such State bears to the total number of recipient households in such State, shall be retained by the Secretary for administrative expenses in making such payments to SSI recipient households.

"(F) In the case of any State that chooses, with respect to any fiscal year, to have energy assistance payments made by the Secretary to SSI recipient households, the amount of such payment with respect to any succeeding fiscal year (if the State chooses to have such payments made) shall not be in an amount less than the amount of such payments for such prior fiscal year. In order to provide for such payment amounts for SSI recipient households, the State shall (if necessary) reduce the amount available out of its allotment for payments to food stamp recipient households or for a block grant.

"(G) Notwithstanding the preceding provisions of this paragraph and the provisions of sections 412 and 1619 of this Act, with respect to fiscal year 1980, all payments to recipient households under this section and under sections 412 and 1619 shall be made in a lump sum at the earliest practicable date after the date of the enactment of this section.

"(4)(A) If a State chooses, under paragraph (2)(B), to make payments to one or two of the categories of recipient households (as described in clauses (i), (ii), and (iii) of paragraph (3)(A)), and receive the remainder of such allotment as a block grant, the amount of such payment shall be determined in the same manner as provided under paragraph (3), including any reduction (if necessary) in payments to food stamp recipient households (if such households are receiving payments) as provided in paragraph (3)(D).

"(B) An amount equal to 10 per centum of that portion of the State's allotment used for making payments to recipient households under this paragraph shall be paid to such State for administrative expenses; except that if the Secretary makes payments to SSI recipient households in such State, an amount that bears the same ratio to such 10 per centum of that portion, as the number of SSI recipient households in such State bears to the number of recipient households in such State receiving payments under this subparagraph, shall be retained by the Secretary for administrative expenses.

"(C) Any amount, in excess of (i) the amount of payments to be made under this paragraph, as those amounts are initially determined at the beginning of the fiscal year, plus (ii) any amount paid or retained for administrative expenses, of a State's allotment shall be paid to such State as a block grant, to be used in accordance with paragraph (5).

"(5)(A) Any funds made available to a State under a block grant under paragraph (2) or (4) must be used by such State for providing assistance to lower income households (as defined by such State) to meet needs related to increased energy costs; except that an amount not to exceed 10 per centum of such funds may be used to offset administrative costs incurred by such State in carrying out any program under this subparagraph. Any funds allotted to a State under a block grant which are not used for such purpose shall be returned to the Low Income Energy Assistance Trust Fund.

"(B) A State may use funds available under such a block grant for the purpose of making vendor payments to meet energy needs of lower income households, or of providing credits against State tax to energy suppliers who supply such energy at reduced rates to lower income households, but such credit may not exceed the amount of the loss of revenue to such supplier on account of such reduced rate. Any certifications for such vendor payments or tax credits shall be made by the State, but such State may utilize Federal data available to such State with respect to recipients of supplemental security income benefits.

"(C) In carrying out a program under such a block grant, a State must make such program available on an equitable basis to members of any Indian tribe residing within such State.

"(D) With respect to any option to receive or cease to receive any block grant under this section, exercised by a State under this section—

"(i) the option shall apply with respect to each fiscal year and shall apply to the entire fiscal year; and

"(ii) notice of the State's intention to exercise such option must be given to the Secretary not more than ninety days prior to the beginning of such fiscal year.

"(E) With respect to fiscal year 1980, notice by a State that it intends to exercise the option to receive any block grant under this section must be given to the Secretary within fifteen days after the date of the enactment of this section.

"(6)(A) Each State making payments to AFDC recipient households under section 412 or to food stamp recipient households under this section shall take such measures as are necessary to ensure that such payments do not duplicate one another with respect to the same household, and do not duplicate any payments made to SSI receipient households under section 1619.

"(B) Any duplicate payment made by a State as described in subparagraph (A) shall be subject to recovery by the State.

"(C) The provisions of subparagraphs (A) and (B) shall not apply with respect to the payment for fiscal year 1980 authorized in paragraph (3)(G), but any State which takes such measures described in subparagraph (A) with respect to such payment for fiscal year 1980 may retain an amount equal to one-half of the amount of the savings which result from such measures (as determined by the Secretary) out of any amount which remains from such State's 1980 allotment after such payment is made.

"(d)(1) In any case in which the full amount of the allotment to any State is not paid out during a fiscal year under subsection (c), the amount not so paid out shall be returned by the State or the Secretary (as the case may be) to the Low Income Energy Assistance Trust Fund, and shall remain available to be used in any subsequent fiscal year in which a State or the Secretary requires additional funds in order to make all required payments with respect to any State under subsection (c).

"(2) In any case in which, after payment amounts to food stamp recipient households have been readjusted in accordance with paragraph (3)(D), insufficient amounts remain in a State's allotment to make required payments to SSI recipient households and AFDC recipient households, an additional payment shall be made from the Low Income Energy Assistance Trust Fund to ensure that such required payments may be made.

"(e)(1) Any erroneous payments made by any State or by the Secretary under the program established by this section shall not be counted in determining error rates under the programs established by part A of title IV of this Act, title XVI of this Act, or the Food Stamp Act of 1977.

"(2) The Secretary may account for the program established by this section in separate accounts, or through the accounts of the programs established under part A of title IV of this Act, title XVI of this Act, or the Food Stamp Act of 1977, as he may determine to be most feasible.

"(3) Any determination with respect to benefit payments made under the program established by this section shall be made on the basis of the most recent information available to the Secretary and to any State at the time such determination is made, and shall not be subject to retroactive adjustment based on more recent information. This paragraph shall not apply if, and to the extent that, the Secretary determines that sufficient administrative capability has been developed to allow for such adjustments.

"(4) Any payment to a recipient household under this section shall not be considered income for purposes of any program based on need.

"(5) For purposes of this section, and sections 412 and 1619, the term 'State' means the fifty States and the District of Columbia.".

SEC. 324. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided in subsection (b), the amendments made by this part shall become effective on the date of the enactment of this Act.

(b) SECTION 1132 AMOUNTS.—For purposes of determining the amount of the allotments and benefit payments under section 1132 of the Social Security Act, such section 1132 shall be deemed not to be effective for months prior to May 1980.

(c) TERMINATION OF CERTAIN SECTIONS.—Sections 412, 1132, and 1619 of the Social Security Act shall cease to be effective, and no payment shall be made under any such section, for any period after fiscal year 1982, unless such section is specifically made effective for any such period by legislation enacted after the date of the enactment of this Act.

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. CARRYOVER BASIS.

(a) IN GENERAL.—Subsections (a), (d), and (e) of section 2005 of the Tax Reform Act of 1976 (relating to carryover basis), and subsection (a), paragraphs (2) through (9) of subsection (c), and paragraphs (1) and (3) of subsection (r) of section 702 of the Revenue Act of 1978, and the amendments made by those subsections or paragraphs are hereby repealed.

(b) REVIVAL OF PRIOR LAW.—Except to the extent necessary to carry out subsection (d), the Internal Revenue Code of 1954 shall be applied and administered as if the provisions repealed by subsection (a), and the amendments made by those provisions, had not been enacted.

(c) CONFORMING CHANGES.—

(1) Subsection (c) of section 1016 (relating to increase in basis in case of certain involuntary conversions) is amended to read as follows:

"(c) INCREASE IN BASIS IN THE CASE OF CERTAIN INVOLUNTARY CONVERSIONS.—

"(1) IN GENERAL.—If—

"(A) there is a compulsory or involuntary conversion (within the meaning of section 1033) of any property, and

"(B) an additional estate tax is imposed on such conversion under section 2032A(c).

then the adjusted basis of such property shall be increased by the amount of such tax.

"(2) TIME ADJUSTMENT MADE.—Any adjustment under paragraph (1) shall be deemed to have occurred immediately before the compulsory or involuntary conversion.".

(2)(A) Section 1040 (relating to satisfaction of a pecuniary bequest) is amended to read as follows:

"SEC. 1040. USE OF FARM, ETC., REAL PROPERTY TO SATISFY PECUNIARY BEQUEST.

"(a) GENERAL RULE.—If the executor of the estate of any decedent satisfies the right of a qualified heir (within the meaning of section 2032A(e)(1)), to receive a pecuniary bequest with property with respect to which an election was made under section 2032A, then gain on such exchange shall be recognized to the estate only to the extent that, on the date of such exchange, the fair market value of such property exceeds the value of such property for purposes of chapter 11 (determined without regard to section 2032A).

"(b) SIMILAR RULE FOR CERTAIN TRUSTS.—To the extent provided in regulations prescribed by the Secretary, a rule similar to the rule provided in subsection (a) shall apply where—

"(1) by reason of the death of the decedent, a qualified heir has a right to receive from a trust a specific dollar amount which is the equivalent of a pecuniary bequest, and

"(2) the trustee of the trust satisfies such right with property with respect to which an election was made under section 2032A.

"(c) BASIS OF PROPERTY ACQUIRED IN EXCHANGE DESCRIBED IN SUBSECTION (a) OR (b).—The basis of property acquired in an exchange with respect to which gain realized is not recognized by reason of subsection (a) or (b) shall be the basis of such property immediately before the exchange increased by the amount of the gain recognized to the estate or trust on the exchange.".

(B) The item relating to section 1040 in the table of sections for part III of subchapter O of chapter 1 is amended to read as follows:

"Sec. 1040. Use of farm, etc., real property to satisfy pecuniary bequest.".

(3) The second sentence of section 2614(a) (relating to special rules for generation-skipping transfers) is amended to read as follows: "If property is transferred in a generation-skipping transfer subject to tax under this chapter which occurs at the same time as, or after, the death of the deemed transferor, the basis of such property shall be adjusted in a manner similar to the manner provided under section 1014(a).".

(d) Election of Carryover Basis Rules by Certain Estates.—Notwithstanding any other provision of law, in the case of a decedent dying after December 31, 1976, and before November 7, 1978, the executor (within the meaning of section 2203 of the Internal Revenue Code of 1954) of such decedent's estate may irrevocably elect, within 120 days following the date of enactment of this Act and in such manner as the Secretary of the Treasury shall prescribe, to have the basis of all property acquired from or passing from the decedent (within the meaning of section 1014(b) of the Internal Revenue Code of 1954) determined for all purposes under such Code as though the provisions of section 2005 of the Tax Reform Act of 1976 (as amended by the provisions of section 702(c) of the Revenue Act of 1978) applied to such property acquired or passing from such decedent.

(e) Effective Date.—The amendments made by this section apply to estates of decedents dying after December 31, 1976.

UP AMENDMENT NO. 826

(Purpose: To provide that certain intercity buses will be treated as energy property eligible for the additional energy percentage of 10 percent)

Mr. LONG. Mr. President, on behalf of the Committee on Finance, I send to the desk a modification of the committee amendment, and, on behalf of the committee, I so modify the amendment.

The PRESIDING OFFICER. The Senator has that right. The amendment is so modified.

The modification (UP No. 826) is as follows:

On page 107, between lines 9 and 10, insert the following:

"(v) Certain intercity buses.—For qualified investment (as determined under subsections (c) and (d)) in property described in section 48(1)(2)(A)(x) (relating to certain intercity buses), the energy percentage is 10 percent for the period beginning on January 1, 1980, and ending on December 31, 1985.

On page 107, line 10, strike out "'(v)" and insert "'(vi)".

On page 108, line 3, strike out "'(vi)" and insert "'(vii)".

On page 110, line 8, strike out "or".

On page 110, line 9, strike out the closing quotation marks and the period and insert in lieu thereof "or".

On page 110, between lines 9 and 10, insert the following:

"(x) certain intercity buses described in paragraph (16).".

On page 115, line 22, strike out the closing quotation marks and the final period.

On page 115, between lines 22 and 23, insert the following new paragraph:

"(16) Certain Intercity Buses.—

"(A) In general.—Paragraph (2)(A)(x) applies only with respect to qualified investment of a taxpayer which is a common carrier regulated by the Interstate Commerce Commission or an appropriate State agency (as determined by the Secretary) engaged in the trade or business of furnishing ground passenger transportation in a qualified intercity bus.

"(B) Qualified Intercity Bus.—For purposes of subparagraph (A), the term 'qualified intercity bus' means an automobile bus—

"(i) the chassis and body of which is exempt under section 4063(a)(4) from the tax imposed by section 4061(a).

"(ii) which has a seating capacity of more than 35 passengers (in addition to the driver), and one or more baggage compartments, separated from the passenger area, with a capacity of at least 200 cubic feet, and

"(iii) which—

"(I) when purchased and placed in service by the taxpayer, increases the taxpayer's total operating seating capacity for the taxable year, over the taxpayer's total operating seating capacity for the preceding taxable year, for all such buses operated by the taxpayer (whether owned or leased) more than 10,000 miles for each of those taxable years in intercity passenger or charter service, or

"(II) is purchased and placed in service by the taxpayer within 12 months after commencing operations as a regulated common carrier in intercity passenger or charter service.".

Mr. LONG. Mr. President, this amendment relates to intercity buses, and will be discussed at a later date.

Mr. CRANSTON. Mr. President, I ask unanimous consent that Harold Gross of my staff have the privilege of the floor during the consideration of the windfall profits tax bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

MILK PRICE SUPPORT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 427.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 6) to amend the Agricultural Act of 1949, and for other purposes.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture, Nutrition, and Forestry, with an amendment to strike all after the enacting clause and insert the following:

That (a) the second sentence of subsection (c) of section 201 of the Agricultural Act of 1948, as amended (7 U.S.C. 1446(c)), is amended by striking out "March 31, 1979" and inserting in lieu thereof "September 30, 1981".

(b) The first sentence of subsection (d) of such section (7 U.S.C. 1446(d)) is amended by striking out "March 31, 1981" and inserting in lieu thereof "September 30, 1981".

Mr. LEAHY. Mr. President, S. 6 would extend through September 30, 1981, the requirements that the Secretary of Agriculture support the price of milk at not less than 80 percent of parity and make adjustments in the support price of milk at the beginning of each 6-month period after the beginning of the marketing year to reflect estimated changes in the parity index during such semiannual period.

To some, this dairy price support bill is seen as farm legislation. However, I want to make it very clear that S. 6 is essential legislation for consumers as well as farmers. For without the 80 percent of parity support level for milk that S. 6 provides, we cannot be assured of a consistent and stable flow of milk and dairy products at affordable prices to meet the Nation's needs.

While the Secretary of Agriculture has by administrative action extended the 80 percent of parity support level through this marketing year, there is no assurance that he will make the semiannual parity index adjustment in April or make another extension of the support level administratively for the next marketing year. The Secretary is to be complimented for his action, but dairy farmers must have the added degree of assurance that can only be provided by S. 6. Without such a guarantee, we cannot expect America's dairy industry to make the investments of time and money needed to produce adequate supplies of milk and dairy products.

Mr. President, the dairy price supports under S. 6 are not inflationary. Dairy prices are now well above the support level, and this bill only provides a price floor for dairy farmers.

On October 12 of this year, I chaired a hearing on S. 6 before Senator Huddleston's Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices. Every dairy producers' representative testifying, be they from the east, the south, or the west, strongly supported the bill.

At the hearing, the Department of Agriculture proposed that a trigger mechanism be included in S. 6. Basically, this trigger mechanism would have empowered the Secretary of Agriculture to lower the support price below 80 percent of parity when commodity credit corporation stocks reached 350 million pounds of nonfat dry milk or a quantity of butter and cheese equivalent to 3.5 billion pounds of milk. However, in reporting S. 6 to the Senate, the Committee on Agriculture, Nutrition, and Forestry did not recommend inclusion of this proposal.

Mr. President, the present dairy price support system is working well and has worked well to the satisfaction of consumers and dairy farmers alike for 30 years without this trigger mechanism.

I believe that the administration's proposal, which is a new approach that has not been tested, must be considered in depth and adequately discussed by the people it affects. A more appropriate time for legislative review of this proposal is when the omnibus 1981 farm bill is under consideration. This can be accomplished under S. 6, which extends the 80 percent of parity support level only through the end of the 1981 fiscal year.

Mr. President, this bill recently won overwhelming approval in the House of Representatives. It is my sincere hope that the Senate will reaffirm its strong commitment to America's dairy farmers and consumers by passing this vital piece of legislation. Without S. 6, without a guarantee of milk price support at 80 percent of parity, there is no assurance that the stable and affordable supply of milk and dairy products that this Nation has so long enjoyed will continue. I urge the Senate to pass S. 6.

Mr. TALMADGE. Mr. President, S. 6 extends the requirement that the price of milk be supported at 80 percent of parity through September 30, 1981. I was pleased to cosponsor this legislation and I strongly urge the Members of the Senate to approve it.

Support for milk provides price stability needed to encourage dairy production. It serves the important function of assuring that there will be production of pure and wholesome milk adequate to meet the Nation's present needs and that farm income will be at a level adequate to maintain productive capacity sufficient to meet anticipated future needs.

The relative balance of supply and demand over the past year indicates that price support at 80 percent of parity has provided dairy farmers sufficient price stability to encourage production necessary to meet the Nation's needs.

However, recently, production has not expanded as rapidly as demand and there has been a drawdown of dairy product stocks of the Commodity Credit Corporation. It is essential that current production levels be maintained.

Dairy farmers must continue to have a stable price floor at the 80-percent-of-parity level. Uncertainty as to this minimum price of milk could discourage needed production.

S. 6 will also extend through September 30, 1981, the requirement that the Secretary of Agriculture make adjustments in the support price of milk at the beginning of each 6-month period after the beginning of the marketing year to reflect estimated changes in the parity index during that semiannual period. This adjustment mechanism is important to dairy farmers during this period of rampant inflation. It assures them fair and equitable implementation of the support program.

Under S. 6, the requirement for an 80-percent-of-parity level of support will expire in less than 2 years—at the same time as the other commodity programs under the farm bill. During 1981, the Committee on Agriculture, Nutrition, and Forestry will review the programs under the farm bill thoroughly. As part of this review, the committee will look at the milk program again to determine if modifications of the support program are needed.

Mr. President, S. 6 should be enacted. It provides protection for dairy producers and dairy consumers needed at this time.

Mr. HUDDLESTON. Mr. President, as chairman of the Senate Agriculture Subcommittee on Agricultural Production, Marketing and, Stabilization of Prices, which held hearings on S. 6, I wish to comment briefly on testimony presented before the subcommittee, and to express my support for enactment of this legislation, or its companion bill H.R. 4167.

Our experience with the milk price support program over the years has shown that it is a program which has served the Nation well. It has provided consumers supplies of fresh fluid milk, cheese, and dairy products on a regular basis at prices which have followed general trends in the economy. For our dairy farmers, it has permitted them to concentrate on increasing the efficiency of their operations with some assurance that their decision with respect to maintaining their herds would not lead to an unrealistic decline in their families standard of living.

With inflation pushing production costs up and significant changes occurring in the general economy, failure to extend to 1981 the current 80-percent level of support could be disquieting in the dairy production sector and contribute to instability in a sector of the economy where relative stability has prevailed. This fact was a key point in the testimony of the Congressional Budget Office. They concluded from their analysis: First, that an extension of price support at the 80-percent level to 1981 would maintain in real terms the incomes of dairy farmers at approximately their current levels; second, that adequate supplies of milk will be forthcoming with the support price at 80 percent of parity; and third, that the risks of price instability and interruptions in supply would be considerably greater at lower support levels.

To fail to assure continued support at the 80-percent level would contribute to instability within the industry and in the economies of many States. Kentucky, which ranks 13th in total milk production and 8th in American cheese production, had farm sales of dairy products valued at $225 million last year. Dairy processing plants, which provide employment for several thousand of its citizens, and businesses which service the industry multiply the industry's total value to the Commonwealth's economy. And, the situation is similar in other States.

Secretary of Agriculture, Bob Bergland, in a September 24 letter to Senator HERMAN TALMADGE, chairman of the Committee on Agriculture, indicated that price support at 80 percent of parity for this fall and for most of the next 2 years appears reasonable. The Secretary also expressed a desire for increased flexibility to adjust support levels should current estimates prove incorrect and CCC inventories of nonfat dry milk, butter, and cheese rise from their current low levels to levels which would be considered excessive and burdensome on the Treasury. In discussions with leaders in the dairy industry, they also expressed a desire to keep CCC inventories and program costs within bounds which have been determined over the past several years to be consistent with the attainment of price stability. They indicated, however, that some rise from current low levels should not be considered unusual—that inventory levels over the years have fluctuated as the program has functioned to funnel inventories into the market when supplies are short and withdraw supplies when the market is oversupplied.

Therefore, it is with some recognition that inventories could rise, an expression from the Secretary that 80 percent of parity appears reasonable for the period covered by this legislation, and an indication that the risk of price instability and supply interruptions would be significantly greater at lower support levels, that I endorse and encourage Senate approval of this legislation.

EIGHTY-PERCENT MINIMUM A MUST FOR U.S. DAIRY FARMERS

Mr. NELSON. Mr. President, I rise to support the legislation—reported by the Senate Agriculture Committee—to extend the dairy price support level of 80 percent for 2 years.

At the beginning of the 96th Congress, I introduced a bill (S. 80) with Senators HUDDLESTON, PROXMIRE, MCGOVERN, RIEGLE, and MOYNIHAN to extend until September 30, 1981, the requirement that the price of milk be supported at not less than 80 percent of the parity price. Congressmen OBEY, KASTENMEIER, and BALDUS introduced a companion bill (H.R. 80) in the House of Representatives. On the first day of the session, Senator LEAHY introduced a bill (S. 6) with Senators DANFORTH, THURMOND, and HEINZ which sought to achieve exactly the same purpose as S. 80.

On November 8, 1979, the House of Representatvies approved legislation to extend the dairy price support level of 80 percent for 2 years. That legislation (H.R. 4167) was passed by the overwhelming margin of 310 to 64.

The Senate Agriculture Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices held hearings on S. 80 and S. 6 on October 12, 1979. Testimony received by the subcommittee demonstrated clear support for this legislation. But above all, witness after witness indicated that a stable price floor at 80 percent of parity must be provided in order to assure that an adequate and stable supply of domestic milk will be available to meet the needs of the American consumer.

On October 17, 1979, the Committee on Agriculture, Nutrition, and Forestry met in executive session to consider the milk price support bills. At that time, the committee decided to report S. 6 to the Senate, with a committee amendment that would conform the language of the committee bill exactly with the language of S. 80. This is the same language that was adopted by the House. Therefore, the bill will go directly to the President without the necessity of a conference between the Senate and the House.

The bill before the Senate, S. 6, as amended by the committee, would extend through September 30, 1981, the requirements that the Secretary of Agriculture:

First. Support the price of milk at not less than 80 percent of parity; and

Second. Make adjustments in the support price of milk at the beginning of each six-month period after the beginning of the marketing year to reflect estimated changes in the parity index during such semiannual period.

Mr. President, I will take only a few minutes to explain this legislation and to underscore some of the reasons why, in my judgment, the Senate should act favorably on the pending legislation.

The Food and Agriculture Act of 1977 raised the minimum dairy price support level from 75 to 80 percent for a 2-year period which ended on September 30, 1979. All other sections of that act were authorized for 4 years, but the dairy price support provisions were only authorized for 2 years.

During consideration of the 1977 act, many of us who are familiar with the nature of family dairy farms urged that the 80 percent minimum be set for the full, 4-year duration of the act. However, Congress determined that the 80 percent minimum should be tried for 2 years and evaluated on that experience.

The time has now come to decide whether to extend the 80 percent minimum for the last 2 years of the act. In my judgment, there is no question that it should be extended. This judgment is based on overwhelming evidence that the 80 percent price support floor has worked well for both the dairy farmer and the consumer. The economic fact of life is that dairy farmers cannot stay in the business of producing milk at less than 80 percent of parity.

By any measure, dairy products remain a bargain for the American consumer. Several facts substantiate this assertion.

Between 1967 and 1978 the Consumer Price Index indicates that dairy products increased by 86 percent, while all food prices increased 111 percent during this period of time.

A dairy farmer now receives about 97 cents for each gallon of milk he produces. By contrast, a survey conducted by my staff of food stores in Wisconsin indicates that a gallon jug of spring water costs anywhere from 69 cents to $1 at the grocery store.

In 1950, it took the average worker engaged in manufacturing 16 minutes of work to earn enough to buy a half gallon of milk. Today it takes less than 9 minutes.

Mr. President, the 80 percent minimum dairy price support program makes good economic sense. In recognition of this fact, Secretary of Agriculture Bob Bergland established the dairy price support level at 80 percent of parity for the 1979–80 marketing year. While the support level could have been reduced to 75 percent on October 1, 1979, the Secretary of Agriculture determined that 80 percent of parity was a more appropriate level.

In setting the support level at 80 percent, Secretary of Agriculture Bergland assured the Nation's dairy farmers that they would receive no less than 80 percent of the price that farmers got for their milk during a baseline period some 75 years ago, when, it has been agreed, farmers received a reasonable income for their milk.

If the normal market price for milk falls below 80 percent of parity, the Federal Government will step in and begin to buy milk products like butter, cheese, and nonfat dry milk, at a price that pays farmers 80 percent of parity for their products.

That, in essence is how the Federal milk price support system works.

The Secretary's action maintaining an 80-percent support price level means that the Government has placed a floor of $11.22 per hundredweight on the price a farmer receives for milk. Currently, the Minnesota-Wisconsin manufacturing milk price is $11.25 per hundredweight. Therefore, at the present time the retention of the 80-percent figure will cost the Federal Treasury almost nothing.

The question of what the appropriate level of dairy price supports ought to be was studied earlier this year by the Congressional Budget Office (CBO). On April 11, 1979, Dr. Alice Rivlin, Director of the CBO testified before the Dairy and Poultry Subcommittee of the House Agriculture Committee. In her statement, Dr. Rivlin testified as to the CBO's analysis of the effects of milk price supports over the next 5 years at four alternative support levels—80, 85, and 90 percent of parity.

The major conclusions of this analysis is that adequate supplies of milk will be attained with the support price at the current 80 percent of parity. The CBO found that there are somewhat greater risks of price instability and interruptions in supply which result from 75 percent of parity. Dr. Rivlin had the following comment on maintaining 80 percent of parity:

> If the minimum support price is continued at 80 percent of parity for the next five years, annual receipts from the sale of milk would average about $18.0 billion and annual retail spending for dairy products would average $37.3 billion. In real terms, the incomes of dairy farmers and the retail prices of dairy products would continue at current levels.
>
> Annual CCC (Commodity Credit Corporation) purchases would average 3.6 billion pounds or about 3 percent of milk production, a level historically associated with relatively high price stability. Annual Federal budget outlays would average approximately $600 million. In short, 80 percent of parity would provide price stability and, as compared with the recent situation, *would not cause any major changes in dairy Farmers' incomes, consumer prices, or Federal budget outlays.* (*emphasis added*)

Mr. President, the dairy price support program has been an integral part of the U.S. food policy for 30 years—since 1949. The 80 percent dairy price support minimum is absolutely essential to provide American consumers an adequate supply of milk and dairy products at a fair price and to guarantee the Nation's dairy farmers an income that will keep farmers and their families in business. This basic premise is supported by the analysis provided by Dr. Rivlin's agency.

Those who would oppose maintaining an 80 percent parity level this year and in future years demonstrate that they just do not understand the nature of family dairy farms. Those family dairy farmers who have survived—and many have not—have done so because the present price support program works, but also because of their dedication to their profession and to the willingness of the entire farm family to take an active role in the operation of the dairy farms.

The family works together in good times and bad, on holidays and on every day of the week to milk the herd twice a day. The family sacrifices the ordinary return it should receive for its manual labor, not to mention the return it could otherwise expect in the marketplace for the money it has invested in its venture. Other than our Nation's farmers, I know of no other economic group in America that frequently works for less than the minimum wage.

Mr. President, an examination of the situation confronting Wisconsin dairy farmers is instructive in the consideration of the pending legislation.

About 45,300 dairy farmers reside in Wisconsin, making it the largest producer of milk in the United States—"America's Dairyland," as our license plates proclaim. Collectively these farms produce over one-seventh of the Nation's total milk supply, more than farms of any other State. The availability of so much milk in Wisconsin makes it a leader in another field—the production of cheese. About 40 percent of the Nation's total supply originates in Wisconsin.

Most dairy farm families in Wisconsin milk between 30 and 49 cows. The average herd on Wisconsin farms now numbers 36 cows.

On the average workday, the Wisconsin dairy farmer works 10 to 12 hours, and his wife works 4 to 5 hours in farm-related activities. During the haying and seeding seasons they work an additional 4 to 6 hours.

Sunday is not a day of rest on any dairy farm. It still means several hours of work for the family. Day in, day out, year in, year out, the cows must be milked and fed and milking equipment cleaned. Chores never stop. If the dairy farmer hopes to take any days off during the year, he must arrange to have his cows milked by relatives, friends, or children staying home.

In view of the uncertainties associated with dairy farming, the need for constant attention to duty, and the potential for disaster, what financial return can the dairy farmer and his family expect for their labors?

According to an accounting of the most efficient, average size—30 to 49 cows—dairy farms in Wisconsin, total disposable income for the entire farm family's labors in 1978 was $13,532. This figure, let me emphasize, does not represent the average income of dairy farm families in Wisconsin during 1978. Rather it reflects the average disposable income of Wisconsin's most successful dairy farmers.

To get a better picture of the "average" dairy farmer in Wisconsin, Truman Graf—a noted agricultural economist at the University of Wisconsin in Madison—thoroughly studied the statistics collected by Wisconsin's most efficient dairy farmers and concluded that most farm families in the State of Wisconsin earned around $10,000 for all of their work in 1978. Some earned less.

Translated into other terms, the compensation received by Wisconsin dairy farmers and their families for their work on an hourly basis was less than the minimum wage, ranging between $1.70 an hour to $2.60 an hour computed on a 100 hour per week, 52 week per year basis.

Total farm family income from dairying, therefore, was extremely low by any standard of measurement. After all, dairy farmers have an investment in land, buildings, livestock, and equipment that averages close to $200,000 and often exceeds $300,000.

Obviously there are few people in America who would work 365 days a year, Sundays and holidays, as managers of a business enterprise at an income that is frequently little more than the minimum wage and often less.

That is why it is incredible to find many consumers, consumer groups, and the news media opposing a dairy price support level of 80 percent of parity. This parity level permits the dairy farmers of this country to stay in business by being assured of a minimum income for all their labors and investment.

Not infrequently, those of us who support at least an 80 percent parity level are asked why the American public should continue to subsidize the dairy farmer. I point out that they are asking the wrong question. The right question is: How much longer can the dairy farmer be expected to continue to subsidize the consumer? When one efficiently produces a good product for a low return for one's labor and frequently little or no return for investment or management, it is the producer who is paying the subsidy, not the consumer.

The question ought to be: Why should the dairy farmer continue subsidizing the consumer?

The answer thousands of dairy farmers have given to this question is clear. They have had to quit dairy farming. In Wisconsin and in every other dairy farming area in this country, far more farmers have quit than have stayed in business during the past 25 years.

And so it is quite clear why Congress and the administration have determined that 80 percent of parity is the appropriate level of support for dairy products. It helps prevent more farmers from going out of business and therefore assures a constant supply of a vital food at a fair price.

Maintaining a vital and aggressive dairy industry composed of thousands of family farmers is in the national interest, because they are the most efficient producers. Any policy that puts family dairy farmers out of business and moves in the direction of conglomerate corporate agriculture ultimately will not serve the interests of the consumer or the country. That is what is at stake here.

It is for these reasons that I urge my colleagues to support this legislation.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 440, H.R. 4167.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

> A bill (H.R. 4167) to amend section 201 of the Agricultural Act of 1949, as amended, to extend until September 30, 1981, the requirement that the price of milk be supported at not less than 80 per centum of the parity price thereof,

Mr. ROBERT C. BYRD. I ask for third reading.

The bill was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill (H.R. 4167) was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. I ask unanimous consent that S. 6 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER THAT H.R. 5871 AND H.R. 5872 BE HELD AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, at such time as messages are received from the House on H.R. 5871 and H.R. 5872, I ask unanimous consent that these bills be held at the desk pending further disposition.

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SCHEDULE

Mr. ROBERT C. BYRD. Mr. President, it had been earlier announced that there would likely be a session of the Senate on Saturday.

I have discussed this matter with the distinguished chairman of the Finance Committee and for good reasons it is felt that the Senate cannot proceed on Saturday with the windfall profit tax bill. That bill will be up tomorrow and will be up again on Monday.

I have other measures which can be brought up on Saturday. I announced sometime ago that the Thanksgiving holiday would begin at the close of business on Wednesday. Yesterday I announced that Wednesday would be included in the holiday; therefore, the holiday would begin at the close of business on Tuesday.

We will have votes on Monday and Tuesday. On Saturday I have business that I could bring up, but I have some agreements here which I shall propound if I can get consent on these measures and then we will not have a Saturday session and we will work these measures in at some other time.

The agreements are as follows, and I propose them in the following order. I hope Senators will not be too sure yet though that there will not be a Saturday session.

TIME-LIMITATION AGREEMENT— S. 2009

MR. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Calendar Order No. 444, S. 2009, the Idaho wilderness bill, the majority leader be authorized to call it up at some point Tuesday afternoon after business on the windfall profit tax has been concluded—I am not saying the bill will be wound up that day—that the majority leader be authorized to proceed to call up Calendar No. 444, S. 2009 and it not be subject to a call for the regular order on that day, and that is the date of November 20; that there be 2 hours equally divided on the bill to be under the control of Mr. CHURCH and Mr. McCLURE; that there be 30 minutes on any amendment; that there be 1 hour equally divided on an amendment by Mr. McCLURE relating to cobalt mining; that there be 1 hour equally divided on the amendment by Mr. McCLURE providing statutory release of certain lands in Idaho for multiple use; that there be 20 minutes on any debatable motion, point of order, or appeal if such point of order is submitted to the Senate by the Chair; and that the agreement be in the usual form.

Mr. STEVENS. Mr. President, reserving the right to object, and I shall not object, that is Tuesday next?

Mr. ROBERT C. BYRD. Next Tuesday.

Mr. STEVENS. Tuesday prior to recess.

Mr. ROBERT C. BYRD. Yes.

(Later the following occurred:)

Mr. McCLURE. Mr. President, will the Senator yield for just one comment? I have agreed that the central Idaho wilderness bill be pending on Tuesday next. It will probably be the last item of business to be voted on.

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. But I would like to alert my friends who might be interested that the issues involved in there do not just involve Idaho. So I hope they will not assume because it is an Idaho bill that they can immediately at noon on Tuesday or on Monday night leave without being confronted with a vote on an issue of some significance to the Nation.

Mr. ROBERT C. BYRD. I thank the Senator for having said that.

(Conclusion of later proceedings.)

Mr. HATFIELD. Mr. President, reserving the right to object, if the majority leader will yield, I believe we would couple that with the first item after the recess, on the Oregon wilderness.

Mr. ROBERT C. BYRD. Yes. I include in this request the following consent agreement: That on the Oregon wilderness bill there be 30 minutes on the bill to be equally divided between Mr. JACKSON and Mr. HATFIELD; that there be 10 minutes on any debatable motion, appeal, or point of order if such is submitted to the Senate; 10 minutes on any amendment equally divided; and that the agreement be in the usual form, and that the bill be the first order of business on Monday, the 26th, upon the return of the Senate following the holidays.

I put both of those agreements before the Senate en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

TIME-LIMITATION AGREEMENT— S. 1918

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as Calendar Order No. 394, S. 1918, the officer grade revisions bill, is called up and made the pending business before the Senate, that there be 3 hours on the bill equally divided between Mr. NUNN and Mr. JEPSEN; 30 minutes equally divided on any amendment; 40 minutes equally divided on an amendment by Mr. Armstrong on enlisted travel; 3 hours on an amendment by Mr. Armstrong on military pay cap equally divided; 20 minutes on any debatable motion, appeal, or point of order, if such discussion is entertained by the Chair on such point of order, and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME-LIMIT AGREEMENT AND ORDER FOR THE CONSIDERATION OF CAMBODIAN RESOLUTION

Mr. JAVITS. Mr. President, will the Senator yield for a question?

Mr. ROBERT C. BYRD. Yes.

Mr. JAVITS. We have a Cambodian resolution. I have just discussed with Senator Church this matter and he would like to have it brought up tomorrow. Could the leader give us a time?

Mr. ROBERT C. BYRD. How much time?

Mr. JAVITS. We can arrange for a half-hour.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the orders for recognition of Senators on tomorrow the Senate proceed to the consideration of the Cambodian resolution; that there be a 30-minute time limit there, and that the time be divided between——

Mr. JAVITS. Give it all to Mr. Church.

Mr. ROBERT C. BYRD. Mr. Church and Mr. Javits; that no amendments be in order——

Mr. JAVITS. I do not think we had better do that. I do not think there will be any.

Mr. ROBERT C. BYRD. Let us make provision.

Mr. JAVITS. If there is an amendment.

Mr. ROBERT C. BYRD. Ten minutes on any amendment, debatable motion, appeal or point of order if submitted to the Senate, and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays on final passage of the Cambodian resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on the Cambodian resolution occur tomorrow at 1 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on that resolution.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW AND LEGISLATIVE PROGRAM FOR TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 o'clock tomorrow morning; that after the two leaders are recognized, Senators Schmitt, Chafee, and Dole be recognized, each for not to exceed 15 minutes, after which the Senate proceed to the consideration of the Cambodian resolution, after the disposition of which the Senate return to the consideration of the windfall profits tax bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, there will be no session on Saturday. I thank the Senators for their patience and cooperation.

ORDER FOR RECESS FROM THE CLOSE OF BUSINESS TOMORROW UNTIL 9 A.M. ON MONDAY

Mr. ROBERT C. BYRD. I ask unanimous consent that when the Senate completes its business on tomorrow, it stand in recess until the hour of 9 a.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, there will be rollcall votes tomorrow. One rollcall vote already been ordered on the passage of the Cambodian resolution.

RECESS UNTIL 9 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 9 o'clock tomorrow morning.

The motion was agreed to; and at 8:09 p.m., the Senate recessed until tomorrow, Friday, November 16, 1979, at 9 a.m.

HOUSE OF REPRESENTATIVES—*Thursday, November 15, 1979*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Righteousness exalts a nation, but sin is a reproach to any people.—Proverbs 14: 34.

We thank You, O God, for Your word that has blessed us and shown us the way of truth and peace. Inspire us to be faithful to the calling of righteousness that You have given us, for we know that as we trust in Your providence, we shall receive wisdom and glory and power and might. Forgive us when we fall short, strengthen us in adversity, encourage us when we stand for the right, and may we walk humbly with You this day and every day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2676) entitled "An act to authorize appropriations for environmental research, development, and demonstrations for fiscal year 1980, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House with an amendment to a bill of the Senate of the following title:

S. 411. An act to improve the protections afforded the public against risks associated with the transportation of hazardous commodities by pipeline.

The message also announced that the Senate had passed a joint and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S.J. Res. 107. Joint resolution authorizing and requesting the President to issue proclamations designating the weeks of January 21 through January 27, 1979, and January 20 through January 26, 1980, as "Junior Achievement Week"; and

S. Con. Res. 45. Concurrent resolution authorizing the printing of a revised edition of the "Handbook for Small Business" as a Senate document.

INTERSTATE HIGHWAY SYSTEM FUNDS APPORTIONMENT AUTHORIZATION

Mr. HOWARD. Mr. Speaker, I call up the bill (H.R. 5871) to authorize the apportionment of funds for the Interstate System, to amend section 103(e) (4) of title 23, United States Code, and for other purposes, and ask unanimous consent for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. THOMAS. Mr. Speaker, reserving the right to object, the gentleman from Pennsylvania (Mr. SHUSTER) is not present, and perhaps we should wait until he is here.

Mr. HOWARD. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from New Jersey.

Mr. HOWARD. Mr. Speaker, I would like to state to the gentleman that I can speak for the gentleman from Pennsylvania (Mr. SHUSTER) and the gentleman from Ohio (Mr. HARSHA), both of whom have cosponsored the bill and both of whom joined in its unanimous voice vote in the Committee on Public Works and Transportation yesterday, and say that I have been told by the gentleman from Pennsylvania (Mr. SHUSTER)—and I hope he will tell the gentleman's side of the aisle this—that should he not be here on the floor, he would have no objection to the bill's being brought up and being passed.

Mr. THOMAS. Mr. Speaker, I thank the gentleman for that information.

Mr. HOWARD. Mr. Speaker, I assure the gentleman that is the fact.

Mr. BAUMAN. Mr. Speaker, if the gentleman will yield, I just want to confirm that what the gentleman from New Jersey (Mr. HOWARD) has told us is the true situation.

Mr. THOMAS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the bill, as follows:

H.R. 5871

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Transportation shall apportion for the fiscal year ending September 30, 1981, and the fiscal year ending September 30, 1982, the sums authorized to be appropriated for such fiscal years by section 108(b) of the Federal-Aid Highway Act of 1956, as amended, for expenditure on the National System of Interstate and Defense Highways, using the apportionment factors contained in revised table 5 of Committee Print 96–15 of the Committee on Public Works and Transportation of the House of Representatives.

SEC. 2. Section 103(e) (4) of title 23, United States Code. is amended by adding at the end thereof the following new sentence: "After September 30, 1979, the Secretary shall not withdraw his approval under this paragraph of any route or portion thereof on the Interstate System open to traffic before the date of the proposed withdrawal. Any withdrawal of approval of any such route or portion thereof before September 30, 1979, is hereby determined to be authorized by this paragraph.".

SEC. 3. Notwithstanding the amendment made to section 103(e) (4) of title 23, United States Code, by the preceding section, in the case where the Secretary has withdrawn his approval of a route or portion thereof on the Interstate System under such section between June 20, 1979, and June 30, 1979, both dates inclusive, the sum available to the Secretary of Transportation to incur obligations for projects substituted for such withdrawn route or portion thereof shall be a sum equal to the Federal share of the cost to complete the withdrawn route or portion thereof, as that cost is included in the 1975 Interstate System cost estimate, as approved by Congress, subject to increase or decrease as determined by the Secretary based on changes in the construction costs of the withdrawn route or portion thereof as of the date of approval of each substitute project under section 103(e)(4) of title 23, United States Code.

● Mr. HARSHA. Mr. Speaker, I rise in support of H.R. 5871. I would like to make a few brief remarks for the benefit of the Members of the House who do not serve on the Committee on Public Works and Transportation and who may not be fully aware of the issues dealt with in this legislation.

Under title 23 of the United States Code, the Department of Transportation is required to submit to the Congress the estimated cost to complete the remainder of the Interstate Highway System. This is done every 2 years in the form of a so-called table 5, which sets forth the basis for apportioning among the several States the interstate authorization.

Several months ago, it came to the attention of our committee that the Secretary of Transportation had approved the withdrawal of two interstate segments previously opened to traffic. A number of us on the subcommittee felt that the Secretary did not have authority to do that under section 103(e) (4) of title 23. However, it is a close legal question.

Since the most important thing is to prohibit that kind of action in the future, I proposed a compromise. That compromise is embodied in H.R. 5871.

The bill is quite simple. Section 1 approves the interstate apportionment table for fiscal years 1981 and 1982. Section 2 amends section 103(e) (4) to expressly prohibit the withdrawal of interstate routes open to traffic and to grandfather the withdrawal of two open-to-traffic segments which were withdrawn prior to September 30, 1979. Section 3 makes an adjustment in the amount that one of the withdrawals would be eligible for due to a dispute over the amount included for that route in the 1977 interstate cost estimate.

Mr. Speaker, this bill represents what I believe is a reasonable compromise to a very complex problem. I want to commend Chairman JOHNSON of California, Mr. HOWARD, of New Jersey, and Mr. SHUSTER, of Pennsylvania, for their efforts in working out this compromise. It has been most difficult but I think we have come up with a meaningful solution which is in the best interests of the Nation. I urge my colleagues to support it.●

● Mr. SHUSTER. Mr. Speaker, I rise in support of H.R. 5871, a bill which though modest in scope does some things that very much need doing.

It enables us to get money out to the States so they can continue—or in some cases resume—construction of their portions of the Interstate System, the highest priority and most vitally needed of our Federal-aid highway systems. And, in keeping with the importance of that system, it prohibits withdrawals of segments from the system after they have been constructed and opened to traffic.

Concededly, my enthusiasm does not extend to the provisions which grandfather in two withdrawals of interstate segments which had been constructed and open to traffic for years before they were withdrawn. But I recognize that there are legitimate differences of opinion among Members as to the appropriateness of those actions, differences which make compromise essential. And in the overriding interests of preserving the integrity of the interstate program, I willingly accept the compromise as a means of prohibiting withdrawals of that nature in the future.

The compromise was worked out by Chairman JOHNSON, ranking minority member BILL HARSHA, Subcommittee Chairman JIM HOWARD, and myself, producing a bill we all can accept. In that spirit, I commend H.R. 5871 to my House colleagues and urge its enactment. More importantly, the enactment of this legislation will apportion funds so that we can get on with the business of completing our Interstate Highway System.●

● Mr. JOHNSON of California. Mr. Speaker, I rise in support of H.R. 5871. The legislation before the House resolves a complex and difficult problem.

I would personally extend my compliments for a job well done to my able associate BILL HARSHA of Ohio; the distinguished chairman of the Subcommittee on Surface Transportation, the gentleman from New Jersey, JIM HOWARD, and his counterpart BUD SHUSTER of Pennsylvania.

My compliments to the staff for their work in assisting in resolving this problem, in particular for the able support given in this matter by the members of the minority staff.

This is a simple bill. It is the normal 2-year legislation which approves the interstate cost estimate to continue to fund this program in the various States. In addition it contains an important amendment which will prohibit withdrawals from the Interstate System of completed segments of said system and finally it has some essential technical language which is needed to solve a problem dealing with one part of prior interstate approvals.

This is needed and necessary legislation to continue our great transportation program. I strongly urge its approval.●

Mr. WEISS. Mr. Speaker, earlier today the House passed H.R. 5871, a bill authorizing the apportionment of interstate highway funds and amending the Federal Aid Highway Act under a unanimous-consent request.

I have received a number of inquiries about section 2 of H.R. 5871 which states that the Secretary of Transportation shall not approve future transfers of funds for interstate roadways that are open to traffic before such transfers are proposed.

In order to clarify the confusion about section 2 and how it applies to a possible interstate transfer of the Westway, a proposed interstate highway in New York, I ask the distinguished chairman of the Subcommittee on Surface Transportation, Mr. HOWARD, to engage in a colloquy to clarify the intent and meaning of this section.

It is my understanding that section 2 of H.R. 5871 in no way will affect the eligibility of Westway, a proposed interstate highway in New York City, for the trade-in allowed under the interstate highway transfer provision of the Federal Aid Highway Act—23 U.S.C. 103(e)(4). Section 2 of H.R. 5871 is a narrowly drawn provision which only affects the eligibility of a future transfer of funds for interstate roadways that are open to traffic before such transfer is proposed.

In conclusion, it is my understanding that H.R. 5871 is in no way intended to limit the Secretary of Transportation or Congress from approval of funding for a Westway interstate transfer and such a transfer continues to be available for approval.

Is my understanding correct?

Mr. HOWARD. If the gentleman will yield, Mr. Speaker, I thank the gentleman for bringing this up.

Very briefly, I would like to state what we did in the legislation passed earlier today, and that is that we have always had an interstate transfer provision for several years, where a State may, if it wishes to, and with the concurrence of the Secretary of Transportation, abandon an unbuilt segment of the Interstate System and that money may be used either for mass transportation or other roads and highways in that area.

We found that recently a loophole had been found in two States, one of them being New York and the other one being my own State of New Jersey, which did have "D" designated existing interstate highways which were open to traffic. This had never been the intention of the committee or the Congress. So what we did this morning is, we put a prohibition, as of October 1 of this year, for the "D" designation of the existing open-to-traffic highways. That does leave Westway, which the gentleman and his constituents are concerned with, in the same situation that it has always been, with the possibility that if it should be so requested, an interstate transfer of the Westway Highway could be accomplished. This did not touch the situation in Westway one way or the other.

Mr. WEISS. I thank the gentleman for that statement. I want to thank him and the gentlewoman from New York (Ms. FERRARO), for the extremely helpful role they played in having this adopted earlier today.

Mr. MURPHY of New York. Mr. Speaker, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from New York.

Mr. MURPHY of New York. The colloquy with my colleague from New York, of course, indicates that a small portion of the Westway is in his district. A much larger portion of that roadway is in my district and it is my understanding that, notwithstanding the earlier questioning today, the final approval for Westway is contingent upon existing law and requires that certain environmental studies go through their normal processes. In no way will the legislation debated here today stop, impede or say "kill" the construction, or proposed construction, of Westway as part of the interstate system.

Mr. HOWARD. I would say the gentleman is correct. Westway is still technically on the system. It has not been built. It may either be built as an interstate highway, or it still has the option of applying or not building it, taking it off the system and an equal amount of money coming from general revenues to be utilized in that area for either public transportation or other highways. Westway and its situation has not changed at all.

● Ms. FERRARO. Mr. Speaker, I am pleased that a compromise proposal for dealing with the 1979 interstate cost estimate as it pertains to the trade-in of funds for the Long Island Expressway has been agreed to by the Leadership of the Public Works and Transportation Committee. I commend the committee's ranking minority member, Mr. HARSHA, for taking the initiative in this effort.

Since this legislation has been cosponsored by Members from both sides of the aisle, I trust this is indicative of the committee's belief that neither the State nor the city of New York acted in violation of the law when they requested the Secretary of Transportation to approve an Interstate System withdrawal for the Long Island Expressway under the provisions of section 103(e)(4) of title 23 of the United States Code. At the time this withdrawal was approved, the statute and the regulations promulgated under it gave them the prerogative to request a withdrawal. The subsequent exercise of this option did not strain the letter or the spirit of either the statute or Department of Transportation regulations. During the committee's discussions held on this matter in September, it was indeed distressing to hear that the exercise of the rights granted by the law to be characterized as some sort of scam, swindle, con, or ripoff.

On September 18, 1979, the Public Works Committee directed the General Accounting Office to do an investigative review of the entire interstate withdrawal policy with reference to the law passed by Congress, the legislative intent of the law, and the policies and procedures involved in the withdrawal of an interstate segment. We did not unanimously agree to direct the GAO to do this report because we believed that the State or city of New York acted in violation of any law or regulation, but rather because there was a great deal of questioning as to the appropriateness of allowing such withdrawals in general, and whether this policy should be restricted in the future in any way. I am thoroughly convinced that the transfer was absolutely legal or I would not have supported it. I believe the GAO study will confirm this fact, and I look forward to reading it as soon as it is furnished to the committee.

Since we are almost 2 months into the fiscal year, I am well aware that many States have exhausted their interstate funds and have had to terminate interstate highway work. It is indeed unfortunate that funding for these important projects has been held up while waiting for the deadlock over the Long Island Expressway withdrawal to be resolved. And although I remain in fundamental disagreement to the intent of this legislation, which as I see it penalizes only New York and no other State, I will support the compromise legislation because I know that many other States will also be hurt if it is not enacted into law soon.

Therefore, I support this legislation, as does the city of New York, and I appreciate the efforts made by many of my colleagues on the Public Works Committee to help settle this matter.●

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 5871, the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

PERMISSION TO HAVE UNTIL 6 P.M. TOMORROW TO FILE CONFERENCE REPORT ON S. 1157, DEPARTMENT OF JUSTICE APPROPRIATIONS AUTHORIZATION, 1980

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that the managers may have until 6 p.m. on Friday, November 16, 1979, to file the conference report on the Senate bill (S. 1157) providing authorization for the appropriations for the Department of Justice for the fiscal year 1980.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION TO HAVE UNTIL 6 P.M. TOMORROW TO FILE CONFERENCE REPORT ON S. 241, LAW ENFORCEMENT ASSISTANCE REFORM ACT OF 1979

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that the managers may have until 6 p.m. tomorrow, Friday, November 16, 1979, to file a conference report on the Senate bill (S. 241) to restructure the Law Enforcement Assistance Administration.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

MODIFYING NEW MELONES DAM AND RESERVOIR PROJECT, CALIFORNIA

Mr. ROBERTS. Mr. Speaker, I call up the bill (H.R. 5872) to modify the New Melones Dam and Reservoir project, California, and ask unanimous consent for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). Is there objection to the request of the gentleman from Texas?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I just want to ask the gentleman this question: Does this request have the concurrence of the minority?

Mr. ROBERTS. Mr. Speaker, if the gentleman will yield, yes, this has been cleared with the minority side. The gentleman from Pennsylvania (Mr. SHUSTER) will assure the gentleman that it has been cleared.

Mr. SHUSTER. Mr. Speaker, if the gentleman will yield, let me say that is correct. The gentleman is correct.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the bill, as follows:

H.R. 5872

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the project for New Melones Dam and Reservoir, California, authorized by the Flood Control Act of 1962, is hereby modified to authorize the expenditure of not to exceed $2,000,000 for archeological research and recovery operations. Such authorization shall be in addition to any funds otherwise authorized for such operations.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Texas (Mr. ROBERTS).

Mr. ROBERTS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to bring to the floor the bill, H.R. 5872, which modifies the New Melones Dam and Reservoir project in California to authorize the expenditure of an additional $2 million for archeological research and recovery operations.

The New Melones project is virtually complete. However, under the terms of an agreement reached between the Corps of Engineers, the Department of the Interior, and the State of California, it will not be completely filled until agreed-upon archeological operations have been completed. The Reservoir Salvage Act of 1960 authorized the expenditure of 1 percent of a project's construction funds for archeological recovery operations. This amount, which is approximately $3½ million for the New Melones project, is not sufficient to complete the agreed-upon work. An additional $2 million is needed.

H.R. 5872 provides the authority to expend the additional $2 million so that valuable archeological resources may be recovered prior to filling of the reservoir. I urge enactment of the bill.

Mr. SHUSTER. Mr. Speaker, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Mr. Speaker, I rise in support of H.R. 5872 which, as the distinguished gentleman from California has already stated, authorizes an additional $2 million for the completion of archeological investigations associated with the New Melones Reservoir project.

Mr. Speaker, this project is nearly completed. In the fiscal year 1980 appropriations bill for energy and water development Congress provided $12 million, the amount the President has requested for this project. With the expenditure of these funds, the project will be 90 percent complete. However, the investigations for recovery of archeological resources carried out under the authority of Public Law 93–291, preservation of historical and archeological data, cannot proceed without the enactment of H.R. 5872. The reason is that under the requirements of Public Law 93–291 and its predecessor, the Reservoir Salvage Act, a cap of 1 percent of project funds is imposed on the archeological research effort. This has resulted in an expenditure to date of $3.5 million. However, under an agreement recently reached between the State of California, the Corps of Engineers, and the Advisory Council of Historic Preservation, it is estimated that $2 million more will be required to complete these investigations. Without the passage of this legislation the realization of project benefits will be severely hampered. These benefits include flood protection, hydroelectric power generation and water supply. Additionally, two-thirds of the cost of this project will be repaid with interest to the U.S. Treasury—over $200,000,000.

Mr. Speaker, the New Melones project has an excellent cost benefit ratio of 2.3 to 1, is supported by the President, and is virtually complete—with the exception of archeological investigations. H.R. 5872 assures that the archeological resources of the area will be preserved and protected and I urge its adoption by the Members of this body.

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from California.

Mr. THOMAS. Mr. Speaker, let me ask the gentleman this question: As to the additional $2 million expenditure for archeological research, will this at the conclusion of the removal of artifacts allow for the New Melones Dam to be filled to its proper level?

Mr. ROBERTS. Mr. Speaker, the gentleman is correct.

Mr. THOMAS. It will not be held down below the white water level?

Mr. ROBERTS. That is correct.

Mr. THOMAS. Mr. Speaker, I thank the gentleman very much.

● Mr. JOHNSON of California. Mr. Speaker, I rise in support of H.R. 5872. This legislation will permit the expenditure of an additional $2 million at the New Melones project in California for archeological research and recovery operations.

The New Melones damsite is located on the Stanislaus River in Calaveras and Tuolumne Counties, about 35 miles northeast of the city of Modesto, Calif. The plan of improvement provides for construction of a 625-foot high earth and rockfill dam 1,560 feet long which will create a lake with a total storage capacity of 2,400,000 acre-feet, and a powerhouse with two generating units with an installed capacity of 300,000 kW.

Most elements of the project are complete. Powerhouse checkout and archeological mitigation work are still underway. Before the reservoir can be filled, additional archeological work remains to be done, in accordance with an agreement entered into between the advisory council on historic preservation, the State historic preservation officer of California, and the Corps of Engineers. The Reservoir Salvage Act of 1960 authorizes the expenditure of up to 1 percent of project construction funds for archeological research and recovery. This amount is not sufficient to complete the agreed-upon archeological plan for New Melones. An additional $2 million is needed. H.R. 5872 provides the authority to complete this necessary work in order to insure that valuable archeological resources are not lost because of project construction and operation.

I strongly urge enactment of this important legislation.●

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE RETIREMENT OF RAY ROBERTS

(Mr. HANLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, recently my good friend and colleague, RAY ROBERTS, announced to the people of the Fourth District of Texas that he would retire from the House of Representatives at the end of the 96th Congress. I received this news myself with mixed emotions. First, after 17 years of dedicated service in the Congress, RAY certainly deserves our respect for his decision, and our unending gratitude for a remarkable career in service to the United States and the people of Texas. But, second, and most important, I know that when he leaves at the end of 1980, he will be greatly missed.

I have known RAY ROBERTS for a long time. We both came to Washington to serve in the House in the early sixties, a time of change and new direction for our Nation. During that period we witnessed the smoldering involvement in Southeast Asia grow into a long and divisive war. I served with RAY ROBERTS on the House Committee on Veterans' Affairs for the 89th and 90th Congresses. Even at that time he maintained a strong regard for those veterans who had served their country in the past, but also he was resolved to secure that same commitment for those who were fighting in faraway jungles at that very moment.

Over the years Ray Roberts' influence and prestige have risen in this House and throughout Government. In 1975, the year that the war in Vietnam officially came to an end, he became chairman of the House Committee on Veterans' Affairs.

Mr. Speaker, the veterans of this country have no greater friend than Ray Roberts. As chairman of the Veterans' Affairs Committee he assumed the responsibility to safeguard and protect the rights of over 30 million veterans in the United States today. He has fought to maintain the integrity of veterans programs against erosion or attack. In one specific instance, I was privileged and grateful to have his support last year in the fight to save the right of veterans preference in Government employment. This historic privilege was designed to compensate for special sacrifice in time of war by giving veterans a helping hand in returning to the job market and serving their country once again. Ray Roberts knew that any attempt to limit this just entitlement would alter the very concept of veterans assistance programs.

Ray Roberts has not only acted as a guardian for the rights of veterans, he has also been an effective reformer. He participated in shaping the new GI bill for Vietnam-era veterans, and has fought for cost-of-living increases in education assistance and disability compensation for veterans both young and old. Under his direction, the Congress realined the VA home loan program and revised the VA pension system. Above all else, Ray Roberts has demanded that veterans programs be designed, first, to get the most help to those who need it, and second, to make that assistance cost effective in terms of overall fiscal responsibility. It is a sign of a true statesman and a hard bargainer that he has been able to achieve both. The Members of the House of Representatives and the veterans of this country are fortunate to have a man of his style and strength among them. I salute him.

□ 1010

IRISH PRIME MINISTER PROPOSES INVOLVEMENT OF MAJOR PARTIES TO SETTLE NORTHERN IRELAND CONFLICT

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, in connection with the question of Northern Ireland, we had a visit last week of the Prime Minister of Ireland, and he made a proposal. He suggested that America embark on an initiative with the United Kingdom in an effort to bring peace to that area. His proposal was that the four major political parties address themselves toward attempting to find a solution. We found that Mrs. Thatcher has made the same proposal, notwithstanding the fact that there has been acceptance by only one of the major parties. And yet this morning we hear that Mrs. Thatcher's efforts in Rhodesia have been found to be fruitful. In that effort, she brought in all of the interested parties, namely, the guerrillas; they sat in conference and came to an agreement.

The point I make—and I think it is a critical point—is that unless all of the parties of the conflict in Northern Ireland are involved, there will be no lasting and meaningful solution.

MORE U.S. TUNABOATS SEIZED BY PERU

(Mr. ANDERSON of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON of California. Mr. Speaker, yesterday, I rose to protest the Peruvian seizure of two American tuna fishing vessels on Monday. Later yesterday, I learned that more boats have been taken by Peru, including six more American vessels.

I am outraged by this action. I believe that we should take strong steps in response. I assume that we will enforce the automatic primary embargo of Peruvian tuna exports to the United States. However, American law also provides for a discretionary secondary embargo of other fish products from Peru. In all previous similar cases, our State Department has acted with such great discretion that no secondary embargo has ever been imposed. An embargo of Peruvian tuna is a meaningless gesture. Their tuna exports to the United States last year amounted to only $53,000; their fine of one American tunaboat last year was $200,000.

The claim by Peru of a 200-mile economic limit is in line with what many countries are doing to protect their resources. However, prohibiting the pursuit of a highly migratory species such as tuna, which go in and out of the 200-mile limit, is clearly not a protection of exclusively national resources.

It is time for the U.S. State Department to be more concerned about our own fishermen than they are about ruffling a few feathers in Peru.

GIVE UP LUNCH TODAY FOR CAMBODIANS

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, as the Members know, today is the day that a substantial number of Members, well over 120 Members, of the Congress are joining in giving up their lunch and contributing the money to the Cambodian relief program. They are doing this along with well over 400 staff members who are doing the same. We hope that all Members doing this will still call us and let us know and join us.

Mr. Speaker, I would also like to point out that this morning I received a petition from Eastchester High School in Eastchester, N.Y. with over 1,000 signatures of young people who are urging the Congress and the leadership around the world to get food into Cambodia and to ask the Cambodian Minister to accept our help. I congratulate these students for their initiative.

REPRESENTATIVE TIM LEE CARTER ANNOUNCES DECISION NOT TO RUN FOR REELECTION

(Mr. CARTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARTER. Mr. Speaker, there comes a time in the life of every man when serious decisions must be made. I have decided not to run for reelection to the House of Representatives. In this House, the people's body, I can truthfully say that I consider every Member a friend. Over the years, I have noticed that on serious questions, this body almost always makes correct decisions.

It has been a pleasure for the past 15 years to work with each and every one of you. I have tried to fight the good fight and to keep the faith, but I look forward to seeing the green hills of Kentucky, the deep valleys, and the rippling rills, in the midst of which I was born.

I am deeply grateful to the people of my district who gave me 80 percent of their votes in the last election and to the people of my own county who gave me 90 percent of their votes.

I trust that you in this House, the people's arm of the Federal Government, will always keep in mind the good of the people which you and I represent.

Over the years it has been a labor of love to serve with you. May God bless this House.

CETA'S IRANIAN CONNECTION

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, some of the Iranian atrocities are happening in our own country, thanks to our irrational welfare policies.

The other night an angry college bookstore manager in Texas called me. She was furious about the special treatment accorded Iranian students.

When an American student buys a college textbook, she said, he pays his $30 and at the end of the semester can get $15 back for the book. The Iranian student has his book purchased by CETA, and then when he turns in the book, unbelievable as it may seem, he gets $30 in cash.

Is this unique to a small college in my district, or is it a nationwide phenomenon? I am calling today for an investigation of CETA's Iranian connection. No Iranian national should get 1 cent of taxpayers' money, and I have introduced legislation to accomplish exactly this. If Iranians in this country cannot pay their own way, they should go back to the ayatollah. The American people are sick of Iranian ingrates who take our money while spitting in our faces.

PROVIDING FOR CONSIDERATION OF H.R. 2626, HOSPITAL COST CONTAINMENT ACT OF 1979

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 486 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 486

Resolved, That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2626) to establish voluntary limits on the annual increases in total hospital expenses, and to provide for mandatory limits on the annual increases in hospital inpatient revenues to the extent that the voluntary limits are not effective, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means and one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Ways and Means now printed in italic in the bill as an original bill for the purpose of amendment under the five-minute rule, said amendment shall be considered as having been read, and all points of order against said amendment for failure to comply with the provisions of clause 7, rule XVI and clause 5, rule XXI are hereby waived. No amendments to the bill or to said amendment shall be in order except (a) pro forma amendments for the purpose of debate; and (b) the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in boldface roman in the bill if offered as an amendment in the nature of a substitute to the amendment made in order as original text by this resolution, said amendment if offered shall be considered as having been read, all points of order against said amendment for failure to comply with clause 5, rule XXI are hereby waived, and said amendment shall not be subject to amendment except (1) pro forma amendments for purpose of debate; (2) the amendments printed in the Congressional Record of November 13, 1979, by, and if offered by, Representative Rangel of New York to said amendment, and said amendments if offered shall be considered en bloc, shall be considered as having been read, and shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole; (3) the amendments printed in the Congressional Record of November 13, 1979, by, and if offered by, Representative Jacobs of Indiana to said amendment, and said amendment if offered shall be considered en bloc, shall be considered as having been read, and shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole; (4) the amendments printed in the Congressional Record of November 14, 1979, by, and if offered by, Representative Snowe of Maine to said amendment, and said amendments if offered shall be considered en bloc, shall be considered as having been read, and shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole; (5) the amendments printed in the Congressional Record of November 13, 1979, by, and if offered by, Representative Buchanan of Alabama to said amendment, and said amendments shall be considered en bloc, shall be considered as having been read, and shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole; and (6) the text of the bill H.R. 5635 if offered by Representative Gephardt of Missouri as a substitute for said amendment in the nature of a substitute, said substitute shall not be subject to amendment except pro forma amendments for the purpose of debate, and all points of order against said substitute for failure to comply with the provisions of clause 5, rule XXI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment made in order as original text by this resolution. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. LONG of Louisiana. Mr. Speaker, I ask unanimous consent that the word "amendment" on page 3, line 19, be changed to read "amendments."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Louisiana (Mr. LONG) is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), for the purpose of debate only, pending which I yield myself such time as I may consume.

□ 1020

Mr. Speaker, House Resolution 486 provides for the consideration of H.R. 2626, a bill to establish voluntary limits on the annual increases in total hospital expenses, and to provide for mandatory limits on the annual increases in hospital inpatient revenues to the extent that the voluntary limits are not effective.

Over the last decade, community hospital expenditures per admission have risen at an annual rate of 12 percent—double the 6 percent annual increases registered by the Consumer Price Index.

Hospital costs now comprise more than 40 percent of all medical expenditures, and have grown to about 3 percent of the gross national product. Even rich people cannot afford to be sick in view of the great expense of a lengthy hospital stay.

H.R. 2626 would address the terrible inflationary spiral of hospital costs by placing caps on hospital revenues, if voluntary guidelines fail. This bill has been presented as a key anti-inflation initiative.

But as with most truly complex problems, the solution is not straightforward and certain. There is great diversity of opinion as to the best way to hold the line on inflationary hospital costs.

Many Members of this body have devoted untold hours to working out a reasonable solution to the problem of hospital cost containment. Both the Committee on Ways and Means and the Committee on Interstate and Foreign Commerce have studied the problem and possible solutions in detail. Not surprisingly, they have come to different conclusions about the better course of action. There are among the members of those committees yet other opinions about the best method of treating the national illness of soaring hospital costs.

For the very reason that many experts on inflation and experts on medical care and experts on national policy have differed widely, the Committee on Rules has spent a great deal of time—and anguished deliberation—in developing House Resolution 486. We think we have done a good job. We think this rule is a fair one giving ample opportunity to this body to choose among a well balanced range of options. House Resolution 486 assures that the House can work its will on H.R. 2626 and thereby tackle the problem of hospital cost containment head on.

The rule is a modified open rule providing 2 hours of general debate, 1 hour is to be equally divided between the chairman and ranking minority member of the Committee on Ways and Means. The other is to be divided between the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce. The first reading of the bill shall be dispensed with.

The rule waives section 402(a) of the Budget Act against the bill. This provision of the Budget Act bars consideration of any bill which authorizes the enactment of new budget authority for a fiscal year unless that bill has been reported on or before May 15. This waiver is necessary because H.R. 2626 was not reported by the May 15 deadline and, the bill as introduced, would require the Secretary of HEW to establish and administer a national hospital cost containment program and authorizes funds for such purposes.

The bill would also allow reimbursement of travel expenses for members of a commission on hospital cost containment. A poll of the Budget Committee members indicates that a majority of that committee supports the waiver, according to a letter from the chairman, the Honorable ROBERT GIAIMO.

The rule provides that it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Ways and Means printed in italic in the bill as an original bill for the purpose of amendment under the 5-minute rule. This amendment in the nature of a substitute shall be considered as read. Two waivers are granted by this rule against the Ways and Means amendment.

A waiver of the germaneness rule (clause 7 of rule XVI) is necessary because the bill as introduced did not include congressional review procedures highly privileged under the Ways and Means substitute. In addition, a waiver of the rule against appropriations in a legislative bill (clause 5, rule XXI) was granted because the bill redirects funds already appropriated for other purposes.

The bill and the Ways and Means substitute shall be amended only under certain specified conditions. For purposes of debate only, pro forma amendments shall be in order. Also made in order is the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce, now printed in boldface roman in the bill if offered as an amendment in the nature of a substitute to the Ways and Means amendment. A waiver of clause 5, rule XXI has also been granted against the Commerce Committee substitute since it too includes (in a technical sense) appropriations in a legislative bill. The Commerce bill shall be considered as read.

Only certain amendments to the Interstate and Foreign Commerce substitute are in order, in addition to pro forma amendments for the purposes of debate. These amendments must have been printed in a designated issue of the CONGRESSIONAL RECORD by a specified Member. Each group of amendments presented by a Member shall be considered as read and shall be taken up en bloc. They shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole. The amendments are designated as follows:

Those printed in the CONGRESSIONAL RECORD of November 13 by, and if offered by, Representative RANGEL of New York;

Those printed in the CONGRESSIONAL RECORD of November 13 by, and if offered by, Representative JACOBS of Indiana;

Those printed in the CONGRESSIONAL RECORD of November 14 by, and if offered by, Representative SNOWE of Maine; and

Those printed in the CONGRESSIONAL RECORD of November 13 by, and if offered by, Representative BUCHANAN of Alabama.

In addition, the text of the bill H.R. 5635, if offered by Representative GEPHARDT of Missouri as a substitute for the Commerce Committee substitute, shall be in order. The Gephardt substitute shall not be subject to amendment except by pro forma amendments for the purpose of debate. All points of order against the Gephardt substitute are waived for failure to comply with clause 5 of rule XXI prohibiting appropriations in a legislative bill.

At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with the amendments which have been adopted. Any Member may demand a separate vote in the House on an amendment to the bill or to the amendment made in order as original text by this rule which has been adopted in the Committee of the Whole.

The resolution further provides for one motion to recommit, with or without further instructions.

Mr. Speaker, this is a most controversial issue now before the House. Hospital costs have spiraled and are closely implicated in the cause and effect syndrome of our inflationary economy. But we have here a resolution which sets fair and equitable terms of debate for this controversial issue. I urge the adoption of House Resolution 486 so that the House can move on to the consideration of H.R. 2626 and deal with the problems of growing costs of hospital care.

Mr. Speaker, I yield to the gentleman from Tennessee (Mr. QUILLEN).

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Louisiana (Mr. LONG) has correctly explained the provisions of the rule and, in some detail, the provisions of the bill itself.

Mr. Speaker, I support the Gephardt substitute for many reasons. I shall be brief.

The Federal Government, under the hospital cost containment bill, with one hand wants to impose a cap on hospital costs.

With the other hand, the same Government imposes regulation after regulation after regulation on hospitals and they must comply, increasing the hospital costs and patient care costs.

Hospitals are the most regulated and overregulated area of society. I do not favor doing away with all of these regulations, but the hospital costs containment approach is absolutely wrong.

I think this Government of ours must look seriously at what it is doing.

We cannot do one thing with one hand and an opposite thing with the other. We cannot reach our goal that way.

□ 1030

Over the years regulations have been imposed on hospitals which increase the cost of admissions in some States $70 per patient. The voluntary approach that the hospitals are now using to contain costs is working. The cost of hospitals and patients' care have not risen as much as inflation has risen, and voluntary action is working.

The Gephardt substitute provides the voluntary approach, provides for a commission to make a study and report back. With this in mind, it is absolutely asinine to even consider passing the hospital cost containment bill.

We all know, we are all sensible Members of this House. that we must hold down hospital costs. People who are forced to go into the hospital as a result of illness, if they must stay there for a long period of time, have terribly high costs imposed upon them. We must control these costs, but, at the same time, if we are going to control them, let us do it on a voluntary basis, as is working now in many States, and let us do it by cutting redtape. Let us do it by cutting the regulations, and let us do it in a sensible manner.

Our Federal Government is already much too large. The cost of regulations imposed upon the taxpayers of this country, on individuals and on businesses, is now over $100 billion per year. If we go on saying, in a mock sort of way, "Let us contain hospital costs," but then we increase the bureaucracy, and increase the redtape, then we are going in the wrong direction, and I am concerned.

I am concerned, too, if the cap is placed on hospital costs, what is going to happen to the patient? Where is the money coming from for the hospitals to operate? I will tell my colleagues the medicare deductible is being increased in 1980 by $20. Medicare patients—those 65 and over and those on disability—how are they going to come up with the additional money to pay the costs that this Government has imposed on them?

I could go on and on pointing out how the Government imposes regulations, and how the Government gives and takes away, and how it increases the costs to the patient, then says, "Let us contain hospital costs." We cannot do it this way. It is not sensible. It is not practical.

Let us go with the Gephardt amendment, let us go in a way that gives hospitals a chance to hold down costs on a voluntary basis, and they will do it. In addition, let us have this Government do whatever is necessary to cut the cost of redtape, cut the cost of paperwork, and cut the cost of these bureaucratic daydreams that cause so many nightmares for all of us.

Mr. Speaker, I support the rule because it gives us an opportunity to vote for the Gephardt substitute and other amendments. Otherwise I would be here fighting it all the way.

Mr. Speaker, I urge the adoption of the rule.

Mr. Speaker, I yield to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I thank my colleague for yielding.

First, I want to congratulate the gentleman for a very incisive statement on the problem that confronts us. I hope everyone was listening. I think the points the gentleman made are the kind that we should be considering in debate, and I hope they are remembered by all of the Members.

I would like to comment on the rule. I understand congratulations are in order to my friend from Tennessee and others for trying to open up this rule, at least to the amendments. But I think as one Member who is not a member of the Rules Committee, I think we ought to at least make some passing reference to what I look upon as the escalating arrogance in this body of limiting more and more the democratic principles that we have had up to now for amendments. It seems a pattern is setting in here, and I hope my friend from Tennessee will continue his efforts to at least try to let some amendments be offered.

I think it ill behooves a leadership that keeps putting the noose around us as far as amendments are offered on the floor to then turn around and ask for our cooperation. I think this pattern should be noted. I appreciate the fact the gentleman has won some victories on this, but it still is a modified closed rule. I think the trend we have seen in this session is one that should concern every Member, not just on the minority but on the other side as well.

Mr. QUILLEN. I thank the gentleman from Ohio, and he is exactly right. I would like to have seen this come to the floor with an open rule, but the Rules Committee considered the measure several days and then held over a vote day after day until some compromise could be worked out. It is not what I would want, but it is the best that we could get.

For that reason, with the Gephardt substitute in order, I think it gives Members of the House an opportunity to vote for an alternative approach, and to vote the dictates of their consciences.

Mr. Speaker, I yield to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I thank the distinguished ranking member of the Rules Committee for yielding. I understand fully his reason for supporting the rule.

I only rose because I want to echo the statement of the gentleman from Ohio that this rule is another gag rule which only allows five Members of this House to offer amendments. The other 430 Members are excluded.

This is, as the gentleman has described very accurately and very eloquently, one of the major issues before the Congress, and yet our hands are tied in offering amendments.

I want the House to also know that the gentleman from Maryland sought to offer an open rule on this bill in the Rules Committee. Not only was he denied the right to offer it, the committee was adjourned by a partisan, straight party line vote in order to prevent me from offering an open rule. That is the kind of thing that now occurs in the Rules Committee. Probably this is not known to the rest of the House.

I echo also what the gentleman from Ohio said, that if this kind of activity continues, the minority, with the only tools available, that is, the rules of the House, will have to seek to vindicate our rights. I thank the gentleman for yielding.

Mr. QUILLEN. I thank the gentleman from Maryland, and he is absolutely right. He did offer an open rule on the measure, but the Rules Committee adjourned.

If this practice continues in the Rules Committee, hamstringing the House from full discussion on measures, I am sure that action will be taken.

Mr. Speaker, I have no further requests for time, but I reserve the balance of my time.

Mr. LONG of Louisiana. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore anounced that the ayes appeared to have it.

Mr. THOMAS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 259, nays 129, not voting 45, as follows:

[Roll No. 667]

YEAS—259

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brodhead
Brooks
Brown, Calif.
Broyhill
Buchanan
Burlison
Burton, Phillip
Byron
Carr
Carter
Cavanaugh
Chisholm
Clay
Clinger
Collins, Ill.
Conyers
Corman
Cotter
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, Mich.
Davis, S.C.
Dellums
Derrick
Devine
Dicks
Dingell
Donnelly
Dougherty
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
English
Ertel
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Gore
Gramm
Gray
Green
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harris
Hawkins
Hefner
Hightower
Hollenbeck
Holtzman
Hopkins
Howard
Hubbard
Hutto
Hyde
Ireland
Jenkins
Jenrette
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lundine
McCormack
McDade
McHugh
McKay
McKinney
Maguire
Marks
Matsui
Mavroules
Mica
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rinaldo
Ritter
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Snowe
Snyder
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Wirth
Wolff
Wolpe
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—129

Abdnor
Andrews, N. Dak.
Archer
Ashbrook
Atkinson
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Benjamin
Bereuter
Bethune
Brinkley
Broomfield
Brown, Ohio
Burgener
Butler
Campbell
Carney
Chappell
Cheney
Clausen
Cleveland
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Daniel, R. W.
Dannemeyer
Deckard
Derwinski
Dickinson
Dornan
Duncan, Tenn.
Edwards, Okla.
Emery
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Findley
Forsythe
Fowler
Frenzel
Gingrich
Goldwater
Gradison
Grassley
Grisham
Guyer
Hagedorn
Hansen
Harsha
Heftel
Hillis
Hinson
Holland
Holt
Horton
Huckaby
Hughes
Ichord
Jacobs
Jeffords
Jeffries
Johnson, Colo.
Kelly
Kindness
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lent
Lewis
Livingston
Loeffler
Lott
Lungren
McClory
McCloskey
McDonald
Madigan
Marlenee
Martin
Mathis
Mattox
Michel
Mitchell, N.Y.
Moore
Moorhead, Calif.
Murtha
Myers, Ind.
O'Brien
Pashayan
Paul
Petri
Quayle
Rhodes
Robinson
Roth
Rousselot
Royer
Satterfield
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Smith, Nebr.
Spence
Stangeland
Stump
Tauke
Taylor
Thomas
Trible
Vander Jagt
Volkmer
Whitehurst
Whittaker
Wilson, Bob
Wilson, C. H.
Wyatt
Wydler

NOT VOTING—45

Anderson, Ill.
Applegate
Breaux
Burton, John
Coelho
Conte
Crane, Philip
de la Garza
Diggs
Dixon
Dodd
Duncan, Oreg.
Fenwick
Flood
Ford, Mich.
Fountain
Giaimo
Goodling
Harkin
Heckler
Jones, N.C.
Kemp
Kramer
Lee
McEwen
Markey
Marriott
Mazzoli
Moorhead, Pa.
Neal
Nolan
Richmond
Rudd
Runnels
Sawyer
Scheuer
Schroeder
Solomon
Swift
Symms
Treen
Walker
Winn
Wright
Young, Alaska

☐ 1050

The Clerk announced the following pairs:

Mr. Jones of North Carolina with Mr. Young of Alaska.

Mr. Giaimo with Mr. Anderson of Illinois.

Mr. Applegate with Mrs. Heckler.

Mrs. Schroeder with Mr. Conte.

Mr. Scheuer with Mrs. Fenwick.

Mr. Nolan with Mr. Philip M. Crane.

Mr. Richmond with Mr. McEwen.

Mr. Mazzoli with Mr. Kemp.

Mr. Breaux with Mr. Lee.

Mr. Coelho with Mr. Symms.

Mr. Neal with Mr. Walker.

Mr. Moorhead of Pennsylvania with Mr. Kramer.

Mr. Runnels with Mr. Winn.

Mr. Wright with Mr. Sawyer.

Mr. Dodd with Mr. Rudd.

Mr. John L. Burton with Mr. Solomon.

Mr. Fountain with Mr. Marriott.

Mr. Ford of Michigan with Mr. Goodling.

Mr. Duncan of Oregon with Mr. Harkin.

Mr. Dixon with Mr. de la Garza.

Mr. Markey with Mr. Swift.

Mr. SEBELIUS and Mr. GRASSLEY changed their votes from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SIX NEW DEFERRALS AND TWO REVISIONS TO PREVIOUSLY TRANSMITTED DEFERRALS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–228)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report six new deferrals totalling $511.1 million and two revisions to previously transmitted deferrals increasing the amount deferred by $14.9 million. These items affect programs in the Departments of Commerce, Justice, State and Transportation; the International Communication Agency; the Railroad Retirement Board; and the President's Commission on Pension Policy.

The details of the deferrals are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *November 15, 1979.*

HOSPITAL COST CONTAINMENT ACT OF 1979

Mr. ULLMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2626) to establish voluntary limits on the annual increases in total hospital expenses, and to provide for mandatory limits on the annual increases in hospital inpatient revenues to the extent that the voluntary limits are not effective.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2626, with Mr. YATES in the chair.

The Clerk read the title of the bill.

□ 1100

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Oregon (Mr. ULLMAN) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. GRADISON) will be recognized for 30 minutes. The gentleman from California (Mr. WAXMAN) will be recognized for 30 minutes, and the gentleman from North Carolina (Mr. BROYHILL) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this bill should be enacted. Hospital costs continue to rise at a rate faster than inflation. One of the main reasons is that the normal, traditional, competitive forces of the marketplace do not operate in this industry. Approximately 94 percent of all hospital bills are paid for by third parties—medicare, medicaid, Blue Cross, and private insurance companies. In that kind of a system, no one has an incentive to restrain cost.

This bill sets a reasonable limit on how rapid hospital revenues from one year to the next can increase. Opponents have charged that this is unnecessary and undue regulation. However, in truth, it is regulation of the best form. It does not specify in great detail what the hospital administrator can or cannot do; it does not restrict new programs within the hospital; it does not specify what surgery can or cannot be done; it does not tell a hospital administrator how to run his business. In summary, it simply puts a limit on the increase and allows the hospital administrator to make his very best judgments about how to live within that budget constraint.

This bill encourages the voluntary program which the hospitals have initiated. In fact, if the voluntary effort works, no mandatory program will have to go into effect. One of the main reasons the voluntary effort is succeeding is because the hospitals recognize that they were not cost conscious. It is a vivid demonstration that costs within the hospital can be controlled; and that expenditures need not be twice the inflation rate. However, not passing this bill would tell the hospital industry that they need not constrain costs. If we do not pass this bill, the voluntary effort will be doomed.

In setting the limit, the committee bill takes into account many factors. It is a reasonable and fair limit; it takes into account wage increases; it takes into account local population growth; it takes into account the age distribution of the population; and it rewards efficient hospitals.

This bill has been carefully constructed. It provides that mandatory controls will only go into effect if the voluntary effort falls. Further, if a State or local hospital meet their individual goals, these regulations will not apply to that State or that local hospital, even if that hospital is located in a State which did not meet the voluntary goal.

This bill can work. It saves the public substantial amounts of money in hospital costs over the next 4 years. CBO has estimated that the bill will reduce hospital costs by a total of $17 billion over the 4-year period from 1980 to 1983. The savings to taxpayers from reduced medicare and medicaid expenditures totals $7 billion.

This is a fair and responsible piece of legislation which should be enacted. Both committees who studied this legistion reached a similar conclusion. A vote for this bill is a vote against inflation and excessive medical costs.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. GRADISON).

Mr. RANGEL. Mr. Chairman, will the gentleman yield?

Mr. GRADISON. I yield to the gentleman from New York.

Mr. RANGEL. Mr. Chairman, in an effort to expedite this bill, I have talked with the gentleman from California (Mr. WAXMAN) who will be comanaging this bill from the Committee on Interstate and Foreign Commerce, as well as the gentleman from Ohio (Mr. GRADISON) who serves together with me on the Committee on Ways and Means and the gentleman from North Carolina (Mr. BROYHILL) from the Committee on Interstate and Foreign Commerce and we are going to attempt to conclude general debate on this bill in 1 hour if possible.

Mr. Chairman, it is my hope that the debate offered by members of the Committee on Ways and Means could be held to the 15 minutes assigned to me, and the 15 minutes assigned to the gentleman from Ohio (Mr. GRADISON) and then we would hope that same procedure could be followed for the gentleman from California (Mr. WAXMAN) and the gentleman from North Carolina (Mr. BROYHILL) and upon concluding debate we can proceed with amendments.

Mr. Chairman, I thank the gentleman for yielding.

Mr. GRADISON. Mr. Chairman, I thank the gentleman from New York for his comments. We will make every effort to cooperate but will reserve the time in case it becomes absolutely necessary to yield time.

Mr. Chairman, the bill before us represents a triumph of hope over experience, hope that the Government can control prices in one part of the economy without imposing price and wage controls on the entire economy, hope that Washington can make better decisions in pricing hospital services than States, local government, and hospital trustees, public and private, all over the United States; hope that we can limit hospital revenues without impairing the quality of hospital care.

Mr. Chairman, I think when we carefully examine H.R. 2626 it becomes apparent, based upon our experience rather than our hope, that this bill should not be passed into law.

H.R. 2626 allows only a small increase in expenditures for new technology under the voluntary program and no increase whatsoever under the mandatory program. It restricts the use of new technology which in many cases represents our best opportunity for improvements in the quality of medical care and the quality of care in hospitals.

Mr. Chairman, had this legislation been in effect over the years it is doubtful that the hospitals of America would have available for the treatment of patients such facilities as we take for granted today, including intensive care units, recovery rooms, and coronary care, all of which are extremely valuable, save lives, but are also very expensive.

Under the bill before us the final decision with respect to the installation of expensive new technological improvements would be made by the Secretary of Health, Education, and Welfare, an approach which I do not think is a goal any of us should desire.

Mr. Chairman, this bill promotes the survival of the least efficient hospitals, what I call the "survival of the fattest" and penalizes the efficient hospitals. Basically, this is because a percentage increase applied to a high-cost hospital permits them to increase their expenditures at a higher dollar amount than the same percentage applied to the revenues of the hospital which is already more efficient.

Once a hospital comes under the mandatory controls of this program—and the Congressional Budget Office has estimated that by 1981, 80 percent of all the covered hospitals will fall under these controls—there is no way that the hospital can be removed from the mandatory portion; that is, once a hospital triggers in, it cannot be triggered out. There is no incentive for good behavior.

Mr. Chairman, the Secretary of Health, Education and Welfare under this measure has very great discretionary authority, including, as I have already pointed out, the power of life and death over new services.

Mr. Chairman, we have distributed a "Dear Colleague" letter to which there is attached a 5-page list of the instances in which new authority is granted to the Secretary of Health, Education and Welfare under the measure before us and according to our count there are almost 50 areas in which the Secretary would be granted new authority.

Finally, Mr. Chairman, this measure, if passed, would undermine the voluntary effort which has made such great progress in restraining the upward movement of hospital costs.

□ 1110

The reason this measure would have that effect is simply that it would discourage hospitals from holding their increase in revenues below the amount permitted in the legislation, because if they did tighten up well below the levels permitted in this bill, they would reduce their base for subsequent years, making it even harder in the future to avoid being triggered under the mandatory controls.

Mr. Chairman, both on the basis of an examination of the hopes of its sponsors and the experience of the Nation in the medical field, I am convinced that this measure should be defeated.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. GRADISON. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, I wonder if the gentleman could inform me how the Veterans' Administration hospitals are handled or how they are affected under the proposed legislation.

Mr. GRADISON. The basic bill before us, the Ways and Means bill, does not provide an exemption for Federal hospitals.

Mr. RANGEL. Mr. Chairman, will the gentleman yield?

Mr. GRADISON. I yield to the gentleman from New York.

Mr. RANGEL. Mr. Chairman, there will be an amendment offered by me, a Ways and Means amendment, that will exempt Veterans' Administration hospitals from the provisions of the bill and I understand that amendment will be accepted.

Mr. HAMMERSCHMIDT. Fine; I am very pleased to hear that. I had those private assurances from the gentleman from California (Mr. WAXMAN), but I wanted to get it on the record and we are very pleased to hear that that will be offered.

I thank the gentleman.

Mr. GRADISON. Mr. Chairman, I thank the gentleman for his inquiry.

On that point, I yield to the gentleman from North Carolina, a member of the committee.

Mr. MARTIN. Mr. Chairman, I thank the gentleman for yielding.

I think, for the benefit of the gentleman from Arkansas, the ranking minority member of the Veterans' Committee, it needs to be pointed out that the reason why the veterans organizations very strongly oppose having veterans' hospitals included in this bill is not because they do think their hospitals cannot offer the same kind of efficient services as other hospitals, but because they think these provisions in this bill are too restrictive and will impose too restrictive requirements on the hospitals. Not only should veterans' hospitals be taken out, but also because of the fact that most veterans get most of their health care from private hospitals and municipal hospitals, those should be exempted, too, in the interest of veterans who are ill.

Mr. GRADISON. Mr. Chairman, I yield further to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, I agree totally with what the gentleman from North Carolina has just stated.

Mr. LIVINGSTON. Mr. Chairman, will the gentleman yield?

Mr. GRADISON. I yield to the gentleman from Louisiana.

Mr. LIVINGSTON. Mr. Chairman, I thank the gentleman for yielding and I rise in opposition to this legislation.

Mr. Chairman, there is no need for the legislation we are considering today. Voluntary cost control programs are working well—holding hospital cost increases below the current rate of inflation.

H.R. 2626 is one more instance of Government intervention in an industry in which Government employees have no expertise and no incentive to acquire it. Even so, it will not work. We can put the lid on hospital prices to the consumer, but we cannot control overhead prices to the hospital.

As the costs of hospital care rise, and the profitability of hospitals diminish, the quantity and quality of hospital services must decline.

Mr. Chairman, this is absolutely ridiculous legislation and I urge my colleagues to defeat it.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. GRADISON. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague yielding. I just want to reemphasize what my colleague, the gentleman from North Carolina, said.

The Veterans' Administration said the proposals in H.R. 2626 were too restrictive. Now, I think that that should be a clear signal to everybody how basically bad this legislation is. If even the Veterans' Administration cannot live with it, that ought to be a clear signal and we have to exempt them, and even my colleague, the gentleman from New York, is willing to do that, that shows how absolutely wrong this legislation is.

Mr. RANGEL. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I do not think we have to worry about the Veterans' Administration hospitals or Federal hospitals as they relate to this bill, because those matters can be taken care of directly by the Congress and by the executive branch of the Government; but it is a little surprising to find the argument being made that this legislation would adversely affect the voluntary effort being made by the hospital industry. It is surprising because the industry has said itself that it did not need any legislation, but somehow they would find it within their own powers without legislation to cut back the ever-increasing costs of hospital care. Obviously, they did not say that they would cut back the quality of medical care, and so what we are admitting is that there is waste and that the cost of hospital care is now getting beyond the reach of so many people in these United States. So it is not a question as to whether it has to be monitored; the question is how will it be monitored? They did not start any effective voluntary hospital cost control program until they knew that the mandatory program was being considered by this Congress.

What are we talking about when we say hospital cost control? We are not saying that we are placing a clamp on the type of services that they can render. We are saying that in the voluntary effort that will be concluded at the end of this year that they will have had an opportunity to see how they could keep costs down, taking into consideration that in this legislation we have made provision for inflation in the hospitals' market basket; but I will tell you what the problem is. The problem is that we are dealing with an industry in which all they do is bill and all we do is pay. We are dealing in a noncompetitive market. None of you have ever heard a patient about to go into a hospital ask what the price is going to be. No one has ever talked with his doctor who suggested that he knows a better hospital that gives better service at a lesser price.

The reason that there is no bargaining is because the whole thing is paid for by medicaid, by medicare, by the employer, or by some insurance policy. Somehow we get to feel that we are not paying through the nose for these costs.

Well, you will find out in a hurry if you find one of those unfortunate 18 million people who have no coverage and find out how the costs are propelled by doctors and administrators to determine, not the quality of care, but the financial needs of that hospital. Doctors and executive directors can look at health charts and determine exactly what income they are going to get from every State.

Now, we know that year after year the cost has gone up. We know that year after year it is cutting into our Federal budget. We all talk about national health insurance, but we cannot get it effectively unless somehow we get some control over the Federal part of costs.

We know that the employers will have to pay more, the taxpayers will have to pay more, State and local government will have to pay more, and yet there is not a Member in this House who is not prepared to say that we must do something to contain these costs. Some may even have an opportunity to vote for a bill, an amendment to the bill, that would do absolutely nothing except saying that it will contain costs.

Oh, yes, it will provide for expenditures of Federal funds to monitor a voluntary effort and maybe some Members can go back home and mumble that they did something; at least they voted for some resolution that said we should be looking into hospital costs.

Well, we have looked into it year after year and now the option is going to be before this House as to whether or not we are going to have a voluntary program, whether we are going to recognize those States that have done so well in containing prices with mandatory programs.

We may even consider whether we will accept some voluntary programs, as long as there are Federal guidelines and standards that would trigger the mandatory program so the gentleman from California (Mr. WAXMAN) and I are about to consider and accommodate every thought that would make this bill more equitable under the rule today in this House; but when we get finished listening to the options, there is only going to be one option left. Are you prepared to vote for a bill that if the hospitals do not control their prices will mandate a Federal trigger that will reward those hospitals that have been proven to be efficient and that would penalize those hospitals that are inefficient?

Mr. Chairman, we are here today to make a fateful decision: We must decide whether we are prepared to confront and resolve the crisis created by escalating hospital costs; a crisis that is steadily draining our health care resources and paralyzing our capacity to respond to the national need for a more rational, equitable, and effective health care system.

Let no one be deceived: H.R. 2626, the Hospital Cost Containment Act of 1979, is the single most important anti-inflation measure before the Congress. A vote for this bill is a vote to curb inflation in a sector of the economy that has been a principal source of inflation throughout the last decade. A vote against this legislation is a vote to allow inflation in hospital costs to continue unchecked.

I am not suggesting that enacting this bill is the only thing we have to do to bring down hospital costs. It is not. Hospital cost containment is not intended as a substitute for a fundamental restructuring of the health care industry and the way its bills are paid. We are working in our committees on those structural reforms, and the legislation before us includes provisions to help that process along by creating a national commission to study and develop the right kind of long-term changes. But we have to face reality: These changes will take years to complete and cannot be counted on to reduce hospital costs in the near future. The bill now before us will contain those costs.

Mr. Chairman, this legislation would establish voluntary standards for containing hospital costs, backed up with standby mandatory controls that would be triggered only if the voluntary system does not work. How do we justify threatening to impose mandatory controls, when the rest of the President's wage and price standards are voluntary, and the administration is pressing elsewhere for relaxation of regulation?

The reasons for this special treatment of the hospital industry are clear, and in my view indisputable.

First, as I have already said, hospital cost increases over the past few years have been extraordinary.

Second, unlike the situation in other sectors of the economy, the incentives for hospitals to hold down costs on their own are grossly inadequate. In fact, inflationary pressures are built right into the system. More than 90 percent of all hospital bills are paid by third parties—insurance companies, medicaid, or medicare. This means that neither the consumer—that is, the patient—nor the provider—the doctor and the hospital—nor the agent that decides what costs will be incurred—the doctor—feels the pinch of rising costs in deciding what kind of facilities and care are to be provided.

Moreover, reimbursement is on a cost-plus basis: Hospitals receive about 60 percent of their revenues on the principle that the more they spend, the more they get. The rest of the payments are made on the basis of hospital-established prices; the hospitals are paid what they ask.

And neither of these kinds of payment mechanisms is subjected to the test of a competitive marketplace: consumers do not make comparisons and shop around. Most of the decisions are made not by them but by physicians, whose earnings may be directly affected by those decisions.

In other words, this is not like any other industry, where the reasonableness of charges and services can safely be left to the competitive marketplace; the effective checks present elsewhere in the free enterprise system are simply not present here.

In contrast, the approach to cost containment that would be established under the bill, if voluntary efforts fail, has been tested and found to be workable and successful in a number of States. In the eight States with mandatory cost containment programs, the rate of hospital costs increases in 1978 averaged 9.8 percent, in the States without such programs, it averaged 14 percent.

Moreover, the bill would permit those State programs to continue; indeed, it would encourage them, by exempting all hospitals in States which have a mandatory program in effect. It would also encourage voluntary efforts by hospitals, collectively and individually. All hospitals in States where voluntary efforts have, in the aggregate, been successful would be exempt; hospitals in States not otherwise exempt would still have the opportunity to continue under the voluntary program by meeting their own individual voluntary limits. But if all these opportunities for meeting the voluntary goals are missed, if voluntary action is not enough, then—and only then—would the mandatory program be triggered, subject to a congressional veto.

Nor are we contemplating the establishment of an enormous new enforcement bureaucracy. Most of the tools that we need to make the program work are already in place. We already collect most of the data through medicaid and medicare; the only additional data needed are the cost of nonsupervisory wages. And if sanctions need to be applied, they will be administered by already existing mechanisms—principally the cost-based reimbursement system under medicare, medcaid, and Blue Cross.

Let me assure the Members that this bill has been considered thoroughly and in great detail by the Committee on Ways and Means and the Committee on Interstate and Foreign Commerce. Both committees have reported bills that are virtually identical in all major respects. And both committees arrived at the same basic conclusion: We can no longer ignore the fact that the cost of hospital care has been an important source of inflation. And we in the Congress can no longer avoid our responsibility to establish public policy in this vital area of our economy. Nor can anyone dispute the fact that the hospital industry itself concedes the seriousness of the problem. It has instituted a national voluntary effort to cut hospital costs—which the bill recognizes—and it has made heroic efforts. But we would be less than truthful if we did not also recognize that the results have been inadequate: Hospital costs have simply continued to escalate. I don't believe we can as a nation tolerate a continuation of that kind of performance.

I want to reemphasize my view that in the long run we need a fundamental restructuring of the health care industry to check the inherent tendency of costs to rise. But I believe hospital cost containment is the essential interim measure, as we proceed with those structural reforms.

It provides hospitals, both individually and in States considered as a whole, to press even harder with their efforts to eliminate excessive capacity, to plan better their investment in health care facilities and to curtail duplication of expensive and unneeded equipment. The limit that it would impose on total expenditures does not tell hospitals or States how specifically to control their costs; it does not limit particular expenditures or dictates particular modes of operation; and it is flexible, allowing hospitals to pass through certain uncontrollable costs. Instead, quite properly, it sets the overall goal, and leaves it to the localities and the industry itself to find the best ways of achieving it.

And it is worth noting also that the bill contains a sunset provision. This is a precise recognition of the fact that hospital cost containment in the form provided for in this bill is, correctly, an interim measure. It not only gives Congress an automatic opportunity to examine how well it has worked during this period; it also gives us the time that we need to persist in our efforts to reform the structure of this industry and of the way it pays for its services.

I want, finally, to remind Members that enactment of this legislation has been assumed by our own Budget Committee and that the savings in fiscal expenditures would represent an important part of the current congressional budget resolution. I am not saying that in itself is a reason to vote for the bill. I am saying that we ourselves have already recognized the legitimacy and necessity for doing what this bill does—moderating the impact of rising hospital costs on the medicare and medicaid programs and reducing the rate of inflation.

Mr. Chairman, I would assert again that no more urgent task confronts us than the need to constrain the continuing use in health care expenditures and to relieve all segments of our population of the heavy burden this inflationary pressure exacts. It is not often that Members of Congress have an opportunity to cast an effective vote against inflation. I appeal to all the Members to seize this rare opportunity and to vote for the bill.

Mr. GRADISON. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. CONABLE), the ranking minority member of the Committee on Ways and Means.

Mr. CONABLE. Mr. Chairman, I oppose this legislation unreservedly. There are two theories about this legislation. One is that it has been watered down so that it constitutes no more than a label, a label with which we can go to conference with a Senate more inclined to impose this kind of artificial restraint on hospital costs.

Now, if it has been watered down to the point where it is unobjectionable in its present form, I find that an odd argument to support the legislation. That argument says that since this will not do a great deal of harm, let us vote for it. We have done too much voting of that sort, proliferating legislation without the hope of any real impact.

□ 1120

Mr. Chairman, the second theory is that this measure still retains the capacity to bite into hospital costs. If it does, I suggest the bite will come almost entirely in the field of technological advance; that is, it will discourage the hospitals from the type of medical improvements which are a major factor in advancing costs. I do not think we want to take the position that we should support this type of legislation for that reason either. We should not work against advances in medical care because they might be expensive.

When pressed, HEW will tell us that they really want to get rid of 100,000 beds in this country. To achieve that by forcing the hospitals into financial failure is, I think, a rather bad way to achieve a reduction in the number of unused beds. We have no assurance that the beds that will be eliminated will be the beds that should be eliminated. The marginal hospitals are frequently in the central cities or the remote rural areas where access is absolutely essential regardless of efficiency. Regional planning, not bankruptcy, is the way to control unneeded medical facilities.

Mr. Chairman, I strongly oppose this legislation, and I hope it will be defeated.

Mr. RANGEL. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts (Mr. SHANNON).

Mr. SHANNON. Mr. Chairman, the Hospital Cost Containment Act is one of the most important pieces of legislation to be considered by the 96th Congress. Without this legislation, the American people will continue to pay higher and higher hospital bills, health insurance premiums, and taxes.

Inflation of hospital costs is not a new problem. Hospital costs have increased at double-digit rates for more than a decade. From 1969 to 1978 the CPI has increased 79.7 percent across the board. However, during this same period, hospital expenses increased by 237 percent, far outstripping the general rate of inflation.

These staggering increases prompted serious consideration in the last Congress of a mandatory hospital cost containment program and in response to this threat, the hospital industry established the voluntary effort. This effort requested all hospitals to voluntarily limit the increase in their hospital costs to achieve a national goal of an 11.6-percent increase in all hospital costs in 1979.

Over 20 months have passed since the voluntary effort was established. During this period hospital costs have continued to rise at unacceptably high rates and they will continue to rise without this legislation.

Without this legislation, national health care expenses will jump from 9 percent of the GNP in fiscal year 1979 to 10.2 percent in fiscal year 1984. Without this legislation, the average annual medical expense of a family of four will jump from $2,400 in this fiscal year to $4,000 in fiscal year 1984. These increases are completely unjustified and unnecessary.

Many opponents of this bill are concerned that cost containment will lead to a significant deterioration in the quality of health care. I would only tell my colleagues that my home State has been under mandatory controls since 1968 and not one doctor or hospital administrator has told me that these controls have lead to decreases in the quality of care they are able to deliver. Quality has been maintained while Massachusetts hospital costs increased by only 7.1 percent last year—almost half of the 14 percent increase in States without mandatory programs.

The issue before us today, Mr. Chairman, is clear: Will we pass this legislation to put in place a voluntary cost containment program, with backup mandatory controls if costs are not restrained voluntarily and exemptions for States and individual hospitals which meet their voluntary goals or will we continue to allow hospital cost increases to erode the value of our health care dollar.

We must support the legislation now before us. Further delay can only result in serious injury to the American health care system and the American people. I urge my colleagues to support this bill, to take this step necessary to insure that health care will be affordable by all Americans.

Mr. GRADISON. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, it is hard to imagine a greater exercise in folly than this House taking up a bill as potentially harmful on the downside, and as useless on the upside, as H.R. 2626.

As most of the Members of this body know, the bill is so shot with passthroughs that it will not hold back any costs except the cost of medical technological development which otherwise might save lives in the future. Those technological improvement costs are going to be contained, forcing our hospitals to deliver an increasingly poorer quality of medical care.

The bill has so many exclusions that one wonders which hospitals it may now apply to. We are told that veterans' hospitals will be exempted and that rehabilitation hospitals will be exempted. What is next? Hospitals of more than three stories? Perhaps even hospitals on the south side of the street will be exempted by the administration, if it can thereby buy another vote, just so we can pass a title called Hospital Care Containment.

I wonder how many Members of this body actually believe that we reduce costs by more regulation. The same people who are asking us to accept this bill are telling us that deregulation was the cure for airline costs. They are telling us that deregulation will give us a better cost situation in surface transportation. But they are telling us that to give HEW a chance to regulate one of our most important services in this country will somehow decrease the costs.

I have never pretended that consistency is the "hobgoblin" of my own particular "small mind," but I find difficulty in following people who are wholly, and consistently, inconsistent in their logic.

Mr. Chairman, I hope this bill will not be successful. I can recall back in 1973 a time when this House and the other body defeated a proposal of the Nixon administration for extending its new economic program of cost control. That was a more sensible program than this but it was not sensible enough, so we wisely defeated it. I hope we defeat this less sensible program today.

Mr. Chairman, in my judgment, the bill (H.R. 2626) before us is probably the worst excuse for controlling hospital costs that could ever come before this body. There seems to be more concern for quickly passing a bill under the guise of "cost containment" than any concern for a need and particularly, any concern for its contents. While getting this bill to the floor may be a victory for the administration, it is surely a legislative failure.

I believe that Americans do have a concern about the cost of their health care, but they have a far greater concern for obtaining care; highly trained, skilled staff, specialty care units and sophisticated diagnostic and treatment methods and technologies. H.R. 2626 allows only a small increase—the 1-percent net service intensity allowance—for new technology under the voluntary program and no increase under the mandatory program. Restricting the use of new technology drastically reduces our best opportunity for improvements in health care. In my view, this is the most serious consequence of H.R. 2626.

Equally depressing is the fact that the bill will impose a tremendous amount of wasteful administrative burdens on hospitals. These burdens will ultimately be borne by patients through higher premiums and/or taxes. The bill also requires the creation of more bureaucracy, along with more Federal regulations and redtape to enforce its mandatory control provisions. It places HEW squarely on the backs of hospitals and their patients.

More specifically, the bill penalizes efficient hospitals through allowing a higher cost hospital a greater dollar increase; allows the Secretary of HEW to have a great discretionary authority, including the power of life or death over new services; prohibits a hospital from ever going off the mandatory program to the voluntary, even though it has regained its financial independence, regardless of how well it performs and finally, the bill undermines the successful voluntary effort by hospitals to reduce and contain their costs.

I strongly urge my colleagues to oppose H.R. 2626 in favor of the Gephardt substitute bill, H.R. 5635. The substitute bill deserves the support of Members who oppose further Federal intervention into the private health care sector and still more unnecessary Federal regulation and bureaucracy. The substitute bill, of which I am a cosponsor, provides for a National Commission on Hospital Costs which would report to the President on: First, the success of the voluntary efforts to restrain hospital costs within the voluntary goals established by the bill; second, provides measures to control health care costs that include changes in third-party reimbursement; and third, provides for long-range strategies to combat rising hospital expenditures, with special attention to the supply and demand for health care services.

The bill would also provide for grants to States who chose to establish a State hospital cost containment program. In addition, the bill encourages philanthropic support for hospitals, provides for common audits of hospitals by medicare and medicaid, and allows hospitals to use acute-care beds to provide long-term care. Finally, the bill establishes a voluntary goal for hospital cost containment for calendar year 1979 and for each succeeding year equal to 4 percentage points below the rate of increase in total hospital expenses experiences in calendar year 1977. The National Commission on Hospital Costs would be required to monitor the success of hospitals in meeting the goal each year, and report to the Congress.

In conclusion, the Gephardt substitute bill eliminates the inequities that exist in the regulatory approach of H.R. 2626 and offers an effective and sensible approach that is built upon the already successful "voluntary efforts" program. I hope the Gephardt proposal will be accepted by this body.

Mr. RANGEL. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. CORMAN).

Mr. CORMAN. Mr. Chairman, I have always been fascinated by Members who help cut a bill down and finally, when they get it badly shredded, say then that it is not worth passing.

This bill is worth passing. There is much left in it that is important.

I wonder if we might turn the situation around for a moment. What we are talking about is a savings of $41 billion over 5 years, $17 billion of that represents taxpayers' dollars. If we were considering an appropriation to the hospital industry, who on the other side of the aisle would come in and try to get us to approve a $17 billion increase for expenditures above the cost of living. Of course, this would be on top of the $33 billion being spent now and adjusted for inflation. I think that would be hard to do.

Mr. Chairman, it is true that we cannot regulate just hospital costs. We do not purport to do that. This bill permits a passthrough of all inflationary expenses in the hospital "market basket." It provides for changes in population, and modest increases in technology.

But what are we to do? We pay 40 percent of this Nation's hospital costs with taxpayers' money. The taxpayers are entitled to some restraint.

Now, some have asked: "Why not just restrain the part which the Federal Government pays"? Let me tell the Members why we do not. It is because if we leave open-ended the costs that have to be paid by the sick in this Nation, we would find that we have imposed on them an extra tax just to relieve the budget pressures on medicare and medicaid. The hospitals would merely pass on to other patients the costs they could not bill medicare and medicaid.

We cannot fulfill our responsibilities unless we restrain, at least at a level close to cost-of-living increases, the hospital costs that will be borne by medicare and medicaid and the sick who are not covered by anybody else.

Hospitals almost have a key to the Treasury and they can think of more ways to spend money than the Pentagon. Many of these things are good, but there is reason to believe that with some modest restraint we can see that people get needed care more efficiently and economically.

There is always the cry that this will preserve the wasteful and hurt the frugal. We will not find a hospital administrator in the Nation who does not represent a hospital that has been frugal, and it is always the "guy down the street" who has been wasteful.

Any time we try to get a fix on costs we have to pick some base; we have to pick some figure and use that as the base. That is what is done in this bill. If they have lived on x dollars 2 years ago, they ought to be able to live on x plus the cost of living and give at least as good care as they gave in that other year.

We do have to move ahead and figure out better ways to pay for health costs, and we may decide to put more money in technology. But we ought not to add to the financial burdens of patients or the Government, with nobody having any restraint.

Mr. Chairman, I urge passage of the bill.

Mr. GRADISON. Mr. Chairman, I yield 4 minutes to the gentleman from Tennessee (Mr. DUNCAN), a member of the Subcommittee on Health.

Mr. DUNCAN of Tennessee. Mr. Chairman, I am opposed to H.R. 2626, the hospital cost containment bill for two essential reasons: First, it will harm the quality of hospital care in this country, and second, it will become another bureaucratic burden with no net effect with respect to the complex problems we are faced with.

The United States has the best medical care in the world. We have the best facilities and the finest minds at work to provide this essential service. The medical profession has set as its goal the study and development of treatment for any ailment known to man. We have amassed a tremendous store of medical knowledge, and our reputation with respect to technological innovation is unparalleled. Such research and development is not inexpensive, but it is by no means the sole cause of an increase in expenditures, and I do not think anyone here would say that this research and development was not needed. Illnesses for which there was no cure a few years ago, are now easily treated as a result of advances in the field of medical research in recent years. Our health care system, while not perfect, has made possible organ transplants, open heart surgery, intensive care, renal dialysis, microsurgery, and other specialized treatments. Limiting hospital expenditures as this bill does will hinder our ability to develop similar technologies in years to come, and thus will harm the quality of American health care in the long term.

This is not the only effect however. This legislation creates an illusion of action with respect to the problem of rising costs. No real gains are made because no effort is made to confront the causes of cost increases. Instead, the costs are simply capped for a period of 4 years, and a new regulatory bureaucracy is created to enforce the necessary regulations. The causes will not be addressed and the essential problems will continue unabated.

This bill will not address the problem of malpractice insurance expenditures that will total over $1 billion this year as opposed to $100 million 7 years ago.

This bill will not address the problem of excess expenditures due to Government regulations. A 1976 study of New York hospitals revealed that nearly $40 was added to a patient's bill every day as a result of regulations. This burden will not be reduced as a result of this proposal; in fact, the regulatory burden will be increased.

This bill will do nothing to address the problem of overutilization of services brought on in part because of the expansion of medicare and medicaid, and the proliferation of payments by third parties, which today amounts to over 90 percent of the care provided.

If the legislation will not do all of these things, what then will it accomplish? To that I answer very little if anything at all. The Congressional Budget Office has estimated that the effect on the Consumer Price Index will be to reduce it by one-tenth of 1 percent by 1981. Some may say that any program that will reduce inflation is worthwhile. However, when the effect is so small, and the price in terms of health care is so great, then I think our choice is clear: This bill should be rejected.

There is currently a voluntary effort underway to reduce hospital expenditures. Considering the current state of the economy in general, the program has been successful. For example, during the first half of this year health care prices were up only 4.3 percent as compared to 6.2 percent for housing, 20.6 percent for energy, and 6.8 percent overall. It is a mystery to me as to why the administration has not abandoned this cause and sought to fight inflation in general, instead of singling out one industry that is fighting inflation more effectively than the administration. The President claims to have rejected mandatory wage and price controls for the entire economy, but he recommends that such a plan be put in operation for a single sector of that economy. History shows that a frequent result of such action is scarcity of services. The effect in this case would be an unnecessary rationing of health care in this country. Since the bill does not address the problem of overutilization, it stands to reason that with the limits placed on hospitals by this bill, the demand for quality service will in some areas outstrip the supply.

For these and other reasons discussed in this House today, I am supporting the substitute being offered by Mr. Gephardt and Mr. Gradison, H.R. 5635. Its key provision calls for the creation of a National Commission on Hospital Costs to study the causes of hospital cost increases. As I indicated earlier, H.R. 2626 does nothing to attack the causes—it merely places a cap on expenditures. H.R. 5635 recognizes the existing State cost containment programs and supports these efforts. In addition, the commission will set voluntary goals, develop long-term strategy for confronting the problem, and monitor the effect of the program.

Finally, the bill encourages philanthropic support of hospitals through gifts and grants, and provides regulatory reform through the use of a common audit by medicare and medicaid.

In short, we will through adoption of the Gephardt-Gradison substitute get more for less. The quality of health care will be maintained, and we will save the American public the frustration of financing and dealing with yet another bureaucracy.

Accordingly, I urge my colleagues to defeat H.R. 2626 and adopt the substitute, H.R. 5635.

☐ 1130

Mr. GRADISON. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina (Mr. Martin).

Mr. MARTIN. Mr. Chairman, H.R. 2626 is just another attempt to Britainize the American health care system, and I oppose it. It is a mischievous attempt to interfere with the management of hospitals in this country under the pretext of limiting costs by piling on more Government. I would submit to the Members of the House that this is an effort to distract us from the real problem; namely, an even greater rate of increase in the cost of Government than the rate of increase in the cost of hospitals.

The gentleman from Maryland earlier asked questions about why this was such a semiclosed rule, and one of the reasons, he would find, is because there is here an effort to avoid exposure of some of the foolishness that is in the legislation which was produced in the Ways and Means Committee. When it was before our committee and our subcommittee, time after time amendments were supported by the administration in an effort to gain solid partisan support for the bill. Members were allowed to exempt preferential hospitals in their districts and, therefore, get credit for that; Members were allowed to pass through labor costs, food, energy, Government-imposed costs, nonmedical costs; in effect, exempt all or pass through all but certain medical costs. That is sav, no exemption is allowed for rehabilitation hospitals, research, emergency rooms, diagnostic labs, and so forth.

The gentleman from California (Mr. Corman) just a few moments ago said there is plenty left in this bill, and that is true. That is the reason we are opposed to it, because there is plenty left in it. We should not onlv exempt those preferential hospitals that have already been exempted, not only exempt the veterans' hospitals—that an amendment will be offered a little bit later to take care of—but for the very same reasons, exempt everyone else's hospitals as well.

This is not hospital cost containment, Mr. Chairman; this is hospital health care containment.

The Congressional Budget Office has pointed out that there would be no room for innovation if this legislation were to be enacted.

It is cute to call this standby mandatory controls, but what standby means is, "Stand by out there, American citizens, because we are going to take over your hospitals." The Congressional Budget Office says there will be an 80-percent failure of hospitals to meet these standards, because all it takes is to fail once, after which there is no escape.

If you are serious about inflation, then do not try to enact a Government takeover of the increase in hospital costs, but look for something bigger. That is, do something about the rate of increase in the cost of Government, something we have responsibility for.

The Carter administration's proposed hospital cost containment program is an ill-conceived, fundamentally flawed piece of legislation that should not be enacted into law. The proposal is based on the erroneous premise that by regulating hospitals to an even greater extent than they are today, the Federal regulatory process can somehow bring down the rising costs of health care. Not only is the administration's proposed solution simplistic in its objective and unworkably complex in design, but it also will only further postpone a long overdue examination of the root causes of health care inflation and of the changes needed in financial incentives motivating consumers to demand more and more expensive medical care, regardless of effectiveness or need.

The most distressing aspect of the administration's proposal, however, is the fact that the patient, not the hospital administrator, has the most to lose if this bureaucratic program is enacted into law. As hospitals under the proposed program are forced to spend valuable resources searching for ways to avoid bankruptcy from newly imposed regulations, it is the patient who will bear the true burden from the disruption in the delivery of hospital services. It is the patient who will no longer have access to needed diagnostic and therapeutic treatments, as hospitals are forced to cut back on procedures and eliminate hospital services altogether in order to comply with mandatory revenue controls. Clearly it is the patient who will be personally and devastatingly affected by a decline in the high quality of care currently available in our Nation's medical centers.

A cutback of various hospital services is inevitable under the proposed hospital cost containment program. The Congressional Budget Office (CBO) has concluded that by 1981 a full 80 percent of the Nation's hospitals unable to obtain an exemption from the legislation would fail to meet the voluntary program's "guidelines" and thus be forced under the nationwide controls of the mandatory program. These hospitals, CBO determined, could not be expected to improve services for their patients because the formula for determining revenue increases under the mandatory controls allows for no increase in intensity of services. Thus, the mandatory program would destroy any chance of achieving real growth in hospital services resulting from such factors as technological breakthroughs. These improvements in services which presently account for 4 percent of the expenditure increases occurring each year would totally cease. Hospitals, frozen into a stagnant position, would quickly witness a decline in the quality of care provided, as their patients are denied the benefits of new technology and improved medical care.

Another reason H.R. 2626 cannot meet its goals is that the administration is totally inconsistent in its approach. It creates a Federal nationwide mandatory program which, as pointed out, a vast majority of hospitals not qualifying for an exemption would be unable to avoid. Yet, at the same time it arbitrarily permits any number of exemptions from the entire program, exemptions which allow some 60 to 65 percent of all hospitals in the country to escape through special privilege. Moreover, under both the voluntary and the mandatory program, the administration bends to labors' demands to remove from controls the largest single element in a hospital's budget—nonsupervisory wages. By allowing a passthrough for nonsupervisory labor costs, the administration on the one hand is telling hospitals they must cut costs but, on the other hand is telling them there is nothing wrong with acquiescing to labor-backed demands for inflationary pay hikes, despite the fact that these hospital wage rates are comparable with those paid in other similar industries.

In addition to pass throughs for nonsupervisory wages and complete exemptions for large numbers of hospitals, numerous other exceptions are written into the bill. For example, approximately 25 percent of nonwage costs—such items as fuel, food, and interest payments—are essentially "passed through" in the market basket computations under the voluntary program's guidelines. The net effect of these numerous exemptions, exceptions, and passthroughs is that the remaining "controllable" costs become so small an amount as to be an impossible source for meeting the Government-stipulated reduction in expenditures. This fact is borne out by the previously mentioned CBO finding that in just 3 years 93 percent of hospitals without exemptions from the program will fail to avoid mandatory controls. Once these hospitals do come under Government controls, hospitals could soon exhaust their financial reserves. As Prof. Martin Feldstein of Harvard concluded in testimony before the Senate Human Resources Health Subcommittee in March, many local nonprofit hospitals in just this situation could be forced into bankruptcy within 1 or 2 years.

Another criticism of the administration proposal relate to the capricious manner in which hospitals are affected by the expenditure ceiling. CBO correctly concludes that hospitals across the Nation would be arbitrarily hurt because of the fact that hospital expenditures fluctuate greatly from year to year. Because one year's rate of increase has little to do with another year's rate, CBO points out, hospitals that meet the voluntary guidelines one year are by no means necessarily the ones with the low growth rates over the longer term. Furthermore, even though some hospitals have similar long-term increases in expenditures but vary only in their growth rates in any one year, nevertheless these hospitals could be treated in a substantially different manner because of the program's reliance on base year calculations for determining revenue controls.

CBO also refutes the administration's claims that H.R. 2626 is a necessary ingredient in its battle against inflation. The administration has misled the public into believing that the hospital component of the Consumer Price Index is a significant portion of the CPI. The truth is that direct hospital charges account for less than 4 percent of the overall Consumer Price Index. Thus, despite exaggerated claims by the administration to the contrary, CBO estimates that H.R. 2626 would only lower the inflation rate by one-tenth of 1 percentage point by 1981.

The Carter administration is totally unrealistic in another fundamental concept underlying this proposal: That one segment of the economy—the hospital industry—can come under mandatory revenue controls while hospitals' expenses—the cost of goods and services from other segments of the economy—remain completely uncontrolled. It is absurd to think that hospitals with their incoming funds controlled can continue to provide high quality care while their costs for supplies, drugs, and other equipment continue to soar.

Finally, what provides the Carter administration with evidence that a newly mandated Government regulatory program has any more chance of success this time than those tried over the past decade? Indeed, there is substantial evidence to the contrary—evidence demonstrating that regulatory programs in the health care field imposed in recent years have not been effective in controlling costs. The Department of Health, Education, and Welfare certainly does not have an impressive track record for effectively controlling the costs of its programs. How can the Carter administration assume HEW can oversee the budget of hospitals across the Nation and at the same time not greatly inflate the Federal budget with the added costs of processing applications for exceptions, judging efficiency standards, and calculating individual guideline limits for hospitals across the country? Moreover, what leads the administration to think that provisions of H.R. 2626 that have not been worked out—such as how the HEW Secretary will make efficiency determinations for hospitals throughout the Nation—can be performed fairly and equitably by granting broad discretionary powers to the Secretary of HEW? Certainly we cannot ignore the fact that in the past it is just such increased authority granted to the HEW Secretary that has led to an incredible bureaucratic mess now engulfing HEW. Such past problems only underscore the need to find a solution other than increased Government regulation as an answer to rising health care costs.

In addition to these substantive criticisms of H.R. 2626, criticism of the Carter administration's handling of this bill also should be highlighted. Throughout committee consideration, the administration engaged in deal making in an effort to gain final support for its proposed hospital cost containment program. Tradeoffs granting exemptions, exceptions and passthroughs for hospitals in various Members' districts were sought and obtained from the administration in return for a Member's vote to report H.R. 2626 from committee. These very Members, who were greatly concerned about the potentially devastating effect of H.R. 2626 on hospitals in their own district, nevertheless agreed to support the proposals once their own hospitals were taken care of through the various exemptions and passthroughs, thereby in effect ignoring the impact of the bill on other hospitals throughout the country.

Evidence of such deal making is apparent in the final vote to report the bill. The final 22-to-14 vote does not truly reflect the extremely close division repeatedly demonstrated by numerous committee votes on amendments to the bill. A prime example of Members' skepticism about the program can be seen in the 18-to-18 vote on the Jones amendment to postpone consideration of the bill for one week in order to consider a proposed substitute bill that would emphasize competition and market incentives as an alternative to the administration's newest regulatory program. Further evidence of the bill's weakness is the Democratic leadership's aborted attempt to depart from tradition in order to seek a modified closed rule for floor action. Such a scheme, which would have allowed only three floor amendments, was sought by the bill's supporters for fear that an open rule would kill the bill's chances of surviving a fight on the House floor. All these actions underscore the fact that the administration's proposed program is poorly conceived and is basically unsound legislation which should not be enacted into law.

Mr. GRADISON. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I rise in opposition to H.R. 2626. I think we should listen to our former colleague of this House and now mayor of the city of New York, Mr. Koch who has recently, I think, very properly commented about the whole problem of Federal control of so many areas of social service. He recently said:

> Washington just sits there and tells us what to do, do it this way or do it that way. They are looking over our shoulder all the time, threatening to take us to court all the time.

He says the Federal Government says:

> Keep the hospitals open, even if they don't have any patients, or we will cut off your aid.

And then somebody reminded him, "Well, Mayor Koch, you voted for a lot of these programs."

He said, "I know that. I was dumb. We all were. I voted for so much of that crap. You know what I am talking about."

And he was talking about the Federal Government mandates relating to health.

My colleagues, Federal health, controlled by the Federal Government, I say in so many instances has proven to be an absolute disaster, too much bureaucracy, too much cost. The problem in this bill is that it will mandate increases in cost, it will not control them, and I hope my colleagues will be convinced to vote against it and listen to our former colleague, the mayor of New York, Mr. Koch.

Mr. RANGEL. Mr. Chairman, I would like to inquire whether the gentleman from Ohio (Mr. GRADISON) has any further requests for time at this time.

Mr. GRADISON. Mr. Chairman, if the gentleman will yield, it is my intention to reserve the balance of my time and look to the gentleman from North Carolina (Mr. BROYHILL) to proceed using a portion of his time.

Mr. RANGEL. Mr. Chairman, at this time I yield the remaining 15 minutes to the chairman, the gentleman from California (Mr. WAXMAN), and if the Committee on Ways and Means would need additional time, I would hope to request it from the chairman.

Mr. WAXMAN. I thank the gentleman from New York for yielding to me, and I certainly will accommodate him for requests of time from my subcommittee and the full committee.

Mr. Chairman, the hospital cost containment bill is the most important piece of legislation designed to fight inflation that we will consider this year. It is our chance to say to the American public "We are not only concerned, we are willing to act to hold down the skyrocketing health care costs facing you." This is a visible and decisive way to provide protection for the American people. For years hospital expenses have been greatly in excess of the general rate of inflation in the economy, and for years they have contributed disproportionately to the increases in that inflation rate.

If we were talking about a small expenditure, these kinds of cost increases might be less alarming. However, our expenditures for hospital care are enormous. They were only $13 billion in fiscal year 1965. By fiscal year 1977, they were $65 billion and growing. They are estimated to be $83 billion in fiscal year 1979.

Recently there has been some moderation in the excessive increases in hospital expenditures. This is grounds for encouragement, but it is not an excuse for inaction. The slowdown has occurred in response to the proposals for mandatory controls. Expenditures still are rising at rates greater than can be accounted for by population growth, wage increases, or inflation in the costs of goods and services purchased by hospitals. We have no assurance that voluntary efforts to control costs will continue or be effective without this legislation. In fact, the evidence is to the contrary. Last year, when the Ways and Means and Commerce Committees were considering hospital cost containment with mandatory controls, the hospitals began a voluntary effort, and increases in expenses declined from 15.6 percent in 1977 to around 12.8 percent by mid-1978.

When the legislation failed in Commerce, and the committee reported a bill which was basically only a set of voluntary goals—almost exactly the proposal which is being offered by Mr. GEPHARDT and the opponents of this bill today—the rate of increase in hospital costs ceased to decline, and in fact, is now at an annual rate of 13.3 percent.

This cost containment bill provides every opportunity for a voluntary cost containment program to work. Provision is made for establishing national, State, and individual hospital voluntary limits on the annual rate of increase in hospital expenses. The voluntary limits will be calculated so as to reflect increases in the actual rate of inflation. For 1979, hospitals would be guaranteed a national voluntary limit no lower than 11.6 percent, the same as the goal of the hospital industry's own "voluntary effort." If inflation is higher, the goal will be adjusted upward. Even if the voluntary limit is not met, each State can still demonstrate that it can do the job—and stay under a voluntary program. If all the hospitals in a State in the aggregate cannot meet the voluntary limit, individual hospitals can be exempt from a mandatory program if their own voluntary goal is met. The key issue is making the commitment to guarantee that hospital cost increases will be constrained. The central issue is clear. A vote for a voluntary program only, without backup mandatory controls, is a vote against hospital cost containment.

Let me move now to some specifics of the legislation. First, you must be aware of the estimated savings. We expect the Federal Government to save $600 million in fiscal year 1980, with total system savings of $1.5 billion. By 1984, the Federal savings will be $6.8 billion, with a total savings of $16.5 billion. That means that over the 5-year life of the bill, a total of $16.7 billion in Federal dollars and $41.2 billion overall will be saved for the American people.

Many will ask "why single out hospitals? More than 90 percent of all hospital bills are paid by third parties—insurance companies, medicare and medicaid. Neither the consumer nor the provider feels the pinch of rising hospital costs. The ways in which these third parties pay for services contain no incentive for hospital efficiency. Medicare, medicaid, and most Blue Cross plans pay a rate based on the actual cost of delivering care. Most private insurance companies pay a price established by the hospitals. Neither reimbursement method encourages hospitals to become more efficient producers. Most decisions in the health care marketplace are made by the provider not the consumer.

As a result, the normal mechanisms of the market—such as competition—do not work to bring down costs. The basic structure of the hospital industry has led to double-digit rates of inflation in hospital expenditures over the last decade. According to surveys done by the American Hospital Association itself, the AHA Annual Survey shows the average rate of increase in hospital expenditures to have been 15.1 percent from 1968 to 1978 and 15.5 percent from 1974 to 1978.

The voluntary effort is insufficient. In 1978, hospital expenses increased 12.8 percent and hospital room charges increased 12.4 percent while the Consumer Price Index increased only 9 percent. Prices in the hospital's market basket increased only 8.4 percent. Further, the decline in hospital expenses in 1978 has not carried over into 1979. The first half of this year, hospital expenses increased 13.3 percent over the same period in 1978. HEW estimates that inflation in hospital costs will reach 13.5 percent in 1979, while the Congressional Budget Office estimates 14.5 percent. The hospital's own "voluntary effort" goal was 11.6 percent.

The lower rate of increase in hospital costs in late 1977 and early 1978 can be credited to the threat of Federal action and to the success of mandatory State programs already on the books. States with mandatory programs experienced a 9.8-percent inflation rate in 1978, States without programs experienced a 14-percent inflation rate.

H.R. 2626 will not ration medical care as some have claimed. Under the voluntary limit, all hospitals are guaranteed a rate of increase sufficient to cover inflation in the price of goods and services purchased by the hospital. Hospitals would be allowed an increase in costs to cover any necessary expansion of services. Even under the standby mandatory program, hospitals would be allowed an increase to cover inflation in the cost of goods and services in their "market basket." Efficient hospitals could add or expand services; inefficient hospitals would have to become more efficient in order to expand.

While we are encouraging hospitals to contain costs, the need for a wage pass-through is clear. During the economic stabilization program when wage and price controls were in place, wages of hospital workers declined relative to other nonsupervisory workers. In 1971, prior to the program, hospital workers wages compared to the wages of other nonsupervisory workers declined. In 1978, the wages of nonsupervisory hospital workers were still below the wages of other nonsupervisory workers. In light of this, it is important that we insure that, when hospitals attempt to control costs, they do not do so at the expense of nonsupervisory personnel.

No regulatory activity can be undertaken without some cost. However, no other legislation currently before Congress can offer the Federal Treasury and the American taxpayer such substantial savings and lower the inflation rate to such an extent for such marginal administrative expenditures.

Fifty-five percent of all hospital revenues come from government sources. Any institution which reimburses a single industry to such an overwhelming extent has a substantial and legitimate interest in the prudent and careful management of its contribution. In 1980, the total Federal administrative costs of the program are estimated to be only $10 million or less than half of 1 percent of the projected total savings for the year. By 1984, the total cost of the program to the Federal Government relative to total savings will be less than the already low ratio for 1980, since the savings increase dramatically.

The hospital cost containment legislation also minimizes additional reporting requirements for hospitals. Under both the voluntary and mandatory programs, the only additional information required of hospitals concerns the wages of nonsupervisory workers. According to the Congressional Budget Office, this approach "would not require the government to dictate or review individual spending decisions. Hospitals would be given an overall revenue constraint, but they would be left to decide on their own how to meet it. This minimizes Federal intervention * * *"

I urge you to support the hospital cost containment bill and to commit yourself to fighting inflation in the health care delivery system.

□ 1140

Mr. WALGREN. Mr. Chairman, will the gentleman yield?

Mr. WAXMAN. I yield to the gentleman from Pennsylvania.

Mr. WALGREN. I thank the chairman of the Subcommittee on Health and the Environment, which has had jurisdiction over this measure in the Commerce Committee and I want to commend him for the continued efforts he has given to bring this measure to the floor.

I wanted to comment very briefly on why I feel there is a great need for this kind of legislation. I, and I do not think I am alone, take very seriously the argument that we have to keep the Government out of many situations in our society. I take very seriously the argument that Government regulation is a detriment and is a negative that must be weighed against the goals that we pursue.

But I do not think our responsibility stops simply with pointing at one element and saying this is bad and that is good.

Our responsibility as legislators is to weigh the negatives in what is proposed against the need for the program over all.

I think that anybody who looks at the health care system in America today must come to the conclusion that the need for such a program is literally overwhelming.

It seems to me that we face a timebomb that may already have gone off. Everywhere we look in the health care area, we see a denial of medical service or a patchwork financing system that can only last for the moment and is breaking down in front of our very eyes.

All the payment systems we have put in place for health care seem to be disintegrating.

The medicare payment system that started out at $3 billion in 1967 has grown into a $30 billion burden on the tax structure 10 years later.

It is not just a coincidence that 2 years ago we had to go through a major increase in social security taxes that are related to it.

We rely on labor-management agreements to spread the cost of health care for many workers in our society. We look at that and what do we see? The coal strike of a year and a half ago, a strike that literally threatened the security of the country because it affected energy, bogged down in a standoff because management had to demand to remove and pull back some of the traditional health care benefits that the mine workers had been accustomed to over the years.

And finally, the last thing we have thrown in the breach to pay for the health care system is, of course, the public tax dollar.

Wherever we look, the tax support is now having to be withdrawn. The medicare system has withdrawn itself substantially from nursing home care. Medicare paid for much more nursing home care in 1967 than it paid for in 1976, largely because we have had to tighten the restrictions on what we were able to pay for. There simply was not money in the coffers to cover that charge.

□ 1150

Public nursing home facilities in my county have been closed in the last year because the county did not have enough tax dollars to support that kind of service. States across the country have had to limit and withdraw the benefits that they had been providing to people who needed those benefits. These are benefits that we all would agree should be provided and paid. But there was not the financial resources to do it.

Of course, the ultimate barrier to health care faced by most of the citizens we represent is the fact that nobody any longer has any contact with the medical system except going through emergency room of the local hospital and facing the bill that will be presented to us there.

Our responsibility is not so much to look at the present, but to look 5 years down the road, because that is the time which we legislate for. While these payment systems show signs of breaking down, everyone projects increases in medical costs in the next 5 years that are beyond our ability to pay. I have heard no one able to come up with a system that would be able to pay for the projected increased costs of the health care system. That can only mean that the time bomb of health care costs may have already gone off.

That is the challenge that the House of Representatives will face in voting on hospital costs today. I urge the support and the adoption of this measure as the first step toward managing health care costs in the future.

Mr. WAXMAN. I thank the gentleman for his comments.

Let me just add, in reclaiming my time on this legislation, that we have heard the charge repeated many times on this floor: Have we not exempted just about everybody and, therefore, is this bill worth it?

The answer to that question, I think, ought to be clear and ought to be understood by the Members here. First, it is true that we have small hospitals exempted, but remember that small hospitals are about 40 percent of the institutions, but only 9 percent, only 9 percent of all hospital revenues.

Second, we exempt States who adopt their own programs. That is perfectly appropriate. We want to encourage them to have their own programs.

Third, we exempt Federal hospitals, including veterans hospitals. The reason we exempt Federal hospitals and veterans hospitals is because they come under the budget process; appropriations are voted for them, so there is a limit set for them in the governmental process. They are unlike private hospitals that do not have any limit set on them, they have an open-ended pot of money to seek assistance from when they go to private insurance or to Government third-party payers. It is a very different situation for public hospitals and veterans hospitals.

Lastly, there are 104 children's hospitals and a few long-stay hospitals whose cost pictures are different from that of the acute general hospital. So the exemptions that we have, I think, are justifiable and what still is covered for backup mandatory controls, should the voluntary effort not be successful, are by far the bulk of the hospitals that are spending more and more money, driving up our budget deficits.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. WAXMAN. I yield to the gentleman from North Carolina (Mr. MARTIN).

Mr. MARTIN. For clarification, the gentleman has just said the veterans hospitals will not be totally exempt from such controls, that while they are not included in the bill of the Committee on Interstate and Foreign Commerce, and while they are to be taken out of the bill of the Committee on Ways and Means, the gentleman is saying they will be covered by other legislation and, therefore, the same kinds of controls will be imposed on the veterans hospitals? Is that what the gentleman is saying?

Mr. WAXMAN. My point is veterans hospitals and public hospitals are financed through the appropriation process where the amount of money that is reasonable to spend in those hospitals is determined through that process.

Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey (Mr. MAGUIRE).

Mr. MAGUIRE. Mr. Chairman, we as Members of the House of Representatives are being asked to vote on one of the most important anti-inflation measures in this 96th Congress—H.R. 2626, the proposed Hospital Cost Containment Act of 1979. As we take up this issue, I would like to clarify the importance of this legislation to our collective efforts to control spiraling inflation and reduce the Federal deficit.

Over the past decade, no sector of the economy has experienced greater inflation than the hospital industry. Inflation in hospital costs have averaged 15 percent per year during the last 10 years. Today, 22 months after the hospital industry mounted a massive "voluntary effort," hospital costs continue to increase at an alarming rate. Hospital spending increased at an annual rate of 13.3 percent during the first 7 months of 1979. During that same period the price of goods and services purchased by hospitals increased by only 9.3 percent.

Continuing double-digit inflation in hospital costs, despite the industry's voluntary effort, underscores the severity of this problem and the need for rapid action on this legislation. The voluntary effort has failed because it does not affect the perverse incentives in the current system which encourage hospitals to expand plant, staff and services regardless of need or cost implications. The enactment of H.R. 2626 is a vital first step in encouraging fundamental reforms in hospital management.

In the past, hospitals have found it unnecessary to manage resources efficiently. This legislation will force hospitals to face the same kinds of constraints that market forces place on other sectors of the economy. They will have to manage their income as carefully as other businesses.

This legislation will contribute significantly toward:

Holding down Federal budget levels. The Ways and Means bill would reduce Federal budget spending by $12.6 billion, from fiscal 1980 to 1984. The Commerce Committee version would reduce spending by $16.7 billion. At a time when the American people are expressing a desire for reduced public sector spending and a balanced Federal budget, this legislation offers a means to reduce Federal expenditures without affecting the scope or quality of services to Federal beneficiaries.

Reducing personal health care expenditures. The legislation would reduce total health expenditures by $1.5 billion in fiscal 1980. The legislation as reported by the Ways and Means Committee would save $31.2 billion from 1980–1984, while the Commerce Committee version would save $41.2 billion. At a time when individuals are financially squeezed by declining disposable income due to higher interest rates and increases in the cost of energy, the legislation will save consumers billions in hospital charges, without diminishing the quality of care they receive.

Holding down employer costs by as much as $19.5 billion from 1980–84. At a time when businesses are facing inflationary pressures and a decline in consumer demand, the proposal will moderate increases in payroll-tax financed medicare benefits and one of the most expensive fringe benefits provided by employers. Reduced employer costs will lessen the inflation rate by 1 percentage point over the period 1980–84.

Opponents have presented a long list of criticisms of this legislation, charging that—

It is unfairly singles out hospitals for cost controls;

The proposed formula is arbitrary and inflexible;

The proposal is exceedingly complex and will impose more costly regulation on hospitals; and

It will result in a deterioration of the quality of care.

However, dispassionate review of the proposed legislation presents quite a different picture.

Hospitals are unlike other businesses—they have no economic incentive to control costs. Hospitals operate on open-ended budgets—the more they spend, the more income in reimbursements they receive. Competition is virtually nonexistent and consumers have few choices opportunities to shop for the best bargain in hospital care. The hospital cost containment legislation asks this industry to behave within the same types of constraints economic forces place on others. The combination of voluntary efforts backed up by the threat of mandatory controls offers the best opportunity for reducing hospital inflation rates.

The current proposal responds to all of the major criticisms raised against the original draft bill. At the request of the hospital industry itself, hospitals are given as many chances as possible to meet the voluntary limit. Hospitals are also guaranteed a minimum voluntary limit 1 year in advance, thus allowing each hospital administrator ample opportunity to plan a budget, to determine priorities and to allocate resources. In no case does the bill dictate administrative or fiscal policies to be followed by hospitals. Any complexity in the bill derives from provisions which insure greater equity for individual hospitals and for patients who use their services.

The legislation can also be administered with virtually no new data requirements. No new cost reports will be required, and only one new piece of information (the area wage rate) will be needed in order to monitor hospital performance. In any case the administrative costs would be less than 1 percent of total savings.

Finally, hospitals will not be forced to cut back on the quality of care as a result of this legislation. The voluntary limit already includes allowances for inflation in the price of goods and services they use, and for population growth, plus an additional 1-percent allowance for new services. No hospital will have to cut back on current spending or current levels of quality. Certainly hospitals will have to review their management and medical practices, many of which could be streamlined to produce both better quality and less costly care. Nearly 30 percent of the Nation's hospitals have been able to keep their cost increases below what the national voluntary limit would have been over the past 2 years, without any negative effect on the quality of care.

Last year, more than 21.4 million American families were faced with medical care bills exceeding 15 percent of their annual income—mainly for hospital care. The cost of a hospital stay, which averaged $533 in 1969, will reach an average of $1,634 in 1979. This massive inflation and lack of concern for cost and efficiency, which has characterized the health care sector for so long, can no longer be tolerated. The upcoming floor vote on H.R. 2626 will provide us with the opportunity to take decisive action by supporting this much-needed legislation. I urge you to join us in our efforts to control inflation.

Mr. BROYHILL. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I would first want to respond to some of the comments that have been made here advertising this bill as a bill that would help bring down inflation. The figures I have would not bear out that statement. Hospital costs as a total do not amount, do not account for but 4 percent of the Consumer Price Index, only 4 percent of the Consumer Price Index is found in the total hospital costs. The Congressional Budget Office estimates that even if all of the savings that they estimate are achieved, and I think there is some doubt as to those total figures, even if those come about, that that would impact on inflation only to the extent of one-tenth of 1 percent in 1981, and would not increase to more than four-tenths of 1 percent in the next 5 years.

So even the CBO estimates show that this bill is not going to have the tremendous impact on decreasing inflation as the advocates of the bill would have us believe.

Mr. Chairman, I would point out that the voluntary effort is working. I know in my State of North Carolina we have a voluntary program that has been initiated by the hospitals there, and that voluntary effort plan is relatively simple to operate. It does not require a large bureaucracy. After operating under this plan for over a year the reports that are already in show that there is significant decrease in the rate of increase of hospital costs.

Mr. Chairman, the program is part of a nationwide plan called the "voluntary effort." This voluntary program has been established jointly by the North Carolina Hospital Association, the North Carolina Medical Society, Blue Cross and Blue Shield of North Carolina, and other insurance companies along with business and civic leaders. I believe you will agree with me that the North Carolina Voluntary Effort Plan demonstrates that this serious problem can be addressed without Government intervention.

The North Carolina Voluntary Effort Plan is relatively simple to operate and does not require a large bureaucracy. After operating under the plan for only 1 year, reports from the 129 North Carolina community hospitals show that the rate of increase fell from 15.15 percent in 1978 to 11 percent in 1979. This decrease represents a savings of $38,307,810 to North Carolina health care consumers.

In order for an institution to become fully certified as a cost containment institution, it must complete the following requirements:

First. The governing body and the medical staff of the institution must pass resolutions in support of the voluntary effort.

Second. The required financial reports must be submitted to the Voluntary Effort offices within the time frames allowed.

Third. The VE expenditure goals for that hospital must be matched on a semiannual basis.

Fourth. A copy of the bill of the first patient discharged by a physician each month must be given to the physician.

Fifth. A list of common procedural charges must be given to each member of the medical staff and be posted at each nursing station.

Sixth. A multidisciplinary cost containment committee must be established with representation from administration, medical staff and department heads. Summaries of minutes are to be submitted to the voluntary effort office quarterly.

Seventh. The institution must participate in administrative or management technical assistance surveys as requested by the steering committee on a timely basis.

Once fully certified, a hospital that fails to meet any of the above steps is given a change of status from full certification as a cost containment hospital to provisional certification. In order for the hospital to regain full certification, it must accept any technical assistance recommended by the external review committee.

Releases to the news media include a list of hospitals that are provisionally certified or fully certified as cost containment hospitals. The progress of the State's institutions in meeting statewide expenditure screens are published quarterly by the steering committee, but all numerical hospital information is in aggregate form only.

The external review committee is responsible for establishing individual hospital annual expenditure screens and for monitoring the success of North Carolina's hospitals in meeting their screens. The committee is composed of 12 members. Six of these members are hospital administrators or controllers, each of whom is from a different State hospital association district. The balance of the committee is composed of nonhospital members, who have both an interest in and a knowledge of health care financing.

The statewide goal for limiting the rate of hospital expenditure increase for the calendar year is established annually by the steering committee on or before February 15. Thereafter, on a semiannual basis, the steering committee announces extensions of the expenditure goal limitation 12 months ahead and into the next calendar year. The appropriate economic indicators of the Federal Government and the American Hospital Association are utilized. Three months before the beginning of the hospital's fiscal year, the external review committee issues a preliminary numeric screen setting the individual rate of expenditure increase for the forthcoming year. Several factors are considered by the external review committee in establishing individual numeric screens. They include:

First. A mathematical equation that considers a hospital's 2-year history of actual increases and the actual performance of the other hospitals in the State over the same period.

Second. The American Hospital Association's "amendment to statement on financial requirements of health care institutions and services."

Hospitals, upon receipt of their expenditure screen, may desire to submit additional information to the external review committee to better justify change in the expenditure goal. The committee, after reviewing the information, may request additional documentation or a meeting with representatives of the facility to negotiate an agreed upon expenditure target. After such further considerations, the external review committee will reaffirm or revise the hospital's expenditure goal.

Revision of an institution's goal may be based upon the following:

First. Demonstrable changes in patient volume or intensity of service.

Second. Mandated expenditure increases such as minimum wage.

Third. Other conditions beyond the hospital's control that seriously impact its ability to manage its expenditures.

The net effect, however, of the individual hospital expenditure limitation must be such that the statewide goal for reducing the rate of hospital expenditures is met or exceeded. Any final decision by the external review committee can be appealed to the voluntary effort steering committee for a final decision. If at that point the institution refuses to accept its expenditure goal, the institution's name will not appear on the approved list of cost containment hospitals when that list is published.

The technical assistance program of the voluntary effort identifies and provides resources to assist hospitals in making improvements in their operations management and thus operate within their approved budgets.

Participation in a technical assistance program may be a requirement for any hospital as a result of recommendations from the external review committee, or an institution may at any time request technical assistance.

Principal resources for the technical assistance program is provided by the Carolinas Hospital and Health Services (CHHS) divisions. These divisions encompass management and industrial engineering, plant and clinical (biomedical) engineering, food purchasing, a medical claims collection bureau and support services in hospital construction and renovation projects. Technical assistance surveys from CHHS are made available at their usual fee.

Other significant resources for technical assistance are the American Hospital Association and various hospital and management consulting firms.

The external review committee receives copies of the technical assistance summaries from those hospitals that are required to have such assistance. The above summary of the voluntary effort plan is primarily concerned with cost containment in hospitals. The steering committee will move ahead rapidly and seek to impact the areas of consumer health awareness, health insurance, physicians' practice patterns, and health supplier prices.

I commend the North Carolina program to my colleagues as an outstanding example of my assertion that the voluntary effort can work.

□ 1200

Mr. Chairman, I would yield at this time such time as he may consume to the gentleman from Ohio (Mr. LUKEN) for a comment with respect to the experience of those States that have mandatory programs at the present time.

Mr. LUKEN. Mr. Chairman, I thank the gentleman for yielding. I would also testify that in my district of Ohio, where the costs are not the exaggerated costs that there are in some of the cost-containment States, the mandatory States, there has been a significant reduction under the voluntary effort to a point where it is less than the inflation rate in the CPI. These efforts are working and will continue to work under the Gephardt substitute.

The gentleman from Massachusetts discussed the situation under the mandatory rule in the State of Massachusetts, but it should be pointed out that the 1977 figures showed that that State, after being under mandatory controls for 9 years, had the highest cost per admission in the country. These figures from the mandatory States show, in general, a high rate and point out a serious vice in this bill.

It is that these States, the State of the gentleman from Massachusetts, would start with an average of $2,200 or more admission. They are going to get a percentage, and everybody knows that a percentage increase on $2,200 is a heck of a lot more than a percentage increase on, say, $1,300 for admission.

That is what we are talking about when we say that the fat get fatter and the lean get leaner.

Mr. BROYHILL. Mr. Chairman, I yield 4 minutes to the gentleman from Kentucky (Mr. CARTER), the ranking minority member of the Health Subcommittee.

Mr. CARTER. Mr. Chairman, this indeed is a rather controversial bill that is brought before us today. I rise in opposition to it, and I can state in very simple terms why I do this.

In 1977, the hospital inflation rate was 15.6 percent. By a voluntary effort—I want you to listen to this—by a voluntary effort this rate was decreased in 1978 to 12.8 percent. As the Members know, since that time inflation has burgeoned, has gone up greatly, tremendously. At the present time, this hospital cost increase 13.2 percent, only one-tenth of 1 percent higher than the rate of inflation throughout this country.

We realize that in our hospitals we do have exotic equipment which is necessary for diagnosis, and that the American people demand the best. Now, according to this legislation, if a hospital in Jacksonville, Fla., failed to meet the guidelines and wanted to purchase for themselves a cobalt machine, or if their X-ray machine was decrepit and was leaking X-rays, under this legislation, under the mandatory legislation, if it came into effect the hospital in Jacksonville would not be able to buy that equipment.

Now, my friends, we look at how this is going to be controlled. It is one segment of the economy. How can we take one industry and say, "We are going to control you and no other segment of the economy"? Have we ever done that to the steel industry, to agriculture, or to the coal industry? Here, we are going into one, while ignoring the many complex factors involved.

It is impossible for us to control just one single segment of the economy and not control all of them. I would say to the Members today that if we are going to control hospital costs, we must control the entire spectrum, we must control the entire economy. Certainly, that is a consummation for which I do not wish.

My friends, today we are spending $25.9 billion on medicare, $18.4 billion on medicaid, and of that amount of money HEW and the Secretary of Education will waste through fraud and abuse $7 billion—$7 billion. These same people are going to be in the back door of every hospital in this country; they are going to be coming in there and looking over the books and telling them how to run the operations.

Mr. Chairman, with such a record of inefficiency, are we going to turn over the hospitals of our country to the Secretary of HEW or the Department of Health and Human Services, as I believe we call it today? I say no, we cannot do this. We cannot control one segment of the economy without controlling all of them.

Mr. Chairman, we are all concerned about this problem of ever-rising expenditures for health care. Nevertheless, our concern for the rising costs of health care must be balanced by our concern for the good health and well-being of the American people. For while we attempt to find ways to control the financial aspects of our health care system, we must keep in mind that our major goal must be to insure that every American has access to the high-quality medical care which each has every right to expect.

Mr. Chairman, the overall life expectancy of Americans has risen dramatically during the post-World War II period—

From 68.4 years in 1950 to 72.3 years in 1976—a rise of 6½ percent. It is true that not all of this increase can be attributed to health care, but data on the life expectancy of older persons and decreases in the neonatal infant mortality rate indicate that large improvements have come about due to the increased ability of doctors and hospitals to treat the problems of these special groups.

Therefore, Mr. Chairman, I would submit that the burden of proof must be on those who would curtail the flow of resources to our health-care system—it is not on the doctors and hospitals who wish to continue to provide high quality medical care to those in need. Unfortunately, the proof needed to support this bill has not been forthcoming.

The administration's basic justification for this legislation is that hospitals are inherently wasteful, and that the great majority of intensity increases which have occurred in the hospital industry over the past decade have been composed of unnecessary expenditures for superfluous gadgetry, redundant or dangerous equipment, and unneeded beds.

But exactly what are some of these factors which have led to increases in the intensity of hospital services. One example is the increase in intensive care and cardiac care units over the last 20 years. In 1960, only about 10 percent of all U.S. hospitals had these units—by 1978 almost 70 percent of the hospitals in this country had such units. What has been the effect of this improvement in the quality of care offered in our hospitals? First, the number of heart attack admissions which are subsequently charged dead has been declining at better than 4 percent annually. The length of hospital stay for heart attack victims has dropped from the 1971 level of 17.4 days to a level of 14.3 days in 1976, a dramatic improvement.

This kind of improvement in the quality of life for those suffering from coronary disease is certainly not waste. And the many, many other examples like this forces me to question the administration's contention that this bill will only cut into the fat in the hospital system—and not into the muscle which is being used every day to improve the health of the American people.

Mr. Chairman, an inspection of the evidence provided by HEW about the impact of this bill further underlines the lack of information sufficient to conclude that this bill will not harm our health care system. HEW estimates that $4 billion can be saved in the hospital industry if all 130,000 excess beds which HEW estimates to be unneeded are closed. The Congress has recently approved an extension of the National Health Planning and Resources Development Amendments of 1974, included within which was a new program to carefully identify, and to voluntarily close unneeded hospital capacity. In contrast, there is nothing in this legislation about identifying and closing capacity which is truly unneeded.

Instead, it must be assumed that the administration intends that this bill's price controls will force the hospitals in question to close because insufficient revenue will force them into bankruptcy. I would remind my colleagues that the average operating margin in U.S. hospitals is about 2 percent—a very narrow margin between solvency and bankruptcy. Does HEW really intend to force out of business just any hospital in a totally indiscriminate fashion? We must keep in mind that the hospitals most likely to be penalized through the application of indiscriminate percentage revenue caps will be the public hospitals—precisely the hospitals which are already poorly funded and upon which most of the poor and disadvantaged depend for their medical care.

Mr. Chairman, the basic flaw with this legislation is there is absolutely no guarantee that this bill's revenue controls will impact more on unneeded services than on needed ones. The bill would impose the same basic limit—1 percent—on the intensity increases allowed hospitals in order to meet voluntary controls, and a zero percent limit on those which come under mandatory controls. This is done without regard to the need of a particular community for hospital services. What is the hospital which finds itself with an X-ray machine which leaks radiation to do? Where is the revenue to pay for this machine to come from if the hospital is under mandatory controls under which there is no allowance for intensity increases?

Besides being illogical, a flat cap on intensity increases is extremely inequitable, as well. Development of health care facilities in this country has not progressed evenly, and rural areas of the country, particularly in the South and West, have lagged behind the rest of the country in receiving the benefits of modern health care technology. Since this legislation's price controls have no relationship to the need of a community for new or different services, this bill will freeze in place existing inequities in the distribution of health care services.

Mr. Chairman, after spending many years attempting to improve the health care provided to the people of this country, I find it inconceivable that we would pass a bill when the legislation's impact on vitally needed health care is so unclear. Certainly we need to find ways to eliminate unneeded services or facilities—certainly we need to do all that we can to insure that health care is provided as efficiently as possible. But what we should not do is to apply unspecific and inequitable price controls on one segment of the economy while prices in all other areas are on the rampage. Moreover, the hospital industry is the one segment of the economy which responded positively to President Carter's call for voluntary efforts to stem inflation. And—in fact—for most of this year the rate of increase in total hospital expenditures has been less than the rate of increase in the consumer price index. The latest available information indicates that hospital expenditures are increasing at a rate only two-tenths of a percentage point above the CPI.

Mr. Chairman, this industry has made substantial efforts to contain rising costs—and it has done so on a case-by-case basis using the expertise of the hospital administrators and physicians who have the knowledge to make the crucial decisions about the costs and benefits of intensity increases and quality improvements—or who know where expenditures can safely be cut without inhibiting quality care.

I would submit that our health-care system has grown strong on the voluntary commitment of those who serve—I would suggest that we allow these dedicated professionals to continue the task they have begun with a minimum of interference.

Thank you, Mr. Chairman.

Mr. BROYHILL. Mr. Chairman, I yield

5 minutes to the distinguished minority whip, the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, in 1971, this Congress passed something called the Economic Stabilization Act. It imposed a system of wage and price controls that were doomed to failure from the very start.

I hoped in 1974, when the controls were lifted, that we had seen the last of them. I had hoped that we were on the road back from an era of economic feudalism.

Now we are being asked to climb aboard the Carter time machine and return to those discredited days of yesteryear, when we fought our economic problems with paper swords.

All of you have read much about this hospital cost containment bill. You have heard a great deal already about this bill's complex and confusing provisions. It is a carnival sideshow full of strange creatures—the nonwage marketbaskets, relative efficiency peer groups, admissions change adjustments, and net service intensity allowances. My mind has been boggled by this bureaucratic mishmash, and I am sure you have suffered the same over-education.

Let us clear the deck for a minute, put the bureaucratic jargon aside and return to basics. We as legislators have to ask some very basic questions about any bill, and this one is no exception.

The most obvious question is one of need. What is the need?

The facts tell us there is no real practical need for this legislation. Hospital costs may have been running out of control 2 or 3 or 4 years ago, but they are not now. The rate of growth is declining. It is a full percentage point below the rate of inflation. There is no evidence to suggest this steady trend is a fluke.

There is no practical need for this legislation, but we all know there is a political need. Hospital cost containment has been so trumped up, so bloated by publicity and political rhetoric, we are all hard pressed to explain our opposition to the folks back home. Then there is the Carter administration. I am sure many of my friends on the other side of the aisle have been told over and over again that the President really needs you on this one. He needs this victory. It is a must for next year. Yes, there is a political need. I only hope that none of you will be taking care of yourself back home, or winning one for the Gipper, without looking closely at the harm this legislation will be doing to the delivery of health care in this country.

When you have looked at the need, ask yourself a very simple question. Is this concept logical? Is the whole idea of hospital cost containment by the Government sound? I submit it is not.

Over the past several decades we have become the worldwide leader in medical technology and health care services. We have also led the world in our delivery system, in part because of third party payments for health care. Twenty years ago, third party payments amounted to $6.5 billion. In 1978, they had grown to $70.4 billion. Today 90 percent of health services are paid, not by the patient, but by third parties. This system has created a great, if not excessive demand for health care services. We have worked for generations creating and encouraging this demand. Now the administration proposes that we restrict supply. This cost containment bill restricts supply. It restricts growth. It restricts delivery. The whole concept is flawed. If there is a problem with our health system it is on the demand side, not the supply side.

The next question is even more basic. Let us face it, the bottom line in this debate is inflation. Will the bill work this political miracle and give your frustrated constituents lower hospital costs, or reduced inflation?

Maybe it will. Maybe it will reduce inflation by one-tenth of 1 percent as the studies show. But what will we have done to achieve this microscopic movement in the inflation rate?

We will have created a bureaucratic monstrosity and you all know it. The discretion given the regulators to set prices, draw up hospital budgets and just plain meddle in a critical industry is unparalleled. We could not write a good bill, so we will let the bureaucrats do it. When this bill was redrawn with all of its exemptions and qualifications and reservations, they took out the punch, but added the poison. It is a regulatory nightmare. The assumptions of savings are just pure bunk, and the business about requiring only one additional line on the forms hospitals will have to fill out is a boldfaced deception. I think you all know that or at the very least suspect that it is true.

Finally there is one other question you must ask. What is the risk? The health care system we have has cut the death rate in half in many cases. Our unbridled technological growth has saved heart attack victims, accident victims, burn victims, new-born babies and victims of dreaded diseases.

We have heard the horror stories about the burdens being imposed on the poor and elderly due to higher health care costs, and we are all sensitive to them. We have solutions for them.

But think a minute. While you may be lowering the costs of a hospital stay for some of those people, and that is doubtful, you may also be inhibiting lifesaving technological advancement. You may be rationing critical health services.

When this legislation is implemented with all of its strings, regulations, and redtape, sit back and watch the newspapers. There will come a story about a patient who could not get proper treatment, or a patient who could not even get in the hospital door. And it will be because one of the assumptions in this bill, or one of the guidelines or formulas in this bill did not work quite the way it was supposed to. There is risk in this bill and the risk could be deadly.

Since I came here as freshman 23 years ago, I have asked myself these basic questions about the bills before this House. What is the need? Will it work? Is the concept sound? What are the risks involved? You ask yourself those questions and then join me in defeating this bill.

□ 1210

Mr. BROYHILL. I have no other requests for time, Mr. Chairman.

Mr. WAXMAN. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Virginia (Mr. SATTERFIELD), a member of the subcommittee.

Mr. SATTERFIELD. Mr. Chairman, I cannot begin to describe all that is wrong with the hospital cost containment bills in the time available to me. They are based upon false assumptions, they are unworkable from a practical standpoint, and it would almost certainly inflict great harm upon the health care delivery system. For a thorough critique I must refer my colleagues to the separate views attached to the reports of the Committee on Ways and Means and the Committee on Interstate and Foregin Commerce. However, I do feel that I must respond to some of the arguments which have recently been advanced in favor of these bills.

The most clearly erroneous assertion which has been made is that the hospital cost containment bill would have an appreciable effect upon the rate of inflation. The Congressional Budget Office recently prepared estimates of the impact of different versions of the bill upon the general rate of inflation, employing the assumptions most favorable to the bill. The CBO found that the effect of the cost containment program upon inflation for the first year would be negligible for all versions of the bill. It was estimated that the Ways and Means version of the bill might result in a total cumulative reduction in inflation of as much as two-tenths of 1 percent by 1984, and H.R. 2626 as introduced might have reduced inflation by about three-tenths of 1 percent.

These estimates clearly reveal that the effect of the hospital cost containment bill upon inflation would be minor, but even so there is little doubt that the effect proclaimed by some proponents is substantially overstated. Let me cite two examples, the CBO made no allowance for offsetting increases in costs for health services which are not subject to the mandatory limits, nor is there allowance for any exceptions to the mandatory limits, although an exceptions process is provided for in the bill.

H.R. 2626 would have no appreciable effect upon inflation for a very simple reason. It is not a bill which would contain hospital costs. It is a hospital revenue control bill, and the real growth in hospital revenues is not due to inflation. The only savings H.R. 2626 could achieve would be through reductions in the amount or quality of hospital care made available to the American people.

Proponents of this bill have sought to give the impression that it is a temporary, limited, moderate response. Nothing could be further from the truth. One of the lessons of the past 20 years is that in order to fully control any part of a complex system the entire system must be controlled, and so the controls established by H.R. 2626 would inevitably grow more pervasive and complex.

Although many hospitals would not be immediately subject to controls, the bill is designed so that eventually nearly all would exceed the revenue trigger because it does nothing to limit the unrestrained demand for medical care which is driving up hospital costs. And once a hospital falls under Federal controls it will be under those controls forever, regardless of how well it may perform in future years.

The administration stated at the hearings on this measure that this bill is both a prerequisite to and an integral, permanent part of a national health insurance system. If we adopt either the Commerce Committee or Ways and Means Committee version of H.R. 2626 we can be assured that the elaborate and arbitrary system of controls which would thus be created will never be removed. We will have taken a decisive step towards a federalized, centrally controlled, and managed health care delivery system.

Before embracing an arbitrary, governmentally imposed cap on hospital expenditures we should consider the example of Britain, which has had just such a cap for many years. The result has been a health system in which care is rationed: People are denied treatment which would clearly be beneficial to their health. The lack of access to needed care has now become so acute that a major British union recently insisted upon supplementary private health insurance for its members.

I do not believe that the American people want such a system, and I urge my colleagues to reject both the Ways and Means bill as well as the Interstate and Foreign Commerce bill and to support the Gephardt substitute when it is offered.

Mr. WAXMAN. Mr. Chairman, I yield 4 minutes to the gentleman from Connecticut (Mr. MOFFETT).

Mr. MOFFETT. Mr. Chairman, there has been a lot of talk in the press and elsewhere and charges made about the impact of lobbies on this particular piece of legislation.

It is no secret that the hospital lobby is a very powerful one. I would like to say that I think most people, the vast majority of people in this body who are opposed to this bill, are very sincerely opposed to it and do so because they think it is a bad piece of legislation, not because of some lobby.

I speak in favor of the bill, and I ask, particularly in view of our vote last night on the Federal Trade Commission and its funeral regulations, and in view of the apparent strong opposition to this measure today, that we take a few moments—those of us who are here and those of our colleagues out in TV land—to take a look at ourselves just for a few moments. I am sure there are other Members who would have a difficult view of this, but let me present my view.

If I were a blue-collar senior citizen at this point in time, having heard about the action last night and having heard about the possible defeat of this legislation on the floor today, if I were a blue-collar senior citizen, I would have strong reason to believe that it is open season on me and my friends by the U.S. House of Representatives.

What is next—the hot lunch program? The section 8? Do we head any applause for that—the hot lunch program? Let us get rid of that. The section 3 housing program? It looks like open season, because despite all the great speeches about too much Government intrusion, and so forth, I think it is really possible that we are in the process of turning our backs totally on the inflation that is hurting so many citizens in this society.

Despite all our speeches about how we want to combat inflation, every time we have an opportunity in this body to deal with the basic necessities and inflation, we say, "Oh, no, no. This is not the place. This is not the vehicle. Too much bureaucracy." You could give the same speech whether it is about funeral homes or hospital cost containment.

What is our record? We have decontrolled energy prices. We have resisted any attempt to try and develop a consuming nation's coalition to put a dent in the OPEC cartel. What is our record on housing? Nothing in terms of housing inflation. What is our record on food? That is right—another goose egg on food. We have done absolutely nothing. What is our record on health? Here is a chance in a very token way with a very imperfect vehicle, of course, to say we are at least interested in getting to a little chunk of this inflation that is hitting so many of these people.

I have heard my colleagues say, "It is a bad bill." I do not think it is such a great bill myself, and I do not think that many of the people who are supporting it think it is such a wonderful piece of work, but we are either moving forward or we are moving backward with regard to inflation. We are either seizing the opportunity to do a little something for these people, or we are not. We are either serious about combating inflation or we are not, and despite all those speeches about how Federal programs do not work, let us get the Federal Government out of people's lives, and so forth, the fact of the matter is that there are Federal programs that are working. There is Federal intervention that is working to help people in their daily lives, and it just might be, Mr. Chairman, that we are out of touch.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WAXMAN. I yield 1 additional minute to the gentleman.

Mr. MOFFETT. I thank the gentleman.

Are we out of touch?

How many of us are worried about our funeral costs and whether we are going to get full disclosure? We do not make all that much money, and the perks are not as great as the people upstairs say they are. But are we worried that somebody is going to try and rip us off when it comes time for our family to bury us and arrange for a funeral? How many of us are really concerned about our own hospital costs? I think we could very easily make the case that we are pretty far removed and pretty isolated from what is going on out there with blue-collar people.

I say at this time, if my Republican colleagues will excuse me, as Democrats we have a social contact with those blue-collar people. Some of us do not come from blue-collar districts, but most of the Democrats have a lot of working class blue-collar people, and we are turning our backs on them. If we want to do that—if we want to do that—I know it makes the gentleman from Maryland (Mr. BAUMAN) happy, but let us at least tell them that the deal is off. Let us say the contract is broken. We are not interested in having the Government play a useful role as Democrats, and we are going to back away and let the Republicans take over.

Mr. WAXMAN. Mr. Chairman, I yield 4 minutes to the chairman of the Inflation Subcommittee of the Committee on the Budget, the distinguished gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Mr. Chairman, I am not an expert in hospitals, but I know a little bit about the budget and a little bit about inflation. I am here as one who sat through 13 days of a conference on the budget and I rise as chairman of the Budget Committee's task force on inflation.

In my district, I am pleased to say, in 1978 hospital costs were contained at 10.1 percent, and Illinois has done well, as have some other States. But a couple of factors I would hope we keep in mind as we determine how we are going to vote. No. 1 is we are talking about an increase in the deficit, if this is not approved, of approximately $600 million.

□ 1220

Last week we voted on the budget and we included $2.4 billion in legislative savings. One-fourth of that is at stake right here.

Mr. Chairman, the issue of reconciliation came up and I joined my House colleagues in saying, "Do not give orders to the House committees because we have acted responsibly."

The Senate is trying to decide right now: do we accept the method of the House?

This afternoon the Senators on their Budget Committee will meet on this very question and I suggest, to a great extent, we are going to be answering that question of reconciliation by what we do right here. I hope we do the right thing.

Mr. Chairman, I have a few figures that differ slightly from those that have been offered here, figures that I have from the Committee on the Budget. Hospital expenditures increased at an annual rate of 15 percent, from 1968 to 1978, while the Consumer Price Index during that period increased an average of only 6 percent. Forty percent of the increased cost for hospitals in the next 5 years will come from the Federal budget.

Finally, Mr. Chairman, I would add one other point. I would differ with my good friend from North Carolina (Mr. BROYHILL) and my colleague from Illinois (Mr. MICHEL) on this, and that is on this inflation question.

The CBO study I have shows not one-tenth of 1 percent but two-tenths of 1 percent that this will add in calendar year 1980 on inflation.

There are people who say two-tenths of 1 percent, what is that? Let me tell you as the chairman of the task force on inflation of the Committee on the Budget, there is no single dramatic way we are going to get at inflation. We are going to have to nibble at it, a little bit here, a little bit there, a little bit somewhere else and we will have to make the decision as we did on the sugar bill. I joined my friend from Michigan (Mr. STOCKMAN) in voting against that and we defeated it. We had one minor victory against inflation.

Mr. Chairman, here we get another vote. I am sure my colleague from Michigan who is opposed to inflation will join me in voting for this bill because he is opposed to inflation as much as I am. He knows it is not going to be one dramatic vote that is going to do it, it will be these kind of votes.

Mr. STOCKMAN. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I would be pleased to yield to the gentleman from Michigan who can state his words in behalf of this legislation at this point.

Mr. STOCKMAN. Mr. Chairman, I appreciate the gentleman yielding and also the argument he is making about the budget impact.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WAXMAN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Mr. Chairman, I yield to the gentleman from Michigan (Mr. STOCKMAN).

Mr. STOCKMAN. I would suggest that this bill cannot possibly save $600 million during fiscal year 1980 because there is no chance in the world that the regulations could be written before the end of next year. There is no possible way we could have a budget impact this fiscal year. Then as we move down the road we get into all kinds of complicated assumptions about whether those numbers are valid.

Mr. SIMON. Mr. Chairman, If I may reclaim my time, let us just assume that we cut it in half, that the savings are only $300 million. We talk about only $300 million. I suggest if the administration is wrong and the savings are not $600 million, that they are $300 million, that that is a substantial amount, that adds to the deficit. What we have to do is climb on that deficit wherever we can. We have to stop inflation wherever we can and here is a practical place where we can do something about it.

Mr. GRAMM. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I will be pleased to yield to my colleague from Texas.

Mr. GRAMM. Mr. Chairman, I would like to ask the gentleman two questions.

The first one is, in gauging your savings, Did you take into account the experience in New York where we have now had Federal bailouts of hospitals that have been bankrupted by mandatory controls?

The CHAIRMAN. The time of the gentleman has expired.

The time of the gentleman from California has expired.

Mr. RANGEL. I yield 1 minute to the gentleman from Illinois (Mr. SIMON).

Mr. GRAMM. Will the gentleman yield further, Mr. Chairman?

Mr. SIMON. I will be pleased to yield to my colleague.

Mr. GRAMM. Second, has my distinguished colleague on the Committee on the Budget taken into account the potential bureaucracy we are talking about? My colleague from Connecticut supported this bill, but if you look at his State, they have 100 people regulating 30 hospitals under their mandatory controls. If we applied that ratio to the Nation as a whole we are talking about 25,000 bureaucrats.

Mr. SIMON. Mr. Chairman, if I may reclaim my time, I suggest that the gentleman from Texas is not asking a couple questions but is making a speech in opposition.

Mr. Chairman, certainly there will be some added manpower but I think the record—and, here I have not gone into it as has this committee, but the record of the States that have moved on this, like the State of Maryland, has been a very healthy one that has not impaired health services so I think we can take a step forward both for inflation and cutting down the deficit here.

Mr. LUKEN. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I will yield to my colleague from Oho.

Mr. LUKEN. Mr. Chairman, the gentleman who preceded me here, the gentleman from Texas (Mr. GRAMM), is a member of the subcommittee.

Mr. BROYHILL. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. LUKEN).

Mr. LUKEN. Mr. Chairman, I wonder if we could continue the colloquy with the gentleman from Illinois. The gentleman from Texas (Mr. GRAMM) who participated in the colloquy just previously and myself are members of the Subcommittee on Health and the Environment of the Committee on Interstate and Foreign Commerce which has not reported out this bill. I might point out that in the 95th Congress the Committee on Interstate and Foreign Commerce refused to report out this same bill.

Mr. Chairman, when the gentleman from New Jersey stands up and says most of the objections have been taken care of, that apparently is not the view of those who have studied it, apparently, to a considerable extent, those members of the Subcommittee on Health and the Environment of the Committee on Interstate and Foreign Commerce, who have voted it down.

Mr. Chairman, I want to go further, on the experience of the mandatory States, the gentleman from Connecticut stood up and talked about the mandatory experience in his State but he did not mention that the average cost per admission in 1977 in Connecticut was over $1,800. The average cost in the nonmandatory States is $1,400. When they are talking about a percentage of increase, they are talking about a percentage of a much higher amount.

Therefore, an increase in more dollars, and their excuse is that they have high technology hospitals. That high technology which they have managed to obtain, which brings in people from all around the country for specialized care, is not going to be possible under the bill which is advocated because the increase for advancements in technology is going to be taken away.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. LUKEN. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Chairman, I do not claim to have anywhere near the wisdom of the gentleman from Ohio on hospitals or any other subject, but the gentleman from Ohio is comparing apples and oranges, rural areas and urban areas. The comparisons are not valid.

Mr. BROYHILL. Mr. Chairman, I yield such time as he may consume to the gentleman from South Dakota (Mr. ABDNOR).

Mr. ABDNOR. Mr. Chairman, while the control of rising health care costs is a worthy objective, I must rise in opposition to H.R. 2626.

There can be no argument that hospital costs contribute to rising inflation rates, nor can there be any argument that inflation impacts most heavily on the elderly and others who must live on fixed incomes.

I only wish it were possible for H.R. 2626 to accomplish all that its proponents say it will. Unfortunately, it is likely to accomplish little in the way of controlling costs without the sacrifice of the quality health care we have come not only to expect but to demand of our institutions.

Regrettably, Government itself must bear a large share of the blame for the rise in health care costs which we now want to outlaw. Compliance with Government regulations, and the paperwork associated with this compliance, is a major contributor to rising costs and there is no end in sight.

As but one example, late last year the Department of Health, Education, and Welfare proposed rules for standard hospitals uniform reporting (SHUR) which would impose an entirely new accounting system on all hospitals. SHUR would not replace the hospital's normal bookkeeping system, nor in the majority of cases, could it be used in conjunction with the regular accounting system. It would be a supplemental, costly additional system, generating vast amounts of data for purposes no one has yet identified. HEW said SHUR grew out of a congressional mandate to weed out medicare and medicaid fraud. Without clearly addressing fraud elimination, HEW came up with SHUR which small South Dakota hospitals tell me would cost a minimum of $12,000 to establish and take up to two full time additional staff people to operate.

To be sure, Congress has told HEW to take SHUR back to the drawing boards, but we have no assurance it will come up with anything much less complicated or costly. And, SHUR is but one example of what makes cost rise.

Another example of what makes hospital costs rise appeared in the Federal Register on October 12, 1979, in a notice from the Public Health Service concerning proposed personnel standards for clinical laboratories. We are still assessing the potential impact of this proposal but early indications are that it will be very costly to small hospitals in South Dakota and, in fact, could prompt the closure of some of them.

If the costs of providing care rises faster than the rates hospitals charge, they will have no choice but to cut or curtail some of the services they provide.

To be certain, hospitals must bear a big share of the burden in controlling rising costs, but I am gravely concerned that imposing arbitrary limits on what they can charge could create unanticipated problems. I am particularly concerned about the impact of this legislation on small hospitals of South Dakota and rural America where the availability of adequate health care is already at a minimum and where we must also consider the factors of distance and weather conditions.

Mr. Chairman, the American people are crying for less governmental interference at all levels of their lives. Passage of H.R. 2626 is not less Government interference, it is more interference.

It is Government interference that not only imperils continuation of the quality care we have come to expect, but indeed, is a firm step down the road to nationalization of health care. I urge my colleagues to vote against this measure.

Mr. BROYHILL. Mr. Chairman, I yield 1 minute to the gentleman from Iowa (Mr. Grassley).

Mr. GRASSLEY. Mr. Chairman, as this House prepares to deal with the controversial issue of hospital cost control, I would just like to briefly reaffirm my opposition to the administration's proposal, H.R. 2626, and my support for substitute proposal by Mr. Gephardt.

I am opposed to H.R. 2626 because it is an ill conceived, unworkable and inequitable piece of legislation. The application of this legislation over time could lead to a rationing of hospital services and put an end to the technological advancements in health care. Further, the most negative effect of this measure might be that it will destroy the progress which has been made in really controlling hospital costs through the voluntary effort.

Mr. Chairman, H.R. 2626 will not really have any effect on the general inflation which we face in this country. The administration has just made this unnecessary measure show-piece of its so-called anti-inflation program. Further, we all know that any program of this size will be very complex and costly to administer. Enactment of this legislation will only result in an expansion of the already huge Federal health bureaucracy.

Finally, each Member of this House must ask himself if this legislation is really going to enhance the health care provided in this country. I believe that careful thought and examination will reveal that the bill is harmful to our health care delivery system and the patients it serves. In my opinion, there is no serious concern for, or protection of, the quality of care in this country.

I am a cosponsor of H.R. 5636, which I believe is a constructive alternative to assist the health care industry's voluntary effort. I would urge those Members who basically oppose the intrusion of the Federal Government into the health care sector to carefully consider this substitute proposal.

This measure would establish a commission on hospital costs to report to the President on the success of the voluntary effort, further measures to control costs, and long-range strategies on the supply and demand for health care services. It also provides for Federal support for voluntary State hospital cost control programs and the encouragement of philanthropic support for hospitals (by prohibiting the treatment of such gifts as operating funds).

Finally, I would just like to add my personal support for the volunteerism which is exemplified by the voluntary effort. The VE was established in 1977 to set a common program of voluntary action to contain health care costs. The following year, the VE exceeded its objectives by reducing the rate on increase in costs from 15.6 to 12.8 percent. This represents a total savings of $1.48 billion in 1978. During the first 7 months of this year, hospital expenditures increased 13.3 percent compared to the same period last year. However, when adjusted for the increase in the rate of inflation, the VE is still on target for its goal in 1979—11.6 percent.

This industrywide effort is unique, and it is succeeding. The Gephardt substitute would encourage this effort and at the same time stop any further governmental intervention and regulation of health care. The megastructure of big government does not cut hospital costs. People, working through the voluntary effort, will get the job done.

Mr. RANGEL. Mr. Chairman, if there are no further requests for time from the other side, I yield 5 minutes to the distinguished gentleman from Florida (Mr. Pepper) for the purpose of concluding debate.

Mr. PEPPER. Mr. Chairman, we are talking about a balance of interests in this measure, which I heartily support, a balance between the necessity of the hospitals finding a way to economize so as to stay within the 11.6-percent increase which permits them to remain voluntary in the operation of their institutions and possibly a matter of life and death to the people who may not be able to get the hospital care if we do not somehow manage to keep prices down. I speak particularly of the elderly people of this country who have a special interest in accessibility to the hospitals of the land.

Mr. Chairman, inflation in hospital costs has risen over 200 percent since 1974.

□ 1230

This falls particularly heavily upon the elderly part of our population, which generally is of low income, and remember that one-sixth of the people over 65 in our land are below the poverty level. They are already spending about $1,800 a year on their medical care, whereas younger people spend an average of about $600 a year.

The Lou Harris poll quotes the elderly people of this country as saying that inflation is the worst enemy, depriving them most seriously of the things that they need, most critical of which is hospital and medical care.

Now, I realize that hospitals will have problems to meet in living up to the standards of this legislation; but is it not better to require the hospitals even with their problems to operate more economically wherever they can, than to risk the denial of the services of the hospital to those to whom that means either health or life or death?

Mr. MARTIN. Mr. Chairman, will the gentleman from Florida yield?

Mr. PEPPER. Yes, I yield to the gentleman.

Mr. MARTIN. Mr. Chairman, just a moment ago the gentleman from Florida was discussing the cost of health care to the elderly and the gentleman was talking about the elderly who are below the poverty line and then the gentleman said that the cost out of their pocket was $1,800 for medical care. As I understand, that is the average cost for all the elderly.

Mr. PEPPER. That is the average for the elderly.

Mr. MARTIN. Those who are elderly and below the poverty line would not be paying anything like $1,800 out of their own pocket.

Mr. PEPPER. No, they would not, and many of the elderly people who have nothing but a small social security stipend to live on, of course, have difficulty in meeting the deductible that they have to pay now to get into a hospital, which is presently $160 and on January 1 will become $180. To a great many of those people, $160 or $180 is a great deal more money than they have.

Mr. LUKEN. Mr. Chairman, will the gentleman yield further?

Mr. PEPPER. I yield to the gentleman from Ohio.

Mr. LUKEN. Mr. Chairman, the gentleman from Florida is well known to be solicitous about the concerns of the elderly. I serve on the Select Committee on Aging with the gentleman, but I come to a little different conclusion as to how the elderly will be served under this bill, because the bill puts a 1-percent cap on increases in services. It makes no allowance for hospitals which serve older populations; neither in going from the voluntary to the mandatory or when the hospital gets under the mandatory, which all of them will, neither does it provide for an increase in population for the elderly, as opposed to a general population increase.

Therefore, States such as the gentleman's State of Florida and some of the sunbelt States which have a high degree, a disproportion of elderly, there will be no accounting for the fact that their needs will be greater for increased hospital services, but they will fall under the same category as other States which do not have a high degree of elderly.

I think this would be very unfair to the elderly, this kind of an insensitive cap.

Mr. PEPPER. Mr. Chairman, if my friend will allow me, there are only two ways the elderly can get in the hospital and pay the bill. One is through medicare and the other is to pay it just like everybody else does.

Medicare today pays only 44 percent of the hospital and medical bills of the elderly people. The rest of it has to be paid just like any other patient's bill that is not covered by medicare has to be paid; so when the costs of the hospital continue to rise, obviously the elderly people who are more regularly the inmates of the institution are going to have to bear an especially heavy burden. This bill will help. I hope it will pass.

● Mr. BIAGGI. Mr. Chairman, I rise in full support of H.R. 2626, the Hospital Cost Containment Act of 1979. I consider this to be one of the most important bills to be acted upon by the Congress this decade. Its passage will significantly help to achieve a major goal of the next decade—namely reducing the cost of health care.

Before discussing the specifics of the legislation I would like to acknowledge and pay appropriate tribute to the inspiration behind this legislation—President Jimmy Carter. The Carter administration with its commitment to controlling hospital costs has gone far beyond the rhetorical promises of previous administrations in this area. President Carter has charted a logical scenario here. He has proposed a sensible national health insurance plan to aid Americans. However, the fact is that any comprehensive health insurance plan will cost money.

Therefore, it makes sense to advance legislation which will result in substantial Federal savings, as well as lower costs to consumers. This is the strongest point of H.R. 2626, and it is appropriate that this bill be considered prior to deeper discussions about national health insurance. Hospital cost containment should be viewed as a major step toward a goal which all Americans seek—comprehensive health care at a cost each person and the Nation can afford.

The President deserves an enormous amount of credit. He has been pushing this bill since 1977, and while he has made some compromises, the main concept of the bill has remained unchanged. He has done in 2 years what some have been unable to do in 16—namely get the first piece of a national health insurance bill onto the floor of the House.

For too long, Americans have been convinced that they cannot afford to get sick. Statistics show there is good reason for this concern. When this decade began, it cost $533 for an average hospital stay. Today the cost has leaped by 200 percent—to $1,634 per stay. From another perspective, Federal expenditures for hospital care have increased from $7.7 billion in 1969 to more than $33 billion today. State and local governments have not escaped either—they had expenditures of $4.2 billion in 1970, versus nearly $10 billion today.

The fact is that the hospital inflation rate has exceeded the increases in the Consumer Price Index for each of the past 10 years, even in 1974 when the CPI registered a 12.2-percent increase, hospital rates jumped by 16.0 percent.

Against this background comes H.R. 2626, a bill which seeks for the first time to establish national standards for hospital cost increases. The bill requires the Department of Health, Education, and Welfare, by April of each year beginning in 1980, to establish a national voluntary limit for hospital spending increases for the preceding year. Factors used to calculate the voluntary limit include an allowance for the actual percentage increase in wages for all nonsupervisory hospital workers; the average percentage increase nationally in the price of a "marketbasket" of goods and services purchased by hospitals; an allowance for population growth; and a 1-percent allowance for increases in intensity of services.

Regardless of the percentage limit resulting from this calculation for calendar 1979, the bill provides that hospitals will be guaranteed a national voluntary limit of at least 11.6 percent for 1979.

A Federal mandatory cost containment program would be triggered if hospitals collectively failed to meet the national voluntary limit. The Congress may block implementation of the mandatory program by a modified one-House veto.

A hospital would become subject to the mandatory limits for its first accounting period following the period in which it failed to stay below its individual voluntary limit. The mandatory limits would apply to the hospital's inpatient revenues per admission, rather than to total expenses as during the voluntary period.

The bill requires HEW to compute and inform a hospital of its mandatory limit no later than 6 months after the end of the hospital's accounting period. This mandatory limit consists of a base percentage which has been adjusted for efficiency, admissions, and prior performance.

Hospitals in States with approved State mandatory cost containment programs, those in States where hospitals collectively meet their individual hospital voluntary goals, and individual hospitals that meet their individual hospital goals would be exempt from the Federal mandatory program.

Further, adjustments of the mandatory limit can be made for various reasons, including a change in a hospital's capacity because of the closing of another nearby health facility; a major renovation or replacement of physical plant; and higher costs of regional, highly specialized hospitals.

The bill provides for the enforcement of the mandatory limits through civil penalties and by requiring that reimbursement to hospitals by the medicare and medicaid programs not exceed the limits.

While I am hopeful that voluntary cost controls will be successful, I strongly support the establishment of standby mandatory controls as a proven necessity. A recent Department of Health, Education, and Welfare staff document concluded:

> After 20 months of operation, the hospital industry's Voluntary Effort has failed to reduce the rate of increase in hospital costs to reasonable rates.
>
> After moderating to 12.8 percent in 1978, hospital costs increased 13.2 percent in the first six months of 1979. HEW projects hospital costs will increase by more than 13.5 percent in 1979. CBO projects that hospital costs will increase by 14.5 percent in calendar year 1979. It is clear that the Voluntary Effort will fail to reach its goal of 11.6 percent in 1979.
>
> The threat of mandatory legislation and the effectiveness of eight State mandatory programs are largely responsible for improved national performance in recent years. In 1978, the eight States with mandatory programs had an average increase of 9.8 percent, compared with 14.0 percent for all other States.

I view standby mandatory cost controls, as provided for in this bill, as a necessary and effective incentive for hospitals to contain costs on their own.

Institutions not covered by the bill include new hospitals; long-term hospitals, with average length stay of more than 30 days; health maintenance organization (HMO) hospitals; rural hospitals with 4,000 or fewer admissions a year; hospitals that do not charge or accept payment for services to patients; psychiatric hospitals; and Federal hospitals.

I am particularly pleased with provisions in the bill establishing a National Commission on Hospital Cost Containment. The Commission would advise, consult with, and make recommendations to the Secretary of HEW on matters affecting hospital expenses or revenues.

I am hopeful that the Commission will give special attention to the important issue of health technology and its effect on increasing hospital costs. Opponents of the bill have argued that it would have a serious and adverse impact on future health technology. However, evidence suggests that this may be a proper and necessary action.

Proponents of increased health technology argue that it has first, shortened the length of stay per hospital admission; and second, averted costs by eliminating hospitalization for patients who prior to the introduction of a particular drug or procedure would have required it. Further, they argue that a changing composition of the U.S. population is a major reason for increased health costs.

However, evidence contained in a DHEW publication entitled, "Medical Technology: The Culprit Behind Health Care Costs?—Proceedings of the 1977 Sun Valley Forum on National Health," challenges these arguments.

Stuart H. Altman and Stanley S. Wallack, participants at the 1977 Sun Valley symposium, state that while the average length of a hospital stay has decreased from the 1968 high of 8.4 days to its current level of 7.8 days, "this level is still 0.2 of a day higher than it was in 1960." Further, Altman and Wallack reveal that "the per-stay 'real' (that is, 1967 dollars) cost in 1973 was more than 2.4 times the cost of a stay in 1960."

In response to the argument that technology has helped to avert health costs, by eliminating hospitalization for patients, the report states that hospital admissions are rising faster than the population—38 percent versus 16 percent. Expanding on this point, they stated:

> Certainly there have been technological breakthroughs which have drastically reduced the need for hospitalization for particular diseases. But have they been sufficient to overcome the extra cost of treating unresponsive illnesses or the costs of new attempts to cure previously incurable fast-mortality costs? On a quick and unsophisticated level, if the net impact had been positive, per capita "real" spending per hospital admission would have declined. But, such spending actually went up faster than per-admissions costs—2.9 times versus 2.4.

Regarding the population element, the report states that the marginal impact of the changing composition of the U.S. population between 1960 and 1973 should have been to lower, not raise, hospital expenditures. They explained:

> In other words, on an age-adjusted basis, hospital expenditures actually have gone up faster since 1960 than it revealed in the simple aggregate statistics. In 1960, the percentage of the population most vulnerable to hospitalization—under five years of age or over 65—was 22.8 percent; by 1973 it had declined to 19.8 percent.

However, the symposium did conclude, and I agree, that the cost of medical technology as a whole is not easily measurable. They stated that while medical technology per se is not the main reason for rising health costs, the lack of adequate incentives for containing costs is. They advised that:

> The Federal government should assume a greater responsibility for an ongoing gathering, assembling, evaluating and disseminating of data and analysis relating to such technologies and procedures.

I wholeheartedly agree that increased Federal efforts aimed at assessing the need and efficiency of new technologies is essential to reducing hospital costs. I urge the National Commission on Hospital Cost Containment to give this matter the careful consideration that it deserves, and make the appropriate recommendations.

As a representative from the State of New York I have a special interest in this legislation. The State of New York happens to be a leader in the issue of cost containment. It has in effect a mandatory cost containment program considered by HEW to be one of the best in the Nation. The proof is in the savings. Whereas hospital rates increased by 12.8 percent in 1978, the rate in New York was only 7 percent. This legislation, with the addition of expected amendments, will be good for the State of New York because it will allow for necessary exemptions since the State has demonstrated its capacity to keep hospital costs down.

I serve on the House Select Committee on Aging as an original member. I support this legislation because it provides for a sense of equity. I point to one major example—this legislation is providing that hospitals must keep their costs down. The relentless increases in hospital costs has led to a similarly relentless increase in the so-called medicare hospital deductible plan.

Effective in January, medicare patients will be forced to pay the first $180 dollars for a hospital stay before they become eligible for medicare benefits. This represents a $20 increase from last year. This deductible is tied directly to hospital costs. Many senior citizens on medicare are of the fixed income variety. If their income is either social security or SSI, they have only experienced a 9.9-percent cost of living increase in the past year. Consider what they will face in January 1980. In addition to having to pay higher costs for hospitalization they will face mounting costs for home heating. It is a sorry state of affairs. H.R. 2626 is a step in their favor. If hospital costs can be controlled, so too can the medicare deductible rate. I urge support of this bill for the sake of senior citizens as well.

There is a clear parallel here. Everywhere else people are being asked to cut back, whether it be conservation of energy, or reduction in Federal spending. The fact is there is a national campaign under way to reduce inflation. H.R. 2626 must be considered an important tool in the fight against inflation. It deserves our support today.●

● Mr. GOLDWATER. Mr. Chairman, I have gone on record before opposing hospital cost containment. I have pointed out my objections: It is unfair to isolate one industry in the economy and subject them to controls when the rest of the economy is not treated in the same manner. I am concerned about the effect controls would have on the quality of services provided by our hospitals. The desperately needed advances in medical technology to combat diseases will be threatened if hospital administrators are preoccupied with the administrative obligations this legislation would create. I can imagine the flood of exemptions being requested from HEW. The evasion strategies will demand the time of officials at HEW and as Members of Congress I anticipate pressure from the hospital community to influence the outcome of appeals.

I do not take issue with inflationary impact which the hospital industry is experiencing. But the policy approach contained in H.R. 2626 is misdirected. It addressed the symtoms of rising costs and not the causes. Labor costs in the hospital industry constitute roughly one-half of a patient's bill. That is twice the comparable cost in most other industries.

Look at what is behind the inflationary trend in hospital care. Medical malpractice, for example, has increased at least eight times what it was at the beginning of the decade. Would it not be better for Government to examine this one aspect of rising costs in the health care sector? What about our Health Planning Resource Act which this Congress passed 5 years ago. We made a substantial commitment of tax dollars to set up a large network of health planning agencies across the country. Their mission was to manage the distribution of health resources so that the delivery of these services would be efficient and cost effective. We see the lack of results in this law. If anything, the Government imposed mandates as a result of the 1974 act have been a significant force behind the high cost of being sick. In the face of it all, I commend the hospital industry for their voluntary effort. We should encourage it to continue. At the same time we should go back to the drawing board and determine what better way they would hold down hospital costs. Personally I perceive our role as one of working with the States and local governments to help them set standards for their respective communities so that incentives to allocate our health resources are firmly in place. Let us take a look from our Federal perspective at what we can do to address the malpractice question, to come squarely to grips with the concentration of labor in the hospital industry.

There are simply too many inequities in the Commerce and Ways and Means bill. My congressional district, as a case in point, is undergoing a great deal of population growth. The hospital community, if subjected to this legislation, would not be able to respond to the huge influx of new residents who depend on the services of a hospital being available.

If the House is to send any measure to the other body this afternoon, the Gephardt substitute represents the proper approach. But the containment effort embodied in H.R. 2626 is not the kind of measure which the Federal Government ought to enact.●

● Mr. PASHAYAN. Mr. Chairman, no one in this Chamber today is proposing that we ignore the rising health costs in this country. Those who oppose H.R. 2626 are simply stating loud and clear that the Hospital Cost Containment Act is a bad piece of legislation and must be defeated soundly. After carefully weighing the progress of voluntary hospital cost containment over the past few months as well as the high standard maintenance of quality health care, I am convinced that the Gephardt substitute is the better alternative open to us. To do otherwise would be to deny proper, cost-effective patient care.

Last year, for example, hospital expenditures were reduced by 2.5 percent, a cost savings of $1.48 billion. This past summer the Bureau of Labor Statistics reported an 11.3-percent increase in hospital costs over last year compared with a 13.5-percent national rate of inflation.

Mr. Chairman, hospitals and citizen groups across this country have responded swiftly and effectively to the call for lower patient costs. Further Government intervention will only impede the tremendous strides that have been taken to date.

To assist this voluntary cost containment program, however, we must make sure that the Government does not, by its own interference, inflate costs. Being concerned about this problem, I was alarmed to learn that on June 1 the Health Care Financing Administration of the Department of Health, Education, and Welfare issued regulations that hospitals must pay the bulk of medicare costs for malpractice insurance. Rather than the Government's continuing to pay actual medicare hospital days, it now intends to pay only according to the actual rate of malpractice suits claimed by medicare recipients.

In my own district a moderate sized hospital budgeted $240,000 for professional liability insurance earlier this year with $84,000, 35 percent of the total, being paid by the Government. This Government cost figure was based on the standard formula that has been held in place since medicare came into existence. With this latest regulation, the Government would pay only $12,240.00, or 5.1 percent of the costs. Who does the Federal Government think will pay for the extra $62,000, but the patients themselves? At a time when hospitals are doing such a better job in holding down costs, the Government has inflicted yet another financial burden ultimately passed to the patient.

Mr. Chairman, I strongly oppose this measure and hope that it will not raise its ugly head again in the 96th Congress.●

● Mrs. CHISHOLM. Mr. Chairman, once again, we find ourselves in throes of controversy attempting to establish national direction on the question of rising hospital costs. Once again, we find ourselves polarized into two camps around the question of whether to pass H.R. 2626.

In the past few weeks, the House, quite literally, has been inundated with literature on both sides of the hospital cost issue. People, representing a wide variety of groups including the administration, have spent untold hours explaining and reexplaining the reasons why this measure should be supported or not. Opponents of the legislation have argued strenuously that it is harmful to our hospitals, that the imposition of Federal controls would reduce the quality of care, and that the voluntary effort is working. Those who favor the measure have responded that Federal controls are necessary if the voluntary approach fails, and that hospital waste and inefficiency are the main cause of high hospital costs.

Most of these arguments are relatively new to me, as I am sure is the case with many of you. I have heard rhetoric on both sides of the issue but remain confused about the problem. Who, my esteemed colleagues, are we to believe? Both viewpoints are logical, thoughtful, and fundamentally sound. How shall we decide which side of the issue to support? I, for one, make no pretense about the fact that I know very little about the technical nuances of the issue before us. However, based on what facts I have, both sides appear to agree on two fundamental points:

Hospital costs are incredibly high;

Something must be done to reduce them.

For where I sit the sole source of disagreement surrounds the question of what to do. The hospital industry contends that a voluntary effort can work and can achieve its stated goals, while the proponents of H.R. 2626 argue that only the threat of mandatory controls can a voluntary effort possibly be effective.

The notion of a voluntary approach to this Nation's ills is part of the foundation upon which this country was built. Voluntarism lies deep in the roots of the American way of life. The hospital industry is to be commended for its voluntary effort, for it is an excellent example of the spirit of voluntarism in this country. But despite the industry's fine effort, the problem of rising hospital costs, because of its impact on all Americans, may necessitate an even greater effort than can be made by hospitals voluntarily. It has taken 2 years to formulate a legislative measure that could be implemented as a contingency should voluntary efforts fail. Postponing legislative action for 2 more years could further exacerbate the problem of rising hospital costs. Both the House Ways and Means and Commerce Committees in their wisdom has incorporated one-House veto provisions. These provisions provide an important check on the decision to implement mandatory controls.

It is my firm belief that H.R. 2626 offers a reasonable compromise between the opposing viewpoints on this issue. In the spirit of voluntarism, H.R. 2626 promotes a reduction in hospital cost increases by supporting the voluntary effort's goals while insuring that, should these efforts fail, immediate action can be taken by the Federal Government to address this problem.

We all recognize the need for a reduction in the rate of increase in hospital costs. Our basic difference relates to the issue of who should bear the responsibility for assuring the success of this effort. I believe that appropriate responsibility should be squarely placed on all hospitals to voluntarily reduce their costs. However, the gravity of this problem is such that we cannot defer consideration of whether to have standby controls ready until the 97th or 98th Congress. A rational approach to this enormous problem dictates that we be prepared to implement standby controls when and if the situation warrants it. To do otherwise would be a clear abdication of our responsibilities as elected representatives of the people.

In summary, the basic issue posed by H.R. 2626 is not whether we desire mandatory controls or not. Rather, it is whether we can afford the consequences of not having standby controls ready.●

● Mr. SYMMS. Mr. Chairman, every American is desirous of obtaining quality hospital care for the lowest possible cost, especially in these times when taxes and inflation are drastically reducing the value of incomes. However, the method by which costs should be contained is a matter of discussion.

The administration has sent us their hospital cost containment legislation which they state will "curb inflation in a sector of the economy that has been a principal source of inflation throughout the last decade." Their position seems somewhat ludicrous to me since the principal cause of inflation is an increase in the money supply and increased Government spending. I was not aware that our hospitals voted on Government procurement legislation or that they had printing presses in their operating rooms.

It is simply naive to presume that hospital costs will be reduced without seriously affecting the quality and quantity of care offered simply because the Government issues a mandate.

I represent a district in a relatively rural State and if the administration's plan is imposed, the medically underserved areas of my district will not be able to expand their technological lifesaving capabilities and offer a higher intensity of health services. In fact, not only will they not be able to improve and expand, but they very well might have to reduce their present care capabilities.

Under the current voluntary effort, hospitals and physicians have voluntarily worked to contain costs and they have controlled costs well within the bounds of inflation. Their voluntary program has not cost the taxpayer 1 cent in bureaucratic or regulatory costs.

If we should have learned anything in this past decade, it should have been that the notion of solving serious problems with vague and elastic acts merely shifts the policy choices normally made in the marketplace to insulated bureaucracies whose regulatory costs far exceed any benefits which may have been envisioned. We, in this body, should recognize that price controls, particularly on only one sector of the economy, cannot solve any economic imbalances.●

● Mr. ROBERTS. Mr. Chairman, veterans throughout the country have expressed great opposition to the hospital cost containment bill as reported by the Committee on Ways and Means because of an amendment adopted in committee by a very close vote to include Federal hospitals within the scope of the bill.

The bill as reported by the Committee on Interstate and Foreign Commerce exempted all Federal hospitals, as proposed by the administration.

The ranking minority member of our committee (Mr. HAMMERSCHMIDT) and I had asked the members of the Rules Committee to allow an amendment to be offered to the text of the Ways and Means bill to exempt Federal hospitals, making it consistent with the bill as reported by the Interstate and Foreign Commerce Committee, so far as the veterans' hospital issue is concerned.

Subsequent to our request, we received assurances from the floor managers of H.R. 2626, the gentleman from New York (Mr. RANGEL) and the gentleman from California (Mr. WAXMAN) that if a hospital cost containment measure is adopted later today, it will exempt not only veterans' hospitals but all Federal hospitals. Earlier today during debate, Mr. HAMMERSCHMIDT had this confirmed by the floor managers of the bill.

I thank the gentlemen for their assurance and wish to express my appreciation in behalf of our Nation's veterans who will be very pleased that this procedure was agreed to by the floor managers of the bill.

The Gephardt substitute would also exclude Federal hospitals.

Therefore, I am satisfied that if a hospital cost containment measure is adopted by the House, it will not include veterans' health care facilities operated by the Veterans' Administration.

All Members should be aware that veterans throughout the country support us in our efforts to exclude VA hospitals. The administration supports the exclusion. Why? Because expenditures and revenues of VA hospitals, and all other Federal hospitals for that matter, are already controlled through the budget and appropriations processes. Therefore, it is not necessary to include them in any hospital cost containment measure.●

● Mr. STARK. Mr. Chairman, H.R. 2626, the Hospital Cost Containment Act of 1979, is of paramount importance to the overall effort to curb inflation in the general economy and is one of the most important bills that will be considered by the 96th Congress.

I need not point out to you the critical problems of inflation. The facts speak for themselves quite adequately. Food, fuel, and the price of just about all goods and services have increased well beyond the means of many Americans. Today, in this great country of ours people are faced with buying less for more money and, with no signs of inflation letting up, the future is bleak at best.

A firm and decisive action to halt the escalation of inflation and return to economic stability is the most critical problem confronting us. The Hospital Cost Containment Act of 1979 is the first major step to control inflation and return this country to stable economic plane.

For well over a decade, we have watched hospital costs continue their rapid ascent. During the past 10 years, inflation for total hospital expenses has increased at double-digit levels. Between 1968 and 1978, hospital costs increased by more than 15 percent annually—well over the price of food, fuel, and housing. Today, there is no sign that these trends will change. Hospital costs have continued to increase at 13.3 percent in the first 7 months of 1979. Even the best of efforts by the AHA's voluntary effort have proven to be inadequate to the challenge of stopping this uncontrolled increase in hospital costs. By the close of 1979, even the most optimistic assessment of the voluntary effort indicated that they will fall considerably short of their 11.6 percent goal.

I for one am amazed that the Congress has not responded to this problem sooner. Increased cost of hospital care affects all of our constituents. Though most people do not pay directly for hospital care, the impact on their income is substantial. Hospital costs mean more taxes, greater insurance premiums and result in less money for other needs and necessities. Left unchecked, as has been the case for over a decade, we can expect that less people will receive adequate health care, that many will be forced to forgo hospitalization. The net result would be a general reduction in the health status of the American people. I for one cannot and will not tolerate a continuation of this condition. H.R. 2626 offers our only hope of an immediate reduction in inflation, immediate savings and immediate action to take on what I consider to be America's most pressing problem. To vote against the measures which the House Ways and Means and Commerce Committees have reported to you would be folly—a vote in favor of continuing the trend toward greater hospital expenses.

I urge you to support this bill, for without such a serious piece of legislation we will continue a losing struggle against America's No. 1 enemy. Without this bill we will be poorly equipped to take decisive action that is so desperately needed.●

● Mr. HARRIS. Mr. Chairman, I am pleased to have an opportunity to speak in support of H.R. 2626—the Hospital Cost Containment Act of 1979. By passing H.R. 2626, this body can address two major economic problems—a high rate of inflation and the large Government budget deficit. Hospital costs have consistently risen at a rate which far exceeds the general rate of inflation and have contributed greatly to our overall inflationary spiral. Moreover, these cost increases have exacerbated the deficit problem by forcing huge, uncontrolled health care programs. For instance, the fiscal 1980 budget estimates for medicare and medicaid alone are up by $6.5 billion over 1979—with no improvement in benefits and very little expansion in the number of people served. It is estimated that H.R. 2626 would save $41.2 billion over the 5-year period 1980–85; $16.7 billion would be on budget savings to the Federal Government. By 1984, the impact on the entire economy would be significant—a 0.5-percent reduction of the total Consumer Price Index.

This legislation would provide incentives and encouragement for the States to implement their own rate review programs. Mandatory limits would only be applied by the Federal Government in the event that the hospital industry's voluntary effort failed to keep expenditures down to a specified limit. Most hospitals located in the Eighth District of Virginia have done a good job in holding their costs down. Fairfax County hospital costs will rise by 7.7 percent next year, according to projections from the Fairfax Hospital Association's 1980 budget. Similar effective cost control is reported by the Alexandria Hospital. It is clear to me that these hospitals have made, and are continuing to make, every effort to cut the "fat" and inefficiency seen in other hospitals around the country. These hospitals are working to stop the underutilization of expensive equipment. Furthermore, they are making progress toward the elimination of unnecessary lab tests and surgical procedures.

The administrative costs of this overview program, due to its simplicity, would be relatively low. No new Federal bureaucracy would be established.

Without this legislation, the Congressional Budget Office has estimated that hospital expenditures will show an average rate of increase of 14.2 percent during the next 5 years and hospital costs will nearly double—from $66 billion in 1979 to $129 billion by 1984.

We must take action to implement meaningful cost containment legislation. Failure to pass this measure means even greater suffering and hardship for all Americans who face the choice between needed health care and food, fuel or housing. The elderly, in my district and throughout the country, are bearing a large part of the burden of rising health care costs. They need this bill, but so do all Americans who want to see their cost of living reduced.●

● Mr. VANDER JAGT. Mr. Chairman, one of the principal defects of the cost containment bill, H.R. 2626, that is before us is that it fails to take into account the fact that all hospitals are not the same and all expenditures are not the same. As a consequence, the rigid ceiling it places on revenues on a year-by-year basis may actually be counterproductive in some cases. The particular cases I have in mind involve hospitals that find that if they make a capital expenditure on productivity improving technology in 1 year they will have far more than balancing savings over many years in the future. H.R. 2626, through its rigid limits on revenues, may prevent the hospital from reaping the benefits from increased productivity by preventing it from accumulating needed, front-end funding capital. If front-end funds are not available, the entire project may be lost.

It seems popular these days to dispute the possibility of hospital cost-reduction projects and to suggest instead that anything a hospital wishes to expend funds on is inappropriate and will lead to higher costs. These hospital critics suggest that if a hospital can be induced to drop a project, health care costs will be reduced. These critics are ignorant of the facts. The fact is, as the recently HEW published symposium, "Medical Technology: The Culprit Behind Health Care Costs," from the Sun Valley Forum on National Health, concluded:

> Technologies that are directed toward management of the medical care delivery system rather than to the clinical condition of patients have significant potential for reducing the cost of care. Such managerial improvements should be included among the candidates for new technological development.

Underlying this conclusion are findings of a paper by Gerald Rosenthal, director of the National Center for Health Services Research of the DHEW. His findings on medical information systems and telemedicine systems are that "such technologies * * * are reflected in a capacity to manage increasing amounts of information within or among service-providing settings or to substitute moving information for moving patients or providers." He found further that "system management technologies have great potential to impact on the costs of and benefits from medical care generally."

Mr. Rosenthal's office has been responsible for the study of the efficacy of such systems. A recently completed study on a medical information system conducted by the Battelle Institute for HEW contains factual data on experience with a medical information systems have increased labor productivity and reduced costs in hospitals.

H.R. 2626 is deficient in failing to recognize these facts. If I had been permitted to offer an amendment I would have proposed the following:

> Amendment to H.R. 2626, page 70, after line 24, insert the following:
>
> "(2) If a hospital requests that the Secretary make an addition to its percentage computed under the preceding subsections with respect to an accounting period in order to assist in the financing of capital expenditures for cost-reducing technology, the Secretary shall make such addition provided

> that (A) the hospital agrees to subtractions in such percentage in ensuing accounting periods the total of which is equivalent to such addition, (B) the requested addition can be assumed to be reasonable in relation to the costs of the technology improving investment, and (C) the sum of the savings expected to be derived from such investment over the number of accounting periods for which subtractions will be made can be reasonably expected to equal or exceed the sum of the subtractions.

This simple amendment would have gone far to remedy the difficulty without allowing any increase in health costs. It would allow some between-years shifting of revenues to make possible the raising of front-end funds for capital investment in cost-reducing technology. The amendment would allow a hospital a higher limit on its revenues than the limit normally allowed in the bill for a year to raise such capital if it would also agree that in subsequent years a lower limit than that normally allowed would be imposed and the later decreases would balance the increase. In other words, the balancing provision meant the amendment had no cost. More important, however, the amendment supported moves to lower health costs, the objective of the legislation, and removed some of the counterproductive effects of its existing provisions.●

● Mr. LEE. Mr. Chairman, I rise in opposition to H.R. 2626, the Hospital Cost Containment Act of 1979, and urge that you join me later today in supporting the Gephardt amendment which is the text of H.R. 5635 of which I am a cosponsor.

In a recent study by Louise B. Russell, funded by the National Science Foundation, and done under the auspices of the eminently reputable Brookings Institution, the author pinpoints the root of the continued inflation in health care in a most succinct manner:

> Such cost-control measures are unlikely to success in the long run, because they don't come to grips with the basic cause of growth in medical costs: the belief that no one should have to forego medical care that might save his life or preserve his health because he cannot afford to pay. We have put this principle into practice through medical insurance which provides third-party payment of most medical expenses. Third-party payment encourages doctors and patients to use medical resources as though their cost were zero, or almost zero, and leaves them free to do whatever the patient needs.
>
> But need does not mean the benefit is greater than the cost, only that the benefit is greater than zero. When need is the only criterion, the number of things that can justifiably be done in medical care is effectively limitless. Under the present system of extensive third-party payment, we are trying to do them all. The result has been an enormous influx of resources into medical care, and the end is nowhere in sight . . . Because these investments do have some benefit—however small or costly it may be—cost control involves difficult and unpleasant choices.
>
> We must accept the true nature of the cost problem.

Russell says in her study:

> If we do not, and if we are determined to have everything, we will end up paying for everything, no matter what regulatory mechanisms we put in our way to complicate the process.

Russell continues:

> Once we decide that costs are rising too fast and that, in order to slow them, we are willing to modify the philosophy that cost should not be a consideration in medical care, the next question is, how do we want to accomplish the rationing that must take place?

Indeed, the experience of France in controlling health care delivery costs seems to bear this out. That country intervenes directly in an effort to promote efficiency and control hospital costs through a detailed system of regulation aimed directly at controlling the adoption of medical technologies and apportioning them in fixed ratios of equipment to population. Yet France is no more successful than we are in this country in controlling hospital costs. France now devotes 8.1 percent of their gross national product to the costs of health care; this country devotes about 9 percent to that same function.

Do we on a personal level want health care rationed? Do you want to be told that a member of your family will be denied potentially life-saving medical treatment that utilizes costly medical technology because health care must be rationed, and this time around you lose? I dare say none of us want that to happen, and as long as the trend of medical insurance picking up all costs continues, it is unlikely any of us would be faced with a situation of that nature. That is precisely the problem—if we in the Congress are going to ration health care, who shall we designate to be affected by those cutbacks?

Before I continue, let us look at just what caused this explosion in the cost of health care that is now hounding us. More than any other single factor, the passage of the medicare and medicaid programs were responsible for the enormous increase in the proportion of the gross national product devoted to health care. This marked the beginning of the large-scale growth of American public insurance.

Few Americans foresaw that simply changing the way Americans paid for their care would result in a phenomenal growth in the costs of health care. The general belief at the time was that doctors, hospitals, and nursing homes would merely be paid from a different pocket. It was also generally assumed that insurance would have no effect on the way health services were provided. Once the financial barriers to obtaining care were removed, however, and individual out-of-pocket cash payments for medical care fell from 53 to 38 percent of health expenses, health institutions began to behave quite differently, and an inflationary spiral began. Hospitals in the United States began to build beds at a much faster rate, dramatically upgraded the kinds of service they provided to patients, and markedly increased employees' wages.

This came as a surprise to many Americans, including public officials. Between 1965 and 1973, health expenditures grew from 2 to 8 percent of the Federal budget. By 1968 it had become clear that improved public and private health insurance coverage, while greatly increasing the financial security of individual citizens, had also generated a wave of inflation in the health field.

The implications are clear—before the Congress jumps into the health care delivery system with both feet again, we had better have at the disposal of every Member of this Congress a thorough analysis of all of the possible outcomes that could result from a major interventionist action such as that we are contemplating today. It is altogether possible we could exacerbate and lock in the present faults in the health care delivery system. My State of New York has a hospital cost containment program for 10 years that employs the same principle of revenue controls utilized in the bill before us. Keeping in mind that the Department of Health, Education, and Welfare holds the New York program up as an example, let us take a look at the results.

In 1978—the latest year for which figures exists that are accurate and comprehensive—more than three out of four of New Yorks hospitals incurred operating losses. Aggregate voluntary and public hospital net operating losses increased over 7.5 percent from $212 million in 1977 to $228 million in 1978. Three out of four hospitals losing money—that is incredible, and I cannot believe that in excess of 75 percent of the hospitals in my State are suffering from mismanagement.

What are the effects of these operating losses? Thirty-five hospitals in my State have closed in the last 4 years; one of these—Brooklyn Jewish hospital—has been bailed out by the State of New York once, and it is now being bailed out by the Federal Government.

The 1978 figures reveal, additionally, that $498 million of community equity in hospitals has been cannabalized to underwrite losses from 1974 through 1978. If the 1978 rate continues in the future, the $2 billion equity of the 222 voluntary hospitals in New York will be consumed in 15 years and 3 months.

The State of New York realizes that the present repressive rate controls system has some real problems, and has charged the Council on Health Care Financing—a legislative-executive body—with the task of coming up with an entirely new health care reimbursement plan for the State which we expect to see unveiled in 1980.

The State of Colorado, too, has experienced real difficulties with their cost containment program. Though they use a system of budget review, the redtape and accompanying paperwork required to run the program has become intolerable. It is my understanding the Colorado Legislature has now moved to advance the sunset date for their program. Interestingly enough, the same legislator that was the driving force in creating the Colorado cost containment program is now one of the strongest advocates of its demise.

The undesirable results of both the New York State program and the Colorado program will certainly accompany the implementation of a national program. More important, these two examples clearly show that legislators failed to make a thorough analysis of the possible outcomes of their action, and they are now faced with situations that were not anticipated and must be corrected.

If we are all realistic, we will see that we really need to attack the third-party reimbursement system. But if we take away the tax incentive of employers to offer comprehensive health insurance coverage to their employees as a nontaxable benefit, those employers are not likely to continue to offer health benefits to their work force. In that case, it is likely employees will suffer more from the costs of out-of-pocket medical expenses than the employer would suffer from a continued increase in insurance premiums.

The chairman of the House Committee on Ways and Means has himself introduced legislation to deal with this question of third-party reimbursement. Please note that his proposal, called the Health Cost Restraint Act of 1979, would not eliminate the system which has become so entrenched in the American life that it cannot be abolished without imposing a real hardship on the majority of taxpayers. Mr. ULLMAN issued a statement in introducing his legislation which reads, in part,

> With an increasing demand for more benefits covered by virtually automatic insurance payments, today's health finance system holds little incentive for anyone—including doctors and hospitals—to hold down costs. (Referring to the Administration proposal, Ullman states,) . . . the regulatory club only falls on one segment of the health cost system.
>
> If we want to tie down health costs in this country, we must work back to the first step in the financing chain—the benefit package.

Clearly Mr. ULLMAN believes, as many of us on the Commerce Committee do, that what is popularly called the "competitive alternative" provides the best hope of stemming the continuing increase in the cost of delivering health care. In short, the chairman's bill would limit the tax-free portion of employee benefits an employer can contribute to an employee health plan. Additionally, the bill requires employers to offer a low-cost health plan with consumer cost sharing, or an HMO—health maintenance organization—as well as a traditional full-benefit insurance policy. In this manner, the employee is encouraged to select the health plan that best fits his needs.

Because the employee must pay the balance if he selects a more expensive plan, he will be motivated to carefully evaluate the marginal value of unneeded benefits in relation to the extra cost to him. Thus, the employer saves money because of the cap on his tax-free allowance, and the employee saves money by having the opportunity to choose that health plan that can provide the benefits he desires in the most cost-efficient manner.

The administration has told us that the purpose of the hospital cost containment program is to "reduce the increasing cost to employers and workers of health insurance premiums." In fact, the competitive alternative concept will do just that on a permanent basis. The hospital cost containment program would only be effective over a period of 4 years—after that the problem would revert to its present state.

Let us face it—price controls simply do not work. Dr. Alan Greenspan, a noted economist, said in a recent interview:

> The reason democratic societies attempt controls when confronted with inflation is that the approach is perceived to create short-term political benefits . . . But the problem is that while there are short-term benefits, there are invariably longer-term costs.
>
> A major problem with controls—mandatory or voluntary—is that they give the illusion of success while creating difficulties far greater than we can imagine. One of the more recent examples—in this case from the Nixon years—lies in energy price regulation and the difficulties that have emerged with unleaded gasoline. Controls tend to create huge bureaucracies, which for the most part shuffle paper and cannot be demonstrated to have significant impact on the overall price . . . level.
>
> In the longer run, because they thwart productivity, because they generate imbalances in the system, they tend to *produce rather than fight* inflation." (Emphasis added)

Indeed, the President has acknowledged that wage and price controls do not work, and he has said repeatedly that he does not intend to impose them —yet he is imposing price controls on the hospital industry. If price controls work nowhere else, why should they work in the hospital industry? The administration's philosophical inconsistencies show up in the cost containment legislation additionally in the contention by administration officials that the hospital industry must be regulated to be efficient while it is, at the same time, telling us that other industries—the airlines, the trucking industry, and railroads, to name but a few—must be deregulated to be efficient. The Secretary of Health, Education, and Welfare said the problem with the health care industry is that it is characterized by a lack of competition. That may be true for the most part, but it is changing, and I will cite examples later. The thing that bothers me is the lack of willingness on the part of the administration to give that budding competition a chance. The administration has, in fact, stated publicly that the health care industry is not amenable to competition and, therefore, controls are necessary. That line of reasoning is pure nonsense.

In fact, I have noted several examples in the last few months, particularly the last few weeks, of innovation in the health care delivery marketplace. I have also noticed that there seems to be an increased interest and sophistication in marketing techniques being used in the industry. In the past it was ethically and esthetically, if you will, undesirable to seriously market health care services of any kind. If you had to advertise, after all, you must be desperate for business because you were not professionally very competent or your institution did not provide the high-quality care expected by the public. That kind of thinking is changing. The acceptance by the public of competition in the delivery of health care can best be speeded up by encouraging the health care institutions and groupings—such as group practices, health maintenance organizations, hospitals—to utilize sophisticated marketing techniques to attract business.

I assured you earlier that I would cite examples of the innovations that I have noted of late in the health care market. There is a project in Oregon, for example, which brokers health care dollars provided by the county in order to purchase the efficient delivery of health care for the "medically needy" of that area, that is those individuals that for some reason just miss being eligible for welfare benefits, but who have no or little health insurance and cannot afford to purchase it.

There is the example in out-State Missouri of an area that was down to one doctor until someone came up with a plan to provide quality health care by making a group practice concept attractive to physicians. These professionals included general practitioners as well as specialists.

In yet another example of innovation, the North Carolina Blue Cross-Blue Shield Plan has launched a 2-year statewide campaign to encourage greater use of ambulatory surgery. The Blues estimate that hospital cost savings in North Carolina will amount to between 49 and 77 percent. The plan estimates that $3.8 million could be saved in North Carolina in reduced institutional charges if a reasonable proportion of seven basic surgical procedures were performed on an outpatient basis. Of course, there are many more innovative experiments taking place in the health care field, but I think these demonstrate the diversity of the effort presently being made to make the health care delivery system a more efficient one in terms of quality, accessibility, and cost.

I also want to provide my colleagues with examples of an increasing incidence of promotion—advertising—in the health care delivery industry that have come to my attention within the past few weeks—and I am sure you have all seen some of the same advertisements here in the Washington area.

For instance, the Columbia Health Plan, a health maintenance organization located in Columbia, Md., advertised its benefits in a recent Washington Post. The Mail Handlers Insurance Plan purchased expensive advertising space in the Washington Post of November 5, summarizing its benefits, comparing those benefits, premium, and membership costs with other plans available to Federal employees, and inviting those same employees to join the plan during the open period.

Finally, the George Washington University Health Plan used prime time television advertising recently to inform the viewing public of its existence and the benefits it can offer.

We can see, then, that changes are coming about as a result of private sector initiatives that could save the public billions of dollars annually in health care expenses. The Government, too, is looking into a number of alternatives which will enable it to purchase health care for its medicare beneficiaries in a more efficient and less costly manner.

For instance, H.R. 4000, which our

Interstate and Foreign Commerce Subcommittee on Health and the Environment is in the process of marking up, provides for a system of reimbursing health maintenance organizations under medicare on a risk basis. Reimbursement would be on a prospective basis at 95 percent of the per capita amount the Secretary of Health, Education, and Welfare estimates would be paid for services provided to medicare beneficiaries by other providers in the geographic areas of the HMO.

The Secretary would also estimate the amount that medicare beneficiaries would be charged on a community rating basis, and if that amount were lower than the medicare reimbursement rate, the HMO would be required to return the difference in additional benefits to its medicare members. A 5-percent saving does not seem like a dramatic one, but when it is multiplied by millions of medicare beneficiaries, this could save the Government billions of dollars every year.

Not only would such a plan have great potential for Government cost savings—another stated goal of the legislation we are considering today—that savings would be a long-term solution; the savings would not cease after 4 years. In addition, there is some probability that in many cases, medicare recipients would be entitled to increased health benefits.

I hope that my point is by now very clear. While all of us recognize the need to stem rising health care costs because they are a burden on the employer and the taxpayer, the lessons of the past, both on the Federal level—as demonstrated by medicare and medicaid—and on the State level—as in the cases of my State of New York and the State of Colorado—show the folly of implementing major interventionist initiatives in the delivery of health care without an exhaustive analysis of every possible outcome.

For this reason and because the industry is itself coming around to the realization that they must do something to cut costs or lose the confidence of the American public, I urge you to oppose H.R. 2626. This legislation would not provide a long-term solution to the problem of health care costs that are increasing exponentially. This legislation would not be effective because it affects only one segment of the health care market, and at that, the bill makes so many exemptions, the costs would far outweigh any advantages to be gained. Finally, I truly think this is a bill that I would regret ever having supported; upon close inspection, I think many of you will come to the same conclusion.

Again, I cannot emphasize too strongly the need to come up with a comprehensive, long-term policy to combat exploding costs in the health care field. The bill before us is piece-meal at best and most decidedly short-term in nature; it would be naive to think it anything more. A better course of action is to support the Hospital Cost Containment and Reporting Act of 1979 which I have cosponsored together with many of my colleagues on both sides of the aisle. This bill puts in place the machinery to conduct the analyses necessary to fabricate the comprehensive planning system necessary to deal with the problem at hand effectively. The separate demand study and supply study mandated by H.R. 5635 will allow us to consider all aspects of both sides of the economic coin and provide the information needed to integrate these factors into a workable fabric that unlike H.R. 2626 will save the American taxpayers a substantial amount over the long-term in health care expenditures without creating the inequities that always accompany arbitrary controls.

A thoughtful analysis of the real question before us today—how best to deal with rising health care costs—can only lead to a vote for the amendment offered by the gentleman from Missouri (Mr. GEPHARDT) and against the bill before us, H.R. 2626.●

● Mr. HANSEN. Mr. Chairman, Government mandated cost containment of medical expenses is a cruel hoax which will reduce treatment not costs.

It is a limitation of the amount which can be spent to save a person's life or restore his health. Who, in their right mind, could want any restriction on a person's ability to survive?

How can any of us face a person who has a serious illness or injury and tell them we have given the Government power to limit what can be spent to help them?

Limiting costs only limits what will be spent for a patient's welfare and survival. Who would willingly allow services or facilities to be reduced or eliminated when they are grasping for life?

It is shallow-minded to hope to reduce pressure on the teakettle by holding the lid on without reducing the heat. Hospital costs increase like the pressure in the teakettle because of the heat of inflation, new services, and increasingly sophisticated equipment. The costs can only decrease with a reduction of services and equipment, or by containing inflation which an extravagant Congress has not yet seen fit to do.

Therefore, holding the lid on the pressure of escalating costs will either force the hospital out of business or to reduce its medical care facilities.

Who would jeopardize having access to a kidney dialysis machine, or other equally expensive and sophisticated equipment, by chasing the illusory rainbow of cost containment?

Let us not lose sight of the real issue of this debate. It is important to save money, but the higher priority is to restore health and preserve lives.

We could better address our efforts to assuring the availability of insurance protection to all Americans to pay those necessary costs rather than artificially limit them.

Hopefully, this cost limitation legislation will be sent back to the legislative graveyard before it puts its victims in inadequate hospitals and even an early grave.●

● Mr. ASHBROOK. Mr. Speaker, the Federal Government has had as its policy for a number of years the goal of expanding health care for the citizens of the United States. From the Hill-Burton program on hospital beds to medicare and medicaid, the Government and this Congress have constantly moved to increase the availability of health facilities and to improve the quality of health care in the Nation. This Government effort has paralleled actions of the private sector to assist people who were seeking medical care. All of these activities have contributed to the evolution of health care in this Nation and to the change in the pricing system for medical services.

Today the system of medical charges is firmly based on third-party payment. Either through health insurance firms like Blue Cross and Blue Shield or through the Government health payments upwards of 90 percent of current health expenditures are covered by third parties. This development has effectively removed cost as a determination of the quantity or quality of health services in the United States. Without a pricing mechanism to control demand there has been a rapid expansion of the demand for medical care.

In America today citizens enjoy more and better health care than anywhere in the world. Technological breakthroughs have led to more effective methods of diagnosis of disease and of treatment of ailments. Medical care has become more capital intensive as the health community develops the ability to treat illnesses that early were untreatable. The need for qualified technicians and support staff to use these new wonder machines has led to increased wages as well as increased employment opportunities.

In a Nation where the average age of the population is steadily growing older and where there is a ongoing desire to have quality medical care it is inevitable that the price tag for health is going to rise. Since 1965, expenditures under private health insurance plans have increased 229 percent—from $8.3 billion in 1965 to $27.3 billion in 1975. At the same time Government expenditure for personal health care has jumped from $7 billion in 1965 to $40.9 billion in 1975 for an increase of 484 percent. Government health-care expenditure has thus become 39.7 percent of the total expenditure picture up from only a 20.8-percent share in 1965.

The cost of health care has risen faster than the inflation rate, but this situation is fueled by Government expansion of medicare and medicaid, and the private sector development of third-party payment. Placing a lid on rising health costs ignores these factors and signals a major reversal in public policy. This Nation and this Congress have shown that more health service is what is wanted. This Congress has been more than willing to expand medicare and medicaid coverage and to spend more money on these programs even though waste, fraud, and abuse have also mounted with these increases. To penalize the private sector while not addressing the problems in the public sector is not going to address the increases in health costs in this Nation. The Government should put its own house in order before it places arbitrary controls on others.

The private sector has been responsible in trying to hold down costs while meeting the growing demand. Voluntary efforts have brought together hospital representatives, doctors, health care suppliers and manufacturers, insurance carriers, local government, business, labor, and consumers to discuss the common concern about health overhead and how to slow its growth. These voluntary efforts have been successful and should be continued. To have the Federal Government step in before these other efforts complete their tasks is to give a vote of no confidence to private initiative. I do not think my colleagues really want to hand such a setback to those sincere citizens in their districts who work with these issues on a day-to-day basis.

Until the country wants to stop expanding health care and wants to stop the present arrangement of health financing there will continue to be a rise in health costs. When people's health is at stake, price is no object. Responsible citizen involvement through the voluntary efforts and through congressional review of Government's role in inflating health costs is the best method of solving the health problems in the Nation.

Bills, like the one before us, are only political tools to pass the buck on inflation. Those involved in health services realize the danger of arbitrary controls. The American consumer knows the sham of putting a cap on some service or product while the mechanism of inflation is still in operation. We could be establishing the groundwork for health-care shortages with this bill and many of the people out there know it. I am sure this is why the Carter administration was so concerned about having this bill voted on before the next recess. Whenever a poorly constructed and thought-out bill comes to the Congress it is necessary to cut off both debate and public input so that the faults are kept under wraps. This is no way to treat the voter and this bill is no way to treat patients. I urge my colleagues to vote against this bill.●

● Mr. FISHER. Mr. Chairman, inflation is generally considered to be the Nation's No. 1 problem. While giving lip service to the need for reducing inflation, we in the House fail all too often to vote for anti-inflation measures. For example, recently the House approved a public works bill containing $2 billion in excess baggage under the guise of a standby public works program. Members had the opportunity to send the bill back to committee with instructions to delete the $2 billion, but refused, by a 100 vote margin, to take this step. Last week, the House had another opportunity to save the taxpayers at minimum $18 billion over 4 years by adopting the hospital cost containment proposal recently approved by both the Ways and Means and the Commerce Committees. Unfortunately, Members chose instead to adopt a "substitute" bill calling for a commission to study the hospital industry's ongoing voluntary cost control program.

The principal reason advanced against the cost containment measure was the regulation it would entail. Unquestionably, ours has become an overregulated society. However, efforts to protect the American people from runaway inflation should not come to a halt as we seek ways of reducing Government regulations. The hospital cost containment proposal that the House had under consideration established a voluntary program placing a limit on the amounts hospitals can spend each year. In fact, hospitals would have been guaranteed a rate of increase for 1979, no lower than 11.6 percent, which is the same as the hospital industry's own goal for this year. If hospitals nationwide failed to meet this voluntary goal, a mandatory program would have been triggered. Exemptions from the mandatory program included all hospitals in States having their own mandatory programs as well as individual hospitals staying within the voluntary limits. Hospitals exceeding the voluntary limit, with certain exceptions, would be required to participate in the Government's mandatory program. However, the costs to hospitals of complying with any new requirements would be infinitesimal compared to the expected savings to consumers.

Another contention expressed by opponents of the committee bill was that new technology would be stifled because the financial constraints imposed on hospitals were too stiff. Such an outcome would be most unlikely. First off, the bill's life was only 4 years and certainly not long enough to thwart major new technological developments. Furthermore, the bill contained a provision permitting new capital-related expenses which significantly expand services to be passed through if they have been approved by the State health planning agency.

It was argued further by opponents of the committee bill that the voluntary cost containment effort has had some success in the past year or so after several years of rapidly mounting hospital charges and that nothing more is required now, but to monitor this voluntary program and report back to Congress. This overlooks the fact that the general trend of hospital costs has gone sharply and persistently upward for many years, except for the year just past. It further overlooks the fact that the bill under consideration provided a standby cost restraint program to be resorted to only when costs actually exceeded the levels specified voluntarily.

There were two key votes. On the first vote, Members had to decide whether to support the committee hospital cost containment bill or the substitute creating a National Commission on Hospital Costs to monitor the industry's voluntary program. I chose the committee bill which, for all its shortcomisgs, did offer a stronger effort to reduce inflation. Once the committee bill failed, Members then voted on the choice between the substitute or nothing at all.

I decided then to vote for the substitute for two important reasons. First, the substitute contains a provision requiring the National Commission on Hospital Costs to study and report back to Congress on other measures to control health care costs, that is, ways of enhancing competition through prepaid health plans, increased use of deductibles, et cetera, and alternative methods of paying for health services that involve the consumer and provider—hospital, physician, or other—more in the process. This is similar to a bill that I introduced earlier this year and which was incorporated into the committee cost containment proposal. I believe our present reimbursement system needs revamping and I am completely behind efforts to explore other options. As long as a third party—an insurance carrier, rather than a consumer or provider of health care—pays all or most of the expenses, there will be little incentive for restraining costs.

Second, I voted for the bill because at least it keeps the anti-inflation impetus going. I hope the Senate will adopt a stronger bill and the ensuing compromise will include an effective cost containment mechanism. Defeat of the substitute would have insured that no action would be taken by this Congress. In my view, that is not the signal we want to be sending to the millions of Americans who continue to face unacceptably high levels of health care costs.●

Mr. RANGEL. Mr. Chairman, I have no further requests for time.

Mr. BROYHILL. Mr. Chairman, I have no further requests for time.

Mr. GRADISON. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. All time has expired.

Pursuant to the rule the substitute committee amendment recommended by the Committee on Ways and Means printed in the reported bill shall be considered as an original bill for the purpose of amendment, and shall be considered as having been read. No amendments are in order except: First, pro forma amendments for the purpose of debate; and second, the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce printed in the reported bill if offered as an amendment in the nature of a substitute to the amendment made in order as original text, said amendment if offered shall be considered as having been read, and said amendment shall not be subject to amendment except: First, pro forma amendments for the purpose of debate; second, the amendments printed in the Congressional Record of November 13, 1979 by, and if offered by, Representative Rangel of New York to said amendment, and said amendments if offered shall be considered en bloc, and shall be considered as having been read; third, the amendments printed in the Congressional Record of November 13, 1979 by, and if offered by, Representative Jacobs of Indiana to said amendment, and said amendments if offered shall be considered en bloc, and shall be considered as having been read; fourth, the amendments printed in the Congressional Record of November 14, 1979 by, and if offered by Representative Snowe of Maine to said amendment, and said amendments if offered shall be considered en bloc, and shall be considered as having been read; fifth, the amendments printed in the CONGRESSIONAL RECORD of November 13, 1979 by, and if offered by, Representative BUCHANAN of Alabama to said amendment, and said amendments shall be considered en bloc, and shall be considered as having been read; and sixth, the text of H.R. 5635 if offered by Representative GEPHARDT of Missouri as a substitute for said amendment in the nature of a substitute, and said substitute shall not be subject to amendment except pro forma amendments for the purpose of debate.

The committee amendment in the nature of a substitute recommended by the Committee on Ways and Means reads as follows:

PART B—REVIEW OF VOLUNTARY PERCENTAGE LIMITS

SHORT TITLE; TABLE OF CONTENTS

SECTION 1. This Act may be cited as the "Hospital Cost Containment Act of 1979".

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TITLE I—VOLUNTARY HOSPITAL COST CONTAINMENT PROGRAM

PART A—ESTABLISHMENT OF VOLUNTARY PERCENTAGE LIMITS

NATIONAL VOLUNTARY PERCENTAGE LIMIT

SEC. 101. (a) The Secretary, before April of each year (beginning with 1980 and ending with last year of the national voluntary period, as determined under section 115(a)), shall promulgate a national voluntary percentage limit for the preceding year, which shall be equal to the sum of the following four amounts (as computed by the Secretary):

(1) WAGE-RELATED EXPENSES FOR NONSUPERVISORY EMPLOYEES.—The percent increase in the national hospital wage-related marketbasket (as defined in section 323(2)) for that preceding year.

(2) NONWAGE HOSPITAL MARKETBASKET.—The greater of—

(A) the percent increase in the national hospital nonwage marketbasket (as defined in section 323(1)) for that preceding year, or

(B) (i) for 1979, 5.12 percent, or

(ii) for any other year, the percent increase in the national hospital nonwage marketbasket for that preceding year as estimated and announced under subsection (b)(1).

(3) POPULATION INCREASE FACTOR.—The percent increase in the national population (as defined in section 324(2)) for that preceding year.

(4) NET SERVICE INTENSITY ALLOWANCE.—One percent.

Notwithstanding the preceding provisions of this subsection, the national voluntary percentage limit for 1979 shall not be less than 11.6 percent.

(b) The Secretary, before the first calendar quarter beginning after the date of the enactment of this Act and before each succeeding calendar quarter of a year before 1984, shall estimate and announce—

(1) the present increase in the national nonwage marketbasket for the twelve-month period beginning with that calendar quarter, and

(2) the sum of the average fractions of expenses of hospitals in the United States (described in section 323(1)(B)) attributable to classes of goods and services used in the computation of the percent increase (described in paragraph (1)) for that twelve-month period.

STATE AND INDIVIDUAL HOSPITAL VOLUNTARY PERCENTAGE LIMITS

SEC. 102. (a)(1) Except as provided in paragraph (3), the Secretary shall compute a State voluntary percentage limit and an individual hospital voluntary percentage limit under this section for each accounting year of a hospital ending during the period beginning January 1, 1979, and ending December 30, 1983.

(2) The Secretary shall compute these limits for a hospital's accounting period that ended—

(A) in 1979, before July 1, 1980, or

(B) after 1979, not later than six months after the end of the accounting period.

(3) The Secretary need not compute an individual hospital voluntary percentage limit for an accounting period of a hospital, if the period is after the voluntary period of the hospital (as determined under section 115(c)).

(b)(1) For a hospital's accounting period that ended on December 31, 1979, these limits shall be equal to the sum of the following four amounts:

(A) WAGE-RELATED EXPENSES FOR NONSUPERVISORY EMPLOYEES.—The percent increase in the wage-related marketbasket (as defined in section 323(4)) of the hospital for the accounting period.

(B) NONWAGE HOSPITAL MARKETBASKET.—The greater of (i) the percent increase in the nonwage marketbasket (as defined in section 323(3)) of the hospital for the accounting period, or (ii) 5.12 percent.

(C) POPULATION CHANGE FACTOR.—For the—

(i) State voluntary percentage limit, the percent change in State population (as defined in section 324(3)) for the accounting period of the hospital, or

(ii) the individual hospital voluntary percentage limit, the percent change in area population (as defined in section 324(1)) for the accounting period of the hospital.

(D) NET SERVICE INTENSITY ALLOWANCE.—One percent.

(2) For a hospital's accounting period that ended in 1979 before December 31, these limits shall be equal to the sum of the following two amounts:

(A) 1978 FACTOR.—The percentage increase in the hospital's expenses in its accounting period that ended in 1978 over its expenses in its preceding accounting period, multiplied by the fraction of the accounting period ending in 1979 that occurred in 1978.

(B) 1979 FACTOR.—The sum of the four amounts described in paragraph (1) for the accounting period, multiplied by the fraction of the accounting period that occurred in 1979.

(c) For a hospital's accounting period that ended after 1979, these limits shall be equal to the sum of the following four amounts:

(1) WAGE-RELATED EXPENSES FOR NONSUPERVISORY EMPLOYEES.—The percent increase in the wage-related marketbasket (as defined in section 323(4)) of the hospital for the accounting period.

(2) NONWAGE HOSPITAL MARKETBASKET.—The greater of—

(A) the percent increase in the nonwage marketbasket (as defined in section 323(3)) of the hospital for the accounting period, or

(B) (i) for an accounting period that began before the beginning of the first calendar quarter beginning after the date of the enactment of this Act, 5.12 percent, or

(ii) for any other accounting period, the percent increase in the national hospital nonwage marketbasket as estimated and announced under section 101(b)(1) for the twelve-month period beginning with the calendar quarter in which the accounting period began multipled by the hospital's adjustment factor (as defined in section 323(5)) for the accounting period.

(3) POPULATION CHANGE FACTOR.—For the—

(A) State voluntary percentage limit, the percent change in State population (as defined in section 324(3)) for the accounting period of the hospital, or

(B) the individual hospital voluntary percentage limit, the percent change in area population (as defined in section 324(1)) for the accounting period of the hospital.

(4) NET SERVICE INTENSITY ALLOWANCE.—One percent.

(d)(1) A hospital elect, in such manner and in accordance with such procedures as the Secretary shall provide, to exclude from the computation of its individual hospital expenses for purposes of the determination of its individual hospital voluntary percentage limit under this section and its individual hospital performance under sections 114 and 115(c)(2)(B) for all accounting periods of the hospital (beginning with the first accounting period for which the election is made)—

(A) expenses attributable to charity care (as defined in paragraph (2)(A)), or

(B) expenses attributable to bad debts (as defined in paragraph (2)(B)),

or both for the accounting period.

(2) For purposes of paragraph (1)—

(A) the term "expenses attributable to charity care" means, with respect to a hospital's accounting period, expenses relating to care, provided to patients by the hospital, for which reduction in (or elimination of) charges are made, as established by the hospital to the satisfaction of the Secretary, because of the indigence or medical indigence of the patients, and

(B) the term "expenses attributable to bad debts" means, with respect to a hospital's accounting period, expenses relating to care, provided to patients by the hospital, for which there are charges, to the extent to which the hospital establishes to the satisfaction of the Secretary, that (i) it has reasonable efforts to collect such charges, (ii) any uncollected amounts are in fact uncollectable, and (iii) there is not substantial likelihood of their future collection.

PART B—REVIEW OF PERFORMANCE DURING VOLUNTARY PERIOD

NATIONAL HOSPITAL PERFORMANCE

SEC. 111. (a) The Secretary, before July 1, 1980, and before July 1 of any succeeding year that follows a year during the national voluntary period (as determined under section 115(a)), shall determine whether the increase in hospital expenses in the United States in the preceding year over those expenses in the second preceding year exceeded the national voluntary limit for the preceding year. He shall make that determination as follows:

(1)(A) He shall assign to each hospital's accounting period that ended on December 31 of that preceding year the national voluntary percentage limit (computed under section 101) for that preceding year.

(B) If the preceding year was 1979, he shall assign to each hospital's accounting period ending in 1979 before December 31 the sum of—

(i) 12.8 percent multiplied by the fraction of the accounting period that occurred in 1978, and

(ii) the national voluntary percentage limit for 1979 multiplied by the fraction of the accounting period that occurred in 1979.

(C) If the preceding year was 1980 or later, he shall assign to each hospital's accounting period ending before December 31 in that preceding year the sum of—

(i) the national voluntary percentage limit for the second preceding year multiplied by the fraction of the accounting period that occurred in that second preceding year, and

(ii) the national voluntary percentage limit for that preceding year multiplied by the fraction of the accounting period that occurred in that preceding year.

(2) He shall compute the dollar amount by which each hospital's expenses in its accounting period ending in that preceding year exceeded (or was less than) its expenses in its preceding accounting period increased by the percentage limit assigned under paragraph (1) to the hospital's accounting period ending in that preceding year.

(3)(A) He shall compute the sum of the dollar amounts computed under paragraph (2).

(B)(i) For 1979, if the sum is greater than zero, he shall announce that the increase in hospital expenses in the United States for the preceding year exceeded the national voluntary limit for that year.

(ii) For 1979, if the sum is equal to or less than zero, he shall announce that the increase did not exceed the national voluntary limit for the preceding year and he shall credit, to a national carryforward account, an amount equal to one-half of the dollar amount of each savings.

(iii) Immediately before making a determination under this subsection for a year after 1979, the amount of any balance in the national carryforward account shall be increased by a percentage equal to the national voluntary percentage limit for the year.

(C)(i) For a year after 1979, if the sum is greater than zero, he shall apply, against such sum and to the extent of such sum, any balance in the national carryforward account (described in subparagraph (B)(ii)). If, after applying some or all of such balance, the sum is equal to zero, the Secretary shall announce that the increase in hospital expenses in the United States did not exceed the national voluntary limit for the preceding year and shall debit, against the national carryforward account, the amount of the account applied. If, after applying all of such balance, the sum is still greater than zero, he shall announce that the increase in hospital expenses in the United States for the preceding year exceeded the national voluntary limit for that year and shall reduce to zero the balance in the national carryforward account.

(ii) For a year after 1979, if the sum is equal to or less than zero, he shall announce that the increase did not exceed the national voluntary limit for the preceding year and he shall credit, to the national carryforward account, an amount equal to one-half of the dollar amount of such savings for such year.

(b) The Secretary shall report to each House of Congress on his announcement under subsection (a) and include in the report details as to the basis for the announcement.

CONGRESSIONAL REVIEW OF NATIONAL HOSPITAL PERFORMANCE

SEC. 112. (a)(1) If, within thirty days of continuous session after receipt of a report of the Secretary of Health, Education, and Welfare under section 111(b), relating to an announcement that the increase in hospital expenses in the United States for the preceding year exceeded the national voluntary limit for that year, either House of Congress adopts a resolution (described in subsection (b)(2)), the report shall be considered disapproved for purposes of section 115(a).

(2) For the purpose of paragraph (1)—

(A) continuity of session is broken only by an adjournment of Congress sine die, and

(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the thirty-day period.

(b)(1) This subsection is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described in paragraph (2) of this subsection, and it supersedes other rules only to the extent that it is inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rules of the House.

(2) For purposes of this section, the term "resolution" means only a resolution of either House of Congress the matter after the resolving clause of which is as follows: "That the   disapproves the report of the Secretary of Health, Education, and Welfare, made under section 111(b) of the Hospital Cost Containment Act of 1979, relating to the Secretary's announcement that the increase in hospital expenses in the United States for   has exceeded the national voluntary limit for that year.", the first blank space therein being filled with the name of the resolving House and the other blank being filled in with the number of the year for which the announcement was made.

(3) A resolution once introduced with respect to a report shall immediately be referred to a committee (or committees) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(4)(A) If the committee (or committees) to which a resolution has been referred has not reported it at the end of 15 calendar days after its referral, it shall be in order to move to discharge the committee (or committees) from further consideration of such resolution.

(B) A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee (or committees) has reported a resolution with respect to the same report), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(C) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee (or committees) be made with respect to any other resolution with respect to the same report.

(5)(A) When the committee (or committees) has reported, or has been discharged from further consideration of, a resolution, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(B) Debate on the resolution referred to in subparagraph (A) shall be limited to not more than five hours, which shall be divided equally between those favoring and those opposing such resolution. A motion further to limit debate shall not be debatable. An amendment to, or motion to recommit, the resolution shall not be in order, and it shall not be in order to move to reconsider the vote by which such resolution was agreed to or disagreed to.

(6)(A) Motions to postpone, made with respect to the discharge from committee (or committees), or the consideration of a resolution and motions to proceed to the consideration of other business, shall be dedecided without debate.

(B) Appeals from the decision of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution shall be decided without debate.

STATE HOSPITAL PERFORMANCE

SEC. 113. (a) The Secretary, before July 1, 1980, and before July 1 of any succeeding year before 1984, shall determine whether the increase in hospital expenses in the State in the preceding year over those expenses in the second preceding year exceeded the State voluntary limit for the preceding year. He shall make that determination as follows:

(1) He shall compute the dollar amount by which the expenses of each hospital in the State in its accounting period ending in that preceding year exceeded (or was less than) its expenses in its preceding accounting period increased by the State voluntary percentage limit (computed under section 102) for the hospital for the accounting period. The Secretary shall exclude from such determination the expenses of any hospital the voluntary period of which ended, under section 115(c)(2), in a year before such preceding year.

(2)(A) He shall compute the sum of the dollar amounts computed under paragraph (1).

(B)(i) For 1979, if the sum is greater than zero, he shall announce that the increase in hospital expenses in the State for the preceding year exceeded the State voluntary limit for that year.

(ii) For 1979, if the sum is equal to or less than zero, he shall announce that such increase did not exceed the State voluntary limit for the preceding year and he shall credit, to a State carryforward account for that State, an amount equal to one-half of the dollar amount of such savings.

(iii) Immediately before making a determination under this subsection for a year after 1979, the amount of any balance in the State carryforward account shall be increased by a percentage equal to the sum of the products, for each hospital in the State, of—

(I) the State voluntary percentage limit for the accounting period ending in the year, and

(II) the fraction of the expenses of hospitals in the State for accounting periods ending in the year which are the expenses of the hospital for its accounting period ending in the year.

The Secretary shall exclude from such determination any hospital the voluntary period of which ended, under section in 115c(c)(2), in a year before such year.

(C)(i) For a year after 1979, if the sum is greater than zero, he shall apply, against such sum, any balance in the State carryforward account (described in subparagraph (B)(ii)). If, after applying some or all of such balance, the sum is equal to zero, the Secretary shall announce that the increase in hospital expenses in the State did not exceed the State voluntary limit for the preceding year and shall debit, against the State carryforward account of that State, the amount of the account applied. If, after applying all of such balance, the sum is still greater than zero, he shall announce that the increase in hospital expenses in the State for the preceding year exceeded the State voluntary limit for that year and shall reduce to zero the balance of the State carryforward account of the State.

(ii) For a year after 1979, if the sum is equal to or less than zero, he shall announce that the increase did not exceed the State voluntary limit for the preceding year and he shall credit, to the State carryforward account for that State, an amount equal to one-half of the dollar amount of such savings for such year.

INDIVIDUAL HOSPITAL PERFORMANCE

SEC. 114. (a) The Secretary, when he computes an individual hospital voluntary percentage increase under section 102, shall determine whether the percent increase in a hospital's expenses in the hospital's accounting period over those expenses in the previous accounting period exceeded the hospital's individual hospital percentage limit for the period.

(b)(1)(A) For the accounting period ending in 1979, if there was an excess under subsection (a), the Secretary shall inform the hospital that the increase in the hospital's expenses in the accounting period exceeded the hospital's individual voluntary percentage limit for that period.

(B) For the accounting period ending in 1979, if there was no such excess under subsection (a), the Secretary shall inform the hospital that the increase in the hospital's expenses did not exceed the hospital's individual voluntary percentage limit for the period and he shall credit, to a carryforward account for that hospital, an amount equal to one-half of the dollar amount of such savings.

(C) Immediately before making a determination under this subsection for a year after 1979, the amount of any balance in the carryforward account of a hospital shall be increased by a percentage equal to the individual hospital voluntary percentage limit for the period.

(2)(A) For an accounting period ending in a year after 1979, if there was an excess under subsection (a), the Secretary shall apply, against such excess and to the extent of such excess, any balance in the hospital's carryforward account (described in paragraph (1)(B). If, after applying some or all of such balance, there is no excess remaining, the Secretary shall inform the hospital that the increase in the hospital's expenses did not exceed the hospital's individual voluntary percentage limit for the accounting period and shall debit, to the carryforward account for that hospital, the amount of the account applied. If, after applying all of such balance, there is still an excess, he shall inform the hospital that the increase in the hospital's expenses in the accounting period exceeded the hospital's individual voluntary percentage limit for that period and shall reduce to zero the balance in the carryforward account of the hospital.

(B) For an accounting period ending in a year after 1979, if there is no excess, he shall inform the hospital that such increase did not exceed the hospital's voluntary percentage limit for the period and he shall credit, to the State carryforward account for that hospital, an amount equal to one-half of the dollar amount of such savings for such period.

DURATION OF NATIONAL, STATE, AND INDIVIDUAL HOSPITAL VOLUNTARY PERIODS

SEC. 115. (a) The national voluntary period shall be considered to begin with 1979 and to end with the earlier of 1983 or the first year for which—

(1) the Secretary has announced and reported to Congress under section 111 that total expenses of hospitals in the United States for the year have exceeded the national voluntary limit for that year, and

(2) neither House of Congress has, under section 112, disapproved the report for that year.

(b) The voluntary period of a State shall be considered to begin with 1979 and to end with the earlier of 1983 or the first year—

(1) which is the last year of, or is any year after, the national voluntary period (as determined under subsection (a)), and

(2) for which the Secretary has announced under section 113 that total expenses of hospitals in the State for the year have exceeded the State voluntary limit for that State for that year.

(c) The voluntary period of an individual hospital shall be considered to begin with the hospital's accounting period ending in 1979 and to end with the hospital's accounting period ending in 1983, or, if earlier, the first accounting period—

(1)(A) which ends in the last year of, or in any year after, the voluntary period of the State in which the hospital is located (as determined under subsection (b)), and (B) for which the Secretary has informed the hospital under section 114 that the hospital's expenses in the accounting period have exceeded the hospitals individual hospital voluntary percentage limit for that period; or

(2)(A) which ends in a year after the end of the national voluntary period (as determined under subsection (a)), and

(B) for which the Secretary determines that—

(i) the amount of the excess (if any) computed under section 114(b) for the period is greater than 1 percent of the hospital's expenses for the previous accounting period, and

(ii) the net amount of the excess (if any) computed under such section for the previous accounting period is greater than 1 percent of the hospital's expenses for the second previous accounting period.

(d)(1) Subject to paragraph (2), each hospital for an accounting period for which as prescribed under part A of title II for each accounting period (ending before December 31, 1984) which begins after the end of the voluntary period of the hospital (as determined under subsection (c)).

(2) Paragraph (1) shall not apply to a hospital for an accounting period for which there is an exemption under part B of title II.

TITLE II—MANDATORY HOSPITAL COST CONTAINMENT PROGRAM

PART A—ESTABLISHMENT OF MANDATORY PERCENTAGE LIMITS

APPLICATION OF MANDATORY LIMITS

SEC. 201. (a) For any accounting period of a hospital subject to a mandatory limit under this part, the average reimbursement payable to the hospital by a cost payer per admission and the average inpatient charges per admission of the hospital for the period may not exceed the average reimbursement payable to the hospital by the cost payer per admission, or the average inpatient charges per admission of the hospital, respectively, for the base accounting period of the hospital, by a percentage which is greater than the compounded sum of the percentage mandatory limits computed by the Secretary under this part for that accounting period and previous accounting periods of the hospital after the base accounting period.

(b)(1) For purposes of calculating under subsection (a) for the base accounting period the average inpatient charges per admission of a hospital and the average reimbursement payable to the hospital by each cost payer per admission, the inpatient charges of the hospital (and the reimbursement payable to the hospital by each cost payer) for the base accounting period shall (except as provided in paragraph (2)) be reduced by an amount equal to any inpatient charges (or, in the case of a cost payer, any such inpatient charges attributable to that cost payer) for the base accounting period for elements of inpatient hospital services that cease to be furnished in the accounting period subject to the mandatory limit, multiplied by the fraction of the accounting period during which those services are not furnished.

(2) Paragraph (1) shall not apply with respect to inpatient hospital services—

(A) that have been found inappropriate by the State health planning and development agency for the hospital, or

(B) to the extent other health services. determined to be appropriate by the agency described in subparagraph (A), are being substituted, if the services for which they have been substituted have been found to be inappropriate by such agency.

(3) Upon request by a hospital, the State health planning and development agency for the hospital shall make a finding as to the appropriateness of specific health services for purposes of paragraph (2), after requesting the recommendations of the health systems agency for the hospital. The finding of a State health planning and development agency under this paragraph shall not be subject to further review.

(c)(1) Any hospital the sum of the amounts of the uncollectible inpatient charges (as defined in paragraph (2)(A)) and of the allowances for inpatient care provided to charity patients (as defined in paragraph (2)(B)) of which in a current accounting period exceeds the sum of the amounts of such charges and allowances in its most recent previous accounting period by more than 1 percent of its total inpatient hospital costs in the current accounting period may, in accordance with such regulations as the Secretary shall prescribe, have its average inpatient charges per admission computed under this Act for the current accounting period by considering as inpatient charges for the current accounting period and the base accounting period only inpatient charges that are not uncollectible inpatient charges and that are not allowances for inpatient care provided to charity patients.

(2) For purposes of paragraph (1)—

(A) the term "uncollectible inpatient charges" means, with respect to inpatient charges imposed by a hospital, inpatient charges to the extent to which the hospital establishes, to the satisfaction of the Secretary, that (i) it has made reasonable efforts to collect them, (ii) any uncollected amounts of such charges are in fact uncollectible, and (iii) there is not substantial likelihood of their future collection, and

(B) the term "allowances for inpatient care provided to charity patients" means, with respect to inpatient charges in an accounting period relating to care provided to patients by a hospital, reductions in the inpatient charges which the hospital establishes, to the satisfaction of the Secretary, it has made in the period because of the indigence or medical indigence of the patients.

(d) For purposes of applying the mandatory percentage limits under subsection (a) as they relate—

(1) to average inpatient charges per admission of a hospital, there shall be excluded from the computation of the amount of inpatient charges in an accounting period (and in the base accounting period) an amount equal to the amount of SHUR expenses of the hospital attributable to inpatient hospital services for the respective accounting period, and

(2) to average reimbursement payable to a hospital by a cost payer per admission, there shall be excluded from the computation of the total amount of reimbursement with respect to the cost payer in an accounting period (and in the base accounting period) an amount equal to the product of (A) the amount of SHUR expenses of the hospital attributable to inpatient hospital services for the respective accounting period, and (B) the proportion of such expenses determined, in accordance with regulations of the Secretary, to be properly allocated to that cost payer.

CALCULATION OF MANDATORY PERCENTAGE LIMIT

SEC. 202. (a) The Secretary, within six months after the last day of each hospital's accounting period subject to a mandatory limit under this part, shall compute and inform the hospital of its mandatory percentage limit for that accounting period. This mandatory percentage limit—

(1) for such an accounting period which follows an accounting period that was not subject to a mandatory limit under such section, shall be equal to the sum of—

(A) the product of (i) the percentage computed under sections 203 through 206, and (ii) the fraction of the accounting period that occurs in the year in which the accounting period ends, and

(B) the product of (i) the percentage increase in the hospital's expenses in the preceding accounting period over its expenses in the second preceding accounting period, and (ii) the fraction of the accounting period that occurred in the previous year;

(2) for any other such accounting period (other than an accounting period described in paragraph (3)), shall be equal to the percentage computed under sections 203 through 206; and

(3) for such an accounting period ending in 1984, shall be equal to the sum of—

(A) the product of (i) the percentage increase in the hospital's expenses in the accounting period over its expenses in the preceding accounting period, and (ii) the fraction of the accounting period that occurs in 1984, and

(B) the product of (i) the percentage computed under sections 203 through 206, and (ii) the fraction of the accounting period that occurred in 1983.

CALCULATION OF BASE PERCENTAGE

SEC. 203. The Secretary shall compute a base percentage for each hospital's accounting period subject to a mandatory limit under this part. This base percentage for a hospital's accounting period shall be equal to the sum of—

(1) the percent increase in the wage-related maketbasket of the hospital (as defined in section 323(4)) for the accounting period, and

(2) the greater of—

(A) the percent increase in the nonwage marketbasket (as defined in section 324(3)) of the hospital for the accounting period, or

(B)(i) for an accounting period that begins before the first calendar quarter beginning after the date of enactment of this Act, 5.12 percent, or

(ii) for any other accounting period, the percent increase of the national nonwage marketbasket estimated and announced under section 101(b)(1) for the twelve-month period beginning with the calendar quarter in which the accounting period began, multiplied by the hospital's adjustment factor (as defined in section 323(5)) for the period.

EFFICIENCY ADJUSTMENT

SEC. 204. Based on the method (developed under section 316(a)) of measuring a hospital's efficiency within a group of hospitals, the Secretary shall assign to each hospital in a group, with respect to each accounting period subject to a mandatory limit under this part, a percentage bonus (or penalty) related to the extent to which the hospital's expenses (adjusted for area wage differentials) for the accounting period of the kind utilized in defining the group norm are less than (or exceed) the group norm, as follows:

(1) If the adjusted expenses are less than 90 percent of the group norm, there shall be a bonus of 1 percentage point.

(2) If the adjusted expenses are equal to or exceed 90 percent of the group norm but are less than the group norm, there shall be a bonus which bears the same proportion to 1 percentage point as the proportion of (A) the percent difference between the group norm and the adjusted expenses, to (B) 10 percent.

(3) If the adjusted expenses are equal to or exceed the group norm but do not exceed 110 percent of the group norm, there shall be, no bonus or penalty.

(4) If the adjusted expenses exceed 110 percent of the group norm but do not exceed 130 percent of the group norm, there shall be a penalty which bears the same proportion to 2 percentage points as the proportion of (A) the percent difference between the adjusted expenses and 110 percent of the group norm, to (B) 20 percent.

(5) If the adjusted expenses exceed 130 percent of the group norm, there shall be a penalty of 2 percentage points.

The Secretary shall add the amount of any bonus to (or subtract the amount of any penalty from) the base percentage computed for the hospital for the accounting period under section 203.

ADMISSIONS ADJUSTMENT

SEC. 205. (a) The Secretary shall establish, by regulation, a method for the adjustment of the base percentage (as adjusted under section 204) for the accounting period to reflect changes in number of admissions in the period compared to the number of admissions in a previous accounting period. In promulgating these regulations he shall take into account—

(1) the marginal costs of hospitals associated with changes in admissions in one accounting period compared to a previous accounting period,

(2) shifts in admissions caused by a hospital's entering into (or ending) contracts with health maintenance organizations, and

(3) the impact of appropriate reductions in hospital utilization.

(b) Any hospital that is dissatisfied with an adjustment in its adjusted percentage base under the method established under subsection (a) may apply to the Secretary for an adjustment in such method as it applies to the hospital for an accounting period to the extent it can demonstrate that it has a higher marginal cost for changes in admissions in the accounting period than those assumed under such method.

ADJUSTMENT FOR PRIOR PERFORMANCE

SEC. 206. (a) In order to reflect the hospital's performance during its voluntary period, the Secretary shall assign to the hospital's accounting period a percentage reduction. This percentage reduction, subject to subsection (b)(1), shall be equal—

(1) in the case of the first accounting period of the hospital subject to a mandatory limit under this part, to the percentage by which (A) the percentage increase in the hospital's expenses in the preceding accounting period over those expenses in the second preceding accounting period, exceeded (B) the hospital's voluntary percentage limit (established under section 102) for that preceding accounting period, and

(2) in the case of a succeeding accounting period, to any excess amount which has been carried forward under subsection (b)(2) from a previous accounting period.

(b) In the case of a hospital's accounting period for which the sum of the percentage penalty (if any) under section 204 and the percentage reduction otherwise assigned under subsection (a) would exceed one-half of the base percentage computed under section 203—

(1) the amount of the percentage reduction assigned under subsection (a) for the period shall be limited so that the sum of it and the percentage penalty for the period equals one-half of the base percentage for the period, and

(2) the excess amount shall be carried forward to be assigned as a percentage reduction to the succeeding accounting periods of the hospital subject to a mandatory limit.

(c) The Secretary shall subtract from the base percentage of a hospital (as adjusted under sections 204 and 205)—

(1) in the case of the hospital's first accounting period subject to a mandatory limit, the percentage reduction assigned to the period under this section;

(2) in the case of any succeeding particular accounting period ending in a year (other than in 1984), the sum of—

(A) the product of (i) the percentage reduction assigned to the preceding accounting period under this section, and (ii) the fraction of the particular accounting period that occurred in the preceding year, and

(B) the product of (i) the percentage reduction assigned to the particular accounting period under this section, and (ii) the fraction of the particular accounting period that occurred in the year; and

(3) in the case of a succeeding accounting period ending in 1984, the percentage reduction assigned to the preceding accounting period under this section.

EXCEPTIONS

SEC. 207. (a) On the request of a hospital, the Secretary, in his discretion, shall make further additions to the mandatory percentage limit for an accounting period otherwise computed under this part to allow for higher reimbursement or inpatient charges per admission than would otherwise be permitted. Any such request shall be filed, in such manner and form as the Secretary shall prescribe, with the appropriate agency or organization with which the Secretary has entered into an agreement under section 1816 of the Social Security Act.

(b) The Secretary shall establish, by regulation, guidelines for the grounds for exceptions under subsection (a). Such grounds shall include the following changes and circumstances which, the hospital can demonstrate, result in higher reimbursement or inpatient charges per admission than would otherwise be permitted:

(1) A substantial change in the hospital's capacity because of the closing of another health facility in the area of the hospital.

(2) A significant change in capacity or character of inpatient hospital services available in the hospital.

(3) A major renovation or replacement of physical plant.

(4) A significant shift among cost payers and other classes of payers.

(5) A significant increase in the coverage of inpatient hospital services by a cost payer.

(6) Higher expenses associated with the special needs and circumstances (including greater intensity of care) of the hospital because it is a regional tertiary care institution.

(7) The hospital is a sole community hospital which would otherwise be insolvent and the State health planning and development agency for the hospital has determined that the hospital should be maintained.

(8) Higher expenses associated with the provision of neonatal care, coronary care, or kidney dialysis, if the State health planning and development agency for the hospital has approved provision of such care or service.

(9) Higher expenses associated with providing hospital security.

(10) Such other changes and circumstances as the Secretary finds warrant special consideration.

A hospital may apply for an exception based upon a combination of these factors (no single factor of which would have been sufficient for a separate exception), if each of these factors can be demonstrated to have an appreciable and demonstrable effect on excess hospital expenses.

(c) In applying exceptions described in subsection (b) to individual hospitals, the Secretary shall take into account, as appropriate, (1) the financial solvency of the hospital and (2) the extent to which the hospital's actions conformed with health plans for the area in which it is located. In determining the financial solvency of a hospital under clause (1), the Secretary shall not take into account amounts related to philanthropy (as defined in section 322(4)).

(d) On the request of a hospital, filed in accordance with the second sentence of subsection (a), the Secretary shall make an addition to the mandatory percentage limit for an accounting period otherwise computed under this part to the extent to which the hospital can demonstrate that higher reimbursement or inpatient charges per admission than would otherwise be permitted are attributable to capital-related expenses (including depreciation and interest) related to capital expenditures which have been approved by the State health planning and development agency for the hospital on or before the date of the enactment of the Act.

(e) If a hospital files a request for an exception under this section and the Secretary has not acted on the request within sixty days of its filing, the request for the exception shall be related as granted.

PART B—APPROVAL OF STATE MANDATORY PROGRAMS AND EXEMPTIONS FROM MANDATORY LIMITS

APPROVAL OF STATE MANDATORY PROGRAMS

SEC. 211. (a) The chief executive of any State may apply to the Secretary for the approval for a year of a State mandatory hospital cost containment program (hereinafter in this section referred to as "the program") established in the State. The Secretary shall approve the program for the year if—

(1) the Secretary determines that the program will be applicable to—

(A) all hospitals in the State and to all revenues or expenses for inpatient hospital services (other than revenues under title XVIII of the Social Security Act, unless approved by the Secretary), or

(B) at least 75 percent of all revenues or expenses for inpatient hospital services (including revenues under title XVIII of the Social Security Act);

(2) the Secretary receives satisfactory assurances as to the equitable treatment under the program of all entities (including Federal and State programs) that pay hospitals for inpatient hospital services, of hospital employees, and of hospital patients;

(3) the program does not treat, directly or indirectly, as revenues of any hospital any of the hospital's amounts related to philanthropy (as defined in section 322(4)); and

(4) the Secretary—

(A) determines that for the previous year, if (for accounting periods of hospitals in the State ending in such previous year) the State voluntary percentage limit (computed under section 102) were increased by 1 percentage point, the Secretary would determine that the sum of the dollar amounts computed under the first sentence of section 113(a)(1) for such previous year would be equal to or less than zero, or

(B) receives satisfactory assurances that such sum of dollar amounts, computed under the first sentence of section 113(a)(1) for the year will be equal to or less than zero.

The requirements of paragraphs (1), (2), and (3) shall not apply to any State mandatory hospital cost containment program which was established by statute before, and in effect on, January 1, 1979.

(b) The Secretary, in establishing standards and reviewing applications for approval of State mandatory hospital cost containment programs under this section, shall consult with the National Commission on Hospital Cost Containment (established under section 301).

(c)(1) There shall be exempted from a mandatory limit under part A any accounting period of a hospital in a State which ends in a year in which a State mandatory hospital cost containment program for the State has been approved under this section.

(2) The Secretary may waive requirements for reimbursement under title XVIII of the Social Security Act for hospitals located in States with mandatory hospital cost containment programs approved under this section.

FUNDING OF STATE MANDATORY PROGRAMS

SEC. 212. (a) The Secretary may make grants to States to assist them in planning, establishing, or operating State mandatory hospital cost containment programs.

(b) An application by a State for assistance under this section shall be in such form, submitted in such manner, and contain such information and assurances, as the Secretary may require.

(c) The Secretary shall determine the amount of any assistance provided under this section, and may make payment in advance or by way of reimbursement, and at such intervals and on such conditions as he finds necessary. Subject to appropriations, the Secretary may provide assistance in amounts up to 50 percent of the necessary expenses involved with the planning, establishment, or operation of such a program.

(d) There are authorized to be appropriated for assistance under this section $10,000,000 for the fiscal year ending September 30, 1980, and such sums as may be necessary for each of the three succeeding fiscal years.

EXEMPTION OF HOSPITAL ENGAGED IN CERTAIN EXPERIMENTS OR DEMONSTRATIONS

SEC. 213. The Secretary may exempt accounting periods of a hospital from the application of a mandatory limit under part A if he determines that—

(1) the exemption is necessary to facilitate an experiment or demonstration entered into under section 402 of the Social Security Amendments of 1967, section 222 of the Social Security Amendments of 1972, or section 1526 of the Public Health Service Act, and

(2) the experiment or demonstration is consistent with the purposes of this Act.

PART C—ENFORCEMENT

CIVIL PENALTY

SEC. 221. (a)(1) If the Secretary determines that the average reimbursement payable to a hospital by a cost payer per admission for that accounting period exceeds the mandatory limit (established under part A) for the hospital for the accounting period, the hospital is subject to a civil penalty of 150 percent of the amount by which the reimbursement payable to the hospital by the cost payer for the accounting period would have to be reduced so that the average reimbursement payable to the hospital by the cost payer for that accounting period would not exceed the mandatory limit for that accounting period under part A.

(2) If the Secretary dtermines that—

(A) the average inpatient charges per admission of a hospital for an accounting period exceed the mandatory limit (established under part A) for the hospital for the accounting period, and

(B) subject to paragraph (3)(B), the hospital fails to deposit an amount equal to the amount of such excess charges in an escrow account (established and maintained pursuant to paragraph (4)),

the hospital is subject to a civil penalty of 150 percent of the difference between (i) the amount of the excess described in subparagraph (A), and (ii) subject to paragraph (3)(B), the amount deposited with respect to such excess in the escrow account, multiplied by the fraction (as determined by the Secretary) of the inpatient charges in the period not attributable to cost payers.

(3) A hospital which has established an escrow account pursuant to paragraph (4) and—

(A) withdraws an amount from such account in a manner not permitted under paragraph (4)(B), is subject to a civil penalty in an amount equal to 150 percent of the amount so withdrawn, and

(B) has a balance in such account after the end of its accounting period beginning in 1983, is subject to a civil penalty in an amount equal to the amount remaining in such account.

(4)(A) In order to avoid liability for a civil penalty under paragraph (2), a hospital which has average inpatient charges per admission for an accounting period in excess of its mandatory limit (established under part A) may establish, in a manner prescribed by the Secretary, an escrow account for the deposit of amounts with respect to one or more of the hospital's accounting periods for which the hospital has made excess inpatient charges per admission.

(B) If the Secretary certifies that the average inpatient charges per admission of a hospital for an accounting period subject to a mandatory limit fall below the mandatory limit established under part A for that accounting period, the hospital may withdraw from any escrow account (described in subparagraph (A)) previously established an amount determined by the Secretary to be equal to the product of (i) the amount by which the inpatient charges of the hospital for that accounting period could be increased without causing the hospital's average inpatient charges per admission for that accounting period to exceed the mandatory limit established under part A for that accounting period, and (ii) the fraction (as determined by the Secretary) of those charges not attributable to cost payers.

(b) The civil penalties provided under subsection (a) shall be assessed by the Secretary only after the hospital has been provided written notice and opportunity for a hearing on the record at which the hospital is entitled to be represented by counsel, to present witnesses, and to cross-examine witnesses against the hospital.

(c)(1) A hospital adversely affected by an assessment by the Secretary under this section may obtain a review of such assessment in the United States court of appeals for the circuit in which the hospital is located by filing in such court within sixty days following notification to the hospital of the Secretary's final determination as to the assessment a written petition praying that the assessment be modified or set aside. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary, and thereupon the Secretary shall file in the court the record in the proceeding as provided in section 2112 of title 28, United States Code. Upon such filing, the court shall have jurisdiction of the proceeding and of the question determined therein, and shall have the power to make and enter upon the pleadings, testimony, and proceedings set forth in such record a decree affirming, modifying, remanding for further consideration, or setting aside, in whole or in part, the assessment of the Secretary and enforcing the same to the extent that such order is affirmed or modified.

(2) No objection that has not been urged before the Secretary shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances.

(3) The findings of the Secretary with respect to questions of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive.

(4) If any party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the hearing before the Secretary, the court may order such additional evidence to be taken before the Secretary and to be made a part of the record. The Secretary may modify his findings as to the facts, or make new findings, by reason of additional evidence so taken and filed, and he shall file such modified or new findings, which findings with respect to questions of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive, and his recommendations, if any, for the modification or setting aside of his original order. Upon the filing of the record with it, the jurisdiction of the court shall be exclusive and its judgment and decree shall be final, except that the same shall be subject to review by the Supreme Court of the United States, as provided in section 1254 of title 28, United States Code.

(d)(1) Civil penalties and assessments imposed under this section may be compromised by the Secretary and may be recovered in a civil action in the name of the United States brought in the United States district court for the district in which the hospital is located. Amounts recovered shall be deposited as miscellaneous receipts of the Treasury of the United States. The amount of such penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sum then or later owing by the United States to the hospital against which the penalty has been assessed.

(2) A determination by the Secretary to assess a penalty under this section shall be final upon the expiration of the sixty-day period referred to in subsection (c)(1) unless the hospital against which the penalty has been assessed files for a review of such assessment as provided in that subsection. Matters that were raised or that could have been raised in a hearing before the Secretary or in an appeal pursuant to subsection (c) may not be raised as a defense to a civil action by the United States to collect a penalty assessed under this section.

(e)(1) Each private cost payer shall—

(A) report to the Secretary (or an agency or organization designated by the Secretary) data on charges, total reimbursement payable, and number of admissions and related private reimbursement data for the base accounting period and each subsequent accounting period for each hospital for which it makes payments based on costs of providing services and for which a mandatory limit applies under part A, and

(B) permit the Secretary access to its books and records as necessary to verify such reports.

(2) If a private cost payer fails to make the reports or provide the access required under paragraph (1) or provides incorrect or false information in such reports, the Secretary is authorized to apply to any United States district court for the district in which the cost payer operates, or to any court of general jurisdiction in any State in which the cost payer operates, to enjoin such a violation.

CONFORMANCE BY CERTAIN FEDERAL AND STATE PROGRAMS

SEC. 222. (a) Notwithstanding any provision of title XVIII of the Social Security Act, reimbursement for inpatient hospital services under the program established by such title shall not be payable, on an interim basis or in final settlement, to a hospital for an accounting period—

(1) which is subject to a mandatory limit under part A, to the extent that the reimbursement exceeds the mandatory limit prescribed under such part, or

(2) which is exempted from such a limit under section 211(c)(1) because the hospital is located in a State with an approved mandatory hospital cost containment program, to the extent that the reimbursement exceeds the limit prescribed under such program.

(b) Notwithstanding any provision of title V or XIX of the Social Security Act, payment shall not be required to be made by any State under either such title, nor shall payment be made to any State under either such title, with respect to any amount paid for inpatient hospital services to a hospital for an accounting period—

(1) which is subject to a mandatory limit under part A, to the extent that the amount exceeds such limit prescribed under such part, or

(2) which is exempted from such a limit under section 211(c)(1) because the hospital is located in a State with an approved mandatory hospital cost containment program, to the extent that the amount exceeds the limit prescribed under such program.

TITLE III—STUDIES, ADMINISTRATIVE PROVISIONS, AND DEFINITIONS

PART A—STUDIES AND REPORTS

NATIONAL COMMISSION ON HOSPITAL COST CONTAINMENT

SEC. 301. (a) The Secretary shall establish a National Commission on Hospital Cost Containment (hereinafter in this section referred to as the "Commission").

(b) The Commission shall consist of fifteen members appointed by the Secretary. Of those members—

(1) five shall be individuals representative of hospitals,

(2) five shall be individuals representative of entities that reimburse hospitals, of whom one shall be the Administrator of the Health Care Financing Administration, and

(3) five shall be individuals who are not representative of either hospitals or of entities that reimburse hospitals.

(c)(1) Except as provided in paragraphs (2) and (3), members shall be appointed for three years.

(2) Of the members first appointed—

(A) five shall be appointed for a term of two years, and

(B) five shall be appointed for a term of one year.

(3) Any member appointed to fill a vacancy occurring before the expiration of the term for which the members' predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of the member's term until the member's successor has taken office.

(d) The Secretary shall appoint one of the members as Chairman, to serve until the expiration of the member's term.

(e) Eight members of the Commission shall constitute a quorum to do business. The Commission shall meet at the call of the Chairman or at the call of a majority of its members.

(f) The Commission shall advise, consult with, and make recommendations to, the Secretary with respect to—

(1) the implementation of this Act,

(2) proposed modifications to the provisions of this Act, and

(3) any other matters that may affect hospital expenses or revenues.

(g)(1) Except as provided in paragraph (2), members of the Commission shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of Commission duties.

(2) Members of the Commission who are full-time officers or employees of the United States shall receive no additional pay on account of their service on the Commission.

(3) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel ex-

penses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

(h) The Commission may, subject to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, appoint, fix the pay of, and prescribe the functions of such personnel as are necessary to carry out its functions. In addition, the Commission may procure the services of experts and consultants as authorized by section 3109 of such title.

(i) The provisions of section 14(a) of the Federal Advisory Committee Act shall not apply with respect to the Commission.

TASKFORCE ON CONSUMER AND PHYSICIAN INCENTIVES TOWARDS HOSPITAL COST CONTAINMENT

Sec. 302. (a) (1) There is hereby established a Taskforce on Consumer and Physician Incentives Towards Hospital Cost Containment (hereinafter in this section referred to as the "Taskforce"), to be composed of seven members—

(A) three appointed by the President,

(B) two appointed by the Speaker of the House of Representatives, and

(C) two appointed by the President of the Senate.

Members of the Taskforce shall serve without additional compensation.

(2) The Taskforce will carry out its activities in consultation with appropriate Federal agencies, private organizations, consumers, physicians, and other interested parties.

(b) The Taskforce shall study—

(1) the effect of different policies and procedures (including use of deductibles, coinsurance, and cost- or risk-sharing; tax deduction and exclusion from income provisions of the Internal Revenue Code of 1954; and prepaid health plans) relating to payment for hospital services on (A) consumer and physician awareness of the relative cost and quality of different hospital (and outpatient) services, (B) utilization of hospital services, and (C) the quality of hospital services provided, and

(2) the desirability of increasing the use of these and similar methods in federally funded and other health insurance programs,

and will make recommendations to the Congress for appropriate changes in legislation. The Taskforce shall complete its study, and submit a report thereon to the appropriate committees of the Congress, not later than two years after the date members are first appointed to the Taskforce.

EVALUATION OF COST CONTAINMENT PROGRAM

Sec. 303. (a) The Secretary shall conduct a comprehensive evaluation (hereinafter in this section referred to as the "evaluation") of the cost controls established under this Act, focusing on—

(1) their efficiency, effectiveness, and fairness compared to alternative strategies for containing hospital costs, and

(2) modifications of the persent system of reimbursing hospitals under the medicare program on the basis of their retrospectively determined costs.

(b) The Secretary shall submit to the Congress not later than—

(1) six months after the date of the enactment of this Act, a formal plan for the evaluation,

(2) two years after the date of the enactment of this Act, an interim report on the evaluation, and

(3) December 31, 1983, a final report on the evaluation.

REPORT ON COST CONTAINMENT ALTERNATIVES

Sec. 304. (a) The Secretary shall prepare and submit to Congress, not later than one year after the date of the enactment of this Act, a report on additional or alternative measures (such as changes in (1) methods of third-party reimbursement for health costs, (2) physician reimbursement, (3) payment for drugs and medical supplies, (4) utilization of health facilities and services, and (5) capital expenditures) that can be taken to control costs in the health care industry, as well as the hospital part of the industry.

(b) The report shall include the results of a study, conducted by the Secretary in consultation with appropriate national organizations, on the activities, programs, operating costs, and reimbursement of children's hospitals (described in section 311(6) (E)). With such results, the Secretary shall include findings and recommendations, including a recommendation with respect to the use of a system for the prospective measurement of costs of such hospitals.

PART B—ADMINISTRATIVE PROVISIONS

REGULATIONS AND SHORT ACCOUNTING PERIODS

Sec. 311. (a) The Secretary may prescribe regulations to implement the provisions of this Act and shall determine or estimate any amounts or limits specified in this Act.

(b) The Secretary may make appropriate adjustments in the application of the provisions of this Act with respect to short accounting periods (described in section 321 (1) (B)).

HEARINGS AND APPEALS

Sec. 312. (a) Any hosiptal or payer dissatisfied with a determination made on behalf of the Secretary under part A of title II may obtain a hearing before the Provider Reimbursement Review Board (established under section 1878(h) of Social Security Act and hereinafter in this section referred to as the "Board") if the amount in controversy is $10,000 or more and the request for such hearing is filed within one hundred and eighty days after notice of the determination.

(b) (1) The provisions of subsections (c), (d), (e), (f), and (i) of section 1878 of the Social Security Act shall apply to hearings provided under subsection (a). In addition, the Board shall have the power to affirm, modify, or reverse any final determination (described in subsection (a)) of a fiscal intermediary or another entity acting on behalf of the Secretary.

(2) After completing a hearing provided under subsection (a) with respect to a determination, the Board shall render its decision on the determination not later than sixty days after the last day of the hearing.

(c) In additon to the members appointed under section 1878(h) of the Social Security Act, the Secretary may appoint up to four additonal members to the Board. For every two additional members appointed under this subsection, one shall be representative of providers of services. Those provisions of section 1878(h) of the Social Security Act which relate to compensation and terms of office of members of the Board shall also apply to members appointed under this subsection.

CONSOLIDATED TREATMENT OF CERTAIN HOSPITALS WITH COMMON OWNERSHIP

Sec. 313. (a) Subject to subsections (b) and (c), an organization that totally owns in a State two or more hospitals the accounting periods of which are subject to mandatory limits established under part A of title II, which have the same accounting period, and which were totally owned by the organization as of the date of the enactment of this Act shall have the limits under such part on average reimbursement per admission and on the average inpatient charges per admission (and any civil penalty thereon under section 221) computed and applied in the aggregate for all such hospitals with the same accounting period in the State, rather than on each such hospital, if—

(1) the organization requests the Secretary, in a timely manner, to have such treatment made, and

(2) the Secretary determines that the organization has provided adequate assurances that the organization will provide, on a timely basis, the data necessary to determine these limits on the hosptial.

(b) A hospital treated on a consolidated basis with another hospital or hospital under subsection (a) shall have such consolidated treatment discontinued if—

(1) the hospital is no longer totally owned by an organization which owns the other hospital or hospitals, is no longer subject to a mandatory limit under part A of title II, or no longer has the same accounting period as the other hospital or hospitals or

(2) the organization requests such discontinuance and the Secretary approves of such discontinuance.

(c) The Secretary may not grant any exception under section 207 with respect to any hospital that is treated on a consolidated basis with another hospital or hospitals under subsection (a).

IMPROPER CHANGES IN ADMISSIONS PRACTICES

Sec. 314. (a) No hospital may change its admission practices in a manner which results in—

(1) a significant reduction in the proportion of its patients who have no third-party coverage and who are unable to pay for inpatient hospital services provided by the hospital,

(2) a significant reduction in the proportion of persons admitted to the hospital for inpatient hospital services for which payment is (or is likely to be) less than the anticipated charges for or costs of such services,

(3) the refusal to admit patients who would be expected to require unusually costly or prolonged treatment for reasons other than those related to the appropriateness of the care available at the hospital, or

(4) the refusal to provide emergency services to any person who is in need of emergency services if the hospital provides such services.

(b) The Secretary shall monitor, on a periodic basis, the extent of each hospital's compliance with subsection (a).

(c) (1) Upon written complaint by any institution that satisfies paragraphs (1) and (7) of section 1861(e) of the Social Security Act or upon receiving such volume of written complaints or such reasonable documentation from any persons (as the Secretary finds sufficient) that a hospital has changed its admission practices in a manner in violation of subsection (a), the Secretary shall investigate the complaint and, upon a finding by him that the complaint is justified, he may—

(A) exclude the hospital from participation in any or all of the programs established by title V, XVIII, or XIX of the Social Security Act, or

(B) reduce the total amounts otherwise reimbursable to the hospital under title XVIII of the Social Security Act in an amount equal to $2,000 for each of the number of persons who were not admitted as patients because of the change,

or both.

(2) In addition the Secretary may take any other action authorized by law (including an action to enjoin such a violation brought by the Attorney General upon request of the Secretary) which will restrain or compensate for a violation of subsection (a).

(d) Any hospital aggrieved by a determination of the Secretary under subsection (c) shall, upon timely request, be entitled to a hearing on the record on such determination (in accordance with section 554 of title 5, United States Code), and no reduction in reimbursement may be made under subsection (c) (1) (B) with respect to a hospital until the hospital has had the opportunity for such a hearing and judicial review (under chapter 7 of such title) on the determination after the hearing.

(e)(1) An appropriate civil action to restrain an alleged violation of subsection (a) may be brought by a person other than the Secretary, but only if—

(A) One hundred and eighty days have passed from the date a complaint with respect to that alleged violation has been filed by the person with the Secretary, and

(B) neither the Secretary nor the Attorney General has commenced and is diligently pursuing judicial proceedings or administrative action with respect to the alleged violation.

(2) Any civil action under this subsection shall be brought in the United States district court for the judicial district in which the hospital in question is located, and the district courts of the United States shall have jurisdiction over actions brought under this subsection without regard to the amount in controversy or the citizenship of the parties.

(3) In any action brought under this subsection, the Secretary or the Attorney General, if not a party, may intervene as a matter of right.

(4) The court, in issuing any final order in any action brought under this subsection, may award costs of suit and reasonable fees for attorneys and expert witnesses if the court determines that such an award is appropriate. Any court, in issuing its decision in an action brought to review such an order, may award costs of suit and reasonable fees for attorneys if the court determines that such an award is appropriate.

(f) Nothing in this section shall restrict any right which any person (or class of persons) may have under any other statute or at common law to seek enforcement of this Act or to seek any other relief.

CONFIDENTIALITY OF CERTAIN MEDICAL RECORDS

SEC. 315. (a) No officer, employee, or agent of the Federal Government or of an organization conducting medical reviews under part B of title XI of the Social Security Act may, for purposes of carrying out this Act, inspect (or have access to), any part of an individually identifiable medical record (as defined in subsection (c)) of a patient which relates to medical care not provided directly by the Federal Government or paid for (in whole or in part) under a Federal program or under a program receiving Federal financial assistance, unless the patient has authorized such disclosure and inspection in accordance with subsection (b).

(b) A patient authorizes disclosure and inspection of a medical record for purposes of subsection (a) only if, in a signed and dated statement, the patient—

(1) authorizes the disclosure and inspection for a specific period of time;

(2) identifies the medical record authorized to be disclosed and inspected; and

(3) specifies the agencies which may inspect the record and to which the record may be disclosed.

(c) For purposes of this section:

(1) The term "individually identifiable medical record" means a medical, psychiatric, or dental record concerning an individual that is in a form which either identifies the individual or permits identification of the individual through means (whether direct or indirect) available to the public.

(2) The term "medical care" includes medical, psychiatric, and dental care and treatment.

DETERMINATION OF RELATIVE EFFICIENCY OF HOSPITALS AND MEDICARE AND MEDICAID BONUSES FOR EFFICIENCY

SEC. 316. (a) The Secretary shall develop (and may from time to time revise), by regulation, a system of grouping hospitals by appropriate characteristics, such as patient case mix and metropolitan or nonmetropolitan setting. He shall establish (and may from time to time revise), by regulation, a method of measuring efficiency within each group that provides for setting a group norm, defined in terms of all or certain hospital expenses (adjusted for area wage differentials). In determining individual hospital efficiency under the method, the Secretary may take into account systemwide savings attributable to lower hospital inpatient utilization per capita in the area in which the hospital is located. The Secretary, in carrying out the requirements of this subsection with respect to hospitals located in Hawaii or Alaska, shall make such adjustments as may be necessary to reflect the higher prices for classes of goods and services prevailing in each of those States. If the hospital provides care to a greater percentage of patients sixty-five years of age or older than the average percentage for its group, the Secretary shall adjust (to the extent the method for determining the relative efficiency of the hospital does not otherwise take this into considertaion) the amount of the hospital's expenses to take into consideration the higher average costs associated with care for patients sixty-five or older to the extent of such excess percentage.

(b)(1) The Secretary may, in his discretion, provide for a bonus in the amount otherwise reimbursable to a hospital under title XVIII or under a State plan approved under title XIX of the Social Security Act to reflect that the hospital, as determined under subsection (a), is more efficient for an accounting period than the group norm for hospitals in its group. Such a bonus may not exceed the lesser of—

(A) one-half of the total amount of the savings under such title or plan of the hospital below the group norm, or

(B) the product of (i) 5 percent of the amount of the expenses for the group norm per unit of measurement, and (ii) the number of units of measurement associated with the hospital's performance.

(2) Any bonus provided under this subsection shall be additional to any other reimbursement provided under such titles and shall not be included as reimbursement for purposes of computing the mandatory limit on the hospital under part A of title II.

(3) Bonuses payable pursuant to this section shall be paid, in appropriate proportions, from the Federal Hospital Insurance Trust Fund (established under section 1817 of the Social Security Act) and under a State plan approved under title XIX of such Act.

(4) In exercising his discretion under this section, the Secretary shall take into account (A) the degree to which a hospital has been more efficient than other hospitals in its group, and (B) the existence of a similar bonus under any State mandatory hospital cost containment program to which the hospital is subject.

(5) The Secretary may not provide, in any fiscal year, for more than $50,000,000 in bonuses to hospitals under this section.

SUNSET PROVISION

SEC. 317. (a) Except as otherwise provided in this Act, the provisions of this Act relating to—

(1) the national voluntary percentage limit shall not apply to years after 1982;

(2) State and individual voluntary percentage limits shall not apply to accounting periods of hospitals beginning in any year after 1983;

(3) Federal mandatory limits on individual hospitals shall not apply to accounting periods of hospitals beginning in any year after 1983; and

(4) medicare and medicaid bonuses under section 316(b) shall apply only with respect to accounting periods of hospitals ending after December 31, 1979, and before January 1, 1984.

(b)(1) Section 314 shall not apply to changes in admissions practices occurring after December 31, 1983.

(2) Paragraph (1) does not preclude the exclusion or reduction provided in section 314(c)(1) with respect to improper changes in admission practices occurring before January 1, 1984.

(c) The National Commission on Hospital Cost Containment shall be established under section 301 not earlier than October 1 of the year in which this Act is enacted and shall be terminated in March 1, 1984.

(d) The Taskforce on Consumer and Physician Incentives Towards Hospital Cost Containment shall be established under section 302 not earlier than October 1 of the year in which this Act is enacted and shall be terminated not later than March 1, 1984.

PART C—DEFINITIONS

GENERAL DEFINITIONS

SEC. 321. For purposes of this Act:

(1) The term "accounting period" means—

(A) except as provided in subparagraph (B)—

(i) in the case of a hospital participating in the program established by title XVIII of the Social Security Act, the period of twelve consecutive calendar months utilized as the reporting period for reimbursement purposes under that program,

(ii) in the case of a hospital not participating in the program established by title XVIII of the Social Security Act, a calendar year, or, if requested by the hospital, such other period of twelve consecutive calendar months as the Secretary may approve, and

(B) in the case of a hospital whose period under subparagraph (A) is changed from one twelve-month period to another, such shorter period as the Secretary may establish.

(2)(A) The term "admission" means the formal acceptance by a hospital of an inpatient, excluding newborn children (unless retained after discharge of the mother) or a transfer within or among inpatient units of the hospital.

(B) In the case of the admission of an individual whose inpatient hospital services are to be reimbursed in part by more than one cost payer, the admission shall be attributed to the cost payer which is to reimburse for such services furnished before any such services are furnished for which other cost payers are to reimburse.

(3) The term "base accounting period" means a hospital's last accounting period not subject to a mandatory limit under part A of title II.

(4) The term "cost payer" means—

(A) a Federal or State program, or

(B) a carrier (as defined by section 1842 (f)(1) of the Social Security Act),

that reimburses a hospital for inpatient hospital services on a basis related to the hospital's costs in furnishing those services or on any other basis other than inpatient charges, and the term "private cost payer" means a cost payer described in subparagraph (B).

(5) The terms "health systems agency" and "State health planning and development agency'" mean, for a hospital, such agencies as designated under sections 1515 and 1521, respectively, of the Public Health Service Act for the area or State, respectively, in which the hospital is located.

(6) The term "hospital", with respect to any period, means an institution (or distinct part of an institution if the distinct part participates in the program established by title XVIII of the Social Security Act) that satisfies paragraphs (1) and (7) of section 1861(e) of the Social Security Act during all of the period and has satisfied those conditions during the preceding thirty-six months, but does not include any such institution if it—

(A) had an average duration of stay of

thirty days or more during the preceding thirty-six months,

(B) derived 75 percent or more of its inpatient care revenues from one or more health maintenance organizations (as defined in section 1301(a) of the Public Health Service Act) during the preceding twelve months,

(C)(i) is located in a rural area and (ii) had average annual admissions of four thousand or less during the preceding thirty-six months,

(D) does not impose charges or accept payments for services provided to patients,

(E) is an institution (i) organized and operated for the care of children and youth, and (ii) a majority of whose inpatients are eighteen years of age or younger, or

(F) is a psychiatric hospital (as described in section 1861(f)(1) of the Social Security Act),

and, for purposes of section 211, does not include an institution if it is a Federal institution during any part of the period. For purposes of subparagraph (C), the term "rural area" includes an area which is either outside an urban area (as defined by the Bureau of the Census) or outside a Standard Metropolitan Statistical Area (as determined by the Office of Management and Budget).

(7) The term "inpatient hospital services" has the meaning assigned by section 1861(b) of the Social Security Act, but includes in addition the services specified in section 1861(b)(5) of that Act.

(8) The term "Secretary" means the Secretary of Health, Education, and Welfare.

(9) The term "State" means each of the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.

(10) The term "supervisor" has the meaning assigned by section 2(12) of the National Labor Relations Act.

(11) The term "United States" means the geographic area consisting of all the States.

DEFINITIONS RELATING TO CHARGES, EXPENSES, AND REIMBURSEMENT

SEC. 322. For purposes of this Act:

(1) The term "hospital expenses", for purposes of title I, does not include any SHUR expenses (as defined in paragraph (5)).

(2) The term "inpatient charges" means charges (as defined by section 405.452(d)(4) of title 42, Code of Federal Regulations, as in effect on the date of the enactment of this Act) for inpatient hospital services.

(3) The term "reimbursement payable to a hospital by a cost payer" means the sum of—

(A) the amounts (other than the coinsurance or deductible amounts of another entity) payable by the cost payer to the hospital for inpatient hospital services, and

(B) the amounts payable by an individual or other entity to the hospital for inpatient hospital services if the individual's expenses for those services are payable in part by the cost payer, to the extent that those amounts are calculated as a portion of the costs or other basis on which the amounts payable by the cost payer are determined, except that amounts payable by a program established under title V, XVIII, or XIX of the Social Security Act shall be determined without regard to adjustments resulting from the applications of sections 405.415(d)(3), 405.415(f), 405.455(d) and 405.460(g) of title 42, Code of Federal Regulations.

(4) The term "amounts related to philanthropy" means, with respect to a hospital, any amounts which are attributable to—

(A) a donor designated or restricted grant, gift, or income from an endowment, as defined in section 405.423(b)(2) of title 42 of the Code of Federal Regulations;

(B) a grant or gift, or income from such a grant or gift, which is not available for use as operating funds because of its designation by the hospital's governing board;

(C) a grant or similar payment which is made by a governmental entity and which is not available, under the terms of the grant or payment, for use as operating funds;

(D) the sale or mortgage of any real estate or other capital assets of the hospital which the hospital acquired through a gift or grant and which is not available for use as operating funds under the terms of the gift or grant or because of its designation by the hospital's governing board; and

(E) a depreciation fund which is (i) created by the hospital in order to meet a condition imposed by a third party for the third party's financing of a capital improvement of the hospital, and (ii) is used exclusively to make payments to such third party for the financing of the capital improvement.

(5) The term "SHUR expenses" means expenses incurred by a hospital only in order to comply with the requirement of sections 1861(v)(1)(F) and 1902(a)(40) of the Social Security Act (relating to reporting under a system for hospital uniform reporting).

(6) The term "wage-related expenses" means wages (as such term is used under the Fair Labor Standards Act of 1938) and includes overtime wages and shift differential, taxes imposed under section 1401, 3101, or 3111 of the Internal Revenue Code of 1954 (relating to the Federal Insurance Contributions Act taxes), and expenses relating to unemployment compensation, workmen's compensation, and fringe benefits (including pensions and health benefits) as established by the Secretary by regulation.

DEFINITIONS RELATING TO MARKETBASKET INCREASES

SEC. 323. For purposes of this Act:

(1) The term "percent increase in the national hospital nonwage marketbasket" means, for a twelve-month period, sum of the products of—

(A) the average percentage increase in the United States in the price of each appropriate class (as determined by the Secretary) of goods and services (other than wage-related expenses and SHUR expenses) in the period over the price of the class in the preceding twelve-month period, and

(B) the average fraction (as determined or estimated by the Secretary from time to time) of the expenses of hospitals in the United States attributable to that class.

(2) The term "percent increase in the national hospital wage-related marketbasket" means, for a year, the product of—

(A) the average percentage increase in the wage-related expenses paid in the year over the wage-related expenses paid in the preceding year per employee per hour to employees (other than to doctors of medicine or osteopathy and to supervisors) of hospitals in the United States, and

(B) the average fraction (as determined or estimated by the Secretary from time to time) of the expenses of hospitals in the United States attributable to such wage-related expenses.

(3) The term "percent increase in the nonwage marketbasket" means, for an accounting period of a hospital, the sum of the products of—

(A) the average percentage increase in the United States (or in the area or State in which the hospital is located, if data for the hospital's area or State are available) in the price of each appropriate class (as determined by the Secretary) of goods and services (other than wage-related expenses and SHUR expenses) in the period over the price of the class in the preceding accounting period, except that the Secretary, in applying such percentage increase with respect to hospitals located in Hawaii or in Alaska, shall make such adjustment in such percentage increase as may be necessary to reflect any higher rate of increase in the prices of classes of goods and services in those States as compared with such rate of increase in the United States, and

(B) the fraction (as determined or estimated by the Secretary from time to time) of the hospital's expenses attributable to the class.

(4) The term "percent increase in the wage-related marketbasket" means, for a hospital for an accounting period, the product of—

(A) the average percentage increase in the wage-related expenses paid in the period over the wage-related expenses paid in the preceding period per employee per hour to employees (other than to doctors of medicine or osteopathy and to supervisors) of the hospital (or zero, if there are not sufficient data to make a reasonable estimate), and

(B) the average fraction (as determined or estimated by the Secretary from time to time) of the hospital's expenses attributable to such wage-related expenses.

(5) The term "adjustment factor" means, for a hospital for an accounting period, a fraction with—

(A) the numerator equal to the sum of the fractions of the hospital's expenses (described in paragraph (3)(B)) attributable to classes of goods and services described in such paragraph, and

(B) the denominator equal to the sum of the average fractions of expenses of hospitals in the United States, as estimated and announced under section 101(b)(2) before the calendar quarter in which the accounting period begins.

DEFINITIONS RELATING TO POPULATION CHANGES

SEC. 324. For purposes of this Act:

(1) The term "percent change in area population" means, for an accounting period of a hospital, the highest of—

(A) the percent change in State population (as defined in paragraph (3)) for the period, or

(B) the percentage change in the size of the population of the Standard Metropolitan Statistical Area (as determined by the Office of Management and Budget), if any, in which the hospital is located in the year preceding the year in which the accounting period ends over the size of the population of such Area in the second preceding year, or

(C) the percentage change in the size of the population of the county or county equivalent area (as recognized by the Bureau of the Census) in which the hospital is located in the year preceding the year in which the accounting period ends over the size of the population of such county or area in the second preceding year.

(2) The term "percent increase in the national population" means, for a year, the percentage by which the size of the population in the United States in the year exceeds the size of the population of the United States in the preceding year.

(3)(A) Subject to subparagraph (B), the term "percent change in State population" means, for an accounting period of a hospital, the percentage change in the size of the population of the State in which the hospital is located in the year preceding the year in which the accounting period ends over the size of the population of the State in the second preceding year.

(B) In the case of a State in which the rate of increase in its population of persons sixty-five years of age or older for a year exceeds the rate of increase in the population of such persons in the United States for the year, the Secretary shall provide for such adjustment in the percent change in State population for accounting periods (of hospitals in the State) ending in the year in a manner which takes into consideration the additional costs (based on national data for cost of hospital services per caipta for such persons as opposed to persons of other ages) involved in caring for such persons to the extent of such excess increase rate.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. WAXMAN. Mr. Chairman, pursuant to the rule providing for consideration of H.R. 2626, I offer an amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute offered by the gentleman from California.

The amendment in the nature of a substitute offered by the Committee on Interstate and Foreign Commerce reads as follows:

Amendment in the nature of a substitute offered by the Committee on Interstate and Foreign Commerce:

Strike out all after enacting clause and insert:

SHORT TITLE: TABLE OF CONTENTS

Section 1. This Act may be cited as the "Hospital Cost Containment Act of 1979".

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TITLE I—VOLUNTARY HOSPITAL COST CONTAINMENT PROGRAM

PART A—ESTABLISHMENT OF VOLUNTARY PERCENTAGE LIMITS

NATIONAL VOLUNTARY PERCENTAGE LIMIT

SEC. 101. (a) The Secretary, before April of each year (beginning with 1980 and ending with last year of the national voluntary period, as determined under section 115(a)), shall promulgate a national voluntary percentage limit for the preceding year, which shall be equal to the sum of the following four amounts (as computed by the Secretary):

(1) WAGES OF NONSUPERVISORY EMPLOYEES.—The percent increase in the national hospital wage marketbasket (as defined in section 323(2)) for that preceding year.

(2) NONWAGE HOSPITAL MARKETBASKET.—The greater of—

(A) the percent increase in the national hospital nonwage marketbasket (as defined in section 323(1)) for that preceding year, or

(B) (i) for 1979, 6.5 percent, or

(ii) for any other year, the percent increase in the national hospital nonwage marketbasket for that preceding year as estimated and announced under subsection (b) (1).

(3) POPULATION INCREASE FACTOR.—The percent increase in the national population (as defined in section 324(2)) for that preceding year.

(4) NET SERVICE INTENSITY ALLOWANCE.—One percent.

Notwithstanding the preceding provisions of this subsection, the national voluntary percentage limit for 1979 shall not be less than 11.6 percent.

(b) The Secretary, before the first calendar quarter beginning after the date of the enactment of this Act and before each succeeding calendar quarter of a year before 1985, shall estimate and announce—

(1) the percent increase in the national nonwage marketbasket for the twelve-month period beginning with that calendar quarter, and

(2) the sum of the average fractions of expenses of hospitals in the United States (described in section 323(1)(B)) attributable to classes of goods and services used in the computation of the percent increase (described in paragraph (1)) for that twelve-month period.

INDIVIDUAL HOSPITAL VOLUNTARY PERCENTAGE LIMITS

SEC. 102. (a) (1) The Secretary shall compute an individual hospital voluntary percentage limit under this section for each accounting year of a hospital ending during the period beginning January 1, 1979, and ending December 30, 1984.

(2) The Secretary shall compute these limits for a hospital's accounting period that ended—

(A) in 1979, before July 1, 1980, or

(B) after 1979, not later than six months after the end of the accounting period.

(b) (1) For a hospital's accounting period that ended on December 31, 1979, such limit shall be equal to the sum of the following four amounts:

(A) WAGES OF NONSUPERVISORY EMPLOYEES.—The percent increase in the wage marketbasket (as defined in section 323(4)) of the hospital for the accounting period.

(B) NONWAGE HOSPITAL MARKETBASKET.—The greater of (i) the percent increase in the nonwage marketbasket (as defined in section 323(3)) of the hospital for the accounting period, or (ii) 6.5 percent.

(C) POPULATION CHANGE FACTOR.—The percent change in area population (as defined in section 324(1)) for the accounting period of the hospital.

(D) NET SERVICE INTENSITY ALLOWANCE.—One percent.

(2) For a hospital's accounting period that ended in 1979 before December 31, such limit shall be equal to the sum of the following two amounts:

(A) 1978 FACTOR.—The percentage increase in the hospital's expenses in its accounting period that ended in 1978 over its expenses in its preceding accounting period, multiplied by the fraction of the accounting period ending in 1979 that occurred in 1978.

(B) 1979 FACTOR.—The sum of the four amounts described in paragraph (1) for the accounting period, multiplied by the fraction of the accounting period that occurred in 1979.

(c) For a hospital's accounting period that ended after 1979, such limit shall be equal to the sum of the following four amounts:

(1) WAGES OF NONSUPERVISORY EMPLOYEES.—The percent increase in the wage marketbasket (as defined in section 323(4)) of the hospital for the accounting period.

(2) NONWAGE HOSPITAL MARKETBASKET.—The greater of—

(A) the percent increase in the nonwage marketbasket (as defined in section 323(3)) of the hospital for the accounting period, or

(B) (i) for an accounting period that began before the beginning of the first calendar quarter beginning after the date of the enactment of his Act, 6.5 percent, or

(ii) for any other accounting period, the percent increase in the national hospital nonwage marketbasket as estimated and announced under section 101(b)(1) for the twelve-month period beginning with the calendar quarter in which the accounting period began, multiplied by the hospital's adjustment factor (as defined in section 323(5)) for the accounting period.

(3) POPULATION CHANGE FACTOR.—The percent change in area population (as defined in section 324(1)) for the accounting period of the hospital.

(4) NET SERVICE INTENSITY ALLOWANCE.—One percent.

(d) (1) A hospital may elect, in such manner and in accordance with such procedures as the Secretary shall provide, to exclude from the computation of its individual hospital expenses for purposes of the determination of its individual hospital voluntary percentage limit under this section and its individual hospital performance under section 114 for all accounting periods of the hospital (beginning with the first accounting period for which the election is made.—

(A) expenses attributable to charity care (as defined in paragraph (2) (A)),

(B) expenses attributable to bad debts (as defined in paragraph (2) (B)),

(C) capital-related expenses (including depreciation and interest) related to capital expenditures which—

(i) significantly increase bed capacity or significantly expand services, capacity, or both, and

(ii) have been approved by the State health planning and development agency for the hospital,

to the extent these expenses have not been included in the hospital's expenses for the previous accounting period, or

(D) patient care and teaching expenses related to a major expansion of a medical teaching program to the extent such expenses are not included in the previous accounting period,

or any combination of such types of expenses for the accounting period.

(2) For purposes of paragraph (1)—

(A) the term "expenses attributable to charity care" means, with respect to a hospital's accounting period, expenses relating to care, provided to patients by the hospital, for which reductions in (or elimination of) charges are made, as established by the hospital to the satisfaction of the Secretary, because of the indigence or medical indigence of the patients, and

(B) the term "expenses attributable to bad debts" means, with respect to a hospital's accounting period, expenses relating to care, provided to patients by the hospital, for which there are charges, to the extent to which the hospital establishes to the satisfaction of the Secretary, that (i) it has made reasonable efforts to collect such charges, (ii) any uncollected amounts are in fact uncollectible, and (iii) there is not substantial likelihood of their future collection.

PART B—REVIEW OF PERFORMANCE DURING VOLUNTARY PERIOD

NATIONAL HOSPITAL PERFORMANCE

SEC. 111. (a) The Secretary, before July 1, 1980, and before July 1 of any succeeding year that follows a year during the national voluntary period (as determined under section 115(a)), shall determine whether the increase in hospital expenses in the United States in the preceding year over those expenses in the second preceding year exceeded the national voluntary limit for the preceding year. He shall make that determination as follows:

(1)(A) He shall assign to each hospital's accounting period that ended on December 31 of that preceding year the national voluntary percentage limit (computed under section 101) for that preceding year.

(B) If the preceding year was 1979, he shall assign to each hospital's accounting period ending in 1979 before December 31 the sum of—

(i) 12.8 percent multiplied by the fraction of the accounting period that occurred in 1978, and

(ii) the national voluntary percentage limit for 1979 multiplied by the fraction of the accounting period that occurred in 1979.

(C) If the preceding year was 1980 or later, he shall assign to each hospital's accounting period ending before December 31 in that preceding year the sum of—

(i) the national voluntary percentage limit for the second preceding year multiplied by the fraction of the accounting period that occurred in that second preceding year, and

(ii) the national voluntary percentage limit for that preceding year multiplied by the fraction of the accounting period that occurred in that preceding year.

(2) He shall compute the dollar amount by which each hospital's expenses in its accounting period ending in that preceding year exceeded (or was less than) its expenses in its preceding accounting period increased by the percentage limit assigned under paragraph (1) to the hospital's accounting period ending in that preceding year.

(3)(A) He shall compute the sum of the dollar amounts computed under paragraph (2).

(B)(i) For 1979, if the sum is greater than zero, he shall announce that the increase in hospital expenses in the United States for the preceding year exceeded the national voluntary limit for that year.

(ii) For 1979, if the sum is equal to or less than zero, he shall announce that the increase did not exceed the national voluntary limit for the preceding year and he shall credit, to a national carryforward account, an amount equal to one-half of the dollar amount of such savings.

(iii) Immediately before making a determination under this subsection for a year after 1979, the amount of any balance in the national carryforward account shall be increased by a percentage equal to the national voluntary percentage limit for the year.

(C)(i) For a year after 1979, if the sum is greater than zero, he shall apply, against such sum and to the extent of such sum, any balance in the national carryforward account (described in subparagraph (B)(ii)). If, after applying some or all of such balance, the sum is equal to zero, the Secretary shall announce that the increase in hospital expenses in the United States did not exceed the national voluntary limit for the preceding year and shall debit, against the national carryforward account, the amount of the account applied. If, after applying all of such balance, the sum is still greater than zero, he shall announce that the increase in hospital expenses in the United States for the preceding year exceeded the national voluntary limit for that year and shall reduce to zero the balance in the national carryforward account.

(ii) For a year after 1979, if the sum is equal to or less than zero, he shall announce that the increase did not exceed the national voluntary limit for the preceding year and he shall credit, to the national carryforward account, an amount equal to one-half of the dollar amount of such savings for such year.

(b)(1) The Secretary shall report to each House of Congress on his announcement under subsection (a) and include in the report details as to the basis for the announcement.

(2) Such report shall be delivered to each House of the Congress on the same date and to each House of the Congress while it is in session. Such report made to the House of Representatives shall be referred to the Committee on Ways and Means and to the Committee on Interstate and Foreign Commerce, and such report made to the Senate shall be referred to the Committee on Finance and to the Committee on Labor and Human Resources.

CONGRESSIONAL REVIEW OF NATIONAL HOSPITAL PERFORMANCE

SEC. 112. (a)(1) A report submitted to Congress under section 111(b) shall be considered disapproved for purposes of section 115(a) if—

(A) before the end of the period of forty-five calendar days of continuous session after the date the report is submitted to Congress, one House of the Congress adopts a resolution disapproving such report, and

(B) before the end of such forty-five-day period, or, if later, the fifteenth day of continuous session after the date one House of Congress adopts (during such forty-five-day period) a resolution disapproving such report, the other House has not adopted a resolution approving such report.

(2) For the purpose of paragraph (1)—

(A) continuity of session is broken only by an adjournment of Congress sine die, and

(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of days of continuous session.

(b)(1) This subsection is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described in paragraph (2) of this subsection, and it supersedes other rules only to the extent that it is inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rules of the House.

(2) For purposes of this subsection, the term "resolution" means only a resolution of either House of Congress the matter after the resolving clause of which is either—

(A) "That the disapproves the report of the Secretary of Health, Education, and Welfare, made under section 111(b) of the Hospital Cost Containment Act of 1979, relating to the Secretary's announcement that the increase in hospital expenses in the United States for has exceeded the national voluntary limit for that year.", or

(B) "That the approves the report of the Secretary of Health, Education, and Welfare, made under section 111(b) of the Hospital Cost Containment Act of 1979, relating to the Secretary's announcement that the increase in hospital expenses in the United States for has exceeded the national voluntary limit for that year.",

the first blank space therein being filled with the name of the resolving House and the other blank being filled in with the number of the year for which the announcement was made.

(3) In the case of a resolution introduced in the House of Representatives, the Speaker of the House of Representatives shall immediately refer the resolution jointly to the Committee on Ways and Means and to the Committee on Interstate and Foreign Commerce. In the case of a resolution introduced in the Senate, the President of the Senate shall immediately refer the resolution jointly to the Committee on Finance and to the Committee on Labor and Human Resources.

(4)(A) If the committees in a House of Congress to which a resolution has been referred have not reported it at the end of thirty calendar days after its referral, it shall be in order to move to discharge the committees from further consideration of such resolution.

(B) A motion to discharge shall be highly privileged (except that it may not be made after the committees have reported a resolution with respect to the same report), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(C) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committees be made with respect to any other resolution with respect to the same report.

(5)(A) When the committees have reported, or have been discharged from further consideration of, a resolution, it shall be at any time thereafter in order (even through a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion may be made only by an individual favoring the resolution, shall be highly privileged, and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(B) Debate on the resolution referred to in subparagraph (A) shall be limited to not more than five hours, which shall be divided equally between those favoring and those opposing such resolution. A motion further to limit debate shall not be debatable. The only amendment that shall be in order with respect to a resolution described—

(i) in paragraph (2)(A) is an amendment to strike all after the resolving clause and to insert in lieu thereof the matter described in paragraph (2)(B), or

(ii) in paragraph (2)(B) is an amendment to strike all after the resolving clause and to insert in lieu thereof the matter described in paragraph (2)(A),

and no amendment (or substitute) to such an amendment shall be in order. A motion to recommit the resolution shall not be in order, and it shall not be in order to move to reconsider the vote by which such resolution (or an amendment to the resolution) was agreed to or disagreed to.

(6)(A) Motions to postpone, made with respect to the discharge from committees, or the consideration of a resolution and motions to proceed to the consideration of other business, shall be decided without debate.

(B) Appeals from the decision of the Chair relating to the application of the Rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution shall be decided without debate.

(c)(1) Any interested party may institute such actions in the appropriate district court of the United States, including actions for declaratory judgment, as may be appropriate to construe the constitutionality of this section and section 115(a)(2). The district court immediately shall certify all questions of the constitutionality of such provisions to the United States court of appeals for the circuit involved, which shall hear the matter sitting en banc.

(2) Notwithstanding any other provision of law, any decision on a matter certified under paragraph (1) shall be reviewable by appeal directly to the Supreme Court of the United States. Such appeal shall be brought not later than twenty days after the date of the decision of the court of appeals.

(3) It shall be the duty of the court of appeals and of the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any matter certified under paragraph (1).

STATE HOSPITAL PERFORMANCE

SEC. 113. The Secretary, before July 1, 1980, and before July 1 of any succeeding year before 1985, shall determine whether the increase in hospital expenses in the State in the preceding year over those expenses in the second preceding year exceeded the State voluntary limit for the preceding year. He shall make that determination as follows:

(1) He shall compute the dollar amount by which the expenses of each hospital in the State in its accounting period ending in that preceding year exceeded (or was less than) its expenses in its preceding accounting period increased by the voluntary percentage limit (computed under section 102) for the hospital for the accounting period.

(2)(A) He shall compute the sum of the dollar amounts computed under paragraph (1).

(B)(i) For 1979, if the sum is greater than zero, he shall announce that the increase in hospital expenses in the State for the preceding year exceeded the State voluntary limit for that year.

(ii) For 1979, if the sum is equal to or less than zero, he shall announce that such increase did not exceed the State voluntary limit for the preceding year and he shall credit, to a State carryforward account for that State, an amount equal to one-half of the dollar amount of such savings.

(iii) Immediately before making a determination under this subsection for a year after 1979, the amount of any balance in the State carryforward account shall be increased by a percentage equal to the sum of the products, for each hospital in the State, of—

(I) the voluntary percentage limit for the accounting period ending in the year, and

(II) the fraction of the expenses of hospitals in the State for accounting periods ending in the year which are the expenses of the hospital for its accounting period ending in the year.

(C)(i) For a year after 1979, if the sum is greater than zero, he shall apply, against such sum and to the extent of such sum, any balance in the State carryforward account (described in subparagraph (B)(ii)). If, after applying some or all of such balance, the sum is equal to zero, the Secretary shall announce that the increase in hospital expenses in the State did not exceed the State voluntary limit for the preceding year and shall debit, against the State carryforward account of that State, the amount of the account applied. If, after applying all of such balance, the sum is still greater than zero, he shall announce that the increase in hospital expenses in the State for the preceding year exceeded the State voluntary limit for that year and shall reduce to zero the balance of the State carryforward account of the State.

(ii) For a year after 1979, if the sum is equal to or less than zero, he shall announce that the increase did not exceed the State voluntary limit for the preceding year and he shall credit, to the State carryforward account for that State an amount equal to one-half of the dollar amount of such savings for such year.

INDIVIDUAL HOSPITAL PERFORMANCE

SEC. 114. (a) The Secretary, when he computes an individual hospital voluntary percentage limit under section 102, shall determine whether the percent increase in a hospital's expenses in the hospital's accounting period over those expenses in the previous accounting period exceeded the hospital's individual voluntary hospital percentage limit for the period.

(b)(1)(A) For the accounting period ending in 1979, if there was an excess under subsection (a), the Secretary shall inform the hospital that the increase in the hospital's expenses in the accounting period exceeded the hospital's individual voluntary percentage limit for that period.

(B) For the accounting period ending in 1979, if there was no such excess under subsection (a), the Secretary shall inform the hospital that the increase in the hospital's expenses did not exceed the hospital's individual voluntary percentage limit for the period and he shall credit, to a carry-forward account for that hospital, an amount equal to one-half of the dollar amount of such savings.

(C) Immediately before making a determination under this subsection for a year after 1979, the amount of any balance in the carryforward account of a hospital shall be increased by a percentage equal to the hospital's individual voluntary percentage limit for the period.

(2)(A) For an accounting period ending in a year after 1979, if there was an excess under subsection (a), the Secretary shall apply, against such excess and to the extent of such excess, any balance in the hospital's carryforward account (described in paragraph (1)(B)). If, after applying some or all of such balance, there is no excess remaining, the Secretary shall inform the hospital that the increase in the hospital's expenses did not exceed the hospital's individual voluntary percentage limit for the accounting period and shall debit, to the carryforward account for that hospital, the amount of the account applied. If, after applying all of such balance, there is still an excess, he shall inform the hospital that the increase in the hospital's expenses in the accounting period exceeded the hospital's individual voluntary percentage limit for that period and shall reduce to zero the balance in the carryforward account of the hospital.

(B) For an accounting period ending in a year after 1979, if there is no excess, he shall inform the hospital that such increase did not exceed the hospital's individual voluntary percentage limit for the period and he shall credit, to the carryforward account for that hospital, an amount equal to one-half of the dollar amount of such savings for such period.

DURATION OF NATIONAL, STATE, AND INDIVIDUAL HOSPITAL VOLUNTARY PERIODS

SEC. 115. (a) The national voluntary period shall be considered to begin with 1979 and to end with the earlier of 1984 or the first year for which—

(1) the Secretary has announced and reported to Congress under section 111(b) that total expenses of hospitals in the United States for the year have exceeded the national voluntary limit for that year, and

(2) the Congress has not, under section 112, disapproved the report for that year.

(b) The voluntary period of a State shall be considered to begin with 1979 and to end with the earlier of 1984 or the first year—

(1) which is the last year of, or is any year after, the national voluntary period (as determined under subsection (a)), and

(2) for which the Secretary has announced under section 113 that total expenses of hospitals in the State for the year have exceeded the State voluntary limit for that State for that year.

(c) The voluntary period of an individual hospital shall be considered to begin with the hospital's accounting period ending in 1979 and to end with the hospital's accounting period ending in 1984, or, if earlier, the first accounting period—

(1) which ends in the last year of, or in any year after, the voluntary period of the State in which the hospital is located (as determined under subsection (b)), and

(2) for which the Secretary has informed the hospital under section 114 that the hospital's expenses in the accounting period have exceeded the hospital's individual hospital voluntary percentage limit for that period.

(d)(1) Subject to paragraph (2), each hospital is subject to a mandatory limit as prescribed under part A of title II for each accounting period (ending before December 31, 1985) which begins after the end of the voluntary period of the hospital (as determined under subsection (c)).

(2) Paragraph (1) shall not apply to a hospital for an accounting period for which there is an exemption under part B of title II.

TITLE II—MANDATORY HOSPITAL COST CONTAINMENT PROGRAM

PART A—ESTABLISHMENT OF MANDATORY PERCENTAGE LIMITS

APPLICATION OF MANDATORY LIMITS

SEC. 201. (a) For any accounting period of a hospital subject to a mandatory limit under this part, the average reimbursement payable to the hospital by a cost payer per admission and the average inpatient charges per admission of the hospital for the period may not exceed the average reimbursement payable to the hospital by the cost payer per admission, or the average inpatient charges per admission of the hospital, respectively, for the base accounting period of the hospital, by a percentage which is greater than the compounded sum of the percentage mandatory limits computed by the Secretary under this part for that accounting period and previous accounting periods of the hospital after the base accounting period.

(b)(1) For purposes of calculating under subsection (a) for the base accounting period the average inpatient charges per admission of a hospital and the average reimbursement payable to the hospital by each cost payer per admission, the inpatient charges of the hospital (and the reimbursement payable to the hospital by each cost payer) for the base accounting period shall (except as provided in paragraph (2)) be reduced by an amount equal to any inpatient charges (or, in the case of a cost payer, and such inpatient charges attributable to that cost payer) for the base accounting period for elements of inpatient hospital services that cease to be furnished in the accounting period subject to the mandatory limit, multiplied by the fraction of the accounting period during which those services are not furnished.

(2) Paragraph (1) shall not apply with respect to inpatient hospital services that have been found inappropriate by the State health planning and development agency for the hospital.

(3) Upon request by a hospital, the State health planning and development agency for the hospital shall make a finding as to the appropriateness of specific health services for purposes of paragraph (2), after requesting the recommendations of the health systems agency for the hospital. The finding of a State health planning and development agency under this paragraph shall not be subject to further review.

(c)(1) Any hospital the sum of the amounts of the uncollectible inpatient charges (as defined in paragraph (2)(A)) and of the allowances for inpatient care provided to charity patients (as defined in paragraph (2)(B)) of which in a current accounting period exceeds the sum of the amounts of such charges and allowances in its most recent previous accounting period may, in accordance with such regulations as the Secretary shall prescribe, have its average inpatient charges per admission computed under this Act for the current accounting period by considering as inpatient charges for the current accounting period and the base accounting period only inpatient charges that are not uncollectible inpatient charges and that are now allowances for inpatient care provided to charity patients.

(2) For purposes of paragraph (1)—

(A) the term "uncollectible inpatient charges" means, with respect to inpatient charges imposed by a hospital, inpatient charges to the extent to which the hospital establishes, to the satisfaction of the Secretary, that (i) it has made reasonable efforts to collect them, (ii) any uncollected amounts of such charges are in fact uncollectible, and (iii) there is not substantial likelihood of their future collection, and

(B) the term "allowances for inpatient care provided to charity patients" means, with respect to inpatient charges in an accounting period relating to care provided to patients by a hospital, reductions in the inpatient charges which the hospital establishes, to the satisfaction of the Secretary, it has made in the period because of the indigence or medical indigence of the patients.

CALCULATION OF MANDATORY PERCENTAGE LIMIT

SEC. 202. (a) The Secretary, within six months after the last day of each hospital's accounting period subject to a mandatory limit under this part, shall compute and inform the hospital of its mandatory percentage limit for that accounting period. This mandatory percentage limit—

(1) for such an accounting period which follows an accounting period that was not subject to a mandatory limit under such section, shall be equal to the sum of—

(A) the product of (i) the percentage computed under sections 203 through 206, and (ii) the fraction of the accounting period that occurs in the year in which the accounting period ends, and

(B) the product of (i) the percentage increase in the hospital's expenses in the preceding accounting period over its expenses in the second preceding accounting period, and (ii) the fraction of the accounting period that occurred in the previous year;

(2) for any other such accounting period (other than an accounting period described in paragraph (3)), shall be equal to the percentage computed under sections 203 through 206; and

(3) for such an accounting period ending in 1985, shall be equal to the sum of—

(A) the product of (i) the percentage increase in the hospital's expenses in the accounting period over its expenses in the preceding accounting period, and (ii) the fraction of the accounting period that occurs in 1985, and

(B) the product of (i) the percentage computed under sections 203 through 206, and (ii) the fraction of the accounting period that occurred in 1984.

CALCULATION OF BASE PERCENTAGE

SEC. 203. The Secretary shall compute a base percentage for each hospital's accounting period subject to a mandatory limit under this part. This base percentage for a hospital's accounting period shall be equal to the sum of—

(1) the percent increase in the wage marketbasket of the hospital (as defined in section 232(4)) for the accounting period, and

(2) the greater of—

(A) the percent increase in the nonwage marketbasket (as defined in section 323(3)) of the hospital for the accounting period, or

(B)(i) for an accounting period that begins before the first calendar quarter beginning after the date of enactment of this Act, 6.5 percent, or

(ii) for any other accounting period, the percent increase of the national nonwage marketbasket estimated and announced under section 101(b) for the twelve-month period beginning with the calendar quarter in which the accounting period began, multiplied by the hospital's adjustment factor (as defined in section 323(5)) for the period.

EFFICIENCY ADJUSTMENT

SEC. 204. Based on the method (developed under section 315(a)) of measuring a hospital's efficiency within a group of hospitals, the Secretary shall assign to each hospital in a group, with respect to each accounting period subject to a mandatory limit under this part, a percentage bonus (or penalty) related to the extent to which the hospital's expenses (adjusted for area wage differentials) for the accounting period of the kind utilized in defining the group norm are less than (or exceed) the group norm, as follows:

(1) If the adjusted expenses are less than 90 percent of the group norm, there shall be a bonus of 1 percentage point.

(2) If the adjusted expenses are equal to or exceed 90 percent of the group norm but are less than the group norm, there shall be a bonus which bears the same proportion to 1 percentage point as the proportion of (A) the percent difference between the group norm and the adjusted expenses, to (B) 10 percent.

(3) If the adjusted expenses are equal to or exceed the group norm but do not exceed 110 percent of the group norm, there shall be no bonus or penalty.

(4) If the adjusted expenses exceed 110 percent of the group norm but do not exceed 130 percent of the group norm, there shall be a penalty which bears the same proportion to 2 percentage points as the proportion of (A) the percent difference between the adjusted expenses and 110 percent of the group norm, to (B) 20 percent.

(5) If the adjusted expenses exceed 130 percent of the group norm, there shall be a penalty of 2 percentage points.

The Secretary shall add the amount of any bonus to (or subtract the amount of any penalty from) the base percentage computed for the hospital for the accounting period under section 203.

ADMISSIONS ADJUSTMENT

SEC. 205. (a) The Secretary shall establish, by regulation, a method for the adjustment of the base percentage (as adjusted under section 204) for the accounting period to reflect changes in number of admissions in the period compared to the number of admissions in a previous accounting period. In promulgating these regulations he shall take into account—

(1) the marginal costs of hospitals associated with changes in admissions in one accounting period compared to a previous accounting period,

(2) shifts in admissions caused by a hospital's entering into (or ending) contracts with health maintenance organizations, and

(3) the impact of appropriate reductions in hospital utilization.

(b) Any hospital that is dissatisfied with an adjustment in its adjusted percentage base under the method established under subsection (a) may apply to the Secretary for an adjustment in such method as it applies to the hospital for an accounting period to the extent it can demonstrate that it has a higher marginal cost for changes in admissions in the accounting period than those assumed under such method.

ADJUSTMENT FOR PRIOR PERFORMANCE

SEC. 206. (a) In order to reflect the hospital's performance during its voluntary period, the Secretary shall assign to the hospital's accounting period a percentage reduction. The percentage reduction, subject to subsection (b)(1), shall be equal—

(1) in the case of the first accounting period of the hospital subject to a mandatory limit under this part, to the percentage by which (A) the percentage increase in the hospital's expenses in the preceding accounting period over those expenses in the second preceding accounting period, exceeded (B) the hospital's voluntary percentage limit (established under section 102) for that preceding accounting period, and

(2) in the case of a succeeding accounting period, to any excess amount which has been carried forward under subsection (b)(2) from a previous accounting period.

(b) In the case of a hospital's accounting period for which the sum of the percentage penalty (if any) under section 204 and the percentage reduction otherwise assigned under subsection (a) would exceed one-half of the base percentage computed under section 203—

(1) the amount of the percentage reduction assigned under subsection (a) for the period shall be limited so that the sum of it and the percentage penalty for the period equals one-half of the base percentage for the period, and

(2) the excess amount shall be carried forward to be assigned as a percentage reduc-

tion to the succeeding accounting periods of the hospital subject to a mandatory limit.

(c) The Secretary shall subtract from the base percentage of a hospital (as adjusted under sections 204 and 205)—

(1) in the case of the hospital's first accounting period subject to a mandatory limit, the percentage reduction assigned to the period under this section;

(2) in the case of any succeeding particular accounting period ending in a year (other than in 1985), the sum of—

(A) the product of (i) the percentage reduction assigned to the preceding accounting period under this section, and (ii) the fraction of the particular accounting period that occurred in the preceding year, and

(B) the product of (i) the percentage reduction assigned to the particular accounting period under this section, and (ii) the fraction of the particular accounting period that occurred in the year; and

(3) in the case of a succeeding accounting period ending in 1985, the percentage reduction assigned to the preceding accounting period under this section.

EXCEPTIONS

SEC. 207. (a) On the request of a hospital, the Secretary, in his discretion, shall make further additions to the mandatory percentage limit for an accounting period otherwise computed under this part to allow for higher reimbursement or inpatient charges per admission than would otherwise be permitted. Any such request shall be filed, in such manner and form as the Secretary shall prescribe, with the appropriate agency or organization with which the Secretary has entered into an agreement under section 1816 of the Social Security Act.

(b) The Secretary shall establish, by regulation, guidelines for the grounds for exceptions under subsection (a). Such grounds shall include the following changes and circumstances which, the hospital can demonstrate, result in higher reimbursement or inpatient charges per admission that would otherwise be permitted:

(1) A substantial change in the hospital's capacity because of the closing of another health facility in the area of the hospital.

(2) A significant change in capacity or character of inpatient hospital services available in the hospital.

(3) A major renovation or replacement of physical plant.

(4) A significant shift among cost payers and other classes of payers.

(5) A significant increase in the coverage of inpatient hospital services by a cost payer.

(6) Higher expenses associated with the special needs and circumstances (including greater intensity of care) of the hospital because it is a regional tertiary care institution.

(7) The hospital is a sole community hospital which would otherwise be insolvent and the State health planning and development agency for the hospital has determined that the hospital should be maintained.

(8) Such other changes and circumstances as the Secretary finds warrants special consideration.

A hospital may apply for an exception based upon a combination of these factors (no single factor of which would have been sufficient for a separate exception), if each of these factors can be demonstrated to have an appreciable and demonstrable effect on excess hospital expenses.

(c) In applying exceptions described in subsection (b) to individual hospitals, the Secretary shall take into account, as appropriate, (1) the financial solvency of the hospital, and (2) the extent to which the hospital's actions conformed with health plans for the area in which it is located. In determining the financial solvency of a hospital under clause (1), the Secretary shall not take into account amounts related to philanthropy (as defined in section 322(3)).

(d) If a hospital files a request for an exception under this section and the Secretary has not acted on the request within sixty days of its filing, the request for the exception shall be treated as granted.

Part B—Approval of State Mandatory Programs and Exemptions From Mandatory Limits

APPROVAL OF STATE MANDATORY PROGRAMS

SEC. 211. (a) The chief executive of any State may apply to the Secretary for the approval for a year of a State mandatory hospital cost containment program (hereinafter in this section referred to as "the program") established in the State. The Secretary shall approve the program for the year if—

(1) the State mandatory hospital cost containment program was established by statute before January 1, 1979; or

(2)(A) the Secretary determines that the program will be applicable to—

(i) all hospitals in the State and to all revenues or expenses for inpatient hospital services (other than revenues under title XVIII of the Social Security Act, unless approved by the Secretary), or

(ii) at least 75 percent of all revenues or expenses for inpatient hospital services (including revenues under title XVIII of the Social Security Act);

(B) the Secretary receives satisfactory assurances as to the equitable treatment under the program of all entities (including Federal and State programs) that pay hospitals for inpatient hospital services, of hospital employees, and of hospital patients;

(C) the program does not treat, directly or indirectly, as revenues of any hospital any of the hospital's amounts related to philanthropy (as defined in section 322(3)); and

(D) the Secretary—

(i) determines that for the previous year, if (for accounting periods of hospitals in the State ending in such previous year) the individual hospital voluntary percentage limits (computed under section 102) were increased by 1 percentage point, the Secretary would determine that the sum of the dollar amounts computed under section 113(a)(1) for such previous year would be equal to or less than zero, or

(ii) receives satisfactory assurances that such sum of dollar amounts, computed under section 113(a)(1) for the year, will be equal to or less than zero.

(b) The Secretary, in establishing standards and reviewing applications for approval of State mandatory hospital cost containment programs under this section, shall consult with the National Commission on Hospital Cost Containment (established under section 301).

(c)(1) There shall be exempted from a mandatory limit under part A any accounting period of a hospital in a State which ends in a year in which a State mandatory hospital cost containment program for the State has been approved under this section.

(2) The Secretary may waive requirements for reimbursement under titles V, XVIII, and XIX of the Social Security Act for hospitals located in a State with a mandatory hospital cost containment program approved under this section. The request of a State with such an approved program for such a waiver under such titles shall be deemed approved unless the Secretary disapproves the request within 90 days after the date the request is received by the Secretary. The Secretary shall waive such requirements under title XVIII of such Act for a year for such a program—

(A) if the program was granted, before the date of the enactment of this Act, a waiver of such requirements with respect to such title under section 402 of the Social Security Amendments of 1967 or section 222 of the Social Security Amendments of 1972, and

(B) if the percent increase in revenues per admissions under such title for the previous year is no greater than the national voluntary percentage limit for that year.

FUNDING OF STATE MANDATORY PROGRAMS

SEC. 212. (a) The Secretary may make grants to States to assist them in planning, establishing, or operating State mandatory hospital cost containment programs.

(b) An application by a State for assistance under this section shall be in such form, submitted in such manner, and contain such information and assurances, as the Secretary may require.

(c) The Secretary shall determine the amount of any assistance provided under this section, and may make payment in advance or by way of reimbursement, and at such intervals and on such conditions as he finds necessary. Subject to appropriations, the Secretary may provide assistance in amounts up to 50 percent of the necessary expenses involved with the planning, establishment, or operation of such a program.

(d) There are authorized to be appropriated for assistance under this section $10,000,000 for the fiscal year ending September 30, 1980, and such sums as may be necessary for each of the three succeeding fiscal years.

EXEMPTION OF HOSPITALS ENGAGED IN CERTAIN EXPERIMENTS OR DEMONSTRATIONS

SEC. 213. The Secretary may exempt accounting periods of a hospital from the application of a mandatory limit under part A if he determines that—

(1) the exemption is necessary to facilitate an experiment or demonstration entered into under section 402 of the Social Security Amendments of 1967, section 222 of the Social Security Amendments of 1972, or section 1526 of the Public Health Service Act, and

(2) the experiment or demonstration is consistent with the purposes of this Act.

Part C—Enforcement

CIVIC PENALTY

SEC. 221. (a)(1) If the Secretary determines that the average reimbursement payable to a hospital by a cost payer per admission for an accounting period exceeds the mandatory limit (established under part A) for the hospital for the accounting period, the hospital is subject to a civil penalty of 150 percent of the amount by which the reimbursement payable to the hospital by the cost payer for the accounting period would have to be reduced so that the average reimbursement payable to the hospital by the cost payer for that accounting period would not exceed the mandatory limit for that accounting period under part A.

(2) If the Secretary determines that—

(A) the average inpatient charges per admission of a hospital for an accounting period exceed the mandatory limit (established under part A) for the hospital for the accounting period, and

(B) subject to paragraph (3)(B), the hospital fails to deposit an amount equal to the amount of such excess charges in an escrow account (established and maintained pursuant to paragraph (4)),

the hospital is subject to a civil penalty of 150 percent of the difference between (i) the amount of the excess described in subparagraph (A), and (ii) subject to paragraph (3)(B), the amount deposited with respect to such excess in the escrow account, multiplied by the fraction (as determined by the Secretary) of the inpatient charges in the period not attributable to cost payers.

(3) A hospital which has established an escrow account pursuant to paragraph (4) and—

(A) withdraws an amount from such account in a manner not permitted under paragraph (4)(B), is subject to a civil penalty in an amount equal to 150 percent of the amount so withdrawn, and

(B) has a balance in such account after the end of its accounting period beginning in 1984, is subject to a civil penalty in an amount equal to the amount remaining in such account.

(4)(A) In order to avoid liability for a civil penalty under paragraph (2), a hospital which has average inpatient charges per admission for an accounting period in excess of its mandatory limit (established under part A) may establish, in a manner prescribed by the Secretary, an escrow account for the deposit of amounts with respect to one or more of the hospital's accounting periods for which the hospital has made excess inpatient charges per admission.

(B) If the Secretary certifies that the average inpatient charges per admission of a hospital for an accounting period subject to a mandatory limit fall below the mandatory limit established under part A for that accounting period, the hospital may withdraw from any escrow account (described in subparagraph (A)) previously established an amount determined by the Secretary to be equal to the product of (i) the amount by which the inpatient charges of the hospital for that accounting period could be increased without causing the hospital's average inpatient charges per admission for that accounting period to exceed the mandatory limit established under part A for that accounting period, and (ii) the fraction (as determined by the Secretary) of those charges not attributable to cost payers.

(b) The civil penalties provided under subsection (a) shall be assessed by the Secretary only after the hospital has been provided written notice and opportunity for a hearing on the record at which the hospital is entitled to be represented by counsel, to present witnesses, and to cross-examine witnesses against the hospital.

(c)(1) A hospital adversely affected by an assessment by the Secretary under this section may obtain a review of such assessment in the United States court of appeals for the circuit in which the hospital is located by filing in such court within sixty days following notification to the hospital of the Secretary's final determination as to the assessment a written petition praying that the assessment be modified or set aside. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary, and thereupon the Secretary shall file in the court the record in the proceeding as provided in section 2112 of title 28, United States Code. Upon such filing, the court shall have jurisdiction of the proceeding and of the question determined therein, and shall have the power to make and enter upon the pleadings, testimony, and proceedings set forth in such record a decree affirming, modifying, remanding for further consideration, or setting aside, in whole or in part, the assessment of the Secretary and enforcing the same to the extent that such order is affirmed or modified.

(2) No objection that has not been urged before the Secretary shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances.

(3) The findings of the Secretary with respect to questions of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive.

(4) If any party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the hearing before the Secretary, the court may order such additional evidence to be taken before the Secretary and to be made a part of the record. The Secretary may modify his findings as to the facts, or make new findings, by reason of additional evidence so taken and filed, and he shall file such modified or new findings, which findings with respect to questions of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive, and his recommendations, if any, for the modification or setting aside of his original order. Upon the filing of the record with it, the jurisdiction of the court shall be exclusive and its judgment and decree shall be final, except that the same shall be subject to review by the Supreme Court of the United States, as provided in section 1254 of title 28, United States Code.

(d)(1) Civil penalties and assessments imposed under this section may be compromised by the Secretary and may be recovered in a civil action in the name of the United States brought in the United States district court for the district where the hospital is located. Amounts recovered shall be deposited as miscellaneous receipts of the Treasury of the United States. The amount of such penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sum then or later owing by the United States to the hospital against which the penalty has been assessed.

(2) A determination by the Secretary to assess a penalty under this section shall be final upon the expiration of the sixty-day period referred to in subsection (c)(1) unless the hospital against which the penalty has been assessed files for a review of such assessment as provided in that subsection. Matters that were raised or that could have been raised in a hearing before the Secretary or in an appeal pursuant to subsection (c) may not be raised as a defense to a civil action by the United States to collect a penalty assessed under this section.

(e)(1) Each private cost payer shall—

(A) report to the Secretary (or an agency or organization designated by the Secretary) data on charges, total reimbursement payable, and number of admissions and related private reimbursement data for the base accounting period and each subsequent accounting period for each hospital for which it makes payments based on costs of providing services and for which a mandatory limit applies under part A, and

(B) permit the Secretary access to its books and records as necessary to verify such reports.

(2) If a private cost payer fails to make the reports or provide the access required under paragraph (1) or provides incorrect or false information in such reports, the Secretary is authorized to apply to any United States district court for the district in which the cost payer operates, or to any court of general jurisdiction in any State in which the cost payer operates, to enjoin such a violation.

CONFORMANCE BY CERTAIN FEDERAL AND STATE PROGRAMS

SEC. 222. (a) Notwithstanding any provision of title XVIII of the Social Security Act, reimbursement for inpatient hospital services under the program established by such title shall not be payable, on an interim basis or in final settlement, to a hospital for an accounting period—

(1) which is subject to a mandatory limit under part A, to the extent that the reimbursement exceeds the mandatory limit prescribed under such part, or

(2) which is exempted from such a limit under section 211(c)(1) because the hospital is located in a State with an approved mandatory hospital cost containment program, to the extent that the reimbursement exceeds the limit prescribed under such State mandatory hospital cost containment program.

(b) Notwithstanding any provision of title V or XIX of the Social Security Act, payment shall not be required to be made by any State under either such title, nor shall payment be made to any State under either such title, with respect to any amount paid for inpatient hospital services to a hospital for an accounting period—

(1) which is subject to a mandatory limit under part A, to the extent that the amount exceeds such limit prescribed under such part, or

(2) which is exempted from such a limit under section 211(c)(1) because the hospital is located in a State with an approved mandatory hospital cost containment program, to the extent that the amount exceeds the limit prescribed under such State mandatory hospital cost containment program.

TITLE III—COMMISSION, ADMINISTRATIVE PROVISIONS, AND DEFINITIONS

PART A—NATIONAL COMMISSION ON HOSPITAL COST CONTAINMENT

NATIONAL COMMISSION ON HOSPITAL COST CONTAINMENT

SEC. 301. (a) The Secretary shall establish a National Commission on Hospital Cost Containment (hereinafter in this section referred to as the "Commission").

(b) The Commission shall consist of fifteen members appointed by the Secretary. Of those members—

(1) five shall be individuals representative of hospitals,

(2) five shall be individual representative of entities that reimburse hospitals, of whom one shall be the Administrator of the Health Care Financing Administration, and

(3) five shall be individuals who are not representative of either hospitals or of entities that reimburse hospitals.

(c)(1) Except as provided in paragraphs (2) and (3), members shall be appointed for three years.

(2) Of the members first appointed—

(A) five shall be appointed for a term of two years, and

(B) five shall be appointed for a term of one year.

(3) Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of the member's term until the member's successor has taken office.

(d) The Secretary shall appoint one of the members as Chairman, to serve until the expiration of the member's term.

(e) Eight members of the Commission shall constitute a quorum to do business. The Commission shall meet at the call of the Chairman or at the call of a majority of its members.

(f) The Commission shall advise, consult with, and make recommendations to, the Secretary with respect to—

(1) the implementation of this Act,

(2) proposed modifications to the provisions of this Act, and

(3) any other matters that may affect hospital expenses or revenues.

(g)(1) Except as provided in paragraph (2), members of the Commission shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including traveltime) during which the member is engaged in the actual performance of Commission duties.

(2) Members of the Commission who are fulltime officers or employees of the United States shall receive no additional pay on account of their service on the Commission.

(3) While away from their homes or regular places of business in the performance of

services for the Commission, members of the Commission, shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United Staes Code.

(h) The Commission may, subject to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, appoint, fix the pay of, and prescribe the functions of such personnel as are necessary to carry out its functions. In addition, the Commission may procure the services of experts and consultants as authorized by section 3109 of such title.

(i) The provisions of section 14(a) of the Federal Advisory Committee Act shall not apply with respect to the Commission.

PART B—ADMINISTRATIVE PROVISIONS

REGULATIONS AND SHORT ACCOUNTING PERIODS

SEC. 311. (a) The Secretary may prescribe regulations to implement the provisions of this Act and shall determine or estimate any amounts or limits specified in this Act.

(b) The Secretary may make appropriate adjustments in the application of the provisions of this Act with respect to short accounting periods (described in section 321(1)(B)).

HEARINGS AND APPEALS

SEC. 312. (a) Any hospital or payer dissatisfied with a determination made on behalf of the Secretary under part A of title II may obtain a hearing before the Provider Reimbursement Review Board (established under section 1878(h) of Social Security Act and hereinafter in this section referred to as the "Board") if the amounts in controversy is $10,000 or more and the request for such hearing is filed within one hundred eighty days after notice of the determination.

(b)(1) The provisions of subsections (c), (d), (e), (f), and (i) of section 1878 of the Social Security Act shall apply to hearings provided under subsection (a). In addition, the Board shall have the power to affirm, modify, or reverse any final determination (described in subsection (a)) of a fiscal intermediary or another entity acting on behalf of the Secretary.

(2) After completing a hearing provided under subsection (a) with respect to a determination, the Board shall render its decision on the determination not later than sixty days after the last day of the hearing.

(c) In addition to the members appointed under section 1878(h) of the Social Security Act, the Secretary may appoint up to four additional members to the Board. For every two additional members appointed under this subsection, one shall be representative of providers of services. Those provisions of section 1878(h) of the Social Security Act which relate to compensation and terms of office of members of the Board shall also apply to members appointed under this subsection.

CONSOLIDATED TREATMENT OF CERTAIN HOSPITALS WITH COMMON OWNERSHIP

SEC. 313. (a) Subject to subsections (b) and (c), an organization that totally owns or controls in a State two or more hospitals the accounting periods of which are subject to mandatory limits established under part A of title II, which have the same accounting period, and which were totally owned or controlled by the organization as of the date of the enactment of this Act shall have the limits under such part on average reimbursement per admission and on the average inpatient charges per admission (and any civil penalty thereon under section 221) computed and applied in the aggregate for all such hospitals with the same accounting period in the State, rather than on each such hospital, if—

(1) the organization requests the Secretary, in a timely manner, to have such treatment made, and

(2) the Secretary determines that the organization has provided adequate assurances that the organization will provide, on a timely basis, the data necessary to determine these limits on the hospitals.

(b) A hospital treated on a consolidated basis with another hospital or hospitals under subsection (a) shall have such consolidated treatment discontinued if—

(1) the hospital is no longer totally owned or controlled by an organization which owns or controls the other hospital or hospitals, is no longer subject to a mandatory limit under part A of title II, or no longer has the same accounting period as the other hospital or hospitals; or

(2) the organization requests such discontinuance and the Secretary approves of such discontinuance.

(c) The Secretary may not grant any exception under section 207 with respect to any hospital that is treated on a consolidated basis with another hospital or hospitals under subsection (a).

IMPROPER CHANGES IN ADMISSIONS PRACTICES

SEC. 314. (a) No hospital may change its admission practices in a manner which results in—

(1) a significant reduction in the proportion of its patients who have no third-party coverage and who are unable to pay for inpatient hospital services provided by the hospital,

(2) a significant reduction in the proportion of persons admitted to the hospital for inpatient hospital services for which payment is (or is likely to be) less than the anticipated charges for or costs of such services,

(3) the refusal to admit patients who would be expected to require unusually costly or prolonged treatment for reasons other than those related to the appropriateness of the care available at the hospital, or

(4) the refusal to provide emergency services to any person who is in need of emergency services if the hospital provides such services.

(b) The Secretary shall monitor, on a periodic basis, the extent of each hospital's compliance with subsection (a).

(c)(1) Upon written complaint by any institution that satisfies paragraph (1) and (7) of section 1861(e) of the Social Security Act or upon receiving such volume of written complaints or such reasonable documentation from any persons (as the Secretary finds sufficient) that a hospital has changed its admission practices in a manner in violation of subsection (a), the Secretary shall investigate the complaint and, upon a finding by him that the complaint is justified, he may—

(A) exclude the hospital from participation in any or all of the programs established by title V, XVIII, or XIX of the Social Security Act, or

(B) reduce the total amounts otherwise reimbursable to the hospital under title XVIII of the Social Security Act in an amount equal to $2,000 for each of the number of persons who were not admitted as patients because of the change.

or both

(2) In addition the Secretary may take any other action authorized by law (including an action to enjoin such a violation brought by the Attorney General upon request of the Secretary) which will restrain or compensate for a violation of subsection (a).

(d)(1) An appropriate civil action to restrain an alleged violation of subsection (a) may be brought by a person other than the Secretary, but only if—

(A) one hundred eighty days have passed from the date a complaint with respect to that alleged violation has been filed by the person with the Secretary, and

(B) neither the Secretary nor the Attorney General has commenced and is diligently pursuing judicial proceedings or administrative action with respect to the alleged violation.

(2) Any civil action under this subsection shall be brought in the United States district court for the judicial district in which the hospital in question is located, and the district courts of the United States shall have jurisdiction over actions brought under this subsection without regard to the amount in controversy or the citizenship of the parties.

(3) In any action brought under this subsection, the Secretary or the Attorney General, if not a party, may intervene as a matter of right.

(4) The court, in issuing any final order in any action brought under this subsection, may award costs of suit and reasonable fees for attorneys and expert witnesses if the court determines that such an award is appropriate. Any court, in issuing its decision in an action brought to review such an order, may award costs of suit and reasonable fees for attorneys if the court determines that such an award is appropriate.

(e) Nothing in this section shall restrict any right which any person (or class of persons) may have under any other statute or at common law to seek enforcement of this Act or to seek any other relief.

DETERMINATION OF RELATIVE EFFICIENCY OF HOSPITALS AND MEDICARE AND MEDICAID BONUSES FOR EFFICIENCY

SEC. 315. (a) The Secretary shall develop (and may from time to time revise), by regulation, a system of grouping hospitals by appropriate characterisics, such as patient case mix and metropolitan or nonmetropolitan setting. He shall establish (and may from time to time revise), by regulation, a method of measuring efficiency within each group that provides for setting a group norm, defined in terms of all or certain hospital expenses (adjusted for area wage differentials). In determining individual hospital efficiency under the method, the Secretary may take into account systemwide savings attributable to lower hospital inpatient utilization per capita in the area in which the hospital is located. If the hospital provides care to a greater percentage of patients sixty-five years of age or older than the average percentage for its group, the Secretary shall adjust (to the extent the method for determining the relative efficiency to the hospital does not otherwise take this into consideration) the amount of the hospital's expenses to take into consideration the higher average costs associated with care for patients sixty-five or older to the extent of such excess percentage.

(b)(1) The Secretary may, in his discretion, provide for a bonus in the amount otherwise reimbursable to a hospital under the title XVIII or under a State plan approved under title XIX of the Social Security Act to reflect that the hospital, as determined under subsection (a), is more efficient for an accounting period than the group norm for hospitals in its group. Such a bonus may not exceed the lesser of—

(A) one-quarter of the total amount of the savings under such title or plan of the hospital below the norm, or

(B) the product of (i) 5 percent of the amount of the expenses for the group norm per unit of measurement, and (ii) the number of units of measurement associated with the hospital's performance.

(2) In addition, the amount of a bonus under this subsection may not exceed such amount as the hospital can demonstrate to the satisfaction of the Secretary will be used—

(A) to finance the hospital's outpatient deficit for the accounting period with respect to which the bonus is made;

(B) to reduce the long-term debt of the hospital; or

(C) to fund other uses meeting such guidelines as the Secretary determines will not increase the operating costs of the hospital and are in the public interest,

and a bonus shall not be available for the purpose described in subparagraph (A) unless the hospital establishes to the satisfaction of the Secretary that it has made reasonable efforts to collect all revenues due for its provision of outpatient services, that any uncollected amounts are in fact uncollectable, and that there is no substantial likelihood of future collection. For purposes of subparagraph (C), a hospital's outpatient deficit for an accounting period is the amount by which its allowable costs attributable to the provision of outpatient hospital services (not including emergency room services) in the accounting period exceed its revenue attributable to such services, as determined in accordance with standards and procedures prescribed by the Secretary.

(3) Any bonus provided under this subsection shall be additional to any other reimbursement provided under such titles and shall not be included as reimbursement for purposes of computing the mandatory limit on the hospital under part A of title II.

(4) Bonuses payable pursuant to this section shall be paid, in appropriate proportions, from the Federal Hospital Insurance Trust Fund (established under section 1817 of the Social Security Act) and under a State plan approved under title XIX of such Act.

(5) In exercising his discretion under this section, the Secretary shall take into account (A) the degree to which a hospital has been more efficient than other hospitals in its group, and (B) the existence of a similar bonus under any State mandatory hospital cost containment program to which the hospital is subject.

(6) The Secretary may not provide, in any fiscal year, for more than $50,000,000 in bonuses to hospitals under this section.

SUNSET PROVISION

SEC. 316. (a) Except as otherwise provided in this Act, the provisions of this Act relating to—

(1) the national voluntary percentage limit shall not apply to years after 1983;

(2) individual hospital voluntary percentage limits shall not apply to accounting periods of hospitals beginning in any year after 1984;

(3) Federal mandatory limits on individual hospitals shall not apply to accounting periods of hospitals beginning in any year after 1984; and

(4) medicare and medicaid bonuses under section 315(b), shall apply only with respect to accounting periods of hospitals ending after December 31, 1979, and before January 1, 1985.

(b)(1) Section 314 shall not apply to changes in admissions practices occurring after December 31, 1984.

(2) Paragraph (1) does not preclude the exclusion or reduction provided in section 314(c)(1) with respect to improper changes in admission practices occurring before January 1, 1985.

(c) The National Commission on Hospital Cost Containment shall be established under section 301 not earlier than October 1 of the year in which this Act is enacted and shall be terminated on March 1, 1985.

PART C—DEFINITIONS

GENERAL DEFINITIONS

SEC. 321. For purposes of this Act:

(1) The term "accounting period" means—

(A) except as provided in subparagraph (B)—

(i) in the case of a hospital participating in the program established by title XVIII of the Social Security Act, the period of twelve consecutive calendar months utilized as the reporting period for reimbursement purposes under that program,

(ii) in the case of a hospital not participating in the program established by title XVIII of the Social Security Act, a calendar year, or, if requested by the hospital, such other period of twelve consecutive calendar months as the Secretary may approve, and

(B) in the case of a hospital whose period under subparagraph (A) is changed from one twelve-month period to another, such shorter period as the Secretary may establish.

(2)(A) The term "admission" means the formal acceptance by a hospital of an inpatient, excluding newborn children (unless retained after discharge of the mother) or a transfer within or among inpatient units of the hospital.

(B) In the case of the admission of an individual whose inpatient hospital services are to be reimbursed in part by more than one cost payer, the admission shall be attributed to the cost payer which is to reimburse for such services furnished before any such services are furnished for which other cost payers are to reimburse.

(3) The term "base accounting period" means a hospital's last accounting period not subject to a mandatory limit under part A of title II.

(4) The term "cost payer" means—

(A) a Federal or State program, or

(B) a carrier (as defined by section 1842 (f)(1) of the Social Security Act),

that reimburses a hospital for inpatient hospital services on a basis related to the hospital's costs in furnishing those services or on any other basis other than inpatient charges, and the term "private cost payer" means a cost payer described in subparagraph (B).

(5) The terms "health systems agency" and "State health planning and development agency" mean, for a hospital, such agencies as designated under sections 1515 and 1521, respectively, of the Public Health Service Act for the area or State, respectively, in which the hospital is located.

(6) The term "hospital", with respect to any period, means an institution (or distinct part of an institution if the distinct part participates in the program established by title XVIII of the Social Security Act) that satisfies paragraphs (1) and (7) of section 1861(e) of the Social Security Act during all of the period and has satisfied those conditions during the preceding thirty-six months, but does not include, except for purposes of section 315(a), any such institution if it—

(A) had an average duration of stay of thirty days or more during the preceding thirty-six months,

(B) derived 75 percent or more of its inpatient care revenues from one or more—

(i) health maintenance organizations (as defined in section 1301(a) of the Public Health Service Act), or

(ii) other providers of health care which provide ambulatory and inpatient health services on a prepaid basis to individuals enrolled with such providers to receive such services on such basis.

during the preceding twelve months,

(C)(i) is located in a rural area and (ii) had average annual admissions of four thousand or less during the preceding thirty-six months,

(D) does not impose charges or accept payments for services provided to patients,

(E) is a psychiatric hospital (as described in section 1861(f)(1) of the Social Security Act), or

(F) is a Federal institution during any part of the period.

For purposes of subparagraph (C), the term "rural area" includes an area which is either outside an urban area (as defined by the Bureau of the Census) or outside a Standard Metropolitan Statistical Area (as determined by the Office of Management and Budget).

(7) The term "inpatient hospital services" has the meaning assigned by section 1861(b) of the Social Security Act, but includes in addition the services specified in section 1861 (b)(5) of that Act.

(8) The term "Secretary" means the Secretary of Health, Education, and Welfare.

(9) The term "State" means each of the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.

(10) The term "supervisor" has the meaning assigned by section 2(12) of the National Labor Relations Act.

(11) The term "United States" means the geographic area consisting of all the States.

DEFINITIONS RELATING TO CHARGES, EXPENSES, AND REIMBURSEMENT

SEC. 322. For purposes of this Act:

(1) The term "inpatient charges" means charges (as defined by section 405.452(d)(4) of title 42, Code of Federal Regulations, as in effect on the date of the enactment of this Act) for inpatient hospital services.

(2) The term "reimbursement payable to a hospital by a cost payer" means the sum of—

(A) the amounts (other than the coinsurance or deductible amounts of another entity) payable by the cost payer to the hospital for inpatient hospital services, and

(B) the amounts payable by an individual or other entity to the hospital for inpatient hospital services if the individual's expenses for those services are payable in part by the cost payer, to the extent that those amounts are calculated as a portion of the costs or other basis on which the amounts payable by the cost payer are determined, except that amounts payable by a program established under title V, XVIII, or XIX of the Social Security Act shall be determined without regard to adjustments resulting from the application of sections 405.415(d)(3), 405.415 (f), 405.455(d), and 405.460(g) of title 42, Code of Federal Regulations.

(3) The term "amounts related to philanthropy" means, with respect to a hospital, any amounts which are attributable to—

(A) a donor designated or restricted grant, gift, or income from an endowment, as defined in section 405.423(b)(2) of title 42 of the Code of Federal Regulations;

(B) a grant or gift, or income from such a grant or gift, which is not available for use as operating funds because of its designation by the hospital's governing board;

(C) a grant or similar payment which is made by a governmental entity and which is not available, under the terms of the grant or payment, for use as operating funds;

(D) the sale or mortgage of any real estate or other capital asset of the hospital which the hospital acquired through a gift or grant and which is not available for use as operating funds under the terms of the gift or grant or because of its permanent designation by the hospital's governing board; and

(E) a depreciation fund which is (i) created by the hospital in order to meet a condition imposed by a third party for the party's financing of a capital improvement of the hospital, and (ii) is used exclusively to make payments to such third party for the financing of the capital improvement.

(4) The term "wages" has the same meaning as under the Fair Labor Standards Act of 1938.

DEFINITIONS RELATING TO MARKETBASKET INCREASES

SEC. 323. For purposes of this Act:

(1) The term "percent increase in the national hospital nonwage marketbasket"

means, for a twelve-month period, the sum of the products of—

(A) the average percentage increase in the United States in the price of each appropriate class (as determined by the Secretary) of goods and services (other than wages described in paragraph (2)(A)) in the period over the price of the class in the preceding twelve-month period, and

(B) the average fraction (as computed by the Secretary from time to time) of the expenses of hospitals in the United States attributable to that class.

(2) The term "percent increase in the national hospital wage marketbasket" means, for a year, the product of—

(A) the average percentage increase in the wages paid in the year over the wages paid in the preceding year per employee per hour to employees (other than to doctors of medicine or osteopathy and to supervisors) of hospitals in the United States, and

(B) the average fraction (as computed by the Secretary from time to time) of the expenses of hospitals in the United States attributable to such wages.

(3) The term "percent increase in the nonwage marketbasket" means, for an accounting period of a hospital, the sum of the products of—

(A) the average percentage increase in the United States (or in the area or State in which the hospital is located, if data for the hospital's area or State are available) in the price of each appropriate class (as determined by the Secretary) of goods and services (other than wages described in paragraph (4)(A)) in the period over the price of the class in the preceding accounting period, and

(B) the fraction (as computed by the Secretary from time to time) of the hospital's expenses attributable to the class.

(4) The term "percent increase in the wage marketbasket" means, for a hospital for an accounting period, the product of—

(A) the average percentage increase in the wages paid in the period over the wages paid in the preceding period per employee per hour to employees (other than to doctors of medicine or osteopathy and to supervisors) of the hospital (or zero, if there are not sufficient data to make a reasonable estimate), and

(B) the average fraction (as computed by the Secretary from time to time) of the hospital's expenses attributable to such wages.

(5) The term "adjustment factor" means, for a hospital for an accounting period, a fraction with—

(A) the numerator equal to the sum of the fractions of the hospital's expenses (described in paragraph (3)(B)) attributable to classes of goods and services described in such paragraph, and

(B) the denominator equal to the sum of the average fractions of expenses of hospitals in the United States, as estimated and announced under section 101(b)(2) before the calendar quarter in which the accounting period begins.

DEFINITIONS RELATING TO POPULATION CHANGES

SEC. 324. For purposes of this Act:

(1) The term "percent change in area population" means, for an accounting period of a hospital, if the hospital is located—

(A) in a Standard Metropolitan Statistical Area (as determined by the Office of Management and Budget), the greater of (i) zero, or (ii) the percentage change in the size of the population of the Area in the year preceding the year in which the accounting period ends over the size of the population of such Area in the second preceding year, or

(B) outside such an Area, the greater of (i) zero, or (ii) the percentage change in the size of the population of the county or county equivalent area (as recognized by the Bureau of the Census) in which the hospital is located in the year preceding the year in which the accounting period ends over the size of the population of such county or area in the second preceding year.

(2) The term "percent increase in the national population" means, for a year, the percentage by which the size of the population in the United States in the year exceeds the size of the population of the United States in the preceding year.

Mr. WAXMAN. Mr. Chairman, this amendment has many similarities to the Ways and Means version that is before us. Our committee had the benefit of their deliberation when we considered H.R. 2626, and we adopted many of the same provisions.

Both versions establish the same target goals for controlling the increases in hospital expenses, which hospitals have the opportunity to meet through voluntary efforts—nationally, at the State level, and individually;

Both versions provide opportunities for State programs to operate in place of the Federal effort, and indeed provide Federal funds to assist States in developing and operating programs;

Both versions provide for cash bonuses for efficient hospitals under medicare and medicaid; and

The similarities are many. There are differences, however, which I believe recommend the Commerce substitute:

First, Federal hospitals are not included under the Commerce bill. This is not because of any belief that Federal hospitals should not be subject to similar constraints on cost increases, but rather because there is already in place a way to establish and enforce those limits—through direct congressional control of the budgets of Federal hospitals. Many Members expressed concern that including Federal hospitals in this bill would mean an increase in HEW control over veterans' hospitals and other Federal facilities. The Commerce substitute excludes Federal hospitals and removes any concerns that this will happen.

Second, the Commerce substitute provides that under certain conditions, hospitals may remain under the voluntary program even if they have exceeded their voluntary limit; they may seek special treatment if their cost increase occurred because of high capital-related expenses due to significant increases in bed capacity of services, or because of expenses related to a major expansion of a teaching program.

Third, it provides that mandatory State programs established by statute before this year have an automatic guarantee that they may continue to operate in lieu of a Federal program.

Fourth, the substitute provides for a 5-year effective period for the program.

Finally, it provides complete assurance that any increases in costs or revenues due to the provision of charity care or because of increased bad debts will not work against a hospital meeting either its voluntary or mandatory goals.

I believe the Commerce bill is a good one. It provides for an effective yet flexible program. Additionally, I will be supporting the addition to this substitute of amendments which will shortly be offered by my colleague, Mr. RANGEL, which will result in a proposal which combines the best features of the Ways and Means and Commerce bills.

I urge the Members to support this substitute.

□ 1240

AMENDMENTS OFFERED BY MR. RANGEL TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. RANGEL. Mr. Chairman, pursuant to the rule, I offer my amendments to the amendment in the nature of a substitute offered by the Committee on Interstate and Foreign Commerce.

The amendments were printed in the CONGRESSIONAL RECORD of November 13, 1979, and a copy of the amendments is at the desk.

The CHAIRMAN. The Clerk will designate the amendments offered by the gentleman from New York (Mr. RANGEL).

The amendments to the amendment in the nature of a substitute are as follows:

Amendments offered by Mr. RANGEL to the amendment in the nature of substitute offered by the Committee on Interstate and Foreign Commerce: Page 113, amend the items in the table of contents relating to title III, part A of such title, and section 301 to read as follows:

TITLE III—NATIONAL COMMISSION, STUDIES, ADMINISTRATIVE PROVISIONS, AND DEFINITIONS

PART A—NATIONAL COMMISSION AND STUDIES

Sec. 301. National Commission on Hospital Cost Containment.
Sec. 302. Taskforce on Consumer and Physician Incentives Towards Hospital Cost Containment.
Sec. 303. Evaluation of cost containment program.
Sec. 304. Study of cost containment alternatives.

Page 131, strike out line 11 and all that follows through page 132, line 7.

Page 143, insert after line 2 the following new subsection:

(d) For purposes of applying the mandatory percentage limits under subsection (a) as they relate—

(1) to average inpatient charges per admission of a hospital, there shall be excluded from the computation of the amount of inpatient charges in an accounting period (and in the base accounting period) an amount equal to the amount of SHUR expenses of the hospital attributable to inpatient hospital services for the respective accounting period, and

(2) to average reimbursement payable to a hospital by a cost payer per admission, there shall be excluded from the computation of the total amount of reimbursement with respect to the cost payer in an accounting period (and in the base accounting period) an amount equal to the product of (A) the amount of SHUR expenses of the hospital attributable to inpatient hospital services for the respective accounting period, and (B) the proportion of such expenses determined, in accordance with regulations of the Secretary, to be properly allocated to that cost payer.

Page 153, insert after line 16 the following new subsection:

(d) On the request of a hospital, filed in accordance with the second sentence of subsection (a), the Secretary shall make an addition to the mandatory percentage limit for an accounting period otherwise computed under this part to the extent to which the hospital can demonstrate that higher reimbursement or inpatient charges per admission than would otherwise be permitted are attributable to capital-related expenses (including depreciation and interest) related to capital expenditures which have been approved by the State health planning and development agency for the hospital on or before the date of the enactment of this Act.

Page 153, line 17, strike out "(d)" and insert in lieu thereof "(e)".

Page 168, strike out lines 1 through 4 and insert in lieu thereof the following:

TITLE III—NATIONAL COMMISSION, STUDIES, ADMINISTRATIVE PROVISIONS, AND DEFINITIONS

PART A—NATIONAL COMMISSION AND STUDIES

Page 171, insert after line 7 the following new sections:

TASKFORCE ON CONSUMER AND PHYSICIAN INCENTIVES TOWARD HOSPITAL COST CONTAINMENT

SEC. 302. (a) (1) There is hereby established a Taskforce on Consumer and Physician Incentives Toward Hospital Cost Containment (hereinafter in this section referred to as the "Taskforce"), to be composed of seven members—

(A) three appointed by the President,

(B) two appointed by the Speaker of the House of Representatives, and

(C) two appointed by the President of the Senate.

Members of the Taskforce shall serve without additional compensation.

(2) The Taskforce shall carry out its activities in consultation with appropriate Federal agencies, private organizations, consumers, physicians, and other interested parties.

(b) The Taskforce shall study—

(1) the effect of different policies and procedures (including use of deductibles, coinsurance, and cost- or risk-sharing; tax deduction and exclusion from income provisions of the Internal Revenue Code of 1954; and prepaid health plans) relating to payment for hospital services on (A) consumer and physician awareness of the relative cost and quality of different hospital (and outpatient) services, (B) utilization of hospital services, and (C) the quality of hospital services provided, and

(2) the desirability of increasing the use of these and similar methods in federally funded and other health insurance programs, and shall make recommendations to the Congress for appropriate changes in legislation. The Taskforce shall complete its study, and submit a report thereon to the appropriate committees of the Congress, not later than two years after the date members are first appointed to the Taskforce.

EVALUATION OF COST CONTAINMENT PROGRAM

SEC. 303. (a) The Secretary shall conduct a comprehensive evaluation (hereinafter in this section referred to as the "evaluation") of the cost controls established under this Act, focusing on—

(1) their efficiency, effectiveness, and fairness compared to alternative strategies for containing hospital costs, and

(2) modification of the present system of reimbursing hospitals under the medicare program on the basis of their retrospectively determined costs.

(b) The Secretary shall submit to the Congress not later than—

(1) six months after the date of the enactment of this Act, a formal plan for the evaluation,

(2) two years after the date of the enactment of this Act, an interim report on the evaluation, and

(3) December 31, 1983, a final report on the evaluation.

REPORT ON COST CONTAINMENT ALTERNATIVES

SEC. 304. (a) The Secretary shall prepare and submit to Congress, not later than one year after the date of the enactment of this Act, a report on additional or alternative measures (such as changes in (1) methods of third-party reimbursement for health costs, (2) physician reimbursement, (3) payment for drugs and medical supplies, (4) utilization of health facilities and services, and (5) capital expenditures) that can be taken to control costs in the health care industry, as well as the hospital part of the industry.

(b) The report shall include the results of a study, conducted by the Secretary in consultation with appropriate national organizations, on the activities, programs, operating costs, and reimbursement of children's hospitals (described in section 321 (6) (E)). With such results, the Secretary shall include findings and recommendations, including a recommendation with respect to the use of a system for the prospective measurement of costs of such hospitals.

Page 179, line 4, insert after the period the following new sentence: "The Secretary, in carrying out the requirements of this subsection with respect to hospitals located in Hawaii or Alaska, shall make such adjustments as may be necessary to reflect the higher prices for classes of goods and services prevailing in each of those States.".

Page 183, insert after line 15 the following new subsection:

(d) The Taskforce on Consumer and Physician Incentives Towards Hospital Cost Containment shall be established under section 302 not earlier than October 1 of the year in which this Act is enacted and shall be terminated not later than March 1, 1985.

Page 187, insert after line 11 the following new subparagraph:

(E) is an institution (i) organized and operated for the care of children and youth, and (ii) a majority of the inpatients of which are eighteen years of age or younger,

Page 187, lines 12 and 15, strike out "(E)" and "(F)", respectively, and insert in lieu thereof "(F)" and "(G)", respectively.

Page 188, insert after line 17 the following new paragraph:

(1) (A) The term "hospital expenses", for purposes of title I, does not include any SHUR expenses (as defined in paragraph (4)).

Page 188, line 18, strike out "(1)" and insert in lieu thereof "(B)".

Page 191, insert after line 6 the following new paragraph:

(4) The term "SHUR expenses" means expenses incurred by a hospital only in order to comply with the requirements of sections 1861(v) (1) (F) and 1902(a) (40) of the Social Security Act (relating to reporting under a system for hospital uniform reporting).

Page 191, line 7, strike out "(4)" and insert in lieu thereof "(5)".

Page 191, line 22, insert "or SHUR expenses" after "(2) (A)".

Page 193, line 5, insert "or SHUR expenses" after "(4) (A)".

Page 193, line 7, insert after the comma the following: "except that the Secretary, in applying such percentage increase with respect to hospitals located in Hawaii or in Alaska, shall make such adjustment in such percentage increase as may be necessary to reflect any higher rate of increase in the prices of classes of goods and services in those States as compared with such rate of increase in the United States".

Page 194, strike out line 17 and all that follows through page 195, line 13 and insert in lieu thereof the following:

(1) (A) Subject to subparagraph (B), the term "percent change in area population" means, for an accounting period of a hospital, the higher of—

(i) the percentage change in the size of the population of the Standard Metropolitan Statistical Area (as determined by the Office of Management and Budget), if any, in which the hospital is located in the year preceding the year in which the accounting period ends over the size of the population of such Area in the second preceding year, or

(ii) the percentage change in the size of the population of the county or county equivalent area (as recognized by the Bureau of the Census) in which the hospital is located in the year preceding the year in which the accounting period ends over the size of the population of such county or area in the second preceding year,

except that in no case shall such percent change be less than zero.

(B) In the case of hospital located in a Standard Metropolitan Statistical Area, county, or county equivalent area which has a rate of increase in its population of persons sixty-five years of age or older for a year exceeding the rate of increase in the population of such persons in the United States for the year, the Secretary shall determine the amount of such difference and shall provide for an adjustment in the percent change in population of the Area or of the county or county equivalent area (for purposes of clauses (i) and (ii), respectively, of subparagraph (A)) for the accounting period of the hospital ending in the year in such a manner as takes into consideration the additional costs (based on national data for cost of hospital services per capita for such persons as opposed to persons of other ages) involved in caring for such persons to the extent of such excess increase rate.

Mr. RANGEL. Mr. Chairman, as pointed out by the chairman of the Subcommittee on Health and the Environment of the Committee on Interstate and Foreign Commerce, both committees have worked very closely together in an effort to bring the best possible bill before this House.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. RANGEL. I yield to the gentleman from North Carolina.

Mr. BROYHILL. Mr. Chairman, we have had an opportunity, as the gentleman knows, to examine these amendments. We have had an ample opportunity to examine them, and at least on this side we are willing to accept them.

Mr. RANGEL. Then. Mr. Chairman, I will ask that the committee adopt the amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from New York (Mr. RANGEL) to the amendment in the nature of a substitute offered by the Committee on Interstate and Foreign Commerce.

The amendments to the amendment in the nature of a substitute offered by the Committee on Interstate and Foreign Commerce were agreed to.

AMENDMENTS OFFERED BY MR. BUCHANAN TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. BUCHANAN. Mr. Chairman, I offer amendments to the amendment in the nature of a substitute offered by the Committee on Interstate and Foreign Commerce. These amendments were printed in the CONGRESSIONAL RECORD of November 13, 1979.

The CHAIRMAN. The Clerk will designate the amendments.

The amendments to the amendment in the nature of a substitute are as follows:

Amendments offered by Mr. BUCHANAN to the amendment in the nature of a substitute offered by the Committee on Interstate and

Foreign Commerce: Page 187, line 14, strike out "or".

Page 187, line 16, strike out the period and insert in lieu thereof ", or".

Page 187, insert after line 16 the following new subparagraph:

(G) (i) is primarily engaged in providing, by or under the supervision of physicians, to inpatients rehabilitation services for the rehabilitation of injured, disabled, or sick persons, and (ii) is not a part of any other hospital.

Mr. BUCHANAN. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute to exempt all free standing rehabilitation hospitals from the mandatory controls of the bill should they go into effect. These hospitals will be exempted in the same way in which psychiatric and children's hospitals are exempted.

The bill as it is written exempts institutions which have an average duration of patient stay of more than 30 days during the preceding 36 months. This provision is intended to exclude from the cost control system facilities which are not acute care hospitals and, therefore, hospitals whose characteristics are unrelated to the norms and standards in the bill. This is an appropriate approach since the bill does not provide for differentiation but subjects all covered facilities to a single price control system.

The 30-day standard is an estimate of a fair dividing line between acute care facilities and other types of hospitals. Given the focus of the bill on acute short-term hospitals, the exclusion of rehabilitation hospitals from this legislation is appropriate.

First, because of the nature of the patient population and treatment typical in rehabilitation hospitals. Second, because of the long-term programs which are typical of such facilities there are fluctuations in length of stay greatly in excess of those experienced in acute care facilities. Application of the cost control apparatus designed specifically for acute care hospitals to rehabilitation would, therefore, be inappropriate.

Of the approximately 100 rehabilitation facilities in the United States, it is estimated that between 50 to 65 percent had an average length of patient stay of more than 30 days in 1977. Thus, perhaps half of the rehabilitation hospitals would be placed under the mandatory controls if they were implemented tomorrow. It should also be noted that of the hospitals reporting an average length of stay of less than 30 days most have a stay of 27 days or longer.

Different factors affect the length of stay figure. One is patient mix. An increase of a few high spinal cord injuries, for example, will have a drastic effect on the average length of stay for a facility. An institution that has very few high spinal cord patients in the 36 months preceding mandatory controls could consequently be placed under the controls for 5 years regardless of the patient mix during those 5 years.

A number of rehabilitation hospitals with lengths of stay just under 30 days per admission would be subject to the terms of the act while many similar facilities with essentially identical programs would not be covered because their length of stay is slightly above 30 days. It would thereby punish the efficient institutions with shorter stays and actually provide a disincentive to short stays.

My concern about coverage does not flow from the assumption that costs in rehabilitation facilities are excessive, but rather that the imposition of a cost control system unrelated to such facilities will result in bureaucratic confusion, administrative waste, and inadvertently promote inefficiencies.

Mr. Chairman, I urge the adoption of this amendment.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield

Mr. BUCHANAN. I yield to the gentleman from California.

Mr. WAXMAN. Mr. Chairman, I support the gentleman's amendments.

The amendments simply clarify the intent of the legislation that long-term hospitals are not included in the bill, and I commend the gentleman for offering these worthwhile amendments.

Mr. RANGEL. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from New York.

Mr. RANGEL. Mr. Chairman, the Committee on Ways and Means has no objection to these amendments.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from North Carolina.

Mr. BROYHILL. Mr. Chairman, we have examined these amendments. We accept them on this side and support them.

Mr. BUCHANAN. Mr. Chairman, I thank the distinguished gentlemen, and yield back the balance of my time.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Alabama (Mr. BUCHANAN) to the amendment in the nature of a substitute offered by the Committee on Interstate and Foreign Commerce.

The amendments to the amendment in the nature of a substitute offered by the Committee on Interstate and Foreign Commerce were agreed to.

AMENDMENT OFFERED BY MR. GEPHARDT AS A SUBSTITUTE FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. GEPHARDT. Mr. Chairman, pursuant to the rule, I offer the text of H.R. 5635, a copy of which is at the desk. I offer that amendment as a substitute for the amendment in the nature of a substitute offered by the Committee on Interstate and Foreign Commerce.

Further, Mr. Chairman, I ask unanimous consent that the amendment offered as a substitute for the amendment in the nature of a substitute be considered as read and printed in the RECORD

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The amendment offered as a substitute for the amendment in the nature of a substitute is as follows:

Amendment offered by Mr. GEPHARDT as a substitute for the amendment in the nature of a substitute offered by the Committee on Interstate and Foreign Commerce: Strike out all after the enacting clause and insert in lieu thereof the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Hospital Cost Containment and Reporting Act of 1979".

NATIONAL COMMISSION ON HOSPITAL COSTS

SEC. 2. (a) There is established a Commission to be known as the National Commission on Hospital Costs (hereinafter in this section referred to as the "Commission").

(b) The Commission shall consist of fifteen members appointed by the President. Of those members—

(1) five shall be individuals representative of hospital administration,

(2) five shall be individuals representative of entities that reimburse hospitals, of whom one shall be the Administrator of the Health Care Financing Administration, and

(3) five shall be individuals who are not representative of either hospitals or of entities that reimburse hospitals,

and each of whom, as a result of training, experience, or attainments, is exceptionally well qualified to assist in serving on and carrying out the functions of the Commission. The President shall first appoint such members to the Commission not later than sixty days after the date of the enactment of this Act.

(c) Members of the Commission shall serve for the life of the Commission.

(d) The President shall appoint one of the members as Chairman, to serve until the expiration of the member's term.

(e) Eight members of the Commission shall constitute a quorum to do business. The Commission shall meet at least quarterly at the call of the Chairman or at the call of a majority of its members.

(f) (1) The Commission shall report to appropriate committees of Congress and to the President annually, and at such other times as it deems appropriate, on its activities, on the implementation of this Act, and on the rate of increases in hospital expenses and the success of the voluntary efforts of hospitals to meet the voluntary goals for hospital cost containment established by section 4 of this Act.

(2) The Commission shall prepare and submit to the appropriate committees of Congress and to the President, not later than one year after the date a majority of the members of the Commission are first appointed, a report on measures (such as changes in (A) methods of third-party reimbursement for health costs, (B) physician reimbursement, (C) payment for drugs and medical supplies, (D) utilization of health facilities and services, and (E) capital expenditures) that can be taken to control costs in the health care industry, as well as the hospital part of the industry.

(3) The Commission also shall study and make recommendations, not later than two years after the date a majority of the members of the Commission are first appointed, to the appropriate committees of the Congress and to the President with respect to—

(A) (i) the strengthening of competitive forces in the health services industry wherever price competition and consumer choice can constructively serve to advance the purposes of quality assurance, cost effectiveness, access, appropriate utilization, and consumer and physician awareness of the relative cost and quality of different hospital (and outpatient) services, including the effect of different policies and procedures (such as the use of deductibles, coinsurance, and cost- or risk-sharing; changes in the tax deduction and exclusion from income provisions of the Internal Revenue Code of 1954 relating to health-care service; and the use of prepaid health plans), and

(ii) the desirability of increasing the use of these and similar methods in federally funded and other health insurance programs;

(B) (i) the extent to which underutilized capacity exists in the health care system, the impact of that capacity on hospital expenditures and utilization and the feasibility of methods to reduce that capacity, including the program established by part E of title XVI of the Public Health Service Act, changes in reimbursement methods, as well as increased competition in the health care industry,

(ii) the costs and benefits of State certificate of need programs required by section 1523(a)(4) of the Public Health Service Act and the programs of review of capital expenditures required by section 1122 of the Social Security Act,

(iii) the impact of increased hospital capital expenditures on operating expenses and the need for such expenditures as well as other increases in the intensity of hospital services, including the impact of advances in medical care delivery and technology,

(iv) the impact of increases in the number of professional health personnel and the changes in the types of such personnel being trained, and recommendations on changes in professional health personnel policy, and

(v) the direct and indirect impacts on hospital costs associated (I) with increases in wages and other employee benefits, and (II) with increases in energy and utility expenses;

(C) alternative systems (including State-based systems as well as federally based systems) of financing health care services and alternative methods (other than the present method of reimbursing hospitals under the medicare and medicaid programs on the basis of their retrospectively determined costs) for paying hospitals for such services;

(D) the costs to hospitals of Federal and State regulatory requirements together with recommendations for more cost-effective regulations.

(E) the costs to hospitals of serving the medically needy; and

(F) any other matters that may affect hospital expenses or revenues.

(4) The Commission shall consult with appropriate professional organizations in the conduct of its activities.

(g) (1) Except as provided in paragraph (2), members of the Commission shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of Commission duties.

(2) Members of the Commission who are full-time officers or employees of the United States shall receive no additional pay on account of their service on the Commission.

(3) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission, shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

(h) The Commission may, subject to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, appoint, fix the pay of, and prescribe the functions of such personnel as are necessary to carry out its functions. In addition, the Commission may procure the services of experts and consultants as authorized by section 3109 of such title.

(2) Upon the request of the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out its functions.

(3) The General Services Administration shall provide the Commission with such administrative services and facilities as may be required to carry out its functions.

(i) (1) The Commission may, for purposes of carrying out its functions, hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and appoint such advisory committees as it may deem advisable.

(2) The Commission may secure directly from any department or agency of the United States and from nongovernmental sources information necessary to carry out its functions. Upon request of the Chairman of the Commission, the head of each such department or agency shall, to the extent permitted by law, furnish the information and otherwise cooperate with the Commission.

(j) The Commission shall be terminated three years after the date a majority of the members of the Commission are first appointed to the Commission.

FUNDING OF STATE HOSPITAL COST CONTAINMENT PROGRAMS

SEC. 3. (a) The Secretary of Health, Education, and Welfare (hereinafter in this Act referred to as the "Secretary") may make grants to States to assist them in planning, establishing, or operating State voluntary or mandatory hospital cost containment programs which meet the requirements of subsection (b). No State shall be eligible for payment under this section if the Secretary determines that the State has received, on or before October 1, 1979, any Federal funds under section 222 of the Social Security Amendments of 1972 (Public Law 92-603) for a statewide hospital cost containment program.

(b) A State desiring Federal assistance under this section for its conducting a cost-containment program shall submit to the Secretary a plan for such program which provides adequate assurances to the Secretary that the program will be conducted as follows:

Hospitals Covered

(1) The program covers all hospitals (as defined in subsection (h)) in the State.

Administration of Plan

(2) (A) The program provides for its administration by a commission on hospital costs or by a designated State agency which is not the single State agency that administers (or supervises the administration of) the State's plan under title XIX of the Social Security Act or by a private entity (such commission, designated agency, or private entity, hereinafter in this part referred to as the "administering body").

(B) A State or an administering body may contract with a private entity for the conduct of the activities vested in it, subject to all the requirements which would apply to the State or the body itself in its conduct of such activities.

(C) The program provides for an advisory council, appointed by the chief executive officer of the State, composed of members including representatives of institutional providers, third-party payers, professional standards review organizations and health systems agencies located in the State, and consumers of health care services and with the duty of reviewing and annually reporting (to the chief executive officer of the State and to the public) on the operation of the administering body.

Review Process

(3) (A) The program provides—

(i) that each hospital will be required to submit such information as may be appropriate to carry out the activities of the program;

(ii) that the administering body will review the information submitted by each such hospital; and

(iii) for appropriate coordination with the health planning program established in the State pursuant to title XV of the Public Health Service Act and with professional standards review organizations, conditionally or otherwise designated under part B of title XI of the Social Security Act, any part of which is located in the State.

(B) If the program provides for approval of hospital budgets or charges for hospital services, then—

(i) a hospital budget or schedule of charges submitted for approval under the program will be deemed approved unless disapproved by the administering body (I) within one hundred and fifty days of the date of its submission in complete form for approval to the body, or (II) in the case of the budget or schedule submitted in the first year of the program's operation, within such reasonable amount of time as the Secretary determines to be appropriate.

(ii) if such a hospital offers in a fiscal period at least the amount and type of services offered during the preceding fiscal period and if, through efficiency of operation, the hospital was able to reduce costs during such preceding period below those prospectively approved for that period, the program will not require the hospital to establish a budget or schedule of charges for the fiscal period that is less than its budget or schedule for such preceeding fiscal period as a result of such efficiency, and

(iii) the program provides an administrative mechanism for appeals of adverse decisions made by the administering body.

Treatment of Philanthropy

(4) The program does not treat, directly or indirectly, as revenues of any hospital any of the hospital's amounts which are attributable to—

(A) a donor designated or restricted grant, gift, or income from an endowment, as defined in section 405.423(b)(2) of title 42 of the Code of Federal Regulations;

(B) a grant or gift, or income from such a grant or gift, which is not available for use as operating funds because of its designation by the hospital's governing board;

(C) a grant or similar payment which is made by a governmental entity and which is not available, under the terms of the grant or payment, for use as operating funds;

(D) the sale or mortgage of any real estate or other capital assets of the hospital which the hospital acquired through a gift or grant and which is not available for use as operating funds under the terms of the gift or grant or because of its designation by the hospital's governing board; and

(E) a depreciation fund which is (i) created by the hospital in order to meet a condition imposed by a third party for the third party's financing of a capital improvement of the hospital, and (ii) is used exclusivey to make payments to such third party for the financing of the capita improvement.

(c) The Secretary may waive any of the requirements of subsection (b), other than the requirements of paragraph (3)(B), with respect to a program if he determines that the plan is otherwise consistent with the purposes of containing hospital costs.

(d) (1) An application by a State for assistance under this section shall be in such form, submitted in such manner, and contain such information and assurances, as the Secretary may require.

(2) The Secretary shall determine the amount of any assistance provided under this section, and may make payment in advance or by way of reimbursement, and at such intervals and on such conditions as he finds necessary. Subject to appropriations, the Secretary may provide assistance in amounts up to 50 per centum of the neces-

sary expenses involved with the planning, establishment, or operation of such a program.

(e) The Secretary shall monitor the performance of the State programs assisted under this section and shall make appropriate recommendations to the States for improvement of their programs with respect to—

(1) containing aggregate levels of hospital utilization;

(2) shifting utilization from inpatient hospital services to outpatient services;

(3) reducing excess hospital capacity through facility mergers, conversions, and terminations;

(4) promoting alternative methods of providing medical care, such as through health maintenance organizations.

(f) There are authorized to be appropriated for assistance under this section $10,000,000 for the fiscal year ending September 30, 1980, and such sums as may be necessary for each of the two succeeding fiscal years.

(g) For purposes of this section, the term "State" includes the District of Columbia, Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.

(h) For purposes of this section, the term "hospital", with respect to any period, means an institution (or distinct part of an institution if the distinct part participates in the program established by title XVIII of the Social Security Act) that satisfies paragraphs (1) and (7) of section 1861(e) of the Social Security Act during all of the period but does not include any such institution if it—

(1) had an average duration of stay of thirty days or more during the preceding twelve months,

(2) derived seventy-five per centum or more of its inpatient care revenues from one or more health maintenance organizations (as defined in section 1301(a) of the Public Health Service Act) during the preceding twelve months,

(3)(A) is located in a rural area and (B) had average annual admissions of four thousand or less during the preceding twelve months,

(4) does not impose charges or accept payments for services provided to patients,

(5) is a psychiatric hospital (as described in section 1861(f)(1) of the Social Security Act), or

(6) is a Federal institution during any part of the period.

For purposes of paragraph (3), the term "rural area" includes an area which is either outside an urban area (as defined by the Bureau of the Census) or outside a standard metropolitan statistical area (as determined by the Office of Management and Budget).

VOLUNTARY GOALS FOR HOSPITAL COST CONTAINMENT

SEC. 4. (a)(1) Subject to the adjustment to reflect changes in the relative rate of inflation of the economy provided under paragraph (2), the goals of the voluntary hospital cost containment program are to reduce the rate of increase in total hospital expenses for calendar year 1979, and for each subsequent calendar year, to four percentage points less than the rate of increase in total hospital expenses for 1977.

(2) The voluntary goal for a calendar year shall be increased or decreased by the number of percentage points by which the percentage increase in the GNP deflator for the calendar year is greater or less, respectively, than the percentage increase in the GNP deflator for 1977.

(b) The Secretary shall compile data describing increases in total hospital expenses and shall report such compiled data at least quarterly to the appropriate committees of the Congress and to the National Commission on Hospital Costs (established under section 2 of this Act).

(c) For purposes of this section:

(1)(A) The term "rate of increase in total hospital expenses" means, for a calendar year, the percentage by which the total hospital expenses (as determined under subparagraph (B)) for the calendar year exceeds the total hospital expenses for the previous calendar year.

(B) The term "total hospital expenses" means, for a calendar year, the total expenses (including depreciation, interest, payroll, and other hospital expenses) of all medicare hospitals (as defined in subparagraph (C)) in the calendar year, as such expenses are defined by the Secretary.

(C) The term "medicare hospital" means a hospital (other than a psychiatric hospital or tuberculosis hospital as defined in subsections (f) and (g), respectively, of section 1861 of the Social Security Act) which has an agreement in effect under section 1866 of the Social Security Act during 1978.

(2)(A) The term "percentage increase in the GNP deflator" means, for a calendar year, the percentage by which the GNP deflator for the last quarter of the calendar year has increased over the GNP deflator for the last quarter of the previous calendar year.

(B) The term "GNP deflator" means the implicit price deflator for gross national product as calculated by the Bureau of Economic Analysis of the Department of Commerce and as published in the first revision of the gross product in February of each year for the last calendar quarter of the previous year.

ENCOURAGEMENT OF PHILANTHROPIC SUPPORT OF HOSPITALS

SEC. 5. (a) Part A of title XI of the Social Security Act is amended by adding after section 1131 the following new section:

"ENCOURAGEMENT OF NONPROFIT HOSPITAL PHILANTHROPY

"SEC. 1132. (a) For purposes of determining under titles V, XVIII, and XIX the reasonable costs of services furnished by nonprofit hospitals, gifts, grants, and endowments, and income therefrom, shall not be deducted from any operating costs of such hospitals.

"(b) Notwithstanding any other provision of law (except such provisions of law as specifically refer to this provision), no Federal law which provides for the containment or control of hospital costs shall treat, directly or indirectly, as revenues any amounts which are attributable to—

"(1) a donor designated or restricted grant, gift, or income from an endowment, as defined in section 405.423(b)(2) of title 42 of the Code of Federal Regulations;

"(2) a grant or gift, or income from such a grant or gift, which is not available for use as operating funds because of its designation by the hospital's governing board;

"(3) a grant or similar payment which is made by a governmental entity and which is not available, under the terms of the grant or payment, for use as operating funds;

"(4) the sale or mortgage of any real estate or other capital assets of the hospital which the hospital acquired through a gift or grant and which is not available for use as operating funds under the terms of the gift or grant or because of its designation by the hospital's governing board; or

"(5) a depreciation fund which is (A) created by the hospital in order to meet a condition imposed by a third party for the third party's financing of a capital improvement of the hospital, and which fund is used exclusively to make payments to such third party for the financing of the capital improvement.".

(b) Subsection (a) of section 1132 of the Social Security Act (as added by subsection (a)) shall apply to grants, gifts, and endowments made or established on or after the date of the enactment of this Act.

COORDINATED AUDITS UNDER THE SOCIAL SECURITY ACT

SEC. 6. (a) Title XI of the Social Security Act is amended by inserting after section 1126 the following new section:

"COORDINATED AUDITS

"SEC. 1127. If an entity provides services reimbursable on a cost-related basis under title V or XIX, as well as services reimbursable on such a basis under title XVIII, the Secretary shall require, as a condition for payment to any State under title V or XIX with respect to administrative costs incurred in the performance of audits of the books, accounts, and records of that entity, that these audits be coordinated through common audit procedures with audits performed with respect to the entity for purposes of title XVIII. The Secretary shall specify by regulation such methods as he finds feasible and equitable for the apportionment of the cost of coordinated audits between the program established under title V or XIX and the program established under title XVIII. Where the Secretary finds that a State has declined to participate in such a common audit with respect to title V or XIX, he shall reduce the payments otherwise due such State under such title by an amount which he estimates to be the amount that would have been apportioned to the State under the title (for the expenses of the State incurred in the common audit) if it had participated in the common audit.".

(b)(1) Section 1902(a) of the Social Security Act is amended—

(A) by striking out "and" at the end of paragraph (39);

(B) by striking out the period at the end of paragraph (40) and inserting in lieu thereof "; and"; and

(C) by inserting after paragraph (40) the following new paragraph:

"(41) provide (A) that to the records of any entity participating in the plan and providing services reimbursable on a cost-related basis will be audited as the Secretary determines to be necessary to insure that proper payments are made under the plan, (B) that such audits, for such entities also providing services under part A of title XVIII, will be coordinated and conducted jointly (to such extent and in such manner as the Secretary shall prescribe) with audits conducted for purposes of such part, and (C) for payment of the proportion of costs of each such common audit of such an entity equal to the proportion of total program benefit payments to the entity (by all third-party payers participating in the common audit for the period being audited) which are payments under this title.".

(2) The amendments made by paragraph (1) shall apply to medical assistance provided, under a State plan approved under title XIX of the Social Security Act, on and after the first day of the first calendar quarter beginning more than thirty days after the date of enactment of this Act.

(c)(1) Section 505(a) of the Social Security Act is amended—

(A) by striking out "and" at the end of paragraph (14);

(B) by striking out the period at the end of paragraph (15) and inserting in lieu thereof "; and"; and

(C) by inserting after paragraph (15) the following new paragraph:

"(16) provides (A) that the records of any entity participating in the plan and providing services reimbursable on a cost-related basis will be audited as the Secretary determines to be necessary to insure that proper payments are made under the plan, (B) that such audits, for such entities also providing services under part A of title XVIII, will be coordinated and conducted jointly (to such extent and in such manner as the Secretary shall prescribe) with audits conducted for purposes of such part, and (C) for payment of the proportion of costs of each such common audit of such an entity equal to the proportion of total program benefit payments to the entity (by all third-party payers participating in the common audit for the period being audited) which are payments under this title.".

(2) The amendments made by paragraph (1) shall apply to services provided, under a State plan approved under title V of the Social Security Act, on and after the first day of the first calendar quarter beginning more than thirty days after the date of enactment of this Act.

(d) The Secretary shall report to Congress, not later than one year after the date of the enactment of this Act, on actions the Secretary has taken (1) to coordinate the conduct of institutional audits and inspections which are required under the programs funded under title, V, XVIII, or XIX of the Social Security Act and (2) to coordinate such audits and inspections with those conducted by other cost payers, and he shall include in such report recommendations for such legislation as he deems appropriate to assure the maximum feasible coordination of such institutional audits and inspections

HOSPITAL PROVIDERS OF LONG-TERM CARE SERVICES ("SWING-BEDS")

SEC. 7. (a)(1) Title XVIII of the Social Security Act is amended by adding after section 1881 the following new section:

"HOSPITAL PROVIDERS OF EXTENDED CARE SERVICES

"SEC. 1882. (a)(1) Any hospital (other than a hospital which has in effect a waiver of the requirement imposed by section 1861 (e)(5)) which has an agreement under section 1866 may (subject to subsection (b)) enter into an agreement with the Secretary under which its inpatient hospital facilities may be used for the furnishing of services of the type which, if furnished by a skilled nursing facility, would constitute posthospital extended care services.

"(2)(A) Notwithstanding any other provision of this title, payment to any hospital for services furnished under an agreement entered into under this section shall be based upon the reasonable cost of the services as determined under subparagraph (B).

"(ii) The reasonable cost of routine services consists of the reasonable cost of routine services (determined under clause (ii)) and the reasonable cost of ancillary services (determined under clause (iii)).

"(ii) The reasonable cost of routine services furnished during any calendar year by a hospital under an agreement under this section is equal to the product of (I) the number of patient-days during the year for which the services were furnished, and (II) the average reasonable cost per patient-day, such average reasonable cost per patient-day being the average rate per patient-day paid for routine services during the previous calendar year under title XIX to skilled nursing facilities located in the State in which the hospital is located and which have agreements entered into under section 1902 (a)(28).

"(iii) The reasonable cost of ancillary services shall be determined in the same manner as the reasonable cost of ancillary services provided for inpatient hospital services.

"(b) The Secretary may not enter into an agreement under this section with any hospital unless the hospital has been granted a certificate of need for the provision of long-term care services from the State health planning and development agency (designated under section 1521 of the Public Health Service Act) for the State in which the hospital is located.

"(c) An agreement with a hospital under this section shall, except as otherwise provided under regulations of the Secretary, be of the same duration and subject to termination on the same conditions as are agreements with skilled nursing facilities under section 1866 (unless the hospital fails to satisfy the requirements specified in subsection (b)) and shall, where not inconsistent with any provision of this section, impose the same duties, responsibilities, conditions, and limitations, as those imposed under such agreements entered into under section 1866; except that no such agreement with any hospital shall be in effect for any period during which the hospital does not have in effect an agreement under section 1866, or where there is in effect for the hospital a waiver of the requirement imposed by section 1861(e)(5). A hospital whose agreement under this section has been terminated shall not be eligible to undertake a new agreement until a two-year period has elapsed from the termination date.

"(d) Any agreement with a hospital under this section shall provide that payment for services will be made only for services for which payment would be made as posthospital extended care services if those services had been furnished by a skilled nursing facility under an agreement entered into under section 1866; and any individual who is furnished services, for which payment may be made under an agreement under this section, shall, for purposes of this title (other than this section), be deemed to have received posthospital extended care services in like manner and to the same extent as if the services furnished to him had been posthospital extended care services furnished by a skilled nursing facility under an agreement under section 1866.

"(e) During a period for which a hospital has in effect an agreement under this section, in order to allocate routine costs between hospital and long-term care services for purposes of determining payment for inpatient hospital services, the total reimbursement received for routine services from all classes of long-term care patients (including title XVIII, title XIX, and private pay patients) shall be subtracted from the hospital's total routine costs before calculations are made to determine title XVIII reimbursement for routine hospital services.

"(f) With respect to a hospital's furnishing (under an agreement in effect under this section) of services of the type which, if furnished by a skilled nursing facility, would constitute posthospital extended care services—

"(1) the hospital shall be required to meet all the requirements of this Act that a skilled nursing facility would be required to meet with respect to the furnishing of such services, and

"(2) the provision of such services shall be treated and subject to the same requirements of this Act as posthospital extended care services furnished by a skilled nursing facility under this title,

except such requirements of section 1861(j) and such other requirements as the Secretary determines to be inappropriate in the case of these services being furnished by a hospital under this section.".

(2) Within three years after the date of the enactment of this Act, the Secretary shall submit to Congress a report evaluating the program established under section 1882 of the Social Security Act and shall include in such report an analysis of—

(A) the extent and effect of the agreements under the program on availability and effective and economical provision of long-term care services, and

(B) whether the program should be continued.

(b) Title XIX of the Social Security Act is amended by adding after section 1912 the following new section:

"HOSPITAL PROVIDERS OF SKILLED NURSING AND INTERMEDIATE CARE SERVICES

"SEC. 1913. (a) Notwithstanding any other provision of this title, payment may be made, in accordance with this section, under a State plan approved under this title for skilled nursing facility services and intermediate care facility services furnished by a hospital which has in effect an agreement under section 1882.

"(b)(1) Payment to any such hospital, for any skilled nursing or intermediate care facility services furnished, shall be at a rate equal to the average rate per patient-day paid for routine services during the previous calendar year under this title to skilled nursing and intermediate care facilities located in the State in which the hospital is located. The reasonable cost of ancillary services shall be determined in the same manner as the reasonable cost of ancillary services provided for inpatient hospital services.

"(2) With respect to any period for which a hospital has an agreement under section 1882, in order to allocate routine costs between hospital and long-term care services, the total reimbursement for routine services received from all classes of long-term care patients (including title XVIII, title XIX, and private pay patients) shall be subtracted from the hospital total routine costs before calculations are made to determine title XIX reimbursement for routine hospital services.".

(c) The amendments made by this section shall become effective on the date on which final regulations, promulgated by the Secretary to implement the amendments, are first issued; and those regulations shall be issued not later than the first day of the sixth calendar month following the month in which this Act is enacted.

Mr. GEPHARDT. Mr. Chairman, the substitute which I, with many other Members of the House as a bipartisan coalition, offer today is a clear alternative. It clearly offers a different path that we might want to follow—and it is one I urge the Members to follow—in dealing with the problem of hospital costs.

A number of members of the Committee on Ways and Means and a substantial number of members of the Committee on Interstate and Foreign Commerce voted for substitutes in committee that were very much like the substitute which we offer today. We have put these substitutes into one bill called H.R. 5635, and I would say that this substitute is better than the status quo.

I would say that H.R. 2626 worsens the status quo, but I would say also that neither bill truly addresses the underlying causes of the problems of too expensive hospital costs. If the Members thought that they were going to get a vote on a bill that would really deal with the underlying problems, I am afraid that that is not the case.

The question becomes this: Is what we are doing in the bill really better than what the status quo has been? In order to answer that question, we need to address this question: What is the status quo?

There are a lot of comments made today that the status quo is this increase in hospital costs; others say that it is something else.

In 1977 this concept was brought up by the Carter administration. At that time hospital costs were rising at the rate of 15.6 percent and the inflation rate was 6.6 percent. As a result of that problem, frankly, the hospital industry got interested, perhaps for the first time, in lowering hospital costs. They became sensitized to the problem, and they started a voluntary effort to do something about the problem.

I submit to the Members that that voluntary effort, which is really embodied in this substitute, has achieved substantial and tangible success. In 1978 the voluntary program reduced the rate of increase from 15.6 percent to 12.8 percent as inflation was rising from the rate of the year before.

The voluntary goal for 1979 was to reduce the rate to 11.6 percent. However, inflation for the first 7 months of this year, as the Members know, has been at the rate of 13.5 percent, but hospital costs for that period have increased by 13.3 percent. So indeed the original goal of hospital cost containment has been realized by the voluntary effort, because today for the first 7 months of this year hospital costs have risen at a rate lower than the rate of inflation.

So the voluntary program has worked well. When people say, "If you vote for the substitute, you are voting for nothing and you are voting to 'deep-six' the whole effort to contain hospital costs," that is completely inaccurate.

What does the substitute do? It does three major things.

First, it keeps the pressure on the voluntary program. It sets up a national commission made up of 15 members appointed by the President who have a mandate in the substitute to report to Congress every year in order to tell us exactly how well the voluntary program is going. At any time we can bring back a bill to put on mandatory controls.

I cannot imagine that this kind of oversight and evaluation will not keep even more pressure on hospitals to keep their voluntary program going, to improve it, and to make it better.

Second, this mandates a report and a study on long- and short-term strategies to reduce health care costs.

Third, it offers grants for State cost containment programs.

I might say that the last two features are obviously part of H.R. 2626 as well.

So let us be very clear as to what we are dealing with in the substitute. The main point of the substitute is to keep us on the voluntary path rather than going down the mandatory path.

The administration and the advocates of the bill argue that it will cut inflation drastically and it will save the U.S. Treasury billions. First of all, the CBO says that cumulatively over a 4-year period the effect of inflation will be from one-tenth of 1 percent to three-tenths of 1 percent. Indeed that is an inflation effect, but it is not an overwhelming rate of inflation and it assumes a lot of things about the mandatory program that may not come true.

Second, we have heard all kinds of estimates about what the bill would save. Some say $56 billion; other estimates are lower than that. In any event, the original estimates were $56 to $58 billion. They were based on an assumption that hospital costs would continue to increase.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. GEPHARDT) has expired.

(By unanimous consent, Mr. GEPHARDT was allowed to proceed for 5 additional minutes.)

Mr. GEPHARDT. Mr. Chairman, the estimates were based on an assumption that costs would continue to increase at the pace at which they were increasing in 1977. So indeed that cost-saving estimate is wrong.

The estimate of savings by the voluntary program is about $15 billion for that same period of time, and that is based on what we think the voluntary program will actually do.

What is wrong with mandatory price controls? Why is the voluntary approach better than the mandatory approach?

Price controls in and of themselves are not reform. They simply do not change the reasons for the inflationary spiral in the health field; they merely mask them. They treat symptoms and not causes, and further than that, they make the causes worse.

H.R. 2626 meets none of the minimum standards of an acceptable bill. It does not focus on matters which a hospital administrator has in his control.

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It is a system of permanent bureaucratic controls. It puts the incentives on avoiding the controls instead of achieving voluntary guidelines. The minute we would pass this bill, hospital administrators, instead of having positive incentives to stick with the voluntary program, which they have been trying to do, will then be trying to get out of the program; and the best evidence that that will happen is that the bill itself exempts many, many hospitals across the country. We can tick off the people who have already gotten out of the bill, and as surely as we stand here today, if the bill is passed, everybody who is covered will figure out how to beat it. It provides no element of reform in the system or any commitment to seek such reform. In fact, it will deter and preclude real reform.

What is wrong with the system as we have it today?

First, the reasonable cost reimbursement system provides no incentive for hospitals to consider the cost of what they purchase.

Second, the persons who most affect costs—doctors—have no financial stake in their decisions.

Third, patients have no incentive to consider the most efficient form of care.

Fourth, hospitals compete for doctors, but not on costs.

Fifth, there are major distribution problems.

Sixth, the health care system is subject already to a crushing regulatory burden.

Cost containment will occur when there are financial incentives to provide the best care in the most efficient manner, and this is impossible when the Government tries to decide the allocation of care and equipment.

The present bill does nothing to address the fundamental problems. It will add another layer of Government regulation but not change the reasons that we have had cost excesses.

We need financial consequences and rewards for doctors and hospitals to be sufficient and economic competition between providers.

So let me sum up. The substitute is not a final answer, but it is a better answer than mandatory controls.

Second, by voting for the substitute you are endorsing the voluntary program which has yielded positive, tangible results and you are keeping direct pressure on hospitals to continue to do what they have been doing.

Third, by voting for the substitute you are calling for a serious review and a report on the long- and short-term strategies to solve this terrific problem.

Fourth, by voting for the substitute you are rejecting mandatory controls, which will slow down real reform, if you are interested in that, that would put incentives on avoiding controls rather than complying with the voluntary program, and which will ultimately fail, for all of the reasons we know that controls have failed in every other area that they have been used.

If you want to do something about health care costs, if you want to make health care better in our country, you are going to waste 5 years and you are going to confuse the effort and aggravate the real effort to reform this system that I hope will be made in the next 5 years.

Mr. RANGEL. Mr. Chairman, I rise in opposition to the substitute.

Mr. Chairman, I cannot think of a more eloquent way to do absolutely nothing than as the gentleman from Missouri gives this opportunity with this amendment.

Under the substitute, rather, we would have the opportunity to set up the very same machinery that has been repugnant to the opposition of this legislation, H.R. 2626. We will have the bureaucracy working to do what all of us would love to do, and that is to study and report to the U.S. Congress.

I submit that no Member in this House can go back home and suggest that the question of the increased cost of hospital care needs any further study.

It is interesting to note that there is a great deal of debate going on as to just how much savings is in this bill. Oh, there is a heavy dispute between the statistical data offered by HEW and that offered by the Congressional Budget Office. But is it not some small wonder that this Congress, at long last, has the opportunity to study a bill and to vote on a bill that provides any type of savings at all and at least gives us an opportunity to go home and say that we attempted to get some handle on this fight that we are having against inflation?

It is not H.R. 2626 that sets up a whole lot of bureaucracy standards. It is not H.R. 2626 that tells the hospitals and mandates what the hospitals have to do. The only thing we did on the Committee on Ways and Means and on the Committee on Interstate and Foreign Commerce is to adopt the standards that have been set by the industry. It is the industry that has suggested that costs can be kept down. If there is anyone proud of the tremendous job that the industry has done, ask any hospital executive director whether or not the fear of mandatory controls did not figure into how they found it so easy to cut back on the cost of hospital care, and I assume that they would join with the members of both committees in saying that they did not have to cut back on the quality of care that was given.

The only thing that bothers me about this substitute is that it sounds like it is doing something. The only thing that I see that it does is that it sets up standards or adopts the standards, the voluntary standards, but adopts every bit of bureaucracy that we have in H.R. 2626, and only asks that a report be made back to this Congress.

We have an option. We have an option to do nothing, which is in this substitute, and that is to wait for the report and to find out whether or not we have bloated hospital costs, or to reject the substitute and vote for a piece of legislation which I would consider a consumer vote.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. RANGEL. I yield to the gentleman from Oregon, the chairman of the full committee.

Mr. ULLMAN. I thank the gentleman for yielding.

Mr. Chairman, I want to associate myself entirely with the remarks of the chairman of the subcommittee. He is absolutely right. This bill has been greatly diluted. It still depends upon voluntarism and, to the extent that the hospitals live within their own voluntary guidelines, they are not going to be affected by this bill. It is a good compromise. The substitute should be rejected and the bill should be supported by the Members of this body.

I commend the gentleman from New York, the chairman of the subcommittee, for all of the work he has done in developing this legislation.

Mr. RANGEL. I thank the chairman for his comments.

Mr. GRADISON. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Gephardt amendment and in opposition to the views just expressed by the gentleman from New York (Mr. RANGEL).

Mr. Chairman, the gentleman from New York has made quite a point that the fear of the mandatory program has resulted in hospitals holding costs lower than they otherwise would. I think there is a whole lot to that. But I would suggest that nothing changes with regard to that if the Gephardt amendment is approved, as I think it should be, rather than the mandatory control program, which I oppose.

So long as this issue is before this Congress, and the establishment of this Commission would keep this issue before this Congress, it is going to be clear to the hospitals of America that effective oversight of hospital costs is being carried out by us and that we are watching with considerable interest to see the job which they are doing and to see what the trade-off really is between cost and quality of care, which is the sensitive matter which really causes so many of us to oppose the mandatory program.

It would be possible, of course, to save costs, and they could be in the billions of dollars. All we have to do is eliminate some of the expensive services provided by hospitals. Open-heart surgery, maybe that is not cost efficient, I really do not know. Maybe we should have doctors pull the plug more often. But I think we are concerned about more than just dollars and cents; we are concerned about care and we are concerned about people. That is what leads me to support and to support very strongly the Gephardt substitute.

Mr. Chairman, this substitute is not something just dreamed up for the purpose of debate today. Essentially, the same proposal was considered both by the Committee on Ways and Means and by the Committee on Interstate and Foreign Commerce, and in the Committee on Ways and Means the substitute lost by a vote of 20 to 16; in the Committee on Interstate and Foreign Commerce it lost by a vote of 21 to 21. I think those votes alone indicate that this is a responsible alternative and deserves not only the consideration but the support of this committee.

The gentleman from California, the distinguished chairman of the Health Subcommittee, seemed to indicate in his earlier statements during general debate that he preferred State control mechanisms rather than Federal control mechanisms.

The Gephardt amendment would make this possible, since it authorizes, as do the Ways and Means and Commerce Committee versions of the bill, grants to those States which desire to establish State programs. The State programs, under the Gephardt proposal, can be either mandatory or they can be voluntary, as the State may determine.

So I think that for those who believe that there should be some kind of a control program but are opposed to having it at the Federal level, that the Gephardt amendment would be a responsible alternative.

In the long run, as the gentleman from Missouri has indicated, we have to get to the basic problem—and there is a basic problem—which at bottom could be described as the need to strengthen competitive forces within the hospital industry, in the narrow sense, and the health care industry, in the broader sense.

When this matter was before the Committee on Ways and Means, we took testimony on this subject, and I think it is fair to say that a great many members of the full committee, regardless of what position they may be taking on the matter before us right now, were intrigued, to say the least, with the views of Dr. Martin Feldstein and Dr. Alain Enthoven, who were suggesting new approaches for strengthening competitive forces within the hospital care industry.

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That is precisely within the mandate of the work to be carried out by this Commission. I think that it is extremely important for those who say let us get to the heart of this issue rather than dealing with the superficial aspects, that the Commission would be able to address itself to those basic concerns and hopefully lead us on the road toward fundamental and long-term solutions to the problems which are before us.

In conclusion, Mr. Chairman, I want to congratulate the gentleman from Missouri for bringing us to this point and pledge my wholehearted support for his substitute.

Mr. FOWLER. Mr. Chairman, I rise in opposition to the substitute.

Mr. Chairman, I did my best to stay out of this debate, but my best was not enough.

I rise to speak against the substitute of my friend from Missouri (Mr. GEPHARDT), and to echo in part the remarks of the chairman of the subcommittee, the gentleman from New York (Mr. RANGEL).

I have tremendous sympathy and almost agree in entirety with the gentleman from Missouri (Mr. GEPHARDT) when he says that this bill does not address the true underlying problems of the health care industry.

The hospital industry needs to address the problem of third-party payments.

The hospitals and medical profession need to reexamine the doctor-hospital referral system and its impact on costs.

And all of us need to have an answer to the question of whether every hospital needs to duplicate every other hospital in purchasing every new piece of modern technology.

Does every hospital in every town need a CAT scan, or can they share? Does every hospital in every town need a heart catheterization unit?

All these questions are now being studied. They are being studied by the Government. They are being studied by the hospitals. They are being studied by the doctors' organizations, and all of us are thankful that that research is going on.

I think the hospitals want to bring down their costs.

We all want to find the answer, and we all want to find the answer that has the minimum of involvement by the Federal Government.

This legislation allows all this research to go on but does not impose mandatory controls of any kind unless a hospital fails three tests all of which are very tough to fail. A hospital would have to flunk the national test. It would have to flunk the State test. Even if it flunks both of those tests, if the individual hospital is under 11.6 percent (plus the marketbasket indicator, plus a little inflation index) then it still would not trigger any mandatory controls.

What is fairer than that?

I want to say, as the gentleman from Ohio said, that this was a close vote on our Committee on Ways and Means. It was a close vote on the other committee, and for those of this body who say "No" to this legislation on philosophic grounds or for whatever reason, and are going to vote against it, go ahead and do it, but please do not substitute the Gephardt provision, which is nothing but a placebo. It does nothing. It deceives by appearing to take action to stem the hemorrhaging of public confidence when we are not.

The last thing in the world we need to say to the American people on either side of this debate is: "What are we going to give you to stem such escalating costs? We are going to give you another

Commission. We are going to give you another study."

Let us not fool our people. If we want to leave it to the hosiptals, let us leave it to the hospitals, and hope—and hope—that they can continue to make the progress that they have made. But no placebos, please. And lastly I want to say to my colleagues from the South who have a special feeling, as I do, about the rights of our States, that there is in this bill a mechanism for the transfusion of power from the Federal to the State government. For any State that develops a program, the Federal Government is completely out of its business. Our States ought to deal with the question of hosiptal costs within their own borders and any State that joins the 10 that have already come up with such programs, no part of this bill will ever touch them. That is the way the transfusion of power and responsibility ought to run—from Washington to home, not vice versa.

I urge that we oppose the substitute of the gentleman from Missouri (Mr. GEPHARDT).

Mr. BROYHILL. Mr. Chairman, I rise in support of the Gephardt substitute.

Mr. Chairman, I would like to respond in part to the gentleman from Georgia.

I am opposing H.R. 2626 and supporting the substitute for several reasons. One reason, of course, is that H.R. 2626 would have the effect of singling out this one industry for mandatory controls, and yet, the facts show, as has been pointed out time and again here during this debate, that the cost increases in this industry, no longer exceed the rate of inflation.

In other words, while hospital costs are now rising at a slower rate than the Consumer Price Index, we see other sectors, such as food, housing and so forth, going up at a far higher rate than the Consumer Price Index.

I do not see why we want to single out this one industry for controls.

Now, the Gephardt substitute, it seems to me, does offer at least some hope that we can get some answers to the questions that were just raised by the gentleman from Georgia. He raised some excellent questions that should be answered.

I think that, as legislators, we have a responsibility to come up with some of the answers to those questions, and the Gephardt substitute is an effort to try to come up with some of the solutions to the underlying causes of hospital cost increases, rather than trying to treat the symptoms of the problem.

I think that any fair reading of this bill, this House would have to agree that the control mechanisms that are anticipated under this bill are going to result in a very large and complicated bureaucracy, and we are going to be giving the Secretary of HEW some very wide discretionary authority to make various decisions.

In fact, I have gone though this bill and marked the various places where the Secretary is given the discretionary authority to make various decisions.

Mr. Chairman, we are supposed to be talking about containing hospital costs here—yet at every turn we have reference to "the Secretaary." The bill is replete with instructions for the Secretary and requirements which must be met by the agency.

Just take a look at the language: "He shall promulgate." "He shall assign." "He shall compute." "He shall announce." "He shall apply." "He shall inform." "He shall estimate." "He shall prescribe." "He shall consult." "He shall take into account." "He shall establish." "He shall subtract." "He shall make further additions."

In looking over the language of the bill reported by the Interstate and Foreign Commerce Committee, I found 149 references to the Secretary.

A further examination reveals that there are at least 47 areas in the bill in which the Secretary is given discretionary authority. I will submit the list for the consideration of my colleagues.

The language of this legislation is permeated with formulas to be calculated by the Secretary, with percentage and dollar limitations to be applied by the Secretary, with criteria for exceptions and other secretarial interpretations.

The message is clear. The bill would foster bureaucracy, redtape, and regulation. It would undoubtedly strengthen the Federal Government's iron grasp on the health care sector.

This is why I have been advocating an approach focusing on the voluntary effort, on the industry's successful attempt to govern itself. Such an approach would not result in unnecessary Government intervention and most importantly, has already been shown to work.

H.R. 2626 would require hospitals to limit expenditures for 1979 in order to meet a national goal composed of four factors: First, a percentage increase for the national hospital market basket of goods and services; second, a percentage increase for population growth; third, 1 percent for increases in service improvements and intensity; and fourth, a percentage increase in nonsupervisory wages (not including fringe benefits).

During the voluntary program, the Secretary would have the discretion to:

(1) Promulgate a national voluntary percentage limit at the beginning of each year. (I.F.C. 101(a), page 113.)

(2) Decide which goods and services shall be included in the national nonwage hospital marketbasket and the relative weight of each item. (I.F.C. 101 (a)(2), page 114.)

(3) Determine the percentage increase in the national hospital marketbasket. (I.F.C. 101(b)(2), page 115.)

(4) Calculate the percentage increase in the national hospital wage marketbasket for nonsupervisory personnel. (I.F.C. 101(a)(1), page 114.)

(5) Determine the percentage increase in the national population. (I.F.C. 101 (a)(3), page 114.)

(6) Calculate a voluntary limit for each State. (I.F.C. 113(1), page 132.)

(7) Calculate a voluntary limit for each hospital. (I.F.C. 102(a)(1), page 115.)

(8) Determine what expenses of the hospital are attributable to charitable care. (I.F.C. 102(d)(2), page 120.)

(9) Decide what expenses of the hospital are attributable to bad debts. (I.F.C. 102(d)(2), page 120.)

(10) Determine whether the voluntary limits have been met. (I.F.C. 111, page 121, and 113, page 132.) Nine separate instructions are given to the Secretary in order to make this determination.

The Congressional Budget Office estimates that 88 percent of the Nation's hospitals would not meet the guidelines established in this bill in 1979, 1980, and 1981. (CBO report "Controlling Rising Hospital Costs," September 1979.)

Once the mandatory program is triggered, the powers of the Secretary would vastly increase.

Once the Secretary determines that hospitals have not met the national voluntary expenditures limit, mandatory revenue controls would go into effect. A hospital's mandatory revenue limit would include: First, a percentage increase for the national hospital marketbasket of goods and services; second, an admissions adjustment made by the Secretary; third, zero percent for increases in service improvements and intensity; and fourth, a percentage increase in hospital nonsupervisory wages.

The revenue limit would be further adjusted for both hospital "efficiency" and exceptions as determined by the Secretary.

During the mandatory program, the Secretary would have the discretion to:

(11) Calculate a mandatory revenue for each hospital subject to Federal controls each year. (I.F.C. 202(a), page 143.)

(12) Determine the percentage increase in the national hospital marketbasket. (I.F.C. 202(2), page 145.)

(13) Decide which goods and services shall be included in the national hospital market basket. (The Secretary might not include all items a hospital purchases.) (I.F.C. 323(3), page 193.)

(14) Calculate the percentage increase in the national hospital wage marketbasket for nonsupervisory personnel. (I.F.C. 323(4), page 193.)

(15) Decide what percent of a hospital's budget is applicable to increases in nonsupervisory wages and nonwage goods and services. (I.F.C. 323(3)(4), page 193.)

(16) Develop a system for grouping hospitals to measure their efficiency, based on unspecified characteristics. (I.F.C. 315(a), page 178.)

(17) Establish by regulation a method of measuring efficiency in hospitals. (I.F.C. 315(a), page 178.)

(18) Determine whether or not to award a hospital an efficiency bonus. (I.F.C. 315(b)(1), page 180.)

(19) Require a hospital to use its bonus amount to reduce the long-term debt and to reduce its outpatient deficits. (I.F.C. 315(b)(2)(A), page 180.)

(20) Establish additional guidelines on how a hospital may use its bonus amount. (I.F.C. 315(b)(2)(C), page 180.)

(21) Establish standards and procedures for determining what is a hospital outpatient deficit. (I.F.C. 315(b)(2)(C), page 181.)

(22) Determine what hospital expenses and bad debts are attributable to charity care. (I.F.C. 201(c), page 141.)

(23) Determine to what degree a hospital has been more efficient than other hospitals in its group. (I.F.C. 314(a), page 179.)

(24) Make admissions adjustments (an addition to the revenue cap) by determining the "marginal costs associated with changes in admissions." (Those dissatisfied with the adjustment must apply to the Secretary for a change.) (I.F.C. 205, page 147.)

(25) Prescribe a form for an exceptions procedure. (I.F.C. 207(a), page 151.)

(26) Grant or deny a hospital's request for an exception from the revenue cap. (I.F.C. 207(a), page 151.)

(27) Establish by regulation grounds for exceptions to the revenue limit. (I.F.C. 207(c), page 151.)

(28) Take into account, when granting an exception to the revenue limit, a hospital's conformance with the State health plan. (I.F.C. 207(c), page 153.)

(29) Exempt hospitals participating in certain experiments and demonstrations. (I.F.C. 213, page 158.)

(30) Exempt an entire State from the revenue limit if it has met certain criteria. (I.F.C. 211(a), page 154.)

(31) Waive medicare and medicaid reimbursement requirements for hospitals in States with approved mandatory hospital cost containments programs. (I.F.C. 211(c), page 156.)

(32) Make grants to States for State mandatory cost containment programs. (I.F.C. 212, page 157.)

(33) Require States applying for assistance to submit such information and assurances as the secretary may require. (I.F.C. 212(b), page 157.)

(34) Determine the amount of any assistance to the States and make payments at intervals and/or conditions he finds necessary. (I.F.C. 212(c), page 157.)

(35) Adjust percentage limits for varying accounting periods. (I.F.C. 311 (b), page 171.)

(36) Prescribe the manner in which a hospital may establish an escrow account to avoid a civil penalty under the mandatory program. (I.F.C. 221(a)(4), page 161.)

(37) Certify whether a hospital may withdraw money from its escrow account. (I.F.C. 221(a)(4)(B), page 161.)

(38) Determine what amount a hospital may withdraw from its escrow account. (I.F.C. 221(a)(4), page 161.)

(39) Require each private cost payer to report on charges, total reimbursement payable, number of admissions and related private reimbursement data for each hospital under a mandatory limit for which it makes payments based on costs of providing services. (I.F.C. 221(e)(1)(A), page 165.)

(40) Inspect books and records of private cost payers to verify reports. (I.F.C. 221(e)(1)(B), page 166.)

(41) Apply to any U.S. district court or State court to enjoin a private cost payer from not reporting or allowing the Secretary access to its books. (I.F.C. 221(e)(2), page 166.)

(42) Appoint the 15 members of the National Commission on Hospital Cost Containment. (I.F.C. 301(b), page 168.)

(43) Appoint the chairman of the Commission. (I.F.C. 301(d), page 169.)

(44) Appoint four additional members to the Provider Reimbursement Review Board. (I.F.C. 312(c), page 172.)

(45) Exclude a hospital from the medicare, medicaid, or maternal and child health programs if the hospital changes its admissions practices. (I.F.C. 314(c) (1)(A), page 176.)

(46) Reduce reimbursement to hospitals under the medicare program in the amount of $2,000 for each person not admitted because of changes in admission. (I.F.C. 214(c)(1)(B), page 176.)

(47) Take any other action authorized by law to restrain or compensate for disallowed changes in admission practices. (I.F.C. 313(c), page 176.)

I think there is no doubt at all that written into this legislation is a very complicated, large bureaucracy that would be necessary in order to administer a program of this kind.

I think this is the wrong answer to the problem and we should adopt the Gephardt substitute.

We also include in here, I would point out to the gentleman from Georgia (Mr. FOWLER) and others that are concerned about States' rights, a provision in the substitute that provides for a modest amount of financial assistance to those States that would like to move ahead on their own. There is nothing under present law that prevents a State at the present time from enacting a program of hospital cost containment if that is their desire. In our State of North Carolina we have a voluntary effort and that voluntary effort is working. In fact, the rate of increase of hospital costs in North Carolina is considerably below the national average and is considerably below the increase in the Consumer Price Index.

So I submit that this bill is an invitation to mandatory controls. For that reason I would urge support of the Gephardt substitute as offered by the gentleman from Missouri.

Mr. Chairman, in addition I would submit the following reasons why H.R. 2626 will not work and why we should continue to encourage the voluntary effort.

First. The voluntary effort to contain hospital cost increases has worked. In 1977, when national rate was 6.6 percent, hospital expenses were growing at a rate of 15.6 percent. So far this year, hospital cost increases are down to 13.3 percent while the overall cost of living is rising at a rate of 13.5 percent. The Gephardt substitute would continue the voluntary effort and keep the pressure on hospitals to hold down cost increases by creating a national commission on hospital costs to monitor and report to Congress on the success of the voluntary effort and by authorizing HEW to provide assistance to the States to develop cost control programs tailored to local needs and problems.

Second. The Gephardt substitute would result in solutions to the underlying causes of hospital cost increases rather than treatment of symptoms alone. The Commission would be charged with developing a long-range strategy for lowering hospital costs through modifications in supply and demand forces.

Third. H.R. 2626 singles out for mandatory controls one industry that is no longer exceeding the rate of inflation. While hospital costs are now rising at a slower rate than the Consumer Price Index, other sectors, particularly food, housing, and especially fuel, are rising at a much more rapid rate; and these sectors represent a much larger factor in the CPI. CBO estimates H.R. 2626 would affect the CPI by no more than three-tenths of 1 percent.

Fourth. Mandatory controls will result in a large, complicated bureaucracy that will eliminate current incentives for hospitals to lower their costs and encourage hospitals, instead, to find ways of getting around the cost containment regulations. The Secretary of Health, Education, and Welfare will be given some 48 new powers that will play a major role in determining the level of health care provided in the country.

Fifth. Mandatory controls will freeze the quality of health care in regions needing increased or improved hospital services. Because the allowable increases would be determined on a percentage basis, rich, advanced hospitals would be rewarded by larger permissible expenditures while those needing to catch up with technological advances would be more limited in the amount of increased expenditures. Massachusetts, for example, the highest cost State, would be permitted to increase hospital revenues by $297 per case during the first year while Wyoming would be permitted only a $105 per case increase.

Sixth. Mandatory controls, that is, increased regulation, are not necessary to prevent duplication and overlapping of hospital services. A system including health planning agencies and PSRO's, is already in place for that purpose.

Mr. GRAMM. Mr. Chairman, I move to strike the last word and I rise in support of the amendment.

Mr. Chairman, the members of the Health and the Environment Subcommittee studied this proposal for mandatory controls in great detail. I think it is fair to point out, first of all, that we found that the program proposed in this bill did not represent a viable approach to the problem of rising hospital costs. When you reduce it to basics, what this bill says is the following: hospital costs are rising, we do not know why costs are rising, we do not have the foggiest idea of what to do about this problem and, therefore, we are going to pass a law that puts a cap on hospital costs.

We in the Health and the Environment Subcommittee did not think this logic was good enough and we rejected this bill by a vote of 8 to 4.

The second thing we looked for, given that the bill contains no viable approach to the problem, was an empirical foundation upon which one could base an assertion that this mandatory cap had any real likelihood of producing the desired results. We found that it did not.

I would like to relate those results to my colleagues because there has been a great deal of misuse of statistics in this debate. The administration and those who propose the mandatory program like to refer to 1976, 1977, and point out that in the mandatory States, and there were nine of them then, that hospital costs went up by 12 percent. In the States that were under voluntary programs costs went up by 15.8 percent. Twelve percent looks good compared to 15.8 percent, but there are two important things that are left out in that comparison.

First of all, the States under mandatory control already have whopping costs. If New York has an average cost per patient day of $2,000 and Alabama has an average cost per patient day of $1,000, a $200 increase in New York is a 10-percent increase, but a $200 increase in Alabama is a 20-percent increase. In fact, when you look at the costs per admission in the mandatory States, that average cost in 1977 was $1,878, whereas the cost per admission in the voluntary States was $1,407.

When my colleagues look at the increase in 1977 in what it cost a patient in a hospital in the mandatory States, my colleagues will find that costs went up $225.36 in the mandatory States and that costs went up in the voluntary States $222.30. When you adjust these figures to reflect the fact that many of the mandatory States are in areas of declining population, and when you adjust these figures to reflect the decline in admissions, the differences become more pronounced. On a cost per admission basis, adjusted costs in the mandatory States rose by $259.90 under controls in 1976 and 1977, but costs in the voluntary States, when adjusted for the increase in admissions, rose by $213.30. Hospital costs were 6 percent higher in States under mandatory controls than in States under voluntary programs.

Is that success? I say that is failure, not success. When one looks at 1978, exactly the same thing is true. Costs per admission in dollars out of people's pockets rose more under mandatory controls than they rose under the voluntary effort.

The problem did not stop there. What has happened in the mandatory States?

Let us take New York. In 1978, New York had 75 percent of its hospitals operating in the red. They have accumulated a deficit this year, in not-for-profit hospitals alone, of $228 million.

The problem does not end there. We have, in the last 2 weeks, given a Federal bailout to a New York hospital which has been driven into the red and almost out of business by mandatory controls. The Federal Government has provided funds of $14.5 million to Brooklyn Jewish Hospital.

Here is what George B. Allen, who is chairman of the Brooklyn Jewish Hospital, says about controls in New York:

> New York State has the most repressive rate controls system in the country and does not pay health facilities for care provided to the 2.5 million working poor and illegal aliens. Thus, the Brooklyn Jewish situation is the harbinger of things to come.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent Mr. GRAMM was allowed to proceed for 3 additional minutes.)

Mr. GRAMM. In fact, Mr. Chairman, New York State was forced last year to pass emergency legislation to give bailouts to New York hospitals who were going broke under mandatory caps.

Do we save money by putting a cap on New York hospitals and having them come to the Federal Government to be bailed out? The answer is no.

The same situation exists in Massachusetts where 60 percent of the hospitals are operating in the red.

I would like to say finally, before yielding to the distinguished chairman of the subcommittee, that I do not view the substitute that has been offered here by the gentleman from Missouri (Mr. GEPHARDT) as a do-nothing substitute. It gives us a clear choice between a voluntary effort which is working and mandatory controls which are not working. Let us not adopt a program of controls which are not working in any area of the American economy; let us get the facts, let us look at the problem, let us determine the causes, and then eliminate the causes.

I urge my colleagues to vote for the Gephardt substitute so that we can get on with the job of determining why hospital costs are rising and what can be done to bring those costs down.

Mr. RANGEL. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I yield to the distinguished subcommittee chairman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Chairman, I thank the gentleman because when he talks about the city and the State of New York, there are some unique factors that are covered in the bill, H.R. 2626, but would not be covered in the substitute.

Any problem that we have had in asking for additional moneys for any hospital, private or public, in the city and State of New York is due entirely to the fact that we have a larger number of uninsured people in the State of New York, and the additional factor that we have undocumented workers that use our public and private hospital system.

But the gentleman cannot distinguish, the gentleman cannot really argue against the fact that when we deal with an industrialized State with such a high cost of living such as the State of New York that we have not dramatically reduced the increase in hospital cost care as a result of our mandatory system.

Mr. GRAMM. Reclaiming my time, I would like to point out that I come from a State which has a per capita income substantially below that of New York. I come from a State which has a larger number of undocumented workers than New York. Our cost per admission under voluntary controls is only about two-thirds of New York's cost per admission.

We have dealt with the same problems, and we have done it through a voluntary effort. I submit that mandatory controls have not worked in New York. They have driven hospitals into bankruptcy, and they have been a failure.

I urge my colleagues to reject the effort to impose this system of mandatory controls on the Nation.

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Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I yield to the gentleman from Kansas.

Mr. GLICKMAN. The gentleman indicated, I think in a quite perceptive manner, that this bill is not pablum, that there is a genuine effort to try to deal with rising hospital costs. I would like to ask the author of the amendment, the gentleman from Missouri, this question:

In H.R. 5635 the National Commission is to report on the rate of increase in hospital expenses, and on the success of the voluntary effort.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

(At the request of Mr. GLICKMAN and by unanimous consent, Mr. GRAMM was allowed to proceed for 2 additional minutes.)

Mr. GLICKMAN. Am I correct to assume that implicit in that provision reporting on the success of the voluntary effort is the requirement of the Commission in its report that it will include a statement recommending on whether or not a program for mandatory hospital cost containment is necessary or right?

Mr. GEPHARDT. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I yield to the gentleman from Missouri.

Mr. GEPHARDT. Mr. Chairman, I thank the gentleman for yielding. Obviously, the language itself does not say that such a recommendation is required, but it is obvious to me that in such a report and evaluation of the success of the program that such a conclusion would be reached both by the Commission and by the Congress on receiving such a report.

Mr. GLICKMAN. I thank the gentleman. I think it is important because the stick appears to be the threat of Federal action, and is one I think we need to keep for a while on these problems. I think including that implicit intention of the bill is very important.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I yield to the gentleman from California.

Mr. WAXMAN. Mr. Chairman, in response to the point raised about the Commission reporting back to the Congress on whether or not a mandatory approach would be necessary and valuable, let us face the fact that we spent in this Congress 3 years dealing with this voluntary approach, which this year does not appear to be succeeding. Should they come back in another year and recommend a voluntary approach we will probably debate it for 3 more years. How many more years are we going to be feeding a system that does not have any incentive to hold down costs? How long are we going to have the inflation rate of our economy pushed up? It seems it is effective, and it seems to me that we are kidding ourselves if we adopt a voluntary approach.

Mr. GRAMM. Mr. Chairman, reclaiming my time, I would like to say in response to the statement of the gentleman that if we have wasted 3 years by looking at a program of mandatory controls and looking in no other areas of the economy, what we are asking for in this substitute is that we move away from that mind set and start looking at the problems themselves and how we might bring innovative efforts to bear on them.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

(At the request of Mr. LUKEN and by unanimous consent, Mr. GRAMM was allowed to proceed for 2 additional minutes.)

Mr. LUKEN. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I yield to the gentleman from Ohio.

Mr. LUKEN. Mr. Chairman, it may well be that we have wasted time in this Congress with reference to studying hospital cost containment, but I would ask of the gentleman from California, I have figures that say in 1977 hospital costs were increasing at 15 to 16 percent, and the CPI was 6 to 7 percent. In 1979, the hospital costs were 12.3 percent, and the CPI was 13.2 percent.

I have no particular pride of authorship in those figures, and I do not know whether they are authentic, but I think they are somewhere in the ball park. I think there is strong evidence that the voluntary program is working, and I see no evidence that if this bill is defeated that the hospitals will think that the threat is removed. It is not going to be removed, and, therefore, for whatever reason, the voluntary program is making strides and this mandatory program would certainly cut it off.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I will be happy to yield.

Mr. WAXMAN. We all want to see voluntary efforts succeed. Our legislation has a voluntary effort that we go without any mandatory controls as long as it is succeeding. The only question is whether we think that a voluntary effort will be an incentive for success if there is a mandatory program of control that will follow if it is not successful. To say to us that we can always come back and debate the issue in Congress again should the voluntary effort not be successful means that we have wasted our time and will give a clear signal to the hospital industry not to take us seriously.

Mr. STOCKMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the substitute, but let me be perfectly clear at the outset and acknowledge that this substitute is not the usual measure involving an effort to improve or modify key features of the major bill before us.

But, I would like to suggest to the House that we are sometimes confronted by a legislative sow's ear that cannot be transformed into a silk purse no matter how much magic we try by way of amendment. I would suggest that is the case in the measure before us. So, we have offered this substitute in order to further some basic understanding about the nature of hospital cost problem and to suggest future directions in which this Congress can move if we are to have real and serious progress on what we all acknowledge to be a difficult problem.

The first understanding that this bill involves is the fact that the hospital cost problem is a persistent, long-term, structural problem, and it is not a raging, uncontrollable, immediate crisis that requires a half-baked emergency solution; that requires action for its own sake regardless of whether it can be expected to have any good result or not.

It is true, as some of the advocates have said today, that hospital costs are high and they are rising, but I think we have to remind ourselves that in the last 24 months hospital charges per stay have been rising parallel with the inflation rate in the economy, and indeed in the last 12 months, in the 12 months ending in August, hospital charges per stay were rising at a 12.2-percent rate, whereas the Consumer Price Index, the basic inflation force, was rising at a 13 percent or better rate. So, since 75 percent of the entire hospital budget on the average consists of costs that are purchased in the market today, such as labor, food, fuel supplies, they must be passed through to the patient even under a control program.

I would suggest that, given the trends that are in motion at present and that have been for the last 2 years, we simply do not have a special case of one sector that is so crazed with inflationary fevers that we need to have a crash bureaucratic control apparatus hastily erected on that sector only.

Indeed, what I would like to suggest to the House is that what we really have here is a proposed program that has languished so long on the legislative calendar or agenda as to be overtaken by events, as to be made obsolete by the mere passage of time. When this measure was first proposed way back in the spring of 1977, we possibly could have made a plausible cause for emergency stopgap control effort for the hospital sector only, because in the previous 2 years it was true, as has been indicated, that hospital costs were rising 15 to 16 percent, whereas the CPI was at a 6 to 7 percent rate.

I would suggest that explosion we had in the temporary period of 1975 to 1977 primarily reflected a one-time catch-up due to the release of the last stabilization or economic control program in 1974 which had created a huge backlog of deferred expenditures for maintenance, new equipment, and so forth.

But in any event, I hope the House will fully understand they no longer have that huge inflation gap between the hospital sector and the rest of the economy. That has vanished, and with it the case for this kind of hastily devised, jerry-built control measure that we have in the main bill which lies before the House.

The second thing that underlines this substitute, and which the gentleman from Missouri very ably articulated a moment ago, but let me just reiterate—the second understanding is that the basic structural defects of the health care system that have created the problem we are all grappling with, the lack of efficient delivery organizations, a vast third-party payment system in which 90 percent of all hospital bills are paid by third-party payers. There are no incentives in the system for consumers, doctors, hospitals, anyone else, to be sensitive to costs. All of these factors are in no way whatsoever addressed by the mechanism and the basic idea in the Hospital Cost Containment Act.

□ 1330

To give you one example, the Hospital Cost Containment Act mitigates in not one iota the consumer's desire for Cadillac-style hospital care, because out-of-pocket costs remain minimal, as they are today, even if this is adopted.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. STOCKMAN was allowed to proceed for 5 additional minutes.)

Mr. STOCKMAN. The lack of out-of-pocket costs and the sensitivity that they would generate are not changed by this bill, and as a result the logic that drives the cost escalation in this whole hospital sector continues, and the logic for the individual patient or consumer is very simple. It says if you demand more, if you demand better, if you demand longer care, somebody else pays for it, and that by contrast if you economize, if you exercise restraint, somebody else saves. Under that kind of system and under that set of incentives, naturally you have a cost problem. But this bill does not address it.

Nor does it deal with the problem of the incentives that physicians face in this whole system that we have today.

Currently I think we have to be honest and say that there are some physicians who overadmit, there are some physicians who overtest, there are some physicians who overtreat and overstay their patients, for good reasons and for bad reasons. In some cases it is just to make more money; in other cases it is just to protect themselves from malpractice liability. In still other cases it simply represents a desire to do everything possible to leave no stone unturned on behalf of the patient, even with marginal expenditures, since they are not going to cost the patient and they are not going to cost the doctor.

Yet the Hospital Cost Containment Act does absolutely nothing at all about this overutilization bias that is built into a system that is steered by the doctors who basically control the admissions and the treatment patterns. But what it does do—and this has not been brought out in debate, and I hope people really understand what it really does do—is it creates a basis for trench warfare between doctors on the one hand and hospital administrators on the other, because you are going to have unregulated, independent physicians still controlling the admissions, still controlling the testing, still controlling the length of stay and the treatment on the one hand, and on the other hand you are going to have them faced with regulated administrators who will be facing arbitrary cost caps and Draconian fines for noncompliance.

So when all is said and done, the Hospital Cost Containment Act rests on an anti-inflationary price-control premise, but the hospital cost problem is not an inflation problem in the sense that the price of the standardized commodity keeps going up—a gallon of gas, a pound of hamburger, a winter coat, or anything else—we have a basic problem of misincentives. We have misincentives, a lack of efficiency in the system, and you cannot deal with that with price controls, No. 1, and most certainly you cannot address that problem with the kind of price controls that are built into this bill, because the fact is what started in 1977 as a very simple price-control concept has become so diluted and watered down and convoluted in order to win votes, that what we have now is one of the most inefficient, one of the most jerrybuilt price-control mechanisms you could ever imagine.

There has been mentioned all the discretionary authority that lies in this bill for the Secretary, but I would like to suggest to the House that if you ever wondered how some of these runaway bureaucratic control efforts originated, then very simply read the 64 pages of text in this bill, because what you will find is words with no specific meaning, formulas with no specific content, and a whole array of definitions and terms that are left totally to the discretion of the Secretary. Perhaps the very best example of the kind of wide-open discretion, the kind of enabling-act authority that we have before us, is to just look at that mandatory formula that is going to be the cruncher. That is what is going to bear down on the hospitals in this country. And yet if you take the four elements—the wage-cost increase, the nonwage marketbasket index, the relative efficiency peer groups, and the adjustment for admissions, the latter three elements do not even exist today. They have to be manufactured from scratch by HEW.

The numbers that they plug into them can be anything HEW chooses, and as a result you have a mandatory formula that no one has any idea how it is going to come out once it is put into the field. That is only one example of the kind of lack of specification in this bill. What I would like to suggest is that even in the original instance the basic idea of price controls to solve an underlying incentive and efficiency problem was wrong, but now we have the very worst kind of price control mechanism possible. We simply have a carte blanche delegation of authority to HEW to regulate an industry on the basis of formulas that they choose for a purpose that will not solve the problem. I would suggest that that is no basis for legislation.

I would suggest that we adopt the substitute, because what we basically are saying in the substitute is that we do not have an immediate crisis; that we have some control mechanisms in the field already—the voluntary effort and the health planning process—and that we go back to the drawing boards and devise something that addresses the real problem.

Mr. WAXMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Gephardt amendment.

Mr. Chairman, I believe the legislative process can improve legislation. I believe that committees and subcommittees reviewing legislation, hearing from our citizens with different points of view in that whole process, can come up with a better bill than what was originally presented. I think what we have seen in the 3 years we have dealt with this legislation is a dramatic improvement over the administration's original proposal. Let us look at what that was originally.

The administration wanted to have immediate—immediate mandatory controls over the hospital industry. We raised a number of points in committee, as we heard the viewpoints from various groups and individuals, that there ought to be differences recognized between hospitals, there ought to be differences recognized between States. I thought these points that we addressed were legitimate points, and we perfected the legislation to have the following schematic operation. We provide an opportunity for the voluntary program to succeed, if it can, and we hope it will. All over the country the hospital industry can continue its voluntary program and undertake to hold down its own costs without any Government interference. If a State wishes to adopt its own mandatory program, it is certainly free to do so. It has always been free to do so. Unfortunately, not enough States have taken that option, but they may take that option.

Should the Federal national voluntary effort not succeed, we will look at the performance of hospitals in each State. If that is not successful, we will look at the individual hospital, because eventually what we want to do is look at institution by institution, because there are differences between institutions and the people they serve and the services they provide.

Before any kind of mandatory program would go into effect, the Congress would have an opportunity to review the program again and by a process of one House acting could stop a mandatory program from going into effect unless the other House specifically approved it. The reason some form of one-House veto was adopted by both the Committees on Ways and Means and Interstate and Foreign Commerce was that we wanted to be sure that if there were any unforeseen consequences that come up when and if the trigger is about to be pulled to institute mandatory controls, we would have a chance to pull back without having to go through the whole legislative process again.

Now what is being suggested to us is to go back to ground zero. We do not need a law to say to the hospital industry, you may undertake a voluntary program. We do not need a Gephardt amendment to say that. We do not need a Gephardt substitute, so called, to have the hospital industry decide that it can hold down the cost by itself. That is what we have right now. We have the ironic situation in this debate of people saying that the voluntary program is so successful, we do not need to do anything about it because it is operating well. On the other hand, they say, we have got to address the underlying problems in order to solve the problem which supposedly has already been resolved by the voluntary effort. There is no question in my mind we have got to treat the more substantial systemic problems in the health care economic system. A third-party payor pays the bills no matter what they are, and all the incentives are for increasing costs, not decreasing costs. I consider the voluntary desire to control costs too weak to rely on without any assurance of a program to back it up. The Gephardt substitute is no real alternative at all. It is, in fact, a vote against the bill, and I would submit it would be far more courageous to just vote against the bill directly than to try to argue that this is a substitute in fact. It does three things, the author tells us. It puts pressure on the voluntary program because we are going to get a report on whether they are succeeding or not.

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We already get a report on whether they are succeeding or not. We know that the hospital voluntary effort is succeeding when it is succeeding and we know it is not succeeding when it is not succeeding. It is going to mandate a report and study. Big deal. We do not need a mandate, report and study, we have studied it, and we know the issue. It provides money for State cost containment programs—whether they are voluntary or mandatory. That is a very worthy effort, but is that all the result we have of 3 years of legislative activity perfecting the bill to make a voluntary effort work? Is that all the incentives to hold down costs we will have? All we are going to do is to say to the States we will give you money to do what you could do if you wanted to do it anyway, without even establishing any standards for performance.

Mr. Chairman, we ought to realize one startling fact and that is that hospital costs are increasing $1 million every hour. Taxpayers, workers, the aged, the poor are picking up the tab every hour.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. WAXMAN was allowed to proceed for 2 additional minutes.)

Mr. WAXMAN. Something other than general inflation is fueling the fires of hospital costs. We can see that from the way the voluntary effort has worked in the first 7 months of this year. Hospital costs rose 13.3 percent in the first 7 months but their market basket, their market basket of costs rose only 9.3 percent. Hospital wages rose 8.5 percent. The general inflation alone is not what is causing the increase in hospital costs. The only conclusion any of us could reach is that at least part of what is increasing hospital costs is the unnecessary growth and duplication of hospital services and the inefficient practices of hospitals.

Mr. Chairman, how do you get those who are inefficient, and who are paid their costs no matter how inefficient, to stop being inefficient and look for efficient ways to operate? You give incentives. We give an incentive by saying if you are not successful meeting a budget voluntarily, you are going to face Government control that will give you the incentive to hold down those costs by limiting the amount of revenues you can take in.

When we have a system that promotes inefficiency rather than efficiency, we have to figure out some way to deal with that by changing the incentives. The incentives are a control program that says you only have a certain amount of money to spend and that is it.

In California, the spirit of proposition 13 said that Government will have to work with a limited budget and only be permitted to spend that amount in the budget. Do you know what the vote on proposition 13 was in my State? It was overwhelming because people said we ought to live within a budget. Government has to live within a budget and so do hospitals. If we vote for the Gephardt substitute we are saying to hospitals, "You do not have to live within a budget. Send in your bills, we will take the money from the taxpayers and send it to you to reimburse you fully for your costs."

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. LUKEN and by unanimous consent, Mr. WAXMAN was allowed to proceed for 2 additional minutes.)

Mr. LUKEN. Mr. Chairman, will the gentleman yield to me?

Mr. WAXMAN. I yield to the gentleman from Ohio.

Mr. LUKEN. The gentleman has stated that there are incentives here. I would like to ask the gentleman, with reference to those incentives, is it not true that the Secretary makes these judgments, he determines the market basket, he determines the national voluntary rate, he determines the rate of wage passthrough and he makes all these judgments retrospectively the following year? So whatever incentives there are to the hospital, since the hospital does not have the benefit of that hindsight as it goes forward, is simply to either guess or more likely to attempt to evade the controls.

Mr. WAXMAN. Mr. Chairman, if I might respond to the gentleman on my time, the market basket being used is the American Hospital Association's market basket. It is not being designed by the Secretary of HEW. It is the market basket of the American Hospital Association, a voluntary group of hospitals who are in this trade association together. They have prepared this market basket. Further, the hospitals will get periodic reports on their progress. They will know throughout the year how well they are doing in meeting their goals. That is the way they handle it now under the voluntary effort and that is the way they would do it later.

Mr. LUKEN. Is the gentleman suggesting that the bill before us said that the American Hospital Association determines the market basket?

Mr. WAXMAN. Well, the gentleman is suggesting that the market basket which is in the bill is arbitrarily determined, but instead it is a market basket prepared by the association.

Mr. LUKEN. The gentleman is suggesting the Secretary determines what is in the market basket.

Mr. WAXMAN. No, the gentleman is incorrect in that, I would suggest. HEW is using the hospital association market basket. That is clearly stated as the committee's intention in their reports. That is what HEW has committed itself to doing.

Mr. LUKEN. Does the gentleman mean we are delegating to a private association by this legislation the authority to make that determination?

Mr. WAXMAN. We have not delegated it at all. We have spelled out in the report that the American Hospital Association and the Secretary of HEW have agreed to use of the AHA market basket. It is a reasonable market basket and it is one that reflects their accurate costs. Inflation over and above that market basket to me has to reflect some degree of waste in the hospital industry, waste we have to give them the incentive to eliminate.

Mr. CARTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Gephardt amendment.

Mr. Chairman, I find it somewhat strange that proposition 13 is mentioned so frequently today. I wonder how my distinguished friend, the gentleman from California (Mr. WAXMAN), voted on that proposition which he so heartily approved of today.

Mr. WAXMAN. Mr. Chairman, would the gentleman yield?

Mr. CARTER. I would be happy to yield to my friend.

Mr. WAXMAN. Regarding proposition 13, this was only one aspect of the proposition. That was the most attractive aspect.

Mr. Chairman, while the gentleman has yielded to me, let me pay my respects to the gentleman on the occasion of his announcement that he will not seek reelection to Congress and tell him that the contributions he has made to health care in this country will stand as a great tribute to him.

I would like to take this opportunity to salute one of the great Members of the House of Representatives who announced earlier today his plans for retirement. The gentleman has contributed so much to the country, to the health of the American people.

All the statutes on our books that have been adopted in the last 15 years bear the imprints of the gentleman's compassion, his feeling and his good commonsense. While we may disagree occasionally, as we do on this bill, I consider the gentleman a close friend, an associate with whom I have enjoyed working and I do want to take the time that has been allotted to the gentleman to tell the gentleman how much I think of him, even when we disagree.

Mr. CARTER. I thank the gentleman.

(At the request of Mr. WAXMAN and by unanimous consent, Mr. CARTER was allowed to proceed for 5 additional minutes.)

Mr. CARTER. Mr. Chairman, I thank the gentleman for his very kind remarks. It has been an honor to serve in the House of Representatives. I have enjoyed it. I mean to continue to do the best I can during the rest if my time here and to work with the chairman of the subcommittee.

We do, however, Mr. Chairman, differ on this legislation before us today. It proposes to control one section of the economy while allowing the rest of the econmy to otherwise go free. I do not think, my friend, it is possible to do that.

Mr. Chairman, I am somewhat amused that so much authority is delegated to HEW. Let us look at that. Not too long ago they issued a booklet called "Systems for Hospital Uniform Reporting." These went to every hospital in our land, all 6,099 of them. It contained 628 pages, I believe.

Mr. Chairman, with all the power the Secretary of HEW already has—this bill will insure that even more authority will be granted to the Secretary of HEW.

Mr. Chairman, what kind of a report will be given to the 6,099 hospitals throughout this country? It will not be 628 pages, it will be 1,266 pages at least and we will hear a cry from every hospital administrator throughout this entire country if we allow this to happen.

Mr. Chairman, to put a cost containment program in the hands of a department of the U.S. Government when this Government shows a gross inability to control its own high costs.

Mr. Chairman, are we going to let such an inept group control the hospitals, to go around and tell the hospitals of our country what they shall do and what they shall not do?

☐ 1350

You shall not buy an X-ray, even though that X-ray you have is leaking dangerous radiation and causing serious health damage.

Now, my friends, I do want to do everything I can for the health of our people and to help the people of our country and for that purpose I am a sponsor of the CHAP bill, child health assurance bill, and my good friend, the chairman, supports me in this legislation, and it will take care of the poor people.

Some people do not realize what we are doing at the present time. They hardly understand what our Social Security System does under medicare. We know that at the present time each beneficiary pays $180 for admission and that for 60 days after that admission, their treatment is paid for entirely. I think that is a deed well done and people are well served by this.

So far as medicaid is concerned, the entire bill is paid, no coinsurance is required, no down payment is required, but every bit of the bill is paid for the poor people.

So I really think that we are doing a right good job for most of the people of this country. I would hate to be led astray on this.

My colleagues should keep in mind that Federal regulations cost the taxpayer a great deal. For example, implementing the SHUR program which I mentioned earlier is estimated to range from $75,000 to $250,000 per hospital. That is what it is going to cost to implement just one of the many, many regulations imposed on the hospital industry.

Now, let us see what the total cost is to the hospitals of the United States, all 6,099 hospitals. If we take the estimate and average out the cost, we find the total cost of this one program for uniform reporting is $975 million. That is the way it is. Look at it. Look at the costs we impose on hospitals. You will find many other examples. It makes little sense to me to propose a cost containment program while hospitals are already suffering from expensive overregulation.

My good friends, I appreciate so much

your kindness. I hate to differ with my distinguished chairman, but I must support the Gephardt amendment.

Mr. JONES of Oklahoma. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the Gephardt amendment.

Mr. Chairman, I rise in support of the substitute, which is a strengthened voluntary approach to hospital cost containment. As has been said, this has strong bipartisan support in both the Commerce Committee and the Ways and Means Committee.

We have here today a clear choice between a solution which encompasses the rigidity and expanded Washington bureaucracy of mandatory controls versus a solution that offers the flexibility, the ingenuity and less bureaucracy of the voluntary effort.

Now, in examining which solution is better, I think it is important that we divide the problem into long-term and short-term solutions, and clearly before we adopt a discredited program such as mandatory controls, the burden of proof is on the proponents to prove that such a control program will, in fact, be effective both in the long run and in the short run.

Clearly, no one who has testified on this issue, no one has said that mandatory controls are the best long-term solution. In fact, the history of mandatory controls shows clearly that they do not work to solve long-term inflationary problems in any segment of our economy. Mandatory controls have had just the opposite effect. They act like a pressure cooker with the steam for higher prices and stifled services building up when the controls are on and then the lid is blown off when pressure finally forces the end of controls.

There are several reasons why hospital costs have risen, including more technologically advanced services and an increase in the elderly population. But as has been pointed out, the biggest cause of rising hospital costs, as supported by a concensus of health experts who testified, is that marketplace competition simply does not exist in the hospital and the health care industry as it does in other industries. More than 90 percent of hospital bills are paid by third parties, such as medicare, medicaid, and private insurance companies. In effect, the normal marketplace tensions of supply and demand, buyer and seller, consumer and producer, simply do not exist in the hospital care industry. Most experts agree that until marketplace competition is restored, effective long-term solutions to inflationary hospital costs will not be achieved.

In examining the provisions of H.R. 2626, the mandatory control program, versus the provisions of the Gephardt voluntary substitute, it seems to me pretty clear that more flexibility is provided in the substitute and more attention is provided in the substitute to deal effectively with these long-term solutions to the problems of rising hospital costs than under the mandatory control program.

Now, for the short-term solution, I think it is very clear that the Gephardt substitute is distinctly preferable to mandatory controls. Now, first of all, let us examine the revenue impact. In the beginning, we were told that mandatory controls were necessary in order to save $1.4 billion in Federal health care costs in fiscal year 1980. But now, because of the political concessions that were made in order to get the bill out of committee, so many exemptions were granted that those revenue estimates of savings were cut down to only a little over $300 million in savings in the 1980 budget.

Those savings, I might add, do not offset the additional cost of more bureaucrats, as the gentleman from Kentucky talked about, and more Federal paperwork which are inevitable under mandatory controls.

Now, contrast the latest projected savings for next year under mandatory controls to that which is expected to be saved under a strengthened voluntary control program, and it comes out just about the same. So on the revenue savings side, there really is very little difference between mandatory and voluntary controls. Certainly the burden of proof of putting on mandatory controls to save revenues has not been established by those who propose it.

Now, another reason we were told that mandatory controls are needed is to make a significant impact on inflation.

The CHAIRMAN pro tempore (Mr. PANETTA). The time of the gentleman from Oklahoma (Mr. JONES) has expired.

(By unanimous consent, Mr. JONES of Oklahoma was allowed to proceed for 3 additional minutes.)

Mr. JONES of Oklahoma. Mr. Chairman, on the question of controlling inflation, it has also been pointed out that because of all the exemptions to this riddled mandatory control program, its effect even if fully effective will have virtually no impact on controlling inflation, approximately one-tenth of 1 percent. When you compare that to a fully effective voluntary control program, again it comes out just about the same; so on the impact on revenues, on the impact on inflation, the burden of proof as to how effective mandatory controls would be, that burden of proof has not been met by the proponents.

So, what is the difference? Well, clearly, on the bureaucracy side there is a vast difference.

Now, presumably hospital costs will not continue to rise at unacceptable rates if the health planning agencies, the PSRO's and the other organizations which Congress has established in the last few years, if these organizations do their job.

Certificates of need are now required in order to avoid the duplication of services and equipment in the various hospitals. Certificates of need for new beds, new equipment, must be approved, and they will not be granted if they exacerbate inflation; but if a hospital comes under the mandatory control program, we will have to establish another bureaucracy in Washington just to handle all of the individual requests for exemptions in order to make good on the previously granted certificates of need.

□ 1400

Mr. Chairman, if the Members think they have casework now, mandatory controls on hospitals will certainly expand our congressional casework load, and that means more bureaucrats, as has already been acknowledged during hearings and during the debate here on the floor today.

We were told by the gentleman from Georgia that the Gephardt substitute "replaces something with nothing." It actually replaces nothing with something. the "nothing" in H.R. 2626 is nothing except more bureaucracy. The "something" in the Gephardt substitute is a program that is working, a program that is holding inflation in hospitals to a rate less than what it is in the general economy.

Mr. Chairman, I say to the Members, let us support the Gephardt substitute. Let us follow the mandates of the American people who are demanding less bureaucracy, and let us allow the ingenuity of the industry to work to hold down these hospital costs. I urge support of the Gephardt substitute.

Mr. HILLIS. Mr. Chairman, I rise in support of the Gephardt amendment. Without this amendment I will be forced to oppose H.R. 2626 because I feel it represents a cruel hoax to the American people. H.R. 2626 will cause the quality of medical care available to Americans to decline while doing nothing to slow the rate of inflation.

Mandatory hospital cost controls have been proposed by the administration based on the claim that these controls will help fight inflation. However, H.R. 2626 will not slow inflation because hospital costs are not the cause of inflation. Mandatory controls limited to a relatively slim area of our economy are merely cosmetic as they only address the symptoms of inflation—not the cause.

In February of this year the Consumer Price Index for all items increased by 1.2 percent: Food and beverages went up 1.6 percent; housing was up 1.3 percent; transportation 1.1 percent; and medical care was up 0.6 percent—one-half the average rate for all items. That trend has continued. In the 3 months ending in August, the Consumer Price Index for all items was up 12.7 percent while medical care was up only 8.9 percent. Clearly hospital costs are not the root of our inflation problem.

Increased hospital costs are caused by inflation throughout our economy and increased medical services and technology. To place mandatory costs containment on the medical industry will severely hamper that industry's capabilities to improve services while doing nothing to slow inflation. Labor, fuel, and other consumables which constitute 70 percent of all medical costs, are exempted from the controls. Obviously these costs will continue to spiral upward forcing hospital bills to increase accordingly.

When the Ways and Means Committee was holding hearings on H.R. 2626, one of my constituents, Sister Martin, the administrator of St. Joseph Hospital in Kokomo, Ind., testified. Sister Martin is recognized throughout the State and nationally as an excellent hospital administrator. In her testimony she stated that mandatory cost controls placed on all hospitals would especially penalize hospitals like St. Joseph's which had already been cost conscious. She stated that the hospital would be forced to postpone needed services which could, in effect, promote better health and lessen the need for future hospitalization.

H.R. 2626 allows only a 1-percent increase for new technology. This provision restricts the potential for new technologies to play a role in the treatment of those who are hospitalized. Once a hospital becomes subject to Federal mandatory controls, implementation of advances in medical technologies will become extremely difficult.

I have spoken to numerous hospital administrators over the years I have spent in the House. Without fail it seems the discussion always boils down to complaints about Federal intervention into the medical industry. The cost of meeting Federal regulations is staggering and has added significantly to the overall costs of hospitalization. Passage of H.R. 2626 can only worsen that situation. The Secretary of HEW will be given substantial new powers severely threatening local controls over community medical planning decisions.

The Department of HEW cannot possibly reflect the concerns of every community in attempting to control medical costs. In 1976, the last year for which I could find any figures, there were over 27,000 inpatient medical facilities in the United States. There is absolutely no way short of a massive increase in size and personnel that HEW can adequately monitor each of these hospitals. The problems which individual hospitals will face in attempting to provide the best possible care while complying with Federal cost regulations will be overwhelming.

It should be clear that the only possible solution to increased medical costs is a voluntary effort on the part of every State and every hospital. That effort has already proved successful in many States including Indiana where a costs containment program has been in operation for 19 years. The success of Indiana's program can be used as an example for all States. Mr. Gephardt's amendment encourages and rewards these voluntary efforts.

We in Indiana are proud of the tremendous job our hospitals have done. Spectrum Research Inc. conducted a major study of Indiana's voluntary efforts between 1968 and 1973, long before hospital cost containment became a political issue. In that study it was estimated that Indiana's voluntary program reduced hospital costs by $80 per case in 1973. I am sure that that figure would be significantly higher today.

My point is that some States have already taken the lead in controlling hospital costs. It has been proven that this is a workable program if operated on a voluntary basis at the State level. If we are to prevent the federalization of our hospital industry and preserve the highest possible quality of care, we must adopt Mr. Gephardt's amendment or reject the bill altogether. I urge support of the amendment.

Mr. MARTIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Gephardt substitute.

Mr. Chairman, I first want to commend the sponsor of this substitute amendment, the gentleman from Missouri (Mr. Gephardt), for the work that he has done in bringing his substitute before the House. I commend as well our two colleagues, the gentleman from Ohio (Mr. Gradison) and the gentleman from North Carolina (Mr. Broyhill) for the elaborate work on their part in this effort.

The key issue before us that is presented by this substitute is judgment. Who will exercise it? How will it be exercised? Under what circumstances are we going to clamp Federal HEW controls on our hometown American hospitals and thus hold them hostages for our failure to address fiscal, monetary, and governmental regulatory causes of inflation?

I would remind the Members that our own Congressional Budget Office said that this bill, H.R. 2626, if enacted, will not improve inflation by more than 0.1 percent; that is, one-tenth of 1 percent.

Several of our colleagues have said that we do not need another study. I would say that I might agree with that if we had evidence before us now to convince us that present conditions justify action now. As we all agree, present conditions do not justify action now.

The real purpose of the Gephardt substitute is to establish a rational basis for decision as a substitute for the arbitrary, complicated formula basis that is H.R. 2626.

The substitute, therefore, would command the attention of American hospitals to do all they can to achieve successful voluntary cost controls. The substitute provides for Congress to exercise its judgment when it believes the circumstances do warrant Federal controls.

Let us consider this: Despite all the rhetoric and despite all the lobbying by the Carter administration against the lobbying by the American hospitals, does this Congress now believe that today's conditions warrant mandatory controls? No, obviously not. After 3 years of debate, no, overwhelmingly and clearly not.

What this bill, H.R. 2626, does is to sidestep this lack of justification by setting up a complex, arbitrary formula as a trigger for the future imposition of the governmental heavy hand on the scalpel.

What if on July 4, 1981, this trigger barely operates because it is exceeded by a very slim margin? What if one House of Congress then believed it was not necessary to impose controls? Regardless, controls would slam shut.

I suggest to the Members that H.R. 2626 is not just a threat to get the attention of hospitals but a "sword of Damocles" poised above the jugular. When it falls, great and unhealthy will be the fall thereof. Or we might prefer to think of it as a tourniquet to cut off the flow of medical research and innovation, which is the life blood of our health care system.

Let me suggest that the most apt metaphor for H.R. 2626 is that it is a "bear trap" poised to slam shut on our local American hospitals, never to let go for 5 years. It cannot differentiate bears from deer, so if our "deer" hospitals "barely" exceed the 11-pound, 6-ounce trigger, it slams shut. If the pressure is only 11 pounds, 5 ounces, the trap stays open, but if it is 11 pounds, 6 ounces, wham, it slams shut.

Mr. Chairman, this substitute would substitute a rational basis for a decision instead based on an arbitrary, complex formula to compute a decision for us. If instead we enact H.R. 2626 without the substitute, we will be telling the American people that "we are going to give you less health care and more government instead."

Mr. SATTERFIELD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Gephardt substitute.

In discussing the reasons for support of the substitute, one might best consider the two bills that were reported by the Committee on Ways and Means and the Committee on Interstate and Foreign Commerce. First of all, those bills, if their intention is to reduce the hospital costs of patients, are seriously flawed. They ignore the very basic causes of increased hospital costs. They ignore the fact that we enjoy improved services and improved technology, and that public awareness of these improvements creates a greater demand. They ignore the fact that defensive medicine has to be practiced today by hospitals, just as it must by physicians, because of the high cost of malpractice actions and insurance, about which these bills do nothing.

These bills ignore and have nothing to do with the reimbursement system, which is not only based upon cost but which is retroactively applied and, therefore, has no relation to cost consciousness at the time services are ordered or delivered.

But, more importantly, it seems to me when one looks at these two bills in their broadest aspect, one comes to the inevitable conclusion that they do absolutely nothing to decrease the need or demand for health services. Neither of them will in any way reduce illness, disease, physical problems, or injuries, which account for demand nor will they diminish the desire of the American public for the most accurate diagnosis available, as well as the best medical treatment obtainable.

The plain, simple fact is that both bills attempt to reduce the hospital load by limiting services, and the result inevitably is the classical situation of infinite demand with finite resources, and the end result that there must be, inevitably, a diminution in the quantity and the quality of health care.

The unfortunate result is that we must ask ourselves this: Who is going to make the basic decision for someone who is ill or injured or someone who has a problem and wants it diagnosed? The patient? No. His physician? No. If we pass either one of these bills, then we in the Congress will be making that decision. And what is even worse, we will be doing it on an uneven basis, so that some citizens in some parts of the country will not even have the opportunity to choose because there will be no specific service available, while citizens in other parts of the country may have a choice because a special service is available.

It seems to me that the greatest problem with these bills is the Pavlovian reflex which the use of the popular name—hospital cost containment—triggers. I appreciate the fact that that is very important. I recognize that in the minds of many people this kind of legislation equates with reductions in individual hospital patient bills.

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But that really is not what is going to happen.

Another important result of these bills which we should think about, is that the formulization in the bills—and it does not require a mathematical genius to consider it—lead to the inevitable result that these bill would drive every private facility in this country to the economic wall, with the result that they have but three choices: To succumb to mandatory controls; to elect to become a major part of a federally qualified HMO, controlled by HEW and which is exempted from the provision of these bills; or to go out of business.

We should make no mistake—neither of those bills reported by the committees will do anything whatever to contain hospital costs, rather they will only contain hospital health delivery.

I therefore urge my colleagues, if they really want to do something for the citizens, and hospital patients of this country to support the Gephardt substitute because it is the best alternative available.

Mr. Chairman, it has been asserted that to adopt the Gephardt substitute is to do nothing about the problem of rising hospital costs. This assertion is not correct, but I would observe that it is better to do nothing than to adopt a policy which we know would make the situation worse. Although no one is urging that the Gephardt substitute is the final answer to the hospital cost problem, it can at least be expected to do more good than harm. The administration proposal as reflected in the Committee Bills, in contrast, is a "cure" which is worse than the disease.

The Gephardt substitute is designed to produce what we need far more than mandatory revenue controls—the information, analysis, and ideas which we need to deal with the underlying causes of rising hospital costs. The committee bills before us represent the kind of simplistic approach which has failed so often in the past, because it ignores the true nature and source of hospital cost increases. The time is past for a policy which consist of simply throwing regulation at a problem.

The Gephardt substitute focuses on finding and evaluating workable long-range solutions to the hospital cost problem which would actually change the basic incentives of the present system, such as changes in the tax treatment of employer-paid health insurance premiums and changes in medicare and medicaid. In the long run these approaches promise far greater savings than a regulatory system, and without arbitrary limitations on the availability and quality of health care.

It must be emphasized that the fundamental, long-range solutions which are envisioned by the Gephardt substitute are not compatible with mandatory revenue controls. As a practical matter the health care system cannot be both competitive and heavily regulated.

The argument has been made that we cannot afford to wait for long-range solutions, that we must strike a dramatic blow against hospital costs now. This argument would be more convincing if the administration proposal could be expected to have significant short-term effects, but the administration's own estimates are that no significant savings from mandatory controls could be expected in the first 2 years of the program. In the short term the combination of the voluntary effort and State cost containment programs can be expected to achieve almost the same savings as a mandatory cap, and they have the enormous advantage of having the support of the Nation's hospitals. The Gephardt substitute would give legislative recognition to the voluntary effort for the first time, and would probably give the effort a major boost. If mandatory controls are adopted hospitals can be expected to devote their efforts to evading the controls.

It must be recognized that the pattern of hospital cost increases has changed dramatically in the 2½ years since the cost containment bill was first proposed. Hospital cost increases are no longer outstripping inflation in the rest of the economy. Hospital capital expenditures are actually declining in terms of constant dollars. As the level of rhetoric from proponents of controls has escalated, the acuteness of the actual problem has substantially diminished. In this context, the Gephardt substitute represents a mature and responsible response.

Mr. CORCORAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the substitute amendment.

Mr. Chairman, I strongly support the substitute voluntary effort, in contrast with the mandatory controls which would be provided were we to unwisely support H.R. 2626.

The basic problem with H.R. 2626 is that it does not reach the underlying causes of inflation, despite all of the rhetoric about how anti-inflationary H.R. 2826 is. It does not get to the root cause. It therefore will not have any serious impact on controlling inflation. The fallacy of the legislation, the fallacy of the regulators, is that when you do not reach the basic, underlying problems caused by the accumulated budget deficits of the Federal Government with the resulting cost push wage and price spiral effects, you simply cannot control inflation by the controls that are provided for under this legislation affecting hospitals.

Second, it seems to me that when you look at the requirements, the data-gathering requirements, the responsibility of the agency in monitoring the hospitals of this country, you have to conclude that the increase in the bureaucracy, the increase in the regulatory arm, the increase in the number of administrators simply to administer this legislation is going to have an inflationary effect. There will be more bureaucrats in Washington to administer the program; there will be more bureaucrats at the regional offices of HEW around the country to administer this program; and, worst of all—worst of all—there will have to be more administrative costs borne by the hospitals of this country.

In my own district I have examined in some detail the financial statements of our hospitals, and what I find is that more and more, every day, added costs are being borne by the administrative side of the budget. People are spending more money in the operation of our hospitals to comply with Government regulation. People are spending more money on the administrative side rather than on the side of health-care delivery.

It seems to me that, for that reason, when we look at the inflationary aspect of the arguments that are being made, the weight falls on those who propose this legislation to convince us that the added burden, the added regulatory cost, would not be greater than it clearly will be and, as a result, Mr. Chairman, it seems to me that what we should recognize is that H.R. 2626 is inflationary. There will be more added costs, it will push upward on price, and it will not solve the basic problems that affect the hospital industry in this country.

Mr. Chairman, I can understand why some Members would be tempted to vote for H.R. 2626, the Hospital Cost Containment Act of 1979. Pressure from constituents to reduce health care costs and the alarming rate of increase in these costs for the past few years make this bill appear to be a rational answer to these problems. However since it does not touch the root causes of inflation it will not work.

Do not be misled by titles and vague promises, though. This bill will not cap those increasing costs, but, rather, it will aggravate them. Moreover, administration of this complex piece of legislation will require a new additional massive layer of bureaucracy and promulgation of numerous new regulations applied to an already highly regulated industry. Let me cite some recent studies which prove that more regulations cost more money and are inflationary.

In 1976, the Hospital Association of New York State conducted a study to determine the duplicative regulatory requirements imposed on acute care institutions within the State. That study identified 164 different agencies with jurisdiction over these hospitals. A further study showed that approximately 25 percent of hospital costs in New York State are attributable to meeting government regulations. The manpower required to meet these regulatory requirements could staff 75 hospitals each with an average of 250 beds. Each year the cost of new hospital regulations adds 4 percent to the regulatory bill.

With the assistance of the Illinois Hospital Association and the hospitals in my district, I have compiled some information on the effect of regulations on select hospitals within the 15th District of Illinois.

The recently implemented Hill-Burton charity care obligation regulations will cost approximately $40,000 annually for compliance. This includes a salary and fringe benefits for a staff person to process applications, the cost for added forms, the cost to file these reports in addition to administrative time to develop the required annual allocation plan and administer and publicize it.

Section 223 limitation regulations which limit payments to hospitals for services provided to medicare beneficiaries will cost each hospital an estimated $132,407 annually. Additionally, hospitals suffer a loss due to Government underpayment of services to medicaid and medicare beneficiaries. One hospital reported a total underpayment amounting to $693,000.

One hospital administrator estimated that 10 percent of his hospital's total expenses is spent in complying with the over 125 local, State, and Federal regulations. This would amount to about $750,000/year for one hospital.

Now, add to the above costs for compliance with regulations—which represent only a sampling of regulations imposed—the cost of regulations needed tc implement the mandatory controls required by the Hospital Cost Containment Act.

Who will end up paying for these increased costs? The same people this act is purported to protect—the consumer. Can anyone truly believe that this bill will hold down health care costs?

For these reasons, I urge you to support the Gephardt substitute, H.R. 5635. This is an excellent alternative to the administration's cost containment plan, and it would encourage the continuance of the hospital industry's voluntary effort. It may interest you to know that the voluntary effort exceeded its objective of reducing the rate of increase in total hospital expenses by 2 percentage points in 1978—the rate of increase was 15.6 percent in 1977 and in 1978 it was 12.8 percent.

Passage of the Gephardt substitute would enable the industry's voluntary effort record to continue without increased Government regulations and the resultant increased cost of compliance to hospitals. I urge your support of this rational approach to reducing health care costs.

Mr. COLLINS of Texas. Mr. Chairman, will the gentleman yield?

Mr. CORCORAN. I yield to the gentleman from Texas.

Mr. COLLINS of Texas. I thank the gentleman for yielding.

Mr. Chairman, this hospital cost containment bill, which would place mandatory price controls on the annual increases in inpatient hospital revenues, only adds another layer of bureaucracy on an already heavily regulated industry. The current health planning program and Professional Standards Review Organization are regulatory programs on health care cost which have done absolutely nothing to control rising hospital costs.

This federally mandated program will cost the American taxpayers $10 million a year. The Congressional Budget Office has estimated that this bill will reduce inflation by only 0.1 of 1 percent by 1981. H.R. 2626 will reduce spending for a family of four with a median income of $30,000 by only one-half of 1 percent of their income.

The hospital industry has proven its success in controlling health care costs, and there is absolutely no reason to place mandatory price controls on them. Hospital costs are the only major segment of the economy that have a decreasing rate of inflation. During the first 6 months of 1979, medical care prices were up 4.3 percent. Housing prices were up 6.2 percent, food and beverage prices increased 7.1 percent, and energy prices were up 20.6 percent, and the overall Consumer Price Index was up 6.8 percent.

When the proponents of this bill say that hospital costs have risen over the past decade, they should be reminded that it was precisely during this same period of time that the Federal Government became increasingly involved in the medical field, through medicare and medicaid. Before the adoption of medicare and medicaid, the hospital price index was lower than the Consumer Price Index. In 1965, the Consumer Price Index was 94.5, the hospital index was 76.6. In the decade after the adoption of medicare and medicaid, hospital costs increased by roughly 300 percent, while consumer prices increased by 75 percent. The introduction of medicare produced the largest single-year increase in 1967, during which the Government expenditures rose from 25.7 to 33.1 percent of total national health expenditures. Since the Federal Government became involved in medicare, total benefits paid for this program have increased from $4.5 billion to nearly $21.8 billion in 1977, an increase of 379 percent.

The voluntary effort by our Nation's hospitals is working. The rate of increase in total hospital expenses was 12.8 percent in August of 1979, compared to 13.1 percent in August of 1978. Total hospital expenses include not only cost due to inflation but also increased expenses resulting from greater utilization, as well as improvement and extension of health care services.

During the first year of the Texas voluntary effort, Texas hospitals not only reduced the rate of per admission increase by 2.6 percent, but they also reduced the rate of cost increase by an additional 1.4 percent—a total of 4.02 percent. This 4.02 percent point reduction in the rate of increase per admission costs in 1978 equals to a $106 million saving.

The hospital industry does not need any additional Federal regulation. Approximately 25 percent of each hospital bill is caused by government regulations. In Texas this translates to $85,000 per hour. Registered nurses spend as much as 25 percent of their working time in complying with governmental regulations. In Texas this accounts for at least $58 million of the nursing salaries. In 1950, there were 9,000 regulations affecting the health care industry. In 1977, these regulations have increased in number to 64,000. The average health care institution must report to and is monitored by 160 regulatory agencies. In New York hospitals, these regulations add $39 per patient per day.

In calling for a reduction in health care costs, it is necessary to remember that medical care today is expensive due to the factors that have contributed to inflation in all areas of the economy: Unstable worldwide economic conditions; energy shortages; balance of payments ups and downs; high labor costs; Government deficit spending devaluation of the dollar. In addition, the American public perceives their health care system differently than those calling for more government cost control. In 1978, Gallup Poll revealed that 90 percent of Americans expressed satisfaction with their most recent visit to a physician; 69 percent felt they can pay for ordinary health costs; 51 percent felt confident they can pay costs incurred during a major illness.

Congress is good at criticizing private industry for spending, but ignores its own overspending. In 1960, Congress spent $100 billion; this year Congress will spend over $550 billion. Since 1940, when the Federal Government was collecting $77 per person, our taxes have increased 26 times over to an average of $2,013 per capita in 1979. Taxes rose by $225 or almost 13 percent from 1978. This year's increase follows tax hikes of 12 percent in 1978 and 19 percent in 1977.

The increase in hospital expenditures seems rather low when compared to horrendous growth in Federal expenditures. Congress should concentrate on curbing its own spending before passing more regulation for an industry which is actually proving it can cut costs through voluntary planning efforts.

Mr. CORCORAN. Reclaiming my time, Mr. Chairman, I would like to point out that the administrator of one of the hospitals in my district, a new hospital known as Kishwaukee Hospital in DeKalb, Ill., has estimated that the cost of complying with existing Government regulations is reflected in an increase in their filing cabinet space requirements of 1 linear foot per month. To now add additional regulatory redtape, as proposed with the mandatory controls in H.R. 2626, would only add to the existing inflationary impact of current HEW regulations on our hospitals. I strongly support the more workable and effective voluntary mechanism provided in the pending substitute amendment as an alternative to the mandatory controls provided for in H.R. 2626.

Mr. LONG of Maryland. Mr. Chairman, I move to strike the last word.

(By unanimous consent, Mr. Long of Maryland was allowed to speak out of order.)

FINANCIAL REDRESS FOR HOSTAGES IN IRAN

Mr. LONG of Maryland. Mr. Chairman, I am today introducing a bill to provide legal means for the American hostages in our Embassy in Iran and their families to obtain financial redress from the Iranian Government for damages for physical injury, emotional injury, shock, loss of time, including, hopefully, punitive damages.

My bill will permit claims to be brought before the U.S. Foreign Claims Settlement Commission against the Iranian Government. The payments will be made from the official assets of the Iranian Government now frozen in U.S. banks by the President.

My bill further requires that $100 million of those assets remain frozen, even after the return of the hostages, until all claims against Iran have been properly and satisfactorily adjudicated.

This also serves notice to the Iranian Government that the longer they keep these hostages the more money it may very well cost them.

AMENDMENTS OFFERED BY MR. JACOBS TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. JACOBS. Mr. Chairman, I offer amendments to the amendment in the nature of a substitute offered by the Committee on Interstate and Foreign Commerce.

The CHAIRMAN pro tempore (Mr. PANETTA). The Chair will inquire of the gentleman if his amendments are made in order under the rule.

Mr. JACOBS. They are, Mr. Chairman.

The CHAIRMAN pro tempore. Under the rule, the amendments are considered as having been read.

The amendments to the amendment in the nature of a substitute are as follows:

Amendments offered by Mr. JACOBS to the amendment in the nature of a substitute offered by the Committee on Interstate and Foreign Commerce: Pages 112 and 113, amend the items in the table of contents related to title II to read as follows:

TITLE II—STATE MANDATORY HOSPITAL COST CONTAINMENT PROGRAMS AND ENFORCEMENT

PART A—APPROVAL OF STATE MANDATORY PROGRAMS AND EXEMPTIONS FROM RESTRICTIONS

Sec. 201. Approval of State mandatory programs.
Sec. 202. Funding of State mandatory programs.
Sec. 203. Exemption of hospitals engaged in certain experiments or demonstrations.

PART B—ENFORCEMENT

SEC. 211. Conformance by certain Federal and State programs.

Page 113, strike out the item in the table of contents relating to section 313 and redesignate succeeding provisions in part B of title III accordingly.

Page 139, amend lines 6 through 11 to read as follows:

(d)(1) Subject to paragraph (2), the Secretary may not enter into an agreement under section 1866 of the Social Security Act with any hospital for any period beginning after the end of the voluntary period of the hospital (as determined under subsection (c)).

Page 139, strike out line 15 and all that follows through page 154, line 3 and insert in lieu thereof the following:

TITLE II—STATE MANDATORY HOSPITAL COST CONTAINMENT PROGRAMS AND ENFORCEMENT

PART A—APPROVAL OF STATE MANDATORY PROGRAMS AND EXEMPTIONS FROM RESTRICTIONS

Page 154, line 5, strike out "211" and insert in lieu thereof "201".

Page 155, line 12, strike out "322(3)" and insert in lieu thereof "322(2)".

Page 156, amend lines 11 through 16 to read as follows:

(c)(1) There shall be exempted from any restriction under section 115(d)(1) any agreement under section 1866 of the Social Security Act of a hospital in a State which begins in a year in which a State mandatory hospital cost containment program for the State has been approved under this section.

Page 157, line 15, strike out "212" and insert in lieu thereof "202".

Page 158, amend lines 14 through 17 to read as follows:

SEC. 203. The Secretary may exempt hospitals from the application of the restriction of section 115(d)(1) if he determines that—

Page 159, strike out line 3 and all that follows through page 166, line 11 and insert in lieu thereof the following:

PART B—ENFORCEMENT

Page 166, line 14, strike out "222" and insert in lieu thereof "211".

Page 166, strike out the dash at the end of line 19 and all that follows through page 167, line 5 and insert in lieu thereof the following: "which is exempted from a restriction under section 115(d)(1) because the hospital is located in a State with a mandatory hospital cost containment program approved under part A, to the extent that the reimbursement exceeds the limit prescribed under such program.".

Page 167, strike out the dash on line 12 and all that follows through line 23 and insert in lieu thereof the following: "which is exempted from a restriction under section 115(d)(1) because the hospital is located in a State with a mandatory hospital cost containment program approved under part A, to the extent that the reimbursement exceeds the limit prescribed under such program.".

Page 171, line 21, strike out "part A of title II" and insert in lieu thereof "section 115(d)(1)".

Page 172, line 8, strike out ", modify,".

Page 173, strike out line 3 and all that follows through page 174, line 20.

Page 174, line 22, strike out "314" and insert in lieu thereof "313".

Page 178, line 15, strike out "315" and insert in lieu thereof "314".

Page 181, line 15, strike out "and shall not" and all that follows through "title II" on line 18.

Page 182, amend lines 20 through 23 to read as follows:

(3) restrictions under section 115(d)(1) on entering into agreements under section 1866 of the Social Security Act shall not apply to agreements entered into for periods beginning after 1984; and

Page 182, line 25, strike out "315(b)" and insert in lieu thereof "314(b)".

Page 183, lines 4 and 8, strike out "314" and "314(c)(1)", respectively, and insert in lieu thereof "313" and "313(c)(1)", respectively.

Page 185, strike out line 7 and all that follows through page 186, line 2, and redesignate succeeding paragraphs accordingly.

Page 103, line 5, strike out "211" and insert in lieu thereof "201".

Page 188, strike out line 23 and all that follows through page 189, line 22, and redesignate succeeding paragraphs accordingly.

(By unanimous consent, Mr. JACOBS was allowed to proceed for 4 additional minutes.)

Mr. JACOBS. Mr. Chairman, we are faced with the frustration of inflation in this country. It is argued that a hospital cost containment measure will alleviate some element of that inflation and thereby reduce the budget deficit for Uncle Sam, who must purchase hospital services.

It seems to me that there is trouble with that logic because if that is the principal rationale upon which such regulation rests, then it would be equally logical to ask for regulation of automobile prices because Uncle Sam also purchases automobiles.

I am troubled by price controls. I am troubled deeply. It is said that if you want to know what a cowboy will do when he gets drunk, you find out what he did the last time he got drunk. The last spree that I can recall in this town was the Department of Energy Consumers, as I call it. It began rather modestly, I believe in the Nixon administration, just a little thing. I think it was the Federal Energy Administration. Oh, they would not need any new personnel, they would just borrow a fellow from here and a woman from over here, and they would come over and help out, with no additional budget.

The first report I got from that was a $100,000 contract that was let to study how to save electricity. And after 6 months this company brought back its report. Are you ready for the results? "Turn out the lights when you are not using them." Gee, I am glad they thought of that. My dad never thought of that when I was a little kid. It must have been someone who sounded like him.

In any case, there was $100,000. That was the acorn. And now for the oak. About $12 billion, $11 billion, or $12 billion a year for the Department of Energy, and I believe an army of some 20,000 energy users at the Department of Energy.

If I wanted to cut the budget deficits, I would repeal the Department of Energy instanter.

That is how I would save money for the Federal Government and fight against inflation. But inevitably, I do not care if it is what they called in the 18th Century the French "law of the maximum" or what we today call price controls, it all boils down inevitably and inexorably to something like a mishmash or, in more refined language, a hodgepodge, or perhaps even a farago. But it also means an attempt to fool yourself, to repeal reality.

That is the problem I have with the bill. What is the problem I have with the substitute?

The gentleman from Michigan (Mr. STOCKMAN), for whose thinking I have developed profound respect, has characterized the bill as a sow's ear. I think that is not far off the mark. But he did not say much about the substitute silk purse. The substitute silk purse that bothers me also, because I think the silk purse is the purse of my taxpayers back home. If you are going to leave the hospitals alone, why spend tax dollars to do it? Why not simply leave them alone?

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There was another question asked by the gentleman from California.

He said, "How can you make these hospitals efficient by a voluntary plan?"

The next logical question is, "How can you make hospitals efficient by inefficient bureaucratic action?"

A few years ago when they enacted home rule of sorts for the District of Columbia, and I served on the Committee on the District of Columbia, it suddenly developed they were going to have a black mayor in Washington, D.C.

Everybody flipped. What will possibly happen if a black mayor has a police force? "It will be a terrible calamity," they said.

I am not kidding. One can read the RECORD and see this actually occurred. The chairman of the committee and some of his cohorts introduced legislation to turn the police force of the District of Columbia over to the Congress to administer.

We had hearings on that. One witness after another came in and said, "Yes; it is necessary to do this." They never mentioned the real reason, of course. They said, "It is necessary to do this to give greater efficiency to the police department in Washington, D.C."

I was at the tail end of the line, and I finally was able to ask a question of a witness and said, "Sir, did I understand you to say that turning the D.C. Police Force over to the Congress would create greater efficiency in the police force?"

"Yes," he said, "Congressman, that is right."

I said, "Well, did you know that it was Congress that put up the Rayburn Building?"

Whereupon, the witness changed his mind. He said, "Now that you mentioned it, I don't think it would create greater efficiency," and he withdrew his testimony.

I do not think we create greater efficiency in the private sector by being led by the inefficiency of the public sector, something rather like the lame lifting the able bodied; as bad as it might be in the first place, it can only be made worse.

Perhaps Uncle Sam has no business regulating private hospitals. But Uncle Sam is a purchaser in the market, and under the free-enterprise system a purchaser has the right to shop for the best price. A purchaser has the right not to buy where the price is too high. That gets down to this amendment.

It simply provides that if the individual hospital does not meet its own stated guideline or objective, its voluntary standard, fine, do not meet it. But the consequence of that will not be that you will get more Government.

The consequence will be that you will get less Government, because you will not get a medicare contract. That is the penalty. You are ineligible for a medicare contract.

The first question comes up: Are you not punishing the medicare patient and not punishing the hospitals?

The way this bill is now, it only covers urban hospitals. In urban situations, we have 8 or 10 hospitals in the same geographic area.

My answer is no, you do not. If that hospital is not qualified, others are.

I see an analogy between what I propose and the 55-mile-an-hour speed limit in the United States, supported, I think, generally by most of our citizens now.

There is no Federal speed limit. There is simply a provision that if the several States do not provide for that speed limit, they will not receive Federal highway funds. That speed limit is quite uniform throughout the United States. Why? Because the States do not want to give up the highway funds.

Why would this work? Why would no medicare patient have to change hospitals? It is simple: Because old folks tend to get sicker more than most folks. That means they make up an awful lot of business for every hospital. That means no hospital is going to fail to meet its voluntary guidelines in the first place. No hospital is going to want to give up the medicare business.

Mr. RANGEL. Mr. Chairman, I rise in opposition to the amendment.

I want to thank the gentleman for the contribution he has made to the committee during the deliberations of this very sensitive and complex piece of legislation. I think, however, that a close study of the penalty involved here, if the institution fails to reach the standard set in the bill, means that it is not the hospital that is penalized. It is all of the aged people who enjoy the benefits of medicare. It seems to me if we use them as the victims, that we would not know what institutions would be available to pick them up; and so while there is no question that the gentleman's amendment is well intended, I would urge the committee to reject it.

Mr. GRADISON. Mr. Chairman, will the gentleman yield?

Mr. RANGEL. I yield to the gentleman from Ohio.

Mr. GRADISON. I thank the gentleman for yielding and I join with him in opposition to this amendment.

At the time that the Committee on Ways and Means was considering this issue, the amendment now before us was not presented, as I recall it, and, therefore, there was no opportunity to give this proposal the careful scrutiny which certainly a matter of this importance would deserve.

Just hearing it today for the first time, I am immediately concerned what its impact might be, not only in metropolitan areas such as the gentleman from Indiana cited, where there are a large number of hospitals, but also in the more sparsely populated parts of the country where one hospital may be the only one serving the community and where the loss of eligibility to handle federally financed patients might put the entire facility out of business. So, I certainly join with the gentleman from New York in thanking the gentleman from Indiana for bringing this proposal to us, but I think that it would be a mistake without a great deal of further thought and study to support it at this time.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. RANGEL. I yield to the gentleman from California.

Mr. WAXMAN. I thank the gentleman for yielding.

I want to concur in the conclusion reached by the gentleman managing the bills from the Committee on Ways and Means. This sanction is far too excessive it seems to me to be appropriate, because the penalty is put on the aged and disabled people who would not have access to medicare services should a hospital fail to meet the voluntary requirements. Under our bill, if that happened, a hospital would come under mandatory control. That is not a punishment. What that means is that we will place a limit on them to assure they will effectively hold down their costs to the goal that is anticipated, or be subject to a penalty.

It is far better to respond to a failure to meet the goal voluntarily in that way than to say that we are going to punish old people and others who are on medicare by denying them access to a hospital and also to punish the hospital by removing their opportunity to give services to those patients.

I would urge that we reject the amendment.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. RANGEL. I yield to the gentleman from North Carolina.

Mr. BROYHILL. I thank the gentleman for yielding.

I join the gentleman in opposition to this amendment.

As I see it, this should be called punish-the-old-people amendment, because that is exactly what would happen. The senior citizens of our society could end up with little or no health care facilities in their community.

If a community hospital for one reason or another failed to meet this limit by, say, one-tenth of 1 percent, the only answer would be because of the mandate in this amendment, the hospital might have to close their doors.

Thus, there would then be no services available for the senior citizens of that community.

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. RANGEL. I yield to the gentleman from Indiana.

Mr. JACOBS. I thank the gentleman for yielding.

I do not really mean to press the matter. I know what the realities are here, but for the record, let me repeat that I am addressing the bill as it stands now. It covers areas where there are many hospitals within geographic reach of the elderly people.

As I said, I do not think a State can give up highway funds. I do not think any hospital is going to give up this medicare business. Under this amendment there is no more chance that medicare patients would have to change hospitals than that they are now subjected to potholes on main highways that are partly federally funded.

□ 1430

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from Indiana (Mr. JACOBS) to the amendment in the nature of a substitute offered by the Committee on Interstate and Foreign Commerce.

The amendments to the amendment in the nature of a substitute offered by the Committee on Interstate and Foreign Commerce were rejected.

Mr. SHANNON. Mr. Chairman, I move to strike the last word, and I rise in opposition to the substitute.

Mr. Chairman, I have a lot of facts and figures that I would like to bring out in opposition to this substitute that will indicate to my colleagues that the voluntary effort is not really working, and that even in my own State of Massachusetts the mandatory controls have worked very well, they have not decreased the quality of health care, that there is no reason to fear mandatory controls. But we heard all of those figures in this debate, and I do not intend to go over them again and again and again.

But I want to talk about this bill and this substitute in terms that we are all going to be able to understand. Those are political terms.

What have we got here? We have a controversial piece of legislation, a piece of legislation that would inevitably impose mandatory controls in the hospital cost area, a piece of legislation that philosophically I think many of us would be opposed to.

I support the bill. I support the bill as it came out of the Ways and Means Committee. But I know there are many here who on philosophic grounds oppose controls and intend to oppose this bill.

With the Gephardt substitute we have a way out now, an easy way out for many Members of the House. It allows us the opportunity to say to our constituents when we go home, to say to each other, well, we are really in favor of lower hospital costs, we are really going to make an effort to lower hospital costs, the legislation really is responding to the tremendous inflation that the people of this country want us to do something about when, in fact, I do not believe that is going to be the case at all.

What are we going to end up with if we pass the Gephardt substitute? We are going to end up with another commission. What is that commission going to do? It is going to write another report. And what is going to be the result of that report? There will be no result to that report.

We will see a continuation of inflation in the hospital area. We will see the continuation of higher medical costs to the people of this country. We are going to see the continuation of what the American people are demanding that we respond to, and that is inflation.

My colleagues might oppose this bill on philosophical grounds, they might oppose it on practical grounds because they just do not think it is going to work. Well, I say to my colleagues this: vote against the bill if you feel that way, but vote against the Gephardt substitute also. Let us face up to this issue candidly. Let us not look for a convenient way out. Let us not look for excuses so we can say to our constituents we have done something when we really have not. Vote against the Gephardt substitute and vote against the bill if you want to kill hospital cost containment, if you do not think it is going to work. But let us not delude ourselves or try to delude the American people into thinking that we are doing something when we are really doing nothing.

Mr. MAGUIRE. Mr. Chairman, I move to strike the last word, and I rise in opposition to the Gephardt substitute amendment.

Mr. Chairman, one of the most interesting arguments that has been made today in favor of the Gephardt substitute and in favor of dismantling the work that has been done by the two committees on cost containment is the argument that we are misdirecting our efforts by treating symptoms, not causes. Yes, I agree with my friend, Mr. JONES, that we do not have a normal marketplace at work here. Yes, I agree with Mr. GEPHARDT, that a major problem is third-party payers. And yes, I would join with Members in this House on both sides of the aisle and on both sides of this issue to try to figure out how we can address those underlying issues. That needs to be done.

But because that is the situation we cannot then move to the argument—which does not follow at all—that, therefore, this bill does not address causes. In fact, this bill does treat causes, because for the first time it provides a framework within which decisions are going to be made differently than they have been in the past. It provides a countervailing set of reasons, pressures, incentives to those very unhelpful sets of incentives that are out there now such as third-party payments.

Let us look at purchases, at utilization, at equipment. More or less costly items may be purchased if you are an administrator. Now there is no incentive to purchase less costly items or to purchase the same items in less costly form. If there were a cost containment bill in effect there would be an incentive. Obviously you would want to stay below your target figure and avoid mandatory controls if you did well.

The same applies to utilization. Instead of having people thrown into the hospital on weekends prior to surgery, to fill up beds, instead of having people's length of stay extended in order to fill up beds, instead of ignoring the possibility of treating people on an outpatient basis, we would have incentives to limit length of stay, to encourage outpatient treatment and to eliminate unnecessary weekend admissions.

Those are decisions that hospitals make. If they have something at the end of the road that says you would be well advised to meet a certain target, they are going to change the decisions they make early on in the process.

The same is true of equipment. If there is an incentive to keep below some target administrators are going to have a reason to talk to their colleagues and their associates in other institutions in the area to come up with more rational, integrated, and efficient approaches.

I agree that we need to do some things about competition, about third-party payments. But what I do not agree with is the notion that because we are not doing those things in this bill that we are not addressing causes. In fact, we are addressing causes.

Take the analogy of a foot race. If somebody says to you you get a reward if you run a mile in 8 minutes, or 6 minutes, or whatever it is, you are probably going to run the first quarter of that mile a little faster than you would if you were told that it did not matter how fast you ran it, you could do it in 9 minutes, 10 minutes, or whatever. Or if you had a vacation to take and somebody says you have 3 days rather than 2 weeks, chances are you are going to make some different kinds of decisions about how you are going to spend that first day.

The issue really is:

Are we going to change the decisions that are made along the road with respect to expenditures or are we not? I would submit that the only way to do that, and that a very effective interim way to do that, is contained in this bill.

I would like to respond on another point.

We have heard all day about how the voluntary program is working and hospital costs are not as high relative to the overall inflation rate as was previously the case. Let us not forget that energy costs are up somewhere between 35 and 45 percent this year, that this has skewed the overall inflation rate by something between 4 and 6 percentage points upward. The fact remains that health costs are still going up, and that health is one of three or four sectors that is still going up much faster than the entire rest of the economy. We still have a very serious short- and long-term hospital inflation rate to deal with.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

(By unanimous consent Mr. MAGUIRE was allowed to proceed for 1 additional minute.)

Mr. MAGUIRE. One final point is that this bill has been refined and refined and refined and made more and more sophisticated.

One of the interesting things is what has not been debated here today. We have not spent any time talking about exemptions or exceptions. We have not heard anything about population growth, about expansion of facilities, about special cases that individual hospitals might face. Ninety percent of the debate when we first dealt with this legislation 2½ years ago addressed those questions. Those questions have now all been resolved as a result of the fact that the bill has been refined and everybody now seems to agree that the bill is fine in those particulars.

So let us reject the Gephardt amendment, adopt this bill, and create a framework in which decisions are going to be made more cost-effectively by hospital administrators.

Mr. STOCKMAN. Mr. Chairman, will the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from Michigan (Mr. STOCKMAN).

Mr. STOCKMAN. Just very briefly, the gentleman says the choice would be between less costly or more costly items. The fact of the matter is that about 50 percent of the hospital budget is labor costs. Is there any incentive in this bill to choose less costly wage rates?

Mr. MAGUIRE. The gentleman is correct, 35 or 36 percent of the total market basket would be passed through. But we are talking about the remainder, and the remainder is both significant and subject to greater efficiencies.

Mr. STOCKMAN. If the gentleman will yield further, what about admissions?

Mr. MAGUIRE. Hospitals can hold down their costs by eliminating unnecessary admissions and treating people on an outpatient basis when possible.

□ 1440

The CHAIRMAN. The time of the gentleman from New Jersey has again expired.

(At the request of Mr. LUKEN and by unanimous consent, Mr. MAGUIRE was allowed to proceed for 1 additional minute.)

Mr. LUKEN. Mr. Chairman, will the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from Ohio.

Mr. LUKEN. Mr. Chairman, the gentleman talks about incentives under this bill. Where is the incentive for those administrators in the hospitals with all of the pass-throughs existing and when the Secretary, as the gentleman well knows, being a member of the committee, the Secretary is going to make the subjective decision the following year as to what those percentages of increase will be, as to what the marketbasket will, in effect, be?

Now, the administrators of the hospitals are either going to have to operate, under those circumstances, on the basis of wild guesswork or simply trying to evade and avoid and evade the controls. That is what they are going to be doing. The Secretary makes the decision; is that not right?

Mr. MAGUIRE. If the gentleman will permit, my understanding of the bill is that these hospitals are guaranteed minimum voluntary limits 1 year in advance, and the administrator of the hospital then has an opportunity to plan his budget. And if inflation turns out to be higher than the Secretary estimated, there is provision for the limit to be adjusted upward to reflect that.

Mr. BRODHEAD. Mr. Chairman, I rise to speak in opposition to the amendment.

Mr. Chairman, I want to relate to the House a conversation that I had with a man in my district who is the chairman of the board of a hospital. He called me a couple of weeks ago and invited me to have lunch with him, saying he wanted to talk with me about hospital cost containment. This man is very well known to me. He is a very prominent businessman in the district, owns a large enterprise, and he is very active in the Republican Party as a well-known conservative, so I was pretty sure of what he would say to me when he came in.

He came in and sat down, and he said, "My board from the hospital sent me down here to talk to you about hospital cost containment. The doctors and the administrators in the hospital are very much opposed to this piece of legislation, but let me tell you this: I am a very successful businessman, and I could not run my business the way these people run that hospital. They do not care what anything costs. They do not worry about salaries. If somebody is not doing the job, they do not fire him, they just put him on another payroll."

He said, "They pay no attention to trying to do things in the most efficient way. They just keep adding and adding and adding. It is a disgrace."

He said, "I wish there were something that could be done about it. I am extremely leery of Government controls. I am hostile to the whole concept, but frankly, Congressman, I do not see any other way to control hospital costs, but to have a mandatory hospital cost containment program. So, I urge you to go back to Washington and vote for this piece of legislation."

What he said made sense to me. As a member of the Health Subcommittee of the Ways and Means Committee in the last Congress, I sat through hearings and markup on this legislation. I think I know a little bit about the problems of hospitals. Let us face it, the market system does not work there, the incentives are not there. Wasteful practices are there. The figures speak for themselves in the way of increased hospital costs in this country.

We cannot afford it. The cost is literally doubling every 5 years. Unless we do something about it, it is going to outstrip our ability to pay it. We are in a situation where the Federal Government is paying 25 percent of the hospital bill around the country. This has very important implications for the Federal budget and for doing something about deficit spending and inflation. It is probably the No. 1 inflation issue that is going to be facing the Congress this year.

There is a lot of loose talk around here about doing something about spending; there is a lot of loose talk about doing something about getting the Federal budget under control. Well, my colleagues, this is an opportunity to do something about Government spending and this is an opportunity to get spending under control. This is an opportunity to attack inflation, so I think that this vote will be a test vote of those who are serious about inflation, those who are serious about deficit spending.

It will be a test vote, I think, on something else. You know, Mr. Carter won the election. Many of us on both sides of the aisle have had strong political differences with him, but he was elected to lead this country. He has been criticized from all quarters for not doing something about inflation. Well, this is one of the important parts of his program to do something about inflation, and I hope that we will not turn our backs on our President and reject this effort, because it is needed; because, as I said, people who are involved in the hospital business can tell you that the controls are not there, the incentives are not there, the urgency is not there. This is a very modest, very moderate, very reasonable effort to do something about it. I urge the Members to reject the Gephardt amendment and support the bill as reported from the committee.

Mr. PREYER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Gephardt amendment. It is easy to score debating points off the hospital cost containment bill. Admittedly, it is not in any sense a final solution; it is an interim answer. What we are really talking about is the least bad of the alternatives that face us right now. So, when we have a situation that is not any final answer we are going to find it very easy to point to shortcomings in the bill.

All of us know that changing the way we finance the health care system and the reimbursement system is the ultimate way in which we will resolve this problem, and we have heard a lot of talk about "in the long run this bill is not going to do any good." But as Lord Keynes said, "In the long run we will all be dead."

The question is, what should we do pending a final answer? We are not going to get to a final answer for another 4 or 5 years. Why do we need a solution right now? What is the problem? Why are we picking on the hospitals?

Well, we have heard many of the statistics, and they are certainly dramatic enough to bear repeating. Health care costs in this country have doubled in the last 6 years. They will double again in the next 5 years. Perhaps the way to make those costs more meaningful, in view of inflation, is to say that as a percentage of the gross national product they have gone from 6.7 percent of the gross national product in 1969 to 9.1 percent today, and are projected to go to 10.2 percent of the gross national product in 1984. That is a larger and larger slice of an ever smaller-growing pie that is going to health care.

Hospital costs are 40 percent of these health care costs. It is, in effect, to health care costs what the automobile is to the energy shortage. Now, the first thing we need to do is to get the attention of the hospitals and the medical fraternity to this problem. A standby mandatory control feature certainly will get your attention if you are a hospital man. Dr. Johnson said:

> If you know you are going to be hung in a fortnight, it concentrates your attention wonderfully.

I will say that the hospitals have done a good job by and large when their attention was concentrated on the problem. Particularly in North Carolina, as my colleague has pointed out, we can be very proud of the job the hospitals have done. But, what the bill does is, if getting the attention of the hospitals does not do the job, the mandatory programs will go into effect. Now, a lot of the Members of this Congress are uncomfortable with mandatory programs. I support decontrolling oil; I support Mr. Kahn's deregulatory efforts with CAB. As Mr. Kahn said, testifying before our committee, "What is a nice dergulator like me doing supporting a bill like this?"

□ 1450

Many people who instinctively resist mandatory controls can ask that question. The reason hospital care has been singled out, the reason hospital costs are different, is that they are in a very singular situation. The figures have been pointed out here, and I will not recite them again, about the total lack of incentives in the hospital care system to hold costs down. We are not talking about any kind of free market system in hospital care. There is not a free market.

It is also said, "Well, inflation in the general economy has now caught up with the hospitals cost increases." I think the point has been made that the reason general inflation is going up is not the reason hospital cost inflation is going up. General inflation is fueled by food and oil prices increases. Hospital cost inflation is fueled by the lack of incentives and the lack of any sort of market system in hospital costs. So that is why we have to take this approach in the interim until we can solve the problem in a more basic way. It is not logically neat and orderly perhaps, but it is the best we can do under the circumstances to get the job done. The practical effect of this bill, incidentally, is not going to be a massive Federal regulation of hospitals. What will undoubtedly happen is that States have the right to form their own program, and what this bill really does is encourage States to draw up their program.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Preyer was allowed to proceed for 1 additional minute.)

Mr. PREYER. If the States want a program that is tailored more sensitively to individual hospitals, they can do it. I think we ought to look upon this bill as basically an encouragement to States to draw up a bill.

We hear it argued a lot in this Congress that we ought to think about the taxpayers and not just think about doing good things for the consumers. The hospital system now is fine by the consumers and by the patients. We do not hear any ground swell of objection from them on hospital costs. It is fine by the providers and the doctors in the hospitals. The person it is not fine by is the American taxpayer, and he does not feel the effect of it.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Luken, and by unanimous consent, Mr. Preyer was allowed to proceed for 2 additional minutes.)

Mr. LUKEN. Mr. Chairman, will the gentleman yield?

Mr. PREYER. I yield to the gentleman from Ohio.

Mr. LUKEN. I thank the gentleman for yielding. I respect the gentleman's opinions here. I differ with him in his conclusions. But I would like to get down to the issue because it seems to me we are going down two different roads. If we have got all of these passthroughs, which we do, where is the hospital going to cut if not in service? There have been speakers who have said, yes, the hospitals are going to cut medical services. That means less advancements in technology; that means less advancements in a lot of things; that means less services to older people—less service, and if not less service, where could the gentleman state that they are going to cut with all of these passthroughs.

Mr. PREYER. I could not enumerate to the gentleman in detail where a hospital could cut, but certainly if they really put their minds to it and know they have got to reduce costs, we are going to find there is waste that can come out. Instead of ordering that extra CAT scanner, they will work out a plan to deal with one from another hospital.

Mr. LUKEN. Do we not have CAT scanners controlled under the HSA's, under the health planning? Is that not what we started out to do? And there has been some success, and now we are going to bypass that?

Mr. PREYER. This is not bypassing that in any sense of the word. It is an additional incentive backing it up. Rather than having the hospitals always fighting against the HSA, this may have them fighting with them.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. PREYER. I yield to the gentleman from California.

Mr. WAXMAN. I thank the gentleman for yielding. Just to complement the points the gentleman made, I think the Members ought to be aware that we provide a 1-percent net increase in intensity, and this is to cover the kinds of improvements in technological innovations that we expect our medical care system to be taking on all the time, but we also expect them through a more efficient operation to more prudently reduce the length of stays, close unnecessary beds, eliminate unnecessary tests, stop weekend admissions. These are the ways they can save the money, and that 1 percent intensity recognizes over and above the inflation rate the importance of new technology and new innovations, in addition to the fact that we do have other laws on the books that fit quite well with the cost containment legislation. The HSA under the Planning Act, PSRO's, all of these working together I think give the right incentives to make our medical system work to hold down costs and to keep the quality of care up. I wanted to mention those facts to the Members here.

I thank the gentleman for yielding.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words, and I rise in favor of the Gephardt amendment.

Mr. Chairman, I cannot support, as I have said previously, the committee bill, H.R. 2626. It attempts once again to put the Federal Government in the position of mandating various things in hospital care that it has proven by past experience it does not know how to deal with. Some of my colleagues have said, "Well, if we do not have the committee bill, we are not going to stop inflation." Can any of my colleagues name one agency in this Federal Government that has really done one darned thing about stopping inflation? Even the polls that so many of my colleagues have referred to that say the No. 1 problem in the Nation according to the people is inflation, yet they say in those same polls the major cause of that inflation is the Federal Government. So there is no way we are going to cure inflation in hospital costs by passing H.R. 2626.

I agree with my former colleague, now the mayor of New York City, Mayor Koch, in his recent analysis about the cause of inflation and the messup of the Federal Government in so many programs, all in the name of goodness. He has said, "Washington just sits there and tells us to do this, do that, do it this way, do it that way." He says, and I am quoting now our former colleague, the mayor of New York, Mr. Koch:

> They are looking over our shoulder all the time, threatening to take us to court all the time. They keep hospitals open even if they don't have any patients, and then they threaten to cut off the aid. They keep causing inflation.

Then he goes on to say—and I want to quote the remarks of Mayor Koch for my colleague, the gentleman from New York (Mr. Rangel), the manager of this bill because I am sure he did not hear the statement the last time I mentioned it. Mayor Koch says in response to the question, "Well, Mr. Koch, you have been for all of these programs." And he said, "I know that. I was dumb." He said, "We all were." I repeat, "We all were."

Let us listen to that voice, because he is now in a place where he has to manage and follow through on all these unwarranted Federal mandates. The same kind of mandates we have in this bill we are going to impose more of them on all hospitals. We are going to cause steep inflationary costs with this very bill.

I hope my colleagues will support the Gephardt amendment and vote against final passage of H.R. 2626.

Mr. PAUL. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will yield to my colleague from Texas, a member of the medical profession. We have just been told here today that the doctors of this country are dying for this bill. Is that true?

Mr. PAUL. They are not dying for this bill. They are worrying that it might get passed.

Mr. ROUSSELOT. Are they really? Knowing the gentleman is from the medical profession that statement has even more meaning. So you do understand the general feeling of those actually involved in the health field?

Mr. PAUL. Right.

Mr. ROUSSELOT. How long was the gentleman in practice?

Mr. PAUL. In practice for 12 years and I served on the hospital board for a number of those years.

Mr. ROUSSELOT. Some of our colleagues here that advocate this bill are telling us they are speaking for the medical profession; that is not necessarily true?

Mr. PAUL. I was on the hospital board during the time we had wage and price controls before.

Mr. ROUSSELOT. How did that work?

Mr. PAUL. It was very, very difficult to run a hospital.

Mr. ROUSSELOT. Wage and price controls made it difficult to run a hospital?

Mr. PAUL. Practically impossible.

Mr. ROUSSELOT. I see. So we want to make it more impossible.

Mr. PAUL. For instance, our little hospital has all of 127 beds.

Mr. RANGEL. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I knew I would bring you awake sooner or later. I will yield in a moment.

I yield further to the gentleman from Texas first.

Mr. PAUL. We have all of 127 beds in our hospital, and we do need additional personnel to take care of the regulation of medicare and medicaid.

Mr. ROUSSELOT. The gentleman means there are some more regulations in here that are going to require higher costs?

Mr. PAUL. Already on the books, and it costs us in this little hospital $400,000 a year without this additional burden.

☐ 1500

Mr. ROUSSELOT. So this will cost that hospital in which you were, even more?

Mr. PAUL. Much more.

Mr. ROUSSELOT. Much more.

Mr. PAUL. Mr. Chairman, thank you for giving me the opportunity to testify on the Hospital Cost Containment Act of 1979. As Representative of the 22d District of Texas, as a physician, and as a former hospital board member, I have a special interest in this legislation.

With some loopholes, the bill would require most hospitals in the private sector—except HMO hospitals, which could raise prices all they wanted—to hold increases in costs to a figure set by the Secretary of Health, Education, and Welfare. For 1979, that figure would be up to 10.4 percent. The administration calls this a voluntary limit, but it is voluntary only in the sense that the COWPS guidelines are voluntary—in other words, not voluntary at all. If that threshold were passed, mandatory controls would be triggered at a level of 9.7 percent.

When Government pays for a service or product, it invariably supplies it at no or below market cost. This always increases demand and creates shortages. With shortages, especially Government shortages, the next step is always strict allocation and rationing, combined with efforts to keep costs down. High costs are inevitable, however, due to waste, fraud, inefficiency, and increased demand.

Hospital costs have risen at an alarming pace, although not as fast as coffee, taxes, or first-class mail, and there are five reasons for it:

First. Inflation. Inflation, an increase in the supply of money and credit, is a direct result of deliberate Government policy. A well-known characteristic of inflation is that some areas of the economy suffer from a greater upward movement of prices than others. Hospitals are not responsible for it, and can do nothing about it.

Second. Costly Government regulations. The Community Hospital in Freeport, Tex., tells me that complying with medicare and medicaid regulations alone have required it to hire 33 additional employees, at a cost of $400,000. This is for a small hospital of only 127 beds. The famous New York Hospital Association study shows that 25 percent of costs in that State are a direct result of regulations.

Third. Medicare and medicaid. Between 1946 and 1966, the cost of an average stay in a hospital increased 7.4 percent a year. Since 1966, the increase has been 12.6 percent. The reason: in 1966, demand for medical services was vastly increased by act of Congress, with medicare and medicaid, and prices naturally zoomed.

Fourth. A better quality of care. Organ transplants, fetal monitoring, intensive care units, cardiac care units, neonatal ICU's, CAT scanners, cardiac pacemakers, open-heart surgery—all are expensive.

Fifth. Increased costs. The cost of malpractice insurance, energy, and wages—we keep raising the minimum wage—have all increased during the last several years, and hospitals cannot control the increases.

President Carter has deregulated the airlines, with lower prices and more competition as the result. He proposes to do the same to railroads and trucking, and I strongly support these initiatives.

He would be wrong to take the opposite tack with hospitals.

We should take the President at his antiregulatory word and defeat this bill, for nine reasons:

First. It would increase the burden of regulation on hospitals, and therefore increase costs.

Second. It would build another bureaucracy in HEW, and therefore increase Federal spending and the taxes or inflation necessary to pay for it.

Third. It would reward the spendthrift and penalize the thrifty. The average hospital stay in Massachusetts costs approximately $2,800; in Texas the bill is $1,400. After 5 years, hospitals in Senator KENNEDY's home State would have $2,040 more per admission than hospitals in Texas, as a result of the bill. A fixed percentage increase helps those who are obese; it hurts the lean. It could be called the Snowbelt's revenge.

Fourth. It would not work. State cost control commissions in Massachusetts and other States are held up as examples by HEW. The rate per day has been held down by fiat, but other hospital costs have more than made up the difference. The States with hospital cost commissions, points out the council of medical staffs, have some of the highest rises in total hospital costs in the Nation in the years since regulation was imposed. Government regulation raises prices.

Fifth. It guarantees a price increase of whatever the HEW Secretary sets as a maximum, as the COWPS guidelines do in a similar manner. Some efficient hospitals in Utah or Wyoming might not need that much.

Sixth. It would destroy the voluntary effort. This initiative has been a signal success. In the face of Federal inflation and regulation, hospitals have cut the rate of increase in hospital costs by 2.8 percent from 1977 to 1978, beating the industry's goal by 40 percent. The dollar savings has been $1.48 billion.

Seventh. It would slow the pace of medical innovation. As the Washington Post has pointed out:

> It would be . . . desirable to make clear to the citizenry that costs are controlled through a process of elimination.

This bill would cause the cutting of muscle as well as fat.

Eighth. It would ration care. Hospitals would not only be forced to put off needed maintenance and the replacement of obsolescent equipment, they would also have to delay the implementation of new and needed services, penalize patients needing long stays, and cut down on elective surgery.

Ninth. It would give authority to HEW that bureaucrats must not have. Only one high HEW official has suggested euthanasia as a means of cutting costs, and he is no longer with the Department. But our Constitution does not give HEW power to decide what medical care the people of this Nation should have. There are tradeoffs in any economic transaction, in medicine or elsewhere, but in the free market, these decisions are made by buyers and sellers, not by bureaucrats.

Price controls are not anti-inflationary, since rising prices are not inflation, but rather the result of it. In fact, controls can actually raise costs by interfering with the pricing adjustments that a free economy raise costs by interfering with the pricing adjustments that a free economy must make.

Price controls—even on an isolated industry—are always disruptive.

Controls on energy and rents have demonstrated how much harm they do, and how they create shortages.

History is filled with examples of controls and their failures. There are no successes. The only result, as Wilhelm Roepke has pointed out, is "repressed inflation": Apparent price stability for awhile, with eventual shortages, rationing, waiting lines, and black markets. The same can happen with medical care.

The price mechanism, whether for a product or a service, is the steering device for fair allocation. We cannot preserve a system by destroying its vital nerve.

Controls on prices misdirect production. Capital investment by hospitals will be distorted or halted by controls.

Marginal hospitals could well be wiped out, since they have fewer resources and less resilience. Often, these will be ghetto hospitals serving minority people, and rural hospitals. Patients will have to travel farther to already overburdened county and State hospitals.

Through subsidies to medical education, the building of hospitals, and the expansion of hospital services, the Federal Government has caused many of the problems it now proposes to cure with more intervention. The answer is fewer subsidies, less regulation, and no controls.

From 1967 to 1977, hospital charges did rise 194 percent. But postal rates rose 226 percent, the Federal budget increased 400 percent, and the cost of operating Congress zoomed 422 percent.

We do need cost containment, but not on the victims of inflation—our hospitals, but on the villain—the U.S. Government.

Mr. Chairman, I have one additional question. Does the gentleman think this bill could reflect a basic misunderstanding of what inflation is all about?

Mr. ROUSSELOT. There is no doubt about it.

Mr. PAUL. If inflation is a monetary policy, how are we going to do anything to solve this problem with a mishmash and a hodgepodge of regulations?

Mr. ROUSSELOT. With more Government bureaucracy. It will create more problems and more inflation.

Mr. PAUL. It seems to me that it may make it worse.

Mr. ROUSSELOT. Absolutely.

Mr. Chairman, I appreciate the good doctor giving us the facts about this bill and what the results will be in the medical delivery system.

I yield to my colleague from California (Mr. LUNGREN).

Mr. LUNGREN. Mr. Chairman, I thank the gentleman for yielding.

Mr. ROUSSELOT. Is not the gentleman's father a doctor?

Mr. LUNGREN. He happens to be a member of the medical profession.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. LUNGREN and by unanimous consent, Mr. ROUSSELOT was allowed to proceed for 5 additional minutes.)

Mr. ROUSSELOT. I yield to the gentleman from California (Mr. LUNGREN).

Mr. LUNGREN. Mr. Chairman, for the last 6 years I have been involved in the medical legal aspects of this whole question of health care. It is not, I think, as easy as some suggest. Some have suggested the Federal magic wand theory here, that all you have to do is create an anti-inflation agency or program in the Federal Government and that will take care of it.

Mr. Chairman, it seems we already have a Federal anti-inflation czar, do we not?

Mr. ROUSSELOT. Yes, we are supposed to.

Mr. LUNGREN. Mr. Kahn?

Mr. ROUSSELOT. Yes.

Mr. LUNGREN. In an office of the Federal Government to defeat inflation?

Mr. ROUSSELOT. That is what he says.

Mr. LUNGREN. And that did not work very well?

Mr. ROUSSELOT. Not so far it has not.

Mr. LUNGREN. As a matter of fact, it was so bad that he was told by the administration that he was not to use the word inflation, so he called it bananas. Does the gentleman remember that?

Mr. ROUSSELOT. I do remember that.

Mr. LUNGREN. Mr. Chairman, I would like to ask the gentleman in the well if he received a letter of October 31, a "Dear Colleague" letter from the chairman of the subcommittee, (Mr. RANGEL), and also from the gentleman from California (Mr. WAXMAN), the other chairman, to us, assuring us that this bill would not cover veterans' hospitals. Did the gentleman happen to see that?

Mr. ROUSSELOT. Yes, I did and, as a matter of fact, he has an amendment to take the veterans hospitals out from under the oppression of this bill.

Mr. LUNGREN. I was very concerned about this since my district has one of the largest VA hospitals in the country. This letter assured me that Members can support this bill and supposedly vote to hold down hospital costs for all the citizens of their district "without fear of inadvertently undermining the strength and independence of veterans' hospitals."

Now, Mr. Chairman, this suggests to me that if veterans' hospitals were included under this bill——

Mr. ROUSSELOT. Which they were.

Mr. LUNGREN. But they are now assuring us they will be taken out.

Mr. ROUSSELOT. Oh, they are going to take them out.

Mr. LUNGREN. There would be the potential of undermining the strength and independence of those hospitals.

Mr. ROUSSELOT. And that shook up the whole veterans' community.

Mr. LUNGREN. It suggests to me that we ought to be concerned about the possibility that this bill would also undermine the strength and independence of nonveterans' hospitals which serve the vast community of patients in this country.

We have talked about the fact private hospitals—not for profit hospitals, by the way, mostly in my district—have somehow not been concerned about expenses. So I contacted one of them—Long Beach Memorial Hospital—and asked them about their budget.

Mr. ROUSSELOT. And what did the gentleman find out?

Mr. LUNGREN. Their budget was $93 million last year, of which $9.8 million were costs incurred in serving medicare medical patients which were not reimbursed by the Government.

Mr. ROUSSELOT. How much was that?

Mr. LUNGREN. $9.8 million out of $93 million.

Mr. ROUSSELOT. $9.8 million? That is slightly over 10 percent.

Mr. LUNGREN. Now, where does that get paid for? By the private patient. Here the Government is continually promising the medicare medical services that the Government is not willing to pay for. Then the private hospital has to impose those costs on the private patient which, of course, drives up the cost of medical care to the private patient and that happens to be what we are calling inflation. Yet we are not candid enough to do something about it.

Mr. ROUSSELOT. No wonder my colleague from New York wants to comment. I am sure he will want to respond to that. No wonder he wanted to take the Veterans' Administration Hospitals Act from under this terrible bill.

Mr. RANGEL. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Mr. Chairman, I now yield to my colleague from New York.

Mr. RANGEL. Mr. Chairman, I appreciate the gentleman yielding to me because the gentleman from California was having such a wonderful time. I could not even recognize whether the gentlemen wanted to talk about the bill.

Mr. Chairman, after conferring with staff I have been informed that that little hospital that the gentleman served with as a member would be exempt under the legislation.

The gentleman who was concerned about the veterans——

Mr. ROUSSELOT. That is the gentleman from California (Mr. LUNGREN).

Mr. RANGEL. Yes, I want it to be known the reason they are not under the bill is because the Veterans' Administration would be able to deal with their budget and it would be the members of the Committee on Appropriations that would determine their cost so it is ridiculous to set a standard for them when, in fact, we control that standard by the dollars that we appropriate.

I want to thank the gentleman in the well for taking so much time in working with us on the committee getting a bill that we thought was equitable and fair. I wish he had shared his knowledge with some of his colleagues. We could have saved a lot of time.

Mr. Chairman, I thank the gentleman very much for yielding.

Mr. LUNGREN. Will the gentleman yield further?

Mr. ROUSSELOT. I yield to the gentleman from California.

Mr. LUNGREN. I can understand why we want to exempt veterans' hospitals but the wording of the letter that was sent out is interesting. It says to paraphrase slightly, "Do not be worried about the veterans' hospitals being considered here for fear that their strength and their independence might inadvertently be undermined."

Are we being told that the strength and independence of local hospitals would not be under that potential danger? If not, why do we have to worry?

Mr. ROUSSELOT. I assume the proponents want to respond to that.

Mr. RANGEL. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from New York.

Mr. RANGEL. The wording on that letter was designed for the Veterans of Foreign Wars. It is the type of language they wanted.

Mr. ROUSSELOT. The gentleman was not concerned about their being undercut?

Mr. RANGEL. The veterans really were concerned and we thought that language dealt with the problem.

Mr. ROUSSELOT. Does that help the gentleman from California (Mr. LUNGREN)?

The CHAIRMAN. The time of the gentleman has expired.

Mr. LUNGREN. Mr. Chairman, I ask unanimous consent that the gentleman be allowed to proceed for 3 additional minutes.

Mr. WAXMAN. Mr. Chairman, I reserve the right to object.

The CHAIRMAN. The gentleman from California reserves the right to object.

Mr. WAXMAN. Mr. Chairman, we have been on this bill a very long time.

Mr. ROUSSELOT. But the gentleman said it was the most critical legislation of the year.

Mr. WAXMAN. We have spent a tremendous amount of time on a very small subject on which the gentleman should have some assurances already had he read the "Dear Colleague" letters.

I will not object but I would not like to see a lot of our time taken up when Members have already had a great deal of time to debate the issue.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California (Mr. LUNGREN)?

There was no objection.

The CHAIRMAN. The gentleman from California (Mr. ROUSSELOT) is recognized for 3 additional minutes.

Mr. ROUSSELOT. Mr. Chairman, I want to say, briefly, I do not think this is just a minor subject we are talking about, veterans' hospitals. I am sure the gentleman did not mean to imply that. It is especially interesting why it was necessary to exclude the veterans' hospitals from this bill.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from California.

Mr. WAXMAN. I thank the gentleman for yielding. The best way to learn something is to open the ears.

Mr. ROUSSELOT. I did listen very carefully, and especially to the gentleman from California (Mr. WAXMAN). We are trying to find out why if the bill was so anti-inflationary in its eventual effect on costs, why such a major segment of the health delivery system is to be excluded.

Mr. WAXMAN. I would like the gentleman to listen very carefully. The reason we exempted veterans' hospitals is because there is a budgetary process establishing the amount of money that is going to go to veterans' hospitals. When we came up with the issue of the bill coming from the Committee on Ways and Means applying to veterans' hospitals there was a suggestion—I want my colleague from California, the Long Beach area (Mr. LUNGREN), to know, there might be a transfer of funds that would go from HEW to the Veterans' Administration and there would be all kinds of confusion and there was a real concern that who controls the funds for the veterans' hospitals might undermine the veterans' hospitals themselves. We would not want to do that. They are under a budgetary process. We want other hospitals to be under a budgetary process that tells them how much they can have to spend and not just have an open-ended commitment to be reimbursed by a third-party payer, or taxpayers, for whatever they want to spend. Just like the veterans' hospitals have to do when they come to us asking for approval on how much to spend.

Mr. ROUSSELOT. Mr. Chairman, we understand how bad the bureaucratic nonsense is in the budgetary process and that is why we are concerned about the eventual effect of this bill.

I now yield to my colleague from California.

Mr. LUNGREN. We have been talking about this bill as a means of trying to bring down costs.

Mr. ROUSSELOT. And inflation.

Mr LUNGREN. Inflation. I asked the people at that previously mentioned hospital to look at their budget and see what paperwork largely required by Government cost them.

Mr. ROUSSELOT. By Federal Government?

Mr. LUNGREN. That is right—required by Government. They estimate that one-third of the operating costs of the hospital is directly traceable to that paperwork. They did a detailed analysis of the bill in California which really focuses on this same sort of approach but details the regulations, and determined it would cost them an additional $500,000 just to reprogram and try and conform to this type of program.

Mr. ROUSSELOT. Does the gentleman mean this program we have before us?

Mr. LUNGREN. This very same type of program. This hospital represents 1 percent of all the beds in California so if you would extrapolate, this would be $50 million in California and $500 million of costs in the entire country. That does not seem to be saving money, that seems to be imposing more money not for health care but for paperwork by bureaucracies.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's comment. It goes right to the heart of the matter.

Mr. HAGEDORN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to my colleague from Minnesota.

Mr. HAGEDORN. Mr. Chairman, I appreciate my colleague yielding.

Mr. Chairman, I rise in support of the Gephardt substitute amendment and in strong opposition to the committee reported version of the so-called hospital cost containment bill.

The title of this proposed law is misleading. It should also contain the phrase "hospital care reduction" as this would be one of the main effects of the law. If formulas promulgated by the Department of Health, Education, and Welfare are allowed to dictate service charges of hospitals, the ones who will truly suffer are those who go to the hospital to obtain the best medical treatment available. In order to provide quality service by hospital personnel and to purchase equipment that utilizes technological advances, hospitals should not be hindered in what they must charge in order to provide such services and equipment. When someone's life is in danger or his health is affected, I doubt very seriously if he wants treatment that is second class or less than what should be available.

The Carter administration has pushed the cost containment bill very strongly and is putting a great deal of effort into passage of the bill. It feels that it needs a victory here to show to the American people that the President is determined to end inflation and to do something about rising prices. The facts show that the passage of the committee bill would not have the significant effect that the administration would have the American consumer believe. The administration claims that Government controls will lower hospital costs by $31.4 billion from 1980 to 1984. Congressional Budget Office estimates show substantially less savings of some $18 billion. The CBO concludes that the bill will reduce inflation by one-tenth of 1 percent by 1981. This will hardly make the impact that the administration is trying to promote.

This is just another example of how the administration is trying desperately to exhibit its control over the inflation problem. It is hard to believe the presentations of officials who have predicted all along that inflation for 1979 will be half of the rate that it is presently running. The administration seems to have its inflation predicting ability turned around. It is too low when predicting the overall rate and too high in predicting the effect of its "positive control efforts" such as this proposal.

The hospital industry realizes better than anyone that costs are too high. Therefore, an industrywide voluntary effort has been undertaken and has been successful. Hospital costs are the only major segment of the economy that have a decreasing rate of inflation. During the first 6 months of 1979, medical care prices were up 4.3 percent. This figure is to be compared with housing price increases of 6.2 percent, food and beverage increases of 7.1 percent, energy prices of 20.6 percent, and an overall CPI increase of 6.8 percent.

Aside from the weak argument that inflation will be decreased by this bill, it is fraudulent to propose that costs will be lowered by the mandates of this legislation. I wonder where the administration thinks that the money will come from for the hospitals to live within the myriad of regulations that HEW would be implementing. The bureaucratic and administrative nightmare that would be created by the bill would be just another example of throwing regulations at a problem to treat the effect rather than the cause.

I am also greatly disturbed by the increase of regulatory power granted to the Secretary of HEW by this bill. These 48 new powers include the authority to set deficiency standards, admission adjustment and exceptions procedures. Once controls are imposed, the hospital would be under them for the life of the program, regardless of its performance during the period. There would no longer be any incentive to hold down prices on its own and the Federal Government, operating out of Washington, would be involved in telling hospitals throughout this country how to operate. I strongly believe that the hospitals and patients in the Second District of Minnesota do not want necessary medical care to be denied them by dictates of the Federal Government.

The problems associated with increased hospital costs cannot be cured by this approach. This is why I will support the Gephardt substitute which eliminates the inequities that are present in the committee's regulatory approach and explores more sensible and effective methods of dealing with the problem.

The Gephardt amendment would provide for a National Commission on Hospital Costs which would report to the President on the success of voluntary efforts to restrain hospital expenses, measures to control health care costs and long-range strategies. Federal support would be offered in the form of grants for voluntary or mandatory State hospital cost containment programs under which a variety of alternatives could be tested. Regulatory reform would be offered through the use of medicare and medicaid common audits and by allowing the more effective use of hospital beds through their alternative use, as needed, for acute or long-term care.

I have long held the view that Americans are best capable of finding the ways to handle most of the problems facing our citizens today when the Federal Government stays out of the situation. The administration does not give enough credit to the ability and willingness of our people to find these answers. It is subjecting us to a political dodge in this instance by trying for a victory "to help stem inflation" when the real causes are not attacked. Further Federal involvement is not the answer. The voluntary efforts are working and must be allowed to continue without the threat of HEW coming in and literally taking over the operation of the local hospital facilities. It is a fraud perpetrated on the American populace to attack one single industry and to blame all inflationary pressures on this one segment of our complex economy.

Every day I hear from citizens in Minnesota who are tired of the government directing certain activities in their lives. When they are sick or injured and need quality hospital care quickly, I know that they do not want the Federal Government preventing them from getting the best care available at the price that must be charged. It is difficult to put a price tag on health care, but the Carter administration is trying to trick the American people into thinking they can by implying they know what is best.

Mandatory controls will not offer the solutions that the administration would have us believe they will bring. There is a lack of competition in the hospital industry, as 90 percent of the bills are paid by third parties. A more sensible approach is to look toward long-range solutions such as offering more competition in this area and by helping to change the attitude that someone else is paying for hospital charges. The hospital industry is an unusual one, and therefore the administration approach that has been recommended will not work. The Gephardt recommendations are a far better way to approach the unique problems associated with high hospital costs.

Mr. ROUSSELOT. I yield to the gentleman from North Carolina (Mr. MARTIN).

Mr. MARTIN. I would like to say to my colleague from California, before we lose sight of the veterans that we have earlier expressed concern for, we need to remember the fact which members of the Committee on Veterans' Affairs will confirm, that most veterans get most of their medical care not from the veterans hospitals but from the same hospitals that the rest of us attend.

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Mr. ROUSSELOT. That this bill would regulate and overmandate higher costs, in these very private sector health facilities.

Mr. MARTIN. That this bill, H.R. 2626, would regulate, and if we really want to look out for the veterans, we need to not only take out the veterans hospitals, but the local hometown hospitals and the rest of the hospitals as well.

Mr. ROUSSELOT. Mr. Chairman, I appreciate those excellent points, and I urge my colleagues to support the Gephardt amendment.

Mr. SANTINI. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the substitute amendment.

Mr. Chairman, I yield to the gentleman from Missouri (Mr. VOLKMER).

Mr. VOLKMER. Mr. Chairman, I thank the gentleman from Nevada for yielding. I rise in support of the Gephardt substitute.

Mr. SANTINI. Mr. Chairman, that may be one of the most persuasive speeches on the House floor today.

In any event, we will continue to try.

The committee's main bill has been generously characterized and metaphorized and analogized as a bear trap and sow's ear and some inspired observer in Commerce Committee described the father of this particular legislation as a turkey. I suppose that in continuation of the generous stylizations we are now examining the son of turkey on the House floor today.

We are doing so under the inspired guidance and the leadership of the gentleman from California, who I feel is one of the finest subcommittee chairmen in this House of Representatives. The gentleman is joined and allied by his friend, the gentleman from New York and that represents a doubly potent combination for the progenitors of the son of turkey.

I would ask the members of the committee who represent congressional districts that are growing and expanding in population to consider a major deficiency of the legislative proposal that is offered by my beautiful, dear and inspired friend, the gentleman from California, because it deals with the fundamental problem of what is a health care facility to do in a growing or exploding population situation?

Nevada represents the second fastest growing State in the Union. This is a question with impact on my State, but as I look around the Chamber there are individual Members who represent congressional districts that are growing as fast, if not faster, than my own State.

Now, I feel that there is a particular attribute about the Commerce Committee, Ways and Means proposal, that has been overlooked here. It does, in fact, represent a surreptitious attempt to anticipate the recession with a jobs bill. I doubt that there are any Members in this Chamber who would dispute the fact that this particular proposal from the Committee on Commerce and the Committee on Ways and Means will significantly enhance the legal profession or the accounting profession. The school that produces GS-14's outside of Reston is going to find a sweeping multiplication of enrollments. What does that mean to those of us in growing congressional districts? It means that when your hospital is placed in the posture of having to make an appeal to these newly spawned bureaucratic engineers, they are going to make the appeal to them on the basis of section 207. Section 207 is purportedly designed to provide some element of flexibility if your hospital makes an appeal that because of unusual circumstances, the cap imposed should be modified, changed, or amended.

This inspired invitation to bureaucratic rulemaking is initiated on the request of a hospital. They will have to request relief from the mandatory percentage ceilings in the bill.

Subparagraph (b) says:

> The Secretary shall establish by regulation guidelines the grounds for exceptions.

Therein is an explicit invitation for the rule and regulation abuse that so many Members of this body spend so much of their time ranting and raving, denouncing and condemning, in their districts, on this House floor, and in their committees.

It allows your hospital to come in and make an appeal, for example, "where there is a significant change in the capacity or the character of the inpatient hospital services."

Character, capacity? Why, any kind of half-inspired rule and regulation writer could spend 2 or 3 years interpreting character and capacity and trying to provide a guideline to a hospital on when and how they can make their appeal; or they can appeal "when there is a significant," and I am quoting from part 4 now—

> When there is a significant shift among cost payers and other classes of payers.

Now, that will probably only take about a year and a half to draft the regulations interpreting, construing and evaluating, so that we can increase the employment foundation of the accounting, legal and bureaucratic professions. There are many other examples. The Gephardt substitute offers the only rationale choice.

Mr. SHELBY. Mr. Chairman, I move to strike the requisite number of words. I rise to speak in favor of the Gephardt substitute.

Mr. Chairman, I will not belabor the point. We have been here hours now. I wanted to pick up on what the gentleman from Nevada was talking about. The gentleman did not call it this, but the gentleman was talking about the intensity factor. There is a 1-percent intensity factor, or a limit in this bill, the substitute that the gentleman from California (Mr. WAXMAN) has introduced here.

What does that mean? I will tell you what it means to underserved and underdeveloped areas, like the Deep South. It means that we are just now in the last 10 or 15 years getting the medical technology that you have had in the East, you have had in the Midwest and you have had in the West for many, many years. This is going to lock it in.

I serve an area that has one of the highest infant mortality rates in the Nation. This is one county in my district. We have got to do something on medical technology in the South. If this bill passes, if the Waxman bill passes, it is going to lock us in. It is going to keep medical technology down. It is going to keep deaths up. That is something that we do not need. It is something that we do not want.

I serve on the Commerce Committee. I serve on the Subcommittee on Health that rejected the proposal earlier by a vote of 8 to 4. I can tell you from my viewpoint that this bill is bad. It is not going to do what one thinks. That is why I am supporting the Gephardt substitute. This gives us a chance to do something constructive. It gives us a chance to see what are the root causes of inflation, what are the real problems in the hospital industry.

I will assure you that if we do not go with the Gephardt substitute, we are going to be in trouble.

I am deeply opposed to H.R. 2626 and strongly urge my colleagues to support H.R. 5635, the Gephardt substitute, as the better alternative and the reasonable approach to the problem of rising health care costs.

The committee bill is a bad bill. Even if one feels cost regulations for hospitals are necessary, this bill is poorly drafted, poorly amended, highly capricious in its effects on individual hospitals—full of loopholes and exceptions making it an inequitable and improper vehicle for regulation.

The primary effect of H.R. 2626 is to limit the expansion of service intensity. There is no way most hospitals can come within the national voluntary allowance of H.R. 2626 without cutting out any further expansion of services. And if a hospital has enough fat it can trim to get within the allowance the first year, how much fat will be left to trim the next year and the next? There would not be any. Hospitals are making their best effort at trimming wasteful expenditures through the voluntary effort.

Let me tell you—if you have not already figured it out—coming under the mandatory controls is something to be avoided. So what choice does a hospital have when looking at an already lean budget, but facing the dismal inevitability of mandatory regulations if costs are not cut further? Naturally, the quality and improvement of services are what must be sacrificed at that point—the hospital will have to go to cheap, cutrate ways of doing things, using cheap, cutrate supplies and equipment. It will have to lay off more and more of the supervisory staff—forego that coronary care unit that is so desperately needed in its area—write off those plans for upgrading its neonatal services, even though the infant mortality in its area exceeds that of so-called "undeveloped nations."

People in the administration and some of my colleagues here would say this is alarmist rhetoric but, let me tell you—I have been studying this proposal for months—I have listened to the folks from the administration, the American Hospital Association, the AFL/CIO, the American Medical Association, the Nader groups, the economists. I have read reams of letters, briefing papers, testimony, studies from here and there—and I am firmly convinced that this bill will have a very deleterious effect on further improvements to health care, particularly for those who are medically underserved.

And that brings me to another critical point about this bill that really brings it home for me. The historically more prosperous areas of our Nation already are well endowed, even over-endowed in some cases, with sophisticated and expensive health care technology. Other areas of our country, however, have not been economically able to share in these lifesaving improvements at an equal pace and are just now beginning to expand their technological lifesaving capabilities and offer a higher intensity of health services. I have a chart that I would like to enter in the RECORD that shows the percentage of hospitals in each of nine geographic regions in the country that have certain technological capabilities, such as burn care units, intensive care units, open heart facilities. Of the 18 services surveyed, the east south central region, of which my State of Alabama is a part, was below average in the number of hospitals with such capabilities in all but three services. For instance:

First. In the Pacific region, 77.9 percent of the hospitals have mixed intensive care units. The average nationwide is 67.7 percent. In the East South Central States, 60.1 percent of hospitals have such facilities—well below the average and ranking eighth out of the nine regions. Second. In hospitals with organ banks, the east south central regions ranked last. In hospitals with burn care units, hemodialysis services, and premature nurseries, the east south central region ranks eighth out of nine. Third. The average nationwide percentage of hospitals with premature nurseries is 28 percent. 36.4 percent of the hospitals in the Middle Atlantic region have these facilities. Only 21.3 percent of the hospitals in my region have such facilities.

These figures show that my region is consistently well below average in lifesaving technology, and these existing regional disparities in the quality of care will be locked in under H.R. 2626, thus effectively shutting areas like mine out of the market and sentencing us to a continuation of our poor mortality and morbidity statistics.

Of course the basic flaw in this bill is not really any one or all of its provisions, but rather the whole rationale of the bill. The problem of rising health care costs is fairly well defined, though not completely understood. This bill is treating the symptoms rather than the cause of the symptoms.

Arbitrary controls such as this have been a dismal failure in other areas, without exception creating far more harm than the "evils" they were designed to correct.

A lot of research has been done on the problem of rising hospital costs, and though no one agrees on all the sources of the problem, one common theory on which most agree is the lack of competitive forces in the industry. There are ways of correcting this problem, and cost controls is not one of them. There are ways to inject competition into the industry, and I think many of them are very healthy. I think the course we should pursue at this point is to study these alternatives further, try a few out on a demonstration basis and legislate some reforms based on these studies and trials.

The Gephardt substitute will establish a commission to do the kind of study I just mentioned and recommend long-range strategies to combat rising hospital expenditures, with special attention paid to the supply of, and the demand for, health care services. This is the correct first step—not putting on an arbitrary cap. I urge your support for this approach.

FACILITIES, SERVICES AND SPECIAL BEDS BY GEOGRAPHIC REGIONS [1]

[In percent]

Area [2]	Postoperative recovery room	Area	Intensive care unit (cardiac only)	Area	Intensive care unit (mixed)
(1) East North Central	84.1	(1) Pacific	36.3	(1) Pacific	77.9
(2) Pacific	81.6	(2) Middle Atlantic	36.0	(2) Middle Atlantic	74.6
(3) South Atlantic	81.3	(3) South Atlantic	35.7	(3) East North Central	72.0
(4) Middle Atlantic	79.6	(4) East North Central	32.2	(4) South Atlantic	67.6
(5) East South Central	79.6	(5) East South Central	29.2	(5) Mountain	65.6
(6) West South Central	76.6	(6) West South Central	28.0	(6) New England	63.3
(7) New England	73.1	(7) New England	27.5	(7) West South Central	61.3
(8) Mountain	66.8	(8) West North Central	27.5	(8) East South Central	60.1
(9) West North Central	66.7	(9) Mountain	26.9	(9) West North Central	59.8
U.S. average	77.6	U.S. average	31.7	U.S. average	67.6

Footnotes at end of table.

Area	Open-heart surgery facilities
(1) Pacific	14.0
(2) East North Central	10.3
(3) West South Central	10.0
(4) Mountain	9.4
(5) Middle Atlantic	9.1
(6) South Atlantic	9.1
(7) East South Central	6.4
(8) New England	6.1
(9) West North Central	5.7
U.S. average	9.2

Area	Pharmacy with registered pharmicist (full time)
(1) Middle Atlantic	84.3
(2) New England	81.9
(3) East North Central	78.1
(4) South Atlantic	76.2
(5) Pacific	74.8
(6) East South Central	67.1
(7) West South Central	61.7
(8) Mountain	58.9
(9) West North Central	47.9
U.S. average	70.3

Area	X-ray therapy
(1) Middle Atlantic	34.6
(2) East North Central	32.2
(3) South Atlantic	27.0
(4) New England	26.4
(5) East South Central	26.1
(6) Pacific	24.6
(7) West South Central	22.0
(8) West North Central	21.1
(9) Mountain	18.0
U.S. average	26.

Area	Blood bank
(1) Middle Atlantic	72.4
(2) East South Central	71.0
(3) East North Central	68.3
(4) New England	66.9
(5) South Atlantic	65.2
(6) West South Central	51.9
(7) West North Central	51.8
(8) Mountain	50.7
(9) Pacific	47.0
U.S. average	60.6

Area	Electro-encephalography
(1) Middle Atlantic	67.0
(2) East North Central	61.7
(3) Pacific	58.8
(4) New England	54.7
(5) South Atlantic	48.5
(6) West South Central	43.4
(7) Mountain	39.9
(8) East South Central	38.1
(9) West North Central	38.0
U.S. average	51.1

Area	Respiratory therapy department
(1) East South Central	80.5
(2) East North Central	79.8
(3) Pacific	79.5
(4) Middle Atlantic	78.3
(5) South Atlantic	76.7
(6) West South Central	73.9
(7) New England	73.3
(8) Mountain	67.1
(9) West North Central	61.3
U.S. average	74.8

Area	Premature nursery
(1) Middle Atlantic	36.4
(2) Pacific	32.3
(3) South Atlantic	31.7
(4) New England	31.6
(5) East North Central	29.6
(6) Mountain	27.5
(7) West South Central	21.6
(8) East South Central	21.3
(9) West North Central	19.8
U.S. average	28.0

Area	Hemodialysis services (inpatient)
(1) Middle Atlantic	20.0
(2) Pacific	19.1
(3) South Atlantic	17.6
(4) New England	14.4
(5) East North Central	14.3
(6) Mountain	12.7
(7) West South Central	12.0
(8) East South Central	9.1
(9) West North Central	7.2
U.S. average	14.4

Area	Burn care uni
(1) Pacific	3.4
(2) East North Central	3.6
(3) Middle Atlantic	2.6
(4) Mountain	2.0
(5) South Atlantic	2.7
(6) West North Central	1.7
(7) West South Central	1.6
(8) East South Central	1.4
(9) New England	1.
U.S. average	2.4

Area	Cobalt therapy
(1) Middle Atlantic	19.8
(2) East North Central	17.1
(3) Pacific	13.6
(4) New England	11.9
(5) South Atlantic	11.9
(6) East South Central	11.5
(7) West South Central	9.7
(8) West North Central	9.0
(9) Mountain	7.7
U.S. average	12.9

Area	Radium therapy
(1) Middle Atlantic	30.3
(2) East North Central	26.9
(3) Pacific	20.0
(4) South Atlantic	17.9
(5) New England	17.8
(6) East South Central	16.0
(7) West North Central	14.5
(8) West South Central	14.1
(9) Mountain	11.5
U.S. average	19.6

Area	Diagnostic Radioisotope facility
(1) Middle Atlantic	65.3
(2) East North Central	58.7
(3) New England	57.0
(4) Pacific	53.8
(5) South Atlantic	52.5
(6) East South Central	45.9
(7) West South Central	42.1
(8) Mountain	37.5
(9) West North Central	35.7
U.S. average	50.8

Area	Therapeutic radioisotope facility
(1) Middle Atlantic	34.6
(2) East North Central	27.4
(3) Pacific	25.8
(4) South Atlantic	22.6
(5) New England	22.5
(6) East South Central	18.7
(7) West South Central	16.6
(8) West North Central	15.9
(9) Mountain	15.9
U.S. average	22.9

Area	Histopathology laboratory
(1) Middle Atlantic	70.6
(2) East North Central	60.2
(3) New England	57.2
(4) Pacific	55.5
(5) South Atlantic	53.7
(6) East South Central	38.7
(7) West South Central	38.5
(8) Mountain	37.0
(9) West North Central	31.3
U.S. average	50.2

Area	Organ bank
(1) Middle Atlantic	4.0
(2) East North Central	2.8
(3) Pacific	2.7
(4) West South Central	2.5
(5) New England	2.2
(6) Mountain	2.2
(7) South Atlantic	2.2
(8) West North Central	2.1
(9) East South Central	2.1
U.S. average	2.6

[1] Source: Hospital Statistics, 1978 edition. Data from the American Hospital Association 1977 Annual Survey.

[2] States within geographic areas: New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont. East South Central: Alabama, Kentucky, Mississippi, Tennessee. West South Central: Arkansas, Louisiana, Oklahoma, Texas. South Atlantic: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia. West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota. Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming. East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin. Middle Atlantic: New Jersey, New York, Pennsylvania. Pacific: Alaska, California, Hawaii, Oregon, Washington.

Mr. LUKEN. Mr. Chairman, will the gentleman yield?

Mr. SHELBY. I will be glad to yield to my colleague, the gentleman from Ohio.

Mr. LUKEN. Mr. Chairman, I second the statement of the gentleman from Alabama.

I want to make one more comment and I will not impose to ask for time. One of the leading proponents in the administration made this remark, which has been echoed by some speakers here today: "Cost containment will enable administrators to stop doctors from ordering unnecessary services."

Now, those proponents of this bill who espouse this bill are forced to that kind of a statement, "Cost containment will enable administrators." Now, there is nothing that is going to enable administrators in this bill to make any decisions, to take any decisions away from the doctors. As a matter of fact, this bill does nothing about the system. In fact, it does attempt to put the cap upon the pressure cooker and the result of trying to superimpose a set of regulations on the top will cause nothing to remedy the problems that are in the system whatever, but it will cause waste, mismanagement, chaos and the worst of all, money spent on both sides in attempted evasions.

Mr. SHELBY. Mr. Chairman, does the gentleman recall earlier in the debate when the gentleman was talking about the cost, and I believe it was in the East and I believe the State was Massachusetts, the high cost as compared to some of the other States? Does the gentleman want to elaborate on that now?

Mr. LUKEN. Well, if the gentleman will yield further, the mandatory States, I think it has been stated several times here, the mandatory States represent the highest cost and the vice of the formula in this particular bill is that it allows them to add a percentage on top of their already high costs, plus demonstrating the fact that the mandatory States have not been successful in their mandatory regulations in keeping costs down.

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Mr. GRAMM. Mr. Chairman, will the gentleman yield?

Mr. SHELBY. I will be glad to yield to the gentleman from Texas.

Mr. GRAMM. Mr. Chairman, I would just like to add that the reason the costs in Massachusetts are high is not that they are that much more efficient than Alabama is. It is because they are providing a lot more services. They are providing more neonatal units, and they are providing more emergency room services. These are things that we do not have in Texas.

Mr. SHELBY. And they are built into the system.

Mr. GRAMM. The gentleman is correct. They are built into the system, and if we impose a mandatory lid here, it is going to mean that babies in Texas and Alabama are going to die because facilities that are already available in other States and already under control are never going to be built in other States around the country.

For the first time now we are looking toward a situation where we can afford those things, and under this bill we are going to be precluded from that.

Mr. Chairman, I thank the gentleman from Alabama (Mr. SHELBY) for bringing this to the attention of the House.

Mr. RANGEL. Mr. Chairman, I wish to make a unanimous consent request.

Mr. Chairman, I ask unanimous consent that all debate on the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce and offered by the gentleman from California (Mr. WAXMAN), and all amendments to that amendment in the nature of a substitute made in order under the rule and now pending, close at 3:45 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. GRADISON. Mr. Chairman, reserving the right to object, I will not object, and I would just like to indicate that the judgment of those of us with whom I have discussed this matter on this side of the aisle is that there has been ample opportunity for full and complete debate on this highly important subject.

Therefore, I support the unanimous consent request of the gentleman from New York (Mr. RANGEL).

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. TAUKE. Mr. Chairman, reserving the right to object, does the gentleman from New York (Mr. RANGEL) have any idea how many Members on his side wish to speak during that 20-minute period?

Mr. RANGEL. Mr. Chairman, if the gentleman will yield, I think the gentleman can observe the number of Members who are on their feet, and in that way he might get some indication of how many Members desire to speak.

Mr. TAUKE. Mr. Chairman, it appears to me as though that does not leave very much time for the Members on this side of the aisle who are standing. I know that some of us have been waiting here over 2 hours to speak.

Consequently, Mr. Chairman, I feel compelled to object, and I do object.

The CHAIRMAN. Objection is heard.

Mr. RANGEL. Mr. Chairman, I move that all debate on the amendment in the nature of a substitute offered by the Committee on Interstate and Foreign Commerce, and all amendments to that amendment in the nature of a substitute made in order under the rule and now pending, be terminated at 4 p.m.

The motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was agreed to will each be recognized for 1 minute.

(By unanimous consent, Mr. GRADISON and Mr. LUNGREN yielded their time to Mr. TAUKE.)

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. SHUMWAY).

Mr. SHUMWAY. Mr. Chairman, I rise today in support of the Gephardt substitute and, perhaps more importantly, in strong opposition to the entire concept of mandatory hospital cost containment as reflected in H.R. 2626.

Before outlining my specific objections to the administration's legislation, I would like to make a more general comment. Mr. Chairman, I am increasingly disturbed with the approach taken by this administration and this Congress to the serious economic problems confronting our Nation today. Two recent examples come immediately to mind: the Chrysler Corp.'s loan guarantee legislation, and the Public Works and Economic Development bill adopted by this body yesterday.

In each instance, the prevailing attitude is that, in order to solve economic problems, the Federal Government must play a direct role, either in the case of Chrysler, by intervening in the private credit market, or by trying to directly spend our problems of economic development away, as is the case with H.R. 2063. And now, Mr. Chairman, the administration claims to have identified a significant problem in the health care community. The proposed solution? Federal regulation, Federal decisionmaking, and overall Federal control.

I would like to say that I, for one, am getting extremely tired of this approach and the attitude it embodies. There is absolutely no evidence which suggests that the Federal Government can make economic decisions more effectively than the private sector; no evidence that professional bureaucrats are better able to allocate scarce resources than the marketplace. In fact, when one looks at the performance of our economy over the past decade—at a time when Federal intervention has become increasingly pervasive—it becomes clear that the interventionist approach has totally failed.

With regard to the question of hospital costs, I must admit that the administration has for once accurately perceived an economic phenomenon: hospital costs have risen over the past several years at a rate exceeding the average rate of inflation. Unfortunately, having identified this fact, the administration immediately assumed that the increase in hospital costs bore no relationship to enhanced hospital services and, further, that hospitals were the sector most responsible for our high inflation.

Although I personally have some different thoughts as to the causes of inflation, I would like to take a moment to emphasize what has been and will be explained in some detail by a number of my colleagues here this afternoon: hospital costs have not significantly contributed to inflation and the administration's legislation, if adopted, will not contribute significantly to a reduction in the rate of inflation.

As the gentleman from Michigan (Mr. STOCKMAN) has lucidly pointed out, the hospital cost component of the consumer price index is relatively small; a massive reduction in hospital costs would only marginally impact the inflation rate as measured by the CPI. The Congressional Budget Office expects the bill to reduce inflation by no more than one-tenth of 1 percent by 1981. Martin Feldstein of Harvard suggests that, by 1984, the health expenditures of a family of four with an income of $30,000 will be reduced by only one-half of 1 percent of total income. This hardly suggests that the legislation before us will be of any great help in the fight against inflation. In fact, if hospital cost containment is one of the major elements in the administration's anti-inflation program, as has been so repeatedly argued, it is little wonder that, during this administration's tenure, the fight against inflation has resulted in an increase in the CPI from about 5 percent in January 1977 to nearly 14 percent today.

While we are on the subject, Mr. Chairman, I would briefly like to suggest that the rise in hospital costs has not been all that excessive in recent years, particularly since the voluntary effort undertaken by the hospital industry took effect. Most cost increases are the result of two factors: the general rate of inflation, the cost of which hospitals must "passthrough," and the increased quality of patient care. I am not certain how we can criticize hospitals with regard to either. And, during the first half of 1979, the cost of medical care actually rose at a rate less than that of overall inflation.

I have a number of specific objections to the administration's bill—even if I could accept the basic premise. H.R. 2626, as reported, is riddled with exemptions, exceptions, and loopholes. If we are going to have an effective and consistent program, how can we possibly contemplate applying its provisions arbitrarily?

The legislation makes no effort to get at the way in which most hospital costs are paid: third-party payments and direct Government payment. We, in this country, have made a commitment to provide the best possible health care to all Americans. In many cases, the Federal Government pays the bill. While I would certainly not argue with our basic philosophy toward health care, it is true that our system of payments is not conducive to cost-consciousness on the part of doctors or patients. If we are really concerned about costs, this is the area we should be addressing.

Finally, while I am disturbed that the bill allows nonsupervisory wages to be passed through, that it would tend to "reward" hospitals that have been relatively inefficient in the past, that it mistakenly focuses on inpatient revenues, thus encouraging unnecessary hospital admissions, and that it sets up an extremely inflexible compliance regime, I am most concerned that the quality of medical care in hospitals would, under this legislation, be greatly reduced.

As I have suggested, the real reason for rising hospital costs, aside from general inflation, is the improved product hospitals now offer to the health care consumer. This should be a fairly simple concept to grasp—as the demand for improved care increases, hospitals are forced to make the investments necessary for an adequate supply. Again, the fact that most people are covered by insurance, and thus do not pay bills directly, only serves to enhance this demand. I am not certain, however, that we in Congress should be in the position of determining what levels of care can and cannot be offered—because it is clear that, if mandatory cost controls are imposed, it will be the quality and quantity of services provided the patient that will be reduced. I am even less certain that the bureaucrats of HEW should be able to make these decisions.

Mr. Chairman, I reject totally the idea that the Federal Government can arbitrarily "control" a specific sector of our economy. I reject the idea that the Federal Government should intervene in any sector of our economy. If problems exist—and the health care community is certainly not immune in this regard—we would be well served to support the private sector efforts to resolve them. Certainly, the voluntary cost control effort undertaken by the hospital industry reflects a recognition of the problem, and a willingness to work toward a solution. I see no reason to assume that this effort will not continue to be successful.

Therefore, Mr. Chairman, I urge my colleagues to join me in supporting the Gephardt substitute, and in absolutely rejecting the administration's ill-conceived proposal.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. TAUKE).

Mr. TAUKE. Mr. Chairman, after listening to the debate today and studying this legislation over the past several months, it occurs to me that we are addressing this legislation without considering one of the fundamental questions relating to the health care industry. We in the Federal Government over the last several years have approached health care in this country by pouring more money into the industry. We have done that without addressing the question that is forcing itself upon us today, and that question is this:

What is the individual citizen's right to health care? To what degree is every person entitled to the best health care available?

Certainly I think all of us would recognize that the major problem we have in the health care industry today is that the technological and scientific advances in the industry have simply outstripped our ability to pay.

However, each individual in this country desires the best health care that is available to us. Certainly if it is a member of my family or someone who is close to me who needs care, I believe that person is entitled to the best health care available. I believe we all hope every person will receive the best possible care. But I think we all have to recognize that if every person is guaranteed levels of health care made possible by the latest technical and scientific advancements, we are attempting to provide something more than the Nation can afford.

That is why we as the Congress and we as a country have to address this question: What can we as a nation provide to each citizen in health care services. Until we determine what our right to health care is, I think it is going to be impossible for us to address legislation like this.

The second observation I submit is this: In the health care industry over the last several years we have destroyed the marketplace concept. We have done this in two ways.

First of all, we have established a system which creates health care monopolies. Because of dictates from the Federal Government mandating health care planning, we have said to one hospital, "You can have a CAT scanner," and to another hospital, "You cannot." While we can argue the merits of this policy to determine whether that is a good or bad policy, we all can conclude that this policy establishes monopolies in the industry which, of course, remove the competitiveness of the marketplace.

In addition, we have established a system of third-party payees, so it is the insurance companies and the Government that are paying the bills for the vast majority of the individual patients.

I have talked to people in my own congressional district about their recent stays in hospitals, and they do not even know how much their hospital stays cost because they are not writing the checks to pay the bills. They pay, but they pay indirectly. That removes another aspect of the marketplace—consumer pressure to hold down prices.

This bill does not address either of these phenomena. It does not address the problems we have in health care because we have failed to define the right to health care. As a result, this bill to determine the right to health care by rationing it through the price limitation method. It does not address the destruction of the marketplace in the industry. As a result, it attempts to regulate the health care industry in an improper way, not by determining the costs of services and what is a fair price for those services, but simply by trying to put a lid on the system.

Mr. Chairman, for those reasons, and because I think the argument that this segment of the economy is so subject to inflationary pressures that it deserves to be controlled has been destroyed, I urge the Members to support the Gephardt amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee (Mr. QUILLEN).

Mr. QUILLEN. Mr. Chairman, I rise in strong support of the Gephardt substitute.

I think really the debate today has conclusively proven that the approach made in the original bill is not needed and, if put into effect, would cause great damage to the hospital industry and to patient care.

Mr. Chairman, the Gephardt substitute does the job. We should all vote for it, and I urge my colleagues to do so.

Mr. Chairman, too often, this Congress takes one of two approaches to a problem. We either try to drown a problem in money by seeking a solution in increased government spending—or we try to strangle a problem to death with reams of bureaucratic redtape.

What we have here is a combination of these two approaches, and they just will not work in this instance. In fact, they could make matters worse—by reducing the quality of health care and actually increasing the cost.

That is why I favor the Gephardt substitute, because it allows us to go forward with the impressive voluntary effort to reduce hospital costs which has already reduced the rate of inflation in health care costs by several percentage points over the past 2 years.

In 1979, for example, medical care price increases have been less than the costs of energy, housing, food, and the "all items" indexes of the Consumer Price Index—so the hospitals are doing a better job of keeping costs down than a great many components of the national economy.

That is why I support the Gephardt substitute, and rejection of H.R. 2626, which will burden hospitals with additional regulations and additional costs they will have to pass off onto their patients.

The hospitals are already one of the heaviest regulated sectors of the economy, and this excessive regulation costs hospital patients a lot of money. The last thing we need is to add to this patient cost by inflicting even more regulations on the hospitals.

The cost of administering and complying with Government regulations is already very substantial and rising rapidly. Let me just cite briefly a few recent studies directly relating to the cost of regulation to hospitals and to hospital patients:

First. David M. Kinzer, "Health Controls Out of Control" (1977) estimated the direct costs of regulation in Massachusetts at 3½ to 4 percent of total hospital costs.

Second. Hospital Association of New York State, "Cost of Regulation" (1978) found that 25 percent of total hospital costs in New York can be attributed to activities mandated by Government regulations.

Third. Murray L. Weidenbaum, "On Estimating Regulatory Costs" (1978) found the total administrative costs for all Federal regulations at over $4 billion annually, and noted they have more than doubled in the last 5 years.

Fourth. Pamila L. Tibbets' study of one California hospital in 1976 found the total cost of compliance with regulation was an incredible $70 per admission.

I could go on to cite other studies, but the point is obvious—Government regulation is a major factor in the cost of health care to patients.

If we add more regulation and more Government control, we are going to add to the cost to patients.

There is no way hospitals can be held to a "cap" on expenditures without also controling operating expenses that are not under the control of the hospitals.

If we attempt to do this, I am afraid the people who need hospital services will suffer from a reduction in the quality of health care.

That would be a terrible result—Government mandated cost containment at the expense of the sick.

Let us not make the mistake of forcing a reduction in health care to the sick. Let us not force more costly regulations onto the already overregulated hospitals.

Instead, let us support the Gephardt proposal which will assist us to seriously and realistically reduce hospital costs in the United States.

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(By unanimous consent, Mr. THOMAS yielded his time to Mr. DANNEMEYER.)

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. DANNEMEYER).

Mr. DANNEMEYER. Mr. Chairman, it is with regret that I rise today to express my opposition to H.R. 2626, the hospital cost containment bill. The regret stems not from having to oppose the bill, for it does not solve the problem; the regret results from the fact that H.R. 2626 has been deemed worthy of consideration in the first place.

Stripped of pretense, the thrust of this measure is simple: To establish a system of price controls for hospitals that will help pave the way for a system of national health insurance. The problem with such an approach is equally simple: Even if national health insurance were a good idea, which it is not, wage-price controls do not work and this measure does not even have the wage part of the question. In fact, since nonsupervisory labor costs represent roughly 45 percent of all hospital budgets, their noninclusion should give everyone reason to doubt how effective this measure can be. The fact that the experiment with wage-price controls in the early 1970's resulted in product shortages and higher prices rather than the opposite, should put all doubts about its ineffectiveness to rest forever.

Proponents of this legislation argue that it will save as much as $31.4 billion in health care costs by 1984 thus reducing the inflation rate by 0.4 percent. However, there is good reason to question this estimate. The Congressional Budget Office, for instance, indicates the savings will be $18.4 billion and the reduction in the inflation rate only 0.1 percent by 1981 and 0.25 percent by 1984. Data Resources Inc., a well respected econometric firm, the administration's hospital cost program will reduce inflation by less than 0.1 percent by 1984. Finally, Martin Feldstein, a noted economist, predicts that, by 1984, a family of four earning $30,000 annually will save only $138 per year on health care—or 0.5 percent of net family income—if this bill becomes law.

Now, to some, $138 per year might sound like a good deal, but how much good is it if the quantity of health care services is reduced, the quality of health care is lowered or, perhaps most important of all, the availability of new medical technology is delayed. One of the big problems with this bill is that it restricts the rate of investment in the extension and improvement of services to roughly one-quarter of its previous historical rate. Not only that but this measure will reward the least efficient hospitals while penalizing the most cost-conscious and efficient ones.

Moreover, it will saddle all hospitals with the blizzard of regulations and paperwork that only another layer of bureaucracy can bring—the costs of which are expected to run from $800 million to $1 billion per year. Put the two together and what you have is not a prescription for lower costs but for a rationing of less-than-optimal health care services. Or, to carry the medical analogy a bit further, the "cure" is worse than the disease, and when people's lives are at stake, who wants or needs that. It is as if this measure seeks to put obstacles in the path of recovery when it seems to me we should be trying to accomplish exactly the opposite.

Given all these indications, plus the fact that hospital costs account for only 4 percent of the Consumer Price Index, one begins to wonder if the real motive behind this measure is not to label and punish a bogeyman for political benefit rather than to address the factors that have really caused the recent escalation of health care costs. If that is not the case, then due consideration should be given to the following: First, the impact of medicare, medicaid and other types of Federal involvement in the field of health on the cost of health care delivery; second, how other factors, such as advances in medical technology, have affected the cost of health care; and third, the relative effectiveness of voluntary and mandatory hospital cost containment programs already in place. From such consideration, the utility, or futility, of a mandatory Federal hospital price control program should become readily apparent.

While it should be noted that per capita expenditures for health care represented only 3.26 percent of per capita income in 1976 as compared to 3.46 percent in 1950, the fact is most of the medical cost escalation has come in two spurts—after the adoption of the medicare and medicaid programs in the mid-1960's and after the lifting of wage-price controls in the mid-1970's. The correlation between the adoption of medicare/medicaid and the rise in hospital costs is not mere coincidence; as evidenced by the fact that admissions of senior citizens to hospitals have increased by 62 percent since these laws were passed while the length of hospital stays for senior citizens has increased 39 percent, medicare and medicaid have contributed mightily to the problem we now face.

Thus, it would seem that, instead of H.R. 2626, we should be seeking to amend H.R. 4000 so as to eliminate the incentives for overutilization of health care services that is part and parcel of the medicare/medicaid system. If a Federal program is a major cause of the problem, why assume that adding yet another Federal program is automatically the answer. A little subtraction might produce a far better result.

Carrying this logic a bit further, it should be noted that above average escalation of costs is not confined to private hospitals, or the private sector. Ironically, HEW has experienced an escalation of costs twice that of the inflation rate and yet we are looking to HEW, in H.R. 2626 at least, to oversee a reduction in private sector costs. The old parable, "people in glass houses should not throw stones," aside, what reason is there to believe that HEW will be able to accomplish for others what it has been unwilling to do for itself.

Which brings me to two final points. The first is, even if HEW is successful in its efforts to reduce the growth in the intensity of services delivered, do we really want to cut back on the growth and availability of medical technology. Yes, many of these new medical techniques that have been developed in recent years, like the CAT scanner, are expensive, but if people can be cured with them is not that better than saying they should be less available. The second point logically follows: If mandatory cost controls work so well why is it that so many advances in medical technology have taken place in this country where controls have been kept to a minimum? Or, to put it another way, would we rather have controls and only one CAT scanner like they do in Britain or a market system and many CAT scanners like we do here in the United States?

Speaking of mandatory controls and how they do, or do not, work, I am reminded that my good friends and colleagues (Mr. STOCKMAN and Mr. GRAMM) on the Commerce Committee have developed evidence to the effect that, in the nine States where mandatory health cost controls have been adopted, the results have not been nearly so successful as proponents of this legislation would like us to believe. On the other hand, the hospitals themselves have undertaken a voluntary cost control program which, given the overall inflation rate, appears to be working pretty well. Voluntary effort as it is called, has, according to the American Hospital Association, succeeded in reducing the rate of hospital cost inflation from 15.6 percent to 12.8 percent in 1978 and in the first 7 months of 1979, it has held that rate at 13.3 percent—only 0.2 percent above the national inflation rate. That is not bad, in fact, it is good enough to make justifying having the Federal Government try its hand at the same thing difficult indeed. By definition, efficiency is not one of the things for which bureaucracy is noted.

Mr. Chairman, just let me conclude by noting that, despite the inclusion of language protecting the confidentiality of individually identifiable medical records, H.R. 2626 is a fatally flawed bill based on a series of faulty premises. For those reasons alone, I urge my colleagues to cast a well justified vote against its adoption.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. FOUNTAIN).

Mr. FOUNTAIN. Mr. Chairman, I know that so-called cost containment legislation in the area of today's discussion is a top priority of our President. I hate to disappoint him, but I have spent many hours examining H.R. 2626 and the many arguments and facts which have been submitted to me for consideration. After carefully and thoughtfully considering the entire subject matter, I must rise in support of the Gephardt substitute, and in opposition to the committee bill. The Gephardt proposal is based on the concept of responsible, voluntary efforts to control costs. I believe this approach merits our support at this time.

It goes without saying that all of us are concerned over the increasing costs of hospital care and want to see them stabilized, and even reduced wherever possible. But the committee bill is an extremely complicated piece of legislation. It contains many formulas which may or may not be workable. Who knows? It would appear that a large new and unnecessary bureaucracy would have to be set up to monitor compliance. This alone frightens me. Another negative aspect of the committee version is that this type of regulation would limit hospital management's ability to adjust costs to meet important changes in the medical care field, such as innovative developments in treatment and diagnosis. For instance, a hospital might be prevented from obtaining newly developed equipment which would save lives and improve the quality of medical care and services—not unneeded expensive and duplicating equipment, but essential equipment which many hospitals still do not have.

On the other hand, the Gephardt version is a viable and persuasive alternative which would address some of the problems that exist, but at the same time not put hospitals into a straitjacket. It is based on the same voluntary principle which has been operative over the past 2 years. Over that time, the rate of increase in total hospital expenses has been reduced despite increasing double-digit inflation. In other words, through voluntary efforts, the hospitals have succeeded in reducing the rate of increase in their costs while the Consumer Price Index has been increasing sharply.

In view of the favorable experience with voluntary cost containment during the past few years, I believe we should continue with this approach until such time as the evidence clearly shows that mandatory controls are needed. Mandatory controls ought always to be a last resort, especially on the part of the Federal Government. Our people are sick and tired of dictation from Washington, of having a gun pointed at them by some Bureaucrat saying, in effect—"Do this or else." I see no risk in enacting the Gephardt substitute at this time, thus avoiding the real risk under mandatory controls of eroding the quality of medical services in the hospitals of this country.

The Gephardt substitute provides for a National Commission on Hospital Costs which would report to the President on the success of voluntary efforts, on measures to control health care costs, and on long-range strategies relating to supply and demand of health care services.

It would provide grants to test a variety of health care alternatives which may prove to be less expensive. It would encourage philanthropic support for hospitals by prohibiting such gifts from being used to pay operating costs. It would provide common audits for medicare and medicaid.

In short, the Gephardt proposal, would complement existing private efforts to control hospital costs. The hospital industry's effort appears to be succeeding, and the Gephardt bill would assist that program without significant additional Government intervention and regulation.

By contrast, the committee bill, despite the encouragement we have received from its supporters, would establish arbitrary and mandatory caps on total hospital expenditures. The Secretary would be given unrealistically broad powers to impose wage and price controls on one segment of the economy. In the final analysis, technological improvements in health care would suffer, and many hospital services would face rationing.

The inequitable formulas in the committee bill do not recognize that hospitals' circumstances and needs vary in many ways from area to area around the country. Even with all the noted exceptions in the bill, which would themselves be difficult to administer in a responsible way, not enough leeway is given to meet individual circumstances.

The Congressional Budget Office has estimated the effects on reducing inflation to be minimal—less than one-half of 1 percent.

The hospitals in my own State of North Carolina have done an excellent job of keeping costs down. One study estimates that North Carolina has the 12th lowest adjusted daily charge in the Nation. In addition, North Carolina hospitals rank 47th in the average cost of a semiprivate room, and 41st in expenses per inpatient day. If the committee legislation is enacted, almost 70 percent of North Carolina's hospital beds would be regulated. In order to live under a revenue cap, the hospitals might well be forced to reduce or eliminate essential services.

North Carolina's rate of hospital cost increases for the last year is considerably below the current rate of inflation and demonstrates the success of the voluntary effort in the State. Many hospital officials around the country have recognized the North Carolina voluntary effort as a model program for the country.

Mr. Chairman, we need to get the long tentacles of the Federal reach out of the hospital business. The growing Federal health bureaucracy does not need to be expanded to operate an additional costly, unworkable, and harmful regulatory burden on our hospitals. The first order of business for our hospitals is health care, not satisfying Federal bureaucrats. Our health care systems and the patients they serve are the No. 1 priority, not more and more Federal rules and regulations.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Chairman, I rise in support of the Gephardt amendment only because it is better than the original bill. I am opposed to cost containment legislation because it is a necessary first step toward comprehensive national health insurance, and the Lord knows we do not need that sort of a monster in this country.

But what really bothers me about any of this legislation, or any of the discussion on the floor of the House about legislation like this, is the fact that it is nothing more than an attempt by us in the Congress, those of us in the public sector, to transfer to those in the private sector—in this case, hospital administrators or the health professions—the problems of inflation and the fault for inflation. They do not deserve that. They are responding to inflation caused by the public sector, in this case the Congress of the United States. We should not put them in the position of being the scapegoat for the bad fiscal and monetary policies that we promote here that they have to respond to. Instead we ought to solve that problem first.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, the gentleman from Maryland some 2 years ago, on a private trip to Great Britain, spent 10 days traveling to hospitals, medical facilities, and doctors' offices, seeing what is happening to health care in that country since socialized medicine was first imposed in 1946. Those who advocate this bill today advocate socialized medicine. We have, in fact, backed into socialized medicine in America through just such supposed "cost control" legislation. The net result will be the destruction of health care and the rights of patients, doctors, and those in the healing arts in our country. This will not contain costs but increase them. It will, in fact, give those who see big government as the answer a much greater control over our lives, and I reject it as I hope the House will.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. GEPHARDT).

Mr. GEPHARDT. Mr. Chairman, let us just recap very quickly where we are. We have two clear paths, two clear alternatives, in front of us: One is voluntary; the other is mandatory.

Many people have said the voluntary approach, the Gephardt substitute, does not do anything. It does do something very important. It continues us on the voluntary program. It rejects the mandatory program. It endorses a program that has yielded positive, tangible results. It calls for a serious review of the costs. You have a very clear choice today. I hope you will stay with the successful, proven voluntary approach.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. LUKEN).

Mr. LUKEN. Mr. Chairman, I think we have arrived at some things as a consensus. One of them is that the problem that we have today is that medicare and medicaid have, in fact, removed the incentives.

The question is: Are controls, with all of these passthroughs, going to reinstate these incentives, are they going to reform the system at all? And the answer is in the negative.

The result of this bill, if it were passed, if the substitute is not passed, is one thing; that is, the Secretary of HEW will have the hospitals of this Nation in a vise-like grip. That is the result of all of the discretion and all of the power to make regulations, all of the determinations on these passthroughs that are incorporated into this legislation.

Therefore, I think the only alternative is, in fact, the voluntary route which has been working in the last 12 months.

(By unanimous consent, Mr. CHARLES WILSON of Texas yielded his time to Mr. WAXMAN.)

The CHAIRMAN. The Chair recognizes the gentleman from Virginia (Mr. SATTERFIELD).

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. SATTERFIELD. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Chairman, it is my belief that the health care industry should be regulated. The question in my mind is "How best to achieve this?"

In fact, the health industry is already regulated. Some authorities have documented as many as 152 agencies having regulatory powers over the industry. They include public and private organizations. The government agencies include Federal, State, substate, and local ones.

While health care costs have increased faster than some other costs of living in recent years, many of the increases are directly due to government actions rather than excessive profits.

An example of this is to be found in unnecessary building code regulations which inflate maintenance and operating costs by requiring actions that are not essential. These regulations block cost savings which could otherwise be made without endangering the health and safety of patients, personnel, or the environment. These costs must be passed on to patients.

Many of the increases in health care costs are unavoidable. These include rising costs of credit, wages, and essential products used in health care.

In Arkansas the hospital management has demonstrated more conservatism than many Federal agencies in Washington.

While regulation is desirable, it is my observation that Government is unprepared at this time, by knowledge and understanding, to regulate the health care industry in a manner that is in the best interests of the patients and the industry.

For example, when the committee was marking up this bill the Sunbelt States warned that the 1-percent annual limitation on health service improvements would make it impossible for their communities to catch up with the needs of their fast growing populations.

In Arkansas, for instance, there are 94 hospitals. The bill exempts hospitals that have fewer than 4,000 admissions annually. Thus the 58 Arkansas hospitals that fall below this number are exempted. But, the 36 Arkansas hospitals which have responsibility for 73 percent of the admissions annually in Arkansas are covered.

My instinct is to vote for regulation of the health care industry, but, the attempt to do so represented by this hospital cost containment bill clearly appears to be more a matter of talking a good game than doing the job. There is a clear distinction between the two, and it is time for the American people to know the difference.

While I feel that health care industry regulation is important, I believe that this bill has more to do with politics than with regulation. If I believed that this bill would lower health care costs I would vote for it. Instead I believe it would add to inflation through another layer of bureaucracy.

Mr. SATTERFIELD. Mr. Chairman, lest anyone think that these bills as reported by the committees are freestanding legislation, I would like to remind them that when Secretary Califano testified before the two committees earlier this year, he made it quite clear that hospital cost containment, as well as health planning and resource development, were two bills to be considered an integral part of national health insurance.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Chairman, this is a symbolic effort that we are making today. Unfortunately, it does not symbolize much of substance.

There are two conditions, unfortunate conditions, that give us an urgency in our debate. The first is the need of the President for the appearance of a legislative victory in the area of medical legislation. I think the politics behind this is going to become apparent when the Speaker addresses us a little later.

Also some urgency is derived from the specious budgetary arguments that have been made about this measure. Included in the budget were the substantial legislative savings that were alleged for it. Those savings will not eventuate, and I regret that we have been led into unreasonable expectations. It seems unfortunate that we are dealing with a matter constructed so of moonbeams and putting false hopes on it, largely for political reasons. I urge resistance to such a transparent and misleading charade.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. MARTIN).

Mr. MARTIN. Mr. Chairman, we have been talking about a bill, H.R. 2626, that at best may save $600 million. Big deal. With just one regulation, the people who will administer it have recently imposed half that amount, or $300 million, on hospital patients simply because this administration wants a paper saving so it will not have to pay any longer its share of malpractice insurance costs.

What is more the affected hospitals now have to pay for extensive litigation to try to compel the Federal Government to pay its fair share.

Hadley Memorial Hospital of Hays, Kans., the American Hospital Association, the Federation of American Hospitals, Catholic Health Association, California Hospital Association, and more than a dozen other State and allied hospital associations are filing a suit in

Federal District Court, Topeka, today to bar the Department of Health, Education, and Welfare from shifting the costs of malpractice insurance premiums away from medicare/medicaid and on to private patients and their insurance companies. The Government estimates that the change will affect $300 million in reimbursements in fiscal year 1980 alone.

The $300 million will have to be absorbed by the hospitals or passed on to their other patients. Once again changes in Government rules will require hospitals to raise their rates.

In the past medicare and medicaid, which pay the costs a hospital incurs in furnishing care for their programs' beneficiaries, have always combined a hospital's indirect costs—including malpractice insurance premiums—and paid a percentage equal to the portion of the hospital's services used by these beneficiaries. As of June 1, 1979, however, HEW changed the rules in order to achieve a budget savings already announced by President Carter.

Under the present system, malpractice premium costs would be separated from other indirect costs and reimbursed only on the basis of dollars paid out in malpractice claims to medicare/medicaid beneficiaries.

According to Federation of American Hospitals General Counsel Carl Weissburg, of Weissburg and Aronson, Inc., HEW received hundreds of opposing comments from hospitals, insurance companies, and accountants when the rule change was first proposed. "Although there were no supporting comments," Weissburg said. "HEW nonetheless changed the rule."

Once again here is clear evidence that putting on more government will not reduce costs but further inflate them.

If we really want to whip inflation, the answer is not to make a scapegoat of hometown American hospitals whose only responsibility is to serve the medical needs of their neighbors. No, if we are serious, we and our President should seek to contain the growth in costs of big government.

□ 1540

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Chairman, I rise in support of this legislation.

Mr. Chairman, as chairman of the Budget Committee, I rise to urge that you support your Committees on Ways and Means and Interstate and Foreign Commerce and pass the Hospital Cost Containment Act of 1979 (H.R. 2626).

I will defer to the able spokesmen from the committees to provide the detailed programmatic justification for their recommendations. My remarks will touch on the budgetary importance of this legislation in our quest to restrain Federal spending not only next year but for future years.

The Giaimo amendment to the conference agreement on the second budget resolution for fiscal year 1980 which you approved just 1 week ago targeted $2.7 billion in legislative savings, of which $600 million was assumed from hospital cost containment. The $600 million represents the administration's estimate of potential savings from this bill. Over the next 5 years, this legislation will save a total of $41 billion in hospital charges for everyone, including $16 billion in Federal spending.

The savings from this bill in fiscal year 1980 are the largest single item of the legislative savings assumed in the conference agreement on the second budget resolution. As you consider your vote on this bill, I hope that you will keep in mind that 1 week ago, speaker after speaker came to the well during the debate on the second budget resolution to describe how the voluntary legislative savings approach which we use in the House is superior to the reconciliation directives advocated by the Senate.

Last week, we all commended our House committees for their efforts to achieve legislative savings. This bill before you today will achieve more savings than any other proposal assumed in the resolution. Thus, it is the prime example of the House's voluntary legislative savings approach. We have the opportunity today to match our rhetoric with our votes.

Mr. Chairman, I address myself to the members of the committee here who voted for reconciliation last week. The keystone of reconciliation is hospital cost containment, $600 million worth. That is what the other body is so vehement and strong about, that they demand and insist that we reconcile in order to find that $600 million.

Our committees have done it through the process of legislative reform, and they have brought out this legislation now, urging this body to support it so that we can try to save $600 million in spending. That is what is involved here.

I suggest that we not repudiate the two committees who have voluntarily come forth with a good legislative reform designed to save that money. It may not meet its goal, but it will partially. To that extent, we will have helped the taxpayers of this country.

You cannot talk reconciliation, as some of you did last week, and vote for it, and then be against this legislation today.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. SHARP).

Mr. SHARP. Mr. Chairman, I rise in support of the substitute and against the bill. I think it is clear that our experience has been there are risks and costs that come with price controls, and we had better weigh very carefully whether we are going to get the benefits that are claimed from slapping on another set of price controls.

If there was justification for this bill, it was at the time the President recommended it in 1977 when we were at an all-time high in a race and rush of increase in prices in the hospital sector.

The fact is that situation has changed. Progress has been made, partly because of the private effort, partly because of the Federal initiatives already adopted like health planning agencies and PRO's, none of which are perfect instruments.

We have more to do in this front, but I think the Gephardt approach would be a wiser one for us today.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. RANGEL).

(By unanimous consent, Messrs. RANGEL, WAXMAN, CLAY, CORMAN, FOWLER, JENKINS, and FISHER yielded their time to Mr. O'NEILL).

Mr. O'NEILL. Mr. Chairman, I want to assure this body that I do not rise at this particular time to make this a political matter. It is far too serious and important for that.

It is with regret that I have to rise to oppose the Gephardt substitute because I have so much respect for the able and talented member on the Ways and Means, Mr. GEPHARDT. I would be remiss if I did not speak, because this bill is so close and so dear to my heart, and it is long overdue.

I hope that the Gephardt substitute is defeated. I hope that the President's bill is passed.

I truly believe what President Carter has been saying, that there is no single more important issue that we can take up than hospital cost containment. This is an important cornerstone, I believe, in the fight against inflation. What have been the major contributions to double digit inflation in the past couple of years? Well, last year 40 percent was energy; 15 percent was food; 18 percent was housing; and 14 percent was hospitalization.

We are all in this fight together to control inflation, and we can do something today about the 14 percent of the overall increase in the inflationary rate that is caused by hospitalization.

It is very interesting to observe how hospital costs can be contained. There are several States out there, seven or eight of them at the present time, including Massachusetts, which is my home State, where they have passed mandatory cost-control legislation; in those particular States, hospital costs have gone up 9.8 percent, whereas, the national rise in hospital costs have been 14 percent.

Let me tell the Members a couple of little stories. One of them is from a recent article in the Boston Herald American headlined: "Surgery Isn't Cheap: Operation Can Cost $50,000." I am quoting from this paper:

> Consider the case of Norma, hospitalized . . . for a diabetic pregnancy and delivery. Norma was in the hospital for 17 days before delivery and 5 days after. Her baby spent 4 days in intensive care, 6 in the recovery room. She had a Cesarean birth, with the use of fetal monitoring beginning 18 days before the birth.
>
> Here is how Norma's bill looked: Room, $3,190; labor, $135. . . .

And so it goes down the list. The total cost is $16,973.

Is that unusual? No. There is a whole list of similar examples in this article.

Let me tell the Members the story about a young fellow whose home I visited over the weekend. I have told this story before. I wrote to the hospital about it. It became a cause celebre in the Boston papers.

It is the story of Peter Folan who was

4 years old. He fell on the curbstone. He broke four teeth. They brought him to the hospital. His mother, by the way, is a nurse.

His parents were wondering about the child's four upper teeth, what effect the fall and the consequent breaking would have on his permanent teeth which were coming through.

He was in the hospital 36 hours. They X-rayed him. They gave him the proper treatment. They extracted the teeth in the operating room. The cost of the operating room was $1,175; and the cost of extracting the teeth was about $400. Peter's own mother served as round-the-clock nurse for 36 hours. The overall bill I believe was $2,275.

Peter's father happens to be the vice president of a local utility company. He paid, I believe, $80. Fortunately his insurance plan covered the rest.

We often wonder why our insurances are so high along the line, and what about the person who has no insurance? I wrote to the hospital administrators about Peter Folan, and they wrote back to me. In my opinion, there was no way they could justify that bill.

The interesting factor about it is this: We have a hospital cost containment law in Massachusetts, and the Massachusetts average rate of increase was about 8½ percent last year. I wonder what Peter Folan's bill would have been if he lived in a State that did not have hospital cost containment.

I have in my own office an employee who has been with me for 25 years, who recently had a nausea spell in the office. Doctors examined him and said, "You had better go to the hospital."

He went to the hospital. They put a scanner on him. They told him he had high blood pressure, something he did not know he had. So they gave him a prescription.

Four hours in the hospital, and they used a scanner; $1,150 for the hospital bill.

How can you possibly justify that kind of cost for a hospital diagnostic test?

You know, there was a time back in 1955 when you could go to a hospital for a week for about $150; and 10 years later, it cost $350 for an average hospital stay. Today it is $1,600 to go to a hospital for a week. By 1981 or 1982 it will be $2,025.

☐ 1550

It is argued that hospitals collectively on a voluntary basis have cut inflationary costs from 16 percent to 13 percent. They have cut down on costs because this legislation was a factor which made them move in the right direction.

The laws in Massachusetts and the other six or seven States have cut hospital costs to 8.7- or 8.3-percent increase. I think this is good legislation.

I regret that I have to disagree with my friend from Missouri (Mr. GEPHARDT). This is truly legislation where you are voting for the average citizen, you are voting for the common man and woman; yes, you are voting for the senior citizen and for the person who does not have an insurance policy. This is legislation for the American people, providing a guarantee that if a cost containment goal is not reached through voluntary efforts, immediate and concrete steps are already in place to protect them from continued soaring hospital costs.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. O'NEILL. Mr. Chairman, I would ask unanimous consent to proceed for 2 more minutes.

The CHAIRMAN. The Chair would advise the Speaker that the time has been limited, but the Speaker is entitled to strike the last word if he wishes.

Mr. O'NEILL. Mr. Chairman, I wish to strike the last word.

Thirty-seven million Americans have either inadequate health insurance or no health insurance at all, and 83 million lack insurance against large medical bills when they require hospital care and treatment. These people cannot afford hospital costs which are rising at the rate of $1 million an hour, 24 hours a day, nearly $9 billion each year. This bill alone will save the American people $40 billion over the next 5 years, including $17 billion in Federal expenditures.

I would conclude by saying that we do not have to worry too much about the poor, because Uncle Sam takes care of them; we do not have to worry about the rich because they are well insured. But we must take care of those millions and millions of ordinary people. These are the people with whom we should be concerned—not the local hospital trustee who is an affluent man, for whom we have great respect and who has made a call to the Members of Congress because the hospital superintendent or manager has said Government is going to interfere with our business. Some of you may have given your word to the affluent trustee from the local neighborhood, for whom you have great respect, and who has never asked anything of you before. I say forget about him. You know, somebody asked me "Are you going to vote for hospital cost containment? How are you going to vote on this bill? Are you going to vote to kill it?" I had only one answer: I am for the bill because I am for the people.

Mr. BAUMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we have been treated once again to a speech by the Speaker of the House of Representatives. This I think indicates the degree of importance placed by the majority on passing this legislation, because not often are we accorded this honor.

I can understand the need for the Speaker's speech, because this bill is an awful lot of trouble. That is precisely why there has been so much pressure applied.

The Gephardt substitute offers, I think, a reasonable chance to allow the Members to choose an alternative if they wish, that will address the needs of the average American whom we just heard extolled and, at the same time, not plunge the U.S. hospital system into the chaos of Federal controls.

The gentleman from Massachusetts (Mr. O'NEILL) referred to the inordinate costs in Massachusetts of hospital care. That is the premier State of hospital cost containment; and in my own State of Maryland, which has had cost controls since 1974, we, too, have held down the overall rate of cost increase, but we have the highest costs of all but four States. We are in the top five. California, New York, Massachusetts, and the District of Columbia are the only ones higher in costs than Maryland per patient day and yet we have a cost-control law.

A report recently issued by the State of Maryland indicates that in 1978 it cost about $208 a day for each patient. Fully $40 of that daily cost is the result of Federal regulation, State regulation, and local regulation, by all accounts.

Now you call for more Federal regulation to be piled on top of that. I have sympathy for the young man who lost four teeth, but this bill is going to extract the wallet and amputate it from every patient-taxpayer in this country. More Federal control will drive up costs. It is not going to save the hospital system. It is going to heap upon it a bureaucracy the likes of which we have seen only once before in a nation called Great Britain, no longer great, but certainly suffering under the terrible bureaucracy of socialized medicine.

I hope we will at least approach this prudently and adopt the Gephardt substitute. This issue must be decided not on the basis of politics or what is good for Jimmy Carter's reelection, but what is good for America.

● Mr. JEFFORDS. Mr. Chairman, I rise in support of Congressman GEPHARDT's substitute to the administration's hospital cost containment legislation. I believe Congressman GEPHARDT's bill, H.R. 5635, offers a more equitable means of curbing cost increases, while at the same time preserving the quality of our health care system.

Recognizing the very serious problem of escalating hospital costs, H.R. 5635 works with the voluntary effort to bring these costs under control. The voluntary effort is an already established, broad-based coalition involving all facets of the health care system. There are presently voluntary cost containment committees in all 50 States as well as the District of Columbia, with at least 70 percent of the Nation's hospitals committed in writing to voluntary cost containment efforts. In my home State of Vermont, the voluntary effort has kept hospital cost increases down to an estimated 7.8 percent for 1979, well below the goal of 11.6 percent. I believe if all States worked as successfully with the voluntary effort, escalating hospital costs would not have commanded congressional attention.

Congressman GEPHARDT's bill insures a close working relationship with the voluntary effort. It does so by establishing a National Commission on Hospital Costs which would report annually to the President on the success of the voluntary efforts. The Commission is also responsible for recommending long-term strategies to combat rising hospital costs. Should any State want to establish a mandatory cost containment program, Federal support in the form of grants would be available through this bill.

While rising hospital costs are not a new phenomenon, the threat of Federal intervention has never before received such serious consideration. I believe however, that the administration's mandatory proposal has put the health care industry on notice as to the measures the Federal Government is willing to take if costs continue to escalate. Realizing the consequences they may face if they do not voluntarily reduce costs, I cannot envision that hospitals will fail to do everything possible to bring them under control. Certainly the hospitals in my State appear to be doing well in their attempts to control costs.

For these reasons, I am opposed to the administration's proposal for standby mandatory controls at this time. First, in setting a formula to establish the mandatory limit, the bill ignores the wide variation in hospitals' circumstances and needs.

Second, once the mandatory revenue limits go into effect, there is no provision for extension and improvement of services. It would thus be impossible for hospitals, once subject to mandatory controls, to implement advances in technology. Even the so-called voluntary aspect of the administration's proposal only allows hospitals a 1-percent increase for extension and improvements as compared to a current rate of 4 percent. Furthermore, while the administration claims its bill would help to reduce inflation, the Congressional Budget Office estimates that it would only lower the rate of inflation by 0.1 percent by 1981. The provisions of this bill could not only jeopardize our health care system, but would do little in return to reduce spiraling inflation.●

Mr. RANGEL. Mr. Chairman, I move to strike the last word.

You know, I thought that in committee this bill was in trouble until the distinguished gentleman from Maryland, the most distinguished gentleman from Maryland pointed out that this bill invokes socialism and that the Communists were in charge of the whole thing. I think we are in much better shape now than we were in before the gentleman spoke. I would like to say this, I would like to pay tribute to the sovereign State of Maryland because I think we can use the Maryland system as an example for the Nation to follow.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. RANGEL. I am only too glad to yield.

Mr. BAUMAN. Mr. Chairman, I want to correct the gentleman. I did not say the Communists were in charge of everything. I thought I heard him attribute that statement to me.

Mr. RANGEL. The gentleman said socialism.

Mr. BAUMAN. I did indeed. The gentleman may be confused as to socialism and communism and what they mean, but most of us are not.

Mr. RANGEL. Mr. Chairman, we are in much better shape after the gentleman's observations.

I yield back the balance of my time.

Mr. CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. GEPHARDT) as a substitute for the amendment in the nature of a substitute offered by the Committee on Interstate and Foreign Commerce.

The question was taken; and the Chair announced that the noes appeared to have it.

RECORDED VOTE

Mr. GEPHARDT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 234, noes 166, not voting 33, as follows:

[Roll No. 668]

AYES—234

Abdnor
Albosta
Alexander
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Atkinson
AuCoin
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Boggs
Bouquard
Bowen
Brinkley
Brooks
Broomfield
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Deckard
Derrick
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fenwick
Findley
Fish
Fithian
Flippo
Foley
Forsythe
Fountain
Frenzel
Frost
Fuqua
Gephardt
Gingrich
Ginn
Glickman
Goldwater
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harsha
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Huckaby
Hughes
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lujan
Luken
Lungren
McClory
McDade
McDonald
McEwen
McKay
McKinney
Madigan
Marks
Marlenee
Martin
Mathis
Mattox
Michel
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Nelson
Nichols
O'Brien
Pashayan
Paul
Petri
Pickle
Pritchard
Pursell
Quayle
Quillen
Railsback
Regula
Ritter
Robinson
Roth
Rousselot
Royer
Runnels
Russo
Santini
Satterfield
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Spence
Stangeland
Stanton
Steed
Stenholm
Stockman
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Udall
Vander Jagt
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wileon, Bob
Wilson, C. H.
Wilson, Tex.
Wyatt
Wydler
Yatron
Young, Fla.
Young, Mo.

NOES—166

Addabbo
Akaka
Ambro
Anderson, Calif.
Annunzio
Ashley
Aspin
Bailey
Baldus
Barnes
Beard, R.I.
Beilenson
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bonker
Brademas
Brodhead
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Clay
Collins, Ill.
Conte
Conyers
Corman
Cotter
D'Amours
Danielson
Davis, S.C.
Dellums
Dicks
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Fascell
Fazio
Ferraro
Fisher
Florio
Ford, Mich.
Fowler
Garcia
Gaydos
Giaimo
Gilman
Gonzalez
Gore
Gray
Green
Guarini
Hall, Ohio
Harris
Hawkins
Heckler
Hefner
Holtzman
Horton
Howard
Hubbard
Hutto
Jacobs
Jenrette
Johnson, Calif.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Long, Md.
Lowry
Lundine
McCloskey
McCormack
McHugh
Maguire
Markey
Matsui
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Mottl
Murphy, Ill.
Mvers, Pa.
Nedzi
Nolan
Nowak
Oakar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Preyer
Price
Rahall
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Seiberling
Shannon
Simon
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Stewart
Stokes
Stratton
Studds
Thompson
Ullman
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weaver
Weiss
Williams, Mont.
Wirth
Wolff
Wolpe
Wylie
Yates
Zablocki
Zeferetti

NOT VOTING—33

Anderson, Ill.
Breaux
Brown, Ohio
Chisholm
Coelho
Crane, Philip
de la Garza
Diggs
Fary
Flood
Ford, Tenn.
Gibbons
Goodling
Hyde
Jones, N.C.
Kramer
Lee
Marriott
Mavroules
Mazzoli
Neal
Oberstar
Rhodes
Roberts
Rudd
Sawyer
Schroeder
Shuster
Solomon
Treen
Winn
Wright
Young, Alaska

☐ 1610

The Clerk announced the following pairs:

On this vote:

Mr. Brueax for, with Mr. Oberstar against.

Mr. Hyde for, with Mr. Fary against.

Mr. Rudd for, with Mr. Mavroules against.

Mr. Shuster for, with Mrs. Chisholm against.

Mr. Roberts for, with Mr. Ford of Tennessee against.

Mr. JONES of Tennessee changed his vote from "no" to "aye."

Mr. PATTEN changed his vote from "aye" to "no."

So the amendment offered as a substitute for the amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the Committee on Interstate and Foreign Commerce, as amended.

The amendment in the nature of a

substitute offered by the Committee on Interstate and Foreign Commerce, as amended, was agreed to.

The CHAIRMAN. The question is on the Ways and Means Committee amendment in the nature of a substitute, as amended.

The amendment in the nature of a substitute, as amended, was agreed to.

Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. YATES, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2626) to establish voluntary limits on the annual increases in total hospital expenses, and to provide for mandatory limits on the annual increases in hospital inpatient revenues to the extent that the voluntary limits are not effective, pursuant to House Resolution 486, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Commitee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time and passed.

MOTION TO RECOMMIT OFFERED BY MR. GRADISON

Mr. GRADISON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. GRADISON. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GRADISON moves to recommit the bill, H.R. 2626, jointly to the Committee on Interstate and Foreign Commerce and to the Committee on Ways and Means with instructions to report back the same forthwith with the following amendments:

Page 121, insert after line 3 the following new section:

EXCLUSION OF HOSPITALS IN CERTAIN STATES

SEC. 103. Notwithstanding any other provision of this Act, there shall not be included, in the computation of the national hospital wage marketbasket, and the national hospital nonwage marketbasket under this Act and in the determination of national, state, and individual hospital performance under part B of this title, a hospital (and expenses thereof) if the hospital is located in a state the legislature of which has enacted, on or before the end of the first legislative session that begins after the date of the enactment of this Act, and has in effect a statute that specifically addresses the problem of hospital cost containment.

Page 139, line 6, strike out "paragraph (2)" and insert in lieu thereof "paragraphs (2) and (3)".

Page 139, insert after line 14 the following new paragraph:

(3) Paragraph (1) shall not apply to a hospital if the hospital is located in a state the legislature of which has enacted, on or before the end of the first legislative session that begins after the date of the enactment of this Act, and has in effect a statute that specifically addresses the problem of hospital cost containment.

Mr. GRADISON (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the motion to recommit be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio.

Mr. DICKS. I object, Mr. Speaker.

The SPEAKER. Objection is heard.

The Clerk continued reading the motion to recommit.

Mr. GRADISON (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the motion to recommit be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

□ 1620

Mr. GRADISON. Mr. Speaker, I would just like to suggest to those of my colleagues who supported the Gephardt amendment because of strong opposition to the concept of a mandatory hospital cost containment bill that I think they should seriously consider voting no on final passage of this measure.

Mr. Speaker, I would like to explain why I make this suggestion, having voted in favor of the Gephardt amendment myself. I supported that as preferable to a mandatory law, but I am deeply concerned that in the event the Gephardt approach passes the House that there will be an attempt to go to conference with a possible mandatory bill from the Senate and we then might find a mandatory bill coming back from Congress in the closing days of this session.

Mr. Speaker, I think the wisest course of action is to vote no on final passage, recognizing that in the event the Senate were to pass a voluntary bill on its own it would be a relatively simple matter for us to take up the voluntary approach ourselves at that point and go to conference on that approach without the risk of having a mandatory hospital cost containment measure, in effect, forced down our throats through the conference route.

Mr. GEPHARDT. Mr. Speaker, will the gentleman yield?

Mr. GRADISON. For purposes of debate only I yield to the gentleman from Missouri.

Mr. GEPHARDT. Mr. Speaker, I would simply like to disagree with my friend and urge Members to vote for final passage of the bill.

I realize, as I am sure many people do, that the Senate may do a different thing, that we may have a conference on this bill that may yield different results, but I feel strongly that a statement has been made today that we want a voluntary program, that we want the Government to review and evaluate that program and report to the Congress on the success of that program. Indeed, I think having done what we have done it would be indeed a poor idea to now back off and say we want nothing at all. I realize we might wind up with a mandatory program coming back from the Senate conference, but I think we can address that at that time and I urge Members to vote for final passage of the bill.

Mr. GRADISON. I thank the gentleman and I certainly respect his views on this subject. He has done an outstanding job on this matter. I just think the safer course of action in moving toward a voluntary approach would be to vote no and await Senate action.

The SPEAKER. The Chair recognizes the gentleman from New York (Mr. RANGEL) for 5 minutes.

Mr. RANGEL. Mr. Speaker, I thank the gentleman for this motion to recommit because it indicates the hypocrisy that is involved. This motion to recommit, especially when it comes from all of the supporters of the Gephardt substitute indicates this House is prepared to do absolutely nothing as it reflects on trying to get some handle on increased hospital costs.

Now no one fought more vigorously than I against the Gephardt substitute because while it does not do anything in terms of mandating any cost control, it does say that the Congress does have a concern and that they should have a report and that the Congress will at least entertain the report.

Mr. Speaker, the motion to recommit, if it is going to be supported, says: Do not do anything about it, just let the problem grow and get greater. Nothing could be better to clear up the record of the House of Representatives to indicate how many people went to the well, supported the Gephardt substitute, saying that it was meaningful, and now are going to vote to recommit what the gentleman from Missouri (Mr. GEPHARDT) worked so hard to get this House to pass.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. RANGEL. I yield to the gentleman from North Carolina.

Mr. MARTIN. Can the chairman of the subcommittee assure us that the conferees on the majority side of the aisle will support the House position in conference and fight for it?

Mr. RANGEL. The gentleman always knows, as closely as we have worked on that subcommittee, that I have given him the strongest assurances that could be given under the political situation that we have worked.

We do not go to conference but we have worked hard on the bill and I think that we have to have some faith in our colleagues in the House and the Senate that they are going to try to perfect it.

Mr. MARTIN. If my chairman will yield, that is exactly why I have asked the question, to determine whether it would be the intention of the chairman to assure us that the conferees on the majority side would uphold the position of the House.

Mr. RANGEL. The conferees are going to do the best they can. You can depend on that.

Mr. MARTIN. Mr. Speaker, I think the gentleman has answered my question.

Mr. WAXMAN. Mr. Speaker, will the gentleman yield?

Mr. RANGEL. I yield to the gentleman from California.

Mr. WAXMAN. Mr. Speaker, I thank the gentleman for yielding to me. I wanted to recall, a few short hours ago we were told we can go down an alternative path to control hospital costs and that was to adopt the Gerphardt substitute which would be a voluntary program with a report back to Congress. We argued that was not an alternative, that that was a vote against hospital cost containment, it was a vote against containing these costs that are driving up our inflation rate, it would do nothing, and now we have the supporters of that amendment assuring us that that is, in fact, what they meant all along.

I find it insulting as a Member of this body to say, let us defeat it rather than have the opportunity for voting on a conference report we might not like. If you do not like a conference report you vote no and if you are the majority, you win. That is the rules of the game and it seems to me what we are being asked to do is do nothing on hospital cost containment and that is what had won today, the attempt to do nothing on hospital cost containment and the increases will continue.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. GRADISON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 321, nays 75, not voting 37, as follows:

[Roll No. 669]

YEAS—321

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Byron
Campbell
Carney
Carr
Carter
Chappell
Cheney
Clausen
Clay
Clinger
Coleman
Collins, Ill.
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Danielson
Daschle
Davis, Mich.
Deckard
Dellums
Derrick
Devine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fascell
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Fountain
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Ginn
Glickman
Gonzalez
Gore
Gramm
Gray
Green
Guarini
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Heftel
Hightower
Hillis
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Huckaby
Hughes
Hutto
Ichord
Ireland
Jeffords
Jenkins
Johnson, Calif
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kostmayer
LaFalce
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Mathis
Matsui
Mattox
Mica
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Obey
Ottinger
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Rodino
Roe
Rosenthal
Rostenkowski
Roth
Roybal
Royer
Russo
Sabo
Santini
Scheuer
Schulze
Sebelius
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Thomas
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Tex.
Wirth
Wolff
Wolpe
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—75

Archer
Ashbrook
Badham
Barnard
Bauman
Broomfield
Brown, Calif.
Butler
Cavanaugh
Cleveland
Collins, Tex.
Conable
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, S.C.
Derwinski
Dodd
Erdahl
Evans, Ga.
Forsythe
Fowler
Frenzel
Gingrich
Gradison
Grassley
Grisham
Hagedorn
Hamilton
Hansen
Hefner
Hinson
Holland
Holt
Hubbard
Jacobs
Jeffries
Jenrette
Johnson, Colo.
Kelly
Kemp
Kindness
Kogovsek
Lagomarsino
Lott
Lungren
McDonald
McEwen
Martin
Michel
Mikulski
Moffett
Moorhead, Calif.
Panetta
Paul
Robinson
Rose
Rousselot
Runnels
Satterfield
Sensenbrenner
Shumway
Snyder
Stangeland
Stockman
Symms
Taylor
Trible
Vander Jagt
Whitehurst
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Wyatt

NOT VOTING—37

Anderson, Ill.
Breaux
Brown, Ohio
Chisholm
Coelho
Crane, Philip
de la Garza
Diggs
Fary
Fazio
Flood
Ford, Tenn.
Gibbons
Goldwater
Goodling
Hyde
Jones, N.C.
Kramer
Lee
Lewis
Marriott
Mavroules
Mazzoli
Moakley
Neal
Oberstar
Quayle
Rhodes
Roberts
Rudd
Sawyer
Schroeder
Shuster
Treen
Winn
Wright
Young, Alaska

□ 1640

The Clerk announced the following pairs:

On this vote:

Mr. Wright for, with Mr. Shuster against.

Mr. Anderson of Illinois for, with Mr. Marriott against.

Mr. Lewis for, with Mr. Lee against.

Mr. Sawyer for, with Mr. Kramer against.

Mr. Winn for, with Mr. Goldwater against.

Mr. Young of Alaska for, with Mr. Philip M. Crane against.

Until further notice:

Mr. Oberstar with Mr. Hyde.

Mr. Mavroules with Mr. Rudd.

Mr. Fary with Mr. Quayle.

Mr. Fazio with Mr. Rhodes.

Mr. Roberts with Mr. Goodling.

Mr. Breaux with Mr. Brown of Ohio.

Mr. Jones of North Carolina with Mrs. Chisholm.

Mrs. Schroeder with Mr. Coelho.

Mr. de la Garza with Mr. Ford of Tennessee.

Mr. Gibbons with Mr. Mazzoli.

Mr. Moakley with Mr. Neal.

Mrs. BOGGS, Mr. LIVINGSTON, and Mr. MOORE changed their votes from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

TITLE AMENDMENT OFFERED BY MR. RANGEL

Mr. RANGEL. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

Title amendment offered by Mr. RANGEL: Amend the title so as to read: "A bill to establish a National Commission on Hospital Costs, to encourage voluntary efforts to contain hospital costs, to provide for the orderly development of State hospital cost containment programs, to encourage philanthropic support for nonprofit hospitals, and for other purposes."

Mr. RANGEL. Mr. Speaker, I ask unanimous consent that the title amendment be adopted.

Mr. ROUSSELOT. Mr. Speaker, I reserve the right to object.

The SPEAKER. The Chair will state to the gentleman from California (Mr. ROUSSELOT) that this is merely a change in the title of the bill.

Mr. ROUSSELOT. I thought I would like to have it explained, Mr. Speaker, and I reserve the right to object.

The SPEAKER. The Chair will state that this matter has been cleared with the Members who were handling the bill on the gentleman's side of the aisle.

Mr. ROUSSELOT. Mr. Speaker, I reserve the right to object.

The SPEAKER. The gentleman from California (Mr. ROUSSELOT) reserves the right to object.

Mr. ROUSSELOT. I do so respectfully, of course, Mr. Speaker, and I would like to have the gentleman from New York (Mr. RANGEL) explain what he is doing.

Mr. RANGEL. Yes. Mr. Speaker, if the gentleman will yield, I am offering an amendment to conform the title of the bill to the language that was in the recently passed Gephardt substitute.

Mr. ROUSSELOT. And that only?

Mr. RANGEL. And that only.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague's explanation. I thank him for explaining it to us, Mr. Speaker, and I appreciate the Chair's indulgence.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Without objection, the title amendment offered by the gentleman from New York (Mr. RANGEL) is adopted.

The question is on the title amendment offered by the gentleman from New York (Mr. RANGEL).

The title amendment was agreed to.

A motion to reconsider was laid on the table.

PIPELINE SAFETY ACT OF 1979

Mr. MARKEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the Senate bill (S. 411) to improve the protections afforded the public against risks associated with the transportation of hazardous commodities by pipeline, with Senate amendments to the House amendments thereto, and concur in the Senate amendments to the House amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments to the House amendments.

(For Senate amendment to House amendment see proceedings of the Senate of Wednesday, November 14, 1979, page 32337.)

Mr. MARKEY (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments to the House amendments be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. HARSHA. Mr. Speaker, reserving the right to object I rise in support of S. 411, the Pipeline Safety Act of 1979.

This bill represents a compromise between H.R. 51 as passed by the House and S. 411 as originally passed by the Senate, and has been worked out jointly by our committee, the Committee on Interstate and Foreign Commerce, and the Senate Commerce Committee.

S. 411, as presently structured, overcomes most of the concerns expressed by the members of the Committee on Public Works and Transportation, including one of the major concerns which I had. The original House version of the bill would arguably have expanded the scope of the Pipeline Safety Act to cover trucks and other modes of transportation. At my request, our committee report included language which indicated that this was not our intent. I am pleased to be able to report to my colleagues that we have tightened up the statutory language in the version of the bill before us today so that it is now clear that the bill applies only to pipelines and not to any other mode of transportation.

Mr. Speaker, I believe S. 411 will help to minimize the risks associated with the transportation of hazardous materials by pipeline, and I urge my colleagues to support it.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. Is there objection to the initial request of the gentleman from Massachusetts?

Mr. MURPHY of New York. Mr. Speaker, reserving the right to object.

I would like to ask the gentleman from Massachusetts if this legislation is the measure that addresses, in part, the issue of the siting, construction, and operation of liquefied natural gas (LNG) facilities?

Mr. MARKEY. If the gentleman will yield—yes, that is correct.

Mr. MURPHY of New York. I know that the gentleman exhibited great concern in his investigation of the recent Cove Point, Md. LNG facility accident that claimed the life of one worker and seriously injured another.

The gentleman is aware that an accident at a similar facility in my district killed 40 people and led to an extensive investigation on the safety and siting of liquefied natural gas facilities.

The gentleman is further aware of another LNG facility in my district which has never been licensed to operate. The issue surrounding these two 900,000 barrel LNG storage tanks was addressed in the committee report and during debate on the floor. Specifically, the report stated that a new liquefaction facility which was added to an existing storage terminal would be considered a "new LNG facility" subject to the siting, construction, and operation standards in the legislation. In other words, such a facility would not be subject to the "grandfather" provisions of the act. The gentleman from Michigan (Mr. DINGELL) confirmed this interpretation in his floor statement of September 17, 1979. Is this also the understanding of the gentleman from Massachusetts?

Mr. MARKEY. The gentleman is correct.

Mr. MURPHY of New York. Additionally, I would like to point out that, during the floor consideration of this legislation on September 17, the gentleman from Michigan (Mr. DINGELL) expressed his agreement with me that the situation in my district is "of such magnitude that the Secretary should consider the advisability of adding any new facilities to it."

It was also noted that the location of LNG facilities in high dense urban areas must be carefully analyzed and reference was made to the provision in the bill which calls upon the Secretary to consider whether "remote siting" is necessary.

I know the gentleman has a LNG terminal in his district and understands the dangers involved in its operation. I would ask the gentleman if he shares the concern of our colleague from Michigan with respect to the facilities in my district?

Mr. MARKEY. I can assure the gentleman from New York that I do share those concerns about the facilities in his district.

Mr. MURPHY of New York. I thank my colleague, the gentleman from Massachusetts (Mr. MARKEY), and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the initial request of the gentleman from Massachusetts?

Mr. MOORHEAD of California. Mr. Speaker, reserving the right to object, and I will not object, I rise in support of the amendment in the nature of a substitute to S. 411 as passed by the Senate November 14. This amendment is the result of careful negotiations between the House and Senate and the various groups interested in the safe transportation and storage of natural gas, LPG and LNG. As a result of these careful negotiations, this amendment represents a reasonable, but yet workable, compromise.

Mr. Speaker, most of this bill is devoted to clarifying and making more workable various aspects of the Natural Gas Pipeline Safety Act which was passed in 1968. The bill also includes, however, several substantive changes in existing law. The two most important changes that this bill makes concern the coverage of LPG and LNG facilities.

Title II of the legislation before us provides that hazardous liquid pipelines would be subject to regulations patterned after those promulgated pursuant to the authority of the Natural Gas Pipeline Safety Act. This title provides that the Transportation of Explosives Act, which currently authorizes the Secretary's hazardous liquid pipeline safety program, will no longer be utilized. This should help insure that hazardous liquid pipelines, which are more dangerous in many respects than natural gas pipelines, are treated essentially the same as natural gas pipelines with respect to the enforcement of safety standards.

The second major provision of this legislation would direct the Secretary of the Department of Transportation to establish and enforce standards with respect to the siting, construction, and operation of liquified natural gas facilities. In addition, the Secretary would be required to conduct a study of the risk associated with production, transmission, and storage of liquefied natural gas, and of the method of assuring the financial responsibility of those engaged in such activities.

Mr. Speaker, liquefied natural gas is natural gas which has been reduced in temperature until it becomes a liquid. This gas will play an increasingly important role for the United States in helping meet its natural gas needs. In my home State of California, there is at least one major import terminal plant, as well as several existing peak shaving facilities. This bill, by rationalizing the conflicting nature of State and Federal regulation over LNG facilities, should help to insure that this facility and other facilities are constructed in a safe manner. In addition, by firmly establishing responsibility in the Department of Transportation for the establishment of LNG safety standards, this bill will help clarify the existing regulatory scheme which consists of a maze of State, local, and Federal regulations.

Finally, Mr. Speaker, this legislation requires the Secretary, if he finds a pipeline facility to be hazardous to life and property, to require the person operating the facility to take such steps as are necessary to remove such a hazard. In this provision the legislation requires that the Secretary adhere to procedural safeguards and that the Secretary conduct a hearing before he determines that the facility is hazardous. This provision should help assure that pipeline facilities that are unsafe are corrected in an expeditious fashion in order that the public health and safety be protected.

Although this bill is not a perfect bill, it is one which the American Gas Association and the Interstate Natural Gas Association support as a reasonable compromise. In addition, it passed the Senate unanimously. Because I believe this is a reasonable bill, I support it and urge my colleagues to vote for it on final passage.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. MOORHEAD of California. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Speaker, thank you for the opportunity to explain the contents and purposes of the Pipeline Safety Act of 1979.

Since 1968, the Department of Transportation has been overseeing the safety of natural gas pipelines throughout the United States. This program enlists the assistance of the several States in the conduct of safety inspections of over one million miles of natural gas pipelines and the implementation of a number of safety-related programs. This is done through a grant-in-aid program in which the Federal Government may match State expenditures for qualified programs. Every State but Alaska is now actively participating in this joint Federal-State program.

The purposes of this legislation include:

First. Authorizing appropriations for pipeline safety programs;

Second. Expanding and strengthening the authority of the Secretary of Transportation to study and gather information about the safety—or lack thereof—of pipeline operations and related facilities, and

Third. Extending the grant-in-aid program to cover pipelines carrying LPG—that is, propane and butane and other hazardous liquids.

As we know from the terrible tragedies which occurred last year in Waverly, Tenn., and in Spain and Mexico, LPG is extremely dangerous. Other pipelines carry such hazardous liquids as anhydrous ammonia. However, the regulations covering these very hazardous pipelines are worse than inadequate because they give the appearance but not the reality of safety. States cannot have a consistent pipeline safety program supported by matching Federal funds without this bill.

The bill, also represents the first major Federal effort at addressing the problems and hazards associated with liquefied natural gas—LNG. One LNG accident alone caused more than 130 deaths and over $100 million in property damage in Cleveland in 1944. This one catastrophe slowed the further use of this fuel nearly another 20 years. However, the General Accounting Office and administration officials now have provided the committee with data showing that LNG will become an increasingly important factor in our Nation's future energy needs—estimates range from 8 to 20 percent of our national gas consumption by 1985.

As the Cleveland incident demonstrated and as other evidence before our committee has shown, LNG is an extremely dangerous fuel requiring special care and handling. This bill would permit the establishment of safety regulations before any more of these hazardous facilities are constructed. It also provides a mechanism for insuring that all LNG facilities will be operated and maintained safely. Incorporating this within the pipeline inspection program of DOT allows the widest range of inspection, either through the existing grant-in-aid program or through direct Federal inspection. But it will be done.

Although the bill exempts existing LNG facilities from new siting and construction standards, we want to be assured those facilities will be safe. Therefore, we have required that any components or parts of an existing LNG facility which are replaced meet these new construction standards unless to do so would require retrofitting of other components or otherwise be impracticable. This means if an existing facility is replacing a storage tank, that tank must meet the new design and construction standards. However, if a small piece of pipe or a valve is replaced, it should meet all the requirements as to material composition, initial inspection and initial testing but need not meet the requirements for design and installation if other components would need to be retrofitted or if it is otherwise impracticable.

In passing this legislation, we note that new section 6(c) (2) of the Natural Gas Pipeline Safety Act will provide that "nothing in this section shall preclude the application of standards under section 3 to pipeline facilities (other than LNG facilities) associated with LNG facilities." It is clearly understood, however, that this section does not in any way limit or affect the applicability of standards issued under section 3 to existing facilities associated with LNG facilities.

The legislation represents the first major review and legislative revision of the pipeline safety program since it was enacted in 1968. It is based upon extensive hearings by the Subcommittee on Energy and Power in 1976, 1977, 1978, and 1979. During this 4-year period, subcommittee members and staff investigators spent many hours with the DOT officials responsible for administering the program. They have interviewed numerous pipeline construction and operating personnel. They have met with State officials associated with the program. Finally, the subcommittee held hearings in all of those years on the pipeline safety program. We received testimony from nearly 100 witnesses. These included gas company officials, both from interstate pipeline companies and local distribution companies, and gas producers and various industry trade associations. We heard testimony from the National Fire Prevention Association, and State and local fire chiefs and the National Association of Regulatory Commissioners. Environmental groups, such as the Environmental Policy Center and the Friends of the Earth, participated as well as various State and local officials. The General Accounting Office and the Office of Technology Assessment also appeared as experts during those hearings.

The General Accounting Office recently completed a thorough review of the Department of Transportation's Pipeline Safety program and made a number of recommendations, including more complete and effective pipeline safety regulations, strengthened State pipeline safety programs, improved compliance efforts, more effective data analyses, and increased attention to staffing requirements. This bill covers all these points. In addition, the GAO issued a report on liquefied energy gases safety. This bill provides a regulatory mechanism within the Department of Transportation for implementing the recommendations of that report.

The result is a good bill that will improve the operation of our Nation's natural gas and LPG pipelines and insure the safety of LNG facilities as more and more of them are constructed. The bill is timely. It is not unduly burdensome. Further delay could mean that additional LNG plants will be constructed before we have adequate legislation and regulations to protect the public safety.

Mr. HOWARD. Mr. Speaker, will the gentleman yield?

Mr. MOORHEAD of California. I yield to the gentleman from New Jersey.

Mr. HOWARD. Mr. Speaker, I rise in support of S. 411, the Pipeline Safety Act of 1979. The legislation is significant in two important aspects. First, it broadens and strengthens the Natural Gas Pipeline Safety Act. Second, it creates a new act, the Hazardous Liquid Pipeline Safety Act. The latter replaces the Antiquated Transportation of Explosives Act as the governing safety law for the transportation of oil and oil products and other hazardous liquids by pipeline.

This bill represents a long and ardous effort by two committees in the House to establish a new and stronger safety program for pipeline transportation. There are over 2 million miles of pipelines in this country. The legislation provides a better mechanism for the Federal Government and the States to adequately police the safe transportation of liquids and gas through these pipelines. It provides a better enforcement mechanism to require compliance with standards established by the Department of Transportation and the States, and to require compliance with orders issued by the Secretary of Transportation.

Overall, the legislation represents a substantial improvement in the regulation of all safety aspects of pipeline transportation.

I urge the House to pass S. 411.

Mr. MOORHEAD of California. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the initial request of the gentleman from Massachusetts?

There was no objection.

● Mr. JOHNSON of California. Mr. Speaker, I rise in support of S. 411, the Pipeline Safety Act of 1979.

The resolution of this legislation represents a long and cooperative working agreement between two House committees—the House Interstate and Foreign Commerce Committee and the Public Works and Transportation Committee—and the Senate Committee on Commerce, Science, and Transportation. The bill is a step forward because it provides safer transportation conditions in the transportation of gas, oil, and other hazardous liquid by pipeline. The matter has been considered for over 2 years before finally being agreed upon by all the committees involved.

Importantly the bill specifies specific safety standards for liquefied natural gas facilities. These facilities which are necessary for meeting the Nation's energy needs will now be subject to more specific, and more comprehensive safety standards. The bill also provides the Secretary of Transportation with better enforcement tools to assure compliance with the provisions of the act. Moreover, it broadens the authority of the Federal Government to assess civil and criminal penalties for violation of the act.

Finally, I believe that the overall impact of this bill, by retaining in some aspects and expanding in others the Federal-State relationship in the area of pipeline safety, will be to bring about better safety conditions in the pipeline transportation industry.

Mr. Speaker, this is a good bill; one which will offer better protection to all of our citizens. I urge the House to pass it.●

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MARKEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the amendments to the Senate bill, S. 411, just considered.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO HAVE UNTIL MIDNIGHT TOMORROW TO FILE REPORT ON H.R. 2551, AGRICULTURAL LAND PROTECTION ACT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tomorrow, Friday, November 16, 1979, to file a report on the bill, H.R. 2551, the Agricultural Land Protection Act.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will state at this time that the House will now take up the conference report on the Department of Transportation appropriation bill. Then the House will send the continuing appropriation bill to conference. It is expected that the House will adjourn by 5:30.

A FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H.J. Res. 440. Joint resolution making further continuing appropriations for the fiscal year 1980, and for other purposes.

The message also announced that the Senate insists upon its amendments to the joint resolution (H.J. Res. 440) entitled "a joint resolution making further continuing appropriations for the fiscal year 1980, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Magnuson, Mr. Stennis, Mr. Inouye, Mr. Bumpers, Mr. Bayh, Mr. Hollings, Mr. Burdick, Mr. Young, Mr. Hatfield, Mr. Stevens, Mr. Weicker, Mr. McClure, and Mr. Laxalt to be conferees on the part of the Senate.

CONFERENCE REPORT ON H.R. 4440 DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS, 1980

Mr. DUNCAN of Oregon. Mr. Speaker, I call up the conference report on the bill (H.R. 4440) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1980, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Under the rule, the conference report is considered as read.

The gentleman from Oregon (Mr. Duncan) will be recognized for 30 minutes, and the gentleman from Massachusetts (Mr. Conte) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Oregon (Mr. Duncan).

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Mr. DUNCAN of Oregon. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conference agreement would provide for total new budget authority of $9,561,312,439 for fiscal year 1980. This is $422 million less than the President's budget. It is also within the new budget authority allocations contained in the second budget resolution. In several instances we have provided funding substantially in excess of the budget estimates—specifically, for mass transit programs and for Amtrak. However, these increases are more than offset by reductions in other areas.

In addition, the conference agreement includes $9,172,751,000 in appropriations to liquidate contract authorizations. This is the same as the House-passed bill and is $115,000,000 less than the budget request.

Mr. Speaker, I believe that this conference agreement is a good one and one that the House can support. At this point, I would like to express my appreciation for the cooperation of our friends in the other body, particularly the Senator from Indiana (Mr. Bayh). I also want to thank the members of the subcommittee, especially the gentleman from Massachusetts (Mr. Conte), for their cooperation and support throughout the year.

HIGHLIGHTS OF THE CONFERENCE REPORT

For the Coast Guard, the conferees have provided a number of increases over the budget. These include $10 million for the oil pollution fund, $5.4 million for operating expenses and $1.65 million for the procurement of new equipment and the improvement of existing facilities and equipment. The additional money for the pollution fund will enable the Coast Guard to fulfill its cleanup responsibilities for oil and hazardous materials spills. In addition, more than 400 new positions have been provided to enable the Coast Guard to meet its expanding workload.

For the Federal Aviation Administration, the conference agreement would provide more than $2.5 billion in new budget authority and a $640 million limitation on airport development grants. The airport grant limitation is approximately $90 million over the President's budget. This increase will help meet the growing demand for airport improvements across the country. The conference agreement also includes an overall limitation of $650 million for the aircraft loan guarantee program. At least $150 million of that amount is to be available only for commuter airlines.

In the highway area, the conference agreement includes $55 million for the safer off-system roads program. This is $20 million less than the House bill. However, no budget request was submitted for this program. The obligation ceiling for the Federal-aid highway programs would be $8.75 billion. This is an even split between the $9 billion included in the House bill and the $8.5 billion included in the Senate bill. The conferees agreed to consider a supplemental request to increase the obligation ceiling if it becomes necessary.

There were a number of major items in conference in the rail transportation area. The conference agreement includes $381 million for the Northeast corridor improvement program instead of $481 million as proposed in the House bill. This program has experienced continuing planning, management, and cost overrun problems. The latest estimate is that more than $1 billion in new authorizations would be needed to complete the work described in the Secretary's January 1979 redirection study.

The conference agreement also includes $873.4 million for Amtrak. This is $61.1 million more than in the House bill. The total amount includes $630.4 million for operating subsidies, $20 million for State-assisted routes under section 403(b) of the Rail Passenger Service Act, and $211,000,000 for capital improvements and labor protection costs. The conferees did not include $148.1 million in advance appropriations for fiscal year 1982 capital costs as proposed in the Senate bill.

The conferees agreed to provide $100,000,000 for the preference share program to assist in the improvement and rehabilitation of railroads. This amount is the same as in the House bill but $50 million less than the Senate bill. The conferees agreed to earmark $50 million of the amount provided for coal-hauling railroads. The conferees also agreed to limit the loan guarantee under title V of the 4 R Act to $600 million, which was the amount in the House bill, rather than $700 million as proposed by the Senate.

Finally, in the rail area, the conference agreement includes $76 million for the Interstate Commerce Commission for the directed rail service program. This is $40 million more than in the House bill and will provide sufficient funds to assure that essential rail service is continued over the financially troubled railroads in the Midwest.

With respect to urban mass transportation, the conference agreement provides $1,380,000,000 for capital grants. This is $30 million less than the House bill but is $100 million above the budget request. The conferees also approved $630 million in new budget authority for formula grants. This amount is $50 million less than the House bill but is $30 million above the budget. This increase includes $15 million for the tier II program and $15 million for the tier III or commuter rail program.

Mr. Speaker, funding for the Panama Canal Commission has been reported in disagreement. After the conference report has been adopted, I intend to offer a motion to recede and concur with an amendment to Senate amendment No. 53. My motion will provide $427,262,000 for operating expenses and $36,625,000 for capital projects. This amendment, in effect, limits total appropriations for the Commission to $463,887,000, which is the estimated amount of Commission receipts as certified by the Comptroller General. I believe this motion is consistent with the Rudd amendment to the Panama Canal Act.

The conference agreement includes the language adopted by the House with respect to the implementation and enforcement of the passive restraint standard. Similarly, the House language prohibiting ConRail from making windfall employee protection payments under title V of the 3 R Act was also included in the conference agreement. This limitation will become effective March 1, 1980, instead of December 31, 1979, to give the authorization committee sufficient time to correct the inequities and the "windfall" benefits now existing under title V.

Finally, the conference agreement does not include funds for the Office of Rail Public Counsel. However, the conferees have directed the Interstate Commerce Commission to fully develop the record in all of its hearings—supplementing the record developed by the parties to the extent necessary to make decisions that are in the public interest. Similarly, the conferees did not include funding for public participation programs requested in the budget for the National Highway Traffic Safety Administration and for the Civil Aeronautics Board.

Mr. Speaker, I urge the adoption of the conference report. I insert at this point in the RECORD a table giving the conference figures in detail.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY

	New budget authority					Conference compared with			
	Enacted fiscal year 1979	Estimates fiscal year 1980	House fiscal year 1980	Senate fiscal year 1980	Conference fiscal year 1980	Fiscal year 1979 enacted	Fiscal year 1980 estimate	House bill	Senate bill
TITLE I									
DEPARTMENT OF TRANSPORTATION									
Office of the Secretary									
Salaries and expenses	$33,750,000	$35,540,000	$34,768,000	$34,768,000	$34,768,000	+$1,018,000	−$772,000		
By transfer	(63,331)					(−63,331)			
Transportation planning, research, and development	12,450,000	11,530,000	9,075,000	9,075,000	9,075,000	−3,375,000	−2,455,000		
Limitation on working capital fund	(54,069,000)	(64,383,000)	(64,383,000)	(64,383,000)	(64,383,000)	(+10,314,000)			
Total, Office of the Secretary	46,200,000	47,070,000	43,843,000	43,843,000	43,843,000	−2,357,000	−3,227,000		
Coast Guard									
Operating expenses	987,988,000	1,037,175,000	1,042,585,000	1,042,585,000	1,042,585,000	+54,597,000	$+5,410,000		
Appropriation for debt reduction	−214,904	−224,218	−224,218	−224,218	−224,218	−9,314			
Total, operating expenses	987,773,096	1,036,950,782	1,042,360,782	1,042,360,782	1,042,360,782	+54,587,686	+5,410,000		
Acquisition, construction, and improvements	283,117,000	284,361,000	286,011,000	290,161,000	286,011,000	+2,894,000	+1,650,000		−$4,150,000
By transfer	(3,500,000)					(−3,500,000)			
Alteration of bridges	14,900,000	14,900,000	6,900,000	14,900,000	7,650,000	−7,250,000	−7,250,000	+$750,000	−7,250,000
Retired pay	177,500,000	198,500,000	198,500,000	198,500,000	198,500,000	+21,000,000			
Reserve training	40,600,000	41,255,000	41,255,000	41,255,000	41,255,000	+655,000			
Research, development, test, and evaluation	20,000,000	21,825,000	22,000,000	22,000,000	22,000,000	+2,000,000	+175,000		
State boating safety assistance	5,000,000					−5,000,000			
Offshore oil pollution compensation fund:									
Appropriation	5,000,000	12,000,000	12,000,000	12,000,000	12,000,000	+7,000,000			
Authority to borrow	3,000,000	2,000,000	2,000,000	2,000,000	2,000,000	−1,000,000			
Pollution fund	13,000,000			10,000,000	10,000,000	−3,000,000	+10,000,000	+10,000,000	
Total, Coast Guard	1,549,890,096	1,611,791,782	1,611,026,782	1,633,176,782	1,621,776,782	+71,886,686	+9,985,000	+10,750,000	−11,400,000
Federal Aviation Administration									
Operations	2,035,400,000	2,097,116,000	2,085,520,000	2,086,770,000	2,085,520,000	+50,120,000	−11,596,000		−1,250,000
By transfer	(5,000,000)		(5,000,000)	(5,000,000)	(5,000,000)		(+5,000,000)		
Facilities, engineering, and development	18,370,000	20,636,000	20,500,000	20,500,000	20,500,000	+2,130,000	−136,000		
By transfer	(145,000)					(−145,000)			
Facilities and equipment (airport and airway trust fund)	290,997,000	250,000,000	247,800,000	250,000,000	250,000,000	−40,997,000		+2,200,000	
Reappropriation	54,363,000	44,500,000	43,000,000	43,000,000	43,000,000	−11,363,000	−1,500,000		
Research, engineering, and development (airport and airway trust fund)	75,100,000	75,100,000	75,000,000	75,000,000	75,000,000	−100,000	−100,000		
Grants-in-aid for airports (airport and airway trust fund):									
Planning grants	15,000,000	10,000,000	10,000,000	10,000,000	10,000,000	−5,000,000			

	New budget authority					Conference compared with			
	Enacted fiscal year 1979	Estimates fiscal year 1980	House fiscal year 1980	Senate fiscal year 1980	Conference fiscal year 1980	Fiscal year 1979 enacted	Fiscal year 1980 estimate	House bill	Senate bill
Development grants (appropriation to liquidate contract authorization)	(550, 000, 000)	(610, 000, 000)	(610, 000, 000)	(610, 000, 000)	(610, 000, 000)	(+60, 000, 000)			
Operation and maintenance, Metropolitan Washington airports	24, 488, 000	25, 465, 000	25, 465, 000	25, 465, 000	25, 465, 000	+977, 000			
Construction, Metropolitan Washington airports	5, 000, 000	7, 985, 000	6, 785, 000	6, 785, 000	6, 785, 000	+1, 785, 000	−1, 200, 000		
Total, Federal Aviation Administration	2, 518, 718, 000	2, 530, 802, 000	2, 514, 070, 000	2, 517, 520, 000	2, 516, 270, 000	−2, 448, 000	−14, 532, 000	+2, 200, 000	−1, 250, 000
Federal Highway Administration									
Limitation on general operating expenses	(173, 850, 000)	(193, 031, 000)	(188, 200, 000)	(189, 000, 000)	(188, 600, 000)	(+14, 750, 000)	(−4, 431, 000)	(+400, 000)	(−400, 000)
Motor carrier safety	12, 571, 000	13, 738, 000	13, 700, 000	13, 700, 000	13, 700, 000	+1, 129, 000	−38, 000		
Highway safety research and development	9, 000, 000	9, 500, 000	9, 500, 000	9, 500, 000	9, 500, 000	+500, 000			
Highway beautification:									
Appropriation	13, 135, 000		8, 500, 000	8, 500, 000	8, 500, 000	−4, 635, 000	+8, 500, 000)		
Appropriation to liquidate contract authorization	(18, 000, 000)	(25, 283, 000)	(25, 283, 000)	(25, 283, 000)	(25, 283, 000)	(+7, 283, 000)			
Highway-related safety grants (trust fund—appropriation to liquidate contract authorization)	(23, 000, 000)	(26, 500, 000)	(26, 500, 000)	(26, 500, 000)	(26, 500, 000)	(+3, 500, 000)			
Railroad-highway crossings demonstration projects	40, 000, 000		20, 000, 000	20, 000, 000	20, 000, 000	−20, 000, 000	+20, 000, 000		
Off-system railway-highway crossings	15, 000, 000					−15, 000, 000			
Territorial highways:									
Appropriation	6, 600, 000	6, 600, 000	6, 600, 000	6, 600, 000	6, 600, 000				
Appropriation to liquidate contract authorization	(5, 500, 000)	(4, 168, 000)	(4, 168, 000)	(4, 168, 000)	(4, 168, 000)	(−1, 332, 000)			
Off-system roads (appropriation to liquidate contract authorization)	(62, 500, 000)	(10, 000, 000)	(10, 000, 000)	(10, 000, 000)	(10, 000, 000)	(−52, 500, 000)			
Safer off-system roads	15, 000, 000		75, 000, 000	35, 000, 000	55, 000, 000	+40, 000, 000	+55, 000, 000	−20, 000, 000	+20, 000, 000
National Scenic and Recreational Highway:									
Appropriation			2, 000, 000					−2, 000, 000	
Appropriation to liquidate contract authorization	(19, 000, 000)	(40, 800, 000)	(25, 800, 000)	(25, 800, 000)	(25, 800, 000)	(+6, 800, 000)	(−15, 000, 000)		
Access highways to public recreation areas on certain lakes	7, 900, 000		2, 000, 000	9, 650, 000	9, 650, 000	+1, 750, 000	+9, 650, 000	+7, 650, 000	
Federal-aid highways (trust fund-appropriation to liquidate contract authorization)	(6, 950, 000, 000)	(6, 900, 000, 000)	(6, 800, 000, 000)	(6, 800, 000, 000)	(6, 800, 000, 000)	(−100, 000, 000)	(−100, 000, 000)		
Highways crossing Federal projects	16, 000, 000	14, 000, 000	14, 000, 000	14, 000, 000	14, 000, 000	−2, 000, 000			
Carpool and vanpool projects			4, 000, 000	4, 000, 000	4, 000, 000	+4, 000, 000	+4, 000, 000		
Bicycle program			4, 000, 000	4, 000, 000	4, 000, 000	+4, 000, 000	+4, 000, 000		
Overseas Highway	87, 100, 000					−87, 100, 000			
Project acceleration demonstration program	10, 000, 000					−10, 000, 000			
Sandhill Crane Wildlife Refuge	4, 000, 000					−4, 000, 000			
Alaska Highway	15, 000, 000			5, 000, 000	2, 500, 000	−12, 500, 000	+2, 500, 000	+2, 500, 000	−2, 500, 000
Total, Federal Highway Administration	251, 306, 000	43, 838, 000	159, 300, 000	129, 950, 000	147, 450, 000	−103, 856, 000	+103, 612, 000	−11, 850, 000	+17, 500, 000
National Highway Traffic Safety Administration									
Traffic and highway safety	400, 000					−400, 000			
Operations and research	81, 620, 000	85, 169, 000	80, 286, 000	86, 170, 000	83, 228, 000	+1, 608, 000	−1, 941, 000	+2, 942, 000	−2, 942, 000
National maximum speed limit enforcement			20, 000, 000	20, 000, 000	20, 000, 000	+20, 000, 000	+20, 000, 000		
State and community highway safety:									
Appropriation	1, 715, 000	2, 297, 000	2, 297, 000	2, 297, 000	2, 297, 000	+582, 000			
Appropriation to liquidate contract authorization	(166, 000, 000)	(171, 000, 000)	(171, 000, 000)	(171, 000, 000)	(171, 000, 000)	(+5, 000, 000)			
Total, National Highway Traffic Safety Administration	83, 735, 000	87, 466, 000	102, 583, 000	108, 467, 000	105, 525, 000	+21, 790, 000	+18, 059, 000	+2, 942, 000	−2, 942 000
Federal Railroad Administration									
Office of the Administrator	8, 580, 000	7, 705, 000	7, 523, 000	7, 523, 000	7, 523, 000	−1, 057, 000	−182, 000		
Railroad safety	24, 155, 000	25, 940, 000	28, 000, 000	28, 000, 000	28, 000, 000	+3, 845, 000	+2, 060, 000		
Railroad research and development	51, 980, 000	56, 255, 000	54, 750, 000	56, 750, 000	54, 750, 000	+2, 770, 000	−1, 505, 000		−2, 000, 000
Rail service assistance	84, 370, 000	335, 210, 000	92, 198, 000	102, 198, 000	97, 198, 000	+12, 828, 000	−238, 012, 000	+5, 000, 000	−5, 000, 000
Northeast corridor improvement program	490, 000, 000	481, 000, 000	481, 000, 000	381, 000, 000	381, 000, 000	−109, 000, 000	−100, 000, 000	−100, 000, 000	
Grants to National Railroad Passenger Corporation	779, 000, 000	850, 000, 000	812, 300, 000	899, 700, 000	873, 400, 000	+94, 400, 000	+23, 400, 000	+61, 100, 000	−26, 300, 000
Fiscal year 1982				148, 100, 000					−148, 100, 000
Payments to the Alaska railroad revolving fund	9, 300, 000	5, 000, 000	2, 000, 000	6, 500, 000	6, 500, 000	−2, 800, 000	+1, 500, 000	+4, 500, 000	
Railroad rehabilitation and improvement financing funds	170, 000, 000		100, 000, 000	150, 000, 000	100, 000, 000	−70, 000, 000	+100, 000, 000		−50, 000, 000
Federal Railroad Administration (limitation on loan guarantee program)	(600, 000, 000)	(600, 000, 000)	(600, 000, 000)	(700, 000, 000)	(600, 000, 000)				(−100, 000, 000)
Total, Federal Railroad Administration	1, 617, 385, 000	1, 761, 110, 000	1, 577, 771, 000	1, 779, 771, 000	1, 548, 371, 000	−69, 014, 000	−212, 739, 000	−29, 400, 000	−231, 400, 000
Fiscal year 1980	(1, 617, 385, 000)	(1, 761, 110, 000)	(1, 577, 771, 000)	(1, 631, 671, 000)	(1, 548, 371, 000)	(−69, 014, 000)	(−212, 739, 000)	(−29, 400, 000)	(−83, 300, 000)
Fiscal year 1982				(148, 100, 000)					(−148, 100, 000)
Urban Mass Transportation Administration									
Administrative expenses	18, 100, 000	20, 960, 000	19, 260, 000	19, 760, 000	19, 260, 000	+1, 160, 000	−1, 700, 000		−500, 000
Research, development, and demonstrations and university research and training	63, 500, 000	66, 600, 000	63, 500, 000	71, 600, 000	69, 300, 000	+5, 800, 000	+2, 700, 000	+5, 800, 000	−2, 300, 000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

	New budget authority					Conference compared with			
	Enacted fiscal year 1979	Estimates fiscal year 1980	House fiscal year 1980	Senate fiscal year 1980	Conference fiscal year 1980	Fiscal year 1979 enacted	Fiscal year 1980 estimate	House bill	Senate bill
Urban discretionary grants:									
Fiscal year 1980	$1,250,000,000	$1,278,800,000	$1,400,075,000	$1,340,075,000	$1,370,075,000	+$120,075,000	+$91,275,000	−$30,000,000	+$30,000,000
By transfer			(9,925,000)	(9,925,000)	(9,925,000)	(+9,925,000)	(+9,925,000)		
Fiscal year 1981		(1,350,000,000)					(−1,350,000,000)		
Rural and small urban grants	76,500,000	75,000,000	85,000,000	85,000,000	85,000,000	+8,500,000	+10,000,000		
Urban formula grants	553,500,000	600,000,000	680,000,000	615,000,000	630,000,000	+76,500,000	+30,000,000	−50,000,000	+15,000,000
Appropriation to liquidate contract authorization	(1,850,000,000)	(1,500,000,000)	(1,500,000,000)	(1,500,000,000)	(1,500,000,000)	(−350,000,000)			
Waterborne Transportation Demonstration Project	5,000,000		10,000,000		10,000,000	+5,000,000	+10,000,000		+10,000,000
Interstate transfer grants:									
Fiscal year 1980	400,000,000	380,000,000	700,000,000	700,000,000	700,000,000	+300,000,000	+320,000,000		
Rescision of contract authority			−713,100,000	−713,100,000	−713,100,000	−713,100,000	−713,100,000		
Fiscal year 1981			425,000,000					−425,000,000	
Total, Urban Mass Transportation Administration	2,366,600,000	2,421,360,000	2,669,735,000	2,118,335,000	2,170,535,000	−196,065,000	−250,825,000	−499,200,000	+52,200,000
Fiscal year 1980	(2,366,600,000)	(2,421,360,000)	(2,244,735,000)	(2,118,335,000)	(2,170,535,000)	(−196,065,000)	(−250,065,000)	(−74,200,000)	(+52,200,000)
Fiscal year 1981			(425,000,000)					(−425,000,000)	
St. Lawrence Seaway Development Corporation									
Limitation on administrative expenses	(1,312,000)	(1,372,000)	(1,372,000)	(1,372,000)	(1,372,000)	(+60,000)			
Research and Special Programs Administration									
Research and special programs	24,760,000	26,419,000	24,396,000	27,296,000	25,846,000	+1,086,000	−573,000	+1,450,000	−1,450,000
Office of Inspector General									
Salaries and expenses				700,000	700,000	+700,000	+700,000	+700,000	
By transfer		(11,493,000)		(11,493,000)	(11,493,000)	(+11,493,000)		(+11,493,000)	
Total, title I, Department of Transportation:									
New budget (obligational) authority	8,458,594,096	8,529,856,782	8,702,724,782	8,359,058,782	8,180,316,782	−278,277,314	−349,540,000	−522,408,000	−178,742,000
Appropriations:									
Fiscal year 1980	(8,404,231,096)	(8,485,356,782)	(8,234,724,782)	(8,167,958,782)	(8,137,316,782)	(−266,914,314)	(−348,040,000)	(−97,408,000)	(−30,642,000)
Fiscal year 1981			(425,000,000)					(−425,000,000)	
Fiscal year 1982				(148,100,000)					(−148,100,000)
Reappropriations, by transfer	(54,363,000)	(44,500,000)	(43,000,000)	(43,000,000)	(43,000,000)	(−11,363,000)	(−1,500,000)		
By transfer	(8,645,000)	(11,493,000)	(14,925,000)	(26,418,000)	(26,418,000)	(+17,773,000)	(+14,925,000)	(+11,493,000)	
Limitations	(175,162,000)	(194,403,000)	(189,572,000)	(190,372,000)	(189,972,000)	(+14,810,000)	(−4,431,000)	(+400,000)	(−400,000)
Limitations on obligations and commitments	(600,000,000)	(600,000,000)	(600,000,000)	(700,000,000)	(600,000,000)				(−100,000,000)
Limitation on working capital fund	(54,069,000)	(64,383,000)	(64,383,000)	(64,383,000)	(64,383,000)	(+10,314,000)			
Appropriations to liquidate contract authorizations	(9,644,000,000)	(9,287,751,000)	(9,172,751,000)	(9,172,751,000)	(9,172,751,000)	(−471,249,000)	(−115,000,000)		
Appropriations for debt reduction	(214,904)	(224,218)	(224,218)	(224,218)	(224,218)	(+9,314)			
TITLE II									
RELATED AGENCIES									
National Transportation Safety Board									
Salaries and expenses	16,080,000	16,730,000	16,730,000	16,835,000	16,782,500	+702,500	+52,500	+52,500	−52,500
Civil Aeronautics Board									
Salaries and expenses	27,694,000	28,437,000	28,287,000	28,287,000	28,287,000	+593,000	−150,000		
Payments to air carriers	72,900,000	76,100,000	76,100,000	76,100,000	76,100,000	+3,200,000			
Total, Civil Aeronautics Board	100,594,000	104,537,000	104,387,000	104,387,000	104,387,000	+3,793,000	−150,000		
Interstate Commerce Commission									
Salaries and expenses	72,875,000	81,095,000	76,099,000	78,599,000	76,699,000	+3,824,000	−4,396,000	+600,000	−1,900,000
Payments for directed rail service		100,000,000	36,000,000	100,000,000	76,000,000	+76,000,000	−24,000,000	+40,000,000	−24,000,000
Total, Interstate Commerce Commission	72,875,000	181,095,000	112,099,000	178,599,000	152,699,000	+79,824,000	−28,396,000	+40,600,000	−25,900,000
The Panama Canal									
Canal Zone Government:									
Operating expenses	79,982,000					−79,982,000			
By transfer	(186,000)					(−186,000)			
Capital outlay	1,035,000					−1,035,000			
Panama Canal Company (limitation on general and administrative expenses)	(30,212,000)					(−30,212,000)			
Panama Canal Commission:									
Operating expenses		431,008,000	254,529,000	431,008,000	427,262,000	+427,262,000	−3,746,000	+172,733,000	−3,746,000
Capital outlay		40,419,000	25,059,000	40,419,000	36,625,000	+36,625,000	−3,794,000	+11,566,000	−3,794,000
Emergency Fund		40,000,000		40,000,000			−40,000,000		−40,000,000
Total, the Panama Canal	81,017,000	511,427,000	279,588,000	511,427,000	463,887,000	+382,870,000	−47,540,000	+184,299,000	−47,540,000
Department of the Treasury									
Office of the Secretary (investment in fund anticipation notes)	(170,000,000)		(100,000,000)	(150,000,000)	(100,000,000)	(−70,000,000)	(+100,000,000)		(−50,000,000)
U.S. Railway Association									
Administrative expenses	27,200,000	23,900,000	23,900,000	23,900,000	23,900,000	−3,300,000			
Payments for purchase of ConRail securities	539,000,000	550,000,000	550,000,000	550,000,000	550,000,000	+11,000,000			
Total, U.S. Railway Association	566,200,000	573,900,000	573,900,000	573,900,000	573,900,000	+7,700,000			

	New budget authority					Conference compared with			
	Enacted fiscal year 1979	Estimates fiscal year 1980	House fiscal year 1980	Senate fiscal year 1980	Conference fiscal year 1980	Fiscal year 1979 enacted	Fiscal year1980 estimate	House bill	Senate bill
Washington Metropolitan Area, Transit Authority									
Interest payments	61, 343, 000	65, 774, 000	51, 587, 000	65, 774, 000	65, 774, 000	+4, 431, 000		+14, 187, 000	
By transfer			(14, 187, 000)					(−14, 187, 000)	
National Alcohol Fuels Commission									
Salaries and expenses	1, 500, 000			1, 500, 000	1, 500, 000		+1, 500, 000	+1, 500, 000	
National Transportation Policy Study Commission									
Salaries and expenses				66, 157	66, 157	+66, 157	+66, 157	+66, 157	
Total, title II, related agencies:									
New budget (obligational) authority	899, 609, 000	1, 453, 463, 000	1, 138, 291, 000	1, 452, 488, 157	1, 378, 995, 657	+479, 386, 657	−74, 467, 343	+240, 704, 657	−73, 492, 500
Limitations	(30, 212, 000)					(−30, 212, 000)			
TITLE III									
GENERAL PROVISIONS									
Coast Guard: Offshore oil pollution compensation fund (limitation on obligations)	(60, 000, 000)	(60, 000, 000)	(60, 000, 000)	(60, 000, 000)	(60, 000, 000)				
Federal Aviation Administration:									
Discretionary general aviation grants-in-aid for airport development (limitation on obligations)	(35, 990, 000)					(−35, 990, 000)			
All other grants-in-aid for airport development (limitation on obligations)	(593, 150, 000)	(550, 000, 000)	(620, 000, 000)	(640, 000, 000)	(640, 000, 000)	(+46, 850, 000)	(+90, 000, 000)	(+20, 000, 000)	
Loan guarantee program (limitation on loan guarantees)	(100, 000, 000)	(100, 000, 000)	(500, 000, 000)	(800, 000, 000)	(650, 000, 000)	(+550, 000, 000)	(+550, 000, 000)	(+150, 000, 000)	(−150, 000, 000)
Federal Highway Administration:									
Highway related safety grants (limitation on obligations)	(28, 000, 000)	(28, 000, 000)	(28, 000, 000)	(28, 000, 000)	(28, 000, 000)				
Federal Aid Highways				2, 000, 000	2, 000, 000	+2, 000, 000	+2, 000, 000	+2, 000, 000	
Federal-aid highways (limitation on obligations)	(7, 950, 000, 000)	(8, 500, 000, 000)	(9, 000, 000, 000)	(8, 500, 000, 000)	(8, 750, 000, 000)	(+800, 000, 000)	(+250, 000, 000)	(−250, 000, 000)	(+250, 000, 000)
Great River Road (limitation on obligations)		(37, 500, 000)	(37, 500, 000)	(37, 500, 000)	(37, 500, 000)	(+37, 500, 000)			
National Highway Traffic Safety Administration: State and community highway safety (limitation on obligations)	(172, 000, 000)	(175, 000, 000)	(175, 000, 000)	(175, 000, 000)	(175, 000, 000)	(+3, 000, 000)			
Urban Mass Transportation Administration:									
Urban Mass transportation fund (limitation on commitments)	(850, 000, 000)					(−850, 000, 000)			
Interstate Substitutions (limitation on obligations)		(320, 000, 000)					(−320, 000, 000)		
Total title III general provisions	(9, 789, 140, 000)	(9, 770, 500, 000)	(10, 420, 500, 000)	(10, 240, 500, 000)	(10, 340, 500, 000)	(+551, 360, 000)	(+570, 000, 000)	(−80, 000, 000)	(+100, 000, 000
New budget (obligational) authority				2, 000, 000	2, 000, 000	+2, 000, 000	+2, 000, 000	+2, 000, 000	
RECAPITULATION									
Grand total, titles I, II, and III:									
New budget (obligational) authority	9, 358, 203, 096	9, 983, 319, 782	9, 841, 015, 782	9, 813, 546, 939	9, 561, 312, 439	+203, 109, 343	−422, 007, 343	−279, 703, 343	−252, 234, 500
Appropriations:									
Fiscal year 1980	(9, 303, 840, 096)	(9, 938, 819, 782)	(9, 373, 015, 782)	(9, 622, 446, 939)	(9, 518, 312, 439)	(+214, 472, 343)	(−420, 507, 343)	(+145, 296, 657)	(−104, 134, 500)
Fiscal year 1981			(425, 000, 000)					(−425, 000, 000)	
Fiscal year 1982				(148, 100, 000)					(−148, 100, 000)
Reappropriations, by transfer	(54, 363, 000)	(44, 500, 000)	(43, 000, 000)	(43, 000, 000)	(43, 000, 000)	(−11, 363, 000)	(−1, 500, 000)		
By transfer	(8, 645, 000)	(11, 493, 000)	(29, 112, 000)	(26, 418, 000)	(26, 418, 000)	(+17, 773, 000)	(+14, 925, 000)	(−2, 694, 000)	
Limitations	(205, 374, 000)	(194, 403, 000)	(189, 572, 000)	(190, 372, 000)	(189, 972, 000)	(−15, 402, 000)	(−4, 431, 000)	(+400, 000)	(−400, 000)
Limitations on obligations and commitments	(10, 389, 140, 000)	(10, 370, 500, 000)	(11, 020, 500, 000)	(10, 940, 500, 000)	(10, 940, 500, 000)	(+551, 360, 000)	(+570, 000, 000)	(−80, 000, 000)	
Limitation on working capital fund	(54, 069, 000)	(64, 383, 000)	(64, 383, 000)	(64, 383, 000)	(64, 383, 000)	(+10, 314, 000)			
Memoranda:									
Appropriations to liquidate contract authorizations	(9, 644, 000, 000)	(9, 287, 751, 000)	(9, 172, 751, 000)	(9, 172, 751, 000)	(9, 172, 751, 000)	(−147, 249, 000)	(−115, 000, 000)		
Appropriations for debt reduction	(214, 904)	(224, 218)	(224, 218)	(224, 218)	(224, 218)	(+9, 314)			
Total, appropriations including appropriations to liquidate contract authorization and appropriations for debt reduction	(19, 002, 418, 000)	(19, 271, 295, 000)	(19, 013, 991, 000)	(18, 986, 522, 157)	(18, 734, 287, 657)	(−268, 130, 343)	(−537, 007, 343)	(−279, 703, 343)	(−252, 234, 500)

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Mr. BENJAMIN. Mr. Speaker, will the gentleman yield?

Mr. DUNCAN of Oregon. I yield to the gentleman from Indiana.

Mr. BENJAMIN. Mr. Speaker, I rise to commend the gentleman from Oregon on his meticulous preparation and development of this comprehensive bill. It has been a pleasure to serve on the Transportation Subcommittee.

I also take this time to inquire if I am correct in understanding that the $600,000 provided to the ICC in H.R. 4440 is to assist the Commission to follow its legislated responsibility to act in the public interest and develop its record to that end.

Mr. DUNCAN of Oregon. The gentleman is substantially correct. We appropriated, as I recall, a total of $76,699,000 to the ICC. That is the total appropriation. We added $600,000 in conference.

As the gentleman knows, the committee opposed the inclusion of funding for the Office of Rail Public Counsel because of the strong conviction that the purpose fulfilled is the one which the ICC should have been performing all along.

Members will recall that the authorization for this office was defeated when it came to the floor as a separate bill last year. The conference felt it was incumbent on us to insure that the ICC abide by its statutory mandate rather than creating new levels of bureaucracy to perform the job that the ICC is supposed to do.

Mr. BENJAMIN. The conference report directs the ICC to "fully develop the record in all of its hearings—supplementing the record developed by the parties to the extent it deems necessary to make decisions that are in the public interest. The conferees are especially concerned that the record in rail abandonment proceedings reflect the interests of affected communities and users and that field hearings be held if required."

I would understand that to include the holdings of field hearings as required to assure that impacted communities and users are heard.

Mr. DUNCAN of Oregon. I agree with the gentleman's assessment of the language.

Mr. DASCHLE. Mr. Speaker, will the gentleman yield?

Mr. DUNCAN of Oregon. I yield to the gentleman from South Dakota.

Mr. DASCHLE. Mr. Speaker, one of the functions of the Office of Rail Public Counsel which I feel is very important is the outreach work they have performed. It is absolutely essential that field hearings be held on rail abandonment cases, but it is also important that shippers and other effected parties be informed as to the nature and procedures of the court and ICC hearings, be aware of what information is needed for testimony and how to obtain that information. The Office of Rail Public Counsel has provided a public education function and has helped in the gathering and actual presentation of testimony. It must be kept in mind that these citizens are pitted against railroad attorneys and so are at an unfair advantage unless they have some professional help. I know, in fact, that many shippers would probably not appear in court or at hearings without this representation.

Does the gentleman envision that the ICC will perform the same outreach activities I just described as having previously been carried out by the Office of Rail Public Counsel?

Mr. DUNCAN of Oregon. I do not know if it is going to be the same. If the gentleman had sat in our committee and heard the testimony, he would hope that it would be much better than has been performed by the Office of Rail Public Counsel. The testimony which we heard about this office was not such as to engender the confidence that the gentleman obviously has in them, but the committee intends that the ICC as part of its responsibility for the public interest, help both in the gathering and in the presentation of testimony as well as to continue field hearings.

If the gentleman would like I would be glad to supply him with the reference in which the Office of Rail Public Counsel is instructed to help railroad counsel. So these same, highly skilled railroad counsel that the gentleman is so concerned about are apt to be the beneficiaries of this office if we are not careful.

Mr. DASCHLE. If we look in history, though, I think we will find that has not been true.

I thank the gentleman.

Mr. BENJAMIN. Mr. Speaker, will the gentleman yield?

Mr. DUNCAN of Oregon. I yield to the gentleman from Indiana.

Mr. BENJAMIN. Mr. Speaker, if the $600,000 proves to be inadequate to perform the directed activities, is the ICC allowed to reprogram other moneys to meet their obligation?

Mr. DUNCAN of Oregon. As the gentleman knows, any agency can request reprograming and the committee will consider the request.

Mr. BENJAMIN. I thank the gentleman.

Mr. HOWARD. Mr. Speaker, will the gentleman yield?

Mr. DUNCAN of Oregon. I yield to the gentleman from New Jersey.

Mr. HOWARD. I thank the gentleman for yielding.

I would first like to state I would like to express my gratitude for the wonderful job the gentleman from Oregon (Mr. DUNCAN) has done in handling the bill and this conference. I do not know of any time when transportation legislation was so involved both in highways and mass transportation, in energy-efficient transportation as has been the legislation this year.

I think the gentleman came up with a bill fraught with many difficult decisions that had to be made by him, and I think his committee members have done a marvelous job. I think they did a wonderful job in conference. I certainly support this bill and wish to commend the gentleman for it.

Mr. DUNCAN of Oregon. I thank the gentleman.

In view of his noted advocacy of highway and transit programs, the gentleman's statements, however, make me a little apprehensive that we have overdone it.

Mr. HOWARD. The gentleman has done just perfectly. Having said that, I would like to ask the gentleman a question concerning my district.

There was in the Senate bill, in the report of the Senate bill, in discussing needed funds for transit programs and packages several areas that were mentioned, as was the State of New Jersey, to the tune of about $15 million. This was not in the House bill and was not in the House report and not in any report at this time.

I would just like to ask the gentleman for my own assurance that the fact that that is not in any report at the present time is in no way repudiation of the statement made by this other body in their report.

Mr. DUNCAN of Oregon. I would tell the gentleman that the conference made an effort to resolve any cases of conflicting instructions contained in the respective committee reports. Where there was no conflict or where we have not acted, we will leave the language of the Senate report to stand for whatever value it is worth.

Mr. HOWARD. I thank the gentleman very much.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. DUNCAN of Oregon. I yield 30 seconds to the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Speaker, 30 seconds is not enough time to applaud the labors of the distinguished——

Mr. DUNCAN of Oregon. Mr. Speaker, I will yield the gentleman from Michigan 2 minutes.

Mr. DINGELL. I want to commend the gentleman for the outstanding job he has done on this matter and particularly on the matter which was of great concern and the fine way in which he upheld the intentions of the House with regard to the amendment offered by me and the gentleman from North Carolina (Mr. BROYHILL).

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I want to commend the gentleman particularly for the language in the report at page 9 dealing with that amendment which requires and urges the National Highway Transportation Safety Agency to commence a vigorous program of more testing of airbags and of passive restraints, something which I think is badly needed and something which was found to be needed by the General Accounting Office in the audit which they performed on this matter. I am sure the gentleman is keenly aware of the fact that that is necessary.

I am particularly pleased that the gentleman has indicated in the language that the conferees expect that all tests will be fairly conducted, evaluated, and be open and available to the Congress, something which has not heretofore been done by the National Highway Transportation Safety Agency, which has tried to suppress the output and information from tests and which has engaged in a rather slovenly testing program. So the gentleman has served the interest of the House and the public as well, and I commend him and I thank him.

Mr. DUNCAN of Oregon. Has the gentleman had enough time?

Mr. DINGELL. I have had enough time.

Mr. DUNCAN of Oregon. I thank the gentleman for his remarks. I think the conferees on this bill, as I think is the case on conference committees on which the gentleman from Michigan (Mr. DINGELL) serves, felt that it was our obligation to uphold the position of the House and to act as advocates for the House's position whether we personally agreed with it or not. That is what we tried to do, and in this particular instance we were most concerned that the gentleman from Michigan should be pleased with the ultimate result.

Mr. DINGELL. The gentleman from Michigan is pleased and commends the gentleman again.

Mr. CONTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I speak to my colleagues today in support of the conference report, and would like to thank the distinguished chairman, Mr. DUNCAN, and other members of the subcommittee for their continuing diligence in reaching a satisfactory compromise with the Senate.

Mr. Speaker, the conference agreement would provide for total new budget authority of $9,561,312,439 for fiscal year 1980. This is $422,007,343 below the administration's budget. It also represents an increase of $145 million over the House-passed bill and a decrease of $104 million below the Senate. In several instances we have included funding in excess of the budget estimates in an attempt to provide for substantial increases in ridership for mass transit in the wake of the energy crisis. This reflects changing congressional attitudes about transportation priorities and recognition of the need to decrease fuel consumption in this country.

In addition, the conference agreement includes $9,171,751,000 in appropriations to liquidate contract authorizations. This is the same as both the House- and Senate-passed bills.

Mr. Speaker, I believe this conference agreement is a good one. It reflects very carefully reached compromises, which quite sensibly balance our Nation's delicate infrastructure with respect to transportation needs. I believe this conference report is supportable, and I urge my colleagues to concur with the Appropriation's Committee recommendation.

HIGHLIGHTS OF THE CONFERENCE REPORT

As I indicated, the conference agreement is more than $400 million below the President's budget and it is nearly $145 million more than when the bill left the House.

For the Coast Guard, the conferees have provided a number of increases over the budget. These include over $5.4 million for operating expenses and $1.6 million for the procurement of new equipment and the improvement of existing facilities and equipment. No funds have been provided for expenses incurred in connection with shipping commissioners. These positions are no longer needed because maritime management and labor union concerns for the seagoing employee have supplanted the need for further Coast Guard representation in this area.

For the Federal Aviation Administration, the conference agreement would provide $2.5 billion in new budget authority and $640 billion in limitations on grants-in-aid for airports. In addition, a $650 million limitation has been placed on guarantees of private aircraft loans, of which $150 million is earmarked for commuter carriers.

In the highway area, there are a number of changes from the House passed bill. The major increases include $7.6 million for access highways to public recreation areas on certain lakes and $2.5 million for the continued construction of the Alaska highway. The obligational ceiling on the Federal-aid highway programs would be $8.75 billion, which is an even split between the $9 billion included in the House bill and the $8.5 billion included in the Senate passed bill.

In the rail transportation area one of the major items in conference involved funding for railroad rehabiltation and improvements. For this program the House had approved $100 million, but the Senate increased this to $150 million. The conference agreement includes a total of $100 million. We believe this to be adequate, as information which the committee has received from FRA indicates that there are unobligated balances available to FRA for this program. However, the conferees did agree to earmark $50 million of the fiscal year 1980 appropriations for the rehabilitation of coal-carrying railroads.

For Amtrak, the Senate bill provides for an appropriation of $899 million for the expenses associated with capital and operating, as opposed to an allowance of $812 million as provided by the House. The conferees agreed upon the higher level based upon a budget amendment which the Senate considered which was not available to the House.

For the Northeast corridor improvement project, the conferees agreed upon the Senate figure of $381 million, which represents a decrease of $100 million below the House-passed figure. I reluctantly supported the compromise agreement in light of the management problems and cost overruns which the project has experienced since its inception. In this regard we anxiously await the passage of the NECIP authorization bill and hope that many of these problems will be solved.

With respect to urban mass transit, the major items in conference involved funding for urban discretionary grants and urban formula grants. The conference agreement provides $1.38 billion for urban discretionary grants which is an even split between the House- and Senate-passed levels. For urban formula grants the conferees agreed upon a figure of $630 million, which is an increase of $15 million over the Senate and a decrease of $50 million below the House.

Mr. Speaker, the most troublesome area for the conferees was the emergency fund appropriation for the Panama Canal. The bill as it passed the House provided approximately $280 million for operating expenses and capital outlay for the Panama Canal. This amount provided funding for a 6-month period despite the fact that the administration failed to submit a budget request for this item.

The Senate, having received a budget request for this item by the time it marked up the bill, provided $511,427,000 for a full year's operations. The conferees in their deliberations were able to reach agreement as to an appropriation of $463,887,000 for the Panama Canal. The discrepancy between the two figures is in large part due to an attempt on the part of the Senate to provide the Panama Canal Commission with a $40 million emergency fund, which was authorized by Public Law 96–70. The disagreement between the House and Senate Conferees is not whether or not there should be an emergency fund, but rather whether or not the initial appropriation should come from the General Treasury or from projected revenues. In essence, the issue boils down to whether Public Law 96–70 allows an appropriation in excess of $463,887,000, which is the amount of tolls to be recovered as determined by the Comptroller General

Mr. Speaker, section 1302 of the Panama Canal implementing legislation as construed by the House conferees specifically prohibits Panama Canal appropriations from exceeding the canal's estimated revenues, as determined by the Secretary of Defense and the Comptroller General. This language, often referred to as the Rudd amendment was approved by the House to assure that the American taxpayer will not have to pay for the operation of the waterway. It is the belief of the House conferees that the position we have taken is consistent with the Rudd amendment and we believe this principle should be reaffirmed by the House.

Mr. Speaker, I urge adoption of the conference report.

Mr. COUGHLIN. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I am glad to yield to my colleague from Pennsylvania (Mr. COUGHLIN).

Mr. COUGHLIN. Mr. Speaker, I want to join in complimenting the distinguished chairman of the subcommittee and the distinguished ranking minority member for a job well done on the conference report. It is a good conference report with which I basically agree.

There is one area in which I feel obliged to express some disappointment, and that is that the conference report does reduce by some $50 million the amount the House approved for the operation of our public transit facilities. It occurs to me that at a time when the administration in each energy message is talking about public transportation and mass transportation, and at a time when we have an energy crisis and we are trying to encourage the use of public transportation, to reduce the use of individual transportation, that is not the right kind of time to reduce the funding for our public transit facilities. I hope that in the future appropriation bills of this nature that we will take a better look at the funds that we are placing for public transportation and the priority which we give the funding of the public transportation because, in a very real sense, as this Nation goes forward, our transportation system is going to be very, very dependent upon public transportation, particularly in the urban areas that many of us represent.

I thank the gentleman for yielding to me.

Mr. CONTE. I want to thank the gentleman from Pennsylvania for his statement and also for the contribution that was made to our committee. This is the first year he has served on the Department of Transportation appropriation bill and he has done a remarkable job and has been a great asset and great help to me personally, although I did disagree with him on this one item.

This is the Coughlin amendment, incidentally. We have gone way over the budget. The conference agreement provides $630 million for urban formula grants, an increase of $30 million over budget, and he deserves the lion's share. We did it for Larry. He worked hard and he deserves the credit.

Mr. COUGHLIN. I thank the gentleman.

● Mr. BOWEN. Mr. Speaker, there may well be good arguments for funding the $40 million emergency fund for the Panama Canal Commission out of canal revenues, as has been argued here, or from appropriated funds, as the Senate holds, but insofar as there might be any question over what the House conferees thought about this subject, I, for one, would like to say that I was not at all aware that anyone intended the $40 million emergency fund to be funded out of canal tolls.

It was my understanding, and I know that of several other House conferees, that the Rudd amendment would allow for a temporary expenditure in excess of revenues so long as the revenues were later raised from canal tolls to cover that outlay and that this would be true of outlays both for conventional operating purposes as well as for any emergency expenditures out of the Panama Canal emergency fund. In neither case would U.S. taxpayers be required to foot the bill for an outlay connected with the operation of the canal whether of a conventional or an emergency nature.

The taxpayers are, of course, putting up the front money, so to speak, for the new agency to be known as the Panama Canal Commission, with the statutory assurance under the Rudd amendment that repayment would take place out of the tolls base in every instance, and by the same token it would be consistent to argue that an emergency outlay from the emergency fund would be repaid in like manner.

To establish the Panama Canal emergency fund from appropriations, to support the operations of an appropriated funds agency, the Panama Canal Commission, would not necessarily require an actual outlay of Federal funds. To appropriate these funds would simply mean that, as Dr. Alice Rivlin, Director of the Congressional Budget Office, has stated in her letter of November 15, referred to earlier by the gentlelady from Louisiana, Mrs. Boggs, that—

> Such an appropriation will not necessarily result in outlays or affect the budget deficit or the national debt unless obligations are incurred as a result of some unforseen emergency. In preparing our cost estimate for H.R. 111 we assumed that no such emergency would occur in the near future and therefore no outlays from the Panama Canal emergency fund.

On the other hand, if this fund must be raised from canal tolls, then the users of the Panama Canal would be required to pay an additional 13 percent increase, more or less, over and above the 29 percent which conferees and Members of the House and Senate were told would be the increase in tolls necessary to finance the operation of the Panama Canal Commission. Even though this increase would be for only a short period, probably a year, as the chairman of the House Transportation Appropriations Subcommittee, the gentleman from Oregon (Mr. Duncan) has pointed out, it would nonetheless be extremely disruptive to traffic patterns through the Panama Canal and would pass these additional transportation costs on to American consumers.

This is contrasted with an appropriation from the Treasury, which would in most cases, and we sincerely hope in all cases, merely establish a paper transaction and would not cost the U.S. taxpayer anything in outlays of U.S. tax revenues, and if it did, would be swiftly repaid.

Mr. Speaker, I realize that the votes are not here today to recede to the Senate on this matter, but I would like for the record to show that at least one House conferee would have appreciated being informed that an effort would be made to charge the users of the Panama Canal and the American consumer this additional rate increase. As a Representative of a port State, I regret that we are taking this action, and I sincerely hope that it will not be necessary for the Panama Canal Commission to raise tolls to the point of collecting the entire $40 million in the first year.●

Mr. CONTE. Mr. Speaker, I yield back the balance of my time.

Mr. DUNCAN of Oregon. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

AMENDMENTS IN DISAGREEMENT

The SPEAKER pro tempore (Mr. Brooks). The Clerk will designate the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 1: Page 3, line 11, strike out all after "attrition" down to and including "commissioners" in line 13.

MOTION OFFERED BY MR. DUNCAN OF OREGON

Mr. DUNCAN of Oregon. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Duncan of Oregon moves that the House recede from its disagreement to the amendment of the Senate numbered 1 and concur therein with an amendment, as follows: In lieu of the matter stricken by said amendment insert the following: "*Provided further,* That none of the funds appropriated in this or any other Act shall be available for pay or administrative expenses in connection with shipping commissioners in the United States".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 29: Page 17, line 23, after "365," insert "of which not to exceed $12,000,000 shall be used for capital improvements in connection with the Indianapolis-Chicago service,".

MOTION OFFERED BY MR. DUNCAN OF OREGON

Mr. DUNCAN of Oregon. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Duncan of Oregon moves that the House recede from its disagreement to the amendment of the Senate numbered 29 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 40: Page 21, line 11, after "1973" insert ": *Provided further,* That grants awarded for contracts for the asquisition of rolling stock, including buses, which will result in the expenditure of Federal financial assistance, shall only be awarded based on consideration of performance, standardization, life-cycle costs, and other factors the Secretary may deem relevant, in addition to the consideration of initial capital costs. Where necessary, the Secretary shall assist grantees in making such evaluations."

MOTION OFFERED BY MR. DUNCAN OF OREGON

Mr. DUNCAN of Oregon. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Duncan of Oregon moves that the House recede from its disagreement to the amendment of the Senate numbered 40 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 42: Page 21, line 22, after "expended" insert ": *Provided further,* That grants awarded for contracts for the acquisition of rolling stock, including buses, which will result in the expenditure of Federal financial assistance, shall only be awarded based on consideration of performance, standardization, life-cycle costs, and other factors the Secretary may deem relevant, in addition to the consideration of initial capital costs. Where necessary, the Secretary shall assist grantees in making such evaluation."

MOTION OFFERED BY MR. DUNCAN OF OREGON

Mr. DUNCAN of Oregon. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Duncan of Oregon moves that the House recede from its disagreement to the amendment of the Senate numbered 42 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 47: Page 24, after line 14, insert:

OFFICE OF THE INSPECTOR GENERAL

Salaries and Expenses

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of the Inspector General, $700,000 together with $11,493,000 to be derived by transfer from "Salaries and Expenses", Office of the Secretary, $3,868,000, "Operations", Federal Aviation Administration, $3,225,000, "Operations and Research", National Highway Traffic Safety Administration, $630,000, of which $430,000 shall be derived from the Highway Trust Fund, "Rail Service Assistance", Federal Railroad Administration, $1,619,000, "Administrative Expenses", Urban Mass Transportation Administration, $2,086,000, and "Research and Special Programs", Research and Special Programs Administration, $65,000, together with $6,960,000 derived from funds available under 23 U.S.C. 104(a) for payment of obligations.

MOTION OFFERED BY MR. DUNCAN OF OREGON

Mr. DUNCAN of Oregon. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DUNCAN of Oregon moves that the House recede from its disagreement to the amendment of the Senate numbered 47 and concur therein.

The motion was agreed to.

☐ 1720

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 51: Page 26, line 8, strike out all after "program" down to and including "11125" in line 12.

MOTION OFFERED BY MR. DUNCAN OF OREGON

Mr. DUNCAN of Oregon. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DUNCAN of Oregon moves that the House recede from its disagreement to the amendment of the Senate numbered 51 and concur therein with an amendment, as follows: In lieu of the matter stricken by said amendment insert the following: ": *Provided further*, That none of the funds provided under this Act shall be available for the execution of programs the obligations for which can reasonably be expected to be in excess of $80,000,000 for directed rail service under 49 U.S.C. 11125".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 53: Page 26, strike out all after line 13 over to and including line 3 on page 28 and insert:

OPERATING EXPENSES

For operating expenses necessary for the Panama Canal Commission, including hire of passenger motor vehicles and aircraft; uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901–5902); official reception and representation expense; operation of guide services; residence for the Administrator, contingencies of the Administrator, and to employ services as authorized by law (5 U.S.C. 3109); maintaining and altering facilities of other United States Government agencies in the Republic of Panama and facilities of the Government of the Republic of Panama for Panama Canal Commission use; and for payment of liabilities of the Panama Canal Company and Canal Zone Government that were pending on September 30, 1979, or that may accrue thereafter, including accounts payable for capital projects, $431,008,000. There may be credited to this appropriation, funds received from the Panama Canal Commission's capital outlay account for expenses incurred for supplies and services provided for capital projects and for payment to other United States Government agencies funds received from officers and employees of the Commission, and/or commercial insurors of Commission employees, for expenditures made for services provided to Commission employees and their dependents by such other agencies.

CAPITAL OUTLAY

For acquisition, construction, and replacement of improvements, facilities, structures, and equipment required by the Panama Canal Commission, including the purchase of not to exceed forty-eight passenger motor vehicles of which twenty-eight are for replacement only; to employ services authorized by law (5 U.S.C. 3109) for payment of liabilities of the Panama Canal Company and Canal Zone Government that were pending on September 30, 1979 or that may accrue thereafter; to improve facilities of other United States Government agencies in the Republic of Panama and facilities of the Government of the Republic of Panama for Panama Canal Commission use, $40,419,000, to remain available until expended.

PANAMA CANAL EMERGENCY FUND

For expenses necessary to defray emergency expenditures and to insure continuous, efficient and safe operation of the Panama Canal, where funds appropriated for the operation and maintenance of the Canal prove insufficient for such purposes, $40,000,000 to remain available until expended: Provided, That when expenditures are made from this fund, such expenditures will enter into costs to be recovered in revenues of the year of expenditure and subsequent years through toll rate adjustments as necessary.

MOTION OFFERED BY MR. DUNCAN OF OREGON

Mr. DUNCAN of Oregon. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DUNCAN of Oregon moves that the House recede from its disagreement to the amendment of the Senate numbered 53 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by the said amendment insert the following:

OPERATING EXPENSES

For operating expenses necessary for the Panama Canal Commission, including hire of passenger motor vehicles and aircraft; uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901–5902); official reception and representation expense; operation of guide services; residence for the Administrator, contingencies of the Administrator, and to employ services as authorized by law (5 U.S.C. 3109); maintaining and altering facilities of other United States Government agencies in the Republic of Panama and facilities of the Government of the Republic of Panama for Panama Canal Commission use; and for payment of liabilities of the Panama Canal Company and Canal Zone Government that were pending on September 30, 1979, or that may accrue thereafter, including accounts payable for capital projects, $427,262,000. There may be credited to this appropriation funds received from the Panama Canal Commission's capital outlay account for expenses incurred for supplies and services provided for capital projects and funds received from officers and employees of the Commission and/or commercial insurors of Commission employees for payment to other United States Government agencies for expenditures made for services provided to Commission employees and their dependents by such other agencies.

CAPITAL OUTLAY

For acquisition, construction, and replacement of improvements, facilities, structures, and equipment required by the Panama Canal Commission, including the purchase of not to exceed forty-eight passenger motor vehicles of which twenty-eight are for replacement only; to employ services authorized by law (5 U.S.C. 3109) for payment of liabilities of the Panama Canal Company and Canal Zone Government that were pending on September 30, 1979, or that may accrue thereafter; to improve facilities of other United States Government agencies in the Republic of Panama and facilities of the Government of the Republic of Panama for Panama Canal Commission use, $36,625,000, to remain available until expended.

Mr. DUNCAN of Oregon (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. DUNCAN of Oregon. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is the Panama Canal amendment that I expect some of the Members may want to be heard on. I also recall that we passed H.R. 111. The disagreement between the House and Senate relates to two items, one of which is an item of $40 million involving the establishment of an emergency fund. The question is whether or not it should be instituted by an appropriation of $40 million out of the Treasury, or whether that is properly an item of expense which should come out of tolls. Another item of approximately $6 million involves orders placed but not filled prior to the October 1 date on which the new Commission took over.

It was the judgment of the House conferees that we were obligated to uphold the House position regarding these two items, and furthermore that it was not really appropriate for the Appropriations Committees to become involved in this controversy. We thought it was entirely appropriate that these two disputes be resolved by the authorization committees.

If the dispute still exists at the time of the conference on the authorization bill, they can work it out and each House can work its will on it. As far as we were concerned, we thought the limit of our authority was to appropriate the approximately $463 million, which is the amount certified by the General Accounting Office and the Secretary of Defense as being the amount of tolls which could reasonably be expected to be taken in during the next year.

I urge the House to support this amendment.

Mr. MURPHY of New York. Mr. Speaker, would the gentleman yield?

Mr. DUNCAN of Oregon. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Speaker, the gentleman has stated the case letter-correct. The deliberation on H.R. 111 as passed by this House, the conference committee activities, the final approval by the House of the conference report, clearly stated that there would be no expenditure of funds other than those revenues collected. That was the Rudd amendment. It was very clear not just to the Members of Congress, it was clear to the members of the executive branch, it was clear to the American people, that this House, and the Congress in particular, was going to protect the taxpayer and insist that the users pay for the operation and maintenance of the Panama Canal Commission and activities, as we gave it, for the next 20 years.

The question was a very narrow effort on the part of some people in the Defense Department to go to section 1302 (c)(2) of the Panama Canal Act, where they said no appropriation provided for by this section, but saying "by this section" violates the complete, explicit statement that the entire section 1302 was to be considered together. It was in H.R. 111, it was in the conference committee, it was in the report of the managers, and it was crystal clear to everyone except a few giveaway people in this administration that would further play easy with the taxpayers' funds.

In capsulized form, the issue is whether section 1302(c)(2) of the Panama Canal Act of 1979 means what it says in the provision that 'No funds may be appropriated to or for the use of the [Panama Canal] Commission for any fiscal year in excess' of the amount of revenues deposited in the Treasury by the Commission in that year plus any revenues deposited in prior years and remaining unexpended. The mechanics of application of the section are that the revenues for the coming year are estimated by the Secretary of Defense and certified by the Comptroller General.

On October 26, 1979, the Comptroller General transmitted to the Congress a certificate approving an estimate by the Assistant Secretary of the Army that payments into the Treasury by the Panama Canal Commission in fiscal year 1980 would total $463,887,000. The appropriations to the Commission included by the Senate in H.R. 4440 (amendment 53) total $511,427,000, exceeding the estimated amount to be deposited by the Commission in the Treasury by $47,540,000.

The House conferees have proposed an amendment to reduce the total appropriation to the amount of the estimated revenues to be paid into the Treasury in 1980 as required by section 1302(c)(2) by the Panama Canal Act. I support the House amendment and urge that every possible measure be taken to insist on its inclusion in the bill as finally passed.

Members of the House will recall the reason for inclusion of section 1302(c)(2) in the Panama Canal Act. Throughout the consideration by the Senate of the Panama Canal Treaty, and then after the treaty was ratified and during early consideration of the legislation made necessary by the treaty, the administration had insisted that the treaty and legislation would result in no additional cost to the taxpayer. While the legislation was being considered in the House it developed that the treaty would indeed result in some additional cost to the taxpayer, and my distinguished friend, the gentleman from Idaho introduced legislation to require that all such costs be paid from revenues of the canal. Because such revenues will obviously be insufficient to cover all the costs of the treaty, and because military costs for defense of the canal have traditionally been excluded from the costs required to be paid from canal revenues, a majority of the House agreed to mitigate the requirement that canal revenues recover all costs of the treaty, and substituted provisions to require that canal revenues cover all costs involved in the maintenance, operation and improvement of the canal during the remaining 20 years of operation of the canal by the United States. The Commission was given plenary authority to set the tolls at a rate sufficient for that purpose, subject only to approval by the President. The Commission and the President exercised that authority and a 29-percent increase in tolls was approved and went into effect on October 1.

In an attempt to reconcile the certified estimate of revenues and other funds to be paid into the Treasury ($463,887,000) and the amount of the appropriation to the Commission included in the bill by the Senate ($511,427,000) the argument is now advanced that the words 'no appropriation' in section 1302(c)(2) of the Panama Canal Act mean only 'no appropriation provided for by this section.' As a result it is asserted that section 1302(c)(2) does not apply to an appropriation of $40 million for use by the Commission, for which provision is made in section 1303, or to an amount of $5,491,000 for liquidation of obligations of the Canal Zone government for which provision is made in section 1301 of the Panama Canal Act. Since the total of these two provisions ($45,491,000) is still less than the shortfall in revenues ($47,540,000), it is also argued that $2 million included in the capital appropriation that will be unobligated at the end of the year should also be excluded from the application of the requirement that no appropriation may be made in excess of estimated revenues paid into the Treasury.

By this exercise in selective application of section 1302(c)(2) the argument is made that appropriations mentioned by section 1302 will be covered by the estimated revenues, so no problem will exist.

The trouble with this rationalization is that it does not fit the plain language of the statute or comport with applicable elementary principles of statutory construction.

All the provisions of the Panama Canal Act of 1979 involved here are included in chapter 3 of title I of the act. The provisions of section 1303 in reference to the so-called emergency fund, and the provisions of section 1301 in regard to carried-over obligations of the Canal Zone government were in the bill when originally introduced. As previously noted the provisions of section 1302(c)(2) were added during debate on the House floor. The section-by-section analysis accompanying H.R. 111, the bill that ultimately was enacted as the Panama Canal Act, specifically emphasized that all the sections of the chapter enacted as chapter 3 are in pari materia and must be read together. The same explanation appeared in the section-by-section analysis included in the report of the Committee on Merchant Marine and Fisheries on the bill. During debate in the House it was emphasized repeatedly that all appropriations to the Commission would be recovered from revenues. The same point was specifically emphasized in debate on H.R. 5269, the bill authorizing appropriations to the Commission. In view of this consistent and uniform legislative history, there can be no doubt that section 1302(c)(2) of the Panama Canal Act applies to all appropriations to or for the use of the Panama Canal Commission.

The effort to circumvent the plain meaning of section 1302(c)(2) of the Panama Canal Act appears to be a continuation of the effort made during consideration of the bill to continue operation of the canal without effective financial control by the Congress through the appropriation process. That issue was thoroughly explored by the House at the time, and section 1302(c)(2) represents the considered view of the House, enacted by the Congress and approved by the President. The attempted limitation of the application of the provision to appropriations for use of the Commission mentioned in the same section would subvert the plain meaning of the act and the intent of Congress. By application of the same technique the role of Congress in making appropriations would be reduced to that of implementing whatever meaning the Commission or the executive branch might choose to attribute to the language of the act at any given time. The Senate amendment of the Panama Canal appropriation should be emphatically repudiated and the House should sustain the position of its conferees.

EMERGENCY FUND

Section 1303 providing for a Panama Canal emergency fund of $40 million and authorizing the Panama Canal Commission to make withdrawals from the fund by check for emergency expenses was included in section 233 of H.R. 111 when originally introduced. During consideration of the bill the purposes for which withdrawal could be made from the fund were expanded to include withdrawals to insure continuous, efficient and safe operation of the canal. The purpose of the provision was to establish a method for providing funds if requirements for cash develop, for purposes meeting the criteria laid down by the section, in a timeframe which precludes rise of normal appropriation processes as an immediate source of funds.

At the time the bill was introduced it was estimated that the Panama Canal Company, the agency then responsible for operation of the canal would pay over $80 million into the Treasury under the provision of the bill ultimately enacted as section 1302(a). As indicated in the section-by-section analysis accompanying the bill, the authority of the Commission to draw on the emergency fund in section 231—enacted as section 1303—was regarded as comparable to the authority granted to the Panama Railroad Co. by the Act of June 29, 1948, to borrow from a special fund established in the Treasury by a deposit of $10 million of company funds theretofore invested by the company in Government securities. (See CONGRESSIONAL RECORD, January 15, 1979, p. 212).

Under the terms of the Congressional Budget Act of 1974, the appropriation of $40 million included in the Senate amendment of H.R. 4440 to establish the emergency fund is clearly an appropriation "to or for the use of the Commission." The fact that the amount of the appropriation may subsequently be recovered from tolls or other revenues, or offset against the payment into the Treasury or unexpended funds of the Panama Canal does not in any way affect that conclusion. It follows that under the plain meaning of section 1302(c) (2) of the Panama Canal Act the amount of the appropriation must be included in the calculations necessary to determine whether appropriations to or for the use of the Commission are offset by estimated payments into the Treasury as required by the section.

APPROPRIATION FOR UNPAID OBLIGATIONS OF THE CANAL ZONE GOVERNMENT

The appropriations for operating expense and capital outlay of the Panama Canal Commission include some $5,328,000 for liquidation of Canal Zone Government obligations and $613,000 for completion of Canal Zone Government capital projects. Section 1301 of the Panama Canal Act authorizes appropriations to the Commission to pay off these obligations. The items of $5,328,000 consists primarily of $4,800,000 for accrued pay and annual leave of employees plus some $264,000 due other Government agencies for employee costs and $264,000 for undelivered orders. The capital outlay figure represents obligations for undelivered orders and completion of projects under contracts performance of which will presumably be completed for the benefit of the Commission.

In the normal course of events prior to October 1, 1979, these obligations would have been paid by the Canal Zone Government from appropriations for that purpose to the Canal Zone Government. Amounts so paid from appropriations to the Canal Zone Government would have been reimbursed to the Treasury either from revenues of the Canal Zone Government or by the Panama Canal Company from tolls and other revenues.

Under the Panama Canal Act, on October 1, 1979 both the Canal Zone Government and Panama Canal Company ceased to exist, and the unexpended balance of appropriations to the Canal Zone Government were rescinded by section 1301. That section also authorizes direct appropriations to the Panama Canal Commission for payment of the remaining obligations of the Canal Zone Government. Under the statutory plan provided by the Panama Canal Act, these expenses are charged to the revenues of the Canal which, under section 1302(c) (2) must be sufficient to equal all appropriations to or for the use of the Commission.

This process will not result in a double recovery by the Treasury. It amounts to the substitution of a new appropriation to the Commission for the rescinded appropriation to the Canal Zone Government, and the substitution of the requirement of section 1302(c) (2) applicable to appropriations to the Commission for the repealed provisions of the Canal Zone Code under which in the past appropriations to the Canal Zone Government were required to be reimbursed to the Treasury from revenues of Canal Zone Government or revenues of the Panama Canal Company.

Mr. Speaker, I include at this point a letter from Michael Blumenfeld, Assistant Secretary of the Army:

DEPARTMENT OF THE ARMY,
Washington, D.C., November 15, 1979.

Hon. JOHN M. MURPHY,
Chairman, Committee on Merchant Marine and Fisheries, Washington, D.C.

DEAR MR. MURPHY: Speaking for the Panama Canal Commission and the Department of the Army, it must be noted that there was considerable dismay upon hearing that it is your intention to have the Panama Canal Commission Emergency Fund fully provided by Canal operations in advance of its utilization. Throughout the long period of discussions and hearings on the Panama Canal Commission's financial and operational posture under the new treaty, and in all of the financial analyses prepared reflecting operations under the several implementing bills proposed, at no time was the Emergency Fund considered for inclusion in the cost base formula for setting rates for tolls. During the Congressional hearings on the 1980 President's Budget, testimony was given to the effect that the major differences between H.R. 111 and H.R. 1716 in regard to the tolls formula were interest on the investment and the cost of early retirement benefits. The Emergency Fund was not one of the differences. As recently as August, a revised budget for 1980 representing Commission operations under H.R. 111 was submitted to your Committee. These revised estimates clearly portrayed the Emergency Fund as a provisional resource for extraordinary events, not as an operating expense to be recovered in advance through the rate for tolls.

The Executive Branch believed and believes that the Emergency Fund should not and was not intended to be funded through tolls prior to its utilization. The character of the fund is distinctly provisional in nature as suggested by its title and as evidenced by the history of the borrowing authority, the counterpart to the Emergency Fund under the Panama Canal Company. No monies have ever been withdrawn from the emergency borrowing authority nor were expenditures ever programmed for it. The proposal to prefund the Emergency Fund through tolls is not only unwarranted, but presents a number of serious problems.

A significant consequence of funding the Emergency Fund through tolls is the additional toll rate increase requirement and the magnitude of this increase. If the Commission toll rate base were to include funding of the appropriation for the Emergency Fund, immediate action must be taken to seek approval of another rate increase yielding some 13 percent additional revenue over that to be produced by the October 1 increase of 29.3 percent. The need to offset rather substantial traffic diversion due to sensitivity could result in an even higher rate increase. Considerable opposition to another toll rate increase would be expected, following so soon after the October 1 change, particularly if justified on the basis of funding an emergency reserve balance to be deposited in the U.S. Treasury.

Under the new legislation, recourse to the Emergency Fund is permissible for emergencies and also to assure the continued operation of the Canal in the event monies appropriated for such purposes prove insufficient. The obvious example of such a nonemergency situation is an unanticipated sharp increase in the number of vessels arriving for transit of the Canal. In such an event it was envisioned that the Emergency Fund be the source of funding for these workload related expenses with the proviso that amounts withdrawn for such purposes remain within the added revenues anticipated from increased workload. Without ready additional financing for this cost the Commission would be forced to choose a course of action from a number of alternatives: (1) maintain the programmed level of operations despite mounting backlogs of ships awaiting transit; (2) violate safety operating rules in terms of pilot manning, locks crewing, line handler crew size, and tugboat assistance, etc., (3) redirect resources from other operations, such as preventive maintenance programs, major overhauls and maintenance projects; or (4) seek supplemental appropriations for financing of the costs. The experience with supplemental appropriation requests is that they are seldom timely in their enactment and, in this situation for the Commission, time is of the essence. The foregoing alternatives are certainly not responsive to the operational needs of the Canal agency.

It should also be noted that every successful effort in accomplishing increased numbers of revenue-producing transit within existing programmed cost levels results in producing a profit which is subject to payment to Panama under paragraph 4(c) of Article XIII of the Treaty. If profits are produced by reduced maintenance and/or degraded services, the undesirable operating effects fall upon the Commission and the Canal users.

Financing the Emergency Fund from operations before the fact will invite criticism from Panama and shippers as to the proper accounting for and utilization of operating surplus. Unlike the surcharge for capital acquisitions, which is clearly identifiable with a procurement plan or construction project, a surplus accumulated for the Emergency Fund has no such obvious relationship or purpose. There is little difficulty in identifying expenses involved in clearing the channel of debris resulting from a landslide or ship accident after the fact. It is quite another problem to justify withholding profits from distribution to Panama on the premise that at some future time something may happen which will require some undeterminable expenditures of funds. Moreover, it would be improper accounting and inequitable to charge users currently for potential traffic surges and also require them to pay again when the surges occur.

Section 1302(c) (2) of the Panama Canal Act of 1979 states in part that no funds may be appropriated to or for the use of the Commission for any fiscal year in excess of the amount of revenues estimated to be deposited in the Panama Canal Commission Fund during the year, plus amounts deposited in prior years remaining unexpended in the current year. The Emergency Fund is not an operating or programmed-for-expenditure type fund and no expenditures are programmed from this fund. The matching concept of section 1302(c) (2) relates to appropriation requests and not to utilization of fund resources, and is the basis for the Commission's operating and capital appropriation requests and the recently established rates for tolls. The availability of the resources in the Emergency Fund was anticipated only for unforeseen situations. When such utilization of emergency funds is made, the expenditures will enter the cost accounts of the Commission and be recovered currently in the case of traffic increases, and prospectively through future toll adjustments in the case of emergency situations.

Amounts included in the appropriation estimates in connection with the predecessor Canal Zone Government agency include $5.9 million for amounts previously obligated by that agency. It is felt that the amounts required for these purposes should not be considered in the balancing computation associated with section 1302 to the extent that they are or will be recovered by the Treasury in payments for the net cost of Canal Zone Government or related revenues or to the extent that such amounts are required to pay for supplies or capital items being transferred to another U.S. Government agency. In this regard, there is enclosed a tabulation showing appropriations and recoveries for the Canal Zone Government in 1979. It was originally envisioned that to the extent these obligations were recorded as costs, the Treasury would be made whole by the deposit by the Panama Canal Commission of any amounts due for the net cost of the Canal Zone Government and deposits as miscellaneous revenues of revenue amounts as collected. However, if, as you have suggested, such payments by the Commission are to be a component of the balancing computation associated with section 1302, and the Commission is not to be given credit for those funds covered into the Treasury on October 1, the Commission now intends to deposit the accounts receivable in the Panama Canal Commission Fund in order to recover the unpaid costs of the Canal Zone Government.

The 1980 budget execution year is now. There is no time to revise again the Commission's fund requirements for 1980. The purpose of the provisions in section 1302 is understood and the importance that you and your Committee have given these provisions is recognized. However, as to the Emergency Fund, the strict application of such provisions will serve to deprive the Commission of a vital component of its operational structure—a component that was intended to be available to the Commission in order to properly carry out its mission. I believe that an interpretation of this section excluding the Emergency Fund from the balancing computation is logical, does not expose the taxpayer to payment of treaty costs, and will permit accomplishment of the Congressional intent to provide an emergency backstop to maintain Canal operations in the event of adversity. Accordingly, I urge you to reconsider the interpretation of section 1302 of the Panama Canal Act with respect to the Panama Canal Commission Emergency Fund.

Sincerely,

MICHAEL BLUMENFELD,
Assistant Secretary of the Army,
(Civil Works).

APPROPRIATIONS AND RECOVERIES, FISCAL YEAR 1979

[In millions of dollars]

	Canal Zone government appropriations	Amounts due U.S. Treasury for net cost of Canal Zone Government and Government revenues
Balances beginning of year	$6.0	$10.0
Appropriations realized	81.0	
Reimbursements used to finance operations	13.6	
Total funds available	100.6	
	Estimates	
Disposition of funds:		
Payments for:		
Obligations incurred in previous years:		
Operating expense accounts payable	−2.5	
Operating expense undelivered orders delivered in 1979	−.6	.6
Capital program	−1.1	
Obligations incurred in 1979:		
Disinterments from Canal Zone cemeteries not repayable by Panama Canal Company	−1.7	
Operating expense	−83.1	83.1
Capital program	−1.5	
Total payments	−90.5	
Accounts obligated but not paid:		
Operating expense, accounts payable	−$5.0	$5.0
Operating expense, undelivered orders	−.3	
Capital program contracts	−.6	
Total amounts obligated but not paid	−5.9	
Unobligated at year end	−4.2	
Total funds accounted for	100.6	
Recoveries and nonfund costs:		
Depreciation charged to current operation		2.8
Revenue collection		−50.0
Reimbursements from other Government agencies		−13.6
Net cost of Canal Zone Government paid by Panama Canal Company		−26.2
Credits for tolls on U.S. Government vessels		−.9
Unpaid obligations, Canal Zone Government		−5.9
Amount due U.S. Treasury from accounts receivable, fiscal years 1980-82		4.9

Mr. DUNCAN of Oregon. Mr. Speaker, I would like to correct an impression I may have left. I think I referred to H.R. 111 as being still in the legislative process in the Senate. That is not correct. That has become law. There is an authorization bill, however, that is still pending in the Senate. It seems to me and it seemed to the conferees that was the proper bill on which to resolve these questions.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. DUNCAN of Oregon. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I want to concur in the decision of the conferees to reduce the amount of money for the Canal Commission operation to the amount that has been estimated by the Comptroller General to be the projected revenues from the toll receipts of the canal during fiscal year 1980. The gentleman from New York (Mr. MURPHY) circulated a letter to all of our colleagues a few days ago setting out clearly the understanding that the authors of this legislation, myself included, had regarding the source of the money to finance the operations of the Canal Commission.

There was never any intention to allow the American taxpayers or the U.S. Treasury to be the source of funding for this $40 million emergency fund, or any other operating or maintenance cost. That was made clear throughout the debate and was one of the main issues in the conference. We have today received a letter from Assistant Secretary of the Army Michael Blumenfeld which protests this interpretation in a rather lengthy and legalistic argument which I find absolutely without merit. I think this House should reject it.

Mr. MURPHY of New York. If the gentleman from Oregon will yield further, I would hope that we could enter into the RECORD right after the statement that I made the letter from the Assistant Secretary of the Army, Mr. Blumenfeld, in this instance because the comments that he made specifically go to the points that refute the position they have taken. We very clearly—very clearly—stated in every instance as we went to chapter III of that bill that all sections in chapter III are in pari materia, and must be read together and not separated narrowly by section, as the Defense Department is trying to construe at this time. We hope, if we have that letter printed, that people will be able to see clearly what the intent of the Congress was.

Mr. BAUMAN. If the gentleman will yield further, I would just add this: We were told throughout the discussions, which have extended for several years, regarding the Panama Canal treaties that these treaties would produce no cost to the American taxpayers. As the debate progressed it became very clear that indeed enormous costs would be heaped upon the taxpayers. H.R. 111 was signed into law recently, and did its very best, after a heated debate in this Chamber, to restrict those costs and to make it clear that operating and maintenance costs had to come out of toll revenues.

This $40 million grab that the civilian officials of the Army, have suggested does not in any way comply with the law. I think it shows the same bad judgment on the part of the Carter administration that has been demonstrated throughout the handling of Panama Canal legislation. Here less than a month after we enacted the implementing law they have come to both Houses of Congress and are attempting to circumvent the law and ask the taxpayers immediately to start paying out money for the operating costs of the canal.

Mr. DUNCAN of Oregon. The gentleman is talking about the poor way in which the bill has been handled. He is not talking about the Appropriations Committee?

Mr. BAUMAN. I am talking about the poor way in which the bill has been handled by the Administration. I commend the conferees for their work. The administration's interpretation is totally erroneous. I am sorry that the canal tolls may have to be increased, but this is a direct result of these Carter treaties. The American people were not told the truth. If the tolls go up we will all suffer some, but it will not be a direct cost to the American taxpayers. At this point I include a letter summarizing my view:

Washington, D.C.,
November 7, 1979.

Hon. Robert Duncan,
Chairman,
Subcommittee on Transportation,
Washington, D.C.

Dear Mr. Chairman: As the conferees meet to discuss H.R. 4440, the Department of Transportation Appropriations Act for fiscal year 1980, I would like to advise you of a potential violation of P.L. 96–70, the law implementing the Panama Canal treaties of 1977.

Language in P.L. 96–70 specifically prohibits Panama Canal appropriations from exceeding the Canal's estimated revenues as determined by the Secretary of Defense and the Comptroller General. This language, popularly called the Rudd Amendment, was approved by the House to insure that the taxpayers would not have to pay for the operation of the waterway. This principle was repeatedly reaffirmed by the House.

As you know, H.R. 4440 contains a $511,427,000 appropriation to the new Panama Canal Commission for the operation and maintenance of the Panama Canal. The authorization approved by the House on October 24, H.R. 5269, is for $467,681,000. This latter figure was determined as provided for in P.L. 96–70. The discrepancy between the two figures is in large part due to an attempt to provide the Panama Canal Commission with a $40,000,000 emergency fund, which was allowed under P.L. 96–70. The fact remains, however, that the Rudd language stipulates that this money, and money for any other such fund or project related to the operation and maintenance of the Canal, must come from projected revenues.

In a Panama Canal Subcommittee hearing on November 2, Assistant Secretary of the Army Michael Blumenfeld made it quite clear that the Administration expects the emergency funds to come from the U.S. Treasury.

As you recall, Mr. Chairman, the Panama Canal issue was divisive and hotly debated, settled in the House only through carefully crafted compromises. One of the most important of these was the guarantee to the taxpayers that they would not have to pay for the continued operation of the Canal. To violate that principle barely six weeks after the issue was supposedly settled invites a reopening of the matter and further bitter debate. I therefore urge you to enforce section 1302 (c)(2) of P.L. 96–70 and reaffirm the position of both the House and the taxpayers on this important matter. Thank you for your kind attention to my request.

Faithfully yours,
Robert E. Bauman,
Member of Congress.

Mr. HANSEN. Mr. Speaker, will the gentleman yield?

Mr. DUNCAN of Oregon. I yield to the gentleman from Idaho.

Mr. HANSEN. Mr. Speaker, I would like to commend the gentleman from Oregon (Mr. Duncan), the gentleman from New York (Mr. Murphy), the gentleman from Massachusetts (Mr. Conte), the gentleman from Maryland (Mr. Bauman), the gentleman from Kentucky (Mr. Hubbard) and others who made an effort to make sure that the House live by its word and its commitments to the American people that the payments necessary to run the Panama Canal would come from tolls and not from the taxpayer's pockets.

☐ 1730

Certainly this was an instance where again the gentlemen as Representatives of these people have acted as the watchdog, and I commend them for this service. I would like to say that we might just as well have the game if we are going to have the name. The Organization of American States almost unanimously condemned the United States for toll increases. If we have to have increases, we might just as well have people paying the freight for use. OPEC has seen to it that the United States pays and pays dearly for the oil we use. Certainly because shippers are going to use the Panama Canal, I suppose they should pay it, not the taxpayers of this country. I would hope that we might have a vote on this so that we can reaffirm, for the benefit of the Army and others who think that we ought to be spending these funds, that the House of Representatives will not stand for this type of thing.

I thank the gentleman for yielding.

Mr. DUNCAN of Oregon. Of course, I have no objection to a vote if the House wants it, but the House has expressed itself very forcefully many, many times on the subject.

Mrs. BOGGS. Mr. Speaker, will the gentleman yield?

Mr. DUNCAN of Oregon. I yield to the gentlewoman from Louisiana.

Mrs. BOGGS. I thank the gentleman for yielding. I would like, please, to have some clarification of some difficulties that I find with raising the toll rates. The administration's contention is that since over $12 million was converted into the U.S. Treasury under section 1301 on October 1, and since accounts receivable for the Canal Zone Government for this fiscal year are estimated at $6.1 million, to insist that the obligations of $5.9 million be placed in the tolls base is tantamount to requiring international shipping to pay twice for the same past expenses of the Canal Zone Government.

Could the gentleman please clarify that for me?

Mr. DUNCAN of Oregon. I do not think that that necessarily needs to follow. This is a comparatively small item compared with the total appropriation that we have made. I think in the letter that was inserted into the Record by the gentleman from New York (Mr. Murphy) from the Assistant Secretary of the Army, he indicated at the bottom of page 3 that there are alternative ways of handling this, and he suggests that if this view prevails, the Commission would intend to deposit the accounts receivable into the Panama Canal Commission fund in order to recover the unpaid costs of the Canal Zone Government. I think that as far as that $5.9 or $6 million item is concerned that there should not have to be a toll increase for that.

Mrs. BOGGS. Will the gentleman continue to yield?

Mr. DUNCAN of Oregon. I will, yes.

Mrs. BOGGS. Was it the letter of the Assistant Secretary or the Dear Colleague letter of the gentleman from New York (Mr. Murphy) that was to be inserted in the Record?

Mr. DUNCAN of Oregon. No, I think the gentleman from New York (Mr. Murphy) got unanimous consent to insert the letter from the Assistant Secretary.

Mr. MURPHY of New York. If the gentleman will yield, yes, we have that.

Mr. DUNCAN of Oregon. That is in the Record now.

Mrs. BOGGS. Also I would like some further clarification, please, of the chairman. A letter from the Budget Office seems to indicate that if the full amount of funds authorized by section 1303 is appropriated, the Panama Canal Commission would have the authority to draw from the U.S. Treasury up to $40 million for emergency purposes. "However, such an appropriation will not necessarily result in outlays or affect the budget deficit or the national debt unless obligations are incurred as a result of some unforeseen emergency. In preparing our cost estimate"—that is the Congressional Budget Office—"for H.R. 111 we assumed that no such emergencies would occur in the near future and, therefore, no outlays from the Panama Canal Emergency Fund."

Would the gentleman comment on that for me, please.

Mr. DUNCAN of Oregon. I think that there is no question that if there were an emergency, for example a ship running into a lock, that would clearly be an expense that could be defrayed by the new Panama Canal Commission out of the $463.887 million that is being appropriated. The conferees did not conclude that by taking the action that we took here in making this recommendation that the Canal Commission would be denied the right to move and move quickly to take care of an emergency. As a matter of fact, I will stand corrected, but I think everyone would concede that that would be an operating expense that should be paid out of tolls. They have had an emergency fund in the past in the form of borrowing authority up to a limited amount in the U.S. Treasury. My recollection is that they have never used that in recent years. All I have really said, and all I think the conferees are saying to this House, is that this is a dispute that ought not properly encumber this appropriation bill. This question is a question of authority and should be handled in the authorization bill. The Members of both Houses who are involved in it directly can thrash this out in the conference committee and bring it back to us with a recommendation at that time. In the meantime I see no reason why tolls ought to have to be raised immediately.

Mrs. BOGGS. If the gentleman would continue to yield, an additional 13- to 15-percent increase over the already implemented 29.3-percent increase in tolls would really be a very heavy burden.

Mr. DUNCAN of Oregon. The gentlewoman is quoting again from the letter from the Assistant Secretary. I figured it myself. It came out to about 9 percent if this $40 million is to be added to the tolls, but that ought not to be a continuing 9-percent increase because this emergency fund presumably is not going to be fully expended every year. It would not take, as I view it, the 13 percent that the Secretary talks about on an annual and a continuing basis.

Mrs. BOGGS. I thank the gentleman.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion.

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. DUNCAN).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HANSEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 366, nays 10, not voting 57, as follows:

[Roll No. 670]

YEAS—366

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Boner
Bonior
Bonker
Bouquard
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carr
Carter
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fascell
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Mathis
Matsui
Mattox
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Royer
Russo
Sabo
Santini
Satterfield
Scheuer
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Wirth
Wolff
Wolpe
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—10

Beilenson
Boggs
Bowen
Burton, Phillip
Cavanaugh
Conyers
Dellums
Guarini
Nolan
Roybal

NOT VOTING—57

Anderson, Ill.
AuCoin
Beard, Tenn.
Bolling
Breaux
Broomfield
Brown, Ohio
Burton, John
Chisholm
Coelho
Crane, Philip
Davis, S.C.
de la Garza
Diggs
Duncan, Tenn.
Edwards, Okla.
Fary
Fazio
Flood
Ford, Tenn.
Gibbons
Goldwater
Goodling
Hyde
Ireland
Jenrette
Jones, N.C.
Kramer
Lee
Lewis
McCloskey
McDonald
Marriott
Martin
Mavroules
Mazzoli
Neal
Oberstar
Pepper
Pursell
Quayle
Richmond
Roberts
Rudd
Runnels
Sawyer
Schroeder
Shuster
Stockman.
Treen
Wampler
Waxman
Wilson, C. H.
Winn
Wright
Wyatt
Young, Alaska

□ 1750

Mr. BUTLER changed his vote from "nay" to "yea."

Mr. CONYERS and Mr. BEILENSON changed their votes from "yea" to "nay."

Mr. GUARINI and Mrs. BOGGS changed their votes from "present" to "nay."

So the motion was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 58: Page 29, after line 17, insert:

NATIONAL ALCOHOL FUELS COMMISSION

SALARIES AND EXPENSES

For necessary administrative expenses of the National Alcohol Fuels Commission, $1,500,000, to remain available until expended.

MOTION OFFERED BY MR. DUNCAN OF OREGON

Mr. DUNCAN of Oregon. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DUNCAN of Oregon moves that the House recede from its disagreement to the amendment of the Senate numbered 58 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 61: Page 30, line 5, after "(b)" insert ", of which $30,000,000 shall be added to the discretionary fund available for distribution pursuant to 49 U.S.C. 1715 (a)(3)(B) and (a)(3)(C)

MOTION OFFERED BY MR. DUNCAN OF OREGON

Mr. DUNCAN of Oregon. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DUNCAN of Oregon moves that the House recede from its disagreement to the amendment of the Senate numbered 61 and concur therein with an amendment, as follows:

In lieu of the matter inserted by said amendment insert the following: ", of which $30,000,000 shall be added to the discretionary fund available for distribution pursuant to 49 U.S.C. 1715(a)(3)(B) and (a)(4)(C)"

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 63: Page 33, line 22, after "1979" insert ": *Provided, further*, That notwithstanding any other provisions of law, the Secretary of Transportation shall, not later than sixty days after date of enactment of this Act, designate as a route on the National System of Interstate and Defense Highways six miles extending I–164 southward to South Lane Drive to tie into U.S. 41 South".

MOTION OFFERED BY MR. DUNCAN OF OREGON

Mr. DUNCAN of Oregon. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DUNCAN of Oregon moves that the House recede from its disagreement to the amendment of the Senate numbered 63 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 64: Page 33, line 22, after "1979" insert ": *Provided further*, That for necessary expenses of the functional replacement of publicly-owned facilities located within the proposed right-of-way of Interstate Route 170 in Baltimore, Maryland, $2,000,000, out of the Highway Trust Fund, to remain available until expended: *Provided*, That the Secretary of Transportation is authorized and directed to proceed with the obligation of the necessary funds without regard to the provisions of the National Environmental Policy Act of 1969, as amended: *Provided further*, That actual construction of a highway on the right-of-way with respect to which said funds are expended shall be commenced within a period not exceeding ten years following the date of enactment of this Act".

MOTION OFFERED BY MR. DUNCAN OF OREGON

Mr. DUNCAN of Oregon. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DUNCAN of Oregon moves that the House recede from its disagreement to the amendment of the Senate numbered 64 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: ": *Provided further*, For not more than 90 percentum of the necessary expenses of the functional replacement of publicly-owned facilities located within the proposed right-of-way of Interstate Route 170 in Baltimore, Maryland, $2,000,000 out of the Highway Trust Fund, to remain available until expended: *Provided*, That the Secretary of Transportation is authorized and directed to proceed with the obligation of the necessary funds for such publicly-owned facilities without regard to the provisions of the National Environmental Policy Act of 1969, as amended: *Provided further*, That actual construction of a highway on the right-of-way with respect to which said funds are expended shall be commenced within a period not exceeding ten years following the date of enactment of this Act or said funds shall be repaid to the Highway Trust Fund with interest.".

Mr. DUNCAN of Oregon (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the final amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 66: Page 35, line 2, after "amount" insert ": *Provided, however*, That the funds in this Act shall be available for the guarantee of loans for the refinancing of aircraft purchased after January 20, 1979, if an application for an aircraft purchase loan guarantee covering such aircraft was filed prior to that date but after October 24, 1978.".

MOTION OFFERED BY MR. DUNCAN OF OREGON

Mr. DUNCAN of Oregon. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DUNCAN of Oregon moves that the House recede from its disagreement to the amendment of the Senate numbered 66 and concur therein with an amendment, as follows: In lieu of the matter inserted in said amendment insert the following: ": *Provided*, That the funds in this Act shall be available for the guarantee of loans for the refinancing of aircraft purchased after January 20, 1979, if an application for an aircraft purchase loan guarantee covering such aircraft was filed prior to that date but after October 24, 1978, and if such application meets the requirements of section 42(d) of the Airline Deregulation Act of 1978.".

Mr. DUNCAN of Oregon (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the conference report and on the several motions was laid on the table.

GENERAL LEAVE

Mr. DUNCAN of Oregon. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report and on the amendments on the bill, H.R. 4440, just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

APPOINTMENT OF CONFEREES ON HOUSE JOINT RESOLUTION 440, CONTINUING APPROPRIATIONS, 1980

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (H.J. Res. 440) making further continuing appropriations for the fiscal year 1980, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi? The Chair hears none and, without objection, appoints the following conferees: Messrs. WHITTEN, BOLAND, NATCHER, STEED, SLACK, ADDABBO, LONG of Maryland, DUNCAN of Oregon, CONTE, MICHEL, McDADE, and ANDREWS of North Dakota.

There was no objection.

CLARIFYING CONSTITUTIONALITY QUESTIONS ON DEPORTATION OF ALIEN STUDENTS

(Mr. HIGHTOWER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HIGHTOWER. Mr. Speaker, questions have arisen concerning the constitutionality of necessary and justifiable actions by the President and the Attorney General to ferret out Iranian students who might be subject to deportation under existing law.

It was announced yesterday that civil rights lawyers expect a lawsuit to be filed soon, posing a challenge to the Attorney General's announcement ordering Iranian students to report to immigration officials within the next 30 days. Those who are proven to be in the United States illegally, who lie about their immigration status and who do not report will be subject to deportation proceedings. Whatever decision might be reached as a result of the lawsuit, legal proceedings could stretch out over weeks or months, which could delay the new controls and any actual deportation of nonimmigrant students who hide behind our cloak of constitutional democracy to further the cause of tyranny in their home countries. Such delays would frustrate what is clearly the will of the great majority of the American people and the intent of the administration's laudable and widely supported actions.

The power of Congress with regard to the admission, exclusion, and expulsion of aliens is an absolute power that has been upheld by Supreme Court decisions. It is reported that any lawsuits filed in protest of the administration's actions would seek to determine if the Congress has authorized the President and the Attorney General to single out aliens of one nationality for special actions.

On November 7, I introduced H.R. 5813, which would clarify the Immigration and Nationality Act to provide for the deportation of nonimmigrant alien students who knowingly participated in a violent political demonstration or otherwise participated in activities inconsistent with the terms of their admittance to the United States. I reintroduced the bill November 13 with 46 cosponsors.

Yesterday I wrote to House Judiciary Committee Chairman PETER RODINO asking that he commence hearings immediately on H.R. 5813. In view of the potential legal tests of the President's and Attorney General's recent actions pursuant to existing laws, I believe the hearings offer the best and most immediate forum for clearing the air on this admittedly complex issue and can lead to formulation of amendments to the Immigration and Nationality Act that can eliminate the threat of lawsuits and prevent prolonged court battles.

AMENDMENT TO COMPREHENSIVE EMPLOYMENT AND TRAINING ACT OF 1978

(Mr. MYERS of Pensylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MYERS of Pennsylvania. Mr. Speaker, over the past several months it has become apparent that CETA prime sponsors across the Nation are finding it impossible to fill CETA public service employment positions because of the average annual wage provision included in last year's bill. I am today introducing legislation to amend that section of the Comprehensive Employment and Training Act of 1978. Several other Members have also joined me as cosponsors in this effort. In the present law this section (section 122(i)(2)), mandates that a national annual average wage of $7,200 be maintained. This $7,200 figure is adjusted for each prime sponsor based on a wage adjustment index issued annually by the Department of Labor.

This language was adopted on the floor last year during consideration of the CETA act when the majority of the membership of this body were concerned, rightfully so, with the stories of fraud and abuse being carried out under the CETA program. However, since that time it has been shown that the amendment adopted has proven to be far too restrictive for effective implementation of the public service employment (PSE) programs in the bill. A survey recently completed by the National Association of Counties shows that 50 percent of the respondent prime sponsors did not feel that they will be able to renew or develop sufficient job slots for fiscal year 1980 PSE funds. Because of the present law only 56–60 percent of the jobs for which they have funds will be filled for fiscal year 1980.

My bill would amend the CETA law so that the prime sponsor would determine the average entry level wage for its area and include that average in its plan to the Secretary of Labor. The prime would not be allowed to exceed that average in paying federally supported funds to CETA PSE participants. In determining the average the prime would only be allowed to use entry-level positions which are within the maximum allowable wage limitation as determined for the prime sponsor by the Department of Labor. The prime sponsor will be required to submit to the Secretary the methods used in computing its annual average wage and, upon request, the data used.

Supplementation, which is allowable for title VI positions, could be used to fill a title VI job which is in excess of the prime sponsor's average but which does not exceed the maximum wage rate.

This language in no way allows the prime sponsor the same latitude that it had under the old CETA law before its reform last year. It only allows the prime the ability to use the money which DOL has already allocated to it. We are not asking for 1 penny more in CETA funds, we are only asking that prime sponsors across the Nation be allowed to utilize the CETA PSE program as it exists now. Without a change in the existing law, the CETA public service employment programs of almost half the prime sponsors in the country will cease to exist.

I do not believe it was the intent of Congress last year to destroy the PSE programs in CETA and it would be terribly remiss for this Congress to allow the program to come to a complete standstill because of the inaction of this body.

I urge that the Education and Labor Committee take up this matter immediately and act with dispatch to correct the inadequacies of the present law.

Thank you.

□ 1800

FACING ENERGY REALITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GREEN) is recognized for 60 minutes.

● Mr. GREEN. Mr. Speaker, there can be no doubt that the most important concerns felt by the people of America today are the interrelated problems of energy and inflation. Today we must endure double-digit inflation of 13 percent, compared to an annual rate of around 5 percent in 1976. All of this makes for a vastly different world for us from even just a few short years ago. When oil was plentiful and priced at $2 a barrel, we developed certain practices of wasteful consumption and were without the economic incentives to develop more costly sources of energy. Now that oil supplies are restricted and the world price for a barrel of crude is over $20, our standard of living has been significantly affected. Individuals in all walks of life feel the impact of the changing realities of energy production and consumption. Severe burdens are placed on many individuals, particularly the poor, the elderly, and others living on fixed incomes.

But I want to make it clear that it was not the American consumer who brought on the present energy crisis, and it is not right that the consumer be made to continue to suffer the results of artificially high energy prices set by the Arab OPEC cartel. It is essential that the United States regain its energy independence from OPEC and, thereby, protect the way of life of the American consumer and protect American foreign policy from oil blackmail. Establishing that energy independence will not be simple and it will mean facing up to the difficult energy and price realities of the 1980's.

During the 96th Congress I have advocated a number of approaches to the problem, some designed as short-term and others as long-term solutions, and all designed to assist the average American citizen who is strapped by the ravages of skyrocketing inflation and energy shortages. In this speech to my House colleagues, I would like to take this opportunity to outline my thoughts on the major relevant issues and review some of the actions I have taken to help develop possible solutions. In doing so, my remarks will touch upon specific items within the broader issues of international affairs, our home heating situation, government regulation, taxation, alternative energy production, conservation, mass transit, and nuclear safety. My comments will reflect two basic conclusions about our energy problem. First, the problem is complex and there is no simple, quick solution. We must pursue many approaches and keep our options open. Thus, second, while we may want to place greater emphasis on certain energy sources than others, it is unreasonable to rule out totally the use of particular sources.

INTERNATIONAL CONSIDERATIONS

The key to answering our energy problem is in reducing our dependence on foreign sources of that energy. Unfortunately, we must at present rely very heavily on oil from the OPEC nations, and this brings into play some highly delicate and potentially perilous diplomatic questions. The revolution in Iran, which has been one of our prime suppliers of oil, and the more recent disturbances in that country make the matter all the more difficult.

The termination of supply from Iran further complicates the planning of our energy future. The OPEC oil ministers in their price-fixing meetings over the last few years have been capricious and irresponsible in their decisions and have dangerously toyed with world economic conditions. It is essential that we remove ourselves from their domination.

In all actions we must make it clear that our commitment to our traditional foreign policy in the region is unswerving. We will not achieve economic and energy stability at home by altering support for our friends abroad.

As we are all aware, certain prominent Americans have recently linked oil and our policy toward Israel and have called for creation of a new Palestinian State on the West Bank of the Jordan River. Such proposals are seriously defective and undermine American interests in that critical part of the world.

I cannot view these proposals as contributions to peace. Jordan and Egypt, which currently share the longest border with Israel, obviously do not agree on the matter. Each had the opportunity, from 1948 to 1967, to create a Palestinian State—Jordan on the West Bank, Egypt in the Gaza Strip—and each chose not to do so. In addition, there is no indication that the Saudis want such a state.

Such a state is sponsored by countries that get their sustenance from the Soviet Union—Libya, Syria, and Iraq. A Palestinian State would just add another star to the anti-United States, pro-Soviet camp. It would be a force for violence and clearly would be contrary to U.S. interests.

HOME HEATING SUPPLIES

The winter months are now upon us and the specter of low supplies of heating oil are very much on everyone's mind. Since last summer I have been concerned about the serious questions of availability and price of home heating fuel for the 1979–80 winter season. On June 28, I joined other Members of the New York congressional delegation in writing to the President to alert him to the potential problem faced by the Northeast and to press for adequate supplies of middle distillates (home heating fuel). Incredibly, my colleagues and I did not hear from the White House until we received a letter dated September 20 and, even then, the response was from Stu Eizenstat, a Presidential assistant. Mr. Eizenstat indicated that he saw no home heating problem and that the Department of Energy (DOE) was monitoring the situation. Needless to say, I was not reassured and continued to seek more information on supplies.

Following an August 1 meeting with agents of independent New York middle distillate delivery companies, other Congressmen and I directly intervened in a situation which threatened a further disruption in the delivery of home heating oil. Gulf Oil, a major distillate supplier in New York State, had announced new credit procedures which carried the potential of putting many small deliverers out of business. Several days after other Members of the House and I contacted Gulf and the Secretary of Energy, Gulf rolled back its credit restrictions.

After continuing to press the Department of Energy for reliable figures on heating oil supplies, I received an August 28 letter from David Bardin of DOE's Economic Regulatory Administration. While attempting to make the case that adequate supplies would be available, Mr. Bardin, nonetheless, admitted that he did not have reliable information on supply levels or where supplies were in the distribution chain (that is, whether supplies were at the refineries, in secondary storage, or ready for delivery).

He indicated that his Department was still awaiting the results of a survey of distributors to give it that information. My frustration with the Department over this issue led to a meeting between Energy Secretary Duncan, other Congressmen from the Northeast and me on September 20 which, unfortunately, turned out to be equally fruitless. The Secretary, who was accompanied by Mr. Bardin, attempted to paint a rosy picture but did not have the facts to make his colors true.

In March 1979, the Department of Energy established a goal of 240 million barrels of middle distillates to be produced and held in stock by October 1, 1979. Such stocks had declined from an average 165 million barrels in January 1979 to 127.1 million barrels in February to 113.3 million in March. In July the Secretary of Energy announced a 1-month postponement of the target date for achieving the 240-million-barrel target. A point I have tried to emphasize to the Department, however, is that in addition to building stocks it is also important to give attention to where those stocks are. The Department seems to have little knowledge of how much fuel oil is at refineries, how much in secondary storage and how much ready for delivery to the customer; 250 million barrels of fuel oil sitting at refineries does little to heat homes and apartments in Manhattan.

The Congressional Research Service reported earlier this fall that "preliminary surveys conducted by the New England Fuel Institute and the Empire State Petroleum Association showed jobber inventories ranging roughly one-third below year-earlier levels. It is difficult to draw reliable conclusions from reports about one storage sector because it is unclear what happens to any product once it leaves the refinery. Little is known about the volume of middle distillates held as inventory in the industry, in residential heating tanks, or elsewhere." Because the Department of Energy has failed to ascertain this information, I remain dissatisfied with its reassurances and intend to continue to keep in close touch with my constituents and suppliers regarding fuel supplies.

HOME HEATING ASSISTANCE

Our problem with home heating is not only one of adequate supply and distribution. It is also one of cost. Home heating oil, which averaged 53.7 cents a gallon in January 1979, has climbed to 80 cents a gallon or more. There are many predictions that prices might reach $1.00 a gallon by the end of the year.

These extraordinary increases cannot be fully borne by the consumer, especially the one on a low, fixed income. Given the level of inflation generally and oil price increases in particular, it is likely that many elderly and poor people would have to make the unconscionable choice this winter between heating and eating if special aid were not available. It is unacceptable to think that anyone would have to go without food in order to be able to afford reasonable heat. We all recognize the special health and nutritional considerations of the elderly, and we have an obligation to provide for those needs.

This was the subject of a congressional hearing Representative Mario Biaggi and I held in Syracuse August 30. At that time I urged strengthening already established Government programs in providing heating cost relief this winter. From my 7 years as HUD's regional administrator in New York, I know that programs of relief need time to be planned and administered and I did not believe that establishing new programs could be done quickly enough to get money flowing when it was needed. I also cosponsored two different bills which would expand such current aid programs.

RENTERS' ASSISTANCE

On October 25 the House considered a supplemental appropriations bill which, when coupled with an earlier appropriation, would provide a total of $1.6 billion in emergency home-heating assistance. The money would be distributed in different ways, the largest portion being available for State bloc grant programs. However, the legislation contained no provision to help tenants who pay increased fuel costs indirectly through their rent. Consequently, I offered an amendment on the floor of the House which directed State Governors to include renters in any bloc grant program they might develop. After vigorous debate, my amendment was overwhelmingly adopted by the House.

Differences between House and Senate aid plans were resolved and on November 9 the House approved the final version and sent it to the President to be signed into law. The assistance package provides $800 million to be distributed through either State bloc grant programs or the AFDC program (the method being chosen by the Governor), $150 million to be added to $250 million which has already been appropriated for the Community Services Administration's crisis intervention program, and $400 million to be sent to supplemental security income recipients under a formula based in part on the State's number of cold-weather days and in part on its number of SSI recipients. The maximum aid for a household will be $250. The final version of the legislation retained the language of my renter's amendment as it was earlier accepted by the House.

I am encouraged that this legislation has moved through the Congress quickly and makes use of existing programs, as I had advocated at the Syracuse hearing last August. I am hopeful that this emergency assistance will be ready for distribution in time for the worst of the cold-weather season. As a member of the Select Committee on Aging, I intend to host a committee oversight hearing in the 18th Congressional District on January 10.

One purpose of this field hearing will be to examine how well the heating assistance program is working and to receive any suggestions for modifications so we can plan better for next year. The hearing is scheduled to convene at 10 a.m. at St. Bartholomew's Community House, 109 East 50th Street, third floor, room 332, and it is open to the public. I think it is essential that sufficient followup be conducted to insure that those in need are being served and that the money is being spent properly.

Government involvement in certain aspects of our energy situation can be helpful, at other times it can be detrimental. I wish to continue my discussion by highlighting several energy issues which relate (to one degree of another) to government regulation.

ENERGY MOBILIZATION BOARD

It is clear to all that we must increase our production of various alternative sources of energy here in the United States. Developing some of these alternatives will involve long processes of application and review by various regulatory bodies at all levels of Government. In order to speed along this process of review, President Carter asked Congress to create an Energy Mobilization Board, whose responsibility it would be to establish review schedules for certain new energy production projects and to see that development adhered to such schedules. Thus, the Board would not make the decisions of other Government regulatory bodies, but it would require those bodies to make their decisions by a certain time.

I believe that this Board can make a positive contribution toward solving the energy crisis. However, the regulatory system we already have in place is designed to insure safety to our citizens and to protect our environment. I do not want an Energy Mobilization Board which would have the power to jeopardize those protections. Consequently, I favor a Board which could in certain instances speed along decisions made by other Government agencies (that is, to waive procedural law) but which could not suspend standards (that is, to waive substantive law).

For example, I think that in a limited number of instances it would be permissible for the Board to require decisions from the Environmental Protection Agency on new energy projects within a certain amount of time (a procedural waiver). On the other hand, I oppose the Board being able to suspend air quality standards spelled out in current law (a substantive waiver). If any such suspension is to occur, Congress should have to make that decision.

These and other issues were debated when the House Commerce Committee produced H.R. 4985, the Priority Energy Project Act of 1979, and sent it to the House floor. Because of my concern over the issue of waivers of substantive law and because I share the view of many environmental organizations that the Commerce Committee bill provided insufficient safeguards and granted too much power to the Board, I cosponsored the Udall substitute bill.

Our bill would have deleted the power of the Board to waive substantive law, limited the number of priority projects the Board could consider to 75 at a time and curbed other Board authority. This version was supported by the Sierra Club, the Solar Lobby, Common Cause and several other organizations. Unfortunately, our proposal lost on a vote of 192–215.

However, the Commerce Committee bill was greatly improved when it was amended to delete the Board's authority to waive State and local substantive laws, and I voted with the nearly unanimous majority of my colleagues for that amendment. I supported another amendment which would have deleted the authority to waive Federal laws as well, but this was defeated 153–250.

Following these and votes on other amendments and after discussions with representatives of the Sierra Club and the League of Women Voters, I decided to vote for H.R. 4985, as it had been amended, on final passage, and the measure was approved November 1 on a vote of 299–107. As I said earlier, I think that an Energy Mobilization Board can be a valuable part of our answer to current energy problems and that accounts for my vote in favor of H.R. 4985. However, I am hopeful that the issue of Federal waivers can be resolved more nearly to my satisfaction in the House-Senate conference committee to which the proposal has moved.

NATIONALIZATION OF THE OIL INDUSTRY

From time to time I receive suggestions that we consider nationalizing the oil companies. Although I share those people's frustrations over certain actions and attitudes of the major oil companies, I hardly think that having the Government run the industry would result in any improvement in energy supply, price, quality, or service. If the example of the Postal Service were not enough to convince someone of the Federal Government's inadequacies, one would only have to look at the performance of the Department of Energy in monitoring middle distillate supplies (which I mentioned earlier) and in attempting to regulate the price and allocation of gasoline.

GASOLINE PRICE CONTROLS, ALLOCATION AND EMERGENCY RATIONING

While all of us are very disturbed about soaring inflation, I do not think it is reasonable to assume Government controls attempting to keep gasoline prices artificially low will alleviate the inflation problem. Indeed, controls tend to distort the market and reduce supplies.

Everyone who has been involved with the gasoline price control and allocation system (including former Energy Secretary Schlesinger) has acknowledged that that system was the primary cause of the gasoline lines last spring and summer. Bureaucrats simply could not allocate a tight supply as efficiently as the market could have done. In my view, allowing the market mechanism to work will insure the most plentiful supplies at the most reasonable prices.

Consequently, on October 12 I joined with a majority of the House in approving an amendment to H.R. 3000, the Department of Energy Authorization bill, to lift Government controls of gasoline. Unfortunately, when this matter was brought up again 2 weeks later, the House voted 189–225 to retain controls. Thus, controls continue in effect.

This year's gas lines brought renewed calls for rationing. I believe that it makes sense for the Federal Government to have in place a rationing system for use in the event that we experience a significant emergency shortfall of gasoline supplies. Legislation enacted by the last Congress required the President to develop a standby rationing system, and President Carter submitted his proposal to the Congress early this year for approval. Unfortunately, that plan was seriously defective—it would have seriously discriminated against most urban areas of the country, was unfair to the poor and was exceptionally vague about how mass transit vehicles, taxis, and delivery vehicles would be treated, subjects of great concern to me and my fellow New Yorkers. As a result, on May 10 I joined with a large majority of my colleagues in disapproving Mr. Carter's plan.

Following that action, committees of the Congress set to work to give the President new authority to devise and impose a gasoline rationing system. Such authorization was included as part of S. 1030, the Emergency Energy Conservation Act of 1979. Unfortunately, this bill called for congressional approval of the Presidential plan only after an emergency was upon us and the President was ready to implement the plan.

I felt that it would make much more sense to have congressional input (and approval or disapproval) immediately after the President completed the structuring of the system and not wait until we saw the need to make use of the plan. If we waited until we were in that emergency situation, any congressional input would be meaningless since we would be left with approving the plan before us or doing nothing in an emergency. Consequently, I voted against the bill when it passed the House August 1.

Differences between the House and Senate versions of the bill were then resolved and I was very pleased that the conferees altered the legislation to provide congressional approval of the standby plan at the time the President completes the plan in addition to the time he would want actually to implement it. With that significant change, I voted to give the President standby gasoline rationing authority when the final version of S. 1030 passed the House October 23 and was pleased that the President signed the bill into law a few days ago.

CRUDE OIL DECONTROL

Acting under previously granted authority, President Carter began on June 1 a gradual lifting of price controls of domestic crude oil. As I mentioned at the outset of my remarks, the world price of crude oil has increased about tenfold since 1973. The use of controls to keep domestic crude at unrealistically low prices has discouraged the search for new and further development of some types of old U.S. oil, and, as a result, I approved of the President's decision.

There can be little question that crude oil controls have contributed greatly to the severe energy difficulties we in New York and around the country are facing. Decontrol will make possible the extraction of various amounts of oil which are now found mixed with water, sand or heavy tar—an extraction process which is very expensive—and will be one more step toward putting America on the road to energy self-sufficiency. Thus, decontrol seems to make eminent sense for the well-being of the American people.

However, oil discovered and developed under the old controlled prices will bring "windfall" returns to the oil companies unless the Government directs the use of those revenues elsewhere. And that brings me to a series of energy-related tax issues, the first of which is the so-called windfall profits tax proposal.

THE WINDFALL PROFITS TAX

The windfall profits tax is probably the most important issue to be considered by this Congress. It is crucial to the success of much of our energy policy because many of our programs to provide relief to consumers and gain energy independence are slated to be funded from revenues raised by the tax.

There can be no doubt that the lifting of controls and the resulting rise in price will result in signficantly increased profits from oil production in the United States. Oil companies announced in October third quarter profits, many of which were well in excess of 100 percent over the same period last year, though most of these were offshore profits, and thus not subject to the windfall profits tax. Still, monopoly OPEC prices create artificially high U.S. prices, and thus windfall profits for U.S. oil producers.

I share the concerns of many of my constituents and colleagues here in the House about what will happen to the increased profits. Clearly, in the case of old oil, the companies will be experiencing real windfall profits which should be used to deal with our country's energy problem. Thus, I voted for the bill (H.R. 3919) when it passed the House June 28.

It should be understood that the proposed tax, though it has been called a "windfall profits" tax, is not a tax on profits at all. It is a tax on production that is due whether the producer is or is not making a profit. The tax is a percentage of the difference between selling price and an arbitrary base that varies by category of production involved: That is, lower tier oil, generally consisting of oil discovered before 1973; upper tier oil, generally consisting of oil discovered between 1973 and the present; and new oil that is to be discovered in the future.

While I favor imposition of a tax, I certainly was not completely satisfied with the version of the bill produced by the House Ways and Means Committee. Unfortunately, fine tuning of that measure on the floor was impossible in that the procedural rules under which the bill was considered were very limiting and allowed only two significant amendments to be offered.

My votes on these amendments were cast with the attitude that the ideal windfall profits bill would not be harsh on new oil but would impose a heavy levy on old oil, on which the artificial OPEC price does give a windfall profit. By the beginning of this calendar year we had experienced the OPEC price increase of December 1978 and the Iranian upset, and it seemed likely that the President intended to lift controls on domestic crude. Exploration for and production of oil prior to January 1, 1979 was done under the assumption of price levels then prevailing.

Thus, it seems logical to conclude that

for oil discovered prior to the first of this year, decontrol and resulting price increases to OPEC levels result in a true windfall profit. However, it seems also to make sense that oil discovered after January 1 should not be subject to the windfall profit tax, because certain investments for new oil simply will not be made—and could not be justified economically—unless there is a higher price to make such investment feasible. We should not destroy the intent of decontrol—to stimulate new discovery and increase production—by taxing away the incentive.

I was in the majority in a 236–183 House vote in favor of the Moore-Jones amendment to H.R. 3919. This amendment reduced the rate of tax from 70 percent to 60 percent on lower tier, upper tier, and stripper crude. I supported the amendment because it will recover windfall oil company income even more than the tax proposed by the President, but is less discouraging to increased future production than either the committee's proposal or the President's plan. As I mentioned earlier, I do not think that we should impose a tax which would discourage exploration for and development of new domestic oil at a time when we are trying to expand production.

This lower rate of 60 percent would also apply to certain marginal wells where considerable expense would be incurred to increase production. It seems to me to be sound policy to tax these "tertiary recovery" wells at the lower rate because of the unusual costs involved in this process. While in most cases there are no exploration costs to be considered, the production costs are extraordinary and, under present prices, prohibitive.

Because of my belief that there was indeed a windfall on oil already discovered, I supported adoption of the amendment proposed by Congressman **SHANNON**, which would have increased the tax on such oil. It seemed to me that this would have improved the bill, which gives too great an exemption to old oil. There is no reason to give oil companies a tax break on the windfall profit they will make because of price increases for previously discovered oil.

As I have indicated, the investment in such cases was made with the expectation of the lower, controlled price, or the even lower pre-1973 market price, and thus I thought the higher tax was in order. The incentives should be concentrated on newly discovered oil.

Following votes on these amendments, I joined the majority of the House in approving the windfall profits tax bill. After months of debating this issue, the Senate Finance Committee recently voted for a version of the bill which is considerably weaker than we in the House adopted in June. The Senate bill must now be considered by the full Senate and differences worked out with the House before the measure can be enacted into law.

MODIFICATION OF THE FOREIGN OIL TAX CREDIT

During consideration of the first budget resolution last June, I voted for an amendment to increase tax revenues by revising the foreign tax credit for oil companies. While I believe that this is a step in the right direction, I am doubtful that such action could raise the full $1.2 billion some of its other proponents claim, since most of the revenues attainable from this source have already been garnered by the 1976 Revenue Act and by administrative determination by the Internal Revenue Service. The House Ways and Means Committee has held hearings into the question but has not yet provided the full House with legislation to consider.

RENTERS' ENERGY TAX CREDIT

Law enacted by the last Congress provides a tax credit for certain kinds of energy improvements made by homeowners and apartment dwellers. Such improvements might include installation of solar heating panels, storm windows, or insulation. However, the credit is not available to landlords who make identical improvements on the rental buildings they own. The tenants are allowed to take the credit for any such improvements they may make, but it is unlikely that most tenants would want to make a significant capital improvement on a residence they did not own.

Consequently, I am cosponsoring H.R. 264 which would extend the credit for installation of energy-saving devices to landlords. Poor energy efficiency in an apartment results in increased fuel costs which are passed along to tenants through their rent. The purpose of this bill is to encourage housing improvements which will conserve energy and, thereby, reduce costs for renters. H.R. 264 is now pending before the House Ways and Means Committee.

My remarks thus far have concentrated on economic considerations for the individual and on Government controls and taxation. I would like to devote the balance of my statement to issues of producing more and new kinds of energy and using that energy more wisely.

ENERGY RESEARCH AND DEVELOPMENT

Oil price increases since 1974 have caused us considerable hardship, but they have also made some types of energy alternatives economically feasible. Private investment in research and development of these alternatives has grown enormously, but a significant degree of Government investment is also appropriate. Exciting progress has been made in the last few years regarding the economic attractiveness and technical utility of many of these alternatives and I believe the Federal Government has a constructive role to play in hastening their development. I am particularly interested in promoting those actions on the energy front which are environmentally sound.

For example, in approving H.R. 3000 on October 24, we in the House authorized research and development appropriations of $43 million for wind, $26.6 million for ocean thermal energy conversion and other ocean systems, $141.4 million for geothermal energy, $57.8 million for biomass, $173 million for coal liquefaction and $146 million for coal gasification. In addition the bill included $547.8 million for solar technology and applications, an increase of $38.3 million over the President's request.

SYNTHETIC FUELS

Through my membership on the House Banking Committee, I have been working on some of the major energy initiatives coming out of this session of Congress. As a member of the Economic Stabilization Subcommittee, I have been active in encouraging the development of another energy alternative—synthetic fuels. Since these fuels may at present be more expensive to produce than petroleum products, Federal assistance is necessary to get this program off the ground. I was cosponsor of H.R. 3930, which would amend the Defense Production Act to stimulate the "synfuel" effort.

This legislation would encourage synfuel development with the use of long-term Government guaranteed purchases and, if necessary, Government loans. I am pleased that the House overwhelmingly passed the legislation June 26 by a vote of 368 to 35.

It is important to note, however, that a significant synfuel production is several years down the road. It is also my strong feeling that there are overriding environmental considerations and that we must proceed with utmost caution in synfuel development. This is a principal reason for my support of the Udall substitute version of the Energy Mobilization Board I discussed earlier.

The Senate passed its synfuels bill last week and, unfortunately, it does not contain the same safeguards that the House bill does. According to the Senate's plan, a government corporation would be created whose goal would be to build a synthetic fuels industry capable of producing 1.5 million barrels of oil per day by 1995. To do this, the corporation would be authorized to spend $20 billion of the taxpayers' money. It would also be directed to present to Congress within 5 years a plan for a much more expensive second-stage program, which would bring synthetic fuels into full-scale commercial production.

I think that this is the wrong approach for a couple of important reasons. First, it goes too fast, provides insufficient environmental protection (particularly when coupled with the possibility of Energy Mobilization Board waivers of substantive Federal law) and puts too many of our energy eggs into the synfuel basket. Second, I do not think that it is wise for the Government to build the synfuel plants itself. It is much sounder policy to leave this to private enterprise (although, as I said, with initial Government stimulation) and to allow the synfuels industry to rise (or fall) in the competitive marketplace.

SOLAR POWER

In addition to the solar energy tax credits and research and development money which I have already discussed, creation of a Solar Energy Development Bank is also a priority item of my energy program. I am a cosponsor of several pieces of legislation instituting a

Solar Bank and believe that this form of renewable energy can do much to help decrease our dependence on imported oil. Getting the solar industry off the ground will also serve to decentralize our means of energy production to some extent, and I view this as a most positive development.

The Solar Energy and Energy Conservation Bank has been approved by the House Banking Committee, on which I serve, and the House leadership has designated this as priority legislation to be acted upon before the end of the first session of the 96th Congress. Thus, I am encouraged that it will be scheduled for floor action before we adjourn in December.

The legislation now provides for Government subsidies to assist homeowners make the substantial investment needed to install a solar system. In committee I amended the bill to require that such subsidies go only toward energy-efficient homes, since it would make little sense to provide for the solar heating of a home that has insufficient insulation. The funds necessary to render the home energy efficient could also be subsidized.

The bill presently states that the subsidy can only go up to 40 percent of the cost of the system. Since the object of the legislation is to give a major boost to a new industry, and since we are dealing with limited funds, by increasing the percentage of the subsidy, the number of solar units bought with the help of Federal dollars will be decreased. Therefore, I opposed efforts to increase the subsidy to 50 percent of the cost of the system.

The need for assured funding of the bank is very important. The current solar tax credit mentioned previously took approximately 1½ years to become operational. In that period of time, many small solar firms folded, and I am concerned that we not allow this to happen again. Amendments have been offered to have the bank funded by general revenues, instead of from the windfall profits tax.

While this may be desirable, I am afraid that such a motion may doom the chances of passage of the bank for another year, a delay that would prove devastating to many small firms. The reason for this is that, under the Budget Act of 1974, the Congress cannot authorize funds for programs that have not been authorized before May 15, and that are not included in the second concurrent budget resolution which sets both the spending and revenue limits of the Federal Government. After consulting with the Budget Committee and the Congressional Research Service, I have been advised that providing the funding for the bank out of general revenues would be in violation of the Budget Act and therefore would almost surely incur the opposition of the House leadership and quite likely insure the defeat of the bill.

I will continue to work to see that Congress enacts a responsible windfall profits tax which will supply sufficient revenues to fund the bank. At this time the Senate is working on a weaker tax than we passed here in the House. Funding the bank from general revenues would decrease pressure on the Senate to act responsibly as well as increase the debt of the U.S. Government.

CONSERVATION

When the original Solar Bank legislation was introduced and referred to in the House Banking Committee, it contained no provision for conservation. As I indicated earlier, I think it makes little sense to help fund solar energy for energy-wasteful homes. Many houses which may benefit from this legislation were built at a time when energy was cheap and the added construction costs of proper insulation were not considered worth the price by many people. Today, even though energy costs are significantly greater, many low- and middle-income households are unable to afford insulation and other energy conserving items because these people are paying such high fuel bills. This "Catch 22" situation makes Government assistance entirely appropriate and beneficial.

From the first day of hearings I urged the committee to consider conservation measures to accompany the solar provisions. Since I feel strongly on this issue, I drafted language to promote energy conserving improvements in buildings. I am very pleased that the other members responded positively to my arguments and my major expansion of the bill (from a Solar Bank bill to the Solar Energy and Energy Conservation Bank bill) was approved by the Banking Committee. I am very proud of that effort and feel that the legislation is considerably improved as a result.

This is especially important since conservation is the only energy alternative which is likely to provide us with significant returns over the short term. That conclusion has been confirmed by many recent studies from Princeton University, the Harvard Business School, and elsewhere. For example, the Princeton study concluded that "a combination of measures involving added insulation, caulking and weatherstripping, window improvements, and furnace modifications could reduce the fuel needed to heat a typical residence by 50 to 75 percent, without loss of comfort."

Such energy conservation should result in other savings, as well. Conservation should result in a reduction in projected capital expansion by utilities, since they will need to produce less energy than otherwise. These savings should be reflected in the rate base and will be added to the savings the consumer will enjoy as the result of reduced consumption.

My conservation amendments to the Solar Bank legislation is designed to complement the solar provisions, not detract from them. The separate authorization of funds for the conservation segments contained in the committee-approved bill will insure the integrity of the solar provisions. Another chief concern of mine was to oppose efforts by others on the committee to limit coverage of multifamily dwellings under the bill. I was successful in that effort but we must still resolve differences with the Senate on this issue.

Given the extraordinary promise of conservation techniques in helping to solve our energy problems, it seems appropriate to mention briefly some of the other actions I have taken during this session in this regard.

BUILDING TEMPERATURE RESTRICTIONS

Under provisions of the Energy Policy and Conservation Act, which was passed under a previous Congress, the President sent to the Congress on March 1, 1979 his temperature restriction proposal and on May 10, the Congress, with my support, gave him standby authority to invoke such restrictions. After a 22 day public comment period and public hearings in five cities, including New York, the Department of Energy made certain revisions in the program and on July 5 issued final regulations implementing the plan.

The plan requires that thermostats in most nonresidential buildings be set at no lower than 78 degrees Fahrenheit for cooling, no higher than 65 degrees for heating and no higher than 105 degrees for hot water. The plan can remain in effect for a maximum of nine months, but could be rescinded earlier by the President.

All nonresidential buildings in the country, including federal buildings, are covered by the plan with exemptions for hospitals, other health-care facilities, lodging facilities, elementary schools, nursery schools and day-care centers. Exemptions also are provided for buildings or portions of buildings containing special equipment, manufacturing, industrial and commercial processes, or materials which need specific environmental conditions, or where health codes require higher hot water temperatures.

The Department of Energy estimates that these temperature restrictions will conserve from 195,000 to 390,000 barrels of oil a day. Although I think that attainment of such savings would be laudable, I am also concerned that the Energy Department has not been more flexible in implementation of the program. For example, many of the public comments made to the Department suggested that other conservation techniques be included in the regulations as alternatives to the specified temperature restrictions. The National Restaurant Association even developed a specific set of guidelines for restaurant operation which if followed would yield significant energy savings. However, the Administration refused to allow such alternative approaches.

Consequently, while considering the Emergency Energy Conservation Act (S. 1030), on July 31, which I will discuss more fully below, I voted with the majority of my House colleagues in approving an amendment which would provide exemptions from building temperature restrictions for buildings which achieve an equivalent reduction in energy consumption by other means. This has now become law.

EMERGENCY ENERGY CONSERVATION ACT

This law establishes that, upon declaration of an energy supply emergency with respect to any fuel, the President is required to establish State-by-State energy conservation targets and a target for Federal facilities. These targets would consist of a uniform national percentage reduction and must be specific to individual energy sources. The State conservation targets would reflect historical use and growth in consumption over a base period. States would submit plans for meeting their conservation targets within 45 days of the establishment of the targets and the Secretary of Energy would have 30 days to approve any plan. The law requires the President to devise a standby Federal energy conservation plan before the declaration of a supply emergency and to submit that plan to the Congress within 90 days after enactment of the law.

In addition, the act provides that automobile fuel purchases be restricted to a $5 minimum if the Governor of a State requests the Energy Department to make such restrictions applicable to his or her State. It prevents any Federal, State, or local fuel purchase plans from applying odd-even license plate sales restrictions to out-of-State drivers, except for those from contiguous States. Also included are requirements that the Energy Secretary report to Congress within 180 days of enactment details of current and projected commercial and industrial storage of gasoline and middle distillates and that the Department of Energy collect timely information concerning the supply, pricing, and distribution of motor fuels and to make such information available to the public.

USAVE

I am currently working with the Office of Legislative Counsel in drafting the U.S. Audit of Valuable Energy (USAVE) Act. This bill would require that energy audits be performed on most buildings in the country and that the recommendations of those audits be carried out to the extent that they would result in owner energy cost savings equal to what was necessary to pay off the cost of the work to be done. Such recommendations might include installation of insulation or storm windows, or improving the efficiency of one's furnace. A financing mechanism will be included in the legislation and the improvements are to pay for themselves within a given number of years.

THE DEPARTMENT OF ENERGY AUTHORIZATION ACT

The Department of Energy Authorization Act (H.R. 3000) includes $437 million for a variety of energy conservation programs, which involves some research, some demonstration projects, and grants to research institutions.

MASS TRANSIT

We in New York serve as a model to the rest of the Nation in providing mass transit. Our facilities make us more energy efficient in transportation than any other part of the Nation. Our share of Federal mass transit funds does not equal our proportion of mass transit users, and I have consistently fought for increased allocation to our area.

During consideration of the first budget resolution last spring I supported an unsuccessful amendment to provide $73 million to Amtrak to continue some of the railroad routes that the Carter administration had proposed closing. I agreed that the worst Amtrak money losers should be eliminated, but the upturn in ridership this year forcefully made the case that more routes should be kept than the administration wanted, and I wrote to the Secretary of Transportation urging his reconsideration. Fortunately, the congressional committees having jurisdiction over Amtrak authorization agreed with me and provided for sufficient funds to maintain certain lines, including the Montrealer, which serves the Northeast.

NUCLEAR POWER

For me, the most important consideration regarding nuclear power is that of safety. I have always believed that safety questions should be paramount and should be thoroughly investigated and resolved. The incredible incident at Three Mile Island reinforced this need and Congress is again focusing its attention on the subject of nuclear safety. This situation has been beclouded by regulatory secrecy and scientific disputes over the impact of small amounts of radioactivity. Shortly after the Three Mile Island accident, the Nuclear Regulatory Commission (NRC) announced a moratorium on the issuance of licenses and construction permits for new nuclear powerplants, a moratorium which continues as I speak.

I felt that this was responsible action by the NRC and necessary to give us time to perform the safety investigations undertaken by the industry, the Congress, and the Kemeny Commission appointed by the President. I intend to monitor closely the continuing activities of the NRC and examine carefully the findings which the Kemeny Commission reported several days ago as well as those of other various study panels when they become available. I did note that the Kemeny report recommended no statutory continuation of the NRC's moratorium on new plant licenses.

Our colleague, Representative MORRIS UDALL, has often been at odds with the nuclear power industry and, as chairman of the House Interior Committee, has championed many environmental causes. I have been proud to join with Congressman UDALL in the past as a cosponsor of such legislation as the Alaska Lands bill and, as I mentioned before, as a cosponsor of the environmentalist-backed version of the bill to create the Energy Mobilization Board.

Chairman UDALL and his committee have held extended hearings investigating the Three Mile Island episode and reviewing this country's broader nuclear energy policy. In opening his hearing of September 21, Congressman UDALL noted that "nuclear (power) * * * provides about 12 percent of the Nation's electricity today, and in some areas like New England and northern Illinois, it produces 20 to 50 percent of the electrical power. While we must heed the lessons of Three Mile Island, we cannot undo our nuclear past all at once and order the immediate shutdown of operating plants without suffering profound adverse consequences."

For these and other considerations, Mr. UDALL arrived at the following statement:

> One conclusion that seems unavoidable to me in the light of all of our testimony here is that we are going to need some kind of nuclear generating capacity during the Eighties and Nineties and until the end of the century.

Mr. UDALL may very well be right in that conclusion, but I want to be certain that we have adequately provided for the safety of the American people as we plan for our energy needs over the coming decades—a sentiment expressed later in Chairman UDALL's statement. It is essential that we all recognized that there is risk in almost every venture of energy production. Providing us with the energy we need and expect has not been and is not a totally safe proposition. Our history has been tragically marred by fires, gas explosions, dam breaks, oil rig catastrophes and mine accidents. However, I do not think it is enough to say that in contrast we have lost no life to nuclear energy. Although I am encouraged at the cautious approach the NRC is now taking, I feel that more needs to be done.

While considering H.R. 4388 (energy and water appropriations) earlier this year, I joined with other Members of the House in approving an amendment to add $5 million to the appropriation for NRC to be used to get "on line" its program for plant inspectors. This amendment will allow the NRC to meet its planned deadline to have unit inspectors on site at all nuclear plants operating or in the final stages of construction.

PRICE-ANDERSON ACT

Many suggestions have been made in this Congress to repeal the Price-Anderson Act, which sets a liability ceiling for utilities. However, proponents of such action often fail to realize that repeal would place an additional burden on any person or group bringing suit against a utility. In addition to setting the liability ceiling, the Price-Anderson Act also waives the necessity of plaintiffs having to prove negligence in cases when the Department of Energy determines that a significant nuclear event has occurred. Moreover, under the current act, citizens or organizations bringing suit do not have to face an "assumption of risk" defense on the part of the utility. I am afraid that simple repeal of the act would significantly reduce the standing in court of persons or organizations suing a utility.

CONCLUSION

There can be no more important and compelling concern than that which we must all have for the short- and long-range safety of ourselves and our children. The NRC has clearly been lax in many of its past responsibilities and I want to use the Kemeny and other studies to correct present safety insufficiencies and to plan a reasonable and safe energy policy for the United States in the coming decades. I have no doubt that this will require increased emphasis on many of the issues I have discussed today—solar energy, conservation, mass transit, and others.

I would make no attempt to minimize

our present energy difficulties. They involve intricate economic, social, political and foreign considerations and they will cause us some hardship. However, neither would I minimize the strength of the American people and of our economic and political systems. Americans do not enjoy being "under the thumb" of OPEC price fixers and I have confidence that we will do what is necessary to become independent of their tyranny. This will not be accomplished with a single energy program, nor will it be done overnight. However, in time and with a variety of approaches, it will be achieved.●

ADVISORY COUNCIL TO SUGGEST CHANGES IN SOCIAL SECURITY SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 5 minutes.

● Mr. EDWARDS of Alabama. Mr. Speaker, an independent panel responsible for recommending to Congress changes in the social security system will make some sweeping suggestions in December which we should be hearing a lot about in the months ahead.

Panel members have said publicly that they will recommend, among other things, that half of social security benefit payments be subject to Federal income tax. Social security payments presently are entirely tax free.

The Advisory Council on Social Security also will recommend that retirees get cost-of-living increases twice a year, in March and in September, when the Consumer Price Index rises at least 3 percent within the 6-month period. Currently, cost-of-living increases are passed along to recipients only once a year, in July.

The Council, which embarked on the study 18 months ago, has held its final meeting but is still putting the final touches on the report it will send to Congress.

Advisory Councils, as required by law, are formed every 5 years to review the social security system. The 13 members are appointed by the Secretary of Health, Education, and Welfare. The panel's recommendations, in the past, have paved the way for most of the major changes that Congress has adopted in the system.

I want to be among the first to voice objection to the proposal that half of benefit payments be subject to Federal income tax.

Providing our elderly the support with which to maintain an independent and productive existence has been the overall goal of Congress. Social security should not be taxed and I do not think civil service retirement should be taxed either, at least at the lower levels. In fact, I have introduced a bill to exempt the first $5,000 of retirement income from Federal tax.

Our senior citizens living on retirement income deserve all the breaks we can give them. Many have meager incomes and can hardly make ends meet as the case is now. Another burden, especially from their Government, is not needed and would not be productive.

I hope that every Member of Congress will stand firm in opposing this recommendation.

The council members said they also favor rescinding most or all of the big increase in the payroll deduction tax scheduled for 1981 because they feel that the time has come to finance some part of social security with nonpayroll tax revenues. The council will recommend that a portion of personal and corporate income taxes be earmarked to pay for medicare, or a special income tax surcharge be imposed beginning in 1980.

It is important to emphasize that these recommendations are just that—recommendations. As you know, there is no legislation pending on any of these suggestions, and I can only hope that lengthy debate would follow any such legislative proposal.●

CAPTIVE NATIONS WEEK: FROM 1959 TO WHEN?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 30 minutes.

● Mr. FLOOD. Mr. Speaker, the successful 1979 Captive Nations Week was the 20th anniversary of this annual, national observance. Many speakers and participants looked back to 1959 when all this started. But all looked forward to the next decade, the challenging 1980's. The reason for the forward look is to be found in the unavoidable truths encased in the congressional Captive Nations Week resolution (Public Law 86-90). When he was Secretary of State, Dr. Kissinger was so wrong when he alluded to this law as "a cold war relic" and, on record, displayed his complete lack of understanding with respect to this historic text. Its contents will be far more applicable in the next decade than they have been for these past two decades.

As further indications of the successful "20th" I submit: First, a proclamation by the City Council of Huntington Beach, Calif.; second, the Boston program; third, a report in the South Boston Tribune; fourth, a letter by the Apostolic Delegate conveying Pope John Paul II's sentiments on the event; fifth, a letter in the Boston Herald-American; sixth, items on the National Captive Nations Committee's Award to Senator EDWARD ZORINSKY of Nebraska; seventh, a letter in the Claremont, N.H. Eagle-Times and another in the Keene, N.H. Sentinel and; eighth, a report in the Jamaica Plain Citizen:

THE CITY OF HUNTINGTON BEACH, CALIF.

The City Council proclaims July 15-21, 1979

CAPTIVE NATIONS WEEK

and urges participation by citizens of the city of Huntington Beach

Given this 16th day of July, 1979.

PROCLAMATION

The 1979 Captive Nations Week Committee cordially invites the public to the observance of the

20th Anniversary of Captive Nations Week

on Wednesday, July 18, 1979, starting at 11:30 a.m. at the Massachsetts State House, Doric Hall, Beacon Hill, Boston, Mass.

This year's observance is sponsored by Lithuanian American Council of Boston; American National Latvian League in Boston, Inc.; and Ukrainian Congress Committee of America—Boston Chapter.

President Jimmy Carter and Governor Edward J. King designated the week of July 15-21 as "Captive Nations Week" in the nation and in Massachusetts respectively.

In his proclamation of June 22, President Carter stated: "Americans now, as at all times in history, remain steadfast in our belief that liberty and national independence are among the universal birthrights of mankind. Remembering our democratic heritage and our commitment to human rights, let us take this occasion to reaffirm our admiration for all men and women around the world who are committed to the cause of freedom. And mindful of our own rich and diverse heritage, let us express our compassion and respect for persons around the world still seeking the realization of these ideals in their own lands."

Governor King's proclamation stated: "The captive nations of Central and Eastern Europe—Armenia, Byelorussia, Estonia, Latvia, Lithuania, Ukraine, Georgia and others—have not accepted the Soviet Russian enslavement and continue to struggle for their national and independent States. The establishment of national and independent States by all captive nations and the decolonization of the Soviet Union Empire would contribute significantly to a just and lasting peace in the world and to the freedom of all nations."

The "Captive Nations Week Resolution" of July 17, 1959, enumerated 22 original captive nations in the following order (year of communist domination is in the brackets): Poland (1947), Hungary (1949), Lithuania (1940), Ukraine (1920), Czechoslovakia (1948), Latvia (1940), Estonia (1940), Byelorussia (1920), Rumania (1947), East Germany (1949), Bulgaria (1940), Mainland China (1949), Armenia (1920 , Azerbaijan (1920), Georgia (1920), North Korea (1948), Albania (1946), Idel-Ural (1920), Tibet (1951), Cossackia (1920), Turkestan (1922), North Vietnam (1954). Added since were: Cuba (1960), Cambodia (1975), South Vietnam (1975), Laos (1975).

[From the South Boston Tribune, July 12, 1979]

JULY 15-21 PROCLAIMED AS CAPTIVE NATIONS WEEK

The week of July 15-21, 1979, will be observed as "Captive Nations Week" in the nation and in Massachusetts, according to proclamations issued by President Jimmy Carter and Governor Edward J. King. The purpose of the Captive Nations Week is to salute captive nations under Russian communist domination and reaffirm our support for their freedom and national independence.

On Wednesday, July 18, 1979, starting at 11:30 a.m. a special commemorative program will be held in Doric Hall-Massachusetts State House, Beacon Hill, Boston, in observance of the "Captive Nations Week" in Boston. The program will include prayers, reading of proclamations, a talk about captive nations and their aspirations for national independence and some cultural entertainment.

During the program, a plaque of appreciation will be presented to the Honorable John W. McCormack, retired Congressman from Boston and Speaker of the U.S. House of Representatives for his contributions to the enactment of the Captive Nations Week Resolution in July 1959.

The public is cordially invited to attend the observance at the State House.

This year marks the 20th anniversary of the enactment of the Captive Nations Week Resolution, known as Public Law 86-90. The resolution listed 22 original captive nations: Ukraine, Lithuania, Latvia, Estonia, Armenia, Azerbaijan, Beylorussia, Idel-Ural, Cossackia, Turkestan, Poland, Hungary, Czechoslovakia, Rumania, Bulgaria, Albania, Georgia, East Germany, Mainland China, North Vietnam, North Korea, Tibet. Added to the list were: Serbia, Croatia, Slovenia, Cuba, Cambodia, South Vietnam and Laos.

In his 1979 "Captive Nations Week" proclamation, President Jimmy Carter stated: "Americans now, as at all times in our history, remain steadfast in our belief that liberty and national independence are among the universal birthrights of mankind."

Governor King's proclamation noted: "The establishment of national and independent States by all captive nations and the de-colonization of the Soviet Union Empire would contribute significantly to a just and lasting peace in the world and to the freedom of all nations."

This year's observance of the "Captive Nations Week" in Boston is sponsored by the 1979 Captive Nations Week Committee and active participation of Lithuanian American Council of Boston, American National Latvia League in Boston and Ukrainian Congress Committee of America—Boston Chapter. This year's observance of the "Captive Nations Week" provides yet another opportunity to us to manifest our concern for freedom and national independence of all captive nations under Russian communist domination," stated Orest Szczudluk, a spokesman for the Captive Nations Week Committee and Vice President of the Ukrainian Congress Committee of America in Boston.

APOSTOLIC DELEGATION,
UNITED STATES OF AMERICA,
Washington, D.C., June 29, 1979.

Mr. HORST A. UHLICH,
Chairman, Captive Nations Committee of New York, New York, N.Y.

DEAR MR. UHLICH: Pope John Paul II greets those gathered in St. Patrick's Cathedral to observe the opening day of the Captive Nations Week. He joins you in prayer that the freedom of the children of God may be enjoyed by all our brothers and sisters throughout the world.

The Church has always taught the duty to act for the common good and, in so doing, has likewise educated good citizens for each State. Furthermore, she has always taught that the fundamental duty of power is solicitude for the common good of society; this is what gives power its fundamental rights. Precisely in the name of these premises of the objective ethical order, the rights of power can only be understood on the basis of respect for the objective and inviolable rights of man. The common good that authority in the State serves is brought to full realization only when all the citizens are sure of their rights. The lack of this leads to the dissolution of society, opposition by citizens to authority, or a situation of oppression, intimidation, violence, and terrorism, of which many examples have been provided by the totalitarianisms of this century. Thus the principle of human rights is of profound concern to the area of social justice and is the measure by which it can be tested in the life of political bodies. (Pope John Paul II, *Redemptor Hominis,* n. 17)

May the grace of our Lord, Jesus Christ, the love of God the Father and the communion of the Holy Spirit be with you all.

JEAN JADOT,
Apostolic Delegate.

[From the Boston Herald-American, Aug. 9, 1979]

IS OUR BELOVED NATION ALSO CAPTIVE?

We have recently "celebrated" Captive Nations Week. "Celebrated" is scarcely the word to use because there is nothing about a nation of people being forced to live under the rule of Soviet Russia and its Communist government that merits a celebration.

Since 1920 through 1975 a total of 30 independent nations, with their many millions of people, have come under the savage heel of oppression. These include such nations as Ukraine, Mongolia, Latvia, Albania, Bulgaria, Poland, Hungary, East Germany, Cuba, North and South Vietnam, to name a few.

As we paid homage during that week to the nations brought under the rule of Communist terror, we must ask ourselves the sobering question: Is our beloved nation also captive?

Has Communist penetration reached the point where U.S. foreign policy is being made in Moscow? Recent policy postures make it difficult to find other explanations.

Some illustrations include our support of Communist armed nations that have laid siege to our long time ally, Rhodesia; our support and arming of Red terrorists trying to over-throw the pro-American government in Nicaragua; our betrayal of our friend and ally, Iran; our give away of the Panama Canal to the Marxist government of Panama; our betrayal of Taiwan to expedite multinational trade in Red China; our proposed military surrender to the Soviet Union via Salt II; our attempts to withdraw U.S. troops protecting South Korea; and our berating of our allies over "human rights" while embracing, aiding and trading with the Soviet Union and Red China—the greatest butchers and oppressors known in recorded history.

You and I, and millions of others, have asked ourselves why U.S. policy is so contrary to U.S. interests. Our leadership simply cannot be so stupid. Even the law of averages demands that half of the policy decisions be on the right side. There has to be some other answer and reluctantly I have concluded it has to be by deliberate design.

It is ironic that international communism has, for more than half a century, loudly stated its goals and methods and made steady progress toward world domination. Stated briefly, they expect to conquer the world by infiltrating the governments of free nations. Are we infiltrated?

The records are quite clear that Communists and Communist sympathizers have infiltrated our government in its highest echelons. Are we too late now to turn the tide to keep us from becoming one of the "Captive Nations?" Maybe not, but it will take a thoroughly aroused citizenry and prompt action to "throw the rascals out."

ANDREW LANE.

LEXINGTON.

[From the Lincoln (Nebr.) Journal & Star, Aug. 5, 1979]

ZORINSKY GETS AWARD

The National Captive Nations Committee recently presented its Liberty Award to Sen. Edward Zorinsky, D-Neb. According to the NCNC, captive nations are countries under communist domination.

[From the Omaha Morning World-Herald, Aug. 3, 1979]

GROUP GIVES ZORINSKY ITS LIBERTY AWARD

WASHINGTON.—The National Captive Nations Committee has presented its Liberty Award to Sen. Edward Zorinsky, D.-Neb.

Zorinsky was cited "for his lifelong opposition to all forms of tyranny, especially communism." A spokesman said members of the organization are concerned about "the more than 1 billion captive peoples behind the Iron, Bamboo and Sugar Curtains."

[From the Claremont (N.H.) Eagle-Times, July 25, 1979]

WHAT CAPTIVE NATIONS WEEK REPRESENTS

To the Editor:

Once again in the second part of July we will observe "Captive Nations Week" Captive Nations Week became a part of American history, and there is no hope in sight, that the captive countries will be free again.

There is a saying, what the communists have they never give up. This should be a reminder to the people of the United States. From coast to coast in the United States, refugees from the enslaved countries, their American friends, and also many American leaders bring freedom to the foreground by observing Captive Nations Week.

Their pleas will reach the hearts of many freedom loving Americans and tell them about the misery people have to endure under communism. We are here to remind every American and people of the Free World about the enslaved brothers by the Communist Regime and communist tyranny.

Once again, we are appealing to all Americans, to young and old, men and women, girls and boys, red, yellow, white and black, to high school or college students, to all Americans of different origin, clergy, to everyone who desires to live in freedom with liberty, justice and peace, join me to save the United States from the Red tyranny from communism.

In this Captive Nations Week observance, we are asking you to pray for those who have lost their lives in communist labor camps and prisons. To pray for many families who live behind the Iron Curtain, and who are persecuted by the Communist Regimes. To pray for those who are longing to be free. Pray to keep our country free and that freedom may come soon to all captive nations.

Remember freedom is the greatest gift and blessing for all kind and today we are demanding freedom for the captive nations. Look at the map of the world. In the last 10 years you will notice that the communists have gained countries, territory and people! I think it is a right time for you my friends to examine this before it will be too late!

God Bless America, God be with our brothers behind the Iron Curtain. Help us destroy the communist influence and protect our beloved country that it may never fall prey to communist tyranny.

BOB OPAL,
Polish-American Radio Programs,
New Hampshire-Vermont.

[From the Keene (N.H.) Sentinel, July 24, 1979]

CAPTIVE NATIONS WEEK TIME TO EXAMINE FREEDOM

To The Sentinel:

Once again in the second part of July we will observe Captive Nations Week. Captive Nations Week became a part of American history, and there is no hope in sight that the captive countries will be free again. There is a saying: What the communists have they never give up. This should be a reminder to the people of the United States. From coast to coast in the United States, refugees from the enslaved countries, their American friends and also many American leaders bring freedom to the foreground by observing Captive Nations Week.

Their pleas will reach the hearts of many (freedom-loving Americans and tell them about the misery people have to endure under communism. We are here to remind every American and people of the Free World about the enslaved brothers by the communist regime and communist tyranny.

Once again we are appealing to all Americans, to young and old, men and women, girls and boys, red, yellow, white and black, to high school or college students, to all Americans of different origin, clergy, to everyone who desires to live in freedom with liberty, justice and peace, join me to save the United States from the red tyranny from communism.

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Remember freedom is the greatest gift and blessing for all kind, and today we are demanding freedom for the captive nations. Look at the map of the world. In the last 10 years you will notice that the communists have gained countries, territory and people! I think it is a right time for you, my friends, to examine this before it will be too late! God Bless America, God be with our brothers behind the Iron Curtain. Help us destroy the communist influence and protect our beloved country that it may never fall prey to communist tyranny.

Bob Opal.

Winchester.

[From the Jamaica (Mass.) Plain Citizen, July 12, 1979]

To Kick Off "Captive Nations" Week

The week of July 15–21 will be observed as "Captive Nations Week" in the nation and in Massachusetts, according to proclamations issued by President Jimmy Carter and Governor Edward J. King. The purpose of Captive Nations Week is to salute captive nations under Russian Communist domination and reaffirm support for their freedom and national independence.

On Wednesday, July 18, starting at 11:30 a.m. a commemorative program will be held in Doric Hall at the State House in observance of "Captive Nations Week" in Boston. The program will include prayers, reading of proclamations, a talk about captive nations and their aspirations for national independence and some cultural entertainment.

During the program, a plaque of appreciation will be presented to the Honorable John W. McCormack, retired Congressman from Boston and Speaker of the US House of Representatives, for his contributions to the enactment of the Captive Nations Week resolution in July, 1959.

The public is cordially invited to attend the observance at the State House.

This year marks the 20th anniversary of the enactment of the Captive Nations Week resolution, known as Public Law 86–90. The resolution listed 22 original captive nations: Ukraine, Lithuania, Latvia, Estonia, Armenia, Azerbaijan, Byelorussia, Idel-Ural, Cossackia, Turkestan, Poland, Hungary, Czechoslovakia, and Rumania.

Also: Bulgaria, Albania, Georgia, East Germany, Mainland China, North Vietnam, North Korea, Tibet. Added to the list were: Serbia, Croatia, Slovenia, Cuba, Cambodia, South Vietnam and Laos.

In his 1979 "Captive Nations Week" proclamation, President Jimmy Carter stated: "Americans now, as at all times in our history, remain steadfast in our belief that liberty and national independence are among the universal birthrights of mankind."

Governor King's proclamation noted: "The establishment of national and independent states by all captive nations and the decolonization of the Soviet Union Empire would contribute significantly to a just and lasting peace in the world and to the freedom of all nations."

This year's observance of the "Captive Nations Week" in Boston is sponsored by the 1979 Captive Nations Week Committee which is made up of the Lithuanian American Council of Boston, the American National Latvia League in Boston and Ukrainian Congress Committee of America-Boston Chapter.

"This year's observance of the 'Captive Nations Week' provides yet another opportunity to us to manifest our concern for freedom and national independence of all captive nations under Russian communist domination," said Orest Szczudluk, a spokesman for the Captive Nations Week Committee and vice president of the Ukrainian Congress Committee of America in Boston.●

SALT II: AN ECONOMIC BATTLEGROUND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AuCoin) is recognized for 5 minutes.

● Mr. AuCOIN. Mr. Speaker, I rise today in support of SALT II and suggest it be examined as a weapon to our advantage in the ongoing economic battle waged between the Soviet Union and the United States.

The economic ramifications of SALT II are as important as the military reasons, and perhaps more transcending.

Since World War II, the Soviet Union and the United States have competed vigorously in all fields. But behind all this was a more fundamental competition—the struggle of economies. It is this struggle, more than any other, that has brought us to where we stand regarding SALT II.

The Soviet Union, after years of building up its military, has now reached a crossroads. The price of its military ambitions has been abject failure in its domestic economy. The Soviets have been humbled by repeated failures at feeding their own people. Consumer goods are scarce and generally shoddy. Average Russians appear unwilling to settle for this any longer.

The United States has reached an economic crossroads of a different kind at roughly the same time. Our consumers have ample choices. Our problem is the ability to sustain what we have with fuel shortages, rampant inflation, and vigorous world competitors.

Both the Soviet Union and the United States need to buy time to deal with domestic economic issues. Both need to curb military outlays. SALT II buys that time for both countries.

Should the United States see an advantage in this situation? I think it should.

If we seize the opportunity provided by SALT II, and revitalize our domestic economy by licking inflation and promoting a new era of productivity, we will emerge as a more towering figure in the world.

In the final analysis, neither our exotic weapons nor our unmatched bravery on the battlefield conferred leadership on our Nation. Our economic prowess did. We are known in the world as modern-day Romans who conquered obstacles with ingenuity, innovation, and enterprise. We have not lost those qualities and, therefore, have nothing to fear by focusing competition between ourselves and the Soviet Union on a struggle of our economies.

This is ground on which liberals and conservatives can stand in support of SALT II. SALT II does not sound the trumpet of retreat. SALT II moves the competition between two great powers to the economic battlefield, rather than the military battlefield. For that, the lives of people in both countries will be better off.●

RAY ROBERTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Dakota (Mr. Daschle) is recognized for 5 minutes.

● Mr. DASCHLE. Mr. Speaker, the people of the fourth district of Texas, and the veterans of this country will lose a powerful advocate when Congressman Ray Roberts retires at the end of the 96th Congress.

As a member of the House Committee on Veterans' Affairs for 20 years and as chairman for the past 4, he has played a major role in shaping programs and services designed to meet the needs of those who served their countrty during our Nation's wars.

Mr. Roberts has led the fight in opposing reductions in beds and medical personnel at our Veterans Administration medical-care facilities around the country and also to prevent the transfer of control from the VA to HEW.

This year he strongly supported legislation to completely revitalize the VA's 36-year-old vocational rehabilitation program for service-connected disabled veterans. This bill, which passed the House this fall, was carefully designed to meet the increased special needs of our younger disabled veterans struggling to make a place for themselves in today's society.

For these efforts, recent and past, I acknowledge Chairman Robert's assistance and dedication. On behalf of all veterans, I wish him well in his new endeavors.●

IRAN'S BARBARIC BEHAVIOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Bingham) is recognized for 20 minutes.

● Mr. BINGHAM. Mr. Speaker, the response of President Carter and members of his Cabinet to the Iranian crisis has been impressive.

Quite properly, the top priority—indeed, the only priority so far—has been the safety and release of the 62 American hostages. I have been gratified to note that most Members of the Congress have adopted the same posture and have not called for measures that might display America's might but would jeopardize the safety of the hostages.

The action of the President in ordering a halt to American purchases of Iranian oil was a proper way of saying to Iran—and to the rest of the world—that our country's energy needs could not be used as a lever in an attempt to force the U.S. Government to bow to barbaric behavior. When the Iranian Government responded by announcing its intent to withdraw Iranian deposits from American banks, the administration was ready to move ahead quickly with the right response: a "freezing" of all such deposits and of Iran's holdings of U.S. obligations.

It is of interest, and a matter of some personal satisfaction to me, that this freeze order was issued pursuant to a Presidential declaration of an emergency in accordance with the provisions of the International Emergency Economic Powers Act of 1977. That act, which replaced the outdated Trading With the Enemy Act, was originally considered and reported out by the Subcommittee on International Economic Policy and Trade, which I have the honor to chair, and subsequently by the full Committee on Foreign Affairs. The President's order of November 14 represented the first time the new International Emergency Economic Powers Act has been used.

I also want to commend the administration—and especially the Secretary and Deputy Secretary of State, the Secretary of the Treasury, and the Secretary of Energy—for taking the time and trouble in these hectic days to come to Capitol Hill and give to Members of the Congress firsthand reports on the events in Iran and the administration's responses to them.

The seizure of the U.S. Embassy in Tehran and the inhumane treatment of the hostages has been a nightmare for all Americans. We find it hard to understand how in the 20th century a people could respond to the commands of a fanatical leader and act as if the standards of the 7th century were acceptable today.

It is of some comfort that the civilized world has joined in condemning the Iranian outrage, as illustrated by the unanimous resolution of the United Nations Security Council and the subsequent refusal of the members of that body to meet, in response to Iran's appeal, until the hostages have been released.

Yet the regime in Iran seems determined to continue to hold the American hostages, in defiance of world opinion, until the Shah is handed over. That, Iran may be sure, will not happen. The only glimmer of light in the situation is that the Mexican Government is prepared once again to receive the Shah as a political refugee, and that the Shah may be willing and able to move back to Mexico within a few days.

Meanwhile, the hostages continue to suffer, not only from the physical pain of being tied hand and foot night and day, but from what must be agonizing mental and psychological strain. It is for the rest of us deeply frustrating that there is nothing we can do to help them. Significantly, no Member of Congress, and indeed few Americans, have called for giving in to the Iranians' demand that the Shah be turned over to them.

The one thing Americans can do, and there are signs that they are doing it, is to reduce their consumption of energy and thus display their determination not to be blackmailed.

I would like to make one final point: In the discussion of the Iranian students actions, approved—if not indeed ordered—by Ayatollah Khomeini, most of the comment has emphasized the violation of internationally accepted standards of diplomacy. It has been stressed that an embassy is not to be invaded and is to be treated under international law as if it were the territory of the nation whose embassy it is, and that, even in wartime, diplomats are to be protected and, if necessary, are to be granted the right to return to their homeland. This is all true, and no doubt the almost universal criticism of Iran's actions by other nations has reflected the fact that all nations recognize the importance of having their embassies and diplomatic personnel treated properly.

Nevertheless, this aspect of the matter should not be overemphasized. If the Iranian students had seized and held as hostages nonofficial American citizens, such as business people or teachers, that too would be an impermissible act. The highjacking of an aircraft—and the holding of its passengers and crew—is an act of piracy whether or not some of the hostages are entitled to diplomatic immunity. The seizure of the U.S. Embassy in Teheran and the cruel holding of its occupants should be considered as the equivalent of the highjacking of an aircraft and equally condemned as an act of barbarism.

When, as we all hope and pray, the hostages are released, the administration and the Congress will want to consider what kind of retribution against the Government of Iran would be appropriate.●

COMMUNITY ENERGY EFFICIENCY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MARKEY) is recognized for 5 minutes.

● Mr. MARKEY. Mr. Speaker, today, I am introducing the Community Energy Efficiency Act. This legislation is the work of Senator PAUL TSONGAS of Massachusetts who recently introduced it in the Senate. I am proud to be the House sponsor of legislation which would effectively direct our Government's resources to the local level in an effort to resolve a portion of our energy problem. As Senator TSONGAS so correctly stated:

> We spend billions of dollars on high technology, centralized energy projects which offer little shortrange relief from our energy problems, while communities throughout our country which can offer much more immediate and long-lasting energy alternatives search desperately for funds.

We are in the midst of an energy crisis in this country which shows no signs of easing up or leveling off. We have passed legislation which will expedite domestic energy production and transportation and which will pump billions of dollars into a synthetic fuels industry for the 1990's. But what have we done for the next 5 years, the critical years before we have more stable domestic energy resources. We are dependent upon other countries for half of our oil and that dependence has now begun to clearly show us all the effect it has on our dealings with those countries and on our stature in the world community.

Our energy consumption must be at its most productive for the next 5 years because our domestic resources could become our sole supply at any time. The most immediate response to an unstable energy supply is to save as much as possible of the energy which is wasted every day in our homes and in our communities. In so doing, we effectively produce more energy.

The Community Energy Efficiency Act would establish a grant program to fund energy conservation and renewable resource planning, programs, and capital projects at the local level. Community responsibility over land use, building codes, traffic control, and zoning ordinances can have a tremendous impact on the national energy effort. This bill would provide financial support for community-based energy productivity with an appropriation of $5 billion over the next 5 years. It is a modest amount to spend for what I consider to be potentially one of the best investments our Government could make.

I urge your support for this serious investment in productive energy consumption which would go a long way toward securing us against unstable foreign energy supplies.

I urge your support for this investment in energy self-help.●

WAGE AND PRICE CONTROLS: SUPPORT BUILDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 10 minutes.

● Mr. DRINAN. Mr. Speaker, I wish to bring to the attention of my colleagues an editorial by Hobart Rowen that was published today in the Washington Post. Mr. Hobart has articulated the frustrations of many Members of this House who realize that inflation, if left unchecked, will continue at a double-digit rate at least through next year. After quoting Alfred Kahn, the President's inflation adviser who concluded that inflation is "deeply ingrained," Mr. Rowen concludes that wage and price controls are needed to break the inflationary spiral that is feeding on itself.

I also direct the attention of this House to an editorial in favor of wage and price controls that appears in the Boston Globe today. The Globe pointed out that controls can "offer a breathing space in which national, corporate, and personal priorities can be reassessed."

I suggest that wage and price controls can provide this country time to develop a coordinated approach to weeding out inflationary policies from our Government and economic structure—time to reevaluate our excessive military spending, time to reduce our dependence on foreign petroleum, time to eliminate anticompetitive regulations, time to strengthen our antitrust laws, and time to effectively counter the alarmingly high costs of health care.

The editorial follows:

[From the Washington Post, Nov. 15, 1979]

KAHN'S GRIM VIEW

(By Hobart Rowen)

Alfred E. Kahn, the president's "inflation czar," has switched from being an incurable optimist on inflation to Washington's most sober-minded—and frustrated—pessimist.

One hopes that Kahn's new assessment of inflation prospects will be just as wrong as his others have been, by his own admission, all during the past year. But given the volatile situation in Iran—a foretaste of Middle East instability—Kahn's grim view this time has the ring of cold-blooded reality.

"Until recently," Kahn said in a speech last week at the National Press Club, "I honestly believed there was a reasonable prospect that inflation would come down below double digits. I don't see how I can continue to say that." The key new element, Kahn admitted, is that energy price increases are not going to taper off—as he and other administration officials had wistfully been predicting.

Instead, Kahn said, "I now see that we are in a situation in which energy (costs) could conceivably continue to increase in the months ahead at these incredible (60 percent) annual rates."

Kahn spoke before President Carter acted boldly to halt all U.S. purchases of Iranian oil, in response to Khomeini's seizure of the American Embassy in Tehran. The loss of Iranian oil will aggravate oil shortages and boost prices.

From now on, the only certain thing about oil imports from the Middle East will be the uncertainty of it all. Unpredictable supply conditions will dominate world oil markets. The radical, rather than the "conservative," nations increasingly influence the OPEC cartel.

Earlier, Kahn felt he could promise relief from inflation because "the well-advertised recession" would damp down the economy and prices—in a traditional way—would fall back. He admits he was "burned" by this bit of conventional wisdom.

The revolution in Iran, the 60 percent OPEC price increase so far this year, continuation of the home-construction-and-buying boom and unchecked spending by consumers dashed Kahn's hopes. "We are in a new oil world," he says. "The OPEC countries have learned how to keep supply tight. They have learned that our demands are so inelastic in the short run, so unresponsive (to higher costs of oil, that they can cut their production just a little bit and get markedly higher prices."

And there's even more to worry about. For the next several months, as a result of the Fed's tight money policy, mortgage interest rates will continue to rise. Upward inflationary pressures are becoming widespread—in effect, as Allen Sinai of Data Resources puts it, multidimensional.

Kahn is the first Carter administration official to confess that its inflation control policy, however well-intended, has failed. Economic Council Chairman Charles L. Schultze just two weeks ago said he saw "a good chance" that the nation could drop from the 13 percent inflation rate to single digits within the next few months.

But Schultze conceded in a conversation with this reporter that the oil situation "looks worse" and, with the impact of mortgage rates on the CPI, the "probabilities" for single-digit rates are reduced, and—in any event—the time when inflation might dip under 10 percent has been postponed past "the next few months."

Where does anti-inflation policy go from here? Kahn admits that inflation is "so deeply ingrained" that it would take a depression, not a mere recession, to cause any meaningful fall in prices. Since no one wants that kind of economic disaster, he believes that current energy policy must be supplemented by a willingness to go to gasoline rationing, "which would make domestic oil price deregulation less onerous."

Is this enough? Kahn, of course, sticks to the standard administration rhetoric rejecting formal wage-price controls, citing all the well-known arguments against them.

It seems clear to this observer, nonetheless, that unless the nation indeed wants to choose the depression route as the inflation cure, it ultimately will have to resort to wage and price controls, just as it will have to utilize gasoline rationing techniques. All of these artifices are messy, inefficient, inequitable. But as shock therapy, they are to be preferred to a monetary-induced depression where the messiness, inefficiencies and inequities would be concentrated in the income groups least able to bear them.

[From the Boston Globe, Nov. 15, 1979]

Price and Wage Controls Now

Last January Jimmy Carter spoke of the need for "effective federal leadership"... "if we are to overcome the threat of accelerating inflation."

Ten months later inflation is far worse than it was then and shows no sign of abating. It is time for the President to put into effect those price and wage controls he has always said he would use only as a "last resort."

But the insidious knife of inflation has been cutting into the household budgets of millions of Americans. A quick look at the figures for the past eight years in the accompanying chart shows how the population in general has suffered:

[Chart not printed in Record.]

But inflation is an even harsher problem for those with low incomes—retirees, employees in marginal industries, some public employees. It is harshest of all on those with small, fixed incomes, frequently the elderly.

The Carter Administration began the year hoping that the rate of inflation would have fallen to about 7 percent by Dec. 31. Instead, it is about double that figure and the end of the year is a mere six weeks away.

Swiftness is very much in order. The President's guideline programs, despite competent management by Alfred Kahn, have conspicuously fallen short of their goals. The other major element in the Administration's program, the Federal Reserve's tight money policy, designed to be gradual in its effect, will not even begin to dampen inflation for several months, according to Federal Reserve chairman Paul Volcker. In the meantime, although he did not say so, current rates of inflation will push up prices an additional 3 or 4 percent.

President Carter has shown himself willing to take some chances on public policy matters as they relate both to the economy and to energy. While he has consistently reitereated his belief that more stringent action on inflation ought to be taken only as a last resort, he is in an excellent position to take the dramatic steps that offer the best short-term responses to the problems confronting our economy.

The Administration must first freeze prices and wages while working out a mechanism for the equitable handling of the myriad special cases that will crop up in a system of controls. This time must also be used to decide how much and what part of the economy lends itself to a controls system. The best idea seems to be limiting controls to the 500 or 1000 largest enterprises in the country.

No freeze can last long without creating major inequities among competitors and between industries. A few months should give the Administration the time it needs to settle on permissible increases. Too much inflation has been built into our economy and too many irrevocable contracts have been written with built-in increases in wages and prices to assume that even the most stringent controls program could produce zero inflation. But it should be possible to administer a program with a target of, say, 7 percent increases in 1980 and 6 or 5 percent in 1981. The developing of such a program will require the creation of fairly precise standards, the hiring of officials to administer it and field personnel to monitor its operation on a spot-check basis.

The controls procedures will have various important effects. They will force many independent decision makers throughout the economy to weigh the consequences of their pricing policies and contractual relationships in a context outside the me-first principle. They will lead to the search for greater efficiencies in manufacturing and encourage the search for substitute, less costly materials.

By concentrating on the largest corporations, and insisting that their price increases be limited to some specific figure, pressure will also be put on those smaller suppliers who are not directly part of the program.

Without inflationary expectations, union negotiators could enter contract talks with far greater certainty that the prices to be paid for consumer goods by the members of the union would be reasonably stable for the life of the contract and therefore less inclined to build in unreasonable wage protection against inflation. Company negotiators would be unable to pass through to their customers the costs of inflationary wage settlements.

Price and wage control systems are imperfect. At best they can last no more than a few years. They paper over basic causes of inflation like persistent and costly government deficit spending programs or such nonproductive expenditures as arms purchases. They are nearly powerless to cope with international problems like OPEC.

But they get people's attention just by being there. They offer a breathing space in which national, corporate and personal priorities can be reassessed. They become a message to the rest of the world that we are committed to a serious effort to control inflation, which would help the value of the dollar and thereby make our imports less costly. Most important, they could break the nasty cycle in which prices follow wages and vice versa.

Jimmy Carter has it within his power to strike the first blow breaking that chain. If he seizes the opportunity, we may all gain. So may he.●

WEST VIRGINIA UNIVERSITY, THE ENERGY LEADER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia (Mr. Staggers) is recognized for 5 minutes.

● Mr. STAGGERS. Mr. Speaker, West Virginia University is a land-grant college, established on February 7, 1867, at Morgantown, W. Va., in my Second Congressional District. It is said the many faces of this educational facility consist of "teacher, student, healer, artist, scientist, grower of food and forest, and builder of a better world."

Our State university has pioneered in many fields and is continuing the development of programs covering every facet of today's life and existence.

July 1, 1977, West Virginia University received the services of a fine, young, talented, conscientious, and energetic president, Dr. Gene A. Budig. In these 2½ years he has proved the continuation of his leadership in the academic area and educational process, as well as an awareness of the many problems facing West Virginia, the Nation, and the world today.

I would like to call the attention of my colleagues to the following address by President Gene Budig concerning a matter of utmost concern to all of us—"WVU, the Energy Leader." I have read this and feel he has set forth many excellent points—most importantly, that we must and can look to the future with confidence.

WVU, THE ENERGY LEADER

(President Gene A. Budig, 40, was selected by the American Council on Education and Change magazine as one of the 100 top young leaders in American higher education. He was cited as being among "the best and brightest in academic service." His direct and unique contribution to the academic program at WVU was noted.

(For the past 12 years, Dr. Budig has taught every semester and advised doctoral students. He is a professor of educational administration and journalism at West Virginia University. "Nothing is more important to me than keeping in touch with students and the educational process," said WVU's teaching president, who has authored more than 50 articles for scholarly publications.)

When I assumed the presidency of West Virginia University two and a half years ago, I said the University could become "one of the national leaders in energy research."

Today I believe WVU can emerge as the *leader*.

I support this view with these facts:

1. The U.S. Department of Interior established one of the nation's mining and mineral resources research institutes at WVU. Others were created at such prestigious institutions as the University of California at Berkeley, Penn State, and the University of Texas at Austin;

2. The U.S. Department of Transportation selected West Virginia University as the first national transportation center;

3. This year WVU has been awared more than $14 million for research projects which relate directly to coal and energy;

4. No land-grant university has been more successful than WVU in the past two years in adding new faculty and staff in energy-related fields;

5. West Virginia University has established an energy center with a nationally known scholar to direct it.

This has been a record-setting period for WVU, which has attracted the largest total of research dollars from federal and state government, as well as business and industry, in its history. This has come about because of an able faculty.

And there is much more on the horizon. I remain confident that the U.S. Department of Energy will designate WVU this fall as a national coal laboratory. This will give WVU a clean and decisive sweep in the energy field. It will give us additional resources to attack the problems of coal and energy.

The University has been highly successful by any reasonable measure in recent months. The public has taken note of the quality of our faculty and academic program.

The WVU faculty is strong and has never had better credentials. Eleven of the University's major academic programs have been reaccredited in the past 24 months, and all of them have received good marks.

WVU is one major public university that has not lost sight of its teaching and service responsibilities. Our business is education, and our product is outstanding.

In my opinion, acceptance of the University's academic program is quite high. All one has to do is review the rolls of the Alumni Association where we have a record number of more than 20,000 active members. They know and value the quality of the educational enterpirse here.

I reamin encouraged by our students. There are a number of ways to evaluate the quality of the student body, but I would point to these:

WMU continues to attract freshmen who score above the national mean on placement examinations.

WVU ranks in the top 7 percent in the number of National Merit scholars it attracts;

WVU is one of the nation's top 40 colleges and universities in the number of Rhodes Scholars it has produced.

WVU graduates consistently fare well in the tight job market.

I am convinced that there is no finer bargain than an education at this solid, comprehensive land-grant university. Our tuition and fee costs remain among the lowest in the country.

Two years ago I said that WVU's academic program was as good as any in the Big Eight. Today I believe it is stronger and more responsive than most of them.

Just a month ago, West Virginia University became one of only ten institutions selected to educate foreign officials under the Hubert H. Humphrey Fellowship Program. This underscores WVU's reputation for educational quality among governmental and educational officials. Among the other institutions named were Harvard, Princeton, and Tulane universities.

There are a number of significant developments at the Medical Center, and I would like to note just a few of them.

Our graduates from the School of Nursing continue to do very well on the licensing examination. The most recent results show that they ranged from 18 to 35 points above the national mean in four of the five subject areas of the exam.

Internal medicine specialists trained at the School of Medicine rank among the best in the country in board certification tests. Residents in 1979 scored at or above the 93rd percentile on their national specialty examinations.

It is impressive to note that faculty members in the School of Medicine have published more than 300 scholarly articles and contributed to 50 books in the past five years. Our medical faculty members are strong, and their efforts are making an impressive and lasting imprint on our state and region.

The curriculum of the School of Dentistry continues to serve as a national model. During a recent visit to WVU, representatives of the Commission on Accreditation of the American Dental Association described it as "among the more innovative and flexible in the United States." They lauded the curriculum because it "assists those students who require more time to develop clinical skills" and "recognize students who have exceptional ability."

The School of Pharmacy has received high marks from the American Council on Pharmaceutical Education. Its faculty members were cited for their competence in teaching and commitment to the profession. In the past few years, members of the pharmacy faculty have been averaging 20 publications annually and 16 papers at national meetings. Last year they published chapters in five scholarly books.

The College of Law celebrated its centennial during 1978–79 and completed a national search for a new dean. It reaffirmed its leadership role in energy law, adding courses in new areas of specialization. Members of the law faculty are contributing on a national basis to the legal study of coal and energy. Furthermore, the College has kept its close ties with West Virginia. For the third consecutive year, for example, more than 75 percent of the law graduates remained in the state to practice. Few state law schools can match this record of service to the state.

The mining and petroleum engineering programs in the College of Mineral and Energy Resources have been through a successful accreditation visit. Members of the accreditation team who visited the campus last winter, were especially impressed with the College's approach to analyzing the economic potential of the mineral resources of the state. They pointed to the diversity of the faculty as a major strength. The visitors from the Engineers Council for Professional Development did point to the need to improve physical facilities, which I hope can be achieved with the federal coal laboratory designation. The College's undergraduate mining engineering program remains the largest of its kind in the United States.

The College of Engineering continues to grow stronger. Support for its research activities has increased by $500,000 in each of the past three years. Today, engineering faculty have received research grants totaling $3.3 million a year, and much of this funding relates to energy.

The College has made a significant contribution to the state by helping to relieve manpower shortages in engineering. Undergraduate enrollment has grown by nearly 50 percent over the past five years, while the number of baccalaureate degrees awarded has increased by about 35 percent. Demand for WVU engineering graduates will remain high, with each 1980 graduate likely to receive at least three job offers.

Working with the West Virginia University Foundation, the Creative Arts Center has atracted a major endowment for the purpose of taking performing groups throughout the state. Now thousands of people in smaller communities will be able to enjoy the best in art, music, and theatre.

West Virginia needs to realize how much the Creative Arts Center has to offer. The Division of Art's curriculum is among the 54 strongest professional art programs in America. The Division of Music has a deserved reputation for quality, with all of its programs fully accredited. The Division of Theatre has offered seven major productions in the past year to audiences totaling 18,000.

The faculty of the Perley Isaac Reed School of Journalism is the strongest in its history. The members have more than 125 years of solid professional experience in advertising, broadcasting, public relations, and news gathering. The faculty has produced one major book in each of the past three years. The School has one of America's most modern buildings for journalism education. More than $300,000 was spent in equipping it.

Significant attention has been focused on the College of Agriculture and Forestry in recent months. Researchers have developed a national soils classification system to determine the suitability of disturbed or mine soils for specific uses. Special emphasis is being placed on reclamation and revegetation. Other researchers have completed work on a second generation mechanical fruit harvester. They already have plans to study the total mechanization of apple harvesting from the tree through the processing plant.

The research and graduate teaching program in animal reproductive physiology is considered exceptional. Its program leader received the highest possible commendation from the American Society of Animal Sciences. The College also conducted the first American Chestnut Symposium. Scientists from 17 states and two foreign countries gathered on the campus to seek ways of controlling the pathogenic blight of the American chestnut.

Improving the instructional process ranks high on the agenda of the College of Arts and Sciences. Faculty members were successful in attracting grants from the National Endowment for the Humanities to foster innovation in the teaching of English composition for courses in the humanities, and the history of the coal industry. Faculty members also received grants from the National Science Foundation to support the development of innovative instructional methods in the physical sciences.

Sensitivity to student needs was reflected in developing facilities and procedures to personalize the advising of freshmen. The College's increased support for graduate assistants has enhanced its ability to attract able young scholars.

The Department of Speech Communication offered the largest off-campus master's degree program in communication in the country. Format for the program has become a national model.

The program in public administration was cited for "the most significant contribution to formal education of students in local government career programs." Meanwhile, reaccreditation was given the graduate programs in clinical psychology.

Once again the College of Business and Economics proved responsive to the needs of its constituency. It developed a master's degree in professional accountancy which was approved by the Board of Regents last summer.

In an effort to enhance student placement, the College expanded the summer internship program. Faculty members have been effective in providing students with exposure to the operations of business, industry, and government. Last academic year the personnel management faculty alone placed student interns with more than 300 businesses.

For the second consecutive year, the student chapter of the American Society of Personnel Administration was selected as the outstanding chapter in the country. It was the largest, too, with 456 members. The student accounting honorary was chosen as one of the top 15 chapters in the United States.

The College of Business and Economics, which has experienced a 63 percent increase in majors in the past five years, graduated a record number of students. Some 560 persons earned degrees last spring.

The School of Physical Education celebrated its 50th year during 1978–79, including the naming of a new dean. Faculty members placed special emphasis on curricular reform and services to the West Virginia University student body.

The Department of Professional Physical Education introduced a revised curriculum in undergraduate teacher preparation. It also initiated a new graduate curricular track in fitness management. Plans for an undergraduate safety management curriculum were completed by the Department of Safety Studies. The Department produced a record number of graduates, all of whom were employed. Enrollments continued to soar in the Department of General Physical Education. More than 8,700 students took course work in 70 areas of activity.

The School of Social work received national attention during 1979 when it held the third annual Rural Social Work Conference. More than 200 leaders in social work from across the country came to Morgantown.

The School also developed a gerontology program which incorporated the talents of faculty members from three WVU colleges, the Medical Center, and the Center for Extension and Continuing Education.

Leaders in social work pointed to the many and varied contributions of the WVU faculty in curricular development, especially at the undergraduate level. A year-long search brought the School of Social Work a new dean.

Programs for the handicapped have made impressive advances. The College of Human Resources and Education has an excellent faculty in the critical area of special education. It also has a center for the developmentally disabled.

With federal assistance, faculty members within the College are devising a blueprint for the academic preparation of teachers to deal with handicapped children in regular classrooms. The curriculum in speech pathology/audiology remains a national pacesetter.

Potomac State College attracted a record number of students to the Keyser campus, while producing its largest class of graduates. The College added four new faculty members who will strengthen its instructional programs.

For the first time in at least 20 years, West Virginia University will have adequate space for its libraries. Construction of the Evansdale Library and renovation of Colson Hall should be complete by early 1980.

The Library's outstanding collections in Appalachia and coal have been recognized by thet National Endowment for the Humanities, which has awarded a two-year grant that will permit WVU to produce a computer-based catalog of its extensive collection of Appalachian folk music.

Another grant from the National Endowment made it possible to publish a *Guide to Coal Mining Collections in the United States*, which is not only useful to scholars, but also serves to emphasize the Library's position as a nationally recognized center for coal research.

The citizens of West Virgina can take pride in the academic achievements of their comprehensive, land-grant university. But more importantly, they can look to the future with confidence.

West Virgina University has able academic leaders who are committed to curricular reform and quality. It has faculty and staff members who are anxious to attack the personal and professional challenges of the uncertain 1980s. These professionals understand and appreciate the value of standards and tradition, the need for viability in programming, and the significance of enrollment trends.

Last summer I spent many hours talking with college deans, departmental chairpersons, and faculty members about the future of WVU and its academic programs. We explored trends and likely institutional responses.

I was impressed by their thoughtful responses. They are anxious to compete and excel. They are determined to be leaders in their disciplines.

These colleagues had many new and promising ideas. They possess the creativity to assure the academic well-being of West Virginia University in the next decade. They clearly care about students. Our discussions were filled with suggestions about how to better serve the students of West Virginia University.

Today we can look forward with a sense of renewed optimism about the future of West Virginia University.●

METROPOLITAN DEVELOPMENT ASSOCIATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HANLEY) is recognized for 5 minutes.

● Mr. HANLEY. Mr. Speaker, in the mid-20th century, after the chaotic years of World War II and Korea, the citizens of the United States turned their attention inward for the first time in more than two decades. What they found can best be described as an unpleasant surprise and at worst as future shock.

Not only had their urban areas aged, but the way in which people used their urban areas had changed. Lifestyles, to use an overused word, had dictated a new relationship between the old established inner cities and the urban inhabitants.

Nowhere was this more apparent than in the industrial cities of the Northeast, those cities that sprang to life in the early 19th century through the marriage of the industrial revolution and the flood of European immigrants.

They followed a standard pattern: A strong central core of retail and business activity, usually surrounded by factories which, in turn, were surrounded by modest worker homes. Time and change, including everything from transportation to building codes, eventually took their toll. The fringes of "downtown" had slowly turned to undesirable slums, and factories had moved to more functional quarters. The suburban exodus begun in the 1940's had peaked, and the shopping centers created to service the burgeoning suburbs had drawn business from downtown, resulting in a general lowering of business activity.

Recognizing that the basic health of any given urban area is related to the health of all segments that make up the area, and recognizing further that future economic well-being is determined by its basic appeal to decent living, to the way in which its "quality of life" is perceived, many areas began to organize themselves to improve that quality of life.

This is the background, Mr. Speaker, against which a concerned group of civic leaders met in Syracuse, N.Y., in 1959. They met to discuss how they might take more aggressive action to strengthen the economy and livability of the Syracuse metropolitan region.

Out of this meeting came the MDA—Metropolitan Development Association—a private, nonprofit organization dedicated to the application of its collective talent through a series of projects for the benefit of all the citizens of the area.

And from my vantage point in the Nation's Capital, Mr. Speaker, the Syracuse MDA has been a model for all such organizations.

Working closely with Government officials and community organizations, MDA believes in applying its resources to a limited number of projects which have widespread benefits. It has done this by persuasion and expertise rather than by promotional pressure. It is, in essence, a team player with foresight.

The MDA sees its mission as the supporting, assisting or undertaking of specific projects which will increase the attractiveness of the Syracuse metropolitan community. This may involve all aspects of community life: housing, education, transportation, cultural and recreational activities.

Now, on the 20th anniversary of the

Syracuse MDA, an appropriate question is—how well has it met its goals?

The eager answer can be found immediately by a glance at its most visible achievements.

A new water supply by the tapping of Lake Ontario, led directly to the building of two of the largest breweries in the Nation nearby.

A major new department store, Sibley's, in downtown Syracuse is a showplace for retailers.

The most modern transmission and axle manufacturing plant in America, New Process Gear, is now situated on the city's eastern outskirts.

The twin towers of MONY Plaza have brought the attention of major insurance companies to Syracuse.

One Lincoln Center is a sleek new high-rise office structure in the city's center.

The Syracuse Symphony received initial momentum from the MDA, and has now acquired a national reputation.

A major portion of downtown, transformed through the use of private investment and Federal urban renewal funds, contains bright, modern apartments in all income ranges from Presidential Plaza to Harrison House to Townsend Tower.

And so many other projects too numerous to mention.

But the real test is this. Is Syracuse a more attractive place to live today than 20 years ago? The population of Syracuse and surrounding Onondaga County has grown approximately 22 percent in that time, evidence of a demonstrated attractiveness.

The men and women who put this community-minded work force together deserve special praise. Kenneth Bartlett, Niver Wynkoop, and Stewart Hancock, Sr., come immediately to mind. The chairman was George Haller of the General Electric Co. Syracuse University's Ken Bartlett was the first president. David Jaquith of Vega Industries was secretary, and treasurer was Carl H. Maar of Lincoln Bank. The critical job of raising initial funds fell to Leo T. Eagan of Eagan Real Estate as chairman of the finance committee.

For most of its existence the Metropolitan Development Association had the distinct advantage of John R. Searles, Jr., as executive vice president. John Searles had a deceptively calm and affable approach to his work, but his drive and vision got results and solved tangled problems, where others would have given up in despair.

There may be similar area development groups in the United States, Mr. Speaker, and I am sure there are. But in my opinion, none has been more effective than the Syracuse MDA.

Obviously, Mr. Speaker, no association with such a broad mandate and scope of activities can survive for long without a spirit of industrious civic pride and purposeful community will be achieve practical goals. The current board of the MDA reflects that spectrum of society in our area which has the capacity and the means to organize projects and to transform dreams into realities. Under the leadership of Chris Witting, the board enjoys the talents of Irwin Davis, himself a veteran of MDA service, and currently its executive vice president and head of a gifted staff of associates at MDA. Indeed, it is a mark of the esteem and caliber of the MDA that it can attract and challenge men such as Chris—the chief executive officer of one of our Nation's most successful industries—and Irwin—honored by his peers by election as incoming president of the International Downtown Executives Association.

During my tenure in this House, it has been a pleasure for me to work as a representative in Government at the Federal level with the private sector on projects of necessity and merit in the Syracuse area. I am ever mindful and always grateful that I live in a city where the work and sweat of civic service enhances our lives and enriches our spirit so wonderfully. From downtown to the University Hill we can see the fruits of a happy coincidence of effort, talent, dreams and vision. MDA has been an essential part of the drive which has made our town a leader for our State and an inspiration to all who view the integration of public purposes with Government support and private initiative as salutory and benign influences. Thus, a special saluate is in order as MDA enters its third decade—a congratulations for its past and an exhortation to keep reaching beyond its grasp, to reach for the stars.●

COMPREHENSIVE POLL TAKEN ON ATTITUDES IN NORTHERN IRELAND—PART I

(Mr. BIAGGI asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. BIAGGI. Mr. Speaker, on October 16, the Irish Times newspaper published excerpts from perhaps one of the most comprehensive polls ever conducted assessing attitudes in the Republic of Ireland to the problems of Northern Ireland. The report was compiled by E. E. Davis, a research professor and head of the department of social psychology and sociology at the Economic and Social Research Institute, and Richard Sinnott, as assistant lecturer in the department of politics at University College in Dublin.

The poll examined many facets of the complex Irish question, ranging from the issue of the withdrawal of British troops (which most favored) to attitudes, to the activities and methods of the Provisional Irish Republican Army. The response on this point will surprise many in this Nation, especially the 41 percent who expressed general sympathy with the motives of the IRA.

I serve as chairman of the 130-member ad hoc Congressional Committee for Irish Affairs. One of our most important activities is information dissemination on matters related to Ireland and to the Congress. I wish to insert the Irish Times poll in installments into the RECORD in the spirit of information dissemination. The poll does not necessarily reflect the views of myself, or members of the ad hoc committee.

I point out to my colleagues that the Prime Minister of Ireland, Mr. Jack Lynch, arrived this country last week for a 10-day official state visit. I trust that my colleagues will take time to read this poll over the next few days as a means of becoming more familiar with attitudes of the Irish people to the tragedy in Ulster.

(NOTE.—This is an abridged version of the first report of a major study, begun by the Economic and Social Research Institute in 1976, of attitudes in the Republic of Ireland relating to the Northern Ireland problem. Data concerning attitudes to the nature of Irish society will be the subject of a subsequent report. Data was collected in July-September 1978 and comparable Northern Ireland data was collected at the same time by E. P. Moxon-Browne of Queen's University, Belfast. The Republic of Ireland sample consisted of (a) a representative sample of 1758 respondents; (b) additional sample of 212 people living in areas of the Republic close to the border called an "extra Border" sample; and (c) an additional sample of 232 Protestants in the Republic, called an "extra Protestant" sample.)

"ATTITUDES IN REPUBLIC TO NORTHERN IRELAND PROBLEM"

Combining the criteria of workability, and acceptability nearly 68 percent of the population of the Republic of Ireland select some form of a united Ireland solution (Table 1).

However, a very important fact to emerge is that this two-thirds majority is far from monolithic, and is, in fact, composed of sub groups with distinctively different views on the appropriate institutional form of a united Ireland. Forty-one percent of the total sample propose a unitary united Ireland as the most workable and acceptable, and 27 percent select a federal system. In this regard it should be remembered that the present data were collected in July-September 1978. As most readers will recall, one of the major parties in the Republic published a policy document in February 1979 which advocated a federal solution. The publicity and public discussion generated by this document undoubtedly increased the salience and public understanding of the concept of a federal solution. Thus, it is entirely possible that, if a similar survey was conducted today, one might see somewhat greater support for a federal system as a first choice.

Table 1. Choice of "The most Workable and Acceptable" solution to the problem in Northern Ireland. Nationwide sample in the Republic of Ireland (N=1758)—Data collection July-September, 1978

Solution	*Percentage of respondents*
1. Northern Ireland to remain part of the UK, with a devolved government of its own	5.1
2. Northern Ireland to remain part of the UK, with no parliament of its own, but governed directly from London	3.5
3. Northern Ireland and the Republic to unite, with one government	41.2
4. Northern Ireland and the Republic to unite in a federal system, that is with strong regional governments for Northern Ireland the Republic as well as an over-all central government	26.7
5. Northern Ireland to be independent, not linked to Britain or the Republic	9.8

Solution	*Percentage of respondents*
6. Northern Ireland to be jointly controlled by the British Government and the Government of the Republic, with a devolved government of its own	11.0
7. No choice	2.7
Total	100.0
Number	1758

Moreover, these figures in themselves do not tell the whole story regarding willingness or reluctance to consider institutional compromises. In the first place, the 41 percent favouring a unitary state opt by a three-to-one majority for consociational or power-sharing government, rather than majority rule. The figure of 31 percent support for power-sharing as the form of government in a unitary united Ireland should perhaps be treated with a certain amount of caution. For the vast majority of our respondents, power-sharing is an untried system of government, unfamiliar in its practical implications. At the same time, the phrase "power-sharing" has built-in favourable connotations."

COMPREHENSIVE POLL TAKEN ON ATTITUDES IN NORTHERN IRELAND—PART II

Mr. Speaker, I wish to insert the second installment of the Irish Times newspaper poll which was recently released. This poll is one of the most comprehensive studies to be produced on the attitudes of people in the Republic of Ireland to the question of Northern Ireland.

As Chairman of the ad hoc Congressional Committee for Irish Affairs, I feel that it is important that my colleagues be made aware of this poll in conjunction with the state visit of the Prime Minister of the Republic of Ireland to this country from November 7 through 17.

This particular section of the poll, entitled "Attitudes in Republic to Northern Ireland Problem" deal with the choices of workable and acceptable solutions in Ireland to the Ulster question. It also compares the least acceptable solutions to this problem as well from both Catholics and Protestants. I insert this section of the poll for the benefit of my colleagues here in Congress:

INSTITUTIONAL COMPROMISE

Further light is thrown on the theme of institutional compromise in a united Ireland when one examines the breakdown of the 27 percent support for a federal system. This is made up of 19 percent who envisage a two-unit federal system consisting of the present States of the Republic and Northern Ireland plus eight percent, who favour a four-unit federal system based on the provinces. This four-unit federal system would involve the dissolution of the present Northern Ireland Province and thus offers somewhat less in the way of compromise to the Protestant majority in Northern Ireland.

The polar opposite of these solutions—Northern Ireland to remain within the United Kingdom—is chosen by only nine percent of respondents. This breaks down into just over four percent for devolved government based on power-sharing, just under one percent for devolved government based on majority rule, two percent for direct rule by a Secretary of State and just over one percent for full integration as part of the United Kingdom. In view of the concentrated efforts since the Sunningdaly Conference of December 1973 to establish a power-sharing arrangement in Northern Ireland, the figure of four percent support for this solution may seem surprisingly low. It must be born in mind, however, that our choice of solutions is conditioned by two factors. Devolved government with power-sharing may fail to win acceptability in the Republic of Ireland because it involves the maintenance of the link with Great Britain. In addition, or alternatively, it may fail on the criterion of workability. The fall of the power-sharing Northern Ireland Executive in May 1974, the results of the 1975 Northern Ireland Constitutional Convention, and the failure to agree on an institutional accommodation despite various informal meetings and overtures in the period since 1975, all reduce the probability of devolved government with power-sharing being considered a workable solution.

The somewhat speculative possibility of joint control of Northern Ireland by the British Government and the Government of the Republic of Ireland receives 11 percent support. These are possibly people who would like to see a united Ireland but, conscious of the practical difficulties, adopt the classic bargaining solution of splitting the difference. Support in the Republic for an independent Northern Ireland is small at 10 percent—small certainly when one considers its promotion by some prominent figures over the past two or three years, and when one considers the frequently stated belief that what the majority of the people in the Republic want is simply to be rid of the problem. Quite clearly either "getting rid" of the problem is not a priority objective, for independence for Northern Ireland is not seen as a feasible means of achieving it. As with the case of the option of devolved government in Northern Ireland within the United Kingdom, the overwhelming choice of a form of government in both the joint control and independence options is power-sharing.

Clearly, assessment of the actual feasibility of any solution must take into account the solutions supported and opposed in Northern Ireland and the degree of agreement or disagreement between groups in the island which this implies. Table 16 shows that the united Ireland type of solution (Solutions 4 and 5 in Table 16), endorsed by a considerable majority of respondents in the Republic, are a matter of discord or polarisation rather than concord or agreement. Chosen by some 68% of respondents in the Republic, these solutions are chosen by only 16 per cent in Northern Ireland. On the other hand, some variant or other of "remaining part of the United Kingdom" is chosen by 72% of respondents in Northern Ireland compared with only nine per cent of respondents in the Republic.

The figures in the third column of Table 16 shows that the main source of this polarisation is the discrepancy between the solutions chosen by Northern Ireland Protestants and those chosen by people in the Republic—89 percent of Protestants opt for remaining part of the United Kingdom, whereas only six per cent opt for a united Ireland.

SIGNIFICANT AREAS OF CONFLICT

While the small minority of Northern Ireland Protestants who favour a united Ireland are more likely to favour the federal version, the option did not attract a significant level of Protestant support. The even more attenuated link with the Republic (joint direct rule) gained the support of only two per cent of Northern Protestants. Comparison of the first and fourth columns in Table 16 shows that there is by no means an identity of view between the predominantly Catholic population in the Republic and the Catholic minority in Northern Ireland. The solution of some form of united Ireland chosen by 68% of people in the Republic is chosen by only 39% of Catholics in Northern Ireland. Greater discrepancy is apparent when one compares the close to 50% support for the remaining part of the United Kingdom among Northern Ireland Catholics with the nine per cent support for this series of options among the population of the Republic.

This lack of identity of view between people in the Republic and Catholics in Northern Ireland implies that the conflict within Northern Ireland is far from being a simple one of a competing pair of opposites. The third and fourth columns of Table 16 indicate that there are two significant areas of conflict between Protestants and Catholics in Northern Ireland. The first is conflict about a united Ireland versus remaining part of the United Kingdom. This is evident in the 39% of Northern Catholics who choose a united Ireland as against six per cent of Northern Ireland Protestants and in the gap between the 89% of Northern Ireland Protestants who choose remaining part of the United Kingdom and the 50% of Catholics who do so.

TABLE 16.—COMPARISON OF CHOICE OF WORKABLE AND ACCEPTABLE SOLUTIONS IN THE REPUBLIC, (N=1,758) AND NORTHERN IRELAND (N=1,277), JULY-SEPTEMBER 1978

[In percent]

Question: There has been a lot of talk about solutions to the present problem in Northern Ireland. Now I want you to leave aside what you would like to see in an ideal world and tell me which of the following is most workable and acceptable to you as a solution.

	Republic of Ireland (1st choice), total random sample	Northern Ireland		
		Total	Protestant [1]	Catholics [1]
1. Northern Ireland to remain part of the United Kingdom with a devolved government based on majority rule	0.7	24.5	37.3	1.0
2. Northern Ireland to remain part of the United Kingdom with a devolved government based on power sharing, that is, guaranteeing the Catholic minority a right to be part of the government	4.4	34.8	34.8	39.0
3. Northern Ireland to remain part of the United Kingdom with no parliament of its own, but governed directly from London	3.5	12.9	15.6	9.2
4. Northern Ireland and the Republic to unite with 1 government	41.2	8.8	1.5	24.9
5. Northern Ireland and the Republic to unite in a federal system, that is with strong regional governments for Northern Ireland and the Republic as well as an overall central government	26.7	7.3	4.4	13.9
6. Northern Ireland to be independent, not linked to Britain or the Republic	9.8	3.1	3.1	3.2
7. Northern Ireland to be jointly controlled by the British Government and the Government of the Republic with a devolved government of its own	11.0	3.9	2.2	8.0
Don't know/not ascertained	2.7	4.7	1.1	.7
Number	1,758	[1] 1,277	825	402

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[1] Total includes 825 Protestants ,402 Catholics and 50 members of other religions, which are not included in the breakdown.

TABLE 17.—COMPARISON OF CHOICE OF LEAST LIKED SOLUTION IN THE REPUBLIC, (N=1,758) AND NORTHERN IRELAND (N=1,277), JULY-SEPTEMBER 1978

[In percent]

Question: And finally, would you tell me what you would least like to see as a solution to the problem?

	Republic of Ireland, total	Northern Ireland		
		Total	Protestant [1]	Catholics [1]
1. Northern Ireland to remain part of the United Kingdom with a devolved government of its own	26.5	12.1	3.3	31.6
2. Northern Ireland to remain part of the United Kingdom with no parliament of its own, but governed directly from London	30.9	4.5	2.1	10.0
3. Northern Ireland and the Republic to unite with 1 government	5.0	34.4	50.3	5.2
4. Northern Ireland and the Republic to unite in a federal system, that is with strong regional governments for Northern Ireland and the Republic as well as an overall central government	3.2	2.7	3.8	.7
5. Northern Ireland to be independent, not linked to Britain or the Republic	20.4	35.0	30.7	47.5
6. Northern Ireland to be jointly controlled by the British Government and the Government of the Republic with a devolved government of its own	11.0	6.7	8.5	3.7
Don't know/not ascertained	3.1	4.0	1.3	1.2
Number	1,758	[1] 1,277	825	402

[1] Total includes 825 Protestants, 402 Catholics and 50 members of other religions, which are not included in the breakdown.

The second source of conflict is a dispute about how power should be organised given the solution of remaining within the United Kingdom. On this issue there is both conflict and agreement between the two Northern Ireland communities. There is a conflict in that the solution chosen by 38 percent of all Protestants in Northern Ireland of remaining within the United Kingdom with a devolved government based on majority rule, is chosen by only one percent of Northern Ireland Catholics. However, the fact that there are marked differences within the Protestant community on the issue of the organisation of power allows for the possibility of agreement between substantial bodies of opinion from each community. Thus 39 percent of Northern Ireland Catholics choose as the solution "Northern Ireland to remain part of the United Kingdom with a devolved government based on power-sharing, that is guaranteeing the Catholic minority a right to be part of the government". In this choice they are in agreement with 35 percent of Northern Ireland Protestants. This area of agreement is particularly significant in view of the polarisation of the political parties in Northern Ireland on the same issue. It is also important, if sobering, to note that the option providing this single area of agreement is chosen by only four percent of respondents in the Republic of Ireland and that combined first and second choice support for this solution in the Republic is only nine percent.

Protestants and Catholics in Northern Ireland agree on another aspect of the solutions question, i.e. on not choosing an independent Northern Ireland. This option is chosen by only three percent in each of the communities which would have to live in the state thus constituted. This is considerably less than the nearly 10 percent who select this option in the Republic and, as we shall see in a moment, far less again than the proportion preferring this solution in Great Britain.●

CONFERENCE REPORT ON H.R. 4391

Mr. McKAY submitted the following conference report and statement on the bill (H.R. 4391) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1980, and for other purposes.

CONFERENCE REPORT (H. REPT. NO. 96-626)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4391) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1980, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 22, 23, and 25.

That the House recede from its disagreement to the amendments of the Senate numbered 9, 12, 13, 14, 15, and 16, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$725,649,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$50,700,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$56,049,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$565,456,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$44,000,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$192,350,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$12,000,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,622,122,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$500,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$500,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$152,535,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,468,587,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$1,000,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 4, 10, 26, and 27.

GUNN MCKAY,
BO GINN,
TOM STEED,
JOSEPH P. ADDABBO,
CLARENCE D. LONG,
JAMIE L. WHITTEN,
ROBERT C. MCEWEN,
RALPH S. REGULA,
SILVIO O. CONTE,
Managers on the Part of the House.

WALTER D. HUDDLESTON,
DANIEL K. INOUYE,
J. BENNETT JOHNSTON,
JIM SASSER,
WARREN G. MAGNUSON,
ERNEST F. HOLLINGS,
PAUL LAXALT,
TED STEVENS,
MILTON R. YOUNG,
HARRISON H. SCHMITT,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4391) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1980. and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

ITEMS OF GENERAL INTEREST

Host Nation Support of U.S. Troops: The conferees agree with the House that the Department of Defense should be making greater efforts to seek host nation support for construction of facilities to support U.S. troops stationed abroad. While the conferees have agreed to fund a number of barracks in Germany to support the artillery enhancement program, it is expected that the Services will seek offset funding for future facilities in the Federal Republic of Germany and similar host nation funding for future increases in troop strengths abroad. In the area of overseas pollution abatement, the conferees agree with the House that this should be a host nation responsibility and should not be funded with appropriated funds. In the area of property taxes paid to foreign nations, the Department of Defense is directed not to pay those taxes identified in the House report and is to begin negotiations with Germany and the United Kingdom to this end. Payment of this tax in fiscal year 1980 will result in more stringent restrictions in future appropriations bills.

Dependents Policy Abroad: The conferees agree that a compromise position on dependents abroad is appropriate and provide partial funding in those areas where the House made reductions related to this policy. The conferees direct that the Department of Defense establish consistent criteria and guidelines for all the Services to use in determining the amount and types of facilities required to support specified numbers of dependents abroad.

Base Closures and Realignments: The conferees agree with the House that additional information be submitted with future base closure and realignment proposals and that such information need not be submitted at the time the President's budget is transmitted to the Congress. The conferees agree with the Senate that the budget not contain projects at installations potentially affected by realignment or closure decisions.

MX Test Facilities: The conferees agree with the Senate that $57,000,000 be included for construction of facilities for the test and development of the MX missile system. The conferees also agree with Section 116 added by the Senate which prohibits the expenditure of funds that would commit the U.S. to only one basing mode. The conferees agree to provide $1,000,000 for State and local assistance in the MX affected areas, as proposed by the Senate, but direct that such funds be made available equally to Utah and Nevada and that they be administered through the Four Corners Regional Commission.

Cost Variations: The Department of Defense submitted several projects for reauthorization at an amount higher than had been authorized in prior years, based on current cost estimates. The conferees agree to fund these at the fiscal year 1980 requested level but direct that the Services submit appropriate cost variation information to the Armed Services Committees.

Other Matters Addressed by Only One Committee: The reports of the House and Senate contain items addressed by only one committee. Unless otherwise indicated in this report, those items should be considered to be approved by the committee of conference.

MILITARY CONSTRUCTION, ARMY

Amendment No. 1: Appropriates $725,649,000 instead of $668,808,000 as proposed by the House and $779,203,000 as proposed by the Senate. The conferees have agreed to the following additions and deletions to the amounts and line items as proposed by the House:

Fort Huachuca, Ariz.: Flight control tower	+$580,000
Heidelberg, Germany: Dental clinic	+2,100,000
Schweinfurt, Germany: Barracks with administrative facilities	+6,000,000
Kitzingen, Germany: Barracks with administrative facilities	+4,450,000
Wildflecken Training Area, Germany: Barracks with administrative facilities	+4,850,000
Vilseck, Germany:	
Tactical fire direction system	−1,900,000
Washrack	+1,050,000
Pave roads	−1,400,000
Grafenwoehr, Germany: Washrack	+1,900,000
Hohenfels, Germany: Pave roads	−640,000
Hanau, Germany: Basic load site	−1,900,000
Various locations, Germany: Facilities for X–M1	+5,800,000
Fort Myer, Va.: Correct building deficiency	−350,000
Fort Campbell, Ky.: Unaccompanied officers quarters modernization	+1,650,000
Fort Hood, Tex.: Company administration and supply building	+4,450,000
Fort Richardson, Alaska: Airfield rescue fire station	+800,000
Fort Benning, Ga.:	
Engineer vehicle maintenance facility	+5,300,000
Reception station	+5,886,000
Fort Knox, Ky.: Tank training facility	+13,065,000
Corpus Christi Army Depot, Tex.: Advanced training testing facility	+1,650,000
Payment for past use of Roi-Namur Island	+500,000
Planning and design	+3,000,000
Total	+56,841,000

Schofield Barracks, Hawaii, Dental Clinic: The conferees agree with the House to defer funding this $2,750,000 facility and direct that the Army and Navy study the feasibility that a joint facility could be constructed to serve the requirements of both Services in this area.

Simulated City, Military Operations in Built-Up Areas, Hohenfels, Germany: The conferees agree with the House position that the $3,100,000 requested for this facility be deferred and that the Army propose to construct a comparable training facility in the United States before doing so overseas.

Fort Benning, Georgia, Reception Station: The conferees agree to provide $5,886,000 for this facility as proposed by the Senate. Funds are not available for obligation until the Army submits the report comparing OSUT/TSUT training, the Secretary of the Army certifies that OSUT is the most cost efficient training method, and the Committees on Appropriations of the House and Senate approve the obligation of these funds.

Amendment No. 2: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment, as follows: "of which $500,000 may be paid for use after 1960 by the Government of the United States of land on Roi-Namur Island, Marshall Islands District of the Trust Territories of the Pacific Islands, as authorized by the Military Construction Authorization Act, 1980,".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 3: Earmarks $50,700,000 for study, planning, design, architect and engineer services instead of $47,700,000 as proposed by the House and $53,700,000 as proposed by the Senate.

MILITARY CONSTRUCTION, NAVY

Amendment No. 4: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $567,000,000 for military construction, Navy, instead of $527,305,000 as proposed by the House and $566,160,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. The conferees have agreed to the following additions and deletions to the amounts and line items as proposed by the House:

NWS Earle, N.J.: Pier improvements and utilities	+$2,000,000
NS Norfolk, Va.: Mooring platform	+4,400,000
Polaris Missile Facility Atlantic, Charleston, S.C.:	
Radiographic inspection building	+3,250,000
Inert storage building	+3,150,000
Small ordnance magazines	+1,100,000
Trident Submarine Support, Thames River, Conn.: Dredging	−1,100,000
NM Lualualei, Hawaii: Land acquisition	+15,700,000
NOS Louisville, Ky.: Paint spray facility	+1,850,000
NCU Cutler, Maine: Antenna array safety improvements	+950,000
NAS Memphis, Tenn.: Runway improvement	+3,300,000
MCAS Cherry Point, N.C.: Ordnance equipment maintenance facility	+910,000
NS Panama Canal, Canal Zone: Security upgrading (deferred FY 1979 supplemental)	−315,000
Planning and design	+4,500,000
Total	+39,695,000

Naval Weapons Station Earle, New Jersey, Pier Improvements and Utilities: The conferees agree to an appropriation of $2,000,000. These funds are to be used to make improvements to the support facilities on the existing pier.

Naval Submarine Base Bangor, Washington, Helipad: The conferees agree that the helipad at Bangor should be constructed using existing funds.

Polaris Missile Facility Atlantic, Charleston, South Carolina: The conferees agree with the Senate position to provide $3,150,000 for an inert storage building and $1,100,000 for small ordnance magazines. The conferees direct that before any of these funds are obligated, the Navy must provide a report that justifies the need for additional storage capacity.

Amendment No. 5: Earmarks $56,049,000 for study, planning, design, architect and engineer services instead of $51,549,000 as proposed by the House and $60,549,000 as proposed by the Senate.

The conferees direct that the Navy use a portion of the $4,500,000 increase to assure design of projects for conversion from oil to coal. This design effort should include, but not be limited to, the following projects: NAB Little Creek, Virginia; NOS Indian Head, Maryland; PWC Norfolk, Virginia; Mare Island NSY, Vallejo, California; and Marine Corps Development and Education Command, Quantico, Virginia.

MILITARY CONSTRUCTION, AIR FORCE

Amendment No. 6: Appropriates $565,456,000 instead of $439,786,000 as proposed by the House and $593,650,000 as proposed by the Senate. The conferees have agreed to the following additions and deletions to the amounts and line items as proposed by the House:

Vandenberg AFB, Calif.:	
STS—Launch pad complex thrust augmentation	+$13,500,000
STS—Orbiter processing facilities	+43,000,000
STS—Solid rocket booster facilities	+3,200,000
STS—Utilities/logistics support facilities	+6,100,000
MX facilities	+57,000,000
Johnson Space Center, Tex.: STS—Missions operations facilities	+8,900,000
Sembach AB, Germany: Add to combat operations center	+5,500,000
Landstuhl Hospital, Germany: Aeromedical staging facility	−2,650,000
Various locations, Germany:	
Collocated operating base minimum essential facilities	−9,400,000
Hardened operational facilities	−2,900,000
Munitions storage facilities	−12,000,000
Various locations, CONUS: State and local support for MX planning	+1,000,000
Hill AFB, Utah: Energy conservation investment program	+3,250,000
Tinker AFB, Okla.: Energy conservation investment program	+3,500,000
Kirtland AFB, N. Mex.: Energy conservation investment program	+670,000
Griffiss AFB, N.Y.: Energy conservation investment program	+930,000
Myrtle Beach AFB, S.C.: Maintenance dock	+970,000
Wright-Patterson AFB, Ohio: Photo interpretation laboratory	+2,100,000
Planning and design	+3,000,000
Total	+125,670,000

Wright-Patterson AFB, Ohio, Alter Major Command Headquarters Facility: The conferees agree with the House that this facility to support foreign military sales activity should be funded through foreign military sales surcharge collection.

Space Transportation System: The conferees agree with the Senate that funding be provided for facilities to support the space shuttle system at Vandenberg AFB, California. The conferees agree to provide $8,900,000 for modifications to the Johnson Space Center, Texas, instead of the $12,400,000 proposed by the Senate. Prior to obligation of funds for the Johnson Space Center or any other space mission control or planning facility, the Secretary of Defense is to certify that such expenditures are required and will not result in unnecessary duplication of facilities.

Amendment No. 7: Earmarks $44,000,000 for study, planning, design, architect and engineer services instead of $41,000,000 as proposed by the House and $47,000,000 as proposed by the Senate.

MILITARY CONSTRUCTION, DEFENSE AGENCIES

Amendment No. 8: Appropriates $192,350,000 instead of $175,695,000 as proposed by the House and $258,630,000 as proposed by the Senate. The conferees have agreed to the following additions to the amounts and line items as proposed by the House:

(DODDS) Grafenwoehr, Germany: Elementary school addition	+$1,640,000
(DODDS) Schwaebisch Gmuend: Elementary school addition	+575,000
(DODDS) Soesterberg AB, Netherlands: Elementary and high school addition	+3,300,000
(DODDS) RAF Alconbury, United Kingdom: High school addition	+2,340,000
(OSD) White Sands Missile Range, N. Mex.: High Energy laser test facility	+1,800,000
(OSD) Emergency construction	+5,000,000
(OSD) Planning and design	+2,000,000
Total	+16,655,000

Defense Fuel Support Point, Wake Island, Petroleum Storage Facility: The conferees agree to defer this project without prejudice.

Emergency Construction: The conferees agree to an appropriation of $5,000,000; however, they direct that the Department obtain prior approval from the Committees on Appropriations of the House and the Senate before obligating these funds.

White Sands Missile Range, New Mexico, High Energy Laser Test Facility: The conferees agree to provide $1,800,000 for additional costs for this facility and direct that the Department move expeditiously on remaining decisions and planning for this facility.

Amendment No. 9: Deletes language proposed by the House with regard to the transfer of funds.

Amendment No. 10: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate, which reads as follows:

"*Provided further*, That $39,200,000 shall be transferred to 'Military Construction, Defense Agencies, 1979/1983' from 'Military Construction, Air Force, 1979/1983':"

Amendment No. 11: Earmarks $12,000,000 for study, planning, design, architect and engineer services instead of $10,000,000 as proposed by the House and $14,000,000 as proposed by the Senate.

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

Amendment No. 12: Appropriates $23,700,000 as proposed by the Senate instead of $20,000,000 as proposed by the House.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

Amendment No. 13: Appropriates $36,000,000 as proposed by the Senate instead of $30,000,000 as proposed by the House.

MILITARY CONSTRUCTION, ARMY RESERVE

Amendment No. 14: Appropriates $30,000,000 as proposed by the Senate instead of $25,000,000 as proposed by the House.

MILITARY CONSTRUCTION, NAVAL RESERVE

Amendment No. 15: Appropriates $18,300,000 as proposed by the Senate instead of $15,000,000 as proposed by the House.

MILITARY CONSTRUCTION, AIR FORCE RESERVE

Amendment No. 16: Appropriates $12,000,000 as proposed by the Senate instead of $10,000,000 as proposed by the House.

The conferees agree with the Senate that an additional $20,000,000 be provided for the reserve components as indicated above. The conferees direct the reserve components to construct as first priority those projects deferred from fiscal year 1979 and prior years before constructing facilities included in the fiscal year 1980 request and the projects identified in House and Senate reports. The existing reprogramming criteria shall continue to apply.

FAMILY HOUSING, DEFENSE

Amendment No. 17: Appropriates $1,622,122,000 instead of $1,593,822,000 as proposed by the House and $1,689,925,000 as proposed by the Senate. The conferees have agreed to the following additions to the amounts and line items as proposed by the House:

Minor construction	+$1,000,000
Management funds	+5,000,000
Services account	+2,500,000
Furnishings account	+15,000,000
Leasing	+3,000,000
Debt payment	+1,800,000
Total	+28,300,000

Amendment No. 18: Provides $500,000 for Army construction instead of $11,500,000 as proposed by the Senate. The conferees agree that the $500,000 is for minor construction.

Amendment No. 19: Provides $500,000 for Air Force construction instead of $12,000,000 as proposed by the Senate. The conferees agree that the $500,000 is for minor construction.

Tinker AFB, Oklahoma, Acquisition of HUD Housing: The conferees concur with the House recommendation not to fund this project and direct the Air Force to proceed with a fiscal year 1981 request for on-base housing at Tinker AFB.

Amendment No. 20: Provides $152,535,000 for debt payment instead of $150,735,000 as proposed by the House and $154,025,000 as proposed by the Senate. The conferees agree the $1,800,000 increase to the House figure is to fund ongoing servicemen's insurance premiums.

Amendment No. 21: Provides $1,468,587,000 for operation and maintenance instead of $1,443,087,000 proposed by the House and $1,508,500,000 as proposed by the Senate.

Miscellaneous Account: The conferees agree with the House position not to fund $5,712,000 for taxes paid overseas and $400,000 for overseas permits. The conferees direct the Department to begin immediate negotiations to eliminate payment of taxes on family housing to other nations. The conferees also direct that the permit program be included under the leasing account.

Furnishings Account: The conferees agree to provide $79,569,000 for furnishings and in this amount have allowed $29,000,000 for appliances and $31,000,000 for the maintenance and repair of existing furniture. The remaining funds under this account are to be used for new furniture, moving, and handling.

Amendment No. 22: Provides $645,000,000 for the maintenance of real property facilities as proposed by the House instead of $716,216,000 as proposed by the Senate.

FOREIGN CURRENCY FLUCTUATIONS, CONSTRUCTION, DEFENSE

Amendment No. 23: Restores matter proposed by the House. The conferees have provided a foreign currency fluctuation fund to handle the shortfall resulting from losses in the value of the dollar abroad. The conferees have taken this action without prejudice, and request the Armed Services Committees examine this issue.

HOMEOWNERS ASSISTANCE FUND, DEFENSE

Amendment No. 24: Appropriates $1,000,000 instead of $5,000,000 as proposed by the Senate.

GENERAL PROVISIONS

Amendment No. 25: Deletes language proposed by the Senate.

Amendment No. 26: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate, which reads as follows:

"Sec. 115. (a) Funds appropriated under this Act for the Air Force shall be available in an amount not to exceed $1,000,000 to assist States and local governments in potential MX basing areas in meeting the costs of establishing planning organizations to conduct studies on and develop plans with respect to possible community impacts of the MX program, including studies and plans with respect to environmental and socioeconomic impacts, State and community land use planning, and public facility requirements.

(b) The Secretary of Defense shall carry out the provisions of this section through existing Federal programs. The Secretary is authorized to supplement funds made available under such Federal programs to the extent necessary to carry out the provisions of this section. The heads of all departments and agencies shall cooperate fully with the Secretary of Defense in carrying out the provisions of this section on a priority basis."

Amendment No. 27: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate, which reads as follows:

"Sec. 116. None of the funds appropriated under this Act to continue development of the MX Missile may be used in a fashion which would commit the United States to only one basing mode for the MX missile system."

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1980 recommended by the Committee of Conference, with comparisons to the fiscal year 1979 amount, the 1980 budget estimates, and the House and Senate bills for 1980 follow:

New budget (obligational) authority, fiscal year 1979	$3,880,863,000
Budget estimates of new (obligational) authority, fiscal year 1980	3,872,061,000
House bill, fiscal year 1980	3,481,991,000
Senate bill, fiscal year 1980	3,889,143,000
Conference agreement	3,770,152,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1979	−110,711,000
Budget estimates of new (obligational) authority, fiscal yar 1980	—101,909,000
House bill, fiscal year 1980	+288,161,000
Senate bill, fiscal year 1980	−118,991,000

Gunn McKay,
Bo Ginn,
Tom Steed,
Joseph P. Addabbo,
Clarence D. Long,
Jamie L. Whitten,
Robert C. McEwen,
Ralph S. Regula,
Silvio O. Conte.
Managers on the Part of the House.

Walter D. Huddleston,
Daniel K. Inouye,
J. Bennett Johnston,
Jim Sasser,
Warren G. Magnuson,
Ernest F. Hollings,
Paul Laxalt,
Ted Stevens,
Milton R. Young,
Harrison H. Schmitt,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Young of Alaska (at the request of Mr. Rhodes), for today and the balance of the week, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Tauke) to revise and extend their remarks and include extraneous material:)

Mr. Edwards of Alabama, for 5 minutes, today.

(The following Members (at the request of Mr. Wolpe) to revise and extend their remarks and include extraneous material:)

Mr. Flood, for 30 minutes, today.
Mr. Gonzalez, for 15 minutes, today.
Mr. Weaver, for 10 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. AuCoin, for 5 minutes, today.
Mr. Daschle, for 5 minutes, today.
Mr. Bingham, for 20 minutes, today.
Mr. Markey, for 5 minutes, today.
Mr. Drinan, for 10 minutes, today.
Mr. Staggers, for 5 minutes, today.
Mr. Hanley, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Biaggi, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $1,062.

Mr. Weiss, and colloquy, immediately prior to the passage of H.R. 5871 today.

(The following Members (at the request of Mr. Tauke) and to include extraneous matter:)

Mr. Cheney.
Mr. Schulze.
Mr. Gilman.
Mr. Ritter.
Mr. Derwinski.
Mr. Edwards of Oklahoma.
Mr. Ashbrook in five instances.
Mr. Forsythe.
Mr. Grassley.
Mr. Hagedorn.
Mr. Bereuter.

(The following Members (at the request of Mr. Wolpe) and to include extraneous matter:)

Mr. Stark in two instances.
Mr. Wolff.
Mr. Mazzoli in two instances.
Mr. Brinkley.
Mr. Stokes.
Mr. Biaggi in four instances.
Mr. Mineta.
Mr. Jones of Oklahoma.
Mr. Miller of California.
Mr. Rosenthal.
Mr. AuCoin in two instances.
Mr. Scheuer.
Mr. Jenrette.
Mr. Preyer.
Mr. Bingham.
Mr. Udall.
Mr. Gaydos.
Mr. Downey.
Mr. Nichols.
Ms. Oakar.
Mr. Heftel.
Mrs. Collins of Illinois.
Mr. Synar.
Mr. LaFalce.

SENATE JOINT AND CONCURRENT RESOLUTION REFERRED

A joint and concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 107. Joint resolution authorizing and requesting the President to issue proclamations designating the weeks of January 21 through January 27, 1979, and January 20 through January 26, 1980, as "Junior Achievement Week"; to the Committee on Post Office and Civil Service; and

S. Con. Res. 45. Concurrent resolution authorizing the printing of a revised edition of the "Handbook for Small Business" as a Senate document; to the Committee on House Administration.

ADJOURNMENT

Mr. WOLPE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 4 minutes p.m.), the House adjourned until tomorrow, Friday, November 16, 1979, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2834. A letter from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting a report on the value of property, supplies and commodities provided by the Berlin Magistrate, and under the German Offset Agreement for the quarter ended September 30, 1979, pursuant to section 820 of Public Law 95–457; to the Committee on Appropriations.

2835. A letter from the Deputy Secretary of State, transmitting Presidential Determination No. 80–6, finding that it is in the national interest of the United States to continue sanctions against Zimbabwe-Rhodesia, pursuant to section 408(b) (2) of Public Law 96–60; to the Committee on Foreign Affairs.

2836. A letter from the Chairman, Board of Foreign Scholarships, transmitting the 16th annual report of the Board, pursuant to section 107 of the Mutual Educational and Cultural Exchange Act of 1961; to the Committee on Foreign Affairs.

2837. A letter from the Comptroller General of the United States, transmitting a report on the General Services Administration's personal property repair and rehabilitation program (PSAD–80–5, November 14, 1979); to the Committee on Government Operations.

2838. A letter from the Secretary of the Interior, transmitting notice of his determination that certain lands in the States of Idaho, Colorado, Nevada, Utah, and Wyoming are not suitable for disposal under the provisions of the Unintentional Trespass Act, pursuant to section 214(b) of the Federal Land Policy and Management Act; to the Committee on Interior and Insular Affairs.

2839. A letter from the General Counsel, Department of Energy, transmitting notice of meetings related to the international energy program to be held in Paris, France, on November 20 and 27, 1979; to the Committee on Interstate and Foreign Commerce.

2840. A letter from the Attorney General, transmitting the annual report for calendar year 1978 on the administration of the Foreign Agents Registration Act, pursuant to section 11 of the act, as amended (56 Stat. 258); to the Committee on the Judiciary.

2841. A letter from the President, National Safety Council, transmitting the audit report of the Council for the year ended June 30, 1979, pursuant to section 3 of Public Law 88–504; to the Committee on the Judiciary.

2842. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Federal Office Building, 911 Walnut Street, Kansas City, Mo., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2843. A letter from the Administrator of General Services, transmitting a prospectus proposing that the Government exercise an option to renew the lease for space currently occupied in the building located at 1020 Eleventh Street, NW., Washington, D.C., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2844. A letter from the Comptroller General of the United States, transmitting a report on the Energy Department's fluidized-bed coal combustion demonstration program (EMD–80–12, November 9, 1979); jointly, to the Committees on Government Operations, Armed Services, Interstate and Foreign Commerce, and Public Works and Transportation.

2845. A letter from the Comptroller General of the United States, transmitting a report on implementation of the General Accounting Office's health program cost-saving recommendations (HRD–80–6, November 13, 1979); jointly, to the Committees on Government Operations, Armed Services, Interstate and Foreign Commerce, Veterans' Affairs, and Ways and Means.

2846. A letter from the Comptroller General of the United States, transmitting a report on the economic and operational benefits in local telephone services that can be achieved through Government-wide coordination (LCD–80–9, November 14, 1979); jointly, to the Committees on Government Operations, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. REUSS: Committee on Banking, Finance and Urban Affairs. H.R. 605. A bill to establish a solar energy development bank to provide long-term, low-interest loans for the purchase and installation of solar energy equipment in commercial and residential buildings in the United States; with amendments (Rept. No. 96–625). Referred to the Committee of the Whole House on the State of the Union.

Mr. McKAY: Committee of conference. Conference report on H.R. 4391 (Rept. No. 96–626). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. RICHMOND:

H.R. 5907. A bill to amend the Food Stamp Act of 1977, as amended, to improve food stamp program fiscal accountability through reductions in inaccurate eligibility and benefit determinations; to improve the system of deductions; to remove specific dollar limitations on appropriations while continuing to limit expenditures to available funds; and for other purposes; to the Committee on Agriculture.

By Mr. FARY:

H.R. 5908. A bill to amend the Immigration and Nationality Act to provide for the deportation of nonimmigrant alien students who knowingly participated in a violent political demonstration or otherwise participated in activities inconsistent with the terms of their admittance to the United States; to the Committee on the Judiciary.

By Mr. LONG of Maryland:

H.R. 5909. A bill to provide for payment by the Government of Iran of the claims for damages resulting from the personal injuries suffered by the U.S. citizens held in the U.S. embassy in Tehran, and by their families; to the Committee on Foreign Affairs.

By Mr. McEWEN:

H.R. 5910. A bill to revise provisions of title 49, U.S. Code, with regard to the regulation of the trucking industry; to the Committee on Public Works and Transportation.

By Mr. MARKEY:

H.R. 5911. A bill to establish a community energy efficiency program; jointly to the Committees on Banking, Finance and Urban Affairs, and Interstate and Foreign Commerce.

By Mr. MATHIS:

H.R. 5912. A bill to amend the Internal Revenue Code of 1954 to exempt certain farm property from the estate tax; to the Committee on Ways and Means.

By Mr. MURPHY of New York:

H.R. 5913. A bill to amend section 502(a) of the Merchant Marine Act, 1936; to the Committee on Merchant Marine and Fisheries.

By Mr. MYERS of Pennsylvania (for himself, Mr. Bailey, Mr. Edgar, Mr. Kildee, Mr. Lederer, Mr. Murphy of Pennsylvania, and Mr. Weiss):

H.R. 5914. A bill to amend the Comprehensive Employment and Training Act to revise certain restrictions on wages; to the Committee on Education and Labor.

By Mr. PRICE:

H.R. 5915. A bill to amend titles 10, 14, and 32, U.S. Code, to aline the Reserve Forces of the Armed Forces with active duty forces so as to provide for the national security on a more effective, efficient, cost-effective, and representative basis, and for other purposes; jointly, to the Committees on Armed Services, and Merchant Marine and Fisheries.

By Mr. RICHMOND:

H.R. 5916. A bill to amend the Internal Revenue Code of 1954 to allow certain individuals a deduction for amounts paid for home heating oil; to the Committee on Ways and Means.

By Mr. SOLARZ:

H.R. 5917. A bill to amend title 18 of the U.S. Code to make it a Federal crime to vandalize a house of worship or any religious articles therein; to the Committee on the Judiciary.

By Mr. ULLMAN (for himself, Mr. Udall, and Mr. Frenzel):

H.R. 5918. A bill to amend the Internal Revenue Code of 1954 to extend certain tax provisions to Indian tribal governments on the same basis as such provisions apply to States; to the Committee on Ways and Means.

By Mr. WHITEHURST:

H.R. 5919. A bill to amend the Immigration and Nationality Act to improve the efficiency of the Immigration and Naturalization Service, and to establish a different numerical limitation for immigrants born in foreign contiguous territories, and for other purposes; to the Committee on the Judiciary.

By Mr. WHITTEN:

H.R. 5920. A bill to establish the Reconstruction Finance Corporation to make loans and loan guarantees to individuals or concerns engaged in industry, agriculture, and commerce, who would otherwise be unable to obtain needed financing or refinancing essential for continued operation thereby preventing unemployment and resulting disruption of the economy, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ZEFERETTI:

H.R. 5921. A bill to amend the Immigration and Nationality Act to direct the Attorney General to order deported any nonimmigrant alien who, while participating in a political demonstration, engages in violent activity: to the Committee on the Judiciary.

By Mr. DERWINSKI (for himself, Mr Bauman, Mr. Ashbrook, Mr. Guyer, Mr. Edwards of Oklahoma, Mr. Lagomarsino, Mr. Rousselot, Mr. Rudd, Mr. McDonald, Mr. Devine, Mr. Hansen, Mr. Latta, Mr. Kindness, Mr. Lungren, and Mr. Lott):

H. Con. Res. 213. Concurrent resolution stating the rejection by the Congress of the determination of the President with respect to sanctions against Zimbabwe-Rhodesia; to the Committee on Foreign Affairs.

By Mr. APPLEGATE (for himself, Mr. Harsha, Mr. Frenzel, Mr. Bailey, Mr. Lederer, Mr. McDade, Mr. Moorhead of Pennsylvania, Mr. Clinger, Mr. Cleveland, Mr. Ertel, Mr. Brodhead, Mr. Burgener, Mr. Wampler, Mr. Murphy of Pennsylvania, Mr. Bevill, Mr. Flood, and Mr. Guyer):

H. Res. 489. Resolution to express the sense of the House of Representatives that the United States of America should establish and actively and immediately pursue a national energy plan that emphasizes and demands the use of domestic coal as a means of displacing current foreign energy imports, and for other purposes; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 4 of rule XXII,

The SPEAKER presented a memorial of the Legislature of the State of Wisconsin, relative to construction of a crude oil pipeline to nothern Wisconsin; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. DRINAN introduced a bill (H.R. 5922) for the relief of Pilar Arribas Castillo Dunn, which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 154: Mr. Williams of Montana and Mr. Pritchard.

H.R. 3527: Mr. Fazio.

H.R. 3528: Mr. Fazio.

H.R. 3567: Mr. Young of Florida.

H.R. 4646: Mr. Paul and Mr. Fish.

H.R. 4796: Mr. Nelson.

H.R. 5060: Mr. Stanton, Mr. Forsythe, Mr. Lagomarsino, Mr. de la Garza, Mr. Butler, Mr. Burgener, Mr. Frost, Mr. Glickman, Mr. Stockman, Mr. LaFalce, Mrs. Bouquard, Mr. Marks, Mr. Pritchard, Mr. Loeffler, Mr. Bafalis, Mr. Whitehurst, Mr. Hughes, Mr. Whittaker, and Mr. Cheney.

H.R. 5225: Mr. Myers of Indiana and Mr. Gaydos.

H.R. 5402: Mr. Brown of Ohio and Mr. Collins of Texas.

H.R. 5429: Mr. Bedell, Mr. Brown of California, Mr. Dougherty, Mr. Florio, Mr. Guyer, Mr. Howard, Mr. Lederer, Mr. Lungren, Mr. Murphy of New York, Mr. Nolan, Mr. Panetta, Mr. Peyser, Mr. Pritchard, Mr. Rinaldo, Mr. Roe, and Mr. Tauke.

H.R. 5440: Mr. Volkmer, Mr. Tauke, and Mr. Lungren.

H.R. 5504: Mr. Ottinger.

H.R. 5548: Mr. Beilenson, Mr. Roe, Mr. Rinaldo, Mr. Weiss, Mr. Frost, Mr. Chappell, Mr. Murphy of Illinois, Mr. Lagomarsino, Mr. Bonior of Michigan, Mr. Hughes, Mr. Dickinson, Mr. Blanchard, Mr. Daschle, Mr. Bedell, Mr. Stokes, Mr. Harris, Mr. Leach of Louisiana, Mr. Lehman, Mr. Bonker, and Mr. Oberstar.

H.R. 5575: Mr. Coelho, Mr. Bauman, and Mr. Kramer.

H.R. 5607: Mr. Bedell and Mr. Leach of Louisiana.

H.R. 5621: Mrs. Holt.

H.R. 5775: Mr. Bereuter, Mr. Erdahl, Mr. Glickman, Mr. Lujan, Mr. Murphy of Pennsylvania, Mr. Tauke, Mr. Udall, and Mr. Young of Alaska.

H.R. 5813: Mrs. Bouquard, Mrs. Holt, Mr. Benjamin, Mr. Skelton, Mr. Frost, Mr. Williams of Ohio, Mr. Lagomarsino, Mr. Young of Missouri, Mr. Collins of Texas, Mr. Chappell, Mr. Leath of Texas, Mr. Jones of Tennessee, Mr. Hubbard, Mr. de la Garza, and Mr. Mattox.

H.R. 5846: Mr. Benjamin, Mr. Carter, Mr. Robert W. Daniel, Jr., Mr. McDonald, and Mr. Kindness.

H. Con. Res. 212: Mr. Abdnor, Mr. Benjamin, Mr. Fuqua, Mr. Hance, Mr. Markey, Mr. Whitehurst, Mr. Williams of Montana, Mr. Young of Alaska, Mr. Pritchard, Mr. Patten, Mr. Roe, Mr. Fish, Mr. Dellums, Mr. Montgomery, Mr. Hammerschmidt, Mr. Hanley, Mr. Railsback, Ms. Ferraro, Mr. Pepper, Mr. Staggers, Mr. Charles Wilson of Texas, Mr. Leland, Mr. Luken, Mr. Edwards of Oklahoma, Mr. Bauman, Mr. Kogovsek, Mr. Hall of Texas, Mr. Glickman, Mr. Robinson, Mr. Panetta, Mr. Roberts, Mr. Bevill, Mr. Shelby, Mr. Gray, Mr. Michel, Mr. Myers of Indiana, Mr. Conable, Mr. Rhodes, Mrs. Collins of Illinois, Mr. Johnson of Colorado, Mr. Frost, Mr. Albosta, Mr. Beard of Tennessee, Mr. Burgener, Mr. Ashbrook, Mr. Fisher, Mr. Symms, Mr. Rosenthal, Mr. Volkmer, Mr. Ritter, Mr. Skelton, Mr. Wolpe, Mr. Akaka, Mr. Garcia, Mr. Brown of California, Mr. Edgar, Mr. Holland, Mr. John L. Burton, Mr. Hall of Ohio, Mr. Evans of Georgia, Mr. Gudger, Mr. Matsui, Mr. Shannon, Ms. Mikulski, Mr. Applegate, Mr. Harkin, Mr. Lent, Mr. McEwen, Mr. Taylor, Mr. Rinaldo, Mr. Solomon, Mr. Miller of Ohio, and Mr. Stack.

H. Res. 446: Mr. Phillip Burton and Mr. Fithian.

PETITIONS, ETC.

Under clause 1 of rule XXII, the following petition and papers were presented and referred as follows:

221. By Mr. MARLENEE: Petition of a group of Montana dentists, relative to a declaration of dentists' rights; to the Committee on Interstate and Foreign Commerce.

222. By Mr. MARLENEE (by request): Petition of a group of Montana physicians, relative to a declaration of physicians' rights; to the Committee on Interstate and Foreign Commerce.

223. By the SPEAKER: Petition of the 27th annual convention, National Student Nurses' Association, San Antonio, Tex., relative to nursing research; to the Committee on Interstate and Foreign Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5297

By Mrs. SNOWE:

Page 7, after line 17, insert:

(b)(1) There is authorized to be appropriated to the Nuclear Regulatory Commission, for the fiscal year 1980, not to exceed $10,000,000, to remain available until expended, to be used by the Office of State Programs to make grants to States and local governments to cover the costs of planning and preparedness under radiological emergency plans and revision of existing radiological emergency plans which provide for State and local response to emergencies involving any fixed nuclear facility required to be licensed under the Atomic Energy Act of 1954.

(2) No State or local government shall be eligible for any grant under this subsection unless the State or local government has submitted to the Nuclear Regulatory Commission, before the expiration of fiscal year 1980, an application which sets forth, in such manner as may be required by the Commission, a radiological emergency plan (or a revised plan) developed for purposes of conforming to standards established, after the date of the enactment of this Act, by the Commission for such plans.

(3) No State shall be eligible for any grant under this subsection with respect to any State plan unless the State plan demonstrates an intent to take into account the interests of affected local governments within such State and of affected electric utilities.

(4) Grants under this subsection shall be provided to an eligible State or local government which has received approval from the Nuclear Regulatory Commission of the application referred to in paragraph (2).

(5)(A) In the case of any State or local government which did not have a radiological emergency plan which was concurred in by the Commission before the date of the enactment of this Act, the grants provided under this subsection shall not exceed 75 percent of the costs of planning and preparedness under such plan.

(B) In the case of any State or local government which had a radiological emergency plan which was concurred in by the Commission before the date of the enactment of this Act, the grants provided under this subsection shall not exceed 50 percent of the costs of upgrading such plan and preparedness under such plan.

EXTENSIONS OF REMARKS

THE 65TH ANNIVERSARY OF ST. SAVA SERBIAN ORTHODOX CHURCH NOVEMBER 14, 1979

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. BENJAMIN. Mr. Speaker, it is my privilege today to congratulate the congregation of the St. Sava Serbian Orthodox Church in Gary, Ind. in recognition of its 65th anniversary.

Seven industrious individuals from the Serbian community in Gary began to energetically organize plans for a church and school in February 1910. Through their efforts and the conscientious participation of others from the community, a school was established in 1911. By February of 1914, the St. Sava Serbian Orthodox Church was organized and 1 year later a temporary building was secured on 13th and Massachusetts in Gary and under the leadership of Rev. Pavle Veljkov, was the site of the first church.

In 1938, construction of a new church on 13th and Connecticut in Gary was completed and was the site of services until a tragic fire destroyed the building in 1978. Without delay, an altar was constructed in the St. Sava Serbian Hall and services continued without interruption, a credit to the unshakeable strength and faith of the Serbian congregation who now plan to build a new church on 140 acres of recently purchased land.

The church is presently under the leadership of the Very Reverend Father Todorovich. Father Todorovich and his congregation of over 700 Serbian-Americans uphold the compassionate doctrine of the church in preserving and perpetuating the Serbian Orthodox Christian faith and maintaining the strong moral character of the Serbian community. Each Sunday, the congregation receives the divine liturgy delivered in the old Slovanik and English language by Father Todorovich, a beautiful service orchestrated by the moving songs of the choir. The children of the church also attend Sunday school each week where they are educated in the traditions of the Serbian faith.

The church members come from a long line of immigrants who were acclaimed for their contribution to American industrial development, initially in the mining, steel, and construction industries. The congregation of St. Sava Serbian Orthodox Church are proud of their Serbian heritage and culture and cherish the ideals of freedom and democracy.

I am fortunate to share an identity with these outstanding Americans who believe strongly in their families, church and our form of democracy. Each succeeding generation is making a greater contribution to our country including service to the Congress. As the years pass, not only will the St. Sava Serbian Church grow—but so will the strength and influence of its members on the American tradition.

It is at this time that I ask my fellow

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

colleagues to join me in a warm message of congratulations to Father Todorovich and the membership of the St. Sava Serbian Orthodox Church on its 65th anniversary. Soon the church members will participate in the burning of the Yule log, and as this longstanding Serbian tradition approaches, I extend praise and gratitude to a group of people who have given so much to the community through their hard work and continuous devotion to God.●

EXPLANATION OF VOTE ON H.R. 5461, MARTIN LUTHER KING, JR., HOLIDAY

HON. BOB LIVINGSTON

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. LIVINGSTON. Mr. Speaker, designating the birthday of Martin Luther King, Jr. as a legal public holiday is certainly an appropriate testimonial to a great individual who dedicated his life to the cause of human rights in this country. However, due to the manner in which H.R. 5461 was brought to the floor of the House yesterday, I voted against the bill.

Under suspension of the rules, the House was not able to consider responsible amendments to H.R. 5461, which would have decreased its inflationary impact. To designate another holiday, without having it fall on a Saturday or Sunday, must certainly be weighed in terms of its costs to the taxpayers of our country. The Office of Personnel Management calculates that a new paid holiday for Federal employees would cost approximately $196 million. The costs do not stop there. Given the fact that thousands of State, county, and city governments will be asked to follow suit and declare a holiday for those they employ, the overall costs are estimated to be from 10 to 20 times the $196 million price tag.

In addition, the hidden costs must be considered: The closing of Federal Reserve banks and thousands of regional offices that provide day-to-day services to the poor, aged, and disabled—the same people Martin Luther King worked for all his life. Such a holiday would also have a damaging effect on the already declining productivity rate in the United States.

Only one leader in our country's history, George Washington, has been recognized by a full weekday holiday in his honor. Even Abraham Lincoln has no full holiday in his honor. Nevertheless, it is my feeling that Martin Luther King, who has inspired so many and whose vision aroused a nation to confront the inequities existing in our society, deserves national recognition. As I noted earlier, however, under suspension of the rules, H.R. 5461 did not allow amendment. When H.R. 5461 is brought back to the House floor under normal procedures, I will support this bill as amended to require that this new national holiday and all subsequent holidays, fall on either Saturday or Sunday.●

PROLIFERATING PAPERWORK AT DOE

HON. CARROLL A. CAMPBELL, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. CAMPBELL. Mr. Speaker, there has been a lot of discussion in this House about proliferating Government paperwork overburdening individuals and small businesses. There has been a lot of talk about the need to streamline and simplify paperwork requirements.

Yesterday an incredible example of excessive Government make-work which could cost constituents in any of our districts thousands of dollars to comply with was brought to my attention. I refer to the Department of Energy's "Special Report Order," a 5-page, single-spaced request for mountains of information.

Now, Mr. Speaker, this monstrosity, which seeks data for a 6-month period on wholesale gasoline pricing, selling and allocation practices, contains 16 complex questions, each requiring extensive backup justification. Apparently, the October Special Report Orders were sent to about 500 oil jobbers nationwide as a result of unspecified complaints about pricing—and we can expect more in months to come. The jobbers I have spoken with are perfectly willing to comply with any reasonable request by DOE on a particular problem, but feel this effort amounts to little more than a fishing expedition costing more in time and money than it is worth.

I am particularly disturbed, Mr. Speaker, that it is the Nation's oil jobbers, mainly small businessmen, who are being harassed in this way. We are not talking here about big businesses with their legions of attorneys.

Congress and the administration share a commitment to reduced paperwork. Apparently, the Department of Energy has opted out of doing its part to meet this goal. I urge DOE to take another look at the need for these reports, or the need at least for the kind of wide-ranging information they are requesting.

Mr. Speaker, the DOE Special Report Order follows:

SPECIAL REPORT ORDER

I. INTRODUCTION

Pursuant to the authority contained in Section 13 of the Federal Energy Administration Act, as transferred to the Department of Energy by Executive Order Number 12009 in accordance with Sections 901 and 301(a) of the Department of Energy Organization Act (Public Law 95–91) and in 10 CFR § 205.8, the Office of Enforcement of the Economic Regulatory Administration of the Department of Energy (DOE), hereby orders Cummings Oil Co., Inc. to file a Special Report with respect to all matters set forth below. Your response to this Special Report Order (SRO) should be mailed to:

Mr. Adna S. Day, Program Manager, Product Resellers Branch, Enforcement Program Operations Division, Economic Regulatory Administration, U.S. Department of Energy, Room 5212E, 2000 M Street, N.W., Washington, D.C. 20461.

The response to this SRO must contain complete and precise answers to each item set forth in this Order. The Report must be signed under oath by an authorized official of your firm who has personally supervised the preparation of the Report. The Special Report required by this Order must be submitted to the above address by October 17, 1979, unless an extension of time is granted to your firm by the DOE.

II. INFORMATION REQUIRED

The Office of Enforcement is issuing this Order to verify your maximum lawful selling prices (MLSPs) of gasoline at the wholesale level to each of your classes of purchaser, including sales to retail motor gasoline stations, but excluding sales to ultimate consumers, and to review your allocation and exchange procedures. Accordingly, you are required to submit:

A. Pricing

1. A full and complete list of your MLSPs for each class of purchaser for motor gasoline in effect during the period April 1, 1979 to September 30, 1979.

2. All necessary documentation to support these MLSPs, including, but not limited to:

(a) Records, or a certified statement, concerning your May 15, 1973 selling price to each class of purchaser, and weighted average unit cost of motor gasoline in inventory on that date (if your first day of business with respect to offering motor gasoline for sale was on a date after May 15, 1973, supply records, or a certified statement, concerning the price charged for motor gasoline to each class of purchaser on that first day of business, the unit cost of the motor gasoline first offered for sale on that date, and the price at which motor gasoline was priced in transactions at the nearest comparable outlet on that date. Also provide the name and address of that nearest comparable outlet and, if available, the volumes and purchasers of motor gasoline sold from the outlet on that date).

(b) Copies of all purchase invoices and inventory records to support your MLSPs during the period April 1, 1979 to September 30, 1979. If your MLSPs for this period reflect unrecouped product costs, prcvide copies of your worksheets showing how these costs were computed. If your MLSP calculations reflect no unrecouped product costs, provide a statement that the prices you charged during this period were exclusive of unrecouped product costs. If you have not computed unrecouped product costs, provide a statement to that effect.

(c) Provide information regarding your actual sales prices as compared to your MLSP's during the period April 1, 1979 to September 30, 1979.

(d) If your firm computes legal selling prices based on individual purchases and sales transactions during the period April 1, 1979 to September 30, 1979, provide copies of the purchase invoice(s) along with the appropriate sales invoice.

B. Allocation

1. Purchases

(a) If you supplied customers with gasoline not subject to an allocation fraction, submit copies of the certification(s) received from such customers and the certification(s) you made to your supplier(s).

(b) For each grade of gasoline purchased, submit the name(s) of your base period supplier(s) and their allocation fraction(s) and the quantity received from each of them for the months of April, May, June, July, August, and September 1979.

(c) If you were not offered your full allocation from any of your supplier(s), submit the names of such supplier(s) and the total quantity not offered by each for the months of April, May, June, July, August, and September 1979.

(d) If you declined to purchase your full allocation, provide for each of the months of April, May, June, July, August, and September 1979, the quantity not purchased, matched with the supplier from which you did not purchase your full allocation, and the reason(s) why the full allocation was not purchased.

(e) If you obtained gasoline from non-base period suppliers during April, May, June, July, August, and September 1979, provide copies of all invoices of such purchases and information as to the manner in which you became aware that such supplier(s) had product available.

2. Sales

(a) For each grade of gasoline sold during the months of April, May, June, July, August, and September 1979, provide the allocation fraction you imposed on your customers, detailed information on the computation of that fraction, and the total volume sold to your base period customers.

(b) Provide the monthly sales volume for April, May, June, July, August, and September 1978. List separately the volumes sold as certified for use under an allocation level not subject to an allocation fraction.

(c) Did you offer each base period customer its full allocation? If not, provide names of such customers for April, May, June, July, August, and September 1979. The full allocation amount, and the actual amount offered.

(d) Did each base period customer purchase its full allocation amount? If not, for April, May, June, July, August, and September 1979, provide names of such customers, the full allocation amount, and the volume they declined to buy. Also provide the date(s) you reported such volume(s) as surplus to the DOE and the ultimate distribution of that product.

(e) Provide copies of all invoices relating to sales made during the period April 1, 1979, in which you exchanged (traded) a whom you did not have a supply obligation. Also provide information as to the manner in which you became aware that such customers would purchase our surplus product.

C. Exchange

Submit records or invoices of all exchanges (trades) involving motor gasoline made during the months of April through September 1979, in which you exchanged (traded) a controlled product for a decontrolled product or you exchanged (traded) a decontrolled product for a controlled product. Include information on the cost of the product you offered in the exchange and and any differential paid on the exchange by either party.

III. PENALTY PROVISIONS

Each seller of gasoline is required to keep records to support the lawfulness of its prices in accordance with 10 CFR 210.92 and 212.93 and to provide such records upon request. Violations of the provisions of the Mandatory Petroleum Pricing Regulations subject the violator to various civil and/or criminal penalties and sanctions, including, but not limited to, those described at 10 CFR 205.203. In this regard, 10 CFR 205.203(b)(1)(B) provides for the imposition of a civil penalty of not more than $10,000 per violation. 10 CFR 205.203(c)(1)(B) provides for possible imprisonment of not more than one year or the imposition of a criminal penalty of $20,000 per violation, or both, for a willful violation. Each day any violation continues to occur is considered a separate violation for the purpose of assessing penalties.

Under 10 CFR 212.130 if you do not file the report within the time limits prescribed you may not implement any further price increases until you have complied with the reporting requirement and have obtained the special approval of the DOE to implement further price increases. Each day you fail to comply with the reporting requirements is considered a separate violation of § 212.130. However, pursuant to Section 205.8(b), the DOE official who issued this Order, for good cause shown, may extend the time prescribed for compliance with the Order and negotiate and approve the terms of satisfactory compliance.

IV. REVIEW PROCEDURES

Prior to the time specified for compliance, but in no event more than 10 days after the date of service of this Order, you may file a request for review of the Order with the DOE Official who issued the document. The DOE Official then shall forward the request to his supervisor who shall provide notice of receipt to you. The supervisor or his designee may extend the time prescribed for compliance with this Order and negotiate and approve the terms of satisfactory compliance.

Nevertheless, if this Order is not modified or rescinded within 10 days of the date of the supervisor's notice of receipt of a request for review, (i) this Special Report Order shall be effective as issued; and (ii) you shall comply with the Order within 20 days of the date of the supervisor's notice of receipt, unless otherwise notified in writing by the supervisor or his designee. You should also note that there is no administrative appeal to this Order.

Any questions that you may have concerning this Order may be addressed to Bob Weyant or Robert King, Department of Energy, Office of Enforcement (telephone 202/254-8580).

V. RESPONSE

Any information furnished in response to an SRO shall be accompanied by the sworn certification under penalty of perjury of the person to whom it was directed or his authorized agent who actually provides the information that (i) a diligent effort has been made to provide all information required by the SRO, and (ii) all information furnished is true, complete, and correct unless withheld on grounds of privilege pursuant to Section 205.8(g).

VI. FREEDOM OF INFORMATION

As your response to this Special Report Order is a submission of a document to DOE, you should follow the procedures outlined in 10 CFR § 1004.11 if you desire to prevent public disclosure under the Freedom of Information Act of confidential or proprietary business information contained in your responses. ●

TAX INDEXING BENEFITS EVERYONE

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. DANIEL B. CRANE. Mr. Speaker, tax indexing has been in effect in Canada since 1974, and the results have been most encouraging.

Inflation—the cruelest tax of all—artificially expands our income so that we pay more and more taxes, even though our purchasing power has decreased. Through indexing, we would annually adjust tax-rate rates to reflect changes brought about by inflation.

The Mt. Carmel (Ill.) Daily Republican Register has editorialized on the need to index our income tax rates, and I commend the editorial to the attention of my colleagues.

The editorial follows:

SPENDING LID

"Indexing" is a buzz word for particular interest for Californians these days.

It is the idea behind Proposition 4, a follow-up to last year's tax-slashing Proposition 13 that voters will find on their ballots Nov. 6.

Proposition 4 would put a state constitutional lid on public spending by requiring that increases henceforth correspond to the rates of population growth and price inflation. State and local government budgets would be indexed to these economic indicators.

This is of immediate concern only to Californians. But the concept of indexing may soon be of considerable interest to the rest of the country in another context: the federal income tax.

Congress has dealt with the situation up to now through periodic tax cuts that are really not cuts at all.

By adjusting downward the rates of inflated incomes, they simply return the situation to what it was before the most recent inflationary spurt.

Indexing, which has been in effect in Canada since 1974 with encouraging results, would build inflation-based reductions into the tax laws, removing the necessity of legislating relief every two or three years.

Tax-rate brackets would be adjusted annually to reflect changes in the consumer price index.

It is likely to be a few years before indexing sees the light of legislative day in the United States. And even its most dedicated advocates do not tout it as a cure for inflation.

But if we aren't able to lick what ails us, joining it through indexing may be the fairest alternative. It at least acknowledges and repeals that hidden tax. ●

AN INEQUITABLE TAX ON CIVIL SERVANTS WORKING IN FORT CAMPBELL, KY.

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. BEARD of Tennessee. Mr. Speaker, today I am introducing a bill designed to remove an inequitable tax burden facing civil servants who reside in the 6th District of Tennessee, but work in Fort Campbell, Ky. These persons pay Kentucky State income tax, even though they are not the recipients of any services from that State.

In most situations where individuals are domiciled in one State, work in another, and pay taxes in both, one of the taxes is taken as a credit against the other. However, several States have no income tax, making this type of offset impossible.

I feel that my bill offers a practical solution for this inequity by simply prohibiting States from levying an income tax or withholding tax on any Federal Government employee who is not a resident or domiciliary of such State. ●

GEORGE WILL COLUMN TELLS WHY UNITED STATES IS IN TROUBLE OVERSEAS

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. COUGHLIN. Mr. Speaker, I insert this column written by George F. Will from the Washington Post in the CONGRESSIONAL RECORD with the fervent hope that Congressmen and administration officials who have not read it will take the time to do so, and to digest the message carefully.

Mr. Will is not a writer given to exaggeration or hyperbole. His assessment of the administration's approach to foreign affairs is what I believe to be accurate and candid.

For public officials and citizens alike who recognize that the administration's weakness is constantly exploited overseas, this column puts into words what has troubled us for almost 3 years.

The column follows:

A NATION AFRAID

(By George F. Will)

It is difficult, and not at all desirable, to be coolly clinical about photographs of American citizens bound and blindfolded and spat upon by rabble, but the freezing truth is that Americans had better get used to such photographs, if they are not already. Enduring the contempt of the contemptible is just one severity that life has in store for a declining nation.

A nation that, in gestures aimed at the Middle East, sends an aircraft carrier steaming in circles in the South China Sea, and sends ostentatiously unarmed airplanes to Saudi Arabia (where many are then grounded for days because of bungled planning and support)—such a nation had better get used to enemies who think it is impotent. Well, not altogether impotent: it can unleash Ramsey Clark.

A nation that loses a war it could have won by confidently employing its conventional military assets had better get used to humiliation. A nation that has no serious response when three ambassadors are murdered (in Cyprus, Sudan and Afghanistan) had better get used to spittle on its cheeks.

A nation that, in February, orders the Marines guarding its embassy in Iran to surrender without a fight to a mob should not be surprised when, in November, another mob arrives to play with the embassy as with a toy.

A nation that uses an ally such as Taiwan as a pawn for utterly unnecessary appeasement had better get used to having fewer and fewer allies of any size, and to the worldwide conviction that it is a nation with no serious convictions. A nation that collaborates in throwing to the wolves an ally like the shah should not expect respect from the wolves.

Respect? For a nation too feckless even to confine Iran's diplomats to their Washington compound when they are collaborating with the rabble of Tehran? Respect? For a nation so inanely tolerant it does not promptly ship home to Khomeini the thousands of Iranian "students" who are here illegally, and who adore Khomeini—from a safe distance, of course—from the comfort of what Khomeini calls "Satan America"?

You know Khomeini: he's the fellow Andrew Young said might be a saint. You remember Young: he's the fellow who symbolized the Carter administration's plan to get America loved in the Third World by appeasing terrorists in Rhodesia and subverting the shah.

You remember the shah, an ally for 37 years. During the 1973 war he was the only ruler in the region who banned Soviet overflights. He urged an end to the oil embargo and rushed fuel to U.S. ships. He rushed arms to South Vietnam (you remember South Vietnam: an ally deceased) before the ban on such aid went into effect under the Paris accords. (You remember the Paris accords: they brought peace to Indochina.) The shah helped the United States in many ways, but such is our trembling fear of Khomeini, that the shah had to become a cancer patient before we would let him past the Statue of Liberty.

A nation afraid of Khomeini should not bluster at the Soviet Union. A nation that blusters about Soviet activities in Cuba being "unacceptable," and then says, well, er, come to think about it, we just remembered that these activities are, well, for want of a better word, acceptable—and, no, don't worry, we won't reject SALT II; we were very decent, you must admit, canceling the B1 and neutron weapons, no reciprocity asked; and, oh, yes: are you quite sure 25 million metric tons of grain will be sufficient?—a nation that behaves this way had better get used to the cackle of derisive laughter.

Speaking of grain, and of photographs that take some getting used to, and of the price of losing wars, consider Cambodia. If the people who used to rant about "American genocide" are really interested (and they really aren't) they should note this: real genocide looks like what is happening in Cambodia now. The starving of millions, the obstruction of relief: this is Hanoi's work and could be stopped by Moscow. But we flood the Soviet Union with grain while the Soviet Union collaborates in keeping to a trickle the relief for the people it is helping to exterminate.

Will we make continued grain shipments to the Soviet Union contingent on Soviet cooperation about Cambodia? No.

President Carter says Cambodia is "a moral issue." Yes. But I, for one, am past trying to understand what he means by that, and past hoping he will understand that, between nations, such issues also are problems of power.●

SUPPORT FOR THE DODD-McKINNEY AMENDMENTS TO H.R. 2063

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. HEFTEL. Mr. Speaker, I address the House today to express my support for the Dodd and McKinney amendments to H.R. 2063, the National Economic Development and Public Works Act of 1979. Passage of these amendments today is a victory for communities adversely affected by the cancellation of major defense contracts or closings of military bases. These amendments recognize the value of a skilled work force by providing much-needed supplemental assistance and advance notice when sudden changes in defense policies threaten to cause serious economic disruptions.

The House, in passing the Dodd and McKinney amendments, has begun to responsibly react to the consequences of these economic dislocations. I thank my colleagues for their support for the many defense workers who will be protected by these legislative initiatives and I look forward to further progress in this area.●

A TRIBUTE TO RAY ROBERTS

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. APPLEGATE. Mr. Speaker, I recently learned that my friend from Texas, a distinguished Member of this House, RAY ROBERTS, recently informed his constituents that he would be retiring from Congress next year.

Although his reputation as a legislator in this body is well established, it is his capacity as chairman of the Committee on Veterans' Affairs where I have been able to observe his leadership first hand. I consider it a privilege to serve with RAY on two Veterans' Affairs subcommittees.

The veterans of this Nation have been well served over the years by RAY ROBERTS. He has been their champion at all times and at every level of legislative action. Even in a period of increasing fiscal constraints, Chairman ROBERTS' untiring and well-directed efforts have consistently resulted in improved benefits for veterans. For example, only last year, service-connected disability and death compensation benefits for more than 2¼ million veterans and 315,000 widows and orphans of deceased veterans were increased by 7.3 percent. He has already sent to the Senate a bill that would increase compensation another 9.9 percent, effective October 1, 1979. Under RAY's leadership, he has sponsored numerous bills enacted into law to enhance the lives of our veterans.

Farsighted and yet rapidly responsive to pressing immediate social needs occasioned by the advanced age of many widows of veterans, RAY has pioneered legislation granting benefits to spouses of deceased veterans.

In this same regard, Chairman ROBERTS has consistently and effectively worked for improvements in death benefits. Under his direction, veterans' burial allowances have been increased substantially, and five new national cemeteries are in various stages of development. Construction will start at Indiantown Gap and Quantico next year. A new cemetery was opened for burials on Long Island last September, and the Riverside, Calif., National Cemetery began interments last November. Site selections were announced a few days ago for new national cemeteries in the Southeast and Midwest.

As a member of the Veterans' Affairs Committee, I shall miss RAY's sound judgment, farsighted vision, and sincerity when he leaves the House next year.●

RATTLESNAKE NATIONAL EDUCATION AND RECREATION AREA AND WILDERNESS

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. WILLIAMS of Montana. Mr. Speaker, education, as Jefferson reminded us, is the surest foundation for the preservation of our freedom and happiness. Opportunities for education abound in Montana and throughout the Nation, and it is in the utilization of those opportunities that we remain a vital people.

We must continually search out new educational resources, better ways to learn to teach, to grope and to find. The complexities of civilization require that we continually push back the frontiers of knowledge. We must discover, research, sort, and catalog, and always we must strive to understand.

This pushing back of the frontiers of knowledge, this striving to understand, requires a constant search for new learning and teaching opportunities

There is an opportunity, unheralded as such, in Montana. It exists as a marvelous chunk of land, an educational resource, lying along the 114th meridian, 61,000 acres of classroom.

This soaring, sparkling place which we Montanans call the Rattlesnake offers us and all Americans a vast, wildland laboratory and classroom in which we can explore and unlock.

We Montanans, recognizing the educational potential of this special place, ask that it be designated as the "Rattlesnake National Education and Recreation Area and Wilderness."

In this classroom we will study the bald eagle, the grizzly bear, the timber wolf, the cutthroat trout, the ptarmigan, and the wolverine. We will improve our understanding of hibernation, territoriality, migration, and nesting. We will catalog the foliage and the shrubbery. We will study the sources of our water and seek to know how Nature purifies that precious liquid. We will peer into the geological past through a slice of land unintruded upon by the last ice age.

We will study the circling of the seasons, examining winter's grip through a frost crystal and spring's invigorating renewal through the Indian paintbrush.

And we will seek to know the wind.

In this classroom lies an unwritten chapter of our past in abandoned homesites, mines, and cabins. We shall document that story.

We will also learn incidentally, through the simple process of hiking, standing, staring, and sleeping under the big sky.

This area, as perhaps no other in America, is singularly suited as a center for wildland education. The Rattlesnake is only 4 miles from the major Montana urban center of Missoula, which houses within it the northern regional office of the U.S. Forest Service; regional offices of the Montana Department of Fish, Wildlife, and Parks; resource offices of the Bureau of Land Management, industries dependent upon wildland management and conservation including Burlington-Northern and Champion International; and, of special importance to the Rattlesnake classroom, the University of Montana and its School of Forestry, which contains the nationally unique Wilderness Institute.

Of that Institute, Dr. Henry Bugbee wrote:

> We are ideally situated and prepared to conduct the diverse studies of wilderness which the Institute is fostering, and to reflect on the place of wilderness in American life from firm experience; we also have the full benefit of a crucial relationship with the Forest Service and with many others who play a fundamental part in contributing to the mature perspective on the disposition of the land.

We will develop an agreement between the U.S. Forest Service and the University of Montana for the administration of the Rattlesnake Wildlands Education and Research Center. The Center will foster and encourage public understanding of wildlife resources. It will conduct applied research to the wildlife and wildland of the Rattlesnake. It will sponsor and conduct programs promoting dialog between various users of the land in an effort to define resource management options and differences. The Center will promote understanding of the wildlands and wilderness by conducting tours for the public into the Rattlesnake, specifically designed to include the young and the elderly.

We propose to place an education research facility, esthetically designed and unobtrusively located, near the wilderness boundary.

We, of course, learn much as we play. Thus, approximately one-half of the 61,000 acres is being specifically set aside for all types of recreation. This area, easily accessible from Missoula and from western Montana's major interstate highway, offers access to hunting, fishing, picnicking, hiking and all forms of motorized recreation. It will be an outstanding wildland playground. Through its use we will teach ourselves the joy and appreciation of the outdoors.

We shall take with us into the Rattlesnake laboratory and classroom that which we already know: that all life on this planet is inexorably linked. With that knowledge and an unbounded determination to learn and to teach, we will improve the quality of life for us and the wildlands.●

MAMIE EISENHOWER

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 7, 1979

● Mr. SHUSTER. Mr. Speaker, it is with heartfelt sympathy that I mourn the death of Mamie Eisenhower, this Nation's outstanding First Lady and Pennsylvania's exceptional citizen.

Mamie Eisenhower brought to the White House a charm and dignity that Americans will long remember when they think of the "Eisenhower Years."

As a Pennsylvanian living on the family farm in Gettysburg, she was a friend that a generation of Pennsylvania Republicans will sorely miss.●

IN OPPOSITION TO H.R. 2626, THE HOSPITAL COST CONTAINMENT ACT OF 1979

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. LEE. Mr. Speaker, I regret that I will be unable to personally participate in this week's anticipated debate over H.R. 2626, the Hospital Cost Containment Act of 1979. I am, therefore, using this opportunity to synopsize my ardent opposition to passage of this bill, and my enthusiastic support of the amendment to be offered by Mr. GEPHARDT, for the benefit of my colleagues prior to actual floor debate. I shall enter a more concise summation of my feelings within actual floor debate at that time.

I take these steps because, as a member of the Health Subcommittee and one who has watched closely the events and orchestration of this bill, I cannot help but feel its passage would be in ignorance of the experiences and forecasts of results. This bill represents many things, but it does not represent a long-term, prudent answer to skyrocketing health-care costs which many of us are seeking.

It is true that America has felt the itch of uncontrollable rises in health care for a long time, and that it is no longer a small nuisance. But H.R. 2626 is not the way to solve this problem.

In the first place, on a very general basis, this Congress is calling for tighter, stricter Government control at a time when in almost every other area—transportation's rail, air, and trucking most notably—we are demonstrating that deregulation is beneficial. It is folly to think that more Government is better Government, and is anything but a short-term answer to a chronic problem. But for those who persist in thinking that we can legislate this problem away, I ask them to examine the records available. France, for example, has done what we intend in this bill to do, and it is no better off than we. The State of Colorado legislated hospital cost control some time ago and now even the original sponsor of that bill wants desperately to get the law off the books.

I point to my own home State of New York which legislated mandatory controls some 10 years ago. Today, as a result, we are faced with an almost unbelievable 75 percent failure rate by hospitals. Fully three-quarters of the hospitals operate in the red every year. In addition, 35 hospitals have closed their doors in the face of forced deficits; one, the Brooklyn Jewish Hospital, has once been bailed out of oblivion by the State, once by the Federal Government. Those hospitals which continue to fight deficits are doing so with equity they already hold. At this rate, within 15 years, all 222 voluntary hospitals in my home State will be closed, their equity exhausted, their potential for earnings stunted by Government.

Better treatments do exist, but they revolve around a position which is 180 degrees apart from H.R. 2626. Rather than force Government further into the health picture, we should be moving it further away through efforts to deregulate, and to encourage and reward open-market competition of suppliers of health care coverage, hardware, and treatment.

We need desperately to encourage adequate planning and forecasting, and to cajole the industry itself into providing a product at the best possible price. We need to look within our own house at the medicare-medicaid schedules which may not have simplv lived by, but actually encouraged, inflationary payments to irresponsible suppliers of health care, thus pushing the entire industry's costs higher.

This Congress is to be lauded for its willingness to deal with this difficult problem, one of America's most pressing of problems. But it should not be allowed to approve an incorrect remedy in its rush to "just do something." We need a more thoughtful analysis of the disease; we cannot afford to simply treat the symptoms.

I urge my colleagues to turn away from the quick fix offered by H.R. 2626, and instead to approve H.R. 5635, the Hospital Cost Containment and Reporting Act of 1979, being offered as a substitute. This bill puts in place the machinery to conduct the analyses needed to solve the long-term problems we face through separate demand study and supply study. Only when both sides of the containment coin are fully explored can we integrate those factors. I believe that the fabric which can be weaved from such studies will save the American taxpayers substantial amounts over the long run, while sidestepping arbitrary controls.

Thank you for this opportunity.●

PERSONAL EXPLANATION

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. EDGAR. Mr. Speaker, on Tuesday, November 13, I was attending a variety of important meetings in my district and was therefore not present for several recorded votes in the House. Had I been present, I would have voted as follows:

ROLL NUMBER, SUBJECT, AND VOTE

651—H.R. 5461, to designate the birthday of Martin Luther King, Junior, a legal public holiday, "yea."

652—H. Con. Res. 200, expressing the sense of the Congress with respect to the Baltic States and Soviet claims of citizenship, "yea."

653—H.R. 5235, to revise the special pay provisions for certain health professionals in the uniformed services, "yea."

654—Motion that the conference committee meetings on H.R. 5359, making appropriations for the Department of Defense, be closed to the public at such times as classified national security information is discussed, "yea."

655—An amendment to H.J. Res. 440, prohibiting the use of funds in the further continuing appropriations resolution for military or economic aid for Iran, "yea."

656—H. Res. 454, the rule providing for consideration of H.R. 2727, the Meat Import Act of 1979, "yea." ●

SICKENING RESULTS OF MADE-IN-AMERICA KHOMEINI REVOLUTION

HON. SAMUEL L. DEVINE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. DEVINE. Mr. Speaker, respected columnist Alice Widener wrote an article entitled "Sickening Results of Made-In-America Khomeini Revolution," on November 8.

During these critical times when the American people are demanding affirmative action by this administration, I feel all alternatives should be explored, and I am happy to share the contents of Miss Widener's column with my colleagues, as well as readers of the CONGRESSIONAL RECORD.

The column follows:

SICKENING RESULTS OF MADE-IN-AMERICA KHOMEINI REVOLUTION

(By Alice Widener)

NEW YORK CITY, November 8, 1979.—Besides the agonizing matter of life or death, two aspects of the blindfolded hostages drama in the U.S. Embassy in Teheran are sickening in the extreme: (1) our toleration of Iranian Communist Fedayeen "students" demonstrating in New York City, Houston and elsewhere in behalf of bloodthirsty dictator Khomeini; and (2) the Carter Administration's sending of Ramsey Clark, the man who bears heavy moral guilt for Khomeini, as U.S. negotiator for our hostages' lives.

All three major TV networks show the Iranian "students" in our country supporting Khomeini's death to American policy, then explain: "Our country can do nothing about them because their status as students prevents their being deported even if they commit misdemeanors." In other words, it is asserted that foreign agitators posing as "students" are above and beyond the law in our country.

Astonished at this, I interviewed Thurston A. Black, Chief of Special Investigations, Immigration and Naturalization Service, 26 Federal Plaza, New York City. A 25-year veteran of the Service, Mr. Black explains, "Foreign students are not immigrants to the United States. Yet the students enjoy all the rights and privileges of an American citizen, except that of voting, for so long as they maintain their status as students. Because the Service is woefully understaffed it is impossible to check on the legitimate student status of thousands of foreigners in our country." Moreover, says Mr. Black, even if a student is eligible for deportation, he can enjoy all the legal civil rights procedures available to an American citizen in the way of lengthy hearings and court appeals constituting very costly procedures.

All U.S. legal provisions governing foreign students come under provisions of the 1952 Immigration and Nationality Act, Section 241-A-6. Mr. Black has testified before several Congressional committees that the 1952 Act ought to be revised to prevent abuse of foreigners' student status and their violation of our laws. "We know there are hundreds of what we call 'perpetual students' in our country," said Mr. Black. "Nobody checks whether they are or aren't registered at institutions of learning, or whether they report for classes or engage in other activities."

When I raised the question of hundreds of Iranian "students" disturbing the peace outside New York Hospital on Sunday, November 5, 1979, by changing "Long live the Fedayeen" (Iranian Communists), Mr. Black said that the 1952 Immigration and Nationality Act contains provisions against the granting of student status "to anarchists" and "to members or affiliates of the Communist Party" or to any group teaching the violent overthrow of our government or "advocating a dictatorship." Yet these national security provisions of the 1952 Act have been virtually ignored due to pressure by Leftist groups. Therefore we Americans are now witnessing disruptive street demonstrations by foreign students in behalf of the foreign dictator, Ayatollah Khomeini, who openly called for "a blood bath" on his accession to power in Iran and describes the United States as "a defeated and wounded snake."

We also are witnessing the weirdly inexplicable procedure of having the Carter Administration send Ramsey Clark as U.S. negotiation with Khomeini for the lives of our hostages imprisoned in our embassy in Teheran. As Representative Sam Devine of Ohio said on the House floor, "We might as well send Jane Fonda."

Loyal patriotic Americans should demand that Congress immediately set up a special committee to investigate the role of former U.S. Ambassador to the U.N. Andrew Young and Ramsey Clark in plotting to bring Khomeini to power in Iran while the U.S. Government formally recognized the government of Prime Minister Bakhtiar there. A major part of the disgusting story was revealed last February 10 in the New York Times by its veteran U.N. correspondent, the reliable Kathleen Teltsch. "Andrew Young, the United States delegate, said today after meeting with representatives of the Ayatollah Ruhollah Khomeini, the Iranian opposition leader, that he had been assured 'the human rights of all Iranians would be protected.' One of the two Iranians who met today with Mr. Young was Shahriar Ruhani (a 29-year-old Yale graduate student), the spokesman for a group that set up headquarters in Washington a month ago to coordinate the Ayatollah's affairs in the United States."

Miss Teltsch continued that the two Iranian supporters of Khomeini "were joined in Mr. Young's office by Ramsey Clark, the former United States Attorney General, who visited Iran last month. Mr. Clark, who has been associated with Mr. Young for many years on civil rights matters and who arranged the meeting, has been favoring United States recognition of the Khomeini faction in Iran."

It should be noted that while Young and Clark were doing their thing, Khomeini was in exile near Paris, France. At the U.N. meeting with Clark and two Khomeini supporters, Andrew Young predicted Khomeini would be regarded "as a saint."

It is a fact that Andrew Young and Ramsey Clark have been associated with radical Leftwing politics for many years. They both bear heavy moral responsibility for the intrigues and behind-the-scenes shennanigans that brought Khomeini to power. Did the

Carter Administration know about and condone these nefarious messings in the internal affairs of Iran? Who paid for Ramsey Clark's trips to Iran and then to Paris to see Khomeini? What is the true depth of the Young-Clark intrigues with the Palestine Liberation Organization and with the Iranian Communist Fedayeen "students" in our country?

The American people ought to demand answers to these questions and many more. Congress should immediately undertake revision of the 1952 Immigration and Nationality Act in regard to students. Strong evidence suggests that the abominable Khomeini Revolution in Iran was made in America.●

GET USED TO SPITTLE ON YOUR CHEEKS

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. DICKINSON. Mr. Speaker, I find George Will's column which appeared in the Sunday, November 11, 1979, issue of the Montgomery Advertiser-Alabama Journal to be a shocking, but true analysis, unfortunately, of the disasterous foreign policy our Nation has conducted during the past 34 months.

It is a record of weakness and appeasement—of constant backing down and accommodation of those who hate us and who are working for our destruction. Every Member of this body should read and think long and hard on what Mr. Will says in this column.

The column follows:

GET USED TO SPITTLE ON YOUR CHEEKS

(By George F. Will)

WASHINGTON.—It is difficult, and not at all desirable, to be coolly clinical about photographs of American citizens bound and blindfolded and spat upon by rabble, but the freezing truth is that Americans had better get used to such photographs, if they are not already. Enduring the contempt of the contemptible is just one severity that life has in store for a declining nation.

A nation that, in gestures aimed at the Middle East, sends an aircraft carrier steaming in circles in the South China Sea, and sends ostentatiously unarmed airplanes to Saudi Arabia (where many are then grounded for days because of bungled planning and support)—such a nation had better get used to enemies who think it is impotent. Well, not altogether impotent: It can unleash Ramsey Clark.

A nation that loses a war it could have won by confidently employing its conventional military assets had better get used to humiliation. A nation that has no serious response when three ambassadors are murdered (in Cyprus, Sudan and Afghanistan) had better get used to spittle on its cheeks.

A nation that, in February, orders the Marines guarding its embassy in Iran to surrender without a fight to a mob should not be surprised when, in November, another mob arrives to play with the embassy as with a toy.

SHIP THEM HOME

A nation that uses an ally such as Taiwan as a pawn for utterly unnecessary appeasement had better get used to having fewer and fewer allies of any size, and to the worldwide conviction that it is a nation with no serious convictions. A nation that collaborates in throwing to the wolves an ally like the Shah should not expect respect from the wolves.

Respect? For a nation too feckless even to confine Iran's diplomats to their Washington compound when they are collaborating with the rabble of Tehran? Respect? For a nation so inanely tolerant it does not ship home to Khomeini the thousands of Iranian "students" who are here illegally, and who adore Khomeini—from a safe distance, of course—from the comfort of what Khomeini calls "Satan America?"

SEE REAL GENOCIDE NOW

You know Khomeini: He's the fellow Andrew Young said might be a saint. You remember Young: He's the fellow who symbolized the Carter administration's plan to get America loved in the Third World by appeasing terrorists in Rhodesia and subverting the Shah.

You remember the Shah, an ally for 37 years. During the 1973 war he was the only ruler in the region who banned Soviet overflights. He urged an end to the oil embargo, and rushed fuel to U.S. ships. He rushed arms to South Vietnam (you remember South Vietnam: an ally deceased) before the ban on such aid went into effect under the Paris Accords. (You remember the Paris Accords: They brought peace to Indochina). The Shah helped the United States in many ways, but such is our trembling fear of Khomeini, that the Shah had to become a cancer patient before we would let him past the Statue of Liberty.

A nation afraid of Khomeini should not bluster at the Soviet Union. A nation that blusters about Soviet activities in Cuba being "unacceptable," and then says well, er, come to think about it, we just remembered that these activities are, well, for want of a better word, acceptable—and no, don't worry, we won't reject SALT II; we were very decent, you must admit, cancelling the B-1 and neutron weapons, no reciprocity asked; and, oh, yes: Are you quite sure 25 million metric tons of grain will be sufficient?—a nation that behaves this way had better get used to the cackle of derisive laughter.

Speaking of grain, and of photographs that take some getting used to, and of the price of losing wars, consider Cambodia. If the people who used to rant about "American genocide" are really interested (and they really aren't) they should note this: Real genocide looks like what is happening in Cambodia now. The starving of millions, the obstruction of relief: This is Hanoi's work and could be stopped by Moscow. But we flood the Soviet Union with grain while the Soviet Union collaborates in keeping to a trickle the relief for the people it is helping to exterminate.

Will we make continued grain shipments to the Soviet Union contingent on Soviet cooperation about Cambodia? No.

President Carter says Cambodia is "a moral issue." Yes. But I, for one, am past trying to understand what he means by that, and past hoping he will understand that, between nations, such issues also are problems of power.●

MAMIE EISENHOWER

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 7, 1979

● Mr. DRINAN. Mr. Speaker, I join my colleagues in mourning the death of Mamie Doud Eisenhower.

This gracious and gentle First Lady held a special place in the hearts of all Americans. Throughout her public life, she managed to maintain her quiet and unassuming manner yet she continually displayed a sense of dignity and strength of character.

In a recent interview, Mrs. Eisenhower expressed the desire to be remembered as "just a good friend" and so she is. She is viewed by all as a good, loyal, and familiar friend.

I extend my deepest sympathies to Mrs. Eisenhower's family on their tremendous loss.●

A LIBERAL'S LATE CONVERSION

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. HYDE. Mr. Speaker, those of us who have tried to oppose the constant flow of Federal mandates to local government can enjoy the small solace afforded by a quiet "I told you so" after reading the following column by Richard Reeves appearing in the November 12 Chicago Sun-Times.

YOU CAN'T FIGHT CITY HALL—EVEN IF YOU'RE IN IT

(By Richard Reeves)

NEW YORK.—You can't go anywhere these days without hearing someone griping about how government is ruining the country. Take dinner the other night with Ed Koch.

"It's insane," he said. "They're ruining us."

Koch, of course, is hardly your average citizen. He's not only the mayor of New York City, but, before that, was a congressman for almost a decade—a very liberal congressman. But, kvetching that night, Nov. 1, he sounded like a cab driver thinking about voting for Ronald Reagan.

"Washington just sits there and tells us to do this, do that, do it this way, do it that way," Koch said as we sat around with some of the highest officials of his city. "They're looking over our shoulder all the time, threatening to take us to court all the time. Keep the hospitals open even if they don't have any patients or we'll cut off your aid. Help the handicapped, help the children. Put white teachers in black schools. No, we changed our mind, put black teachers, in black schools. Teach in Spanish. Now we have English and Spanish treated equally in the schools. It's crazy. It never ends."

"But Ed," said his counsel, Alan Schwartz "you voted for all those things in Congress."

"I know," Koch said. "I was dumb. We all were. We got carried away with what the sociologists were telling us. We have permitted a small number of people, generally gifted, elitest, to dominate the society. This was their view. It was never the majority view."

"Well, what happens when you go back to Washington? You know a lot of people in Congress," I said. "You must be telling them the same thing."

"I am," he said. "They say they know I'm right. But it doesn't make any difference. They keep voting for more and more. They're afraid of pressure from every group that wants something from them."

No one, in short, wants his office or campaign picketed by Hispanics, or children, or people in wheel chairs . . . or whoever.

"Congress has just become more responsive, too responsive," said Ronay Menschel, a mayoral assistant who once ran Koch's congressional office. "The winds of change would have once come and gone, but now they're institutionalized in regulations. The regulations have a life of their own. Facility access for the handicapped is an example. The Transportation Department is blindfolded to reality. In New York, they ignore the fact that our bus system shadows the subway system. We say we'll make the buses accessible to the handicapped, but they say it has to be both buses and subways, even if no one in a wheel chair will ever use the subways and the money doesn't exist to rebuild them."

"We could shut them down," Koch joked sourly. "Then we wouldn't be in violation of the regulation."

"New values have found a home in those regulations," said David Brown, a former deputy mayor who is now teaching at Yale. "Environmental regulations are an example. It's process run amok. Times change, but the old plans—the agenda of the 1960s—have this life of their own through federal courts and bureaucracy."

"We're heading for a crisis," Brown continued. "We can't get this thing back in the bottle. We won't be able to come up with all the money to do all the things that have been mandated. Government may not be able to carry the burden; it'll be run into the ground. You'll have public officials who are not upholding the law."

"The people out there have nothing to do with what's happening," Koch said pointing in the direction of Queens and Brooklyn from his elegant, contemporary home in Manhattan, Gracie Mansion. "How do they feel? I know how I feel. I want to exercise the authority I'm supposed to have under the City Charter. I can't. Most of the time I feel I can't do anything. I'm telling you, it's insane."●

WOLFF HONORS JEWISH WAR VETERANS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. WOLFF. Mr. Speaker, it is my great pleasure to call to the attention of this Congress and our Nation the extraordinary work and commitment of the Jewish War Veterans. At 83 years old, it is the oldest active veterans organization in the United States of America with a membership of over 100,000 men and women.

Throughout my tenure in the Congress and on the Veterans' Affairs Committee of the House of Representatives, and as a member of the Jewish War Veterans, I have worked with the Jewish War Veterans. Their contributions to the life of the veterans and their dependents and to Jewish causes has truly been instrumental in achieving meaningful benefits for veterans and their families and for causes that exemplify the very best in the traditions of Judaism. The commitment of this organization to veterans can be noted by their work in health care and, in particular, the funds of over $600,000 raised for a new wing for a hospital in Beersheba, Israel.

Mr. Speaker and my distinguished colleagues, in these times when our Nation seeks leadership and direction, the contributions of this outstanding organization can serve as an inspiration to all veteran organizations and ethnic groups. I am also proud to recognize the contributions and sacrifice of the families of the members of this organization. I have spoken on the floor of the House of Representatives on many occasions on behalf of the interests and concerns of my congressional district. It is indeed a particular pleasure for me to speak of the great contributions of one of the leading organizations of my congressional district and our Nation by calling the attention of the Congress to the work of the Jewish War Veterans.●

JOHN B. BRECKINRIDGE

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. BROYHILL. Mr. Speaker, my good friend and colleague, the late John B. Breckinridge, of Kentucky, has been nominated for the Winthrop Rockefeller Distinguished Rural Service Award, sponsored by Rural America. While the decision on a final nominee will be announced in the spring, I wanted to bring to the attention of the Congress and the American people some of the individuals and organizations that have sent recommendations to Rural America on behalf of Mr. Breckinridge. I also wanted to insert a copy of a letter sent to Governor Shafer, chairman of the Distinguished Rural America Service Award Committee by Chairman Thomas Foley, House Agriculture Committee and friend of the late John Breckinridge. Mr. Foley's letter follows:

It is my distinct honor to join with those who are supporting the late John B. Breckinridge for receipt of the Winthrop Rockefeller Award for Distinguished Rural Service posthumously. Mr. Breckinridge served faithfully on the House Committee on Agriculture during the 94th and 95th Congresses. No member of the Committee was a more effective spokesman for rural America than Representative Breckinridge.

He played a key role in founding the Congressional Rural Caucus and served as Chairman of the Caucus during the 94th and 95th Congresses. Due directly to his leadership, the Congressional Rural Caucus is now a thriving organization composed of 100 members of the House of Representatives representing both political parties and coming from all parts of the United States.

John Breckinridge was a tireless worker. He never lost sight of his goal to make rural America a better place in which to live. He refused to sit back quietly when any issue came before our Committee which had an effect on rural America. He never let an opportunity pass without trying to bring rural America to a higher economic level. He was a stickler for detail, faithfully attending even the most routine Committee sessions, always looking for an opportunity to speak and work on behalf of rural America.

John Breckinridge is no longer with us, but all of his efforts to focus attention on rural America had a great impact. Through his efforts the Congressional Rural Caucus has become an effective forum for the discussion and consideration of vital issues. John Breckinridge lead the way and the memory of his leadership will long stay with us.

I heartily endorse him for this distinguished award. I know his family will be honored along with his many former colleagues in Congress who, because of his efforts, find it somewhat easier to talk with Members from urban areas about the problems of rural America.

Sincerely,

Thomas Foley,
Chairman.

Below are excerpts from letters for Mr. Breckinridge's recommendation for the Winthrop Rockefeller Distinguished Rural Service Award to be included in the Record:

His efforts were instrumental in achieving increased national and state funding for rural housing, community programs, and industrial development. He worked to coordinate federal, state, and local agency efforts and initiated valuable outreach programs to make rural Americans aware of the resources available to them.—Larry Pressler, United States Senate.

It was the pleasure of this organization to work with him on several issues affecting the rural poor. After careful considered examination of the issues, Mr. Breckinridge came to support many of the positions for which we were advocating. . . . His major contributions to rural America will continue for many years, however, to make life better for thousands of our rural people through better health care, housing, water and sewage facilities, transportation and economic opportunity.—John C. Bush, Executive Director, Kentucky Council of Churches.

I can think of no man who has been more dedicated in his work and tireless endeavors for his constituents. His passing is a personal loss for all Kentuckians. History will write his contributions to our welfare. . . . A great Kentuckian and an outstanding American.—H. C. Besuden, Winchester, Kentucky.

He was a most effective legislator, but more important than even his legislative skills was the example he set for all his fellow colleagues in terms of complete dedication and honesty.

Berkley Bedell,
Member of Congress.

TRIBUTE TO MAMIE DOUD EISENHOWER

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 7, 1979

● Ms. OAKAR. Mr. Speaker, the passing away of Mamie Eisenhower, our former First Lady of 8 years, was a solemn occasion both for the Eisenhower family and for our Nation.

Mamie Eisenhower's presence and now absence is felt by three decades of Americans. Her memory however, will be preserved for future generations in the annals of our history. Perhaps Mrs. Eisenhower's finest legacy was exampled in her undaunting loyalty and devotion both for her husband and for her family, as well as her unquestionable love for her country.

Not only was Mamie Eisenhower's personal life characterized by her total dedication as a wife, a mother, and a grandmother, but also was that same sincerity of purpose extended to Americans and foreign dignataries alike in her service as our First Lady. While we shall continue to feel the loss of Mrs. Eisenhower's gracious smile, we remain grateful for having had the opportunity of knowing her and realizing her value.●

COAL IS THE IMMEDIATE ANSWER

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. APPLEGATE. Mr. Speaker, the Iranian situation has placed this country in a very precarious situation by holding hostage U.S. citizens in return for the Shah and also threatening to cut off our oil shipments by the first of the year. It is an outrage that this Nation is not better prepared to protect its citizens abroad.

We should not second-guess the President of the United States in this type of a situation, but, when this country does act, it should be with swift, tough, and affirmative action—not by pussyfooting around.

President Carter has now started to take necessary steps in an attempt to solve this problem by ordering that the visas of Iranian citizens currently residing in this country, particularly the students, be verified. If any violation in the regulations exist, these individuals will be deported immediately.

The President has cut off all importation of Iranian oil in an effort to nullify the Iranian threat of cutting off our supply, and I support him on this. I can well understand this and preliminary reports indicate that this will not jeopardize or disrupt our energy supplies. I also applaud his actions to prevent the withdrawal of Iranian deposits and securities from American banks until the safe release of the citizens being held hostage. These moneys should be held in our possession until the hostages are released and all U.S. military and other types of property are returned to this country. I am hopeful that he will also cut off all trade and the sale of parts for American military equipment they now possess. Once we have secured the release of the Americans being held hostage, we should take immediate steps in severing all diplomatic relations with Iran. America does not need Iran in its present political state.

The small nations of the world are continuously gaining power through what the United States is giving to them and they, in turn, use this power against us. America has fallen into its own trap of dependence upon oil producing nations because of its failure to develop America's own great natural resources. This Nation has been led down the proverbial "primrose path" by its reliance and trust on the U.S. oil companies which have held back on technology that would allow a clean and economic alternate fuel—coal.

We are 40 years behind in this technology and now we are pushing to develop it in 10 to 15 years. But, in the meantime, America is now being threatened by Iran to cut off oil supplies after the first of the year. I say, let them drown in their oil. We don't need it. America has more coal reserves than all the known oil reserves in the world. We should not continue to be spineless and subservient to foreign oil producing countries.

This Nation's coal reserves are vast—enough to achieve energy independence. But, to do this, we must burn all we can now. Coal is the immediate answer. We must replace oil with coal as quickly as possible. We can still maintain national ambient air quality standards while we do so. Commonsense must prevail if we are going to see that this country provides its citizens with ample home heating fuel, fuel for transportation, fuel for electricity, fuel to create energy to run our factories and businesses, and fuel to provide energy independence.

America must be secure, mobile and independent. Let's use what we already have, coal.●

HOUSING AND TRANSPORTATION NEEDS OF THE ELDERLY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. DOWNEY. Mr. Speaker, I recently received a letter from the Amityville Senior Citizens Commission, about the housing and transportation needs of the elderly. In a very real sense, this letter speaks for every older American and eloquently asks us to help them to help themselves. I completely agree with their views on this subject and commend their letter to the attention of my colleagues.

The text of the letter follows:

DEAR CONGRESSMAN DOWNEY: We, the members of the Amityville Senior Citizens Commission are writing to you to enlist your support for older Americans in the areas of housing and transportation, especially needed for Long Island.

A suitable living environment and a decent home for every American must continue to be a National goal. The Federal government must continue to take an active role in ensuring adequate shelter and related services for all citizens, including the elderly.

Any program addressed to the housing needs of the elderly must be flexible, both in the types of housing made available, and the standards used to determine eligibility for this housing.

Older Americans should be able to retain the option of remaining in their own homes for as long as they are able, and as long as they choose to do so. In order to do this, especially in our area, the problem of transportation must be dealt with.

Priority must be given to the development and improvement of our public transportation systems, which are vital to our economy in a time when energy supplies are running out. More of the six bililon dollars in the Federal Highway Trust Fund should be allocated to the support of public transportation. A major concern of our elderly is lack of mobility caused by inadequate or inaccessible transportation.

We ask you to please consider these special needs of our elderly, who represent a very large and constantly growing segment of our population. Thank you very much.

Sincerely yours,

MRS. HENRY C. DUCKER,
Corresponding Secretary.●

A JOINT UNITED STATES-SOVIET AIRLIFT COULD SAVE THOUSANDS IN CAMBODIA

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. SOLARZ. Mr. Speaker, last Thursday Congressman SIMON and Congressman BONIOR testified before Senator PELL and the Senate Foreign Relations Subcommittee on Arms Control, Oceans, International Operations and Environment to explain their proposal, supported by 66 other Members of the House, that the United States seriously explore the possibility of an immediate joint United States-Soviet airlift of food, medicine, trucks, and other humanitarian relief supplies to Cambodia.

As one of the strong supporters of this joint airlift, I would like to commend our two colleagues for their leadership and resourcefulness in proposing this plan, which could provide a significant breakthrough in the international humanitarian relief efforts to prevent the destruction of the Khmer people.

Such a joint airlift would not be cheap but it would be a most worthwhile investment in human life. An airlift would be an excellent fast-track solution that could break the logistical logjam and get the needed trucks and equipment in place so that food and medicine could be distributed to all areas of the country where they are desperately needed.

Mr. Speaker, the testimony of Congressman SIMON and Congressman BONIOR follows:

JOINT STATEMENT BY REPRESENTATIVE PAUL SIMON AND REPRESENTATIVE DAVID E. BONIOR

Mr. Chairman, we appreciate this opportunity to testify before you on how we in the U.S. Congress can best address the food shortage and distribution problem in Cambodia.

Over the past several weeks it has become clear that food aid is not reaching Cambodia quickly through. Thousands of people are dying of hunger while outside relief is still only trickling into the country.

By air, some 15 tons of food is reaching Phnom Penh each day, carried on a C–130 transport from Bangkok, conducted by UNICEF/International Red Cross. By sea, over the past month about 10,000 tons of food and other relief supplies have arrived in the country through the port of Kampong Som. The opening of the Mekong River is expected to enable distribution of up to 8,000 tons a month, if all goes well.

But these efforts, important though they are, do not come close to meeting the needs of the Cambodian people. The Red Cross estimates that 1,000 tons of food are needed each day just to keep millions of Cambodians alive over the next few months. Dr. Jean Mayer, the nutrition expert, estimates the Cambodians will need up to 2,500 tons per day if they are to fully recover from the effects of the present famine.

Clearly, other means must be found to get these increased quantities of food into the country.

We propose a joint Soviet-American airlift of food, medicine and trucks into Cambodia. We believe such a proposal is a feasible and expeditious way of delivering emergency supplies. We, along with 66 other House members coordinated by Members of Congress for Peace through Law, made this proposal in a letter to President Carter last week.

Why a joint airlift?

First of all, because the "land bridge" proposal has been rejected, and it is time to discuss new initiatives. The land bridge proposal had obvious merits—it was the least expensive and the most efficient way of bringing large amounts of food aid into Cambodia—but it was met with suspicion and resistance from the Heng Samrin government. Whether it was rejected because the food might have gone to the Pol Pot soldiers along the Thai border, or because it was proposed by three U.S. Senators whose government has formally backed the Pol Pot Government through its vote at the United Nations, or because of a military decision to keep all non-military vehicles off the roads during the present offensive, makes little difference. The point is that new proposals must be made, without delay.

Second, we believe a joint airlift is more practical than a U.S. airlift.

With the history of our own military involvement in Cambodia and Indochina as a whole, and our most recent diplomatic support of the Pol Pot delegation at the U.N., a unilateral airlift would most probably be perceived as a hostile act by the Heng Samrin government. An airlift undertaken solely by the U.S. might result in the loss of American pilots and planes, and might even endanger the food aid agreement that the Heng Samrin government has concluded with UNICEF/ICRC and with the private voluntary agencies.

We believe that a joint airlift where the U.S. and other nations would supply the food, medicine and trucks, and the Soviets would provide the pilots and planes, would be a workable arrangement. If the Soviet Union was not willing to supply aircraft, then planes could be chartered or borrowed from other countries.

Finally, we believe that a joint airlift makes more sense than a U.S. one due to the close nature of the Soviet-Vietnamese relationship. As their closest ally, the Soviets would be able to play a crucial and constructive role, which we—given our history—will never achieve alone.

What are the problems inherent in such an airlift?

Will it work?

First, there are logistical problems. Who loads the planes? From where? Who flies them?

We believe these hurdles can easily be overcome. Since the Soviets and their Vietnamese allies are already flying transport planes in and out of Cambodia, adding additional planes should not be a major problem. According to State Department officials, three planes, each with a capacity of a 747, flying daily into Cambodia, could supply 15,000 tons of food per month. While the costs would be high, there do not appear to be any insuperable obstacles it its creation.

Second, there are problems in following—or "monitoring" the distribution of food. We wish to address this issue.

We agree that monitoring will, under this plan, be very difficult, if not impossible. We recognize that it is unfortunate, though probably inevitable, that some of the food will be eaten by Heng Samrin soldiers. But we would point out that right now, even without an airlift, at least some of the food aid distributed along the Thai border has been eaten by Pol Pot guerillas. Regardless of whether somebody's soldiers eat some food, and whether or not we know where each grain of rice goes, we must deliver the food.

We must also remember, in connection with the monitoring question, that the opposing armies in Cambodia will not hesitate to try to deny food to each other, or even to certain civilian populations. Yet this situation must in no way diminish our willingness to provide food aid. After all, during the Vietnam war the U.S. frequently used crop denial tactics and resorted to the wholesale destruction of crops in areas controlled by the National Liberation Front.

Finally, the last, and major, issue delaying a joint airlift must be addressed. Will the Soviets cooperate? We are optimistic.

We differ strongly with those who criticize the Soviets for a lack of action, and we believe their rhetoric hurts, rather than helps, the chance for cooperation.

The Soviets have indeed acted constructively, without talking about it. According to a Washington Post article (Nov. 4), in addition to various State Department sources, the U.S.S.R. and its East European allies have contributed 200,000 tons of food and other supplies to the Heng Samrin government. Oxfam observers in Phnom Penh report that the Soviets are helping to provide 4.5 ounces of food per day for the population living in and around the capital city. Furthermore, three East European countries, whose policies are usually in conformity with Moscow's, intervened with the Cambodian government on behalf of the UNICEF/ICRC food aid negotiators.

There are other signs which indicate that the Soviets have not ruled out such cooperation.

The Heng Samrin government, with apparent approval of the Vietnamese and the Soviets, opened up the Mekong River to barge traffic, thus signaling a positive attitude to outside assistance;

Senator Sasser's report that the Cambodians would welcome an increase in international aid came after a meeting with Ambassador Keo Prasath, who represents the Heng Samrin government in Moscow.

Our own informal and very preliminary soundings reveal that the Soviets are willing to consider the proposal.

In our October 30 letter to the President, we asked him to start immediate negotiations with the Soviets on the joint airlift. We have since met with and discussed the idea with high State Department officials, and await reports back.

In closing, we recognize that our joint airlift proposal is not a panacea. But we do believe it must be pursued.

For the Soviets, it would have the advantage of simplifying their on-going efforts at providing food aid to the Phnom Penh government. It would also reduce their costs significantly, insofar as the U.S. would supply large amounts of food, medicine and trucks.

For the United States, the plan would provide the only means at present to expedite the delivery of food and emergency aid which has been approved by the Administration and by the Congress.

For both countries, a joint humanitarian airlift for Cambodia would be a measure of the true value of detente.●

TRIBUTE TO MAMIE EISENHOWER

HON. MELVIN H. EVANS

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 7, 1979

● Mr. EVANS of the Virgin Islands. Mr. Speaker, Mamie Eisenhower is remembered and respected for her genuine support to the work of our former Commander and President, Dwight D. Eisenhower, in past years in war and peace. On behalf of the people of the U.S. Virgin Islands, I wish to add my statement of sympathy to her family and to this testimonial for the RECORD.●

HEW WASTE STUDY A STUDY IN WASTE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. ASHBROOK. Mr. Speaker, the American taxpayer must really wonder what is going on in Washington, D.C., every time they pick up a newspaper and see increasingly ludicrous examples of how this Government wastes their money. It is getting to the point that waste of tax dollars seems to be done for waste's sake. There is just so much hard earned money flowing into this city no one knows what to do with it except to throw it away. The ultimate perversion of American values is the fact that big government only knows how to take money away from individuals and how to squander it. The idea of actually giving money back to the public when there is no need for it is not even in the thinking of most bureaucrats. Individual tax dollars are just so much fodder for the Government to swill down.

The latest example of Government waste should embarrass even the most staunch apologist for big brother. HEW set aside $184,000 for a 1-year study why there is so much waste in the administration of the Nation's welfare system. An entire year went by with little if any work done on this study. At the end of the fiscal year HEW had unspent money in this account. Bureaucrats, panicked by the prospect of not spending all the money given them, immediately granted a contract to a firm who spent less than 24 hours on drafting a study proposal. The consulting firm proceeded to go through the motions of carrying out the study to the point of running out of money before the project was completed. Additional funds were spent on the study. At that point the fraudulent nature of the whole project began to surface and the flow of funds dried up. At this point there is no report, no funds, and a lot of unanswered questions.

Every year this Congress hears impassioned pleas from agencies that they need millions or billions of dollars more than last year to carry out their responsibilities. Every year we hear of stories like this one on how incredible waste goes on in the Government and how difficult it is to stop such waste. I offer the full coverage of this one example to my colleagues in the hopes that they will be as repulsed by its details as I was. After reading this example of waste I hope they will consider the one sure-fire way to put a stop to this squandering of this Nation's limited resources. All we have to do to stop waste is to cut funding to those agencies who waste the money. Cutting off the pipeline for fraud may be the only way to force reforms that are always promised, but never occur. This is the one tool this Congress can use, but never has the guts to use. I say the time has come for action.

The material follows:

CONSULTING FIRM PAID $29,000 BY U.S. FOR WORK NEVER DONE

(By Jonathan Neumann)

Top executives of a Washington consulting firm fraudulently collected at least $29,000 in federal funds after the government gave their firm a contract to study why there is so much waste in the administration of the nation's welfare system, according to present and former employes.

An examination of personnel records and interviews with 18 employes of Mariscal and Co., the consulting firm, show that four company officials billed and collected salaries from the government for at least 84 days in which they did not work on the consulting study.

The study itself, a one-year project that cost the Department of Health, Education and Welfare $184,000, was characterized as virtually meaningless by most of the consultants who worked on it, including the project manager.

Consultants said in on-the-record interviews that the study was hastily commissioned when HEW found itself with unspent money at the end of the fiscal year and that the firm, which was chosen by a process that does not require competitive bidding, submitted a proposal for the study that was written in less than 24 hours.

The interviews also disclosed that most of the people who worked on the study, including the project manager, considered themselves unqualified to conduct the research and that the data gathered was incomplete and ambiguous.

The consulting firm also ran out of its initial government money two months before the project was to be finished. So in July it asked for—and was immediately given—an additional $23,050.

Mariscal is one of hundreds of consulting firms in Washington, many of which survive on federal funds available for a seemingly endless variety of studies.

The federal government awards thousands of consulting contracts each year—many on a no-bid basis— totaling billions of dollars. There are no precise figures because the government has no central accounting system to track or audit consulting contracts.

In recent years, federal investigators and auditors in various departments have found growing problems of fraud, fund misuse and unaccountability in consulting firms. But the government has done little to control or even monitor the consulting industry.

Barry Rosenberg, a former vice president at Mariscal and Co., described his firm's one-year study as a "complete rip-off. It's a terrible, terrible study. The taxpayer is just throwing money down the tubes."

Samad Hafezi, the project manager for the study, described the roles of both the federal government and the consulting firm as "chaotic and fruitless." He said he eventually refused to sign invoices from the firm to the government because he feared he might be authorizing the theft of federal funds.

"I couldn't do my job anymore because of all the false billing by company officials," Hafezi said.

According to company records and interviews:

The company's president, Manual Aragon, a former deputy mayor of Los Angeles, billed the government for 23 days of work on the welfare study, for which he and the firm were paid a total of $8,167.93. Twelve people who worked on the study, including project manager Hafezi, said that to their knowledge, Aragon did not actually work on the project. Aragon denies that he billed falsely.

Three other officials of the firm billed HEW for days that they did not actually work, according to the project manager and others.

Roberto Moreno, a vice president, falsely billed HEW for 12 days totaling $3,482.31. Moreno denied in an interview that he ever billed falsely.

Rosenberg falsely billed HEW for 30 days totaling $9,397.31. Rosenberg said in an interview that false billing was a common practice at Mariscal and Co. "This was a black period in my life," he said. "I tried very hard not to compromise myself, to bill honestly. . . . But I'm afraid I did compromise myself . . . I'm not proud of it at all."

William Holleran, an associate of the firm, falsely billed HEW for 18 days totaling $7,931.59. Holleran acknowledged that he had billed to the project for days he had not actually worked on it, but said he later worked nights and weekends to try to make it up.

Aragon's weekly timecards from Oct. 1, 1978, to Oct. 1, 1979, contain billings to several government agencies under contracts held by the firm for 160 days work, totaling $46,396.17 in federal payments. The timecards bear the company president's signature in several different handwritings. Secretaries said they routinely filled out and signed Aragon's timecards in his absence, billing to the numerous contracts arbitrarily, while Aragon at times did not even know what was on the timecards.

In an interview last Wednesday, Aragon insisted that all of his billings were accurate and that he personally signed all of his timecards. Yesterday, Aragon said that he had rechecked his records and found that he was "in error" during the interview. He said someone else signed his timecards on a number of occasions at his direction. He maintained, however, that the billings were accurate.

Robert Mariscal, the owner of the company, denied all charges of wrongdoing by people in his firm.

Mariscal acknowledged that he spent much of the past year in Las Vegas, where he oversaw the opening last summer of a new hotel and casino, the Nevada Palace. Mariscal is the chairman of the board and the majority stockholder of the casino.

"To my knowledge, there has never been anybody in the [consulting] company who has intentionally ripped off a contract," he said in an interview.

In a lengthy interview at the firm's Georgetown office, Aragon, Moreno and vice president Robert Graulek said the allegations against the firm were coming from a group of disgruntled former employes.

"There are about 20 former employes who are very unhappy," Aragon said.

"They hate us, there's no doubt about it," Moreno said.

Based on interviews with employes of Mariscal and of the federal government, this is the story of the welfare study contract:

In late August 1978, near the end of the fiscal year for HEW, several million dollars of contract money was still unspent at the Social Security Administration (SSA).

Two officials of the SSA's Office of Family Assistance, Ludwig Guckenheimer and Jacques Wong, had several ideas for contracts that could be awarded.

Earlier consulting studies had found that the largest portion of the nation's welfare system—a program called Aid to Families with Dependent Children (AFDC)—was costing the government too much money because of waste in administration. The annual budget for AFDC was $6.7 billion.

Guckenheimer and Wong decided to hire a consulting firm to study why administrative costs were excessive. They prepared a questionnaire that would be sent to welfare offices in all 50 states to attempt to determine where the waste was.

The money that was available to fund this study fell into a special category in which the contracts were to go to small, minority-owned firms, on a no-bid basis.

Mariscal and Co. is classified as such a firm because its owner, Robert Mariscal, is a Mexican-American. His company is one of the largest minority-owned firms in the nation eligible for this program, with offices in Washington, Los Angeles, San Francisco and Phoenix. It handles about $1.9 million a year in contracts, most of which are publicly funded.

When Guckenheimer and Wong decided to contact Mariscal and Co. about the possible contract, they called John Broglie of their procurement office. Broglie called Aragon at Mariscal.

"Aragon told me of the AFDC offer," recalls Rosenberg, who was then the vice president for administration at Mariscal. "I had about 24 hours to write up a formal proposal to send to the government."

"Barry [Rosenberg] and I spent a few hours writing the proposal," said Mitchell Diamond, a consultant at the firm. "It was obvious that the government didn't know exactly what they wanted. This was the end of the year money they had to spend so they could use up their budget.

"So we wrote a couple of pages that didn't say anything, but we knew they'd accept it," Diamond said.

They wrote three pages discussing the proposal in general terms, beginning with the sentence: "Administrative costs in AFDC have demonstrated a continuing upward trend in recent years which has exceeded the growth rate in caseload expenditures."

The proposal estimated that the cost of data collection and data analysis studies would be about $180,000.

Aragon negotiated with the government during the next few weeks over the cost of the contract. On Sept. 25, 1978, Mariscal was awarded a contract for $161,245. Rosenberg was to oversee the administration of the project at Mariscal. The firm hired Hafezi, a former welfare official in Iran who had applied for a job earlier that summer, to be the manager of the project.

According to the contract, the government would collect the data—the questionnaire results from the states—and the consulting firm would analyze it.

"From the beginning," Hafezi recalled it was obvious we were going to face a lot of problems with data reliability and credibility. The questionnaire was not designed in a professional, proper way."

"There was no instruction manual for the survey," Rosenberg said. "The states were not told how to answer the questions. The data coming back would not be uniform and might well be useless."

Rosenberg and Hafezi voiced their concerns to Guckenheimer and Wong. But it was too late. The questionnaires had already gone out. They could not be changed.

Hafezi said that he did not know what to do. He wanted to keep the job—which paid him $25,050—but he was afraid it was meaningless work. He told Rosenberg of his concern.

Rosenberg, who says that in retrospect he is not proud of his role at Mariscal, recalls telling Hafezi: "Look, theyr'e paying us a lot of money to do this. Don't complain. Do your job. I don't know what they [the federal government] want, either, but as long as they keep giving us money I won't complain."

For the first several months of the contract, Hafezi and others went to several states to meet with AFDC officials to discuss the questionnaire. Each month Hafezi wrote a "progress report" that went to the federal government. In it, he would say the study was advancing with no serious problems.

"I know the reports didn't really say anything," Hafezi recalled. "But what could I do? I wanted to keep my job."

In January, about three months after the study began, Guckenheimer and Wong decided to cut off the survey. At that point, 28 states had been contacted. The original plan was to survey all 50 states, but the federal officials thought that 28 states would be sufficient.

"I don't understand why they cut it off," Hafezi said: "This was not a representative sample or anything else scientific. It made no sense."

Many of the questions addressed to the 28 states were left unanswered. Statistical experts hired to compile and analyze the data found that on some key questions, as few as eight states had responded.

"The answers were in no way uniform," said one data analyst, who asked not to be named. "The same question was answered in four different ways by four states: in one, the response was in dollars; in another it was dollars per case; in another it was in manhours, in the fourth, the answer was in percentages. The data was useless."

Richard Clark, an attorney who works for the Department of Housing and Urban Development but formerly worked at Mariscal, was one of those who reviewed the data in the AFDC study.

"It was inadequate, no one can doubt that," Clark said in an interview. "We told the government all those things, but they didn't do anything about it."

So the firm continued to process and analyze the data, although the consultants believed the project was meaningless.

Hafezi admits that he had no statistical background, and he realized that he was not actually qualified to do the job assigned to him.

"Almost everyone working on the project was not properly qualified," he said.

But by April, Hafezi had other worries. One of his jobs each month was to gather and approve employes' billings for the project. He would sign the invoices to the federal government.

Hafezi became worried because he continually received billings to the project from people whom he had not asked to work on it, and who had not, in fact, worked on it on the days for which they had billed.

Among those who falsely billed were Aragon, Moreno, Rosenberg and Holleran, Hafezi said.

Rosenberg and Holleran worked on the project, but they did not work all of the days that they billed for, Hafezi said. Moreno did almost no work on the project, he said. Aragon did no work on the project, he said.

Hafezi's assessment of the roles of those four men was confirmed by 11 other people who worked at Mariscal.

Hafezi complained to his superiors about what he saw as false billing.

Moreno, in an interview, said he knew of no false billing, and said that Hafezi and the others who complained of it were being "ridiculous."

Holleran said that at one point, he conceded to Hafezi that he had billed for work on the AFDC project. He said he agreed to work nights and weekends to make up the work.

Others at the firm described Holleran as a "hard working" and "honest" man who was caught up in a dishonest system. They said that he, like others at Mariscal, was told to bill to certain contracts even if they did not work on the contracts.

Rosenberg said he was aware that false billing was a common practice at Mariscal.

"I refused to have anything to do with money. I refused to sign invoices," Rosenberg said. "We had constant difficulties with the West Coast offices—people always billing for work they hadn't done. This was much worse in other federal contracts."

William Elsey, another former vice president of the firm who quit because he was not paid, said in an interview: "Frankly, as far as I know, that [the AFDC study] was one of the cleaner contracts at the company . . . There was false billing all the time in the CSA [Community Service Administration] contract. And a lot of false billing from the West Coast."

Aragon's account of his work at the firm differs sharply from the accounts of many staff members.

Aragon said that he worked an average of five or six days a week in the office, usually putting in 10 or 11 hours a day. He said he kept track daily of the projects he worked on, and filled out and signed his time-card at the end of every week.

Eighteen other employes of Mariscal said they never saw the president in the office five days a week. At an average, they said, he was in the office one day a week.

Frances Estes, formerly an office manager at Mariscal, said:

"I handled the time sheets for probably two years. Manuel [Aragon] would say, "Fill it out the opposite of the way it was filled out last week. Whichever contract had the most money on it, he would want to bill to it, whether he worked on it or not . . .

"I think he probably worked once in awhile, but it wasn't on the contract he billed to. He wouldn't even know half the time what he was billing to. I'd have to tell him."

Others in secretarial positions also said they filled out and signed timecards for Aragon.

An examination of Aragon's weekly timecards during the 12 months of the AFDC study showed that his signature differs quite dramatically on different weeks.

Asked last Wednesday to respond to what employes said of his working hours and billing, Aragon said: "There's a conflict here." Asked then about the discrepancies in his signatures, he said "Well, you know, sometimes you sign these things quicky."

He insisted in that interview, however, that he—and no one else—signed all of his time cards.

Yesterday, Aragon said he rechecked his records, and found "I was in error" during the first interview. He said that in May, June, July and half of August, "I didn't sign any of my timecards." He said secretaries signed for him.

"I was working mostly in my home during that period because of the pressure at the office," Aragon said. "I called in and asked secretaries to sign for me. It's not ideal practice, but as far as I can determine it's not illegal."

He said he chose not to come into the office because so many employees were unhappy. He said the company had "money problems," and could not pay all of its bills or expenses to employes.

Aragon billed the AFDC contract for 25 days. Project manager Hafezi said that he knew of no work Aragon did on the study. However, he said Aragon might have been justified in claiming salary for two days over the course of the year for any informal conversations or phone calls he had in connection with the project. Thus, Hafezi said, Aragon falsely billed for 23 days.

By mid-July, because more people had billed to the project than had been planned, the project ran out of funds. It used up its $161,245 budget two months early.

So the company wrote to the federal government asking for more money. Hafezi, who said the reason for the overspending was false billings, refused to sign the letter to the government. Moreno signed the letter. In it, he explained that the government could actually save money by authorizing another $23,050 for the project.

By September, Hafezi refused to sign any invoices to the government. Rosenberg, Elsey and several others he had worked with had already quit in frustration. Still others had been fired for lack of funds or because they complained too much.

Graulek and Moreno took over Hafezi's financial duties.

In late September, Aragon fired Hafezi. "Samad," he told him, "we have no more billings for you. You can leave on October 1."

The report was supposed to be completed and in the hands of the government by Oct. 1. But it was not ready.

In late September, Wong and Guckenheimer read a partial draft of the report. They rejected it, and asked for changes. The consultants are still working on the report.

"They're not paying us for the work now," Aragon said. "The cost is coming out of our pockets. In the end, we're going to take a loss on this thing. We're going to be $3,000 or $4,000 in the red on this project in the end." ●

ST. CLARE OF ASSISI CHURCH CELEBRATES 50TH ANNIVERSARY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. BIAGGI. Mr. Speaker, I wish to bring to the attention of my colleagues here in Congress a recent special event which was celebrated in my hometown of the Bronx. The 50th anniversary of St. Clare of Assisi Church was marked by a Mass of Thanksgiving, concelebrated by His Eminence Terence Cardinal Cooke, telecast by closed-circuit television to cover 500 members of the parish who attended.

This congregation presented to Cardinal Cooke a golden anniversary book on the history of the Morris Park area where the church is located. Originally begun as "St. Dominick's Chapel" by the Reverend Dominic J. Fiorentino in 1928, it was later to grow into the parish it is today, founded by Rev. Francis J. Cagnina. In addition, a bronze plaque inscribed with contributors to the church renovation fund was unveiled in the church vestibule as a tribute to the hard work and sacrifice which members of this community have made for the benefit of their church.

St. Clare of Assisi has always been known to those who live in the Bronx as a symbol of family and community spirit. Its members are proud of their Italian heritage and share this pride by their commitment to preserving this heritage through church activities. The school which is run by the church is well-known for its excellence and furthers the parish commitment to include all members of the family in religious, moral, social, and educational instruction.

I am proud to represent this community here in Congress and they are to be commended for their dedication to those values in life which are often ignored, but are invaluable in our everyday lives: family, community, ethnic heritage, and devotion to God and his teachings. As a fellow Italo-American I salute their traditions and hope that they may be an inspiration and an example to other Italian-Americans of the importance of respect and preservation of our common heritage.●

NEW YORK: "WONDERFUL TOWN"

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. BINGHAM. Mr. Speaker, we who live in New York City hate to hear bad things about our town and love to hear it praised. So I am irresistibly impelled to include in the Record the following account of one visitor's experience in the "Big Apple" (taken from the New York Times for November 14):

Wonderful Town

(By Marilyn Grad)

Toronto.—All I wanted to do was go back home to Toronto. But the return ticket was in the handbag that vanished from the chair beside me in the midtown coffee shop. I took my eyes off it for a split second and it was gone.

New York! It was true then. There in that unguarded moment was the confirmation of all I had heard and read about New York City. You couldn't walk the streets; you couldn't trust anybody; you couldn't sleep behind fewer than four padlocks, or carry your handbag anywhere but over your shoulder and tucked tightly against your body.

The panic mounted as I ran a quick inventory of all of my losses. How could I survive without credit cards, travelers checks, cash, keys, airline ticket, theater tickets? I didn't even have a comb. In a funny sort of way it was a confirmation. You don't realize you are in Hawaii until you see a grass skirt. You don't believe you are in Venice until a gondola floats by. And you can't believe you are back in New York City for the first time in 23 years until your handbag is stolen.

Still, the predominant feeling was panic and deep depression. The three-day trip had been planned with some care so that theatergoing, shopping and sightseeing would all fit together. And in less than 24 hours it was all in ruins. It was a bad moment. But the sequence of events that followed endeared the city to me in a way I would never have thought possible.

New Yorkers have tremendous pride in their city and it was shown to me again and again throughout the rest of that weekend. It began as I floundered helplessly—"What will I do? How do I call the police?" I felt a dime pressed into my hand and looked up into the anxious eyes of an elderly New Yorker. I could see it was important to him that I accept. Scarcely had I hung up the phone than there, to my surprise (there must be 42 purse snatchings ahead of mine) was an officer and his partner from the Midtown South precinct. Despite years of training in the avoidance of cliches, I have to put on record that your policemen are wonderful. It was more than being helpful, considerate and efficient. Again, it's this matter of community pride. Above all else, they didn't want me to go away thinking that New York City no longer cared. If this had been a routine call, routinely handled, they could have been in and out of there in five minutes. As it was, one officer was on the telephone for half an hour to American Express to report the loss of the checks and find out how I could be helped. The other was checking the garbage cans of 43d Street for the missing handbag. Although they didn't come up with it, they seemed sincerely concerned.

The two policemen were the first in a series of New Yorkers who looked on my misfortune as a personal affront. Yet another policeman—this one on duty later for the Hispanic Day parade on Fifth Avenue—chatted amiably. When he learned of my experience, he declared, "Well then, lady, why don't we make this a parade just for you?"

The people responsible for securing our theater tickets were upset—and helpfully practical. After a great deal of hasty phoning and explanation, we were ushered to our fifth-row seats at the Plymouth Theater by a sympathetic manager.

The woman at American Airlines was crestfallen. No problem about a replacement ticket. "And you will come back again, won't you?" Cab drivers, waiters, hotel staff—everybody I spoke to shared this spontaneous feeling of concern and readiness to make amends.

If that doesn't make a city great, what does? ●

TRIBUTE TO MAMIE DOUD EISENHOWER

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 7, 1979

● Mr. WINN. Mr. Speaker, the expressions of sympathy and condolence are many now as we confront the loss of Mamie Doud Eisenhower. I join in these and I join many Kansans, as we have felt a close affiliation with Mamie through her frequent visits to Abilene. Now she is to Abilene again, and our sadness is mixed with pride.

Mamie was born in Iowa and raised in Colorado, so her ties to the Midwest are strong. Some have called our area the heartland; if that means that we who live there believe in the truths of the heart, then Mamie Eisenhower is our most admirable representative, for she knew and understood such truths and how to express them in the acts of her life.

On her 50th wedding anniversary Mamie remarked:

> No one who has ever been in that terrible limelight would ever seek it again.

Those of us in the public eye would do well to remember, as Mamie consistently demonstrated, that the greater dignity is to those who serve quietly and without regard to the accumulation of limelight. It is a tribute to Mamie that even now, in this time of eulogies, her essential and invaluable acts of service remain as understated in our expression of them as they were in hers.

Mamie lived just 2 weeks short of 83 years. While her presence will be truly missed, the fullness and rounded completeness of Mamie Eisenhower's life will mitigate our sorrow, and our pride in having benefited from her friendship will not lessen.●

SALT—THE SOVIET PERSPECTIVE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. McDONALD. Mr. Speaker, as the time for the debate on SALT II in the Senate draws near, it is time that the debate over throw weight, megatons, and other technical data be set aside, in my view. The United States should now take a long look at what has taken place since World War II and where we and the world are headed in our systemic struggle with the Soviet Union. In that context and that context alone, the vote for SALT II should take place. Some will say we cannot look into the minds of the Soviets and precisely know their intentions, but we can listen to an expert who lived and worked on their side for years and knows how they think. Thus, today I am inserting into the Record part I of a study by Dr. Igor S. Glagolev on SALT for the consideration of my colleagues.

Part I

FOREWORD

Dr. Igor Glagolev as a former Soviet expert provides an unusual view of SALT as seen from the other side of the confrontation barrier. He changed sides in October 1976 when he came to the United States warning against Soviet aggressive designs.

For more than thirty years after his graduation from Leningrad University in 1942, Dr. Glagolev participated in Soviet research programs related to disarmament problems and arms limitation negotiations. He spent 17 years in the most prestigious Institute of World Economy and International Relations (IMEMO) of the U.S.S.R. Academy of Sciences. This Institute contributes greatly to the position papers defining the economic and foreign policies of the CPSU and the Soviet government.

As head of the Disarmament Sector of the Institute (1961 through 1964) and senior research analyst of the sector until 1973, Dr. Glagolev was closely associated with Soviet preparations for SALT negotiations and contributed papers for the decision-making agencies during the process of negotiations. From 1973 until his defection to the United States, Dr. Glagolev was assigned to the Institute of History of the U.S.S.R. with a simultaneous assignment as part-time advisor on foreign affairs to the Politburo member and First Secretary of the Moscow City Party Committee, V. V. Grishin.

Dr. Glagolev published two books and many articles, edited several books and prepared classified studies for the Central Committe of the CPSU. He traveled abroad many times and participated in numerous international conferences on the subject of disarmament and peace.

The Soviet decision-making process is completely different in character from the comparable process in the United States. This difference has played a decisive role in the shift in the correlation of forces.

One fundamental aspect of Soviet decision-making in arms limitation stems from the fact that the scale of strategic (and conventional) armament in the U.S.S.R. is limited only by the capacity of the Soviet economy and technology—not by the pressure of public opinion at home or abroad or by the statements of foreign diplomats.

The number of Soviet experts discussing armaments and of papers and documents on the subject is very limited. Papers for the Central Committee of the CPSU usually are not prepared on the individual initiative of specialists but are written at the request of the party leadership—i.e., the Politburo of the Central Committee or its offices. Instructions often restrict the paper to the presentation of facts, forbidding any analysis or concrete proposals.

The limitation of strategic arms is viewed in the U.S.S.R. as a strictly military problem. The preparation of documents on questions of strategic arms limitation is frequently assigned to military experts who, by the nature of their background, limit their papers to descriptions of U.S. armaments growth. This, of course, does not contribute to a softening of Soviet negotiating positions.

The experts participating in the decision-making process come from the apparatus of the CPSU Central Committee, the Ministry of Defense, the Ministry of Foreign Affairs, and the scientific institutes.

Their documents and proposals, after careful screening, are transmitted to the Secretariat and Politburo of the Central Committee, where the final decisions are made. Specialists from the civilian scientific institutes and the Ministry of Foreign Affairs are not given access to secret data on existing Soviet arms and weapon programs and thus are confined to writing only about the armaments of the United States.

The absence of comparative data on the U.S.S.R. greatly diminishes the significance of these papers and, in most cases, prevents the formation of concrete proposals.

In the civilian institutions, there are many former military officers and people from the military-industrial complex, who consistently advocate arms development and the maintenance of military superiority over the United States. The small arms-limitation section in the Institute of the U.S.A. and Canada, for example, is part of the Department of Military Policy of the U.S.A., headed by retired General M. Milshteyn (KGB-Intelligence). The Commission on Scientific Problems of Disarmament of the Academy of Sciences of the U.S.S.R. Presidium, is headed by a specialist on the production of nuclear weapons, V. Yemelyanov, who represents the interests of the military industry.

Institutions which appear to take the goal of disarmament too seriously have been ruthlessly abolished. Thus, the disarmament sector of the Institute of World Economy and International Relations, which worked for the prohibition of nuclear testing and limitation of strategic arms, was abolished in 1973. The sector on the history of negotiations on disarmament of the Institute of History was dissolved in the late 1960s, as was the Soviet Peace Committee's Commission on the Economic Problems of Disarmament, which had advocated a reduction in military expenditures. On the other hand, there are scores of old and new military agencies, institutes and enterprises which work in the field of strategic arms development and expansion. The materials and papers of these institutes influence the leadership in the formulation of positions on strategic arms limitation.

Officially, questions pertaining to the preparation of international agreements on the limitation and reduction of arms are the responsibility of the disarmament group of the Department of International Organizations, Ministry of Foreign Affairs. But neither this department nor the Ministry determines Soviet military programs, which preclude any effective reduction of arms.

The same can be said of the Foreign Ministry's Directorate of Planning of Foreign Policy Measures, even though the former head of the Soviet SALT delegation, Deputy Minister of Foreign Affairs V. S. Semenov, at one time headed the directorate.

On the other hand, the General Staff of the Armed Forces of the U.S.S.R. has permanent representatives in the Soviet SALT delegation—originally General N. V. Ogarkov (now Marshal and Chief of the General Staff) and General N. N. Alekseyev (now Deputy Minister of Defense for New Weapons Technology). Semenov himself once told me that the Ministry of Foreign Affairs does not have a decisive voice in the formulation of the Soviet position on arms limitation. In fact, the ministry's function is limited to selecting wording for possible agreement—the terms of which are rigorously constrained from interfering with Soviet military programs.

On the whole, the entire decision-making process with respect to the Soviet position on SALT negotiations is structured in such a fashion as to give preponderant expression to the interests and objectives of the military-industrial complex.

In 1966, before the negotiations on limitation of strategic arms began, the United States had a superiority over the Soviet Union of 3:1 in the number of intercontinental ballistic missiles (904 missiles against 292 Soviet missiles). After the first SALT agreements, the U.S.S.R. established a superiority of approximately 3:2. It increased the number of its ICBM's 400 percent, while the United States "froze" the number of its ICBM's at 1,054—a figure which has remained unchanged since 1967 when the first preliminary exchanges of opinions on SALT began.

The talks encouraged the U.S. government to impose a unilateral "freeze" on its ICBM force even before the agreements were signed. The U.S.S.R. continued to expand its ICBM force during the negotiations. Since 1965, the Soviet Union has deployed more than 300 superpowerful SS–9 and SS–18 missiles in several modes with multiple megaton warheads. The U.S. has 54 old Titan missiles with single warheads of 5–10 megatons, and the warheads of Minuteman II missiles have only kiloton yields.

The modern and more accurate SS–17, SS–18 and SS–19 Soviet missiles in their MIRV mode can put out of action from 2 to 4 American ICBMs with one missile, if two warheads are aimed at each silo, since the SS–17 has 4, the SS–18 has up to 8 and the SS–19 has 6 such independently targeted warheads.[1] Together with the SS–9s, these three types of missiles can put almost the whole force of the American ICBMs out of action in a first Soviet nuclear strike. Yet, the Soviet Union has 1,000 additional intercontinental ballistic missiles, not to mention SLBMs, strategic bombers and cruise missiles! It will not be necessary to achieve direct hits and actually destroy the American missiles. It will be sufficient to explode the warheads near the silos and either prevent the launching or to upset their accuracy by damaging the delicate navigational systems.

The circular error probability (CEP) of the SS–17s, SS–18s and SS–19s has drastically diminished in comparison to the CEP of the older Soviet missiles, the SS–9 and SS–11. The SS–9s and SS–11s have a CEP of 0.8 nautical miles while all three of the abovementioned new Soviet ICBMs are believed to have a CEP of 0.3 nautical miles.[2] However, according to some recent information, the latest Soviet missiles are accurate to within 180 yards at the end of an 8,000-mile flight, twice the accuracy needed to be certain of destroying an American missile silo.

Taking all of these factors into consideration, the present system of American ICBMs must be considered very vulnerable, especially in view of their immobility. According to a recent estimate of the U.S. Department of Defense, "a relatively small fraction of the current generation of Soviet MIRVed ICBMs could, by the early- to mid-1980s, reduce the number of surviving Minutemen to low levels.[3]

Former Deputy Secretary of Defense Paul Nitze said that, with the Soviet advantage in throw-weight and with their improved accuracy, their intercontinental missiles could destroy approximately 90 percent of U.S. Minutemen silos in a nuclear attack."[4]

In 1967, when the first Soviet-American exchanges of opinion on limitation of strategic arms began, the Soviet Union had only 107 submarine launched ballistic missiles. The agreements emerging from these negotiations had permitted—and thus encouraged—the Soviet leaders to increase this number to 1,015 SLBMs in 90 submarines at the present time.[5]

The Protocol to the Interim Agreement on Certain Measures with Respect to the Limitation of Offensive Strategic Arms allowed the U.S.S.R. to have 950 ballistic missile launchers on submarines and 62 modern ballistic missile submarines, whereas the United States was permitted to have only 710 ballistic missile launchers on submarines and 44 modern ballistic missile submarines. The U.S. now has less than allowed—656 missiles on 41 submarines built before 1962.

The principle of Soviet strategic superiority in the field of SLBMs was not only recognized by the American side but specifically stipulated in the international document. In addition, the absense of any prohibition or restriction has permitted the Soviet Union to establish its superiority in the yield and range of its SLBMs. The majority of these American missiles have warheads of only 50 kilotons, while the majority of the Soviet SLBM warheads are in the megaton range—that is, 40 times more powerful than their American counterparts.

Before 1972, the Soviet Union's SLBMs had shorter ranges than the American SLBMs. But from the first SALT agreements to 1978, the U.S.S.R. deployed 27 Delta-class ballistic missile submarines with SSN–8 missiles, which have a range of at least 7,800 kilometers, i.e., far longer than the range of all the American SLBMs, including even the C–4 Trident missiles which are not yet deployed.[6] The SALT agreements secured not only numerical but also qualitative superiority for the Soviet Union.

The longer range of the missiles permits the U.S.S.R. to keep the Delta submarines far from the United States' ICBMs and strategic bombers at the time of attack. They lie deep in the ocean, distant from American shores, ready not only for a first strike if the order is given, but also for a third nuclear strike if this should prove necessary. These submarines would be almost invulnerable to an American retaliatory strike—if such a strike occurred at all.

The deployment of modern Trident submarines and missiles was unilaterally postponed by the American government, and the rate of this deployment for the coming years was established at a much lower level than both the current rate of deployment of the new Soviet submarines and the rate of the approaching retirement of the aging Polaris-Poseidon submarines (normally, they should be retired in the first half of the 1980s). According to some estimates, the number of American SLBMs will diminish in the first half of the next decade by at least 50%, because the U.S. government decided to deploy only one Trident submarine a year in 1981–1985.[7] The Soviet Union, in contrast, is launching several Delta-class submarines annually.

The submarines are invulnerable to enemy attack only if their location at sea is unknown. However, a considerable number of the U.S. submarines (about one-half of them) are in ports for overhaul and repairs at any given time. The enemy would need only a couple of warheads to destroy all the submarines (with their missiles) which would be in a port at the time of attack.

Soviet efforts in the field of anti-submarine warfare research are comparable in tempo to their massive research effort in the field of missile technology. The U.S.S.R.

Footnotes at end of article.

is constantly upgrading its sonars, its photo-reconnaissance satellites and its other anti-submarine instruments designed to discover the location of American submarines. It claims that it has acquired the capability to photograph from satellites submarines several dozen meters under the surface of the sea.[8] True, American submarines can cruise deeper than this—but Soviet capabilities are constantly improving. In addition, the Soviet Union built new anti-submarine warfare aircraft-carriers during the period of the SALT talks and will build more in the future.

Some of the U.S. submarines can be followed from their ports (or as they approach their ports) and destroyed by the Soviet killer submarines, which have a higher speed than even the Trident subs.

In the mid-eighties, if the number of American ballistic missile submarines is reduced by half,[9] the Soviet Union will have a superiority of at least 4:1 in the number of such submarines. Using only half a dozen MIRVed missiles, the U.S.S.R. would be able to put out of action the majority of the remaining American ballistic missile submarines and to seriously disrupt the U.S. system of communications and control.

Clearly, the existing American SLBM force alone is not sufficient for deterrence, especially if we take into consideration the plans for its reduction. To maintain a credible deterrence, it is necessary to develop the whole triad: ICBMs, strategic aviation, and ballistic missile submarines.

American strategic aviation played an important role in winning World War II and stopping the North Korean aggressors in 1950–1953.

But, the U.S. government later decided not to replace its long- and medium-range strategic bombers. The fleet of more than 1,000 medium-range B–47s was scrapped during the 1960s, and at present, the U.S. has only 66 FB–111 meduim-range bombers with no plans for their replacement.

In the 1970s, the fleet of 630 long-range B–52 bombers has been gradually retired without any replacement leaving less than 350 combat B–52 planes in service.[10] The American strategic aviation was withdrawn from its bases in North Africa and some other regions, leaving the U.S. without the power of deterrence against the Soviet Union's operations in Africa. The aggressive forces of different countries supported by the Soviet Union were allowed to wage several small wars simultaneously against weak local troops or guerrillas, which have practically no aviation.

Strategic aviation is the most powerful and effective weapon in conventional wars. Infantry, artillery, tanks and the navy cannot be moved to a distant theater of war with the speed of aviation. The speed and power of the first strike can be decisive in lightning-type invasions by Soviet and satellite troops. Hungary in 1956 and Czechoslovakia in 1968 showed that the Soviet troops can occupy a country in a couple of days—if they meet with weak resistance. The mobility provided by strategic aviation is very important when the offensive is staged in several countries simultaneously, as in Africa at present.

Both cruise missiles and ballistic missiles can be launched from strategic bombers in a nuclear war far from target areas, diminishing the vulnerability of the bombers to the anti-aircraft defense while increasing the effectiveness of the missiles launched close to targets (not from another hemisphere or submarines). In a time of crisis strategic bombers take off from their airfields becoming less vulnerable than ICBMs (which cannot change their locations). The bombers, in addition, can return to their home bases if the enemy attack does not materialize, avoiding a dangerous miscalculation, while the ballistic missiles, once launched for a counter-strike, cannot be stopped.

During the period of SALT negotiations, the Soviet Union acquired superiority both in the number of strategic bombers (long- and medium-range) and in the yield of the bombs and missiles they carry. Now it has more than 800 strategic bombers, whereas the U.S. has about 400 such combat planes.[10]

The U.S.S.R. is deploying the new supersonic TU–22M Backfire bomber at the rate of at least 30 planes a year.[11] It can use such bombers for an attack against North American targets if they refuel in mid-air or land in Cuba or take off from Cuban airfields. Soviet strategic bombers already use Cuban airfields for training. A Soviet strategic bomber flew within 75 miles of the South Carolina coast on April 19, 1977 on a reconnaissance mission.[12] The first prototype of a new modern, long-range Soviet bomber is prepared for tests now. The United States is vulnerable to attacks of Soviet strategic aviation because major U.S. cities and industrial regions are located not far from the ocean coastlines and because American anti-aircraft defense is very weak.

The Soviet Union acquired a considerable superiority in the number of medium-range cruise missiles, which are sufficient for an attack against the U.S. from the bombers flying close to the shores of the U.S. According to Western publications, the U.S.S.R. has more than one thousand air-launched cruise missiles whereas the U.S. has only 400.[13] The Soviet Union tested new cruise missiles with a range of 1,200 kilometers. They were launched, according to available information, from a Backfire bomber.[14] The cruise missiles are inexpensive and small in size and, thus, can be easily produced on a massive scale in the Soviet Union, concealed from Western intelligence. The United States decided to postpone unilaterally deployment of long-range cruise missiles until at least 1982. As to American short-range attack missiles, their range is not sufficient for an attack against Moscow and other major Soviet cities and industrial regions from non-Soviet air space. And the area of the U.S.S.R. itself is defended by a strong anti-aircraft system.

The old B–52s are very vulnerable. They use long runways and are concentrated in a few airfields. Only 30 percent of them are kept on alert and the remaining 70 percent would be easily destroyed by a few warheads in a first Soviet strike. But those B–52s that are on alert status are also vulnerable on the ground to attacks from Soviet submarines close to U.S. shores. The slow B–52s in flight are easy targets for the Soviet strategic anti-aircraft missiles and supersonic interceptors. As a result, very few of these bombers would be able to hit important targets.

At present, the B–52s are being retired without replacement. The slow air-launched cruise missiles will be useless once there are no strategic bombers to use as their carriers.

In order to stop the growth of Soviet superiority in strategic aviation, it is necessary to implement the production programs of modern long-range B–1 bombers which was stopped recently. The B–1s are far more effective than the obsolete B–52s (subsonic). Their speed at high altitudes is 1,050 miles per hour—exceeding by 400 mph the speed of the B–52s. They have a nuclear payload of about 26 tons, twice as great as the payload of the B–52s, and they can carry twice as many cruise missiles. They require less take-off time and shorter runways. Thus, a relatively large number of B–1s would be able to take off in time, avoiding destruction on the ground by enemy missiles, while their deployment in a greater number of airfields with shorter runways would make them less vulnerable.

The B–1 program stipulated construction of only 244 bombers—considerable fewer than the original number of 630 B–52s. Nevertheless, the aggregate payload of the B–1s would be comparable to the payload of the B–52 fleet. The B–1s, in addition, would have a much greater capability to penetrate the Soviet anti-aircraft system.

Instead of moving ahead to put the B–1 into production, the Administration decided to delay retirement of the B–52s. The necessary retirement of these planes began several years ago and was suddenly stopped in 1978. The policy of delayed retirement will be extended through the decade of the 1980s, although normally all B–52s should have been scheduled for retirement in the first half of the 1980s. As a result, the number of accidents involving obsolescent B–52s will probably grow, increasing the number of fatalities. This has been the experience with almost 200 F–104s which crashed in peace-time killing about 80 airmen. It is reasonable to anticipate that during the period of the SALT II treaty a considerable part of the present fleet of B–52s and FB–111s will either be retired or destroyed in accidents.

FOOTNOTES

[1] World Armaments and Disarmament. SIPRI Yearbook 1978, p. 443.

[2] The International Herald Tribune, June 13, 1978.

[3] Department of Defense Annual Report FY 1979, p. 63.

[4] The Washington Post, November 6, 1977.

[5] The Military Balance 1978–1979, p. 8.

[6] Ibid., pp. 3–4.

[7] The Washington Post, March 19, 1978.

[8] Pravda, February 8, 1977.

[9] DOD Annual Report, FY 1980, p. 66.

[10] DOD Annual Report, FY 1978.

[11] The Military Balance 1978–1979, pp. 5, 8, 10.

[12] The Washington Post, April 23, 1977.

[13] The Military Balance, 1978–79, pp. 82–83.

[14] The Washington Post, February 2, 1977.●

PERSONAL EXPLANATION

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. ROTH. Mr. Speaker, due to my absence on Tuesday November 13, I missed a number of votes. Had I been present, I would have voted as follows:

Rollcall No. 651: Designating the birthday of Martin Luther King, Jr., a Federal holiday, H.R. 5461. "No."

Rollcall No. 652: Expressing the sense of Congress with respect to the Baltic States and with respect to the Soviet claims of citizenship over certain U.S. citizens, House Congressional Resolution 200. "Yes."

Rollcall No. 653: To revise pay provisions for certain health professionals in the Uniformed Services, H.R. 5235. "Yes."

Rollcall No. 654: Agreeing to the motion that the conference committee meetings on H.R. 5359, Department of Defense appropriations, be closed to the public at times classified information is under discussion. "Yes."

Rollcall No. 655: Agreeing to an amendment prohibiting the use of funds for military or economic aid for Iran in House Joint Resolution 440. "Yes."

Rollcall No. 656: Agreeing to the rule under which the Meat Import Act would be considered, House Resolution 454. "Yes."●

HAMTRAMCK'S DODGE-MAIN: A PLANT AND ITS CITY FALL VICTIM TO CHRYSLER'S DECLINE

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. CONYERS. Mr. Speaker, in all of the discussion on providing Federal aid to Chrysler, there has been too little attention given to keeping open Chrysler's Dodge-Main plant in Hamtramck, Mich., which the company earlier in the year decided to shutdown.

The fate of this assembly plant, which at one time produced over 510,000 cars a year, employed over 20,000 workers, and was a flagship in Chrysler's worldwide operations, is inseparable from what happens to Chrysler and to Federal efforts to prevent the regional economies which depend on it from collapsing.

The shutdown at Dodge-Main tells the story of what has gone wrong with the American economy and economic policy. There are, after all, very few individuals, knowledgeable about conditions in automobile industry and in transportation, who really believe that the Chrysler case is unique.

Last May Chrysler, without much notice, informed Hamtramck it would be closing down Dodge-Main by July of next year. This decision was particularly distressing because, earlier, the company had indicated that it would move forward to modernize the plant, as it has done with other facilities. Since that announcement was made, no one has spelled out the reasons for closing Dodge-Main down and the evidence to support their case.

The only thing the citizens of Hamtramck know about the plant, which is the mainstay of the city's economy, is that Dodge-Main has been in existence since 1914, underwent many changes in production and modernizations in its long history, but has become the victim of the declining fortunes of its parent company. If Dodge-Main had not been chosen for shutdown, it is likely that another of Chrysler's older plants would have.

A year ago, Dodge-Main had a work force of nearly 9,000; today all but 2,600 have been laid off. Hamtramck already has lost $2 million in revenues, a quarter of its annual operating budget, laid off 63 city employees, and cut back numerous services to its citizens. As a recent Department of Transportation study has shown, these and other workers laid off by Chrysler will not likely find jobs with the other auto makers—since GM and Ford already have laid off significant numbers of their own workers—or other types of work in the Detroit Metropolitan area, in Michigan, and in the other areas where Chrysler's production is located (since these areas have experienced long-term economic decline and simply lack the ability to bounce back, attract new capital, and create new jobs).

Are we to write off whole cities and entire regions of the country because there is no planning mechanism in place to anticipate economic shocks, competitive pressures from overseas, or the lack of capital to modernize old plants and finance new ones? Can we afford any longer the haphazard, incremental, and piecemeal approach of putting out one economic fire out after another, without really addressing the larger picture of industrial decline and mass unemployment?

The critics of aid to Chrysler—and who clearly shed few tears over the closing of the Dodge-Main plant—can argue only for the primacy of "free enterprise" and let the chips falls where they may. If these individuals get their way, the Federal Government's unemployment, social insurance, and welfare programs will increase beyond their wildest dreams and still there will be no prospect of getting people back to work.

The crisis is not just one of a single company. Others are likely to go down that road, too. It is really a crisis of jobs and communities across the Nation, that we ought to be addressing.

The pity of it is that at Dodge-Main there are thousands of workers; now laid off, who have the skills and experience to keep producing goods, and certainly the desire to stay at their jobs. There are hundreds of facilities across the country that once were productive centers and now are abandoned. It seems as if we create all kinds of opportunities for the private sector to close down their plants and throw people out of work only to end up decrying the unemployment in our midst and the heavy costs to the taxpayer.

What happens at Dodge-Main is a sign of what is happening and will continue to happen to other parts of the economy, unless we do something about it. That something is to create a mechanism for implementing a national full employment and production plan, as is called for in the Humphrey-Hawkins Full Employment and Balanced Growth Act of 1978. Such a plan would provide a framework for cooperation between business, labor, and Government at the level of the firm, entire economic sectors, and for the whole economy. It would insure a system of checks and balances, corporate and public, so that jobs would be protected, the economies of local communities safeguarded, and economic growth maintained.

Companies would be responsible for prenotifying workers, communities, and the Government of plans to modify or shutdown facilities. Arrangements would be made for maintaining personal income while at the same time retraining workers and retooling plants. Workers would be given a direct stake in the operations of the companies they work for, including significant representation on their boards of directors. The Government would be responsible for overseeing capital investment patterns, energy supply, and maintaining balanced economic growth.

These proposals have to be given serious consideration. Legislation I have introduced to provide loan guarantees to Chrysler incorporate a number of them. Otherwise, we all will be paying a very high price, indeed.

What is now happening to the Dodge-Main Plant in Hamtramck is critical to the long-term solution of our economic problems. The former mayor of the city of Hamtramck, Mich., William V. Kozerski, recently put his finger on the problem as succinctly as I have heard it put anywhere. He told a conference of local elected officials in Michigan a few months back: "Don't forget Hamtramck. What is happening to us could happen to you later. We are in it together."

The tragedy at Dodge-Main is the subject of the following article by Warren Brown, "A Plant and Its City Fall Victim to Chrysler's Decline." It appeared in the Washington Post, Wednesday, November 14. It ought to be read by all of my colleagues.

The article follows:

A PLANT AND ITS CITY FALL VICTIM TO CHRYSLER'S DECLINE

(By Warren Brown)

HAMTRAMCK, MICH.—This predominantly Polish working-class community, an incorporated enclave within the city of Detroit, is going under.

A decision by the financially ailing Chrysler Corp. to close its gargantuan, obsolescent Dodge Main plant here is speeding the decline.

There is a sense of abandonment, a feeling of anger among many of Hamtramck's 25,000 residents and neither emotion is significantly relieved by efforts to save Chrysler with $1.5 billion in federal loan guarantees.

The Dodge Main plant has been the mainstay of this city's economy for 75 years. But, come next July, it will close no matter what the government does.

The plant is symbolic of much that has brought Chrysler to its present state. It is old and worn out, an aging white elephant geared to the production of cars for a less fuel-conscious age.

Its workers say they are not at fault, that since 1914, when the first car rolled off the line here, they have produced what company officials told them to, what market researchers said Americans wanted.

For a while, as many as 12,000 cars came off the assembly line here in a six-day workweek.

But Chrysler did not change fast enough, often enough or imaginatively enough to suit consumers, the workers say, and now they are stuck with a plant nobody wants and a "save Chrysler" proposal that will do them little good.

"You tell me what in the hell that $1.5 billion is going to do for Dodge Main," said Mary Farmer Kinney, a 38-year-old black who lost her job at the plant last month after 10 years there.

"They're still going to close our plant," she said. "Those of us with not much seniority are still going to be out of jobs."

Her comments were typical of those made by other workers.

She said the United Auto Workers union local "ain't doing much to help people with little seniority."

"I don't want the government's $1.5 billion and I don't want the government's ADC [Aid to Families with Dependent Children]. All I want is my damn job back," Kinney said, crying.

Art Harrison, a white in his 50s who has been at Dodge Main for 29 years, said he sympathizes with Kinney, but that he believes the federal aid is needed.

"I don't want to see Dodge Main close any more than Mary, does" Harrison said. "But without the bailout money, the whole damn company could go under. If that happened, nobody would be able to get any work because there would be no company to work for."

That is what officials at Dodge Main Local No. 3 are hammering home to their members.

"On this question of the bailout, you're going to have to separate the workers' feelings for Dodge Main from their feelings about the larger question—the survival of the company," said Joseph Elliott, a union local official.

"Many of the people in the plant don't want the government to give Chrysler anything without a promise to keep Dodge Main open," he said.

"The morale is very low now. But without the prospect of that $1.5 billion, meaning thousands more layoffs all over the Detroit metropolitan area and across the United States, morale would be a hell of a lot lower."

If the company stays afloat, Dodge Main workers with seniority could be transferred to other Chrysler plants as jobs become available, he said, adding, "But if you have 20 years [seniority] and no place to go it'll mean nothing. You can't eat and pay fuel bills with seniority."

Accordingly, and in the hope that the plant can somehow be kept going, the union has papered Hamtramck and Detroit with stickers that read: "Help Save Dodge Main. Buy Chrysler-Made Cars."

"This city has built its whole economy on that one point," said Greg Kowalski, editor of The Hamtramck Citizen. "As Dodge Main goes, so goes Hamtramck. We are going down—way, way down."

The agony of decline is everywhere.

It is on the face and in the voice of Mayor William V. Kozerski, who was soundly defeated this month in his bid for a third two-year term. The closing of Dodge Main was a major factor in the outcome.

The mayor said he had fought hard to keep the plant open, but in a post-election statement he said the voters believed he had not done enough.

"Chrysler did me in," he said.

The agony is in numbers.

Dodge Main used to be Chrysler's premier plant, employing 20,000 in 1959, the beginning of its last boom.

Last year, 8,000 people were employed at the plant, 2,600 are now.

Since May, when a new round of layoffs began and the company announced it would close the facility by next year, Hamtramck has lost nearly $2 million in income taxes and other revenues generated by the plant.

Even with revenue increases in other areas, the city's total operating budget for fiscal 1980 is $8.2 million, down from nearly $9 million in fiscal 1979.

Inflation plus Dodge Main losses led to the layoffs of 63 city employes in September.

"We've been hurting so badly, we had to start cutting somewhere," Kozerski said.

Dodge Main Local No. 3, once among the UAW's largest, richest and most militant locals, has seen its annual dues income plummet from $1.25 million a year ago to $250,000 now.

There have been staff and service cuts, and more are coming, according to Elliott, the local's financial secretary.

"The effect on the local has been devastating because we operate strictly on dues. We're hurting. The city's hurting. Everybody touched by this thing is hurting," he said.

It was not always so. In the early 1960s, Chrysler introduced its popular Plymouth Valiant and Dodge Dart models and production lines at the Hamtramck plant worked overtime.

The boom was on.

Workers laid off in a "down period" 18 to 24 months earlier were called back.

But then came the introduction of the Dodge Aspens and Plymouth Volares. Chrysler workers said the cars had no sex appeal. For whatever reason, the public wasn't buying.

So Dodge Main fell on hard times again, this time permanently.

As often happens in times of economic distress, those hit hardest are those who can least withstand the blow.

Though Hamtramck's population is 10 percent nonwhite (it has a significant Arab population), the workforce at Dodge Main for the past decade has been about 64 percent nonwhite.

"We had a real melting pot at the plant, but that has changed pretty much," Elliott said. "The population at the plant [after recent layoffs] is now about 52 percent white, 48 percent nonwhite because of the seniority thing."

Dodge Main's most recent hires were Arabs, with a majority from North and South Yemen. They were among the first to go in the current difficulties.

"We must have had about 1,800 Arabs. But most of them are gone now," Elliott said.

Elliott sighed and blew cigar smoke from his mouth.

"It's really too bad," he said. "It's really too bad."●

GROVE CITY COLLEGE BATTLES HEW GOLIATH

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. McDONALD. Mr. Speaker, for some months now the Department of Health, Education, and Welfare has been trying to get its hooks into the small remaining private colleges in the United States that do not accept Federal aid on the basis that students going to these schools sometimes receive VA funds or loans from the Federal Government. However, this is ludicrous as this is an individual action, not an action of the school concerned. However, HEW persists in its efforts to stamp out individuality in education in America as well as freedom of choice. So I personally wish Grove City College well and hope commonsense prevails. For the edification of my colleagues, I am inserting in the Record at this point a press release of Grove City College on this case.

GROVE CITY, PA.

GROVE CITY, PA., Nov. 1, 1979.—The David-Goliath battle for the independence of higher education enters another phase as attorneys for Grove City College and the U.S. Department of Health, Education and Welfare prepare for a hearing in the U.S. District Court in Pittsburgh on November 13.

Grove City College and four of its students have filed a complaint in the Federal District Court stating that HEW has overstepped its boundaries by seeking to regulate a private college which accepts no government monies.

HEW contends that financial aid to students is the same as aid to the institution, since some GCC students receive personal grants, known as Basic Education Opportunity Grants and loans from private lending institutions, referred to as Guaranteed Student Loans. HEW claims the College should be under government regulation.

Grove City argues that since it does not receive any government funds, it is not subject to HEW control.

The issue is of great significance to the academic community. Dr. Dallin Oaks, president of Brigham Young University, considers it a landmark case. "If regulation can be based on financial aid to the student . . . this erases a major distinction between public institutions and independents, and that would be very very bad for higher education in America, which needs a competitive alternative," he said.

The GCC–HEW controversy originated two years ago, when as a matter of principle, Grove City refused to sign a form indicating compliance with Title IX. The College didn't dispute the intent of Title IX, but rejected the philosophy that HEW had jurisdiction over a private college. The College has never accepted government aid because it wishes to remain truly independent and to preserve its Christian identity.

To date Grove City has not suffered through the conflict. Apparently many students want to attend a college with spunk and conviction. There is full enrollment with three applications for every freshman vacancy and no indebtedness. Annually the college operates within its budget and boasts of lower charges than most other private four-year schools in the nation.●

THE 50TH ANNIVERSARY OF THE KIDS AND KUBS SOFTBALL TEAM

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. YOUNG of Florida. Mr. Speaker, it is with pleasure that I bring to the attention of the House a unique and most interesting organization, the Kids and Kubs softball team of St. Petersburg, Fla.

The Kids and Kubs play softball at North Shore Park in St. Petersburg every Tuesday, Thursday, and Saturday from November through March. I recently had the honor of throwing out the first ball to open the 1979–80 season.

Membership standards of the Kids and Kubs are very high. To be a member of the softball team, a person must be at least 75 years old. The team's oldest player, Fred Broadwell, is 95 years young. At the team's opening game this season, November 3, Mr. Broadwell was the first batter. He beat out an infield hit.

This year marks the 50th season of softball played by the Kids and Kubs, "The Granddaddy of all Softball Teams." The team is the brain child of Evelyn Rittenhouse. The club president is Bill Walsh. Membership is as follows:

KIDS

George Bakewell, Dave Bellis, Cecil Bernie, Fred Broadwell, John Gladney, Robert Gosford, Larry Heffern, Sam Hott.

Albert Kuster, James Martin, John Morin, Edward Mundy, Leigh Stacey, Ray Uhler, Hugo Unger, Michael Urda, Henry Venseret.

KUBS

Joseph Belair, Ted Bernhard, John Borgenson, William Butler, Everett Chapman, Clarence Churchill, Alfred Freyberger, William Garvin, George Hayes.

Leon Higgins, Tom Kerekes, Frank Martin, Colin McLellan, Robert Nunley, Rolland Pearson, William Reeves, Sherman Uhler, Bill Walsh.

A poem composed by club secretary George Bakewell, expresses its spirit. Here is that poem:

Breathe there a man among us who in the glory of his youth,
Did not dream of being a flash like Cobb or a slugger like Ruth,
Or perhaps your idols were Tinkers to Evers to Chance that wonder double play trio.
I'm sure these were some of your dreams of many, many long years ago.
But fate did decree that a super star we should never be,
While others became famous and their names went down in history.
Now in the sunset years of life and as happy and as carefree as a lark,
We are known as the Kids and Kubs and play down at the North Shore Park.
Our reflexes are so much slower but we're still young at heart,
When the captain calls our name we are all anxious and ready to start.
We are all enjoying the golden years of life and having fun galore,
May God grant us health and strength till we're called home on that far distant shore.●

IN SUPPORT OF IDA NUDEL

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. SOLARZ. Mr. Speaker, earlier this week the House passed House Concurrent Resolution 202. This resolution was a statement of support by the House of Representatives for Ida Nudel, who must certainly be considered as one of the bravest of the Soviet "refuseniks." As a cosponsor of this measure, I would like to take this opportunity to state once again my own support and commendation for this gallant woman and her efforts on behalf of the Soviet Jewish community.

Ida Nudel is another unfortunate victim of the fight for religious freedom and the right to emigrate, neither of which are permitted by the Soviet Government. She has been sentenced to 4 years at exile in Siberia and is serving her term as the only woman in a camp of male prisoners who are considered extremely dangerous to society. She suffers from serious medical problems—a heart condition, an ulcer and kidney problems—but she is allowed no medicine, food, or adequate medical care to treat these conditions. This is her reward for her tireless efforts to maintain contact with other prisoners of conscience and her continuing requests that she be allowed to emigrate to Israel.

Now Ida Nudel is sacrificing her own life in support of her belief in freedom. We must not forget these sacrifices and I only wish we could do more to end them. I would urge my colleagues to continue to fight here in Congress to convince Soviet authorities to, at the very least, improve the conditions of imprisonment for Ida Nudel—to recognize the dignity of the courageous human spirit in search of freedom.●

ONE VIEW OF TRUCKING DEREGULATION

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. AuCOIN. Mr. Speaker, trucking industry deregulation has captured a great deal of attention.

I came across a copy of a statement by Roy J. Sampson, professor of transportation in the College of Business Administration at the University of Oregon. Professor Sampson, in his statement of October 4, provides observations on this critical issue from an academic view.

I enter his remarks into the RECORD today, not because I agree or disagree with him, but because I believe he makes valuable contributions to the debate on this issue. I commend his statement to my colleagues' attention:

"ACADEMIC VIEWS ON DEREGULATION"

(By Roy J. Sampson)

I have spent some 36 years primarily in the transportation field as a student, teacher, observer, researcher, consultant, author, and in various other forms of participation. My textbook, Domestic Transportation: Practice, Theory, and Policy, co-authored with Professor Martin T. Farris, Arizona State University, published by Houghton Mifflin Company now in its fourth edition, has been the most widely used university and college text in its field throughout the country since its original publication in 1966.

My views on motor carrier regulation are based on a lengthy and varied exposure to the field of transportation in general, and to the specific topic of its regulation. I am not on any payroll except that of the University of Oregon; I have no financial interest in any motor carrier, and have never had; and I am not a spokesman or advocate for anyone. My overriding interest is that our transportation system function as efficiently as possible for the benefit of all of us.

My general viewpoint on government regulation of or intervention in private business is quite negative. I strongly believe in the merits of the free market and competition, and tend to subscribe to the now-famous dictum, "If it ain't broke, don't try to fix it." I am convinced that we have a great deal of burdensome and unnecessary regulation imposed on the private economy by all levels of government. Certainly some regulatory guidelines are desirable in many industries and situations, but the costs of regulation must be weighed against its benefits to society.

For example, having lost my life's savings of about $10 in a bank failure in 1932, my free enterprise principles certainly are not offended by the existence of the Federal Deposit Insurance Corporation. Nor am I offended by regulatory controls which established minimum standards for entering into and continuing in the practice of medicine or law. These controls may result in higher prices for medical care and legal services, but they also benefit consumers by promoting better care and services.

In my opinion, a safe, efficient, and reliable freight common carrier system, including motor carriers, is just as important to the performance of our overall economy as are safe banks and competent medical doctors and attorneys in encouraging thrift, protecting health, and administering justice. In all of these cases there are both costs and benefits of regulation, and in all of them I think, the benefits far outweigh the costs; that is, the net effects of deregulation of these activities would be more harmful than beneficial to consumers.

I want to emphasize that regulation is not primarily for the benefit of regulated carriers. Regulation may have some benefits for regulated carriers, just as the Federal Deposit Insurance Corporation benefits banks, but in both cases this is a necessary side result. Consumers are the major beneficiaries.

Motor carrier regulation was designed and is intended to be administered to assure that we have a core of financially sound and responsible carriers who are legally obligated to provide safe, adequate, and continuous services to all who want their services at reasonable rates and without discrimination—the traditional and generally accepted common carrier obligations, upon which a large part of our economy depends.

The $64 question, then, is whether we can come closest to getting the kind of freight transportation system that we want with or without motor truck regulation. The facts are that we have tried the "without regulation" approach, and it did not work well; that with our system of regulation we clearly have the world's best freight transportation system, despite its much-publicized weaknesses; and that published reports show that leading shippers' organizations and most individual shippers overwhelmingly support continued trucking regulation.

Most of the principal advocates of trucking deregulation, although I am sure they mean well, appear to have had only a brief and limited exposure to the realities and problems of transportation. Their major assumptions appear to be that:

One, the regulated trucking industry acts pretty much as a monopoly;

Two, that since some segments of the trucking industry do operate pretty well without substantial regulation, all segments of this large and diverse industry would operate equally well without it;

Three, that lower freight rates are always better than higher freight rates; and

Four, that the substantial 1977 and 1978 airline deregulations have worked, and therefore that trucking deregulation would work equally well.

The weaknesses or fallacies of these four major deregulatory assumptions were pointed out by me in an article entitled "Trucking Deregulation: Key to What?" in the Summer of 1979 issue of the Oregon Business Review.

Recently, two other deregulatory arguments have become prominent. Both of these were expressed by former Portland Mayor Neil Goldschmidt, now Secretary of the Department of Transportation, in his recent confirmation hearings. Secretary Goldschmidt stated that his Department will give high priority to federal deregulation of trucking because this will aid in fighting inflation and in conserving fuel.

It is not quite clear to me, as an economist, how the Secretary and others conclude that removing the existing requirement that truck freight rate increases receive prior regulatory approval will reduce prices charged by truckers during a period of rapidly rising costs. Actually, during this long present period of inflation, regulated trucking and other regulated transportation rates have not increased nearly as fast as have the other major price indices. Nor can I understand how turning more trucks loose to scramble after the same amount of freight traffic, which clearly is the intent of the deregulators, will conserve fuel.

So much for the arguments favoring deregulation. They are not convincing to me. What is convincing is that we presently have a good motor carrier freight system. It is not broke. It may need minor adjustments, but it does not need a major overhaul.

The probable overall long-run freight rate effects of deregulation are in the realm of sheer speculation. Certainly some rates would be lower and some higher, but no one can reliably predict what the average result would be. Some other effects, though, appear to be more certain.

For example, with no entry controls it is quite likely that more small truckers would enter the business. But with no more freight to be hauled, it is equally likely that more would also be forced out of business, creating a continuous turnover problem. Also, the larger carriers, with more financial and staff resources, would be better equipped to analyze costs and competitive conditions in establishing individual rates and services, and in otherwise existing in an unregulated environment, than would the smaller carriers. Thus, there appears to be a high probability that the ultimate net result would be fewer but larger carriers. This in itself might or might not be desirable, but it clearly is not one of the general deregulation objectives.

Certainly deregulation leading to individual carrier ratemaking as a substitute for present Bureau ratemaking would greatly limit existing shipper input into the ratemaking process. Also, despite the existence of antitrust statutes, this would no doubt enable very large shippers to sometimes unduly influence their own rates and services, to the detriment of their competitors and other shippers. Finally, without centralized ratemaking and publication, it would be difficult for shippers to keep up with what rates are being offered and what rates their competitors actually are paying. This would be especially difficult for those small shippers with few or no industrial traffic management personnel.

In conclusion, in my view, the major truck deregulatory arguments are based on easily rebuttable assumptions, and the effects of deregulation would not likely be the effects sought by deregulation advocates.

Deregulation, of course, would not kill the trucking industry. It would be consistent with the general philosophy of less government interference in business, it would reduce governmental costs and carrier compliance costs, and it might even benefit some large shippers and some existing and some potential new carriers. On the other hand, deregulation's benefits would be far more than offset by the resulting costs to consumers of service and price instability, unreliability, uncertainty, and discrimination.●

IN SUPPORT OF EDA FUNDING OF CULTURAL RESOURCE PROJECTS PROMOTING ECONOMIC GROWTH

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Ms. MIKULSKI. Mr. Speaker, I would like to officially record my support for EDA funding of cultural resource projects that promote economic development. This direction makes good sense to me for two reasons.

First. It encourages cities to evaluate all their assets which can contribute to economic development—not just the traditional ones. The evidence is growing that cities must include in their development strategies efforts to redevelop their downtown areas in order to retain and attract industries and residents critical to maintaining and strengthening their tax base. Developing cultural resources is often a good way to accomplish this.

Second. Viewing cultural resources as potential economic development tools broadens the segment of the community that is involved in revitalization efforts. This is significant not only in terms of public/private funding partnerships; it is also important for encouraging volunteerism—the direct personal involvement and investment of all our citizens in the fate of our cities.

For both these important reasons, I would hope to see EDA continue its interest in cultural resources as one means of promoting economic development.●

TO AMEND SECTION 502(a) OF THE MERCHANT MARINE ACT, 1936

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. MURPHY of New York. Mr. Speaker, section 505 of the Merchant Marine Act, 1936, provides that all vessel construction in respect to which a construction-differential subsidy is allowed shall be performed as a result of competitive bidding. This provision was in the 1936 act prior to the enactment of the Merchant Marine Act of 1970. One of the purposes of the 1970 act was to bring the shipyards into the design work on vessels so as to achieve economies of production. Since a shipyard is basically in the contruction, not the design business, it could not be expected to develop a design at its own expense if it could not be assured of being awarded the related construction contract. It was, therefore, necessary to provide a means whereby the designing yard was not required to submit its design to competitive bidding at which it could not be certain that it would be the lowest responsible bidder.

The 1970 act, therefore, included an amendment to section 502(a) of the 1936 act authorizing the Secretary of Commerce, under certain conditions, notwithstanding the provisions of section 505 of the 1936 act, at any time prior to June 30, 1973, to accept, for purposes of computing construction-differential subsidy, a price for construction and a ship that has been negotiated between a shipbuilder and a proposed ship purchaser.

Under section 502 of the 1936 act, the Secretary is authorized to contract with a shipyard for construction of the vessel and concurrently to contract with the proposed ship purchaser for sale of the vessel upon its completion at the estimated cost of construction less construction-differential subsidy, if he determines that such purchaser possesses the ability, experience, financial resources and other qualifications necessary for the operation and maintenance of the vessel. This section has not been used since private financing became a viable means of constructing vessels with title XI aid in 1954. The provisions of this section with respect to negotiation, however, are incorporated by reference in section 504 of the 1936 act, under which the Secretary agrees to pay the shipyard the construction-differential subsidy and the ship purchaser agrees to pay the shipyard the balance of the construction cost. Since 1954, all vessels with respect to which construction-differential subsidy has been paid have been built under section 504.

Public Law 93–71 extended the negotiating authority under section 502 and 504 to June 30, 1976. Public Law 94–372 further extended this authority to June 30, 1979.

The conditions under which the negotiating authority under section 502 and 504 may be utilized until June 30, 1979, are if: First, the proposed ship purchaser and the shipyard submit backup cost details and evidence that the price is fair and reasonable, second, the Secretary of Commerce finds that the price is fair and reasonable, and third, the shipyard agrees that the Comptroller General of the United States shall, until 3 years after final payment, have the right to examine any pertinent books, documents, or records of the shipyard to its subcontractors related to the negotiation or performance of the contract. These conditions with respect to negotiating were imposed by the Merchant Marine Act of 1970, were continued by each of the extensions of this authority and would be continued on a permanent basis by the bill which I have just introduced.●

TRIBUTE TO STEVEN WYNN GOWAN OF WALLACE, N.C.

HON. CHARLES WHITLEY

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 14, 1979

● Mr. WHITLEY. Mr. Speaker, I would like to call to the attention of my colleagues in the House and submit in the CONGRESSIONAL RECORD the following resolution adopted by the board of directors, staff and patients of the Plain View Health Services, Inc., in the new town of Greenevers, N.C., in tribute to the late Steven Wynn Gowan.

The resolution follows:

To the family of Mr. Steven Wynn Gowan
From the Board of Directors, Staff and Patients of Plain View Health Services, Inc.

Whereas the Plain View Health Center was established to improve health care to Greenevers and the surrounding areas, and *whereas* medicines play a part in the delivery of that care, and *whereas* Mr. Gowan through the establishment of pharmacies in Wallace, N.C. and Rose Hill, N.C. participated in the improvement of health care to this area in the pharmaceutical and community services offered as well as in his advice and support of our health center;

Be it resolved that we the members of the Board of Directors, Staff and Patients of Plain View Health Services, Inc. feel that this citation should serve as recognition of Mr. Steven Wynn Gowan's good deeds and our appreciation of them.

Further be it resolved that a copy of this citation be forwarded to Congressman Charlie O. Whitley, Senator Robert Morgan and Senator Jesse Helms expressing our wish that a notation of the good work of Mr. Steven Wynn Gowan a humble servant of Duplin County, North Carolina be entered into the Congressional Record this seventh day of November 1979.●

SHORT-WAVE RADIO INTERFERENCE

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. MINETA. Mr. Speaker, I would like to call the attention of my colleagues to a recent Christian Science Monitor column on short-wave radio interference caused by the "Soviet woodpecker," a bizarre-sounding radio signal that has caused chaos on our airwaves for years. Richard F. Barrett, author of the column and amateur radio operator since 1932, is a retired columnist formerly with the San Jose News in my district. His suggestion is that the World Administrative Radio Conference currently meeting in Geneva take up the topic of the Soviet woodpecker and try to agree on what should be done to end this interference. I commend the following article to my colleagues:

[From the Christian Science Monitor, Oct. 24, 1979]

Ham W6CFK Calling Moscow: Please Silence Woodpecker

(By Richard F. Barrett)

Members of the World Administrative Radio Conference are meeting in Geneva for 10 weeks to parcel out the radio spectrum for the next 20 years, and thousands of users of the shortwaves—notably the radio "hams"—hope it can do something about the "Russian woodpecker."

This bizarre radio signal actually sounds like a woodpecker tapping on a barn wall, or perhaps a lath being pulled across a picket fence. It ranges up and down the shortwaves dodging possible efforts to jam it and tearing up the air to infuriate those who must contend with the interference. Some of the amateurs wondered why their brother, Sen. Barry Goldwater, K7UGA, a past president of the Quarter Century Wireless Association, didn't raise the woodpecker issue during SALT II negotiations as another example of Soviet lack of respect for international agreements—this time the one which prevents chaos on the airwaves. The woodpecker may not rank with combat troops in Cuba as an issue, but it causes a lot of annoyance.

Ray Vincent of Los Altos, California, is an electronics detective who sleuths out sources of radio interference with a sophisticated device called a spectrum analyzer. He says the woodpecker has been ripping up the shortwaves for four years now, cutting a swath 200 kilohertz wide. The power involved runs into millions of watts. Electronics people believe the backscatter is used to detect submarine periscopes or the antennas of low-flying missiles. The hams encounter it on their 15-, 20-, and 40-meter bands and it is also heard on other wavelengths as it moves about to avoid jamming. No matter to the Russians that this interferes with other services and breaches international regulations, for which they seem to have about the same amount of respect as for the Helsinki agreement on human rights.

Angry protests about the woodpecker have been raised in Western Europe, the Scandinavian countries, and the United States, which has made representations through the State Department. According to Mr. Vincent, the Russians' defiant reply has been that the woodpecker is a high priority transmission of high national interest and will continue. Other sources quote them as saying that "necessary measures are being taken to reduce interference." But, after four years and the addition of another station to scan the Pacific basin, the situation has grown worse. Mr. Vincent says the situation is particularly bad in Alaska, where the air is saturated by energy from the woodpecker, probably from an installation on Sakhalin Island or the coast of Siberia.

The International Frequency Registration Board of the International Telecommunications Union has also tried to get the Soviets to abide by the rules to no avail. One ham tried direct action and rigged up his transmitter to send a string of dots on the same frequency. The woodpecker moved within a minute and did so again when he repeated the experiment.

Whether the Geneva meeting can shoot down the woodpecker seems doubtful. International regulation of radio has a long history for a young technology. It is rooted in formation of the International Telegraph Union in 1865. In 1903, seven years after Marconi's historic demonstration, the first radiotelegraph conference was called by the Germans to facilitate communications between ships and coastal stations of different types and nationalities. It produced the first draft of an international convention which was considered, revised, and signed by 27 nations in 1906. There was further revision at the London conference of 1912.

As radio stations proliferated, there was the specter of chaos on the air. At one stage the amateurs were assigned the wavelengths below 200 meters on the supposition these were worthless. This belief was shattered when the hams began making contacts all over the world. The need for sorting out signals and separating them arose from safety requirements on the sea and later in the air. The problem was recognized at the International Radiotelegraphy Convention at Washington in 1927. At Madrid in 1932 the International Telecommunications Union was created by merging the old telegraph union with the 1927 convention.

Worldwide use of the radio spectrum was agreed upon then and at later conferences in Cairo in 1938, Atlantic City in 1947, and the last one in Geneva in 1959. (Many of the radio hams were pessimistic as to how they would fare in 1938 and were heard saying, "Cameras after Cairo.")

Ray Vincent says the Russians hang their argument on behalf of the woodpecker on a fineprint footnote in the ITU rules which says each signatory reserves the right to use the spectrum as it wishes within its own boundaries. Political boundary lines, however, will not contain megawatts of radio energy on international frequencies. Clearly, if other nations follow the Russian initiative in flouting the intent and spirit of the law, chaos will result.●

THE HON. RAY ROBERTS

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. BRINKLEY. Mr. Speaker, to quote Longfellow, "Lives of great men * * * departing leave behind footprints on the sand of time." When the able chairman of the House Committee on Veterans' Affairs, Ray Roberts, returns to his native State of Texas as a private citizen at the end of the 96th Congress, the path of leadership on veterans' issues he will have left behind will be a course others should feel privileged to follow.

As chairman of the Subcommittee on Housing of the House Committee on Veterans' Affairs, I have the opportunity to witness the gentleman's leadership qualities firsthand. I am particularly grateful for his assistance in assuring passage of the Veterans' Housing Benefits Act of 1978 which is presently bearing fruit in the form of more accessible and better housing for America's veteran population.

Mr. Speaker, more recently Chairman Roberts has been stalwart in his defense of the VA hospital system and those dedicated employees who provide medical care to an increasing number of veterans. With budgetary restraints threatening to cause great disruptions in the system's ability to meet the rising demand for medical care and hospitalization, the gentleman has on more than one occasion successfully carried his case to the floor of the House to make sure adequate funding of the VA hospitals prevailed.

Mr. Speaker, Chairman Roberts is cast in the same mould of his predecessors, former Chairmen William Jennings Bryan Dorn and fellow Texan Olin "Tiger" Teague. His work on behalf of the deserving men and women who have served this Nation in the uniforms of the armed services has not gone without notice. The veterans' organizations have honored him on numerous occasions for his steadfast support of America's veterans and the debts which are justly due them. Although we will miss his leadership when he leaves at the end of the 96th Congress, we are delighted he will continue to serve as our chairman next year when we will again evaluate the state of affairs for our veterans and their dependents.

On a personal note, to those who do not know Ray Roberts well, should you be house hunting and need friendly advice, should you contemplate fishing or boating, or should you wish information on legislative issues, you will find a friend and wise counselor in him.●

MAYOR KOCH AFFIRMS NEED FOR SPENDING, REGULATORY REFORM

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. JONES of Oklahoma. Mr. Speaker, the enclosed syndicated column by Richard Reeves reporting on a conversation with New York City Mayor Ed Koch and his associates underscores the reasons why the reform movement to limit Federal spending, regulations, and general meddling must succeed.

Those of us who are trying to amend the Budget Act to limit Federal spending to 20 percent of gross national product do so because we believe the financial resources of America can be more efficiently used if they are spent by private enterprise or State and local governments.

Those of us who believe in the legislative veto do so because we believe that bureaucratic lawmaking has run amuck and has taken on a byzantine life of its own.

Those of us who are attempting to pass these reforms are not trying to hurt Americans who need help. I firmly believe that we can have tight fiscal policies and still provide necessary assistance for the young, aged, the poor, and the infirmed. All we are doing now is spending money willy nilly to placate the various special interest lobbies. This adds to the inflation that hurts those who need Government support the most.

I commend to you my colleagues this Richard Reeves column which appeared in the Washington Star of November 12, 1979:

"WE WERE DUMB," LAMENTS THE EX-CONGRESSMAN

(By Richard Reeves)

You can't go anywhere these days without hearing someone griping about how government is running the country. Take dinner the other night with Ed Koch.

"It's insane," he said "They're ruining us."

Koch, of course, is hardly your average citizen. He's not only the mayor of New York City, but, before that, he was a congressman for almost a decade—a very liberal congressman. But, kvetching that night, he sounded like a cab driver thinking about voting for Ronald Reagan.

"Washington just sits there and tells us to do this, do that, do it this way, do it that way." Koch said as we sat around with some of the highest officials of his city.

"They're looking over our shoulder all the time, threatening to take us to court all the time. Keep the hospitals open even if they don't have any patients or we'll cut off your aid. Help the handicapped, help the children. Put white teachers in the black schools. No, we changed our mind, put black teachers in black schools. Teach in Spanish. Now we have English and Spanish treated equally in the schools. It's crazy. It never ends."

"But Ed," interrupted his counsel, Alan Schwartz, "you voted for all those things in Congress."

"I know that," Koch continued. "I was dumb. We all were. I voted for so much crap. Who knew? We got carried away with what the sociologists were telling us . . . we have permitted a small number of people, generally gifted, elitest, to dominate the society. This was their view. It was never the majority view."

"Well, what happens when you go back to Washington? You know a lot of people in Congress," I said. "You must be telling them the same thing."

"I am," he said. "They say they know I'm right. But it doesn't make any difference. They keep voting for more and more—and they say they have to. They're afraid of pressure from every group that wants something from them."

No one, in short, wants his office or campaign picketed by Hispanics, or children, or people in wheelchairs or whoever.

"Congress has just become more responsive, too responsive," said Ronay Menschel, a mayoral assistant who once ran Koch's congressional office. "The winds of change would have once come and gone, but now they're institutionalized in regulations . . . The regulations have a life of their own. Facility access for the handicapped is an example. The Department of Transportation is blindfolded to reality. In reality. In New York, they ignore the fact that our bus system shadows the subway system. We say we'll make the buses accessible to the handicapped, but they say it has to be both buses and subways, even if no one in a wheelchair will ever use the subways and the money doesn't exist to rebuild them."

"We could shut them down," Koch joked sourly, "then we wouldn't be in violation of the regulation."

"New values have found a home in these regulations," said David Brown, a former deputy mayor who is now teaching at Yale. "Environmental regulations are an example. It's process run amok. Times change, but the old plans—the agenda of the 1960s—have this life of their own through federal courts and bureaucracy."

"We're heading for a crisis," Brown continued. "We can't get this thing back in the bottle. We won't be able to come up with all the money to do all the things that have been mandated. Government may not be able to carry the burden; it'll be run into the ground. You'll have public officials who are not upholding the law."

"The people out there have nothing to do with what's happening," Koch said pointing in the general direction of Queens and Brooklyn from his elegant, contemporary home in Manhattan, Gracie Mansion.

"How do they feel? I know how I feel. I want to exercise the authority I'm supposed to have under the City Charter. I can't. Most of the time I feel I can't do anything, I'm telling you, it's insane."●

CORINNE AITKEN: OUTSTANDING PUBLIC SERVANT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. STARK. Mr. Speaker, I would like to share with my colleagues a few words about Mrs. Corinne Aitken who has dedicated her adult life to public education.

For 25 years Mrs. Aitken has served the San Lorenzo school district and done much to improve the quality of education in San Lorenzo. On December 1 she is retiring as the school board's president. Her high standards have set an example for those who have been fortunate enough to know and work with her and benefited those who have attended San Lorenzo schools over the years.

Mrs. Aitken has served in a variety of other capacities as well. Some of the organizations which have gained from her participation are the March of Dimes, the Girl Scout Council, Alameda County Planned Parenthood, American Association of University Women and the P.E.O. Sisterhood.

Yet with all her activities, Mrs. Aitken has found the time to reflect and to share many of her thoughts and perceptions. She has published two books and has received acclaim for many of her poems.

I honor Mrs. Aitken and extend to her and her family my best wishes. She will be missed by those who have worked with her and those who have benefited from her service, but the standards she set will remain.●

FACTS SHOW ISRAEL DEALS FAR LESS WITH SOUTH AFRICA THAN HER CRITICS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. ROSENTHAL. Mr. Speaker, we hear frequently about the allegedly close economic relationship between South Africa and Israel, but the truth is, some of the loudest critics of that relationship are actually—though sometimes secretly—among South Africa's principal trading partners.

Trade between South Africa and black Africa is estimated at over $1 billion a year. Moreover, several Arab states provide South Africa with huge quantities of oil. South Africa's trade with Europe during just the first 5 months of this year exceeded $3 billion and with the United States was over $1 billion. By contrast, trade with Israel for all of 1978 was about $100 million or approximately two-fifths of 1 percent of total South African trade.

These facts are contained in an interesting and informative article by William Korey, director of international research for B'nai B'rith and a veteran United Nations observer. I commend it to all my colleagues:

[From the Jewish Week-American Examiner, Oct. 21, 1979]

FACTS SHOW ISRAEL DEALS FAR LESS WITH SO. AFRICA THAN HER CRITICS

(By William Korey)

Among the more obscene accusations against Israel and Jews which erupted from the Ambassador Andrew Young explosion was the charge of Israeli collusion with South Africa. Various Black leaders echoed this perspective which had been initially concocted by the Arab states at the UN and, with the support of the Soviet bloc, was shoved through the General Assembly in the form of authoritative resolutions.

It is, in fact, a "Big Lie" which Arab militants hope, by repetition, to convince the world of its validity. Again, in the forthcoming debates starting this month at the UN, the Israel-South Africa myth will be endlessly and, in a variety of ways, articulated.

INSIGNIFICANT TRADE

What are the facts? The amount of Israel's trade with South Africa is inconsequential—approximately two-fifths of one per cent of total South African trade. In absolute terms, Israeli trade with South Africa last year was somewhat over $100 million. In contrast, during the first five months of this year, trade between South Africa and Europe was over $3 billion, and between South Africa and the United States it was over $1 billion.

The Jesse Jacksons and the Joseph Lowerys should be especially stunned by the figures of Black African trade with South Africa. Published data of 1976 showing $521 million South African exports and $359 million imports appear to be replicated today. When to this is added the large amount of trade that moves through third parties or are otherwise hidden, the total South Africa-Black Africa trade is reported to be over $1 billion.

This massive trade, ten times the size of Israel's, is conducted with about 25 Black African countries, including Nigeria, Ghana, Zambia, Zaire and Mozambique.

The difference is that Black Africa-South Africa commerce is handled secretly and stealthily, for it violates an official trade boycott of South Africa by the Organization of African Unity, (OAU). Elaborate double invoicing and other subterfuges to conceal the South African origin of goods are characteristic.

IMPORTED BLACK LABOR

The unreported commerce extends to labor. Militant Mozambique provides South Africa with 100,000 laborers who work its gold mines. Under terms of an agreement between the two governments, 60 percent of the miners' wages are transferred directly to the Mozambique state treasury in the form of gold bullion.

Nor is the hypocrisy limited to Black Africa. Arab powers—specifically Bahrein, Abu Dhabi and Dubai—are in the forefront of supplying South Africa with sorely-needed oil. The Journal of Commerce notes that the apartheid regime purchases huge quantities of Arab oil. The payment is in gold at prices 60 percent higher than published official crude oil prices. This gold flow is augmented by direct purchases of gold that the Arab oil countries persist in and about which President Julius Nyerere of Tanzania has bitterly complained.

The Soviet bloc is not far behind, in both trade and hypocrisy. An International Monetary Fund study of 1977 reveals a $25 million trade relationship. *The Wall Street Journal* in September, 1977, quoted a South African trading officer demonstrating that trade with Poland and East Germany is especially lucrative and is growing. Chrome, ores and metals are exchanged for chemicals and sulfur with the secret "shenanigans" conducted "through Amsterdam and Antwerp."

SECRET PURCHASES OF CHROME

In May, 1979, a report based upon Western diplomatic sources and made available to the UN documented evidence of Moscow's secret purchases of Rhodesian chrome as well as of large quantities of its tobacco and maize.

Besides trade, foreign investment's play an enormous role in the economic well-being of South Africa. Strikingly, Israel contributes nothing to the heavy $20 billion foreign investments, the bulk of which comes from the U.S., the United Kingdom and West Germany. And, according to official reports, the amount of investments from these sources are increasing. Last December a $250 million loan was obtained by South Africa from leading European banks. Yet, it is Israel that has been the principal, if not the exclusive, target of UN resolutions and Black militant oratory.

Israel is especially targeted for alleged arms traffic and nuclear collaboration with South Africa. An official UN document last year which was widely circulated and became the basis of a virulent attack upon the Jewish State carried a section entitled *"Military and Nuclear Collaboration."* But aside from the title, the section offered no documentation whatsoever.

ISRAEL ACCEPTS EMBARGO

As for arms traffic, Israel has fully accepted a Security Council resolution of 1977 which imposed an arms embargo in South Africa. In November, 1976, Carl Rowan, the noted Black columnist, called "hypocritical and misleading" a UN resolution that accused Israel of helping South Africa build up "an awesome military machine."

Israel's adhorrence of apartheid and racial discrimination, a product of Judaic tradition, has been demonstrated repeatedly. So has the Jewish state's concern for building relationships with Black Africa—what Golda Meir called "the bond of real brotherhood and of shared aspirations.●

CRIMINAL PENALTIES FOR CORPORATE COVERUPS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. MILLER of California. Mr. Speaker, today I testified before the Subcommittee on Crime of the House Judiciary Committee on H.R. 4973, a bill which I introduced together with 41 colleagues to establish criminal penalties for corporate officials who knowingly conceal hazards from their employees and the public. I would like to share this testimony with the Members of the House:

STATEMENT OF CONGRESSMAN GEORGE MILLER BEFORE THE SUBCOMMITTEE ON CRIME, HOUSE JUDICIARY COMMITTEE, NOVEMBER 15, 1979, ON H.R. 4973

Mr. Chairman, I appreciate your scheduling these hearings this afternoon on my bill, H.R. 4973, which would establish criminal penalties for certain corporate officials who knowingly conceal product or manufacturing process hazards from their employees or the public. As a major investigator of white collar crime, and as the lead cosponsor of this legislation, you have shown great leadership in alerting Americans to the fact that crime does not occur merely in back alleys and ghettos, but also in the boardrooms of some of the great corporations of this country.

You will hear of asbestos manufacturers who concealed scientific data which showed that exposure to asbestos, even in small quantities, greatly increased a worker's risk of cancer.

You will hear that workers were not told of catastrophic health problems which company physicians had detected on X-rays.

You will hear that chemical companies decided to dump poisonous wastes illegally, even though officials knew water wells were being polluted.

You will hear of a decision by one of the largest corporations in this Nation to sell a defective automobile which company officials knew would result in dozens of needless and preventable deaths.

And you will hear many, many more cases.

In short, you will find that, in more cases than you might wish to imagine, the very highest corporate leaders in our Nation have consciously decided to conceal a workplace hazard, or to market an unsafe product, because they valued profit over people. I think that kind of conduct is a crime.

The legislation before you today would establish severe penalties for knowingly concealing hazards.

Some may believe that this bill is an assault on industry. It is not. I believe that most businessmen find these cover-ups as repulsive as anyone else.

Some may believe that this bill is a call for increased government intervention and regulation. It is not.

Instead, it is a challenge to industry to take personal responsibility for safety, and to personally bear the severe consequences of indifference.

"If we assume that corporate managers are at least as moral as the rest of us," William Greider of the Washington Post has written, "the presence of criminal liability makes it easier for them to do the right thing, just as the occasional income tax prosecutions make it easier for all of us to pay our taxes. The good will prosper; only the scoundrels need hide from the light."

This is really the intent of the legislation. If industry wants less government intrusion, which may well be desirable, then let industry take the full responsibility for the hazards it creates.

But today, we see the chemical companies running to government, asking for Federal assistance to clean up hazardous waste sites.

We see the asbestos industry running to government, asking for Federal assistance in paying compensation claims.

We see Ford running to government, asking for changes in the tax law to allow longer periods to write off liability payments.

Someone once put it very succinctly: If industry wants government off their backs, they should get their hands out of our pockets. Ultimately, the taxpayers—including the victims of industry neglect—are called upon to bear the burden of industry's failures and indifference.

The irony is that crimes of a corporate nature, unlike individual acts of violence, often affect many thousands, or even millions of victims. The recent study, Illegal Corporate Behavior, by the Law Enforcement Assistance Administration, noted—Corporate crime costs run into billions of dollars. These costs involve not only large financial losses but also injuries and health hazards to workers and consumers.

Today, we are focusing on a specific aspect of illegal corporate behavior—those situations in which a calculated decision is made to expose workers or consumers to a known health or safety danger without adequate warning.

It should be pointed out that 75 percent of all corporate crimes are in the environmental/labor protection area, and according to LEAA, penalties against corporate officials are far less severe than those against ordinary lawbreakers; fines are nominal, prison sentences are frequently suspended, and probation is easily granted.

Before I illustrate some of the situations which I believe mandate the enactment of H.R. 4973, I want to raise some philosophical and political points which underlie the legislation.

I believe that the intent of this legislation extends far beyond individual cases of corporate cover-up, tragic and incredible as those individual cases may be. This legislation addresses the issues of corporate ethics, individual responsibility, and business morality. It raises the fundamentally disturbing question of whether our economic, political or ethical systems have somehow become so skewered that we worship profit as more important than people.

I find it very disconcerting, for example, to read the comments of a former high-ranking official of the General Motors Corporation who reportedly said recently that never, in all the time he worked for the world's largest company, did anyone raise the question of the impact of the products his company manufactured on the American people. "The system of American business often produces wrong and immoral decisions," he said, and as a result "willfully produces ineffective or dangerous products."

The key concept is "willfullness," a conscious decision to market a product or to overlook a workplace hazard. It is significant that last year, nearly one-third of all workplace safety violations were determined to be "serious, willful, or repeat" offenses. Yet the average fine for serious offenses was under $500. In my home state of California, the average fine for a "serious" violation is only $239—and tax deductible.

While industry may not approve of government regulation or intervention into the private world of corporate and industrial activity, there was precious little evidence that business was inclined to conduct the necessary testing and to remedy workplace dangers on its own prior to these Federal protections.

Corporate indifference to worker and consumer safety has not been eliminated through regulation, nor will it, partly because the penalties for violations are so minimal. There are still those who place a higher regard on profits than on people. The fact that we even consider the necessity for this kind of legislation suggests a kind of bankruptcy far more serious than the financial kind.

Covering up known hazards from workers and the general public illustrates a moral and ethical problem which appears with alarming frequency, not just in one industry, but throughout industry and in our society as a whole. Concern for oneself, either in an individual or a corporate sense, has replaced our traditional moral and legal concern for the general good. This legislation seeks to place some responsibility on the individual.

I want now to take a few minutes to discuss some examples which I believe mandate the enactment of H.R. 4973. Let me make one point, however, which applies to each case: Neither I, nor anyone else, has manufactured this information; the shocking evidence, in most cases, bears the letterhead of the company involved.

ASBESTOS

The number of illustrations of purposeful cover-ups in the asbestos industry are so extensive that we could not possibly hope to detail them all this afternoon. Let me cite a few examples:

By the early 1930's, officials of the asbestos industry had been warned that inhalation of asbestos dust would cause the serious lung disease, asbestosis. On October 1, 1935, the president of the Raybestos-Manhattan Company, one of the nation's large asbestos producers, wrote to his counterpart at the largest company, Johns-Manville, "I think the less said about asbestos, the better off we are." J–M's president responded, "I quite agree with you that our interests are best served by having asbestosis receive the minimum of publicity."

Throughout the 1930's and 1940's, numerous medical and scientific journals addressed the health problems caused by asbestos. Death rates from lung cancer among asbestos workers were found to be 9 times that of the overall population. An asbestos worker who smoked had 90 times the chance of developing the disease as the average nonsmoking person. Mesothelioma, a rare lung illness among the general population, occurs with disturbing frequency among asbestos workers.

The asbestos industry would have you believe that its leaders were unaware of these health problems, and also that they took all precautions to minimize risk to their employees when they became aware. This was not the case. Instead, the asbestos industry rejected many investigations into the relationships between asbestos exposure and illness, and ignored warnings, even from their own medical advisors. In addition, they neglected to tell workers and purchasers of the potential hazards which studies had disclosed.

In 1952, Johns-Manville's medical director, Dr. Kenneth Smith, had urged his superiors to place a warning label on asbestos products; his plea was ignored. Four years later, Dr. Smith urged the asbestos textile institute to undertake a study of the relationship between asbestos exposure and disease; after a year of consideration, the study was rejected, partially because "there is a certain feeling among certain members that such an investigation would stir up a hornet's nest and put the whole industry under suspicion."

The industry claims to have been unaware of the danger to lightly exposed workers until Dr. Irving Selikoff's pioneer study of insulation workers in 1964. However, nearly twenty years earlier, British insulation workers had been notified of possible health effects of working with asbestos.

Closer to home, Johns-Manville was warned of hazards to workers by the director of the Saranac Laboratory, Dr. Arthur Vorwald. The asbestos industry often cites its financial support of the Saranac lab as evidence of its concern for worker safety. What they don't tell you is that the good advice of that laboratory was often ignored.

On August 13, 1948, H. M. Jackson, a safety engineer for J-M, wrote to Dr. Vorwald following the death of a J-M worker whose "degree of exposure was relatively slight." Jackson asked whether others, similarly exposed to general conditions, might be at risk.

While acknowledging that some individual factors may play a role in determining susceptibility, Vorwald responded on August 19: "I can see no other alternative than to anticipate others with similar exposures to be similarly affected."

Yet for nearly 20 more years, the industry continued to argue that only the most heavily affected workers were at risk, and today still disclaims the risk to lightly exposed people.

Other warnings went ignored. In 1948, Saranac scientists warned the Owens-Illinois Glass Company that their product, "Kaylo," was "capable of producing asbestosis." The report on Kaylo underscored the danger to lightly exposed people, noting that "a seemingly negligible proportion of fibrous asbestos is sufficient to produce the characteristic (medical) reaction."

A confidential 1963 report authored by Dr. Thomas Mancuso warned officials that the Philip Carey Company faced a wide variety of legal problems because of its manufacture of asbestos containing materials. Why had these medical problems been unrecognized for so long, he was asked. Mancuso replied, "actually, they were recognized, but the asbestos industry chose to ignore and deny their existence." He recommended that the company undertake a wide ranging series of medical and legal steps.

As recently as August of this year, the successor to Carey Manufacturing, Celotex denied that Mancuso's report was ever forwarded to the company, and questioned whether or not he had authored it. They could provide no information as to whether or not his recommendations had been carried out.

Other reports warning that all asbestos workers, regardless of exposure, are at risk were likewise ignored. In fact, the warnings of Dr. William Huener, of the National Cancer Institute, were denounced by the asbestos textile institute members as "derogatory literature" and "damaging information," although no evidence to refute his findings was offered.

Asbestos officials not only covered up scientific findings, but medical information which showed that workers were at risk of serious, and perhaps fatal, lung disease.

Wilbur Ruff, the former manager of the Johns-Manville plant in Pittsburg, California (which is the district I represent) told attorneys in a deposition earlier this year that there was a company policy not to tell workers about irregularities on chest X-rays because "the company did not want to . . . get employees upset, until such time as we knew our ground." Company policy precluded the company physician from recommending an outside doctor or treatment for affected workers, according to Mr. Ruff.

Minutes of the health review committee of Johns-Manville back up this information. Although J-M officials claim that a policy of notifying all workers of irregular X-rays was estabished in 1956, committee minutes from 1957 show a steady policy of not telling them, in one case because an affected woman "will get hysterical and I am sure you will have a (compensation) claim on your hands."

Other case records indicate that where workers had been "health counselled" about their X-rays, years had gone by after the illness was detected before they were informed. During this time, they often remained exposed to asbestos. In testimony earlier this year, J-M officials acknowledged that they have no way to be sure that the notification policy was really carried out. Evidence would appear to indicate it was not, and that affected workers were not told of their illness or relocated swiftly to safer settings.

Even when the hazards were brought to light in recent years, indifference was often the response by management. John Marsh, the environmental director for Raybestos-Manhattan, wrote a memo in which he noted that company's substantial legal liability problems, and stated, "I thought the meeting in June 1973 at which mortality and morbidity data was reviewed in detail would be more than sufficient to shock people into action. This has not happened." Marsh called Raybestos' policies "indefensible . . . and not getting better."

When considering whether to "cooperate with scientists," Marsh noted, "we have valuable information going back to 1930," and he admirably pointed out their company's "obligation to employees" and the "legal implications of withholding info."

Lest anyone believe that the asbestos industry has been shamed into responsible behavior, it should be noted that only one year ago, at a meeting of the Asbestos International Association, members discussed ways to conceal product hazards. Minutes of the meeting, which I have acquired, show that members objected to placing a warning on European-bound products "because of a possible negative influence on sales." AIA officials have refused my request for a list of association members and the complete transcript of that meeting.

Let me move to another area of growing concern—chemical pollution.

OCCIDENTAL CHEMICAL

Occidental manufactures pesticides and other chemical products at its Lathrop, California, plant. California law requires any dumping which might affect groundwater tables to be filed with the state water resources control board. Occidental purposefully ignored the law, as indicated by internal memos, and as a result polluted groundwater tables with poisonous wastes.

"For years we have dumped wastewater containing pesticides and other AgChem products," wrote R. Edison in a June 25, 1977, memo to A. Osborn. "Fortunately for the management of this company no pesticide has yet been detected" in a neighbor's well. "I personally would not drink from his well," Edison wrote.

Edison provides one of the most frightening examples of corporate indifference to human health and safety.

"No outsiders actually know what we do and there has been no government pressure on us," he wrote, "so we have held back trying to find out what to do within funds we have available." Edison made clear that the cost of cleaning up the hazardous discharges would be very difficult for the company to pay.

"Frankly, I don't believe any of us will become T.V. personalities answering questions on these contaminants," he wrote. "The next drop of pesticide that percolates to the ground is a management decision which I don't feel we can afford . . . I believe that we have fooled around long enough and already overpressed our luck."

Almost a year later, the problem was not yet being solved. In a memo to J. H. Lindley, Edison admitted "there we have destroyed the usability of several wells in our area. If anyone should complain, we could be the party named in an action by the water quality control board . . . the basic decision is this. Do we correct the situation before we have a problem [sic], or do we hold off until action is taken against us."

Edison admitted that he misled the water board concerning the company's polluting activities. "This report isn't exactly accurate even though the inaccuracy is due to omission rather than outright falsehood," he wrote. "However, I don't think it would be wise to explain the discrepancy to the state at this time." Edison admits that he had been warning the company of the pollution problem "for the last three or four years."

The Lathrop well poisonings were not the only cases of cover-ups by the chemical industry. The situation involving one of Occidental's subsidiaries, Hooker Chemical, is well known to most people. Earlier this year, a high ranking official admitted that residents in the vicinity of Love Canal, a Hooker dump site, were not warned of the health hazards from leaking chemicals even though the company was aware of them.

As long ago as June 18, 1958, a memo noted that "the entire area is being used by children as a playground." The company took no action, although the problem was discussed by company officials. Local residents were not warned, according to the memo's author, because "we did not feel we could do it [notify them] without incurring a substantial legal liability for current owners of the property."

Residents of Love Canal, affected by the chemical waste leaks, have complained of headaches, birth defects, mental illness and a variety of health problems.

CONSUMER PRODUCTS

Carcinogens and chemical pollutants have received much of the recent publicity about product and industrial hazards, but sometimes the dangers are mechanical in nature. Like the other situations, however, many lives may be jeopardized by a single corporate decision to market an unsafe product.

In 1971, a memo within the Ford Motor Company warned that the design of the Pinto automobile made the car susceptible to fuel leakage and explosion following even relatively slight rear-end collisions. The memo concluded that a $6 or $8 part could solve the problem. Company officials, however, decided to forego any changes until 1976, expecting that the delay could save Ford about $20 million.

In 1973 a more detailed memo outlined the severity of the hazard by evaluating the costs of modifying production equipment or installing a part to reduce the risk to passengers. This cost was then compared to the "value" of the lives which would be lost if no corrections were undertaken.

Ford estimated the value of a human life to be $200,000, and the value of a serious injury at $67,000. Multiplying this by the estimated 180 deaths which could be anticipated and a comparable number of serious injuries, the company decided that the costs of permitting the deaths and injuries to occur—about $50 million—was considerably less than the cost of retrofitting the cars with safety devices—$137 million, or about $11 per vehicle. To date, 23 people have lost their lives in blazing infernos inside Ford Pintos.

When we discuss "crime," we would do well to place this corporate crime in its proper perspective. The largest welfare fraud in history amounted to about $240,000. The typical burglary involves about $350. By comparison, Senator Philip Hart's subcommittee on anti-trust and monopoly estimated a few years ago that corporate crime—monopolistic practices, faulty goods, and the like—cost consumers between $174 and $231 billion a year, not including injuries to workers and damage to the environment.

In reviewing the enormous problem of white collar crime, the LEAA study recommended a massive increase in the number of government investigators and lawyers, which means greater intrusions and more government costs. Perhaps this will be necessary; most studies indicate that people support environmental and labor safety laws, even if they cost money.

But I would hope to throw more of the responsibility onto the shoulders of industry to police itself, and then to hold it accountable when it fails to do so.

Hopefully, industry will accept this burden. I was heartened to read in "Fortune" magazine that the president of Occidental has sent a memo to his managers on the subject of environmental hazards. Unlike past Hooker memos, this one warns that failure to comply with safeguards will result in dismissal.

If increased profits is the reason for concealing hazards, then stiff financial penalties will hopefully reduce the incentive for concealment.

If probation and suspended sentences fail to intimidate corporate officials concerning serious health and safety violations, perhaps mandatory jail terms will force greater accountability.

[From the New York Times, Aug. 9, 1979]

Trying To Be Fair About Poison

When people in Niagara Falls, N.Y., had to be evacuated because toxic wastes were seeping out of the Hooker Chemical Company's old dumping ground at Love Canal, a reader striving to be fair might have argued that. well, it all started years ago when people didn't know better and when such careless disposal was widespread.

Then it turned out that Hooker had known for years that wastes were escaping from Love Canal and did nothing to warn nearby residents. Some might have argued that even that was understandable; no one is eager to invite lawsuits. And then, when Hooker plants elsewhere also were found to have poisoned surrounding areas, it could at least be maintained that those findings did not show overall company indifference, only local plant problems.

But what is even the most tolerant reader to think now? It turns out that Hooker's top management knowingly authorized pollution violations and that the company fudged test results and hid data from authorities.

The sorry tale, reported in two articles in the Times by Donald G. McNeil, Jr., is documented by Hooker's own files. One Hooker plant at White Springs, Fla., used a scrubbing process that allowed fluoride emissions far above the permissible level. This was a money-saving move approved by the company's officers despite warnings by the Florida plant manager that pollution regulations would be violated. The plant also changed procedures temporarily to obtain pollution test data showing compliance, then switched back to its dirty ways.

Another plant, in Lathrop, Calif., percolated pesticide wastes into the ground, polluting nearby wells. The plant's chief environmental engineer warned repeatedly that this violated state water quality laws but concluded that it would not be "wise" to point this out to the state. He salved his conscience by noting this to be an "omission rather than outright falsehood."

So far, Hooker declines to respond to most allegations because of a pending lawsuit. But what has already seeped out of its files demonstrates an alarming indifference to poisonous practices. To rely on its corporate ethics is, it appears, to invite more poison. The way to achieve a surer grip on individual consciences is to make officials unmistakably—personally—accountable for their misdeeds. Penalties for violating the law need to be stiffened and prosecutors should be more willing to apply them to individuals. Officials of companies that pollute would be less apt to flout the law, hide data or fudge test results if, beyond company profits, their calculations included something like a $50,000 fine and two years in prison.

[From the San Jose Mercury, July 3, 1979]

Punish People for Corporate Crimes

According to one of the neater subterfuges of Anglo-Saxon jurisprudence, corporations are, legally speaking, people. They can own property, enter into contracts, sue and be sued.

This is a convenient way to do business, but it has its societal drawbacks. A corporation can be convicted of wrongdoing and fined, but you can't haul it off to jail.

As a result, criminal behavior by a corporation—such as concealing health and safety hazards of its products—often goes virtually unpunished. The corporate malefactor gets only a slap on its metaphorical wrist; the people who actually made the criminal decisions—its executives and officers—are untouchable.

A bill authored by Rep. George Miller, D-Martinez, and co-sponsored by 41 other members of Congress would abolish that untouchability. It would impose stiff criminal penalties—a fine of not less than $50,000, a jail term of not less than two years, or both—on corporate officials who failed to warn their employees and the appropriate federal agencies about known hazards involved with their company's products or manufacturing processes.

Miller was inspired to write the bill after digging into the ugly story of how the asbestos industry apparently concealed the cancer-causing potential of its product from workers and consumers for decades. Other alleged corporate cover-ups involving such products as the pesticides DBCP and kepone reinforced Miller's conviction that such legislation was urgently needed.

Sometimes it won't be easy, of course, for juries to determine whether corporate officials concealed hazards knowingly. But the merits of Miller's proposal far outweigh that difficulty. Executives would be a lot more reluctant to hush up a hazard, or allow fellow employees to do so, with the prospect of a $50,000 fine and two years in prison before their eyes.

Corporations don't commit crimes; people do. The Miller bill plugs a gaping and dangerous loophole in the criminal law. It deserves prompt enactment.

Keeping Dangerous Secrets

[From the Fresno Bee, Aug. 6, 1979]

There is no shortage of laws designed to protect workers and to keep dangerous substances out of food and the environment. But if the specific hazards of handling or using a product are not reported the laws cannot be effective.

Numerous investigations in the past several years have shown that manufacturers of the pesticide DBCP, asbestos and other substances have suppressed research data that strongly suggested a link between their product and cancer in human beings. In one case a commercial laboratory shredded the records of pesticide safety tests it performed so the records would not get into the hands of the Environmental Protection Agency. Also, a House subcommittee disclosed that manufacturers of DBCP, Occidental Chemical Co., withheld evidence for years that the waste-dumping at their Lathrop, San Joaquin County, plant was poisoning local drinking water.

The person who makes a decision to conceal data, to withhold information about the hazards of a product although he knows that public health will be adversely affected and people's lives may be jeopardized, deserves to be punished. Such punishment would be meted out under a bill proposed by Rep. George Miller, D-Martinez, who says coverups in the chemical industry justify subjecting corporate officials to criminal penalties if they fail to disclose health or safety hazards of their products.

The bill will be subject to extensive debate since chemical products continue to be an essential part of this country's growth and economy and the manufacturers cannot be made scapegoats simply because they make and market a hazardous product. However Miller's bill is not a vaguely worded catch-all to intimidate chemical plant owners. This bill is written so that a corporate officer cannot be prosecuted unless he knowingly represses data which shows a product poses "a serious danger" and will lead to "serious bodily injury."

"Serious danger" and "serious bodily injury" are defined closely so that manufacturers of dangerous chemicals will not be hailed into court capriciously.

It is only fair to insist that manufacturers of hazardous chemical products tell the public of the hazard involved in handling, and using, such products.

[From The Washington Post, Aug. 20, 1979]

DEALING WITH THE POISONERS

Everywhere you look these days, one toxic chemical or another seems to be gushing, leaking, leaching, blowing or seeping into some place it shouldn't be. Saturday's paper was a festival of these stories. There were no fewer than five separate accounts of accidental or planned mismanagement of chemicals and chemical and radioactive wastes. The stories ran the gamut from illegal dumping of wastes into abandoned mine shafts (from which they later leak into the water supply) to a cloud of mysterious gas that swept across a Kentucky community sending 30 people to hospital emergency rooms. Five stories may be unusually high for one day. But the mounting number of such incidents over the past year suggests that we make a mistake to treat each as an isolated event. Rather, they are part of a big and frightening national problem.

The first thing to be said about this problem is that it is not the result of a lot of mindless malefactors throwing poisons around aimlessly because they have nothing else to do. Whether the subject is nuclear energy or agricultural pesticides or any of the other trouble-making substances and technologies, we are talking about harmful side effects and consequences of enterprises undertaken for some desired benefit. The problem is, first, knowing how to judge and tame the associated risks (we still know relatively little) and, second, getting the government and commercial and other entities involved to accept the restraints that are vital to the protection of people and resources. And there is evidence that in both the operation of plants that make or handle dangerous substances and the disposal of wastes, these restraints are being violated or ignored. A few months ago, a company in Houston was accused of illegally disposing of hazardous wastes by mixing them with motor oils that had been used by contractors to surface dirt roads. The substances? Nitrobenzene and cyanide, both deadly. The company involved was no Mafia-owned midnight dumper, but the country's largest waste-handling business, Browning-Ferris.

Again, documents recently uncovered as part of the government's lawsuit against Hooker Chemical (the perpetrator of the Love Canal disaster) reveal that top company management approved illegal practices flagrantly violating air- and water-pollution permits. A Hooker-owned phosphorous plant in White Springs, Fla., sometimes discharged as much as 100 times its allowed daily level of fluoride gas. The same plant knowingly violated its water-pollution permits on at least three counts—fluoride, phosphorous and pH (a measure of acidity). The river into which these discharges were made is the Suwannee, of Stephen Foster fame, and the only major river in the area that remains relatively unspoiled. The company is alleged to have satisfied environmental licensing requirements by altering its processes in order to collect phony test data and then returning to the illegal mode.

What is important is that such stories are no longer exceptional. The Environmental Protection Agency estimates that there are about 100 dump sites around the country that already pose an immediate threat to health. Meanwhile, new hazardous waste is being generated at an annual rate of between 30 and 40 million tons, and new chemicals introduced at the rate of several thousand per year. Safe exposure levels have been set for only about 1 percent of the 70,000 chemicals already in use.

Against this flood, existing government resources are pitifully inadequate. New laws that will help are on the books, but it's going to take time to make them work. In the meantime, assistance from the courts will remain crucial. Corporations must be held accountable for the actions of their employees. A welcome precedent was established last week when a jury held Olin Corporation guilty along with three of its former employees for illegally discharging mercury into the Niagara River. Penalties, including jail sentences, need to be personally applied to company managers who knowingly direct or allow illegal pollution or withhold evidence of dangers to the health of workers or consumers. Yes, it is harsh—but not nearly as harsh as what may befall those who are the victims of these poisonous substances.●

EVACUATION PLANS FOR NUCLEAR PLANT INADEQUATE

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. AUCOIN. Mr. Speaker, when the House takes up the authorization for the Nuclear Regulatory Commission later this week, we will have another opportunity to require tested emergency evacuation plans for nuclear plants as a condition for licensing. In preparation for the debate on this important matter, I want to call the attention of my colleagues to the recent test of one such plan in my district for the only operating nuclear powerplant in Oregon.

A number of problems were brought to light as a result of the drill that was conducted cooperatively by county, State and Federal officials and Portland General Electric, the utility which operates the nuclear plant. We learned a great deal from the exercise that will be invaluable to us in improving the plan, not the least of which is that State and local agencies were not adequately prepared to handle an atomic plant emergency—precisely why the amendment is needed to the N.R.C. authorization bill.

As a result of the Oregon experience, we can now iron out the problems uncovered and design a plan that will more effectively coordinate the resources of local, State and Federal governments in meeting an emergency at the plant. The officials involved in this recent exercise are to be commended for conducting the drill and encouraged in their efforts to correct the plan.

Mr. Speaker, as we prepare for the upcoming debate on the authorization for the Nuclear Regulatory Commission and the need for tested emergency evacuation plans, I urge my colleagues to review the Oregon experience as outlined in the following newspaper article and editorial on the event; it was published in the Oregon Journal.

The article follows:

MOCK EVACUATION AT TROJAN WAS FAR FROM PERFECT

If a drill is a success because it points up shortcomings, then the mock evacuation of the Trojan nuclear power plant last week should be this year's smash hit in Columbia County.

The drill showed nearly all parties unprepared to function in the event of a nuclear accident.

A newly created decision center, set up in the State Office Building in Portland, didn't function well. Gov. Vic Atiyeh flew by helicopter from Salem to Portland to be the chief decision maker. Yet the state Emergency Services Division continued to function in the Capitol in Salem.

This dualism should be ended. It appears that those who want to establish a decision center in the Capitol in Salem instead of Portland have a point.

Functional communications are the key to making any drill work, and this area probably showed the most significant weaknesses in the entire plan.

Local law enforcement agencies were unable to communicate with Oregon State Police. No one called the Federal Aviation Administration although that agency would be responsible for clearing airspace if a plume of radioactive gas was escaping into the atmosphere. Washington state officials responsible for evacuating residents from the Kalama area—as the drill proposed—said they lacked information from Trojan plant personnel.

One beneficial suggestion is that a data transmission system be created. High-speed teleprinters could tie the many public and private entities involved in the plan to a common transmission system which would provide factual information for all to see and use. Which way is the radioactive plume moving? Precisely what decision was made an hour ago about evacuation? The information would be on the printer for all to see.

Portland General Electric, Trojan's operator, is required to stage a drill a year. This was the first involving the operation of a "decision center" in which the governor made decisions about evacuating residents. Consideration should be given to a second drill this year because of all the problems encountered.

PGE has maintained a three-mile evacuation plan but now this is being stretched to 10 miles which involves 60,000 residents instead of a few hundred. That's like superimposing an entirely new plan for Washington and Oregon areas near the plant.

Despite the talk about how valuable the drill proved to be because of all the problems it revealed, those involved in making evacuation work should remember that the drill showed local and state agencies woefully unprepared to manage moving people had last week's exercise been the real thing.●

SURVEY RESULTS OF THE ACTION LINE REPORTERS ASSOCIATION

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. SCHEUER. Mr. Speaker, I would like to submit the results of a survey done by my subcommittee in conjunction with the Action Line Reporters Association. These results were released to the public at the Action Line Reporters Conference of October 15. I want to salute the American Express Company, which sponsored the conference, and Edie Fraser Associates, which organized it.

Action Line reporters are a dedicated group of journalists who deal solely with the consumer related problems of their many readers, listeners and viewers. Not only do they publish the myriad of complaints submitted, but also they do their best in many cases to see that problems are remedied. Upon my request, four-hundred reporters from across the country were asked, in place of their regular consumer columns, to run a survey designed to gage the needs, preferences and opinions of the consumer-at-large.

The results of the poll were returned to us by forty newspapers with a total of over six thousand responses. Percentages varied a little from city to city and from region to region. In some cases, the feedback was quite surprising. For example, despite all of the prevailing antiregulatory rhetoric, over 69 percent of those surveyed believe that more, not less, Government regulation is required to protect the interests of the consumer. In light of this very significant revelation, it certainly makes much sense to upgrade and maintain effective regulatory agencies, like the Federal Trade Commission, rather than to abolish or cripple them.

When asked as to what consumer problem areas Congress should consider, 23 percent responded that inflation should receive priority, followed by the automotive industry, energy, product/service quality and misrepresentation/false advertising. Through the various comments and letters attached to this question, I was able to sense a distinct feeling among the respondents that Congress can still be trusted to legislate wisely. It is our duty not to disappoint them.

The results follow:

NATIONAL RESULTS—SURVEY OF CONSUMER ATTITUDES AND PROBLEM AREAS

1. Have you complained about a product or service in the past year?

Yes, 75 percent. No, 9 percent. Wanted to, but didn't, 15 percent.

2. If you did complain, what was the product or service?

Automobile, 23 percent. Food, 15 percent. Small appliance, 11 percent. Other household products, 11 percent. Home, 7 percent.

Who did you complain to?

Retailer/dealer, 45 percent. Manufacturer, 30 percent. Action Line, 9 percent. Government Agency, 8 percent. Elected representatives, 8 percent.

Was the problem resolved?

Yes, 49.5 percent. No, —.

3. If you had a problem but did not complain, why not?

To much of a hassle, 18.5 percent. Didn't know whom to contact, 21.9 percent. Didn't think it would do any good, 44.8 percent. Other, 5.1 percent.

4. Which of the following would you contact for help with a consumer problem?

Manufacturer, 70 percent. Consumer group, 27 percent. Retailer/Dealer, 69 percent. Business Group, 13 percent. Action Line, 39 percent. Elected Representative, 9 percent. Lawyer, 14 percent. Government Agency, 15 percent.

5. Why, buying consumer products, do you look for the best?

Price, 69 percent. Brand name, 51 percent. Warranty, 39 percent. Retailer, 24 percent. Credit terms, 4 percent.

6. Which of these business people do you generally not trust?

Insurance agents, 34 percent. Door-to-door salespersons, 79 percent. Grocers, 10 percent. Travel agents, 10 percent. Used car dealers, 63 percent. New car dealers, 40 percent. Real estate agents, 22 percent. Appliance repair people, 34 percent. Auto Mechanics, 52 percent. Other, 14 percent.

7. Do you buy products through the mail?

Yes, 57 percent. No, 25 percent. Used to, but no longer, 18 percent.

If so, which of the following, if any, have you experienced?

Product not delivered, 17 percent. Refunds not provided if dissatisfied, 10 percent. Problems, but they were resolved, 21 percent. More than a 30-day wait for delivery, 30 percent. Product doesn't live up to claims, 23 percent. No problems, 27 percent.

8. Have you had your car repaired in the past year?

Yes, 85 percent. No, 10 percent. Don't have one, 5 percent.

If so, was it . . . New, 48 percent. Used, 52 percent, Under warranty, 31 percent. Out of warranty, 69 percent. Running smoothly after repair, 62 percent. Still broken, 38 percent.

9. What type of insurance do you have?

Health, 87 percent. Life, 79 percent. Homeowners, 77 percent. Tenant, 12 percent. Auto, 91 percent. None, 1 percent.

10. Which of the following, if any, have you experienced with your insurance?

Policy hard to understand, 42 percent. Policy misrepresented by agent, 12 percent. No problems, 37 percent. Company failed to resolve complaint, 12 percent. Problems, but they were resolved, 8 percent. Claims not settled in 90 days, 11 percent.

11. What do you feel companies have no right to consider in granting credit?

Income, 14 percent. Personal habits, 50 percent. Past credit record, 13 percent. Spouse's credit, 35 percent.

12. Do you have any credit cards?

Yes, 82 percent. No, 14 percent. Used to, but I cancelled them, 3 percent. Used to, but they were cancelled, 1 percent.

13. Which of the following, if any, have you experienced with your credit cards?

Bills hard to understand, 9 percent. Complaints not settled in 90 days, 6 percent. Incorrect charges on bills, 16 percent. Problems, but they were resolved, 18 percent. No problems, 63 percent.

14. How often do you get the feeling you're being "ripped-off?"

Never, 4 percent. Frequently, 34 percent. Occasionally, 55 percent. Always, 7 percent.

15. What consumer problem areas, if any should Congress look into?

Inflation, 23 percent (includes high prices of food, utilities, products, etc.).

Automobiles, 12 percent (quality of new cars and frequency of repair).

Energy, 11 percent (prices, monopolies, supply, etc.).

Product/service quality, 11 percent (shoddy merchandise quality control, etc.).

Advertising, 10 percent (misrepresentation, deception, etc.).

16. What do you feel is the number one consumer problem?

Inflation, 29 percent. Energy, 11 percent. Automobiles, 10 percent. Advertising, 10 percent. Product/Service quality, 10 percent. Insurance, 7 percent (misrepresentation, understanding, cost, etc.). Government, 7 percent (inefficiency, bureaucracy, dishonesty, etc.). Business, 7 percent (inefficiency, dishonesty, attitude, etc.). Warranties, 6 percent (inadequacy, understanding, enforcement, etc.). Mail Orders, 5 percent (nondelivery, service, quality, etc.).

17. How much government regulation do you think is necessary to protect consumers?

None, 8 percent. Less than we now have, 23 percent. More than we now have, 69 percent.●

THE NEW YORK TIMES DOES A PORTRAIT OF A GREAT CONGRESSMAN—CHARLES RANGEL

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. BIAGGI. Mr. Speaker, there are few of my colleagues for whom I hold a greater amount of respect and affection than CHARLIE RANGEL. CHARLIE who represents the 19th Congressional District in New York was the subject of a feature article in the New York Times on November 12.

The article written by Sheila Rule, traced briefly Charlie's life from a high school dropout to an outstanding career in the Congress and his influential role in New York politics. His accomplishments are surely worthy of documentation. Yet I was impressed by the real story that the article told—the story which is no mystery to anybody in this House—that Charlie Rangel is one of Congress hardest working Members. Charlie in addition to representing his constituents in Congress is emerging as a national legislative figure by virtue of his being chairman of the important Health Subcommittee of the House Ways and Means Committee.

Today the Congress is considering the hospital cost containment bill—one of the most important health bills of this decade. Charlie Rangel's contributions to this bill have been unparalled by any House Member.

The best way to say it—no matter what the endeavor—Charlie Rangel is doing the job and doing it well. I ask that the following article from the New York Times be inserted into the Record:

[From the New York Times, Nov. 12, 1979]

Rangel Emerges as a Key Figure in City Politics

(By Sheila Rule)

Washington.—It was the aftermath of the 1976 Presidential election, traditionally a period when visions of political plums dance in the heads of the winner's allies. Aides to Representative Charles B. Rangel, the Harlem Democrat who had been a strong supporter of Jimmy Carter, were contemplating jobs in the new Administration for which their boss might be considered.

"But once we started doing leg work to see what position he could go for, we came to the conclusion that he wanted to stay where he is and keep doing what he's doing," an aide to Mr. Rangel said recently.

What Mr. Rangel has been doing since his 1970 election to the House of Representatives is building political power, both here and in New York City. The effort has produced results in both places.

In New York, the 49-year-old Representative from the 19th Congressional District has emerged, especially in the last several months, as the city's leading black politician. This status is regarded not only as an outgrowth of his abilities and political connections, but also because he is one of the highest ranking black elected officials in a community that is seen by many to be suffering from a leadership vacuum.

KOCH IS NASTY TO EVERYBODY

When blacks directed a storm of criticism against what they saw as the Koch administration's insensitivity to minority concerns, Mr. Rangel helped Mr. Koch by establishing meetings between both sides. His action, however, did not go over well with many blacks from diverse backgrounds, who characterized as "devastating" the newspaper photographs of the Mayor with his arm around Mr. Rangel after one of the meetings.

But Mr. Koch has not been ungrateful. "When my relationship with some in the black community reached a low point," said the Mayor, who recalled a time when he and Mr. Rangel were allies in Congress, "he extended a friendly hand by calling me and saying he would like to be helpful.

"He has told some blacks angry with me: 'You say Ed Koch is nasty to you? I want you to know he's nasty to everybody.' I thought that was rather nice."

Some New York politicians have complained that, as Mr. Rangel's star has ascended in Washington, he has tended to neglect his home base. But Mr. Rangel's aides say that the opposite is true, that his work in Washington has suffered as a result of having to serve as "everybody's black Congressman" in New York City. They say a measure of his grass-roots popularity was his recent election as a Democratic district leader.

He and his wife, Alma, and their two children live in Washington but return on weekends to the Harlem house where Mr. Rangel grew up.

Nine years have passed since Mr. Rangel, then an Assemblyman, pulled out a narrow primary victory against Representative Adam Clayton Powell Jr., thereby ending nearly four decades of one-man political rule in the racially and economically diverse district in upper Manhattan. Since then, it is widely agreed, Mr. Rangel has become an influential Representative.

In 1974, he became the first black named to the House Ways and Means Committee; he is now the chairman of the committee's health subcommittee. He is also a member of the Democratic Steering and Policy Committee, which nominates committee chairmen and recommends party policy and legislative priorities. Along the way, Representative Rangel built strong alliances in Congress, in Federal agencies and at the White House.

Mr. Rangel attributes his political success largely to luck and coincidence.

RIGHT PLACE, RIGHT TIME

"My power, if you want to call it that," he said recently, "stems from my ability to be in the right place at the right time.

"For example, when I was on the Judiciary Committee, the impeachment hearings were going on. When I went to Ways and Means, the major problems of the nation were economic. When I became chairman of the health subcommittee, one major problem was the inflationary impact of health care.

"Never have I had to plan my future. There would always be some opportunity that would come along."

Mr. Rangel's associates credit much of his success to a mixture of sagacity, hard work and a distinctive way of winning friends that features jokes, dimples, charm and a sometimes disarming frankness.

KEEPS LINE OPEN TO MAYOR

He is a highly vocal advocate of black interests in the city and, as such, has squared off against Mayor Koch on such issues as Mr. Koch's proposed closings of municipal hospitals in minority neighborhoods and budget cuts in programs affecting black and Puerto Rican residents.

But, as a realist whose district includes areas heavily dependent on city services, he has kept open his lines of communication with Mayor Koch.

Even though the 1980 census is expected to show that Mr. Rangel's district has undergone an 18 percent drop in population during the last decade—largely as a result of abandoned housing—it is considered unlikely that his seat will be threatened by the reapportionment that is expected after the census. Reapportionment technicians say that this is because Manhattan—which now has two full districts, including Mr. Rangel's, and two districts that are shared with other boroughs—is likely to lose only one shared district.

When Mr. Rangel was a freshman Congressman, longtime associates recalled, he was sometimes prematurely viewed as a one-dimensional expert on the "ghetto problems" of welfare and drugs. This perception came partly because his district includes Harlem, the symbol of the nation's ghettos, and he expended much energy attempting to deal legislatively with these issues.

A WILLING LISTENER

Even today, the legislative accomplishments of which he is most proud concern the disadvantaged, including a law that provides a tax credit to employers who hire certain workers, Federal forgiveness of New York City's excessive use of two-party welfare checks and the establishment of an office of "minority economic impact" in the Federal Energy Department.

It was not long after his arrival in Congress that this dropout from DeWitt Clinton High School—who eventually earned a St. John's University law degree—became known as a willing listener to the diverse problems of his colleagues and an able practitioner of political give and take. This ability has been sharpened in part by on-the-job training in his district.

The area, overwhelmingly black in Adam Clayton Powell's time, is now roughly 50 percent black, 30 percent white and 20 percent Puerto Rican. Thus, Mr. Rangel must appear to be responsive on survival issues affecting his constituents in Harlem and East Harlem while being an expert on the Middle East and middle-class concerns for his constituents in the high-rent Lincoln Center area and other West Side neighborhoods. At the same time, he has had to battle pollution problems and obtain rent subsidies for those who voted for him on Roosevelt Island.

The former Manhattan Borough President, Percy E. Sutton, who was instrumental in assisting Mr. Rangel in his initial run for Congress and who has been widely regarded as Mr. Rangel's political mentor, likens the situation to "walking on a tightrope over eggs."

ADEPT AT THE PRACTICAL

In line with this balancing act, associates say, Mr. Rangel is adept at carving pratical solutions out of differing views and will not let idealism cloud reality.

In agreement are those whose political preference runs counter to that of Mr. Rangel, who, in 1978, was rated by major liberal and conservative organizations as having the most liberal voting record of any New York State Representative.

"We've worked very closely on welfare reform bills that have passed in the last three years," said Representative Guy Vander Jagt of Michigan, whose job as chairman of the National Republican Congressional Committee is to unseat people of Mr. Rangel's party.

"He's given a little and I've given a lot. He has persuaded me with a tremendous grasp of subject matter and an ability to explain his position in a very winning way."

WHEELER DEALER TO SOME

But others characterize this as a "wheeler dealer" quality that sometimes calls for the Congressman to ignore principles. Political associates in New York and Washington note that Mr. Rangel, who had opposed natural gas price deregulation, last year voted in favor of lifting controls. There have been accusations that he did so in exchange for a Presidential promise of Federal money for a Third World Trade Center that is slowly going up near the State Office Building in Harlem. Mr. Rangel has denied that a deal was struck.

These same critics suggest that he will throw his support behind Mr. Carter in 1980 purely for the sake of political expediency, although much of his district is expected to be ripe territory for Senator Edward M. Kennedy of Massachusetts. Mr. Rangel, whose Washington office decor includes busts of John F. Kennedy and Robert F. Kennedy, says he has made no decision on the matter, but that it will be "hard to see how I will be supporting Senator Kennedy."

Mr. Rangel shakes off definitions of his political style.

"It depends on what I have to compromise, where the votes are and whether or not I just feel better in being an idealist than being a prostitute," said Mr. Rangel, a decorated Korean War veteran, jostling another cigarette from its pack. Then, in keeping with a program to beat the habit, he dutifully recorded on paper the fact that he was about to smoke.

"I guess I'm practical," he said, "but you have to live with yourself and make sure you are not so practical that you sell out a part of yourself."●

JUSTICE DEPARTMENT IS OUT OF STEP CONSOLIDATING INFORMATION SYSTEMS

HON. RICHARDSON PREYER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. PREYER. Mr. Speaker, I call to the attention of the House a recent report by the General Accounting Office on the Department of Justice's efforts to improve its management records so that it might have a better idea of how much time and money it is spending on certain types of litigation.

As chairman of the subcommittee on Government Information and Individual Rights, I requested the GAO report, entitled "Department of Justice Making Efforts to Improve Litigative Management Information Systems" numbered GGD-79-80.

Unfortunately, the efforts are far from concerted. Justice's litigation divisions—Criminal, Civil, Civil Rights, Antitrust, Land and Natural Resources, and Tax—are not gatherng information in the same way so that the Department can operate more efficiently. Consequently, as various oversight and internal studies have shown in the past, the Department does not have information to determine how much time and resources are needed to litigate certain categories of cases and thus work up a proper budget for the job. Thus the prospect of one large view of where the Department stands remains remote.

In the meantime, we can only hope for parts of the picture, the sum of which will not be as clear as the whole. As Comptroller General Staats points out:

> Uniform data on staff time expended and specific case information could be maintained. Staff time expended should be shown all litigation activities on individual cases and matters. This could provide Justice with a data base for comparing and projecting resources needed and the resources available to handle existing caseloads. Such information would no doubt alleviate some of the past problems Justice has encountered in supplying budget and cost data supporting resources requests.
>
> Additionally, uniform data on cases also appears feasible. While there are unique informational needs of each litigation group, some commonality could be achieved, such as the calendar time required to handle a case, case disposition, and current status. Automated case management systems permitting readily retrievable summary data now being developed or planned could have such standard features.

The GAO report lists in detail some of the examples of what has happened because the Justice Department has not had this information:

Congressional attempts to determine how much fraud has been committed against the Government have foundered.

The Senate Committee on the Judiciary tried to find out how many outstanding judgment or fines the Justice Department could collect, and the Department's estimates ranged vaguely between $500 million and $1 billion.

In April 1976 the Subcommittee on Government Information and Individual Rights requested the GAO to determine the number, nature, and potential cost to the United States of lawsuits brought against the Government by citizens alleging law enforcement and intelligence abuses by Federal authorities. It was originally expected that this review would take no more than a month to put together, and would require only an index search by auditors. A year later, the GAO came up with an estimated list of cases, which the accounting unit admitted was incomplete. The GAO auditors found they had to read the case complaints line by line and personally interview Government attorneys handling them to come up with the substance of particular cases and their status before the courts.

The lack of comprehensive information about the Justice Department's needs will make our job in Congress—just as it has the Office of Management and Budget's—more difficult in trying to determine the Department's funding. As the GAO report further points out:

> In the absence of information systems on how attorneys and other staff spend their time, many potential elements of an adequate management information system are not available. For example, missing are summary statistics on staff time devoted to individual cases and/or matters, resources devoted to particular case types (such as drug or white-collar crime), and time devoted to particular steps in the litigation process (such as investigation, preparation of briefs, and depositions). As a result of this shortfall, the Justice Department is automatically precluded from obtaining hard data on litigation costs.

One of the chief reasons that the Department has been unable to obtain such summary information is that it has been unable to quickly retrieve data on individual cases. In the past, the Civil Rights and Criminal Divisions have relied on card files and manual systems to record such data in the cases. The Tax Division and the executive office for U.S. attorneys have automated systems to provide summary data on cases. However, the GAO reported that the summary reports were inaccurate.

The shortcomings have been known for years. For instance, in 1970 the Department began working on a system that would provide more detailed data from the U.S. attorneys' office than bare-bones information such as how many cases are pending and when they were received. Under a justice information management system (JIMS), there was also supposed to be data on the cases' change of status and sentencing. But the system was halted in 1973 because dates were not being entered and the computers were not working right.

In 1974, a new automated caseload and collections system (ACCSYS) was launched to, among other things, keep track of cases referred to U.S. attorneys and determine how complex they were. However, in July 1978, an internal audit report determined that a feasibility study of the system had never been done, nor had objectives been established. Also, the system had technical and performance problems. The GAO estimated that more than $2 million had been spent on the system, but now because of the problems, there are no plans to establish it nationwide. Instead, two contracts have been let for a total of $335,000 to develop a management information system for U.S. attorneys.

In 1977, Attorney General Bell noted that OMB had asked the Justice Department to improve its litigation management. To accomplish this, the Attorney General pointed to a need for better data and established a task force to develop a departmentwide system of measuring workloads and assigning priority to cases. In October of that year, the task force reported that each litigation division saw its own need, and the study group recommended that each one proceed according to its own requirements. By February of last year, the divisions were proceeding at staggered paces and still could not identify common needs. As in private practice, one of the problems was that lawyers do not like to account, hour by hour, for what they have done on the job. As the GAO report points out:

> Residual resistance to attorney timekeeping still existed due to a briefly imposed system in 1971 which had been cumbersome.

A year ago, Justice's own Office of Management and Finance pointed to a problem of no central management and not enough resources applied to establish departmentwide information. On February 14, 1979, Attorney General Bell directed the "immediate formation" of a management system task force, but so far it has launched no offensive.

Today, despite an outlay of $1 million, the efforts of the various litigation divisions may be several years away from completion. In the meantime, most of the divisions are at least establishing systems of timekeeping—even though they differ—which will be somewhat useful for budgeting. Also, most of the divisions have automated or plan to automate case files, which will allow for more ready retrieval of data on individual cases.

The Senate Committee on the Judiciary in its authorization bill this year called upon the Department to submit a plan by January 1, 1980, to consolidate information systems. The House Government Information and Individual Rights Subcommittee has expressed a similar wish. The Justice Department plans to consider whether such a uniform management information system is feasible, and I hope that the Department finds that it would be.

I am encouraged by a speech that Attorney General Civiletti gave on August 31 before the West Virginia Bar Association in which he mentioned the recent appointment of a special counsel for litigation management. Among the problems that the new Attorney General saw was a lack of a useful, automated information system to help attorneys and supervisors manage caseloads and evaluate performance. He said:

> Whatever systems presently exist are designed to provide information for oversight committees and agencies, but they do not give United States Attorneys themselves needed data. Consequently, the department is now in the process of developing a case tracking and management information system for its attorneys. This system will provide field offices with information needed to control and evaluate their own caseload and will also, as a by-product, feed information into a centralized data base in the department, so that we here can better monitor work and performance.

If we in Congress have had trouble figuring out the Justice Department's inner workings, we should sympathize with those who have had more difficulties on the inside because of a lack of information.

Mr. Speaker, I will look forward to keeping the House abreast of the Justice Department's efforts to consolidate its information systems.●

WOLFF HONORS THE MEMORY OF MORRIS BAUMAN

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. WOLFF. Mr. Speaker, most recently I had the distinction of participating in the dedication ceremonies of the Morris Bauman Room of the Lake Success Jewish Center under the inspiring leadership of Rabbi Seymour Baumrind.

Mr. Speaker and my distinguished colleagues, in these times when our Nation seeks leadership and direction, the contributions of Morris Bauman extend beyond the local prominence he maintained. Rather, Morris Bauman's lasting service will be the inspirational dedication he demonstrated as a founder and president for 12 years of the Lake Success Jewish Center. The example he set for his fellow citizens and the young people has truly inspired generations toward a greater commitment to the philosophy and principles of Judaism. I am also proud to recognize the contributions and sacrifice of Morris Bauman's wife Rachel and their two children, Dr. Jonathan Bauman and Mrs. Helen Bauman Sweitzer for they also gave greatly to the Lake Success Jewish Center and the community with their patience and enduring support of Morris Bauman's work.

Mr. Speaker, as you know, I have spoken on the floor of the House of Representatives on many occasions on behalf of the interests and concerns of the communities of my congressional district. It is indeed a particular pleasure for me to speak of the great contributions of my beloved friend and a leading citizen by calling the attention of the Congress to the work of the late Morris Bauman.

I forward with my remarks a brief commentary of Morris Bauman issued by the Lake Success Jewish Center.

MORRIS BAUMAN, ESQ.

A leader of K'lal Yisrael. He was a founder of the Lake Success Jewish Center and it's dedicated and esteemed President for over 2 decades. A devoted and beloved husband of Rachel, they raised two precious children, Helen and Jonathan, and inspired them to noble and exemplary living.

A dreamer and visionary, he worked unstintingly and unselfishly to bring into fruition this beautiful and inspiring Synagogue and Center. He was greatly imbued with the Prophet Micah's ideals summed up so magnificently in the words *"It hath been told to thee, O Man, what is good, and what the Lord doth require of thee: Only to do justly, and to love mercy and to walk humbly with thy God."*

These verities motivated his whole life and he implanted them within the very fiber of our House of God. Through us, members of the Lake Success Jewish Center, who were so deeply inspired by his exemplary leadership, Morris Bauman, of blessed memory, will continue to live eternally.●

GLEANING: A HARVEST FOR THE OLD

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. AuCOIN. Mr. Speaker, food in our country is going to waste while some Americans go hungry. In 1977, 20 percent of our Nation's crops were left in the field to rot because there was no commercial market for them. This tremendous waste needs to be prevented in order to feed the hungry. The way to salvage this food is gleaning, the process of hand harvesting crops left behind after mechanized harvest or which remain unharvested because of adverse marketing conditions.

More and more, people are realizing that gleaning is a good way of providing food to people who might not otherwise be able to obtain it. I, therefore, introduced H.R. 2152 in February to allow a tax deduction for farmers to donate gleaned crops to charitable organizations. These organizations are also doing their part and one such example is Senior Gleaners in Sacramento, Calif. I read about the organization and its activities in the Washington Post on Sunday, November 11, and I would like to share the article with my colleagues:

SENIOR CITIZENS ROAM FARMLANDS FOR FOOD THAT WOULD OTHERWISE GO TO WASTE—AND THEY SHARE THEIR BOUNTY WITH OTHERS

(By Michael Satchell)

SACRAMENTO, CALIF.—One recent morning while most of Sacramento was deciding what to have for breakfast, Peggy Rand was already bending into her day's work in a 40-acre honeydew mellon field south of town. Under a hot sun, she and about two dozen fellow pickers moved slowly along the rows, stooped over, foreheads beading sweat, plucking plump fruit from the vines in a timeless scene and ritual of the harvest.

Peggy is 74 years old, a white-haired, apple-cheeked, twinkle-eyed lady who looks as if she should be pushing a front porch rocker rather than toiling away an hour after sunup on a California fruit farm.

In fact, most of her fellow workers were 60 years old or more. And while old bones and stiff muscles might have slowed a few of them up, nobody was complaining.

Peggy Rand and her friends are no over-the-hill gang of migrant workers. They are gleaners—people who move into the fields, orchards, canneries and packing houses to salvage what is left after the human or mechanical pickers and sorters are through. And usually plenty is left.

Gleaners are, in the finest sense of the phrase, professional scroungers. They glean produce that otherwise would go to waste—either plowed under in the field, left to rot at the packing house or sold off for pig food.

As agriculture and food processing become more mechanized, farm labor more costly and the whole economic equation more complex, vast amount of perfectly edible and delicious fruits and vegetables go unpicked or unpacked.

Each year, the U.S. General Accounting Office estimates, some 60 million tons of food worth $5 billion is lost during the harvest. The amount lost between the farm and the supermarket shelf as the produce passes through the harvest-storage-transportation-processing-distribution chain is believed to be some 137 million tons annually, or about 20 percent of all the food produced in the U.S.

"People who don't live near food-producing areas have no idea of the fantastic amounts that are wasted," explains Lonnie Beard, president of Senior Gleaners Inc., the nation's largest such program.

"Unless the item is perfect, the canneries and the supermarkets don't want it. Anything that is slightly blemished, or not just the right size and shape, or slightly underripe or overripe, usually gets thrown out. And that's where we benefit."

California is one of the world's great food-growing areas, and about 43 percent of America's vegetables, plus a large amount of our fruit, is produced in that one state alone.

The paradox is that in the midst of all this abundance, many elderly and poor people living on fixed incomes rarely get to taste fresh produce because after it is harvested and passed through the middleman, its price in the market is beyond their reach.

The gleaning movement—which has attracted mostly elderly people into its ranks—is one of those ideas in which everyone benefits.

Because they are able to salvage far more produce than they can eat or can themselves, gleaners distribute large amounts to charity groups.

Farmers opening their fields and orchards to the food scavengers get a tax break under certain circumstances. And there are intangible benefits too.

"It gives the elderly a sense of purpose, a sense of worth, an opportunity to work and to help people," says Bob McCarty of the Second Harvest Food Bank in Phoenix, Ariz., an organization that coordinates the distribution of surplus commodity foods nationwide and also offers aid and support to gleaning programs.

Gleaning is a Biblical term referring to the ancient Hebrew practice of farmers leaving a portion of their harvest ungathered for the poor to glean. While individuals and small groups may have salvaged food over the years, the modern, highly organized American version of gleaning began in Sacramento less than four years ago.

Homer Fahrner, 78, a retired stockbroker, became upset at the irony—and the shame—of seeing people go hungry while food rotted in the fields just miles away. So he decided to do something about it.

In December 1974, Fahrner placed an ad in a senior citizens' newsletter, listing his telephone number and explaining that if 20 people called, he would organize a meeting to do something about the food situation. The telephone rang incessantly, a meeting was called in January, a farmer offered 60 acres of melons, and the ancient practice of the second harvest was reborn in the form of Senior Gleaners.

Fahrner has since moved on to another group, but Senior Gleaners—now led by Beard, a retired Air Force senior master sergeant—remains the largest, most experienced and best organized of the nation's gleaner groups.

Its present size is 1600 members—cut down from over 2000 last year because it was becoming unwieldly. Rules and regulations for membership are simple: a person must be 50 or older and willing to work in some capacity. Healthy, able-bodied members do the picking (usually no more than four or five hours a day), sorting and distributing. The more frail or handicapped members handle office chores—answering telephones, typing, making coffee or whatever.

Members are asked to contribute $2 a month if they feel they can afford it, and this pays for gasoline, oil and repairs to the group's six donated trucks. It also covers utilities at their headquarters, an old school about a mile from the Sacramento statehouse.

On a recent afternoon, Beard guided a visitor around headquarters and extolled the virtues of a program that he feels can be operated in any area of the country where produce is grown.

As elderly people unloaded onions and tomatoes, pecked away on typewriters or telephoned charities around the city to arrange for food dropoffs, Beard enthused: "If it weren't for gleaning, a lot of these people would be sitting on a park bench with their heads in their hands. Many have worked hard all their lives and don't like sitting around. Here they're getting a chance to help themselves and others less fortunate. To see a guy of 80 and a lady of 65 loading a pickup with fresh produce and driving off to deliver it to a charity group—well, that's mighty rewarding."

Beard estimates that Senior Gleaners will pick close to 6000 tons of produce this year. "But we won't even make a dent in the waste," he stresses.

Gleaners love to describe to incredulous outsiders some of the produce bonanzas they have been offered. One farmer gave 75 tons of onions still in his fields because they were the wrong size for the buns of his major customers, a hamburger chain. A packing house donated 7 tons of onions already sacked because they were mostly "doubles"—two growing together. There were 36 tons of pears too big for canning, 5 tons of potatoes too bent and knobbly to attract finicky buyers in the supermarket, 60 acres of melons, 40 acres of peaches. . . .

Farmers, too, seem to enjoy seeing the fruits of their labors put to good use when they might otherwise be wasted. Said Mrs. Patty Nieschultz of Wheatland, Cal., who co-manages an 80-acre fruit orchard with husband Lloyd: "This year our peaches were undersized and just didn't ripen properly, and so we couldn't sell them. Even with a good crop, the cannery rejects perfectly good fruit because it's undersized or slightly scarred. It used to make me sick to see all this beautiful fruit wasted. Now we call the Gleaners, and it's wonderful. Not only do they get the fruit, but when they clean out the orchard, we have less problems with brown rot, a fungus disease that comes from old fruit being left around."

Gleaning is only in its infancy in the U.S. A Parade check around the country with U.S. Department of Agriculture agents and surplus commodity food bank operations shows that only the tiniest morsels are being plucked from the vast banquet board of wasted produce. The only organized gleaning programs appear to be in California, Arizona, Oregon, Washington and Michigan, but they are widely scattered and probably only scratching the surface of salvageable foods.

One impetus for gleaning—apart from the soaring cost of food during our present inflationary spiral—is likely to come from Congress. Bills have been introduced in the House and Senate that would allow farmers to receive a tax deduction or a tax credit for food they donate to gleaners. The bill would encourage farmers to open up their fields and orchards for a second harvest by people like Peggy Rand and her elderly friends.

Taking a break in the field to chat with a visitor who interrupted her labors, Peggy explained what the gleaning movement meant to her, beyond the obvious benefits.

"To me, there's a certain satisfaction in not seeing things go to waste," she said. "Gleaning is an idea whose time has come because it makes such good sense. And besides, it's a lot of fun. Now, excuse me—I gotta go pick melons."●

STARING DOWN THE BOMB BREEDERS

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. BINGHAM. Mr. Speaker, 2½ years after President Carter announced his courageous campaign to curb the spread of nuclear weapons technologies and materials, and a year and a half after Congress overwhelmingly passed the Nuclear Non-Proliferation Act—the United States' arguments in favor of a tough international non-proliferation policy have grown even stronger.

Even as the 2 year, 52 nation international nuclear fuel cycle evaluation (INFCE) winds to a close, its participants have already conceded that the economic forecasts used to determine when plutonium fuel cycles might be needed are seriously exaggerated. An October 1979 Department of Energy report shows a 38 percent discrepancy between United States and INFCE estimates of world nuclear energy growth.

Pakistan's success in acquiring the plans and importing the materials for a clandestine nuclear enrichment facility suggest strongly that the world must tighten, not ease the controls on transfers of sensitive nuclear materials.

Even so, the United States is fighting an uphill battle with its friends and foes to bring them on board on this extremely important international security matter. A meaningful combination of "carrots and sticks" seems an essential prerequisite for U.S. diplomatic success.

I would commend to my colleagues a November 11 New York Times editorial which states the case succinctly and well:

STARING DOWN THE BOMB BREEDERS

President Carter's ambitious campaign to block the spread of nuclear materials that can be converted into bombs is running into stiff opposition. Nations like France, Britain and Japan are resisting. Influential study groups call the policy ineffective. Some American diplomats appear resigned to a spread of the dangerous technologies at least to "safe" and friendly industrial nations.

Before the erosion proceeds much further, the President had best look again. His case for holding the line may be getting stronger.

The President wants to prevent a competitive commerce in plutonium or highly enriched uranium, both of which can be used to make nuclear weapons. With more than 30 nations planning nuclear power plants for the mid-1980's, he rightly fears that some might find weapons irresistible. Mr. Carter is not much concerned about conventional reactors, which burn low-enriched uranium unsuitable in weapons and whose plutonium byproduct is virtually inaccessible. He worries about breeder reactors, which operate on plutonium, and reprocessing plants, which extract plutonium from spent fuel rods. As an example to others, he delayed American work on this technology. He has also threatened to deny nuclear support services and other aid to nations that ignor his plea. It remains a worthy policy.

But increasingly the policy is being challenged. Fuel-short nations are lured by dreams of energy security—particularly the greater supply of fuel promised by breeders and reprocessors. They need to learn that these technologies won't make a significant difference for decades; they are no answer to the present oil shortage.

Many of the President's critics also contend that the military danger of advanced technologies has been exaggerated. A nation looking to build nuclear weapons, they say, would find it cheaper and faster just to build small bomb factories. But there remains the risk that access to bomb-grade fuel in power plants would tempt some governments and also provide a cover for weapons production.

Other critics think it's simply too late to turn back the technological clock. The plutonium produced by conventional reactors, they say, will eventually become accessible as the radioactivity in spent fuel rods dissipates. But that is an argument for better international control of spent fuels, not for giving up.

The most telling argument against Mr. Carter is that the constant pressure harms diplomacy. It produces tension with allies whose advanced nuclear programs are proceeding, and with third-world governments that resent being classified as untrustworthy. Moreover, nations that fear being cut off from American nuclear services may seek them elsewhere or build their own facilities, thus compounding the problem. But the pressure also yields benefits. It clearly succeeded in aborting several transfers of dangerous technologies.

This seems the wrong time to retreat. Several trends are running in Mr. Carter's favor and if he can hold out they may become obvious to other nations. Projections of demand for nuclear power keep decreasing and supplies of uranium increasingly appear to be ample. The need for reprocessors and breeders is declining, and so is their economic attractiveness.

Diplomacy is often a judicious combination of carrot and stick. Mr. Carter might well offer more carrots—both nuclear and conventional aid—to those nations that forgo dangerous power systems. But he should think twice before laying down the stick.●

COMPREHENSIVE POLL TAKEN ON ATTITUDES IN IRELAND: PART III

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. BIAGGI. Mr. Speaker, today I wish to insert for the benefit of my colleagues, a third installment of the poll which was recently released in the Republic of Ireland on attitudes to the Northern Ireland question.

As chairman of the Ad Hoc Congressional Committee for Irish Affairs, I feel it is important that this information be made available for public consumption. While the findings of this poll do not necessarily reflect my own personal views not those of the committee, I feel that there is a great significance to the data which has been compiled by these researchers.

This section deals with the most rejected solution to the Ulster question and also details the feeling in the Republic with regards to a change in their own Constitution:

MOST REJECTED SOLUTION

When one compares the views of people in the Republic with the views of Northern Ireland Protestants, one gets something close to a mirror image situation. Fifty seven per cent of people in the Republic reject any solution which involves Northern Ireland remaining part of the United Kingdom. This is the solution endorsed by 89% of Northern Ireland Protestants. Similarly, 55% of Northern Ireland Protestants select as their most *disliked* solutions the two united Ireland options endorsed as first choice by 68% of people in the Republic. This 55% is very unevenly divided between the unitary and federal versions of a United Ireland. However, this is not to say that a significant number of Northern Ireland Protestants like the idea of a federal united Ireland. Table 16 shows that it is the positive choice of only four per cent of Northern Protestants.

TABLE 35.—COMPARISON OF POLICY PREFERENCE IN THE REPUBLIC OF IRELAND AND NORTHERN IRELAND: CONSTITUTIONAL CHANGE IN THE REPUBLIC

Proposal and response	Percentage of respondents in the Republic of Ireland	Percentage of respondents in Northern Ireland		
		Total	Protestant	Catholic
The Irish Government should remove from the Constitution the claim to Northern Ireland:				
Agree	24.4	68.7	88.1	29.6
Disagree	71.4	27.9	8.2	66.4
Don't know/not ascertained	4.2	3.9	3.6	4.0
Total [1]	100.0	100.0	99.9	100.0
Number	(1,758)	(1,277)	(825)	(402)
The Irish Government should take the steps necessary to make divorce legal in the Republic:				
Agree	46.0	60.2	67.6	44.8
Disagree	50.9	29.4	19.8	49.2
Don't know/not ascertained	3.1	10.3	12.6	6.0
Total [1]	100.0	99.9	100.0	100.0
Number	(1,758)	[2] (1,277)	(825)	(402)

[1] Deviations from totals of 100 percent are due to rounding errors.

[2] Total consists of 825 Protestants, 402 Catholics, and 50 members of other religions, which are not included in the breakdown.

The single most frequently rejected solution in the Republic of Ireland (31 percent) is that of Northern Ireland remaining part of the United Kingdom with no parliament of its own but governed directly from London (this formulation includes both direct rule by means of a Secretary of State and total integration). Forty two percent of Northern Catholics reject the notion of Northern Ireland remaining part of the United Kingdom but three-quarters of these (i.e., 42 percent of all Northern Ireland Catholics) reserve their greatest dislike for the devolved government with majority rule version of that option and only one-quarter (i.e. 10 percent of all Northern Ireland Catholics) object most strongly to direct government by London.

This is a further example of a phenomenon we have already noted: considerable discrepancy between the views of Catholics in Northern Ireland and the predominantly Catholic population of the Republic of Ireland.

The discrepancy between the two groups is greatest in regard to their level of objection to an independent Northern Ireland. Close to a majority (48 percent) of Northern Ireland Catholics dislike most the option of an independent Northern Ireland. This view is shared by only 20 percent of people in the Republic of Ireland. On the other hand, dislike of the independence option provides some common ground between Catholics and Protestants in Northern Ireland, since 31 percent of the latter dislike independence most. Taking both the pro- and anti-independence responses of all the relevant groups into account, it would seem that, of all the options, an independent Northern Ireland would satisfy the smallest number and create the largest overall level of dissatisfaction.

The option of remaining within the United Kingdom chosen by a large majority of people in Northern Ireland is preferred by only a minority of British people (25 percent). A major factor in this discrepancy is the gap between Northern Ireland Protestant opinion and British opinion, but it is significant that there is proportionately twice as much support for Northern Ireland remaining within the United Kingdom among Northern Ireland Catholics as there is among the people of Great Britain itself. In other words, neither the people of Great Britain nor the people of the Republic of Ireland are anywhere close to the views of either the Protestants or the Catholics in Northern Ireland on this issue. A further instance in which both the British public and the public of the Republic of Ireland are completely out of line with both communities in Northern Ireland has to do with Option 6 (an independent Northern Ireland) which has only three percent support from either of the communities in Northern Ireland and yet is supported by nearly a quarter of people polled in Britain.

CONSTITUTIONAL CHANGE IN THE REPUBLIC

There is only limited support in the Republic of Ireland for changes in the 1937 Constitution which are frequently regarded as relevant to a solution of the Northern Ireland problem. This support is particularly low (24%) in the case of the proposal to remove the claim to Northern Ireland from the Constitution. A necessary condition for the relevance of such changes to the search for a solution is that the changes be desired by people in Northern Ireland. Table 35 presents the relevant data in regard to the two specific constitutional changes discussed in the previous section—removal of the claim to Northern Ireland and removal of the prohibition of divorce.

There is a widespread demand in Northern Ireland for the removal of the claim to Northern Ireland from the Republic's Constitution—69% agree with the proposal. It is, however, an issue on which the two communities in Northern Ireland differ radically and on which Northern Ireland Catholics are much closer to people in the Republic than they are in relation to choice of solution. Thus, whereas a United Ireland solution is chosen by 68% of people in the Republic compared with 39% of Catholics in Northern Ireland, the retention of the constitutional claim to Northern Ireland is supported by 71% of people in the Republic and by 66% of Catholics in Northern Ireland. However, in striking contrast is the 88% support among Protestants in Northern Ireland for the removal of the constitutional claim.

Turning to the divorce issue (also in Table 35) there is a preference on the part of a large majority in Northern Ireland (60%) for legalisation of divorce in the Republic. Again the main source of divergence on the issue between the Republic and Northern Ireland is the large difference between people in the Republic (46% of whom favour legalisation of divorce in the Republic) and Protestants in Northern Ireland (68% of whom favour such a change in the Republic).

On both issues therefore, there is a preference in Northern Ireland, principally among Northern Ireland Protestants, for change in the Constitution of the Republic of Ireland. This suggests that such changes could make a contribution to the search for a solution; it does not, however, prove that they would do so. To put the matter in another way, the data demonstrate the existence of a necessary but not a sufficient condition for the relevance of constitutional change in the Republic to the search for a solution.●

NEW YORK STATE ASSEMBLYMAN SEAN WALSH ON BRITISH INVOLVEMENT IN NORTHERN IRELAND

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. BIAGGI. Mr. Speaker, one of the most distinguished members of the Assembly of the Great State of New York, Sean Walsh, recently wrote an editorial for the New York Times entitled "To England: Leave Ireland." I feel it is important that my colleagues here in Congress be made aware of this article and the untiring efforts of this public official to bring to greater attention the problem of Northern Ireland.

Sean Patrick Walsh, it should be noted, is both a well-respected legislator and untiring statesman in bringing the Irish question to the place that it occupies today: a place of high international and national visibility. As chairman of the Ad Hoc Congressional Committee for Irish Affairs which has 130 Members of Congress, I salute this man's work for he has been an important partner of the Ad Hoc Committee in helping to bring peace and justice to Northern Ireland.

There are some very salient points in this article which are worth mentioning. One notes the oft-stated claim that the violence in Northern Ireland is sectarian-based is at least, historically, inaccurate. Many of us are not aware that Ireland was at war with England at least 400 years before the Protestant Reformation.

Another point draws important parallels between the Irish question and the talks which the British are holding on Zimbabwe-Rhodesia. Somehow there are those who can applaud the efforts of Britain in negotiating with the guerrillas of the Patriotic Front, yet feel that such a solution to a similar problem could not be applied in Ireland.

I urge my colleagues to think about the historical dimensions of the Irish question which are so succinctly raised by my friend and colleague from the Bronx, Assemblyman Walsh. It is important that each and every one of us take a long and serious look at the problem of Northern Ireland, a problem which has plagued the lives of so many by its death and destruction. We need not be silent and look the other way when our own actions and words could bring peace and justice to a troubled land.

The editorial follows:

TO ENGLAND: LEAVE IRELAND

(By Sean Patrick Walsh)

The assassination of Earl Mountbatten of Burma has resurrected the dormant gaggle of critics whose sole interest in Irish politics is denigrating the Provisional Irish Republican Army. As if the Provos, as the Provisional I.R.A. is known, were the cause of the problem, these contemporary Cassandras have worked themselves into a veritable dither of inanity about "terrorism" and have omitted from their moral lexicon the concept of justice. Forgetting that one man's terrorist is another man's patriot, critics of every imaginable ideological hue have waxed stentorian about I.R.A. "murderers" while selectively ignoring the brutality and indecency of England's occupation of Irish soil.

No serious student of Irish history can discuss the I.R.A. as a Gaelic counterpart of the Palestine Liberation Organization or any other 20th-century terrorist group. The Irish Republican Brotherhood was in fact founded in New York City in 1857. The principles of the Brotherhood were simple: to break the connection with England and to assert the independence of Ireland. This nationalist philosophy was first articulated by the great Protestant Irish patriot, Theobald Wolfe Tone, in 1791, was reasserted by Robert Emmet in 1903, and was the inspiration of the Young Irelanders in 1848 and the Fenian movement in 1865 and 1867. It animated the rebellion of Patrick Pearse and the men of 1916 and it is the operative political principle of David O'Connell, the Provo chief of staff, in 1979.

Those who prattle about I.R.A. violence in English-occupied Ireland today, without calling for a just and legitimate resolution of the right of Irishmen to political independence, are either moral relativists or, worse, obscurantists. Terrorist bombs come in many shapes and sizes. Some are dropped indiscriminately from B–52's at 10,000 feet, others are delivered in person. Some are placed in Middle Eastern hotels, some go off in Belfast. The motivation of the terrorist, not his methodology, is the distinguishing criterion. Irish "terrorists" are seeking to drive England out of Ireland, just as Menachem Begin sought to drive England out of Palestine. It is amazing how the alchemy of success crowns the erstwhile terrorist with the mantle of respectability. Sam Adams and the Sons of Liberty were regarded by the English as terrorists and George Washington would have been hanged from the nearest yardarm if George III had had his way.

Then there are those who carp about the sectarian nature of the problem in Ireland, as if Protestant Orangemen choose loyalty to England on religious grounds. While the issue of religion has added an extra dimension to Ireland's national war for independence, it must be remembered that Irishmen were at war with the English invader for 400 years before the Protestant Reformation. The issue to be resolved is not papal infallibility or the virtues of transubstantiation "versus" consubstantiation; the issue is whether England has any moral or legal claim to govern or own any part of Ireland. Other than right of conquest and invasion, England has no such claim. Therefore it should withdraw.

It is always interesting to note the subtlety of philosophical disquisition when the subject is Ireland. More people are concerned today about the imminence of civil war in Ireland, in the event of England's departure, than they are about the millennium of murder, bigotry, racism and genocide that is the English legacy in Ireland. How deeply concerned some individuals are with the 2,000 deaths that have occurred in Ireland since 1969, but how indifferent they are to the root cause of those deaths and the millions of Irish who have died as a result of English colonialism since 1169!

At this very moment, there are those who favor immediate black democratic rule in Zimbabwe Rhodesia even at the cost of civil war and bloodshed, but these same individuals are horrified at the specter of civil war in northeastern Ireland. Why the difference? Are bigotry and oppression more acceptable in Ireland than in Rhodesia? Would these critics of the I.R.A. feel the same way if the nationalist community of English-occupied Ireland were black? Or if they were Jews? If not, then why the double standard?

It is certainly legitimate and rational to abhor violence. But there are occasions when violence is justified. The brutal history of England's colonial occupation of Ireland and England's refusal to accord the Irish people, as a whole, the right of self-determination affords one such occasion. No legal double-talk, no moral legerdemain, no political casuistry can change the nature of the single and decisive operative fact of life in Ireland today: England manufactured the six-county statelet known as "Northern Ireland" by a cynical and evil gerrymander in 1922. That concession to bigotry and hatred is the reason for Lord Mountbatten's death and the deaths of so many innocent lives since 1969.

Let England then do the right thing in Ireland, as France did in Algeria in 1962—recognize the morally and politically indefensible nature of its occupation of Irish soil, terminate that occupation and permit the whole people of Ireland, not the residents of a part thereof, to choose their own national destiny.●

MR. VANCE'S TRIP TO ROMANIA

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. SCHULZE. Mr. Speaker, later this year Secretary Cyrus Vance will travel to Bucharest, Romania for the purpose of reviewing our bilateral relations with that socialist country.

It is my hope that Mr. Vance will use this opportunity to remind the Romanian Government of its latest commitment to allow free emigration.

Just 4 months ago this body voted to extend most-favored-nation status to Romania based on a series of secret assurances given by that government to the B'nai B'rith. While details of those assurances are not widely known, my information leads me to believe that there has not been a significant change in the Romanian Government's attitude toward eliminating emigration barriers. There has not been a significant increase in the number of people leaving Romania.

I have made available to the Romanian Government and Secretary Vance an extensive list of individuals desiring to emigrate. To date, I must report that only 19 cases out of approximately 250 cases have thus far resulted in actual emigration to either the United States or Israel. Some of these cases are well known and have been pending for many long years.

In addition, I have written to Secretary Vance and have asked him to inquire as to the Romanian Government's commitment to free emigration and whether it intends to live up to its latest assurances. We can ill afford to lose this opportunity to help those individuals who desire to emigrate.

Thank you, Mr. Speaker. I insert a copy of my letter to Secretary Vance in the RECORD at this point:

NOVEMBER 13, 1979.

Hon. CYRUS R. VANCE,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: It is my understanding that you are currently planning on traveling to Bucharest, Romania on December 12th for the purpose of improving bilateral relations with that country.

As you are aware, there has been considerable controversy over whether Romania continues to meet the emigration requirements of the Trade Act of 1974 and whether it is denying basic human rights to its Hungarian minority.

It is my hope that you will utilize this opportunity to discuss these two important issues with the Romanian Government and to pursue with them a number of outstanding emigration cases.

In an effort to assist you in this respect, I am enclosing for your information an emigration list which contains approximately two hundred and fifty cases. Regrettably some of these cases have been pending for a number of years and to date only nineteen have resulted in actual emigration to either the United States or Israel.

I would greatly appreciate your discussing these cases with the Romanian Government and keeping me informed as to the progress on each case.

Sincerely,

RICHARD T. SCHULZE,
Member of Congress.●

FREEDOM FOR SOVIET JEWS A VITAL ISSUE—IX

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. UDALL. Mr. Speaker, just a few days ago in this Chamber the House approved a resolution calling upon the Government of the Soviet Union to release Ida Nudel from Siberian exile, and to allow her to emigrate to Israel. Many Members rose to speak for this woman who has been sent far from her family only because she wants to be free, and because she hung a sign from her balcony expressing that wish for freedom.

I applaud the action of the House in adopting this resolution, and I hope it does some good. But it only points out the magnitude of this unacceptable Soviet conduct in refusing to allow the refusniks to emigrate. For if the House of Representatives was to debate a single resolution each day for a single refusnik, just as we have for Ida Nudel, not only would we consider a resolution for each day remaining in this session, but we would consider one for each day of the second session, and probably for each day of the first session of the 97th Congress.

That is a reflection of the depth of this issue. Many of my colleagues have "adopted" families of refusniks, as I have, and we write letters and make statements and try to help in any way we can. But even so we only scratch the surface, for there are literally tens of thousands, perhaps hundreds of thousands of people in the Soviet Union who want nothing more than to get out.

These are not spies, they do not want to take over the system or kill anyone or blow up any buildings. They are not agitating for "counter-revolution," they do not want to run off with state secrets. They simply want out.

One family that wants out is the Fradkins, of Leningrad. I have made three separate statements about the Fradkin family as have others, but they are still in the Soviet Union, and I do not know if they are any closer to departure. The State Department has been very helpful in making sure that the Soviet Government knows of our interest in this case, and I hope U.S. officials will continue to work for the Fradkin's release.

The facts in this case are simple. Daniel Fradkin, who is trained as a mathematician, is not allowed to pursue his chosen profession. The family first applied for an exit visa back in 1977—7 years ago—and indications are that they may not even be allowed to apply again until next year at the earliest. The original visa request was denied on the grounds that Daniel Fradkin had access to "state secrets." Yet those state secrets are over 16 years old, and Mr. Fradkin was only marginally involved in this research. And there is a chance that he will be charged with "anti-Soviet agitation and propaganda activity" for teaching Hebrew, owning a Hebrew Bible, and for pressing for his rights as guaranteed under the Soviet Constitution.

With the 1980 Olympic games getting closer, with the House beginning to consider most favored nation status for the Soviet Union, I think it would be a good time for some conciliatory moves by the Soviet authorities. I urge my colleagues to keep in mind the attitude and actions of the Soviet Union in the area of human rights as we consider MFN legislation and other measures which affect United States-Soviet relations.●

INTERNATIONAL STUDY CONCLUDES THAT REPROCESSING OF SPENT NUCLEAR FUEL CAN BE CARRIED OUT SAFELY AND ECONOMICALLY

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. JENRETTE. Mr. Speaker, the 2-year International Nuclear Fuel Cycle Evaluation (INFCE) is drawing to a close. Preliminary reports indicate that this study will demonstrate that nuclear fuel reprocessing can be carried out safely and economically, with minimal risk of the diversion of plutonium.

This conclusion is contained in the final draft of the INFCE report. The report specifically singles out a reprocessing technology known as coprocessing—in which the product emerges from the plant as a mixed stream of plutonium and uranium rather than plutonium in a separated form—as greatly reducing the risk of nuclear proliferation.

The report also recommends that advanced nations with large reprocessing plants could offer these services to countries that are at an earlier stage of nuclear development. Participants in the INFCE will meet in plenary session next February to take final action on the draft report.

A recent article by Lee Bandy, the respected Washington bureau chief of the State, of Columbia, S.C., provides an excellent summary and discussion of the preliminary INFCE conclusions. I would like to include Mr. Bandy's article in the RECORD at this point:

RISK OF SPENT FUEL DIVERSION MINIMAL

(By Lee Bandy)

WASHINGTON.—Reprocessing of spent fuel can be carried out safely and economically, and the risk of theft and proliferation is minimal, a final draft report of the International Nuclear Fuel Cycle Evaluation (INFCE) has concluded.

The plenary session of INFCE is scheduled to convene in Geneva, Switzerland, next February to consider reports related to the nuclear industry.

The INFCE study tends to favor establishment of regional fuel cycle centers around the world to process the spent fuel piling up at nuclear power plants in several countries.

The Barnwell Nuclear Fuel Plant (BNFP), the only facility capable of handling commercial fuel in the United States, has been touted as a possibe multi-national reprocessing center operated by the government under stiff international controls.

During the 1976 presidential campaign, Jimmy Carter proposed to a United Nations forum that the South Carolina facility be considered a potential international fuel cycle center. Such an arrangement, he suggested then, could help reduce the risk of proliferation, or diversion of plutonium.

The INFCE report recommends that nations with large reprocessing plants could offer services to countries that are at an earlier stage of nuclear development. It notes that about 20 developing nations are expected to have atomic generating facilities by the turn of the century.

"If they decide to reprocess (the spent fuel)," the report says, "they would probably find it economical to use the reprocessing services of a large national or multinational plant."

The final draft report entitled "Reprocessing, Plutonium Handling, Recycle," was submitted at the July 23–25 meeting of the INFCE Technical Co-ordinating Committee. It was intended for "INFCE participants only." A copy was obtained by The State's Washington Bureau.

The reprocessing evaluation covered technology, environmental impact, economics, use of energy resources, risk of proliferation, safeguards, institutional arrangements and special needs of developing nations.

While generally endorsing the reprocessing of spent fuel, the report said "considerable development work and consequently a heavy investment of time and effort would be required" before some technologies could be introduced on an industrial scale.

It specifically singles out a technique known as co-processing—a modification of reprocessing in which plutonium does not exist in separated form but emerges from the plant in a mixed stream of uranium and plutonium thus greatly reducing the risk of proliferation.

"Most countries consider that more research and development and pilot plant studies would be needed before they could introduce R (reprocessing) with confidence on an industrial scale. It may therefore be considered as an option for a future generation of reprocessing plants," the report suggests.

Officials of Allied General Nuclear Services, owners and operators of the Barnwell plant, say the South Carolina facility could easily be altered to handle the co-processing mode.

The INFCE report believes "proliferation is primarily a political and not a technical matter," that physical steps can be taken to protect the fuel cycles from abuse. And though the problem of proliferation will always exist, it added, the risk is minimal.

"The abuse of fuel-cycle facilities is not the easiest nor the most efficient route to acquire materials for manufacture of nuclear weapons," the report contended.

"In particular, an industrial scale nuclear fuel cycle would be more expensive to set up and take a longer time to get working than a specific dedicated program for nuclear weapons. Furthermore, a dedicated program might well be less detectable than the abuse of the industrial scale facilities," it said.

The risk of proliferation, R suggested, must be balanced against the advantages of the successful introduction of industrial scale nuclear power programs.

The report recommends certain steps that can be taken to reduce the risk of diversion. They include technical measures (like co-processing), improved plant safeguards (accounting, containment and surveillance), and institutional alternatives (creation of multi-national fuel cycle centers).

While economic arguments for reprocessing depend on the price of uranium and cost of waste disposal, the report said, use of the separated plutonium and uranium will result in savings, whether burned in light water or fast reactors. The economic advantage in the latter would likely be larger, the report said, if production costs can be kept down.●

COMPREHENSIVE POLL TAKEN ON ATTITUDES IN IRELAND: PART IV

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. BIAGGI. Mr. Speaker, I wish to insert in the RECORD a fourth installment of a poll which was recently released by the Irish Times newspaper of Dublin which detailed the attitudes of Irish citizens to possible solutions to the Ulster problem.

I feel that it is appropriate that this information be made available to my colleagues here in Congress to coincide with the 10-day state visit of Prime Minister Jack Lynch of Ireland who arrived in this country on November 8.

This particular section of this survey deals with attitudes toward British withdrawal, comparing those of citizens in the Republic, Great Britain, and Northern Ireland. There appears to be across-the-board support for British withdrawal, while at the same time, high levels of agreement of the consequences of such a withdrawal—article notes table 37 which was not included in the article.

As chairman of the 130-member Ad Hoc Congressional Committee for Irish Affairs, I wish to insert the aforementioned article into the RECORD:

BRITISH WITHDRAWAL

On the issue of British withdrawal, the evidence from the Republic of Ireland which we have considered indicated widespread endorsement of the proposal; despite pessimistic expectations as to its consequences. How do these preferences and expectations compare to the preferences and expectations of those who would be most directly affected if the policy were implemented—the two communities in Northern Ireland—and to the preferences and expectations of the people of Great Britain?

As with all the data so far considered there are strongly contrasting preferences on the issue of British withdrawal in the Republic and in Northern Ireland—71 percent support for unilateral British withdrawal in the Republic, 74 percent opposition to unilateral withdrawal in Northern Ireland (Table 36). Given the fact that, if British withdrawal were unilateral, it would be, by definition, contrary to the wishes of the majority Protestant community, the overwhelming opposition to the proposal (86 percent) on the part of Northern Ireland Protestants is predictable.

TABLE 36.—COMPARISON OF POLICY PREFERENCES IN THE REPUBLIC OF IRELAND, NORTHERN IRELAND AND GREAT BRITAIN; BRITISH WITHDRAWAL

Proposal and response	Percentage of respondents in the Republic of Ireland	Percentage respondents in Northern Ireland			Percentage of respondents in Great Britain [1]
		Total	Protestant	Catholic	
The British Government should declare their intention to withdraw whether the majority in Northern Ireland agrees or not:					
Agree	70.8	23.6	11.5	49.0	56
Disagree	25.5	73.8	86.4	48.2	33
Don't know/not ascertained	3.8	2.6	2.1	2.7	11
Total [2]	100.0	100.0	100.0	99.9	100
Number	(1,758)	[3] (1,277)	(825)	(402)	(1,027)
The British Government should announce its intention to withdraw from Northern Ireland at a fixed date in the future:					
Agree	77.8	31.2	15.0	64.4	
Disagree	18.0	66.2	82.7	32.0	
Don't know/not ascertained	4.2	2.5	2.3	2.7	
Total [2]	100.0	99.9	100.0	99.1	
Number	(1,758)	[3] (1,277)	(825)	(402)	

[1] For the purpose of comparison these figures have been derived from a question of slightly different wording in the British survey.

[2] Deviations from totals of 100 percent are due to rounding errors.

[3] Total consists of 825 Protestants, 402 Catholics and 50 members of other religions, which are not included in the breakdown.

This Protestant opposition does not, however, totally account for the contrast between preferences in the Republic and preferences in Northern Ireland. That is to say there is a significant contrast between preferences in the Republic (71% pro-withdrawal) and preferences among Catholics in Northern Ireland (49% pro-withdrawal). In fact support for unilateral British withdrawal is greater among people in Britain (56%) than among people in Northern Ireland as a whole (24%) and it is even greater among people in Britain than among the Catholic and presumptively nationalist population of Northern Ireland. However, in response to the less insistent and more long-term formulation of the proposal of British withdrawal—"the British Government should announce its intention to withdraw from Northern Ireland at a fixed date in the future"—support among Catholics in Northern Ireland rises from 49% to 64%.

In considering the issue of British withdrawal the expectations of the two communities who would have to live with the consequences of withdrawal are obviously of particular importance. Expectations regarding the consequences of British withdrawal are much more pessimistic in Northern Ireland than in the Republic on both the indicators of expectation which we have used. In response to the item "British withdrawal from Northern Ireland without the consent of the parties involved would lead to a negotiated settlement," 74% of people in Northern Ireland disagreed compared to 49% in the Republic (Table 37). Predictably the difference is greatest between people in the Republic and Northern Ireland Protestants (81% disagreement) but there is also a substantial difference between people in the Republic and Catholics in Northern Ireland (60% disagreement). In the case of the second statement on consequences—"British withdrawal from Northern Ireland without the consent of the parties involved would lead to a great increase in violence"—the degree of pessimism increases in all cases. Over-all 81% of people in Northern Ireland agree with the proposition (Table 37). 88% of Northern Ireland Protestants hold this expectation and 67% of Northern Ireland Catholics do so. Evidently, given this 67% expectation among Northern Ireland Catholics of a great increase in violence consequent on British withdrawal and the 49% support for British unilateral withdrawal in the same group.

some Northern Ireland Catholics support British withdrawal while at the same time entertaining the expectation that such a step would lead to a great increase in violence.

However, the most important point to emerge from the data in Table 37 is the high though not identical levels of agreement in both communities in Northern Ireland that unilateral British withdrawal would lead to a great increase in violence. This expectation is also held by a clear majority (59%) of people in the Republic. It is notable that people in Britain, though on balance pessimistic as to the consequences (48% great increase, 39% great decrease or little or no change) are less pessimistic than any of the communities in Ireland.●

COMMEMORATION OF THE 1956 HUNGARIAN UPRISING

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. RITTER. Mr. Speaker, on Sunday evening, November 4, I had a most extraordinary experience, which I will always remember. On that evening, I was honored to address a celebration attended by over 500 persons commemorating the 1956 Hungarian Uprising.

The event was held in Our Lady of Hungary Church, in Northampton, Pa. Hungarian-Americans from all parts of the Lehigh Valley attended. A great deal of preparation and very hard work went into the planning of that special evening, and the result was a moving candlelight ceremony with Hungarian poetry to honor the fallen patriots, a remarkable documentary film on the Uprising, a magnificent dinner of Hungarian food served by folk-costumed waitresses, and a Hungarian orchestra and singing, and an evening of fellowship rich in emotion and meaning.

Mr. Speaker, I would like my colleagues to know that this commemoration of those Hungarian patriots who risked all for freedom shows clearly that the cause of freedom behind the Iron Curtain will never die. As long as there are men and women such as those citizens of the Lehigh Valley who joined in honoring the 1956 Uprising—as long as any American with ties to a homeland that is not free shows pride in his or her ethnic heritage—there will be hope for all captive nations worldwide.

As a gesture of admiration to those who helped make the November 4 celebration a success, I would like to repeat the address I delivered on that occasion in the Lehigh Valley.

The address follows:

COMMEMORATION AND CELEBRATION OF THE HUNGARIAN REVOLUTION OF 1956

First of all, let me thank all of you for coming here tonight to honor those who took part in the 1956 Hungarian Uprising, especially those patriots who sacrificed their lives for that cause. Let me thank all those on the banquet committee who worked so hard to make this special night possible. And, before I say another word, I would hope that we can make this Commemoration and Celebration of the 1956 Uprising an annual event here in the Lehigh Valley.

As some of you may know, my father was born in Hungary. But even if that hadn't been the case, this saga of heroism would still mean much to me personally. Some people have said that in modern times there are no more heroes left. But in Hungary in 1956 it became clear that there still are heroes in this world.

As one who has always loved and enjoyed our ethnic culture, and who has been to Eastern Europe, certain events of the history of that region have had a major impact on me. I have been deeply moved by the Hungarian uprising since those first tumultous days. I have thought about the Uprising in broad international, political and historical terms—yet, it boils down to this—a shining light snuffed out by the legions of darkness and death. But even more, as I learn about the experiences of those who took part, I realize that, above all, it is a human story, and its memory graces our own humanity.

Individual experiences of the Uprising show the true meaning of what happened in Hungary in 1956, much more than political treatiese or history books can. Some of you in this audience tonight were there in Hungary at that time. Perhaps tonight, in your minds' eye, you are returning to that terrible time, I imagine that each one of you has visions of 1956 that you will carry with you for the rest of your life that cry out with meaning. I have heard remarkable individual stories about what happened and certain ones stick in my mind as somehow touching what the uprising was all about.

For instance:

I think about the people in downtown Budapest who took flowers from a blasted-out florist shop and gently placed them on the bodies of freedom fighters who had been killed in the streets.

I think about the wooden box placed on the sidewalk near Andrassy Street in Budapest, bearing a sign that said the box was for families of those who gave their lives for freedom. The box had been filled with money by a passerby, even though hardly anybody had money to spare . . . and that box was left completely unguarded in the street, because no Hungarian would have even dreamed of stealing from it—not even if it had contained the last money left in the world.

I think of the communist-controlled radio in the early days of the revolution, before the freedom fighters took it over, desperately trying to paint the Uprising as the work of "Fascists" and "counter-revolutionaries," while the people ignored those communist lies because they could see the truth with their own eyes.

I think of the young children and their mothers crying out in agony and falling under the hail of machine gun fire that came from rooftops and from Russian tanks in Parliament Square on that horrible morning of Thursday, October 25—the bloody morning when so many innocents were butchered—their numbers remain unknown to this day—when hundreds of bleeding bodies covered the Square and turned the stones red with Hungarian blood.

I think of Hungary's offensive, taken by freedom fighters that included so many teenagers and even children, throwing their Molotov cocktails at the steel goliath T–54 and T–34 Russian tanks, capturing submachine guns, learning how to fire them on the spot, and then attacking, escaping through the narrow alleys and passageways, and re-appearing to attack again . . . climbing on top of the hated Russian tanks, opening the hatches, dropping grenades inside and slamming the hatches closed—avenging the murdered women and children of Hungary, avenging the stolen freedom.

I think of those desperate appeals for help broadcast to the outside world by freedom fighters over their shortwave radios as the Russian tanks and infantry swarmed across the borders. I think of Radio Free Rakosi, which cried out to the world, "In the name of all that is dear to you, we ask you to help . . . or shall we lose faith in the world's conscience and dignity while we are fighting for world freedom?"

And I think of the message tapped out by a single man fighting in the besieged offices of the newspaper Szabad Nep on the morning of November 4, the day of the invasion: "Russian gangsters have betrayed us . . . they opened fire on everybody in Hungary . . . please tell the world of the treacherous attack against our struggle for liberty . . . help! . . . help! . . . help!" Four hours later his messages stopped forever.

I think of thirty-two students forming a barricade around the statue of St. Imre in Moricz Zsigmond Square in Buda, holding the road that led into Pest against tank attacks for eight hours with machine guns and Molotov cocktails alone . . . destroying five Russian tanks before the last boy died.

I think of the legendary Hungarian leader known as "Uncle Szabo," fighting through the smoke with his 200 young freedom fighters behind their barricade of upturned railway coaches in Szena Square.

I think of the ultimate betrayal—the betrayal of the Hero of the Uprising, Pal Maleter. I can imagine the thoughts in his heart as he sat across that conference table at Soviet military headquarters in the little hamlet of Tokol, on Csepel Island, the night of November 3. I can imagine the look of defiance in his eyes when, at midnight, the doors were smashed open, and Russian police in green caps carrying submachine guns burst into the room to announce that the negotiations were at an end. I can imagine the feelings in Malater's soul as he was led away, never to be seen again—a Hungarian hero the Russians could never begin to conquer in the open light of day, but could only silence by treachery, like thieves in the dead of night.

And, I think of the heroism of Imre Nagy himself—a man whose murder eighteen months after the Revolution was crushed became the final and perhaps the greatest outrage of all in a Revolution that cost the lives of 25,000 other Hungarian patriots. I can picture Nagy standing before the judge in secret police headquarters in Fo Street. Nagy, a former college professor with his flowing gray moustaches who had refused to be bullied or broken. Nagy—knowing that he was a dead man, listening to his death sentence, adjusting his pince nez, and replying calmly, "If my life is needed, I gladly make the sacrifice."

There are so many other images of the Uprising, and all those who were there or who have loved ones who were there, have their own stories and memories. But I think the image that sums up best the emotion of the Uprising was described by an English correspondent who was in Budapest at the time. On Sunday, October 28, it was evening in the lobby of the Duna Hotel. Suddenly, a group of revolutionaries burst into the lobby carrying a huge red green and white Hungarian flag with the center part cut out. One man stood on another's shoulder to nail it on the wall behind the reception desk in the hotel. Then one voice, lonely at first, started singing the national anthem. The voice became a chorus as all who were there joined in, filling the hall with the song's majestic melody. When the sound died away, a stranger walked up to the English correspondent, looked at him with deep emotion and said, "I am glad you are here, sir. This is the proudest moment in our history." And it was.

You know the horror that followed those brief days of freedom, when the Russians finally showed, as if there were ever any doubt, what kind of view they really hold toward freedom. You know the grim story of the treachery, the invasion, and the unspeakable brutality that followed: tanks blasting houses into rubble . . . Russians opening fire on innocent people standing in food lines . . . and the massacre of the immortal last defenders of the Kilian Barracks—forty ragamuffin survivors of the original 2,000, promised amnesty by the Russians, then marched out into Ulloi Avenue shivering in the cold, hearing the sharp clicks of Russian Kalashnikov machine gun magazines being pulled back, and finally being gunned down there in the street.

But somehow, it is the image of those early days, when, for a brief moment, Hungary stood free, that excites the heart and the spirit. As one observer said, it was as though a nation which for centuries had boasted proudly of its patriotism had suddenly awakened from a nightmare. People long afraid of the fear of spies among friends stopped whispering. "The most exciting sound I heard that day", said the observer, "was the sound of laughter . . . people laughing aloud in the streets."

So now, tonight, we look back through the years at what happened in 1956. Tonight we ask ourselves what the Uprising means to us as Americans today in 1979. I believe it means many things, and I would like to conclude by sharing a few of my thoughts about them with you.

First, the Uprising showed that illusions about the motives and intentions of the Soviet Union are as fatal now as they were then. All the words of Soviet propaganda could not hide the fact that, at the very time the Soviet Union was lying and pretending to respect the rights of the Hungarian people to govern themselves, Soviet infantry and tanks were massing on the border, poised to murder the people of Hungary and to stamp out the spark of freedom. In 1956, just as today, Moscow could never tolerate free elections. And, if the Soviet Union continues generating lies and propaganda from now until the end of time, it can never, ever erase the memories of what it did to the Hungarian nation. We, in the Lehigh Valley of Pennsylvania and others like us will never allow it.

Second, the Hungarian Uprising reminds us that sometimes a cause can be more meaningful and shining in defeat than in victory. It is easy to be brave and to challenge something when the likelihood of success is great, when the danger is little. But, for a great cause, when the odds are impossible and when the chances of ultimate success are low, that is when the cause becomes immortal. And, that is when those who fought the fires of hell with their bare hands and their hearts become the immortals.

Finally, the Hungarian Uprising reminds us that no amount of indoctrination and no amount of military force can ever prevent the people of a nation from seeking freedom. In the words of one playwright, Maxwell Anderson, "No wild thing was ever shut in a cage without wishing for freedom. And of all wild things in the world, the most uncontrollable—the least tamable—is the human mind. No king or dictator has ever tamed it. It cannot rest in capacity."

When I return to Washington, I am going to tell my colleagues what has happened here tonight. I want the U.S. Congress to know that we here in the Lehigh Valley of Pennsylvania will never forget the story of Hungary 1956. There are about 10,000 Hungarian Americans of the first or second generation here in the Lehigh Valley, and many other citizens here have Hungarian backgrounds. Just as these citizens will tell their children about 1956, so all of us have a responsibility to forever remind Americans of that story. Given our own struggle today against the Soviet Union, that story is a necessary part of our own understanding of the world we live in. This time, our own childrens' and grandchildrens' freedom is at stake.

Whenever any man or woman stands up against communist tyranny, no matter how impossible the odds, at that very moment, the free Hungarian nation lives again. No AVO prison or Soviet tank can ever defeat the human heart or soul.

Yes, there are still heroes left in the world. Men and women are not sheep. The heaviest hammer and the sharpest sickle can't change that, and never will.

There are still heroes left in the world. There are also hero nations. For the rest of time, Hungary will forever remain in the hearts of free men and women everywhere—a hero nation that will never die.●

COMPREHENSIVE POLL TAKEN ON ATTITUDES IN IRELAND: PART V

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. BIAGGI: Mr. Speaker, I wish to insert today the final installment of the Irish Times publication of a recent abridged version of the first report of a major study begun by the Economic and Social Research Institute in 1976. The study examines attitudes of the nature of Irish society toward the Northern Ireland problem.

I have placed this study in segments this past week in the RECORD so that my colleagues will have the benefit of this information. It is especially timely due to the fact that the Prime Minister of Ireland, Jack Lynch, is in this country for a 10-day state visit.

As chairman of the Ad Hoc Congressional Committee for Irish Affairs, the distribution of information regarding the Irish issue is important if we are to be able to fully understand all dimensions of this question. Although the opinions and findings expressed here do not necessarily represent those of myself or members of the ad hoc committee, it is curious to note that there are certain notions expressed in this study that would surprise many readers. The most surprising of these findings is the data which shows that 41.8 percent of the respondents were sympathetic with the motives of the IRA.

ATTITUDES TO IRA

We have already seen that despite the strictness of existing policies, 63 per cent of people in the Republic agree that "the Irish Government should take a tougher line with the IRA". This view is taken by a very similar proportion of Northern Ireland Catholics (62%) and by a staggering 96% of Northern Protestants and should not be dismissed as a reflex or extreme reaction. It is logically possible that this figure is made up entirely of people who, regardless of how strict or draconian Irish government security policy might be, would wish it to be tougher. This is, however, unlikely and the 96% figure would seem to represent, at least in part, a failure on the part of the Irish Government to convince Northern Ireland Protestants of its bona fides in its campaign against the IRA. Such a failure of communication or persuasion, whatever its cause, is obviously a serious obstacle in the way of attempts at reconciliation.

Closely related to these general security issues is the matter on extradition. The constitutional difficulties which constrain the Irish government in dealing with this question have already been pointed out and it has been suggested that awareness of these difficulties may be reflected in the division of opinion within the Republic in regard to extradition proposals (48% opposed, 46% in favour). Quite clearly, the Irish Government's constitutional difficulties count for little with Northern Ireland Protestants, 98% of whom agree with the statement that "The Irish Government should agree to extradition, that is, agree to hand over to the authorities in Northern Ireland or Britain, people accused of politically motivated crimes there." This view is also taken by a substantial majority of Northern Ireland Catholics (64%). The implication of these figures in so far as the Irish Government is concerned is, that given that extradition cannot be proceeded with at the present time, whatever means are proposed for dealing with the problem should not only be effective but should be seen to be effective.

Attitudes to IRA activities is a clear and unambiguous measure. Given the nature of the attitude in question it is necessary to be particularly careful and precise in discussing its distribution. The majority of people (61%) are opposed to IRA activities as we have measured this attitude.

A further 19% are neutral. In regard to the remainder, 21% support the IRA activities. It should be emphasized that we have no evidence that an attitude of support for IRA activities, as we have measured it, leads to any concrete actions, by way of monetary contributions or whatever, in support of the campaign of the IRA. The context in which these figures for attitude to IRA activity (61% opposition, 19% neutrality and 21% support) should be interpreted is that these attitudes are part of the overall approach of people in the Republic to the Northern Ireland issue. As such it must be acknowledged that, on this evidence, opposition to IRA activities is not overwhelming and certainly does not match the strong opposition so often articulated by public figures.

TABLE 43.—ATTITUDES TO THE IRA—SUPPORT (VERSUS) OPPOSITION TO ACTIVITIES AND SYMPATHY (VERSUS) REJECTION OF MOTIVES

Attitude to activities, support versus opposition	Percentage of respondents	Attitude to activities, support versus opposition (reduced categories)	Percentage of respondents	Attitude to motives, sympathy versus rejection	Percentage of respondents	Attitude to motives, sympathy versus rejecttion (reduced categories)	Percentage of respondents
1. Strongly opposed	17.7			1. Strongly rejectionist	10.5		
2. Moderately opposed	17.8	Opposition	60.5	2. Moderately rejectionist	11.3	Rejection	33.5
3. Slightly opposed	25.0			3. Slightly rejectionist	11.7		
4. Neutral	18.7	Neutral	18.7	4. Neutral	24.6	Neutral	24.6
5. Slightly supportive	12.6			5. Slightly sympathetic	15.2		
6. Moderately supportive	5.3	Support	20.7	6. Moderately sympathetic	15.8	Sympathy	41.8
7. Strongly supportive	2.8			7. Strongly sympathetic	10.8		
Total	99.9	Total	99.9	Total	97.9	Total	99.9
Number [1]	1,697	Number [1]	1,697	Number [1]	1,701	Number [1]	1,701

[1] Variation in N is due to missing cases.

TABLE 40.—COMPARISON OF POLICY PREFERENCES IN THE REPUBLIC OF IRELAND AND NORTHERN IRELAND: EXTRADITION OF PERSONS ACCUSED OF POLITICALLY MOTIVATED CRIMES

Proposal and response	Percentage of respondents in the Republic of Ireland	Percentage of respondents in Northern Ireland		
		Total	Protestant	Catholic
The Irish Government should agree to extradition that is, to agree to hand over to the authorities in Northern Ireland or Britain people accused of politically motivated crimes there:				
Agree	46.2	86.8	97.8	63.9
Disagree	47.7	10.8	1.1	30.6
Don't know/not ascertained	6.1	2.4	1.1	5.5
Total	100.0	100.0	100.0	100.0
Number	(1,758)	([2] 1,277)	(825)	(402)

[1] Deviations from totals of 100 percent are due to rounding errors.

[2] Total consists of 825 Protestants, 402 Catholics and 50 members of other religions, which are no' included in the breakdown.

Support for IRA activities is quite clearly a much more hardline attitude than sympathy for IRA motives, and, though the two may often be positively related they can also run in contrary directions. Evidently some respondents condemn the activities of the IRA while sympathising with their aims and motives. Failure to bear this in mind in reflecting on the data would involve a serious misinterpretation of the figure of 42 percent sympathy for IRA motives as support or sympathy for the IRA as such. However, neither can this attitude be explained away as an alternative expression of the aspiration to reunification. The items measuring the attitude encompass agreement with the aims (plural) of the IRA and the reference to patriotic and idealistic characteristics. It is therefore genuinely an attitude to the IRA and the most satisfactory interpretation of it is, as we have suggested, attitude to motives: sympathy versus rejection. On this evidence a plurality of respondents (41 percent) sympathize with the motives of the IRA, 25 percent are neutral on this dimension and a minority (34 percent) reject their motives. To repeat a point made in regard to attitude to activities, these attitudes should be seen as an element of people's approach to the Northern Ireland problem and assessed as such. Moreover, sympathy for motives may lead to an attitude of support for activities and, in so far as it does, it presents a problem for political and opinion leaders concerned to condemn IRA activity and diminish support for it.

The prevailing attitude towards Northern Protestants is one of opposition. This orientation becomes particularly significant when considered in the context of the widespread endorsement of a united Ireland as a solution to the problem in Northern Ireland. A united Ireland solution involves the formation of a common state or political society in conjunction with Northern Ireland Protestants. Attitudes towards Northern Ireland Protestants are an essential part of the context within which this common political community must be built. It is, of course, arguable that attitudes towards Northern Ireland Protestants would be fundamentally different in a united Ireland or in the situation of significant moves towards a united Ireland. The assumption underlying this argument is that anti-Northern Ireland Protestant attitudes are a product of the existing political situation and if that situation were fundamentally different, i.e., if there were significant moves towards a united Ireland, then attitudes would be different and much more favourable to Northern Ireland Protestants. Running counter to this optimistic view is the argument that an attitude of opposition, while it may be a product of prevailing political structures, is an obstacle to significant political overtures towards Northern Ireland Protestants on the part of the Republic or Ireland, thus decreasing the prospects of reunification by consent.

Anti-partitionism, support for IRA Activities and sympathy for IRA Motives is greater among men than among women, among those of rural rather than urban background, among older (40+) respondents and among those of lower occupational status and lower level of education. The fourth attitude (attitude to Northern Ireland Protestants: anti versus Pro) varies only with age and between those with third level and less than third level education.

Turning to the area of political attention and involvement, one finds that, in general, those who are more interested in politics and involved in political discussion and those who are more attentive to political communication tend to be more anti-partitionist, more supportive of IRA activities, more sympathetic to IRA motives and more opposed to Northern Ireland Protestants. The main exception to this generalisation is that greater attention to television and radio *current affairs* programmes is *not* associated with greater support for IRA activity.

In the area of newspaper consumption, it is the particular newspaper read rather than the frequency of reading that enables one to distinguish different degrees of each of the four attitudes. The most notable difference is that *Irish Press* readers are consistently highest on each of the attitudes (anti-partition, support for IRA activities, sympathy for IRA Motives and anti-Northern Ireland Protestants) while *Irish Times* readers are consistently lowest.

Two qualifications should be noted: though highest on support for IRA activities, *Irish Press* readers are on the opposed side of the mid-point of the attitude scale and, secondly, one cannot conclude that reading a particular paper causes certain attitudes; the influence could just as easily be in the opposite direction, from possession of a certain attitude to selection of a particular newspaper.

Finally, in this area of political attention and involvement, with one exception, differences exist on each of the four attitudes between Fine Gael Party identifiers, on the one hand, and Fianna Fail and Labour Party identifiers on the other. The consistent pattern of differences is that Fine Gael identifiers are less anti-partitionist, less supportive of IRA methods, less sympathetic to IRA motives and less opposed to Northern Ireland Protestants. The exception is that there is no significant difference between Fine Gael and Labour identifiers on the fourth variable: attitude to Northern Ireland Protestants. It is important to emphasise that these differences are relatively small—party supporters are not polarised on these issues. There is, in fact, an inter-party consensus, for instance, on anti-partitionism and on opposition to IRA activities. What we have identified is the existence of differences within this consensus. Finally, one should note that one cannot make inferences from the attitudes of party identifiers or supporters to the positions of the parties as organizations.

(The report was written by E. E. Davis, a Research Professor and Head of the Department of Social Psychology and Sociology at the Economic and Social Research Institute; and Richard Sinnott, formerly a Research Fellow at the Economic and Social Research Institute, and now an Assistant Lecturer in the Department of Politics at University College, Dublin.) ●

HOUSE OF REPRESENTATIVES—*Friday, November 16, 1979*

The House met at 10 a.m.

Dr. Arnold F. Keller, Jr., Church of the Reformation, Washington, D.C., offered the following prayer:

The Psalmist speaks for us all:

*In my need I call to You, Lord. Hear my cry * * * if You kept a record of our sins, who could escape being condemned? But You forgive us * * * I wait eagerly for the Lord's help, and in His word I trust.*—Psalms 130: 1–5.

Let us pray.

We live, almighty God, by Your grace. Humbly bringing before You our performance and our lives of yesterday, we know we are forgiven. Else we could not stand! Laying before You today's demands and decisions, relationships, hopes and fears, we pray mightily for the sustaining of Your spirit. Help us to be true to our best judgment, faithful to Your will. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

that the Senate had passed without amendment a bill of the House of the following title:

H.R. 4167. An act to amend section 201 of the Agricultural Act of 1949, as amended, to extend until September 30, 1981, the requirement that the price of milk be supported at not less than 80 per centum of the parity price therefor.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 5079. An act to provide for participation of the United States in the International Energy Exposition to be held in Knoxville, Tenn., in 1982, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to the Senate amendment with an amendment to a bill of the House of the following title:

H.R. 2282. An act to amend title 38, United States Code, to provide a cost-of-living increase in the rates of disability compensation for disabled veterans and in the rates of dependency and indemnity compensation for survivors of disabled veterans.

And that the Senate agreed to House amendment to the Senate amendment to the title of the foregoing bill.

The message also announced that the Senate agrees to the amendment of the House with an amendment to a bill of the Senate of the following title:

S. 497. An act to extend the authorizations of appropriations relating to emergency medical services systems under title XII and section 789 of the Public Health Service Act; to increase the authorizations of appropriations for sudden infant death syndrome counseling and information projects and revise and improve authorities under title XI, part B, of such Act; and for other purposes.

MAKING IN ORDER CONSIDERATION TODAY OF CONFERENCE REPORT ON HOUSE JOINT RESOLUTION 440, FURTHER CONTINUING APPROPRIATIONS, 1980

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that it may be in order at any time today to consider the conference report on the joint resolution (H.J. Res. 440) making further continuing appropriations for the fiscal year 1980, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, could the gentleman from Mississippi give us some possible time when we might consider this? The gentleman will recall the last instance when we considered a continuing resolution we were held here on Friday night until 9 o'clock, with about 10 or 15 rollcalls. I would hope that we would not have to repeat that again.

Mr. WHITTEN. Mr. Speaker, if the gentleman will yield, may I say to the gentleman that I wish I could give a time. All I can do is tell the gentleman what the situation is. We have a conference scheduled for 10 o'clock with our colleagues on the Senate side. It shall be our recommendation that, with regard to all of the items except perhaps one, where we realize we are going to have to have some consultation, since this is a continuing resolution, to withdraw the many additions which were made on the other side which may have merit but will only delay a continuing resolution. Whether they will do that or not, I do not know. But our emphasis will be to try to persuade them to wait for the supplemental to these money additions. How much success we will have on that, I do not know. I do hope that we will get through by 11:30 or 12 o'clock. But our desire is to expedite it in every way possible.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, the last time this situation occurred there was apparently a design to fill the time required during the waiting by rollcalls and other actions which were totally unnecessary. As the gentleman knows, the gentleman from Maryland does not abide such conduct, and perhaps the Speaker might want the power to recess if we face that same situation.

Mr. WHITTEN. If the gentleman will yield, the most I could say would be that we would try to keep the Speaker and the leadership informed of the progress we have made and how fast we may be moving.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman for his explanation, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. CHARLES H. WILSON of California. Mr. Speaker, reserving the right to object, may I ask the gentleman, as a followup to the question asked by the gentleman from Maryland, is this a matter that is liable to keep us beyond the 3 o'clock adjournment time that we try to reserve for Friday afternoons?

Mr. WHITTEN. If the gentleman will yield, may I say that I have discussed this on the Senate side only with the chairman, Senator MAGNUSON, and it is my sincere belief that this will not be needlessly delayed and that we will be able to handle it expeditiously. But the gentleman has had some dealings with our colleagues on the other side, and you cannot always be sure what will happen. But from my discussion with him, I do have the feeling that it will not be needlessly drawn out.

Mr. CHARLES H. WILSON of California. Did the gentleman say there was one item that is going to be very controversial?

Mr. WHITTEN. There is one item that has been controversial for quite a long time. That is the one on abortion. As the gentleman knows, since the House position and the Senate position is quite a distance apart, and since this has caused problems in the past, I do anticipate there will be some discussions on that. I hope that it can be resolved. But other than that, I do feel that the other items that they have added, where there is no budget request, would more properly be dealt with in a supplemental as against a continuing resolution where we are just trying to keep the Government in operation so the regular bills can become effective.

Mr. CHARLES H. WILSON of California. Further reserving the right, Mr. Speaker, just one final question.

What are the consequences if we do not pass this today? Are there any departments that will not get paid, or can we get by until the 27th?

Mr. WHITTEN. If the gentleman will yield, let me just say that on midnight on the 19th the Defense Department will not be able to enter into any further contracts.

There are also certain other things that make it imperative that we get this measure passed in time to keep that going.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

VOLUNTARY HOSPITAL COST CONTAINMENT WILL BE WATCHED CLOSELY

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, yesterday I voted for the Gephardt substitute on hospital cost containment, not because there is not a problem with hospital costs, but because at this stage mandatory controls on hospital expenditures do not seem to be the answer. The administration could not make a good case against the mounting bureaucracy that a mandatory program would create, and the answer to rising hospital costs seems to be more directed in the areas of the method of payment of hospital bills and prospective cost setting. But this vote for continuation of the voluntary effort should not be interpreted by anyone as a signal that this Congress is not interested in higher hospital costs. Repeatedly the hospitals have told me that their voluntary effort can work, and their feet will and should be held to the fire. Regardless of whether or not the Gephardt bill finally passes into law, I want the dispensers and users of hospital care to know that we will be watching hospital costs like a hawk during the next year or two to see if the voluntary effort does, in fact, work.

APPOINTMENT OF CONFEREES ON H.R. 2440, AIRPORT AND AIRWAY DEVELOPMENT ACT OF 1970

Mr. JOHNSON of California. Mr. Speaker, I move to take from the Speaker's table the bill (H.R. 2440) to repeal the prohibition against the expenditure of certain discretionary funds under the Airport and Airway Development Act of 1970, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

MOTION OFFERED BY MR. JOHNSON OF CALIFORNIA

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Pursuant to rule I of the Rules of the House, Mr. JOHNSON of California moves to take from the Speaker's table the bill (H.R. 2440) to repeal the prohibition against the expenditure of certain discretionary funds under the Airport and Airway Development Act of 1970, with Senate amendments thereto, disagree with the amendments of the Senate thereon, and agree to the request for a conference.

The SPEAKER. The gentleman from California (Mr. JOHNSON) is recognized for 1 hour.

Mr. JOHNSON of California. Mr. Speaker, I yield such time as he may consume, for the purpose of debate only, to the gentleman from California (Mr. MINETA).

Mr. MINETA. Mr. Speaker, I am deeply concerned about this conference.

This House has not acted on any jet noise bill. There is no House position on what should or should not be in a noise bill. Yet we have been requested to send our people into conference on the Senate noise bill, without our conferees having the weight of House action behind them.

The Senate noise bill they will face in conference is a menace. It would greatly increase the amount of jet noise impact suffered by millions of Americans. It is a menace to our neighborhoods near airports. It is a menace to our airports and to the local governments which operate them and are liable for noise-generated lawsuits. It is a menace to the hopes our communities have for continued growth through increasing air service. It is a menace ultimately to our national aviation system, because it would drive many communities to enacting their own local restrictions on airport use.

The Senate noise bill is an attempt to gut the existing fleet noise rule. The fleet noise rule is really the issue in this conference. Some in the Senate would lead us to believe that the fleet noise rule will not give significant relief from jet noise. I hope our House conferees know better than that. There are now 6 million Americans living within the noise impact zones of our Nation's airports. Compliance with the fleet noise rule will shrink those noise impact zones so that 2.5 million fewer Americans would be impacted.

That is a 42-percent reduction in the size of our national noise problem, a very significant improvement. We will strenuously resist any attempt to take that long-promised relief away from the American people.

It is tragic that the House has been denied the opportunity to take a position on this noise legislation before going to conference on it.

We in the House will be watching our colleagues in conference very closely out of the hope and expectation that they would not surrender in conference that which the House has thus far been unwilling to give away through its own deliberations.

□ 1010

Mr. MOAKLEY. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of California. Mr. Speaker, I yield to the gentleman from Massachusetts.

Mr. MOAKLEY. Mr. Speaker, I would just like to echo the comments of the gentleman from California (Mr. MINETA). This is a very serious situation, Mr. Speaker, and every Member of this House should be aware of precisely what is happening.

The Senate passed a major piece of airplane noise legislation—legislation with serious economic, environmental, and social impacts. Two House committees considered companion legislation and reported it out—still defective, but significantly better than the Senate version.

The House has not yet had a chance to work its will on this legislation but, because we have not been moving quickly enough to please its sponsors in the other body, they have now attached their noise bill to a relatively minor, unrelated piece of air transportation legislation. It is that minor bill on which the House must now go to conference, not our companion noise bill.

As a result, Mr. Speaker, we now find ourselves in a position in which the House will be going to conference with the Senate—and the Senate holds all the cards. In this conference, they will be the only ones who really have a bill to work with.

This irregular and prejudicial procedure would not be so serious, Mr. Speaker, if the potential impact of this legislation were not so serious. In particular, the provisions of the bill that, in effect, waive the FAA noise regulations for airplanes are simply unconscionable.

Those regulations, Mr. Speaker, have been carefully negotiated with all the parties involved over a long period of time. They are being phased in gradually—they will not take full effect until 1985—in order to insure that the airlines have sufficient time to comply without economic hardship. Several airlines have already taken steps toward compliance and will meet these regulations on schedule.

Under the Senate bill, however, the airlines will not have to meet the new standards so long as they have simply made a downpayment on new, quieter aircraft. Downpayments do not make airplanes quieter, Mr. Speaker; the effect of the Senate provision is to allow the airlines to use their noisy jets until they wear out. That could easily be around the year 2000—a good 15 years longer of noisy airplanes in this country.

If we accept that Senate provision, Mr. Speaker, we will in effect be abandoning the airplane noise regulations. And if we abandon those regulations, this Congress and this Government will be abandoning a firm commitment we have made to the people all over this country who suffer every day the severe mental and physical effects of airplane noise; we will be abandoning our commitment to airport operators who have already been subjected to millions of dollars in damage suits due to airplane noise—noise which the airport operator has little or no ability to control; and we will be abandoning those airlines, Mr. Speaker, that have proceeded in good faith, based on our commitment, to make investments in new airplanes and new engines to comply with the standards.

The only ones who will benefit from a waiver of the noise standards, Mr. Speaker, will be those airlines that have so far dragged their feet and have been unwilling to take the steps necessary to bring their fleets into compliance. A waiver of the noise regulations now will punish the many who have acted with full faith and trust and will benefit the few who have not.

Mr. Speaker, I sincerely hope that the very able and effective Members of the House who are appointed to the conference committee will not give into the Senate on this issue.

I thank the gentleman.

Mr. HARSHA. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Ohio.

Mr. HARSHA. Mr. Speaker, I strongly support the gentleman's motion and urge the rest of my colleagues to do the same so that we may get to conference on this most important piece of legislation.

While I recognize that the action of the other body in substituting its noise bill for the text of H.R. 2440 is rather unusual. I do not believe we should forgo the opportunity to have this conference and arrive at a reasonable accommodation on these issues. As you are aware, the Public Works and Transportation Committee reported out H.R. 3942, the Aviation Safety and Noise Reduction Act in May by a vote of 29 to 14.

This bill, as you may recall, also contained the provisions relating to removal of the discretionary fund prohibition and the additional authorization of $13 million for general aviation airports which were later included in H.R. 2440 as passed by the House last month. Obviously, the vast majority of the committee believed that H.R. 3942 was a sound piece of legislation. Therefore, those Members who supported this bill should likewise welcome a conference with the Senate so that we can ultimately enact meaningful noise legislation which is responsive to the views of the members of the committee and the Congress.

The chairman has informed me that he also intends to recommend that the Speaker also appoint as conferees members of this committee who did not support the noise bill. In this way, all of the views on the committee will be adequately represented at the conference.

I would also like to add that I am fully aware of the concerns and views held by our sister Committees on Interstate and Foreign Commerce and Ways and Means relative to the noise legislation. I believe the conferees appointed by the Speaker are obligated, consistent with the conference process, to uphold those views that are within the jurisdiction of those committees and I would expect that to be the case in this situation.

Because of my concerns, I believe it is important that the House disagree with the Senate amendments on H.R. 2440 and vote to proceed to conference so we can resolve these issues once and for all. I believe that, given the opportunity, the conferees can arrive at an accommodation which would be acceptable to a majority of both Houses and which is responsive to the needs of all communities within the national air transportation system.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Speaker, I thank the gentleman for yielding.

I would like to associate myself with the remarks of the gentleman from California (Mr. MINETA) and the gentleman from Massachusetts (Mr. MOAKLEY).

Just over the weekend, my Subcommittee on Government Activities and Transportation of the Committee on Government Operations held 2 days of hearings at the Burbank Airport dealing specifically with the noise problem.

We found that the Board of Education is having such trouble in the schools around the airport that they are threatening to sue the airport authority because they are already going above the noise standards set forth by the State of California and, inferentially, by the FAA, as a condition of their AADA grant. We heard days of testimony in August and last weekend about the problems this has caused as far as education is concerned.

We have also heard problems as far as people's mental health is concerned, and even one parent testified that she could hardly warn her daughter of the danger of an oncoming truck because of a plane at that time flying overhead.

I certainly would hope and do have faith that the members of the Committee on Public Works and Transportation will not give in to the Senate on this measure and will take every possible step to protect the health and safety of those citizens who live in airplane flight paths.

I thank the distinguished gentleman for yielding.

Mr. EDWARDS of California. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from California.

Mr. EDWARDS of California. Mr. Speaker, I thank the chairman for yielding to me.

I want to associate myself with the remarks of the gentleman from California (Mr. JOHN L. BURTON) and the gentleman from Massachusetts (Mr. MOAKLEY).

This is a very serious problem that we face. It is a very strange way to legislate, to even consider accepting the noise bill passed in the Senate and add it to this piece of legislation, when we have not even considered a noise bill in the House of Representatives.

Let me just tell the Members of this body for a moment what it will mean to the city that I represent, also shared by the gentleman from California (Mr. MINETA).

At the San Jose Municipal Airport, we now have only two- and three-engine jet service. We are in the middle of a $50 million program to purchase noise-impacted property around the airport.

If this Senate bill is accepted in conference, we will have to add to the $50 million purchase of these various houses an additional $110 million to buy 1,470 homes and businesses, because all of this area will be newly impacted by this noise. I think this is a very, very serious matter and I hope our conferees insist on not accepting this bill that was never considered in the House.

☐ 1020

Mr. JOHNSON of California. Mr. Speaker, if I may yield myself a small portion of the time. We on the Public Works and Transportation Committee are well aware of the serious implications of this legislation. We have reviewed the noise program for the last several years. We are also aware of the fact that as conferees we are expected to uphold the House position and that we intend to do that to the best of our abilities. The Committee on Public Works and Transportation has never failed to return from the other body with a conference report that the House could not accept. I, therefore, urge my colleagues to approve this motion to allow us to go to conference.

After the conferees meet and a conference report is agreed to it is subject to a vote in both bodies. When it comes back to this House if it contains any nongermane matters those nongermane matters are subject to a separate vote. You, my colleagues, can express your opinions fully and clearly on this noise provision; and if it proves to be nongermane, ask for a separate vote thereon as well as a vote on final passage of the conference report. What can be more fair?

The issue is clear. We will do our best and we will bring back a report we can all support.

Mr. Speaker, I now yield such time as he may consume to the gentleman from Virginia (Mr. HARRIS) for purposes of debate only.

Mr. HARRIS. Mr. Speaker, I appreciate the gentleman yielding.

I would like to underscore what some of my colleagues have said. I know Congressman FISHER and I have jurisdictions that are severely impacted by National Airport. We have been working hard to try to resolve those difficulties.

If at this point in time we enacted legislation that penalized those that were trying to conform with the standards, and rewarded those that were ignoring standards, we would be doing a terrible thing to the people that live in Alexandria, Fairfax County, and Arlington. I am pleased to hear the chairman's assurance that we will not at this time undermine noise standards and that we will, in fact, not have legislation that would jeopardize the welfare of the people in this community.

Mr. Speaker, I rise with respect to appointment of conferees on H.R. 2440. I urge all Members to oppose this move.

The Senate took H.R. 2440, struck all language after the enacting clause, and inserted the language of an unrelated bill, S. 413. This new Senate language would waive noise reduction requirements implemented by the Federal Aviation Administration in 1976. The bill approved by the Senate is in no way similar to legislation approved by the House on October 22, and we should not go to conference on this legislation. The Senate has pulled a fast one, and the House should reject it.

H.R. 2440 as passed by this House was a good bill. It authorized important airport development projects to improve the safe operations of our Nation's airports. And it made it a crime to place a loaded firearm in baggage checked on commercial airliners. I supported H.R. 2440 when it passed this House, and I would do so again. But I oppose going to conference with the Senate when their bill is wholly unrelated to what we have passed, and when the Senate language is detrimental to the well-being of my constituents and of millions of other Americans who live near airports.

The House has not considered, or voted upon, the provisions, or even similar provisions of S. 413. Aside from the fact that this is a bad bill, we should not bypass the normal legislative process or debate and deliberation. The House should appoint conferees only on legislation approved by this body. We should not go to conference on legislation we have never seen or debated, like S. 413.

S. 413 would defer indefinitely those noise abatement standards which promise relief to citizens who endure oppressive noise from aircraft flying over their homes. Passage of S. 413 or similar legislation would punish those airlines who have made an honest effort to meet noise abatement standards, and it would reward airlines that have deferred, delayed, and avoided, the FAA requirements. We should not reward those who flaunt noise abatement rules. And we should not punish those who are trying to meet these standards.

My constituents have been waiting a long time. They have been waiting for relief from the unbelievable intrusion into their homes from constant overflights. When these jets pass over, it is literally impossible to hear the person next to you speak. The citizens who live close to airports and in flight paths demand—and deserve—relief.

Congress should reject the slick maneuvering by the Senate proponents of S. 413 who seek to circumvent the normal legislative process and waive noise reduction requirements. The House should not appoint conferees on legislation never seen by this body, and I urge my colleagues to oppose any effort to reduce the aircraft noise reduction standards. We can begin by rejecting the appointment of conferees on H.R. 2440 until the Senate comes to us with legislation related to the bill passed by this House.

Mr. JOHNSON of California. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. LUNGREN) for purposes of debate only.

Mr. LUNGREN. Mr. Speaker, I too would like to echo the comments of those that are extremely concerned about this. In my particular circumstances, I live back home under a jet pattern, and the whole issue about maintaining and/or increasing commercial air traffic has been one of the most difficult decisions being made in my home community.

Just last week I attended the dedication of one new commercial jet airliner that meets the standards that are being imposed by current law. For some to suggest that technologically it is not possible, or commercially it is not possible to meet these standards is not correct.

I think the point that was made before, that those who have attempted to work in good faith so they will be able to match those standards that are now in effect are going to be penalized. And this because others have waited in the hope, and it looks like in some cases the possible hope from the other body, that legislative changes will take place and they will be aided not because of their diligence but because of their tardiness in this.

I just cannot impress enough on the chairman and the Members of this body how extremely important this is to my constituency. I think it is something that ought to have the full and free debate of the House, and not be taken up and forced upon us by the other body in this manner. I am encouraged by the comments of the chairman in this regard.

● Mr. MATTOX. Mr. Speaker, Chairman Giaimo has asked me to discuss the budget aspects of the proposed air noise conference. The Senate added legislation not considered by the House which would involve $188 million in budget authority and an estimated $40 million in outlays which was not assumed in either the first or second budget resolution assumptions adopted by the House. This funding was not included because the legislation was recognized as very controversial and could potentially involve billions of dollars in future federally funded land purchases according to estimates by the Department of Transportation. Also it was anticipated that this legislation would be considered in a more comprehensive manner with the reauthorization of the total airport development program that will be considered by the House next year.

In fact, what is most disturbing is that the House has never had an opportunity to act on this legislation at all. We are operating under very tight fiscal restraints. The proposed air noise legislation is a budgetbuster and would exceed the transportation funding assumptions in the second resolution which are by current status already very tight. Even without this bill, we are very close to the budget authority assumptions and $150 million in excess of the outlay assumptions in the second budget resolution. The House budget assumptions do not provide for the air noise legislation. While the Senate budget assumptions could provide for the air noise legislation but one would have to assume the recission of $250 million in highway budget authority which is part of the Senate reconciliation directive rejected by the House. The air noise legislation deserves fuller consideration by the House as to its policy and budget aspects and should not bypass the House via this conference route.●

● Ms. FERRARO. Mr. Speaker, I am very concerned about the motion to go to conference because it will force several of our colleagues to meet with the Senate to discuss a proposal which would drastically increase permissible aircraft noise levels—despite the fact that the issue has never been debated by the full House of Representatives. We do not even know if such a proposal would pass the House, and yet we are now being asked to go to conference to work out a compromise bill. I fail to see how that can be achieved when we have no position to compromise from.

The quality of life in the neighborhoods of more than 6 million Americans is severely impacted by aircraft noise, and it is far too important an issue to be ignored by the House of Representatives.

For the many Members of the House who have not followed the development of this legislation, let me simply say that the Senate noise bill will gut the Federal Government's efforts to require the airlines to fly quieter jet aircraft. It is by far a much more drastic proposal than the one developed by the House Public Works Committee which is now pending before the Rules Committee. To go to conference on a horrible Senate bill while never even debating the issue of aircraft noise on the floor of the House is a threat to the legislative integrity of this body, and a slap in the face to the millions of Americans who have been promised relief from aircraft noise for many, many years.●

● Mr. ADDABBO. Mr. Speaker, I want to commend the gentleman from California (Mr. Johnson) for his remarks earlier today assuring the House that he would uphold the House position in conference with the Senate on the airport noise bill.

I believe that the House has made it quite clear that its members are completely fed up with the delaying techniques employed by the Nation's airlines to avoid reducing jet noise levels at the Nation's urban airports. I believe further that the House has sent a message to the appropriate Federal agencies which are supposed to regulate the activities of the airlines that we will no longer tolerate a "sweatheart" relationship between the airlines and the Federal agencies.

To put it as bluntly as possible, I was quite fearful that by going to conference with the Senate on this bill would give the airlines one more crack at further stalling retrofitting. Thankfully, the word of Chairman Johnson is the best possible assurance that any of us could ask that the House position will be maintained in conference. If we are ever to make a dent in the growing noise problems associated with major airports in this Nation, this House position must stand, as I am sure it will stand.●

Mr. JOHNSON of California. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. Wright). Without objection, the previous question is ordered on the motion.

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. Johnson).

The motion was agreed to.

A motion to reconsider was laid on the table.

MOTION OFFERED BY MR. HARSHA

Mr. HARSHA. Mr. Speaker, I offer a motion.

The Clerk read as follows:

> Mr. Harsha moves that the managers on the part of the House at the conference on the disagreeing vote of the two Houses on the bill, H.R. 2440, be instructed to agree to section 501 of the Senate amendments relating to the solicitation of individuals at airports operated by the Federal Aviation Administration.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. Harsha) will be recognized for 1 hour.

Mr. HARSHA. Mr. Speaker, this motion to instruct House conferees to support section 501 of the Senate amendments relating to the solicitation of individuals at airports operated by the Federal Aviation Administration is made to correct a problem which today inconveniences thousands of air travelers who use Washington National and Dulles airports daily—the problem of harassment by so-called religious and nonprofit groups.

Section 501 of the Senate amendments to H.R. 2440 would authorize the FAA to adopt regulations to require registration by individuals or organizations wishing to solicit donations or distribute information; the appointment of a representative to work with the FAA; prohibitions on harassing or intimidating persons within the airports; a permit licensing system; and a limitation on the numbers of people soliciting and on their areas within the airports.

This provision would force the FAA to follow the lead of other airports which have adopted narrowly drawn regulations which protect the ability of passengers to move unimpeded through the airport while at the same time allowing the expression of first amendment rights by these organizations.

I think this is a sound provision adopted by the Senate and I hope my colleagues would join with me by voting to instruct the House conferees to agree to this amendment when the matter comes up in conference.

Mr. Speaker, I now yield to the distinguished chairman of the committee, the gentleman from California, Mr. Johnson.

Mr. JOHNSON of California. Mr. Speaker, I have discussed this matter with the minority leader and read the record that was provided in the Senate amendment. I have no objection to this restriction on the conferees.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. HARSHA. I yield to the gentleman from California (Mr. John L. Burton) for purposes of debate only.

Mr. JOHN L. BURTON. Mr. Speaker, I would ask the gentleman: Has any consideration been given to the constitutionality of that portion of the Senate bill?

Mr. HARSHA. I would answer the gentleman by saying this only requires regulations; it does not require a prohibition. It is to try to regulate that activity so that airline passengers are not harassed or impeded in their purpose of being at the airport. It does not prevent that expression under the first amendment.

Mr. JOHN L. BURTON. I can still receive a flower and a book and pay $10?

Mr. HARSHA. Yes, sir.

Mr. JOHN L. BURTON. I thank the gentleman.

Mr. HARSHA. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. HARSHA).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 247, nays 106, answered "present" 1, not voting 79, as follows:

[Roll No. 671]

YEAS—247

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Andrews, N.C.
Annunzio
Anthony
Applegate
Archer
Ashley
Atkinson
Bafalis
Bailey
Baldus
Barnard
Barnes
Benjamin
Bennett
Bereuter
Bevill
Boggs
Boland
Boner
Bonker
Bouquard
Brinkley
Brooks
Broyhill
Burgener
Burlison
Butler
Byron
Campbell
Carter
Chappell
Clausen
Clinger
Coleman
Collins, Ill.
Conable
Conte
Corcoran
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Davis, Mich.
Derrick
Devine
Dickinson
Dicks
Donnelly
Dougherty
Duncan, Tenn.
Early
Edwards, Ala.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Forsythe
Fowler
Frost
Fuqua
Gaydos
Gilman
Gingrich
Ginn
Gonzalez
Goodling
Gramm
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Harris
Harsha
Hefner
Heftel
Hillis
Hinson
Holland
Holt
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
LaFalce
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lundine
Lungren
McClory
McCormack
McDade
McDonald
McEwen
McKay
McKinney
Madigan
Marlenee
Martin
Mathis
Mattox
Mavroules
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Nelson
Nichols
Nowak
O'Brien
Pashayan
Patten
Patterson
Petri
Peyser
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Ratchford
Rinaldo
Ritter
Robinson
Roe
Rose
Roth
Roybal
Royer
Runnels
Russo
Satterfield
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snyder
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Traxler
Trible
Ullman
Vander Jagt
Walgren
Watkins
White
Whitehurst
Whitley
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Wydler
Wylie
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—106

Anderson, Calif.
Andrews, N. Dak.
Badham
Bauman
Bedell
Beilenson
Bethune
Biaggi
Bingham
Bonior
Brademas
Brodhead
Brown, Calif.
Brown, Ohio
Buchanan
Burton, John
Carney
Carr
Cavanaugh
Cheney
Chisholm
Clay
Collins, Tex.
Corman
Crane, Daniel
Danielson
Dannemeyer
Daschle
Deckard
Dellums
Derwinski
Dodd
Dornan
Downey
Drinan
Eckhardt
Edgar
Edwards, Calif.
Fascell
Frenzel
Glickman
Goldwater
Gore
Gradison
Green
Hansen
Harkin
Hawkins
Hollenbeck
Holtzman
Hopkins
Jacobs
Kastenmeier
Kildee
Kogovsek
Kostmayer
Lagomarsino
Long, Md.
Lowry
Luken
McHugh
Maguire
Markey
Marks
Matsui
Mitchell, Md.
Nedzi
Nolan
Obey
Ottinger
Panetta
Paul
Pease
Pickle
Rangel
Regula
Reuss
Rousselot
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Snowe
Solarz
Stark
Stewart
Stokes
Studds
Swift
Synar
Thompson
Van Deerlin
Vanik
Vento
Volkmer
Walker
Waxman
Weaver
Weiss
Whittaker
Williams, Mont.
Wolpe
Yates

ANSWERED "PRESENT"—1

Duncan, Oreg.

NOT VOTING—79

Anderson, Ill.
Ashbrook
Aspin
AuCoin
Beard, R.I.
Beard, Tenn.
Blanchard
Bolling
Bowen
Breaux
Broomfield
Burton, Phillip
Cleveland
Coelho
Conyers
Crane, Philip
Davis, S.C.
de la Garza
Diggs
Dingell
Dixon
Edwards, Okla.
Fary
Fazio
Flood
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Garcia
Gephardt
Giaimo
Gibbons
Grassley
Gray
Hanley
Heckler
Hightower
Hutto
Ireland
Jeffords
Johnson, Colo.
Jones, N.C.
Kramer
Leach, La.
Lee
Lewis
Lujan
McCloskey
Marriott
Mazzoli
Moorhead, Calif.
Murphy, N.Y.
Myers, Pa.
Neal
Oakar
Oberstar
Pepper
Perkins
Quayle
Rhodes
Richmond
Roberts
Rodino
Rosenthal
Rostenkowski
Rudd
Santini
Sawyer
Slack
Smith, Iowa
Stockman
Treen
Udall
Wampler
Williams, Ohio
Winn
Wyatt
Young, Alaska

☐ 1040

The Clerk announced the following pairs:

On this vote:

Mr. Hutto for, with Mr. Myers of Pennsylvania against.

Mr. CHARLES WILSON of Texas and Mr. LUNGREN changed their votes from "nay" to "yea."

Messrs. WALKER, MARKEY, DOWNEY, ECKHARDT, COLLINS of Texas, PICKLE, GOLDWATER, BEDELL, and McHUGH changed their votes from "yea" to "nay."

So the motion was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. HARRIS). Without objection, the Chair appoints the following conferees: Messrs. JOHNSON of California, ROBERTS, ANDERSON of California, LEVITAS, FLORIO, YOUNG of Missouri, HARSHA, and SNYDER.

There was no objection.

☐ 1050

GENERAL LEAVE

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

HANDS OF HIGH-LEVEL AMERICANS MAY NOT BE SO CLEAN

(Mr. HARKIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARKIN. Mr. Speaker, I see as the assorted events in Iran begin to unfold that there may be some high-level Americans whose hands are not any cleaner than those of the Ayatollah

I see in the paper this morning that Chase Manhattan Bank President David Rockefeller and Henry Kissinger, who I understand is paid $60,000 a year for a couple of seminars by Chase Manhattan Bank, have both indicated that they were, in fact, involved in persuading high officials of our Government, perhaps even the President, to permit the Shah to come to this country, because as David Rockefeller says, the Shah was a "friend of the United States for 37 years."

Well, the murderous, torturing Shah, who was one of the most repressive of modern-day dictators, may have been a friend of David Rockefeller; maybe that is the kind of people David Rockefeller likes to associate with; but I do not think that the Shah was ever a "friend" of the United States. It was in fact, the Shah who played the leading role in 1973 in pushing OPEC to increase crude oil prices.

Furthermore, I think that David Rockefeller's involvement in this and the involvement of his boot-licking lackey, Henry Kissinger, ought to be fully investigated by appropriate committees of the House and the Senate. Certainly, the press ought to uncover the involvement of Rockefeller in having his personal physician attest to the need to have the Shah treated here rather than in Mexico.

WHAT ROLE FOR GOVERNMENT?

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PANETTA. Mr. Speaker, within the next few weeks, the House will be considering whether or not to provide Federal aid to the Chrysler Corp.

It is not pleasant to contemplate the demise of a large American business and its subsequent impact on the Nation's economy, other businesses, the employees and their families, and on the communities that serve the families and businesses.

But it is also not pleasant to contemplate the dangerous precedent involved here for the relief of thousands of other businesses, both big and small, that can be expected to face difficult business challenges in this year and years to come.

Last year, over 6,000 American business firms, both large and small, went into bankruptcy in this country and somewhere between 30,000 and 40,000 family farmers went out of business.

Where was the Federal Government when it came to the relief of those businesses, those communities, those workers, and their families?

The simple fact is that whether we like it or not, a basic principle in our free market system is that there are risks involved: There are profits to be made; and there are also losses that can be incurred—losses due to market conditions, increased costs or regulations, or poor management.

Those 6,000 businesses, those 40,000 family farmers, faced the same risks and many of them lost. Countless numbers of others will face the same challenges this year. Will the Government bail them out? I think not.

What then will decide whether the Federal Government is to play a role in protecting against business failures: Will it be size alone? Will it be the impact on families or communities? Will it be the quality of management? The fact is that size alone cannot be the final determinant of the human factor involved in losses and failures. The fact is that there is no legitimate basis on which to draw these distinctions or make those decisions. The House and the Congress cannot do it and neither should the Government.

INEQUITIES OF OUR TAX STRUCTURE

(Mr. HOLLAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOLLAND. Mr. Speaker, I probably came to the House on the wrong day, with this speech.

As a member of the Committee on Ways and Means, I guess I hear more from your constituents than mine about the inequities in our tax structure.

The gentleman from North Carolina (Mr. MARTIN) and I have introduced a measure that would allow Members of this House, each and every one of you, to participate in one of the great tax changes of the 1970's. We call it the Investment and Savings Act of 1979. It gives rollover treatment to interest income from small accounts in savings and loan associations and other thrift organizations.

Today we are circulating a "Dear Colleague" letter and we certainly call on both sides of the aisle to put aside your concerns about the Shah and so forth and to give a little concern to the small taxpayer and saver in America.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. HOLLAND. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, how much interest exemption is provided in this bill?

Mr. HOLLAND. We are calling for a total rollover exemption on small accounts.

Mr. ROUSSELOT. All interest?

Mr. HOLLAND. Yes, a rollover.

Mr. ROUSSELOT. Up to what amount? I have a bill in for the exemption of all interest on a savings account up to $2,000.

Mr. HOLLAND. Mr. Speaker, being a member of the committee, the gentleman well knows, this is a rollover—if the gentleman will hear me out—which says that until the interest is withdrawn, there is no tax paid. It is treated just like the profit in selling real estate.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman.

GOV. DIXY LEE RAY'S DECISION TO REOPEN HANAFORD NUCLEAR WASTE FACILITY

(Mr. GOLDWATER asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. GOLDWATER. Mr. Speaker, the news this morning that Washington Gov. Dixy Lee Ray has decided to reopen the Hanaford nuclear waste facility means that some measure of relief is available for the Nation's medical and scientific research community. The closing of these depositories not long ago has made it difficult for hospitals and laboratories to proceed with radiation treatment of cancer patients, and experiments with radiopharmaceuticals.

While the situation is now eased somewhat, Congress must take deliberate action to insure that there are sufficient nuclear waste burial grounds to dispose of these radioactive materials. I have been disappointed in the lack of commitment demonstrated by the administration on this issue. I encourage my colleagues, in response to Governor Ray's decision, to pressure officials at DOE and the Nuclear Regulatory Commission, to implement a plan along the lines of that proposed by my subcommittee chairman, Mr. McCORMACK, or myself, to establish sites in carefully selected locations around the country for the dumping of these wastes. Further procrastination will pose serious consequences. I commend Governor Ray for her action, and hope the Federal Government will finally get moving on this important matter.

ADDITIONAL ACTION MUST BE TAKEN BY THE PRESIDENT ON THE IRANIAN STANDOFF

(Mr. LATTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LATTA. Mr. Speaker, I generally support the actions taken by President Carter in dealing with the Iranian standoff. However, it is apparent that additional actions will have to be taken. Our piecemeal approach to the problem is not working.

I, therefore, urge the President to do the following forthwith:

First. Halt the export of any and all products, including food, from the United States. The American Farm Bureau endorsed an embargo on the shipment of food to Iran on yesterday. The longshoremen of several U.S. ports are already refusing to load cargo headed for Iran.

Second. We should request our allies to suspend oil purchases from Iran until such time as our hostages are released. Foreign aid going to any country purchasing oil from Iran during this period should be terminated.

Third. All U.S. companies doing business in Iran should be requested to cease operations until further notice.

Fourth. The assets of private Iranian citizens held in U.S. banks should be included in President Carter's freeze order.

Fifth. We should cease training the Iranian pilots presently in the United States and send them home, along with all protesting Iranian students and Iranian nationals holding expired visas.

Sixth. Pending orders for new aircraft and other military hardware should be canceled.

Mr. Speaker, should the Carter administration order these actions taken in one sweeping executive proclamation, instead of prolonging the release of our hostages by piecemeal actions, I am confident he would be supported by a great majority of the American people.

IMMIGRATION RESCINDS REQUESTS FOR DATA FROM COLLEGES

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, I woke up this morning full of hope that maybe this would be the day the Iranians would see the light and release our hostages. The sun is bright and thank God for a beautiful day.

Then I pick up the Washington Post, on page A-6, you find, "Immigration Rescinds 69 Requests for Data From Colleges." Apparently the Immigration and Naturalization Service moved properly, wrote to these colleges and said, "Give us—" Well, they asked for this: "Student's course load, attendance, whether the tuition was paid and the student was in good standing, and the student's current home address," having to do with Iranian students. Well, what's wrong with that?

Apparently some ACLU-type lawyer, scared the faint-hearted Commissioner or Acting Commissioner of Immigration and Naturalization Service, saying "Oh, you can't do that," so they had another fellow in there, a fellow by the name of Kellogg Whittick, a very responsible career INS employee take the rap and say that well, he had misinterpreted their instructions. He had followed the original instructions explicitly.

It seems to me we have hoisted ourselves on our own petard, that we have passed laws in this country where we cannot protect ourselves: It seems to me that the ACLU-type are totally preoccupied with the rights of the "bad guys" and not concerned with the public interest of the overwhelming majority of Americans.

The so-called right of privacy in the ancient Buckley amendment seems at times to conflict with the freedom of information theory—when convenient to certain elements.

When our Government needs immediate information for national security, during an emergency situation with 60 American lives at stake, this type of harmless information on "students" that are potential security risks is essential, necessary, and proper.

And speaking of the Iranian students, Mr. Speaker, we should all read Bill Gold's column in the Post yesterday entitled "They Need a Course in Thinking" reprinted hereunder:

THEY NEED A COURSE IN THINKING

(By Bill Gold)

When young people are sent abroad to finish their education, it is assumed that they are among the brightest and the best young minds in the land. Why waste all that expense on dumbbells?

However, there is good reason to question the intelligence, or at the very least the intellectual curiosity, of the Iranian students who have been demonstrating their support for Ayatollah Khomeini in this country.

They have come here to study everything from engineering to medicine. However well or poorly they have been doing in those pursuits, they appear to have learned nothing about the philosophy that governs the political system of their host country, or about their relationship to it.

They do not understand that it is our policy to try to maintain friendly relations with every foreign government that makes a claim to legitimacy or stability—even with Red China and the Soviet Union.

They do not understand that when the people of Iran chose to replace a shah with an ayatollah, we tried to establish friendly relations with the ayatollah and discourage the shah from taking refuge here.

They do not understand the humanitarian basis on which the former shah was admitted to the United States for medical treatment.

They understand their determination to assert sovereignty in Iran, but not our determination to decide who can enter our country.

They understand their desire to get their hands on the shah's money, but they do not understand our inability to deliver it to them.

Nor do they understand the endless inconsistencies in their position. When the ayatollah was a fugitive from a shah who wished he would drop dead, and might have been happy to help speed that day, they thought it was right and proper for France to provide sanctuary for a political outcast. But when President Carter permitted medical help to be given to a critically ill shah, for whose demise the ayatollah now prays with great impatience, Carter was declared to be the devil incarnate.

Those brightest and best young minds of Iran think they have a right to enter our country, with or without our permission, and stage disruptive demonstrations here. But if they were in their own country, they would not dare stage such demonstrations against the government in power, whether it was a shah's or an ayatollah's.

They expect our police to protect them, but they would expect the Iranian police to split their heads open.

They think they have a right to hold our embassy personnel hostage, but would denounce us as servants of Satan if we were to give their embassy personnel the same treatment.

It appears to me, therefore, that the Iranian students have been totally immune to the new milieu in which they have been studying dentistry, political science, and all those other disciplines that will help them take Iran back to the 7th century culture they so deeply admire.

They ought to look up from their books occasionally and observe the people who are their hosts. They ought to learn something about freedom and democracy. And if they can find in their schools curriculum a course on how to think, they ought to sign up for it forthwith.

That's the trouble with students. Quite often the last thing they study is life, and the last discipline they master is the common sense that will enable them to live life intelligently.

☐ 1100

THE "GAG" POLICY AT HEW

(Mr. TAUKE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TAUKE. Mr. Speaker, almost 4 weeks ago, I took the floor at this time to express my concern about a memorandum sent by Secretary Patricia Harris to HEW employees ordering them not to speak to Members of Congress or congressional staff without her express approval. I noted that Department employees working on the title III program had indicated they could no longer discuss the program with me because of intimidation from their superiors. At that time, I sent a letter to President Carter, with a copy to Secretary Harris, asking if this kind of "gag" policy was tolerated in the executive branch. To this date, I have not received an answer from either the Secretary or the President.

Then yesterday I read in the Washington Post an article indicating that two employees of HEW who were investigating the title III program were questioned by HEW officials about their private sex lives.

This kind of conduct, this type of intimidation of employees who are doing what they are supposed to be doing and who are working to improve the program cannot be tolerated.

Again I ask, What is going on over at HEW?

I strongly urge the President and the appropriate committees of Congress to look into this situation and take whatever steps are necessary to stop the intimidation of HEW employees and lift the Harris gag order.

IRANIAN SITUATION FOSTERS SPECULATION ON NEW STATE DEPARTMENT HEAD

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute.)

Mr. DERWINSKI. Mr. Speaker, this is going to be a scholarly commentary on the situation in Iran.

A few of the Members on my side have made statements somewhat critical of the way the situation has been handled by the administration. The distinguished gentleman from Iowa (Mr. HARKIN) saw fit to inspire you this morning with an address in which he put the blame on the previous Secretary of State.

Now, in times like this we have to support the President. In times like this we have to recognize that he faces a difficult problem and he needs our understanding.

Mr. Speaker, I have a helpful suggestion for the President. And that is, given the weakness in the State Department, he should call for the resignation of the Secretary of State and replace him with the gentleman from Iowa (Mr. HARKIN).

NO FUNDS FOR IRAN IN MILITARY CONSTRUCTION CONFERENCE REPORT

(Mr. McKAY asked and was given permission to address the House for 1 minute.)

Mr. McKAY. Mr. Speaker, it is with some timidity that I approach my task this morning in our consideration of the military construction conference report, sensing the restlessness of the House.

With that uncertainty in the air, I would like to announce that in this conference report on H.R. 4391, as reported from the conference committee, there are included no funds for Iran.

CONFERENCE REPORT ON H.R. 4391, MILITARY CONSTRUCTION APPROPRIATIONS, 1980

Mr. McKAY. Mr. Speaker, pursuant to the order of the House of Wednesday, November 14, 1979, I call up the conference report on the bill (H.R. 4391) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1980, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of November 15, 1979.)

Mr. McKAY (during the reading). Mr. Speaker, I ask unanimous consent that the statement of the managers be considered as read.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah?

There was no objection.

The SPEAKER pro tempore. The gentleman from Utah (Mr. McKAY) will be recognized for 30 minutes, and the gentleman from New York (Mr. McEWEN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Utah (Mr. McKAY).

GENERAL LEAVE

Mr. McKAY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the conference report under consideration and the Senate amendments in disagreement thereto.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. McKAY. Mr. Speaker, I yield myself such time as I may consume.

We are presenting today the conference report on H.R. 4391, providing for military construction for fiscal year 1980. The conference agreement provides $3,770,152,000, which is $102 million below the President's request and $119 million below the amount proposed by the other body.

Although there have been a series of changes made by the conferees, which are all listed in the conference report and the statement of the managers, we were able to bring the conference agreement back substantially below the President's requested level in accordance with the sentiment of the House when it passed the bill last June.

We have provided in this bill for the most critical and important construction projects to maintain the operational readiness of our Armed Forces. In this context, I would like to highlight some of the major proposals included in the conference agreement:

We are recommending action relating to host nation support that supports the House position in this area. We are asking that host nations share a greater part of the burden and cost for supporting U.S. troops stationed abroad.

In the area of dependents policy, the conferees directed that the Department of Defense establish consistent criteria and guidelines for all the services to use in determining the amount and types of facilities required to support specified numbers of dependents abroad.

The conferees agreed with the Senate that funds should be added for test facilities for the MX missile system. In supporting the $57 million in facilities, the conferees agreed that no funds should be used to commit the United States to only one basing mode.

The conferees also agreed to fund the projects requested for the Space Shuttle program. More than $70 million is now included to meet construction requirements for this program.

The conferees provided funds that would permit design of projects for conversion from oil to coal to move more quickly to reduce our dependency on foreign oil.

We agreed to add $20 million to permit additional funding for Guard and Reserve projects throughout the country. Because there is a large backlog of approved projects, the conferees directed that this backlog be reduced with the additional funding.

Finally, the conferees agreed to provide $125 million in a foreign currency fluctuation fund to address the shortfalls in military construction created from losses in the value of the dollar abroad.

This conference agreement provides for the most important military construction projects proposed this year and recognizes congressional initiatives and priorities. The agreement is within the guidelines of the Budget Act.

Mr. Speaker, I should like to include at this point in the RECORD a comparative tabulation of the conference action.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY

[Fiscal years]

	New budget authority					Conference compared with—			
	1979, enacted	1980, estimates	1980, House	1980, Senate	1980 conference	1979, enacted	1980, estimate	House bill	Senate bill
Military construction:									
Army	$711,509,000	$792,634,000	$668,808,000	$779,203,000	$725,649,000	+$14,140,000	−$66,985,000	+$56,841,000	−$53,554,000
Navy	760,145,000	552,953,000	527,305,000	566,160,000	567,000,000	−193,145,000	+14,047,000	+39,695,000	+840,000
Air Force	483,264,000	547,267,000	439,786,000	593,650,000	565,456,000	+82,192,000	+18,189,000	+125,670,000	−28,194,000
Defense agencies	194,880,000	253,677,000	175,695,000	258,630,000	192,350,000	−2,530,000	−61,327,000	+16,655,000	−66,280,000
Transfer not to exceed	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)				
Transfer from military construction, Air Force			(39,200,000)	(39,200,000)	(39,200,000)	(+39,200,000)	(+39,200,000)		
Army National Guard	52,200,000	20,000,000	20,000,000	23,700,000	23,700,000	−28,500,000	+3,700,000	+3,700,000	
Air National Guard	44,750,000	30,000,000	30,000,000	36,000,000	36,000,000	−8,750,000	+6,000,000	+6,000,000	
Army Reserve	37,100,000	25,000,000	25,000,000	30,000,000	30,000,000	−7,100,000	+5,000,000	+5,000,000	
Naval Reserve	21,850,000	15,000,000	15,000,000	18,300,000	18,300,000	−3,550,000	+3,300,000	+3,300,000	
Air Force Reserve	13,000,000	10,000,000	10,000,000	12,000,000	12,000,000	−1,000,000	+2,000,000	+2,000,000	
Foreign currency fluctuation, construction, defense			100,000,000		100,000,000	+100,000,000	+100,000,000		+100,000,000
Transfer from family housing			(25,000,000)		(25,000,000)	(+25,000,000)	(+25,000,000)		(+25,000,000)
Total, military construction	2,318,698,000	2,246,531,000	2,011,594,000	2,317,643,000	2,270,455,000	−48,243,000	+23,924,000	+258,861,000	−47,188,000
Family housing, Defense	1,679,865,000	1,743,955,000	1,593,822,000	1,689,925,000	1,622,122,000	−57,743,000	−121,833,000	+28,300,000	−67,803,000
Portion applied to debt reduction	−119,200,000	−123,425,000	−123,425,000	−123,425,000	−123,425,000	−4,225,000			
Total, family housing	1,560,665,000	1,620,530,000	1,470,397,000	1,566,500,000	1,498,697,000	−61,968,000	−121,833,000	+28,300,000	−67,803,000
Homeowners assistance fund, Defense	1,500,000	5,000,000		5,000,000	1,000,000	−500,000	−4,000,000	+1,000,000	−4,000,000
Grand total, new budget (obligational) authority	3,880,863,000	3,872,061,000	3,481,991,000	3,889,143,000	3,770,152,000	−110,711,000	−101,909,000	+288,161,000	−118,991,000

Mr. McEWEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I, too, urge the House's approval of this conference report.

I must say, Mr. Speaker, to my colleagues, that I know all of us have sat in conferences where the art of compromise must be practiced and we have signed conference reports, I am sure, at times with perhaps some reservations or disappointments, but I can say to the House that I think this conference committee brought back a very fine report.

The chairman of the subcommittee has summarized it. It is slightly over what we initially passed in the House. We did receive, subsequent to our deliberations, requests for funds, as the subcommittee chairman has said, for MX and for the Space Shuttle. I urge that the House approve this conference report.

Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. REGULA), who is a member of the subcommittee.

Mr. REGULA. Mr. Speaker, I thank the gentleman for yielding me this time. I will make just a few brief comments.

First of all, I want to compliment the subcommittee chairman and the ranking minority member of the subcommittee. I think this conference was extremely well managed.

We tried to make rational compromises. The document that is here today represents a very responsible position on a very vital part of our military security, and that is the construction of facilities.

There are a couple of things I might highlight that I think would be of interest to our colleagues. No. 1, as the Members will notice, in the report we provide for bringing increasing pressure on host nations to provide support facilities. I have long felt that we are not getting enough help from the other nations to provide host services to U.S. military forces. In this report we state very clearly that other nations that are hosts to the U.S. military effort should provide a stronger level, financially and otherwise, for support services. I think this is the right direction.

Many of these nations can very easily provide facilities in various instances that are necessary for a strong position within the host country. I commend to my colleagues the language in the conference report concerning host nations.

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Second, I would point out additional language in the report. I would like to quote section 116:

> None of the funds appropriated under this Act to continue development of the MX Missile may be used in a fashion which would commit the United States to only one basing mode for the MX missile system.

You will begin to hear quite a bit about the MX missile racetrack. This system is designed to give security to the deployment of the MX missile. I know that many of our colleagues have serious questions about this. At this point, for example, the cost is estimated to be $33 billion and, as we well know from past experiences, will probably double or triple before finally being constructed, if ever.

It was the point of the conferees to make it very clear to the military forces that we do not want to get locked into any deployment system. We feel that this whole idea needs a lot of examination before we commit ourselves to some type of basing system for the MX missile. I think that language is very important.

Under the leadership of the chairman of the committee, several of us visited the proposed facilities in the Western States. We all came back with a great degree of skepticism about that possible system as it is discussed at the present time.

Again I emphasize that the conferees wanted to make it clear that we are not at this point wanting to see the United States locked into any type of basing mode.

Third, I would point out that the level of funding for the space shuttle launching facilities in this bill provides for keeping this system on track. We do not in any way slow down the ability of the Air Force to launch the Space Shuttle on schedule. Hopefully, the Space Shuttle will be a successful instrument and can be launched timely.

There are a couple of very important features of the Space Shuttle program and reasons why we need to keep this on schedule if at all possible. First of all, it will provide a great scientific and technological breakthrough once we can launch 60,000-pound payloads into space. Second, it will enable the United States to put into geosynchronous orbit in space the kind of intelligence gathering satellites that we desperately need in the years ahead. These will be essential to the verification required under SALT II. It will be essential to monitor the activities of other nations. I think, therefore, the conferees felt that it was very important that we provide the necessary funding for the military construction aspects of the Space Shuttle program.

Lastly, I would again compliment the Military Construction Committees in both Houses in staying under the budget requirements. It is a very difficult thing to do in light of construction costs as they exist today and certainly represents a real herculean effort on the part of the committee members in both Houses to insure that we have good management of the military construction program in the United States.

The SPEAKER pro tempore. The time of the gentleman from Ohio (Mr. Regula) has expired.

Mr. HORTON. Mr. Speaker, I yield 2 additional minutes to the gentleman from Ohio.

Mr. BINGHAM. Mr. Speaker, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

Mr. Speaker, I was interested to note that the bill in its present form does not commit us to going ahead with the particular MX program. Would the gentleman go further and say that the bill in its present form does not commit us to go ahead with a land-based mobile program, that we might decide at some stage to go for a shallow water based program?

Mr. REGULA. Mr. Speaker, I want to make it clear that there are two elements here. First is the construction of the MX missile, which is a new generation of the ICBM missile. This bill provides the money for testing facilities that will allow that part of the program to go forward. What we have attempted to do with the language in section 116 is to make it clear that we do not want any commitment by the military forces on a basing mode. I do not think that it restricts, for that matter, the development of the SLBM's as a potential alternative to the MX missile racetrack system.

I will yield to the chairman of the committee for any further comment on that subject.

Mr. McKAY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, we provide in here for money to take care of the test facilities which will test the proposed mode; that is, an underground upheaval for launching. That is part of the money that is provided for that type of test. In our language we do not preclude that there will be other modes that could be used for its launching before the final decision is made.

Mr. BINGHAM. I thank the gentleman.

Mr. McKAY. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. Thompson).

Mr. THOMPSON. Mr. Speaker, I am grateful to the chairman, and I would like to express my appreciation to the gentleman and all of the other members of this committee for what I consider to be a really splendid job.

On page 21 of the report, you have called, quite properly, attention to the failings in the case study jurisdiction folders submitted for the proposed realignment of Fort Dix, N.J. After a long effort by all of the Members of the New Jersey Delegation, and with the cooperation of our colleagues from other places, the gentleman from New York (Mr. McEwen), for instance, the gentleman from Ohio, (Mr. Regula), the chairman, and others, Fort Dix will be kept open at least for a period of 18 months or so, and in other legislation the environmental study, which is alluded to, or specifically referred to on page 21 of the report, will be done.

I simply want to express my gratitude and that of the New Jersey and neighboring delegations and to say that in the final analysis the disposition proposed for Fort Dix and its being kept open is terribly important, I believe, to the entire Northeast. We are deeply grateful to the chairman and to the members of the committee for this and for this very explicit and much needed language.

Mr. McEWEN. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. Lagomarsino).

Mr. LAGOMARSINO. Mr. Speaker, I am pleased to rise in strong support of the conference report on this bill, H.R. 4391, military construction appropriation, and to urge its adoption.

In particular, I want to commend the conferees, particularly the House conferees, for including the full $65.8 million requested for construction of launch facilities for the space shuttle transportation system at Vandenberg Air Force Base. In addition the conference report contains $57 million for test facilities for the MX missile, also at Vandenberg.

Both of these items are essential to our national security mission and have the full support of the administration.

Mr. Speaker, I strongly urge an aye vote.

Mr. McEWEN. Mr. Speaker, I have no further requests for time.

Mr. McKAY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just like to indicate that it has been a pleasure to work with the committee. They have been a hardworking group and they have been dedicated to the cause of our country and the efforts of the House in doing its job. I commend them.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. OBEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 318, nays 33, not voting 82, as follows:

[Roll No. 672]

YEAS—318

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashley
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Brademas
Brinkley
Brodhead
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dodd
Donnelly
Dornan
Dougherty
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fascell
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Giaimo
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio

Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Harkin
Harris
Harsha
Hefner
Heftel
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Jacobs
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Luken
Lundine
Lungren
McCormack
McDade
McDonald
McEwen
McHugh
McKay

McKinney
Madigan
Markey
Marks
Marlenee
Martin
Mathis
Matsui
Mattox
Mavroules
Mica
Michel
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa
Murtha
Myers, Ind.
Natcher
Nedzi
Nelson
Nichols
Nowak
O'Brien
Panetta
Pashayan
Patten
Patterson
Pease
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rinaldo
Ritter
Robinson
Roe
Rose
Roth
Rousselot
Royer
Russo
Santini
Satterfield
Scheuer
Schroeder

Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stokes
Stratton
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Volkmer
Walgren
Walker
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Wirth
Wolff
Wolpe
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—33

Anderson, Calif.
Bedell
Beilenson
Burton, John
Carr
Collins, Ill.
Dellums
Downey
Edwards, Calif.
Forsythe
Holtzman

Johnson, Colo.
Kastenmeier
Kostmayer
Maguire
Miller, Ohio
Mitchell, Md.
Moffett
Nolan
Obey
Ottinger
Paul
Rangel

Roybal
Sabo
Seiberling
Shannon
Stark
Studds
Vento
Weaver
Weiss
Wilson, C. H.

NOT VOTING—82

Anderson, Ill.
Ashbrook
Aspin
AuCoin
Beard, R.I.
Beard, Tenn.
Bolling
Bowen
Breaux
Brooks
Broomfield
Burton, Phillip
Cleveland
Coelho
Conyers
Crane, Philip
Danielson
Davis, S.C.
de la Garza
Diggs
Dingell
Dixon
Early
Edwards, Okla.
Fary
Fazio

Flood
Foley
Ford, Mich.
Ford, Tenn.
Garcia
Gephardt
Gibbons
Goldwater
Grassley
Gray
Hanley
Hawkins
Heckler
Hightower
Hutto
Ireland
Jeffords
Jones, N.C.
Kramer
Lee
Lewis
Lujan
McClory
McCloskey
Marriott
Mazzoli

Moorhead, Calif.
Murphy, N.Y.
Myers, Pa.
Neal
Oakar
Oberstar
Pepper
Perkins
Quayle
Rhodes
Richmond
Roberts
Rodino
Rosenthal
Rostenkowski
Rudd
Runnels
Sawyer
Slack
Smith, Iowa
Spellman
Stockman
Treen
Wampler
Waxman

Williams, Ohio
Winn

Wright
Wyatt

Young, Alaska

☐ 1130

The Clerk announced the following pairs:

Mr. Hanley with Mr. Anderson of Illinois.

Mr. Fazio with Mr. Quayle.

Mr. Wright with Mr. Goldwater.

Mrs. Spellman with Mr. Rudd.

Mr. Rodino with Mr. Sawyer.

Mr. Rostenkowski with Mrs. Heckler.

Mr. Richmond with Mr. Kramer.

Mr. Breaux with Mr. Cleveland.

Mr. Brooks with Mr. Broomfield.

Mr. Mazzoli with Mr. Beard of Tennessee.

Mr. Murphy of New York with Mr. Ashbrook.

Mr. Myers of Pennsylvania with Mr. Lee.

Mr. Foley with Mr. Lujan.

Mr. Dingell with Mr. Winn.

Mr. Danielson with Mr. Wampler.

Mr. Phillip Burton with Mr. Wyatt.

Mr. AuCoin with Mr. McClory.

Mr. Ford of Michigan with Mr. Young of Alaska.

Mr. Hawkins with Mr. McCloskey.

Mr. Ireland with Mr. Edwards of Oklahoma.

Mr. Jones of North Carolina with Mr. Philip M. Crane.

Mr. Slack with Mr. Lewis.

Mr. Rosenthal with Mr. Moorhead of Pennsylvania.

Mr. Roberts with Mr. Marriott.

Mr. Pepper with Mr. Gray.

Mr. Oberstar with Mr. Grassley.

Ms. Oakar with Mr. Williams of Ohio.

Mr. Davis of South Carolina with Mr. Flood.

Mr. de la Garza with Mr. Dixon.

Mr. Fary with Mr. Gephardt.

Mr. Early with Mr. Runnels.

Mr. Neal with Mr. Waxman.

Mr. Garcia with Mr. Hutto.

Mr. Perkins with Mr. Aspin.

Mr. Bowen with Mr. Beard of Rhode Island.

Mr. Conyers with Mr. Coelho.

Mr. Diggs with Mr. Ford of Tennessee.

Mr. Smith of Iowa with Mr. Gibbons.

Mr. Hightower with Mr. Rose.

Mr. BALDUS and Mr. GINGRICH changed their votes from "nay" to "yea."

Messrs. CARR, KOSTMAYER, and DOWNEY changed their votes from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

AMENDMENTS IN DISAGREEMENT

The SPEAKER pro tempore. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 2: Page 2, line 7, after $668,808,000 insert "of which $1,340,000 may be paid for use after 1960 by the Government of the United States of land on Roi-Namur Island, Marshall Islands District of the Trust Territories of the Pacific Islands, as authorized by the Military Construction Authorization Act, 1980,".

MOTION OFFERED BY MR. M'KAY

Mr. McKAY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. McKay moves that the House recede from its disagreement to the amendment of the Senate numbered 2 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert "of which $500,000 may be paid for use after 1960 by the Government of the United States of land on Roi-Namur Island, Marshall Islands District of the Trust Territories of the Pacific Islands, as authorized by the Military Construction Authorization Act, 1980,".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 4: Page 2, after line 23, strike out "$527,305,000", and insert "$566,160,000".

MOTION OFFERED BY MR. M'KAY

Mr. McKAY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. McKay moves that the House recede from its disagreement to the amendment of the Senate numbered 4 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$567,000,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 10: Page 4, line 13, after "designate" insert "*Provided further*, That $39,200,000 shall be transferred to 'Military Construction, Defense Agencies, 1979/1983' from 'Military Construction, Air Force, 1979/1983': *Provided further*,".

MOTION OFFERED BY MR. M'KAY

Mr. McKAY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. McKay moves that the House recede from its disagreement to the amendment of the Senate numbered 10 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 26: Page 11, after line 19, insert:

"Sec. 115. (a) Funds appropriated under this Act for the Air Force shall be available in an amount not to exceed $1,000,000 to assist States and local governments in potential MX basing areas in meeting the costs of establishing planning organizations to conduct studies on and develop plans with respect to possible community impacts of the MX program, including studies and plans with respect to environmental and socioeconomic impacts, State and community land use planning, and public facility requirements.

(b) The Secretary of Defense shall carry out the provisions of this section through existing Federal programs. The Secretary is authorized to supplement funds made available under such Federal programs to the extent necessary to carry out the provisions of this section. The heads of all departments and agencies shall cooperate fully with the Secretary of Defense in carrying out the provisions of this section on a priority basis.".

Mr. McKAY (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah?

There was no objection.

☐ 1140

MOTION OFFERED BY MR. M'KAY

Mr. McKAY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. McKay moves that the House recede from its disagreement to the amendment of the Senate numbered 26 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the last amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 27: Page 11, after line 19 insert:

SEC. 116. None of the funds appropriated under this Act to continue development of the MX Missile may be used in a fashion which would commit the United States to only one basing mode for the MX missile system.

MOTION OFFERED BY MR. M'KAY

Mr. McKAY Mr Speaker, I offer a motion.

The Clerk read as follows:

Mr. McKAY moves that the House recede from its disagreement to the amendment of the Senate numbered 27 and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the conference report and on the several motions was laid on the table.

AUTHORIZING CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 4391

Mr McKAY. Mr. Speaker, I ask unanimous consent that the Clerk may be permitted to make technical corrections in the engrossment of the bill, H.R. 4391, on which the conference report was just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah?

There was no objection.

VETERANS' DISABILITY COMPENSATION AND SURVIVORS' BENEFITS AMENDMENTS OF 1979

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 2282) to amend title 38, United States Code, to provide a cost-of-living increase in the rates of disability compensation for disabled veterans and in the rates of dependency and indemnity compensation for survivors of disabled veterans, with Senate amendments to the House amendments to the Senate amendments, and concur in the Senate amendments to the House amendments to the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments to the House amendments to the Senate amendments, as follows:

(For Senate amendments to House amendments to Senate amendments see proceedings of the Senate, CONGRESSIONAL RECORD, November 15, 1979, p. 32598.)

Mr. MONTGOMERY (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments to the House amendments to the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

Mr. HAMMERSCHMIDT. Mr. Speaker, reserving the right to object, and I do not plan to object, I would take a moment to ask the distinguished chairman of the subcommittee, the gentleman from Mississippi (Mr. MONTGOMERY), to explain what the Senate amendments are.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. I thank the gentleman for yielding.

Mr. Speaker, the gentleman will recall that on October 30, 1979, the House by unanimous vote sent to the Senate a measure that would increase the rate of compensation paid to service-connected disabled veterans by 9.9 percent.

The Senate amendments contain only one substantive change. The House-passed measure would have increased the special "K" award paid to certain disabled veterans by 9.9 percent. The increase would have become effective October 1.

The Senate amendments would provide that the 9.9-percent increase for those veterans eligible for the "K" award would not become effective until September 1, 1980. That is the only substantive change. It will result in cost savings in 1980 of approximately $5.7 million.

If the gentleman will yield further, there is also one technical change included in the Senate amendments regarding Veterans' Administration mobile home loans. The change in the language would make clear that the exemption provided for under the House and Senate amendments extends to loans guaranteed or insured by the VA under chapter 37 of title 38, not to "mortgages," which are not eligible for guaranty or insurance under chapter 37, not just those that are secured by a real-property mortgage.

It should also be emphasized that the compromise agreement reached with the other body is intended to exempt from State antiusuary provisions, in jurisdictions where FHA loans are exempt, any loan guaranteed or insured by the VA under chapter 37 of title 38 that is made for one or more of the purposes specified in section 1810(a) or section 1819(a)(1).

Thus, in those jurisdictions, the exemption would apply to any repayment obligation insured or guaranteed by the VA, including a deferred-payment financing transaction, security agreement, or other financing arrangement, even though the particular type of transaction, agreement, or arrangement may not be regarded under State law as a loan—as may be the case in connection with, for example, home improvements or mobile-home purchases.

Mr. Speaker, in summary, this provision as modified, is to assure to the maximum extent possible in any jurisdiction in which FHA loans are exempt, that no veteran seeking to use his or her loan-guaranty entitlement, whether for a conventional home, mobile home, home improvement, or any other authorized purpose, shall be discouraged or prevented from such purpose by reason of a State antiusuary provision.

Mr. Speaker, I urge that the Senate amendments be adopted so that the measure can be sent to the President without further delay. If this is done today, I have been assured checks can be sent before Christmas that will provide much needed benefits for our service-connected disabled veterans.

Mr. HAMMERSCHMIDT. I thank the gentleman for his explanation.

Further reserving the right to object, Mr. Speaker, in view of the lateness of the day in this session of the 96th Congress, it appears we have little choice but to accept the Senate amendments to H.R. 2282. This bill was sent to the Senate October 30—16 days ago—and I suppose that body had its reasons for delaying passage and making these changes. I am at a loss to imagine what those reasons might be. If this bill is not passed before the end of this month, it is my understanding the increase will not be included in the December VA checks.

The most dismaying change is the one delaying the effective date of a 9.9 percent increase in the "K" award to September 1, 1980. The record should show clearly who is being hurt by this change. We are talking about amputees, those who have lost an eye, suffered total loss of hearing, and other severe disabilities while in the service of this country.

Considering the difficulties visited on these disabled veterans by soaring inflation, the 9.9 percent increase I have insisted on throughout the progress of this bill is little enough.

I, too, am thoroughly dedicated to cutting Federal spending, but I reject the proposition that service-connected veterans, who have been adjudged eligible for the "K" award, should bear a disproportionate share of the burden.

With these reservations, Mr. Speaker, I recommend the bill, as amended, be adopted by the House of Representatives today so it may be sent on to the White House, but I do so with regret that the severely disabled veterans receiving the "K" award will have to wait until September 1980 for their special increase.

By the time they get it, what will inflation have done to its value?

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER pro tempore. Is there objection to the original request of the gentleman from Mississippi?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the matter just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

SOLAR POWER SATELLITE RESEARCH, DEVELOPMENT, AND EVALUATION PROGRAM ACT OF 1979

Mr. FUQUA. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2335) to provide for a research, development, and evaluation program to determine the feasibility of collecting in space solar energy to be transmitted to Earth and to generate electricity for domestic purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 2335, with Mr. HOLLAND, Chairman pro tempore in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose on Friday, November 9, 1979, the gentleman from Florida (Mr. FUQUA) had consumed 27 minutes of general debate, and the gentleman from California (Mr. DORNAN) had consumed 26 minutes of general debate.

The Chair recognizes the gentleman from California (Mr. DORNAN).

Mr. DORNAN. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. Mr. Chairman, consideration of the pending bill, H.R. 2335, the Solar Power Satellite Research and Development Program Act, prompts me to make a few comments about the direction of solar energy policy in this country.

I will primarily leave to others more directly involved in the development of the legislation the task of discussing both its good and bad points. What concerns me about this proposal, even though the dollar amounts provided in the bill are initially relatively small is that it serves as a perfect example of the fascination our Government seems to have—grandiose, potentially very expensive energy development schemes—almost to the point of ignoring or at least placing on the back-burner, the "nuts and bolts" applications of alternative energy technologies.

Certainly, visions of solar satellites the size of Manhattan Island beaming microwave energy back to Earth cannot help but be a scientist's or engineer's dream. Yet, even if the plan is feasible and all of the technological, economic and environmental problems can be worked out, I wonder whether we are not passing up more simple, certainly less dramatic opportunities to produce energy from the sun.

And, by passing up such opportunities, I fear that we are failing to tap our greatest single resource in the Nation's efforts to solve our energy problems—the ingenuity of the American people. That ingenuity can be found in many places across our land, not just in the laboratories of Westinghouse or General Electric.

I have always believed that there are a wealth of ideas in the minds of many people in this country with the expertise to put those ideas into operation—people who could make a major contribution to the Nation's drive to reduce its dependence on foreign oil. That belief has been reinforced by my work on the Energy Subcommittee of the House Small Business Committee. Just last week, for example, we heard testimony from witnesses who pointed out the reluctance, even resistance, of officials within the Department of Energy to seek out, let alone award Federal moneys to small firms with solicited or unsolicited ideas for solar applications. Only a very small effort on unsolicited ideas has begun—small and several years overdue.

One of our witnesses, for example, James W. Benson, a former employee of ERDA, spoke of the DOE mentality to seek the "big solution." This part of his testimony deserves to be called to the attention of this body:

> A second related problem is the pressure to spend very large amounts of money in a very short period of time. When dealing with a budget of millions of dollars, it is easy to become detached from the reality of the money and to treat it as just numbers on a sheet of paper. It is much easier, and therefore tempting to spend $1.5 million on three $500,000 contracts than to parcel it out in increments of $5,000 to $100,000.

This past September I chaired a hearing of the Energy Subcommittee in Lincoln, Nebr., at which time we brought together a number of witnesses from the Midwest and Great Plains area to discuss what small firms have to offer us in the way of developing alternative energy technologies and the frustrations they have in attempting to seek help from the Federal Government.

I recall the testimony of Don Anderson with Mid-America Solar Energy Complex in Minnesota who reminded us that it was firms with less than 1,000 employees that accounted for almost one-half of all major innovation in the United States between 1953 and 1973. And, the cost per research-and-development scientist or engineer is almost twice as great in firms over 1,000 as in firms with less than 1,000 employees.

We know these facts, Mr. Chairman. Yet, within the confines of the Department of Energy, we see an unwillingness to actively explore what lies out there in the minds of literally hundreds of inventors acting either alone or through their work with small companies.

Mr. Chairman, I know that those of you who have worked long and hard on this legislation share my desire to see our Nation's energy problems solved in part with the use of perhaps our most abundant resource, the Sun. Frankly, I will probably support the gentleman in his efforts. Yet, I could not resist this opportunity to discuss my frustrations with the current attitude that pervades the Department of Energy with respect to the development of solar policy and innovations in other energy areas as well.

It is that attitude, more than a lack of dollars or innovative ideas, that is the greatest stumbling block to development of an effective, workable solar policy for our Nation.

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Mr. DORNAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the legislation currently before this body, H.R. 2335, is a responsible piece of legislation which deserves the support of each and every one of you.

The primary purpose of H.R. 2335 is basically twofold. First, it directs the Department of Energy in concert with NASA to establish a solar power satellite development plan. This plan will identify a systematic method for evaluating all aspects of design including economic, environmental, and societal concerns. In addition, the plan will also identify critical milestones that will require policy decisions before proceeding to later stages of the program.

The second purpose is to provide for the authorization of $25 million for fiscal year 1980. This money would be utilized to support the hard, technological development work which is required within the plan.

During the debate, I have heard basically two arguments against the legislation. The one argument is that there is already work being conducted at DOE which is scheduled for completion in mid-1980. As a consequence, we should wait. I contend that this is a fallacious argument. None of the work which this bill addresses is in conflict with the limited paper study work which is currently being conducted. This is merely the logical extension of that theoretical work into the laboratory.

The second argument against the bill is that it will commit the Nation to a vastly expensive development program. This is not true. I just do not know how a bill could be any more explicit. This authorizes funds on an annual basis and does not even represent a commitment to a demonstration satellite. Additionally, as we reach the various milestones, if the project cannot stand on its own merits, then I will be the first one to come before this body to terminate any additional funding.

It is time that this body looked critically at the decisions we have made. We are systematically eliminating the available energy options for producing base-load electrical power. In past years we seriously curtailed the usage of coal. More recently the ability to utilize nuclear fission techniques have been seriously hampered.

The only option that remains, short of seriously curtailing our electrical power usage, is to resort to investigating alternative energy sources such as solar power satellites. We cannot afford the luxury of turning our backs upon an option just because we have identified problems. We must recognize the potential capability of this system and face the problems. This legislation does just that—it provides for an aggressive investigation without blindly committing the Nation to a program that could meet the demands of society as a whole.

I urge my colleagues to support H.R. 2335.

Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding and I rise in support of H.R. 2335, the Solar Power Satellite Research Development and Evaluation Act of 1979.

This bill would enable our Nation to embark on a small scale pilot program to determine the feasibility of collecting solar energy in space to be transmitted to Earth to generate electricity for domestic programs.

With the current shortage of electrical generation capacity, it is imperative to proceed with all deliberate speed to look into this and all alternative sources of power, made possible by our massive investment in space technology to carry men to the moon.

I commend the Committee on Science and Technology for reporting out this bill, giving us the opportunity to move ahead on this new concept.

H.R. 2335 would establish a solar power satellite program office within the Department of Energy to manage and coordinate such a program with the National Aeronautics and Space Administration. The heads of these two agencies are to provide the Congress with a comprehensive plan for the program and for continuing research on solar power satellites by early 1980.

As envisioned, the solar power satellite would collect solar energy while orbiting the earth and convert the energy into microwaves. The satellite would transmit the microwaves to receiving stations around the country which would convert the microwaves into usable electrical energy. The satellite collectors would be located in a stationary Earth orbit.

It is significant to note that this bill would provide only for research and development. It makes no commitment for construction. There are many technical issues which must be resolved, and we must make certain to avoid any damage to the environment which might result from the operation of such a program. But we will never find out unless we fully explore such alternatives.

I urge my colleagues to approve this bill.

Mr. FUQUA. Mr. Chairman I yield such time as he may consume to the distinguished gentleman from Florida (Mr. NELSON).

Mr. NELSON. Mr. Chairman, I rise in support of H.R. 2335, the Solar Power Satellite Research, Development, and Evaluation Program Act of 1979.

Now more than ever with the Iranian crisis, with the world oil shortage, we need to explore every alternate energy source. We need to pass the solar-powered satellite legislation and be on with an aggressive energy research and development program in this Nation.

Today's newspaper headlines make it evident that our Nation is plunging ever deeper into an economic crisis brought about by global energy depletion and our dependence on energy supplies in the hands of an international cartel. Increasing energy costs are reflected by increasing prices for food and industrial products which are evident in every household. Energy supply shortages over the next several years will continue to contribute to a higher cost of living.

In addition to short term measures such as energy conservation, our Nation needs to pursue a national energy strategy which will result in an energy solution for reestablishing a sound economy. Desirable characteristics of such a solution include nondepletability, abundance, environmental acceptability, and economic competitiveness.

There is abundant energy in the universe; it streams past our planet from that giant, existing, fusion reactor, the Sun. The solar power satellite concept offers the potential to tap this energy source. These powerplants in space would collect energy in space, beam the energy to Earth, and provide baseload electric power from ground receivers to homes and industrial plants.

Solar power satellites may potentially meet all the requirements for a national energy solution. Their implementation would promote the economic stability of the United States. They can be installed on a scale to provide significant amounts of future energy requirements. If the energy can be safely beamed to Earth, their environmental impact may be the lowest of any currently envisionable energy source.

Solar power satellites require no fuel. Their useful lifetime, with appropriate maintenance, should be long. Thus after amortization of the original cost the energy price can be extremely low.

Mr. Chairman, at this time we do not need to commit to development of a demonstration satellite. However, we do need to commit to a technology verification program which will resolve the technical, economic, and environmental issues. These issues cannot be resolved with only paper studies. This technology verification program will include ground based experiments and in-space tests using the space Shuttle. The cost of this technology program is modest in comparison with expenditures on other energy alternatives and with the economic potential of solar power satellites. Furthermore, the bill provides for an annual authorization to assure a continuing review of the program by Congress and requires a separate future decision to be made on any commitment to the development of a demonstration satellite.

Mr. Chairman, I applaud Chairman FUQUA and the ranking minority members, Mr. WYDLER and Mr. WINN, for their efforts in bringing this legislation to the floor. I urge my colleagues to support this legislation.

Mr. FUQUA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we debated this bill the other day at great length.

In closing I will not take long but I would just like to correct the record on a few points. This bill does not authorize any project the size of the Manhattan project. This is not a trillion-dollar program. I do not know where those figures come from. The figures are absurd, they are unfounded, they are intended to mislead the Members of this House.

Mr. Chairman, the purpose of this bill is only to evaluate a program, to work with the Environmental Protection Agency and others. The bill makes it quite plain that it requires experimental testing for safety, environmental, and institutional studies.

Mr. Chairman, I quote the following phrases from the bill on page 7:

> For ground-based exploratory research . . . determination of the feasibility . . . examine the economic viability.

Mr. Chairman, it also provides for a comprehensive program plan with a series of decision points where we can evaluate further program commitments and make decisions as to whether we should or should not go forward.

Now, if somebody is opposed to this country trying to look at a potential, viable alternative, then they have that vote to rest on their shoulders, but I think we in this Congress, in acting in a responsible manner, should take the position of at least exploring the possibility. If it is a white elephant, let us find out and forget about it, but if it has possibilities, let us explore it. That is all this bill does. All the other rhetoric about the impact of microwaves on people and animals are the questions that we are trying to answer. If there are these dangers, we want to find out. We want to have experimental testing to show that it will or will not do that. Nobody knows for sure. All the environmental organizations, whoever they may represent, that have been raising these concerns, just have not carefully read the bill because the bill addreses these concerns. I am afraid that one of the problems we have is that many of the people have not read the bill.

Mr. Chairman, I urge the passage of the bill.

● Mr. WEISS. Mr. Chairman, the bill we are debating today is a fine example of how a basically sound and promising idea can be turned into a corporate boondoggle of enormous dimensions.

In keeping with its philosophy that equates bigger with better and biggest with best of all, the aerospace industry is asking for another $25 million for further research into the solar power satellite program. Never mind that the Department of Energy is already conducting four simultaneous studies of the satellite project. Never mind that these research reports will be available in 7 months. Never mind that Congress has already made a multimillion-dollar commitment to feasibility assessments of this program. No, the industry seems to have decided well in advance of these research results that the satellite makes perfect sense and deserves to be funded at whatever level its proponents regard as necessary.

Mr. Chairman, I support increased research and development into solar power. This renewable energy resource seems to me to offer potentially one of our most effective alternatives to both fossil fuels and nuclear power. One of the most attractive aspects of solar energy is that it is inherently a labor-intensive technology which can be designed and operated on a community level.

The aerospace industry however, is determined to make solar power as complicated and as capital-intensive as it possibly can. The same kind of thinking which gave us Skylab and Space Shuttle cost overruns is now demanding more and more money for the corporatization of both solar energy and outer space. As usual, the very serious and compelling environmental objections to this scheme are being disregarded in the name of "technological progress" and "innovative planning."

Mr. Chairman, I have pointed out on this floor on several previous occasions that the aerospace companies and their allies in the bureaucracies and in Congress often refuse to accept any limits on their proposed projects. As has been shown in the case of the SST, the industry simply will not take no for an answer and will not accept any measure of fiscal austerity.

The $25 million under discussion today is, once again, only the beginning. DOE/NASA studies indicate that a 30-year solar satellite program will cost between $500 billion and $800 billion. Some estimates go as high as $2.5 trillion. The microwave radiation which would be used to beam energy from the fleet of 60 Manhattan Island sized satellites back to Earth may well cause irreversible environmental and public health damage, but that has never been a very serious consideration for the aerospace corporations. Indeed, the expenditure of these vast sums of money would provide only 10 percent of this Nation's energy needs.

Instead of investing enormous sums in this grandiose scheme, we should be moving ahead with solar research on a more practical scale. Such an effort would not, however, be conducive to the aerospace companies' hopes of converting solar energy into a government-subsidized profit windfall.

I strongly urge my colleagues to reject this legislation. At the very least, we should wait a few months and see what the results of current studies may be before we hand out $25 million for an unproven, potentially dangerous, and extravagant technology.●

● Mr. BEDELL. Mr. Chairman, I rise in opposition to H.R. 2335, the Solar Power Satellite Research and Development Program Act of 1979. Although I am a strong supporter of solar energy and I am deeply committed to the development of alternative and renewable sources of energy, I do not think this is the way in which we should be spending taxpayer's dollars in order to increase our domestic energy supply.

The request for fiscal year 1980 in this legislation is for $25 million for research and development; however, it has been calculated that the total R. & D. costs of the program would be in a range between $40 and $80 billion, and this does not even include the cost of putting a demonstration satellite into orbit. It is estimated that this program could cost $500 billion to implement. I, therefore, strongly submit that instead of making such a large and long-term commitment to the development of the SPS program, that our limited resources should be used instead to support decentralized technologies with a much greater short-term energy potential.

Solar energy is crucial to our energy and economic future; however, development of this vital source of energy should not be misdirected through the use of solar satellites The efforts of Congress this year have largely been devoted to solving our energy problems through the use of a myriad of different energy technologies and sources. Each one of these other programs will be hurt if we allocate such a large sum to SPS program instead of to competing technologies.

We should take advantage of the ground-based solar technology we are now developing and other renewable sources of energy rather than spending $25 million on such an exotic technology. I urge my colleagues to reject H.R. 2335.●

● Mr. DRINAN. Mr. Chairman, for the second time in as many years I find that I must reluctantly rise in opposition to legislation which would prematurely commit the United States to an expanded program of research and development of the solar power satellite (SPS). While I am committed to the expeditious development of alternative sources of energy and believe that we must assume significant risks in that process, I cannot support this particular bill at this time.

This legislation is extremely unwise in view of the fact that Congress has not yet had an opportunity to review the findings of the substantial SPS research program that is already being conducted by the Department of Energy (DOE) and the National Aeronautics and Space Administration (NASA). In fact, more than $20 million has been spent on SPS research since 1973, and the House has already voted to spend an additional $8 million on SPS research during fiscal year 1980.

In 1976, the SPS task group of the Energy Research and Development Administration concluded that "insufficient information is currently available for any significant program decisions" on the solar power satellite concept. The group consequently recommended that a comprehensive, 3-year study be undertaken to provide Congress and the executive branch with "an initial understanding of the technical feasibility, the economic practicality, and the social and environmental acceptability of the SPS concept." That study is the focus of current SPS funding within both DOE and NASA, and the report is expected to be completed and submitted to Congress in June 1980.

But rather than wait for the completion of this study, the proponents of H.R. 2335, the Solar Power Satellite Research, Development, and Evaluation Program Act, would have the House commit the Government today to a significantly expanded program of SPS research and development at an authorization of $25 million this year and unknown amounts hereafter. This legislation would have DOE and NASA move beyond their current feasibility studies to the actual development and testing of the various technologies and hardware that would be essential components of a demonstration SPS. Actual experiments in space, as well as on land and in the laboratory, are provided for in their legislation. Also included is a provision mandating DOE and NASA to provide Congress by January 1980 with a comprehensive plan and program schedule for the construction and launch of a demonstration satellite and for the eventual deployment of a full SPS system.

While this measure also authorizes further economic, environmental, and safety studies of the SPS concept, there is little doubt that the intent of this legislation is to lay the groundwork and generate momentum for the launch of a demonstration satellite. But as NASA Administrator Robert Frosch, said in his testimony before the Science Committee in opposition to this bill:

> Any new commitments to an SPS technology development program . . . should await the results and recommendations from our current joint DOE/NASA study effort.

Thus the central issue before us today is not whether or not the SPS is a technology worth developing, but whether or not the House should await the results of the DOE/NASA study, which the House prudently arranged for 2 years ago, before making that decision. The answer to that question is clear. There is no compelling reason for us to charge ahead and expedite consideration of this program, particularly in view of the very serious problems which are likely to be associated with the development of the SPS.

While I intend to reserve judgment on the merits of the SPS concept until after I have had a chance to review and study the findings of the current DOE/NASA study, I do want to mention that I am very troubled by the tremendous cost of the SPS, and by the environmental, safety, and strategic problems that its deployment would likely create.

Specifically, it may interest my colleagues to know that the Jet Propulsion Laboratory estimates that merely the research and development needed for the launch of a demonstration satellite would cost at least $60 billion. Full deployment of an SPS system would cost $500 billion at the absolute minimum. Given the vast capital requirements of this technology, its relatively short projected lifespan, and the fact that it would provide the United States with relatively little energy, I have very serious doubts that this will ever be a cost-effective means of supplying our Nation's need for electricity.

The environmental and safety problems associated with the development of this concept are also very troubling. The microwave beams, for instance, which would transfer energy from the satellites to the Earth, might have a very significant adverse impact on the entire ecosystem.

I know from hearings before the Subcommittee on Environment, Energy, and Natural Resources that even low-level microwave radiation can be very hazardous to humans, animals, and even plants. To date, the Federal Government's response to this problem has been inadequate and fragmented. Until the Government reorganizes its management of this hazard, I would be reluctant to support any project which would entail the release of substantial amounts of microwave radiation.

These microwave beams might also have a very serious indirect effect. A number of scientists believe that the microwave beams would significantly heat the upper atmosphere and cause a radical change in the Earth's weather patterns.

Construction of a full SPS system, which would entail the construction in space of 60 satellites—each the size of Manhattan Island—would require thousands of rocket launches. Some scientists predict that these launches, which would use a rocket much larger than the Saturn 5, would seriously damage the ozone layer.

In addition, the SPS might be considered a strategic weapon by other nations, because the microwave beams could be directed toward population centers and used as a potent antipersonnel weapon. Finally, the satellites themselves would be very vulnerable and expensive targets for attack.

Perhaps the most significant criticism of this program is that it would drain our scarce capital reserves away from competing energy technologies, such as conservation and terrestrial solar, which offer much greater short-term energy potential at a fraction of the cost of the SPS.

In conclusion, let me repeat that I enthusiastically support the current research on the SPS that is being conducted by DOE and NASA. But, given the fact that their study will not be complete until next June, and inasmuch as there may be many serious problems associated with the SPS, I do not believe that it would be responsible for Congress to prematurely advance the SPS program at this time.

Therefore, Mr. Chairman, I urge the defeat of this measure.●

The CHAIRMAN pro tempore. All time for general debate having expired, the Clerk will read.

The Clerk read as follows:

H.R. 2335

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Solar Power Satellite Research, Development and Evaluation Program Act of 1979".

FINDINGS AND POLICY

SEC. 2. (a) The Congress finds that—

(1) the United States is faced with an unparalleled increase in the consumption as well as the cost of energy;

(2) the current imbalance between domestic supply and domestic demand for fuels and energy is likely to persist;

(3) dependence on nonrenewable energy resources cannot continue indefinitely at the current rates of consumption;

(4) it is in the interest of the United States to expedite the long-term development of renewable and nonpolluting energy resources such as the Sun;

(5) to date, this Nation's effort in research, development, and demonstration activities relating to the utilization of solar energy has focused on ground-based equipment;

(6) many studies indicate that a satellite-based energy system would be a vastly superior method of utilizing solar energy, but such a system has not been adequately investigated;

(7) the average citizen is being adversely affected, both economically and ecologically, by the depletion of fossil fuels;

(8) with the increasing dependence of the United States on foreign energy supplies, a solar power satellite system would enable the United States to rely to a lesser extent on foreign countries to satisfy our essential energy needs, and would help eliminate a balance-of-payments deficit and the threat that such a deficit imposes;

(9) the construction of a solar power satellite system would provide economic stimulation in the form of jobs throughout all the States of this Nation; and

(10) the technology and the trained technical community to support a solar power satellite research, development, and evaluation program are available, and the Space Shuttle and other relevant technology already under development provide a substantial impetus to accomplish such a program.

(b) The Congress declares that it is the policy of the United States—

(1) to pursue a vigorous research and development program to develop solar power satellites as a major source of energy to satisfy our national energy needs;

(2) to provide for the development and evaluation of practicable means to employ a solar power satellite demonstration.

ESTABLISHMENT OF PROGRAM

SEC. 3. (a) There is established a Solar Power Satellite Research, Development, and Evaluation Program (hereinafter referred to as the "Program" to carry out the policy expressed in section 2(b).

(b) There is established within the Department of Energy an office to manage the Program.

(c) Funding requests for the Program shall be specifically identified.

INITIAL RESEARCH AND DEVELOPMENT

SEC. 4. (a) The Secretary of Energy (hereinafter referred to as the "Secretary") and the Administrator of the National Aeronautics and Space Administration (hereinafter referred to as the "Administrator") shall initiate the Program by carrying out research and development for the purpose of resolving the major technical, environmental, and socioeconomic issues regarding the viability of the solar power satellite concept.

(b) In connection with or as part of such research and development, the Secretary and the Administrator shall—

(1) carry out system definition studies; health, safety, and environmental studies; socioeconomic studies; ground-based technology; space related technology; and a comparative evaluation of the solar power satellite concept and the terrestrial alternatives to such concept to provide a basis for research, development, and evaluation program planning and phasing, and

(2) perform or cause to be performed comparative technology assessments of solar power satellite concepts and terrestrial alternatives to such concepts, including, but not limited to—

(A) photovoltaic concepts, and

(B) solar thermal (closed brayton cycle, thermionic conversion, cascaded system) concepts.

CONDUCT OF THE PROGRAM

SEC. 5. To implement and carry out the Program—

(1) the Secretary shall—

(A) be responsible for providing effective overall planning, management, and integration of the Program to assure resolution of the technical, environmental, and socioeconomic issues;

(B) contract with the Administrator to conduct and coordinate the planning for all space-related research, development, and evaluation projects and activities which may be necessary or appropriate under the Program;

(C) coordinate with appropriate power distribution agencies in evaluating the ground portion of the Program, and provide a report on the Program's potential impact on the power network; and

(D) report to the Congress on an annual basis relating the problems faced as well as the progress made in the Program.

(2) the Administrator shall—

(A) carry out the space-related research, development, and evaluation projects and activities provided for in the contract or contracts entered into pursuant to paragraph (1)(B);

(B) utilize to the maximum extent possible the existing technology, facilities, and expertise of the National Aeronautics and Space Administration;

(C) utilize to the maximum extent possible the technology and resources of the universities and private sector; and

(D) coordinate with the Secretary and the power distribution agencies the application of space and energy technology developed under the Program.

COMPREHENSIVE PLANNING AND PROGRAMING

SEC. 6. The Secretary, after consultation with the Administrator, shall transmit to the Congress on or before January 3, 1980, a comprehensive plan for the Program and for continuing research and development on a solar power satellite, which plan shall be designed (consistently with the provisions and requirements of this Act)—

(1) to provide for the conduct of definitive studies and ground-based exploratory research leading to a solar power satellite total system definition and a plan for the determination of the feasibility of placing a demonstration satellite unit or units into orbit to examine the economic viability of collecting and transmitting solar energy for commercial purposes; and

(2) to identify (A) the basic elements of the Program, (B) the Program schedule, (C) a series of decision points within the Program to evaluate the major technological achievements and uncertainties and justify further program commitments (including the decision point for commitment to construction of a demonstration satellite), and (D) the funding required to carry out each major element of the Program.

APPROPRIATIONS

SEC. 7. (a) There is authorized to be appropriated, to carry out this Act, the sum of $25,000,000 for the fiscal year ending September 30, 1980, and such sums as may hereafter be authorized by law for subsequent fiscal years.

(b) Notwithstanding any other provision of this Act, no authorization to make payment or to enter into contracts under this Act shall be effective except to such extent or in such amounts as are provided in advance in an appropriation Act.

Mr. FUQUA (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN pro tempore. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments: In section 4(b)(2) on page 5, do the following:

On line 14 after the comma, strike "and";

On line 15 after the word thermal, strike "(closed brayton cycle, thermionic conversion, cascaded system)"; and

Add the following new subsections: "(C) nuclear fusion concepts, and (D) fossil energy concepts"

In section 5, after subsection 5(1)(C) [page 6], add the following new subsection (D) and reletter the remaining subsection (E):

(D) coordinate, and when appropriate, contract with the Administrator of the Environmental Protection Agency and other appropriate public and private agencies in carrying out safety, environmental and institutional studies; and

The committee amendments were agreed to.

AMENDMENT OFFERED BY MR. FUQUA

Mr. FUQUA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FUQUA: Page 7, Section 6, Line 14, strike the date "January 3, 1980" and insert the date "September 30, 1980".

Mr. FUQUA. Mr. Chairman, this only changes the date to conform with the time at which the bill is before the House, from January of 1980 to September of 1980.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Florida (Mr. FUQUA).

The amendment was agreed to.

Mr. GLICKMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of this bill. It is to provide a solar-powered satellite R. & D. program jointly managed by the Department of Energy and NASA. I think that is probably one of the most significant things in the bill, that NASA will have some involvement in an energy program. We know how successful they were during the space program. I myself think they should have more authority perhaps to develop a fuel-efficient automobile, but the whole purpose of this bill is to develop a plan that will be sent to Congress that will have a program in it that will ask certain questions as to whether a solar-powered satellite program is feasible or not.

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In that plan questions dealing with the technological achievements and problems, uncertainties and future program commitments, yes or no, will be ascertained. In the plan, as the gentleman from Florida (Mr. FUQUA), the chairman, pointed out, there will be contained therein a series of decision points before a commitment is made for the construction of a demonstration satellite.

I think it should be emphasized at this point that this bill does not build any satellite, any demonstration satellites whatsoever. It is a developmental plan to determine whether a satellite should be built or not.

Now, I think that the idea of a solar power satellite or a group of small satellites presents an extraordinary opportunity. It may not work whatsoever, but in terms of our gigantic shortage of electricity in the future, particularly after the Iranian situation, I believe it would be negligent for us not to at least explore the idea of seeing whether we can convert sunlight into electricity and provide our people with that kind of need that they have to go without.

Now, the argument has been, well, let us emphasize small technology projects, and I tend to agree. I have been an advocate of alcohol fuels and other small appropriate technology projects; but as far as I am concerned, all types of solar technology should be explored, whether they be low-capital intensive ones or high-captial intensive ones. At this stage of the game, I believe it would be dangerous to become trapped in an ideological straitjacket in reference to research and development for solar technology.

Now, let me give you an example. The space program brought tremendous spinoffs, particularly for the aged and the handicapped and for medical research. There is no reason to believe that this program would not also provide the same spinoffs for solar technology. What we would learn in terms of photovoltaic and the direct conversion of sunlight into electricity in this program, what we would learn from solar heating and cooling would be directly attributable to photovoltaics on Earth, to solar heating and cooling on Earth. This bill may prove that photovoltaics from the sky do not work; but I would say that it would be again, very imprudent for us not to at least give it this possibility.

Let me close with this point. I do not want to see us left with only one alternative for the future of this country, that alternative being nuclear power. There are some who want to foreclose the idea toward any form of synthetics and liquid fuels. There are some who want to foreclose any form of large technology whatsoever for energy development. That leaves us with one energy future, and that is nuclear power, and it is a form of power that I do not want to exclusively rely on and I do not want my children to rely on.

I think that this type of program, and similar types of R. & D. programs to see whether solar energy can be converted to electricity for the people of this Earth to use, is a prudent opportunity. It is an appropriate bill. I compliment the gentleman from Alabama for its passage and I urge my colleagues to approve this bill.

Mr. WYDLER. Mr. Chairman, will the gentleman yield to me?

Mr. GLICKMAN. I would be glad to yield.

Mr. WYDLER. Mr. Chairman, I want to thank the gentleman for his statement.

I rise in support of the bill and urge all Members to vote for it.

I appreciate what the gentleman had to say and agree with most of the things that the gentleman said here on the floor today. I cannot agree with the gentleman on his feelings toward nuclear power. It is, indeed, one of our resources as a Nation. I think any plan that we try to make as a Nation without it is doomed to failure; however, that is an argument for another day.

What I would like to point out in this particular bill, however, is the fact that always amazes me, that no matter which way we go in energy, we always have people, and they tend to be the same people, who find something wrong with the alternative, whatever it is.

I always thought solar power was the answer of many people to our power problems. I personally feel it may, indeed, give us some energy a great many years from today. It may. Possibly the biggest potential for solar power usage is this solar power concept. I do not know if it is feasible, but I think it probably has as much chance to produce feasible solar power as some other things.

The CHAIRMAN pro tempore. The time of the gentleman from Kansas has again expired.

(At the request of Mr. WYDLER, and by unanimous consent, Mr. GLICKMAN was allowed to proceed for 2 additional minutes.)

Mr. WYDLER. Mr. Chairman, if the gentleman will yield further, it may prove as feasible, for example, as solar photovoltaics. That has some potential. It may develop that some day we may, indeed, find it can be used economically. We do not know, but it is worth looking into. I would agree with the gentleman; but here we have people that do not even want to look into the future. They want to stop every avenue of potential energy resource that our Nation has. They always have an objection to every particular project.

I think that the Congress should see that, should understand it and realize it, because it is very important, not only when we consider this particular program, but the other programs that are being offered to the Congress as potential sources for the future energy needs of our Nation.

Mr. GLICKMAN. Mr. Chairman, I would just like one comment. I think at this stage of the game we ought not to impugn anybody's motives on these things; but the whole concept of solar power, photovoltaics for solar heating and cooling, are related to each other, and by denying this opportunity to at least research the propriety of a solar power satellite, I believe we are denying the opportunity for solar photovoltaic and other solar research on Earth.

Mr. WOLPE. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. Yes, I would be glad to yield to the gentleman from Michigan.

Mr. WOLPE. Mr. Chairman, I am certain the gentleman did not mean to suggest that this bill determines whether or not we are willing to explore the concept, because, in fact, the Congress has already mandated at a cost of $16 million a 3-year study, the results of which we are presently awaiting that are to be presented to the Congress in the middle of next year.

Mr. GLICKMAN. Mr. Chairman, that 3-year study was authorized before anybody ever heard of the Ayatollah Khomeini. I think that we have to have a renewed effort right now in light of the energy problems that we have.

Mr. WOLPE. Mr. Chairman, if the gentleman will yield further, the gentleman is aware that we are, in fact, exploring the concept right now.

Mr. GLICKMAN. I am aware that some study is being done and the Office of Management and Budget has its hands on that study. All I am saying is that I think the Congress needs to be actively involved and move ahead expeditiously.

Mr. OTTINGER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as most people in the Chamber know, the gentleman from Michigan (Mr. WOLPE) and I have been leading the opposition to this legislation, not because we do not want to see the concept of a solar power satellite explored. We do not want to get committed irrevocably to proceeding with a project of that magnitude before we have more answers to the enormously serious problems that attend this project.

As the gentleman from Michigan indicated, there is a $16-million study that presently is being pursued. That is designed to get us to a decision point as to whether or not we are to go further. It is due in June or July of next year.

It is our strong feeling that we ought to have those answers before deciding to go ahead with a very major commitment.

Now, the gentleman from Michigan and I sought to accommodate the sponsor of this legislation, for whom we have the highest regard, the gentleman from

Alabama (Mr. FLIPPO), and the chairman of our committee, whom we love dearly. We tried to take out the aspects of this legislation that would get us into hardware and development, what now is called technology verification. Our amendment sought to get us out of the developmental aspects of this and leave it just for additional money for research.

There are a lot of serious environmental problems with this concept. The results of the studies that would be pursued on those environmental concepts would be useful, regardless of whether we went ahead with this program. We had no problem with that. If we could have restricted this to additional research of this kind, I would have supported it.

The problem we do have is the tremendous push on behalf of the space industry through this program to continue to be supported by the Federal Government. We are very concerned that once you get into bidding and testing hardware, you get a lot of jobs dependent on this, that you are going to be so committed to it that it would be very difficult to draw back. This is the biggest Federal commitment, if we go ahead with it, that we have ever had with any program, military or civilian. What is being talked about is Federal expenditures for research in the ballfield of $40 to $80 billion.

Mr. FLIPPO. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. Of course, I yield to the gentleman from Alabama.

Mr. FLIPPO. Mr. Chairman, would the gentleman give me the source of the gentleman's information that the costs of the program will be $40 to $80 billion?

Mr. OTTINGER. The sponsors of this program themselves had a briefing last year——

Mr. FLIPPO. I am the sponsor of this legislation.

Mr. OTTINGER. Not the sponsor of the legislation, the sponsor of the program. It was also the result of preliminary studies that were done by JPL. Also, the figure that the OMB actually is using as an estimated cost of research and development is $70 billion. I do not think there is anybody, including the JPL program managers at the present time, that feel that, despite the dated aspect of the JPL study, that the research and developmental costs are going to be anything less than that $40–$80 billion range.

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Mr. WOLPE. Mr. Chairman, will the gentleman yield on that point?

Mr. OTTINGER. I will be glad to yield to the gentleman from Michigan.

Mr. WOLPE. Mr. Chairman, I have in my hand a solar satellite review that was prepared by the Marshall Space Flight Center and the Johnson Space Center, and in that there is a figure of what is anticipated for the cost of a solar power satellite. The figure is $86 billion.

In addition, let me point out that the $48 billion figure also appears in a publication of Boeing, as well as in the official publication to which the gentleman alluded earlier.

Mr. FLIPPO. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I yield to the gentleman from Alabama.

Mr. FLIPPO. Mr. Chairman, this legislation does not call for the construction of a satellite, as the gentleman very well knows. This legislation for $25 million is only incidental to that.

We are now spending over $1.5 billion on R. & D. for the only other long-term energy option we have, and that is nuclear. We are spending less than one-half of 1 percent of that in trying to get a program of this sort going.

Mr. Chairman, will the gentleman tell me what long-range energy program he supports?

Mr. OTTINGER. Mr. Chairman, I support massive conservation efforts. I support solar in its usual terrestrial forms very strongly. I support alcohol fuels, and I support geothermal and wind energy. There are all kinds of things that I think can contribute to a solution of our admittedly very severe energy problems.

I do not support a solar power satellite effort unless it shows some real signs of being a sound program.

All I am saying is, let us wait and get some more answers to this before we proceed with the largest commitment we will ever be asked to make. That is my most genuine concern.

I urge defeat of this legislation.

Mr. LLOYD. Mr. Chairman, I move to strike the last word.

Mr. Chairman, in summarizing the bill H.R. 2335, I want to emphasize that there is in no way any attempt to commit this Congress or the Nation to construction of a demonstration satellite. The thrust of this bill is to formally establish a program office within the Department of Energy and to assign roles to both DOE and NASA. The bill would also require a comprehensive program plan which identifies the basic elements of the program, establishes a program schedule, and establishes a series of decision points to evaluate further program commitments including any decision to move forward with a commitment for a demonstration satellite. Finally, the bill would authorize $25 million for the program in fiscal year 1980.

The current DOE/NASA study involves only paper studies and provides very limited experiments and as a result provides little if any hope of resolving technical, environmental, or economic issues.

This bill will augment the ongoing DOE/NASA study with ground-based exploratory development and technology verification activities.

With additional money:

Evaluate emerging technologies such as solid state technology which would reduce the cost and weight.

Conduct definitive environmental analyses and experiments including experiments to investigate the impact of microwave transmission on telecommunications experiments to assess the effects of long-term microwave exposure on public health, and additional analysis of launch vehicle exhausts on the atmosphere.

Conduct additional critical supporting analysis and experiments in space structures, materials, power conversion, and power transmission and reception.

Mr. Chairman, I have been listening to the discussion, and I really think that my colleague, the gentleman from Alabama (Mr. FLIPPO), has put his finger on the issue, and that is that we are in a study. We are not going to build hardware right now, and the gentleman is not advocating that we do that.

What we are really talking about is $25 million for the purpose of coming up with a study and looking at the feasibility and putting our money where our mouth is.

I have strongly supported solar power. I think solar power satellites are a viable entity. I would like to see them go forward, but I would also like to know that we are going in the right direction.

I do not think we are being irresponsible in this bill, and I think what we need to do is get on with it. I think we have to ask ourselves some questions.

We are having problems in dealing with energy around the world certainly, as evidenced in the Iranian situation, and I am not trying to trade on that in any way. What we really are doing here is, we are finally saying that it is important that we do go forward with the things we have been talking about around here.

We have said that solar is the way to go. Indeed it is. Also I think all forms of energy should be considered.

Right now we have an opportunity to go forward in the area of a solar power satellite. For goodness sake, let us not back away when we have the opportunity to go forward and involve ourselves in this situation with this small amount of money.

Twenty-five million is a lot of money, but not compared to what we have done in other forms of energy. Nor is the time that we are putting in here significant compared to the amount of time that we have put in on a lot of other energy bills right here in this House.

For goodness sake, let us give ourselves a break, let us give the public a break, and let us go forward. This is a good bill. It merits our attention, and I urge support for it.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. LLOYD. I yield to my colleague, the gentleman from Michigan.

Mr. CARR. Mr. Chairman, I want the gentleman to know that I have every respect for his judgment in these matters. I know the gentleman is a member of the committee, but he and I also sit on another committee which is a high technology committee, and that is the Committee on Armed Services.

Mr. LLOYD. That is true.

Mr. CARR. Mr. Chairman, I think where we might have a little disagreement here is in the fact that we know science is not all that scientific. We know that there is politics related to science, and that gets somewhat masked over from time to time.

Mr. LLOYD. The gentleman is not going to tell me that politics is going to enter into this, is he?

Mr. CARR. Mr. Chairman, I know, just as sure as I am standing here, that if we had in the bill here today an R. & D. study, a research and development—that wonderful word, "development"—study to look into the feasibility of putting an A-10 in the air, my colleague would be on the opposite side of the fence.

I think perhaps what we are really talking about here is an orderly process. We do have this study that is due next year. There is nothing in the world situation, Iran included, which I think should propel us or compel us to panic in a way that haste makes waste.

I have supported the gentleman from Alabama (Mr. Flippo) prior to this on getting the paper studies done, but I am painfully aware from my own experience on the Committee on Armed Services that once we get away from the paper study, all kinds of vested interests begin to build and all kinds of political trains start leaving the station.

I think this bill is terribly premature. I would be willing to take another look at it if it were brought back last year after we had the study and after we had time to look at the paper study. I just do not think we ought to get ourselves in a panic situation where haste can make waste.

We have an orderly procedure, and I certainly do not want us to build up a political vested interest.

I have absolutely no doubt that any of the studies demanded by this bill will come back and tell us, "No, it is not feasible. No, we should not do it. It is too costly. This is not the way to go."

I say that, particularly as this does not really evaluate this vis-a-vis soft energy paths, the kind of investment we could make with $25 million in other areas, in the area of investment in soft energy applications.

The CHAIRMAN. The time of the gentleman from California (Mr. Lloyd) has expired.

(By unanimous consent, Mr. Lloyd was allowed to proceed for 5 additional minutes.)

Mr. LLOYD. Mr. Chairman, I value my colleague's remarks. I know the gentleman is a very dedicated and hard-working Member of this body. I know that because I work with him on research and development subcommittee. I also know that the gentleman is knowledgeable.

But I would remind my colleague that we are talking about $25 million, and if we went nowhere with this, and remember that everyday the inflationary costs reduce the effectiveness of our money. If we went nowhere in this whole thing, then indeed we have not lost that much. But if we do it today, we will have accomplished something and at a lower cost.

I think the gentleman from Alabama (Mr. Flippo) is right. The time has come to do it, and that is all I am saying. What I really am asking my colleague, the gentleman from Michigan (Mr. Carr), is: If not now, when?

It is easy to procrastinate, and the Lord knows we do plenty of that around here.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. LLOYD. I yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I, too, have the highest regard for the gentleman for his integrity and his knowledge in these areas and I thank him for yielding.

In the course of the gentleman's statement he said, I believe, that there is no hardware involved in what is proposed in this legislation. I would like to explore that with the gentleman because perhaps there may be some hardware involved.

Mr. LLOYD. Mr. Chairman, if the gentleman will let me recapture my time for just a second, obviously we eventually are talking about the potential of hardware, but right at this stage we are not really going into it to the point where we are going to commit ourselves to a total program and where we are going into hardware.

Mr. WEISS. Mr. Chairman, if the gentleman will yield to me further, I am looking at page 6 of the report that accompanies this legislation, and in the area headed "Technology Verification Program," it says that this bill is "to augment" studies that are ongoing now "with a technology verification program."

Then it spells out what it means by "technology verification."

The CHAIRMAN. The time of the gentleman from California (Mr. Lloyd) has again expired.

(On request of Mr. Weiss, and by unanimous consent, Mr. Lloyd was allowed to proceed for 2 additional minutes.)

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. LLOYD. I yield to the gentleman from New York to finish his statement, and then I will yield to the gentleman from Florida (Mr. Fuqua).

Mr. WEISS. Mr. Chairman, it seems to me that when the report lists things such as "terrestrial testing, limited space experiments," and ground-based technology, including "energy conversion, materials, structures, electrical systems, flight controls, space transportation, and space construction operations," then indeed we are talking about hardware involved in this legislation.

Mr. Chairman, I wonder if the gentleman can tell me how much beyond the $25 million in this bill would be required to accomplish what I have set forth from the report?

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. LLOYD. I yield to the gentleman from Florida.

Mr. FUQUA. Mr. Chairman, I appreciate the gentleman's yielding.

Mr. Chairman, in answer to the gentleman from New York (Mr. Weiss), let me say this is really testing equipment. We are not building hardware for the deployment of a satellite. All of it will be tested. We must test certain materials to see their ability to work in certain types of environments.

That is all this does. It is an evaluation program, and I do not think the gentleman is trying to put words in the mouth of the gentleman from New York (Mr. Weiss) when he says "hardware." He is talking about hardware, and certainly we are not doing that.

☐ 1220

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. LLOYD. I yield to the gentleman from Michigan.

Mr. CARR. Mr. Chairman, I want to acknowledge my error. The chairman of the committee did direct my attention to a provision of the bill which calls for comparative studies, and I was in error when I said the bill did not contain that.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the last word.

Mr. Chairman, it is a rare, rare occasion when I speak on a piece of legislation that does not come out of the committee on which I serve. I am one Member who is of the opinion that you cannot be an expert in everything, and that if you simply try to learn enough about the work of the committees on which you serve, that it your job, your primary job. So it is unusual for me to be speaking against this legislation, but I do so primarily because, it seems to me, that we are beginning to utilize a double standard in approving certain pieces of legislation.

By way of illustration, the Members will recall that when we voted on the budget and we marked up the legislation on the floor, every year there has been a great deal of discussion that says, "Look, you just put some additional money into this program, while a study is underway," or "You just put some more money into this program, it is a demonstration program, and the demonstration phase is not yet completed, why now are you trying to pump more money into this before the demonstration phase is ended or before the study phase is ended?"

It seems to me that the argument that I have heard is that it is OK to do that in this kind of legislation, but it would not be good to do this if we had a youth employment demonstration grant or a youth employment study. So my main burden is that I do not want the Congress, this House, to fall into the business of utilizing the double standard.

As I understand the facts—and I have admitted that I am not an expert in this area at all—we have already invested $16 million into a feasibility study. I think that is correct.

As I further understand the facts, the initial program recommendation from that $16 million investment will be presented to the Congress by June 1980.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank my colleague for yielding.

I want to make a motion to recommit this bill. I do not know when it is appropriate to do so, but I want to register my opposition together with the gentleman's opposition.

Mr. MITCHELL of Maryland. I thank the gentlewoman, and I would probably support her motion to recommit, because, as I was saying, we are going to get the initial program recommendations by June 1980. Why in the name of God do we want to put another $25 million in, even before we receive the initial recommendations that we paid for?

I am concerned about the energy situation, as is every Member of the House, but I do not think that we are being nonresponsive to it. We have moved a solar bank bill through the Committee on Banking, Finance and Urban Affairs; we rushed through legislation regarding synthetic fuels, and all sorts of questions are now being raised as to the feasibility of pursuing all aspects of that synfuels bill.

I do not intend to take up much more time, but I would warn this House that I think those who talked about austerity and prudence in spending, those who talked about balancing the budget, those who advocated a tighter fiscal responsibility, I think that you almost repudiate the positions you have taken in the past when you vote to spend $25 million more on further studies into which we have already invested $16 million and have not yet received the results, and will put in additional funds knowing that the initial recommendation will be before us in less than 6 months.

I would urge the defeat of this legislation for those reasons.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I want to commend the gentleman, because it appears to me that those who are the tightest fisted, most skinflinted Members of this body when it comes to meeting social needs, are those who are in this instance saying, "Damn the torpedoes, regardless of the cost, full speed ahead." And that should bother all of us; perhaps them, most of all.

Mr. MITCHELL of Maryland. I thank the gentleman for his remarks.

Mr. WOLPE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to this measure. I do so, as I indicated last week, with reluctance, because of my very deep respect both for the sponsor of the legislation, the gentleman from Alabama (Mr. FLIPPO), and for my chairman, the gentleman from Florida.

But I do believe, as I indicated at that point, that this represents bad public policy. It needs to be stressed, contrary to some of the statements that have been made earlier, that a vote in opposition to this bill is not a vote that would torpedo or demolish any effort to explore the concept of the solar powered satellite, because in effect this Congress has already mandated that such an exploration take place, and that report is to be presented to the Congress in the middle of the next year.

The real question at issue is whether we are really willing to commence development of a concept that ultimately—not in this bill, but ultimately—requires an investment of between $500 and $800 billion, by conservative estimates, before we receive the initial recommendations from the study which Congress itself has mandated. Other cost estimates go all the way up to $2.5 trillion to generate 10 percent of this Nation's energy. What we are talking about is a concept that would represent a space program more than an energy program. We are talking about something in the neighborhood of 15,000 space launches over a 30-year period. We are talking, in short, about the kind of investment that, if we want to go down that path, will effectively foreclose investments in alternative energy sources that can far more quickly displace petroleum, not only between now and the year 1990, but after that point as well.

Let us be very clear. There are some very major trade-offs if we decided to go down the path that is outlined by this concept before we understand fully the feasibility of the technology.

Let me give the Members an illustration. I would like to remind my colleagues that the satellite power system in its completed form will provide no more than 10 percent of our Nation's energy at a cost, as I indicated, of between $500 billion and $800 billion at the low point.

It is estimated that a Federal research and development expenditure of approximately $60 billion would be required to put the first of the 60 satellites in place. That expenditure would be required long before the solar power satellite system could provide the Nation with any energy.

To illustrate the enormity of just that $60 billion research and development figure, I would like to provide an example of another way in which that money could be spent. It is estimated that two-thirds of the Nation's existing housing stock is underinsulated, that is, approximately 60 million residences in this country that are wasting substantial amounts of energy.

Standard Oil of California has conducted a 3-year study of the potential of energy conservation in homes of the Pacific Northwest. It was found that with an investment of $981 the fuel consumption of a house in Portland, Oreg., was reduced by 50 percent, and the Standard Oil of California study concluded that 50 percent energy savings are possible in a substantial part of the Nation's housing stock. Other studies have reported similar findings. For $60 billion—the same amount of money required to put one satellite in space—not the 60 that are projected for the entire solar power satellite system, the Federal Government could provide $1,000 grants to retrofit every underinsulated residence in the Nation. Much has been said about the current crisis in Iran and our dangerous dependence on imported oil. I submit that a conservation program, such as I have outlined, could displace imported oil much more quickly, and at a lower cost, than the SPS, which will not make a sizable contribution to our Nation's energy needs until well into the next century.

It is true that we are not considering in this legislation a $60 billion investment or a $500 billion investment; but we are talking about beginning the development of a concept that the proponents admit would require investments of that magnitude, and that is the issue that is before the Congress. Do we really want to commence development of a technology with such enormous potential costs, when we are still awaiting the very study that was mandated by this Congress so that we would be in a position to make some informed decisions concerning its future development?

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I appreciate the gentleman's remarks. He makes some good points. But he is arguing against the merits of the bill. There is a whole argument as against the merits of a solar-powered satellite. I am not sure whether I favor that or not. But I think the thrust of this bill, as the gentleman does state, is to basically do those kinds of studies to determine whether it is even in the realm of feasibility or not. It is part of the whole solar package, so far as I am concerned.

While I agree that the gentleman makes some very good points, he argues against the merits of the solar-powered satellite.

Mr. WOLPE. Mr. Chairman, if I may reclaim my time, the fact of the matter is that the 3-year study that is presently in progress, that we have already financed, is an effort to study the feasibility of the SPS concept, and to answer the very questions that the gentleman has posed.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

Mr. Chairman, I find myself very impressed with what the gentleman has said, very much impressed. I have listened to all of the debate, and I have read the bill. I simply cannot understand why we move on this at this stage before the existing studies are completed.

☐ 1230

Would the gentleman explain to me what would be the effect on this legislation if the existing, present study comes out with an unfavorable report? Would we then be stuck with this legislation to go ahead, regardless?

Mr. WOLPE. The point of the gentleman from New York is very well taken.

The CHAIRMAN pro tempore. The time of the gentleman from Michigan has expired.

(At the request of Mr. OTTINGER and by unanimous consent, Mr. WOLPE was was allowed to proceed for 2 additional minutes.)

Mr. WOLPE. Mr. Chairman, the point is very well taken indeed, because we would then have put ourselves in the difficult position of having invested another $25 million, expanded the research on this project to the development phase, and then find ourselves facing the adverse finding that could come from the DOE/NASA study. I submit that passing this bill, and beginning the development of this technology, will make it extremely difficult to reverse that trend regardless of the outcome of the study in progress.

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. I yield to the gentleman from Florida.

Mr. FUQUA. Mr. Chairman, I thank the gentleman for yielding.

I think this does need clarifying. The

study that is underway right now, one of the reasons for this legislation, is that they do not feel as though they have the answers where they can make any type of definitive answers to the critical questions that they have been asked to do.

I do not think that when that report comes back, the gentleman will have any conclusions of the study. They still are in the middle of it.

Mr. WOLPE. I think there are two responses which need to be made to the gentleman from Florida (Mr. FUQUA).

The first is the people conducting the study, the Office of the Department of Energy and NASA, are not in support of this legislation. They indicate that they would prefer to have the 3-year study complete before additional funding is authorized.

Second, there is the notion that we are only involved in paper studies. I have heard a number of references, somewhat contemptuously, to the fact that this $16 million investment is only a paper study, and that is simply not accurate.

We are involved in laboratory research of the biological effects of microwaves on bees. We are involved in radio telescope research, attempting to research the effects of microwaves on the atmosphere.

The present project goes far beyond the narrow concept of paper studies as suggested earlier.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for yielding.

I cannot get over the feeling that this legislation is premature, and also, the gentleman has made a very persuasive statement that even if the study proves out favorably, there is a very grave doubt as to whether the total project would make sense or not.

It is almost the same as once was said by some comedian one time, "Even if it was good, I would not like it."

The possibility that the gentleman sketches of the kind of expenditures involved here presents us with all kinds of choices. To me, they are not very good choices.

The CHAIRMAN pro tempore. Are there any further amendments to the bill?

If not, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. HARRIS) having assumed the chair, Mr. HOLLAND, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2335) to provide for a research, development, and evaluation program to determine the feasibility of collecting in space solar energy to be transmitted to Earth and to generate electricity for domestic purposes, pursuant to House Resolution 458, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MRS. FENWICK

Mrs. FENWICK. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentlewoman opposed to the bill?

Mrs. FENWICK. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mrs. FENWICK moves to recommit the bill, H.R. 2335, to the Committee on Science and Technology.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore anounced that the ayes appeared to have it.

Mr. WYDLER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 201, nays 146, not voting 86, as follows:

[Roll No. 673]

YEAS—201

Abdnor
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashley
Atkinson
Bafalis
Bailey
Barnard
Beard, R.I.
Beard, Tenn.
Bennett
Bereuter
Bethune
Bevill
Biaggi
Blanchard
Boland
Boner
Bonker
Bouquard
Bowen
Brinkley
Brooks
Brown, Ohio
Buchanan
Burlison
Byron
Campbell
Carney
Carter
Cavanaugh
Clausen
Coleman
Collins, Ill.
Conte
Corcoran
Cotter
Courter
Daniel, Dan
Daniel, R. W.
Dannemeyer
Derrick
Dickinson
Dicks
Dornan
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Emery
English
Ertel
Evans, Ga.
Fascell
Findley
Fish
Flippo
Forsythe
Frenzel
Frost
Fuqua
Gaydos
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gramm
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Harkin
Harsha
Hawkins
Heckler
Hefner
Heftel
Holland
Hollenbeck
Hopkins
Horton
Hubbard
Huckaby
Hughes
Ichord
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Tenn.
Kazen
Kemp
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lent
Levitas
Livingston
Lloyd
Loeffler
Lott
Lowry
Luken
McCormack
McDade
McEwen
McKay
Madigan
Marks
Mathis
Mica
Michel
Mikulski
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Nelson
Nichols
O'Brien
Patten
Pickle
Price
Pritchard
Quillen
Railsback
Regula
Rinaldo
Ritter
Robinson
Roe
Rose
Roth
Rousselot
Royer
Runnels
Satterfield
Schulze
Shelby
Shumway
Shuster
Skelton
Snowe
Snyder
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stenholm
Stratton
Stump
Swift
Tauke
Taylor
Thomas
Traxler
Trible
Ullman
Volkmer
Walgren
Walker
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Wydler
Wylie
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—146

Addabbo
Akaka
Badham
Barnes
Bauman
Bedell
Beilenson
Benjamin
Bingham
Boggs
Bonior
Brademas
Brodhead
Broyhill
Burgener
Burton, John
Burton, Phillip
Butler
Carr
Cheney
Chisholm
Clay
Clinger
Collins, Tex.
Corman
Coughlin
Crane, Daniel
D'Amours
Daschle
Davis, Mich.
Deckard
Dellums
Derwinski
Devine
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Edwards, Calif.
Erdahl
Erlenborn
Evans, Del.
Evans, Ind.
Fenwick
Ferraro
Fisher
Fithian
Florio
Ford, Mich.
Fountain
Gradison
Green
Guarini
Hall, Ohio
Hamilton
Hansen
Harris
Hinson
Holt
Holtzman
Howard
Hyde
Jacobs
Jeffries
Jones, Okla.
Kastenmeier
Kelly
Kildee
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Lehman
Leland
Long, La.
Long, Md.
Lundine
Lungren
McDonald
McHugh
McKinney
Maguire
Markey
Marlenee
Martin
Matsui
Mattox
Mavroules
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Moffett
Mollohan
Natcher
Nedzi
Obey
Ottinger
Panetta
Pashayan
Patterson
Paul
Pease
Petri
Peyser
Preyer
Pursell
Rahall
Rangel
Ratchford
Reuss
Roybal
Russo
Sabo
Santini
Scheuer
Schroeder
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Simon
Smith, Nebr.
Solarz
Spellman
Stanton
Stark
Stewart
Stokes
Studds
Symms
Synar
Thompson
Udall
Vander Jagt
Vanik
Vento
Waxman
Weaver
Weiss
Williams, Mont.
Wolpe
Yates

NOT VOTING—86

Alexander
Anderson, Ill.
Ashbrook
Aspin
AuCoin
Baldus
Bolling
Breaux
Broomfield
Brown, Calif.
Chappell
Cleveland
Coelho
Conable
Conyers
Crane, Philip
Danielson
Davis, S.C.
de la Garza
Diggs
Dingell
Dixon
Early
Edgar
Edwards, Okla.
Fary
Fazio
Flood
Foley
Ford, Tenn.
Fowler
Garcia
Gephardt
Giaimo
Gibbons
Gingrich
Grassley
Gray
Hanley
Hightower
Hillis
Hutto
Ireland
Jeffords
Jones, N.C.
Kindness
Kramer
Lee
Lewis
Lujan
McClory
McCloskey
Marriott
Mazzoli
Minish
Moorhead, Calif.
Murphy, N.Y.
Myers, Pa.
Neal
Nolan
Nowak
Oakar
Oberstar
Pepper
Perkins
Quayle
Rhodes
Richmond
Roberts
Rodino
Rosenthal
Rostenkowski
Rudd
Sawyer
Slack
Smith, Iowa
Steed
Stockman
Treen
Van Deerlin
Wampler
Williams, Ohio
Wilson, Bob
Winn
Wyatt
Young, Alaska

☐ 1250

The Clerk announced the following pairs:

On this vote:

Mr. Murphy of New York for, with Mr. Fazio against.

Mr. Pepper for, with Mr. Richmond against.

Mr. Rodino for, with Mr. Baldus against.

Mr. Breaux for, with Mr. Nowak against.

Mr. Hanley for, with Mr. Oberstar against.

Mr. Hutto for, with Mr. Brown of California against.

Mr. Myers of Pennsylvania for, with Mr. Dingell against.

Mr. Flood for, with Mr. Garcia against.

Mr. Jones of North Carolina for, with Mr. Gray against.

Mr. Fary for, with Mr. Dixon against.

Until further notice:

Mr. Minish with Mr. Lujan.

Mr. Rostenkowski with Mr. Gingrich.

Mr. Steed with Mr. Quayle.

Mr. Chappell with Mr. Conable.

Mr. Danielson with Mr. Broomfield.

Mr. Ireland with Mr. Kindness.

Mr. Smith of Iowa with Mr. Lee.

Mr. Nolan with Mr. Ashbrook.

Mr. Neal with Mr. Marriott.

Mr. Ford of Tennessee with Mr. McClory.

Mr. Alexander with Mr. Wampler.

Mr. Coelho with Mr. Lewis.

Mr. Conyers with Mr. Wyatt.

Mr. Diggs with Mr. Rudd.

Mr. Hightower with Mr. Hillis.

Mr. Giaimo with Mr. Jeffords.

Mr. Gibbons with Mr. McCloskey.

Mr. Mazzoli with Mr. Moorhead of California.

Mr. Van Deerlin with Mr. Sawyer.

Mr. Aspin with Mr. Cleveland.

Mr. AuCoin with Mr. Davis of South Carolina.

Mr. de la Garza with Mr. Philip M. Crane.

Mr. Early with Mr. Williams of Ohio.

Mr. Foley with Mr. Edwards of Oklahoma.

Mr. Stack with Mr. Bob Wilson.

Mr. Rosenthal with Mr. Winn.

Ms. Oakar with Mr. Young of Alaska.

Mr. Edgar with Mr. Grassley.

Mr. Fowler with Mr. Gephardt.

Mr. Kramer with Mr. Perkins.

Mr. Anderson of Illinois with Mr. Roberts.

Mr. THOMPSON changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the tablè.

PERSONAL EXPLANATION

Mr. DANIELSON. Mr. Speaker, I wish to state that I missed the last vote, rollcall No. 673. Had I been here, I would have voted "nay."

CONFERENCE REPORT ON S. 1319, MILITARY CONTRUCTION AUTHORIZATION ACT, 1980

Mr. NEDZI. Mr. Speaker, I call up the conference report on the Senate bill (S. 1319) to authorize certain construction at military installations, and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Pursuant to clause 2, rule XXVIII, the conference report is considered as read.

(For conference report and statement see proceedings of the House of November 8, 1979.)

The SPEAKER pro tempore. The gentleman from Michigan (Mr. NEDZI) will be recognized for 30 minutes, and the gentleman from Virginia (Mr. WHITEHURST) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Michigan (Mr. NEDZI).

Mr. NEDZI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, on July 30, the Senate passed S. 1319, the Military Construction Authorization Act for fiscal year 1980, which provided new construction authorization for the military departments and the Department of Defense in the total amount of $3,730,566,000.

On October 24, 1979, the House considered the legislation, amended it by striking all language after the enacting clause and wrote a new bill. As passed by the House, S. 1319 provided new construction authorization in the total amount of $3,843,449,000.

As a result of the conference on November 1 between the House and Senate on the differences in S. 1319, the conferees agreed to an adjusted authorization totaling $3,838,846,000.

This compromise is $86,990,000 below the total amount requested by the Department of Defense. It is $4,603,000 below the House figure and $108,280,000 above the Senate figure.

In all there were 143 differences between the Senate bill and the House amendment. Most differences involved adjustments to particular construction projects, respective Senate and House project and policy additions and deletions, and modification of certain authorities under which the military construction program operates. However, we were able to reach agreement on each of these differences. I will not go into detail because House Report 96-595, the conference report on S. 1319, which appeared in the CONGRESSIONAL RECORD on November 8, 1979, pp. 31496-31506, explains the actions of the conferees.

As a result of conference action, authorizations have been provided for the following major categories for the Department of Defense and military services:

[In millions]

Operational and training facilities	$268.0
Maintenance and production	311.2
Research and development facilities	189.4
Hospital and Medical	62.6
Housing and Community	286.0
Energy Conservation	132.0
Pollution Abatement	249.6
NATO related construction	410.5

Several policy initiatives are included in the conference report, which I want to call to the Members' attention.

First, base realignments—the conferees agreed to the provision contained in the House version which is designed to make certain that adequate attention is given to the socioeconomic impacts of base closures or realignments on the affected areas.

Second, solar energy—the conferees adopted a provision which is designed to encourage and maximize the use of solar energy, whenever feasible, on all military construction projects and family housing.

Third, mass transit—to further promote energy conservation and pollution abatement the conferees agreed to language which authorizes the use of mass transportation on military installations.

Mr. Speaker, this briefly summarizes the major actions of the conference. Time does not permit greater detailing but the conferees believe that the bill agreed to in conference is one that should meet the construction needs of the military establishment during fiscal year 1980. Therefore, Mr. Speaker, I urge adoption of the conference report on S. 1319.

At this time, Mr. Speaker, I have no further requests for time.

Mr. WHITEHURST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support the statement of the gentleman from Michigan regarding the conference report on S. 1319, the Military Construction Authorization Act for fiscal year 1980.

This report contains initiatives of both the House and the Senate and assures that construction requirements in support of the active forces, Guard and Reserve components, Defense agencies, and military family housing will be adequately met for fiscal year 1980.

I might add that this has been accomplished with one of the smallest military construction programs in recent memory. The Department of Defense budget request submitted to the Congress for fiscal year 1980 was approximately 12 percent below the fiscal year 1979 request, and the conferees agreed on a bill approximately 2 percent under the administration's request. This means the conferees were faced with some very difficult decisions. I assure you every effort was made in conference to authorize projects which will contribute to a high state of preparedness.

The conferees authorized $410 million for construction in Europe of which $185 million is for the U.S. share of the NATO infrastructure program. While agreeing that the use of NATO infrastructure funds should be maximized, the conferees felt that collocated operating bases in the northern flank of NATO were of such strategic importance that they should be constructed at the earliest possible time. Agreement was reached to authorize $3.6 million for this purpose with the understanding that every effort will be made to recoup these funds from the NATO infrastructure program.

Morale and welfare facilities for our troops overseas were also of great concern and every effort was made to approve the highest priority projects to meet these needs.

Even though a new Department of Education now has the responsibility,

$12,115,000 was authorized for overseas dependent school construction. While a transition period of up to 3 years has been established for the new Department to assume responsibility for the overseas dependent school system, the conferees expect construction supervision to remain within the Department of Defense during the transition period. The Armed Services Committees of the House and Senate have oversight jurisdiction and I am confident every effort will be made to insure that the schools will not be neglected since they are of extreme importance to our service personnel and their families.

The bill agreed to in conference is a good one which I urge the House to adopt.

Mr. WHITEHURST. Mr. Speaker, I have no further requests for time.

Mr. NEDZI. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. OBEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 306, nays 33, not voting 94, as follows:

[Roll No. 674]

YEAS—306

Abdnor
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashley
Atkinson
Badham
Bafalis
Bailey
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bennett
Bereuter
Bethune
Biaggi
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carter
Cheney
Clausen
Clinger
Coleman
Collins, Tex.
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dodd
Donnelly
Dornan
Dougherty
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fascell
Fenwick
Ferraro
Fish
Fisher
Fithian
Flippo
Florio
Ford, Mich.
Fountain
Frenzel
Frost
Fuqua
Gaydos
Giaimo
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hinson
Holland
Hollenbeck
Holt
Hopkins
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Jacobs
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kildee
Kindness
Kogovsek
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lundine
Lungren
McCormack
McDade
McDonald
McEwen
McHugh
McKay
Madigan
Marks
Marlenee
Martin
Matsui
Mattox
Mavroules
Mica
Michel
Mikulski
Mineta
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Nedzi
Nelson
Nichols
O'Brien
Panetta
Pashayan
Patten
Patterson
Pease
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rinaldo
Ritter
Robinson
Roe
Rose
Roth
Rousselot
Roybal
Royer
Runnels
Russo
Santini
Satterfield
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stenholm
Stewart
Stokes
Stratton
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Vander Jagt
Vanik
Volkmer
Walgren
Walker
Watkins
Waxman
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wydler
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—33

Bedell
Beilenson
Bingham
Burton, John
Carr
Chisholm
Collins, Ill.
Dellums
Downey
Edwards, Calif.
Forsythe
Holtzman
Johnson, Colo.
Kastenmeier
Kostmayer
Maguire
Markey
Miller, Calif.
Miller, Ohio
Mitchell, Md.
Moffett
Obey
Ottinger
Paul
Pursell
Rangel
Sabo
Shannon
Stark
Studds
Vento
Weaver
Weiss

NOT VOTING—94

Addabbo
Alexander
Anderson, Ill.
Ashbrook
Aspin
AuCoin
Baldus
Bevill
Bolling
Breaux
Broomfield
Cavanaugh
Chappell
Clay
Cleveland
Coelho
Conable
Conyers
Crane, Philip
Davis, S.C.
de la Garza
Diggs
Dingell
Dixon
Early
Edgar
Edwards, Okla.
Fary
Fazio
Findley
Flood
Foley
Ford, Tenn.
Fowler
Garcia
Gephardt
Gibbons
Gingrich
Grassley
Gray
Hanley
Hightower
Hillis
Horton
Hutto
Ireland
Jeffords
Jones, N.C.
Kemp
Kramer
Lee
Lewis
Lujan
Luken
McClory
McCloskey
McKinney
Marriott
Mathis
Mazzoli
Minish
Moakley
Moorhead, Calif.
Murphy, N.Y.
Myers, Pa.
Neal
Nolan
Nowak
Oakar
Oberstar
Pepper
Perkins
Quayle
Rhodes
Richmond
Roberts
Rodino
Rosenthal
Rostenkowski
Rudd
Sawyer
Slack
Smith, Iowa
Steed
Stockman
Treen
Van Deerlin
Wampler
Williams, Ohio
Wilson, C. H.
Winn
Wyatt
Wylie
Young, Alaska

□ 1310

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Quayle.

Mr. Fazio with Mr. Rudd.

Ms. Oakar with Mr. Kramer.

Mr. Rostenkowski with Mr. Anderson of Illinois.

Mr. Rodino with Mr. Broomfield.

Mr. Baldus with Mr. Cleveland.

Mr. Bevill with Mr. Horton.

Mr. Hanley with Mr. Hillis.

Mr. Ireland with Mr. Hightower.

Mr. Slack with Mr. Marriott.

Mr. Steed with Mr. Wampler.

Mr. Mazzoli with Mr. McClory.

Mr. Minish with Mr. Edwards of Oklahoma.

Mr. Moakley with Mr. Findley.

Mr. Murphy of New York with Mr. Conable.

Mr. Mathis with Mr. Gingrich.

Mr. Jones of North Carolina with Mr. Jeffords.

Mr. Chappell with Mr. Kemp.

Mr. Breaux with Mr. Sawyer.

Mr. AuCoin with Mr. Williams of Ohio.

Mr. Davis of South Carolina with Mr. Philip M. Crane.

Mr. Dingell with Mr. Ashbrook.

Mr. Early with Mr. Moorhead of California.

Mr. Roberts with Mr. Young of Alaska.

Mr. Richmond with Mr. Winn.

Mr. Van Deerlin with Mr. Lewis.

Mr. Charles H. Wilson of California with Mr. Lujan.

Mr. Foley with Mr. Wylie.

Mr. Diggs with Mr. McCloskey.

Mr. de la Garza with Mr. McKinney.

Mr. Clay with Mr. Wyatt.

Mr. Gibbons with Mr. Rhodes.

Mr. Garcia with Mr. Luken.

Mr. Ford of Tennessee with Mr. Hutto.

Mr. Conyers with Mr. Grassley.

Mr. Coelho with Mr. Gray.

Mr. Myers of Pennsylvania with Mr. Alexander.

Mr. Neal with Mr. Aspin.

Mr. Smith of Iowa with Mr. Cavanaugh.

Mr. Rosenthal with Mr. Dixon.

Mr. Pepper with Mr. Edgar.

Mr. Oberstar with Mr. Fowler.

Mr. Gephardt with Mr. Nowak.

Mr. Fary with Mr. Flood.

Mr. Nolan with Mr. Perkins.

Mr. PURSELL changed his vote from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 3994, RESOURCE CONSERVATION AND RECOVERY ACT AMENDMENTS OF 1979

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 473 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 473

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3994) to amend the Solid Waste Disposal Act to authorize appropriations for the fiscal year 1980, to make certain technical changes, to strengthen the regulatory and enforcement mechanisms, and for other purposes, all points of order against the bill for failure to comply with the provisions of clause 5, rule XXI are hereby waived, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendments recommended by the Committee on Interstate and Foreign Commerce now printed in the bill, and all points of order against said amendments for failure to comply with the provisions of clause 5, rule XXI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 3994, it shall be in order in the House to take from the Speaker's table the bill S. 1156 and to move to strike out all after the enacting clause of the said Senate bill and to insert in lieu thereof the provisions contained in H.R. 3994 as passed by the House.

The SPEAKER pro tempore. The gentleman from Texas (Mr. FROST) is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 473 is an open rule providing for the consideration of H.R. 3994, to amend the Solid Waste Disposal Act to authorize appropriations for fiscal year 1980, to make certain technical changes, to strengthen the regulatory and enforcement mechanisms, and for other purposes.

The resolution provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, and waives all points of order against the bill as introduced, as well as the amendments recommended by the Commerce Committee, which are now printed in the bill, for failure to comply with the provisions of clause 5, rule XXI which prohibits appropriations in a legislative bill.

When the bill is considered for amendment under the 5-minute rule, the resolution provides that it shall be in order to consider those amendments now printed in the bill which were recommended by the Commerce Committee. A motion to recommit will be in order upon completion of the consideration of the bill.

Should the House pass H.R. 3994, the rule provides that it shall be in order to take from the Speaker's table, S. 1156, the Senate companion measure, and to move to strike out all after the enacting clause of the Senate bill and to insert in lieu thereof the provisions of the House passed bill.

Mr. Speaker, H.R. 3994 authorizes $156,500,000 to carry out the provisions of the Solid Waste Disposal Act during fiscal year 1980. This amount is approximately $5 million more than was authorized in fiscal year 1979.

Since the Solid Waste Disposal Act was first enacted in 1956, the Congress has expanded upon the original concerns of addressing the public health and welfare implications of solid waste disposal by enacting first, the Resource Recovery Act and in 1976, the Resource Conservation and Recovery Act. RCRA ultimately placed in the hands of the Environmental Protection Agency the authority to regulate hazardous wastes and as part of this regulatory responsibility, EPA was mandated to devise a "cradle-to-grave" control system for the management and disposal of hazardous wastes.

While EPA has been slow in issuing these regulations, proposals have included standards for identifying and listing of hazardous wastes, generators of hazardous wastes, transportation of hazardous wastes, and owner/operators of facilities that treat, store and dispose of hazardous wastes.

The control and management of hazardous waste is a serious problem that must be addressed: Had some program for the safe disposal of hazardous wastes been in place before the homes were built along the Love Canal in Niagara Falls, we might have been able to prevent the tragic situation that exists there today. This authorization includes an increase in support for State resource recovery and hazardous waste planning and programs as well as grants to the States to undertake inventories of operating and abandoned hazardous waste sites. Such assistance to the States is vital: In my State of Texas alone, officials estimate that 8.5 million tons of hazardous waste are generated each year, yet only 70 percent of that amount can be accounted for.

I should like my colleagues to note, however, that the Commerce Committee has recommended an amendment to H.R. 3994 that exempts drilling muds and brines and other oilfield wastes used in oil and gas production, from classification as "special waste" and requires that EPA study these wastes to determine their impact on human health and the environment.

EPA has acknowledged that these materials were placed in the "special waste" category because sufficient information is not available to determine whether or not these substances are hazardous. Since they are an integral part of drilling deep wells, which are now critical to our Nation's search for domestic energy sources, and since there have been few instances of pollution attributed to these substances, I would like to commend the Commerce Committee for adopting this amendment and mandating this study.

Mr. Speaker, H.R. 3994 is an important authorization and I would urge my colleagues to adopt this rule so that we may proceed to the consideration of the bill.

☐ 1320

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is an open rule, providing 1 hour of general debate. The rule waives all points of order against the bill for failure to comply with the provisions of clause 5, rule XXI, appropriations in a legislative bill. In addition, it makes in order consideration of the amendments recommended by the Committee on Interstate and Foreign Commerce now printed in the bill and waives clause 5, rule XXI against the committee amendments. After passage of H.R. 3994, it shall be in order to take from the Speaker's table S. 1156, strike all after the enacting clause of the Senate bill, and insert in lieu thereof the provisions contained in H.R. 3994 as passed by the House.

The purpose of this legislation is to amend the Resource Conservation and Recovery Act and authorize appropriations of $156.5 million for fiscal year 1980. Included in these authorizations is a general authorization of $42 million, and specific authorizations of grant funds for hazardous waste management programs, development and implementation of solid waste plans, and rural community assistance. The bill also authorizes the appropriation of $3 million to the Department of Commerce to encourage commercialization of resource recovery technology.

The bill was ordered reported by the Committee on Interstate and Foreign Commerce on May 15 by a voice vote.

Mr. Speaker, I have no objection to consideration of the rule and support its adoption so that we may proceed to the bill H.R. 3994.

Mr. FROST. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I want to offer my testimony in favor of the rule and for the amendment that provides for the exclusion of drilling muds and brines from the provisions of this act.

I would like to offer this comment: As a farmer, I recognize that when oil wells are drilled on farmland, there can be pollution that occurs and there can be some injury to the land, but in most cases—and I would say now this is overwhelmingly true in Texas—the oil companies do an excellent job of taking care of the site and of taking care of the disposal of drilling muds and brines which accrue when they have drilling activities on their land.

The point I want to make, in regard to the rule and for the inclusion of the amendment to exclude drilling muds and brines, is that these materials are most certainly not hazardous and should not be addressed in the same manner as we would address a "hazardous" material.

EPA originally determined that muds and brines were hazardous and placed them in a special waste category, because of a lack of information on waste characteristics and a lack of information on the degree of environmental hazard posed by the disposal of waste material. They also acted from a lack of information on other fractionated waste materials and their alternatives.

If this were allowed to stand, we would find that oil companies producing on land would have to build a fence around the oil well to comply with the hazardous issue, and they would have to inspect these wells daily. Even those wells that might have been out of production for 20 or 30 years, in order to live up to the standards of the hazardous waste disposal provisions, would have to be inspected daily. I think this borders on the edge of being ridiculous.

So I would say that as we address this question, I am in favor of the amendment to exempt these drilling muds and brines, and I support the rule. I think we need to recognize that these drilling muds we talk about are made up of 75 percent barite, an inert natural occurring material concentrated in barium sulphate, and they are used as a conveying agent with 20 percent bentonite and natural clay to give good sealing properties. We need to recognize these materials for what they are and recognize that in this case this bill that provides that they be exempted from the provisions of the hazardous waste program is certainly in order.

Mr. Speaker, I hope that not only the rule will be approved but also that this bill will pass with the amendment attached.

Mr. FROST. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HARKIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 333, nays 0, not voting 100, as follows:

[Roll No. 675]

YEAS—333

Abdnor
Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashley
Atkinson
Badham
Bafalis
Bailey
Bernard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cheney
Clausen
Clinger
Coleman
Collins, Ill.
Collins, Tex.
Conte
Corcoran
Corman
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Edwards, Calif.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fascell
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Ford, Mich.
Forsythe
Fountain
Frenzel
Frost
Gaydos
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Jacobs
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lungren
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Martin
Matsui
Mattox
Mavroules
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Mottl
Murphy, Pa.
Myers, Ind.
Natcher
Nedzi
Nelson
Nichols
O'Brien
Obey
Ottinger
Panetta
Patten
Patterson
Paul
Pease
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rinaldo
Ritter
Robinson
Roe
Rose
Roth
Roybal
Royer
Runnels
Russo
Sabo
Santini
Satterfield
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wydler
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—0

NOT VOTING—100

Alexander
Anderson, Ill.
Ashbrook
Aspin
AuCoin
Baldus
Bevill
Bolling
Breaux
Broomfield
Burton, John
Cavanaugh
Chappell
Chisholm
Clay
Cleveland
Coelho
Conable
Conyers
Cotter
Crane, Philip
Davis, S.C.
de la Garza
Diggs
Dingell
Dixon
Early
Edgar
Edwards, Okla.
Fary
Fazio
Flood
Foley
Ford, Tenn.
Fowler
Fuqua
Garcia
Gephardt
Giaimo
Gibbons
Gingrich
Grassley
Gray
Guarini
Hanley
Hightower
Hutto
Ireland
Jeffords
Jones, N.C.
Kramer
Lee
Lewis
Lujan
Luken
Lundine
McClory
McCloskey
Marriott
Mathis
Mazzoli
Minish
Moakley
Moorhead, Calif.
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Neal
Nolan
Nowak
Oakar
Oberstar
Pashayan
Pepper
Perkins
Quayle
Rhodes
Richmond
Roberts
Rodino
Rosenthal
Rostenkowski
Rousselot
Rudd
Sawyer
Slack
Smith, Iowa
Steed
Stockman
Treen
Van Deerlin
Wampler
Waxman
Williams, Ohio
Wilson, C. H.
Winn
Wyatt
Wylie
Young, Alaska

☐ 1340

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 3546, FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT EXTENSION

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 416, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 416

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3546) to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for one year, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and amendments made in order by this resolution and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendments recommended by the Committee on Agriculture now printed on page 2, line 9 through page 5, line 10 of the bill, points of order against said amendments for failure to comply with the provisions of clause 7, rule XVI, are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 3546, it shall be in order in the House to move to take from the Speaker's table the bill S. 717 and to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 3546 as passed by the House.

The SPEAKER pro tempore. The gentleman from Louisiana (Mr. LONG) is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield the usual 30 minutes to the gentleman from Mississippi (Mr. LOTT) for purposes of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 416 makes in order the consideration of the bill H.R. 3546, to extend the Federal Insecticide, Fungicide and Rodenticide Act—known as FIFRA—for 1 year.

The resolution provides for an open rule with 1 hour of general debate, equally divided. The first reading of the bill will be dispensed with. The rule provides a waiver of clause 7, rule 16(XVI) against certain committee amendments now printed in the bill. The waiver of the germaneness rule is necessary because three committee amendments would not otherwise be germane to this simple 1-year authorization of appropriations for FIFRA. In effect, the nongermane amendments recommended by the Committee on Agriculture would: First, permit the use of the pesticide Mirex in the control of fire ants through 1980, subject to certain restrictions; second, provide for a modified one-house veto of regulations issued by the Environmental Protection Agency under authority of FIFRA; and third, end the authority of the act as of September 30, 1985. While aspects of these amendments are controversial they will be offered individually so that the House can work its will. Thus the Committee on Rules has adopted this resolution granting a waiver of the germaneness rule to make them in order. The rule also provides for one motion to recommit.

After the House has passed H.R. 3546, it shall be in order to take from the Speaker's table the companion Senate bill S. 717 and to insert therein the provisions of the House-passed bill.

As amended by the Committee on Agriculture, the bill H.R. 3546 would extend the authorization for funding of Federal pesticide control programs for 1 additional year through September 30, 1980. The bill authorizes funding in the amount of $60,250,000 for State conducted applicator training and certification programs. The total authorization is $4 million in excess of the President's request and $2.22 million below the 1979 appropriation.

Mr. Speaker, although I do not presume to be an expert in pesticide policy, I have a special interest in this legislation both because of its substance and the procedures recommended by the Agriculture Committee.

First of all, with regard to the extension of the authority to use Mirex, I must tell you that to walk through fields infested with fire ants is a terrifying experience. To this I can attest from recent personal experience. These fire ants pose a very real threat to human beings and livestock as well as to cultivation of the fields. Many persons have lost their lives or become seriously ill and experienced great suffering from the effect of the fire ant sting. Mirex is the only truly effective method of eradication available at this time. The extension of authority to use Mirex will permit the Southern States infested with fire ants to cope with the problem on an emergency basis while alternative pesticides are under development. I urge my colleagues to be mindful of this serious regional problem—critical to nine Southern States—and to support the committee amendment concerning Mirex.

The Committee on Agriculture has recommended a one-House congressional veto of any EPA regulations issued under the authority of FIFRA. The veto provisions would allow for the adoption of a disapproval resolution within 90 calendar days of continuous session after issuance of the regulation. I regret very much that the committee has found it necessary to recommend the adoption of a congressional veto procedure.

This committee amendment testifies to the serious nature of EPA regulations and the need Members feel that Congress must have more control over the issuance of regulations by this agency. But I am not at all sure that the congressional veto procedure should be authorized except for use in rare occasions. The congressional veto procedure hampers the effectiveness of this institution in many respects, and in general I would prefer to see Congress exercise oversight of EPA rules and regulations in another manner. The matter is serious enough to warrant discussion by the House, however, and I shall be most attentive to the arguments presented by members of the Committee on Agriculture and others in behalf of the congressional veto proposed in the Committee amendment.

The third committee amendment is a "sunset" provision ending authority under FIFRA as of September 30, 1985. This committee amendment amounts to a 5-year limitation on the life of the FIFRA law. We are all aware that the Committee on Agriculture has carefully monitored the operation of this legislation. They have held a short leash on the reauthorization of funds, which have characteristically been extended for 1- or 2-year periods—and sometimes even less. Undoubtedly revisions in the act will occur before the expiration date set by the committee amendment. I am sure the committee recommendation is made in good faith.

I would like to add a few words about the sunset concept, which my subcommittee on the legislative process has had under consideration this year. "Sunset"—or automatic termination—is seen by many of my colleagues as a means of eliminating ineffective programs and of bringing Federal spending under control by eliminating duplication and overlap. Automatic termination may acutally result in routine reenactment in many cases. The threat of termination of a program is often the major argument invoked to bring about passage of a reauthorization measure.

My point is this: Nothing precludes a full and complete review of the operation of a program or an entire law at any time a committee wishes to perform such a review. It is not necessary to invoke a termination date to achieve meaningful program review or appropriate and necessary committee oversight. I am very wary about putting a gun to the head of Congress and forcing the reauthorization of legislation threatened with expiration. I hope that such will not be the case with FIFRA. I do not believe it will because so many of us have a keen and deliberate interest in the details of the program, but the problems of automatic termination are ever present in my mind at a time when the House floor schedule is crowded with legislation. The prospect of a general application of automatic termination would so increase the floor workload, not to mention committee schedule, that I am very hesistant about the adoption of this type of sunset amendment for fear that they will become a habit.

Mr. Speaker, H.R. 3546 is important legislation, and I urge the adoption of House Resolution 416 so that the House can work its will on the recommendations of the Committee on Agriculture.

☐ 1350

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to thank the gentleman from Louisiana (Mr. LONG) for his most eloquent statement on this open rule.

Mr. Speaker, this resolution provides for the consideration of H.R. 3546, the Extension of the Federal Insecticide, Fungicide, and Rodenticide Act. It is an open rule, providing 1 hour of general debate to be divided between the chairman and ranking minority member of the Committee on Agriculture.

The rule makes in order specific committee amendments and waives clause 7, rule XVI—the germaneness rule—against these amendments. There is one motion to recommit and after passage of H.R. 3546, the rule makes in order consideration of S. 717.

Mr. Speaker, the legislation made in order by passage of this rule is a 1-year extension of the Federal Insecticide, Fungicide, and Rodenticide Act authorizing the appropriation of funds for fiscal year 1980. During committee consideration of this measure, several amendments were adopted and these otherwise nongermane amendments are those made in order by this rule. I feel that I should make special mention of these amendments since each of them is of special interest. One amendment calls for a legislative veto of EPA regulations, another provides a sunset of all provisions of FIFRA on September 30, 1985, and a third provides for the temporary emergency use of Mirex for the calendar years 1979 and 1980. I personally have a special interest in the provisions concerning the temporary use of the chemical Mirex, since my State of Mississippi is one of the nine Southern States affected by the fire ant.

I would just like to take this opportunity to point out that the State of Mississippi has since early 1976 spent over $1,000,000 in seeking a more acceptable and equally effective solution to the fire ant problem. The State has developed a new chemical, Ferriamicide, which as yet has not received final approval by the EPA. We feel that the chemical will be given approval, but, since the expiration of the registration of Mirex, there is no substance available which can be used for aerial application to fight the fire ant. Consequently the use of the Mirex formula would serve in the interim until the new chemical could be approved. In addition, it would be used in extremely small concentrations and only once each year for a maximum of 2 years. Since there are already some indications that the pest is traveling to other areas of the country, I urge you to support the temporary use of Mirex to control existing populations of the fire ant before they spread.

Mr. Speaker, I urge support of this legislation and the rule making it in order.

Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, may I just make a suggestion to the gentleman from Louisiana. The last time we were faced with this situation of the continuing resolution several Fridays ago a number of Members were absent. They left at 3 o'clock in the afternoon thinking that there was going to be no further legislative activity. In total there were about 11 to 15 rollcalls with nearly half of the House missing.

I understand there is a need to delay proceedings today in the sense of waiting until the conference report is ready. But I do not see any need to have three more votes on these various rules.

I have suggested to the leadership they ask unanimous consent that the Speaker be able to declare a recess this afternoon, so if it is the design to have more rollcalls it is not necessary, I would think, and I would hope we could avoid that.

Mr. LONG of Louisiana. Mr. Speaker, the leadership has at least one more rule that it would like brought up today, and I would think if we could immediately finish our consideration of this rule and have a consideration of that, then I think from this side we would not have a request for rollcall votes on either of those. Then we might very well be willing to ask for a delay.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Under the rules of the House, a rollcall is not necessary unless one of the Members requests it and there is not a quorum present.

Mr. LONG of Louisiana. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MOTTL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 328, nays 1, not voting 104, as follows:

[Roll No. 676]

YEAS—328

Abdnor
Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Atkinson
Badham
Bafalis
Bailey
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cheney
Chisholm
Clausen
Clinger
Coleman
Collins, Ill.
Collins, Tex.
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Edwards, Calif.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fascell
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Ford, Mich.
Forsythe
Fountain
Frenzel
Gaydos
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hillis
Hinson
Holland
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Jacobs
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lent
Levitas
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lungren
McCormack
McDade
McEwen
McHugh
McKay
Madigan
Marks
Marlenee
Martin
Mathis
Matsui
Mattox
Mavroules
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Mottl
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Nedzi
Nelson
Nichols
O'Brien
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Petri
Peyser
Pickle
Preyer
Price
Pursell
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rinaldo
Ritter
Robinson
Roe
Rose
Roth
Rousselot
Roybal
Royer
Runnels
Russo
Sabo
Santini
Satterfield
Scheuer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Udall
Ullman
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wydler
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—1

McDonald

NOT VOTING—104

Alexander
Anderson, Ill.
Andrews, N.C.
Ashbrook
Ashley
Aspin
AuCoin
Baldus
Bevill
Bolling
Breaux
Broomfield
Burton, John
Cavanaugh
Chappell
Clay
Cleveland
Coelho
Conable
Conyers
Crane, Philip
Davis, S.C.
de la Garza
Diggs
Dingell
Dixon
Dodd
Duncan, Oreg.
Early
Edgar
Edwards, Okla.
Fary
Fazio
Fish
Flood
Foley
Ford, Tenn.
Fowler
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gibbons
Gingrich
Grassley
Gray
Hanley
Hightower
Holt
Hutto
Ireland
Jeffords
Jones, N.C.
Kramer
Lee
Lewis
Lujan
Luken
Lundine
McClory
McCloskey
McKinney
Maguire
Markey
Marriott
Mazzoli
Minish
Moorhead, Calif.
Murphy, Ill.
Murphy, N.Y.
Myers, Pa.
Neal
Nolan
Nowak
Oakar
Oberstar
Pepper
Perkins
Pritchard
Quayle
Quillen
Rhodes
Richmond
Roberts
Rodino
Rosenthal
Rostenkowski
Rudd
Sawyer
Seiberling
Smith, Iowa
Steed
Stockman
Thompson
Treen
Van Deerlin
Wampler
Williams, Ohio
Wilson, C. H.
Winn
Wyatt
Wylie
Young, Alaska

☐ 1410

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 3434, SOCIAL SERVICES AND CHILD WELFARE AMENDMENTS OF 1979

Mr. CORMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3434) to amend the Social Security Act to make needed improvements in the child welfare and social services programs, to strengthen and improve the program of Federal support for foster care of needy and dependent children, to establish a program of Federal support to encourage adoptions of children with special needs, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California? The Chair hears none and, without objection, appoints the following conferees: Messrs. ULLMAN, CORMAN, RANGEL, BRODHEAD, CONABLE, and ROUSSELOT.

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 3580, RURAL DEVELOPMENT POLICY ACT OF 1979

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 438 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 438

Resolved, That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3580) to provide for establishment and coordination of rural development policy and to extend for two years the authorization of appropriations for carrying out title V of the Rural Development Act of 1972, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Agirculture now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 3580, the House shall proceed, sections 401(a) and 402(a) of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, to the consideration of the bill S. 670, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and to insert in lieu thereof the provisions contained in H.R. 3580 as passed by the House.

The SPEAKER pro tempore. The gentleman from Louisiana (Mr. LONG) is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield the usual 30 minutes to the gentleman from Maryland (Mr. BAUMAN) for purposes of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 438 provides for the consideration of H.R. 3580, a bill to provide for establishment and coordination of rural development policy and to extend for 2 years the authorization of appropriations for carrying out title V of the Rural Development Act of 1972. The legislation will enhance economic opportunity in rural America and improve the quality of life. In accordance with the intent of the Rural Development Act of 1972, H.R. 3580 strengthens the coordination of Federal rural development policy.

I am most enthusiastic about the provision of the bill which establishes a working group for rural development. This group would be chaired by the Secretary of Agriculture and would include representatives at the Assistant Secretary level from 14 Federal agencies, whose programs most affect rural America. One of the function of the working group will be to prepare and submit to Congress every 4 years a comprehensive national rural development plan. The working group would also report annually to Congress on the implementation of the plan in relation to the administration's budget proposal. This process is designed to facilitate congressional evaluation of social and economic values and assure that rural concerns are accorded their rightful priority.

As Representative of a rural district and as a founding member of the Congressional Rural Caucus, I am constantly aware that rural America contains less than one-third of the Nation's population—but more important, rural America includes more than 40 percent of the Nation's poor. Unemployment and under employment are chronic problems in rural areas. The mainstream of economic progress in our Nation often passes rural America by.

The concentration of population imimposes a bias on national policy in favor of urban programs, and I am very pleased to say that the legislation before us is a step forward in assuring that proper attention is focused on the special problems of rural America. Through the coordination provided by this high-level working group, the needs of rural areas will be effectively addressed and a cohesive national rural development policy can be persuasively put forward.

H.R. 3580 also increases the authorization for section 111 planning grants from $10 to $20 million dollars each year and expands the purposes for which the grants may be made. This will enhance the capabilities for local governments in rural areas through support of plans tailored to local needs. The success of this program is attributable to its flexibility, and I am pleased at the committee recommendation to increase its support.

In addition, this bill extends the title V research and extension programs administered by the land-grant college system. This program has provided essential knowledge and organizational assistance for local citizens and governing officials to achieve their development aims. The extension programs under the Rural Development Act deserve the credit for much of the progress in improving the way of life of those on small family farms.

Evaluation by the National Rural Center has affirmed that title V, through cooperative programs and the research and development provided by colleges and universities, has advanced the ability of communities and counties to foster rural development. Title V extension programs permit the knowledge and organizational assistance of colleges and universities to reach local governments and citizenry in an effort to advance rural development aims.

Title V programs are reauthorized under this bill for 2 years at the present annual level of $20 million. The 2-year continuation is an extension while the Department of Agriculture studies, in cooperation with the States, the need for modifications in title V. The extension of authority is important to keep programs in place while the study, which should be concluded in 1 year, is being conducted.

There is a provision in H.R. 3580 which should be of special interest to every Member, from rural and urban constituencies alike. The bill expands the pilot program for the production of gasohol. Loan guarantees in the amount of $180 million for the construction of additional pilot projects are included in this legislation. The first four pilot plants previously authorized have focused on the production of alcohols and hydrocarbons for industrial use.

The additional projects supported by H.R. 3580 would be directed at the production of alcohol fuels.

Mr. Speaker, House Resolution 438 is a straightforward open rule providing 1 hour of general debate equally divided. The first reading of the bill shall be dispensed with. The rule makes in order, as an original bill for purposes of amendment, the amendment in the nature of a substitute now printed in the bill. The rule also provides for one motion to recommit with or without instructions. After the House has passed the bill, it shall be in order to move to strike all after the enacting clause of S. 670, the companion measure as passed by the Senate, and to insert in lieu thereof the provisions of the House passed bill, H.R. 3580.

The rule provides waivers of two provisions of the Congressional Budget Act, with the concurrence of the chairman of the Budget Committee. The rule waives the provisions of section 402(a) against both the House and Senate bills. Section 402(a) prohibits the consideration of any bill authorizing the enactment of new budget authority for a fiscal year unless the bill has been reported on or before May 15 preceding the beginning of that fiscal year.

Sections 2 and 3 of H.R. 3580 authorize certain sums for rural development grants and project payments, which are effective for fiscal year 1980. The committee amendments in the nature of a substitute makes this section effective for fiscal year 1981, thus curing the existing Budget Act violation. But it is necessary to waive section 402(a) against the original bill in order to permit consideration, since H.R. 3580 was not reported by the May 15 deadline.

The Committee on Agriculture intends that the House take up S. 670 after passage of the House bill, substituting that text for that of the Senate-passed measure. As passed by the Senate, S. 670 would be subject to points of order under sections 401(a) and 402(a) of the Budget Act.

Section 401(a) prohibits consideration of any bill providing new contract authority unless the authority is provided for in advance by appropriation acts. The cooperative agreements with public or private nonprofit organizations assuring the operation of rural States' information and assistance centers in S. 670 are not limited by the availability of contract authority as required by section 401(a). In addition, S. 670 which was also not reported by May 15 authorizes enactment of new budget authority effective in fiscal year 1980 in sections 5 and 6. Thus it is necessary to waive both sections 401(a) and 402(a) against S. 670.

These waivers are purely technical in nature since the text of H.R. 3580 as amended will completely cure the Budget Act violations in the Senate bill.

Mr. Speaker, this is a piece of legislation that will benefit one-third of our Nation's population—and 40 percent of our Nation's poor. I strongly endorse the bill and I urge the adoption of the rule.

☐ 1420

Mr. **BAUMAN**. Mr. Speaker, the gentleman from Louisiana has more than adequately explained this rule in painful detail and I shall not echo the gentleman's lengthy explanation.

The gentleman has also addressed himself to the substance at great length, and while I may disagree with some of that, I would only say one thing about this rule. It should be looked at very carefully by the entire membership, because it is an historic document. It is an open rule and allows the people in the House to work their will. It allows all Members to offer amendments, and such a rule is virtually unprecedented in this session of Congress.

Mr. **LONG** of Louisiana. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The **SPEAKER** pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. **LONG** of Louisiana. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER** pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 318, nays 3, not voting 112, as follows:

[Roll No. 677]

YEAS—318

Abdnor
Addabbo
Akaka
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Atkinson
Badham
Bafalis
Bailey
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Biaggi
Bingham
Blanchard
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cheney
Clausen
Clinger
Coleman
Collins, Ill.
Conte
Corcoran
Corman
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Edwards, Calif.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fascell
Fenwick
Ferraro
Findley
Fisher
Fithian
Florio
Ford, Mich.
Forsythe
Fountain
Frenzel
Gaydos
Giaimo
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, Okla.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kostmayer
LaFalce
Lagomarsino
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lehman
Lent
Levitas
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lowry
Lundine
Lungren
McCormack
McDade
McEwen
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Martin
Mathis
Matsui
Mattox
Mavroules
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Nedzi
Nelson
Nichols
Nolan
O'Brien
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rinaldo
Ritter
Robinson
Roe
Rose
Roth
Rousselot
Roybal
Royer
Sabo
Satterfield
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Taylor
Thomas
Trible
Udall
Ullman
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whittaker
Whitten
Williams, Mont.
Wirth
Wolff
Wolpe
Wydler
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—3

Collins, Tex.
McDonald
Symms

NOT VOTING—112

Albosta
Alexander
Anderson, Ill.
Archer
Ashbrook
Aspin
AuCoin
Baldus
Bevill
Boggs
Bolling
Breaux
Burton, John
Cavanaugh
Chappell
Chisholm
Clay
Cleveland
Coelho
Conable
Conyers
Cotter
Crane, Philip
Davis, S.C.
de la Garza
Diggs
Dingell
Dixon
Early
Edgar
Edwards, Okla.
Fary
Fazio
Fish
Flippo
Flood
Foley
Ford, Tenn.
Fowler
Frost
Fuqua
Garcia
Gephardt
Gibbons
Gingrich
Grassley
Gray
Hanley
Hightower
Hutto
Ireland
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kindness
Kogovsek
Kramer
Latta
Lee
Leland
Lewis
Lott
Lujan
Luken
McClory
McCloskey
McKinney
Marriott
Mazzoli
Minish
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Myers, Pa.
Neal
Nowak
Oakar
Oberstar
Pepper
Perkins
Quayle
Quillen
Rhodes
Richmond
Roberts
Rodino
Rosenthal
Rostenkowski
Rudd
Runnels
Russo
Santini
Sawyer
Smith, Iowa
Steed
Stockman
Thompson
Traxler
Treen
Van Deerlin
Wampler
Whitley
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wright
Wyatt
Wylie
Young, Alaska

☐ 1440

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON HOUSE JOINT RESOLUTION 440, FURTHER CONTINUING APPROPRIATIONS, 1980

Mr. **WHITTEN** submitted the following conference report and statement on the joint resolution (H.J. Res. 440) making further continuing appropriations for the fiscal year 1980, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 96–646)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 440) making further continuing appropriations for the fiscal year 1980, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2 and 7.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows: "*Provided further*, That no new trade regulation rules promulgated under the authority of section 18 of the Federal Trade Commission Act, as amended, after August 30, 1979, are to become effective during the period covered by this joint resolution for the Federal Trade Commission, unless authorizing legislation for the Federal Trade Commission is enacted into law during such period:".

And the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

(h) To carry out title II of the Indochina Refugee Children Assistance Act of 1976 (Public Law 95–561), $12,000,000, notwithstanding the provisions of section 106 of this joint resolution: *Provided*, That this amount shall become available for obligation only upon submission to Congress by the President of a budget estimate pursuant to law.

And the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following:

none of the funds provided by this joint resolution shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term; or except for such medical procedures necessary for the victims of rape or incest when such rape or incest has been reported promptly to a law enforcement agency or public health service;

Nor are payments prohibited for drugs or devices to prevent implantation of the fertilized ovum, or for medical procedures necessary for the termination of an ectopic pregnancy.

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 5 and 6.

Jamie L. Whitten,
Edward P. Boland
(except as to amendment 4),
William H. Natcher
(except as to amendment 4),
Tom Steed,
John M. Slack,
Joseph P. Addabbo,
Clarence D. Long,
Robert Duncan,
Silvio O. Conte
(except as to amendment 4),
Robert H. Michel,
Joseph M. McDade
(except as to amendment 4),
Mark Andrews
(except as to amendment 4),
Managers on the Part of the House.

Warren G. Magnuson
(with the exception of section 109),
John C. Stennis,
Daniel K. Inouye,
Birch Bayh,
Ernest F. Hollings,
Quentin N. Burdick,
Milton R. Young,
Mark O. Hatfield,
Ted Stevens,
Paul Laxalt,
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 440) making further continuing appropriations for the fiscal year ending September 30, 1980, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

Amendment No. 1: Restores the provision, proposed by the House, which prohibits trade regulation rules promulgated under section 18 of the Federal Trade Commission Act from becoming effective during the period covered by the resolution for the FTC unless authorizing legislation is enacted during such period, but limits the applicability of the provision to trade regulation rules promulgated after August 30, 1979.

The conference agreement would prohibit the FTC from implementing the "R-value" home insulation trade regulation rule which is scheduled to go into effect on December 31, 1979. The conference agreement would permit the FTC to implement the vocational schools trade regulation rule which is scheduled to go into effect January 1, 1980.

The action of the conferees is based upon the findings of the National Bureau of Standards in the Department of Commerce that a reliable standard test for determining the R-value of insulation in all cases does not currently exist. The Bureau is conducting research on this subject, and has indicated that such a standard testing procedure may not be developed until 1981. The conferees recommend that the Department of Commerce and the Bureau allocate sufficient resources to this research in order to develop the necessary test as quickly as possible, and request that a report on such efforts be made to the House and Senate Appropriations Committees when the Bureau's fiscal year 1981 budget is submitted to the Congress.

Amendment No. 2: Deletes appropriation of not to exceed $1,000,000 for construction of school facilities proposed by the Senate. This item was not included in the House version of the joint resolution.

Amendment No. 3: Appropriates $12,000,000 for Indochina refugee children assistance instead of $18,000,000 as proposed by the Senate. The House resolution included no funds for this purpose. The conferees understand that a supplemental budget request based upon the levels per child as established in the law (Title II of Public Law 95-561) will be submitted to the Congress. The amount recommended by the conferees is made contingent on receipt of a budget estimate from the President and with the understanding that additional funding will be considered in the next supplemental appropriation bill. The amount agreed upon by the conferees should be made available for the remainder of the current school year, rather than on a quarterly basis.

The conferees agree that $12,000,000 included for educational assistance for Indochinese refugee children will be administered by the Office of Education under the authorization of Public Law 94-405, as amended by Public Law 95-561. These funds are designed principally to deal with refugee students entering school in this country during the 1979-80 school year.

Amendment No. 4: The conference report contains compromise language on the subject of abortion as follows:

Sec. 109. Notwithstanding any other provision of this joint resolution except section 102, none of the funds provided by this joint resolution shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term; or except for such medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service;

Nor are payments prohibited for drugs or devices to prevent implantation of the fertilized ovum, or for medical procedures necessary for the termination of an ectopic pregnancy.

Amendment No. 5: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating an additional amount of $3,800,000 for salaries and expenses of the Office of the Special Representative for Trade Negotiations instead of $4,456,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

These additional funds are to enable the Office to assume the new and expanded responsibilities required by the Trade Agreements Act of 1979 and Reorganization Plan No. 3. Provision is made for 57 additional positions as well as establishment of an office in Geneva, Switzerland. The reduction from the Senate proposal reflects a higher lapse rate for these new positions.

Reorganization Plan No. 3 of 1979 significantly strengthens the role of the Special Representative for Trade Negotiations in coordinating U.S. trade policy. This Office is given new areas of responsibility, such as East-West trade, commodities negotiations including enhanced coal exports, and surveillance of the bilateral agreements, particularly those pertaining to textiles.

Amendment No. 6. Reported in technical disagreement. The managers on the part of the House will move to concur in the Senate amendment which appropriates an additional $24,000,000 for Title II of Public Law 480; transfers $34,528,000 from Title I and Title III to Title II; and increases Title II program level by $50,362,000.

Amendment No. 7: Deletes proposal of the Senate which would have provided for deferral of pay of Members of Congress whenever federal employees fail to receive timely compensation, or whenever any individuals fail to receive benefits to which they are entitled, due solely to the unavailability of such funds by reason of the failure of Congress to appropriate such funds.

Jamie L. Whitten,
Edward P. Boland
(except as to amendment 4),
William H. Natcher
(except as to amendment 4),
Tom Steed,
John M. Slack,
Joseph P. Addabbo,
Clarence D. Long,
Robert Duncan,
Silvio O. Conte
(except as to amendment 4),
Robert H. Michel,
Joseph M. McDade
(except as to amendment 4),
Mark Andrews
(except as to amendment 4),
Managers on the Part of the House.

Warren G. Magnuson
(with the exception of section 109),
John C. Stennis,
Daniel K. Inouye,
Birch Bayh,
Ernest F. Hollings,
Quentin N. Burdick,
Milton R. Young,
Mark O. Hatfield,
Ted Stevens,
Paul Laxalt,
Managers on the Part of the Senate.

Mr. WHITTEN. Mr. Speaker, pursuant to the order of the House previously granted, I call up the conference report on the joint resolution (H.J. Res. 440) making further continuing appropriations for the fiscal year 1980, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see prior proceedings of the House of today.)

Mr. WHITTEN (during the reading). Mr. Speaker, I ask unanimous consent that the statement of the managers be considered as read.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The gentleman from Mississippi (Mr. Whitten) will be recognized for 30 minutes, and the gentleman from Massachusetts (Mr. Conte) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Mississippi (Mr. Whitten).

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, may I say to my colleagues that the continuing resolution passed several weeks ago expires on November 20. Unless we adopt a continuing resolution, the Defense Department, the Department of Health, Education, and Welfare, and numerous other departments and agencies of the Government will be without funds with which to carry on their business. This includes military contracts, hospitals, schools, and various other activities which must go on if the Government is to continue in business.

In meeting with our Senate colleagues, we held substantially to the House position on matters relating to the Federal Trade Commission, which was of interest to many Members. This resolution follows the basic form and concept of similar continuing resolutions in prior years and it remains substantially with the House positions.

One of the few changes from the House position adds funds to strengthen our trade operations, which have become so essential in view of the condition of the American dollar and the need for us to move into world commerce the fruits of our production.

In addition to a slight change in the Federal Trade Commission language, which was approved by my colleagues on the subcommittee which handles that agency, we also have before us in this conference report $12 million added by the Senate to deal with the problem of education for the Indochinese refugees, which has become quite a financial burden for many States.

There is a budget request from the administration for this item, and we have received letters to the effect that the funds were needed. Members of the conference on both the House and Senate sides recognized that there are thousands of these refugees, many of whom not only cannot speak the English language but are also illiterate in their own language, who have been taken into the schools in Oregon, California, and quite a number of other States.

The committee went along with $12 million for the rest of the school year, which is the equivalent, in my opinion, of the $18 million which was the Senate estimate.

We have also agreed to funds in connection with Public Law 480 to meet urgent refugee needs, which is consistent with our earlier commitment to restore these funds at the earliest opportunity.

I would like to reiterate that the purpose of this continuing resolution is to keep the Government in business: To keep our hospitals in operation, to keep our schools operating, to keep our Defense Department going, and to keep our Federal employees in service to the public. We have agreed to a few exceptions to the original House version where absolutely necessary, as I have explained to the Members.

When it comes to abortion, which is a problem that we have to deal with, I repeat that what is involved here is not the moral issue or the legality; involved here is the matter of whether any Federal money can be used to make those payments. The so-called Hyde amendment, with which the Members are familiar, was retained, but we were unable to get the conferees on the other side to accept other provisions in their entirety. So we kept the Hyde amendment, and where they had put additional language in the other body, the effect of which was to let two doctors certify, and various other things along that line, they gave up on that requirement. The House in turn had to make an exception to include making a Federal contribution in cases of or rape or incest where it was duly reported, and so forth.

So this is the same identical language that we embodied in the last continuing resolution. There is no change whatsoever.

So I would say to my colleagues that in view of the fact that the Government must continue to operate and that if we fail to take this action, not only will we close hospitals, which will have a far greater effect on human health, and schools, and all the rest of it but we will generally disrupt the Government. The conferees have done the best we could.

So when you are faced with the reality of life, all you can do is do the best you could. So we bring this conference report to you in line with what I have discussed.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Speaker, while I do not find the compromise language acceptable—and I may comment on that later—I wanted to ask the gentleman this question: If we adopt this conference report, the other body still has to act on it. Is it the intention of the leadership to keep the House here until we know the determination of the other body?

Mr. WHITTEN. Mr. Speaker, as the gentleman knows, the question he asks I cannot give an answer to, so far as the other parties. That is beyond my control.

□ 1450

I do know plans have been made based on an assumption. Our colleagues here would recognize that we have to keep the Government in business, and this is it. This is the vehicle that is essential. If we do not do this, I do not know that staying here would do us any good.

On this side we have had very prompt consideration of the appropriations bills, and I am proud of it. The House is way ahead of our colleagues on the other side as far as meeting our responsibilities which we have. I will say, however, that the other body had other responsibilities which we did not have, such as confirmation of treaties.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I want to say to the dean of the House that he does look remarkably healthy and well rested. I assume from the gentleman's answer that we should all be prepared to stay with the gentleman if that eventuality arises.

Mr. WHITTEN. Mr. Speaker, I do not know of any Member I dislike, and I would enjoy having their company if we did have to stay.

Mr. BAUMAN. If the gentleman will continue to yield, the gentleman is saying he never met a Congressman he did not like. It is amazing the gentleman can say that.

Mr. CONTE. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. DORNAN).

Mr. DORNAN. Mr. Speaker, a most amazing book has come out this past month, which is called "Aborting America." It is written by America's former No. 1 abortion advocate, Dr. Bernard N. Nathanson.

He admits that he presided over and admits responsibility for over 60,000 abortions in his, the largest abortion clinic in the Nation. He has come to the conclusion, finally, that intelligent people must concede that we are killing a human being, taking human life in all abortions, and he also has mitigated his prior views on abortion.

I think that by reading this book, if any of you will please take the time to read it, that no matter where your heart directs you on this issue, you will see that this abortion issue is never, never going to go away until respect for innocent life returns.

What I would like to do today, since my opponent whom I saw in these Hallowed Halls today took more money from NARAL, a pro-abortion political action committee group, than I did from any pro-life group, is to point out the existence of a deliberate, premeditated plan to foment a vicious and cowardly program of bigotry raw prejudice against the Catholic hierarchy in this Nation and make this respected clergy the villain in this abortion struggle.

I take offense to this not only because I am a Catholic, but because I find lately that most of my support to "hang tough" in this battle comes from Baptist and evangelical ministers from every corner of this country.

Now, listen to Dr. Nathanson. Here is a pro-abortion leader, Larry Lader of the then National Association for Repeal of Abortion Laws, which group is now called the National Abortion Rights Action League, speaking in 1969 to Dr. Nathanson over dinner on Long Island.

He says:

> "Historically," he said after the usual throat-clearing ceremony, "every revolution has to have its villain. It doesn't really matter whether it's a king, a dictator, or a tsar, but it has to be someone, a person, to rebel against. It's easier for the people we want to persuade to perceive it this way." I conceded that. It was good tactical strategy. "Now, in our case, it makes little sense to lead a campaign only against unjust laws, even though that's what we really are doing. We have to narrow the focus, identify those unjust laws with a person or a group of people. A single person isn't quite what we want, since that might excite sympathy for him. Rather, a small group of shadowy, powerful people. Too large a group would diffuse the focus, don't you see?"

> I nodded. Where was he going?
>
> "There's always been one group of people in this country associated with reactionary politics, behind-the-scenes manipulations, socially backward ideas. You know who I mean, Bernie."
>
> Not the Catholics again?
>
> "Well, yes and no." Throat-clearing again. A heavy thought coming. And I wasn't wrong. It was his devil theory.
>
> "Not just all Catholics. First of all, that's too large a group, and for us to vilify them all would diffuse our focus. Secondly, we have to convince liberal Catholics to join us, a popular front as it were, and if we tar them all with the same brush, we'll just antagonize a few who might otherwise have joined us and be valuable showpieces for us. No, it's got to be the Catholic heirarchy. That's a small enough group to come down on, and anonymous enough so that no names ever have to be mentioned, but everybody will have a fairly good idea whom we are talking about."
>
> His syntax was as careful and as surgical as his daily shave. It was irrefutable. The only thing that was a little jarring, even to my untutored mind, was that the original nineteenth-century laws in New York and elsewhere had been placed on the books mostly by doctors when there were few Catholics around. I raised that question, hesitantly.
>
> "Bernie, we're talking politics now. . . ."

Unfortunately this low road to bigotry has its adherents. Need I remind some here of the despicable "hissing" this House witnessed a month ago in connection with a mere reference to Pope John Paul II on a similar pending measure. That hissing went uncorrected by the Chair.

I would ask the Members of this body who are for abortion to concede please that those of us on the other side do sincerely draw a perfect analogy between the 1973 abortion decision and the Dred Scott Supreme Court decision on slavery. We are not going to give up on pro-life amendments even if it costs some of us our seats. Even if we are opposed by a Georgetown graduate, as I was, who accepted tainted blood money from abortionists at NARAL and yet still claimed to be loyal to his faith.

I hope that we will send this back today to the other body and hang as tough as they have over the last 3 years in the struggle to force taxpayers to pay for a massive killing that they abhor.

Mr. CONTE. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. DOUGHERTY).

Mr. DOUGHERTY. Mr. Speaker, I rise with respect for the efforts made by the committee, but with a very deep sense of anger and frustration.

The original Hyde language passed this body by over 60 votes. We so-called prolifers yielded to this language in the Department of Defense appropriations. We yielded to this language in the District of Columbia appropriations.

We yielded then, because we thought we had a reasonable chance that in the main HEW conference report there would be language protecting the rights of the States to do what they wanted to do with the use of their funds.

Mr. Speaker, when I was in the State Senate, we passed a bill over the Governor's veto that restricted funds to the life of the mother.

A Federal judge has ruled that the States may not do anything more restrictive than what the Federal Government has done.

We had hoped, in a sense of reasonableness and compromise, that we could have had this States rights language in this conference committee report. Unfortunately, that language is not there.

Why cannot the States do what they want to do, Mr. Speaker? Why must we continue to have the view of a minority thrust upon the will of the majority of this House?

Any budget impasse, Mr. Speaker, can simply be resolved when the other body recognize that we have gone the last mile, when the other body accepts the rights of the States to use their funds in this issue as they see fit?

Mr. Speaker, I rise to ask the Members of this body to vote "no."

The language in the conference committee is not the Hyde language. The language is not what passed the House by over 60 votes. Indeed, when we speak about the issue in the conference committee report, we hear the words, "provided the rape is reported promptly."

What is "promptly," I would ask the Members of this body? Is it 6 days? Is it 6 weeks? Is it 6 months? What is "promptly?"

We have been reasonable. We have gone the last mile.

Now we have but one choice, and that is to rise in outspoken opposition to this bill and to ask the Members to defeat it and to send it back to the other body with the realization that once and for all we know who stands where when we talk about prolife.

Mr. WHITTEN. Mr. Speaker, may I say, in response to my colleague, and I can appreciate his feelings very much, but I do think that perhaps I should keep the record straight.

The other body yielded on the provision as follows:

> Except in those instances where long-lasting health damage would result to the mother if the pregnancy were carried to term when so determined by two physicians.

The other body yielded, and that language came out. It involved where the other body in turn insisted, and we did agree was enforcible, rape and incest, which is illegal, and where the total number has been 56 over 9 months or three-fourths of the year.

I wanted to keep the record straight that the other body did give up on that part of their instance, which I think led to it.

☐ 1500

Under the Hyde amendment, according to the figures I have, under the Hyde provision they had 2,214 abortions performed, and under the language that we were forced to agree to with the other body we add only 56. So I say where the other body yielded on that provision I do not want it to appear that the House did not insist to the fullest degree that we could. Sending this back would not solve anything. It would seriously endanger the closing of hospitals, schools, and everything else on November the 20th.

There was no indication to me, at least, and I think when the gentleman talks with the other conferees they will agree, that the other body would not in any case yield beyond what they had. And if they did not, then we would be faced with the fact that the Government would come to a halt. If the Government closed hospitals, certainly it would be far greater risk and danger to human life than 56 cases of abortion.

I did not mean to get into this, but I was a district attorney before I came here. If I told my friend, described to him in detail some of the forceable rapes and incest cases, I do not see how he could ever think that that was anything but the work of the devil. I do not think that he could differ with me in saying if we are going to help anybody financially in serious matters, goodness, do not exclude those youngsters, many of them under 17, one under 15, the details of which would make you sick to your stomach. I mean every word that I say.

Mr. DOUGHERTY. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. DOUGHERTY. Mr. Speaker, I would like to go on record, while I respect the gentleman's point of view, as saying we would have violently opposed the rape and incest amendment in the previous battle had we not had at least an understanding that some effort would be made to adopt a States rights amendment in the final conference committee report.

Mr. WHITTEN. May I say we have spent hours and hours trying to do this and had we started off with something anew—I have been here quite a while—I believe we made as long and as hard a fight on this as we possibly could do. If we had injected anything new—and I felt it out on the side—but if we had injected anything new I do not believe we would ever have gotten together.

Mr. DOUGHERTY. If the gentleman will yield for one further point. The fact of the matter is I have only been here this year but it seems to me that the House has always finally given in to the other body. I think the time has come——

Mr. WHITTEN. I read to the gentleman the language which the other body has. Of course, it is not any of the doctors that you and I know, but from reading the paper, the language which they gave up on far exceeded the 56 instances that come under the provisions where we were forced to recede.

Mr. DOUGHERTY. But we gave up basically on the language which said "the life of the mother," the language that passed this body by over 60 votes. Last year we gave up on the Hyde language and we got into life and health and everything else.

I respectfully disagree with the gentleman and I thank him.

Mr. DICKS. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. DICKS. Mr. Speaker, I would like to congratulate the chairman of this committee for giving us these figures and putting it on record. I think it is vitally important that we understand the dimensions of the issue we are talking about.

In the other body in terms of fiscal year 1979 there were 350 abortions committed under the lasting health damage, and they estimate through the rest of this year it will be 56 to 72, as the gentleman has mentioned. I think the other body has receded here. I think this is a very fair compromise, but I think it is important that we understand the dimensions of this issue.

I think with the entire Government, our national defense, our people getting social security payments and everything else, it is time to get this bill passed. I congratulate the gentleman for trying to expedite it.

Mr. WHITTEN. I appreciate my colleague's statement.

I would like to say to my colleagues, if I may, that I think your conferees have succeeded with about 90 percent of this when you compare the provisions the House agreed to and the ones the Senate receded on.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Missouri.

Mr. VOLKMER. I thank the gentleman for yielding. I, too, wish to commend the gentleman and the members of the committee and, although I disagree with you, I can understand the pressures that you are under.

But all I would ask is the gentleman understand the way some of us feel very strongly on the issue and cannot compromise our position to the extent that you have been able to do here. I also would like the House to remember not too long ago the House did reject this language, and I thank the gentleman for yielding. I do appreciate the work he has done, but I do also wish for him to understand that some of us feel we cannot compromise our position.

Mr. WHITTEN. I certainly do understand and can thoroughly appreciate the gentleman's position. We had to reach an agreement in order for many of the necessary activities of the Government to continue. I think we came out about 90 percent in line with what the House desired.

Mr. CONTE. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Speaker, this is not a Catholic issue or a Protestant issue, or a Jewish issue, or a Republican or a Democratic issue. The issue is concerning human life.

Now, if there are only 350 abortions that we are talking about, the gentleman is asking us to compromise on the principle of throwing away a human life for a secondary value. Why do not some of the abortionists who are getting fat on this practice, who are making a lot of money on it, perform a free abortion once in awhile? Let them subsidize these 350 abortions, but do not ask us to compromise human lives.

They are not our lives we are compromising for these 350 abortions. Let the States who want to pass legislation paying for this do so, but do not ask the Federal Government, and do not ask us to sell out for that.

Now, on rape and incest, if it was promptly reported it would not be an abortion. Does the gentleman realize that if it was promptly reported it is a medical procedure that cleans up any veneral disease, that gets evidence of the rape and prevents pregnancy?

But the rules that we are stuck with from HEW say 60 days is prompt reporting. Well, after 60 days there is definitely a pregnancy, and then an abortion occurs.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. HYDE. No, sir. Just 1 second.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. CONTE. Mr. Speaker, I yield 30 additional seconds to the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. The Supreme Court held you may not execute a rapist; that is cruel and unusual punishment. Then why execute one of the innocent victims of that rape, the unborn child? That is why this language was unacceptable before and it is unacceptable now.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. HYDE. I yield to my friend from Mississippi.

Mr. WHITTEN. Mr. Speaker, I accept the conscientious beliefs of my colleague. I would like to describe to him some of the situations that maybe he has had some experience with. For a young woman under the age of consent, as we would say in our State, under 18, does the gentleman realize the serious situation that she has?

The SPEAKER. The time of the gentleman from Illinois has again expired.

Mr. WHITTEN. Mr. Speaker, I yield myself 5 minutes.

Does the gentleman realize what a serious situation that young woman faces in acknowledging that which she hopes will not lead to anything further? Can he imagine a 15-year-old child or the parents of that child reporting these matters until they find out they have to?

I cannot. I have observed these matters. I have had witnesses on the stand and seen the tears in the eyes of 15-year-old girls, 17-year-old girls. I will tell the gentleman it will make you cry to have them go there and go through the ordeal that they go through, through no fault of their own, for a violation of the law by the worst criminal you can imagine. I say to my colleague that when you expect anybody's daughter or any father or mother to rush to the police or to anybody else and tell this until they have to, you just are asking the impossible.

Now, may I say again I dearly love my friend, I respect his beliefs. I have mine.

But having been a district attorney and having dealt with so many very sordid cases, one of whom was a minister of a leading church, incest, a 15-year-old girl, I cannot help but think that is the work of the Devil, not the Lord, if I may say so to my colleague.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. HYDE. Mr. Speaker, I agree with everything my dear friend has said. I simply say to the gentleman that for the few times, and they are few, that those tragic situations occur, you are setting up a system and a procedure whereby an awful lot, an awful lot of innocent human lives will be wasted. Now, tragic as those few occurrences are, society, with its resources, ought to find a way that does not provide the solution of death to the innocent, inconvenient victim, the unborn child.

Mr. WHITTEN. I believe I have the time at this time and I respect everything the gentleman has said. I just call the gentleman's attention to one thing. According to the HEW figures, for fiscal 1979 there were 2,449 abortions under the gentleman's language, the Hyde amendment. For rape and incest there were 56 under the provision that we have in the conference report.

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Mr. CONTE. Mr. Speaker, I yield 1 minute to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I do not support the conference report because of the antiabortion language which I feel is a compromise that is unnecessary. That is a view that I have often expressed and is well known. The issue of life is not negotiable.

But, Mr. Speaker, may I make an appeal to the Speaker and to the leadership of this House. We have been debating this issue now ever since the Supreme Court of the United States handed down its odious decision allowing abortion on demand. Those of us who have supported the right to life have repeatedly offered language, led by the gentleman from Illinois (Mr. HYDE) to appropriation bills, not to inconvenience the House, not to tie up the funds of the various departments, but because it is the only legislative vehicle available to us to express our views on this issue. These restrictions have met with the support of this House overwhelmingly, repeatedly, and with the majority support in the other body. I appeal to the leadership on both sides of the aisle to bring to the floor legislation, possibly a constitutional amendment, that will let us deal once and for all with this issue in a statutory form so that we can express the concerns of a great many millions of Americans and preserve, I hope, the lives of the unborn. That would be the best way to do it and it is a legislative path so far denied to us.

I urge rejection of the conference report.

Mr. CONTE. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, may I ask the gentleman from Massachusetts

(Mr. Conte) if this continuing appropriation includes an amount to cover expanded duties assigned to the U.S. Trade Representative under the Reorganization Act just passed by the House.

Mr. CONTE. If the gentleman will yield, yes, it does. The Senate had inserted $4,456,000, and in conference, after a great deal of discussion, we agreed on a compromise figure of $3,800,000 for the Office of Special Representative for Trade Negotiation. I believe it was the Senator from South Carolina who said that he was in contact with the Agency, and that was the barebones figure that they could operate on. I made the motion that we accept it, and the good chairman, Mr. Whitten, went along with it.

Mr. FRENZEL. The Trade Subcommittee thanks the gentleman for his observing these unusual procedures in making this amount available. I hope it will be enough, but we are very gratified to the gentleman for helping to get this group reorganized.

Mr. Speaker, because the reorganization plan just agreed to by the House, the duties of the U.S. Trade Representative and his office have been substantially increased.

This conference reports increase the STR budget by $3.8 million for which I thank the conference managers. However, I am afraid that amount may be insufficient.

The House Subcommittee on Trade asked that the STR office contain not less than 130 people. The OMB cut that amount to less than 120, and asked for a little more than $4½ million. The conference however allowed only $3.8 million.

It may, therefore, be necessary to come back for a supplemental appropriation. I hope that will not happen, but the new duties on trade policy are of critical importance to our balance of trade and to our economy.

Again, I am grateful to our House managers for helping to take of this emergency situation under an unusual short-cut procedure.

Mr. WHITTEN. Mr. Speaker, I yield 4 minutes to the gentleman from Georgia (Mr. Levitas).

Mr. LEVITAS. Mr. Speaker, before I address myself to the point that I sought time on, I would just like to take note of the outstanding work which has been done by the chairman of the Committee on Appropriations, the gentleman from Mississippi (Mr. Whitten) and the ranking member, the gentleman from Massachusetts (Mr. Conte) in bringing this compromise continuing resolution to the floor. But over and beyond that, having sat here and heard the eloquence and the compassion and the concern and the understanding of the chairman of the Committee on Appropriations in dealing with what is a very emotional and important issue, I think that the Members of this House owe him a special debt of thanks for the role he has played in this important matter.

The matter on which I wish to rise and address a question to the chairman of the Committee on Appropriations is on another subject. It relates to the continuing appropriation for the Federal Trade Commission. The House in its action passing the continuing appropriation placed certain restrictions on the activities of the Federal Trade Commission and limited until only March 15 the appropriations for the Federal Trade Commission.

As all of the Members know, the Federal Trade Commission has not had an authorization bill for almost 2½ years now. The last time we voted in the House on the FTC authorization, we defeated it.

My question is, No. 1, what did the conference do in this regard? And, No. 2, how long will the Committee on Appropriations continue to fund an agency of government which has not been authorized for over 2½ years?

Mr. WHITTEN. If the gentleman will yield, may I say to my colleague that the conference agreement would prohibit the FTC from implementing the R-value insulation trade regulation or rule which is scheduled to go into effect December 31, 1979. The conference agreement would permit the FTC to implement the trade school regulation which is scheduled to go into effect January 1, 1980. The time for which we have authorized continues to March 15, and we agree with the gentleman, and we have so shown. Particular credit should be given to the chairman of the subcommittee, the gentleman from West Virginia (Mr. Slack). We have felt that we had to have the FTC. We have kept the FTC. We have kept it doing what they have been doing in the hope that by holding them to what they have been doing, our legislative committees could get together on what the future of that agency is. It is badly needed, but from their viewpoint it seems they feel it should be held in line. We are not trying to do that; we are just trying to keep it operating as it is until such time as they get together.

Mr. LEVITAS. I thank the chairman for his explanation. I, too, would like to commend the chairman of the subcommittee, the gentleman from West Virginia (Mr. Slack) for what he has done.

But I really think, unless the Committee on Appropriations of the House makes it perfectly clear to the other body that we are not again going to continue appropriations without authorization, the other body is not going to bring up an authorization bill. I think the only way we are going to get an authorization bill passed through both Houses and a conference report adopted is for the Committee on Appropriations to make it very clear that this is the last time.

Mr. WHITTEN. I do not know that we would want to do that. That might be taken as a threat. Let us put it this way, that I would hope that this is the last time. We would have to just let this operation expire the 20th. We cannot let the hospitals close and Defense go to pot. We have done everything short of making a threat, and we would not wish to make that.

Mr. LEVITAS. I wish we would make a threat.

Mr. DICKS. Mr. Speaker, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Washington.

Mr. DICKS. I thank the gentleman for yielding. Despite the fact that the authorizing bill is on the floor, and I understand it will be back as soon as we go back into session, I might point out to the gentleman from Georgia that the Senate Commerce Committee is marking up the authorization bill next Tuesday. I understand from Members of the other body that they intend to move expeditiously, so hopefully we can get the authorization passed before we go home and clear up this entire matter.

Finally, this only goes to March 15 while the rest of the continuing resolution is for the rest of the year, so we would serve notice to the authorizing committee.

Mr. LEVITAS. I thank the gentleman for his observation. I think he and I share the same goal of getting an authorization bill passed, but I think the only reason we have seen any movement in the other body is because of the actions taken by our Committee on Appropriations. I think the time has come for an authorization bill to be passed.

Mr. DICKS. I agree.

Mr. CONTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conferees on the second continuing resolution for 1980 met with the Senate for 3 hours this morning. We reached agreement on all seven amendments in disagreement.

I will describe for my colleagues each of the recommendations which are being made to the House by the conferees.

Amendment No. 1 restores the House provision which prohibits trade regulation rules promulgated by the FTC from becoming effective during the period of the continuing resolution, unless authorizing legislation is enacted during that period.

The conferees agreed to limit this provision to trade regulation rules promulgated after August 30, 1979, which would prevent the implementation of the home insulation trade regulation, but would permit the implementation of the vocational schools rule.

The conferees based this action on the finding by the National Bureau of Standards that a reliable test for testing the effectiveness of insulation (the R-value) does not exist. The conferees recommend that sufficient resources be allocated to develop such a test.

Amendment No. 2 deletes $1 million added by the Senate for construction of school facilities in a school district in Kansas. The conferees simply could not justify a special provision such as this in a continuing resolution.

Amendment No. 3 appropriates $12 million for Indochina refugee children assistance, instead of $18 million which was added by the Senate. The amount recommended by the conferees is contingent on receipt of a budget request from the President.

The statement of the managers includes an understanding that additional funding will be considered in the next supplemental appropriation bill. Speaking only for myself, I hope that additional funds, if requested and justified, would be provided in an urgent supplemental, if early action is necessary to make the funds available for the remainder of the school year.

Under this program, funds will go to local school districts to assist in the education of refugee students entering school during the 1979–80 school year.

Amendment No. 4 proposed the same abortion language enacted with the first continuing resolution for 1980.

Amendment No. 5 appropriates $3,800,000 for the Office of the Special Representative for Trade Negotiations, instead of $4,456,000 as proposed by the Senate. This amount is for 57 additional positions, and the establishment of an office in Geneva.

The Office of the Special Representative was given additional responsibilities by the Trade Agreements Act of 1979, and Reorganization Plan No. 3, which was approved by the House. These new responsibilities include East-West trade, commodity negotiations, including increased coal exports, and surveillance of bilateral trade agreements, particularly those agreements concerning textiles.

These activities are important to U.S. foreign trade, and the maintenance of jobs in the U.S. economy.

Amendment No. 6 adds $24,000,000 for Public Law 480, transfers $34,528,000 from titles I and III to title II, and increases the title II program level by $50,362,000.

Amendment No. 7 deletes Senate provisions which would have deferred the pay of Members of Congress whenever Federal employees did not receive timely compensation, or when an individual failed to receive benefits because Congress had not appropriated the necessary funds.

Because of the importance of what the conferees have done I wish to return for a moment to amendment 5.

To date for fiscal 1980 the Congress has approved $4 million for the Office of the Special Trade Representative. Since the time that we approved the regular appropriation bill, President Carter has submitted Executive Reorganization Plan No. 3 which renames and greatly expands the functions and responsibilities of this office. In an effort to more clearly focus the Government's export policy, the Office of the U.S. Trade Representative is given:

Primary responsibility for developing, and for coordinating the implementation of U.S. international trade policy;

Advising the President on international trade policy and the impact of other Government policies on international trade;

Lead responsibility for conducting international trade negotiations; and

Issuing policy guidance to other Government departments and agencies on matters concerning the GATT, expansion of U.S. exports, unfair trade practices, bilateral trade issues and international trade issues involving energy.

Clearly these responsibilities far surpass the Special Trade Representatives current charge of negotiating and coordinating international trade agreements.

Last week the House approved the reorganization. The Senate has also shown their support for the reorganization by their Committee on Governmental Affairs unfavorably reporting the resolution of disapproval.

The international economic system and the role which the United States plays currently (and could play) demand a reorganization of trade functions if we hope to both increase our share of the world export market and to in turn offset the trade deficit we must insure that trade negotiations designed to facilitate a free and fair system can be effectively implemented. The reorganization is designed to correct deficiencies in the present system: It aims to improve our export promotion activities so that the U.S. exporters can take full advantage of trade opportunities in foreign markets; it provides for the timely and efficient administration of our unfair trade laws; it also establishes an efficient mechanism for shaping an effective, comprehensive U.S. trade policy.

Unlike our other industrialized trading partners which have a centralized and coordinated department for trade (and subsequently a greater share of the world export market) the United States is clearly at a disadvantage. Currently only between 7 to 10 percent of our GNP is accounted for by trade, a figure considerably less than that of other nations. In addition, our share of the world market has dramatically fallen. In order that we earn additional foreign exchange with which to offset the increasing costs of imported oil and other vital raw materials (especially minerals) we must increase our exports. Centralization of trade policy will help to accomplish this goal.

It is very important that we provide the funds to implement the reorganization as soon as possible if we wish to promptly start toward improving our position in international trade. I am pleased that the House conferees agreed to include $3,800,000 for the Office of the Special Trade Representative. I urge my colleagues in the House to also approve this action.

Mr. Speaker, I now yield to my good friend from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, I know the hour is late so I will confine my remarks to the issue of abortion as it is carried in this conference report. In answer to the assertion of my friend from Pennsylvania that the House has continued to give in to the position of the Senate time and time again, let me if I might very briefly review the record for those Members who have not had to deal with this issue time and time again over the past several years, whether it was in regular bills, continuing resolutions, or conferences with the Senate.

We began this whole dialog on the issue of abortion as a result of our finding out that there were a considerable number of abortions being funded by the Federal Government. Those of us opposed to that initially subscribed to what was called the first Hyde amendment, which specified that "none of the funds shall be used to perform abortions." Period. That is where the House started out several years ago. The Senate responded with what for all practical purposes was abortion on demand.

Mr. Speaker, what we then did in conference to resolve the great differences between the two bodies was to take the Hyde language but provide exemptions in cases where the life of the mother was endangered, rape or incest, severe and long-lasting physical health damage, and ectopic pregnancy. This had the effect of eliminating Federal funding for 99 percent of the abortions covered by medicaid.

Then this year, the Senate started out by accepting this compromise position, which represented considerable movement from their original abortion-on-demand position. We stuck with the Hyde language, which by now had been modified by its authors to provide an exemption in cases where the life of the mother was endangered if the fetus were carried to term.

Both bodies had several strong votes on behalf of their respective positions, so it was clear that neither side was going to give in to the position of the other. Some middle-ground position was thus necessary if we were going to resolve the dispute and keep the Government running. I should point out that a failure to settle the matter would mean no prohibition whatsoever, and a return to abortion-on-demand. So what we did in the first continuing resolution last month and in this resolution today was to remove the exemption in cases of "severe and long lasting health damage to the mother," thus leaving only the rape and incest exemption beyond the Hyde language.

Mr. Speaker, this is a compromise that really goes 80 percent toward the House position, because of the 422 abortions funded last year under the rape and health exemptions, 350 fell under the health category with only 72 due to rape or incest.

It was a compromise that the Senate rejected only yesterday because it leaned too much in the direction of the House position. It was a compromise that the Senate in conference today was very reluctant to accept, for that reason.

Mr. Speaker, this has been the most perplexing issue I have had to deal with here in the Congress. Emotions run high and there is no perfect answer. I do think we have finally resolved this thing down to acceptable language that should prevail for all Federal programs, whether in the Defense Department, HEW, or the District of Columbia. I believe it imperative that whatever we do, we do the same for all departments. I am prepared this afternoon to support this conference report and frankly if we do not agree to this I will just have to resign as a conferee because I have done all I can to get agreement here and if it does not fly, maybe someone else ought to make the effort.

Mr. BURLISON. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Missouri.

Mr. BURLISON. I want to commend the gentleman on his remarks.

Mr. Speaker, I have been a supporter of the Hyde amendment. I do not think the Federal Government has a place in financing abortion but I think we must at some point recognize that representative democracy is a question of compromise. I think it is clear, as pointed out by the chairman of the full committee and by the distinguished gentleman from Illinois, that the Senate has given in, the Senate has conceded from its position just as has the House. It is a reasonable compromise and I would hope that my colleagues would support the gentleman from Illinois.

Mr. DOUGHERTY. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I will be happy to yield to my friend from Pennsylvania.

Mr. DOUGHERTY. Mr. Speaker, when the gentleman quotes statistics, I take they are HEW statistics?

Mr. MICHEL. Yes.

Mr. DOUGHERTY. For this particular Member, HEW statistics are totally invalid. They had Pennsylvania performing a certain number of abortions, then they came back because Pennsylvania spent more money for abortions and all that crap, so HEW's statistics are about as good as the clock on the wall.

The second thing is, you talk about resolving the issue. Mr. BAUMAN has brought up the point that we could resolve the issue but the leadership sees fit not to bring it to the floor in a manner in which it could be resolved.

Mr. Speaker, our colleague talked about compromise. Let us lay it on the line when you talk about compromise, be it 56 lives or 300 lives. The issue clearly is, if you believe the unborn child has life, then you cannot accept the bill. If you believe that the unborn child is nothing, just a piece of tissue, fine, vote for it. However, you are talking about human life. Abortion bothers people. The word has a bad meaning. Everybody wants to walk away from it.

Mr. Speaker, I would suggest to the gentleman that it is more than just that, it is a question of a life.

Mr. MICHEL. Mr. Speaker, I still respect the gentleman's point of view as I do that of every other Member of this House. It just so happens that some of us in moving the legislative process have got to give some, we have got to take some and I think it is the kind of compromise here, legislatively, that we must accept in this conference report.

I should further point out that the authors and supporters of the Hyde language have already accepted the principle of compromise when they offered us the life of the mother exemption. Over 80 percent of all abortions still receiving Federal funding are being funded because the life of the mother was endangered. Providing the rape exemption would add only 3 percent to that total.

What we have in this conference report is language that would reduce the number of Federally funded abortions an additional 13 percent below the levels of the past 2 years. It is a good compromise, the best we can hope to achieve, and I urge my colleagues to support the committee.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on House Joint Resolution 440.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

CALL OF THE HOUSE

Mr. MURTHA. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 678]

Abdnor
Addabbo
Akaka
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Applegate
Atkinson
Badham
Bafalis
Bailey
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Biaggi
Blanchard
Boggs
Boland
Boner
Bowen
Brademas
Brinkley
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burlison
Burton, Phillip
Butler
Byron
Carney
Carr
Cheney
Clinger
Coleman
Collins, Ill.
Collins, Tex.
Conte
Corcoran
Corman
Coughlin
Courter
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dodd
Donnelly
Dornan
Dougherty
Downey
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Edwards, Calif.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fascell
Fenwick
Findley
Fisher
Fithian
Flippo
Forsythe
Fountain
Frenzel
Gaydos
Giaimo
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hillis
Hinson
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Hughes
Hyde
Jacobs
Jeffords
Jeffries
Jenrette
Johnson, Calif.
Jones, Okla.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kostmayer
LaFalce
Lagomarsino
Leach, Iowa
Leach, La.
Leath, Tex.
Lehman
Leland
Lent
Levitas
Livingston
Lloyd
Loeffler
Long, La.
Lowry
Lundine
Lungren
McCormack
McDade
McDonald
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Matsui
Mattox
Mavroules
Mica
Michel
Mikulski
Miller, Ohio
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Nedzi
Nelson
Nichols
Nolan
Obey
Panetta
Patten
Patterson
Paul
Pease
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Rahall
Rangel
Ratchford
Regula
Rinaldo
Ritter
Robinson
Roe
Rose
Roth
Rousselot
Roybal
Royer
Sabo
Satterfield
Schroeder
Schulze
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Snowe
Snyder
Solarz
Solomon
Spellman
Stack
Staggers
Stangeland
Stanton
Stark
Stenholm
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Trible
Udall
Ullman
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Watkins
Weaver
Weiss
White
Whitehurst
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Wirth
Wolff
Wolpe
Yatron
Young, Fla.
Young, Mo.
Zeferetti

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The SPEAKER. On this rollcall 277 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

CONFERENCE REPORT ON HOUSE JOINT RESOLUTION 440, FURTHER CONTINUING APPROPRIATIONS, 1980

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DOUGHERTY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

Mr. DOUGHERTY. Mr. Speaker, on that I demand a division.

On a division (demanded by Mr. DOUGHERTY) there were—yeas 155, nays 63.

Mr. DOUGHERTY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will inform the gentleman that the Chair has just counted the House on a demand for a division, and a quorum was present.

Mr. VOLKMER. Mr. Speaker, I demand a recorded vote.

A recorded vote was refused.

So the conference report was agreed to.

AMENDMENTS IN DISAGREEMENT

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 5: page 10, line 20, insert:

SEC. 111. For an additional amount for "Executive Office of the President, Office of the Special Representative for Trade Negotiations, Salaries and Expenses", $4,456,000, of which not to exceed $15,000 shall be available for official reception and representation expenses.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 5 and concur therein with an amendment, as follows: In lieu of the first sum named in said amendment insert the following: "$3,800,000".

The SPEAKER pro tempore (Mr. BRADEMAS). Without objection, the motion is agreed to.

Mr. DOUGHERTY. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

The question is on the motion offered by the gentleman from Mississipi (Mr. WHITTEN).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

So the motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the remaining amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 6: page 11, line 1, insert:

SEC. 112. For an additional amount for "Public Law 480", $24,000,000. The amount for titles I and III shall be reduced by $34,528,000 and the amount for title II shall be increased by $58,528,000. The authorized program level for title II is increased by $50,362,000. Funds provided in this section shall remain available until expended.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 6 and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the conference report and on the several motions was laid on the table.

A BILL TO ESTABLISH THE RECONSTRUCTION FINANCE CORPORATION TO MAKE LOANS AND LOAN GUARANTEES TO INDIVIDUALS OR CONCERNS ENGAGED IN INDUSTRY, AGRICULTURE, AND COMMERCE, WHO WOULD OTHERWISE BE UNABLE TO OBTAIN NEEDED FINANCING OR REFINANCING ESSENTIAL FOR CONTINUED OPERATIONS THEREBY PREVENTING UNEMPLOYMENT AND RESULTING DISRUPTION OF THE ECONOMY

Mr. WHITTEN. Mr. Speaker, for months now we have been faced with the financial problems of Chrysler, which means not merely a huge corporation in trouble but really its thousands of stockholders and thousands of employees. Employees who are now drawing unemployment compensation or could be in the future. We are faced with interest rates which are getting out of hand. Many corporations, private businesses and private citizens are facing an impossible position.

Chrysler Corp. is asking for loan guarantees in the billions. The Wheeling Steel Corp. recently received a loan guarantee of $50 million from the Farmers Home Administration and $100 million from the Economic Development Administration. Undoubtedly, other corporations will be doing the same. New York City needed a massive Federal loan guarantee. These problems are a fact of life. Whatever the merits, they represent a national emergency with which we must deal.

Mr. Speaker, yesterday I introduced a bill (H.R. 5920) to reestablish the Reconstruction Finance Corporation. I have introduced this bill each year for the last several years as our economic condition has deteriorated. The bill I introduced has been updated to reflect today's needs.

The RFC was a success because when they loaned money, they got involved and saw that the business was run right. We need such an agency today to help us meet today's problems and those we may face in the future.

OUR CURRENT ECONOMIC CONDITION

Mr. Speaker, upon becoming the chairman of the Appropriations Committee of the U.S. House of Representatives, I had a study made to review the economic condition of our country. This is what I found. The dollar has depreciated 50 percent since 1967. We have continued to buy more from abroad than we have sold. We have taken the gold from behind our currency and the silver out of our coinage. There is virtually nothing behind our money today except a promise to pay. Our public debt has reached nearly $800 billion and from present commitments is estimated to increase to $900 billion by 1980. Due to the higher cost of money, interest on the public debt will increase by $5.9 billion in 1980 to a total of nearly $60 billion. At the present time about 58 percent of the funds in the budget are indexed by basic law to guarantee increases to meet inflation. Adding funds to offset inflation merely brings on additional inflation. It is like trying to put out a fire with gasoline.

The prime interest rate has gone above 15 percent. The last sale of Government securities brought about 13-percent interest, the highest in the history of our country.

Somewhere, sometime, at this rate we will have to squeeze the water (inflation) out. The Reconstruction Finance Corporation proved itself invaluable in meeting this need before.

Private debt is now estimated to be approximately $3 trillion, the Government has guaranteed over $400 billion in loans. Our Government lending agencies are operating at an all time high. The Farmers Home Administration has over $35 billion in loans outstanding and the Small Business Administration has another $13 billion. Last week we passed a bill greatly expanding the loan guarantee authority of the Economic Development Administration.

We see the Government making loans to U.S. corporations because they are in trouble. The Government is trying to shore up individuals, businesses, corporations, and even local governmental units through guaranteeing loans and extension of credit.

INFLATION IN GERMANY LED TO COLLAPSE

Mr. Speaker, I see us today in a situation which approaches that of Germany after World War I. All of us have heard of the rampant inflation that destroyed the working class and created a situation which facilitated the eventual take over by Hitler. Yet, few people are actually aware of how that inflation progressed.

According to information supplied earlier this year, at my request, by the Congressional Research Service, in July 1914 the German mark was valued at 4.2 to the American dollar. In July 1921 it was valued at 76.7 to the dollar. In January 1922 the value had dropped to 191.8 to the dollar. Inflation was steady but gradual for 8 years until July 1922 when it exploded into a classic currency inflation that led to the collapse of the entire German financial system in 1923. On November 15, 1923, the mark was valued at 4,200,000,000,000 to the dollar.

All the marks that existed in the world in the summer of 1922—190 billion—were not worth enough by November 1923 to buy a newspaper. Legal interest rates reached 22 percent per day. The money printing industry was one of the largest businesses in the country, employing thousands of people. It has often been said he who does not study history shall relive it.

ACTION IS NEEDED NOW

Mr. Speaker, from my experience and study of history, I feel it is evident we must do everything we can to increase productivity in this country. Furthermore, we must balance the Federal budget, but we must balance it at a realistic level. We cannot expect to repay the inflated dollars we have borrowed with dollars that are hard to come by. If we strike down unnecessary Government regulation, we can increase productivity while greatly lowering cost.

Mr. Speaker, we can prevent what happened in Germany, but we need to reestablish the Reconstruction Finance Corporation not only to meet the needs of the moment but to prepare for what the future may hold. We need a corporation that has the right to buy and sell and to contract. What Government agency can adequately supervise the type and complexity of loans we now seem to be making? What agency do we now have that can fully and accurately assess the true value of the assets pledged to secure the loan? Using existing organizations such as the Small Business Administration or the Farmers Home Administration to supervise the type of loans we will need to make just will not work. These agencies do not have the staff or, in many cases, the capability to adequately supervise these loans and thereby assure repayment. In fact they do not have the numbers provided by Congress. We have gotten by with the loan to Lockheed in part because of an upturn in the economy after the loan was made and increased purchases by the military. We may not be so fortunate in the future unless we act now.

PRECEDENT FOR CONGRESSIONAL ACTION

Twice before in our history the Congress has created a temporary Federal corporation to restore economic stability to the country. In 1918 the Congress created the War Finance Corporation to strengthen the private investment markets and to make loans to industries engaged in wartime production. During the depression of 1920 to 1922, Congress transformed the War Finance Corporation into an Emergency Finance Corporation. As the economy of the country improved throughout the 1920's and prosperity returned, the War Finance Corporation was phased out.

THE RECONSTRUCTION FINANCE CORPORATION

As the country moved out of the 1920's and into the Great Depression of the 1930's, many leaders of the country began to clamor for the reincarnation of the War Finance Corporation.

In his message to Congress on December 8, 1931, President Hoover outlined the purposes and functions of his proposal which led to the Reconstruction Finance Corporation:

> In order that the public may be absolutely assured that the government may be in position to meet any public necessity, I recommend that an Emergency Reconstruction Corporation of the nature of the former War Finance Corporation should be established. It may not be necessary to use such an instrumentality very extensively. The very existence of such a bulwark will strengthen confidence.
>
> . . . Its purpose is, that by strengthening the weak spots, to thus liberate the full strength of the nation's resources. It should be in position to facilitate exports by American agencies, make advances to agricultural industry; to make temporary advances upon proper securities to established industries, railways and financial institutions which cannot otherwise receive credit, and where such advances will protect the credit structure and stimulate employment.

To meet the need to restore economic stability to the country, the 72d Congress passed H.R. 7360 creating the Reconstruction Finance Corporation. The act was signed into law by President Hoover on January 22, 1932, as Public Law No. 2.

In signing the bill, President Hoover said about the RFC:

> It is created for the support of the smaller banks and financial institutions, and through rendering their resources liquid to give renewed support to business, industry, and agriculture. It should be given an opportunity to mobilize the gigantic strength of our country for recovery.

The Corporation's major functions at first were the extension of credit to agriculture, commerce, and industry through loans to banks and other financial institutions, insurance companies, agricultural credit agencies, and railroads. The lending authority of the Corporation was subsequently broadened to include authority to purchase the capital stock of banks, insurance companies, agricultural credit corporations, and national mortgage associations. Authority was also given the Corporation to make loans to business enterprises, mining interests, disaster victims, and public school authorities, and to assist in financing the construction of public works. It also was authorized and directed to allocate funds to, to make loans and advances to, and to purchase the securities of, various U.S. Government corporations and agencies.

During the emergency period beginning in 1940, and during World War II, the responsibilities of the Corporation were considerably augmented.

In the words of Jesse Jones, the Administrator of the RFC, and later Secretary of Commerce:

> In the June week of 1940, when France fell and the world of freemen stood dazed and full of dread, Congress, with a grant to perhaps the broadest powers ever conferred upon a single government agency, authorized the RFC to help the United States gird itself for whatever military perils might befall. Under this almost limitless power, the RFC could do practically anything the defense and war-making authorities thought best for the nation's safety and the prosecution of the war. The Corporation set up subsidiaries to devote themselves exclusively to the waging of total war.

Having a Corporation already in existence and operating, greatly aided the country in responding to that emergency. With the end of the war, the Corporation's lending powers were curtailed substantially and its wartime functions were terminated. As our economy returned to normal, programs of the RFC were one-by-one spun off to other Government agencies and the Corporation was finally abolished by Reorganization Plan No. 1 of 1957.

During its 25-year history, the RFC was among the largest and most complex of all Federal lending agencies. It possessed unlimited authority to borrow funds from the U.S. Treasury, disbursing over $40 billion and guaranteeing private loans and investments for many more billions. The RFC did not have the purpose of making a profit, although the accounting records show that for its activities taken as a whole, its revenues and interest income exceeded its losses and expenses, even though many individual programs were undertaken with little hope of recovery of the funds.

WHY WE NEED AN RFC

As commerce, industry, and agriculture are forced to pay ever higher interest rates and other inflated costs in order to remain in business, we will need a Government lending corporation that has the ability and the authority to operate based on sound business principles. Under our present set-up we make loan guarantees, but if the company begins to falter, there is no Government agency capable of stepping in and putting the business back on its feet. If the business fails, there is no Government agency able to acquire the assets of the business and thereby protect the equity position of the stockholders and the Government. No agency of the executive branch is presently equipped with either the personnel or the authority to deal with the immediate problems of loans to large corporations such as Chrysler and others.

LET US DO FOR OURSELVES WHAT WE HAVE DONE FOR OTHERS

My bill would provide for capital stock for the Corporation in the authorized amount of $5,000,000,000. This amount is very reasonable when compared to the capital we have provided for the World Bank over the years. We have appropriated over $14.5 billion for loans to our friends overseas.

For many years now, we have had the Export-Import Bank. I have supported most of the programs of the Bank over the years because they exercised control over the use of the funds. In fact, after the war, I voted against the so-called "British Loan" for the reason that we did not retain any control over the use of funds but made an outright loan.

CONCLUSION

Mr. Speaker, the RFC was a success because when they loaned money, they got involved and saw that the business was run right. We need such an agency today. The state of the economy demands it. I ask for rapid consideration and passage of my bill.

□ 1550

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I have asked for this time for the purpose of inquiring of the acting majority leader the program for next week.

Mr. DANIELSON. If the gentleman will yield, the program for the week beginning November 26, 1979, is as follows:

On Monday, November 26, the House will meet at noon. There are four bills scheduled on the Suspension Calendar, and they are as follows:

H.R. 5138, Civil Service Authorization Act; H.R. 5580, NATO Mutual Support Act of 1979; H.R. 5753, United States Code, title 10 amendments, regarding National Guard; and H.R. 5766, United States Code, title 10 amendments, regarding ROTC.

All recorded votes on Monday, November 26, will be postponed until Tuesday, November 27.

Following the consideration of the bill on the Suspension Calendar, the House will consider the following bills:

H.R. 3546, Extend Federal Insecticide, Fungicide and Rodenticide Act, an open rule with 1 hour of general debate. The rule has already been adopted. There will be general debate only.

H.R. 3994, Resource Conservation and Recovery Act Amendments of 1979, an open rule with 1 hour of debate. The rule has already been adopted. There will be general debate only.

On Tuesday, November 27, the House will meet at noon. There will be a call of the special Consent Calendar, a call of the special Private Calendar, and recorded votes postponed from Monday, November 26.

There will be a special District Day, with the following four bills:

H.R. 3343, D.C. civil rights suits; H.R. 5537, extend Treasury borrowing authority; H.R. 5645, land title rights for Little Sisters of the Poor; and H.R. 4546, D.C. Redevelopment Act amendments.

The House will then consider the following bills:

H.R. 2313, Federal Trade Commission authorization. We will complete consideration of that bill.

H.R. 2608, NRC Authorization Act, a modified open rule, with 1 hour of general debate.

H.R. 2222, coverage of medical House staff under National Labor Relations Act, an open rule with 1 hour of debate.

On Wednesday, November 28, and Thursday, November 29, the House will meet at 10 a.m. On Friday, November 30, the House will meet at 9 a.m.

The House will consider the conference report on S. 239, Domestic Volunteer Service Act Amendments of 1979; conference report on H.R. 3354, naval petroleum and oil shale authorization; and conference report on H.R. 2676, Environmental Research and Development authorization.

Following the consideration of the conference reports, the House will consider the following bills:

H.R. 5461, Martin Luther King birthday bill, subject to a rule being granted; H.R. 3948, Experienced Pilots Act of 1979, an open rule with 1 hour of debate; H.R. 3546, Extend Federal Insecticide, Fungicide and Rodenticide Act, votes on the amendments, if any, and the bill; H.R. 3994, Resource Conservation and Recovery Act Amendments of 1979, votes on the amendments and the bill; and H.R. 4962, Child Health Assurance Act of 1979, an open rule with 1 hour of debate.

The House will adjourn by 2 p.m. on Friday and by 6:30 p.m. on all other days except Wednesday.

Conference reports may be brought up at any time, and any further program will be announced later.

Mr. MICHEL. Mr. Speaker, I notice that there is no mention of the budget resolution that we adopted the conference report on here in the House, sending it back to the other body. It has not been scheduled, nor is the disposition of that known. Does the gentleman have any intelligence or information on that?

Mr. DANIELSON. If the gentleman will yield to the gentleman from Connecticut (Mr. GIAIMO), I think he can respond.

Mr. MICHEL. I yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Speaker, we have negotiated and discussed the remaining difference with the Senate. The Senate has come up with a new version which is frankly, acceptable to me, and they are going to vote on it this afternoon in the Senate. So it would be my hope that we could bring the resolution up probably on the Wednesday and Thursday that we come back.

Mr. MICHEL. I thank the gentleman.

PERSONAL EXPLANATION

Mrs. FENWICK. Mr. Speaker, because of the mission of the Congresswoman's Caucus to Cambodia and Thailand, I was unfortunately unable to be present for rollcall votes on Thursday, November 8, Friday, November 9, and Tuesday, November 13. Had I been present, I would have voted as follows:

Rollcall No. 637, Senate Concurrent Resolution 39, "nay."

Rollcall No. 640, H.R. 4167, "nay."

Rollcall No. 647, H.R. 4930, conference report, "aye."

Rollcall No. 648, motion to recede in disagreement and concur, with amendment, in Senate amendment No. 108 to H.R. 4930, "aye."

Rollcall No. 643, H.R. 2603, "aye."

Rollcall No. 652, House Concurrent Resolution 200, "aye."

Rollcall No. 653, H.R. 5235, "aye."

Rollcall No. 651, H.R. 5461, "aye."

Rollcall No. 654, motion to close conference on H.R. 5359, "aye."

Rollcall No. 655, Bauman amendment to House Joint Resolution 440, "aye."

Rollcall No. 656, House Joint Resolution 454, "aye."

Mr. Speaker, I was also unable to be present for the following two rollcall votes on Wednesday, November 14, and Thursday, November 15. Had I been present, I would have voted as follows:

Rollcall No. 659, Gradison amendment to H.R. 2727, "aye."

Rollcall No. 667, House Resolution 486, "aye."

DISPENSING WITH CALL OF THE PRIVATE CALENDAR ON TUESDAY, NOVEMBER 20, 1979

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that the call of the Private Calendar be dispensed with on Tuesday, November 20, 1979.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

AUTHORIZING THE CLERK TO RECEIVE MESSAGES FROM THE SENATE AND THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS DULY PASSED, NOTWITHSTANDING ADJOURNMENT

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Monday, November 26, 1979, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

AUTHORIZING THE SPEAKER TO ACCEPT RESIGNATIONS, AND TO APPOINT COMMISSIONS, BOARDS, AND COMMITTEES, NOTWITHSTANDING ADJOURNMENT

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Monday, November 26, 1979, the Speaker be authorized to accept resignations, and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

HOUR OF MEETING ON FRIDAY, NOVEMBER 30, 1979

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that when the House convenes on Friday, November 30, 1979, it convene at 9 a.m.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, may we have some assurance from the acting majority leader that if that permission is granted, we will in fact, adjourn at 2 o'clock.

Mr. DANIELSON. The gentleman has that assurance.

Mr. BAUMAN. Mr. Speaker, the gentleman from Maryland presumes that the gentleman from California speaks for the Democratic leadership, and with that assurance I withdraw my reservation of objection.

Mr. DANIELSON. Mr. Speaker, I thank the gentleman for withdrawing his reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, NOVEMBER 28, 1979

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on November 28, 1979.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

MAKING IN ORDER CONSIDERATION OF DISTRICT DAY CALENDAR ON TUESDAY, NOVEMBER 27, 1979

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that it be in order to consider the District Day Calendar on Tuesday, November 27, 1979.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

MAKING IN ORDER CONSIDERATION OF PRIVATE CALENDAR AND CONSENT CALENDAR ON TUESDAY, NOVEMBER 27, 1979

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that it be in order to consider the Private and Consent Calendars on Tuesday, November 27, 1979.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ADJOURNMENT OF HOUSE AND RECESS OF SENATE FROM TUESDAY, NOVEMBER 20, 1979, TO MONDAY, NOVEMBER 26, 1979

Mr. DANIELSON. Mr. Speaker, I send to the desk a privileged concurrent resolution (H. Con. Res. 214) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 214

Resolved by the House of Representatives (the Senate concurring), That when the

House adjourns on Tuesday, November 20, 1979, it stand adjourned until 12 o'clock meridian on Monday, November 26, 1979, and that when the Senate recesses on Tuesday, November 20, 1979, it stand in recess until 12 o'clock meridian on Monday, November 26, 1979.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ADJOURNMENT TO TUESDAY, NOVEMBER 20, 1979, AT 10 A.M.

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 a.m. on Tuesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Reserving the right to object, Mr. Speaker, I thought the gentleman announced that we were coming in at noon on Tuesday. Or do I have my Tuesdays mixed up?

Mr. DANIELSON. Tuesday next. The previous announcement was on Monday that we return to session, which would be November 26.

Mr. BAUMAN. Is that what the gentleman's request is for?

Mr. DANIELSON. This is for Tuesday next.

Mr. BAUMAN. I thank the gentleman. But I also further reserve the right to object. Could the gentleman tell us what the program is for the balance of the day?

Mr. DANIELSON. If the gentleman will yield, there is no further program that I am aware of. There is no further program for today, once these matters are disposed of.

Mr. BAUMAN. Is it the intention to wait for the other body to act, or simply to adjourn?

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the distinguished Speaker.

Mr. O'NEILL. Mr. Speaker, I have spoken to the majority leader of the Senate. We anticipate that there is no problem there. I have informed him that we were sending over the resolution and that we were adjourning forthwith.

Mr. BAUMAN. I thank the distinguished Speaker for the information that we will adjourn immediately, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION FOR COMMITTEE ON GOVERNMENT OPERATIONS TO FILE INVESTIGATIVE REPORT

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations have until midnight tonight to file an investigative report entitled "Inaccuracy of Department of Defense Weapons Acquisition Cost Estimates."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

FEDERAL PRIVACY OF MEDICAL INFORMATION ACT

(Mr. PREYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PREYER. Mr. Speaker, I am today introducing the Federal Privacy of Medical Information Act, a bill to protect the privacy of medical information maintained by hospitals and other medical care facilities. The Subcommittee on Government Information and Individual Rights, which I chair, has held 7 days of hearings on medical records confidentiality, and this bill is based on the extensive testimony we have gathered. I am especially pleased that TOM KINDNESS, the ranking minority member of the subcommittee, has joined me in cosponsoring this legislation, along with 11 other Members of Congress.

Confidentiality has been an essential element of the medical care relationship ever since the dawn of medicine. In the fourth century B.C., the famous Greek physician Hippocrates recognized this in his oath for new doctors. The Hippocratic oath, which is still in use today, includes this clause:

> Whatever, in connection with my professional practice, or not in connection with it, I see or hear, in the life of men, which ought not to be spoken abroad, I will not divulge, as reckoning that all such should be kept secret.

It is interesting to realize that even in ancient Greece, privacy was not viewed as an absolute value but one that must be balanced against other important values. The Hippocratic oath does not forbid all disclosures of medical information. It proscribes only the disclosure of information "which ought not to be spoken abroad." Deciding what information ought not to be spoken abroad remains a central issue in medical privacy.

When the doctor was the only person involved in the treatment of a patient, this oath was sufficient. A doctor is normally able to decide whether a disclosure of information is in the best interests of his patient. Today, however, there are many people besides doctors who assist in providing medical services and in paying for those services. Judgments about the release of sensitive medical information that were once made exclusively by doctors are now made by others who are not as well trained. Also, the complexity of modern society has made these decisions harder than they used to be. A disclosure of medical information that may not be in the best interests of a particular patient may be beneficial to society at large.

For these difficult judgments, we can no longer rely on a one-sentence confidentiality oath. Doctors, hospitals, and others must be given additional guidance, and patients must be given additional protection. It is appropriate, therefore, that Congress enact legislation to define the proper uses of medical information.

In outline, the bill I introduce today has the same purposes as the bill I introduced in March (H.R. 2979). It also reflects many of the same policy objectives as the President's proposed medical records confidentiality legislation (H.R. 3444). All of the bills are designed to do the following:

First. To require medical care facilities to inform patients of recordkeeping practices for medical information;

Second. To regulate and restrict the disclosure of medical information by medical care facilities both with and without the consent of the patient;

Third. To permit patients to inspect medical records about themselves and to seek correction of those records; and

Fourth. To make it a crime to obtain medical records from a medical care facility under false pretenses.

While the purposes of my new bill are the same as existing proposals, a considerable number of refinements, improvements, and changes have been made. The new bill uses the structure and format of H.R. 2979, but many ideas have been borrowed from H.R. 3444, from Senator JAVITS' medical privacy bill (S. 503), and from numerous other sources. Virtually every witness and every person who submitted comments to the subcommittee contributed ideas that helped to shape the bill.

It would be impossible for me to describe here all of the new features of the bill. A section-by-section analysis appears in the Extensions of Remarks section of today's RECORD. However, there are three important elements of the legislation that I would like to highlight:

First, the most significant change in the new bill is that the Secretary of Health, Education, and Welfare will have no regulatory authority. Instead, facilities subject to the law will be responsible for its implementation and patients will be able to file civil suits if their rights are violated. This change is in response to comments received by the subcommittee from people who agreed with the purpose and principles of medical privacy legislation but who were reluctant to become subject to another set of lengthy HEW regulations. The only responsibility given to the Secretary is the preparation of two notices. One is a model notice of recordkeeping practices which is not binding on hospitals, and the other is a notice of patient rights for use in certain types of litigation that will not involve hospitals.

Second, States will be permitted to modify many requirements in order to meet local needs and preferences. A good example of this can be seen in section 115 which prescribes standards for patient disclosure authorizations. My bill establishes minimum criteria for authorizations but specifically provides that States and medical care facilities may impose their own additional privacy laws. One area left entirely to the States is the regulation of medical records maintained by individual practitioners.

Third, my bill does not require medical care facilities to make any disclosure of medical information to anyone other than the patient. The bill recognizes that some third parties have legitimate interests in medical information for research, audit, law enforcement, and other purposes, and defines when those interests are sufficient to justify disclosure. But unless other laws require disclosure, medical care facilities always may refuse to release information, even to someone who qualifies for access under the bill. The right of hospitals to control their own records is not diminished.

If the subcommittee schedule permits, markup for the Federal Privacy of Medical Information Act will take place in the second week in December. Otherwise, markup will be first on the subcommittee agenda for the second session. The record for the medical privacy hearings will remain open for additional comments by interested parties until December 10.

PENSION FUNDS: THREE MILE'S REAL CASUALTY?

(Mr. BURGENER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. BURGENER. Mr. Speaker, I want to put in the RECORD a story from the Los Angeles Times on Thursday, November 15, 1979, entitled, "Pension Funds: Three Mile's Real Casualty?"

It is informative, provocative, and alarming. It points out that pension and endowment funds and State and local employee funds form one of the largest pools of investment capital in the country, much of it guaranteed by the taxpayers. In California alone $2 billion in public employee funds are invested in electricity-generating utilities, including millions in the New Jersey Central Power & Light Co. which owns Three Mile Island. None of us wants the plants to operate in an unsafe manner, but we cannot go for years on moratoriums. We must have a high priority to get the nuclear plants safely operating because the safety of these investments depends on the solvency of the utility. If they go down the drain, everybody loses, Retirees and taxpayers perhaps most of all.

Mr. Speaker, the article I refer to is as follows:

PENSION FUNDS: THREE MILE'S REAL CASUALTY?

(By Nathan Gardels and George Williams)

A little-known but potentially volatile aspect of the accident at the Three Mile Island nuclear facility last spring is the extent to which the disaster threatened not only the nuclear power industry but also a considerable portion of the pension and retirement funds that are invested in such plants.

University pensions and endowment funds as well as state and local retirement funds form one of the largest pools of investment capital in the country. In California, the jointly managed Public Employes Retirement System and the State Teachers Retirement System have combined assets of $16 billion, and the University of California's pension and endowment system has assets of over $2 billion. The issue is important to the public because it is general tax revenue that supports a significant part of the pension funds, 50 percent in the case of the California Public Employes Retirement System.

Because most of these funds are accumulated over a long period of time to be paid out at retirement, they are well-suited to long-term investments. A common one is the 30-year "first-mortgage" bond issued by utility companies to finance new projects, including nuclear plants.

The total investment of the three California funds in utilities is slightly over $2 billion, or 11 percent of their combined portfolio. Of this total investment, more than $430 million is in utilities that operate Babcock & Wilcox nuclear reactors, the type that failed at Three Mile Island.

Among these investments is a California Public Employes Retirement System holding in Jersey Central Power & Light, 25 percent owner of Three Mile Island No. 2, the stricken reactor. In 1978, the retirement system purchased $20 million of a $50 million Jersey Central bond issue. Proceeds were to be applied to construction and to finance Jersey Central's bid to increase its ownership of reactor No. 2 to 40 percent.

The safety of that considerable investment depends on the solvency of Jersey Central, now poised on the edge of default because of the accident at Three Mile Island. Indeed, the New Jersey Board of Public Utilities recently asked the company to estimate the costs of possible bankruptcy.

Major retirement and pension funds in other states are also committed to nuclear power. For example, Ohio's public employes retirement system has 16 percent of its pension assets tied up in utilities that operate nuclear facilities, including an $8 million investment in Metropolitan Edison, the main owner of the Three Mile Island plant. The proceeds from that investment, according to the bond registration statement issued by Metropolitan Edison, went "primarily for completion of the generating facilities at the Three Mile Island generating station No. 2."

The Three Mile Island accident altered the traditional concept of utilities as a safe investment. In September, the Service Employes International Union local in San Jose passed a resolution calling upon the Public Employes Retirement System's board of governors to discontinue funding "utilities with moneys earmarked for nuclear construction." The United Teachers of Los Angeles recently approved a similar resolution, and members of the United Professors of California are pressing for similar action. Pension managers, on the other hand, insist that workers' retirement income will in no way be jeopardized even if the pension-fund investment sustain heavy losses, since they are protected by California's state treasury.

The problem is that nuclear plants are so expensive to construct that utilities have had to place large chunks of their capital in what is now regarded as a venture with a dubious future. If a plant is shut down, whether by rulings of the Nuclear Regulatory Commission or public utility commissions—or by accident—billion-dollar investments can be transformed into total losses, dragging the utility to the brink of bankruptcy.

This is true even for a utility such as Pacific Gas & Electric, which currently has no operating nuclear facilities. Although the $1.6 billion Diablo Canyon plant is yet to generate any electricity, its construction has tied up 20% of PG&E's capital assets. According to one California Public Utilities Commission financial analyst, if the plant does not open, PG&E will be thrown into "financial destabilization." In that event, PG&E must still try to pay off debt incurred in building the plant and buy expensive replacement power to cover the plant's projected electrical generation.

The shaky economic condition of this embattled energy resource has begun to hit the financial community. Shortly after the Three Mile Island incident, the Bank of America suspended loans for nuclear plant construction.

Others on Wall Street have begun to recognize the new level of risk involved. For example, the prestigious brokerage firm of Bache, Halsey, Stuart and Shields asked in a May report to their clients: "Is it in the best interests of investors and customers to commit such huge sums of capital to projects, considering the magnitude of uncertainties faced by the nuclear power industry? We refer not just to the Three Mile Island incident, but also to the increasing risk of burgeoning costs resultant from licensing and operating delays that are associated with this power resource."

The continued massive commitments by retirement funds to nuclear utilities in the face of what the Bache report termed this "new perception of risk" has stirred concern and controversy among public employees, public officials and antinuclear activists.

Despite the mounting evidence of risk, some pension managers seem content to wait until a major loss to the funds occurs before they act. A nuclear-power industry trade publication recently quoted a management figure of one of California's pension systems as saying, "We do not view nuclear as a high risk. It's one of the safer forms of power." Among some pension managers there is a tendency to discount the concern that continuing purchases of large bonds from utilities heavily involved in nuclear power may tie retirement funds to the uncertain future of nuclear power.

With the issue of pension investments, the public debate on nuclear power has broadened from questions of safety to problems of finance. The resolution of this controversy may prove to be the most decisive element in determining the fate of nuclear power in the United States.

(*Nathan Gardels and George Williams are the authors of "Financial Fallout: Pension Funds and Nuclear Power," a study sponsored by the Los Angeles-based think tank, the California Public Policy Center.*)

TEAMSTER PENSION FUND—IN THE NEWS

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PICKLE. Mr. Speaker, over the past several weeks, I have learned of disturbing developments in our Government's efforts to reform the Central States pension fund of the Teamster Union.

In brief, it seems to me that the so-called reform trustees of the fund, who were installed in early 1977 in an effort to get the fund under sound management, have started a deliberate and calculated plan to get rid of the independent fund managers that now manage the assets of the fund.

For years, the public had ample evidence that the pension fund was not being invested in the best interest of the workers who contribute to the fund, but in casinos and land deals that helped no one but rather questionable figures. Then after pressure from Congress, the press, the Department of Labor, and the Internal Revenue Service took action that resulted in the hiring of the Equitable Life Assurance Society and Victor Palmieri & Co. to manage the assets of the fund.

These independent, outside managers

have done a good job; in fact, I think that this is the problem. Now there is a plan to hog-tie these independent managers.

If we are not strong in our desire to clean up this fund situation once and for all time, then I fear for the final success of our Government's efforts.

All of what I am saying is put in much more detail in yesterday's issue of the Wall Street Journal. The article is written by Mr. Jim Drinkhall, who has on many occasions put his finger on the problems with the Teamsters' Central States fund. I include his article in the Record, and I commend it as necessary reading for all Members and the public:

Stalled Cleanup—Teamsters Defy Labor Agency, Take Steps To End Outside Control of Pension Fund

(By Jim Drinkhall)

The Teamsters are quietly taking steps to sweep aside the last vestige of the reforms imposed on the union's scandal-ridden Central States pension fund by the federal government two years ago.

Ever since the days of Jimmy Hoffa, the huge pension fund, which currently has assets of more than $2 billion, has been bedeviled by charges of fraud and corruption. It lent hundreds of millions of dollars to Las Vegas casino operators; some of them turned out to have organized crime connections. Last year, the Labor Department sued Teamster President Frank Fitzsimmons and 18 other former trustees and officials of the pension fund, seeking to recover millions in losses that allegedly stemmed from fund mismanagement. In a separate case, Alvin Baron, the fund's last "in-house" asset manager, was sentenced to two years in federal prison for accepting $200,000 in kickbacks to arrange a $1.3 million loan to a California cemetery owner.

In 1977, under Labor Department pressure, all the old trustees of the fund resigned, and the job of managing its assets was given to two professional firms—Equitable Life Assurance Society of the U.S. and Victor Palmieri & Co., a well-known privately held asset-management concern. Now there are signs that the Teamsters intend to renege on the arrangement. This would be a severe blow to the government's four-year campaign to weed out corruption in the fund's affairs.

A CHANGE OF PLANS

At a meeting in Chicago on Oct. 16, the current trustees of the pension fund almost agreed to fire the two outside firms. But at the last minute they voted instead to compile a list of charges against the asset managers that would be formally filed with the Labor Department. If, as is almost certain, the Labor Department doesn't approve the petition, the fund trustees will go ahead with their original plan of firing the asset managers. The move could come in less than a month's time.

"They're making it appear that they have exhausted all their remedies within the law but that no one will listen," says a union insider.

The Labor Department is aware that such a move is afoot. An internal government memo states, "Recent events establish beyond any reasonable doubt that there is an ongoing assault on the independence of the investment managers."

Firing the fund asset managers would be nearly the ultimate step in reversing every change the government has been able to bring about in the Teamsters' operation. "Our court actions are all virtually dead in the water," says a Labor Department lawyer. "We're woefully outgunned, and I sometimes feel this litigation won't end in my lifetime."

The Teamster move, however, could anger an already irritated Congress. Last year, a House subcommittee responsible for overseeing the Labor Department's investigation complained that the government was foot-dragging in its attempted cleanup of the Teamsters. Last week, at a national conference on organized crime, Sen. Sam Nunn, chairman of the Senate's permanent subcommittee on investigations, said that unit would conduct a McClellan Committee type of crusade against crime and that one of the main targets would be labor racketeering in the Teamsters.

For a while, after the Labor Department's Teamster campaign was lanuched with much fanfare in January 1976, there seemed to be real progress. Teamster chief Fitzsimmons pledged "1,000 percent cooperation" because "this union has nothing to hide."

After the Internal Revenue Service revoked the pension fund's tax-exempt status, a series of protracted negotiations ended with the fund carrying out its promise in April 1977 that all of the current trustees would resign and that management of the fund's assets would be turned over to Equitable and Palmieri. In return, the IRS restored the tax exemption and the Labor Department dropped an investigation into the fund's asset-management procedures.

But during the last half of 1977, Labor Department investigators say they noticed less and less cooperation from the Teamsters. One department memo says that fund cooperation "substantially ceased" by September 1977. The new fund trustees passed a resolution that December saying they wouldn't comply with any more department requests. In February 1978, the department started its first court action against the Teamsters when it sued the former pension fund trustees, declaring they had violated their fiduciary obligations and mismanaged the fund's assets.

Unfazed by the lawsuit, the Teamsters in May 1978 formally halted all contract with the government and fired Dan Shannon, the reform-minded executive director of both the pension fund and a kindred health and welfare fund, as well as his entire staff. At about the same time, the fund trustees unanimously passed a resolution rescinding their earlier promise that they would seek the Secretary of Labor's approval before they made any change in fund asset managers. This caused a Labor Department lawyer to comment, "They're setting the stage for a confrontation with Equitable, and when it comes, they're going to fire them."

IGNORING SUBPOENAS

Routinely now, the Teamsters ignored Labor Department subpoenas for documents. A few subpoenas were complied with in limited fashion only after bitterly fought legal actions. In court, Teamster lawyers argued that the department's investigation "is not in the best interests" of either the pension or the welfare fund.

Paralleling the Labor Department's uphill struggle to get information from the pension fund has been its even less successful effort to subpoena records from Allen Dorfman, who as an adviser to the pension fund was responsible for many of the fund's casino loans. Since serving nine months in federal prison in 1973 on a conviction of receiving a kickback from a fund borrower, Mr. Dorfman has held no official position with the pension fund. He is still considered a power in Teamster circles, however, and an insurance company he controls receives over $6 million a year for processing insurance claims for the union's health and welfare fund.

The fund also thumbed its nose at the IRS. Under the terms of the agreement restoring tax exemption to the fund, outside independent counsel was to have completed a review of all fund loans made since 1965 to determine whether any remedial action should be taken against the borrowers. Fund records show that only three of the 100 loans made during that period had been reviewed, and another fund memorandum says that "effective Jan. 18, 1978, the loan-review program has been suspended" unilaterally by the fund.

A more recent snub of the government by the trustees occurred in September; the fund attempted an end run around the asset managers by settling a lawsuit over a loan by making what was, in effect, a larger loan. Previously, the trustees had agreed they wouldn't make any more loans.

In this case, Morris Shenker, owner of the Dunes Hotel and Casino in Las Vegas and long a target of the Justice Department because of alleged underworld ties, had sued the fund after it had withdrawn a $40 million loan commitment to him in 1975 as a result of Labor Department pressure. Last month, the trustees agreed to settle the suit by giving Mr. Shenker a $92 million loan.

The trustees didn't tell their asset managers about the proposed agreement beforehand. They later argued that the settlement was "an administrative expense" not subject to review by the asset managers. A federal judge in Las Vegas blocked the settlement, however, saying it needed Labor Department approval. The trial began, Nov. 6.

TRUSTEES' COMPLAINTS

The trustees have bitterly assailed Equitable Life, according to union insiders, because the big insurance company wouldn't approve the Shenker agreement. But the trustees' most vociferous complaints have been lodged repeatedly against the Victor Palmieri firm, which has control over the bulk of the fund loans, especially the ones made to gambling casinos in Nevada that the Justice Department says have organized-crime ties.

Palmieri, with offices in Washington, D.C., and Los Angeles, is best known as the architect of the successful financial rescue of the bankrupt Penn Central Railroad. Since taking over management of the Teamster fund's assets in late 1977, the firm has been able to reduce the percentage of real-estate loans in the fund's portfolio from a top-heavy 70% to about 35%.

Fund records indicate that Palmieri has been able to achieve an annual net cash return for the fund of more than 9%. That contrasts sharply with a roughly 4% average annual return when the union trustees controlled the assets. The comparison is even more remarkable; the union trustees used to include as part of the fund's annual-return percentage an estimate of the paper profit for land appreciation while Palmieri doesn't, its figure being strictly the profits obtained from selling the land.

Roughly $600 million in employer contributions comes into the fund annually. Under terms of the agreement, Palmieri receives a fixed annual fee of $3.1 million regardless of the value of the fund's assets. (Equitable gets $1.9 million.) The Teamsters consider this excessive and also have complaints about outside fees charged by lawyers and about business decisions on restructuring existing loans and selling property.

The main Teamster complaints against Equitable, besides the Shenker loan, have concerned its handling of two crime-related loans, the Savannah Inn & Country Club of Georgia and Horizon Communications Corp., a big cable-TV outfit.

The Savannah Inn was being run by the Teamster fund after two previous owners had defaulted on fund loans and was managed for a time by Lou Rosanova, who has been identified as a Chicago Mafia figure. Equitable has leased the property to Sheraton Corp. The Teamsters have criticized the terms of the least as inadequate. Equitable also has effected numerous management changes in Horizon Communications, which was the subject of a grand-jury investigation in 1974 and is the recipient of a $30 million Teamster Central States loan.

Neither the two asset managers nor officials of the Teamsters will comment on the current disputes.

The Labor Department wouldn't be completely powerless if the Teamsters went ahead and fired the asset managers. The government might go to court and have a federal receiver appointed to take over the fund. However, because the 1974 ERISA pension law hasn't been fully tested in court, it isn't clear how far the government would go in seeking sanctions.

In 1975, according to government records, the Justice Department asked the Labor Department to take over the assets of a laborers' union fund after its president was convicted of embezzling $2 million from the fund. But the Secretary of Labor refused on two occasions, saying that there wasn't any statutory authority or precedent and also that it would take too much manpower.

Inevitably, there would be a lengthy volleying of court petitions and counter-petitions, with no quick resolution of the dispute likely. The Teamster attorneys have proved to be masterful adversaries. Persons involved in the Labor Department investigation say they have been swamped with court motions from Teamster lawyers in six different civil cases in Chicago federal court alone.

HARRIS URGES HOUSE TO CANCEL THANKSGIVING RECESS

(Mr. HARRIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. **HARRIS**. Mr. Speaker, I wish to bring to the attention of the Members a press release from my office under today's date, as follows:

Press Release

Washington, D.C., November 16.—Virginia Congressman Herb Harris today urged the House to cancel its scheduled Thanksgiving recess and remain in session until it and the Senate can resolve an appropriations bill dispute that could hold up the December pay of nearly 1.2 million federal workers at HEW, Labor and Defense.

"Unless Congress agrees to extend a temporary appropriation measure set to expire next Tuesday (Nov. 20), during the scheduled recess, federal workers at these three agencies will sit down to Thanksgiving dinner wondering if their December pay will be held up just as the Christmas shopping season begins," warned Harris, a member of the House Civil Service Committee.

"I'm sure federal workers would be very thankful this Thanksgiving if Congress approved continued funding for these agencies," said Harris in a statement urging his colleagues to cancel the recess. "The House should remain on the job until it completes work on this important legislation. It would be unconscionable and irresponsible to leave for a Thanksgiving holiday before this funding is resolved."

The House on Tuesday adopted a new continuing resolution, but yesterday (Thursday) the Senate disagreed with House provisions restricting federal funding of abortions and blocking the FTC's authority to regulate the home insulation industry. The measure is now before a House-Senate conference committee to resolve the differences, but the House is scheduled to recess tonight (Friday) while the Senate is set to go home on Wednesday.

Harris said he checked with the payroll offices of HEW, Labor and Defense and was told that under a temporary funding resolution adopted by Congress on Oct. 12, funds are available only to meet the upcoming payrolls of 24,700 Labor Department employees on Nov. 22, of 986,300 civilian Defense Department workers on Nov. 23, and of 143,000 HEW workers on Nov. 27.

Although the House would have an opportunity to resume work on the appropriation bill after it returns on Nov. 26, Harris maintained that federal workers at the four agencies should not have to worry during Thanksgiving about the possibility of payless paydays in December.

"It's unfair for Congress to hold the pay of federal workers hostage to policy disputes," stated Harris, who has proposed a change in House rules to present consideration of unrelated policy-related amendments on appropriation bills. "It would be even worse to put federal workers through this wringer during the Christmas shopping season. Congress should remain in Washington for Thanksgiving and enact the funding legislation needed to assure federal workers they will be paid in December."●

THE SECRETARY OF HEW SHOULD CLEAN UP THE DEVELOPING INSTITUTIONS PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. Tauke) is recognized for 5 minutes.

● Mr. **TAUKE**. Mr. Speaker, as a member of the Education and Labor Committee, I began investigating the so-called developing institutions program earlier this year. What I learned was that the distribution of funds by the Office of Education has been highly irregular. Although all institutions applying for financial aid to developing institutions are ranked on the basis of merit and need by members of an independent board, the Office of Education all too often ignores their recommendations.

Instead, it appears at times the money is given out on the basis of whimsy and favoritism. This results in denial of funds to some schools which truly need help. In the Second District of Iowa, for example, one university was informed that a much-needed grant had actually been approved, only to have that grant retracted a week later.

A recent Government Accounting Office report confirmed these findings. In fact, that report stated:

> The operating problems and the more basic problem of adequately defining a "developing institution" are so fundamental and pervasive that we believe the program as presently structured is largely unworkable. Therefore, the Congress should first determine whether or not the title III program should be continued. If it decides that the program should continue, it needs to clarify the program's intent to show which institutions should be served and the goals these institutions should achieve.

Thanks to the leadership of Chairman Ford and Mr. Buchanan, the Subcommittee on Postsecondary Education on which I serve hammered out some language in the education amendments of 1980 which more fully defined developing institutions and the manner in which they were to be served. In addition, on the House floor, I was able to secure passage of my amendment to strengthen the independent board responsible for reviewing the applications of the institutions, limit the agency's discretion on the awards, and require that the names of the institutions and the amount of money they receive be made public.

However, this week witnesses before a Judiciary Subcommittee hearing revealed even more shocking mismanagement, gross favoritism, and unconscionable intimidation in the HEW developing institutions program. For example:

Employees at the Office of Education who were investigating irregularities in the title III program were questioned about their sex lives—a ploy obviously to discourage them from carrying out their duties;

Records have not been kept indicating where thousands of dollars are being spent for this college aid program;

Schools which were not recommended for grants by the independent board nevertheless received large sums of money this year; a clear case of favoritism and gross misappropriation of funds;

The program director admitted that he could not recall why particular grants were made and denied responsibility for them; an incredible admission of management; and

And, perhaps most distressing, the director of grants management, who is trying to clean up the program has received little cooperation from his superiors.

Mr. Speaker, I support the goals of title III—to assist developing institutions—but all of these recent reports are ringing indictments of the entire program. Patricia Harris has the administrative authority to correct many of the problems and to even implement some of the education bill's proposals. I am today calling upon her to do so. The mismanagement, the waste of taxpayers' funds, and the unethical tactics employed within the program must stop now.●

WAVE OF REPRESSION CONTINUES IN U.S.S.R.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. Fascell) is recognized for 5 minutes.

● Mr. **FASCELL**. Mr. Speaker, according to recent information from Moscow, another member of the Ukrainian Helsinki Group was arrested October 26 in Ukraine: Vasyl Striltsiv, a 50-year-old English teacher. This is not the first detention of Striltsiv for his Helsinki activities; in February of 1979 he was sentenced to 3 months of corrective labor for "resisting a representative of authority" (article 126 of the Ukrainian Code). The charge stemmed from Striltsiv's participation in a strike and for allegedly insulting the director of the school where he taught.

Additional news from the U.S.S.R. indicates intensification of official Soviet repressive measures against the Pentecostal emigration movement. Boris Perchatkin, a 33-year-old Pentecostal from Nakhodka on the Pacific coast and a leader in the struggle for Pentecostal emigration, has been threatened with prosecution on fabricated charges of espionage—he supposedly stole a notebook from a KGB officer and passed it on to Americans in Moscow.

In May of this year, the Commission on Security and Cooperation in Europe released the names and addresses of 10,000 Soviet Pentecostals who have been trying unsuccessfully to emigrate, some of them for many years. Reliable sources now indicate that there are 30,000 who want to emigrate because of religious persecution. In August of this year, 20 delegates from Pentecostal communities in Ukraine, Byelorussia, the Baltic republics, Russia and Siberia met to form a Council of Pentecostal Churches to coordinate attempts to gain freedom of religion and to aid those Pentecostals who wish to emigrate. Only representatives from the Caucasus did not show up at this unofficial meeting.

The Pentecostal community also is disturbed by the disappearance of Fyodr Sidenko, 41-year-old Pentecostal activist, who was picked up by police at his home a month ago. Even his family has not been informed of his whereabouts. Sidenko, a friend of Aleksandr Ginzburg with whom he was imprisoned in the 1960's, has been trying to emigrate for many years—and this was the reason for his first sentence.

Today, two young Pentecostals are to stand trial in Bataisk, Russia, on charges of refusing a second term of army service. Vladimir Morozov, 23, and Ilya Goretoi, 25, face criminal charges of avoiding military service. They refuse to serve because they fear that this will become a further impediment to emigration, for which they have been waiting 3 years. Frequently, if a Soviet citizen serves in the army, then he cannot emigrate for at least 5 years after his period of military services because he supposedly has knowledge of military secrets.

It is in such a manner that the Soviet Government continues to act and then expresses irritation when others raise their voices in protest against these deplorable repressive actions being perperated by the Soviet Government. But, if the Helsinki Accords are to have any meaning for the dignity and freedom of the individual, the other signatories must express their protests on the actions taken.●

THE CAPTIVE NATIONS FRAMEWORK FOR THE EIGHTIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 30 minutes.

● Mr. FLOOD. Mr. Speaker, the 20th anniversary of Captive Nations Week has passed, but its impact has been felt here and abroad. The annual week has provided a national forum for thought and discussion on the essence and directions of our foreign policy regarding the only real threat to our security, namely Soviet Russian imperio-colonialism. Along with the original congressional resolution it has formed a framework of concept, thought and action for the 1980's. Moscow has been aware of this realistic framework for sometime; unfortunately, an equal awareness has not been shown in the capitals of the West. Sheer events may soon correct this.

For some indications of this basic framework I present further data on the 1979 Captive Nations Week: First, a report in the Pilot of Boston; second, another item in the Rochester Democrat and Chronicle; third, an article in the Manchester Union-Leader; fourth, another one in the News World; fifth, a report in the West Roxbury Transcript; sixth, a letter in the Brunswick, Maine, Times Record; seventh, reports on the Syracuse rally; and eighth, one in the China Post:

[From the Boston Pilot, July 13, 1979]

CAPTIVE NATIONS WEEK PROCLAIMED

The week of July 15-21, 1979, will be observed as "Captive Nations Week" in the nation and in Massachusetts, according to proclamations issued by President Jimmy Carter and Governor Edward J. King. The purpose of the "Captive Nations Week" is to direct public attention to the struggle of captive nations under Russian Communist domination for freedom and national independence.

On July 3 representatives of Ukrainian, Lithuanian and Latvian Organizations in Metropolitan Boston had a meeting with Cardinal Medeiros. The delegates informed His Eminence about the current situation, especially about the persecution of Catholic, Orthodox and Protestant Churches, in Ukraine, Latvia, Lithuania, Estonia, and other captive countries. Cardinal Medeiros promised to ask parish priests of the Archdiocese to lead prayers on Sunday, July 15, for all captive nations and for those suffering persecution for national human rights in Communist jails, psychiatric asylums and slave labor camps.

On Wednesday, July 18, starting at 11:30 a.m., a Special Commemorative Program will be held in Doric Hall at the State House. The program will include: prayers, reading of 1979 proclamations, a brief statement on current struggle of captive nations, and cultural entertainment. During the program, a plaque will be presented to Hon. Jack W. McCormack, retired Congressman and Speaker of the U.S. House of Representatives for his contributions to the enactment of the Captive Nations Week Resolution 20 years ago.

This year marks the 20th anniversary of the enactment of the Captive Nations Week Resolution (Public Law 86–90) and the establishment of the Captive Nations Week. The resolution listed 22 captive nations: Ukraine, Lithuania, Latvia, Estonia, Georgia, Armenia, Azerbaijan, Byelorussia, Idel-Ural, Poland, Rumania, Hungary, Czechoslovakia, East Germany, Turkestan, Cossackia and others.

In his proclamation, President Jimmy Carter stated: "Americans now, as at all times in our history, remain steadfast in our belief that liberty and national independence are among the universal birthrights of mankind."

Governor King's proclamation noted: "The establishment of national and independent States by all captive nations and the decolonization of the Soviet Union Empire would contribute significantly to a just and lasting peace in the world and to the freedom of all nations."

[From the Rochester Democrat and Chronicle, July 20, 1979]

"CAPTIVE NATIONS" YEARN FOR FREEDOM

Phrases of freedom rang out yesterday at City Hall.

"Give me liberty or give me death," said Kuan Rong Lee of China, quoting Patrick Henry from 1775.

"Give me your tired, your poor," said Truong Quang Si of Vietnam, quoting the inscription by Emma Lazarus on the Statue of Liberty.

The phrases were repeated in City Council chambers where Rochester representatives of ethnic groups from Communist countries participated in the 20th Captive Nations Day.

The ceremony was attended by about 100 area residents, from such places as the Baltic States (Lithuania, Latvia and Estonia), China, Germany, Hungary, the Ukraine, Vietnam and Yugoslavia. Each group was represented by a flag bearer in native costume, and a spokesman, who delivered a speech about the plight of his nation.

All the speakers had stories to tell of their people's troubles at home. Ukrainians are losing their native language because it is "artificially manipulated to make it more similar to the Russian language," said Marta Szmigel, Ukrainian representative. Textbooks are "rewritten to take away Ukrainian pride," she said.

The plight of the Vietnamese "boat people" was described to the audience, which included many women in native costumes and men with straw hats lying neatly in their laps.

"The boat people are looking for freedom," said Quang Si, speaking of the thousands who have fled by boat from South Vietnam's Communist rule. Quang Si asked that the people of Rochester give consideration to the people who are stranded on their boats, looking for a country that will take them in. "We ask you people to support the boat people."

Rong Lee also spoke of boat people's plight. " 'Give me liberty or give me death' is testified by the boat people. Let us hope Nicaragua isn't next."

[From the Manchester (N.H.) Union Leader, June 19, 1979]

CAPTIVE NATIONS, QUO VADIS AMERICA?

(By Baron Alex Ostoja Starzewski)

What would you say dear fellow American if your government would arrest you and send you to an Alaskan labor camp or to a mental institution for writing unfavorable articles about the government, the Secretary General of the governing party or about the military spendings?

And you fellow truck driver, coal mine worker, farmer, teacher, baker, food store clerk, nurse, doctor, fireman, policeman, if your government would send you to jail for striking? Or you priest and nun, how would you like to be sent to a correction camp, labor camp or jail for teaching children in the name of Jesus, Jehova, Mohammed, Bhudda or "love of flowers," because your teaching is detrimental to national security and an "opium-like poison" for the people?

Or you women and men fighting now for the right to smoke "pot," to be homosexual, lesbian, if the government told you that all those things are destructive to society you live in, and so you have to be sent to labor camp? And you college students, what would you say if the government would tell you that your obligation is to learn, not to demonstrate. If the police would club your demonstration down and arrest you for participating in it? And you men and women how would you like it if your government would prescribe what industry can manufacture, what your shop can sell, that goods you like so much are available only in special shops to members of the government, party and other V.I.P.s, that you have to wait for your car (if you can buy one) in two-three years or for apartment three-four years? The government would decide how big the apartment will be; that you cannot have a farm, and if you have one, that 80–90 percent of the farm products have to be sold to the government at low prices, established by the government. How about if you could be jailed for coming to work too late, that you can lose your job for going to church and even baptizing your child?

You say you would revolt, demonstrate, you would take to arms, you would vote against the government? Well you cannot do all those things because you have no right to "bear arms," you cannot demonstrate, distribute printing material against the government, no right to free speech, to organize and you can be sentenced to jail or death for doing so.

How would you like to know that all this happens in your country because your former allies, the big nations you fought with during World War II against the fascists and Adolf Hitler, have decided after the war that your country will become part of the influence sphere of major imperialistic country. Let's say "Utopia", and that government in your country has been installed by the Utopia and not elected by you. Subsequently this government has been recognized as legitimate by the United Nations and naturally by your former friends.

Naturally you would know that Utopia is receiving all the financial help from all your former friends, so the Utopia can build its military might. Utopia naturally gets grain, technology, including sophisticated equipment to control your every move from your former friends.

In fact, your country has become a captive nation. International corporations, banking institutions, and news media are doing everything possible so that it remains so and that you cannot revolt.

Now dear fellow Americans, you know what a captive nation is. Those are the nations where the people endure all this and much, much more. Our country is one of the nations, a former ally, who has abandoned those captive nations and people. Our ignorance and materialistic desires are the main reasons why those countries are still captive nations and not free.

It was 20 years ago in 1959, when the United States Congress enacted a resolution that every third week of July every year be dedicated to the memory of captive nations. The intention of the Congress was to give the millions of ethnic Americans the opportunity to commemorate the tragic fact that the old countries from where their ancestors came to America, fought for our freedom and independence and have given their lives so we can be free. Men like Gen. Pulaski, Col. Kovacz, Gen. van Steuben and many others.

The Captive Nations Week was also intended to show all of us in America that those nations are fighting their own way to become free countries and those people are waiting for our assistance like we received during our war for independence.

Unfortunately today, after 20 years since Congress enacted the legislation, the majority of American people do not know and do not care what a captive nation is.

Even more unfortunate, the staff members of the Congress, the members of the news media, radio, television, members of the White House administration, our teachers, church leaders, and naturally our children do not know what a captive nation is.

The first few years after Congress enacted the bill, it was popular to attend the Captive Nations Week ceremonies especially as long as there was some money to do so. But, as the financial support faded away, so did the popularity and the attendance.

It is more profitable for the news media to cover the party by Comrade Dobrinin, the "marxist liberation efforts in Nicaragua, Rhodesia, to write about the human rights "violations" in Chile, Brazil or South Africa, than to cover Captive Nations Week or to interview some member of a Captive Nation. It is more profitable to go to Cuba and interview Comrade Fidel Castro than to interview a Hungarian American, Polish American or other captive nation leader. The news media can spend millions of dollars, time and space for marxist "liberators," but it gives nothing about the slavery of Poland, Latvia, Estonia, Lithuania, Romania, Bulgaria, Yugoslavia, Czechoslovakia, Hungary, East Germany, Vietnam, North Korea, Tibet, Afghanistan, Angola, Mozambique, Armenia, and many other captive nations.

We have abandoned the platform upon which our ancestors have built this beautiful country, we have replaced God with the dollar, morality with business cleverness. We do not teach our children in school, we have thrown God out of school, maybe because we are afraid that the Lord would just make our children more human and so less capable to make "business."

Mr. President, members of Congress, industry, international banks, are wondering why we American people do not trust you anymore, why we do not listen to what you say, why we do not support you and back you up on issues. Well it is because you have created a new era of immorality. You have helped to educate a new generation of people who believe only in the materialistic motives of life. In money and sex, but not in love.

You have misused the trust of the American people who voted for you to do the job to make America a bastion of strength in the world, built on justice, morality and equality, not only for you, but for every American. You are more interested with your own ambitions, money making, accumulation of power than with the people of America.

You have forgotten that "as long as there is one nation in the world not free, we all are not free." Marxism and socialism are diseases, but not ideologies. Materialistic humanism can not replace God.

On July 21, 1979 the Committee of Captive Nations will celebrate Captive Nations Week. It will be held at the Constitutional Hall, 1776 D Street NW., in Washington, D.C. Further information can be obtained by calling 1–301–933–6176.

[From News World, July 23, 1979]

Captive Nations Week Ends in Plea for Freedom

(By Hal McKenzie)

In the shadow of the Statue of Liberty, more than 100 people marked the end of Captive Nations Week yesterday with demands to dismantle the "Moscow communist colonial empire."

Ukrainian dissident Victor Borovsky, who had escaped from the Soviet Union two months ago using a Jewish visa, charged that the Soviet Union is the last great colonial empire in an age when colonialism was supposedly ended.

"There is a maxim going around that there are no more colonial empires," Borovsky said through an interpreter, "but the greatest colonial empire that ever existed exists today and its name is the Soviet Union."

Borovsky pointed out that there are about 100 non-Russian nationalities in what is called the U.S.S.R. He said the Kremlin, which wants to integrate them all into a single Soviet nationality, is having trouble because the people want to retain their unique national identities.

"The Ukraine, with over 50 million people, is one of the largest countries in Europe," Borovsky said, "but it is not independent. It is sort of an appendage of the Soviet Union . . . and this Sovietization is implanted by the most brutal methods."

Borovsky cited the example of a Ukrainian writer he knew whose works on behalf of Ukrainian nationalism caused him to be imprisoned, drugged, tortured and finally forced to sign a false confession. "People are punished for wanting to be members of their own nationality," the young dissident, who now lives in Canada, charged.

The rally on Liberty Island, sponsored by the Americans to Free Captive Nations, Inc., also featured speakers representing several captive nations, as well as songs by Ms. June Moldau and dances by the Chinese National Dance Study Association which attracted much attention from the thousands of tourists visiting the island on the hot and hazy afternoon.

The crowds near the rally stood hushed as Ms. Moldau sang "Give Me Your Tired, Your Poor," based on the poem by Emma Lazarus which graces the pedestal of the Statue of Liberty. A hundred or more people also gathered to watch the spirited and colorful Chinese dances.

ETHNIC VOTING BLOC URGED

Joseph Plonsky, chairman of the Polish American Congress of New Jersey, urged that "American ethnics" from captive nations take a page from the blacks and Jews in this country and form a voting bloc to achieve political power.

"It's politics and the vote that makes the difference in this country," Plonsky said. "There are 35 million ethnics in this country . . . if we can become a single voice backed by 35 million votes, the politicians will stand up and take notice."

Plonsky urged the crowd to read and make use of the Helsinki Agreement, which guarantees rights of immigration and free flow of information for people behind the Iron Curtain, as the "Magna Carta" of the movement to free captive nations.

Dr. Joseph Sheftick, president of the Washington-based Freedom Leadership Foundation, called upon the Free World to unite with a purpose and a vision to surpass that of Marxism. He called for a "Positive anti-communism" which cannot just oppose communism, but strive to create a better world based on the "spirit of cooperativeness."

Captive Nations Week was established by an act of Congress, signed by President Eisenhower in 1959, to set aside the third week in July to commemorate those peoples held in bondage under communist totalitarianism. In accordance with the Captive Nations Week resolution, President Jimmy Carter issued a proclamation, as did New York Mayor Ed Koch, in honor of the occasion. Neither proclamation mentioned the Soviet Union or Red China by name.

[From the West Roxbury (Mass.) Transcript July 11, 1979]

Captive Nations Week July 15

The week of July 15 is Captive Nations Week in the nation and in Massachusetts, according to proclamations issued by President Jimmy Carter and Governor Edward J. King. The purpose of the Captive Nations Week is to salute captive nations under communist domination and reaffirm support for their freedom and national independence.

On Wednesday, July 18, starting at 11:30 a.m., a commemorative program will be held in Doric Hall of the State House. The program will include prayers, reading of proclamations, a talk about captive nations and their aspirations for national independence and some cultural entertainment.

During the program, a plaque of appreciation will be presented to John W. McCormack, retired Congressman from Boston and Speaker of U.S. House of Representatives, for his contributions to the enactment of the Captive Nations Week Resolution in July 1959. The public is invited to attend the observance at the State House.

This year marks the 20th anniversary of the enactment of the Captive Nations Week Resolution, known as Public Law 86–90. The resolution listed 22 original nations: Ukraine, Lithuania, Latvia, Estonia, Armenia, Azerbaijan, Beylorussia, Idel-Ural, Cossackia, Albania, Georgia, East Germany, Mainland China, North Vietnam, North Korea and Tibet. Added to the list were: Serbia, Croatia, Slovenia, Cuba, Cambodia, South Vietnam and Laos.

This year's observance of the Captive Nations Week in Boston is sponsored by the 1979 Captive Nations Week Committee and active participation of Lithuanian American Council of Boston, American National Latvia League in Boston and Boston Ukrainian Congress Committee of America—Boston Chapter.

"This year's observance of the Captive Nations Week' provides yet another opportunity to us to manifest our concern for freedom and national independence of all captive nations under communist domination," stated Orest Szczudluk, a spokesman for the Captive Nations Week Committee and vice president of the Ukrainian Congress Committee of America in Boston.

[From the Brunswick Times Record, July 25, 1979]

CAPTIVE NATIONS WEEK

To the EDITOR:

Since 1959, the third week of July has been yearly set aside by presidential proclamation to commemorate and acknowledge the existence and struggle of enslaved nations. This year's Captive Nations Week is drawing near and we Americans of Ukrainian descent will join in our thoughts and prayers our many compatriots languishing behind the Iron Curtain. We hope that some of our American friends will raise their voices in support of the many nationalities enslaved by the Russo-Communist Empire.

We are not asking for financial support from the American people, just for moral support or a word of encouragement for our just struggle. Our fight for freedom and the overthrow of the inhuman Soviet slavery imposed on the many enslaved nations is not a selfish struggle motivated by financial or imperialistic aims, but a fight to free our lands, our people and our children. All we want and strive for is to have the opportunity to live in our own countries, governed by laws enacted by us and ruled by leaders of our own choice. We too want our children to be raised within our traditions; we too want our adults to live without the constant fear of being arrested in the middle of the night, without any logical reason, and exiled to distant regions to slave for an oppressive and abhored government; we too want to exploit our natural resources for our own benefit; we too want to live our own lives in friendship with our neighbors and the United States.

The economic and political future of the United States will be influenced greatly by the future of the gigantic Soviet Empire and its satellite states. While this vast colonial power is in existence and while Moscow is able to dictate its commands to all its satellites and immediate neighbors, the Free World will never be able to rest or to curtail its appropriations for the Armed Forces. The money which is at the present funneled into defensive and offensive weaponry could be then used for more humanitarian purposes. While the gargantuan Russo-Soviet Empire is flexing its muscles, we cannot relax our vigilance or limit our armament, we must build ever deadlier and costlier weapons to defend our freedom.

We sincerely hope that in the very near future there will be no need to proclaim further Captive Nations Weeks and that all nationalities, regardless of their sizes, will be able to celebrate instead their Independence Day.

I hope that you will see fit to publish this letter or at least acknowledge in some way the yearly Captive Nations Week.

This area has been for the past several decades the home of many people who come from countries behind the Iron Curtain. As an integral part of the community and in spite of our great pride of our new homeland, we still cannot ignore or forget the struggle of our brothers in the enslaved states of Ukraine, White Ruthenia, Armenia, Georgia and many others. This struggle has become lately, to a certain degree, a part of the struggle of the free World, led by the United States, to defend liberty, justice and human dignity.

NICHOLAS ARKAS Jr.,
East Pittston,
M. SEMENEC,
East Pittston.

CAPTIVE NATIONS RALLY SCHEDULED

The Captive Nations Committee of Syracuse and Onondaga County will conduct its 20th annual rally at 7:30 p.m. Sunday in Le Moyne College Auditorium.

Dr. Askold Lozynski, a Ukrainian-American, will be the principal speaker. He is an attorney in New York City and active in Ukrainian exile organizations. He will discuss the 20-year-old Captive Nations movement, human rights violations behind the Iron Curtain and the danger of Soviet colonialism.

The Captive Nations Week proclamations of President Carter, Gov. Hugh Carey, Mayor Lee Alexander and County Executive John Mulroy will be presented during the rally. The opening remarks will be delivered by Dr. Anthony T. Bouscaren, Le Moyne College professor of political science, and chairman of the Captive Nations Committee of Syracuse, which initiated the yearly rally.

Entertainment will include folk music by the Ukrainian Male Chorus under direction of Wasyl Zhmur and the Vietnamese Band. There also will be a dance demonstration by the Odessa Dance group of the Ukrainian Youth Organization, under direction of Peter Lutsyshyn and folksongs presented by a Ukrainian Bandurist musician. The Ukrainian Congress Committee of America, Syracuse branch, coordinates this cultural program.

The Captive Nations Committee organized this rally in observance of the 20th anniversary of the Captive Nations Resolution, introduced by Congress as Public Law 86–90 on July 17, 1959.

According to Co-Chairman Tibor Helcz, there were 22 nations under Soviet domination in 1959 and this number has increased to 36 by this year.

CAPTIVE NATIONS RALLY SET

A Captive Nations Rally will be held in the auditorium at Le Moyne College Sunday at 7:30 p.m. under the sponsorship of the Captive Nations Committee of Syracuse and Onondaga County.

Anthony T. Bouscaren, professor of political science at Le Moyne, is chairman of the committee. Coordinating the program is the local branch of the Ukrainian Congress Committee of America.

The rally marks the 20th anniversary of the Captive Nations Week Resolution, which was introduced by the U.S. Congress as Public Law 86–90 on July 17, 1959. Bouscaren will give the opening remarks and Askold Lozynskyi, a New York City attorney, will speak. Entertainment will be provided by the Ukrainian Youth Organization, the Vietnamese Band and the Ukrainian Male Chorus.

Dolls in Ukrainian regional costumes are on exhibit through Sunday in the college library.

[From the China Post, July 26, 1979]

PREMIER RECEIVES GUESTS AT CAPTIVE NATIONS WEEK

Premier Y. S. Sun told the distinguished guests attending the 1979 Captive Nations Week that it has been proved democracy and freedom is a better system than the dictatorship of Communism.

In receiving the distinguished guests at his office yesterday, the Premier noted that their coming to Free China for the 1979 Captive Nations Week has encouraged people here as well as people on the mainland of China to continue their fight for freedom.

He said the Republic of China is stepping up its development of the defense industry and at the same time trying to promote the living standard and welfare of the people.

He stressed the government will do its best to promote the happiness of the people and the prosperity of society.

Dr. Frutos, president of the World Anti-Communist League Council noted in his remarks that the high living standard of the people in Free China is the best guarantee to win the final war over the Chinese Communists.

He considered only under a system of full freedom can there be a high economic development, and the Republic of China is a very good and successful example.

Other distinguished guests meeting Premier Sun included John Martyr, a member of parliament in Australia; Mogens Gilstrup, head of the Progress Party in Denmark; Woo Jae Seung, secretary-general of Asian Peoples' Anti-Communist League; John Marquez Kakumba from Angola and others.

NO CHRYSLER BAILOUT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, I would like to take this opportunity to discuss the proposed bailout of the Chrysler Corp. This is an issue that will come before the House within the next several weeks, and I do not think we have given the proposed legislation the careful attention it requires.

The current administration proposal calls for a loan guarantee worth $1.5 billion. The legislation requires that an additional, unguaranteed $1.5 billion be raised from private sources. Except for this provision, though, and the requirements for specific plans to be submitted for the approval of the Secretary of the Treasury, no major obligations are imposed on Chrysler by the bill.

Under no circumstances can the potential results of the demise of Chrysler be overlooked. The economy could suffer a serious setback, and, most importantly, thousands of jobs could be lost. The effects could be exaggerated by the fact that much of the job loss would occur in concentrated areas of the country.

The potential effects, though, have been exaggerated, and I think this Congress must step back and examine the premises under which this legislation is offered. In addition, we must look at the adverse effects of providing this loan guarantee. In my view, the speed with which the bill is being considered is not permitting such thoughtful study, and I feel it is the responsibility of every Member to examine this proposal very carefully.

First, we should look at Chrysler's arguments in favor of a bailout. These arguments hinge largely on the effects that Federal regulations have had on the company. Since Chrysler is smaller than its main American competitors, General Motors and Ford, it faces higher costs per unit when it attempts to meet these requirements. This is generally true, but it does not adequately explain Chrysler's predicament. After all, Chrysler is the tenth largest industrial corporation in America. To place a company with annual sales of $16.3 billion in the role of a David versus Goliath is to misrepresent the facts.

Indeed, the cars Chrysler is selling successfully right now, and this is also true for GM and Ford, are the small, fuel-efficient models that assist the company in meeting Federal requirements. In short, the Federal Government has forced American companies, against their will, to meet the demands of the American people for fuel efficiency in their automobiles.

Finally, on this point, General Motors and Ford have managed to fulfill the requirements Chrysler has found so economically debilitating. True, these larger companies can accomplish this somewhat less expensively than Chrysler. But the evidence is clear that more than simple per-unit cost figures has separated Chrysler from Ford and GM. The fact is, the Chrysler Corp. has been terribly managed.

News reports and many economists have made clear the serious mistakes made by Chrysler management over the past decade, and it is not necessary to detail them here. Only one need be pointed out: After the Arab oil embargo, instead of making an effort to change its past policies and produce smaller, more fuel-efficient automobiles, Chrysler fired engineers and designers to reduce costs and resolved to continue emphasizing larger and inefficient cars. As much as any other decision, this one has brought Chrysler, and the Congress, to its current dilemma.

Beyond these specific points, this Congress must think very carefully about the economics involved in the Chrysler situation. A Chrysler bailout would not only violate some fundamental principles of the free enterprise system but also set a dangerous precedent for the relief of other failing businesses.

Any freshman economics course points out the basics of the free enterprise system. One cardinal rule is that of risk and reward. The capitalist risks capital in order to make money. In doing so, he takes the chance that his venture will fail and his money will be lost. He also gains a reward of profit if he is successful. It is this potential reward that provides the capitalist with his incentive, but it is the potential risk that places a check on frivolous, inefficient investment.

If the Federal Government were to step in to bail out Chrysler, this fundamental principle would be violated. It would mean that those who invested in Chrysler were not really taking a chance after all, while those who invested in other companies, and the managers of these firms, would be penalized for their success and efficiency in the market. In short, this action would perversely reward Chrysler's mismanagement in total contradiction to the principles that guide our economy.

Chrysler is not the only company that faces financial difficulties. In fact, more than 6,000 American businesses went bankrupt last year. Obviously, this is nothing to crow about. Thousands of jobs were lost in the process, and millions of dollars were wasted. Nevertheless, the United States did not step in to bail out these businesses. They faced the economic facts of life without an interfering hand from the Government. If we were to bail out Chrysler, what would prevent 6,000 more businesses from coming to our doorstep and asking for the same type of assistance? How could this Congress be justified in denying such pleas after bailing out Chrysler?

The propensity of Congress to hand out loan guarantees has gone unnoticed, I think. It was recently brought to the attention of this House that Federal loan guarantees in 1980 will amount to over $400 billion. This is a very substantial amount, and I believe we must bring a halt to this trend. A loan guarantee for Chrysler would add a new dimension to this category of Federal assistance—guarantees for failing, mismanaged private businesses. In other words, it would take us in the opposite direction of where we should be headed.

It is argued that a loan guarantee does not cost the taxpayer a cent. In fact, it is possible for the Federal Government to turn a profit on a loan guarantee. This is indeed true. It also makes a very large and questionable assumption—that this action would insure Chrysler's ability to stand up on its own two feet without further aid.

Judging from past performance, and based on what appears to be a very optimistic, almost naive, financial plan for recovery, I see no reason to believe this will happen. Instead, I think we would see Chrysler coming back to Congress "just one more time" to obtain a further infusion of Federal assistance. I do not think we should put ourselves, or the American taxpayer, in this position.

The worst-case predictions as to economic effects of a Chrysler collapse have been significantly overstated. Even if Chrysler were to disappear from the face of the Earth, and this will not happen, demand for automobiles would not drop in this country. Other, more efficient producers would move in to pick up the slack. In addition, under bankruptcy, Chrysler would continue to operate, at least in part. Thus, factories would stay in use or would be converted; workers would be employed; suppliers would lose minimal sales. Some jobs would certainly be lost, but labor and other economic resources would be directed toward more efficient managers and companies.

Chrysler is in deep trouble. There can be no doubt of this. But the question of who should bear the burden for saving the company has focused on the wrong party. The Federal Government, which already plays too large a role in the economy, should not be relied upon to provide assistance. To quote a Wall Street Journal editorial responding to Chrysler's plea for assistance, "Government subsidies to sick corporations become a never-ending business, eventually applying a crushing burden on taxpayers and economic efficiency." This kind of assistance simply makes no sense economically. And economics is what we are talking about here.

Those who should bear the burden for Chrysler's problems are those who have the most to gain by the company's success and the most to lose by its failure—the management, its stockholders, its creditors, and its employees. All of these parties have taken risks; all must live with them. As economist Milton Friedman wrote recently:

> The private enterprise economic system is often described as a profit system. That is a misnomer. It is a profit and loss system. If anything, the loss part is even more vital than the profit part. That is where it differs most from a government-controlled system.

Mr. Speaker, I think it is time for this Congress to take a stand against excessive Government involvement in the economy. A vote against the Chrysler legislation in its current form would reaffirm economic principles that have guided this Nation since its inception. These principles have been lost in the shuffle of exaggerated arguments and needless fears. I hope that each of my colleagues will take time to consider the significance of these principles, and not permit a temporary situation to cause us to breach them permanently.●

COMMERCIAL TIME LIMITATION ON TV

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. VAN DEERLIN) is recognized for 10 minutes.

● Mr. VAN DEERLIN. Mr. Speaker, recently the Justice Department initiated antitrust action against the National Association of Broadcasters. The subject of the suit is the commercial time limitation of the NAB Television Code.

While I am sure the Justice Department has the best interests of the public at heart in this matter, many of my colleagues have expressed doubt about the wisdom of action which might result in more commercials on television. Having watched countless matrons receive unsolicited advice on linoleum care from strange men who unexpectedly materialize in their kitchens, I cannot but agree.

In my position as chairman of the

Communications Subcommittee, with oversight of the Federal Communications Commission, I wrote FCC Chairman Charles Ferris to ask for his views on the matter. I think his answer will prove interesting to those who have expressed concern, and would like to enter it into the Record:

Federal Communications Commission,
Washington, D.C., October 22, 1979.
Hon. Lionel Van Deerlin,
Chairman, House Subcommittee on Communications, Washington, D.C.

Dear Mr. Chairman: This responds to your letter of August 9, 1979, regarding the Justice Department's antitrust suit against the commercial time limitations in the NAB Television Code. *United States* v. *National Association of Broadcasters*, Civil Action No. 79–1549 (D.D.C., filed June 14, 1979). I have waited until now to reply because we wanted to have a fuller understanding of the theories behind the Justice Department complaint. Having recently received a copy of the Department's Memorandum of Points and Authorities in Opposition to [NAB's] Motion to Dismiss, filed in court on September 24, 1979, I am in a better position to respond to your inquiry, taking each question in turn.

I should note that the other Commissioners have reviewed these responses and that they join in the comments and views outlined below.

1. Was the Commission advised or consulted by the Department before the filing of this suit? If so, when and by whom?

The Commission itself was not formally or informally advised or consulted by the Department before the filing of the suit. So far as we have been able to determine, the sole staff level contact involved a telephone conversation initiated by Kenneth C. Anderson, Chief, Special Regulated Industry Section, Antitrust Division, Justice Department. Mr. Anderson called Philip L. Verveer, then Chief of the Broadcast Bureau, sometime (perhaps several weeks) prior to the filing of the suit. Mr. Anderson informed Mr. Verveer of the Department's intention to file the complaint. Mr. Verveer indicated that the Justice Department has the responsibility and expertise to identify and prosecute antitrust violations and presumably would do whatever the Department thought best. Mr. Verveer was never asked for his or the Commission's "approval" of the suit, and no "approval" was ever given.

2. In the Commission's view, are the television code's time limitations too low or too high? If so, by what amount? Has the Commission undertaken to ascertain public opinion regarding possible overcommercialization and clutter? If so, what do these surveys show?

In recent years the Commission has not in any formal and comprehensive manner examined the NAB Television Code's commercial time limitations or rendered any overall judgment as to whether those limitations are too low or too high. In 1964, the Commission considered the question of alleged overcommercialization in radio and television and considered "as one possibility the adoption of the time standards contained in the Television and Radio Codes of the National Association of Broadcasters (NAB) as a Commission rule. . . ." Amendment of Part 3 of the Commission's Rules and Regulations with Respect to Advertising on Standard, FM, and Television Broadcast Stations, 36 FCC 45, 46 (1964). In the absence of adequate studies on the nature and the extent of commercialization, the Commission chose to continue to examine the question "on a case-by-case basis" (36 FCC at 49) until further information could be gathered. The closest the Commission came to expressing a judgment on the then-existing NAB limitations was the following:

"We also wish to emphasize that our decision not to adopt the NAB codes at this time does not indicate that we regard them as of no value or as unsound limitations (either too much or too little). On the contrary, one of the important considerations underlying our conclusion is that there is in existence an industry-formulated code of good practice in this field, which, while far from completely successful as a device regulating the industry generally, does serve as one appropriate limitation, and which may be made more effective in the future." [36 FCC at 50.]

Since the 1964 decision the Commission has largely relied upon individual license renewal proceedings for information on commercialization. Renewal Form 303 solicits particular information on past and proposed commercial practices. (See Section IV, pages 3 and 4, attached to this letter.) The Commission's rules provide that if a commercial television applicant proposes more than 16 minutes of commercial matter per hour (or, during periods of high demand for political advertising, more than 20 minutes per hour during 10 percent or more of the station's total weekly hours of operation), the application must be referred by the staff to the Commission. 47 CFR §0.281(a)(7)(iii). This limitation on the Chief of the Broadcast Bureau's delegated authority ensures that the Commission will have an opportunity to pass on any serious case of extensive commercialization. Aside from information gathered through petitions to deny and other pleadings generated in the renewal process, including those matters referred to the Commission en banc, I am unaware of any survey or study undertaken by the Commission to ascertain public opinion regarding the general question of over-commercialization and so-called "clutter."[1]

3. It is my understanding that the FCC in the past encouraged and supported the adoption of NAB's self-regulatory standards—most recently with regard to time limitations on children's advertising. Has that support now changed? If so, for what reasons?

As a general rule the Commission has encouraged voluntary industry self-regulation in First Amendment-sensitive areas, such as television commercial practices, in preference to direct government regulation.[2] The Commission has also emphasized the responsibility of each licensee to exercise its own discretion to satisfy the "public interest" in programming matters, including commercials. Moreover, the Commission has recognized its independent responsibility to ensure that programming practices stay within the broad confines of the "public interest," even where industry or individual licensee views are not entirely congruent with the Commission's views of what the "public interest" requires.

With this as a background, it is correct that the Commission has encouraged and supported the concept of an NAB code on commercial practices, without necessarily endorsing all the specifics of that code. Indeed, over the years, many Commissioners have strongly urged broadcasters to adopt a code and to follow it. We have advised that licensees, in exercising their individual discretion, "may give great weight to NAB Code Authority advice." *Consumers Ass'n of District of Columbia*, 32 FCC 2d 400, 407 (1971). In granting renewals in the face of allegations of excessive commercialization, we have sometimes explicitly noted that the licensee's practices conform to the Code. E.g., *Daily Telegraph Printing Co.*, 59 FCC 2d 185, 192–93 (1976); *RKO General, Inc.*, 44 FCC 2d 123, 133 (1973), aff'd, *Fidelity Television, Inc.* v. *FCC*, 515 F. 2d 684 (D.C. Cir. 1975); *Nat'l Broadcasting Co.*, 20 FCC 2d 644, 645 (1969); *Lamar Life Broadcasting Co.*, 3 FCC 2d 784, 786 n. 1 (1966). Failure to strictly comply with the Code, however, would not necessarily by itself require a hearing or a denial of renewal. *Time-Life Broadcasting, Inc.*, 33 FCC 2d 1065, 1079 (1972). The Commission does not "enforce" the Code in the usual sense of that word. *Hubbard Broadcasting, Inc.*, 62 FCC 2d 970, 971 (1977); *KIRO, Inc.*, 58 FCC 2d 86, 96 (1976).

The Commission's processing guidelines for dealing with excessive commercialization, as set forth in the delegation of authority mentioned in response to Question 2, above, were published in 1973. *Delegation of Authority*, 43 FCC 3d 638, 640 (1973). Our recent radio deregulation rulemaking proposal, FCC Release 79–518 (released September 27, 1979) at pp. 23–30 discusses the history of the Commission's concern with excessive commercialization, particularly as to radio. The processing guidelines no doubt were borrowed somewhat from standards that had developed on a case-by-case basis, and those standards in turn were often similar to provisions in the NAB Code. The 16-minute guide in the Commission's rules is, I believe, the same number of minutes suggested in the Code for network affiliates in non-prime-time. There are other aspects of the Code, however, that are not reflected in the Commission's processing standard for television. In any event, when a renewal application is referred to the Commission because the station exceeded the 16-minute guideline, the Commission's treatment of the matter will depend on all the particular circumstances and not the mere fact that the Commission's processing guideline (or the NAB Code) was violated. See, e.g., *WNJU–TV Broadcasting Corp.*, 57 FCC 2d 394, 396 (1975) (short term renewal). If an over-commercialization claim does come before the Commission directly, compliance with the 16-minute processing guide will usually, without more, warrant renewal. *KCOP Television, Inc.*, 59 FCC 2d 1321, 1328 (1976), aff'd *Nat'l Ass'n for Better Broadcasting* v. *FCC*, 591 F.2d 812 (D.C. Cir. 1978).

You are correct that the Commission has gone a step closer toward adopting the NAB Code insofar as it relates to certain commercialization practices in children's programming. In its 1974 Children's Television decision, the Commission declined to impose direct regulations and preferred to wait and see whether industry self-regulation, accomplished through recently made changes in the NAB Code, would solve the problems associated with advertising on children's television. The Commission said:

"On the basis of this proceeding, the Commission believes that in many cases the current levels of advertising in programs designed for children are in excess of what is necessary for the industry to provide programming which serves the public interest.

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[1] In 1974, a rulemaking petition was filed by Watchers Against Television Commercial Harassment (RM–2326) proposing phased reduction of television advertising time, a limitation on commercial interruptions, and a prohibition on advertising during children's weekend programming. Some of the comments on this petition do contain public reactions to television commercialization practices. The Commission has never acted on the petition. On August 8, 1979, the National Citizens Committee for Broadcasting filed a rulemaking petition (RM–3426) regarding television commercialization practices. That petition is still pending.

[2] The Civil Division of the Justice Department is representing the Commission in the appeal of *Writers Guild of America* v. *FCC*, 423 F. Supp. 1064 (C.D. Cal. 1976), appeal briefed and argued in No. 77–1058 et al. (9th Cir.) (the "family viewing" case). At issue there is how far the Commission may go under the First Amendment in encouraging the NAB to amend its Television Code.

Recently, following extensive discussions with the Commission's Chairman, the National Association of Broadcasters agreed to amend its code to limit non-program material on children's programs to nine minutes and thirty seconds per hour on weekends and twelve minutes during the week by 1976; the Association of Independent Television Stations (INTV) has agreed to reduce advertising voluntarily to the same level. By these actions the industry has indicated that these are advertising levels which can be maintained while continuing to improve service to children.

* * * * *

"In light of these actions, the Commission has chosen not to adopt per se rules limiting commercial matter on programs designed for children at this time. The standards adopted by the two associations are comparable to the standards which we would have considered adopting by rule in the absence of industry reform. We are willing to postpone direct Commission action, therefore, until we have an opportunity to assess the effectiveness of these self-regulatory measures. The Commission will expect all licensees, however, to review their commercial practices in programs designed for children in light of the policies outlined by the Commission and the standards now agreed upon by substantial segments of the industry, and to limit advertising to children to the lowest level consistent with their programming responsibilities. If it should appear that self-regulation is not effective in reducing the level of advertising, then per se rules may be required.

* * * * *

"For the present, compliance with the advertising restrictions adopted by the industry and endorsed by the Commission will be sufficient to resolve in favor of the station any questions as to whether its commercial practices serve the public interest. Licensees who exceed these levels, however, should be prepared to justify their advertising policy. We recognize that there may be some independent VHF and UHF stations which cannot easily afford such a reduction in advertising; such stations should be prepared to make a substantial and well-documented showing of serious potential harm to support their advertising practices. However, we anticipate accepting very few other justifications for overcommercialization in programs designed for children."

Action for Children's Television, 50 FCC 2d 1, 12, 13, 14 (1974) (emphasis added and footnote omitted), reconsideration denied, 55 FCC 2d 691 (1975), aff'd, *Action for Children's Television* v. *FCC*, 564 F. 2d 458 (D.C. Cir. 1977). The Commission amended its renewal Form 303 "[i]n order to determine the level of compliance with the new NAB and INTV commercialization limits. . . ." *Action for Children's Television*, 53 FCC 2d 161, 163 (1975). Last year the Commission reopened our children's television inquiry and are again reexamining, among other things, licensees commercial practices. In our Notice of Inquiry we stated: "The Commission in 1974 . . . said that it expected all licensees to make a good faith effort to conform to the limits established by the NAB Code (and INTV)." *Children's Programming & Advertising*, 68 FCC 2d 1344, 1356 (1978). Whether the Commission will continue to rely upon industry self-regulation is a matter still under consideration.

4. At least one network has announced a voluntary reduction of advertising time during children's programming. Do you feel that prosecution of the anti-trust suit will discourage this trend, despite the Commission's past support for industry self-regulation?

As I understand it, the Justice Department suit is directed at the NAB Television Code, not at unilateral action by individual networks. I am not in a position to say, at this juncture, whether elimination of the Code limitations will make it competitively more difficult for individual networks or stations to reduce advertising time during children's programming.

* * * * *

The Commission will continue to monitor the Justice Department suit. The Commission has never undertaken an antitrust review, as such, of the NAB Code. As you appreciate, the Justice Department has direct antitrust enforcement responsibility in this context. *United States* v. *RCA*, 358 U.S. 334 (1959). It may be of note, however, that while the Commission has never been asked to give antitrust-type blessing to the Code, the Commission has been aware that limitations on available advertising time may lead to increased prices. See, e.g., *Action for Children's Television, supra*, 50 FCC 2d at 12. Thus, the Commission, for its part, has been willing to accept the possibility of increased prices in order to achieve, through industry self-regulation, other public benefits.

I regret the delay in responding to your letter. I hope that our opportunity to further examine the matters raised by your letter in light of the parties' court pleadings has contributed to making this a more useful response for your purposes.

Sincerely,

Charles D. Ferris,
Chairman.●

CHICAGO'S WASHBURNE TRADE SCHOOL—A LEADER IN THE FIELD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Rostenkowski) is recognized for 5 minutes.

● Mr. ROSTENKOWSKI. Mr. Speaker, there have been several items in the Chicago newspapers lately about the failure of vocational education in the United States. I would like to call attention to Washburne Trade School in Chicago which is one of the preeminent vocational schools in the country. The school has been producing outstanding students for almost 60 years, and graduates of Washburne are employed in various industries across the Nation. Washburne has successful programs in auto mechanics, body and fender work, welding, chef training, machine shop, refrigeration and air-conditioning, vending machines, and the electronic amusement field. A reupholstering program is one of several planned for the future.

The school has been a leader in industrial-vocational training for decades. Ralph Kruzic, a counselor at the school, tells me that over 90 percent of Washburne graduates get jobs in their various fields of study. This is whether there is an economic recession or not. The lowest employment rate for Washburne graduates—during high unemployment periods—is only 85 percent.

I would like to commend the fine teachers at Washburne Trade School, Ralph J. Cusick, the principal, and Ralph Kruzic, one of several dedicated counselors, for their valuable work.

I would also like to insert in the Record an article from the November 8 edition of the Chicago Tribune which concerns one of the many programs at Washburne:

[From the Chicago Tribune, Nov. 8, 1979]

For Lunch at Washburne, Try the Duck a l'Orange

It was the usual lunch in the Washburne School private dining room.

From the relish tray, guests chose from fan-shaped gherkins, radish roses, fancy-cut scallions, and a giant beet carved into a rose. Hors d'oeuvres included celery stuffed with pimento and caviar with creamed cheese on croutons. There was Viennese bread and saltsticks with sculptured butter.

The appetizer was coquilles St. Jacques, scallops in white wine sauce. The soup was cockaleakie, a chicken and leek delicacy. Then came Panama salad—pineapple, grapefruit, and mandarin orange, with chutney dressing and topped with whipped cream.

The entree was roast duck with orange-flavored bigarade sauce. On the side was artichoke bottom with wild rice and hollandaise sauce and a bouquetiere of vegetables in a tomato basket. Desert was vanilla souffle with saboyan sauce, and coffee to wash it down.

Day after day, a repast like that—fit for the gods—is prepared by students at the renowned chef training school at Washburne Trade School, 3233 W. 31st St.

The chef training school is among the Board of Education's most popular and successful programs. Prospective students gladly wait two years for a chance to get into the two-year program. Applications are received one day each year—and the next date will be Sept. 29, 1980.

Students must be at least 17 years old. Their names go on a waiting list on a first come, first served basis, according to where they are in line on the day of application. Those who complete the five-phase course will have their choice of several jobs, joining the ranks of other graduates who are at top restaurants throughout the city. The employment rate for graduates always approaches 100 per cent.

"We take a student on the premise that he can't boil water," explained Ralph Kruzic, a Washburne counselor. But within weeks after the students prepare their first effort, "eggs over easy," they are into sophisticated aspects of meal preparation.

The 120 students labor in the Washburne kitchens from 8 to 11 a.m. preparing elegant meals. In the afternoon, it's lessons in food selection, inventory control, personnel policies, and other aspects of operating a restaurant that executive chefs must master.

A new class of 35 students begins with each 19-week cycle. Other students are moving into more advanced work in preparing soups, salads, hors d'oeuvres, pastries, entrees, and specialty cooking. Students first encounter the rigorous standards demanded by Ron Martin, one of five instructors. Martin, who has been a chef at Maxim's and L'Escargot, said, "My job is to weed them out."

By the ninth week of classes, Martin's students are showing their abilities. The assignment is for team to give wine and cheese presentations—with a flair.

The presentation of Joe Decker, Chris Connery, Joyce Gravens, Pat Janus, and Albert Oliver draws special praise from Martin. Their selection of a German wine with five cheeses—Gruyere, brick, Monterrey Jack, scamorza, and Beaumont—and pears, apples, and French bread is displayed in a wicker basket.

In upcoming weeks, Martin's students will face two stiff tests to determine who continues to the next phase. For the first test, the French preparation, they must prepare and cook within 30 minutes an entree of meat or fish with a sauce and side dishes.

It is not enough, Martin emphasized, to cook well. Students must prove their organization and speed, among other essential qualities for chefs.

"They give me a half hour of their time and I can tell if they're ready," Martin said. Once past that hurdle, the students will face the final exam—preparing a complete meal for 10 people.

The same tone—high standards in a no-nonsense atmosphere—is set by the other five instructors. "We don't tolerate any baloney," emphasizes Bob Dimoff, director of the chef training program.●

MORTGAGE SUBSIDY BOND TAX ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. ULLMAN) is recognized for 5 minutes.

● Mr. ULLMAN. Mr. Speaker, on November 16, 1979, the Committee on Ways and Means ordered favorably reported to the House H.R. 5741, the Mortgage Subsidy Bond Tax Act of 1979. As approved by the Committee on Ways and Means, the bill imposes reasonable limitations on the issuance of tax-exempt mortgage subsidy bonds by State and local governments. In addition, the committee's bill provides generous transition rules for tax-exempt housing bonds that were caught in the pipeline.

Pursuant to the rules of the Democratic Caucus, I take this occasion to advise my colleagues as to the nature of the rule that I will request for consideration of H.R. 5741 on the floor of the House. The Committee on Ways and Means specifically instructed me to request the Committee on Rules to grant a closed rule which would only provide for:

First, committee amendments, which would not be subject to amendment;

Second, 2 hours of general debate, to be equally divided;

Third, waiving all necessary points of order; and

Fourth, one motion to recommit, with or without instructions.

We intend to officially report H.R. 5741 to the House and file the official committee report as soon as possible after the Thanksgiving Day recess. It is our intention to request a hearing before the Committee on Rules at the earliest opportunity.●

IF BANKS ARE EMBARRASSED BY HIGH PROFITS, WHY NOT REDUCE THEIR INTEREST RATES?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 5 minutes.

● Mr. REUSS. Mr. Speaker, today Citibank has raised its prime rate once again, to 15¾ percent. This is completely unjustified. In the last 2 weeks the Federal funds rate has dropped 2 percentage points, from 15½ percent to 13½ percent, and the interest rate banks pay on large certificates of deposit are beginning to decline, falling nearly one-half percentage point in the latest week. These are two primary sources of bank loanable funds.

The Federal Reserve actions of October 6, which I fully support, are bringing the monetary aggregates under better control, and the banks are simply profiteering by these continuing hikes in the prime rate above what Fed monetary policy calls for.

These recordbreaking interest rates are of course yielding recordbreaking profits, so high that they are apparently becoming an embarrassment to many bankers. Chairman Clarence C. Barksdale of the $1.6 billion First National Bank in St. Louis, Mo., has advised fellow bankers that it would be "prudent" to avoid issuing yearend statements showing what he forecasts will be "extremely high rates of earnings increases in 1979."

As reported in the American Banker newspaper, he told Midwest bank executives during First National's 33d annual conference that banks should be "more creative" about handling their 1979 earnings. He said he feared that "demagogues will take hold of the profit issue and blame it on high interest rates." He compared the situation of the big banks with that of the oil companies which are also plagued with extremely high profits. The public, he said, "will simply not understand the high profits for banks at a time the consumer is suffering under high interest rates."

The banker suggested that banks should avoid embarrassment by "managing" their yearend profits figures through such bookkeeping measures as boosting loan loss reserves, taking bond losses, or expensing out public relations costs. He also suggested "extra-special public relations and advertising programs" to mute the impact of big earnings reports.

I suggest that banks could avoid embarrassment about their booming profits by giving borrowers a break on interest rates, rather than by juggling the books to make profits look smaller. That would not only save bankers embarrassment but help businesses keep up investment for higher productivity, reduce inflation, and avoid a deep recession.●

ASSASSINATION OF DR. MARTIN LUTHER KING, JR.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STOKES) is recognized for 10 minutes.

● Mr. STOKES. Mr. Speaker, on Thursday, November 11, 1979, John Paul Spica, 42, was killed when his car exploded in gangland style in front of his suburban home in Richmond Heights, St. Louis, Mo. Mr. Spica was a contract killer. He was also the brother-in-law of a key witness before the Select Committee on Assassinations, of which I was chairman. The witness's name was Russell G. Byers. Mr. Byers is the man who gave the committee the outlines of the St. Louis-based conspiracy that probably resulted in Dr. King's assassination. Mr. Spica himself talked with the committee, but told us he had no information of use, although he was a fellow inmate of James Earl Ray.

Mr. Speaker, this murder points up a troublesome aspect of Dr. King's death and its investigation. I have no concrete evidence to link Mr. Spica's murder to his testimony before our committee. Indeed, I am informed that Mr. Spica was associated in the vending machines business with members of the Mafia in St. Louis. That alone may be enough reason to explain his murder. Nevertheless, it would not be unreasonable of me to raise the question of whether or not his death may have been related to the King case. Until the evidence is in I will remain troubled.

That is my point. The Department of Justice has now had our final report since July, almost 3 months. One more witness is dead. I note, too, that James Earl Ray has tried to escape one more time as well. If the King case is to be reopened—even on a limited basis—the time is running out. I find it difficult to fathom why it has taken the Department 3 months to look over our materials on the King investigation. It may take longer on the Kennedy case, but the King case is not that complicated. I am hopeful that they will see the Spica killing as a reason to move with more dispatch.●

ILLIQUIDITY AND INFLATION: THE TWINS OF DISASTER

(Mr. NOLAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. NOLAN. Mr. Speaker, the Carter administration's economic policy is bankrupt. The Federal Reserve Board's high interest policy will lead us to the most revolutionary redistribution of income this Nation has ever seen. The hard-earned income of our farmers and laborers will be eaten up by interest and money will flow into the hands of the big banks, multinational corporations and investment brokers.

The Fed claims that the reason for its high interest policy is to reduce the money supply. This is a ridiculous rationale because, as the following article notes:

> The flood of Eurocurrency into the U.S. is moving out of control. It is causing the Fed Figures and statistics to be almost meaningless. The "out of Fed" financing in the U.S. today is of absolutely massive proportions.

As the Washington Post reported on November 11, 1979, the "Eurodollar rise worries bankers." Clearly, the Fed is becoming increasing impotent and less able to regulate the Nation's banking system.

An article published in the October 1979 publication of the National Organization for Raw Materials (NORM), clearly explains how the Fed's financial policy and the Nation's commodity pricing policy are fast leading us to bankruptcy. The article was written by Vince

Rossiter, who is president of the Bank of Hartington in Hartington, Nebr., and who currently serves as executive vice president of NORM. Rossiter is a long time student of agricultural problems and their relationship to the overall economic and monetary problems of the Nation as a whole.

Rossiter's article will help to raise the level of debate to a point where we may begin discussing causes of our economic crisis instead of mere symptoms. When we understand the causes of the problem, then we may take appropriate action to straighten the mess out.

The article follows:

FINANCIAL ILLIQUIDITY—THE CAUSE AND THE CURE

(By V. E. Rossiter)

(An historic analysis of the principal assets and liabilities of all Commercial Banks in the U.S., in ratio to bank deposits—and other related information.)

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ALL COMMERCIAL BANKS, UNITED STATES.—AN HISTORIC COMPARISON OF PRINCIPAL ASSETS AND LIABILITIES

[In ratio to total deposits]

Date	Total loans and investments	Loans	U.S. Treasury bonds	Other bonds	Cash	Deposits (billions)	Borrowings	Capital (to total dep.)
Dec. 31, 1941: The beginning of World War II. The inception of 90 percent of parity farm price supports	71.2	30.5	30.6	10.1	37.2	71.2	$0.003	10.0
Dec. 31, 1946: World War II declared officially ended. Full Employment Act passed by Congress	82.0	22.4	53.8	5.8	24.6	139.0	.05	6.9
Dec. 31, 1952: President Eisenhower elected. Signal for the end of 90 percent of parity support prices on farm commodities	81.9	37.1	36.6	8.2	25.8	172.9	.015	7.5
Dec. 31, 1968: The 1st "money-crunch." The beginning of deliberate Federal budget deficits to stimulate the private economy U.S. closed the Gold Window, Aug. 15, 1971.	92.5	61.1	14.9	16.5	19.3	434.0	.240	8.5
Dec. 31. 1973: The beginning of the worst recession since the depression of the 1930's	100.3	72.6	8.6	19.2	17.4	681.8	1.015	8.5
Dec. 31, 1978: A mile-marker as the banking system and the general economy approaches new record low level of financial liquidity	104.5	77.6	9.3	17.2	17.1	993.1	1.524	8.8
July 25, 1979: New, unprecedented historically low-level of liquidity (high loans plus investments in ratio to deposits) from 1914–78	111.01	83.6	9.2	18.2	15.5	1,002.2	1.679	8.9
Dec. 29, 1920: Previous historically low-level of liquidity from 1914 to 1978	105.4	80.7	11.0	13.7	NA	24.2	.740	20.1
June 30, 1929: The level of liquidity in the commercial banking system 4 mo before Black Tuesday, Oct. 29, 1929	101.7	72.0	9.4	18.3	15.8	58.3	1.750	16.7

The economic concepts which support the need for 100 percent of parity prices for farm products, as advocated by NORM, are simple, direct and easy for the average person to understand.

It is never the less difficult to prove these concepts to a skeptic with orthodox economic training.

One life long advocate of 100 percent of parity, after being completely frustrated by what seemed to culminate in a lifetime of failure, was heard to say, "We are the boobs of the world".

Strangely, in spite of apparent failure to prove the value of parity conclusively down through the years, the idea won't die, and the enemies of parity have failed to kill it.

Happily the concept is hail and hearty and finds new, and renewed champions with each passing year.

Perhaps, as many friends of parity seem to perceive, it is something more than just a "man-made" promise. To many it is much more indeed. It is a promise from which almost miraculous benefits will flow to all man-kind, if realized. It is a promise from an infinite Creator, a Creator who, when he designed the bountiful earth, surely designed a method for all to share generously in its fruits. Or, failing to implement His design, suffer incredible periodic social and economic disasters which leave no one without some grievous hurt.

Sounds a little fantastic? Perhaps, but let us briefly describe NORM's aims, its aspirations and its perceptions for the U.S. and current proof of its on-going research.

NORM believes and teaches that raw materials (70 percent Agricultural) produced annually are the principal source of "new wealth", which is added to the already previously accumulated 'old wealth' each year.

It follows, then, if all raw material production is adequate to meet the needs of society (or preferably more than adequate) and the price is maintained at par with the average cost of other goods and services (parity) then there will be enough "new wealth" created, which when reacted as a catalyst with "old wealth", will in turn generate enough income to consume all of the goods and services without resorting to excessive credit (debt in excess of annual savings).

On the otherhand, if raw material production (God given) is deficient, or the price is below parity (man given) then excessive debt is necessary to sustain the other sectors of the economy. One of the consequences of a debt fueled economy is inflation. Another is the ultimate illiquidity of the credit system. Illiquidity and inflation are the twins of disaster in a democratic society.

Without timely correction the twins of disaster will have a two-fold effect of depleting the credit reservoir in the U.S., which when empty will result in an economic collapse, or subject our economy to unreasonable inflation, and bring about complete corruption of our monetary system, and then result in economic collapse.

Parity is absolutely necessary in the United States if we wish to maintain a solvent and prosperous economy; it is equally essential to the rest of the world and particularly to the Third World.

Developing countries as a group have increased their medium term and long term debt to an estimated $370.0 billion compared to $58 billion just 10 years ago. And, the World Bank predicts that the debt load will increase to $1.2 trillion in the next 10 years. "Many poor nations have already mortgaged future income," according to a Los Angeles Times Service newspaper story published in the September 30th issue of the Omaha World Herald, "to pay for oil and food that was consumed years ago."

The United States is treating American agriculture, within its own boundaries, "like third world nations" are being treated by the industrialized nations.

U.S. farm policy has stifled parity farm prices in the U.S. for a quarter of a century and adverse effects are evident in the Third World countries. U.S. farm policy has destroyed parity farm prices world wide, except for the European common market. As a consequence any resulting disaster will be world-wide, but the impact will also be felt early in the Money banks of the United States on the East and West coasts. The aforementioned newspaper article also states, ". . . The Federal Reserve has stepped up its surveillance of the $58 billion owed to the U.S. banks by companies and governments in developing countries. To a certain extent, noted one Federal official, the loans to date may just beget more loans. "The banks don't want to pull down the house of cards," he said.

To this we say, amen, but the house of cards will surely tumble down without U.S. and world-wide parity. Ask any well informed leader from a third world country and he will tell you the same thing. He will also tell you that the Third World countries are helpless in the face of the influence of multinational corporations that control world trade (and prices); just as they control them in the United States.

Monopoly is another subject and a lot more complicated than the domestic farm problem, even though it may have some important collateral effects on it.

The U.S. farm problem stems from a policy which was firmly established with the inception of the "sliding scale" provisions of the Farm Act of 1952, in the administration of President Eisenhower and Secretary of Agriculture Ezra Taft Benson. With this act farm prices were effectively unhinged from the average price of other goods and services. Realized Net Farm Income (Farm Income) declined in both absolute and relative terms, for the next quarter of a century.

From 1954 to 1970 Farm Income ranged between $10.3 billion and $13.9 billion. It had averaged more than $13.0 billion during the "parity" years of 1942 to 1952.

Out of the 26 years that intervened between 1952 and 1978, Realized Net Farm Income (Farm Income) amounted to less than $12 billion annually for 12 years. In only 11 of these years did it increase above the $13.0 billion dollars it averaged from 1942–52. It is the 12 years that it averaged less than $13.0 billion that we refer to as an "absolute" decline.

Ironically the income level of every other sector of the economy rose every year, except from 1952 to 1953. As a matter of contrast, in no year after 1952, including 1953, did total National Income amount to less than it averaged from 1942–52.

From 1952 to 1978, a quarter of a century Farm Income as a component of National Income, rose from $14.9 billion to $25.1 billion, an average of 2.6 percent per annum, for a total of only 68.5 percent.

Total National Income in the same period increased from $285.8 billion to $1,703.6 billion, or an annual average of 19.1 percent, more than 7 times the increase in Farm Income, for a total increase of 496.1 percent.

This is what we mean by a "relative" decline in Farm Income. National Income moved up 7 times faster than Farm Income, so in effect Farm Income declined, relative to National Income. This is a consequence of established Government Farm Policy, which hasn't changed one whit in spite of all the new farm legislation passed during the past 25 years.

Every successful presidential candidate for 25 years, except President Carter has promised the farmer 100 percent of parity and every one of them has failed to deliver on that promise.

Earlier we stated, "If all raw material production is adequate to meet the needs of society and the price is maintained at par with the average costs of other goods and services, then there will be enough 'new wealth' created which, when reacted as a catalyst with 'old wealth', will in turn generate enough income to consume all the goods and services without resorting to excessive credit."

These aren't recent findings. This conclusion was drawn by students of the economy very early in the 20th century, even before World War I. Their proof was carefully gathered and fully documented by statistical data derived from various sources, mostly U.S. Government records. It was largely ignored until President Roosevelt embraced it in 1932, early in his administration. It received a very severe test as a result of the Steagall Act which was passed in the early 1940's. Congressman Steagall was the Chairman of the Banking and Currency Committee, and the legislation was designed to maintain the "stability of the dollar" and to provide ample farm raw materials with which to fight World War II. It provided a 90 percent of parity support price on most storable farm raw materials, and some perishables. The Steagall Act was to expire "two years after the close of World War II." Many knowledgeable people predicted another depression, similar to that experienced in 1920 two years after World War I. President Truman extended the act, which would have expired on December 31st, 1948, two years, to 1950. Subsequently he extended it a second time until 1952, when President Eisenhower was elected. We didn't have a depression in 1948, nor in 1952, but we set the stage for a depression in 1954, with the inception of "Sliding Scale Farm Prices" and the gutting of the 90 percent of parity legislation.

Now we have a new and highly visible body of statistical information from the years 1941–52. During this period as a result of the Steagall Act, farm prices were supported at 90 percent of parity, but they actually averaged 100 percent of parity, which is what the 90 percent of parity law was expected to do. It performed with a high degree of precision, and fulfilled the predictions of its advocates admirably.

Being trained in banking and having a familiarity with bank statistics, and recognizing the sensitivity of the banking industry in rural areas, to the ebb and flow of Farm Income, almost forces one to make a determination which comes first, Farm Income then deposit growth and business expansion, or vice versa.

We noted in one widely used text book on economics where the author observed, "The farm depression of the 1930's wouldn't have been so bad, if the banks had not failed." Very logical from the viewpoint of the academician, perhaps, but having been there when it happened, we can testify that just the opposite occurred. It was a precipitous decline in farm prices in 1920, as a consequence of restricted bank credit when the Loan and Investments, in ratio to deposits, rose to 105.4 percent in the Commercial Banking System. The decline in farm prices caused a rash of bank failures the following year, and for several years to come until 1933 when 4,000 banks failed in one year. The decline in farm prices, and the resulting loss of Farm income, from 1920 on, brought about a cumulative reaction in 1929. On June 30th, 1929, even though the Loans and Investments/deposits ratio had declined to 101.7 percent from 105.4 percent in 1920, the banking system was severly overextended, and the economy collapsed on October 29th, 1929, just a short 4 months thereafter.

A recent issue of the Wall Street Journal contained an article wherein several of the leading economists of the nation predicted that it will be impossible to have another depression, for various reasons, as serious as that of 1929–33. It may be of interest to note in passing, that the record indicates that 2,293 banks failed in 1931, with a total loss to depositors of $1,690,232,000.00. And in 1974, the worst recession since the 1930's, 4, yes just four, banks failed involving $1,575,832,000.00. Needless to say losses to depositors in these 4 banks was minimal because of FDIC insurance protection. We are dealing in bank totals today exceeding $1.0 trillion, compared to $50.0 billion in 1929. Only former Chairman of the Federal Reserve System Wm. McChesney Martin, differed. He wasn't positive it couldn't happen again as bad as the 1930's.

Following the depression, and just ahead of the beginning of World War II, the liquidity of the Commercial Banks improved to the best ratios since 1914 at a ratio of 71.2 percent of total deposits, loaned and invested. Out of this 30.5 percent of deposits were in loans, 30.6 percent in U.S. Treasury Bonds, 10.0 percent in other bonds, and an additional 37.2 percent was in cash.

The lesson of the depression of the 1930's to the American banking system was, to be absolutely safe, the banking system should maintain approximately a third of its deposits in loans, a third in investments and a third in cash.

You will recall our earlier reference to a Wall Street Journal Article in which the economists interviewed were essentially all in agreeemnt that "another depression can not be as bad as the depression of the 1930's". Again they were in virtually unanimous agreement that one of the reasons that we can't have another depression as bad as the depression of the 1930's, is "because we have such fine records in the United States today which will permit us to check the operation of the economy very closely." It mentioned specifically that it is now easy to check on the rise or fall of manufacturers inventories, which is an important indicator.

We submit that what we have just recited to you in the foregoing paragraphs is an example of those excellent records that the economists have reference to. They are excellent. The Commercial banking system is a very sensitive indicator of how the economy is functioning, and verified figures are reported by every bank at 90 day intervals. Thus the months in between can be projected with an unusual degree of accuracy, and they become available quite often within two months, which is much sooner than other sensitive statistics.

Today these statistics say that the Commercial Banking System is reflecting the worst set of economic circumstances ever presented in bank statistics, since 1914. They say that the nation is borrowing more money and paying higher interest rates than ever before, as new historically high records of interest and debt are exceeding previous records almost monthly. They are saying the illiquidity of the banking system has in 1979 accelerated at a rate more than 11 times the historic rate of the past 33 years. The evidence of what has happened has been apparent for at least 17 years and has brought to the attention of High officials in Banking circles and various members of Congress, and to the members of NORM, more than half of those 33 years. If ostensibly intelligent people fail to see what we see in this information, then they are either blind, or not really intelligent. Sorry, there can be no compromise in this latter statement.

By the end of the war the banking system had expanded its deposit volume from $71.2 Billion to $139.0 Billion, almost exactly double the 1941 figures. The ratio of loans and investments/deposits had increased almost 11 percentage points to 82.0 percent. But the loan/deposit ratio had declined from 30.5 percent to 22.4 percent, illustrating the effect of a balanced economy which was producing an optimum level of profit and saving. True, more dollars are involved in 1946, but the people who borrowed money were borrowing less money because adequate profits were providing a larger share of capital requirements in 1946. Even with a doubling of the deposits, and the strain of fighting a terribly expensive war, the dollar remained stable, the economy solvent, with every sector enjoying relative prosperity.

From 1946 to 1952, the nation reconverted from war time to a peace time economy. Money was obviously very readily available in the nation's banking system. The Federal Budget was essentially in balance for the first time since 1934, and the last time to this date. The nation was enjoying approximate full employment, and social and political unrest were at a minimum. We contributed billions of dollars to our former allies and to enemy nations alike, for the purpose of reconstructing their war torn countries. The dollar remained stable, the economy solvent and every sector was enjoying relative prosperity. There was no run up of farm real estate to thousands of dollars an acre. One could buy a farm this year, or be safe to wait until next year without great danger of rising prices. Housing was the same, very stable. There was no run on gold, no international speculation in the American dollar.

Some would say that this is caused by the war. They would observe that there is always prosperity during a war. Haven't we for all practical purposes been at war most of the interval since 1952? Hasn't the cost of these wars, the economic cost, been as great or greater than any previous war? If so, why hasn't the prosperity that prevailed from 1941 to 1952, prevailed to this day. So it is not just war per se, it is the economic balance in the economy during a war that preserves solvency, overall prosperity, and a stable dollar.

From 1952 to 1968 it became evident that the trend in the liquidity of the Commercial banking system was eroding away. Total loans and investments/deposits rose about 11 percentage points once again. Now, however, it was evident that individuals, partnerships and corporations, the principal bank borrowers, were becoming more dependent on borrowed funds as bank loans increased 24 percentage points, more than twice the increase in the total loans and investments. Banks reduced their holdings of U.S. Treasury bonds from 36.6 percent in 1952 to 14.9 percent in 1968, to accommodate the added loan volume.

Aha, you say, but the "money crunch" experienced by the financial system in 1968 didn't bother small country bankers. Fact is it did. Our experience was similar to many larger banks. We discovered that we were short of liquid funds with which to meet loan commitments by $300,000.00, in the fall of 1968. We could sell more bonds to meet this, but everyone else was selling bonds and one had to take a loss if he did this. We did just that, though, and felt the flexing of the economic system which was now demanding performance by bankers, at any cost.

A saving factor in the 1968 "money crunch" was a new experiment that was undertaken by President Johnson to enhance his political possibilities in the fall of 1968. He in league with an agreeable Congress, many of whom were also running for re-election, created a substantial Federal deficit (at least substantial for that period) to stimulate the economy. It did just that, because 'excessive debt' has the same multiplier effect on the economy as earned income from the sale of raw materials. The difference is that when the dollar of debt has performed its function of increasing the market for goods and services this year, it becomes a claim on income that will be earned in some future year. With the incremental cost of interest, this claim on future income will double every 9 or 10 years. This is exactly where over $800.0 billion of Federal Debt has come from, which is now costing the U.S. taxpayer an estimated $64.0 billion per annum in interest.

In contrast to the debilitating effect of excessive debt and interest costs on future market for goods and services, (purchases which the consumer must forego because of debt and interest obligations incurred in by-gone years) a dollar of raw material income (earned income) is quite different.

When a dollar of raw material income (earned income) multiplies its way througn the economy in a chain reaction of sales transactions from the farmer, to the retailer, to the wholesaler, to the manufacturer, to labor wages, taxes, interest and the purchase of more raw materials, the original dollar has been divided into small profits all along the chain. It comes to rest in the economy as a dollar of savings, available to be re-spent for consumer goods, producers goods, or invested in business or industry. It is never destroyed, except by depression, nor diminished in value, except by inflation. But more important, it does not mortgage future income. It does not have to be repaid. The equation has been described as 'nature credits, man debits'. It is a perfect offset in which society has no future obligation, except to adequately (and selfishly) protect and conserve the land from which it emerges, and, to protect its value as it relates to the value of other equally important products and services of the economic trade chain. By preserving its value we guarantee equity of exchange in the U.S. market place, full consumption, full production and approximate full employment. Excessive debt, on the other hand, destroys a large portion of all of these things ultimately.

By 1973 the Loans and investments/deposits amounted to 100.3 percent. Loans in ratio to deposits increased to 72.6 percent and investment in government bonds declined to 8.6 percent, the lowest level since 1916.

By this time farm prices have been at or below 50 percent of parity since 1956, with only a brief interlude in 1972 and 1973 when they improved substantially because of foreign sales. The cumulative effect of an economy which has been systematically starved for 'earned income' from the ever productive renewable resources of the agricultural economy, to say nothing of underpriced metals, petroleum, and etc. Now the rising cost of maintaining an increasing public and private debt structure, which has to be serviced out of the same profits which people had planned to spend on food, shoes, clothing, automobiles, fuel, taxes, and support for the church, reduces the cash purchases and requires increased dependence on even more debt. How are we different from the Third World Countries, in our desperation to survive, even if we have to destroy our economic system to do it?

On December 31st, 1978 the loans and investments/deposits ratio reached a new high of 104.5 percent, reflecting a continuation of archaic economic policy which has been wrong for nearly a quarter of a century. Still, nothing changes, except that the Federal Government had availed itself of more than $150.0 billion of spending money by creating repeated deficits in the Federal budget from 1973 to 1978. What for? To stimulate the economy, obviously, because everyone seems to believe that a simple solution is no match for a complicated problem and stimulation and inflation is all that Congress seems to know. Chairman Burns said essentially that in testimony before Congress in 1977. He also said in effect, "We economists corrupt the Congress and the Congress has corrupted the monetary system, and that is where we are now." So true.

Every move in the Commercial Banking System for the past 17 years has confirmed what was predictable in 1962. The loans and investments in the Commercial Banking System have risen 1 percentage point per annum faster than the growth in bank deposits. A straight line projection of the growth from 1945 to 1962, indicated we would reach the June 30th, 1929 levels in 1973. We did just that. It said that we would run out of money in 1980. It was that clear and that accurate on other anniversary dates, as it was in 1973. Lord help us if it holds true in 1980.

Since December 31st, 1978, the ratio of Loans and Investments to deposits in commercial banks has risen to an unprecedented, all time high of 111.01%. The increase has accelerated from a long term 1 percentage point per annum, to very nearly 1 percentage point per month, in 7 months.

A leading analyst estimates that it took 17 cents in bank credit to create a dollar of Gross National Product in the 1950's. It takes $1.88 of bank credit to create a dollar of Gross National Product today. The potential of expanded debt, in the present circumstance, is enormous and out of hand.

Conclusion. Anyone who is inclined to believe that the foregoing information means less today, than it meant a half century ago, will regret his lack of perception.

By now it has become difficult for bankers, or anyone else to "remember the lessons of past". But let us be a little more explicit about what we have learned from the very recent past.

One of the tested and most acceptable ways to measure the performance of the economy of the U.S. is to take a base period of from 2 to 10 years of economic function, and measure it against a single year, or a combination of years in another period of time. Each series of years has known characteristics as a matter of history.

If one wanted to prove, for example, that the Farm Income sector of the economy had apparently lagged quite seriously, and for no good reason, the years 1947–49 could be grouped as a base, or 1946–50 has been used by more conservative analysts. To be ultraconservative one could use the entire "parity period" of years from 1941 to 1952. These are years when Farm Income kept up with other sectors of income in the U.S. economy, and banks were solvent.

If then you would want to prove that the decline in Farm Income was instrumental in drying up the credit reservoir, you would compare the 1941–52 period with a comparable 10 year period during which the credit reservoir is obviously drying up, such as 1967 to 1976. These are years in which Farm Income did well for 2 or 3 of the 10 years, but lagged very seriously from its relative position during 1941–52, and these are years when the credit reservoir dried up very noticeably, approaching all time low levels of liquidity.

The analysis shows that during the 10 year period in which farm prices averaged 100 percent of parity, the average National Income totaled $198.04 billion. Of this total amount each sector received a certain average percentage, which represent the number of pennies out of each dollar of National Income it earned during each of these ten years. . . . Likewise during the 10 years of 1967–76, when farm prices were at a subparity level most of the time, National Income averaged $952.82 billion. Remember too that 25 years has passed between these two periods, during which farm prices often fell as low as 50 percent of parity. We will place the percentage figures side by side for you, and note the discrepancy in the number of pennies earned out of each dollar, in each period.

[In percent]

	1941–52	1967–76	Discrepancy
Compensation of employees	65.90	75.40	+14.42
Farm income	6.81	1.90	−257.9
Income of unincorporated businesses and professionals	10.62	6.00	−77
Rental income of persons	2.77	2.20	−25.9
Total corporate profits before taxes	12.72	5.20	−144.6
Net interest income of individuals	1.18	9.40	+696.61
Total national income	100.00	100.00	----------

From this example it is self evident that Farm Income in 1941–52 received 6.81 percent of $198.04 billion of national income or $13.5 billion. In 1967–76 it receeived 1.90 percent of $952.82 billion of national income or $18.1 billion. The point is that had agriculture received 6.81 percent of the 1967–76 national income of $952.82 billion, Farm income would have averaged $64.89 billion during this latter ten year period. . . . Therefore it is reasonable to conclude that agriculture was underpaid the difference between $64.89 it should have received, and the $18.1 it did receive, or $46.79 billion each year for 10 years, a total of $467.90 billion during the period.

Our contention is that society had the spending money to pay the agricultural economy this $467.90 but for some reason it was diverted away from agriculture and into compensation of employees and interest, perhaps. We say perhaps, because this would seem obvious from the foregoing example. . . . A more realistic reason is that we failed to "create it" when the farm commodities were sold at the market place because of sub-parity prices, and not just the farm economy lost it, but the total economy lost this nearly one/half billion of earned income, market for goods and services, and a potential tax base on which Federal Income and Excise taxes could have been levied sufficient to balance the Federal Budget.

The foregoing is a classic example of where NORM comes from. We are classified by many as a farm oriented group with tunnel vision; that the only thing we understand is Agriculture, and the only thing we care about is agriculture. This is not so. Clearly we understand agriculture, and we talk a lot of agriculture and agriculture is the focal point of our entire effort, but not because agriculture is more important than any other sector. We talk about agriculture because it is the most abused, the easiest from which to draw startling comparisons, and because it has a secondary catalytic effect on the economy of providing 'new wealth' annually which, if adequate, will sustain the entire economy without resorting to excessive debt. This is a little heard of, but very self-evident truth, in our judgment. Every sector is interdependent on every other sector and consequently equally important, in the sense that we provide mutual support. Every sector must carry its share of responsibility to the economy, but it must also receive a fair share of the income in order to sustain the other sectors of the economy. By providing an adequate market for its share of total production.

Look again at the foregoing example. Every sector is doing relatively less well than they did in 1941–52, except Compensation of employees which has received a modest increase of 14.42 percent of National Income (though admittedly large in a dollar comparison) and Interest income of persons which has increased by the incredible amount of 696.61 percent of 1941–52.

Let's dwell on the interest sector for a minute. It is clearly out of line with the other sectors of the economy. It is grossly out of line, in fact, and would be the least disturbed sector of the economy if it adjusted downward to a more realistic and less disgraceful level.

Still, what is receiving the most emphasis at this moment? Interest, of course. Interest rates have increased more than 3 percentage points across the board this year. Congress is worried about the "little saver" ostensibly, and provide double digit interest rates to those "little savers" who have $10,000.00 or more to invest. Needless to say, perhaps, but the category of "Net Interest of Persons" is just what it says it is. It is the little saver, the medium size saver, and the big saver, and they have received very special treatment up to now for the past 25 years, and they are still receiving completely unrestricted (to a large degree) and very favorable treatment right now.

Contrast this with the treatment afforded the Agricultural economy. It has long since been the rationale of the Government, the Department of Agriculture, and the Land Grant Colleges, that 100 percent of parity farm prices are gobbled up by the very large farmers who already control 60 or 70 percent of the production, who in turn bid up the price of land to the disadvantage of the small farmer who would like to expand and the large farmers use support prices to "bid-up" the cost of other farm resources, all of this to the disadvantage of the Small Farmer, whom the Government "says" it wants to help. How does government help the small farmer then? Why, of course, by holding farm prices down in general, by importing competing farm products from foreign countries whose costs are less than 10 percent of those in the U.S., by permitting him to buy Japanese automobiles and Russian Tractors, at less than the U.S. production costs of these items, and by making him 100 percent of value loans, if necessary, to purchase farm resources at record high interest rates.

Now contrast this with the treatment afforded the "small saver" who is enjoying record high returns on his savings, right along with every other saver, without discrimination, without distinction except for dollar amounts, and in a climate of ever rising interest rates. The more sympathetic proponents of "savings" and "investment capital" formation through higher interest rates," are right, of course. They are attempting to find a way that a saver, or an investor, can receive a return on his savings or investment which is at least somewhere near the inflation factor in our economy. From this point of view these actions can be applauded. The question is, why isn't the same consideration being given to "small farmers," or to all farmers in fact. What is wrong with helping the large farmer, like the large saver and investor?

The truth is the large farmer is being ignored and forced to live on the fat of the "unearned increment" (the inflation) on his land because of a public policy to systematically reduce the number of farming operations. You don't believe this? Ask Don Paarlberg. He was on Ezra Taft Benson's staff when the policy was created. In a Seminar at the University of Missouri in the fall of 1978, Mr. Paarlberg suggested that the solution to the family, or small farm problem is "to continue to pursue policies that speed up the increase in the size of farms. This is ongoing public policy." He said, "We will do this while we continue to deplore it". . . . Our first thought when we heard this was to be angry with Mr. Paarlberg. Our more thoughtful appraisal is to be grateful to him for his candor. Now we know. It's difficult to wrestle with supposition; much easier when we have facts.

Of course there is no secret about the decline in the number of farms in the U.S. as there is really no secret about the farm policy which encourages, yet forces, the kind of farm population adjustments that we have seen. It is this farm policy which must be redirected before anything can happen in agriculture that will truly benefit the U.S. farmer. It is a policy which has deprived the agricultural economy of an incredible $879.9 billion of net income from 1952 to 1978, and the total economy many times more than $1.0 trillion of potential economic activity based on this potential "earned income" which was lost because of low farm prices.

For many years it has been the wisdom of conventional economists that savings need only the enhancement of increased interest rates to provide investment funds in greater quantities. The object was to build new plant capacity and thus enhance the possibility of full employment. The logic is that a worker must have a place to work in before he can be employed.

During the Administration of John F. Kennedy it became a matter of public policy to stimulate savings by increasing the interest rates that could be paid by banks, S. & L.s and other regulated lenders. This policy has been in effect now for more than a decade with the approval of subsequent administrations.

Now, in 1979, the futility of this policy is becoming abundantly clear. As interest rates to savers have been increased, interest rates to borrowers have been increased. The result is no net gain to the economy as a whole. Quite the contrary there has been a massive transfer of wealth to the savers, while the borrowers factored the cost into the price of goods and services passed along to consumers.

What is misunderstood is that Interest Income also has a "parity" which must be honored by the other sectors of the economy in order to maintain relative balance. If the interest rates to savers (and borrowers) are above parity, then the effect in the remaining sectors is inflationary. If below parity, it will have a depressing effect.

The realistic presumption would seem to be that employment will not be enhanced at all by just providing a worker a place to work in, unless there is a market for whatever his factory may produce. So, in fact, the most important factor in providing employment, or enhancing existing jobs for that matter, is to expand the market.

Nothing expands markets like "raw material" income, if it is priced at parity with the average cost of other goods and services.

Indeed, the very special value that "raw material income" (new wealth) has, after it has served the needs of the agricultural economy, is its ability to purchase new homes, new schools, new churches, new highways, and to provide the investment capital to build new plants for the new labor force that comes into the economy annually, without drawing against previously accumulated wealth "old wealth." Without this addition of new wealth annually there would be no resources for expansion in the economy, without taking something away from someone who has entered the labor force earlier, and accumulated wealth out of prior years raw material income. Needless to say, perhaps, but if farm prices, like interest rates, are too high, they are inflationary, if too low, deflationary.

What we need in the economy today is the relative balance that prevailed in the base period of 1941–52, which provided each sector with enough income to purchase the goods of every other sector, without the injection of excessive credit.

We are describing a 25-year period of U.S. History which has gone awry, and which may be culminating right now.

During all of this period the one outstanding performer has been the economic sector known as the Net Interest Income of Individuals which has increased 696.61 percent from 1941–52 to 1967–76, as compared with only 14.4 percent for the next largest increase, and a decline in every other sector ranging from −25.9 percent in Rental Income to −258 percent in Realized Net Farm Income. It is true that Net Interest Income of Individuals is not the same as the interest income of Banks and other regulated lenders, but it does reflect the rate structure that has been imposed on investment companies and banks, in order to be able to compete for savings and to pay savers 696.61 percent more in 1967–76 than in 1941–52.

A correlation to the foregoing example of the incredible rise in the cost of interest, is the equally incredible decline in the Net return to agriculture. It is true that the Realized Net Income of agriculture does not directly reflect the price of farm raw materials, but who can deny that it will take a substantial increase in farm prices, perhaps a 100 percent increase, to bring Realized Net Farm Income up to parity in 1967–76, as compared with its position in the National Income in 1941–52.

The inflationary influence of increasing interest rates, exemplifying excessive debt, has more than offset the depressing effects of drastically reduced Farm Income. However, the situation may be reversed as the credit reservoir dries up and there is no more credit available, at any price.

The cumulative effects of this wide disequilibrium in the distribution of National Income, as illustrated in these two examples, without a 180° turn in the public policy toward the pricing of farm products and other raw materials, leaves open only the question of when potential national bankruptcy will occur.

These policies have been so destructive of our economy that it has required a doubling of the Public and Private debt every decade since 1950. The total of this debt in 1978 exceeded $4.0 trillion, and the estimated interest cost at 8 percent per annum would equal $360.0 billion, all of which is a "mortgage" on the future income of the nation.

This incredible total debt and interest must be extracted from future National Income and Market for goods and services at a rate which totally frustrates normal economic function. Can you visualize deducting just the interest cost, $360.0 billion from the annual National Income, then dividing up the rest between the various sectors short $360.0 billion of being enough to consume all of the annual production, at parity prices. It means that the economy must grow at least $360.0 billion annually, to take care of this interest charge, if the National Income is going to be sufficient to produce and distribute the nation's goods.

Needless to say, there is a necessity also to pay the principal of this public and private debt. This is essential so that the money can be re-cycled by reloaning it so that it can again act as an economic multiplier in producing and consuming the annual production. Raw material income (new wealth) added annually in a parity year (optimum of production x parity price) will only consume about 14 percent of the annual production, so re-cycling, and respending of "old wealth" is essential to full production, full consumption and approximate full employment.

A very large part of the public and private debt has a maturity of from 1 to 7 years. Say an average of one-fourth is due annually. This means that $1.0 trillion will have to be collected on debts, and reloaned annually for the fullest economic impact. However, it is well known in financial circles that much debt is being rolled-over. That is, it is being renewed from year to year, and not repaid and reloaned. In this case these dollars are not re-cycled through the economy and do not perform their economic function. They are sterile. The result of this is the necessity of expanding "new debt" out of annual earnings, and if the earnings aren't available, out of "thin air," inflation. Inflation can come from the expansion of cash, or paper dollars, or from the expansion of credit through the manipulation of the fractional reserve system. Without a gold base, or silver, the capability of the Treasury Department and the Federal Reserve system, in conjunction with the Commercial Banking system, is unlimited, and restrained only in the judgment of the people in power.

If the economy fails to increase National Income, from earned income, to pay the cost of interest, and to replace the "sterile" dollars which are lost to the economy because of insolvency, then we must substitute inflation dollars, or go broke.

We have continued to make this same horrible error every year since 1952, deliberately. We continue to corrupt our money system because no one has presented a better idea. No so. A better idea has in fact been presented and rejected by every administration since President Franklin Roosevelt. Why? "Because the economists corrupt Congress, and Congress corrupts the money . . ." (Chrm Burns). The fact is, orthodox economics dare not accept an "unorthodox solution" even though completely safe, for fear of losing credibility.

Our objective in the next series of illustrations is to demonstrate the potential benefits to the total economy if we can manage a market re-distribution of National Income in a previously proven, more equitable manner.

Quite often our conservative friends part company with us right here. They seem to believe that the re-distribution of National Income, and the re-distribution of accumulated wealth are synonymous. If it were, we wouldn't blame them, but it isn't. It is not our intention, nor do our proposals in any way interfere with accumulated wealth (old wealth), except perhaps to enhance it quite incidently, in a very positive fashion.

It is true, however, that a different distribution of National Income will also bring about a different distribution of newly created wealth (raw material income), but it will in no way adversely affect the pool of "old wealth".

If another serious depression would occur, despite assurances to the contrary, it will be because existing trends are not corrected, or perhaps because the correction is too late in the game to be effective, then quite clearly "old wealth" would be in jeopardy.

In another depression there is a very real possibility that a "popular call" by the public will be heeded by a desperate government to confiscate, if not re-distribute, accumulated wealth to provide the needs of a destitute society. It would require only the nationalization of the financial system as a starter and build from there.

Needless to say this would mediate to everyone's disadvantage ultimately, because "old wealth" is finite, and the needs of Society are infinite. In fact, if this were NORMs objective, we would advocate leaving things just as they are.

What we propose to demonstrate to you now will be viewed by some as pure fantasy. But, fantasy suggests "pure imagination" and this is not true. There has always been a pursuasive body of fact supporting the need for 100 percent of parity from early-on, and very convincingly so since the turn of the century.

On occasion even we refer to these examples as hypothetical, but even this is not true. Hypothetic denotes assumption without proof, and we have proof; abundant proof.

What we have is an easily dissected 10 year period of economic performance from 1941–52 from which we can extract precise examples of what we wish to prove. We can make very exacting measurements of "what could have been" in circumstances similar to 1941–1952.

What we prove totally negates apparent need for confiscation of, or redistribution of previously accumulated wealth, because it will clearly eliminate the primary cause of serious depressions.

Ten years average economic periods are used to offer restrained comparisons, opinions that are moderate and believable. However, this doesn't mean that such observations are the very best way to illustrate a point.

If we presume by now that we have established the period of 1941–52 as a reasonable base from which to measure the disequilibrium that has developed in our economy since that time, then there is really nothing wrong with comparing that base period with the year 1978, for example. We can even take the restored 1978 dollar total (column 2) and project them into dollar totals which represent the best of all worlds, 1978 totals which have been not only restored, but also corrected to reflect a fully operating economy (column 3). And if we aren't sure that a restored 1978 is achievable, we can use the figures to estimate the amount of debt that will be needed to sustain the economy, temporarily at least, without restoration.

[In billions of dollars]

	1978	1978 restored to 1941–52	1978 restored [1]
Compensation of employees	1,301.2	1,122.67	1,301.2
Farm income	25.1	116.02	134.5
Small business and professionals	87.8	180.92	209.8
Rental income	23.4	47.02	54.7
Corporate income	160.0	216.70	251.2
Net interest income	106.1	20.10	23.3
Total national income	1,703.6	1,703.40	1,974.7

[1] Corrected to 100 percent of parity.

What you see here may be "the greatest story ever told" because it tells an awful lot that is critical to the decision makers, if a correction is to be achieved. It also tells us something about what we can expect, or need to prepare for, if correction is not achieved.

The differences between column 1 and 2 indicates the distortions in our 1978 National Income and comparable totals restored to the 1941–52 share earned by each sector.

It is evident that Compensation of employees would decline $178.53 billion from column 1 to column 2, and that Net Interest Income of Persons would decline $86.0 billion, with 100 percent of parity applied to 1978. On the other hand, every other sector would increase substantially without exception.

Column 3 merely illustrates what would be necessary in the remaining sectors of the economy, if the $178.53 billion loss in Compensation of Employees is added back, thus maintaining Compensation of Employees at it's 1978 level.

The experience in the distribution of National Income in the 1941–52 period would decree that this would require upward adjustments in all other sectors in exactly the same ratio, in order to maintain balance. The collateral benefit of having $178.53 billion of Wages and Salaries would provide a reciprocal increase in the other sectors totaling $92.77 billion, for a total expansion potential, had 1978 been in 1941–52 balance, of $271.1 billion. The difference between column No. 1 and No. 3. This is what could have been in 1978.

Something similar to this also "could have been" in every year from 1952 to and including 1978. The annual figures and the cumulative loss to the various sectors (restored to 1941–52), but still not (corrected) as we did in column No. 3, are shown elsewhere in this publication.

Assuming that column No. 3 to be a realistic figure in the context of this illustration, then the U.S. economy failed to earn a $271.1 billion increase in National Income in 1978. What are some of the consequences?

It would have provided a market for $271.1 billion more of goods and services for cash.

It could have repaid $271.1 billion of debt, or interest on debt.

It would have provided a tax base for an estimated $81.4 billion of additional U.S. income and excise taxes (30 percent × $271.1), and would have balanced the budget.

Had the Federal Budget been in balance it would have reduced the demand for credit enough to prevent a two percentage points rise in the cost of interest on the $4.0 Trillion of public and private debt.

Less dependence on borrowed funds, because of more profits earned, would have reduced, or at least stabilized, all interest rates in 1978.

Savings would have increased, because an increased Net Farm Income would be the result of higher farm prices, more gross farm income.

Cost of living would have increased 16 percent or 17 percent with a doubling in farm raw material prices, but would then stabilize, as the value of the dollar stabilizes, interest rates decline, prices stabilize and in some cases decline somewhat on consumers hard goods.

Inflation would abate, farm land prices and dwelling prices would drop back substantially, and stabilize at realistic levels.

Gold and silver would decline in price and very likely be included in a "basket" of commodities as the basis for a stable dollar; and not be the "barbaric metal" it was once catagorized to be, not for a generation or two at least.

Prices and values would generally find a new level, a water mark, so, to speak, where efforts will once again begin to increase the value of one commodity relatively higher than all others, in a new cycle.

But we perceive a danger even in this idealized re-balancing of the economy by restoring 1941–52 norms. Some will perceive any downward adjustment of the economy, or downward readjustment of prices, as a sure sign of depression. Panic can ensue and the best efforts of a purposeful public and government effort to restore the economy and to stabilize it safely for posterity, could come to naught.

Now let's assume that no-one is going to react favorably to any kind of a plan for restoration of our raw material income level, and that we continue to trend into either depression, or inflation and then depression, because of a depletion of our liquid financial resources.

Going back to the ratios developed in the late 1920's and early 1930's by Mr. Adkerson and Mr. Wilken and their associates. At that time, without the excessive credit distortions that prevail today, a fairly accurate ratio, between "raw material" income and National Income, was developed. It became known as the 1 to 5 ratio. Simply stated, $1.00 of raw material income will create $5.00 of National Income. There is little doubt but what this ratio prevails with reasonable accuracy today. The conclusion drawn at that time was, unless this ratio was maintained by whatever means, it would result in ultimate credit illiquidity, and depression.

What we have done up to now is to ignore this earlier ratio, and substitute in its place evidence of a declining farm income and rising illiquidity in the financial system as demonstrated in the Commercial Banking system, for whatever reason. It has happened.

According to the Adkerson-Wilken ratio in order to maintain a solvent 1978 National Income (as restored and corrected column No. 3) we need a basic gross income from the production and sale of "all" raw materials of one-fifth of $1,974.7 billion or $1,974.7÷5=$394.94 billion. Of this, agricultural raw materials should constitute roughly 70 percent or $282.1 billion, which would have resulted in $134.5 billion of Realized Net Farm Income in 1978, instead of $25.1 billion. Hard to believe, but it is true.

Now let's assume that we aren't going to do anything at all and let it all go down, or at least not change it for 1979. What we need then is $271.1 billion of additional credit in 1979, to provide a market for goods and services comparable to 1978. However, you will recall our saying that it now takes $1.88 of bank credit to create $1.00 of Gross National Product, compared to only .17 cents in the 1950's. $271.1×1.88=$509.7 billion of additional credit required for 1979.

Incredible, you say. We agree, it is difficult to believe these figures, but this is the way they come out, and we have every reason to believe that they are reasonably accurate. More incredible perhaps is the fact that these are the figures for 1978, which have already been added to the public and private debt, and not for 1979 which will have to be even higher.

You ask now, how this can be accomplished? If the loans and investments of the Commercial Banking System are already at 111.01 percent of deposits, then what? The answer would seem to be apparent. There are other reasons why we may have escaped collapse so far. Let us recount just a few of them, and express the hope that there is still time for internal corrections in the U.S. economy.

Fortunately, there are evidently extenuating circumstances which are having the effect of keeping the economy afloat, for the time being. We say fortunately because anything that prevents a depression is a fortuitous situation, even though failure to make the necessary domestic corrections to restore the economy are not by any means a certainty, it does provide precious time. These are some of the things that are happening now.

We have made generous use of statistical material up to now. The same fine records that the economists agreed would prevent another depression, according to a Wall Street Journal article. Which makes one wonder if economists ever look at Commercial Bank Statistics.

We will now relate some of the information which seems to preclude immediate collapse, but without promise for the more distant future. For example,

One reliable source reported earlier this year that domestic banks had brought back into the U.S. economy some $35.0 billion of money which was previously loaned to foreign customers. Not a big "reflux" compared to apparent needs, but something anyway.

Richard Russel the author of the Dow Theory Letter, Inc., (P.O. Box 1759, LaJolla, California 92038) in his September 12th letter, expanded this subject considerably and helps explain why our economy can continue to "bob-along" in spite of our domestic liquidity problem.

Mr. Russell's letter says, "What we are seeing now is a great invasion in the U.S. by the major banks in the world. Here are some startling facts. There are now about 100 foreign banks doing business in the U.S. These banks have combined assets of $116.0 billion (compared with only $24 billion in 1972). These same banks control 6 percent of the Commercial banking in the U.S. (against 3 percent in 1972). These banks account for 20 percent of all corporate lending in the U.S. 35 percent in California and an incredible 43 percent of all corporate loans in New York . . ."This entrance of foreign banks means a major new source of liquidity in the U.S. Eurocurrency is what bankers call the huge pool of paper money that lies outside the U.S. it is estimated to be around $802.0 billion in size.

Furthermore (please sit down for this one) the Eurocurrency market has grown at a compound rate of 25 percent since 1970. Thus it dwarfs the U.S. money supply and is about equal to the Federal debt. The Eurocurrency market is now an unbelievable ocean of liquidity, and I don't think most investors fully comprehend its meaning or implications. . . ."The essence of this whole discussion is this: I believe the flood of Eurocurrency into the U.S. is moving almost out of control. It is causing the Fed figures and statistics to be almost meaningless.

"The 'out of the Fed' financing in the U.S. today is of absolutely massive proportions. . . . But what I do see is the U.S. and international money lake growing into an ocean. It is an ocean that is subject to few controls, and an ocean that is growing out of control."

Perhaps this reflux of U.S. investments overseas, and the mounting influence of foreign banking in the United States with access to $802.0 billion of Eurocurrency explains why the U.S. economy is "bobbing-along" in spite of evidence in the domestic bank statistics to the contrary.

It is a well known fact that the very large U.S. money banks are the most competitive in the world. The second largest of these, City National Bank of New York, has hundreds of branches in New York, and maybe a hundred branches in foreign countries, to say nothing of additional hundreds of "business development" offices in almost every large city in the U.S. It is also a matter of record that Chase Manhatten, the Third largest bank in the U.S. earned 73 percent of its profits on loans to foreign borrowers, and City National Bank more than 50 percent, an indication of their foreign involvement. The large money banks of the U.S. are known for their aggressiveness and yes, have even been accused of being predatory.

A September 26th, 1979 issue of the American Banker, a daily bank newspaper told in bold headlines, "Citycorp (First City National Holding Company) studies New Effort to Raise Funds Outside of State". The First line of the article goes on to say "Citycorp has under serious study another effort to raise funds from non-New York State Consumers." This is what we call predatory.

One has to ask why the large money banks in the U.S. permit very aggressive lending in the U.S. by foreign banks, which have grown fourfold in 8 years, on the one hand, and why it is driven at this point to seek consumer savings from outside the state of New York, on the other hand; unless they are running out of lendable funds from their usual sources, deposits of their own customers in New York, and the World.

And, on the same date, September 26th the Wall Street Journal carried an editorial entitled "Gold and Money". It referred to Chairman Volker's performance since replacing Chairman Miller on the Federal Reserve Board. It says in part, "Evidence of easy money surrounds us. In the foreign exchange markets the dollar has needed extensive support, and still is at the lowest point since its near-collapse turned around American economic policy last November. The Monetary aggregates are galloping. Over the last four weeks M1 has expanded at a rate of 10.1 percent while M2 expanded at a rate of 11.6 percent. The monetary base has ballooned at a rate of 15.1 percent which means that despite the hullabaloo about interest rates the Federal Reserve has still been injecting reserves into the banking system. Far from fighting inflation, monetary policy remains expansive. . . . The best proxy for short-term credit demands is the total of commercial and industrial loans by large weekly reporting banks, plus outstanding commercial paper of non-financial corporations. In the June 15–September 15 period, this number grew by $9.2 billion. In the same period of 1978 it grew only $0.6 billion, while in the 1977 period it actually shrank $0.7 billion. This extraordinary Credit demand naturally pushed up interest rates, the Fed has merely been following and finding itself injecting reserves and expanding money to meet the demand."

This bit of information seems to reinforce what we are already beginning to perceive. The reflux of foreign deposits from foreign branches of American banks plus the influx of Eurocurrency from a rapidly expanding Foreign banking system, seems to be necessary in a liquidity starved American Banking system. Plus the Federal Reserve bank is making substantial, and in recent history, unprecedented contributions to the liquidity of the American Banking system.

What the information tells us is that the Federal Reserve has no statistics on foreign bank lending, and as a consequence the Fed's records do not accurately reflect the total supply of money that is available, or that is in use in the United States. It does not say that the statistics published in the Federal Reserve Bulletin every month are not an accurate appraisal of the condition of the U.S. banking system.

In this case, the July 25th, 1979 bank statistics, though preliminary, speak loud and clear. The startling acceleration in the rise of the Loans and Investments totals in the U.S. banking system on this date show 111.01 percent. This is an abrupt increase from the long term history of this ratio wherein Loans and Investments have exceeded the growth of deposits by 1 percentage point per annum.

A commonly expressed reason for not wanting to increase Farm Income by $2.0 billion or $3.0 billion in recent years, is because the consumer can't afford it, or won't stand for it. What the total economy needs is not $2.0 or $3.0 billion of increased Net Farm Income, what it needs is the gross farm income that will result in an addition to Net Farm Income of at least $100.0 billion annually. The way things are stacking up now, the consumer can't afford not to pay the additional bill, if he wants economic stability restored to the U.S.

Please note this. This past year the interest rates have increased in excess of 3 percentage points. It is reasonable to assume that the rate on the more than $4.0 trillion public and private debt has moved up at least 2 percentage points, from approximately 6 percent to 8 percent per annum. $4.0 trillion×2.0 percent equals $80.0 billion more interest to be paid this year. This interest cost will be absorbed by the General Public, either directly, or in the increase in the costs of goods and services and taxes. . . . Add to this the fact that an increase of 15 cents per gallon for gasoline and heating oil will increase the total fuel bill by $30.0 billion, and the cost already exceeds 23 cents per gallon.

The amount of $80 billion in increased interest and $30 billion in increased gasoline and fuel costs, is $110 billion that the consumer will pay this year.

Can the consumer afford this? No.

Will he pay it? Yes.

Will he have solved any problems? No.

Will he probably pay more next year for both items? Yes.

Does the administration, the business sector, anyone seem to have a viable solution? No, and Yes.

There is one way. Pay 100% of parity in the market place for all raw materials produced, either domestically, or from foreign nations. Then, given the problem of liquidating a $4 trillion claim against future income, with careful administration and restrained consumption, probably for the next 100 years, we can work it out without a depression.

It is worth a trial run, even if it does challenge some of the favorite concepts of our orthodox economic community. It will beat any depression that the economists can cook up.

After 40 years of trial and error research, to prove to our own satisfaction that the economic concepts of parity are valid and necessary in the operation of our economy, the evidence has finally been provided to us. The foregoing is but a small sample of the mounting testimony available to us as we write this paper.

We are firmly convinced that unless U.S. Farm Policy takes a 180° turn, sincerely and in reality, in the very near future our nation is courting imponderable problems both at home and abroad.

We can imagine that some readers, not in our organization, but well known to all of us are still amused at our naivete in suggesting early in this paper something about a design for economic equality originated by our Creator. For their amusement, let me repeat it again. "It is a promise from which almost miraculous benefits will flow to all man-kind, if realized. It is a promise from an infinite Creator, a Creator who, when he designed the bountiful earth, surely designed a method for all to share generously in its fruits. Or, Failing to implement His design, suffer incredible periodic social and economic disasters, which leave no one without some grievous hurt."

For those who are curious, do we expect a miracle from God to solve this problem, this historic inequity? Our response is No. What we do expect is that if it is solved, it will most certainly be more because of prayer by many imploring His divine assistance, more than the genius of any of us on earth—but in conjunction with what little genius we have. So, among other things which are obvious, we advocate a determined effort, a prayerful effort, to learn and to teach God's design.

For those who are wondering, we can tell you that we do not anticipate a near-term depression, although you know our philosophy is, "it's better to be out of debt, or speculative positions, 2 years too soon, rather than 30 days too late."

Nor, do we foresee near-term runaway inflation, although this too is possible with an uncontrolled influx of Eurocurrency.

The only thing that we are reasonably sure of is the fact that current banking statistics seem to us to be uncompromising and conclusive. And, given a continuation of existing public policy toward parity of farm prices, another depression is very nearly a certainty. The date it will begin will be more accurately pinpointed by history, than by anyone's foresight.

TABLE ILLUSTRATES THE WAGE AND INTEREST COSTS IN RATIO TO TOTAL NATIONAL INCOME FROM 1929 THROUGH 1970. (WAGES AND INTEREST ARE THE COST FACTORS OF OPERATING THE NATIONAL ECONOMY)

(Source of information: 1971 Economic Report of the President of the United States)

Year	Wages and salaries	Net interest	Total wages and interest	National income	Percent of wages and interest to national income	Private enterprise percentage
1929	$51.1	$4.7	$55.8	$86.8	64	36
1930 [1]	46.8	4.9	51.7	75.4	68	32
1931 [1]	39.8	5.9	44.8	59.7	75	25
1932 [1]	31.1	4.6	35.7	42.8	83	17
1933 [1]	29.5	4.1	33.6	40.3	83	17
1934 [1]	34.3	4.1	38.4	49.5	77	23
1935	37.3	4.1	41.4	57.2	72	28
1936	42.9	3.8	46.7	65.0	71	29
1937	47.9	3.7	51.6	73.6	70	30
1938	45.0	3.6	48.6	67.4	72	28
1939	48.1	3.5	51.6	72.6	71	29
1940	52.1	3.3	55.4	81.1	68	32
1941	64.8	3.2	68.0	104.2	65	35
1942	85.3	2.1	88.4	137.1	64	36
1943	109.5	2.7	112.2	170.3	65	35
1944	121.2	2.3	123.5	182.6	67	33
1945	123.1	2.2	125.3	181.5	69	31
1946 [2]	117.9	1.5	119.5	181.9	65	35
1947 [2]	128.9	1.9	130.8	199.0	65	35
1948 [2]	141.1	1.8	142.9	224.2	63	37
1949 [2]	141.0	1.9	142.9	217.5	64	36
1950 [2]	154.6	2.0	156.6	241.1	64	36
1951	180.7	2.3	183.0	278.0	65	35
1952	195.3	2.6	197.9	291.4	67	33
1953	209.1	2.8	211.9	304.7	69	31
1954	$208.0	$3.6	$211.6	$303.1	69	31
1955	224.5	4.1	228.6	331.0	69	31
1956	243.1	4.6	247.7	350.8	70	30
1957	256.0	5.6	261.6	366.1	71	29
1958	257.8	6.8	264.6	367.8	71	29
1959	279.1	7.1	286.2	400.0	71	29
1960	294.2	8.4	302.6	414.5	73	27
1961	302.6	10.0	312.6	427.3	73	27
1962	323.6	11.6	335.2	457.7	73	27
1963	341.0	13.8	354.8	481.9	73	27
1964	365.7	15.8	381.5	518.4	73	27
1965	393.8	18.2	412.0	564.3	73	27
1966	435.5	21.4	456.9	620.6	73	27
1967	467.2	24.4	491.6	653.6	75	25
1968	514.1	27.8	541.9	712.7	76	24
1969	564.2	30.7	594.9	769.5	77	23
1970	599.8	33.5	633.3	801.0	79	21
1971	650.3	42.8	693.1	858.1	80.77	19.23
1972	715.1	47.0	762.1	951.9	80.06	19.94
1973	799.2	52.3	851.5	1,064.6	79.98	20.02
1974	875.8	67.1	942.9	1,135.7	83.02	16.98
1975	928.8	74.6	1,003.4	1,207.6	83.09	16.91
1976 p	1,028.4	82.1	1,110.5	1,349.4	82.29	17.71
1978 p	1,301.2	106.1	1,407.3	1,703.6	82.6	17.39

[1] How close we have moved to the same ratio as years 1930 through 1934.

[2] Average wage and interest cost during our base period equals 100, 1946 to 1950 equals $138.52. Average national income during our base period of 1946 to 1950 equals $212.74. Average wage and interest cost in ratio to national income was 65 percent.

Notes: Notice the relationship that existed during the depression years of the 1930's and today. Note what happened in 1973 when farm prices increased, and again when they broke. 1976 showed improvement resulting from heavy Federal Government deficit spending. Is there a policy to deliberately destroy private enterprise? Data used to compute tables from 1929 through 1970 was obtained from the 1971 Economic Report of the President. Data used to compute years 1971 through 1976 obtained from 1977 Economic Report of the President. 1978 data from the 1979 President's report. Percentages will vary slightly due to revisions of Government records. Nonetheless the decline of private enterprise has been constant. not to mention very alarming. ●

CONFERENCE REPORT ON S. 1157

Mr. RODINO submitted the following conference report and statement on the bill (S. 1157) to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1980, and for other purposes.

CONFERENCE REPORT (H. REPT. NO. 96–628)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1157) to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1980, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Department of Justice Appropriation Authorization Act, Fiscal Year 1980".

SEC. 2. There are authorized to be appropriated for the fiscal year ending September 30, 1980, to carry out the activities of the Department of Justice (including any bureau, office, board, division, commission, or subdivision thereof) the following amounts:

(1) For General Administration, including—

(A) hire of passenger motor vehicles;

(B) miscellaneous and emergency expenses authorized or approved by the Attorney General, or the Associate Attorney General, or the Assistant Attorney General for Administration; and

(C) for the management analysis under section 10 of this Act and for the preparation of the plan for case management information and tracking systems under section 11 of this Act: $28,168,000.

(2) For the United States Parole Commission, including the hire of passenger motor vehicles: $5,555,000.

(3) For General Legal Activities, including—

(A) the hire of passenger motor vehicles;

(B) miscellaneous and emergency expenses authorized or approved by the Attorney General, or the Deputy Attorney General, or the Associate Attorney General, or the Assistant Attorney General for Administration;

(C) not to exceed $20,000 for expenses of collecting evidence, to be expended under the direction of the Attorney General and accounted for solely on his certificate;

(D) advance of public moneys under section 3648 of the Revised Statutes (31 U.S.C. 529);

(E) pay for necessary accommodations in the District of Columbia for conferences and training activities;

(F) not to exceed $105,000 which may be transferred from the "Alien Property Funds, World War II", for the general administrative expenses of alien property activities, including rent of private or Government-owned space in the District of Columbia; and

(G) not to exceed $3,000,000, of which $2,300,000 shall be made available, for the investigation and prosecution of denaturalization and deportation cases involving alleged Nazi war criminals: $111,748,000.

(4) For the Antitrust Division, consumer protection and kindred laws, including not to exceed $4,000,000, to remain available until expended, for antitrust enforcement grants to the States under section 309 of the Omnibus Crime Control and Safe Streets Act of 1968, as such Act existed on September 30, 1979: $48,592,000.

(5) For United States Attorneys, Marshals, and Trustees, including—

(A) purchase of firearms and ammunition;

(B) lease and acquisition of law enforcement and passenger motor vehicles without regard to the general purchase price limitation for the current fiscal year;

(C) supervision of United States prisoners in non-Federal institutions;

(D) bringing to the United States from foreign countries persons charged with crime; and

(E) acquisition, lease, maintenance, and operation of aircraft: $242,573,000.

(6) For Support of United States Prisoners in non-Federal institutions, including necessary clothing and medical aid, payment of rewards, and reimbursements to Saint Elizabeths Hospital for the care and treatment of United States prisoners, at per diem rates as authorized by section 2 of the Act entitled "An Act to authorize certain expenditures from the appropriations of Saint Elizabeths Hospital, and for other purposes", approved August 4, 1947 (24 U.S.C. 168a): $25,100,000.

(7) For Fees and Expenses of Witnesses, including expenses, mileage, compensation, and per diems of witnesses in lieu of subsistence, as authorized by law; including advances of public moneys: $27,052,000, but no sums authorized to be appropriated by this Act shall be used to pay any witness more than one attendance fee for any one calendar day.

(8) For the Community Relations Service: $5,428,000.

(9) For the Federal Bureau of Investigation for—

(A) expenses necessary for the detection and prosecution of crimes against the United States;

(B) protection of the person of the President of the United States and the person of the Attorney General;

(C) acquisition, collection, classification and preservation of identification and other records and their exchange with, and for the official use of, the duly authorized officials of the Federal Government, of States, cities, and other institutions, such exchange to be subject to cancellation if dissemination is made outside the receiving departments or related agencies;

(D) such other investigations regarding official matters under the control of the Department of Justice and the Department of State as may be directed by the Attorney General;

(E) purchase for police-type use without regard to the general purchase price limitation for the current fiscal year and hire of passenger motor vehicles;

(F) acquisition, lease, maintenance, and operation of aircraft; firearms and ammunition; payment of rewards;

(G) benefits in accordance with those provided under sections 911 (9) through (11), 942, and 945 of the Foreign Service Act of 1946 (22 U.S.C. 1136 (9) through (11), 1157, and 1160), under regulations prescribed by the Secretary of State; and

(H) not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General and to be accounted for solely on his certificate:

$584,408,000. None of the sums authorized to be appropriated by this Act for the Federal Bureau of Investigation shall be used to pay the compensation of any employee in the competitive service. Using sums authorized to be appropriated by this Act, the Federal Bureau of Investigation shall classify the offense of arson as a part I crime in its Uniform Crime Reports.

(10) For the Immigration and Naturalization Service, for expenses necessary for the administration and enforcement of the laws relating to immigration, naturalization, and alien registration, including—

(A) advance of cash to aliens for meals and lodging while en route;

(B) payment of allowances to aliens, while held in custody under the immigration laws, for work performed;

(C) payment of expenses and allowances incurred in tracking lost persons as required by public exigencies in aid of State or local law enforcement agencies;

(D) payment of rewards;

(E) not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General and accounted for solely on his certificate;

(F) purchase for police-type use without regard to the general purchase price limitation for the current fiscal year and hire of passenger motor vehicles;

(G) acquisition, lease, maintenance, and operation of aircraft;

(H) firearms and ammunition and attendance at firearms matches;

(I) operation, maintenance, remodeling and repair of buildings, and the purchase of equipment incident thereto;

(J) refunds of maintenance bills, immigration fines, and other items properly returnable except deposits of aliens who become public charges and deposits to secure payment of fines and passage money;

(K) payment of interpreters and translators who are not citizens of the United States and distribution of citizenship textbooks to aliens without cost to such aliens;

(L) acquisition of land as sites for enforcement fences, and construction incident to such fences;

(M) benefits in accordance with those provided under sections 911 (9) through (11), 942, and 945 of the Foreign Service Act of 1946 (22 U.S.C. 1136 (9) through (11), 1157, and 1160) under regulations prescribed by the Secretary of State; and

(N) research related to immigration enforcement which shall remain available until expended:

$319,386,000, of which not to exceed $50,000 may be used for the emergency replacement of aircraft upon the certificate of the Attorney General.

(11) For the Drug Enforcement Administration for its activities, including—

(A) hiring and acquiring law enforcement and passenger motor vehicles without regard to the general purchase price limitation for the current fiscal year;

(B) paying in advance for special tests and studies by contract;

(C) paying in advance for expenses arising out of contractual and reimbursable agreements with State and local law enforcement and regulatory agencies while engaged in cooperative enforcement and regulatory activities in accordance with section 503a(2) of the Controlled Substances Act (21 U.S.C. 873(a)(2));

(D) paying expenses not to exceed $70,000 to meet unforeseen emergencies of a confidential character to be expended under the direction of the Attorney General, and to be accounted for solely on his certificate;

(E) paying rewards;

(F) paying for publication of technical and informational material in professional and trade journals; purchase chemicials, apparatus, and scientific equipment;

(G) paying for necessary accommodations in the District of Columbia for conferences and training activities;

(H) acquiring, leasing, maintaining, and operating aircraft;

(I) research related to enforcement and drug control to remain available until expended;

(J) contracting with individuals for personal services abroad, and such individuals shall not be regarded as employees of the United States Government for the purpose of any law administered by the Office of Personnel Management;

(K) benefits in accordance with those provided under sections 911 (9) through (11), 942, and 945 of the Foreign Service Act of 1946 (22 U.S.C. 1136 (9) through (11), 1157, and 1160), under regulations prescribed by the Secretary of State; and

(L) paying for firearms and ammunition and attendance at firearms matches:

$198,336,000, including such sums as are authorized by section 709(a) of the Controlled Substances Act (21 U.S.C. 904(a)), for the fiscal year ending September 30, 1980.

(12) For the Federal Prison System: $349,789,770, including the following:

(A)(i) For the administration, operation, and maintenance of Federal penal and correctional institutions, including supervision and support of United States prisoners in non-Federal institutions, and not to exceed $28,168,770 for inmate medical services within the system, and not to exceed $100,000 for inmate legal services within the system;

(ii) purchase and hire of law enforcement and passenger motor vehicles;

(iii) compilation of statistics relating to prisoners in Federal penal and correctional institutions;

(iv) assistance to State and local governments to improve their correctional systems;

(v) purchase of firearms and ammunition; medals and other awards;

(vi) payment of rewards;

(vii) purchase and exchange of farm products and livestock;

(viii) construction of buildings at prison camps; and acquisition of land as authorized by section 4010 of title 18 of the United States Code; and

(ix) transfer to the Health Services Administration of such amounts as may be necessary, in the discretion of the Attorney General, for the direct expenditures by that Administration for medical relief for inmates of Federal penal and correctional institutions.

(B) For Federal Prison Industries, Incorporated, to make such expenditures, within the limits of funds and borrowing authority, and in accord with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Control Corporation Act, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation, including purchase and hire of passenger motor vehicles.

(C) For planning, acquisition of sites and construction of new facilities, and constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, including all necessary expenses incident thereto, by contract or force account, to remain available until expended, and the labor of United States prisoners may be used for work performed with sums authorized to be appropriated by this clause.

(D) For carrying out the provisions of sections 4351 through 4353 of title 18 of the United States Code, which establishes a National Institute of Corrections, to remain available until expended.

SEC. 3. (a) None of the sums authorized to be appropriated by this Act may be used to pay the compensation of any person employed after the date of the enactment of this Act as an attorney (except foreign counsel employed in special cases) unless such person shall be duly licensed and authorized to practice as an attorney under the laws of a State, territory, or the District of Columbia.

(b) The Department of Justice shall not be required to absorb from sums appropriated pursuant to the authorization provided in this Act, other than sums appropriated pursuant to section 4(f) of this Act, any increases in salary, pay, retirement, and other employee benefits authorized by law, or other nondiscretionary costs.

(c) None of the sums authorized to be appropriated in this Act may be used for the purposes of engaging in the activity of message-switching until such time as the Committees on the Judiciary of the House of Representatives and Senate have each given their approval. For the purposes of this subsection, the term "message-switching" means the use of electronic equipment to receive a message, store that message until an outgoing line is available, and then retransmit the message without any direct connection between the line on which the message was received and the line on which the message is retransmitted.

SEC. 4. (a) Sums authorized to be appropriated by this Act which are available for expenses of attendance at meetings shall be expended for such purposes in accordance with regulations prescribed by the Attorney General.

(b) Sums authorized to be appropriated by this Act may be used for the purchase of insurance for motor vehicles and aircraft operated in official Government business in foreign countries.

(c) Sums authorized to be appropriated by this Act for salaries and expenses shall be available for services as authorized by section 3109 of title 5 of the United States Code.

(d) Sums authorized to be appropriated by this Act to the Department of Justice may be used, in an amount not to exceed $31,000, for official reception and representation expenses in accordance with distributions, procedures, and regulations established by the Attorney General.

(e) Sums authorized to be appropriated by this Act may be used for—

(1) expenses of primary and secondary schooling for dependents of personnel stationed outside the continental United States at cost not in excess of those authorized by the Department of Defense for the same area, when it is determined by the Attorney General that schools available in the locality are unable to provide adequately for the education of such dependents; and

(2) transportation of those dependents between their place of residence and schools serving the area which those dependents would normally attend when the Attorney General, under such regulations as he may prescribe, determines that such schools are not accessible by public means of transportation.

(f) There are authorized to be appropriated for the fiscal year ending September 30, 1980, such sums as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law, and for other nondiscretionary costs.

(g) Sums authorized to be appropriated for "Salaries and expenses, General Administration", "Salaries and expenses, United States Attorneys, and Marshals", "Salaries and expenses, Federal Bureau of Investigation", "Salaries and expenses, Immigration and Naturalization Service", and "Salaries and expenses, Bureau of Prisons" may be used for uniforms and allowances as authorized by sections 5901 and 5902 of title 5 of the United States Code.

(h) The first sentence of section 5924(4) (B) of title 5 of the United States Code is amended by inserting "the Department of Justice," after "the International Communication Agency,".

SEC. 5. Section 5315(19) of title 5 of the United State Code is amended by striking out "Assistant Attorneys General (9)" and inserting in lieu thereof "Assistant Attorneys General (10)".

SEC. 6. Notwithstanding the second of the paragraphs relating to salaries and expenses of the Federal Bureau of Investigation in the Department of Justice Appropriation Act, 1973 (86 Stat. 1115), sums authorized to be appropriated by this Act for such salaries and expenses may be used for the purposes described in such paragraph until, but not later than, the end of the fiscal year ending September 30, 1980.

SEC. 7. (a) With respect to any undercover investigative operation of the Federal Bureau of Investigation which is necessary for the detection and prosecution of crimes against the United States or for the collection of foreign intelligence or counterintelligence—

(1) sums authorized to be appropriated for the Federal Bureau of Investigation by this Act may be used for leasing space within the United States, the District of Columbia, and the territories and possessions of the United States without regard to section 3679 (a) of the Revised Statutes (31 U.S.C. 665 (a)), section 3732(a) of the Revised Statutes (41 U.S.C. 11(a)), section 305 of the Act of June 30, 1949 (63 Stat. 396; 41 U.S.C. 255), the third undesignated paragraph under the heading "Miscellaneous" of the Act of March 3, 1877 (19 Stat. 370; 40 U.S.C. 34), section 3648 of the Revised Statutes (31 U.S.C. 529), section 3741 of the Revised Statutes (41 U.S.C. 22), and subsections (a) and (c) of section 304 of the Federal Property and Administrative Services Act of 1949 (63 Stat. 395; 41 U.S.C. 254 (a) and (c));

(2) sums authorized to be appropriated for the Federal Bureau of Investigation by this Act may be used to establish or to acquire proprietary corporations or business entities as part of an undercover operation, and to operate such corporations or business entities on a commercial basis, without regard to the provisions of section 304 of the Government Corporation Control Act (31 U.S.C. 869);

(3) sums authorized to be appropriated for the Federal Bureau of Investigation by this Act, and the proceeds from such undercover operation, may be deposited in banks or other financial institutions without regard to the provisions of section 648 of title 18 of the United States Code, and section 3639 of the Revised Statutes (31 U.S.C. 521); and

(4) the proceeds from such undercover operation may be used to offset necessary and reasonable expenses incurred in such operation without regard to the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484);

only upon the written certification of the Director of the Federal Bureau of Investigation (or, if designated by the Director, the Associate Director) and the Attorney General (or, if designated by the Attorney General, the Deputy Attorney General) that any action authorized by paragraph (1), (3), or (4) of this subsection is necessary for the conduct of such undercover operation.

(b) As soon as the proceeds from an undercover investigative operation with respect to which an action is authorized and carried out under paragraphs (3) and (4) of subsection (a) are no longer necessary for the conduct of such operation, such proceeds or the balance of such proceeds remaining at the time shall be deposited into the Treasury of the United States as miscellaneous receipts.

(c) If a corporation or business entity established or acquired as part of an undercover operation under paragraph (2) of subsection (a) with a net value over $50,000 is to be liquidated, sold, or otherwise disposed of, the Federal Bureau of Investigation, as much in advance as the Director or his designee determines is practicable, shall report the circumstances to the Attorney General and the Comptroller General. The proceeds of the liquidation, sale, or other disposition, after obligations are met, shall be deposited in the Treasury of the United States as miscellaneous receipts.

(d) (1) The Federal Bureau of Investigation shall conduct detailed financial audits of undercover operations closed on or after October 1, 1979, and—

(A) report the results of each audit in writing to the Department of Justice, and

(B) report annually to the Congress concerning these audits.

(2) For the purposes of paragraph (1), "undercover operation" means any undercover operation of the Federal Bureau of Investigation, other than a foreign counterintelligence undercover operation—

(A) in which the gross receipts exceed $50,000, and

(B) which is exempted from section 3617 of the Revised Statutes (31 U.S.C. 484) or section 304(a) of the Government Corporation Control Act (31 U.S.C. 869(a)).

SEC. 8. During the fiscal year for which appropriations are authorized by this Act, each organization of the Department of Justice, through the appropriate office within the Department of Justice, shall notify in writing the Committees on the Judiciary, of the House of Representatives and the Senate, and other appropriate committees, and the ranking Minority members thereof, a minimum of 15 days before—

(1) reprograming of funds in excess of $250,000 or 10 percent, whichever is less, between the programs within the offices, divisions, and boards as defined in the Department of Justice's program structure submitted to the Committees on the Judiciary of the Senate and House of Representatives;

(2) reprograming of funds in excess of $500,000 or 10 percent, whichever is less, between programs within the Bureaus as defined in the Department of Justice's program structure submitted to the Committees on the Judiciary of the Senate and House of Representatives;

(3) any reprograming action which involves less than the amounts specified in paragraphs (1) and (2) if such action would have the effect of significant program changes and committing substantive program funding requirements in future years;

(4) increasing personnel or funds by any means for any project or program for which funds or other resources have been restricted;

(5) creation of new programs or significant augmentation of existing programs;

(6) reorganization of offices or programs; and

(7) significant relocation of offices or employees.

SEC. 9. (a) The Attorney General shall perform periodic evaluations of the overall efficiency and effectiveness of the Department of Justice programs and any supporting activities funded by appropriations authorized by this Act and annual specific program evaluations of selected subordinate organization's programs, as determined by priorities set either by the Congress or the Attorney General.

(b) Subordinate Department of Justice organizations and their officials shall provide all necessary assistance and cooperation in the conduct of the evaluation, including full access to all information, documentation, and cognizant personnel, as required.

(c) Completed evaluations shall be made available to the Committees on the Judiciary of the Senate and House of Representatives, and other appropriate committees.

(d) If the Committee on the Judiciary of either the Senate or the House of Representatives requests the Attorney General to perform an evaluation of the kind described in subsection (a) of this section, the Attorney General shall submit to the committee making the request, not later than 30 days after the date the request is made, a design and timetable for making the requested evaluation. If the projected time period for completing the evaluation exceeds 6 months, the Attorney General shall, during the course of the evaluation, submit intermittent reports on the progress of the evaluation to the committee making the request.

SEC. 10. The Attorney General shall make arrangements with an appropriate entity for an independent, comprehensive management analysis of the operations of the Immigration and Naturalization Service for the purpose of making such operations efficient and cost effective. After the completion of such analysis, the Attorney General shall promptly submit a report to the appropriate committees of Congress on the results of such analysis together with any administrative or legislative recommendations of the Attorney General to improve the operations of the Service.

SEC. 11. (a) Not later than April 15, 1980, the Attorney General, after consultation with the Director of the Executive Office of United States Attorneys and such Assistant Attorneys General as he shall deem appropriate, shall prepare and submit to the Committees on the Judiciary of the Senate and House of Representatives a plan for the activation and coordination, within the Department, of compatible, comprehensive case management information and tracking systems for each of the judicial districts of the United States, as described in chapter 5 of title 28 of the United States Code and for each of the divisions of the Department.

(b) Such plan shall—

(1) incorporate into the design of such systems all matters and cases involving the United States Attorneys and, where relevant, other departmental resources;

(2) make provision for identifying and retrieving all relevant data, including—

(A) complete individual case information from intake or commencement of investigation to final disposition, including identification of the division or office primarily responsible for the case;

(B) complete information on decisions not to prosecute or litigate alleged violations of the laws of the United States, the stage of the proceedings at which such decisions are made, and the reasons for such decisions; and

(C) identification of the local, State, or Federal governmental organization, including any organization within the Department of Justice, referring each case for prosecution or litigation;

(3) take into account the importance of identifying investigations, prosecutions, and litigation in areas which the Attorney General may from time to time designate as high priority;

(4) consider the application of a case weighting system for evaluating prosecutorial and litigation decisions, dedication of resources, and case management and disposition by all departmental personnel involved.

(5) emphasize as a goal maximum data retrieval and utilization; and

(6) include a timetable for implementation of the plan and the costs for implementation.

SEC. 12. The Attorney General may, with the concurrence of any agency or Department with primary enforcement responsibility for an environmental or natural resource law, investigate any violation, of an environmental or natural resource law of the United States, and bring such actions as are necessary to enforce such laws. This section does not affect the criminal law enforcement authority of the Attorney General.

SEC. 13. Section 709 of the Controlled Substances Act (21 U.S.C. 904(b)) is amended by adding after subsection (b) the following new subsection:

"(c) Notwithstanding section 2680(k) of title 28, United States Code, the Attorney General, in carrying out the functions of the Department of Justice under this title, is authorized to pay tort claims in the manner authorized by section 2672 of title 28, United States Code, when such claims arise in a foreign country in connection with the operations of the Drug Enforcement Administration abroad.".

SEC. 14. Section 511(d) of the Controlled Substances Act (21 U.S.C. 881(d)) is amended by—

(1) striking out "All provisions" and inserting in lieu thereof "The provisions", and

(2) striking out "and the award of compensation to informers in respect of such forfeitures".

SEC. 15. Section 709(a) of the Controlled Substances Act (21 U.S.C. 904) is amended—

(1) by striking out "and" after "1978,", and

(2) by inserting after "1979," the following: "and $198,836,000 for the fiscal year ending September 30, 1980,".

SEC. 16. (a) Paragraph (4) of section 102 of the Controlled Substances Act (21 U.S.C. 802(4)) is amended to read as follows:

"(4) The term 'Drug Enforcement Administration' means the Drug Enforcement Administration in the Department of Justice.".

(b) Sections 508 and 516 of such Act (21 U.S.C. 878, 886) are each amended by striking out "Bureau of Narcotics and Dangerous Drugs" each place it occurs and inserting in lieu thereof "Drug Enforcement Administration".

(c) Section 513 of such Act (21 U.S.C. 883) is amended—

(1) by striking out "Director of the Bureau of Narcotics and Dangerous Drugs" and inserting in lieu thereof "Administrator of the Drug Enforcement Administration"; and

(2) by striking out "Director may" and inserting in lieu thereof "Administrator may".

SEC. 17. (a) In addition to any other sums appropriated by this Act, there are authorized to be appropriated $5,000,000, to remain available until expended, for financial assistance to joint State and joint State and local law enforcement agencies engaged in cooperative enforcement efforts with respect to drug related offenses, organized criminal activity and all support activities related thereto.

(b) The Attorney General shall, in accordance with section 553 of title 5 of the United States Code promulgate regulations establishing criteria under which such cooperative enforcement agencies may qualify for financial assistance under this section.

SEC. 18. (a) On or before September 1, 1980, the Attorney General shall submit to Congress—

(1) a plan to assure the closure of the United States Penitentiary at Atlanta, Georgia, by September 1, 1984; and

(2) a plan to alter the function of the United States Penitentiary at Leavenworth, Kansas, to that of a modern correctional institution by September 1, 1985.

(b) The plan prepared under this section shall prohibit the use of the United States Penitentiary at Atlanta, Georgia, as a correctional institution by a State or political subdivision after the closure of the institution by the Federal Government.

SEC. 19. In addition to any other sums that are authorized to be appropriated by this Act, there are authorized to be appropriated $2,600,000 for planning and site acquisition of a Federal detention facility in Los Angeles County, California.

SEC. 20. (a) The National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration are authorized to use funds, and to authorize States to use funds, for programs, projects or events devoted to the international aspects of crime prevention and criminal justice.

(b) Notwithstanding any other provision of law, the State of California is authorized to utilize the proceeds of block grants awarded during fiscal year 1979 or fiscal years previous thereto to fund the 1980 Congress on the Prevention of Crime and Treatment of Offenders.

SEC. 21. (a) The Attorney General shall, during the fiscal year for which appropriations are authorized by this Act, transmit a report to each House of the Congress in any case in which the Attorney General—

(1) establishes a policy to refrain from the enforcement of any provision of law enacted by the Congress, the enforcement of which is the responsibility of the Department of Justice, because of the position of the Department of Justice that such provision of law is not constitutional; or

(2) determines that the Department of Justice will contest, or will refrain from defending, any provision of law enacted by the Congress in any proceeding before any court of the United States, or in any administrative or other proceeding, because of the position of the Department of Justice that such provision of law is not constitutional.

(b) Any report required in subsection (a) shall be transmitted not later than 30 days after the Attorney General establishes the policy specified in subsection (a)(1) or makes the determination specified in subsection (a)(2). Each such report shall—

(1) specify the provision of law involved;

(2) include a detailed statement of the reasons for the position of the Department of Justice that such provision of law is not constitutional; and

(3) in the case of a determination specified in subsection (a)(2), indicate the nature of the judicial, administrative, or other proceeding involved.

(c) If, during the fiscal year for which appropriations are authorized by this Act, the Attorney General determines that the Department of Justice will contest, or will refrain from defending, any provision of law enacted by the Congress in any proceeding before any court of the United States, or in any administrative or other proceeding, because of the position of the Department of Justice that such provision of law is not constitutional, then the representative of the Department of Justice participating in such proceeding shall make a declaration in such proceeding that such position of the Department of Justice regarding the constitutionality of the provision of law involved constitutes the position of the executive branch of the United States with respect to such matter.

SEC. 22. (a) In order to create an independent and objective unit—

(1) to conduct and supervise audits and investigations relating to programs and operations of the Immigration and Naturalization Service,

(2) to provide leadership and coordination and recommend policies for activities designed (A) to promote economy, efficiency, and effectiveness in the administration of, and (B) to prevent and detect fraud and abuse in, such programs and operations, and

(3) to provide a means for keeping the Commissioner of the Immigration and Naturalization Service and the Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action,

there is hereby established in the Immigration and Naturalization Service of the Department of Justice an Office of Special Investigator (hereinafter in this section referred to as "the Office").

(b) (1) There shall be at the head of the Office a Special Investigator (hereinafter in this section referred to as "the Special Investigator") who shall be appointed by the Attorney General without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations. The Special Investigator shall report to and be under the general supervision of the Commissioner, who shall not prevent or prohibit the Special Investigator from initiating, carrying out or completing any audit or investigation, or from issuing any subpena during the course of any audit or investigation.

(2) The Special Investigator may be removed from office by the Attorney General. The Attorney General shall communicate the reasons for any such removal to both Houses of Congress.

(3) For the purposes of section 7324 of title 5 of the United States Code, the Special Investigator shall not be considered to be an employee who determines policies to be pursued by the United States in the nationwide administration of Federal laws.

(4) The Special Investigator shall, in accordance with applicable laws and regulations governing the civil service—

(A) appoint an Assistant Special Investigator for Auditing who shall have the responsibility for supervising the performance of auditing activities relating to programs and operations of the Service, and

(B) appoint an Assistant Special Investigator for Investigations who shall have the responsibility for the performance of investigative activities relating to such programs and operations.

(c) The following provisions of the Inspector General Act of 1978 (Public Law 95-452) shall apply to the Special Investigator, the Office, the Commissioner, and the Service under this section in the same manner as those provisions apply to an Inspector General, an Office, the head of the establishment, and an establishment under such Act:

(1) Section 4 (relating to duties and responsibilities of an Inspector General and the manner in which they are carried out).

(2) Section 5 (relating to reports required to be prepared and furnished by or to an Inspector General and their transmittal and availability).

(3) Section 6 (relating to the authority of an Inspector General and related administrative provisions).

(4) Section 7 (relating to the treatment of employee complaints by an Inspector General).

(d) The Attorney General is authorized to appoint such staff as may be necessary to carry out this section.

(e) For purposes of this section—

(1) the term "Service" means the Immigration and Naturalization Service;

(2) the term "Department" means the Department of Justice; and

(3) the term "Commissioner" means the Commissioner of Immigration and Naturalization.

(f) The Special Investigator shall be compensated at the rate then payable under section 5316 of title 5 of the United States Code for level V of the Executive Schedule.

(g) The provisions of this section shall take effect on the date of the enactment of this Act and shall cease to have effect the earlier of—

(1) 3 years after the date of the enactment of this Act; and

(2) the establishment of an office of inspector general for the Department of Justice.

(h) In addition to any other sums authorized to be appropriated by this Act, there are authorized to be appropriated $376,000 for the fiscal year ending September 30, 1980 to carry out this section.

SEC. 23. Section 4 of the Act entitled "An Act to amend section 201(a), 202(c) and 203(a) of the Immigration and Nationality Act, as amended, and to establish a Select Commission on Immigration and Refugee Policy", approved October 5, 1978 (92 Stat. 907; 8 U.S.C. 1151 note), is amended—

(1) in subsection (b) (2), by striking out "receive the sum of $100" and inserting in lieu thereof "be compensated at a rate not to exceed the daily equivalent of the rate then payable for grade GS-18 in the General Schedule under section 5332 of title 5, United States Code,";

(2) in subsection (d) (7), by striking out "September 30, 1980" and inserting in lieu thereof "March 1, 1981";

(3) in subsection (e) (1), by inserting after "detailed to the Commission" the following: "without reimbursement";

(4) in subsection (i), by striking out "$700,000" and inserting in lieu thereof "$2,450,000, to remain available until expended,"; and

(5) by amending subsection (j) to read as follows:

"(j) The Commission is authorized to procure temporary and intermittent services of experts and consultants as are necessary to the extent authorized by section 3109 of title 5, United States Code, but at rates not to exceed the daily equivalent of the rate then payable for grade GS-18 in the General Schedule under section 5332 of such title.".

And the House agree to the same.

PETER W. RODINO,
JACK BROOKS,
ROBERT W. KASTENMEIER,
DON EDWARDS,
JOHN F. SEIBERLING,
GEORGE DANIELSON,
ROBERT F. DRINAN,
ELIZABETH HOLTZMAN,
JOHN CONYERS,
ROBERT MCCLORY,
TOM RAILSBACK,
HAMILTON FISH, Jr.,
HENRY J. HYDE,
Managers on the Part of the House.

EDWARD M. KENNEDY,
HOWARD M. METZENBAUM,
BIRCH BAYH,
MAX BAUCUS,
DENNIS DECONCINI,
STROM THURMOND,
C. MCC. MATHIAS, Jr.,
THAD COCHRAN,
ROBERT DOLE,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1157) to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1980, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute text. The Senate receded from its disagreement to the amendment of the House to the text of the bill and agreed to the same with an amendment which is a substitute for the matter proposed to be inserted by the House amendment.

As to dollar amounts, both Houses were in agreement on the sums authorized to be appropriated for the United States Parole Commission, the Support of United States Prisoners, the Fees and Expenses of Witnesses, the Community Relations Service, the Federal Bureau of Investigation, and for the Federal Prison System, and thus these items were not committed to the conference committee.

The principal differences among the Senate bill, the House amendment, and the substitute agreed to in Conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the Conferees, and minor drafting and clarifying changes.

GENERAL ADMINISTRATION

Overall authorization

The House amendment provides $33,168,000 for general administration.

The Senate bill provides $26,417,000, and not to exceed $500,000 for a management analysis of the Immigration and Naturalization Service and for the preparation of a plan for case management information and tracking systems.

The Conferees adopted $28,168,000 (placing $5,000,000 of the House figure in a separate section dealing with local drug enforcement programs) and the Senate language providing for the management analysis of the Immigration and Naturalization Service and the case management information and tracking systems with the deletion of the $500,000 figure.

(See the Immigration and Naturalization Service Section below for discussion of Immigration and Naturalization Service Analysis.)

Joint State and joint State and local drug enforcement programs

The Senate bill provides $5,000,000 for joint State and joint State and local law enforcement activities with regard to drug related offenses under the Controlled Substances Act.

The House amendment has no such specific provision but the funds are included in the authorization for General Administration.

The Conferees adopted the Senate version as modified to ensure that the funds will remain available until expended for the direct funding of joint State and joint State and local law enforcement agencies engaged in cooperative enforcement efforts with respect to drug related offenses, organized criminal activity and all support activities related thereto.

The joint enforcement efforts to be funded under this Act have in prior years received start-up funds under the Law Enforcement Assistance Administration (LEAA) and it is not the intention of the Conferees to authorize these new funds as a substitute to LEAA funding. Rather, the funds provided under this Act are intended primarily to provide continued funding to those agencies which have completed the LEAA funding cycle such as the Quad State Project (Tucson, Arizona) and the Regional Organized Crime Information Center (Memphis, Tennessee). It is especially important that LEAA provide initial funds for agencies in the formative stages, including the first few years of operation. Once the agencies become well-established, it is intended that the funding shift away from LEAA to funds specifically authorized under this Act. This, however, is not intended to preclude the Department of Justice from using funds authorized under this Act to assist emerging agencies, such as the New England States Police Administrators Council, the California Narcotics Information Network, and the Mid-States Organized Crime Information Center, once the preliminary funding obligations have been met. Nothing in this Act is intended to imply any level of required non-Federal funding for any joint State or joint State and local law enforcement agency. The Regional Organized Crime Information Center will require funding prior to the issuance of regulations under subsection (B). It is the intention of the Conferees that this funding requirement be met prior to the issuance of the permanent regulation.

Case management information and tracking systems

As a first step in the creation of Federal transaction statistics, the Senate bill provides for the establishment of a plan to be submitted to the Judiciary Committees for a comprehensive case management information and tracking system for each of the judicial districts for the United States.

The House amendment contains no such provision.

The Conferees adopted the Senate version.

GENERAL LEGAL ACTIVITIES

The House amendment provides $106,267,000 of which $3,000,000 shall be made available for the investigation and prosecution of denaturalization and deportation cases involving alleged Nazi war criminals.

The Senate bill provides $111,748,000 with not to exceed $16,096,000 for investigation and prosecution of racketeering, $16,439,000 for litigation involving environmental protection, $16,076,000 for civil rights enforcement, and $2,052,000 for investigation and prosecution of denaturalization and deportation cases involving alleged Nazi war criminals.

The Conferees adopted $111,748,000 including and not to exceed $3,000,000 of which $2.3 million shall be made available for the investigation and prosecution of denaturalization and deportation cases involving alleged Nazi war criminals.

It is the intention of the Conferees that the policies reflected in the Senate bill as additions of resources for the Department of Justice's legal activities be viewed by the Department as priorities and be taken into account when consideration is given to supplemental appropriations.

ANTITRUST DIVISION

The House amendment provides $46,915,000 for the Antitrust Division.

The Senate bill provides $48,592,000, including not to exceed $31,500,000 for investigation and prosecution of cases involving private conspiratorial conduct, and monopoly oligopoly, and not to exceed $5,000,000 for antitrust enforcement grants to the States.

The Conferees adopted $48,592,000 for the Antitrust Division including and not to exceed $4,000,000 for antitrust enforcement grants to the States which shall remain available until expended.

UNITED STATES MARSHALS

Overall authorization

The House amendment provides $242,573,000 for the U.S. Attorneys, Marshals and Trustees.

The Senate bill includes $232,573,000. The Senate bill also provides specific language for $6.3 million for the Witness Security Program.

The Conferees adopted the House version.

Aircraft

The House amendment includes language which permits the U.S. Marshals Service to acquire, lease, maintain and operate aircraft.

The Senate bill has no such provision.

The Conferees adopted the House version.

It is the intention of the Conferees that the Marshal Service only utilize the authority if it will result in a cost savings, and that the Marshals Service not acquire a large number of such aircraft.

Service of process

The Senate bill specifically prohibits the U.S. Marshals from serving private civil process, except under extraordinary circumstances and for indigents.

The House amendment contains no such provision.

The Conferees adopted the House version.

FEDERAL BUREAU OF INVESTIGATION

Investigatory authority

The House amendment provides for expenses necessary for the detection, *investigation*, and prosecution of crimes against the United States.

The Senate bill provides for expenses necessary for the detection and prosecution of crimes against the United States.

The Conferees adopted the Senate version.

Counter terrorism

The House amendment provides a cap of $12.1 million to counter terrorism in the United States.

The Senate bill has no such provision.

The Conferees adopted the Senate version.

Use of FBI agents by Hill committees

The House amendment authorizes reimbursement by the Appropriations Committees for the assignment of investigative and support staff or other assistance to be credited to the total amount for the FBI.

The Senate bill has no such provision.

The Conferees adopted the Senate version.

The Conferees agreed that the use of Bureau agents by Congressional committees involves policy issues better resolved in the forum of the F.B.I. Charter.

Message switching

The Senate bill prohibits the expenditure of funds for the purchase, lease and acquisition of message switching equipment until such time as the Committees of the Judiciary of the House and the Senate have given their approval.

The House amendment has no provision.

The Conferees adopted a prohibition on the use of the funds to engage in message switching activities.

The Conferees generally agree with the views expressed on message switching in Senate Report 96–173. They wish to reemphasize their understanding that message switching is defined by the Office of Technology Assessment as "the technique of receiving a message, storing it in a computer until the proper outgoing line is available, and then retransmitting, with no direct connection between the incoming and outgoing lines." The managers want to reaffirm the policy set by the Congress on message switching which confirmed outstanding Departmental and Congressional agreements that, absent the approval of the Committee on the Judiciary of both the House of Representatives and the Senate, the Department, including the FBI, is prohibited from utilizing equipment to create a message switching system linking State and local law enforcement data banks through equipment under the control of the Department or the Bureau.

Both the House and the Senate Committees on the Judiciary anticipate that they will continue to work with the Department of Justice in order to take the necessary steps to assure that all of its criminal justice information systems become more reliable. This is particularly important to local law enforcement officials when they make requests for information from the existing National Crime Information Center (NCIC) system about wanted persons and stolen property.

Reimbursement for fingerprint cards

The House amendment provides that financial institutions be required to reimburse the FBI for processing of fingerprint cards and other records.

The Senate bill has no such provision.

The Conferees adopted the Senate version.

Undercover operations

The House amendment authorizes undercover operations but does not have the specific language dealing with proprietary corporations that the Senate bill includes.

The Senate bill provides that the Bureau may utilize the funds authorized by this Act to establish proprietary corporations as part of an undercover operation, but that if such is done the circumstances of the liquidation of such proprietary corporations must be reported to the Attorney General and the Comptroller General. The Senate bill also provides specific audit requirements with respect to undercover operations.

The Conferees adopted the Senate version.

Reprogramming notification

The House amendment provides that the Department of Justice notify the Judiciary Committees and other appropriate committees of certain reprogramming actions. Ranking Minority Members of such committees must also be notified. The notification of reprogramming must be made within a minimum of 15 days prior to such action. The notification will be triggered as follows:

(A) Offices, Divisions and Boards must advise of reprogramming in excess of $250,000 or 10%, whichever is less.

(B) Bureaus must advise of reprogramming in excess of $500,000 or 2%, whichever is less.

The Senate bill has no provision relating to notification of Minority Members. It provides a minimum of 20 days for the notification. The levels in the Senate bill are $150,000 for reprogramming or 10% for Offices, Divisions and Boards and $500,000, or 10%, for Bureaus.

The Conferees adopted the House version regarding Minority Member notification; the House version requiring 15 days prior notice of reprogramming; the House version of $250,000 for the trigger for reprogramming notification by Offices, Divisions and Boards; and the Senate version of the percentage trigger (10%) for reprogramming notification by Bureaus.

IMMIGRATION AND NATURALIZATION SERVICE

Overall authorization

The House amendment provides $319,386,000 for the Immigration and Naturalization Service and includes a $2.1 million designation for a non-immigrant control system and a $5,000,000 designation for automated systems for processing and record keeping in the district offices.

The Senate bill provides $313,317,000 for the Immigration and Naturalization Service, including not to exceed $70,454,000 for the Border Patrol.

The Conferees adopted $319,386,000 with no specific designations.

It is the intention of the Conferees that the figures relating to the non-immigrant control system, the automated systems for processing and record keeping in the district offices and the Border Patrol specifically guide the Department in the expenditure of appropriated funds.

Immigration and Naturalization Service management analysis

The Senate bill and House amendment both provide, in General Administration, authorization for an independent comprehensive management analysis of the Immigration and Naturalization Service.

The Conferees agreed that the Department does not have the internal capability to conduct such an analysis, particularly in view of the Department's neglect of the Immigration and Naturalization Service over the years, and that such a comprehensive management review, conducted by individuals with specific expertise in management analysis, outside of the Department, is absolutely necessary.

To date there has not been such a comprehensive, independent management study of the Immigration and Naturalization Service. Congressional oversight has demonstrated the tremendous management problems which exist within that agency as well as the inability of the Department to internally develop recommendations necessary for improvement.

Although the language requires that the study be "independent" and "comprehensive", it does permit flexibility in its scope and design.

The Conferees agreed that a detailed plan, explaining what the management study required by this section will cover, be submitted by the Attorney General prior to, or together with, the fiscal year 1981 authorization request for the Immigration and Naturalization Service. The Conferees recommend that, at the minimum, the plan provide for the detailed study and evaluation of the following:

Adequacy of the current INS organizational structure (including regional offices), and including an assessment of its impact on INS's ability to carry out its statutory mandate;

Adequacy and effectiveness of INS planning and evaluation programs;

INS pay and overtime practices;

Adequacy and impact of current INS personnel policies and practices, including recruitment, training, and promotion programs;

Adequacy of current and planned data processing systems;

Adequacy of internal rules and regulations governing employee conduct;

Adequacy of fiscal and auditing policies, programs and procedures.

It is intended that the analysis and an estimation of the costs of its recommendation be completed in time for use by the Committees on the Judiciary of the House of Representatives and the Senate during their deliberations on the fiscal year 1982 Department of Justice Appropriation Authorization Act.

Special investigator

The House amendment establishes an Inspector General for the Immigration and Naturalization Service to be appointed by the President.

The Senate bill has no such provision.

The Conferees adopted the establishment of a Special Investigator for the Immigration and Naturalization Service, to be appointed by the Attorney General for a period of three years or until the date of the establishment of an office of Inspector General in the Department of Justice if such establishment occurs within three years.

It is the intent of the Conferees that the Attorney General shall undertake a study with respect to establishing in the Department of Justice an Office of Inspector General. In performing the study, the Attorney General shall take into account the unique responsibilities and needs within the Department for such an office, including—

(1) the particular problems relating to the programs and operations of the Immigration and Naturalization Service;

(2) the utility and feasibility of merging the Office of Professional Responsibility and the audit capacities of the Justice Management Division within the Office of Inspector General; and

(3) the organizational relationship between the Office of Inspector General and the bureaus, the divisions, and the offices of the United States Attorneys.

Upon the conclusion of the study, the Attorney General shall submit a report of the results of the study and specific legislative recommendations with respect to the functions and resource requirements of the office to the Committees on the Judiciary of the Senate and the House of Representatives not later than February 15, 1980.

Attorney General's private fund

The House amendment provides $80,000 for the Attorney General's private fund.

The Senate bill provides $70,000 for the private fund.

The Conferees adopted the Senate version.

Overtime cap

The Senate bill provides a cap on Immigration and Naturalization Service Employees' compensation so as not to exceed the salary of the Commissioner of INS.

The House amendment has no such provision.

The Conferees adopted the House version. It is the intention of the Congress that the INS Management Analysis (above) specifically look at the problem of overtime compensation.

DRUG ENFORCEMENT ADMINISTRATION

Overall authorization

The House amendment provides $202,366,000 for the Drug Enforcement Administration, under the Controlled Substances Act.

The Senate bill provides $193,836,000 for the Drug Enforcement Administration, under the Controlled Substances Act.

The Conferees adopted $198,366,000.

Technical amendments

The House amendment includes certain technical amendments to 21 USC concerning the changing of the name of the Drug Enforcement Administration.

The Senate has no such provision.

The Conferees adopted the House version.

Foreign tort claims

The House amendment provides for payment of tort claims against the United States when such claims arise in foreign countries in connection with the Drug Enforcement Administration operations abroad. Such payments are to be made by the Drug Enforcement Administration.

The Senate bill provides for payment of tort claims against the United States when such claims arise in foreign countries in connection with the Drug Enforcement Administration operations abroad, but such payments are to be made by the Attorney General.

The Conferees adopted the Senate version as modified to delete the specific reference to the Department of Justice authorization so such claims could be paid in the same manner as other tort claims.

FEDERAL PRISON SYSTEM

Overall authorization

The House amendment provides $344,011,000 for the Federal Prison System.

The Senate bill provides $349,789,000 for the Federal Prison System.

The Conferees adopted the Senate version.

Medical and legal services

The House amendment provides a specific breakout for $5,148,770 to improve the quality of medical services within the system and a specific breakout of $30,000 to improve the quality of legal services within the system.

The Senate bill provides the same levels which are included in the overall Federal Prison System figures for medical services and legal services.

The Conferees adopted the Senate version.

Renovation of facilities

The Senate bill provides a specific provision that "not to exceed $2.44 million" is provided for renovation of medical facilities and existing Federal penal and correctional facilities.

The House amendment has no such provision.

The Conferees adopted the House version.

Los Angeles County Municipal Correction Center

The House amendment provides that the Attorney General shall take such steps as necessary to acquire or construct a Federal detention facility in Los Angeles County, California and provides $2.6 million authorization for planning and site acquisition.

The Senate bill has no such provision.

The Conferees adopted a $2.6 million authorization for planning and site acquisition for a Federal detention facility in Los Angeles County, California.

Prison plans

The House amendment requires the Attorney General to submit to the Congress a plan to assure the closure of the United States Penitentiary at Atlanta, Georgia by September 1, 1984, and a plan to alter the function of the United States Penitentiary at Leavenworth, Kansas, to that of a modern correctional institution capable of housing not more than 500 prisoners by September 1, 1985. The House amendment also provides that the plan prohibit the use of the U.S. Penitentiary in Atlanta by State or local governments as a correctional institution after its closure by the Federal government.

The Senate bill provides that the Attorney General shall submit to the Congress a plan to alter the function of the United States Penitentiary at Leavenworth, Kansas to that of a modern correctional institution.

The Conferees adopted the House version as modified.

It is the intent of the Conferees that no modern correctional facility have more than 500 inmates. The plan which the Attorney General prepares pursuant to this section should respect this intention. If the Attorney General wishes to prepare additional plans for the consideration of the Committees of the Judiciary of the House of Representatives and the Senate, with proposals for housing more than 500 inmates at Leavenworth, he may do so.

It is also the intent of the Conferees that the plan prepared pursuant to this section take into account the possibility of displacement of Bureau personnel and that the Attorney General prepare the plan with the clear intent of minimizing any possible unemployment resulting from the closure of the Atlanta Penitentiary.

OTHER ITEMS

Environmental actions

The Senate bill provides that the Attorney General, with the concurrence of agencies with environmental law responsibility, may investigate violations of such laws and bring actions as necessary.

The House amendment contains no such provision.

The Conferees adopted the Senate version as modified to ensure that the provision shall not affect the criminal law enforcement authority of the Attorney General.

Evaluations

The House amendment provides for performance of periodic evaluations of efficiency and effectiveness of Department of Justice programs. It requires submission of the evaluations within 60 days. It also provides that completed evaluations must be made available to the Judiciary Committees and "other appropriate Committees."

The Senate bill requires submission of the plan for evaluation within 30 days and does not include "other appropriate Committees."

The Conferees adopted the Senate version as modified to insert the House language requiring the completed evaluation shall also be made available to "other appropriate Committees" of the Congress.

Attorney General's reception fund

The Senate bill provides for a $31,000 cap on the Attorney General's fund for official receptions.

The House amendment has no such cap.

The Conferees adopted the Senate version.

Insurance

The House amendment provides authorization for the purchase of insurance for motor vehicles and aircraft operated overseas.

The Senate bill does not include aircraft.

The Conferees adopted the House version.

Pay increase absorption

The Senate bill provides that the Department of Justice shall not be required to absorb the cost of non-discretionary increases.

The House amendment has no provision.

The Conferees adopted the Senate version.

The Conferees intend this section to foster Congressional oversight, by precluding the Office of Management and Budget from unilaterally directing the reprogramming of funds to cover the cost of non-discretionary increases. (See Senate Report 96–173, page 7.) To the extent demands of fiscal policy require the "absorption" of non-discretionary increases, the Conferees intend that the recission and supplemental procedures of the Budget and Impoundment Control Act should be invoked.

Education travel benefits

The House amendment permits dependents of Department of Justice personnel stationed abroad certain travel benefits. Amends 5 USC Section 5924(4)(b).

The Senate bill has no provision.

The Conferees adopted the House version.

Carter Warehouse—Special Counsel

The Senate bill provides authorization for a continuation of the Special Counsel who was appointed to investigate the Carter Peanut Warehouse.

The House amendment contains no provision.

The Conferees adopted the House version.

Select Commission on Immigration and Refugee Policy

The Senate bill contains language modifying the pay rate of the Commissioners, extending the life of the Commission, prohibiting reimbursement of detail personnel, increasing the authorization from $700,000 to $2.45 million, and permitting the Commission to procure temporary and intermittent services of experts and consultants.

The House amendment has no such provisions.

The Conferees adopted the Senate version.

Attorney General's report on unconstitutional laws

The House amendment contains a requirement that the Attorney General report to Congress when he decides not to enforce any provision of Federal law because he deems it unconstitutional.

The Senate bill contains no such provision.

The Conferees adopted the House version.

International Crime Prevention Congress

The House amendment authorizes States to use LEAA funds for projects devoted to the international aspects of crime prevention and criminal justice, specifically authorizing the State of California to utilize LEAA funds to host the 1980 Congress on Prevention and Treatment of Offenders.

The Senate bill contains no such provision.

The Conferees agreed upon the House version.

PETER W. RODINO,
JACK BROOKS,
ROBERT W. KASTENMEIER,
DON EDWARDS,
JOHN F. SEIBERLING,
GEORGE DANIELSON,
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Managers on the Part of the House.

EDWARD M. KENNEDY,
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STROM THURMOND,
C. MCC. MATHIAS, Jr.,
THAD COCHRAN,
ROBERT DOLE,
Managers on the Part of the Senate.

CONFERENCE REPORT ON S. 241

Mr. RODINO submitted the following conference report and statement on the bill (S. 241) to restructure the Federal Law Enforcement Assistance Administration, to assist State and local governments in improving the quality of their justice systems, and for other purposes.

CONFERENCE REPORT (H. REPT. No. 96–655)

The committee of conference on the disagreeing votes of the two Houses on the bill (S. 241) to restructure the Federal Law Enforcement Assistance Administration, to assist State and local governments in improving the quality of their justice systems, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

That this Act may be cited as the "Justice System Improvement Act of 1979".

SEC. 2. Title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended to read as follows:

"TITLE I—JUSTICE SYSTEM IMPROVEMENT

"TABLE OF CONTENTS

"Declaration and purpose.

"PART A—LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

"Sec. 101. Establishment of Law Enforcement Assistance Administration.
"Sec. 102. Duties and functions of Administrator.
"Sec. 103. Office of Community Anti-Crime Programs.

"PART B—NATIONAL INSTITUTE OF JUSTICE

"Sec. 201. National Institute of Justice.
"Sec. 202. Establishment, duties, and functions.
"Sec. 203. Authority for 100 per centum grants.
"Sec. 204. National Institute of Justice Advisory Board.

"PART C—BUREAU OF JUSTICE STATISTICS

"Sec. 301. Bureau of Justice Statistics.
"Sec. 302. Establishment, duties, and functions.
"Sec. 303. Authority for 100 per centum grants.
"Sec. 304. Bureau of Justice Statistics Advisory Board.
"Sec. 305. Use of data.

"PART D—FORMULA GRANTS

"Sec. 401. Description of program.
"Sec. 402. Eligibility.
"Sec. 403. Applications.
"Sec. 404. Review of applications.
"Sec. 405. Allocation and distribution of funds.

"PART E—NATIONAL PRIORITY GRANTS

"Sec. 501. Purpose.
"Sec. 502. Percentage of appropriation for national priority grant program.
"Sec. 503. Procedure for designating national priority programs.
"Sec. 504. Application requirements.
"Sec. 505. Criteria for award.

"PART F—DISCRETIONARY GRANTS

"Sec. 601. Purpose.
"Sec. 602. Percentage of appropriation for discretionary grant program.
"Sec. 603. Procedure for establishing discretionary programs.
"Sec. 604. Application requirements.
"Sec. 605. Criteria for award.
"Sec. 606. Period of award.

"PART G—TRAINING AND MANPOWER DEVELOPMENT

"Sec. 701. Purpose.
"Sec. 702. Training of prosecuting attorneys.
"Sec. 703. Training State and local criminal justice personnel.
"Sec. 704. FBI training of State and local criminal justice personnel.
"Sec. 705. Criminal justice education program.

"PART H—ADMINISTRATIVE PROVISIONS

"Sec. 801. Establishment of Office of Justice Assistance, Research, and Statistics.
"Sec. 802. Consultation; establishment of rules and regulations.
"Sec. 803. Notice and opportunity for hearing on denial or termination of grant.
"Sec. 804. Finality of determinations.
"Sec. 805. Appellate court review.
"Sec. 806. Delegation of functions.
"Sec. 807. Subpena power; authority to hold hearings.
"Sec. 808. Compensation of Director of Office of Justice Assistance, Research, and Statistics.
"Sec. 809. Compensation of other Federal officers.
"Sec. 810. Employment of hearing officers.
"Sec. 811. Authority to use available services.
"Sec. 812. Consultation with other Federal, State, and local officials.
"Sec. 813. Reimbursement authority.
"Sec. 814. Services of experts and consultants; advisory committees.
"Sec. 815. Prohibition of Federal control over State and local criminal justice agencies.
"Sec. 816. Report to President and Congress.
"Sec. 817. Recordkeeping requirement.
"Sec. 818. Confidentiality of information.
"Sec. 819. Authority to accept voluntary services.
"Sec. 820. Administration of juvenile delinquency programs.
"Sec. 821. Prohibition on land acquisition.
"Sec. 822. Prohibition on use of CIA services.
"Sec. 823. Indian liability waiver.
"Sec. 824. District of Columbia matching fund source.
"Sec. 825. Limitation on civil justice matters.
"Sec. 826. Reimbursement for unused equipment.
"Sec. 827. Prison industry enhancement.

"PART I—DEFINITIONS

"Sec. 901. Definitions.

"PART J—FUNDING

"Sec. 1001. Authorization of appropriations.
"Sec. 1002. Maintenance of effort.
"Sec. 1003. Authorization of appropriations for Office of Community Anti-Crime Programs.

"PART K—CRIMINAL PENALTIES

"Sec. 1101. Misuse of Federal assistance.
"Sec. 1102. Falsification or concealment of facts.
"Sec. 1103. Conspiracy to commit offense against United States.

"PART L—PUBLIC SAFETY OFFICER'S DEATH BENEFITS

"Sec. 1201. Payments.
"Sec. 1202. Limitations.
"Sec. 1203. Definitions.
"Sec. 1204. Administrative provisions.

"PART M—TRANSITION—EFFECTIVE DATE—REPEALER

"Sec. 1301. Continuation of rules, authorities, and proceedings.

"DECLARATION AND PURPOSE

"The Congress finds and declares that the high incidence of crime in the United States is detrimental to the general welfare of the Nation and its citizens, and that criminal justice efforts must be better coordinated, intensified, and made more effective and equitable at all levels of government.

"Congress further finds that juvenile delinquency constitutes a growing threat to the national welfare requiring immediate and comprehensive action by the Federal Government to reduce and prevent delinquency by developing and implementing effective programs to improve the quality of juvenile justice in the United States.

"Congress further finds that there is an urgent need to encourage basic and applied research, to gather and disseminate accurate and comprehensive justice statistics, and to evaluate methods of preventing and reducing crime.

"Congress further finds that although crime is essentially a local problem that must be dealt with by State and local governments, the financial and technical resources of the Federal Government should be made available to support such State and local efforts.

"Congress further finds that the future welfare of the Nation and the well-being of its citizens depend on the establishment and maintenance of viable and effective justice systems which require: (1) systematic and sustained action by Federal, State, and local governments; (2) greater continuity in the scope and level of Federal assistance; and (3) continuing efforts at all levels of government to streamline programs and upgrade the functioning of agencies responsible for planning, implementing and evaluating efforts to improve justice systems.

"It is therefore the declared policy of the Congress to aid State and local governments in strengthening and improving their systems of criminal justice by providing financial and technical assistance with maximum certainty and minimum delay. It is the purpose of this title to (1) authorize funds for the benefit of States and units of local government to be used to strengthen their criminal justice system; (2) develop and fund new methods and programs to enhance the effectiveness of criminal justice agencies; (3) support the development of city, county, and statewide priorities and programs to meet the problems confronting the justice system; (4) reduce court congestion and trial delay; (5) support community anticrime efforts; (6) improve and modernize the correctional system; (7) encourage the undertaking of innovative projects of recognized importance and effectiveness; (8) encourage the development of basic and applied research directed toward the improvement of civil criminal justice system and new methods for the prevention and reduction of crime and the detection, apprehension, and rehabilitation of criminals; (9) encourage the collection and analysis of statistical information concerning crime, juvenile delinquency, civil disputes, and the operation of justice systems; and (10) support manpower development and training efforts. It is further the policy of the Congress that the Federal assistance made available under this title not be utilized to reduce the amount of State and local financial support for criminal justice activities below the level of such support prior to the availability of such assistance.

"PART A—LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

"ESTABLISHMENT OF LAW ENFORCEMENT ADMINISTRATION

"SEC. 101. There is hereby established within the Department of Justice under the general authority of the Attorney General, a Law Enforcement Assistance Administration (hereinafter referred to in this title as the 'Administration'). The Administration shall be under the direction of an Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, and such other Deputy Administrators as may be designated by the Attorney General. The Administrator shall have final authority over all grants, cooperative agreements, and contracts awarded by the Administration.

"DUTIES AND FUNCTIONS OF ADMINISTRATOR

"SEC. 102. The Administrator shall—

"(a) provide funds to eligible States and units of local government pursuant to part D of this title;

"(b) recognize national criminal justice priorities established in accordance with parts E and F of this title, inform States and units of local government concerning such priorities and award and allocate funds and technical assistance among the eligible States, units of local government, and public and private nonprofit organizations according to the criteria and on the terms and conditions determined by the Administration to be consistent with parts E and F of this title;

"(c) publish and disseminate information on the condition and progress of the criminal justice system;

"(d) establish and carry on a specific and continuing program of cooperation with the States and units of local government designed to encourage and promote consultation and coordination concerning decisions made by the Administration affecting State and local criminal justice priorities;

"(e) cooperate with and render technical assistance to States, units of local government, and other public and private organizations or international agencies involved in criminal justice activities;

"(f) cooperate with and render technical assistance to States, units of local government, and other public and private organizations or agencies involved in victim-witness assistance activities and the post-arrest identification and prosecution of career criminals;

"(g) provide funds and technical assistance to eligible jurisdictions under this title for the development of operational information and telecommunications systems;

"(h) exercise the powers and functions set out in part H; and

"(i) exercise such other powers and functions as may be vested in the Administrator pursuant to this title.

"OFFICE OF COMMUNITY ANTI-CRIME PROGRAMS

"SEC. 103. (a) There is established in the Law Enforcement Assistance Administration the Office of Community Anti-Crime Programs (hereinafter in this section referred to as the 'Office'). The Office shall be under the direction of the Administrator and shall—

"(1) provide appropriate technical assistance to community and citizens groups to enable such groups to—

"(A) apply for grants which encourage community and citizen participation in crime prevention and criminal justice activities;

"(B) participate in the formula grant application process pursuant to section 402(f) of this title;

"(C) provide program development and encouragement of neighborhood and community participation in crime prevention and public safety efforts; and

"(D) implement programs and projects assisted with grants under subsection (b) of this section.

"(2) coordinate its activities with other Federal agencies and programs, including the Community Relations Service of the Department of Justice, which are designed to encourage and assist citizen participation in criminal justice activities;

"(3) provide information on successful programs of citizen and community participation to citizen and community groups;

"(4) review, at its discretion, formula grant applications submitted under section 403 of this title in order to assure that the requirements for citizen, neighborhood, and community participation in the application process have been met; and

"(5) make recommendations, after consultation with citizen, neighborhood, and community organizations, for the designation of effective community anticrime programs for funding as national priority grants under part E and discretionary grants under part F.

"(b) The Administration is authorized to make grants to be administered by the Office of Community Anti-Crime Programs to community and citizens groups, which grants shall be used—

"(1) to enable the community to engage in a process leading to the identification of problems facing that community with respect to crime or conflicts, disputes, and other problems that might lead to crime;

"(2) to provide for the consideration by the community of plans to alleviate such problems with special attention to projects that—

"(A) have been successful in other communities in dealing with the same or similar problems;

"(B) provide alternatives to the criminal justice system in resolving conflicts and disputes and in repairing the injuries suffered;

"(C) promote increased citizen participation and confidence in the processes used to resolve conflicts and disputes; and

"(D) address the social and economic causes of crime.

"(3) to enable community and citizen groups to participate in assistance programs under this title, but no grant under this section may be used principally to seek technical assistance or a grant under this title;

"(4) to conduct training of community groups in the management of grants and such other skills as the Office determines are necessary to enhance the involvement of neighborhoods and citizens in community crime prevention and dispute resolution projects; and

"(5) to carry out projects determined to be likely to alleviate the community's crime problems as identified through the process set forth in this subsection.

"(c) In carrying out the functions under this part the Administrator shall make appropriate provisions for coordination among neighborhoods and for consultation with locally elected officials.

"PART B—NATIONAL INSTITUTE OF JUSTICE

"NATIONAL INSTITUTE OF JUSTICE

"SEC. 201. It is the purpose of this part to establish a National Institute of Justice, which shall provide for and encourage research and demonstration efforts for the purpose of—

"(a) improving Federal, State, and local criminal justice system and related aspects of the civil justice system;

"(b) preventing and reducing crimes;

"(c) insuring citizen access to appropriate dispute-resolution forums;

"(d) improving efforts to detect, investigate, prosecute and otherwise combat and prevent white-collar crime and public corruption; and

"(e) identifying programs of proven effectiveness, programs having a record of proven success, or programs which offer a high probability of improving the functioning of the criminal justice system.

The Institute shall have authority to engage in and encourage research and development to improve and strengthen criminal justice system and related aspects of the civil justice system and to disseminate the results of such efforts to Federal, State, and local governments, to develop alternatives to judicial resolution of disputes, to evaluate the effectiveness of programs funded under this title, to develop new or improved approaches and techniques, to improve and strengthen the administration of justice, and to identify programs or projects carried out under this title which have demonstrated success in improving the quality of justice systems and which offer the likelihood of success if continued or repeated. In carrying out the provisions of this part, the Institute shall give primary emphasis to the problems of State and local justice systems and shall insure that there is a balance between basic and applied research.

"ESTABLISHMENT, DUTIES, AND FUNCTIONS

"SEC. 202. (a) There is established within the Department of Justice, under the general authority of the Attorney General, a National Institute of Justice (hereinafter referred to in this part as the 'Institute').

"(b) The Institute shall be headed by a Director appointed by the President by and with the advice and consent of the Senate. The Director shall have had experience in justice research. The Director shall have final authority over all grants, cooperative agreements, and contracts awarded by the Institute. The Director shall not engage in any other employment than that of serving as Director; nor shall the Director hold any office in, or act in any capacity for, any organization, agency, or institution with which the Institute makes any contract or other arrangement under this Act.

"(c) The Institute is authorized to—

"(1) make grants to, or enter into cooperative agreements or contracts with, public agencies, institutions of higher education, private organizations, or individuals to conduct research, demonstrations, or special projects pertaining to the purposes described in this part, and provide technical assistance and training in support of tests, demonstrations, and special projects;

"(2) conduct or authorize multiyear and short-term research and development concerning the criminal and civil justice systems in an effort—

"(A) to identify alternative programs for achieving system goals, including programs authorized by section 103 of this title;

"(B) to provide more accurate information on the causes and correlates of crime,

"(C) to analyze the correlates of crime and juvenile delinquency and provide more accurate information on the causes and correlates of crime and juvenile delinquency,

"(D) to improve the functioning of the criminal justice system,

"(E) to develop new methods for the prevention and reduction of crime, the prevention and reduction of parental kidnaping, including the development of programs to facilitate cooperation among the States and units of local government, the detection and apprehension of criminals, the expeditious, efficient, and fair disposition of criminal and juvenile delinquency cases, the improvement of police and minority relations, the conduct of research into the problems of victims and witnesses of crime, the feasibility and consequences of allowing victims to participate in criminal justice decisionmaking, the feasibility and desirability of adopting procedures and programs which increase the victim's participation in the criminal justice process, the reduction in the need to seek court resolution of civil disputes, and the development of adequate corrections facilities and effective programs of correction, and

"(F) to develop programs and projects to improve and expand the capacity of States and units of local government and combinations of such units, to detect, investigate, prosecute, and otherwise combat and prevent white-collar crime and public corruption, to improve and expand cooperation among the Federal Government, States, and units of local government in order to enhance the overall criminal justice system response to white-collar crime and public corruption, and to foster the creation and implementation of a comprehensive national strategy to prevent and combat white-collar crime and public corruption.

In carrying out the provisions of this subsection the Institute may request the assistance of both public and private research agencies;

"(3) evaluate the effectiveness of projects or programs carried out under this part;

"(4) evaluate, where the Institute deems appropriate, the programs and projects carried out under other parts of this title to determine their impact upon the quality of criminal and civil, justice systems and the extent to which they have met or failed to meet the purposes and policies of this title, and disseminate such information to State agencies and, upon request, to units of local government and other public and private organizations and individuals;

"(5) make recommendations for action which can be taken by Federal, State, and local governments and by private persons and organizations to improve and strengthen criminal and civil justice systems;

"(6) provide research fellowships and clinical internships and carry out programs of training and special workshops for the presentation and dissemination of information resulting from research, demonstrations, and special projects including those authorized by this part;

"(7) collect and disseminate information obtained by the Institute or other Federal agencies, public agencies, institutions of higher education, or private organizations relating to the purposes of this part;

"(8) serve as a national and international clearinghouse for the exchange of information with respect to the purposes of this part;

"(9) submit a biennial report to the President and Congress on the state of justice research. This report shall describe significant achievements and identify areas needing further study. Other Federal agencies involved in justice research shall assist, upon request, in the preparation of this report;

"(10) after consultation with appropriate agencies and officials of States and units of local government, make recommendations for the designation of programs or projects which will be effective in improving the functioning of the criminal justice system for funding as national priority grants under part E and discretionary grants under part F; and

"(11) encourage, assist, and serve in a consulting capacity to Federal, State, and local justice system agencies in the development, maintenance, and coordination of criminal and civil justice programs and services.

"(d) To insure that all criminal and civil justice research is carried out in a coordinated manner, the Director is authorized to—

"(1) utilize, with their consent, the services, equipment, personnel, information, and facilities of other Federal, State, local, and private agencies and instrumentalities with or without reimbursement therefor;

"(2) confer with and avail itself of the cooperation, services, records, and facilities of State or of municipal or other local agencies;

"(3) request such information, data, and reports from any Federal agency as may be required to carry out the purposes of this section, and the agencies shall provide such information to the Institute as required to carry out the purposes of this part;

"(4) seek the cooperation of the judicial branches of Federal and State Government in coordinating civil and criminal justice research and development; and

"(5) exercise the powers and functions set out in part H.

"AUTHORITY FOR 100 PER CENTUM GRANTS

"SEC. 203. A grant authorized under this part may be up to 100 per centum of the total cost of each project for which such grant is made. The Institute shall require, whenever feasible, as a condition of approval of a grant under this part, that the recipient contribute money, facilities, or services to carry out the purposes for which the grant is sought.

"NATIONAL INSTITUTE OF JUSTICE ADVISORY BOARD

"SEC. 204. (a) There is hereby established a National Institute of Justice Advisory Board (hereinafter in this section referred to as the 'Board'). The Board shall consist of twenty-one members who shall be appointed by the President with the advise and consent of the Senate. The members shall represent the public interest and should be experienced in the criminal or civil justice systems, including, representatives of States and units of local government, representatives of police, prosecutors, defense attorneys, courts, corrections, experts in the area of victim and witness assistance and other components of the justice system at all levels of government, representatives of professional organizations, representatives of the academic and research community, members of the business community, officials of neighborhood and community organizations, and the general public. A majority of the members of the Board, including the Chairman and Vice Chairman, shall not be full-time employees of Federal, State, or local governments. The Board, by majority vote, shall elect from among its members a Chairman and Vice Chairman. The Vice Chairman is authorized to sit and act in the place of the Chairman in the absence of the Chairman. The Director shall also be a nonvoting member of the Board and shall not serve as Chairman or Vice Chairman. Vacancies in the membership of the Board shall not affect the power of the remaining members to execute the functions of the Board and shall be filled in the same manner as in the case of the original appointment. The Chairman shall be provided by the Institute with at least one full-time staff assistant to assist the Board. The Administrator of the Law Enforcement Assistance Administration, the Administrator of the Office of Juvenile Justice and Delinquency Prevention, and the Director of the Bureau of Justice Statistics shall serve as nonvoting ex officio members of the Board and shall be ineligible to serve as Chairman or Vice Chairman. Except as otherwise provided herein, no more than one additional full-time Federal officer or employee shall serve as a member of the Board.

"(b) The Board, after appropriate consultation with representatives of State and local governments, may make such rules respecting its organization and procedures as it deems necessary, except that no recommendation shall be reported from the Board unless a majority of the Board assents.

"(c) The term of office of each member of the Board appointed under subsection (a) shall be three years except the first composition of the Board which shall have one-third of these members appointed to one-year terms, one-third to two-year terms, and one-third to three-year terms; and any such member appointed to fill a vacancy occurring prior to the expiration of the term for which his or her predecessor was appointed shall be appointed for the remainder of such term. Such members shall be appointed within ninety days after the date of enactment of the Justice System Improvement Act of 1979. The members of the Board appointed under subsection (a) shall receive compensation for each day engaged in the actual performance of duties vested in the Board at rates of pay not in excess of the daily equivalent of the highest rate of basic pay then payable in the General Schedule of section 5332(a) of title 5, United States Code, and in addition shall be reimbursed for travel, subsistence, and other necessary expenses. No voting member shall serve for more than two consecutive terms.

"(d) The Board shall—

"(1) recommend the policies and priorities of the Institute;

"(2) create, where necessary, formal peer review procedures over selected categories of grants, cooperative agreements, and contracts;

"(3) recommend to the President at least three candidates for the position of Director of the Institute in the event of a vacancy; and

"(4) undertake such additional related tasks as the Board may deem necessary.

"(e) In addition to the powers and duties set forth elsewhere in this title, the Director shall exercise such powers and duties of the Board as may be delegated to the Director by the Board.

"PART C—BUREAU OF JUSTICE STATISTICS

"BUREAU OF JUSTICE STATISTICS

"SEC. 301. It is the purpose of this part to provide for and encourage the collection and analysis of statistical information concerning crime (including white-collar crime and public corruption), juvenile delinquency, and the operation of the criminal justice system and related aspects of the civil justice system and to support the development of information and statistical systems at the Federal, State, and local levels to improve the efforts of these levels of government to measure and understand the levels of crime (including crimes against the elderly, white-collar crime, and public corruption), juvenile delinquency, and the operation of the criminal justice system and related aspects of the civil justice system. The Bureau shall utilize to the maximum extent feasible State governmental organizations and facilities responsible for the collection and analysis of criminal justice data and statistics. In carrying out the provisions of this part, the Bureau shall give primary emphasis to the problems of State and local justice systems.

"ESTABLISHMENT, DUTIES, AND FUNCTIONS

"SEC. 302. (a) There is established within the Department of Justice, under the general authority of the Attorney General, a Bureau of Justice Statistics (hereinafter referred to in this part as 'Bureau').

"(b) The Bureau shall be headed by a Director appointed by the President by and with the advice and consent of the Senate. The Director shall have had experience in statistical programs. The Director shall have final authority for all grants, cooperative agreements, and contracts awarded by the Bureau. The Director shall not engage in any other employment than that of serving as Director; nor shall the Director hold any office in, or act in any capacity for, any organization, agency, or institution with which the Bureau makes any contract or other arrangement under this Act.

"(c) The Bureau is authorized to—

"(1) make grants to, or enter into cooperative agreements or contracts with public agencies, institutions of higher education, private organizations, or private individuals for purposes related to this part; grants shall be made subject to continuing compliance with standards for gathering justice statistics set forth in rules and regulations promulgated by the Director;

"(2) collect and analyze information concerning criminal victimization, including crimes against the elderly, and civil disputes;

"(3) collect and analyze data that will serve as a continuous and comparable national social indication of the prevalence, incidence, rates, extent, distribution, and attributes of crime, juvenile delinquency, civil disputes and other statistical factors related to crime, civil disputes and juvenile delinquency, in support of national, State, and local justice policy and decisionmaking;

"(4) collect and analyze statistical information, concerning the operations of the criminal justice system at the Federal, State, and local levels;

"(5) collect and analyze statistical information concerning the prevalence, incidence, rates, extent, distribution, and attributes of crime, and juvenile delinquency, at the Federal, State, and local levels;

"(6) analyze the correlates of crime, civil disputes and juvenile delinquency, by the use of statistical information, about criminal and civil justice systems at the Federal, State, and local levels, and about the extent, distribution and attributes of crime, and juvenile delinquency, in the Nation and at the Federal, State, and local levels;

"(7) compile, collate, analyze, publish, and disseminate uniform national statistics concerning all aspects of criminal justice and related aspects of civil justice, crime, including crimes against the elderly, juvenile delinquency, criminal offenders, juvenile delinquents, and civil disputes in the various States;

"(8) recommend national standards for justice statistics and for insuring the reliability and validity of justice statistics supplied pursuant to this title;

"(9) maintain liaison with the judicial branches of the Federal and State Governments in matters relating to justice statistics, and cooperate with the judicial branch in assuring as much uniformity as feasible in statistical systems of the executive and judicial branches;

"(10) provide information to the President, the Congress, the judiciary, State and local governments, and the general public on justice statistics;

"(11) establish or assist in the establishment of a system to provide State and local governments with access to Federal informational resources useful in the planning, implementation, and evaluation of programs under this Act;

"(12) conduct or support research relating to methods of gathering or analyzing justice statistics;

"(13) provide financial and technical assistance to the States and units of local government relating to collection, analysis, or dissemination of justice statistics;

"(14) maintain liaison with State and local governments and governments of other nations concerning justice statistics;

"(15) cooperate in and participate with national and international organizations in the development of uniform justice statistics;

"(16) insure conformance with security and privacy regulations issued pursuant to section 818; and

"(17) exercise the powers and functions set out in part H.

"(d) To insure that all justice statistical collection, analysis, and dissemination is carried out in a coordinated manner, the Director is authorized to—

"(1) utilize, with their consent, the services, equipment, records, personnel, information, and facilities of other Federal, State, local, and private agencies and instrumentalities with or without reimbursement therefor;

"(2) confer and cooperate with State, municipal or other local agencies;

"(3) request such information, data, and reports from any Federal agency as may be required to carry out the purposes of this title; and

"(4) seek the cooperation of the judicial branch of the Federal Government in gathering data from criminal justice records.

"(e) Federal agencies requested to furnish information, data, or reports pursuant to subsection (d)(3) shall provide such information to the Bureau as is required to carry out the purposes of this section.

"(f) In recommending standards for gathering justice statistics under this section, the Director shall consult with representatives of State and local government, including, where appropriate, representatives of the judiciary.

"AUTHORITY FOR 100 PER CENTUM GRANTS

"SEC. 303. A grant authorized under this part may be up to 100 per centum of the total cost of each project for which such grant is made. The Bureau shall require, whenever feasible as a condition of approval of a grant under this part, that the recipient contribute money, facilites, or services to carry out the purposes for which the grant is sought.

"BUREAU OF JUSTICE STATISTICS ADVISORY BOARD

"SEC. 304. (a) There is hereby established a Bureau of Justice Statistics Advisory Board (hereinafter referred to in this section as the 'Board'). The Board shall consist of twenty-one members who shall be appointed by the President, by and with the advise and consent of the Senate. The members should include representatives of States and units of local government, representatives of police, prosecutors, defense attorneys, courts, corrections, experts in the area of victim and witness assistance, and other components of the justice system at all levels of government, representatives of professional organizations, members of the academic, research, and statistics community, officials of neighborhood and community organizations, members of the business community, and the general public. The Board, by majority vote, shall elect from among its members a Chairman and Vice Chairman. The Vice Chairman is authorized to sit and act in the place of the Chairman in the absence of the Chairman. The Director shall also be a non-voting member of the Board and shall not serve as Chairman or Vice Chairman. Vacancies in the membership of the Board shall not affect the power of the remaining members to execute the functions of the Board and shall be filled in the same manner as in the case of the original appointment. The Chairman shall be provided by the Bureau with at least one full-time staff assistant to assist the Board. The Administrator of the Law Enforcement Assistance Administration, the Administrator of the Office of Juvenile Justice and Delinquency Prevention, the Director of the National Institute of Justice, and the Director of the Bureau of Justice Statistics shall serve as non-voting ex officio members of the Board but shall be ineligible to serve as Chairman or Vice Chairman. Except as otherwise provided herein, no more than one additional full-time Federal officer or employee shall serve as a member of the Board.

"(b) The Board, after appropriate consultation with representatives of State and local governments, may make such rules respecting its organization and procedures as it deems necessary, except that no recommendation shall be reported from the Board unless a majority of the Board assents.

"(c) The term of office of each member of the Board appointed under subsection (a) shall be three years except the first composition of the Board which shall have one-third of these members appointed to one-year terms, one-third to two-years terms, and one-third to three-year terms; and any such member appointed to fill a vacancy occurring prior to the expiration of the term for which his or her predecessor was appointed shall be appointed for the remainder of such term. The members of the Board appointed under subsection (a) shall receive compensation for each day engaged in the actual performance of duties vested in the Board at rates of pay not in excess of the daily equivalent of the highest rate of basic pay then payable under the General Schedule of section 5332(a) of title 5, United States Code, and in addition shall be reimbursed for travel, subsistence, and other necessary expenses. No voting member shall serve for more than two consecutive terms.

"(d) The Board shall—

"(1) review and make recommendations to the Bureau on activities undertaken by the Bureau and formulate and recommend to the Director policies and priorities for the Bureau;

"(2) recommend to the President at least three candidates for the position of Director of the Bureau in the event of a vacancy; and

"(3) carry out such additional related functions as the Board may deem necessary.

"(e) In addition to the powers and duties set forth elsewhere in this title, the Director shall exercise such powers and duties of the Board as may be delegated to the Director by the Board.

"USE OF DATA

"SEC. 305. Data collected by the Bureau shall be used only for statistical or research purposes, and shall be gathered in a manner that precludes their use for law enforcement or any purpose relating to a particular individual other than statistical or research purposes.

"PART D—FORMULA GRANTS

"DESCRIPTION OF PROGRAM

"SEC. 401. (a) It is the purpose of this part to assist States and units of local government in carrying out specific innovative programs which are of proven effectiveness, have a record of proven success, or which offer a high probability of improving the functioning of the criminal justice system. The Administration is authorized to make grants under this part to States and units of local government for the purpose of—

"(1) establishing or expanding community and neighborhood programs that enable citizens to undertake initiatives to deal with crime and delinquency;

"(2) improving and strengthening law enforcement agencies, as measured by arrest rates, incidence rates, victimization rates, the number of reported crimes, clearance rates, the number of patrol or investigative hours per uniformed officer, or any other appropriate objective measure;

"(3) improving the police utilization of community resources through support of joint police-community projects designed to prevent or control neighborhood crime;

"(4) disrupting illicit commerce in stolen goods and property and training of special investigative and prosecuting personnel, and the development of systems for collecting, storing, and disseminating information relating to the control of organized crime;

"(5) combatting arson;

"(6) developing investigations and prosecutions of white collar crime, organized crime, public corruption related offenses, and fraud against the government;

"(7) reducing the time between arrest or indictment and disposition of trial;

"(8) implementing court reforms;

"(9) increasing the use and development of alternatives to the prosecution of selected offenders;

"(10) increasing the development and use of alternatives to pretrial detention that assure return to court and a minimization of the risk of danger;

"(11) increasing the rate at which prosecutors obtain convictions against habitual, nonstatus offenders;

"(12) developing and implementing programs which provide assistance to victims, witnesses, and jurors, including restitution by the offender, programs encouraging victim and witness participation in the criminal justice system, and programs designed to prevent retribution against or intimidation of witnesses by persons charged with or convicted of crimes;

"(13) providing competent defense counsel for indigent and eligible low-income persons accused of criminal offenses;

"(14) developing projects to identify and meet the needs of drug dependent offenders;

"(15) increasing the availability and use of alternatives to maximum-security confinement of convicted offenders who pose no threat to public safety;

"(16) reducing the rates of violence among inmates in place of detention and confinement;

"(17) improving conditions of detention and confinement in adult and juvenile correctional institutions, as measured by the number of such institutions administering programs meeting accepted standards;

"(18) training criminal justice personnel in programs meeting standards recognized by the Administrator;

"(19) revision and recodification by States and units of local government of criminal statutes, rules, and procedures and revision of statutes, rules, and regulations governing State and local criminal justice agencies;

"(20) coordinating the various components of the criminal justice system to improve the overall operation of the system, establishing criminal justice information systems, and supporting and training of criminal justice personnel;

"(21) develop statistical and evaluative systems in States and units of local government which assist the measurement of indicators in each of the areas described in paragraphs (1) through (20);

"(22) encouraging the development of pilot and demonstration projects for prison industry programs at the State level with particular emphasis on involving private sector enterprise either as a direct participant in such programs, or as purchasers of goods produced through such programs, and aimed at making inmates self-sufficient, to the extent practicable, in a realistic working environment; and

"(23) any other innovative program which is of proven effectiveness, has a record of proven success, or which offers a high probability of improving the functioning of the criminal justice system.

"(b)(1) Except with respect to allocations under subsection (c) of this section—

"(A) for the fiscal year ending September 30, 1980, the Federal portion of any grant made under this part may be up to 100 per centum of the cost of the program or project specified in the application for such grant; and

"(B) for any later fiscal period, that portion of a Federal grant made under this section may be up to 90 per centum of the cost of the program or project specified in the application for such grant unless the Administrator determines that State or local budgetary restraints prevent the recipient from providing the remaining portion.

"(2)(A) The non-Federal portion of the cost of such program or project shall be in cash.

"(B) In the case of a grant to an Indian tribe or other aboriginal group, the Administration may increase the Federal portion of the cost of such program to the extent the Administration deems necessary, if the Administration determines that the tribe or group does not have sufficient funds available to meet the non-Federal portion of such cost.

"(c)(1) The Administration shall allocate from the grant provided for in subsection (a) $200,000 to each of the States for the purposes of administering grants received under this title for operating criminal justice councils, judicial coordinating committees, and local offices pursuant to part D and an additional amount of at least $50,000 shall be made available by the Administration for allocation by the State to the judicial coordinating committee. These foregoing sums shall be available without a requirement for match. The Administration shall allocate additional funds from the grant to a State for use by the State and its units of local government in an amount that is 7½ per centum of the total grant of such State. Any of the additional funds shall be matched in an amount equal to any such expended or obligated amount. An amount equal to at least 7½ per centum of the allocation of an eligible jurisdiction as defined in section 402 (a) (2), (3), or (4), or of a judicial coordinating committee, must be made available by the State to each such jurisdiction or judicial coordinating committee from these additional funds for purposes set out above. The eligible jurisdiction or combination thereof shall match the amounts passed through in an amount equal to any such amount expended or obligated by the eligible jurisdiction or combination thereof for the purposes set forth above for all Federal funds in excess of $25,000 for each eligible jurisdiction.

"(2) Any funds allocated to States or units of local government and unexpended by such States or units of local government for the purposes set forth above shall be available to such States or units of local government for expenditure in accordance with subsection (a).

"(3) The State may allocate at its discretion to units of local government or combinations of such units which are not eligible jurisdictions as defined in section 402(a) (2), (3), and (4) funds provided under this subsection.

"ELIGIBILITY

"SEC. 402. (a) The Administration is authorized to make financial assistance under this part available to an eligible jurisdiction to enable it to carry out all or a substantial part of a program or project submitted and approved in accordance with the provisions of this title. An eligible jurisdiction shall be—

"(1) a State;

"(2) a municipality which has no less than 0.15 per centum of total State and local criminal justice expenditures, and which has a population of one hundred thousand or more persons on the basis of the most satisfactory current data available on a nationwide basis to the Administration but only if such municipality would receive at least $50,000 for the applicable year under section 405;

"(3) a county which has no less than 0.15 per centum of total State and local criminal justice expenditures, and which has a population of one hundred thousand or more persons on the basis of the most satisfactory current data available on a nationwide basis to the Administration but only if such county would receive at least $50,000 for the applicable year under section 405;

"(4) any combination of contiguous units of local government, whether or not situated in more than one State, or any combination of units of local government all in the same county, which has a population of one hundred thousand or more persons on the basis of the most satisfactory current data available on a nationwide basis to the Administration but only if such combination would receive more than $50,000 for the applicable year under section 405;

"(5) a unit of local government, or any combination of such contiguous units without regard to population, which are otherwise ineligible under the other paragraphs of this subsection.

"(b)(1) Each State shall establish or designate and maintain a criminal justice council (hereinafter referred to in this title as the 'council') for the purpose of—

"(A) analyzing the criminal justice problems within the State based on input and data from all eligible jurisdictions, State agencies, and the judicial coordinating committee and establishing priorities based on the analysis and assuring that these priorities are published and made available to affected criminal justice agencies prior to the time required for application submission;

"(B) preparing a comprehensive State application reflecting the statewide goals, objectives, priorities, and projected grant programs;

"(C)(i) receiving, reviewing, and approving (or disapproving) applications or amendments submitted by State agencies, the judicial coordinating committee, and units of local government, or combinations thereof, as defined in section 402(a)(5) of this title, pursuant to section 405(a)(5) of this title;

"(ii) providing financial assistance to these agencies and units according to the criteria of this title and on the terms and conditions established by such council at its discretion; and

"(D) receiving, coordinating, reviewing, and monitoring all applications or amendments submitted by State agencies, the judicial coordinating committee, units of local government, and combinations of such units pursuant to section 403 of this title, recommending ways to improve the effectiveness of the programs or projects referred to in said applications, assuring compliance of said applications with Federal requirements and State law and integrating said applications into the comprehensive State application;

"(E) preparing an annual report for the Governor and the State legislature containing an assessment of the criminal justice problems and priorities within the State; the adequacy of existing State and local agencies, programs, and resources to meet these problems and priorities; the distribution and use of funds allocated pursuant to this part and the relationship of these funds to State and local resources allocated to crime and justice system problems; and the major policy and legislative initiatives that are recommended to be undertaken on a statewide basis;

"(F) assisting the Governor, the State legislature, and units of local government upon request in developing new or improved approaches, policies, or legislation designed to improve criminal justice in the State;

"(G) developing and publishing information concerning criminal justice in the State;

"(H) providing technical assistance upon request to State agencies, community-based crime prevention programs, the judicial coordinating committee, and units of local government in matters relating to improving criminal justice in the State; and

"(I) assuring fund accounting, auditing, and evaluation of programs and projects funded under this part to assure compliance with Federal requirements and State law.

"(2) The council shall be created or designated by State law and shall be subject to the jurisdiction of the chief executive of the State who shall appoint the members of the council, designate the chairman, and provide professional, technical, and clerical staff to serve the council. The council shall be broadly representative and include among its membership—

"(A) representatives of eligible jurisdictions as defined in subsection (a) (2), (3), and (4) who shall comprise at least one-third of the membership of the council where there are such eligible jurisdictions in the State and where they submit applications pursuant to this part;

"(B) representatives of the smaller units of local government defined in subsection (a)(5);

"(C) representatives of the various components of the criminal justice system, including representatives of agencies directly related to the prevention and control of juvenile delinquency and representatives of police, courts, corrections, prosecutors, and defense attorneys;

"(D) representatives of the general public including representatives of neighborhood and community-based and business and professional organizations of the communities to be served under this part; and

"(E) representatives of the judiciary including, at a minimum, the chief judicial officer or other officer of the court of last resort, the chief judicial administrative officer or other appropriate judicial administrative officer of the State, and a local trial court judicial officer; if the chief judicial officer or chief judicial administrative officer cannot or does not choose to serve, the other judicial members and the local trial court judicial officer shall be selected by the chief executive of the State from a list of no less than three nominees for each position submitted by the chief judicial officer of the court of last resort within thirty days after the occurrence of any vacancy in the judicial membership; additional judicial members of the council as may be required by the Administration shall be appointed by the chief executive of the State from the membership of the judicial coordinating committee or, in the absence of a judicial coordinating committee, from a list of no less than three nominees for each position submitted by the chief judicial officer of the court of last resort.

Individual representatives may fulfill the requirements of more than one functional area or geographical area where appropriate to the background and expertise of the individual.

"(3)(A) Applications from eligible jurisdictions as defined in subsection (a) (2), (3), and (4) may, at the discretion of such eligible jurisdiction, be in the form of a single application to the State for inclusion in the comprehensive State application. Applications or amendments should conform to the overall priorities, unless the eligible jurisdiction's analysis of its criminal justice system demonstrates that such recommended priorities are inconsistent with their needs. Applications or amendments should conform to uniform administrative requirements for submission of applications. Such requirements shall be consistent with guidelines issued by the Administration. Such application or amendments shall be deemed approved unless the council, within ninety days of the receipt of such application or amendment, finds that the application or amendment—

"(i) does not comply with Federal requirements or with State law or regulations;

"(ii) is inconsistent with priorities and fails to establish, under guidelines issued by the Administration, good cause for such inconsistency;

"(iii) conflicts with or duplicates programs or projects of another applicant under this title, or other Federal, State, or local supported programs or applications; or

"(iv) proposes a program or project that is substantially identical to or is a continuation of a program or project which has been evaluated and found to be ineffective under section 404(c)(4).

Where the council finds such noncompliance, inconsistency, conflict, or duplication, it shall notify the applicant in writing and set forth its reasons for the finding.

"(B) The applicant may, within thirty days of receipt of written findings of the council pursuant to subparagraph (A) submit to the council a revised application or state in writing the applicant's reasons for disagreeing with the council's findings.

"(C) A revised application submitted under subparagraph (B) shall be treated as an original application except that the council shall act on such application within thirty days.

"(D) If an applicant states in writing a disagreement with the council's written findings as specified in subparagraph (A), the findings shall be considered appealed. The appeal shall be in accordance with a procedure developed by the council and reviewed and agreed to by the eligible jurisdiction. If any eligible jurisdiction in a State fails to agree with the council appeal process prior to application submission to the council, the appeal shall be in accordance with procedures developed by the Administration. The Administration appeal procedures shall provide that if the council's action is not supported by clear and convincing evidence or if the council acted arbitrarily or capriciously, the council shall be directed to reconsider or approve the application or amendment.

"(E) Approval of the application of such eligible local jurisdiction shall result in the award of funds to such eligible jurisdiction without requirement for further application or review by the council.

"(4) Applications from State agencies and eligible jurisdictions as defined in subsection (a)(5) must be in the manner and form proscribed by the council. Where the council determines under paragraph (1) (C) and (D) that an application or amendment from a State agency or an eligible jurisdiction as defined in subsection (a)(5):

"(A) does not comply with Federal requirements or with State law or regulation;

"(B) is inconsistent with priorities, policy, organizational, or procedural arrangements, or the crime analysis;

"(C) conflicts with or duplicates programs or projects of another applicant under this title, or other Federal, State, or local supported programs or application; or

"(D) proposes a program or project that is substantially identical to or is a continuation of a program or project which has been evaluated and found to be ineffective;

the council shall notify the applicant in writing of the finding and the reasons for the finding and may deny funding or recommend appropriate changes. Appeal of the council's action shall be in accord with procedures established by the council for such matters.

"(c) The chief executive(s) of an eligible jurisdiction as defined in subsection (a) (2), (3), and (4) shall create or designate an office for the purpose of preparing and developing the jurisdiction's application and assuring that such application complies with Federal requirements, State law, fund accounting, auditing and the evaluation of programs and projects to be funded under the application to be submitted to the council pursuant to section 403 of this title.

Each eligible jurisdiction shall establish or designate a local criminal justice advisory board (hereinafter referred to in this section as the 'Board') for the purpose of—

"(1) analyzing the criminal justice problems within the eligible jurisdiction and advising the council of the eligible jurisdiction on priorities;

"(2) advising the chief executive of the eligible jurisdiction pursuant to this title:

"(3) advising on applications or amendments by the eligible jurisdiction;

"(4) assuring that there is an adequate allocation of funds for court programs based upon that proportion of the eligible jurisdiction's expenditures for court programs which contributes to the jurisdiction's eligibility for funds and which take into account the court priorities recommended by the judicial coordinating committee; and

"(5) assuring that there is an adequate allocation of funds for correction programs based on that portion of the eligible jurisdiction's expenditures for correction programs which contributes the jurisdiction's eligibility for funds.

Such board shall be established or designated by the chief executive of the eligible jurisdiction and shall be subject to the jurisdiction of the chief executive who shall appoint the members and designate the chairman. Such board shall be broadly representative of the various components of the criminal justice system and shall include among its membership representatives of neighborhood, community-based and professional organizations. In the case of an eligible jurisdiction as defined in subsection (a)(4), the membership of the board shall be jointly appointed in such manner as the chief executive of each unit of local government shall determine by mutual agreement. Decisions made by the board pursuant to this subsection may be reviewed and either be accepted or rejected by the chief executive of the eligible subgrant jurisdiction, or in the case of an eligible jurisdiction as defined in subsection (a)(4) in such manner as the chief executive of each unit of local government shall determine by mutual agreement. Where an eligible jurisdiction as defined in subsection (a) (2) or (3) chooses not to combine pursuant to section 402(a)(4) and chooses not to exercise the powers of this subsection, it shall be treated as an eligible jurisdiction under subsection (a)(5).

"(d) The court of last resort of each State may establish or designate a judicial coordinating committee (hereinafter referred to in this title as the 'Committee') for the preparation, development, and revision of a three-year application or amendments thereto reflecting the needs and priorities of the courts of the State. For those States where there is a judicial agency which is authorized by State law on the date of enactment of this subsection to perform this function and which has a statutory membership of a majority of court officials (including judges and court administrators), the judicial agency may establish or designate the judicial coordinating committee. The committee shall—

"(1) establish priorities for the improvement of the various courts of the State;

"(2) define, develop, and coordinate programs and projects for the improvement of the courts of the State;

"(3) develop, in accordance with part D of this title, an application for the funding of programs and projects designed to improve the functioning of the courts and judicial agencies of the State.

The committee shall submit its three-year application or amendments to the council. The committee shall review for consistency with the court priorities, applications, or amendments from any jurisdiction which has incurred expenditures for court services from its own sources or from any other jurisdiction which is applying for funds for court services. The committee shall report to the council and the applicant its findings of consistency and inconsistency. The council shall approve and incorporate into its application in whole or in part the application or amendments of the committee unless the council determines that such committee application or amendments are not in accordance with this title, are not in conformance with, or consistent with, their own application made pursuant to section 403 of this title or do not conform with the fiscal accountability standards of this title.

"(e)(1) The council will provide for procedures that will insure that all applications or amendments by units of local government or combinations thereof or judicial coordinating committee shall be acted upon no later than ninety days after being first received by the council. Final action by the council which results in the return of any application or amendments to an application must contain specific reasons for such action within ninety days of receipt of the application. Any part of such application or amendments which is not acted upon shall be deemed approved for submission to the Administration. Action by the council on any application or part thereof shall not preclude the resubmission of such application or part thereof to the council at a later date.

"(2) The council, the judicial coordinating committee, and local boards, established pursuant to subsection (c), shall meet at such times and in such places as they deem necessary and shall hold each meeting open to the public, giving public notice of the time and place of such meeting, and the nature of the business to be transacted if final action is to be taken at the meeting on the State application or any application for funds or any amendment thereto. The council, the judicial coordinating committee, and local boards, pursuant to subsection (c), shall provide for public access to all records relating to their functions under this title, except such records as are required to be kept confidential by any other provision of local, State, or Federal law.

"(3) The council shall, at a time designated in regulations promulgated by the Administration, submit its application made pursuant to this part to the Administration for approval. Its application shall include funding allocations or applications which were submitted by State agencies, the judicial coordinating committee, and units of local government, or combinations thereof, and which were first reviewed and approved by the council pursuant to subsection (b)(3), (b)(4), or (d), as appropriate.

"(f) To be eligible for funds under this part all eligible jurisdictions shall assure the participation of citizens, and neighborhood and community organizations, in the application process. No grant may be made pursuant to this part unless the eligible jurisdiction has provided satisfactory assurances to the Administration that the applicant has—

"(1) provided citizens and neighborhood and community organizations with adequate information concerning the amounts of funds available for proposed programs or projects under this Act, the range of activities that may be undertaken, and other important program requirements;

"(2) provided citizens and neighborhood and community organizations an opportunity to consider and comment on priorities set forth in the application or amendments;

"(3) provided for full and adequate participation of units of local governments in the performance of the analysis and the establishment of priorities required by section 402(b)(1)(A); and

"(4) provided an opportunity for all affected criminal justice agencies to consider and comment on the proposed programs to be set forth in the application or amendments.

The Administrator, in cooperation with the Office of Community Anti-Crime Programs, may establish such rules, regulations, and procedures as are necessary to assure that citizens and neighborhood and community organizations will be assured an opportunity to participate in the application process.

"APPLICATIONS

"SEC. 403. (a) No grant may be made (1) by the Administration to a State, or (2) by a State to an eligible recipient pursuant to part D of this title unless the application sets forth criminal justice programs covering a three-year period which meet the objectives of section 401 of this title. This application must be amended annually if new programs are to be added to the application or if the programs contained in the original application are not implemented. The application must include—

"(1) an analysis of the crime problems and criminal justice needs within the relevant jurisdiction and a description of the services to be provided and performance goals and priorities, including a specific statement of how the programs are expected to advance the objectives of section 401 of this title and meet the identified crime problems and criminal justice needs of the jurisdiction;

"(2) an indication of how the programs relate to other similar State or local programs directed at the same or similar problems;

"(3) an assurance that following the first fiscal year covered by an application and each fiscal year thereafter, the applicant shall submit to the Administration, where the applicant is a State, and to the council where the applicant is a State agency, the judicial coordinating committee, non-governmental grantee, or a unit or combination of units of local government—

"(A) a performance report concerning the activities carried out pursuant to this title; and

"(B) an assessment by the applicant of the impact of those activities on the objectives of this title and the needs and objectives identified in the applicant's statement;

"(4) a certification that Federal funds made available under this title will not be used to supplant State or local funds, but will be used to increase the amounts of such funds that would, in the absence of Federal funds, be made available for criminal justice activities;

"(5) an assurance where the applicant is a State or unit or combination of units of local government that there is an adequate share of funds for courts, and corrections, police, prosecution, and defense programs;

"(6) a provision for fund accounting, auditing, monitoring, and such evaluation procedures as may be necessary to keep such records as the Administration shall prescribe to assure fiscal control, proper management, and efficient disbursement of funds received under this title;

"(7) a provision for the maintenance of such data and information and for the submission of such reports in such form, at such times, and containing such data and information as the Administration may reasonably require to administer other provisions of this title;

"(8) a certification that its programs meet all the requirements of this section, that all the information contained in the application is correct, that there has been appropriate coordination with affected agencies, and that the applicant will comply with all provisions of this title and all other applicable Federal laws. Such certification shall be made in a form acceptable to the Administration and shall be executed by the chief executive officer or other officer of the applicant qualified under regulations promulgated by the Administration; and

"(9) satisfactory assurances that equipment, whose purchase was previously made in connection with a program or project in such State assisted under this title and whose cost in the aggregate was $100,000 or more, has been put into use not later than one year after the date set at the time of purchase for the commencement of such use and has continued in use during its useful life.

"(b) Applications from judicial coordinating committees, State agencies, and other nongovernmental grantees do not have to include the crime analysis required by subsection (a) (1) of this section but may rely on the crime analysis prepared by the council.

"REVIEW OF APPLICATIONS

"Sec. 404. (a) The Administration shall provide financial assistance to each State applicant under this part to carry out the programs or projects submitted by such applicant upon determining that—

"(1) the application or amendment thereof is consistent with the requirements of this title;

"(2) the application or amendment thereof was made public prior to submission to the Administration and an opportunity to comment thereon was provided to citizens and neighborhood and community groups; and

"(3) prior to the approval of the application or amendment thereof the Administration has made an affirmative finding in writing that the program or project is likely to contribute effectively to the achievement of the objectives of section 401 of this title.

Each application or amendment made and submitted for approval to the Administration pursuant to section 403 of this title shall be deemed approved, in whole or in part, by the Administration within ninety days after first received unless the Administration informs the applicant of specific reasons for disapproval.

"(b) The Administration shall suspend funding for an approved application in whole or in part if such application contains a program or project which has failed to conform to the requirements or statutory objectives of this Act as evidenced by—

"(1) the annual performance reports submitted to the Administration by the applicant pursuant to section 802(b) of this title;

"(2) the failure of the applicant to submit annual performance reports pursuant to section 403 of this title;

"(3) evaluations conducted pursuant to section 802(b);

"(4) evaluations and other information provided by the National Institute of Justice.

The Administration may make appropriate adjustments in the amounts of grants in accordance with its findings pursuant to this subsection.

"(c) Grant funds awarded under part D shall not be used for—

"(1) the purchase of equipment or hardware except as provided in section 102(g), or the payment of personnel costs, unless the cost of such purchases or payments is incurred as an incidental and necessary part of a program of proven effectiveness, a program having a record of proven success, or a program offering high probability of improving the functioning of the criminal justice system (including bulletproof vests). In determining whether to apply this limitation, consideration must be given to the extent of prior funding from any sources in that jurisdiction for substantially similar activities;

"(2) programs which have as their primary purpose general salary payments for employees or classes of employees within an eligible jurisdiction, except for the compensation of personnel for time engaged in conducting or undergoing training programs or the compensation of personnel engaged in research, development, demonstration, or short-term programs;

"(3) construction projects; or

"(4) programs or projects which, based upon evaluations by the National Institute of Justice, Law Enforcement Assistance Administration, Bureau of Justice Statistics, State or local agencies, and other public or private organizations, have been demonstrated to offer a low probability of improving the functioning of the criminal justice system. Such programs must be formally identified by a notice in the Federal Register after opportunity for comment.

"(d) The Administration shall not finally disapprove any application submitted to the Administrator under this part, or any amendments thereof, without first affording the applicant reasonable notice and opportunity for a hearing and appeal pursuant to section 803 of this title.

"ALLOCATION AND DISTRIBUTION OF FUNDS

"Sec. 405. (a) Of the total amount appropriated for parts D, E, and F of this title in any fiscal year, 80 per centum shall be set aside for part D and allocated to States, units of local government, and combinations of such units as follows:

"(1) The sum of $300,000 to each of the participating States as defined in section 402 (a) (1) and the balance according to one of the following two formulas, whichever formula results in the larger amount;

"(A) Of the remaining amount to be allocated pursuant to this part:

"(i) 25 per centum shall be allocated in proportion to the relative population within the State as compared to the population in all States;

"(ii) 25 per centum shall be allocated in proportion to the relative number of index crimes (as documented by the Department of Justice) reported within the State as compared to such numbers in all States;

"(iii) 25 per centum shall be allocated in proportion to the relative amount of total State and local criminal justice expenditures within the State as compared to such amounts in all States; and

"(iv) 25 per centum shall be allocated in proportion to the relative population within the State, weighted by the share of State personal income paid in State and local taxes, as compared to such weighted populations in all States; or

"(B) The remaining amount to be allocated pursuant to this part shall be allocated in proportion to the relative population within the State as compared to the population, in all States;

except that no State which receives financial assistance pursuant to subparagraph (A) shall receive an amount in excess of 110 per centum of that amount available to a State pursuant to subparagraph (B). Formula allocations under this section shall utilize relative population data only for the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands.

"(2) If the fund allocation to each of the States pursuant to paragraph (1) results in a total amount in excess of the amount appropriated for the purposes of this part, additional funds shall be allocated by the Administration from part E or F to the States for purposes consistent with those parts so that the total amount equals the total amount allocated under paragraph (1). No State shall receive an allocation pursuant to paragraph (1) which is less than the block grant allocation received by such State for fiscal year 1979 pursuant to parts C and E of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3701 et seq.), except that if the total amount appropriated for part D for any fiscal year subsequent to fiscal year 1979 is less than the total block grant appropriation for parts C and E during fiscal year 1979, the States shall receive an allocation in accord with paragraph (1) (B).

"(3) From the amount made available to each State pursuant to paragraphs (1) and (2), the Administration shall determine basic allocations to be made available to the State, to eligible jurisdictions as defined in section 402(a) (2), (3), or (4) and to eligible jurisdictions as defined in section 402(a) (5). Such allocations shall be determined:

"(A) by distributing 70 per centum of available funds allocated under paragraphs (1) and (2) to the State and those eligible units of local government within the State as defined in section 402(a) in a proportion equal to their own respective share of total State and local criminal justice expenditures; and

"(B) by dividing the remaining 30 per centum of available funds allocated under paragraph (1) and (2) and distributing to the State and to those eligible units of local government within the State as defined in section 402(a), in four equal shares in amounts determined as follows:

"(i) for combating crime as specified in section 401(a), a proportion of the available funds equal to their own respective share of total State and local expenditures for police services from all sources;

"(ii) for improving court administration as specified in section 401(a), a proportion of the available funds equal to their own respective share of total State and local expenditures for judicial, legal, and prosecutive, and public defense services from all sources;

"(iii) for improving correctional services as specified in section 401(a), a proportion of the available funds equal to their own respective share of total State and local expenditures for correctional services from all sources; and

"(iv) for devising effective alternatives to the criminal justice system as specified in section 401(a) a proportion of the available funds equal to their own respective share of total State and local expenditures from all sources.

"(4) All allocations under paragraph (3) shall be based upon the most accurate and complete data available for such fiscal year or for the most recent fiscal year for which accurate data are available. Eligible jurisdictions as defined in section 402(a) (4) may not receive an allocation based upon the population of eligible cities and counties as defined in section 402(a) (2), (3), and (5) unless such cities and counties participate in activities under this title as part of a combination of units of local government as defined in section 402(a) (4). In determining allocations for the eligible units as defined in section 402(a), an aggregate allocation may be utilized where eligible jurisdictions as defined in section 402(a) combine to meet the population requirements of section 402(a) (4).

"(5) The amount made available pursuant to paragraph (3) to eligible units of local government within each State, as defined in section 402(a) (5), and to eligible jurisdictions, as defined in section 402(a) (2), (3), or (5) which choose not to combine pursuant to section 402(a) (4) and choose not to exercise the powers of section 402(c), shall be reserved and set aside in a special discretionary fund for use by the council pursuant to section 402 of this title, in making grants (in addition to any other grants which may be made under this title to the same entities or for the same purposes) to such units of local government or combinations thereof. The council shall allocate such funds among such local units of government or combinations thereof which make application pursuant to section 403 of this title, according to the criteria of this title and on the terms and conditions established by such council at its discretion. If in a particular State, there are no eligible units of local government, as defined in section

402(a)(2), 402(a)(3), or 402(a)(4), of this part, the amount otherwise reserved and set aside in the special discretionary fund shall consist of the entire amount made available to local units of government, pursuant to this section.

"(b) At the request of the State legislature while in session or a body designated to act while the legislature is not in session, general goals, priorities, and policies of the council shall be submitted to the legislature for an advisory review prior to its implementation by the council. In this review the general criminal justice goals, priorities, and policies that have been developed pursuant to this part shall be considered. If the legislature or the interim body has not reviewed such matters forty-five days after receipt, such matters shall then be deemed reviewed.

"(c) No award of funds that are allocated to the States, units of local government, or combinations thereof under this part shall be made with respect to a program other than a program contained in an approved application.

"(d) If the Administration determines, on the basis of information available to it during any fiscal year, that a portion of the funds allocated to a State, unit of local government, or combination thereof for that fiscal year will not be required, or that the State, unit of local government, or combination thereof will be unable to qualify or receive funds under the requirements of this part of this title, such funds shall be available for reallocation to the States, or other units of local government and combinations thereof within such State, as the Administration may determine in its discretion, but all States shall be considered equally for reallocated funds.

"(e) A State may award funds from the State allocation to private nonprofit organizations. Eligible jurisdictions as defined in section 402(a)(2) through (5) may utilize the services of private nonprofit organizations for purposes consistent with this title.

"(f) In order to receive formula grants under the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, a State shall submit a plan for carrying out the purposes of that Act in accordance with the provisions of this title and section 223 of that Act. Such plan may at the direction of the Administrator be incorporated into the State application to be submitted under this part.

"(g) Eligible jurisdictions which choose to utilize regional planning units may utilize the boundaries and organization of existing general purpose regional planning bodies within the State.

"PART E—NATIONAL PRIORITY GRANTS

"PURPOSE

"SEC. 501. It is the purpose of this part, through the provision of additional Federal financial aid and assistance, to encourage States and units of local government to carry out programs which, on the basis of research, demonstration, or evaluations by the National Institute of Justice, Bureau of Justice Statistics, Law Enforcement Assistance Administration, by State or local governments, or by other Federal, State, local, or private organizations or agencies, have been shown to meet the criteria of section 503(a).

"PERCENTAGE OF APPROPRIATION FOR NATIONAL PRIORITY GRANT PROGRAM

"SEC. 502. Of the total amout appropriated for parts D, E, and F of this title in any fiscal year, 10 per centum shall be reserved and set aside pursuant to this part as funding incentives for use by the Administration in making national priority grants (in addition to any other grants which may be made under this title to the same entities or for the same purpose) to States and units of local government.

"PROCEDURE FOR DESIGNATING NATIONAL PRIORITY PROGRAMS

"SEC. 503. (a) The Director of the Office of Justice Assistance, Research, and Statistics and the Administrator of the Law Enforcement Assistance Administration shall periodically and jointly designate national priority programs and projects which through research, demonstration, or evaluation have been shown to be effective or innovative and to have a likely beneficial impact on criminal justice. Such national priorities may include programs and projects designated to improve the comprehensive planning and coordination of State and local criminal justice activities. Priorities established under this subsection shall be considered priorities for a period of time determined by such Director and Administrator jointly but not to exceed three years from the time of such determination except in cases where State or local budgetary restraints prevent assumption of costs of priority projects by recipients. Such priorities shall be designated according to such criteria, and on such terms and conditions, as such Director and such Administrator jointly may determine.

"(b) Such Director and such Administrator shall jointly annually request the National Institute of Justice, the Bureau of Justice Statistics, the Law Enforcement Assistance Administration, State and local governments, and other appropriate public and private agencies to suggest national priority programs and projects. Such Director and such Administrator shall jointly then, pursuant to regulations such Director and such Administrator jointly promulgate annually, publish proposed national priority programs and projects pursuant to this part and invite and encourage public comment concerning such priorities. Such priority programs and projects shall not be established or modified until such Director and such Administrator jointly have provided at least sixty days advance notice for public comment and shall encourage and invite recommendations and opinion concerning such priorities from appropriate agencies and officials of State and units of local government. After considering any comments submitted during such period of time, such Director and such Administrator jointly shall establish priority programs and projects for that year (and determine whether existing priority programs and projects should be modified). Such Director and such Administrator shall jointly publish in the Federal Register the priority programs and projects established pursuant to this part prior to the beginning of fiscal year 1981 and each fiscal year thereafter for which appropriations will be available to carry out the program. In the event of a disagreement by such Director and such Administrator as to the exercise of joint functions under this section, the Attorney General shall resolve such disagreement.

"APPLICATION REQUIREMENTS

"SEC. 504. (a) No grant may be made pursuant to this part unless an application has been submitted to the Administration in which the applicant—

"(1) identifies the priority program to be funded and describes how funds allocated pursuant to this part and pursuant to part D will be expended to carry out the priority program;

"(2) describes specifically what percentages of funds allocated for the upcoming year pursuant to part D of this title will be spent on priority programs and projects pursuant to this part;

"(3) describes specifically the priority programs and projects for which funds are to be allocated pursuant to part D of this title for the upcoming fiscal year;

"(4) describes what percentage of part D funds were expended on national priority projects during the preceding fiscal year; and

"(5) describes specifically the priority programs and projects for which funds were allocated pursuant to part D of this title during the preceding fiscal year and the amount of such allocation.

"(b) Each applicant for funds under this part shall certify that its program or project meets all the requirements of this section, that all the information contained in the application is correct, and that the applicant will comply with all the provisions of this title and all other applicable Federal laws. Such certification shall be made in a form acceptable to the Administration.

"(c) Each application must be submitted for review to the criminal justice council in whose State the applicant is located. The council shall have thirty days to comment to the Administration upon the application. Any recommendation shall be accompanied by supporting rationale.

"(d) States and units of local government may utilize the services of private, nonprofit organizations for purposes consistent with this part.

"CRITERIA FOR AWARD

"SEC. 505. (a) The Administration shall, after appropriate consultation with representatives of State and local governments and representatives of the various components of the justice system at all levels of government, establish reasonable requirements consistent with this part for the award of national priority grants. Procedures for awards of national priority grants shall be published in the Federal Register and no national priority grant shall be made in a manner inconsistent with these procedures. The Administration in determining whether to award a priority grant to an eligible jurisdiction shall give consideration to the criminal justice needs and efforts of eligible jurisdictions, to the need for continuing programs which would not otherwise be continued because of the lack of adequate part D funds, and to the degree to which an eligible jurisdiction has expended or proposes to expend from part D or other sources of funds, including other Federal grants, for priority programs and projects. No jurisdiction shall be denied a priority grant solely on the basis of its population.

"(b) Grants under this part may be made in an amount equal to 50 per centum of the cost of the priority program or project for which such grant is made except allocations made pursuant to section 405(a)(2), which may be made in an amount equal to 100 per centum of the cost of the funded program. The remaining costs may be provided from part D funds or from any other source of funds, including other Federal grants, available to the eligible jurisdiction. The Administration may provide technical assistance to any priority program or project funded under this part. Technical assistance so provided may be funded in an amount equal to 100 per centum of its cost from funds set aside pursuant to this part.

"(c) Amounts reserved and set aside pursuant to this part in any fiscal year, but not used in such year, may be used by the Administration to provide additional financial assistance to priority programs or projects of demonstrated effectiveness in improving the functioning of the criminal justice system, notwithstanding the provisions of subsection (b).

"(d) The Administration may provide financial aid and assistance to programs or projects under this part for a period not to exceed three years. Grants made pursuant to this part may be extended or renewed by the Administration for an additional period of up to two years if an evaluation of the program or project indicates that it has been effective in achieving the stated goals or offers the potential for improving the functioning of the criminal justice system. A recipient shall assume the cost of any program assisted under this part after the period of Federal assistance unless the Administrator determines that the recipient is unable to assume such cost because of State or local budgetary restraints. The Administration shall assure that the problems and needs of all of the States are taken into account in distributing funds under this part among the States.

"Part F—Discretionary Grants

"PURPOSE

"Sec. 601. It is the purpose of this part, through the provision of additional Federal financial assistance, to encourage States, units of local government, combinations of such units, or private nonprofit organizations to—

"(a) undertake programs and projects, including educational programs, to improve and strengthen the criminal justice system;

"(b) improve the comprehensive planning and coordination of State and local criminal justice activities especially coordination between city and county jurisdictions;

"(c) provide for the equitable distribution of funds under this title among all segments and components of the criminal justice system;

"(d) develop and implement programs and projects to redirect resources so as to improve and expand the capacity of States and units of local government and combinations of such units, to detect, investigate, prosecute, and otherwise combat and prevent white-collar crime and public corruption, to improve and expand cooperation among the Federal Government, States, and units of local government in order to enhance the overall criminal justice system response to white-collar crime and public corruption, and to foster the creation and implementation of a comprehensive national strategy to prevent and combat white-collar crime and public corruption;

"(e) to support modernization and improvement of State and local court and corrections systems and programs;

"(f) to support organized crime programs to prevent and reduce crime in public or private places and programs which are designed to disrupt illicit commerce in stolen goods and property; and

"(g) to support community and neighborhood anticrime efforts.

"PERCENTAGE OF APPROPRIATION FOR DISCRETIONARY GRANT PROGRAM

"Sec. 602. Of the total amount appropriated for parts D, E, and F of this title in any fiscal year 10 per centum shall be reserved and set aside pursuant to this part in a special discretionary fund for use by the Administration in making grants (in addition to any other grants which may be made under this title to the same entities or for the same purposes) to States, units of local government, combinations of such units, or private nonprofit organizations, for the purposes set forth in section 601 of this title. The Administrator shall assure that funds allocated under this subsection to private nonprofit organizations shall be used for the purpose of developing and conducting programs and projects which would not otherwise be undertaken pursuant to this title including programs and projects—

"(1) to stimulate and encourage the improvement of justice and the modernization of State court operations by means of financial assistance to national nonprofit organizations operating in conjunction with and serving the judicial branches of State governments;

"(2) to provide national education and training programs for State and local prosecutors, defense personnel, judges and judicial personnel, and to disseminate and demonstrate new legal developments and methods by means of teaching, special projects, practice, and the publication of manuals and materials to improve the administration of criminal justice. Organizations supported under this paragraph shall assist State and local agencies in the education and training of personnel on a State and regional basis;

"(3) to support community and neighborhood anticrime programs;

"(4) to stimulate, improve, and support victim-witness assistance programs; and

"(5) to improve the administration of justice by encouraging and supporting the development, dissemination, implementation, evaluation, and revision of criminal justice standards and guidelines.

"PROCEDURE FOR ESTABLISHING DISCRETIONARY PROGRAMS

"Sec. 603. (a) The Director of the Office of Justice Assistance, Research, and Statistics and the Administrator of the Law Enforcement Assistance Administration shall periodically and jointly establish discretionary programs and projects for financial assistance under this part. Such programs and projects shall be considered priorities for a period of time not to exceed three years from the time of such determination.

"(b) Such Director and such Administrator shall jointly annually request the National Institute of Justice, the Bureau of Justice Statistics, the Law Enforcement Assistance Administration, State and local governments, and other appropriate public and private agencies to suggest discretionary programs and projects. Such Director and such Administrator shall jointly then, pursuant to regulations, annually publish the proposed priorities pursuant to this part and invite and encourage public comment concerning such priorities. Priorities shall not be established or modified until such Director and such Administrator jointly have provided at least sixty-days advance notice for such public comment and such Director and such Administrator jointly shall encourage and invite recommendations and opinion concerning such priorities from appropriate agencies and officials of State and units of local government. After considering any comments submitted during such period of time and after consultation with appropriate agencies and officials of State and units of local government, such Director and such Administrator jointly shall determine whether existing established priorities should be modified. Such Director and such Administrator shall jointly publish in the Federal Register the priorities established pursuant to this part prior to the beginning of fiscal year 1981 and each fiscal year thereafter for which appropriations will be available to carry out the program.

"APPLICATION REQUIREMENTS

"Sec. 604. (a) No grant may be made pursuant to this part unless an application has been submitted to the Administration in which the applicant—

"(1) sets forth a program or project which is eligible for funding pursuant to this part;

"(2) describes the services to be provided, performance goals and the manner in which the program is to be carried out;

"(3) describes the method to be used to evaluate the program or project in order to determine its impact and effectiveness in achieving the stated goals and agrees to conduct such evaluation according to the procedures and terms established by the Attorney General; and

"(4) indicates, if it is a private nonprofit organization, that it has consulted with appropriate agencies and officials of State and units of local government to be affected by the program and project.

"(b) Each applicant for funds under this part shall certify that its program or project meets all the requirements of this section, that all the information contained in the application is correct, and that the applicant will comply with all the provisions of this title and all other applicable Federal laws. Such certification shall be made in a form acceptable to the Administration.

"CRITERIA FOR AWARD

"Sec. 605. The Administration shall, in its discretion and according to the criteria and on the terms and conditions it determines consistent with this part, provide financial assistance to those programs or projects which most clearly satisfy the priorities established under section 603. In providing such assistance pursuant to this part, the Administration shall consider whether certain segments and components of the criminal justice system have received a disproportionate allocation of financial aid and assistance pursuant to other parts of this title, and, if such a finding is made, shall assure the funding of such other segments and components of the criminal justice system as to correct inequities resulting from such disproportionate allocations. Federal funding under this part may be up to 100 per centum of the cost of the program. In distributing funds under this part among the States, the Administration shall assure that the problems and needs of all of the States are taken into account and shall fund some programs and projects responsive to each type of section 402 eligible jurisdiction.

"PERIOD FOR AWARD

"Sec. 606. The Administration may provide financial aid and assistance to programs or projects under this part for a period not to exceed three years. Grants made pursuant to this part may be extended or renewed by the Administration for an additional period of up to two years if—

"(a) an evaluation of the program or project indicates that it has been effective in achieving the stated goals or offers the potential for improving the functioning of the criminal justice system; and

"(b) the State, unit of local government, or combination thereof and private nonprofit organizations within which the program or project has been conducted agrees to provide at least one-half of the total cost of such program or project from part D funds or from any other source of funds, including other Federal grants, available to the eligible jurisdiction. Funding for the management and the administration of national nonprofit organizations under section 602(1) of this part is not subject to the funding limitations of this section.

"Part G—Trading and Manpower Development

"PURPOSE

"Sec. 701. It is the purpose of this part to provide for and encourage training, manpower development, and new personnel practices for the purpose of improving the criminal justice system.

"TRAINING FOR PROSECUTING ATTORNEYS

"Sec. 702. (a) The Administration is authorized to establish and support a training program for prosecuting attorneys from State and local agencies engaged in the prosecution of white collar and organized crime. The program shall be designed to develop new or improved approaches, techniques, systems, manuals, and devices to strengthen prosecutive capabilities against white collar and organized crime.

"(b) While participating in the training program or traveling in connection with participation in the training program, State and local personnel may be allowed travel expenses and a per diem allowance in the same manner as prescribed under section 5703(b) of title 5, United States Code, for persons employed intermittently in the Government service.

"(c) The cost of training State and local personnel under this section shall be provided out of funds appropriated to the Administration for the purpose of such training.

"TRAINING STATE AND LOCAL CRIMINAL JUSTICE PERSONNEL

"SEC. 703. (a) The Administration is authorized—

"(1) to assist in conducting local, regional, or national training programs for the training of State and local criminal justice personnel, including but not limited to those engaged in the investigation of crime and apprehension of criminals, community relations, the prosecution, defense, or adjudication of those charged with crime, corrections, rehabilitation, probation, and parole of offenders. Such training activities shall be designed to supplement and improve rather than supplant the training activities of the State and units of general local government and shall not duplicate the training activities of the Federal Bureau of Investigation. While participating in the training program or traveling in connection with participation in the training program, State and local personnel may be allowed travel expenses and a per diem allowance in the same manner as prescribed under section 5703(b) of title 5, United States Code, for persons employed intermittently in the Government service;

"(2) to carry out a program of planning, development, demonstration, and evaluation of training programs for State and local criminal justice personnel;

"(3) to assist in conducting programs relating to recruitment, selection, placement, and career development practices of State and local law enforcement and criminal justice personnel, and to assist State and local governments in planning manpower programs for criminal justice; and

"(4) to carry out a program of planning, development, demonstration, and evaluation of recruitment, selection, and placement practices.

"(b) The amount of a grant or contract under this section may be up to 100 per centum of the total cost of a program, but the total financial support may not exceed 80 per centum of the total operating budget of any funded institutions or programs.

"(1) Institutions funded under this section shall assure that to the maximum extent feasible efforts shall be made to increase the non-Federal share of the total operating budgets of such institutions or programs with the objective of becoming self-sustaining.

"(2) To the greatest extent possible funds appropriated for the purposes of this section shall not be utilized to provide per diem or subsistence for State and local officials receiving such training.

"FBI TRAINING OF STATE AND LOCAL CRIMINAL JUSTICE PERSONNEL

"SEC. 704. (a) The Director of the Federal Bureau of Investigation is authorized to—

"(1) establish and conduct training programs at the Federal Bureau of Investigation National Academy at Quantico, Virginia, to provide, at the request of a State or unit of local government, training for State and local criminal justice personnel;

"(2) develop new or improved approaches, techniques, systems, equipment, and devices to improve and strengthen criminal justice; and

"(3) assist in conducting, at the request of a State or unit of local government, local and regional training programs for the training of State and local criminal justice personnel engaged in the investigation of crime and the apprehension of criminals. Such training shall be provided only for persons actually employed as State police or highway patrol, police of a unit of local government, sheriffs, and their deputies, and other persons as the State or unit may nominate for police training while such persons are actually employed as officers of such State or unit.

"(b) In the exercise of the functions, powers, and duties established under this section the Director of the Federal Bureau of Investigation shall be under the general authority of the Attorney General.

"CRIMINAL JUSTICE EDUCATION PROGRAM

"SEC. 705. (a) Pursuant to the provisions of subsections (b) and (c) of this section, the Administration is authorized, after appropriate consultation with the Commissioner of Education, to carry out programs of academic educational assistance to improve and strengthen criminal justice.

"(b) The Administration is authorized to enter into contracts to make, and make payments to institutions of higher education for loans, not exceeding $2,200 per academic year to any person, to persons enrolled on a full-time basis in undergraduate or graduate programs approved by the Administration and leading to degrees or certificates in areas directly related to criminal justice or suitable for persons employed in criminal justice, with special consideration to police or correctional personnel of States or units of general local government on academic leave to earn such degrees or certificates. Loans to persons assisted under this subsection shall be made on such terms and conditions as the Administration and the institution offering such programs may determine, except that the total amount of any such loan, plus interest, shall be canceled for service as a full-time officer or employee of a criminal justice agency at the rate of 25 per centum of the total amount of such loan plus interest for each complete year of such service or its equivalent of such service, as determined under regulations of the Administration.

"(c) The Administration is authorized to enter into contracts to make, and make payments to institutions of higher education for tuition, books, and fees, not exceeding $250 per academic quarter or $400 per semester for any person, for officers of any publicly funded criminal justice agency enrolled on a full-time or part-time basis in courses included in an undergraduate or graduate program which is approved by the Administration and which leads to a degree or certificate in an area related to criminal justice or an area suitable for persons employed in criminal justice. Assistance under this subsection may be granted only on behalf of an applicant who enters into an agreement to remain in the service of a criminal justice agency employing such applicant for a period of two years following completion of any course for which payments are provided under this subsection, and in the event such service is not completed, to repay the full amount of such payments on such terms and in such manner as the Administration may prescribe.

"(d) Full-time teachers or persons preparing for careers as full-time teachers of courses related to criminal justice or suitable for persons employed in criminal justice, in institutions of higher education which are eligible to receive funds under this section, shall be eligible to receive assistance under subsections (b) and (c) of this section as determined under regulations of the Administration.

"(e) The Administration is authorized to make grants to or enter into contracts with institutions of higher education, or combinations of such institutions, to assist them in planning, developing, strengthening, improving, or carrying out programs or projects for the development or demonstration of improved methods of criminal justice education, including—

"(1) planning for the development or expansion of undergraduate or graduate programs in law enforcement and criminal justice, and for law enforcement related courses in public schools;

"(2) education and training of faculty members;

"(3) strengthening the criminal justice aspects of courses leading to an undergraduate, graduate, or professional degree; and

"(4) research into, and development of, methods of educating students or faculty, including the preparation of teaching materials and the planning of curriculums. The amount of a grant or contract may be up to 75 per centum of the total cost of programs and projects for which a grant or contract is made.

"(f) The Administration is authorized to enter into contracts to make, and make payments to institutions of higher education for grants not exceeding $65 per week to persons enrolled on a full-time basis in undergraduate or graduate degree programs who are accepted for and serve in full-time internships in criminal justice agencies for not less than eight weeks during any summer recess or for any entire quarter or semester on leave from the degree program.

"PART H—ADMINISTRATIVE PROVISIONS

"ESTABLISHMENT OF OFFICE OF JUSTICE ASSISTANCE, RESEARCH, AND STATISTICS

"SEC. 801. (a) There is established within the Department of Justice, under the general authority and policy control of the Attorney General, an Office of Justice Assistance, Research, and Statistics. The chief officer of the Office of Justice Assistance, Research, and Statistics shall be a Director appointed by the President by and with the advice and consent of the Senate.

"(b) The Office of Justice Assistance, Research, and Statistics shall directly provide staff support to, and coordinate the activities of, the National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration.

"CONSULTATION; ESTABLISHMENT OF RULES AND REGULATIONS

"SEC. 802. (a) The Office of Justice Assistance, Research, and Statistics, the Law Enforcement Assistance Administration, the Bureau of Justice Statistics, and the National Institute of Justice are authorized, after appropriate consultation with representatives of States and units of local government, to establish such rules, regulations, and procedures as are necessary to the exercise of their functions, and as are consistent with the stated purpose of this title.

"(b) The Law Enforcement Assistance Administration shall, after consultation with the National Institute of Justice, the Bureau of Justice Statistics, State and local governments, and the appropriate public and private agencies, establish such rules and regulations as are necessary to assure the continuing evaluation of selected programs or projects conducted pursuant to parts D, E, and F of this title, in order to determine—

"(1) whether such programs or projects have achieved the performance goals stated in the original application, are of proven effectiveness, have a record of proven success, or offer a high probability of improving the criminal justice system;

"(2) whether such programs or projects have contributed or are likely to contribute to the improvement of the criminal justice system and the reduction and prevention of crime;

"(3) their cost in relation to their effectiveness in achieving stated goals;

"(4) their impact on communities and participants; and

"(5) their implication for related programs.

Evaluations shall be in addition to the requirements of sections 403 and 404. In conducting the evaluations called for by this subsection, the Law Enforcement Assistance Administration shall, when practical, compare the effectiveness of programs conducted by similar applicants and different applicants, and shall compare the effectiveness of programs or projects conducted by States and units of local government pursuant to part D of this title with similar programs carried out pursuant to parts E and F of this title. The Law Enforcement Assistance Administration shall also require applicants under part D of this title to submit an annual performance report concerning activities carried out pursuant to part D of this title together with an assessment by the applicant of the effectiveness of those activities in achieving the objectives of section 401 of this title and the relationships of those activities to the needs and objectives specified by the applicant in the application submitted pursuant to section 403 of this title. The administration shall suspend funding for an approved application under part D of this title if an applicant fails to submit such an annual performance report.

"(c) The procedures established to implement the provisions of this title shall minimize paperwork and prevent needless duplication and unnecessary delays in award and expenditure of funds at all levels of government.

"NOTICE AND HEARING ON DENIAL OR TERMINATION OF GRANT

"SEC. 803. (a) Whenever, after reasonable notice and opportunity for a hearing on the record in accordance with section 554 of title 5, United States Code, the National Institute of Justice, the Bureau of Justice Statistics, or the Law Enforcement Assistance Administration finds that a recipient of their respective assistance under this title has failed to comply substantially with—

"(1) any provision of this title;

"(2) any regulations or guidelines promulgated under this title; or

"(3) any application submitted in accordance with the provisions of this title, or the provisions of any other applicable Federal Act, they, until satisfied that there is no longer any such failure to comply, shall—

"(i) terminate payments to the recipient under this title;

"(ii) reduce payments to the recipient under this title by an amount equal to the amount of such payments which were not expended in accordance with this title; or

"(iii) limit the availability of payments under this title to programs, projects, or activities not affected by such failure to comply.

"(b) If a State grant application filed under part D or if any grant application filed under any other part of this title has been rejected or a State applicant under part D or an applicant under any other part has been denied a grant or has had a grant, or any portion of a grant, discontinued, terminated or has been given a grant in a lesser amount that such applicant believes appropriate under the provisions of this title, the National Institute of Justice, the Bureau of Justice Statistics, or the Law Enforcement Assistance Administration, as appropriate, shall notify the applicant or grantee of its action and set forth the reason for the action taken. Whenever such an applicant or grantee requests a hearing, the National Institute of Justice, the Bureau of Justice Statistics, the Law Enforcement Assistance Administration, or any authorized officer thereof, is authorized and directed to hold such hearings or investigations, including hearings on the record in accordance with section 554 of title 5, United States Code, at such times and places as necessary, following appropriate and adequate notice to such applicant; and the findings of fact and determinations made with respect thereto shall be final and conclusive, except as otherwise provided herein.

"(c) If such recipient is dissatisfied with the findings and determinations of the Law Enforcement Assistance Administration, the Bureau of Justice Statistics, or the National Institute of Justice, following notice and hearing provided for in subsection (a) of this section, a request may be made for rehearing, under such regulations and procedures as such Administration, Bureau, or Institute, as the case may be, may establish, and such recipient shall be afforded an opportunity to present such additional information as may be deemed appropriate and pertinent to the matter involved.

"FINALITY OF DETERMINATIONS

"SEC. 804. In carrying out the functions vested by this title in the Law Enforcement Assistance Administration, the Bureau of Justice Statistics, or the National Institute of Justice, their determinations, findings, and conclusions shall, after reasonable notice and opportunity for a hearing, be final and conclusive upon all applications, except as otherwise provided herein.

"APPELLATE COURT REVIEW

"SEC. 805. (a) If any applicant or recipient is dissatisfied with a final action with respect to section 803, 804, or 815(c)(2)(H) of this part, such applicant or recipient may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such applicant or recipient is located, or in the United States Court of Appeals for the District of Columbia, a petition for review of the action. A copy of the petition shall forthwith be transmitted by the petitioner to the Office of Justice Assistance, Research, and Statistics, the Law Enforcement Assistance Administration, the Bureau of Justice Statistics, or the National Institute of Justice, as appropriate, and the Attorney General of the United States who shall represent the Federal Government in the litigation. The Office of Justice Assistance, Research, and Statistics, the Law Enforcement Assistance Administration, the Bureau of Justice Statistics, or the National Institute of Justice, as appropriate, shall thereupon file in the court the record of the proceeding on which the action was based, as provided in section 2112 of title 28, United States Code. No objection to the action shall be considered by the court unless such objection has been urged before the Office of Justice Assistance, Research, and Statistics, the Law Enforcement Assistance Administration, the Bureau of Justice Statistics, or the National Institute of Justice as appropriate.

"(b) The court shall have jurisdiction to affirm or modify a final action or to set it aside in whole or in part. The findings of fact by the Office of Justice Assistance, Research, and Statistics, the Law Enforcement Assistance Administration, the Bureau of Justice Statistics, or the National Institute of Justice, if supported by substantial evidence on the record considered as a whole, shall be conclusive, but the court, for good cause shown, may remand the case to the Office of Justice Assistance, Research, and Statistics, the Law Enforcement Assistance Administration, the National Institute of Justice, or the Bureau of Justice Statistics, to take additional evidence to be made part of the record. The Office of Justice Assistance, Research, and Statistics, the Law Enforcement Assistance Administration, the Bureau of Justice Statistics, or the National Institute of Justice, may thereupon make new or modified findings of fact by reason of the new evidence so taken and filed with the court and shall file such modified or new findings along with any recommendations such entity may have for the modification or setting aside of such entity's original action. All new or modified findings shall be conclusive with respect to questions of fact if supported by substantial evidence when the record as a whole is considered.

"(c) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Office of Justice Assistance, Research, and Statistics, the Law Enforcement Assistance Administration, the Bureau of Justice Statistics, or the National Institute of Justice, or to be set aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon writ of certiorari or certifications as provided in section 1254 of title 28, United States Code.

"DELEGATION OF FUNCTIONS

"SEC. 806. The Attorney General, the Office of Justice Assistance, Research, and Statistics, the National Institute of Justice, the Bureau of Justice Statistics, or the Law Enforcement Assistance Administration may delegate to any of their respective officers or employees such functions as they deem appropriate.

"SUBPENA POWER; AUTHORITY TO HOLD HEARINGS

"SEC. 807. In carrying out their functions, the Office of Justice Assistance, Research, and Statistics, the National Institute of Justice, the Bureau of Justice Statistics, or the Law Enforcement Assistance Administration, or upon authorization, any member thereof or any hearing examiner or administrative law judge assigned to or employed thereby shall have the power to hold hearings and issue subpenas, administer oaths, examine witnesses, and receive evidence at any place in the United States they may designate.

"COMPENSATION OF DIRECTOR OF OFFICE OF JUSTICE ASSISTANCE, RESEARCH, AND STATISTICS

"SEC. 808. Section 5314 of title 5, United States Code, is amended—

"(1) by adding at the end thereof—

" 'Director, Office of Justice Assistance, Research, and Statistics.' and

"(2) by striking out—

" 'Administrator of Law Enforcement Assistance.'

"COMPENSATION OF OTHER FEDERAL OFFICERS

"SEC. 809. Section 5315 of title 5, United States Code, is amended—

"(1) by striking out—

" 'Deputy Administrator for Policy Development of the Law Enforcement Assistance Administration.' and

" 'Deputy Administrator for Administration of the Law Enforcement Assistance Administration.'; and

"(2) by adding at the end the following:

" 'Administrator of Law Enforcement Assistance.'

" 'Director of the National Institute of Justice.'

" 'Director of the Bureau of Justice Statistics.'; and

"EMPLOYMENT OF HEARING OFFICERS

"SEC. 810. Subject to the Civil Service and classification laws, the Office of Justice Assistance, Research, and Statistics, the National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration may appoint such officers and employees as shall be necessary to carry out their powers and duties under this title and may appoint such hearing examiners or administrative law judges or to request the use of such administrative law judges selected by the Office of Personnel Management pursuant to section 3344 of title 5, United States Code, as shall be necessary to carry out their powers and duties under this title.

"AUTHORITY TO USE AVAILABLE SERVICES

"SEC. 811. The Office of Justice Assistance, Research, and Statistics, the National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration are authorized, on a reimbursable basis when appropriate, to use the available services, equipment, personnel, and facilities of Federal, State, and local agencies to the extent deemed appropriate after giving due consideration to the effectiveness of such existing services, equipment, personnel, and facilities.

"CONSULTATION WITH OTHER FEDERAL, STATE, AND LOCAL OFFICIALS

"SEC. 812. In carrying out the provisions of this title, including the issuance of regulations, the Attorney General, the Director of the Office of Justice Assistance, Research, and Statistics, the Administrator of the Law Enforcement Assistance Administration, and the Directors of the National Institute of Justice and the Bureau of Justice Statistics shall consult with other Federal departments and agencies and State and local officials.

"REIMBURSEMENT AUTHORITY

"SEC. 813. (a) The Office of Justice Assistance, Research, and Statistics, the National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration may arrange with and reimburse the heads of other Federal departments and agencies for the performance of any of their functions under this title.

"(b) The National Institute of Justice, the Bureau of Justice Statistics, the Law Enforcement Assistance Administration, and the Office of Justice Assistance, Research, and Statistics in carrying out their respective functions may use grants, contracts, or cooperative agreements in accordance with the standards established in the Federal Grant and Cooperative Agreement Act of 1977 (41 U.S.C. 501 et seq.).

"SERVICES OF EXPERTS AND CONSULTANTS; ADVISORY COMMITTEES

"SEC. 814. (a) The Office of Justice Assistance, Research, and Statistics, the National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration may procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code, at rates of compensation for individuals not to exceed the daily equivalent of the rate then payable for GS–18 by section 5332 of title 5, United States Code.

"(b) The Office of Justice Assistance, Research, and Statistics, the National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration are authorized to appoint, without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service, technical or other advisory committees to advise them with respect to the administration of this title as they deem necessary. Members of those committees not otherwise in the employ of the United States, while engaged in advising them or attending meetings of the committees, shall be compensated at rates to be fixed by the Offices but not to exceed the daily equivalent of the rate then payable for GS–18 by section 5332 of title 5 of the United States Code and while away from home or regular place of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of such title 5 for persons in the Government service employed intermittently.

"(c) Payments under this title may be made in installments, and in advance or by way of reimbursement, as may be determined by the Administration, and may be used to pay the transportation and subsistence expenses of persons attending conferences or other assemblages notwithstanding the provisions of the joint resolution entitled 'Joint resolution to prohibit expenditure of any moneys for housing, feeding, or transporting conventions or meetings', approved February 2, 1935 (31 U.S.C. 551).

"PROHIBITION OF FEDERAL CONTROL OVER STATE AND LOCAL CRIMINAL JUSTICE AGENCIES

"SEC. 815. (a) Nothing contained in this title or any other Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over any police force or any other criminal justice agency of any State or any political subdivision thereof.

"(b) Notwithstanding any other provision of law nothing contained in this title shall be construed to authorize the National Institute of Justice, the Bureau of Justice Statistics, or the Law Enforcement Assistance Administration—

"(1) to require, or condition the availability or amount of a grant upon the adoption by an applicant or grantee under this title of a percentage ratio, quota system, or other program to achieve racial balance in any criminal justice agency; or

"(2) to deny or discontinue a grant because of the refusal of an applicant or grantee under this title to adopt such a ratio, system, or other program.

"(c)(1) No person in any State shall on the ground of race, color, religion, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under or denied employment in connection with any programs or activity funded in whole or in part with funds made available under this title.

"(2)(A) Whenever there has been—

"(i) receipt of notice of a finding, after notice and opportunity for a hearing, by a Federal court (other than in an action brought by the Attorney General) or State court, or by a Federal or State administrative agency, to the effect that there has been a pattern or practice of discrimination in violation of paragraph (1); or

"(ii) a determination after an investigation by the Office of Justice Assistance, Research, and Statistics (prior to a hearing under subparagraph (F) but including an opportunity for the State government or unit of general local government to make a documentary submission regarding the allegation of discrimination with respect to such program or activity, with funds made available under this title) that a State government or unit of general local government is not in compliance with paragraph (1);

the Office of Justice Assistance, Research, and Statistics shall, within ten days after such occurrence, notify the chief executive of the affected State, or the State in which the affected unit of general local government is located, and the chief executive of such unit of general local government, that such program or activity has been so found or determined not to be in compliance with paragraph (1), and shall request each chief executive, notified under this subparagraph with respect to such violation, to secure compliance. For purposes of clause (i) a finding by a Federal or State administrative agency shall be deemed rendered after notice and opportunity for a hearing if it is rendered pursuant to procedures consistent with the provisions of subchapter II of chapter 5, title 5, United States Code.

"(B) In the event the chief executive secures compliance after notice pursuant to subparagraph (A), the terms and conditions with which the affected State government or unit of general local government agrees to comply shall be set forth in writing and signed by the chief executive of the State, by the chief executive of such unit (in the event of a violation by a unit of general local government), and by the Office of Justice Assistance, Research, and Statistics. On or prior to the effective date of the agreement, the Office of Justice Assistance, Research, and Statistics shall send a copy of the agreement to each complainant, if any, with respect to such violation. The chief executive of the State, or the chief executive of the unit (in the event of a violation by a unit of general local government) shall file semiannual reports with the Office of Justice Assistance, Research, and Statistics detailing the steps taken to comply with the agreement. These reports shall cease to be filed upon the determination of the Office of Justice Assistance, Research, and Statistics that compliance has been secured, or upon the determination by a Federal or State court that such State government or local governmental unit is in compliance with this section. Within fifteen days of receipt of such reports, the Office of Justice Assistance, Research, and Statistics shall send a copy thereof to each such complainant.

"(C) If, at the conclusion of ninety days after notification under subparagraph (A)—

"(i) compliance has not been secured by the chief executive of that State or the chief executive of that unit of general local government; and

"(ii) an administrative law judge has not made a determination under subparagraph (F) that it is likely the State government or unit of local government will prevail on the merits; the Office of Justice Assistance, Research, and Statistics shall notify the Attorney General that compliance has not been secured and caused to have suspended further payment of any funds under this title to that program or activity. Such suspension shall be limited to the specific program or activity cited by the Office of Justice Assistance, Research, and Statistics in the notice under subparagraph (A). Such suspension shall be effective for a period of not more than one hundred and twenty days, or, if there is a hearing under subparagraph (G), not more than thirty days after the conclusion of such hearing, unless there has been an express finding by the Office of Justice Assistance, Research, and Statistics after notice and opportunity for such a hearing, that the recipient is not in compliance with paragraph (1).

"(D) Payment of the suspended funds shall resume only if—

"(i) such State government or unit of general local government enters into a compliance agreement approved by the Office of Justice Assistance, Research, and Statistics and the Attorney General in accordance with subparagraph (B);

"(ii) such State government or unit of general local government complies fully with the final order or judgment of a Federal or State court, or by a Federal or State administrative agency if that order or judgment covers all the matters raised by the Office of Justice Assistance, Research, and Statistics in the notice pursuant to subparagraph (A), or is found to be in compliance with paragraph (1) by such court; or

"(iii) after a hearing the Office of Justice Assistance, Research, and Statistics pursuant to subparagraph (F) finds that noncompliance has not been demonstrated.

"(E) Whenever the Attorney General files a civil action alleging a pattern or practice of discriminatory conduct on the basis of race, color, religion, national origin, or sex in any program or activity of a State government or unit of local government which State government or unit of local government receives funds made available under this title, and the conduct allegedly violates the provisions of this section and neither party within forty-five days after such filing has been granted such preliminary relief with regard to the suspension or payment of funds as may be otherwise available by law, the Office of Justice Assistance, Research, and Statistics shall cause to have suspended further payment of any funds under this title to that specific program or activity alleged by the Attorney General to be in violation of the provisions of this subsection until such time as the court orders resumption of payment.

"(F) Prior to the suspension of funds under subparagraph (C), but within the ninety-day period after notification under subparagraph (C), the State government or unit of local government may request an expedited preliminary hearing on the record in accordance with section 554 of title 5, United States Code, in order to determine whether it is likely that the State government or unit of local government would, at a full hearing under subparagraph (G), prevail on the merits on the issue of the alleged noncompliance. A finding under this subparagraph by the administrative law judge in favor of the State government or unit of local government shall defer the suspension of funds under subparagraph (C) pending a finding of noncompliance at the conclusion of the hearing on the merits under subparagraph (G).

"(G) (i) At any time after notification under subparagraph (A), but before the conclusion of the one-hundred-and-twenty-day period referred to in subparagraph (C), a State government or unit of general local government may request a hearing on the record in accordance with section 554 of title 5, United States Code, which the Office of Justice Assistance, Research, and Statistics shall initiate within sixty days of such request.

"(ii) Within thirty days after the conclusion of the hearing, or, in the absence of a hearing, at the conclusion of the one-hundred-and-twenty-day period referred to in subparagraph (C), the Office of Justice Assistance, Research, and Statistics shall make a finding of compliance or noncompliance. If the Office of Justice Assistance, Research, and Statistics makes a finding of noncompliance, the Office of Justice Assistance, Research, and Statistics shall notify the Attorney General in order that the Attorney General may institute a civil action under paragraph (3), cause to have terminated the payment of funds under this title, and, if appropriate, seek repayment of such funds.

"(iii) If the Office of Justice Assistance, Research, and Statistics makes a finding of compliance, payment of the suspended funds shall resume as provided in subparagraph (D).

"(H) Any State government or unit of general local government aggrieved by a final determination of the Office of Justice Assistance, Research, and Statistics under subparagraph (G) may appeal such determination as provided in section 805 of this title.

"(3) Whenever the Attorney General has reason to believe that a State government or unit of local government has engaged in or is engaging in a pattern or practice in violation of the provisions of this section, the Attorney General may bring a civil action in an appropriate United States district court. Such court may grant as relief any temporary restraining order, preliminary or permanent injunction, or other order, as necessary or appropriate to insure the full enjoyment of the rights described in this section, including the suspension, termination, or repayment of such funds made available under this title as the court may deem appropriate, or placing any further such funds in escrow pending the outcome of the litigation

"(4) (A) Whenever a State government or unit of local government, or any officer or employee thereof acting in an official capacity, has engaged or is engaging in any act or practice prohibited by this subsection, a civil action may be instituted after exhaustion of administrative remedies by the person aggrieved in an appropriate United States district court or in a State court of general jurisdiction. Administrative remedies shall be deemed to be exhausted upon the expiration of sixty days after the date the administrative complaint was filed with the Office of Justice Assistance, Research, and Statistics or any other administrative enforcement agency, unless within such period there has been a determination by the Office of Justice Assistance, Research, and Statistics or the agency on the merits of the complaint, in which case such remedies shall be deemed exhausted at the time the determination becomes final.

"(B) In any civil action brought by a private person to enforce compliance with any provision of this subsection, the court may grant to a prevailing plaintiff reasonable attorney fees, unless the court determines that the lawsuit is frivolous, vexatious, brought for harassment purposes, or brought principally for the purpose of gaining attorney fees.

"(C) In any action instituted under this section to enforce compliance with paragraph (1), the Attorney General, or a specially designated assistant for or in the name of the United States, may intervene upon timely application if he certifies that the action is of general public importance. In such action the United States shall be entitled to the same relief as if it had instituted the action.

"REPORT TO PRESIDENT AND CONGRESS

"SEC. 816. (a) On or before March 31 of each year, the Administrator of the Law Enforcement Assistance Administration shall report to the President and to the Committees on the Judiciary of the Senate and House of Representatives on activities pursuant to parts D, E, F, and G of this title during the preceding fiscal year. Such report shall include—

"(1) a description of the progress made in accomplishing the objectives of such parts;

"(2) a description of the national priority programs and projects established by the Office pursuant to part E of this title;

"(3) the amounts obligated under parts D, E, and E of this title for each of the components of the criminal justice system;

"(4) the nature and number of jurisdictions which expended funds under part D of this title on national priority programs or projects established pursuant to part E of this title, and the percentage of part D funds expended by such jurisdictions on such programs or projects;

"(5) a summary of the major innovative policies and programs for reducing and preventing crime recommended by the Administration during the preceding fiscal year in the course of providing technical and financial aid and assistance to State and local governments pursuant to this title;

"(6) a description of the procedures used to audit, monitor, and evaluate programs or projects to insure that all recipients have complied with the Act and that the information contained in the applications was correct;

"(7) the number of part D applications or amendments approved by the Administration without recommending substantial changes;

"(8) the number of part D applications or amendments in which the Administration recommended substantial changes, and the disposition of such programs or projects;

"(9) the number of programs or projects under part D applications or amendments with respect to which a discontinuation, suspension, or termination of payments occurred together with the reasons for such discontinuation, suspension, or termination;

"(10) the number of programs or projects under part D applications or amendments which were subsequently discontinued by the jurisdiction following the termination of funding under this title; and

"(11) a description of equipment whose cost in the aggregate was $100,000 or more that was purchased in connection with each program or project assisted under part D, and the current use status of such equipment.

"(b) Not later than three years after the date of enactment of the Justice System Improvement Act of 1979, the Administrator of the Law Enforcement Assistance Administration, after consultation with the Director of the National Institute of Justice, the Director of the Bureau of Statistics, and the Administrator of the Office of Juvenile Justice and Delinquency Prevention, with respect to the receipt and compilation of evaluations, statistics and performance reports required by this title, shall submit to the Judiciary Committees of the Senate and the House of Representatives a report. The report shall set forth comprehensive statistics which, together with the Administrator's analysis and findings, shall indicate whether grants made to States or units of local governments under parts D, E, and F have made a reasonably expected contribution toward—

"(1) improving and strenthening law enforcement agencies, as measured by arrest rates, incidence rates, victimization rates, the number of reported crimes, clearance rates, the number of patrol or investigative hours per uniformed officer, or any other appropriate objective measure;

"(2) improving the police utilization of community resources through support of joint police-community projects designed to prevent or control neighborhood crime;

"(3) disrupting illicit commerce in stolen goods and property;

"(4) combating arson;

"(5) developing investigations and prosecutions of white collar crime, organized crime, public corruption related offenses, and fraud against the government;

"(6) reducing the time between arrest or indictment and disposition of trial;

"(7) increasing the use and development of alternatives to the prosecution of selected offenders;

"(8) increasing the development and use of alternatives to pretrial detention that assure return to court and a minimization of the risk of danger;

"(9) increasing the rate at which prosecutors obtain convictions against habitual, nonstatus offenders;

"(10) developing and implementing programs which provide assistance to victims and witnesses, including resolution, programs encouraging victim and witness participation in the criminal justice system, and programs designed to present retribution against or intimidation of witnesses by persons charged with or convicted of crimes;

"(11) providing competent defense counsel for indigent and eligible low-income persons accused of criminal offenses;

"(12) developing projects to identify and meet the needs of drug dependent offenders;

"(13) increasing the availability and use of alternatives to maximum-security confinement of convicted offenders who pose no threat to public safety;

"(14) reducing the rates of violence among inmates in places of detention and confinement;

"(15) improving conditions of detention and confinement in adult and juvenile correctional institutions, as measured by the number of such institutions administering programs meeting accepted standards;

"(16) training criminal justice personnel in programs meeting standards recognized by the Administrator;

"(17) revision and recodification by States and units of local government of criminal statutes, rules, and procedures and revision of statutes, rules, and regulations governing State and local criminal justice agencies; and

"(18) developing statistical and evaluative systems in States and units of local government which assist the measurement of indicators in each of the areas described in paragraphs (1) through (17).

Such report shall identify separately, to the maximum practicable extent, such contribution according to the parts under which such grants are authorized and made.

"(c) Not later than two hundred and seventy days after the date of enactment of this Act, the Administrator of the Law Enforcement Assistance Administration shall transmit to the Committees on the Judiciary of the Senate and of the House of Representatives a plan for the collection, analysis, and evaluation of any data relevant to measure, as objectively as is practicable, progress in each of the areas described in subsection (b). In developing such plan, the Administrator of the Law Enforcement Assistance Administration shall consult with the Director of the National Institute of Justice, the Director of the Bureau of Justice Statistics, the Administrator of the Office of Juvenile Justice and Delinquency Prevention, and the Committees on the Judiciary of the Senate and House of Representatives. After such consultation and at any time prior to the submission of such plan as required by this subsection, the Administrator may recommend to such committees reporting areas in addition to those described in subsection (b) which, in his judgment, will aid such committees in making the determinations required by subsection (b). Such plans shall include the Administrator's recommended definitions of the terms 'comprehensive statistics' and 'reasonably expected contribution' as used in subsection (b), which take into account the total amount of funds available for distribution to States and units of local government under parts D, E, and F, as compared to the total amount of funds available for expenditure by States and units of local government for criminal justice purposes. Such plan shall be used by the Administrator in preparing the report required by subsection (b).

"(d) The report required by subsection (b) shall address whether a reasonably expected contribution has been attained in the areas described in subsection (b) and any added by the Administrator under subsection (c).

"(e) To the maximum extent feasible, the Administrator shall minimize duplication in data collection requirements imposed on grantee agencies by this section.

"RECORDKEEPING REQUIREMENT

"SEC. 817. (a) Each recipient of funds under this Act shall keep such records as the Office of Justice Assistance, Research, and Statistics shall prescribe, including records which fully disclose the amount and disposition by such recipient of the funds, the total cost of the project or undertaking for which such funds are used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Office of Justice Assistance, Research, and Statistics or any of its duly authorized representatives, shall have access for purpose of audit and examination of any books, documents, papers, and records of the recipients of funds under this title which in the opinion of the Office of Justice Assistance, Research, and Statistics may be related or pertinent to the grants, contracts, subcontracts, subgrants, or other arrangements referred to under this title.

• "(c) The Comptroller General of the United States or any of his duly authorized representatives, shall, until the expiration of three years after the completion of the program or project with which the assistance is used, have access for the purpose of audit and examination to any books, documents, papers, and records of recipients of Federal funds under this title which in the opinion of the Comptroller General may be related or pertinent to the grants, contracts, subcontracts, subgrants, or other arrangements referred to under this title.

"(d) Within one hundred and twenty days after the enactment of this subsection, the Office of Justice Assistance, Research, and Statistics shall review existing civil rights regulations and conform them to this title. Such regulations shall include—

"(1) reasonable and specific time limits for the Office of Justice Assistance, Research, and Statistics to respond to the filing of a complaint by any person alleging that a State government or unit of general local government is in violation of the provisions of section 815(c) of this title; including reasonable time limits for instituting an investigation, making an appropriate determination with respect to the allegations, and advising the complainant of the status of the complaint; and

"(2) reasonable and specific time limits for the Office of Justice Assistance, Research, and Statistics to conduct independent audits and reviews of State governments and units of general local government receiving funds pursuant to this title for compliance with the provisions of section 815(c) of this title.

"(e) The provisions of this section shall apply to all recipients of assistance under this Act, whether by direct grant, cooperative agreement, or contract under this Act or by subgrant or subcontract from primary grantees or contractors under this Act.

"(f) There is hereby established within the Law Enforcement Assistance Administration a revolving fund for the purpose of supporting projects that will acquire stolen goods and property in an effort to disrupt illicit commerce in such goods and property. Notwithstanding any other provisions of law, any income or royalties generated from such projects together with income generated from any sale or use of such goods or property, where such goods or property are not claimed by their lawful owner, shall be paid into the revolving fund. Where a party establishes a legal right to such goods or property, the Administrator of the fund may in his discretion assert a claim against the property or goods in the amount of Federal funds used to purchase such goods or property. Proceeds from such claims shall be paid into the revolving fund. The Administrator is authorized to make disbursements by appropriate means, including grants, from the fund for the purpose of this section.

"CONFIDENTIALITY OF INFORMATION

"SEC. 818. (a) Except as provided by Federal law other than this title, no officer or employee of the Federal Government, nor any recipient of assistance under the provisions of this title shall use or reveal any research or statistical information furnished under this title by any person and identifiable to any specific private person for any purpose other than the purpose for which it was obtained in accordance with this title. Such information and copies thereof shall be immune from legal process, and shall not, without the consent of the person furnishing such information, be admitted as evidence or used for any purpose in any action, suit, or other judicial, legislative, or administrative proceedings.

"(b) All criminal history information collected, stored, or disseminated through support under this title shall contain, to the maximum extent feasible, disposition as well as arrest data where arrest data is included therein. The collection, storage, and dissemination of such information shall take place under procedures reasonably designed to insure that all such information is kept current therein; the Office of Justice Assistance, Research, and Statistics shall assure that the security and privacy of all information is adequately provided for and that information shall only be used for law enforcement and criminal justice and other lawful purposes. In addition, an individual who believes that criminal history information concerning him contained in an automated system is inaccurate, incomplete, or maintained in violation of this title, shall, upon satisfactory verification of his identity, be entitled to review such information and to obtain a copy of it for the purpose of challenge or correction.

"(c) All criminal intelligence systems operating through support under this title shall collect, maintain, and disseminate criminal intelligence information in conformance with policy standards which are prescribed by the Office of Justice Assistance, Research and Statistics and which are written to assure that the funding and operation of these systems furthers the purpose of this title and to assure that such systems are not utilized in violation of the privacy and constitutional rights of individuals.

"(d) Any person violating the provisions of this section, or of any rule, regulation, or order issued thereunder shall be fined not to exceed $10,000 in addition to any other penalty imposed by law.

"AUTHORITY TO ACCEPT VOLUNTARY SERVICES

"SEC. 819. The Office of Justice Assistance, Research, and Statistics, the National Institute of Justice, the Bureau of Justice Statistics, and the Law Enforcement Assistance Administration are authorized to accept and employ, in carrying out the provisions of this Act, voluntary and uncompensated services notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)). Such individuals shall not be considered Federal employees except for purposes of chapter 81 of title 5 with respect to job-incurred disability and title 28 with respect to tort claims.

"ADMINISTRATION OF JUVENILE DELINQUENCY PROGRAMS

"SEC. 820. (a) All programs concerned with juvenile delinquency and administered by the Administration shall be administered or subject to the policy direction of the office established by section 201(a) of the Juvenile Justice and Delinquency Prevention Act of 1974.

"(b) The Director of the National Institute of Justice and the Director of the Bureau of Justice Statistics shall work closely with the Administrator of the Office of Juvenile Justice and Delinquency Prevention in developing and implementing programs in the juvenile justice and delinquency prevention field.

"PROHIBITION ON LAND ACQUISITION

"SEC. 821. No funds under this title shall be used for land acquisition.

"PROHIBITION ON USE OF CIA SERVICES

"SEC. 822. Notwithstanding any other provision of this title, no use will be made of services, facilities, or personnel of the Central Intelligence Agency.

"INDIAN LIABILITY WAIVER

"SEC. 823. Where a State does not have an adequate forum to enforce grant provisions imposing liability on Indian tribes, the Administration is authorized to waive State liability and may pursue such legal remedies as are necessary.

"DISTRICT OF COLUMBIA MATCHING FUND SOURCE

"SEC. 824. Funds appropriated by the Congress for the activities of any agency of the District of Columbia government or the United States Government performing law enforcement functions in and for the District of Columbia may be used to provide the non-Federal share of the cost of programs or projects funded under this title.

"LIMITATION ON CIVIL JUSTICE MATTERS

"SEC. 825. Authority of any entity established under this title shall extend to civil justice matters only to the extent that such civil justice matters bear directly and substantially upon criminal justice matters or are inextricably intertwined with criminal justice matters.

"REIMBURSEMENT FOR UNUSED EQUIPMENT

"SEC. 826. The Law Enforcement Assistance Administration may require a State council, a grantee, or other recipient of assistance under this title to reimburse the Administration for the federally assisted part of the cost of any equipment whose purchase was in connection with a program or project assisted by such Administration under this title and which cost in the aggregate $100,000, or more, if such equipment has not been placed in use one year after the date set at the time of purchase for the commencement of such use, or has not continued in use during its useful life. In lieu of requiring reimbursement under this section, such Administration may require that the State council, a grantee, or other recipient of assistance under this title take appropriate measures to put such equipment into use.

"PRISON INDUSTRY ENHANCEMENT

"SEC. 827. (a) Section 1761 of title 18, United States Code, is amended by adding thereto a new subsection (c) as follows—

" '(c) In addition to the exceptions set forth in part (b) of this section, this chapter shall also not apply to goods, wares, or merchandise manufactured, produced, or mined by convicts or prisoners participating in a program of not more than seven pilot projects designated by the Administrator of the Law Enforcement Assistance Administration and who—

" '(1) have, in connection with such work, received wages at a rate which is not less than that paid for work of a similar nature in the locality in which the work was performed, except that such wages may be subject to deductions which shall not, in the aggregate, exceed 80 per centum of gross wages, and shall be limited as follows:

" '(A) taxes (Federal, State, local);

" '(B) reasonable charges for room and board as determined by regulations which shall be issued by the Chief State correctional officer;

" '(C) allocations for support of family pursuant to State statute, court order, or agreement by the offender;

" '(D) contributions to any fund established by law to compensate the victims of crime of not more than 20 per centum but not less than 5 per centum of gross wages;

" '(2) have not solely by their status as offenders, been deprived of the right to participate in benefits made available by the Federal or State Government to other individuals on the basis of their employment, such as workmen's compensation. However, such convicts or prisoners shall not be qualified to receive any payments for unemployment compensation while incarcerated, notwithstanding any other provision of the law to the contrary;

" '(3) have participated in such employment voluntarily and have agreed in advance to the specific deductions made from gross wages pursuant to this Act, and all other financial arrangements as a result of participation in such employment.'

"(b) The first section of the Act entitled 'An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes', approved June 30, 1936 (49 Stat. 2036; 41 U.S.C. 35), commonly known as the Walsh-Healey Act, is amended by adding to the end of subsection (d) thereof, before '; and', the following: ', except that this section, or any other law or Executive order containing similar prohibitions against purchase of goods by the Federal Government, shall not apply to convict labor which satisfies the conditions of section 1761(c) of title 18, United States Code.'

"(c) The provisions of this section creating exemptions to Federal restrictions on marketability of prison made goods shall not apply unless—

"(1) representatives of local union central bodies or similar labor union organizations have been consulted prior to the initiation of any project qualifying of any exemption created by this section; and

"(2) such paid inmate employment will not result in the displacement of employed workers, or be applied in skills, crafts, or trades in which there is a surplus of available gainful labor in the locality, or impair existing contracts for services.

"PART I—DEFINITIONS

"DEFINITIONS

"SEC. 901. (a) As used in this title—

"(1) 'Criminal justice' means activities pertaining to crime prevention, control, or reduction or the enforcement of the criminal law, including, but not limited to, police efforts to prevent, control, or reduce crime or to apprehend criminals, including juveniles, activities of courts having criminal jurisdiction, and related agencies (including but not limited to prosecutorial and defender services, juvenile delinquency agencies and pretrial service or release agencies), activities of corrections, probation, or parole authorities and related agencies assisting in the rehabilitation, supervision, and care of criminal offenders, and programs relating to the prevention, control, or reduction of narcotic addiction and juvenile delinquency.

"(2) 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands.

"(3) 'Unit of local government' means any city, county, township, town, borough, parish, village, or other general purpose political subdivision of a State, an Indian tribe which performs law enforcement functions as determined by the Secretary of the Interior, or, for the purpose of assistance eligibility, any agency of the District of Columbia government or the United States Government performing law enforcement functions in and for the District of Columbia.

"(4) 'Construction' means the erection, acquisition, or expansion of new or existing buildings or other physical facilities, and the acquisition or installation of initial equipment therefor, but does not include renovation, repairs, or remodeling.

"(5) 'Combination' as applied to States or units of local government means any grouping or joining together of such States or units for the purpose of preparing, developing, or implementing a criminal justice program or project.

"(6) 'Public agency' means any State, unit of local government, combination of such States or units, or any department, agency, or instrumentality of any of the foregoing.

"(7) 'Correctional institution or facility' means any place for the confinement or rehabilitation of offenders or individuals charged with or convicted of criminal offenses.

"(8) 'Comprehensive', with respect to an application, means that the application must be based on a total and integrated analysis of the criminal justice problems, and that goals, priorities, and standards for methods, organization, and operation performance must be established in the application.

"(9) 'Criminal history information' includes records and related data, contained in an automated or manual criminal justice informational system, compiled by law enforcement agencies for the purpose of identifying criminal offenders and alleged offenders and maintaining as to such persons records of arrests, the nature and disposition of criminal charges, sentencing, confinement, rehabilitation, and release.

"(10) 'Evaluation' means the administration and conduct of studies and analyses to determine the impact and value of a project or program in accomplishing the statutory objectives of this title.

"(11) 'Neighborhood or community-based organizations' means organizations which are representative of communities or significant segments of the communities.

"(12) 'Chief Executive' means the highest official of a State or local jurisdiction.

"(13) 'Municipality' means—

"(i) any unit of local government which is classified as a municipality by the United States Bureau of the Census; or

"(ii) any other unit of local government which is a town or township and which, in the determination of the Administration—

"(a) possesses powers and performs functions comparable to those associated with municipalities;

"(b) is closely settled; and

"(c) contains within its boundaries no incorporated places as defined by the United States Bureau of the Census.

"(14) 'Population' means total resident population based on data compiled by the United States Bureau of the Census and referable to the same point or period in time.

"(15) 'Attorney General' means the Attorney General of the United States or his designee.

"(16) The term 'court of last resort' means that State court having the highest and final appellate authority of the State. In States having two or more such courts, court of last resort shall mean that State court, if any, having highest and final appellate authority, as well as both administrative responsibility for the State's judicial system and the institutions of the State judicial branch and rulemaking authority. In other States having two or more courts with highest and final appellate authority, court of last resort shall mean the highest appellate court which also has either rulemaking authority or administrative responsibility for the State's judicial system and the institutions of the State judicial branch. Except as used in the definition of the term 'court of last resort' the term 'court' means a tribunal recognized as a part of the judicial branch of a State or of its local government units.

"(17) 'Institution of higher education' means any such institution as defined by section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)), subject, however, to such modification and extensions as the Administration may determine to be appropriate.

"(18) 'White-collar crime' means an illegal act or series of illegal acts committed by nonphysical means and by concealment or guile, to obtain money or property, to avoid the payment or loss of money or property, or to obtain business or personal advantage.

"(19) 'Proven effectiveness' means that a program, project, approach, or practice has been shown by analysis of performance and results to make a significant contribution to the accomplishment of the objectives for which it was undertaken or to have a significant effect in improving the condition or problem it was undertaken to address.

"(20) 'Record of proven success' means that a program, project, approach, or practice has been demonstrated by evaluation or by analysis of performance data and information to be successful in a number of jurisdictions or over a period of time in contributing to the accomplishment of objectives or to improving conditions identified with the problem to which it is addressed.

"(21) 'High probability of improving the criminal justice system' means that a prudent assessment of the concepts and implementation plans included in a proposed program, project, approach, or practice, together with an assessment of the problem to which it is addressed and of data and information bearing on the problem, concept, and implementation plan, provides strong evidence that the proposed activities would result in identifiable improvements in the criminal justice system if implemented as proposed.

"(b) Where appropriate, the definitions in subsection (a) shall be based, with respect to any fiscal year, on the most recent data compiled by the United States Bureau of the Census and the latest published reports of the Office of Management and Budget available ninety days prior to the beginning of such fiscal year. The Administration may by regulation change or otherwise modify the meaning of the terms defined in subsection (a) in order to reflect any technical change or modification thereof made subsequent to such data by the United States Bureau of the Census or the Office of Management and Budget.

"(c) One or more public agencies, including existing local public agencies, may be designated by the chief executive officer of a State or a unit of general local government to undertake a program or project in whole or in part.

"PART J—FUNDING

"AUTHORIZATION OF APPROPRIATIONS

"SEC 1001. There is authorized to be appropriated to carry out the functions of the Bureau of Justice Statistics $25,000,000 for the fiscal year ending September 30, 1980; $25,000,000 for the fiscal year ending September 30, 1981; $25,000,000 for the fiscal year ending September 30, 1982; and $25,000,000 for the fiscal year ending September 30, 1983. There is authorized to be appropriated to carry out the functions of the National Institute of Justice $25,000,000 for the fiscal year ending September 30, 1980; $25,000,000 for the fiscal year ending September 30, 1981; $25,000,000 for the fiscal year ending September 30, 1982; and $25,000000 for the fiscal year ending September 30, 1983. There is authorized to be appropriated for parts D, E, F, G, H, and J, and for the purposes of carrying out the remaining functions of the Law Enforcement Assistance Administration, other than part L, $750,000,000 for the fiscal year ending September 30, 1980; $750,000,000 for the fiscal year ending September 30, 1981; $750,000,000 for the fiscal year ending September 30, 1982; and $750,000,000 for the fiscal year ending September 30, 1983. Funds appropriated for any fiscal year may remain available for obligation until expended. There is authorized to be appropriated in each fiscal year such sums as may be necessary to cary out the purposes of part L.

"MAINTENANCE OF EFFORT

"SEC. 1002. In addition to the funds appropriated under section 261(a) of the Juvenile Justice and Delinquency Prevention Act of 1974, there shall be maintained from appropriations for each fiscal year, at least 19.15 per centum of the total appropriations under this title, for juvenile delinquency programs, with primary emphasis on programs for juveniles convicted of criminal offenses or adjudicated delinquent on the basis of an act which would be a criminal offense if committed by an adult.

"AUTHORIZATION OF APPROPRIATIONS FOR OFFICE OF ANTI-CRIME PROGRAMS

"SEC. 1003. There are authorized to be appropriated for the purposes of carrying out the functions of the Office of Community Anti-Crime Programs $25,000,000 for the fiscal year ending September 30, 1980; $25,000,000 for the fiscal year ending September 30, 1981; $25,000,000 for the fiscal year ending September 30, 1982; and $25,000,000 for the fiscal year ending September 30, 1983.

"PART K—CRIMINAL PENALTIES

"MISUSE OF FEDERAL ASSISTANCE

"SEC. 1101. Whoever embezzles, unlawfully misapplies, steals, or obtains by fraud or endeavors to embezzle, willfully misapply, steal, or obtain by fraud any funds, assets, or property which are the subject of a grant or contract or other form of assistance pursuant to this title, whether received directly or indirectly from the Law Enforcement Assistance Administration, the National Institute of Justice, the Bureau of Justice Statistics, or whoever receives, conceals, or retains such funds, assets or property with intent to convert such funds, assets or property to his use or gain, knowing such funds, assets, or property has been embezzled, willfully misapplied, stolen or obtained by fraud shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

"FALSIFICATION OR CONCEALMENT OF FACTS

"SEC. 1102. Whoever knowingly and willfully falsifies, conceals, or covers up by trick, scheme, or device, any material fact in any application for assistance submitted pursuant to this title or in any records required to be maintained pursuant to this title shall be subject to prosecution under the provisions of section 1001 of title 18, United States Code.

"CONSPIRACY TO COMMIT OFFENSE AGAINST UNITED STATES

"SEC. 1103. Any law enforcement or criminal justice program or project underwritten, in whole or in part, by any grant, or contract or other form of assistance pursuant to this title, whether received directly or indirectly from the Law Enforcement Assistance Administration, the National Institute of Justice, or the Bureau of Justice Statistics shall be subject to the provisions of section 371 of title 18, United States Code.

"PART L—PUBLIC SAFETY OFFICERS' DEATH BENEFITS

"PAYMENTS

"SEC. 1201. (a) In any case in which the Administration determines, under regulations issued pursuant to this part, that a public safety officer has died as the direct and proximate result of a personal injury sustained in the line of duty, the Administration shall pay a benefit of $50,000 as follows:

"(1) if there is no surviving child of such officer, to the surviving spouse of such officer;

"(2) if there is a surviving child or children and a surviving spouse, one-half to the surviving child or children of such officer in equal shares and one-half to the surviving spouse;

"(3) if there is no surviving spouse, to the child or children of such officer in equal shares; or

"(4) if none of the above, to the dependent parent or parents of such officer in equal shares.

"(b) Whenever the Administration determines upon a showing of need and prior to taking final action, that the death of a public safety officer is one with respect to which a benefit will probably be paid, the Administration may make an interim benefit payment not exceeding $3,000 to the person entitled to receive a benefit under subsection (a) of this section.

"(c) The amount of an interim payment under subsection (b) of this section shall be deducted from the amount of any final benefit paid to such person.

"(d) Where there is no final benefit paid, the recipient of any interim payment under subsection (b) of this section shall be liable for repayment of such amount. The Administration may waive all or part of such repayment, considering for this purpose the hardship which would result from such repayment.

"(e) The benefit payable under this part shall be in addition to any other benefit that may be due from any other source, but shall be reduced by—

"(1) payments authorized by section 8191 of title 5, United States Code; or

"(2) payments authorized by section 12 (k) of the Act of September 1, 1916, as amended (D.C. Code, sec. 4–531(1)).

"(f) No benefit paid under this part shall be subject to execution or attachment.

"LIMITATIONS

"SEC. 1202. No benefit shall be paid under this part—

"(1) if the death was caused by the intentional misconduct of the public safety officer or by such officer's intention to bring about his death;

"(2) if voluntary intoxication of the public safety officer was the proximate cause of such officer's death; or

"(3) to any person who would otherwise be entitled to a benefit under this part if such person's actions were a substantial contributing factor to the death of the public safety officer.

"DEFINITIONS

"SEC. 1203. As used in this part—

"(1) 'child' means any natural, illegitimate, adopted, or posthumous child or stepchild of a deceased public safety officer who, at the time of the public safety officer's death, is—

"(i) eighteen years of age or under;

"(ii) over eighteen years of age and a student as defined in section 8101 of title 5, United States Code; or

"(iii) over eighteen years of age and incapable of self-support because of physical or mental disability;

"(2) 'dependent' means a person who was substantially reliant for support upon the income of the deceased public safety officer;

"(3) 'fireman' includes a person serving as an officially recognized or designated member of a legally organized volunteer fire department;

"(4) 'intoxication' means a disturbance of mental or physical faculties resulting from the introduction of alcohol, drugs, or other substances into the body;

"(5) 'law enforcement officer' means a person involved in crime and juvenile delinquency control or reduction, or enforcement of the criminal laws. This includes, but is not limited to, police, corrections, probation, parole, and judicial officers;

"(6) 'public agency' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Commonwealth of the Northern Mariana Islands, and any territory or possession of the United States or any unit of local government, combination of such States, or units, or any department, agency, or instrumentality of any of the foregoing; and

"(7) 'public safety officer' means a person serving a public agency in an official capacity, with or without compensation, as a law enforcement officer, a fireman, or a rescue squad member.

"ADMINISTRATIVE PROVISIONS

"SEC. 1204. (a) The Administration is authorized to establish such rules, regulations, and procedures as may be necessary to carry out the purposes of this part. Such rules, regulations, and procedures will be determinative of conflict of laws issues arising under this part. Rules, regulations, and procedures issued under this part may include regulations governing the recognition of agents or other persons representing claimants under this part before the Administration. The Administration may prescribe the maximum fees which may be charged for services performed in connection with any claim under this part before the Administration, and any agreement in violation of such rules and regulations shall be void.

"(b) In making determinations under section 1201, the Administration may utilize such administrative and investigative assistance as may be available from State and local agencies. Responsibility for making final determinations shall rest with the Administration.

"PART M—TRANSITION—EFFECTIVE DATE—REPEALER

"CONTINUATION OF RULES, AUTHORITIES, AND PROCEEDINGS

"SEC. 1301. (a) All orders, determinations, rules, regulations, and instructions of the Law Enforcement Assistance Administration which are in effect at the time this Act takes effect shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked by the President or the Attorney General, the Office of Justice Assistance, Research, and Statistics or the Director of the Bureau of Justice Statistics, the National Institute of Justice or the Administrator of the Law Enforcement Assistance Administration with respect to their functions under this Act or by operation of law.

"(b) The Director of the National Institute of Justice may award new grants, enter into otherwise obligate previously appropriated unused or reversionary funds for the continuation of research and development projects in accordance with the provisions of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as in effect prior to the date of enactment of this Act, based upon applications received under that Act prior to the effective date of this Act or for purposes consistent with provisions of this Act.

"(c) The Director of the Bureau of Justice Statistics may award new grants, enter into new contracts or cooperative agreements or otherwise obligate funds appropriated for fiscal years prior to 1980 for statistical projects to be expended in accordance with the provisions of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, prior to the date of enactment of this Act, based upon applications received under this Act prior to the effective date of this Act or for purposes consistent with provisions of this Act.

"(d) The Administrator of the Law Enforcement Assistance Administration may award new grants, enter into new contracts or cooperative agreements, approve comprehensive plans for the fiscal year beginning October 1, 1979, and otherwise obligate previously appropriated unused or reversionary funds or funds appropriated for the fiscal year beginning October 1, 1979, for the continuation of projects in accordance with the provisions of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as written in law prior to the date of enactment of this Act or for purposes consistent with provisions of this Act.

"(e) The provisions of this statute shall not affect any suit, action, or other proceeding commenced by or against the Government prior to the effective date of the Act.

"(f) Nothing in this Act would prevent the utilization of funds appropriated under this Act for all activities necessary or appropriate for the review, audit, investigation, and judicial or administrative resolution of audit matters for those grants or contracts that were awarded under the Omnibus Crime Control and Safe Streets Act of 1968, as amended. The final disposition and dissemination of program and project accomplishments with respect to programs and projects approved in accordance with the Omnibus Crime Control and Safe Streets Act of 1968 as written in law prior to the date of enactment of this Act and sections 4351 to 4353 of title 18, United States Code, and which continue in operation beyond the effective date of this Act may be carried out with funds appropriated under this Act.

"(g) Except as otherwise provided in this Act, the personnel employed on the date of enactment of this Act by the Law Enforcement Assistance Administration are transferred to the National Institute of Justice, or the Bureau of Justice Statistics as appropriate, considering the function to be performed by these organizational units and the functions previously performed by the employee. Determinations as to specific positions to be filled in an acting capacity for a period of not more than 90 days by the Administrator and Deputy Administrators employed on the date of enactment of this Act may be made by the Attorney General notwithstanding any other provision of law.

"(h) Any funds made available under parts B, C, and E of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, prior to the effective date of this Act which are not obligated by a State or unit of local government, may be used to provide up to 100 per centum of the cost of any program or project.

"(i) Notwithstanding any other provision of this title all provisions of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, which were in effect prior to the effective date of this Act and which are necessary to carry out the provisions of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, remain in effect for the sole purpose of carrying out the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, and the State criminal justice council established under this Act shall serve as the State planning agency for the purposes of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

"(j) The functions, powers, and duties specified in this title to be carried out by State criminal justice councils or by local offices may be carried out by agencies previously established or designated as State, regional, or local planning agencies pursuant to the Omnibus Crime Control and Safe Streets Act of 1968 if they meet the representation requirement of section 402 of this Act within two years of the effective date of this Act.".

"(k) Notwithstanding the provisions of section 404(c)(3), any construction projects which were funded under title I of the Omnibus Crime Control and Safe Streets Act of 1968 in effect prior to the effective date of this Act and which were budgeted in anticipation of receiving additional Federal funding for such construction may continue for two years to be funded under this Act.".

And the House agree to the same.

PETER W. RODINO,
R. W. KASTENMEIER,
GEORGE E. DANIELSON,
LAMAR GUDGER,
RON MAZZOLI,
SAM B. HALL, Jr.,
ROBERT MCCLORY,
JOHN M. ASHBROOK,
HENRY J. HYDE,
Managers on the Part of the House.

EDWARD KENNEDY,
JOSEPH R. BIDEN, Jr.,
DENNIS DECONCINI,
MAX BAUCUS,
HOWELL HEFLIN,
STROM THURMOND,
PAUL LAXALT,
BOB DOLE,
THAD COCHRAN,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 241) to restructure the Law Enforcement Assistance Administration, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to the text of the bill struck out all the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

SHORT TITLE

The Senate bill proposed the short title "Law Enforcement Assistance Reform Act of 1979." The House bill proposed the title "Justice System Improvement Act of 1979." The conference substitute adopts the House title.

DECLARATION AND PURPOSE

The Senate bill made findings that victims of crime should be a more integral part of the criminal justice system; that crime is a community problem as well as a State and local problem; that assistance should be made available for community-based as well as State and local efforts; and that public law enforcement and the private security industry should be encouraged to coordinate their efforts. The Senate bill would also set forth the following purposes: support of victim/witness efforts; provision of financial assistance to survivors of public safety officers killed in the line of duty; support of total resource-oriented approaches to the problems of courts and the criminal justice systems; and encouragement of programs to educate the public in the areas of civil, criminal and juvenile law and criminal justice operation.

The House bill did not include these additional findings and purposes.

The conference substitute adopts the House position.

ESTABLISHMENT OF LEAA

The Senate bill required that the Law Enforcement Assistance Administration (LEAA) be established within the Department of Justice with the Administrator reporting to the Director of the Office of Justice Assistance, Research and Statistics (OJARS).

The House bill required that LEAA be established within the Department of Justice under the direct authority of the Attorney General.

The conference substitute provides that LEAA is to be under the authority of the Attorney General, and that OJARS will coordinate the activities of and provide direct staff support to LEAA, NIJ, and BJS.

LEAA AUTHORITY

The Senate bill specified that the provision of technical assistance is a function of LEAA.

The House bill contained no such specific reference to technical assistance.

The conference substitute adopts the Senate position.

The Senate bill authorized LEAA to cooperate with and render technical assistance to victim/witness assistance activities and career criminal programs.

The House bill did not include similar provisions.

The conference substitute adopts the Senate provisions.

The Senate bill specifically authorized technical assistance in connection with the development of operational, informational and telecommunications systems.

The House bill contained no specific reference to technical assistance.

The conference substitute adopts the Senate version.

The House bill authorized technical assistance for program development and community participation in crime prevention and public safety efforts and to implement programs and projects assisted with grants.

The conference substitute adopts the House provisions.

The Senate bill included authorization for the Administrator to make grants administered by the OCAC for (1) the encouragement of neighborhood and community participation in crime prevention and public safety efforts and for program development and TA; (2) the development of comprehensive and coordinated crime prevention programs; and (3) encourage neighborhood and community participation in crime prevention, educational and public safety efforts.

The House bill included authorization for the OCAC to make grants (1) to enable the community to identify problems it faces with respect to crime or conflicts, disputes and other problems that might lead to crime, for plans to alleviate community problems with special attention to: (a) projects successful in other communities; (b) providing alternatives to criminal justice systems in resolving conflicts and disputes; (c) promoting increased citizen participation; and (d) addressing social and economic causes of crime. The House bill provided that grants were to be used to conduct training of community groups in management of grants and to carry out projects which could alleviate the community's crime problem. The House bill prohibited a grant from being used principally to seek technical assistance or a grant.

The conference substitute adopts the Senate provision that the Administration is authorized to make grants to be administered by OCAC and adopts the House provision on all other differences.

PART B—NATIONAL INSTITUTE OF JUSTICE

Purpose

The Senate bill authorized the National Institute of Justice (NIJ) to encourage research to improve civil, administrative, regulatory, and legal education.

The House bill did not include this authorization and in section 825 excluded any involvement with the civil justice system, civil disputes, or civil matters.

The conference substitute authorizes research and development concerning the civil justice matters to the extent that the matter in question bears directly upon criminal justice matters or is necessarily intertwined with criminal justice matters.

The Senate bill requires the Institute to give primary emphasis to problems of State and local justice systems and to balance applied and basic research.

The House bill did not include similar provisions.

The conference substitute adopts the Senate bill.

The Senate bill states as an express function of the National Institute of Justice the conduct of research to identify programs of proven effectiveness, programs with a record of proven success, and programs which have a high probability of improving the criminal justice system.

The House bill did not include a similar provision.

The conference substitute adopts the Senate provision.

The House bill made one of the express functions of the Institute conduct research for the purpose of the improvement of efforts to detect, investigate, prosecute and otherwise combat and prevent white-collar crime and public corruption.

The Senate bill did not contain a similar provision.

The conference substitute adopts the House position.

The Senate bill specifically authorized research into police-minority relations and problems of victims and witnesses.

The House bill had no such provisions.

The conference substitute adopts the Senate version.

The Senate bill excepted certain laws pertaining to official publications.

The House bill had no similar provisions.

The conference accepts the House position.

Establishment

The Senate bill established the Institute within the Department of Justice reporting to the Director of OJARS.

The House bill placed the Institute under the direct authority of the Attorney General.

The conference substitute provides that NIJ is to be under the authority of the Attorney General, and that OJARS will coordinate the activities of NIJ, LEAA, and BJS.

Authority

The Senate bill authorized the Institute to conduct research in civil, administrative, regulatory, and legal education matters; to identify alternative programs for achieving goals and analyze correlates of crime, and conduct research into improvement of police and community relations and into problems of victim/witnesses of crime, preconviction and postconviction of crime; and to evaluate where Institute deems appropriate programs and projects and disseminate results to units of general local government and other public and private organizations and individuals.

The House bill did not include this authority but did include authority to conduct research to combat white-collar crime and public corruption, and to make recommendations to the Attorney General regarding National Priority grants and DF grants.

The conference substitute contains a compromise which authorizes research and development concerning the civil justice system, improvement of police community relations, and victim/witness problems. The conference substitute authorizes NIJ to make recommendations concerning National Priority grants and Discretionary grants. The conference substitute adopts the House version with respect to all other differences.

The Senate bill required a biennial report to Congress. The House bill provided for an annual report.

The conference substitute will adopt the Senate position.

NATIONAL INSTITUTE OF JUSTICE BOARD

The Senate bill established an Advisory Board to NIJ appointed by the President.

The House bill established a Policy Board appointed by the Attorney General.

The conference substitute adopts the Senate provisions.

The Senate bill required the Board to be established within 90 days of the enactment of legislation. Non-voting membership was provided for the Directors of the NIJ, and the Bureau of Justice Statistics (BJS), and the Administrators of LEAA, the Office of Juvenile Justice and Delinquency Prevention (OJJDP). LEAA, OJJDP. The Board would be initially established by making appointments one-third for one year, one-third for two years, and one-third for three years, with three-year appointments thereafter.

The House bill gave the LEAA, NIJ, BJS, and OJJDP members voting status and specified that no member serve more than two years. A non-specific staggered system of appointment was established.

The conference substitute adopts the Senate provisions.

The Senate bill specifies that Board membership should include experts in victim and witness matters, persons experienced in civil justice, regulatory and administrative law and legal education.

The House bill requires that the Board membership include representatives of professional organizations and the business community.

The conference substitute adopts both the House and Senate provisions except that Board membership need not include those experienced in regulatory law, administrative law, and legal education. However, it is not intended that professional organizations nominate such representatives for the Board.

The Senate bill provided that a majority of the Board, including the Chairman and Vice-Chairman, could not be fulltime employees of Federal, State or local governments and limited the total number of fulltime Federal employees who could serve on the Board.

The House bill did not contain similar provisions.

The conference substitute adopts the Senate provisions.

The Senate bill provided that the Board develop in conjunction with the Director the policies and priorities of the Institute.

The House bill provided that the Board recommend to the Director policies and priorities of the Institute and create where necessary formal peer review procedures over selected categories of grants.

The conference substitute adopts the House provisions.

PART C—BUREAU OF JUSTICE STATISTICS

The purpose of the Bureau of Justice Statistics

The Senate bill authorized the development of statistical systems to improve the operation of civil justice systems and to better understand the problems of civil disputes.

The House bill in Sections 825 and 305 excluded any involvement in the civil justice system, civil disputes, or other civil matters.

The conference substitute authorizes the BJS involvement in civil justice statistics, to the intent that the matter in question bears directly upon criminal justice matters or is necessarily intertwined with criminal justice matters.

The House bill specifically authorized the collection of statistical information concerning white-collar crime, public corruption, and crime against the elderly.

The Senate bill did not contain a similar provision.

The conferees adopted the House provision.

The Senate bill required the Bureau of Justice Statistics to give primary emphasis to the problems of State and local justice systems and to utilize to the extent feasible, State criminal justice statistics gathering and analysis systems.

The House bill did not contain a similar provision.

The conference substitute adopts the Senate provision.

Establishment of BJS

The Senate bill established BJS within the Department of Justice (DOJ) reporting to the Director of OJARS.

The House bill established BJS within the Department of Justice under the direct authority of the Attorney General.

The conference substitute establishes BJS under the general authority of the Attorney General, with OJARS having coordination authority over LEAA, NIJ, and BJS.

The conference substitute adopts the Senate position.

The Senate bill authorized BJS to collect statistics concerning impact of pre-conviction and post-conviction crimes on victims of crime and allowed publication without regard to 44 U.S.C. 111.

The House bill did not have similar provisions but authorized BJS to collect statistics on crime against the elderly and to establish a system to provide State and local governments with access to Federal informational resources.

The conference substitute adopts the House provisions.

The Senate bill provided that the BJS was to "establish" national standards for justice statistics.

The House bill used the verb "formulate".

The conference substitute provides that BJS will "recommend" standards.

Bureau of Justice Statistics Advisory Board

The Senate bill included as members of the Board experts in victim/witness assistance.

The House bill included members of the business community and representatives of professional organizations.

The conference substitute adopts the Senate provision concerning experts in victim/witness assistance and the House provision concerning members of the business community and representatives of professional organizations. However, it is not intended that professional organizations nominate such representatives for the Board.

The Senate bill limited full-time Federal employee membership, and made the heads of NIJ, BJS, LEAA and OJJDP non-voting members of the Board. The bill provided for staggered appointments over the three-year period and limited voting members to no more than two terms.

The House bill placed no limits on full-time Federal employee membership, made the heads of NIJ, BJS, LEAA and OJJDP voting members of the Board and provided that no member could serve more than two terms.

The conference substitute adopts the Senate position.

Limitations on use of collected statistics

The House bill prohibited the use of statistical data collected by BJS for any purpose relating to a particular individual other than a statistical or research purpose.

The Senate bill did not have a similar provision.

The conference substitute adopts the House position.

PART D—FORMULA GRANTS

The Senate bill limited funds to programs of proven effectiveness, programs which have a record of proven success or programs which offer a high probability of improving the functioning of the criminal justice system. The Senate bill identified 22 specific programs which could be funded.

The House bill was less restrictive in the range of programs which could be funded. Grants were authorized for: combating crime, improving court administration, prosecution and defense; victims of violent crime, victim/witness programs; effective alternatives to the criminal justice system; combating organized crime, arson, public corruption, white-collar crime, fraud against the government.

The conference substitute adopts the Senate provision as to the kinds of programs eligible for funding with the addition of qualifying language to the effect that the programs funded be "innovative".

The Senate bill allowed 100 percent funding but required an assumption of cost after a reasonable period of Federal assistance.

The House bill required a 10 per centum match and had no assumption of cost provision.

The conference substitute adopted the Senate "assumption of cost" provision and a compromise in which 100 percent funding was allowed for fiscal year 1980 and a 10 per centum cash match would be required thereafter, with provision for waiving the match requirement for Indian tribes and hardship cases.

Planning fund distribution

The Senate bill permitted administrative funds to be taken from the Part D award to each State.

The House bill had a separate allocation for administrative funds.

The conference substitute adopts the Senate provision providing funds for administrative costs to be made available from the State's Part D allocation. In doing so, it was intended that the use of the Federal anticrime funds for administrative costs be minimized.

Section 401(c) provides that a total of $250,000 plus 7.5 percent of the State's total allocation may be used in the State for administrative costs. Of this amount, the State criminal justice council may use up to $200,000 on a match free basis, any additional amounts requiring a 50/50 match; the judicial coordinating committee is entitled to at least $50,000 on a match free basis plus at least 7.5 percent of this entitlement to be matched on a 50/50 basis; local jurisdictions which are receiving entitled funding may use up to 7.5 percent of their entitlement for administrative costs, $25,000 of which may be expended on a match free basis, any remaining amounts to be matched on a 50/50 basis.

It is the intent of the Conferees that funds used for administrative costs be made available from allocations that are made to State agencies and local governments under the distribution formula set forth in section 405(a)(3) of the legislation. Expenditures of the State criminal justice council, the judicial coordinating committee, and any regional planning units should be made available on a proportionate basis from the allocations to the State agencies and the nonentitled local jurisdictions. Funds for administrative costs expended by entitled jurisdictions should be made available from their own entitlements. The Conferees expect that the state will provide administrative services or support to non-entitlement local jurisdictions.

Direct entitlement jurisdictions

The Senate bill would limit direct entitlement jurisdictions to counties with populations of 250,000, or cities of 100,000. The House bill would increase entitlement counties to those of 100,000 population.

The House bill had a special eligibility provision for the largest city in any standard metropolitan statistical area, regardless of population.

The Senate bill provide that jurisdictions with less than .15 percent of total state and local criminal justice expenditures are not eligible, regardless of population.

The House bill provided that combinations must be contiguous if not located in the same county, and that contiguous units need not be in the same state; Senate bill does qualify the term "combination".

The conference substitute adopts the following provisions:

Accept the House 100,000 population threshold for all units and combinations, but limit mini-block participation to jurisdictions which will receive at least $50,000 formula funds in the year in question;

Delete the House provision relating to the largest SMSA cities;

Accept the Senate provision relating to a required minimum percentage of expenditures for eligibility; and

Accept the House provisions relating to which jurisdictions may form combinations.

Criminal justice councils

The Senate bill required that the Criminal Justice Councils (CJC's) provide funding incentives to units of local government which combine or coordinate activities with other units.

The House bill did not have a similar provision.

The conference substitute adopts the House position.

The Senate bill provided that Council membership include representatives nominated by entitlement jurisdictions.

The House bill only provided that the Council include representatives of entitlement jurisdictions and gave the authority to the Chief Executive of the State to select and appoint the representatives of the entitlement jurisdictions.

The conference substitute adopts the House position.

The Senate bill provided that the representatives of the entitlement jurisdictions should include law enforcement and correctional personnel exercising authority in the entitlement jurisdictions.

The House bill did not have a similar provision.

The conference substitute adopts the House provision.

Applications for funds

The Senate bill required that applications of localities conform to uniform administrative requirements established by the State and that applications from local entitlement jurisdictions be acted upon within 60 days.

The House bill provided that the Council act within 30 days and did not specify adherence to uniform administrative requirements.

The conference substitute adopts the Senate provision on uniform administrative requirements and the House provision for action within 30 days.

The Senate bill required a hearing and appeal process in accord with procedures developed by the Council. If procedures were not agreed to by an eligible jurisdiction, the Senate bill authorized an appeal in accordance with procedures developed by the Administration.

The House bill provided that a disagreement between the State Council and the entitlement jurisdiction be submitted to binding arbitration.

The conference substitute adopts the Senate provision.

The Senate bill provided that an eligible jurisdiction must make an adequate allocation of funds for correctional programs; that the Judicial Coordinating Council must review applications from any jurisdiction which is applying for funds for court services; and that the State Council would provide that at least $50,000 of Federal funds be made available to the JCC.

The House bill did not contain these provisions.

The conference substitute adopts the Senate provision.

The Senate bill throughout Section 403–405 used the term "program."

The House bill used the terms "program or project."

The conference substitute adopts the Senate provisions which better reflects the reduced application submission and review requirements of the new Part D.

The House bill required that equipment purchased for more than $100,000 must be in use no later than one year after purchase.

The Senate bill did not have a similar provision.

The conference substitute adopts the House provision.

The Senate bill did not require applications from judicial coordinating committees, State agencies and nongovernmental grantees to include a crime analysis, but allowed those applications to rely on the analysis prepared by the Council.

The House bill had no such provision.

The conference substitute adopts the Senate provision.

The House bill provided that subsequent to the approval of an application or an amendment, the amount of the grant may be adjusted by the Administration.

The Senate bill did not have a similar provision.

The conference substitute adopts the House provision.

Limitation on use of funds

The Senate bill permitted equipment, salary and construction projects to be funded without limitation in energy impact areas.

The House bill did not contain a similar provision.

The conference substitute adopts the House version.

The House bill would permit use of funds for bullet proof vests and information and telecommunications systems notwithstanding the equipment limitations.

The Senate bill did not contain a similar provision.

The conference substitute adopts a modification of the House position.

The Senate bill authorized use of funds to construct prisons or jails where advanced techniques in design are used.

The House bill prohibited funding of construction programs.

The conference substitute adopts the House provision.

The Senate bill provided that programs which have demonstrated a low probability of improving the criminal justice system cannot be funded.

The House bill provided that ineffective programs cannot be funded.

The conference substitute adopts the Senate provision.

The Senate bill provides for the disapproval of applications by "mini-block" eligible jurisdictions for programs or projects which have been evaluated and found ineffective.

The House bill contains no similar provision.

The conference substitute adopts the Senate provision.

Fund distribution

The Senate bill allocated formula funds among the States by first allocating to each State $300,000 and then allocating the available balance according to one of two formulas. The Virgin Islands, Guam, American Samoa, Trust Territories of Pacific Islands, and Northern Mariana Islands were defined as States for allocation purposes. Allocation to these entities was based on population data only.

The House bill would immediately allocate all funds according to the two formulas except that prior to initial allocation to States no more than $300,000 would be allocated among American Samoa, Trust Territories of Pacific Islands, Commonwealth of Northern Mariana Islands.

The conference substitute adopts the Senate provision.

The Senate bill had funds distributed in States according to the criminal justice expenditures of all jurisdictions.

The House bill distributed funds in States according to criminal justice expenditures of all jurisdictions from all sources.

The conference substitute adopts the Senate provision.

The Senate bill considered all States equally in the reallocation of unused funds.

The House bill did not contain similar language.

The conference substitute adopts the Senate position.

The Senate bill required that regional planning units use to the maximum extent feasible the boundaries of and organizations of existing general purpose regional units.

The House bill would permit such use but not require it.

The conference adopts the House position.

In Section 405(a)(3)(B), the House bill allocated the remaining 30 percent formula funds into four equal shares based on expenditures for police, courts, corrections and total expenditures to be used for police, courts, corrections, and alternatives to the criminal justice system, respective.

The Senate bill provides only for the allocation into four equal shares, with no mention of the purposes for which the funds are made available.

The conference substitute adopts the House provision.

PART E—NATIONAL PRIORITY GRANTS

The Senate bill authorized funding of National Priority grants based on evaluations of programs by NIJ, BJS, LEAA, by State or local governments, or by other Federal, State or local organizations. In addition, National Priority programs must be programs shown to be effective or innovative and to have a likely beneficial impact on criminal justice.

The House bill had National Priorities based on evaluations by NIJ, by State or local governments or by other public or private organizations. In addition, National Priority programs must be programs shown to be effective in improving and strengthening the criminal justice system.

The conference substitute adopts the Senate version.

Under the Senate bill the Director of the Office of Justice Assistance, Research and Statistics was required to establish National Priority programs.

The House bill would require the Attorney General to establish National Priority Programs.

The conference substitute provides for the joint establishment of priorities by the heads of OJARS and LEAA, with resolution of differences between them by the Attorney General.

The Senate bill provided that such programs would remain National Priorities for a reasonable period of time, after which recipients must assume costs of the program.

The House bill limited programs to three years of funding, with a two-year extension authorized for programs shown to be effective.

The conference substitute adopts the House version, with a modification permitting an extension of priority status and LEAA funding in hardship cases.

The Senate bill required that (1) in establishing National Priorities, OJARS must give special emphasis to: correctional programs; organized crime programs; court programs; victim/witness programs; community anti-crime programs; career criminal programs; (2) the Director of OJARS must furnish information for inclusion in Federal Assistance Program Retrieval System; and (3) National Priorities must include some programs responsive to each type of jurisdiction eligible to receive formula funds.

The House bill did not contain similar provisions.

The conference substitute adopts the House provisions.

The Senate bill authorized (1) State CJC to comment on National Priority grant applications within 30 days; (2) State and local governments may use nonprofit organizations; (3) National Priority funds to pay 100 percent of costs of any additional funds given States under two-part formula grants.

The House bill did not contain similar provisions.

The conference substitute adopts the Senate provisions.

The House bill authorizes "match free" technical assistance.

The Senate bill has no similar provision.

The conference substitute adopts the House provision.

PART F—DISCRETIONARY GRANTS

The Senate bill authorized discretionary grants to fund Sting projects, support community and neighborhood anti-crime efforts, and support victim/witness assistance programs.

The House bill did not contain similar provisions but authorized grants to support white-collar crime efforts and the development of criminal justice standards and guidelines.

The conference substitute adopts both the Senate and House positions on additional grant authority.

Under the Senate bill the Director of the Office of Justice Assistance, Research and Statistics was required to establish priorities for discretionary programs.

The House bill would require the Attorney General to establish such priorities.

The conference substitute provides that the priorities are to be established by the Administrator of LEAA with any disagreement between the two resolved by the Attorney General.

The Senate bill provided that discretionary grants may be up to 100 percent of program costs.

The House bill provided a maximum of 90 percent of costs.

The conference substitute adopts the Senate provision.

The Senate bill required that all discretionary grant applications be reviewed by the appropriate State criminal justice council.

The House bill had no such provision.

The conference substitute adopts the House version.

The Senate bill required the Director of OJARS to furnish information to the Federal Assistance Program Retrieval System.

The House bill did not have a similar provision.

The conference substitute adopts the House position.

The Senate bill provided that in distributing discretionary funds, needs of all States must be taken into account and that there must be programs or projects responsive to needs of all jurisdictions and that time limitations in Section 606 do not apply to funding management and administration of national non-profit organizations.

The House bill did not contain similar provisions.

The conference substitute adopts the Senate provisions.

PART G—TRAINING AND MANPOWER DEVELOPMENT

The House bill provided for the reauthorization of the Law Enforcement Education Program (LEEP). One of its provisions provided for the transfer of the program to the Department of Education.

The Senate bill contained authorization for LEEP within LEAA, but had no transfer provision.

The conference substitute adopts the Senate position.

A provision similar to the House transfer provision is contained in Section 305 of the Department of Education Authorization Act. (Public Law 96-88, approved October 17, 1979.) Section 305 provides for the transfer, upon the establishment of the Department of Education, of the programs "authorized by subsections (b), (c), and (f) of Section 406 of the Omnibus Crime Control and Safe Streets Act of 1968." These subsections are to be subsequently reenacted in Section 705 (b), (c), and (f) of the conference substitute. These provisions authorize the Administrator of LEAA to conduct these law enforcement education programs, and, upon enactment, the conference substitute will constitute legislative action subsequent to the Department of Education Authorization Act. The conferees are of the opinion that the cumulative effect of reenactment of the LEEP programs within LEAA and the deletion of any reference in this legislation to transfer of the programs will have the effect of retaining these LEEP programs within LEAA.

The House bill authorized the payment of travel and per diem expenses of State and local law enforcement personnel attending training programs at the FBI Academy.

The Senate bill had no such provision.

The conference adopts the House provision.

PART H—ADMINISTRATIVE PROVISIONS

The Senate bill established in the Department of Justice an Office of Justice Assistance, Research and Statistics under the general authority and policy control of the Attorney General. The Directors of the NIJ and BJS and the Administrator of LEAA are to report to the Director of this Office under the Senate bill and the Director of the Office is responsible for coordinating the activities of, setting broad policy guidelines, and providing staff support to NIJ, BJS and LEAA. The Office also had an Advisory Board.

The House bill does not provide for an Office of Justice Assistance, Research and Statistics. The House bill has the Directors of NIJ, BJS, and LEAA under the direct authority of the Attorney General. The House bill requires the Attorney General to select grant activities for funding under the National Priority Program and the Discretionary Grant Program.

The conference substitute establishes OJARS with responsibility to provide direct staff support to and authority to coordinate the activities of the LEAA, NIJ, and BJS. These three units are placed under the general authority of the Attorney General. Inasmuch as OJARS is to provide these support and coordination functions, and not policy direction and control, the conferees determined that no Advisory Board to OJARS is needed.

It is the intention of the conferees that, under this structure, policy setting for the LEAA, NIJ, and BJS will be the responsibility of the appropriate Director or Administrator of the program in question. The coordination authority of OJARS will include authority to resolve differences between the LEAA, NIJ, and BJS in carrying out their respective function. The conferees also agreed that OJARS should be adequately staffed to provide these coordination and support functions. All are under the general authority of the Attorney General.

The Senate bill required submission within four years of a report by DJRBS analyzing the contribution made by the LEAA programs in 18 specific areas. The report would be considered by the President and Congress in determining whether to continue the program.

The House bill did not contain a similar provision but would require LEAA to evaluate programs and projects under Parts D, E, and F.

The conference substitute adopts a modified 18-item report requirement, deleting specific reference to the significance of the report's findings in the continuation of the LEAA programs.

The intent of the conference is that LEAA itself will be responsible for an independent, data oriented analysis and evaluation of the effects, in the 18 specific areas, of LEAA funded programs. While the report will be based, in part, on comprehensive statistics submitted by State and local governments in support of the requirements of subsection (a) of this section and on other evaluations, it should not be merely a summation of these other reports.

In order for this report to be a meaningful comparison and evaluation of LEAA funded programs throughout the country, the plan submitted 270 days after enactment of this Act by the Administrator of LEAA in accordance with subsection (c) of this section should set forth the types of data to be submitted by grant recipients in support of this report requirement and should provide uniform definitions for these types.

The conferees recognize that severe limitations exist on the capacity of these federal programs to show quantifiable contributions in the areas in question. One, the federal funding has dropped to the point where it represents only about 2 percent of total State and local criminal justice expenditures. Two, eighty percent of these funds are formula grant funds, over which LEAA has little control in the selection of projects to be funded. This federal control and influence will be even less under this new legislation. Three, improving the criminal justice system—which is the principle objective of this legislation—does not necessarily result in statistical improvements in crime control.

Nonetheless, the conferees believe that a realistic assessment of what can be expected of the LEAA program, and detailed evaluation over a number of years in achieving those objectives, is long overdue.

The Senate bill provided for final action without right to a hearing in all denials of applications except under Part D.

The House bill provided for full hearing and appeal rights.

The conference substitute adopts the House position.

The Senate bill would provide for an executive level position for the Director of OJARS.

The House bill contained no similar provision.

The conference substitute adopts the Senate position.

The Senate bill would waive 31 U.S.C. 551 re prohibiting expenditures for housing, transporting and subsistence expenses, and allow payment in advance or by reimbursement.

The House bill did not contain a similar provision.

The conference substitute adopts the Senate position.

The Senate bill provided that the report to the President would include a description of all National Priority programs or projects providing financial or technical assistance to victims or witnesses.

The House bill had no similar provision but would require the inclusion in the report of description of equipment costing in the aggregate of $100,000 under Part D and current status of equipment.

The conference substitute adopts the House provisions.

The Senate bill authorized the Director of OJARS to withhold funds payable under Part D in order to recover funds spent in violation of the Act or conditions of assistance.

The House bill did not contain a similar provision.

The conference substitute adopts the House position. The conferees are of the opinion that authority for such withholding is already provided by Section 803(a).

The Senate bill established a revolving fund for "Sting" projects.

The House bill did not have a similar provision.

The conference substitute adopts the Senate position.

The Senate bill contained language amending the Demonstration Cities Act.

The House bill did not contain a similar provision.

The conference substitute adopts the House position since this amendment has been codified in the Demonstration Cities and Metropolitan Development Act of 1966.

The House bill provided that intelligence systems funded through Part D of this Act require adherence to policy standards set by OJARS.

The Senate bill did not contain a similar provision.

The conference substitute adopts the House position.

The House bill prohibited use of funds for lobbying State legislatures regarding any legislation or appropriation.

The Senate bill did not contain a similar provision.

The conference substitute adopts the Senate position.

The House bill prohibited any involvement with civil justice by any agency or entity established by Title I.

The Senate bill did not have a similar provision.

The conference substitute permits involvement in civil matters to the extent that the matter in question bears directly upon criminal justice matters or is necessarily intertwined with criminal justice matters.

The conferees recognized that there are instances where civil and criminal justice improvement programs cannot be easily severable. Civil and criminal matters frequently do not involve two clearly separate systems with identifiable boundaries, rather there are common overlapping elements with research findings in the civil area frequently having applicability in the criminal area. The areas of dispute resolution, domestic violence, white collar violations, and court delay, all can impact on the criminal justice system in the manner required under this Section, and to the extent they and other similar activities do, are eligible program activities. In addition, general court improvements can be funded when they will lead to improvement in handling criminal matters and have the potential for freeing up resources to more effectively deal with criminal case loads.

The Senate bill requires NIC to coordinate activities with NIJ, BJS, and LEAA and prohibits the duplication of their efforts.

The House bill does not contain a similar provision.

The conference substitute adopts the House position.

The House bill authorized LEAA to require grantees to make reimbursement for equipment costing over $100,000 not put into use within one year.

The Senate bill did not contain a similar provision.

The conference substitute adopts the House provision.

The Senate bill would establish seven pilot projects for prison industries.

The House bill did not contain a similar provision.

The conference substitute adopts the Senate position.

PART I—DEFINITIONS

The Senate bill definitions of "criminal justice," "comprehensive," and "combination," differed from the House bill definitions. In addition, the Senate bill contains definitions of "proven effectiveness," "record of proven success," and "high probability of improving the criminal and juvenile justice system."

The House bill did not contain these definitions but did define "white-collar crime."

The conference substitute adopts the Senate definitions of "criminal justice" (to include juvenile justice) and "comprehensive", the House definition of "combination", and includes the additional definitions in both the Senate and House bills.

PART J—FUNDING

The Senate bill authorized a five-year program and provided NIJ $28 million and BJS $27 million per year.

The House bill authorized a three-year program (except for Community Anti-crime, four years) and combined the authorization for NIJ/BJS at $50 million.

The conference substitute adopts a four-year authorization and $25 million per year for each of NIJ and BJS.

The Senate bill provided that 19.15 per centum of the total appropriation should be maintained for juvenile delinquency programs.

The House bill provided that such maintenance of effort shall be used for juvenile delinquency programs with primary emphasis on programs for juveniles convicted of criminal offenses.

The conference substitute adopts the House position.

Part L—Public Officer's Death Benefits

The Senate bill provided that PSOB payments are effective only to the extent provided for in advance by the Appropriation Acts.

The House bill did not have a similar provision but added rescue squad members as eligible Public Safety Officers.

The conference substitute adopts the House position with regard to PSOB payments and the Senate position excluding survivors of rescue squad members from eligibility for benefits. The managers intend that payments will, however, be subject to the availability of appropriated funds.

Part M—Transition

The Senate bill provided authority for the LEAA, BJS, and NIJ to award prior year funds in accordance with the provisions of the prior Act, or for purposes consistent with the present Act.

The House bill provided similar authority but different statutory language.

The conference substitute adopts the Senate language.

The Senate bill authorized the Attorney General to appoint current LEAA appointees to fill acting positions under the new Act.

The House bill did not contain a similar position but provided that transfer not cause employees to be separated or reduced in grade.

The conference substitute adopts the Senate position with regard to the transfer and authorizes the acting appointments for a period not to exceed 90 days.

The Senate bill authorized ongoing construction project funding to continue for two years.

The House bill did not contain a similar provision.

The conference substitute authorizes such continuation funding for previously funded construction projects which were budgeted in anticipation of additional federal funding.

Peter W. Rodino,
R. W. Kastenmeier,
George E. Danielson,
Lamar Gudger,
Ron Mazzoli,
Sam B. Hall, Jr.,
Robert McClory,
John M. Ashbrook,
Henry J. Hyde,
Managers on the Part of the House.
Edward Kennedy,
Joseph R. Biden, Jr.,
Dennis DeConcini,
Max Baucus,
Howell Heflin,
Strom Thurmond,
Paul Laxalt,
Bob Dole,
Thad Cochran,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. Fary (at the request of Mr. Wright), for today, on account of official committee business.

To Mr. Hutto (at the request of Mr. Wright), for today, on account of official business.

To Mr. Rodino (at the request of Mr. Wright), for today, on account of illness in the family.

To Mr. Williams of Ohio (at the request of Mr. Rhodes), for today, on account of official business.

To Mr. Wyatt (at the request of Mr. Wright), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Williams of Ohio (at the request of Mr. Tauke) to revise and extend their remarks and include extraneous material:)

Mr. Tauke, for 5 minutes, today.

(The following Members (at the request of Mr. Lowry) to revise and extend their remarks and include extraneous material:)

Mr. Fascell, for 5 minutes, today.
Mr. Gonzalez, for 15 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Weaver, for 10 minutes, today.
Mr. Flood, for 30 minutes, today.
Mr. Panetta, for 5 minutes, today.
Mr. Van Deerlin, for 10 minutes, today.
Mr. Rostenkowski, for 5 minutes, today.
Mr. Ullman, for 5 minutes, today.
Mr. Reuss, for 5 minutes, today.
Mr. Stokes, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Nolan, and to include extraneous material notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $2,798.50.

(The following Members (at the request of Mr. Tauke) and to include extraneous matter:)

Mr. Conte.
Mr. Derwinski in three instances.
Mr. Regula in two instances.
Mr. Paul in four instances.
Mr. Gilman in four instances.
Mr. Kemp in two instances.
Mr. Rousselot.
Mr. Hollenbeck.
Mr. Bereuter.
Mr. Broyhill.
Mr. Findley.
Mr. Kindness.

(The following Members (at the request of Mr. Lowry) and to include extraneous material:)

Mr. Donnelly in two instances.
Mr. Fauntroy.
Mr. Mica.
Mr. Mazzoli.
Mr. Long of Louisiana.
Mr. Rangel.
Mr. Ratchford.
Mr. Clay.
Mr. Bennett.
Mr. Dan Daniel.
Mrs. Schroeder in two instances.
Mr. Murphy of New York.
Mr. Vanik in two instances.
Mr. Synar.
Mr. Peyser.
Mr. LaFalce in two instances.
Mr. Studds.
Mr. Preyer.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 4167. An act to amend section 201 of the Agricultural Act of 1949, as amended, to extend until September 30, 1981, the requirement that the price of milk be supported at not less than 80 per centum of the parity price therefor.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1319. An act to authorize certain construction at military installations for fiscal year 1980, and for other purposes.

ADJOURNMENT

Mr. LOWRY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 5 minutes p.m.) under its previous order the House adjourned until Tuesday, November 20, 1979, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2847. A letter from the President of the United States, transmitting a request for supplemental appropriations for fiscal year 1980 for refugee children's educational assistance (H. Doc. No. 96–229); to the Committee on Appropriations and ordered to be printed.

2848. A letter from the Deputy Assistant Secretary of the Interior for Indian Affairs, transmitting proposed regulations governing employment of education personnel by the Bureau of Indian Affairs, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2849. A letter from the Under Secretary of State for Security Assistance, Science and Technology, transmitting a report on certain arms sales proposals considered eligible for approval during fiscal year 1980, identifying those sales deemed most likely to result in the issuance of a letter of offer, together with a report on the executive branch's estimates of the international volume of arms traffic, including estimates on an annual basis of the sale and delivery of weapons and weapons-related defense equipment by all major arms suppliers to all major recipient countries since 1976, pursuant to subsections 25 (d) and (e) of the Arms Export Control Act, as amended; to the Committee on Foreign Affairs.

2850. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of an export license for major defense equipment sold commercially to the Government of Singapore (Transmittal No. MC–2–80), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2851. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of an export license for major defense equipment sold commercially to Spain (Transmittal No. MC–3–80), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2852. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed new records system for the Department of the Air

Force, pursuant to 5 USC 552a(o); to the Committee on Government Operations.

2853. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed change in an existing records system maintained by the Uniformed Services University of the Health Sciences, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2854. A letter from the Comptroller General of the United States, transmitting a report on problems American seaports have encountered in adapting to changing operating conditions (CED-80-8, November 16, 1979); jointly, to the Committees on Government Operations, Merchant Marine and Fisheries, and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITE: Committee on Armed Services. H.R. 5748. A bill to amend title 32, United States Code, to modify the system of accountability and responsibility for property of the United States issued to the National Guard (Rept. No. 96-627). Referred to the Committee of the Whole House on the State of the Union.

Mr. RODINO: Committee of conference. Conference report on S. 1157 (Rept. No. 96-628). Ordered to be printed.

Mr. WHITTEN: Committee on Appropriations. Conference report on House Joint Resolution 440 (Rept. No. 96-646). Ordered to be printed.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 3979. A bill to permit sales of real property by employees of the United States to Indians and to permit certain sales of real property by Indians to such employees; with amendments (Rept. No. 96-653). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. H.R. 2551. A bill to establish internal Federal policy concerning protection of certain agricultural land; to establish a Study Committee on the Protection of Agricultural Land; to establish a demonstration program relating to methods of protecting certain agricultural land from being used for nonagricultural purposes; and for other purposes; with amendments (Rept. No. 96-654). Referred to the Committee of the Whole House on the State of the Union.

Mr. RODINO: Committee of conference. Conference report on S. 241 (Rept. No. 96-655). Ordered to be printed.

Mr. BROOKS: Committee on Government Operations. Report on inaccuracy of Department of Defense weapons acquisition cost estimates (Rept. No. 96-656). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Ms. HOLTZMAN: Committee on the Judiciary. S. 151. A bill for the relief of Jerry W. Manandic and Ceferino W. Manandic (Rept. No. 96-629). Referred to the Committee of the Whole House.

Ms. HOLTZMAN: Committee on the Judiciary. S. 170. A bill for the relief of Janet Abraham, also known as Janet Susan Abraham (Rept. No. 96-630). Referred to the Committee of the Whole House.

Mr. BUTLER: Committee on the Judiciary. H.R. 894. A bill for the relief of Gina Marie S. Hernandez (Rept. No. 96-631). Referred to the Committee of the Whole House.

Ms. HOLTZMAN: Committee on the Judiciary. H.R. 900. A bill for the relief of Grace Maria Salazar Santos (Rept. No. 96-632). Referred to the Committee of the Whole House.

Mr. FISH: Committee on the Judiciary. H.R. 1283. A bill for the relief of Pang Chong Ae (Rept. No. 96-633). Referred to the Committee of the Whole House.

Mr. FISH: Committee on the Judiciary. H.R. 2593. A bill for the relief of Mariana de Jeus Roca and Francisco Rubira Roca; with an amendment (Rept. No. 96-634). Referred to the Committee of the Whole House.

Mr. BUTLER: Committee on the Judiciary. H.R. 3234. A bill for the relief of Rodolfo Jose Kozul (Rept. No. 96-635). Referred to the Committee of the Whole House.

Mr. FISH: Committee on the Judiciary. H.R. 3320. A bill for the relief of Eileen Ferraren Fair (Rept. No. 96-636). Referred to the Committee of the Whole House.

Ms. HOLTZMAN: Committee on the Judiciary. H.R. 4483. A bill for the relief of Jung-Sook Mun (Rept. No. 96-637). Referred to the Committee of the Whole House.

Mr. HALL of Texas: Committee on the Judiciary. H.R. 918. A bill for the relief of Maryrose and Rosemary Evangelista (Rept. No. 96-638). Referred to the Committee of the Whole House.

Mr. DANIELSON: Committee on the Judiciary. H.R. 1619. A bill for the relief of Rolando R. Gaza, Teresita C. Gaza, and Rolynne Therese Gaza (Rept. No. 96-639). Referred to the Committee of the Whole House.

Mr. LUNGREN: Committee on the Judiciary. H.R. 2477. A bill for the relief of Jesus Reveles y Rivera; with an amendment (Rept. No. 96-640). Referred to the Committee of the Whole House.

Mr. FISH: Committee on the Judiciary. H.R. 2594. A bill for the relief of Lunette Joyce Clarke (Rept. No. 96-641). Referred to the Committee of the Whole House.

Ms. HOLTZMAN: Committee on the Judiciary. H.R. 1888. A bill for the relief of Kenneth and Jacqueline Traylar; with an amendment (Rept. No. 96-642). Referred to the Committee of the Whole House.

Mr. DANIELSON: Committee on the Judiciary. H.R. 1889. A bill for the relief of Naomi Chen; with amendments (Rept. No. 96-643). Referred to the Committee of the Whole House.

Mr. FISH: Committee on the Judiciary. H.R. 2782. A bill for the relief of John H. R. Berg (Rept. No. 96-644). Referred to the Committee of the Whole House.

Ms. HOLTZMAN: Committee on the Judiciary. H.R. 3873. A bill for the relief of Jan Kutina. (Rept. No. 96-645). Referred to the Committee of the Whole House.

Mr. BUTLER: Committee on the Judiciary. H.R. 4013. A bill for the relief of Jozef Swiderski (Rept. No. 96-647). Referred to the Committee of the Whole House.

Mr. BUTLER: Committee on the Judiciary. H.R. 1489. A bill for the relief of In Sun Pineiro; with an amendment (Rept. No. 96-648). Referred to the Committee of the Whole House.

Mr. LUNGREN: Committee on the Judiciary. H.R. 1887. A bill for the relief of Solomon Mani (Rept. No. 96-649). Referred to the Committee of the Whole House.

Ms. HOLTZMAN: Committee on the Judiciary. S. 132. A bill for the relief of Dirk Vierkant (Rept. No. 96-650). Referred to the Committee of the Whole House.

Ms. HOLTZMAN: Committee on the Judiciary. S. 214. A bill for the relief of Rocio Edmondson; with an amendment (Rept. No. 96-651). Referred to the Committee of the Whole House.

Mr. DANIELSON: Committee on the Judiciary. H.R. 1827. A bill for the relief of Emiko Okuma Colona; with an amendment (Rept. No. 96-652). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. CARR (for himself and Mr. Wolpe):

H.R. 5923. A bill to amend the Energy Reorganization Act of 1974 and the Atomic Energy Act of 1954 to require the Secretary of Energy or the Secretary of Defense to notify State legislatures whenever construction of a radioactive waste storage facility in a State is proposed and to permit a State legislature to disapprove of the use of any site within the jurisdiction of the State for radioactive waste storage; jointly to the Committees on Armed Services, Interior and Insular Affairs, and Interstate and Foreign Commerce.

By Mr. DANIELSON (for himself and Mr. Moorhead of California):

H.R. 5924. A bill to provide that the U.S. District Court for the Central District of California shall be held at Santa Ana, Calif., in addition to the place currently provided by law; to the Committee on the Judiciary.

By Mr. DICKINSON:

H.R. 5925. A bill to amend the Immigration and Nationality Act to provide for the deportation of certain nonimmigrant alien students; to the Committee on the Judiciary.

By Mr. FASCELL (for himself, Mr. Lehman, and Mr. Pepper):

H.R. 5926. A bill to establish the Biscayne National Park in the State of Florida, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FAUNTROY (for himself, Mr. Dellums, and Mr. McKinney) (by request):

H.R. 5927. A bill to set out the conditions under which the Council of the District of Columbia may enact emergency acts, and for other purposes; to the Committee on the District of Columbia.

H.R. 5928. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to eliminate the congressional review period for acts of the Council of the District other than acts relating to crimes, criminal procedure, and prisoners and acts proposing amendments to title IV of such act to the Committee on the District of Columbia.

By Mr. GRISHAM:

H.R. 5929. A bill to amend the Internal Revenue Code of 1954 to provide a refundable income tax credit for basic health insurance premiums and a deduction from gross income for certain additional medical expenses, and to amend title XIX of the Social Security Act to encourage every State to furnish private health insurance plans or policies to pay for medical care for the needy and indigent; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. HANSEN:

H.R. 5930. A bill to amend the Truth in Lending Act to provide that any creditor who requires insurance to be purchased as a condition for granting an extension of credit may not require that such insurance be purchased from a source specified by such creditor; to the Committee on Banking, Finance and Urban Affairs.

By Mrs. HECKLER:

H.R. 5931. A bill to prohibit the use of Federal funds to purchase certain portraits painted by Gilbert Stuart; to the Committee on House Administration.

By Mr. HOLLAND:

H.R. 5932. A bill to amend the Internal Revenue Code of 1954 to extend the investment credit to certain fuel-efficient vehicles used by governmental units; to the Committee on Ways and Means.

By Mr. LaFALCE:

H.R. 5933. A bill to amend title II of the Social Security Act to provide that an individual may become entitled to widow's or widower's insurance benefits at age 50 whether or not disabled, subject to the existing actuarial reduction prior to attaining age 65 but with full benefits after attaining that age; to the Committee on Ways and Means.

By Mr. LENT:

H.R. 5934. A bill to provide for the protection of the public health (including consumer-patients) from unnecessary exposure to radiation; to the Committee on Interstate and Foreign Commerce.

By Mr. PREYER (for himself, Mr. Kindness, Mr. Brooks, Mr. Horton, Mr. Rangel, Mr. Carter, Mr. Kostmayer, Mr. Goldwater, Mr. Corman, Mr. Oberstar, Mr. Kildee, Mr. LaFalce, Mr. Mattox, Mr. Stockman, and Mrs. Fenwick):

H.R. 5935. A bill to protect the privacy of medical information maintained by medical care facilities, to amend section 552a of title 5, United States Code, and for other purposes; jointly, to the Committees on Government Operations, Interstate and Foreign Commerce, and Ways and Means.

By Mr. REGULA (for himself, Mr. Livingston, Mr. Collins of Texas, Mr. Sebelius, Mr. Whitehurst, Mr. Forsythe, Mr. Benjamin, Mr. Dannemeyer, Mr. Florio, Mr. McCloskey, Mr. Edwards of Oklahoma, Mr. Jones of Oklahoma, Mr. Cleveland, Mr. Duncan of Tennessee, Mr. Wirth, Mr. Abdnor, Mr. Barnard, Mr. Tauke, Mr. Kindness, Mr. Kemp, Mr. Jeffords, Mr. Burgener, Mr. Goodling, and Mr. Panetta):

H.R. 5936. A bill to amend title 5 of the United States Code, to require public notice on matters relating to Federal contracts, grants, and loans; to the Committee on the Judiciary.

By Mr. ROSENTHAL:

H.R. 5937. A bill entitled: "Foreign Bank Takeovers Study Act"; to the Committee on Banking, Financing and Urban Affairs.

By Mr. SHANNON:

H.R. 5938. A bill to amend the Trade Expansion Act of 1962 with respect to the powers of the President to adjust imports of petroleum and petroleum products; to the Committee on Ways and Means.

By Mr. STAGGERS:

H.R. 5939. A bill to provide for payment by the Government of Iran of the claims for damage resulting from the personal injuries suffered by the United States citizens held in the U.S. embassy in Tehran, and by their families; to the Committee on Foreign Affairs.

By Mr. STUDDS:

H.R. 5940. A bill to amend the Uniform Time Act of 1966 to extend the period of daylight savings time in each year, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. VAN DEERLIN (for himself, Mr. Broyhill, Mr. Collins of Texas, Mr. Heftel, and Mr. Akaka):

H.R. 5941. A bill to amend the Communications Act of 1934 to repeal certain provisions of such act relating to the domestic and international distribution of telegraph traffic by wire or radio and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WALKER:

H.R. 5942. A bill to amend title 5 of the United States Code to establish a procedure for congressional review of agency rules and for other purposes; jointly to the Committees on the Judiciary and Rules.

By Mr. DAVIS of Michigan:

H.J. Res. 446. Joint resolution to defer the pay of Members of Congress in the same manner and to the same extent as the pay and benefits of other employees and indivioduals are deferred due to the unavailability of funds; to the Committee on Post Office and Civil Service.

By Mr. LaFALCE:

H.J. Res. 447. Joint resolution designating January 15 of each year as "Martin Luther King, Junior, Day"; to the Committee on Post Office and Civil Service.

By Mr. GOODLING (for himself, Mr. Broomfield, Mr. Wolff, Mr. Walker, Mr. Schulze, Mr. Lagomarsino, Mr. Rousselot, Mr. Emery, Mr. Bauman, Mr. McDade, Mr. Beard of Tennessee, Mr. Kemp, and Mr. Shuster):

H. Con. Res. 215. Concurrent resolution that the President should terminate U.S. sanctions against Zimbabwe-Rhodesia with the appointment of a British governor and his arrival in Salisbury; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. YOUNG of Florida introduced a bill (H.R. 5943) for the relief of Magdelena Lararte-Medrano; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 160: Mr. Thomas.

H.R. 262: Mr. Beard of Tennessee, Mr. Royer, and Mr. Sensenbrenner.

H.R. 2400: Mr. Albosta, Mr. Barnes, Mrs. Chisholm, Mr. Conyers, Mr. Corman, Mr. Dellums, Mr. Diggs, Mr. Edwards of California, Mr. Fauntroy, Mr. Ford of Tennessee, Mr. Ford of Michigan, Mr. Garcia, Mr. Gilman, Mr. Gray, Mr. Guarini, Mr. Hanley, Mr. Harris, Mr. Hawkins, Mr. Kildee, Mr. Mitchell of Maryland, Mr. Murphy of Pennsylvania, Mr. Pepper, Mr. Preyer, Mr. Rahall, Mr. Rangel, Mr. Rosenthal, Mrs. Schroeder, Mr. Stokes, Mr. Thompson, Mr. Walgren, Mr. Weiss, Mr. Williams of Montana, Mr. Charles H. Wilson of California, and Mrs. Collins of Illinois.

H.R. 2542: Mr. Ford of Tennessee, Mr. Gingrich, Mr. Livingston, Mr. Watkins, and Mr. Dougherty.

H.R. 2738: Mr. Traxler.

H.R. 2967: Mr. Young of Alaska, Mr. Lagomarsino, Mr. Miller of Ohio, Mr. Dingell, Mr. Derwinski, Mr. Winn, Mr. McDonald, Mr. Benjamin, Mr. Skelton, Mr. Kindness, Mr. Albosta, and Mr. Dickinson.

H.R. 4446: Mr. Gephardt.

H.R. 4448: Mr. Panetta, Mr. Collins of Texas, Mr. Dougherty, Mrs. Fenwick, Mr. Hall of Texas, Mr. Whitehurst, Mr. Lagomarsino, Mr. Hughes, Mr. Rahall, Mr. Butler, Mr. Montgomery, Mr. Patten, Mr. Miller of California, Mr. Whittaker, Mr. Lungren, Mr. Kindness, Mr. Derwinski, Mr. Robert W. Daniel, Jr., Mr. Guyer, Mr. Cleveland, Mr. Coelho, Mr. Frenzel, Mr. McCloskey, Mr. Guarini, Mr. Goodling, Mr. Bedell, and Mr. Campbell.

H.R. 4685. Mr. Hughes and Mr. Rousselot.

H.R. 4748: Mr. Matsui and Mr. Studds.

H.R. 5000: Mr. Neal, Mr. Walgren, Mr. Kildee, Mr. Tauke, Mr. Carr, and Mr. Courter.

H.R. 5120: Mr. Pepper, Mr. Florio, Mr. Mitchell of Maryland, Mr. Brown of California, Mr. Roe, Mr. Lederer, Mr. Rahall, Mr. Murphy of Pennsylvania, Mr. Patten, Mr. Weiss, and Mr. Wolff.

H.R. 5134: Mr. Kastenmeier.

H.R. 5396: Mr. Huckaby.

H.R. 5486: Mr. Mitchell of Maryland, Mr. Patten, and Mr. Nolan.

H.R. 5539: Mr. Leach of Iowa.

H.R. 5571: Mr. Rinaldo.

H.R. 5574: Mr. Loeffler, Mr. Stump, Mr. Albosta, Mr. Hance, Mr. Rose, Mr. Leath of Texas, Mr. Gramm, Mr. Sebelius, Mr. Watkins, Mr. Hall of Texas, Mr. Roberts, Mr. Coelho, Mr. Anthony, Mr. Fazio, Mr. Jones of Oklahoma, Mr. Wyatt, Mr. Bedell, Mr. Steed, Mr. Synar, Mr. Kazen, Mr. Edwards of Oklahoma, Mr. Thomas, Mr. Daschle, Mr. Frost, Mr. Pickle, Mr. Runnels, Mr. Montgomery, Mr. Leach of Louisiana, and Mr. Glickman.

H.R. 5604: Mr. Oberstar, Mr. McCloskey, Mr. Pepper, Mr. Lehman, Mr. Long of Louisiana, Mr. Frenzel, Mr. Evans of Delaware, Mr. Kildee, Mr. Marks, Mr. Carter, Mr. Cleveland, Mr. Stangeland, Mr. Downey, Mr. Edgar, Mr. Gray, and Mr. Fazio.

H.R. 5610; Mr. Williams of Ohio.

H.R. 5642: Mr. Bailey, Mrs. Chisholm, Mr. Conyers, Mr. Corrada, Mr. Dellums, Mr. Diggs, Mr. Downey, Mr. Fauntroy, Mr. Fazio, Mr. Ford of Tennessee, Mr. Garcia, Mr. Gilman, Mr. Gray, Mr. Hanley, Mr. Harris, Mr. Hawkins, Mr. Jeffords, Mr. Kildee, Mr. Lederer, Ms. Mikulski, Mr. Mitchell of Maryland, Mr. Murphy of Pennsylvania, Mr. Nolan, Mr. Pepper, Mr. Rangel, Mrs. Schroeder, Mr. Simon, Mr. Stewart, Mr. Stokes, Mr. Thompson, Mr. Udall, Mr. Vento, Mr. Weiss, Mr. Charles H. Wilson of California, Mr. Wirth, Mrs. Spellman and Mrs. Collins of Illinois.

H.R. 5666: Mr. Addabbo, Mr. Anderson of Illinois, Mr. Barnard, Mr. Beard of Tennessee, Mr. Burgener, Mr. Butler, Mr. Philip M. Crane, Mr. Robert W. Daniel, Jr., Mr. Fithian, Mr. Fuqua, Mr. Grisham, Mr. Guyer, Mr. Hutto, Mr. Ichord, Mr. Kemp, Mr. Kramer, Mr. Leach of Louisiana, Mr. Panetta, Mr. Quayle, Mr. Skelton, Mrs. Spellman, Mr. Stanton, Mr. Stratton, Mr. Symms, Mr. White, Mr. Wyatt, and Mr. Young of Alaska.

H.R. 5678: Mr. Richmond, Mr. Murphy of Pennsylvania, Mr. Addabbo, Mr. Bingham, Mr. Howard, Mr. Stokes, and Mr. Albosta.

H.R. 5704: Mr. Barnes, Mr. Phillip Burton, Mr. Cavanaugh, Mr. Coelho, Mr. Corrada, Mr. D'Amours, Mr. Edwards of California, Mr. Fazio, Mr. Frost, Mr. Howard, Mr. Hughes, Mr. Jones of North Carolina, Mr. LaFalce, Mr. Lagomarsino, Mr. Livingston, Mr. Markey, Mr. Nowak, Mr. Panetta, Mr. Simon, Mr. Thompson, Mr. Whitehurst, and Mr. Beilenson.

H.R. 5712: Mr. Kramer.

H.R. 5720: Mr. Barnes, Mr. Dougherty, Mr. Emery, Mr. Hinson, Mr. Leach of Iowa, Mr. Montgomery, and Mr. Simon.

H.R. 5759: Mr. Whitehurst, Mr. Devine, Mr. Lagomarsino, Mr. Edwards of Oklahoma, Mr. Collins of Texas, Mr. Burgener, Mr. Kindness, and Mr. Leach of Iowa.

H.R. 5846: Mr. Albosta, Mr. Beard of Tennessee, Mr. Dougherty, Mr. Robinson, Mr. Sawyer, Mr. Vander Jagt, Mrs. Byron, and Mr. Dickinson.

H.R. 5855: Mr. Benjamin, Mr. Fary, Mr. Hughes, Mr. Kindness, Mr. Lagomarsino, Mr. Patten, Mr. Pepper, Mr. Snyder, Mr. Taylor, Mr. Wampler, and Mr. Charles Wilson of Texas.

H.R. 5892: Mr. Lloyd, Mr. Moakley, Mr. Daschle, Mr. Carr, Ms. Holtzman, Mr. Lehman, Mr. Jenrette, Mr. Simon, Mr. Danielson, Mr. Gilman, Mr. Rinaldo, Mr. Hawkins, Mr. Williams of Montana, Mr. Markey, Mr. Sabo, Mr. St Germain, Mr. Nolan, Mr. Richmond, Mr. Santini, Mr. Won Pat, Mr. Patterson, Mrs. Fenwick, Mr. Leach of Iowa, Mr. Florio, Mr. Drinan, Mr. Hughes, Mr. Solarz, Mr. Howard, Mr. Murphy of Pennsylvania, Mr. Waxman, Mr. Tauke, Mr. Vento, Mr. Gudger, and Mr. Fazio.

H.J. Res. 267: Mr. Steed, Mr. Roth, Mr. Nowak, Mr. Beard of Rhode Island, Mrs. Fenwick, Mr. Jenkins, Mr. Montgomery, Mr. Duncan of Oregon, Mr. Royer, Mr. Regula, Mr. Ambro, Mr. Gonzalez, Mr. Bereuter, Mr. Jacobs, Mr. Marriott, Mr. Derwinski, Mr. Skelton, Mr. Lloyd, Mr. Corman, Mr. Stenholm, Mr. Edwards of Oklahoma, Mr. Lujan, Mr. Conte, Mr. Cavanaugh, Mr. Murphy of New York, Mr. Simon, Mr. Coelho, Mr. Madigan, Mr. Corcoran, Mr. Bevill, Mr. Dannemeyer, Mr. Marks, Mr. Staggers, Mr. Weaver, Mr. Long of Louisiana, Mr. Young of Alaska, Mr. Hyde, Mr. Mathis, Mr. Daschle, Mr. Russo, Mr. Stangeland, Mr. Dodd, Mr. Clay, Mr. Zeferetti, Mr. Guarini, Mr. Rose, Mr. Traxler, Mr. Lott, Mr. Hopkins, Mr. Dicks, Mr. de la Garza, Mr. Clinger, Mr. Stratton, Mr. Hutto, Ms. Oakar, Mr. Bedell, Mr. Petri, Mr. Pursell, Mr. Kindness, Mr. Campbell, Mr. Evans of Delaware, Mr. Mineta, Mr. Neal, Mr. Wirth, Mr. Gray, Mr. Hammerschmidt, Mr. Barnard, Mr. Huckaby, Mr. Solarz, Mr. Bauman, Mr. Tauke, Mr. Railsback, Mr. Albosta, Mr. Broyhill, Mr. Smith of Iowa, Mr. Leath of Texas, Mr. McClory, Mr. Kramer, Mr. Lee, Mr. Thomas, Mr. Glickman, Mr. Gilman, Mr. Whittaker, Mr. Oberstar, Mr. Collins of Texas, Mr. Boland, Mr. Rangel, Mr. Kastenmeier, Mr. Hightower, Mr. Grisham, Mr. Pepper, Mr. Hubbard, Mr. Rinaldo, Mr. Young of Missouri, Mr. Hawkins, Mr. Kogovsek, Mr. Yatron, Mr. Perkins, Mr. Wolff, Mr. Quillen, Mr. Hance, Mr. Latta, Mr. Kostmayer, Mr. Hamilton, Mr. Jones of North Carolina, Mr. Mazzoli, Mr. McKinney, Mr. Ford of Michigan, Mr. Nolan, Mr. Hefner, Mr. Harris, Mr. Howard, Mr. Harkin, Mr. Brinkley, Mr. Wyatt, Mr. Addabbo, Mr. Bob Wilson, Mr. Benjamin, Mr. Nichols, Mr. Roe, Mr. Coleman, Mr. Pashayan, Mr. McDade, Mr. Moorhead of California, Mr. Peyser, Mr. Miller of Ohio, Mr. Kazen, Mr. Hagedorn, Mr. Rudd, Mr. Whitehurst, Mr. Myers of Indiana, Mr. Lederer, Mr. Courter, Mr. Cleveland, Mr. Dickinson, Mr. Clausen, Mr. Butler, Mr. Coughlin, Mr. Runnels, Mr. Badham, Mr. Ashbrook, Mr. Rousselot, Mr. Devine, Mr. Pritchard, Mr. Abdnor, Mr. Anderson of California, Mr. Michel, and Mr. Schulze.

H. Con. Res. 199: Mr. Harkin, Mr. Weiss, Mr. Rangel, Mr. Vento, Mr. Gray, Mr. Dixon, Mr. Carr, and Mr. Evans of the Virgin Islands.

H. Con. Res. 212: Mr. Weiss, Mr. Whittaker, Mr. Fithian, Mr. Dodd, Mr. Quayle, Mr. Hansen, Mr. Snyder, Mr. Quillen, Mr. Goldwater, Mr. Corman, Mr. Bafalis, Mr. Horton, Mr. Mitchell of New York, Mrs. Holt, Mr. Latta, Mr. Downey, Mr. McHugh, Mr. Cavanaugh, Mr. Murphy of Pennsylvania, Mr. Bedell, Mr. Moorhead of Pennsylvania, Mr. Kemp, Mr. Wydler, Mr. Goodling, Mr. Mathis, Mr. Loeffler, Mr. Dickinson, Mr. Hyde, Mr. Erdahl, Mr. Beard of Rhode Island, Mr. D'Amours, Mr. Anthony, Mr. Bonior of Michigan, Mr. Brooks, Mr. O'Brien, Mr. Dannemeyer, Mr. McKay, Mr. Long of Louisiana, Mr. Yatron, Mr. LaFalce, Mrs. Smith of Nebraska, Mr. Jeffries, Mr. Walgren, Mr. Hughes, Mr. Natcher, Mr. Ratchford, Mr. Stewart, Mr. Solarz, Mr. Badham, Mr. Annunzio, Mr. Nelson, Mrs. Boggs, Mr. Johnson of California, Mr. Roth, Mr. Grisham, Mr. Leach of Iowa, Mr. Dan Daniel, Mr. Corcoran, Mr. Pursell, Mr. English, Mr. McDade, Mr. Hollenbeck, Mr. Broomfield, Mr. Shumway, Mr. Sharp, Mr. Wirth, Mr. Danielson, Mr. Slack, Mr. Jacobs, Mr. Stenholm, Mr. Devine, Mr. Gramm, Mr. Giaimo, Mr. Rose, Mr. Brademas, Mr. Evans of Delaware, and Mr. Phillip Burton.

H. Res. 446: Mr. Stark, Mr. Brodhead, Mr. Runnels, Mr. Seiberling, and Mr. Miller of California.

H. Res. 477: Mr. Grisham, Mr. Rudd, Mr. Albosta, and Mr. Atkinson.

SENATE—*Friday, November 16, 1979*

(Legislative day of Thursday, November 15, 1979)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by Hon. David L. Boren, a Senator from the State of Oklahoma.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Thou who are holiness, justice, and love, to whom all men and nations are accountable, look upon this troubled world and have compassion upon the waywardness and perverseness of mankind. May some miracle of divine grace overrule the enmity, the hostility, and the belligerence of sinful man. May Thy goodness and mercy redeem and heal the nations, fill all hearts with love, and call forth that invincible goodness which overcomes evil.

Be with those who suffer the loneliness and anxiety of captivity. Guide those who confer for their deliverance. Help us to do what we can, when we can where we are to bring the peaceable reign of Thy spirit among men. Keep us in our praying and in our working for Thy kingdom's sake. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Magnuson).

The assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., November 16, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable David L. Boren, a Senator from the State of Oklahoma, to perform the duties of the Chair.

Warren G. Magnuson,
President pro tempore.

Mr. BOREN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may reserve my time for the moment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting minority leader is recognized.

Mr. STEVENS. Mr. President, I yield my time to the Senator from New Mexico.

RECOGNITION OF SENATOR SCHMITT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New Mexico (Mr. Schmitt) is recognized for not to exceed 15 minutes.

THE LEGISLATIVE VETO

A SYSTEMATIC PROCEDURE FOR EXERCISING OVERSIGHT

Mr. SCHMITT. Mr. President, this has been referred to as the oversight Congress. Hopefully, that title will stick, and we will, in the next session of this Congress, continue to expand the process of oversight over the independent and executive agencies of Government and over their exercise of the statutory authority that we have given them.

In this light, it is therefore no coincidence that the legislative veto has become an important part of the debate concerning the most appropriate means for Congress to exert better and more consistent control over the Federal bureaucracy.

The legislative veto concept has been variously referred to as a panacea for all the problems of Government, or as an unconstitutional mechanism that will overburden the Congress with reviewing rules promulgated by the executive and independent agencies.

Neither of these positions is the correct one. Instead, the legislative veto is an aid to effective oversight of the exercise of statutory authority by the agencies of Government. It is neither a panacea nor an unconstitutional intrusion on the rights of the executive branch. It will vastly increase the effectiveness of the Congress in representing the concerns of our constituents with regard to lawmaking in the form of Federal regulations and in assuring agency compliance with the intent of Congress in national policy formulation.

In developing the present legislative veto concept over the last 3 years, my colleagues and I have taken into account questions of constitutionality, House and Senate prerogatives, committee workload, and the threat of narrow special interests. It may be useful as this debate approaches to explain in some detail the concepts and procedures behind the legislative veto amendment that will be offered when the Federal Trade Commission authorization bill reaches the floor.

PROPOSED RULES

Our legislative veto amendment would require that a proposed FTC rule would be transmitted to both Houses of Congress and be referred to the appropriate committees of jurisdiction. Before such a rule would go into effect, the proposed rule would lie before the Congress for 60 days, at which time the rule would go into effect automatically if neither House of Congress has agreed to a resolution of disapproval. Should one House agree to a resolution of disapproval within that 60-day period, the effective date of the rule would be postponed an additional 30 days to allow the other House of Congress an opportunity to overturn the disapproval resolution. If the disapproval resolution is overturned, then the proposed rule is disapproved and returned to the Commission for further consideration.

It is intended that should the Commission decide to formulate a new rule similar to that which was disapproved, the Commission will be guided by the committee report and floor debate on the disapproval resolution in determining congressional intent on the matter in question. This has been the experience with the proposed rules of the Federal Elections Commission which are already subject to legislative veto, and one such veto was exercised on September of this year.

COMMITTEE DISCHARGE

In order to insure that resolutions of disapproval are treated seriously and that the Senate as a whole is able to pass judgment on changes in the law of the land, the amendment contains a provision which would permit one-fifth of the membership of either House to bring to a vote a motion to discharge the committee of jurisdiction from further consideration of a resolution should the committee fail to act on such a resolution after 45 days.

It is important to note carefully the need for such a provision that provides for the discharge of a committee. With ordinary legislation it is obvious that bills which will create changes in the Nation's laws must be brought before the full membership of both bodies of the Congress. Each Member has a full opportunity to express his or her views with regard to changes in national policy. This is the system of free and open debate we have inherited and its benefits are self-evident. Regulatory law, however, is an entirely different matter. Most decisions on these regulatory laws are made in the middle levels of the Federal bureaucracy and are not entirely open to public scrutiny. In fact, such laws are made by those who do not have to respond to the electorate as do Members of Congress.

With the establishment of a veto procedure we will allow the elected representatives of the people an opportunity to review and possibly veto proposed FTC rules. Should we fail to provide a safeguard for committee inaction on a disapproval resolution, we will be endorsing the idea that fundamental changes in law will be permitted to occur without an opportunity for discussion on the floor of either body of Congress. This situation would be rectified by the discharge provision in amendment No. 212. On the other hand, the requirement that one-fifth of the membership of either body sign a discharge petition will insure that narrow special interests will not be able to cause disapproval resolutions to be brought to the floor, in a frivolous manner.

LIMITATION ON DEBATE

In order to avoid a situation where debate is needlessly prolonged with regard to proposed rules, amendment No. 212 contains a provision which will limit debate to 1 hour on motions to discharge the committee from consideration of a resolution of disapproval. Debate on the resolution itself would be limited to 2 hours.

These limits, severe as they are, would insure that there will be adequate time to consider the major policy or constitutional issues addressed by a proposed rule rather than be bogged down in technical details better left to a committee or more specifically to the FTC.

The limits would also disallow the possibility of excessive debate and possible filibuster on these proposed rules.

We must remember in this context, Mr. President, that the FTC, as are many agencies, is a creature of the Congress. It is an extension of the Congress to which we have given broad legislative powers. The legislative veto merely provides an opportunity for Congress to review the extension of that power on specific national policy issues.

RESOLUTION OF RECONSIDERATION

The amendment contains a provision which would allow the Congress to act on a resolution of reconsideration that would require the Federal Trade Commission to reconsider an existing rule and to repromulgate the rule within 210 days. Procedural safeguards similar to those for consideration of a resolution of disapproval would apply such reconsideration initiatives. Should the FTC decide not to repromulgate the rule during this period, the rule would lapse. This procedure is designed to allow regulations which may have been on the books for many years to be systematically reevaluated by Congress in light of changed circumstances. For Congress to exercise proper oversight over the actions of the Federal Trade Commission, it is essential not only that rules which are already in effect be subject to congressional review along with new regulatory initiatives, but that proper safeguards be in place to assure objectivity in this review process.

EXPEDITED COURT REVIEW

Mr. President, since I spoke last week, the constitutionality of the legislative veto has frequently been discussed in both the House and the Senate and it is likely that a constitutional challenge will be lodged against a legislative veto being applied to the FTC. In light of the facts that there are currently 295 provisions of law containing legislative veto or review procedures, that such procedures are regularly used by the Congress, and that, on the several occasions when it has been addressed by the courts, the veto has not been ruled unconstitutional, it appears likely that the Supreme Court will uphold the constitutionality of the procedure outlined in amendment No. 212. However, in order to insure that this issue is resolved as soon as possible after this legislation is enacted, and if a constitutional challenge is raised, the amendment contains a provision that will require expedited considerations of such a challenge by the Supreme Court.

Mr. President, these are the major provisions of the legislative veto amendment I intend to offer to the Federal Trade Commission authorization bill along with at least 34 cosponsors. We believe that this is a fair, reasonable and efficient approach to regulatory reform that responds to the public demand for greater congressional accountability for the delegated legislative actions of the Federal Trade Commission.

It has become increasingly evident that Congress cannot stand on the sidelines and be an uninvolved bystander to the regulatory process at the FTC. Neither can we just apply short-term fixes to specific rulemaking activities, as has been proposed by some. The presence of the possibility of a legislative veto at the end of the regulatory pipeline will insure that the FTC considers our concerns at the beginning of the pipeline. Congress must become a part of the process by insisting on an opportunity to review the final rulemaking product of the Commission.

Amendment No. 212 to S. 1020, the FTC authorization bill, is designed to strengthen the legitimate consumer protection initiatives of the Commission by sharing its lawmaking burden with the elected representatives of the people—namely, the Congress. I urge my colleagues to give this amendment their careful and favorable consideration and to recognize that it does not weaken but rather adds strength to the necessary functions of the Federal Trade Commission while preventing continued abuse of its authority.

Mr. President, I yield the floor and yield my time, as well as the minority leader's time, back to him if he so desires. If not, I shall yield the floor.

Mr. STEVENS. Mr. President, I am happy to have the time. Against that time, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. I yield such time as I may have left from leadership time to the Senator from Rhode Island.

RECOGNITION OF SENATOR CHAFEE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Rhode Island (Mr. CHAFEE) is recognized.

IRANIAN STUDENTS IN THE UNITED STATES

Mr. CHAFEE. Mr. President, in June of 1900, thousands of Chinese belonging to a secret society in China, called the Boxers, entered Peking, looting and killing Chinese Christians and foreigners. It was the goal of the Boxer Rebellion to eliminate all foreign influence, foreign religion and foreign people from China. The Boxers laid siege to all of the foreign legations in Peking, including that of the United States, and slaughtered 250 foreigners and hundreds of Chinese Christians in the environs of Peking.

American indignation was at a white heat, matched only by the horror that we felt at what was happening. Two months after the fighting in Peking started, an international military rescue force arrived to lift the siege on the legations and to pacify areas of North China.

In September of 1901 the foreign powers forced the Manchu government to enter into a very harsh agreement, the terms of which included the payment to the Western nations of the then incredible sum of $333 million, payable over 40 years at extremely high interest rates.

Several years later the United States, in a very unique undertaking, declined to accept further payments from China with the proviso that the sums which normally would have been paid under this agreement, instead of coming to the United States, be used to educate young Chinese in American universities.

Hundreds of young Chinese were thus able to come to the United States, be educated here and simultaneously to teach us more about their native land.

In 1942, following the attack on Pearl Harbor, Americans were enraged, and rightfully so, at all Japanese and everything associated with Japan. (A zealot even chopped down some cherry trees next to the Tidal Basin.) The United States rounded up all Americans of Japanese ancestry, including many who were longtime U.S. citizens, and most of whom lived in California, and shipped them off to internment camps in Arkansas, Idaho, and elsewhere. The closest Japanese-United States fighting was 2,000 miles from California.

This action by U.S. authorities was contrary to our Constitution and in violation of the rights of those interred.

Americans look back with different views on those two incidents.

Americans look back with pride on what we did regarding the Boxer indemnification. And we reflect with shame on our handling of those Japanese-Americans in California who were shipped off to the internment camps.

Now 80 years after the Boxer Rebellion, and 38 years after Pearl Harbor, we are confronted by an equally enraging situation. Our Embassy in Tehran has been seized by a mob described as students. Americans are being held hostage, our flag demeaned, our Nation mocked. There is a natural reaction in this country to vent our sentiments on the nearest Iranian we can find—and it turns out there are a multitude of them around, some 50,000 students scattered across our Nation in various colleges and universities.

Some Iranian students in this country have banded together to demonstrate, shouting curses on the Shah and praise for Khomeini. Americans, disgusted by such actions by guests in our Nation, have on occasion attacked the demonstrators and mauled individuals.

Our Government has commenced a swift and thorough review of all Iranian students in the United States. Any who are not complying with all terms of their student visas will be deported. No other foreign students in this Nation are to be held to the same standard. Never mind. If the Iranians are going to play hard ball in Tehran, we will play hard ball here also. Public reaction to this has been enthusiastic.

No one carries any brief for those Iranian hooligans who, under the guise of protesting, do physical damage and riot as they did early this year outside the home in California where the 90-year-old mother of the Shah was living.

We should come down hard and swiftly on that crowd. Send them back whence they came. Similar treatment should be accorded any other foreign students who abuse the privileges of this Nation.

But what about the thousands of other Iranian students here? Those who demonstrate peacefully in accordance with our laws? Those whose violations of their student visas are no different from thousands of other students from other nations—violations such as not being fulltime in a university, or working parttime at some job. Because of the temper of the times, do we want to have a double standard? One for Iranians, one for all others, many of whom are not very friendly to this country? I do not think we want this double standard.

We have long taken the view, as demonstrated in the post Boxer Rebellion days, that it is beneficial for this Nation to have foreign students here.

That is why we provided that indemnification not come to this country, to the U.S. Treasury, but, instead, would be used to educate Chinese students in our universities here. We learn from them and we are hopeful that they will learn from us—learn about this Nation's heritage, about the preciousness of freedom, come to respect what we call human rights. They will see the effectiveness of a free enterprise system, and they will experience the virtues of democracy.

Many students may bitterly disappoint us, but others will not.

Because we are justifiably enraged at the actions of a particular nation, let us not either as a country or as individuals conduct ourselves in a demeaning manner or lower ourselves to the tactics employed by those on the other side. The United States is too great to seek mere revenge. Let us come through this difficult period with our integrity, our self-respect and our reputation intact.

Mr. STEVENS. Will the Senator yield?

Mr. CHAFEE. Yes.

Mr. STEVENS. Mr. President, I am delighted that I was present while my good friend for so many years made the statement he has just made, which reflects well upon all that I know he has stood for over the years. I am pleased to say that I agree with his statement.

It does seem that many are asking us to respond in kind, and, as Senator CHAFEE says, to lower our standards in order to compete in sort of a gutter way in this public relations battle that is going on.

Without in any way condoning what has happened in Iran, or what the Iranian students are doing here, I think he speaks well for all of us who remember the traditions of this country and to hopefully maintain some balance and perspective as we attempt to deal with these problems.

I congratulate the Senator from Rhode Island.

Mr. CHAFEE. I thank the Senator.

Mr. SCHMITT. Will the Senator yield further?

Mr. CHAFEE. Yes.

Mr. SCHMITT. Mr. President, I join with my distinguished colleague from Alaska in complimenting the Senator from Rhode Island on this very fine statement, with which I also concur completely.

This country has a very special role to play in the modern world. I think it will have a very special role to play indefinitely in Western civilization and in the entire civilization of the Earth.

But if we begin to compromise the principles that we alone truly protect in this world because of our power of economy, of national defense, and our power of faith, if we begin to demean those principles in any way, we begin the long process of losing faith with the future.

If we do that, if we take steps decried by the Senator from Rhode Island, then I, for one, will be tremendously concerned, not only about the future of this country, but about the future of freedom and all the other principles that we stand for on this planet Earth.

I congratulate the Senator on his statement. I certainly will join him in continuing to try to prevent any abuses of our system in the future.

Mr. CHAFEE. I thank the Senator for his comments.

I yield back the remainder of my time.

RECOGNITION OF SENATOR YOUNG

Mr. STEVENS. Mr. President, I ask unanimous consent that the time under the special order that was reserved for the Senator from Kansas be transferred to the Senator from North Dakota (Mr. YOUNG), to the extent that he desires to use it, and that the remainder of Senator DOLE's time be reserved until he arrives.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from North Dakota is recognized.

S. 2016—TARGET PRICES ON WHEAT AND FEED GRAINS

Mr. YOUNG. Mr. President, I am today introducing a bill cosponsored by Senator DOLE to increase target prices on wheat and feed grains.

Last week the House passed a bill

which would increase target prices for wheat for 1979 from $3.40 to $3.63 and increase the target price for corn from $2.20 to $2.35.

These levels will provide additional disaster payments to those who participated in this year's farm program and suffered a crop disaster. They are not high enough, though, to result in increased target price payments.

The Young-Dole bill contains the House-passed provisions for wheat and feed grains, but also increases the target prices for the 1980 crop year. The bill provides a target price for wheat for 1980 at $3.88 a bushel. Without this, target prices for wheat would drop to around $3.07 a bushel next year. At this level, the target price would be meaningless.

This bill also increases target prices for corn, barley, and other feed grains and establishes a corn target price at $2.51 a bushel for 1980.

Costs of production have increased sharply in the last year, due to high fuel and other costs. This increase in target price payments for wheat and feed grains is fully justified.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Kansas is recognized for not to exceed 12 minutes.

Mr. DOLE. Mr. President, I commend the distinguished Senator from North Dakota, who, in his long years in Congress, has provided leadership for the American farmer. I think it is typical that the senior Senator from North Dakota (Mr. YOUNG) wasted no time in introducing this important legislation aimed at protecting the interests for our grain producers and consumers.

Mr. President, the Senator from Kansas is pleased to join with the distinguished senior Senator from North Dakota in introducing this bill today which will provide for the necessary increase in target prices on wheat and feed grains for America's farmers.

The House bill passed last week increasing target prices for wheat for 1979 from $3.40 to $3.63 and increase the target price for corn from $2.20 to $2.35 is just one aspect of the needed program Congress must enact to help alleviate the economic burden that many of the Nation's farmers are now experiencing. The levels proposed by Senator YOUNG and myself will be helpful. This bill contains the House provisions but we go further by increasing the target prices for the 1980 crop year as well. This bill provides for a target price for wheat for 1980 at $3.88 per bushel. Without this needed proviso target prices for wheat for next year could drop to around $3.07 per bushel. There is no telling what disastrous results could occur if we do not act to insure farmers a fair price for their crops.

The bill also increases target prices for corn, barley, and other feed grains and establishes a corn target price at $2.51 per bushel for 1980.

COSTS OF PRODUCTION

Costs of production for the American farmer have increased tremendously this past year, due in large part to the high costs of fuel. This bill will provide the needed price and income protection that these producers will need in order to deliver the crops in 1979 and 1980. We are all hurt by inflation and the American farmer is no exception.

The year of 1978 was a year of partial recovery for agriculture. The recovery, though, was not fast enough or strong enough. There are some improvements needed in this price and income level for some commodities. This bill will provide that improvement.

Today farmers are not receiving an adequate return on their investments and their time. Many farmers are having to sell all or part of the farming operation to pay for debts. The family farm system, vital to the future of our country, is in serious economic condition.

Without this target price legislation, we may see many of these family farm operations end before 1980, along with double digit inflation causing farmers' costs of production to rise even higher. Like any other business, farmers must make a profit in the long run to stay in business. It is in the best interest of the American consumer that these family farmers stay in business and produce food. We cannot refuse to raise farm prices under the banner of fighting inflation when farmers are losing money. The battle to save the family farm is worth fighting for and with the target prices provided, we can insure that there will always exist an adequate supply of farm products.

I urge my colleagues to join me in supporting this measure and in working for swift passage in this Congress.

Mr. YOUNG. Mr. President, I am deeply appreciative of the comments of my friend from Kansas.

No one is more knowledgeable with respect to the problems of the wheat growers than is the Senator from Kansas, who comes from the biggest wheat-producing State. He has had a part in writing farm legislation in the House of Representatives and in the Senate ever since he came here, almost a quarter of a century ago.

Mr. President, I ask unanimous consent that the name of the distinguished Senator from Oklahoma (Mr. BOREN) be added as a cosponsor of the bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I think the Committee on Agriculture, Nutrition, and Forestry will be taking some action in the near future, and I hope they will include the provisions of this bill initiated by Senator YOUNG and which is supported now by the distinguished Presiding Officer, the Senator from Oklahoma (Mr. BOREN), as well as the Senator from Kansas.

ORDER OF BUSINESS

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask for the regular order.

CAMBODIA RELIEF

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of Senate Resolution 277, which will be stated by title.

The assistant legislative clerk read as follows:

> A resolution (S. Res. 277) relating to the commitment to ease the human suffering in Cambodia.

The Senate proceeded to consider the resolution.

The ACTING PRESIDENT pro tempore. Time for debate on this resolution is limited to 30 minutes, to be equally divided between and controlled by the Senator from Idaho (Mr. CHURCH) and the Senator from New York (Mr. JAVITS), with 10 minutes on any amendment, debatable motion, appeal, or point of order.

Mr. ROBERT C. BYRD. Mr. President, I think I have some time remaining.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. ROBERT C. BYRD. I believe the distinguished acting Republican leader has some time remaining. There is time remaining that has not been used by Senators on their orders. I ask unanimous consent that I may be in control of that time.

Mr. STEVENS. I have no objection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask that it be charged against that time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, is it understood that upon the completion of the debate on the Cambodian resolution, the Senate will immediately go to the windfall profits tax legislation?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. ROBERT C. BYRD. And that at 1 o'clock the vote on the question of agreeing to the Cambodian resolution will occur?

The ACTING PRESIDENT pro tempore. That is correct.

Mr. ROBERT C. BYRD. And that the Senate will again return to the windfall profits tax legislation; am I correct?

The ACTING PRESIDENT pro tempore. That is correct.

Mr. ROBERT C. BYRD. It is all automatic?

The ACTING PRESIDENT pro tempore. It is all automatic.

Mr. ROBERT C. BYRD. There will be no gap, then, between the 1 o'clock hour of the vote and the moment that the

Senate completes its debate on the Cambodian resolution, upon which there is a time limitation of 30 minutes?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

The PRESIDING OFFICER (Mr. Bentsen). The Chair observes the absence of a quorum. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent—or I think we have unanimous consent, for the consideration of Senate Resolution 277, the so-called Cambodian resolution.

The PRESIDING OFFICER. It is now the pending business.

Mr. JAVITS. It is now the pending business. Mr. President, our chairman is now here, and I hope the Chair will recognize him.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

On this question, there is a time limitation of 30 minutes, equally divided. The Senator may proceed.

Mr. CHURCH. Mr. President, in this instance the equal division is pure tokenism, since both the able Senator from New York and I are in full support of the resolution. Indeed, I wish to commend Senator Javits for the initiative he took to move the resolution through the Committee on Foreign Relations and to bring it to the floor of the Senate in such an expeditious manner. It is typical of him to give particular attention to issues relating to humanitarian relief and measures designed to alleviate human suffering. I extend to him my compliments for the special attention that he has given to this resolution.

Mr. President, the Foreign Relations Committee reported Senate Resolution 277 favorably by a unanimous vote. It was introduced by the Senator from New York (Mr. Javits), and many other Senators joined in the cosponsorship of the resolution. I ask unanimous consent that the names of those Senators cosponsoring this resolution be printed in the Record at this point.

There being no objection, the names were ordered to be printed in the Record, as follows:

> Mr. Javits, Mr. Sasser, Mr. Danforth, Mr. Baucus, Mr. Boschwitz, Mr. Pell, Mr. Exon, Mr. Bentsen, Mr. Goldwater, Mr. Heinz, Mr. Durenberger, Mr. Helms, Mr. Melcher, Mr. Ford, Mr. Chiles, Mr. Inouye, Mr. Schweiker, Mr. Weicker, Mr. Tsongas, Mr. Sarbanes, Mr. Williams, Mr. Hatfield, Mr. Moynihan, Mr. Cranston, Mrs. Kassebaum, Mr. Pressler, Mr. Morgan, Mr. Nelson, Mr. Packwood, Mr. Randolph, Mr. Ribicoff, Mr. Riegle, Mr. Magnuson, Mr. Pryor, Mr. Metzenbaum, Mr. Gravel, Mr. Hayakawa, Mr. Percy, Mr. McGovern, Mr. Bradley, Mr. Burdick, Mr. Chafee, Mr. Church, Mr. Cohen, Mr. DeConcini, Mr. Domenici, Mr. Glenn, Mr. Jackson, Mr. Lugar, Mr. Humphrey, Mr. Stafford, Mr. Dole, Mr. Matsunaga, Mr. Biden, and Mr. Eagleton.

Mr. JAVITS. Mr. President, will the Senator yield on that point?

Mr. CHURCH. I yield.

Mr. JAVITS. I ask unanimous consent that the names of Senators Garn and Simpson be added to that list.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. The purpose of the resolution is to address the continuing human suffering in Cambodia. Each day the world is filled with sorrow at the ever-increasing reports of the genocide occurring in Cambodia.

The resolution seeks to encourage all nations of the world to provide voluntary relief to ease the human suffering occurring in Cambodia.

Senator Sasser, Senator Baucus, and Senator Danforth have in the most commendable manner reported on their trip to Cambodia.

I have spoken personally with each of those Senators to compliment them on the way they conducted their mission.

The ranking Democratic member of the Foreign Relations Committee, Senator Pell, held a hearing for Senator Sasser, Senator Baucus, and Senator Danforth to report on their trip to Cambodia. One of the products of that report was this resolution.

Passage of this resolution will compliment their effort and attempt to move one step further toward ending this tragedy.

I urge the Senate to adopt the resolution.

I yield to my good friend, our distinguished colleague, the senior Senator from New York.

Mr. JAVITS. Mr. President, I wish to underline, first, the tremendous service done to our country by Senators Baucus, Sasser, and Danforth in their mission to Cambodia and in the initiation of their activities which, in my judgment, have resulted in an opening of the situation to very intensive world discussion. I referred to them in the debate on the authorization for a relief package for Cambodia here on the Senate floor as "our heroes." I reiterate that today. They did the Senate great honor and credit in the action they took. It was their initiative, plus the initiative of the very fine group of women Members of Congress led by Ms. Elizabeth Holtzman, of New York, who have recently returned from Camobdia and who have persevered in this effort.

The main point, Mr. President, which they emphasize and which is now endorsed, in my judgment, by the United Nations, is that the Heng Samrin regime which has been installed in Cambodia by the Soviet Union through Vietnam, which now has 200,000 troops there, is to be charged heavily with the responsibility for the existing danger of genocide—indeed, the genocide going on now—which threatens completely to eliminate the Khmer people.

It is unbelievable in today's world that these conditions should continue. But there they are.

Mr. President, the United Nations General Assembly, in a vote which breaks new ground because the Third World has been very careful to avoid criticisms of these Communist countries in comparable situations and has never censured Vietnam, has now joined in this condemnation by a vote on November 14 of 91 to 21, with 29 abstentions. I would like to emphasize, Mr. President, that that resolution not only asks that foreign troops, to wit, those of Vietnam, withdraw from Cambodia, but demands also support for the international relief activities and a return to normalcy in Cambodia.

Mr. President, what our people—that is, our Senators—recommended was a land bridge by truck and motor car, and that, apparently, is the only feasible way in which food can be distributed because other means are either nonexistent or completely inadequate.

Now, allegedly there has been an opening up of the Mekong River passage and that there have been some airdrops. But, based upon our Senators' findings on the ground, this is simply inadequate to the situation and it cannot be cured unless a land bridge is permitted. And that is entirely up to this Communist regime which is now in Phnom Penh.

Mr. President, that brings me to a very critical part of this resolution. Obviously, we do not want to get into a row with the Soviet Union even though the Soviet Union can uncork this bottle by simply dealing with their own allies in Vietnam in letting these trucks through and facilitating their passage. But it is necessary to explain the facts so that they are plain to the whole world; otherwise the Soviets could easily get by, in the general confusion, with generalized statements like the one they made not many days ago that they provided 200,000 tons of food for Cambodia. I am speaking of the Soviet Union.

Now, it takes 1,000 tons a day of food in Cambodia—unbelievably little—to avoid this genocidal starvation. So Cambodians would have enough for 200 days if that were true. But there is no accounting, even if they supplied 200,000 tons of food, of where it went and who it was provided for. Obviously, from everything we can see, it was not provided to the rank and file of the people of Cambodia. And they are the people who are starving.

Mr. President, in presenting this resolution, which I believe sets forth in particularized detail the real situation, we are trying to make another important contribution in the Senate. We made one contribution by authorizing appropriations and, as of yesterday, by the continuing resolution which gives us additional money; we have shown the good faith of Members of the Senate and the women from the House who have traveled and confirmed these findings—now supported by the United Nations itself, notwithstanding its reluctance to condemn Third World countries, which made that same condemnation by a very decisive vote.

It seems to me, Mr. President, that it is now very squarely up to our other superpower, to wit, the Soviet Union, that if it really wants to be recognized as a superpower, it has to act like one. And superpowers must avoid the appearance—I am using every word carefully—must avoid even the appearance of letting vast populations starve in an area in which we have every right to feel that they have very strong control.

Mr. President, I feel that this resolution, in practical effect, without insulting the Soviet Union, which is the last thing in the world I want to do or the resolution wants to do, lays it squarely at the door where it belongs. Because the resolution says, "Whereas, political obstacles"—and that is it, political obstacles—"have hampered these organizations"—to wit, the voluntary organizations and the international organizations—"in their efforts to launch the massive relief effort required to save the Cambodian people." It goes on to say in the resolving clause, "That the United States and the United Nations should express to the great power supporters of the factions in Cambodia, in the strongest terms possible, our concern and expectation that they will use their good offices to insure that one of the great human tragedies of the century does not occur and that they share in the international responsibility for averting a famine."

Now, Mr. President, the responsibility is laid right where it belongs: the great powers. And there are two concerned: One very eminently and decisively, the Soviet Union—the backer, supporter, and the one generally responsible for Vietnam; and the other, the People's Republic of China. Their regime, to wit, Pol Pot, controls only a fringe between Thailand and Cambodia, but, nonetheless, Pol Pot's cooperation will also be required if there is to be a real relief effort.

Finally, Mr. President, I want to reemphasize that any real relief effort to move food in adequate quantities and to keep it moving has to be by land. It is tragic and unfortunate, but that is the condition in which we find ourselves.

Mr. President, the history of our times, so deeply troubled and disturbed, is even more troubled and disturbed now by the terrible affront to civilized values which faces us with respect to the holding of U.S. Embassy hostages in Iran. That tends, Mr. President, to take up all the newspaper space and generally obscure the situation in Cambodia, upon which attention was so very firmly fixed up until recent times.

I hope very much that this resolution will show to the world that, notwithstanding the fact that we in the United States are the victims of this terribly tragic situation in Iran, that, nonetheless, we do not forget and that we keep constant the needs of other peoples as well. The Senate of the United States, therefore, is acting today through this resolution to record both its views and its dedication and purpose with respect to Cambodian relief and also with respect to calling to the attention of the world, as the United Nations General Assembly has done, where the responsibility lies. And in this regard, we have every right to speak as the other superpower, and we do so by this resolution.

Mr. President, I am delighted to be informed that I may ask unanimous consent, which I do, to add Senator Stevens to the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, we now have on this resolution 58 Members of the Senate.

I would also ask unanimous consent to add Senator Levin of Michigan.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. And that makes our count 59, Mr. President, 34 Democrats and 25 Republicans. I think that is a very gratifying showing on the part of the U.S. Senate.

Mr. President, do I have any further time or does Senator Church have any further time? How much time do we have on the resolution?

The PRESIDING OFFICER. The Senator still has 3 minutes.

Mr. JAVITS. I yield 3 minutes to the Senator from Michigan (Mr. Levin).

Mr. LEVIN. Mr. President, I commend Senator Javits for his leadership in this regard. It was typical of the Senator from New York, who takes leadership in issues such as this. The horrors of Cambodia must be attacked from many directions. Three of our finest have been there and have reported to us and the world on what they have seen.

This is one of those tragedies that words cannot describe, but perhaps only photographs of millions of emaciated bodies of human beings can come close to adequately portraying the tragedy in Cambodia.

I would point out, Mr. President, that by this action the Senate is putting its full prestige behind this resolution which, in effect, says to the superpowers involved that they bear a responsibility, that the relief agencies are ready and willing and able, that the land bridge is ready to be built, and that it is now up to them to open the doors for food to come to the starving millions in Cambodia.

Later on today I will be placing into the Record a different approach, which takes a somewhat different posture toward this, different only in that its target is perhaps more sharply delineated.

This resolution on behalf of the whole Senate is very, very much needed, and hopefully it will dramatize to the superpowers involved that this country is serious about getting help and putting the pressure where it belongs, on their doorstep. Again I thank my friend from New York for yielding me time and I commend him on his leadership in this area.

Mr. JAVITS. I thank my colleague for his statement. Mr. President, I yield myself the remaining time.

Mr. President, I ask unanimous consent that there be printed in the Record a news account of the actions of the United Nations, the testimony of our own Senators who went to Cambodia, the actions of the women in the House who went there, led by Congresswoman Holtzman, of New York, and published references pertaining to the Cambodian situation.

There being no objection, the material was ordered to be printed in the Record, as follows:

U.N. Assembly Bids Vietnamese Forces Evacuate Cambodia

(By Edward Schumacher)

United Nations, N.Y., Nov. 14—The General Assembly demanded overwhelmingly today that Vietnam withdraw its troops from Cambodia.

Although the resolution it adopted was generally regarded as likely to have limited practical effect, United Nations officials said it was the first time that the organization had censured Vietnam.

The vote after three days of debate, was 91 to 21, with 29 abstentions. The resolution, which does not mention Vietnam by name, was sponsored by the five member countries of the Association of Southeast Asian Nations—Thailand, Singapore, Malaysia, Indonesia and the Philippines.

U.S. AVOIDS PUBLIC ROLE

The United States, which supported the resolution, did not play a major public role in the debate. However, China, which backed the Cambodian Government that was ousted last December by a Vietnamese-supported regime, lobbied actively for the resolution.

Joining Vietnam in voting against the resolution was its ally, the Soviet Union and other Communist countries.

Although the text of the resolution calls only for the withdrawal of all "foreign" troops from Cambodia, most of the speakers in the debate specifically mentioned the Vietnamese as the only foreign forces there.

FORCES PUT AT 200,000

Vietnam is said to have 200,000 troops in Cambodia. Last month, the Vietnamese reportedly launched a dry-season offensive in western Cambodia against the remnants of the forces of Prime Minister Pol Pot, who has been ousted by the Vietnamese-backed Government of President Heng Samrin.

Asian diplomats behind the resolution, which also calls on Secretary General Kurt Waldheim to consider holding an international conference on Cambodia, said that it isolated Vietnam within the international community as an outlaw. That pressure, they said, will begin to be felt by Vietnam if it cannot wipe out the remaining Pol Pot forces before April, when the rainy season begins.

"By April, if they are bogged down in a guerrilla war, which is not unlikely, this will be another pressure on them to rethink their policy," T. T. B. Koh of Singapore said in an interview.

The Southeast Asian nations sponsored the resolution for fear that the Vietnamese offensive might spill over into Thailand. While they condemned the Pol Pot Government, accusing it of cruelty and hundreds of thousands of deaths, they said that the principle of nonintervention had to be maintained if small countries like theirs were to survive. The Vietnamese contend that their troops were invited in by the Heng Samrin Government.

Twice before, in January and in March, motions were introduced into the Security Council to censure Vietnam for the invasion, but the motions were vetoed by the Soviet Union. The Vietnamese, however, did lose in an attempt to have the Heng Samrin Government replace the Pol Pot representative in the Cambodian seat at the United Nations.

The Vietnamese and the Soviet bloc backed a counterresolution today calling for a "zone of peace" in Southeast Asia. It was defeated by a margin of almost 2 to 1.

The three days of debate here took place against a background of widespread famine and suffering inside Cambodia. Last week, 50 nations met here and pledged $210 million in relief, and the opposing sides today cited humanitarian considerations as the motivation behind their positions.

HANOI FORCES SAID TO INTEFERE

William J. Vanden Heuvel, the United States deputy delegate, said in a speech that the Vietnamese offensive was hampering food distribution and "has escalated the destruction of life and property which is pretended to be against."

Ha Van Lau of Vietnam said its forces had invaded Cambodia to stop what he called genocide under the Pol Pot regime.

Behind the maneuvering has been a tangle of alliances. The Chinese, who said that Vietnam was the "cat's paw" of the Soviet Union, seek to restrict Vietnamese-Soviet expansion on their southern border. The Vietnamese have been historically fearful of China, and Mr. Lau called the Southeast Asian sponsors of the resolution "accomplices" of China.

Mr. Koh and other representatives of the sponsoring nations denied the allegation, noting that they had publicly condemned the Chinese invasion of Vietnam earlier this year.

Each of the five countries maintains diplomatic relations with Vietnam and some of their diplomats stressed in interviews that they hoped to continue current exploratory moves to further those relations and possibly someday admit Vietnam to the Association of Southeast Asian Nations.

SENATORS' REPORT ON REFUGEES

(At the direction of President Carter and the leadership of the Senate, Senators James R. Sasser of Tennessee, John C. Danforth of Missouri, and Max Baucus of Montana went on a humanitarian mission to Southeast Asia October 19–26, 1979. Following is their report, "The Refugee Situation in Thailand and Cambodia," released on October 26, 1979.)

We went on this humanitarian mission at the direction of the leadership of the Senate and the President of the United States. We went to see first-hand the nature of the refugee problem, to learn what more should be done, and to report our findings.

Over the past few days, we have witnessed a human tragedy of enormous and unfathomable proportions. Without a massive and prompt international relief effort, the situation will continue to deteriorate. Inside Cambodia today, and in refugee camps located in Thailand near the Cambodian border, hundreds of thousands of Cambodians face death by starvation and disease. The survival of the Khmer race is in jeopardy.

At three refugee camps on the Thai-Cambodian border, we saw human suffering of a kind so deep and pervasive as to defy our ability to describe it adequately.

We walked through encampments of thousands of Khmer who stared at us in silence. No one smiled, and no one laughed. Indeed, they seldom spoke to each other. We saw the swollen bellies and stick-like legs of children suffering from acute malnutrition. Even at the hospital, areas where physical suffering was greatest, they didn't cry. We saw people protected from the elements by only a plastic sheet strung up on sticks.

In makeshift hospitals, we walked among hundreds of comatose patients, crawling with flies. The people were suffering from prolonged malnutrition and malaria. We were told by those to whom we talked that conditions were even worse on the Cambodian side of the border. Only the strongest survive the trip across the border.

Yet, amidst this appalling scene of human suffering, we had reason to feel a degree of encouragement. The Government of Thailand has magnanimously promised to permit entry to all refugees who arrive at the border. The relief efforts by international organizations are beginning to provide food, medical supplies, and personnel. The international relief agencies are making a valiant effort to bring aid to those in need of assistance, but their efforts are still inadequate. The voluntary agencies stand ready to increase their assistance as soon as it is possible.

We are absolutely convinced that a practical means exists to provide the food and medical supplies needed to save hundreds of thousands of lives. That means is the immediate establishment of an overland route—a "land bridge" linking Cambodia to relief supplies in Thailand. The international relief agencies estimate that as many as 2.25 million Cambodians face serious food shortages. They estimate that nearly 30,000 tons of food and medical supplies are required to meet this need each month. Currently only 12,000 tons can be brought in by sea, and 300 by air per month. This is less than half the estimated need. The establishment of an overland route could, within 3 to 5 days, more than double the current capacity.

During our visit, we devoted much of our energies seeking to establish this land bridge. We discussed it with Thailand's Prime Minister Kriangsak, with Vietnamese Vice Foreign Minister Thach, and with representatives of the international relief agencies. We traveled to Phnom Penh to discuss the land bridge with the authorities there. We were encouraged by what we heard. The challenge now is to open the overland route. The decision currently rests with the Phnom Penh authorities. We are committed to prepare to pursue this goal anywhere and on an urgent basis. To delay is to prolong the suffering and loss of life we have seen.

A more detailed description of our experiences, our findings, and our recommendations follows.

CONDITIONS IN THE REFUGE CAMPS

We visited three refugee areas located at Khlong Gai Thuen, Tap Phrik, and Nong Samet. More than 150,000 people were in those areas and estimates are that another 100,000 to 200,000 are concentrated just inside the Cambodian border. Persons of all descriptions, including some former combatants, wander across the border into the areas. Intensified fighting or continued lack of food may force additional Cambodians across the border in the days and weeks ahead.

In the areas visited, we saw children near death from acute malnutrition and disease. We saw men and women lying on the ground in makeshift "hospitals." We saw people too weak to walk the last 100 yards to food distribution points. The eerie quiet strikes a visitor. Emaciated and sick people lay on the ground in a silence interrupted only by the coughs of those with tuberculosis.

These areas are not "camps." They are places where people stopped running from war and deprivation inside Cambodia. They have no sanitary facilities, little water, and little shelter. "Hospitals" are places where the very ill and the dying lie on the ground. We were told that 5–10 percent of the people in the hospital die every day. A large portion are beyond help and some of those we saw last Monday are not alive today.

Food distribution points, operated by a variety of relief agencies, are scattered through the areas. Those strong enough to walk to the distribution points are fed. Those who cannot, go hungry, unless relatives or friends help. The social order among these people has so deteriorated that they are not helping those outside their immediate family group.

The principal constraint in the effort to aid the refugees in the areas we visited is insufficient staff. We were told by physicians in the camps that they had adequate medical supplies and food but they did not have enough people to distribute either. Without adequate staff, there is no organized system for allocating and distributing supplies of food or medicine.

CONDITIONS IN CAMBODIA

Our 9-hour visit to Cambodia enabled us to observe the rice planting situation around the capital, to see the condition of the city, and to test the reaction of both government cadre and ordinary people to discussions with a delegation of Americans. In addition we met with the Heng Samrin regime's Foreign Minister to make a specific proposal that Phnom Penh permit the International Committee of the Red Cross (ICRC) and the U.N. Children's Fund (UNICEF) to truck emergency food and medical supplies from Thailand to Cambodia.

Phnom Penh authorities received us courteously and hospitably. Our guide for the day was a middle-level Foreign Ministry official. On the streets we were met with curiosity, friendliness, and a few suspicious looks.

The shambles that was Phnom Penh can hardly be called a city. The rundown condition of this once-graceful city betrays both the neglect of the past 4 years and deliberate destruction by the previous regime; both the National Bank and the Roman Catholic Cathedral were destroyed, presumably for political reasons. Phnom Penh residents estimate that its population is between 30,000 and 70,000. A few vehicles travel the deserted streets. Whole sections of the town are still barricaded shut. We saw few foreigners.

Rice is scarce. In the capital, in the absence of currency, a small can of rice acts as the medium of exchange for the few street hawkers we saw. No organized central market exists. Food is distributed through local street markets. The former central market area has been planted in coconuts. Our brief aerial view of agricultural areas around Phnom Penh showed small plots of vegetables and many fields of rice. A large number of paddies remain fallow. This, combined with the comments of more knowledgeable international officials and short interviews with passers-by during our tour of the city, leads us to conclude that the government's claim that 2.0 million acres of rice have been planted is too optimistic.

ICRC/UNICEF officials in Phnom Penh confirmed the desperate food situation of the country. To date their programs have dealt successfully with hospital and supplementary feeding. Only very recently have the two agencies been faced with the logistical problems created by bulk arrivals of rice.

There was general agreement that approximately 30,000 tons of rice per month are needed inside Cambodia. The best estimate we heard was that under current circumstances only 13,000 to 15,000 tons of foodstuffs could be moved inside Cambodia. Transportation within Cambodia is the major problem. Less than 5,000 tons of food per month can now be moved from the port of Kompong Som. The port of Phnom Penh has the potential to handle an additional 8,000 tons if inland transportation is available. The present airlift to Phnom Penh adds only fractionally to available supplies.

CONCLUSIONS

Our principal conclusion is that thousands of Cambodians will die unless a massive expansion of relief efforts proceeds on an emergency basis.

This finding is based on our personal observation of refugees, our discussions with the international relief agencies, and our discussions with the Phnom Penh authorities.

Our interviews indicated that as many as two-thirds of those who try to reach Thailand from Cambodia may not make it. They die along the way from starvation and disease. Given the conditions in Cambodia, we expect the flow of refugees to continue into Thailand. The need to provide assistance will accelerate in the months to come.

The refugee problem is compounded by the arrival of large numbers of Lao who further flood the refugee camps. Reports of an extensive shortfall of food in Laos will undoubtedly increase the refugee flow from there unless relief is available at the source.

The most serious problem inside Cambodia and along the border with Thailand is the lack of sufficient food and medical supplies. Under the best circumstances, the shortfall in total supplies is about 15,000 tons per month. The current situation is even worse, and not likely to improve much in the near future.

We have concluded that this condition need not exist. There is a practical solution which can be implemented immediately. An all-land route can be opened between the

Thai border and Phnom Penh along highways 5 and 6.

This plan could increase transport capacity by as much as 1,000 tons per day within 3-5 days of the opening of the route into Cambodia.

The essential considerations for opening such a route were: first, security of the shipments; and second, authorization and cooperation from the authorities involved, i.e., the international agencies, the Thai Government, the authorities in Phnom Penh, and the Vietnamese.

In an effort to open up the land route to Cambodia, we met with the head of government of the Thai kingdom; a representative of the Socialist Republic of Vietnam; representatives of the Phnom Penh authorities; and representatives of the international agencies.

MEETINGS WITH THE VOLUNTARY AGENCIES

We met with representatives of UNICEF, the ICRC, and World Food Program (WFP). They agreed unanimously that the key to solving the situation inside Cambodia and on the Thai border was to establish a land bridge. They stand ready in every way to implement the planning and shipment of the needed supplies. Other aspects of those meetings appear throughout the report as appropriate.

MEETING WITH THAILAND'S PRIME MINISTER KRIANGSAK

At the time of our meeting, we were just beginning to explore the possibilities of a land bridge to Cambodia via the road from Aranyaprathet near the Thai-Cambodian border. The Prime Minister was totally supportive of the idea.

He felt that adequate quantities of most of the needed supplies were available in Thailand. He also expressed the view that there were enough trucks in Thailand to send convoys in immediately.

The dominant subject of our meeting was the desperate situation of the Cambodian refugees. The day before our meeting with the Prime Minister, he had taken a trip to the border and had witnessed first-hand the suffering. He said he had been touched by this experience and had decided to open the border to admit all refugees from Cambodia. This was an unpopular decision, he said, because it would result in the displacement of 60,000 Thais.

The Prime Minister told us that he was planning to move the refugees from the border to a nearby holding area. In fact, the movement of the refugees began before we left Thailand. It should be noted that the Prime Minister made it clear to us that the fleeing Cambodians would be granted only temporary status.

He expressed hope that it would be possible for the Khmer to return home when conditions improve. He was not optimistic that this would occur soon. He told us that he welcomed the growing involvement and support of the international relief agencies. He stressed the importance of close coordination of that effort.

We expressed our appreciation and gratitude for the Prime Minister's humanitarian policy toward the refugees, notably his decision to allow unlimited entry to the Khmer.

MEETING WITH NGUYEN CO THACH OF VIETNAM

At the Vietnamese Embassy in Bangkok we met with Secretary of State for Foreign Affairs Nguyen Co Thach. We explained that we did not want to raise political questions. We expressed our appreciation for his help in obtaining a favorable reply to our request to visit Phnom Penh. We noted that our purpose for wanting to visit Phnom Penh was to meet with representatives of the international relief agencies and get a more complete view of the problems of refugees. We emphasized in our discussions that U.S. assistance to needy Cambodians would be provided through the international organizations.

We asked Mr. Thach if his government would cooperate in providing security for truck convoys on an overland route between Thailand and Cambodia. He replied first by saying that he could not speak for the Cambodian people. But, he added: "If the Cambodian people or the Cambodian Government asked us for help we will agree. There is no problem on this. You can be sure any humanitarian actions without ulterior motives we will welcome."

Mr. Thach emphasized that the truck convoy proposal was no problem for his government, but was a question that had to be addressed by Phnom Penh. He said that Vietnamese troops would not fire on trucks that were on humanitarian missions.

MEETING WITH THE OFFICIALS IN PHNOM PENH

We presented the proposal for a land route to Phnom Penh's Foreign Minister, emphasizing the humanitarian need and our desire to make political considerations secondary to the fundamental problems of life and death. With regard to the security of food convoys, he agreed that Phnom Penh could insure security for the shipments and drivers. He said that he would take the proposal to the Central Committee for decision. In the meantime, relief supply by sea and air should continue. We urged him to recommend the speedy and favorable decision. We pointed out that to delay is to prolong the human suffering.

Subsequently Hun Sen issued the following statement to the press: "In case of a substantial increase in the aid, we are ready to study with the two organizations the improvement of our means of reception and transportation and to think about other access routes in case of need." We view his statement as a positive reference to the land bridge because the only way practical of substantially increasing aid is by a truck route along highways 5 and 6.

Our Ambassador in Bangkok has been in contact with officials of ICRC/UNICEF requesting that they follow through on this directly with the officials in Phnom Penh.

RECOMMENDATIONS

1. The United States should provide strong support for the creation of a "land bridge" operated by the ICRC and UNICEF to bring food and medicine into Cambodia. We should strive to do the following:

Achieve agreement to permit up to 1,000 tons of food and medical supplies to be carried daily by truck into Cambodia from Thailand;

Acquire by lease or purchase a sufficient number of trucks to establish the necessary distribution network (one international relief official believes a total of 500 trucks is needed);

Assure the security of the truck convoys;

Establish storage centers at regional distribution points on the main highways between the border and Phnom Penh.

2. In order to develop an international program of food relief for Indochinese refugees, the United States should:

Expedite implementation of the full $69 million 6-month aid package announced by President Carter on October 24;

Assess funding requirements for a longer range program of food and medical relief;

Name a senior-level White House coordinator with specific responsibilities for implementation of the food and medical relief program in Cambodia;

Utilize emergency relief funds to provide sufficient logistic support to the ICRC and UNICEF to get food and medicine to where it is needed.

3. The President should call on other nations and American citizens to support the efforts of international organizations and voluntary agencies. Both money and volunteers are needed.

4. The U.S. Government should make diplomatic efforts and mobilize world opinion in support of the opening of the land bridge to Cambodia. The role of the Secretary General of the United Nations is critical to the success of this effort.

5. The United States should assist the international relief agencies as appropriate to:

Increase and regulate distribution of food and medicine on the border areas;

Increase immediately the staff in the border areas;

Increase capacity of the ports to handle shipments by sea;

Provide air transportation for critically needed items;

Establish a system for equitable distribution from central storage facilities to local areas inside Cambodia;

Secure agreement that the international agencies have staff and access to insure that food is used effectively.

[From the Washington Post, Nov. 13, 1979]

U.S. LEGISLATORS DISCUSS AID ON ONE-DAY CAMBODIAN TRIP

(By Denis D. Gray)

PHNOM PENH, November 12.—Six U.S. representatives, all of them women, toured an orphanage, a school and a hospital today and later said they were encouraged by a positive attitude among Phnom Penh authorities toward receiving aid for the embattled country.

The legislators also met Cambodian Foreign Minister Hun Sen, who called the visit "very helpful and substantial indeed" and said Cambodia was "grateful for all aid provided from the outside, provided it is not linked to any political conditions."

The Vietnam-backed government of Premier Heng Samrin is engaged in bloody fighting with guerrilla forces backed by ousted premier Pol Pot for control of the country.

As the legislators met with Cambodian officials, reporters accompanying them toured Tuol Slaeng Prison, where authorities charged that the former Pol Pot government tortured and executed six American and two Australian yachtsmen in 1978.

Cambodian officials did not identify the yachtsmen and their report could not be vertified independently. They said all eight victims had been captured sailing off the Cambodian coast, but it was not clear whether they were captured together. The Americans, at least, were accused of being spies, they said.

The officials took the reporters to Tuol Slaeng, where they said the Pol Pot regime executed more than 20,000 persons at the prison.

The current leadership in Cambodia was installed by the Vietnamese troops who ousted Pol Pot last January.

At Tuol Slaeng, once a school and now a museum, the reporters were shown grisly torture instruments and photographs of some of the victims. One official pointed to a picture on the wall and said it was one of the executed Americans. The face appeared Caucasian, but the heavy beard and agonized expression made an exact determination difficult.

The Cambodians also said the museum had documentation on the eight foreigners, but the tight schedule of the reporters did not afford them time to examine it.

Rep. Elizabeth Holtzman (D-N.Y.), the delegation leader, told Foreign Minister Hun Sen at a luncheon that they had come to Phnom Penh on a humanitarian mission. "The people of the United States are deeply moved and troubled by the plight of your country," she said.

Hun Sen said aid is arriving by air to Phnom Penh and by ship to the port of Kompong Som and up the Mekong River to the Cambodian capital. He dismissed as "not practical" an earlier plan by three U.S. senators to truck in supplies from Thailand.

The group visited an orphange with 555 children, most between 11 and 15 years of age. The visitors were told that among the known cases, 37 percent of the parents of the children had died of hunger and almost 50 percent were killed during Pol Pot's rule.

He said the children's diet—five pounds of rice and corn per child per month and virtually no protein—was inadequate.

Some of the youngsters instinctively held the hands of the American women as they passed through. One young girl performed a traditional dance and sang a song:

"Where is my mother?

"I want to hold her but she is not here.

"Pol Pot killed her."

The delegation also visited a primary school where, they were told, children could only attend classes for four hours a day because of a shortage of teachers.

At the Jan. 7, Hospital, Dr. Nouth Savoeun said there were only eight doctors and 577 beds for the 600 to 800 patients normally receiving treatment.

The official talks dealt with how to speed more international aid to this war-ravaged Southeast Asian nation. But the focus of the whirlwind, eight-hour tour was to impress on the visitor that the Vietnam-backed Phnom Penh leadership is doing its best but still needs outside help.

"Phnom Penh looks like a child who had a temper tantrum with its toys. Everything is topsy-turvy. There's nothing logical, rational," said Rep. Olympia Snowe (R-Maine).

Guides said Phnom Penh—once a ghost town when its residents were forced into the countryside by Pol Pot—now has about 70,000 inhabitants in the inner city and another 200,000 on its periphery.

Deputy Prime Minister Hor Naim Hong told the Americans:

"What you have seen is left over from the destructive heritage of Pol Pot: 3 million people killed, 90 percent of the intellectuals killed, 70 to 75 percent of the women widowed."

Special correspondent John Burgess added from Bangkok:

Upon returning to Thailand, Rep. Barbara Milulski (D-Md.) said she was impressed with the sincerity of officials and medical workers in Phnom Penh, and cited "their willingness to talk about what specfiic needs were."

Mikulski stressed that conditions in Cambodia could not be compared with anything in the United States. Patients in the hospital they visited "were two on a bed . . . They have no diagnostic equipment, no X-ray equipment."

Indochina observers in Bangkok suggested that the Vietnamese supported Heng Samrin government, which is recognized by only a handful of Soviet Bloc nations, is seeking international standing by entertaining such official U.S. delegations.

[From the New York Times, Nov. 2, 1979]

Hanoi Is Said to Place Politics Before Lives of Cambodians

(By Henry Kamm)

Bangkok, Thailand, November 1.—The Cambodia Government has not only rejected a proposal by three American Senators to receive food for its starving people by road from Thailand, but also continues to delay open and full acceptance of a relief program by two international agencies that are acting in effect on behalf of the Western world.

Asian and Western officials can find only one explanation for Phnom Penh's position, which will result in the deaths of great numbers of Cambodians whose lives might be saved by a more receptive attitude. It is that political and military concerns are viewed with such urgency that they override such matters as the life or death of Cambodians.

The officials use the words Phnom Penh and Hanoi interchangeably because they share a general belief, buttressed by observations of visitors to the Cambodian capital, that Vietnam's role goes beyond the usual master-client relationship to approach full power of decision in anything of importance.

The political and military issues that dominate Vietnamese decisions are the continued activity of forces loyal to the deposed Prime Minister, Pol Pot; the appearance along Cambodia's western border of military units opposed to the Vietnamese occupation but not linked to Mr. Pol Pot, and Hanoi's failure to gain international acceptance of its actions in Cambodia and recognition for the regime of President Heng Samrin.

All these concerns are focused on international relief efforts along the Thai-Cambodian border. To Hanoi and Phnom Penh, the efforts challenge their claim that the Heng Samrin Government is legitimate and controls all of Cambodia, because the aid is given directly to Cambodians and not to the Phnom Penh authorities. Moreover, such assistance goes to Cambodians living under the control of Mr. Pol Pot and other anti-Vietnamese factions and thus helps to keep their military forces in the field.

What the world views as humanitarian aid without political strings is regarded by Hanoi and its dependents as a political fact that is harmful to them and helpful to their enemies. Conversely, what the world, as exemplified by the Senators who visited Phnom Penh last week to offer huge food shipments by road, considers an inhuman sacrifice of countless Cambodians is represented by Hanoi as an intolerable interference in the affairs of its client government. The three Senators were Jim Sasser of Tennessee and Max Baucus of Montana, both Democrats, and John C. Danforth, Republican of Missouri.

The International Committee of the Red Cross and the United Nations Children's Fund, which have been negotiating in Phnom Penh and Hanoi for months for acceptance of a large-scale relief program, believe that the principal obstacle is the opposition of Hanoi and Phnom Penh to the agencies' role in feeding and giving medical care to Cambodians not under Vietnamese control.

RELIEF OFFICIALS ARE WARY

In order not to jeopardize the limited aid that Cambodia allows the two groups to deliver by air to Phnom Penh and by sea to Kompong Som, Red Cross officials here do not disclose how much food is being delivered to the border. The International Red Cross coordinates all border relief operations, in which charitable groups from many countries participate.

The hard Vietnamese attitude also leads the two organizations to accept highly restrictive conditions on their operations within Cambodia. The agencies communicate with their 11 representatives, who were admitted to Cambodia after difficult negotiations, by commercial telegrams sent via Vietnam, which take two to three days each way. The radio that the Red Cross installed on one of its Phnom Penh flights to help communications was impounded.

Informed sources report that the international officials have only limited use of the vehicles they imported to monitor aid distribution, and that they are limited in the details of the work they are allowed to communicate to their organizations.

The Cambodian authorities have banned the agencies from allowing journalists to accompany flights to report on the relief operations.

FULL-SCALE AID EFFORT OPPOSED

But the principal restriction on the relief effort, according to informed officials, is the unwillingness of Hanoi and Phnom Penh to agree to a full-scale program. Experts of the two organizations have drawn up a list of minimal food needs that amounts to 165,000 tons over six months.

The Phnom Penh authorities have refused to commit themselves to accepting this. At the moment, a transport plane flies a daily cargo of 15 tons to Phnom Penh, but there is never any assurance that the next day's flight will be admitted.

Vietnamese and Cambodian officials also allow some relief shipments by sea. But the combined air and sea total since shipments began late in August is about 2,500 tons, which includes trucks, other vehicles, fuel and unloading equipment.

Mr. JAVITS. Mr. President, I ask unanimous consent that the remaining time of the Senator from Idaho (Mr. CHURCH), which I understand to be 10 minutes, may be reserved so that the debate may continue immediately before the vote, which, by unanimous consent, will be at 1 o'clock, with the time equally divided between Senator CHURCH and myself.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, may I say I have not obtained the authority of the majority leader and, if he should have any objection, I will move to dissolve the unanimous-consent agreement.

Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

VISITORS FROM MINNESOTA

Mr. BOSCHWITZ. Mr. President, I wish to make a statement today about a number of people visiting from Minnesota who are here in the Chamber with us now. They are women associated with the Avon Co. They are independent businesswomen. They are people who have a great and strong belief in the free enterprise system, Mr. President, as we do, and who are very fine representatives of it.

They are visiting here in Washington for 3 days. They are in our Nation's Capital to see the operation of the legislative process, and to get a sense of the history of this great Nation that is so wonderfully depicted, not only in this Chamber, but also in our Capital City.

They bring with them a great tradition of the Middle West, a great tradition of Minnesota. And it is my great privilege to meet them and to greet them here in the Senate Chamber.

I spoke with the group this morning about the problems we are having in Cambodia, Mr. President, the problems of the world and, most particularly, about the free enterprise system which they so strongly support.

I warmly welcome them, Mr. President, and it is a pleasure to have them in the Chamber. I am pleased to greet them, particularly, because they give such great support and great succor to the American system of which we are all a part.

QUORUM CALL

Mr. BOSCHWITZ. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CRUDE OIL WINDFALL PROFIT TAX ACT OF 1979

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the pending business, H.R. 3919, which the clerk will state by title.

The legislative clerk read as follows:

A bill (H.R. 3919) to impose a windfall profit tax on domestic crude oil.

The Senate resumed the consideration of the bill.

HOME ENERGY ASSISTANCE—S. 1724

UP AMENDMENT NO. 827

Mr. LONG. Mr. President, as the floor manager of the bill and chairman of the Committee on Finance I modify the committee amendment to correspond to the bill which the Senate voted last night with regard to the assistance of individuals for heating and bearing high energy expenses.

I send the modification to the desk, Mr. President.

The PRESIDING OFFICER. The amendment will be so modified.

The modification (UP amendment No. 827) follows:

Strike out beginning with page 160, line 9, through page 175, line 21, and insert in lieu thereof the following:

SEC. 321. This part may be cited as the "Home Energy Assistance Act".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 322. (a) The Congress finds that—

(1) recent dramatic increases in the cost of primary energy sources have caused corresponding sharp increases in the cost of home energy;

(2) reliable data projections show that the cost of home energy will continue to climb at excessive rates;

(3) the cost of essential home energy imposes a disproportionately larger burden on fixed-income, lower income, and lower middle income households and the rising cost of such energy is beyond the control of such households;

(4) fixed-income, lower-income, and lower-middle-income households should be protected from disproportionately adverse effects on their incomes resulting from national energy policy;

(5) adequate home heating is a necessary aspect of shelter and the lack of home heating poses a threat to life, health, or safety:

(6) adequate home cooling is necessary for certain individuals to avoid a threat to life, health or safety;

(7) low-income households often lack access to energy supplies because of the structure of home energy distribution systems and prevailing credit practices; and

(8) assistance to households in meeting the burden of rising energy costs is insufficient from existing State and Federal sources.

(b) It is the purpose of this part to make grants to States to provide assistance to eligible households to offset the rising costs of home energy that are excessive in relation to household income.

DEFINITIONS

SEC. 323. As used in this part—

(1) "household" means any individual or group of individuals who are living together as one economic unit for whom residential energy is customarily purchased in common or who make undesignated payments for energy in the form of rent;

(2) "home energy" means electricity, oil, gas, coal or any other fuel for use as the principal source of heating or cooling in residential dwellings;

(3) "lower living standard income level" means the income level (adjusted for regional, metropolitan, nonmetropolitan differences and family size) determined annually by the Secretary of Labor based upon the most recent "lower living standard family budget" issued by the Secretary of Labor;

(4) "Secretary" means the Secretary of Health, Education, and Welfare; and

(5) "State" means each of the several States and the District of Columbia.

HOME ENEGRY GRANTS AUTHORIZED

SEC. 324. (a) The Secretary is authorized to make grants, in accordance with the provisions of this part, to States on behalf of eligible households to assist such households to meet the rising costs of home energy.

(b) There are authorized to be appropriated from the Low Income Energy Assistance Trust Fund established under section 103 of the Crude Oil Windfall Profit Tax Act of 1979, $3,000,000,000 for the fiscal year 1981, and $4,000,000,000 for the fiscal year 1982, to carry out the provisions of this part.

(c)(1) Unless the Congress in the regular session which ends prior to the beginning of the terminal fiscal year of the authorization of appropriations for the program authorized by this part either—

(A) has passed or has formally rejected legislation which would have the effect of extending the authorization of that program; or

(B) by action of either the House of Representatives or the Senate, approves a resolution stating that the provisions of this subsection shall no longer apply to such program;

such authorization is hereby automatically extended for one additional fiscal year. The amount appropriated for such additional year shall not exceed the amount which the Congress could, under the terms of the law for which the appropriation is made, have appropriated for such program during such terminal year.

(2)(A) For the purposes of clause (A) of paragraph (1) of this subsection, the Congress shall not have been deemed to have passed legislation unless such legislation becomes law.

(B) In any case in which the Secretary is required under this part to carry out certain acts or make certain determinations which are necessary for the continuation of the program authorized by this part, if such acts or determinations are required during the terminal year of such program, such acts and determinations shall be required during any fiscal year in which that part of paragraph (1) of this subsection which follows clause (B) thereof is in operation.

(d) For the purpose of affording adequate notice of assistance available under this part, appropriations under this part are authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation. Funds appropriated under subsection (b) of this section shall remain available until expended.

ELIGIBLE HOUSEHOLDS

SEC. 325. (a) Eligible household means any household which the State determines is—

(1) eligible for (A) aid to families with dependent children under part A of title IV of the Social Security Act, (B) supplemental security income payments under title XVI of the Social Security Act, (C) food stamps under the Food Stamp Act of 1977, or (D) payments under section 415, 521, 541, or 542 of title 38, United States Code (relating to certain veterans' benefits); and

(2) any other household with an income equal to or less than the lower living standard income level as determined pursuant to subsection (c) of this section.

(b) Notwithstanding clause (1) of subsection (a), a household which is eligible for supplemental security income payments under title XVI of the Social Security Act shall not be considered eligible for home energy assistance under this part if the eligibility of a household is dependent upon—

(1) an individual whose annual supplemental security income benefit rate is reduced pursuant to section 1611(e)(1) of the Social Security Act by reason of being in an institution receiving payments (under title XIX of that Act) with respect to that individual.

(2) an individual to whom the reduction specified in section 1612(a)(2)(A)(i) of that Act applies, or

(3) a child described in section 1614(f)(2) of that Act (who is living together with a parent or the spouse of a parent).

(c) In determining income eligiblity for the purpose of clause (2) of subsection (a), the State shall apply procedures and policies consistent with procedures and policies used by the State agency administering programs under part A of title IV of the Social Security Act.

ALLOTMENTS

SEC. 326. (a) From 95 per centum of the sums appropriated pursuant to section 324 (b) for the fiscal year 1981 and for each fiscal year thereafter the Secretary shall—

(1) allot to each State an amount which bears the same ratio to one-half of such 95 per centum as the aggregate residential energy expenditure in such State bears to the aggregate residential energy expenditure for all States; and

(2) allot to each State an amount which bears the same ratio to one-half of such 95 per centum as the total number of heating degree days in such State squared, multiplied by the number of households in such State having incomes equal to or less than the lower living standard income level bears to the sum of such products for all States.

(3) If the allotment for any State determined under paragraphs (1) and (2) of this subsection is less than $100,000,000, the allotment of such State shall, subject to paragraphs (6) and (8) of this subsection, be the greater of its allotment as so determined under such paragraphs or the product of the total amount available for allotment under this subsection and such State's alternative allotment percentage.

(4) The alternative allotment percentage for any State shall equal (a) the percentage of 95 per centum of the total amount appropriated for the fiscal year pursuant to section 324(b) which the State would receive if its allotment were increased from the $25 million authorized under this subsection to the extent necessary (as determined by the Secretary on the basis of what he determines to be the best available information) so that if such allotment were divided in a manner such that the amount for all recipient households in such State consisting of one individual were equal, and the amount for all other recipient households in such State were equal to 150 per centum of such amount for a one-individual household, sufficient additional amounts would be available to assure that the amount for each recipient household would be at least $120 or, unless the percentage determined under subparagraph (A) would be higher, (B) the percentage of 90 per centum of the total amount authorized to be appropriated for

fiscal year 1981 under section 324(b) which would be allotted to such State if—

(i) of such 90 per centum (1) one-half was allotted to each State according to the ratios determined under paragraph (1) of subsection (A) of this section and (II) one-half was allotted to each State according to the ratios which would be determined under paragraph (2) of such subsection (A) if, for purposes of such paragraph, the word "squared" were deleted and the term "lower living standard" were defined as 125 per centum of the poverty level as determined in accordance with the criteria established by the Office of Management and Budget; and

(ii) the allotment of each State as determined under subparagraph (i) were increased to the extent necessary (as determined by the Secretary on the basis of what he determines to be the best available information) so that, if such allotment were divided in a manner such that the amount for all recipient households in such State consisting of one individual were equal, and the amount for all other recipient households in such State were equal to 150 per centum of such amount for a one-individual household, sufficient additional amounts would be available to assure that the amount for each recipient household would be at least $120. There are authorized to be appropriated from this Low Income Energy Assistance Trust Fund established under section 103 of the Crude Oil Windfall Profit Tax Act of 1979, $25,000,000 for each of the fiscal years 1981 and 1982 for the additional amounts to be allocated to States pursuant to the application of paragraph (A) of this subsection. In the event that the aggregate of such additional amounts would exceed the amount appropriated under the preceding sentence, the additional amount applicable to each State shall be reduced on a pro rata basis.

(5) For purposes of this subsection, the term "recipient household" means—

(A) a household that is an eligible household under section 3(I) of the Food Stamp Act of 1977 and participates in the food stamp program, but which is not a recipient household under subparagraph (B) or (C) of this paragraph;

(B) a household that contains any individual who receives aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act, but which is not a recipient household under subparagraph (C); and

(C) a household that contains an individual who is an eligible individual or eligible spouse receiving supplemental security income benefits under title XVI of the Social Security Act, or an individual receiving payments from the Secretary under an agreement entered into by the Secretary under section 1616 of such Act or section 212 of Public Law 93-66.

For purposes of subparagraphs (B) and (C) the term "household" shall be defined by the Secretary, and shall not include an institution.

(6) The allotment of any State shall be increased under paragraphs (3) and (4) of this subsection only if the increase is attributable in whole or part to the provisions of subparagraphs (A) or (B)(ii) of paragraph (4).

(7) If the allotment for any State determined under paragraphs (1) and (2) of this subsection (without the application of paragraph (8)) is less than the lower of—

(A) the amount which would be allotted to such State if "one-half" in paragraph (1) of this subsection were replaced by "one-quarter" and "one-half" in paragraph (2) of this subsection were replaced by "three-quarters"; or

(B) the amount which would be allotted to such State if the word "squared" in paragraph (2) of this subsection were deleted, then the allotment of such State shall, subject to paragraph (8) of this subsection be increased to the lower of the allotment it would receive under subparagraph (A) or (B).

(8) The allotments for any fiscal year determined under paragraphs (1) and (2) of this subsection which are not increased pursuant to paragraphs (3), (4), and (7) of this subsection shall be adjusted to the extent necessary and on a pro rata basis to assure that the total of such allotments when added to the allotments which are increased pursuant to paragraphs (3), (4), and (7) of this subsection do not exceed the sum of (A) 95 per centum of the sums appropriated for such fiscal year pursuant to section 4(B) plus (B) the amount appropriated pursuant to the authorization in paragraph (4).

(b)(1) From the remainder of the sums appropriated pursuant to section 324(b) for each fiscal year, the Secretary shall—

(A) first reserve $2,500,000 to be apportioned on the basis of need between the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and Northern Mariana Islands and the Trust Territory of the Pacific Islands, and

(B) then transfer to the Director of the Community Services Administration $100,000,000, subject to the provisions of the second sentence of this paragraph for carrying out energy crisis related activities under section 222(a)(5) of the Economic Opportunity Act of 1964.

The percentage of the amount transferred under subparagraph (B) of this paragraph and available for use to each State shall be the same percentage as the percentage allotted to such State under this section for the total amounts available for allotment to States under subsection (a) of this section.

(C) per centum of the total amount transferred under subparagraph (B) may be utilized without regard to the requirements of the sentence following the first sentence of such subparagraph.

(2) Each jurisdiction to which subparagraph (1)(A) applies may receive grants under this part upon an application submitted to the Secretary containing provisions which describe the programs for which assistance is sought under this part, and which are consistent with the requirements of section 8(b) of this part.

(3)(A)(i) The remainder of the sums appropriated pursuant to section 324(b) shall be distributed for home energy assistance programs in accordance with the provisions of this subparagraph. The Secretary shall make incentive grants to States to pay a Federal share of incentive fuel assistance programs for residential energy costs established by any State to serve the same population as the population eligible under this Part.

(ii) No grant may be made under this subparagraph of this paragraph unless the State makes an application to the Secretary containing such provisions which the Secretary deems necessary and which describes the State program for which assistance is sought under this subparagraph.

(iii) The Federal share for any fiscal year for Federal assistance under this subparagraph shall not exceed 25 per centum.

(B) The remainder of the sums appropriated pursuant to section 324(b) not required to carry out the provisions of subparagraph (A) of this paragraph shall be distributed by the Secretary in accordance with the allocation formula contained in subsection (a) of this section.

(4)(A) From the sums appropriated pursuant to section 324(b) and made available under subsection (b)(1)(A) of this section, the Director shall reserve a sum not to exceed $3,000,000 in each fiscal year for outreach activities designed to assure that eligible households with elderly members are made aware of the assistance available under this Part. The Director shall enter into agreements with national aging organizations to carry out the provisions of this subparagraph.

(B) No payment may be made by the Director under this paragraph to any national aging organization unless the Director determines that such outreach activities will be coordinated with State outreach activities required under section 328(b)(16).

(c) The portion of any State's allotment under subsection (a) for a fiscal year, which the Secretary determines will not be required for the period such allotment is available for carrying out the purposes of this part, shall be available for reallotment from time to time, on such dates during such period as the Secretary may fix, to other States based on need and ability to expend the funds consistent with the provisions of this part and taking into account the proportion of the original allotments made available to such States under subsection (a) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Secretary estimates such State needs and will be able to use for such period for carrying out such portion of its State application approved under this part, and the total reduction shall be similarly realloted among the States whose proportionate amounts are not so reduced. In carrying out the requirements of this subsection the Secretary shall take into account the climatic conditions and such other relevant factors as may be necessary to assure that no State loses funds necessary to carry out the purposes of this part. Any amount reallotted to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

(d)(1) Any allocations to a State may be reallocated only if the Secretary has provided thirty days advance notice to the chief executive and to the general public. During such period comments may be submitted to the Secretary.

(2) After considering any comments submitted during such period, the Secretary shall notify the chief executive of any decision to reallocate funds, and shall publish such decision in the Federal Register.

(e) The aggregate residential energy expenditure for each State and for all States shall be determined by the Secretary after consulting with the Secretary of Energy.

(f) The allotments made under this section shall be made on the basis of the latest reliable data available to the Secretary.

(g)(1) In any State in which the Secretary determines (after having taken into account the amount of funds available to the State) that the members of an Indian tribe are not receiving benefits under this part that are equivalent to benefits provided to other households in the State, and if the Secretary further determines that the members of such tribe would be better served by means of grants made directly to provide such benefits, the Secretary shall reserve from sums that would otherwise be allotted to such State not less than 100 per centum of an amount which bears the same ratio to the State's allotment for the fiscal year involved as the population of all eligible Indians for whom a determination under this paragraph has been made bears to the population of all eligible households in such State.

(2) The sums reserved by the Secretary on the basis of a determination under this subsection shall be granted to the tribal organization serving the individuals for whom such a determination has been made, or where there is no tribal organization, to such other entity as the Secretary determines has the capacity to provide assistance pursuant to this part.

(3) I order for a tribal organization or other entity to be eligible for an award for a fiscal year under this subsection, it shall submit to the Secretary a plan for such

fiscal year which meets such criteria as the Secretary may prescribe by regulation.

USES OF HOME ENERGY GRANTS

SEC. 327. Grants for fiscal year 1981 and thereafter under this Act may be used for home energy assistance in accordance with plans approved under section 328.

STATE PLANS

SEC. 328. (a) Each State desiring to receive a home energy grant under this part shall submit a State plan to the Secretary, at such time, in such manner, and containing or accompanied by such information as the Secretary deems necessary.

(b) Each such State plan shall—

(1) be submitted in accordance with the procedures, timetables and standards established by the Secretary pursuant to subsection (d) (3) of this section;

(2) designate an agency of the State to be determined by the chief executive to administer the program authorized by this part and describe local administrative arrangements;

(3) provide for a State program for furnishing home energy asstance to eligible households through payments (which without limitation, may be made in the form of a duly issued coupon, stamp or certificate) made in accordance with the provisions of the plan, to—

(A) (i) home energy suppliers,

(ii) eligible households whenever the chief executive determines such payments to be feasible, or when the eligible household is making undesignated payments for rising energy costs in the form of rent increases, or

(iii) any combination of home energy supplier and eligible household whenever the chief executive determines such payments to be feasible, and

(B) building operators, in housing projects established under sections 221(d) (3) and 236 of the National Housing Act of 1968, section 202 of the Housing Act of 1959, section 515 of the Housing Act of 1949, low rent housing established by the United States Housing Act of 1937, and section 8 of the Housing Act of 1974, and State and local government-operated projects in an aggregate monthly amount computed on the basis of the number of eligible tenants making undesignated energy payments in the form of rent divided by the exact costs of primary residential fuel costs paid as an undesignated part of rent up to a ceiling amount per eligible tenant as determined under regulations by the Secretary annually to be comparable to the amount established for other eligible households;

(4) describe with particularity the procedures by which eligible households in the State are identified and certified as participants;

(5) describe energy usage and the average cost of home energy in the State identified by the type of fuel and by region of the State;

(6) describe the amount of assistance to be provided to or on behalf of participating households assuring (A) that priority is given to households with lowest incomes and to eligible households having at least one elderly individual or one individual with a severe handicap as defined in section 7(13) of The Rehabilitation Act of 1973, as amended, and (B) that the highest level of assistance is provided to households with lowest incomes and the highest energy costs in relation to income, taking into account—

(A) the average home energy expenditure by type of energy,

(B) the proportional burden of energy costs in relation to income,

(C) the variation in degree days in regions of the State in any State where appropriate, and

(D) any other relevant consideration selected by the chief executive including provisions for payment levels for households making undesignated payments in the form of rent;

(7) provide, in accordance with clause (3) (A), for agreements with home energy suppliers under which—

(A) the State will pay on a timely basis by way of regular installments, as reimbursements or a line of credit, to the supplier designated by each participating household the amount of assistance determined in accordance with clause (6);

(B) the home energy supplier will charge the household specified in subclause (A), in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment made by the State under this Part;

(C) the home energy supplier will provide assurances that the home energy supplier will not discriminate against any eligible household in regard to terms and conditions of sale, credit, delivery and price; and

(D) subject to subsection (f) of this section the home energy supplier will provide assurances that any agreement entered into with a home energy supplier under this clause will contain provisions to assure that no household receiving assistance under this Part will have home energy terminated unless—

(i) the household has failed to pay the amount charged to such household in accordance with subclause (B) for at least two months,

(ii) the household receives a written termination notice not less than thirty days prior to the termination, and

(iii) the household is afforded, in a timely fashion before termination, an opportunity for a hearing by an agency designated by the State;

unless the supplier is located in a State in which the termination policy contains provisions for a longer grace period, or notification period, than that described in this clause;

(8) provide for the direct payment to households to which subclauses (A) (ii) and (iii) of clause (3) applies;

(9) provide for public participation in the development of the plan;

(10) provide assurances that the State will treat owners and renters equitably under the program assisted under this Part;

(11) provides that (A) of the funds the State receives for each fiscal year, the State may use for administration of the plan an amount not to exceed 10 per centum of the cost of carrying out the plan, and for the purpose of this clause the Federal share of the cost of administration for any fiscal year shall be 50 per centum and (B) the State will pay from non-Federal sources the remaining costs of administration with respect to carrying out the plan required by the preceding clause and will not use Federal funds to carry out the provisions of this subclause: *Provided, however,* That upon proof of unusual circumstances and upon application to the Secretary, the Secretary may allow any State an additional amount for administration under the conditions of this subsection but not exceeding an additional 5 per centum of the cost of carrying out the plan.

(12) describe the administrative procedures to be used in carrying out the plan;

(13) provide an opportunity for a fair hearing before the State agency designated under clause (2) to any individual whose claim for assistance under the plan is denied or is not acted upon with reasonable promptness;

(14) provide that, of the funds the State receives for each fiscal year, the State may reserve 3 per centum of the funds to be available for weather related and supply shortage emergencies, and if the State reserves such funds, the plan shall identify—

(A) the procedures for planning for such emergencies,

(B) the administrative procedures designating the emergency and implementing an emergency plan,

(C) the procedures for determining the assistance to be provided in such emergencies, and

(D) the procedures for the use of the funds under this clause for the purposes of **this Part in the event that there are no** emergencies;

(15) provide assurance that there will be, to the maximum extent possible, referral of individuals to, and coordination with, existing Federal, State, and local weatherization and energy conservation efforts;

(16) provide for outreach activities designed to assure that all eligible households, particularly households with elderly or handicapped individuals, households with individuals who are unable to leave their residences, households with migrants, households with individuals with limited English proficiency, households with working poor individuals, households with children, and households in remote areas, are aware of the assistance available under this part by using community action agencies, area agencies on aging, State welfare agencies, volunteer programs carried out under the Domestic Volunteer Service Act of 1973, and other appropriate agencies and organizations within the State including home energy suppliers together with provisions for the reimbursement of such agencies, from administrative funds, for outreach and certification activities;

(17) establish procedures for monitoring the assistance provided under the plan including monitoring and auditing any agreements entered into under clause (7) of this subsection and describe the documentation to be required of energy suppliers concerning energy supplied to eligible households;

(18) provide assurances that the State will maintain regular benefit levels in existing federally assisted cash assistance programs, except that in a State which increases such programs solely for the purpose of energy assistance, such increase shall not be considered a part of the regular program;

(19) provide that fiscal control and fund accounting procedures will be established as may be necessary to assure the proper dispersal of and accounting for Federal funds paid to the State under this part;

(20) provide that reports will be furnished in such form and contain such information as the Secretary may reasonably require, particularly for the carrying out of provisions of section 329; and

(21) provide assurances that the State will not establish any standards of eligibility under this part based on an assets test which counts cars, household and personal belongings or primary residences.

(c) The State is authorized to make grants to eligible households to meet the rising costs of cooling whenever the household establishes that such cooling is the result of medical need pursuant to standards established by the Secretary.

(d) (1) The Secretary shall approve any State plan, or modification thereof, that meets the requirements of subsections (b) and (c) and shall not finally disapprove, in whole or in part, any plan, or any notification thereof, for assistance under this Part without first affording the State reasonable notice and opportunity for a hearing within the State. Whenever the Secretary disapproves a plan the Secretary shall, on a timely basis, assist the State to overcome the deficiencies in the plan.

(2) The Secretary shall carry out the functions of the Secretary under this section promptly.

(3) The Secretary, as soon as possible after the date of enactment of this Part, shall establish criteria and standards for the State plan requirements under subsections (b) and (c) of this section, together with timetables for carrying out the plan.

(e) Any State which makes advances available for activities under this part in substantial compliance with an approved State plan may be reimbursed for such advances from the allocation made to that State under section 6(a) when funds are appropriated to carry out the provisions of this Part.

(f) A State agency may exempt small home energy suppliers from the requirements of subsection (b)(7)(D), of this section if the State agency determines that compliance with clause (7)(D), will seriously jeopardize the ability of the small home energy supplier to conduct such business.

(g) A State may use funds available under this Part for purpose of providing credits against State tax energy suppliers who supply such energy at reduced rates to lower income households, but such credit may not exceed the amount of the loss of revenue to such supplier on account of such reduced rate. Any certifications for such tax credits shall be made by the State, but such State may utilize Federal data available to such State with respect to recipients of supplemental security income benefits: *Provided*, That timely delivery of benefits to eligible households and suppliers shall not be impeded by the implementation of such plan.

(h) At the option of the State, any portion of such State's allotment may be reserved by the Secretary for the purpose of making direct payments to eligible households containing a recipient of supplemental security income benefits under title XVI of the Social Security Act for home energy assistance in accordance with guidelines issued by the Secretary.

UNIFORM DATA COLLECTION

SEC. 329. (a) The Secretary, after consultation with the Secretary of Energy, shall establish uniform standards for data collection which shall be used by States in all reports required under this Part.

(b)(1) The standards established by the Secretary under this section shall apply to (A) information concerning home energy consumption, (B) the cost and type of fuels used, (C) the type of fuel used by various income groups, (D) the number and income levels of households assisted by this Part and (E) any other information which the Secretary determines to be reasonably necessary to carry out the provisions of this Part.

(2) In carrying out this section, the Secretary shall gather and analyze information on the price structure of various types of fuel, particularly the increases in such price structure, if any, attributable to the financial assistance provided under this Part.

(c) The Secretary shall report annually to Congress concerning data collected under subsection (b).

PAYMENTS

SEC. 330. (a) From the amount allotted to each State pursuant to section 326, the Secretary shall pay to the State which has an application approved under section 329 an amount equal to the amount needed for the purposes set forth in the State plan.

(b) Payments under this Part may be made in installments in advance or by way of reimbursement, with necessary adjustments on account of overpayments and underpayments.

WITHHOLDING

SEC. 331. Whenever the Secretary, after reasonable notice and opportunity for hearing within the State to any State, finds that there has been a failure to comply with any provision set forth in the State plan of that State approved under section 328, the Secretary shall notify the State that further payments will not be made under this Part until the Secretary is satisfied that there is no longer any such failure to comply. Until the Secretary is so satisfied, no further payments shall be made under this Part.

CRIMINAL PENALTIES

SEC. 332. Whoever violates provisions of this Part or who knowingly provides false information in any report required under this Part shall be fined not more than $10,000 or imprisoned not more than five years or both.

ADMINISTRATION

SEC. 323. (a)(1) The Secretary may delegate any functions under this Part except the making of regulations, to any officer or employee of the Department of Health, Education, and Welfare.

(2) The Secretary shall issue regulations under this Part, within sixty days after the date of enactment of this Part.

(b) In administering the provisions of this part, the Secretary is authorized to utilize the services and facilities of any agency of the Federal Government and of any other public agency or institution, to the extent such services and facilities are otherwise authorized to be made available for such purpose, in accordance with appropriate agreements, and to pay for such services either in advance or by way of reimbursement as may be agreed upon.

(c)(1) Notwithstanding any other provision of law, the amount of any fuel assistance payments provided to an eligible household under this part shall not be considered income or resources for any purpose under any Federal or State law, including any law relating to taxation, public assistance or welfare program.

(2) Section 5(d) of the Food Stamp Act of 1977 amended by striking out "and (10)" and inserting in lieu thereof the following: "(10) any income attributable to an increase in State public assistance grants which is intended primarily to meet the increased cost of home energy, and (11)".

(d) The Secretary shall establish procedures for Federal monitoring of State administration of programs assisted under this part.

(e) The Secretary shall coordinate the administration of the program established under this part with appropriate programs authorized by the Economic Opportunity Act of 1964 and any other existing Federal energy programs which provide related assistance programs.

(f) The Secretary, after consultation with the Secretary of the Department of Energy, the Director of the Community Services Administration, the Secretary of Housing and Urban Development and the Secretary of Agriculture, shall establish procedures for referrals for participation in Federal weatherization programs under section 328(b)(15).

(g) The Secretary, in cooperation with such other agencies as may be appropriate, shall develop and implement the capacity for estimating total annual energy expenditures of low-income households in each State. The Secretary shall submit to the Congress his estimates pursuant to this subsection together with a description of the manner in which they were determined prior to the beginning of each calendar year starting with 1981.

On page 92, line 11, delete "December 31" and insert in lieu thereof "September 30".

Mr. LONG. Mr. President, this matter was discussed on yesterday evening. The Senator from Alaska wanted to be sure he would have the right to offer an amendment to the committee amendment.

Of course, that is his right and it will be in order to consider it if he wishes to offer it, although I hope very much the Senate will make very few changes in what it did yesterday. Because, having worked diligently on the matter for 3 days and considered all aspects of it, one would think the Senate would not want to reopen the compromise that was made except to correct some obvious unintended hardship which it failed to cover.

Mr. President, last April the President announced his program to remove price controls from domestic crude oil. This decision will end more than 8 years of complex regulation of the one industry which is doing more than any other industry to solve the Nation's energy problem. Decontrol will end the Government program of allocations which caused long gasoline lines last summer. It will end the system of arbitrarily low prices that has discouraged oil exploration and development and encouraged wasteful consumption habits.

The recent price increase of the OPEC cartel, however, mean that decontrol will result in large increases in oil industry profits. If the entire rise in oil prices resulting from decontrol is allowed to remain with the oil producers, the American public may not accept decontrol. The President, therefore, as part of his decontrol program, proposed a windfall profit tax on oil producers to recapture some of these revenues. Because decontrol is so absolutely necessary to achieve greater domestic oil production, and to encourage conservation, I have supported the President's tax proposal.

Any such windfall profit tax must be a compromise between revenue considerations and the need to provide the proper production incentives. It should have a low tax on those kinds of oil whose production will increase in response to a lower tax rate and a higher tax on oil whose production is less likely to respond. Greater concern with production is a major difference between the Finance Committee substitute and the House bill.

Achieving the proper balance between revenue needs and production incentives requires some difficult decisions. Reasonable people will differ about how best to create such a balance. What the Nation desperately needs, however, is a consensus that will appeal to a broad spectrum of opinion and, thereby, end the divisive argument over oil pricing. The fact that this bill was ordered reported by a vote of 15 to 1 is evidence that the committee has succeeded in reaching a good compromise.

Also, a windfall profit tax should be part of an overall package that deals with the energy problem—by encouraging conservation and production of alternate energy sources and by helping lower-income people cope with high energy prices. The Finance Committee substitute, unlike the House bill, is such an overall package.

OVERVIEW

The committee substiute is a 5-part response to our energy challenges. First, the windfall profit tax will allow the President to go forward with decontrol. Under the substitute, however, part of the revenue that would have been raised by the House bill is used to encourage the maximum development and recovery of domestic crude oil. This is accomplished by exemptions for newly discovered oil, incremental tertiary production, heavy oil, and certain stripper oil produced by independent producers. Production of oil in these categories will be significantly increased by these exemptions.

The second part of the committee substitute is a program of tax incentives for residential energy conservation. These include tax credits for heat pumps, wood stoves, and energy saving furnaces. There is also a substantial increase in the tax credit for solar energy investments.

The third part of the committee substitute is a package of tax incentives for businesses to encourage energy conservation and production of a broad range of alternative energy sources. These incentives include investment credits, production credits, and tax exemption for certain energy-related industrial development bonds.

The fourth part of the committee's energy program addresses the economic hardships caused by high energy prices. The committee substitute provides for payments to low-income persons and for tax credits to individuals based on home heating costs. One-half of the net revenue raised by the windfall profit tax is set aside for this purpose.

The fifth part of the program establishes a trust fund to finance spending or energy efficient transportation.

Taken together, these five initiatives form the basis of a comprehensive, sound energy policy for the Nation. The committee substitute addresses the need to increase domestic oil production, to decrease fuel consumption, to stimulate alternate forms of energy production, and to relieve the burden of high energy costs on the poor.

The committee substitute also includes two significant general tax provisions. It repeals carryover basis, and it sets aside funds in a taxpayer trust fund to finance a payroll tax freeze in 1981.

The windfall profit tax, after allowing for the production-related exemptions and other changes made to the House bill, will raise $138.2 billion between 1980 and 1990. This will include $4.6 billion in calendar year 1980 and $2.3 billion in fiscal year 1980. Those who criticize the committee substitute for being too weak should realize that this is the largest tax increase ever levied on a single American industry.

Changes in the residential energy credits provided by the committee substitute will cost $8.3 billion between 1980 and 1990. This will include $408 million in calendar year 1980 and $131 million in fiscal year 1980. The business energy incentives will cost $15 billion over the next 11 years, $174 million in calendar year 1980, and $131 million in fiscal year 1980.

Budget outlays and heating fuel tax credits provided in the committee substitute to assist lower income users of residential energy will cost $2.4 billion in fiscal year 1980, $4.9 billion in fiscal year 1981, and $4.7 billion in fiscal year 1982.

Repeal of carryover basis will reduce revenues $4.3 billion between 1980 and 1990.

Let me review the major features of the committee substitute.

WINDFALL PROFIT TAX

The windfall profit tax is an excise, or severance, tax on domestically produced crude oil. The burden falls almost entirely on the producer.

Taxable oil is taxed in one of three tiers. For each tier the taxable windfall profit is the difference between the selling price of the oil and a base price; however, there is a deduction for the State severance tax on the windfall profit amount. The base price averages $6 a barrel for tier 1, $13 for tier 2, and $15.30 for tier 3, adjusted for inflation in each case.

The tax rate applied to the windfall profit is 75 percent for tier 1 and 60 percent for tiers 2 and 3. Tier 1 consists of oil that would have been lower tier, or "old," oil had previous price controls been continued, and it gradually phases into tier 2. Tier 2 consists of oil that would have been upper tier, or "new," oil under the old price control regulations, plus some special categories like marginal and high water-cut oil. Tier 3 is stripper oil.

There are exemptions from the tax for newly discovered oil, incremental tertiary oil, heavy oil, up to 1,000 barrels per day of stripper oil produced by independent producers, and oil owned by State and local governments, Indian tribes, schools, and medical institutions.

Three basic principles underlie the structure of the windfall profit tax in the committee substitute. First, the committee has attempted to impose a lighter tax burden on categories of oil whose production will increase significantly in response to the tax reduction and a heavier tax burden on categories where the response is not likely to be as great. Second, the tax burden is higher on those categories of oil where the windfall price increase from decontrol is greatest. Third, there are exemptions for cases where income from oil production is dedicated to public purposes.

The committee substitute has been criticized for raising less revenue than the house bill. I think, however, that a careful analysis will justify the committee's decisions. Over the period 1980 to 1990, the House bill would raise $277 billion, compared to $138 billion in the committee substitute. Of the $139 billion difference, $71 billion, more than half, results from the exemption for newly discovered oil—a category from which there can be no windfall because the oil has not yet been discovered.

Another $18 billion of the difference comes from changes in the treatment of Alaskan oil and heavy oil, which were recommended by President Carter because he felt they would encourage production, and I believe he was correct. Sixteen billion dollars of the difference is for the exemption for stripper oil owned by independent producers, which has not been under price controls and receives absolutely no windfall from decontrol. Twenty-seven billion dollars results from the exemption for tertiary oil, a category where costs and risks are extremely high.

These provisions should be examined on their merits, not simply by looking at the revenue estimates.

For previously discovered oil, the committee substitute is tougher than the administration's proposal. The tax rate on old oil—tier 1—is 75 percent. The tier 2 tax rate is 60 percent. In contrast, President Carter proposed only a 50-percent tax rate. The Finance Committee's policy of raising the tax on the old oil and loosening the tax on new oil and other areas where costs are high, is equitable and is also good economics.

RESIDENTIAL ENERGY TAX CREDITS

To encourage greater conservation in the home, the committee substitute makes several adjustments to the residential conservation and solar energy tax credits enacted last year. Key among these changes are elimination of the principal residence test and extension of the credits to landlords. This will assure that any residence that can be economically retrofitted because of the credit will be given the tax incentive.

The other major change is an increase in the solar energy credit to 50 percent and extension of that credit through 1999. This provision should be a significant stimulus to the infant solar, wind, and geothermal industries of this country. These sources offer one of our best long-range hopes for a clean, economical alternative to foreign oil.

The committee substitute also amends existing law to correct omissions in last year's Energy Tax Act. For example, the committee substitute makes heat pumps, wood stoves, and certain furnaces eligible for the conservation credit.

BUSINESS TAX INCENTIVES

The principal business energy tax incentives in the committee substitute include provisions to encourage production of energy from renewable sources, development of alternative fuels and energy conservation.

Development of renewable energy sources is encouraged by an increase from 10 to 20 percent in the energy credit for solar, wind, and geothermal equipment, and equipment to burn or process nonwood biomass, as well as extension of these credits through 1990. Ocean thermal equipment and solar process heat equipment will also be eligible for this 20-percent credit. Hydroelectric energy production is encouraged by a 10-percent energy credit for small facilities, liberalized depreciation allowances, and approval of tax exempt industrial development bonds for hydroelectric property.

Production of energy from alternate fuel sources is encouraged by a $3 per barrel production tax credit for coal liquefaction and gasification, unconventional natural gas, oil shale, tar sands, gas produced from biomass, steam produced from solid agricultural byproducts and processed wood fuel.

In addition, the excise tax exemption for gasohol is replaced with a 40-cents-per-gallon refundable income tax credit for domestically produced alcohol, and a 10-cents-per-gallon credit for alcohol made from coal, if the alcohol is used or sold for use in gasohol. These changes in the gasohol tax incentive permits the incentive to be limited to domestic producers in a manner consistent with our trade agreements and remove the existing bias in favor of a 90-10 gasoline-alcohol mixture.

Last year's business energy credits are modified by extending certain of the credits to public utility property, and by providing a 10-percent energy credit for nonoil cogeneration equipment, industrial heat pumps, alumina electrolytic cells, and petroleum coke and pitch equipment. A transition rule for credits that expire in 1982 is also provided. The regular investment credit is also modified to make all property eligible for the energy credit also eligible for the regular investment credit.

The committee has also modified its substitute to add an amendment to provide the 10-percent energy credit for intercity buses acquired to increase an operator's passenger capacity.

LOWER INCOME ASSISTANCE

An essential element of the committee's program is aid to lower income persons to help them cope with higher energy prices. Those of us who favor decontrol have a special obligation to limit adverse impacts on the poor.

Mr. President, a great deal has been said on that subject during the past few days. I will say merely that this bill provides slightly more than $3 billion in cash payments to SSI, AFDC, food stamp recipients, and other low-income people. The other is a $2 billion tax credit for individuals based on home heating costs.

Since the Senate has now acted on low-income energy assistance, I will be offering the Senate's position as a substitute for the Finance Committee provision for cash grants to low-income persons.

TRUST FUNDS

One-half of the net revenue from the windfall profit tax is to be put in a low-income energy assistance trust fund. This fund will finance the energy assistance programs in the committee substitute.

One-fourth of the net revenues from the tax, up to a maximum of $15 billion, is to be put in a transportation trust fund to finance programs for energy efficient transit.

In addition, general revenues from oil price decontrol are to be put in a taxpayer trust fund to finance a social security payroll tax freeze in 1981 at 1980 rate and wage base levels.

CARRYOVER BASIS

Under present law, people who inherit appreciated property will have to carryover the cost basis of the decedent. This rule is excessively complicated and should not take effect. To say the least, Mr. President, I believe this rule to be extremely unpopular with taxpayers. As a result, heirs will continue to use as their cost basis the value of the property when they inherit it.

CONCLUSION

In conclusion, Mr. President, the Finance Committee substitute is a balanced package that enables the President to go forward with decontrol while preserving the incentives to find and produce more oil. It also provides for greater conservation, and production of alternate fuels. It gives assistance to the low- and middle-income persons on whom high energy prices place a severe burden. I urge the Senate to adopt the Finance Committee substitute.

CORRECTION OF OMISSION IN FINANCE COMMITTEE REPORT

Mr. President, on page 135 of the Finance Committee report on the windfall profit tax bill, at the end of the additional views of a number of committee members, there should have appeared the following note, inadvertently omitted in the printing of the report:

NOTE.—Senators RIBICOFF, NELSON, MOYNIHAN, BAUCUS, BRADLEY, ROTH, DANFORTH, CHAFEE, HEINZ, and DURENBERGER have separate, additional views which go beyond the above statement.

Mr. DOLE and Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER (Mr. JOHNSTON). The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, I listened with interest to the distinguished chairman of the committee. I say to those who have not had the opportunity—I guess that is the correct word—to attend any of the 28 days we had in executive session on this bill, 80-some hours as I recall, it might be easy to find flaws and find fault, but I just say having been there all but 2 of those 80-some hours and having gone up and down the hill several times, as we all do in our own committees, the Senator from Kansas will just indicate that I believe the Finance Committee, despite the differences we have had on the Republican side and the Democratic side, both sides have come up with a good product, maybe not perfect in the eyes of some. I say to those, including Governor Reagan who cannot seem to come down on this particular issue, that there will be a tax. There should be a tax. I believe the industry in this country will accept a tax. I believe the Finance Committee has structured a tax that will properly address the needs as far as energy is concerned and also properly provide some incentive for the industry so we could go out and produce some more oil and gas and alternate fuels.

The Senator from Kansas will just suggest that everyone on the committee, Republicans and Democrats, have had a lot of input in the final product. There was total agreement in many areas. There was less agreement in other areas. And there was always the question of who came from producing States and who came from nonproducing States.

I am proud to come from a producing State where the average well produces 3.4 barrels a day, not very much, but we are happy to have it in the State of Kansas. It employs 15,000 to 20,000 people. It pales by comparison to Alaska wells that produce about 10,000 barrels per day. But in the State of Kansas we produce on an annual basis about 56 million barrels, which is enough to supply this country's import needs for about 1 week, not very much, but enough that we want to preserve it. We do not want to destroy the independent producer in my State and other States even though the amount of production is very, very small.

I am certain we are all going to have plenty of time to debate all the different issues, and I know there will be efforts to double the tax, triple the tax, take away all the profits, maybe even nationalize the industry. Who knows what may be dreamed up on this floor in the next 2 weeks?

I suggest that the recent crisis in Iran certainly adds to the importance of our serious consideration, positive consideration, and objective consideration of this or any other measure.

But I say to my fellow Republicans, I know there is a tendency to indicate that there should not be any tax, that there are not any windfalls, that we ought to speak for big oil. Not many have that view but some. I do not know what big oil is but it must be bigger than we have in Kansas. I just happened to read this story in the Post that Governor Reagan was trying to decide on how to come down on the windfall profit tax.

First, I suggest he read the committee report because it is an excellent job done by the combined efforts of the Tax Committee and the Finance Committee staffs. It would be very helpful for anyone to read that report.

I do not know of a bigger revenue-producing bill that has come to this floor in history. We are talking about a bill that may produce well over $500 billion. Now the Senator from Louisiana has been here longer than I have and is chairman of the committee. I do not know of any other bill that will produce this much revenue. Does the Senator from Louisiana?

Mr. LONG. I would put it this way: this is the biggest tax ever imposed on any industry.

Mr. DOLE. Right. I say to all those who write the stories, and some never showed up at the hearings, we are not talking about a small tax. We are talking about a $500 billion increase in tax on one industry and I used this House bill provision that says in no event shall the tax exceed 100 percent of net income. It is not how it works, but it is a pretty good line in a speech because many people in business sort of wake up when you mention 100 percent of net income. That is a pretty heavy tax.

But the Senator from Kansas understands that the easiest target in town next to Congress is the oil industry and they are an easy target, and you can just bleed them by the barrel.

We can tax and tax and tax the industry right out of existence, and then we can be more dependent on Iran and other stable countries for our supply. [Laughter.]

What may be happening in Iran today could be happening somewhere else next week or next month or next year. So I would just caution my colleagues in an effort to—I do not say—intentionally destroy the industry—that is not anyones purpose—but in the effort to increase the tax or double the tax or triple the tax we ought to keep this in mind.

There are some politics in this, not Republican or Democrat, but a lot of Presidential politics in this. I assume Senator KENNEDY will be visiting the floor from time to time with amendments. My minority leader may be visiting the floor from time to time with amendments, and I will be here to see that they are properly considered.

I would be happy to entertain any amendments from Governor Connally, from Gov. Jerry Brown, from Governor Reagan, and Harold Stassen, because I am certain everyone is focusing on this with a great deal of interest, because everyone can imagine being in the White House with all this money, which might happen if you are in the White House in the eighties, if you are fortunate or unfortunate enough to be the winner.

So it just seems to me there never has been a bill that deserves more serious consideration.

I believe, and I think the chairman would agree, that on balance the Senate Committee on Finance did very well. It has been almost 3 years since the energy crisis was declared by the administration to be the moral equivalent of war. Since that time, the country has failed to come to grips with our energy problems. We are doing a lot of things now in Congress. We are talking about an $88 billion corporation. That is $88 billion, $20 billion in the first phase and $68 billion in the second phase.

We are talking about billions and billions of dollars in this proposal for tax credits to stimulate production, to stimulate conservation. So it seems to me it is fair to say that Congress is really moving.

I hope the final product will mean more energy at lower prices, and more conservation in America. But there is no guarantee of that. There is no guarantee of that with the heavy tax imposed by the Senate Committee on Finance or with the heavier tax imposed by the House itself or the House Ways and Means Committee or some final product that may come out of the conference committee.

There is no question but that we have a problem, we have an energy shortfall. Much of it is due to Government policies of price control and excessive regulation. I guess the best political stance is to be for tight controls and low prices. We do not have the product, but if you have the product you could buy it at a low cost. That may make some political sense but I am not certain it really solves the energy problem.

We have foreign political instability and excess domestic demand that continue to threaten the very economic and social fiber of the country. The most recent developments in Iran are certainly disturbing. It does remain clear that we have no comprehensive policy.

I indicate, as the chairman has indicated, and I confess at the outset, that anybody who has any production in his State is somehow suspect. It does not have to be very much, but if we have any at all we should not be dealing with these issues because we are protecting an interest in our State.

Mr. LONG addressed the Chair.

(Mr. JOHNSTON assumed the chair.)

Mr. DOLE. Mr. President, I would be happy to yield to the Senator from Louisiana.

Mr. LONG. Along the lines the Senator was discussing, I have a chart here that was prepared by the Joint Tax Committee staff, and I believe the Treasury agrees with these figures.

What they show is that under the House-passed bill, estimated gross additional income to the industry by virtue of decontrol would be $994 billion—and this is over the 1980–90 period. The House bill would leave the industry $166.3 billion after taxes. That would be roughly 17 percent. So the Government takes 83 percent. Eighty-three percent, leaving 17 percent of this money to go back into producing more energy.

Since the regulations and gas lines of 1973, the Government policy has been to tax, tax, tax; regulate, regulate, regulate; talk, talk, talk.

All right. So here is the House-passed bill, where you begin to move away from some of the regulation and toward decontrol, but the tax would take 83 percent for tax, tax, tax; regulate, regulate, regulate; talk, talk, talk.

Under the committee bill the chart shows that out of a gross revenue estimated to be $1.025 trillion by 1990, the industry would be permitted to keep $313 billion or about 30 percent.

So when people talk about the profits of the industry, one should keep in mind that even under the committee bill the Government is going to take 70 percent. It would spend it in social welfare programs, and it would spend it in transportation and other areas the Government might think wise. But all this money is being taken away from production. Even under the committee bill, 70 percent of this money is taken away from production and put into Government spending programs.

One perceptive young man told someone who was doing a fine job for me as a press aide that he hoped the windfall tax would be defeated. This press man working for me—I am pleased to say a very able, talented man—said, "Why would you say that? You do not have any interest in oil." He said, "Because if those companies get the money they are going to spend it on producing more oil." He said, "If the Government takes it, the Government is going to fritter that money away in social welfare programs." Some of these programs are like what we just got through working on yesterday and have in the bill, programs to help people pay their heating costs. That is a noble program. The Senator voted for it, and so did I. The Senator played a very major part, he led the way to resolve the differences between the contending sides.

But, as he knows, worthy as that program is, it is going to increase the consumption of energy, it is not going to decrease it. It is not going to encourage conservation; it is going to pay money to low-income people so that they can buy more energy. I am for that. I am for easing the burden, spreading the burden evenly among the people to the extent we can. I voted for that and I am proud I did.

But a major priority should be on producing more energy. The independents, for example, testified they are putting back into production, into getting more oil, 103 percent of their gross revenue. They presented their facts and figures to back that up, and I have yet to see that challenged, even though it was discussed many times in the open committee meetings.

The Senator, I am sure, feels pretty much the way I feel, that when we take 70 percent of the money for the Government to use, for whatever purpose the Government finds in the national interest—largely we are thinking in terms of social welfare programs—and take 70 percent away from the producers, and only leave them 30 percent to put into protection, that itself is a heavy burden on the producers, those who go out and find more oil.

I ask unanimous consent to have printed in the Record at the conclusion of the Senator's statement this chart showing how the money, what percent the industry is permitted to keep, be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOLE. I think that is an excellent suggestion.

I think the Senator from Louisiana knows that the headlines will be in favor of those who want to double and treble the tax, because that is progress, I guess, if we really want to destroy an industry. I believe there are enough Senators on this floor, on both sides of the aisle, who will resist the efforts of some Senator, or the administration, to improve new taxes on newly discovered oil, or undiscovered oil. I ask the Senator, how can you have a windfall profit tax on oil you have not already discovered?

But from what I read, there may be a special administration tax proposed on new oil, on incremental tertiary oil, or even on stripper wells.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOLE. Yes.

Mr. LONG. My understanding is that before oil was discovered in the North Sea, there were more than 400 wells drilled out there by people trying to find something and only after 400 wells did they find something worth developing. Now they have found a little gas in the Atlantic, but for all we know there may be the most fabulous fields in the world to be discovered beneath the Atlantic Ocean. We have not drilled any 400 wells out there yet. We have drilled some wells, at great expense, but no 400 wells.

So far, with what little has been discovered there, selling it at $1,000 a barrel, or if what little gas is being discovered were selling at $250 a thousand cubic feet, 100 times what we are now paying, those oil producers still would not get their money back. It would take some verv fabulous discoveries out there, even with the high prices we experience at this moment, to justify the risk that has been taken; and those of us who believe in the American free market system believe that if all we are paying someone is what we would pay Iran for their oil, if they would sell it, or Saudi Arabia, or someone like Nigeria, Libya, or whoever, it serves a purpose to provide adequate incentive, so that under a free market system one would be encouraged to find more oil.

EXHIBIT 1

INCREASE IN OIL RECEIPTS AND TAXES UNDER DECONTROL WITH THE HOUSE-PASSED WINDFALL PROFIT TAX COMPARED TO THE FINANCE COMMITTEE SUBSTITUTE

[Calendar years 1979-90; billions of dollars]

	House-passed bill	Committee substitute
Gross increase in oil receipts	994.4	1,025.1
Costs of production induced by decontrol	−79.6	−87.4
Net increase in oil receipts before tax	914.7	937.7
Taxes and royalties on receipts before windfall profit tax:		
Increase in Federal royalties	17.5	18.1
Increase in State royalties	32.5	33.1
Increase in State income and severance taxes	101.2	103.7
Increase in Federal income tax	332.0	340.2
Net increase in oil receipts after taxes	431.7	442.6
Windfall profit tax:		
Net windfall profit tax	276.8	138.2
Decrease in State income tax due to deductibility	19.5	9.2
Decrease in Federal tax receipts due to reduced production	8.1	
Net increase in oil receipts after windfall profit tax	166.3	313.6

Mr. DOLE. I thank the distinguished chairman of the Finance Committee. Following along the line of what the Chairman suggested, if there were no windfall profit tax, the Federal Government would receive from an incremental $100, $45.02 in revenue from noncorporate producers and $39.37 from corporate producers. The State would receive on new revenue $13.16 from noncorporate producers and $14.42 from corporate producers. Therefore, with no windfall tax, $40.56 would be left for the corporate producers, and $47.47 for the noncorporate producers. With a 60-percent windfall profit tax on old oil, noting that the Finance Committee increased the tax rate to 75 percent, I hope that the Senate will roll back the 60 percent on the Senate floor. From the noncorporate producer, the Federal Government would receive $76.56 out of the $100, and the corporate producer would pay $68.25 to the Federal Government. Noncorporate and corporate producers would each pay about $13 to the State. Thus, even with the 60-percent rate, which is lower than the rate of 75 percent which the committee recommended, $20.61 would be left to the noncorporate producer, and $18.14 to the corporate producer.

If the Senate is going to discuss a so-called windfall profit tax, which will raise, under the committee bill, about $140 billion in the next 10 years in net windfall profits tax we will add a great deal of money to the Treasury. This is in addition to new money from the corporate income tax. There will be a tax. I say to my friends on both sides who do not want any tax, who are going to filibuster any tax that I do not think it is practical. I do not think there is any chance of achieving a filibuster. Even though the industry would prefer no tax, there is some justification for imposing a tax.

But our obligation is to leave some incentive for more energy production. That is why new oil was exempted from the tax by the Finance Committee. That is why, in an effort to preserve the small producing stripper wells, the committee reported an amendment, that protects the stripper wells producing 10 barrels of oil or less a day, where an independent is the operator. Such wells account for about 14 percent of our production.

The administration itself suggested the exemption of heavy oil, so it is not just a member on the committee who suggested that exemption from the tax. Incremental tertiary is exempt. I have no quarrel with some tax on so-called tier 1 oil and so-called tier 2 oil, but it seems to me that in the committee we may have gone a little far on so-called tier 1 or old oil.

The bill presented to the Senate today represents many weeks of work by the Senate Finance Committee. The committee held 28 days of executive sessions. As the ranking member of the committee, I wish to thank the distinguished chairman for all the courtesies extended to the Republican members of the committee and compliment him on the substance contained in the committee substitute. The committee version is one which the Senator from Kansas can and will support. Any major deviation from the committee bill will cause me to reconsider my position.

ENERGY CRISIS

Mr. President, no issue has been more confusing to Congress than energy.

It has been almost 3 years since the energy crisis was declared by the administration to be the moral equivalent of war. Since that time, the country has failed to come to grips with our energy problem. Instead, national energy policy has vacillated between leaderless drift and misguided emotionalism.

There is no question that the United States is facing a serious energy shortfall. Domestic crude production has been sluggish in recent years, much of it due to Government policies of price control and excessive regulation. Foreign political instability and excess domestic demand have and continue to threaten the very economic and social fiber of the country; the most recent developments in Iran are certainly disturbing. It remains clear that the United States has no comprehensive energy program and what program it does have is based on Government regulation, Government control, and Government manipulation.

NOT A PROFITS TAX

The administration has proposed a so-called windfall profit tax on the energy industry. The Senator from Kansas wants to be very clear that the committee substitute is not a tax on profits. Nowhere is the term, nor even the concept, of profits mentioned. Rather, the tax is an extremely complicated excise tax imposed at the wellhead on crude oil.

Even though domestic oil is under a phased price decontrol program, it is misleading to talk about "total price decontrol" of domestically produced petroleum. The windfall profit tax will perpetuate domestic controls through the tax system.

FEDERAL WINDFALL

Mr. President, the magnitude of this bill must not be underestimated. If one thing is certain, the crude oil tax of 1979 will generate enormous revenues for the Federal Government. This is clearly the largest tax bill which has ever been considered by Congress. Its impact will change the course of economic and social events of the country for decades to come. In the next 10 years, at least $138 billion will accrue to the Federal Government from the net windfall profit tax. This is in addition to the almost $400 billion that will be added to the Treasury because of the Federal income tax and increased royalty payments. Thus, the Federal Government will be the greatest beneficiary of any windfall profits that might be generated.

HOUSE BILL

The bill approved by the House of Representatives is harsh. It is more or less a rubber stamp of the administration's ill-conceived program, which will needlessly reduce domestic production. The action taken by the Finance Committee to reshape the bill makes it barely acceptable.

FINANCE COMMITTEE

Mr. President, the Finance Committee retained the basic structure of the House bill. However, the committee recognized, unlike the House, the need to minimize disincentives to produce more energy.

The committee took the following action which must be preserved:

Exempted from the tax newly discovered oil. In my opinion, this is the most significant provision in the bill. It is inconceivable there could be tax on oil not yet discovered. An exemption for newly discovered will maximize the incentive to explore and develop oil production. A tax on newly discovered is inconsistent with the decontrol of oil. A tax on it will deny to the American public reserves that could be produced at a free market price.

Exempted incremental tertiary production: Oil produced from tertiary or enhanced oil recovery projects should play a vital role in our total domestic energy picture. With the proper economic incentives, it is possible to double our current domestic reserves within a short period of time. The production-oriented action taken by the committee will help foster these infant recovery techniques and help produce oil that has been locked in the ground for years because primary recovery methods are proving inadequate.

Exempted from the tax the first 1,000 barrels of stripper oil produced by an independent: Many stripper wells are operated by the small independent producers, not major oil companies. These small producers tend to operate on tiny profit margins and, hence, these wells are quick to react to adverse economics. The so-called windfall profit tax would result in the plugging and abandoning of thousands of wells with producible oil forever locked within them. Since these wells serve as the principal resources for future potential enhanced recovery, this domestic crude oil source for the U.S. consumer will dry up rapidly if incentives are taxed away.

Mr. President, the committee has taken a position with regard to the tier 1 tax rate which I did not support. I hope the 75-percent tax rate on old oil could be modified.

Although my State of Kansas is a producing State, it has little old oil. Nevertheless, old oil is the backbone of our domestic production. Lower tier oil constitutes approximately one-third of our daily supply. Production of primary and secondary recovery oil in old oil fields has in many cases reached a point where the expenses of producing the oil are extremely high when compared with the revenues received from the market price. A heavy tax on old oil will cause premature abandonment of important oil production. At the very least, I hope the 75 percent tax rate will not be extended to other portions of the bill. It would be a mistake and a step backwards. A higher tax rate means that the American consumer will pay higher prices but can expect no more energy.

Mr. President, the Finance Committee's bill is complicated. It is, however, one of the most important domestic pieces of legislation ever considered by Congress. I hope we will turn toward private enterprise and away from more Government regulation.

I know there will be a lot of opportunities to speak on this floor for weeks; I assume it could take that long. I hope not, but it could.

I would also say, as I started to say earlier, that anyone who has production in his State, is suspect. There are some who think we have no right to stand up and defend an economic interest in our States.

Even in the State of Kansas, where the production is less than 3 barrels per well, and around 56 million barrels a year—it is in the interest of Kansas, and in the interest of the Nation, to preserve that production. The State of Kansas does not have much old oil, so I guess I could say, "Why not just tax old oil? We do not have any old oil in Kansas."

But old oil, or lower tier oil, constitutes about one-third of our daily supply. Production of primary and secondary recovery oil in old fields has in many cases reached a point where the expenses of producing the oil are extremely high when compared with the revenues received from the market price. A heavy tax on old oil will cause premature abandonment of important oil production. I am certain that no one wants that, and that no one will argue that that is what they seek to do when they seek to increase the taxes, but that will happen. I would hope that we could reduce the 75-percent tax rate, or change the declining curve on tier 1, to make that a little bit more equitable.

I would also suggest there will be numerous amendments to this bill perhaps, 50, 100, 200 offered during the course of the consideration of this legislation.

I also wish to touch briefly on the repeal of carryover basis which is contained in the committee bill. Carryover basis was added without any hearings in the 1976 Tax Reform Act. However because of the effect of carryover basis, the committee adopted an amendment sponsored by the Senator from Kansas and the Senator from Virginia (Mr. HARRY F. BYRD, JR.) to repeal the carryover basis. The repeal of carryover basis has been discussed before and referred to by some, such as the distinguished Senator from Massachusetts (Mr. KENNEDY), as the "ripoff for the rich." Nothing is further from the truth.

But it would seem to me that carryover basis is an area that will be addressed.

I would ask that a description of carryover basis and what an adverse impact it has be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CARRYOVER BASIS

1. Recordkeeping.—Carryover basis will impose severe recordkeeping responsibilities and proof of basis problems on taxpayers. Certainly it is easier to reconstruct the basis of an asset with an individual alive to assist.

2. Liquidity.—Many estates do not have ample cash to pay the estate tax. Because of the effect of carryover, once an estate has to sell assets in order to pay the estate tax, a compounding tax liability is created.

3. Levels of taxation.—Under stepped-up basis there is no income tax liability upon the sale or other dispositions of the assets by the estate or the beneficiaries of the estate. Carryover creates an additional income tax. In some cases the tax liability can be characterized as ordinary income rather than capital gains.

4. Fiduciary responsibility.—There are too many unanswered questions on how carryover basis will affect fiduciaries. For example, how does the fiduciary dispose of an asset that has differing basis and thus differing tax liabilities?

5. Economic lock-in.—Carryover perpetuates rather than solves the economic lock-in problem. Economic lock-in is caused by a taxpayer holding an asset until death to avoid tax on the appreciation. The Revenue Act of 1978, which lowered capital gains tax, has greatly diminished the lock-in effect. Carryover basis provides an incentive for the beneficiaries of an estate to hold it because under stepped-up, death purges all lock-in because the assets receive a new basis.

6. Equity.—Treasury has complained that the stepped-up system creates an inequitable tax result because decedents who hold assets are not required to pay income tax, whereas dispositions during lifetime are subject to tax. Of course, lifetime transfers are a voluntary effort. It is more of a problem to be discussed in law review articles.

7. Inflation.—Carryover basis is no more than an attempt to tax inflationary gains. It should be noted that the full value of the asset is included in the gross estate for estate purposes. There are some that feel that stepped-up basis is a way to equalize increase in value of assets due to inflation. This is particularly important to small businesses and farms that are held for long periods of time and subject to large inflationary increases.

8. Revenue.—The Treasury has stated in testimony that revenue considerations are not important.

9. Burden of change.—Congress should put the burden on Treasury to change stepped-up basis. Carryover basis was a mistake and should be repealed.

AMENDMENT NO. 627

Mr. DOLE. There is also another matter that I think can be resolved—dealing with the so-called independent contractor issue. I send to the desk an amendment and ask that it be printed. There is an effort, again by the Treasury Department, to make all those engaged in direct selling, insurance business, realtors, book salesmen, and others, to classify them employees for employment tax purposes, even though the workers have been independent contractors for years and years.

Again, many of us on the committee and in the Senate believe that is not the direction to go and we hoped to extend the moratorium contained in the 1978 Revenue Act for 1 more year.

I ask unanimous consent that that amendment be printed in the RECORD and I will be offering that amendment at the appropriate time.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 627

At the appropriate place in the bill insert new section ——; IN GENERAL.— Subsection (a) of section 530 of the Revenue Act of 1978 (relating to termination of certain employment tax liability for periods before 1980) is amended—

(A) by striking out "January 1, 1980" in paragraphs (1)(A) and (3) and inserting in lieu thereof "January 1, 1981",

(B) by striking out "1980" in the subsection heading and inserting in lieu thereof "1981", and

(C) by striking out "1979" in the heading for paragraph (3) and inserting in lieu thereof "1979 and 1980".

Prohibition against regulations and rulings on employment status.—Subsection (b) of section 530 of the Revenue Act of 1978 is amended by striking out "January 1, 1980" and inserting in lieu thereof "January 1, 1981".

● Mr. DOMENICI. Mr. President, one of the dilemma's of a period of high inflation such as we are experiencing today is similar to that experienced by the doughnut maker. If you try to skimp by making the hole larger, it takes more dough to get around it.

In the average household, the same problem surfaces in regard to savings accounts. With double-digit inflation there is no incentive for a family to have a savings account. Such an account, including the interest paid by the bank, diminishes in real dollar terms a percentage which is determined by subtracting the percent of interest from the extent of inflation.

In terms of debt credit the opposite incentive exists. Buy now and pay back later with cheaper dollars. And because of inflation whatever you purchase today will cost more tomorrow anyway. It almost seems prudent to withdraw all liquid assets and invest them in debt.

Statistics show these two trends to be happening today. Americans are deeper in debt in large numbers than ever before. Savings accounts in America also average $1,500 per person less than in European countries.

Mr. President, this amendment would provide a sound reason for maintaining a savings account.

This will allow the average family the opportunity to have a savings account—always a prudent investment to fall back on—and will also increase the capital available to banks.

Mr. President, every American family should have a small nest egg. It is a practical necessity and economically desirable.●

AMENDMENT NO. 628

Mr. DOLE. In addition, the Senator from Kansas has thought for sometime there was a way to satisfy the great majority of those who want to produce more energy. No one, at least as far as I know, believes that you do not have a right to make a profit in this country.

It seems to the Senator from Kansas that one way to address the issue would have been to require a plowback of revenues above a certain level of profits, if you are in the oil business to insure more production. This was an idea that the industry supported 2 years ago, but, for some reason, they no longer feel that it has a great deal of merit.

The Senator from Kansas believes the great majority of Americans might find this concept acceptable if they, in fact, understood and knew if industry profits reached a certain level, excess would be reinvested into the exploration for oil, gas, or some alternate source of energy.

I ask unanimous consent that that amendment be printed at this point in the RECORD. My amendment provides a production incentive credit against the tax for reinvestment along with an explanation of the amendment. There is still a very good chance that when the Senate completes this bill the conference could come out with some plowback provisions.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 628

On page 70, between lines 14 and 15, insert the following:

"SEC. 4994. PRODUCTION INCENTIVE CREDIT.

"(a) There shall be allowed to each person liable for the tax imposed by section 4986 for any taxable period, as a credit against such tax, an amount equal to one-third of the excess of the qualified development costs of such person for the taxable period over the production base of such person for such taxable period.

"(b) LIMITATION ON AND CARRYOVER OF CREDIT.—

"(1) LIMITATION.—The amount of the credit allowed under subsection (a) for any taxable period shall not exceed the amount of the tax imposed under section 4986 for such taxable period.

"(2) CARRYOVER OF EXCESS CREDIT.—If the amount of the credit determined under subsection (a) for any taxable period exceeds the limitation provided by paragraph (1) for such taxable period, 50 percent of the amount of such excess shall be carried to the succeeding taxable period and added to the credit allowed under subsection (a) for such succeeding taxable period.

"(c) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED DEVELOPMENT COSTS.—The term 'qualified development costs' means the amount paid or incurred by the first seller during the taxable period (with respect to areas within the United States or a possession of the United States) for exploration for, and development of, oil and gas, including, but not limited to—

"(A) intangible drilling and development costs (within the meaning of section 263 (c)),

"(B) geological and geophysical costs,

"(C) expenditures for the construction, erection, and reconstruction of depreciable assets used for the development of oil (including oil shale and tar sands),

"(D) expenditures for lease equipment, and

"(L) other costs for the drilling and equipping of wells,

but does not include costs for lease or land acquisition.

"(2) PRODUCTION BASE.—The term 'production base' means an amount equal to the excess of—

"(A) the average of the qualified development costs during the highest 12 out of the 20 taxable periods preceding the taxable period for which the determination is being made, over

"(B) one-half of the qualified development costs during such taxable period for exploration for, and development of—

"(i) certain Alaskan oil, and

"(ii) crude oil from Continental Shelf areas (within the meaning of section 638).

For purposes of determining under subparagraph (A) the qualified development costs for any period before January 1, 1980, each calendar quarter shall be treated as a taxable period.

On page 79, line 15, strike out "4994" and insert "4995".

On page 80, line 3, strike out "4995" and insert "4996".

On page 88, line 16, strike out "or 4992 (f), (g), or (h)" and insert in lieu thereof "4992" (f), (g), or (h), or 4994".

On page 89, lines 7 and 8, strike out "or 4992 (f), (g), or (h)" and insert in lieu thereof "4992 (f), (g), or (h), or 4994".

Mr. DOLE. The Senator from Kansas knows President Carter has indicated his opposition to plowback—I do not recall the exact term he used. However, I remember that he did not like it.

Everyone who is engaged in the political arena—and certainly everybody has that right and privilege to speak his mind, but I hope we could stick to the facts. Again, the way to get a reaction in America is to say there is not any shortage of energy and then condemn everybody who produces energy. Somehow make it appear to the voters of this country that if it were not for big oil or little oil, we would not have any problem. That may be good politics, but it is not very good energy policy. The temptation is great. The temptation is great for all of those, particularly those who seek the Presidency.

But it would seem to me that in our discussion of this legislation, which is probably going to have a far-reaching effect, more than any bill that this Senator can recall in my 19 years in the Congress, that we should approach the problem as objectively as we can, understanding that some people come from regions where there is no oil or gas products. However, remembering the States still have people who are concerned about keeping warm in the wintertime, concerned about energy independence, and concerned about domestic energy production.

If we can approach the debate on that basis and talk about the problem and address it with facts, then perhaps this body can move rather quickly on this legislation.

Mr. President, on another matter, I would like to add the distinguished Senator from Delaware (Mr. ROTH) as a cosponsor of printed amendment No. 620, the so-called savings amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. It is an amendment which provides a tax incentive for the people to save. This was introduced yesterday by four Republican Senators: Senators JAVITS, BAKER, DANFORTH, and the Senator from Kansas (Senator DOLE).

Under the amendment the interest earned on a savings account would be excluded from gross income up to a certain amount.

The amount excluded would be $100 per person and $200 per return—the same as the existing exclusion on dividends. In addition, up to $400 additional would be excluded for interest and dividends if the amounts are reinvested. Not only will people have more option in making use of their disposable income, but they will be encouraged to maintain part of their income in a form that will help provide for their future, and for our future as a nation. The amendment will channel funds into savings and investments, thereby providing the capital base we need for the future.

It seems to me that we have borrowed enough from the future. Now we have a chance to provide for the future and to give every American a good reason to invest in our economic development as a nation.

We all recognize that double-digit inflation is destroying the value of our citizens' savings and encouraging them to "buy now" rather than save. Recently, we acknowledged this problem by passing legislation that would phase out the limitation on the rate of interest that financial institutions can pay on savings accounts. Nevertheless, we continue to tax that interest in full, even though the rate of interest paid is usually far below the rate of inflation. It is no wonder that the savings rate in this country is one of the lowest in the world. Americans save only 6.5 percent of disposable income, compared to 25 percent for the Japanese, 15 percent for the west Germans, and 13 percent for the British.

This low rate of savings means that industry does not have access to sufficient capital for modernization and expansion. Our industry suffers in international competition. The amendment we offer today addresses this problem. I am glad to say that the amendment is cosponsored by the distinguished minority leader, Senator BAKER, and by the distinguished Senator from Missouri (Mr. DANFORTH), and the senior Senator from New York (Mr. JAVITS), and the Senator from Delaware (Mr. ROTH).

The amendment we propose provides a tax incentive for people to save. Interest earned on a savings account would be excluded from income, up to a certain amount. The amount excluded would be $100 per person and $200 per return—the same as the existing exclusion on dividends. In addition, up to $400 additional would be excluded for interest and dividends if the amounts are reinvested. Not only will people have more options in making use of their disposable income, but they will be encouraged to maintain part of their income in a form that will help provide for their future, and for our future as a nation. The amendment will channel funds into savings and investment, thereby providing the capital base we need for the future. We have borrowed enough from the future—now we have a chance to provide for the future, and to give every American a good reason to invest in our economic development as a nation.

This amendment will aid our taxpayers and aid our Nation. It is an idea we need now, when the wornout economic policies of the past are being discarded. It is innovative, but not radical. It is also a measure of fairness to our taxpayers, and I am pleased to present this amendment for the consideration of my colleagues.

I might add, as an aside, that this would be another way to address the present crisis in the housing industry, if we can encourage more people to save and make that money available for that industry.

The amendment would allow an incentive credit to offset the windfall profits tax if the increased revenues were put back into production. Essentially, a "production incentive credit" for qualified domestic exploration and development of oil and gas may be used to offset the amount of the energy tax. The production incentive credit is an amount equal to one-third of the "qualified development costs" over the "production base." This is to discourage the drilling of dry holes simply to reduce the tax liability. Qualified development costs include intangible drilling expenses, geological and geophysical costs, expenditures for the construction of depreciable assets used from the development of oil and oil shale, expenditures for lease equipment and other costs for the drilling and equipping wells. The production base is the average of the highest 3 out of the last 5 taxable years preceding the year for which the base determination is being made. The taxpayer in calculating the production base shall include only one-half of his qualified development costs for exploration and development of certain Alaskan oil and crude oil from the Continental Shelf areas.

Mr. DOLE. Mr. President, I am not certain what the schedule may be as far as whether there will be any action at all before Thanksgiving on this particular legislation. I have not discussed that with the chairman of the committee. But it would seem to me that, even if we did take up some amendments before Tuesday evening, we are looking at some time in December before the Senate can pass this bill. I do not know how anything else might be brought up on the Senate floor this year. This is not a responsibility of this Senator, but I would just suggest that it may mean that SALT II and other things might be delayed, because I just do not believe that we can conclude the debate and all the amendments on this legislation this soon.

Before I yield the floor I wish to say that the distinguished Senator from Delaware (Mr. ROTH) will continue his efforts to deal with the social security tax. He was successful in the Senate Finance Committee in establishing a trust fund. It would seem the responsibility is clear and the initiative is there. It has been provided by the distinguished Senator from Delaware (Mr. ROTH).

There are other Senators on both sides who have had a great deal of input in this legislation. I would hope that those members of the Senate Finance Committee who are on the floor and prepared to speak will be given the opportunity to do so, unless that meets with violent objection.

Mr. PACKWOOD. Would the Senator yield?

Mr. DOLE. I yield to the distinguished Senator from Oregon.

Mr. METZENBAUM. Mr. President, will the Senator——

Mr. DOLE. Does the Senator from Ohio have any problems with members of the Finance Committee speaking briefly before we yield the floor?

Mr. METZENBAUM. As a matter of fact, I think under the rules one Member may yield to another Member. I was on my feet prior to the recognition of the Senator from Kansas and the Senator from Kansas was recognized as the ranking member of the Finance Committee. However, I would like to be able to address myself to this subject. I think if all members of the Finance Committee are heard, I may not be able to be heard until much later.

Mr. DOLE. Well, I will only say that I believe Senator PACKWOOD would only want about 10 minutes and Senator ROTH, a member of the committee, wanted about 5 minutes.

Mr. PACKWOOD. I assure the Senator 7 minutes would be sufficient.

Mr. METZENBAUM. Is the Senator suggesting 6 or 7 minutes for Senator PACKWOOD and 5 minutes for Senator ROTH?

Mr. DOLE. I think that would be enough, though Senator ROTH is not in the Chamber. I ask that Senator PERCY be made a cosponsor of amendment No. 620. I ask unanimous consent that that be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I will yield the floor at this time.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. As we consider this bill, Mr. President, it is important to remember that what we are dealing with is an energy bill, not just an oil bill. What the Finance Committee was trying to do in the balancing of the taxes and the balancing of the credits was to find a way to produce the most energy possible, or to conserve the most energy possible.

In doing that, we had to make some long-term projections and estimates. We had to try to foresee how many people might put in solar hot water heaters in 1987 or 1988 if there was a 50-percent tax credit. Mr. President, that is a very speculative figure. There is no one who can exactly, with any assurance, tell us what the answer to that question is based upon a 50-percent credit.

Equally, there is no one who can tell you, Mr. President, how much more oil we will produce if we have a 3,000-barrel-a-day small producer exemption or a 1,000-barrel-a-day small producer exemption. No one can tell you how much additional oil will be produced because of that in 1987 or 1988.

All we can do is make the best estimates possible.

The interesting thing to note in many of the oil production estimates is the relatively slight difference in total production, varying all the way from continued controls on oil to the other end of no windfall profit tax and no controls.

In the area of old oil, there is almost no difference in the projections of how much oil will be produced under those circumstances.

In the area of new oil, tertiary oil, there are wider projections.

In many cases, however, in this bill, in considering some of the tax credits for alternative energy sources which would cause a loss of revenues to the Treasury, we had to weigh paying for those losses by a tax on oil, and we had to weigh how much the tax on oil might depress production as opposed to how much additional conservation or alternative energy might be produced by using the revenues from the tax on oil to offset the loss of revenues from the tax credits for solar or wind or geothermal. Admittedly the decision is not only speculative but it cuts across geographic lines.

If you are from a State that produces a great deal of oil, Mr. President, and the Finance Committee and perhaps subsequently the floor of the Senate decides to levy a tax higher than what you think desirable on the type of oil produced in your State, you are inclined to argue if that tax was not there we would produce 200,000 more barrels a day in this country.

That may be true. As I said earlier, no one can be sure but it may be true.

On the other hand, if the tax on that oil raises several billion dollars, and those revenues can be used to offset solar energy tax credits so that the same amount of money might produce, through solar energy, the equivalent of 400,000 barrels of oil a day, we have made a net increase in energy.

That is the balance that this committee had to try to strike all of the time.

There was, of course, one additional factor in our mind. People talk about the free market price of oil. We are not dealing with a free market. We are dealing with a monopoly market, a controlled price set basically by the OPEC countries. We are all fully aware that the bulk of the OPEC countries could make a very handsome profit on oil selling it at $5 a barrel.

So when in this debate you hear people talk about a market price, Mr. President, or a free market price, let us not confuse a competitive price in a free market with the kind of price that we now pay for oil.

Lastly, always keep in your mind, Mr. President, that even if we have a tax on oil or increase the tax on oil, and that might temporarily decrease production from certain kinds of oil fields, if we can produce more energy from other sources with that revenue that is a step in the right direction, and most importantly, it is a step that must be taken. One day, someday, oil will run out, and if we do not take the step now toward encouraging wind, solar, geothermal, and a variety of what are now called esoteric energy sources but which in a generation will be common energy sources, if we do not start that step today, it will be 1 day longer at the other end because sooner or later we have to start it.

I will conclude, Mr. President, by saying once again this bill was a balancing of interests. To those who are from oil-producing States and look at this bill solely as an oil bill, the taxes may seem higher on their constituents than they think justified. They may argue that it will depress the production of oil. On the other hand, that was not the only consideration that this committee could consider in trying to fashion this bill. Our estimates may not be right, they may not be exact, but I think in fairness we can say that no one else on this Senate floor has any better estimates of energy saved or production of oil increased or decreased than the facts that will be presented during this debate.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, as the Senate debates the windfall profit tax bill, I urge all of my colleagues to consider carefully the following points.

To date the debate has focused on those who want to "kick hell" out of big oil or those who want to "get in bed" with them. I fear we are being reduced to being either for big oil or against them. This is regrettable.

Unfortunately, the temptation to point with alarm and dismay is greater than the desire to consider and to act.

Taking a tough stand involves more than attacking big oil or defending the need for more production.

The question of whether it reduces our dependence on foreign oil should be the standard by which we measure a good program—not whether it will play in Iowa.

The next weeks should be less a platform for launching a Presidential campaign and more an opportunity to have a reasoned and responsible debate.

Simply put we need less rhetoric and more energy.

Mr. President, I regret that, 4 year ago, we had the opportunity to deal constructively with the problem of trying to make this Nation less reliant on foreign oil, but Presidential politics and the heat of the debate prevented Congress from coming up with a positive program.

Mr. President, I am not an energy expert but I am convinced that in developing a program, we have to recognize that we are running out of oil and gas. Having said this, it is nevertheless true that, for the next 10 to 15 years, we are going to be forced to rely essentially on domestic oil and gas and to develop policies that will strongly promote conservation. We are going to have to use this 10- to 15-year period and you can argue the number of years, to develop alternate sources of supply.

I, for one, am not willing to put all my eggs in one basket. I think, as we develop programs, we have to consider all alternatives—synfuel; other types of energy such as solar and gasohol; make our cars more efficient. I do not think any one approach can be said with certainty to be the correct one.

But I do hope that, as we move forward in the debate, the criterion on whether one votes for or against will be, as I said earlier, whether or not it helps this Nation become less dependent on foreign sources of oil and gas.

Mr. President, we have done a great deal in this legislation for all groups. We have exempted newly discovered oil from the tax, but we have raised the tax on old oil to 75 percent. We have provided incentives to develop alternate sources of energy such as shale, solar, and coal gasification. We have set up trust funds to promote mass transportation, to help the elderly and the poor. One of my principal concerns is that, until the closing days of consideration of this legislation in the Committee on Finance, very little was done to help the working people of America.

It is the working people of America who, frankly, are paying the higher price of oil and gas, who are paying the higher prices of inflation, who are paying the higher taxes resulting from social security increases and inflation. It seems to me imperative that we do something to recognize and help the middle class. It was for this reason that I proposed an amendment that would freeze, for 1 year the very substantial social security increases that are scheduled to go into effect in 1981.

I proposed that the way to do it was to use the increased revenue, windfall to the Federal Government, that was resulting from the decontrol of oil. I proposed that this extra income from taxes going to the Federal Government through decontrol should be used to freeze, in 1981, the higher payroll taxes that are now set to go into effect. I lost that amendment by a 10 to 10 vote, even though there was substantial agreement in the committee that my proposal had great merit.

As a result, I proposed that we create a taxpayer trust fund to pave the way to provide such relief to the working people. I am happy to say that that proposal was unanimously adopted by all Republicans and Democrats of the Committee on Finance.

Mr. President, I think this is one of the most important proposals in this legislation. Such diverse economists as Alan Greenspan, who was the chief economist for President Ford, to Walter Heller, who had the same function for President Kennedy, have agreed that we need some tax relief now; that a payroll tax freeze would be anti-inflationary in nature; it will help the working people who are going to struggle to pay for their home heating fuel bills and other energy costs; and that it is a most expeditious way of providing relief to all working Americans.

Mr. President, I shall have some other tax proposals during the consideration of this legislation to provide relief to the working people, but I just want to emphasize and underscore that I consider this taxpayer trust fund to be of critical importance as a means of paving the way for a rollback of the scheduled payroll tax increase.

I point out to those who are critics of trust funds that this is a matter strictly within the jurisdiction of the Senate Committee on Finance. We have jurisdiction over raising revenue, as well as the social security program. I intend to see that this language is continued or that, in some form, tax relief, payroll tax relief, will be given to American workers as part of this legislation.

Mr. President, I yield the floor.

Mr. METZENBAUM. Mr. President, in behalf of Senator KENNEDY, I ask unanimous consent that the following members of his staff have floor privileges during this debate: David Moulton, Paul McDaniel and Thomas Sussman.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Mr. MORGAN assumed the chair.)

Mr. METZENBAUM. Mr. President, I have heard a good deal of discussion this morning about the length of time the Finance Committee spent on this bill and I have heard a good many suggestions as to the amendments that are going to be offered to the bill. I have heard discussions as to how much the oil companies are going to be paying and how much they should be paying. I have heard about some of the Presidential candidates and their views with respect to this pending measure. The fact is, Mr. President, that we should not have any windfall tax bill because we should not have any windfall. The fact is that none of us would be standing here today, next week, and maybe the following week, debating windfall profits taxes if there were no windfall profits.

Those windfall profits come about by reason of one single stroke of the pen made by the President of the United States. By that one stroke of the pen decontrolling the price of oil, we find ourselves debating windfall profits and what should be done with those proceeds and how large those windfall profits taxes should be.

Mr. President, there is no logic, there is no reason, that this body should be present here today debating this issue.

As a matter of fact, if we were to have come to the floor to debate the question of a windfall profit tax, and if the administration had the strong commitment to an effective windfall profits tax bill that it talks about, then the President had within his hand the total power, the total leverage, to see to it that the Finance Committee would deliver to the floor of the Senate and the Congress, would deliver to him, a windfall profit tax measure that truly was an effective one.

As a matter of fact, on September 26 of this year I wrote to the President. I said:

DEAR MR. PRESIDENT: It is becoming more and more evident that enactment of a strong windfall profits tax is in deep trouble in the Senate Finance Committee. As many of us had predicted, it now appears that a much watered-down version of the bill will emerge from the Committee.

Later in the letter I said:

I would urge you to reconsider your decision to decontrol oil prices and reinstitute those controls as soon as possible. As you know, I do not agree with you on the issue of decontrol. But even assuming your position is unchanged, you could publicly announce that if and when an acceptable windfall profits tax is sent to you, you would put back in place your original order on decontrol. Unless you have the leverage which such a course of action would provide you, I feel certain that there is little hope that Congress will pass an effective and fair windfall profits tax.

Mr. President, I ask unanimous consent the entire letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., September 26, 1979.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: It is becoming more and more evident that enactment of a strong windfall profits tax is in deep trouble in the Senate Finance Committee. As many of us had predicted, it now appears that a much watered-down version of the bill will emerge from the Committee.

I am in total agreement with your contention that enactment of a strong windfall profits tax is absolutely necessary. Otherwise the oil industry will reap astronomical profits by reason of oil price decontrol.

However, the course of events in recent days in the Finance Committee does not bode well for the tax. Many of us fear the impact that decontrol combined with a weak windfall profits tax would have on the economy. (See the enclosed articles from the Wall Street Journal and the Washington Post.)

At the moment, we are seeing the tremendous effect that decontrol of heating oil and jet fuel has had on the prices of those products and the subsequent impact on the rate of inflation. Now, according to an article in the September 25th edition of the Washington Star, Energy Department figures show that some decontrolled domestic oil prices are rising significantly faster than the cost of imports. Instead of rising to the OPEC level, as was predicted, domestic prices in some cases are far above that level. (See the enclosed article from the Washington Star.)

In light of these developments, it is obvious that more and more funds will be drained from the American consumer and siphoned into oil company treasuries as decontrol becomes more total.

I would urge you to reconsider your decision to decontrol oil prices and reinstitute those controls as soon as possible. As you know, I do not agree with you on the issue of decontrol. But even assuming your position is unchanged, you could publicly announce that if and when an acceptable windfall profits tax is sent to you, you would put back in place your original order on decontrol. Unless you have the leverage which such a course of action would provide you, I feel certain that there is little hope that Congress will pass an effective and fair windfall profits tax.

Mr. President, I am convinced that this is the proper course to pursue and again urge you to take the necessary steps to relieve this burden on the American people.

Warm regards,
HOWARD M. METZENBAUM,
U.S. Senator.

Mr. METZENBAUM. Mr. President, no matter how we slice it, the bill before us today is legislation that never should have been. It is a bill to recover from the oil industry a part of the enormous unearned profit that the industry should never have been granted in the first place.

It is not a bill to tax the oil companies on their presently exceedingly high profits. It is a bill having to do only with the effect of decontrolling the price of oil.

Unquestionably, decontrolling the price of oil is, by far, the biggest giveaway in American history.

I heard discussion here this morning about the fact that this is the biggest tax bill in American history, but decontrolling the price of oil is unbelievably tremendous, gargantuan unbelievably large in size.

What we are talking about today, Mr. President, is the effect of crude oil decontrol, which is by far the biggest giveaway in American history.

What we are talking about with decontrol is a policy that uses price and price alone to allegedly conserve energy.

We are talking about a policy that once again requires the average family in this country to pay for the mistakes of government and industry. Under decontrol, the lower your income, the greater the impact of soaring prices on your family budget.

Decontrol, in other words, is the same thing as a regressive tax.

It is a policy that says to the poor and to the elderly that energy is something they can no longer afford. It says to the weakest and the most vulnerable members of our society that the main thrust of this Nation's effort to save energy is to price them out of the market.

And, Mr. President, we have in decontrol a policy that will depress—not increase—oil production in this country.

What holder of large oil reserves in this country will rush out to produce now—when he knows that OPEC, aided and abetted and assisted and encouraged by the oil companies of this country, will soon drive prices higher?

Every time the OPEC nations are increasing their prices $1 a barrel, American oil producers will reap in, rake in, that extra $1.

What incentive is there to produce when oil left in the ground is appreciating faster than any other conceivable investment?

I say that there is no incentive to produce. And I say that phased decontrol is a message loud and clear to our own producers to hold back, to wait, to do as little as possible until controls are completely off.

As a matter of fact, Mr. President, for those oil companies who are in a financial position to do so, even with passage of the windfall profits tax bill, they could very well understand that if they just hold back long enough, not too many years, until there is $127 billion in the Federal Treasury from the windfall profits tax, then there would be no further windfall profits tax, and it would be totally eliminated 34 months after that had occurred.

Right now, without full decontrol, the oil industry is enjoying record prices and startling profits. Yet in the first 9 months of this year—in the first 9 months of this year—oil and gas drilling declined by more than 5 percent from last year's level.

Who is there to say that the oil companies could not be producing more?

A report made by Sellman Brothers in the testimony before the House Ways and Means Committee indicated that even today the price of drilling and producing is between $3.75 and $5 a barrel. In 1978, the average cost to produce a barrel of oil in this country was $1.83.

So the oil companies have plenty of incentive to go out and drill and look for more oil. But the fact is that oil drilling was down in the first 9 months of this year and gas drilling was also down 5 percent.

As a production incentive, decontrol is a dead end street.

It is bad energy policy. And as economic policy, it is far worse.

We cannot solve the problem by just going around making speeches and having the administration make speeches and say, "Tax the hell out of oil firms."

As Mr. Alfred Kahn said the other day in a speech at the National Press Club that the question is not a matter of taxing the hell out of the oil firms. The question is, Why are we making it possible for the oil companies of this country to receive billions of dollars that will not produce any new oil, to receive billions of dollars that they are not entitled to, to obtain billions of dollars that they do not need?

Decontrol, Mr. President, is a policy that threatens to make double-digit inflation a permanent feature of American life.

According to the Treasury Department, decontrol will by 1990 cost the consumers of this country at least $1.1 trillion in new energy costs.

Mr. President, we deal in big numbers around here and when we talk about the American economy, we are always talking about big numbers.

But in spite of that, a trillion dollars, Mr. President, is an unimaginable sum.

With that amount of money, you could buy up all the assets of the Fortune 500, build the MX missile, and still have enough money left over to cover the first year of national health insurance.

You could pay off the entire public debt of the United States and with your change, you could fund the National Cancer Institute for more than a century.

You could build nearly 17 million $60,000 homes.

Or you could give a $5,000 check to every man, woman, and child in this country.

But, in fact, what decontrol will do is to extract $5,000 from each and every American over the next decade.

The little baby who first came to life this morning, who first let out its cry—maybe that little child should have been crying louder; because decontrol means that that little child, during the next 10 years, will be assessed $5,000 as the price of decontrol.

It means $500 a year for every elderly man or woman trying to get by on social security.

For a family of four, decontrol in the next 10 years will cost the equivalent of a college education.

No matter where that money goes—to the oil companies, to the Treasury, or to some combination of the two—there is no question at all about where it will come from.

It will come directly from the pockets of the American people. If they pray and if they hope and if they dream, and if circumstances make it possible, maybe some little portion of that trillion dollars might come back to them indirectly.

Today, we will begin consideration of how to dispose of that trillion dollars that has been given to the oil industry by one swipe of the pen by the President of the United States.

Senator Bumpers, Senator Kennedy, I, and other Senators will propose alternative ways to collect and spend these dollars, these taxes. A number of other Senators will have amendments pending. There will be much discussion and much debate and much crying for the oil companies, and there will be much crying for the consumers of this country. There will be discussion of what is fair and what is equitable.

But I repeat, Mr. President, that it is a tragedy that we have this bill before us today.

Decontrol is a fact of life that never should have happened.

The President of the United States should never have permitted it to happen, much less encouraged it, much less caused it to happen.

The Congress of the United States never should have accepted it. The Congress of the United States is too concerned about the oil industry of this country and not that much concerned about the American people and the American economy, or we would not have permitted it to occur.

All of us in this country will regret the day when this outrage, this abomination, this policy of decontrol, became our Nation's policy.

Mr. President, in connection with this matter, we have been talking about oil company profits, what they mean, and where they go. A very interesting and informative report has been prepared by the Citizen/Labor Energy Coalition, the Energy Action Educational Foundation, Tax Reform Research Group, and I ask unanimous consent to have it printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

Oil Company Profits: What They Mean and Where They Go

SUMMARY

This report examines the reported earnings of the major oil companies for 1978 and 1979, with special emphasis on the third quarter of 1979, as it reflects the recent OPEC price hikes. The report concludes that the major oil companies:

(1) Understate their actual earnings substantially;

(2) Are able to use their integrated international operations to show as "foreign earnings" profits which are derived from the sale of imported oil into the United States—and which therefore are paid for by American consumers;

(3) Invest less than half of their cash flow in new oil and gas exploration and development;

(4) Have a return on shareholders' equity substantially above the average for other U.S. industries; and

(5) Spend an increasing amount of their cash flow to acquire competing firms as well as non-energy producing companies.

The information collected and presented in this report is designed to provide the public with a clearer, more comprehensible, and more accurate grasp of the oil company profits.

HOW PROFITS ARE UNDERSTATED

The $6 billion in profits reported by the 18 largest oil companies for the third quarter represents a 103 percent jump from the third quarter of 1978, and the $15 billion reported by these companies for the first nine months of 1979 is up 71 percent compared to the same period last year. In comparison, profits for the 833 non-energy corporations analyzed by Business Week are up less than 9 percent for the third quarter, and 17 percent for the first nine months.

But these enormous jumps in earnings do not tell the whole story. In dollar terms, the record profits reported by the oil companies are actually understated very substantially. In fact, were the oil companies to report as expenses only the taxes they actually paid and were they to measure their earnings by less consèrvative accounting techniques, reported profits could be at least 50 percent higher.

PHANTOM TAXES

One of the major ways in which the oil companies understate profits is to report as expenses "phantom" taxes—i.e., taxes which are actually not paid due to tax loopholes.[1] In 1978, for example, the profits of 13 of the largest companies were understated by $2.4 billion in such "deferred" taxes. Had these non-payments not been deducted in computing net earnings, the reported profits would have been 22 percent higher. Similarly, Mobil Corp.'s reported profits for the first 9 months of 1979 would have been $316 million above the $1.4 billion it announced if unpaid taxes had not been deducted.

EXPENSED COSTS

A second means by which the major oil companies reduce their reported profits is by writing off exploratory and development costs immediately for unsuccessful wells. For example, if a company drills ten exploratory wells before finding oil, the cost of nine of the wells will be expensed, and the cost of only the tenth (successful) well capitalized. This "successful efforts" method is used by all the major oil companies. In contrast, many independent oil producers capitalize all their drilling costs and write them off over the life of their successful wells (the "full cost" method). They treat the cost of the nine dry holes as part of the expense of finding the successful well.

The reason for the difference in accounting techniques is rather simple. The independents have chosen a method which keeps reported profits high enough to attract outside capital. The majors, with virtually no need for outside funds, prefer to minimize their reported profits, in order to mitigate the political repercussions.

Because the "successful efforts" method of bookkeeping is more conservative, it is favored by most accountants. Many economists, on the other hand, believe that the "full cost" method results in a more accurate reflection of income.[2] The point is that, were the less conservative "full cost" method used, the reported profits of the major oil companies could be some 34 percent higher (based on 1978 data).

INVENTORY ACCOUNTING

Another way in which the oil companies are able to reduce their reported earnings is through an inventory accounting technique called LIFO—for "last-in—first-out."

The issue in inventory accounting involves how to compute the cost of goods sold. Until the early 1970's, most businesses used a common sense method called FIFO—for "first-in—first-out." In essence, this accounting convention assumed that a business draws on the products in its inventory in the order it acquired them. For example if a retailer buys 10 widgets for $1 each, later buys 10 more for $1.50 each, and then sells 10 widgets for $2 each, the FIFO assumption is that the first 10 widgets were the ones sold—yielding a profit of $1 each, or $10. Some companies used an alternative, under which the average cost is deducted. In the example, this method would yield a profit of 75 cents per widget, or $7.50 in total.

As inflation crept up in the 70's, many businessmen and accountants argued that FIFO and averaging led to overstatements of income because the deduction for the cost of goods sold did not keep pace with inflated prices. So a large number of businesses—including oil companies—began switching to the LIFO system. This convention assumes that the most recently acquired or produced goods are the first to be sold. In the widget example above, LIFO would result in a reported profit of only 50 cents per widget sold, or $5.00.

LIFO is defensible as an inflation offset, but it can lead to substantial understatements of income when the price of an inventory item jumps sharply ahead of the general inflation rate. For example, in 1973 the SuCrest Corporation, a sugar processor, would have had embarrassing record profits due to skyrocketing sugar prices. By switching to LIFO, however, the company was able to mitigate consumer ire (and eliminate its tax bill) by actually reporting a loss. The use of LIFO also results in significantly lower taxes for the oil companies.

The same thing has happened this year in the case of oil prices. When the world price of oil jumped from $14.50 a barrel to $18–22 a barrel, the value of the oil companies' inventories also increased dramatically. But much of this inventory gain did not show up in profits when the oil was marketed because the LIFO convention allowed the companies to treat the cost of replenishing their inventories as the cost of the oil sold.

For example Texaco, which just switched to LIFO this year, notes in its 3rd quarter report that its profits for the first nine months of 1979 were $401 million less because of LIFO—a 26 percent decrease. Overall, Texaco profits are understated by 33 percent (see chart).

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[1] Recently, Mobil attacked the Citizen/Labor Energy Coalition for mentioning that Mobil's 1977 tax rate on its domestic income was only 11 percent. In a nationally syndicated ad, Mobil claimed that its tax bill on its billion dollars in U.S. earnings was over 40 percent. The problem with Mobil's arithmetic as CLEC responded in a letter to the *New York Times*, is that the oil company added to the $108 million it did pay in taxes some $327 million in taxes it didn't pay because of various loopholes.

[2] See, e.g. Congressional Research Service, Library of Congress, Tax Provisions and Effective Tax Rates in the Oil and Gas Industry, 11–15 (1977).

An example of Texaco's profit understatement

	Million
Net income for 9 months ending Sept. 30, 1979*	$1,149.6
Dry hole expenses**	132.7
"Deferred" Income Taxes**	82.1
Switch from FIFC to LIFO for inventories outsde U.S.*	401.1
Total understatement	615.8
Total actual profit (Increase of 54%)	1,865.4

*Obtained from October 26, 1979, press release.

**Inferred from Texaco's 10Q for 6 months ending June 30, 1979.

FOREIGN VERSUS DOMESTIC EARNINGS

Reporting on their 3rd quarter 1979 profits, the major multinational oil companies claimed that most of the increase was due to higher foreign earnings—Exxon's foreign earnings up 145 percent; Texaco's up 230 percent; SoCal's up 69 percent; Mobil's up 286 percent; Gulf's up 87 percent. But, these statements are misleading on three grounds. In the first place, a significant portion of "foreign earnings" is derived from sales of petroleum in the U.S. Secondly, by diverting the public's attention to their foreign earnings, the companies were trying to downplay their substantial increases in their domestic earnings. Thirdly, the companies' overall earnings are indicative of the huge profits that they will reap from the decontrol of domestic crude oil prices. Just looking at a few of the larger companies, here is what happened to oil profits domestically:

[In millions]

Company	3Q 1979	3Q 1978	Percent increase
Exxon	$447	$377	18.6
Texaco	506	289	75.3
Mobil	209	158	32.0
Socal	225	138	63.0
Gulf	260	129	102.0
Total	1,647	1,091	51.0

These increases occurred while Exxon experienced "production volume declines . . . in the lower 48 states," while Texaco had "a 10.4-percent decline in gross liquids production; decreased natural gas sales volumes . . .," while Mobil's "U.S. gross crude oil and natural gas liquids production was flat . . .," while Socal's "crude oil and natural gas liquids production in the United States declined from 396,000 barrels per day last year to 383,000 barrels per day this year," and while Gulf's "U.S. production of crude oil and natural gas liquids continued to trail the year-ago level, declining 4.7 percent to 383,00 barrels per day from 402,000 a year earlier." In other words, with the possible exception of Exxon (because of Alaskan production), the companies produced the same or less oil domestically, while getting higher prices and profits.

That multinational companies have foreign earnings cannot be denied. But that all those foreign earnings are generated from foreign consumers is inaccurate. In the first place, between 25 percent and 30 percent of the oil entering world trade is imported into the United States. Of the oil imported into the United States approximately 25 percent enters as product and 75 percent as crude oil. About 45 percent of the nation's oil is imported, and the major importers are the major multinational companies. These companies import crude, most of which they buy under favorable long-term contracts and under arrangements where they benefit from the foreign tax credit. In addition, they all ship their oil in tankers which they own through subsidiaries based in tax havens like Panama and Liberia. And many of the companies, specifically, Exxon, Texaco and Socal, own and operate refineries in Caribbean tax haven countries.[3]

Finally, the substantial profit increases for the third quarter are but a taste of what is likely to occur under the President's decision to control U.S. crude oil prices. Oil companies whose average price in 1978 was $9.00 per barrel will see their price increase to anywhere between $25.00 to $30.00 per barrel—a total of $48 billion to $63 billion annually, most of which is profit.

REINVESTMENT LEVELS

In their newspaper ads, oil companies make the claim that a very high percentage of their net income is reinvested in energy exploration and production. These contentions are deceptive and misleading.

1. Expensed costs do not come out of net income.

A typical oil company claim in this area would be something like that recently put forward by Amoco: "We earned $603 million from petroleum domestically (in 1979). But we spent $938 million just for U.S. petroleum exploration and development."

By this reasoning, General Motors could say it spent more on wages than it earned last year. Would that seem unusual? Of course not, because the amount spent on wages is deducted from gross income in computing net earnings. The same is true for much of the oil companies' exploration and development (E&D) expenses. For 13 companies last year, some 27 percent of E&D were immediately written off. So the income reported was income after these very expenses were already deducted.

2. Even for capitalized expenditures, comparing investment levels to net income is not meaningful.

It is true that, in 1978, 13 of the major oil companies invested an amount equal to 93 percent of their reported profits in energy production. It is equally true, however, that an amount equal to 88 percent of reported profits went to dividends and non-energy investments. The reason that spending can total over 100 percent of profits is that net income is not equivalent to the funds available for reinvestment remaining after expenses.

What is available—after all expenses and taxes are paid—is called "cash flow." It consists of net income, plus depreciation, depletion, and amortization of capital assets, plus "deferred" taxes, plus net new debt, plus some miscellaneous items—all of which add to the revenues of the company. Or looked at another way: What a company has left after actual out-of-pocket expenses is "cash flow." To compute net income, the company then subtracts "book" items, such as depreciation and deferred taxes, and eliminates funds obtained from new borrowing.

In 1978, net income was only 45 percent of cash flow for 13 major oil companies. Depreciation, depletion, and amortization made up 36 percent of cash flow; deferred taxes, 10 percent; and miscellaneous, 13 percent. Net borrowing was actually negative (—4 percent of cash flow) for these companies; that it, they paid off more long-term debt than they incurred.

Of the almost $24 billion in cash flow enjoyed by these 13 companies, 42 percent went into exploration and production investments; 18 percent into other energy-related investments such as refining and marketing; 20 percent into non-energy areas; and the remaining 20 percent into dividends to shareholders. As a percentage of reported net income, dividends averaged 47 percent.

For comparison purposes, other manufacturing companies have paid an average of 20–23 percent of their cash flows and 37–40 percent of their net incomes in dividends in recent years. Thus, the oil companies' reinvestment level as a percentage of cash flow has been remarkably similar to that of other industries: As a percentage of net income, oil dividends have been somewhat higher than those of other companies.

(See attached charts for cash flow break down by company)

RETURN ON EQUITY

The one measure of industry profitability which cuts through most of the distortions in income and tax measurement employed by the oil companies is after-tax return on equity—profits divided by shareholders' investment and retained earnings.[4]

By this measure, the oil companies are showing tremendous profits due to the recent increases in world oil prices. In fact, the 18 largest oil companies' third-quarter profits represent a 23.6 percent annual rate of return on equity—over 50 percent above the average for all U.S. industry (about 15.5 percent).

18 largest oil companies' annualized return on equity, 3rd quarter 1979

	Percent
Exxon	21.6
Texaco	24.7
Mobil	24.0
Socal	26.3
Gulf	20.6
Amoco	22.8
Shell	17.9
ARCO	21.8
Phillips	19.2
Conoco	28.8
Sun	21.6
Getty	22.0
Union Oil	14.9
Sohio	59.3
Citgo	16.6
Amerada Hess	30.2
Occidental	51.0
Marathon	22.0
Composite	23.6

Even this enormously high figure (equivalent to a 44 percent annual pre-tax return for someone in the 46 percent tax bracket!) understates the profits from the crude oil production segment of the integrated oil giants—the segment which is the most profitable of their investments and which will become so much more lucrative with decontrol of domestic crude oil prices.

Most of the oil companies do not want to

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[3] In 1974, with the help of internal Socal financial documents, the Senate Subcommittee on Multinational Corporations showed how the major multinational oil companies could manipulate the foreign tax credit to minimize U.S. tax liability and could through internal transfer pricing charge themselves higher prices for foreign crude. This had the dual result of increasing the profit margin in the foreign subsidiary and increasing the "cost" to the U.S. subsidiary. (See Multinational Oil Corporations and U.S. Foreign Policy, Report to the Committee on Foreign Relations, 2 January 1975, pp. 165–172). While there have been changes in the foreign tax credit and other tax loopholes, the basic structure and operations of the major multinational oil companies remains the same, and to the extent integrated companies do not engage in arms-length negotiations in the sale of oil, it is only logical, on the basis of the foregoing evidence, to assume that these companies continue this method of maximizing "foreign earnings."

[4] The return on equity calculation tends to correct for income understatements in the long run because the denominator of the fraction—primarily retained earnings—will tend to be understated to about the same degree as is the numerator—current earnings. For example, a check of 14 oil companies for 1978 by the Tax Reform Research Group found that return on equity was not significantly affected by correcting earnings and shareholders' equity for "deferred" taxes.

reveal the data on their crude oil profits (just as the American Petroleum Institute, the industry's lobbying arm, will not give out return-on-equity figures for the third quarter of 1979), so the statistics are rather sparse. But Exxon's 1978 annual report does include a breakdown of profits by segment. The figures indicate that the exploration and production side of the business generated a 25 percent return on equity last year—almost double Exxon's overall 1978 return, which was dragged down by indifferent refinery profits and losses in non-oil areas.

Although Mobil's annual report is not so generous with information (it does not break down energy profits into segments, nor does it provide clear data on return on equity even in the overall energy area), the information which is provided suggests that Mobil's return on U.S. energy investments (including refining) last year was already over 20 percent.

Similarly, return-on-equity data for independent companies engaged only in the domestic production side of the oil and gas business show that this segment of the oil industry is already very profitable. Third quarter data for nine publicly-held independent producers reveal an average annual return on equity of 23 percent even under price controls on domestic crude oil.

Annualized return on equity for selected independent oil and gas production companies 3rd Quarter 1979

	Percent
Superior Oil	34
Louisiana Land & Exploration	25
Mesa Petroleum	10
Houston Oil & Minerals	24
Pogo Producing Co	19
Inexco	10
Southland Royalty	44
Apache	12
Supron	21
Composite	23

With decontrol of domestic crude oil prices, which President Carter in June 1979 began phasing-in, the returns on the production side will increase dramatically.

STOCK PRICES

Another measure of industry profitability—stock prices—also shows a dramatic jump in the oil companies' financial situations this year. Since the beginning of this year, the price of the stocks of the 18 largest oil companies has gone up by an average of 43 percent—for a total increase in the value of the stocks of over $36 billion.

18 LARGEST OIL COMPANIES' STOCK PRICES AND PERCENTAGE INCREASE

Company	Dec. 29, 1978	Nov. 9, 1979	Percent increase
Exxon	$49.13	$56.63	15.3
Texaco	23.88	28.00	17.3
Mobil	34.69	49.75	43.4
Gulf	23.38	33.25	42.2
Socal	46.88	55.00	17.3
Amoco	56.63	78.75	39.1
Shell	32.13	47.13	46.7
Arco	56.88	73.38	29.0
Phillips	31.63	44.00	39.1
Conoco	28.13	43.50	54.6
Union	28.44	42.00	47.7
Sun	42.50	61.75	45.3
Getty	37.75	65.50	73.5
Sohio	42.50	76.25	79.4
Citgo	53.88	76.00	41.1
Amerada Hess	27.44	39.38	43.5
Occidental	15.75	24.75	57.1
Marathon	27.38	43.75	59.8
Average	36.61	52.25	42.7

The 18 largest oil companies have approximately 2.325 billion shares outstanding. Multiplying by the averages results in a total value of these oil company stocks as of December 29, 1978 of $85.1 billion, and a total value as of November 9, 1979 of $121.5 billion. This year's increase in the value of the 18 largest oil companies' stock amounts to $36.4 billion.

INCREASED CASH FLOW MEANS MORE MERGERS AND ACQUISITIONS

During the third quarter of 1979:

Exxon purchased Reliance Electric for $1.087 billion in cash;

Mobil invested 37 percent of its 9-month worldwide capital budget to buy a competing oil producer, General Crude Oil Company, for $800 million;

Shell spent $3.65 billion in the largest cash takeover in American history to acquire the Belridge Oil Company;

Getty offered in October over $630 million to acquire Reserve Oil and Gas Company.

These most recent acquisitions and mergers come on the heels of Gulf's purchase of Kewanee, Mobil's acquisition of Marcor (Montgomery Wards'), ARCO's merger with Anaconda Copper, Standard of Indiana's obtaining Cyprus Mines, and attempted takeovers by Sun Oil of Becton Dickinson and by Occidental of Mead, Inc.

Because of the staggering increase in cash flow, particularly from the sale of crude oil, petroleum products, and natural gas, major oil companies—in the words of a highly-regarded financial analyst—are floating into the 1980s "on a sea of cash." With this cash, they are not simply investing in additional oil and gas exploration, but are buying up reserves of coal, uranium, oil shale, and geothermal steam resources, as well as other oil, energy-resources, and non-energy companies.

In the recent court case involving the Securities and Exchange Commission, Sun Oil, and Becton Dickinson, it was revealed that Sun had developed a so-called "beachhead" strategy as a plan by which Sun would use its "$1 billion in *excess* cash flows" (emphasis added) targeted for investments to aquire chunks of companies at about "the 30-ish (percent) kind of levels."

Such a strategy is apparently shared to varying degrees by all the major oil companies as they search for ways to dispose of their "excess cash flows."

CASH FLOW—1978

	Exxon	Texaco	Mobil	SoCal	Gulf
Sources:					
Net income	$2,763	$852	$1,126	$1,106	$791
Depreciation, etc	1,678	970	890	622	826
Deferred taxes	402	271	239	79	210
Net new debt	(121)	(137)	(22)	(236)	155
Other	1,175	212	(74)	22	229
Total	5,897	2,168	2,159	1,593	2,211
Uses:					
Energy production	2,295	863	814	788	943
Percent	(39)	(40)	(38)	(50)	(43)
Other energy	1,077	332	464	175	391
Percent	(18)	(15)	(22)	(11)	(18)
Other	998	425	425	195	506
Percent	(17)	(20)	(22)	(12)	(23)
Dividends	1,527	548	456	435	371
Percent	(26)	(25)	(21)	(27)	(17)
Total	5,897	2,168	2,159	1,593	2,211
Percent	(100)	(100)	(100)	(100)	(100)
Addendum: Expensed exploration costs	775	200	282	306	401

	Amoco	Arco	Phillips	Conoco
Sources:				
Net income	$1,076	$804	$710	$451
Depreciation, etc	912	661	460	394
Deferred taxes	229	330	75	131
Net new debt	(67)	(141)	(133)	125
Other	108	111	442	114
Total	2,258	1,765	1,554	1,215
Uses:				
Energy production	1,208	530	605	591
Percent	(54)	(30)	(39)	(49)
Other energy	293	278	191	137
Percent	(13)	(16)	(12)	(11)
Other	347	668	573	320
Percent	(15)	(38)	(37)	(26)
Dividends	410	289	185	167
Percent	(18)	(16)	(12)	(14)
Total	2,258	1,765	1,554	1,215
Percent	(100)	(100)	(100)	(100)
Addendum: Expensed exploration costs	496	250	251	81

	Getty	Sohio	Cities Service	Marathon	Totals
Sources:					
Net income	$328	$450	$118	$197	$10,772
Percent					(45)
Depreciation, etc	248	412	182	167	8,422
Percent					(36)
Deferred taxes	161	130	23	73	2,353
Percent					(10)
Net new debt	(22)	(488)	88	36	(963)
Percent					(−4)
Other	63	415	193	122	3,132
Percent					(13)
Total	778	919	604	595	23,716
Percent					(100)
Uses:					
Energy production	503	379	164	302	9,985
Percent	(65)	(41)	(27)	(51)	(42)
Other energy	170	325	241	207	4,281
Percent	(22)	(35)	(40)	(35)	(18)
Other	16	124	113	20	4,730
Percent	(2)	(14)	(19)	(3)	(20)
Dividends	89	91	86	66	4,720
Percent	(11)	(10)	(14)	(11)	(20)
Total	778	919	604	595	23,716
Percent	(100)	(100)	(100)	(100)	(100)
Addendum: expensed exploration cost	271	21	231	87	3,652

OIL COMPANY PROFITS—3D QUARTER, 1979

	1978	1979	Percent increase	Return on equity (percent)
Additional companies:				
SoCal (4th largest)	$274	$576	+110	26.3
Union Oil (13th largest)	93	106	+14	14.9
18 company composite			+103	23.6

EFFECTIVE FEDEPAL INCOME TAX RATES ON DOMESTIC INCOME FOR SOME OF THE LARGEST OIL PRODUCERS

[In percent]

	1977	1978
Exxon	21.8	
Standard Oil of Indiana (Amoco)	32.8	
Mobil	10.8	25.1
Arco	1.7	6.6
Texaco	15.2	14.1
Gulf	20.5	5.1
Conoco	25.9	20.0
Getty	32.2	27.4
Marathon	15.9	14.8
Weighted average	20.4	18.8

Source: All rates computed by the Tax Reform Research Group based on 1978 SEC 10-K reports, except Exxon and Amoco, which are based on the average of figures in Congressman Vanik's Corporate Tax Study for 1977 and the June 12, 1978, Tax Notes.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WALLOP. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. Mr. President, at the outset of this debate, I express my thanks to the distinguished chairman of the Finance Committee, Senator Long, and the ranking minority member, Senator Dole, for the leadership and guidance they have provided through these long and difficult deliberations on this bill. They faced a difficult task, and the results of their efforts are well demonstrated in the improvement which the Finance Committee was able to make in the bill sent from the House.

Before delving into the nature of those improvements and the nature of the problems we are addressing in this measure, I shall speak to some of the misconceptions that may exist regarding the windfall profits tax legislation.

Let us first begin to recognize what this tax is and what it is not, who it will hurt and who never will pay one cent of this excise tax.

First, as will be said many times during this debate, the windfall profits tax bears no relationship to profits. As an excise tax imposed at the wellhead, the tax will be applied uniformly on a domestic oil company, whether its property is making large profits, or no profits at all.

Secondly, if we are trying to punish the international oil companies for the profits they are earning from overseas, and I trust we are not yet so jaded, this tax is totally ineffective. The tax will do nothing but perpetuate the business circumstance which makes it more profitable to explore for, produce, and import foreign oil than it is to invest in our domestic energy security.

It should be clear that the windfall profits tax will impair the profitability of domestic oil companies compared to the international oil companies. Since international firms derive a significant proportion of their profits from foreign source crude, they will have an advantage relative to domestic oil companies. Foreign production profits will not be subject to this additional tax.

This bias in favor of foreign oil will be especially defined during the time period domestic producers will continue to compete under the disadvantage of crude oil price controls while paying the tax at the same time. Such controls will not be completely phased out until October 1981. The combination of the tax and the controls will result in reducing incentives to fully produce known domestic crude oil reservoirs, which means greater dependence on imported crude oil.

Furthermore, as crude oil prices are decontrolled, the domestic refiners will be at an added disadvantage with respect to crude costs. Higher U.S. operating costs as well as environmental and transportation regulation will mean that refined product prices will be less attractive business ventures compared to those in foreign source products. This again will reduce the incentives necessary for the development of the domestic oil supplies, resulting in increased not, sadly, decreased, dependence on imported refined products.

The windfall profit tax will not be the only factor that adversely impacts the profits of our domestic oil companies relative to the internationals. Some internationals have access to contract crude oil at prices as low as $18.00 a barrel.

The United States is vulnerable even at the present time because of its dependence on the unstable foreign crude oil supply. By eroding the profitability of domestic firms relative to that of the international companies through a windfall profits tax, or other means, this vulnerability will be perpetuated. Enacting this tax will not only seriously disadvantage domestic oil companies but will also diminish the incentives necessary to achieve self-sufficiency with the most immediate prospect for relief, and that is from domestic oil.

Again, let me point out that there is a fraud being played on the American public. The windfall profits tax will not touch 1 cent of profit derived from producing or brokering oil from overseas, and that is the profit picture which has created the hysteria in the White House and the hysteria in the press.

Much of the confusion over the windfall profits tax stems from the hysteria so lovingly described in the media over the third quarter profit earnings of the major international oil companies. The announcements of third quarter earnings of the large oil companies are having an impact on national energy policy that no sensible person could have imagined, even just a few weeks ago.

The widespread assumption that the American people are somehow being ripped off is causing us to rush into legislation. We are expected to do something, do anything, and to do it in a hurry.

Meanwhile, Mr. President, hardly anyone—certainly no one in the administration—has taken an informed look at those earnings.

It is important to ask, what is the source of those profits? In most cases, profit growth came with a jump in foreign earnings. In the case of nine large oil companies that reported their earnings in considerable detail, foreign operations accounted for 85 percent of the profit growth. How does that constitute a ripoff of the American people? If ripoff is indeed there, it becomes one that is paid by the citizens of Japan, and the citizens of Europe.

Similar third quarter earnings are being reported by major international German and Japanese trading companies. Oddly enough, the Germans and Japanese do not scorn their international companies for the profits they earn in international commerce. They welcome the repatriation of overseas profits, recognizing that it helps their balance of payments and capital formation efforts. It is no coincidence, I suggest, that we are running balance-of-payments deficits against the Japanese, the Germans, and indeed worldwide.

Aside from the fact that these profits are earned largely on overseas operations, there is a need to bring the magnitude of those profits into perspective. Take a look at their profit margins. Despite the fact that the 22 largest companies recorded large profit increases, their profit margins were the same as those of leading nonoil companies.

In the first 9 months of 1979, the oil companies' and nonoil companies' net income averaged 6 cents of each dollar of revenue. In the prior year's 9-month period, the oil companies' net income was 4.4 cents per dollar of revenue, compared with 5.9 cents for nonoil companies.

Mr. President, I submit that our energy problems are not solved, but only exacerbated when we evoke images of oil profiteers controliing our energy future. Another concept that is too often misunderstood is the definition of the oil industry. Unfortunately we have developed in the press and in our own political minds an image of the oil industry as a monolithic, single-minded diabolical force which sets monopoly prices, creates gas shortages at whim, and seeks every opportunity to rip off the American public. This simplistic conspiracy theory approach to viewing our energy industry has yet to outlive its usefulness to politicians who need a whipping boy, but it has if we are to responsibly view the nature of our problem. The mindless rhetoric about the oil industry as a monolithic force must be put to rest if we are going to look at this legislation sensibly.

We have to remember that the oil industry is more than Exxon, Mobil, the other seven sisters and major international companies. The oil industry is also composed of some 10,000 independent producers who drill over 90 percent of the exploratory wildcat wells and produce 50 percent of the Nation's oil. Even among independents, there are significant differences between incorporated and unincorporated operators, especially in the tax treatment they receive. The oil industry is also composed of oil brokers who sell to retailers who again redistribute and sell oil or oil byproducts. Unfortunately, each time a small oil wholesaler hoards his supply or cheats a retailer on price, it becomes another example of an "industry" ripoff. Again, the media takes pains to conjure up the image of a monolithic oil industry cheating and lying to the American people.

Unfortunately, we can no longer afford to live with the popular mythology that assigns blame to the oil companies for our present energy problems. Our energy problems are of our own political making. No conspiracy of oil was ever involved in the series of policy blunders that leave us in the humiliating state of dependence we face today.

Mr. President, I believe it is relevant to the legislation before us to look at the benchmarks on the road to American energy dependence. In 1960 OPEC was founded with the specific intent of controlling production levels and increasing revenues of the oil producing countries. At that time the United States was importing only 18 percent of its total oil consumption.

In 1966 oil and gas leasing was suspended on Federal lands, commencing a policy of denying access to potential domestic energy supplies and consequently started a trend of cutting our own energy supplies. In the following years domestic consumption of petroleum producing fuels exceeded U.S. petroleum producing capacity. This was the first step toward true dependence on foreign oil. The Tax Reform Act of 1969 reduced the percentage depletion for oil and gas, causing domestic exploration drilling its sharpest decline since World War II.

In 1971, price controls were placed on crude oil. At that stage of our energy history, total U.S. drilling had dropped to 27,000 wells, from a high point of 58,000 wells in 1956. Please keep in mind that in 1971, we were dependent on foreign producers for only 25 percent of our crude oil needs.

By 1972, our consumption and production situation had taken an ominous turn. For the first time since World War II the United States was producing crude oil at maximum capacity. In other words, at this time there was no spare domestic capacity to cushion the supply impact of foreign supply cutoffs.

In 1973, we were all witness to the Yom Kippur war in the Middle East which triggered the Arab oil embargo against the Netherlands and the United States. For the first time, millions of Americans waited in gasoline lines caused by the oil cutoff. It is tragic that this last summer 6 years after the Arab oil embargo, Americans are still facing gaslines and threat of oil disruptions from overseas.

Nothing had been learned from this experience. In 1975 Congress repealed percentage depletion for about 85 percent of the oil and gas companies. Again petroleum fuels were singled out for punishment while more than 100 other extractive industries were left unscathed. In the same year, Congress passed the Energy Policy and Conservation Act, extending crude oil price controls until October 1981.

At this time, our dependence on foreign oil supplies had increased to 42 percent of our petroleum needs.

In February 1976, the Federal Energy Administration reduced domestic crude oil prices by about $1.50 a barrel; in July froze them, and in December, reduced them by another 20 cents per barrel. In the same year Congress adopted the Tax Reform Act of 1976—retroactively imposing a punitive tax on cash expenditures by domestic oil and gas producers for intangible drilling costs.

In October 1978, after almost 2 years of debate, Congress enacted the Natural Gas Policy Act (NGPA), embodying the most complex regulatory system ever imposed on an American industry, and extended regulation for the first time to the intrastate natural gas market. The act imposed Federal controls on 100 percent of U.S. gas production for the first time.

This year, we have again suffered from supply disruption, triggered by political turmoil in a Middle Eastern nation. Again we witnessed the futility of government controls, as the Federal gasoline allocation system was unable to cope with the shortages.

To his credit, President Carter announced the phased decontrol of oil prices. With decontrol, the Carter administration acknowledged that the oil industry needed increased incentives to explore for and produce domestic oil. They argued that price decontrol will provide such incentive, but that decontrol will lead to windfall profits that must be taxed away from the oil companies.

On one hand, the President insists that the oil companies need incentives to produce and that it is the private sector that can help the Nation produce its way out of this situation. In the next breath, the President attacks the same companies for profiteering and cheating the American people. Is there any reason to wonder why the American people are confused? How can they both be true?

As we enter this debate on the merits of a windfall profit tax America is importing more than 45 percent of its energy needs, and our bill for these imports will be over $65 billion.

In order to act on this legislation imposing a tax on domestic oil production it may be useful for all of us to refresh our memories about the origin of this tax and how it has developed. Back in April 1979 President Carter provided a tax the President desired and what he planned to do with the tax revenues.

Mr. President, I ask unanimous consent that at this point in the RECORD there appear a reprint of the President's April factsheet on the windfall profit tax and energy security trust fund.

There being no objection, the factsheet was ordered to be printed in the RECORD, as follows:

FACT SHEET ON THE PRESIDENT'S PROPOSALS FOR THE WINDFALL PROFITS TAX AND THE ENERGY SECURITY TRUST FUND

The President today transmitted to the Congress a Message setting forth the detailed specifications for his proposed windfall profits tax and the Energy Security Trust Fund.

THE WINDFALL PROFITS TAX

In order to prevent U.S. oil producers from reaping unearned excessive profits from the phased decontrol of U.S. oil prices, the President has proposed a 50% windfall profits tax. The tax will recapture, for use in an Energy Security Trust Fund, windfall profits associated with:

Decontrol of lower tier oil (also called old oil) which now sells for just under $6 per barrel;

Decontrol of upper tier oil, which is now price-controlled at approximately $13 per barrel; and

Revenues which oil producers would receive if the world market price of oil increases in real terms.

The tax recaptures between now and October 1, 1981, $2.4 billion of windfall profits resulting from decontrol. To maximize domestic oil production, the President's decontrol program also provides significant new incentives for the nation's producers.

The tax is designed as follows:

It is an excise tax which is imposed on domestic production of crude oil. It would become effective on January 1, 1980.

It is a single tax imposed at a rate of 50% on windfall profits occurring at three levels: lower tier oil released to the upper tier; upper tier oil to the extent its selling price exceeds the current base control price plus inflation; and all other oil to the extent its selling price exceeds a market incentive base price ($16.00 as of January 1, 1980).

Lower tier level: The tax per barrel at the lower tier is equal to half of the difference in price between the current controlled price of lower tier oil and the actual sales price of that oil at the wellhead. The volume of oil taxed at this level is the amount freed to the upper tier price at a rate faster than 2% per month. The tax at this level phases out by May 1983.

Upper tier level: The tax per barrel at the upper tier level is equal to half of the difference in price between the controlled price of upper tier oil and the price at which it is sold. Beginning in November 1986, the base for this level of the tax will begin to increase in monthly increments such that by January 1990 the base is equal to the market incentive base price and this tax level will have been phased out.

Market incentive base price level: The market incentive base price on the effective date of the tax is $16 per barrel. This base price will be adjusted thereafter for inflation on a quarterly basis. The tax per barrel at this level is equal to half of the difference in price between the market incentive base price and the price at which oil is actually sold.

The tax applies to all the lower tier oil except that which qualifies as marginal under the Department of Energy's April 5, 1979 rulemaking and is released to the upper tier level, and that which is released to the upper tier level to provide financing for eligible enhanced recovery projects. There are no exceptions to the tax for any oil at the upper tier level.

With respect to oil selling at uncontrolled prices (e.g., stripper well oil, newly discovered oil, and incremental new production from tertiary recovery projects) the tax applies to revenues above the market incentive base price level. Oil from northern Alaska will not be subject to the windfall profits tax. This exception is required since the transportation costs of bringing this oil to market are high, and the actual price received at the wellhead by northern Alaska producers is significantly below the market incentive price level.

THE ENERGY SECURITY TRUST FUND

The Energy Security Trust Fund will receive the revenues from the windfall profits tax, as well as the additional corporate income taxes paid in 1980, 81, and 82 which result from decontrol. The Administration will request an appropriation as soon as the windfall profits tax is enacted. The revenues in the Fund will be used for three basic purposes:

Up to $800 million annually for assistance to low income households to offset additional petroleum costs resulting from decontrol;

Up to $350 million annually for energy efficient mass transit purposes; and

A range of energy program initiatives designed to reduce U.S. dependence on imported oil over the longer term. Initiatives include those set forth in the White House Fact Sheet of April 5, 1979, and additional initiatives, for long-term energy R&D, conservation, and energy-related environmental R&D, which Fund revenues will support.

The Energy Security Trust Fund programs will be undertaken only if the windfall profits tax is enacted and only to the extent that the Trust Fund can finance those programs in full. Expenditures from the Trust Fund will be subject to the normal authorization and appropriations process.

PRELIMINARY ENERGY SECURITY TRUST FUND ESTIMATES [1]
(BASE CASE [2])

[In billions]

	Fiscal year—		
	1980	1981	1982
REVENUES			
Windfall profits tax revenues	$0.4	$1.8	$3.0
Additional resources [3]	1.0	2.2	3.0
Total	1.4	4.0	6.0
BUDGET AUTHORITY AND TAX EXPENDITURES			
Spending Initiatives			
Assistance to low income households	0.5	0.8	0.8
Additional assistance for mass transit	.2	.3	.3
Energy supply and conservation investments:			
Tax expenditures [4]	.1	.2	.4
Budget programs—White House Fact Sheet	.6	.2	.1
Budget programs—To be defined [5]	0	2.5	4.5
Total energy supply and conservation investments	.7	2.9	4.9
Total (budget authority and tax expenditures)	1.4	4.0	6.0

[1] All spending is contingent upon the enactment of a windfall profits tax sufficient to cover the full cost of each initiative.

[2] Base case revenue estimates are based on constant real world oil prices; the high OPEC price case assumes 3-percent annual real growth in world oil prices.

[3] Additional resources are based on estimates of the additional producer income taxes paid as a result of decontrol for fiscal year 1980–82. Estimates assume a 40-percent marginal tax rate on additional producer and royalty income (before imposition of the windfall profits tax). Increased drilling would result in lower tax rates. Average producer tax rates are now about 30 percent.

[4] Tax expenditure cost estimates are based on the President's proposals.

[5] Energy programs for the level of funding shown have not been defined in detail. It is anticipated that they would include petroleum substitutes, conservation, research and development, energy related environmental R. & D., etc.

Note: Detail may not add due to rounding.

PRELIMINARY ENERGY SECURITY TRUST FUND ESTIMATES [1]
(BASE CASE)

[In billions]

	Fiscal year—		
	1980	1981	1982
BUDGET OUTLAYS AND TAX EXPENDITURES			
Assistance to low income households	$0.5	$0.8	$0.8
Additional assistance for mass transit	0	.1	.2
Energy supply and conservation investments:			
Tax expenditures [2]	.1	.2	4
Budget programs—White House Fact Sheet	.1	.2	.2
Budget programs—To be defined [3]	0	1.2	2.4
Total energy supply and conservation investments	.2	1.6	2.9
Total spending	.8	2.5	3.9
Fund balance	.6	2.1	4.2

[1] All spending is contingent upon the enactment of a windfall profits tax sufficient to cover the full cost of each initiative.

[2] Tax expenditure cost estimates are based on the President's proposals. Reimbursement of the general fund for lost revenue associated with these tax expenditures will be accomplished by adjusting windfall profits tax revenues before they are credited to the fund.

[3] Energy programs or the level of funding shown have not been defined in detail. It is anticipated that they would include petroleum substitutes, conservation, research and development, energy related environmental R. & D., etc. Outlay estimates are illustrative.

Note: Detail may not add due to rounding.

PRELIMINARY ENERGY SECURITY TRUST FUND ESTIMATES
(HIGH OPEC PRICE CASE)

[In billions] [2]

	Fiscal year—		
	1980	1981	1982
REVENUES			
Windfall profits tax revenues	$0.4	$2.5	$4.7
Additional resources [3]	1.0	1.7	3.2
Total	1.5	4.2	7.8
BUDGET AUTHORITY AND TAX EXPENDITURES			
Spending Initiatives			
Assistance to low income households	.5	.8	.8
Additional assistance for mass transit	.2	.3	.3
Energy supply and conservation investments:			
Tax expenditures [4]	.1	.2	.4
Budget programs—White House Fact Sheet	.7	.1	.1
Budget programs—To be defined [5]	0	2.8	6.3
Total energy supply and conservation investments	0.8	3.1	6.7
Total (budget authority and tax expenditures	1.5	4.2	7.8

[1] All spending is contingent upon the enactment of a windfall profits tax sufficient to cover the full cost of each initiative.

[2] Base case revenues estimates are based on constant real world oil prices; the high OPEC price case assumes 3 percent annual real growth in world oil prices.

[3] Additional resources are based on estimates of the additional producer income taxes paid as a result of decontrol for fiscal year 1980–82. Estimates assume a 40-percent marginal tax rate on additional producer and royalty income (before imposition of the windfall profits tax). Increased drilling would result in lower tax rates. Average producer tax rates are now about 30 percent.

[4] Tax expenditure cost estimates are based on the President's proposals.

[5] Energy programs for the level of funding shown have not been defined in detail. It is anticipated that they would include petroleum substitutes, conservation, research and development, energy related environmental R. & D., etc.

Note: Detail may not add due to rounding.

PRELIMINARY ENERGY SECURITY TRUST FUND ESTIMATES [1]
(HIGH OPEC PRICE CASE)

[In billions]

	Fiscal year—		
	1980	1981	1982
BUDGET OUTLAYS AND TAX EXPENDITURES			
Assistance to low income households	$0.5	$0.8	$0.8
Additional assistance or mass transit	0	.1	.2
Energy supply and conservation investments:			
Tax expenditures [2]	.1	.2	.4
Budget programs—White House Fact Sheet	.1	.2	.2
Budget programs—To be defined [3]	0	1.3	3.2
Total energy supply and conservation investments	.2	1.7	3.8
Total spending	.8	2.6	4.8
Fund balance	.7	2.3	5.3

[1] All spending is contingent upon the enactment of a windfall profits tax sufficient to cover the full cost of each initiative.

[2] Tax expenditure cost estimates are based on the President's proposals. Reimbursement of the general fund for lost revenue associated with these tax expenditures will be accomplished by adjusting windfall profits tax revenues before they are credited to the fund.

[3] Energy programs for the level of funding shown have not been defined in detail. It is anticipated that they would include petroleum substitutes, conservation, research and development, energy related environmental R. & D., etc. Outlay estimates are illustrative.

Note: Detail may not add due to rounding.

Mr. WALLOP. Mr. President, as indicated in the White House factsheet, when the President proposed his tax in April, by the administration's own estimates the tax would have yielded only $5.2 billion over the 3-year period. This was when the admiinstration was still employing near-term revenue projections rather than engaging in the ridiculous exercise of making revenue projections over the next decade. Over the same 3-year period the Finance Committee bill raises $4.5 billion in 1980, $11.8 billion in 1981, $15.1 billion in 1982, a total of over $30 billion over the same 3-year period. Not a very proud record in this Senator's mind, but it hardly appears so stingy as the President shrilly suggests.

There can be no denying that the administration read the mood of Congress correctly when he made the next move. It recognized that Congress would not enact a tax raising funds of such large magnitudes without knowing how the revenue would be spent.

Keep in mind that the President's April energy message showed us how he would spend only $5 billion in windfall profits tax revenues. The sudden jump in OPEC prices in June meant that the President had to find some other means of explaining the need for the tax.

It became necessary to rationalize the coming Federal windfall and so the President came down from the mountain with a proposal to spend $142.2 billion. President Carter proposed to spend a billion dollars each for tax credits on unconventional natural tar and the development of oil shale, $5 billion for utility oil use reduction, $2 billion for residential and commercial conservation, $26.5 billion for transportation efficiency, $24 billion for low-income assistance, and $3.5 billion for a solar bank and accompanying tax credits. The programs amounted to only some $55 billion, only a third of the windfall coming to the Treasury. Faced with the need to explain the need for even more revenue, the administration came up with the $88 billion Energy Security Corporation. All told, the President's program called for spending $142.2 billion over the next 10 years.

I might add, Mr. President, that at that time the President of the United States was counting on using some of the extraordinary windfall which will accrue to the Treasury out of the increased corporate and personal income taxes as a result of decontrol.

The House dutifully responded to the request of the President and passed a tax even more burdensome than the one originally proposed by the administration. Again, the House disregarded the arguments that the tax would reduce domestic oil production. The call from the White House was that the President needed $144 billion to address the energy needs of the Nation, and the House gave him a tax that would reduce domestic production by some 2 million barrels per day by the mid-1980's.

The President seemed pleased with the House-passed windfall bill which provided him with only $105 billion over the next 10 years. The difference between the $105 billion raised by the House tax and the $142 billion requested by the administration was to come from general corporate taxes which would be increasing as a result of decontrol. It is important to point out that at the time of its passage the House bill, which was met with words of praise by the President, raised $105 billion in net windfall revenues. They thought they passed a tax of $105 billion; they know they passed a tax of $105 billion and they were satisfied with a tax of $105 billion.

The Finance Committee bill, on the other hand, consciously will raise $138.2 billion in net windfall taxes, which is $135 billion more than the House thought it would pass, and boasted that it would pass, yet it is characterized by the President in scornful and undignified tantrums.

The end result of the Finance Committee bill is that it raises enough revenue to meet the funding requirements of the programs requested by the President. Now the President is charging that we have "stolen" the revenue he needs to fund his energy programs. The fact is that the Finance Committee bill provides more revenue than the President's original plan. The revenue from the Finance Committee bill also exceeds the revenue estimates of the House bill when it was passed in June of this year.

I acknowledge the fact that the Finance Committee bill has achieved its revenue target by assuming a more realistic assumption of world oil prices. A $30-per-barrel estimate for imported oil is far more realistic than the $22 base used by the Ways and Means Committee. But allow me to take you one step further into the arithmetic of the windfall tax. Assuming a $30 base price for imported oil, it is true that the House bill would raise a net $276.8 billion in windfall profits taxes compared to the $138 billion in the Senate Finance Committee bill. This cannot be denied. But I pose the question to the Senate: Can anyone tell me how the administration plans to spend $276 billion over the next decade? In April the President was able to rationalize the spending of $5 billion to meet our domestic energy needs. When the President came down from the mountain at Camp David he was able to tell us how he plans to spend $142 billion. But what does this administration or future administrations plan to do with the rest of the money raised if the House version of the windfall profits tax were enacted?

The President has failed to tell us how he plans to spend the other $135 billion that would be earned by the House bill. And he has yet to describe plans for the $300-plus billion he will reap in addition to his windfall tax under corporate and individual income taxes.

By any stretch of the imagination, $276 billion in 10 years is an awesome amount of money. And I might add that even with inflation fighter Mr. Kahn at work, the increase in the inflationary figures from $5.2 billion to $278 billion from April to November is a pretty impressive record.

As serious legislators, how can we contemplate handing over $276 billion to this administration or any administration without having any idea how half of the funds are going to be spent? Can anyone tell me why the Government deserves to reap this embarrassing windfall if they cannot even explain how it is to be spent? If anyone is going to ask for a heavier tax on domestic oil than the tax provided in the committee bill, I must ask him how he plans to spend the funds.

The administration's insistence that it needs the total revenue from the House windfall tax demonstrates that the program is not intended to address our energy transition needs but more sinister plans are afoot. This tax, like all tax increases or new tax proposals, is designed to help the administration increase spending, not just for energy development, but for the variety of spending programs that neither they nor we in Congress want to control.

One of the reasons why the administration has trouble with the Finance Committee bill is that it has a structured phase out of the tax.

The committee bill commits the Nation to a windfall profit tax with a limited revenue goal and a specific policy purpose. The bill is designed to raise funds to be used to encourage energy conservation, mass transit, synfuels production, and help Americans make the transition from an era of low-cost energy. The phaseout provision provides a guarantee that the tax will raise adequate revenues while avoiding the consequences of establishing a permanent tax.

There is no reason to establish a tax that raises more revenue than is actually needed to address these identified problems of the Nation. If we need revenue to fund other programs, unrelated to our energy problems, Congress can consider raising taxes, establishing a new tax or reimposing an oil excise tax. The windfall tax should not be established to fund an expanding Federal Government or shelter future administrations from the national cry for greater fiscal responsibility.

The criticism directed at the Finance Committee bill is an indulgence in reckless rhetoric or a profound failure to understand our Nation's energy problems. The $138 billion in revenue generated by the Finance Committee windfall tax proposal is in line with the President's requests for his energy program, yet the President has characterized the finance bill as a ripoff.

I might add, Mr. President, that a permanent tax designed to ease the Nation's transition from a subsidized energy economy to a true cost energy economy cannot syntactically ever be justified. You cannot be in transition forever.

I suggest a greater ripoff would be an additional and unnecessary $134 billion tax on the domestic oil industry which will only yield less domestic oil production and more imports of tax-free foreign oil.

What are the results of this legislation? First, we must recognize that this tax ends any hope of doing away with the maddening complexities that were created by crude oil price controls. After the enactment of the windfall profit tax, the oil industry will still be faced with multiple categories of oil, decline curves, different base prices, and variable tax rates. In other words, the mindboggling complexity of the crude oil price control system will continue under the new tax we are placing on domestic oil. There should be no one who thinks that we are actually decontrolling oil.

All we are doing through phased decontrol and the imposition of a windfall profits tax is replace price controls with a tax mechanism that limits returns and controls prices of producers. The same complexities are present in the new proposal, and we continue to provide the same disincentive to domestic production. All we are doing is changing agencies—instead of imposing price controls through the Department of Energy we are imposing controls on the returns to producers through a tax administered by the Internal Revenue Service. In the long run they are undoubtedly even more cussedly ignorant of energy needs than is the Department of Energy.

Secondly, a windfall profit tax exposes America to still more dependence on foreign oil over the next 5 years. It is crucial to understand the time frames involved in developing oil. By exempting newly discovered oil, the Finance Committee has taken an important step toward reducing our dependence on foreign oil in the mid- to late-1980's. But even under the best circumstances, new oil reservoirs cannot be discovered, developed, and flow to refineries for 5 or more years.

The new oil exemption is needed to help our supply situation in the late 1980's. But it will do nothing to help us in the near term. Wishing will not make it so.

One of the most disheartening aspects of the committee's action, and, indeed, the President's and House versions, is that they somehow leapt over the energy production and supply problems of the early 1980's without so much as a backward glance. And a glance in any direction would display most of the near-term solution right here within our shores.

In the immediate future, domestic oil production can only be increased by allowing properties to realize the benefits of decontrol. Lower and upper tier properties could provide the most immediate response to improved prices. Imposing a 60-percent tax on upper tier oil, a harsher levy than the one originally proposed by the President, will reduce the incentive to develop these properties to their full potential. Penalizing lower tier oil with the 75-percent tax and a 1.5-percent decline curve will only end hopes for increased production from these properties, but will also cause the premature abandonment of oil wells. How painfully shortsighted. In fact, it is stupid to sacrifice relief on the altar of political masochism.

Lower tier oil represents the properties discovered prior to 1973, and has the highest production decline rates among the major categories of oil. The production objectives for this category are similar to those for stripper wells. Investments must be made to arrest or slow the production decline in each well. The adoption of a 75-percent tax and a 1.5-percent decline curve on tier I oil will give producers virtually no incentive to reduce the declining oil production.

The Congressional Budget Office has prepared a report comparing the House and Finance Committee windfall profit tax bills. The study states:

> The Senate Finance Committee bill results in no more lower tier oil over the 1980–1990 period than would have resulted under continued controls.

The consumer is the one who reaps that bitter harvest.

How is it that the administration can promise more production from decontrol, and then endorse a tax that assures no more oil production? How is it that an administration can propose decontrol, and then endorse amendments to increase the tax on tier II oil? Does the administration want to see all the production effects of decontrol destroyed by a higher tax? I puzzle when the administration professes an interest or concern for our energy problems then supports a level of taxation to remove all incentive for domestic oil production.

I am forced to ask, if the administration decontrols oil but places a punitive tax on that oil which removes the production incentives, what good does it do? The answer of course is that it does a great deal of good for the U.S. Treasury. It is the U.S. Treasury and the agencies that benefit from increases in Government spending that will reap the windfall from crude oil decontrol. But the poor public is once again brutally deceived by men seeking to appear tough.

Under the Senate bill, the Federal government reaps $138 billion in windfall revenues, $478 billion in increased corporate and personal income taxes resulting from decontrol, and its share of the $51 billion of Federal and State royalties. All told, the combined effects of decontrol and the finance windfall profits tax bill will reap over $650 billion during the next 10 years. Is there any wonder why this administration, faltering so miserably on its promise to balance the budget, is now proposing decontrol and the windfall tax. In the name of heaven how much is enough for this Government hog? Can anyone fill it?

The most tragic part of this tax is the cruel hoax that has been played on the American people. The American public was told that it must put up with the price increases resulting from decontrol. They were told by their President that decontrol would result in increased production. The combined impact of decontrol and a heavy windfall profit tax will mean that the consumer will pay more for energy and get less of his own country's God-given supplies.

If the American people feel that they have been deceived, it is because they have been.

The PRESIDING OFFICER. Under the previous order, the Senate must at this time return to the consideration of Senate Resolution 277.

Mr. WALLOP. Mr. President, I appreciate the Chair's reminding me of that fact.

The PRESIDING OFFICER. The Chair would point out to the Senator from Wyoming that this debate is limited to 10 minutes. If the Senator wishes to continue immediately after the debate, the Chair will be happy to recognize him.

Mr. WALLOP. I appreciate the Chair's thoughtfulness, but I have completed my statement.

CAMBODIA RELIEF

The Senate resumed the consideration of Senate Resolution 277 relating to the commitment to ease the human suffering in Cambodia.

The PRESIDING OFFICER. The Chair recognizes the Senator from New York (Mr. JAVITS).

Mr. JAVITS. Mr. President, I yield 4 minutes to the Senator from Tennessee (Mr. SASSER).

Mr. SASSER. I thank the distinguished Senator from New York for yielding to me.

Mr. President, this is an important moment in the worldwide effort to provide humanitarian relief and assistance to the famine and disease-ridden people of Cambodia. Today, the United States will express unified support, in my judgment, of the drive to allow food, medical supplies, and deliver equipment to a dying race, and we will seek to overcome political barriers, indeed, to ignore political differences, in an effort to achieve what I think is a very humane goal. This is the most appropriate aim for modern civilization.

Many of us said years ago, in reviewing the terrible human atrocities and tragedies that took place in Europe during the Second World War, that this would never happen again. On this floor, we said, "Never again." And, Mr. President, this is an opportunity for us to prove that we, indeed, did mean that. Because, inside Cambodia and on the borders of Cambodia, a race of people is dying. The Khmer people who populated Cambodia in 1969 were numbered at 8 million. Today, their number stands at no more than 4 million. And of the 4 million remaining, hundreds of thousands are teetering on the very edge of starvation. Every day tens of thousands perish—men, women, and children—from starvation, from the ravages of malaria, amebic dysentery, and tuberculosis.

I have spoken many times here on the Senate floor since my return from Southeast Asia. The distinguished Senator from Missouri (Mr. DANFORTH), my able colleague from Montana, Senator BAUCUS, and myself will continue to speak out on the horrors that we witnessed, and we will continue to work toward the removal of the roadblocks that are preventing international assistance from being delivered to this desperate and dying people.

The citizens of this country all across this great land—public officials and citizens alike—have seen the grotesque photographs and have heard the horrible stories of human deprivation. It is incumbent upon us in this Congress and in the administration to keep the momentum moving, and to help bring the weight of the world opinion to bear on this crisis. And this is important. For we must let others know that, we must let the authorities who presently control Phnom Penh, control Cambodia, know that what is happening there will not happen in the dark, it will not happen in a closet; that the full glare and the full spotlight of world public opinion will be brought to bear and we will be watching.

So, Mr. President, I am honored to be a cosponsor of the sense of the Senate resolution. It is a vital factor in the reaffirmation of our determination to succeed. People and governments worldwide will join with us in this commitment.

I wish to pay tribute, Mr. President, to the distinguished Senator and able ranking minority member of the Foreign Relations Committee for the interest that he has taken in this very, very important matter.

Mr. JAVITS. I thank the Senator from Tennessee (Mr. SASSER).

Mr. President, I yield out of the time of Senator CHURCH 4 minutes to the Senator from Rhode Island (Mr. PELL).

Mr. PELL. I thank my friend from New York.

Mr. President, as a cosponsor of this resolution, I wish to add my voice to those urging its passage. Since 1975, millions of people have been uprooted and displaced by the political and military turmoil in Indochina. In human terms, individuals in Vietnam, Laos, and Cambodia have been cruelly driven from their homes, separated from their families and loved ones, and senselessly persecuted and starved by their governments. In political terms, the influx of hundreds of thousands of refugees into neighboring countries of first asylum has had a serious destabilizing effect throughout the region.

In Cambodia, there has been a catastrophe of unfathomable proportions. Indeed, what has happened to that gentle and peaceful people is comparable only to the wholesale elimination of the Jewish population of Europe by the Nazis. In 1975, the population of Cambodia was 8 million. Today, it is approximately 4 million. Without an effective and massive relief effort, the population could conceivably be reduced to less than 1 million. Not since plague, war, and pestilence scourged Europe during the 14th century has any country sustained a death toll comparable to that of Cambodia.

Mr. President, this catastrophe—this holocaust—cannot be recounted just in these mind-numbing, almost unbelievable statistics. It must also be told in direct human terms. There is hardly a family in Cambodia today that has not suffered the loss of one or more of its members. In many families, there are no survivors. The catastrophe must also be told in terms of the vignettes of horror of the 4 years of Khmer Rouge rule and of starvation along the Thai border. This is a land whose government chained small children together and buried them alive with bulldozers. This is a land where the survivors—those who have made it to the relative safety of Thailand—are often too weak to continue. None of us, I think, can escape the haunting images of hollow-eyed children with bloated stomachs and matchstick limbs. This human catastrophe is all the more tragic because it is so avoidable. The food for the children of Cambodia is there. The facilities to transport the food are there. The will to deliver the food is there. The people of Cambodia are dying for one reason, and one reason alone—the unwillingness of certain governments and certain parties to allow in the necessary food and medicine.

In this context, the sentiments expressed in Senate Resolution 277 are extremely important. It is imperative that all levers of international pressure be applied to the various parties within and without Cambodia to permit unrestricted assistance to the suffering people of Cambodia. Humanitarian efforts should not fall victim to Sino-Vietnam policies.

My own view is, as I stated on the floor of the Senate on October 30, that if the Cambodian Governments do not cooperate in the proposed relief efforts, the United States should organize a massive airdrop reminiscent of the Berlin airlift.

No matter how the assistance gets in, the various parties in Cambodia must understand that the world will not allow any government to starve to death an entire nation. That is the purpose of this resolution and I strongly urge my colleagues to vote for its passage.

Mr. JAVITS. Mr. President, in concluding the argument for the resolution, on the part of Senator Church, myself, and the cosponsors. I wish to again pay tribute to the three Senators, whom I again call our heroes, who have seen the hollow eyes, bloated bellies, and matchstick limbs of these very, very unfortunate people whom we are trying to help save.

Mr. President, I point, again, at the responsible party, which is very heavily the other superpower, the Soviet Union. I do not wish to in any way castigate it or denounce it. I only say that it can be of very material help. And it should be very clear to the world when it does what it is very capable of doing, to wit, opening up the channels. The world is ready to supply the food, the money, the personnel, the trucks, the airplanes, the ships. Open the doors of Cambodia is my message to the Soviet Union, if you want to earn—not just have, but earn—the title of the other superpower on Earth.

Mr. President, I hope the Senate will pass this resolution unanimously.

● Mr. HATFIELD. Mr. President, the immense scope of the suffering now confronting hundreds of thousands of Cambodians tears at the soul of us all. At times like these, when confronted with the imminent starvation of a generation of a nation's people, political considerations pale before the humanitarian challenge awaiting our action.

I therefore urge, along with other Members of the Senate, that every possible effort be made to help meet food and medical needs desperately required at this moment in Cambodia. Furthermore, every international effort must be encouraged to arrange for the ultimate delivery of these supplies to the center of this growing tide of human misery and suffering.

Mr. President, I believe it is essential that we not only respond to the immediate crisis with the formidable humanitarian capability that we as a nation possess, but that we also recognize that the tragedy now engulfing Cambodia is itself a reflection of the most serious worldwide problem we face. The political convulsions in Cambodia have caused a visible, stark panorama of human suffering. But in more quiet corners of the world, the daily struggle against imminent death is as constant and as flushed with torment as the terror that now grips the people of Cambodia. It is not only essential that we fully respond to the immediate crisis, but recommit the substantial technological, medical, and agricultural power of this Nation to attack the growing problem of hunger on a worldwide scale.

Mr. President, I am delighted and moved to convey to my colleagues some of the individual and group efforts that have been initiated in Oregon to respond to both the immediate Cambodian crisis and the longer term problem of Indochinese refugees.

Mr. Ron Post, a Portland businessman, founded a volunteer effort called the "Northwest Medical Team" to aid in refugee relief. Many skilled medical people from the Northwest have volunteered to serve in the refugee camps in Thailand and Cambodia. The first 20 of the volunteers have been selected and will be leaving within 2 weeks from Travis Air Base under the auspices of World Vision. Each medical team will consist of two doctors, four nurses and two paramedics. Each lab team will be staffed by four technicians. I want to personally commend this strictly volunteer effort as an example of the compassion and sacrifice of American people who are driven only by a desire to see the furtherance of human life and the lessening of human suffering. Many more medical volunteers will be traveling to Indochina through this newly formed group to bring effective aid in the camps of Cambodia and Thailand.

Mr. President, the political upheaval on the Southeast Asia continent has also spawned problems which require long-term solutions of refugee resettlement, education, and retraining. Just last week, Gov. Vic Atiyeh of Oregon proclaimed Thanksgiving week, November 18–24, as "Indo-Chinese Refugee Week in Oregon." I will read into the Record the text of that proclamation which again reflects the selfless, humanitarian impulse of the citizens of Oregon and the Nation toward this continuing crisis.

PROCLAMATION

I commend Oregonians for taking an active role in sponsoring Indo-Chinese refugee families into our state these past few years.

The warmth and hospitality our state's citizens have shown by opening their hearts and homes to these refugees is to be commended.

All other considerations pale before the supreme value of human life. The suffering and life-endangering situations faced by the Indo-Chinese refugees have not ceased to exist.

Physical survival, on a daily basis is, in itself, a gigantic struggle. Our response, as Americans to this situation, has been heartfelt and truly commendable.

Therefore, as Governor of Oregon, I hereby proclaim November 18–24, 1979, as "Indo-Chinese Refugee Week in Oregon."

I call upon my fellow Oregonians to consider in their hearts the true spirit and meaning of Thanksgiving in America and to continue their efforts to welcome and sponsor Indo-Chinese refugees.

VIC ATIYEH,
Governor of Oregon.

Mr. President, individuals and private, voluntary organizations throughout Oregon have again made vital contributions to the problems associated with the resettling of refugees in this country. These efforts have my support and admiration. Of particular note have been the efforts of Shalom Oregon, Inc., which recently helped organize a meeting of religious, professional and political leaders to address the problems of Indochinese refugees. They had a great deal to do with the proclamation I have just read into the Record. I would urge my colleagues to bring this proclamation to the attention of the citizens of their States, and encourage the adoption of such language across the Nation. I know that Oregonians will continue to respond to the vast and humanitarian challenge posed by the starvation in Cambodia and Thailand, and the ongoing problems of refugees from Indochina.●

CAMBODIA RELIEF

● Mr. DOLE. Mr. President, the Senator from Kansas has been concerned about the situation in Cambodia, which unfortunately has steadily deteriorated, for the past several years. In recent months political events have compounded the crisis into the ultimate tragedy: near-extinction of a race of people. Numerous resolutions have been introduced in both Houses of Congress, including one by the Senator from Kansas and several which I cosponsored, in an effort to stimulate and maximize the relief efforts the United States could make to alleviate the situation. At last, with this measure, we hope to go a long way toward accomplishing that goal.

Now that some degree of relief is assured for the hapless, remaining victims of the misery in Cambodia, let us turn some attention to the cause of this holocaust. This is not some horrible accident of nature that occurred here, the result of a disastrous earthquake, relentless drought, or inundating floods. Let us take note here of the perpetrators of this crime against all mankind, for it is useful to assess blame for the present and for what it portends for the future. The Communist masters of Vietnam, who let avarice and powerlust rule their ambitions, will have forever the spirits of the million ghosts of Cambodia to haunt them. After recklessly indulging in a war for power and imperium, the Vietnamese now face the prospect of becoming lords of a land racked by hopeless poverty disease, and famine. Rape, loot, and pillage are not the bywords of a new utopian order, but it seems to be the only legacy that all will inherit from the nefarious Pol Pot regime, and the internecine conflict that saw his ouster as an excuse for invasion.

SPECTER OF STARVATION

The barren fruit of this sad travesty, the specter of starvation, is the battle that has occupied the Cambodians, the "boat people," the countries of first refuge and the civilized peoples of the world in the last few months. This has prompted many calls for international relief efforts, calls directed at the national conscience of our own country as well. These distress calls should not be seen as obligations derived from our past involvement in the Vietnam war, as some would suggest. One of the greatest tragedies of that war was our failure to stem the tide of a rapacious striving for dominion by the various Communist insurgents. Now the results of that failure stimulate the guilt of antiwar liberals who failed to heed our warnings, dismissing them as so much propaganda. We cannot let their guilt cloud our feelings about the present situation in Indochina, or obscure our motivations in the aid we tender.

Our motivation is much more direct than that. It comes from our basic concerns for the well-being of all peoples, from the basic ideals and traditional commitments of our spiritual and national heritages. For we are witnessing one of the potentially greatest tragedies of our time: The possible death of an entire people. To the inevitable effects that wars—all wars—have on the people who are unfortunate victims (victims of political conflicts in which they are caught up without necessarily comprehending them) is added the failure of this year's poor rice crop. A famine of such magnitude stretches before these hopeless victims of history that it threatens to extinguish the total population of Cambodia.

It is the hope of the Senator from Kansas that this legislation marks the turning point, the time when disease and famine will begin to come under man's control and lose its dominance over Southeast Asia. But we must hope for and pray for and work toward the only true solution to the tragedy of Cambodia: Liberty and peace.●

MR. JEFFERSON'S UNIVERSITY FASTS FOR FOOD FOR CAMBODIA

Mr. WARNER. Mr. President, it was not too long ago that our college campuses were the scene of activities considered counterproductive by the mainstream of America. However, Mr. President, an event took place yesterday at my alma mater, the University of Virginia, that leads me to believe that we have come a long way since 1972.

Mr. President, yesterday in Charlottesville, Va., on the campus of the University of Virginia, the student council sponsored a 24-hour fast in sympathy with the millions of starving people in Cambodia.

From midnight to midnight, students were asked to do without any food. They were further asked to donate the amount of money usually spent on meals to a fund which would be donated to the Red Cross to send food to Cambodia.

The university food service, for its part, agreed to donate the amount saved by students subscribing to its service, $5,000. Fraternities and sororities as well as the entire student body and town merchants have combined to raise another $10,000.

So, Mr. President, this was an activity in which the entire university community was able and willing to participate.

As we are preparing to vote on a resolution stating our commitment to easing the suffering in Cambodia, it is reassuring to see this type of activity by citizens on a local level.

Programs such as this are not just words, but proof of the commitment of the people of the United States to see that everything possible is being done to put an end to this terrible suffering and starvation in Southeast Asia.

The PRESIDING OFFICER. The hour of 1 o'clock having arrived, under the previous order a vote will be taken on the resolution offered by the Senator from New York (Mr. JAVITS). The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Florida (Mr. CHILES), the Senator from California (Mr. CRANSTON), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Georgia (Mr. TALMADGE), and the Senator from Massachusetts (Mr. TSONGAS) are necessarily absent.

I further announce that the Senator from Delaware (Mr. BIDEN) is absent on official business.

I also announce that the Senator from Iowa (Mr. CULVER) is absent because of illness.

I further announce that, if present and voting, the Senator from Delaware (Mr. BIDEN), the Senator from California (Mr. CRANSTON), and the Senator from Connecticut (Mr. RIBICOFF) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS), the Senator from Idaho (Mr. MCCLURE), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

The PRESIDING OFFICER (Mr. STEWART). Is there any Senator in the Chamber who desires to vote who has not done so?

The result was announced—yeas 89, nays 0, as follows:

[Rollcall Vote No. 414 Leg.]

YEAS—89

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Boren
Boschwitz
Bradley
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Church
Cochran
Cohen
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Proxmire
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Thurmond
Tower
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—0

NOT VOTING—11

Biden
Bumpers
Chiles
Cranston
Culver
Mathias
McClure
Pressler
Ribicoff
Talmadge
Tsongas

So the resolution (S. Res. 277) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 277

Whereas inside Cambodia today, and in refugee camps located in Thailand near the Cambodia border, there is a tragedy of enormous and appalling proportions in which hundreds of thousands of Cambodians face imminent death by starvation and disease; and

Whereas up to two million other Cambodians face serious food shortages; and

Whereas the very survival of the Khmer race is threatened by a genocide greater than the world has seen in thirty-five years; and

Whereas the international intergovernmental and voluntary organizations should be highly commended for their persistent efforts to reach agreements with the authorities in Phnom Penh on the supply of food, medicine, and other needed provisions for the Cambodian people; and

Whereas political obstacles have hampered these organizations in their efforts to launch the massive relief effort required to save the Cambodian people; and

Whereas the needs of the Cambodian people are estimated to be thirty thousand tons of food and medical supplies each month; and

Whereas the current means of supply via sea and air cannot meet these needs; and

Whereas most of the nations of the world, at the special United Nations November 5 pledging conference, have promised support for the relief efforts; and

Whereas every day of delay in providing the needed assistance will mean the death of thousands of Cambodians: Now, therefore, be it

Resolved, That it is the sense of the Senate that all countries and all people be urged to respond generously to the international and intergovernmental and voluntary relief efforts for the people of Cambodia; and be it further

Resolved, That the authorities in Cambodia be encouraged on humanitarian grounds to allow all possible avenues for delivering food and medical supplies to be used by the international agencies in these efforts; and be it further

Resolved, That the United States and the United Nations should express to the great power supporters of the factions in Cambodia, in the strongest terms possible, our concern and expectation that they will use their good offices to ensure that one of the great human tragedies of the century does not occur and that they share in the international responsibility for averting a famine.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CRUDE OIL WINDFALL PROFIT TAX ACT OF 1979

The Senate continued with the consideration of H.R. 3919.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BOREN. Mr. President, for several years, knowledgeable observers have warned that reliance upon foreign sources for vital energy supplies could seriously threaten our Nation's security. Warnings intensified after the embargo of 1973 when we were dependent upon foreign sources for 26 percent of our oil needs. Novels were written in which fictional Middle Eastern nations manipulated large holdings of American dollars and bank balances earned through oil sales in ways which threatened international economic stability.

We were warned that this dependence potentially subjected our Nation to blackmail, threatening our independence as a sovereign nation to make decisions on foreign policy matters on the merits.

Yet, we have drifted along down the same perilous path, not heeding the warnings. We have collectively laughed at those who have said that national independence and energy independence are closely intertwined.

For too long we have played politics with our Nation's security. The people have been told that we can have all the energy they want without having to pay for it.

Suddenly, the tragic events in Iran tumbled down upon us. Our citizens are held hostage. Our Embassy is captured. Our flag is burned. Chapters in novels about attempts to move bank balances read like today's newspaper headlines. Our diplomatic representatives are not even given the treatment afforded by hostile nations at war. Attempts are made to use oil supplies to blackmail this country into making foreign policy concessions.

Mr. President, surely no one in this Senate and indeed no one in this Nation can doubt the validity of the warnings any longer.

Now comes the ironic twist. In the midst of a crisis which should convince us all that our No. 1 goal as a nation must be to conserve and produce more energy here at home, we are beginning debate on a bill which everyone on both sides of the issue admits will reduce our energy supply.

President Carter, in decontrolling the domestic price of oil, made a very strong case for his action. It was estimated that price incentives and additional available capital resulting from decontrol would increase the production of oil in this country by as much as 4 million barrels per day in the shortrun. Even conservative estimates ran in the range of 2 to 3 million barrels per day in increased production.

Then, however, the administration set out to partially undo the good which it had done. A tax was proposed to reduce the incentives and the capital for the private sector. Instead of 4 million barrels of additional production, it was estimated by industry experts with the original bill proposed by the President that the gain would be reduced to 1 million barrels per day, or less.

The House of Representatives changed the bill and it was estimated that increases would reach 2 million barrels a day. The Senate Finance Committee further improved the bill so that it is now estimated that it will encourage 3 million barrels of additional production.

Yet, Mr. President, there are those who say that the Senate committee weakened the bill. They advise a return to the House version.

Did the Senate committee weaken the bill? The answer to that question depends upon the goal that one has in mind. If our goal is to heap more taxes on the productive side of the American economy, then the bill was weakened because the taxes were reduced.

Even without this bill, the Government will reap the biggest windfall of all from oil decontrol. Income taxes and State taxes will already take 62 percent of every dollar resulting from decontrol. Estimates now range as high as $400 billion in additional revenues without the so-called windfall tax.

Perhaps to some our first goal is to raise more taxes. That is a sad mistake. Taxes will not produce another drop of oil. I am reminded of a cartoon which I saw which had a shivering Valley Forge soldier speaking to General Washington. "Sir, we have a shortage of firewood and the troops are freezing," said the soldier. "What shall we do?" "Tax the firewood," answered the mythical General Washington in the cartoon. We never would have won our independence had the real General Washington not had more sense than that.

Our goal must be to produce more energy, not more taxes. If that is the goal, then the Finance Committee bill is far better than the bill which came over from the House. If our goal is to produce more energy, then surely the Senate committee has strengthened, not weakened this bill.

Industry experts say the Senate committee version will produce 1 million more barrels of oil per day than the House version. A conservative estimate by the Congressional Budget Office projects one-half million barrels per day more under the Senate committee version.

This Nation obtains about 700,000 barrels of oil per day from Iran. The average of the two estimates for increased production under the Senate committee version is almost exactly that amount—750,000 barrels of additional production under the Senate version. How can anyone seriously believe that we should change this bill to produce less energy at this time of crisis?

How can anyone suggest that we turn our backs on an opportunity to produce, under this bill, the additional oil that would exactly, or more than exactly, offset the loss of Iranian oil?

This Nation cannot afford to throw away opportunities to produce more energy. Time is running out.

Our current energy crisis in this country is not primarily economic. It is certainly not a shortage of energy resources. We have enough coal, for example, to last for more than 100 years. Our problem is political.

It is obvious that we produce too little energy within the United States and that we consume too much, yet we continue to follow a policy of taxing production while subsidizing consumption. It makes no sense economically even though it plays well politically.

It is always popular to tell people what they want to hear. Many wish to believe that we can have more energy by paying less for it. Unfortunately, the only way that we can free ourselves from dependence upon OPEC is to invest more money to produce energy here at home. Oil wells cannot be drilled, or coal mined, or solar panels built for free. Someone must pay the bill.

The truth is that the public will pay the bill. New energy production must be financed either by the profits of private companies or by the Government through money collected in taxes.

History clearly shows that the free enterprise system produces goods and services much more cheaply than the Government. Private companies can move a barrel of oil through pipelines from the Gulf of Mexico to New York City for a fraction of the cost to the U.S. Postal System for delivering a letter from Houston or New Orleans to New York.

In the long run, the only way to bring down the high cost of energy is to invest now to produce more here within the United States.

Regional rhetoric also will not do the job. All Americans should favor more oil production whether that oil lies beneath Texas or Oklahoma or Massachusetts or Connecticut. We should all be for mining more coal whether it comes from Rhode Island or West Virginia or Wyoming. We should all be for developing mass transit where it is feasible, even those of us from areas where population density makes it unlikely that we will receive mass transit funds. We must pull together to help ease the burdens for the elderly who cannot protect themselves against the rapidly rising costs of heating oil, even if heating oil is not used in our States.

In short, Americans must stand together and have the will to face the truth and meet it head on. The "windfall" tax is a retreat from that goal. As I have said, the Government will already reap hundreds of billions of dollars, over 60 percent of every dollar generated in profits as a result of decontrol without "windfall" tax. It will already have enough to adequately pay for aid to the poor, proper conservation programs, and the development of alternate energy sources.

If our job is to produce more energy and to reduce the wasteful consumption of energy, the windfall tax has no economic justification. Politically, it may have its short-term benefits, but economically the best that can be said of the bill as reported by the committee is that it is not as destructive of the national interest as it was before the committee amended it.

We must resist the temptation to make knee jerk political reactions to the current energy shortage. Those who want to play politics have had plenty of opportunities.

The most recent profit reports by oil companies have given those who do not want to face our real problems a rhetorical field day. With headlines reporting 80- or 90-percent increases in profits for some oil companies over the previous years, cries for punitive action have become louder.

But let us look at the facts.

First, oil company profits are up this year, but they are up compared to a year in which they were below the national average for all manufacturing. If a business had a $1 profit in 1978 on $1 billion invested and a $2 profit in 1979, the company profits would be up 100 percent. Obviously, however, the company would be doing very poorly. In 1978, the return on equity for the 25 top oil companies was 13.3 percent compared to 16.1 percent for the 77 leading nonoil companies.

Second, over the past decade the profits for the 25 leading oil companies have averaged almost exactly the same as nonoil companies. The average return on stockholder's equity has been 13.9 percent for oil companies and 13.7 percent for nonoil companies. For the last 5 years, oil company profits have been below the average for nonoil companies. It seems strange that there were no headlines about other industries which had a higher composite profit ratio than oil companies. In 1978, the following had at least 40 percent higher return on equity than oil companies: Soft drinks, office equipment computers, building, heating and plumbing equipment, drugs and medicines, soaps and cosmetics, tobacco products, photographic goods, lumber and wood products, and aerospace.

It is interesting to note that the media, which has emphasized oil company profits, were far above the industry in profits in 1978. Percentage return on equity for broadcasting and television was more than twice as high and newspapers 50 percent higher than for oil companies.

Third, an analysis of the growth of oil industry profits this year shows that 80 percent of the increase is due to foreign operations. Clearly, the increase in profits should form no basis for attacking domestic energy producers. Independent operators have no pipelines, refineries, retail outlets or overseas operations. Yet, they drill 89 percent of the wildcat wells, and find 75 percent of the new fields and 54 percent of the oil and gas discovered. While the attack on profit statements is unfair in general, it is obvious that it is totally unfair to blame smaller domestic producers because international companies increased their profits on overseas operations.

Fourth, before profits are condemned, we should examine how they are used. If our purpose is to get more energy for Americans, higher profits if they are used to find more energy should be welcomed. It is not the amount of profit but how the profits are used that should be the issue.

From 1973 to 1977, independent producers took in $33.3 billion in gross revenues and spent $45.9 billion on drilling, exploration and production. When a group is spending 105 percent of its revenue to produce more energy, obviously when revenues go up, domestic energy production will go up.

This year, the major oil companies have also had capital and exploration expenditures in excess of their net income. A study by Chase Manhattan Bank also indicates that less than 6 percent of total capital expenditures by the 27 leading oil companies were made in nonoil business.

I cite the record on profits because I think the Senate should operate from the facts. No one feels more strongly than I that the companies should put their profits back into producing more energy for this country. No one is more critical than I when companies buy other kinds of enterprises or simply pocket the profits instead of putting them to work to meet our energy needs. However, these kinds of actions are the exception, and not the rule.

We must also remember that in our free enterprise system, we operate using market place incentives. If we want to attract more investors to the energy field—and we do—then profits and the certainty of the future regulatory climate must be sufficiently inviting to get them to invest their money. One of the reasons why companies have been tempted to invest in other nonenergy operations has been the chance to make more profit in nonenergy fields and uncertainty about the attitude of Congress toward the industry.

The Finance Committee's windfall profit tax bill is a significant improvement over the House-passed bill. The committee bill provides greater incentives for conventional oil production while offering new incentives for development of synthetic fuels and the conservation of energy.

Most of the changes made by the Senate Finance Committee are in the best interest of American consumers. They will result in the production of more energy at a far lower per unit cost than OPEC oil or synthetic fuels produced with Government inducements.

One of the most positive steps taken by the Finance Committee was the exemption of newly discovered oil from the tax. It will help to reduce our dependence upon foreign sources of energy. It is expected that this exemption will increase oil production by as much as 1½ million barrels per day by 1990.

More positive action was taken with the exemption of incremental tertiary oil from this excise tax. An exemption of this kind is necessary to provide maximum incentives for producers to make the large investments required for tertiary projects. The Department of Energy has testified that with proper inducement over 2 million barrels of oil production per day could be recovered by 1990.

To practice these enhanced recovery methods and to recover the large amounts of oil which remain in the ground after primary production, there must be special incentives to keep these wells in production. If they are prematurely abandoned, the resource may be lost forever. It was with this thought in mind that the Finance Committee provided for the exemption of stripper oil owned by independent producers. There is well documented proof that special treatment for stripper wells produces constructive conservation results. Since the price for stripper oil was decontrolled in 1975, the abandonment rate on stripper wells has decreased by 500 percent.

The committee also recognized the importance of keeping marginal properties on line by expanding the definition of marginal wells to include properties which produce a high ratio of water to oil. These properties are operated at a very high cost and are often prematurely plugged, resulting in a loss of production.

Percentage depletion was also reinstated on the oil taxed by the windfall profit tax. Independent producers are the only producers entitled to the use of this deduction. They are already facing a 32 percent increase in their tax burden over the next 4 years resulting from the scheduled reduction in the depletion rate from 22 percent to 15 percent. It is estimated that this action by the committee will encourage the drilling of over 630 new wells a year.

The tax was also made subject to a phaseout once 90 percent of the revenue from the tax is raised. The phaseout of the tax would begin at a rate of 3 percent per month over a 10-year period. The committee decided that it made no sense to structure a tax which takes into the Government coffers more money than is actually needed to provide revenue for conservation and alternative energy programs.

While the committee improved the bill and provided a much more balanced approach, there are still other changes which were not made by the committee which would have benefited all Americans.

It was a mistake for the committee to reject the exemption for the first 3,000 barrels per day of production owned by the independent producer. The windfall tax will have a greater impact upon independent producers than on the large oil corporations. Because the independent producer derives his income from a single activity, the discovery and production of oil and gas, any capital loss resulting from increased taxes will mean that fewer wells can be drilled. During the 5-year period from 1969 through 1973 independent producers accounted for 89.2 percent of the wildcat wells drilled, 75 percent of the new fields found, and 54 percent of the total oil and gas discovered. These producers plow back 105 percent of their wellhead revenues from both crude oil and natural gas production into more exploration, drilling, and production activities.

An exemption for these producers would also have helped to reduce the heavy administrative burdens under which independents must operate. These smaller producers are not equipped, as are large international corporations, to deal with complex regulations.

Another major flaw in the bill as reported is the failure to exempt all stripper oil from the windfall tax. The United States needs to maintain and increase stripper production. The soundest conservation policy of all is the preservation of a resource which we now have.

Although the language in the bill exempts about 50 percent of the stripper wells (those owned by independent producers) the remaining stripper wells are facing what is in effect a rollback in price from the world price of $23 a barrel to the tier III base price of $16. In addition, the provision against avoiding a net loss on a property (the net income limitation) will not provide enough help to stripper wells. Individual stripper wells which are losing money will be shut down even if the total property is not losing money. In addition, stripper wells periodically must be shut down for workovers. On the average, workovers cost $3,000 for a 3,000-foot well. Costs may run much higher. A new surface pump costs $17,500, for example. Even if a well is doing better than breaking even, it still might not justify a major workover because the payout period would be too long and uncertain. Without proper pricing and tax incentives, it may be plugged prematurely in this situation.

The greatest shortcoming of the committee bill was the outright refusal to address the near term supply problems facing America. The committee should be commended for recognizing the contribution that energy conservation can make to reducing our dependence on imported oil over the next few years. Unfortunately, the committee abandoned support for measures that would increase energy production in the near term, thereby losing an increasingly rare opportunity to affect the national energy supply picture in a coordinated manner.

The bill reflects a tragic misunderstanding of how various categories of oil respond to price and incentives over time. A commonly held belief is that the exemption for newly discovered oil is a panacea, creating abundant new energy sources immediately. The exemption for newly discovered oil is perhaps the most significant production oriented provision in the committee bill, but the benefits of this action will not accrue to the Nation until the mid 1980's. Bringing production on line from newly discovered properties is a process of several years, even under the most favorable conditions.

In the immediate future, domestic oil production can only be increased by allowing producing properties to realize the benefits of decontrol. Lower and upper tier properties could provide the most immediate response to improved prices. Imposing a 60-percent tax on upper tier oil, a harsher levy than the one originally proposed by the President, will reduce the incentive to develop these properties to their full potential. Penalizing lower tier oil with the 75-percent tax and a 1.5 percent decline curve, will not only end the hope of increased production from these properties, but will also cause the premature abandonment of old oil wells. How painfully shortsighted.

In conclusion, Mr. President, the Senate committee bill is a great improvement over the House bill and the original administration proposal. It still falls far short of meeting the Nation's needs, however. At this critical period it is time for the Congress to do what is economically right for this country without regard to whether or not it brings short-term political advantage. Mark Twain once wrote, "Always do right, it will gratify some people and astonish the rest." It is time for the Congress to astonish the cynics and do what is right for the country.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BRADLEY). Without objection, it is so ordered.

Mr. DOLE. Mr. President, it is worthwhile to put in the RECORD supply response estimates from the Congressional Budget Office. It is information which may not be considered but should be considered in this debate.

The Congressional Budget Office model uses a cash flow method to estimate incremental supply under different assumptions. The estimates for all categories combined are 1.2 million barrels per day incremental production by 1990 for decontrol with no windfall tax, 900,000 barrels per day under the Finance Committee bill and 400,000 barrels per day under the House bill. The Finance Committee bill leads to a 25-percent reduction and the House bill a 66-percent reduction in supply by 1990 compared to decontrol with no tax. That is the very point the distinguished Senator from Oklahoma was making. The House version yields 500,000 barrels per day less supply by 1990 when compared to the Finance Committee bill.

If we are considering energy production and energy supplies, I hope all those who rant and rave against the so-called oil industry, whether big or small, will take a look at the Congressional Budget Office study. It is a nonpartisan body. It is a creature of Congress. It was designated to help Congress in making better judgments.

A point in favor of the CBO estimates of supply response is that all categories of crude production are responsive to incentives.

Table 5 of the study states that the Finance Committee bill would reduce lower tier production by 700 million barrels over the period 1980 through 1990 when compared to a case of decontrol with no crude oil tax. Again, that is a lot of oil; 700 million barrels of oil is a lot of oil. But there are some in the Chamber who contend we should increase the tax rather than lower the tax. On the other hand, the Senate version would produce 500 million barrels less lower tier oil than the House version over the next decade. This is because the tax was increased to 75 percent.

Upper tier production shows a similar response. The decontrol with no tax case produces cumulative supplies of 5,665 million barrels from 1980 through 1990, 750 million barrels greater than the Finance Committee bill. The Finance Committee bill would produce almost the same supply of upper tier oil as the House bill.

If, however, the tax is increased on upper tier oil, and I do not believe it should be 75 percent, there is going to be a substantial loss of supply.

The strongest supply response occurs in the newly discovered category. The CBO report estimates that decontrol with no tax would increase production of newly discovered oil by 2.8 billion barrels over the case of continued controls. The Senate version would increase production by 840 billion barrels over the House bill over the 1980–90 period.

Mr. President, there will be a lot of discussion over whether or not there should be any tax at all. There will be a lot of discussion on whether there should be more tax. There will also be rhetoric spewn in the Chamber about why we should increase the tax and what a terrible bill the Finance Committee reported.

We have to answer the basic question. If we are looking for more tax money, then we should increase the tax. If we are looking for some way to solve the energy problems for America's consumer, then we should look at the supply response.

One way to increase supply response is through incentives, and one way to decrease supply response is through higher taxes.

As was indicated this morning, this is probably the largest tax bill that has ever been considered and maybe passed, that will ever go through this Congress.

The Senator from Kansas believes we should be addressing supply response. We should be addressing ways to conserve. We are addressing in the Senate Committee on Finance bill a number of ways through tax credits to give incentives to those who conserve, whether by wood-burning stoves, insulation, weatherization. In addition, there are incentives through tax credits for increasing alternate sources of energy. We should not turn right around and do the opposite when it comes to known sources of energy by increasing the tax and, in effect, destroying incentives.

I hope everyone who is concerned about this legislation will take a look at the report of the Congressional Budget Office. As I indicated, they are not owned by the oil companies they are not particularly partisan. They have done considerable work in trying to figure out how do we get the best supply response to deal with the problem at hand.

I will not put the entire study in the Record, it is far too long, but it is available to any Senator. I merely suggest if we are concerned about an energy response that we do one thing. If we just want to increase taxes and beat the oil companies over their heads, we do something else.

The oil companies may not be perfect, but they do produce energy. As I have indicated this morning, the companies will be taxed. They may not particularly like the tax, but I think most of them would be willing to accept a tax as long as Congress leaves some small incentive for future production.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. The Senator from Kansas mentioned earlier the Congressional Budget Office study, and indicated that because of its length it probably would not be practical to include the entire study in the Record.

There is, however, a very good summary. I ask unanimous consent that the summary be made a part of the Record. I think it is something that everyone in this body should consider because it talks about the impact of the Senate bill, the impact of the House bill, the impact of decontrol, the impact of taxes and, as the Senator from Kansas was indicating a few moments ago, also the supply response under the various provisions. I think it would be helpful to our colleagues to have that information.

There being no objection, the summary was ordered to be printed in the Record, as follows:

SUMMARY

Two bills establishing a "windfall profits tax" on domestically produced crude oil are currently before the Congress. The House of Representatives passed its bill in late June 1979, and the Senate Finance Committee recently reported a substantially different bill which the full Senate is expected to consider soon. The President had proposed such a tax, properly an excise tax, last April when he announced his decision to phase out price controls which have restrained the price of domestic crude oil since 1971. Decontrol will allow the price of domestic oil to rise to the world price, which will stimulate domestic production and decrease demand, thereby reducing U.S. dependence on imported oil. The price increases will, however, generate large new revenues for U.S. oil producers, with much of the gain attributable to oil that would have been produced even if price controls had been continued. The windfall profits tax would capture for public use a larger portion of these new revenues than would be collected by the existing corporate income tax.

The rationale for a windfall profits tax is that the additional producer revenues may represent unanticipated profits arising from decontrol or increases in world oil prices, which are set by the Organization of Petroleum Exporting Countries (OPEC), an international cartel. It has also been argued that a windfall profits tax could divert a large portion of the new producer revenues to the public sector. Increased public spending has been advocated to subsidize energy conservation, to stimulate the production of alternative energy sources, and to ease the burden of higher energy prices on low-income families.

While a windfall profits tax would reduce the large revenue gains received by U.S. oil producers, it could also curtail the producers' incentives to explore and produce more oil. Consequently, such a tax should strike the appropriate balance between tax receipts that could be used for public investment or redistribution and industry incentives to increase domestic oil production. By placing relatively high tax rates on oil that would have been produced under controlled prices and relatively low rates on oil that is only marginally profitable at world prices, this balance may be achieved.

THE TWO WINDFALL PROFITS TAX BILLS

In general, the House bill assigns greater weight to raising revenues for purposes of public investments, while the Senate Finance Committee bill emphasizes stimulating additional production. The major differences between the two bills are that the Senate Finance Committee bill exempts certain categories of oil from a windfall profits tax: specifically, new discoveries (those made after January 1979), incremental oil from tertiary recovery techniques (technologies that use heat or chemical compounds to produce additional oil from a reservoir), heavy oil (a highly viscous oil that generally requires additional effort to produce), and the first 1,000 barrels per day of "stripper" oil (oil from wells that have produced 10 or fewer barrels per day for at least a year) produced by independent producers. The House bill, on the other hand, imposes a windfall profits tax on each of these oil categories. Both bills tax the additional revenues from oil discovered between 1973 and January 1979 at a 60 percent rate. Finally, the Senate Finance Committee bill applies a 75 percent rate to the additional revenues from oil discovered before 1973, while the House applies a 60 percent rate to these revenues. In the Senate Finance Committee bill, all windfall profits taxes start to phase out when the cumulative net receipts received under the bill reach $127.1 billion.[1] A portion of the House bill tax continues indefinitely.

Thus, the two bills strike different balances between domestic oil production in the private sector and tax receipts that could be used by the public sector. By allowing producers to receive higher prices on new oil discoveries and other oil that is expensive to produce, the Senate Finance Committee bill stimulates more total production than does the House version. This production advantage increases over time, primarily because the House bill stimulates production from known oil reserves during the early 1980s and thus depletes these reserves faster, while the Senate Finance Committee bill stimulates exploration and development of new reserves. On the other hand, because it exempts no oil production, the House bill generates significantly greater tax receipts than the Senate Finance Committee bill.

NEW PRODUCER REVENUES

Under decontrol with no windfall profits tax, producers will receive a revenue gain of $649.7 billion from higher prices for oil than would have been produced even under continued controls over the 1980–1990 period.[2] In addition, decontrol without a windfall profits tax will result in new supplies valued at $182.1 billion over this period, leading to total producer revenues of $831.8 billion (see the Summary Table). Under the Senate Finance Committee bill, the revenue gain would be $638.7 billion, and new supply revenues would be $154.4 billion from 1980 to 1990, yielding total new producer revenues of $793.2 billion. Under the House bill, the revenue gain would be $631.2 billion over this period, while revenues from new supplies would be $91.7 billion, leading to total new producer revenues of $722.9 billion.

TAX LIABILITIES

If there were no windfall profits tax, the existing federal corporate income tax liabilities on producer revenues would total $197.5 billion over the 1980–1990 period. Liabilities incurred under the two bills can be compared to this total. Under the Senate Finance Committee bill, total federal tax liabilities over this period would be $315.5 billion, of which $208.7 billion would be from the windfall profits tax and $106.7 billion from corporate taxes after deduction for the windfall profits tax. Therefore, when compared to decontrol with no windfall tax, the Senate Finance Committee bill would increase producer liabilities by $118.0 billion over the 1980–1990 period.

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[1] Net tax receipts equal the gross tax receipts from the windfall profits tax plus corporate tax liability on revenues after deducting gross windfall taxes less what would have been taxed under the corporate income tax.

[2] All the producer revenue and tax estimates in this paper assume that the world price for oil is $30.00 per barrel as of the fourth quarter of 1979 and that it increases by 2 percent a year in real terms over the 1980–1990 period. This is the same price assumption used by the Joint Committee on Taxation (JCT) and the Department of Treasury. The estimates of the Congressional Budget Office (CBO) are lower than those of the Joint Committee on Taxation and the Department of the Treasury mainly because CBO projects lower domestic oil supplies.

SUMMARY TABLE.—COMPARISON OF THE AGGREGATE EFFECTS OF THE HOUSE AND SENATE FINANCE COMMITTEE WINDFALL TAX BILLS, 1980-90

[Dollar amounts in billions of current dollars]

	Total new producer revenues	Tax liabilities		Total taxes[2] as percent of total new revenues	Production (millions of barrels per day)	
		Total Federal[1]	Total State and local		1985	1990
House bill	$722.9	$442.8	$99.1	75	7.9	7.1
Senate Finance Committee bill	793.2	315.5	112.3	54	8.2	7.6
No windfall profits tax	831.8	197.5	115.1	38	8.3	7.9

[1] Includes windfall profits tax liabilities and additional corporate income tax liabilities.
[2] Includes Federal, State, and local taxes.

Note: Attempts have sometimes been made to calculate the price per barrel implicit in the production and tax receipt figures. To perform this calculation accurately, however, it is necessary to use the cumulative production over the entire productive life of the oil wells; to use estimates only through 1990 would be misleading.

Estimates of tax liabilities made over this time period are uncertain. The major sources of uncertainty are prices, production levels, and the costs of investment, exploration, and production. Higher prices or production levels in the future would increase both the gross and net liabilities created by windfall profits taxes. Higher investment exploration and production costs would reduce corporate income tax liability and increase the net liabilities created by windfall taxes. CBO has assumed a high rate of industry reinvestment and a high rate of inflation in drilling equipment costs. This may understate corporate tax liabilities both with and without windfall taxes and, to a lesser extent, overstate net liabilities created by a windfall profits tax.

Under the House bill, the total federal tax liability would be $442.8 billion between 1980 and 1990, of which $399.6 billion would be from the windfall tax and $43.3 billion would be from the corporate tax after deduction of the windfall profits tax. Federal tax receipts under this bill would be $245.3 billion greater than with no windfall profits tax.

State and local taxes, severance taxes, and royalties will total $115.1 billion under decontrol with no windfall profits tax, $112.3 billion under the Senate bill, and $99.1 billion under the House bill. When combined with total federal tax liabilities, taxes paid to all levels of government represent 38 percent of the total producers' revenues under decontrol with no windfall profits tax, 54 percent under the Senate Finance Committee bill, and 75 percent under the House bill.

Production effects

Total domestic oil production in 1990 is estimated to be approximately 7.9 million barrels per day under decontrol with no windfall profits tax. This is 1.2 million barrels per day above what would have been produced under a continuation of price controls. Under the Senate Finance Committee bill, total production is estimated to be 7.6 million barrels per day in 1990, or about 300,000 barrels per day less than under no windfall profits tax and about 900,000 barrels per day more than under extended controls. Production under the House bill would total approximately 7.1 million barrels per day in 1990, or about 800,000 barrels per day less than under total decontrol with no windfall profits tax and about 400,000 barrels per day more than under extended controls.

EXPENDITURE ISSUES

The House bill establishes a trust fund into which the gross receipts from the windfall profits tax would flow, but it does not specify the use of these funds. The Senate Finance Committee bill, on the other hand, establishes three trust funds. One-fourth of the net windfall profits tax receipts up to $15 billion would go into a Transportation Trust Fund; one-half of the net receipts would go into a Low-Income Energy Assistance Trust Fund; and an unspecified amount would go into a fund to be used for general tax relief. The Senate Finance Committee bill also provides additional tax credit incentives for residential and business energy conservation and for the production of alternative energy sources.

Trust fund financing

The primary advantage of a trust fund as a financing mechanism is that it provides a built-in, self-adjusting device for channeling the revenues of a special tax into programs that are closely related to that tax. A trust fund is less desirable, however, if uncertainty about the amount and timing of the tax receipts that will enter the fund in future years inhibits careful planning and leads to program inefficiency. This is a potentially serious problem for the proposed trust funds since annual tax receipts are extremely sensitive to future OPEC prices, which are very difficult to project. Since the Senate Finance Committee bill begins to phase out the tax after the cumulative receipts reach $127.1 billion, however, there is less uncertainty about the total revenues that would be available to its trust funds. Nevertheless, the timing of the revenues available to the trust funds remains a major problem for both bills.

Each of the proposed trust funds would be subject to the normal Congressional authorizing and appropriating processes. In principle, this would permit the Congress to adjust expenditures from the funds to fit changing energy and fiscal policies, changing national needs, and evolving legislative priorities. But by earmarking the revenues that enter the trust fund for specific program purposes, the Congress would reduce its flexibility to redirect revenues toward emerging priorities. Consequently, decisions about yearly expenditures might be based largely on the amount of revenues available in the trust fund rather than on the importance of the specific programs.

Transportation trust fund

The Senate Finance Committee bill does not specify exactly how the transportation funds would be spent, although one possibility would be the transit program proposed by the Administration. This program would cost $15.5 billion between 1980 and 1990 for two major initiatives—the public transportation investment program and the auto use management program. By 1990, these two initiatives could yield energy savings of 65,000 to 158,000 barrels per day of petroleum. These estimates are upper limits, because they are based upon optimistic assumptions about local spending and additional patronage.

Low-income energy assistance trust fund

Two separate energy assistance programs would be financed from the Low-Income Energy Assistance Trust Fund in the Senate Finance Committee bill. The first would provide direct payments to low-income households to offset higher energy prices, while the other would provide tax credits to low- and middle-income families to offset higher energy prices for home heating.

Low-Income Energy Assistance. Over the period from fiscal year 1980 to 1982, about $3 billion a year would be allocated to states for cash payments to reduce energy prices for low-income households. These payments would be made through current welfare programs or block grants to states. States choosing the block grant option could design state programs similar to welfare programs or provide direct subsidies to vendors. In 1982, the average energy assistance payment for a welfare family would be $275 annually; this payment would offset 18 percent of oil expenditures by families in the lowest fifth of the income distribution. The major advantage of the Senate Finance Committee proposal is that it utilizes the current welfare system, which has experience dealing with the low-income population and can provide immediate relief to a large segment of the needy population. On the other hand, a primary disadvantage of direct cash assistance is that, while it would temporarily mitigate the effects of rising energy prices, it would not solve the longer-term problem, which is that the low-income population generally lives in the most energy-inefficient housing. Therefore, over the long run, policies to encourage conservation improvements in low-income housing units could promise substantial energy savings and effectively raise the real incomes of the poor more than direct cash subsidies.

Tax Credits for Residential Energy Use. The Senate Finance Committee proposal would also use trust funds to provide low- and middle-income taxpayers with a nonrefundable tax credit to offset energy expenditures for home heating. This credit would cost the government about $2 billion in 1981, the last year the credit would be available. By 1981, taxpayers with incomes as high as $22,000 a year could qualify for some credit. The maximum credit for taxpayers with incomes below $20,000 would be $200; the minimum credit would be $30. Since the credit is nonrefundable, however, many low-income households with small tax liabilities would not benefit significantly from the credit. Credits would be based on actual heating expenditures and would vary according to changes in the relative prices of particular home heating fuels. A major disadvantage of these credits is that subsidizing heating expenditures does not encourage conservation.

Residential tax credits

The Senate Finance Committee bill proposes to extend and expand the current tax credits for residential conservation investments to include such items as heat pumps, backup solar systems, and the like. In addition, it would increase the tax credit on renewable energy sources (primarily solar) to 50 percent. It is estimated that by 1990 these credits would save an additional 110,000 barrels per day over savings that would have occurred even under current policy and would reduce federal revenues by $8.3 billion over the 1980–1990 period. Most of the investment or production credits would be used by high-income households.

Business tax incentives

Current law provides both a 10 percent tax credit on new investment and an additional 10 percent credit for investment in certain types of energy facilities. Several provisions in the Senate Finance Committee bill expand the scope of eligibility for the energy credit, increase the credit, or establish new investment and production credits. By 1990, these business tax incentives will stimulate additional energy production and conservation of 200,000 to 400,000 barrels per day of oil equivalent at a cost to the government of $15 billion over the 1980–1990 period.

Mr. DOLE. Does the Senator from Oklahoma desire the floor? Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CARRYOVER BASIS AGREEMENT

Mr. LONG. Mr. President, there is a unanimous-consent agreement before us, and it is appropriate that it be there; but this order was made a long time ago. At that particular time, we did not have the windfall profit tax in mind. Clearly, the unanimous-consent agreement would apply to the windfall profit tax bill, because it does include an amendment repealing "carryover basis."

Mr. President, in due course I am going to ask unanimous consent that this unanimous-consent agreement not apply to the pending bill; but I would like to have someone on the staff or in the cloakroom notify the Senator from Virginia (Mr. HARRY F. BYRD, JR.) that I am planning to ask for a unanimous-consent agreement that the unanimous-consent agreement previously agreed to as to bill repealing "carryover basis" not apply to the windfall profit tax bill. I am sure Senator DOLE would be interested in that.

Mr. DOLE. Can we complete the whole bill in 2 hours?

Mr. LONG. No. the "carryover basis" unanimous-consent agreement could shorten the consideration, because it could mean that only the Senator from New York (Mr. JAVITS) could offer an amendment to the windfall bill, and we would have 1 hour of debate on that amendment.

I was aware that we had made such an agreement, but we really did not have the windfall tax bill in mind when the agreement was made. I do not think anyone had the "carryover basis" agreement in mind, when we reported the bill, or that the windfall tax bill would be subject to this unanimous-consent agreement. Frankly, it is a matter of inadvertence.

The Senator from Kansas (Mr. DOLE) was one of the leading proponents of the "carryover basis" amendment. I asked the Senator, when the amendment was offered, whether he had the preexisting unanimous-consent agreement in mind.

Mr. BENTSEN. Mr. President, will the Senator from Louisiana advise me what the unanimous-consent agreement is?

Mr. LONG. The unanimous-consent agreement is right on the front of our calendar. It provides that during the consideration of a bill repealing "carryover basis," no amendment shall be in order, except one to be introduced by the Senator from New York (Mr. JAVITS), on which there shall be 1 hour of debate, and one relative to a carryover amendment provision, on which there shall be 2 hours of debate, with debate on any debatable motion, appeal, or point of order limited to 30 minutes, and so forth.

Mr. BENTSEN. I thank the distinguished chairman.

Mr. LONG. That agreement was made early in 1979.

Mr. DOLE. Mr. President, if the Senator will yield, I think we discussed adding carryover basis repeal to countervailing duties bill. At that time the Senator from Kansas was persuaded not to offer his carryover basis amendment in exchange for this unanimous consent agreement.

Since the carryover basis repeal is now part of the windfall profit tax bill, there is no need for the unanimous consent agreement.

Mr. LONG. Well, I do not think——

Mr. DOLE. Here is Senator BYRD.

Mr. LONG. I do not think we need to just rescind the unanimous-consent agreement.

Mr. DOLE. We may need it later.

Mr. LONG. Senators may want the benefit of the agreement as it was originally intended. But the intent of the agreement was that we would take up some less controversial bill or some less significant bill, that we would report it out, and then that the bill would be promptly acted upon, on the same day it was called up, and sent over to the House. I really think that some people could complain, and that limiting debate on the windfall bill is not really what was contemplated at that time.

It was not contemplated that we would use this agreement in order to deny Senators the right to offer their amendments on an extremely controversial piece of legislation such as the windfall tax bill.

So, in due course, I am going to ask unanimous consent that the "carryover basis" unanimous-consent agreement not apply to this particular bill.

The Senator from Virginia is very much interested in this item, and I would hope he would agree that it was not contemplated, in agreeing to this unanimous-consent request, that it would be applicable to the windfall bill.

I would like to protect his rights if he wants to offer the carryover basis amendment on some other bill, but at the same time simply agree that the other provisions of the unanimous-consent agreement would not be applicable to the rest of that bill.

Mr. HARRY F. BYRD, JR. Mr. President, if the Senator will yield——

Mr. LONG. Yes.

Mr. HARRY F. BYRD, JR. It seems to me the procedure might be, if the Senator from Kansas were sympathetic with it, to keep the unanimous-consent agreement the way it is now, with the proviso that it not apply to the bill itself, but keep the provision applying to the carryover basis amendment.

Mr. LONG. Well, the carryover basis amendment is a part of the committee amendment. If we dispose of the bill, we will have to vote on the carryover basis amendment one way or the other.

But it was not intended by the committee which reported the bill that we would deny Senators a right to offer amendments to this bill.

I would suggest that the best arrangement would be simply to leave the unanimous-consent agreement the way it is, but to simply agree that that unanimous-consent agreement does not apply to the rest of this bill. Is that all right with the Senator?

Mr. DOLE. But it would apply to the carryover amendment?

Mr. LONG. No——

Mr. DOLE. If somebody moves to strike out the provision repealing carryover basis, would this unanimous-consent agreement apply?

Mr. LONG. No. If someone were to make the proposal, in the course of the consideration of this bill, that the carryover basis amendment be considered like all the other amendments, he could move to strike it. If someone offered a substitute for the entire bill that did not include the carryover basis, the Senator would, of course, resist the substitute amendment that would strike out the carryover basis. But I just think the best thing to do is to agree that this unanimous-consent agreement does not apply to this bill, because I do not think anyone had in mind that it would apply at the time we reported the bill.

Mr. HARRY F. BYRD, JR. I wonder if we might have a very brief quorum call.

Mr. LONG. Yes. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, after discussing this matter about the carryover basis amendment, I simply ask unanimous consent that the unanimous-consent agreement before us shall be limited only to the part of the bill that deals with carryover basis and that this unanimous-consent agreement would not apply to the remaining portions of the bill. That being the case, Senators could offer amendments in the first and second degree, as usual, with regard to everything else in the bill, but we would confine ourselves to the terms of the agreement insofar as the carryover basis provision is concerned.

Mr. METZENBAUM. Mr. President, reserving the right to object, and I will not object, I am advised that the majority leader would like to be on the floor.

Mr. DOLE. Will the Senator from Ohio yield?

Mr. METZENBAUM. Of course.

Mr. DOLE. That would preserve everyone's rights. Senator JAVITS' rights, the rights of the Senator from Kansas, the Senator from Virginia, the Senator from Texas, or anyone else who had an interest in that issue, will be preserved on the carryover basis issue.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield.

Mr. DOLE. Yes.

Mr. HARRY F. BYRD, JR. With one proviso. I think there would be a need to change it slightly to say the carryover basis and Senator JAVITS' proposal. Senator JAVITS' proposal does not deal with the carryover basis, as I understand it.

Mr. LONG. It is my understanding that the amendment the Senator from New York (Mr. JAVITS) had in mind does not deal with the carryover basis.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, until such time as we can work out the agreement about carryover basis and other aspects, I ask unanimous consent that the Senator from Oklahoma (Mr. BOREN) be permitted to offer his amendment. I ask unanimous consent that it be in order for the Senator from Oklahoma to offer an amendment, Mr. President.

The PRESIDING OFFICER. Is there objection?

The Senator refers to the carryover amendment?

Mr. LONG. No. I just ask unanimous consent, in view of this unanimous consent agreement, that the Senator from Oklahoma (Mr. BOREN) be permitted to offer an amendment.

The PRESIDING OFFICER. The Senator from Oklahoma has the right to offer an amendment.

UP AMENDMENT NO. 828

(Purpose: To reduce from 60 percent to 50 percent the amount of tax imposed on the windfall profit from any barrel of taxable crude oil)

Mr. BOREN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oklahoma (Mr. BOREN), for himself, Mr. WALLOP, and Mr. BELLMON proposes an unprinted amendment numbered 828:

On page 3, line 1, strike out "60" and insert in lieu thereof "50".

Mr. BOREN. Mr. President, I further ask unanimous consent that because the cosponsor of this amendment, the Senator from Wyoming, must depart at 3:15, if the yeas and nays are ordered and if we are not able to have a vote prior to 3:15, that it would be in order for me to withdraw this amendment at that time.

The PRESIDING OFFICER. The Senator has the right to withdraw his amendment if he chooses to do, and he can do so.

Mr. BOREN. Mr. President, I am asking unanimous consent if, after the yeas and nays are ordered, if they are ordered, if we have not had a vote by 3:15, it would be in order for me to withdraw the amendment without prejudice.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BOREN. Mr. President, the purpose of this amendment, which is to the House-passed bill, is to make one very simple change.

When the President made his original proposal for a so-called windfall profit tax, he proposed that the tax rate be at 50 percent. That figure was later changed to 60 percent.

What I am suggesting in this amendment, along with the Senator from Wyoming, is that we go back to the President's original proposal, which I think is certainly superior in this area to the action of the House of Representatives, and that the general rate prevailing under the tax in the House bill, working from the House bill, would be 50 percent as opposed to 60 percent.

I think it is vitally important, as I said a few moments ago, to produce all of the energy that we can. With the cutoff of oil from Iran, and I applaud the President's action in that regard in showing that we do not intend to be blackmailed by overseas sources of energy and by those who supply it, we have lost to this country some 700,000 barrels of oil a day which had previously been coming in. I therefore think it imperative that we do everything we can to provide the incentives and the capital necessary to produce the energy that we need and to become self-sufficient as rapidly as possible.

As the President pointed out when he took the action decontrolling oil, there is a very significant supply response to the removing of controls and the provision of price incentives to producers. If our aim, indeed, is to produce more energy, and if the President is right that there is a very significant supply response through price, then I think there is undoubtedly a significant supply response involved when we reduce the tax rate from 60 percent back to 50 percent, as originally advocated by the President.

The President was right in his original advocacy of 50 percent. It is right today. It makes even more sense today, and that is the purpose of this amendment.

I hope we will have the courage to face up to the energy needs of this country and to strengthen the bill which is before us by changing it so that it will produce more energy for the American people.

Mr. WALLOP. Will the Senator yield?

Mr. BOREN. I am happy to yield to the Senator from Wyoming.

Mr. WALLOP. Will the Senator agree to add my colleague (Mr. SIMPSON) as a cosponsor of this amendment?

Mr. BOREN. Mr. President, I ask unanimous consent that Senator SIMPSON be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. Mr. President, I want to echo what Senator BOREN has just said to the Senate. The idea right now, whatever else this country may be up to, is to responsibly add to the oil production capability of America itself. This will do that, though not in as big a way as decontrol itself.

Mr. President, earlier this week the Congressional Budget Office made a comparison between the House-passed bill and the Senate bill and the production response in the country absent any windfall profit tax at all. According to the CBO, there are approximately 1.2 million barrels a day in production that could come on line in this country in the mid- to late-1980's, absent any windfall profit tax at all.

Under the Finance Committee bill CBO estimates there are approximately 900,000 barrels per day that will be seen as additional American production by the mid or late 1980's.

Under the House-passed bill, which is a more severe tax rate, there are only 400,000 barrels a day that will be seen as additional American production as a result of the President's decision to decontrol oil and at the same time impose a windfall profits tax.

Surely, a country which is faced with the most visible evidence imaginable of the painful servitude in which we find our economy, at the whims of OPEC oil producers, would do anything within their reasonable power to provide additional production in domestic and reliable supplies of energy.

I suggest that this amendment, offered by the Senator from Oklahoma and myself, is a small but useful step toward achieving that goal.

The case for adopting a lower tax can be made by looking at the study which I cited from the Congressional Budget Office.

The CBO model uses a cash flow method to estimate incremental supply under different assumptions. The estimates for all categories combined are 1.2 million barrels per day; the estimate for incremental production et cetera, 800,000 barrels per day; and the Senate bill, 400,000 barrels per day under the House version.

The Finance Committee bill leads to a 25-percent reduction and the House bill to a 66-percent reduction in supply by 1990 compared to decontrol with no tax.

Mr. President, do we really want to engage ourselves in a tax structure, at a time when we are seeking independence, that will prolong the time when this country can achieve it except with more exotic synthetic fuels which, goodness knows, by any stretch of the imagination, have been adequately, even superfluously funded by this Congress with the bills that have just been passed?

I suggest that my colleague is right and that by taking this hesitant but significant step, we shall add to the production of domestic American oil and gas, which is exactly what is in the interest of the country.

I compliment my colleague from Oklahoma for bringing this up and I compliment him for beginning the dialog on the basics of what the Senate and the Congress are about to do by way of the windfall profit tax in general. I think the dialog that can develop from this will be useful and instructive for Members. I think we can begin to make the argument that if there is a legitimate supply response available in the country, that supply response should be seized as an opportunity to get out from under the clutches of dependence upon those who produce foreign oil.

I thank my colleague for yielding.

Mr. BOREN. I thank the Senator for yielding.

Mr. President, I request the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. METZENBAUM. Will the Senator yield for a question?

Mr. BOREN. Yes, I yield.

Mr. METZENBAUM. I understand this uses the effective tax rate of 50 percent?

Mr. BOREN. That is correct. It would amend the House-passed bill. In the section that says the general rate of the tax shall be 60 percent, we change that to read 50 percent, which was the President's original proposal.

Mr. METZENBAUM. Does the Senator from Oklahoma indicate that that would be applicable to old oil, tertiary oil, secondary oil? What categories?

Mr. BOREN. It would apply to everything but Alaska, newly-discovered, and tertiary, which were set out as separate categories in the House bill. But everything else—tier 1, tier 2, old oil, new oil—would be changed from 60 percent as the House passed it to 50 percent as in the original proposal.

Mr. DOLE. Mr. President, I want to ask a question of the Senator from Oklahoma.

I assume this amendment would improve the supply response. Is that an accurate conclusion on the part of the Senator from Kansas?

Mr. BOREN. I think the Senator from Kansas is absolutely correct. When the President took his action decontrolling the price of oil, he very correctly said that there would be a very significant supply response to the act of decontrol itself. It was realized that, to the degree that any tax is imposed, we take away revenues from the producers which could and would be used to produce more oil. As the Senator from Kansas knows, the independent producers, for example, in this country are reinvesting into exploration and production 105 percent of their earnings. So it stands to reason that as we can increase the funds available to the private sector, we increase the production of energy in this country.

I say to the Senator that if our aim is to produce more energy rather than just producing more tax revenues for the Federal Government, he certainly should support this amendment because it will, as the President himself has pointed out, result in a significant increase in production.

Mr. DOLE. I thank my distinguished colleague from Oklahoma, a member of the Finance Committee, who has offered valuable and constructive input during the 28 days and 80 or more hours that we marked up the bill.

It seems fair to conclude that if one wants more energy, you vote for the 50-percent tax rate. If one wants higher taxes, you vote for the 60-percent tax rate. Sooner or later, the American consumer will pay the higher tax and, probably sooner than later, the American consumer is going to pay the penalty by having less energy. We will again be waiting in gas lines. The American consumers are going to be concerned about energy. They are going to be concerned about heating oil and alternative sources of energy. So if you are for more energy and less tax, you vote for the 50-percent rate. If you are for higher taxes and more penalties and burdens heaped upon the consumer, you should vote to leave the tax up at 60 percent or go to 160 percent. Viewed in this light it is not very difficult to understand how to vote on this amendment.

I would be willing to accept the amendment, but since the Senator has already asked for the yeas and nays, I shall defer from that. I would not want anybody to fall out of the press gallery.

In any event, it seems to me that the Senator has touched a nerve, and I think this is a good way to take the temperature of the Senate on the first day of the debate, because I think there are going to be several days and several votes. I believe that, as we explain the bill, there will be more and more understanding that to get more supply response, we have to provide some incentive. We just cannot keep adding and adding more taxes. This is an area that President Carter provided leadership in and it ought to be recognized as one of those areas where leadership is provided.

He talked about a 50-percent rate for tier 1, he talked about a 50-percent rate for tier 2 oil. He talked about so-called tier 3 at a 50-percent rate. At the time, I was not certain that the President was accurate but, as the bill passed through the House and the Senate, I began to have more appreciation for the wisdom of the original proposal.

As I understand, the amendment would return the tax rate to the 50-percent rate initially recommended by the President of the United States.

Mr. BOREN. The Senator is correct. I appreciate his comments. I think they have great wisdom.

I think that it is time for us to make a decision: Are we in the Senate interested in producing more energy for the American people? Everyone in this room knows that it is badly needed and we have had a cutoff of 700,000 barrels a day from Iran. How badly do the American people need this energy to be produced domestically?

Do we want to produce energy or do we want to produce taxes? If the goal is to produce taxes, we can fashion a tax to take 100 percent of the profit from oil and not one single cent used for energy. We could devise that without any effort whatsoever. So it seems we are down to the line between those who want to produce more energy and those who simply want to produce more taxes on the American people.

There is another fundamental decision being made here, too. As the Senator from Kansas well knows, there is a fundamental choice being made between whether or not we think the Government can be more adept at producing energy or whether the private sector could. As the Senator well knows, it takes money to drill an oil well or open a coal mine or build a solar panel or synthetic fuel plant or anything else. The question is, How are we going to pay for it?

We are going to pay for it by the private companies paying for it, which they have to do with profits; or we are going to have to pay for it with taxes, with the Government footing the bill. I think everyone knows the history of government operation as opposed to private enterprise. As I said on the floor earlier, it is no coincidence that the private companies can move a barrel of oil, as heavy as it is, from New Orleans to New York City at less than one-tenth the cost that it takes the Post Office to move letters from New Orleans to New York City. I think that is one indicator of the efficiency of governmental operations versus the efficiency of the private sector.

I think the Senator from Kansas is absolutely right and my hope is that this body will have the wisdom to choose production over taxes and to choose the private sector and the free economic system over governmental operation.

Mr. DOLE. As I understand it, this is to the House bill, so it would not have any impact on any exempt categories in the so-called substitute of the Senate Finance Committee bill.

Mr. BOREN. The Senator is correct. This is only to the House bill and would not apply to the Finance Committee substitute. Therefore, it would not affect any of the exempt categories under the Finance Committee version.

Mr. DOLE. I think it also ought to be understood that we are talking about a 50 percent so-called windfall tax. The companies still pay income tax and royalty payments.

Mr. BOREN. That is absolutely correct.

The biggest gainer of any windfall, even without this excise tax, will be the Government, because already with the income tax, the severance tax to State governments, the producers will be paying well over 60 percent on every dollar gained—already.

So we are discussing a tax upon a tax upon a tax.

Mr. JOHNSTON. Will the Senator yield?

Mr. BOREN. I am happy to yield.

Mr. JOHNSTON. The 50-percent rate, do I recall correctly that that was the rate that the administration suggested in the legislation?

Mr. BOREN. The Senator is absolutely correct.

I think the President was wise when he proposed that rate.

Mr. JOHNSTON. Would I be further correct that this is really an administration amendment?

Mr. BOREN. I would have to say that I have not cleared this with the administration. But I certainly think it would help the administration, because it will help the administration meet the critical need for energy, and it is exactly on the lines the President himself suggested when he first made the proposal.

So, certainly, my aim is to be helpful to the President, the administration and the country at the same time.

The Senator is absolutely correct.

Mr. LONG. Will the Senator yield?

Mr. BOREN. I am happy to yield.

Mr. LONG. Do I understand the logic of the Senator's proposal to be that when the President is right, we ought to go with him, but when he is wrong we ought to have the courage to do what we think is right?

Mr. BOREN. The Senator is absolutely right.

Here we say his original proposal was right.

Mr. PACKWOOD. Will the Senator yield for a question?

Mr. BOREN. I am happy to yield.

Mr. PACKWOOD. To make sure I understand, this is an amendment to the House bill?

Mr. BOREN. That is correct.

Mr. PACKWOOD. And it is a nullity as far as the Senate bill is concerned unless it is subsequently adopted?

Mr. BOREN. That is correct.

Of course, that depends on what the Senate did in terms of adopting the Senate committee bill.

Mr. PACKWOOD. I understand that exactly. But, so the Senate is clear, if this passes, or fails, it would be judged as a test vote, but at the moment it has no effect on the Senate bill, and no part of it, unless subsequently adopted?

Mr. BOREN. The Senator is correct.

If the Senate committee bill is eventually adopted, this provision would not be a part of it unless later specifically added to it. That is correct.

I think, primarily, as the Senator from Kansas pointed out, this amendment will give us an indication of whether or not we want to go the route of saying that this body knows how to raise taxes, or whether or not we want to take the path of showing the Senate of the United States knows how to produce more energy for the American people.

Mr. LONG. Will the Senator yield?

Mr. BOREN. I am happy to.

Mr. LONG. Would it not be true, if the Senate agrees to the amendment, that the Senator would, either in the event the committee amendment should fail or even if it should prevail, like to see the amendment become law, or that he would like to see it added to the committee amendment in the event it succeeds as an amendment to the House bill?

Mr. BOREN. The Senator is absolutely correct.

I think if this amendment is adopted, as I hope it will be adopted, that this would be a clear indication on the part of the Senate on the direction it wishes to take.

Therefore, if we later decide to accept the Senate committee version, it would be my intention to offer this since it would already have the support of the Senate as an amendment to the committee version of the bill.

Mr. LONG. I thank the Senator.

Mr. WALLOP. Will the Senator yield?

Mr. BOREN. Yes.

Mr. WALLOP. I want to point out two things while we are all sitting here. First, the real windfall that is going to happen as a result of decontrol and the irrational behavior of OPEC will be to the Federal Government.

Absent any windfall profit tax bill, they will get in excess of $500 billion of personal and corporate income tax over the period of the next 10 years which, by any stretch of the imagination, is an impressive figure.

I will quote one brief statement from the CBO's working paper on the windfall profit tax. They say:

> The Senate Finance Committee bill results in no more lower-tier oil over the 1980–1990 period than would have resulted under continued controls. This is because lower-tier oil receives the smallest incentives under the Senate Finance bill.

So the CBO has recognized the production effects of the tax.

We had a hard time getting the Department of Energy to recognize this effect. They seemed to believe that by merely saying the word "decontrol," all good and beneficial things shower on the country. Whatever further actions would have no further effect. But the rest of the reasonable people assume a production response. This goes back to where the President originally intended those incentives to come from.

Mr. LONG. If the Senator will yield, here is a table prepared by the joint committee, and the Treasury agrees with it. It shows that decontrol and the House-passed bill would raise almost $1 trillion of gross receipts—$994 billion—over a 10-year period.

Imagine, the Treasury agrees with these figures, which show that the tax taken by the State and Federal Governments would be 83 percent.

Under the House-passed bill, which the Senator seeks to amend, there would only be 17 cents on the dollar left for the producers as their reward for going out and producing oil and for providing funds to reinvest to try to produce more.

I do not know how many people know what it is to pay an 83 percent tax on income. I do not know. I know about 70 percent, and a State tax on top of that. But I must say that 83 percent is hard for anybody to take.

Mr. President, I ask unanimous consent this table be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INCREASE IN OIL RECEIPTS AND TAXES UNDER DECONTROL WITH THE HOUSE-PASSED WINDFALL PROFIT TAX COMPARED TO THE FINANCE COMMITTEE SUBSTITUTE

[Calendar years 1979–90; billions of dollars]

	House-passed bill	Committee substitute
Gross increase in oil receipts	994.4	1,025.1
Costs of production induced by decontrol	−79.6	−87.4
Net increase in oil receipts before tax	914.7	937.7
Taxes and royalties on receipts before windfall profit tax:		
Increase in Federal royalties	17.5	18.1
Increase in State royalties	32.5	33.1
Increase in State income and severance taxes	101.2	103.7
Increase in Federal income tax	332.0	340.2
Net increase in oil receipts after taxes	431.7	442.6
Windfall profit tax:		
Net windfall profit tax	276.8	138.2
Decrease in State income tax due to deductibility	19.5	9.2
Decrease in Federal tax receipts due to reduced production	8.1	
Net increase in oil receipts after windfall profit tax	166.3	313.6

Mr. LONG. Mr. President, the Senate committee came up with a bill where the tax on about the same amount of money would be slightly less. It is estimated that the gross increase in oil receipts would be $1,025,000,000,000, and that the net increase after the windfall tax would be $313 million. This is shown in the table.

So the overall tax would be about 70 percent. The industry would be able to retain only about 30 percent to pay for use of their money and to put back in the ground.

So, when one is thinking in terms of trying to encourage production, and only leaving the producers 16 cents on $1 of additional income, that is a pitifully small amount for them to have to put back in the ground in trying to get additional production.

This amendment is offered to the House-passed bill. The bill to which this amendment is offered is one with regard to which the Government would take about all but $166 billion of $994 billion in increased receipts.

So that in terms of how much we take, I can understand why the House bill had to say that in no event would we take more than all of it.

That is all we will take. They do not have to pay more than 100 percent.

I must say, that was a generous, thoughtful attitude to take on the House side.

Mr. DOLE. We lowered it to 90 percent.

Mr. LONG. The Senate Finance Committee, the Senator says, has lowered it. I did not know we were that generous, to let them keep 10 percent.

So, at least, the Senator would like to show he feels the House bill goes too far. I think that is one way of doing it.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, I earlier made the statement that in reaching the decisions in the Finance Committee as to the level of tax on the oil companies and the level of credit allowed for solar energy, geothermal energy, conservation, or wind energy, there was a tradeoff and a balance. We needed enough money to make up the revenue loss that would come from credits, and that money was going to come from the windfall profits tax. We were not then and we are not now for some other additional kind of tax.

Often, we had to make a decision as to whether or not, if we lowered the tax on oil, that would increase production more than if we raised the tax on oil and used the revenue for credits to produce other forms of energy.

I emphasize that what we are trying to do in this bill is to produce energy. It is not designed just to produce oil. If we lowered the tax a bit, or substantially, and produced more oil, but in the process of doing so produced less net energy, this would not be a good amendment.

Second, I call to mind the statements made by most of the oil companies within the last 2, 3, or 4 years about how much money they needed in order to have an adequate return, so that they would have sufficient money for exploration, refining, development, and whatnot.

It was no more than 4 years ago that the oil companies said that if they could just get their price to the then world price—which I recall was perhaps $13 or $14—that would give them a sufficient capital flow to more than take care of any of their needs. Today—and I hesitate to use the word, because it fluctuates so often, and it is always upward—the world price is in the 20's. If my memory is correct, it may be on the upper side of 25, rather than below.

To show how fast things happen, when the House of Representatives passed this bill, their Ways and Means Committee estimated that in 1980 oil would be $22 a barrel, and they premised their tax and returns on that. That is what they were predicting less than 6 months ago. Things change so rapidly that when the Finance Committee sent the bill to the floor, we operated on the premise of $30 a barrel in 1980, and that may be low. Nobody knows.

If the windfall profits tax enacted were as it was in the House bill—let alone as it came out of the Senate Finance Committee, which is less than the House bill—if the windfall profits tax as enacted were the same as it was in the House bill, the oil companies would have more retained earnings by far than just a few years ago they said they needed—and I am accounting for inflation in that.

Therefore, I do not think it needs to be said that we must lower this tax in order to encourage production. If the companies are to be believed in what they have been telling us for the last few years, the present world price of oil plus the decline curve in allowing them to keep what they are going to be able to keep, should, if their statements were accurate, give them more than enough cash for all the exploration and production they say they need.

Mr. BOREN. Mr. President, will the Senator yield for a question?

Mr. PACKWOOD. I yield.

Mr. BOREN. I understand what the Senator is saying about the need to conserve energy and the need for incentives with respect to conservation. I support him in the outstanding effort he has made in this regard and the leadership he has provided in the committee to provide tax credits and incentives for conservation.

However, according to the estimates I have seen, even if we make this change in the House-passed bill, to change the rate back to the President's original proposal of 50 percent, if we add together the additional Federal income tax collections that will come about as a result of decontrol, with the amount that would be raised under the House-passed bill, as changed by this amendment, we still would be increasing Federal revenues by $600 billion to $650 billion over the next 10 years.

Does not the Senator believe that that amount would be sufficient—$650 billion over 10 years, which would be larger than any tax increase in the history of the United States? Would that not be large enough to provide adequate incentives for conservation and meet the needs of the elderly and those on fixed incomes for relief and the other needs that we have recognized?

Mr. PACKWOOD. It depends. When I introduced my initial package of energy credits, the estimated cost of them was about $60 billion.

As the Senator from Oklahoma is aware—he was a cosponsor of those credits, and I appreciate his support—we pared that back to about $25 billion in credits in the bill, on the theory that the bill did not raise enough money to support those otherwise justifiable credits. We did not have the money, and we did not want to be irresponsible. So I am a little reluctant to start cutting money out of this bill when we have cut the credits below that level.

For example, in solar energy, while we allowed residences a 50-percent credit, we have allowed businesses 30 percent. I would like to see that raised to 50 percent. Then we would see how business would react.

I am also aware of the valid statement the Senator from Oklahoma has made. When we started on this bill, the revenue estimates were $232 billion; and when Senator DANFORTH pinned Treasury to the wall, they changed their estimates by $130 billion, without any change in the percentage. This was just a change in their estimates.

It is one thing as to how much money this bill will raise. Oil has sold for $30 or $40 a barrel. None of us knows what oil is going to sell for in 1985.

The Senator from Oklahoma made a very valid point. I could conceive of this bill, with oil at $40 to $45 a barrel, raising a trillion dollars. But until we get those conservation and other energy credits to a level at which I am sure the credit will be sufficient to induce a reaction, I am reluctant to cut any money out of the bill.

Mr. BOREN. I thank the Senator.

Mr. WALLOP. Mr. President, will the Senator yield?

Mr. PACKWOOD. I yield.

Mr. WALLOP. I say to the Senator from Oregon that I, too, have been a supporter of those conservation credits and believe in them; but their attractiveness in terms of incentives becomes ever-heightened by the same kind of reaction, the world oil prices he mentions. So the Federal incentives required to achieve energy savings become not so urgent since an incentive comes from the marketplace. It may still be useful, but not so urgent in achieving the same energy savings.

I think one should recognize where this amendment goes. It goes to the House-passed bill, which, under the assumptions the Senate has made, raises $278 billion. So the decline in take, if you will, to the windfall profits tax off this change is relatively modest and surely is more than enough, in the Senator's wildest dreams, of what revenue is required to give conservation some financial support.

I do not disagree with the Senator that there are judgments to make, and I have a judgment to make in the course of this, because people are beginning to understand what my industrial conservation credits would do. I do not think that this amendment is a drastic step, when we attach the Finance Committee oil price assumptions to the House passed bill.

Mr. DOLE. As I understand, it would reduce revenue in the House bill from about $270 billion to about $240 billion, which is a substantial sum.

Mr. WALLOP. Yes; fairly substantial. But when we talk about where we were in April, when the President first spoke of this, $5.2 billion, and then it is $115 billion, and the House has $105 billion—the House thought this sum was adequate and even boasted about it—somehow, the escalation from $5.2 billion to $240 billion seems to be more than adequate.

Mr. DOLE. I think it demonstrates again how easy it is to raise taxes. We have not done anything, but the tax has increased from $5 billion to $138 billion in the past 3 or 4 months. I think it is much more difficult to increase our energy supply.

Maybe it is an oversimplification to say that a vote for the Boren amendment is a vote for more energy, and a vote against the Boren amendment is a vote for more taxes.

Mr. BOREN. Mr. President, I think we have thoroughly discussed this and I am prepared to vote at this time. The yeas and nays have been ordered.

Mr. METZENBAUM. Mr. President, I have heard a good deal of discussion in the last one-half hour to an hour as to how reducing the tax from 60 percent to 50 percent is going to increase the amount of production in this country. I suppose if we reduced it to 40 percent it would increase it more.

Mr. DOLE. That is right.

Mr. METZENBAUM. Thirty percent a little more. If we dropped it altogether, it would increase tremendously. The only thing is that does not seem to be borne out by the facts. There is not much evidence to support that contention. But it is the wishful thinking and the contention that the oil companies have been telling the American people in millions of dollars of television, newspapers, and radio advertising. The fact is that reducing taxes does not produce more oil.

I am not certain that the original premise of this whole legislation as I heretofore stated earlier of decontrolling the price of oil is anything but counterproductive.

The fact is that the oil companies, if they had their way, would like to pay no taxes and would like to be able to charge the highest possible amount which has certainly become inflationary in this country.

Mr. President, I am not even certain why this amendment is offered to the House bill. We all know that the House bill is not really going to be considered as such. There is some talk about it as being an opportunity to get a test vote. I am not sure it is an opportunity to get a test vote. I think it may be an opportunity for some Senators to vote no and be able to indicate that they are making the record in voting against being too good to the oil companies.

I think they will have plenty of opportunity before the windfall profit tax bill debate is concluded in order to indicate their actual position. I think there will be many amendments that will go in both directions before we are through.

But certainly there is nothing that I have heard in the debate today, and I think there have been five Members whom I have heard discuss this subject, with one exception—one has opposed it—that would convince me that there is any merit, reason, logic, or even good parliamentary procedure as to why we should adopt this amendment. I assume, therefore, that the Members of the Senate will use the necessary good judgment to start a pattern of rejecting amendments of this nature which go in the wrong direction, to say the least.

I wish to ask my friend from Oklahoma one or two questions: One is, how much less revenue will be produced for the Treasury in the event this amendment were to be adopted in comparison to the House bill; and second, how much oil would it produce?

Mr. BOREN. I say to the Senator that I am told by the committee that a rough estimate would be approximately $35 billion. So we are talking about taking the House-passed bill from approximately $275 billion down to approximately $240 billion. That will be the difference.

The additional production I think is rather difficult to isolate out one factor. It would be a significant amount. There are two different estimates between the Senate version and the House-passed version and, of course, that difference is approximately one-half million barrels per day under the CBO estimate. The industry estimates about a million barrels a day. The President himself has recognized there will be significantly less supply response with the tax than there would be with outright decontrol. The estimates as to the amount of production with decontrol and no tax has been approximately 4 million barrels per day down to a low range of 750,000 barrels per day under the President's original proposal and 2 million barrels per day under the House-passed bill. So I say there will be a significant amount, in the neighborhood of a few hundred thousand barrels per day. That is a rather significant amount when we consider that the amount of oil we are bringing in from Iran is 700,000 barrels per day.

I say to my good friend from Ohio that while he has not been convinced there is still on the part of all of us hope some day the light will dawn and that the Senator will realize that the corollary that he has been arguing, that is, more taxes will produce more energy, is far less proven than the one he was arguing against.

Mr. METZENBAUM. I wish to respond and say that I wish to deliver again for my friend from Oklahoma the speech I made earlier this morning which was that we should not have decontrol in the first place and then we would not have to have the windfall profit tax. But I do not argue that higher taxes will produce more oil. I do argue that lower taxes will not necessarily produce more oil. If old oil is flowing, I do not understand how we are going to get more oil by reducing the rate. If tertiary oil is on line and flowing, I do not see how we are going to get more oil. If the stripper wells are producing, I do not see how we are going to get more oil.

The only oil that we might be talking about might have to do with new oil. Is there an incentive to go out and sink the pipes into the ground and attempt to get it? But that actually would not be affected by this particular proposal because the Finance Committee has already exempted new oil, which I do not think they should have done, but they have already done that, so this is not going to produce anything more than that.

I just ask my friend how does he figure we are going to get so much more oil, where is it going to come from, and why because we reduce the rate 10 percent we will get more oil?

Mr. BOREN. I doubt anything I am going to say—I think I have already answered the Senator's question—will change his mind. I hope we can press ahead here and have a vote on this amendment, that we can get off high center and have an expression of sentiment by the Senate so that we can test the sentiment as to whether or not the majority would stand with the Senator from Ohio in believing that we should heap more and more taxes on it, that that is the solution of the energy problem, or if they will agree with the amendment offered by the Senator from Wyoming and myself.

I also would think it would give the Senate a chance to go on record as to whether or not we are supporting the President of the United States, as I am in his original proposal. Unlike the Senator from Ohio I am standing with the President today and saying his original action was correct and his original proposal for 50 percent was correct.

Mr. METZENBAUM. I am certainly happy to hear the Senator from Oklahoma is standing with the President. I am not because I think the proposal originally was too low. I think he came to realize that himself and modified it. I think the House gave him a very persuasive argument indicating that they thought it was too low; so that I respect the President but I would say in this instance, the first instance, I think he came out for a strong—he was on all the television tubes indicating his strong—desire for an effective windfall profits tax.

Then, as you will remember, when the computation started to be returned, everybody concluded it was but a shadow of what it should be.

So although the President and the Senator from Oklahoma may feel this is the right figure, I think the vast majority of Americans would feel that the oil companies have been getting away with profits that are too high; that the inflation rate of 14 percent, which has about a 5-percent factor in it for higher energy prices, has been unfair to the American people; and that the oil companies of this country, as indicated by reports made public by other Members of Congress, have not been paying their fair share of taxes.

Unfortunately, this will not cause any change in that. All we are now talking about is what rate of tax they will pay by reason of decontrol of the price of oil, and it will not affect the very low rates they pay at the present time on regular profits.

Mr. DOLE. Mr. President, I am willing to put the Senator from Ohio as undecided and go ahead with a vote.

[Laughter.]

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER (Mr. BAUCUS). The question is on agreeing to the amendment of the Senator from Oklahoma. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Florida (Mr. CHILES), the Senator from California (Mr. CRANSTON), the Senator from Alabama (Mr. HEFLIN), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Georgia (Mr. TALMADGE), and the Senator from Massachusetts (Mr. TSONGAS) are necessarily absent.

I further announce that the Senator from Delaware (Mr. BIDEN) is absent on official business.

I also announce that the Senator from Iowa (Mr. CULVER) is absent because of illness.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Masachusetts (Mr. TSONGAS) would each vote "nay."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Maryland (Mr. MATHIAS), the Senator from Idaho (Mr. MCCLURE), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 32, nays 53, as follows:

[Rollcall Vote No. 415 Leg.]

YEAS—32

Armstrong
Bellmon
Bentsen
Boren
Boschwitz
Byrd, Harry F., Jr.
Cochran
Dole
Domenici
Garn
Goldwater
Gravel
Hatch
Hayakawa
Helms
Humphrey
Jepsen
Johnston
Kassebaum
Laxalt
Long
Lugar
Morgan
Schmitt
Simpson
Stennis
Stevens
Thurmond
Tower
Wallop
Warner
Young

NAYS—53

Baucus
Bayh
Bradley
Burdick
Byrd, Robert C.
Cannon
Chafee
Church
Cohen
Danforth
DeConcini
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Hart
Hatfield
Heinz
Hollings
Inouye
Jackson
Javits
Kennedy
Leahy
Levin
McGovern
Magnuson
Matsunaga
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Proxmire
Pryor
Riegle
Roth
Sarbanes
Sasser
Schweiker
Stafford
Stevenson
Stewart
Stone
Weicker
Williams
Zorinsky

NOT VOTING—15

Baker
Biden
Bumpers
Chiles
Cranston
Culver
Heflin
Huddleston
McClure
Mathias
Pressler
Randolph
Ribicoff
Talmadge
Tsongas

So Mr. Boren's amendment (UP No. 828) was rejected.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was was agreed to.

UP AMENDMENT NO. 830

(Subsequently numbered amendment No. 643)

Mr. BENTSEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state it.

The assistant legislative clerk read as follows:

The Senator from Texas (Mr. Bentsen) proposes an unprinted amendment numbered 830.

At the end of the committee amendment add the following new section:

Sec. 402. Savings exclusion.

(a) In general—

Mr. BENTSEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the committee amendment add the following new section:

Sec. 402. Savings Exclusion.

(a) In General.—Part III of Subchapter B of Chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 128 as 129, and by inserting after section 127 the following new section:

"Sec. 128. Interest.

"(a) In General.—In the case of an individual, gross income does not include any amount received as interest or dividends on a time or demand deposit with—

"(1) a commercial or mutual savings bank the deposits and accounts of which are insured by the Federal Deposit Insurance Corporation or which are otherwise insured in accordance with the requirements of the law of the State in which the bank is located,

"(2) a savings and loan association, building and loan association, or similar association, the deposits and accounts of which are insured by the Federal Savings and Loan Insurance Corporation or which are otherwise insured in accordance with the requirements of the law of the State in which the association is located, or

"(3) a credit union, the deposits and accounts of which are insured by the National Credit Union Administration Share Insurance Fund or which are otherwise insured in accordance with the requirements of the law of the State in which the credit union is located.

"(b) Limitation.—The amount of interest excluded under subsection (a) for the taxable year shall not exceed $500 ($1,000 in the case of a husband and wife who make a joint return under section 6013).".

"(c) Transitional Interest Exclusion.—The amount of interest excluded under subsection (a) during the transition period shall not exceed the following amounts:

Year	Interest exclusion	Interest exclusion for a husband and wife who make a joint return under section 6013
1981	$100	$200
1982	200	400
1983	300	600
1984	400	800

(b) Cross Reference.—The table of sections for Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 is amended by striking out the last item and inserting in lieu thereof the following items:

"Sec. 128. Interest.

"Sec. 129. Cross references to other Acts.".

(c) Effective Date.—The amendments made by this section apply to taxable years beginning after December 31, 1980.

Mr. BENTSEN. Mr. President, the amendment that I have offered on behalf of myself and Senator Percy and a total of 27 sponsors in the Senate is one that would give individuals a tax exemption in 1981 for the first $100 of interest earned from a savings account in a bank, a savings and loan association, or a credit union. It would give them a $200 tax exempt interest return on a joint account.

That exclusion would increase annually by $100 a year on the individual return until it got up to an exemption of $500 interest, or $1,000 for a married couple, earned on a savings account.

The Finance Committee version of the windfall profits tax already includes provisions addressing the problem of social security payroll taxes and carryover basis. I think it is equally important to address the issues of savings.

Mr. President, among the major industrialized nations of this world, the United States is dead last in its savings rate.

If we are going to do something about capital formation in this country, if we are going to do something about the disintermediation of funds from the savings institutions, if we are going to be concerned about housing in this country, then we are going to have to do something to encourage savings to help correct that.

This windfall profits tax will certainly raise far in excess of $100 billion during the next 10 years. It is important that a small portion of that enormous increase in the Federal revenues be earmarked to alleviate what I believe is a serious bias against savings in this country. Incentives for savings can play an important role in our efforts to moderate inflation.

This amendment is generally the same as my savings exclusion bill, S. 246, which has 20 cosponsors including Senators Matsunaga, Boren, Baucus, Ford, Hollings, Stone, Morgan, Burdick, DeConcini, Zorinsky, Tower, Lugar, Pressler, Schmitt, Thurmond, Young, Armstrong, Garn, Boschwitz, and Humphrey.

The Senate Finance Committee held hearings on S. 246 on October 31, 1979. We had a broad spectrum of witnesses—there were senior citizens, realtors, and financial institutions—all testifying in support of this proposal.

This amendment will help those Americans who rely on their small savings for emergency purposes. It will help protect the erosion of savings by inflation in this country. Due to inflation, individuals actually receive a negative rate of return on savings deposits. A tax on the interest received further penalizes the consumer who has already been hurt by inflation.

Our tax laws have penalized savings and investment and this has contributed to lagging productivity and high rates of inflation. As I said earlier, other industrialized societies have provided substantial incentives for savings.

I sat down and met with the French Economics Minister. He told me what they had done in the way of incentives to try to encourage capital formation in France. He said the results were dramatic in what they had been able to accomplish in that regard.

Mr. STONE. Mr. President, will the Senator yield for a question?

Mr. BENTSEN. I am delighted to yield for a question from the distinguished Senator from Florida, who has been very concerned about savings in this country for a long time.

Mr. STONE. I thank the distinguished Senator from Texas.

Is the situation in Texas with retired people the same as it is in Florida, in which the elderly measure their life expectancy according to insurance and other tables, and they discuss and think and plan as to whether their little savings are going to last as long as their life expectancy? And do they, in Texas, as in Florida, hope and pray that they pass away before their savings pass away? Would not a provision like this help these elderly people of modest means to keep body and soul together?

Mr. BENTSEN. Well, that is certainly true in my State and, I know, from what the Senator tells me, in the State of the distinguished Senator from Florida.

I assume that problem and concern is shared across this great Nation of ours. One of the results happens to be that when they see what is happening and their savings are taxed, often at a negative rate of return, then they become a target of every flimflam artist that is going to give them a quick bonanza, that is going to suddenly bring them security, and they lose their savings.

It is time that we do some of the things they have done in other countries to try to encourage those kinds of savings, so that they will have something for their retirement years.

Mr. STONE. I think the Senator is to be commended in offering this amendment, because it has both aspects: It helps capital formation in the provision of new investment and jobs for people, but it also has a very human aspect in terms of the savers themselves, and particularly the elderly.

I am very much in support of this amendment. I hope and trust that it will pass overwhelmingly.

Mr. BENTSEN. I thank the distinguished Senator from Florida for his comment.

Mr. President, I had agreed to yield to the distinguished Senator from Alabama (Mr. Stewart) without losing my right to the floor.

Mr. STEWART. First, let me say that I commend the Senator from Texas for this excellent amendment and appreciate his efforts in that regard.

I thank the Senator from Texas for having yielded to me.

Mr. BENTSEN. Mr. President, I ask unanimous consent that Senators Talmadge, Matsunaga, Boren, Baucus, Durenberger, Church, Pryor, DeConcini, Tower, Morgan, Cochran, McClure, Laxalt, Domenici, Ford, and Stone be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. Mr. President, I ask unanimous consent that Senators Durkin, Huddleston, Cranston, Humphrey, Stewart, Hollings, Cohen, Johnston, and Leahy also be added as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. Mr. President, the U.S. rate of savings as a percentage of disposable national income in 1976 was only 4.8 percent compared to a rate of 6.6 percent in the United Kingdom, 13.1 percent in France, 13.2 percent in Germany, 17.2 percent in Switzerland, and 25.3 percent in Japan.

The percentage of disposable income that Americans saved during the third quarter of 1979 fell to the lowest quarterly figure since 1951, according to figures released by the Commerce Department.

The national savings rate during the July–September period declined sharply from 5.4 to 4.1 percent. The last time the savings rate was that low was in the first quarter of 1951, when it fell to 3.7 percent.

Michael Boskin, professor of economics at Stanford University, who supports my savings exclusion proposal states:

> There is no greater problem facing the U.S. economy today than our extremely low rate of savings and closely related low rate of investment.

Professor Boskin goes on to state:

> There is no more urgent legislation than to gradually shift to a system that would promote, rather than destroy, the incentive to save.

A recent Wall Street Journal article on the savings rate in West Germany points out that the funds made available by savings in that nation have helped push productivity ahead at a faster rate in Germany than in any other Western nation.

Our tax laws have penalized savings and investment and this has contributed to lagging productivity and high rates of inflation. One of the most effective methods to hold down the cost of living is to help boost productivity.

If you are going to increase productivity in this country, you have to encourage investment in equipment and machinery. That requires capital to be available. I see on the floor my coauthor of this bill, the distinguished Senator from Illinois (Mr. Percy). I am happy to yield to him at this time.

Mr. PERCY. I very much appreciate the Senator yielding. This is one of the most important issues we have brought before the Congress in a long time. I commend my distinguished colleague.

As the distinguished Senator from Texas knows, on July 19 I introduced S. 1542, and subsequently had the cosponsorship of Senator Danforth of Missouri. My bill is based on the same principle as this amendment. S. 1542 just extended a principle which the Senator from Texas has long supported, the dividend exclusion. It extended the dividend exclusion from $100 to $500 but required that $400 be reinvested. And it also provided a savings interest exclusion, for $500 of interest if the top $400 was reinvested.

This amendment which phases in the $500 interest exclusion cost is a very direct action. It does not require reinvestment.

I commend my distinguished colleague for adding 27 cosponsors to this particular measure.

Certainly without any question the distinguished Senator from Texas realizes, as a former businessman, that one of the most disastrous things happening in the American economy today is the lack of savings. This lack of savings, the lack of investment in the ways that that money can be used, is causing very, very high interest costs today. Scarce money chasing goods and the cost of money is continuing to go up. As the distinguished Senator has said, our level of saving today is scandalously low. People are buying things because they know the things are going to go up in value and appreciate. It does not matter whether it is an automobile, a television set, or whatever.

Usually, in years past, those products stayed relatively stable in price. From 1955 to 1965, it was only 1½-percent increase for a whole decade. But I heard last night an automobile advertised for $4,400 that my wife paid $3,100 for 2 years ago. That kind of appreciation causes people to buy things and not hold on to money because they see their money dropping in value.

What we have to do is change the psychology. We have to change habits now. We have to get people back into the habit of saving to create more money which can then be used by others to invest in equipment that will reduce the cost of production.

Mr. President, I am joining Senator Bentsen in submitting this amendment because I believe the low rate of savings in this country is a crucial economic problem. Congressional attention to this problem is long overdue.

As Senator Bentsen has pointed out the savings rate in the United States is the lowest of the major industrialized nations. Personal savings and investment are major sources of business investment capital and without this investment capital there can be no economic growth and no productivity gains.

The amendment we are offering is quite simple. It will provide the tax incentives needed to encourage personal savings. Beginning in 1981, it will allow a $100 tax exclusion for interest earned from a savings account. The exclusion will increase annually by $100 until calendar year 1985 when an exclusion for $500 of interest—$1,000 on a joint return—will be provided.

Mr. President, a high rate of capital formation is necessary if we are to increase the rate of productivity growth in the American economy. Increased productivity is the key to fighting inflation. One way to spur capital formation is to encourage personal savings and investment. We can accomplish this by reducing the penalty our tax system inflicts on savings.

The United States has a dismal record of savings as compared to other industrialized nations. According to the Organization for Economic Cooperation and Development 1979 Economic Survey, in 1977 the United States was last among the industrialized nations in the rate of household savings. Japan led the way with 21.2 percent, West Germany 12.6 percent, France 16.7 percent, the United Kingdom 13.7 percent, and the United States 5.3 percent.

The same survey also evaluated international savings rates as a percentage of gross national product. This rate is determined by deducting national consumption from GNP and stating it as a percentage of GNP. In 1977, Japan saved 32.2 percent of its GNP, West Germany 24.2 percent, France 23.4 percent, the United Kingdom 20.3 percent, and the United States 17.7 percent. While these statistics show the United States in a more favorable light, the fact is that we still finish last of the major Western industrialized nations.

The low rate of savings is a major factor in the shortage of capital available for business investment in new plant and equipment. Here again, statistics show that the United States falls behind other major industrialized nations. From 1966 to 1976, the United States invested 13.5 percent of its GNP in plant and equipment. During the same period, Japan invested 26.4 percent, West Germany 17.4 percent, France 16.7 percent, and the United Kingdom 14.9 percent.

It is time that we in Congress take steps to reverse these alarming statistics.

The pending amendment is a major step in the right direction. Savings and loan associations, credit unions, and commercial banks all over the country have told me in recent weeks that this single step would be the biggest thing we could do to reverse a dangerous trend. Dangerous because it has endangered farmers and small business people, dangerous because it is endangering consumer credit, dangerous to the entire economy. This step we are taking today, or should take as soon as possible, is a step that can reverse that dangerous trend and put us back on a much more prudent and frugal footing.

I commend my distinguished colleague for proposing the amendment.

Mr. BENTSEN. Mr. President, I ask unanimous consent to add the name of the distinguished Senator from New Hampshire (Mr. Durkin) as cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STAFFORD. Mr. President, would the distinguished Senator from Texas, whose amendment I am strongly supporting, care to add me as a cosponsor, also?

Mr. BENTSEN. I am delighted, Mr. President. That adds a lot of weight to the bill. We have deep concern over savings in this country.

I ask unanimous consent to have Senator STAFFORD added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. Mr. President, a study prepared by the Department of the Treasury indicates that total U.S. fixed investment as a share of national output between 1960 through 1973 was 17.5 percent. The U.S. figure ranks last among a group of major industrial nations. Our investment rate was 7.2 percentage points below the average commitment of the entire group, even below that of Great Britain.

Ever since World War II, the major concern of our economic policy has been to maintain an adequate level of demand in the system. This year's Joint Economic Committee annual report, which, for the first time in 20 years, was endorsed by all committee members, points out that the time has come for a fundamental reorientation in our economic strategy. The JEC report suggests that the supply side of the economy should be our major area of concern and points out that policies which expand our capacity to produce goods and services more efficiently are the most effective way to deal with our current economic problems. Greater savings and investment are needed.

Mr. President, this amendment would provide considerable assistance to countless senior citizens throughout our Nation. To illustrate this point, I refer to the testimony of Mr. Robert E. Pugh, president of the Texas Senior Citizens Association, at the October 31 Finance Committee hearings. Mr. Pugh stated at that time:

> In this day when we have long since passed double digit inflation, perhaps, it is only those of us who are older who can remember that one of our Founding Forefathers reminded us that, "A Penny Saved Is a Penny Earned."
>
> In our mad rush toward economic suicide and financial oblivion, our society seems dazed and drugged by an opiate. That subtly suggests spend, and spend, with no thought that the piper is awaiting down the road for his pay, and that suggests, that S.B. 246 by Senator Bentsen, and cosponsored by 18 of his Senate colleagues is long over due.

Mr. Pugh proceeded to state:

> As President of a large and vocal group of senior citizens I am deeply hopeful that our people become concerned about and interested in savings, since economists tell us that a retiree who can retire on a $10,000 a year income now, will need $18,000 before 1990.
>
> Let's face facts—where is that extra $8,000.00 a year going to come from? The only obvious answer is "savings"—but under the present circumstances, our government is not encouraging the saving habit.

Mr. Pugh concluded his remarks to the Finance Committee by pointing out:

> If you give to our people the incentive, the motivation for saving, that this will engender, as we invest in savings in savings banks, building loan associations, credit unions, each of us who participate will have a part in providing the capital for home and commercial buildings, and help us have the feeling that we are helping America to get moving again.
>
> While we may not be economists, we do know the banks, the building and loan associations, and kindred institutions cannot lend money they do not have, and this is where individual Americans all over America can come in—if something can be done to develop our incentive for saving, then we can help provide the capital, that will mean business, homes, and therefore more jobs for our people. The rank and file of Americans do not have great wealth, but they love their country and they are concerned about the future of America—they would like to know they can have a part in rebuilding America.

According to estimates of the Joint Committee on Taxation, this amendment would result in a "static" revenue loss of $1 billion in 1981 and this would increase to some $5 billion annually when the amendment is fully effective in 1985.

Let me say of the word, "static," that means that if you do not get anything happening, if you do not get an outpouring of funds that go into these kinds of savings accounts that help build more homes, that help start small businesses, if you do not have any of that happening as a result of it, the revenue loss would be $1 billion in 1981. That would increase to $5 billion by the time it was fully effective in 1985.

However, it is very important to note the important "feedback effects" that this amendment would have on our economy. It would increase the flow of capital to lending institutions and provide a more stable source of funds for the real estate industry, construction industry and homebuilding. At the same time, taxpayers would be encouraged to save for family health care, retirement, education or other worthwhile objectives.

The rate of interest on home mortgages is presently at the 13 percent level. According to testimony presented to the Senate Finance Committee, a $500 savings exclusion would decrease long-term interest rates due to the higher rate of savings inflow into lending institutions. Concurrently, residential and nonresidential construction would each increase by approximately 4.7 percent over current levels to accommodate the anticipated increase in housing demand.

Productivity and economic growth would also increase if the savings exclusion were enacted.

According to some estimates presented at recent Senate Finance Committee hearings, as the increased amount of savings is spread throughout the economy, private investment would increase by $21.2 billion, a gain of 4.8 percent, with a corresponding increase in employment of 250,000 jobs and a rise in household per capita income of $210. The result of this increased economic activity is an estimated rise in GNP of $9.5 billion according to testimony presented at the Finance Committee.

As we come to the close of the seventies, we can look back on a decade of lagging productivity, reduced capital investment and rising inflation.

One of the causes of this economic decline has been the lack of incentives for capital formation and the significant reduction in the savings rate in the United States. If the eighties are to show improvement, it is imperative to stop the disastrous slide in the rate of personal savings that is now occurring. For this reason, we urge the Congress to act immediately to set policies that encourage savings instead of penalizing, as we now do, those persons who save.

In a recent survey done for the Savings and Loan Foundation, it was determined that one-half of the adults nationwide would consider increasing their use of savings accounts if they received a tax incentive of only $100/$200 exclusion on interest. Significantly, 40 percent of people who do not now have savings accounts indicated that they would be inclined to establish such an account if a tax exemption on the interest earned were provided. The study found that the interest exclusion was particularly appealing to people in the moderate income brackets and people under 35.

These are the very people who are not saving as much or at all under current tax provisions. These increased savings would provide additional capital for investment in housing and updating of business and industrial equipment that will be needed in the coming years.

Mr. President, I urge the adoption of my amendment.

Mr. JOHNSTON. Will the Senator yield?

Mr. BENTSEN. I am delighted to yield.

Mr. JOHNSTON. Mr. President, I want to associate myself with the remarks of the distinguished Senator from Texas. I want to congratulate him for putting in this amendment. I hope he will add me as a cosponsor of the amendment, if I am not already.

Mr. BENTSEN. I am delighted to add the Senator as a cosponsor.

Mr. President, I ask unanimous consent that the distinguished Senator from Louisiana be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, this is a rare amendment because it is one that will help little people and big people in the country at the same time. We so often are engaged in legislating on matters where we have to take our choice between the little people who need welfare, heating assistance, food stamps, or whatever, or the big people who are out for more profits, and all of those polarized issues that usually face us.

This issue is different. It helps the small saver. It gives him a measure of equity. It helps the savings and loan associations and the banks, which do not have enough money to lend, or enough deposits. It helps the country and the economy because we need savings for capital. It helps, particularly, young people who are out trying to buy their first home and now find no mortgage money.

I think this amendment, Mr. President, has absolutely irresistible appeal, not just political appeal, but irresistible appeal because it is right. It is right for the economy. It is just. It is fair. It is helpful to the economy.

I think it is one of the best pieces of legislation to come through this Senate for a long time. I congratulate the Senator from Texas for leading the way on this.

Mr. BENTSEN. I thank my friend from Louisiana.

Mr. MATSUNAGA. Will the Senator from Texas yield?

Mr. BENTSEN. I am delighted to yield to the Senator from Hawaii.

Mr. MATSUNAGA. Mr. President, I wish to congratulate the Senator from Texas for his leadership on this particular measure.

As a cosponsor of S. 246, the bill which the Senator from Texas originally introduced and as a cosponsor of the amendment he is now offering, I feel that this savings incentive, if adopted, will be one of the greatest stimulants for capital formation and development. Moreover, by encouraging greater individual savings and less consumer spending, it will be an effective anti-inflation measure. It will also protect the hard-won earnings of millions of Americans.

Present inflation creates a powerful disincentive for savings. The return on individual savings accounts falls short of the inflation rate; and the taxation on interest increases the negative return on savings deposits. Individuals find little benefit in savings, and the low rate of personal savings has resulted in a dire capital shortage.

It is a shame that the United States lags far behind other industrial nations in the rate of individual savings. As a percentage of disposable national income in 1976, the Japanese saved 25.3 percent, the Swiss 17.2 percent, the Germans 13.2 percent, the French 13.1 percent, and the English 6.6 percent. But Americans had only a 4.8 percent rate of savings.

It is no wonder that interest rates for home mortgages have gone as high as 13 or 13.5 percent. It is no wonder that the prime interest rates have gone up to 15.75 percent, as announced today by the second largest bank in the Nation. It is no wonder that our businesses have difficulty in finding the capital needed for plant modernization.

If we had provided incentives for personal savings, we would not be in the position we are in today. Our savings institutions would have the funds to meet our capital needs and improve our economic potential. We could enhance our industrial productivity and beat inflation.

However, the tax laws create a bias against personal savings and that bias must be removed. This amendment would remove the savings disincentive.

So, again, I commend the Senator from Texas for the leadership he has shown in this area. I join him enthusiastically in support of this amendment.

Mr. BENTSEN. I thank the distinguished Senator.

I yield.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I, too, commend the Senator from Texas and the Senator from Illinois.

Despite the merits of this proposal, and it has a great deal, there will be a substitute offered which will deal with the area touched on by the distinguished Senator from Texas, and also on dividend income.

The amendment that will be offered as a substitute—not today, but perhaps sometime next week—would exclude $100 per person and $200 per return of interest, the same as the existing exclusion on dividends. In addition, up to $400 additional excluded for interest and dividends if the amounts are reinvested.

Not only will people have more options in making use of their disposable income, they also will be encouraged to maintain part of their income in a form that will help provide for their future and for the future of the Nation, as well.

I am not certain which amendment may have the most merit. I am certain there is merit to each.

Maybe cost should not be a factor, but the proposed substitute, which is sponsored by all Republican Senators and I think, maybe, some of the Democratic Senators, would be somewhat less costly. It is my understanding the Bentsen amendment would cost about $4 billion when fully implemented. The proposed substitute would cost about $2 billion when fully implemented.

I do not know if the Senator from Texas intends to press for a vote today. But some of those who have had a primary interest in development of the substitute are not present. I hope that we do not intend to vote today on either the Bentsen proposal, if it can be agreed not to vote, or on the substitute.

The Senator from New York (Mr. JAVITS), I think, will be on the floor to discuss this in more detail.

I just advise my colleagues that there will be a substitute offered. The Senate can work its will on whether they want to include additional incentives on dividends and interest and, if not, I am certain the Bentsen amendment——

Mr. BENTSEN. Will the Senator yield?

Mr. DOLE. Yes.

I understand the Senator from Missouri has a substitute.

Mr. BENTSEN. I understand that.

Mr. President, I ask unanimous consent to add the Senator from Michigan (Mr. RIEGLE) as a cosponsor of the Bentsen-Percy amendment, the savings amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. Mr. President, I say to my very good friend from Kansas that, yes, I would like to vote today. But if we do not have enough here, and if the Senator feels strongly about it, I am willing to check this with Senator PERCY who coauthored this with me, and, subject to that, I would be prepared to put off the vote.

I would want agreement that we could have a vote by a set time on Monday.

Mr. DOLE. We are not trying to delay the Senator from Texas.

Mr. BENTSEN. I know the Senator is not, and I am sure the manager of the bill is not.

I just want to be sure about it. But I am not pressing for it this afternoon.

Mr. LONG. Mr. President, if the Senate is going to consider these things, of course, they all have a lot of merit, I think the Roth amendment might be considered, if he wants a general cut for everybody. It would be very unfortunate if only those with some savings get a tax cut. It would be nice if those who do not have any savings would get a tax cut, also.

Perhaps we could add the Roth amendment.

I hope we do not rush to action before I can raise my stock ownership proposal because it has been a long time since we did anything for employees who own stock in companies for which they work.

If this is going to be a Christmas tree bill, I do not know why we should not all have the opportunity to add a few ornaments on the tree.

I am not against Christmas tree bills. But I did not know we were going to make a Christmas tree bill out of this.

So far, I thought the Senator from Louisiana used great restraint. I have some ideas which I think could help benefit more taxpayers. These have not been discussed here and that I would like to see these suggested.

I certainly hope we are not going to be niggardly. We have a lot of good proposals here. Perhaps we can add one that would help capital accumulation.

There was some magnificent testimony in the committee supporting increasing the depreciation on equipment. I hope the Senator would be willing to accept an amendment to his amendment that would add the capital accumulation provision to the bill.

If we are going to go in the other direction, why should we just limit it to one particular group of taxpayers?

Mr. BENTSEN. I say to the Senator, as he well knows, that we accepted the provision in here for a trust fund, for the social security increase. We turned around and accepted another provision for a carryover basis.

We are talking about collecting well over $100 billion in tax. I have urged this specific provision for quite some time and I think it is one whose time is overdue, and one that we should try to put through, particularly at a time when we are raising this kind of revenue and see savings in this country headed in a disastrous way, downhill.

I am urging this, and I think we have substantial support. As the Senator knows, I had talked about adding it to the banking bill. The Senator from Louisiana told me he felt it should not be on that bill, that it should be something within the province of the Finance Committee, and I acceded to his request. I think that is the proper place for it.

I understand that substitutes will be offered to my amendment. Can we get an agreement as to when we will do it? I would be willing to agree with the distinguished chairman of this committee and the leadership as to a time. Senator DOLE asks that we delay this until Monday. I am prepared to do that, if I have a set time on Monday.

Mr. LONG. Mr. President, I think

there are more Senators who would like to know about the matter, so that they can consider it in connection with their plans.

It was my hope that this bill was going to be limited to the area we have here. It was not the idea of the Senator from Louisiana that a social security amendment would be offered. He voted against it because he felt that matter should be considered next year. It should be a matter of appropriate study, to see just how best to handle the social security financing problem.

We did agree to an amendment that provided that we would have a trust fund and earmark some money so that the social security tax would not have to go up. It should be borne in mind that the trust fund provision does not commit the Senate and it does not spend the money.

There are many Senators who would like to have their meritorious amendments considered.

When the Senator from Texas, a member of the committee, insists that his amendment, which would cost about $43,659,000,000 over the period 1980–1990, should be considered, others will want to insist on theirs. This is a democratic institution, and that is how Senators tend to react.

We had better try to take a reading on where we are going and whether we can stand the revenue loss.

Of course, the Senate will do whatever it wishes. I think that those on the Budget Committee should be privy to this discussion and to have a chance to think about the overall problem. They have the task, which is not enviable, of trying to keep expenditures in some balance and of trying to move within a balanced budget.

I have supported proposals to cut the capital gains tax, when this Senator was convinced it was not going to lose money but was going to make money for the Treasury. I think the record will indicate that it very likely did make money for the Treasury. I see no indication that this is going to make money. My impression is that this will cost us a great deal more money and will make it more difficult for us to balance the budget, as we started to do.

If we could afford it, I would like to vote for the proposition. But others should have an opportunity to look at their proposal, in view of the fact that we are going to act on amendments of this sort, to see whether they wish to offer their amendments.

Mr. BENTSEN. In that connection, I say to the Senator that this amendment has been drafted so that the first $100 would be exempt and $200 on the joint return would be exempt, starting in 1981.

In looking at the second budget resolution, the Budget Committee report maintains the assumption in the first budget resolution of a $55 billion general tax reduction in fiscal year 1982, $75 billion in fiscal year 1983, and $100 billion in fiscal year 1984.

What the Senator from Louisiana has cited are numbers on a static analysis. My friend from Louisiana has been one who has been in the forefront in changing that kind of accounting approach, that sterile approach of the past, with the understanding that the public does react to this kind of situation, that we do get a rippling effect.

Mr. LONG. That may be the case.

Does the Senator have an estimate as to how much feedback there would be as a result of this deduction?

Mr. BENTSEN. Yes. I gave that in the comments earlier, and I will be pleased to give it to my friend again.

One of the estimates we had—of course, we had hearings before the subcommittee on this particular piece of legislation—some of the estimates we had in testimony was that plant investment would increase by $21.2 billion, a gain of 4.8 percent; a corresponding increase in employment of 250,000 jobs; a rise in household per capita income of $210. The result of this increased economic activity is an estimated rise in GNP of $9.5 billion. Obviously, that means a substantial feedback.

Mr. President, I am just asking that I have appropriate consideration for this matter.

The Senator from Kansas has asked that we not vote this afternoon, and I am not pressing for a vote this afternoon. I want to accommodate the leadership in this matter. But I do want to vote on Monday, if I decide not to continue the discussion of this matter this afternoon and urge a vote this afternoon. I would like a time certain on Monday and ask for a vote.

Mr. PACKWOOD addressed the Chair.

Mr. EAGLETON. Mr. President, may I address an inquiry to the Senator from Louisiana or the Senator from Texas?

The PRESIDING OFFICER (Mr. LEVIN). The Senator from Texas has the floor.

Mr. BENTSEN. I yield for a question, without losing my right to the floor.

Mr. EAGLETON. As the Senator from Texas knows, I have a substitute amendment to his amendment, as does the Senator from Kansas (Mr. DOLE). If a time certain is agreed to for Monday, I am amenable to, say, 20 minutes on my substitute. I cannot speak for Senator DOLE as to what he might need. So all the votes can be in close proximity.

Mr. BENTSEN. Mr. President, all we are seeking here is that the Senate work its will on this and have a chance to vote.

This obviously is not a new issue. This is an issue that has been spoken of, studied, debated, for years in the Senate, and the situation has become more acute. Savings have continued to deteriorate in this country. Capital formation has suffered and we are talking about a very substantial decrease in housing in the forthcoming year. We are seeing a disintermediation of funds taking place. So unless we can correct that we are going to have an extremely chaotic economic situation. This is something that addresses that kind of a crisis.

Again I keep saying that all I am asking the managers of this bill to do is let the Senate work its will on Monday. Otherwise we will continue to discuss it until we can get it.

I yield with the understanding I do not lose the floor.

Mr. ROBERT C. BYRD. Mr. President, may I ask the distinguished Senator from Texas if he would be willing to yield the floor for a little while with the understanding that he regain it so as to allow the Senate to proceed with two privileged matters. First is the concurrent resolution on the budget and Mr. BELLMON, who is the ranking member on that side of the aisle, has to leave, I believe, within 10 minutes. Mr. MUSKIE is ready to call it up. Then following that we will take up the conference report on the continuing resolution. As I understand, there should not be any great deal of time on that. The House of Representatives has taken certain items back and has voted on them. I understand from Mr. MAGNUSON he will be ready to call that up shortly. That is a very highly privileged matter. If we can take up those two items, I will be willing to try to get a time agreement on either or both, certainly on the first one of them.

Mr. MUSKIE. Thirty minutes I think would be sufficient.

Mr. ROBERT C. BYRD. Thirty minutes equally divided.

Mr. BELLMON. I only need 2 minutes.

Mr. ROBERT C. BYRD. Mr. Bellmon says he only needs 2 minutes.

Mr. MUSKIE. I may not use the 30.

Mr. ROBERT C. BYRD. Could we make it 20 minutes equally divided?

Mr. MUSKIE. Yes.

Mr. ROBERT C. BYRD. Twenty minutes equally divided, and if we could follow that with the continuing resolution and with the understanding that Mr. BENTSEN regains the floor. In the meantime perhaps he and Mr. LONG and others can discuss it.

Mr. BENTSEN. With that understanding I certainly yield the floor.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

TIME LIMITATION AGREEMENT

Mr. President, I ask unanimous consent that there be 20 minutes equally divided, not to exceed that, on this privileged matter which Mr. MUSKIE is about to call up, and that that be followed by the continuing resolution and that upon the disposition of that matter that Mr. BENTSEN regain the floor.

Mr. JAVITS. Mr. President, reserving the right to object, and I shall not object, I wish to know what our plan is. I believe there is a substitute to be offered for the Bentsen amendment on this side, which is sponsored by Senators BAKER, DOLE, and myself and this will all take considerable time for discussion. So may we have some idea as to how late we are going to be here tonight, if there is any idea, but it is going to take a little time. We are not satisfied to just rush to a vote on this amendment. It is a pretty important one involving a vast amount of money and a lot of Members are going as we all know.

Mr. BENTSEN. I say to the distinguished Senator from New York that I am prepared to stay here as long as anyone else wants to and I will stay here through the night unless we get some kind of agreement as to a vote on Monday.

Mr. JAVITS. Yes. Let us get an agreement. That is the only thing I am urging. That is why I interrupted now because all Members will want to go at 5 or 5:15, and so on. So I am happy to do that if it is agreeable to the Senate.

Mr. LONG. Mr. President, I am not going to vote on this amendment right now. The Senate is entitled to know about it. There are a lot of Senators who are not present who should know about it before we vote. Even the President and the Secretary of the Treasury might be interested in the fact that this very important amendment is being considered. I am not ready to agree to a unanimous consent request in 5 minutes that we vote on a $43 billion amendment that is not germane to the bill. Many Senators did not know this matter was going to be presented. The Senator can do whatever he wants to about his amendment. I am not seeking to deny him of any of his rights, but I wish to protect the rights of others, and I am not going to agree to vote on the amendment tonight. I think Senators should know that and make their plans accordingly.

Mr. JAVITS. Mr. President, will the Senator allow me to finish?

Mr. LONG. Yes.

Mr. JAVITS. I do not think there is any adverse feelings in this matter. I happen to be very sympathetic with this, and many are. I do think we should vote on this if we can because the thrifts and the savings banks I can tell the Senator are very worried. We do not like to make big discussions about that. But I do think that an orderly procedure should be worked out if possible to give this matter an opportunity to be considered and decided by the Senate. That is all that I plead for.

Mr. LONG. I do not complain about that and, frankly, I am sympathetic to the amendment myself. I am sure the amendment has merit, but I am also interested in passing a windfall profit tax bill. I felt I made a commitment to the Secretary of the Treasury and others that if I could we would try to limit this to a windfall profit tax bill. I must admit that is a difficult thing to do. But at least I think I should make a good faith gesture in trying to do what the Senator from Louisiana indicated to some very responsible people in this country he would try to do. I am only one person and only have one vote. It is easy enough for the Senate to roll over me any time it wants to. If it wants to make this a Christmas tree bill, the Senate has the power to do that. But at the moment I do not feel that I could responsibly agree to vote on the amendment. And I think we should discuss it Monday. The Senator will be here, I am sure, and we can discuss it at greater length then.

Mr. ROBERT C. BYRD. Could we get the request I made agreed to? It will not deny the rights of Senator BENTSEN, and while we are talking about it the principals in this particular issue can get together and talk.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request, to move to the second concurrent budget resolution with a time limit of 20 minutes equally divided?

Mr. ROBERT C. BYRD. No, it is not the second concurrent budget resolution. It is a privileged matter on which there will be 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEARS 1980, 1981, AND 1982

Mr. MUSKIE. Mr. President, on behalf of the Committee on the Budget, I send to the desk an original concurrent resolution on the budget for fiscal year 1980 and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the concurrent resolution by title.

The second assistant legislative clerk read as follows:

> A concurrent resolution (S. Con. Res. 53) revising the Congressional Budget for the United States Government for the fiscal years 1980, 1981 and 1982.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the following members of the staff of the Budget Committee and the Congressional Budget Office be accorded the privilege of the floor during consideration and votes on the revised second budget resolution: John McEvoy, Karen Williams, Sid Brown, Susan Lepper, and Rick Brandon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, at this point I yield to my good friend, the ranking minority member of the committee, Senator BELLMON, who is under some time restraints, for his comments on the resolution, and then I shall add mine subsequently.

Mr. BELLMON. Mr. President, I thank my friend from Maine.

Mr. President, we are very pleased this evening that we appear to have an agreement on the second budget resolution for fiscal year 1980.

This has been a long and arduous conference. We have missed by 2 months the September 15 deadline in the budget process. We are hopeful, however, that missing this deadline will remain a unique experience and next year we intend to be back on schedule. The whole process relies on meeting deadlines, and the orderly establishment of appropriate fiscal policy requires keeping on schedule.

We have come very close to enforcing a reconciliation instruction for fiscal year 1980. We were disappointed by the House vote last week striking reconciliation from the conference agreement, although there were two other points which were more disturbing during the floor debate in the House:

First. The chairman of the House Veterans' Committee stood up to announce that even though savings in veterans' programs were assumed, his committee would not take any further action this budget year to save funds.

Second. One Member of Congress announced in floor debate that he was sure a third budget resolution would be necessary next spring and that the budget committees would likely report such a resolution to prevent a point of order from occurring.

Mr. President, what we have done today is to make every effort to achieve savings and to declare in this resolution that it is the sense of Congress not to have a third budget resolution to make up for any savings which are not achieved.

Make no mistake about it. There are savings assumed in the second budget resolution, and these savings will only be achieved with the help of the various committees of jurisdiction. If these savings are not achieved, we have only two options: Either we raise the deficit, or we crowd out of some future spending bill (probably next spring's supplemental appropriations bill) funding for some programs which may be high priority items. We are making clear now we will not have a third budget resolution to bail out committees who do not make the concessions. Therefore, we have only two choices: Either make the savings or crowd out future spending.

I wish to congratulate Chairman MUSKIE in particular for his perseverance during the long conference and also wish to express my appreciation to the other members of the Senate conference committee for their cooperation, as well as to the staff who have been of inestimable value throughout this entire process.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MUSKIE. Mr. President, I thank my good friend, the Senator from Oklahoma, for his compliments and his support which has made it possible to develop this discipline as far as we have developed it. He has described the circumstances which bring us to the floor.

Last week, the Senate adopted a second budget resolution which contained a 1980 budget agreed to by the House-Senate conference. That budget assumed savings of $3.6 billion in outlays and contained the reconciliation provisions the Senate had passed by a vote of 90 to 6 to require that those savings actually be made.

Last week, the House of Representatives also adopted that budget resolution and agreed to the budget totals which assume the savings but rejected the reconciliation provisions designed to require that the savings actually be made.

Thus, the budget resolution figures have now been approved by both Houses. But the second resolution will not be in place until the reconciliation issue is settled.

If the Senate passes the resolution as the House has returned it to us, the budget totals will be in effect, but the reconciliation provisions will not take effect.

The simple fact is that the budget resolution figures agreed to now by both Houses assume virtually the full amount of the savings contemplated by the reconciliation instructions. The question is whether those savings will be made voluntarily, as the House assumes, or will only be made if we insist on reconciliation, which has been the Senate position.

The Budget Committee has carefully weighed the options available to the Senate at this juncture. Let me report to you our advice under the circumstances.

First of all, we believe it is highly unlikely that we can force the House to accept reconciliation this year. For reasons fortunately unique to the House, no coalition can be created in the House at this time to pass a budget resolution which contains reconciliation provisions. The Republican side will vote for reconciliation, but will not vote for a budget resolution which contains it. The Democratic side will vote for a budget resolution, but not if it contains reconciliation.

On the other hand, if the savings assumed by the resolution are not made through reconciliation, as the Senate has proposed, and are not made voluntarily, as the House assumes, important national budget priorities will simply be crowded out by the spending necessary to make up for the lost savings.

If none of the savings assumed by reconciliation occur, as much as $3.6 billion of the $10.7 billion in outlays contained in the agreed-upon budget for important supplemental appropriations priorities will have to be spent for the savings instead.

Some of the priorities which would be simply crowded out include supplemental funding for food stamps, the space program, refugee assistance, student assistance, strategic stockpile acquisitions, the Economic Development Administration, and countercyclical revenue-sharing programs.

This is not some horrors list, designed to frighten and alarm. It is the actual list of major "controllable" supplemental appropriation requests which will have to bear the brunt of spending for the lost savings.

The Budget Committee has rejected the alternative of a higher deficit to solve this dilemma. Although it might be easy simply to add the jeopardized $3.6 billion in savings to the budget, that course would increase the deficit by more than 10 percent—to $33.4 billion—and betray all our efforts toward budget control.

Instead, the committee recommends the following course of action to the Senate:

First, we should refuse to honor the House action of last week which rejected reconciliation.

Second, we should continue to press Senate and House committees to make the savings assumed in the budget resolution totals which have been agreed to by both Houses. We should do so because those savings should be made and because without them other important spending priorities will have to be sacrificed.

The Senate has established a record of restraint this year which is in tune with the needs and aspirations of our fellow citizens. While we regret that House action last week appears to have ended our effort to achieve these important savings through the reconciliation process this year, we believe our responsibility requires us to continue to press in every way possible for the savings and to put the House clearly on notice that failure to make those savings will not justify a revision of the budget resolution.

Unfortunately, the difficulties of achieving these savings without reconciliation was nowhere more clearly demonstrated than on the floor of the House of Representatives just yesterday. By a vote of 234 to 166, the House voted to gut the savings proposed by the hospital cost containment bill, a key element of the budget resolution's savings plan.

So we believe we must serve notice on the House and on the whole Congress that failure to enact the proposed savings will not, under any circumstance, be a cause for revising the budget we have adopted.

Nonetheless, in light of the House refusal to accept the reconciliation provisions, we must reluctantly recommend that the Senate delete them from the resolution.

We recommend we replace those instructions with a strong sense of the Congress commitment to make the savings and to stand by the budget we have adopted.

It was necessary to report an original concurrent resolution, Mr. President, because the conference report had been amended as far as it could be amended. So technically it was necessary to report an original concurrent resolution, and that original resolution contains the substance of the conference report on the budget, so there is nothing new in the substance.

Then the committee has added a sense-of-the-Congress commitment on reconciliation, and it reads as follows:

> SEC. 3. Sense of the Congress on Reconciliation.
>
> It is the sense of the Congress that there shall be no Third Budget Resolution or any other revision of the budget figures contained in this Resolution unless justified by significantly changed national or international developments beyond the power of Congress to control and not foreseen in the Development of the Second Budget Resolution for fiscal year 1980.
>
> The amount of savings assumed in the Second Budget Resolution but not made in a timely fashion will crowd out funding for other priorities in the budget and may require rescission of already-enacted appropriations to stay within the budget ceilings.
>
> Therefore, Congress calls upon the Committees of Congress named in the reconciliation instructions to make the savings assumed within the totals of this Resolution and calls upon all other Committees of the Congress to exercise the maximum restraint in spending and maximum effort toward savings in order that important national priorities will not be crowded out by the failure to make those savings.

Mr. President, this language has been included in the resolution for the purpose of putting the Congress on notice that the budget numbers agreed to in conference assume savings that have not been made, and if they are not made, then the effect on the spring supplemental will be to crowd out important programs that I am sure will have a high priority in the judgment of many Members of both Houses of Congress.

We hope that this notice will impel committees of Congress in both Houses to look at the prospects for savings with a sense of urgency so that when we get to the spring supplemental in March or April we will not find it necessary then, or the Appropriations Committee will not find it necessary then, to crowd out high-priority items in the budget.

I have discussed this with Members on the House side, Mr. President, and this procedure accords with what they think the circumstances require.

Except for the deletion of the reconciliation instructions and the addition of this sense of the Congress language, the budget resolution we propose is identical to the conference agreement the Senate passed last week by a vote of 65 to 27.

We hope with this vote today to complete Senate action on this budget resolution once and for all this year.

Mr. President, did the Senator from Virginia (Mr. HARRY F. BYRD, JR.) wish me to yield? I know he likes to be a close observer of these budget developments, so I want to be sure I did not overlook his interests.

Mr. HARRY F. BYRD, JR. I thank my friend from Maine. I was merely listening to his argument. I always like to hear him speak.

Mr. MUSKIE. I thank my good friend.

I yield to my friend from New Mexico.

Mr. DOMENICI. Mr. President, I have a request on my side for the yeas and nays. So, as a Senator on our side, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. I understand Senator BELLMON had to leave, so I ask how much time is remaining?

The PRESIDING OFFICER. Eight and a half minutes remain.

Mr. DOMENICI. I understand Senator HATCH wants 3 minutes, so I yield 3 minutes to the Senator from Utah.

Mr. HATCH. May I have a copy of the resolution?

Mr. DOMENICI. Mr. President, the Senator from Utah desires to wait a few minutes before he speaks.

Does the Senator from Maine have any other time requirements?

Mr. MUSKIE. No, I do not.

Mr. DOMENICI. I do not know that we need 8½ minutes, but I yield myself 2 minutes.

Mr. President, the Budget Committee conferees have gone through a most arduous experience. I know that we would have preferred to accomplish our task many weeks ago and been here before the Senate at a much earlier point in time. But I think it is fair to say that the job of getting a resolution agreed to by both the House and Senate is becoming more and more difficult. The process has become more and more fragile.

I think it is fair to say that but for the distinguished leadership of Senator MUSKIE and Senator BELLMON, the process would have been in serious jeopardy. We had to remind ourselves a number of times that the Congress of the United States has a budget process in the past that has failed, much as this one almost did when the bodies could not agree on some very basic principles that, taken singly and separately, did not amount to that much.

But there was just kind of a refusal to get on with resolving the issues. I think it was because everyone on that conference, especially on the Senate side, was committed to the proposition that we want this budget process to work, and that the more difficult the economic times are in America the more difficult it is to retain the process, that all signs indicated that that just means it is more important that we retain it, maintain it, and see that it continues as a process and procedure of fiscal constraint and responsibility here in this institution.

With that we have a resolution in which the numbers are not much different from what we have already approved, so those who voted for it in the past can vote for it again, and that did pass the Senate rather handsomely. But we have succeeded in putting in a resolution language that clearly indicates that we do not intend, the Senate and, hopefully, the House when they pass it, do not intend, in a third resolution to make room for the moneys that should be saved if the letter and the spirit of this second concurrent resolution are followed. By that I mean it is contemplated that significant savings will occur both in the entitlement and Finance Committee process, and certainly the appropriation process so that the second concurrent resolution numbers become the budget numbers for the country.

Yet, we know there will be a supplemental, and we are saying now in advance we are not going to provide a third resolution to make up for the shortcomings of the Congress that would be called for if we do not make these savings contemplated by the resolution.

I think this is historic. It is a way of reconciling, and reconciliation was indeed the cornerstone of the Senate's second concurrent resolution.

We are warning again that we are not going to provide for overexpenditures or failure to make savings in the third resolution, and if this body adopts it and the House adopts it, we are saying, "Be careful now in the next few months to avoid a very painful process that is going to require that discretionary items be cut back to accommodate it."

I want to tell the Senators what some of those discretionary items are: food stamps, space shuttle, countercyclical assistance, student assistance, refugee assistance, Economic Development Administration, strategic stockpile acquisition, and others.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. DOMENICI. I yield myself an additional minute.

So if we want to avoid the painful discretionary cuts, we are not only going to have to live up to the spirit of the second concurrent resolution, but we are going to have to see to it that the appropriate actions here for the next 2 months result in a reduction of spending consistent in every respect with the second resolution.

There are many who think that the basic budget should have been cut more, and many of us who are going to support it feel that way. But, indeed, when you understand that we are on the border of having no process, and there is a real chance that the budget process could die, we are standing here today with a pretty restrained budget deficit, under $30 billion, for the most part; but for a new direction in defense, we have held to the approach that was formulated in the first concurrent resolution.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. DOMENICI. I yield an additional minute.

I believe those are salutary signs. So I rise today to commend the conferees and the floor leaders, Senator MUSKIE and Senator BELLMON, for an extraordinary effort not only at general fiscal restraint, but at a warning mechanism, a red flag saying that the Senate is not going to break the budget just because there are some painful votes down the line, and that there is a way to avoid it, which is by making the savings recommended in the reconciliation process adopted by such a significant margin here in the Senate.

I yield 3 minutes to the Senator from Utah.

Mr. HATCH. I thank the Senator.

Mr. President, when the first budget resolution came up, I proposed that we start the reconciliation process by having all appropriations bills held at the desk until the second budget resolution was passed, and any reconciliation that might be necessary taken care of. If that amendment had passed last spring, the Senate would be in a much stronger position now, it seems to me. First, none of the appropriations bills would have been acted upon, the whole Government would be operating on a continuing resolution, and we could put the House under more pressure to accept the reconciliation than we are presently doing.

Second, all committees, including the Appropriations Committee, would have been given advance notice that we were serious about enforcing the first resolution ceilings and savings, and they would have been more cooperative.

I believe the committee should put everyone on notice right now that we intend to follow this approach on the first budget resolution for fiscal year 1981.

I think it is a reasonable and workable approach, and strengthens the hands of the Budget Committee in an area where they deserve strengthening, and I think in the final analysis would avoid the problems we are having now. Under the circumstances, I can see where the Budget Committee would be for this particular resolution, but I think we would have been in a better position had we done what we were urged to do last spring. I urge that we do that during the coming year, and I know my friend from Maine will give every consideration to that suggestion, as he has given to my suggestions heretofore, and I thank him for that.

Mr. MUSKIE. Mr. President, I thank my friend from Utah for the approach he suggested earlier this year.

My frustrations grow as the budget process develops, and I find myself more and more receptive to propositions I might have considered a little strong or a little unreasonable earlier. It may take that kind of effort; but sometimes you have to build slowly. It has been slower this year than I had hoped. I had more optimism when we passed the second concurrent resolution in the Senate than I have now.

Nevertheless, yesterday's developments in the House have visibly strengthened the support on the House side for the kind of discipline suggested, reflected, and recommended in this original concurrent budget resolution. It will be interesting to see whether the House will buy what we propose here today.

I thank the Senator from Utah for his cooperation.

Mr. HATCH. I thank the Senator from Maine for his kind references to me.

Mr. DOMENICI. Mr. President, I, too, wish to commend the Senator from Utah for his observations. I recall we did give the Senate an opportunity, in the second concurrent resolution, to vote on holding the appropriations bills at the desk until they were all in, so that we could have an opportunity to evaluate them versus the budget message. That did not pass, but, as the Senator from Maine indicates, we are all still in the process of understanding the overall significance of the Budget Act. It does provide for that mechanism in either the first or second resolution, and I believe this year will be an indicator that we are going to have to try some of those kinds of activities if we want the budgetary process.

With that, Mr. President, I yield back the remainder of my time.

Mr. HATCH. I thank my friend from New Mexico as well.

The PRESIDING OFFICER. Is all remaining time yielded back?

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Maine yield for a question?

Mr. MUSKIE. Mr. President, do I have some time remaining?

The PRESIDING OFFICER. The Senator has 2 minutes and 40 seconds.

Mr. MUSKIE. I yield.

Mr. HARRY F. BYRD, JR. Will the Senator give the numbers again? What is the total?

Mr. MUSKIE. The recommended level of Federal revenues is $517.8 billion.

Mr. HARRY F. BYRD, JR. That was what? I did not understand.

Mr. MUSKIE. $517.8 billion for revenues. For new budget authority, $638 billion.

Mr. HARRY F. BYRD, JR. $638 billion, in new budget authority?

Mr. MUSKIE. Yes. And for outlays, $547.6 billion.

Mr. HARRY F. BYRD, JR. For outlays, $547.6 billion. Those are the same figures as the Senate adopted just recently.

Mr. MUSKIE. Yes, in the conference report. These are the same figures identically. I think the Senator made his analysis of them at that time.

Mr. HARRY F. BYRD, JR. I thank the Senator. I just was not clear on that point.

Mr. LEVIN. Mr. President, the resolution before us maintains the budget levels set in the initial conference report. At that time and during debate on the second budget resolution, I opposed reconciliation on the grounds that reductions are mandated without knowledge of the programs impacted.

The sense of the Senate resolution substituted for reconciliation instructions makes it clear that a third budget resolution will not occur unless developments not foreseen during debate on the second budget resolution make it necessary to raise budget levels. Since the levels contained in the budget resolution assume savings from reconciliation it is unlikely that Congress can meet the targets without rescinding previously enacted programs and funding levels.

I respect the chairman of the Budget Committee for his diligence and hard work in fashioning a resolution. I am constrained however by my conviction that given conditions foreseen during debate on the budget resolution, reconciliation will still take place with unknown consequences to specific programs. I therefore must oppose the conference report on the second budget resolution.

Mr. MUSKIE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the concurrent resolution. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Florida (Mr. CHILES), the Senator from California (Mr. CRANSTON), the Senator from Alabama (Mr. HEFLIN), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Georgia (Mr. TALMADGE), the Senator from Massachusetts (Mr. TSONGAS), the Senator from Alaska (Mr. GRAVEL), and the Senator from Georgia (Mr. NUNN) are necessarily absent.

I further announce that the Senator from Delaware (Mr. BIDEN) is absent on official business.

I also announce that the Senator from Iowa (Mr. CULVER) is absent because of illness.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Kansas (Mr. DOLE), the Senator from California (Mr. HAYAKAWA), the Senator from Nevada (Mr. LAXALT), the Senator from Maryland (Mr. MATHIAS), the Senator from Idaho (Mr. MCCLURE), the Senator from South Dakota (Mr. PRESSLER), the Senator from Delaware (Mr. ROTH), the Senator from South Carolina (Mr. THURMOND), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "nay."

The PRESIDING OFFICER (Mr. METZENBAUM). Are there other Senators in the Chamber wishing to vote?

The result was announced—yeas 57, nays 20, as follows:

[Rollcall Vote No. 416 Leg.]

YEAS—57

Baucus
Bayh
Bentsen
Boschwitz
Bradley
Burdick
Byrd, Robert C.
Cannon
Chafee
Church
Cohen
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Hart
Heinz
Hollings
Inouye
Jackson
Javits
Johnston
Kassebaum
Kennedy
Leahy
Long
Lugar
McGovern
Magnuson
Matsunaga
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Packwood
Percy
Pryor
Randolph
Riegle
Sarbanes
Sasser
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Tower
Warner
Weicker
Williams
Young

NAYS—20

Armstrong
Boren
Byrd,
Harry F., Jr.
Cochran
Danforth
DeConcini
Garn
Goldwater
Hatch
Hatfield
Helms
Humphrey
Jepsen
Levin
Pell
Proxmire
Schmitt
Schweiker
Simpson
Zorinsky

NOT VOTING—23

Baker
Bellmon
Biden
Bumpers
Chiles
Cranston
Culver
Dole
Gravel
Hayakawa
Heflin
Huddleston
Laxalt
McClure
Mathias
Nunn
Pressler
Ribicoff
Roth
Talmadge
Thurmond
Tsongas
Wallop

So the concurrent resolution (S. Con. Res. 53) was agreed to as follows:

S. CON. RES. 53

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby determines and declares, pursuant to Section 310(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1979—

(1) the recommended level of Federal revenues is $517,800,000,000 and the amount by which the aggregate level of Federal revenues should be increased is $2,400,000,000;

(2) the appropriate level of total new budget authority is $638,000,000,000;

(3) the appropriate level of total budget outlays is $547,600,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $29,800,000,000; and

(5) the appropriate level of the public debt is $886,400,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $7,400,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 310(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1979 the appropriate level of new budget authority and the estimated budget outlays for each functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $141,200,000,000;

(B) Outlays, $129,900,000,000.

(2) International Affairs (150):

(A) New budget authority, $13,100,000,000;

(B) Outlays, $8,400,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $5,850,000,000;

(B) Outlays, $5,700,000,000.

(4) Energy (270):

(A) New budget authority, $39,500,000,000;

(B) Outlays, $7,250,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,600,000,000;

(B) Outlays, $11,900,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $2,550,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $6,800,000,000;

(B) Outlays, $2,850,000,000.

(8) Transportation (400):

(A) New budget authority, $19,500,000,000;

(B) Outlays, $18,600,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $8,900,000,000;

(B) Outlays, $8,350,000,000.

(10) Education, Training, Employment, and Social Services (500):

(A) New budget authority, $30,900,000,000;

(B) Outlays, $31,000,000,000.

(11) Health (550):

(A) New budget authority, $58,000,000,000;

(B) Outlays, $54,450,000,000.

(12) Income Security (600):

(A) New budget authority, $218,500,000,000;

(B) Outlays, $190,000,000,000.

(13) Veterans Benefits and Service (700):

(A) New budget authority, $21,450,000,000;

(B) Outlays, $20,800,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,200,000,000;

(B) Outlays, $4,400,000,000.

(15) General Government (800):

(A) New budget authority, $4,450,000,000;

(B) Outlays, $4,200,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $9,050,000,000;

(B) Outlays, $9,050,000,000.

(17) Interest (900):

(A) New budget authority, $58,100,000,000;

(B) Outlays, $58,100,000,000.

(18) Allowances (920):

(A) New budget authority, −$200,000,000;

(B) Outlays, −$200,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$19,700,000,000;

(B) Outlays, −$19,700,000,000.

SEC. 3. Sense of the Congress on Reconciliation Savings.

It is the sense of the Congress that there shall be no Third Budget Resolution or any other revision of the budget figures contained in this Resolution unless justified by significantly changed national or international developments beyond the power of Congress to control and not foreseen in the development of the Second Budget Resolution for fiscal year 1980.

Failure to achieve in a timely fashion the savings assumed in the Second Budget Resolution will crowd out funding for other priorities in the budget and may require rescission of already-enacted appropriations to stay within the budget ceilings.

Therefore, Congress calls upon the Committees named in the Senate-passed instructions to make the savings assumed within the totals of this Resolution and calls upon all other Committees of the Congress to exercise the maximum restraint in spending and maximum effort toward savings in order that important national priorities will not be crowded out by the failure to make those savings.

BUDGET TOTALS FOR FISCAL YEARS 1981 AND 1982

SEC. 4(a). In order to achieve a balanced budget recommended by the Senate in fiscal years 1981 and 1982, the following budgetary levels are appropriate for fiscal years 1981 and 1982:

(1) the recommended level of Federal revenues is as follows:

Fiscal year 1981: $610,200,000,000;
Fiscal year 1982: $671,800,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:

Fiscal year 1981: +$10,200,000,000;
Fiscal year 1982: —$34,800,000,000;

(2) the appropriate level of total new budget authority is as follows:

Fiscal year 1981: $664,900,000,000;
Fiscal year 1982: $747,600,000,000;

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1981: $600,500,000,000;
Fiscal year 1982: $653,000,000,000;

(4) the amount of the surplus in the budget which is appropriate in light of economic conditions and all other relevant factors is as follows:

Fiscal year 1981: $9,700,000,000;
Fiscal year 1982: $18,800,000,000;

(5) the appropriate level of the public debt is as follows:

Fiscal year 1981: $911,200,000,000;
Fiscal year 1982: $939,100,000,000;

and the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1981: $32,200,000,000;
Fiscal year 1982: $60,100,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1981 and 1982 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):
Fiscal year 1981:
(A) New budget authority, $159,800,000,000;
(B) Outlays, $146,400,000,000.
Fiscal year 1982:
(A) New budget authority, $180,500,000,000;
(B) Outlays, $163,300,000,000.

(2) International Affairs (150):
Fiscal year 1981:
(A) New budget authority, $14,100,000,000;
(B) Outlays, $8,700,000,000.
Fiscal year 1982:
(A) New budget authority, $14,900,000,000;
(B) Outlays, $8,800,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 1981:
(A) New budget authority, $5,900,000,000;
(B) Outlays, $5,800,000,000.
Fiscal year 1982:
(A) New budget authority, $5,600,000,000;
(B) Outlays, $5,700,000,000.

(4) Energy (270):
Fiscal year 1981:
(A) New budget authority, $4,700,000,000;
(B) Outlays, $7,800,000,000.
Fiscal year 1982:
(A) New budget authority, $24,200,000,000;
(B) Outlays, $9,700,000,000.

(5) National Resources and Environment (300):
Fiscal year 1981:
(A) New budget authority, $13,400,000,000;
(B) Outlays, $12,700,000,000.
Fiscal year 1982:
(A) New budget authority, $14,100,000,000;
(B) Outlays, $13,500,000,000.

(6) Agriculture (350);
Fiscal year 1981:
(A) New budget authority, $4,800,000,000;
(B) Outlays, $3,200,000,000.
Fiscal year 1982:
(A New budget authority, $3,900,000,000;
(B) Outlays, $3,600,000,000.

(7) Commerce and Housing Credit (370):
Fiscal year 1981:
(A) New budget authority, $5,900,000,000;
(B) Outlays, $3,500,000,000.
Fiscal year 1982:
(A) New budget authority, $6,200,000,000;
(B) Outlays, $3,200,000,000.

(8) Transportation (400):
Fiscal year 1981:
(A) New budget authority, $21,600,000,000;
(B) Outlays, $19,700,000,000.
Fiscal year 1982:
(A) New budget authority, $2,400,000,000;
(B) Outlays, $20,700,000,000.

(9) Community and Regional Development (450):
Fiscal year 1981:
(A) New budget authority, $9,900,000,000;
(B) Outlays, $9,200,000,000.
Fiscal year 1982:
(A) New budget authority, $9,500,000,000;
(B) Outlays, $9,000,000,000.

(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1981:
(A) New budget authority, $31,100,000,000;
(B) Outlays, $30,500,000,000.
Fiscal year 1982:
(A) New budget authority, $31,100,000,000;
(B) Outlays, $30,800,000,000.

(11) Health (550):
Fiscal year 1981:
(A) New budget authority, $70,500,000,000;
(B) Outlays, $62,000,000,000.
Fiscal year 1982:
(A) New budget authority, $82,200,000,000;
(B) Outlays, $69,400,000,000.

(12) Income Security (600):
Fiscal year 1981:
(A) New budget authority, $244,300,000,000;
(B) Outlays, $212,400,000,000.
Fiscal year 1982:
(A) New budget authority, $275,600,000,000;
(B) Outlays, $235,800,000,000.

(13) Veterans Benefits and Services (700):
Fiscal year 1981:
(A) New budget authority, $22,100,000,000;
(B) Outlays, $21,700,000,000.
Fiscal year 1982:
(A) New budget authority, $23,200,000,000;
(B) Outlays, $23,200,000,000.

(14) Administration of Justice (750):
Fiscal year 1981:
(A) New budget authority, $4,400,000,000;
(B) Outlays, $4,500,000,000.
Fiscal year 1982:
(A) New budget authority, $4,500,000,000;
(B) Outlays, $4,500,000,000.

(15) General Government (800):
Fiscal year 1981:
(A) New budget authority, $4,700,000,000;
(B) Outlays, $4,400,000,000.
Fiscal year 1982:
(A) New budget authority, $4,900,000,000;
(B) Outlays, $4,600,000,000.

(16) General Purpose Fiscal Assistance (850):
Fiscal year 1981:
(A) New budget authority, $8,200,000,000;
(B) Outlays, $8,600,000,000.
Fiscal year 1982:
(A) New budget authority, $8,200,000,000;
(B) Outlays, $8,200,000,000.

(17) Interest (900):
Fiscal year 1981:
(A) New budget authority, $60,900,000,000;
(B) Outlays, $60,900,000,000.
Fiscal year 1982:
(A) New budget authority, $62,300,000,000;
(B) Outlays, $62,300,000,000.

(18) Allowances (920):
Fiscal year 1981:
(A) New budget authority, $0;
(B) Outlays, $0.
Fiscal year 1982:
(A) New budget authority, $100,000,000;
(B) Outlays, $100,000,000.

(19) Undistributed Offsetting Receipts (950):
Fiscal year 1981:
(A) New budget authority, —$21,500,000,000;
(B) Outlays, —$21,500,000,000.
Fiscal year 1982:
(A) New budget authority, —$23,900,000,000;
(B) Outlays, —$23,900,000,000.

SEC. 5. The House projects the following budget aggregates for fiscal years 1981 and 1982, based on the policies assumed in sections (1) and (2) above:

(1) The level of Federal revenues is as follows:

Fiscal year 1981: $603,200,000,000;
Fiscal year 1982: $703,400,000,000.

(2) The level of total new budget authority is as follows:

Fiscal year 1981: $668,137,000,000;
Fiscal year 1982: $730,318,000,000.

(3) The level of total budget outlays is as follows:

Fiscal year 1981: $602,699,000,000;
Fiscal year 1982: $655,869,000,000.

(4) The amount of surplus in the budget is as follows:

Fiscal year 1981: $501,000,000;
Fiscal year 1982: $47,531,000,000.

(5) The level of the public debt is as follows:

Fiscal year 1981: $921,900,000,000;
Fiscal year 1982: $920,400,000,000.

GENERAL PROVISIONS

SEC. 6(a) In 1980, each standing committee of the House of Representatives having jurisdiction over entitlement programs shall include in its March 15 report to the Budget Committee of the House of Representatives specific recommendations as to what changes, if any, would be appropriate in the funding mechanisms of such programs to enable Congress to exercise more fiscal control over expenditures mandated by these entitlements.

Within a reasonable period of time after March 15, 1980, the Budget Committee of the House of Representatives shall submit to the House such recommendations as it considers appropriate based on such reports.

(b) The Congress reaffirms its commitment to find a way within the congressional budget process to relate accurately the outlays of off-budget Federal entities to the budget. The Congress recognizes that by law the outlays of off-budget Federal entities are not reflected (and, hence, the off-budget deficit are estimated to be $16,000,000,000.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS-CONSENT AGREEMENT—HOUSE JOINT RESOLUTION 440 CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the next privileged matter which is the conference report on the continuing resolution, which will be managed by Mr. MAGNUSON and Mr. YOUNG, that there be a 30-minute time limitation overall inclusive of the conference report, any amendment, debatable motion, point of order, or appeal in relation thereto, to be equally divided between Mr. MAGNUSON and Mr. YOUNG.

Mr. PACKWOOD. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I renew the request with only one change, that being 1 hour instead of 30 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

FURTHER CONTINUING APPROPRIATIONS, 1980—CONFERENCE REPORT

Mr. MAGNUSON. Mr. President, I submit a report of the committee of conference on House Joint Resolution 440 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill joint resolution (H.J. Res. 440) making further continuing appropriations for the fiscal year 1980, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of November 16, 1979.)

Mr. MAGNUSON. Mr. President, we had a conference this morning and the House acted just about 2 hours ago. We must act on this bill tonight to get under the deadline of the first continuing resolution. I hope that the Senate will accept the conference report. If there are any questions on it, the Senator from North Dakota and I shall be glad to answer them.

There were not any amendments. There is one amendment in disagreement which involves a small amount of money for the trade agreement negotiator. That is the only one.

On the abortion, we accepted it—I did reluctantly, and the Senator from Connecticut. We accepted the language of the first continuing resolution, which was the language of the Senator from Nebraska yesterday. That is the same language that is in the first continuing resolution.

Mr. YOUNG. Will the Senator yield?

Mr. MAGNUSON. Yes, I yield.

Mr. YOUNG. Mr. President, the major disagreement on the continuing resolution, as always, has been the abortion language. I think we worked out the best possible compromise. If every Member of the Senate and every Member of the House voted his own convictions, that is if those who are anti-abortion and those who are pro-abortion all voted their convictions, this bill would be disapproved 100 percent or unanimously.

If we keep on this way, Mr. President, the Federal Government will just come to an end. There would be no financing. There has to be a compromise. If everybody voted his convictions, perhaps everybody would vote no. I hope this compromise can be accepted.

Mr. President, the present continuing resolution expires November 20. It is necessary that we pass a second continuing resolution to permit a large number of agencies of the Government to continue to operate and pay salaries until their annual appropriations bills are passed. At this time, we must provide the necessary means for continuation of these agencies under the following appropriations bills:

Labor-HEW; Interior (may be signed by the President any time); Foreign Assistance; Transportation; Defense; and Military construction.

Mr. President, again there is urgency to pass this continuing resolution in order for the various agencies to pay their employees. For example, the Department of Defense will need funding by November 19, and the other agencies soon after.

Mr. President, the conferees have worked out the best agreement possible with the differences with the House and, in particular, the disagreement on abortion. The conferees for both houses tried to be responsible to the will of their respective bodies. As we all know, the House has voted over 30 times in support of the Hyde language on abortion and the Senate has voted 35 times in support of more liberal language for abortion. The conferees have tried to bring back in the conference report the best possible compromise. The compromise contained in this conference report is the same language that both Houses agreed to in the previous continuing resolution.

Mr. President, I believe that this is the best possible compromise available to the Senate at this time.

I urge my colleagues to adopt the conference report as reported to the Senate.

Mr. PACKWOOD. Mr. President, does the Senator from Washington have the floor or may I have it?

The PRESIDING OFFICER. The Senator from Washington yielded the floor.

The Chair recognizes the Senator from Oregon in his own right.

Mr. PACKWOOD. Mr. President, I shall vote for this resolution with some misgivings. I agree with the Senator from North Dakota that if we all voted our convictions on the issue of abortion, we would probably all vote no, those of us who have strong convictions.

I want to explain to the Senate what the situation is, because there has been some confusion on this question of abortion and medicaid-funded abortion.

As the Senate will recall, the Supreme Court in 1973 legalized the right of a woman to have an abortion in this country. In October 1976, we adopted roughly the first so-called Hyde amendment. That language was immediately enjoined by the Federal district court. It was not until June of 1977 that the Supreme Court decisions ruled that there was not a constitutional requirement that the Federal Government fund abortions.

In August of 1977, the injunction prohibiting the enforcement of the Hyde language was lifted. This is the injunction that was lifted as a result of the Supreme Court decision.

In the fall of that year, for fiscal year 1978, the year starting in October 1977, we put in the language "life, rape, incest, and severe and long-lasting physical health damage of the woman." From that time onward, we have funded relatively few abortions in this country.

After the Supreme Court decision in 1973 and before the injunction was lifted on the Hyde amendment, we were funding, under medicaid, some place between 250,000 and 300,000 abortions a year. From roughly December 1977 or February 1978 onward, we have been funding about 3,000 to 4,000 abortions.

The difference between the so-called liberal Senate language and the so-called conservative House language borders on Tweedledee and Tweedledum if you realize, that at one time, we were indeed funding 250,000 to 300,000 abortions under medicaid. Now we are talking about what could be funded under the strictest of the Hyde language, perhaps 600 to 800 abortions, and under the most liberal of the Senate language, perhaps 3,000 to 4,000 abortions.

The battle is largely symbolic on this issue. Right to Life has won and we fund relatively few abortions. The symbolism is important. I shall vote for this conference report. As between the two, I obviously prefer the Senate language to the Hyde language.

But let not anybody be mistaken. Even under the Senate language, Right to Life has won 99 percent of what they wanted. What they wanted was to deny to poor women in this country medicaid funding of abortions and, for 99 percent of the poor women in this country who are covered by medicaid, they have been successful.

Messrs. MAGNUSON and EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. MAGNUSON. Mr. President, I want to tell the Senator from Oregon that I reluctantly signed the report, with the exception of the abortion language, hopeful that they would accept the law as it has been the 2 years they have accepted it. But I was in the minority.

Mr. PACKWOOD. I give my full congratulations. I know that the Senator from Washington previously, with the Senator from Massachusetts, fought this battle and fought this battle. What it has become now is, frankly, a political battle to be settled in 1980. We shall see what happens in the elections. But the issue is whether those women who were covered by medicaid and who, in my mind, may have had funded abortion, should get it. It is not the Senator's fault. I know he fought as hard as he could fight.

Mr. EXON. Mr. President, I congratulate the Senator from Washington and the Senator from North Dakota for working out what I thought was an excellent compromise. This compromise lost by only five votes in the Senate yesterday. I simply suggest that we move on with the business of the Senate. I hope my colleagues in the Senate will support the conference report as just recommended to us by the chairman of the committee.

Mr. DOLE. Mr. President, we are again facing, or perhaps it would be more accurate to say not facing, the continuing national agony of the Federal role in abortion. Yet again, our inability or unwillingness to face the dilemma forced upon us by an ill considered Supreme Court decision has us funding the greatest Government on the Earth in a piecemeal basis. The continuing resolution before us, House Joint Resolution 440, provides temporary funding through September 30, 1980.

This is not the way to legislate. The House acceded on this occasion to the Senate language, by a vote representing a bare quorum of that body. But we dare not be deceived that the issue will go away by a kind of attrition. It will not.

In this resolution, we again have prohibitory language which satisfies no one. We put off for yet another period the inevitable resolution of the conflict. It is no surprise to those who know the views of the Senator from Kansas that I support the stronger language which has prevented us from passing in proper manner the annual appropriations, not merely for this agency but for a major part of the entire Government. Few are unaware that I urge a constitutional referendum to end the issue by responding as closely as possible to the true will of the people of the Nation. It is my belief that this is the only sensible and reasonable solution to the entire abortion issue.

Mr. President, while decrying the need for these resolutions, nonetheless I must again announce support for the continuing resolution on the sole ground that the continuity of the Nation's affairs override temporarily even so fundamental and crucial an issue as our Federal funding of abortions. In so doing, I cannot refrain from warning my colleagues that there is no permanent hiding place from solving this matter. We must ultimately face the issue and end it before it divides the Nation irretrievably.

The PRESIDING OFFICER. Who yields time?

Mr. MAGNUSON. Mr. President, I move that the conference report be agreed to.

The PRESIDING OFFICER. Is all time yielded back?

The question is on agreeing to the conference report. The yeas and nays have been ordered.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. YOUNG. I had not yielded back my time yet.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll to ascertain the presence of a quorum.

The assistant legislative clerk proceeded to call the roll.

Mr. WEICKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time to the Senator from Connecticut?

Mr. YOUNG. How much time does the Senator want?

Mr. WEICKER. Four minutes.

Mr. YOUNG. I yield 5 minutes to the Senator.

Mr. WEICKER. I thank the Senator.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, I rise to express my opposition to the conference report, particularly because of the provision on abortion, and also because of the provisions for the special trade representative.

Let me say that, clearly, again, the Senate has capitulated to the House position on the abortion matter.

Yesterday, the Senate passed by a rollcall vote of 57 to 36, language which would authorize the appropriation of funds under House Joint Resolution 440, the second continuing appropriations resolution, for:

First, abortions when the life of the mother would be endangered if the fetus were carried to term;

Second, for such medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service;

Third, abortions in instances where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term when so determined by two physicians.

As you know, my feelings are that this language violates the law of the land. In fact, my position has been vindicated by a Federal district court which held that this language is violative of the 14th amendment of the U.S. Constitution by denying equal protection.

Today, in conference on this continuing resolution, the Senate conferees agreed to deny Federal funding for abortions where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term. They denied this funding on an appropriations bill which is called continuing, but in fact is the fiscal year 1980 appropriations bill for the Departments of Labor and HEW.

Why did the Senate conferees back down from the clear mandate given to them by their colleagues less than 24 hours earlier?

Because the House held a gun to our head.

They said that the first continuing resolution would expire on Tuesday.

One might say that this fact should not be enough to force the Senate to back down from its position without more than one-half hour of debate. That is right.

But another factor comes into play here. The House is going out on recess tonight. Thus, the Senate, but not the House, had to back down.

Let us look at this procedure. The Senate Appropriations Committee received the continuing appropriations bill on Tuesday night. On Wednesday, the committee marked up the bill, and on Thursday the Senate acted.

There were significant differences between the two bills. But one common provision was that the appropriations under the bill would be for the period through September 30, 1980. Thus, this bill would serve as the appropriations bill for fiscal year 1980 for those agencies for which there is no great groundswell to increase funding.

Like Labor and HEW, which includes appropriations for medicaid and, accordingly, for Federal funding of abortions.

Thus, in one morning the Senate conferees had to decide what funds would be made available for indigent women who need abortions.

Why did we have to do it in one morning? Because the House wanted to go on vacation.

So the Senate, which had approved its position by a 61-percent to 39-percent margin, had to back down from its position.

Thus, in this bill we are being asked to deprive indigent pregnant women of the right to an abortion in those instances where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term when so determined by two physicians. In short, we are being asked to agree to cut Federal funding of "medically necessary" abortions.

Mr. President, this is contrary to the law of the land. Again, I must remind my colleagues of what the law of the land is regarding abortion. The law of the land was summarized in Roe against Wade:

> A state criminal abortion statute of the current Texas type, that excepts from criminality only a life saving procedure on behalf of the mother, without regard to pregnancy stage and without recognition of the other interests involved, is violative of the Due Process Clause of the Fourteenth Amendment.

Mr. President, those who advocate this limited Federal funding for abortions justify their position on the basis of protecting the fetus through the encouragement of childbirth.

This argument, to be blunt, is spurious. The U.S. Supreme Court decisions in *Roe* v. *Wade*, 410 U.S. 113 (1973) and *Colautti* v. *Franklin*, 99 S. Ct. 675 (1979) settled this issue. As the court in *Zbaraz* v. *Quern*, 469 F.Supp. 1212 (N.D. Ill. 1979) stated:

> We do not believe, however, that a state has a legitimate interest in promoting the life of a non-viable fetus in a woman for whom an abortion is medically necessary. This approach, which recognizes that the fetus is being carried within a living, human being, is consistent with Supreme Court decisions which suggests that the interest in the fetus cannot be isolated from the interest in the health of the mother.

The Zbaraz court's discussion of the implications of isolating the fetus from the health of the mother is illuminating. I would like to read this passage for the benefit of my colleagues:

> As a consequence of the state's viewing the fetus apart from the mother, the mother may be subjected to considerable risk of severe medical problems, which may even result in her death . . .

Let me repeat. we are talking about the death of the mother. And this increased chance of mortality occurs even where funding is made available, where there would be severe and long-lasting physical health damage to the mother. This morning, the Senate conferees agreed to prohibit funding even where the mother's health would be affected.

Let me return to the court's language:

> Most health problems associated with pregnancy would not be covered . . ., and those that would be covered would often not be apparent until the later stages of pregnancy, when an abortion is more dangerous to the mother. At the earlier stages of pregnancy, and even at the later stages, doctors are usually unable to determine the degree of injury which may result from a particular medical condition. The effect of the new criteria, then, will be to increase substantially maternal morbidity and mortality among indigent pregnant women.
>
> We cannot hold that the state has a legitimate interest in preserving the life of a nonviable fetus at the cost of increased maternal morbidity and mortality among indigent pregnant women.

Nor can we, in the Senate, claim that the Federal Government has an interest in protecting a nonviable fetus at the risk of increasing maternal morbidity and mortality among indigent pregnant women.

Today, we are being asked to approve legislation which would deny Federal funding to indigent women even "in those instances where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term." To approve this language will jeopardize the lives of many indigent women.

Federal funding would be denied to indigent women for abortions even where the fetus is at risk for genetic disorders, chromosomal abnormalities or has been exposed to a known teratogenic agent. Thus, indigent parents would not be able to make a decision to terminate pregnancy even where there is a substantial risk that the child would have physical defects and/or mental retardation.

Genetic disorders, which are inherited, are more common than the layperson might believe. For example, one of every 750 babies born have spinabifida, a serious defect of the spinal formation.

Women aged 35 and over have an increased risk of bearing children with chromosomal abnormalities. Approximately 300,000 families a year are at a risk for having a child with a chromosomal defect. For example, approximately 4,500 babies are born each year with Down's Syndrome, or one in every 650 babies born annually. Patau Syndrome and Edwards Syndrome, although not as common as Down's, are associated with advanced maternal age. All involve physical defects as well as mental retardation. Amniocentesis can detect these and other chromosomal disorders, as well as more than 80 metabolic diseases and neural-tube defects, with an overall accuracy rate of 99.4 percent. Yet Federal funding would be denied to indigent women even though they know the fetus is at risk for a genetic disorder or chromosomal abnormality.

Do my colleagues know that a fetus exposed to a teratogenic agent has an extremely high probability of being born with a defect? For example, epileptics who use Dilantin have a 30-percent chance of giving birth to a child with serious birth defects.

Yet no Federal funds would be available for indigent women using Dilantin. Thus, they may be forced to forego use of the drug to avoid giving birth to a child with serious defects, at an increased risk to their own health.

I would also like to bring to the attention of my colleagues the fact that Federal funds would not be available for abortions for indigent women even though:

First. Women with sickle cell disease have a 25-percent chance of going into sickle cell crisis and dying as a result of pregnancy. The normal pregnancy rate is 0.2 percent. However, no matter how careful her care and physician's monitoring, it cannot be known whether the state of her disease will remain unaffected by pregnancy. Under present law, we deny an indigent woman with sickle cell disease the funds to obtain the abortion which may be necessary to save her life.

Second. Pregnancy has been described as acting like "a fertilizer" for the cancerous cells in a pregnant woman's body, causing an isolated cancerous growth to spread throughout the body. In addition, the drugs used to treat cancer are teratogenic agents which increase the risk of fetal defects.

Third. Women with diabetic nephropathy (affecting the kidney) and diabetics suffering from heart disease have an extremely high mortality rate. Although the availability of insulin has decreased the maternal mortality rate of 30 percent for mothers with diabetes, the coexistence of diabetes and pregnancy has dire consequences.

Fourth. Acute renal failure is a serious complication of pregnancy, occurring as frequently as once in 1,400 pregnancies. Approximately 50 percent of all women developing acute renal failure are, or were recently, pregnant.

Fifth. Pulmonary arterial hypertension represents a severe danger for pregnant women with cardiac problems. Medical studies have shown that as many as 53 percent of women with Eisenmenger Syndrome, a form of pulmonary hypertension, died during pregnancy. The mortality rate of pregnant women with coarctation of the aorta is 3.5 percent.

Sixth. Reports indicate that rheumatic heart disease accounts for at least 61 percent of all pregnant cardiac patients, with the most common form being mitral stenosis. Nearly all physiological changes caused by pregnancy have an adverse affect on a patient with mitral stenosis.

Mr. President, limiting funds for abortions has the same result as limiting the actual right to an abortion insofar as indigent women are concerned. It is unrealistic to believe that an indigent woman can make a valid choice if she knows she will be deprived of the means to effectuate her choice.

What we are doing here is imposing a governmentally ordained morality on an indigent woman. She knows she will not receive funds for an abortion—even if she is facing "severe and long-lasting physical health damage." Yet, if she chooses to follow the State-encouraged morality and bear her children, she will be reimbursed not only for her pre-delivery and delivery expenses but also for her children's post-natal costs, as well as receiving an increase in her welfare stipend.

What was a temporary solution concerning language relating to Federal funding of abortion in the last continuing resolution has now become in this bill the established platform for further retreat even closer to pure Hyde language. With the adoption of this conference report, this language will now be no longer a temporary resolution for the closing minutes of a congressional session. Rather, it serves as the new takeoff point with the end objective being pure Hyde language.

Clearly, both the Senate and the House are out of step with the American people. I had occasion to note just the other day a new testing of American sentiment on the issue. A New York Times/CBS News poll showed that 64 percent of the Roman Catholics and 69 percent of the Protestants surveyed felt that the "right of a woman to have an abortion should be left entirely to the woman and her doctor."

So, in effect, it is a loud-mouth minority that has managed to go ahead and do a number on the Senate and on the House.

But that does not bother me as much as the constitutional aspects of what we are dealing with here.

Clearly, there has been an introduction of religion into the deliberations of this matter by both this and the other Chamber. That causes me considerable concern.

Last, I would hope something can be devised to remove this issue from the appropriation process. That process has suffered greatly because of this issue being introduced into the deliberations of the appropriations process, both in the House and in the Senate.

The fact is that this question is taking our eye off the ball when it comes to many issues. It has been used by the House on several occasions as the reason for bringing the Federal Government to a dead halt. Therefore, we have had to accede to them.

I would suggest, regardless which point of view there is on the abortion issue, that it is best handled by the authorizing committees. Go ahead and devise legislation that makes abortion illegal and consider it on the floors of the Chambers of Congress. That is fine. Debate that.

Go ahead and so modify the medicare-medicaid policies. That is fine. It would be an open debate.

Present a constitutional amendment banning abortions. That is all right.

Of course, none of these things are being done because those advocating outlawing abortions would go down in flames, whether it be on a constitutional amendment, or when these issues are considered directly either in the House or Senate.

So, we continue to come at it in a surreptitious way which, as I say, clearly affects the other functionings of Government. And it comes at the issue unconstitutionally, by the side door.

I will not attempt to take up the time of my colleagues this evening and have an extended debate on this issue. There is no point. Apparently, it would only serve to inconvenience the individual lifestyles of myself and my colleagues.

To me, the points are too important to be discussed at the tail end of any session. But I hope come the first of the year that those who have advocated their position by the side door would do so by the front door. Let us have done with it, rather than to go ahead and screw up the appropriation process.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. I would like to ask a question of my friend from Connecticut.

The PRESIDING OFFICER. Who yields time?

Mr. WEICKER. I am glad to yield to the Senator.

Mr. EXON. Mr. President, during the Senator's remarks, I was momentarily distracted. I heard him use the term, I think, "the loud-mouth minority."

The Senator did not mean colleagues in the Senate or in the House who do not happen to agree or vote with him on the abortion issue did he?

Mr. WEICKER. Well, if the shoe fits, wear it.

That was not my reference. I was referring, as I indicated in my earlier remarks, to the national poll that has been taken on this matter.

Mr. EXON. Just for clarification of the record, the Senator was not referring to his colleagues in the Senate as a loud-mouth minority?

Mr. WEICKER. As I said, again, I make my remarks. As I say, if the shoe fits, wear it. I allow the Senator whatever interpretation he wants on those comments.

Mr. EXON. I hope, Mr. President, as a new Member of this body, we could have honest disagreement on things where we do not agree without that kind of language being used on the floor of the Senate.

Since my colleague from Connecticut indicated he did not——

Mr. WEICKER addressed the Chair.

Mr. EXON. I believe I have the floor.

Mr. WEICKER. The Senator does not. I yielded——

Mr. EXON. I do not believe the Senator did.

The PRESIDING OFFICER. As a matter of fact, the Senator's time has expired.

Who yields time?

Mr. WEICKER. I will be glad to go ahead. I made no specific accusations. The Senator is making interpretations which, really, go beyond what I said. However, he can speak for himself. I made my comments, and stick by them.

I merely pointed out what, based on a nationwide poll, and based on what I also believe, the minority opinion in this regard was.

We are all citizens of the same country. If the Senator wants to narrow it down to those in the Senate, that is his privilege. I did not.

I am aware of what honest disagreement is all about. But I am aware of the prevailing feeling in the country. It is, apparently, of the minority—in terms of the Senate and House.

But as to interpreting my remarks, I do not go ahead. Everybody else can do that for themselves.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. Who yields time to the Senator from Nebraska?

Mr. EXON. Mr. President, 1 more minute?

Mr. MAGNUSON. I will yield the Senator 1 minute.

Mr. EXON. Just for clarification of the record, I am assuming the remarks that were made do not apply to the Members of the Senate or the House of Representatives.

I yield the floor.

Mr. MAGNUSON. Mr. President, I am prepared to yield back the remainder of my time, if the Senator from North Dakota is prepared.

Mr. YOUNG. If no one wants time, I am prepared to yield back my time, Mr. President.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the conference report. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Florida (Mr. CHILES), the Senator from California (Mr. CRANSTON), the Senator from Alaska (Mr. GRAVEL), the Senator from Alabama (Mr. HEFLIN), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Georgia (Mr. NUNN), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Georgia (Mr. TALMADGE), the Senator from Massachusetts (Mr. TSONGAS), and the Senator from Rhode Island (Mr. PELL) are necessarily absent.

I further announce that the Senator from Delaware (Mr. BIDEN) is absent on official business.

I also announce that the Senator from Iowa (Mr. CULVER) is absent because of illness.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) would vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Kansas (Mr. DOLE), the Senator from Minnesota (Mr. DURENBERGER), the Senator from California (Mr. HAYAKAWA), the Senator from New York (Mr. JAVITS), the Senator from Nevada (Mr. LAXALT), the Senator from Maryland (Mr. MATHIAS), the Senator from Idaho (Mr. MCCLURE), the Senator from South Carolina (Mr. THURMOND), the Senator from South Dakota (Mr. PRESSLER), the Senator from Delaware (Mr. ROTH), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I further announce that, if present and voting, the Senator from New York (Mr. JAVITS) and the Senator from South Carolina (Mr. THURMOND) would each vote "yea."

The PRESIDING OFFICER. Have all Senators in the Chamber voted?

The result was announced—yeas 51, nays 23, as follows:

[Rollcall Vote No. 417 Leg.]

YEAS—51

Bayh
Bentsen
Boren
Boschwitz
Burdick
Byrd,
 Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Church
Cochran
Cohen
Danforth
Eagleton
Exon
Goldwater
Hart
Hatfield
Heinz
Hollings
Inouye
Jackson
Johnston
Kassebaum
Kennedy
Leahy
Levin
Lugar
Magnuson
Matsunaga
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Packwood
Percy
Pryor
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Tower
Warner
Williams
Young

NAYS—23

Armstrong
Baucus
Bradley
DeConcini
Domenici
Durkin
Ford
Garn
Glenn
Hatch
Helms
Humphrey
Jepsen
Long
McGovern
Melcher
Proxmire
Randolph
Riegle
Stewart
Stone
Weicker
Zorinsky

NOT VOTING—26

Baker
Bellmon
Biden
Bumpers
Chiles
Cranston
Culver
Dole
Durenberger
Gravel
Hayakawa
Heflin
Huddleston
Javits
Laxalt
Mathias
McClure
Nunn
Pell
Pressler
Ribicoff
Roth
Talmadge
Thurmond
Tsongas
Wallop

So the conference report was agreed to.

The PRESIDING OFFICER. The clerk will state the amendment in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 5 to the aforesaid resolution, and concur therein with an amendment as follows:

In lieu of the first sum named in said amendment, insert: "$3,800,000".

Mr. MAGNUSON. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 5.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington.

The motion was agreed to.

CRUDE OIL WINDFALL PROFIT TAX ACT OF 1979

The Senate continued with the consideration of H.R. 3919.

The PRESIDING OFFICER. Under the previous order, the Senator from Texas (Mr. BENTSEN) is recognized.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator from Texas yield to me for a unanimous-consent request?

Mr. BENTSEN. I am happy to yield to the majority leader.

ORDER FOR RECESS UNTIL 10 A.M., MONDAY, NOVEMBER 19, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 o'clock on Monday morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT OF THE TWO HOUSES OVER THE THANKSGIVING DAY HOLIDAY

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of of Representatives on House Concurrent Resolution 214 and ask for its immediate consideration.

The PRESIDING OFFICER. The Chair lays before the Senate House Concurrent Resolution 214, which will be stated.

The assistant legislative clerk read as follows:

H. CON. RES. 214

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Tuesday, November 20, 1979, it stand adjourned until 12 o'clock meridian on Monday, November 26, 1979, and that when the Senate recesses on Tuesday, November 20, 1979, it stand in recess until 12 o'clock meridian on Monday, November 26, 1979.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the concurrent resolution.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the concurrent resolution.

UP AMENDMENT NO. 831

Mr. ROBERT C. BYRD. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes an unprinted amendment numbered 831:

On page 1, line 6, strike "12 o'clock meridian" and insert "10 o'clock a.m."

Mr. ROBERT C. BYRD. Mr. President, this amendment provides for a reconvening of the Senate at 10 a.m. on November 26, the day the Senate returns following the Thanksgiving holiday. The resolution itself allows the House to stand in recess until November 26 with pro forma meetings in the meantime.

Now that the continuing resolution has been adopted we have no problem.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution, as amended.

The concurrent resolution (H. Con. Res. 214), as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ENERGY POLICY AND CONSERVATION ACT ANTITRUST PROVISIONS

Mr. JACKSON. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1871.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Ordered, That pursuant to the provisions of H. Res. 478, the bill (S. 1871) entitled "An Act to extend the existing antitrust exemption for oil companies that participate in the agreement on an international energy program", together with all accompanying papers is hereby returned to the Senate.

Mr. JACKSON. Mr. President, I move that the Senate recede from its amendment to the House amendment to the text of the bill, and that the Senate concur in the House amendment to the text of the bill, with an amendment which I send to the desk.

UP AMENDMENT NO. 829

(Purpose: Amendment to Section 252(j) of the Energy Policy and Conservation Act of 1975, and for other purposes)

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON) proposes an unprinted amendment numbered 829:

Strike all after the enacting clause and insert, in lieu thereof, the following:

SEC. 1. Section 252(j) of the Energy Policy and Conservation Act of 1975 (42 U.S.C. 6272(j)) is amended by striking out "November 30, 1979" and inserting in lieu thereof "June 30, 1980".

TRANSCRIPTS

SEC. 2. (a) Subsection (c)(4) of section 252 of the Energy Policy and Conservation Act (42 U.S.C. 6272(c)(4)) is amended by adding at the end thereof the following: "Such access to any transcript that is required to be kept for any meeting shall be provided as soon as practicable (but not later than 14 days) after that meeting.".

REPORT

SEC. 3. The Secretary of Energy, in consultation with the Secretary of State, the Attorney General, and the Chairman of the Federal Trade Commission, shall prepare and submit to the appropriate committees of Congress, a report concerning the actions taken by them to carry out the provisions of section 252 of the Energy Policy and Conservation Act. Such report shall examine and discuss—

(1) the extent to which all, or part, of any meeting held in accordance with section 252(c) of such Act to carry out a voluntary agreement or to develop or carry out a plan of action should be open to interested persons in furtherance of the provisions of section 252(c)(1)(A) of such Act;

(2) the policies and procedures followed by the apppropriate Federal agencies in reviewing and making public or withholding from the public all, or part, of any transcript of any meeting held to develop or carry out a voluntary agreement or plan of action under section 252 and in permitting persons, other than citizens of the United States, to review such transcripts prior to any public disclosure thereof;

(3) the extent to which the classification of all, or part, of such transcripts should be carried out by one agency;

(4) the adequacy of actions by the responsible Federal agencies in insuring that the standards and procedures required by section 252 are fully implemented and enforced, including the monitoring of the program concerning any anticompetitive effects, and the number of personnel, and the amount of funds, assigned by each such agency to carry out such standards and procedures;

(5) the actions taken, or to be taken, to improve the reporting of energy supply data under the international energy program and to reconcile such reporting with similar reporting that is conducted by the Department of Energy;

(6) the actions taken, or planned, to improve the reporting required by section 252(i); and

(7) other actions under such section.

The Secretary of Energy shall transmit such report to such Committees within 90 days after the date of the enactment of this Act and shall make such report available to the public.

Mr. JACKSON. Mr. President, S. 1871 deals with the extension of the antitrust defense provisions of the International Energy Agency provisions of the Energy Policy and Conservation Act of 1975.

The Senate has already passed extensions of this provision three times this year. As a result, the deadline has been extended from June 30 to October 31 and now to November 30.

My amendment would extend the deadline to June 30, 1980, which is the date approved by the Senate when it passed S. 1871 on October 30. The remainder of my amendment is identical to the version of S. 1871 the Senate agreed to on October 30 except that it does not contain the amendment offered by the Senator from Louisiana (Mr. JOHNSTON) dealing with oil import quotas and fees. This is the language that led the House of Representatives to return S. 1871 to the Senate without acting on it. Senator JOHNSTON has graciously agreed to eliminating this provision.

Mr. President, Senator HATFIELD, ranking minority member of the committee, and Senator METZENBAUM have also agreed to my amendment. It has been cleared on the minority side.

I move its adoption.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington.

The motion was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CRUDE OIL WINDFALL PROFIT TAX ACT OF 1979

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from Texas.

Mr. BENTSEN. Mr. President, as I stated to this body earlier today I was prepared to vote, and the Senator from Kansas and the Senator from Louisiana have urged me not to have a vote tonight, and I am certainly prepared to allow further consideration, and that that vote would be on Monday.

I would again urge my friend, the manager of the bill, and ask him if we could not agree to a time certain on Monday. I understand that opponents of the Dole amendment, with the cosponsors, are prepared to arrive at a time agreement. I am and Senator EAGLETON is, if that would be agreeable to my distinguished friend.

Mr. PACKWOOD. I might also say, Mr. President, in speaking for Senator EAGLETON, we have worked out an agreement with him that the Baker-Dole substitute will be offered first, and then the Eagleton substitute. He is prepared to accept a one-half hour time limit on each side of his amendment and a one-half hour time limit on ours.

Mr. LONG. Mr. President, I am not ready to enter into an agreement to vote on that matter.

Mr. BENTSEN. Let me say this then, and I understand the position of my friend from Louisiana: I then ask unanimous consent that I be recognized first when we return to this business, if there is no objection to that.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BENTSEN. Then I yield the floor.

ROUTINE MORNING BUSINESS

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may speak for 1 minute as if in morning business.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business not to extend beyond 30 minutes, and that Senators may speak therein up to 5 minutes each.

Mr. President, I yield the floor.

Mr. HARRY F. BYRD, JR. Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator has 5 minutes available in morning business.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may speak up to 15 minutes each during the period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

"IMPERFECTIONS" FLAWED ARGUMENT AGAINST GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the Genocide Convention has been stalled in the Senate for over 30 years now. Its opponents have made numerous claims to persuade this body not to ratify the convention. Those of us who are convinced of its merits as a fundamental international human rights treaty have consistently rebutted these arguments.

Today I would like to refute another of these proposed objections.

There are those who attack the convention on the grounds that it limits the scope of genocide to the extermination of "national, ethnical, racial, or religious groups." They say that the exclusion of, for example, political groups, is evidence that the treaty is flawed and thus not worthy of ratification.

I do not dispute that the treaty is not perfect. It is, however, a carefully crafted and meaningful piece of international legislation. Like any such document, its drafting included the confrontation of many different interests and opinions, and the resolution of these conflicts through compromise.

Certainly, there are areas in which this treaty could be improved. But at what price?

Would not the inclusion of "political groups" raise fundamental issues of definition? What is a political group? Who qualifies? How many constitute a group?

The limitations of the treaty involving the exclusion of political groups certainly do not overshadow its substantial merits and are clearly not a conclusive argument. These so-called imperfections should instead be a spur to ratify the convention and to continue and extend the work for international human rights.

Let us note again all that this treaty does accomplish: For the first time in history, the community of nations has joined in denouncing genocide as a crime, whether committed in wartime or in peacetime. This is indeed an important step forward for humanity.

I urge the Senate to ratify the convention.

MAYOR RICHARD ARRINGTON, JR.

Mr. STEWART. Mr. President, earlier this week I had the unique experience of being present at the inauguration ceremony for Birmingham, Ala., Mayor Richard Arrington, Jr. What made that occasion so unique was the fact that Dr. Richard Arrington, Jr., is the son of an Alabama sharecropper and a black man. Birmingham is Alabama's largest city and major center of industry and commerce in the Southeast. In installing Dr. Arrington as mayor of Birmingham, Alabama and the South reached a new plateau of racial understanding and social harmony.

Sixteen years ago Dr. Martin Luther King, Jr., spoke of a dream—a dream of a nation in which all men would be judged not by the color of their skin but by the content of their character.

This election made that dream a reality as Dr. Richard Arrington was elected mayor of the city of Birmingham not because of the color of his skin but because of the content of his character. Dr. Arrington's remarks on the occasion of his inauguration are indicative of the extraordinary content of his character and I ask unanimous consent that the remarks be printed in the RECORD at this point.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

STATEMENT OF RICHARD ARRINGTON, JR.

Four years ago, at the inauguration ceremonies of our Mayor and Council Members, I briefly related the story of my parents' decision to come to Birmingham. I want to repeat that story here today because of what I see as its relevance to this occasion.

Sometime in 1940 my father who had spent his adult life as a sharecropper in southwest Alabama decided that better fortunes for his family lay in coming to Birmingham. He had no money to pay the bus fare for the 110 mile trip from Livingston, Alabama to Birmingham; so he asked his brother who had already come to Birmingham to work, to send him bus fare for the trip. He came to this city and found a job in the steel mill and immediately moved his family to a duplex house in the western section of the city. It seems now like not only an interesting but a unique story when seen in the light of today's historic occasion. But on reflection its not a unique event, for in the history of this city it has been repeated many times by family after family. The story of my parents' quest for a better quality of life and their faith that it could be found in this valley is the story of many other families who came to Birmingham seeking a little better chance. And though they have not all fared as well as they had hoped, thank God that the overwhelming majority have seen many of their dreams realized. In this valley they have been able to make a decent living, to educate their children and to watch this valley grow; and for some, like my parents, to see their children attain positions of responsibility they never dreamed of.

Since its founding in 1871, Birmingham with its God-given natural resources has faced and overcome several crisises in its young lifetime At times its future seemed to hang by the most tenuous thread but its people held on with goodwill and tenacity. Some watched it overcome a cholera epidemic when it was only two years old. Others witnessed it struggle through the depression years and most of us here today watched it come to grips with racial strife. From each crisis the city rebounded, each time stronger than before.

With all of its natural resources, its most important resource has always been and remains even today, its people and their endurance.

I approach this historic occasion humbly but with keen awareness of its significance. My election as the first black mayor of this city is to me and many others an example of the reality of the American dream, the depth of the American ideals and the commitment of Birminghamians to the basic tenets of our democracy. The decision of a majority of the voters in Birmingham to elect a mayor who is black has focused national and international attention once again on Birmingham—perhaps in a manner in which is paralleled only by the publicity received during our racial strife of earlier years. But it must be clear that the cause of our attention today, my election, is a clear indication of our progress in human relations. As a resident of this city and one privileged to serve in city government for the past eight years, I know that the Birmingham of today is very different from the Birmingham of yesteryear which was wracked by racial strife. Although there is still work to be done to improve race relations and to bring about full racial justice, we no longer deserve the image of the Birmingham of the early 60's.

Our record of hard work for biracial communication and cooperation has earned for us a new image which this occasion today underscores. For 10 years in Birmingham blacks have served with whites in city government and today blacks sit on all decision-making boards of the city government. A significant number have been chosen to provide leadership for these boards. Even though I am aware of the racial pattern of voting in the mayor's election, the uneasiness which this political transition creates in many of our people and the need for me as mayor to reassure all of our people by my actions that this is but another significant chapter in our history of progress, I want to make it clear that I do not view this election or its results as the onset of a new period of racial cleavage or polarization.

I go into office today with a deep commitment to continuing the progress of recent years, to building upon those foundations laid by recent mayors of this city—mayors like George Seibels who share this platform with me today and my predecessor and good friend, David Vann, whose long years of progressive work and dedication to this city are known and appreciated by all. Under my administration Birmingham will continue its progress. In what is a critical and highly competitive time for our city I pledge to implement programs which will refine management and accountability in city hall, revitalize our downtown, improve neighborhood revitalization and stability and reduce citizens' fear of crime. At the same time, I pledge to seek ways for intergovernmental cooperation with other units of local government.

I will work for and with all the people of this city—our citizens, our business community and our city employees—to build an even better city. I only ask your cooperation in this endeavor. I know where we are, where we've come from and where we have yet to go as a city. I welcome the challenge, as great as it is.

In closing I want to mention two of many fine letters I received from members of my daughter's 8th grade class at Glen Iris this past week. One young lady wrote:

"I'm glad that you won. I wish Parsons would have won, but you'll do. I wish you luck."

A young man wrote:

"Our class congratulates you on your victory. All I want from you is your best."

I believe that the citizens of this city deserve my very best as their mayor. I will give them nothing less

MRS. AVERELL HARRIMAN

Mr. METZENBAUM. Mr. President, recently Mrs. Pamela Harriman, the wife of W. Averell Harriman, one of the Nation's most esteemed statesmen, traveled to the city of Toledo to make a major address at the Toledo Museum of Art.

Her address was an eloquent plea in support of the arts and the meaning that the arts have for all of us. One of the finest statements I have ever heard concerning the need for the support of the arts was included in that speech when Mrs. Harriman said:

> As a society, we cannot afford not to afford art, for art is our most precious clock that measures our lives with greater sweep than our minutes or our money.

Asked later in an interview with the Toledo Blade newspaper if the use of art to illustrate a political outlook is a legitimate tactic, Mrs. Harriman replied:

> Art does not only relate great historic events, it conveys the basic truths of past and present life as well. I believe the art is not only a chronical of history, it often serves as a guide for the future.

Mr. President, I feel that Mrs. Harriman's remarks should be read by all of us because they provide a different perspective to some of the day-to-day problems that face us as a nation and a society. It was a remarkable essay on the meaning of art and expresses clearly the reasons why institutions such as the Toledo Museum of Art deserve our support.

I ask unanimous consent that Mrs. Harriman's speech and an accompanying article from the November 2, 1979, edition of the Toledo Blade be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS OF MRS. AVERELL HARRIMAN

For the next several minutes, I am supposed to talk and you are supposed to listen. This comes perilously close, on both our parts, an aesthetic contradiction. In the Toledo Art Museum, like others that preserve the greatest visual expressions of the human spirit, it seems more appropriate to see than to speak, to sense, to feel, and to contemplate than to put so much perfection into such imperfect words.

Yet we speak of art so that we may perceive it a little more clearly and support it more generously. Words can recount how the creation and the conservation of art are both demanding works that require something from us all, each according to our gifts. This museum is striking proof that art is a participatory process that flourishes only, when we all, have a place and a part in it. Without the contributions of this community, without this annual membership drive, for your city and children it would be as though the artists gathered here from other times and spaces of other lands, had never painted or sculpted at all. Without your support, the happy sight of "Children with a Cart," a painting exhibited here that tells so well how it is to be young in the summer, would never have reached from the Toledo of Goya's Spain to this Toledo of our America, which Goya knew only as a vast and empty new world.

We talk often of art as enduring work, but we tend to emphasize the feature of endurance more than the fact that for the artist is was a matter of hard work—that the brilliance of the conception was followed by a long labor of execution. We comprehend that instantly when we look at the roof of the Sistine Chapel: we can almost see Michaelangelo on his back on a high scaffold, with the Pope far below, impatiently exhorting him to hurry. But more often we confront the finished work without pondering, except perhaps in passing, how difficult it really was.

The reality of art as work was literally brought home to me in 1945, when my son was 5 years old. His grandfather and namesake Winston Churchill had just lost the first post-war British election. In England a defeated Prime Minister must vacate the official residence of No. 10 Downing Street without delay—within a matter of hours. Mr. Churchill moved to a hotel, since, not expecting to lose, his own house in London was still rented. To provide a more homelike atmosphere, his wife Clementine decorated the hotel rooms with many of the pictures he had painted over the years. My son Winston stopped by after nursery school to visit his grandfather. He came home breathless with joy. He had been too young to appreciate his grandfather's historic role during World War II, but he did appreciate what it meant to be an artist. "Mummy, mummy," he exclaimed, "My grandfather is a painter—he works!"

Few museums have worked at the job of art as well as creativity as this one has. Your collection is not only internationally known; it is accessible to the local community in the broadest sense. Your tours for school children reflect the wisdom that, like my son at the age of five, they are more than old enough for their eyes to be enthralled and their minds to be enriched by the beauty of colors on a canvas or the light playing across cut glass. Your Saturday art and music classes are the largest free program of this kind in the world; your evening courses attract a thousand adults a year.

Your commitment to all this—and to other endeavors—reflects the conviction that art is not a relic, but a vital force. It has many truths to teach—and we all have a lot to learn, even those for whom art has been a passion in their lives.

There is a British family the Cowdrays—one of the world's wealthiest, who have collected art for generations. Lord Cowdray once owned a large painting—of lions. It was thought, possibly, to be of the school of Rubens. His wife, disliking the painting, sent it down to the family office where it hung for many years unnoticed in the Board Room. Finally, in the 60's, when redecorating was taking place, it was sent with other unwanted furnishings to a not well-known auction house. An American dealer saw it, suspected it to be "the missing Rubens" and made a presale deal to buy the picture above its reserve—about 1000 Pounds!

Then, and only then, was the fact it was a genuine Rubens discovered, but the British Government could not retreive it from export to the United States because the 1000 pound price was below the legal limit restricting shipment of an art work out of the United Kingdom.

In 1965, "Daniel in the Lion's Den"—for that was the picture—was sold to the National Gallery in Washington for over half a million dollars. It is now worth many millions.

This episode provides a lesson not only in the financial value of art, but in other, deeper values. Paintings, sculptures, tapestries, decorative arts, and photographs are not only meant to be pretty pleasing; quite frequently they can, and they should, disturb the universe.

John Kennedy once said that "politics creates power"— and that poetry questions and corrects it. The visual arts can set vividly before us those inarticulate, irreducible truths that even poetry can only approximate. The anguished cry of the distorted, disembodied face in Picasso's "Guernica" tells more in an instant about the terror of war than all the pages of James Jones' novel, "From Here to Eternity." And the sight of Richard Estes' painting of "Helene's Florist Shop," which hangs in this museum, can show simply and starkly, on the small scale within which we actually conduct our daily lives, the neighborhoods, the flowers, the vibrance, and the existence that we stand to lose in nuclear conflict.

When I hear the opponents of the new SALT treaty to limit nuclear weapons discoursing about megatons and acceptable millions of deaths, I wish they would pause and look to that smaller scale. A single picture truly would be worth thousands of their cold and technocratic words.

Thus art can help to point us toward the future. And the heritage of art can teach us the history of the past. Gibbon's chronicle of Rome's decline can be read in a glance into the fearful eyes of the bust of "Venus" in this museum. The eyes seem to look apprehensively toward the fragile frontiers of an empire also facing internal disarray. My great-great-grandfather, John Singleton Copley, whose "Portrait of a Young Lady" graces this museum, chronicled his revolutionary era on canvas as surely, and even more vividly, than Macaulay recorded it in his writing.

Produced by the picturesque beauties of nature . . . the brevity of human existence (and) the beauty of first love.

All these great and obvious truths can be realized anew, over and over, in never fully fathomed variety, within and on the walls of your museum.

The blue-green shimmering water of Monet's "Antibes" evokes the bright glory of the environment. The separated greens, blues, and dappled whites of DeKooning's "Lily Pond" sharply recall, in this era of pollution, that water is not naturally grey.

"The Architect's Dream" in 1840 of Thomas Cole and Pannini's "Architectural Fantasy" of 1716 both prefigure baroquely the bold, searching, and sometimes bizzare architectural trends of our own time.

And what of lives inside, away from the ponds and within the buildings? Gerard Ter Bosch's "Music Lesson," on exhibit here, conveys across three centuries the frustration and anxiety of a child learning to make music. We are not, after all, so different now. We are not, in these basic things, so different from the student at the King's School in Canterbury who in the early 1600's engraved upon the cloister wall: "Will loves Mary." And there is a trusting yet tense love in Primaticcio's "Ulysses and Penelope," as they look at themselves and across the ages at us, what Huxley calls "marriages of affection."

These are the central commonplaces of our being; in art they become the glass through which we see less darkly.

In 1911, Henry Bowie wrote the first comprehensive study in English of Japanese paintings. He found in it the special serenity that we can all observe in its delicacy and its grace. He also described a quality the Japanese call Ki In—which is the ground of all art. "It is," he wrote, "that undefinable something which . . . suggests elevation of sentiment, nobility of soul. . . . It is . . . that divine and vital breath, that emanation of soul, which vivifies . . . the work and renders it immortal."

I can conceive of no more important task for this museum, in the International Year of the Child, than the goal you have set to share that undefinable something with the children of Toledo.

There are, of course, those who argue that we cannot afford art, especially now. When I hear that, I recollect my own experience with a beautiful clock I saw in a Paris antique shop shortly after World War II. I decided not to buy it, quickly regretted my decision, but then discovered that it had already been sold. Years later I saw my clock, as I had come to regard it, in a friend's house. Finally, after another few years, it was for sale again. And though it had grown in price, this time I decided it was to be mine.

As a society, we cannot afford not to afford art for art is our most precious clock that measures our lives with greater sweep than our minutes or our money. Since 1901, Toledo has moved this museum to meet that measure fully. Today you have one of the notable art institutions of the world. It is notable for its excellence, for its relevance, and for its community involvement. I am privileged to stand here with 700 of you who will work among your friends and neighbors seeking new members. I, for one, would like to enlist right now.

Mrs. Harriman Calls For Strong Support of Creative Arts

Pamela Harriman believes that even when a country is in the middle of an economic downturn, people should continue to give strong support to the arts.

Speaking to nearly 400 museum volunteers, friends, and guests at a luncheon Thursday in the Great Gallery of the Toledo Museum of Art, Mrs. Harriman said, "As a society, we cannot afford not to afford art."

Mrs. Harriman, who was accompanied from her home in Washington to Toledo by her husband, W. Averell Harriman, to help launch Museum Membership Month, told the audience that art increases in value, not only in monetary terms, but also in its continuing ability to enrich the lives of those who experience it.

"Art, both in its creation and its conservation, is extremely demanding," Mrs. Harriman said, "and it requires something from each of us, according to his gifts. Without events such as your membership drive, it would be as if the artists who are gathered here from other times and places had never lived."

Mrs. Harriman, who is tall and slender, stepped virtually unruffled from the helicopter which brought her to the museum lawn from the offices of the Dana Corp., where she and her husband stopped to visit with Mr. and Mrs. Gerald B. Mitchell. Mrs. Mitchell is cochairman of the museum fund drive. Undampened by a display of typical Toledo weather, Mrs. Harriman moved gracefully through the museum, noting paintings which were of particular interest to her, and making observations about what she called the "excellent quality" of the museum's collections. The fact that she was favorably impressed by the museum was later reflected when, at the end of her speech, she indicated that she plans to join the museum.

She emphasized the need for art-oriented institutions to become creative forces within the communities that they serve, and added that anyone visiting the Toledo Museum of Art or taking part in any of its programs should immediately realize that art is "not a relic, but a vital force."

"The arts," Mrs. Harriman said, "are not only meant to be pretty and pleasing, but quite frequently they can and should disturb the universe."

As an example of this, she cited Picasso's 1937 anti-war painting, the "Guernica," commenting that anyone who viewed it with the ravages of war in mind should then have no trouble deciding about the necessity for present-day peace measures such as the ratification of the SALT II agreement.

Asked later in an interview if the use of art to illustrate a political outlook is a legitimate tactic, Mrs. Harriman commented that "art does not only relate great historical events, it conveys the basic truths of past and present life as well. I believe that art is not only a chronicle of history, it often serves as a guide for the future."

When asked how art will influence the future, Mrs. Harriman said that the "tough times" which she believes the country is heading into will make museums even more important as places where all people can gather to observe and appreciate art.

She predicted an eventual end to the lavish private art collections, saying that it has become necessary for people in all segments of society "to tighten their belts a great deal."

Mrs. Harriman said that this is particularly noticeable in Washington where, "life has changed greatly in the last two and one-half years.

"In some ways, it seems that the opulent life-style which accompanied the Kennedys was fashionable only yesterday. But when you see it reflected in the films and magazines of 20 years ago, you realize how very long ago it all was. Washington hasn't seen anything like that in a very long time—and perhaps we never will return to that.

"But I think that even though we are in difficult times now, the American people are still tough enough to handle their problems."

Before her address to the volunteers, Mrs. Harriman toured the museum with director Roger Mandle and Samuel Carson, president of the museum's board of trustees. She said that seeing the "Portrait of a Young Lady," which was painted by her great-great-grandfather, John Singleton Copley, was a highlight of her visit.

INTERNATIONAL COCOA AGREEMENT

Mr. PERCY. Mr. President, during 1979, the United States has been participating actively in negotiations for renewal of the International Cocoa Agreement. The proposed ICA would be based on a buffer stock mechanism designed to keep world cocoa prices within a particular range. At this time, only the issue of what that price range will be remains unresolved. The proposal now being considered by the states which are parties to the negotiations calls for a floor price of $1.10 per pound and a ceiling price of $1.60 per pound. This represents a compromise between the $0.76 floor price initially suggested by the European Economic Community and the $1.90 floor price first suggested by the Ivory Coast. As of the last negotiating conference, the U.S. position was that the floor price maintained by the agreement should not be greater than $1. I have agreed with this position and strongly supported it.

Industrialized countries and Third World countries have had differing views on what purpose international commodity agreements should serve. The industrialized countries have generally seen commodity agreements as a means of assuring supply at prices stabilized around its long-range equilibrium price. The producers in the less developed countries on the other hand, are interested in an assured price at as high a level as possible.

An international commodity agreement which stabilizes prices at an unreasonable level above the long-range equilibrium price for the commodity cannot be justified on economic grounds. Unless the commodity is limited and unique, such as oil, an artificially high guaranteed price will stimulate expansion of output from existing sources of supply and encourage the development of new sources of supply. It could also sustain inefficient producers. Moreover, stabilizing the price for a commodity at an artificially high level stimulates the use of substitutes. In the end, ironically, all of this could only help to destroy the long-term viability of the world cocoa market.

We must also remember that if artificially inflated prices lead to a decline in consumption of confectionery and other products containing cocoa. U.S. workers will be the victims.

Mr. President, I strongly urge the U.S. delegation attending the next cocoa negotiating conference in November to continue to work for a reasonable floor price which is in the interests of this Nation's consumers and workers. Many chocolate producers expect cocoa prices to drop significantly for three reasons. First, they expect cocoa harvests to increase from 1979–1985. Second, in the United States, consumption of chocolate and other products containing chocolate leveled off a few years ago, and is now in the process of decline. Finally, the use of substitutes for cocoa and cocoa butter can be expected to increase in the next few years, another factor depressing demand for cocoa beans.

As a member of the Senate Foreign Relations Committee, which would ultimately have to pass judgment on any agreement submitted by the administration for the advice and consent of this body, I believe that an agreement which provides a fair return for producers and a fair price and assured supply for consumers is desirable. A floor price should help to provide incentives for continued production but not sustain inefficient producers or seriously reduce the competitiveness of cocoa over substitutes. Any agreement should reflect economic realities and the national interests of the United States and should not bring with it an adverse inflationary impact and put more Americans out of work.

THE ONGOING HORROR IN CAMBODIA

Mr. SCHWEIKER. Mr. President, a tragedy of almost unimaginable proportions continues to unfold in Cambodia, a once-peaceful land now ravaged by famine, disease, and ongoing war. The brutal reign of the Pol Pot regime from 1975 until early this year became synonymous with national genocide, as an estimated 3 million people (of Cambodia's 1975 population of approximately 7 million) perished as part of the Khmer Rouge's merciless pursuit of a genuine "socialist" state. The Vietnamese "liberation" of Cambodia, and the installation of the puppet Heng Samrin government, has only intensified the sufferings of a people whose curse it is to be viewed as mere pawns in a cynical power struggle in Southeast Asia.

The most poignant manifestations of this horror are the hundreds of thousands of refugees housed in squalid camps along the Thai-Cambodian border, victims of a conflict they little understand and for whom the specter of death from starvation or disease is ever imminent.

No individual of conscience or government with a pretense of civility can remain indifferent in the face of such a monumental crime against humanity. The overriding moral imperative of responding generously to the basic human needs of the Cambodian refugees, including especially the provision of emergency shipments of food and medical supplies, must prevail over petty political considerations.

While I strongly support the humanitarian efforts of the U.S. Government and private relief agencies, the magnitude of the tragedy compels a concerted multinational assistance program. Under the auspices of UNICEF and the International Red Cross, a commendable first step has been taken, despite Vietnam's obstructionism in refusing to permit the transit of certain aid shipments as well as irregularities in the distribution of the assistance accepted.

Among those whose efforts have been instrumental in focusing world attention on this problem has been Christians for Cambodia, an interdenominational association of individuals seeking to promote a coordinated humanitarian response. The selfless spirit which animates their work was recently demonstrated by a march in New York dedicated to fostering understanding of the Cambodian tragedy and appealing to the conscience of mankind for support in alleviating the refugees' plight.

Unfortunately, the enormity of the tragedy tends to obscure its appreciation in human terms, that is, with respect to the levels of pain and misery inflicted on individuals and families. In order to increase my colleagues' understandings of what the Cambodian horror really means, I will have printed in the Record two articles from the August issue of Worldwide Challenge which outline in gripping detail the human struggle, both physical and emotional, to survive against overwhelming odds. I have seen no more lucid or provocative illustrations of a message which none who claim to embrace Christian values can dismiss. Indeed, it is only when we truly appreciate the scale of human suffering involved in Cambodia that we can comprehend the moral necessity of acting expeditiously and effectively to counter it. This is a commitment we dare not shirk.

Mr. President, I ask unanimous consent to have the articles printed at this point in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Through Cambodia's Jungle of Death: One Family's Miraculous Survival

"Oh, my husband!"

Huong turned at her cry and saw that his wife had fallen down by the trail. Weeping, Samoeun urged him to take their little son and go on. "I cannot walk any more," she said weakly. "I must drink water, or I think I will die now."

Helpless, Huong looked at the others. Including three children, they were 26 in all—Cambodian Christians trying to escape across the border into Thailand. Near his wife, the other women had also collapsed, unable to rise and go on.

"We must pray," he declared, as tears coursed down all their faces. They knew they were only a half day's journey from freedom as they sank down by the path.

"Lord Jesus," Huong prayed. "if You want us to die here, we are ready. But if You want us to live and serve You, then please show us where is the water to drink so we can go on."

For the past two days, crossing treacherous mountain jungles, they had turned their eyes away again and again from the bones of decaying bodies of hundreds of their fellow countrymen who had *not* found water. In a desperate attempt to flee the Khmer Rouge regime, these Cambodians had died of dehydration . . . or stepped on a land mine . . . or lost their direction. Like Huong and Samoeun and their companions, they had somehow come up with nearly $350 apiece in gold to pay guides who might decide to abandon them miles from the border.

So the struggling group prayed fervently. When they finished, a young man got up and started down the trail, saying, "I am going to find the water." He had not walked more than 15 meters when he stumbled upon a hidden pool of rain water! Quickly dipping the water by hand fulls for those who could not walk, they all drank thirstily. The entire group broke out in praise, giving thanks to God, and Huong and Samoeun began to sing a beloved chorus:

Silver and gold have I none,
But such as I have give I thee,
In the name of Jesus Christ
Of Nazareth rise up and walk!
He went walking and leaping and praising
God . . ."

Their strength and spirits renewed, they started down the path once again. Late in the night, all 26 slipped across the border into Thailand.

CRUCIBLE OF FAITH

It was April 23, 1979—the climax of four grim but glorious years for Vek Huong Taing and his wife, Samoeun. As the only representatives of Campus Crusade for Christ in Cambodia, they had experienced an agonizing crucible of faith ever since the communist takeover of Cambodia in April, 1975.

"God has taught us things we can never forget in all our lives!" Huong exclaims. "We had decided to die in Cambodia, but God shows His mercy on us."

Five years ago, the Taings little suspected what lay ahead in God's plan for their lives. Christians since their teenage years, the young couple had grown up in the Evangelical Church of Cambodia. After Huong received his university degree in agricultural engineering in Phnom Penh, his pastor and various church leaders, including Christian and Missionary Alliance missionaries, encouraged him to consider joining the Campus Crusade for Christ movement.

At that time it was estimated that in all of Cambodia there were only a few thousand Cambodian Christians, most of whom had become Christians since 1972, and in the capital city of Phnom Penh there were three tiny congregations. The country was 97 percent Buddhist. And yet, the first time Huong's church hosted Campus Crusade's training in evangelism, 99 Cambodian Buddhists responded to receive Christ.

Turning down a tempting scholarship to earn his doctorate in France, Huong and his bride of one month were accepted to enroll in Campus Crusade's staff training base in Manila, the Philippines. Even though every young man was being drafted to fight in the escalating war against communists, Huong and Samoeun quickly secured passports and flew to Manila. Once there, the Taings, already fluent in French as well as their native Khmer, determined to learn English quickly and well in order to be thoroughly trained. They made a pact to speak only English to each other, even when they were alone. Within 60 days, the couple was sharing Christ in English with Filipinos all over Manila and even giving classroom presentations!

They completed their training and returned to Cambodia in October, 1974. They found other believers eager to learn how to share their faith and their Buddhist countrymen responsive to the claims of Jesus. By spring at least 32 groups of believers met every Sunday in the capital city.

Huong and Samoeun say at least 500 Buddhists come to Christ through their ministry in those first six months. "I have never seen a young man so bold to share his faith as Huong," commented the Rev. Gene Hall, a Christian and Missionary Alliance missionary.

In early April, 1975, the Taings led an institute outside the capital to train students to share Christ. Accelerated fighting forced them to return to Phnom Penh, but the day before the Khmer Rouge invaded, they took 25 of these students out witnessing in government buildings.

The capital fell to the communists on April 17, and the next day the Taings fled south with their two-month-old son. As they left Phnom Penh with some ministry materials, clothing, a little food and several cartons of precious powdered milk for their baby, it was the last they were to see of civilization as they had known it. The new communist regime, determined to abandon the cities and revert to a primitive rural society, refused to allow the uprooted urban population to settle in homes. Most of the time the Taings stayed in the jungle, sleeping in the open or under makeshift shelters.

"We were like chickens kept in a cage, waiting to be killed and cooked for eating," Huong explains. "Every day, every week, we knew that we should be killed. We expected to die, probably very soon. We just did not know when."

If they did not starve to death first, they knew they were guilty of three major "offenses" for which the Khmer Rouge regime executed the Cambodian people: They were well educated, they had traveled outside of Combodia, and they were Christians. Despite the danger, however, they resolved never to lie when questioned about their identity, and they boldly admitted their faith in Christ and affiliation with Campus Crusade for Christ during the frequent, lengthy interrogations by communist officials.

Death seemed so imminent that, as soon as their son could understand, they taught him that soon they would be going to live in God's house in heaven. More than once after that, as they were fleeing from one place to another, they caught their breath over Wiphousana's curious question, "Are we going to God's house now?"

When their suffering seemed too great to bear, they deliberately compared it to the sufferings of the Lord Jesus Christ. "Then we realized how small our pain was, whether in our bodies or in our spirits," Huong relates.

ONLY TWO MILLION LEFT?

In January, 1979, an invading Vietnamese soldier casually volunteered to Huong, "There are only about two million of you Cambodians left now." Huong knew that before the war, Cambodia's population was more than seven million. The extent of the holocaust cannot be verified, but Huong admits sadly, "In one village where we stayed, the population went down from 388 to less than 30, in just four or five months!"

The infant toll was particularly high, so when Huong and Samoeun were forced out of Takoa to a jungle area known as Kok Trom, they asked God how to keep their baby alive. The Khmer Rouge provided only one spoonful of rice for the adults each day, if that often, and Huong knew that Samoeun needed more food to continue to nurse Wiphousana.

Taking a hook and line, with wild locusts for bait, Huong decided to trust God to teach him how to fish! His fishing pond was a shallow rice paddy, where all the villagers declared a fish could never be found. But every morning, for 60 days in a row, Huong caught a nine-inch fish! Amazed, other villagers fished alongside him, but no one else could catch fish there. "God gave us that fish," Huong relates reverently, looking at his four-year-old son who is a healthy testimony of God's provision during those months.

Often they recalled a message given at the Manila training base on "How to Rest in God's Plan." Speaking from Isaiah 25: 1 and Hebrews 4: 3, training center director Kent Hutcheson had taught them how to rest in "plans formed long ago, with perfect faithfulness."

Because they had to be cautious in sharing Christ with the people around them, with tears they often prayed, "Lord Jesus, why don't we have any possibility to serve You." Then they remembered that God had planned their lives long ago, with perfect faithfulness.

Huong and Samoeun then realized that intercessory prayer was a strategic ministry. So they prayed for others who could openly share the claims of Christ.

By name, they remembered every Campus Crusade staff member they had ever met—from Dr. Bill Bright to their Asian director, Bailey Marks, and his staff. Throughout the day they prayed, while walking to work in the rice fields, cutting bamboo, carrying water. And as often as possible, they prayed together, always in secret.

Even though the Taings could not speak the name of Jesus openly, His love began to shine so clearly through their lives that people were drawn to them. Time and again, the villagers, who had been taught to resent and abuse the well-educated "city people," melted as Huong and Samoeun showed love to them.

Huong would carry water for elderly women or help them find firewood—even when he was exhausted by the long hours of forced labor in the fields. Often they shared their meager food—giving a coconut to another family or stretching their own weak rice porridge.

"YOU ARE DIFFERENT"

In response, the Taings repeatedly heard their neighbors remark, "You are different. You have love inside of you." With quiet joy, they would then try to share the gospel. Twenty Cambodians received Christ with them during those four years—each one expecting that decision to cost his life.

One of the most dramatic conversions occurred when Huong and Samoeun moved to Chenc Kdar to work near a coconut sugar factory. Soon after their arrival a young woman named Ann began to report them regularly to the chief of the village. She complained in particular about Samoeun, insisting, "She is lazy, always going to the rice fields late! She is from the city. Look, her skin is light! Sometimes she speaks English. And she teaches her son songs about Jesus Christ!"

Finally, a formal *kosang*, or tribunal, was called for Samoeun to bring the accusations before the communist leaders of the village. The ceremony aroused great fear all through the village, since a second *kosang* always ended in death for the "defendant."

When Samoeun returned from her *kosang* weeping and bewildered by Ann's hatred for her, Huong compassionately counseled, "We must pray for her—not that God will condemn her, but that He will change her attitude!"

Over the next months, many opportunities arose for ministry to Ann. Without warning, Ann's husband deserted her and fled with their two children. Distraught and on the verge of suicide, she told Samoeun, "My life is nothing."

Samoeun responded, "Oh, Ann, if you had Jesus Christ in your life, you could not say that!" Slowly, Ann became their friend, drawn by their love that overlooked her previous accusations.

After nearly a year, Ann's moment of decision came as the entire village fled into the mountains ahead of the Vietnamese invasion. One night, talking late with Samaeun in their jungle hiding place, Ann invited Christ into her life. She became one of Huong and Samoeun's closest companions and accompanied them in the escape into Thailand.

Once across the border into Thailand, the Taings learned that they faced imminent repatriation by Thai border officials. But God graciously intervened for the Taings, and within 12 days of crossing the border into Thailand, they were discovered by a Reuters reporter, located by Campus Crusade staff and granted entry visas to the United States. That rapid sequence of miracles is a chapter in itself! (See *WWC*, July, 1979, p. 37.)

Now resting in the States, the Taings reflect on the past four years. "We had learned a lot *about* faith, but in the forest we *experienced* it," Huong says. "And prayer was not that meaningful to us before, but now we have learned to pray according to God's will—not to please our own desires."

As for the future, Huong and Samceun contemplate it soberly. "We will go wherever God sends us," Huong resolves. "In myself, I confess I want to stay in a place where there is peace. But if God sends me back, even into the fighting in Cambodia, I am ready to go. We cannot escape His will, even if we have to die."

AT A REFUGEE CAMP IN THAILAND: A "FAMILY" REUNION

(By Barb Bolin)

(EDITOR'S NOTE.—Staff member Barb Bolin was one of several Campus Crusade workers who joyously greeted the Taing family at a refugee camp in Thailand. Her firsthand observations provide a vivid—and inspiring—picture of the family's trust in God.)

"I've seen that kind of shirt before."

The woman speaking walked toward us and away from the group of refugees huddled together. "That's from the Philippines," she said. "I lived in the Philippines."

Our hearts beat faster. "What's your name?" we asked her.

The woman drew closer. "I'm Samoeun."

Charlie Culbertson, dressed in his barong (Filipino shirt) held up a yellow Four Spiritual Laws booklet. Samoeun screamed. She cried. They embraced. Then she and I embraced; she clung to me and sobbed. Huong, her husband, soon joined us.

My fellow Campus Crusade workers—Charlie, Greg Fallow and Jintana Chaowonglert—joined me in my tears and amazement. After four years, the chances were that our Campus Crusade for Christ director and his wife and son were dead. Campus Crusade staff, however, believed they were alive and continued to pray for them. Bailey Marks, our Asia-South Pacific director of affairs, stated he had prayed for them the morning the news of their safety arrived.

Today, at a small refugee camp near the Thailand-Cambodia border, we had discovered them alive! What a joy to be reunited with our staff brother and sister.

Vek Huong Taing and his wife, Samoeun, had been accepted on our staff in 1973 and had received training at the Great Commission Training Center in Manila the following year. Although fully aware of the dangers involved in returning to Cambodia, they had committed themselves to help reach the people of their country for Christ.

But then, in the spring of 1975, the city of Phnom Penh fell, and the Taings were forced to flee into Cambodia's forests—along with a vast multitude of their countrymen. Even before their departure, life had become very difficult. They found they could not cash checks, and they often had to do their work without the benefit of electricity.

LAST LETTER

But even in the hectic environment of Phnom Penh, they wrote a thoughtful last letter to Bailey Marks. Their letter read, in part:

> . . . we are happy to live and to die for our Lord Jesus Christ. No missionary stay in Cambodia in this time and also some of our Christian leaders want to run out from the country but for we both we have decided to serve our Lord Jesus Christ until our last minute of lives in reaching Cambodia for Him.

Soon after moving to Asia four years ago, I began to learn about this precious couple. Through the years of hearing their story over and over, I had seen the tears of many as they reflected on these two dedicated people.

As we talked together at the refugee camp, Samoeun began to tell us about their struggles under the Khmer Rouge and how they could not share Christ freely as they desired. They added that on the day before Phnom Penh fell, they were with some of their disciples witnessing for the Lord Jesus Christ.

"Do you have more of these?" Samoeun said, pointing to Charlie's booklet. "We have found that this is the best way to share." Already, after being in the camp for only five days, they had led 10 people to trust Christ as Savior and had held Bible studies each day.

Huong asked if we were "going to have another EXPLO" or if we had already had one. (He had attended EXPLO '74, a congress on evangelism held in Seoul, Korea.) This was important to him because he felt another such congress would help in "fulfilling the Great Commission by 1980."

Samoeun led us to the rear of the barbed wire area where their son, Wiphousana (meaning "power"), was sleeping. "These people are with our movement," she said to friends in the camp to describe the four of us.

Sitting in the fly-infested area, I handed Huong and Samoeun two photocopies of the letter they had sent to Bailey four years before. Huong cried as he read it. He nodded his head—yes, he remembered writing the letter. How many times had that letter inspired, encouraged and convicted me? Thus, it was no surprise that I had brought some copies of it when I moved from Manila to Bangkok just seven days before.

PLACE OF ABUNDANT

After our initial conversation, Greg suggested that we read Psalms 66:8–12. The night before, my roommate, Ah Eng, had claimed this passage as a promise for our Cambodian brother and sister: "Thou didst make men ride over our heads; we went through fire and through water; yet Thou didst bring us out into a place of abundance."

Charlie brought out all the gifts we carried—vitamins, mangoes, soap, washcloth, toothpaste, medicine, mirror, etc. It probably hurt me more than Samoeun as I put the iodine on the open sore (about the size of a quarter) on the side of her foot.

Wiphousana was two months old when the family was forced to leave Phnom Penh. There were times when they had to eat grass. "But God gave my baby milk," Samoeun said through her tears.

Later we learned that for two months God had provided one fish per day for Huong to feed his family. No one else nearby was catching fish, but God provided for Huong. Not two or three, and never zero, but one fish a day.

As we continued to talk, they mentioned that "we didn't know English very well when we were in Manila."

"Yes, I heard a little about that," I replied with a laugh. Then I shared with them my own fears in coming to Thailand and learning a new language. I told them that on February 14 God gave me victory over these fears—as I had reflected on their determination to learn English in order that they could be trained to reach their people. From their example, I had gained the courage to trust God with learning Thai. What a thrill to share this with them in person soon after arriving in Thailand.

This dear couple sitting with me in a refugee camp had taught me more than one valuable lesson. One night in the Philippines, for example, we suffered an electrical blackout. (These happened so often that we were often tempted to become irritated.) On this particular night, I stared at the electric typewriter and thought of the work that had to be completed before morning. I was tempted to murmur and complain, but suddenly I thought of Huong and Samoeun and their loss of electricity. I never complained again that night.

TIN CAN DEPOSIT BOX

At one point in our conversation at the camp, Huong left for a few minutes. Returning, he carried a dented tin can about 10 inches high and a few inches around. He showed us that it contained his staff identification card and some other items. This little cyclinder actually held all the family's earthly possessions.

We ended our time together with prayer. Huong immediately led us, and I will never forget his closing words: "that we might fulfill the Great Commission by 1980." Yes, that was on his heart—not the need for shoes on his feet, not a hope for the barbed wire to be cut away, not a desire for a life of ease and comfort. What he was concerned about was the fulfillment of the Great Commission.

I was struck by Huong and Samoeun's faith. After attending the training center in Manila, they had entered God's special training center in the forest for four years. The positive effects on their relationship with the Lord were obvious.

I was also struck by their vision. They had truly caught something; they knew what it was to be part of a movement. Within 10 minutes of our introduction they had mentioned several essential elements of Campus Crusade for Christ: transferable methods ("the Four Spiritual Laws is the best way to share"); common goals ("fulfilling the Great Commission by 1980"); and training (speaking of the importance of a training congress on evangelism). No wonder Samoeun could say that "these people are part of our movement."

Greg and I later remarked that they were not afraid to die. They were not demanding freedom. They only desired to come out of Cambodia so they could share Christ freely.

"They have a strong, simple faith," Greg said in summing up his thoughts. Indeed, the story of Huong and Samoeun is a story of faith—a faith that never died and was not affected by circumstances. God spared their lives, I believe, so they could be a model for all of us.

SENATOR STEVENSON AND THE ETHICS COMMITTEE

Mr. HEFLIN. Mr. President, I am sure each Member of this body knows that I have assumed the chairmanship of the Senate Ethics Committee. This will be no easy endeavor, yet I look forward to the challenge with great anticipation.

I am equally certain that all Members of the Senate will agree with me that it is absolutely essential that the strictest standards of congressional ethics are maintained and that our actions as elected leaders of this Nation must be above and beyond suspicion or reproach.

As mandated by this body the objectives of the Senate Ethics Committee are simple: To give advisory opinions and suggest new Senate Rules, to investigate allegations of improper conduct and to recommend disciplinary action if necessary. But the administration of these simple objectives can often be a difficult, frustrating and confusing task.

I believe this complex challenge was ably met and accomplished with honesty and competency by my predecessor, Illinois Senator ADLAI STEVENSON.

Senator STEVENSON has set a high standard for me to live up to. His integrity, honesty, and determination exhibited in performing an arduous task has earned for him the respect, admiration, and gratitude of each Member of this body.

My Illinois colleague's most recent project as chairman was the investigation and subsequent disciplining of a fellow Senator—surely one of the most unpleasant, yet important, duties any Senator could have.

He performed this duty with dignity and sensitivity and insured the public's right to know that the investigation was both complete and impartial.

Under his direction, the Ethics Committee interpreted the new and complex regulations which fell within the committee's jurisdiction. This led to nearly 900 advisory rulings in response to inquiries from Members, officers, and employees of the Senate.

A new set of operating procedures was developed for the committee and the first comprehensive system for public financial disclosure in the Federal Government was established.

Under Chairman STEVENSON's leadership Members of the Senate were investigated and cleared of improper conduct in connection with the Korean influence-buying scheme and regulations governing the use of the mailing frank were revised.

All of these tasks were accomplished with good judgment, untiring dedication and care for the institution of the Senate and for the American people.

Chairman STEVENSON was served well by his vice chairman, New Mexico Senator HARRISON SCHMITT and by each and every Member of the Senate Ethics Committee. Each of these Senators deserves to be honored for his hard work and dedication to the principles of decency and honesty in government.

Mr. President, as chairman of this important committee I hope to follow the lead of my predecessor and live up to the high standards he has set forth for me.

TRIBUTE TO GRANT E. PERRY, OFFICIAL REPORTER OF DEBATES

Mr. ROBERT C. BYRD. Mr. President, I wish to pay tribute to Grant E. Perry, Official Reporter of Debates, who is retiring after 14 years of Senate service at the end of this first session of the 96th Congress.

Mr. Perry was born in Mountrail, N. Dak. After graduation from Jamestown College, he was a high school teacher in North Dakota and Minnesota. Following service in the Army in World War II, he developed his verbatim reporting skills and began his career as a shorthand reporter, first reporting in the district court in Alliance, Nebr. In 1957 he was appointed official reporter in the U.S. district court in Houston, Tex., where he served until 1965.

He was appointed as an Official Reporter of Debates in the Senate in August 1965 and has reported the historic debates of the past decade and a half, which included the one-man, one-vote legislation, civil rights legislation, the many issues concerning Vietnam, and the ratification of the Panama Canal treaties.

His broad general knowledge has stood him in good stead in reporting the variety of subjects that occur in the course of the Senate's business. With his retirement, the Senate is losing a devoted, loyal, and efficient member of its staff; and he takes with him our thanks for the outstanding manner in which he performed a grueling and demanding job.

On behalf of the entire Senate, I extend to Mr. Perry and his wife, Frances, our best wishes for many years of happiness and health as they return to their home in Houston, Tex.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVAL

A message from the President of the United States reported that on November 15, 1979, he had approved and signed the following act:

S. 1281. An act to revitalize the pleasure cruise industry by clarifying and waiving certain restrictions in the Merchant Marine Act, 1936, and the Merchant Marine Act, 1920, to permit the entry of the steamship vessel United States, steamship vessel Oceanic Independence, steamship vessel Santa Rosa, and the steamship vessels Mariposa and Monterey into the trade.

MESSAGES FROM THE HOUSE

At 1:20 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 2440) to repeal the prohibition against the expenditure of certain discretionary funds under the Airport and Airway Development Act of 1970; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. JOHNSON of California, Mr. ROBERTS, Mr. ANDERSON of California, Mr. LEVITAS, Mr. YOUNG of Missouri, Mr. FLORIO, Mr. HARSHA, and Mr. SNYDER were appointed as managers of the conference on the part of the House.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2727. An act to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes;

H.R. 5871. An act to authorize the apportionment of funds for the Interstate System, to amend section 103(e)(4) of title 23, United States Code, and for other purposes; and

H R. 5872. An act to modify the New Melones Dam and Reservoir project, California.

The message further announced that the House has agreed to the concurrent resolution (H. Con. Res. 202) urging the Soviet Union to allow Ida Nudel to emigrate to Israel, and for other purposes, in which it requests the concurrence of the Senate.

At 2:32 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4391) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1980, and for other purposes; that the House recedes from its disagreement to the amendments of the Senate numbered 10, 26, and 27 to the bill and concurs therein; and that the House recedes from its disagreement to the amendments of the Senate numbered 2 and 4 to the bill, and concurs therein each with an amendment in which it asks the concurrence of the Senate.

The message also announced that the House agrees to the amendment of the Senate to the amendment of the House to the amendment of the Senate to the text of the bill (H.R. 2282) to amend title 38, United States Code, to provide a cost-of-living increase in the rates of disability compensation for disabled veterans and in the rates of dependency and indemnity compensation for survivors of disabled veterans.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1319) to authorize certain construction at military installations, and for other purposes.

At 4:27 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 3434) to amend the Social Security Act to make needed improvements in the child welfare and social services programs, to strengthen and improve the program of Federal support for foster care of needy and dependent children, to establish a program of Federal support to encourage adoptions of children with special needs, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. ULLMAN, Mr. CORMAN, Mr. RANGEL, Mr. BRODHEAD, Mr. CONABLE, and Mr. ROUSSELOT were appointed as managers of the conference on the part of the House.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2626. An act to establish a National Commission on Hospital Costs, to encourage voluntary efforts to contain hospital costs, to provide for the orderly development of State hospital cost containment programs, to encourage philanthropic support for nonprofit hospitals, and for other purposes.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 440) making further continuing appropriations for the fiscal year 1980, and for other purposes; that the House recedes from its disagreement to the amendment of the Senate numbered 6 to the joint resolution, and concurs therein; and that the House recedes from its disagreement to the amendment of the Senate numbered 5 to the joint resolution, and concurs therein with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 214. Concurrent resolution providing for an adjournment of the House from November 20 until November 26, 1979, and a recess of the Senate from November 20 until November 26, 1979.

ENROLLED BILLS SIGNED

The message further announced that the Speaker has signed the following enrolled bills:

S. 1319. An act to authorize certain construction at military installations for fiscal year 1980, and for other purposes; and

H.R. 4167. An act to amend section 201 of the Agricultural Act of 1949, as amended, to extend until September 30, 1981, the requirement that the price of milk be supported at not less than 80 per centum of the parity price therefor.

The enrolled bills were subsequently signed by the President pro tempore (Mr. MAGNUSON).

HOUSE BILL AND CONCURRENT RESOLUTION REFERRED

The following bill was read twice by title and referred as indicated:

H.R. 2727. An act to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes; to the Committee on Finance.

The following concurrent resolution was read by title and referred as indicated:

H. Con. Res. 202. Concurrent resolution urging the Soviet Union to allow Ida Nudel to emigrate to Israel, and for other purposes: to the Committee on Foreign Relations.

HOUSE BILLS HELD AT THE DESK

The following bills were read twice by their titles and held at the desk, by unanimous consent:

H.R. 5871. An act to authorize the apportionment of funds for the Interstate System, to amend section 103(e)(4) of title 23, United States Code, and for other purposes; and

H.R. 5872. An act to modify the New Melones Dam and Reservoir project, California.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, November 16, 1979, he presented to the President of the United States the following enrolled bill:

S. 1319. An act to authorize certain construction at military installations for fiscal year 1980, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-2496. A communication from the Secretary of the Senate, transmitting, pursuant to law, a statement of receipts and expenditures of the Senate, showing in detail the items of expense under proper appropriations, the aggregate thereof, and exhibiting the exact condition of all public moneys received, paid out, and remaining in his possession from April 1, 1979, through September 30, 1979; which was ordered to be printed and to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

DEPARTMENT OF JUSTICE AUTHORIZATIONS, 1980—CONFERENCE REPORT

Mr. KENNEDY, from the commitee of conference, submitted a report on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1157) to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1980, and for other purposes (Rept. No. 96-418).

By Mr. LEVIN, from the Committee on Armed Services, without amendment:

S. Res. 282. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 5269. Referred to the Committee on the Budget.

By Mr. LEVIN, from the Committee on Armed Services, with amendments:

H.R. 5269. An act to authorize appropriations for the fiscal year beginning October 1, 1979, for the maintenance and operation of the Panama Canal, and for other purposes (Rept. No. 96-419).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. STENNIS, from the Committee on Armed Services·

Bernard Daniel Rostker, of Virginia, to be Director of Selective Service.

(The above nomination from the Committee on Armed Services was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. LEVIN. Mr. President, as in executive session, and from the Committee on Armed Services, I report favorably the nomination of Col. William Fremont Engel to be brigadier general as a Reserve Commissioned officer in the Adjutant General's Corps, Army National Guard of the United States, and in the Reserve of the Air Force, 11 officers to the grade of major general and brigadier general (list beginning with Irvin G. Ray). I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. The nominations will be placed on the Executive Calendar.

Mr. LEVIN. In addition, Mr. President, in the Army of the United States there are 1,847 officers for promotion to the grade of lieutenant colonel (list beginning with Thomas Abercrombie); in the Navy and Naval Reserve there are 1,652 appointments to the grade of captain and below (list beginning with Brian W. Aamoth) and 92 Naval Reserve Officer Training Corps graduates for permanent appointment to the grade of second lieutenant in the Marine Corps (list beginning with James H. Alameda); in the Regular Air Force there are 668 officers for appointment to the grade of first lieutenant and second lieutenant (list beginning with Clark E. Abelard) and in the Reserve of the Air Force there are 56 officers for promotion to the grade of colonel (list beginning with Bobby R. Baker) and in the Air Force and Reserve of the Air Force there are 91 appointments and promotions to the grade of lieutenant colonel and below (list beginning with Robert Bousquet). Since these names have already appeared in the Congressional Record and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the Record on October 19, 25, and 29, and November 26, 1979, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. YOUNG (for himself, Mr. Dole, and Mr. Boren):

S. 2016. A bill to adjust target prices for the 1979 and 1980 crops of wheat and feed grains; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. JOHNSTON:

S. 2017. A bill to amend the Organic Act of Guam and the Revised Organic Act of the Virgin Islands, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. PELL (for himself and Mr. Hatfield):

S. 2018. A bill to transfer unexpended balances of funds appropriated for salaries of Senate committee employees, and for other purposes; to the Committee on Rules and Administration.

By Mr. MATSUNAGA:

S. 2019. A bill for the relief of Siegfried Hans Ehrmann; to the Committee on the Judiciary.

By Mr. COHEN:

S. 2020. A bill to amend title 10, United States Code, to provide expanded opportunities for individuals to earn education benefits based on honorable active service in the Armed Forces, and for other purposes; to the Committee on Veterans' Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. YOUNG (for himself, Mr. Dole, and Mr. Boren):

S. 2016. A bill to adjust target prices for the 1979 and 1980 crops of wheat and feed grains; to the Committee on Agriculture, Nutrition, and Forestry.

(The remarks of Mr. Young when he introduced the bill appear earlier in todays' proceedings.)

By Mr. JOHNSTON:

S. 2017. A bill to amend the Organic Act of Guam and the Revised Organic Act of the Virgin Islands, and for other purposes; to the Committee on Energy and Natural Resources.

• Mr. JOHNSTON. Mr. President, I send to the desk for appropriate reference legislation which would amend the Organic Act of Guam and the revised Organic Act of the Virgin Islands. This legislation is designed to confer on the territories of Guam, Virgin Islands and American Samoa complete and total autonomy over local tax collections and local sources of revenue, while at the same time continuing the present Federal policy of financial support through the covering over of revenues derived from the Federal Internal Revenue laws.

One of the most difficult areas of territorial administration has always been the problem of funding the operations of the local civil government. Historically, the territories were administered principally by annual authorizations (as is presently done for the Trust Territory of the Pacific Islands). The uncertainties attendant on congressional action made long-range economic planning difficult for the local territorial governments and also served as a disincentive to responsible government.

In order to eliminate the uncertainties of the annual appropriations process and in order to transfer a greater measure of autonomy and consequent responsibility to the shoulders of the local territorial governments, Congress has enacted for each of the territories, except for American Samoa, provisions to permit the respective territorial governments to retain the proceeds from the application of the Federal Internal Revenue laws.

In general, territorial residents and corporations operating in the territories file returns and pay taxes to the territory in which they are resident and, by doing so, are relieved of such obligations to the Federal Government. Each territory is a separate tax jurisdiction administering income tax laws which are identical to those in force in the United States. This results in what have come to be known as the "mirror" codes. Together with various special provision differing from territory to territory, but all relating to the coordination of Federal and territorial income taxation, the "mirror" codes govern the system of income taxation in each U.S. territory.

The "mirror" systems are, at least in principal, well suited to meeting three objectives. First and foremost, they provide the territories with local tax revenues to meet a part of their government expenditures. Second, they subject territorial and mainland residents to comparable income tax burdens. Third, they may simplify income tax administration by providing the territories with a tax code, regulations, tax forms, and a judicial system. The intent of the Congress in enacting the mirror tax provisions was that the territories should live within the parameters set by the revenues produced through the mirror tax, supplemented by such other measures (such as sales or property taxes, licenses, permits, et cetera) as the local legislatures deemed appropriate. The Federal Government would no longer need to be involved in the annual budget formulation and funding decisions unless extraordinary measures were required (such as the typhoon relief needed for Guam).

For a variety of reasons, this theory of the mirror tax has, in the last several years, ceased to work in practice. Under a variety of guises the Congress has begun a series of annual authorizations principally to the Virgin Islands, but also to Guam, in order to balance their annual budget. The measures have been variously captioned as prepayments, tax relief, Federal assumption of costs, et cetera, but have all in fact had their genesis not in some perceived inequity, but in an anticipated deficit. Guam has been the fortunate beneficiary of our disingenuity and sense of equity since a measure to provide $8 million to overcome a Virgin Islands deficit need not be replicated in Guam, but an $8 million authorization due to Federal changes in the tax laws must be replicated, since Guam is subject to the same tax laws.

These annual authorizations have to some extent resulted from inherent problems implicit in the mirror tax concept. Since the territories have only the authority to administer and enforce the tax laws, but not the authority to modify or amend them, they are unable to take necessary action to increase revenues or stimulate the local economy.

In addition, changes in the Federal tax laws are immediately "mirrored" whether or not such changes are beneficial. In several instances Congress enacted broad changes in the Federal tax laws to afford some relief to taxpayers and to enable State and local governments to impose their taxes without increasing the overall tax burden. For the territories these reductions not only did not produce any benefit, but in some instances they also required the territories to cover Federal tax credits from local revenues.

Rather than increasing local revenues, some of these measures have precipitated deficits. The willingness of the Federal Government to authorize and appropriate moneys to cover anticipated deficits, however, has itself contributed to the fiscal problems of the territories. To some extent constant authorizations to cover deficits has fostered a belief in the territories that unless they run a deficit, the Congress will not appropriate moneys to overcome the deficit, and conversely, if in fact they do run a deficit, Congress will appropriate the moneys.

A recent report on the territorial income tax systems prepared by the Department of the Treasury analyzed the application of the mirror tax and concluded that the most obvious disappointment with the mirror tax has been in the amount of income tax revenues collected by the territories.

The report stated that in the Virgin Islands and Guam, income tax revenues as a percentage of gross territorial product fell by more than one-third in the period 1973 through 1978. The reports of the Federal comptrollers for the territories and the recently released GAO report on Guamanian tax administration suggests substantial deficiencies in procedures for collecting taxes due.

The Treasury report goes on to note that the mirror systems have also "failed to insure that territorial and mainland residents are subject to comparable income tax burdens.

In all territories, the poor records of administration and compliance have widened the gap between the law and actual practice. Moreover, the substance of the territorial income tax laws produces inequities in the tax treatment of mainland residents vis-a-vis residents of the territories."

The central problem, however, lies in the formula of the mirror tax itself. There is no necessary relationship between the revenues produced by the income and excise taxes and the custom duties collected pursuant to Federal law and the actual needs of the territories. The inability of the local governments to control the details of the local tax structure most certainly contributes to the fiscal problems of the territories.

In addition, the relatively small populations in Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands, when coupled with the lack of adequate technical assistance, and the incredible complexity of the Federal Internal Revenue laws, results in a situation in which the local territorial governments are confronted with an almost impossible situation.

Mr. President, the political development of the territories especially in the past decade has been little short of remarkable. Today Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands each enjoy complete local political autonomy.

Each territory is governed by a popularly elected Governor, together with a popularly elected local legislature. The Northern Mariana Islands is governed pursuant to a Constitution of its own adoption, and both Guam and the Virgin Islands have demonstrated the political maturity to develop constitutions for local self-government even though the residents subsequently rejected the proposed documents.

Increasingly the territories have demonstrated a desire for increased local autonomy and a willingness to assume responsibilities which accompany that autonomy. The Congress should be sensitive to this desire and sympathetic to their legitimate concerns.

Recently the Committee on Energy and Natural Resources conducted hearings on H.R. 3756, legislation which would, among other things, provide for the Internal Revenue Service to administer and enforce the local territorial taxes.

While the intent of the legislation was to increase the local revenues and decrease local administrative expenses, those provisions were viewed as incursions on local autonomy. The testimony received by the committee, from both the representatives of the territories and from the administration was unanimous in its opposition to that provision.

Over the past several years, the fiscal problems of the territories have been almost constantly before the Congress. Both Congressman WON PAT, representing Guam, and former Congressman de Lugo, representing the Virgin Islands, have been forceful and eloquent advocates for increased local autonomy.

They have both urged, and succeeded in obtaining, support for local economic development so that the territories could become more self-sufficient. Congressman WON PAT especially has been concerned that the present situation is becoming unworkable and failing to meet the objectives originally envisaged by the Congress.

He has quite correctly pointed out that so long as Guam has the authority and responsibility for the administration and enforcement of taxes, but is denied the ability to amend or modify the basic legislation or to institute its own tax laws, it will continue to have only the appearance of local self-government and not the reality. Congressman WON PAT has also noted that under the Federal Internal Revenue laws, many States can "piggy-back" their local taxes, thereby greatly simplifying administration. In addition, control over the local tax structure allows the local government to devise and implement economic development incentives appropriate to local needs, resources, and options. To a great extent, the present formula impedes this ability for the territories.

The legislation which I am introducing today would confer total local autonomy on the territories for the development, administration, and enforcement of a local tax system while preserving the present Federal financial support through the covering over of revenues derived from the Federal Internal Revenue laws. I would like to emphasize that this proposed legislation, while it would confer the total local autonomy which the various territories have requested, is not final in any sense of the word. I have today written directly to each of the Governors of the respective territories as well as to the local legislatures asking that they specifically address the question of local control over taxing authority.

I have also written to the Secretary of the Interior and to the Secretary of the Treasury requesting their assistance in refining and clarifying the legislation. Undoubtedly there will need to be several modifications made to the legislation in order to fully implement its purpose.

It is my intention to work closely with the locally elected officials from the territories as well as with representatives from the executive branch in order to develop and enact legislation which will recognize the desires and aspirations of the U.S. citizens residing in the territories to fully assume the burdens and responsibilities of local self-government.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2017

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 31 of the Organic Act of Guam (64 Stat. 392), as amended, is hereby repealed.

Sec. 2. Section 28(a) of the Revised Organic Act of the Virgin Islands (68 Stat. 508), is amended by deleting "Virgin Islands, and such persons shall satisfy their income tax obligations under applicable taxing statutes of the United States by paying their tax in income derived from all sources both within and outside the Virgin Islands into the treasury of the ".

Sec. 3. Section 5 of Public Law 94–392 (90 Stat. 1195) is hereby repealed.

Sec. 4. Notwithstanding any other provision of law the Government of Guam, American Samoa, and the Virgin Islands are authorized and empowered to impose such taxes on income as the respective legislatures may deem appropriate: *Provided*, That such taxes shall be uniform in their application to residents of states as defined in 26 U.S.C. 7701(a)(10).

Sec. 5. All customs duties and Federal income taxes derived from American Samoa, the proceeds of all taxes collected under the internal revenue laws of the United States on articles produced in American Samoa and transported to the United States, its territories, or possessions, or consumed in American Samoa, and the proceeds of any other taxes which may be levied by the Congress on the inhabitants of American Samoa, and all quarantine, passport, immigration, and naturalization fees collected in American Samoa shall be covered into the treasury of American Samoa.

Sec. 6. (a) Section 7701 (a)(10) of Title 26 United States Code is amended by inserting "Guam, the Virgin Islands, American Samoa, and" after "construed to include" and before "the District of Columbia".

(b) Section 7701(a)(12)(B) of Title 26 United States Code is hereby repealed.

(c) Section 6365 (a) of Title 26 United States Code is amended by inserting "Guam, the Virgin Islands, American Samoa, and" after "includes" and before "the District of Columbia".

(d) Section 935 of Title 26 United States Code is hereby repealed.●

By Mr. PELL (for himself and Mr. Hatfield):

S. 2018. A bill to transfer unexpended balances of funds appropriated for salaries of Senate committee employees, and for other purposes; to the Committees on Rules and Administration.

● Mr. PELL. Mr. President, as chairman of the Committee on Rules and Administration, I am today introducing a bill and a resolution (S. Res. 281), for myself and Senator Hatfield, to simplify and clarify the system by which Senate committees are provided funds for their operating expenses, including staff salaries.

The existing system is somewhat complicated and has proved particularly confusing to those who encounter it for the first time, although Senators and staff members who have had enough experience with it come to understand it very well. But for the taxpaying public and perhaps the press, it is unnecessarily complex and for all of us, considerable research and explanation is required when we seek to determine the precise total cost of any particular committee for a given period of time.

Present procedures were established by the Legislative Reorganization Act of 1946, and although that act has been amended from time to time since then, the basic plan has not been changed.

Part of the committee funds authorized under the act are provided through the annual Legislative Appropriation Act on a calendar year basis.

The larger part comes to the committees as "additional funding" for "inquiries and investigations" following hearings held every February by the Rules Committee on the "money resolutions" reported by each committee in January and referred by the Senate to this committee, on a March 1–February 28 or 29 basis.

The LRA authorizes an appropriation of $10,000 for "routine purposes" per Congress—not per year, as is the case with the other funding. This sum goes only to standing committees plus the Select Committee on Small Business and the Special Committee on Aging—not to other select committees.

These are but a few of the examples of differing procedures by which committee funds are provided, but they show why we feel simplification and uniformity of the system are urgently needed.

When the Rules Committee held hearings on the committee funding resolutions last February members of our committee raised many questions about the unnecessary complications and lack of uniformity of the present system. The committee directed the staff to prepare drafts of possible changes in the law and rules governing committee funding. The resulting proposals were discussed by the committee during March. Suggestions by members of the committee for possible changes included repeal of the $10,000 per Congress for routine purposes provision; simplification of the entire process by making all parts of it subject to annual review and approval by the committee and the Senate, including particularly repeal of the numerous permanent authorizations by statute and resolution for employees in addition to the basic 12 authorized by the Legislative Reorganization Act; possible repeal of the basic 12 provision itself; and possible inclusion of the Appropriations Committee on the same basis as the other committees.

The bill and resolution Senator Hatfield and I are introducing today reflect the various suggestions made earlier this year and constitute a starting point for a hearing to be held by the Rules Committee on proposed revision of committee funding procedures on Wednesday, November 28, beginning at 10 a.m. in the committee hearing room (301 Russell Senate Office Building).●

● Mr. HATFIELD. Mr. President, I am pleased to join with Chairman Pell today in the introduction of proposals for a badly needed update of Senate procedures for funding our committees. As a member of the Committee on Rules and Administration for 7 years, I have seen few Senate practices as jumbled as our present committee budgeting procedures. They are difficult to comprehend, they deny the Senate the opportunity to examine and set total committee funding levels annually, they make almost impossible meaningful comparisons between the funding levels of Senate committees, and they run counter to "sunshine" practices by shielding the true cost and size of the Senate organization.

At present, our committees derive funds for their operations in several ways. The Legislative Reorganization Act of 1946 authorizes each standing committee $10,000 for routine purposes. In 1946, this was perhaps a sufficient amount for transcript and other routine costs for a 2-year period. Now, although the amount is insignificant, it remains on the books as a separate item. That same 1946 act also authorizes most standing committees to hire six professional and six clerical staff members. The total maximum salary for these 12 employees has grown automatically over the years as staff salaries have been raised, and now approaches a half million dollars annually, per committee. Yet the Senate does not examine these positions or salaries. In addition, over the years, eight committees have sought and obtained Senate authorization for specific numbers of additional professional and clerical positions which, once again, are never examined by the Senate. The number of these positions ranges from 1 to 18, while 10 committees have none at all. These figures demonstrate the lack of uniformity in the present system.

Finally, Mr. President, the bulk of yearly committee funds are obtained through annual resolutions for investigations and inquiries, which are reported by the individual committees, examined by the Rules Committee, and voted upon by the full Senate. It is only this category of expenses which the full Senate sees on an annual basis.

In conclusion, Mr. President, our present system for committee budgeting is irrational and defies logic. It is the result of the incremental changes in our procedures in the 33 years since the last wholesale attempt to bring logic to the system. The proposal which Chairman Pell and I introduce today would simplify committee accounting and bookkeeping practices, put all committees on an even basis in their budget presentations, and most important, would enable this body to both understand the true size and cost of its committees, and determine that cost each and every year.

It is my hope that the Rules Committee and Senate can act expeditiously on these proposals, so that a new order can be in place for the budget cycle in our next session.●

By Mr. COHEN:

S. 2020. A bill to amend title 10, United States Code, to provide expanded opportunities for individuals to earn education benefits based on honorable active service in the Armed Forces, and for other purposes; to the Committee on Veterans' Affairs.

VETERANS EDUCATION AND TRAINING PROGRAM

● Mr. COHEN. Mr. President, I am introducing today legislation which would provide for a new GI bill, the "veterans education and training" (VET) program.

The need for this legislation is clear. Educational benefits have consistently been listed as one of the most popular incentives for joining the military.

Congress decision to eliminate the GI bill 3 years ago has been cited as one of the key factors in the perception of those in—or considering—military service that benefits are eroding. The veterans education assistance program (VEAP), a contributory program which replaced the GI bill, has not proven to be attractive to those in the military.

The purpose of my bill is to provide an opportunity for individuals to earn educational benefits based on honorable service in the military. It should encourage more top-quality young men and women to enlist and reenlist in the service.

Basically, the bill will provide education benefits at the same rate authorized veterans pursuing a program of education under chapter 34, title 38, United States Code.

The bill does not require a monetary contribution from the participant. It requires something more valuable—time. Eligibility for education under this proposal begins when the member has completed 2 years of honorable service. The maximum educational benefit cannot be earned in less than 48 months.

The program is a simple one. After completing 2 years of service, a member in a critical skill or combat arms position becomes eligible for 18 months of educational assistance. Those in noncritical or noncombat arms occupations earn 12 months of educational assistance.

Benefits continue to accrue beyond the 2-year point. Those with critical skills or in combat arms will earn the maximum 36 months of benefits in 4 years. For their noncritical/noncombat arms counterparts, the 36-month maximum may be earned in 6 years.

In the case of individuals choosing to serve the minimum 2-year active duty period or serving less than a full enlistment, the program requires that they be transferred to the reserve forces to help alleviate reserve manpower shortages.

Further, to reduce attrition figures, the bill will not, in most cases, allow military members to collect their eligibility if they fail to complete the first 2 years of their enlistment or re-enlistment. This is why it is called an "earned" educational assistance program. No education benefits are earned if the service obligation is not fulfilled.

For young people sincerely interested in attaining an educational goal, the bill offers a program of assistance for services rendered. It also provides for education loans and gives the eligible veteran 10 years from the date of last discharge from active duty to complete the education earned as a result of the proposal.

The program will produce a recruiting incentive aimed directly at a desirable target group—high school graduates not in college. These are the kind of committed, top-quality individuals that the services need to attract and retain.

While there is a cost involved in reestablishing this program of educational benefits, it is likely to provide far greater short- and long-term benefits. These benefits go beyond the quality of our defense forces. The U.S. Treasury as well should reap benefits from the veterans who use the program. Testimony before the Senate Veterans' Affairs Committee in 1975 illustrated the fact that: "Veterans using the GI bill return to the Federal Treasury more than the Nation invests in them to pay for 36 months of college."

The new GI bill I am introducing today will, I hope, serve as a reflection of the commitment of Congress to those who sacrifice years of their lives to serve in the Nation's defense. We must not forget the special sacrifices made by our young men and women in uniform, whether in peacetime or in war.

As was brought out during last week's debate on the Armstrong-Matsunaga amendment to lift the cap on military pay, the view of those in the military that their pay and benefits are eroding is more than mere perception. It is a reality.

Basic recruit pay is now only 83 percent of the minimum wage. The discrepancy between military and civilian wages is greatest in the 25 to 34 year old age group, where most enlisted members are in grades E–5 and E–6, with 6 to 15 years of service.

The average enlisted person makes only $9,900 a year. This compares with an income of $11,546, which the Bureau of Labor Statistics estimates a family of four needs to maintain a "lower level" standard of living. Since 1972, inflation has driven down the purchasing power of service personnel more sharply than civilians by amounts ranging from 7 to 20 percent.

Pentagon officials have recognized that there are significant problems with the existing compensation and benefits system. They have indicated that they are considering a variety of steps to upgrade that system.

One of the actions under consideration is a proposal to reinstitute education benefits in a program more attractive than VEAP. VEAP has been a failure. The reason why is clear. Its primary goal was to reduce the cost to the Government of post-service education.

VEAP was designed as the first veterans program in history which requires a monetary contribution from its participants. It is not surprising that only 16.8 percent of those eligible servicewide are participating in the program.

The monetary contribution, especially in a time of diminishing real wages, is a key reason why the program has failed. Under the law, participants must agree to contribute $50 to $75 per month for a minimum 12-month period. Basic monthly pay in the first 2 years of service is fixed around $500. Thus, individuals must agree to a minimum contribution of about 10 percent of their monthly pay.

Those who do participate will not receive a generous return. In fact, the maximum return is $225 a month for 36 months.

For every dollar the participant contributes to VEAP, the VA matches it with two. The maximum contribution by the veteran may not exceed $2,700; the maximum VA contribution is fixed at $5,400.

Participants must contribute for 12 months before they are permitted to withdraw from the program. Unless hardship can be proven, they may not request the return of the contribution, without interest, until discharge.

It is little wonder that military personnel have been reluctant to participate in the program. And it is easy to understand why recruiters suggest that a GI bill program would be of real help in attracting quality enlistees.

A recent U.S. Navy memo concluded:

> The quality high school graduate who lacked sufficient funds for a college education lost in essence a $4,000-plus enlistment bonus with the demise of the old G.I. bill.

The memo noted that passage of the law terminating the wartime veterans education benefits and replacing it with VEAP did nothing but work against the all-volunteer force.

Past and present studies illustrate the need for a new GI bill. Just 2 years ago, a survey of soldiers pointed out that educational benefits were the main reason for joining the Army. Today, the military services report that recruiters want education benefits on their list of recruiting inducements.

The old GI bill helped recruit 25 to 30 percent of the volunteers entering the armed forces. In December 1976, the last month for the old GI bill, a record 27,585 youths enlisted in the Army. The year before, only about half that many, 14,173 enlisted.

Organizations such as the Non-Commissioned Officers Association (NCOA) warned Congress that elimination of the GI bill could have serious negative repercussions on the quality and quantity of recruits for military service. Unfortunately, that prediction has been borne out. It is time that we acknowledge the mistake we made and that we take steps to correct our earlier action.

The approach embodied in the measure I am introducing today is, I think, one which will have far-ranging benefits for our young men and women considering military service, for our Armed Forces, and for the Nation itself. It will aid recruiting efforts, enhance the quality of our defense force, encourage educational advancement, and stimulate the economy. As the old GI bill did, my proposal will return far more than it will cost.

Perhaps the major difference from—and improvement to—the old GI bill is the provision that participants must serve a minimum of 2 years before they are eligible for benefits. This should serve to reduce the services' attrition problem. It will also insure that only committed, qualified young men and women who have given 2 or more years in service to their country will reap the benefits of the program.

Costs will thus be reduced in two ways. The Navy has estimated that each recruit dropout represents a $7,000-plus loss. For every individual encouraged to serve out the term of enlistment or reenlistment, a substantial saving accrues. Extending the minimum service time from 6 months to 2 years for benefits eligibility will limit participation to those most deserving and will bring costs down significantly.

I believe the program is a good one. It

represents the kind of direction that I think we should be moving in as we seek to strengthen our military forces. And it reflects my firm belief that the Nation should give proper recognition to those who have served in their Nation's behalf. We owe them a considerable debt. Reinstating educational benefits for veterans is one small way of repaying them for their military service.

The NCOA deserves great credit for its work on this legislation. The bill I am introducing today was first proposed by the NCOA. Representative Bob Wilson of California has introduced a similar measure, H.R. 4647, in the House. I am pleased to introduce this companion bill in the Senate. This approach has already been endorsed by the National Association for Uniformed Services. It is, I think, an approach that merits the fullest consideration by the Congress.●

ADDITIONAL COSPONSORS

S. 1179

At the request of Mr. Bayh, the Senator from Oregon (Mr. Hatfield) was added as a cosponsor of S. 1179, a bill incorporating the Gold Star Wives.

S. 1203

At the request of Mr. Bayh, the Senator from New Hampshire (Mr. Durkin) and the Senator from Rhode Island (Mr. Pell) were added as cosponsors of S. 1203, a bill to amend the Social Security Act regarding disability benefits for the terminally ill.

S. 1431

At the request of Mr. Domenici, the Senator from New Mexico (Mr. Schmitt) was added as a cosponsor of S. 1431, a bill to establish a Vietnam War Memorial in Eagle Nest, N. Mex.

S. 1660

At the request of Mr. Schmitt, the Senator from Utah (Mr. Hatch) was added as a cosponsor of S. 1660, a bill to amend the Federal Civil Defense Act of 1950 to provide for an enhanced civil defense program for fiscal years 1980 through 1986, and for other purposes.

S. 1936

At the request of Mr. Kennedy, the Senator from Rhode Island (Mr. Pell) was added as a cosponsor of S. 1936, the Handgun Crime Control Act of 1979.

SENATE RESOLUTION 277

At the request of Mr. Stewart, his name was added as a cosponsor of Senate Resolution 277, relating to the commitment to ease the human suffering in Cambodia.

AMENDMENT NO. 589

At the request of Mr. Bentsen, the Senator from Georgia (Mr. Talmadge), the Senator from Hawaii (Mr. Matsunaga, the Senator from Oklahoma (Mr. Boren), the Senator from Montana (Mr. Baucus), the Senator from Minnesota (Mr. Durenberger), the Senator from Idaho (Mr. Church), the Senator from Arkansas (Mr. Pryor), the Senator from Arizona (Mr. DeConcini), the Senator from Texas (Mr. Tower), the Senator from North Carolina (Mr. Morgan), the Senator from Mississippi (Mr. Cochran), the Senator from Idaho (Mr. McClure), the Senator from Nevada (Mr. Laxalt), the Senator from Kentucky (Mr. Ford), and the Senator from Florida (Mr. Stone) were added as cosponsors of amendment No. 589 intended to be proposed to H.R. 3919, the Windfall Profit Tax Act.

SENATE RESOLUTION 281—SUBMISSION OF A RESOLUTION RELATING TO EXPENDITURES AND STAFFS OF SENATE COMMITTEES

Mr. PELL (for himself and Mr. Hatfield) submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. Res. 281

Resolved, That (a) effective March 1, 1980, paragraph 1 of rule XXVI of the Standing Rules of the Senate is amended by striking out "to make such expenditures (not in excess of $10,000 for each committee during any Congress) as it deems advisable" and inserting in lieu thereof "to make such expenditures out of the contingent fund of the Senate as may be authorized by resolutions of the Senate".

(b) Unexpended balances on March 1, 1980, of funds made available during the 96th Congress to standing committees of the Senate for expenditure under paragraph 1 of rule XXVI of the Standing Rules of the Senate, as in effect prior to the amendment made by subsection (a), may be expended on and after such date only in accordance with the provisions of such paragraph as amended by subsection (a).

Sec. 2. (a) Paragraph 1 of rule XXXI of the Standing Rules of the Senate is repealed.

(b)(1) Paragraph 2(a) of such rule is amended to read as follows:

"(a) Staff members appointed to assist minority members of committees pursuant to authority of a resolution described in paragraph 9 of rule XXVI or other Senate resolution shall be accorded equitable treatment with respect to the fixing of salary rates, the assignment of facilities, and the accessibility of committee records.".

(2) Paragraph 2(c) of such rule is amended by striking out "personnel appointed pursuant to authority of paragraph 1 and".

(c) The repeal and amendments made by subsections (a) and (b) shall take effect on March 1, 1980.

Sec. 3. (a) The following resolutions are repealed:

(1) Senate Resolution 66, 81st Congress.
(2) Senate Resolution 342, 85th Congress.
(3) Senate Resolution 355, 85th Congress.
(4) Senate Resolution 30, 86th Congress.
(5) Senate Resolution 253, 88th Congress.
(6) Senate Resolution 224, 89th Congress.
(7) Senate Resolution 74, 90th Congress.
(8) Senate Resolution 66, 91st Congress.
(9) Senate Resolution 91, 94th Congress.

(b) Senate Resolution 193, 78th Congress, is amended—

(1) by inserting after "authorized and directed" in the first paragraph ", within the limit of funds made available by resolutions of the Senate,";

(2) by inserting after "authorized" in the second paragraph ", within the limit of funds made available by resolutions of the Senate,"; and

(3) by striking out all after "assistants" in the second paragraph through "$30,000" in the third paragraph.

(c) Senate Resolution 247, 87th Congress, is amended by striking out all after "*Resolved,*" and inserting in lieu thereof the following: "That the Committee on Foreign Relations is authorized from March 1, 1980, until otherwise provided by law, to expend not to exceed $25,000 each fiscal year to assist the Senate properly to discharge and coordinate its activities and responsibilities in connection with participation in various interparliamentary institutions and to facilitate the interchange and reception in the United States of members of foreign legislative bodies and prominent officials of foreign governments and intergovernmental organizations.

"Sec. 2. The Secretary of the State is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred in connection with activities authorized by this resolution and approved in advance by the chairman of the Committee on Foreign Relations upon vouchers certified by the Senator incurring such expenses and approved by the chairman.".

(d) The repeals and amendments made by subsections (a), (b), and (c) shall take effect on March 1, 1980.

(e) Until otherwise provided by law or resolution of the Senate, the provisions of the first proviso under the heading "Committee Employees" in the appropriations for the Senate in the Legislative Branch Appropriation Act, 1974 (87 Stat. 529), shall not apply after February 29, 1980.

Sec. 4. (a) Paragraph 9 of rule XXVI of the Standing Rules of the Senate is amended to read as follows:

"9. Each committee shall report one authorization resolution each year authorizing the committee to make expenditures out of the contingent fund of the Senate to defray its expenses, including the compensation of members of its staff and agency contributions related to such compensation, during the period beginning on March 1 of such year and ending on the last day of February of the following year. Such annual authorization resolution shall be reported not later than January 31 of each year, except that, whenever the designation of members of standing committees of the Senate occurs during the first session of a Congress at a date later than January 20, such resolution may be reported at any time within 30 days after the date on which the designation of such members is completed. After the annual authorization resolution of a committee for a year has been agreed to, such committee may procure authorization to make additional expenditures out of the contingent fund of the Senate during that year only by reporting a supplemental authorization resolution. Each supplemental authorization resolution reported by a committee shall amend the annual authorization resolution of such committee for that year and shall be accompanied by a report specifying with particularity the purpose for which such authorization is sought and the reason why such authorization could not have been sought at the time of the submission by such committee of its annual authorization resolution for that year.".

(b) The amendment made by subsection (a) shall take effect on January 1, 1980, except that the provisions of paragraph 9 of rule XXVI of the Standing Rules of the Senate, as in effect on December 31, 1979, shall remain in effect through February 29, 1980, for the purpose of supplemental authorization resolutions for the period ending on February 29, 1980.

(See the remarks of Mr. Pell when he introduced S. 2018 earlier in the proceedings.)

SENATE RESOLUTION 282—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. LEVIN, from the Committee on Armed Services, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 282

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of H.R. 5269, a bill to authorize appropriations for the fiscal year beginning October 1, 1979, for the maintenance and operation of the Panama Canal, and for other purposes.

Such waiver is necessary because section 402(a) of the Congressional Budget Act of 1974 provides that it shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which, directly or indirectly, authorizes the enactment of new budget authority for a fiscal year, unless that bill or resolution is reported in the House or the Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year.

The Panama Canal Act of 1979, P.L. 96–70, which required for the first time that appropriations for operation of the Panama Canal be previously authorized, was passed after May 15, 1979.

For the foregoing reasons, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to H.R. 5269 as reported by the Committee on Armed Services.

AMENDMENTS SUBMITTED FOR PRINTING

WINDFALL PROFIT TAX—H.R. 3919

AMENDMENTS NOS. 627 AND 628

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted two amendments intended to be proposed by him to H.R. 3919, an act to impose a windfall profit tax on domestic crude oil.

(The remarks of Mr. DOLE when he submitted the amendments appear earlier in today's proceedings.)

AMENDMENT NO. 629

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted an amendment intended to be proposed by him to H.R. 3919, supra.

AMENDMENT NO. 630

(Ordered to be printed and to lie on the table.)

Mr. EAGLETON submitted an amendment intended to be proposed by him to H.R. 3919, supra.

● Mr. EAGLETON. Mr. President, today I am sending to the desk an amendment to the windfall profits tax bill, H.R. 3919. My amendment is a tax measure that would provide relief for small savers—some of you may recognize it as my "Aunt Hazel bill."

I have become increasingly concerned with the plight of the "small saver" in these times of rapidly escalating interest rates. A typical small saver is my Aunt Hazel who keeps all or nearly all of her life savings in a bank, a savings and loan association or a credit union. With interest rates between 5½ to 6½ percent per year, we do not need a calculator to know that she is losing money every day she keeps her savings in the bank. Like other small savers, she has no alternative source to invest her money—she does not have enough saved to invest in money market funds, Treasury bills and the like. In short, she has no recourse against rising inflation rates.

The purpose of this amendment is to provide relief for small savers. It would allow a tax exclusion on interest income earned only from passbook savings accounts at commercial banks, mutual savings banks, S. & L.'s and credit unions. Individuals would be allowed a deduction up to $500; married couples who file a joint tax return would be allowed to exclude $1,000. As a double test to insure that only the truly small saver will benefit from this exclusion, the amendment provides that only those taxpayers who earned an aggregate of $500 or less in interest and dividends—$1,000 or less for joint returns—from all reportable sources can qualify for the tax exemption. I propose this second test to preclude the case of an individual who may be earning a sizable return on high yielding investments and then decides to place some money in a passbook account to receive the tax benefit. The small saver does not have such an option—his only alternative is his passbook savings account. I believe that it is far more constructive to help the small saver in this manner—rather than at the expense of the S. & L.'s.

My amendment would specifically help the people I call the "Aunt Hazels" of the world, who have placed all or nearly all of their savings in an S. & L., a savings bank or a credit union. It is an effective means to assist the beleaguered small saver; I hope my colleagues will join me in supporting my "Aunt Hazel amendment." ●

AMENDMENT NO. 631

(Ordered to be printed and to lie on the table.)

Mr. BRADLEY (for himself, Mr. CHAFEE, Mr. NELSON, Mr. RIBICOFF, Mr. ROTH, Mr. MOYNIHAN, Mr. PACKWOOD, Mr. DURENBERGER, Mr. WEICKER, Mr. MCGOVERN, Mr. TSONGAS, Mr. FORD, Mr. BIDEN, Mr. HART, and Mr. LEAHY) submitted an amendment intended to be proposed by them, jointly, to H.R. 3919, supra.

TAX ON TIER II OIL

● Mr. BRADLEY. Mr. President, on behalf of the Senator from Rhode Island (Mr. CHAFEE) and myself, and for Senators NELSON, RIBICOFF, ROTH, MOYNIHAN, PACKWOOD, DURENBERGER, WEICKER, MCGOVERN, TSONGAS, FORD, BIDEN, HART, and LEAHY, we introduce an amendment we intend to offer to H.R. 3919, the proposed windfall profits tax. This amendment would raise the rate of taxation on tier II oil from 60 percent, as proposed by the Finance Committee, to 75 percent. We ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

The case for our amendment is clear and simple. Decontrol of oil prices will result in massive amounts of income being transferred from all sectors of our economy—large and small corporations, as well as consumers—to a single sector—the oil industry. This imbalance in the economy, which will amount to hundreds of billions of dollars in the coming decade, must be moderated. We must redirect some of those revenues to areas where it will do the Nation the most good. Among the purposes that should be served are greater production of oil, encouragement of conservation, development of alternative forms of energy, and relief for those segments of the population which are most severely injured by the resulting increases in oil and oil products.

In assessing the value of this and other amendments, we believe that the proper test to be applied is "How can the revenues best be used?" If the revenues can be put to use by the oil industry in the form of greater oil production, then the bill we enact should direct incentives in that direction. But if the payoff in new production is disproportionate the size of the incentive, the money should be taxed and redirected to where it can do more good to meet the energy crisis or other important material purposes.

In general, the committee's bill attempted to apply this test. In most respects the committee did far better than its severest critics expected, or have given it credit. But the test was not applied with the greatest of consistency, and often times the committee seemed prepared to accept little or no new oil production at too high a cost in terms of incentives. Thus, we and many of our colleagues on the committee have taken the position that the bill, while a good start, can stand some real improvement.

The amendment we offer today is one such improvement, and we believe, a very modest one. By all accounts I have seen, there seems to be general acceptance that the production of oil from tier 1 cannot be significantly improved by reducing the tax rate below the 75 percent recommended by the committee. This oil just is not price sensitive, certainly not when one considers the fact that it was profitable under controls, and the decontrol structure, even at this rate of tax, offers much more return than in the very recent past. Indeed, the Congressional Budget Office suggests in its report that an increase to 85 percent would add significant revenues, and would even result in more oil production in the latter part of the decade than the committee bill would stimulate.

By the same token, oil in the second tier, so-called new oil from wells drilled up to 1979, was just about as profitable under controls, and will be much more profitable with decontrol. An increase in the tax rate will reduce production over the decade by small amounts, so small that they become negligible, if indeed there would be any change at all. Because we think that the conclusions which led the committee to a 75 percent rate on the first tier are just as valid for second tier oil, we have proposed this increase. We urge our colleagues to consider the merits of our amendment, and to support us.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 631

On page 40, strike "and" on line 6, strike lines 7 and 8, and insert: "(2) 75 percent of the windfall profit on such barrel in the case of tier 2 oil, and

"(3) 60 percent of the windfall profit in the case of tier 3 oil." ●

AMENDMENT NO. 632

(Ordered to be printed and to lie on the table.)

Mr. HELMS (for himself, Mr. DOLE, Mr. HATCH, Mr. TOWER, Mr. MELCHER, Mr. RIEGLE, Mr. FORD, Mr. STEVENS, Mr. SCHMITT, Mr. GARN, Mr. HUMPHREY, Mr. STONE, and Mr. MORGAN) submitted an amendment intended to be proposed by them, jointly, to H.R. 3919, supra.

AMENDMENTS NOS. 633 THROUGH 642

(Ordered to be printed and to lie on the table.)

Mr. TOWER submitted 10 amendments intended to be proposed by him to H.R. 3919, supra.

AMENDMENT NO. 643

(Ordered to be printed.)

Mr. BENTSEN (for himself and others) proposed an amendment to H.R. 3919, supra.

GI BILL AMENDMENTS ACT OF 1979—S. 870

AMENDMENTS NOS. 644 AND 645

(Ordered to be printed and to lie on the table.)

Mr. BELLMON submitted two amendments intended to be proposed by him to S. 980, a bill to amend title 38, United States Code, to extend the delimiting date for veterans under certain circumstances; to limit the time for filing claims for educational benefits based upon disability; to modify the standards of progress requirements; to modify the 50 per centum employment requirements; to eliminate the requirements for counting BEOG's and SEOG's in the 85–15 enrollment ratio; to modify payment of educational benefits to incarcerated veterans; to permit certain foreign training; to pay benefits for certain continuing education programs; to strengthen statutory provisions on measurement of courses and on overpayment of educational benefits; to repeal the authority for pursuit of flight and correspondence training; to repeal the authority for pursuit of certain PREP training; and for other purposes.

NOTICES OF HEARINGS

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, the previously announced hearings of the Senate Small Business Committee on Capital Formation on November 20, 27, and 28 will be postponed until a later time.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Monday, November 19, 1979, to hold a hearing on the Human Rights Convention.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, November 20, 1979, beginning at 2 p.m., to hold a markup session on the International Sugar Agreement, various executive nominations, and other committee business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

OKLAHOMA CONSTITUENT RESPONSE TO SURVEY

● Mr. BELLMON. Mr. President, periodically I send out questionnaires to constituents in Oklahoma to provide an opportunity for them to express their views on issues of current interest.

In mid-October I conducted such a survey which produced some interesting results.

According to a random sample of the responses received, Oklahomans believe inflation is by far the most important problem facing the Nation today. Furthermore, they prefer balancing the budget instead of a tax cut as a means of controlling inflation.

The survey indicated concern among Oklahomans about Federal budget deficits, national defense, foreign policy, and energy.

In order to share these findings with my colleagues, I ask that a tabulation of the results of this survey be printed in the RECORD.

The tabulation follows:

SURVEY RESULTS

Following are the results of a survey conducted by Sen. Henry Bellmon (R–Okla.). Questionnaires were mailed in mid-October to 443,500 Oklahomans. These results are based on a random sample of approximately 50,000 responses. The survey was not intended to be a scientific test of public opinion but rather an opportunity for Oklahomans to express their views on a variety of current issues.

1. For the next fiscal year, Congress has the choice of balancing the federal budget in 1981 to help control inflation or enacting a tax cut. Which would you prefer?

Balanced budget, 83 percent.
Tax cut, 16 percent.
Don't know, 1 percent.

2. President Carter has been asking American workers and companies to follow voluntary wage-price guidelines. Do you favor a voluntary or mandatory wage-price program or neither of these?

Mandatory, 35 percent.
Voluntary, 40 percent.
Neither, 25 percent.

3. Should spending for national defense be cut, raised or kept the same as it is now?

Cut, 7 percent.
Raised, 66 percent.
Same, 27 percent.

4. President Carter recently increased the quota of Vietnamese refugees (boat people) allowed into the United States from 7,000 to 14,000 per month. Do you agree or disagree with this action?

Agree, 28 percent.
Disagree, 65 percent.
Don't know, 7 percent.

5. President Carter recently announced to the nation the actions he plans to take to deal with the revelation of Soviet combat troops in Cuba. Do you agree or disagree with his actions?

Agree, 21 percent.
Disagree, 64 percent.
Don't know, 15 percent.

6. President Carter has proposed an Energy Mobilization Board which would be empowered to cut through red tape holding back the development of energy facilities. Do you favor or oppose such a board?

Favor, 60 percent.
Oppose, 32 percent.
Don't know, 8 percent.

7. Do you favor or oppose placing an additional tax on energy companies' incomes which will rise as a result of the decontrol of oil prices?

Favor, 40 percent.
Oppose, 56 percent.
Don't know, 4 percent.

8. Would you favor or oppose such a tax if companies could reduce their tax bill by increasing domestic oil production?

Favor, 59 percent.
Oppose, 36 percent.
Don't know, 5 percent.

9. Do you favor or oppose giving the President the authority to impose gasoline rationing in times of serious shortage?

Favor, 62 percent.
Oppose, 35 percent.
Don't know, 3 percent.

10. Do you favor or oppose current efforts aimed at reducing American and Soviet nuclear armaments?

Favor, 49 percent.
Oppose, 44 percent.
Don't know, 7 percent.

11. Do you favor or oppose reinstitution of the military draft?

Favor, 64 percent.
Oppose, 29 percent.
Don't know, 7 percent.

12. Do you favor or oppose establishment of a registration system without the draft?

Favor, 62 percent.
Oppose, 31 percent.
Don't know, 7 percent.

13. To maintain the quality of military personnel, would you favor or oppose increased government spending for incentives to join the military in lieu of the draft?

Favor, 45 percent.
Oppose, 50 percent.
Don't know, 5 percent.

14. Do you favor or oppose legislation which would put a ceiling on doctors' charges?

Favor, 48 percent.
Oppose, 48 percent.
Don't know, 4 percent.

15. Do you favor or oppose legislation which would put a ceiling on the amount hospitals could charge for their services?

Favor, 54 percent.
Oppose, 43 percent.
Don't know, 3 percent.

16. In light of our nation's need for additional energy, do you favor or oppose building more nuclear power plants?

Favor, 70 percent.
Oppose, 21 percent.
Don't know, 9 percent.

17. Have you ever attended your political party's precinct meeting?

Yes, 39 percent.
No, 61 percent.

18 Do you believe you have a voice in deciding who your party's presidential nominee will be?

Yes, 38 percent.
No, 62 percent.

19. Would you favor or oppose a presidential primary in Oklahoma?

Favor, 59 percent.
Oppose, 28 percent.
Don't know, 13 percent.

20. Would you favor or oppose a regional presidential primary including Oklahoma and surrounding states?

Favor, 54 percent.
Oppose, 31 percent.
Don't know, 15 percent.

21. Would you favor or oppose the United States negotiating an agreement with other grain-exporting nations which prohibits countries from selling grain on the world market at a price below the cost of production?

Favor, 76 percent.
Oppose, 19 percent.
Don't know, 5 percent.

22. Do you favor or oppose formal U.S. recognition of the Palestine Liberation Organization?

Favor, 19 percent.
Oppose, 66 percent.
Don't know, 15 percent.

23. Do you favor or oppose foreign investment in the United States?

Favor, 35 percent.
Oppose, 60 percent.
Don't know, 5 percent.

24. Do you favor or oppose foreign ownership of U.S. farmland?

Favor, 15 percent.
Oppose, 81 percent.
Don't know, 4 percent.

25. What do you believe is the most important problem facing the nation today? (Choose only one.)

	Percent
Inflation	51
Taxes	2
Crime	2
Morality	10
Nuclear energy development	2
U.S. standing abroad	2
Federal budget deficits	11
National defense	5
Oil shortage	3
Unemployment	-----
Foreign trade	-----
Energy	6
Other (explain)	5
(including 1 percent "lack of leadership")	

Also listed: too much federal government control, federal regulations, foreign aid, population explosion, special interest politics, bureaucracy.●

STUDENT VISAS ARE PART OF BROADER IMMIGRATION PROBLEM

● Mr. HUDDLESTON. Mr. President, Americans are deeply frustrated as they are forced to sit helpless while their fellow citizens are held hostage in Iran. And, they are justifiably angered by the Iranian students in the United States who have demonstrated in support of Iran's deliberate violation of international law. Even though I too am incensed by these actions I join the President in urging Members of Congress, candidates for national office, and individual Americans to exercise restraint. To do otherwise would threaten the safety or lives of the hostages. However, rather than vent our frustrations by rhetoric about the senseless acts of the Iranians, we should take this opportunity to look more carefully at our total immigration policy, because the current situation graphically illustrates that the U.S. immigration system is in shambles. The extent of these defects is demonstrated by the fact that it takes an international crisis to force the Immigration and Naturalization Service to do the job it should have been doing as a matter of routine. Furthermore, there is serious concern that even with this concentrated effort the laws and resources may not be sufficient to do the job as it should be done.

This disarray has come about because of two important shifts in attitudes; one within our Government, and the other abroad. Within our own Government, we have abandoned the idea that immigration policy should be based on what is in the best interest of our own citizens. Virtually every important administrative, judicial, and legislative decision in the past decade has made it more difficult to prevent illegal entry, has restrained the enforcement of laws against illegal immigration with this country or has increased admissions.

For example, the Immigration and Naturalization Service (INS) has been the stepchild of the Justice Department for years. When Attorney General Bell first asked about the number, status, and whereabouts of Iranian students last year, the INS did not have the answer and could not find it in its manila folders; the INS is one of the last agencies to request and receive appropriations for computerization. The entire U.S. Border Patrol is smaller than the New York City Transit police force, and last year the Justice Department requested a decrease in its manpower. INS regulations require that illegal immigrants be advised that free, Government-supported legal services are available to fight and stall deportation. The enforcement officers assigned to investigating immigration lawbreakers in the United States has decreased by almost one-third since January 1, 1977. In recent hearings on immigration legislation there were constant questions about what would benefit other countries or special interest groups. However, there was very little reference to what would be best for the United States or its citizens as a whole.

In sum, we have abandoned the initiative in immigration policy to the increasing tide of immigrants, both legal and illegal. At the same time, the attitudes of many foreigners toward the United States has undergone a dramatic change. Potential immigrants in an earlier era saw us as a generous nation; they were grateful for the chance to come here; it is legendary that they were more law abiding than Americans who were citizens by birth.

Many of today's potential immigrants hold the United States responsible for all the world's ills, from political instability to lack of economic development. Far from being thankful for the opportunity to come to the United States, they are convinced that we are obligated to them. This attitude is illustrated by students who drop out of school or graduate and then stay in violation of their visas. Some of the Iranian demonstrators are such illegal immigrants, brazenly flouting our laws. It is further illustrated by recent immigrants who bring to this country their friends and distant relatives illegally, rather than have them wait their turns for legal immigration.

I would never question the good faith and loyalty of legal immigrants. Most have the traditional positive view of America as a nation of laws, not men. But a growing number of people throughout the world do not respect our right to limit immigration into this country.

Combined with the decline of our immigration policies, the results of these attitudes are serious indeed:

The original ceiling on immigration is riddled with loopholes; more legal immigrants come outside the ceiling than within it.

Illegal immigration is out of control; nobody claims to know how many illegal immigrants are in the United States or where they live.

Some well-meaning people are calling for the United States to embrace all of the world's refugees, in disregard of the size of the world's refugee problem and of America's limited ability to absorb them.

Immigration—legal and illegal—could add 45 million people to our population by the year 2000, in a time when we have an urgent need to conserve energy and resources.

It is time for the United States to regain control of its immigration policy, just as other major countries are doing. We can begin in Congress and the administration with a renewed commitment to protecting the interests of American citizens in making immigration policy. Our policies must not be determined by special interests or people in other lands. We need fundamental, comprehensive reform of our immigration laws, but that will take years to develop. In the meantime, I would recommend the following specific steps which can and should be taken by Congress and the administration.

RECOMMENDATIONS FOR RESOLUTIONS

ADMINISTRATIVE CHANGES

Return the priorities of the INS to the enforcement of immigration rather than processing paper.

Tighten loopholes in administrative regulations:

The ability of a student to support himself during his studies should be assured before a student visa is granted, to avoid his taking a job here. (This is a discretionary decision of the consular officer, who can even require the student to post a bond, if necessary, to insure his return.)

The ability of the student to speak English must be shown before a visa is granted; current examinations are inadequate. (This is another discretionary decision of the consular officer; as a result, many "students" cannot take classes, or fail in them, because they cannot understand.)

Both schools and students should not be allowed to fail to report the student's status; existing laws should be enforced. (INS does not even know how many are in the country; its estimates do not include those who get in on student visas, but do not sign up in school.)

PERSONNEL CHANGES

An experienced, tough administrator who knows the problems and issues of immigration must be appointed to head INS. Political and special interest group pressures must not be allowed to weaken enforcement and management priorities of the INS.

SHORT TERM LEGISLATIVE CHANGES

Section 245 of the I and N Act (adjustment of status section) should be changed to insure that students return home after their studies, rather than simply changing their status to that of legal resident aliens and remaining here.

Realistic penalties for schools that do not report the whereabouts of their foreign students should be enacted; the current penalty, removal of accreditation to receive foreign students, is so severe that it is never invoked. A varying scale of penalties, with fines for single abuses, and larger penalties for patterns of misconduct, may be a better way to enforce the requirement.

Limitations on the ability of the INS to grant waivers of visa conditions to students should be enacted, to prevent the current procedure in which a student's real condition is not checked before waivers for jobs or overstays are granted.

Penalties for employment of illegal aliens, including overstaying students, should be enacted.●

FIFTIETH ANNIVERSARY OF THE INAUGURATION OF HERBERT HOOVER

● Mr. HATFIELD. Mr. President, the relationship between Presidents and justices of the Supreme Court is inevitably intertwined with the doctrine of separation of powers. In the 1960's the Johnson administration was rocked by the revelation that the President had on occasion obtained the counsel of Justice Abe Fortas. It was contended at that time that the separation of powers doctrine forbids any such exchanges between the two branches. Such a firm position would create difficulties for a President whose trusted friend and adviser became a member of the Court.

President Herbert Hoover's personal relationship with members of the Court, his judicial philosophy, and his own appointments to the Court, are the subject of an essay by Dr. Francis William O'Brien. Dr. O'Brien holds the position of John Tower professor of political science at Southwestern University, named for our distinguished colleague, the senior Senator from Texas. Professor O'Brien's essay, "Herbert Hoover: The New Deal and the Court" is based on an article published originally in the 1975 Iowa Law Review. Professor O'Brien has submitted his revised paper to me for publication in the series of essays commemorating the 50th anniversary of the inauguration of Hoover as our 31st President.

Given his high profile in Government and outstanding reputation, it was inevitable that Hoover would have at least some acquaintance with Supreme Court justices when he assumed the Nation's highest office. In fact, he had warm friendships with a few. Hoover had a number of formal consultations with Justice Louis Brandeis during Hoover's years as Food Administrator and Director of American relief in Belgium. There were also many social get-togethers between the Hoover and Brandeis families. Brandeis remarked in 1917:

> In 1 hour I learned more from Hoover than from all the persons I had seen in connection with war materials heretofore.

Brandeis' opinion of and friendship for Hoover declined however and Brandeis termed him "generally disappointing" in 1931, although he had termed Hoover the man most fit for the Presidency in 1921.

Another justice with whom Hoover was well acquainted was Charles Evans Hughes, who was a former Supreme Court Justice when they joined the Harding Cabinet, Hughes as Secretary of State and Hoover at Commerce. According to Hughes' biographer, mutual admiration and interests brought the two men together frequently. In early 1929, President-elect Hoover consulted Hughes on his inaugural address, and accepted his advice. A year later, Hughes became Hoover's first nominee to the Supreme Court, as Chief Justice. He was the first of four Hoover nominees—including Benjamin Cardozo, John J. Parker, and Owen J. Owens. Owens was nominated and confirmed when Parker was rejected, for largely political reasons, according to Professor O'Brien. The first three all had prior judicial practice, which Hoover preferred, and all have been generally highly rated by legal scholars.

Hoover's closest friend on the Supreme Court was Justice Harlan Stone. Stone had been Attorney General in the Coolidge Cabinet, and the friendship between the two men did not cease when Coolidge nominated Stone to the Court in 1925. Justice Stone also helped Hoover with his inaugural address.

Letters between the two men demonstrate that their friendship continued during and especially after the Hoover Presidency. This may seem surprising, given Hoover's caustic criticism of the New Deal, and Stone's consistent position upholding New Deal legislation in Court tests. However, Stone's letters suggest that he may not have differed with Hoover's views, although he did not let his personal opinions obstruct his decisions on the constitutionality of the legislation being challenged.

Hoover shared Stone's dedication to the doctrines of judicial restraint, and independence of the Court. Hoover made an issue of a Roosevelt speech in 1932 in which the democratic nominee charged that the Republicans had control of all branches of Government in 1929, including the Supreme Court. Hoover attacked his opponent for this indication that it was the function of the party in power to control the Court, and charged that his opponent would attempt to make the Court subservient to the Presidency, if elected. Predictably, Hoover was strongly critical when Roosevelt in fact attempted to pack the Court in 1937.

Mr. President, I believe my colleagues will find Professor O'Brien's essay on Hoover's attitudes toward the judiciary, and on his relationship with some of its towering figures to be an excellent case study of ties between the executive and judicial branches. I request that the essay, plus a brief biographical sketch of its author, be printed in the RECORD.

The material follows:

BIOGRAPHIC SKETCH OF FRANCIS WILLIAM O'BRIEN

Born: 1917—Wilmar, Minnesota

Education: A.B. in Philosophy, Gonzaga University, 1941; M.A. in History and Political Science, Boston University, 1952; Certificat D'Etudes Francoises, Universite de Poiters, 1961: Ph.D. in Government, Georgetown University, 1956.

Professional Experience: Georgetown University, 1956–61, University of Lausanne, Switzerland, 1965–67, Rockford College, 1968–71, Senior Research Scholar, Hoover Presidential Library, West Branch, Iowa, 1971–72, Director of Academic Programs, Hoover Presidential Library, John Tower Professor of Political Science, Southwestern University, 1975——.

Publications: Author, The Hoover-Wilson Wartime Correspondence, Iowa State University Press, 1954, Two Peacemakers in Paris: The Hoover-Wilson Post-Armistice Letters, Texas A & M University Press, 1958, Divided Ireland: The Roots of the Problem, Rockford College Press, 1971, Was Justice Done?, Rockford College Press, Justice Reed and the First Amendment, Georgetown University Press, 1958.

HERBERT HOOVER: THE NEW DEAL AND THE COURT

(By Francis William O'Brien)

I. INTRODUCTION

For some time, most scholars have been in agreement as to the 11 presidents who deserve the accolade of "great" or "near great."[1] Recently, however, there has been a disquieting realization in academic circles that not a few presidents previously singled out for such rare distinctions actually won their place in history by bold and adventuresome acts which were, at least in the critical eye of many disillusioned scholars, of dubious constitutional validity.[2] Still, the country must have its heroes. If ribbons are to be reclaimed and chevrons stripped from the sleeves of the undeserving, then other men must be found upon whom these awards can be more safely bestowed. In short, today's historians are in search of a constitutional president.

But it is not the purpose of this brief work to join in such a quest. Let others participate in the pursuit. It will indeed prove rewarding to the quick in the field of history, even though dead Presidents may have little concern about improving their weekly ratings with contemporary pollsters.

The subject of this limited study is Herbert Hoover, the 31st President of the United States, who has not scored high with historians engaged in the rating game.[3]

But the centennial of his birth, celebrated in 1974, prompted a surprising number of academic people to address their scholarly attention to our engineer President.[4] And the recent fiftieth anniversary of Hoover's Inauguration as President in March, 1929, has added new momentum to the scholarly energy released in 1974; already a number of quality works have been undertaken by academicians in their efforts to reassess the unfortunate victim of the great Depression.

The following pages will confine themselves primarily to the study of Hoover and the United States Supreme Court from 1933 to 1943. There is justification for such a limited research. The awesome authority vested in the federal judiciary means that a President by his appointing prerogative alone can influence American policy, foreign and domestic, to a degree far beyond what any of his contemporaries can calculate. A few Presidents have stated without qualification that their appointments were intended to redirect the thinking of the High Tribunal.[5]

In 1937 President Franklin Roosevelt attempted to "pack" the high tribunal with men whose previous activities carried FDR's imprimatur for New Deal orthodoxy. Although his plan was aborted by hostile public opinion and a Congress resolutely opposed, Roosevelt soon won his war when death and retirement permitted him to fill vacated

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Footnotes at end of article.

chairs with persons committed to the New Order.[6]

Hoover—like every American Chief Executive—was undoubtedly concerned with the political philosophy of persons he placed on the Supreme Court and the lower federal tribunals, but this concern never prompted him to mount any major crusade to capture the judiciary for his brand of Republicanism. His first three nominees to the Supreme Court have been almost universally acclaimed as men of superb judicial qualities: Chief Justice Charles Evans Hughes, Benjamin N. Cardozo, and John J. Parker. The Senate rejected Parker, largely for political reasons. Whereupon Hoover nominated Owen J. Owens who quickly won approval from the Senate.[7]

It seems that sufficient introductory material has now been given before considering Hoover's relationship with three distinguished Supreme Court Justices, especially his relationship with the highly regarded Justice Harlan Stone. Constitutional purists may raise eyebrows in detecting here a slight penetration of the separation principle. They need not be scandalized; even President Wilson, an eminent scholar and practitioner in the art of Politics, consulted Justice Louis Brandeis on several occasions.[8] Apparently this respected authority on constitutional government saw no improprieties in such consultations.

II. HOOVER'S ACQUISITION OF A JURISPRUDENTIAL BACKGROUND

Herbert Hoover was not an attorney nor did he have any academic background providing the special skills of a professional constitutional lawyer or a constitutional historian. Indeed, his engineering studies at Stanford left him little time to acquire a truly broad liberal arts education.[9] Nevertheless, Hoover was fully aware of his need for such an education and soon made efforts to provide for the deficiency. Being a voracious reader, he privately studied the works of Adam Smith, Mill, Bagehot, the English novelist, and prominent economic theorists.[10] He reinforced his reading by years of travel and by living in many foreign lands. Possess a highly retentive memory and a faculty for clear expository discourse, Hoover's informal education in legally related subjects evidently was of use to him in his later political life. In January 1917, Justice Louis Brandeis remarked: "In one hour I learned more from Hoover than from all the persons I had seen in connection with war materials heretofore." [11] The observation was similar to those commonly made by people who spoke with Hoover.

Hoover's acquisition of a knowledge of the law and the workings of the American judicial system must be attributed primarily to the positions he held and the personal associations he made. First as Food Administrator, then as Director of American Relief in Europe, next as Secretary of Commerce for eight years, and finally as President for a four-year term, Hoover had perforce to deal with laws and with courts applying these laws in cases of his immediate concern.[12]

Many of Hoover's early associations also contributed to his understanding of the law and its importance to society. For many years some of Hoover's closest advisers and most intimate friends were members of the Supreme Court. His calendar reveals that during the first world war he and Justice Brandeis had a large number of formal consultations.[13] In addition, the Hoovers and the Brandeises were close socially, and frequently dined at one another's table.[14] Justice Brandeis found Hoover's conversation stimulating and enjoyed the exchange of ideas in the warm atmosphere of the Hoover home.[15]

In 1921 Hoover became Secretary of Commerce while Charles Evans Hughes, formerly a Supreme Court Justice, was named Secretary of State in the same Harding cabinet. Hughes' biographer, Merlo J. Pusey, states that "[m]utual admiration as well as mutual interest in foreign commerce brought Hughes and Hoover frequently together." [16] In early 1929 the President-elect consulted Hughes on his inaugural address and followed the counsel proffered.[17] In 1930 Hoover nominated him to be Chief Justice of the Supreme Court. Their correspondence continued long after Hoover had left the White House.[18]

Hoover's most intimate friend on the Court, however, was Justice Harlan Stone. The two established a close relationship during the years 1924 to 1925 when Stone served in President Coolidge's cabinet as Attorney General.[19] The association was not broken when in 1925 Stone donned the black robe and took his place on the bench of the Supreme Court. The families dined frequently together much to Stone's delight, for, in Stone's own words, Hoover was "always loaded to the brim with information about the current economics of the country" and "liked to have people around with ideas in their heads." [20]

From these associations with prominent Supreme Court Justices, it can be assumed that Hoover, always inquisitive and highly alert, acquired an appreciable amount of information about the Supreme Court and about the inner operations of the American constitutional system.

III. HOOVER AND THE SUPREME COURT: THE PRESIDENTIAL YEARS, 1928 TO 1932

Hoover's attainment of the nation's highest office in 1928 did not mark the end of his relationship with the members of the Supreme Court. Indeed, Justice Stone helped the president-elect with his inaugural address.[21] The able Justice later advised the president on appointments, and gave counsel on general policies.[22] During his years in the White House, Hoover frequently consulted Stone on presidential speeches [23] and even invited him to join the President's early morning "medicine ball cabinet." [24] Stone, although a Coolidge apopintee, did become allied with the Court's liberals and was somewhat critical of Hoover's views from 1930 to 1932.[25] Nevertheless, the personal relationship between the two men remained strong. When Roosevelt became President, Stone himself never really became reconciled to the "new order." [26] Until the Justice's demise in 1946, he and Hoover remained close personal friends and exchanged regular correspondence.[27]

While Hoover's relationship with Stone was enhanced during his presidency, his association with Justice Brandeis, established years earlier, slowly deteriorated. Brandeis had observed in 1917 that Hoover "seems to me the biggest figure injected into Washington life by the war." [28] In 1920 his enthusiasm was so great that he proposed Hoover as the man most fit for the Presidency.[29] However, his burning enthusiasm soon began to cool [30] and by 1931 he wrote that "Hoover has been generally disappointing." [31] This general deterioration of the Hoover-Brandeis relationship is perhaps best explained as a reaction of Brandeis to what he considered overly conservative politics on the part of the nation's chief executive.

Curiously, however, while Brandeis reproached Hoover for failure to adopt more progressive reform measures to meet the depression, others judged him a potentially dangerous radical. In November 1929 Chief Justice William Taft wrote, "[t]he truth is that Hoover is a Progressive, just as Stone is, and just as Brandeis is and just as Holmes is." [32] In April he had warned that "Hoover would put in [the Supreme Court] some rather extreme destroyers of the Constitution." [33] The only hope, he warned in December, was "for us to live as long as we can" and thus ward off "an attempted revolution." [34]

These statements by Taft appear somewhat enigmatic when viewed in relation to Hoover's belief in an independent judiciary and his later opposition to Roosevelt's court-packing plan.[35] While he was President, Hoover often expressed the opinion that Supreme Court appointments should not be made on grounds of political expediency. On October 28, 1932, shortly before the fateful November election that was to relegate Hoover to the role of "elder statesman," he spoke these words:

> In Governor Roosevelt's address delivered on October 25th he stated:
>
> "After March 4, 1929, the Republican Party was in complete control of all branches of the Government—Executive, Senate, and House, and I may add, for good measure . . . the Supreme Court as well."
>
> I invite your attention to that statement about the Supreme Court. There are many things revealed by the campaign of our opponents which should give American citizens concern about the future. One of the gravest is the state of mind revealed by my opponent in that statement. He implies that it is the function of the party in power to control the Supreme Court. For generations Republican and Democratic Presidents alike have made it their most sacred duty to respect and maintain the independence of America's greatest tribunal. President Taft appointed a Democrat as Chief Justice; President Harding nominated a Democratic Justice; my last appointment was a Democrat from New York State whose appointment was applauded by Republicans and Democrats alike the nation over. All appointees to the Supreme Court have been chosen solely on the basis of character and mental power. Not since the Civil War have the members of the court divided on political lines.
>
> Aside from the fact that the charge that the Supreme Court has been controlled by any political party is an atrocious one, there is a deeper implication in that statement. Does it disclose the Democratic candidate's conception of the functions of the Supreme Court? Does he expect the Supreme Court to be subservient to him and his party? Does that statement express his intention by his appointments or otherwise to attempt to reduce that tribunal to an instrument of party policy and political action for sustaining such doctrines as he may bring with him? [36]

On October 31 he returned to this charge and put this question to his New York audience:

> "[I]s the Democratic candidate really proposing his conception of the relation of the Executive and the Supreme Court? If this is his idea, he is proposing the most revolutionary new deal . . . yet proposed by a Presidential candidate." [37]

This statement perhaps displays a degree of prescience of the Roosevelt court-packing plan of 1937. Hoover's concern, however, for maintaining a constitutional presidency extended beyond the realm of the separation of powers principle. During his tenure as chief executive, Hoover was reluctant to impose massive governmental controls on the private sector. Many years after he had left the White House, Hoover recalled that in September 1931 the President of General Electric had asked for a reorganization of American industry under the name of "economic planning." The Attorney General ruled the plan wholly unconstitutional after Hoover had submitted it to him with a note containing these words:

> "This plan provides for the mobilization of each variety of industry and business into trade associations, to be legalized by the government and authorized to "stabilize prices

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Footnotes at end of article.

and control distribution." There is no stabilization of prices without price fixing and control of distribution. This feature at once becomes the organization of gigantic trusts such as have never been dreamed of in the history of the world. This is the creation of a series of complete monopolies over the American people. It means the repeal of the entire Sherman and Clayton Acts, and all other restrictions on combinations and monopoly. In fact, if such a thing were ever done, it means the decay of American industry from the day this scheme is born, because one cannot stabilize prices without restricting production and protecting obsolete plants and inferior managements. It is the most gigantic proposal of monopoly ever made in history." [38]

Later in 1931 the president of the Chamber of Commerce had urged Hoover to propose the plan to Congress.[39] In September 1932 he had again pressed Hoover, observing that Roosevelt supported the proposal. However, Hoover replied that the plan would create monopolies.[40] In his 1952 *Memoirs*, he quietly remarked that "Mr. Roosevelt kept his pledge [to support the proposal] and the 'NRA' [National Industrial Recovery Act] was the resulting Frankenstein." [41] This conflict in governmental ideologies between Hoover and Roosevelt was to provide the impetus for many of Hoover's writings after leaving the presidency.

IV. HOOVER AS EX-PRESIDENT, NEW DEAL LEGISLATION, AND THE SUPREME COURT

Soon after Hoover's defeat in November 1932, he took up his pen to write a quasi-philosophical disquisition entitled, *The Challenge to Liberty*.[42] Much of the book is devoted to a discussion of the nature of freedom and to a contrast of the American system of democratic government with Nazism, Facism, Communism, and socialism.[43] Hoover was undoubtedly *in medias res* of this undertaking at the time of the epoch-making "hundred days" which ensued immediately upon Roosevelt's inaguration on March 4, 1933. Thus, *The Challenge to Liberty* is sprinkled with reference to the concentration of power in the executive,[44] to the threat to freedom posed by industrial codes,[45] by managed currency,[46] by measures regimenting agriculture,[47] and, in general, by "emergency acts" which tend to become permanent.[48]

Hoover sent an autographed copy of *The Challenge to Liberty* to Charles E. Hughes, Jr., lawyer-son of the Chief Justice then with a New York law firm. In his reply of November 17, 1934, the younger Hughes wrote:

"I have read it with interest and admiration, and am confident to say that it will have great influence in keeping to the ideal, however perplexing may be particular questions of its practical application." [49]

There is no clear indication in the documentary holdings of the Hoover Presidential Library that Hoover sent copies to Chief Justice Hughes or to Justice Stone. However, on March 29, 1935, Hoover penned these few lines to Stone:

"I have your kind note.

"There is a profound change going on in the public mind. It is moving away from white rabbits. I have the egotism to believe the little book has been some contribution, as over 120,000 have been distributed, and it seems to pass around as a sort of text book." [50]

The Stone note referred to in the above letter is not found in the Hoover Presidential Library, but from Hoover's words it would appear to have been Stone's letter of congratulations on *The Challenge to Liberty*.

In the meantime a number of monumental cases were wending their way to the Supreme Court, and there is abundant evidence that Hoover was intensely interested in the issues involved and in the decisions as they were handed down. The Hoover papers bulge with clippings on these cases culled from scores of newspapers.[51] The clippings include editorials, both complimentary and critical of the decisions, by-line articles on the Court, and several Court opinions printed in full in leading newspapers.[52] The scrapbooks also contain autographed articles sent to Hoover by men in tune with his thinking about the Supreme Court. In addition, the Hoover files contain a significant amount of correspondence with Justice Stone on pending cases.[53] On December 4, 1933, Stone wrote to Hoover, who was then in California, a letter containing this frank paragraph:

"There is every indication here that the country is becoming roused over the disposition of the administration to trifle with the currency. Unless the President recedes from the extreme position which he has been taking, which I think not impossible, we shall see a battle royal." [54]

Stone probably had in mind such matters as the Act of May 12, 1933, which authorized the President to adjust the gold content of the dollar and the Joint Resolution of Congress of June 5, 1933, to cancel the "gold clause" in private contracts and government bonds.[55] It may reasonably be inferred that Hoover and Stone both felt that such legislative actions might be interpreted by President Roosevelt to constitute a license to exercise broad executive power.

On September 18, 1933, Stone addressed a letter to Hoover in which he made several observations concerning Roosevelt's sweeping economic reforms.

"I have been watching with the greatest interest the progress of this NIRA. The signs multiply that the benefits are temporary. Those that are not temporary will I think prove to be illusory. Undoubtedly there is an increase of consumer buying much of which could not have been postponed without artificial stimulation but there is evidently much anxiety in Washington as to the extent and permanence of the gains.[56]

Three weeks earlier Stone had sent to Hoover a short note with an enclosed editorial praising a speech by Republican Governor Gaspar G. Bacon of Maine. Stone observed that the "editorial itself seems to contain some food for thought. I hope our Republican speakers have read it." [57]

The editorial pointed out, with evident approval, that Bacons speech was "a scathing review of what the new deal has cost the county. . . ." It also listed Bacon's proposals to "minimize federal supervision of the petty details of business; strip down the NRA to fundamentals; make the cities and states assume more of their obligation. . . ." [58] Such recommendations for governmental reform obviously mirrored the attitudes of Hoover; it is no wonder Stone chose to forward the editorial to the ex-President. The editorial further reported, however, that Bacon had not attacked the motives of the administration, nor condemned the experiments in their entirety. More important, Bacon had underscored the need for affirmative action from Republicans instead of indulging in uninstructive negative criticism. He urged all Republican critics firmly to resolve to supply alternative solutions for policies that had failed in such a demonstrable fashion.

Hoover, inspired by the Bacon editorial, was one of the Republicans who, with pen and tongue, continued to attack the Roosevelt administration. Consistent, however, with Bacon's admonition, he was constructive in his criticism, stressing that "it is the duty of the [Republican Party] to insist upon realist methods of recovery, real jobs for labor and real markets for the farmer." [59] Nevertheless, the furthest stretch of the Hoover governmental philosophy did not so much as touch, let alone embrace, many of the political theories embodied in the NRA.[60] Section 3 of the Act authorized representatives of the various interstate trades and industries to develop regulatory codes for their respective business.[61] Such codes purportedly had the force of law,[62] after approval by the President.[63] After such codes had been submitted to the President, he had unfettered discretion to modify them in any manner he felt would effectuate the policy of the Act [64]—the rehabilitation of industry.[65] Naturally, the creation of the NRA and its later developments were viewed with growing alarm by Hoover. Knowing that the Act would undoubtedly invite constitutional challenges, Hoover must have drawn much comfort from Justice Stone's observation in September of 1933 that there was "anxiety" in Washington over the signs that "the extent and permanence of the gains" from the NRA would be "temporary" and "illusory." [66]

In early 1934 Hoover prepared a manuscript against "planned economy" and sent it to the Justice for his appraisal. Stone replied that he fully agreed with Hoover's main thesis,[67] adding that he deplored "the steady absorption of power by the President, the failure of Congress to perform its legislative functions . . . the creation of drastic administrative procedures without legislative definition. . . ." Stone cautioned, however, that the world of 1934 was not the world that Jefferson knew, and that the development of vast corporations required considerably more restriction of individual liberty than had been necessary in the early 1800's.[68]

On May 15, 1935, Hoover called for abolishing the NRA, condemning it for saddling America "with the worst era of monopolies we have ever experienced." [69] He observed that "NRA codes have been crushing the life out of small business and they are crushing the life out of the very heart of the local community body. . . ." [70]

Just two weeks later, on May 27, a unanimous Supreme Court struck down the NRA because it was an unconstitutional delegation of legislative authority to the President and because, in the case before the Court, it regulated an activity that bore the character of intrastate commerce.[71] Hughes wrote the Court opinion and Justice Cardozo supported him in a concurring opinion which carried the pithy observation that "[t]his is delegation running riot." [72]

This decision had been foreshadowed in *Panama Refining Co.* v. *Ryan*, [73] the "hot oil" case, when an 8–1 Court struck down section 9 (c) of the NRA. That section of the Act purported to authorize the President to prohibit the transportation, in interstate and foreign commerce, of "petroleum and petroleum products which are produced or withdrawn from storage in excess of the amount permitted by state authority." [74] In pursuance of the Act's goals, the President was given unlimited authority to make policy decisions and to issue orders.[75] The Court held that section 9 (c) was an unconstitutional delegation of broad legislative powers of regulation without any statement of policy sufficient to prevent abuse of executive discretion.[76] Only Justice Cardozo dissented.[77] When the case was argued on December 10, 1934, the Justices were particularly disturbed to learn that criminal penalties attached to violation of the executive order involved, that the respondent, the original defendant, in the case had been jailed for violation of the order, and that, in general, a private citizen had no way of learning the contents of such orders or the dates they were issued.[78]

Nevertheless, on February 18, 1935, President Roosevelt won a noteworthy victory when the Supreme Court upheld the Joint Resolution of Congress of June 5, 1933, which nullified clauses in private contracts that required discharge of financial obligations in gold.[79] In this 5–4 decision, all three Hoover

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Footnotes at end of article.

appointees—Justices Hughes, Cardozo, and Roberts—were in the majority which supported the government. Concurrently, however, in the other gold clause case, *Perry* v. *United States,*[80] the government suffered a setback when the Court ruled that government bonds, as distinct from private debts, were contractual obligations of the government and that, therefore, the legislature could not vary the terms of such agreements to pay debts as stipulated.[81]

While it is beyond the scope of this Article to discuss all of the Court's rulings which were hostile to Roosevelt's recovery programs, mention should be made of *Humphrey's Executor* v. *United States,* also decided on that fateful May 27, 1935.[82] In that case, the Court struck at the President's pride and prestige when it forbade him power to remove from office a Commissioner of the Federal Trade Commission without a proven cause as stated in the law of Congress. It was a unanimous decision.[83]

In the following term, which commenced in October 1935, the Court continued its assault upon the New Deal. On January 6, 1936, a 6–3 decision in *United States v. Butler*[84] nullified the 30-month old Agricultural Adjustment Act (AAA) as being an unconstitutional use of the taxing power to regulate matters which lay within the province of the states.[85] Justice Hughes and Roberts helped make up the majority but Justice Stone filed a vigorous dissent.[86] Initially, Stone's agreement with the government in the case appears paradoxical in view of a letter Stone wrote to Hoover on November 19, 1935,[87] commenting on the latter's November 16 speech, entitled, "The Consequences of 'Economic Planning'."[88] A substantial portion of the speech addressed itself to "managed currency" and said nothing directly about the AAA. Nevertheless, Stone volunteered some gratuitous criticism about the Act:

"In the phrase of Justice Holmes, your speech was 'sockdological.' It was sound, courageous, well put, constructive, and will have great influence. I hope you will make others.

"The falacies of the economy of scarcity are a fruitful subject for discussion. Even the farmers should be made to understand the irretrievable loss of markets which is the consequence of artificial restrictions on production, and it is well to remember that considerably more than fifty percent of the population of this country is made up of consumers rather than producers.

"I think, too, that the country would be startled if it could know, in some detail, the truth about the bureaucracy which is being built up and the way in which it is operating. There should be organized research in governmental functions all along the line and the results, if expounded by one capable of handling facts as you handled them Saturday night, would have a profound effect. . . . I hope you will continue to speak."[89]

Arguments in the AAA case were heard on December 9, 1935,[90] but the Justices must have seen the briefs somewhat before that date, possibly even prior to November 19. On January 6, 1936, Justice Stone delivered his vehement dissent which endeared him to many liberals and which was interpreted by many as his complete endorsement of the New Deal.[91] Then, on January 16, 1936, Hoover gave a speech entitled "New Deal Agricultural Policies and Some Reforms."[92] It attacked the AAA as a "flagrant flouting of the Constitution" destined to bring "destruction to the farmers as well as to the nation."[93] Despite his dissent in *Butler*, Justice Stone's response of January 22 carried this direct message:

"I liked your Nebraska speech. I thought all the criticism of the A.A.A. was well taken. I suspect that much might also be said about the unfortunate effect of the curtailment of production on the home market if the statistics were available. I liked your constructive program because it was *constructive*, and because it did not go further than one could reasonably see ahead."[94]

The truth of the matter is that Stone had little regard for much of the New Deal and often said so privately to his close friends, as evidenced by his letters to Hoover. However, as a judge he refused to allow his distaste for any specific policy of Congress to be his sole guide for measuring the *constitutional* power of Congress to incorporate such policy into the law.[95] In other words, Stone embraced a philosophy of judicial restraint similar to that of Justice Holmes. It is clear that Stone, in upholding New Deal legislation which he personally deemed undesirable, was merely preventing his agreement or disagreement with the legislation from interfering "with the right of a majority to embody their opinions in law."[96]

V. HOOVER AND THE ROOSEVELT COURT-PACKING PLAN

In November 1936, Roosevelt won a resounding victory in the presidential and congressional elections. Armed with a new mandate, he resolutely determined to curtail the obstructive powers of the Supreme Court. The essential feature of the plan which he thus proposed on February 5, 1937, was a provision allowing him to enlarge the membership of the Court to as many as 15 Justices.[97] Hoover joined battle with great alacrity and issued a short statement that very day.[98] It praised as "admirable" some of Roosevelt's proposal for judicial reform, but condemned its substance.

"The Supreme Court has proved many of the New Deal proposals unconstitutional. Instead of the ample alternatives of the Constitution by which these proposals could be submitted to the people through constitutional amendment it is now proposed to make changes by 'packing' the Supreme Court. It has the implication of subordination of the court to the personal power of the Executive."[99]

This last sentence is reminiscent of Hoover's admonition of October 1932, that Roosevelt might attempt to gain control of the other branches of the government.[100]

On February 20, 1937, Hoover gave a more detailed critical analysis of Roosevelt's proposal,[101] and in the ensuing years, he touched upon the subject again and again.[102]

In the seven months following February 5, 1937, the country was presented with the spectacle of a whole nation torn asunder by the highly charged debate over the burning issue. Finally on August 26, Congress gave the proposal its *coup de grace;* having removed the central "court-packing feature," it passed the bill with some of its minor provisions still intact.[103]

There was some speculation during the long debate that Justice Stone was not entirely against Roosevelt's plan, but there is an abundance of evidence to rebut such speculation.[104] There is also an interesting letter from Stone to Hoover, written October 24, 1938, which, in spite of its generalities, might possibly be interpreted as proof of his dislike of the plan. In that letter he wrote:

"We enjoyed greatly your radio address the other evening, and are looking forward to the next one. It was a powerful speech and ought to arrest attention. There are good signs that the country is about ready to give thought to the dangers of our present situation."[105]

In Hoover's speech of October 17, 1938, three weeks before the congressional elections, he criticized at several points Roosevelt's attempt to change the Supreme Court.[106] Stone's letter could be construed as an endorsement of these critical remarks, although admittedly, the Justice may have been directing his praise merely to other portions of a fairly long phillipic against the Roosevelt administration. Hoover's address, entitled "Undermining Representative Government," was delivered at Hartford, Connecticut and was a plea for Americans to defeat all New Deal legislators and return a Republican Congress in November. The speech attacked nearly every aspect of the New Deal, "the malignant growth of personal power in this Republic," and the failure of Roosevelt to solve the unemployment problem and the economic depression.[107] In his final remarks, Hoover said:

"Under a screen of fair-sounding phrases we have seen the President of the United States steadily driving for more and more power over the daily lives of the people. We have seen him attempt to control the Supreme Court. We have seen his domination of Congress. We have seen personal control of expenditures. We have seen the attempt through the power of government expenditure to pollute the ballot. We have seen the attempt to mix in a system of free enterprise a system of creeping collectivism. We have seen a vindictive campaign to array class against class and group against group.

"All this is the destruction of freedom and prosperity. If freedom is to reign on this continent the American people have to attend to it themselves. They can no longer leave it to the government."[108]

Hoover's remark exhorting the American public to recognize "the dangers of [their] situation," echoed the thoughts expressed by Justice Stone in his letter of October 24, 1938.[109] Months before Congress decisively defeated Roosevelt's Court-packing plan, the Court itself, in a series of reversals, had begun to validate New Deal legislation.[110] In his *Memoirs* 1952 Hoover recorded the President's triumph in these laconic words: "Despite all this [opposition to the plan] it cannot be denied that Roosevelt accomplished his purpose of destruction of the independence of the Supreme Court."[111] There is manifest pain and a measure of suppressed chagrin in Hoover's observation that "[s]ome of these [1937] decisions were hardly consistent with the attitudes of some of the same judges in 1934–1936."[112] Just below the surface of these words seems to lie the poignant remembrance that two of the judges who had apparently changed their stance on New Deal legislation were Hoover's own appointees, Justices Hughes and Roberts, and that his third appointee, Justice Cardozo, had for some time been in general a New Deal supporter. Finally, Justice Stone, his closest intimate on the High Tribunal, had years earlier joined the liberal wing on the bench. Now the Roosevelt forces were quoting Stone in support of a consummation they so devoutely desired.

Of course, Hoover was fully aware of the judicial philosophy of Stone which prompted him to vote for New Deal legislation which actually solicited the Justice's skepticism and often his disapproval. Hoover might possibly have believed that the new voting habits of Hughes and Roberts were traceable to the same philosophic roots as those of Stone—a belief in judicial restraint.

When the older Justices died or retired and Roosevelt replaced them with avowed New Dealers, Hoover returned to the fray with a renewed crusading spirit against executive domination of the Judiciary. In Hoover's mind, this "packing" of the bench was even more reprehensible than Roosevelt's earlier "cowing of the Court."[113] By early 1939 the President had completely altered the nation's highest judicial body by the appointment of persons whom Hoover stigmatized with the epithet "New Dealer" or "Rabid New Dealer."[114]

Some might conclude that Hoover overreacted, but Roosevelt's general attitude toward the Court was indeed unconventional, and several of his nominees to the bench were endowed with somewhat questionable

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Footnotes at end of article.

judicial qualifications. Years later, in 1972, a distinguished liberal constitutional historian thought Roosevelt merited the label "constitutional opportunist and pragmatist." [115] Another great admirer of Roosevelt, Arthur M. Schlesinger, Jr., had written twelve years earlier that "Roosevelt was under no illusion about the constitutional status . . . of his program." [116]

Hoover had made four nominations to the Supreme Court. Three of them had years of judicial experience on courts of high repute, and all four men were lawyers of unusual gifts.[117] Roosevelt's first five nominees had prior judicial experience which totaled only slightly more than zero.[118] Although two were highly knowledgeable in the law,[119] it was obvious to all that unquestioning fealty to the New Deal was really the badge which gave them access to the Court.[120]

Hoover seemed particularly upset by Roosevelt's first selection, Hugo Black. On August 21, 1937, he wrote to a correspondent that "the appointment of Senator Black indicates that we are not yet out of the woods over the S.C." [121] Other highly placed critics expressed a similar disquietude.[122]

VI. CONCLUSION

Sufficient evidence has been presented in this Article to prove that Hoover remained on the most intimate terms with Stone long after the Justice began to march to the beat of the liberal drummers.[123] When Hughes retired from the Court, Hoover wrote that "you have given the most distinguished service to America that she has had in your generation." [124] In a letter of June, 1941, Hoover even proposed that he and the retired Chief Justice should get together to discuss the nation's great crisis. He wrote:

"As this country is now at a great crisis than it has ever before been projected into, I am wondering if you would wish to discuss the subject with me at some early moment. I feel something must yet be done." [125]

It is unclear whether Hoover was referring to a wholly domestic crisis, one arising entirely from the country's steady drift into the Second World War, or one fostered by a combination of both domestic and international affairs. Although Hughes declined the invitation, for the stated reason that he still remained a member of the Judiciary,[126] the offer from Hoover testifies to his high respect for Hughes, long after the Justice had begun supporting the New Deal. Even after this mild rebuff, Hoover felt properly disposed to write Hughes in 1942 to ask him to read and criticize a manuscript which the ex-President had prepared for publication.[127] Actually Hughes' aid was minimal, but it is significant that Hoover solicited help from the former Chief Justice.

Hoover received much more cooperation from Chief Justice Stone, who read the manuscript carefully and submitted many suggestions which Hoover included in the book.[128] In a letter thanking Stone for his contributions, Hoover made these additional comments:

"It was very good of you to write me that letter on my speech of May 20th. It seems to have gone well with all except the left-wingers who have had a hard time to find anything wrong with it." [129]

In the speech to which Hoover alluded in his letter, he asked for general support of Roosevelt and the Congress during the war.[130] Nonetheless, the address was punctuated with some stinging remarks about the President's conduct of the war, and contained a plea that the "Fascist economic measures," admittedly necessary during the combat, "not [become] frozen into American life, but [be allowed to] thaw out after the war." [131]

Hoover's personal interest in Harlan Stone and in domestic relations also continued unabated. When Roosevelt named Stone Chief Justice on June 13, 1941, Hoover wrote the latter congratulating him on his appointment:

"My dear Mr. Chief Justice: I do not know of anything that has given me more pleasure in this time of general gloom than your appointment. It gives me some hope that the Supreme Court will have real independence and function as it should.

"As you know, I have never been one who felt it was the business of the Court to fasten the present on to the past in such a fashion as to block all progress. On the other hand, I have always felt that the Court must be independent of all the other arms of the Government and independent of influence from all other branches.

"I again congratulate you and the entire country on your appointment.

"With kind regards to both you and Mrs Stone, I am

Yours faithfully,
Herbert Hoover," [132]

Hoover's letter is of great interest because Stone's appointment by Roosevelt was a clear indication that the incumbent Democratic President was completely satisfied with the views publicly expressed by his choice for Chief Justice. Indeed, it was nothing less than an award for Stone's solid support of New Deal legislation.

In the next few years Hoover and Stone continued to exchange a number of warm personal letters.[133] The correspondence did not cease until Stone's death in 1946. On the surface, it is surprising that Hoover continued to display every sign of deep and warm friendship for a man who had been so largely responsible for winning judicial imprimatur for the New Deal. However, closer analysis suggests that the relationship was based on firmer ground than mere commonality of political ideology. As noted above, Justice Stone was an apostle of judicial restraint, much like his predecessor, Justice Holmes. He and Hoover spent considerable time together in friendly social conversation, for the two found great satisfaction in exchanging views on a variety of topics. It is not difficult to imagine Stone elaborating in these conversations on his letters which spoke so sharply against the New Deal. The tone of those writings must have sounded a sympathetic chord in Herbert Hoover. Nevertheless, Stone was also a former professor of law and "gladly would he teach." Undoubtedly he used his pedagogical skills to instruct the former President on constitutional law and judicial restraint. Hoover, one might reasonably surmise, became a convert, albeit an unwilling one. If not a convert, he must have at least learned to tolerate this philosophy when expounded by such a learned and sincere friend as Harlan Stone.[134]

FOOTNOTES

[1] Those presidents who are considered "great" include Lincoln, Washington, F. D. Roosevelt, Wilson, and Jefferson. Although there is not a consensus, most historians consider Jackson, T. Roosevelt, Cleveland, J. Q. Adams, Polk, and Truman as "near great" presidents. For example, *see* M. Borden, America's Eleven Greatest Presidents (1971); Maranell, *The Evaluation of Presidents: An Extension of the Schlesinger Polls,* J. of Am. Hist., June, 1970, at 104.

[2] *See generally*. T. Bailey, Presidential Greatness: The Image and the Man From George Washington to the Present (1966); M. Pusey, The Way We Go to War (1969); J. Javits, Who Makes War (1973); A. Schlesinger Jr., Imperial Presidency (1973).

[3] He has been placed low among the "average" Presidents by the pioneer pollster, Arthur S. Schlesinger, Sr. See his Path to the Present 96 (1949). In his 1962 poll, Schlesinger found that among 75 historians replying, Hoover was rated only slightly higher, but somewhat above Eisenhower. Maranell, *Supra*, n. 1.

[4] A small sample of the books produced since 1974 are; J. Wilson, Herbert Hoover: The Forgotten Liberal (Boston: Little, Brown & Co., 1975); D. Burner, Herbert Hoover: The Public Life (1978); F. O'Brien, the Hoover-Wilson Wartime Correspondence, (1974); and F. O'Brien, Two Peace-Makers in Paris: The Hoover-Wilson Post-Armistice Letters, (1978).

[5] Richard Nixon comes first to mind, but all Presidents have—with only rare exceptions—filled the federal benches with men of their own party whose decisions and opinions would, hopefully, reflect their own political philosophy. Washington appointed Federalists and Republican Jefferson and Madison considered party loyalty one of the cardinal criteria for a judicial appointment. When in 1810, William Cushing, the last survivor of Washington's original Supreme Court Justices, died, Jefferson wrote thus to a leading Republican: "I observe old Cushing is dead. At length, then, we have a chance of getting a Republican majority in the Supreme Court." Quoted in F. O'Brien, The Nine Rejected Men, 19 Baylor Law Review 4–5 (1967).

[6] S. Wasby, The Supreme Court in the Federal Judicial System 6 (1978). Hoover preferred that his nominees to any federal court have previous judicial experience. His first three nominations to the Supreme Court were so qualified. Eleven of his sixteen appointees to the courts of appeal came from district courts. Thus he far outdid President Eisenhower who also looked for previous judicial experience in his nominees. *Id.* 88.

[7] Professor Henry J. Abraham has the highest praise for Hoover's first three nominees and expresses regret that Parker was rejected. He writes that Roberts had many genuine qualities but opines that his actual performance on the Court would have been excelled by Parker. See Abraham, Justices and Presidents: A Political History of Appointments to the Supreme Court 185–190 (1974).

[8] A. Mason, Brandeis: A Free Man's Life 526–527 (1946) (hereinafter cited as Brandeis); R. Baker, Woodrow Wilson: Life and Latters 242, 401 (1939).

[9] 1 Herbert Hoover Memoirs 28 (1951).

[10] *See generally id.*

[11] Brandeis, *supra* note 8, at 519.

[12] *See generally* E. Lyons, Our Unknown Ex-President: A Portrait of Herbert Hoover (1948).

[13] Hoover Calendar, 1917–1978, kept at the Hoover Presidential Library, West Branch, Iowa [hereinafter the Library will be referred to as HPL]. When citing documents maintained at the HPL, reference will ordinarily be given to the file in which the documents may be found.

[14] Brandeis, *supra* note 8, at 519.

[15] Information supplied in private interview conducted in September, 1973, with Lewis L. Strauss, formerly Hoover's secretary.

[16] 2 M. Pusey, Charles Evans Hughes 427 (1951).

[17] *Id.* at 649.

[18] *See* documents contained in Post-Presidential Individual File, Box 75, HPL.

[19] J. Kane, Facts About the Presidents 203 (1959).

[20] A. Mason. Harlan Fiske Stone: Pillar of the Law 263 (1956) [hereinafter cited as Stone].

[21] *Id* at 266.

[22] *Id.*

[23] *Id.* at 270.

[24] *Id.* at 270–71. This activity, designed to keep participants in proper physical condition, was conducted on the White House lawn. It was followed by breakfast in the Executive mansion. *Id.*

[25] His basic criticism seems to have been that Hoover lacked political acumen. *Id.* at 283–87.

[26] *Id* at 289.

[27] *See* Commerce Papers, Box 283, Post-Presidential Individual File Box 178, Folder 1787, HPL.

[28] Brandeis, *supra* note 8, at 520.

[29] *Id.* at 530.

[30] *Id.* at 532.

[31] *Id.* at 601. It appears that Brandeis' only letter to Hoover after that statement is a note of October 31, 1931. President's Personal File, "Brandeis," HPL.

[32] A. Mason, The Supreme Court from Taft to Warren, 69 (1958).

[33] *Id.* at 66.

[34] Stone, *supra* note 20, at 275.

[35] *See* notes 98-116 *infra* and accompanying text.

[36] H. Hoover & C. Coolidge. Campaign Speeches of 1932, 164-65 (1933).

[37] *Id.* at 187.

[38] 2 H. Hoover. Memoirs 334 (1952).

[39] *Id.*

[40] *Id.*

[41] *Id.* at 335.

[42] H. Hoover. The Challenge to Liberty (1935).

[43] *See generally id.*

[44] *Id.* at 76-78.

[45] *Id.* at 80-85.

[46] *Id.* at 90-101.

[47] *Id.* at 85-88.

[48] *Id.* at 192-93.

[49] Letter from Charles E. Hughes, Jr. to Herbert Hoover, November 17, 1934, on file in Post-Presidential Individual File, Box 255, Folder 901, HPL.

[50] Letter from Herbert Hoover to H. Stone, Mar. 29, 1935, on file in Post-Presidential Individual File, Box 178, Folder 1787, HPL. *See* note 67 *infra.*

[51] Documents on file in Post-Presidential File, Box 255, HPL.

[52] *Id.*

[53] Documents on file in Post-Presidential File, Box 178, Folder 1787, HPL.

[54] Letter from H. Stone to Herbert Hoover, Dec. 4, 1933, on file in Post-Presidential File, Box 178, Folder 1787, HPL.

[55] *See* A. Kelly & Harbison, The American Constitution: Its Origin and Development, 684–685 (1976).

[56] Letter from H. Stone to Herbert Hoover, Sept. 18, 1933, on file in Post-Presidential Individual File, Box 178, Folder 1787, HPL.

[57] Document on file in Post-Presidential Individual File, Box 178, Folder 1787, HPL.

[58] Boston Herald, Aug. 22, 1934, at 14.

[59] H. Hoover, *Responsibility of the Republican Party to the Nation,* in 1 Addresses Upon the American Road, 1933–1938, at 42 (1938).

[60] Hoover expounded on his political philosophy most fully in two major works. *See* H. Hoover. The Challenge to Liberty (1935); H. Hoover, American Individualism (1922).

[61] *See* Schechter Poultry Corp. v. United States, 295 U.S. 495, 521–25 (1935).

[62] *Id.* at 529.

[63] *See id.* at 537–38.

[64] *See id.* at 538–39.

[65] *Id.* at 536.

[66] *See* text accompanying note 56 *supra.*

[67] Stone, *supra* note 20, at 371. It is likely that this manuscript became Hoover's 1935 book, H. Hoover. The Challenge to Liberty (1935). *See* notes 42–50 *supra* and accompanying text.

[68] Stone, *supra* note 20, at 371–72.

[69] 2 H. Hoover, Memoirs 126 (1952).

[70] *Id.*

[71] Schechter Poultry Corp. v. United States, 295 U.S. 495, 542, 544–48 (1935).

[72] *Id.* at 551, 553 (Cardozo, J., concurring, joined by Stone, J.).

[73] 293 U.S. 388 (1935).

[74] *Id.* at 414, 415.

[75] *Id.* at 415.

[76] *Id.* at 432–33.

[77] *Id.* at 433.

[78] Stone, *supra* note 20, at 387–88. Counsel for respondent argued thus in oral argument before the Court: "The President, or his nominees, may subject any violator to criminal procedure. Thus the Act delegates . . . to him and his nominees the power to create and define offenses against the United States." 293 U.S. at 396.

Hughes was apparently impressed, for in his opinion for the Court, he paraphrased the above argument in these words: "[I]t gives to the President an unlimited authority to . . . lay down the prohibition . . . and disobedience to his order is made, a crime punishable by fine and imprisonment." *Id.* at 415.

[79] Norman v. Baltimore & Ohio R.R., and a companion case, United States v. Bankers Trust Co., 294 U.S. 240, 313–16 (1935).

[80] 294 U.S. 330 (1935).

[81] *Id.* at 349–51.

[82] 295 U.S. 602 (1935).

[83] *Id.* at 618–19, 632.

[84] 297 U.S. 1 (1936).

[85] *Id.* at 70.

[86] *Id.* at 78.

[87] Letter from H. Stone to Herbert Hoover, Nov. 19, 1935 on file in Post-Presidential Individual File, Box 178, Folder 1787, HPL.

[88] 1 H. Hoover, Addresses Upon the Road; 1933–1938, 75–86 (1938).

[89] Letter from H. Stone to Herbert Hoover, Nov. 19, 1935, on file in Post-Presidential Individual File, Box 178, Folder 1787, HPL.

[90] 297 U.S. at 1.

[91] *See* note 86 *supra* and accompanying text.

[92] 1 H. Hoover, Addresses Upon the Road, 1933–1938, 101–13 (1938).

[93] *Id.* at 101–02.

[94] Letter from H. Stone to Herbert Hoover, Jan. 22, 1936, on file in Post-Presidential Individual File, Box 178, Folder 1787, HPL.

[95] For a good exposition of this view, see Stone, *supra* note 20, at 409–16. Stone's philosophy is also reflected in these words: "[C]ourts are concerned only with the power to enact statutes not with their wisdom." United States v. Butler, 297 U.S. 1, 78 (1936) (Stone, J., dissenting).

[96] Lochner v. New York, 198 U.S. 45, 75 (1905) (Holmes, J., dissenting).

[97] W. Leuchtenburg, Franklin D. Roosevelt and the New Deal 232 (1963).

[98] 1 H. Hoover, Addresses Upon the Road, 1933–1938, 228 (1938).

[99] *Id.*

[100] *See* notes 36–37 *supra* and accompanying text.

[101] 1 H. Hoover, Addresses Upon the Road, 1933–1938, 229–36 (1938).

[102] 1 H. Hoover, Addresses Upon the Road, 1933–1938, 350 (1938); 2 H. Hoover, Addresses Upon the Road, 1938–1940, 15, 25, 27 (1940); 2 H. Hoover, Memoirs 376–77 (1952).

[103] W. Leuchtenburg, Franklin D. Roosevelt and the New Deal 238 (1963).

[104] Stone, *supra* note 20, at 446–52.

[105] Letter from H. Stone to Herbert Hoover, Oct. 24, 1938, on file in Post-Presidential Individual File, Box 178, Folder 1787, HPL.

[106] 2 H. Hoover, Addresses Upon the Road, 1938–1940 23, 35, 36 (1940).

[107] *Id.* at 22.

[108] *Id.* at 36–37.

[109] *See* text accompanying note 105. *supra.*

[110] The leading case was NLRB v. Jones & Laughlin Steel Corp., 301 U.S. 1 (1937).

[111] 2 H. Hoover, Memoirs 377 (1952).

[112] *Id.*

[113] *Id.* at 378.

[114] *Id.*

[115] P. Murphy, The Constitution in Crisis Times: 1918–1969 246 (1972).

[116] A. Schlesinger, Jr., The Politics of Upheaval 260 (1960).

[117] Nothing need be said about Cardozo and Hughes to support this statement. Owen J. Roberts had an LL.B from the University of Pennsylvania, where he also taught law for 20 years. He had had a successful law practice and had been active as prosecuting attorney in many important federal criminal cases. John J. Parker had been active in the law ever since he graduated from the University of North Carolina Law School in 1907. He served as circuit judge in the United States Fourth Circuit Court for six years. Stone, among most other knowledgeable persons, had great respect for his legal skills. *See* Stone. *supra* note 20, at 299–300.

[118] Only Black and Murphy had had any previous experience. *See* note 120 *infra.*

[119] Frankfurter had been a highly respected Harvard law professor and Douglas had taught law at Yale. All of Hoover's four nominees, including Parker, receive high praise for their judicial endowments from a respected student of the Court, Henry J. Abraham. *See* H. Abraham, Justices and Presidents 186 (1974).

[120] Frank Murphy had been judge on a Recorder's Court in Detroit. Hugo Black had been a police judge for 18 months, but both had been strong New Dealers.

[121] Letter from Herbert Hoover to Bergman, Aug. 21, 1937, on file in Post-Presidential Individual File, Box 255, HPL.

[122] Stone, *supra* note 20, at 467–70; *see id.,* 472–76 for what other Supreme Court Justices of Black's legal skills. See also Hughes' speech to the American Law Institute for May 12, 1938, in which he mentions the harm done by certain judges "with their conspicuous ineptness." New York Herald Tribune, May 13, 1938, at 1–2. Many at the time interpreted this statement as a shaft at Justice Black and other Roosevelt appointees.

[123] *See notes* 50–56, 89–94 and accompanying text *supra.*

[124] Letter from Herbert Hoover to C. Hughes, June 3, 1941, on file in Post-Presidential Individual File, Box 75, Folder 900, HPL.

[125] *Id.*

[126] Letter from C. Hughes to Herbert Hoover, June 5, 1941, on file in Post-Presidential Individual File, Box 75, Folder 900, HPL.

[127] *See* letter from Herbert Hoover to H. Stone, June 7, 1941, on file in Post-Presidential Individual File, Box 178, Folder 1787, HPL. Hoover complained to Stone that although he had sent Hughes a copy of the manuscript, the help received was only minimal. *Id.*

[128] *Id.*

[129] *Id.*

[130] 3 H. Hoover, Addresses Upon the Road, 1941–1945 160–71 (1946).

[131] *Id.* at 162.

[132] *See* documents contained in Post-Presidential Individual File, Box 178, Folder 1787, HPL.

[133] In early 1942, Hoover prepared a manuscript which he thought would supply ground work for solutions to problems certain to arise upon the conclusion of World War II. The manuscript became the small book, *The Problems of Lasting Peace* (1942). Hoover sent Stone this manuscript and the Justice on April 15, 1942 replied with a four-and-a-half page single-spaced letter filled with suggestions. On June 7, 1942, Hoover wrote Stone a letter in which *inter alia* he asked him to approach Hughes with a request for "four or five lines" which could be used to publicize the book. "He could electrify the public if he believes in it." However, on June 23, Stone, now Chief Justice, replied that "As I fully expected, my suggestion that our mutual friend say something publicly in support of your book did not meet with a cordial reception. I can understand how he feels about it, but I really think he could render a useful public service by saying something for it." For these letters, see Post-Presidential Individual File, Box 75, Folder 900, HPL. After these exchanges there are merely personal letters with a few references to world problems and none to domestic politics or domestic problems. Hoover seems to have written no letters expressing his views on presidential power in the area of foreign affairs although the Court rendered highly significant decisions in such cases as *United*

States v. *Curtiss-Wright Export Corp.*, 299 U.S. 304 (1936), *United States* v. *Belmont*, 301 U.S. 324 (1937), and *United States* v. *Pink*, 315 U.S. 203 (1942). These all fell within Hoover's active literary period and while Stone was on the bench. Hughes was also still on the Court for *Belmont* and *Pink*. *See id.*

[134] This essay is a revision of an article which originally appeared in 61 Iowa L. Rev. 397–417 (1975). Appreciation is expressed for permission to print here much that appeared in that article.●

THE COURAGE OF LOCAL 12

● Mr. KENNEDY. Mr. President, I would like to inform my colleagues of a recent action by American longshoremen on behalf of their fellow workers in Chile. During the week of October 15, 1979, Local 12 of the International and Longshoremen's and Warehousemen's Union, of North Bend, Oreg., refused to unload a vessel loaded with lumber from Chile.

This action was in keeping with a pledge by the ILWU at last year's Chile Legislative Conference, American longshoremen expressed their solidarity with their fellow workers in Chile, and called for a boycott of Chilean goods being brought into the United States.

On October 17, 1979, a log shipment of 5½ million feet of Chilean Monterey pine arrived in Coos Bay, Oreg., to be milled. A picket line was established by local citizens protesting the human rights record of the Chilean junta—including repression of trade unions in Chile. Immediately, the members of local 12 decided to respect the picket line, and refused to unload the cargo. "I guess you could say we lost a day's pay," said local president Joe Jakovac, "but we are very supportive of the 'Free Chile' movement."

Mr. President, this action by these Oregon longshoremen is an example of the American people's concern for the basic human rights of others, and their willingness to back this concern—at considerable personal sacrifice—with effective action. I want to commend the members of ILWU Local 12, of North Bend, Oreg., and its president, Joe Jakovac.

I would also like to bring to the attention of my colleagues the resolution on Chile that was unanimously adopted by the Oregon AFL–CIO Convention in North Bend, Oreg., on September 19, 1979. I ask that this resolution be printed in the Record at the conclusion of my remarks.

If the world only shared the concern of local 12 for the plight of others, and was willing to make such sacrifices to act on this concern, surely violations of human rights such as those in Chile today would be a thing of the tragic past.

The resolution follows:

Resolution

Whereas the democratically elected government of Chile was overthrown by a military coup; and

Whereas the military now ruling Chile have been responsible for the death of 40,000 people, the abrogation of the human rights of the Chilean people, and the suppression of the trade union rights of the Chilean workers; and

Whereas three officials of the Chilean military have been indicted for the brutal murders of Orlando Letelier and Ronni Moffitt in our nation's capitol, and the Chilean government has refused to allow extradition of those officials; and

Whereas Congressman Thomas Harkin and 35 members of Congress, including Congressman Jim Weaver of Oregon, have written President Carter stating that our government must demand extradition of those officials because no single crime of the Chilean military dictatorship has been punished by a Chilean military court, and that passivity on the part of our government can only be perceived as a signal that the U.S. will compromise on our resident's and citizen's most basic right—the right to live;

Therefore, be it resolved that the Oregon AFL–CIO go on record to support Congressman Harkin and those other members of Congress who are urging strong measures to ensure the extradition of the indicted officials, and be it finally resolved, that the Oregon AFL–CIO urge the National AFL–CIO Convention to ask President Carter that if the Chilean government refuses extradition and continues to suppress the human rights and free trade union rights of Chilean workers, the U.S. government exercise the diplomatic, legal, economic and political sanctions at our disposal.

THE LEADERSHIP CHALLENGE

● Mr. SCHMITT. Mr. President, Joe Badal, one of the new leaders in the business community of the Southwest, has made a perceptive analysis of the leadership challenge facing young New Mexicans. This analysis can well be extended to many other States, and I call the attention of my colleagues to it.

I request that Mr. Badal's article from the September, 1979 issue of the New Mexico Business Journal be printed in the Record.

The article follows:

The Future of New Mexico Business

(By Joe Badal)

The future of business in New Mexico means absolutely nothing unless the subject is viewed in light of two factors:

The nature of the business climate in general.

The attraction of New Mexico for bright, aggressive, imaginative young people.

Let's look at the first factor. New Mexico has incredible reserves of natural resources and tremendous beauty. In a multitude of ways New Mexico has opportunities for environmentally sound new growth and expansion. There exist untapped opportunities all over our state for those with guts and imagination. We are the 5th largest state by land mass and have one of the smallest, but fastest growing, populations in the nation.

According to Bob Grant, author of "Energetic New Mexico . . . the Power State," New Mexico ranked eighth nationally of all non-nuclear energy producing states as of 1975. By adding nuclear power, New Mexico moves into third position in U.S. energy production, providing 5 percent of all U.S. fuel needs. One way to look at it is that 0.6 percent of the American people will support 5 percent of the American people.

We are:

1. 6th in the nation in oil production.
2. 7th in crude oil reserves.
3. 6th in natural gas reserves.
4. 4th in natural gas production.
5. 12th in coal and lignite production.
6. 1st in uranium reserves.
7. Additionally, we are in the forefront in solar energy, second only to southern Wyoming in surface winds (a form of solar energy), and a forerunner in geothermal research. Most of New Mexico, including most of the population centers along the Rio Grande, has a virtually inexhaustible supply of fresh water.

I have dwelled here on energy resources and don't want to leave the impression that other industries are unimportant. Agriculture, government, commerce, banking, mining are all vital to the growth of our state. I do, however, want to describe for you how much opportunity exists here in New Mexico just in light of energy alone. You then can see that by adding to the energy scene all other business areas, our future is exceptionally bright.

Try to imagine a state with less than 1,500,000 people, with resources which can support tens of millions of people. Imagine a state with an exceptional climate and natural beauty. Picture a state with many kinds of relatively inexpensive recreational opportunities. And throw into your analysis the fact that jobs will be increasingly available as energy-related resources are further developed. Think of the opportunities that will occur in such a state in every area of society. Banking will expand as business grows; retail shops will proliferate to handle the needs of an expanded population; recreation-oriented enterprises will grow to cope with the demands of the larger population; the society will grow in sophistication, offering its citizens further chance for self-betterment and self-fulfillment. We could go on and on painting our picture of Shangri-La. Think about it! All of what I've just said pertains to New Mexico. No, we don't walk on water, but we may be the next best thing since sliced bread, as far as capacity to grow is concerned.

Before I become too melodramatic about New Mexico's assets. I believe that we should look at the negative aspects of our New Mexico market place. There are several factors in New Mexico which contribute negatively to our present situation as well as to our future.

We continue to see a major part of our natural resources exported to other states for secondary and tertiary refining or processing. This represents a significant drain of potential construction, employment, taxes, etc.

There is a general feeling of distrust and a lack of understanding on the part of the average citizen toward business and the free enterprise system. This is not a condition specific to New Mexico alone. In many ways this situation is aided and abetted by state and federal government in an effort to create a scape goat for government's own failures. A case in point is, "Impugn the character and motives of oil companies to cover up government's failure in establishing an energy policy." The prevalence of the public's negative attitude toward business is in many ways also due to the stupidity, laziness, or even immorality of a few business people. The business community is concerned about the public's faith in it, and, rightfully, it should be concerned. New Mexico, the U.S., or even the smallest economic community, cannot operate well without public trust in its institutions and its leaders. Business is a critical part in a healthy social structure. It matters significantly that a dominating force in society, like business, exercises its authority according to legitimate claims or whether the public regards business' role as illegitimate.

The American and New Mexican businessperson has the major challenge before him not only to explain himself better, but to demonstrate that he takes the public's concerns and critiscisms seriously. This is, in part, why Business Week was initiated.

There is an increasingly obvious trend for government to infringe on the autonomy of the business system. This situation, if it continues, can mitigate, or obviate, the rosy business climate I proposed earlier. Not only can this hamper each of your opportunities, but it can also help to destroy our freedom. Business can contribute to the preservation of a free market, competition, economic freedom and a free society only if it manages to stay alive.

Another problem in New Mexico is that support systems for economic growth are in many instances deficient. For example, when you talk of constructing a uranium mill, you are discussing the allocation of hundreds of millions of dollars. The largest financial institution in the state can lend a maximum of only about $6 million to any one borrower.

Transportation systems are lacking in many respects, San Juan County, one of the largest tax bases in the state, has no railroad and is served by some of the worst highways in the southwest.

Permanent financing particularly in today's market, is nearly impossible to acquire for moderate sized projects. Many leaders outside New Mexico have little knowledge of Albuquerque, let alone Grants, Hobbs or Las Cruces.

Perhaps, the most detrimental influence on New Mexico's future is the negative migration of many of our brightest young people to other states. This point leads us to the second of our original two factors affecting the future of business in New Mexico: the attraction of the state for bright, aggressive, imaginative young people.

Even with the negative points noted earlier, our state is a tremendous business environment. A recent study showed New Mexico to be the fifth best state of the 48 contiguous states as to conditions beneficial to business. How does all of this affect you? You are good or you wouldn't be here. There's nothing wrong with being good—you should flaunt it, not apologize for it. You owe it to yourself to be better than you are.

In this room are potentially the future leaders of not only New Mexico but even of our country. You're ambitious, farsighted, driven to do better. I don't know one of you personally, but I can assume all of this because you're here, working hard to learn. You've taken, by being here, one more step toward self-betterment. As you have the right to stagnate, to become a terminal dodo, you also have the right to be better.

All of this leading up to the assumption that most of you will go on to college; (How many of you plan on doing so?), and that most of you have well-known, out-of-state universities in mind; (How many of you see an out-of-state university as your first choice?). You obviously opt for Stanford, Harvard, Penn or University of Chicago because those schools offer opportunities over and above New Mexico institutions. If you're going to strive to be the best, then your choice is obvious, and I'm not going to insult your intelligence by recommending that you pick a New Mexico college over one of the calibre that I just mentioned. On the contrary—make the most of your opportunities. Be the best! Get your degree or degrees, expose yourself to other environments, acquire experience in sophisticated cultural and business areas.

Then stop and think! Where can you have the most influence, the biggest effect, the highest level of success. I submit that New Mexico is the place. You don't have to fight the high levels of inertia evident in major population centers in political, financial, or social circles. You don't have the problems here that other states have—problems which create corrective or backward thinking versus forward, innovative thinking. I'm not asking you to cop out nor am I supporting the big fish in a little pond syndrome—you will all be big fish in any sized pond. I am suggesting that you can realize your true potential by applying a first class education and sophisticated work experience to a venture in New Mexico. It is here that you are needed, it is here that you can contribute, it is here that you can realize many kinds of rewards. All the assets that our state has are meaningless without people like you. The permanent drain of our best young men and women to other states is the worst form of natural resources waste in New Mexico today. You see, the future of business in New Mexico is you—the system works and the economic environment, all in all, has the potential to get better and better. But, like the Porsche Turbo Carrerra that has no ignition key, and no driver, the system and the economic environment are useless unless there are enough qualified leaders to start the ball rolling and to keep it on course. You are the key—you are, again, the future of business in New Mexico.●

EFFORTS OF REPUBLIC OF CHINA TO ASSIST PEOPLE OF SOUTHEAST ASIA

● Mr. STONE. Mr. President, in the past several months, we have all become acutely aware of the hardships and suffering that millions of people in Southeast Asia must endure as a result of forces beyond their control. We have been working in the Congress, along with thousands of our citizens, to provide for swift relief to aid these victims of political terrorism.

In accordance with decisions made at this year's Tokyo Economic Summit, we realize that this remains a question requiring effective international cooperation and response. I am pleased to learn of new efforts on the part of the Republic of China on Taiwan to carry their share of the collective responsibility. Mr. President, in view of this, I would like to share a recent announcement by Yun-Sugn Sun, Premier of the Republic of China, concerning that nation's efforts and request that it be printed in the RECORD.

The statement follows:

TEXT OF PREMIER SUN'S ANNOUNCEMENT

The Republic of China is deeply concerned about the plight of Indochinese refugees.

As of mid-November, we had accepted eleven thousand of these refugees. We donated ten thousand tons of rice and five hundred thousand U.S. dollars for their support.

Now our government has decided to accept another two thousand Indochinese refugees. Some of these will come from Vietnam. The International Red Cross is being asked to arrange for transportation of refugees from Vietnam to Bangkok, and we will charter planes to bring them from Thailand to Taiwan.

All of the Republic of China's vessels at sea have been alerted to be on the lookout for boat people and take them aboard.

Our government also is donating another ten million U.S. dollars worth of rice for the support of refugees.

Taiwan has one of the highest population densities in the world. We have nevertheless welcomed one hundred and sixty-seven thousand refugees from the Chinese mainland over the years and are accepting as many Indochinese refugees as we can.

The Republic of China hopes international relief organizations will immediately arrange to send our rice to the refugees. We also hope other free countries will do more to help them.●

SOVIET EFFORTS TO INTENSIFY EMBASSY CRISIS IN TEHRAN

● Mr. HUMPHREY. Mr. President, on several occasions I have addressed this distinguished body concerning the underhanded nature of Soviet foreign policy. Earlier this year, it became painfully clear that the Soviets, on the one hand, had warned the United States not to interfere in Iran on behalf of the Shah, while with the other, encouraged through clandestine radio broadcasts anti-American sentiment in Iran. Some analysts feel these broadcasts may have served as a catalyst for the critical—albeit brief—takeover of the U.S. Embassy in Iran last February. That takeover, it will be remembered took place in tandem with the brutal murder of our ambassador to Afghanistan—an incident which the Afghanistan police force, under Soviet technical advisors, did little if anything to prevent.

More recently, I have drawn my distinguished colleagues attention to Soviet duplicity in SALT I, and to Soviet attempts through the forgery of statements by top level U.S. officials to foment anti-American sentiments in Greece, one of our most important allies on NATO's southern flank. Despicable as these maneuvers are, they do not begin to compare with Soviet underhandedness in the latest and increasingly volatile crisis in Iran. It is now clear, Mr. President, that the Soviets are working behind the scenes to intensify, rather than calm, the crisis in Iran.

On the surface, Mr. President, the Soviet Union has joined the rest of the international community in deploring the takeover of the U.S. Embassy in Iran and the detention of U.S. Embassy personnel.

Last week, for example, Soviet Ambassador Oleg Troyanovsky stated before the U.N. Security Council that diplomatic immunity from force or takeovers should be "adhered to strictly and in all cases in all countries." With the rest of the world watching Ambassador Troyanovsky joined other members of the Security Council in insisting that the U.S. diplomats held in Tehran be released immediately, because embassies are sovereign territory.

It has been known for some time that the Soviets, with varying degrees of success, have made a concerted effort to woo the Ayatollah Khomeini at the expense of United States-Iranian relations. Recently, however, Soviet-Iranian relations had taken a turn for the worse. According to Kevin Klose's recent article in the Washington Post, Izvestia recently went so far as to label the Iranian revolution a "disaster that has brought only chaos , political persecution, and fanatical repression of national minorities in Iran." Nevertheless, the Soviets, Mr. President, have been quick to seize upon the opportunities presented by the Embassy takeover.

Evidence now exists that while the Soviet Union deplores the Embassy takeover in their public statements, they are working behind the scenes to intensify the crisis which, if not handled properly and expeditiously, will threaten the lives of innocent U.S. personnel, the flow of oil to the West and Japan, and perhaps even the stability of the entire Persian Gulf region. I refer my distinguished colleagues attention to the following translation by the highly respected "Foreign Broadcast Information Service" (FBIS) of a November 7, 1979, Soviet Persian language broadcast to Iran concerning the Embassy takeover:

> (Text) Dear friends, there are reports and news coming in from Tehran about a new wave of protest against interference by U.S. imperialists in the affairs of your country. The anti-U.S. demonstrations the youth are currently carrying out in Tehran are related to the start of great protests by the youth against the regime of the Shah and U.S. imperialism in Iran (words indistinct) . . . One of the things the demonstrators are demanding is the handing over of the deposed Shah, who is presently residing in the United States. The Shah himself, however, is not their only object. The issue involves the fact that the United States received the executioner of the Iranian people, thus showing a harsh policy toward the Iranian revolution and U.S. imperialism's intentions to interfere further in Iran's affairs. Neither in Iran nor in other countries, can anything good be expected from the U.S. imperialists. In this respect the anger of the Iranian nation and its youth, who ask that a stop be put to U.S. imperialist interference in the country's affairs, is totally understandable and logical.

The Soviets have made even more blatant and inflammatory broadcasts into Iran, on November 5, 1979, from their clandestine station in Baku. This station, masquerading as the "National Voice of Iran" (NVI) has called the U.S. Embassy in Iran the "center of corruption and anti-Iranian conspiracies." NVI stated further that—

> In Tehran, struggling and enthusiastic young people occupied the building of the U.S. Embassy . . . and in this way, they reflected the anti-imperialist feelings of our homeland's peoples. The reason for the climax of these anti-American struggles in our country should be sought most of all in the conspiracies of U.S. imperialism against the Iranian nation and revolution.

Mr. President, it is time that we insist that the Soviets act more responsibly, particularly in this case, where so many American lives are at stake. I never cease to be amazed by Soviet disregard for this country's sensitivities. This was demonstrated earlier this fall when the Soviets completely shrugged off our concern over the stationing of combat troops in Cuba. Playing with the lives of diplomatic personnel, who are protected by international law, is despicable, and the United States should not tolerate Soviet efforts to provoke further tension between the United States and the Iranian Government.●

PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT

● Mr. HOLLINGS. Mr. President, now that the House of Representatives has passed the reauthorization and expansion of the Public Works and Economic Development Act, it is essential that a conference be immediately convened to work out a final bill. We must maintain the momentum so that we on the appropriations committee can complete our work and have a timely commencement of the important new activities the legislation will authorize.

This program, which is administered by the Economic Development Administration in the Department of Commerce, will more than double the authorizations for public works projects which will lead to new permanent private sector jobs; it will increase by some three times authorizations for direct loans and loan guarantees to the private sector to maintain and expand jobs. It will provide important new authorizations for interest rate subsidies. As the Nation enters into what may be a severe test of its economic strength, it is absolutely essential that we have this ability to help areas of the Nation which have high unemployment rates or low per capita income levels.

This greatly expanded, but tried and tested, economic development program was submitted to the Congress by the administration in April. This body completed its work by passing S. 914 on August 1. Now that the other body has passed its version (H.R. 2063), it is imperative that we get started on a conference. I hope that the conferees will move resolutely and quickly to agreement so that we can do our work in appropriations and enable the administration to get the new program going.

As chairman of the Subcommittee on State, Justice, Commerce, the Judiciary and Related Agencies that has jurisdiction over the EDA, I have tried to keep us ready to make the necessary appropriations. We have had four separate hearings on EDA this year, with the last one on September 14, 1979, devoted entirely to the funding of the programs to be authorized by the New Public Works and Economic Development Act. We are ready to appropriate within the amounts allocated in the second concurrent budget resolution for the EDA.

We have already lost 2 months of the fiscal year and the economic development program is limping along. Personnel needed to administer the new and expanded authorities cannot be hired. With key aspects of the legislation still unsettled, regulations and forms cannot be completed. Precious time is being lost.

Assistant Secretary Hall, who manages the Economic Development Administration, assures me that advance planning has been going well. His EDA staff is poised and ready to go to work to make the benefits of this new legislation available to help the lagging economies of the Nation as quickly as possible.

Now it is up to us in the Congress to do our job and complete the authorization and appropriation process. I urge my colleagues on the authorizing committees to give their priority attention to the convening of a conference and to attainment of a speedy conference agreement. On our part, I pledge early action on getting the necessary action in our appropriations committees, particularly in enlisting the vital assistance of our House colleagues in our effort to make the appropriations before this session of Congress adjourns.●

OIL PROFITS IN PERSPECTIVE

● Mr. ARMSTRONG. Mr. President, today I received a most interesting letter on the subject of profits in the oil industry. My friend Al Saterdahl has thoughtfully and forcefully debunked many of the myths about oil profits and has prepared a useful and significant analysis. Mr. Saterdahl is chairman of the Public Affairs Committee, Colorado section, American Institute of Professional Geologists. He is a man of vast experience and expertise and his analysis makes sense. I commend his comments to my colleagues.

ANALYSIS

The word profits has been so terribly abused and misunderstood that it probably ought to be banished forever to the back rooms of the accountants' offices.

Our position with regard to corporate profits is that what is really important is "who benefits from them" and not how big they are or how fast they are growing. This should be particularly important to the consumer.

The composition and disposition of "profits" in the accounting sense, which is what we see reported, is tied to the functions of "profits" which our accountants tell us is threefold:

(1) Payment of long-term debt;

(2) Payment of dividends;

(3) Creating of a surplus which is usually used for expansion of business.

From a practical standpoint, the only part of "profits" which leaves the area of corporate business is dividends on common and preferred stock. Everything else is recycled within the business and this is the single most important factor in creating additional productive jobs in the United States.

With this in mind, we have tabulated the 1978 profits of the seventeen largest U.S. oil companies as reported in the May 7, 1979 issue of Fortune.

The important results of this tabulation are as follows:

(1) Net income (profits) as a percent of sales averaged about 5 percent;

(2) Common stock dividends as a percent of sales averaged about 2 percent (Standard & Poor Stock Guide, October, 1979);

(3) Assuming a 40 percent state and federal tax rate, the net paid to holders of common stock was about 1.15 percent of sales. (preferred stock not considered because not a major factor.)

To us the results indicate that almost 99 percent of the sales dollar in 1978 for these companies was consumed in operating and expanding their businesses. This means it went to pay state, federal, and local taxes; to pay wages and salaries; to purchase supplies; to pay debts, and to create new job opportunities by expanding the business.

Assuming that "profits" for the full year increase at the rate of the recently reported third quarter, then the average increase would be 76.5 percent (Wall Street Journal, October 31, 1979). (Reference to full year is for the year 1979.)

Assuming further that the increased profits would flow through to dividend payments in proportion to the increase in profits, then the dividends paid out for the seventeen companies tabulated, in 1979, would be about 3.4 percent of sales before taxes and about 2.0 percent of sales after personal income taxes.

The 2 percent figure is probably optimistic as companies do not usually increase dividends until the continuance of the incresed rate is assured. Also, if sales also increase along with profits, the 2 percent figure would be high.

Mr. Nader and others who preach nationalization of industry—or otherwise increasing government involvement in industry—should realize that the maximum amount they can save the consumers, whom they profess to represent is realistically under 2 percent of sales.

It doesn't take much of a drop in efficiency in the production process to exceed 2 percent, and a study we are now making would indicate that government operating costs will be anywhere up to 150 percent higher than the selling cost by industry in creating the identical product or service.

It would probably be ultra conservative to assume that government can produce a product or service for anything less than 125 percent of the cost of the same provided by industry. The net cost to the consumer under the above assumptions for a product that currently sells for $1.00 would be $1.00 − $.02 + $.25 = $1.23—an increase in cost to the consumer of 23 percent—hardly a saving.●

SENATOR CULVER SPEAKS ON SOIL CONSERVATION

● **Mr. EAGLETON.** Mr. President, the Agriculture appropriations bill recently signed by the President contains a higher level of funding for soil erosion control programs than the Congress has made available in many years. The bill funds, for the first time, a new experimental rural clean water program designed to control water pollution from agricultural runoff.

As chairman of the Agriculture Appropriations Subcommittee, I am pleased to have played a part in the formulation of this appropriations bill and believe that this action represents a renewed commitment by the Congress to adequate public assistance in preserving our vital soil and water resources.

Americans today and in generations to come have a critical stake in the effectiveness of our soil conservation policies and programs. The need for the Congress, and indeed the Nation, to renew our commitment to soil conservation was the subject of the keynote address by Senator John Culver of Iowa at the National Conference on Soil Conservation Policies here in Washington on November 15.

Senator Culver's address, "Soil Conservation: A Partial Commitment Is Not Enough," presents a warning to the Nation of the consequences of continued complacency toward soil erosion. I would like to commend the senior Senator from Iowa's remarks to the attention of my colleagues and ask that a copy of Senator Culver's address be printed in the Record.

His keynote address follows:

REMARKS OF SENATOR JOHN CULVER

SOIL CONSERVATION: A PARTIAL COMMITMENT IS NOT ENOUGH

As an Iowan who has long believed that soil conservation is our most underrated national priority, I am privileged to participate in this national conference on soil conservation policies.

You have set forth the keynote of this conference and of our common endeavor in soil conservation with exquisite precision in your conference program:

"Since the Dust Bowl in the 1930s, many policies have been written and myriad institutions created to protect soil productivity and enhance environmental quality. But more topsoil is now lost from agricultural land each year than was lost in the worst of the Dust Bowl years . . ."

We have the know-how, but the incentives for farmers and ranchers have not been great enough and the governmental programs have not been effective enough to protect the productivity of our most basic resource and enhance environmental quality for the good of our country and of the entire world.

I come here today not as a soil conservation expert but as an angry advocate for a total commitment by our nation to this priority problem. You people who have devoted your lives to good conservation practices have done your job well. We have had good government programs that will work if properly used. But it has all been too little—and if we wait much longer, it will be too late.

The message is clear: A partial commitment to this national priority is not enough. Until at long last we get this message to the American people, our best efforts will not suffice.

In 1976, a young reporter from the Des Moines Register won, for the first time in history, a grand sweep of the four most coveted journalistic awards for his writing on the grain inspection scandals. This year he won a second Pulitzer prize, this time for his great series on conservation. It is evident that the Pulitzer committee made this award not only on the quality of his research and writing but on the commanding importance of his subject.

If Jim Risser could see it and the Pulitzer committee could recognize it, then I think that all of us working together, with passion as well as knowledge, should be able to get the message through to Congress, the Administration and the American people.

In recent years, Americans have become aware for the first time that the natural resources of the world are not unlimited. At the present time we are acutely concerned about the depletion of energy resources. Even though we have not yet bitten the bullet on the imperative need for energy conservation, long gas lines and rapidly rising prices have driven the urgency home.

Some of you have heard me before draw the comparison between the oil reserves of the OPEC countries and our own "black gold" in the form of irreplaceable topsoil. The Arab wells will inevitably be depleted at some point in the future. But sound conservation practices can preserve our soil indefinitely.

Everyone recognizes the critical importance of our agricultural exports in offsetting the huge energy import bill. As the OPEC countries continue to raise their prices for crude oil, we have recently heard cries from some quarters of "a bushel for a barrel." This concept has disqualifying practical if not ethical drawbacks. I acknowledge that it may be a far-out thought, but it would be the ultimate irony if the Arabs elected to conserve their oil while we continued to export our topsoil to the Gulf of Mexico—and ran out of topsoil before they ran out of oil.

In Iowa, I am proud to say, conservation of our natural resources has been a religion since anyone can remember. But, as with most religions, it is more easily preached than practiced.

Only one-third of Iowa's 27 million acres of rich cropland is adequately protected against soil erosion, despite the fact that we have conservation programs that are second to none and great people to administer those programs.

The review draft of the Resources Conservation Act study shows that among all the states, Iowa has the largest acreage of cropland with excessive erosion rates. So we Iowans are not pointing a finger at other states; we all share the responsibility together.

While everybody professes undying allegiance to sound soil conservation, it is no secret that as a political issue it has little glamor or sex appeal. As a consequence, soil conservation programs are a perennial early target of the budget cutters. Seldom, if ever, in recent history have these programs been anywhere near adequately funded.

We began in the Dust Bowl days of the 1930s with the creation of the Soil Conservation Service and the Agricultural Conservation Program. In the early years, the ACP received appropriations of $500 million a year—a sum that today would be the equivalent of well over $1 billion annually.

Yet today the Agricultural Conservation Program receives $190 million—and getting that much is like pulling teeth. Again, I am not pointing a finger at anyone. With all of the immediate demands for public funds, it is not easy to dramatize the urgency of a crisis that is long-term rather than short-term.

The gradual, inching nature of soil erosion is both a blessing and a curse. It is a blessing that we do have time. Nor is the expense required to get the job done all that great, compared to the cost of dealing with other priorities. Today we do not need an expensive crash program for soil conservation. Our national security is not imminently jeopardized as it is by energy shortages. But we do need to move to take the reasonable, feasible measures required to protect our future.

The process of erosion is invisible to most people—invisible unless you walk across a field that has lost 40 tons of topsoil per acre to spring rains or you observe the brown color of soil-polluted streams. Because erosion is gradual and invisible to most people, we have a sense of complacency about it. Statistics stir the blood of only a handful—and that handful cannot do the job alone.

When the dust clouds of the plains settled on the cities of the eastern seaboard in the '30s, statistics suddenly became a reality for millions. Today, those statistics are comparable, if not worse. Iowa is today losing as much or more topsoil as did Kansas and Oklahoma in 1934.

Much of that soil, together with tons of fertilizer and pesticides, finds its way to the Missouri and Mississippi Rivers. It flows through Kansas City, St. Louis, Memphis and New Orleans. It goes largely unnoticed, yet it poses a greater threat to the health and livelihood of more Americans than did the dust that powdered the nation in the '30s.

Scientists looking ahead to the coming decades point out that the most critical shortage of the year 2000 may well be water, rather than oil. This is the other imperative need for sound, nationwide soil conservation practices—to protect the quality of the water of our streams and lakes from the number-one pollutant.

We have come a long way in soil conservation, and I commend all of you for your dedication and untiring effort. Millions of acres of cropland are being farmed with good conservation measures, thanks to technical and financial assistance programs and educational efforts aimed at the farm community.

But we have been shortsighted in directing all of our attention to the farmer. The lack of understanding and concern about soil erosion among the general public has robbed our conservation efforts of the nationwide support needed to assure adequate funding.

Most farmers have a basic commitment to good stewardship of the land they farm. But it is hard to blame a farmer for not investing in conservation practices that don't pay a reasonable return on the investment. You can't blame farmers for being confused by the conflicting admonitions to "produce more now" yet "conserve your land's productivity for the future." Those of us familiar with the problem have long known that significant incentives are needed and that these are not a crass give-away but a prudent public investment.

A number of plans have been suggested in recent years to keep the farmer on the conservation track even during times when there is a demand for greater production. One, which I personally don't like, is a proposal that participation in commodity programs be made contingent upon a farmer carrying out a good conservation plan.

A better alternative to this rather coercive approach would be to reward good conservation by providing higher loan rates and target prices to those who practice it. This approach would provide the economic incentive that is needed to cover the costs of conservation measures. It would do so without undermining other incentives for farmers to participate in these programs.

Another suggestion was recently brought to my attention by the Iowa Agricultural Stabilization and Conservation State Committee. It suggests that a special conservation set-aside payment be made on lands that needs extensive conservation work. Where extensive work is needed, the few weeks prior to and following the growing season are insufficient time to get the job done. If a special set-aside program were offered, farmers could hold such land out of production for one season. They could install the needed conservation structures and return the protected land to production with the knowledge that this particular land would remain productive for generations to come.

We have also discovered that there are many incentives and disincentives to good conservation embedded in tax law. Tax credits for expenditures on conservation merit serious consideration. Estate tax and capital gains provisions should also be considered with a view to their potential contribution to improved conservation.

Not all changes in programs or tax law to stimulate conservation efforts entail big new outlays of funding. A good example of this is an amendment I introduced to the Revenue Act of 1978. This amendment, which became effective on October 1 of this year, excluded from gross income cost-sharing payments made for conservation purposes. The tax code required farmers to pay taxes on parts of the money they received from the government as an incentive to install conservation measures. This was a classic case of two public laws working in diametrically opposite directions.

Our resources are limited. Making the most cost-effective use of the resources that are available must be a prime concern of all public officials. We must also be alert to new sources of funding.

In this regard, I would suggest that we have failed to tap all of the voluntary resources that could be directed into conservation improvements.

In recent testimony before the House Agriculture Committee, presented by the Land Improvement Contractors of America, a proposal was made that could greatly expand the potential sources of conservation funds. Patterning its proposal after the National Endowment for the Arts, LICA recommended a National Endowment for Public Conservation. Such an institution could be integrated with existing federal, state and local programs in many different ways and, through tax-deductible contributions, could tap private resources not now available to our conservation efforts.

New approaches, new initiatives are needed. We do have time to reverse the trend of declining productivity of our soil and, at the same time, to preserve the quality of our fresh waters. But the time is not unlimited and the clock is running. This is the message we must get to the American people.

When the great New England poet, Robert Frost, accustomed to the rocky acres of Vermont, first visited Iowa, he stared at the black, alluvial topsoil and said: "That soil looks good enough to eat without being processed through vegetables."

Well, we can't eat the soil, but the people of America and hungry peoples throughout the world can eat the food that soil produces.

We can't eat the soil, but we can and must stop wasting it. This the American people need to know, and it is your job and my job to see that they do.●

ADDITIONAL VIEWS ON IDAHO WILDERNESS BILL (S. 2009)

● Mr. GARN. Mr. President, my colleague, Mr. McClure will offer amendments to an Idaho wilderness bill (S. 2009) when it is scheduled for consideration on Tuesday, November 20. I ask that his additional views as set forth in Senate Report 96–414 be printed in the Record at this point, along with his memo on the subject.

The material follows:

Central Idaho Wilderness Legislation

(Original Bill S. 2009)

On November 5, the Energy and Natural Resources Committee ordered reported to the Senate legislation to create a Central Idaho Wilderness of about 2.1 million acres; add 105,600 acres to the existing Selway-Bitterroot Wilderness; and add 125 miles of the main Salmon River to the Wild and Scenic Rivers System.

This comprehensive legislation is of vital interest to all Idaho citizens, as well as many others throughout the country. I am sending you my additional views on this legislation which will be published as a part of the Senate Report. I urge you to read carefully these views, as they represent a most important part of my responsibility to represent the people of Idaho on this long-standing issue.

I feel the bill as approved by the Committee lacks the necessary balance it should have for resource allocation decisions. My additional views spell this out in detail and explain my plans to improve this legislation through my offering of two amendments when the bill comes to the Senate floor. One amendment deals with "release language in statute" to assure that lands studied for wilderness and rejected for this designation, are by law protected against further wilderness consideration unless brought up by Congress at some future date. The other amendment seeks designation for a Panther Creek Conservation Area. This area contains a promising cobalt mineral belt, and is also an important bighorn sheep range. My amendment directs the land manager to prepare carefully a plan that permits conservation and use of both resources, without sacrificing one for the other. Again, my attached additional views spell this out in more detail.

I appreciate your continued interest in this vital issue.

The bill as approved by the committee majority lacks the balance essential to resource allocation decisions. It does not meet the tests of equity for the economy of the local area and the jobs and community stability so vital to the Idahoans affected. Neither does it meet the test of national security with respect to minerals vital to our national defense of resources essential to our economy and affecting our balance of payments problems.

In any major land allocation decision there are critical trade-offs to be considered. This bill gives lip service to that requirement, but fails any real, objective test.

Cobalt is essential to our security and our national economy. Cobalt is used in a number of strategically important applications, including high-temperature alloys for jet engines, magnets for measuring instruments and cemented carbides for metal cutting and drilling. It is also used in the environmentally important application of de-sulphurization of crude oil. This use will expand due to the combined impact of more stringent emission standards and need to use higher sulphur crude oil.

The U.S. is entirely dependent on imports for its supply of primary cobalt. Statistical data is given in the Mineral Commodity Profiles prepared by the U.S. Bureau of Mines and the Minerals Exploration Coalition. The majority of these imports comes from Zaire and Zambia. The supply from both Zaire and Zambia comes from the Shaba province. Supply from both countries is highly vulnerable to disruption. This vulnerability has been exposed in 1978 and 1979. Scott Sibley of the U.S. Bureau of Mines stated:

"The situation in Zaire is so volatile that companies should be concerned about immediate and distant cobalt supply. . . . If I owned a company, I would not want to rely on available supplies for an indefinite period."

Charles Carson of General Electric stated:

"For these industries (aircraft engines and gas turbines, highspeed tool steels, cemented carbides and magnets), there is no need as acute as cobalt right now." (Business Week, August 28, 1978, p. 40E)

Business Week reported:

"Even slowdowns in the delivery of electronic components are starting to threaten production schedules and worry buyers . . . part of the problem here is a shortage of cobalt, used not only in making integrated circuits and motors, but also in the alloys used in high-speed tools." (Business Week, September 18, 1978, p. 36)

There are several undeveloped applications with major energy implications. Magnets using cobalt have ten times the energy density of previous magnets and have been used to make a DC electric motor ten times lighter than existing motors. These motors are important in any electric vehicle program. In addition, these motors may be used in airplane actuator motors, where an all-electric system would have better reliability than hydraulic systems. Cobalt catalysts may be used in the liquefaction of coal.

The cobalt reserves in Idaho are far and away the most significant in the U.S. Reserves may be sufficient for 50 years' operation at a rate adequate for U.S. self-sufficiency and longer at lower mining rates. Therefore, extension of the Idaho wilderness area has a major adverse impact on U.S. cobalt consumers.

The Committee report says that the mining company's current "estimate of known reserves is in excess of 4 million tons of ore. The ore contains some 0.73 percent cobalt. Thus, the known reserves of cobalt metal are in excess of 30,000 tons. The known reserves at the mine are sufficient to support a 2,000 tons of contained cobalt per year operation for a period of 15 years."

The facts are this. Mining at the rate of 1,000 tons of ore per day will result in a yearly production of 350,000 tons. At 100 percent efficiency this would yield approximately 16,660 tons of cobalt concentrate, which is reduced to 2,000 metric tons of cobalt metal, or 4,400,000 pounds. However, the operating efficiency is approximately 80 percent, or a net of 3,520,000 pounds. At an annual consumption of 20,000,000 pounds, this provides the United States with about 17.6 percent of our needs with a mine life of about 11 years. At a mining rate of 3,000 tons of ore per day, we could meet 52.8 percent of our national needs, but the life of the mine would be reduced to slightly less than four years.

Equally important to us in Idaho is the bighorn sheep herd in the West Panther Creek area which is traversed by the cobalt belt. There can be no doubt, either, of the national interest in that important resource. Other wildlife and wilderness values are also high, but not unique. There should be no doubt of my determination to give the best possible protection to the bighorn sheep herd, which is unique, but at the same time to recognize the vital national interest in a mineral deposit that occurs nowhere else in the United States.

The committee response was to put the area in the wilderness but permit exploration and mining without any surface disturbance. That is totally infeasible and they know it.

My amendment to establish a "Panther Creek Conservation Area" from the land included in the RARE II area northern portion of W4–504 West Panther Creek containing about 35,000 acres was considered by the Committee but rejected. This amendment recognized the national importance of a favorable cobalt mineralized belt which is our only domestic occurence known to date of major significance.

It is an extension of cobalt mineralization to the south where past mining activity has taken place and is being revived. Cobalt reserves outside the West Panther Creek area are estimated to be ten to fifteen years duration. However, in today's unsettled world that is simply not a sufficient supply for our long term needs. Our sources for importing cobalt are Zaire and the Soviet Union which give no assurance at all!

The key wildlife consideration in West Panther Creek is the management of bighorn sheep from which surplus animals are taken annually for stocking other areas in Idaho.

My amendment would emphasize the bighorn sheep resource and the cobalt mineral resource be given important and equal consideration during the preparation within three years of a land management plan by the Forest Service.

One resource need not be sacrified for the other. We should have enough collective brains to devise a plan that will permit us to develop domestic cobalt potential on a long range basis and at the same time successfully manage an important wildlife resource.

We must not lose sight of the fact that we are a nation that does not have an assured supply from foreign sources for all of our resource needs. Every opportunity we have to develop domestic mineral supplies for our long range needs must be protected.

If other resource values, such as wildlife, enter the picture and deserve careful consideration, this challenge to accommodate both resource needs can and must be met.

We are not so fortunate a nation that we have the option to foreclose a long range source of cobalt—absolutely necessary for the production of military and civilian jet aircraft engines as well as new/magnetic technology in other fields—from domestic sources. Experience in development of the Alaskan pipeline demonstrate that caribou and development can coexist. We must reject the idea that prudent mining and wildlife management can't coexist.

The bill as ordered reported by the Committee contains some provisions in Section 5 that are unworkable. The proviso dealing with the exercise of valid existing mineral rights goes beyond the provisions of the 1964 Wilderness Act. Section 5(d) calling for all underground mining as well as access only from outside the wilderness boundary is from an economic, safety, practical, engineering, geologic, or other prudent test completely not possible.

During Committee debate the statement was made that there are many examples of mining in a wilderness. The Bureau of Mines advises they know of but one small gold mining operation in an area designated as wilderness. Despite the language in the 1964 Wilderness Act (78 Stat. 894.), concerning ingress and egress regarding mineral activity, agency regulations have not in fact provided for reasonable access for mining purposes in wilderness as contemplated in the original Act.

The second major flaw in the legislation is its almost total failure to balance wilderness designation with appropriate direction for management of areas not included within the wilderness boundaries. Over two million acres will be added to the national wilderness system with only a token suggestion for multiple-use management! That cannot be balanced!

If we are to maintain a forest industry vital to the people in the area and vital to the hopes for affordable housing in our nation's cities, we must balance restrictive management decisions on some of our public lands with clear statutory direction for multiple resource management on other public lands.

During the Committee consideration of the bill, a great deal of discussion took place on the subject of "release language" concerning areas that had been considered for wilderness, but not placed within the wilderness preserve.

I offered an amendment that would release all roadless areas that had been inventoried in the RARE II program of the Forest Service, and not made part of the Central Idaho Wilderness. This release language would be in the statute.

My Idaho colleague argued that release language on these areas would be sufficient if included in the report. I feel strongly that to provide for a truly meaningful release of areas no longer to be considered for wilderness, it is necessary to accomplish this by statute.

During the debate on my "release in statute" amendment, the argument was made that the other body would reject this legislation if it contained statutory release language: It is my view that we in the Senate should totally reject the argument presented by certain members of the other body that we should not send legislation to them from the Senate unless it meets their demands. To knuckle under to this kind of argument makes the Senate hostage to the House!

I will offer amendments on both these subjects and my support for the bill can be given only if the Senate acts favorably on these amendments.

Finally, I must note that there is interest in placing portions of the lower Salmon River down to the confluence with the Snake River in the Wild and Scenic Rivers System. While the Committee decided to include the portion of the Salmon from the North Fork down to Long Tom Bar, I feel any consideration of the lower portion should be done in the future, and on the merits of that issue after interested persons have a chance to present testimony and examine such a proposal in depth.●

POLITICAL KIDNAPINGS ARE TERRORISM

● Mr. CHURCH. Mr. President, on Sunday, November 11, Congressman Javier Ruperez of the Spanish Parliament was kidnaped in Madrid. Congressman Ruperez, at the time of his kidnaping, was on his way to the closing ceremonies in Madrid of a Summit of Centrist Political Parties of Latin America.

On November 12, the basque terrorist organization ETA claimed responsibility for the kidnaping. Congressman Ruperez is a member of the Union of the Democratic Center (UCD). He is the Secretary in charge of foreign relations for the UCD.

This terrorist act has been widely condemned. Secretary Gen. Kurt Waldheim, strongly condemned the kidnaping as an act of terrorism and asked for the immediate release, unharmed, of Congressman Ruperez.

Pope John Paul II has made a public appeal to the kidnapers asking them to release Congressman Ruperez unharmed. The Pope said:

> I want to emphasize that this act has been condemned categorically by public opinion. I want to express my deep concern for this new act of violence against the dignity of a person which offends all mankind. I implore to the Lord to lighten your wisdom and your heart so that guided by the convivial principles and humanitarian feelings, the responsible persons liberate willingly Mr. Ruperez ending this way his anguish and that of his family. I invite you to meditate that no just and human solution can be reached using violent ways. No one, much less those who claim to be Christians can follow these methods.

The Secretary General of the Organization of American States has stated that the holding of Mr. Ruperez by ETA is one of those acts of violence and terrorism so repudiated by the inter-American system. He labeled as repulsive the kidnaping of a man like Javier Ruperez who has shown such deep interest for Latin America and its people.

Many European Governments, as well as many persons and institutions around the world, have repudiated this act of terrorism.

As chairman of the Senate Foreign Relations Committee, I too want to condemn the wanton act of kidnaping Mr. Ruperez. I urge Congressman Ruperez' kidnapers to release him immediately unharmed, and I express my heartfelt sympathy for Congressman Ruperez' family.●

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL SKI PATROL SYSTEM RECOGNITION ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 439.

There being no objection, the Senate proceeded to consider the bill (S. 43) to promote safety and health in skiing and other outdoor winter recreational activities, which had been reported from the Committee on the Judiciary with amendments as follows:

> On page 10, line 14, strike "(49)" and insert "(50)";
>
> On page 11, line 7, beginning with "The" strike through and including the period in line 9;
>
> On page 11, line 12, beginning with "The" strike through and including the period in line 13;

So as to make the bill read:

That this Act may be cited as the "National Ski Patrol System Recognition Act of 1979".

FINDINGS AND PURPOSES

SEC. 2. The Congress finds that—

(1) more and more Americans are taking up winter sports for both pleasure and exercise;

(2) there may be a direct correlation between citizens' enjoyment of skiing and winter sports and the presence of trained safety officials to enforce safety rules and render emergency aid;

(3) the National Ski Patrol System is the only volunteer organization in the country founded for this purpose having been established in 1938;

(4) the National Ski Patrol System has a national membership of over twenty-three thousand and chapters in forty-two States;

(5) the National Ski Patrol System has worked closely with Federal agencies as well as the American Red Cross to promote safety and assist in such operations as first aid, rescue, evacuation, and avalanche control;

(6) the National Ski Patrol has helped to foster friendly relations with other nations by its exchange of training information, and techniques; and that,

(7) the National Ski Patrol System has been exemplary in its dedication and effectiveness in insuring safety and as such was selected by the 1980 Winter Olympic Committee to provide Nordic Ski Patrollers for the 1980 Olympic games at Lake Placid, New York.

CORPORATION

SEC. 3. The following persons: J. Scott Grundy, Fairbanks, Alaska; Robert S. Morely, Saginaw, Michigan; Donald C. Williams, Birmingham, Michigan; Walter A. Gregg, Whitmore Lake, Michigan; Donald Page, East Greenbush, New York; James O. Hubbard, Carson City, Nevada; Dale Williamsen, Idaho Falls, Idaho; James Whitlock, Hamilton, Montana; Gary Burke, Bellevue, Washington; Larry Morris, Arvada, Colorado; David P. Dillard, Summerfield, North Carolina; William Bozack, Moretown, Vermont; Audrey Adams, Burlington, Wisconsin; Hilbert H. Finn, Pittsfield, Massachusetts; Carrington B. Day, Saginaw, Michigan; Robert D. Hall, Old Forge, New York; Marlen Guell, Spokane, Washington; Donald Bushey, Clausen, Michigan; Tyler Davis, Uniontown, Pennsylvania; Robert Ashcraft, Long Beach, California; Robert Hoffman, San Jose, California; Lou Livingston, Boulder, Colorado; Donald L. Dietsch, Boise, Idaho, and their successors, are created and declared to be a body corporate by the name of the National Ski Patrol System, Incorporated (hereafter in the Act referred to as the "corporation"), and by such name shall be known and have perpetual succession, and the powers, limitations, and restrictions herein contained.

COMPLETION OF ORGANIZATION

SEC. 4. A majority of the persons named in section 3 of this Act are authorized to complete the organization of the corporation by the selection of officers and employees, the adoption of bylaws, not inconsistent with this Act, and the doing of such other acts as may be necessary to carry out the provisions of this Act.

OBJECTS AND PURPOSES OF CORPORATION

SEC. 5. The purposes of the corporation shall be to promote, in any and all ways, public safety in skiing, including, without limiting the generality of the foregoing, the dissemination of information with respect thereto and the formation of volunteer local patrols, consisting of competent skiers trained in the administration of first aid, for the purpose of preventing accidents and rendering speedy assistance to persons sustaining accidents; to solicit contributions of money, services, and other property for, and generally to encourage and assist in carrying out, the foregoing purposes in every way.

CORPORATE POWERS

SEC. 6. (a) In furtherance of the corporate objects and purposes, the corporation shall have power—

(1) to sue and be sued, complain and defend in any court of competent jurisdiction;

(2) to adopt, alter, and use a corporate seal;

(3) to appoint and fix the compensation of such officers and employees as its business may require and define their authority and duties;

(4) to adopt and amend bylaws, not inconsistent with this Act or any other law of the United States or any State in which it is to operate, for the management of its property and the regulation of its affairs;

(5) to make and carry out contracts;

(6) to charge and collect membership dues, subscription fees, and receive contributions or grants of money or property to be devoted to the carrying out of its purposes;

(7) to acquire by purchase, lease, or other legal means, such real or personal property, or any interest therein, wherever situated, necessary or appropriate for carrying out its objects and purposes and subject to the provisions of law of the State in which such property is situated (A) governing the amount or kind of real or personal property which similar corporations chartered and operated in such State may hold, or (B) otherwise limiting or controlling the ownership of real or personal property by such corporations;

(8) to transfer, lease, and convey real or personal property;

(9) to borrow money for its corporate purposes, issue bonds therefor, and secure the same by mortgage, deed of trust, pledge, or otherwise, subject to all applicable provisions of Federal or State law; and

(10) to do any other acts necessary and proper to carry out its objects and purposes.

(b) For the purpose of this section, the term "State" includes the District of Columbia.

PRINCIPAL OFFICE; SCOPE OF ACTIVITIES; DISTRICT OF COLUMBIA AGENT

SEC. 7 (a) The principal office of the corporation shall be located in Denver, Colorado, or in such other place as may later be determined by the board of directors, but the activities of the corporation shall not be confined to that place, but may be conducted throughout the United States.

(b) The corporation shall maintain at all times in the District of Columbia a designated agent authorized to accept service of process for the corporation. Service upon, or notice mailed to the business address of, such agent, shall be deemed notice to or service upon the corporation.

MEMBERSHIP

SEC. 8. Eligibility for membership in the corporation and the rights and privileges of members shall, except as provided in this Act, be as set forth in the bylaws of the corporation.

BOARD OF DIRECTORS; COMPOSITION; RESPONSIBILITIES

SEC. 9. (a) Upon the date of enactment of this Act the membership of the initial board of directors of the corporation shall consist of the following named persons: J. Scott Grundy, Fairbanks, Alaska; Robert S. Morley, Saginaw, Michigan; Donald C. Williams, Birmingham, Michigan; Walter A. Gregg, Whitmore Lake, Michigan; Donald Page, East Greenbush, New York; James O. Hubbard, Carson City, Nevada; Dale Williamsen, Idaho Falls, Idaho; James Whitlock, Hamilton, Montana; Gary Burke, Bellevue, Washington; Larry Morris, Arvada, Colorado; David P. Dillard, Summerfield, North Carolina; William Bozack, Moretown, Vermont; Audrey Adams, Burlington, Wisconsin; Hilbert H. Finn, Pittsfield, Massachusetts; Carrington B. Day, Saginaw, Michigan; Robert D. Hall, Old Forge, New York; Marlen Guell, Spokane, Washington; Donald Bushey, Clausen, Michigan; Tyler Davis, Uniontown, Pennsylvania; Robert Ashcraft, Long Beach, California; Robert Hoffman, San Jose, California; Lou Livingston, Boulder, Colorado; Donald L. Dietsch, Boise, Idaho.

(b) The initial board of directors shall hold office until the first election of a board of directors. The number, manner of selection (including filling of vacancies), term of office, and powers and duties of the directors shall be set forth in the bylaws of the corporation. The bylaws shall also provide for the selection of a chairman and his term of office.

(c) The board of directors shall be the governing board of the corporation, and a quorum thereof shall be responsible for the general policies and programs of the corporation and for the control of all funds of the corporation. The board of directors may appoint committees to exercise such powers as may be prescribed by the bylaws or by resolution of the board of directors.

OFFICERS; ELECTION OF OFFICERS

SEC. 10. The officers of the corporation shall be those provided in the bylaws. Such officers shall be elected in such manner, for such terms, and with such duties, as may be prescribed in the bylaws of the corporation.

USE OF INCOME; LOANS TO OFFICERS, DIRECTORS, OR EMPLOYEES

SEC. 11. (a) No part of the income or assets of the corporation shall inure to any member, officer, or director or be distributable to any such person during the life of the corporation or upon its dissolution or final liquidation. Nothing in this subsection, however, shall be construed to prevent the payment of reasonable compensation to officers of the corporation or reimbursement for actual necessary expenses in amounts approved by the corporation's board of directors.

(b) The corporation shall not make loans to its members, officers, directors, or employees. Any director who votes for or assents to the making of such a loan, and any officer who participates in the making of such a loan, shall be jointly and severally liable to the corporation for the amount of such a loan until the repayment thereof.

NONPOLITICAL NATURE OF CORPORATION

SEC. 12. The corporation and its officers and directors as such shall not contribute to, support, or otherwise participate in any political activity or in any manner attempt to influence legislation.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 13. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

PROHIBITION AGAINST ISSUANCE OF STOCK OR PAYMENT OF DIVIDENDS

SEC. 14. The corporation shall have no power to issue any shares of stock nor to declare or pay any dividends.

BOOKS AND RECORDS; INSPECTION

SEC. 15. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members, board of directors, and committees having authority under the board of directors, and it shall also keep at its principal office a record of the names and addresses of its members entitled to vote. All books and records of the corporation may be inspected by any member entitled to vote, or his agent or attorney, for any proper purpose, at any reasonable time.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 16. The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1101), is amended by adding at the end thereof the following:

"(50) National Ski Patrol System, Incorporated".

USE OF ASSETS ON DISSOLUTION OR LIQUIDATION

SEC. 17. Upon dissolution or final liquidation of the corporation, after discharge or satisfaction of all outstanding obligations and liabilities, the remaining assets of the corporation may be distributed in accordance with the determination of the board of directors of the corporation and in compliance with this Act, the bylaws of the corporation, and all other Federal and State laws applicable thereto.

EXCLUSIVE RIGHT TO NAME

SEC. 18. The corporation shall have the sole and exclusive right to use the name "National Ski Patrol System, Incorporated". Nothing in this section shall be construed to interfere or conflict with established or vested rights.

ANNUAL REPORT

SEC. 19. The report shall be made available to the appropriate State officials and if accepted by a State, shall be counted as fulfillment of the State's reporting requirements. In addition, officers and directors of the corporation shall furnish to the Congress on call other information which may be desired at any time.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 20. The right to alter, amend, or repeal this Act is expressly reserved to the Congress.

Mr. HATCH. Mr. President, it is not my intention to take much of the Senate's valuable time in discussing this legislation, but I did want to point out once again how much this charter will mean to the National Ski Patrol System and its 23,000 volunteer members, the ski area operators, the U.S. Olympic Committee, the American Red Cross, our military and Government employees overseas, and millions of competitive and recreational skiers and winter sports enthusiasts throughout the United States.

I would reiterate briefly, for the record, that this measure meets all of the criteria for Federal charters established in 1969 by the Judiciary Committee. The National Ski Patrol System was measured against that criteria during a hearing in September by the Judiciary Committee.

The NSPS has been in continuous operation since 1938 and has held a charter from New York State since 1948. However, since the topography of the country lends itself to the Ski Patrol's organization by region rather than by State, a Federal incorporation is most appropriate. There are 10 such divisions which encompass 42 States. A European division helps provide necessary services to U.S. Government personnel and American vacationers on the slopes in West Germany, Italy, Spain, and Israel.

The situation has become critical, however, in that the necessity for the NSPS to register as a foreign corporation in every State besides New York is causing a great paperwork burden.

As a nonprofit, volunteer organization, the National Ski Patrol simply does not have the financial or personnel resources to comply with these requirements. A Federal charter would mandate the NSPS to file an annual report to Congress which would be acceptable to the States. By reducing the amount of reporting, the charter can reduce the amount of money needed for the Ski Patrol to operate. I hasten to add that this bill does not authorize a single dime of Federal funds and that the National Ski Patrol does not expect any monetary assistance from the taxpayers.

The National Ski Patrol System clearly fulfills a national need. It is the only organization in America founded for the purpose of promoting safety in skiing and winter sports and for rendering emergency aid to the injured. The members of the NSPS have been credited many times for saving lives both on the ski slopes and off. Many of their contributions to our Nation's health and safety have been on our highways or beaches. The formal statement of understanding with the American Red Cross and the recognition of the National Safety Council, the National Highway Traffic Safety Administration, the U.S. Forest Service and various law enforcement agencies, exemplifies the commitment the NSPS has to serving our citizens.

Mr. President, I promised not to take much time, but allow me to add one more thing. I feel very strongly that one of the things that Congress will do in approving this charter bill is pay tribute to the spirit of volunteerism and community service in our country. Our Nation has thrived on this spirit and has often been preserved by it in times of crisis, sickness, depression, or emergency. It is totally within our leadership role, here in the U.S. Senate, that we recognize the achievements of organizations like the National Ski Patrol System.

I share the concern of my colleagues in wanting to reserve the privilege of a Federal charter, the epitome of recognition, for special cases, such as the Ski Patrol, in which the spirit they operate on is being squelched by redtape, but I believe it is wholly appropriate for us to hold up the efforts of our citizens helping each other.

This bill, the National Ski Patrol System Recognition Act, has been a personal enjoyment to work for. We have 62 cosponsors, 34 Republicans and 29 Democrats. It is good to have so much agreement amid the adversity of windfall profits legislation or budget resolutions. I have appreciated the support and cooperation I have received on this legislation and would like to especially thank the distinguished chairman of the Judiciary Committee and his staff, Patti Saris and Rubye Connatser. I wish to thank the majority and minority leaders for their expeditious and thoughtful consideration of the bill here on the floor.

● Mr. COHEN. Mr. President, I rise in support of S. 43, a bill to incorporate the National Ski Patrol System.

I am pleased that 6 long years after the proposal was introduced, the Senate will have an opportunity to act on this important measure, which would grant a Federal charter to the National Ski Patrol System.

NSPS was founded in 1938 and functions in cooperation with the U.S. Forest Service, the American Red Cross, the Department of Transportation, and local law enforcement agencies. It has active chapters in 42 States, including my own State of Maine.

For the last 40 years, the NSPS has provided life-saving emergency services to accident victims at no charge. It has never requested Federal funds.

Recently, however, the NSPS has experienced financial difficulty due to the reporting and registration paperwork and fees required in each State in which patrol units operate. A Federal charter would cut the waste of resources caused by redtape and free the patrol to spend more time and effort on its primary function, which is to make skiing safer.

In addition to recognizing the exemplary achievements of the NSPS and its dedicated service to skiers, a charter would also make the group directly accountable to the Congress and to the Federal Government for financial reporting, taxes and other requirements. This would reduce the amount of time the Patrol must spend and the money it must raise in order to stay solvent. The Judiciary Committee, which reported out S. 43, found the NSPS clearly meets the standards for granting a Federal charter.

The NSPS provides important health and safety services. As a nonprofit institution, it has served the public not only by providing emergency aid to the sick and injured, but by promoting safety in skiing and winter outdoor sports through enforcement of safety rules, instruction and equipment checks.

Agriculture Secretary Robert Bergland, whose Department is responsible for the recreational uses of U.S. forests and works closely with the NSPS, told the Judiciary Committee that the patrol activities are important to the "long-term stability of winter safety programs at ski areas where many employees change seasonally."

Moreover, the ski patrol performs important civic functions. It is the only organization presently engaged in avalanche control. It fulfills important civil defense functions, and has been called upon during several crises to rescue citizens in need, to render first aid, and to transport the injured by snowmobile and skis to the nearest aid stations.

Promoting ski safety is vital to States such as Maine. The 21 Maine ski patrols, as well as the many others in other States, deserve, after all these years, recognition for their contribution to the health and safety of skiers.●

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

INTEREST RATE MODIFICATION ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate H.R. 5811, and I ask for its immediate consideration.

There being no objection, the Senate proceeded to consider the bill H.R. 5811, an act to allow the Interest Rate Modification Act of 1979, passed by the Council of the District of Columbia, to take effect immediately, which was read twice by title.

Mr. EAGLETON. Mr. President, H.R. 5811 would waive the usual congressional review period required for acts passed by the District of Columbia City Council to permit the Interest Rate Modification Act of 1979, passed by the Council on November 6, to take immediate effect. This legislation passed the House on Tuesday, November 13, and I support its passage today.

By making the District-passed law immediately effective, H.R. 5811, when signed by the President, will have the effect of raising the permanent usury ceiling in the District from 11 percent to 15 percent. This, in turn, should relieve the current complicated legal situation, which I will explain below, and put the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corportation (Freddy Mack), and other lenders back into the business of making home loans in the District.

Many of my colleagues are generally familiar with the current mortgage crisis in the District. Under the District of Columbia Self-Government and Governmental Reorganization Act, better known as the Home Rule Act, the District of Columbia can enact permanent legislation, which becomes law only after a period of congressional review passes—30 legislative days—both Houses have not passed a concurrent resolution of disapproval. However, the Home Rule Act also recognizes that in exceptional situations, the District government must be permitted to act rapidly and have legislation take effect immediately with no congressional layover. Therefore, the law provides that two-thirds of the District Council can pass "emergency legislation" which takes effect without congressional review and stays in effect for 90 days. The Home Rule Act is silent on whether the emergency legislation may be renewed.

The District government, however, has repeatedly renewed emergency legislation, a practice which led indirectly to the current lending crisis. On October 19, 1979, a District of Columbia Superior Court judge struck down the repeated renewal—10 times—of emergency legislation on the subject of condominium conversions, as exceeding the District's proper authority under the emergency provision. In light of that decision, Fannie Mae and Freddy Mack feared that the legality of recent loan agreements in the city—loans made under a 15-percent usury ceiling passed twice as emergency legislation—would be challenged. Consequently they pulled out of the Washington market. They have indicated that before they reenter the Washington market, they need permanent legislation raising the usury ceiling in the District to 15 percent. H.R. 5811 provides that, making the District's November 6 legislation immediately effective.

The clear and immediate need for this legislation was expressed at a hearing of the Subcommittee on Governmental Efficiency and the District of Columbia which I chaired on November 14.

At that time, the subcommittee heard from Mayor Marion Barry, D.C. Council Chairman Arrington Dixon, and representatives of Fannie Mae, Freddy Mack, the Mortgage Bankers Association, the Washington Board of Realtors, and the area's savings and loan associations. They indicated that the District's mortgage market has been virtually paralyzed since Fannie Mae and Freddy Mack withdrew from the Washington market. Since together they provide the single largest source of home mortgage money in the city, about 11 percent. Both institutions operate in what is commonly called the "secondary market," meaning that Fannie Mae and Freddy Mack purchase from local savings and loan associations and mortgage banking firms loan agreements which the local firms make with individual borrowers.

The money the local firms receive from these sales then provides the local firms with additional mortgage funds. During the first 9 months of this year, Fannie Mae purchased 370 conventional home mortgages in the District with a value of $18.4 million, while during the same period, Freddy Mack bought about $66 million worth of mortgages from the city's 16 savings and loan associations. The total was $84.4 million.

However, when Fannie Mae and Freddy Mack refuse to purchase loans, as they now have, savings and loan associations and mortgage banking firms, by losing the major purchasers of their loans, must also refuse, to extend home financing.

As of this morning, every major savings and loan association and mortgage banker in the District had severly curtailed its lending activity. Obviously, the financial community and the real estate industry suffers immediately, but the most severe repercussion falls directly on the individual homeowner: the person who already purchased a home but now finds he cannot go to settlement; the person who just moved to Washington hoping to buy a home but who learns that financing has "dried up," and the person who took a job in Texas and must sell here to buy there. The seriousness of the situation cannot be overemphasized.

Parenthetically, I must point out, though, that with the interest rates climbing faster than ever, even the relief I propose today for the District may prove insufficient. The District of Columbia has asked us to quickly approve permanent legislation that sets the usury rate in the District at 15 percent. In my mind, there is a strong argument for following the lead of many States, including my home State of Missouri, and either abolishing interest ceilings altogether or floating the ceiling by tying it to the prime rate. However, I am advised that the District considered that and decided to pursue another course.

Today we are here to support the course the District chose to follow and implement the 15 percent usury ceiling as quickly as possible. If the normal congressional review period were required, the Interest Rate Modification Act of 1979 would be subject to a review period extending for 30 legislative days. Since weekends, holidays, and recesses by both Houses do not count as legislative days, the practical effect of the layover period is a congressional review period of approximately 90 calendar days. The situation in the mortgage markets is simply too serious to require that the District wait until mid-December or early January at the earliest before the 15 percent usury ceiling becomes permanent.

I must emphasize, however, that this waiver of the Home Rule review procedure should not set a precedent. The Home Rule Act foresaw emergencies arising in the District and gave the District legislative authority to deal with them. The interest rate crisis should not have occurred, nor would it have been brought to the attention of the Congress, if the emergency section of the Home Rule Act had consistently been implemented solely for emergencies.

For that reason, I have found it difficult to review the sequence of events without concluding that some basic change in the emergency provision of the Home Rule Act is needed. I introduced legislation (S. 1999 and S. 2005) which proposed a badly needed amendment, as well as dealing with the interest rate problem. Because of the need for immediate action, I have agreed that the Senate should join the House in enacting H.R. 5811, today, and find a legislative solution to the problem of the District's emergency powers in the coming weeks. I believe that problem is acute, and I am committed to solving it.

The Constitution mandates that Congress exercise ultimate authority over the District of Columbia. For nearly 200 years, that constitutional requirement translated into direct congressional rule over the District. In 1973, in a change of historic proportions, Congress passed the Home Rule Act establishing a city government headed by an elected mayor and city council. However, the Congress chose to carry out its constitutional mandate by retaining the power to review District legislation before it became law. To compensate for this, the legislation included the emergency provision, thereby recognizing that there could be situations where delay would seriously jeopardize achievement of the legislative objectives.

We all recognize the unique burden the provision for congressional review places on the District. However, the burden was not imposed unthinkingly. Congress wanted to take a major step toward self-government for the District, but, given its constitutional mandate, was not ready to reach full and complete home rule. The statutory requirement for a congressional layover period before District legislation could take effect represented the chosen middle course.

In 1978, 5 years after home rule began, Congress received recommendations for changes in the law from the Presidential Task Force on the District of Columbia. The task force report included several significant suggestions concerning the operation of legislation for the District, including the conclusion that the period of congressional layover was injecting uncertainty and imprecision into the operations of the District government.

In Public Law 95–526, Congress considered the task force's recommended changes and reduced the layover period from 30 days when both Houses had to be in session to 30 days when either House could be in session, thus reducing the effective layover period. Congress took this action prompted by the recognition that the "unpredictability—of the review process—has forced the District to enact an inordinate amount of temporary emergency legislation" (S. Rept. 95–1291, p. 2).

Acknowledging that the task force recommended 60 calendar days, Congress approved the committee's conclusions that "30 calendar days, excluding weekends, holidays, and recesses or adjournments over 3 days, will allow sufficient time for Congress to act on a disapproving resolution, if one were introduced." (S. Rept. 95–1291, p. 3). Obviously, Congress considered Public Law 95–526 a solution to the District's reliance on emergency legislation.

Regrettably, passage of this legislation did not change the situation. Despite informal expressions of concern by the House and Senate committees, the Council's resort to the device of emergency legislation has increased.

In the past year, 69 percent of the legislation passed by the District was adopted by the emergency route. Emergency legislation has become the rule, rather than the exception. It is hard to avoid the conclusion that the District government has used the emergency route in order to circumvent the congressional review process. Perhaps the provision also gives the District government a way of resolving controversial issues otherwise resistant to legislative solutions, since opposition groups may accept temporary legislation where they would not agree on a permanent solution. Either way, it is clear that the current provision of the Home Rule Act dealing with emergencies has proven too attractive an alternative to the regular legislative process.

My legislation would change this. It would accommodate the legitimate needs of the District to move rapidly in an emergency without waiting for congressional review, while insuring that emergency legislation will not stay in effect indefinitely, or become a regular alternative to the ordinary legislative process. While I am confident that the proposal would have greatly improved upon the current situation, both the District government and key Members of the House urged that my proposal, and variations upon the same theme, deserved further study.

In a meeting this morning, Congressmen RONALD DELLUMS and WALTER FAUNTROY and I agreed upon a compromise course of action to resolve the District of Columbia's current mortgage problem now and address the emergency power issue in the coming weeks.

The two Congressmen share my concern over the District Council's use of the emergency legislative power, and they agree that the District could find itself in a chaotic situation if Judge Revercomb's decision invalidating the condominium conversion law is upheld. They share my view that Congress must act to clarify the District's emergency legislative powers, and that such action should come quickly.

The two Congressmen have given me their assurance that the House District Committee will hold hearings on this issue shortly after Thanksgiving, and will use my proposed Home Rule Act amendment on emergency powers as the legislative vehicle for their hearings. I also have assured the two Congressmen that the Senate D.C. Subcommittee will continue its hearings on the emergency legislative power, and will report corrective legislation very soon.

Throughout these proceedings, it has been my belief that we should deal with both the current mortgage rate crisis and the District's misuse of emergency powers immediately and simultaneously, rather than passing the waiver and letting the question of emergency powers be put off indefinitely.

I have been concerned that once the current crisis was resolved, the sense of urgency would fade and the District would be back to "business as usual" as far as the emergency powers are concerned.

Representative DELLUMS and Delegate FAUNTROY have assured me that this will not be the case. They recognize the fact that an affirmation of the Revercomb decision could cast doubt on the legality of the many pieces of emergency legislation now on the D.C. statute books, and they acknowledge the overreliance by the District on the emergency power.

I still feel that the people of the District would be best served by immediate action to revise the emergency powers. However, the two Congressmen and Senator MATHIAS and I all agree that it would be unwise to allow our disagreement on timing to further paralyze the mortgage market in the District of Columbia.

The hundreds of innocent citizens trying unsuccessfully to settle on new homes or to obtain mortgage money in the District of Columbia are not responsible for the D.C. Council actions which brought on this crisis, and it would be unfair to penalize them on account of it.

Mr. President, I urge the immediate enactment of H.R. 5811. I ask my colleagues future support for legislation clarifying the limits on the District government's power to pass emergency legislation.

The bill was ordered to be read a third time, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PACKWOOD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FORMER INSPECTOR GENERAL OF HEW TOM MORRIS

Mr. HARRY F. BYRD, JR. Mr. President, I learned this morning that Mr. Tom Morris is no longer Inspector General for the Department of Health, Education, and Welfare.

Why do I mention this to the Senate and what is my interest in this matter? First, let me say that I do not know Mr. Morris. I do know, however, that on March 3, 1978, he, as Inspector General of HEW, presented a report to the Department showing that between $6 billion and $7 billion of tax funds had been misspent through waste, mismanagement, or fraud.

I repeat—the Inspector General's official report showed that the Department of HEW misspent through waste, mismanagement, or fraud between $6 billion and $7 billion.

What passed through my mind at the time, and that was just a little over a year ago, was that, perhaps, Inspector General Morris would not be around too long.

But then, as the months went by, I gave it no further thought. Today, however, at a meeting of the Senate Committee on Finance at which there were witnesses from the Department of Health, Education, and Welfare, including a new acting Inspector General, I learned that Mr. Morris no longer is Inspector General of that Department.

I inquired a bit, and was told that he voluntarily wanted to go to another agency. Then, on inquiring a little bit more, another witness said that he and Mr. Califano had come to an agreement that he would be assigned to another position in HEW.

I do not know just what the situation is. As I say, I know nothing about it. But I do know that an inspector general of HEW who issued an official report saying that that Department had misspent, through waste, mismanagement, and fraud, $6 or $7 billion is no longer Inspector General of that Department.

I appeared before the subcommittee of the Finance Committee this morning for one reason: I wanted to voice the view of one Senator that what this Government needs—each Department of the Government—is an inspector general who has both the ability and the courage to bring out the facts where there is abuse of the use of public funds.

I rather suspect that the fact that Mr. Morris is no longer in the position he held when he issued that report will dampen the ardor of other inspectors general and the inspectors general of other departments. If such is the case, I think that would be too bad.

I do not know whether Congress agrees or whether the White House agrees—certainly the Departments do not agree, but I think the American people agree—that there is vast waste of public funds by the Departments. I think the American people feel, and certainly the Senator from Virginia feels, that there is great waste in the handling of tax funds. We need inspectors general with courage, who will state the facts as they see them, even though it might not be beneficial to their own Departments.

Congress has established the position of inspector general. I do not know that it is going to do much good, however, if the inspectors general either are intimidated or lack the desire to ferret out the facts. I hope that there are none in that category, but I begin to question whether it is wise for the Departments to have control over their own inspectors general.

Why should not the Congress make that appointment? Then an inspector general would not be subject to transfer or what have you.

THE STATE OF SELECTIVE SERVICE

Mr. HARRY F. BYRD, JR. Mr. President, the nominee for the position of Director of Selective Service, Mr. Bernard Rostker, appeared before the Senate Armed Services Committee today on his nomination. A number of questions were put to him. He has spent 10 or 12 years in dealing with personnel matters in the Defense Department.

The Senator from Georgia (Mr. NUNN) put this question to him:

> Senator NUNN. Will you give us your opinion right now on what would happen if we had a war tomorrow morning in regard to the Selective Service operation?
>
> Mr. ROSTKER. As best I understand it at this point, it would not be able to respond to the manpower needs of the Defense Department.
>
> Senator NUNN. We would be in a real mess, would we not?
>
> Mr. ROSTKER. I think so, Senator.

Mr. President, the Senate Armed Services Committee, for several years now, has been calling attention to the very serious situation which exists in regard to the calling up of needed military personnel in the event of an emergency. Yet the administration has taken no steps to rectify this situation. As a matter of fact, the only program which has been indicated to Congress is one which the Armed Services Committee thought was so foolish that it has now been withdrawn.

The new nominee for the position of Director of Selective Service has promised that he will submit a program to Congress in January. I am hopeful that he will do just that, and that it will be one that will have merit, contrary to the other one. I think that we are in a very serious situation with respect to manpower in the event of an emergency, and, to put it the way Mr. Rostker put it today, we would be in a "real mess" should the Selective Service System be called upon to provide adequate personnel for defense purposes.

THE UNMAKING OF TREATIES

Mr. HARRY F. BYRD, JR. Mr. President, the Richmond Times-Dispatch of October 20 published an excellent editorial captioned "Unmaking of Treaties." I ask unanimous consent that the editorial be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

UNMAKING OF TREATIES

Morally, President Carter was wrong, in our view, to proceed on his own last Dec. 15 to break the 25-year-old Mutual Defense Treaty with Taiwan, a loyal ally, in order to accede to the conditions for exchanging ambassadors laid down by the People's Republic of China.

Legally, it was an open question—but one of potentially grave significance for the stability of American foreign relations. If one president could unilaterally declare the Taiwan pact null and void, a future president could just as easily pull out of the North Atlantic Treaty, or scuttle treaties with such important allies as Japan, South Korea, the Philippines, Australia and New Zealand without being required to show that any support whatsoever existed in Congress for his actions.

The Constitution is clear in stating that the president's treaty-making power is circumscribed by the need to obtain the "advice and consent" of the Senate, with the proviso that "two-thirds of the senators present" must concur. As to unmaking treaties, the Constitution is silent.

When first asked to consider the suit brought by Sen. Barry M. Goldwater, R-Ariz., and 23 other congressional conservatives, challenging Mr. Carter's attempted treaty abrogation, U.S. District Judge Oliver Gasch showed an understandable—even commendable—reluctance to step into the unprecedented conflict, in the absence of any expression of the full Senate's position on its constitutional role. But when the Senate then voted 59-35 in support of the Goldwater view that it shared in treaty-unmaking power, the way was clear for the judge properly to adjudicate the dispute.

Judge Gasch's decision Wednesday voiding President Carter's action (which was scheduled to become effective Jan. 1) was in accord with the constitutional principle of checks and balances on the exercise of power by the three branches of the federal government. He held that a president "alone cannot effect the repeal of a law of the land which was formed by joint action of the executive and legislative branches, whether that law be a statute or a treaty."

President Carter is appealing the decision, and it is possible a majority of the Supreme Court justices will eventually agree with him. But such an outcome would be injurious to the position of the United States in world affairs. It would tell our allies that the adherence of the U.S. to its solemn treaty commitments rested on nothing more substantial than the inclinations of the man occupying the presidency at a particular time.

QUORUM CALL

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FORD). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Without objection, it is so ordered.

SHODDY WORKMANSHIP AT MARBLE HILL

Mr. FORD. Mr. President, the nuclear power situation in this country is getting out of hand. Every week we hear of troubles at yet another facility, whether it is undergoing construction or is in actual operation.

Setting aside the obvious example of Three Mile Island, one such plant is Marble Hill, in Madison, Ind., 30 miles from the Kentucky border and from Louisville, the largest city in the State. Because of shoddy workmanship and poor quality control all safety-related construction work has been halted by the Nuclear Regulatory Commission until the licensee, Public Service of Indiana, can prove that adequate corrective measures have been taken. In its present condition, Marble Hill portends nuclear disaster.

The root of Marble Hill's problem is that PSI is unfamiliar with the ways of nuclear energy. The nuclear field is too technical, too complex, too risky for any but the most skilled, highly trained, and well qualified personnel to deal with, whether it be oversight of construction or everyday operation. PSI has been far too cavalier in its approach to building a nuclear facility, a subject about which we cannot afford to be relaxed and I am not confident that the defects in Marble Hill will ever be satisfactorily corrected.

That is why I have suggested to PSI's officials that they convert Marble Hill to a coal-fired plant. Coal is a power source with which we are all familiar. It contains no surprises and we can with confidence offset its adverse environmental effects by using special equipment such as scrubbers and tall stacks.

But there is also another reason for conversion to coal. America's need for nuclear power has been greatly overestimated. The national growth rate in electric use has fallen annually from 5.3 percent to 4.8 percent. Concommitantly, the industry's reserve margin of generating capacity has climbed from about 20 percent to over 30 percent, an unnecessary excess that costs the consumer.

Area utilities are already feeling the effect of reduced demand. Pepco has indefinitely deferred a pair of nuclear power plants it has planned to build at Douglas Point, Md. Vepco has made a similar decision, abandoning its Surry 3 and 4 units. But more significantly, Vepco is considering converting two of its partially constructed nuclear power plants to coal.

I strongly urge that all public utilities with either partially constructed or planned nuclear power facilities take a long, hard look at Vepco's example. Why should we put money into nuclear power when increased capacity is not in demand? Why should we not use a safer, familiar source of power for generating what electricity we do need? Three Mile Island shows that major engineering changes may be necessary in the design of nuclear plants. The question of what to do with radioactive nuclear waste remains unsolved. Public confidence in nuclear energy has been soundly shaken.

In the name of common sense, in the name of public safety, I repeat my suggestion that America's public utilities examine the option of coal power instead of nuclear power. It is not too late to switch.

I ask unanimous consent that several articles from the Kentucky and Washington press be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Oct. 16, 1979]

Estimates of Future A-Plants Revised Downward

(By Thomas O'Toole)

The Three Mile Island accident has forced the Energy Department to revise sharply downward its estimate of how many nuclear power plants will be running in the United States in the year 2000, in part because it believes Congress will declare a moratorium on new nuclear construction.

In a memorandum circulated throughout the department by its Policy Office, the latest estimates of the number of nuclear power plants operating in the United States at the opening of the next century range from 150 to 200, which is 50 to 100 fewer than it figured in estimates made before Three Mile Island.

The memo circulated by Energy's Policy Office states: "Nuclear capacity expansion assumes only those plants under construction are completed by 2000." Does that mean the Policy Office believes that Congress will call at least a temporary halt to nuclear construction? "For planning purposes," one energy source said, "that is correct."

There is a debate in both houses of Congress on the pros and cons of a morartorium on nuclear construction. The Senate subcommittee on nuclear regulation has said it will demand a moratorium if the Carter administration does not come up with a national plan it can implement by 1985 to dispose of nuclear waste. The House subcommittee on energy and the environment says it will wait until the presidential commission investigating Three Mile Island reports its recommendations to the White House next week.

The Kemeny commission, as the presidential commission is called after its chairman, Dartmouth College President John G. Kemeny, will not make any formal recommendations for a nuclear construction moratorium. It is almost sure, however, to call for sweeping revisions in nuclear regulation that, if implemented, would greatly slow nuclear construction.

Just how President Carter might respond to the recommendations of the Kemeny commission is anybody's guess, though he has said he will act on all their recommendations "if they are practical."

White House sources say the president is acutely aware of how countries like Japan, France and Germany depend on nuclear power and that this dependence is sure to influence the path he takes after the Kemeny commission makes its report.

"These countries are our friends and the president knows they look to us for leadership in the nuclear field," one White House source said. "A moratorium of any serious length of time might not only hurt U.S. relations with those countries, it might put a crimp in their energy plans."

In effect, there is already a moratorium on new nuclear construction in the United States. Only two new orders for nuclear power units have been placed in the United States in the last three years, those by a single electric company, Commonwealth Edison Co. of Chicago.

Seventy-one nuclear power plants now operate in the United States, and another 95 are in various stages of construction. About six of those plants are so far along in construction that they have applied to the NRC for operating licenses. The NRC has said it will not grant any new operating licenses until the Kemeny commission makes its recommendations on nuclear safety.

The electric power industry has told Congress it is impossible to assess the impact of a formal moratorium on new nuclear construction, even a short halt of six months.

It has estimated that a moratorium would force cancellation of about 10 nuclear projects now on the drawing boards and force some switches to oil from nuclear projects that are in the early stages of construction. At the very least, the industry has argued, these changeovers would mean higher electric prices to consumers.

Whether a nuclear moratorium would mean electricity shortages in the future, the Energy Department has said, is also impossible to assess. One reason is that growth in electric power consumption has slowed greatly in the last few years, meaning that industry has not needed as much new electricity as it forecast it did.

Vepco To Study Shifting Two Nuclear Plants to Coal

"GROWING UNCERTAINTIES" BEHIND UTILITY'S DECISION

(By Jerry Knight)

After a decade of promising its customers that nuclear power would give them lower electric rates, Virginia Electric and Power Co. yesterday announced it is considering converting two partially built nuclear plants to coal.

Vepco has already spent nearly half a billion dollars on the two plants, but may have to change them because of "growing uncertainties" about nuclear power, Vepco President Stanley Ragone said at a Richmond press conference.

No other utility company has ever switched a plant from nuclear to coal power at such an advanced stage of construction, nuclear industry sources said.

Although Ragone insisted Vepco has not abandoned its decade-long commitment to nuclear energy, the announcement was seen as another major setback for the nuclear power industry, already reeling from the Three Mile Island accident.

The two nuclear plants Vepco is considering converting to coal are located at North Anna, 70 miles south of Washington. Both were designed by Babcock & Wilcox, the same company that designed the Three Mile Island plant near Harrisburg, Pa.

A federal study under way at the Three Mile Island accident last March could force Babcock & Wilcox to make major changes in the design of its plants.

The problem, the soaring cost of building nuclear plants and growing apprehension about the federal government's commitment to nuclear power are the main reasons Vepco plans to study switching to coal, Ragone said.

"It's pretty obvious the government right now is not content with the nuclear power option," Ragone said, adding, "There is no doubt in my mind that with a proper national policy, nuclear is the way to go."

The study, expected to take six to 12 months, will look at North Anna units 3 and 4, a pair of 938,000 kilowatt power plants. They are part of a complex that includes two nuclear plants and was planned to have four.

Virtually all of the $485 million worth of work done so far on North Anna 3 and 4 will be usable if the plants are switched to coal, Ragone added.

Ragone said Vepco does not yet know what effect switching the plants to coal will have on electric bills of Virginia residents. "That's what the study will try to determine," he said.

Starting this month, Virginia consumers are paying an average of $5.50 a month more on their electric bills because of Vepco's problems with its nuclear power plants.

The first unit at North Anna is shut down for refueling, a three-month job that started Sept. 25.

North Anna, recently constructed, has never started up because of a Nuclear Regulatory Commission moratorium on licensing new nuclear plants. North Anna 1 and 2 were built by Westinghouse not Babcock & Wilcox but new nuclear plants have been held up by the Three Mile Island incident.

At Vepco's other nuclear power complex, in Surry, Va., 130 miles south of Washington, one plant is shut down for piping repairs and another is idle while a new steam generator is being installed. It is unclear when either will resume operation.

Without its nuclear plants to generate power, Vepco has been forced to make electricity by burning coal and oil—both of which cost more than nuclear fuel—and to buy electricity from other utilities, also at a higher cost than nuclear power.

The Virginia State Corporation Commission last month agreed to let Vepco raise electric bills by $37 million over the next three months to pay for the higher power costs. Vepco has already warned that it may have to ask for another increase in bills starting in January if its nuclear plants are not in operation by then.

If Vepco backs off from completing the North Anna atomic plants, it will be the second time the utility company has abandoned a pair of nuclear projects.

The Surry complex originally was to have four units, but the third and fourth plants were scrapped in 1977 after Vepco had invested $164.5 million in them. That cost was tacked on to consumer's electric bills and spread over a 10-year period, until 1987.

Vepco abandoned the Surry 3 and 4 units because declining demand for electric power made them unnecessary.

For the same reason, Vepco is studying selling part of the $1 billion project it is building in Bath County to store power for peak periods of use, Ragone disclosed yesterday.

Vepco has offered to sell part of the project to American Electric Power Co., and to Alleghany Power System, Ragone said.

Scheduled for completion in 1982, the Bath County project is called a pumped storage facility and has two large lakes, one several hundred feet above the other. Water flowing from the upper lake to the lower one will run turbines to provide electricity during periods of heavy use.

At night—when Vepco produces more electricity than its customers consume—the excess power will be used to pump water back into the upper lake, so it can come down again the next day.

The Bath County project—like the defunct Surry units 3 and 4—was planned several years ago, when the demand for power by Vepco's customers was growing at a rate of 10 percent per year.

Vepco now is projecting a 4 percent growth rate in maximum power consumption. That figure may be reduced again when a new forecast of electrical demand is completed in December, Vepco sources said yesterday.

The sources said, however, that the North Anna plants will still be needed and there are no plans to abandon the project. Work on North Anna 3 and 4 started in 1971 and has been delayed several times. Completion is expected sometime in the early 1980s.

Switching North Anna 3 and 4 from nuclear power to coal requires replacing the "burner" that heats water to make steam to power a turbine generator. The turbine is the same, regardless of its source of fuel.

While coal burning plants are generally cheaper to build than nuclear plants, coal, besides being several times more expensive than the uranium fuel for a nuclear plant, requires expensive pollution control equipment.

Vepco says it costs 1.21 cents to produce a kilowatt-hour of electricity from its nuclear plants, compared to 2.27 cents from coal and 2.57 cents from oil. Both fuel and plant construction costs are included in those figures.

Last year Vepco produced about 35 percent of its power from nuclear plants, 26 percent from coal and 36 percent from oil. The remainder came from hydroelectric power or was purchased from other companies.

[From the Kentucky Press, Sept. 22, 1979]

Utility's Study of Converting N-Plant to Coal Is a First

(By Howard Fineman)

WASHINGTON.—For the first time a utility has announced that it will seriously consider converting an unfinished nuclear power plant to coal.

Should the Virginia Electric Power Co. decide to make over its North Anna Units Nos. 3 and 4 to use coal, a new market could open up for at least some Kentucky coal.

More importantly, industry observers say, a reversal by VEPCO would be a turning point in the tug-of-war between the use of nuclear fuels and coal for power plants.

The VEPCO announcement led at least one coal-industry ally—Kentucky Democratic Sen. Wendell Ford—to revive the idea of converting the Marble Hill Nuclear Power Plant in Southern Indiana to coal.

Ford called on the utility building Marble Hill, Public Service Indiana, to "seriously consider following VEPCO's lead and immediately investigate the possibility of converting to coal."

But PSI officials said that they had already looked at the idea and had rejected it as impractical.

Joel Price, a Wall Street coal-industry analyst, said, "It's premature to draw any conclusions from the VEPCO announcement. But I think you're going to see more like it."

At a press conference in Richmond, Va., last week, VEPCO President Stanley Ragone said that the company faced "growing uncertainties" about nuclear power—especially about government attitudes toward it.

VEPCO has had more than its share of problems with the four nuclear units it has already completed. North Anna Units Nos. 1 and 2 and Surry Units Nos. 1 and 2.

The two North Anna reactors were completed recently but have not been started up because of a nationwide moratorium on new operating licenses imposed by the Nuclear Regulatory Commission in the wake of the accident at Three Mile Island near Harrisburg, Pa.

The commission is the federal watchdog over the domestic nuclear industry.

VEPCO has experienced operating problems at the two Surry units. One unit at the plant is shut down to repair leaking pipes. The other is closed for installation of a new steam generator.

As if that weren't enough, two former Surry employees tried to damage uranium fuel rods at the plant—an act they said they were driven to by the company's lack of concern for safety.

Last year VEPCO decided to cancel plans to build two more nuclear units at Surry. The company said that demand for electricity in Virginia hadn't grown as fast as had been estimated.

With all of this experience apparently in mind, Ragone said that VEPCO would study whether the partially built units 3 and 4 at North Anna could be converted to coal.

Virtually all of the $485 million worth of work already done on the two units—estimated to cost $1.7 billion if finished with nuclear reactors—could be salvaged for use in coal-fired units, Ragone said.

Even though Ragone said he had no doubt that nuclear power was "the way to go," he said that "it's pretty obvious the government right now is not content with the nuclear power option."

Ragone also noted that construction costs for nuclear plants continue to soar. Prices are going up for coal-fired plants too, he said, but nuclear plants have higher "front end" construction costs than coal-fired ones—a particularly painful fact at a time of rising interest rates on loans.

"Every time there is a regulatory delay by the NRC, it costs these guys money," said Price, a coal analyst for Dean Witter in New York and a consultant to VEPCO.

"They're saying, 'Nuclear may be too——— much aggravation. We know coal; let's look at it again.' "

VEPCO already operates three coal-fired plants, including a large "minemouth" plant at Keyser, W. Va.

If the two units at North Anna are converted to coal, the move would create the first combination coal-and-nuclear generating station in the nation, if not the world.

The idea seems just fine to Ford, a relentless advocate of coal use, particularly Kentucky coal. Kentucky coal operators would love to bid for the right to sell coal to a plant at Marble Hill, being built near Madison, Ind., 31 miles up the Ohio River from Louisville.

In a letter to PSI President Hugh Barker, Ford praised VEPCO's decision to study the conversion option and said PSI should do the same.

"There are many similarities between the dilemma facing VEPCO and the problems PSI is now encountering," said Ford, a member of the Senate Energy Committee.

"I am of the option that PSI, like VEPCO, has reached the point where it must reexamine its commitment to nuclear power."

Jack Bott, PSI's nuclear licensing manager, said that the company had already done so at the request of Indiana state Sen. Mike Kendall, D-47th District.

"We're not planning any detailed study that I know of," Bott said. "We've looked at the idea, and it's obvious what the practicalities are—pretty low."

Bott said that only the transformer switching yard and cooling towers of the Marble Hill plant could be salvaged for use in a coal plant. Everything else, he said, would be useless.

Because of different types of steam systems in nuclear and coal-fired plants, he said, the company would have to completely change the design of turbines and pipes to carry heat away from the boilers.

"We'd have a real plumbing problem," Bott said.

Also, he said, the Marble Hill plant is being built near several existing and planned coal-fired plants—a fact that would make it hard to win government approval for another.

"There is already a high degree of pollutant emissions in the area," Bott said. "I'm not certain we'd be able to get the permits we'd need."

[From the Washington Post, Oct. 21, 1979]

Decreases in Demand Leaving Utilities With Unnecessary Capacity

(By Jerry Knight)

When the engineers at Potomac Electric Power Co. sat down a decade ago to plan for the Washington area's electricity needs for the 1970s and 1980s, they were under intense pressure from government regulators.

"Even under the best conditions, Pepco's generating capacity is now barely adequate to meet peak demands on its system," the District of Columbia Public Service Commission warned the power company in January 1970. "That situation can only be overcome by an aggressive program of construction and improvement to meet growing demands."

With that mandate and a forecast from the Pennsylvania—New Jersey—Maryland Interconnection power pool that electricity consumption would increase at least 10 percent a year, Pepco drew up a plan to build 10 power plants in the next 10 years and to increase its generating capacity by 7,100 megawatts by 1981.

It never happened. During a decade of oil boycotts, energy crises and cost consciousness, Pepco has scrapped almost 85 percent of its construction program. By 1981, Pepco will have added only 1,100 megawatts of power output compared with the planned 7,100, and that may prove to be more than its customers can use.

For reasons that are mostly beyond the control of utility companies, demand for electric power is continuing to fall, creating new problems for the power company and the customers who pay electric bills:

Pepco recently scaled down its forecast of peak-demand growth to 2.2 percent a year, leading District of Columbia People's Counsel Brian Lederer to complain that the company still is building new power plants faster than needed.

Baltimore Gas & Electric Co. cut its projection again last week and now is planning on increasing capacity by 3.6 percent a year through the 1980s. At that rate, BG&E said it will have no need for the $1 billion coal burning power plant that it planned to build in Montgomery County in partnership with Pepco.

Virginia Electric & Power Co., which had been counting on growth of 4 percent a year, is revising its projections right now. Last week Vepco offered to sell part of a mammouth hydroelectric plant it is building in southern Virginia to two other companies because it won't need all the power the plant can produce.

Nationally the growth rate in electric use has fallen from 5.3 percent to 4.8 percent a year in the latest forecast put out by the Edison Electric Institute, the utility industry trade association. The utility growth rates are based in increases in demand at peak times—the hottest day of the summer in Washington.

As the growth rate of electrical consumption has slowed, the industry's reserve margin—generating capacity beyond what is needed to meet current use—has climbed from about 20 percent to more than 30 percent, EEI officials say.

That is more reserve capacity than is needed to protect against power failures, and this excess costs customers money, contend industry critics such as Lederer, whose job as D.C. People's Counsel is to represent the public interest in utility matters.

In a report to the D.C. PSC last week, Lederer contended that Pepco, which plans to spend $520 million on new plants in the next three years, should be cutting its construction budget. "A mere $20 million reduction per year will save, in present dollars, $129 million in rates to all Pepco customers," Lederer noted.

Pepco corporate affairs director David Boyce said the company already has cut its construction plan by more than $1 billion—from $1.8 billion to $730 million. Pepco deferred indefinitely a pair of nuclear power plants it planned to build at Douglas Point, Md., delayed several smaller projects and dropped some entirely.

Boyce said Pepco officials don't yet know how their construction plans will be affected by the decision of BG&E to drop out of the joint effort to build a major powerplant at Dickerson on the Potomac River.

When Pepco drew up its construction plan for the decade, the Dickerson plant was scheduled to be in operation by 1976. Although preliminary work is under way, construction still hasn't started, and the current completion date is 1987.

Pepco contends that the cutbacks and delays in construction of new plants have saved customers money. When the company dropped plans for its two nuclear plants, it already had contracted to buy the uranium fuel to run them. Because uranium prices had jumped, Pepco was able to sell the uranium at a $40 million profit that was paid back to customers in lower bills.

A similar decision by Vepco, however, cost customers money. The Virginia utility already had spent $167 million on two nuclear plants before it decided they no longer would be needed. The Virginia State Corporation Commission nevertheless allowed the investment to be charged to Vepco customers.

Vepco spokesman August Wallmeyer said the company does not yet know the financial impact of selling part of its Bath County, Va., hydroelectric project.

Vepco is trying to sell part of the project to American Electric Power and Allegheny Power System, two West Virginia utilities. If the company is lucky, it may be able to sell shares in the project at a profit; if not, Vepco customers could wind up paying for a $1 billion project that is rarely used.

Like many other utility construction projects that now face cancellation or delays, the Bath County project was planned before the energy crisis.

Throughout the 1950s and 1960s, the biggest problem that utilities faced was building new generators fast enough. Vepco and Pepco were among the fastest-growing utilities in the country then.

The problems began when the Arabs cut off the oil; in 1974, electrical demand fell for the first time ever. Electric use rebounded, but the utility business has never been the same.

The Washington area utility companies have seen some of the sharpest cuts in use in the country as the thermostats have been turned back in federal facilities.

CAMBODIA

Mr. LEVIN. Mr. President, earlier today we adopted a resolution relative to Cambodia. All possible avenues must be taken to keep the pressure on the powers that control that country to allow food to be brought in.

As part of that effort, a number of Senators, during a 24-hour period, have signed a letter directly addressed to Anatoly Dobrynin, the Ambassador from Russia.

I ask unanimous consent that this letter be printed in full in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., November 16, 1979.

ANATOLY F. DOBRYNIN,
Ambassador, The Embassy of the Union of Soviet Socialist Republics, Washington, D.C.

DEAR MR. AMBASSADOR: We would like to take this opportunity to express our strong feelings about the tragedy unfolding in Cambodia.

We ask that you convey to your government our belief that, at this time, the Soviet Union should take a major humanitarian step by urging that the Heng Samrin government increase its cooperation with international relief organizations working to distribute food and medicine throughout Cambodia. For instance, we ask your government to support the efforts of international organizations to establish a land bridge from Thailand into Cambodia. This land bridge could deliver 30,000 tons of supplies monthly and is the most effective means of getting the most food and medical supplies to the most people in the least amount of time.

World-wide attention remains focused each day on the developments within Cambodia. As you are aware, the Senate of the United States recently acted as a body to express its unanimous view that it is the moral obligation of the supporters of Cambodia, such as the Soviet government, to take the necessary action to prevent a Cambodian holocaust.

The Soviet Union is in a unique position to discuss with Phnom Penh officials ways to allow the world community to effectively deliver desperately needed humanitarian assistance. If further mass death is to be avoided in Cambodia, it is imperative—regardless of political considerations—that the Soviet Union join other nations and millions of individuals around the world in the international effort to alleviate this widespread human suffering.

Sincerely,

Rudy Boschwitz, Jacob Javits, Carl Levin, Sam Nunn, Dale Bumpers, Thad Cochran, David L. Boren, Nancy L. Kassebaum, Howard M. Metzenbaum, Roger W. Jepsen, Warren G. Magnuson, Robert Dole, Bill Bradley, Paul Laxalt, Harrison H. Schmitt, John Heinz, J. James Exon, Donald W. Riegle, S. I. Hayakawa, Richard Stone, Charles H. Percy, Bob Packwood, Walter D. Huddleston, Harrison A. Williams, Malcolm Wallop, Daniel K. Inouye, J. Bennett Johnston, Richard S. Schweiker, Alan Cranston, William S. Cohen, David Durenberger, Lawton Chiles, Thomas Eagleton, Lloyd Bentsen, Gordon J. Humphrey, William Armstrong, Strom Thurmond, John Glenn, Birch Bayh, Ted Stevens, Henry M. Jackson, Paul Tsongas.

Mr. LEVIN. Mr. President, I also ask unanimous consent that a "Dear Colleague" letter, which was presented at the meeting of the aforementioned Senators, also be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., November 15, 1979.

DEAR COLLEAGUE: As the horrors of famine and civil war in Cambodia become more grave with each passing day, it becomes more and more important that the international relief effort, which has begun slowly, proceed as quickly as possible. At this time, while our nation and many other nations of the world are responding with a massive relief effort, we have learned that not all of the aid being sent to the people of Cambodia is reaching that country as rapidly as it is needed. We are informed that this is primarily because the authorities controlling most of Cambodia, the Heng Samrin regime and its Vietnamese protectors, have refused to allow the international aid organizations to establish a "land bridge" from Thailand as a distribution route. This land bridge is considered the most effective means of providing food and medical supplies to the largest number of Cambodians. As Heng Samrin and the Vietnamese play politics with the food and medical supplies, thousands of people who might be saved are dying.

Many people have begun to realize that the intransigence of the Heng Samrin government with its 200,000 Vietnamese troops, is being supported, at least indirectly, by the Soviet Union, which is also giving vast amounts of military aid to these forces under the treaty of friendship and cooperation between the Soviet Union and Vietnam. Deputy Assistant Secretary of State Robert Oakley told the Foreign Relations Subcommittee on East Asian and Pacific Affairs on September 27 that "We think up to three million people are suffering a very uncertain fate now resulting from famine and disease. Much of it is indeed due to the efforts of the Vietnamese to consolidate their control over the country."

It is for these reasons a group of private citizens have decided to appeal directly to the Soviet government urging it to tell its allies to let the food into Cambodia by all available routes.

These citizens will hold a rally on Sunday, November 18, at 1 p.m. near the Soviet Embassy, at 16th and M streets. Some of the sponsors of the rally are Lane Kirkland, Secretary-Treasurer of the AFL–CIO, Douglas Fraser, President of the UAW, Bayard Rustin, the noted civil rights leader, and Leo Cherne, of the International Rescue Committee.

I am sending a letter to Ambassador Anatoly Dobrynin protesting the implicit Soviet support for the Vietnamese/Heng Samrin policy of not allowing the use of the land bridge, the most effective means of providing food to the people of the Cambodian countryside, and for not cooperating more quickly with the international relief effort to bring in food more rapidly.

I hope that you will join me in signing the letter to Ambassador Dobrynin, a copy of which is attached. If you would like to cosign the letter or any further information on the rally, please call Eric Hockstein at ext. 43267 before noon on Friday, November 16. I intend to enter the letter in the RECORD on Friday afternoon.

Sincerely,

CARL LEVIN.

Mr. LEVIN. Mr. President, I thank the Senator from Minnesota (Mr. BOSCHWITZ) and the Senator from New York (Mr. JAVITS) for their efforts in working with me in preparing and circulating this letter in this very short period of time.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CORRECTION ON SENATE RESOLUTION 274

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, on page 12, line 1 of Senate Resolution 274, approved November 14 after the word "day" to insert "(the end of the morning hour);" this makes no substantive change, it merely defines the 2 hours as the morning hour, and has no effect on procedure.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations on the Executive Calendar with the exception of Calendar Order No. 466, under the Environmental Protection Agency.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, if the distinguished acting minority leader has no objection, that the nominations be considered and confirmed en bloc.

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

Federal Emergency Management Agency

Gloria Cusumano Jimenez, of North Carolina, to be an Associate Director.

Department of the Interior

William Edward Hallett, of Colorado, to be Commissioner of Indian Affairs.

Council on Environmental Quality

Robert H. Harris, of Maryland, to be a member of the Council on Environmental Quality.

Department of Energy

Ruth M. Davis, of Maryland, to be an Assistant Secretary of Energy (Resource Applications).

William Walker Lewis, of the District of Columbia, to be an Assistant Secretary of Energy (Policy and Evaluation).

Federal Energy Regulatory Commission

Charles B. Curtis, of Maryland, to be a member of the Commission.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider en bloc the vote by which the nominees were confirmed en bloc.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the President be immediately notified of the confirmation of the nominees.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for morning business has expired.

SENATOR ROBERT C. BYRD'S ADDRESS BEFORE THE AFL–CIO

Mr. RANDOLPH. Mr. President, during several days of this week, an important convention of the members of the AFL–CIO has been in progress in the city of Washington, D.C. There have been many speeches delivered to those who come from all parts of the country who hold positions of responsibility in the organized labor movement of the United States of America. I interpose, before making further comment and a request for a speech by our majority leader to be printed in the Record, to indicate that I feel that one of the most important legislative enactments in the Congress of the United States was the creation of the National Labor Relations Board in 1933. It was my privilege and responsibility to be in the House of Representatives at that time and to vigorously support the proposal. In a sense, it was something new in this country, but it was an indication that the Congress and the people generally, throughout the Nation, felt that there was every right for the workers of this Nation to have the opportunity to bargain collectively with management.

This was not an attempt to have a polarization of labor as against management and management as against labor, but it was the opportunity which has strengthened the labor movement and, I think, has been a very strong element in the continuing productivity of the American working men and women.

I do say that I think one of the problems that we face today is a greater productivity of our work forces, organized and unorganized, in the United States of America.

I specifically wish to call attention, Mr. President, to the address by the able majority leader of this body, the U.S. Senator from West Virginia (Mr. Robert C. Byrd). I feel that it is also, perhaps, an occasion when I can say that Senator Byrd is the only West Virginian in the history of our State who has had the opportunity to bring his career to that point where he would be the majority leader of the U.S. Senate. He is the first legislator from West Virginia to hold that honor and to discharge the responsibilities of that office in a way which has properly earned for him the confidence of his colleagues on both sides of the aisle in this Chamber.

Senator Byrd, in speaking to approximately 2,000 men and women of the AFL–CIO earlier today set forth, I think, provocative statements and presented a meaningful message (I think back there) to those in attendance. He said, in part:

> However, the challenges confronting the United States today are as great as at any time in our past, and I am certain that the AFL–CIO will be an active participant in seeking solutions to the problems that beset us.
>
> For the better part of three-and-one-half decades, this country has largely set the agenda for the non-communist world. Domestically, we have made significant strides in improving the lives of millions of Americans. In addition, during that period, Americans have been responsible for some of the most spectacular technological advances in human history. Moreover, continued our leader, the average citizen of the United States has enjoyed and come to expect a standard of living undreamt of in prior ages.

Then the leader discussed the problems of the energy dilemma, the soaring and, as he said, seemingly chronic rate of inflation. He spoke of the Cuban-Soviet or the Soviet-Cuban imperialism, of international terrorism, and of competition from abroad.

He discussed the economic power of OPEC and he was very frank to say that there are problems which clamor for our attention. He meant the Members of the Senate, the Members of the Congress, and, of course, the people of the United States.

He asked for the counseling of our citizenry and he spoke of the work of the Congress of the United States through action last week, when, in this body—as the able Presiding Officer, the Senator from Kentucky, well knows, since he was a part of that effort—we approved a $20 billion development fund for synthetic and alternate fuels, as well as a program to help the poor pay for their heating bills this winter.

So he spoke of what has been done, but he spoke of the challenge and the potential which is constantly ahead of us. I, of course, know of the early days of the majority leader. When, we think of the coal miner, his foster father was a coal miner. Erma, the good helpmate of Senator Byrd, is the daughter of a coal miner. I want to say that I believe it is important to tell my colleagues that the majority leader labored in the shipyards at Baltimore, and at one time, of course, he was a butcher, working in one of the stores of our State.

So Senator Byrd spoke as one who understands the problems of labor and of the men and women who toil in all the areas of the productive life of American society from the standpoint of that which we have the determination to place in the mainstream of the products that serve our people and other peoples throughout the world.

He expressed a sincere admiration for George Meany and, of course, that was done by the President of the United States. Jimmy Carter, during this same convention.

Senator Byrd said, in these words:

> . . . the fortunes of the house of labor will glow even brighter under the leadership of those who will follow in the wake of George Meany.

Mr. President, I ask unanimous consent to have printed at this point in the Record the significant, and in many ways the sobering, the thought-provoking, the meeting-the-issue type of speech which was delivered by the majority leader at this convention, as I have said, as of this date.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Speech by U.S. Senator Robert C. Byrd

I want to thank Al Chessar for his gracious introduction, and I want to thank you, the members of the AFL–CIO, for inviting me to speak to your convention this morning.

Moreover, I want to express my admiration and appreciation to George Meany for the outstanding services that he has rendered to the labor movement and this country during the nearly quarter-century that he has been the president of the AFL–CIO. He has been an active trade unionist for more than sixty years, and he has never flagged in his devotion to the cause of labor at any time in his career. Moreover, because of his personal integrity, grasp of issues, and high sense of patriotism, he has given labor an unequalled voice in national affairs. The AFL–CIO and the United States are both stronger because of the firm hand and uncommon dedication of George Meany.

George Meany is the latest in a long tradition of leadership in the AFL–CIO. More than a century ago, Samuel Gompers became the president of the Cigarmakers' Union and went on to become one of the founders and the first president of the American Federation of Labor in 1886. Subsequently, William Green and Philip Murray were just two of the men who made this great union such a vital part of the American economy.

Indeed, the free unions of this country have formed one of the bulwarks of liberty in America's efforts to preserve its freedom and way of life. The strength and contributions of organized labor have been major factors in shaping our society. This vital role is a feature that Karl Marx never foresaw for labor, and would never have predicted, when he promulgated his ideology; this is one reason that communism has been irrelevant in meeting the challenges faced by the citizens of the United States, and why doctrinaire marxism has been admirably and effectively opposed by responsible union leaders throughout the history of organized labor in America.

However, the challenges confronting the United States today are as great as at any time in our past, and I am certain that the AFL–CIO will be an active participant in seeking solutions to the problems that beset us.

For the better part of three-and-one-half decades, this country has largely set the agenda for the non-Communist world. Domestically, we have made significant strides in improving the lives of millions of Americans. In addition, during that period, Americans have been responsible for some of the most spectacular technological advances in human history. Moreover, the average citizen of the United States has enjoyed and come to expect a standard of living undreamt of in prior ages.

But we are living in a world of new realities. The waxing energy dilemma, the soaring and seemingly chronic rate of inflation, Soviet-Cuban imperialism, international terrorism, foreign industrial competition, the economic power of OPEC, and widespread unrest abroad, are but a few of the multitude of problems clamoring for our attention. In some cases, we have been the victims of an unaccustomed sense of frustration and anxiety, as we have sought to solve quandaries that were not of our making, and that apparently lie beyond our direct authority to unravel. But, in other instances, we are seeking and finding answers that will reinforce our traditional ability to determine our own future and to maintain the strength and prosperity of the United States.

This is, I believe, especially true in the case of the energy crisis. Though we have not discovered any inexhaustible new energy bonanzas, and though we must prepare ourselves to make significant adjustments in our energy attitudes and habits in the decade ahead, the Congress has taken dramatic steps, in an appropriately judicious fashion, that promise to launch the United States on the road toward greater energy self-sufficiency in the future. Congress last week approved a $20 billion development fund for synthetic and alternative fuels, as well as a program to help the poor pay for their heating bills this winter. "Synfuels" from coal, gasohol, alcohol, oil from shale and tar sands, and solar energy are but some of the possibilities that will be developed in the years ahead. Moreover, incentives for conservation and the fullest possible use of coal should diminish our crippling addiction to foreign petroleum supplies.

These potential adjustments in our energy use and resources should have considerable impact on the future direction of the labor movement in this country. The emergence of new synthetic fuels industries, the widespread conversion of electric-power generating plants from oil to coal, and the rebirth, initiation, or expansion of various modes of mass transportation, will require the skills and labor of large numbers of men and women. As in our past growth and economic evolution, I am confident that American labor will assume a major role in winning energy self-sufficiency for our country, and in contributing to the success of these bold new ventures.

Since the end of World War II, the United States has been locked in competition with the Soviet Union for international preeminince. This contest has not reached a conclusion. Soviet-Cuban adventurism and opportunism in Africa and other parts of the Third World adequately demonstrate the continuing threat of Soviet expansionism. The United States and her allies cannot afford to lose sight of this reality.

While recognizing the continuing competition between the United States and the Soviet Union, bi-partisan U.S. foreign policy has actively sought, for a period including the administrations of President Nixon, Ford, and Carter, to lessen the probability of a nuclear confrontation between the two superpowers. The latest devedopment in this foreign policy process was the conclusion of the SALT II Treaty, which will come before the full Senate for debate in the weeks ahead.

Months ago, I stated that I would determine my position on the SALT II Treaty only after a thorough, systematic, and comprehensive examination of the testimony and evidence available and pertinent to both sides of the treaty question and its related issues.

Throughout this process, I have said that my decision on the treaty would stand or fall on the answer to a simple, but basic question: namely, is the SALT II Treaty, as written, in our national interests, or is it not?

I have concluded, after this period of lengthy examination and reelection, that SALT II is in our national interests, and I believe that the treaty should be approved by the Senate, with the adoption of certain provisions.

Let not one be mistaken: This treaty is no favor to the Soviet Union. It will allow us to carry out the necessary strengthening and modernization of our central strategic nuclear systems, while limiting the momentum of Soviet development in this field.

I would readily concede that the SALT II Treaty is far from perfect. Anyone unilaterally can draft a treaty, but it takes two parties to negotiate it. We must remember that this treaty is the product of negotiations between two parties over six-and-one-half years, under three administrations, two of which were Republican and one of which was Democratic.

This treaty, like most treaties, is a statement of the political realities existing between the nations involved. It suggests a commitment on both sides to limit competition in one domain, that of strategic arms.

Moreover, I believe the American people will support the steps necessary to protect our security by bolstering our defense in certain key areas, while reducing the risks of nuclear war. This has to be done with or without SALT II. Without the treaty, however, we face a more costly, a more uncertain, and a more dangerous future. But with the treaty, we should have no illusions.

As Chairman of the Joint Chiefs of Staff, General Jones, has pointed out, we cannot let the SALT II treaty "tranquilize" us. If SALT II is approved, we cannot afford to become complacent about the critical need to undertake important modernization of our strategic programs and upgrading of our conventional weapons systems, in order to maintain strategic parity and our national security within the limits of SALT II. Moreover, I definitely favor the development of the MX missile, in a mobile survivable mode, as a further insurance against nuclear devastation. Unless we sustain a commitment to a strong national defense, the possibilities inherent in SALT II will not be realized.

American labor has always supported the principle of a strong defense capability. One of Adolph Hitler's greatest blunders in launching World War II, most experts agree, was his failure to take into account the matchless industrial might of the United States. The mobilization and application of that industrial power would have been impossible without the earnest and patriotic response of the working men and women of our country at that time. Labor continues today to be one of the primary factors in our national security.

However, a major element in the strength of any modern industrial nation is its manufacturing and productivity potential. The economy of the United States is the largest in the world, and, in fact, the greatest in history.

But, currently, American business and labor are confronting fierce competition for markets everywhere in the world. The quality and comparative cost of goods manufactured by Japanese, West German, and other foreign companies have made them extremely attractive. The virtual monopolies and advantages enjoyed in the past by some American industries and workers have faded or, in many cases, vanished in recent years.

The citizens of the United States are not afraid of fair economic competition. But in order to assure that American goods maintain and expand their markets, and that the standard of living of American workers remains high, especially against the inroads of worldwide inflation, all of the various segments of our economy must pull together for our mutual benefit. Management, labor, and the Government, among others, should seek to cooperate wherever possible and feasible, in order that the quality of our goods will be excellent; that the wages of our working people will be the highest; that the rate of productivity will grow; and that jobs for American labor will be secure in the decades ahead.

I grew up in the coal fields of southern West Virginia. My foster father was a coal miner, and I married a coal miner's daughter. I labored in the shipyards of Baltimore, and I learned to survive on the wages of a butcher.

I know what it is to earn bread by the sweat of my brow. I also remember what life was like when there were no strong unions to carry the voice of working men and women into the board rooms and power centers of this country.

George Meany wrote in his last official editorial for your American Federationist magazine, "American unions have been and will remain the only major private U.S. organizations whose sole purpose is advancing the cause of American workers."

Through the years, the friends of labor in the United States Senate have recognized the truth of that declaration. Unfortunately, in the 1978 elections, five of labor's stauchest allies went down to defeat.

Next year, a number of other Senators with strong records of labor support will be facing stiff campaigns. Proponents of "single-issue politics" have marked several of these incumbents for political extinction. Their battles for reelection will be tough, and future efforts to win passage of legislation that labor supports will be difficult, if not impossible, without these essential votes. As in the past, I encourage labor to give these Senators all the help possible in their election efforts, because our country needs statesmen in the Senate who have a broad understanding of the issues facing the United States, and who appreciate the role that labor plays in our national strength and prosperity.

In 1824, the great Daniel Webster perhaps set the stage for a tradition when he declared, "labor in this country is independent and proud." Today our unions are still independent and proud, and the men and women of the AFL–CIO comprise one of the most vital resources in America.

George Meany is in large measure responsible for the development of this role. With his impending retirement, one era in our labor history ends, and a new one begins. I am confident, however, that the structure which he has helped to build will weather well the years ahead, and that the fortunes of the House of Labor will glow even brighter under the leadership of those who will follow in his wake.

The PRESIDING OFFICER (Mr. MELCHER). The Senator from Virginia.

CARRYOVER PROVISIONS FOR ESTATE TAX PURPOSES

Mr. HARRY F. BYRD, JR. Mr. President, in the closing hours of the 1976 session of the Congress, the conferees on the tax bill wrote in a provision dealing with the carryover basis of assets for estate tax purposes. There had been no committee hearings in the Senate on this matter. There had been no discussion in the Senate. It came to the Senate in the form of a conference report.

Since that time, at least three hearings have been held by the Senate Subcommittee on Taxation. It is the almost unanimous view of all who testified that the carryover provisions in the present law are just totally unworkable. Besides, the carryover basis changes fundamentally the entire estate tax law provisions dealing with the income taxation of assets need at death.

The Finance Committee, when it reported to the Senate the windfall profit tax bill, included in the windfall profit tax bill a provision to repeal the carryover basis provisions of the estate tax law. That provision was adopted by an 18-to-0 vote—an 18-to-0 vote—in the Finance Committee.

I want to read into the RECORD the cosponsors of the repeal legislation:

> Senator Robert Dole, Senator Harry F. Byrd, Jr., Senator Edward Zorinsky, Senator Lloyd Bentsen, Senator Roger W. Jepsen, Senator Malcolm Wallop, Senator Wendell H. Ford, Senator Robert Morgan, Senator John Tower, Senator Nancy Landon Kassebaum, Senator Richard G. Lugar, Senator Richard Stone, Senator Orrin G. Hatch, Senator Milton R. Young, Senator J. James Exon, Senator James A. McClure, Senator Larry Pressler, Senator Thad Cochran, Senator John Melcher, Senator Jesse Helms, Senator Harrison "Jack" Schmitt, Senator Gordon J. Humphrey, Senator Barry Goldwater, Senator Rudy Boschwitz, Senator Alan Simpson, Senator Ernest Hollings, Senator Russell B. Long, Senator Gaylord Nelson, Senator Daniel Patrick Moynihan, Senator David Durenberger, Senator Howell Heflin, Senator S. I. (Sam) Hayakawa.

Mr. President, the repeal of the carryover basis is favored by the American Farm Bureau, and by many groups and organizations representing small business, representing the farmers, and representing many different categories of individuals, because if it continues as it is, No. 1, the law is unworkable. Even the Treasury Department says that.

No. 2, it will have a devastating effect on many people, affecting almost everyone except those who have eternal life. At the moment, none comes to mind.

Mr. President, I will also read into the RECORD the groups supporting repeal of the carryover basis:

American Bar Association.
American Bankers Association.
American College of Probate Counsel.
American Farm Bureau Federation.
American National Cattlemen's Association.
Forest Industries Committee on Timber Valuation and Taxation.
National Livestock Tax Committee, American Cattlemen's Association.
National Livestock Feeders' Association.
National Wool Growers Association.
Pennsylvania Bankers Association.
Iowa State Bar Association.
National Realty Committee.
International Council of Shopping Centers.
National Association of Realtors.
Colorado Bar Association, Taxation Section.
The Authors League of America.
Texas Bankers Association.
Florida Bankers Association.
National Association of Home Builders.
New York State Bankers Association.
Committee of Banking Institutions on Taxation, New York.
Apartment and Office Building Association of Metropolitan Washington.
Virginia Beef Cattle Association.
Illinois State Bar Association.
American Paper Institute.
National Forest Products Association.
Virginia Forestry Association.
North Carolina Bar Association.
The Southern Governor's Conference.

ORDER FOR CONSIDERATION OF CRUDE OIL WINDFALL PROFIT TAX OF 1979, H.R. 3919, ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, following the orders for the recognition of the two leaders, the Senate resume consideration of the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS TO 10 A.M. ON MONDAY, NOVEMBER 19, 1979

Mr. HARRY F. BYRD, JR. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 10 a.m. on Monday next.

The motion was agreed to; and at 6:45 p.m., the Senate recessed until Monday, November 19, 1979, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate November 16, 1979:

DEPARTMENT OF TRANSPORTATION

William B. Johnston, of Virginia, to be an Assistant Secretary of Transportation, vice Chester Davenport, resigned.

FEDERAL EMERGENCY MANAGEMENT AGENCY

William H. Wilcox, of Pennsylvania, to be an Associate Director of the Federal Emergency Management Agency (new position).

IN THE ARMY

The following-named officers for promotion in the Regular Army of the United States, under provisions of Title 10, United States Code, Sections 3303 and 3305:

ARMY PROMOTION LIST

To be colonel

Abt, Irwin E., [redacted].
Adams, Harvey L., [redacted]
Adsit, John M., [redacted].
Akin, George H. [redacted].
Allaire, Christopher, [redacted]
Allison, Robert H., [redacted]
Alton, Carlly L., [redacted].
Anderson, Ralph O., [redacted]
Annette, Robert W., [redacted].
Arnecke, Charles O., [redacted]
Bacon, Robert C., [redacted].
Bagnal, Charles W., [redacted].
Bahnsen, John C., [redacted].
Bailey, George A., [redacted].
Baird, Richard J., [redacted].
Baker, A. J., [redacted].
Barker, Rex N., [redacted].
Barlow, Keith A., [redacted].
Barnum, Robert C., [redacted].
Barron, James B., [redacted].
Bartron, Hubert K., [redacted]
Beck, Edmund S., [redacted].
Bell, Dale M., [redacted].
Bell, Lawrence A., [redacted].
Bening, Robert G., [redacted].
Bernd, Roy B., [redacted]
Berry, William W., [redacted].
Binney, Charles W., [redacted].
Bizzelle, Joanalys, [redacted]
Blagg, Thomas E., [redacted].
Blascak, Donald W., [redacted].
Blewster, James C., [redacted].
Boerner, Dennis H., [redacted].
Boiani, Peter J., [redacted].
Boll, Albert F., [redacted].
Bonnett, William B., [redacted]
Botts, Robert H., [redacted].
Bradford, Zeb B., [redacted]
Brashears, Bobby F., [redacted]
Breen, James H. [redacted].
Brier, James R., [redacted].
Broadawav, Thomas F., [redacted]
Bronson, Richard M., [redacted].
Broome, James R. [redacted].
Brown, Bernard B., [redacted].
Brown, Frederic J. [redacted].
Brown, Lee D. [redacted]
Brown, William W. [redacted].
Bryant, William L., [redacted].
Buckner, David L., [redacted].
Bullock, Victor T., [redacted].
Bunevich, Peter C., [redacted].
Burcham, Jerry J., [redacted].
Burgoon, Kenneth L., [redacted].
Burke, Francis J., [redacted].
Burton, Donald L., [redacted].
Bush, Emory W., [redacted]
Bynell, Harlan B., [redacted].
Calvert, Jack F [redacted]
Cambell, Chester F., [redacted].
Campbell, Donald A., [redacted]
Campbell, Frank D., [redacted].
Campbell, Joseph R., [redacted]
Carney, James H. [redacted].
Carr, Eldon D. [redacted]
Carroll, George F. [redacted].
Carroll, William F. [redacted].
Casey, Franklin J., [redacted].
Castelli, Joseph G., [redacted].
Caudill, James E. [redacted].
Cei, Peter G., Jr., [redacted].
Cento, Dahl J. [redacted]

Christensen, George, [redacted].
Christopher, Harry, [redacted].
Clarke, Charles C., [redacted].
Clelan, Joseph R., [redacted].
Cocke, Eugene R., [redacted].
Cody, William F., [redacted].
Coffman, Richard L., [redacted].
Colburn, Edward A., [redacted].
Conrad, Michael J., [redacted].
Conroy, Arthur T., [redacted].
Conroy, Robert E., [redacted].
Cooper, Frederick E., [redacted].
Craver, Douglas M., [redacted].
Crawford, Charles W., [redacted].
Crawford, Clydie J., [redacted].
Cremer, Robert D., [redacted].
Croft, John A., [redacted].
Crosby, James C., [redacted].
Cross, Ernest E., [redacted].
Cullen, James F., [redacted].
Curl, Richard L., [redacted].
Davis, Alice M., [redacted].
Davis, Harold M., [redacted].
Davis, Richard K., [redacted].
Davis, Sidney, [redacted].
Day, Frank L., [redacted].
DeCamp, William S., [redacted].
DeLandro, Donald J., [redacted].
Deleuil, Wood R., [redacted].
Demers, Gerald Z., [redacted].
Delvecchio, William, [redacted].
Dewey, Arthur E., [redacted].
Diez, Everett S., [redacted].
Dillingham, William, [redacted].
Dillon, William F., [redacted].
Dinkins, Robert L., [redacted].
Dottle, James C., [redacted].
Downes, Michael M., [redacted].
Dozier, James L., [redacted].
Druit, Clifford A., [redacted].
DuBoise, Perryman F., [redacted].
Dudzik, Joseph A., [redacted].
Dull, Harry L., Jr., [redacted].
Dyke, Charles W., [redacted].
Eastburn, Charles E., [redacted].
Ebbole, Robert, [redacted].
Ebert, Vernon E., [redacted].
Ecoppi, Joseph L., [redacted].
Eitel, James W., [redacted].
Ellis, James N., [redacted].
Ely, Arch H., Jr., [redacted].
Epperson, Thomas A., [redacted].
Eure, Samuel L., [redacted].
Fargason, Leroy H., [redacted].
Farmer, William P., [redacted].
Farrell, Joseph G., [redacted].
Feaster, Lewis L., [redacted].
Feeney, Gerald F., [redacted].
Finch, Arthur L., [redacted].
Fiorentino, William, [redacted].
Fisher, Paul D., [redacted].
Fiske, William S., [redacted].
Fitzgerald, John M., [redacted].
Fitzmorris, Lawrence, [redacted].
Foss, John W., [redacted].
Fountain, Ernest H., [redacted].
Fox, Eugene, [redacted].
Fox, Eugene A., [redacted].
Fraker, William W., [redacted].
Fraley, Harold J., [redacted].
Frank, Winfield C., [redacted].
Frederick, William, [redacted].
Frye, Ray E., Jr., [redacted].
Fuller, Thomas W., [redacted].
Gale, Paul B., [redacted].
Gannon, James V., [redacted].
Garvey, Charles J., [redacted].
Gayler, Earl D., [redacted].
Geczy, George, Jr., [redacted].
Gentry, Paul E., [redacted].
Gibbons, Bruce H., [redacted].
Gibbons, Gerald G., [redacted].
Gibbons, James H., [redacted].
Giese, William, [redacted].
Gilmore, Joseph R., [redacted].
Glasker, Samuel J., [redacted].
Gleason, Joseph E., [redacted].
Glenn, Charles A., [redacted].
Goetz, George W., [redacted].
Goodwin, Clifton R., [redacted].
Gracey, Hugh W., [redacted].
Grant, Theodore, [redacted].
Gray, Frank M., Jr., [redacted].
Green, James L., [redacted].
Greenway, John R., [redacted].
Grinstead, John B., [redacted].
Gross, Woolf P., [redacted].
Guba, Howard J., [redacted].
Guillory, Larry G., [redacted].
Gullen, John P., [redacted].
Hammond, Verle B., [redacted].
Hampton, Emery W., [redacted].
Hargis, Glenn F., [redacted].
Harris, Bruce R., [redacted].
Hart, Rufus R., [redacted].
Hatcher, Walter L., [redacted].
Hattersley, James G., [redacted].
Hedberg, Mildred E., [redacted].
Hedges, Oliver W., [redacted].
Helela, David H., [redacted].
Henry, Charles E., [redacted].
Hensley, William R., [redacted].
Hickerson, Arville, [redacted].
Hickman, Jere L., [redacted].
Hill, Robert G., [redacted].
Hill, Theron H., [redacted].
Hoff, Rodger, L., [redacted].
Hoffman, John F., [redacted].
Holdaway, Ronald M., [redacted].
Holladay, Van D., [redacted].
Holland, Billy C., [redacted].
Holmes, Frederick S., [redacted].
Holmes, Justin A., [redacted].
Holt, Bill V., [redacted].
Honore, Charles E., [redacted].
Hooker, Richard D., [redacted].
Horn, Will H., [redacted].
Hottel, David T., [redacted].
Howe, Robert H., [redacted].
Huggins, Charles B., [redacted].
Hummel, Richard H., [redacted].
Humphreys, George D., [redacted].
Hunt, Byron W., [redacted].
Hunt, James W., [redacted].
Hunt, Wallace G., [redacted].
Hutchison, Jarold L., [redacted].
Hutton, John D., [redacted].
Ingram, Duane C., [redacted].
Israel, Glenn A., [redacted].
Jewett, Richard E., [redacted].
Johnson, Donald K., [redacted].
Johnson, Ernest D., [redacted].
Johnson, John C., [redacted].
Johnston, Norbert B., [redacted].
Jones, Maury L., [redacted].
Keliher, John G., [redacted].
Kelly, Edward V., [redacted].
Kelly, Thomas W., [redacted].
Kem, Richard S., [redacted].
Kidd, Stewart R., [redacted].
Kilpe, Gunars, [redacted].
Kincheloe, Carl E., [redacted].
Kinder, Norman W., [redacted].
Kirk, John M., [redacted].
Kirkwood, John H., [redacted].
Kleypas, Kenneth A., [redacted].
Kottich, Charles R., [redacted].
Kramer, Ronald T., [redacted].
Kuykendall, William, [redacted].
Ladd, John P., [redacted].
Lang, Marlin C., [redacted].
Lanham, Michael C., [redacted].
Lash, Peter W., [redacted].
Latour, Robert D., [redacted].
Latturner, George J., [redacted].
Leakey, Robert J., [redacted].
Lee, Curtis D., [redacted].
Lee, Ray H., [redacted].
Lehardy, Ward M., [redacted].
Lenderman, William, [redacted].
Leuer, Kenneth C., [redacted].
Lewis, Robert C., [redacted].
Little, Ronald E., [redacted].
Littlejohn, Thomas, [redacted].
Lomax, Rhoss C., Jr., [redacted].
Long, John E., [redacted].
Lueders, Dirk H., [redacted].
Mackin, Richard E., [redacted].
Massey, Oran A., [redacted].
May, Elmer C., [redacted].
Mayson, Elford M., [redacted].
Mazyck, William L., [redacted].
McCarthy, James F., [redacted].
McCarty, Douglas W., [redacted].
McClain, Terrence W., [redacted].
McCleave, Robert E., [redacted].
McCoy, George V., [redacted].
McCue, Robert B., [redacted].
McGinn, John J., [redacted].
McGowan, Paul A., [redacted].
McGruder, Beverly L., [redacted].
McMillan Druery C., [redacted].
McNall, Jack G., [redacted].
McNealy, Richard K., [redacted].
McNulty, James W., [redacted].
McPheeters, Leander, [redacted].
Mericle, Russell A., [redacted].
Messer, Hollis D., [redacted].
Meyer, Clyde E., [redacted].
Meyer, Raleigh R., [redacted].
Mikuta Joel J., [redacted].
Mills, Robert R., [redacted].
Mitchell, Gregory W., [redacted].
Modica, Giac P., [redacted].
Molinelli, Robert F., [redacted].
Morelli, Donald R., [redacted].
Munsey, Jack T., [redacted].
Nack, John M., [redacted].
Neighbors, James D., [redacted].
Nelson William J., [redacted].
Newbill, James P., [redacted].
Newton, George F., [redacted].
Nicholson, John W., [redacted].
Nock, Carleton C., [redacted].
Oakes, John H., [redacted].
Oberg, Robert E., [redacted].
Oberst, Guenter G., [redacted].
Okita, Harold K., [redacted].
Opstad Edwin A., [redacted].
Oshei, Donald M., [redacted].
Palmer, Dave R., [redacted].
Palmertree, Tommy R., [redacted].
Park, David B., [redacted].
Parker, John R., [redacted].
Partin, David W., [redacted].
Patrick, Farrell G., [redacted].
Patte, Christian, [redacted].
Pearson Stanley R., [redacted].
Peden, Ronald L., [redacted].
Penzler, Harry D., [redacted].
Perry, Mervin E., [redacted].
Philipp, Ronald E., [redacted].
Phillips, Robert A., [redacted].
Pickens, Homer C., Jr., [redacted].
Pinkston, William R., [redacted].
Pitre, George L., [redacted].
Place, Berwyn L., [redacted].
Porter, Jon E., [redacted].
Prather, Charles G., [redacted].
Prescott, Donald P., [redacted].
Pressley, Ancil R., [redacted].
Price, Roger J., [redacted].
Purdon, Robert W., [redacted].
Quackenbush, Robert, [redacted].
Quinn, Joseph G., [redacted].
Rabin, Ronald J., [redacted].
Raines, Fred B., [redacted].
Ramey, Hubert D., [redacted].
Raudebaugh, James D., [redacted].
Ray, Robert L., [redacted].
Reeves, Donald W., [redacted].
Reid, Robert C., [redacted].
Rhode, Michael, Jr., [redacted].
Richards, Edward T., [redacted].
Richards, John H., [redacted].
Richardson, William, [redacted].
Roberts, Charles W., [redacted].
Roberts, Donald A., [redacted].
Robinson, Willard L., [redacted].
Rockey, James D., [redacted].
Roll, William C., [redacted].
Rowe, Alvin G., [redacted].
Rowlands, David L., [redacted].
Rundgren, Ivar W., [redacted].
Rupp, James E., [redacted].
Russell, George G., [redacted].

Russell, James F., [redacted].
Sanches, Manuel L., [redacted].
Sanchez, James, [redacted].
Sanders, William C., [redacted].
Sanford, David G., [redacted].
Savard, Ronald S., [redacted].
Sawey, James W., [redacted].
Scheff, Richard P., [redacted].
Scherer, Franklin J., [redacted].
Schmidt, Charles E., [redacted].
Scholz, John C., [redacted].
Schuler, Bob D., [redacted].
Schwarz, Robert L., [redacted].
Schwarzkopf, H. Norman, [redacted].
Scott, Charles W., [redacted].
Seeberg, Richard S., [redacted].
Shaffer, Robert L., [redacted].
Shaul, Rollin, E. [redacted].
Shelton, Huntly E., [redacted].
Shirley, Frank R., [redacted].
Short, Joseph F., [redacted].
Shumway, James D., [redacted].
Sidler, Garrett V., [redacted].
Silva, Theodore S., [redacted].
Simmons, Ruth L., [redacted].
Simpson, Robert B., [redacted].
Sirkis, Michael S., [redacted].
Sisinyak, Mark J., [redacted].
Skidmore, Wilbur M., [redacted].
Slingo, James F., [redacted].
Smith, Carl D., [redacted].
Smith, Carl G., [redacted].
Smith, Donald B., [redacted].
Smith, John D., [redacted].
Smith, Scott B., [redacted].
Snyder, Harold B., [redacted].
Snyder, Ronald E., [redacted].
Springstead, Bertin W., [redacted].
Stapleton, George J., [redacted].
Staudenmaier, William O., [redacted].
Stearns, Peter D., [redacted].
Steimle, Carl R., [redacted].
Stein, Edward J., [redacted].
Stevens, Ronald B., [redacted].
Stevenson, Harry K., [redacted].
Stewart, John P., [redacted].
Stillions, Eugene L., [redacted].
Stokes, Theodore K., [redacted].
Stokes, William M., [redacted].
Stone, Gordon L., [redacted].
Stotser, George R., [redacted].
Strozier, James K., [redacted].
Stryker, Harm, [redacted].
Stubbs, Harold E., [redacted].
Suddath, Leroy N., [redacted].
Tapp, Richard L., [redacted].
Teague, Charles A., [redacted].
Temperley, Nicholas, [redacted].
Tengler, John A., [redacted].
Thompson, Jackson D., [redacted].
Tompkins, Edward, [redacted].
Toolson, John M., Jr., [redacted].
Townsend, Robert F., [redacted].
Tripp, Richard L., [redacted].
Tussing, James T., [redacted].
Tuszynski, Andrew J., [redacted].
Twichell, Heath, Jr., [redacted].
Urbach, Walter, Jr., [redacted].
Valence, Edward, Jr., [redacted].
Villa, Joseph A., [redacted].
Wagner, Keith A., [redacted].
Wakefield, Donald Y., [redacted].
Waldeck, James J., [redacted].
Walker, George J., [redacted].
Walker, Peter H., [redacted].
Walker, Robert E., [redacted].
Wall, John F., [redacted].
Wallace, George C., [redacted].
Watke, Frederic W., [redacted].
Watts, Ronald L., [redacted].
Webster, William L., [redacted].
Weckerling, John H., [redacted].
Weihl, William L., [redacted].
Weiler, Harold E., [redacted].
Weinstein, Leslie H., [redacted].
Weinstein, Sidney T., [redacted].
West, Arvid E., [redacted].
Whiddon, Orren R., [redacted].
White, Billy T., [redacted].
White, Jack A., [redacted].
Whitmire, James D., [redacted].
Whitt, Lawrence H., [redacted].
Williams, Alonzo, [redacted].
Williams, Gary C., [redacted].
Williford, Donald E., [redacted].
Willis, Raymond E., [redacted].
Windsor, James A., [redacted].
Winkel, Paul P., [redacted].
Wiser, Robert M., [redacted].
Withers, George K., [redacted].
Witt, Jerry V., [redacted].
Wold, Pedar C., [redacted].
Wolfgang, Albert E., [redacted].
Woodmansee, John W., [redacted].
Woods, George J., [redacted].
Woods, Robert P., [redacted].
Woods, Stephen R., [redacted].
Wray, Donald P., [redacted].
Wright, Billy J., [redacted].
Wurman, James W., [redacted].
Young, Lawrence B., [redacted].
Zorn, Jack L., [redacted].

CHAPLAIN CORPS

To be colonel

Brandt, Richard A., [redacted].
Easley, Howard A., [redacted].
Gremmels, Delbert W., [redacted].
Grubb, Hugh M., [redacted].
Hoogland, John J., [redacted].
Howerton, Robert B., [redacted].
McCullagh, John P., [redacted].
Moore, Jesse W., [redacted].
Stover, Earl F., [redacted].
Straub, Frederick W., [redacted].
Tolbert, Carl E., [redacted].
Wetherell, Sterling, [redacted].

DENTAL CORPS

To be colonel

Bauman, Richard, [redacted].
Cherry, Norman L., [redacted].
Conway, Michael H., [redacted].
Heid, Theodore H., [redacted].
Johnson, Billy, [redacted].
Morton, Charles B., [redacted].
Plank, Harold E., [redacted].
Post, Arthur C., [redacted].
Russell, Emery A., [redacted].
Summitt, William W., [redacted].
Taylor, Peter F., [redacted].

MEDICAL CORPS

To be colonel

Baden, Melvin, [redacted].
Birrielcarmona, Tomas, [redacted].
Blunt, James W., [redacted].
Butkus, Donald E., [redacted].
Cass, Kenneth A., [redacted].
Diazball, Fernando, [redacted].
Diggs, Carter L., [redacted].
Dobbs, Olin C., Jr., [redacted].
Fackler, Martin L., [redacted].
Fagarason, Lawrence, [redacted].
Feltis, James M., [redacted].
Garcia, Luis F., [redacted].
Garcia-Guerrero, Guillermo, [redacted].
Gemma, Frank E., [redacted].
German, Norton I., [redacted].
Goiser, John L., [redacted].
Hannegan, Michael W., [redacted].
Hernandez-Fragoso, Ignacio, [redacted].
Hutton, John E., [redacted].
Jacob, Jackie E., [redacted].
Kent, James J., [redacted].
Lanoue, Alcide M., [redacted].
Levine, Seymour, [redacted].
Macgregor, Robert J., [redacted].
Manson, Richard A., [redacted].
Martins, Albert N., [redacted].
Mears, William W., [redacted].
Miller, Lee H., [redacted].
Morales, Hernan, [redacted].
Morgan, Donald W., [redacted].
Orzano, Randel M., [redacted].
Peterson, Hugh D., [redacted].
Reed, James W., [redacted].
Rich, Norman M., [redacted].
Sanders, Daniel T., [redacted].
Schreiber, Otto J., [redacted].
Short, Earl D., [redacted].
Spaulding, Harry S., [redacted].
Stansifer, Philip D., [redacted].
Swanson, David L., [redacted].
Thering, Harlan R., [redacted].
Turnbull, Gottlieb, [redacted].
Varela, Gilberto E., [redacted].
Ward, George W., [redacted].
White, Claude R., [redacted].
Winter, Phillip E., [redacted].
Yhap, Edgar O., [redacted].

MEDICAL SERVICE CORPS

To be colonel

Allgood, Gerald D., [redacted].
Bass, Bobbie R., [redacted].
Bayne, Calvin, [redacted].
Blair, James D., [redacted].
Brannock, Joseph E., [redacted].
Brown, George L., [redacted].
Butler, Roosvelt D., [redacted].
Crawford, John C., [redacted].
Danielson, John J., [redacted].
Demaree, Gale E., [redacted].
Deponte, Joseph P., [redacted].
Garrett, Mclain G., [redacted].
Hammond, William H., [redacted].
Hartley, Brodes H., [redacted].
Hoyt, Max E., [redacted].
Johnson, Douglas L., [redacted].
Jordan, France F., [redacted].
Levy, Louis B., [redacted].
Lowe, John W., [redacted].
Mckeever, Francis L., [redacted].
Mealey, John J., [redacted].
Moran, Homer B., [redacted].
Neitzel, Richard F., [redacted].
Otterstedt, Charles, [redacted].
Pantalone, Julius D., [redacted].
Rengstorff, Roy A., [redacted].
Salmon, Ray W., Jr., [redacted].
Seeley, Sam T., [redacted].
Simpkins, William J., [redacted].
Stocks, Harold W., [redacted].
Stubblefield, James, [redacted].
Van Straten, James G., [redacted].
Williams, Edwin H., [redacted].

ARMY MEDICAL SPECIALIST CORPS

To be colonel

Appleby, Howard A., [redacted].
Fritsch, Ann D., [redacted].
Lofton, William, Jr., [redacted].
Pfeiffer, Violet R., [redacted].
Strand, Eloise B., [redacted].

VETERINARY CORPS

To be colonel

Bucci, Thomas J., [redacted].
Farris, Richard D., [redacted].
Jorgensen, Robert R., [redacted].
Kinnamon, Kenneth E., [redacted].
Orthey, George F., [redacted].
Webb, Adin R., [redacted].

ARMY NURSE CORPS

To be colonel

Farrell, Joanne T., [redacted].
Gann, Ellen J., [redacted].
Hartman, Jay N., [redacted].
Horan, Mary T., [redacted].
Johnson, Hazel W., [redacted].
Labbe, Elizabeth A., [redacted].
Smith, Nancy E., [redacted].
Sullivan, Elenore F., [redacted].
Thomas, Nevaida, [redacted].

The following-named officers for promotion in the Regular Army, under the provisions of title 10, United States Code, sections 3284 and 3299:

ARMY PROMOTION LIST

To be lieutenant colonel

Todd, Alan R., [redacted].

The following-named officers for promotion in the Army of the United States, under provisions of title 10, United States Code, sections 3442 and 3447:

DENTAL CORPS

To be colonel

Madden, Robert J., [redacted].

MEDICAL SERVICE CORPS

To be lieutenant colonel

Kusumoto, Howard H., [redacted].
Tedrow, Thomas N., [redacted].

The following-named officers for promotion in the Regular Army, under the provisions of title 10, United States Code, sections 3284 and 3298:

ARMY PROMOTION LIST

To be first lieutenant

Corley, Michael W., [redacted]
Dixon, James C., [redacted]
Johnson, Jeffrey L., [redacted]
Johnson, John D., [redacted]
Knight, William L. Jr., [redacted]
Lee, Charlotte H., [redacted]
Meyer, Jeffrey A., [redacted]
Smith, Leverock G., [redacted]
Smith, Michael D., [redacted]
Steele, William R., [redacted]

CONFIRMATIONS

Executive nominations confirmed by the Senate November 16, 1979:

FEDERAL EMERGENCY MANAGEMENT AGENCY

Gloria Cusumano Jimenez, of North Carolina, to be an Associate Director of the Federal Emergency Management Agency.

DEPARTMENT OF THE INTERIOR

William Edward Hallett, of Colorado, to be Commissioner of Indian Affairs.

COUNCIL ON ENVIRONMENTAL QUALITY

Robert H. Harris, of Maryland, to be a Member of the Council on Environmental Quality.

DEPARTMENT OF ENERGY

Ruth M. Davis, of Maryland, to be an Assistant Secretary of Energy (Resource Applications).

William Walker Lewis, of the District of Columbia, to be an Assistant Secretary of Energy (Policy and Evaluation).

FEDERAL ENERGY REGULATORY COMMISSION

Charles B. Curtis, of Maryland, to be a Member of the Federal Energy Regulatory Commission for the term of 4 years expiring October 20, 1983.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

TONGUETIED AMERICANS

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. BRADEMAS. Mr. Speaker, I insert at this point in the RECORD the text of an advertisement by the United Technologies Corp. concerning the importance of encouraging more study of foreign languages in the United States.

The advertisement appeared on May 23, 1979, principally in newspapers in the State of Connecticut.

I commend United Technologies for this important message in the public interest.

The text follows:

TONGUE-TIED AMERICANS

Travel abroad and you'll find, almost everywhere, people with enough grasp of English to give you directions, interpret a menu for you, or help with your travel schedule. But a non-English speaking visitor in this country is hard-put to find such help.

Among industrialized nations, the U.S. stands alone in its neglect of foreign language study. In the face of growing world interrelationships—political, diplomatic, economic—Americans' familiarity with the tongues of others is in sorry decline.

Last year the President's Commission on Foreign Language and International Study was formed to find ways to live up to international agreements in which the U.S. has pledged to encourage the study of foreign languages and civilizations. The commission's initial findings are dismaying:

Nine out of ten Americans cannot speak, read, or effectively understand any language but English.

About 90 percent of all colleges have no language requirements for admission. One-quarter of all high schools do not teach any foreign language.

College language enrollments have declined 21.2 percent in the past decade.

Foreign language enrollments dropped 15 percent among high school students between 1968 and 1974. Less than one-quarter of high school students now study a foreign language as against 32 percent in the mid-1960s.

Only 17 percent of American foreign language students taught wholly in this country can speak, read, or write the foreign language easily.

The prevailing sense in this country toward those in other lands seems to be: Let 'em speak English.

It's a foolhardy attitude. It ill serves America's interests and objectives in the world community. Unless it's changed, the U.S. will find itself at a disadvantage in grasping economic opportunities and meeting its diplomatic responsibilities around the world.

At a time of detente with Russia and rapprochement with China, an appallingly small number of American students are taking up those languages at the advanced levels necessary for fluency. One member of the presidential commission voiced distress on learning that the U.S. Foreign Service no longer requires any foreign language background for new service officers. Because so few Americans study foreign languages, he found, the State Department was forced to drop the requirement.

Much of America's economic growth in the years ahead will come from international trade. More and more people will be needed with skill in foreign tongues. By not pursuing language studies, many young people are cutting themselves off from rewarding careers in international business.

Knowledge of other languages and cultures is indispensable to fruitful international relationships. We in this country would do well to support and stimulate such knowledge, lest we find ourselves standing around with nobody to talk to except ourselves.●

FREEING OF SOVIETS EXILED BECAUSE OF RELIGIOUS AND POLITICAL BELIEFS

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. DOWNEY. Mr. Speaker, like many of my colleagues I have on a number of occasions spoken before this House on behalf of those individuals in the Soviet Union who have been imprisoned, exiled or otherwise mistreated because of their religious or political beliefs. I think it is good for us to be reminded every so often that our efforts in this regard contribute to positive results. This sort of reminder can serve to reinforce our resolve to speak out in support of the basic human rights of these unfortunate people and it may also help to keep them from losing hope despite what must often seem like endless setbacks.

For this reason, I would like to insert in the RECORD a letter I recently received from a constituent of mine, Mr. Milton Cohen, of Bayshore, N.Y. Mr. Cohen has written eloquently of the many problems faced by Yaacov Suslensky which resulted from his request to emigrate to Israel from the Soviet Union. Mr. Suslensky eventually triumphed over adversity and I hope his actions will increase our resolve to continue to speak out in support of others like him.

The letter follows:

DEAR CONGRESSMAN DOWNEY: This is with regard to the Soviet "refusnik", Yaacov Suslensky, a Jewish teacher, incarcerated in the "Gulag" for wanting to emigrate to Israel. You may recall that I asked you to intercede in his behalf with his Russian jailers especially in as much as he was in very poor health and the chances of his survival was in doubt.

Well, Sir, I believe very strongly that we may have very good news, indeed!

You may also recall you wrote to the Soviet Ambassador and to Yaacov Suslensky in his Gulag jail in the Soviet Union. Most probably your letters bore fruit.

Last night, while watching the CBS News with Walter Cronkite, there appeared a piece of film from Israel, and as big as life, a Yaacov Suslensky, recently imprisoned by the Soviets. Yaacov expressed his very warm thanks and appreciation for the many letters of help in his behalf to which I now want to add mine.

Again, I want to thank you very much for your heartfelt help in freeing Suslensky from his unjust imprisonment. You may, indeed, have saved his life!

Sincerely,

MILTON COHEN.●

NEW EAST-WEST TRADE: TERRORISM

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. ASHBROOK. Mr. Speaker, in the near future we will be asked to consider continuing the waiver on Romania's most favored nation status. This action, plus possible most favored nation status requests for Communist China and the U.S.S.R., reflect the apparent policy of this administration to selectively close its eyes to the realities of the world. As the U.S.S.R. and its satellites grow in economic stability and in military power they are channeling their new found success into exporting revolution to the

Third World. This is not new as the Soviets have made this their prime export commodity since their inception. However, as first Cuban and now the rest of Eastern Europe join the league of terrorist exporting nations the foreign policy implications bode ill for the United States. It is entirely possible that the U.S.S.R. could, eventually, turn all of its tactical level aggression over to its second string and devote full time to strategic weaponry and planning. This rather frightening scenario does not seem to bother anyone in the White House or the State Department. They continue on with their merry task of dishing out escalating platitudes about how trustworthy and friendly the Communists are or promise to be if we just dump one more ally over the side.

The White House and company might have their own reasons for allowing these events to slip by without comment, but under such circumstances it becomes the duty of the Congress to call attention to these matters and to hopefully take substantive actions that are within our powers. Before my colleagues consider matters such as the issues of export controls and East-West trade status they should take some time and read a recent article out of the Christian Science Monitor that concerns the crowded field of nations that are supporting the violent overthrow of some of our allies and friends:

[From the Christian Science Monitor, July 19, 1979]

East Bloc Boosts Its Military Aid to Black Africa

(By Eric Bourne)

Several East European states, led by East Germany, are stepping up substantially their military support to black Africa.

The principal beneficiaries are expected to be the guerrilla movements opposed to Bishop Abel Muzorewa's government in Zimbabwe Rhodesia.

For some years, the East block as a whole has given substantial military assistance to countries like Mozambique, Angola, and Ethiopia.

The biggest contributor, of course, has been the Soviet Union. But both East Germany and Czechoslovakia have also played a considerable role. Now the tempo of supplying aid is being speeded up over the whole field.

East Germany is moving openly into the forefront with agreements to ship many more military instructors into Zambia and Mozambique for the guerrilla forces who are expected shortly to intensify operations against the new Rhodesian regime.

The program is reliably reported to include training of troops in the use of increasing supplies of SAM-7 portable ground-to-air missiles, artillery, and mortars as well as efforts to unify operations between the two principal and frequently squabbling guerrilla forces based along the Mozambique and Zambian borders.

With these developments, the East European presence in the area is assuming a more substantial form than at any time since an initial mid-1050s decision to give full political support to all potential third world countries as they broke "imperialist" bonds and gained independence. But in reality little was given

There was little change until the challenge of the '70s posed by the militant, well-organized liberation movements in countries like Angola, Mozambique, Rhodesia, and Namibia (South-West Africa).

From then on ties have been strengthened with frequent extensive tours by East bloc leaders—most notably the East Germans, the Romanians, and Bulgarians—and a flurry of treaties of friendship and cooperation of the kind hitherto reserved for states specifically regarded as within the general orbit of the communist bloc's "socialist" camp.

Close "party" links have been established under which young African cadres—particularly from Rhodesia, South Africa, and Namibia—go to Eastern Europe for study and training in party organization and ideological propaganda work.

The military connection, however, has from the start been the most tangible. How much of the billion dollars worth of arms Eastern Europe (as distinct from the USSR) supplied to third world countries from 1973 until 1977 went to black Africa is not known.

But in the two years since, Czechoslovakia, East Germany, and also, it is believed, Bulgaria and Romania, have steadily increased supplies, as well as advisers, to all the actively militarily involved states and movements.

The pace has further accelerated since a tour last year of some of the "frontline" countries by East German Defense Minister Gen. Heinz Hoffman, which last February was followed up by party leader Erich Honecker.

Mr. Honecker's tour produced not only a pledge of "massive" support for Angola, Mozambique, and Zambia but also friendship and cooperation treaties with each as well. (Romania has signed six such black African treaties.)

East Germany's past with Mozambique even provided for military cooperation "in the interest of strengthening defense capabilities" and, moreover, for exchanges of view in the event of military "threat."

In East Berlin last month, Mr. Honecker received Joshua Nkomo, leader of the Zimbabwe African Peoples Union (ZAPU) and its 10,000 strong guerrilla army in Zambia. After their talks, the East German party chief said his country was participating "in a war of liberation in southern Africa."

General Hoffmann has recently also visited Moscow, where he conferred on coordinated military aid for the frontline states.

Subsequently, the East German general discussed his country's involvement with such openness in an East German weekly magazine that there seems no reason to doubt current reports that the approximate 1,500 military advisers stationed in the Mozambique-Zambia bases will be at least doubled before the year is out.

East German statements tend also to provide ground for outside concern that the terms "advisers" or "instructors" might well also conceal a possible actual combat role, at least in handling the more sophisticated weapons if not in actually leading units in action—should this be deemed necessary.●

THE WHITE HOUSE CONFERENCE ON LIBRARIES AND INFORMATION SERVICES

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. GREEN. Mr. Speaker, November 15 through 19 marks an historic event in this country, the first White House Conference on Libraries and Information Services. More than 1,000 delegates, representing all 230 million Americans, will meet in our Nation's Capital to discuss the future role of America's libraries and information services in the 1980s and beyond. With the theme of "Bringing Information to People," the conferees will discuss the impact of the information age on individuals and institutions, in an effort to ensure that people receive the information they need to improve their homes, their schools, their workplaces, their communities, and every aspect of their lives.

Modern technology has brought our society into a new information age with its special advantages and problems. Information has come to be regarded as a national resource, such as coal and water, and as such, is crucial to our Nation's security and well-being. As the Nation's knowledge increases, more information is constantly being stored, organized and disseminated. It is essential that people get the information they need when they need it if our society is to function at its optimum.

The first White House Conference on Libraries and Information Services, which was established by the strong initiative and support of Congress as mandated in Public Law 93-568, will be dealing with such issues as equal opportunity of access to information, illiteracy in this country, recommendations for a national information network, problems of conservation, funding, and many other issues pertaining to libraries and information services.

The library is a cornerstone of our great Republic. The first circulation library was founded in 1731 by Benjamin Franklin; thus, the library belongs to all of us. Developing an efficient means of making information accessible to all individuals is a concern of every American citizen. Our system of free local public libraries is a national resource of which all Americans are very proud. I am particularly proud of the libraries of my district in New York City, which are under unusual demand serving great numbers of people with diverse needs and interests.

The conclusions and recommendations made at this first White House Conference on Libraries and Information Services may well have an impact on every American. We should all be prepared to consider its recommendations carefully in a continuing effort to meet the demanding needs of our society.●

LEARNING AN IMPORTANT LESSON

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. EDWARDS of Oklahoma. Mr. Speaker, a number of us in the Congress have been attempting for some time to warn our colleagues of the negative effects of some of the legislation passed by this House.

I am aware that there is a great pressure on the Members of Congress to respond to the demands—or pleas—of constituents, most of whom are sincerely trying to foster worthwhile causes or meet important social needs. People in Government—especially people in elective office—often share those concerns and want to help the people in our society who need help. And even when that is not sufficient motivation to enact legislation, these is always the less subtle consideration: The threat that angry voters will vote us out of office if we do not pass the legislation they want.

And so, under those pressures, the Congress continues to spend and write laws and create agencies which devise regulations, and all of this in the name of doing something good for people.

Somehow, though, when we warn that the Congress is doing harm to the people, rather than providing benefit for them, our speeches fall on deaf ears and our colleagues pass the bills anyway.

At least one man—a former colleague of ours, who was well liked and respected in this House—has now found himself in a position to evaluate the effect of what he did as a Member of Congress, and he has found that our warnings were indeed well-founded. To put it in his words, talking about the Government—about us: "It's insane; they're ruining us." And that, Mr. Speaker, from a man who was once one of the most liberal Members of the Congress.

The syndicated columnist Richard Reeves has published an important—in fact, an amazing—column based on a meeting with that former Congressman, New York City Mayor Ed Koch. Every liberal, and every Congressman, ought to read it. The column, entitled " 'We Were Dumb,' Laments the Ex-Congressman," follows:

[From the Washington Star, Nov. 12, 1979]

"WE WERE DUMB," LAMENTS THE EX-CONGRESSMAN

(By Richard Reeves)

You can't go anywhere these days without hearing someone griping about how government is ruining the country. Take dinner the other night with Ed Koch.

"It's insane," he said. "They're ruining us."

Koch, of course, is hardly your average citizen. He's not only the mayor of New York City, but, before that, was a congressman for almost a decade—a very liberal congressman. But, kvetching that night, he sounded like a cab driver thinking about voting for Ronald Reagan.

"Washington just sits there and tells us to do this, do that, do it this way, do it that way," Koch said as we sat around with some of the highest officials of his city.

"They're looking over our shoulder all the time, threatening to take us to court all the time. Keep the hospitals open even if they don't have any patients or we'll cut off your aid. Help the handicapped, help the children. Put white teachers in black schools. No, we changed our mind, put black teachers in black schools. Teach in Spanish. Now we have English and Spanish treated equally in the schools. It's crazy. It never ends."

"But Ed," interrupted his counsel, Alan Schwartz, "you voted for all those things in Congress."

"I know that," Koch continued. "I was dumb. We all were. I voted for so much crap. Who knew? We got carried away with what the sociologists were telling us . . . we have permitted a small number of people, generally gifted, elitest, to dominate the society. This was their view. It was never the majority view."

"Well, what happens when you go back to Washington? You know a lot of people in Congress," I said. "You must be telling them the same thing."

"I am," he said. "They say they know I'm right. But it doesn't make any difference. They keep voting for more and more—and they say they have to. They're afraid of pressure from every group that wants something from them."

No one, in short, wants his office or campaign picketed by Hispanics, or children, or people in wheelchairs, or whoever.

"Congress has just become more responsive, too responsive," said Ronay Menschel, a mayoral assistant who once ran Koch's congressional office. "The winds of change would have once come and gone, but now they're institutionalized in regulations . . . The regulations have a life of their own. Facility access for the handicapped is an example. The Department of Transportation is blindfolded to reality. In New York, they ignore the fact that our bus system shadows the subway system. We say we'll make the buses accessible to the handicapped, but they say it has to be both buses and subways, even if no one in a wheelchair will ever use the subways and the money doesn't exist to rebuild them."

"We could shut them down," Koch joked sourly, "then we wouldn't be in violation of the regulation."

"New values have found a home in those regulations," said David Brown, a former deputy mayor who is now teaching at Yale. "Environmental regulations are an example. It's process run amok. Times change, but the old plans—the agenda of the 1960s—have this life of their own through federal courts and bureaucracy."

"We're heading for a crisis," Brown continued. "We can't get this thing back in the bottle. We won't be able to come up with all the money to do all the things that have been mandated. Government may not be able to carry the burden; it'll be run into the ground. You'll have public officials who are not upholding the law."

"The people out there have nothing to do with what's happening," Koch said pointing in the general direction of Queens and Brooklyn from his elegant, contemporary home in Manhattan, Gracie Mansion.

"How do they feel? I know how I feel. I want to exercise the authority I'm supposed to have under the City Charter. I can't. Most of the time I feel I can't do anything. I'm telling you, it's insane."●

THE TAX ON OIL

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. FORSYTHE. Mr. Speaker, during the past decade this body and the American people have attempted to ignore the increasing disadvantage in which our country has been placed as a result of our voracious appetite for imported oil. Our attempts to reduce our imports and our consumption can be defined as gestures at best. We have made no real progress in implementing an energy policy that will increase domestic energy supplies. And, if we need any reminder that our situation is precarious, the present crisis in Iran serves as an illustration of our vulnerability.

Still, we cannot seem to shed our habit of wishful thinking about how it used to be when oil was cheap and the supply seemingly infinite. Our refusal to acknowledge the present situation prevents us from taking the necessary action to change it. The Congress and the Carter administration persist in their insistence that an excise tax, which has been labeled a "windfall profit tax," be placed upon domestically produced, decontrolled oil. As a consequence, what additional profits the oil industry might realize from decontrolled oil will be taxed away and will not be available for new exploration for domestic oil, which is our only hope of reducing our dependence on foreign oil in the near future.

One of the clearest discussions I have read about the so-called "windfall profit tax" and its impact is the Wall Street Journal editorial of November 12, 1979. It is included below and I commend it to the attention of my colleagues. It is time we stopped pretending.

The editorial follows:

AN OBSCENE TAX

Say that last year widget-makers sold 100 red widgets and 100 green widgets. Then say that Congress decided to slap a big tax on red widgets but not on green widgets. Do you think that the next year sales of red widgets with the tax would go up to 110 and sales of green widgets without the tax would go down to 90?

You don't think that, but in its wisdom the U.S. Congress does. So for that matter does the U.S. administration. To protect us from buying too much imported oil, they are slapping a big excise tax on domestic oil.

Naturally, Congress and the administration don't want this understood, even by themselves, so they are filling the air with dust. First they call the new excise tax a "windfall profits tax," though it has nothing to do with profits and though it's most doubtful that decontrol of wellhead prices will be any "windfall" to the oil companies. Next, they throw around a lot of fictitious numbers, with President Carter talking about "a $1 trillion giveaway" and Senator Kennedy suggesting even higher figures. Congress, meanwhile, is counting its chicks before they're hatched, actually voting to spend the huge sums it estimates the new tax will raise.

To instill a little realism into these proceedings, start with a few envelope-back calculations. The average domestic price of crude oil is now about $13, and the uncontrolled stripper price is $33. About three billion barrels of oil are produced a year. So if the wellhead price were suddenly decontrolled and everything went to the uncontrolled price overnight, producers would get extra revenues of $20 a barrel times three billion barrels, or $60 billion a year. Of this, present taxes already take 60%, leaving the oil industry with $24 billion.

This is a far cry from $1 trillion, even over a number of years. But the oil industry won't get the $24 billion, because no one (except us) is talking about yanking off wellhead controls overnight. The actual calculations of a "windfall" are far more complex, taking into account the phasing out of controls. The people we most trust within the industry put it at something like $6 billion a year.

This is the windfall for production. The real issue is whether this $6 billion "windfall profit" at the production level will be offset by a $6 billion "windfall loss" at the refining and marketing level. After all, the money to pay the new excise tax has to come from somewhere. Either it has to come out of profits the oil industry is making at present retail prices, or it has to come out of higher retail prices. If prices at retail already reflect the world price of crude oil, there is no windfall to tax.

Some readers may recall the extended discussion on this page when two Rand Corp. economists contended that the wellhead price controls do not affect the U.S. retail price, but merely shift revenues around within the oil industry. As a matter of economic theory, their argument is simple: The price is set by the marginal unit, and the marginal barrel of oil is imported at the world price. Retail prices will reflect this, and if you control domestic wellhead prices, the profits have to be collected somewhere else.

Everyone knows, of course, that retail gasoline prices in Europe are around $2 versus around $1 here, but this difference is an artifact of European tax policies. In deciding whether U.S. retail prices reflect world crude prices, you have to deal in pretax prices.

When you do, you find powerful support for the Rand thesis. European gasoline is made entirely from world price crude, but the average wholesale spot price for regular gasoline was 42.6 cents in Rotterdam during 1978, compared with 42.8 cents in New York. In 1977, Rotterdam 36.4 cents, New York 38.4 cents. In 1976, Rotterdam 37.1 cents, New York 35.5 cents. In 1975, Rotterdam 32.6 cents, New York 33.5 cents.

Now, under these circumstances, how can the market adjust to a huge new tax on domestic oil but not on foreign oil? First, by driving down the profits of the oil industry; by some estimates returns on oil would fall below returns on Treasury Bills. This would of course drive down investment in looking for new energy. Second, by changing the mix away from taxed domestic oil and toward untaxed foreign oil. And third, to the extent more imported oil is thus demanded by the U.S., by putting upward pressure on the world price.

Less investment to produce energy more imported oil and higher world prices—a fine lot of accomplishments for U.S. energy legislation, but quite consistent with nearly all our energy legislation since 1973. Howard Jarvis was in Washington the other day on behalf of independent oil producers fighting the tax. With his usual keen eye, he denounced the "windfall" legislation as an "obscene tax." ●

A METHODOLOGY FOR DETERMINING RISK ASSESSMENTS RELATED TO LOVE CANAL HOUSING

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. LAFALCE. Mr. Speaker, in February of this year I requested the U.S. Department of Housing and Urban Development to establish a policy regarding the granting of FHA mortgage loans for houses in the Love Canal area of Niagara Falls.

To date I have not received a reply to this request from HUD. However, in the interim, HUD requested the U.S. Environmental Protection Agency to give them some criteria and guidance for establishing such a policy. EPA, through its Carcinogen Assessment Group (CAG), came up with a draft report which was meant to provide HUD with a methodology for making its own risk assessments prior to deciding whether or not to insure mortgage loans for these houses.

The draft CAG report was leaked to the Love Canal Homeowners Association last week. It is unfortunate that the draft report was leaked because it was poorly written, was irrelevant to the questions I had initially posed to HUD, and its implications for the health and welfare of the residents as written were misleading.

After constant prodding, I finally managed to get EPA to issue to the press an explanation of the draft and to publish a revised report which would better explain the draft report. However, to my dismay, EPA is not disseminating to the public its revised report. I believe that this is irresponsible on the part of the Agency because I believe that the public deserves to know exactly how the CAG developed its findings and recommendations.

Therefore, Mr. Speaker, I am inserting a copy of this revised report along with the draft report so that the public can compare for itself the initial version and the corrected one. The press has given much attention to the draft version. I trust it will give as much attention to the corrected one.

The reports follow:

FACT SHEET—EPA'S RESPONSE TO HUD REQUEST ON LOVE CANAL

PURPOSE

The Department of Housing and Urban Development asked EPA to provide a methodology for making risk assessments related to Love Canal housing. HUD could use this methodology in making its own risk assessments prior to deciding whether or not to insure mortgage loans for these houses.

DATA USED

To illustrate the risk assessment technique, EPA scientists used 1978 air monitoring data of four cancer-causing agents inside basements of houses in the Love Canal area and then calculated risks. The data were collected by the State of New York.

FINDINGS

A cancer risk analysis technique has been developed which can be used with *adequate* exposure data to estimate lifetime cancer risks.

Illustrative calculations using 1978 air monitoring data suggested cancer risks ranging from zero in some houses to as high as 1 in 100 (1%) in one house. The calculations assumed that an individual would be exposed for 15 hours a day for 30 years to the 1978 contaminant levels, with cancers developing over a 70-year lifetime.

The most extreme risk situation shown above means that, if 100 people were exposed as stated, the expected number of cancer cases over a 70-year lifetime would increase by 1, i.e., an incremental lifetime cancer risk of 1 in 100. By comparison, the number of people who would be expected to get cancer anyway is 25 out of 100.

Since the State of New York has undertaken remedial measures to reduce levels of the chemicals inside the houses, the calculations using the 1978 data do not necessarily reflect current risks inside the houses.

It must be emphasized that these computations are based on spot-check air monitoring data taken in the basements of houses in the Love Canal area and reported in a survey by the Division of Laboratories and Research, New York State Health Department (computer printout, November 28, 1978). This information does not necessarily reflect current exposure circumstances and should be used for illustrative purposes only in light of HUD's need for a practical approach to determine whether or not to insure mortgages. The CAG's final document will contain risk factor estimates which may be combined with current exposure information to describe the magnitude of the risk associated with inhabiting each home for which the FHA mortgage is requested.

1978 MONITORING DATA AND RISK ESTIMATES

As an appendix, the CAG's document also includes some illustrative risk estimates based on limited 1978 monitoring data. These examples are intended (1) to illustrate the use of the risk factor estimates to describe carcinogenic risks; (2) to indicate the possible wide variation in risk among homes even in the same block, pointing to the need for monitoring indivdual houses; and (3) to serve as a warning signal to HUD that the risk in some of the houses could be considerable if current exposures are near the highest 1978 monitored levels.

With regard to the 1978 monitoring data, two points are emphasized:

1. These data represent spot-checks and do not constitute an adequate characterization of the exposures to the occupants at the time these samples were taken. Also a number of conservative assumptions were made in using the data (e.g., that the levels monitored in basements represent the exposure levels for 15 hours per day for 30 years of occupancy). Current exposure assessments are not available for these houses.
2. Assuming the 1978 monitored levels represent some reasonable description of exposure patterns at that time, remedial actions taken since these data were collected may have substantially altered the exposure levels.

In order to describe the current carcinogenic risks associated with inhabiting Love Canal housing, current and more complete exposure assessment information is needed.

Correction and Clarification of the Attached Briefing Sheet Regarding The Environmental Protection Agency's Carcinogen Assessment Group's (EPA/CAG Efforts to Provide The Department of Housing and Urban Development (HUD) With Information To Assess The Carcinogenic Risks Associated With Inhibiting Love Canal Housing.

THE CAG'S DOCUMENT IN PREPARATION

The primary purpose of the CAG's document is to provide a risk estimation procedure which can be combined with current exposure information to describe the magnitude of the carcogenic risks associated with inhabiting the Love Canal houses. Cancer risk factors are being provided as part of the EPA response to the request from HUD for information and guidance on assessing the health hazard associated with inhabiting the Love Canal houses. This information is to be used by HUD in making decisions about home mortgage insurance in the area.

The attached briefing sheet was handed out at a meeting of the Subcomittee on Potential Health Effects of Toxic Chemical Dumps on November 5, 1979. This briefing sheet served as the basis for an informal presentation by a member of the Carcinogen Assessment Group regarding the CAG's efforts, to date, to provide HUD with information for describing the cancer hazards associated with Love Canal housing.

The information on the briefing sheet was taken from a preliminary draft document which had not undergone final review and verification of computations. As a consequence, the statement regarding risk levels in the briefing sheet is wrong and must be corrected.

FROM THE BRIEFING SHEET

"All streets had some houses with risks greater than one per thousand. Many houses had projected risks greater than one per hundred, and one house adjacent to the canal had a projected risk of nearly 11 percent over a 70-year lifetime."

CORRECTION

All calculations on the briefing sheet are too high by a factor of 10, e.g., one per hundred should be one per thousand. A better statement would be: illustrative calculations using 1978 air monitoring data on four pollutants suggested cancer risks ranging from zero in some houses to as high as 1 in 100 (1 percent) in one house. The calculations assumed that an individual would be exposed for 15 hours a day for 30 years to the 1978 contaminant levels with cancers developing over a 70-year lifetime.

INITIAL DRAFT REPORT

PROBLEM

HUD does not have the capacity to make medical, or scientific judgments, about the health effects associated with exposure to toxic chemicals in the Love Canal area. They requested guidance from EPA to identify environmental conditions under which HUD should and should not insure mortgages in the area.

CAG'S EFFORTS TO DATE

Obtained monitoring data on individual homes and analytical measurements of toxic chemicals in storm sewers, and human blood and breath samples.

Identified 13 of the 30 chemicals measured as having carcinogenic potential as evaluated for prior regulatory purposes for EPA.

Assumed that the most significant human exposure to these chemicals is by inhalation and calculated a unit risk level for (e.g. risk per $\mu g/m^3$ of the chemical in the air) the chemicals measured.

Based on the monitoring of homes, four carcinogens were identified (chloroform, benzene, tetrachloroethylene, and trichloroethylene). Calculated absolute risks for each assuming a 30-year occupancy, 15 hours/day spent at home, and an intake of 15 m^3/day of contaminated air by multiplying the unit risk × concentration and summed total to obtain aggregate risk.

Results showed a wide range in most streets.

All streets had some homes with risks greater than one per thousand. Many houses had projected risks greater than one per 100, and one house adjacent to the canal had a projected risk of nearly 11 percent over a 70-year lifetime.

TENTATIVE ADVICE TO BE GIVEN TO HUD

Individual monitoring of each house is appropriate.

HUD can use the unit risk values we developed in conjunction with monitoring data to calculate the lifetime risk. A decision can be made by HUD or others to determine what risks are acceptable and which are not, or HUD may use the risk levels in an advisory way by informing the potential home buyer that the lifetime risk of dying of cancer is x based on contaminant levels measured in the homes.●

WORKPLACE FATALITIES

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. GAYDOS. Mr. Speaker, mining in this country represents a relatively small segment of the working population, yet a miner's chances of getting killed on the job are more than eight times as great as those of a laborer in manufacturing. Furthermore, with increasing emphasis on expanding coal and mineral production in this country to meet the demand for energy and raw materials, miner fatalities are likely to increase accordingly. Studies have shown that accelerated emphasis on production tends to increase both injury and fatality rates among miners.

The Federal Mine Safety and Health Amendments Act of 1977 consolidated all previous mine safety acts under one law and created the Mine Safety and Health Administration (MSHA) in the Department of Labor. MSHA has been actively involved since that time in improving the health and safety conditions surrounding American miners. But mining accidents continue to occur, thus pointing out the need for expanded and improved methods of coping with the threat of death, injury, and disease in the mining industry. The following are some examples of recent tragedies which have occurred at mine sites throughout this country.

On October 9 a 23- and a 26-year-old miner were killed and five others were injured when more than 100 pounds of dynamite exploded prematurely in a molybdenum mine 97 miles southwest of Denver, Colo. These two deaths bring the total number of fatal accidents at the mine to five within the last 11 months.

On October 16 a 57-year-old shovel operator at a sand and gravel pit mining operation in Hamilton, Ohio, was electrocuted while assisting in changing the center pin of the shovel.

On October 18 a 30-year-old miner employed at an underground slate mine in Piscataquis, Maine, was killed in a rock fall while engaged in a drilling operation.

On October 19 a 30-year-old miner employed at an underground coal mine in Marianna, Pa., was killed when a mine car that was being repaired fell on him after its supports gave way.

On October 23 a 30-year-old miner at an underground coal mine in Shrewsbury, W. Va., was crushed to death in a roof fall while installing permanent roof supports in an area of the mine.

On October 27 a 20-year-old truck driver was drowned when a truck he was operating at a sand and gravel surface mine in Scappoose, Oreg., left the road and overturned in a pond.

MSHA has launched formal investigations into each of these fatalities. During these investigations MSHA will be gathering information on the cause of the accident and will issue citations for any violations of its safety standards that it may uncover. One cannot overemphasize the importance of an agency such as MSHA in upgrading the protection afforded miners in this country. But, nevertheless, the primary responsibility for employee safety still remains with the employer, who must take the initative in providing a safe and healthful work environment.●

THE EXCESSIVE COST OF A MARTIN LUTHER KING, JR., PUBLIC HOLIDAY

HON. BILL NICHOLS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. NICHOLS. Mr. Speaker, on Tuesday of this week the House considered legislation to designate the birthday of Martin Luther King, Jr., a legal public holiday. I voted against this legislation because of the manner in which the legislation was brought to the floor and because of the additional costs which will be incurred by its enactment.

By considering this legislation under suspension of the rules, changes which would favorably amend the bill were prohibited. Instead, under the rule granted the bill, Members like myself who would support derivations of the legislation found themselves voting against the proposition.

Specifically I speak of two amendments, Mr. Speaker, one to have the holiday fall on a Sunday or a Saturday, therefore limiting the additional cost to the Federal Government and second, an amendment which would commemorate Dr. King much in the same manner that the Nation recognizes Abraham Lincoln's birthday.

Without the approval of one of these amendments, Mr. Speaker, the cost of this legislation would make it nearly prohibitive. This is not to say an additional holiday would not benefit some segments of society. It would be my impression that department stores, shopping centers, and other commercial activity would remain open. The cost to the taxpayers for this additional holiday would be $212 million.

I do not believe that the present economic circumstances of high deficits and high inflation permit this country the luxury of another Federal holiday.

Mr. Speaker, it is my intention to support the recognition of the work of Dr. King if that legislation is in the form of a commemorative day or a weekend holiday. I believe this designation to be fitting and proper. I do not believe the taxpayers of this country can afford another Federal holiday for our Governments workers.●

MORE DISSENT ON ECONOMIC POLICY

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mrs. COLLINS of Illinois. Mr. Speaker, national economic policy has attempted to address the present high rate of inflation by intentionally inducing a recession, in direct violation of the Humphrey-Hawkins Act of 1978. More and more, economists are coming to recognize that a policy which attempts to implement the discredited trade-off theory does more harm than good, increasing unemployment while failing to reduce inflation.

Hobart Rowen, in the November 8, 1979, Washington Post, has written an informative article pointing to some of those economists who are critical of the Volcker austerity policy. For my constituents, and the constituents of Congressional Black Caucus members and of many other Members of Congress, the real issue is austerity for those who have had no financial worries, not austerity for the poor who have known nothing else.

The Rowen article follows:

VOICES AGAINST THE "VOLCKER ERA"

(By Hobart Rowen)

Most of the criticism of the Federal Reserve's new monetary policy has been muted, while the kudos—especially from abroad—have been extravagant. Thus, on balance, the austerity policy of what has already come to be known as "the Volcker era" has met with praise, even though it has produced chaotic effects in financial markets, and its end result is far from clear.

In general, those approving of the Fed's unprecedented actions on October 6 see them as necessary to control inflation, stabilize the dollar in foreign exchange markets and put a brake on excessive bank credit expansion.

The "pro" Volcker view is that for too long the United States had been conducting what essentially was an easy-money policy, disguised somewhat by high interest rates. Because no one was doing anything to control inflation, both business and consumers had the right to expect prices to continue to go up. That being the case, why not borrow money—even at higher rates—and pay it back later in even cheaper dollars?

"For the United States," former Ford administration economist Alan Greenspan told a congressional committee, "there is little leeway for policy maneuvering in the monetary area . . . The problems reflect earlier inflationary pressures. Unless and until we can reverse them, a restoration of balance in our economy will remain illusive."

Down deep, liberal economists feared the consequences of the Fed's new policy on the economy. But the better-known among them kept mostly silent. Lesser-known figures have not. Prof. Leonard A. Rapping of the University of Massachusetts, in a letter to the New York Times (October 28), said: "Regrettably, our central bank has only the equivalent of nuclear weapons in its arsenal for controlling inflation."

In the same edition, Edward A. Ross, senior consultant for the Venture Development Corp. of Wellesley, Mass., noted the "fallacy" holding that "good old-fashioned recessions" will cure inflation. The downturns of 1958, 1970, 1974 and 1979 (and that's all of them in the past 25 years) were accompanied by sharp increases, not decreases, in the rate of inflation, he points out.

The veteran economist Leon H. Keyserling, President Truman's CEA chairman, makes similar points in a new study of events over the past 60 years. He warns that money crunches inspired by the Fed produce "economic stagnation and recession," rather than recovery.

Privately, both Treasury Secretary G. William Miller and Economic Council Chairman Charles L. Schultze initially opposed the Fed's new emphasis on money-supply targets (although they were willing to see monetary policy made tougher by more traditional means).

But the play was out of their hands: having failed to evolve any national economic policy themselves, Carter's advisers abdicated leadership to Volcker. Any public disagreement with the Fed, they feared, could have precipitated an immediate worldwide financial crash, starting with a panicky flight from the dollar.

But the intimidation will wear off. The critics will become more articulate. Already there are signs that the political urgencies are persuading Cabinet members to voice some doubts.

The Fed's own credibility, in passing, received a major blow from two mistakes in counting the money supply in two consecutive weeks ending Oct. 3 and Oct. 10. In that period, the Fed published reports on the money supply that were off by $3.8 million.

The Fed says that its operations were unaffected by these monumental goofs. But it's enough to make one wonder about any policy so heavily dependent on a single indicator of what's going on in a complex economy.

The test for Fed policy ought to center on whether it brings inflation under control, and at what cost. The outlook isn't good, because even Volcker admits that high interest rates won't affect the oil sheiks. And everyone knows that if high interest rates slow down industrial expansion, that will worsen, rather than improve, the weak U.S. record on productivity.

Basically, the conventional wisdom that endorses the Fed's action is relying on recession as the planned cure for all economic evils, whereas we used to think of recession as the result of bad or stupid policy. The Keyserlings and skeptics like Rapping and Ross are debunked as impractical. But they shouldn't be written off. The "Volcker era" is fraught with dangers, and neither its policies nor its predictions should be taken on faith.●

MRS. LILLIAN CRAIG

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Ms. OAKAR. Mr. Speaker, on Monday, November 12, 1979, the city of Cleveland lost one of her most respected and valued citizens. I personally lost a fine friend.

Lillian I. Craig, 43-year-old mother and grandmother, waged a courageous 2-year battle against cancer. She had continued to work until the day of her death at the Near West Side Multi-Service Center in Cleveland, Ohio, where she had served as the director since 1976.

Although Lillian Craig lost the last round in the final fight for her life, she remains unvanquished in the numerous battles she led and won during her lifetime in her war on poverty. Her banner of concern was seen and heard from Cleveland to Columbus to Washington. Her sincerity of purpose is undeniable. As primary examples of her total commitment to improving the lot of the poor and the needy, Ms. Craig not only was involved in the "Welfare Mothers March of 1966" as well as having been a founding member of the National Welfare Rights Organization, but also channelled her professional ambitions into areas where she would be best able to service the needs of the poor. The multiservice center, where Lillian served as the director, is a community action organization which provides the appartus to secure and distribute food and clothing and to meet the counseling needs of those who are less fortunate than we. Her last letter was a letter to President Carter about the needs of Americans who were starving.

In some fashion, it seems only fitting that if Lillian Craig had to depart from our community, she should do so on Veterans' Day. She was a valiant warrior for the rights of the poor. She was a staunch advocate of equality of opportunity. She was a veteran fighter who died defending the rights of the defenseless.

A native daughter of the Near West Side, Lillian loved her community and she loved her family. Her children and grandchildren were a great source of love and pride. I know the memory of their mother's actions for people will be a great source of consolation to them.●

THE IMPACT OF RISING ENERGY COSTS ON LOW-INCOME ELDERLY

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. GRASSLEY. Mr. Speaker, the Human Services Subcommittee of the House Select Committee on Aging began a series of five field hearings last August which examined the impact of rising energy costs on the low-income elderly. The hearing locations—Auburn, Maine; Des Moines, Iowa; Syracuse, N.Y.; Waterbury, Conn., and Pittsburgh, Pa.—were chosen as prototypes of the Northeast and North Central United States where almost half of all low-income households reside.

Two weeks ago this House passed the emergency supplemental appropriation for emergency fuel assistance, thereby acting on the needs highlighted by the witnesses at the above-described hearings. However, Mr. Chairman, the witnesses that Chairman Biaggi, I and other members of the Aging Committee listened to, urged this body to address the problems holding up the successful implementation of the weatherization program for the elderly and poor of this Nation.

Certainly, we in this House must make some linkage between the fuel assistance program and the weatherization programs.

People in my State of Iowa feel this need keenly and none more keenly than members of the Iowa General Assembly.

The following resolution very clearly memoralizes Congress to take action to bring order to the chaotic state of the weatherization program. Others in this body have urged action on this matter. This resolution provides positive and realistic guidelines for getting more energy conservation from the money we have already cleared for emergency fuel assistance.

The resolution follows:

Resolution on Weatherization From Joint Subcommittee on Energy of Iowa General Assembly

Whereas, the Joint Subcommittee on Energy Conservation, Availability and Use has completed a review of the weatherization program for low-income households in Iowa; and

Whereas, since the inception of the first weatherization program in 1975, approximately 13,000 of the more than 60,000 eligible homes in Iowa have been weatherized; and

Whereas, a recent study has indicated that homes completed under the weatherization program have reduced energy consumption by 20 to 26 percent; and

Whereas, the cost of energy, particularly fuel oil, has increased significantly during the past year imposing additional financial hardships on low-income households; and

Whereas, under the requirements of the present weatherization program, approximately 5,000 eligible homes are weatherized each year; and

Whereas, the Subcommittee has received testimony that under present program restrictions imposed by federal legislation and United States Department of Energy rules on labor and other support services, it is unlikely that more than 5,000 homes can be weatherized annually; and

Whereas, the Subcommittee firmly believes that the weatherization program must be completed more expeditiously if the combined goals of reduced energy consumption and reduced financial burdens on low-income households are to be realized; now therefore:

Be it resolved by the Joint Subcommittee on Energy Conservation, Availablity and Use of the Standing Committees on Energy of the Iowa general assembly, That the United States Congress and the United States Department of Energy are urged to make changes in the weatherization program including, but not limited to the following:

1. Authorize the employment of crew supervisors and laborers to supplement the CETA Public Service Employment work force;
2. Raise the pay ceiling for laborers and supervisors;
3. Authorize the use of private contractors to supplement CETA Public Service Employees and other public employees;
4. Increase allowable expenditures for equipment and support services;
5. Supply weatherization materials to eligible households and civic groups who volunteer labor services;
6. Allow state and local government funds to supplement the federal weatherization program without financial penalty; and

Be it further resolved, That a copy of this resolution be transmitted to the members of the Iowa Delegation to the United States Congress and the United States Senate, the Secretary of the United States Department of Energy and the Regional Director of the United States Department of Energy, Region VII.●

THE NEED FOR LOCAL REGULATION OF THE FUNERAL INDUSTRY

HON. MICHAEL LYNN SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. SYNAR. Mr. Speaker, since the publication of Jessica Mitford's "The American Way of Death" in 1963, all of us have become aware of the potential for consumer abuse which exists in the funeral industry. Consumers who are normally wary of deceptive sales practices become vulnerable to these unscrupulous techniques during their period of personal tragedy. And in the funeral business, as in any other industry, there are those few who would take advantage of this vulnerability by overselling or deceiving their clientele. There can be no question that this unconscionable activity should be stopped.

The question, rather, is who should be responsible for stopping it. The answer to this question, I believe is local government, not the FTC out of Washington. There are over 4,000 municipalities within the 50 States with jurisdiction over their local funeral operators. Not only are these local governments able to detect abuses, but they are also better equipped to enforce whatever new laws they enact. It is the States after all which issue licenses and otherwise control the industry.

I acknowledge that the Federal Government has a stake in this problem. We spent millions of taxpayers dollars every year on funerals for our veterans and our poor. The fact remains, however, that 90 percent of these businesses do not operate across State lines and are locally owned and operated. It seems only logical to me, therefore, that they be locally regulated.

I have supported the Russo amendment to the FTC authorization not because I do not believe there are problems in the funeral industry, but because I believe that the Federal Government must not involve itself in local matters unless the local governments cannot. In this case, State and local governments can act, and we in Congress should urge them to do so.●

HOSPITAL COST CONTAINMENT

HON. RICHARD BRUCE CHENEY

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. CHENEY. Mr. Speaker, I am concerned about the high cost of health care and have supported the health-care industry's voluntary efforts to lower these costs. However, I have strong reservations about the administration's hospital cost-containment proposal as well as the administration's assertion that this proposal will be a major step towards curbing inflation without impacting the availability and quality of patient care.

I do not believe that the rate of increase in hospital expenditures can be equated with inflation. The inflation in the costs of goods and services purchased by hospitals only add to, and increase, hospital costs. The general inflation rate is beyond the control of hospitals. Hospitals are not the major contributors to inflation—the Federal Government is. To really fight inflation, the Federal budget should be balanced, Federal spending should be reduced, and Federal regulations should be eliminated or greatly reduced.

The costs of complying with Government regulations are also beyond the control of hospitals. Regulations contributing to rising hospital costs include unemployment insurance benefits for hospital employees; Occupational Safety Health Administration's requirements and fire safety codes; increased malpractice liability insurance premiums; and wage increases due to the minimum wage laws. In addition, the administration has also proposed System for Hospital Uniform Reporting (SHUR) requirements which would force all hospitals to regularly submit uniform reports on costs, volume of services, rates, capital assets, discharge data, and bill data.

The Government's preliminary estimates show the rules could cost as much as $75 million, and that as much as $45 million of that amount would be borne by the hospital industry. Also, under both the Ways and Means and Interstate and Foreign Commerce Committees' versions of H.R. 2626 combined, the Secretary would be authorized to promulgate at least 37 new regulations with which the hospital industry must comply under either voluntary or mandatory programs.

Today, Wyoming hospitals provide some of the cheapest medical services in the country, but Wyoming is also growing rapidly due to increased energy production. Last year, Wyoming produced some 58 million tons of coal. This year, production is expected to be some 70 million tons. The most conservative estimate I have heard is that by the end of the 1980's Wyoming will be producing three times as much coal as last year.

This increased energy production will also mean substantial population increases; recent mid-range estimates are that Wyoming's 1990 population will be some 556,000 people compared to the current population of approximately 400,000 people. Wyoming hospitals will be expected to keep up with the medical demands of, and provide high quality medical care to, this growing population. Their ability to meet these demands would be severely hampered by a mandatory cost-containment program. Wyoming hospitals are already feeling the impact of this growing population. For example, the Ivinson Memorial Hospital in Laramie has had a 15 to 17 percent patient increase the past 2 months over these same 2 months last year.

Many portions of Wyoming are becoming labor-short areas and hospitals are having difficulty competing with energy-related industries for labor. These industries require large workforces and pay them well. For example, the average pay rate for a mining company in Wyoming is $8.80 per hour. Another example would be the case of Memorial Hospital in Casper which had an 83-percent employee turnover for the entire hospital last year and up to a 200-percent turnover in lower skilled jobs. The last pay raise for these hospital employees was more than $1 per hour.

Memorial Hospital in Cheyenne had an average pay hike last July and again last October equaling $1.20 per hour. Memorial Hospital in Rock Springs recently lost one of their chief physical therapists who went to work in the mines and Ivinson Memorial Hospital lost a registered nurse who went to wash trucks at a powerplant.

Wyoming hospitals are increasingly needing advanced technology. Memorial Hospital in Casper recently spent one-half million dollars on a linear accelerator and $600,000 on a CAT scanner. Operating costs for the CAT scanner alone are $20,000 per month. One must keep in mind that this is technology commonly used in other parts of the country but is new to the State of Wyoming.

Wyoming hospitals need funds for new construction. The only revenue for construction that these public hospitals can legally receive is from patient fees and bonds. The bonding capacity in most Wyoming counties is practically stripped, therefore, leaving only patient fees.

I voted against the administration's proposal because I do not believe that containing hospital costs will substantially reduce our current inflation rate. I do not believe that placing more regulations will improve the quality of our medical services. And I am very concerned about the potential negative impact these proposals would have on a growing, energy-impacted State, such as Wyoming, during these times when the country is leaning toward increased production of domestic energy resources.●

CESAR CHAVEZ: FRIEND OF THE WORKINGMAN?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. ASHBROOK. Mr. Speaker, that darling of the left, Cesar Chavez, is back in the news again but this time the media is giving a little time to those who do not necessarily think he is the patron saint of the oppressed. The Sunday edition of the Washington Star carried an excellent article written by one of those hardworking Americans whose plight is too often ignored by those who like to praise the so-called progressive movement of Mr. Chavez.

The author of the article, a Mr. C. C. Bruno, is an individual who has been forced to live in fear because of the unchecked power of Chavez and his followers. He fears the loss of his job and indeed the loss of his life because he refuses to march in lockstep to the Chavez line.

Mr. Bruno correctly asserts that Chavez cares little about the plight of the fieldworkers, only about his political and personal gains. He notes that many of the "loyal strikers" manning the picket lines are not strikers at all but Chavez loyalists and in some cases, illegal Mexican aliens brought in for the purpose of strikebreaking. He adds that those on the lines who are indeed real workers, are not necessarily there because they want to be but because they, too, fear for themselves and their families.

Mr. Speaker, I might point out that this is the same Cesar Chavez whose United Farm Workers have been the beneficiary of CSA funding for a Chavez-directed telecommunications system. It is the same Chavez whose UFW has received hundreds of thousands of dollars in CETA funds, supposedly for educational purposes. I might add that the UFW has either refused or made it very difficult for the Department of Labor to oversee any of these grants.

My colleagues would do well to read this article:

[From the Washington Star, Nov. 11, 1979]

I WON'T BOW TO CESAR CHAVEZ

(By C. C. Bruno)

I am dumbfounded by what I read in the newspapers. Many reporters and ministers are championing Cesar Chavez and the United Farm Workers Union as if they were apple pie and motherhood when right now we farmworkers are losing our freedom and basic rights to this union's abusive control. It is not clear to enough Americans that whoever controls the food on our table can control our country.

Monday morning, June 11, I was packing lettuce on one of the five wrapping machines moving down a field in Monterey County, California. Felipe, the foreman, yelled: "It's them!" I looked up and saw strikers get out of their cars at the entrance of the access road. They ran over to the government inspector's car and began rocking it. The inspector, an older fellow, tried to stop them. But they busted out the car windows and turned it over. Cars of more strikers pulled up. From a bullhorn in Spanish and English they shouted: "Scab! Strikebreaker! Come out and join us!"

At least 50 strikers came toward the machine I was on. Some carried red flags with the black eagle. For a moment I thought of the flags that ran me across the rice paddies of Korea for 11 months and 23 days. Other strikers were waving jack handles.

I shouted to the women wrappers to drop the rolls of paper off the pipes. We could use the pipes to defend ourselves. The strikers who faced us threatened: "Come out on strike or we'll get you!" They stayed out of range of our pipes. "Scab! We'll see you tonight. We'll burn your camp!"

Three carloads of sheriff's deputies appeared. When the deputies threatened to use gas, the strikers ran back to their cars. Afterwards my stomach was in knots. It was as bad as any day I spent in six years in the Marines. I could hardly open my hand to let go of the pipe. Even seeing the sheriff's deputies did not relieve the tension.

What is this all about? Some of us in my crew have worked together for several months. Some of the strikers have never worked for my company at all. In fact, some of them have just arrived from Mexico.

We've tried to understand how outsiders could call us scabs and strikebreakers. You don't like to be called a scab when your family depends on you. These outsiders are trying to make us feel like intruders on our own ground.

I grew up among the poorest of the poor in West Virginia—can still remember getting my first pair of shoes at age 9. At 16 I managed to get into the Marines. I had new clothes, outdoor activity, learned new things, knew pretty well what I would be doing from day to day and had a regular income. There was good food, lots of it. And above all, I belonged to something. I had my own identity.

ALWAYS GUARDED

For 20 years I've worked in the fields and orchards up and down California and southern Oregon. Now life is changed. Guards protect our barracks at night and in the daytime deputy sheriffs are standing by in the fields. We're all on edge. Strikers can now come into the camp parking lot legally. Their leaflets are only in Spanish. Anglos don't count. They warn us that if we don't walk off our jobs we will regret it. No longer do I feel free to follow the peak harvests and choose where I want to work.

My friends, Mexican and Anglos alike, agree we're paid more than we've ever been paid in our lives. We get more than some warehouse and office workers downtown. My base rate is $4.35 an hour, and I make some additional through piecework incentives. Last week, after deductions for Social Security and disability—we are given a free medical plan and life insurance—I got a check for $268. I pay $7.50 a day for my bunk and three meals. A hot lunch is brought to us wherever we are at noon. Complaints? Just normal griping.

We live in fear now. There's violence throughout the valley. They've been destroying tractors and equipment. I know of workers they've beaten who are no longer around. The worst threat is when they tell us we'll be laid off when the UFW forces our employers to sign.

FORCED DEPENDENCY

As the son of a coalminer whose work didn't pay him a living wage and as a labor man all my life, I can't figure out how this eight-month-old strike has anything to do with labor's cause. The large vegetable growers and farmers pay decent wages. The Teamsters' Union has signed up some growers and probably has gotten the best contracts. They've signed Bud Angle, the largest lettuce grower, and I think general labor now gets a base of $5 an hour. Anyhow, the Teamsters charge their members straight dues rather than a percentage of earnings as the UFW does. There's talk that when Chavez gets complete control he will increase the percentage from our wages and take 30 cents a box from the growers. For what? And what is he doing for the Mexicans he is forcing into dependency?

A sickness is engulfing us. There's little radio music or laughter. Some of us are scared to be out alone at night. It looks to me like we will soon be pawns of a system set up by outsiders. Most of us—Mexicans. Anglos and blacks—don't want any part of a union for Mexicans only

The United Farm Workers is a far cry from a union of the people, by the people, for the people. I know what it means to be turned down for membership in the UFW. It happened to me in 1963, 1967 and 1978. It seemed to me the only reason was my race. To encourage Anglos and blacks already in the union to drop out, the Mexican dispatcher in the hiring hall gives the best jobs to his own people and leaves the Anglos and blacks to the last.

It's wrong for ministers who have not actually worked in the fields to talk only to strikers and not to us. They pretend that harassment, violence and racism don't exist. They imagine that by supporting the United Farm Workers they are helping us. Not me. Not anyone I work with.

At times some of us in the barracks talk this over. One fellow expressed what I believe. I am partially accepted by the Mexicans because my wife was Mexican and I spent three months working on a garbanzo and cattle farm in Sinaloa. My friend put it this way: "The Mexican Revolution freed us from peonage to the large landowners. Now what is happening? We are about to become peons again. If you don't go along with the UFW, you don't work. The union takes our money and tells us where to work, how many hours, how much we'll get and how we have to spend some of our free time. I didn't come to the states to become a peon again."

Not many people know about the "good-standing" law for agricultural workers in California that goes against their basic human rights. In this state, agricultural workers come under the Agricultural Labor Relations Act, which is different from the National Labor Relations Act. Here the UFW is permitted to have contracts requiring an employee to remain in good standing in the union.

Who judges this good standing? In the union-grower contract it says: "The union shall be the sole judge of good standing." The UFW decides and forces the employer to fire anyone it wishes. Members have to accept certain political, social and economic views. If we don't participate in political fund-raising, demonstrations, strikes and other disruptions, the union can have us fired. Just like that. And it's all done legally. But why should the UFW have the sole power to fire me?

Thousands of workers who left the fields in August to join Chavez's march had to do so to remain in good standing with the union. Otherwise they could have lost their jobs. If you were in their situation, what would you do? Believe me, there was no love or compassion behind this march.

Most farmworkers have to knuckle under to the UFW. Your family has to eat. It's a matter of survival. The Chavistas, the ministers and politicians are reducing Mexicans to subservience. Chavez's talk about liberation doesn't make any more sense than his opposition to machines in the fields. What will the ministers say a few years from now when one union controls the production and price of food that goes across the tables of rich and poor alike? Now is the time to preserve human rights.●

CAPTIVE NATIONS WEEK

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. DERWINSKI. Mr. Speaker, in 1959, Congress passed the Captive Nations Week resolution, and the week, after 20 years of successful observances, has become a tradition in our country. Every President has proclaimed it, as have scores of Governors and mayors. This augurs well for us as we face the challenging 1980's hopefully with more realism, wisdom, and courage. The concept of captive nations has even taken root in other free countries, particularly among the free Chinese.

The National Captive Nations Committee has spearheaded this tradition, and I wish to submit additional examples of the 1979 observances which they have compiled: First, an editorial in the China Post, Taipei, Taiwan; second, an editorial in The Pilot of Boston, Mass.; third, the program from the Syracuse, N.Y. rally; fourth, an article in the America, the Ukrainian Catholic Daily in Philadelphia, Pa.; and fifth, an editorial in the Free China Weekly.

[From the China Post, July 21, 1979]

CAPTIVE NATIONS WEEK RALLY

The people of the Republic of China commemorate today the Captive Nations Week with a rally at the Sun Yat-sen Memorial Hall to remind free people everywhere that nearly a billion people are still enslaved behind the iron and bamboo curtain waiting to be rescued.

The Captive Nations Week observance is of special significance as we celebrate the 20th anniversary of this world-wide movement for the liberation of the oppressed nations and people, enslaved by the Communist regimes all over the world. The movement was started by the U.S. Congress in 1959 when both houses of the Congress passed a joint resolution designating the third week in July as the Captive Nations Week setting aside a week of prayer dedicated to the people held captive under Communist domination. President Dwight D. Eisenhower signed it into law and proclaimed it in a special proclamation 303 to launch this movement.

Since then the Captive Nations Week has been observed in the United States and in the Republic of China which is one of the first nations to respond to such a meaningful movement in favor of freedom and democracy. The resolution clearly stated that "the enslavement of a substantial part of the world's population by Communist imperialism makes a mockery of the idea of peaceful coexistence between nations and constitute a detriment to the national bonds between the United States and other peoples."

Unfortunately, twenty years after its original passage and proclamation, the situation has not changed for the better. Instead it has greatly deteriorated as more free people have been enslaved by the Communists of many tyrannical regimes. In 1959, the Captive Nations Week movement had Soviet Russia as its primary target. It considered the vast expansion of the Soviet Empire as posing a "direct threat to security of the United States and of all the free people of the world". It failed to mention the Chinese Communists who have already occupied the Chinese mainland and have since become a serious menace to peace in the Asian and Pacific region. The Peiping regime has already by that time slaughtered more than 65 millions of Chinese people besides committing aggression in Korea in 1950 and was named aggressor by the United Nations on February 1, 1951.

The Indochinese debacle resulted in the enslavement behind the iron curtain of 52.8 million people. Thus the Communists have dominated and subjugated 31 free nations since 1920 and both Soviet Russia and the Peiping regime are trying their best to enslave more people behind their domination.

The reason of the Communist expansion can be attributed to the lack of unity and determination among the free nations. Instead of continuing and strengthening the containment policy advocated and implemented by the late U.S. Secretary of State John Foster Dulles, it was replaced by Nixon's policy of negotiation instead of confrontation in the catchy word of detente. As a result, the barriers built to keep out the Communists were removed one by one and President Carter's unilateral betrayal of the Republic of China became another fatal act in letting the Chinese communists out of their cage. It opened the floodgate of Communism to inundate the Asian and the Pacific region.

As anti-Communist leaders from five continents gather in the Republic of China to observe the 20th anniversary of the Captive Nations Week movement, they should indeed ponder and reflect as to the basic cause of the free nations' failure in the past to live up to the objectives of the Captive Nations Week movement as contained in the resolution.

President Jimmy Carter has urged all Americans to reaffirm their "admiration for all the men and women around the world who are committed to the cause of freedom". What the free people should do is not only to admire those fighters for freedom but to make sure that statesmen of the free world should refrain from doing anything to compromise their freedom or even worse to sell them down the river.

[From the Pilot, July 13, 1979]

CAPTIVE NATIONS

The 21st observance of Captive Nations Week will be held from July 15 to July 21. It is an appropriate time to remind one another that we must continue to be concerned about the captive nations so that we may keep the hope of freedom alive in the hearts of so many human beings who do not enjoy the kind of liberty which is ours.

From Armenia to Byelorussia, which were annexed in 1920, to Cambodia, South Vietnam and Laos in 1975 and Angola in 1976, Communist, totalitarian states have been forced on millions of people.

These captive people continue to struggle for their national independence and their fundamental freedoms of thought, conscience, religion and belief. Thousands upon thousands of people are held in Communist jails and prison camps for demanding the application of the U.N. Universal Declaration of Human Rights and the Helsinki Accords for their respective peoples.

Our Holy Father, Pope John Paul II addressed this topic during his recent historic visit to Poland when he said in his Auschwitz homily: "The rights of nations must be insured: their right to existence, to freedom, to independence, to their own culture and to honorable development . . . Never one at the other's expense, at the cost of the enslavement of the other, at the cost of conquest, outrage, exploitation and death . . . I say this not to accuse but to remind. I am speaking in the name of all the nations whose rights are being violated and forgotten. I am saying it because I am urged to do so by the truth and by solicitude for man."

President Carter has repeatedly affirmed his commitment to human rights but there remains a lingering confusion as to exactly what human rights are: what do we mean when we use the term rights?

We define right as the moral power to do, hold or exact something. To do means either to perform or exact something (a person may have a right to keep silent as well as to speak). To hold means to own, keep or use something and includes metaphorical meanings such as to hold an office or a job. To exact means to demand that someone else perform or omit some action (a teacher exacts attention and silence from the pupil). This kind of right is a subjective right because the moral power to do, hold or exact resides in the subject or person possessing the right.

When we transfer the word right from the person who has the right to the things over which the right is possessed, we call this an objective right. If I say: "I will get my rights," I am speaking of an objective right, some object which is rightfully mine.

Right is founded on law. Right puts an obligation on others to respect the right. Since all obligation comes from law and ultimately from the natural and eternal law, then all right comes from law. This is precisely what made the trials of Soviet dissidents Anatoly Shcharansky and Alexander Ginsburg such a travesty of justice because law was being twisted to violate the very rights which the law exists to protect.

As we observe Captive Nations Week, the issue of human rights assumes a necessary prominence. The Russian dissidents place different emphasis on human rights; for example, many of the Jewish people in Russia wish to exercise their right to leave the Soviet Union, while other Russian citizens wish to exercise their rights to assemble, to criticize the government without fear of imprisonment and the right to be fairly represented.

A third group of non-Russians including Lithuanians, Latvians, Ukrainians and Georgians wish to exercise their right to preserve their culture and their language and to govern themselves.

The Captive Nations desire a restoration of their human rights, be they personal, civil or even national. It remains our duty to insist on their rights wherever and whenever they are denied.

THE 20TH CAPTIVE NATIONS RALLY

In observance of the tireless efforts of the people behind the Iron Curtain to restore freedom and achieve independence from Communism. Also to pay tribute to the many known and unknown heroes who worked and fought against the evils of Communism.

Sunday, Sept. 16, 1979—7:30 p.m., LeMoyne College Auditorium.

CAPTIVE NATIONS RALLY

In observance of the 20th anniversary of the Captive Nations Week Resolution, introduced by the US Congress as Public Law 86-90 in July 17, 1959.

This rally was organized by the Captive Nations Committee of Syracuse and Onondaga County.

Committee members:
Dr. Anthony T. Bouscaren, Chairman.
Tibor Helcz, Co-Chairman.
Istvan Babnigg, Hungarian.
Alexander Gudziak, M.D., Ukrainian.
John Johnson, Lithuanian.
Heino Kaseorg, Estonian.
Buu Liem, Vietnamese.
Michael Lohaza, M.D., Ukrainian.
Edward J. Nowakowski, Polish.
Vitolds Olsewskis, Latvian.
Frank Petrauskas, Lithuanian.
Edgar Piirak, M.D., Estonian.
Vilmars Sprancmanis, Latvian.
Robert Zbigniew Srogi, Polish.
Carl Tarver, American Legion.

PROGRAM

Presenting Colors, American Legion and Captive Nations.

Greetings, Orest Hrycyk, Master of Ceremonies.

Pledge of Allegiance.

National Anthem.

Opening Remarks, Dr. Anthony T. Bouscaren.

Readings of C. N. W. Proclamations of President Carter, Governor Carey, Mayor Alexander and County Executive John H. Mulroy.

Address, Dr. Askold Lozynskyi, Attorney at Law, New York City, N.Y.

Entertainment:

Ukrainian Youth Organization, "Plast," Songs to the accompaniment of Bandura-players Olesya and Tanya Hurskvi.

"Odessa" Dance Group of Ukrainian Youth Org'n "SUMA", Peter Lutsyshyn, Director.

Vietnamese Band.

"SURMA" Ukranian Male Chorus, W. Zhmur, Director.

Exhibit of dolls in Ukrainian Regional Costumes Presented by the Ukrainian Women Org'n for Defense of Four Freedoms. LeMoyne College Library. Open during the week September 9–16, 1976.

The Ukranian Congress Committee of America, Syracuse Branch, coordinated the program this year.

[From the Ukrainian Catholic Daily]

UKRAINIANS TAKE ACTIVE PART IN CAPTIVE NATIONS WEEK OBSERVANCES IN NEW YORK

NEW YORK, N.Y.—On Saturday and Sunday, July 14 and 15, 1979, the metropolitan area of New York marked the 20th anniversary of the Captive Nations Week Resolution with various programs and events, in which hundreds of persons from various ethnic backgrounds took part. The programs were sponsored by the Captive Nations Committee of New York, the United Committee of Ukrainian Organizations, a UCCA Branch, and the American Friends of the ABN (AF–ABN).

On Saturday evening a banquet in honor of Dr. Ku Cheng-Kang, the honorary president of the WACL, former vice president of the Republic of China and former president of the Chinese National Assembly in Taipei, was held in Chinatown, attended by some 300 persons, including 16 Ukrainians. The program was opened by Horst Uhlich, chairman of the Captive Nations Committee of N.Y., who explained the significance of the event. He also asked Mrs. Mary Dushnyck, a member of the UCCA National Council and vice president of the UNA, to act as master of ceremonies.

After the invocation, delivered by the Very Rev. Msgr. Patrick Paschak, Provincial of the Basilian Fathers in the U.S., short speeches were delivered by the Hon. K. C. Dunn, director, Coordination Council for North American Affairs (New York), and the Hon. C. P. Tom, president, Chinese Consolidated Benevolent Association.

The Hon. Dr. Ku Cheng-Kang delivered the principal address in the Chinese language, translated simultaneously into English, in which he stressed the role of Free China for the United States and the free world. In criticizing the decision of the U.S. government to cut diplomatic ties with the Republic of China, he praised the American people for their unstinted moral support of the Republic of China.

Taking part in the banquet from Ukrainian organizations were: Dr. Walter Dushnyck and Mrs. Slava Rubel (UCCA), and Jaroslaw Rubel; Dr. Stephen Halamay (Central Committee of the ABN); Michael Spontak (Ukrainian Liberation Front and Ukrainian vice chairman of the Captive Nations Committee of New York, Mrs. Daria Stepaniak and Mrs. Maria Nesterchuk (Women's Association of the ODFFU); Yasyl Magal (ODFFU); Dr. Jaroslaw Sawka (Ukrainian Hetman Organization); Dr. Alexander Sokolyszyn (Press chairman of the Captive Nations Committee of New York); George and Mary Honczarenko (Ukrainian Engineers' Society of America); Miss Mary Pressy, Dr. Joseph Oryshkevich and Dr. Roman S. Holiat.

LITURGY AT ST. PATRICK'S, MARCH ON FIFTH AVENUE AND PROGRAM AT BANDSHELL IN CENTRAL PARK

Over 300 Ukrainians attended the Liturgy at St. Patrick's Cathedral celebrated by the Rev. Dr. Walter C. Jaskiewicz, while Rev. Patrick Paschak, the Provincial of the Basilian Fathers, delivered the sermon. He spoke about the plight of the captive nations, the inhuman treatment of political prisoners in the USSR, and so forth.

After the service, the participants marched to the Central Park Bandshell to the tunes of the Trinity Band and under the direction of Kurt Reinheimer. The honorary grand marshal of the parade was K. C. Dunn, Republic of Free China, and marshals of the march were Dr. Ivan Docheff, honorary chairman of the Captive Nations Committee, Horst Uhlich, chairman of the Captive Nations Committee of New York, and Peter C. Wytenus, vice-chairman of the Committee.

Taking part in the parade was also Congressman William Green of New York.

The rally program began with the massing of colors—the American and captive nations flags, and the singing of the American national anthem by Hiller Saareste, and the reciting of the "Pledge of Allegiance" by Jerry Bianchi, state commander of the Catholic War Veterans.

Mr. Uhlich delivered the introductory remarks and asked Mrs. Mary Dushnyck to serve as master of ceremony at the program.

Speaking at the program were Dr. Ku Chenk-Kang, Congressman Mario Biaggi of New York, Prof. Askold Skalskyj of Hagerstown Junior College in Maryland and Ben Fernandez, a Mexican American who is campaigning for the GOP nomination for U.S.A. president.

The Presidential Captive Nations Proclamation was read by Anna Marie Basic and the Governor's Proclamation by Merike Tomberg Sheinkin. A series of resolutions adopted by the gathering was read by Mr. Wytenus.

Ukrainian groups appearing on the program were the SUM "Karpaty" dance ensemble from Yonkers, N.Y. under the direction of Volodymyr Uzedeychuk, and Bandurists Oles Furda and Jaroslaw Halatyn of the N.Y. School of Bandura.

Other performers included those from the Estonian, Chinese, Croatian and Crimean Tartar groups.

Covering the events were Channels 4 and 7 of the New York TV network. Also reports appeared in the July 19, 1979 issue of the News World, the New York Daily News and El Diario-La Prensa, both of July 16, 1979 and over radio station WINS.

[From the Free China Weekly]

FREEING CAPTIVE NATIONS

The English-language China News of July 23 called on the free world to step up the Captive Nations movement.

The paper said: "This year Captive Nations supporters have been calling attention to the regrettable neglect of the movement in the United States.

"The concept was originated in the U.S. Congress and initially had the strong endorsement of President Dwight Eisenhower.

"These days little is heard of the Captive Nations movement in the United States, Europe or Asia.

"Yet the nations are still captive. We shall not count them, principally because that would be too discouraging.

"Included are the constituent states of the Soviet Union, the nations of Eastern Europe, North Korea, Vietnam, Cambodia, Laos and mainland China.

"Why is the Captive Nations movement of such seemingly small importance to the United States, which has always been regarded as the leader and ranking defender of the free world?

"Through excuses of detente, coexistence and appeasement, the captivity of other nations has been accepted by the United States and most of the other democratic countries

"Here in the Republic of China we have never maintained that our freedom and democracy are absolute. At the same time, we are not doing so badly. Our people could easily run away but they don't. Communism is proscribed. Otherwise our people think and do pretty much as they wish.

"Anti-Communists are regarded as a strange species who are not 'realistic.'

"Although Americans do not wish to go Communist, many of them seem to think it is quite all right for the Communists to impose their will on others. The Republic of China with 17 million has been told by the U.S. government that it should 'work something out' with the Communists, who have forced their system on 900 million people.

"Lip service to the cause of the Captive Nations is important. The hundreds of millions behind the curtain take heart when they hear that the outside world knows of their situation and that there are others who care.

"In the years to come, the Captive Nations movement ought to take on both a wider look and a new approach.

"In the end, we shall all find that freedom is indivisible. As Ben Franklin, who saw to it that the United States didn't remain a Captive Nation, used to advise his countrymen, if we don't hang together, we shall all hang separately."●

MAZZOLI PRAISES UNITED PUBLIC SUPPORT DURING IRANIAN CRISIS

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. MAZZOLI. Mr. Speaker, during my years in public life, I have not witnessed an event comparable to the hostage situation in Iran. This violent act of the Iranian Government has angered and outraged Americans, and has—at the same time—brought forth a truly great American spirit of sacrifice and restraint.

I am addressing the House today to assure my constituents that I have heard their strong outpouring of support for the immediate and safe return of our citizens, and for preserving the dignity and honor of America. I will work toward these goals.

I am in total support of President Carter's actions, including his decision to cut off oil shipments from Iran, freeze all Iranian assets in this country, and to deport Iranian students who are in this country in violation of U.S. immigrations laws.

By cutting off oil shipments from Iran, the American people will now have the opportunity to sacrifice, showing our support for, and solidarity with, the hostages. Also, in taking this action, President Carter demonstrates that no other aspect of United States-Iranian relations, including oil imports, is negotiable for the lives and safety of the hostages.

Rather, the President makes clear that America has the absolute right to insist that the Iranian Government release the hostages at once in respect for the basic tenents of international law and common decency.

Also, the President's decision to cut off Iranian oil imports brings home the importance of cutting down our Nation's dependence on foreign oil. Not only are the economic costs high, but also the international political costs are tremendous.

The United States cannot be seen to be in a position where it can be blackmailed or bullied by economic or political threats.

I believe the American people are prepared to sacrifice now for the common goal of releasing the hostages, and in the future to strengthen America's hand in world politics.

Similarly, I strongly endorse the President's decision to deport Iranian students who are in this country illegally, or who take part in demonstrations in violation of U.S. law. This is a reasonable and prudent short-term step.

In the long term, I believe the President needs to expand upon all of these actions.

I am confident he will, and I am even more confident that these steps will have the support of the American people.●

PROFAMILY MOVEMENT SCORES AN EARLY VICTORY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. ASHBROOK. Mr. Speaker, it is not often that the people of this Nation score a decisive victory for their own freedoms over the might of the Federal Government. On Tuesday, November 14 the people of Virginia rose up and defended their families against the legions of social mechanics and tax financed intervention professionals. The occasion was the leadoff conference on families that is part of the preliminary meetings leading up to the White House Conference on Families scheduled for next year. The White House had hoped to use the Conference to pick up where the International Women's Year and the International Year of the Child left off. A small army of bureaucrats were collected within HEW to watch over the Conference and a White House task force, as well as a "private" citizens group, was formed to assure the deck was properly stacked to rubberstamp whatever new social interventions were cooked up.

The conference on families has planned out a new assault on the most private of institutions. Starting with a new definition of what a family is, the White House cadres have mapped out the groundwork to allow homosexual couples, expand day care, create new Government programs to regulate families, and new efforts for Federal funding of abortion. Thankfully, word of this new power grab was discovered early enough for the people of America to start organizing against this new menace to traditional values. The long months of work and preparation paid off this week as the salaried bureaucrats and social engineers were defeated in Fredericksburg, Va. Out of 24 delegate spots to the White House Conference real people with families took 22 seats. On every major policy statement the profamily representatives beat the professional intervenors.

The Carter administration's attempt to nationalize the family and to subvert traditional family values were thwarted masterfully by the dedicated citizens of Virginia who refused to kowtow to the brow beating by administration hacks and feminist radicals. This is only the first battle in the long war against big brother's attempt to usurp parental rights in America. Other States will also hold conferences and the administration will try to rally its forces in order to suppress the popular will in favor of their own predetermined policy views. Parents all over the Nation can take heart in what happened in Virginia. The might of the Federal Government is no match of sincerity of moral conviction. Once the public has blunted the statists in these conferences there will be the opportunity to turn back the spread of Federal intervention into the home by having conferences adopt strong statements of traditional values and profamily concerns. I would like at this time to call my colleagues' attention to the eloquent statement of these values by the Nation Pro-Family Coalition. I think many in this Congress will agree that this statement of values does more to underscore the Nation's faith and dedication to freedom and democracy than any 1,000-page study by some faceless sociologist in the bowels of the bureaucracy:

STATEMENT OF PRINCIPLES

Definition of Family.—A family consists of persons who are related by blood, marriage, or adoption.

Primacy of the Family.—The family is the most important unit in society. The strength and stability of families determine the vitality and moral life of society. The most important function performed by the family is the rearing and character formation of children, a function it was uniquely created to perform, and for which no remotely adequate substitute has been found. The family is the best and most efficient "department of health education, and welfare."

Children's Rights.—Any enumeration of children's rights must begin with the right to life from the moment of fertilization. We reject public policies or judicial decisions which embody the children's liberation philosophy: that children have rights separate from those of their family and/or parents. Advocacy of children's rights that does not begin with advocacy of the right of the child to be born is reflective of moral and intellectual bankruptcy.

Parental Rights.—God has given to parents the right and responsibility to rear and form the character of their children in accordance with His laws. Parental rights are primary, unless, by the standards of common law, the parents have been shown to be unfit to discharge their parental duties. We are unalterably opposed to government policies and judicial decisions which permit or promote government-funded "services" of counseling, contraception and abortion to minor children without parental knowledge and consent.

Child Abuse.—As the child has the right to protection from the moment of fertilization, through every state of development, the government, acting for the common good, should take prudent and appropriate action to protect the life and safety of any child threatened. Action should be taken at the state and local level with due regard for the rights of the child and the parents concerned.

Education.—Parents have the primary right and responsibility to educate their children according to the philosophy of their choice without government interference or financial penalty.

Government Programs and Policies.—We endorse Senator Paul Laxalt's Family Protection Act and the family-protecting approaches embodied in it, an approach that encourages family, community, and local initiatives to support families. We recognize that solutions to family problems will not be found in a proliferation of government programs. We reject the unfounded assumption that bureaucrats or "human services personnel" know better than parents what is best for their families

Families and the Media.—We expect the communications media to exercise restraint, discretion and taste in their programming. There is grave concern that traditional family values are increasingly attacked, denigrated, twisted and ridiculed in the media. We also support strong national, state and local laws that restrict the dissemination of pornographic materials.

Religious Freedom.—We believe that the right of parents to rear their children according to their religious beliefs is a fundamental order of God and nature. It must not be undermined or counteracted directly or indirectly, implicitly or explicitly, by any government action.●

OHIO COLLEGE OF PODIATRIC MEDICINE ESTABLISHES A CHILDREN'S FOOT CLINIC

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. STOKES. Mr. Speaker, this past weekend, I participated in a medical advancement in Cleveland which undoubtedly will be duplicated by hospitals and medical centers around the country. I would like to share this educationally enlightening experience with my colleagues.

On November 11th, Dr. Abe Rubin, president of the Ohio College of Podiatric Medicine, hosted the official opening and dedication of one of the first children's foot clinics in the country. Through the invitation of Mrs. Ethel Arnold, director of community relations at the college, I participated in the activities surrounding the opening.

The primary purpose of the clinic is to provide podiatric attention to this usually overlooked segment of our population—children from infancy to about 15 years of age. This type of foot care is technically called podopediatrics.

In this "International Year of the Child," it is particularly significant that we pause to review our medical care programs for children. Most parents routinely take their children for physical examinations, dental check-ups and eye tests. Other physical disorders which require medical attention are always taken care of by parents immediately. But, few parents take their children to the podiatrist for routine checkups or for minor ailments. Too often, the assumption is that the child will grow out of a foot affliction or abnormality.

The truth of the matter is that many adult foot ailments like other illnesses have their origins in childhood afflictions—however minor. Proper care and attention from infancy could alleviate some of these illnesses in later life. The American Podiatry Association concurs with this philosophy and encourages foot health examinations for school children on a regular basis.

In establishing the children's foot clinic, the Ohio College of Podiatric Medicine is taking the lead in making foot care for children accessible. Headed by Dr. Herman Tax, dean of clinical services and Dr. Stanley Beekman, clinician, the clinic is designed to provide quality podiatric care for children while providing a pleasant experience for the young patients.

Since its unofficial opening in August, the clinic has served over 250 children per month. The average age of the patients is four.

In addition to the clinic, the college is operating a number of foot health education and screening programs in conjunction with the Cleveland Public School System. This effort has been augmented by a public awareness program and public service announcements about child foot care.

In conclusion, I would like to salute Dr. Abe Rubin, Dr. Herman Tax, Dr. Stanley Beekman, Mrs. Ethel Arnold and the entire staff at the Ohio College of Podiatric Medicine for giving me the opportunity to learn more about this model facility and the ongoing study of podopediatrics. I am confident that many other clinics will follow the lead of the children's foot clinic at the Ohio College of Podiatric Medicine.

I know that my colleagues join me in applauding the college's leadership in providing quality foot care for children.●

MX MISSILE: AN EDITORIAL VIEWPOINT

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. BEREUTER. Mr. Speaker, I would like to draw my colleagues' attention to a recent editional from the Omaha World Herald which raises serious questions as to whether this particular basing mode for the new MX missile will make it less likely to be built after any SALT II treaty might be ratified. Those familiar with the racetrack plan know it involves basing each MX missile on an underground track with access to 23 different shelters in each loop.

An adequate defense system should be of great concern to every American; therefore, the continuing improvements made by the Soviet Union on their interballistic missile systems necessitates that our own ICBM system soon be replaced.

Because this is a matter that will demand congressional attention, I wanted to share the following editorial viewpoint with my colleagues:

Is the MX "Race Track" a Carter Ploy?

The Carter administration spent more than two years studying ways to deploy the MX missile before selecting the "race-track" system last summer.

This is the plan in which each of 200 missiles would have its own paved roadways with more than 20 shelters under which to hide. It is the most elaborate and expensive of all the plans considered.

"Race track" basing would consume the largest amount of land—a vast desert area of Nevada and Utah—and bring the greatest environmental trauma of any of the proposals.

This system is facing increasing opposition.

Many people in Nevada and Utah don't want missile bases in their neighborhoods, even though the land involved is owned by the federal government.

Environmental zealots (who would probably demonstrate against any missile base anywhere) are howling.

More importantly, the plan has enemies inside the administration and in Congress because of its complexity and its estimated cost of about $40 billion.

There is yet another factor. The Washington Post has reported that the "race track" plan must satisfy the conditions of 33 different federal laws before the first MX base can be built.

That might mean years of tortuous court proceedings.

That just won't do. A new intercontinental ballistic missile that is less vulnerable to Soviet attack than the ICBMs (Minuteman and Titan) presently deployed is needed now.

President Carter has been lukewarm to the MX. Some observers believe he has promised to build and base it only to satisfy Senators who feel the United States would be ill-advised to sign SALT II without having a new missile. Therefore, the choice of the "race track" plan tempts an interesting question:

Did Carter select that method of basing the MX because he knew that it would be difficult if not impossible to carry out?

Retired Army Lt. Gen. Daniel Graham, former director of the Defense Intelligence Agency and a vigorous SALT II opponent, says he is convinced that is the case. Some members of the Senate Armed Services Committee reportedly share that view.

If Graham and the others are correct, the proposed treaty faces yet another obstacle. and it is possible that the MX will go the way of the B–1.

This country could not afford that.●

EFFECTS OF THE DAVIS-BACON ACT ON MINORITIES

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 15, 1979

● Mr. HAGEDORN. Mr. Speaker, 50 years ago our Nation suffered an unprecedented and sudden decline in business confidence which came to be known as the Great Crash of 1929. This was followed by a massive decline in overall consumer demand and industrial production which caused millions to be out of work and kept this Nation in chaos for a decade.

For the last 50 years we have lived with laws passed during that period which were designed to soften the economic effects of great prosperity and great decline, and to help prevent another depression.

I regret that in the zeal to prevent another shock like the one suffered in the thirties, some have chosen to keep on the books a law that, as it affects our present economic situation, also keeps millions out of work and depresses local economies. I am, of course, talking about the Davis-Bacon Act.

This law was designed to keep wages at a prevailing level in order to insure that wage competition in the construction industry would not depress local economies. However effective it may have been when Keynesian economics were at their peak and we enjoyed a constantly growing economy, it is clear that Davis-Bacon does just the opposite today.

The high wage rates that are set by the Department of Labor generally constitute an extension of union wages well beyond the local economies that can absorb them. These rates have the effect of putting the bidding on projects beyond the financial reach of local contractors. Instead, nonlocal builders who can afford the union scale submit bids on the work and the local economy suffers as it did during the Depression.

I ask my fellow Members to study carefully the following article, in October's Reader's Digest, by noted economist Walter E. Williams. Professor Williams highlights the unemployment problem that Davis-Bacon creates by looking at its effect on minority unemployment, the highest in the private sector. He notes how these effects are far from what was intended when the law was passed in 1931, and, therefore, how logic dictates in favor of repeal of Davis-Bacon.

Mr. Speaker, the chairman of the Ways and Means Committee, the distinguished Member from Oregon, Al Ullman, recently stated, "The Keynesian era is over, leaving fundamental problems in our economic system that demand new approaches." I submit that the repeal of the Davis-Bacon Act, a law that is steeped in the economic theory that became associated with John Maynard Keynes, is one vital step toward solving our economic crisis.

The article follows:

The Shameful Roots of Minority Unemployment

(By Walter E. Williams)

A black teen-ager applied for a job at a carwash where his buddy had worked last year. The black owner shook his head. "I'd like to help," he said, "but I can't afford you kids anymore."

A young Indian watched roofers working on a new house. He wanted to become a carpenter. What better place to get his training than this Indian Housing Authority project on his own reservation? But he had already been turned down. Most of the construction workers were from a city miles away.

A Puerto Rican youth had waited outside the contractor's trailer for hours, hoping to get hired as a laborer on the new construction site. "Sorry, kid, you gotta be in the union," the foreman told him. "I'll join," said the youth. "You don't understand," said the foreman. "You gotta be in the union already."

What keeps these minority teenagers out of the productive mainstream of the economy? What makes it impossible for them to get that first job—the important first step on the ladder to self-sufficiency?

Sociologists posit theories about "poor role models," "disenchantment" and racial prejudice. But I am convinced that the source of most problems facing minorities in the American marketplace today is the federal government, acting in behalf of powerful interest groups, particularly organized labor. The brutal fact is that government, through supposedly "progressive" laws, has written the laws of the game against minorities. Day in, day out, these laws keep many minorities from making progress in employment and, worst of all, prevent them from even getting into the job market.

MINIMUM WAGE—MINIMUM EMPLOYMENT

One great handicap to the young worker, especially the young minority worker, is the federal minimum-wage law. Originally enacted by Congress in 1938, it has been extolled as a "moral" effort to assure every worker a "decent wage." In reality, it prices many low-skilled workers out of the labor market.

All the egalitarian rhetoric will not change the simple fact that some workers are less experienced, less productive—and therefore worth less (in wages) than others. This is especially true of the new worker. Forced by law to pay a wage that may be more than the new worker is worth, the druggist hires one stockboy instead of two; the garage owner hires two workers, not four—and hires the highest-skilled ones he can find.

Following the minimum-wage increase to $2.90 per hour in January 1978, the National Restaurant Association surveyed 2000 member businesses and found that, as a result of the new wage, 78 percent reduced worker hours, 63 percent laid off workers and more than 50 percent resorted to the use of mechanical devices as a substitute for labor. What these statistics do not show are the number of minority young people who hoped to get jobs at those restaurants—as busboy, waitress, dishwasher—that would have started them on their way.

Still, politicians, including minority politicians, push for higher minimum wages while decrying minority unemployment. They may try to explain the high rate of minority-youth unemployment (40 percent) relative to that of white-youth (16 percent) by claiming racial bias. But until 1954, employment of minority youth exceeded that of white youths. Have employers become more racist since the early 1950s? No. The culprit is the minimum wage. Minority youth bear a greater burden of the minimum-wage law. Because of poor schooling and other factors, they are disproportionately represented among the low skilled. Instead of being employed at $2 an hour, many get to be unemployed at $2.90 an hour.

Finis Welch, economics professor at U.C.L.A. and leading authority on minimum wage and its effects, says, "The law that employment reductions accompany mandated wage increases is as basic as the law of gravity." Then why the persistent upgrading of the law over the years? Who supports minimum wage so indefatigably? The answer is the labor unions. Because the higher the minimum wage, the higher the "floor" from which unions can bargain for their members' wages.

And there is another aspect; job security. Suppose a fence can be built either by a high-skilled worker or by two low-skilled workers. If the wage of the high-skilled worker is $29 per day and that of the low-skilled worker is $15, an employer would hire the high-skilled worker because the cost would be less ($29 versus $30). The high-skilled worker soon realizes that one way to protect his job and increase his income is to advocate a minimum wage of, say, $20 per day. His arguments to gain political support deal with "raising the standard of living," preventing "worker exploitation," etc. His real motives are probably less altruistic: if the $20 minimum is enacted, he can then demand $39 and still retain his job.

DAVIS-BACON BARRIER

After years of lobbying by organized labor, the Davis-Bacon Act became law in 1931. Its purpose was supposedly to prevent itinerant labor from undercutting local wage rates on federally funded construction projects. The act simply says that, on any federal construction project, contractors and subcontractors must pay a "prevailing wage" calculated by the Department of Labor. Almost invariably this wage level turns out to be the union scale, even in areas where most construction work is non-union.

In Vermont, for instance, where a public-housing development was planned, roofers were making about $4 an hour and electricians $6. But the Labor Department set Davis-Bacon "requirements" for the project at $9.25 an hour for roofers and $8.25 an hour for electricians. The basis for these inflated "prevailing" rates? Wage scales in highly unionized Albany, N.Y., 125 miles away. Similar procedures for determining rates are used on federal projects all over the country. The General Accounting Office estimates that they add about $700 million to federal construction costs annually.

Equally important, Davis-Bacon means that the lion's share of federal construction goes to unionized construction firms, where minority workers are often excluded. Non-union contractors who hire many minority workers are reluctant to bid on jobs where they will be forced to pay wage rates far above the norm.

Those who do bid tend to handle the contract by hiring only the highest-skilled people they can find. This is because, under Davis-Bacon, the training of new workers is discouraged since they must be paid at the full union apprentice rate. A roofing contractor on a government job near Leavenworth, Kan., says, "We can't be competitive and pay a green kid full roofer's wages. This tends to limit our growth ability, since we are discouraged from hiring new young men willing to learn the trade."

A further quirk of the Davis-Bacon Act mandates that when union rates are paid on a job, union work rules must also prevail. When a group of young Puerto Ricans sought to rehabilitate a tenement in Manhattan with the help of federal money, they were stunned by the work rules springing from the powerful New York construction unions. If one of them worked as an apprentice plumber, they were told they had to hire 12 union plumbers; for each additional apprentice plumber, they were required to hire 14 union plumbers!

It has been estimated that Davis-Bacon restrictions have led to the abandonment of more than 5000 self-help projects all over the United States. These generally involved minority-group job training. The unseen result: thousands of people with potentially marketable skills are never able to develop them.

PRIVATE CLUB

Organized labor's unhealthy sway in the economic affairs of minority groups results from the National Labor Relations Act of 1935, and from a maze of federally sanctioned work rules—hiring-hall arrangements, union "referrals," union training programs, etc. These all give labor power to choose who will gain entry into the high-wage union "club." Thus, the minority member seeking a job in a specific industry may find that the union has the first opportunity to fill any vacancies. In addition, he may find that union membership is granted only to workers employed in that industry before a certain date. Or he may find that job preference is given to graduates of union-controlled training programs.

For years now, the government has been wasting money and time trying to "solve" minority unemployment with one hand while causing it with the other. What minorities need are not additional handouts but bold legislative changes that will improve their economic opportunity. The improvement will come not through more laws but through fewer.

"All good intent aside," says Sen. Jake Garn (R., Utah), "the patent failure of much so-called 'progressive legislation' makes it imperative that we seek useful changes to these laws." We might begin with excepting youth from the full requirements of the minimum-wage law. Congress in 1977 fell one vote short of doing just this. Then get rid of Davis-Bacon, and strike down the provisions of the National Labor Relations Act which give organized labor the power to determine who can and who cannot work in many fields.

Clear away such barriers to opportunity and we will see that the "minority problem" is, in fact, largely an economic problem. And the solution will come when we peel away the thick layers of anti-competitive law in which government and the special interests—particularly organized labor—have so securely and smugly wrapped themsleves. ●

ANDERSON INTRODUCES BILL TO DEAL WITH IRANIAN STUDENTS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. ANDERSON of California. Mr. Speaker, I have introduced a bill, H.R. 5865, that is intended to deal with the disgusting type of situation we have been faced with recently, where Iranian students have engaged in violent or illegal activities while participating in political demonstrations.

My bill directs the Attorney General to expeditiously deport such aliens here on student or other nonimmigrant visas and helps bring this about by removing judicial review of these cases and by instructing the Attorney General to set up summary administrative procedures to speed up the deportation process.

Further, no alien deported through this process could be granted a visa to re-enter the United States. While the Attorney General would be given the ability to waive application of this deportation authority, if he determined that the best interests of the United States would not be served in any particular case, he would be required by law to deal with the type of students we have seen here destroying property of American citizens and otherwise engaging in illegal activity, while openly condemning the Government and country that has been kind enough to let them in.●

THE GUNS VERSUS BUS DEBATE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mrs. SCHROEDER. Mr. Speaker, I have long supported the idea of trimming the defense budget so that social-related programs can be bolstered. Recently, I had a chance to look over the Department of Defense's budget for fiscal year 1980. Using this budget, an interesting comparison can be made between the cost of several weapons systems and what Denver's regional transportation district (RTD) spends in an attempt to meet the city's mass transit needs. This comparison suggests how even a slight reduction in defense spending could provide needed capital to other areas.

The RTD system, relying entirely on buses, pays about $120,000 for a standard, fully equipped bus. In comparison, the cost of a M60A3 combat tank is $863,745. The Defense Department plans to purchase 251 tanks for 1980. Using these figures, RTD could buy seven more buses if DOD bought one less tank.

These buses require proper maintenance and care to insure their usefulness and value. The cost of a maintenance facility with the necessary equipment is quite high. A 250-bus facility which is presently being built in Denver, for example, will cost RTD $18,337,779. But, in contrast, the Defense Department plans to spend $426 million for the acquisition of 155 Patriot (SAM-D) missiles. If the Defense Department were to reduce the number of missiles by just six, from 155 to 149, the savings could more than fund the construction of RTD's maintenance facility.

Like many other American cities, Denver faces the responsibility of providing adequate and accessible transportation for the handicapped. RTD is currently retrofitting existing buses with wheelchair lifts at a cost of $15,000 per bus. The price tag of one Army Black Hawk helicopter is $2,330,344. At that price, one less helicopter could equip 157 buses with these lifts.

I hope you can see my point that money can be trimmed from the defense budget and spent in other areas of priority. Ever-so-slight reductions in the number of costly weapons systems can greatly aid social-related programs, like public transportation. Certainly, national security will not suffer if the Defense Department shaves a helicopter or two from its budget.●

FAMILY OF THE YEAR AWARD

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. FLORIO. Mr. Speaker, I would like to take this opportunity to congratulate Mr. Leon J. Zimolong, his wife Helen, and their daughter Arlene, who were honored by the Polish American Heritage Society as the "Family of the Year."

This wonderful family of Polish Americans received the "Family of the Year" award for their untiring, unselfish community and area efforts in helping the underprivileged and for aiding numerous charitable organizations to raise funds.

Mr. Leon J. Zimolong was born in Camden, N.J. He attended St. Joseph's Polish Grammar School, Camden High School, and Temple University, Philadelphia, Pa. He was active in innumerable community and area activities. He helped raise funds for many charitable organizations such as the Lions, Moose, VFW, and American Cancer Society. He served as judge advocate for the American Legion Laskowski-Wojtkowiak Post No. 74; directed the annual Pulaski Day Queen Contests held in Camden. Mr. Zimolong was the originator of the "Man and Woman of the Year Award," which is now an annual south Jersey event.

He has served as a county committeeman in Haddon Heights, N.J. for 3 years. He is president of the Polish American Heritage Society; a member of the St. Joseph's Parish Council; and chairman of the Board of International Enterprises, a foreign investment firm with offices in many major world cities.

Mrs. Helen R. Zimolong attended schools in Camden, N.J. Mrs. Zimolong is president of the Polish Beneficial Association, United Groups of Camden; a recording secretary with the Polish American Heritage Society, Inc. She is active with St. Rita's Group 139; Union of Polish Women in America, Group 5; Polish Auxiliary to the West Jersey Hospital; St. Josephs' Rosary Sodality; Sacred Heart Society; Third Order of St. Francis; and a member of St. Joseph's Church Parish Council. Helen was chairperson of the annual "Mother of the Year" banquets, and directed fundraising promotions for the American Cancer Society and the American Heart Association.

Arlene Zimolong Powers also attended Camden schools. She attended St. Joseph's Grammar School, St. Joseph's High School, Camden County Community College, Glassboro State College and Rutger's University. She holds a bachelor's degree in psychology and a master's degree in education.

Arlene is associated with the Burlington County educational system and is a specialist in learning disabilities. She is active in education as a member of the child study teams; curriculum council; consultant to the PTA; chairperson of student evaluation and head of public relations.

Arlene is also a member of St. Rita's Group 139 and the Union of Polish American Women in America, Group 5. For several years she acted as chairperson of the Annual Pulaski Day Queen Contest. She directed the "Miss Polish American Bicentennial Beauty Queen Contest," and also chaired one of the most unique events ever held in south Jersey, called "Outstanding Polish Americans of the Year." This banquet honored Polish Americans from a tri-State area.

It is indeed an honor to have such a hardworking and dedicated family residing in my district. I and all who have come to know the Zimolong family give them sincere congratulations on this wonderful occasion and offer them best wishes for the years to come.●

IMPACT OF A CHRYSLER BAILOUT

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. ANDERSON of California. Mr. Speaker, October brought the lowest sales month for the U.S. auto industry in more than 4 years. This past month also produced a new record for the largest single quarter loss by an American company—Chrysler Corp. reported losing $460 million during the third quarter of this year.

Some experts cite rising interest rates and a general slide in the economy as reasons for this poor performance. But does this give a full explanation?

If the drop in American consumer buying power is truly the villain to blame, why do import car sales still grow at a steady rate? Does the fact that U.S. cars still lag behind foreign produced cars in fuel efficiency contribute to this problem? And what about quality control in U.S. cars compared to their foreign competitors,

When the Federal Government was asked to assist New York City when it was in serious financial trouble, we asked many probing questions. Now that we have a similar request for the Chrysler Corp., I feel we should take the same approach and also ask many probing questions.

We must ask about the continued production of gas guzzlers. I know taxpayers in my home district would like to know why, when the EPA released its annual report on the top 10 most gas efficient cars for 1980, there was not one domestically manufactured auto in the top 10 on the list.

Of course, there are other questions that also should be asked regarding the implications of a Chrysler failure. We must ask how many Chrysler employees would be put out of work. And the question of unemployment goes beyond those directly employed by Chrysler. How about workers in industries that supply Chrysler with materials? Will other domestic auto manufacturers pick up the slack, or will all this work now go to foreign workers? And what would the ultimate effects be on competition in the industry? What will be the costs in State unemployment insurance and Federal economic development assistance that would probably result?

There is a lot at stake in considering the Chrysler aid package. Cost, obviously, is very important, but there is a need to ask many questions that go beyond finances to assure that any action we may take will result in overall benefit to the Nation.●

ANTIMISSILE LASER WEAPON

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. PAUL. Mr. Speaker, instead of spending tens of billions of dollars on a SALT-designed MX missile, we should be putting money into weapons that would defend our people and our cities from Soviet attack.

I have long thought that laser antimissile weapons should be at the top of this list, and therefore I was delighted to see a recent article in the Boston Globe about a speech by Senator WALLOP on this very subject.

This article, excerpts of which I would like to bring to my colleagues' attention, shows just how important the space shuttle is. This magnificent craft will be able to establish in orbit the laser ABM platforms necessary to protect our country.

The article follows:

ANTIMISSILE LASER WEAPON

(By Robert Cooke)

Deadly bright bursts of light from a high-powered laser are showing military researchers it is indeed possible to knock planes and missiles out of the sky with laser weapons.

Observers who saw recent tests in California reported that an aluminum sphere, being towed behind an airplane, was hit by light from a laser weapon and "just disappeared."

According to US Sen. Malcolm Wallop (R-Wyo.), such experiments are showing it may be possible to use laser systems to defend against a nuclear missile attack.

Big missiles, Wallop said, are proving to be more vulnerable to damage by laser weapons than had been expected.

Wallop didn't mention it, but tests conducted several years ago in Alabama have also shown that drone aircraft can be shot down using laser weapons.

Wallop's remarks, given in a speech at the Institute for Foreign Policy Analysis in Washington, were reported by an aerospace industry journal, Aviation Week & Space Technology.

Wallop estimated that lasers capable of doing that kind of damage from a distance of thousands of miles would have to be able to generate 2 million to 5 million watts of energy.

In low orbit, he said, three dozen laser platforms could provide coverage of the globe, and each laser system would "have enough fuel for about a thousand shots." They could be used to disable any large missiles coming up through the atmosphere.

Wallop further emphasized that such a system would be essentially defensive, that "a space-based laser ABM (antiballistic missile system) is a wholly benign weapon. It can only destroy missiles—weapons of mass destruction . . . It could not kill people . . . or destroy cities."

He explained the bursts of laser energy would not reach Earth's surface because laser light tends to be scattered by the atmosphere. . . .

When the first laser was built in 1960 by Theodore Maiman at Hughes Aircraft Co. in California, some scientists said there was very little chance lasers could ever be developed into "death ray" weapons suitable for a Buck Rogers comic strip.

That assessment is changing, however, as more experiments show that enormously powerful lasers can be built and used for weaponry.

Sen. Wallop added: "Any nation which deployed three dozen of these first-generation chemical laser stations (in space) would be able to permit or deny, to the rockets of any other nation, the privilege of entry into space."

If this works out, he added, "the strategic (arms) balance may be affected by fewer than three dozen stations" in space.

Referring to recent experiments, Wallop declared that tests using "containers similar to the boosters of ballistic missiles" had been zapped with laser light.

"The containers buckled or burst within about a second of being hit," Wallop reported. . . .●

MEETING OF THE URBAN LAND INSTITUTE

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. DONNELLY. Mr. Speaker, a constituent of mine, Mr. Arthur W. Monks of Milton, Mass., is the president of a firm involved with advertising and market counseling in the real estate business. Recently, Mr. Monk attended a meeting of the Urban Land Institute (ULI) held in Buena Vista, Fla., on October 19. The ULI is a respected organization of land and building developers. At the meeting, a West German builder/developer spoke of the problems he faced in his country due to bureaucratic redtape and involvement in the real estate market. Mr. Monk has provided me with a copy of the speech by Mr. Karl H. Grabbe of Bremen, Germany, and I am including it in the RECORD for the benefit of my colleagues.

Mr. Grabbe's story is significant for several reasons. One, it clearly illustrates the detrimental effects of bureaucratic intrusion into the marketplace; two, it serves as a much-needed reminder that additional Government restraints on developers in this country will add to the difficulty and cost for Americans trying to purchase a home; and three, unchecked bureaucracy is pervasive, taking on a life of its own which feeds inflation, disrupts healthy market forces, and further threatens that endangered specie known as commonsense.

Mr. Speaker, I hope my colleagues will take a few moments to read the speech of Mr. Grabbe; his theme is an instructive one.

REMARKS OF KARL H. GRABBE, HEAD OF INTERHOMES GMBH OF BREMEN, WEST GERMANY

Interhomes GMBH & Co., KG, is building in the area of the German cities of Bremen, Hamburg, Hannover, Frankfurt and Cologne. We try to blend American know-how with German technical constraints to achieve a product which is the best of two worlds. The traditional German construction method is brick and concrete. We have combined this method with American layout ideas, carefully screening them for acceptance by the conservative German home buyer who believes in old-fashioned values and usually buys only one house in a lifetime. We introduce this customer to two-story living rooms, open flow of rooms, two level separation of room functions, etc., and use a somewhat simplified American marketing approach combined with our own customer research.

We use completed models for selling purposes. The German customer appreciates a model home and uses it to show the new home to all the relatives after the option is signed. Our biggest problem is red tape. We encountered an unbelievable mountain of legislation during the last few years. This red tape is concerned with all facets of our business. We must check 2,000 regulations for a single building permit. Subdivision planning takes five to eight years, even in a normal case, now involving tremendous amounts of money. Government architects are almost always self-appointed dictators, who rule on matters of density, taste and architecture. We have found no way to bridge the communication gap between them and us and it is costing us and our customers dearly.

Most German planners are not aware of the fact that even at zero population growth household formation can accelerate. As a result, less land is zoned and this land is not zoned densely enough to provide an adequate supply. The result is skyrocketing prices. Raw land we could buy two years ago for $2 per square foot is up to $10 per square foot now, and this is for low cost housing. We could build on a 1500-square-foot lot but the state and county planners make us build on lots twice as big which runs up the cost for an improved low-cost lot for a rowhouse or duplex to $50,000.

The really big problem is taxes. If we bought a square foot four years ago for $1.50 per square foot, we are fully taxed on the appreciation value which occurs due to land inflation. We would have to rebuy this land today at $10 per square foot. At our tax rate of roughly 63 percent, we would have to charge our customer about $25 just to recover the land to stay in business.

If we are lucky and get 2200-square-foot lots zoned, the improved price for the low-cost lot hovers around $66,000. The lowest priced home in our market consequently is priced at $125,000 with a partial basement and 935 square feet of livable space. This comes to $134 per square foot and sometimes $150 per square foot.

Our market traditionally consists of families of the lower middle class. With the tax on land, inflation, and financing they have to pay $86,000 during the next 27.4 years. Their ability to pay for a house will stop soon. In most cases it is gone already. So, our market thins out—and there is one theory developed by German scientists that our declining population is caused by skyrocketing housing costs!

What tides us over at present is the baby boom that followed World War II. Quantity sustains what we lost in quality. We still could build a good house for under $100,000, if we were permitted to build what the market asks for. But German planners are concerned with architectural fads instead of with the economics of the market.

Their remedy is increased subsidies with a tax load of 53 percent for the family which makes $23,000. The State cannot raise taxes any higher. Rental housing is subsidized from $1.11 a square foot down to 2 cents a square foot. The future looks black. The man who introduces common sense again, where housing is shelter and nothing else—no architect's dream, no planner's fad, no politician's step on the ladder and no scheme to redistribute taxpayers' money into other pockets, the man who gets through the idea that shelter is nothing more than a decent home within the means of the family—this man is not in sight.

Some 70 percent of our parliament consists of public employees. They try to alter by law and regulation what should be worked out by hands and mind. They would never try to elect a surgeon to a seat in the parliament. Housing under German constraints seems for me to be much more complicated than surgery. So why not leave housing to the builders? Common sense is the most sought after commodity in German building at present. To explain what I mean, I was a speaker at a week long discussion of the chamber of architects of our State concerned with housing. They invited our university, the government, the sociologists, the authorities for subsidies, the users, the conservationists, even the builders. But not the banks that finance the buildings! When I reminded them about it, they asked me why banks should be invited to a housing discussion. This state of mind regulates German building. In Germany, profit is a dirty word and everybody tries to live at the taxpayer's expense! ●

OUR AIR FORCE: A CLOSEUP

HON. DAN DANIEL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. DAN DANIEL. Mr. Speaker, recently I have had an opportunity to read "Our Air Force: A Close-Up" which appeared in the October issue in the Veterans of Foreign Wars magazine.

This article was written by the Veterans of Foreign Wars National Commander in Chief, Howard E. Vander Clute, Jr., himself a veteran of the U.S. Army.

This article demonstrates better than I can describe the continuing interest of American veterans' organizations in the strength of our defense and the well-being of those who serve.

I insert Mr. Vander Clute's statement in the RECORD at this point:

OUR AIR FORCE: A CLOSE-UP

(By Howard E. Vander Clute, Jr.)

The United States Air Force is many things. Seventy-two years ago, on August 1, 1907, today's Air Force was baptised as the "Aeronautical Division, U.S. Army Signal Corps."

Forty years later, on September 18, 1947, the fabled Army Air Force of World War II achieved independent status and became the United States Air Force. From that historic moment to the present, our national existence and individual well-being have been inescapably linked to the power and professionalism of the men and women who wear Air Force blue—today numbering some 569,712 people.

Shortly before our 1979 National Convention, I had a rare opportunity to view our Air Force close-up. Accompanied by Senior Vice Commander-in-Chief T. C. Selman; National Security Director Phelps Jones; the V.F.W.'s "Mr. Air Force," Past Commander-in Chief Clyde Lewis; and National Council Member Tom Lynch, I undertook a fast-paced working visit to selected USAF bases, ranging from Virginia (Langley AFB, home of the Tactical Air Command) to Colorado where our party got an update on the inner workings of the North American Air Defense Command at nearby Cheyenne Mountain, as well as an unforgettable visit with the Wing of Cadets at the Air Force Academy.

Our V.F.W. group started at the top with a Pentagon working breakfast with Dr. Hans M. Mark, the scholarly scientist who was sworn in as Secretary of the Air Force on July 26th. We were urged to ask any questions that crossed our minds over the upcoming four-day series of visits.

Needless to say we did, and received tell-it-like-it-is answers.

General Bill Creech, at Langley AFB, Virginia, commands the 98,000 people, approximately 2,000 aircraft, and twenty four bases that add up to the Tactical Air Command, whose new motto, "Readiness is our Profession," was very much in evidence during our visit. The F–15, its proud pilot told us, is the best fighter plane in the world.

At our next stop, Scott AFB, Illinois, we were provided extensive briefings by General "Dutch" Huyser, Commander in Chief, Military Air Lift Command, and Major General Bob Herres, Commander of the Air Force Communications Service.

The Airlift Command embraces more than 88,000 active duty people located at more than 300 locations in 26 countries.

A key mission: airlift of U.S. forces anywhere in the world in response to any level of crisis. In short. AAA—O, or Anywhere, Anytime, Anyplace—bar nothing. As at later visits with the Strategic Air Command and the North American Air Defense Command, we attended the Commanding General's daily staff briefing. The routine use of assured voice global communications was deeply impressive.

Also at Scott AFB, we met with Major General Bob Herres and key officers of the little known Air Force Communications Service.

This command of 48,000 military and civilians works at 400 locations around the world. The AFCS engineers, programs, installs, operates and maintains telecommunications, automatic data processing, and air traffic control. They perform this highly technical task with a quiet professionalism that is reflected in the command's motto: "Providing the Reins of Command."

The controlled, purposeful power of the Strategic Air Command is awesome. Since 1946 (General George C. Kenney was its first commander), SAC has kept the central peace. General Dick Ellis, SAC Commander, overwatches a force of 400 manned bombers (B–52s and FB–111s), 600 tankers (KC–135s), plus reconnaissance and command control aircraft. SAC's ICBM force includes 1,000 Minutemen and 54 of the older, liquid-fueled TITAN IIs. SAC's roster totals 18,000 officers, 85,000 enlisted people and 15,000 civilians.

We inspected both the underground command post and the E–4A Airborne Command Post. (The E–4A is a modified Boeing 747B and would serve as a national command post in an emergency.)

My lasting impression of SAC is one of dedicated professionals proud to serve America and the Free World.

Our last port of call was Peterson AFB, Colorado. We were accorded the "red carpet treatment" at both Cheyenne Mountain, nerve center of the North American Air Defense Command, where General James Hill was our host, and the Air Force Academy where Lt. General Ken Tallman, the Superintendent, his staff, and an escort of cadets made our visit memorable.

At both installations, the V.F.W. party was accorded an unforgettable opportunity to get "inside" the operation. Our respect for our Air Force hosts was matched by their reciprocal respect for the V.F.W.

Some concluding thoughts: (a) like their sister services, the USAF is looking at an October, 1979 "pay cap" of 5.5 percent which will mark the seventh straight year where service pay has trailed inflation. In sum, since 1972, the armed forces have undergone a de facto inflation-fueled pay cut of over 20 percent.

This is wrong, and I intend to blow the whistle on this one.

(b) B–52s were first delivered to the Air Force during the last year of President Truman's administration with the final deliveries being made in 1961 during JFK's Presidency. In a growing number of cases, the airplane is older than the pilot flying it. In a few cases, father and son have piloted the same aircraft.

This is ridiculous.

While the long term solution is the B–1 (or "Son of B–1"), one quick fix, badly needed by SAC, is to "stretch" some 89 FB–111s as follows:

(1) increase range;

(2) double payload; and

(3) install the engines designed for the B–1, and by so doing, keep alive our capability to penetrate Soviet air defense with a manned bomber.

Finally, until military power is used, it is what people—friend, foe, and fence straddler—believe it to be.

No one who has seen our Air Force close up, as have I, can fail to be impressed by the assured professionalism and manifest dedication of its people and yet, at the same time, fail to be concerned about the static or declining quantity and the aging of major weapons systems.

For the current fiscal year, our Air Force costs us $33.1 billion which is 1.3% of our gross national product.

It is worth every penny and more—and more is what I will strive to see that our Air Force gets.

My thanks to all my good USAF hosts and particularly to Brigadier General Jerry Dalton, Chief of Air Force Information, who made it all happen and happen right. ●

TRIBUTE TO MAMIE DOUD EISENHOWER

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 7, 1979

● Mr. BENNETT. Mr. Speaker, all Americans are grieved at the passing of the late Mamie Eisenhower, a magnificent First Lady and an inspiration to everyone who knew her or of her. Many times I had the opportunity to be in her presence in the Eisenhower years at the White House and never did I cease to be impressed with her fine qualities as a wife and mother and as a dedicated American. She set a fine example for all of us and will be greatly missed by us all. ●

SECTION-BY-SECTION ANALYSIS OF THE FEDERAL PRIVACY OF MEDICAL INFORMATION ACT

HON. RICHARDSON PREYER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. PREYER. Mr. Speaker, I have today introduced the Federal Privacy of Medical Information Act. A section-by-section analysis of the bill follows:

SECTION-BY-SECTION ANALYSIS

Section 1 provides that the Act may be cited as "The Federal Privacy of Medical Information Act."

Section 2 contains the findings and purposes of the Act.

Section 101 contains the Act's definitions. A "medical care facility, the entity to which the Act applies, is defined as a hospital or skilled nursing facility; an intermediate care facility certified under Medicare; a federally operated medical facility; or, if the Secretary of Health and Human Services so provides by regulation, a clinic receiving federal funds. Prison medical facilities and facilities located outside the United States are not included.

"Government authority" includes any entity of the United States or of a State or political subdivision of a State.

Section 102 provides that no State may authorize a disclosure of medical information that is prohibited by this Act. However, a State may prohibit a disclosure of information that is permitted by this Act. Restrictions on use and disclosure of information in drug and alcohol abuse laws are not superseded by this Act, nor are restrictions on access and disclosure in laws relating to psychiatric treatment. The Act does not make federal facilities or agencies subject to state or local laws not otherwise applicable.

Section 103 provides that all rights under this Act of a legally adjudicated incompetent shall be exercised by the legal representative of the patient. For a patient not legally adjudicated to be incompetent but who is incapable of acting on his own behalf, the right to authorize disclosure of information may be exercised either by the facility or by the patient's next of kin.

Section 104 provides that rights of a patient under 12 years of age shall be exercised by the parent or legal guardian. For a patient between 12 and 14, rights may be exercised by either patient or parent. For a patient 15 or older, all rights shall be exercised by the patient. However, if a patient of any age has the legal capacity to seek and has sought medical treatment, then the patient exercises all rights with respect to information relating to that treatment.

Section 111 permits a patient to inspect and have a copy of his medical information. The patient may be accompanied during inspection by an individual of his choice, and the facility may offer to explain or interpret the information. The facility, unless otherwise provided by law, may require a written request for inspection; may not charge a fee for permitting inspection; and may charge only a reasonable fee for copying. Requests under this section must be complied with within 30 days. A facility is not required to permit inspection or copying of the following: information which the facility, in the exercise of reasonable medical judgment, determines would cause sufficient harm to the patient so as to outweigh the desirability of permitting access; psychiatric notes not disclosed to anyone not engaged in treatment of the patient; psychiatric information which relates to another individual, or the disclosure of which would constitute a danger to the physical safety of any individual, or which would identify a confidential source; administrative information or information that duplicates information made available to the patient; or information compiled solely for a civil action. If information is withheld from a patient because it would cause serious harm, the patient may designate a health professional, attorney, family member, or other person as provided in State law to inspect the information. A facility may deny inspection to a family member on the same basis that the information was denied to the patient, but the patient may designate another person to inspect the information. A facility must provide a patient with a written statement of reasons for denial of information.

Section 112 provides that a patient may request a facility to correct or supplement medical information. Within 45 days of a written request, the facility must either make the amendment, inform the patient of the amendment, and inform any person identified by the patient to whom the information was previously disclosed of the amendment; or inform the patient of the reasons for refusing to make the amendment, of any procedures for further review, and of the patient's right to file a concise statement of disagreement, which must be included by the facility if the disputed information is disclosed. A facility is not required to conduct a hearing or proceeding concerning a request for amendment, or to erase or delete incorrect information. Incorrect information may be marked and supplemented with correct information.

Section 113 requires a facility to prepare a written notice of recordkeeping practices describing disclosures permitted without authorization of the patient; and the rights and procedures under this Act. The facility must post the notice or a statement that the notice is available and must make reasonable efforts to inform patients of the availability of the notice.

Section 114 provides that a facility may not disclose medical information unless the patient has authoried the disclosure or unless the disclosure is permitted by this Act. A facility may not disclose information to any person unless the person is properly identified. A facility shall limit disclosures to information authorized to be disclosed or, when disclosure is made without an authorization, to information reasonably needed to accomplish the purpose for which the disclosure is made. A facility may rely on a written certification by a person seeking information that the information sought is reasonably necessary to accomplish the purpose.

Section 115 provides that a patient has authorized disclosure of medical information by a facility if the authorization is in writing, signed, and dated; if the facility is described in the authorization; if the recipient of the information is described in the authorization as a person to whom information may be disclosed; if the information to be disclosed is described in the authorization; and if the disclosure occurs before the authorization expires. A state or a facility may impose additional requirements for authorizations. An authorization may be revoked or amended by a patient unless disclosure was authorized to permit validation of expenditures for medical services or unless action has been taken in reliance on the authorization. If used, an authorization must be made part of the medical information about the patient.

Section 120 provides that, except for the inspection requirement in section 111, nothing in this Act shall be construed to require a facility to disclose information not otherwise required to be disclosed by law.

Section 121 provides that a facility may disclose medical information without an authorization to an employee of the facility who has a need for the information in the performance of his duties. Any redisclosure of information must be in accordance with this Act.

Section 122 provides that a facility may disclose medical information without an authorization to a medical care professional in connection with the treatment of a specific patient. Redisclosures of information may be made only where required by law or where necessary to fulfill the purpose for which the information was obtained.

Section 123 provides that a facility may disclose medical information without an authorization if the disclosure only reveals the presence of a patient at the facility and his general condition. A facility may not make such a disclosure if the patient has objected in writing. Specific information about the patient's condition or treatment may not be disclosed.

Section 124 provides that a facility may disclose medical information without an authorization for use in a health research project if the project has been determined by an institutional review board to be of sufficient importantce so as to outweigh the intrusion into the privacy of the patient that would result from the disclosure, or if the disclosure is to a public health authority which certifies that delay pending a determination by an institutional review board could have a significant adverse effect upon the public health. Any person who obtains information under this section must: remove or destroy patient identifiers unless there is an adequate health or research justification for retention; not identify patients in a public report; not disclose the information except to an employee, in emergency circumstances, for use in another health research project subject to the same conditions and restrictions, for an audit related to the project provided that identifiers are removed as soon as possible, or when required by law.

Section 125 provides that a facility may disclose medical information without an authorization for purposes of an audit. Any person who obtains information under this section must: remove identifiers as soon as possible; not identify patients in a public report; not disclose the information except to an employee, in emergency circumstances, when required by law, for use in a related audit subject to the same restrictions on use and disclosure, and for use in civil or criminal proceedings. No information disclosed under this section may be used against the patient except in an action or investigation arising out of and directly related to the program being audited.

Section 126 provides that a facility may disclose medical information without an authorization if the disclosure is based on a good faith belief that the information is needed to assist in the identification of a dead person or to alleviate emergency circumstances affecting the health or safety of any person or involving imminent danger of aggravated property destruction. Redisclosures can only be made where necessary to fulfill the purpose for which the information was obtained.

Section 127 provides that a facility may disclose medical information without an authorization pursuant to a law requiring the reporting of specific medical information to public health or law enforcement authorities; or of child abuse and neglect information. A facility may also make a disclosure in connection with a court-ordered examination of a patient. Redisclosures can only be made where necessary to fulfill the purpose for which the information was obtained or for a research or audit purpose subject to the conditions specified in this Act.

Section 128 provides that a facility may disclose medical information without an authorization if the disclosure is to the Secret Service for purposes of its protective functions or to a federal agency authorized to conduct foreign intelligence or counter intelligence activities. An agency seeking information under this section must provide the facility with a written certification signed by a supervisory official stating what information is being requested and that the information is needed for a lawful purpose under this section. Information about citizens or aliens admitted for permanent residence may not be sought for foreign intelligence purposes unless the Attorney General has found that the person is an agent of a foreign power as defined in the Foreign Intelligence Surveillance Act of 1978. A facility may not disclose to a patient that a request has been made under this section. Redisclosures can only be made to fulfill the purpose for which the information was obtained.

Section 129 provides that a facility may disclose medical information without an authorization to the patient's next of kin, legal representative, or persons with whom the patient has a personal relationship if the disclosure is consistent with accepted medical practice and the patient has not previously objected.

Section 130 provides that a facility may disclose medical information without an authorization if the disclosure is to a law enforcement agency and the information is: for use in an investigation or prosecution of fraud in a government health or disability program; to assist in the identification or location of a suspect, fugitive, or witness; in connection with criminal activity committed at the facility or against anyone connected with the facility; or needed to determine whether a crime has been committed, or the nature of a crime that has been committed, by a person other than the patient. An agency seeking information under this section must provide the facility with a written certification signed by a supervisory official stating what information is being requested and that the information is needed for a lawful purpose. Information obtained under this section may not be used against the patient except in an action or investigation arising out of and directly related to the action or investigation for which the information was obtained. Redisclosures are permitted only where necessary to fulfill the purpose for which the information was obtained.

Section 131 provides that a facility may disclose medical information without an authorization if the disclosure is pursuant to the rules of a court or agency in connection with litigation or proceedings to which the patient is a party.

Section 132 provides that a facility may disclose medical information without an authorization if the disclosure is pursuant to a summons, subpoena, or search warrant, and the person seeking the information certifies that the access provisions of section 141 or 143(a) have been satisfied. Certification is not needed for a grand jury subpoena or for a summons, subpoena, or warrant if the conditions of sections 124, 125, 126, or 127 have been met. Except where a grand jury subpoena was used, information obtained under this section may not be used against the patient except in an action or investigation directly related to the inquiry for which the information was obtained.

Section 133 provides that a facility operated by the federal government may disclose medical information without an authorization to a component of the Veterans' Administration or of the uniformed services for use in determining eligibility for benefits; to a Congressional office or committee in response to an inquiry from the patient; or to a third party believed to be liable for the cost of medical services provided to the patient. Also, a facility operated by a uniformed service may disclose information to an official of the uniformed service for the purpose of determining eligibility for service, promotion, assignments, or training. Redisclosures are limited to those necessary to fulfill the purpose for which the information was obtained and those permitted by the Privacy Act.

Section 134 provides that medical information obtained from a facility by federal grand jury subpoena shall be returnable when the grand jury is sitting, presented to the grand jury, and be used and maintained for a purpose authorized by rule 6(e) of the Federal Rules of Criminal Procedure.

Section 141 establishes access procedures for a government authority using a summons, subpoena, or warrant to obtain medical information for law enforcement purposes. Such information may be sought only if (1) there are reasonable grounds to believe that the information will be relevant to a law enforcement inquiry; (2) the patient has been served with or mailed a copy of the process; and (3) 10 days have passed since service or 14 days since mailing. For search warrants, the patient must be notified 45 days after service on the facility. Notice to patients may be delayed with court approval.

Section 142 provides that a patient may challenge a summons or subpoena by filing a motion to quash in court. In order to enforce the process, the government authority must demonstrate to the court that the process is valid. The court may nevertheless grant the patient's motion if the patient can demonstrate that his privacy interests outweigh the government's need for the information. A motion to quash must be decided expeditiously by the court, and no interlocutory appeal can be taken by the patient.

Section 143 establishes access procedures for other types of summonses and subpoenas. Medical information may be sought only if (1) there are reasonable grounds to believe that the information will be relevant to a judicial or administrative proceeding; (2) the patient has been served with or mailed a copy of the process; and (3) 10 days have passed since service or 14 days since mailing. A patient may oppose or seek to limit a summons or subpoena on any grounds that would otherwise be available if the patient were in possession of the information.

Section 144 provides that nothing in this Act shall affect the rights of a facility to challenge a request for information nor shall a patient be entitled to assert the rights of a facility. Any applicable statute of limitations shall be deemed to be tolled during a patient's challenge of process of a government authority.

Section 145 requires the Administrative Office of the U.S. Courts to report annually to Congress on judicial activity under this Act.

Section 151 makes it a misdemeanor for any person to request or obtain medical information from a facility under false pretenses or by theft. A person who sells or transfers such information for profit is guilty of a felony.

Section 152 allows a person whose rights have been violated to file a civil action in U.S. district court. In the case of a known violation, minimum damages are $1000. For a negligent violation, damages have to be proved. A facility is not liable for damages if it makes a permissible disclosure, if it relies in good faith on a certification by any person, or if it determines that a patient cannot act knowingly or effectively on his own behalf. An institutional review board that has in good faith approved a research project shall not be liable as a result.

Section 153 provides that the Secretary of Health and Human Services shall prepare notices detailing the rights of a patient to challenge access requests and a non-binding model notice of information practices.

Section 201 exempts medical information maintained by federal agencies from coverage under the Privacy Act if the information is subject to this Act.

Section 301 provides that medical information shall continue to be a subject to this Act if a facility closes.

Section 302 establishes effective dates for the Act.●

FEDERAL PRIVACY OF MEDICAL INFORMATION ACT

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. KINDNESS. Mr. Speaker, I am pleased to support the introduction of a bill to protect the privacy of some of the most sensitive records about each of us—hospital medical records.

The Honorable RICHARDSON PREYER, chairman of the Government Information and Individual Rights Subcommittee of the Committee on Government Operations should be commended for the careful and thorough way in which the subcommittee has drafted this bill. A major effort was made to identify those with an interest in this legislation. The subcommittee held 7 days of hearings on this subject. The subcommittee staff spent numerous hours meeting with interested parties hammering out details to refine the bill.

The measure being introduced today reflects a variety of changes and improvements in this legislation made since the introduction of H.R. 2979. I anticipate that the bill will be further refined during the process of markup. Criminal penalties, rights of minors, fees for inspection and copying, Government access rights and other issues embodied in this bill deserve careful scrutiny by the subcommittee members during markup. In keeping with the open process of drafting this legislation, this new bill should be widely circulated so that the subcommittee may have the benefit of any additional comments from interested parties.

This is a bill which strives to protect medical information privacy at the lowest possible cost. In this era of concerns over hospital cost containment, the bill wisely seeks to minimize the burden on hospitals of implementing its procedures. Accounting requirements have been virtually eliminated. Another strength of this measure is that the Secretary of Health and Human Services (Health, Education and Welfare) has no regulatory authority.

While I do not believe that the protection of privacy should be exclusively or even primarily a matter of Federal jurisdiction I recognize the need for greater privacy protection for medical records. It is my hope that this legislation will prompt the 50 States to turn their attention to writing their own medical information privacy statutes. If this is done, this Federal law would be used primarily to restrict Federal Government access to medical records which cannot be done through State law.

Introduction today of the Federal Privacy of Medical Information Act is a major step toward improved protection of medical records privacy.●

DR. ERNEST JONES

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. CLAY. Mr. Speaker, recently, Dr. Ernest Jones, the executive deputy superintendent of the St. Louis Public School System announced he will leave St. Louis to accept a position as superintendent of the Gary, Ind., School System. On November 25, 1979, the St. Louis community will honor Dr. Jones for his outstanding service and commitment to the public school system.

Dr. Jones is a highly respected leader in the field of education who has devoted 29 years of service to the St. Louis Public School System. Dr. Jones' career is particularly significant as he has demonstrated a unique commitment to the development of improved educational programs in the black community. Inasmuch as education is recognized as the singlemost valuable key to living a richer and more rewarding life, Dr. Jones' dedication has benefited thousands of St. Louisans.

Dr. Jones is a reputable scholar in the area of education who has pursued a wide range of studies. He is a graduate of Stowe Teachers College and has done graduate work at Washington University, Yale University, and St. Louis University, where he earned his doctorate in education. A distinguished community leader, Dr. Jones is a member of numerous civic, community, and professional organizations. Dr. Jones has served on the boards of several agencies including: The United Way, the Child Mental Health Center, the Girl Scouts of America, the United Fund Agency, and the American Cancer Society.

He has also shared his expertise and provided assistance to a number of educational and youth-oriented programs throughout our Nation including: Upward Bound, New York City's Follow Through Program, Sophia House in St. Louis, and the Akron Public School System. Dr. Jones has also shared the benefit of his experience as a lecturer at St. Louis University, the University of Missouri and other academic institutions. As a prominent citizen of the St. Louis community, Dr. Jones has received numerous awards and commendations. Among the tributes he has received are: The NAACP Freedom Fund Dinner Service Award, the Sigma Gamma Rho Outstanding Citizen Award, the St. Louis Board of Education Resolution of Appreciation, and the United Negro College Fund's Commendation.

Dr. Jones' superior record of achievement is obviously too long to mention in full. However, it is certainly obvious that he has made an invaluable contribution to the black community, the educational community, and the students of the St. Louis Public School System. The St. Louis educational system has greatly benefited from his dedication and professional ability and Dr. Jones' contributions will long be appreciated.

Dr. Jones is a prominent black American and an educator of uncommon stature. In January, the Gary School System will gain a very valuable asset that our community is proud to have treasured for many years.●

TAX FREEDOM DAY

HON. RALPH S. REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. REGULA. Mr. Speaker, during floor debate on the Russo and Gephardt amendments, several Members expressed concern for the major expenditures of money in the life of the average American. Those specifically mentioned were a home purchase, automobiles, hospital costs, and funeral expenses. I contend that the largest expenditure made by the average American during his lifetime is for the taxes that fund activities of the Federal Government.

I would like to see this body concern itself to a much greater degree with trying to prevent the taxpaying consumer of Federal services from being ripped off by inefficient, careless, mismanaged Government agencies. One only needs to read the newspapers in this city each day to be appalled by the total lack of concern for the taxpayers.

On May 6 we celebrated Tax Freedom Day—the day the average taxpayer stopped working for the Government and started working for himself. The average American had to work 1 hour and 47 minutes of every working day last year to pay his Federal taxes.

The median income family of four paid an average of $1,690 in Federal taxes in 1977. Projected over a 30-year working lifetime, this average family unit can be expected to pay over $50,000 in taxes to the Federal Government.

For the most part, Americans willingly pay their share of taxes for the many services that are provided by the Government. But they are tired of seeing their money wasted on such things as Government contracts with private consulting firms like the one we read about in last Sunday's Washington Post, where a firm was allegedly paid $29,000 by the U.S. Government for work that was never done. Another example from the Thursday Washington Post was the quoted statement of Frederick A. Will, Director of the Grants Management Division in the Office of Education. He told a reporter about the investigators' questions after testifying before a Senate subcommittee. Will charged there that the college aid program was administered so loosely that thousands of dollars were spent each month with virtually no record of what happened to the money.

Today I am reintroducing, along with 23 cosponsors, H.R. 5698, which will amend the Administrative Procedure Act to require public notice of Federal contracts, grants, and loans. With an estimated $150 billion a year spent on these grants and contracts, it is time to require Federal departments and agencies to notify the American public of how their tax dollars are being spent.●

TAX REFORM STILL NEEDED

HON. RALPH S. REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. REGULA. Mr. Speaker, as we begin the last month of the 1st session of the 96th Congress we will have a number of pressing issues which need to be resolved. Of particular concern to me is the fact that we have failed to take any action to repeal the carryover basis or provide for accelerated depreciation for industrial structures and equipment.

Ever since enactment of the 1976 Tax Reform Act I received a great number of letters from accountants, lawyers and senior citizens who are concerned with the administrative nightmare which would be created if we are to allow the carryover basis to become law. The fact that Congress has on several occasions voted to delay the effective date of carryover only adds to the confusion. If we do not act this year, this section of the Tax Reform Act of 1976 will go into effect on January 1, 1980.

I have joined more than 240 other Members of the House who have sponsored and cosponsored legislation to repeal the carryover basis. It is clear to me that a majority of this body understands the need for repeal of this statute.

The Senate Finance Committee has added an amendment to repeal carryover to the windfall profits tax bill. I urge my colleagues to complete action to repeal this statute before January 1, 1980.

Another area in which I had hoped for progress this year is that of accelerated depreciation for industrial structures and equipment. On March 20, 1979, I introduced legislation which would have provided for depreciation at the rate of 10–5–1, 10 years for factories, 5 years for heavy equipment and an immediate writeoff for Government-mandated expenses such as environment and safety related equipment.

On June 27, 1979, our distinguished colleagues BARBER CONABLE and JAMES JONES introduced similar legislation, which I have cosponsored. Their proposal provides for depreciation at the rate of 10–5–3, that is 10 years on industrial structures, 5 years on heavy equipment and 3 years for automobiles and light trucks. At this time more than 250 Members of the House have cosponsored the Jones-Conable bill. Similar legislation has been introduced in the Senate. To date no action has been taken in this area.

We are all familiar with the effects of increased inflation, declining productivity, the low rate of savings and our current unfavorable balance of payments. Accelerated depreciation would provide investment capital needed by our domestic industries if they are to expand and modernize. The modernization would help to reduce inflation through increased productivity and help to make our products competitive in the international market.

Inflation, according to most economists, will continue at a high rate. I noticed recently that the President's anti-inflation adviser has refused to even project the rate of inflation next year. Enactment of legislation to provide for accelerated depreciation will increase productivity and help to bring inflation under control.

Earlier this year during testimony before the House Budget Committee, Secretary of the Treasury William Miller, who was then Chairman of the Federal Reserve, said in response to a question on increased productivity and investment:

> My favorite is accelerated depreciation, because accelerated depreciation means a faster recapture of investment so that the risk is less, but it also means, from the point of view of the U.S. Government, that there is only a deferral of and not a forgiveness of tax and that the activity created by the investment supports other economic activity and returns money to the Treasury. So accelerated depreciation is a very inexpensive way to stimulate investment.

Mr. Speaker, a majority of the Members of the House have cosponsored legislation to provide for repeal of the carryover basis and to allow accelerated depreciation. I urge that we take action on these two items before the end of the year.●

CAN THE UNITED NATIONS PREVENT WAR?

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. FAUNTROY. Mr. Speaker, in the season of Thanksgiving where many people think thoughtfully on the work of the United Nations and children raise funds for UNICEF, I thought I would take the opportunity to share with my colleagues an article written by one of my constituents titled: "Can the United Nations Prevent War" which appears in the October issue of the Churchman. One of the oldest independent journals of religious humanism, it is edited in the conviction that religious journalism must provide a platform for the free exchange of ideas and opinions consonant with the most advanced revelations of every department of knowledge and filled with the belief that the moral and spiritual evolution of man is only at its beginning. Eric Cox, the contributor of this article, is legislative director of the Campaign for U.N. Reform which is cosponsored by the U.N. Reform Electoral Campaign Committee and the World Federalist Political Education Committee. Their national offices are located at 600 Valley Road, Wayne, N.J. 07470, and, legislative office at 1011 Arlington Blvd., suite W219, Arlington, Va. 22209.

The article follows:

CAN THE UNITED NATIONS PREVENT WAR?

(By Eric Cox)

The United Nations has not succeeded in its principal goal of saving succeeding generations from the scourge of war. However, evidence exists that the world organization is experiencing a second wind and may yet rise to the task. Some discount this possibility with the facile observation that the UN Charter is not likely to be amended to expand UN peacekeeping authority. Such doubters overlook that the UN Charter has been amended three times and more importantly, that most needed changes do not in fact require Charter revision, but rather a more imaginative approach.

Various factors combine to make UN improvements more promising now than in the recent past. Of these probably the most important is that the US, after a long period of neglect, is now taking a measured and thoughtful approach to the world organization. Jimmy Carter is a "world order" President. In March of 1978 he submitted to Congress proposals for "Reform and Restructuring of the United Nations System." The heart of his proposals, which were mandated by legislation sponsored by Senators Baker and McGovern, relates to improving the UN's ability to make peace. Thus, when the most powerful nation in the world reverses itself and supports measures to upgrade the world organization, the chances of success increase appreciably.

The Vietnam War, which poisoned the international atmosphere for many years, is over. The world organization now has achieved almost universal membership. Recent years have brought the realization that life for future generations has become tentative because of ecological horrors, nuclear proliferation and misuse of limited global resources. These threats to survival necessarily point to global solutions and the logical resting point is an improved UN.

Within the UN itself there have been constructive responses to these more threatening conditions. For example UN committees such as the 47-nation committee and the Group of 25 have identified numerous practical ways of upgrading the organization so it can better advance peace and world stability. And for the first time the UN held a Special Session on Disarmament.

One insight into the current shortcoming of the UN is that its peacekeeping and peacemaking capabilities are thin to nonexistent. The authority of the International Court of Justice is severely circumscribed, thereby limiting legal solutions to serious disagreements which otherwise could lead to war. There are not adequate facilities for the mediation, conciliation or arbitration of disputes. Standing peacekeeping forces are lacking so the UN must recruit a fire department at the very time areas of the globe are aflame. Considering the numerous causes for conflict among nations, these are telling shortcomings.

One reason nations go to war is situations become so heated there may be no other place to go. The creation of sufficient dispute-solving machinery within the UN could provide a life-saving alternative.

One important obstacle impeding UN upgrading is timidity from lawmakers and bureaucrats whose fears rest on misinformation. Because a tiny minority who wish no cooperation with the rest of the world are at times noisy, the decible volume they generate can be mistaken for the undercurrents of public sentiment. But opinion polls in this and other nations have consistently demonstrated strong majorities of the electorate opt for more international cooperation and an upgraded UN.

For example a pool carried out by the Gallup Organization in November 1978 for the Chicago Council of Foreign Relations demonstrated that 78 percent of the general public in assessing foreign policy goals for the US felt strengthening the UN was either very important or somewhat important and 75 percent of opinion leaders agreed. Thus, the people have positioned themselves ahead of many of their elected and appointed officials on this issue.

With the new well-known challenges to human continuation, the starry-eyed optimists think their children will make it under the present rickety global structures to insure peace and stability. The realists are among those who promote an upgrading of the UN. They realize that without the minimal elements of law at the world level, the prospects for the future are dim.

The Campaign for UN Reform advances, among other issues, for the health and safety of the planet, the following:

(1) The development of a permanent mediation and conciliation service and a system of arbitration.

(2) The integration of the International Court of Justice with the peacekeeping machinery of the UN, and the widened use of the Court.

(3) The transfer of legal disputes from the political arena to judicial and arbitral forums.

(4) A permanent United Nations peacekeeping force.

(5) An independent revenue raising capability to support the peacekeeping force.

(6) An International Criminal Court to punish aerial hijackers and International terrorists.●

BRING BACK ODD-EVEN

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. MAZZOLI. Mr. Speaker, I would like to bring to the attention of my colleagues an editorial that appeared in the Washington Star on November 13, 1979. Reinstitution of the odd-even system of gasoline purchasing would be a modest, yet decisive step toward "easing the yoke of dependency" on oil imports. This editorial seems especially timely in view of the recent events in Iran.

The article follows:

BRING BACK ODD-EVEN

It has been less than a month since the District, Maryland and Virginia suspended the odd-even system for purchasing gasoline. The nasty summer shortages had eased, and the mild restriction on motorists appeared to have served its purpose. Most of us went back to living happily ever after. But here now is the Metropolitan Washington Board of Trade urging re-imposition of the odd-even procedure. Is the board to be taken seriously?

We think so. The recommendation is prudent and the timing is appropriate—especially so with President Carter's move to halt U.S. purchases of Iranian oil. If nothing else, the events in Iran should occasion a flash of reason to those heedless about our awful dependence on foreign oil. America's addiction to imported energy supplies—and our unwillingness to recognize and ameliorate that fact—has made us intolerably vulnerable.

The President has forcefully rejected the notion that continued gulping of foreign oil will hold us hostage. But it is now more probable that disruptions in oil imports will occur, in some degree. Any disruption will be reflected in refined products available to motorists, and we could find ourselves seething in the gas lines that raised last summer's temperatures to boiling point. Indeed, gasoline allocations in this area are still below last year's, the Board of Trade notes, while the number of vehicles continues to increase.

So why not re-institute odd-even, in anticipation of probability and, not least, as a modest discipline to ease the yoke of dependency?

It is not surprising that a private group should take the initiative of urging odd-even again. In spite of the undeniable evidence of shortages last June and the horrendous gas lines, Maryland, Virginia and the District took an unpardonable time to make what elected officials feared might be an unpopular decision—odd-even. To expect them to undertake an odd-even initiative when there are no gasline lines is perhaps expecting a dog not only to walk on its hind legs but to perform a classy soft-shoe routine as well.

In letters to Virginia's Gov. John Dalton, Maryland's Harry Hughes, and D.C. Mayor Marion Barry, the Board of Trade's president, Oliver T. Carr, wrote: "The problem of decreasing energy resources and fuel supplies is not a short-term problem . . . The residents of this region had adjusted their driving patterns to accommodate the odd-even gas plan. Reinstatement of the plan will reinforce these driving patterns and serve as a continuing reminder that the conservation of our finite energy resources is the responsibility of each of us."

We fail to see a persuasive argument against that reasoning, and await with interest the responses of Messrs. Dalton, Hughes and Barry.

If there is a deficiency to the idea, though, it is that regional efforts are insufficient.

Despite the yahooish defiance of the national 55 m.p.h. speed limit, it remains a valuable tool of conservation (and of public life and limb). To complement the lower speed limit with a national odd-even system deserves congressional and administration consideration. We would hope that private groups elsewhere, too, would follow the Board of Trade's initiative here.

Americans as a people are not notably disciplined—or receptive to any infringement, real or perceived, of individual prerogatives. But there is a remarkable discipline of self-interest in this country: And it is a prime responsibility of leadership to make obvious the connection between self and social discipline. An odd-even gasoline system would be a relatively painless way.

Failing that (and possibly even in spite of government-imposed nudging toward conservation) worse restrictions may come. We note, for instance, that President Carter's battered inflation fighter, Alfred Kahn, suggested the other day that a high tax on gasoline, 25- to 50-cents a gallon, might have to be invoked—to protect ourselves from energy blackmail.

That, friends, is no chimera. ●

KNOW YOUR LIMITATIONS—A BRILLIANT ESSAY WITH SOME SAGE ADVICE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. RANGEL. Mr. Speaker, I would like to share with my colleagues some commonsense ideas that are put rather eloquently by my friend Joseph Machugh. The subject is knowing one's limitations, and the importance of working together toward goals, instead of egotistically pursuing personal goals, even though the chance of failure is so much greater.

The essay follows:

KNOW YOUR LIMITATIONS

After new experience some folks quote a cliché, hoary from overuse: "when one is seen—you've seen them all!" A more reliable aphorism is: "human nature remains constant whereas human conduct frequently changes." Ask a child to choose among several objects, he may blurt: "I want them all!" Selfish youngster may try to monopolize every play-marble in the neighborhood.

When world of books opens—one author may win wide acclaim starting trend to read all his works—then every book in a library. By prudent guidance at home and in school two valuable lessons are learned. Nobody wins every race and a corollary: "teamwork does it better." Those are benchmarks on path to goals and building-blocks for sustained success—in business, professions, academia and in sports. Philip Massinger said: "Be wise; Soar not too high to fall; but stoop to rise." Yet everyone should aim at a top target.

During mental growth come new horizons. Life is replete with limits, word of Latin origin, meaning point beyond which none can go—like deadend streets. We have four seasons; day and night and even life's own span; also speed limits plus city, county and state boundaries—all must be recognized and respected. Writer was asked if human judgment improves with age. His reply: "Its caliber may not change but what does improve is confidence in the judgment." New auto-drivers are slow to enter main highways whereon are moving other cars (even far-off)—a clear lack of confidence which, when acquired often leads to excessive speeding—that experts describe as "a defense mechanism."

Highway hills flatten-out when climbed as, after careful analysis, do some major problems—then yielding to simple solution. Consider U.S. Army Corps of Engineers World War II boast: "The difficult is done immediately; the impossible takes longer." "Trial and error" proves nobody by himself can do much. John Donne said: "No man is an island, entire of itself; every man is a piece of the continent, a part of the main." Humans alone were given power of speech. If one cannot do it—why not ask what others think? Fear not being overshadowed. For leadership is strengthened through salutary assistance; and principals earn credit (& blame) from agents' acts within scope of their authority. We must learn to listen and share that learning far, wide and constantly.

In corporations and other groups—isn't success usually a product of teamwork. Throughout history empires and kingdoms have vanished. Yet, the Second World War—through wholehearted cooperation between public and private sectors lifted America to a zenith of success, strength and influence. Just as nobody can read all library books—it is equally true that teamwork does do it better. Is there a more heartwarming greeting than "Glad you are 'On Our Team?' "

In sum:—facing awesome tasks, plan, prepare and proceed wisely. Though only one sits in "driver's seat" it still takes two-to-tango; and many astute minds to reach sound conclusions. Bernard Baruch said his War Industries Board operated largely on a basic principle: "Committees for counsel—a single responsible Head for action. For discussion—get a group; for decision, name one Chief—to be held accountable for results." So, don't reach too far—alone lest you lose balance; fall overboard and/or jeopardize earlier gains. In other words: "Know your limitations—and then act accordingly." ●

A. CALDER MACKAY—"THE VANISHING RIGHTS OF FREEDOM"

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. ROUSSELOT. Mr. Speaker, the fundamental philosophy upon which our traditional American system was built by our forefathers is the philosophy of "Man over Government." This philosophy stems from the uniquely American concept of man's possessing God-given, unalienable rights and creating Government as his tool, or instrument, primarily to make and keep these rights secure, as proclaimed in 1776 in the Declaration of Independence.

Unfortunately, in recent years this guiding principle of our forefathers has become twisted and distorted. Americans today are living under a system based upon the philosophy of "Government over Man." Overtaxed, overregulated the hard-working American taxpayer's unalienable right to hold property as guaranteed by the Declaration of Independence is severely threatened.

Mr. A. Calder Mackay, a California resident, has written an article challenging the notion that the American people are to blame for the economic problems besetting our Nation—that the blame rests squarely with the shortsighted economic policies of our Federal Government. I wholeheartedly concur with Mr. Mackay's rebuttal and commend to my colleagues the following statement by this distinguished Los Angeles attorney.

The statement follows:

THE VANISHING RIGHTS OF FREEDOM

"Mr. Carter has reacted to the public's low opinion of his administration by 'getting tough' and proposing a further suspension of private freedom. He justifies this on the grounds that it is the American people, not his administration and the Congress, who deserve the blame for our economic problems."—The Wall Street Journal, July 17, 1979.

It is time to challenge the idea that the American people are to blame for the economic problems besetting our nation; namely, the economic problems of inflation and energy shortages. In the first place:

(1) The American people are not to blame for the $800 billion national debt which represents the deficit spending of federal politicians—the real cause of inflation and skyrocketing consumer prices.

(2) The American people are not to blame for the $500 billion Annual Budgets created by federal politicians and bureaucrats to spend on unconstitutional and inflationary government programs; nor are they to blame for budgetary imbalances caused by the confiscation and consumption of capital for the last fifty years.

(3) The American people are not to blame for the multi-billion dollar Trade Deficits caused by federal taxation of capital gains needed for private investment in American business to keep competitive with foreign business.

(4) The American people are not to blame for the unfunded Social Security obligation of $4 trillion or for the unfunded public pension obligation of $2 trillion caused by federal politicians and bureaucrats who have spent Social Security monies for political purposes rather than holding them in trust as promised.

(5) The American people are not to blame for the federal price controls, government red tape, and oppressive environmental regulations which have prevented private oil companies from expanding their production to supply adequate energy.

The economic problems we face as a nation arise from our federal government's interference in our economy which started in the early 1930's when New Deal politicians abandoned the constitutional principle of taxing solely to defray the costs of government. These federal politicians usurped the power to use the tax system as an instrument of economic and social control to redistribute the income and wealth of the

American people and to penalize certain economic groups. Their objective was to destroy capitalism and to work toward a society of modified communism. They had no constitutional authority to seek control of the economic and social lives of the people; in fact, the Constitution specifically was designed to prohibit such use of the tax laws.

Since the 1930's, unconstitutional and inflationary taxes have multiplied to cover almost every aspect of American productivity, and like parasitic fungi, they choke the vitality of our economy.

Punitive income taxes, capital gains taxes, social security taxes and corporate profits taxes have confiscated private income and savings that otherwise would have been invested in business enterprises to increase jobs and productivity and to compete successfully with foreign nations in international trade.

Because of irresponsible tax policies and myopic economic bungling, the American people will have to bear the full brunt of domestic inflation because European monetary leadership has passed from America to West Germany. With the creation of the European Monetary System, the con game perpetrated by Washington politicians and bureaucrats to force European nations to support our dollar and thus, import our inflation, is over. The inflationary media created by our Federal Reserve System for deficit financing will stay within America's borders, and give momentum to spiraling consumer prices.

PAST WISDOM

Mr. Carter often recalls the words of his Democratic predecessors so it is relevant to note some of their counsel concerning federal intrusion in the social and economic lives of the people. President Franklin Roosevelt, confronting the crisis of a national depression, still clearly understood the dangers of unconstitutional redistribution of wealth. He stated in his message to Congress in 1935: "The federal government must and shall quit this business of relief. . . . Continued dependence upon relief induces a spiritual and moral disintegration fundamentally destructive to the national fiber. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit."

Cecil Moore, a black lawyer and head of the NAACP in Philadelphia, agreed with President Roosevelt's assessment in an article appearing in the March 1965 issue of Reader's Digest. "Go down into the area of my city where most of the relief people live. Hardly anyone there has any pride in himself. That's what public assistance has done for them. To me, relief is a self-perpetuating degradation, the worst thing that could have happened to my race."

Moreover, in this context it would be well for Mr. Carter to recall the words of John F. Kennedy when he was leader of the Democratic Party and Senator from Massachusetts. "The scarlet thread running through the thoughts and actions of people all over the world is the delegation of great problems to the all-absorbing Leviathan—the State. Every time that we try to lift a problem to the government, to the same extent we are sacrificing the liberties of the people."

If Mr. Carter really wants to help solve America's economic problems, why does he keep proposing solutions that expand federal interference in the economy and that divert private income and savings away from production? Rather than using the tax system as a socialistic instrument of confiscation, why doesn't he respond to the many, well-informed tax reduction measures advocated by people in and out of government? The benefits of tax reductions have been proved to include increases in jobs, in the gross national product, in workers' incomes as well as in government tax revenues.

TAX REDUCTION PROPOSALS

In 1977, 1978, and 1979, Congressman Jack Kemp and Senator William Roth introduced their joint Kemp-Roth Tax Reduction Bill to Congress which proposes a 30 percent reduction in income tax rates and a 3 percent reduction in corporate profits tax rates. According to the predictions of economist Norman Ture, such tax reductions would:

—increase the reserves for private investment by $90 billion in the first year; by $166 billion in ten years;

—increase employment by 2.1 million jobs in the first year; by 5.6 million in ten years;

—increase the gross national product by $175 billion in the first year; by $450 billion in ten.

This would not only expand the base for federal taxation, it would increase the real wages of the average American worker by $930 (in constant 1977 dollars) the first year alone.

A study of capital gains taxes made by The Wall Street Journal in 1978 revealed that six major foreign nations, competing with the United States in international trade, had no capital gains tax, while three others had maximum rates ranging from 22 percent to 30 percent. It was projected that if the United States limited its capital gains tax to 25 percent from the present 35 percent by January 1, 1980, in five years there would be an increase of 440,000 jobs and $16 billion in tax revenues.

Going one step farther, Data Resources, Inc., a leading economic consulting firm, published an analysis of nine types of taxes which showed that if the capital gains tax were eliminated completely, it would have the most powerful impact of any tax reduction on our economic growth in terms of increased gross national product, increased capital formation, increased employment and decreased deficit spending.

With accumulating historical evidence as well as recent statistical analyses supporting low tax rates as the best means of stimulating economic growth, it is strange that Mr. Carter repeatedly refuses to accept tax reduction measures to help solve the very economic problems he laments. No one but a despotic dictator, committed to confiscating and nationalizing private wealth and property, would decline to approve and to accept such evidence. This harsh conclusion is reinforced by Mr. Carter, himself, when he pursues the creation of more federal agencies, more federal regulations, and more federal taxes as cure-alls.

WINDFALL PROFITS TAX

Though Mr. Carter is to blame for our economic problems as the leader of our nation, Congress has to share the blame for its continuing, unabating cooperation in legislating unconstitutional and inflationary programs. For instance, Mr. Carter's recent proposal to levy "windfall profits taxes" on the oil industry has been accepted eagerly by the House of Representatives. The majority of the members in the House have endorsed Mr. Carter's accusation that private oil companies will make unfair "windfall profits" from the energy crisis and in so doing, they have revealed their flagrant ignorance of the facts of production.

The idea of a "windfall profit" implies an unexpected gain or piece of good fortune similar to when a wind suddenly rises to blow ripe fruit to the ground to make harvesting easier. No chance wind can drill an oil well. No chance piece of good fortune can cause oil profits. Oil profits are the result of decades of planning, of careful private investment-capital formation, of technological research and development. There is no oil company that would or could afford to finance the drilling for new oil or to finance the conversion of shale or coal into fuel without a reasonable certainty of profit. Oil companies not only have a responsibility for paying the salaries and pensions of hundreds of thousands of employees, but they have a responsibility for paying dividends and interest to their hundreds of thousands of stock- and bondholders, as well as a responsibility for supplying products as cheaply as possible to millions of Americans on a competitive market. Unlike government agencies, oil companies cannot force their customers to pay additional taxes to make up for losses; they must make profits to stay in business.

When Mr. Carter and the House of Representatives propose confiscating $140 billion in "windfall profits" taxes from the oil industry to fund the creation of a federal Energy Security Corporation and a federal Energy Mobilization Board, they are ignoring the very basic principles of our Constitution and Bill of Rights and are, therefore, violating the oaths of office they took as representatives of the American people. In line with their New Deal predecessors who usurped the power to use the tax system for the redistribution of wealth, they advocate open theft of private property for their political use in violation of the Fifth and Fourteenth Amendments.

The further proposal of Mr. Carter to use expropriated oil profits for redistribution to the poor and for mass transit systems smacks more of the political pork barrel than of honest concern for energy shortages. It can only be hoped that the Senate shows greater understanding of the causes and cures of the energy crisis than either Mr. Carter or the House, and opposes and defeats proposed "windfall profits" tax legislation.

There is no historical proof that government owned and operated business serves the public interest better than privately owned and operated business. In fact, government bureaucracy is notoriously expensive and wasteful in its business endeavors, and usually ends up supplying poor quality of goods, and services because it has no responsibility for making a profit. The long history of American prosperity, when federal taxes were kept at a minimum, reveals that the American people, in their roles as private citizens, do a superlative job of providing for national needs when allowed freedom from federal interference in their economic and social lives. Protection of private property, protection for life and liberty are all the federal government need offer the American people to bring permanent solutions to present economic problems.

TAX REBELLION

It is time that we, the people, ask ourselves: Where is the security for our private property, for our freedoms, for our lives when federal politicians refuse to uphold their oaths of office to preserve and protect the Constitution and to abide by the principles of The Declaration of Independence? Where is our security when our federal government acts as an agency of deception and of legalized plunder?

George Washington, in his letter to the Marquis de Lafayette, stated that the federal government would be in no danger of degenerating into a monarchy, oligarchy, aristocracy, or any other form of despotism "so long as there shall remain any virtue in the body of the people.

"I would not be understood, my dear Marquis, to speak of consequences which may be produced in the revolution of ages by corruption of morals, profligacy of manners or listlessness in the preservation of the natural and unalienable rights of mankind, nor of the successful usurpations, that may be established at such an unpropitious juncture upon the ruins of liberty, however providently guarded and secured; as these are contingencies against which no human prudence can effectually provide."

George Washington's dark speculation about future usurpations of power by federal politicians has become a reality today. It is all too obvious that our national strength is being sapped by deficit financing indulged in too long, by federal paternalism grown too mighty, by power groups grown too arrogant, by politics grown too corrupt, by crime grown too rampant, by morals grown too low, by taxes grown too high, by extremists grown too violent.

Our forefathers fought to banish the British tyranny of taxation and great wars have since been fought to gain and protect freedom; yet, today, our country is faced with destruction by a new tyranny of taxation as bad or worse than the British tyranny which triggered the Revolutionary War. As our forefathers, we must unite against this home-grown tyranny threatening our lives and liberties. We must place the blame for our economic problems where the blame belongs—on socialistic, federal politicians who would rip apart and tear asunder our Bill of Rights and Constitution to create an all-absorbing Leviathan.

One important battle has already been waged. When the people of California overwhelmingly passed the Jarvis Amendment in a massive protest against high taxes at all levels of government, and when the Supreme Court of California upheld the constitutionality of their actions, the right of the American people to self-government—to control their own economic and social lives—was reaffirmed. We must continue to exercise our constitutional right for our own protection and preservation as a free people.

Patrick Henry's statement, "Give me liberty or give me death", no longer addresses itself to the past alone. We, too, must respond to the clarion call of duty, honor, and country so proudly uttered by past patriots, and turn back the forces of tyranny swelling within our federal government. By our actions, we must affirm our basic American Creed:

I believe in the United States of America as a government of the people, by the people, for the people, whose just powers are derived from the consent of the governed; a democracy in a Republic; a sovereign nation of many sovereign states; a perfect Union, one and inseparable; established upon the principles of freedom, equality, justice and humanity for which American patriots sacrificed their lives and fortunes. I therefore believe it is my duty to my country to love it, to support its Constitution, to obey its laws, to respect its flag, and to defend it against all enemies.—(Authored by William Tyler Page, adopted by The House of Representatives, April 3, 1918)

A. CALDER MACKAY.

AUGUST 15, 1979.!

RESOLUTION OF APPRECIATION

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. RATCHFORD. Mr. Speaker, I rise today to present this distinguished body with a resolution of appreciation from the Wilton Democratic Town Committee for the years of service rendered the State of Connecticut by Senator ABRAHAM RIBICOFF.

Partisanship surely is no factor in recognizing the truly fine achievements of this great public servant over his career. This group of involved citizens has undertaken an expression of their heartfelt feelings for Connecticut's senior Senator upon his announced retirement.

I submit their resolution for the RECORD here, not just for this group but for the many in the State that share their views:

RESOLUTION

The recent announcement of Connecticut's senior United States Senator, Abraham A. Ribicoff, of his planned retirement at the end of a third term in January, 1980 was received by this Committee with both sadness and pride. While we truly regret the Senator's decision to leave his seat, we recognize, as did he, that such a time must come for all, and we take pride that for eighteen years Abraham Ribicoff's service in the Senate distinguished himself, his State and his party.

Senator Ribicoff's public career, beginning with his election to the Connecticut General Assembly in 1938 will have spanned six decades. His service as a legislator, municipal judge, Governor and Cabinet member encompasses all three of this nation's traditional branches of government.

We recall with gratitude his exemplary service and leadership during the floods of 1955, in which his actions helped to alleviate the hardship faced by this part of the state.

We recall that as Secretary of Health, Education and Welfare in the Cabinet of President John F. Kennedy, Abe Ribicoff was instrumental in efforts to develop and enact the comprehensive medical insurance program for the aged that subsequently became Medicare.

Elected to the United States Senate in 1962, Abe Ribicoff's legislative work covered a wide spectrum of issues including automobile safety, welfare reform, international trade, and environmental protection. Though not publicized widely in Connecticut, he was recently named by a Washington periodical as the Senate's most courageous member for his stands on arms sales to Saudi Arabia and school integration in the North. Ribicoff is presently Chairman of the Senate Governmental Affairs Committee and a senior member of the Finance and Joint Economic Committees.

The responsibilities of a United States Senator from Connecticut are dual in nature: the promotion of the national interest and the representation of constituent interests. Abe Ribicoff discharged these duties with dignity, responsibility and admirable success. His constant interest in the promotion of the urban renaissance and commercial progress of Connecticut, and the preservation and enhancement of its natural resources are just two examples of his efforts on behalf of Connecticut. His offices in Washington and Hartford have long been recognized as among the most efficient and responsible in assisting the needs of individual constituents.

The Democratic Town Committee of Wilton hereby resolves to express its deep appreciation to Senator Abraham Ribicoff and to wish he and his wife, Lois, the greatest success and happiness in their future endeavors.●

DAYLIGHT SAVINGS TIME

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. STUDDS. Mr. Speaker, today I am introducing legislation to extend Daylight Savings Time (DST) from 6 months of the year to 8 months. This is a measure which I have introduced in the 94th and 95th Congresses and which I believe is one of those commonsense energy conservation measures which everyone acknowledges but does nothing about.

I think we are finally beginning to realize that our energy needs demand a national energy policy which successfully coordinates all of our resources, including energy conservation. What we have thus far failed to realize is the role that each resource can play in reducing our dependence on imported oil. Energy conservation can make a significant contribution in this direction and its applications can be as numerous and varied as our other energy resources, yet far less complicated and a lot less costly.

In 1973, DST was observed year round. As a result of an initial study conducted by the Department of Transportation, in 1974 DST was reduced to 8 months. The final report of this experiment indicates that our electrical usage was reduced by approximately 1 percent. However, at our current rate of consumption this could translate into a savings of as much as 32 million barrels of oil per year. In addition, the Department of Transportation found no evidence to support the fears of some parents that their children would be less safe going to school each morning in the dark. The bill I am introducing today would require that the energy conservation effects of the change in DST as well as its effect in other areas, including crime and automobile accidents, be monitored for a period of 2 years.

I urge your support of this bill as an element of a national energy program designed to improve our energy efficiency.●

PROBLEM OF HEALTH CARE INFLATION

HON. MICHAEL LYNN SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. SYNAR. Mr. Speaker, the House of Representatives yesterday addressed one of the most pressing problems facing the American people today—the problem of health care inflation. In view of the two measures considered on the floor yesterday, this Congress has yet to look the problem squarely in the eyes.

The bill H.R. 2626, the Hospital Cost Containment Act of 1979, failed to focus on the central causes fueling these runaway costs. Clearly, the hospitals in the United States need to trim their historically high inflation rates. However, this bill completely ignored the many other contributing factors—the third party payment system—private insurance, medicare, and medicaid—price insensitivity among both doctors and patients, and the absence of the natural corrective forces of the free-enterprise system, that is the ability of demand to hold down rising costs of supply. H.R. 2626 unfairly asked our hospitals to discipline an entire industry and threatened mandatory controls if they failed to control a problem for which they are only partly responsible.

More importantly, I firmly reject the concept of Federal mandatory controls as anything other than a last resort. The positive progress of the health care industry's voluntary effort has created a serious question about the need for mandatory controls, and Congress must carefully consider alternative approaches before it employs a tool which, again, should only be used as a last resort.

For this reason, Mr. Speaker, I voted against H.R. 2626 yesterday by voting for the substitute amendment introduced by my colleague, Mr. Gephardt. I voted for final passage of this amended legislation, not because I pretend this cautious approach provides a comprehensive solution, but because I feel this is the least Congress can do to honor its commitment to work toward controlling inflation.

The Gephardt substitute provides for the continued monitoring of the "voluntary effort's" progress, for assistance to individual States which intend to institute their own cost containment programs, and for a continued search for the true cures of this pressing problem. If Congress closely heeds the findings of the National Commission on Hospital Costs, continues to consider alternative solutions, and follows up with needed action, I am confident that the rising cost of health care can soon be controlled.

As I have said, Congress has a responsibility to the people of this Nation to find an effective and fair remedy to the runaway inflation devastating almost every segment of our economy. Moreover, we have a responsibility to guarantee affordable health care for every American citizen. We have fallen short of this commitment. Congress must find a way to control rising health care costs, and the challenge continues to lie before us.●

SUNRISE-SUNSET HEARINGS SCHEDULED

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. LONG of Louisiana. Mr. Speaker, important developments on sunrise-sunset legislation have occurred, and I want to call these matters to the attention of my colleagues. The chairman of the Committee on Rules, the Hon. Richard Bolling, has scheduled full committee hearings on H.R. 5858, the Sunset Review Act of 1979. The hearings are to take place on Thursday, November 29, and Wednesday, December 5, in H–313 the Capitol, at 2 p.m.

I am very pleased that this legislation will be the immediate subject of full committee attention. H.R. 5858, which is coauthored by my colleague, the Hon. Butler Derrick, is the product of a year's study by the Subcommittee on the Legislative Process which I have the honor to chair. The bill is a "combination approach," representing the best features of both H.R. 2, the Sunset Act of 1979, and H.R. 65, the Legislative Oversight Act of 1979.

The bill was introduced on Friday, November 9, and was cosponsored by the following, in addition to Mr. Derrick and me: Representatives Jim Blanchard, Dick Gephardt, Norm Mineta, John Anderson of Illinois, Lud Ashley, Tony Beilenson, Dick Bolling, John Cavanaugh, Shirley Chisholm, Jim Cleveland, Tony Coelho, Chris Dodd, Martin Frost, Bob Giaimo, Sam Gibbons, Gunn McKay, Joe Moakley, Morgan Murphy of Illinois, Leon Panetta, Claude Pepper, Mo Udall, and Leo Zeferetti. We will be seeking additional cosponsors to join us when the bill is reintroduced on December 3.

An explanatory statement appears in the Congressional Record, November 9, 1979, p. 31812. Those interested in further information on the Sunset Review Act may call the Subcommittee on the Legislative Process at 225–1037.

I invite all Members interested in improving congressional oversight to join in cosponsoring this legislation. The bill provides Congress with new tools for oversight which are compatible with the legislative process and the requirements of the Budget Act.

The 96th Congress has been designated the "oversight Congress." H.R. 5858 will provide a vehicle to help every Congress realize its full potential as an "oversight Congress" in which Federal programs are reviewed and decisions are made to reduce waste, duplication, and inefficiency.●

VETERANS' ADMINISTRATION BUDGET CUTS

HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. MICA. Mr. Speaker, recently the national commander of the American Legion, Mr. Frank I. Hamilton, in testimony before the Committee on Veterans' Affairs, expressed concern with several facets of the Veterans' Administration's programs. The well-being of those who served our country is of importance to the Nation as a whole, and I would like to thank Mr. Hamilton and other members of the American Legion for their interest on this matter. I am submitting a summarized version of Commander Hamilton's testimony for the Record and the consideration of my colleagues:

> Mr. Chairman and Members of this Committee, I would like to begin by speaking about the VA Medical care program and its future. Although officials of the Administration have assured us of the program's continued viability, they have also overseen reductions in its budget. The VA is having to turn veterans away with the increasing demand for both inpatient and outpatient care. The Administration is not living up to its promise to do more with less.
>
> We urge the Congress not to enact the benefit curtailments that the Administration has proposed. The proposed budget is a straight-line budget with the only increase in benefits being a modest 7.8 percent in compensation and death benefits which covers the most needy beneficiaries.
>
> The American Legion supports the VA programs to aid in the readjustment of Vietnam Era veterans. Therefore, we believe that there should be an immediate increase in the training allowances for the more than 1.5 million Vietnam veterans who are, as of Fiscal Year 1978, still in training under the GI Bill.
>
> Also for Vietnam veterans we believe that the Government must take responsibility and accept the consequences for the residual effects on the veterans who were exposed to Agent Orange. We are greatly disturbed by the strange apathy evident in trying to ascertain what these residual effects may be.
>
> Also in this area there is a special problem which affects a considerable number of World War II and post-World War II veterans. It concerns the effects of exposure to ionizing radiation, the consequences of the series of nuclear explosions that took place, mainly in the testing of new weapons. As with the Agent Orange problem, there is a reluctance on the part of the government agencies to provide information allowing prompt and fair processing of claims.
>
> The American Legion supports the new death and disability pension program while reserving the right to approach Congress to seek improvements in the new pension program, as the need becomes apparent. In addition, the American Legion supports H.R. 2057, a measure that would provide a special pension program for veterans of World War I. We believe that, in consideration of their special status, these veterans are entitled to a liberal and generous pension program.
>
> Another of the Administration's legislative proposals, the concept of third party reimbursement, we oppose on the grounds that it may impair our ability to defend the veterans health care program against inclusion in a national health insurance law.
>
> In the area of judicial review, we believe that it would create an adversary relationship between the claimant and the government by making the claim decisions of the VA subject of review by Federal judges.
>
> The American Legion supports the idea that entitlement to veterans benefits is an inducement to honest and faithful performances of military duty. Deserters and chronic AWOLS cannot be placed in the same category as those who perform valuable service. Therefore, we oppose the bill S. 1041, which would eliminate the bar denying benefits to a service person who is AWOL for 180 days.
>
> We want to thank this committee and Congress for your support of the Veterans' Employment Service field staff. In addition, however, we would like to reinforce our position that an Assistant Secretary of Labor for Veterans Employment is a necessity in furthering the support for veteran's employment programs. We, therefore, fully support H.R. 1816 pending before this Committee.
>
> The American Legion believes that the U.S. is again forgetting in time of peace those who served in time of war. In Fiscal Year 1975 VA benefits and services represented 5.1 percent of the Federal Budget while in 1979 they will consume only 3.8 percent. Between 1960 and 1978 VA medical programs increased in cost by $4.2 billion, but $3.3 billion of that increase was in inflation. On what grounds, then, can VA programs be considered too costly.
>
> For our part, we continue to place our trust in the Congress, which is the true representative of all the people. We see no sentiment here, at this time, to compromise on promises, implicit and explicit, that were made to those who were asked to serve the nation in time of war.●

ELOQUENT RESOLUTION

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. PAUL. Mr. Speaker, recently the Fort Bend County Post No. 271 of the American Legion adopted a most eloquent resolution about our veterans, the care they are receiving, and the proposal to merge the VA into the surviving remnants of HEW.

I would like to associate myself completely with the sentiments of this excellent resolution, and call it to my colleagues attention.

Our country owes a massive debt to our veterans, a debt that must be paid.

The resolution follows:

FORT BEND COUNTY POST NO. 271,
Rosenberg, Tex., November 13, 1979.

RESOLUTION

Whereas, the surviving veterans of all wars are being more neglected and forgotten by our government and the people, and

Whereas, these veterans gave years of their lives in defense of our country and, in many instances, suffered injuries which have affected their lives permanently, and

Whereas, we feel that the medical treatment offered these veterans is woefully inadequate and in some cases not available, and

Whereas, we understand that there is some consideration being given to merge the Veterans Administration into the H.E.W. Department,

Be it resolved, we the members of American Legion Post No. 271, Rosenberg, Texas, urge you to oppose any such proposal as this would even further dilute the treatment and consideration being given our veterans. We further ask your help in proposing and supporting programs which will give our veterans more efficient and humane medical treatment.●

SUPPORT FOR FEDERAL INVOLVEMENT IN OIL IMPORTS AND PURCHASES

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. VANIK. Mr. Speaker, over 80 Members of the House are currently sponsoring bills which would establish a form of Federal corporation or agency to be responsible for the purchasing and importing of oil. To date, the Subcommittee on Trade has held 3 days of hearings on this issue and plans additional hearings in the future. I am a cosponsor of one of these oil import agency bills and believe that this approach offers the possibility of occasionally obtaining long-range oil supplies at lower prices than will be offered by the big international oil companies.

I recently asked the Tennessee Valley Authority—as a Federal corporation somewhat similar to the type of corporation being proposed for oil imports—to comment on the various legislative proposals and to respond to the charges that the TVA, because of subsidies, cannot be considered a yardstick by which to measure the performance of private energy companies.

Mr. S. David Freeman, Chairman of the TVA, has provided a positive, creative response, basically in support of attempting some form of Federal purchasing authority.

Following are a few highlights from Chairman Freeman's letter:

"Since there is some uncertainty as to whether a newly created Federal agency could, at least at the outset, operate as successfully as experienced international oil companies, we suggest that you consider initially the creation of an agency which would operate in competition with, rather than to the exclusion of, the private companies.

* * * * *

We believe the success of TVA shows that the Federal Government can perform a business-type function with every bit of the economy and efficiency of private enterprise and that Government is not inherently inefficient merely because it is Government.

* * * * *

A Federal corporate agency can be just as flexible as Congress is willing to allow it to be . . . it must be given the freedom to exercize business judgment to the same degree as the entities with which it is competing.

* * * * *

. . . The Government agency could serve as a "yardstick" to measure the performance of the international oil companies.

* * * * *

Alternatively, a federally operated purchasing authority might be able to tie the provision of U.S. goods needed by oil-selling countries (such as grain, computers, or military equipment) to the sale of oil. In addition, the ability of the agency, when directed by Congress or the President, to use oil purchases to achieve other political objectives might be a potential side benefit."

* * * * *

While we generally agree with the propositions . . . that the creation of a central purchasing authority would not increase the supply of foreign crude oil or reduce U.S. demand for foreign oil, it does appear to us that a central purchasing agency might have some advantages in bargaining for oil which are not available to numerous independent oil companies competing among themselves . . . but such an authority's bargaining power would at least be no less than that of the oil companies.

TENNESSEE VALLEY AUTHORITY,
Knoxville, Tenn., October 12, 1979.

Hon. CHARLES A. VANIK,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. VANIK: Thank you for your August 7 letter requesting our advice and answers to specific questions about the proposals to establish a Federal purchasing authority to purchase oil.

We are enclosing a paper providing our answers and comments on the questions. We are also enclosing copies of TVA's invitations to bid which you requested.

As indicated by our comments contained in the enclosure, we believe that the Federal Government could successfully become the direct purchaser of significant amounts of foreign oil. Since there is some uncertainty as to whether a newly created Federal agency could, at least at the outset, operate as successfully as experienced international oil companies, we suggest that you consider initially the creation of an agency which would operate in competition with, rather than to the exclusion of, the private companies. We would be glad to review the language of any proposed bills to ensure that the proposed agency is given the necessary authority and flexibility to accomplish its purpose.

We appreciate the opportunity you have given us to provide you with our comments on this important matter.

Sincerely,

S. DAVID FREEMAN,
Chairman.

ANSWERS TO QUESTIONS POSED IN REPRESENTATIVE CHARLES A. VANIK'S AUGUST 7, 1979, LETTER

1. TVA annually purchases about 165 million and 34 million gallons of light distillate and No. 2 diesel fuel oil, respectively. Coal is purchased at various times and in various amounts to meet current and projected burn requirements. Our purchases must be sufficient to meet a burn requirement which generally falls in the 36- to 38-million-ton-per-year range.

2. Because of our relatively small purchases of oil, only about two man-years per year are expended in oil purchases. The current level of staffiing for the purchase and administration of coal contracts is 29 persons, consisting of 6 managerial, 12 administrative, and 11 clerical employees. These employees are involved full-time in purchasing coal and administering coal contracts.

3. TVA purchases both oil and coal under the provisions of Section 9(b) of the TVA Act. These purchases are made by the formal advertisting method of procurement because Section 9(b) requires that all purchases and contracts for supplies or services shall be made after advertising except in certain situations such as emergencies, in which case TVA may make purchases in the open market in the manner common among businessmen. The contracts for oil and coal differ in form and type as discussed below.

OIL

TVA advertises for its estimated annual requirement. Most contracts are of the nature of indefinite quantity term agreements (or basic ordering agreements) with no firm commitment for quantity until orders are placed under the agreement. Some contracts are made for under $10,000 without advertising as permitted by Section 9(b) as spot purchases for firm quantities of oil.

COAL

TVA uses two buying programs for coal—one for spot or short-term contracts, and one for longer term contracts. Under the long-term coal buying program, invitations to bid are issued periodically, usually one or two times each year, based on considerations such as the number of contracts which are expiring and TVA's projected coal requirements. Following a public bid opening, bids are evaluated and contracts awarded primarily on the basis of the lowest delivered heat cost (in cents per million Btu) but with consideration given to other pertinent factors, such as environmental effects, the responsibility of the bidder, and the capability of the specified mines to furnish coal meeting contract requirements.

Under TVA's spot coal buying program, invitations to bid are issued monthly and provide for bids to be submitted any time during the month. Each Wednesday all bids in hand specifying that particular bid opening date are evaluated and contracts are awarded on the same basis as for term coal. Spot bids may offer any quantity of coal; however, the delivery term is limited to a maximum of four weeks.

We have attached copies of typical invitations to bid for diesel fuel oil and coal.

4. You have asked us to critique the testimony of the American Petroleum Institute before the Subcommittee on Trade. At the outset, I would like to explain that while TVA does not claim in any way to be expert in the complexities of the international crude oil market, we do consider ourselves experts in what a Federal agency is capable of accomplishing if Congress gives it the necessary power and flexibility to perform its job efficiently. We believe the success of TVA shows that the Federal Government can perform a business-type function with every bit of the economy and efficiency of private enterprise and that Government is not inherently inefficient merely because it is Government.

While we generally agree with the propositions in the testimony that the creation of a central purchasing authority would not increase the supply of foreign crude oil or reduce U.S. demand for foreign oil, it does appear to us that a central purchasing agency might have some advantages in bargaining for oil which are not available to numerous independent oil companies competing among themselves. For example, the testimony indicates that private oil companies do at times "shop around" for the best price and that on occasion some OPEC countries do shave prices to expand or recapture market shares. In these situations, it appears that a large central purchasing authority could be more informed about worldwide market conditions in general in order to take advantage of unusual market conditions, while competing oil companies might, on the other hand, attempt to keep special information to themselves. Because of the excess of demand over supply, a central purchasing authority might not have any greater bargaining power than individual oil companies, but such an authority's bargaining power would at least be no less than that of the oil companies.

The testimony states that "a centralized buying agency would not be as flexible as private oil companies at spotting and taking advantage of such price weakness." This may be true if Congress saddles a Federal purchasing authority with statutory and regulatory requirements similar to those imposed on traditional Government agencies. However, a Federal corporate agency can be just as flexible as Congress is willing to allow it to be. In creating TVA, Congress stated: "We intend that the Corporation shall have much of the essential freedom and elasticity of a private business corporation." H.R. Rep. No. 130, 73d Cong., 1st Sess. 19 (1933). Since TVA's formation in 1933, it has continually resisted, not always successfully, attempts to erode this flexibility and elasticity by imposing additional statutory requirements on TVA or by making TVA subject to the determinations of other agencies

If a Federal purchasing authority is to be successful in competing in the world market, it must be given the freedom to exercise business judgment to the same degree as the entities with which it is competing. One example of a restriction which is possibly unnecessary is the provision in most of the purchasing authority bills we have seen requiring that the authority make its purchases by sealed bids. While this method of procurement may be desirable in some or even most situations, the authority should be allowed to adapt its purchasing methods to whatever appears best in light of the existing market conditions.

As an example of the ineffectiveness of Government purchasing authorities the testimony states that the government of Japan was unable to deliver crude oil to its companies at prices competitive with the international oil companies. What is unknown, of course, is whether the prices provided by the international oil companies would have been as low if it had not been for the competition by the government purchasing agency. In this regard, you might wish to consider the creation of a central purchasing authority which operates alongside and in competition with the international oil companies rather than acting as the exclusive bargaining agent for U.S. oil purchases. In this way, the Government agency could serve as a "yardstick" by which to measure the performance of the international oil companies, much as TVA has operated as a "yardstick" to measure the performance of private utilities.

There has, of course, been a great deal of uncertainty in recent years as to whether the international oil companies have served the best interests of the American public, or whether the corporate emphasis on maximizing profits has operated to increase oil prices and reduce supply. One possible way to determine whether this is so is to create a Federal agency with which to compare the performance of private oil companies.

Some of the testimony deals with the possible mixing of politics with oil purchases. In our opinion, oil and politics are already hopelessly intertwined, as evidenced by the 1974 Arab oil embargo. In any event, the possibility that OPEC nations might see actions by a Federal purchasing authority as motivated in part by political considerations could be advantageous rather than a drawback. For example, the ability to put political pressure on oil-selling nations might serve to lower oil prices where other methods have failed. Alternatively, a federally operated purchasing authority might be able to tie the provision of U.S. goods needed by oil-selling countries (such as grain, computers, or military equipment) to the sale of oil. In addition, the ability of the agency, when directed by Congress or the President, to use oil purchases to achieve other political objectives might be a potential side benefit.

Lack of knowledge of the international oil market by Government personnel is cited as one reason why a Federal purchasing authority would not work. This problem could be avoided simply by hiring knowledgeable personnel to administer and operate the agency and by instituting training programs for employees who do not yet have the required expertise.

5. Inasmuch as TVA was created both as a corporation and "as an instrumentality and agency of the Government of the United States" (Sections 1 and 19 of the TVA Act), it is difficult in some respects to make exact comparisons of TVA's operations with private operations. Congress, in establishing TVA as a public corporation, endowed it with governmental powers necessary to carry out its broad public purposes of developing the resources of the Tennessee Valley and adjoining territory, and still preserved for it much of the essential freedom and elasticity of a private business corporation. Although this unique character does distinguish it from private power systems operations, we question the validity of arguments that special or hidden subsidies make it impossible to generally compare operations. The various aspects of TVA's power systems operations such as cost of capital, types of operating expenses and margins can be compared with those of other power systems.

The TVA power system is self-supporting. Congressional appropriations are not used to pay the capital or operating cost of the system. Indeed, each year TVA pays back to the U.S. Treasury Branch both a portion of the original appropriations invested in the power system before 1959 and an amount representing a return on that investment at a rate equal to the Treasury's current cost of money. Those payments amounted to $82 million for fiscal year 1978.

There have been statements that the different nature of TVA results in a subsidization of its power program, and as a result ratepayers receive benefits not available to investor-owned utilities because of TVA's status as a Federal agency. Some of the differences mentioned are: exemption from Federal income taxes; allocation of a large part of TVA's investment in dams and reservoirs to navigation and flood control and allocation of some of TVA's expenses to nonpower operations; lack of any required insurance for TVA property, resulting in government liability; low-cost financing obtained through the Federal Financing Bank; and exemption from excise taxes and state and local taxes. We believe none of the items mentioned are of sufficient substance to have any measurable effect.

It is true that TVA pays no Federal income tax; however, the initial fallacy of this argument is that it fails to recognize what Congress has so often stated and what the TVA Act provides—that all the property and all the earnings of TVA belong to the people of the United States. Moreover, a study by the nationally respected accounting firm Coopers & Lybrand in 1973 showed that "if TVA had been a privately owned electric utility and utilized the benefits that would have been available to it during the period in question," it would have paid no Federal income taxes in the period 1963 through 1973 and only minimal Federal income taxes in 1961 and 1962.

A more recent study conducted by the same accounting firm revealed that most private utilities pay little or no taxes because of the operation of certain tax forgiveness or deferral techniques such as rapid amortization, investment tax credits, and industrial development bond financing. Private utility taxation, as a percentage of operating revenue, had decreased from almost 11 percent in 1961 to just over 1 percent by 1976. Such TVA neighbors as Alabama Power Company, Georgia Power Company, and Appalachian Power Company, for example, paid no Federal income tax in 1976 according to Federal Power Commission reports. In contrast TVA's payments to the Treasury for fiscal year 1976, for example, amounted to 5 percent of its operating revenues.

In at least one respect the private utilities and their customers get a break in certain costs for air and water pollution control facilities—a break that is unavailable to TVA customers. Both TVA and private utilities are required to comply with even more stringent environmental quality standards which require massive annual investments in terms of operating and capital expenditures. But the same tax benefits referred to above enable private utilities to cut in half the effective amount they actually have to pay for pollution control equipment. This very same cost saving mechanism is presently unavailable to TVA, so that while TVA electricity consumers now pay for every single dollar a pollution control facility costs, the consumers who are served by a private utility may only pay about 42 cents for every dollar of cost.

As to allocation, the TVA Act directs the Board of Directors to allocate the total cost of multipurpose facilities among the purposes served. This allocation is related to the facts of the TVA system and results in determining the share of common costs that is borne by each use in the light of the comparative cost of obtaining equivalent results from single-purpose projects. Power revenues and expenses are segregated from other revenues and expenses to the maximum extent practicable. TVA does, of course, have nonpower expenses for its nonpower programs, and there is no reason or legal authority to charge such expenses to the power program.

With regard to insurance, TVA normally acts as a self-insurer, as do many large corporations, as well as the Government generally. Absent laws in specified areas, there is no general requirement that any entity maintain insurance and there is no general assumption of governmental liability associated with TVA activities. Accordingly, TVA bears the same risks as a self-insured, investor-owned utility. Some of the normally insured risks on which statistics are readily available—such as property damage and personal liability arising out of the use of automobiles—show that TVA's costs of being self-insured are less than the costs would be if insurance were secured. This is not, of course, a subsidy but merely a business choice of methods of operation.

The Federal Financing Bank Act of 1973 authorized the Federal Financing Bank to purchase and TVA to sell to it obligations which TVA otherwise has the authority to sell under Section 15d of the TVA Act. TVA utilizes this authority when it is expected that the cost of such borrowings, as compared to other available categories of financing, would be less. TVA also has outstanding bonds sold to the public and would again utilize that means of financing if it were advantageous to do so. During a continuing period of increased financial needs in the utility industry TVA has maintained its AAA bond rating when many utilities' bond ratings have been lowered. The capitalization structures of investor-owned utilities are so intermingled, often involving financing alternatives that are not available to TVA, that it is impossible to determine with any specificity any advantage over investor-owned utilities. With regard to TVA's financing it should be noted that its bonds are not obligations of, nor is payment of the principal thereof or the interest thereon guaranteed by, the United States of America.

TVA pays all Federal excise taxes except on telephone service, from which Federal agencies are exempt. Like other Federal agencies, TVA is exempt from state taxation and thus pays no state unemployment taxes. Its distributors, however, most of whom are state public agencies, do pay such taxes, and TVA does, of course, pay Social Security taxes, unlike other Federal agencies. Similarly, TVA as a Federal agency and its municipal distributors as state agencies are not directly subject to state taxes. The TVA Act requires TVA to make certain payments in lieu of taxes, and TVA, by contract as permitted by the TVA Act, also provides for its distributors to make such payments to ensure that their consumers pay their fair share of the cost of government. The combined TVA-distributor-payments for fiscal year 1977 amounted to 5.3 percent of the electric bills paid by all TVA power users (except sales to the Federal government). State and local taxes paid by the 12 private utility companies serving the surrounding area ranged from 0.6 percent to 7.9 percent of their customers' bills.●

CAPTIVE NATIONS WEEK

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. DERWINSKI. Mr. Speaker, throughout the past 2 weeks, I have been inserting various articles in commemoration of the 20th observance of Captive Nations Week this past July. In this regard, I would like to include several articles from the China Post, published in Taipei, Taiwan, reporting on the events highlighting Captive Nations Week in Taipei.

The articles follow:

[From the China Post, July 21, 1979]

COMMUNISM DESTROYS LIFE, PROSPERITY, PROGRESS

Two world anti-Communist leaders pointed out yesterday that only when Communism was completely destroyed will the human race enjoy progress and prosperity.

Both Dr. F. Peeters and Mogens Glistrup, founder of the Progress Party in Denmark warned the world that Communism blocks the progress of the human race; the two distinguished guests spoke at a lecture to mark the 1979 Captive Nations Week.

Speaking to some 1,000 listeners at the Taipei City Hall, Dr. Peeters, former vice minister of the national construction department of Belgium, pointed out that there will only be poverty and enslavement once political power is in the hands of the Communists.

He warned the free world not to have any illusion about the Communism. He said the Euro-Communists are the same as Communists, different only in terms but not in fact.

He pointed out that Euro-Communism is declining and gradually is losing its power in Europe. But he added that the free world should remain alert at all times before Communism is completely wiped out.

He noted that Communism will not be halted unless the world has been conquered and lies under a red foot.

Mogens Glistrup urged the free world to cooperate, for only under cooperation will their common problems be solved.

Glistrup, the leader of the second majority party of Denmark pointed out in his speech that Communist systems in some of the eastern European countries and Asia have caused systems, by which the people living in those countries are poor and backward.

He said the free economic trade system of western European countries has provided the people with a high living standard.

He stressed that Communism must be eliminated if the people of the world wish to have a progressive and prosperous life.

The lecture at the Taipei City Hall yesterday opened week-long activities of the Captive Nations Week. To commemorate the week, Dr. Juan Manuel Frutos, chairman of the Board of Directors of the World Anti-Communist League arrived in Taipei yesterday, accompanied by his wife.

Also coming to Free China for the Captive Nations Week will be representatives from the U.S. and distinguished guests from Turkey, Japan, Argentina, Australia, Saudi Arabia, France, and many other countries.

Tonight, John Marquex Kakumba from Angola and John R. Martyr, a member of the House of the federal parliament of Australia will speak as one of the Captive Nations Week activities at the Taipei New Park.

CAPTIVE NATIONS WEEK RALLY TO BE HELD TODAY

A mass rally to commemorate the 1979 Captive Nations Week will be held at the Dr. Sun Yat-sen Memorial Hall today and will be presided over by Dr. Ku Cheng-kang, honorary chairman of the World Anti-Communist League.

The rally will be attended by some 3,000 people from all walks of life, including foreign envoys, foreign distinguished guests, government officials and Premier Y. S. Sun will deliver a speech at the rally.

The rally will also make a declaration to urge the free world to join together to eliminate the power of Communism.

Meanwhile, a forum attended by the leaders of local press and foreign distinguished guests will be held in the afternoon at the Grand Hotel. Dr. Ku Cheng-kang will host a welcoming party for the distinguished guests at the Grand Hotel in the evening.

Taking part in Captive Nations Week were John Martyr from Australia, Seijro Niki from Japan, Dr. Ali Moghram Al-Ghamdi from Saudi Arabia, Dr. Fethi Tevetoglu from Turkey, Rep. Marvin Edwards and Rep. Dan Marriott from the U.S., Dr. Juan Manuel Frutos from Paraguay, Prof. F. Peeters from Belgium, Michel Postolan from France, and many others.

To commemorate Captive Nations Week, a mass rally attended by over 100,000 people from all walks of life will be held in Tainan Monday.

CAPTIVE NATIONS WEEK HIGHLIGHTED IN TAINAN

With the setting off of fire crackers and by lining up along the roads to the stadium with the WACL flags to express their warm welcome to the foreign distinguished guests, people of Tainan highlighted the 1979 Captive Nations Week activities with the mass "Unity For Anti-Communism" Rally joined by 105,000 people from all walks of life yesterday.

Following the Freedom Bell being rung and the song "The Struggle for Freedom" being sung by the chorus, the rally which was presided over by Dr. Ku Cheng-kang, honorary chairman of the World Anti-Communist League (WACL), opened at exactly 9 a.m.

GREATER CONFIDENCE, UNITY

In his welcoming speech to the rally, Tainan Mayor Su Nan-cheng said "We are here today for greater confidence and greater unity. We will together continue our endeavor to save our Chinese mainland compatriots and build a new China of freedom, democracy and happiness."

COMMUNIST TYRANNY INHUMAN

Following Mayor Su's speech came an address from Dr. Ku, in which he said the plight of refugees from Indochina has made it unmistakably clear that Communist tyranny is utterly inhuman. He said "Signs have long been clear that the Peiping regime is destined to fall and the whole Communist bloc is split and collapsing."

Four distinguished guests also made their brief speeches in the rally. They were Rep. Dan Marriott from the U.S., John R. Martyr from the Australian Parliament, Michael de Rostolan from France and Tatsuo Yamazaki from Japan.

RIGHT TO LIVE FREE

Rep. Marriott said in the rally that the right to live free is a nature born right of human beings and any violation of that is a great sin.

He urged that technological assistance should not be provided to Communist China unless there are human rights for the people.

Martyr pointed out in his speech that the Republic of China and free nations in Asia should jointly cooperate together in their fight against the Communists. He suggested the formation of an alliance among these countries.

Rostolan from France said in his speech that there is no culture on the mainland of China since culture can not live without freedom. At the same time Yamazaki pointed out that unity is the most vital force in the fight against the Communists. He urged free nations to fight against the Communists till the end of time.

STUDENT PERFORMANCES

At the conclusion of the speeches of the distinguished guests open demonstrations were performed by the students of Tainan showing the mainland people's determination for freedom.

The performance arranged by Huang Chien, included "bloody struggle", "tragedies of rustication," "rush to freedom", "light of freedom", "mainland struggle against tyranny", "mighty forces", "break through the Iron Curtain".

ROADS TO VICTORY

There were also programs performed by the students of the military schools showing the roads to victory and freedom.

The rally ended following the singing of the song "Plum Flower".

CAPTIVE NATIONS WEEK FORUM HELD IN TAIPEI

A Captive Nations Week Forum attended by foreign distinguished guests, local press leaders, Chinese National Assemblymen, Legislators and educators, was held yesterday at the Grand Hotel in Taipei.

Frank Lin, president of the Central News Agency, said in the forum that he believed the World Anti-Communist League could have a significant role to play in the future in fighting against Communism.

He said one should use the world anti-Communist organizations wisely and effectively to achieve the goal of freeing the enslaved people in Communist countries.

Kim Tae-Chang from South Korea noted that he would like to see more positive efforts on the part of Japanese and American representatives in enforcing in-depth understanding of the hardship in fighting against Communism in Korea and the ROC.

U.S. Rep. Edwards said in the forum that the U.S. has done disservice not only to the ROC but also to other free nations by not giving enough support against Communist attempts to gain control. "Angola is an example," he said.

On the Chinese side, T. M. Chen, a member in the Control Yuan, said in the forum that Japan should give more assistance to the refugees.

National Assemblyman Liou Jieh Jow added that people behind the Iron Curtain should be told the truth about defects in the Communist system through a wider spread of information.

GRAND PARADE SIGNALS CAPTIVE-NATIONS WEEK

New York, July 15 (CNA).—People from 34 captive nations commemorated the 21st Captive Nations Week Sunday with a series of activities including a memorial mass, a grand parade, and a rally.

The Chinese group was the largest taking part in the parade up Fifth Avenue from St. Patricks Cathedral to the Central Park Mall to the north, a route of more than 20 blocks.

K. C. Dunn, Director of the New York Office of the Coordination Council for North American Affairs, was the grand marshal of the march.

The award-winning drum-and-bugle band of the New York Chinese School, 50 members strong, led the Chinese group consisting of community leaders, including Tom Chung-ping, president of the Chinese Consolidated Benevolent Association. All Chinese marchers, totalling more than 100, held the national flag and displayed banners and placards denouncing Communist enslavement of the people.

Many of the marchers, especially those from western Europe wore colorful national costumes. The parade attracted a lot of spectators along the throughfare.●

H.R. 5909

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. LONG of Maryland. Mr. Speaker, I have introduced H.R. 5909 to provide legal means for the American hostages in our Embassy in Iran and their families to obtain financial redress from the Iranian Government for damages for physical injury, shock, loss of time—including, hopefully, punitive damages.

My bill permits claims to be brought before the U.S. Foreign Claims Settlement Commission against the Iranian Government.

In allowing our Embassy to be stormed and our citizens to be taken hostage, the Government of Iran failed to live up to its obligations under international law. It is, therefore, liable for damages for any physical, emotional, or economic injuries suffered by the hostages as well as for punitive damages.

Payment to the U.S. citizens would be made from the assets of the Iranian Government now frozen in U.S. banks. The Long bill would further require that $100 million of those assets remain frozen, even after the hostages are released, until all claims brought against Iran have been properly and satisfactorily adjudicated.

This also serves notice to the Iranian Government that the longer they keep these hostages and the worse they treat them, the more money it will cost.

I include below the text of H.R. 5909:

H.R. 5909

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds that—

(1) international law imposes on each country a duty to take reasonable measures to protect foreign nationals from personal injury;

(2) The Vienna Convention on Diplomatic Relations imposes on each country a duty to protect the inviolability of diplomatic missions and personnel;

(3) the Government of Iran has failed to fulfill its duties under international law, including the Vienna Convention on Diplomatic Relations, by permitting and encouraging the seizure by Iranian citizens of the United States embassy in Tehran; and

(4) the United States citizens held hostage in the United States embassy in Tehran, and their families, have suffered emotional, if not physical, injury as a result of the failure of the Government of Iran to fulfill those duties.

SEC. 2. The Foreign Claims Settlement Commission (hereafter in this Act referred to as the "Commission") shall receive and determine in accordance with applicable substantive law, including international law, the validity and amounts of claims against the Government of Iran by the United States citizens held as hostages in the United States embassy in Tehran during November 1979, and by members of their families, for the personal injuries which they incurred as a result of that incident, including physical injury, psychological damage, shock, and inconvenience resulting from time lost. To the extent permitted by applicable substantive law, such claims may include punitive damages.

SEC. 3. (a) The Commission shall certify to each individual who files a claim under this Act the amount determined by the Commission to be the damages suffered by that individual as a result of the injury described in section 2.

(b) The Commission shall certify to the Secretary of State the amounts determined pursuant to section 2 and the basic information underlying each such amount, together with a statement of the evidence relied upon and the reasoning employed in making that determination.

(c) The Commission shall certify to the Secretary of the Treasury each award made pursuant to section 2.

SEC. 4. (a) The Secretary of the Treasury shall establish in the Treasury of the United States a special fund for the payment of the awards made pursuant to section 2. There shall be paid into that special fund amounts which may be paid to the United States by the Government of Iran to satisfy the claims described in section 2 or amounts which may be realized by the United States by vesting assets of the Government of Iran which were subjected to control by the President under the International Emergency Economic Powers Act.

(b) The Secretary of the Treasury shall, out of the amounts covered into the special fund established pursuant to subsection (a), make payments on account of the awards made pursuant to section 2 to the extent that the claims which are the basis of those awards are not otherwise satisfied by the Government of Iran.

SEC. 5. Until such time as all the claims determined pursuant to section 2 have been fully satisfied, the President shall continue to prohibit transactions in at least $100,000,000 of the assets of the Government of Iran which were subjected to controls under the International Emergency Economic Powers Act by the President on November 14, 1979.

LIFT SANCTIONS AGAINST ZIMBABWE-RHODESIA

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. FINDLEY. Mr. Speaker, today I am introducing a resolution disapproving the President's decision to keep in place U.S. sanctions against Zimbabwe-Rhodesia. This resolution would end U S. sanctions the moment the British governor arrives in Salisbury and assumes his duties there. It is at this moment that the British Government will completely terminate its own sanctions against Zimbabwe-Rhodesia. It would be unconscionable for the United States to keep in place its sanctions against Zimbabwe-Rhodesia an instant longer than does Great Britain.

I do not believe that the United States should act prematurely by lifting sanctions prior to the British. It is due to a masterful British effort that there is now so much reason for optimism for the future of Zimbabwe-Rhodesia. On Zimbabwe-Rhodesia, therefore, the United States should follow the British lead just as many in Congress, including myself, stated last summer.

I am discouraged by those who would impose additional conditions on Zimbabwe-Rhodesia before terminating sanctions. For the United States to continue its sanctions until a newly elected government is in place as some suggest would mean that the United States would be working against the interests and initiative of Great Britain represented in the person of the governor. Therefore, I am opposed to the President's position which he laid out in his November 14 determination on the questions of sanctions:

> We would . . . be prepared to lift sanctions when a British governor assumes authority in Salisbury and a process leading to impartial elections has begun.

H. CON. RES. —

Resolved by the House of Representatives (the Senate concurring), That the Congress rejects the determination of the President that it is in the national interest of the United States to continue sanctions against Zimbabwe-Rhodesia, such determination (Presidential Determination Number 80–6) having been reported to the Congress on November 14, 1979, in accordance with section 408 of the Act entitled "An Act to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting", approved August 15, 1979 (Public Law 96–60).

SEC. 2. This rejection of the determination of the President, and the resulting termination of sanctions pursuant to section 408 of Public Law 96–60, shall become effective at such time as a British Governor has been appointed and has arrived in Zimbabwe-Rhodesia and assumed his duties.●

LEGISLATION TO REPEAL SECTION 222 OF THE COMMUNICATIONS ACT

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. BROYHILL. Mr. Speaker, today I have joined with chairman VAN DEERLIN of the Subcommittee on Communications of the Committee on Interstate and Foreign Commerce in introducing legislation to repeal section 222 of the Communications Act of 1934. Under this legislation the repeal would, however, not be immediate. Instead it would provide a 1-year moratorium during which Western Union could not extend service to the international market and, likewise, existing international record carriers could not, during the 1-year period, expand their service into domestic market.

Section 222 is a 1943 amendment to the Communications Act which authorized the merger of Western Union and Postal Telegraph to create a single domestic telegraph carrier and which required Western Union to divest itself of its international operations. The Congress, in 1943, thus recognized that a continuation of fair competition would not be possible when one of the international service competitiors also enjoyed monopoly control of the domestic services and facilities required by all international record carriers to access the great majority of their customers. Congress, therefore, barred Western Union from engaging in international transmission of telegraph traffic. Section 222 also barred the international record carriers from establishing their own domestic transmission facilities outside of five gateway cities, that is, New York, Washington, D.C., San Francisco, Miami, and New Orleans.

The world and the telecommunications markets have changed since Section 222 was enacted in 1943. Western Union's domestic monopoly is eroding as a result of actions taken by the Federal Communications Commission (FCC). On March 28, 1979, the FCC ruled that it will allow other companies to enter the domestic telegraph market in competition with Western Union; the Commission has under active consideration an increase from 5 to 23 in the number of gateway cities; and the Commission has ruled that Graphnet Systems, Inc. can operate in competition with Western Union in the delivery of inbound international telegrams.

As a result of these efforts to promote competition, which I actively support, a situation has resulted, because of section 222, whereby Western Union is subject to domestic competition but cannot compete internationally. This situation needs to be remedied.

The necessity for repeal of section 222 is obvious, and now a competitive necessity. The only issue now, as I view it, is whether or not section 222 should be repealed immediately, or the effective date of the repeal should be delayed until sometime in the future. I choose the latter course, and thus the legislation being introduced today would repeal section 222 but bar Western Union from offering international service for a period of 1 year and, likewise, bar international record carriers from expanding their current service domestically for the same 1-year period.

The concern I have with immediate repeal is that it would present Western Union with an immense competitive advantage. Western Union has offices and facilities throughout the country. In contrast, the international record carriers are located in only the five gateway cities. At the present time, the best estimates are that 60 percent of the international traffic originates not in the gateway cities but on the Western Union domestic system. With immediate repeal of section 222 Western Union would be in an excellent position to capture this market because only they will be there.

We must, therefore, provide for some period of time that accomplishes two things: First, the international record carriers must be allowed time to expand the facilities beyond the five gateway cities so that they can adequately compete with Western Union; and, second, we should not allow Western Union's domestic market to further erode while not permitting them to compete internationally. This legislation accomplishes these purposes. The only real issue now is whether or not the 1-year moratorium period is adequate—an issue which I believe should be fully considered by the Subcommittee on Communications.●

TOOLS OF THE TRADE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mrs. SCHROEDER. Mr. Speaker, I have long been in favor of a reduced defense budget in order to provide additional funds in social-related areas. Since the new Department of Defense budget is out, it might be fun to compare some of its weapon systems with what the Denver public schools will spend on its tools of the trade. This comparison demonstrates what a reduction in the defense budget could mean in other areas.

The Denver public school's secondary education department employs 1,675 people for regular education at a cost of $40,029,712. If your math is good, you can easily figure an average of $23,893.34 per person. At that rate, one cobra attack helicopter costing $1,950,000 could be used to pay 81 employees for 1 year.

The cost of supplies and material for the 9 high schools and 19 junior high schools—items like chemistry and biology lab equipment, books, paper, desks, and tables—will be $1,275,437 for 1980. If we were to reduce the number of A-10 combat aircraft by one, from 144 to 143, the savings of $5,578,472 could fund close to five times the current amount of supplies and materials, as well as replace old scientific equipment with modern analytic scales and precision microscopes.

Not all students, however, worry about inadequate scientific equipment. I can completely understand that from personal experience. What is important to many is that over the last 3 years women's and men's athletic budgets for equipment and staffing has been steadily reduced. The Denver school system is trying to expand programs like varsity soccer, but this is difficult when the equipment, which costs more each year, is budgeted for less. This year the budget is going to be reduced by $4,400 to a total of $8,497. The cost of one cartridge for an 81 MM cannon is $87,083. With that kind of money, every athletic program, including soccer, could be coached and equipped with good, safe equipment.

One more comparison concerns the budget of a relatively new program in Denver called the Career Education Center. The Center, opened to serve the high schools in 1976, supplements the normal curriculum with additional courses in four areas: occupational skills and development, academic studies, the fine and performing arts, and the professions. Approximately 3,000 students attend the Career Education Center on a part-time basis. The projected total budget for this facility is $2,287,171. The price of one navy service craft, $2,500,000, could more than fund the Career Education Center for one year.

I offer these examples of how money shaved from the defense budgets could be spent elsewhere to remind us of our national priorities. The Federal tax dollars saved by even a minimal reduction in the military budget, full of enormously costly weapons systems, could go a long, long way in other areas. Many good programs, educational or otherwise, could be enacted, enlarged or enhanced by shaving the defense budget, even by just a plane here or a gun there.●

SNAP, CRACKLE, AND MONOPOLY?

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. KEMP. Mr. Speaker, Peter Passell of the New York Times has just written an excellent editorial on one of the worst examples of regulatory excess in the history of the Federal Trade Commission—namely, the FTC's singular attack on the makers of Snap, Crackle, and Pop: the cereal industry. Because the FTC, on its own and with no evidence of anticompetitive practices within the industry, has decided that cereal manufacturers try to get grocery dealers to sell their product instead of that of their rivals so successfully that there are now three major cereal companies that get most of the business, it is prosecuting Kellogg's, General Mills, and General Foods with intent to kill. If the FTC wins its case, it has stated that it will force these three companies to give away the use of their most famous and apparently most delicious breakfast cereals, and create 5 new cereal companies through "spinoff" from the parent companies.

One wonders what the real purpose of

this adminstrative law proceeding is, and what precedent it is trying to create. In the course of conducting its investigation, the FTC repeatedly refused to admit evidence by the American Federation of Grain Millers and its members that the diversification of these large companies in the manner proposed by the FTC threatens upwards of 3,000 union jobs. The FTC's Bureau of Competition declared that unemployment impacts were "nongermane"—they were monumentally unimportant. It was only after I introduced legislation to force the FTC to consider the unemployment side effects of breaking up these three companies that the FTC came to an agreement with the unions to allow them to testify, and to examine evidence of possible job loss as a result of the FTC's actions.

Mr. Speaker, if the FTC insists on harassing the public in the name of protecting competition, it may be time for the Federal Trade Commission to close up shop.

The editorial follows:

Snap, Crackle and Monopoly?

If the staff of the Federal Trade Commission has its way, Tony the Tiger may soon become an endangered species. The staff believes that breakfast cereal companies "share" a monopoly. A suit, now in its seventh year, seeks to break up the industry's manufacturing capacity and to force the big three—Kellogg, General Mills, General Foods—to give away use of their brand names.

But even if the commission's lawyers and economists are victorious, Tony may still have the last laugh. For in allowing the staff to pursue an antitrust case with no legal precedents and little potential benefit to consumers, the Federal Trade Commission is playing into the hands of its enemies. The indiscreet use of the agency's broad discretionary authority makes it more likely that Congress will clip the wings of the consumer's most effective Washington ally.

The breakfast cereal industry is highly concentrated. One company, Kellogg, has cornered 42 percent of the market and the next three have most of the rest. The commission staff links this concentration to the industry's sales techniques, charging it with practicing "unfair methods of competition." The staff regards the steady proliferation of new cereal brands as an attempt by the major producers to distract consumer attention from the brands of lesser companies. And from the staff's perspective, offering grocers sophisticated analyses of how to maximize product turnover is part of a subtle plan by the majors to corner scarce space on supermarket shelves.

Neither complaint is backed by convincing evidence of monopolistic intent. Creating new brand names can be as easily explained as a natural response to consumer preferences. Breakfast-cereal eaters, after all, are notoriously fickle, ready to desert Candy-Colored Munchies for the latest Marshmallow-Enriched Crunchies—that is, unless they are snagged along the way by the competition's latest Honey Graham Treats. And since shelf space means life or death for food processors, it is understandable that companies would seek to convince grocers that their display techniques meant larger sales.

Even if the F.T.C.'s staff could prove its charges, the remedies proposed would mean little or nothing in potential consumer savings. Among the defendants, only Kellogg's enviable profit record suggests that greater competition might lead to lower prices. And here, too, there is cause for skepticism.

Eliminating Kellogg's exclusive use of trademarks might squeeze an extra penny or two of profit from each box of Rice Krispies, Sugar Pops and Froot Loops. But that advantage would probably be offset by higher distribution costs: in dividing Kellogg's geographically scattered manufacturing facilities among several firms, the distance the average box of cereal would travel to market would rise sharply.

The cereals case is thus an expensive exercise in antitrust theory, unworthy of the commission's time for energy. If the commissioners need any additional incentive to dismiss the suit, they might consider its impact on the long-term ability of the F.T.C. to do its job.

In a series of pathbreaking decisions in defense of consumers' rights, the current commission has threatened powerful interests ranging from funeral parlors to eyeglass retailers to physicians. And now those interests are striking back by way of the Congress, pressing for legislation to limit the F.T.C.'s powers to investigate deceptive business practices. Jettisoning the cereals prosecution would make it easier for the agency to take the heat on Capitol Hill.

The cereals case was a mistake when it was initiated in 1972. Today it is a mistake waiting to become a debacle for consumers. The sooner the commissioners admit the error, and dismiss the proceedings, the better.

DON'T SEPARATE FARMS, FARMERS—AN EDITORIAL VIEWPOINT

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. BEREUTER. Mr. Speaker, I would like to bring to the attention of my colleagues a recent editorial from the Lincoln Journal. The editorial itself highlights the precedent-setting acreage decisions that have to be made with regard to the 1902 Reclamation Act.

However, the focal point lies with the residency requirements of the legislation—a controversial provision that is bound to play a major role in shaping the bill.

I am sure my colleagues will find the editorial of interest, and I insert in the Record:

Don't Separate Farms, Farmers

The knowing appraisal of Washington insiders is that giant-size agribusiness carried the day in the Senate last month on the revamp of the 1902 Reclamation Act.

Let us be candid about what's going on here.

For years, the 1902 law, shaped to bring the benefit of subsidized irrigation water to small homesteaders in arid Western states, simply wasn't enforced. On the contrary, it was massively ignored.

Patterns of development never contemplated or imagined at the turn of the century—huge conglomerates and absentee landowners applying industrial agriculture techniques—occurred, especially in California. With the acquiescence of national administrations, too.

There also should be a balancing acknowledgment that this kind of large-scale systematic development, linked with refrigerated rail cars, brought the rest of the nation an astonishing outpouring of foodstuffs. Federally irrigated land accounts for only 1 percent of America's cropland, but it produces 30 percent of all the fruits and vegetables we eat. What we don't know is whether smaller individual units of farm production would have supplied the same result, at the same consumer price level.

When the courts and the Carter administration finally manifested a belief that the law as written by Congress really ought to be enforced—thus endangering assets and operations of giant agribusiness elements—counteractivity erupted. Western senators and representatives sponsored bills to make the law conform more to actual practice. They would legalize, with little or no penalty, that which has been done for several decades.

Thus the revision enacted by the Senate last month increases the size of real estate units eligible for receipt of highly subsidized irrigation water from 160 acres to 1,280.

Idaho Sen. Frank Church's S 14 also does away with the requirement that the beneficiary or some member of the benefiting family actually live on the land. Further, it exempts from acreage limitations entirely many of what the publication Congressional Quarterly identifies as "the largest agribusiness operation in California."

If S 14 won relatively easy backing in the Senate, a much tougher struggle is promised in the House.

It is fair to say that agricultural practices have been revolutionized in the United States since 1902. On that basis alone there is economic justification for increasing the size of farms eligible to receive federal irrigation water. Whether the new maximum should be 1,280 acres or more or less is a proposition we have no independent basis for determining.

There is principled objection, however, to doing away with the requirement that farmers getting the taxpayer-subsidized water must actually live on their land. That prospective revision strikes at the heart of historical American agriculture doctrine.

It would move the nation farther down a questionable policy and sociological road, one which Agriculture Secretary Bob Bergland has been preaching is dangerous for the country.

Forever, it seems, we have heard farm leaders and representatives claim agriculture is a special sort of business; almost a calling, really.

Accepting that definition, then, it would be strange if any of Nebraska's three House members supported the notion that taxpayers-subsidized irrigation water supplied for social as well as economic purposes should be furnished absentee owners and faraway corporations. Those elements are more likely to put maximum primacy on seasonal profit and loss statements than in stewardship of a precious resource.●

PERSONAL EXPLANATION

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Ms. HOLTZMAN. Mr. Speaker, I was unable to be present for the following votes on November 9, 1979. If I had been present, I would have voted the following:

Rollcall No. 642, "yes."
Rollcall No. 643, "no."
Rollcall No. 644, "yes."
Rollcall No. 645, "yes."
Rollcall No. 647, "yes."
Rollcall No. 648, "yes."
Rollcall No. 649, "yes." ●

HOME HEATING FUEL CRISIS, PART IX*

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. GILMAN. Mr. Speaker, I rise to draw to the attention of my colleagues once again the ever more timely issue of the home-heating fuel crisis.

It is becoming increasingly more apparent that all is not well in this country when it comes to resolving our energy problems. Although the issues and their ramifications are manifold, two facts remain certain: Americans are paying more and more for their oil as each day goes by, and with each passing day the security of those oil supplies becomes more questionable. Spot market prices for a barrel of oil were reported today to reach the $50 mark.

Considering the obvious leverage that foreign countries, such as Iran could and do use against us during times of conflict, and considering the wildly fluctuating market, we must recognize the critical need to revise our energy policies in order to insure self-dependence, to prevent economic chaos and to avoid oil blackmail by hostile nations.

The President has called upon this Nation for a demonstration of resolve to help us overcome our present oil crisis. Let us not forget the photographs of Iranian terrorists hauling away garbage wrapped in an American flag, parading blindfolded hostages in the streets of Tehran and flying Iranian banners, attacking our country from our Nation's gateway, the Statue of Liberty as vivid reminders of our need to conserve energy and to free us from our dependence on Iranian oil.

We must all work together if we are to accomplish the first step in expressing our resolve, and that includes restraint and cooperation by our own oil companies.

President Carter recently appealed to the American oil companies requesting that, in our national interest, they hold back their prices on home-heating fuel. Had they complied it would not have been necessary for the administration and the Congress to appropriate several billion dollars of emergency funds to help provide a warm home for our low-income citizens.

Since the oil companies have not complied with the President's request to cooperate, I have called upon the Department of Energy to take the necessary steps to reimpose price controls.

I am including in the Record at this point, the full texts of my correspondence with the DOE on this matter:

House of Representatives,
Washington, D.C., September 21, 1979.
Hon. Charles Duncan,
Secretary, U.S. Department of Energy,
Washington, D.C.

Dear Mr. Secretary: I urge you to reimpose price controls on home heating fuel and to launch an immediate investigation into two aspects of the home heating fuel crisis.

With regard to price controls, I have been informed that it is estimated that this year's oil Companies profits for home heating fuel will exceed $2 billion dollars. Providing an indirect subsidy to the oil companies by way of emergency to relieve those who cannot pay their oil bills, is no solution and does not get to the root of the problem. The reimposition of price controls would not only provide relief for our citizens, it would also help combat inflation.

As I stated in our meeting yesterday, I have been informed by our independent dealers that they are experiencing significant reductions in middle distillate fuel allocations. This will cause severe distribution problems, particularly if primary stocks are not released until after October when weather conditions in New York State may make transportation difficult, perhaps even impossible.

Furthermore, the concentration of stocks at refinery levels, or primary storage sites, at the expense of the remainder of the distribution system has been directly responsible for the doubling of prices on heating oil and diesel fuels in this year alone.

Although I recognize your endeavor to see that our citizen's homes are adequately heated this winter, and at a fair price, I am extremely skeptical about any such success until these matters are given prompt attention.

With best wishes,
Sincerely,
Benjamin A. Gilman,
Member of Congress.

U.S. Department of Energy,
Washington, D.C., November 13, 1979.
Hon. Benjamin A. Gilman,
House of Representatives,
Washington, D.C.

Dear Mr. Gilman: Thank you for your recent letter in which you requested the reimposition of price controls on home heating oils and expressed concern about their supply and distribution.

The price of distillate heating oil has increased significantly over last winter's level. The Administration has, therefore, asked the oil companies to moderate heating oil prices throughout the fall and winter. We have been getting positive responses thus far from the companies, subject to the stability of world oil prices.

On September 26, 1979, the Department of Energy conducted a public hearing to consider refiner distillate costs and revenues. The comments and testimony related to that hearing are currently under review. For your information, enclosed is a copy of a draft report entitled "Analysis of Refiners' No. 2 Distillate Costs and Revenues: July 1976–June 1979." This report was the subject of discussion and comments at that hearing.

On October 12, 1979, at a White House press briefing on home heating oil, I pointed out that the way to keep prices as low as possible is to keep supply in the market. We have moved every aggressively to ensure that we have adequate supplies available and will continue to do so. If supplies are kept in the market, some general softening of prices may occur. Product prices are very sensitive to the price of crude oil and as the price of crude oil advances, it will have a direct impact on heating oil prices. However, in the past several weeks, there have been some indications of a softening of distillate prices

Earlier this year, the DOE set a goal of 240 million barrels of distillate in primary inventories in October 1979. At the press briefing referred to above, President Carter announced that stocks, as of that date, were in the range of 235 million barrels, well on the way to the target figure (which has now been surpassed). We believe there will be sufficient product available this winter to keep prices at a competitive level.

In his remarks on October 12, the President indicated that continued restraint in energy consumption by all Americans will tend to hold down prices and to prevent spot shortages. He requested refiners to maintain heating oil and diesel production at high levels and to distribute as much heating oil as possible now to sections of the country that might be affected by early and heavy snow or by early freezing of waterways used to transport fuel oil. The President also urged refiners to accelerate deliveries to wholesalers and retailers before the full onset of the heavy heating season and to maintain historic credit practices so that consumers will have the opportunity to purchase heating oil on the same credit terms as in previous years.

We hope this information is helpful. If we can be of further assistance, please let us know.

Sincerely,
Charles W. Duncan, Jr.,
Secretary.

Energy Secretary Duncan contends that the oil companies are moderating their prices. Staggering third-quarter oil company profits, and escalating home-heating fuel prices—now 91 cents per gallon—do not substantiate any positive steps to moderate. Secretary Duncan states that oil company moderation is subject to the stability of world prices. It should be obvious that it is this very lack of market stability which has created our current crisis.

In addition to the problems emanating from Iran, the rest of the oil exporting countries are boiling cauldrons that could erupt at any moment causing further turmoil and instability. A recent editorial in the New York Times of November 8, 1979, describing the underlying current of dissent and tension, notes that "there is no real prospect, let alone guarantee, of stability among the major oil producing nations."

Mr. Speaker, I urge my colleagues to take an immediate, significant step to insure the welfare of our hard-working citizens. It has nothing to do with revising foreign policy. It has nothing to do with applying our technology and science in developing alternative sources of energy. It has nothing to do with overcoming complex world problems—it is simply an attempt to provide some stability by the reimposition of price controls to regulate a runaway market in home heating oil.

At this point in the Record, I am inserting a copy of the full text of the New York Times editorial of November 8, 1979:

How Fragile the Oil Machine

The disarray in Iran is another reminder of the growing vulnerability of the West. Even a suspicion that Iranian oil production had stopped again caused oil prices to shoot up overnight. And Iran, which in October exported fewer than 3 million barrels a day, is not the only Persian Gulf nation upon which the West depends. Saudi Arabia is the main exporter at 9 million barrels a day. But Iraq provides 3 million barrels, Kuwait more than 2 million, the United Arab Emirates nearly 2 million, and Qatar, Bahrain and Oman almost 1 million. World supplies are so tight that even a million-barrel shortfall could cause further economic hardship across the globe.

The tiniest of these nations can thus be critically important. And since the Iranian revolution, every government in the area has been troubled by domestic opposition. Most of them are also concerned about external threats. The sense of security that the United States and the Shah once provided is gone.

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*Part IX is part of a series of reports on the home heating fuel crisis with Numbers 1, 2, 3, 4, 5, 6, 7 and 8 appearing in the Congressional Record on 9–17–79, 9–22, 9–29, 10–11, 10–19, 10–26, and 11–9, respectively.

Iran's revolution has stirred up Shiite Moslems around the Gulf even as its own government disintegrates. The country's dominant forces feel no responsibility to Western economies. Even when they want to sell oil, they must contend with strikes and sabotage by disaffected ethnic Arabs in the oil province.

Saudi Arabia feels a major threat from a Soviet-supported South Yemen. But it also fears revolutionary sentiment that might build up against the ruling dynasty. The Saudis have discussed security with the Gulf's other major military power, Iraq, without really trusting its leaders.

In Iraq, meanwhile, a Shiite majority inspired by Ayatollah Khomeini has been seething. The unrest probably accounts for last summer's bloody purge by the new strongman, Saddam Hussein. He has retaliated by encouraging Iran's Arabs in their sabotage and abrogating a border agreement with Iran. Hostile Kurds and other domestic enemies pepper his pot.

A sizable Shiite minority also troubles the sheikdom of Kuwait. Ethnic Iranians have been arrested or deported. Here as elsewhere in the region, anti-American voices call for big cutbacks in oil production to make the national treasure last.

The island sheikdom of Bahrain, with negligible oil, is a financial center that has been hospitable to the U.S. Navy. Shiite followers of Khomeini have rioted there, and Iranian clergymen have revived an old claim that Bahrain belongs to Iran.

The confederated United Arab Emirates, like Kuwait and Saudi Arabia, rely heavily on foreign workers, including Palestinians. They also confront Iran's claim to three strategic islands near the narrow Strait of Hormuz, a vital oil route. After Iranian and P.L.O. factions threatened to block the strait, the Emirates prepared for the worst by planning an overland pipeline to the Indian Ocean.

Finally, in Oman, the ruling Sultan has lost the comforting shield of the Shah's troops against domestic opponents presumably armed by South Yemen. He has appealed to the United States for military aid, but Iraq bitterly opposes it.

In sum, a few well-aimed bullets around the Persian Gulf could cause a massive leak of Western-bound oil. There is no real prospect, let alone guarantee, of stability. The region's tensions are rooted in political, religious, national, dynastic and military rivalries only marginally related to the Arab-Israeli conflict and largely beyond American influence. No prudent nation would count on containing them. It would race to escape its dependence.●

PUSH ON FOR SELF-SNUFFING CIGARETTES

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. MOAKLEY. Mr. Speaker, recently the Los Angeles Times reported on the dangers of smoking-related fires and of efforts to require that all cigarettes self-extinguish.

The dangers of smoking-related fires are painfully obvious. Last year there were 70,000 smoking-related fires across the country resulting in over 1,800 deaths and I believe the time has come for Congress to act. I have legislation pending, the Cigarette Safety Act (H.R. 5504), which seeks to reduce the risks of fire by requiring cigarettes to self-extinguish within 5 minutes when not being smoked.

I would like to share the Times article with my colleagues and would welcome their cosponsorship on this much-needed legislation:

PUSH ON FOR SELF-SNUFFING CIGARETTES

(By Dorothy Townsend)

The mounting toll of residential fire deaths traced to smoldering cigarettes has focused attention on a little-known push in the courts and Congress for a self-extinguishing cigarette.

The idea of a self-snuffing cigarette—one that will go out if not puffed on—is not new. The first patent for such a product was issued in 1854.

In the late 1920s, there was a flareup of congressional interest, fanned by the late Rep. Edith Nourse Rogers of Massachusetts, but it fizzled and finally died in the early 1930s.

In this decade, attempts to regulate the cigarette, either as a fire hazard or an ignition source, have failed in Congress.

Then last month another Massachusetts representative, stating that 70,000 smoking-related fires caused at least 1,800 deaths in this country last year, introduced a bill requiring that cigarettes stop burning within five minutes of the last puff.

"The saddest part of these statistics is that these fires could have been prevented," Rep. Joe Moakley (D-Mass.) said in presenting his bill, the Cigarette Safety Act (HR 5505).

In anticipation of tobacco industry arguments, Moakley's bill also sets limits on increased amounts of tar, nicotine and carbon monoxide allowable in producing a cigarette that will self-extinguish.

The tobacco industry acknowledges the capability to produce self-extinguishing cigarettes but argues the tobacco would not be "commercially acceptable" and might, in fact, open a Pandora's box of other problems, such as delivering more tar and nicotine to the smoker.

It also expresses concern that adding chemicals or substances to cigarettes to act as a fire stop might affect taste or, worse, have more serious side effects.

But Moakley maintains the majority of cigarettes manufactured already have chemical additives such as citrate or phosphate salts (saltpeter) to promote slow, continuous burning.

"Research has shown that a freshly lit cigarette will burn approximately 24 minutes when placed on a flat surface," Moakley told the House in introducing his bill.

"A lit cigarette dropped into a piece of upholstered furniture will start to smolder within 10 to 15 minutes, and a fire may start within 30 minutes."

The nation's top fire official, Gordon Vickery, noting that "cigarettes and careless use of smoking materials constitute the No. 1 national cause of both injuries and fire deaths in residential dwellings," has endorsed the campaign.

"There (in home fires) it causes approximately one-third of the deaths and almost 20 percent of the injuries," said Vickery, administrator of the U.S. Fire Administration.

Last fiscal year in Los Angeles, 27 persons died in fires traced to careless smoking, one-third of the total 89 burn deaths for that same period, according to Capt. Pat McGuinness, commander of the L.A. Fire Department's arson unit.

So far in this fiscal year, which started July 1, there have been 17 fire fatalities in the city, six (or more than one-third) of them in blazes traced to cigarettes, according to Fire Capt. Dan Hostetler.

The latest of these deaths occurred last week when fire broke out on the 11th floor of the high-rise Bunker Hill Towers in downtown Los Angeles. Three persons died, including two who jumped eight floors to their deaths.

About 15 to 20 patents have been issued in the last 50 years for developing a self-extinguishing cigarette, including one assigned to the Brown & Williamson Tabacco Corp. in Louisville in 1974.

That patent reportedly calls for circumscribing the cigarette with a narrow, heat-shrinkable polyethylene film collar that would contract when heated and act as a fire stop when the cigarette burned to that point.

Other patents have been issued for techniques including the placing of bands of other materials, such as cork and aluminum foil, around the cigarette. Some call for bands of chemicals. Still others would create a fire stop by insertion of a noncombustible material into the tobacco.

Most tobacco companies contacted by The Times deferred comment to the industry-supported Tobacco Institute, but a Brown & Williamson official said, in his view, to make a cigarette self-extinguish would be at cross-purposes with the very nature of the product.

"A cigarette is a consumer product which by its nature is meant to burn, to be inhaled by the smoker and to give the consumer satisfying taste," said Robert Bozogany, manager of internal communications for the company.

"In looking at any of the ways developed for self-extinguishing cigarettes, none of them are commercially acceptable. They either add chemicals to the cigarette, which are unacceptable, raise the tar delivery of the cigarette, or affect the taste.

Bozogany's company is the target of a lawsuit brought by a Los Angeles man who fell asleep while smoking a Raleigh last May and suffered burns over 35 percent of his body.

The plaintiff is seeking damages under product liability law, contending that Brown & Williamson had the knowledge and the means to make the cigarette self-extinguish and that the Raleigh was defective because it did not go out.

"We are a responsible manufacturer," Bozogany said in an interview from Louisville. "We are concerned by the problem (of careless smoking) but over the years we have not been able to find a way of preventing the careless use of our product.

"The problem as we see it is carelessness, not flammability. And the key to this question is education, not regulation."

In Los Angeles, the attorney for 64-year-old Cecil Bias, who is suing Brown & Williamson, said it is one of the thrusts of product liability that manufacturers "sit down and assess and attempt to foresee possible misuses of their product.

"If they can (so foresee)," he said, "the law calls for them to."

The lawyer, Joel Kleinberg, said his client fell asleep while smoking in bed. He had had a few drinks. The cigarette in time ignited the bedding and awakened Bias who ran to a bathroom and doused himself with water.

Aware that alcohol and barbituates often are factors in smoking-related fires, Kleinberg turns anecdotally to an 1855 U.S. Supreme Court ruling after review of a case involving a drunken man who fell into a hole while walking down a sidewalk at night.

"The justices said that a drunk man is as much entitled to a safe street as a sober one, and more in need of it," Kleinberg said. "It illustrates that drunks are not to be run over, or dropped into holes."

A hearing is scheduled Nov. 19 in Los Angeles Superior Court to determine whether there are legal grounds to sustain the Bias case.

In Washington, an outspoken member of the U.S. Consumer Product Safety Commission—which at present has no authority over cigarettes—said he thought it a "sad commentary" that so many believe "it's only the drunks, the derelicts, the old and infirm who drop asleep smoking."

It doesn't work that way, David Pittle said. "There are kids upstairs and people next door in apartment buildings. Too often those who do not smoke are the innocent victims," he said.

"To continually blame the user is a rather sad commentary on what we hold important and our values.

"If you say survival of the fittest should be the rule, that would mean withdrawal of safeguards on food, drugs, cosmetics, electrical hazards. Our environment is filled with products that contain hazards that the untrained person simply cannot detect. We have to rely on some minimum level of safety. That's where the issue is now. Where is the minimum level of safety?"

A few years ago Pittle ("I thought we DID have authority" over the cigarette) and others sought an amendment to a congressional act that would let the commission regulate cigarettes as a fire ignition source if not as a hazardous substance.

Such an amendment passed the Senate but was overwhelmingly defeated in the House.

Pittle still thinks it "much more efficient and cost-effective to regulate the source of fire than the material ignited." But in the absence of authority to deal with the cigarette, he said he feels his "mandate is to try to reduce the ignitability of the furniture itself, which we (the Consumer Product Safety Commission) are presently trying to do."

Moakley's bill calls for investing the commission with authority to administer the Cigarette Safety Act if it should pass.

The American Burn Assn. and the National Fire Protection Assn. are sponsoring the campaign for a fireproof cigarette. A key behind-the-scenes figure in the movement is Andrew McGuire, executive direction of the Burn Council at San Francisco General Hospital.

"We're not just a bunch of weirdos trying to create another regulation," McGuire said. "It's an idea thats time has come. The whole issue is that it is very simple to make cigarettes not to start fires."

McGuire thinks cigarettes can be made to self-extinguish "by doing nothing more than packing the tobacco a little bit tighter and using thicker paper."

William Kloepfer, a senior vice president of the Tobacco Institute, also said a more tightly packed cigarette might be one approach but that none of the ideas put forth so far "has provided a basis to put on the market a commercially acceptable cigarette."

"We are as concerned as anyone, probably more so than many about the burn problem involving the careless use of cigarettes."

Kloepfer questioned some of the death statistics advanced by fire agencies, saying some have been the result of "arbitrary assignment" where the origin of fire was not absolutely certain. And he pointed out other statistics that show the presence of alcohol or drugs in "a substantial number" of cigarette-involved fires.

He said various product modifications have been suggested in the past to fireproof cigarettes, including treating tobacco with various substances, but that "in the process of tinkering, you may work toward a solution to one problem and work against another.

"There's no question about it," Kloepfer said, "that product (a self-extinguishing cigarette) would give the smoker more tar and nicotine.

"We feel a better solution (to the fire danger problem) is the renewed awareness or education as to what the occasional hazard may be, that one must be careful with a combustible product, whether it's a cigarette or a can of gasoline."

McGuire in San Francisco said there are a few cigarettes on the market now that go out when not puffed on. One brand, Sherman's, points out that fact on the pack:

". . . never, never do we use any flavorings, saltpeter (a burn-enhancing chemical) or any additives . . ." It makes a point that it burns more slowly than most cigarettes, noting, ". . . there's saltpeter in that mass-produced cigarette to keep it burning."

"The bottom line is that a lot of people are getting killed and burned and it doesn't have to happen," McGuire said. For the thousands of burn victims who survive, "it's pain, constant pain for months. The burn injury is the most traumatic and physically devastating there is and keeps a person in a hospital bed longer than any other injury."

Moakley stresses that his bill is not an antismoking measure.

"I believe the decision to smoke or not to smoke should be left up to the individual," he said. "Nor will self-extinguishing cigarettes interfere with an individual's smoking habits since the typical smoker puffs on his cigarette about every minute. So only if the smoker forgets, will he have to relight."

As for the bill's prospects, he noted realistically that "legislation doesn't happen overnight."

"We're hopeful, though, that through hearings in committee next year the issue will be raised enough, and enough attention focused on it that some kind of legislation will come out of it.

"As for opposition (from the industry), we want to work with the Tobacco Institute and the tobacco companies to get something that will work with them," Moakley said. "They haven't expressed any big opposition to us. We want them to go along with us."●

FIFTY YEARS LATER—WHAT CAUSED THE GREAT CRASH?

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. KEMP. Mr. Speaker, the Great Crash of 1929 still fascinates the American people, and rightly so, for conventional theory never adequately explained the causes of the crash and ensuing depression. Why did the great progress and prosperity of the 1920's collapse around our ears? Was the booming growth of the 1920's somehow phony or unreal? What really caused the Great Crash and the depression that followed? Do we face another devasting contraction in the near future? Could it happen again today?

Many articles have been written on the 50th anniversary of the Great Crash in attempts to explain away the mystery, but none was more well researched or soundly reasoned than the following piece by Alan Reynolds. Reynolds dispels the widely held notion that self-indulgence and extravagance in the 1920's brought about the Great Crash. On the contrary, he conclusively proves that very real gains, growth, and progress were the main characteristics of this decade. So the thirties can no longer be blamed on the twenties. We must look to policy blunders in the thirties themselves, and here Reynolds provides a definitive analysis of these dangerous mistakes. As Reynolds explains, the stock market crash was not a mystery; it was caused by the increasing certainty that the onerous Smoot-Hawley tariff would pass. Further policy blunders at the Federal level then turned the crash into the Great Depression. And it was not until after World War II, when the depression burdens on world trade and economic incentive were somewhat reduced, that the economy really recovered.

The lessons to be gained here, however, go beyond the causes of the crash and depression themselves. Policymakers need to learn from past mistakes if we are to prevent another great economic contraction in the 1980's. I, therefore, commend the following article to your careful attention and study.

The article follows:

[From the National Review]

FIFTY YEARS LATER: WHAT DO WE KNOW ABOUT THE GREAT CRASH?

(By Alan Reynolds)

The Great Crash of October 1929 marked a fundamental break in U.S. history, a drastic change in basic attitudes and institutions that define the roles of citizen and state. Within about three years, stock prices were down to one-tenth of what they had been, real gross national product (GNP) had fallen by a third, industrial production was cut in half, and unemployment had hit a fourth of the labor force. Meanwhile, the public mind was affected as much as the economy, with the people turning to the government for security.

The terror of the Great Crash has been the failure to explain it. People were left with the feeling that massive economic contractions could occur at any moment, without warning, without cause. That fear has been exploited ever since as the major justification for virtually unlimited federal intervention in economic affairs.

From the obvious fact that it did not last, many conclude that the prosperity of the Twenties was in some sense phony or unreal. Actually, it was an enormously vibrant and creative decade. Real production per person increased by a whopping 42 percent from 1921 to 1929. Life expectancy at birth rose by 5.6 years. There were more applications for patents in 1929 than in any year until 1965. From 1923 to 1929, unemployment averaged 3.3 percent and inflation less than 1 percent.

For reasons that range from puritanical to bolshevist, nearly everyone seems eager to blame the Thirties on the previous decade, rather than on policy blunders within the Thirties themselves. The Roaring Twenties are widely caricatured as a period of boozy self-indulgence, the extravagant sins of which required the penance of the Great Depression. The message is that progress should never again be really enjoyed; instead, rapid movement in living standards and stock values should be regarded as a symptom of incipient decay. To be doing well is to court disaster.

Some of these ascetic notions were recently revived by Business Week (September 3). They will be cited below not to chastise that journal (one of my favorites), but to highlight illusions so popular that they are still universally treated as facts:

Low Wages: "Despite huge gains in productivity," writes Business Week, "wages actually fell for part or all of the 1920s." Actually, wage rates fell significantly only in 1921–22, when consumer prices also fell by more than 16 percent. From 1922 to 1929, wage rates in manufacturing rose 17.3 percent in real terms. In a period of comparable length, 1970 to 1977, real wage rates in manufacturing rose only 8.3 percent.

Excess Profits: From the incorrect assumption of falling wages, Business Week concludes that there was a "shift to profits . . . which pitched much of the income gain to high-saving high-income groups." The result was supposedly more savings than could profitably be used in expanding business investment "especially in 1928–29 as money from the 'shift to profits' sought productive uses. The surplus funds flowed into stock market speculation."

Business Week somehow argues that there was both too much and too little business investment: "business investment lagged through the late 1920s," but "capacity had been expanding at rates that could no longer be maintained." In fact, business fixed investment in 1929 was a robust 11.8 percent of GNP—a figure unmatched since.

Corporate profits, before taxes, averaged 8.2 percent of national income in 1920–29—well below the 9.7 percent share of the previous decade or the 14.1 percent profit share in 1940–49. Conversely, the share of national income going to employee compensation averaged over 60 percent in the Twenties, up from around 55 percent in the previous two decades. There was no "shift to profits."

Excess Poverty. "Almost 60 percent of all of America's families," says Business Week, "earned less than the $2,000 a year needed in 1929 to buy the basic necessities." The cost of living today is about six times what it was in 1929, so that an income of $2,000 per "family" (which term actually includes single individuals) is comparable to $12,000 now—still well above any meaningful concept of basic necessities.

If most people couldn't afford to buy anything in 1929, why did personal-consumption spending amount to three-fourths of GNP in 1929, compared with 64 per cent last year? "Underconsumption" theories of the crash can't be reconciled with the evidence.

Excess Affluence: "From 1919 to 1929," writes Business Week, "the share of disposable income received by persons in the top 1 per cent of the income distribution rose to 18.9 per cent from 12.2 per cent." The top rate of federal income tax was cut from 73 per cent in 1919–21 to 24 per cent by 1929, so more disposable (after-tax) income was reported in high income brackets. That doesn't mean the middle class got a significantly smaller share.

Farm Depression: Business Week speaks of "sharply lower prices for farmers, while the goods they bought were rising in cost." But net income of farm operators (per farm) rose 4.6 per cent in 1928, 2.3 per cent in 1929. Prices received for both livestock and crops were up in 1928 and 1929; the "parity ratio" of farm costs to prices rose in both years and (at 92) was higher in 1929 than in any year from 1954 to the present. Farm prices and incomes were, of course, even higher during the inflationary boom of World War I, but so was the cost of living. Farm debt declined from 1923 to 1927, and then leveled off.

Housing Depression. "A consumption boom," claims Business Week, "disguised the steepness of the housing depression." New houses were built at a hectic pace in 1922–27, doubling the previous record. Partly because of restricted immigration, housing starts dropped fairly sharply after April 1928, but they were still higher in 1929 than in any year before 1922. Moreover, the 1929 dip in housing was largely offset by a rise in nonresidential construction. A recent study by Professors Robert Gordon and James Wilcox refers to the "1927–29 collapse of construction." But a decline from the unusual $12.1-billion peak in 1926 to $10.8 billion in 1929 was hardly a "collapse"—it amounted to only about 1 per cent of national production.

Excessive Debt: Among the causes of the Depression, according to Business Week, was "heavy borrowing by individuals, corporations, and governments." Increases in total private debt were 5.8 per cent in 1928, 3.7 per cent in 1929—not obviously out of line with the size and growth of incomes (after-tax personal income rose 7.5 per cent in 1929 alone). Government debt actually fell throughout the Twenties.

Inflation: Business Week speaks of "loose money" and "the inflationary bubble that burst in 1929." One measure of the money supply (M2) rose by 2.4 per cent in 1927, 3.8 per cent in 1928, and not at all in 1929. A very broad measure of other liquid assets—including all sorts of savings deposits, commercial paper, bankers' acceptances, and Treasury bills—grew by 3.8 per cent in 1928 and fell slightly in 1929.

No credible price index shows any hint of inflation in the late Twenties. As a result, a discount rate of 6 per cent in late 1929 was very high in real terms. Money and credit were not "loose" at all, and there was no inflationary bubble.

If the Thirties can't plausibly be blamed on the Twenties, the logical next place to look is government policies adopted within the Depression itself. Actually, that makes more sense anyway, since our economy is far too resilient and adaptable to be long affected by the sorts of minor imbalances that some claim to find in the Twenties. Those who are producing for sale in free markets have every incentive not only to adapt quickly to changes, but to anticipate them. A market economy is a powerful stabilizing force, efficiently using the decentralized information of millions of people to adjust production and inventories to meet anticipated demands. It takes an enormous shock to throw the whole economy off course. Only the government has the power to deliver such an unexpected blow.

The conventional wisdom, of course, is that the Crash of '29 was initiated by a wild speculative mania, creating a "bubble" that had to burst. Yet an enormous body of evidence has since shown that the stock market is extraordinarily efficient—that stock prices quickly reflect the best available information. The efficiency of financial markets suggests that the stock market could not have been enormously "overpriced" in September 1929, but must instead have absorbed some strikingly negative new information in the following months.

Actually, it was perfectly reasonable for stock prices to rise substantially after the mild recession of 1927. Average dividends per share rose 61 per cent from 1923 to 1929. Whole new industries, such as the manufacture of radios, were springing up. Production of autos, crude oil, and electricity more than doubled from 1920 to 1929.

If the Dow-Jones index of industrial stock prices is adjusted for the postwar inflation, the highest point on September 3, 1929 (1,212 in 1975 dollars) was no higher than the peak in 1960 (1,252) and well below the peak in 1966 (1,659). As of 1929, stock prices had doubled in a little over two years in this country, but they doubled in half that time in France, and did almost that well in Canada and Japan. Yet we do not speak of the crazy stock market boom of France in the late Twenties, nor of the insane speculative bubble of 1960 in this country.

If the stock prices were not way out of line with genuine business opportunities in September of 1929, as both theory and evidence suggest, then what could have happened to change the prospects so suddenly and dramatically? The answer was provided by Jude Wanniski in The Way the World Works: the stock market crash was caused by the increasing likelihood that the Smoot-Hawley tariff would pass.

Many scholars have long agreed that the tariff had disastrous effects, but most of them have felt that it could not have caused the stock collapse of October 1929, since the tariff was not signed into law until the following June. Today we know that market participants do not wait for a major law to pass, but instead try to anticipate whether or not it will pass and what its effects will be.

Consider the following sequence of events:

The Smoot-Hawley tariff passes the House on May 28, 1929. Stock prices in New York (1926=100) drop from 196 in March to 191 in June. On June 19, Republicans on the Senate Finance Committee meet to rewrite the bill. Hoping for improvement, the market rallies, but industrial production (1967=100) peaks in July, and dips very slightly through September. Stocks rise to 216 by September, hitting their peak on the third of the month. The full Senate Finance Committee goes to work on the tariff the following day, moving it to the Senate floor later in the month.

On October 21, the Senate rejects, 64 to 10, a move to limit tariff increases to agriculture. "A weakening of the Democratic-Progressive Coalition was evidenced on October 23," notes the Commercial and Financial Chronicle. In this first test vote, 16 members of the anti-tariff coalition switch sides and vote to double the tariff on calcium carbide from Canada. Stocks collapse in the last hour of trading; the following morning is christened Black Thursday. On October 28, a delegation of senators appeals to President Hoover to help push a tariff bill through quickly (which he does on the 31st). The Chronicle headlines news about broker loans on the same day: "Recall of Foreign Money Grows Heavier—All Europe Withdrawing Capital." The following day is Black Tuesday, with a record loss of 38 points on the Dow.

Stocks continue falling until November 14. On that day, President Hoover announces a 1 percent cut in personal and corporate tax rates, and Senator Smoot's proposal to rework the bill in committee is soundly defeated by forces vowing to rewrite it in open session. Shortly before, notes the Chronicle, a demoralized Senator Smoot offered to "virtually surrender the tariff bill to the Coalition of Progressives and Democrats." The Senate eventually postpones action on the bill until the next session. It looks like a stalemate. Stocks begin to rally after November 14, rising steadily from 145 in November to 171 in April. Industrial production stops falling and hovers around the December level through March.

On March 24, 1930, the House passes the Smoot-Hawley tariff, 222 to 153. Debate now centers on whether or not President Hoover will veto. Still, stocks drop 11 points, to 160, in May. On June 17, 1930, despite the vigorous protests of a thousand economists, Hoover signs the bill into law, noting that it fulfills a campaign promise he had made, and stocks drop to 140 in July.

The Commercial and Financial Chronicle dated June 21, 1930 led off with the major events of the week—"the signing by the President of the Smoot-Hawley tariff bill" and "a renewed violent collapse of the stock market." Without ever quite linking the two events, the Chronicle did observe that "if the foreigner cannot sell his goods to us he cannot obtain the wherewithal to buy our goods." Other sections noted that international stocks were particularly hard hit, that 35 nations had vigorously protested the tariff and threatened retaliation, and that Canada and other nations had already hiked their own tariffs "in view of the likelihood of such legislation in the United States."

It may be hard to realize how international trade could have so much impact on the domestic economy. For years, in explaining income movements in the Thirties, attention has instead been focused on federal spending and deficits. Yet on the face of it, trade was far more important: exports fell from $7 billion in 1929 to $2.5 billion in 1932; federal spending was only $2.6 billion in 1929 and $3.2 billion in 1932. In 1929, exports accounted for nearly 7 percent of our national production, and a much larger share of the production of goods (as opposed to services). Trade also accounted for 15 to 17 percent of farm income in 1926–29, and farm exports were slashed to a third of their 1929 level by 1933.

Even these numbers, however, understate the significance of trade. Critical portions of the U.S. production process can be crippled by a high tax on imported materials. Other key industries are heavily dependent on exports. Disruptions in trade patterns then ripple throughout the economy. A tariff on linseed oil hurt the U.S. paint industry, a tariff on tungsten hurt steel, a tariff on casein hurt paper, a tariff on mica hurt electrical equipment, and so on. Over eight hundred things used in making automobiles were taxed by Smoot-Hawley. There were five hundred U.S. plants employing sixty thousand people to make cheap clothing out of imported wool rags; the tariff on wool rags rose by 140 percent.

Foreign countries were flattened by higher U.S. tariffs on things like olive oil (Italy), sugar and cigars (Cuba), silk (Japan), wheat and butter (Canada). The impovishment of foreign producers reduced their purchases of, say U.S. cotton, thus bankrupting both farmers and the farmers' banks.

It should be obvious that an effective limit on imports also reduces exports. Without the dollars obtained by selling here, foreign countries could not afford to buy our goods (or to repay their debts). From 1929 to 1932, U.S. imports from Germany fell by $181 million, U.S. exports to Germany fell by $277 million. Americans also had little use for foreign currency, since foreign goods were subject to prohibitive tariffs, so the dollar was artificially costly in terms of other currencies. That too depressed our exports, which turned out to be particularly devastating to farmers—the group that was supposed to benefit from the tariffs.

There had already been some damage done (particularly to farm exports) by the tariff legislation of 1921 and 1922. As Princeton historian Arthur Link points out, however, "its only important changes were increased protection for aluminum, chemical products, and agricultural commodities." Smoot-Hawley broadened the list to include 3,218 items (including sauerkraut), and 887 tariffs were sharply increased, on everything from Brazil nuts to strychnine. Clocks had faced a tariff of 45 percent; Smoot-Hawley raised that to 55 percent, plus up to $4.50 apiece. Tariffs on corn, butter, and unimproved wools were roughly doubled. A shrinking list of tariff-free goods no longer included "junk," though leeches and skeletons were still exempt.

A crucial consideration is that many tariffs were a specific amount of money per unit rather than a percentage of the price. As prices of many traded goods fell by half (or more) from 1929 to 1933, the effective rate of tariff doubled. If imported felt hats sold for $5, including a tariff of $2.50, a fall in price to $2.50 would confiscate the entire revenue from selling in the U.S. market. Without the dollars from selling in the U.S. market, the foreign hat manufacturer couldn't buy anything here.

A number of seemingly separate explanations of the Great Crash fit together quite well once the importance of anticipated tariffs is acknowledged. Charles Kindleberger, in Manias, Panics, and Crashes, describes some structural collapse in the financial system: "Lending on import, for example, seems to have come to a complete stop." But refusal to finance imports makes perfect sense if lenders were correctly anticipating steep tariffs ahead. There were early cancellations of import orders in 1929 that likewise reflected rational expectations, and import prices were among the first to fall.

A lot of stock was being bought on margin—that is, the buyer put up 25 to 50 percent of the price and his broker went to the bank to borrow enough to cover the rest temporarily. The chairman of the Federal Reserve Board had warned the banks to curb these broker or "call" loans as early as February 1929, and the Fed nearly doubled the discount rate from 1927 to August 1929, partly in the hope of curbing stock market "speculation." Most of the broker loans in 1928–29 were not from the banks themselves, however, but were instead re-lent to brokers on behalf of domestic business and foreign banks, businesses and individuals.

The massive withdrawal of foreign lenders from the broker-loan market in early October probably reflected the correctly anticipated decline in the value of the collateral for those loans (stocks), and the fear among foreign capitalists that they would have to liquidate such assets to stay solvent in a world of high tariffs. The process contributed to the crash as both cause and effect. There was a scramble for liquidity by both the lenders and the owners of stocks. As stock prices fell, brokers required that their customers put up more money to meet the margin requirement. If stockholders couldn't come up with the cash, brokers could sell the securities to raise the money. Either way, owners and brokers were pressed to unload stocks, thus perhaps accelerating (but not causing) the stock market decline.

The market suffered continual policy assaults after 1930. In early April of 1932, the Commercial and Financial Chronicle reports "the market fell into a complete collapse . . . owing to the approval by the House of Representatives of an increased tax on stock sales." The Dow bottomed on July 8, when (as the Chronicle of the following day reported) there had been some good news—the Tariff Commission had trimmed 18 tariffs, and a House subcommittee was looking into ways to cut taxes by eliminating duplication with states. On Tuesday, September 19, candidate Roosevelt called the tariff "the road to ruin" and pledged to negotiate reductions in tariffs as soon as he took office. The following Saturday, the Chronicle was astounded that the "market again sharply reversed its course, and on Wednesday prices suddenly surged upward in a most sensational fashion."

The overwhelming issue after Smoot-Hawley was accelerating deflation—a general decline in prices or increase in the purchasing power of money. As measured by the broad GNP deflator, prices fell by 3.3 per cent in 1930, 9.1 per cent in 1931, 11.2 per cent in 1932, and 2.1 per cent in 1933. A chuck roast that sold for 31 cents a pound in 1929 went for 16 cents in 1933.

Many enduring myths about the early Depression simply reflect failure to adjust for the rising value of the dollar. It is still said, for example, that there must have been as much money as people wanted to borrow since interest rates were so low. Short-term business loans in major cities went for 4.7 per cent in 1932; a Manhattan mortgage could be obtained at 5.8 per cent. Since prices were falling by 11 per cent a year, however, those rates were roughly 16 to 17 per cent in real terms—equivalent to nominal rates of 30 per cent at today's rate of inflation. Actually, the fact that the dollar was rising in value against goods is a sure sign that people wanted to hold more money than there was, and were willing to dump goods to get it.

The initial trigger of deflation was the collapse of over five thousand banks, at the rate of about three hundred banks a month after October 1930. Perfectly sound foreign loans turned bad as foreign exporters were shut out of our market. Broker loans turned bad as foreign and domestic stockholders, and those lending against that collateral, reconsidered the earnings potential of firms in a shrunken world market. Above all, farm loans turned bad as farm export potential and prices faced collapse as a result of the deliberate impoverishment of foreign customers. As Professor Allan Meltzer has emphasized, rural banks were hit particularly hard by Smoot-Hawley.

Failure of a few banks soon toppled others, as people rushed to pull their money out. Banks couldn't convert all their loans and securities into cash quickly enough without bankrupting their borrowers or losing money by selling bonds cheap. The Federal Reserve, set up to prevent bank runs, did almost nothing in the way of supplying the banks with more reserves or lending them money against securities. Instead, it hiked the discount rate by two percentage points in early 1932.

Between August 1929 and March 1933, some 36 per cent of the nation's money simply disappeared. That was, of course, the startling discovery Milton Friedman and Anna Schwartz made in 1963, in their *Monetary History of the U.S.* It was not widely noticed at the time. The October 1934 letter from National City Bank of New York reported that "at no time since 1929 has the stock of money been less than in that year." That statement makes sense only if one doesn't count deposits in banks as money.

In fact, when banks collapsed, their deposits ceased to be money. When people don't have as much money, they can't spend it as fast. With a fall in total spending (nominal GNP), either prices or quantities bought also had to come down. The U.S. Government actively resisted the downward adjustment of prices, particularly the price of labor, with the predictable result that more of the decline was reflected in production than was the case in Europe.

Deflation had serious effects. For one thing, the real burden of debt rose sharply. Promises to pay a certain number of dollars in the future naturally led to widespread bankruptcies and defaults when the flow of dollar incomes is much less than expected. And there are other expenses that may be fixed by long-term contracts, such as commitments to pay a certain price for future delivery, or wage contracts with labor unions. When spending and prices fall, such contracted costs may wipe out any margin for profit, resulting in layoffs or plant closings.

There was (and still is) a widespread confusion of wage rates per hour with total income actually received by workers. As Business Week puts it, "a reduction in wages lowers a worker's income and therefore reduces even further the total demand for goods in the economy." This is exactly like saying that Chrysler should not cut prices to sell more cars because the company would make more profit at a higher price.

If wage rates are kept up while prices are falling, labor costs soon wipe out any profit margin. The firm must at least lay off workers and possibly shut down. It is little comfort then to know that if jobs were available they would pay a higher wage rate. Pricing workers out of a job does not raise their income and aggregate demand. The higher wage rate simply cannot be paid, because consumers cannot or will not pay a price high enough to cover the cost.

Consumer prices fell 25 per cent by 1933, wholesale prices fell 31 per cent. "Wages," says Business Week, "suffered even sharper cuts." That simply is not true. Hourly wages of production workers in manufacturing declined significantly only in 1932, although consumer prices were falling sharply. As a result, real wage rates in manufacturing rose by 4.3 per cent from 1929 to 1933 (and by another 26.6 per cent from 1933 to 1937). In union building trades, wage rates rose even in nominal terms from 1929 to 1931—in the face of total collapse of construction. Even by 1933, real wage rates in union building trades were 15.3 per cent higher than in 1929. Real wage rates in coal mining were essentially unchanged from 1929 to 1933, but then rose 63.4 per cent by 1939.

In a 1931 article in Essays in Persuasion, Lord Keynes showed that he understood the consequences quite well: "The fall in prices relative to costs," wrote Keynes, "together with the psychological effect of high taxation, has destroyed the necessary incentive to production." There is, he added, "no possible means of curing unemployment except by restoring to employers a proper margin of profit."

President Hoover jawboned vigorously on behalf of keeping nominal wage rates up while prices were falling—that is, on behalf of rising unemployment. It apparently worked until 1932, at least within the most visible industries. Real wage rates rose in manufacturing and construction; employment plummeted.

Then we were hit with the National Recovery Act (NRA) from June 1933 to May 1935. With industry producing less than half of what it had produced in 1929, President Roosevelt somehow decided that we had to prevent "foolish overproduction." The NRA certainly did that, by preventing many prices and wages rates from adjusting to the shrunken money supply. With less production, of course, came less employment.

Real GNP had increased 12 per cent from the third quarter of 1932 to the second quarter of 1933; with NRA, production dropped almost 10 per cent in two quarters and stumbled along with little progress until the program ended. Industrial production was higher when the NRA started than when it ended.

As if things weren't bad enough, in 1932 the Hoover Administration put through the biggest percentage increase in taxes in peacetime history. A family earning $10,000 with four exemptions paid $40 in 1929, $416 in 1932. Roosevelt hiked taxes again in 1935 and almost routinely thereafter. By 1938, the corporate tax rate had gone from 11 to 19 per cent, top estate tax rates from 20 to 70 per cent, and top income tax rates from 24 to 79 per cent; in addition, new taxes had been levied on gifts and on jobs (payrolls). Since productive effort and investment depend largely on after-tax rewards, tax policy was well designed to encourage stagnation.

There was nonetheless a brief respite and recovery until 1937-38, when additional destructive policies created a sharp recession within a depression. Real GNP soared by 13.4 per cent in 1936. But minimum wage rates were enacted in 1937, and the Wagner Act, strengthening unions, was declared constitutional. There were more strikes in 1937 (4,720) than in any year between 1951 and 1967. Monetary policy was substantially tightened in 1937, with sharp increases in the discount rate and reserve requirements, and total spending (nominal GNP) fell by 6.4 per cent in 1938. With wage rates again being pushed up and prices again falling, real wage rates and unemployment shot up, the stock market fell.

Public service jobs were financed by taxes and tariffs on productive activity, and the make-work jobs prevented the efficient relocation, adaptation, and use of skills. Unemployment rates were exaggerated by around five percentage points because nearly four million people in public-service employment were (with some justification) counted as not working.

In January 1939, President Roosevelt announced the end of New Deal "reforms." Real output rose by 7.6 per cent in that year, followed by increases of 7.7 and 16.1 per cent in 1940 and 1941.

It is often said that the federal deficits of World War II pulled us out of the Depression, but that is misleading. Deficit spending was not significant until 1942, and it peaked in 1945 when measured real growth was less than half of what it was in 1941. Unemployment rates obviously looked much better, because the armed forces in 1945 were as numerous as the unemployed in 1934. Living standards, however, declined in the war. Consumption of durable goods fell 45 per cent from 1941 to 1945, and was no higher per person in 1944 than in 1932-33. The nation's real stock of capital fell 5 per cent from 1939 to 1944.

Measures of inflation were wildly understated during the war, because they failed to account for black markets and subsidies. As a result, real output and income figures were exaggerated by understating true costs. Even so, measured real earnings of workers did not rise at all from 1943 to 1948.

After-tax real profits, however, doubled from 1939 to 1944 and then doubled again by 1948. The improvement that undoubtedly did occur in business conditions was due to lowering real wage rates through wage controls and inflation. The profit share of National Income was 4.9 percent in 1930–39, 14.1 percent in 1940–49.

Inflation also helped to reduce the bite of Smoot-Hawley tariffs by about half. Tariffs were also cut explicitly, though gradually, after Secretary of State Cordell Hull pushed through the Reciprocal Trade Act of 1934. Average tariffs on dutiable imports fell from almost 60 percent in 1931 to 18.7 percent in 1944–53, and the list of dutiable imports also shrank. Further tariff reductions followed the establishment of the General Agreement on Tariffs and Trade in 1948, and the Kennedy Round of tariff cuts in 1962–67. As a result, world trade expanded by 8.2 percent a year from 1956 to 1970, pulling most of the world's economics up through efficient specialization and exchange.

What happened during World War II is that we undid the depressing squeeze on profit margins and world trade, largely by inflating our way out of legislated costs.

Could the Great Crash happen again? In one sense, it already has. Professors Lawrence Fisher and James Lorie calculate that the real after-tax return on stocks was minus 6.6 percent a year from 1929 to 1933; from 1972 to 1976, the annual real return to stockholders was about the same—minus 6.2 percent. The duration of the Depression, however, was caused by more than "just" the stock market collapse.

Protectionism is certainly still a threat, though it now takes more subtle forms such as "voluntary" quotas. It is no coincidence that world trade has grown only half as fast in recent years as it did in the Sixties. Destructive rates of taxation are quite possible too, though they now occur through the effect of inflation in creating illusory profits, interest earnings, and capital gains to be taxed, and in pushing individuals into higher brackets. Least likely to be repeated is a massive collapse of the money supply. Deposit insurance does seem to keep bank runs from spreading, and the Federal Reserve has mastered the art of inflating.

There are some structural changes that probably prevent massive unemployment. For one thing, the service sector now accounts for nearly two-thirds of all employment. Spending on services (being harder to postpone) is not subject to the sharp swings that can hit construction and durable goods manufacturing.

The most commonly cited reasons for optimism are less plausible. The hope that improved economic management will protect us is now confronted with the third recession in a decade combined with the worst inflation in peacetime history. The old idea that unemployment benefits provide automatic stabilizers likewise clashes with growing evidence that such benefits lengthen unemployment and encourage activities leading to unemployment.

Perhaps the best reason to expect that a Great Depression will never again occur is that a small but growing band of scholars are finally beginning to grasp what caused it—namely, tariffs, taxes, monetary mismanagement, and political manipulation of wage rates and prices. Once the tail is placed on the right donkey, we at least know what to watch out for.●

LUNCHLESS THURSDAY

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. PEYSER. Mr. Speaker, I am pleased to report that our first effort in having a lunchless day by Members of Congress and their staff has proven to be highly successful. The true beneficiaries of this effort are the people in Cambodia who are dying of starvation.

It is apparent to anyone who has reviewed the tragic situation that the Cambodian people find themselves trapped in, that the symbolic effort we made yesterday must only be a beginning. It is my hope that Members will reach out in their districts and let their people know the desperate needs that exist. Nearly 2 million people will die, including hundreds of thousands of children, within the next 4 to 5 months if our, and the world's, response takes too long.

As one who has been involved in the governmental process for the past 16 years, I am utterly shocked at the choice of governments the Cambodians are faced with—two governments, one as outrageous as the other, who aside from seeking their own power base apparently have absolutely no concern for the people they are supposed to govern. It is a true tragedy, and one that will probably only be resolved by international intervention.

I do want to extend my thanks, Mr. Speaker, to those who have made this first contribution today. I recognize that there are many other Members and many other staff people who have already contributed and who have programs of their own organized to help in this effort. Following is a partial list of Members and staff who took part yesterday.

The following Congressmen participated in Lunchless Thursday:

Albosta, Donald Joseph.
Anderson, Glenn M.
Anderson, John B.
Ashbrook, John M.
Ashley, Thomas L.
AuCoin, Les.
Baldus, Alvin.
Barnes, Michael D.
Bedell, Berkley.
Benjamin, Adam, Jr.
Bennett, Charles E.
Biaggi, Mario.
Bingham, Jonathan B.
Boland, Edward P.
Bolling, Richard.
Bonker, Don.
Brademas, John.
Brinkley, Jack.
Brown, George.
Burton, Phil.
Carr, Bob.
Cavanaugh, John J.
Coughlin, Lawrence.
Daniel, Robert W., Jr.
Daschle, Thomas A.
Derwinski, Edward J.
Dodd, Christopher J.

Dornan, Robert K.
Erdahl, Arlen.
Ertel, Allen E.
Evans, Billy Lee.
Fascell, Dante B.
Fazio, Vic.
Ferraro, Geraldine A.
Findley, Paul.
Fisher, Joseph L.
Foley, Thomas S.
Gilman, Benjamin A.
Glickman, Dan.
Gonzalez, Henry B.
Gore, Albert, Jr.
Grassley, Charles E.
Guarini, Frank J.
Guyer, Tennyson.
Hance, Kent.
Harkin, Tom.
Heckler, Margaret M.
Heftel, Cecil.
Horton, Frank.
Howard, James J.
Hughes, William J.
Hutto, Earl D.
Jeffords, James M.
Kildee, Dale E.
Kostmayer, Peter H.
Kramer, Ken.
Lagomarsino, Robert J.
Levitas, Elliott H.
Lewis, Jerry.
Long, Gillis W.
Lowry, Michael E.
McCloskey, Paul N., Jr.
McHugh, Matthew F.
McKinney, Stewart B.
Madigan, Edward R.
Marks, Marc L.
Mavroules, Nicholas.
Mikulski, Barbara A.
Mineta, Norman Y.
Mitchell, Donald J.
Moffett, Anthony Toby.
Moorhead, William S.
Murphy, Austin J.
Neal, Stephen L.
Nolan, Richard.
O'Brien, George M.
O'Neill, Thomas P., Jr.
Oakar, Mary Rose.
Oberstar, James L.
Panetta, Leon E.
Perkins, Carl D.
Peyser, Peter A.
Preyer, Richardson.
Rangel, Charles B.
Rhodes, John J.
Roe, Robert A.
Rose, Charles.
Rostenkowski, Dan.
Royer, William.
Russo, Martin A.
Sabo, Martin Olav.
Scheuer, James H.
Schroeder, Patricia.
Seiberling, John F.
Simon, Paul.
Smith, Neal.
Smith, Virginia.
Snowe, Olympia J.
Solarz, Stephen J.
Spellman, Gladys Noon.
Stark, Fortney H.
Stenholm, Charles W.
Synar, Michael Lynn.
Thompson, Frank, Jr.
Trible, Paul S., Jr.
Udall, Morris K.
Van Deerlin, Lionel.
Vento, Bruce F.
Walgren, Douglas.
Waxman, Henry A.
Weiss, Ted.
Whitehurst, G. William.
Wilson, Bob.
Wolff, Lester L.
Wolpe, Howard.
Wright, Jim.
Yates, Sidney R.
Young, Robert A.
Zeferetti, Leo C.

The following staff participated in Lunchless Thursday:

Don Abarnathey, Meredith Ackerstein, Sam Aggar, Jim Aiello, Roger Albif, Candy Anderson, Cathy Anderson, Bev Andrews, Bob Antonelli, Carol Arscott, Chip Aubry, Sylvia Avila, David Aylwand.

Greg Babyak, Mary Bain, Geoffrey Baker, John Patrick Baker, Nancy Barbour, Donna Bardelli, Mary Pat Barret, Marie Bass, Carol Basset, Matthew Bauer, Joe Belou, Mary Bennett, Kathleen Benson, Beth Beulman, David Bieging, Frann Bilus, Kris Blaekwood, Barbara Block, Nancy Blyth, Brian Boardman, Susan Boardman, Debi Bodlander, Michael Boe, Chris Bolen.

Tina Bowes, Rick Bowman, Paul Boyd, Steve Boyd, Carmelo Bramante, Peter Brerenton, Susie Bridges, Emily Brisendine, Mary Brooks, Karen Brown, Linda Brown, Louis Buehanan, Nancy Burke, Florence Burkett, Quinn Burkett, Andrew Burness, Teri Burns, David Burt, Lisa Butter, Anne Buttenheiam.

Jery Cahn, Bonnie Caldwell, Anne Callagham, Joan Campbell, Jose Cardenas, Kathy Carrol, Sandy Cartel, Kay Casstevens, James Costello, Carrie Caton, Denise Cerisani, Kip Cheroutes, Gloria Cherry, Wilda Chisolm, Terry Claffery.

Phil Calpp, Litley Clash, June Clendening, Phil Cohen, Audrey Cole, Bill Connely, Melanie Cook, Lynne Corn, Wendy Costello, Tim Cottrell, Keri Courrigan, Ann Crane, Margaret Crawford.

Bob Dale, Pat Danaher, Darrold Dandy, Pam Davis, Jeanne Dawner, Tom Dawson, Karin DeBra, Jim DeChaime, Mary Jo Dennis, Andrea Deryon, Judy DeSarno, Jeanne Diedrick, Kathie Dionisi, Mary Donnellon, Mike Dors, Bob Dotchin, Terry Douglas, Margaret Downs, Steve Drachler, Jim Dyer.

Jerri Eddip, Stacey Edgington, Gary Edwards, Cindy Eidnes, Raehel Ekeroth, David Elder, Marua Elliott, John Engber, Carol Engelbretson, Russel Engler, Becky Eshenbaugh, Dan Evans.

John Farber, Barb Farris, Fred Fedeli, Norm Fichthorn, Scott Fields, Dustin Finney, Don Fisher, Judy Fisher, Joy Fitzgerald, John Forbey, Richard M. Foster, Bob Frankel, Holly Franny, Sharon Frasier, Sheryl Freidling.

Peter Galbrith, Tim Galvin, Cathy Garland, Judith Gathling, Mark Gearan, Anne Gherlein, Dorothy Gibson, Nancy Gibson, Regina Gibson, Nine Gilden, Julie Gillespie.

Bernie Gladney, Joe Gleason, Judy Gleason, Julie Glick, Eunice Goldring, Joannann Goldstein, Mark Goodman, Suzanne Goulet, Karen Graham, Jenny Grindberg.

Roberta Haberle, Charles Habs, Brian Hacklander, Peter Haffman, Betty Haggerty, Jim Haile, Pat Halford, Bob Hall, Keith Hall, Marilyn Hall, Dave Hallberg, Wren Halloran, Lange Hanf, Trish Hanover, Billy Hansford.

Ted Harold, Patty Hastings, Susan Haviland, Andy Hawes, Marie Heacock, Bert Henningston, Theodore Herbold, Nancy Herzig, Tom Heyar, Murray Heibert, Karen Higgert, Marie Higgs, Pauline Hildebrandt, Harry Hoffman, Julie Hudson, Stuart Hudson, Sharon Hyman, Margaret Hynes.

David Japha, Vickie Jarvis, Linda Jasper, Mike Jeannette, David John, Carol Johnsen, Larry Johnson, Steve Johnson, Eric Johnson, Kenneth Jost, Mary Joyce, Sandy Jusawara.

Grace Kagan, Tom Kahn, Larry Kalantari, Toula Kane, Virginia Karas, John Katnic, Brad Kaye, Ed Keamman, Tim Keeney, Chuck Kempezy, Tim Kieffer, Pam Kiele, Mike Kirby, Susan Kirk, Dale Keeber, Peter S. Knight.

Carol Koch, Elinor Koch, Joan Korenblatt, Bruce Kozarsky.

Caroline Lacutti, Josh Lampe, Joseph E. Langolis, Doris Larson, Keith Laughlin, David Leach, Gail Leach, Flo LeBlanc, Marsha Lehman, Susan Lenz, Robert Leonard, Ann Lewis, Marshall Lindner, Leslie Lockard, Caroline Lopez, Ron Losch, Tom Lowe, Laurie S. Lucker.

Cynthia MacDonald, Margot Machol, Donald W. Mansfield, Meggy Marlette, Laura Martin, Leslie Mason, Bonnie May, Janice Mays, Charlene McCartney, Veld McClain, Eli McGraw, Sue McGuire, Sandy McLai, Annie McLane, R. McMalor.

Robert McMichael, Vanda McMurty, Karen McRunnel, Nick Meyers, Carol Mickowski, Debbie Miller, Mark Miller, Martha Minier, Denise Mitstifer, Melinda Mofield, Church Monford, Dori Monifer, Cindy Moore, Steve Moore, Tim Moore, Paul Morrill, Trudy Moser, Kathy Mullings, Henry Myers.

Meredithe Napper, Susan Neel, Susan Neely, Priscilla Newman, E. J. Northrop, Bill Norton, May Jane Nowille.

Georgia O'Brien, Cathy O'Callaghan, Pat Ola, Jan Olive, Nancy O'Malley, Russ Orban, Sarah Orrick, Vick Otten.

Andrea Pamfilis, Paul Parchley, Fran Park, Dave Parker, Melissa Payne, Nancy Payne, Lou Peck, Joe Pellegino, Nick Penning, Jean Peters, Cindy Pholkas, Betsy Pick, Matthew Pinkus, Jon Plebani, Beth Pollard, Jack Pollard, Rey Post, Sharon Prevost, May Pulisi.

Caroline Radcliff, Mary Ellen Radyikowski, Rod Rahe, Joe Randolph, Tom Rastetter, Terry Remilland, Barb Reveles, May Ann Richardson, Cheryl Riedmiller, Earl Rieger, Sandy Rinck, Ina Risman, Court Robinson, Judy Roederer, Estell Rondello, Tammy Ross, Geoff Roth, Jeff Roth, Phil Rotondi, Maureen Ryan.

Deborah Sacks, Sally Santana, Wendy Sawyer, Mike Scham, Jane Scheppard, Paul Schlesinger, Terry Schnnell, Liza Schovley, Leland Schwartz, Peter Sears, Mary Sue Setnican, Susan Shaw, Tracy Shea, Mike Sheehy, Lenor Sheffland, Bill Shem, A. E. Sheridan, Toni Sheridan, Jan Shinpoch, Carol Shotwell.

Michael Shower, Robin Shupp, Sara Sibley, Cheryl Sidas, Cynthia Simmons, Nancy Simplicio, Stanly Skovill, Bill Skow, Carolyn Sladek, Debra Slimy, Cliff Sloan, Craig Smedeker, Jeffrey Smith, Laura Smith, Lucy Smith, Nancy J. Smith, George Spanger, Liza Spann, Jenny Spaulding, Christina Spragne, Ellen Spring.

Al Stayman, Priscilla Stites, Susan Strong, Flora Sullivan, Mark Sunberg, Jim Swinderski, Rob Swrigly, Jim Taylor, Philip C. Teaulle, Pat Teegarden, Kayla Templin, Barbara Terrie, Lynda Theil, Roy Tiffin, Barbara Toffling, Robert Townsend, Sandra Traitman, Jim Tranguada, Ann Tumulty, Stan Twardy.

Sandra Viloa, Jan Van Nostrand, Robert Velasquez, Steve Vinnik, Ted VonGlahn, Maarten Voogd.

Sarah Wagoner, Mary Anne Walsh, Susan Ward, Cathy Warren, Bill Watt, Debbie Weather, Amelia Weber, Marcia Webb, Mary Wells, Andy White, Beth Whitehair, Bob Wicklund, Bob Wieckowski, David Wilds, Eve Willey, Cecilia Williams, Donna Williams, Drew Williams, Mary Williams, Robyn Wilore, Don Wilson, Duff Wilson, Ellen Winn, William Joe Wright, Connie Wilcox.

Marilyn Yage, Ione Yates, Eve Young.

Ann Zeller, Glenda Zepp.

Kirk Bauer, Diane Blagman, Gina Brosnihan, Claudia James, Sara Kruger, Cindy Martin, Mark Singel, Alec Sirken, Debbie Wolfe, Sandy Wald, Lois Brechner, Mary Lee Delbuono, Bruce Harmon, Tom Kirkland, Howie Castroianni.

Michael Timmeny, Larry Hallaren, Richard Page, Jerry McKiernan, Hank Spring, Cully Irving, Daren Anderson, Sam Avarett, Rod Rahe, Joan Zimmerman, Carol McKenney, Lunn McKiernan, George Randels.

Tim Nugent, Bonnie Casper, Nancy Artz, Kathy Maurer, Joe Bissonette, Ann Ernst, Linda Hodges, Gus Edwards, Evy Haught, Vivian Anderson, Michele Bosies, Mary Susan Chamblin.

Teri Burns, Pattison Fulton, Roger Gwinn, Joanne Hagopian, Timothy Howe, David Bieging, Louis Dvorak, Carol Engebretson, Julia Gould, John Haynes, Sharon Prevost, Rosemary Rakas, Kirsten Scribner, Scot Faulkner, Gus Edwards, Fred Whiting, Beverly Doerflein, Christopher Thiele, Mary Lou O'Brien.●

ANNIVERSARY OF THE PROCLAMATION OF THE INDEPENDENCE OF LATVIA

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. DERWINSKI. Mr. Speaker, I would like to direct the attention of the House to the upcoming 61st anniversary of the proclamation of independence of the small Baltic State of Latvia. On November 18, 1918, the courageous people of Latvia established an independent nation, free from Russian domination and foreign rule.

Although as we observe this event, the people who live in Latvia cannot join with us, it is important for us to keep alive the historic nature of this occasion. It is especially important to remember that the Soviet Union continues to suppress the nationalistic spirit of non-Russian republics within the U.S.S.R. In its deliberate policy to eliminate independence of the various Soviet Republics, the Soviet Union is attempting to lessen their nationalistic unity.

As is common in Soviet-dominated nations, the people of Latvia are bound by Soviet control, and above all the fundamental freedoms enjoyed by its citizens under their own constitution have been abolished. The Soviet-imposed rule in Latvia has brought with it untold sufferings—arrests, deportations, executions, as well as nationalization of all private property and the downgrading of social and working conditions.

However, the history of terrorism and the continued suppression of their culture and self-expression have not dampened the innate desire of the brave people of Latvia for national independence and restoration of their human rights. Many Latvians have managed to flee from the Communist terror in their homeland and are now living in various parts of the free world. They are deeply concerned about the future of their ancestal homeland and continue to speak out on behalf of the people of Latvia.

I believe it is especially important for the United States to continue its full and uncompromising support for the basic concept of the sovereign rights of a people to the free and independent choice of the form of government under which they wish to live. The overwhelming passage of my resolution, House Concurrent Resolution 200, which expresses the sense of Congress on U.S. policy concerning the Baltic States, signifies the belief in Congress that Lithuania, Latavia, and Estonia should have the right of self-determination and not be subject to the colonial rule of the Russians. The resolution also urges the President to bring the matter of the Baltic States to the attention of all nations through the information agencies of the U.S. Government and seek their cooperation in keeping the Baltic issue before us, until they have regained their independence. This is of considerable moral support for the Baltic peoples and others who are held captive of communism that the United States as well as a great number of other Western countries have not recognized the forcible annexation of these nations by the Soviet Union. With the continued suppression of human rights in Communist countries, it is imperative that the democratic countries of the world assert their opposition to this form of political tyranny and reinforce Latvians and others held captive by Soviet domination.

In closing, I wish to add my prayers to those Latvian-Americans who have contributed much to the development of our country while remembering their homeland and who hope to see their relatives and friends liberated from the brutal repression of the present Soviet rule. We join in expressing our determination in seeing that the aspirations of the Latvian people for national independence and cultural freedom once more be restored.●

THE STRENGTH TO PERSEVERE

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. HOLLENBECK. Mr. Speaker, this Sunday, November 18, marks the 61st anniversary of Latvian independence. On this date 61 years ago the courageous people of Latvia fulfilled a generations old dream of independence for their homeland. Although the Baltic States region has once again fallen under Soviet domination, I would like to submit to my colleagues that, by studying the example of the Latvian people in their constant quest for renewed independence, we could learn a great deal.

Despite Soviet efforts which seek to eradicate the Latvian culture; despite the Soviet Union's broken promise to "renounce all sovereign rights over the Latvian people and territory;" and despite Russia's unauthorized sapping of Latvia's human and natural resources, the Latvian people have miraculously maintained their identity and relentless determination to persevere. November 18, 1918 marked the culmination of many years of struggle for an independence which, by most standards, seemed impossible to achieve. Yet, Latvians won this independence through the perseverence which historically typifies their national character.

While fighting in World War I against the imposing German forces, Latvians successfuly rallied to hold the German advance for over 2 years. This gallant stand earned the praise of friend and foe alike while demonstrating the united front which was created by Latvia's striking national consciousness.

It is precisely this national consciousness which has kept alive the Latvian peoples' unforgotten hope for an independent homeland. It is my impression that as each day passes the Latvian people, instead of losing their hopes for eventual independence, are actually gaining confidence that some day they will succeed in once again establishing an independent and democratic state.

I only hope that in the coming years we will no longer highlight November 18th as the anniversary of a Latvian independence since lost, but, instead, we will be celebrating a renewed and well-deserved independence of modern times.●

WHY THE NRC SHOULD BE SHOT DOWN

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. MAZZOLI. Mr. Speaker, I wish to bring an especially timely discussion to the attention of my colleagues.

The discussion was written by Mr. Bruce Babbitt and Mr. Henry C. McPherson Jr.—both members of the Kemeny Commission which studied the Nuclear Regulatory Commission (NRC) and its performance concerning the incident at the Three Mile Island nuclear facility.

While the Kemeny Commission did not directly study the NRC's actions vis-a-vis the Marble Hill nuclear facility being constructed in Indiana and a few miles from my congressional district, the Commission's report—and the Babbitt-McPherson discussion on reforming the NRC—have relevance to any examination of the question of nuclear plant construction and operation.

Furthermore, they deserve careful attention by the Congress.

The discussion follows:

WHY THE NRC SHOULD BE SHUT DOWN

(By Bruce Babbitt and Harry C. McPherson Jr.)

The Nuclear Regulatory Commission is adrift. It has been drifting since the day it was created in 1974. All the while an anxious Congress has been close by, tinkering with the machinery, patching up the statutes and attempting to give direction. All to no avail The commission is still dead in the water.

The Kemeny report traces in detail the tortuous, inconclusive efforts at piecemeal reform since the NRC was formed. It concludes that drastic organizational reform is the only way to get the commission moving. The report unanimously recommends that the present five-member commission be abolished and replaced by a semi-independent single administrator, appointed by the president with Senate confirmation.

The case for a single administrator emerges clearly from both the history of the agency and the unique functional nature of nuclear regulation.

The history of problems at NRC starts at the very top. The original NRC legislation gave each of the five commission members equal authority; the chairman was nothing more than a "first among equals." In 1975, Congress attempted to strengthen the office of chairman by designating him "principal executive officer." Unfortunately, the commissioners have never agreed on what authority a "principal executive officer" has and the commissioners continue to function as five equal members without a leader. Chairman Joseph Hendrie himself describes the chairman's function as "nominal" and concludes that "in this agency, we don't really have a chief executive officer in the sense that Cabinet departments have a head."

Below the level of the five commisioners, the agency structure becomes progressively more chaotic. To provide the management lacking at the commission level, Congress created an executive director for operations who serves at the pleasure of the five commissioners. The executive director's responsibilities are vaguely defined, but the statute eviscerates whatever authority he might have by a curious provision that gives program officers below the executive director the legal right to communicate directly with commission members. In 1978, Congress tried to restore some order by yet another statutory directive commanding the program officers to keep their executive director informed whenever they end-run him by going directly to commission members.

Below the executive director the five program officers function more or less independently. With no management from the top, many important safety questions simply drop through the cracks. Robert Budnitz, the deputy director of the office of Nuclear Reactor Regulation, has candidly observed that the program officers "tend to operate independently of each other, as independent fiefdoms. . . ." This complete disarray has led John Ahearne, one of the newer commissioners, to conclude, "From an organizational standpoint, I think it is a mess." Ahearne favors replacing the commission with a single administrator.

Two events during the Three Mile Island accident provide a telling commentary on this organizational chaos. The now famous transcripts of the commission debates during the hydrogen bubble crisis show an agency totally paralyzed, reduced to a debating society, with no one responsible or accountable for organizing a response and making decisions. This chaos was dramatically underscored by the president's decision to reach down into the ranks of the agency to anoint Harold Denton as temporary leader of a headless agency.

This dismal history would, of itself, justify the proposed changes. But the Kemeny report went further by analyzing the work of the agency and showing that the predominance of safety issues makes an especially strong case for the single administrator.

The classic regulatory functions are adjudication, the granting of licenses and rulemaking—the enforcement function. In many regulatory agencies the licensing function is the dominant work and is well suited to collegial decision-making: the time pressures are not great, there is a need to hear many parties and many points of view, and there is a premium on detailed legal process to protect the economic interests competing for the license.

At the Nuclear Regulatory Commission, licensing hearings are protracted technical proceedings handled by specially selected panels of lawyers and scientists called Atomic Safety and Licensing Boards. The commissioners are not directly involved in licensing proceedings and, because of the lengthy and technical nature of the proceedings, it would not be practicable for them to be.

The most urgent problem at NRC is stronger day-to-day supervision of operating reactors. The NRC is the policeman on a 24-hour nationwide beat, monitoring operations, manning hot lines, inspecting pipes for cracks, responding to reactor trips and auditing operating records; in short, ensuring the continuing safety of an unforgiving technology.

This crucial policing function is what the NRC has done least effectively. The litany of day-to-day management defects dredged up by the Kemeny report is devastating. It concludes: "Inspectors frequently fail to make independent evaluations of inspections. . . . Insufficient attention has been paid to the ongoing process of assuring nuclear safety. . . . Not enough attention is paid to the training of operating personnel and operating procedures."

Good regulation means strong management. The NRC cannot be managed by committee consensus any more than a utility, or a chemical company can be run that way. Nuclear safety demands prompt decisions, the setting of deadlines and vigorous follow-through. The striking success of the Navy's nuclear program is due to a single, responsible, accountable authority; one cannot imagine Hyman Rickover standing by while a committee searched for a consensus about what to do next.

Proponents of the commission form argue that it provides diversity of opinion and ensures that all sides will be heard in the continuing debate over nuclear policy. The Kemeny report recognizes the need for such diversity by calling for the creation of a presidentially appointed oversight committee of up to 15 members versed in public health, environmental protection, nuclear technology and the various scientific disciplines that relate to nuclear power. The oversight committee would have its own staff and a mandate to range widely across both the NRC and the industry.

Some argue that all the NRC needs is new blood, new faces and fresh, vigorous people. But new people are not enough. As the agency is now structured, Aristotle and Teddy Roosevelt together could not move it off dead center. Congress must move quickly to take the shackles off and create an agency head who can manage and be held accountable for the results.●

HANDGUN CONTROL NOW

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. DRINAN. Mr. Speaker, Senator Edward Kennedy and Congressman Peter Rodino have introduced the most sweeping handgun control legislation ever brought before the Congress. This bill, the Handgun Crime Control Act of 1979, is a desperately needed action which, once enacted, will save the lives of thousands of Americans each year.

The Handgun Crime Control Act of 1979 (S. 1936 and H.R. 5823) is summarized in the following analysis of its provisions. The bill would:

Stop the manufacture, sale, and transfer of "Saturdav night specials," handguns used heavily in crime.

Require the swift and sure punishment of those who misuse handguns. The criminal who uses a handgun in committing a Federal crime would receive a mandatory jail sentence.

Screen out illegal purchases. Anyone who wants to buy a handgun would either have to own a valid State "license to purchase" or would have to undergo a police check of his eligibility to purchase—from a dealer or private citizen.

Make selling handguns a serious business. The handgun industry must recognize they are licensed to do business in a dangerous commodity. License fees to become a dealer or manufacturer would be raised. Basic security precautions would be required, and the sale of more than three handguns a year to one person would be prohibited.

Require product accountability. To make the tracing of misused handguns more efficient and to curtail illicit handgun trafficking, manufacturers would be responsible for keeping track of handgun transactions throughout their channels of distribution, including by whom and to whom they are sold.

Require handgun manufacturers, dealers, and owners to report thefts and losses. Despite the fact that a large percentage of handguns used by criminals are stolen, there is no current requirement that those who deal in handguns or those who own handguns must report thefts and losses of these weapons.

Assign liability. If someone illegally sells a handgun and it is subsequently used to kill or injure another person, the victim can hold the seller civilly liable.

Enforce the law. The current Federal law on handguns must be enforced by the Department of the Treasury, whose basic function is to collect taxes. The legislation transfers the responsibility of enforcing the law to the Department of Justice where it belongs.

Urge States to pass "license to carry" laws. Persons carrying handguns outside their home or place of business should have a license to do so. Carrying a handgun without a license would be punished by a mandatory jail sentence.

Aid victims of handgun crime. Those who suffer from handgun crime would be financially helped in paying hospital costs.

Major newspapers have come out in favor of the Kennedy-Rodino Handgun Control Act of 1979. The Washington Post says that it is "a strong but reasonable control measure;" the New York Times states that "Kennedy has introduced a modest piece of legislation that would at least help control the manufacture and sale of still more handguns"; and the Christian Science Monitor concludes that "The bill should be enacted without delay, before more Americans fall victim to senseless gun violence."

I bring these editorials to the attention of my colleagues. The editorials follow:

[From the Washington Post, Nov. 14, 1979]

Limiting Saturday Night Specials

Ten years have passed since Congress thought seriously about gun control. It's time to do something, and the chairmen of the judiciary committees of both houses have provided the means. Identical bills just introduced by Sen. Edward Kennedy and Rep. Peter Rodino would take the logical next step to reduce the number of Americans killed each year by bullets fired from handguns.

During the Vietnam War more Americans were killed by handguns in the United States than by combat in Indochina. Last year, handguns were the weapons used in almost half the murders committed in the nation. About two million new handguns are added each year to the civilian arsenal, which is now conservatively estimated to include at least 50 million of these weapons. That's right: 50 million.

The impact of the 1968 act, designed to cut the supply by barring their importation, was diluted by a provision that permits the importation of parts and the assembly of the weapons themselves here. The Kennedy-Rodino bill would eliminate that provision. It would also limit the commerce in handguns by mandating a waiting period before the purchase of such a gun could be completed, requiring dealers to maintain records of who has bought each gun and barring sales to persons who have criminal records or a history of mental illness or drug addiction.

This law would not apply to rifles or shotguns. It does not require those who now possess handguns to turn them in. It would not bar individuals from buying handguns or from carrying them, provided a valid license is obtained from the local government.

It is a strong but reasonable control measure. If Congress will listen to that majority instead of the narrow segment of American society that sees a conspiracy behind every effort to slow down the slaughter, this bill will become law.

[From the New York Times, November 6, 1979]

Pistols and the Presidency

More than 6,000 Americans have been killed by handguns this year. The power of the gun lobby makes it politically impossible, however, to pass serious controls over the 50 million pistols now in private hands. That is why Senator Kennedy has introduced a modest piece of legislation that would at least help control the manufacture and sale of still more handguns. Political rivalries notwithstanding, we urge President Carter to lend his support to the Kennedy bill.

The legislation would let the Attorney General determine the kinds of handguns that could be manufactured. He might well slow production of "Saturday night specials," the cheap little pistols bought for no other reason than to threaten or kill. The bill would also require gun dealers to determine from police authorities whether prospective handgun buyers have records of crime, mental illness or drug addiction. And sales by private parties would have to be conducted through a licensed dealer. Pawnbrokers, who have a long history of covert weapons trade, would have to get out of the handgun business. The bill also encourages states to adopt strict license-to-carry laws modeled after that in Massachusetts. On the whole, the bill would hardly affect any peaceable handgun-buyers, let alone hunters, almost all of whom use long guns.

The National Rifle Association, however, opposes even these reasonable limitations, and the N.R.A. is strong. In 1978, 21 Senators and 142 Congressmen reported accepting contributions from its political action committees. Thus the lobby is in a position to argue powerfully, if speciously, that criminals, not handguns, are the real problem and that gun controls cannot reduce crime. So pistols proliferate. So do murders.

Until last April, President Carter also favored stricter gun controls. By joining Senator Kennedy in support of this modest proposal, the President could demonstrate vividly and rightly that some issues are more important than politics.

[From the Christian Science Monitor, Nov. 9, 1979]

Gun Control Bill on Target

Senator Kennedy has come forward with the kind of urgently needed, comprehensive gun-control legislation Americans had been led to expect of President Carter in his campaign four years ago. Mr. Carter indicated last spring that political considerations had prompted him to hold off in pressing for long overdue handgun controls. He was obviously unwilling to take on the politically powerful pro-gun lobby with its millions in campaign contributions for lawmakers who resist handgun regulations. Now, on this important issue, Mr. Carter has dropped the ball, letting his Democratic rival for the presidency fill the leadership void left by the White House.

In the meantime, handgun violence has continued to soar, underscoring the need for better regulation of the more than 50 million handguns in circulation in the US. The FBI reports that in the first six months of 1979, violent crimes were up 13 percent over the same period last year. Although no breakdown is available yet on what percentage of those involved guns, about 49 percent of the some 20,000 murders in the US in 1978 were committed with pistols. So far this year, more than 6,000 Americans have been killed with handguns.

The proposed Handgun Control Act of 1979 would fill many of the loopholes in regulations enacted in 1968, which sought to bar the import of cheap "Saturday night specials" but failed to restrict the flow of gun parts, an oversight that has allowed imported pistol parts to be easily assembled and sold. In addition to banning the manufacture, importation, and commerce of such concealable handguns, the bill imposes stricter licensing requirements on dealers and handgun owners. It provides for a 21-day waiting or "cooling off" period between purchase and delivery. Dealers would be required to determine whether would-be gun purchasers have criminal records or a history of mental illness or drug addiction. The bill also would encourage states to adopt license-to-carry laws similar to one in Massachusetts that has brought a dramatic drop in gun deaths and assaults. It mandates a jail term for convicted violators (a controversial provision, however, which ought to be carefully considered).

With the National Rifle Association and other pro-gun lobbying groups lining up with their usual arguments against any gun-control measure, it is well to keep in mind what Senator Kennedy's bill does not do. It does not affect rifles and other long guns. It does not restrict hunting. It does not confiscate any handguns nor does it jeopardize anyone's right to legitimately buy and use a handgun. What the law would do is provide greater protection for society, make it more difficult for criminals to get their hands on cheap weapons used almost exclusively in crimes, and make it easier for law enforcement officials to track down stolen and other handguns much as they do automobiles.

The bill should be enacted without delay, before more Americans fall victim to senseless gun violence. It is not too late for the Carter administration to demonstrate that it puts lives ahead of politics and join in supporting Senator Kennedy's bill.●

PROTECTING SMALL BUSINESSES

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. LaFALCE. Mr. Speaker, a substantial and vigorous effort must be made, in order to provide protection for small businesses from the full impact of the Federal Reserve Board's anti-inflation actions in early October. Without a healthy and vibrant small business sector, employment opportunities will diminish and technological innovation could stagnate.

Therefore, I have joined with Paul A. Volcker, Chairman of the Federal Reserve Board, in an effort to assure small business that they will have access to adequate credit at a reasonable cost. Mr. Volcker has written all of the Fed's member banks, urging them to provide special treatment for small businesses. I have written the chief executive officer of every western New York commercial bank, savings bank, and savings and loan, enclosing a copy of Volcker's letter, in order to stress the importance of protecting small businesses.

The Federal Government must do its part to cushion the impact of the Fed's actions on the small business sector. The agency which is in the most advantageous position to provide that cushion is the Small Business Administration, and I have urged A. Vernon Weaver, the SBA's Administrator, to use his Agency's 7(a) direct and guaranteed loan programs to that end. The SBA must play a key role in the effort to provide small businesses with sufficient credit at an equitable cost.

The three letters follow:

Board of Governors of the
Federal Reserve System,
Washington, D.C., October 23, 1979.

To the chief executive officer of each member bank.

Dear Sir or Madam: As you know, on October 6, the Federal Reserve System took a number of actions designed to reduce inflationary pressures by providing greater assurance that growth in the money supply will be within our targets for the year and that recent excessive rates of credit expansion will be curbed. While I have written earlier about some of the implications of those actions, the Board of Governors, after consulting with the Federal Advisory Council, believes that a further amplification of its views may be useful as you make adjustments in your own policies to the new situation.

As a result of the Federal Reserve actions, growth in money and bank credit can be expected to moderate over the months ahead from the recent very rapid pace. However, consistent with the basic policies that have been pursued for some time, the Board fully intends that sufficient credit will continue to be available to finance orderly growth in economic activity.

In that connection, I should emphasize that success in dealing with inflationary pressures offers the best prospect of an early return to more equable conditions in financial markets, a better balance between demands and supplies of credit, and lower interest rates. That prospect can only be speeded by responsible policies during this critical period.

The Board has expressed particular concern about several aspects of credit extension under current conditions that I would like to bring to your attention. In doing so, I would underline our view that the effective distribution of credit among potential borrowers must, in the last analysis, rest with individual institutions responding to the continuing needs of those institutions, its customers, and the national economy within the framework of the market mechanism and incentives. We strongly believe that sound decisions in these respects can only be made by your bank, and other banks, operating in the marketplace and able to evaluate the needs of millions of businesses and individuals. No regulatory agency can be in a position to substantiate its own judgment in this area.

As I indicated in my letter of October 10 to member banks with deposits in excess of $100 million explaining the new actions, the Board does request that banks take care to avoid financing essentially speculative transactions in commodity, gold, and foreign exchange markets. In addition, except as they may clearly involve an improvement in the nation's productive capabilities, credits advanced for extraordinary financial transactions would be viewed as questionable by the Board. Examples would include loans for the purpose of retiring stock or for corporate takeovers that simply substitute one source of financing for another and do not clearly promise improvement in economic performance. There should not, of course, be any questions about credit normally advanced to financial concerns and others in the ordinary course of business.

Conversely, lending institutions need to be alert to the continuing need for credit to finance the basic needs of the economy. In accommodating these needs, we believe banks should take particular care that small businesses, consumers, home buyers, and farmers continue to receive a reasonable share of available funds. Loans to such borrowers, as well as to larger business customers that require bank credit in support of their normal operations, will encourage an orderly process of economic adjustment toward greater stability and help to sustain key sectors of local and national economies.

In the judgment of the Board, the basic requirements of established customers deserve priority over opportunities that may arise in a period of unusual strain to reach out into new lending areas or to seek competitive advantage over other institutions seeking to meet such priority needs.

The Board is also conscious that, with its new operating procedures, there may be more volatility of money market rates from day-to-day or week-to-week, although we note that, within already established criteria, borrowing from the discount window remains available to help member banks in making short-term adjustments. We are also conscious that costs will be higher than otherwise for incremental additions to "managed liabilities" as a result of the new reserve requirements. In these circumstances, we believe banks should take care, as they adjust lending rates in response to market forces, to appraise carefully underlying demand and supply conditions. Sharp but clearly temporary variations in the cost of a small amount of marginal funds should not be the occasion for adjustments in the basic lending rates, although we recognize that movements in such rates will be related to the underlying trend in interest rates generally. In adjusting loan rates, the Board would also call your attention to the desirability of considering the special problems of smaller customers who have limited financing alternatives.

As I indicated earlier, the Board has consulted on this matter with the Federal Advisory Council, a statutory body established by the Federal Reserve Act, and with other leading bankers. I am convinced that adherence to the principles set forth in this letter by the banking community as a whole will contribute importantly to the success of our efforts to deal with inflation during a period of difficult economic adjustment, and will serve the longer range objectives of your institutions as well as the nation. I would appreciate it if you would share the contents of this letter with your lending, credit, and money management officers.

Sincerely,

PAUL A. VOLCKER.

WASHINGTON, D.C., *October 26, 1979.*
Chief executive officer

DEAR CHAIRMAN —: On October 6th, the Federal Reserve took three actions to control the expansion of credit, curb speculative excesses in the financial and commodity markets, and lessen inflationary pressures. First, it announced a one percent rise in the discount rate. Second, it imposed a marginal eight percent reserve requirement on managed liabilities. Third, it announced a greater emphasis on control of the nation's money supply by focusing its attention on bank reserves.

I have been very concerned about the impact of these actions on three groups which are very vulnerable to any type of credit crunch. Small businesses, farmers and homebuyers are heavily reliant on credit financing being available on reasonable terms.

Even under normal circumstances, small businesses, farmers and homebuyers often experience difficulty obtaining sufficient credit, which is why I convened a meeting in Buffalo earlier this year with the leaders of the Western New York financial community and the Buffalo Chamber of Commerce's Small Business Council. One idea I brought up at that meeting was the establishment of a two-tier system of interest rates, which would entail one level of interest rates for large borrowers and a lower one for small businesses.

Since October 6th, I have held a series of meetings to discuss the impact of the Fed's decisions on small borrowers. On October 19th, I had a lengthy discussion with David Rockefeller, Chairman of Chase Manhattan. Wednesday, I met with Frederick Schultz, Vice Chairman of the Federal Reserve Board. Yesterday, I had breakfast with Paul A. Volcker, Chairman of the Fed, which resulted in a wide-ranging discussion of all of the possible ramifications of the October 6th actions and possible solutions to potential problems. During the course of those discussions, Fed officials indicated a great deal of interest in and agreement with the concept of a two-tier system of interest rates for small borrowers, in order to maintain sufficient credit for small businesses, farmers and homebuyers.

Paul Volcker emphasized his concern that the October 6th actions not be taken as a signal to cut off credit to small borrowers. He voiced that concern in his letter of October 23 to the chief executive officer of each bank within the Federal Reserve System. I believe that his message is of the utmost importance, and I am enclosing a copy of that letter, in order to further express my concern with the problems confronting small businesses, farmers and homebuyers.

I draw your particular attention to the following passages:

". . . lending institutions need to be alert to the continuing need for credit to finance the basic needs of the economy. In accommodating these needs, we believe banks should take particular care that small businesses, consumers, homebuyers, and farmers continue to receive a reasonable share of available funds. Loans to such borrowers, as well as to larger business customers that require bank credit in support of their normal operations, will encourage an orderly process of economic adjustment toward greater stability and help to sustain key sectors of local and national economies."

"In adjusting loan rates, the Board would also call your attention to the desirability of considering the special problems of smaller customers who have limited financing alternatives."

I welcome any comments that you might have.

Sincerely,

JOHN J. LAFALCE,
Member of Congress.

SUBCOMMITTEE ON GENERAL OVERSIGHT AND MINORITY ENTERPRISE,
Washington, D.C. October 25, 1979.

Hon. A. VERNON WEAVER,
Administrator, Small Business Administration, Washington, D.C.

DEAR MR. WEAVER: As you are undoubtedly aware, the Federal Reserve Board's recent actions to slow down the economy ultimately will impact most severely the small business sector of our economy. As a result, in recent days we have seen the prime interest rate reach 15 percent, an all-time high; while perhaps not as widely reported, the cost of money to small businesses is now undoubtedly several points above this record interest rate. While the Fed's actions are most desirable if we are to win our war with inflation, to the extent that we can effect this end without adversely impacting the small business community, we must do so. In fact, to do otherwise might prove to be counterproductive in the long run, since as you well know small businesses account for a disproportionately large portion of America's job growth and innovative activity.

We presently have in place two tools to mitigate the effect these excessive interest rates will have on small business. In this regard, I am referring to both the 7(a) direct and guaranteed loan programs.

I am writing to solicit your support in harnessing these two programs, so that we may assure that small business continues to have access to borrowed funds during the credit crunch. First, I would urge you to request the President to seek additional supplemental appropriations for the direct loan program. These loans, presently providing an interest rate of 8¼ percent, are essential for the continued existence of many small businesses, especially those owned by socially and economically disadvantaged persons in our nation's inner cities. In good times, the demand for this money is such that waits in excess of 9 months are not uncommon; in the present economic climate the need for these funds is likely to increase dramatically with many small businesses closing shop as a result of the unavailability of this funding source.

Secondly, I call to your attention the fact that utilization of the SBA guaranteed loan program has never exceeded the program's ultimate authorization. In those years where it appeared that the program's usage would exceed the authorization, Congress was quick to extend that. I have every expectation that Congress would continue to authorize as much guaranteed loan authority as is necessary.

In this regard I feel it is appropriate and necessary for you to write to all bank presidents in this Nation, advising them both of the existence of the guaranteed loan program, but perhaps more importantly, of the recent changes SBA has made with respect to the secondary market in the guaranteed portion of such loans. Your new certificate program, which will enable banks to sell off their 90% guarantee portion, will enhance their liquidity in these times of dear money. If more banks can be made aware of the program, as well as how it might be used to their own advantage, I would suspect that the borrowing difficulties for small businesses would be greatly mitigated.

Finally, I would recommend that the Office of Advocacy continue and extend its efforts with respect to the two-tiered prime rate whereby small businesses are given more favorable treatment by the banking community.

I would urge that you give your serious consideration and attention to the suggestions made in this letter. To the extent that my small business subcommittee can be of assistance to you in what I am sure is our mutual quest to keep the cost of money down for small businesses, please do not hesitate to call upon me.

With warm personal regards,

Sincerely,

JOHN J. LAFALCE,
Chairman.●

PERSONAL EXPLANATION

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. PEPPER. Mr. Speaker, due to a hearing on Americans over 100 years of age, that the Select Committee on Aging was holding, I was not present for rollcall No. 660, final passage of the Meat Import Act of 1979. If present I would have voted "yea." ●

A CONCERNED CITIZEN WRITES TO THE PRESIDENT

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. BROWN of California. Mr. Speaker, we all receive many letters from our constituents, but occasionally we see one that stands out for its thoughtful concern for urgent national and global problems. I want to share one such letter with my colleagues.

The letter was written as an open letter to the President concerning the problems of the Middle East. It was written just prior to the current unhappy events in Iran, and does not, therefore, deal with that situation, but with the broader problems of the region.

The author, Bill Hood, has no particular expertise in foreign affairs, or the Middle East. He is a retired schoolteacher, an intelligent and thoughtful man who follows the events of the day as any citizen would, but with a deeper concern and a more penetrating analysis.

I offer his open letter to the President as an example of the contributions which one citizen is trying to make to a vitally important national discussion.

The letter follows:

MR. PRESIDENT: John Connally has a Near East Plan, you have a Near East Plan and I have a Near East Plan. The objectives are the same. Stabilize the price of oil, assure a steady supply, persuade the Israelis to give up the Gaza Strip, the Golan Heights and the conquered territory west of the Jordan and the Dead Sea.

Mr. Connally would ostentatiously send armed forces to the Arabian Peninsula and act tough as he did when he served under Nixon. He would no doubt antagonize everyone. We would risk having an oil embargo, would probably go broke and would be lucky to avoid a nuclear war.

Your plan is far more reasonable. You would use patient diplomacy. Meanwhile Mr. Begin would be haggling for the next six critical years. We would stumble into financial chaos before we could develop alternative forms of energy. We must halt external inflation right now.

O.P.E.C. is just the beginning. The price of uranium has already been inflated by collusion between American oil companies and the Canadian Government. Nations which produce bauxite, copper and scores of other essential products will soon be taking lessons from O.P.E.C. on how to cut production, quadruple prices and along with our domestic producers all get wealthy until the bubble bursts. The price of exported raw materials and agricultural products must be stabilized.

The rulers of Saudi Arabia, whom I shall refer to as the Saudis, have a huge export surplus and sufficient adjustable oil production to have potential control of the world's oil market.

They could announce a stabilized price and agree with the United States to replace the supply from any nation which refuses to sell to us at that price. This should be sufficient to stabilize the price of oil without calling on any long time increase in Saudi production. While this operation is in progress the other industrial nations should agree not to bid up the price.

There would also have to be an understanding with the major oil companies.

The Saudis are hard-headed business men and at the same time religious zealots. To obtain their cooperation it would be necessary to offer them inducements in both fields.

They want the following:

(1) Stabilized Prices and Currency. They have an enormous stake in the dollar. The present wild escalation of oil prices can only result in financial chaos. They would suffer more than we because they have no natural resources except oil.

(2) Reduction in Petroleum Consumption by Industrial Nations. We can set strict limits on importation of foreign oil and abide by them. This can be accomplished by conservation, until other sources of energy are available.

It is to the interest of oil exporting nations and other nations as well to stretch out petroleum resources.

The developing nations should not be encouraged to increase their demands for petroleum. They will be better off if they develop solar power and expand industry and agriculture using human and animal power in an efficient manner.

(3) Protection of their Oilfields from Enemies Foreign and Domestic. We can be helpful, not by bluster or flaunting our armed forces, but by quietly informing any friendly OPEC nations, that if they are in trouble they can call on us and we will respond immediately. We should inform the Soviets of this policy through diplomatic channels.

(4) Peace in the Near East. The Saudis might have the most to lose by war. All the nations in the Near East have hated Israel somewhat more than they have hated one another. However it has recently been demonstrated that Israeli-Egyptian enmity could very rapidly be dissipated.

The hatred of Israel is largely based on fear. The Israelis are terrific fighters and have repeatedly defeated their Arab neighbours. They have financial backing from the United States.

The Israeli immigration policy is to invite Jews from all over the world to settle in Israel. There is simply not room enough in Palestine to carry through this policy. The Israelis know this and have been very reluctant to give up any captured territory.

The Israelis should declare that they will only accept as many immigrants as they have room for inside their pre-1967 borders.

Jews have deep roots in many nations. Far fewer of them would want to immigrate if their human rights were better respected. If the Israelis improved their international standing, they could take a lead in promoting first class citieznship for Jews everywhere. If there were less pressure for Jews to leave their homelands, such nations as the United States, Canada and Australia might find room for those who still want to emigrate. With the development of the Negev there would still be room for some immigrants.

Such a change in immigration policy would relieve a great deal of anxiety felt by Israel's immediate neighbors.

The Israelis must sooner or later return to their pre-1967 boundaries. It is far better that they do it now rather than haggle for six years while the world is plunging towards disaster. They should not worry about secure frontiers. With modern long range weapons there is no such thing as secure frontiers. Israel's security depends on making a just peace with Jordan and Syria such as they have made with Egypt and obtaining a solid guarantee from the United States and Egypt. Israel cannot afford the present peace, far less another war.

The Golan Heights should be returned to the Syrians who would agree to an unfortified zone as part of an overall settlement.

The Israelis should also give up the Gaza Strip. Perhaps an elevated superhighway with rails in a center strip will be constructed to connect the Gaza Strip with Hebron.

There can be no peace until the Israelis abandon all plans to colonize Hebron, Judea and Samaria. There is no room for any significant number of Jews. Jehovah no longer issues orders for the liquidation of the inhabitants. They worship the same God as the Jews.

If the Palestinians are left to determine their own future, Mr. Begin will not need to be embarrassed by having to talk to Mr. Arafat. I cannot imagine that the Palestinians would tolerate guerrillas in their territory.

They could become a United Nations mandate with Jordan as Trustee. After five years they could vote as to whether to continue the relationship with Jordan. No armed forces should be allowed in Palestine.

Lebanon should also be free of armed forces. The inhabitants of all refugee camps should be resettled. This could have been done years ago, but the Arabs continued them to discredit the Jews. The wealthier OPEC nations could afford to resettle them in irrigated Syrian lands at the headwaters of the Euphrates. Such nations as the United States, Canada and Australia could continue to accept suitable immigrants.

There will be Palestinians who demand the return of their old homes in Israel. This cannot be done. However they should be financially compensated and some at least may be able to settle across the border.

The Israelis should do less moralizing about terrorism. Some P.L.O. actions have been especially revolting, but no more so than many actions carried out in legalized war. Terrorism is highly successful when applied to democratic societies which have little stomach for counter terrorism. The independence of such nations as Kenya, Ireland, Algeria, and Israel was accomplished through terrorist campaigns. The leaders of these struggles survived to become respected statesmen. There is hope even for Mr. Arafat. Anyway, terrorism does less damage in twenty years than legalized war in twenty minutes.

(5) Jerusalem. Finally we come to a crucial matter not considered by Mr. Connally. It was a disaster when the first cease fire took place with Jerusalem divided.

The crowning calamity came when the conquering Israelis made a united Jerusalem their capital. It became a symbol of Jewish aggression, pointing like a dagger to the east.

The strategic location of the city could not be worse, situated on the border and surrounded on three sides by potential enemies.

As a secular capital it is offensive to Christians and Moslems, and intolerable to Jordanians and Saudi Arabians who hold the keys to peace.

Jerusalem should become a mandate of the United Nations with Israel as the trustee. Israel has a fine record of cooperation with religious bodies in the preservation of their shrines.

They should have the advice of an international committee of scholars and scientists in preserving the character of the Holy City and removing unsightly accretions.

Meanwhile Tel Aviv is the business capital of Israel as New York is for the United States. They will need the equivalent of Washington, D.C.

A New Jerusalem should be built to become the center of government, higher education and the arts. A great temple should be at the center.

A cry will come up. Why should Israel make all the sacrifices? Actually they would make small sacrifices and achieve enormous moral and material gains.

Let them compare themselves with Switzerland, like Israel a rugged land with limited fertile soil and few mineral resources.

A proud people, enjoying universal respect, they covet no neighbouring lands and maintain a defense sufficient to discourage invaders.

They are among the most affluent nations in the world thanks to tourism, light industry and banking, in all of which the Israelis also excel.

Israel has poor international relations and despite enormous subsidies from abroad an economy in shambles. The Israelis trust no one and insist on maintaining huge armed forces.

The United States should make it perfectly clear to the Israelis that while we are completely committed to protecting Israel within the pre-1967 borders and to restoring their economy, that the present deterioration cannot be allowed to continue.

Israel has a choice—quickly restore Jerusalem as a Holy City and abandon ancient claims to Judea and Samaria. Thereby Israelis can secure the credit, restore their moral standing and start on the road to economic prosperity.

The alternative is to suffer the humiliation of being slowly forced to make the same concessions and perhaps emulate Samson by bringing the pillars of the world down on their head.

For Israel, being a democracy, it is far harder to make unpopular moves than for Arab nations. But if the Israelis make a bold move now they will have the world on their side. If they procrastinate O.P.E.C. may institute a sudden or a creeping oil embargo. In the ensuing chaos Israel would stand alone.

The United States must take a lead in saving the world from disaster. This cannot be accomplished by international conferences or highly publicized summit meetings. Two men sitting down together can work miracles in an afternoon.

The Saudis already have some such plan in mind. Their main problem will be to keep the lunatic fringe of O.P.E.C. in line, while the United States works on internal inflation and energy conservation.

It may seem impossible to persuade the Israelis to make so drastic a change in policy.

History shows that only a recognized hardliner can convince a nation that a new course is necessary.

Mr. Begin, using the bargaining technique of trade union negotiators, first declares that vital subjects are not negotiable, then concedes inch by inch. We have waited too long while the fuse is spluttering. Mr. Begin must face reality; only he can save Israel from disaster.●

FREE MARKET ECONOMIST

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. PAUL. Mr. Speaker, the dean of free-market economists, Mr. Henry Hazlitt, was recently interviewed in Review of the News by Percy Greaves, Jr.

Mr. Hazlitt is a man of penetrating vision and economic wisdom. I would like to call excerpts from this interview with a giant of our times to the attention of my colleagues, in hopes that a few of them might follow up by reading some of Mr. Hazlitt's eloquent and lucid books.

The excerpts follow:

FREE MARKET ECONOMIST—HENRY HAZLITT

(By Percy Greaves, Jr.)

Since the passing of his good friend Ludwig von Mises in 1973 at the age of 92, Henry Hazlitt has been the dean of American writers on free-market economics. Born in 1894, Hazlitt started his professional writing career before the passage of the Federal Reserve Act in 1913. Self-educated, he was a veteran student of important trends and events long before the 1929 Depression and the ensuing New Deal departures from the principles of limited government laid down by our Founding Fathers. The author of 16 books, Hazlitt is at 84 working on his 17th. His deservedly most popular book, *Economics In One Lesson*, has been published in eight translations and sold more than 700,000 copies. A newly revised edition, from Arlington House, will appear March 1st ($8.95).

All who would like to reinforce their understanding of what is wrong with our economy would do well also to read Henry Hazlitt's Foundations Of Morality and his excellent analysis of Keynesian politics in The Failure Of The "New Economics." Those interested in the solution to our current economic problems should also study Hazlitt's latest book, The Inflation Crisis. His wide experience, penetrating mind, and remarkable ability to communicate make whatever Henry Hazlitt writes well worth reading.

Q. Mr. Hazlitt, when did you first become aware of the drift away from the free-market principles upon which our system is based?

A. First I became aware of the importance of limited government. I was in my teens or early twenties when I started reading Herbert Spencer. It was his writings that made me aware of the over-extension of government.

Q. Were the ideas of Spencer popular at that time?

A. No. I ran into him by myself, having become addicted to Arnold Bennett's self-improvement books and charmed by his style. He referred to Herbert Spencer as the greatest mind and the greatest philosopher ever. That got me to reading Spencer. Of course, I was also reading the government-oriented stuff. I became aware of economic subjects fairly early because I was only about 18 when I went to work in 1912 for the Wall Street Journal.

Q. Then you didn't attend college?

A. Yes, for a short time while I was a full-time student at City College of New York. But I had my mother to support, so I had to quit daytime classes, taking a few isolated courses at night for a couple of years.

Q. How did you develop your interest in economics?

A. When I went on the Wall Street Journal the company treasurer, who hired me, told me: "You will be reading railroad reports. After a while you will want to analyze them." Quite to myself I said, "The devil I would." But I soon discovered that there was something called economics. The first book on the subject I remember reading was by Chapman (Outlines Of Political Economy, 1911). I have it downstairs. He was a pretty good economist, though his little book was really a sort of condensation of Marshall's Principles Of Economics (1890, 8th edition, 1920).

Q. You recommend reading Philip Wicksteed (1844–1912), the English free-market economist. When did you run into him?

A. When I got interested in reading economics I would browse in the public library in Flatbush, Brooklyn, and I came upon this volume by Wicksteed called The Common Sense Of Political Economy (1910). I had never heard of him. As a matter of fact, almost nobody had at that time. I read his book and became absolutely fascinated.

Q. Another important free-market economist of that period you have mentioned is Boehm-Bawerk (1851–1914), teacher of Ludwig von Mises. When did you run into him?

A. Fairly early. That was also a matter of sheer accident, just browsing in the library. As a matter of duty I decided I would read one of the college textbooks. There were essentially three college texts at that time (1912–1913). One of them was Seager's Introduction To Economics (1904); another was Seligman's Principles (1904, 12th edition, 1929); and, the third one was Taussig's (1911, 4th edition, 1923). I should have taken Taussig, but I dutifully read Seligman and respected it because of its reputation. He was quite an interventionist and that troubled me.

Q. Then you started writing on economics?

A. What happened was that I wrote editorials. How they let me write them, I don't know. I had almost no practical knowledge of finance of any sort, but the Wall Street Journal had a system under which you could submit editorials almost anonymously. They had something called "By the Ways," little things of one or two lines, that appeared at the end of the longer editorials. I used to submit a lot of those and the editors used them.

Q. After service as a pilot during World War I you worked for a good many newspapers in New York City.

A. There must have been about a dozen newspapers in New York in those days and I worked for most of them. I was on the Evening Post before the war. Then I was on the Mail (1921–1923). The owner, Richard Henry Stoddard, called me up one day and asked me whether I could swing from Financial Editor to being an editorial writer. It was practically an order, so I said, "OK." He thought I ought to go down to Washington and get some news background, so he made me their Washington correspondent to just dig around and write anything I pleased.

Harding was President then and I used to go to his press conferences. Warren Harding took the weight of his responsibilities very heavily. He looked like a President. I hardly even dared to ask him questions because I felt like such a neophyte. They were small press conferences in those days, with about eight to ten of us, not at all like the big affairs now. Somebody would ask the President a question and he would say, "Now suppose I lent Jim here," one of the reporters, "a cigar." He would make homely little illustrations like that, and it all seemed very sensible. Then, when I went back to write it, I said to myself, "What a damn fool thing to say."

Q. Did you ever go to any of F.D.R.'s press conferences?

A. No, no.

Q. I went to them for two years. He had a powerful personality.

A. That's one thing I learned about politicians. I had in my mind all these pictures of villains, and one of my chief villains was Senator Robert La Follette, the famous populist. The paper directed me to ask a question of the Senator, so I went to his office and sent in my name. La Follette comes out, a very fatherly gentleman, puts his arm around me, and says: "What can I do for you?" I was only about 26 or 27 then. Suddenly he didn't seem such a villain.

Q. It's amazing the amount of ground your career has covered since those days. After the Mail you went to the Herald, didn't you?

A. I wrote editorials on the Herald (1923–1924) and was then Book Editor on the Sun (1925–1929). I particularly remember one interesting experience when I was at the Herald. In 1924, Keynes' book "A Tract On Monetary Reform" was published. I had read his book on "The Economic Consequences Of The Peace," which came out in 1920. It was a book you were supposed to read, and so I read it and respected it. I was impressed by it. I thought Keynes was right in his main contention. So when "A Tract On Monetary Reform" came I decided to review it. I found it incredibly bad and lost all respect for Keynes. Everything was so muddled, so completely muddled. I still have the book downstairs. My interlineations are longer than the text. Anyway, I wrote an editorial about it for the Herald, saying how bad it was.

Q. Did Keynes ever react to what you wrote?

A. No, I never met him, though I nearly did. When I was Book Editor of the Nation

(1930–1933) and also writing their technical economic editorials, Ozzie Villard (1872–1949), the Nation's owner and editor (1918–1932), announced that Keynes was coming to lunch tomorrow with our staff of only four or five people. I thought, that's fine, I'll meet him. But on the day of the lunch I came down with a terrible cold. So I never went to the office or the lunch.

Q. Was the Nation a Leftist journal at that time?

A. Under Ozzie Villard it was socialist in a sort of mild way, but it was mainly in favor of free trade.

Q. Did you then consider yourself a little to the Left?

A. Well, I was sort of leaning backwards at that time, reading all these people like Harold Laski and trying to be more flexible than I was. You know.

Q. I went through that same stage. You think: Can I be wrong and all these others be right?

A. That's exactly it! All the most famous writers were Leftist. Long after I came back to the Right I would meet Harold Laski at lunches and we would have very heavy verbal battles.

Q. How did you move on to the New York Times from all of this?

A. Well, I was with the Nation about four years. Then I got to know Henry Mencken (1880–1956) because I hit him for a review for the Nation about once every three months. In that way I began having some correspondence with him. One day he called me up, or wrote me a letter, saying he was going to be at the Algonquin in New York and would I have dinner with him. This was quite unexpected, out of a clear sky. So I went up and we had a long talk. Mencken told me that he was going to give up the American Mercury. After ten years, he was tired of it; he wanted to write books, and so on; he thought it needed new blood. Henry said he was looking for an editor and asked whether I would want to be editor of the Mercury.

This was such a great honor, as I saw it, that I said I would. Then he said, "Well, I'll be in touch with you." Actually, he didn't get in touch with me until the very time he was quitting. Then he gave me a quick call about it and I said, "Yes." This came so suddenly that I didn't have time to give the Nation notice. So I had to work for both for about four weeks and didn't have time to think. That made me get off to a very bad start.

Q. The American Mercury was then in Baltimore?

A. It was published by Alfred Knopf, and their editorial office was in New York, but of course H. L. Mencken had run it mainly from Baltimore. He would come in about once or twice a month.

Q. Did your effort at Mercury attract the attention of the Times?

A. No, what happened was that I didn't get along very well with Alfred Knopf. I was not his choice but Mencken's. Knopf didn't dare countermand Mencken, who had such an international reputation, so he let him appoint me, but the publisher had quite different ideas on what the paper should be. After a very few months, Knopf and I decided that he would look for another editor and I would look for another job. We wouldn't set any definite time for my quitting.

Earlier, I had gone to the Times and asked about becoming an editor. Adolph Ochs (1858–1935) was still alive, but I saw Arthur Sulzberger (1891–1968) who was then running the Times. Ochs had been sick. Sulzberger said they wanted me very much for the Times. They needed somebody who knew economics for the editorial page but were having trouble because of the depression. Ochs had assured everybody on the Times that he would not fire anyone. He kept his word—and it was a very costly word to keep. A corollary was that he hadn't taken on any new employees for two years. So Arthur Sulzberger said, "We want you, but I'm afraid to approach this to Mr. Ochs until he feels better." When things didn't work out with Mercury I went back to Arthur Sulzberger and the New York Times took me on as an editorial writer.

Q. So you were writing editorials for the Times from 1934?

A. From 1934 to 1946, right.

Q. They were more friendly to your ideas in the beginning?

A. Oh, yes, yes!

Q. Ochs was more of a Conservative?

A. Yes, and so was Sulzberger. What happened was Mrs. Sulzberger (Ochs' daughter) was always quite a Leftist. She was not active, but she would call up and say, "Mr. Hazlitt, why don't we have an editorial saying so and so?" Some Leftist idea. I would say, "Well, Mrs. Sulzberger, the trouble with that is . . ." And I would explain. Then she would say, "Well you know best." So there wasn't any interference and the paper pretty much published what I wrote.

Q. How did the end come at the Times?

A. Well, there began to be disagreements. For example, I opposed the Bretton Woods discussions as they were going on in 1944. I kept criticizing them and I was the only editorial writer in town that I knew of who was writing critical things about them. Mostly, everyone else was saying they were a wonderful example of international cooperation, and so on. My editorials on the Times were the only sour note.

Then came the news that 43 governments had signed this marvelous document. Arthur Sulzberger called me up to his office and said, "Now, Henry, when 43 governments sign an agreement I don't see how the Times can any longer combat this." So, I said, "All right, if you want, but in that case I can't write anything further about Bretton Woods. This is just an inflationist scheme that is going to end badly and I can't support it." That was the beginning.

Oh, then another thing happened. The last couple of years I was there I wrote a Monday column for the financial page. So I began writing on Bretton Woods for the financial column, but not for the editorial page. One day Arthur Sulzberger called me up and said, "Harry, we are thinking of writing—I hope this doesn't offend you—I'm thinking of writing a line at the end of your Monday column saying that the opinions of Mr. Hazlitt are not necessarily those of the New York Times." I replied, "Well, Mr. Sulzberger, you can do that. But I have to warn you of one consequence. If the other columns that you print don't have such a line, the assumption will be that their personal opinions do necessarily agree with those of the editor." So he said, "I see what you mean," and he dropped that.

Then for some reason Ralph Robey quit writing the column, "Business Tides," for Newsweek. So Newsweek got in touch with me and made me an offer. It was actually a slight drop in salary from what I was getting on the Times, but I got two things in compensation My columns would all be signed so I would no longer write anything anonymously. The other thing was that, instead of doing seven or eight pieces a week, I would do only one. Another of the considerations was that I would be free to write elsewhere. I thought I would devote time to books, and so on.

I didn't tell the Times the nature of this offer—I just told them I had taken another offer and they accepted my resignation. Then Arthur Krock (1887–1974) heard about it. At that time, he, Hanson Baldwin and I were about the only three Conservatives left on the Times. So Arthur Krock raised hell at the Times for letting me go and not making me any counteroffer. He thought that I had probably told them about the offer and they had refused to do anything to keep me.

Q. Then you were with Newsweek . . .

A. For twenty years.

Q. You had no problems there?

A. Not until Mrs. Graham took over.

Q. Did they interfere with what you wrote?

A. They didn't. But one time the editor called me up and said, "We are going to have a special space-age issue." The Russians had just sent up the Sputnik. "We would like you to write on the Sputnik." I told him, "You know, my contract calls for no interference with my column—not even suggesting a topic. I'm not very enthusiastic about this. All we know about the Sputnik is what the Russians claim." So the editor said, "Well if you don't write on it, we'll leave your column out of the paper. Okay?" So I wrote on it, suggesting that we really didn't know by any direct method what the Russians had done or hadn't done. It was the only sour note about the Sputnik in the issue.

Q. They published it?

A. Yes, but within a year they called me in and told me they were going to have Milton Friedman, Samuelson, and the Federal Reserve fellow, Wallich, write columns. So that was about it. They dropped me.

Q. The success of your books has been such that I know our readers would be interested in your experience with publishers. Did you have trouble getting Economics In One Lesson published?

A. When I got the idea for that I suggested the idea to Lu Mises, who nodded solemnly and said it's a good idea. He was neither very enthusiastic nor very unenthusiastic. Then I had lunch with Ordway Tead at the Century Club, of which we were both members. He was Business Book Editor of Harper's. I suggested the idea to him and he responded: "That sounds like a very good publishing idea. I'll publish it." I said, "Fine!"

Well, I sent a manuscript to the Reader's Digest and they carried two excerpts before publication. When they published the first one I called up Ordway Tead and said, "Ordway, I think that, as a result of this excerpt the Digest has printed, there's going to be a big demand for the book. I think you should publish a fairly substantial first printing." He said, "Well, I don't know. Do you think this really can be a big seller?" "Well," I answered, "I hate to go out on a limb on my own book, Ordway, but I think it can sell." He asked, "Can it sell big? Can it do 10,000?" "Oh," I said, "I think it can do that, but I am not going to go out on a limb and make any predictions." Well, anyway, he only published 3,000 copies of it. The first week after the book was out, Frances (Mrs. Hazlitt) called my attention to the fact that it was seventh on the Best Seller list for non-fiction.

Q. With 3,000?

A. Yes. And the second week it was out it was sixth on the Best Seller list. Then the third week it disappeared and it never got back on the list. The reason was there were no books. They didn't go back into print for several months.

Q. How many copies have been sold?

A. They sold 50,000 in hardbound. So far as I know, from the figures I have been able to collect, it sold about 700,000 in all editions—paperback and so on. There were eight translations.

Q. And a new edition will be available soon?

A. Yes, on March 1st.

Q. Your latest book is, of course, The Inflation Crisis from Arlington House ($8.95). It is going well?

A. It seems to be going quite well. It came out on August 1st. They printed 8,500 on the first printing and in November they notified me that they had gone into another printing. It's had pretty good reviews.

Q. What do you think is going to happen in the inflation picture now?

A. Just more inflation.

Q. They're not going to take your advice and break the government's monopoly of issuing money?

A. No, I think they're just going to accelerate the inflation. The probability is that the government will have about a $50 billion deficit. Even if they had only a $30 billion deficit, that wouldn't be much help.

Q. They have been putting a lot of the deficit "off the Budget." In my judgment the real deficit is the increase in the Debt. That is running between $65 and $70 billion.

A. Have you noticed the things that are "off Budget"? A very haphazard collection of things. Why these are "off Budget" is not explained. They do not even bother to explain the rationale.

Q. Do you think we will go into a "runaway inflation"? Or do you think we will have price controls?

A. I think we will have both.

Q. In that event can Carter be reelected?

A. Either he, or worse! As of now, I doubt that he would be nominated.

Q. Do you think his China policy is popular?

A. No.

Q. In the Democratic Party?

A. Well, I don't know what is going to happen in the Democratic Party. It looks as if they are going to go along—the way they have with every other thing he's done. I haven't heard much opposition. But there may be some.

Q. Do you see any hope in the Republican Party?

A. I don't see much.

Q. Then, you're as pessimistic as Ludwig von Mises was?

A. Whenever Frances and I would suggest optimistic ideas to Lu (Mises) he would say, "This is useless." I'm beginning to feel more and more that way myself.

Q. In his last years, I tried to console Mises by telling him he should be happy he had lived the last 90 years and not the next. He felt strongly that practically everybody who understood the situation was very gloomy about it.

A. I just came across a piece I wrote in 1944, for American Scholar, on the kind of world we were going into. I described the workings of the I.M.F. (International Monetary Fund) and all the organizations that were set up at that time with a world of international bureaucracy and said what they were going to lead to. It proved to be an accurate forecast.

Q. Did American Scholar ask you for it? Or did you submit it?

A. I was an editor of American Scholar at that time.

Q. And not even a college graduate?

A. Through some confusion they thought I was a member of Phi Beta Kappa. When they found out their mistake, they asked me, can you imagine, "Do you mind if we make you an honorary member?" I replied, "I would be very flattered." Instead, they dropped me. Anyway, the last thing that I did for them was to write this piece. They didn't like it, so they got Max Lerner to write an opposing piece on the same issues.

Rereading that article I am amazed at how clearsighted I was as to what was going to happen.

Q. Have you any more books in mind?

A. I am at present working on a political book with the tentative title of Is Politics Insoluble? I don't know whether I'll live to finish it or not. The general theme of that book will be whether we can sharply delimit the proper functions of government. And even if we can do that, is there any way that we can hold the politicians within those limits? Once you get democracy, you soon get a majority that nobody can find ways of restricting.

Q. The problem is "eternal vigilance."

A. Yes.

Q. But what we get is eternal vigilance on the part of the people who want to increase their own power.

A. Yes, that's exactly it. That's exactly it. The primary motivation of the politicians is to find ways of keeping themselves in power and of increasing that power.

Q. That's why we have inflation.

A. Yes, yes indeed.

Q. Is there anything further that you would like to say about the future?

A. I hope I'm wrong.

Q. Thank you very much, Henry Hazlitt. Your experience shows how times have changed. The ideological changes at the Times and Newsweek are significant. They came during the periods when you were with them. You have witnessed many changes and yet stood fast to the basic principles of limited government and economic freedom. If more of our opinion makers had your zest for analyzing the full effects of political interference with market processes, our country would not be in its present economic predicament.●

GEORGE GILDER COMPARES TAXES HERE AND ABROAD

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. KEMP. Mr. Speaker, opponents of tax rate reduction sometimes argue that the U.S. tax code cannot be very onerous, since it raises less revenue as a share of our economy than some other industrialized countries.

In a recent article appearing in the Wall Street Journal, George Gilder dispatched this argument definitively. Beyond illuminating the crudeness of these comparisons, Gilder shows that this difference results from the American tax code's inefficiency, not the after-tax incentives it allows to Americans.

George Gilder continues to be one of the most articulate exponents of a commonsense approach to social and economic problems, and I commend his excellent article to all my colleagues.

The article follows:

Taxes Here and Abroad

(By George Gilder)

In percentage of gross national product devoted to taxes, the U.S. in the 1970s ranked well behind most major European countries, including the buoyant economies of West Germany and France. Many observers have concluded from this that the so-called tax revolt is misguided and churlish; indeed, that it is a smokescreen for greedy conservatives who want to roll back the welfare state.

But the "liberal" riposte misses the mark. It suffers from a confusion between tax rates and tax revenues. And it stems from a simplistic analysis of social spending among the major industrialized nations.

For one thing, the difference in tax burden is more than accounted for by European transfer programs—medical insurance, child allowance and pensions—chiefly financed by relatively regressive social security taxes, which are far higher in Europe than in the U.S. But it doesn't necessarily follow that European social welfare systems are more "advanced" than in the U.S. Such transfer payments are heavily provided by private systems here. Blue Cross/Blue Shield operates almost exactly like a government transfer agency, for example. Through its mixture of public subsidies and private decision-making, the U.S. has a higher level of real medical spending—real diversion of resources to health care—than nearly all European systems, including Britain and West Germany.

Indeed, if transfer programs are excluded, the U.S. stands behind only Sweden and Denmark in government spending. OECD statistics indicate that as a proportion of GNP, U.S. real government expenditures—for everything from housing to nuclear missiles—marginally exceed Britain's, are 6.8 percent higher than West Germany's and are more than twice as high as Japan's.

But the critics suffer an even more crucial blind spot. They fail to distinguish between tax revenues and marginal tax rates. Otherwise they would see that the U.S. compounds its high direct appropriation of goods and services with what is probably the most progressive, complex and commercially destructive tax system in the capitalist world.

DIRECT COMPARISONS

Direct comparisons are tricky, but an OECD study indicates that in 1976 the U.S. taxed capital gains and assets at a rate eight times higher than Sweden, and approximately four times higher than Germany and Japan. We allow far less generous depreciation of new technology. Our taxes on business profits are about double those among our European competitors, and Sweden and Germany exempt many large and profitable businesses from all levies on profits. Except for Great Britain, the U.S. is the only country to gain substantial revenues from property taxes, which are paid heavily by business.

The situation is similar with individuals. In the U.S., average and low income workers pay lower taxes than in major European countries, and high earners pay more. For example, persons earning less than half the average income pay only 14 percent of the taxes in the U.S., compared to 18 percent in Britain 10 percent in Germany and 31 percent in Sweden. The top fifth of American taxpayers defray 71 percent of the income taxes, and over 90 percent of the taxes on wealth—far more than their European counterparts.

Inflation in a vicious circle enhances the progressivity and impact of taxes. Not only are taxpayers shoved into higher brackets despite no increase in real earnings, but taxes on income from savings and investment—quaintly described as "unearned" by the IRS—have risen to real rates of some 135 percent. Inflation often destroys a portion of principal much greater than the interest payment, which itself is nonetheless taxed at rates up to 70 percent. The low level of U.S. savings is due not to some peculiarity of the American temperament, compared to the "frugality" of Germans and Japanese, but to a confiscatory tax policy.

Steeply progressive rates may have an idealistic ring, but their effect is to reduce incentives for economic success, work and risk, and to favor the search for unproductive sinecures that make small encroachments on leisure time or household comforts.

If the economy cannot offer large rewards to enterprise, the ambitious man will seek the advantages of insurance and security, political power and bureaucratic pelf. In short, high marginal rates continuously undermine the very diligence and determination that are necessary to accomplish any useful work in the world. They diminish the motive to move up and promote the impulse to pull out and return to the household economy.

Since the U.S. has one of the most steeply graduated tax systems in the world—the rates most punitive to wealth—and since the U.S. demonstrably has lower rates of private savings and investment than any of its rivals, there is no doubt that our capital and investment taxes should be drastically lowered in the upper brackets. Such measures would not only improve the diversity and quality of our capital stock, particularly through the formation of new companies, but the cuts would actually increase tax revenues, as Arthur Laffer's famed Laffer curve implies.

Britain, Sweden and the United States could also move decisively down the Laffer curve and improve revenue by cutting their highest income tax rates. Particularly in Britain and Sweden there is ample evidence that tax avoidance, stimulated by high income tax rates, reached epidemic levels in the late 1970s. In Sweden work force withdrawal became such a problem that the government proposed to tax hobbies and other leisure activities, and famed economist Gunnar Myrdal, a lifetime socialist, was led to denounce income taxes.

Mr. Myrdal wrote: "My main conclusion is that income taxes are bad taxes from several points of view. . . . For the majority of people . . . a high and progressively increasing marginal tax rate must decrease the willingness to work more than necessary. . . . Of all the deficiencies in our income tax system, for the the most serious is that the laws directly invite us to commit tax evasion and tax cheating. The honesty of the Swedes has been a source of pride to me and my generation. Now I have a feeling that we are becoming a nation of hustlers because of bad laws." Gunnar Myrdal, meet Arthur Laffer.

THE LAFFER CURVE

For liberals concerned with the distribution of income, moreover, the Laffer curve offers a promise as seductive as any of the Keynesian strictures against austerity and thrift. Regressive taxes help the poor! It has become increasingly obvious that a less progressive tax structure is necessary to reduce the tax burden on the lower and middle classes. When rates are lowered in the top brackets, the rich consume less and invest more. Their earnings rise and they pay more taxes in absolute amounts. Thus the lower and middle classes need pay less to sustain a given level of government services.

In recent years, steeply progressive rates, exacerbated by inflation, seem to have steadily reduced productive investment among the upper economic classes in many Western countries and thus have forced steady enlargement of the tax burden on the middle class.

This situation, if one is lucky, ends in middle class tax revolts, as in the U.S. and Denmark, but it is caused by upper class rates and, ironically, will be worsened by reducing taxes on the middle class alone. Cuts in middle class rates will merely make the system more progressive and reduce still further the productivity of the rich. The middle class will have to support the government one way or another. This is the dead end of egalitarianism: To help the poor and middle classes, one must cut the tax rates of the rich.

These realities are dramatized most spectacularly in England and Sweden, where the highest nominal rates bring in negligible amounts of revenue, and anyone who strikes it rich immediately flees to Malta or Malibu to shelter his winnings, leaving the immobile middle class to pay the taxes.

But Jude Wanniski, Laffer's ebullient advocate, demonstrates that the effects of progressive taxation as taught in the West are most devastating in the Third World, where brain drain and capital flight can stifle the impulses of growth. In the U.S. the drastic decline in receipts from capital gains taxes after the rates were raised in 1973 shows that economic emigration can occur internally as well; potential investors simply withdraw their money from its most productive and taxable uses. Speculation abounds in existing commodities, in land and gold and art, or in gambling stocks, while the durable capital of the nation—necessary for all its future wealth—wastes away.●

INFLATION IS CAUSED BY GOVERNMENT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. PAUL. Mr. Speaker, a recent survey of the people of the 22d district of Texas revealed that their overwhelming concern is inflation. And with good reason.

Will prices ever stop rising? The Government admits to 13 percent inflation, but every homemaker knows that the real rate is much higher.

The politicians try to blame inflation on labor unions, businessmen, Arabs, and consumers, but only the Federal Government can cause inflation, and only it is responsible.

When the Federal Government spends money it does not have—some $30 to $50 billion this fiscal year alone—and pays the bills by creating new dollars out of thin air, the value of each existing dollar must fall. Even worse, off-budget and other hidden expenditures have added $99 billion to the national debt, which is also financed with inflation.

At the Bureau of Engraving and Printing in Washington, D.C., giant printing presses run 24 hours a day, 7 days a week, 365 days a year, printing up new paper money. The Government also creates new money in the banking system, by a complicated process called monetizing the debt. What this all amounts to is inflation.

The can of peas that you buy today isn't more valuable than the can you bought a year ago. But your money is worth less. This is what causes prices to go up. High prices are a consequence of inflation, not its cause.

BUSINESS DOES NOT CAUSE INFLATION

Some argue that greedy businessmen are the cause of inflation. Are businessmen today more "greedy" than they were in the 1950's and early 1960's, when prices rose much more slowly? If greed can cause prices to rise 13 percent, why not 130 percent or 1,300 percent? If businessmen tried it, they would go out of business. The reason is that nobody would pay $10 for a can of peas with the number of dollars in circulation today. But if that number continues to increase, peas may be $10 per can in the near future. Competition tends to keep the price as low as possible.

UNION WORKERS DO NOT CAUSE INFLATION

Others say that greedy union workers demand wages that cause businesses to raise their prices, and this is what brings about inflation. But in all inflationary periods, unionized workers—like all working people—fall behind the rising cost of living. How can it be fair for Government to hold raises to 7 percent when inflation is at least twice that? If unions are so greedy, and have this power, why do they not push up wages 100 percent instead of 10 percent?

If a company allowed this, it would have to pass on the increased costs to the consumers in much higher prices. But this wouldn't be possible, because again you wouldn't pay $10 for a can of peas. In fact, for working people to stay even with the cost of living—given our inflation and tax system—they would have to get raises of 18 percent or 20 percent a year. No union is getting these kinds of increases.

Any person who works for a living deserves to be paid in a currency that maintains its value and not have part of his pay stolen by loss of purchasing power.

CONSUMERS DO NOT CAUSE INFLATION

A few years ago, the Government ran an expensive advertising campaign blaming inflation on consumers for being too greedy. TV commercials—produced at your expense—showed snorting people with the heads of pigs, asking for more and more.

People have always wanted a better life for themselves and their families, and only Government—constantly grasping for more money and power from the people—could condemn this as wrong.

Are people today more "greedy" than in the past? To ask the question is to answer it. Human nature is not different today than it was 1,000 years ago.

But people can spend only so much without ending up in bankruptcy.

ARABS DO NOT CAUSE INFLATION

The Government blames inflation on the Arabs. Oil is getting more and more expensive, and the Arabs do want every dollar they can get.

But if the money supply were not increasing, and we had to spend more on foreign oil, we would have less to spend on everything else, which would mean less demand and lower prices for non-petroleum-related products. The overall cost of living would not increase.

We import about half our oil. Switzerland, West Germany, and Japan—with much lower inflation rates—import all their oil. If OPEC caused inflation, they would be in worse shape than we are. But they aren't because their governments inflate less.

PRINTING PAPER DOLLARS WILL NOT HELP

Just since 1970, we have seen the U.S. money supply more than double. This has meant more paper dollars in circulation, but not, of course, more wealth. This is the reason prices go up.

INFLATION IS A TAX

Since the Federal Government uses inflation—the creation of new money—to pay its bills, we can look on it as a tax, a tax we all pay in higher prices.

But inflation is an exceedingly unfair and regressive tax. Not all sectors of the economy suffer equally. In fact, some benefit, since inflation results in a transfer of wealth from savers and workers to speculators, bureaucrats, and the special interests favored by Government.

Inflation also breeds mistrust. Its economic effects are so destructive, because it leads—as it has in our country—to rising prices and rising unemployment.

It misdirects the economy and prevents accurate assessment of future business conditions, thus contributing to bankruptcies of cities and corporations, like New York City, Cleveland, and Chrysler.

At first, inflation does "stimulate" the economy, in the same way a dose of heroin stimulates a drug addict. It feels great for a while, but there is a price to be paid.

Eventually, the economic conditions created by inflation lead to social discontent and anger, as classes, races, and regions are set against one another. Everybody grows irritable and uncertain about the future, as they find it harder and harder to make ends meet.

Plans become difficult to make, and evoryone directs his efforts toward day-to-day survival, rather than the long-term efforts that build an economy and a society.

INFLATION IS THEFT

People who worked hard and saved, the retired and others on fixed incomes, are robbed, just as surely as if an armed criminal mugged them on the street. The very people who should be rewarded for their effort in caring for themselves are the ones hurt the most.

Morally, inflation is not different from the private counterfeiter printing up notes in his basement, and buying goods and services with them. Everyone sees this as stealing—fraudulently exchanging something worthless for something valuable. And this is exactly what the Government does through inflation. If a private counterfeiter were never caught, his counterfeiting would "stimulate" the economy as much as the Government's.

INFLATION IS NOT A MODERN INVENTION

Long before big business, labor unions, and OPEC, there was inflation. Governments well realize that people will pay only so much in outright taxes (inflation usually starts when taxes reach 25 percent), and the later Roman emperors, for example, routinely diluted their silver and gold coins by adding more and more cheap alloys. This expanded the money supply and enabled them to pay for more welfare programs—for a time. But prices rose dramatically, and the resultant economic distortions helped lead to the breakdown of the empire and the coming of the Dark Ages.

During our Revolutionary War, the Continental Congress printed $240 million of paper money to pay the government's expenses. Prices rose, and by the time we had won, a paper dollar was worth 2 cents in silver or gold money, leading to the saying, "Not worth a Continental."

During the Civil War, both the North and South inflated. Prices doubled in Washington, D.C., from 1861 to 1865, thanks to the $400 million worth of paper greenbacks. After the war, it took three paper dollars to buy one gold dollar.

The South went on even more of an inflationary binge, so the region was not only devastated militarily, it was also wiped out economically. It was generations before the South recovered.

FALLING PRICES ARE NORMAL IN A FREE-MARKET ECONOMY

During the 19th century in America, except in times of war, prices fell. In fact, this is the normal condition in a free market economy. Some of the modern economists claim that without inflation we cannot have economic growth. But this is just not true. Wages, in the 19th century, bought more and more each year, as economic growth and industrialization continued at the greatest pace in the history of mankind.

It is only government that gives us what today seems normal—constantly rising prices. Constantly rising prices are not a "fact of life," they are an act of government. This inflation undermines growth, so we are all much less well off than would otherwise have been the case, without constant printing of billions of paper dollars.

PRICE AND WAGE CONTROLS DO NOT STOP INFLATION

Price and wage controls, which have been tried for more than 4,000 years by inflating governments, have always failed, because they attack a symptom of inflation, not its cause.

Controls make as much sense as a doctor dipping a thermometer in ice water to cure a fever.

In fact, controls cause shortages, black markets, and rationing, as the government continues to pump out paper money.

Price and wage controls—or even guidelines—are like sealing the hole on a pressure cooker while keeping the burner on high. Something has to give. The only way to lower the inflationary pressure is by turning off the monetary heat.

What if the Texas State government, as a "solution" to rising housing prices, told everyone that he couldn't sell his house for more than it would have brought in 1969.

Would this make housing cheaper, or would it kill the housing market, making houses unavailable for buyers and violating the constitutional rights of sellers? The answer is obvious. A few house sales would take place, but in secret on the black market. Law-abiding Texans would be turned into criminals.

SOUND MONEY IS THE ANSWER TO INFLATION

The Founding Fathers, after their experience with inflation during the Revolution, said that real money was gold or silver.

A dollar was about 1/20th of an ounce of gold. But we have had so much inflation that today's dollar—which is only a piece of paper backed by nothing—is worth less than 1/400th of an ounce of gold.

To end inflation, we need to stop deficit spending and have a dollar that is tied to a specific commodity, like gold or silver.

The Government has now brought on a recession deliberately, in an attempt to lower prices. It may do so for a time, but at what a cost in human suffering.

It also, in an absurd attempt to "stop inflation," dumps the gold that once backed our dollar in hopes that it will lower the price of gold and somehow miraculously lower all other prices. All it accomplishes is the loss of our gold to Arabs and European banks, and the inflation rages on.

We can have strong economic growth, more jobs and prosperity, and an end to rising prices, only with a sound dollar that can't be inflated.

Let us pull the plug on the printing presses, stop the destruction of our money and our country through inflation, and encourage the healthy economic growth we need.

TURKEY'S TRAVAILS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

• Mr. DERWINSKI. Mr. Speaker, the biggest cloud over U.S.-Turkish relations in recent years has been the Cyprus issue. I wish to insert at this point an especially pertinent and fair analysis of this diplomatic situation by Dankwart A. Rustow. Mr. Rustow is a professor of Political Science at the Graduate Center of the City University of New York, and is honorary past president of the Turkish Studies Association of North America.

His essay, "Turkey's Travails," follows for the attention of the Members:

TURKEY'S TRAVAILS

(By Dankwart A. Rustow)

No nation that has maintained close relations with the United States for the last generation is so little understood by well-informed Americans as is Turkey. Even West Europeans, from their closer vantage point, are rarely better informed. In part, this lack of understanding may be due simply to limited contact. There is in the United States no sizable Turkish-American community, hence no ready Turkish constituency in American public opinion. In Western Europe, Turks are present in large numbers—but as guest workers living with their families, apart and unassimilated in the more crowded parts of the cities, and eager to save enough of their wages for the ultimate return home to Turkey.

Perhaps, too, it requires a larger effort of the imagination than most of us are accustomed to making to grasp the seeming contradictions of a country that is part in Europe, part in Asia, bordering on the Soviet Union in the north and the Arab countries in the south; a developing nation that is a dedicated and vociferous democracy; a Muslim population in a secular state; not to mention a country with a Central Asian language written in the Roman alphabet.

Moreover, the Turks themselves are proud, sometimes too proud to explain themselves to others, or to undertake the frank and detailed exposition of their case that committees of the U.S. Congress or visiting missions of the International Monetary Fund may seek as a basis for their actions. And Turkish pride has deep roots.

Unlike most countries in the early phases of industrialization, Turkey has no history of having been a foreign colony. Its governmental tradition dates back to the infancy of the Ottoman state in the thirteenth century, and includes three or four centuries during which Ottoman Turks dominated most of southeastern Europe as well as most of the Muslim Middle East.

In the contemporary era, Turkey's political independence was reasserted after the collapse of the Ottoman Empire in 1918, as Kemal Atatürk founded the modern Turkish Republic. And although Atatürk's Turkey undertook an ambitious program to westernize its culture, its foreign policy retained an element of deliberate isolation. Indeed, a somewhat self-conscious and assertive nationalism remained one of Turkey's most notable cultural imports from the West. Today Turkey is truly a nation-state: of its present population, 99 percent are Muslims, and 90 percent speak Turkish as their native tongue; conversely, over 90 percent of all Turkish speakers are citizens of the Turkish Republic.

Yet Turkey's very location is international, and suggests multiple connections rather than splendid isolation. The close links with Europe that have developed in the last generation through participation in the European Recovery Program, membership in the Council of Europe and formal association with the European Economic Community were a logical outgrowth of the cultural westernization of Atatürk's generation. In the 1940s and 1950s, close ties with the United States and membership in NATO were welcomed as a counterweight to the Soviet threat from the north; more recently, as some strains developed in the relationship with the United States, there has been a limited rapprochment with the Soviets. Turkey has also special and obvious ties with the Islamic countries, including its Arab neighbors, and a sense of affinity with the developing, and predominantly neutralist, Third World. With its Greek neighbor to the West, relations have alternated between close friendship and overt hostility; for some years now, Turkey and Greece have been embroiled in bitter disputes over the future of Cyprus and over territorial rights in the Aegean Sea.

Internally as well, Turkey's situation is complex and in some respects paradoxical. Since Atatürk's day, secularism has been deeply embedded both in the constitution and laws of the country and in the political consciousness of its elite. One natural result of the introduction of political democracy in the 1940s was the emergence of Islamic fundamentalism as a minor but persistent theme. The decision to become a democracy has not been seriously questioned since it was made in the 1940s. Yet in the last two decades there have been two distinct episodes of military intervention in politics, and today the excesses of terrorism, as well as prolonged parliamentary deadlocks threaten to make the country at times all but ungovernable.

Finally, the economic welfare of Turkish citizens has improved dramatically in the last quarter, with per-capita income rising from around $300 to its present level of over $1,000, and with growth rates as high as nine or ten percent annually in the early 1970s. Yet this economic growth turned out to be extraordinarily vulnerable to the global oil crisis of 1973–74 and the consequent recession of 1975; and, for the future, it is heavily mortgaged by a still rapid rate of population growth. As a result Turkey has found itself in a severe balance-of-payments crisis, its economy has been reduced to desperate straits, and an emergency rescue effort has had to be mounted by the Organization for Economic Cooperation and Development (OECD) and the International Monetary Fund (IMF).

So, today, mention of Turkey raises many difficult questions. Are its Western alignments and close ties to the United States about to be weakened to the point of near-neutrality in favor of expanded ties with the Soviet Union, the Arab world, or perhaps some possible future alignment of Islamic nations? Can the Cyprus question be resolved so as to bring Greece as well as Turkey fully back into the NATO fold? What prospects are there for putting the economy once again on a sound basis? And is there hope of reestablishing responsible and effective government—or is Turkey likely to be mired down in group conflict and terrorism, to become, perhaps, "another Iran"?

These questions obviously interlock, and cannot be answered without some attention to the recent historical background. And, for Americans, the best place to start such a historical summary is the story of how Washington and Ankara first came to establish such close political ties.

U.S.-Turkish relations started off auspiciously after World War II. There was a strong residue of Turkish goodwill toward the United States, based in part on the long record of American philanthropic and educational activity in the country. By the 1930s, Robert College in Istanbul had become one of the most prestigious centers in Turkey for training its growing commercial and technical elite. American championship of national self-determination after World War I was in welcome contrast to the imperialist ambitions of European powers, and as Turkey faced the prospect of foreign occupation and partition in 1919 there was even some sentiment in favor of establishing an American mandate over the country.

In the specific situation of the late 1940s, there was an almost perfect coincidence of U.S. and Turkish interests in the face of communist activity and Soviet expansionism. In Greece, communist guerrillas were fighting to get control of the government. In Iran, the Soviets were delaying their military evacuation after World War II, and instead encouraging the formation of two local "People's Republics" hard on the Turkish border. And this pincer-like movement from Greece and Iran was combined with direct Soviet pressure—for retrocession of the eastern Turkish region of Kars (which had been Russian territory from 1878 to 1920) and for "joint defense" of the Bosporus and Dardanelles (which would have meant Soviet naval bases on the strategic Turkish straits). Having maintained her neutrality and territorial integrity against great odds while surrounded by belligerents in World War II, Turkey unflinchingly rejected all such Soviet demands—while hoping for Western backing in any ensuing contest.

In Washington, communist activity in Greece and Iran and Turkey were seen as an extension of Soviet expansionism in Eastern Europe, and as a direct challenge to Allied efforts to establish a peaceful global order through the United Nations. When Great Britain, in 1947, declared itself unable to carry the burden of military and economic assistance to Greece and Turkey, Washington was ready to fill the gap. The President's message to Congress became known as the Truman Doctrine—the first clear statement of the policy of containment of Soviet expansionism.

The policy in its first application was a success. The communist threat in Greece was averted, Soviet moves in Iran were thwarted, and Moscow renounced its demands on Turkey. Indeed, the Soviet-Turkish frontier remains the only area where Moscow's power has never expanded beyond the 1921 borders of the Soviet Union. Turkish gratitude was expressed, among other ways, in the prompt and generous response to the call for troops in the U.S.-sponsored U.N. "police action" in Korea. As Professor Fuad Köprülü, then Turkey's Foreign Minister, explained at the time: "If I do not give help today, how can I dare ask the United Nations for help when I am in need of it tomorrow?" This commitment to mutual security was carried forward in 1952 with U.S. sponsorship of the admission of Greece and Turkey as full members of the Atlantic Alliance. In Korea, Turkish soldiers had distinguished themselves for valor in close combat and for resistance to "brainwashing" when taken prisoner. Within NATO, Turkey contributed the most numerous and most poorly paid land forces. As a U.S. general testified before Congress in 1952: "I know dollar for dollar you are getting more in Turkey than you are any place else in the world."

Yet this early coincidence of U.S. and Turkish interests soon blurred out of focus. The very success of the containment policy in its first chosen arena allowed both partners to turn their attention to other matters—Turkish leaders mostly to domestic problems in a developing democracy, U.S. diplomats and military planners to other confrontations with communist power as far away as Berlin or Vietnam, or as close to home as Cuba.

The extension of the containment policy to the Middle East in the 1950s, moreover, was beset with basic difficulties that had not been present earlier. At the time of the Truman Doctrine, British power was still solidly entrenched in many parts of the Middle East, from Suez to Cyprus to the Persian Gulf and Aden. American policy thus was buttressing the outer defenses of a region still under Western hegemony. But by the time Secretary of State John Foster Dulles tried to link the anti-communist cordons sanitaires of the North Atlantic Treaty Organization (1949) and the South East Asia Treaty Organization (1954) with a Central Treaty Organization (CENTO) based on the Baghdad Pact (1955), the situation had fundamentally changed. The British were in full retreat throughout the Middle East and were leaving behind an array of newly independent states, all of them weak and most of them at odds with their neighbors. The resulting checkerboard alignment in the Middle East and North Africa created many opportunities for an intrusive power such as Russia aiming at the destabilization of existing political relationships. Conversely, it created innumerable problems for an outside power such as the United States which, without itself assuming any imperial commitments, was trying to promote peace, stability and a common regional defense.

Dulles' "Northern Tier" concept of Middle Eastern defense implied a pivotal role for Turkey as a member of both NATO and CENTO. Yet by the time CENTO was formed (with Turkey, Iran, Pakistan and Great Britain as members, after Iraq had opted out), the Soviets already had established close relations with Egypt, and were about to do so with Iraq. (Indeed, the effort to include Iraq in the Northern Tier scheme only hastened the abrupt transition in that country from a pro-Western to a pro-Soviet regime.) CENTO thus went little beyond a set of separate and parallel U.S. agreements on military aid with each of its Middle Eastern members. Perhaps Washington's failure to join CENTO as more than an associate member reflected some second thoughts about the purposefulness of the arrangement.

As the strategic constellation in the Middle East imperceptibly shifted, so too did the nature of U.S.-Turkish relations. The close bilateral relationship, which had been accepted as an obvious imperative on both sides in the face of the Russian threat of the late 1940s, came gradually in the 1950s to be viewed as a convenient means to other ends. For financially hard-pressed governments in Ankara, the U.S. foreign and military aid programs became a cornucopia of subsidies. For Washington, the Turkish government became a ready source of diplomatic assistance with complex tasks—as when pacts of friendship and mutual military assistance among Turkey, Greece and Yugoslavia (1953, 1955) created an indirect diplomatic connection with Yugoslavia's President Tito into which the United States did not care to enter directly; or when Turkish approaches to Pakistan and Iraq (1954–55) satisfied Dulles' requirement that the initiative for a common defense of the Northern Tier must come from within the region iteslf. Instrumental, manipulative relations such as these work tolerably well while the interests on both sides remain compatible. They are subject to sudden strains and recriminations when interests unexpectedly diverge—as when Washington in 1962 considered trading Russian missiles in Cuba for U.S. missiles in Turkey without consulting Ankara; or when Turkish intervention in Cyprus (threatened in 1964 and carried out in 1974) upset U.S. assumptions about Greece and Turkey as the solid southern flank of NATO.

In the mid-1940s, as Turkey and the United States were establishing their close strategic alliance, Turkey also embarked on a fundamental transformation in its domestic politics from authoritarianism to democracy. The two changes of foreign and domestic course were not unrelated: a fuller commitment to democracy—the government of President Ismet Inonu hoped—would encourage firmer support from the victorious Western democracies against any aggressive designs the Soviets might have.[1] It was too early, in mid-1945, for anyone to anticipate what close relations the United States would soon develop with assorted dictatorships such as those of Peron, Rhee, Franco, Diem, Thieu and the Shah.

But there were also sufficient domestic reasons for making the transition from a one-party leadership regime to free competitive elections in a multiparty system. The Turkish war of Independence (1919–22), in which Kemal Atatürk laid the foundations for today's Turkish Republic, had been fought in the name of popular sovereignty, and there had been two previous experiments with legalized opposition. In World War II, Turkey had preserved its neutrality at the cost of prolonged maximum mobilization and a disruption of trade—and hence shortages, inflation, widespread hardship and incipient unrest both among urban workers and rural peasants. Inönü's decision to allow the formation of opposition parties was meant, most immediately, as a safety valve for such internal pressures. And after some initial hesitation in Inönü's own party, the decision was reaffirmed after 1947 with commitments to full freedom of expression and scrupulous honesty in elections that proved effective enough to secure a landside victory for the opposition in 1950.

It would be foolhardy to attempt to forecast in detail future developments in any situation as laden with tensions as Turkey's internal politics. Yet one possibility that can be ruled out with some confidence is that of Turkey becoming "another Iran," for the two countries, adjacent on the map, are far apart in their political and social structures.

A revolution of the Iranian type is one likely sequel to a heavyhanded, repressive regime that has come close to eliminating all political alternatives: a collapse from internal causes (e.g., Iran in 1978–79 or Portugal in 1974) or from defeat in war (Russia in 1917, China in 1949). By contrast, Turkey has no Czar or Salazar, no Shah or SAVAK secret police: its recent political ills are not those of repression, but of excess of expression. And, of course, Turkey has been spared Iran's mixed blessing of billions and billions of dollars in sudden oil revenues.

With Russia so close, one of the most worrisome aspects of the Iranian revolution has been the centrifugal tendency already apparent in Azerbaijan, Persian Kurdistan, and the Arab-speaking oil region of Khuzistan. The Persian-speaking majority in Iran scarcely exceeds 60 percent, and the ethnic minorities in all the outlying regions have long traditions of separatism. In contrast, Turkey's only two linguistic minorities—the Kurds (seven percent) and Arabs (1.2 percent)—are gradually being assimilated by the intense internal migration that is so characteristic of present-day Turkey. Those who remain behind in their southeastern or southern regions are of some weight in local, and hence national, politics: several prominent party politicians are known to be of Kurdish origin. Although there has been some sporadic Kurdish unrest, it has not in the last half century taken the form of organized separatism as in Iran, or of prolonged civil war as in Iraq.

Another fundamental contrast is that Iran is a Shi'i and Turkey a Sunni country, and since the Sunni-Shi'i split goes back to the earliest days of Islam it is far more pervasive than any division between say, Roman Catholics, Greek Orthodox, and Protestants, among Christians. Turkish political groups that are committed to (or perhaps flirt with) Islamic fundamentalism, such as the National Salvation Party, thus are emphatically Sunni in orientation and would feel profoundly repelled by any regime of Shi'ite ayatollahs. The elaborate hierarchy that made the Shi'ite clergy the best organized opposition to the Shah is absent among Sunnis. Shi'ism, moreover, became identified over the centuries with Iranian nationalism in its tenacious self-assertion against Arab and Mongol conquest, and more recently Western imperialism.

By contrast, Turkish nationalism is of far more recent origin and took the form of a militant secularism. Even the demagogically skillful National Salvation Party, as we saw, never received more than 12 percent of the vote. There is in Turkey a group of Alevi Muslims (a religious tendency related to Shi'ism) estimated at perhaps five percent of the population, but the Alevis lack any comprehensive religious organization, and in Turkey they have mostly been strong supporters of the Republican People's Party, in whose commitment to Atatürk's secularism they see the best guarantee against Sunni discrimination.

For better or worse, all Turkish political tendencies, ambitions, frustrations and animosities are out in the open and not, as in the Shah's Iran, suppressed. And one of the genuine virtues of democratic openness is that it provides some guarantee against political surprises or abrupt change.

Barring, therefore, any dramatic upheaval as in Iran, the likeliest prospect for Turkey is the continuation of one or another political pattern of its recent past. For instance, a military intervention of the 1960 or 1971 type, though unlikely, cannot be ruled out. More probably, there will be intermittent periods of martial law to cope with the deadly violence that right-wing and left-wing extremists have directed against each other; or with local flareups in response to unemployment, such as the recent rioting in Kahramanmaras. A Republican-Justice Party coalition, such as the military imposed in the early 1960s and like those sometimes advocated today in Istanbul business circles, is impossible while Ecevit and Demirel remain in the lead, and implausible without them; at any rate, such a combination of opposites is as likely to result in political paralysis as in decisive, broadly based action.

Prime Minister Ecevit's performance after January 1978, caused some disillusionment among his supporters, who accused him of passivity and indecision. Yet neither his slender parliamentary majority nor the parlous condition in which he found the nation's economy permitted quick, dramatic solutions. And hair-breadth majorities and complex maneuvers are likely to remain part of the Turkish parliamentary and government process—unless the country's lawmakers in some future interval of calm reflection manage to replace the current system of proportional representation with something more like the British-American single-member plurality system with its known tendency toward solid parliamentary majorities. Meanwhile—and ironically—the continuing negotiations for the rescheduling of Turkey's foreign debt may provide some modicum of expectation for political continuity. For what ambitious and adroit politician would not prefer his predecessor to have made the painful decisions on devaluation and austerity?

In view of the magnitude of the problems confronting Turkey, the solid if undramatic progress of the last year and a half should not be underestimated. In the face of clear need, as in December 1978, Ecevit's government did show itself capable of overcoming its distaste for martial law. And following the decision taken by President Carter and Chancellor Helmut Schmidt on Guadeloupe in January 1979, 12 other OECD members joined in pledging varying sums for Turkey's financial rescue by May. The austerity measures and devaluation imposed are not on the scale demanded by the IMF; yet there is every expectation that the painful and laborious process of rescheduling Turkey's debt will be accomplished. Once the level of devaluation has been finally agreed upon and implemented, one may expect an automatic increase in workers' remittances, which in turn should ease the foreign payments and import situations. That, in turn, may become the prelude to greater employment and reduced inflation, that is, to gradual, all-round recovery.

Next to the foreign debt, the most immediate problem on Turkey's diplomatic agenda is likely to be a new defense cooperation agreement with the United States. Fortunately, the lifting last year of the congressional arms embargo has cleared the way for this—while earlier the U.S. military found itself in the paradoxical position of having interrupted the existing pattern of cooperation, yet hoping that Turkey would agree to new forms of such cooperation, such as overflight rights for some show of American air strength in the Iranian crisis, or U–2 overflights to monitor future Soviet compliance with SALT.

In future U.S.-Turkish negotiations it would be well to distinguish clearly between American contingency planning for possible crises involving oil and the Middle East on the one hand, and NATO's common defense against the Soviet Union on the other. It would be unreasonable to try to use Turkey as an American springboard for unspecified Middle Eastern actions, and no conceivable Turkish government could be expected to give its U.S. ally *carte blanche* in this regard.

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[1] During a lengthy interview in Ankara in 1954, I asked ex-President Inonu what part if any, foreign policy consideration had played in his decision to announce the transition to democracy in 1945. He became quite irritable and reminded me in reproachful tones that I myself had detailed for him the precedents in the history of the Turkish Republic that had pointed to that outcome. With a contemptuous gesture he dismissed "all that slander that has been spread about me, as if I had been swimming with the stream." After a pause, he visibly relaxed, and with a sly smile added: "And suppose I had been swimming with the stream; that, too, is a virtue."

On the other hand, governments both of the Justice and the Republican People's Parties have supported Turkey's continued role within NATO. There is no reason to suppose that the internal political tensions within Turkey or its recent agreements with the Soviet Union will weaken Turkish commitments to NATO—any more than terrorism in Italy or Spain, de facto Communist participation in Italy's government, or West Germany's Ostpolitik have weakened the basic commitments of those allies. It cannot be emphasized enough that, despite the strong Turkish public reaction to the U.S. arms embargo, Turkey did not follow Greece's example then or France's earlier example in withdrawing from the military aspects of NATO.

Whatever the details of future U.S.-Turkish defense cooperation within and beyond NATO, it would be unproductive to link these matters to the Cyprus question—which ought to be tackled concurrently and in its own right. In any future negotiations about Cyprus, it is perhaps too much to expect anyone but Turks to remember the crucial contribution which Turkish intervention in 1974 made to the restoration of democracy in Greece, and thus indirectly to Greece's pending admission as the tenth member of the European Community; or that Turkey's action at the time was based on its right of intervention under the Cyprus Treaty of Guarantee.

With a view to the future, it is more important to recall that the unitary constitution of 1960, with mutual veto powers for the Greek and Turkish representatives in a Cypriot parliament, was never implemented and was, indeed, inherently unworkable. A workable arrangement, at a minimum, would have to recognize what remained the central reality through four centuries of Ottoman and eight decades of British rule—the coexistence on Cyprus of two separate communities. A bizonal federation such as the one envisaged by Turkey would leave each community to administer its own affairs without interference or legal veto from the other, while allowing the two separate entities to work out their common economic and political concerns, and their future federal institutions, by mutual consent.

The major practical question would seem to be one of an agreed reduction of the Turkish zone from its present de facto size of 40 percent of the island to something corresponding to the Turkish proportion of population and pre-1974 land holdings. It is well to note that the Ankara government has never rejected such a reduction, nor indeed a withdrawal of Turkish troops—but it would expect to effect both as a result, not as a precondition, of negotiations about the island's political future.

In future U.S.-Turkish relations, perhaps the spirit of negotiations will be even more important than any concrete details. It would be unprofitable for Turkey to assert publicly, as one of its former prime ministers and governors of the Central Bank did privately: "You must pay our bills because you need us." To link the future use of intelligence facilities in Turkey directly to questions of military and financial aid would reduce Turkey's status from that of an ally to that of a mercenary, and would be as unhelpful as it has been for Americans to try to link negotiations over U.S.-Turkish defense cooperation to progress in negotiations over Cyprus.

Turkey's liveliest cutural links have long been with Europe rather than with the Middle East, and they are being reinforced today by Turkish guest workers returning from Western Europe and by businessmen eager to promote closer association between Turkey and the European Community. Turkey has been a member of the Atlantic Alliance for 27 years, and the Russian threat, however dormant, has not diminished in its potential. Turkey's society and politics are profoundly committed to democratic elections, freedom of expression and political equality. Although the possibility of full membership in the European Community remains a distant prospect for the 1990s, it provides a further guarantee against authoritarian upheavals—for the Community in its dealings with Spain, Portugal and Greece has left no doubt that none but democracies need apply.

The diplomatic agenda between Washington and Ankara today is more intense and varied than it has been for a quarter century, creating opportunities both for much friction and for a large amount of give and take. With sympathetic understanding from both sides, it can also become the basis of a new and sounder relationship in the future.●

NATIONAL AVIATION FACILITIES EXPERIMENTAL CENTER

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 16, 1979

● Mr. HUGHES. Mr. Speaker, it is with special pride that I call my colleagues' attention to a first-rate article appearing in the October issue of Air Force magazine on the work being done at the National Aviation Facilities Experimental Center located in Pomona, N.J.

NAFEC is the center of the Government's research and development activity in the field of air safety. At the present time, over 200 projects are underway all geared toward promoting greater safety in the air for civil aeronautics as well as improving our system of air traffic control. It is a massive operation employing 1,500 dedicated employees in many specialties, each one an integral part of the overall air safety field. I am very pleased that these hard-working Government employees have received the recognition they deserve for their efforts by having their story told in such a national magazine.

The research now taking place in the varied field of air safety will serve the world's civil air industry and its passengers well in years to come by making air travel even safer than it is now. With the enormous increases projected for travel by air in the future, the work going on at NAFEC becomes even more important.

The text of the article describing NAFEC's activities follows:

[From Air Force magazine, October 1979]

NAFEC: TODAY'S R&D FOR TOMORROW'S AIR SAFETY

(By William P. Schlitz)

There is the inbound and outbound international air traffic. There are the commercial transports servicing the major population centers. And the puddle-jumping commuter airliners linking the smaller cities. There are the corporate aircraft and air freighters. There is the multitude of general aviation aircraft. And increasing numbers of helicopters. And the armada of military planes.

Each day, many thousands of aircraft occupy airspace over the United States. Ponder this: The airlines *alone* in 1978 flew some 226.8 *billion* passenger-miles. If that weren't enough, controlled air traffic in the US is expected to grow by a staggering 200 percent in the next twenty years, barring some cataclysmic upheaval in the economy.

What's to keep the National Airspace System from being saturated, overwhelmed by sheer numbers?

In the past two decades, as air traffic has mushroomed, the National Airspace System has evolved to contend with it, and a major effort is underway to continue that process.

Controlling civil air traffic in general—and its safety in particular—is the responsibility of the Federal Aviation Administration. FAA's strong right arm in developing the equipment and techniques to meet tomorrow's air traffic control needs is the National Aviation Facilities Experimental Center (NAFEC), located near Atlantic City, N.J.(see box).

As a research and development facility, NAFEC is unique. At any given time it has some 200 projects in progress that are representative of its blanket approach—limited by the usual budgetary restraints—to air traffic control and safety.

In microcosm, the functioning of the nation's air traffic control system can be demonstrated by the airport-to-airport flight of a single jetliner, and entails essentially three phases: The airliner, operating under instrument flight rules (meaning it must file a flight plan and abide by FAA air traffic control procedures), departs an airport, adhering to the instructions of an ATC operator in the airport's tower. Next, at a certain point it is "handed off" to the en route traffic control centers—there are twenty sited around the country—along its flight path. These track the airliner's progress by radar and issue instructions (weather avoidance, etc.) when necessary. Finally, it is then handed off for landing instructions to a tower operator at the airport terminal at which it will land.

Multiply this by the thousands of such aircraft flowing in and out of air terminals each day. The system that has evolved to handle all this traffic maintains, in ATC jargon, aircraft "separations"—that is, prevents collisions. Over the years, the safety record in this effort has been excellent. In the close to 30,000,000 IFR flights since 1971, there have been just three airliner collisions involving fatalities, or one in *ten million* flights. Each year, though, reported near-collisions have increased and now number in the hundreds. And as air traffic density grows, so will the risk of actual collisions.

"DISCRETE" IDENTIFICATION

As the nation's ATC system has evolved, into it has been integrated computers to automate much of the work of the radar/console/operator combination. Currently being field-tested is a promising new computerized system that could greatly improve the capacity, accuracy, and reliability of aircraft control and safety.

Being tested and evaluated by NAFEC is the Discrete Address Beacon System (DABS) that consists of computerized ground equipment working in harness with a special transponder (for transmit/respond) to provide an automatic data link for the exchange of information between aircraft and air traffic controller—data currently transmitted by radio in a time- and effort-consuming process.

In dense air traffic under the system now in operation, controllers are sometimes confused when aircraft in close proximity "garble" (overlap) their signatures on a radar screen. The DABS transponder, on the other hand, emits its own "discrete" call sign and thus a controller can pick a specific aircraft out of the many blips that may be on his scope.

Through the data link, aircraft automatically receive traffic warnings and emergency collision avoidance commands, if need be. Also appearing on the DABS cockpit display—again automatically—is information on wind shear and other weather conditions, minimum safe altitude warnings, and airport advisory information. As it is now, this essential data is relayed to the aircraft by the controller.

Built by Texas Instruments Inc., Dallas, under contract to NAFEC, DABS has been designed for compatibility with the present Air Traffic Control Radar Beacon System and other aircraft transponders now in use so that it can be gradually integrated into the system at a minimum cost to users.

NAFEC officials estimate that DABS implementation throughout the US would require as many as 300 ground facilities costing about $1 million each. The transponders aboard commercial aircraft would run about $12,000, with simplified versions for private aircraft at about $2,500.

NAFEC is hoping to have operational DABS ground facilities at forty of the nation's airports by 1984.

"One interesting aspect of DABS and its data link to be revealed in field tests," commented NAFEC Director Joseph M. Del Balzo, "will be pilot reactions to it. With the big reduction in radio chatter between air and ground—radio contact reassuring to aircrews—there is bound to be some initial uneasiness."

Eventually, NAFEC engineers hope to link DABS ground units into a nationwide net of terminal and en route automated traffic control systems with unprecedented capabilities.

LANDING SYSTEM UPDATE

In the late 1960s, it became increasingly apparent that the Instrument Landing System, the international standard for civil landing systems since 1949, lacked the capabilities that the projected growth in worldwide civil aviation would require. For one thing, ILS provides but a single, narrow straight-in flight path to the runway, which in times of heavy traffic and bad weather means stacked-up holding patterns. The rigid ILS flight path also means that options are limited in approach deviations demanded by terrain and noise abatement requirements, for example. In short, the system is too inflexible. (The military, for various reasons, has relied on the Ground Controlled Approach [GCA] landing system, afflicted with some of the same drawbacks.)

What followed was years of research and development of landing system technology in the US and abroad until April 1978, when members of the International Civil Aviation Organization (ICAO) selected the US/Australian-developed Time Reference Scanning Beam Microwave Landing System (MLS for short) as the international standard.

The effectiveness of the new system had been demonstrated to the prospective international users by a team of NAFEC employees, including pilots, electronic engineers and electronic technicians, and air traffic controllers among others, which had traveled more than 60,000 miles to eight countries on five continents. During this odyssey, 300 demonstrations of four MLS versions had been flown, in a broad range of airport environments and weather extremes.

Because of its "volumetric" coverage, that is the large funnel of airspace MLS can sweep, aircraft have a broad choice of flight paths and can even make curved approaches, thus greatly increasing the number of planes accommodated. For noise abatement, aircraft can be kept at higher altitudes over populated areas and brought in on steeper glide slopes. Higher-frequency MLS signals also are not troubled with the reflection interference of ILS VHF/UHF beams, permitting simultaneous operation of parallel runways spaced closer together. In many cases, this can lead to expanded airport capacity without expanding airport areas.

Bendix Corp. and Texas Instruments have under development a number of MLS configurations to meet civil and military needs, including a version for small airports, a portable version for tactical military use, and a model designed for aircraft carriers. The Air Force anticipates it will need 200 units of the system to replace its GCA equipment.

MLS units are currently being tested at Washington National Airport and at NAFEC, among other places around the country.

CONTROL CENTER MODERNIZATION

With ATC and landing system improvements on the threshold, NAFEC has also on track a program to update the "command posts" of air traffic control—the terminal towers, terminal radar approach control facilities (TRACON), and en route control centers.

Just as the rest of aviation is confronted with the challenges of change, so are these control centers, whose displays have to be modified to reflect the new technology. At airports, this tower "architecture" also means that a tower may have to be repositioned to remain effective at an airport undergoing rapid expansion. Tower interiors can quickly become obsolete; the tower in Tampa, Fla., was just five years old in 1978 when growth and changes in air traffic flow and airport expansion dictated modernization.

NAFEC's ATC Applications Branch will accept a control facility design assignment at the behest of any FAA region or FAA Headquarters. Interior rehabilitations are done at NAFEC using plywood, foam plastics, and other materials in mockup fashion, with the actual installation of electronic equipment in some cases.

Because many Systems Test Branch designers are former air traffic controllers aware of new developments, they are ahead of ATC personnel in the field and thus can anticipate advances in equipment.

The modernization of ATC control facilities and their console work spaces have one objective: to minimize the burden on the air traffic controller by assuring simplicity of operation and functional reliability.

One recent NAFEC redesign project was the modernization of the Crisis Control Center at FAA Headquarters in Washington, which comes into play in the disruption of normal ATC procedures, as in the aftermath of an earthquake or skyjacking.

AIRBORNE COLLISION AVOIDANCE

The morning of September 25, 1978, was sunny and clear—perfect flying weather—at San Diego's Lindbergh Field. A Boeing 727 jetliner was on its final landing approach when the tower controller noticed that its blip on his radarscope was closing fast with that of a Cessna 172 lightplane practicing instrument landing approaches at the airport. Both planes were repeatedly alerted to the danger, but when the airliner indicated that he had the Cessna in sight and all was well the tower cleared him for landing. Seconds later the two planes collided, killing 144 people.

The investigation that followed determined that the tower operator and the airliner pilot shared the fault to some degree, and that the airliner pilot probably had in sight an aircraft other than the Cessna 172.

Whatever the verdict, the question was raised: Could an electronic warning device in either of the aircraft have prevented the collision?

Such devices are feasible and are being developed. NAFEC is currently testing Beacon Collision Avoidance Systems (BCAS), which would track nearby aircraft and issue commands—whether to climb, descend, or turn—when danger was imminent. Another system, Automatic Traffic Advisory and Resolution Service (ATARS), under NAFEC evaluation would be ground-based and issue automatic warnings.

TRAGEDY ON TENERIFE

On March 22, 1977, on Tenerife in the Canary Islands, two Boeing 747 jetliners collided on the runway in the worst disaster in aviation history; more than 570 lives were lost. The subsequent investigation turned up evidence linking the tragedy to tower instructions misunderstood by the captain of one aircraft who thought he had been given permission for takeoff.

To safeguard against such potentially deadly errors, NAFEC personnel have devised the prototype Visual Confirmation of Voice Takeoff Clearance (VICON), a system currently under test. In simplified form, once a tower controller has given verbal permission for takeoff, he activates, via a button on his control panel, clusters of pulsing green lights spaced along the runway—verifying unmistakably voice clearance. The pilot then begins his takeoff roll.

Wind shear—or violent changes in wind direction at ground level caused by rapidly moving weather fronts—has been tagged as another killer. The hazard is to planes on takeoff or final approach that may not have adequate altitude to recover from sudden, major wind shifts. One NAFEC investigator lists wind shear as a possible factor in twenty-five large-aircraft accidents since 1964, the worst being the crash of an Eastern Air Lines aircraft at John F. Kennedy International Airport in June 1975 that killed 115.

To counter this danger, NAFEC has developed the Low-Level Wind Shear Alert System (LLWSAS) now being tested at seven airports and scheduled for installation at sixty others over the next three years.

LLWSAS is composed of a number of wind sensors placed strategically around the perimeter of an airport. These feed wind-condition data into a computer that triggers sound alarms and a flashing alarm on the control tower console if a predetermined danger threshold has been exceeded. Alerted by the tower, pilots have various options, such as adjusting engine power settings or aborting an approach. NAFEC technicians visualize advance systems that will eliminate the tower involvement altogether and warn pilots of wind-shear dangers directly.

CONTROLLING THE CHOPPERS

But in its role of developing systems to make aviation safer, NAFEC doesn't simply react to specific types of disaster. Many of its programs are tailored to deal with the future and its growing complexities and problems.

For example, FAA traffic specialists estimate that the number of helicopters operating under instrument flight rules in the National Airspace System could increase to 2,400 during the next decade. This helicopter activity would translate into millions of additional flights annually, more than a tenfold increase over IFR helicopter flights today. During a recent twelve-month period, about 200 helicopters servicing oil rigs in the Gulf of Mexico alone transported more than 2,500,000 passengers.

Besides an expected surge in flights to new oil rigs in the Atlantic, corporate and general use of helicopters over the U.S. is expected to escalate dramatically. Helicopter flying characteristics are already presenting problems for traffic controllers. For one example, because helicopters prefer to fly at low altitudes to avoid icing and mixing with fixed-wing aircraft, they often fall below radar coverage.

Integrating helicopter traffic into a system designed to contend with fast, high-flying, fixed-wing aircraft will constitute a massive undertaking, involving revision of ATC procedures in communications, navigation, and air route structures, often in high-density overland airspace and in all weather.

Solving the unique set of navigation and communications problems associated with helicopter service to offshore rigs, some sited as much as 200 miles out in the Atlantic, is currently under way. NAFEC pilots in specially equipped helicopters have flown a series of test flights out over the Atlantic to gather data and establish the reliability and suitability of navigation and other equipment for helicopter overwater flights.

CRASH AND AFTERMATH

While NAFEC has been investigating post-crash aircraft fires and their highly lethal side effects for some time, the dimensions of the problem can be sharply underlined by two actual incidents. In the collision of the two 747s on the fog-obscured runway on Tenerife mentioned previously, fire and fire-generated toxic gases accounted for most of the victims, not the impact itself. Again, in the crash-landing of a Brazilian 707 in July 1973 at Paris-Orly, the 116 deaths were caused by smoke and poisonous gas asphyxiation, not the crash or the subsequent fire.

In fact, according to Wayne D. Howell, chief of NAFEC's Fire Safety Branch, "up to forty percent of the people killed in 'survivable' airplane accidents die as a result of toxic gases, smoke, or fire rather than impact injuries."

Under a long-range program, NAFEC engineers are conducting a series of full-scale fire tests to simulate under controlled conditions what actually happens inside an aircraft fuselage during various types of fire. They are using as their "laboratory" the fuselage of a surplus USAF C–133 configured closely to the current generation of wide-body jetliners. Instrumented to record heat buildup and smoke and gas concentrations, this realistic test-bed should produce data helpful in setting new standards for materials used in cabin interior fittings, dependable emergency lighting, better evacuation techniques, and perhaps even internal extinguisher spray systems.

The Douglas C–133 fuselage, covered with insulation material to assure its reuse in fire tests, is scheduled to be housed in what will be the second largest enclosed test laboratory for fire research in the US, now under construction at NAFEC. The current C–133 "burn site" is in the open and can be used only when optimum weather conditions prevail. Enclosed in the new facility, which is the height of a five-story building, simulated post-crash fires can be conducted at any time.

The fire test lab's ceiling is designed to withstand repeated flame temperatures up to 2,000° F. Adjacent to the burn bay will be an operations wing, containing instrumentation areas and such recording apparatus as video cameras that will film through observation windows.

POSTCRASH RESCUE

In conjunction with the Air Force, NAFEC has under study a number of methods for the internal and external suppression of post-crash fires, including crash/fire/rescue vehicles that could quickly plug hoses into external aircraft connections to flood blazes with foam and/or water.

In aircraft post-crash fires, on average, heat buildup reaches intolerable—lethal—levels within minutes. Related to this, NAFEC is developing quick-reaction equipment such as specialized hose nozzles tipped with shotgun-shell-like devices to punch through the fuselage's skin and liner to inject extinguishing agents.

Also under study for civil airports and Air Force bases nationwide is a calculation of the optimum number of fire rescue vehicles needed at each facility, depending on a complex formula based on the types and numbers of aircraft using the airport or air base. Significant savings of taxpayer dollars could result from this work. According to NAFEC's George Geyer, who is conducting the study, eighty-three percent of the cost of crash/fire/rescue services equipment at the nation's civil airports is paid by the Federal Aviation Administration, and a single major crash/foam vehicle costs more than $200,000. (The Air Force has equally large sums tied up in such equipment, including maintenance and crew costs.) And while the FAA emphasis is mainly on preventing aircraft accidents, fire rescue apparatus must be available to combat fires and save lives.

In another important development to curtail fires following crash-landings, NAFEC has simulated at a burn site the mist-like plume that forms when fuel tanks rupture and fuel spews out during otherwise survivable crashes. On ignition in an actual crash, the result is a devastating fireball that consumes the aircraft and its occupants. NAFEC is successfully experimenting with additives to jet fuel that restrict the misting tendency of the fuel when released into the open, thereby avoiding the explosively combustible mist.

As a sign of the times, and in the interests of airport and aircraft safety, NAFEC is also experimenting with various types of bomb-detection devices that locate explosives hidden in, say, luggage or left in coin lockers. To contain explosive devices discovered aboard aircraft in flight, a series of test detonations has been conducted aboard a Boeing 707 fuselage to assess how to best ensure passenger safety and aircraft structural integrity.

NAFEC engineers are ingenious in arriving at methods to derive test data. When wake vortex—the air turbulence left in the wake of aircraft—was declared the culprit in a number of crashes of aircraft following close behind in landings, the engineers rigged a tower 140 feet high. From six positions along it, different colored smoke was emitted. When wind conditions were right and the smoke trailed out horizontally, aircraft were flown through it and the vortex effect was filmed. From this and other sensor system data, safe landing separation standards were established.

AIR TRAFFIC SIMULATION

In anticipation of intensifying air traffic in coming years, NAFEC is using its extensive ATC simulation capability to duplicate for specific airports the flow rates expected for them. With environmental restrictions putting the damper on the construction of additional airports, and noise reduction rules and wake vortex separation standards applying limits to airport traffic capacity, new methods must be found to do more with less.

Taking the operational data for, say, Chicago's O'Hare, and creating a computer-simulated traffic model, ways can be uncovered to smooth out flow rates and ease bottlenecks. Similarly, simulation runs can be conducted using different runway configurations for arrivals and departures, variations in ATC procedures, and improved capabilities such as the construction of new runways and new taxiways.

In the actual case of O'Hare, simulation studies suggested an additional runway could reduce delays in the airport's traffic by forty percent.

And while air traffic controller candidates are trained in the basics at the FAA Academy in Oklahoma City, Okla., NAFEC's Simulation and Analysis Division uses its ATC simulation capability to reinforce the training of controllers destined for such hot-spot, high-density areas as New York's Common IFR Room, which handles all air traffic in and out of the three major airports and a dozen satellite fields. "We can give these developmental controllers more training in two weeks than they'd get on the job in a year," says Albert A. Lupinetti, assistant chief of the Systems Simulation and Analysis Division. The simulators can duplicate part, all, or more than the actual traffic the controllers will see on their scopes, including any number of emergencies.

Earlier this year, FAA announced "sweeping-and-comprehensive" changes in the US's air control system (see March issue, p. 29) following the collision of two aircraft over San Diego in September 1978. And just recently, FAA made public a plan, expedited by the crash, to revamp satellite airfields to encourage their use by small planes and so relieve congestion at metropolitan airports (see p. 26).

Following the San Diego collision and others in the past, including that of the Coast Guard cutter *Cuyahoga* and an Argentine freighter in Chesapeake Bay last October, NAFEC's unique binocular camera, operated by technician Anthony Barile, was used in a reenactment to determine the sequence of events and visibility during the final moments prior to the collision. The camera, manufactured in the 1950s to establish minimum cockpit visibility standards for use in the design and certification of aircraft, is one of a kind in aviation. It provides panoramic visibility photographs. A procurement order for an advanced-technology version is being drawn up.

NAFEC has also devoted extensive resources to general-aviation safety. Projects have involved everything from seat-belt restraints to the feasibility of crash-restraint fuel tanks for light aircraft.

Over the past several decades, statistics show, weather has been cited as the most frequent cause of fatal general-aviation accidents. Fifty-two percent of the pilots in these crashes had only between eighty-five and 135 hours total flying time.

Under a NAFEC three-year contract awarded to Embry-Riddle Aeronautical University, Daytona Beach, Fla., training procedures will be developed or revised to reduce weather-related crashes, including the possibility of increased use of simulators and beefed-up instrument training required for the basic private pilot license.

In a broader study, all data available from government and private sources pertaining to general-aviation accidents is to be collected and analyzed—a way to gauge the dimensions of general-aviation requirements in flying safety of the future.

This is a bird's-eye view of NAFEC. It can best be summed up as a place where advanced technology is being used to build a safer and more efficient air transportation system—"today for tomorrow."

NAFEC's CORPS OF TEST PILOTS

A wry and friendly bunch, NAFEC's corps of fourteen test pilots have logged more than

250,000 hours of flight time among them. These are not test pilots in the traditional sense of putting aircraft through their paces to demonstrate structural integrity. The aircraft manufacturers do that.

While most have been with NAFEC since its inception in 1958 and have grown long of tooth—the youngest, Al Bazer, is fifty-one—they are not a handful of oldsters yearning for the bygone days of the open cockpit and almost ready for the boneyard.

Rather, they are pilot/technicians in the vanguard of a unique form of technological progress, the leading edge in actual flight tests of a wide variety of advanced systems designed to increase air safety.

True, sixty-six-year-old supervisor M. K. "Dutch" Osterhout has fond memories of barnstorming in the Rio Grande Valley in the '30s, and Bernie Hughes, fifty-seven, is among those who flew military aircraft in World War II. While gray at the temples, they are justifiably proud of the day-to-day contributions they are making to aerial safety.

They find their flying tasks varied and satisfying. Like most pilots, they are subjected to the boredom of "routine" missions, such as acting as passive "target" aircraft in the calibration of radarscopes, for example. But then it might be off to the North Atlantic to check out new Omega navigation equipment or to Africa to demonstrate a prototype landing system.

The aircraft they fly are varied, too, ranging from a Convair 880 turbojet and a Boeing 727 turbofan to assorted piston and turboprop aircraft and a Sikorsky CH-53 helicopter—usually instrumented to perform specialized tasks. In fact, say the pilots, the aircraft spend more time being fitted for their unique assignments than in maintenance.

Then there is the glory of belonging to an elite group, as pilot Al Bazer discovered recently when he was permitted—in an unprecedented exception—to penetrate White House airspace in the test of a new landing system at Washington's National Airport.

NAFEC Facts

The National Aviation Facilities Experimental Center is located on a 5,000-acre airport complex ten miles northwest of Atlantic City, N.J., itself the scene of several historical aviation "firsts," (The term "airport" was coined at nearby Bader Field with the initiation of the U.S.'s first air passenger service; the city claims the origins of the U.S. space program with the first flight of a manned rocket glider from the resort's famous Steel Pier in 1931.)

The test center's airport, called the NAFEC/Atlantic City Airport, is one of three—along with Washington's National and Dulles International—owned and operated by the U.S. Department of Transportation's Federal Aviation Administration. Its 10,000-foot runway—unlike Bader Field in Atlantic City—is capable of handling jetliner traffic, which is expected to have an important economic impact now that the city is open to casino gambling operations and is experiencing somewhat of a renaissance since its heyday in the 1930s.

Located on the site of a former naval air station, NAFEC was founded in 1958. Its facilities are lodged in a sprawl of thirty-six "temporary" structures built in World War II, to be replaced by a new $50 million Technical and Administrative Headquarters building scheduled for completion in 1980. The new building will house more than $100 million worth of advanced computers and other electronic equipment to further NAFEC's work of developing and testing new techniques, procedures, and automation to increase the safety and efficiency of air traffic control.

AT NAFEC are some 1,500 FAA employees in 150 occupational specialties ranging from test pilots and air traffic controllers to ordnance experts and mathematicians. The annual payroll is some $40 million, and this year procurement will total about $35 million.

NAFEC's FAA mission is to advance aviation safety through research, test, and evaluation in six major areas of responsibility: air traffic control, approach and landing systems, communications, navigation, aircraft, and airports. This entails long-range development of new systems and modification of existing equipment and procedures. NAFEC also undertakes projects for the Department of Transportation, the National Transportation Safety Board state aviation departments, and the military services, particularly the Air Force.

At NAFEC are also an FAA Flight Inspection Field Office, whose fleet of seven aircraft continually checks navigation aids and airport lighting in eastern geographical areas, other FAA personnel; an office of the National Weather Service; and NJANG's 177th Fighter Interceptor Group.

SENATE—*Monday, November 19, 1979*

(Legislative day of Thursday, November 15, 1979)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. PATRICK J. LEAHY, a Senator from the State of Vermont.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O magnify the Lord with me, and let us exalt His name together.—Psalms 34: 3.

O Thou King of Kings and Lord of Lords, eternal and unchangeable in Thy holiness and love, Thou art our Creator, Redeemer, and Judge. Without Thee, we can do little; with Thee, we are invincible. All the ways of our need lead to Thy holy altar. With thankful hearts for Thy goodness, we beseech Thee to take our minds and make them keener, take our souls and make them more receptive to Thy spirit, take our wills and make them more obedient to Thy will, take our strength and make us stronger. So may we serve the present age, our calling to fulfill. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., November 19, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PATRICK J. LEAHY, a Senator from the State of Vermont, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. LEAHY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader, the distinguished Senator from West Virginia, is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE RESOLUTION 283—RESOLUTION PROVIDING FOR ADDITIONAL PRINTING OF REPORT ON SALT II TREATY

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. CHURCH, for himself and Mr. JAVITS, I send to the desk a resolution and ask that it be stated.

The ACTING PRESIDENT pro tempore. The resolution will be stated.

The legislative clerk read as follows:

Resolved, That at such time as the Committee on Foreign Relations files its report to accompany Ex. Y, 96-1, "Treaty on the Limitation of Strategic Offensive Arms and Protocol Thereof" (SALT II treaty), there shall be printed for said Committee such additional copies as may be procured at a cost of not to exceed $1,200.00.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the resolution.

Mr. STEVENS. There is no objection.

There being no objection, the Senate proceeded to consider the resolution.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. HARRY F. BYRD, JR. In the event the Armed Services Committee should report in this regard, could the same provision apply to that?

Mr. ROBERT C. BYRD. These provisions would not.

Mr. HARRY F. BYRD, JR. Would the Senator mind amending that to permit the same number of copies?

Mr. ROBERT C. BYRD. No, I would not want to do that at this time. I do not know what the position of the chairman of the Armed Services Committee is going to be. I do not know what the position of the committee itself will be. So I would not want to do that at this point.

Mr. HARRY F. BYRD, JR. I will not press it.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield 6 minutes of my time to the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.).

Mr. HARRY F. BYRD, JR. I thank the majority leader.

CARRYOVER BASIS PROVISION OF THE TAX LAWS

Mr. HARRY F. BYRD, JR. Mr. President, in regard to the measure now before the Senate—namely, the windfall profit tax bill—there is a matter that needs to be cleared up, and I should like to give a brief background of it.

On March 28, the Senator from Kansas (Mr. DOLE) and I and others had planned to offer to the countervailing duty bill a proposal repealing the carryover basis provisions of the estate tax law. In order to cooperate with the administration, Ambassador Strauss, and the Senate leadership, the Senator from Kansas and I and others interested in this matter agreed that we would not offer repeal of carryover basis on the countervailing duty waiver bill.

In return, the Senate approved a unanimous-consent request which stated that when a bill containing an amendment repealing the carryover basis was reported to the Senate by the Committee on Finance, the bill would be a privileged matter and that there would be a 1-hour time limitation on the bill and 2 hours on the provision repealing the carryover basis, with no other amendments in order.

Mr. President, the windfall profit tax bill is the measure which now includes repeal of carryover basis.

All of us who are interested in repealing the carryover basis do not want in any way to prevent amendments from being offered to the bill as a whole. For that reason, I propound a unanimous-consent request, as follows:

I ask unanimous consent that the agreement entered into on March 28, which limits amendments and debate on any bill containing repeal of the carryover basis provision of the tax laws not apply to H.R. 3919 as a whole but only to carryover basis; to wit, that the bill as a whole is open to amendments without time limitation but that the question of whether carryover basis is to be repealed or not repealed is not subject to amendment, in accordance with the March 28 agreement, and debate is limited to 2 hours, as the March agreement specifies.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I am constrained to object, not on my behalf, but I have been asked by another Senator to object until he could come to the floor. I would do the same for the distinguished Senator from Virginia if the situation were reversed. I am sorry, but I will have to object in this instance.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. HARRY F. BYRD, JR. I understand. I hope that Senator will come to the floor rather quickly, because I plan at a later time to offer the same unanimous-consent request.

RECOGNITION OF THE ACTING MINORITY LEADER

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time, if no Senator wishes time.

The ACTING PRESIDENT pro tempore. Under the previous order, the acting minority leader, the distinguished Senator from Alaska, is recognized.

ALASKA LANDS

Mr. STEVENS. Mr. President, probably the most serious issue Alaska has faced since Alaskans sought to be admitted into the Union on equal footing with other States is the so-called Alaska lands bill. This bill continues to be a subject of controversy, and it has received extensive coverage in the news media.

I noted yesterday in the Washington Star an article by Mary Thornton, entitled "Alaska Lands Bill Still Wandering in the Congressional Wilderness." It is an accurate article. It does mention the viewpoint of this Senator from Alaska, and mentions it correctly.

Inasmuch as this article reflects the situation that I believe exists with regard to this bill in the Senate, I thought I should offer to place it in the RECORD. I ask unanimous consent that the article be printed in the RECORD, and I commend it to my colleagues as an accurate reflection of the situation regarding the Alaska lands bill.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star, Nov. 18, 1979]

ALASKA LANDS BILL STILL WANDERING IN THE CONGRESSIONAL WILDERNESS

(By Mary Thornton)

The great Alaska lands dispute—the ongoing struggle between the environmentalists and the oil and gas interests over the future of roughly 100 million acres of federal lands that make up more than one quarter of the state—appears to have stalled with no final resolution in sight.

Last month the Senate Committee on Energy and Natural Resources, after weeks of hearings, decided on a bill somewhat like one it approved last year, creating conservation areas but also allowing what environmentalists considered to be too much development.

And for the second year in a row, the House has overwhelmingly approved a strong conservation bill.

The questions being asked are: Should Alaska remain an unspoiled wilderness? Should it be opened to development? Or is there some path between the two extremes that would allow protection of the environment along with some gas and oil development?

But this year the two sides are even further apart than before.

Because of action by President Carter last year to place most of these lands in a protected status until an acceptable bill can be passed, environmentalists are not as willing to compromise as they have been in the past.

Although Sen. Ted Stevens, R-Alaska, has been working furiously to get the bill to the Senate floor, the heavy workload facing the Senate could prevent his succeeding this year.

And the chances of resolution are not helped by the past actions of Mike Gravel, Alaska's other senator, who has said frequently he would not honor a time limit on debate. After agreeing to support a compromise worked out by Stevens last year, Gravel unexpectedly killed the bill.

Gravel, who is running for re-election next year, said recently he would work with Stevens to get an acceptable bill this year, but there is considerable skepticism among those who remember a similar promise last year.

And last week the likelihood of a solution this year was made even more remote by a compromise substitution bill introduced by Paul Tsongas, D-Mass. Stevens says that the Tsongas bill as it stands is not acceptable to the people of Alaska, and if it were to come to the floor, even he would not support a time agreement.

Although everyone involved would like to see some conservation measures in Alaska, there is strong disagreement about how far these measures should go.

The major differences center on mining rights, oil and mineral exploration, which lands should be preserved as wildlife refuges and which should be left open to sport hunting, whether timber cutting operations should continue on the certain lands, and whether roads should be allowed in areas that are now completely wild.

On one side are the conservationists who would like to see Alaska stay much the way it is today, free of the intrusions of roads, bulldozers, oil drills and mining equipment that would accompany development. They argue that the state, or at least part of it, should be preserved as a national treasure for the rest of the country to enjoy.

"We know that the country is going to need Alaska's oil and mineral resources, and there are going to be some negative impacts," said Rita Molyneaux of the Alaska Coalition, the collection of environmental groups that has been lobbying for strong protection measures for the Alaska lands. "The question for us is what the tradeoffs will be."

On the other side are those who talk about state's rights, meddling by the federal government, the jobs that development would bring, and the country's need for oil and minerals.

They argue that is impossible for politicians who exist in the maze of traffic and government buildings that make up Washington, D.C., to understand a state in which it is still possible to travel where no other human being has ever been.

And many like Stevens argue that it is possible to protect the Alaska wilderness for future generations and still allow development of much of the state's wealth of natural resources. Stevens believes it is better to develop Alaska's resources carefully now than to wait for a real crisis when environmental considerations might be ignored altogether.

There are many issues on which the two sides disagree, but nowhere are the differences more intense than over the Arctic Wildlife Range, an 8.8 million-acre wilderness which is home to the polar bear, the grizzly and black bear, wolves, wolverines, foxes, seals and a herd of 120,000 caribou.

The Wildlife Range is also thought to be the site of one of the largest gas and oil deposits in Alaska.

Environmentalists argue that gas and oil exploration in the range would drive off the caribou herd which is the basis for subsistence hunting by natives in the area. The House bill would close this area to any development or exploration.

Stevens argues, on the other hand, that he wants only to determine whether there really is oil in the Wildlife Range. "Once we know, then we'll be able to make a rational decision," he says. "It's certainly a lot safer than the oil exploration they're already doing offshore in Alaska."

He adds that it would be simple to shut down any operations during the summer calving season when the caribou herd comes through the wildlife range. The Senate bill would allow five years of study and exploration in the range and would give Congress the final decision on whether to go ahead with development.

Alaska exists on a scale few Americans can even imagine. It is possible to go for miles, even thousands of miles, without catching sight of another person.

Six times the size of New York, twice the size of Texas, most of Alaska is still unsettled. Its population is only 400,000, making it the smallest of the states, with fewer miles of roads than the District of Columbia and Montgomery County put together. Most interior travel is by sea plane, with one plane for every three people in the state.

When Alaska was bought in 1867 for less than two cents an acre, it was considered a joke, nothing more than a frigid wasteland. By the time the Alaska statehood act was passed in 1958, less than 1 percent of the state's 365 million acres were owned privately.

That act gave the state the right to select about 104 million acres. But before the new state would complete the selection process, conflicting claims by Alaskan natives—the Eskimos, Aleuts and Indians—forced a halt to the land allotments.

The Native Claims Settlement Act of 1971 gave the 60,000 Alaskan natives the right to select 44 million acres. The act also gave the Secretary of the Interior, subject to the approval of Congress, the power to place some of the more than 170 million acres of remaining federal land under special protection as national parks, wildlife refuges and forests.

And since that time, as valuable oil and mineral deposits have been discovered in Alaska, there has been an ongoing dispute over these land rights, involving not only how the lands should be divided up, but also whether the federal government should be allowed to close a large portion of its lands to development.

COMPROMISE TORPEDOED

The Native Claims Settlement Act gave the federal government until Dec. 18, 1978, to designate which lands would be placed under special protection as national parks, wildlife refuges and other protected designations.

In 1977 Rep. Morris K. Udall, D-Ariz., introduced a bill, supported by environmentalists, giving various levels of protection to about 100 million acres. Last year that bill was approved easily by the House. The Senate committee, largely through Stevens' efforts, approved a much more pro-development bill.

After long negotiations between the two sides, a compromise was reached which was expected to resolve the situation. But at the last minute and without warning, Gravel torpedoed the bill, charging that it would lock up too much of Alaska's land. And then he killed an effort to extend the Dec. 18 deadline.

Interior Secretary Cecil Andrus immediately withdrew for three years about 110 million acres of Interior Department lands and another 11 million acres of proposed national forest wilderness areas, preventing the lands from being developed, mined or selected by the state. And President Carter quickly designated 56 million acres of those lands as permanent national monuments.

The president has said that he would not object to having these designations superseded by a bill that he finds acceptable. But with the lands now in a protected status and with the House behind a conservation-oriented bill, Carter is in the enviable position of being able to veto any bill he finds unacceptable.

There is no middle ground on the Alaska question. Each side has a completely different interpretation of the issues and each is considered unreasonable by the other.

Although there are dozens of disagreements between the two sides, there are several major areas of difference:

The House bill would involve a total of about 128 million acres in national parks, wildlife refuges, national forest and wild and scenic rivers, with about 67 million of those acres covered by a "wilderness" designation that would effectively prevent any development.

The Senate version includes about 102 million acres with 39 million acres of that land under the restrictive wilderness designation. And it would mean 38 million fewer acres in wildlife refuges, providing more space in the federal lands for sport hunting.

Another major area of dispute is over mining in the federal lands. Although the House and Senate versions differ on allowing mining in several of the designated national parks, the most intense disagreement has been over the Misty Fiords, a wilderness area in Southeastern Alaska which is heavily protected under the House bill.

This area is also the site of a major deposit of molybdenum, a metal used in the steelmaking process.

The U.S. Borax Corp., which owns mineral rights there, could mine the claim under the protected status, but the company would be subject to very strict environmental regulations it says it cannot meet.

Environmentalists and fishermen who live in the area say that if these restrictions are relaxed, there is a strong possibility not only that the scenic beauty of the area will be ruined, but also that pollution from the mining could damage key salmon spawning grounds in the area.

The Senate committee version would move the boundary to place the mine in a less protected area, and it would open up other protected sites in the state to mining.

A third disagreement between the two sides is over whether the federal government should have to promise that no more federal land holdings will be put into a protected stautus in the future. Neither of the bills contains such a provision now.

Much of the future of the Alaska lands bill depends on Gravel. Because of the heavy workload still to come before the Senate this year—Carter's energy package, windfall profits legislation and SALT—there is little likelihood that the measure will be debated on the Senate floor without a time agreement. So far, Gravel has indicated that he will not honor such an agreement, even for the Senate bill he comes closest to supporting.

And unless Gravel is also willing to make a commitment on minimum conditions that he would find acceptable, Stevens said recently it will be nearly impossible to work out a compromise between the House and Senate versions of the bill.

"We have to convince the House and Senate that we will live with the outcome if we get our minimum conditions," he said, "but as long as you've got a loose gun on the deck, that's very hard."

A blue ribbon commission appointed by the governor of Alaska recently voted overwhelmingly to support the Senate version of the bill, and Stevens and Gravel said they would try to work together to get the bill enacted this year.

But asked later whether Gravel will support the Senate bill, his press secretary Campbell Gardett said, "Not exactly." And any compromise between the House and Senate versions would be even less favorable to Gravel.

Stevens has said that after seeing his efforts destroyed at the last minute by Gravel last year, he is reluctant to take the lead again this year.

"He (Gravel) has the burden this year," Stevens said in a recent interview. "If we're not able to get the bill we want, I'm not going to go home and say we had a better bill last year but we're going to have to live with this one. It's his problem now.

"We don't have to have a bill this year," he said. "We'll go out and elect some people who recognize the necessity for balance. Time will come when we need more oil, when there's a real energy crisis. Then the nation will understand what the problems are."

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. STEVENS. I yield.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 10 a.m. tomorrow morning.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I have no further request for time. Under the circumstances, I also yield back the remainder of my time.

CRUDE OIL WINDFALL PROFIT TAX ACT OF 1979

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the pending business, H.R. 3919, which the clerk will state by title.

The legislative clerk read as follows:

A bill (H.R. 3919) to impose a windfall profit tax on domestic crude oil.

The Senate resumed consideration of the bill.

AMENDMENT NO. 643

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Texas (Mr. BENTSEN) is recognized under the previous order.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield me 1 minute?

Mr. BENTSEN. Mr. President, I am happy to yield to the distinguished majority leader with the understanding that I do not lose my right to the floor.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, with the understanding that at the close of morning business the Senator again secures the floor and with the understanding that I only be recognized for 1 minute, I ask unanimous consent that there be a brief period for the transaction of routine morning business not to extend beyond that time and that Senators may speak therein.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

CRUDE OIL WINDFALL PROFIT TAX ACT OF 1979

The Senate continued with consideration of the bill.

AMENDMENT NO. 643

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Texas is recognized.

UNANIMOUS CONSENT REQUEST

Mr. BENTSEN. Mr. President, the Senator from Virginia has requested that I ask for a quorum call. I have no objection to that if I may have unanimous consent that the floor be returned to me at the end of that quorum call.

Mr. STEVENS. Mr. President, reserving the right to object, does the Senator from Virginia intend to have this quorum call go live?

Mr. HARRY F. BYRD, JR. Yes.

Mr. STEVENS. It will become a live quorum?

Mr. HARRY F. BYRD, JR. Yes.

Mr. ROBERT C. BYRD. The Senator from Alaska does not wish for the quorum call to go live?

Mr. STEVENS. No, I do not.

Mr. BENTSEN. I am trying to accommodate the Senator from Virginia.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from Texas that the Senator from Virginia be allowed to ask for a quorum call at the conclusion of which the Senator from Texas will reattain the floor.

Mr. STEVENS. No.

Mr. ROBERT C. BYRD. Mr. President, what was the order entered on Friday with respect to votes today? Was there any order?

Mr. STEVENS. There is no order.

Mr. ROBERT C. BYRD. Very well.

The ACTING PRESIDENT pro tempore. The Chair is advised there was no order.

Is there objection to the request?

Mr. HARRY F. BYRD, JR. I withdraw my request of the Senator from Texas.

The ACTING PRESIDENT pro tempore. The Senator from Texas.

AMENDMENT NO. 643

Mr. BENTSEN. Mr. President, I understand the concern of the manager of the bill on this particular amendment. He looks to the fact that he has the Joint Tax Committee estimate of some $43 billion in revenue loss over the period of 10 years.

But the Senator from Louisiana very wisely time and again has talked about the feedback and the question of static analysis and that we rarely have received anything from the Treasury that really tells us what kind of an impact this has on the economy in the way of stepping up the gross national product, the way of stepping up capital investment, and the way of increasing income tax returns.

As we said on Friday, as we were discussing this issue, this Nation of ours, when it comes to savings, is dead last amongst all the industrial nations of the world. In the first quarter of this year our savings rate was 4.6 percent, the Japanese 20 percent, and the Germans over 13 percent. So it is no wonder they are able to modernize their industrial capacity much more than we are.

We see today a shortage develop in housing funds. We have full knowledge that housing starts are headed downhill. Young people are having a tough time buying new homes. Interest rates on home mortgages have escalated to a point that monthly payments are virtually out of reach.

This is what we are trying to correct. We are trying to encourage frugality in this country, savings for the future, and people trying to take care of their old age.

This amendment provides that for any kind of savings in a recognized financial institution, whether it be cooperative, a savings and loan, or a bank, the individual gets a tax exclusion for the first $100 worth of interest earned and $200 on a joint return.

They do that now for divdends from stocks on taxes. We have that kind of an exception. We are talking an exclusion about on savings, that would start in 1981, and then it increases $100 a year until we finally get up to a $500 exemption for an individual or $1,000 exemption for a joint return.

Today people have a negative return on savings. It is no wonder we are getting a disintermediation of funds out of savings institutions. They find they cannot cut it on the kind of return that they are getting on their hard-earned savings and then have to pay a tax on top of that.

What we are saying today in this windfall profit tax is one element in our response to an urgent energy crisis that affects this Nation a variety of ways, and all of them adverse. Our problems with energy have left us dangerously dependent on unreliable sources of supply. We are no longer masters of our economic destiny.

We are seeing that today in Iran. We have just released a compendium of studies. The Joint Economic Committee at the time of the riots against the Shah approached the CIA and asked if they did not have a political-economic study of Iran that we could use for consideration in Congress and the Government, and we were told that the Center for Foreign Analysis did not have such a study available for us. That is surprising in itself. But we went out and commissioned 10 of the top experts on Iran to try to tell us what we can look forward to in the long term and in the short term from Iran, not who is going to finally survive in that regime, not who is going to be the top banana but what they are faced with from an economic and political standpoint in trying to bring about stability and, in turn, how it affects us.

One of the things, obviously, that can happen is a continued deterioration in the stability of Iran, the lack of ability of any one single authority to dominate the political scene.

We are seeing an example of that right now in the three hostages that have been released, and at the same time the Ayatollah Khomeini, or at least his people, said last night we are going to have several more released. We are seeing that strung out as they have arguments obviously within their own ranks.

So what does that mean to our foreign supply of oil? If they just try to cut off the United States as they are, it does not have that dramatic an impact. But if they end up not being able to produce oil at all, that does have its impact on all of the consumer nations. That is the reason that we have to proceed in what we are doing here today. Energy is an important factor in our balance-of-payments problem. The energy cartel has driven prices to heights that seemed incredible only last year, and there is no end in sight to price increases. The dramatically higher cost of energy fans the fires of inflation and is a major factor in our current economic difficulties.

In many respects it would appear that, among the industrialized nations, the United States is the primary victim of higher energy costs. Many of our friends and competitors—West Germany and Japan are the most notable examples—are even more dependent than we are on expensive imported energy, but have managed to prosper in the era of the OPEC cartel.

One reason for the economic success of other industrialized nations is their ability to sustain high levels of savings which generate adequate investment capital and provide the basis for dramatic gains in rates of productivity. With sound economic underpinnings, nations like Japan and West Germany have been able to absorb dramatically higher energy prices while restraining the inflationary impulse so obvious in our own country.

Obviously, Mr. President, we have an urgent requirement to conserve energy in this country, increase domestic production, make better use of our energy assets, and develop new sources of energy to power our economy in the 21st century.

Any comprehensive and realistic approach to the energy crisis must, however, also involve basic, fundamental steps to set our economic house in order. To the extent that the American economy is strong, stable, and enjoying real growth, we shall be better able to absorb the inevitable higher energy costs of the future.

I believe there is broad bipartisan agreement in this Chamber that in creased productivity is an essential element in our efforts to combat inflation, restore stability to our economy, and create real growth and balanced budgets in the future.

For most of our history the productivity of the American worker, and the ability of American industry to provide him with the most efficient means of production, has triggered our economic success.

In the first two decades after World

War II, our productivity increased at a rate of almost 3 percent per year. For the last 10 years these increases have, however, been declining steadily. Last year productivity in America grew at a rate of only three-tenths of 1 percent. This year we may actually see a decline.

Today the United States of America ranks dead last among industrialized nations in terms of productivity increase. We are rapidly losing our competitive advantage in the world. We have learned to our dismay that price and wage increases not supported by increases in productivity lead inevitably to inflation and stagnation. We are increasingly unable to cope with higher energy costs, and the crisis deepens.

There are several things we can do to increase productivity in America and strengthen our economic hand for the future. We should adopt more generous depreciation schedules for investment in plant and equipment. And we must take steps to encourage savings in our economy. Savings are the plasma of productivity. Savings generate investment capital that can be used by American industry to modernize facilities, increase efficiency, and improve productivity.

Americans are currently saving only 4.1 percent of disposable income, the lowest figure in a generation. The British save at the rate of 6.6 percent. The French at 13.1 percent, the West Germans at 13.2 percent, and the Japanese at 25.3 percent. Mr. President, if you are looking for a fundamental reason for our economic difficulties, there it is. We have become a free market economy that does not save and does not generate enough capital to keep the system functioning efficiently.

I sat down, had breakfast, with a French economics minister as he talked about some of the things they have done in the way of legislation to give tax credit, to give incentives to savings in their country, and how they had had a boom in capital formation. The United States is unique in that we are the only industrialized nation with tax policies biased against savings. We tax income when it is earned, and then we tax it again when it accrues modest interest from a savings account. We talk about interest as "unearned income," which is absurd. Can anyone seriously suggest that, in an era of inflation, a person who scrimps, who sacrifices consumption in order to save, has failed to earn the interest on his savings account? The old adage about "A penny saved is a penny earned" has never been more true. And it has never been more important for our economic future.

Mr. President, this Nation needs incentives for savings, and the amendment I am proposing, with 20 cosponsors, is an important step in that direction.

Our proposal is simple. We are suggesting that, beginning in 1981, the first $100 of interest—$200 for a couple filing jointly—earned from a savings account at a bank, S. & L., or credit union, shall be exempt from taxation. The exemption would increase by $100 annually until the year 1985 when the figure would stand at $500 for an individual and $1,000 for a couple filing a joint return.

Mr. President, with the decontrol of oil prices and imposition of the windfall profit tax, we are going to see some very substantial increases in revenues from taxation.

From the time we started talking about a windfall profits tax and studying it in our committee, when the administration was talking about wanting $142 billion, we saw an incredible increase in oil prices in addition an incredible increase in tax revenues. We were able to put certain credits for conservation and certain incentives in that bill as it came out of the Committee on Finance, and still ended up with approximately $140 billion in tax revenue and, frankly, I think that is far less than we are actually going to see.

My cosponsors and I believe it is imperative that a small proportion of this additional income be used to eliminate the bias against savings in our system. I can think of no sounder, more effective investment in our economic future.

The only conceivable argument against this proposal is that it will produce a static revenue loss of $1 billion in 1981 and projected to increase to $5 billion in 1985 when the amendment becomes fully effective.

Let us assume that these figures are correct. What do we get for this purported revenue loss?

We get an increased flow of capital to lending institutions, a more stable source of funds for the real estate, construction, and home building industries.

We help resolve our problems with capital formation in the economy. We make more money available for investment in plant and equipment, which leads directly to increased productivity.

We get a decrease in mortgage interest rates.

While it is impossible to predict the future with any certainty, it has been estimated in testimony before the Senate Finance Committee that by 1985, as the increased savings that would result from this amendment are spread throughout the economy, private investment would increase by $21 billion, a gain of almost 5 percent; 250,000 new jobs would be created, and household per capita income would rise by some $200. This increased economic activity would produce a $9.5 billion rise in GNP.

This amendment will serve the individual interests of millions of small savers and senior citizens who see their assets ravaged by inflation.

And it will serve our overriding national interests by providing incentives for savings and investment at precisely the time they are most urgently required if we are to manage the problems of the present and prosper in the future.

A vital, productive, growing American economy is the most powerful economic force in the world. It is the most effective weapon in our arsenal as we make the painful adjustment to higher world energy prices.

The savings incentive amendment I have proposed is an essential element in combating inflation and restoring strength and stability to the American economy. Mr. President, I urge the adoption of this amendment.

The ACTING PRESIDENT pro tempore. The Senator from Louisiana.

Mr. LONG. Mr. President, I hope that we first can start with some of the matters that the committee had the opportunity to consider, and to vote on, or with amendments that are germane to those provisions the committee reported.

So far as I am concerned, Mr. President, I would be happy to take up and vote on the provision of the Senator from Virginia and the Senator from Kansas for which they have been fighting so diligently to bring before the Senate. If we could have consent that we could vote on those matters today I would be glad to go along with that.

I do think that those of us who have worked in the committee in areas that involve the windfall tax and the other provisions that are in the bill really should try to seek a Senate judgment on those particular matters before we get involved in these various other things that could be brought before us, but which are not in the committee bill.

Now, this is a very big revenue measure. It is the largest tax that ever has been proposed on any one industry.

Some have suggested it ought to be a bigger tax, quite a bit greater, and perhaps it should. That is something for the Senate to decide. The criticism, of course, in that respect, has been that the Senate committee did not see fit to recommend as much in the way of taxes as the House did previously.

Now, there are several reasons why we do not recommend as high a tax as is contained in the House bill. One reason is that we thought there ought to be a greater incentive to produce additional oil and gas. I anticipated that the most controversy in regard to this bill would be over the proposed incentive to produce more oil and more gas by exempting new production, for which I think a good argument can be made, by exempting tertiary production, which is extremely high cost production, and by exempting stripper wells owned by independent producers.

There has been a very strong difference of opinion as to whether we ought to exempt these three types of production. I thought that we could expand what the committee reported. In addition, we have proposed tax credits to encourage conservation and the use of the alternative sources of energy.

Mr. President, I notice that the record of the Finance Committee's hearings is not before the Senate. I would like to ask that the pages, or whoever is supposed to be in charge of seeing to it that we have the proper information here, obtain the hearings on this bill, lay them before the Senate, and put a copy of them on each Senator's desk. They ought to be here. Each one of the 100 Senators is entitled to have the benefit of those hearings. I am somewhat dismayed to see that whoever is in charge of providing the information we are supposed to have to let us take up a bill involving $150 billion, or perhaps even more than that, did not make the hearings available to the Senators. We ought to have all the hearings, and they are considerable. They ought to be here. That would allow the Senators to have the benefit of what we discussed, what was proposed, how we proposed to act. The Senators should have the information that was available to the Committee on Finance at the time that it voted on these bills.

I may very well, Mr. President, in the course of the matter, favor an amendment that is totally irrelevant to this bill. I may very well decide I want to vote for the type of amendment the Senator is offering here. But it seems to me that we on the Finance Committee owe the Senate a duty. If we are going to bring a matter of this sort before it, we should advise the Senate what the Committee on Finance would recommend. I regret to say, however, that this matter was not laid before the Committee on Finance. It was not discussed. There was a hearing held in the subcommittee, and I have a very high regard to the chairman of that subcommittee (Mr. HARRY F. BYRD, JR.)—I believe Mr. BYRD did hold hearings on this matter.

Mr. HARRY F. BYRD, JR. Right.

Mr. LONG. I have the highest regard for the chairman of the subcommittee, and I also have complete respect for the members of that subcommittee. But I am not aware that the subcommittee voted on this matter, much less the committee itself.

It just seemed to me that if we wanted—if a matter of this sort should have been laid before the Senate, the committee should have had an opportunity to consider it, to hear the arguments pro and con, and to recommend to the Senate what the committee thought should be done.

Now, there may be time to do that yet. It may be that the committee could still meet, while this bill is pending, talk about this matter, and take a position with respect to the amendment. I would not be surprised to see the committee support the amendment, and strongly favor it. I am very much concerned, however, that if this amendment is agreed to, without committee discussion or votes, that we will see other similar amendments.

The Senator certainly has the right to offer it; I do not seek to chide any Senator for doing that. But I do think there is more of an implied burden on those of us who serve on the committee to lay our amendments before the committee, give the committee an opportunity to study them, to take a position on them, and to vote on them than there is on Senators who do not serve on the committee, before bringing them before the Senate.

If we are to get involved with this particular amendment, I hardly think it would be fair to ask others who have ideas not to submit them. I see that the Senator from Kansas has a proposal. And there are some other suggestions that can be made. For example, we had some very impressive testimony before the subcommittee. I have particularly in mind a proposal that would provide some additional advantage by way of accelerated depreciation, the so-called 10-5-3 proposal that would shorten the depreciation schedule.

I must say, Mr. President, that there was some very impressive testimony made for that proposal, so much so that in due course I think we ought to consider it. We ought to see if we can arrange to reduce depreciable lives—if we can stand the revenue reduction that is implicit in such a reduction. This could provide a better tax break for all businesses, small, middle-sized, and large, when they buy more equipment, modernize, or expand.

Mr. PERCY. Mr. President, will the distinguished Senator yield for a question on that point?

Mr. LONG. Yes, I yield for a question.

Mr. PERCY. The principle being discussed in the pending amendment is not a radical plan, and I wonder if the chairman of the Finance Committee could advise the Senator from Illinois in what year the Federal tax code was changed so that there would be $100 of dividend income excluded from Federal income tax. Has that not been in there for several decades, the principle?

Mr. LONG. We have had something along that line since at least 1964. If I recall correctly, we started dividend credits in 1954, when President Eisenhower was in office.

Mr. PERCY. That principle has been in practice for about a quarter of a century, then.

The other question that I would ask is that, even though we do not know first hand, and the Senate is not cognizant of the details of the legislation that the Finance Committee is about to bring to the floor to provide for appreciation in energy, we know we must do something about it. But would not the distinguished Senator also agree that today we have the most critical situation facing this economy in decades with respect to a lack of money?

Money is so scarce today that the prime rate has gone to 15¾ percent; probably the fifth increase in the last month or two. And the banks really are today pressing to go to 16 percent and are only holding back because the Fed is urging that they do not go on to that. But, mathematically, by all past reckoning, they should be today at 16 percent.

That is a critical condition for the farmers and the small business people. It is killing the housing market. We have a recession on our hands and all we are saying is that we have such a critical condition as the distinguished Senator from Texas (Mr. BENTSEN) said in addressing this issue. I have been happy to join him as a sponsor of this amendment, simply because the Senate must prove it can act.

We acted the other day with great dispatch on the critical condition in our Nation's Capital, Washington, D.C., to relieve the pressure that was stopping housing in this city. We are facing that same situation across the country in connection with financing businesses and agriculture. Something has to happen to make more money available. And there are only a couple of things that we know that can be done. Take a principle that is proven: Give an incentive for savings, rather than spending.

All of the incentive is there to spend today—buy things, get it in goods, do not save it, because whatever you buy, no matter what it is, it is going to cost more tomorrow because of inflation.

Everyone is saying today that it does not pay to save. You just cannot get a return on your investment. The money is going to depreciate faster than you can realize it.

What we are saying is simply that there is a known formula to do that. I think the distinguished Senator from Texas has eased this in; as Everett Dirksen said, "A billion here and a billion there and you are talking real money."

All it is is a billion dollars—we are talking about a $138 billion windfall profit tax here—but a billion dollars to revive the savings ethic in the American consumer and producer, to give him an incentive to save again, and to say that the Government recognizes it is in the national interest to save.

Now, is there anything so radical about that that we cannot really face up to it?

I introduced a bill on July 19, 1979, providing not only an incentive for savings accounts, as does the present amendment, but also increasing the dividend exclusion from $100 to $500. The distinguished Senator knows how many people have talked to him throughout the years about the double taxation of dividends. I agree that we cannot afford to save.

We took capital gains first. That was most important. We ought to do more on amortization and depreciation, but we have to do something on savings. The question is, When can we bring this to a vote?

The Senator from Texas, the Senator from Illinois, the Senator from Kansas, we are willing to debate it long enough so that everyone can fully have time to consider it. But it is a principle which is relatively easy for every Member of the Senate to understand.

Do we have enough savings? Do we have enough incentives? Should we have more? I think the answer is clearly "yes." The question then is, How much and what kind? The pending amendment phases it in over a period of 5 years, and we can reverse it any time we want if it is not working.

Everyone in the Finance Committee tells me that this incentive is the incentive that is needed to, once again, start to get people to save money, rather than spend it. That will help savings. That will help equity financing. It also takes the pressure off of inflation.

Is there something wrong with the reasoning of the Senator from Illinois, that we cannot bring this matter to a vote at some point today or some time tomorrow? I think to wait until after Thanksgiving for a matter of this nature would just unduly delay a matter of considerable urgency in the country.

Mr. LONG. Mr. President, it may very well be that we ought to pass this proposal in this Congress, and it may very well be that it ought to be added to this bill. I have some doubts that this is the proper legislation on which to put this rider. I have doubt about that; that this is the proper vehicle to use as a legislative rider.

Insofar as the urgency of it is concerned, it is my understanding that this is a matter that would not trigger until the next fiscal year. It would not trigger this year at all.

If there is an urgency to do something

about this type of thing, and that it must be done immediately, then this amendment would not take care of the issue. It would not go into effect until some time about a year from now.

If one really thinks that there is an urgency involved here, then I am at a loss to understand why he would want to have this provision trigger-in in 1981. If there is an urgency, why not trigger it in 1979 or 1980? Why would not we do something when it is needed, if that is the argument, rather than wait 2 years?

Mr. PERCY. If the Senator would yield?

Mr. LONG. If the house is on fire, why do you want to wait until the house burns down before you do something?

Mr. PERCY. The Senator from Illinois would accept a modification in the amendment, if the author of the amendment would, to make it effective immediately. I think we need the incentive today. We needed it yesterday.

Mr. LONG. It would seem to me, if the argument is sound, that this is an emergency matter. If that is the case, then it must be acted on, and there must be action now. If that is the case, then we cannot wait for the committee to study it or for others to participate in this legislative process. Logically, then, what should be done, if the matter is really that urgent, is that the proposed legislation should be amended so that it would be effective immediately—starting next month, or even on Thanksgiving Day.

Mr. PERCY. That is a good day.

Mr. LONG. What better day to start something that someone needs than Thanksgiving Day? Then, when people sit down to their Thanksgiving turkey, they can thank the Congress or thank the Senate for voting to give some relief to those who earn small amounts of money.

TAX INCENTIVES FOR SAVINGS

● Mr. CHURCH. Mr. President, I strongly support the amendment offered by the distinguished Senator from Texas (Mr. Bentsen), and I have been pleased to join him in its sponsorship.

This amendment Mr. President would provide for up to $500, or $1,000 per couple, in interest on savings accounts to be freed from Federal income tax.

Personal savings are a crucial element in capital formation. Especially in inflationary times, savings and business investments are vital to the Nation's economy. A dollar saved is a dollar made available for prudent investments in innovation and increased productivity.

Nevertheless, Mr. President, there are other important reasons for Senate support of the Bentsen amendment besides national economic considerations. Present tax law provides deductions for interest paid on loans and credit of all kinds, and thus serves as an incentive for consumer purchases and debt. Tax law on the savings side of interest, however, actually operates as a disincentive by levying income taxes against thrift. Our tax laws are saying that Americans will benefit from purchases financed through indebtedness, but they will be penalized for putting their money into savings accounts.

This amendment sends a new tax message to the American people by rewarding thrift. Taken together with other actions I have supported, particularly the repeal of Federal ceilings on savings interest rates, saving will again become the traditional goal that it was in earlier days.

Mr. President, it is simply unacceptable for savings depositors to be paid less than half of what lenders are making on the very same money they deposit, and then have part of that taxed away by the Federal Government. I urge the Senate to adopt the Bentsen amendment.●

● Mr. STONE. Mr. President, I would like to expand upon my earlier remarks in support of the Bentsen amendment to H.R. 3919. I am a cosponsor of S. 246, a bill my colleague from Texas introduced to allow individuals a $500 exclusion from gross income ($1,000 for married filing jointly) for interest on a savings account.

In this time of double-digit inflation, we must take steps to protect those on low or fixed incomes—those who suffer the most from inflation. Many senior citizens in my State of Florida rely on their savings account interest to supplement their inflation-ravaged pensions and social security. This exclusion is one way we can help these people fight inflation. This is why I support the amendment of my colleague, Mr. Bentsen.

Mr. William Hussey, president of the Florida Savings & Loan League, has sent me a summary of key findings of a study conducted by the research organization of William R. Hamilton and staff for the Savings & Loan Foundation, Inc. I ask that the summary be printed in the Record.

The summary follows:

Key Findings

Eight out of ten adults currently use savings accounts or certificates. The importance the public puts on their savings accounts is illustrated by two key results.

For 24% of their users, savings accounts contain the largest portion of the money they save or invest.

For 81% of their users, savings accounts represent one of the four principal means they use to save or invest.

One-half of the adults nationwide would consider increasing their use of savings accounts if they received a tax incentive of a $100/$200 exclusion on the interest subject to tax. This proposal has broad appeal, especially to people in the moderate income category of $10,000–$20,000 and to white Americans in blue collar households, non-whites, young adults under 35, and single people.

In relative terms, upper white collar/business-professional whites, the over $30,000 income segment, and the higher educated are not as attracted as the middle income adults, but they are more interested if the tax incentive would be considerably larger.

A fairly large segment of people who do not now have savings accounts (40%) would be inclined to increase their use of these accounts to get the $100/$200 tax break. This represents 8% of adults nationwide.

For the most part, people who do not have more money to invest or save at the present time do not see a large tax incentive benefitting them, but they do respond to the $100/$200 exclusion for making future use of savings accounts more attractive.

In broad terms, people who say they are unlikely to increase their savings account usage to receive tax breaks are either in an economic condition which precludes having funds available or they are in high tax brackets and prefer the yield or tax incentive from other investments.

Other forms of savings/investing would be touched to some degree in order to channel more money into savings accounts, principally stocks and bonds by the upper income bracket and either stocks or life insurance by others.

Nevertheless, 48% of the people who consider themselves likely to increase their savings for both large and moderate tax incentives perceive they would just increase the amount they save without touching their other savings/investment means. This represents about 15% of the adults nationwide.●

Mr. McCLURE. Mr. President, during consideration of H.R. 3919, the windfall profits tax bill, Senators Bentsen and Percy have indicated they will offer an amendment to give individuals a tax exemption for the first $100 of interest earned from a savings account. I have asked to be included as a co-sponsor of their amendment. I agree fully that our extremely low rate of saving, investment, and the closely related problem of lagging productivity is as serious a threat as any facing the economic well-being of our Nation. It is clear our tax laws have seriously penalized savings and investment, and I applaud this attempt to provide some relief for a very serious situation. But I also want to make clear I would prefer a far more comprehensive approach.

In January, I introduced S. 18, the Savings Act of 1979. A companion bill was offered in the House of Representatives by my very good friend Congressman Clarence Brown of Ohio. I might just note ours were the first bills designed to address this problem introduced in the 96th Congress. Since then, many proposals have been offered to encourage saving in one way or another; and while I am very gratified that there is so much interest in the subject, I regret that their number may have contributed to the Finance Committee's failure to report any of them so far this year. As it seems so often to occur with an idea whose time has come, every member feels compelled to come up with something to put his own name on rather than agreeing on a vehicle from which to work out a consensus on a particular concept. That has certainly been the case, for example, on the question of a balanced budget amendment. Everybody has a proposal, but the American people still have no amendment. That is not to say Members of Congress should not be innovative and active, but I do believe a great deal of the American people's disrespect for Congress as an institution able to cope with and address problems of national concern could be corrected if members were as interested in results as in headlines back home.

Mr. President, as you are well aware, each dollar saved by Americans now shrinks over time. In these inflationary times, saving has become a losing proposition. As you also know, the savings rate in the United States is now the lowest in the industrialized world and this has chilling implications for the U.S. economic growth, standards of living and job opportunities.

Our goal, then, must be to provide a

tax break for small savers that will allow Americans to set aside savings for future needs and at the same time increase the savings rate to provide additional investment for capital formation.

While I am supporting the amendment to be offered by Senators BENTSEN and PERCY, I still believe that the best way to meet these twin goals is enactment of the Savings Act of 1979. The bill provides a 50-percent tax credit for additions to all types of bank and savings accounts, stock and taxable bond holdings, insurance and assets of small businesses. Only savings over a threshold amount—the average saving rate by income bracket—is eligible for the credit, insuring that only additional saving is rewarded.

This approach differs significantly from the more commonly mentioned proposals, which normally provide a tax deduction or exemption for interest earned up to a certain dollar limit—say, $100. Most tax returns, even in low income brackets, show that much interest income. That means a windfall for the taxpayer without any incentive to do additional saving.

By rewarding only saving done over a threshold amount, the Savings Act of 1979 avoids rewarding saving that is being done anyway, without the credit for exemption. For example, if people earning $20,000 a year normally save 4 percent of their income, they would only get the credit on saving in excess of $800.

Of course, some people save more than the average rates now, so some credit would be given out before behavior changed. But the thresholds have been set high enough that about 80 percent of current saving is not eligible. So initial revenue loss would be held to the $5 to $10 billion range. This is a substantial amount, and there has been a good deal of concern about it. But while this would increase the deficit, it would not be inflationary. Here is why: Prof. Michael Boskin of Stanford estimates that savings increases 3 to 4 percent for every 10 percent increase in the rate of return on savings. Since the Savings Act of 1979 would double the rate of return on savings (a 100-percent rise), we can expect saving to increase 30 to 40 percent. Current personal saving is nearly $100 billion per year, so there would be $30 to $40 billion in additional saving.

The revenue loss to the Government from the tax credit therefore would be half of that (it is a 50-percent tax credit) plus the initial revenue loss of $5 to $10 billion. Since the total is less than the amount of additional saving, any resulting deficit would be self-financing and not inflationary. The deficit would be funded by private saving, not by money creation. And there would be additional saving left over to finance private investment, leading to economic growth, more jobs, and additional Government revenue.

Another big advantage of the approach taken by the Savings Act of 1979 is that it provides more help for low income families than the bills giving a tax deduction for interest earned. A $100 deduction is worth just $15 for the family in the 15-percent bracket.

A 50-percent tax credit, on the other hand, is worth the same 50 cents for every dollar saved over the threshold amount for both low and high income taxpayers. As a percent of income, the incentive is actually higher for low income families. And the threshold amount is low for low income families; it is zero for those under $10,000. Such a family gets 50 cents off its tax bill for every dollar saved.

We all recognize the difficulty lower income taxpayers have in saving. This bill recognizes that by providing a progressive tax credit rather than an exemption or deduction. Lower income taxpayers would receive a credit on all eligible savings. While middle and upper bracket taxpayers, who have historically saved higher percentages of their incomes, would receive a credit only on eligible savings done in excess of the normal percent of income saved by people in their income bracket. By establishing this credit on the marginal savings, we sharply reduce the cost of the bill, while encouraging additional savings.

The savings credit will result in a shifting of saving from the current ineffective but tax-sheltered projects to a straightforward saving in basic U.S. industry, small business and homebuilding. A 50-percent credit restores the attractiveness of straightforward saving by doubling the reward to such taxable investment and saving for any given interest rate or dividend. Thus, this credit will produce a reallocation of saving into projects of the greatest value in terms of economic growth and modernization of American plant and equipment.

Finally, interest deduction bills limit their impact to saving in banks, savings and loans and credit unions. The Savings Act of 1979, because it provides a credit for actual saving, not a deduction for interest earned, also applies to saving in stock and taxable bond holdings, insurance and assets of small businesses. By treating all forms of saving equally, the Savings Act of 1979 will not favor one type of saving at the expense of the others.

An increase in saving is essential to capital formation and would achieve the orderly and sustained growth of the economy we all seek. Removing tax disincentives to employment and investment is an essential precondition for meeting the nation's social and environmental goals. My savings proposal will spur the Congress to get right to the heart of our economic problems. It will provide the key to full employment, rising living standards, and produce a substantial increase in the growth rate for years to come. In short, the Savings Act of 1979 offers more than a small tax break to people with small savings accounts. It provides a powerful incentive for additional saving and investment in all sectors of the American economy, as well as the opportunity for all Americans to receive a significant reward for saving and investing their money wisely.

Mr. President, I would like to call to my colleagues' attention an article on the subject of productivity in America written by Dr. Charles McQuillen, dean of the College of Business and Economics at the University of Idaho. Before taking that post Dr. McQuillen was assistant minority staff director of the Senate Budget Committee, and before that worked as my staff assistant on that committee. Needless to say, I have worked very closely with him and have great respect for and confidence in his opinions. This excellent article has bearing on the subject at hand and I commend it to my colleagues. I shall submit the article for the RECORD at the conclusion of my remarks.

Mr. President, I urge my colleagues to support the amendment to be offered by the Senators from Texas and Illinois; it is certainly a step in the right direction. But I also urge that the Senate, and particularly the members of the Senate Finance Committee take a closer look at the concepts and proposals embodied in the Savings Act of 1979. I intend to continue to push for its enactment.

The article follows:

PRODUCTIVITY IN AMERICA

(By Charles D. McQuillen)

INTRODUCTION

In January of this year the Joint Economic Committee of the Congress underwent a fundamental change in leadership, pholosophy, and orientation. The economics of intervention are largely gone, and with them the "politics of joy." Recent Committee reports have startled both professional economists and the political coalitions that formerly looked to the J.E.C. for theoretical justification of the economic management and planning strategies to which these groups were historically committed.

Just this past month the "new" J.E.C. published a report projecting two economic scenarios which could come to pass during the 1980's. The first held out the specter of an inflation rate of 140% over the decade; unemployment rates averaging 7% and real annual GNP growth of less than 2.5%. The second performance path included an inflation rate for the decade of 74% overall but falling to an annual rate of 5% by the end of the ten year period. Full employment and real GNP growth rates of 3 to 3.5% complete the more optimistic scenario.

The Independent variable in each projection was the assumed rate of productivity gain. Until the publication of the report, the only thing I had ever shared with the J.E.C. was the same building. I now share the J.E.C's concern for the course of productivity in America—I also endorse their view of the seriousness of the problem. It may well be that the social fabric would not stand the internal strains associated with the high inflation, low growth, and massive unemployment path. Unfortunately the J.E.C.'s diagnosis of the causes of our economic malaise and their prescription for recovery are seriously flawed. Given the potentially terminal nature of the disease, a second opinion is order.

In the long sad litany which describes the present malaise, few issues are often mentioned or as poorly understood as those relating to productivity. At the outset of any discussion of productivity trends it should be acknowledged that problems of measurement abound. Periods of expansion and contraction are not wholly comparable. In addition, basic data sources are inadequate with respect to scope and accuracy. In some instances what we fail to measure, environmental improvement for example, may be as important as what we actually do compute. This is especially true with respect to our inability to capture, statistically, the changing social view of work, and the evolving tradeoffs among work, leisure, and self fulfillment that are occurring because of it.

FACTORS BEHIND THE PROBLEM

Despite the difficulties which exist in productivity measurement, virtually all professional observers share the opinion that, as a nation, we are becoming increasingly less efficient. The extent of the problem is illustrated in Table I, which tracks productivity, and in Table II, which displays the upward trend in unit labor costs.

TABLE I.—*Long-term growth*

[In percent]

1948–55	3.4
1955–65	3.1
1965–73	2.3
1973–77	1.0
1977–78	.4

U.S. productivity

[In percent]

1968	3.3
1969	.2
1970	.7
1971	3.4
1972	3.4
1973	1.9
1974	−3.0
1975	2.1
1976	3.5
1977	1.6
1978	.3
1979	−4.6

TABLE II.—*Changes in unit labor costs*

[In percent]

1968	4.1
1969	6.6
1970	6.4
1971	3.3
1972	2.8
1973	6.2
1974	12.5
1975	7.7
1976	5.0
1977	6.4
1978	8.9
1979	16.4

The failure of productivity to keep pace with the levels established during the period 1948–1965 has contributed, in no small way, to our current economic problem. Lagging productivity reduces economic growth, exacerbates inflation, inhibits our competitiveness abroad, and erodes the value of the dollar. The productivity problem is serious. It must be and can be solved.

A PERSPECTIVE ON THE PROBLEM

Any national policy aimed at increasing productivity should recognize that certain basic and, in the short run, unalterable social and demographic shifts have occurred or are underway. These fundamental changes are creating the new social environment in which responsible and effective policy must ultimately be formulated and executed. Among these fundamental alterations I would include the following:

The movement of resources from marginal agriculture to more productive manufacturing is virtually complete. This transition accelerated productivity gains prior to 1950, but has had little positive impact since that date.

The continuing evolution of the service economy has drawn resources from the highly productive manufacturing sector into the service sector. The pace of technological change in the service-oriented industries is less than half that in the manufacturing area.

The composition of the labor force is rapidly changing as a result of demographic influences and the emergence of other social forces. It consequently includes more women and young people whose skill levels are lower than those that characterized the traditional labor force.

Regulatory costs have mushroomed as demands have been made and met in the areas of industrial safety, fair employment practices, and consumer and environmental protection. The expanding burden of regulation has reduced investment in productive plant and equipment and, in a gross sense, has acted as a drag in productivity. By some estimates such regulations have reduced productivity growth by .3% annually.

Savings rates in the United States have declined and are now among the lowest in the industrialized world. This phenomenon, in combination with an expanding labor force, has lowered the level of capital investment associated with each newly created job. Consequently each new employee comes to the work place with a reduced level of capital committed for his use.

Energy costs have escalated dramatically since 1973 and have rendered some 5% of our industrial equipment obsolete at current price levels.

Finally, changing attitudes and costs relating to the tradeoffs between work and leisure may have also taken their toll on productivity. This issue is virtually impossible to quantify. However, I can recall overhearing a small business executive lamenting the decline of the work ethic. He said "Show me someone who firmly believes in hard work and the American dream, and I'll show you a Mexican who is being sent home!" How close that thesis comes to reality I would not pretend to know. However, it is an economic fact that the cost of leisure has declined and the less expensive a day off, the more likely one is to take it.

A RESPONSE TO THE PROBLEM

The preceding list could obviously be extended to the point where both the writer and the reader are exhausted and despondent. Its purpose, however, is simply to describe the problem and to provide the basis for a suggested solution.

Many policies of the federal government have served to create an environment which is not conducive to increasing productivity in America. The recent recognition at the Federal level of the dynamic role which declining productivity has played in the exacerbation of other national problems is heartening since there is a great contribution which responsive and enlightened public policy can make.

A national commitment to accelerate the rate of growth in productivity is clearly called for. The policies which can have the largest and most timely impact on the problem of productivity are associated with changes in the tax code. Consequently the policy described below involves a combination of tax reductions and credits designed to increase the incentive to invest, and also reduce the propensity to consume.

POLICIES TO BOLSTER PRODUCTIVITY

The corporate marginal tax rate was recently reduced from forty-eight to forty-six percent. It should be lowered further to the forty percent level. Such a change would be simple, politically feasible, and would provide internal funds for reinvestment. In addition, the revised level of dividends associated with increased profitability should stimulate savings and the investment in equities. The net revenue loss to the Treasury would be slim and would quickly be offset by a higher rate of economic growth.

The current system of double taxation of corporate dividends should be eliminated. Current practices result in the taxation of corporate profits prior to dividend distribution and the subsequent taxation of those dividends when received by shareholders as individuals. This system reduces the potential net returns on equity and increases the level of debt financing in corporate capital structures. One of the chief consequences of this phenomenon is to increase the inherent instability in corporate earnings and to raise the likelihood of bankruptcies during a recession. The elimination of the double taxation of dividends would stimulate equity investment and correct, to some extent, the financial imbalances which characterize many corporate financial statements. Those who oppose such a modification of the tax code argue that since 47 percent of all dividends are received by 1 percent of U.S. families, it is tax relief for the rich and is based upon a "trickle down" theory of stimulating economic growth. They may have a point, but until an effective "trickle up" theory of investment is brought forth, I suggest that this change in the Code would prove beneficial.

The investment tax credit should be revised and extended. The investment tax credit, when highly targeted, is an effective fiscal tool and is capable of stimulating the type of investment which creates jobs and contributes to efficiency. Unlike a general tax reduction which increases consumption directly and investment only indirectly, the investment tax credit is specific. In addition, the credit reduces federal revenues only when investment takes place and substantial reflows arising from the investment are likely. Thus federal revenues are immediately reduced but ultimately are increased as economic growth, employment, and corporate profits rise. An effective first step toward achieving these benefits would be to move the rate of the I.T.C. to a level of 20 percent.

The concept of the investment tax credit should also be extended to individuals by permitting an annual tax credit of 25% on savings deposits up to a level of $2,000. This inducement to save is critical to the creation of a larger pool of investment funds at rates of interest which maximize rather than preclude high levels of investment. Savings rates in this country are low by historical levels and are much lower than in other industrialized countries. Factors which have increased the propensity to consume are legion. However, the fact that the real rate of return to savers is negative strikes me as the dominant influence. Increasing that rate of return is a clear prerequisite to reestablishing the historic relationship between savings and consumption. Other industrialized nations have already taken steps to extend tax credits to savers. In Japan and Europe interest on savings is wholly or partially exempted from taxation. For example in Japan interest earned on savings deposits of $65,000 or less is tax exempt, in West Germany $1,000 of savings invested in a six-year account receives interest at the rate of 4.5% plus a 14% bonus payment from the Federal Republic. Neither the interest nor the bonus is taxable. In this country, however, interest is taxed at normal rates and when it is ruled to be "unearned income" even higher tax rates apply.

Finally, the concept of the I.T.C. should be extended to include research and development salaries and materials. R & D spending as a percentage of GNP has declined by one-third since 1964. A reversal of this trend is in order, and an extension of the I.T.C. in this area should produce salutory results.

The capital gains tax recently cut from 49% to 28% should be further reduced to 25%. As shown in Table III, the rates at which capital gains are taxed vary widely from country to country. Until recent changes took effect, the United States clearly exacted the highest rate.

TABLE III.—*Comparative capital gains tax rates (1977)*

[In percent]

1. Japan	0
Germany	0
Italy	0
Netherlands	0
Belgium	0
Australia	0
2. Canada	22
3. Sweden	23
4. Britain	30
5. U.S.A. (now 28%)	49

In a universal sense, the level of the tax rate in combination with an inability to "roll over" capital gains provides clear penalties for investment and reduces the mobility and flexibility of capital resources. A general roll-over provision which would permit the reinvestment of realized capital gains with deferred tax liability would be yet another useful policy change.

CONCLUSION

The relationship between productivity and capital formation is well documented. Likewise, lagging productivity and inflation are closely related phenomena both historically and currently. The negative trend in productivity gains in the U.S. can be explained by a number of factors such as changes in the labor force, higher levels of government regulation, and misguided federal tax policy. In the area of tax policy, significant alterations can be made and implemented quickly. Consequently this article has focused on a few such policy initiatives which have promise in both the long and short term.

In all likelihood the Congress will consider tax reductions of between $20 and $30 billion in 1980. The political temptation to dissipate these dollars primarily in the area of individual income tax relief will be strong in an election year. Such a course of action, however, would produce little or no new capital investment, but would instead compound an already high rate of inflation. A tax policy targeted at creating investment and reflecting some of the proposals described above appears to be more appropriate and timely.

Truly massive amounts of capital will be required if this country is to respond effectively to the challenges posed in the areas of price stability, energy production, and foreign trade. An effective tax policy which places a premium on capital formation will provide a most effective basis from which to meet such challenges.

Mr. BENTSEN. Will the Senator yield for just a moment?

Mr. LONG. Yes.

Mr. BENTSEN. My good friend knows that if we propose it take effect immediately, that it would turn into a Thanksgiving—it would turn into a real turkey, because it would be subject to the budgetary point of order.

Mr. LONG. I did not say the Senator's proposal was a turkey. The Senator said that.

Mr. BENTSEN. That is what it would turn into, if we accepted that.

I understand the Senator's point. This is the first opportunity that we have to start the plan and to get it in operation. We really do feel it is critical.

When you look at the situation that they have in Japan and Germany, they are not importing just 45 to 50 percent of their oil. They are importing virtually all of it. But they are getting by without the inflation that we are experiencing. One of the reasons is they have modernized their productive capacity. Do you know how long it takes for the Japanese now to turn over their industrial base, Mr. President? It takes once every 10 years. Do you know how long it takes the United States? Once every 30 years. Now, with that kind of trend line, you know that the Japanese working man and woman are going to have more modern and more efficient tools than we are and we finally lose the competitive rates.

Mr. LONG. Mr. President, the Senator's argument suggests that we ought to be acting in this area immediately. If we are going to act in this area immediately you could strike something from the bill. You could strike from the bill some of the tax credits, or one could strike some of the exemptions. In doing so you would come up with a large amount of money which would make it possible to fund this big tax cut that the Senator thinks is a good idea.

I am not here to say it is not a good idea. I am simply saying that it is a very important and significant proposal, and it is something that the Senate should consider in an orderly fashion. It is something which the Senate ought to consider in the proper and the usual legislative process. The proper approach to this I should think would be to start with the appropriate committee for the amendment and have a vote on it there. All it would take to have a vote on it would be for one of the sponsors, including the principal sponsor of the amendment, who is a member of the committee, to bring this matter before the committee, and say he would like to have this matter voted on, that he would like to see us consider this, and then there would be the vote.

When one thinks in these areas, this is not a small item. I am advised that over the period of this bill this amendment involves a revenue loss of $43 billion. That is not small potatoes; $43 billion is a lot of money.

Mr. DOLE. That is for how many years?

Mr. LONG. That is for the same period as the bill. The bill goes over until 1990. This would phase up and it would cost more as time goes by. For example, it would start in 1981 costing $1.142 billion. In 1982 it would cost $2.088 billion. In 1983 it would cost $2.918 billion. In 1984 it would cost $3.852 billion. In 1985 it would cost $4.765 billion. In 1986 it would cost $5.075 billion. In 1987 it would cost $5.405 billion. In 1988 it would cost $5.756 billion. In 1989 it would cost $6.130 billion, and in 1990 it would cost $6.528 billion. That adds up to a grand total of $43.659 billion.

Mr. President, I ask unanimous consent that a table containing these figures in tabular form be printed in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

Revenue loss under Bentsen amendment No. 643

(Dollars in millions)

Calendar year of liability	*Revenue loss*
1981	$1,142
1982	2,088
1983	2,918
1984	3,852
1985	4,765
1986	5,075
1987	5,405
1988	5,756
1989	6,130
1990	6,528
Total	43,659

Source: Joint Committee on Taxation.

Mr. LONG. When we look at a proposal which would reduce the revenue of the bill by $43.659 billion we are not looking at a small, minor proposal. When we are thinking in those terms, one is well justified in asking the question: Is this the item that will get the most results in the shortest period of time to meet a national problem?

In other words, it would be appropriate to ask yourself the question: Would it be more effective if we would give business the accelerated depreciation that they are asking for, the 10–5–3 proposal? That would also cost a lot of money, but that proposal is one where the business people have to put more money up in order to get a tax advantage. It does assure that money actually is invested in things that will put people to work. The 10–5–3 is no small thing itself. It involves many, many billions of dollars. For example, I am told that that proposal——

Mr. DOLE. Is the cost $6 billion in the first year?

Mr. LONG. I am told that that proposal starts out with about $6 billion a year and then it gets up to about $40 to $50 billion a year in the middle or late 1980's. The sponsors of that proposal, may I say, in terms of revenues are not pikers themselves.

Mr. DOLE. If the Senator will yield, we have a bill including 10–5–3 depreciation and are prepared to offer it, if the Senator would like to consider a package. The bill, S. 1597, is one sponsored by a number of Senators, 41 on the Republican side. I am not certain whether it will be offered on this proposal.

The chairman indicated earlier that perhaps even during the course of this debate we could have a markup session in the Finance Committee and report out some proposals as committee amendments.

Mr. LONG. That has a tremendous appeal to the Senator from Louisiana. If members of the committee would like to offer further amendments to the bill in addition to what the committee recommended, it would seem to the Senator from Louisiana that we ought to meet. I would be happy to call a meeting of the committee. We ought to talk about these matters. We ought to think in terms of how much of it the Treasury can stand, what the long-term impact of this thing would be, and also consider some of the alternative proposals.

If we are going to consider some of these, one thing the Senator from Louisiana would like to suggest is that we take a look at the proposal the Senate itself voted last year. I am talking about the proposal to reduce the capital gains tax to a tax on 30 percent of the gain, because I am thoroughly convinced that by reducing it as we did last year it did not cost the Treasury anything. I think credible evidence can be obtained to support the position that it did not cost the Treasury one dollar, but, in fact, the Treasury made money when we cut the capital gains tax to a maximum of 28 percent.

My impression is that the capital gains tax proposal was 21 percent when we passed it to the Senate and the Senate voted that by a very substantial majority. We had before us letters from most of the men who had recently served as

Secretary of the Treasury. I think we had the good fortune to have a letter from every living former Secretary of the Treasury at that point, and all but one of them expressed the view that it would probably make revenue for the Government, that we would probably gain revenue rather than losing revenue if we voted that.

Mr. DOLE. Will the Senator yield further?

Mr. LONG. Yes.

Mr. DOLE. I certainly want to support the Senator from Texas, although there are others who might want certain modification to the Senator's proposal. There may be some merit for us to reach a formal agreement under which the Finance Committee would meet and report a committee amendment at an appropriate time. If the Finance Committee does not act, however, we should not be cut off from offering amendments by cloture.

This is a very popular concept. The Senator from Kansas was in Florida on Saturday for a $2 million straw poll. Those who spent money did very well. When I mentioned bills to encourage personal savings I had some applause. That is about all I got in Florida, but they did applaud this effort to encourage saving.

I am sure the chairman understands that there is a lot of support for incentives for saving, but there is also a lot of revenue loss. There are several savings proposals before the Senate. Senator BENTSEN and Senator PERCY each has one. Then Senators DANFORTH, BAKER, and myself, Senators JAVITS, PERCY, and others have another. Senator EAGLETON has still another. Ours is less expensive than the proposal of the Senator from Texas, and I think Senator EAGLETON's is less expensive than the one that we shall propose as a substitute.

In the strong interest in this subject I am hopeful we can reach an agreement under which we would have action by the Senate Finance Committee tomorrow morning or sometime soon, and then report a committee amendment dealing with personal saving. This would not do violence to the regular proceeding the chairman would like to follow.

There are, I assume, 100 amendments floating around.

Mr. BENTSEN. I think I should get into this colloquy as we try to find something in the way of an accommodation.

I understand the Senator is talking about something the Finance Committee considered, but the Finance Committee considering it with the idea of it being reported back on this piece of legislation.

Mr. DOLE. That would be my understanding.

Mr. LONG. My thought about it is——

Mr. BENTSEN. I would be quite willing to hear about that from the chairman of the committee.

Mr. LONG. My thought is that it would be proper and desirable for the committee to meet and to discuss this proposal. If someone else has an alternative proposal that they want covered, whatever it might be, that also could be suggested. We should meet and talk about the various things that might be considered, and the committee should take a position.

When someone offers an amendment on the floor, what the Senator from Louisiana usually tries to do is talk to members of the committee. The Senator from Louisiana feels under a particular burden to talk to the ranking member of the committee because the minority has a right to be informed as well as the majority.

The Senator tries to see how the members of the committee feel about it. If they think it is a good amendment and it ought to be agreed to, before agreeing that we would support or accept the amendment, it is good to try to make it known to as many Senators as possible on the committee. But the ideal is for the committee itself to meet where everybody knows what they are going to talk about, has information in advance as to what the suggestion is and what some alternatives might be, and then proceed to discuss how this matter should be handled—whether it should be this or some alternative.

On that basis, everyone could make his suggestion. I would hope that in doing so, we could make it in terms of priorities: Is this the most effective recommendation to handle this problem or would there be some other proposal that might handle it? Or, perhaps, it should be modified—not saying how. And perhaps the date ought to be moved forward to make it effective more immediately.

(Mr. BAUCUS assumed the chair.)

Mr. BENTSEN. I do not see how it can. Let me say to the chairman that I am not going to go up against the wall. I would like a vote on this amendment and that is my priority. I am willing to listen if we could work something out. I do not believe the $43 billion any more than the Senator believed the figure given us on capital gains. He very wisely stated that was a starting figure. It gave no feedback consideration, no consideration of the supply side. What we have seen in the DRI model and the Chase Econometric model is a lack of the supply side situation. The Wall Street Journal wrote a long editorial on it. Mike Evans wrote back and said, we do not have the supply side situation in our econometric and we are redoing it now. The DRI is doing that same thing, putting more supply side in to see the results.

When we start out building up more on this, I do not believe for a moment that we are talking about $43 billion. We do know the cost is high, but if we can find some agreement that the committee will consider this in a timely way so we can come back on this particular piece of legislation, then I am willing to talk about it with the chairman and my coauthor and the ranking minority member of that committee.

Mr. LONG. Mr. President, I believe that that would be a better approach.

There is another reason why we definitely ought to consider doing it this way. That is the experience we had in the committee to begin with. When we started out considering this bill we had some ambitious ideas. Each Senator had some suggestions, and they were meritorious. But by the time we got through a first-round of markup by virtue of tax credits for alternative sources of energy and by virtue of giving some exemptions where we thought they would bring the best supply response, we had exceeded the amount of revenue raised by the bill. So the bill was not a money raiser, the bill was a money loser.

At that point, the press very properly held us up to ridicule. They said, "Well, look what the Finance Committee has done. It started out with a bill to raise $250 billion worth of taxes; now they have spent more than $250 billion in tax credits, tax cuts and tax advantages that various and sundry people are going to get. So, far from balancing the budget, the bill is a burden on the budget. It will lose money for the Treasury."

We intended all the time, we had made it clear, to pare the first-round decisions back. We had intended to squeeze back and make the genie fit in the bottle. But you cannot blame enterprising newspaper reporters; when they think they have a story that will attract attention and amuse the public, they go with it. They just print something like that, even though it might put the committee in a bad light. So they proceed to write stories saying "Look what this committee has done. They started out with a bill to raise $250 billion; now they have frittered away the whole $250 billion and they have put the Government in debt with what started out to be one of the biggest revenue bills in the country."

Well, of course, we did what we had intended to do. We pared back and reduced the advantages that various people would have. And by the time we were through with that, we had gotten the bill down to what we thought was a responsible recommendation.

It used to be that we could meet and discuss things like that in a closed meeting, in executive session behind closed doors, and we could take a look at what we had done and if it were too much, excessive, we could pare it down as we did in this case, without being held up to ridicule. But when we do it nowadays, that is the kind of thing we are in for.

I do not have the slightest doubt that if we start out in this fashion with a floor amendment for $43 billion, before we are through, we are going to have a bill that raises very little revenue at all. It might be a revenue loser. The Senate itself will be held up to ridicule. If we would approach this matter and look at the priorities and compare these various things and say, "Well, now, if we are going to do these things, how much do you think we can afford, how much can the Treasury afford? How much stimulation do you think we ought to add to the economy," we might be able to work something out to where we would be within some reasonable limit.

But if we start out by agreeing to this as a first order of business, then I suppose that others will come in with their proposals and they all have a lot of merit to recommend them. In short order, because it is easier to vote for them than vote against them, we will have a proposal that will be completely out of bounds. Even though the proposals are popular and meritorious, if we add to this one the capital accumulation proposal, which is very popular, and perhaps one or two other very popular proposals, we shall have again the press ridiculing the Senate itself. In due course, by the time we get to conference, we will have editorials saying that the U.S. Senate and the House ought to junk the whole bill, refuse to have anything to do with it, and we would not have the advantage we would hope to achieve.

Mr. PERCY. Will the Senator yield?

Mr. LONG. Yes.

Mr. PERCY. I want to bring to the attention of my cosponsors, Senators Dole and Bentsen, I think three very important principles that have been made by the chairman. I think once again, he has demonstrated his genius in this regard.

First, the possibility of advancing the date. It is true that the effective date of the pending amendment is January 1, 1981, and to make it even this Christmas, Thanksgiving, there would be a point of order on that. But, certainly, we could accept as a goal to try to do it immediately on enactment and get a waiver, or at least October 1, 1980. Whatever we might do, we can do sooner.

But the second important point I think the chairman has made, and one that is very valid, is that this may not cost nearly as much, and he is absolutely right.

As to when we lowered the capital gains tax, I think the assumption made on the floor a few moments ago by Senator Long, that it did not cost the Treasury a penny, is absolutely right.

What has happened, first of all, since the 49.1-percent rate, revenue was less than in 1969, when it was 25 percent. Already, what has happened in the 1 year since we lowered the capital gains tax. Common stock offerings have increased 500 percent. Literally, there were no common stock issues before it. Now, once again, corporations are offering common stock.

Certainly, in the trading on the market today, people feel freer to buy and sell. They are taking their gains. They are taking their losses.

Because of the 28 percent effective tax now, instead of 49.1 percent, before there was rigidity, lack of movement, and today there is movement.

So we really want to look and see, what does the Bentsen amendment really cost, or any modification of it, that might include increasing the dividend exclusion from $100 to $200, $300, $400, or $500? What would it really cost if it created more of a supply of money?

That is what we are doing, creating a supply of money, stopping incentive for just spending and adding an incentive for saving.

If we brought the prime rate down 1 percent, the Federal Government would save $5 billion, would save the effect of 1 percent on $500 billion of debt.

As we go up, a point here and there, the cost to the Federal Government is just escalating, as it is costing everyone who has debt.

This is another way, a reason to really determine how much this will cost.

I do not think it would cost nearly as much as the figures projected in the amendment, $1 billion a year. I tend to think the offset would be the reduction in Federal carrying costs on our own debt, if we start to bring debt cost down, rather than constantly having it go up.

I feel there is a tremendous amount of merit in the suggestion that we do have a hearing on this. We move and then, first, see if we should not have it effective sooner and get the impact sooner; and second, see whether it could include not just interest cost, but if we can include dividends as well. Because I think additional incentive for equity investment is just as important. Again, the more equity financing the less pressure on debt, and the less pressure on debt the less the cost of the money.

The money cost today is one of the highest costs of inflation and one of the greatest accelerators of inflation.

The Senator from Illinois certainly does not intend to take the lead from the distinguished Senator from Texas who is the sponsor of this amendment, but also a member of the Finance Committee.

Mr. BENTSEN. I say to my colleague that he has eloquently stated the reasons for the amendment. As much as I would like to have it in effect in 1980, I do not want the additional problem of trying to overcome a budget resolution. I do not want to add that to the problem.

So I am quite willing to leave it with the date under this situation.

The other problem I have, I have a great deal of respect for the chairman, but I also understand his great knowledge of parliamentary law. My concern is that if we go back to the committee, I do not want to be in a position that we have cloture in effect and we come up with a committee amendment that would be attacked on the point of germaneness once cloture is in effect, even a committee amendment, where we would be excluded from consideration.

So, yes, I am willing to discuss it. I know the Senator from Illinois is, the Senator from Kansas, that we try to follow that procedure if we are sure we do not find ourselves in a parliamentary situation where we are blocked.

I say to my friend that I wanted to bring it up on the banking bill, but my friend prevailed, that it should not be on that legislation, and I think he is right. I was convinced of that fact.

So now we have had hearings on this bill. We have now a tax piece of legislation. As the Senator from Illinois said, we are not breaking totally new ground because we have had 4 years.

Now we are talking about the number of people who are trying to save for retirement, that have denied themselves something so they can have something in a savings account.

So, if we can get back on the floor with this piece of legislation and not be precluded on a question of germaneness, sure, I am willing to try to work something out with the chairman.

Mr. LONG. Mr. President, if we can have that understanding, I would be willing to propose now that the amendment be regarded as germane to the bill, and, that being the case, the committee could meet and talk about it. We could go on with the other matters that are in the bill, and if it should be necessary to vote cloture in order to act on this matter, the amendment would still be subject to being offered, it would be regarded as germane.

Is the Senator willing to agree to that?

Mr. BENTSEN. I would like to talk to my expert first.

Mr. DOLE. We have already had hearings, so we do not have to go through the hearing process. Finance Committee consideration would not preclude some modification of any of the savings ideas floating around, there may be some good ideas that we have not yet heard of that will be ultimately adopted by the committee.

We are not limited to the consideration of any one proposal.

Is that correct?

Mr. LONG. I am not prepared at this point to agree that the same thing would apply to everything.

Mr. DOLE. No.

Mr. LONG. But this particular amendment——

Mr. DOLE. This concept, or this idea.

Mr. LONG. Basically. Obviously, that which is subject to that, if we make such an agreement, something which is germane to this amendment, of course, could be considered.

That does not mean other things could not be considered. I do not know whether we will ask for cloture at some point before this bill is disposed of, or not.

Mr. DOLE. But as far as the committee consideration, if we reach some agreement, I assume the Bentsen amendment would remain as pending business.

In the Finance Committee itself, we would have an opportunity to discuss the Bentsen amendment, the Dole-Danforth amendment, Percy amendment, and the Eagleton amendment. In other words, the whole range of options would be available for consideration. Maybe there would even be a Long amendment.

Mr. LONG. That is always a distinct possibility.

Mr. DOLE. That is what I was thinking.

Mr. LONG. The first one I would offer would make money for the Government, I believe. I would start out by suggesting that we follow through with what we voted last year with regard to capital gains.

Mr. DOLE. We would not want any amendment from the Finance Committee that would increase the windfall profit tax in order to pay for something else.

Mr. LONG. No. I do not favor that. Of course, amendments will be offered to increase the windfall profit tax over what the committee recommended.

I ask this of the Senator from Texas: Can we agree that in the event cloture is voted, his amendment would be regarded as germane——

Mr. BENTSEN. I am looking for a modification thereof. It might be Senator Dole's amendment; it might be Senator Eagleton's amendment; but something that deals with this subject.

Mr. LONG. We are talking about an amendment that would be germane to the amendment.

Would the Senator be willing to agree to withhold his amendment until we go forward and vote on some other things in the bill? I would be willing to make such a proposal.

Mr. BENTSEN. The understanding is, then, that the Finance Committee will consider it in a timely fashion and we will have the opportunity to report such an amendment.

Mr. LONG. I doubt that it is sufficient notice to call a meeting for tomorrow morning for this purpose, but I hope we will meet during the recess or immediately when we get back after the Thanksgiving recess.

Mr. BENTSEN. I would be delighted to meet immediately after or tomorrow morning.

Could I suggest the absence of a quorum?

Mr. DOLE. As I understand it, the amendment of the Senator from Illinois and the Senator from Texas is restricted to an interest exclusion. Other approaches include some modification of the dividend policy. So a dividend exclusion is within the ball park of what we would be considering in the committee and reporting back. That does not say the committee would have to agree to change the dividend exclusion, but we would consider it. We might come back with the Bentsen-Percy amendment or a modification that could include some change in the dividend income exclusion.

Mr. LONG. I do not want to propose at this point that the germaneness rule be expanded beyond what I am proposing at the moment. If it is the judgment of the committee that we should have a broader amendment, of course that would be considered.

Let us keep in mind that germaneness does not become important except if we should have a cloture motion presented to the Senate and cloture should be invoked. Aside from that, as the Senator knows, it takes unanimous consent to limit ourselves to germaneness. Of course, every Senator can protect his rights simply by leaving word with the majority leader or the minority leader, the leadership on the two sides, that they want their rights protected.

Mr. DOLE. It seems to me that we might reach some agreement in the committee.

This agreement might include some different treatment of interest and some different treatment of dividend income or something else that might not occur to us now. Whatever it is I am hopeful that it would be germane in the event cloture were invoked before the proposal is reported by the committee.

Mr. LONG. I think that should await a decision by the committee. In other words, at this moment, I do not want to agree that something would be germane to the bill. I am willing to agree that this amendment would be germane.

Mr. DOLE. We have a different amendment.

Mr. LONG. If a different amendment is proposed, the Senator's rights would be protected just as much as they are protected right now.

For example, if one is interested in capital appreciation, the 10–5–3 proposal, his proposal could be considered in committee. We would not agree that it would be germane. On the other hand, if we report it and a majority favors it, if they want to add it to the bill, they would vote against cloture and we would not be able to get cloture.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. LONG. I yield

Mr. JAVITS. I think the Senators are passing each other in the night.

I have made this suggestion to Senator Dole, and I repeat it to the Senator from Louisiana.

What I have in mind is this: Yes, we are dealing with the question of exemption from taxes on interest of savings banks deposits, thrifts, and so forth. Fine. That is all understood. But if the committee should decide not only to report that but also to do something about dividends—if it should—then the whole thing would be germane, and that is the understanding. That is all I think Senator Dole asks—if the committee does report. It does not go to 10–5–3 or anything else. It deals strictly with the subject of our amendment, which is divisible.

In other words, it has a provision for dealing with taxes on interest and a provision for dealing with taxes on dividends. They are divisible, so that they can be voted on separately. We had that in mind.

However, if the Senator is making a unanimous consent request—because this is a question of equity as to how savers are treated, as to how investors are treated, and we are anxious to encourage both—I hope that if the committee decides that is worthy of a committee amendment, then whatever they decide in those two fields, not just the interest but also the dividends, may be considered germane, and that would be the text of the agreement. It would not extend to anything else.

Mr. LONG. Is that satisfactory to the Senator from Texas, that we agree that whatever proposal the committee would recommend in this area would be regarded as germane to the bill?

Mr. BENTSEN. The Senator is talking about interest and dividends.

Mr. JAVITS. That is all.

Mr. BENTSEN. I am not quarreling about that.

Mr. DOLE. There may not be any dividends.

Mr. BENTSEN. The Senator from Kansas has his desires.

If it is agreeable to the chairman that it be germane, I have no objection to that.

Mr. LONG. If we can make the agreement, we will lay aside this amendment and go on to other matters.

Mr. BENTSEN. I assume we are making the agreement.

Mr. LONG. I will ask for it in a moment.

Mr. BENTSEN. Fine.

Mr. LONG. Mr. President, I ask unanimous consent that when the Committee on Finance recommends an amendment dealing with the subject matter of the amendment of the Senator from Texas, or if such proposal should be broadened to include a deduction for dividends, that matter would be regarded as germane to the bill.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JAVITS. Does the Senator not also, in fairness to Senator Bentsen, Senator Percy, and us, have to ask that even if the committee rejects any such proposition, the amendments as they relate to interest on savings may also be considered germane? Is that correct?

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. As I understood it, that was the essence of the agreement—that whether the committee accepts it or rejects it, this particular type of amendment, and it is in both amendments, will be considered germane. If they recommend, also, something about dividends, that, too, will be considered to be germane; or if they recommend any combination of it.

Mr. LONG. I am not willing to agree that anything that might come in here about dividends would be regarded as germane to the bill.

Mr. JAVITS. No; I do not think I make myself clear.

The Senator has his unanimous-consent request, and we agree that if the committee recommends something on interest on savings and respecting dividends, that is germane—if the committee reports it.

As I understood it—and I am begging for information, because I came in on the middle of this—the Senator also is going to agree that if the committee did not recommend on either subject or on both subjects, nonetheless, the efforts contained in the amendment by Senator Bentsen and Senator Percy and in the amendment by Senator Dole, Senator Baker, and me, respecting interest on savings, would be germane. Otherwise, they are undertaking a delay, taking it off this, and so forth. It would be unfair to all of us.

Mr. LONG. Mr. President, I am willing to agree that the Bentsen amendment that is pending here would be regarded as germane, but I am not willing to agree that an amendment that I am not familiar with would be germane at this point.

Mr. DOLE. Mr. President, if the Senator will yield, I will offer it as a substitute now.

Mr. JAVITS. Why does the Senator not do that and then the issue would be joined?

Mr. LONG. He cannot. It would be an amendment in the second degree. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LONG. I ask the Chair is not the Bentsen amendment an amendment in the second degree?

The PRESIDING OFFICER. The Bentsen amendment is an amendment in the first degree. A committee substitute does not kill a degree under the precedents.

Mr. LONG. Will the Chair repeat that?

The PRESIDING OFFICER. A committee substitute does not kill a degree under the precedents.

UP AMENDMENT NO. 832

Mr. DOLE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. Does the Senator from Louisiana yield the floor?

Mr. LONG. Mr. President, that committee substitute has not been agreed to. It is pending as an amendment.

Mr. BENTSEN. I thought it was agreed to on Friday.

The PRESIDING OFFICER. The first substitute from the committee or from the floor does not kill a degree under the precedents. The first substitute, whether offered by the committee or on the floor, does not kill the degree under the precedents.

Mr. LONG. So it is subject to amendment in the first and second degree.

The PRESIDING OFFICER. That is right.

Mr. LONG. I mean that amendment, then, to the committee amendment is subject to amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. BENTSEN. Mr. President, will the chairman also tell me, in the agreement, if I lowered the amount of the exemption, that would be no problem.

Mr. LONG. No problem. It would still be germane.

Why does not the Senator show us a copy of the amendment if he wishes to let us examine it.

Mr. DOLE. If the Senator will yield.

The PRESIDING OFFICER. If the Senator will suspend, the Chair will read page 60 from the Senate procedure.

Is the Senator from Louisiana interested in a verbatim reading of the precedents on this point just to clarify the matter, or does the Senator not wish to proceed with any further explanation?

Mr. LONG. I will be happy to hear the precedents.

The PRESIDING OFFICER. On page 60 of the Senate procedure:

> In the case of a complete substitute for a bill, the original text proposed to be stricken out and the text proposed to be inserted in lieu thereof, whether proposed by a committee or offered from the floor, are each regarded for the purpose of amendment as a question, or as original text, and not as an amendment in the first degree; and each part is open to amendment in two degrees—an amendment to an amendment to the part to be stricken out or an amendment to an amendment to the substitute; and amendments to the part to be stricken out take precedence over amendments to the part to be inserted.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. DOLE. I might say to the chairman that this amendment has been printed. It is amendment No. 620. It was submitted last week.

In any event, it is a modification of the Bentsen-Percy amendment. This proposal originally had 41 cosponsors.

Under the proposal, interest earned on savings accounts would be excluded from gross income up to a certain amount. The amount would be $100 per individual and $200 per return, the same as the existing exclusion on dividends. In addition up to $400 additional would be excluded from interest and dividends if the amounts are reinvested. It is an idea that originally started with the Senator from Illinois and the Senator from New York, Senators Percy and Javits. Perhaps, we may just offer this as a substitute. It would not do any violence to what the Senator from Texas proposes. Then we would have it all there and it would all be germane. Whatever might return from the committee would be in the ball park.

Mr. PERCY. If the Senator will yield for one point about this, the cost is substantially less simply because of the requirement that there be a reinvestment. That requirement does not exist in the Bentsen amendment.

Mr. JAVITS. Mr. President, if the Senator will yield again, we are on this together, and I realize that it was converted from partisanship to bipartisanship. On the whole I think that is good. I think it gives it a broader base and more support. So it is just a matter of working it out so that we get the best of the brains of the Senate, and that is why I had suggested, as all the Republicans back this concept, that at least we get it in so that the Senate and now the committee, which I think Senator Long has a great suggestion—I really do—may consider it in toto. There is no pride of authorship. There is only one Senator on this side who authored it, and that is Senator Percy. He was the chairman of that part of a little task force, and I headed the whole effort which developed an economic program for us, and this was an element of it.

Mr. PERCY. Senator Danforth was much involved in the beginning also.

Mr. JAVITS. Yes.

Mr. DOLE. And Senator Baker.

Mr. JAVITS. I do not want the Senate to have any idea we are struggling over who gets the credit. There is no problem about that whatever.

Mr. PERCY. No.

Mr. JAVITS. It is a question of getting the best brains we can to do this. So we are pretty well together on it.

I thank Senator Long for facilitating it, and my suggestion for this additional unanimous consent was only because that is the way I understood this started, that it would qualify because there is going to be a delay of a few days, and that might be overtaken by cloture. I might tell the Senator I intend to vote for cloture, very frankly, so I value this very highly and it will enable for this particular element both the amendment and the substitute to be considered. If the committee chooses not to act or act adversely, that is all I have.

Mr. BENTSEN. Mr. President, the Bentsen-Percy amendment is the pending amendment, but I do want to try to acquiesce in working out what the Finance Committee would like to recommend in this regard. I have told the Senator that. We now understand that a minor modification thereof, will be considered germane, and in addition the Senator will give priority and anticipate hearings either tomorrow or immediately after the return from Thanksgiving. With that, I am quite prepared to set aside my amendment.

Mr. LONG. Mr. President, I suggest that we have a meeting of the committee. I suggest that the committee meet to discuss this matter on Thursday, November 29. That is a week from Thursday. And at that time we would hope to have staff materials available with regard to this and any other suggestions Senators might wish to make.

I do not want to ask for unanimous-consent as broad as all the things in these two amendments. I am happy to ask that whatever the committee recommends be germane, which could include this or include the other.

I have been willing to recommend that this amendment be regarded as germane, but I do not want to go as far as where this takes us when we get into the other area of dividends as well as interest.

So I propose that and our agreement be that the committee recommendation in this regard be regarded as germane.

Mr. BENTSEN. I say to the chairman I have introduced this amendment, I think, now for 9 years, so I do feel very strongly about it. I believe what he is saying, if I understand it, certainly covers my amendment and now whether it finally comes out of that committee or not I do not know. But we will see what is reported out in a general context of this and I would not object to that.

Mr. DOLE. Why do we not have a report?

The PRESIDING OFFICER. Does the Senator from Louisiana yield the floor for purposes of amendment, or does he yield the floor completely?

Mr. LONG. I ask unanimous consent that I may yield without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 832

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Kansas (Mr. Dole) for himself and Mr. Baker, Mr. Danforth, Mr. Javits, Mr. Roth, and Mr. Percy proposes an unprinted amendment numbered 832.

Mr. DOLE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> In lieu of the matter proposed to be inserted by the Bentsen amendment (No. 643) insert the following:
>
> (a) (1) Section 116 of the Internal Revenue Code of 1954 (relating to partial exclusion of dividends received by individuals) is amended—
>
> (1) by inserting "AND INTEREST" after "DIVIDENDS" in the heading of such section;
>
> (2) by adding new subsection (b) as follows:
>
> "(b) (1) Exclusion From Gross Income.—Gross income does not include amounts received during the taxable year by an individual as interest on a time or demand deposit with a bank (as defined in section 581), a savings institution described in section 591,

or a credit union insured under Federal or State law—

"(A) to the extent that the amount of interest does not exceed $100, and

"(B) to the extent that the amount of interest exceeds $100 but does not exceed $500, if such interest constitutes qualified interest.

For purposes of this subsection, interest which is credited to the account of an individual shall be treated as received on the day on which so credited. The term 'interest' for purposes of subsection (b) includes dividends paid by such banks, institutions and credit unions described herein.

"(b)(2) Qualified Interest.—

"(A) In general.—For purposes of subsection (b), the term 'qualified interest' means that portion of the excess interest described in subsection (b) which the taxpayer, promptly upon receipt of the interest uses to make a time or demand deposit the interest on which is excludible under subsection (b).

"(B) Net investment limitation.—No amount of interest received during any taxable year shall be treated as qualified interest if as of the last day of such taxable year the investment base of the taxpayer is less than the sum of—

"(i) the investment base of the taxpayer as of the first day of the taxable year, plus

"(ii) the amount of interest excludible from gross income for such taxable year as interest (determined without regard to this paragraph).

"(C) Investment base.—For purposes of this subsection, the term 'investment base' means an amount equal to the amount of money in all time or demand deposits of the taxpayer with institutions described in subsection (b)(1).".

(a)(2) Technical Amendments.—

(1) Section 116(b) of such Code is amended by renumbering such subsection as subsection (c).

(2) Section 116(c) of such Code is amended—

(A) by renumbering such subsection as subsection (d);

(B) by striking out paragraph (1); and

(C) by inserting "and interest" after "dividends" after each place it appears in paragraph (3).

(3) Section 116(d) of such Code is amended—

(A) renumbering such subsection as subsection (e); and

(B) by inserting "and interest" after "dividends".

(4) The table of sections for part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 is amended by inserting "and interest" after "dividends" in the item relating to section 116.

(b) Section 116 of the Internal Revenue Code of 1954 (relating to partial exclusion of dividends received by individuals) is amended by striking out subsection (a) and inserting in lieu thereof the following:

"(a)(1) Exclusion From Gross Income.—Gross income does not include amounts received during the taxable year by an individual as dividends from domestic corporations—

"(A) to the extent that the dividends do not exceed $100, and

"(B) to the extent that the dividends exceed $100 but do not exceed $500, if such dividends constitute qualified dividends.

"(2) Qualified Dividends.—

"(A) In general.—For purposes of subsecsection (a), the term 'qualified dividends' means that portion of the excess of dividends described in subsection (a) which the taxpayer, promptly upon receipt of the dividend uses to purchase stock in a domestic corporation the dividends of which are excludable under subsection (a).

"(B) Net investment limitation.—No amount of dividends received during any taxable year shall be treated as qualified dividends if as of the last day of such taxable year the investment base of the taxpayer is less than the sum of—

"(i) the investment base of the taxpayer as of the first day of the taxable year, plus

"(ii) the amount of dividends excludable from gross income for such taxable year as qualified dividends (determined without regard to this paragraph).".

"(C) Investment base.—For purpose of this subsection, the term 'investment base' means an amount equal to the amount of the adjusted basis (within the meaning of section 1011) of all stock in domestic corporations held by the taxpayer.".

(c) Effective Date.—The amendments made by this title shall apply to taxable years beginning after December 31, 1980.

Mr. DOLE. Mr. President, double-digit inflation is destroying the value of our citizens' savings. We continue to tax that interest in full, even though the rate of interest paid is usually far below the rate of inflation. It is no wonder that the savings rate in this country is one of the lowest in the world.

Mr. President, this low rate of savings means that industry does not have access to sufficient capital for modernization and expansion. The amendment we offer today addresses this problem.

The amendment proposed by myself, Senators BAKER, JAVITS, DANFORTH, ROTH, and PERCY provides a tax incentive for people to save. Interest earned on a savings account would be excluded from income, up to a certain amount. The amount excluded would be $100 per person and $200 per return—the same as the existing exclusion on dividends. In addition, up to $400 additional would be excluded for interest and dividends if the amounts are reinvested. Not only will people have more options in making use of their disposable income, but they will be encouraged to maintain part of their income in a form that will help provide for their future, and for our future as a nation.

This amendment will aid our taxpayers and aid our Nation. It is an idea we need now, when the worn-out economic policies of the past are being discarded. It is innovative, but not radical. It is also a measure of fairness to our taxpayers.

The only reservation I have with reference to the chairman's latest statement is an indication if in fact there is no agreement in the committee, say next Tuesday then the only proposal by the distinguished Senator from Texas would be in order. We are not going to invoke cloture by next week in any event, but in case in the event there was cloture—only the amendment dealing with interest would be germane.

I do not believe the Senator from Kansas would agree to that proposal.

Mr. JAVITS. Mr. President, will the Senator yield? I thought we had worked out a very proper arrangement. If I were to ask unanimous consent, Senator LONG—and I am not asking it, but if I were to ask—it would read as follows: "Unanimous consent is requested that the amendment of the Senator from Texas and the Senator from Illinois and the substitute therefor, insofar as it relates to interest on deposits only, may be considered germane to survive cloture if cloture is voted." In other words, both propositions will be before the Senate, period. I have no desire to bring in dividends. We have agreed on that. If the committee reports anything on dividends, then it will be considered germane, but if it does not then at least these two amendments will be considered germane.

Mr. BENTSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from Louisiana yield?

Mr. LONG. I yield for a question.

Mr. BENTSEN. As I understand it, Mr. President, we have already agreed as to germaneness on the interest portion on my amendment. That was agreed to.

The PRESIDING OFFICER. The Senator is correct.

Mr. LONG. I do not know whether we have, Mr. President.

Mr. BENTSEN. I thought we had.

Mr. JAVITS. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Mr. President, will the Senator yield for that? Is it a fact that the only thing agreed to was that anything the committee reported out on interest on deposits and on dividends would be considered germane?

The PRESIDING OFFICER. The Senator is correct, with the inclusion of the Bentsen amendment.

Mr. JAVITS. Mr. President, I did not understand that, and I would like the record read back. I would have objected to it if it had been made.

Mr. LONG. Mr. President, my impression was up to now that we had not agreed to anything. I thought all we had done was talk about the matter. I was suggesting that we simply agree that that which is recommended by the committee with regard to these two items be regarded as germane. That protects the right of every Senator. If the committee does not recommend what a Senator had in mind, he can still offer his amendment. If there are enough Senators who want to insist the amendment be added to the bill in the event we ask for cloture, they could vote against cloture. It takes but 41 votes.

Mr. DOLE. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. LONG. Yes.

Mr. DOLE. Would the amendment offered by the Senator from Kansas for himself and others in the event cloture is invoked in the nature of a substitute to the Bentsen amendment be germane?

The PRESIDING OFFICER. Under rule XXII paragraph 2 if cloture is invoked and the substitute is pending it must still meet the test of germaneness.

Mr. DOLE. I hope we would work an agreement out.

Mr. LONG. Well, it seems to me that it is fair to all concerned to simply agree that we will consider it in the committee and that what the committee recommends will be regarded as germane in the bill. So, if it should be necessary to ask for cloture to pass the bill, that the amendment could be considered. If a Senator nevertheless wants to persevere, even though the committee does not agree with him about the matter, he can still offer his amendment on the floor. In the event he thinks his rights might be prejudiced by cloture, he will vote against cloture. So it would protect his rights. I have no doubt, Mr. President, that the committee will find the amendment appeals to them and they will want to add——

The PRESIDING OFFICER. Is the Senator willing to put that in the form of a request?

Mr. DOLE. Mr. President, a further parliamentary inquiry, if the Senator will yield.

Mr. LONG. Yes.

Mr. DOLE. If the Bentsen amendment is made germane, would amendments to the Bentsen amendment be germane notwithstanding cloture?

The PRESIDING OFFICER. The Senator is correct, it would be germane.

Mr. DOLE. A further parliamentary inquiry, Mr. President. Would that apply only to a substitute or to any amendment?

The PRESIDING OFFICER. Either a substitute for or a perfecting amendment.

Mr. DOLE. Even if it contains in addition to interest in this case some other subject matter?

The PRESIDING OFFICER. The Chair is informed that that might not be germane.

Mr. DOLE. Might not.

The PRESIDING OFFICER. The question is whether the substitute or the amendment introduces a new subject matter.

Mr. DOLE. I do not know that the Chair can rule on it.

Mr. LONG. Mr. President, the request I had in mind is a request that, notwithstanding the germaneness rule, such an amendment can be considered. That does not open the door to all the other amendments someone might suggest he might want to offer in that general area. If one is going to open the door to all amendments that have to do with interest and dividends, goodness only knows how far you might go. My thought is if we agree that what the committee recommends will be germane, then whether we want to go beyond that is something the Senate should consider when we see what it is we are talking about.

I am not worried about the amendments we have here, but I am concerned about where you go from there when you start adding amendments to it.

It just seems to me if we simply agree that that which is recommended by the committee, notwithstanding the cloture motion, would be in order, that it would be regarded as germane, the reason we are doing it is because it is not germane. But if you say this amendment will be regarded as germane, that does not mean you have to regard everything that is relevant to the amendment as germane.

Mr. BENTSEN. We have a question earlier as to what we had agreed to, and I thought we had agreed on the Bentsen amendment that it was ruled germane, and we asked for the reporter to give us the information.

The PRESIDING OFFICER. The Chair will direct the reporter to read back his notes.

The Official Reporter of Debates, Mr. William D. Mohr, read as follows:

> Mr. LONG. Mr. President, I ask unanimous consent that when the Committee on Finance recommends an amendment dealing with the subject matter of the amendment of the Senator from Texas, or if such proposal should be broadened to include a deduction for dividends, that matter would be regarded as germane to the bill.
>
> The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JAVITS. That is it, Mr. President, just what I said.

Mr. DOLE. We did not deal then with what happened if we did not reach an agreement in committee.

Mr. LONG. Would the reporter read on after that point?

The Official Reporter of Debates, Mr. William D. Mohr, read further, as follows:

> Mr. JAVITS. Does not the Senator also, in fairness to Senator BENTSON, Senator PERCY, and us, have to ask that even if the committee rejects any such proposition, the amendments as they relate to interest on savings may also be considered germane? Is that correct?
>
> The PRESIDING OFFICER. Is there objection?
>
> Mr. JAVITS. As I understood it, that was the essence of the agreement—that whether the committee accepts it or rejects it, this particular type of amendment, and it is in both amendments, will be considered germane. If they recommend, also, something about dividends, that, too, will be considered to be germane; or if they recommend any combination of it.
>
> Mr. LONG. I am not willing to agree that anything that might come in here about dividends would be regarded as germane to tho bill.
>
> Mr. JAVITS. No. I do not think I make myself clear.

Mr. LONG. Mr. President, it seems to me, based on what the reporter has read, that we have an agreement on where we stand when the committee recommends. I think we ought to stand on that. It seems to me we can work it out.

Then if someone is not happy about what the committee recommends, he can defend his rights here on the floor.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. LONG. Yes.

Mr. DOLE. In other words, we have agreed on what the committee recommends; nothing beyond that?

Mr. LONG. That is right.

Mr. DOLE. If the committee does not recommend anything, we are right back to where we are now?

Mr. LONG. Then the Senator can offer his amendment.

Mr. DOLE. Then those on the other side, if cloture had been invoked, would be subject to a point of order as not germane under cloture?

Mr. LONG. But the same would apply to all of it.

Mr. DOLE. I understand, as long as things are clear.

Mr. BENTSEN. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BENTSEN. That would mean cloture would have to be invoked for it not to be germane.

Mr. LONG. I agree with the Senator; under that we would have to invoke cloture.

Mr. JAVITS. Mr. President, will whoever has the floor yield?

The PRESIDING OFFICER. The Senator from Louisiana has the floor. The Chair wishes to ask the Senator for clarification.

It is the Chair's understanding that the Senators have agreed that in the event the committee does not report out favorably a bill on this subject, nevertheless the Bentsen amendment is still germane.

Mr. LONG. That is correct.

Mr. DOLE. Correct.

Mr. JAVITS. I object to that.

Mr. LONG. I have not requested anything. What——

Mr. DOLE. Then we do not agree on anything. Everybody is on his own.

Mr. BENTSEN. No, no; we have an agreement if it is reported out. We do not have an agreement if it is not reported out.

Mr. DOLE. That is my understanding.

Mr. LONG. That is correct.

Mr. JAVITS. Mr. President, I think in all fairness we ought to lay this matter to rest, and have a clear road before us. I have suggested a way to do it, and I think that is the way we ought to do it. That is to qualify both the Bentsen and the Dole amendments. If the committee does not clear the matter, those two amendments will be in order. That settles the matter, and Senators can feel free to vote for cloture.

I will vote against cloture if we do not qualify these amendments.

Mr. LONG. We can clarify that matter later on. Right now we are not even asking for cloture. If it becomes necessary later on, we can cross that bridge. At the moment, we have an agreement, and it seems to me we ought to stand on the agreement. When the committee meets, I am confident it will recommend something. It might recommend the Bentsen amendment, or it might recommend the Bentsen amendment with the addition of the Dole amendment; but whatever it recommends, that would be germane. Then the Senate can invoke cloture anyway, and the Senator can still propose his amendments. I would respect his right to do that.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. DOLE. Mr. President, hold the quorum call. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. Mr. President, I do not see the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) in the Chamber, but it would be the hope of this Senator that perhaps we could move quickly to some agreement on the section of the bill dealing with the repeal of the carryover basis. I know there has been some earlier discussion. There has been a lot of discussion on the issue, particularly last March. March 28, to be exact. I would hope that Senators who may be listening in their offices would be on notice that we hope to resolve the question of carryover basis, so that we might have a vote on it today. I am not asking for any unanimous-consent agreement, but I would hope that the Senator from Virginia will be making a request that will be approved by our colleagues.

The distinguished Senator from Virginia is now on the floor. I say to the Senator, I was just suggesting that I hoped we might resolve the carryover basis issue today, and serve notice on Senators in opposition who might be listening that if they have any objection we intend to bring the issue before the Senate. I did not read the agreement that the distinguished Senator from Virginia tried to propound, but I would hope that we might be able to resolve the issue today.

Mr. HARRY F. BYRD, JR. Mr. President, if the Senator will yield, I would certainly hope so. In the absence of anyone attacking it, it remains a part of the bill. I do not know whether any effort will be made to attack it or not. I would certainly hope not.

I think it is well to list those who are cosponsors of this measure:

Senator Robert Dole, Senator Harry F. Byrd, Jr., Senator Edward Zorinsky, Senator Lloyd Bentsen, Senator Roger W. Jepsen, Senator Malcolm Wallop, Senator Wendell H. Ford, Senator Robert Morgan, Senator John Tower, Senator Nancy Landon Kassebaum, Senator Richard G. Lugar, Senator Richard Stone, Senator Orrin G. Hatch, Senator Milton R. Young, Senator J. James Exon, Senator James A. McClure, Senator Larry Pressler, Senator Thad Cochran, Senator John Melcher, Senator Jesse Helms, Senator Harrison "Jack" Schmitt, Senator Gordon J. Humphrey, Senator Barry Goldwater, Senator Rudy Boschwitz, Senator Alan Simpson, Senator Ernest Hollings, Senator Russell B. Long, Senator Gaylord Nelson, Senator Daniel Patrick Moynihan, Senator David Durenberger, Senator Howell Heflin, Senator S. I. (Sam) Hayakawa.

All of those Senators are cosponsors of the proposal to repeal the carryover basis. Now, which organizations have gone on record in supporting repeal of the carryover basis?

Mr. BENTSEN. Mr. President, will the Senator yield for a parliamentary point here?

Mr. HARRY F. BYRD, JR. Yes.

Mr. BENTSEN. While we are considering the question and the time is appropriate, without encroaching on the Senator's time, I would like to withdraw my amendment at this time.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. BENTSEN. I have already discussed this with the Senator from Kansas, and he understands that this brings his amendment down also.

I thank the distinguished Senator from Virginia.

Mr. HARRY F. BYRD, JR. The following organizations are supporting repeal of the carryover basis:

American Bar Association.
American Bankers Association.
American College of Probate Counsel.
American Farm Bureau Federation.
American National Cattlemen's Association.
Forest Industries Committee on Timber Valuation and Taxation.
National Livestock Tax Committee, American Cattlemen's Association.
National Livestock Feeders' Association.
National Wool Growers Association.
Pennsylvania Bankers Association.
Iowa State Bar Association.
National Realty Committee.
International Council of Shopping Centers.
National Association of Realtors.
Colorado Bar Association, Taxation Section.
The Authors League of America.
Texas Bankers Association.
Florida Bankers Association.
National Association of Home Builders.
New York State Bankers Association.
Committee of Banking Institutions on Taxation, New York.
Apartment and Office Building Association of Metropolitan Washington.
Virginia Beef Cattle Association.
Illinois State Bar Association.
American Paper Institute.
National Forest Products Association.
Virginia Forestry Association.
North Carolina Bar Association.
The Southern Governor's Association.
Building Owners & Managers Association, International.

Mr. President, the reason that it is important to repeal the carryover basis is that it is a totally unworkable law. It is totally unworkable. Virtually every individual who has testified on the subject so states. The Treasury says that. What the Congress did in 1976, in enacting carryover basis, is just not workable.

I should add that the Congress in 1976 enacted carryover basis at the last moment. It did it in the 59th minute of the 11th hour, and virtually no one knew what the proposal was or what it did. It was written into law by the committee of conference. Since then, the Subcommittee on Taxation, of which I am the chairman, has held various hearings on this.

I have just read the number of organizations which are strongly opposed to it and feel it must be repealed. That is the only sensible thing to do, Mr. President. The only sensible thing to do is to repeal it, because it does not work, it cannot work. It cannot be complied with and it cannot be administered.

The thing to do is to take it off the books, eliminate it from the code. Then if there are those who next year have proposals that they would like to put in in place of it, or if they would like to modify what is on the books, hearings can be held—that can be done. But the provision that is now on the books—and I do not think any Member of the Senate will dispute this—is totally unworkable.

I hope that there will be no attack made on the proposal to repeal this provision.

UP AMENDMENT NO. 833

Mr. LONG. Mr. President, in order to try to focus the Senate's attention on at least one provision of the bill, I send to the desk an amendment to the House-passed bill. This is a provision of the committee substitute, initially offered by Mr. WALLOP, which relates to the phaseout of the tax. I send this amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Louisiana (Mr. LONG) proposes an unprinted amendment numbered 833.

On page 27, between lines 5 and 6, add the following:

"SEC. 4994. PHASEOUT OF TAX.

"(a) ESTIMATES BY SECRETARY.—

"(1) IN GENERAL.—Each month the Secretary shall make an estimate, on the basis of the best data available as of the time of the estimate, of the target fraction as of the last day of the succeeding month.

"(2) PUBLICATION.—Not later than the last day of the month in which the Secretary estimates that the target fraction for the succeeding month will equal 9/10 or more, the Secretary shall publish notice in the Federal Register that—

"(A) such target fraction will equal 9/10 or more for the succeeding month, and

"(B) the provisions of subsection (b) shall apply with respect to crude oil removed from the premises in any month after the target base month.

"(b) PHASEOUT EXEMPTION.—

"(1) IN GENERAL.—Notwithstanding any other provision of this chapter, no tax shall be imposed by section 4986 with respect to that portion of taxable crude oil removed from the premises in any month beginning after the target base month as is equal to the product of—

"(A) the total amount of taxable crude oil removed from the premises during such month (determined without regard to this section), multiplied by

"(B) a percentage (not greater than 100) equal to the product of—

"(i) 3 percent multiplied by

"(ii) the number of months (including the month for which the computation is being made) beginning after the target base month.

"(2) ALLOCATION RULES.—The determination of which barrels of crude oil removed during any month are exempt from tax by reason of this section shall be made—

"(A) first by allocating the amount of the oil determined to be exempt under paragraph (1) between oil which (but for this section) would be tier 1 oil, oil which (but for this section) would be tier 2 oil, and oil which (but for this section) would be tier 3 oil in proportion to the respective amounts of such oil removed from the property during such month, and

"(B) then by taking into account barrels of crude oil so removed in the order of their respective removal prices beginning with the highest of such prices.

"(c) DEFINITIONS.—For purposes of this section—

"(1) TARGET FRACTION.—The term 'target fraction' means a fraction—

"(A) the numerator of which is the net amount of revenue attributable to the tax imposed under section 4986 (other than any revenue attributable to an economic interest in crude oil held by the Federal Government) during the period beginning on January 1, 1980, and ending on the last day of the month for which an estimate is being made under subsection (a) (1), and

"(B) the denominator of which is $141,200,000,000.

"(2) TARGET BASE MONTH.—The term 'target base month' means the first month for which the Secretary estimates under subsection (a) (1) that the target fraction during such month will equal 9/10 or more.

UP AMENDMENT NO. 834

Mr. HARRY F. BYRD, JR. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER (Mr. Boren). The amendment will be stated.

The legislative clerk read as follows:

The Senator from Virginia (Mr. Harry F. Byrd, Jr.) proposes an unprinted amendment numbered 834 to the amendment of the Senator from Louisiana (Mr. Long) numbered 833.

In lieu of the matter proposed to be inserted, insert the following:

(1a) Carryover Basis.

(a) In General.—Subsections (a), (d), and (e) of section 2005 of the Tax Reform Act of 1976 (relating to carryover basis), and subsection (e), paragraphs (2) through (9) of subsection (c),—

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (UP No. 834) is as follows:

In lieu of the matter proposed to be inserted, insert the following:

(1a) Carryover Basis.

(a) In General.—Subsections (a), (d), and (e) of section 2005 of the Tax Reform Act of 1976 (relating to carryover basis), and subsection (a), paragraphs (2) through (9) of subsection (c), and paragraphs (1) and (3) of subsection (r) of section 702 of the Revenue Act of 1978, and the amendments made by those subsections or paragraphs are hereby repealed.

(b) Revival of Prior Law.—Except to the extent necessary to carry out subparagraph (D), the Internal Revenue Code of 1954 shall be applied and administered as if the provisions repealed by subparagraph (A), and the amendments made by those provisions, had not been enacted.

(c) Conforming Changes.—

(1) Subsection (c) of section 1016 (relating to increase in basis in case of certain involuntary conversions) is amended to read as follows:

"(d) Increase in Basis in the Case of Certain Involuntary Conversions.—

"(1) In general.—If—

"(A) there is a compulsory or involuntary conversion (within the meaning of section 1033) of any property, and

"(B) an additional estate tax is imposed on such conversion under section 2032A(c), then the adjusted basis of such property shall be increased by the amount of such tax.

"(2) Time adjustment made.—Any adjustment under paragraph (1) shall be deemed to have occurred immediately before the compulsory or involuntary conversion.".

(2) (A) Section 1040 (relating to satisfaction of a pecuniary bequest) is amended to read as follows:

"Sec. 1040. Use of Farm, Etc., Real Property To Satisfy Pecuniary Bequest.

"(a) General Rule.—If the executor of the estate of any decedent satisfies the right of a qualified heir (within the meaning of section 2032A(e) (1)), to receive a pecuniary bequest with property with respect to which an election was made under section 2032A, then gain on such exchange shall be recognized to the estate only to the extent that, on the date of such exchange, the fair market value of such property exceeds the value of such property for purposes of chapter 11 (determined without regard to section 2032(A).

"(b) Similar Rule for Certain Trusts.—To the extent provided in regulations prescribed in regulations prescribed by the Secretary, a rule similar to the rule provided in subsection (a) shall apply where—

"(1) by reason of the death of the decedent, a qualified heir has a right to receive from a trust a specific dollar amount which is the equivalent of a pecuniary bequest, and

"(2) the trustee of the trust satisfies such right with property with respect to which an election was made under section 2032A.

"(c) Basis of Property Acquired in Exchange Described in Subsection (a) or (b).—The basis of property acquired in an exchange with respect to which gain realized is not recognized by reason of subsection (a) or (b) shall be the basis of such property immediately before the exchange increased by the amount of the gain recognized to the estate or trust on the exchange."

(B) The item relating to section 1040 in the table of sections for part III of subchapter O of chapter 1 is amended to read as follows:

"Sec. 1040. Use of farm, etc., real property to satisfy pecuniary bequest.".

(3) The second sentence of section 2614(a) (relating to special rules for generation-skipping transfers) is amended to read as follows: "If property is transferred in a generation-skipping transfer subject to tax under this chapter which occurs at the same time as, or after, the death of the deemed transferor, the basis of such property shall be adjusted in a manner similar to the manner provided under section 1014(a).".

(d) Election of Carryover Basis Rules by Certain Estates.—Notwithstanding any other provision of law, in the case of a decedent dying after December 31, 1976, and before November 7, 1978, the executor (within the meaning of section 2203 of the Internal Revenue Code of 1954) of such decedent's estate may irrevocably elect, within 120 days following the date of enactment of this Act and in such manner as the Secretary of the Treasury shall prescribe, to have the basis of all property acquired from or passing from the decedent (within the meaning of section 1014(b) of the Internal Revenue Code of 1954) determined for all purposes under such Code as though the provisions of section 2005 of the Tax Reform Act of 1976 (as amended by the provisions of section 702(c) of the Revenue Act of 1978) applied to such property acquired or passing from such decedent.

(e) Effective Date.—The amendments made by this section apply to estates of decedents dying after December 31, 1976.

Mr. HARRY F. BYRD, JR. Mr. President, this amendment repeals the carryover basis provisions of the present law. As I indicated earlier, it is very important that this be done. Congress in 1976 enacted a law which is just totally unworkable. I do not think anyone disputes this position.

The Taxation Subcommittee of the Finance Committee held three hearings on this matter. Almost without exception, Mr. President, those who testified asserted to the committee that the law, as it is now, cannot be complied with. It cannot be administered. Congress itself recognized that last year.

Last year, Congress deferred the effective date of the carryover provisions until December 31 of this year. Now, we are getting very close to this date. December 31 of this year is next month. It is essential that Congress take action now to repeal an unworkable section of the tax code.

If there are individuals who want to have other legislation enacted at a subsequent time, that legislation could be considered and public hearings could be held on it in 1980, and the Congress could work its will one way or the other.

I yield to the Senator from Kansas.

Mr. DOLE. First, I commend the distinguished Senator from Virginia and I ask to be made a cosponsor of the amendment.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the Senator from Kansas and all of the Senators listed as cosponsors of the original proposal be made cosponsors of this amendment, which would be bipartisan, both Republicans and Democrats.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The list of cosponsors follows:)

Senator Robert Dole, Senator Harry F. Byrd, Jr., Senator Edward Zorinsky, Senator Lloyd Bentsen, Senator Roger W. Jepsen, Senator Malcolm Wallop, Senator Wendell H. Ford, Senator Robert Morgan, Senator John Tower, Senator Nancy Landon Kassebaum, Senator Richard G. Lugar, Senator Richard Stone, Senator Orrin G. Hatch, Senator Milton R. Young, Senator J. James Exon, Senator James A. McClure, Senator Larry Pressler, Senator Thad Cochran, Senator John Melcher, Senator Jesse Helms, Senator Harrison "Jack" Schmitt, Senator Gordon J. Humphrey, Senator Barry Goldwater, Senator Rudy Boschwitz, Senator Alan Simpson, Senator Ernest Hollings, Senator Russell B. Long, Senator Gaylord Nelson, Senator Daniel Patrick Moynihan, Senator David Durenberger, Senator Howell Heflin, Senator S. I. (Sam) Hayakawa.

Mr. DOLE. Will the Senator yield for a parliamentary inquiry?

Mr. HARRY F. BYRD, JR. I yield.

Mr. DOLE. Mr. President, the Senator from Virginia has yielded for a parliamentary inquiry.

Are any further amendments to the amendment of the distinguished Senator from Virginia in order?

The PRESIDING OFFICER. At this point no further amendment would be in order.

Mr. DOLE. I am not certain whether the Senator from Virginia has any time in mind when we might vote on this very important matter. It certainly would give us some expression of the Senate. There are 32 cosponsors, as the Senator from Virginia pointed out, plus many others who favor repeal. I believe the Senator from Virginia best stated it in a committee meeting when he told the Treasury, "Let us just start over. Let us repeal the carryover basis and start over, instead of putting all the pressure on the taxpayers of this country."

I think once the American people understand what we have in effect is a double tax at death. There is an estate tax and now we have, in effect, a capital gains tax, at death. They will begin to understand the merit of the effort to repeal this provision. The repeal of carryover basis is a matter that is understood all across this country, whether by farmers, or the small businessman. There are many Americans who have worked all their lives and have saved a little money and property and now we want to put on another tax on them.

I certainly commend my distinguished colleague from Virginia. If there will be a protracted debate, the Senator from Kansas is prepared to open up a number of other areas, whether it be recordkeeping, levels of taxation, fiduciary responsibility, and all the problems we have to deal with if we do not repeal the carryover basis. I hope our colleagues who have an interest in this legislation will have an opportunity to express themselves today.

I would say to my colleague that there are some on this side who are planning to leave at about 2:30 this afternoon. Perhaps we could have a vote prior to that time.

Mr. HARRY F. BYRD, JR. I thank the Senator from Kansas. Mr. President, this issue is so well known. I think all Members of the Senate know the issue. Perhaps there is not total unanimity on the issue, but everyone is aware of it. I think everyone also realizes that the existing law must be changed. It cannot work. The only logical way of handling it, as I see it, is to repeal it.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The years and nays were ordered.

Mr. HARRY F. BYRD, JR. Call the roll.

The PRESIDING OFFICER. The question is on agreeing to the——

Mr. DOLE. Mr. President, I wonder if we might agree on a time certain for the vote.

Mr. LONG. Mr. President, I ask that further debate on the Byrd amendment be limited to 1 hour to be equally divided between the Senator from Virginia (Mr. HARRY F. BYRD, JR.) and the manager of the bill. I will yield my time to anyone who wants to speak against the Byrd amendment.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Reserving the right to object, what is the request?

The PRESIDING OFFICER. The request is for a 1-hour time limitation to be equally divided on the amendment of the Senator from Virginia on the carryover basis.

Mr. STEVENS. Mr. President, I am constrained to object. I will be happy to confer with the Senator about it.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on the amendment by Mr. HARRY F. BYRD, JR. occur at 2 p.m. today.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HARRY F. BYRD, JR., obtained the floor.

Mr. MUSKIE addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia has the floor.

Mr. MUSKIE. Mr. President, will the Senator from Virginia yield for a moment?

Mr. HARRY F. BYRD, JR. I yield to the Senator from Maine.

Mr. MUSKIE. Mr. President, I have not been involved in the debate on the carryover basis issue. As one who voted to change the law in 1976, I am aware of some of the problems that have developed since that time with respect to the 1976 rules, problems having to do with the proof of basis, fiduciary responsibilities, and the complexity of computations, exemptions, and adjustments.

So I understand the concerns that have motivated this effort to repeal what we did in the 1976 law.

In all frankness, I have not reached a final position as to what a wise policy in this matter would be. I have had the benefit of a memorandum from my Budget Committee staff analyzing the problem, and I think it might be useful to other Senators, who do not have the benefit of such analysis, if I were to include it in the RECORD. So I ask unanimous consent to have this memorandum printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM

U.S. SENATE,
COMMITTEE ON THE BUDGET,
Washington, D.C., October 22, 1979.

Subject: Carryover basis.

SUMMARY

In 1976, Congress amended the Internal Revenue Code replacing stepped-up basis with carryover basis on assets transferred in estates. This meant that the base from which the taxable appreciation in the value of an inherited asset is calculated for the purpose of capital gains taxation was changed from the value at the time of inheritance to the acquisition cost of the decedent. This was seen as a major improvement in the equity of the tax system. Previously, much of the appreciation in various assets escaped capital gains taxation because of the stepped up basis provisions. The 1976 reforms are now scheduled to take effect December 31, 1979. The delay in implementation results from the complexity of the rules formulated for carryover. The Senate Finance Committee unanimously adopted an amendment to the Windfall Profit Tax bill, which strikes the 1976 reform. The Department of Treasury concedes that the 1976 provisions are very complex, but believes that the present law should be amended rather than starting over completely. The Treasury Department is supporting a bill introduced by Representative Fisher which would simplify the 1976 Tax Reform Act provisions.

Background

All forms of wealth are subject to capital gains tax, when the gain (loss) is realized. Therefore, a person purchasing a stock at ten dollars and selling that stock for twenty dollars incurs a tax liability on ten dollars of capital gain. This provision of tax law presents no difficulty. The controversy arises when an asset is transferred to one person from another, as a gift or bequest. It is commonly accepted that the appreciation of an asset transferred as a gift should not escape capital gains treatment.

Current tax law does subject that appreciation to taxation. There are two cases. First, the asset may be transferred when the giver is still alive. In this case, the recipient assumes the givers basis (the base value of the asset). If the stock had been purchased at $10, as in the previous example, and the recipient sold it for $20, he would be subject to capital gains taxation on $10. This is carryover basis; the recipient assumes the giver's basis.

Assets are also transferred as bequests through estates. Prior to 1976, these type of transfers were subject to a different determination of basis. All assets are assessed, when the estate taxes are paid. A recipient then assumed that assessed value as their basis. (This is stepped-up basis.) The appreciation of the asset that took place during the donors' life escapes capital gains taxation. The consequences of this rule can be seen in the following simple example.

Rule	Purchase price of asset	Value at time of transfer	Value at sale date	Amount subject to capital gains tax
Carryover	$100	$150	$200	$100
Step-up	100	150	200	50

A great deal of wealth escaped capital gains treatment because of the use of stepped-up basis. Treasury documented 4 cases in 1976 where appreciation exceeding $1.5 million escaped taxation.

Congress acted in 1976 to change this situation. The 1976 Tax Reform Act included a provision which applied the rules for carryover basis to bequests transferred at death. Two arguments were used in the support of the change. First, the stepped-up basis provisions were thought to distort capital markets. People were holding assets to death, rather than transfer them while alive, because of the tax treatment. Second, it was argued that the stepped-up basis violated the principle of horizontal tax equity. Two taxpayers, otherwise the same, were treated differently because of the condition of a donor of a gift.

The reform provisions adopted by Congress made all appreciation after December 31, 1976 subject to carryover basis. This implicitly required all wealth be assessed on that date. Rather than require such an undertaking, transition rules were developed to estimate the 1976 value, when an asset was transferred at death. These transition rules are very complex and have resulted in delay in the implementation of the reform. The following section discusses the problems in the current law.

PROBLEMS OF 1976 RULES

The carryover basis provisions scheduled to take effect December 31, 1979 are expected to be burdensome in several respects. First, the liquidity problems of certain estates will be increased. Second, a series of administrative problems are created for executors of estates. Third, the provisions require a complex set of computations, exemptions and adjustments complicating the estate tax system.

1. Liquidity.

Inheritors of estates which are illiquid may have to sell assets to pay estate taxes. Under carryover provisions, the sale of these assets creates an income tax liability, which may in turn require the sale of additional assets. This may cause serious problems in estates with closely held corporations: sales may be difficult and result in capital losses.

2. Administrative Problems.

a. Proof of Basis.

Carryover requires knowledge of the decedent's basis for all properties, that is the price or value of the asset when acquired. The new basis equals the value at death minus the growth in value since 1976. The recipients basis is based on an assumption that the value of an asset appreciated constantly between the decendent's acquisition value and 1976. Opponents argue that the administrative difficulty caused by this requirement makes carryover unworkable. It is argued that proof of basis can be a problem for any property, but is most likely to affect intangibles, personal and household effects and residences (for which gains in value are primarily caused by improvements made during the life of the decedent). Most people do not keep sufficient records to support the basis of these assets. Furthermore, the basis as reported at the time of the disposition of the estate is not accepted in law. The IRS may contest that basis when the asset is disposed of by the beneficiary. (This is the so-called "suspended basis" problem.)

b. Fiduciary Responsibilities.

An executor has a fiduciary responsibility to treat beneficiaries fairly. Currently, executors must make decisions on which assets should be sold to pay estate and gift taxes. This requires considering yield and growth potential. Carryover creates a need to consider another set of factors: first, the consequences of selling high basis versus low basis properties and second, the distribution of assets with various bases to benefit all recipients. This requires knowledge of the various recipients income tax position. Some argue that failure to take these factors into account may result in the executor being subject to a surcharge on his commission.

3. Complexity of Computations, Exemptions and Adjustments.

a. Cost Basis.

An estate may possess similar assets received at different times, for example, stock in a corporation in which some shares were purchased and others received as dividends. It is not difficult to ascertain the purchase price of that stock; however, the appreciation in value must be computed several times recognizing different acquisition dates. While in this example, that is not difficult, it does increase the number of calculations to be completed. The problems increase for assets with a market value not easily available as marketable securities. Shares in a closely held corporation are seen as causing great difficulty.

b. Personal and Household Effects Exemption.

The 1976 provision contain an exemption of $10,000 for household and personal effects. Any assets may be included in that exemption, up to a total market value of $10,000. Opponents foresee this exemption causing problems. Primarily, these problems arise when it is necessary to ascertain cost or assign an allocable portion of the exemption to a set or collection, for example, allocation of original cost or a remaining exemption amount to a set of silverware purchased and valued for estate tax purposes as a collection where the individual units may have varying costs and values.

c. Fresh-Start Adjustments.

The 1976 reform subjected the appreciation of an asset since 1977 to the carryover provision. This implicity requires a January 1 valuation of all assets on that date. Several interim rules were developed, rather than subject all assets to an actual valuation. For marketable securities the listed value for the January 1, 1977 date is used, but only for the purposes of a capital gain. For non-marketable securities historical cost and market value at the time of death must be known. The asset is then assumed to have increased in value evenly over that time period—the December 31, 1976 value then equals the average annual increase multiplied by the number of years since 1976. Unfortunately, historical cost is not always known and assuming constant value increases may create inequities. Third, for other properties the 1976 value is determined by discounting the market value at time of death by 8 percent annually to 1976.

This combination of adjustments and rules increases the burden on the executor and the costs of settling an estate.

d. Death Tax Adjustments.

All properties subject to death taxes are adjusted in value to reflect that cost. (A payment of taxes reduces the assets' value.) The tax consequences of selling a particular asset is not known until the marital and charitable deduction are taken. The uncertainty in settling an estate is increased. Second, the "suspended basis" of assets causes a problem until an IRS audit is completed. It is argued that the death tax adjustment may have to be recalculated for every carryover basis item if a single audit change results in a higher or lower estate tax. The provisions now require that adjustment be made by calculating the marginal tax rate applicable to each carryover asset. Because up to three estate taxes may apply to an asset, this calculation may have to be done three times.

FISHER AMENDMENT CHANGES

Representative Fisher of Virginia has introduced an amendment to correct some of the complexity of the 1976 provisions. The Administration supports the Fisher amendment as introduced. The major provisions of the Fisher amendment are:

1. The minimum estate size is increased from $60,000 to $175,000. This excludes 98 percent of all estates from carryover;
2. All estates, subject to the law, are provided a minimum basis of $175,000. This basis can be allocated to any assets reducing the liquidity problems; the basis can be applied to assets being sold to meet death taxes and therefore reducing the total income tax liability;
3. The death tax adjustment is simplified with one calculation replacing the three separate, but interdependent, calculations now made. A single tax rate is applied to all appreciated property in the estate—the highest marginal tax rate the estate is subject to—before any credits are applied. This approach reduces the problems created by audits challenging valuations of particular assets changing the applicable tax rates;
4. The liquidity issue is further addressed by allowing closely held businesses to qualify for the deferred estate tax privilege, at the executors' discretion;
5. Similar assets, acquired at different times, no longer would have to be valued separately. An executor can elect to compute an average basis for all of these assets;
6. The bill increases the tangible personal property exemption from $10,000 to $25,000;
7. The fresh start provisions are simplified. First, the fresh start adjustment applies to both gains and losses. Second, the adjustment applies to both gains and losses. Second, the reported value of marketable securities is utilized to establish the value of these assets. Third, the December 31, 1976 value of all other assets is determined by discounting the value at death by 6 percent annually.
8. A procedure is created which avoids the problems caused by suspended basis. The IRS is required to accept the estate tax basis established by the estate tax return.

Mr. MUSKIE. Mr. President, between now and the time that the vote will occur, I will decide how I should vote. However, I hope that in due course, probably in connection with the debate on the windfall profit tax, we may have an opportunity to explore this issue more thoroughly and to understand some of the options that may be available to us, and that a later vote may be more conclusive—at least, as to my final judgment on the issue—than the vote that is taken today.

I applaud the distinguished Senator from Virginia for raising the issue and creating the opportunity to discuss some of these problems. I thank the Senator for yielding to me at this time.

Mr. HARRY F. BYRD, JR. I thank the Senator from Maine.

This is a very complex issue. That is why it occurs to the Senator from Virginia—and many others, for that matter—that what needs to be done, regardless of how one feels about the merits or demerits of the carryover basis provision, is to get the present law off the statute books. I can assure the Senator that virtually every witness says it is not workable. Estate executors and all those involved in the handling of estates, say that the law cannot be complied with. The Treasury Department, which is a strong advocate of the carryover basis provision, says that it cannot even be administered. So we have a law on the books which is totally unworkable.

It seems to me that the logical thing to do is to repeal this law. Then, those who have proposals to put in its place can present those proposals next January, in the form of a bill.

As chairman of the Subcommittee on Taxation, I will hold hearings on that bill or those bills, as the case may be. I will be glad to set any date in March—with the exception of March 17—which would be most convenient to those who are interested in this matter. I will hold hearings on it and then decide what is the best course of action to follow.

If we do not repeal this matter now, the deferral of carryover basis which Congress found necessary to enact last year will expire on December 31 of this year and at that point, an unworkable law will come back on the statute books.

Mr. MUSKIE. I am under the impression that the Senator is right, that the present law is unworkable, that it would be impossible to administer, and there seems to be little doubt about that. I want the Senator to understand that I share that judgment, on the basis of a considerably lesser understanding of the issues than the Senator has.

However, there are two approaches to dealing with the problems created by the 1976 Tax Reform Act. One is legislative, and I have been interested in the so-called Fisher amendment in the House, which proposes some corrective legislation. That is one approach, whether or not it will be offered on the floor of the Senate, I have no idea.

The other approach has to do with what the Senator has suggested. So I understand what he is saying and what he is proposing. His willingness to come to grips with the issue is commendable, so far as I am concerned. The law needs to be changed; I have no doubt about that.

So I hope the Senator will understand that our positions really are not that far apart. Where we may come out in the end, when the issue has been explored thoroughly and alternative legislative approaches have been examined, I do not know. We may come out in different positions at that time. We start from a common understanding that the present law is unworkable and needs to be changed.

Mr. HARRY F. BYRD, JR. I thank the Senator from Maine. I think that is a very reasonable approach.

The Senator mentioned the Fisher proposal. I know Representative Fisher. He is from my State. He is a fine man. No hearings have been held on his proposal in the Senate. The Subcommittee on Taxation of the Senate Finance Committee has held no hearings on it.

Not even one bill has been introduced this year in Congress to do anything with carryover basis except repeal it.

I hope that we will not try to legislate, on the floor of the Senate, a complicated and complex part of the tax code without hearings, without giving the public an opportunity to express their views.

Twenty-five or 30 or more organizations are vitally interested in this matter. I have put their names in the Record. It seems to me that they should have some opportunity to have some input before we rewrite the tax code in this respect.

That is why I suggest that the most logical way to proceed, it seems to me, is to hold hearings on this measure. I will hold them any day or days—2 days, 3 days, 1 day, 5 days, whatever is necessary—except March 17. I will hold a hearing on any date that is preferred by the Senator from Maine or any others who are interested in this matter.

Mr. MUSKIE. I appreciate that attitude on the part of the distinguished Senator from Virginia, which I would expect in any case.

If what we are being offered on the floor, or what may possibly be offered on the floor, fell into the jurisdiction of any committee which I chair and had similar complexity, I expect that I would take the same attitude the Senator from Virginia takes. It is not an unreasonable attitude at all.

Mr. HARRY F. BYRD, JR. I am sure the Senator from Maine would take that attitude, not because he was a member of a particular committee, but because of the public concern.

I have a letter from the American Bankers Association dated September 7, 1979. They submit a 65-page analysis of the extensive policy and technical problems involved with the fiduciary legislation. This is just one group.

Mr. MUSKIE. Would the Senator put that analysis in the Record at this point? It might be helpful, since my amendment described some of the approaches of the Fisher amendment. That analysis might be useful to those who wish to read the Record.

Mr. HARRY F. BYRD, JR. I will be glad to do so.

Mr. President, I ask unanimous consent that this letter from the American Bankers Association be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Washington, D.C., *September 7, 1979.*

Hon. Harry F. Byrd, Jr.,
U.S. Senate,
Washington, D.C.

Dear Senator Byrd: As a member of the Finance Committee, the American Bankers Association believes you will be interested in our analysis of H.R. 4694, a bill introduced in the House on June 29, 1979 by Congressman Fisher to "clean up" the carryover basis law. Although similar legislation has not as of yet been introduced in the Senate, this bill is endorsed by the Treasury Department and any efforts in the Senate to fix up the current law will undoubtedly rely on the provisions in H.R. 4694.

The moratorium postponing the effective date of the carryover basis provisions of the Tax Reform Act ends on December 31, 1979. Everyone seems in agreement that the law that will go into effect on January 1, 1980 if no further action is taken, is an impossible law. Congressman Fisher has worked with the Department of Treasury and other tax "experts" in this third attempt at designing a workable carryover basis law. As our enclosed 65-page analysis indicates, there are extensive policy and technical problems with the proposed legislation. We continue to urge that Congress repeal the carryover basis law, since the concept cannot be made workable. The bill fails to solve major administrative problems of the law. Moreover, it would impose additional responsibilities on executors who might be forced to choose between estate beneficiaries. The American Bankers Association believes that property passing through estates is already subject to significant taxes and an additional tax on this same property is completely unwarranted.

We have already sent you two other papers on this issue: "Commentary of American Bankers Association on Carryover Basis and Related Matters" and "Results of American Bankers Association Survey on Difficulties and Cost of Proving Basis." We feel that our three papers should be convincing evidence that there are fundamental and unsolvable problems with having the carryover basis concept a part of our tax code. This is an issue which needs action this year or otherwise in 1980 executors will find themselves once again struggling with an unadministrable law. We urge that the Finance Committee take action to repeal the carryover basis law. If we can be of assistance to you or your staff in answering any questions about carryover basis, please give us a call.

Sincerely yours,
Donald W. Thurmond,
Chairman, Taxation Committee.
ABA Trust Division.

AMERICAN BANKERS ASSOCIATION ANALYSIS OF H.R. 4694

INTRODUCTION AND SUMMARY

On June 29, 1979 Representative Joseph Fisher introduced H.R. 4694 (the Bill) captioned "Carryover Basis Simplification Act of 1979" and announced that it is a product of more than six months of deliberations and drafting session between his office, the Treasury Department, the Internal Revenue Service, the Joint Committee on Taxation and a number of tax practitioners and affected individuals. Congressman Fisher referred to his Bill as a "reasonable, workable proposal" and as providing "simple, administrable rules." Congressional Record, June 29, 1979, p. 17368. The American Bankers Association disagrees with these statements. To assert that the Bill is either simple or administrable is a gross distortion of the true facts. One need only to read and note the length of proposed section 1023 in order to appreciate its complexity. We also disagree with the suggestion made by the Congressman that carryover basis in the form contained in the Bill will promote "tax equity and justice." A system that will substantially increase the cost of administering estates, that will place a higher relative burden on smaller estates than on larger estates and that is riddled with exceptions and exclusions, is not entitled to make this claim. To illustrate, why is life insurance exempted from carryover basis treatment?

Several months before the introduction of the Bill the ABA distributed to members of Congress, the Treasury Department, the Joint Committee on Taxation, other Congressional staff and interested individuals and groups a commentary on carryover basis and related matters. This commentary urged the repeal of carryover basis, asserted it cannot be made to work in a relatively simple, fair and straightforward manner and stated:

"Our reasons for urging the repeal of carryover basis are several. First, the difficulty of, and not infrequency the impossibility of, proving basis, which will result in a significant increase in the time required in, and the cost of, administering estates; second, the inordinate complexity of carryover, which cannot be eliminated by 'clean up'; third, the increased fiduciary responsibility combined with an uncertain state law; fourth, the excessive rate of taxation when the estate tax and income tax on appreciation are combined in effect and the regressive impact of the income tax; and fifth, the perpetuation of the 'lock-in' problem."

The Bill does not invalidate any of these reasons. Viewed in the most favorable light, it eliminates some complexity but at the cost of increasing fiduciary responsibility in new areas by granting executors discretionary basis allocation powers which may require them to choose between estate beneficiaries. Instead of making difficult policy decisions, the Bill dodges them by giving the executor "an election."

Our comments on the Bill are divided into several sections. A summary of the points is as follows:

1. Proof of Basis.—the Bill does not provide any solution for the fundamental and real problem of proving a decedent's basis for property included in his gross estate. Modifications of the fresh start rule are inadequate as to pre-1977 property and cannot solve proof of basis problems for post-1976 assets. See pages 4–8.

2. Basis Determination Procedure.—the procedure suggested is deficient and, when used, will lengthen the period required to administer estates and increase the costs of administering estates. See pages 8–13.

3. Minimum Basis and Death Tax Adjustments—the manner in which these adjustments are made is unsatisfactory in several respects; the death tax adjustment is not consistent with the theory of carryover basis. See pages 14–31.

4. Questionable Policy Decisions.—the Bill contains several other provisions which are inappropriate for policy reasons. See pages 32–36.

5. Non-Germane Changes and Omissions.—the Bill contains proposed changes which have only a remote relationship to carryover basis and omits changes with a more direct relationship to this subject. See pages 36–39.

5. Technical Defects.—the Bill contains a host of technical errors, which verify the complexity of carryover basis. See pages 39–65.

PROOF OF BASIS

Our primary reason for urging repeal of carryover basis is that proof of a decedent's basis in the real world of 1977 and 1978 was a serious problem and would continue to be such in the future. This conclusion is based upon the results of an extensive survey of carryover basis experience. Often the reason or reasons for the lack of basis information were human and understandable. Records were disposed of, intentionally or unintentionally, when people moved; fire caused the destruction of records; when property was acquired by gift or inheritance, no basis information was given to the recipient, and copies of old tax returns were not available; when some records were available, advancing age and ill health resulted in the cessation of the recordkeeping process; brokerage firms where accounts had been maintained could not supply copies of the account records; newlyweds did not inquire as to the cost of wedding gifts. Also, in many cases records were simply not kept. Obtaining reliable basis information for tangibles was impossible in almost every estate. Serious problems also arose for real property, especially improvements. Even marketable securities created unexpected difficulties.

The results of our survey may be received with skepticism by those opposing a return to old law. The statement may be made that since the decedent needed information to report lifetime sales there is nothing unreasonable about requiring its retention in connection with post-death transactions. We respond with two points. First, the fact that an individual needs this information for a sale during life does not mean accurate or reliable records will be kept, or that when lifetime sales are made basis is correctly reported. The survey demonstrates that such records will not be kept in many cases. Second, needed information may have died with the decedent, or with a prior decedent when the property was received by gift or inheritance, often from a husband to a wife. This point was made in many responses. Significantly, the Internal Revenue Service does not retain needed records in the form of income, gift and estate tax returns. A massive storage of taxpayer information by the Service would be required. No indication has been given that it is willing to assume this burden, which would involve considerable expense. The problem of proving the basis of property acquired by inheritance would be complicated by the duel basis rule—one for gross estates consisting of $175,000 or less and a second for all other estates.

The contention will be made that in a carryover basis environment individuals will keep cost basis records for their assets because their legal representatives and heirs will need such data. Some may proclaim, as does the Treasury, that "Congress must assume that any justification for failure to keep records disappears once taxpayers are on notice that assets acquired after the effective date are subject to the new statute." But what reason is there to live in a dream world contrary to experience and believe that individuals who do not choose to or for some reason are not able to maintain cost records for their own purposes during lifetime will change their habits and do so because such records might be needed after their deaths? Also, this raises the question of who might feel obliged to maintain cost records for post-death purposes. Certainly the statement cannot be made that the recordkeeping obligation falls only on the "tainted 2.7%" of all decedents as to whom carryover basis would apply under the Bill. An individual will not know in his or her early estate building years whether, at some later time, the carryover basis assets in his estate will pierce the $175,000 dividing line and require his executor to determine the cost basis of every carryover basis asset in his estate. After all, only 2.7% of all decedents eventually attain this status.

If the conclusion is accepted, which we submit must be accepted, that cost records are not kept and will not be kept in a substantial number of cases, how is the basis issue to be resolved when satisfactory proof is lacking? The only provision in the Bill that might be helpful is proposed section 1023(e)(3) which is the same as current section 1023(g)(3) and states:

"If the facts necessary to determine the basis (unadjusted) of carryover basis property immediately before the death of the decedent are unknown and cannot be reasonably ascertained, such basis shall be treated as being the fair market value of such property as of the date (or approximate date) at which such property was acquired by the decedent or by the last preceding owner in whose hands it did not have a basis determined in whole or in part by reference to its basis in the hands of a prior holder."

The more we consider this provision, the more confused we become as to its meaning, which is not explained in the legislative history. To illustrate, let us assume that a search discloses nothing as to the acquisition date or method of acquisition of stock and the only "proof" is a stock certificate with a date on it. Will the estate succeed with the contention that the basis is the value of the stock on the stated date or will the Internal Revenue Service prevail with the argument that since the estate has not shown the asset was not acquired by gift or inheritance a zero basis is appropriate. This is a real and not a theoretical problem which must be answered. Courts interpreting a similar statute have reached conflicting results. See *James E. Caldwell & Co.*, 24 T.C. 597 (1955), *rev'd*, 234 F. 2d 660 (6th Cir. 1956).

In discussing proposed section 1023(e)(3), the General Explanation directs that the Service "shall administer this provision liberally and not require executors to incur unnecessary expense attempting to document acquisition cost precisely." However, the statement is so general as to be of little or no help when dealing with a specific fact situation and seems to some extent inconsistent with the Bill's imposition of a negligence penalty for overstatement of basis.

To summarize, no "clean up" solution has been proposed in the Bill to the proof problem because there is none other than repeal. Proof of basis is incapable of simplification. Tinkering with the fresh start rule for assets that are not marketable securities, as the Bill does, cannot respond to this problem when assets not covered by this rule are involved.

BASIS DETERMINATION PROCEDURE

Section 2(b) of the Bill contains proposed section 7479 which establishes a procedure for securing a binding determination of the initial basis of carryover basis property in the form of an agreement with the Internal Revenue Service or by a proceeding in the Tax Court. The initial basis of an asset is its adjusted basis for purpose of determining gain immediately before the death of the decedent increased by the fresh start adjustment, except that this increase cannot result in a basis exceeding the estate tax value of the asset. If the executor requests an initial basis determination and the Service does not send a notification of disagreement within three years of the request, the initial basis reported on the estate tax return will be binding upon the Service and on any person whose basis in property is affected by the initial basis unless such person establishes a different initial basis to the satisfaction of the Service. On the other hand, if a determination is requested and within the three-year period the Service sends a notification of disagreement with the asserted initial basis and a determination of such basis, its determination is final unless a Tax Court proceeding is commenced or the Service agrees to a different initial basis.

We believe the procedure suggested is deficient in a number of respects and, when used, will frequently lengthen the period required to administer estates. Our specific comments are as follows:

1. Proposed section 7479(a) requires that any request for a determination of initial basis must be made on the estate tax return. The Technical Explanation implies, but does not clearly state, that the request must be made when the return is filed. We believe any such requirement is undesirable, particularly when the request cannot be withdrawn unless the Service consents to the withdrawal. Cases will arise when the executor does not request a basis determination on the return but as a result of later events desires such a determination. Why should the executor be foreclosed from obtaining the determination? Further, since the service is given the right to reject a basis determination withdrawal request after the audit has commenced, the standard to be applied in exercising this right must be clearly enunciated in the legislative history. This important matter should not be left to the regulatory process. A withdrawal should be permitted when the property as to which a basis determination has been requested has been sold and income tax liability is at issue.

2. Proposed section 7479(d) permits any person whose basis in property is affected by the initial basis of any property to intervene in any proceeding to determine basis. In order to intervene, the executor must have commenced such a proceeding. This requirement, is undesirable. If a basis determination proceeding is available, any such person should be permitted to bring the proceeding regardless of what the executor does. An executor may not desire to commence the proceeding when basis is uncertain because of the negligence penalty for overstatement of initial basis discussed below and the fact that any agreement of the Service and the executor as to initial basis or Tax Court determination will bind any persons whose basis is affected by the initial basis. In any case where the basis is subject to significant uncertainties, an executor will be most reluctant to sign any agreement without the approval of the persons who have interests in the affected property. With this fact in mind, consideration should be given to requiring that any agreement also be approved by any person who could intervene.

3. The executor's participation in the basis determination procedure is particularly troublesome when disagreements exist among beneficiaries regarding whether the procedure should be invoked. To illustrate, assume that the decedent's will leaves Y stock to A and his residuary estate to B. A requests the executor to determine the initial basis of Y stock pursuant to proposed section 7479. B objects to such action unless A pays the costs of the proceeding. A asserts that these costs are a proper administration expense chargeable to the residuary estate? Is A correct and what does the executor do? Would the situation be different if Y stock passed to A as non-probate property? Suppose A and B each receive Y stock, but disagree as to whether basis should be determined. What should the executor do?

4. The Service should, if requested, be required to furnish the executor with a written statement describing its reasons for disagreeing with the initial basis of any carryover basis property as to which the procedure for a determination of basis is invoked. As a part of the Tax Reform Act of 1976, Congress imposed a similar requirement in connection with the Service's valuation of property for gift or estate tax purposes by enacting section 7517. Alternatively, proposed section 7479 could be modified to require in every case where the Secretary sends notice of his disagreement with the initial basis of property shown on the estate tax return that the notice contain a statement setting forth the reasons for such action and a tentative determination of initial basis. Under proposed section 7479(c)(1)(B), the Service may make a determination of basis which will be binding unless a Tax Court proceeding is commenced or the Service agrees to a different initial basis.

5. We disagree with the position in proposed section 7479(b)(2) that a Tax Court determination of initial basis shall be final. The usual appeal procedures should be available. These procedures would be available by not requesting a basis audit and postponing the basis determination until the property is sold.

6. The three year time period for the Service to "audit" basis is too long, particularly since the Service can shortly before the close of the period send a notification of disagreement together with a determination of basis and "force" the executor into the Tax Court if he disagrees with the determination. Although a judicial proceeding may be commenced to determine initial basis within 18 months after the request is made if the Service has not acted on the request, many executors will not desire to do so until the Service has taken a position on the request or can no longer challenge the asserted initial basis. The "audit" period should not exceed two years.

7. As noted above, a person whose basis in property is affected by the initial basis which the Service has not contested is bound by such basis unless the Service agrees to a different initial basis. Such a person should have the right to establish a different basis in a court proceeding to determine his income tax. Also, the executor of such person should have the right to invoke proposed section 7479 for a determination of initial basis, which necessarily encompasses a determination of initial basis for the prior decedent.

SECTION 1023 (MINIMUM BASIS AND DEATH TAX) ADJUSTMENTS

A. Current Law and Summary of Bill Approach.

The most complicating aspect of the current carryover basis rules, other than proof of basis, is making the adjustments (increases) for minimum basis and for death taxes attributable to appreciation. The minimum basis adjustment is made by increasing the basis of each appreciated carryover basis property by an amount which bears the same ratio to the excess of the minimum basis amount over the aggregate basis of all carryover basis property as the appreciation in the particular property bears to the appreciation in all appreciated carryover basis property. The current tax adjustments are three in number and interrelated, are applicable only to the extent the appreciated property is subject to tax and are suspended in the sense that they cannot be finally determined until the death taxes are finally determined.

The Bill would change the minimum basis adjustment by increasing the amount to $175,000 and permitting the executor to allocate the excess of this figure over the initial basis of all carryover basis property in any manner among such appreciated property. The Bill would modify the death tax adjustments by substituting a single adjustment computed at the estate's marginal federal estate tax rate for the multiple adjustments of current law. Proposed section 1023(c)(4) creates a normally operative rule that the death tax adjustment for any appreciated carryover basis property is its appreciation times the marginal federal estate tax rate unless the appreciation in all such property exceeds the decedent's taxable estate, in which case the executor allocates an aggregate adjustment equal to the taxable estate times the marginal rate to all such property. Except when the payment of estate tax may be deferred under proposed section 6166, in which case a special elective allocation rule is created by proposed section 1023(f) discussed below, the executor cannot allocate to any property a basis increase in an amount that exceeds the appreciation in the property times the marginal rate. Neither the minimum basis adjustment nor the death tax adjustment may be allocated in a manner that will increase the basis of property above its estate tax value.

Proposed section 1023(c)(6)(A) states that the executor "shall allocate" the death tax adjustment (and the minimum basis adjustment) among carryover basis properties on the federal estate tax return. Although this appears to impose a mandatory duty of allocation upon the executor, the Technical Explanation states:

"Procedures describing how these adjustments are to be allocated if the executor fails to do so will be the subject of Treasury regulations."

Thus, allocation by the executor is in effect permissive rather than mandatory.

Perhaps the most difficult problem involving the current carryover basis rules other than proof of basis is the application of section 1023(f)(4), directing that in determining the basis increase attributable to federal and state death taxes appreciated carryover basis property not subject to such a tax shall not receive an increase. Thus, for example, appreciated property qualifying for the federal estate tax marital deduction will not receive a basis increase for the federal estate tax attributable to appreciation because it does not incur any tax. While this is the logically correct result, its application is difficult in many cases.

The Bill avoids the section 1023(f)(4) problem by permitting a death tax adjustment for all appreciation in appreciated carryover basis property computed at the marginal federal estate tax rate, subject to the limitation previously mentioned that if the amount of the aggregate appreciation exceeds the decedent's taxable estate the adjustment must be reduced by such excess times the marginal rate. In effect, a conclusive presumption, which may be contrary to the facts of a particular case, is created that appreciation in appreciated carryover basis property is first used to satisfy the taxable portion of the estate. Thus, whenever such appreciation is less than the taxable estate, the basis of each appreciated carryover basis property will be increased by the appreciation times the marginal federal estate tax rate. In such a case, the (f)(4) rule is eliminated and marital deduction property or the surviving spouse's share of community property which is not subject to federal estate tax will receive a basis increase computed at the marginal federal estate tax rate. The fresh start rule would cause the taxable estate limitation to be of limited significance for a considerable period of time.

B. Revenue Effect.

The Bill's method of "solving" the section 1023(f)(4) problem is bad tax policy. The conclusive presumption means that if a decedent takes maximum advantage of the marital deduction or if community property is present all appreciated carryover basis property will receive a maximum death tax adjustment so long as the appreciation in such property does not exceed one-half of the decedent's estate, or with community property one-half of such property. The significance of this point becomes apparent when the information presented by the Treasury Department on March 12, 1979 to the Subcommittee on Taxation and Debt Management of the Senate Committee on Finance concerning estimated appreciation in decedents' estates is considered.

Appreciation averaged only 34.3 percent of the gross estate for the largest estates ($10,000,000 or more) and was lower for other estates. Thus, based upon averages, all appreciated carryover basis property would receive a death tax adjustment when maximum use is made of the marital deduction, or community property is involved, a strange result which decreases substantially the revenue derived from carryover basis. In effect, the Bill "solves" the (f)(4) problem by abandoning the carryover basis approach to a considerable extent when marital deduction bequests are made or when community property is involved.

The proposed $175,000 minimum basis for carryover basis property has substantial revenue significance. Based upon revenue estimates submitted by the staff of the Joint Committee on Taxation to the Subcommittee on Taxation and Debt Management of the Senate Committee on Finance earlier this year, a minimum basis of this amount rather than $60,000 would reduce estimated long run (20 years) annual revenue at 1979 wealth levels from $833 million to $560 million, or a loss of 32.7 percent. Although no revenue loss figure is given for a $60,000 minimum basis, the staff does estimate that $20 billion is the amount of appreciation passing at death in 1979 and that $3.5 billion is in estates of less than $60,000. The Technical Explanation states:

"Correlating the estate tax exemption level with the entry point to the basis system would simplify administration of nonfiling estates. In addition to these administrative concerns, it is the larger estate where there are significant amounts of unrealized appreciation."

The staff revenue estimates referred to demonstrate that a $175,000 minimum basis would also exclude "significant amounts of unrealized appreciation" from carryover basis. Repeal of carryover basis for all estates would achieve simplification for and uniform treatment of all estates.

C. Problems with Bill's Approach.

1. Minimum Basis Adjustment.

In discussing the change made by the Bill in the minimum basis adjustment, the Technical Explanation says: "To simplify administration for executors by removing the suspended basis problems that occur under present law where the basis of one asset is unknown and the minimum basis is allocated by a formula the bill permits the minimum basis to be allocated to any appreciated carryover basis property selected by the executor."

This change does not eliminate all suspended basis problems. If the basis of one or more assets is unknown the amount and even the availability of the minimum basis adjustment may be unknown. In such a circumstance, definitive allocation of the minimum basis adjustment will not be possible. Further, no final death tax adjustment is possible until allocation of the minimum basis adjustment is completed.

2. Death Tax Adjustment.

The Bill's substitution of a taxable estate limitation for the limitation imposed by current section 1023(f)(4) that only property subject to tax may receive a death tax adjustment presents a set of new problems not existing under current law that must be solved.

a. "Suspended" or Unknown Adjustment.

The General Explanation states:

"Computing the death tax adjustment by reference to the highest marginal rate * * * results in using an estate tax rate which is never too low."

This contention is not accurate. If the state estate tax exceeds the federal credit for state death taxes, the highest marginal rate may be "too low." The General Explanation also asserts:

"This change [in the death tax adjustment] in the computation and allocation of the death tax adjustment is completely responsive to criticisms regarding computational complexity."

For the reasons which follow, this statement is inaccurate.

As a result of the ceiling on the aggregate death tax adjustment being the marginal federal estate tax rate times the lesser of (1) aggregate appreciation in all appreciated carryover basis property and (2) the decedent's taxable estate, the amount of the adjustment will not be "final" until (a) the federal estate tax is finally determined and the executor knows that the appreciation in such property is more than the decedent's taxable estate or (b) the marginal federal estate tax rate is known and the executor knows that appreciation in appreciated carryover basis property is less than the decedent's taxable estate, in which case the basis of each such property will be increased by its appreciation times the marginal federal estate tax rate. In some cases an executor will not have the necessary knowledge without invoking proposed section 7479 creating a procedure to determine basis as to appreciated carryover basis property whose basis is uncertain. Further, the executor cannot allocate a specific dollar amount of basis increase to an asset whose basis is uncertain because of the limitation that the increase cannot exceed the appreciation times the marginal federal estate tax rate. Finally, when the basis of an asset is unknown, the executor does not know whether the asset is appreciated carryover basis property. Without this knowledge, the application of the ceiling becomes even more difficult.

If the executor does not invoke proposed section 7479 as to every asset that is appreciated carryover basis property, thus causing the basis of each such asset to be finally determined, the amount of the aggregate death tax adjustment may be "suspended" indefinitely. In fact, if appreciated carryover basis property of one decedent is thereafter included in the gross estate of a second decedent with a value of $175,000 or less its basis for the first decedent will never be determined.

The death tax adjustments in section 1023, as enacted in the Tax Reform Act of 1976, were criticized because of a suspended basis problem. In discussing these adjustments, the Technical Explanation states:

"Finally, both the Federal and state death taxes, and state legacy or succession taxes, are allocated among items of appreciated carryover basis property through the application of a fraction whose numerator is the net appreciation in any items of such property and whose demoninators is the fair market value of all property subject to the relevant tax. The effect of these apportionment formulas in some instances is to suspend the ability to make the necessary adjustments until final determination of the relevant transfer tax."

The situation may be worse under the Bill when the taxable estate limitation is applicable; the amount of the basis adjustment may be indefinitely suspended or never be known. An executor cannot allocate an uncertain death tax adjustment.

The drafters of the Bill appear not to have recognized the "new" suspended basis problem. The provisions of proposed section 1023(c) (6) establishing basis allocation rules contemplate that a "final" allocation would be made no later than 30 days after the initial basis finality date. At that time the amount of the death tax adjustment may not be known. With this in mind, the rule that any allocation change thereafter must be consented to by the Service is unwarranted and unacceptable. Use of the initial basis finality date as a time reference is sound only when a basis determination is requested for all appreciated carryover basis property and the date is the same for each such property.

b. Uncertainties Relating to Allocation Power.

As noted above, the Bill grants to the executor the authority to allocate the death tax adjustment among appreciated carryover basis property, subject to certain limitations, when the taxable estate is less than the appreciation in all such property or when proposed section 6166 is available. In determining whether to make an allocation, the executor will no doubt consider what allocation is directed by the regulations in the absence of his action. In this sense, the regulations will provide a normally operative rule. Comments on the Bill's elective approach are limited by the failure of the Technical Explanation to discuss the general outlines of what the regulatory allocation rule would be. This most important subject should not be left to the regulatory process without legislative guidance.

We have serious reservations regarding the Bill's elective allocation approach. An executor is a fiduciary who is required to act in the best interests of the estate beneficiaries and impartially as between these beneficiaries. Section 3–703 of the Uniform Probate Code, enacted in more than ten states, illustrates this responsibility. See also *Matter of McDonnell,* 45 Misc. 2d 57, 256 N.Y.S. 2d 149, 47 Misc. 2d 967, 263 N.Y.S. 2d 653 (1963). In many cases, a decedent's estate will consist of nonprobate property which is not subject to the executor's control. Is an executor in exercising the basis allocation power under a fiduciary duty to act for the best interests of only the probate estate beneficiaries? With respect to such beneficiaries, what limitations are placed upon the exercise of this power by the duty of impartiality? To illustrate, would the executor violate his duty of impartiality by exercising the power to allocate a part of the adjustment to marital deduction property which incurs no estate tax? If an executor must sell appreciated property to satisfy obligations of the estate (including death taxes) should he in all cases exercise the power to minimize the income taxes payable by the estate even though such an exercise will increase the total income taxes paid by the estate and beneficiaries who receive and sell appreciated carryover basis property? These are difficult questions to answer, and we suspect that no unanimity will exist as to the answers. Uncertainties would exist for a substantial period of time until state court decisions resolved them.

We are also concerned that the allocation approach in the regulations, which would apply in the absence of an allocation by the executor, would be viewed as a "right" of beneficiaries who would be adversely affected by a different allocation. Such beneficiaries would ask the executor to justify his action and if not satisfied with the answer would attempt to surcharge the executor. A similar problem would arise when the executor changed his original allocation, as is permitted by proposed section 1023(c) (6) (B), to the detriment of one or more beneficiaries.

c. Deferred Payment of Estate Tax and Interest Used as Administration Expense.

Another troublesome problem occurs from the use of the taxable estate as a ceiling in computing the aggregate death tax adjustment. Interest on deferred estate tax under section 6166 or 6166A, or under a state deferral statute, is deductible as an administration expense under section 2053. *Estate of Bahr,* 68 T.C. 74 (1977), *acq,* 1978–1 Cum. Bull. 1. Thus, interest taken as an estate tax deduction will reduce the decedent's taxable estate. The current position of the Internal Revenue Service is that interest will be allowed as an estate tax deduction only when paid. As a result, the decedent's taxable estate may not be finally determined for as long as fifteen years after his death. How is the aggregate death tax adjustment limitation of the taxable estate to apply in such a case where the adjustment will be reduced each year as additional interest is paid and where this interest may result in a decrease of the federal marginal estate tax rate? Neither the Bill's General Explanation nor its Technical Explanation discusses this important issue, which does not appear capable of being resolved in a simple manner.

d. Special Allocation Rule-Additional "Suspension".

Proposed section 1023(f) contains a special rule (election) which makes inapplicable proposed section 1023(c) (4) (B) directing that the death tax adjustment for any appreciated carryover basis cannot exceed the appreciation in the property times the marginal federal estate tax rate. This rule is applicable if two requirements are met. The estate must qualify for deferred payment of the estate tax under proposed section 6166 and the election can be made only on or before the 30th day after the initial basis finality date, a term defined in proposed section 10203(c) (6) (C) as the last day on which the initial basis of property may be changed in an administrative or judicial proceeding referred to in proposed section 7479. Also, the property as to which the election is made must be sold or exchanged on or before 30 days after such date. A limitation is imposed on the use of the special rule—the fair market value (estate tax value) of the property as to which the election is made cannot exceed the section 303 amount, viz., the decedent's death taxes (including interest) and his funeral and administration expenses.

Difficult problems are presented by proposed section 1023(f). As noted, it is available only when proposed section 6166 applies. When payment of the estate tax is deferred under this provision, interest will be paid on the deferred amount. The total amount of the interest paid will not be known until the estate taxes are finally paid, which may not occur for as long as fourteen years and nine months after the decedent's death. Since the amount of interest is uncertain, the limitation on the use of the special rule keyed to the section 303 amount (which includes interest) is also "suspended" during this period. Such a result is troublesome.

If the executor does not invoke proposed section 7479 for a binding determination of basis as to any asset, is there any "initial basis finality date?" If the executor invokes the proposed section as to some assets but not as to other assets, is there an initial basis finality date only for the assets as to which the basis determination procedure was invoked? If the answer is yes, the time limitation in proposed section 1023(f) may be avoided by not invoking the basis determination procedure. This is an odd result. In short, the use of a time requirement keyed to the initial basis finality date is both uncertain in effect and undesirable.

We do not understand why the election is limited to property sold or exchanged on or before the 30th day after the initial basis finality date. Such a qualification is neither necessary nor desirable. When payment of the estate tax is deferred under section 6166, the decedent's estate may have stock redeemed as payments of deferred tax and interest are made. The redemptions occurring more than 30 days after the initial basis finality date could not claim the benefit of proposed section 1023(f). This could occur prior to the first payment of deferred estate tax. Thus the requirement seems inconsistent with the policy of section 6166. Why?

Finally, how will the election requirements of proposed section 1023(f) (3) be applied when the estate can meet the requirements of proposed section 6166 only as a result of the payment of interest on deferred estate tax?

e. Planning Difficulties with Taxable Estate.

Limitation and Minimum Basis.

Where aggregate appreciation in appreciated carryover basis property may exceed a prospective decedent's taxable estate and the decedent has a surviving spouse, the estate planning process would be made more complex. The reason is that a larger death tax adjustment may be obtained by not taking full advantage of the marital deduction and thus increasing the taxable estate. To illustrate, let us assume that an individual has an estate of $400,000 of which $225,000 consists of appreciation in appreciated carryover basis property. If a marital deduction of $225,000 is used, no federal estate tax is payable and the taxable estate limitation of $175,000 means that a basis increase of $52,500 (175,000 x .3) is available. If the marital deduction is used only to the extent of $175,000, a basis increase of $72,000 (225,000 x .32) is available, or an increase of $19,500, but at the cost of a payment of an estate tax of $15,800 (after taking into account a unified credit of $47,000) which could have been postponed until the death of the surviving spouse. When the surviving spouse has property of her own, use of the maximum marital deduction in the estate of the first spouse to die will often increase overall estate taxes because the amount taxed in the second estate will be more than one-half of the combined estates before the death of the first spouse. In such situations, the tax "pull" against taking full advantage of the maximum marital deduction is greater and requires more careful planning as a result of the taxable estate limitation. The significance of the point increases as the decedent's marginal federal estate tax rate increases because the death tax adjustment is larger.

The taxable estate limitation also has post mortem planning significance. If administration expenses are claimed as income tax deductions rather than as estate tax deductions, the taxable estate is increased, thus increasing the "floor" on the death tax adjustment. Thus, claiming such expenses as income tax deductions will benefit "principal" in the form of a larger death tax adjustment as well as "income" in the form of an income tax deduction. Case (and statute) law requires that income make principal whole for the additional estate taxes caused by failing to claim the expenses as estate tax deductions. See *Matter of Warms,* 140 N.Y.S. 2d 169 (1955); *In re Bixby's Estate,* 295 P.2d 68 (Cal. App. 1956); *In re Veith's Estate,* 26 Fla. Supp. 145 (1965); Md. Ann. Code art. 93, § 11–106(a). The adjustment from income to principal is referred to as the Warms adjustment. How is the amount of this adjustment to be determined in the light of the principal benefit from the increased death tax adjustment?

The planning process for spouses, estates would be made more complex by a substantial increase in the minimum basis adjustment. The combined adjustment for both estates is $350,000. In order to use the adjustment in either estate, the estate must include appreciated carryover basis property and the basis of carryover basis property must be less than $175,000. Considerable planning may be required to maximize the use of the minimum basis adjustment in both estates irrespective of the order of deaths of the spouses while at the same time minimizing the taxable transfers required to achieve this result.

f. Summary.

A law review comment inserted in the Congressional Record last year by Senator Kennedy, who supports the retention of carryover basis, says:

"Not only are executors now burdened with the responsibilities of computing the bases of all the assets included in the estate—a difficult task even with respect to decedents with excellent records—but they are also saddled with the new and undetermined fiduciary duties toward heirs and legatees."—Congressional Record, October 10, 1978, p. 35308.

The Bill makes the situation worse by increasing the fiduciary responsibilities of an executor compared with current law as a result of the granting of allocation powers for the minimum basis and death tax adjustments and requiring a decision as to whether, and to what extent to invoke the basis determination procedure. At the same time significant uncertainties exist regarding these adjustments under the Bill, and the adjustments are technically deficient in a number of respects discussed later in this commentary.

OTHER POLICY PROBLEMS WITH BILL

A. Exclusion for Tangibles.

Proposed section 1023(b) (3) increases the exclusion from carryover basis from $10,000 to $25,000 for most tangibles. Based upon our experience, this increase is not sufficient to exclude tangibles in many cases where proof of basis is as a practical matter impossible. During 1977 and 1978, many estates of $1,000,000 or less had tangibles with a value in excess of $25,000. The Treasury Department has proposed a figure of $50,000.

The Technical Explanation states that the exclusion must be utilized by the executor first against items which are the separate property of a decedent and then against community assets. We do not understand the need for, or desirability of, a special rule in this case. The exclusion should be available for all carryover basis property with no distinction between separate property and community property.

The Technical Explanation states:

"An executor's designation of property under this section will be irrevocable except where a subsequent adjustment in value causes the aggregate value of elected properties to exceed $25,000. In such case the executor will revise his election to keep the sum of the fair market values of the elected properties below $25,000. The revised election must be made by choosing from among the properties initially designated and any property which is no longer designated will become carryover basis property."

In some cases a revised election from initially designated tangibles cannot be made to take full advantage of the exclusion because of changes in values upon the audit. When this occurs the executor should be permitted to designate "new" items to the extent items initially designated have a value less than the exclusion and the use of any additional such items would result in the exclusion being exceeded.

B. Community Property.

The Technical Explanation notes that in community property states many estates not required to file estates tax return will be subject to carryover basis because the Bill continues current law and treats the surviving spouse's share of community property as carryover basis property. This policy decision is inconsistent with the theory that if an estate tax return is not required for a decedent's estate carryover basis should not apply. The minimum basis of $175,000 should apply first to the decedent spouse's share of community property (and separate property) and only the balance should be available to use against the surviving spouse's share of the community property. As a transition rule, the fresh start adjustment should continue to be available for both shares of community property.

C. One Time $100,000 Exclusion on Sale of Principal Residence.

The Revenue Act of 1978 modified section 121 to permit a one time exclusion not to exceed $100,000 of gain from the sale of a residence if the taxpayer is at least 55 years old and the residence has been owned and used as a principal residence for at least three of the five years preceding the sale. With carryover basis for a decedent's property, a change is required in this section so that sales after a decedent's death of his principal residence receive some benefit under this provision. Otherwise, sales "in contemplation of death" would be desirable in order to take advantage of the one-time exclusion.

Under section 121, when the principal residence is jointly held by a decedent who has attained age 55 and his spouse, the spouse is treated as satisfying its requirements if she is 55 years or over and thus may claim the exclusion on a sale after the decedent's death. Section 2(d) of the Bill would amend section 121 to remove the age requirement for the spouse. This limited change is a grossly inadequate response to the integration of section 121 and carryover basis. If the decedent does not have a surviving spouse, the Bill is no response. A simple solution exists; if before his or her death a decedent satisfied all section 121 requirements, then at death the basis of the principal residence should be increased by $100,000, subject to the limitation that the increase cannot result in a basis in excess of the estate tax value of the residence.

D. Fresh Start Rule for Nonmarketables.

The Technical Explanation states:

"It is also anticipated that these regulations will permit the value of certain assets, such as coins or stamps, to be associated by reference to generally accepted trade catalogues. Where the regulations permit or require the fresh start value to be determined in this manner, any property so eligible will be treated like a marketable security in that its fresh start value will not be eligible for determination under the discount back formula."

We are puzzled by the use of the word "require" in the second sentence when the first sentence refers only to "permit". More significantly, special rules for certain types of nonmarketables are, in general, undesirable and present equitable problems. To illustrate, why should a stamp or coin collection be treated like a marketable security while a residence purchased in December 1976 with an easily determined value on December 31, 1976 is subjected to a different rule?

E. Fresh Start Rule and Estate Tax Value Limitation.

The Bill changes current law by providing that the fresh start value of any property cannot exceed its estate tax value. The General Explanation says:

"This limitation is logically correct. The fresh start adjustment was intended to insulate pre-1977 appreciation from taxation in the hands of an heir. It was not intended to create losses where property declined in value after December 31, 1976 but its estate tax value exceeded historical cost."

Such a justification assumes that property whose estate tax value is below its fresh start value will be sold at a loss. This is not always the case. Such property may be retained and later sold at a price in excess of fresh start value. In such a case, the limitation has the effect of increasing a taxpayer's gain to the extent of its denial of a full December 31, 1976 fresh start, which is a logically incorrect result.

NONGERMANE CHANGES AND OMISSIONS

The Bill contains proposed changes in section 3, relating to the basis of property distributed in kind from an estate or trust, and in section 6(c), relating to the transfer of a right to receive section 691 income, which have only a remote relationship to carryover basis. On the other hand, the Bill omits needed changes with a more direct relationship to this subject. Our purpose is not to list all of the "conforming" changes which we believe are needed, but rather to focus on the ones we regard as most significant.

1. Retention of Basis Information.

The Bill does not amend section 6039A, which requires an executor to furnish the Internal Revenue Service and beneficiaries with carryover basis informaion. In T.D. 7540, 1978–1 Cum. Bull. 388, the Service interpreted this section in a manner contrary to the legislative intent so that the Service is not to receive any specific carryover basis information from an executor. If the Service is not prepared to receive, retain and supply carryover basis information to persons who have a legitimate need for it, the carryover basis system cannot possibly work. The Bill fails to impose these duties upon the Service. Proposed section 7479, establishing a procedure for the determination of initial basis would, however, necessitate the retention by the Service of all federal estate tax returns and basis agreements (see proposed section 7479(c)(3)).

2. "Negative Basis" Property.

The General Explanation discusses the question of when and by whom gain is recognized if property subject to a liability in excess of basis (so-called "negative basis" property) is transferred at death. The concluding paragraph of the discussion states:

"Where an individual makes a lifetime gift of property subject to a liability in excess of basis the donor is treated as realizing proceeds on the gift equal to the outstanding liability. This principle has recently been affirmed by the Tax Court. One result of the enactment of carryover basis is conformity of the income tax treatment of testamentary and lifetime gifts. In a carryover basis system the income tax treatment applicable to lifetime gifts of property subject to a liability in excess of basis is equally applicable to testamentary transfers. Moreover, as shown by the foregoing examples, this result accords with sound tax equity principles."

Surprisingly, the Bill does not contain any proposed statutory provision mandating the desired result.

3. Partnership Interests.

No guidance is given regarding basis adjustments in partnership assets and the relationship of carryover basis to sections 754, 743 and 755. One of the issues that must be resolved is whether the basis increase for estate tax on appreciation attributable to a partnership interest should be computed under an entity (single basis) or aggregate approach.

4. Subchapter S Stock.

Subchapter S, consisting of sections 1371 through 1379, permits an election by a small business corporation as to its taxable status. The corporate entity is ignored, with the result that the income (or loss) is attributed directly to the shareholders without a corporate tax. In general, a shareholder's basis for his shares is increased by the amount required to be included in his gross income and is decreased by any distributions received from the company which are attributable to income previously taxed to him.

If a distribution is made to a shareholder immediately prior to his death, the basis for his shares is reduced, thus making cash available to the decedent's estate for the payment of estate obligations without an income tax being incurred. If, however, the distribution is not made until after the decedent's death, the same result does not occur. The estate is a new shareholder and distributions of undistributed taxable income previously taxed to the decedent are subject to the normal "distribution" rules applicable to receipts from corporations, with the result that the distribution may consist of capital gain or ordinary income. This distinction is inappropriate with carryover basis. The estate, or any other successor to the decedent, should be in the same position as the decedent with respect to distributions of undistributed taxable income which are attributable to a period prior to the decedent's death.

TECHNICAL DEFECTS

The Bill contains a substantial number of technical deficiencies, which are discussed below, despite the fact that it was apparently reviewed by the Treasury Department, the Internal Revenue Service, the Joint Committee on Taxation, and other congressional staff members and interested individuals. Bearing in mind that this is the third try at carryover basis legislation (the original version in the Tax Reform Act of 1976, the 1977–78 "clean up" bills and the Bill), the deficiencies clearly demonstrate the complexity of the subject matter.

A. Section 2(a).

1. Definitions.

a. Present section 1023(f)(5) defines the term "appreciated carryover basis property" which is contained in section 1040, relating to the use of certain appreciated carryover basis property to satisfy a pecuniary bequest. Proposed section 1023 eliminates this term, thus necessitating a change in section 1040 which is not made.

b. As a result of proposed section 1023(b)(2)(A), the term "carryover basis property" does not include an asset which was acquired from the decedent prior to his death and "was sold, exchanged, or otherwise disposed of before the decedent's death by the person, acquiring it." In discussing this provision, the Technical Explanation distinguishes property acquired by an outright disposition from property acquired by a trust. The distinction is not supported by the proposed statute.

The quoted words are similar to the words "distributed, sold, exchanged, or otherwise disposed of" in sections 2032, 6166(g)(1)(A) and 6166A(h)(1)(A). If the words "otherwise disposed of" in proposed section 1023(b)(2)(A) are given their normal meaning, they would include a distribution (gift) by the donee of property included in the donor's gross estate under section 2035. See Treas. Reg. § 20.6166–3(e)(2). This result is not intended. The Technical Explanation refers to a disposition "in a taxable transaction". One way of solving the problem would be to refer only to a sale or exchange in which gain or loss is recognized. In dealing with a related problem, proposed section 1023(f)(1)(B) refers merely to "a sale or exchange."

The reference to a disposition "by the person acquiring" the property would appear to be erroneous. The sale may be by a person other than the person acquiring the property from the decedent. For example, the sale could be by a donee from such person or by the executor of such person.

c. Proposed section 1023(c)(6) states that any allocation of the minimum basis adjustment or the death tax adjustment made on the estate tax return may be changed "before the close of the 30th day after the initial basis finality date," which under proposed section 1023(c)(6)(C) is the last day on which the initial basis of property may be changed in an administrative or judicial proceeding referred to in proposed section 7479. If an executor does not invoke this section to determine the initial basis of property, what is the initial basis finality date for such property?

2. Death Tax Adjustment.

Proposed section 1023(c)(5)(B) imposes a limit, or ceiling, on the amount of the aggregate death tax adjustment equal to the greater of (i) $175,000 or (ii) the excess of the taxable estate over the sum of the section 691 adjustment and the previously taxed property adjustment. The section 691 adjustment is the "net value for estate tax purposes" of all section 691 income. The previously taxed property adjustment is an amount equal to the product of the value of prior transfers under section 2013(d) (determined without regard to section 2013(f)) and the applicable percentage (100, 80, 60, 40 or 20) set forth in section 2013(a). Each of these adjustments produces an unsound result in some cases.

One problem with the section 691 adjustment is that if the section 691 income qualifies for the charitable, marital or orphans' deduction allowed by sections 2055 through 2057, it will already have been taken into account in computing the taxable estate. A second reduction for the same amount is unwarranted. The point may be illustrated by a simple example. Let us assume that a decedent's estate has a value of $1,000,000, of which $500,000 is section 691 income specifically bequeathed to charity, with the balance of the estate passing to the decedent's two children. As drafted, a "double dip" of $500,000 would be required and, ignoring the minimum amount of $175,000, no death tax adjustment would be available. Only one dip of $500,000 is appropriate.

Another problem relates to the meaning of the term "the net value for estate tax purposes" of all section 691 income. This language suggests that section 691(b) deductions are subtracted in determining this value. However, the Technical Explanation supports a different result in saying: "the taxable estate is reduced by the value of assets which are income in respect of a decedent."

At least three deficiencies exist in the previously taxed property adjustment. First. When the estate has section 691 income, the section 691(c) deduction is based upon the net estate tax payable after taking into account the previously taxed property credit. In such a case, a "double dip" for this credit—requiring a second full reduction for the credit in computing the aggregate death tax adjustment—is erroneous.

Second. If the section 2013 credit is based upon the estate tax rate of the transferor (the prior decedent) rather than the decedent a reduction equal to the value of the prior transfers times the section 2013(a) percentage is erroneous because the second death has resulted in a second estate tax which is more than the estate tax on such value in the first estate. To illustrate, if the rate in the transferor's estate is one half of the rate in the decedent's estate, the reduction should be only one half of the amount required by the previously taxed property adjustment.

Third. The failure to take section 2013(f) into account in determining the value of the prior transfers is wrong. This provision states that when an election has been made under section 2032A (relating to the valuation of farms and certain other real property) and an additional estate tax is imposed under section 2032A(c) within two years after the decedent's death, the value of such property and the decedent's taxable estate shall be determined as if section 2032A did not apply. Since the "tainting" of the section 2032A property will have occurred within two years of death, the statute of limitations will not have run on any return reporting the sale of appreciated carryover basis property. The death tax adjustment may be changed with little or no hardship to the Internal Revenue Service or any affected taxpayer. Thus no reason exists for not achieving the conceptually correct result, which is to reflect section 2013(f) in computing the previously taxed property adjustment.

3. Fresh Start Rule.

a. Proposed section 1023(d) provides one fresh start rule if carryover basis property reflects the adjusted basis of any marketable security on December 31, 1976 and a different rule if the holding period "for any property other than a marketable security includes December 31, 1976." These rules are not mutually exclusive because a nonmarketable may be "substituted" for what was a marketable security on December 31, 1976. When this occurs which rule should be applied? This problem could not arise under current section 1023(h)(2)(A). Why was the change made?

b. Proposed section 1023(d)(5) states that the marketable fresh start rule may be applied to nonmarketables provided the property as of December 31, 1976 had a value which "was readily ascertainable (whether because of a buy-sell agreement, a redemption value, or otherwise) by a method other than appraisal." The meaning of this rule is unclear. The Technical Explanation states that it encompasses a nonnegotiable note, but what about a negotiable note or a bond?

c. Proposed section 1023(d)(3) is the same as current section 1023(h)(4), enacted as a part of the Revenue Act of 1978, and states:

"Only one fresh start.—There shall be no increase in basis under this subsection by reason of the death of any decedent if the adjusted basis of the property in the hands of such decedent reflects the adjusted basis of property which was carryover basis property with respect to a prior decedent."

If read literally, proposed section 1023(d)(3) would prevent a surviving joint tenant from being entitled to a fresh start adjustment with respect to that portion of the property represented by his contribution. This result is wrong. Also, a fresh start adjustment may have been made upon the occurrence of a Chapter 13 transfer. A second such adjustment would not be prevented by the provision upon the death of a decedent receiving property as a result of the Chapter 13 transfer. It should be.

d. The fresh start rule for nonmarketables in proposed section 1023(d)(2) involves a discount back amount. Actual basis may be used rather than this rule. The special rule in proposed section 1023(e)(2) creating an automatic basis increase of $250 per year for improvements to a personal residence applies only when the decedent's holding period for the residence began after 1976. The $250 per year increase should also be available for years after 1976 with a residence having a holding period beginning before 1977 provided the fresh start rule is not used. Otherwise an untenable distinction is created between pre-1977 and post-1976 residences when actual basis is used in each case. The General Explanation describes the $250 increase as "generous". We disagree.

Proposed section 1023(d)(2)(C) provides that an adjustment in accordance with regulations to the fresh start adjustment shall be made with respect to property as to which "there has been a substantial improvement or other change after December 31, 1976". The Technical Explanation states:

"Also, where an improvement is substantial, the estate tax value of such an improvement may be determined by taking the dollar amount of the improvement and compounding that amount at a six percent interest rate monthly to the estate tax valuation date."

The use of the word "may" suggests that the method is elective rather than mandatory. If this is so, what other method may be used? In some cases, the improvement will not increase in value at a 6% rate compounded monthly. May the executor "prove" this fact? Since substantial improvements will occur frequently, the point is of considerable significance and should be dealt with by Congress and not left solely to the regulatory process.

4. Minimum Basis Adjustment.

Proposed section 1023(e)(4)(B) retains current section 1023(d)(2) directing that in determining the minimum basis adjustment and the aggregate initial basis of all carryover basis property any property which is a personal or household effect shall not be given a basis greater than the fair market value of such property. This rule is beneficial by reducing proof of basis problems in determining the minimum basis adjustment. Without it, the Internal Revenue Service could contend that a minimum basis adjustment was not available in any case where uncertainty existed regarding the initial basis of any personal or household effect as to which an election was not made under proposed section 1023(b)(3). The Bill, by proposed section 1023(b)(3), broadens the property subject to the election from personal and household effects to tangible personal property which was a capital asset. The broader term should also be used in proposed section 1023(e)(4)(B).

5. Treatment as a Class.

Proposed section 1023(e)(1) permits treating items of the same nature as a single class rather than each item being treated separately in computing basis. In explaining the reasons for this provision, the Technical Explanation says:

"In the case of similar property such as shares in the same corporation or same mutual fund acquired at different times, it is unduly burdensome to require separate computation for the basis of each share or lot. Moreover, to the extent fiduciary decisions as to distributions are complicated by such properties having different bases, it is appropriate to provide a mechanism to alleviate this difficulty."

This statement indicates a lack of understanding of fiduciary responsibilities in suggesting that granting permission for an executor to "average" basis would achieve significant simplification. Nothing could be further from the truth. No properly advised executor would ever take advantage of this election. The reason is obvious. The tax lot system affords the executor and the estate beneficiaries the ability to designate that sales will be considered to have been made from high costs lots, which will have a basis above an average basis using all lots, thus reducing the amount of income tax payable. Put another way, averaging results in an early payment of income tax. An executor might well be surcharged for averaging when it is not required. Also, use of an "average" basis will result in a smaller death tax adjustment in any case where one or more of the items treated on a class basis has a loss. The application of proposed section 1023(e)(1) is to be determined by regulations. Guidance should be given as to what the regulations would provide. Must the class approach be consented to by each person who has an interest in items included in the class? May a class approach be used for some items and not for other items? These questions are not answered.

6. Decedent's Basis Unknown.

Proposed section 1023(e)(3), which is the same as current section 1023(g)(3), provides that if the facts necessary to determine the basis of carryover basis property immediately before a decedent's death are unknown and cannot be reasonably ascertained, such basis shall be the fair market value when acquired by the decedent or the last preceding owner who did not have a basis determined in whole or in part by reference to its basis for a prior holder. This provision is inadequate in that it fails to give effect to adjustments occurring after acquisition by the prior holder. To illustrate, if A gives property to B and pays a gift tax on the transfer, the basis increase for gift tax pursuant to section 1015(d) should be taken into account.

B. Section 2(b); Determination of Initial Basis.

1. Proposed section 7479(a) states that an "executor" may request a determination of initial basis. A request should also be permitted by a person required to file a Chapter 13 return relating to certain generation-skipping transfers, at least when the deemed transferor is not alive.

2. The Technical Explanation states that the executor will be required to report the initial basis of each item of carryover basis property on the estate tax return. We have reservations regarding the imposition of any such requirement in light of the penalty imposed by proposed section 6698(c) for the negligent overstatement of basis. See the comments on section 2(c) of the Bill below. The requirements (1) that initial basis be reported on the estate tax return and (2) that a request to determine initial basis must be made on the return are also troublesome when uncertainty exists regarding whether the asset is includible in the decedent's gross estate. Clarification is needed as to how much a case would be handled, including when the time periods referred to in subsections (b) and (c) commence.

3. Proposed section 1023(e)(1) states that under regulations the holding periods, bases and fair market value of similar items may be determined upon a class basis rather than an individual item basis. Proposed section 7479 should be clarified by stating that it is available when the executor desires to have the initial basis of similar items determined upon a class basis.

4. An executor cannot bring a proceeding in the Tax Court to determine initial basis until 18 months after a request is made to audit initial basis unless the pleading is filed on or after the "notification date" and a pleading must be filed within 90 days of such date. The notification date is defined in proposed section 7479(b)(3)(C) as the day when the Service sends "a notification of his disagreement with the initial basis of the property shown" on the estate tax return. Is the notification intended to be individual or collective? If the intention is for a single notification encompassing all disagreed items, we see no reason for an additional 18 month period to pass before the initial basis reported on the estate tax return becomes "final". The language of proposed section 7479(c)(2) suggests that a single notification is not intended. If so, we are concerned about the ability of the Service to require the executor to file multiple pleadings in the Tax Court.

5. The reference in proposed section 7479(b)(1) should be subsection (c)(3) rather than to subsection (c)(2).

C. Section 2(c): Penalties for Overstatement of Basis.

This provision would amend section 6698, relating to failure to file information with respect to carryover basis property, by adding a new subsection imposing penalties upon an executor for negligent or fraudulent overstatement of initial basis. In the case of negligence, the penalty is 10 percent of the overstatement; in the case of fraud, it is 30 percent of the overstatement. The overstatement is the amount by which the initial basis shown on the estate tax return exceeds the amount determined to be the initial basis. A negligence penalty may be imposed if "any part" of the initial basis is overstated. However, the penalty is imposed upon the entire amount of the overstatement. This is not fair play. If the overstatement is partial, the penalty should be limited to this part.

We understand the reason for negligence and fraud penalties, but are concerned about the lack of certainty regarding when a negligence penalty would be asserted. This concern may be illustrated by an example. Let us assume that prior to his death the decedent advised his executor that his basis for X stock is $50. After death the executor does not conduct a search for any documentation regarding the basis for this stock and reports its initial basis as $50. Can a negligence penalty be levied against the executor if the initial basis is determined to be substantially less than the figure reported? The types of cases in which a negligence penalty will be asserted should be clarified by the use of examples.

A negligence penalty cannot be asserted unless the initial basis has been "determined." If the executor does not invoke the basis determination procedure, the initial basis will not be "determined", at least until the property is sold or passes through the estate of another decedent. An executor should not be subject to the uncertainty of a penalty being asserted many years later. Also, a negligence penalty should be assessable against an executor only if he has requested a determination of the initial basis.

D. Section 3; Distributions in Kind from Estates and Trusts.

Treas. Reg. § 1.661(a)-2(f)(3) provides in general that the basis of property distributed in kind to a beneficiary of an estate or trust shall be its fair market value on the date of distribution to the extent such value is included in the gross income of the beneficiary. This general rule is qualified by the following sentence from this regulation:

"For this purpose, if the total value of cash and property distributed, credited, or required to be distributed in kind to a beneficiary in any taxable year exceeds his gross income for that year, the value of the property other than cash is normally considered as includible in his gross income only to the extent that the amount includible exceeds the cash paid, credited, or required to be distributed to the beneficiary in that year."

Section 3 of the Bill would "overrule" Treas. Reg. § 1.661(a)-2(f)(3) by enacting a new section 645 of the Code which would provide that the basis of property received by a beneficiary from an estate or a trust shall be its basis immediately before the distribution adjusted for any gain or loss recognized by the estate or trust as a result of the distribution.

Ignoring for the moment the soundness of the policy to reverse Treas. Reg. § 1.661(a)-2(f)(3), proposed section 645 is deficient. To illustrate, the distribution from an estate or trust may itself be subject to transfer tax—a gift tax or a Chapter 13 tax—and in such a case the basis of the distributed property must reflect the basis adjustments provided by section 1015(d)(6) or 2614(a). Similarly, in the case of property distributed in kind from one estate to a second estate, the result produced by proposed section 645 is erroneous. See *Manufacturers Hanover Trust Company* v. *United States*, 410 F.2d 767 (Ct. Cl. 1969). Also, the reference to a "beneficiary" seems questionable. See *Alan Nemser*, 66 T.C. 780 (1976).

In examining the policy issue whether Treas. Reg. § 1.661(a)-2(f)(3) or proposed section 645 is correct, a general understanding of the rules of subchapter J, relating to the income taxation of estates and trusts and their beneficiaries, is necessary. An estate or trust is entitled to a deduction for property distributed to a beneficiary other than in satisfaction of a bequest of a specific sum of money or specific property. Correspondingly, the beneficiary is required to include in gross income the value of the distributed property. In applying these related rules, the distribution deduction and the inclusion amount cannot exceed the estate's or trust's distributable net income, viz., its taxable income with certain adjustments. Under these rules distributions of principal (other than in satisfaction of a specific sum of money or specific property referred to in section 663(a)(1)) may result in the beneficiary receiving taxable income.

The purpose of Treas. Reg. § 1.661(a)-2(f)(3) is to eliminate "double" taxation of property received by a beneficiary, which would occur if the entire amount of a distribution in kind of appreciated property were included in gross income and the beneficiary had to treat the appreciation as capital gain upon a later sale of the property. Such a result could cause the beneficiary's federal and state income taxes as a result of the distribution and taking into account the sale to exceed 100% of the value of the distributed property. If the property had a zero basis, the federal taxes alone could equal 98% of the value of the property, an income tax of 70% and a capital gains tax of 28%.

The shot-gun approach of proposed section 645 would accentuate the unfairness of subchapter J in taxing a beneficiary upon income he can never receive. To illustrate, a bequest of an amount equal to the maximum marital deduction, which is frequently contained in wills and trusts, is not a bequest of a specific sum of money or of specific property. See Treas. Reg. § 1.663(a)-1(b). Thus, a distribution in satisfaction of such a bequest will "carry out" taxable income to the surviving spouse even though the spouse is not entitled to any income of the estate making the distribution. As a result, the spouse may be taxed on income that is payable to other beneficiaries. The problem cannot be solved by treating the marital deduction portion as a separate share because the separate share rule of section 663(c) does not apply to estates. Treas. Reg. § 1.661(a)-2(f)(3) does not specifically address the inequities of the subchapter J rules regarding inclusion of distributions in a beneficiary's income, but at least it does not compound them as does proposed section 645.

The "unfairness" of eliminating Treas. Reg. § 1.661(a)-2(f)(3) may be illustrated by Revenue Ruling 72-295, 1972-1 Cum Bull. 197. A decedent's will directed that a beneficiary receive a stated sum of money, but not to exceed all stock of a company owned by the decedent valued on the date of distribution, and only part of the stock was used to fund the bequest. The ruling holds that the bequest was not a specific sum of money or specific property, with the result that the beneficiary was required to include in his income for the year of the distribution the value of the property distributed in satisfaction of the bequest (subject to the distributable net income "ceiling") and correspondingly received a basis for the stock equal to its fair market value on the date of distribution under Treas. Reg. § 1.661(a)-2(f)(3). Based upon the facts of the case, the result is sound. If proposed section 645 were enacted, the "double" taxation of the appreciation would be inappropriate.

We question the desirability of changing any subchapter J. rules except as a part of a complete review of this subchapter. If, however, such a change is to be made, proposed section 645 must be restricted in scope to true abuse situations and recast to be directed at the distributing estate or trust rather than the beneficiary receiving an in kind distribution.

E. Section 4; Computation of Section 691(c) Deduction.

This provision changes the section 691(c) deduction in two respects. It would be computed at the marginal amount of the estate tax, as occurred under prior law, and no reduction would be made for the state death tax credit. These modifications would more closely conform the section 691(c) deduction with the carryover basis death tax adjustment.

Another change should be made in the section 691(c) deduction in order to provide substantially the same result as occurs with the death tax adjustment. As previously discussed, a death tax adjustment is provided for marital deduction property subject to the taxable estate limitation. The same result should occur in computing the section 691(c) deduction by modifying Treas. Reg. § 1.691(c)-1(a)(2) to provide that in ascertaining the estate tax attributable to section 691 income marital and charitable deductions shall not be recomputed unless the appreciation and this income exceed the decedent's taxable estate.

F. Section 5(a); Basis Adjustment for Gift Tax Attributable to Appreciation.

This provision makes changes in section 1015(d)(6) so that the basis adjustment for gift tax attributable to appreciation in a taxable gift is computed at the marginal gift tax rate. It is defective in several respects:

1. No basis adjustment is provided for a state gift tax attributable to appreciation in the value of a gift. Such an adjustment was included in S. 2461 introduced by former Senator Hathaway during the Second Session of the 95th Congress, is conceptually correct and should be included in the Bill.

2. The basis increase should be made in appreciated property only when a taxable gift is made. Gifts qualifying for the annual exclusion or a marital or charitable deduction should not receive an increase.

3. The Technical Explanation does not discuss how the basis adjustment is to be computed when a net gift—a gift subject to the donee's obligation to pay the gift tax—is made. This question should be answered.

4. Proposed section 1015(d)(6)(C) states that no basis adjustment shall be made for any gift which is includible in the gross estate of the donor and has not been "sold, exchanged, or otherwise disposed of by the donee before the donor's death." A gift by the donee would appear to be another disposition. We question the soundness of this result. Also, the words "by the donee" should be omitted. Otherwise proposed section 1015(d)(6)(C) would not apply if the donee died prior to the donor's death. Finally, in certain cases, the result under this provision may be inconsistent with that under proposed section 645 previously discussed.

5. The gift tax attributable to appreciation and its allocation among appreciated taxable gifts is based upon the net appreciation in each gift and the net appreciation in all appreciated taxable gifts during the calendar quarter. As a result, if the appreciation in any gift is uncertain because the basis of the property involved is uncertain the basis adjustment for each gift is uncertain (suspended). This is the same problem which caused the Bill to make changes in the current minimum basis and death tax adjustments.

G. Section 5(b); Basis Adjustment for Chapter 13 Tax Attributable to Appreciation.

This provision makes conforming changes in the basis rules of section 2614 applicable to Chapter 13 transfers.

1. The Technical Explanation states that no substantive change is intended, but does not clarify how the basis adjustment is to be made when part of what would be a Chapter 13 transfer is excluded from the tax base due to the application of the grandchild exclusion or the exclusion for certain prior transfers in section 2613(b)(7)(B). In such a case, the person filing the Chapter 13 return should be permitted to designate the taxable property.

2. Proposed section 2614(a)(2) states that if the deemed transferor is dead the basis of property included in Chapter 13 transfer shall be increased in a manner "similar to the manner provided in section 1023." Proposed section 1023(c)(5)(E), defining the federal marginal estate tax rate, states that in no event will this rate be less than 30 percent. We believe this provision would apply in connection with proposed section 2614(a)(2). The point should be clarified. Also, the application of the death tax adjustment limitation in proposed section 1023(c)(5) to a Chapter 13 transfer is indefinite.

3. The effective date provision of section 5(b) of the Bill, applicable to Chapter 13 transfers, directs that the proposed amendment to section 2614(a) shall apply to such transfers occurring after June 11, 1976. This provision is deficient in not clearly stating that with respect to Chapter 13 transfers occurring at or after the death of the deemed transferor and prior to 1980 the basis of property shall be determined in a manner similar to section 1014(b) and as if the property had been included in the deemed transferor's gross estate.

H. Section 6(a); Allowance of Capital Loss Carryover to Estate.

This provision makes a decedent's unused capital loss carryover available to his estate if "section 1023 applies". The meaning of these words are uncertain when proposed section 1023(a)(3), establishing a fair market value rule for estates of $175,000 or less of carryover basis property, applies. This rule is a part of proposed section 1023. If the intention is that the loss can not be carried over if proposed section 1023(a)(3) is operative, would the result be different if the date of death value was less than $175,000 but this figure would be exceeded if the alternate valuation method were used?

I. Section 6(c); Distribution of Right to Receive Section 691 Income.

This provision would modify the second sentence of section 691(a)(2) to insert "(other than the obligator)" after "or a transfer to a person." Its purpose is to clarify (or change) current law so that if a decedent transfers an installment obligation to the obligor income will be recognized by the estate at the time of the distribution. The policy reason for the change is understandable, but its application should be clarified. Suppose the decedent's will directs the forgiveness of the indebtedness rather than its transfer to the obligor. Is this case covered by the change? Also, suppose the transfer is not to the obligor but to a trust and the obligor is a beneficiary of the trust. We assume that the transfer to the trust will not result in income to the estate, but that a subsequent transfer from the trust to the beneficiary would be "caught". The application of the change regarding transfers to and from trusts as to which the obligor is a beneficiary should be described in detail.

J. Section 7; Merger of Sections 6166 and 6166A.

This provision would "merge" section 6166A into section 6166 and then repeal the former section.

1. As previously noted, interest on estate tax deferred under section 6166 is deductible in computing the decedent's adjusted gross estate or taxable estate. We are uncertain how the threshold requirement of section 6166 will be applied when it is based upon the stated percentage of either the decedent's adjusted gross estate or his taxable estate and post-death interest must be taken into account to satisfy this requirement.

2. The payment of estate tax deferred under section 6166 is accelerated if one-third of more of the value of the qualifying interest is distributed, sold, exchanged or otherwise disposed of. This rule is subject to the qualification in subsection (g)(1)(D) that it "does not apply to a transfer of property of the decedent to a person entitled by reason of the decedent's death to receive such property under the decedent's will, the applicable law of descent and distribution, or a trust created by the decedent."

A marital deduction trust will be included in a surviving spouse's gross estate. Such a trust may hold a qualifying interest under section 6166. Since the trust is not "created by the decedent", a distribution of the qualifying interest pursuant to the terms of the trust would result in acceleration. This result is bad tax policy. The words "included in the decedent's gross estate" should be substituted for "created by the decedent".

3. Section 6166(g)(1)(B) states when a section 303 redemption occurs during the deferral period, the redemption proceeds are not treated as a disposition of an interest in, or a withdrawal from, the closely held business so long as payments of federal estate tax at least equal to these proceeds are made on or before the next installment becomes payable. This is an all or nothing rule in the sense that non-compliance causes the entire amount of the redemption proceeds to be treated as a disposition and a withdrawal. Sections 303 and 6166 are not coordinated in this regard because redemptions under the former section to pay state death taxes and funeral and administration expenses are not protected as to acceleration. With carryover basis, the problem would be more severe because income taxes may result from section 303 redemptions despite proposed section 1023(f). Section 6166(g)(1)(B) should be revised to protect all section 303 redemptions where the proceeds are used before the next installment becomes due for state death taxes, funeral and administration expenses and income taxes resulting from the redemption.

CONCLUSION

For the reasons described above, H.R. 4694 is not a "reasonable, workable proposal" and does not provide "simple, administrable rules." It should be rejected. Carryover basis should be repealed.

Mr. HARRY F. BYRD, JR. Mr. President, I thank the Senator from Maine for making that suggestion.

I cite this letter to show how complex this legislation is. We would really, I believe, be doing the public a disservice if we attempt in the Chamber of the Senate to rewrite a major part of the tax code. I think that the Finance Committee has a grave responsibility in this matter. As a member of the Finance Committee I certainly feel that way. I feel that way because, while I was not a conferee, the proposal in regard to the carryover basis was put on in the committee of conference at the 59th minute of the 11th hour, one might say, and virtually no one knew what was in the proposal. As it turned out it just has caused total turmoil—and I do not think that is too strong an expression—total turmoil throughout our Nation by those who have to administer or comply with the estate tax laws.

I am leaving out now entirely the merits or the demerits of the proposal. I contend that virtually everyone is adversely affected by the carryover basis provision, except those with eternal life. I have not run into many of those individuals. I guess maybe possibly there are some around but I happened not to have run into them. So when we deal with this issue we are dealing with something that affects virtually everyone.

I hope that we do not do what we did in 1976, attempt for a short period of time without any hearings to involve ourselves in trying to rewrite a most complex and difficult section of the tax laws.

Mr. MUSKIE. If the Senator will yield, what the Senator is clearly saying, as I understand him, is that his amendment today is simply the first step in a thorough review of the policy question involved, including whatever proposals that may come before his committee or subcommittee for rewriting or revising the policy that is involved. This is the first step. It is not the final step of what the Senator has in mind.

Mr. HARRY F. BYRD, JR. That is right. What this would do if it is approved by Congress is repeal the existing law. Then I would recommend and suggest that those who have legislation to deal with the subject submit that legislation in January; let us have hearings, as I have already committed myself to do, on it in March for 1 day, 2 days, a week, whatever length of time is necessary, to consider whatever legislation has been presented and give all the groups and all the individuals who have an interest in this an opportunity to present their viewpoint.

Congress does not have to accept the viewpoint, of course, of the various organizations. But I do believe that they should be given an opportunity to point out where in their judgment the flaws lie and why in their opinion it will not work, just as does this 65-page memorandum—and I must say I have not studied it—that I received as chairman of the subcommittee.

Mr. MUSKIE. I appreciate very much this opportunity to discuss the issue with my good friend from Virginia, and I hope that what we put into the RECORD may be helpful to our colleagues as we approach that review process which the Senator so correctly described.

Mr. HARRY F. BYRD, JR. I thank the distinguished and able Senator from Maine whom I regard as a very wonderful friend.

Mr. MUSKIE. I thank the Senator.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the name of the distinguished Senator from Oklahoma, the Presiding Officer, Mr. BOREN, be added as a cosponsor both of the original proposal and of this pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I yield to the able Senator from Iowa who has had such a keen interest in this matter for a long time. As I recall he campaigned extensively in Iowa just a little more than a year ago and from my conversations with him he found that the farmers and the small businessmen as well as those involved in estates and the legal profession are greatly disturbed by the carryover basis provision. I yield to the Senator from Iowa (Mr. JEPSEN).

Mr. JEPSEN. I thank the Senator.

Mr. President, the Tax Reform Act of 1976 marked the high point in the drive for tax reform. While there are certainly innumerable aspects of the tax law which deserve reform and revision, the drive for tax reform which culminated in the Tax Reform Act of 1976 was really just a euphemism for soaking the rich. The goal of the reformers was quite simply to increase the tax burden on the "rich" so that taxes could be reduced for the poor. Since it was not feasible to increase statutory tax rates on the rich it was decided to attack "loopholes," and thereby raise the effective rate of taxation on high incomes.

The fuel for this tax reform effort was the erroneous notion that many, or even most, people with high incomes pay very little if any taxes. The logical corollary to this is that the poor are paying more than their share.

The true situation is quite different. According to the latest IRS figures those in the upper 50 percent of gross income classes, with incomes of $9,561 or more in 1976, paid 93.3 percent of all individual income taxes. Those in the top 25 percent of gross income paid 72.3 percent of income taxes. And those in the highest 10 percent of gross income paid 49.9 percent of all individual income taxes. By contrast, those in the lower half of gross income classes paid a mere 6.7 percent of total income taxes in 1976.

I am not suggesting, of course, that taxes be increased for those with lower incomes. I am merely suggesting that the emphasis on tax reform is misplaced.

This is how we got ourselves into this carryover basis mess.

My understanding is that the rationale for changing the previous "stepped-up" basis for taxation of assets at death was that it constituted a tax loophole for those who died before disposing of their assets. In other words, you had to die first before being able to take advantage of this so-called loophole.

I have a lot of problems with this kind of rationale. In the first place, I do not like the term tax loophole, or the newer term tax expenditure. These terms imply that the Government has some preordained right to your income and if you are allowed to keep some of it by a provision of the tax law that there is something wrong with this.

For years and years we have had essentially two sets of tax laws in this country. There is one for those who plan and one for those who do not. We have had two sets of laws for assets distribution in this country, one for those who plan and one for those who do not. If you did not have a will the State makes one for you and you find out you do have one.

Another problem I have is the implication that tax breaks, such as they are, are primarily available only to the rich. Actually, most tax breaks accrue to those with moderate incomes. Examples of these are the deduction for mortgage interest on owner-occupied homes, the deductability of property taxes on owner-occupied homes, the exclusion of employer contributions for medical insurance, medical care, and pension contributions. Those tax breaks which do appear to primarily benefit those with upper incomes, on the other hand, are much fewer in number than one would suspect, tend to have considerably less fiscal impact, and are often associated with things the Government clearly wants to promote, such as charitable giving.

In the latest Federal budget, the tax expenditure for capital gains at death is listed as $9 billion in fiscal 1979 and $10 billion for 1980. By implication, the Treasury is saying that if carryover basis were fully implemented that taxes on the American people would increase by $9 to $10 billion. Although I question the basis on which these estimates are derived, nevertheless implementation of carryover basis rules would amount to a significant tax increase.

I think this is entirely inappropriate at a time when individual income taxes are rising at the rate of $10 to $12 billion per year solely due to inflation, social security taxes have taken a giant leap, and the American people are revolting against the high level of taxes and spending.

This is the most important point I would like to raise today regarding this carryover basis problem: It is nothing more than an effort to raise taxes and redistribute income in the name of tax reform. This and similar so-called reforms are now associated in the public's mind with tax increases. Thus it is not surprising that Secretary of the Treasury Blumenthal has said:

> There is a big constituency in the country for tax reduction but not for tax reform, except as reform is used as a code word for reduction.

I agree.

Just to show the committee how far this reform thing can go if it is allowed to continue, let me draw your attention to special analysis G of the President's 1980 budget. This section discusses tax expenditures in detail including an explanation of particular items that are not yet subject to tax. In reading over this discussion there is a very strong implication that such items ought to be taxed.

Let me quote one part:

> Imputed income from owner-occupied housing and other sources. A theoretically pure income concept would include imputations for income received in kind from the occupancy of a home owned by the taxpayer and for in-kind income from the ownership of other durable assets.

In other words, as I read it, if you live in your own house you are somehow escaping taxation to the extent that you ought to be paying rent to yourself and be taxed on the income. How utterly absurd a concept!

Under such logic the amount of taxes a person could theoretically be forced to pay escalates to infinity. Presumably, every time you mowed your lawn, or painted your house, or did any work for yourself at all the IRS could compute the value of such labor as though you hired yourself to do it and taxed such imputed income for tax purposes.

Lest anyone think that an absurdity such as this is not a real possibility, given the mentality of those in the administration or its allies at the Brookings Institution, let me remind you that last year the Commissioner of Internal Revenue, Jerome Kurtz, launched a campaign to tax fringe benefits. The Congress was ultimately forced to restrain the IRS from such action by law. The logic of Kurtz's proposal is really no different from what I have just postulated. He wanted to say that if a person was given a parking space at work his gross income for tax purposes should be increased by an amount equivalent to what it would have cost that person to pay for parking. He even admitted that this approach to employee compensation could be extended to include such things as discount meals in company cafeterias, home grown food by farmers, medical and life insurance, and many other things that would have drastically increased the tax burden on working people.

I have gone rather far afield from a specific discussion of carryover basis, but I wanted to make it clear that carryover basis is only one aspect of a larger problem, which is the intrusion of the Federal Government into more and more areas of our personal life. The worst intrusion of all is when our personal property is confiscated from us. In my area of the country—Iowa—the people are extremely concerned that family farms and businesses will be lost forever due to already heavy estate taxes. Things like carryover basis can only make the situation worse. They are also upset about the incredible complexity and paperwork involved in complying with such laws. The people I represent want to pay their fair share of taxes but feel they are being forced to pay more than their fair share. Indeed, they feel that Federal taxes today constitute virtual confiscation.

The people in my State of Iowa and the people who have family farms and small businesses throughout the Nation do not want carryover basis reformed so it will work, they want it abolished. They do not want tax reform, they want tax reduction.

(Mr. LEVIN assumed the chair.)

Mr. JEPSEN. The current estate taxes make it hard enough for a family farm to pass from one generation to another. If the carryover basis stands death taxes would increase so much that we would put many family farmers and small firms out of business in Iowa.

In considering the practical problems, the actual work that must necessarily come to the early and inescapable conclusion that it simply will not work. In theory, one can make an argument that sounds as though it is only fair, right and ought to be done. Doing it is quite another matter however, the key item being "obtaining the date of acquisition of and the basis of property". Unless both can be obtained, one cannot comply with the many requirements of carryover basis. Unless the taxpayer can comply, the applicable law must go if we are to continue to rely upon our voluntary system of self assessment of taxes. Some of the problems confronting the lawyer attempting to comply with this law are set forth below.

First. A typical Iowa farmer may have as many as 200 items of depreciable property listed on the depreciation schedule of his tax return. The items that are still on hand, still have value but which are fully depreciated will not show up on that schedule but upon death, same constitute a part of the taxable estate. Such items might well equal 50 percent to 100 percent of the items listed on the depreciation schedule. Upon death we are then faced with at least two extremely difficult tasks:

Even if we had all information as to date acquired and cost and depreciation taken, we may well be required to make some 300 computations for farm machinery, breeding stock, improvements on a typical farm estate. A burden I question whether or not Congress intended to inflict upon the estate thus results.

More importantly and as true as any statement ever made before this committee, is the fact that it will be absolutely impossible to arrive at the date of acquisition, cost and depreciation of all items. As a result, the representative of the estate will do as he must do, that is, he will simply estimate or guess. What other alternative is there? A taxing system that must exist in part on guesses and estimates leaves much to be desired.

Second. Substantial improvements are to be computed separately. The law has yet to define what is meant by this term but it is clear that implementing this requirement will result in much decision-making as to just what is an substantial improvement and then a separate computation must be made as to each. Looking again to the typical farm situation, separate computations may have to be made as to the following: new farm residence, grain storage facilities constructed, deep well and water distribution system on the farm, machine shed, construction of dry ponds, tiling of different fields at different times, fence construction, land clearing, being included in a county drainage system, hog confinement facilities, etc. The examples could go on and on and the resulting problems are thereby compounded.

Third. The computations required to comply with existing law are simply so complicated and involved, they defy implementation. Four separate and distinct computations are involved and they must be done in strict sequence. There is no shortcut. The complete computation must be done for each asset and for each substantial improvement. It is fair to state that these requirements simply have bewildered the legal and accounting profession and that if Congress had not suspended implementation in the fall in November, 1978 (Revenue Act of 1978) there would have been more violations of this law than any comparable law ever. It seems fair to further state that this same statement would apply to Internal Revenue Service personnel who simply did not have a "handle" on the law and were unable to assist the practitioner.

And the foregoing is true not withstanding numerous efforts by the bar associations, law schools, trust departments and other professional groups putting forth an almost unparalleled effort to explain and make workable this maze of requirements. There are proposals to simplify the law; there have been past efforts and legislation to simplify the Internal Revenue Code, yet the Code is ever larger, more complex and more and more practitioners are leaving the field for that very reason. Those who would simplify perhaps mean well; their results do not recommend this as a solution.

There is a proposal to raise the $60,000 minimum basis adjustment. This sounds as though it would solve many problems and in fact it would be helpful but one who has labored with minimum basis is much aware of the fact that one must still determine date of acquisition and cost if the total gross estate is more than the minimum basis adjustment. This must be done since one must apportion the minimum basis adjustment between the various assets in proportion to the "net appreciation." This can only be done by doing all of the resource work of knowing the history of each item of property (date acquired, cost and depreciation taken) and that includes keeping the birth date and birth certificate of every hog, every cow, every lamb, every chicken, and every animal that is produced on this farm. It includes the cost of every item purchased, from a hammer, to a wrench, to a pound of nails, to a new board placed on a building on the farm. Hence, in all estates except those where the gross property was less than the minimum basis adjustment, one would still have all of the problems. And if my explanation makes the law seem confusing and impossible to apply, that is exactly what this law is—a crazy, mixed-up jigsaw puzzle of taxing, taxing, taxing, to the extent that in some instances, on farms in Iowa, under this rule that they call the negative basis of this carryover tax provision, you must include the mortgage as part of the total value for tax purposes, so that conceivably—and in fact there have been cases where it has actually been so computed—if you take the value of the land and include the mortgage, which you must under the carryover tax basis rules and laws, and include those for estate tax purposes, figure your estate tax, and pay the tax, you end up with a net loss total—in fact, your taxes and mortgages and everything due are more than the total estate is worth. Try that on for size.

Some of the practical problems encountered by the executor and his attorney out in the field doing the actual work include situations as these: This is the real life-on-the-ranch, where-the-action-is type of thing, not the rules and graphs and charts put together back in these bureaucratic happiness academy halls, but out there where the people are, working, paying their bills, obeying the laws, caring for their families, who want to work, earn, save, acquire some property, and, as has been the case through all the years in this great democracy of ours, pass on some of what they have worked hard and sweated for to their children.

Here are some of the problems encountered by a surviving spouse, children, executor, attorney, or trust officers, or a combination of all of them, when they try to get ready to comply with the carryover tax:

First, absence of records; either if they never existed or if some were maintained at the time, there is no way to sort same out and determine what, in fact, took place. The time involved in this investigative process is almost without limits.

I can attest that people who are feeding out 500 head of cattle, who have a hundred head cow and calf herd, who have 600 head of hogs that they raise and feed, anytime they have a hog drop or a calf born, or whatever it may be, they do not have someone there, a Government inspector or anyone on their family staff, who can stand there and make a record for that little animal, one of the 6,000 that were dropped, but that is what you must have if you are to have an adequate record for a carryover basis.

Second, the time period involved may go back some 50 or more years and yet to do one's job under the current law, each of those years may need to be looked at.

Third, periodic purchase of mutual fund shares; reinvestment of dividends in the mutual fund and most difficult of all, the mutual fund account which has been used to provide periodic payout to the owner. In the absence of complete records, we have a difficult problem.

How do you do this?

Fourth, stock where there was purchase with warrants, purchase with stock rights, where stock was issued in the form of stock dividends the widow may have received.

Fifth, stock received as a result of a tax free incorporation (section 351) and especially where much property subject to depreciation was contributed in the formation of the corporation.

Sixth, antiques, an ever increasing form of assets where records are few and even then identification is difficult. The assets often, by reason of their nature, are very old and hence the search could well cover a span of many years.

Seventh, coin, stamp, gun, and similar collections would have the same problems as with antiques.

Eighth, improvements on the home which improvements would have had no tax consequence at the time and hence were disregarded from a tax point of view; also substantial improvements to any other property which was not subject to depreciation.

Household goods and the $10,000 exemption for same results in a job of substantial proportions since in order to make the selection intelligently and in the best interests of the estate one must first determine cost of each item. This would not be true only in the instance where the total amount of "personal and household effects" is less than $10,000 exclusion. In all other instances, the net amount of appreciation, if any, of each asset should be determined since this is the guideline in selecting assets to fall within this exclusion. Again, much time would be involved in this accounting process. Problems may well arise in the selection process since assets cannot be "split." For example, a pair of earnings with a very small basis and a value of $12,000 at death.

An election must be made within the time frame of filing the Federal estate tax return. Nine months may well be an extremely limited time to do all that should be done in regard to this selection process.

The general rule for all carryover basis property is that the transferee takes as his basis the adjusted basis in the property immediately before decedent's death even if it is higher than the estate tax value. This rule is modified, however, in the case of household goods and personal effects since the law provides that for purposes of determining loss, the basis in the hands of the person acquiring same from the decedent may not exceed its estate tax value regardless of whether the adjusted basis of the property immediately before the death of the decedent—with or without the fresh start adjustment—exceeds its estate tax value. Here, again, we find the beneficiary is again faced with very complicated law.

Two computations must be made for each asset since when an asset is sold at a loss, no "fresh start" adjustment is allowed. This very harmless sounding provision doubles the work of the fiduciary, or at least substantially adds to the burdens. Both the basis for gain and the basis for loss must be provided for each asset to the beneficiary or one subjects himself to the severe, and it would seem, unwarranted penalties of this law.

Efficient administration of an estate often requires more than 1 fiscal year.

In order to complete the tax returns the fiduciary must compute carryover basis for each asset. This is a must to complete the form 1041 since any basis of an asset sold must be deducted as such item is sold and basis of depreciable property must be computed to determine the depreciation allowable for that particular return. Again, time limits are imposed on the filing of such return and the payment of tax.

Upon discovery of additional assets in the estate, upon audit of the Federal estate tax return when adjustments are made in values, when it is determined that an asset either belongs within the estate or not, upon determination of what portion of jointly held property is subject to Federal estate tax, or upon any number of other adjustments that might be made as to assets included in the estate or the valuation of same, the resulting Federal estate tax will change.

This will result in redoing all of the computations for each asset. Since it is quite clear that there will be audits of returns, and with audits some changes, it follows that the fiduciary is faced with these recomputations often without any fault on his part.

The executor is faced with decisionmaking in which asset to sell. Carryover basis must first be determined to estimate tax consequences. He has thus assumed another burden and responsibility not found with estate administration under section 1014.

Under the stepped up basis (sec. 1014), there was a substantial degree of certainty and predictability. The fiduciary had a starting point, a point of departure. Administration of an estate was a straightforward job to do and the business went forward. Liquidation took place when appropriate and the time for filing returns could be met in most instances. With the introduction of carryover basis, we have a whole new ballgame, one requiring a great deal of research in the absence of records which almost no estate has. This research job, then the computations, all must take place before decisionmaking can be completed. There results many additional man hours of work and in the end, the work is not complete so there must be guesses and estimates—a poor factor to be a part of any tax return.

It is true, there is no such thing as a "free lunch" and as a result, something must give. Two things seem apparent. Cost of administration will increase but perhaps even more importantly, the fiduciary is now faced with such demands which are impossible to discharge in their entirety that the whole administration process will be slowed, there will be less direction, less efficiency, and in the long run, the family will suffer.

With carryover basis, Government-imposed paperwork that is involved, unduly complicated and demanding will dominate the time and energies of the fiduciary, the accountant, the attorney, and the spouses of surviving heirs.

The laws should not be so complicated that every estate must employ the services of the most sophisticated trust department in the United States and even such trust department would not have the manpower to make the necessary search for date of acquisition, cost and depreciation taken on each item possessed by decedent at the time of his passing. The Iowa lawyer has found after working with carryover basis for some 22 months before the Revenue Act of 1978 was adopted that this law is not workable for the farm estate and indeed, for any estate. The workload of the typical county seat lawyer continues to increase because of the ever increasing number of laws, reports and because of the more involved society there is simply not that much time available to devote to this unduly burdensome and complex law. And it should be repealed.

It has been said that this is a "once in a lifetime" settlement of accounts. On the carry over basis, nothing could overlook the practical application more. The proposed settlement does not occur in the lifetime under a carry over basis, but, rather, after death. As a result the decedent is deprived of the lifetime benefits he would have if living such as: Loss of exemptions, loss of zero bracket amount, loss of investment credit carryover, loss of net operating loss carryover, loss of income averaging benefits, loss of selectivity in both time to recognize, gain and the property to be used to pay, and loss of joint return rate schedule.

Carryover basis does not recognize the reality of the multiplicity of taxation occurring by virtue of the accident of death which are: Federal estate tax; Federal income tax for the decedent and for the estate; State death taxes; and State income taxes for the decedent and for the estate which in total on an estate of $590,000 passing from father to son lead to a collective tax of up to 124 percent of the entire estate. This is the death knell to the right to inherit the family farm or family small business. One hundred twenty-four percent of the collective tax of the collective value of the entire estate.

It has been urged that estate tax and income tax are two separate taxes and the results of the application of both taxes should be considered separately. This is as foolish as trying to deny the parenthood of only one siamese twin while claiming the other as your child.

Academically it may sound great, but the taxpayer is more pragmatic. He must pay all the tax regardless of the niceties of what kind it is or its source of origin.

With carryover basis it is almost impossible to practically and legally give equal treatment to the heirs or residuary beneficiaries. Even though the relationship among the heirs is harmonious enough to permit the executor to make a nonprorata distribution, Rule 69–486, 1969—2 C.B. 159 may recast the nonprorata distribution. The executor faces an impossible dilemma in an attempt to distribute property equitably with cobearing no predictable relationship to current market value. If there is anything of substance to distribute, the family farm or family business must for safety reasons be distributed prorata and to say the least, this produces an awkward if not unworkable situation.

A simple example of the difficulty is that if John, father of two sons, had purchased 80 acres when he returned from World War II for $150 an acre or $12,000 basis, and in 1974 he was able to purchase an adjoining 80 acres for $1,500 an acre or $120,000 and he died in 1978 and the value of each 80 acres was $3,000 an acre or $240,000 each, if he left one son the first 80 and the second son the remaining 80, he could not treat the sons equally because the basis of the first 80 purchased would be substantially less than the basis of the second 80 purchased and this exact value could not be well determined until the date of death of the testator.

It has been pretty well conceded by all persons of reason who have attempted practical application of the carry over basis that it is totally unworkable. Too little available information requires speculation. When adequate information is available, identification of the property is equally speculative. Which black cow? Which four-bottom plow? Which feed bunk? The list could almost be unending.

One of the many unanswered problems not yet considered by the proponents is how do you apply the carry over basis in a section 351 tax-free incorporation of a small business or farm? As a practical matter the assets have been acquired at different times with different costs and varying levels of depreciation. It is impractical to have a different basis for each share of stock issued. Would this require multiple classes of stock, one representing the home 160, one for the acquired 80, one class for machinery, one class for breeding livestock? The administration and organization of such a vehicle would be preposterous.

Throughout this talk we have related our discussion to the small and medium-sized estate affecting the family farm and the family-operated business. We have not had too much experience with the multimillion dollar estates. We as country lawyers are impressed with the fact that the house of delegates at the mid-year meeting of the American Bar Association adopted unanimously a resolution approving the repeal of the carry over basis. We are further impressed by the fact that there was not one dissenting vote in the house of delegates nor one voice raised in the defense of COB. Nothing can be more clear than the fact that the COB law as written in 1976 cannot be implemented nor can it be fairly administered by the service without great expense. It is equally clear after 22 months of hard work in trying to apply this law that it cannot be modified or patched up by any device yet suggested.

It is in fact a leaky boat with bad planking and every time one hole is patched and one leak is stopped, two more leaks appear. I have not yet met one practicing attorney in Iowa who believes that this law can be implemented or effectively repaired.

That leaves us with two alternatives, one of which is to enact a limitation on the dollar amount you inherit in any event. If social engineering is to be the order of the day and there is to be a dollar limit on the right to inherit, let us have the courage to say so rather than ruin a perfectly workable tax system which predated the 1976 act and not indulge ourselves in what Winston Churchill once labeled as terminological inexactitude. The other alternative is to completely repeal COB in its entire concept, and that is what we are proposing to do.

Mr. President, I yield to the distinguished Senator from Virginia.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. HARRY F. BYRD, JR. May I say to the Senator from Iowa that he has presented a powerful presentation of the care for repealing the carryover basis provision in the present tax code. The amendment now pending, while offered by the Senator from Virginia, is, in fact, a Finance Committee proposal. The Finance Committee approved this proposed legislation by a vote of 18 to zero.

There are 35 cosponsors of this amendment, and those 35 cosponsors represent 27 States. I might also say that I have a resolution sent to me by Virginia's Governor John Dalton. This resolution was approved by the Southern Governors' Association. I ask unanimous consent that this resolution by the Southern Governors' Association urging repeal of the carryover basis rule be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

15. REPEAL OF THE CARRYOVER BASIS RULE

Whereas, the practice of bequeathing possessions of value to one's heirs is a cherished right of Americans; and

Whereas, providing security for one's spouse, children and other relatives is a prime incentive for Americans to invest, thereby creating capital for business and jobs for the public; and

Whereas, the tradition of handing down property from one generation to the next is threatened by the carryover basis rule, a capital gains tax process that will greatly diminish the estates of many Americans; and

Whereas, the complexities of this carryover basis rule will place an additional costly burden on those faced with tracing the history of each asset, piece of property, and family heirlooms in an estate subject to capital gains taxation.

Now, therefore, be it resolved by the Southern Governors' Association duly convened at New Orleans, Louisiana, that this Association urges all members of the United States Senate and House of Representatives to support and vote for the repeal of the carryover basis rule; and

Be it further resolved that this Association entreats President Jimmy Carter to endorse the will of the Congress of the United States in repealing this confiscatory, complex tax rule.

Mr. HARRY F. BYRD, JR. Mr. President, there has been a suggestion made on the floor earlier, and also several individuals have mentioned the possibility, of rewriting the carryover basis section of the tax law on the floor of the Senate. I think that would be a great mistake. We should learn, I think, by our past mistakes. The reason the Congress is in this fix, or the reason the American people, I should say, are in this fix, is that the Congress in 1976 adopted the carryover basis provision without any hearings by the Senate Finance Committee.

After the law was enacted, and when those who had to administer and comply with the law began to attempt to do so, they found it was just totally impossible to comply with it. Since then, Treasury officials themselves have told the Finance Committee that it cannot even be administered.

I do not know of anyone who claims that the law is workable. Certainly, the logical thing to do would be for the Senate to approve the pending amendment to repeal this carryover basis rule, and then, as I indicated earlier, as chairman of the Subcommittee on Taxation of the Finance Committee, I will hold hearings in March and have any legislation considered that any Senator wishes to have considered.

There are 30 different organizations that have advocated and urged the Congress to repeal the carryover basis rule. I would think that before the Congress or the Senate attempted to rewrite legislation on the floor of the Senate concerning this matter, certainly any fair-minded Senator would want those organizations and many others, and individual citizens, to have an opportunity to present their views and to give expert testimony as to whether or not proposals to change the carryover basis provision are sound and would be workable and, indeed, accomplish the purpose for which they are intended.

The logical course would be to repeal an unworkable law and then early next year hold hearings on whatever substitute any Member of the Senate might have or might wish to present.

At this point, Mr. President, I ask unanimous consent to have printed in the RECORD the 30 different groups which are supporting the repeal of this provision.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

American Bar Association.
American Bankers Association.
American College of Probate Counsel.
American Farm Bureau Federation.
American National Cattlemen's Association.
Forest Industries Committee on Timber Valuation and Taxation.
National Livestock Tax Committee, American Cattlemen's Association.
National Livestock Feeders' Association.
National Wool Growers Association.
Pennsylvania Bankers Association.
Iowa State Bar Association.
National Realty Committee.
International Council of Shopping Centers.
National Association of Realtors.
Colorado Bar Association, Taxation Section.
The Authors League of America.
Texas Bankers Association.
Florida Bankers Association.
National Association of Home Builders.
New York State Bankers Association.
Committee of Banking Institutions on Taxation, New York.
Apartment and Office Building Association of Metropolitan Washington.
Virginia Beef Cattle Association.
Illinois State Bar Association.
American Paper Institute.
National Forest Products Association.
Virginia Forestry Association.
North Carolina Bar Association.
The Southern Governor's Association.
Building Owners & Managers Association, International.

Mr. HARRY F. BYRD, JR. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point a statement presented to the Subcommittee on Taxation and Debt Management by Mr. Erwin N. Griswold, former dean of the Harvard Law School and former Solicitor General, in which he points out in a most dramatic and appealing way just how devastating this law is to a person like himself, and there are many others undoubtedly in a similar situation throughout the country.

There being no objection the article was ordered to be printed in the RECORD, as follows:

HEARINGS—JULY 25, 1977: SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT OF THE SENATE FINANCE COMMITTEE

STATEMENT OF ERWIN N. GRISWOLD

My name is Erwin N. Griswold. I am domiciled in Belmont, Massachusetts, but for the past ten years have been resident in Washington; D.C., where I am now practicing law.

From 1929 to 1934, I worked for Federal Government, in the Solicitor General's office. From 1934 until 1937, I was a member of the faculty of the Harvard Law School, and was Dean of that school from 1946 until 1967. In 1967, by appointment of President Johnson, I became Solicitor General of the United States. I held that office until June, 1973, when I retired.

Early in 1913, at the age of eight, I spent a period in the hospital when my appendix was removed. People brought me stamps and it was then that I began to collect stamps. At first it was simply a boyhood hobby. As I became older, though, I followed the stamp market closely, and was impressed with the fact that stamps can be a sound investment. I became well acquainted with the factors which make some stamps good investments, while others are not. I bought stamps from dealers and at auctions. This continued for a number of years, in a modest way, until there was an important change in the circumstances of my life.

In 1939, thirty-eight years ago, my wife had a serious case of infantile paralysis. She is completely paralyzed from the waist down. She is able to get about with crutches and braces, and with the use of a wheelchair. She does remarkably well, but she is severely handicapped. At the time of her illness, I was thirty-five and she was thirty-four, and we had two small children. I had heavy medical expenses, far exceeding my salary at the Harvard Law School. (As a matter of fact, it was my wife's case which led Randolph E. Paul, then General Counsel of the Treasury, to recommend to the Congress the adoption of the deduction for extraordinary medical expenses, now found in §213 of the 1954 Code. I have never received any benefit from that deduction, since my wife's major medical expenses preceded the adoption of that provision.)

After my wife came home, my great concern was that there should be adequate provision to see that she was taken care of in the event that I was no longer here. I took out additional life insurance, and I tried to save and to make productive investments. Over the years, I invested more and more in stamps. There were two special reasons for this, apart from their investment potential: (1) they do not produce current income, and (2) they present almost no problem of conflict of interest.

Even as a law professor, I was concerned about possible conflicts of interest. This became even more important in later years when I was in Government service. In 1961, I was appointed a member of the United States Commission on Civil Rights by President Kennedy. I resigned this office in 1967, but then held the office of Solicitor General for nearly six years. Thus, I held federal office from 1961 to 1973, a period of twelve consecutive years. Particularly while I was Solicitor General, the ownership of shares in corporations, or, indeed, the ownership of investment real estate, could frequently have raised conflict of interest questions. Consequently, I invested more and more in stamps. This had long since ceased to be a hobby. The stamps were kept in a safe deposit box. They have continued to be good investments, even when the market for securities has declined. Making adequate provision for my wife remained a primary concern for me, but as I was able to accumulate more and more, the pressure I felt about seeing that my wife would be properly cared for was slowly reduced.

No one else in my family is interested in stamps. It was always my expectation that my executor would sell the stamps, and I have left instructions with him about dealers who might be used for that purpose. I fully understood the value of the stamps would be included in my gross estate at the time of my death, and that was all right with me. I figured that there would be no problem about valuing them, because they would be sold shortly after my death.

One of the things that has given me great concern in connection with my efforts to provide for my wife has been ever-increasing inflation. Anything else that I have done has suffered from inflation. The insurance that I took out forty years and more ago served well for a while, but its purchasing power now is considerably reduced. Some municipal bonds which I purchased, as a part of the plan to avoid conflicts of interest, are worth less than I paid for them. It is, of course, wholly appropriate that there should be an estate tax on the value of the stamps. But it is not really, as a practical matter, double taxation to add an income tax, too, when the increment in value is, to a considerable extent, simply a reflection of the inflation which has occurred over the past twenty or twenty-five years?

In the fall of 1976, with little warning, and no public hearings on this matter, the estate tax provisions of the Tax Reform Act of 1976 were enacted, including the provision for carry-over basis. With respect to securities, this provided a new start on January 1, 1977. With respect to other property, though, it becomes necessary to determine the cost, and there is a complicated allocation of the increment over cost. I have made no count, but in my case, I would guess at least ten thousand items, probably more, will be involved in this process, bought at different times for various prices, some times as single items, but often in groups for an unallocated lump sum, with the groups often broken up and re-arranged. Moreover, for the most part, I have few, if any, records. Some of these stamps were bought as long as sixty years ago. (Part of the money which I earned as a pageboy in the East Cleveland Public Library while I was in high school was used to buy stamps.) These early purchases do not aggregate a great deal, but beginning in the 1930s. I bought more actively. I kept no detailed record of these purchases. I did not think it was necessary, since I had no expectation of selling the stamps while I lived, and thought that the date of death value would be the relevant figure if they were sold after I died. To some extent, I suppose that I can reconstruct the cost of some of the items by using figures on my checkstubs, if I can find my checkstubs back over a period of thirty or forty years. That will be very difficult for me to do, and it could, at best, cover only a portion of the items.

Even if the records could be put together, the computations would be extraordinarily complicated. For each item, a cost and a date would have to be determined, then a sale price, which may require an allocation if all the stamps should be sold in a single lot, or in several lots. That allocation would require valuing each item, so as to determine the portion of the sale price allocable to each item. Then a gain would have to be determined for each item, and the resulting gain would have to be allocated over the period from the date of acquisition to the date of death. As I have said, there are at least ten thousand items, probably more. It would be very difficult for me to do this. It will be virtually impossible for my executor to do it.

I have worked in the field of taxation most of my life. I have argued many federal taxation cases for the Government before the Supreme Court, I fully understand what Justice Holmes meant when he said that "Taxes are what I pay for civilization." And I have no objection to paying my proper share. Somehow or other, though, I have not been able to escape the feeling that I have been caught rather badly, and that the effect of the change of the law in 1976, as applied to me, may be unfair, and beyond the contemplation of Congress when the carry-over basis provision was so hastily enacted.

Like many others, my basic purpose has been to see that my wife is properly provided for. This is not altogether easy in her case. She is already considerably handicapped, and her condition may become worse in later years. From some experience I have had, I know that if she should require around-the-clock attendants, it will be hard to keep the cost below $50,000 a year. If that should last for ten or twelve years, or more, the aggregate could be considerable.

My basic objective was to provide for my wife. I thought I had found a way to do this, and at the same time minimize conflicts of interest in my academic and government work. This was seeming to work out well until the fall of 1976. Now, the practical problem confronting me is a very serious one.

Could the carry-over basis, if it is to be used, be made applicable to property *acquired* after the enactment of the 1976 Act? Gain on property previously acquired would still be subject to income taxation when sold by living owners. And there would be notice so that adequate records could be kept for use where the sale was eventually made by an estate. I know of the proposal that there be an optional valuation method which uses a percentage figure for determining increase in value after January 1, 1977. But the percentage suggested is too high. And this method is unfair as to property held for a long time before 1977. Thus, the figure mentioned is eight percent, which is to be compounded. That would mean that if death occurs ten years after January 1, 1977, virtually the whole increment would be treated as having occurred after January 1, 1977. This is unrealistic when it is clear that much of the gain arose prior to that date. Surely a lower percentage should be used, and some way should be worked out to apply it in such a way that all of the pre-1977 gain will not soon be wiped out.

There is an appeal, I know, in the carry-over basis idea. But, it may be a matter of carrying things to a dryly logical extreme. In view of the persistent inflation, it may be that the Federal Government gets its appropriate share when it takes an estate tax from a decedent's estate. To apply an income tax, too, on the gain which passes with the property and as a part of the property at the time of death, may be more than is appropriate. And the difficulties are especially great in a situation where there is no feasible way to establish the cost basis of much of the property involved.

Though these facts are necessarily highly personal, I present them for consideration by the Committee in the hope that they will show a concrete example of unforeseen consequences of the legislation enacted in 1976, and may lead the Committee to develop amending legislation which is more workable and more fair as a part of the over-all system of federal taxation.

Mr. HARRY F. BYRD, JR. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD the 35 cosponsors of the proposal to repeal the carryover basis who are also cosponsors of the pending amendment.

There being no objection, the list of cosponsors was ordered to be printed in the RECORD, as follows:

REPEAL: COSPONSORS OF S. 1163

Senator Robert Dole;
Senator Harry F. Byrd, Jr.;
Senator Edward Zorinsky;
Senator Lloyd Bentsen;
Senator Roger W. Jepsen;
Senator Malcolm Wallop;
Senator Wendell H. Ford;
Senator Robert Morgan;
Senator John Tower;
Senator Nancy Landon Kassebaum;
Senator Richard G. Lugar;
Senator Richard Stone;
Senator Orrin G. Hatch;
Senator Milton R. Young;
Senator J. James Exon;
Senator James A. McClure;
Senator Larry Pressler;
Senator Thad Cochran;
Senator John Melcher;
Senator Jesse Helms;
Senator Harrison "Jack" Schmitt;
Senator Gord J. Humphrey;
Senator Barry Goldwater;
Senator Rudy Boschwitz;
Senator Alan Simpson;
Senator Ernest Hollings;
Senator Russell B. Long;
Senator Gaylord Nelson;
Senator Daniel Patrick Moynihan;
Senator David Durenberger;
Senator Howell Heflin;
Senator S. I. (Sam) Hayakawa;
Senator Thurmond;
Senator Boren; and
Senator Warner.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I again want to thank the distinguished Senator from Virginia and also the distinguished Senator from Iowa, who has been very active in this entire process, and who testified at the Finance Committee hearings. He is one of the leaders in the efforts to repeal the carryover basis. I hope that we will have some indication at 2 o'clock that that is the will of the great majority of the Senate.

The Senator from Virginia has correctly stated the vast support for repeal all across the country. In fact, the Senator from Kansas just asked the staff if anybody was for carryover basis. I cannot find anyone but the distinguished Senator from Massachusetts (Mr. KENNEDY), who may have very good reasons to oppose repeal. I am certain he will make those reasons known. I understand the Treasury has some concern, but the Senator from Virginia has indicated that even the Treasury is having second thoughts. They would prefer that we did not repeal the law but would put the pressure on Congress to agree to some change. It seems to this Senator that the best course to follow is to repeal carryover basis and put the pressure on the Treasury Department rather than all the taxpayers of the country who are concerned about the carryover basis.

Nearly everyone in the State of Kansas, farmers, bankers, small businessmen, and women, lawyers, who understand the impact of the carryover basis has certainly made their views known. The American Farm Bureau, for example, has made the repeal of carryover basis one of their key goals this year.

They represent millions of farm families across the country and they are just one of the farm groups of Kansas who support this proposal. The National Wheat Growers Association, the American Cattlemen's Association—are only a few more of the farm groups that indicate an interest, along with the bar associations, the accountants, and bankers. I would say probably even more important are those who may not be in any of those groups, but who understand what we propose to do.

What was done in the Tax Reform Act 1976, without hearings, without any testimony, was to impose a second tax on property at death. In addition to the estate tax under the amendment passed in 1976, there would also, in effect, be a capital gains tax on the appreciated value of property later on.

Mr. President, the Senator from Kansas opposes any move to eliminate the provision of the committee bill which repeals carryover basis. The committee decided, by an overwhelming vote of 19 to 0, to recommend the repeal of the onerous and misguided carryover basis rules enacted by the Tax Reform Act of 1976.

Prior to the Tax Reform Act of 1976, the basis of property acquired from or passing from a decedent was generally the value of the property at the date of the decedent's death. Thus, if the property held by the decedent had appreciated during his lifetime, the appreciation was never subject to income tax.

I might add that in any of those years, the appreciation was simply inflation, in any event, so you end up paying tax on inflation. However, the appreciation is subject to estate tax because the full value of the asset is included in the gross estate. The carryover basis rules were initiated by the Tax Reform Act of 1976. In general, under carryover basis, the basis of property passing from a decedent after December 31, 1976, is the decedent's basis immediately before his death subject to certain adjustments.

Because of complaints about estate liquidity, excessive taxation, fiduciary responsibility, the difficulty of proving basis, the Revenue Act of 1978 contained an amendment, which I sponsored along with Senator BYRD of Virginia, to postpone the effective date of carryover basis. Under current law, the carryover basis rules will apply only to property passing from decedents dying after December 31, 1979. Now the committee has approved repeal of this ill-conceived law.

EXAMPLE

Mr. President, I think perhaps the best way to explain is to give an example to demonstrate the tax differences between a true carryover basis situation and the stepped-up basis rules. It is important to recognize that, although carryover basis is triggered by death, it is an income tax, not an estate tax problem. Suppose an individual buys an asset valued at $10. When the decedent dies, the estate, in order to pay the estate tax or to fulfill a pecuniary bequest, sells the property for its fair market value of $100. Because the asset is held by the decedent at death, the value of $100 is included in the gross estate for estate tax purposes. Under the stepped-up basis rules, there is no taxable gain to the estate upon the disposition of the assets.

In other words, you have paid the estate tax. The value of the property has been included in the gross estate. If the asset is sold thereafter, you do not pay another tax. But under the carryover basis ,the estate has a gain of $90 because the decedent has a basis of $10.

So, in addition to having to pay the estate tax at the highest appreciated value, under the carryover basis you have to pay an income tax on the difference between the $10 and the $100. I suggest that there is no justification for that. It does impose another tax. It seems to me that repeal is the best way to proceed.

SIMPLIFICATION

The calculations of basis under the stepped-up basis rules are relatively simple. Any problems usually involve disputes over property valuation. Carryover basis is much more involved. There have been a number of complaints regarding the establishment of a date of acquisition and the cost basis of the assets held by a decedent. Many individuals have inadequate recordkeeping systems. Although Congress may want to excuse taxpayers from keeping adequate records, it is difficult to find information once an individual has died. Often the estate does not have adequate resources to establish basis.

PROBATE ADMINISTRATION

Mr. President, I am sure every Senator has received complaints from fiduciaries who have complained that carryover basis presents a number of problems. Under the stepped-up basis rules, a command to distribute property worth a certain amount to a devisee poses no problem. Under carryover basis, the personal representative is confronted with what appears to be a difficult problem. For example, suppose the estate holds two assets with equal fair market values of $100,000. However, one asset has a basis of $10,000 and the other $90,000. What asset should be delivered to which beneficiary? Should the value of any potential income tax liability be considered in the distribution?

LIQUIDITY AND LEVELS OF TAXATION

Many estates contain assets that are essentially nonliquid or nonmarketable—that is, farms, closely held stock. Carryover basis provides the taxpayer an opportunity to select the time to realize the gain. However, where assets have to be sold to pay estate tax, or to divide property or to fulfill a particular bequest, there may be some difficulty. Given the proper set of circumstances, a net estate may be diminished by 70 to 80 percent after the payment of all estate and income taxes.

Mr. President, the Senate Finance Committee has heard all of the arguments before. We have been subjected to the rhetoric of the Treasury. The facts are clear, carryover basis is a disaster. There is no question that the 1976 law is riddled with complexities that defy even the most sophisticated tax technician. Even if the inordinate complexities can be eliminated, which I doubt, there still remain many difficulties with carryover basis.

Let me summarize them. First, it is often difficult to prove basis. The recordkeeping requirements and the question regarding fiduciary responsibility should not be overlooked. Carryover basis also increases the relative tax burden. The impact of carryover basis must be examined from the standpoint of both death taxes and income taxes generated by the sale of assets to pay for estate taxes. The cumulative effect of Federal estate tax, State death taxes, the Federal and State income taxes imposed upon an estate will often consume nearly all of the assets. The harsh tax results that flow from selling assets to raise money to pay death taxes should not be allowed to continue. I am afraid many small businesses and farmers will suffer.

In fact, for that matter, everyone will suffer who has worked all his lifetime and perhaps saved his money and accumulated some property, does not take much property now to be subjected to an estate tax. It seems to be that, by the imposition of a second tax, we are adding another burden to an already overburdened American society, who seem to be taxed at every turn. Death and taxes are certain, but nobody ever thought you only die once, but you are going to be taxed twice. It seems to me that may be a distinction with some difference.

In any event, maybe the decedent does not worry about it, but he leaves children, he leaves a spouse, he leaves others, and they are concerned about it. I hope that the Senate will express itself in the strongest terms at 2 o'clock, that we ought to repeal the carryover basis.

We should require the Treasury to come back to Congress when they are prepared to come back to Congress and make a case for some change. If not, there should not be any change.

The Senator from Virginia has read the great number of Senators—Republicans and Democrats—who support repeal. I think the list may even be longer than the one the Senator from Kansas has.

I just say that we have made a mistake in Congress.

The Senator from Kansas was not around during that conference in 1976. I was on a brief tour of the country with President Ford. I am not certain I would have caught the mistake, in any event. But I am certain that there are those who objected in the conference, but they were not on the prevailing side.

The Treasury has made a very strong argument that carryover basis is equitable tax policy. In effect, the position of the Treasury is that we could achieve tax fairness by cleaning up carryover basis. There is another view. Testimony by the American Bar Association before the finance committee last year states as follows:

> Statistics compiled by the Internal Revenue Service clearly indicate that there is a steady decline in compliance with the Internal Revenue Code in the Income Tax area. We fear that if the attitude being engendered in taxpayers by the carryover basis concept continues to grow because nothing is done about carryover basis, there will be a growing tendency towards noncompliance in the estate tax area as well. If the taxpayers of this country lose confidence in the fairness by which they are treated through the tax system, our voluntary self-assessment system will no longer be viable.

The ABA went on to say that from a practical standpoint, carryover basis is unworkable. Aside from the problems of administering carryover basis and the costs involved, the ABA stated last year that it believes the overriding concerns of the Finance Committee should be the attitude developing among taxpayers of feeling of "unfairness" surrounding carryover basis.

Mr. President, I ask unanimous consent that a summary of talking points be printed in the RECORD, which I think some who have not followed as closely as we did in the committee might find to be of interest.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CARRYOVER BASIS

TALKING POINTS

1. Recordkeeping: Carryover basis will impose severe recordkeeping responsibilities and proof of basis problems on taxpayers. Certainly it is easier to reconstruct the basis of an asset with an individual alive to assist.

2. Liquidity: Many estates do not have ample cash to pay the estate tax. Because of the effect of carryover, once an estate has to sell assets in order to pay the estate tax, a compounding tax liability is created.

3. Levels of taxation: Under stepped-up basis there is no income tax liability upon the sale or other dispositions of the assets by the estate or the beneficiaries of the estate. Carryover creates an additional income tax. In some cases the tax liability can be characterized as ordinary income rather than capital gains.

4. Fiduciary responsibility: There are too many unanswered questions on how carryover basis will effect fiduciaries. For example, how does the fiduciary dispose of an asset that has different basis and thus differing tax liabilities?

5. Economic lock-in: Carryover perpetuates rather than solves the economic lock-in problem. Economic lock-in is caused by a taxpayer holding an asset until death to avoid tax on the appreciation. The Revenue Act of 1978, which lowered capital gains tax, has greatly diminished the lock-in effect. Carryover basis provides an incentive for the beneficiaries of an estate to hold it because under stepped-up, death purges all lock-in because the assets receive a new basis.

6. Equity: Treasury has complained that the stepped-up system creates an inequitable tax result because decedents who hold assets are not required to pay income tax, whereas dispositions during lifetime are subject to tax. Of course, lifetime transfers are a voluntary effort. I have yet to hear any coherent taxpayer complain about this result. It is more of a problem to be discussed in law review articles.

7. Inflation: Carryover basis is no more than an attempt to tax inflationary gains. It should be noted that the full value of the asset is included in the gross estate for estate purposes. There are some that feel that stepped-up basis is a way to equalize increase in value of assets due to inflation. This is particularly important to small businesses and farms that are held for long periods of time and subject to large inflationary increases.

8. Revenue: The Treasury has stated in testimony that revenue considerations are not important.

9. Burden of change: Congress should put the burden on Treasury to change stepped-up basis. Carryover basis was a mistake and should be repealed.

Mr. DOLE. Mr. President, I believe it might be helpful because, as the Senator from Kansas indicated earlier, the Senator from Iowa did spend a great deal of time on this issue, and I ask unanimous consent that his statement given before the Subcommittee on Taxation and Debt Management generally be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE HONORABLE ROGER W. JEPSEN

Mr. Chairman, thank you for the opportunity to testify before your subcommittee today on a matter of great importance to the people of Iowa: revision of the carryover basis provision of the Tax Reform Act of 1976.

Later this morning you will be hearing from expert witnesses far more competent than I to discuss technical aspects of the law, including Mr. Arley Wilson of the Iowa State Bar Association. Therefore, I will confine my remarks to more general aspects of the problem as I see them.

The Tax Reform Act of 1976 marked the high point in the drive for tax reform. While there are certainly innumerable aspects of the tax law which deserve reform and revision, the drive for tax reform which culminated in the Tax Reform Act of 1976 was really just a euphemism for soaking the rich. The goal of the reformers was quite simply to increase the tax burden on the "rich" so that taxes could be reduced for the poor. Since it was not feasible to increase statutory tax rates on the rich it was decided to attack "loopholes," and thereby raise the effective rate of taxation on high incomes.

The fuel for this tax reform effort was the erroneous notion that many, or even most, people with high incomes pay very little if any taxes. The logical corollary to this is that the poor are paying more than their share.

The true situation is quite different. According to the latest IRS figures those in the upper 50% of gross income classes, with incomes of $9,561 or more in 1976, paid 93.3% of all individual income taxes. Those in the top 25% of gross income paid 72.3% of income taxes. And those in the highest 10% of gross income paid 49.9% of all individual income taxes. By contrast, those in the lower half of gross income classes paid a mere 6.7% of total income taxes in 1976.

I am not suggesting, of course, that taxes be increased for those with lower incomes. I am merely suggesting that the emphasis on tax reform is misplaced. This is how we got ourselves into this carryover basis mess.

My understanding is that the rationale for changing the previous "stepped-up" basis for taxation of assets at death was that it constituted a tax loophole for those who died before disposing of their assets. In other words, you had to die first before being able to take advantage of this so-called loophole.

I have a lot of problems with this kind of rationale. In the first place I don't like the term tax loophole, or the newer term tax expenditure. These terms imply that the government has some preordained right to your income and if you are allowed to keep some of it by a provision of the tax law there is something wrong with this.

Another problem I have is the implication that tax breaks, such as they are, are primarily available only to the rich. Actually, most tax breaks accrue to those with moderate incomes. Examples of these are the deduction for mortgage interest on owner-occupied homes, the deductibility of property taxes on owner-occupied homes, the exclusion of employer contributions for medical insurance, medical care, and pension contributions. Those tax breaks which do appear to primarily benefit those with upper incomes, on the other hand, are much fewer in number than one would suspect, tend to have considerably less fiscal impact, and are often associated with things the government clearly wants to promote, such as charitable giving.

In the latest federal budget, the tax expenditure for capital gains at death is listed as $9 billion in fiscal 1979 and $10 billion for 1980. By implication, the Treasury is saying that if carryover basis were fully implemented that taxes on the American people would increase by $9 to $10 billion. Although I question the basis on which these estimates are derived, nevertheless implementation of carryover basis rules would amount to a significant tax increase.

I think this is entirely inappropriate at a time when individual income taxes are rising at the rate of $10 to $12 billion per year solely due to inflation, social security taxes have taken a giant leap, and the American people are revolting against the high level of taxes and spending.

This is the most important point I would like to raise today regarding this carryover basis problem: It is nothing more than an effort to raise taxes and redistribute income in the name of tax reform. This and similar so-called reforms are now associated in the public's mind with tax increases. Thus, it is not surprising that Secretary of the Treasury Blumenthal has said "there is a big constituency in the country for tax reduction but not for tax reform, except as reform is used as a code word for reduction."

I agree.

Just to show the committee how far this reform thing can go if it is allowed to continue, let me draw your attention to Special Analysis G of the President's 1980 budget. This section discusses tax expenditures in detail including an explanation of particular items that are not yet subject to tax. In reading over this discussion there is a very strong implication that such items ought to be taxed. Let me quote one part:

"Imputed income from owner-occupied housing and other sources. A theoretically pure income concept would include imputations for income received in kind from the occupancy of a home owned by the taxpayer and for in-kind income from the ownership of other durable assets."

In other words, as I read it, if you live in your own house you are somehow escaping taxation to the extent that you ought to be paying rent to yourself and be taxed on the income! How utterly absurd a concept!

Under such logic the amount of taxes a person could theoretically be forced to pay escalates to infinity. Presumably, every time you mowed your lawn, or painted your house, or did any work for yourself at all the IRS could compute the value of such labor as though you hired yourself to do it and taxed such imputed income for tax purposes.

Lest anyone think that an absurdity such as this is not a real possibility, given the mentality of those in the Administration or its allies at the Brookings Institution, let me remind you that last year the Commissioner of Internal Revenue, Jerome Kurtz, launched a campaign to tax fringe benefits. The Congress was ultimately forced to restrain the IRS from such action by law. The logic of Kurtz's proposal is really no different from what I have just postulated. He wanted to say that if a person was given a parking space at work his gross income for tax purposes should be increased by an amount equivalent to what it would have cost that person to pay for parking. He even admitted that this approach to employee compensation could be extended to include such things as discount meals in company cafeterias, home grown food by farmers, medical and life insurance, and many other things that would have drastically increased the tax burden on working people.

I have gone rather far afield from a specific discussion of carryover basis, but I wanted to make it clear that carryover basis is only one aspect of a larger problem, which is the intrusion of the Federal government into more and more areas of our personal life. The worst intrusion of all is when our personal property is confiscated from us. In my area of the country—Iowa—the people are extremely concerned that family farms and businesses will be lost forever due to already heavy estate taxes. Things like carryover basis can only make the situation worse. They are also upset about the incredible complexity and paperwork involved in complying with such laws. The people I represent want to pay their fair share of taxes but feel they are being forced to pay more than their fair share. Indeed, they feel that federal taxes today constitute virtual confiscation.

In closing, after which I will defer to my friend, Arley Wilson, who will discuss more technical aspects of the law, I would just say that anyone who does not believe there is a tax revolt in this country is simply living in a delusion. The people do not want carryover basis reformed so it will work, they want it abolished! They don't want tax reform, they want tax reduction. Unless we as legislators deal with this reality then we will justly deserve the wrath of the people.

Mr. DOLE. Mr. President, I yield the floor.

Mr. HARRY F. BYRD, JR. Mr. President, before yielding to the Senator from Iowa, I ask unanimous consent that the senior Senator from Iowa (Mr. Culver) be made a cosponsor of the repeal amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. I yield to the Senator from Texas.

Mr. BENTSEN. Mr. President, I yield to the Senator from Iowa.

Mr. JEPSEN. Mr. President, at the June 12, 1979, annual meeting of the Iowa Society of Certified Public Accountants the following resolution was adopted:

> Whereas, the passage of the "carry over basis" in the 1976 Tax Reform Act has created economic hardships for the people of Iowa; and,
>
> Whereas, the Revenue Act of 1978 has postponed until January 1, 1980 the carry over basis rules enacted in the 1976 Tax Reform Act,
>
> Be it hereby resolved, that it is in the best interest of the taxpayers of Iowa to have the "carry over basis" of the 1976 Tax Reform Act repealed.
>
> Be it hereby further resolved, that a copy of this resolution be sent to Iowa's U.S. Senators and Congressmen.

I wish to point out that this resolution was also adopted by the society's Federal taxation committee and the board of directors at earlier meetings.

Mr. President, I ask unanimous consent to have this letter from the Iowa Society of Certified Public Accountants printed in the Record; in addition, I ask unanimous consent to have printed in the Record a letter to Mr. Charles Harris, attorney at law, chairman of the special committee created by the Iowa State Bar Association to study and make recommendations about the carryover basis, from Orville Bloethe, be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

Iowa Society of Certified
Public Accountants,
Des Moines, Iowa, June 27, 1979.

Senator Roger Jepsen,
Dirksen Building,
Washington, D.C.

Dear Senator Jepsen: At the June 12, 1979 Annual Meeting of the Iowa Society of Certified Public Accountants the following resolution was adopted:

Whereas, the passage of the "carry over basis" in the 1976 Tax Reform Act has created economic hardships for the people of Iowa; and,

Whereas, the Revenue Act of 1978 has postponed until January 1, 1980 the carry over basis rules enacted in the 1976 Tax Reform Act,

Be it hereby resolved, that it is in the best interest of the taxpayers of Iowa to have the "carry over basis" of the 1976 Tax Reform Act repealed.

Be it hereby further resolved, that a copy of this resolution be sent to Iowa's U.S. Senators and Congressmen.

Dated this the 12th day of June, 1979.

The resolution was also adopted by the Society's Federal Taxation Committee and the Board of Directors at earlier meetings. We hope that you will give consideration to the resolution when "carry over basis" is debated in the Congress in the coming weeks. If you have any questions regarding the resolution, please do not hesitate to contact the Society.

.Sincerely,

David Johansen, CPA,
Secretary.

Bloethe Law Office,
Victor, Iowa, February 12, 1979.

Mr. Charles Harris,
Attorney at Law, Belin, Harris, Hemlick & Lovrien, 2000 Financial Center, Des Moines, Iowa.

Dear Mr. Harris: This letter is written to you as chairman of the special committee created by the Iowa State Bar Association to further study and make recommendations relative to carryover basis, in order to relate to you my personal involvement and experiences concerning this law.

In making a presentation to the Iowa Bar Association Tax School in December, 1977, I found it necessary to do a great deal of work in connection with carryover basis. I finally came up with a form for computation of this basis. It computed the fresh start adjustment, adjustment for federal estate taxes, minimum basis adjustment and the state death tax adjustment. I presented a typical farm situation involving a decedent's estate from the decedent's final return, federal estate tax return, computation of carryover basis, and the first and final fiduciary returns. The presentation was well received since it made available to the practioner the most practical approach to this very involved, complicated and confusing computation.

Thereafter, I made two statewide presentations to the Iowa Association of Legal Secretaries, two presentations to the Hamilton County Tax Institute, one to the Sixth Judicial District Bar Association Estate Planning Institute, a follow-up presentation to the 1978 Iowa State Bar Association Tax School, and a presentation to the Annual Meeting of the Iowa State Bar Association in June, 1978. As a result of these presentations, I have received a great deal of communication from fellow Iowa lawyers. Based on the work I have done in this field and my communication with fellow lawyers, I have come to several conclusions, which I will enumerate.

1. The Iowa Bar Association has perhaps the most intense and thorough dedication to continuing legal education as exists in the entire country. I mention this since the Iowa Bar has certainly done its part to determine what carryover basis is all about, how it works, how to do it, etc.

2. Notwithstanding the foregoing conclusion, the arrival of carryover basis on the Iowa probate scene has created mass confusion, indirection, frustration, a great deal of concern, and problems of tremendous magnitude. Even though books were published on the subject and many articles written in tax and bar association publications, neither the well-staffed, more sophisticated trust departments, the larger law firms, the county seat lawyers, nor lawyers as a whole were equipped to retool their thinking and their methods of handling this problem, nor were they able to spend the tremendous amount of time needed to obtain the necessary information with which to make the computations. Had there not been a moratorium, I shudder to think of the horrendous fines I.R.S. could have imposed.

3. I found Internal Revenue Service personnel as concerned as the county seat lawyer—and about as confused. I do not in any way criticize them, however, since in all instances they have been as cooperative as possible.

4. The problems I see with carryover basis might be briefly stated as:

(a) In most instances you won't be able to obtain the necessary information with which to compute the basis. One is left with but one alternative—to guess!

(b) The time involvement is tremendous.

(c) The computations are too numerous, too involved.

(d) We compound the tax problems since we are now faced with substantial income tax on top of federal estate and Iowa inheritance taxes. Crops have to be sold, and with the sale we add to our tax burden.

(e) The law is so complicated that John Q. Citizen, to whom the law applies, will never be able to grasp its many aspects. Is this good law?

(f) The public can never be educated and trained to keep until death the records that must be kept to implement this law. It is too burdensome.

The year 1977 and ten months of 1978 showed me that carryover basis is a monster that Congress should put to rest once and for all time. The hundreds of phone calls I have received concerning carryover basis lead me to this inescapable conclusion, as well as my personal experience in making the best effort possible to comply with this law.

Respectfully submitted,
Orville W. Bloethe.

Mr. JEPSEN. Mr. President, in closing, I commend the many people in Iowa, especially Charles E. Harris, of Des Moines and Arley J. Wilson, of Marshalltown, who dedicated the better part of the last 3 years of their lives to working and trying to shed some light on the carryover basis, as to the repercussions and ramifications are, and come up with recommendations, all of which were to repeal it. I commend them for their work.

I thank the distinguished Senator from Texas for the time.

I now yield.

Mr. BENTSEN. I thank the Senator from Iowa.

NECESSITY OF REPEALING CARRYOVER BASIS

Mr. President, the enactment of carryover basis in 1976 was a serious mistake and those provisions should be repealed this year. Carryover basis is so complex it cannot be administered. Furthermore, it can often result in the imposition of confiscatory tax rates.

The complexity of carryover basis was summed up by the Section of Real Property, Probate & Trust Law of the American Bar Association which stated:

> We believe that this part of the legislation is a public disaster. The carryover basis provisions have created an administrative nightmare of increased complexity, delay and expense in processing estates.

Even in the absence of carryover basis, beneficiaries have been very concerned about high probate costs. Lawyers' fees have increased in recent years. Accountants' fees have increased. The carryover basis provision, with a wide variety of options for the executor, will just aggravate the situation.

The Northern Trust Co. of Chicago in a letter dated October 15, 1977, explained the complexities of carryover basis:

> We are currently administering an estate worth approximately $380,000 consisting of 56 issues of stock. The decedent's records were voluminous, unorganized and filled three large cartons. As executor, we were first required to sort through this material and organize it. Then we had to analyze relevant documents, balance the decedent's holdings at death to his records and then calculate the bases. Even then, cost basis records were incomplete and we had to search Probate Court files to locate and trace assets received from his mother's and father's estates. All of this work required approximately 80 man-hours of experienced staff employees. The projected cost to the estate for this extraordinary work would be $30 per hour for a total of $2,400. This would be in addition to the typical executor's fee of $10,000 in an estate of this size.

To further illustrate these carryover basis problems, Northern Trust pointed out the case of an individual, who during the 25-year period before his death owned three homes at different times, one in New York, one in Connecticut, and one in Florida, each of the latter two being acquired in part by the reinvestment of the proceeds of the previously owned residence. Consider, also that the decedent may have various expenditures with respect to each home. At his death, his executor must determine the original basis of the first home, then roll over that basis, with adjustments, into the next residence and repeat the same adjustment procedure as to the third.

There is another serious administrative problem.

In order to apply the so-called fresh start rule, the executor needs to know both the cost and holding period of an asset. These figures are often unknown and there has not been any proposal which really remedies this aspect of the issue.

Carryover basis can result in the imposition of a particularly harsh tax liability on family businesses. Frequently, ranch, farm, or small business estates are illiquid. That was one of the primary reasons for substantially increasing the estate tax exemption in 1976. Frequently an executor is forced to dispose of appreciated assets to help liquidate estate tax burdens and, when such a sale occurs capital gains taxes may result. For instance, if there is a taxable estate under the new law and that estate is largely illiquid, the money to be raised for estate taxes has to come from a sale of the assets. Any degree of appreciation that results in an additional capital gains tax. Thus, the carryover basis provision substantially increases the total tax liability of the estate and particularly so if a portion of the estate has to be liquidated.

Sound tax policy dictates a change of basis at death. It is well recognized for income tax purposes that if there is a change in ownership of property and a tax is incurred by reason of a gain in value, a consequent change in basis also occurs. The same result should come from the imposition of an estate tax upon the appreciation. From the standpoint of equity, it does not make any difference whether the tax be imposed as an income tax or as an estate tax; in either case there is a transfer which is a taxable event and the taxpayer should have a change in basis therefrom.

Federal estate tax rates are very high even without the new carryover basis provisions when compared to most of the Western European nations. The maximum estate tax rate in the United States is 70 percent. However, assets often have to be sold just to meet the estate tax burden. Due to the carryover basis provisions, this sale results in a heavy capital gains tax in addition to the 70-percent estate tax rate. These sales are not voluntary transactions. We are talking about involuntary actions.

The combination of Federal estate taxes, State death taxes, and Federal and State income taxes can often reach confiscatory levels of as high as 70 to 80 percent. This does not represent good public policy.

When looking at transfers to direct decedents, the estate tax rates in the United States are much higher than in the Western European nations with the exception of Great Britain.

In Austria the law distinguishes between five classes of heirs. The lowest taxpaying class is composed of spouses and children, and the tax rate for this class ranges from 2 to 15 percent.

In Belgium the lowest taxpaying class is composed of spouses and children, and the tax rates for this class range from 3 to 17 percent.

In Denmark the rates range from 2 to 32 percent for children and spouses.

In France the rates for spouses and children range from 5 to 20 percent.

In Germany the rates for spouses and children range from 3 to 35 percent.

Only in Britain do we see confiscatory estate tax rates and we are all very familiar with the economic problems facing that country. Under British law, transfers to children can be taxed at rates as high was 75 percent.

Mr. President, carryover basis results in insurmountable administrative problems. It also can impose a confiscatory tax. Congress should repeal carryover basis this year.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent to add as a cosponsor the distinguished Senator from Michigan (Mr. LEVIN), the Presiding Officer.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the senior Senator from West Virginia (Mr. RANDOLPH) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEPSEN. Will the Senator yield?

Mr. BENTSEN. I yield to the Senator from Iowa.

Mr. JEPSEN. Will the Senator from Texas (Mr. BENTSEN) yield to the Senator for a question?

Mr. BENTSEN. I am glad to yield to the distinguished Senator.

Mr. JEPSEN. The Senator from Texas illustrates a point. I know they raise a lot of cattle in Texas. Under the carryover basis, I believe the same treatment will be given Texas cattle as to the Iowa cattle.

If a person were, at the time of a death, to determine the status of the beef cattle, had they not had birth certificates and followed these cattle over their 10,000, 20,000, 30,000 acres, 12 months out of the year, have a birth certificate the minute the calf dropped, they would actually have to go out, round up the cattle, bulldog them, whatever is done to get them on the ground, open up their mouths and look at their teeth to comply with this carryover basis tax.

That is what we have to do in Iowa. Do they have to do that in Texas?

Mr. BENTSEN. We would have to do exactly the same thing. The Senator has brought out an extraordinary case on how ridiculous this can be. I should not say "extraordinary" because there are many different examples. But this one shows to what a degree one would have to go.

Down in Texas, sometimes we would have to wait for a dry spell to catch them when they come in from the brush for water. It might be quite some time, months, before we had that dry spell.

Mr. JEPSEN. Maybe it would be a help. The Government, the bureaucracy, should go out and wrestle a problem or two in checking teeth and then see how long we would keep it on the books.

Mr. MORGAN. Mr. President, I rise today in support of the move by the distinguished Senator from Kansas (Mr. DOLE) and the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) to repeal the carryover-basis estate tax provision.

During the last Congress, I indicated to my constituents and to my colleague from Virginia that the carryover-basis provision was simply intolerable. I supported the wise move by the Congress to delay implementation of the carryover-basis provision and now I support a simple repeal of that provision of the 1976 Tax Reform Act.

While this provision was enacted to attempt to resolve the issue of taxing capital gains which might go untaxed by the death of a property holder, it has proven to be unequal to the task. I would pass no judgment today on whether this is a sound policy move, but would simply indicate that the device set forth to achieve the policy is a very poor one.

Never has so much attention been paid to a technical tax provision. From North Carolina, I have received letters from lawyers, bankers, accountants, and small businessmen and small farmers who have feared the burden that would be placed on their estates by the high administrative costs. I might add that the legal and accounting professions would stand to gain a good deal by the implementation of this provision and yet they, too, fear the administrative tangle that would be created.

The Congress has responded to this outcry by delaying the effective date of this rule.

Senator BYRD, seeing the harm being done by the uncertainty of the rules and the fact that many individuals have already been trapped in the moratorium period, has continued his dedicated work to try and produce a compromise.

It appears that the best compromise in this case is to create a degree of finality—repeal the carryover basis. If in a few years a new provision is proposed, let us take it up. But in the meantime let the issue be clear, let us return to the pre-1976 rules and provide some certainty to the American people.

On this basis, I endorse the proposal of Senators DOLE and BYRD.

Mr. THURMOND. Mr. President, I rise in support of Senator BYRD's amendment to repeal the "Carryover-Basis" provisions of the Internal Revenue Code.

I strongly endorse repeal of the carryover-basis rules. Experience has shown that these provisions are extremely cumbersome and virtually impossible for even the best accountants and tax lawyers to administer, which will greatly add to the cost of estate administration. More importantly, carryover basis threatens to impede the successful transfer and continuation of small businesses and family farms from one generation to the next.

It is extremely unfair, in my opinion, for the Federal Government to impose a stiff estate tax at the time of the original property owner's death, and then also levy a capital gains tax when inherited property is later sold. In effect, this results in double taxation of appreciation in property values, the unfairness of which is accentuated by the fact that irresponsible Federal Government fiscal policies probably created most of the appreciation in property values through inflation. Thus, the carryover-basis rules largely do is tax property owners on Government-created inflation, and tax them twice—once at the death of the original owner, and again when the heir sells the property. It is because of this gross unfairness that I believe the carryover-basis provisions of the 1976 Tax Reform Act should be completely repealed.

Mr. President, I am pleased to be among the 35 Senators, representing 27 States, who are cosponsoring this.

I urge the Senate to adopt it.

Mr. HELMS. Mr. President, I strongly support the carryover basis provisions of the bill, section 401 of H.R. 3919, as reported by the Committee on Finance.

As ranking minority member of the Committee on Agriculture, Nutrition, and Forestry, I receive many complaints from farm families concerning the carryover basis provisions contained in the Tax Reform Act of 1976. These changes to the estate tax law were ill-advised and, if implemented, would further complicate our already intricate tax systems. More importantly, the impact of this departure from traditional tax law would prevent the transfer of many family-owned farms from decedent to heir due to the increased tax burden which many farmers just could not pay.

In 1977, I introduced legislation to repeal this onerous provision entirely. However, the language eventually adopted as part of the Revenue Act of 1978 only delayed implementation of the provisions until December 31 of this year. This is not a remedy, and it is for this reason that Senator DOLE introduced legislation in this Congress to repeal the carryover basis provisions altogether. I joined him in cosponsoring his bill, the substance of which now appears as section 401 of H.R. 3919. Repeal of the carryover basis provisions has substantial support in the Senate and the House. Repeal also has the support of the American people—especially those in our rural communities and agricultural areas.

The Committee on Finance overwhelmingly adopted the amendment repealing the carryover basis provisions, and rightly so—it is the most important nonenergy-related section of this bill. Repeal of the provisions has the support of such groups as the American Farm Bureau Federation and the American Bankers Association. More significantly, we are hearing from administrators of estates that the carryover basis provisions are a nightmare to work with and cannot be "fine-tuned" or improved. They must simply be repealed.

I feel that the committee has made a very wise decision in adopting this amendment to H.R. 3919, and we should support their decision. I wish to commend the Senator from Kansas (Mr. DOLE) for pressing this subject before the committee. As a member of the Agriculture Committee, he knows the importance of this repeal to American farm families, as does our committee's chairman, the Senator from Georgia (Mr. TALMADGE), who is also a member of the Finance Committee.

I am sure they would agree that repeal of this proposal is just a first step for agriculture. There are several other tax-related issues that Congress must address—and as soon as possible. I am speaking of needed changes to the material participation requirement now imposed by IRS during estate proceedings, clarification of tax laws pertaining to single-purpose agricultural buildings, and a requirement that foreign investors pay capital gains taxes on the sale of farmland they have purchased in the United States, among others.

If we are to promote further expansion of U.S. agriculture and continue to ask our farmers to feed other nations, and export more cash crops to help our balance of trade—these issues must be addressed. We must encourage, not discourage our farmers—and see that they are not disadvantaged by the tax laws of our country.

Mr. President, I urge my colleagues to support repeal of the carryover basis provisions, and in so doing help remove an ill-conceived and unnecessary portion of tax law.

The PRESIDING OFFICER. Under the previous order, the hour of 2 o'clock having arrived, the Senate will vote on unprinted amendment No. 834, offered by the Senator from Virginia (Mr. HARRY F. BYRD, JR.), to unprinted amendment numbered 833, offered by the Senator from Louisiana (Mr. LONG).

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD (after having voted in the affirmative). On this vote I have a live pair with the distinguished senior Senator from Massachusetts (Mr. KENNEDY). If he were present and voting, he would vote "nay." I have already voted "yea." Therefore, I withdraw my vote.

Mr. CRANSTON. I announce that the Senator from Florida (Mr. CHILES), the Senator from Iowa (Mr. CULVER), the Senator from Alaska (Mr. GRAVEL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

I further announce that the Senator from New Jersey (Mr. WILLIAMS) is absent on official business.

I further announce that, if present and voting, the Senator from Iowa (Mr. CULVER) would vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from New Mexico (Mr. DOMENICI), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Oregon (Mr. HATFIELD), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) and the Senator from Maryland (Mr. MATHIAS) would each vote "yea."

The PRESIDING OFFICER (Mr. MOYNIHAN). Are there other Senators in the Chamber who wish to vote?

The result was announced—yeas 81, nays 4, as follows:

[Rollcall Vote No. 418 Leg.]

YEAS—81

Armstrong
Baucus
Bayh
Bentsen
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Cannon
Chafee
Church
Cochran
Cohen
Cranston
Danforth
DeConcini
Dole
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Hart
Hatch
Hayakawa
Heflin
Heinz
Helms
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
McClure
McGovern
Melcher
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Weicker
Young
Zorinsky

NAYS—4

Biden
Metzenbaum
Proxmire
Tsongas

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Mr. Robert C. Byrd, for.

NOT VOTING—14

Baker
Bellmon
Chiles
Culver
Domenici
Durenberger
Gravel
Hatfield
Hollings
Kennedy
Mathias
Matsunaga
Ribicoff
Williams

So the amendment by Mr. HARRY F. BYRD, JR., (UP No. 834) to the amendment by Mr. LONG (UP No. 833) was agreed to.

Mr. HARRY F. BYRD, JR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 833, AS AMENDED

The PRESIDING OFFICER. The question now recurs on the amendment of the Senator from Louisiana as amended by the Senator from Virginia.

Mr. NELSON. Mr. President, I wonder if we could have a statement of what the amendment of the Senator from Louisiana is.

Mr. LONG. It is the same amendment the Senate just voted on. The Byrd amendment was a substitute for the amendment that I offered. So, the Senate is voting on the Byrd amendment all over again.

Mr. NELSON. The Byrd amendment on carryover was a complete substitute for the amendment; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. LONG. The amendment I offered, yes. The Senate is voting for the same thing all over again.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana as amended.

(Putting the question.)

The PRESIDING OFFICER. The ayes appear to have it. The ayes have it.

The amendment was agreed to.

Mr. BUMPERS and Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUMPERS. Will the Chair tell the Senate what is before us now? Do we have a Senate substitute? Do we have a House bill. Or do we have both of them before us?

The PRESIDING OFFICER. The Senate has a House bill with a recommended committee substitute so that technically both measures are before the Senate.

Mr. BUMPERS. I take it, then, that both of them are now amendable. But is there a priority beween the two so far as amendments are concerned?

The PRESIDING OFFICER. They are each amendable in two degrees. They are each amendable in two degrees and amendments to the House bill take priority over amendments to the committee substitute.

Mr. BUMPERS. I thank the Chair.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Will the Senator be kind enough to suspend. The Senate is not in order. The Senator from Kansas is entitled to be heard.

The Senator from Kansas.

AMENDMENT NO. 590

(Purpose: To reduce the tax on tier 1 oil to 60 percent)

Mr. DOLE. Mr. President, I call up amendment No. 590 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an amendment numbered 590.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 40, strike line 1 through line 6 and insert in lieu thereof:

SEC. 4987. AMOUNT OF TAX.

(a) IN GENERAL.—The amount of the tax imposed by section 4986 with respect to any barrel of taxable crude oil shall be—

(1) 60 percent of the windfall profit on such barrel in the case of tier 1 oil, and

Mr. DOLE. I yield to the Senator from Oregon.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that John Colvin of my staff be allowed to have a pocket calculator in his possession on the floor during the continuation of the discussion on H.R. 3919 and the similar Senate bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DOLE. Mr. President, this amendment is not very complicated. The amendment is to the Senate committee substitute, and it simply lowers the tax on tier 1 oil to 60 percent, as opposed to 75 percent in the committee substitute.

Mr. President, the Finance Committee bill contains a 75 percent tax rate on tier 1 oil which is commonly referred to as old oil.

The quantity of oil subject to the tax is the amount of production from the tier 1 properties, essentially old oil properties, under pre-June pricing regulations below the amount represented by the——

The PRESIDING OFFICER. Will the Senator from Kansas graciously suspend? The Senate is not in order. Debate is in progress. Will those wishing to converse retire to the cloakrooms?

The Senator from Kansas.

Mr. DOLE. I thank my colleague. This is an important amendment and I assume there will be some Senators for it, some Senators against it, and some Senators undecided.

In the Finance Committee itself, we spent a lot of time, in fact 80-some hours, in markup of this legislation and the big debate centered on how much tax should we impose. In this instance, not with my vote, the Finance Committee increased the House tax from 60 to 75 percent on so-called tier 1 oil.

Mr. METZENBAUM. Mr. President, will the Senator from Kansas yield for just one question? Is the Senator from Kansas willing to assure the Senator from Ohio that there will be a rollcall on this amendment?

Mr. DOLE. Yes. I ask for the yeas and nays right now.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. I think this amendment is something fairly well understood, and there is no reason to debate it for a long time.

The Senate Finance Committee increased the tax rate on old oil from 60 to 75 percent. To the Senator from Kansas, this is counterproductive, but that was the will of the Senate Finance Committee. The amendment I am offering now would take the tax rate back to the House bill figure of 60 percent. This is still 10 percent above the original proposal of the administration.

By increasing the tax rate the Senate Finance Committee bill actually results in less lower tier oil being produced over the 1980–90 period than would have resulted if price controls were continued. So we really do not have decontrol when we impose a tax at a rate so high that it wipes out any production response that decontrol might have had. This does not make a great deal of sense. There is no logic to it. If we are talking about the energy crisis and finding some production response to meet it, then we ought to be realistic about the effect that a 75-percent tax rate will have.

There will be dropoff in tier 1 production because lower tier oil receives the worst treatment under the Senate Finance Committee bill. In addition, under the Senate Finance Committee bill, tertiary processes will be applied to many lower tier properties because the incentives for tertiary recovery are more attractive than those for lower tier oil.

Because of the relative uniformity of

the incentives in the House bill, production occurs in an anticipated manner. Because of the relatively small incentives in the Senate Finance Committee bill, significant investments occur later under this bill than they would under decontrol with no tax or under the House bill.

The producer revenue gain on lower tier oil over the 1980–90 period would be $106.2 billion in current dollars under the House bill and $103.5 billion under the Senate Finance Committee bill. This is the amount that producers would receive from higher prices for oil that the Congressional Budget Office projects would have been produced under a continuation of the so-called EPCA controls.

The House bill would tax about $50.1 billion of the revenue gain of the $106.2 billion just referred to. Relative to continued controls, the bill in combination with decontrol would stimulate about 245,000 barrels per day of additional supplies from this source in 1985, but would result in a production of 230,000 barrels per day in 1990.

When compared to decontrol with no windfall profits tax, the House bill would produce new supplies by 45,000 and 80,000 barrels per day in those 2 years respectively.

Mr. President, the Senate Finance Committee bill would tax about $46.8 billion of this total revenue gain, and relative to that extension of controls the bill, in combination with decontrol, would result in 5,000 barrels per day less supplies from this source in 1985, and 125,000 barrels per day in 1990.

When compared to decontrol with no windfall profits tax, the bill would reduce supplies by 295,000 barrels per day in 1985, and would stimulate 25,000 barrels per day in 1990.

The amendment the Senator from Kansas is offering would reduce revenues $1.3 billion over the 10-year period. In the overall scheme we are not talking about a great deal of money, but we are talking about a great deal of oil.

The Senator from Kansas has made this point before. I would hasten to add that we do not have much "old" oil in the State of Kansas. We do not have much oil period. So it is not a parochial amendment offered because I live in the State of Kansas. I wish we had more old oil and more new oil and more stripper wells and any other kind of oil in the State of Kansas to help address the emergency we have.

But the cost is not great by comparison to the total revenue which would be raised in the Senate Finance Committee bill of nearly $140 billion in windfall profit taxes alone plus the best estimate of $300 million to $400 million in increased revenues and Federal royalty payments.

I know others felt strongly. The distinguished Senator from Rhode Island thought the tax should be 75 percent on old oil and they prevailed in the Senate Finance Committee.

An effort was made to change the decline curve from 1½ to 2 percent to address the problem. That amendment was offered by the Senator from Kansas, but again the Senator from Kansas did not prevail.

It seems to me that we are getting back to the basic arguments of production response, of how high can the tax be without having an adverse effect on production. There will be a tax, and the Senator is not one of those advocating no tax. There will be a so-called windfall tax on an excise tax or a severance tax, but we are dealing here with tier 1 oil, old oil, and it just seems to this Senator that we can raise sufficient revenue in this bill, we can help production in this overall picture by reducing the tax to 60 percent, the same figure in the House bill.

I hope my colleagues will support this amendment.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. DOLE. Yes.

Mr. McCLURE. I appreciate the Senator's yielding. I take this time only to say what I have felt for a long time. Mr. President, the Senator from Kansas, I think, has done a singular service to the Senate by pointing up some of the problems with the approach that was taken in the Senate Finance Committee.

I would like to go a step farther, and I may yet before debate on this is completed, by offering a substitute for title I that will present the issue even more clearly.

The administration first suggested a crude oil equalization tax to take away the increment of price that was imposed by the OPEC cartel. We do that by a tax directly on crude oil. That had no support at all in Congress. Well, I should not say no support, it obviously did not have enough support to get passed.

Then some bright person down there in the administration came up with what they should have come up with the first time, a sophisticated political judgment, which is if you present a crude oil equalization tax and that is passed, then Government is responsible for the rise in oil prices. Is it not better politically to allow the oil companies to charge the increased cost and then tax the increase away in the guise of profits? Then the oil companies get all the blame and the Government still gets all the money.

I think that is what we are talking about here, a backdoor crude oil equalization tax with all the political goodies, blaming the oil companies for having caused the problem and, at the same time, giving the Government all the revenue and, Mr. President, I am sorry to see us play that game. I am again hopeful that sometime in the process Congress may recognize that all we are doing is raising the cost to the consumer and the consumer is going to pay for it.

I hope this amendment will be adopted.

Mr. LONG. Mr. President, I believe I should make it clear that I am not speaking for the majority on the committee at this point, because the majority on the committee voted for the 75-percent rate. I voted against the 75-percent rate, and I feel in conscience that I should continue to vote against it, because I do not agree with it.

Mr. President, if one calculates how much tax this amounts to, when you look at it in connection with other taxes, it is a tremendous amount of taxes that is being charged.

What some people miss is the fact that there are already other taxes that people have to pay. So when you add a 75-percent tax on top of all the other taxes, the committee found it necessary to amend the bill with, I guess you would call it the "ounce of charity" amendment, which says that in no event do you pay more than 90 percent.

That was very kind of the committee, because otherwise in some cases a taxpayer could pay more than 90 percent.

Just look at this situation, for example: A person starts out with $100 gross. In Louisiana, he would pay a severance tax of $12.50. That would leave him $87.50. Then he would pay a windfall tax, assuming it is a corporation, a windfall tax of $65.60, and then be left with $21.90. Then the Federal corporate income tax would apply, and that would be a tax of $10.07, leaving an after-tax income of $11.83.

But that is not what the person gets, Mr. President, because the corporation is merely an agent standing between the shareholder and his income. So when the dividend is declared, which is the only time the shareholder gets some benefit out of it, at that time it would be taxed again, and the income tax on the dividend, assuming the individual is in the top bracket, would then be another $8.28. That leaves the shareholder $3.55 income on what started out to be $100 worth of income. And that does not include the individual or corporate income tax for the State of Louisiana. I thought it would be pretty good to stop at that point, but obviously it could be reduced even below that, by looking at the two other taxes that would have to be paid if that were in Louisiana.

If you assume that there were no severance taxes and no State income taxes, looked at in terms of Federal tax alone, the 75 percent tax would leave 25 percent on the dollar out of $100, then a 46-percent corporate tax, which would leave 54 percent of the revenue, so that would leave the corporation, then, with $13.50 left out of the $100; then a 70-percent tax on an individual would then leave the shareholder $4.05.

Just to round it out, that is a 96-percent tax, even leaving out the State and local taxes, just taking the Federal taxes alone. That works out to an after-tax of $4.05.

It gives this Senator no problem to proceed on the basis that where one makes a great deal of money, and there is doubtless good fortune involved in it, there should be a high tax. But when the Government takes 96 percent, that is indeed a very large amount, and it leaves very little interest in the producer other than just maintaining his wealth. Those who favor a high tax rate might figure, "Oh, he is going to produce it anyway." Do not count on that, Mr. President. When it comes to a point where a person is being relieved of his economic interest underground, and all he is getting for his interest is 4 cents on the dollar, there is less and less interest in producing it. There grows an interest in leaving it there, just paying it no mind.

Over a period of time, the well stands up, and paraffin collects in the pipes, but the people feel, well, since the Federal Government is taking it all anyway, let the Government worry about keeping that well up and letting it produce efficiently. To my mind it is counterproductive to put the tax so high that the individual has such a pitiful amount left that it does not pay him to bother to keep the well up, and it becomes logical for him to say, "Let Uncle Sam take care of that well; let Uncle Sam put acid down there if it is needed so that the oil will flow into the hole." When he is being separated from his resources in that fashion, why not just forget about it?

I would think that when one combines this tax with the total tax, it is really a matter of taxing to the point of being ridiculous. I think the Senator from Kansas has a good amendment, and I shall certainly vote for it.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. DOLE. I think the chairman knows about the CBO study. This is not a study done by the Senator from Kansas, the Senate Finance Committee, or the Joint Tax Committee; it is a study by the Congressional Budget Office. Looking at 1985 production, and assuming continued price controls there would be produced 775,000 barrels per day. Under the Senate Finance Committee bill, there would be produced 770,000 barrels a day. So we are actually better off with controls than the Finance Committee bill—775,000 with controls compared to 770,000 under the Senate Finance Committee bill.

If there were no controls and no tax, the production would be 1,065,000 barrels per day. So we would be losing about 300 barrels a day with the imposition of this proposal.

Maybe there is some justification for the tax. But I do believe that the record should clearly reflect that we are not doing anybody any favors as far as energy production is concerned.

I would again stress that these figures are as valid as any figures can be. They certainly come from a very independent source.

Mr. WALLOP. Will the Senator yield?

Mr. LONG. Yes, sir.

Mr. WALLOP. Mr. President, I would ask the sponsor of the amendment if I might be added as a cosponsor.

Mr. DOLE. Mr. President, I ask unanimous consent to add the distinguished Senator from Wyoming and the distinguished Senator from Idaho (Mr. McCLURE) as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. Mr. President, I would like to compliment both the chairman and the ranking minority member of the Finance Committee for bringing this issue to the attention of the Senate.

I am troubled, still, by the astonishing lack of depth perception of those who report the affairs and proceedings of this body on the windfall profit tax. They seem to have taken virtually no time in looking at what it is that the Senate says it is about.

One of the ideas on decontrolling oil was to provide a greater supply response to the American people and to lessen our dependence on unstable and unreliable foreign supplies. That is good. But to turn right around and get punitive to the point where there is no supply response only cheats the American consumer out of any benefits he might have derived from decontrol in the first place. He gets the worst of both worlds. He gets a higher price and no more oil.

Just to point out a little bit on where I think that comes into play, again, quoting from the Congressional Budget Office's report on tier 1 oil, it says, "The Finance Committee bill results in no more lower-tier oil over the 1980–90 period than would have resulted under continued controls."

Now, I ask you what kind of a deal is that for the American consumer, who is troubled both by a lack of supply and high prices? It also says, "This is because lower-tier oil receives the smallest incentives under the Senate Finance bill."

I think we have to recognize here that it is important—in fact, it is critical—that we provide some sort of incentive for increasing or maintaining production from properties that do produce old oil. Because this alone, out of all the segments in the bill, offers the one chance for near term response in the production and supply of oil that America possesses on its own.

One company has estimated that an increase in the windfall profit tax rate from 60 percent to 70 percent would reduce production in 1985 by around 200,000 barrels per day and recoverable reserves by 700 million barrels. There is no reason for any of us, no matter how spiteful we feel toward the oil companies, to shoot ourselves in the foot. I mean, it is absurd that they are going to adopt a tax structure that reduces your recoverable resources by 700 million barrels.

Somebody is going to come along and say, "Why would it do that?" Well, the plain fact is that if you do not keep these in production, as the Senator from Louisiana (Mr. LONG) well knows, you cannot go back down the pipe at a later time and get what you could have gotten if you had been in the process of producing all the time. As much as we would like to have it so, the gods of geology just do not make it so that oil will continue to flow easily and be reproducible at some later time when we drop off the end scale of madness and suddenly assume that maybe there is an advantage to the American people in achieving a certain amount of energy independence.

Also, I would like to point out that on tier 1 alone, the reserve reduction is estimated on the 75-percent rate to be about 300 million barrels which, if related to the estimated revenue from the windfall profit tax rate increase to 75 percent, it implies a willingness to give up domestic reserves at a revenue cost of about $3.61 a barrel. I ask you, where is it going to be replaced? From synthetic fuels at $46 a barrel? From imported OPEC oil at $30-plus a barrel?

It really is a situation in which you sit down and take careful aim on your own foot. You do not even do it accidentally.

For the life of me, I cannot see where it is in the interest of the consumer. I cannot understand why the people who report this do not go far enough into the supply response figures to at least present to the American people an obvious choice: Do you want to punish them and yourself at the same time, or do you want to try to achieve something in the interest of the country which is a little bit of independence?

I dare say that the one person in the world who is most gleefully watching these proceedings must be the ayatollah, who waits for us to get more and more dependent on the supplies which he has taken away from us.

I compliment both Senators and my chairman for supporting this amendment.

Mr. LONG. Mr. President, I think that the information put in the RECORD on a previous occasion ought to be made available. I would hope that those in the Press Gallery would look at this. It was in the CONGRESSIONAL RECORD, November 16, 1979, p. 32930. I think it ought to be reproduced here, because it illustrates a point. I would ask unanimous consent that this appear in the REORD of today.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INCREASE IN OIL RECEIPTS AND TAXES UNDER DECONTROL WITH THE HOUSE-PASSED WINDFALL PROFIT TAX COMPARED TO THE FINANCE COMMITTEE SUBSTITUTE

[Calendar years 1979–90; billions of dollars]

	House-passed bill	Committee substitute
Gross increase in oil receipts	994.4	1,025.1
Costs of production induced by decontrol	−79.6	−87.4
Net increase in oil receipts before tax	914.7	937.7
Taxes and royalties on receipts before windfall profit tax:		
Increase in Federal royalties	17.5	18.1
Increase in State royalties	32.5	33.1
Increase in State income and severance taxes	101.2	103.7
Increase in Federal income tax	332.0	340.2
Net increase in oil receipts after taxes	431.7	442.6
Windfall profit tax:		
Net windfall profit tax	276.8	138.2
Decrease in State income tax due to deductibility	19.5	9.2
Decrease in Federal tax receipts due to reduced production	8.1	....
Net increase in oil receipts after windfall profit tax	166.3	313.6

Mr. LONG. Mr. President, here is the reason I ask to put this information in the RECORD, although it was put in at an earlier date in the debate.

It shows, if you look at all of the taxes that would be paid on the income that is expected to result from decontrol, the existing taxes, Federal plus State. Under the Senate committee bill, there would be about $700 billion of taxes on $1 trillion, or $1.025 trillion worth of additional income. So that the Governmnt takes 70 percent, in round figures; the Federal Government hogging up most of it and the States getting a bite.

If this amendment carries, the take would be reduced by about $1.6 billion, less than $2 billion. So the Government, with the excess profit tax or windfall profit tax, plus all the other taxes, would hog up about 70 percent and corporations would keep about, as the case may be, 30 percent.

Under the House bill, the Government would do a little better. It would hog up about 83 percent. That was estimated to be $994 billion of the income involved. The Government hogs up 83 percent.

Mind you, Mr. President, these figures are not disputed. These figures are agreed to by the Treasury and the Joint Committee staff. Nobody argues about these figures. The Government hogs up 83 percent. That is doing pretty good.

And one wonders, well, who is getting all this money? Well, the Government is getting all the money—83 percent.

The independents made a case—and I have yet to hear anybody argue about it—that they are putting back into the ground more than 100 percent. They are putting into the ground more than 100 percent of their gross income, not net, gross. So that for every $100 gross that they take in, they are putting $103 back into the ground. Where could they find the money? Well, it is a cinch they are not finding it out of production, because they are not getting it out of production. They have to borrow money and they have to sell their wells in order to find enough to do what they are doing in the quest for energy.

Now, the major companies are not putting quite that much back into the ground, because they are putting a lot of theirs into the refineries and pipelines and some, perhaps, into filling stations. But only 2 percent of their money is going into things that are not energy related, such as the things we hear talked about, the purchase of department stores, or something of that sort.

Less than 2 percent of their income is going into those types of things. Ninety-eight percent of it is being used in energy, although they are declaring some dividends. The overwhelming bulk of their money goes back into producing more energy. If they do not have the money, they cannot put it back in.

I would think, Mr. President, that we would be well-advised when we are getting 70 percent for the Government, to feel that we are getting enough, and we ought to be willing to settle for that.

What this amendment would do would be to say that at this particular level of tax the Government would only take 70 percent. But keep in mind, they still have to pay an income tax, as high as 70 percent for individuals. They still have to pay a corporate income tax as high as 46 percent. They still have to pay taxes to State governments, severance taxes, income taxes at corporate and individual levels. To think that the Government is not getting enough out of all of this is just to take the view that the Government's demands for money are insatiable.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I must say that I am astonished to hear this amendment cloaked in the virtue of the fact that it is the same as the House provision. I thought the House bill was about as popular around here as the Ayatollah Khomeini. But all of a sudden we are told that it is like the House bill, and, therefore, we should go along with it.

I have not heard any suggestion of the fact that the bill from the Senate Finance Committee is substantially different from the House bill in measures, all of which reduce the income to the Federal Government.

How do we differ from the House bill? I suspect that the distinguished chairman of the Finance Committee and, indeed, the senior Senator from Kansas rather vigorously support the measure which exempts new oil from any windfall profits tax. I do not see them rising in protest against that. As a matter of fact, it was unanimously adopted in the committee as a good measure.

Then what else did we do, Mr. President? We went on and exempted incremental tertiary recovery. Great. Production response.

Then what did we do? Did we stop there? No. Heavy oil; let us exempt that.

Mr. DOLE. That was the administration's bill.

Mr. CHAFEE. We did not object to it. It was not in the House bill. They went along with it, reluctantly, but they did. Then what else? Strippers.

Mr. DOLE. Stripped down.

Mr. CHAFEE. That is not a naughty word in the Finance Committee. Strippers is a word we all got to know intimately. And what did we do about strippers? Why, any independent who had 1,000 barrels a day is exempt. A little mom and pop shop it is: 1,000 barrels a day.

Well, if you will do a little multiplication, and I am not as good as the chairman of the Finance Committee who worked out that 96 percent tax, 1,000 barrels a day times 365 days, times $23 a barrel, and that is just for starters. A little operation, those independents. Poor fellows. A $10 million operation per year. That should keep the Gulf Stream jets going for a while.

Mr. President, what are we trying to do here? What we are trying to do under this windfall profit tax, and, indeed, under the whole deregulation of oil, is to make this Nation energy independent so that no longer will we be responding to the whims of OPEC?

The price will go to the world price for oil, and we provide some taxes. Why? Because we want to be mean or nasty? Not at all. Because we want the U.S. Treasury to have income to provide the funds for alternate sources, alternatives to oil, to encourage conservation, to help the poor and those in the lower income meet the increased prices there will be on oil.

In the Finance Committee we provided a host of incentives for conservation, all of which the distinguished senior Senator from Kansas voted for. They are all good measures, but they cost some money. So we provided incentives for insulation, for solar energy, for more efficient furnaces, for wood stoves. We did it all, and rightly so, because we want this Nation to be independent of the OPEC nations.

But, Mr. President, that costs money. Where are you going to get the money?

We went through an elaborate exercise in the Finance Committee to try to determine where you could apply your tax and yet have the minimal adverse effect on production response. In this particular area we are discussing today, lower tier oil—mind you, this oil was selling for $6 a barrel until January 1, and people were doing all right—now we provide it can go to the world price. I do not think anybody thinks the world price has stopped at $23. We all think that the world price is going to be at $30 by the early part of next year.

Then we decided what to do about the tax on that difference, from the $6 with the inflation factor upward, the $6 a barrel.

We thought it over and we received opinions from the Congressional Budget Office and from the Department of Energy. The determination there was that there would be no adverse production response from the difference between a 60- and 75-percent tax on the windfall—that is the difference between the world price and the original price, $6—and so we voted in committee for the 75 percent.

There were some holdouts. It was not unanimous. But none of those people who held out suggested we will make it up by perhaps putting a tax on new oil, a tax on incremental tertiary recovery, a tax on heavy oil, or a tax on the independent producers with 1,000 barrels or less with their stripper production.

There is an old saying and we all know it, you cannot have your cake and eat it, too. There is no free lunch. If this Nation is to become independent, energy independent, not solely oil independent but energy independent, we have to encourage these other efforts that this Finance Committee bill has provided for, with particular emphasis on the conservation, with tremendous assistance to the synfuels, with help to the poor and those in the lower income brackets with their bills.

So, Mr. President, I do not think now is the time to retreat. I do not think now is the time to back off from this tax. If they want to provide, somehow, that there will be a substitute for the revenue loss, I feel fairly safe in standing here and saying there will be no substitute for that revenue loss offered by any of those backing this substitute. Maybe the chairman of the Finance Committee has something up his sleeve. Maybe unbeknownst to me we are going to come crashing in with a tax on new oil. But I think I am fairly safe in suggesting that is unlikely to happen.

So, Mr. President, I urge that despite all the virtues of the House bill that we not return to the House figures, and, as a matter of fact, I do not think we ought to return to practically anything in that House bill.

Let us do it the way we did it. We have some other changes coming up—a few tighteners, a few revenue producers—as we go along. But certainly, they will not be imitations of the House bill.

Mr. President, I urge that this amendment not be approved by the Senate.

Mr. WALLOP. Mr. President, I appreciate the fervor of the Senator from Rhode Island in his appeal for this figure, inasmuch as it was his device that we seek to take out. It was he who devised the 75 percent figure.

I am amused, too, that he falls into this trap, and I see the little snickers in the gallery up there from those who seem to know so much about this. I am always amused when we start talking about losing revenue that we do not have. I might point out, Mr. President, that there is no tax at this moment in time and that whatever we have is windfall for the Government.

There is no revenue loss attendant on making any decision in here. You cannot lose something you do not have in your pocket. You can be greedy and look up to the sky and wish you could have more, and all of us do on a lot of things. But there is no such thing as having your cake and eating it, too. I suggest that in this case, the Government is going to be overgorged on this cake. They will not be able to swallow it all.

As a matter of fact, Mr. Rosenblatt, of the Los Angeles Time, had an article about Treasury bemoaning the fact that our bill does not raise as much money as the House bill does. When they were asked what they are going to do with all this money, they said, "Do not worry about it, we will figure it out when we get it." They do not worry about losing revenue they have in their pocket; they just want to figure out how to raise it because they want it.

Everybody falls into the trap of talking the way the Senator from Rhode Island does. The trap is that the reductions on new oil and on the tertiary and heavy new oil simply do not respond by way of a supply response until the middle eighties to the other end of the decade. The only supply response available out of tax treatment is with old oil. It is the only one on which anybody can make an argument that you can get a near-term supply response and the near term is the basis of the crisis. A lot of other things will be on in there, including the synfuels that the Senator is talking about. Those are going to be a real winner at $46 a barrel.

The Senator from Rhode Island said, why should there be an attempt to make up money that we lost? I have made the point that I do not think we have lost it, but let us talk about making it up.

Mr. President, when you think of the income tax alone that is going to accrue, corporate and personal, as a result of the decision to decontrol, there is no real need to make up anything. We are still going to have to spend responsibly a little of this money and balance the budget. It will be there and we can do that. There will be room for a tax cut and there will be room for the aid to the poor and the other things. But the whole purpose, from the administration's first utterings on the windfall profit tax—and I point out at this moment, Mr. President, that I compliment the Committee on Finance on the title to their report. Instead of calling it a windfall profits tax, they call it the crude oil tax. That is, in effect, what its name is. It has nothing to do with profits. I only wish that they had gone one step farther and said it is a domestic crude oil tax, because it has nothing to do with foreign oil.

Some of us did not feel it was necessary to do everything that there was to be done by way of easing transition under the windfall profit tax. I think that we should hold to that position. It is not a question of going back and praising the House-passed figure of 60 percent. There are those of us who tried to change the House-passed figure to the President's original suggestion of 50 percent.

I would very much like to go back to the President's original projection, which was $5.2 billion over 3 years in the same period of time in which the Senate bill raises $30 billion. If we are going back, let us roll it right back to where the President really started, which was $5.2 billion. That made a good deal more sense.

It makes sense in terms of near-term response and only near-term response, and the maintenance of research to lose recoverable reserves by abandonment of wells is, as I said before, to take dead aim and shoot ourselves in the foot.

(Mr. MUSKIE assumed the chair.)

Mr. DOLE. Mr. President, I shall take just another minute. Maybe, we can have a little voice vote on the amendment and we shall be all right, but there will probably be a rollcall. I have the Senator from Rhode Island down as undecided on this amendment.

I agree with many things the Senator from Rhode Island has said. In fact, he was instrumental in supporting certain incentives in the bill by voting for some of the exemptions, particularly newly discovered oil, which should take off some of the pressure of the so-called energy crisis. But there is an honest difference of opinion on just how much the tax should be.

The Senator from Kansas would make the tax high enough—it is in any administration's interest to have the OPEC prices go up and up. They have a vested interest because the higher the OPEC price, the more the U.S. Government receives in new revenue.

There are some good points in the House bill. This is one of the few, the 60-percent provision. That is why we seek to go back to 60 percent.

I say finally that although it might be subject to some offsets, under the House bill, the CBO study shows there will be about 1.425 million barrels per day produced in 1983 of old oil. That is in the House bill. That is with a 60-percent tax rate.

Under the Finance Committee bill, there will be about 1.140 barrels produced or about 285,000 barrels per day less production.

I know there are some offsets. I do not think it is fair to leave it hanging in there. I do not know what the offsets will be. Maybe some will draw new oil rather than old oil.

Let us take the CBO study. That is a difference of almost 300,000 barrels a day that we are going to lose. Where are we going to find it? Are we going to import oil at $30, $40, $50 a barrel? This proposal will cost $356 million in 1983, or about $11 a barrel. So we are going to give up $11-a-barrel oil to go out and buy $30, $40, or $50-a-barrel oil?

That is the argument the Senator from Kansas makes. It is not the amount of the tax, but somehow, there is a feeling around that the higher the tax, the more consumers will believe that we are going to produce more energy and injure the oil companies.

I find most consumers concerned about production. What are we going to do with this 285,000 barrels we lose: We are going to go out on the spot market and pay $30 to $40 or who knows what the price will be by 1983. So we are going to lose some $11-a-barrel oil, maybe $15 oil, maybe $20 oil, and we are going to pay a great deal more for it.

Finally, I say that I know there is a difference of opinion. We spent weeks and weeks in the Finance Committee talking about production response. How much more product is there if we exempt certain categories of oil? How high should the tax be?

I do not really believe any one of us in the committee ever really knew what the tax should be or what the production response would be, because we had different figures from the Treasury, one set of figures from CBO, one from the Joint Tax Committee.

I see the distinguished Senator from New York standing, probably to cosponsor my proposal. I appreciate that.

In the final analysis, Mr. President, we need to find some way to preserve what we have so we do not have to go out on the open market or the spot market or rely on OPEC countries. This is not the way to go.

It seems to this Senator that the 60-percent tax is adequate and the higher the price goes, the more windfall will be picked up through taxes by the Federal Government. We may have less oil, less energy, but I assume by 1983, we shall have figured out something else to tell the American consumer. When we can no longer blame the oil industry, we shall figure out something else, some other scapegoat or some other strawman. Then it will be the problem for that group, that person, that industry. I happen to believe that most consumers believe there should be a tax and there will be a tax. The question is, how much should the taxes be? Should it destroy incentive? Should it curtail our production? Should it make us more dependent on OPEC sources of oil?

The Senator from Kansas believes it should not.

(Mr. HEFLIN assumed the chair.)

Mr. MOYNIHAN. Mr. President, I congratulate the Senator from Kansas for the fair-minded and factual orientation of his presentation. As he said, his is a position that did not command a majority on the Finance Committee.

Let me say first, the Senator knows

perfectly well that if this all does not work in 1983, the person we will be blaming is the President of the United States, and who knows but that it would be our good fortune to have that be an incumbent member of the Finance Committee, who shall be nameless.

Mr. President, I am standing here at the desk of the manager of the bill. Of course, I will not be speaking on behalf of the position that the chairman and the ranking member have taken.

I will undertake to speak briefly for the majority of the committee, on the majority party side of the committee, just as my friend and neighbor from Rhode Island, the junior Senator, has spoken for the majority of the committee from the minority party side.

I would make a simple point. I would like this to be understood by all our colleagues who must now vote on the matter.

The Senate Finance Committee has arranged a tax schedule which will double the price of tier 1 oil, old oil. It will double the price to the producer of oil now being produced.

This oil is gradually being decontrolled. I will not go through the rather quick phases of it. But it sold in May of this year at $6 a barrel.

Now, in May of this year at $6 a barrel, producers were making money pumping and selling this oil.

By a quick series of steps, one intermediate step in September 1981, it will be selling at the world price which will have gone up very considerably from what it is now. The tax would only apply to money producers receive above $6, adjusted for inflation. I will not go through those little matters, but just say, let us suppose this were May 1981, and nothing happened in the interval. The price would then be $30, which is about what the current price is. It is practically $30.

The simple calculation is to subtract $6 from $30. That gives $24. Take three-quarters of that $24 as windfall profit and leave the remaining quarter, that is $6, $6 plus $6 is $12. We have doubled the price of this oil, doubled the price for the producer who is now making and producing profitably at $6 a barrel.

Mr. STEVENS. Will the Senator yield?

Mr. MOYNIHAN. I am happy to yield to the Senator from Alaska.

Mr. STEVENS. Mr. President, I am from a producing State, as the Senator knows, and I understand what he is saying about the cost of oil.

We are talking about windfall profits, as the Senator knows.

Perhaps we should add an amendment to cover the windfall profits on interest. We now see the price of homes, on a long-term basis, is four times as high as it was just a year ago because homes are being sold on interest rates up to 16 percent.

We were lucky, probably, to get between 8 and 9 percent 2 years ago.

I cannot quite understand why the industry that so affects my State is singled out, whereas the industry that affects New York and New England, in other words, the money market, the people making windfall profits on money today, why are they not included in this concept?

Mr. MOYNIHAN. I assure the Senator from Alaska I shall hasten home to report to the ruling circles, Wall Street, as I believe they are known in the demonology of the People's Republic of China, that the minority party has decided to tax interest rates.

That would be interesting.

Mr. STEVENS. Not just windfall profits on interest, why should we not think about it?

The Senator says he worried about doubling the price of oil. I am worried about quadrupling the price of homes.

Mr. MOYNIHAN. I encourage the Senator to do it, I shall keep my own eyes on the senior Senator from Massachusetts.

Mr. STEVENS. I know the Senator is seeking to help him a great deal.

Is there no other industry the Senator from New York is worried about besides the oil industry?

Mr. MOYNIHAN. The Senator from New York has stood on this floor, as a matter of fact, on an occasion when the President of the United States, after his energy speech, said, "Next time you see an American, say something nice about him," or something to that effect.

I then proceeded to the Midwest lambasting the oil companies. But later, I took, perhaps, an unprecedented step, standing here on the floor of the Senate; I thought of some nice things to say about the oil companies. I said it here in public. No one paid a great deal of attention.

Mr. STEVENS. I missed it. Would the Senator——

Mr. MOYNIHAN. The Senator knows, and the point was raised earlier, I believe by the Senator from Idaho, or by the Senator from Wyoming—that we did not call this the windfall profit tax in our report. We called it the crude oil tax because it is not a profits tax. It is an excise tax.

Mr. STEVENS. My report says "Crude Oil Windfall Profit Tax Act of 1979."

Mr. MOYNIHAN. The part the Senator is only supposed to read is in bold face on the top.

The Senator will recall when the distinguished—and he is a distinguished and admired man in this situation—chairman of the Council of Economic Advisers came to describe the President's proposal to us, said that this is the OPEC ripoff tax.

This is the tax which will help redistribute the burden imposed on the American people by the OPEC cartel. There has not been a person on the Finance Committee who has been more concerned to see some of this tax redistributed to the poor and the low-income population of our country, than the Senator from Kansas. He was, from the first, concerned with whether the poor will be able to afford heat when the winter wind bites deep.

It was he who was first with the proposal. I would like to stand here and say that.

On the other hand, I do not think he suggests that the members of the committee treated the producers of old oil inequitably when we let them double the amount they receive for their oil even after the windfall tax.

We are puzzled by the CBO model on what produces response and what does not.

As the Senator knows, one of the reasons that there will be less production of old oil with the Senate bill, less than with the House measure, is that the Senate bill provides no windfall profit tax on new oil. That is a tremendous incentive for producers to invest in the discovery of new oil.

I do not wish to detain the Senate, but wish to state, I think the Senator from Rhode Island would agree, that we are doubling the price to the producer of old oil. That seems to us sufficient for those who have the good fortune to own existing wells.

Mr. STEVENS. Will the Senator yield?

Mr. MOYNIHAN. I am happy to.

Mr. STEVENS. I wonder, I am not a member of the Finance Committee, but what happened to the concept of a plowback?

I noted that even the President indicated he was willing to consider that the moneys which were reinvested in a field to keep production up, or expand production, or find new oil or gas, would be considered a credit against the tax, whatever we call it. The hearings called it a crude oil tax. The report, a windfall profits tax.

But I mention the Cook Inlet and Swanson River units in Alaska, of our first producing area. I had repeated visits from the producers. They tell me that if their treatment under this act is not changed, they will have no alternative but consider shutting down that whole production for the reason that costs are going up, they have extremely high costs of maintaining these platforms on the Cook Inlet, or continuing production. Yet they are treated as this old oil tier.

They have no complaints at all for the increased costs. Yet, they are to pay the higher tax because they have been discriminated against the longest.

I do not quite understand why we did not go into at least the plowback with regard to old oil. Can the Senator tell me why we are banning the concept of a direct credit against a tax such as this? This is a wellhead tax, so far as I am concerned.

Mr. MOYNIHAN. It is a wellhead tax.

Mr. STEVENS. Why should not the producer get a credit for the cost, all the extra cost, the excess cost, of getting that oil to the surface?

Mr. MOYNIHAN. No member of the Finance Committee proposed a plowback, it being our view that providing no tax whatever on newly discovered oil would be the best incentive for producers to increase their output and exploratory activities.

Mr. STEVENS. That is a tremendous incentive to abandon the oil wells in Alaska and drill new wells. What about the cost of maintaining the existing fields, particularly in the offshore areas? All the costs of these offshore platforms are going up: the cost of maintenance, the cost of repair, the cost of helicopter service to them. The increasing cost of maintaining the wells in those circumstances is getting to the point that unless they get different treatment, we are going to lose production.

We have almost as much production in Cook Inlet as we have been importing from Iran.

It seems to me foolish, on one hand, to say that this is going to be the OPEC tax, that we are going to tax these foreign producers, without looking to see what it does to existing production.

This would give people an incentive to look for new oil, and I am not opposed to that. But to discriminate against the producers of old oil means that they do not have incentive to keep producing what we have today. In Alaska, that means a drop in production, unless we have a plowback.

The industry says, "We don't want plowback. We want an exemption against the windfall profits tax period."

I think the industry has to look at its hole card to figure out what is going to keep the wells of this country producing.

I am alarmed that no one in the Finance Committee—and I say this with respect to all my colleagues—was worried about the plowback.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I yield.

Mr. DOLE. I say to the Senator from Alaska that a number of Senators have an interest in plowback. In fact, a number of us talked about it. However, there did not appear to be a support for it. We could not interest the industry. I think that, in the final analysis, they must bear some of the blame.

The Senator from Kansas thought it was a good idea. The Senator from Idaho thinks it is a good idea. Obviously, the Senator from Alaska thinks it is a good idea.

I am not certain whether anything will permit us in conference, or even before this bill is passed, to get into a plowback. But it seems to me that the American consumer would accept a plowback.

There is a Dole amendment to this bill—and I hope we can have the help of the Senator from Alaska—amendment 628, which would provide a tax credit for amounts expended in exploration for and development of oil and gas. So I suggest that there is interest.

Two years ago, IPAA testified for plowback. This year, they said it would not work. There were not enough votes to pass it, but there was a lot of interest.

Mr. STEVENS. I will have some amendments later to deal with this, if we have to, dealing with my State, where I think the problem is more acute. Sixty percent of the oil this country consumes from the time we are out of this oil consumption age is going to come from my State. The new oil will be produced in onshore and offshore Alaska.

From my point of view, unless we get down to the point of talking about a plowback, I think we are abandoning the American consumer and the American producer, and doing so under the guise of saying that we are taxing OPEC. We are not taxing OPEC in this bill, so far as I can see. We are destroying the incentive to maintain the production we now have.

I think some of us have the duty to remind not only the Senators on that side of the aisle but also the Senators on this side of the aisle that 41 Senators on this side of the aisle signed reports prepared by the distinguished Senator from Texas which indicated a commitment to the plowback concept. Certainly, there should be someone here who is capable enough to draw an amendment which would carry out that intent.

Mr. MOYNIHAN. I say to the Senator from Alaska that he is altogether proper in bringing the concerns of his State to this floor, because he is absolutely correct in what he says about the prospective sources of oil.

I tell him of one provision of the bill which perhaps has not been noticed enough. It is that the tax—whatever it is going to be called—applies only to 90 percent of the profit. So it would not ever be a situation of taking an operation out of existence simply because of the cost plus the tax incentives.

Mr. STEVENS. That is not completely so, because in my concept, it is not a profit until you pay the cost of producing that oil. This has nothing to do with cost. This is an excise tax at the wellhead.

In the Cook Inlet, it is going to cost more to produce that oil than they will have left after the tax. That is why they tell me they are going to abandon that field if this bill goes through as it is drafted currently.

I cannot understand not following through on what the President said, what I think the majority of the Senate has properly said, and that is that this bill will reflect the actual increased costs of production and leave a reasonable profit for producers as an incentive to continue to operate. That is not going to happen in Cook Inlet, as I understand it, under this bill.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I yield.

Mr. McCLURE. Mr. President, I thank the Senator for yielding, and I thank the Senator from Alaska for his remarks.

I call the Senator's attention to amendment 588, which has been printed and is pending, and which is a plowback provision. It also defines excess profits. So we are dealing with excess profits, and we are not dealing with an excise tax on oil.

I invite the Senator's attention to amendment 588, and perhaps we can drum up enough support to adopt it in lieu of title I.

Let me add to what the Senator from Alaska has said. This is an excise tax; it has nothing to do with profits. It is a tax levied whether there is a profit or not. It is a tax levied on the first barrel of production as well as the last barrel of production. It is not progressive; it is not cost related. It simply assumes that there is a profit on every barrel that is greater than the amount of tax imposed, and therefore we will impose the tax.

The Senator from New York has indicated that this was dubbed the OPEC ripoff tax. That is good rhetoric, and I do not blame Charlie Shultz. He is much better at rhetoric than economics. Therefore, he must depend on rhetoric to carry where his skill in economics fails.

Instead of being dubbed the OPEC ripoff tax, this could be called the OPEC guarantee tax, because it is one to guarantee that OPEC will get more and more out of the American taxpayers. It is one to add to and to strengthen the OPEC cartel and to strengthen their grip over the American people and over the American energy market. It cannot work to hurt OPEC one whit. No one can be happier about it than the most militant of the OPEC members.

Mr. TOWER. Mr. President, will the Senator from New York yield?

Mr. MOYNIHAN. I yield.

Mr. TOWER. Actually, there can be no rational answer to the questions raised by the Senator from Alaska, because this is a political tax. This is not a tax designed to produce more energy nor a tax designed to punish some injustice inflicted on the people by the greedy oil barons.

This is a political tax levied in a climate of demagogery, escalated rhetoric, and errors of omission, with even the networks being highly selective about the news they present on the matter. The networks have been editorializing in the presentation of the news by leaving out very many pertinent facts.

As a matter of fact, one company complains that the networks will not even sell them the time to present all the facts in the matter as they see it nor even sell them comparable time for rebuttal.

So, in a managed news situation—managed by the news media, managed by the White House—and in an atmosphere of escalated rhetoric, we are enacting here a political tax, one that the Congressional Budget Office says will result in lower production. We are going to see a lot of old oil left in the ground, because we are going to tax any price that accrues to them that pays for the replacement.

When you sell oil, you are selling a capital asset. It will never be replaced. It is a capital asset.

The price of building materials has gone up faster than the price of oil. Why do we not levy a windfall profit tax on the building industry? Why not let Weyerhaeuser pay through the nose? They already enjoy a much higher profit level than the oil companies, and now moderate-income families cannot afford to buy homes. So why do we pick out the oil companies? Why do we not have the guts to levy a general excise profit tax on every corporation in the country that makes in excess of a certain percent of equity profit?

The oil companies fall below the national industrial average. So why not make this tax fall on every corporation that makes an excess of, say, 18 percent, 20 percent, name the figure? Why not do it that way?

This is a political tax. It does not take guts to vote for this tax because you are flying in the teeth of the great power of the major oil companies. The major oil companies have less political clout than almost any group collectively or individually in this country. It takes more guts to oppose, in my view, a political tax that is levied because popular sentiment has been fired up over the issue to believe that the people have been exploited by an industry making an inordinate profit, an industry, by the way, that brought us a surfeit of cheap fuel and cheap energy for years.

So I am going to give Members of the Senate somewhat of an opportunity to vote on a real excess profits tax that will fall on every industry whose profits are in excess of, say, 18 percent of equity. That will not catch all the major oil companies. It will catch virtually all the forest product companies that are now making all of this money while the poor people cannot afford to buy homes. It will catch maybe The Washington Post. It will catch a couple of major television networks. And I think that we should examine this thing very thoroughly and scrutinize it very closely and see if we are not being somewhat hypocritical here.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I am happy to yield.

Mr. McCLURE. I shall make one comment to the Senator from Texas. The Senator from Texas has been in this body much longer than I have and is a much more astute observer of the political scene, I am certain. But I think he made a strategic error in saying he is going to do that. He should have sprung that unaware on the public because one thing he is going to do is alert every newspaper chain in the United States whose profits are much higher and will, therefore, be taxed under his proposal and they have time now to counterattack. If he really hopes to be able to get that done, he should have sprung it on them without any warning.

Mr. TOWER. The Senator's point is well taken. I am just a naive country boy, and I just thought I would say a word or two about that to let the Senate ponder the matter over the period of the Thanksgiving recess and then we will come back and talk about it at some greater length later.

I do not have much guile and I am not very cunning and clever; therefore, I did not think of what the good Senator from Idaho suggested to me but perhaps in due course I will.

Mr. MOYNIHAN addressed the chair.

Mr. TOWER. I apologize to my friend from New York for preempting so much of his time.

Mr. MOYNIHAN. No. I was about to say that I do wish that the Members on the other side of the aisle would moderate their denunciations of corporate capitalism because we have to maintain a certain amount of equanimity in this Chamber. On the other hand, my friend from Texas has been a source of great puzzlement to many of his friends and friends of mine. We have common friends. We share an educational background that is not common to this Chamber. We both attended the London School of Economics and Political Science. For many years it has been asked why that early experience has had so little effect on the Senator from Texas. We now see that latent all the time were the seeds that have just blossomed forth in this denunciation of Wall Street, of Weyerhaeuser, and of newspapers which shall be nameless.

We used to say in New York, "Never bet your kidneys against a brewery or get into a fight with the people who buy ink by the barrel."

Mr. TOWER. Mr. President, will the Senator from New York yield for one comment?

Mr. MOYNIHAN. I am happy to yield.

Mr. TOWER. I am, of course, very flattered that the Senator points out we had a common education experience. I hasten to say, however, that while I was matriculating at the London School of Economics, I was a card-carrying member of the Tory Party. I made sure to pay my dues so I would not be misunderstood later on.

Let me say that I do not believe that we should impose heavy taxes on profit because profit is the cost of capital. But I think if we are going to do it, and certainly we are going to do it, we should not single out one industry. Let us look at the whole matter of excess profits and determine whether what we are really doing is fair, whether or not it is hypocritical, or whether it is just pure politics. And that is why I intend to offer these amendments so that we can look at it in the cold light of day and better understand what we are trying to do to a major industry, and make no mistake, that has no political clout at all and probably one of the worst PR images of any industry in the country, perhaps any entity in the country except Congress, which makes it rather easy for them to be made a scapegoat and a whipping boy.

Mr. MOYNIHAN. Mr. President, I see the Senator from Rhode Island is on his feet. Perhaps he will allow me to say to my friend from Texas I think he has stated fairly and accurately a difference of judgment in these matters. We look forward to debating his proposal which I think raises legitimate questions.

I only make the point that the housing market, for example, is a competitive market. We do face, we know we do, a situation in which an international cartel is establshing monopoly prices, and as a consequence of monopoly pricing, we are getting less than maximum production of oil and a much higher price than we would otherwise. That is why we have this legislation.

My last thought is to remind the Senate that the bill the Finance Committee has produced doubles the price to the producer of tier 1 oil.

I see the Senator from Rhode Island is on the floor, and I am happy to yield to my colleague.

Mr. CHAFEE. I thank the Senator very much.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CHAFEE. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. McCLURE. Yes.

Mr. MOYNIHAN. Yes, they have.

Mr. CHAFEE. Mr. President, what we are voting on now, for the benefit of those who have not had the opportunity to follow this throughout, is an amendment that would reduce the tax rate on lower tier oil from 75 percent, as in the committee bill, to 60 percent. In other words, oil that formerly was pegged at $6 a barrel, this amendment would reduce the tax from 75 to 60 percent.

I remind those who are listening that in this Senate version of the windfall profit tax we substantially reduced or indeed eliminated in many areas taxes that existed under the House bill. We completely eliminated any tax whatsoever on newly discovered oil. Under the House bill there was a 56 or 60 percent tax on that. There was a 60-percent tax on incremental tertiary. We eliminated that. That goes now to the world price under the Senate bill. Heavy oil goes to the world price under the Senate bill with no windfall profit tax whatsoever. We provided in the Senate bill that stripper production by independent producers of 1,000 barrels or less per day is exempt from any windfall profit tax.

We made those various eliminations, and in order to make up some of the revenue we provided that the tax on the lower tier oil. Here people are making a handsome profit at $6 a barrel, and the price will go to the world price, $23, $30 a barrel. On that difference there would be a 75 percent tax.

Mr. MOYNIHAN. Mr. President, will the Senator yield for a question?

Mr. CHAFEE. I would be glad to.

Mr. MOYNIHAN. Does the Senator share my understanding of simple arithmetic that, given the present prices, we could expect the prices that tier 1 producers receive for their oil to double in the next few years?

Mr. CHAFEE. There is no question about that. Furthermore, Mr. President, I point out that when we marked up this bill in the Senate Finance Committee we had representatives from the Department of Energy and the Treasury and the unanimous judgment was that the increase in the tax from 60 to 75 percent to give us some additional revenue would not have any significant effect on the production response. The Congressional Budget Office subsequently agreed. In other words, it would not discourage the significant production of oil in this lower tier section.

I also point out, Mr. President, that by June 1984, which is only 4 years from now, all the lower tier oil moves into the so-called upper tier. In other words, it then becomes eligible for the base price of $13 a barrel.

So, as the distinguished Senator from New York just pointed out, the price that producers will receive for their so-called lower tier oil by the year 1948 will more than double.

Now, Mr. President, all of us have vigorously supported in the committee, and I suspect on this floor also, a host of payments or tax credits—there is no difference—to individual taxpayers in this Nation if they but take some steps to actively conserve energy. We have provided tax credits for insulation, for new furnaces, for wood-burning stoves, for solar panels. We provided them for industry and business as well as for the individuals.

Mr. President, it would be a great step backward if this amendment were approved and we gave up the revenue that it produced and, indeed, incurred no additional production, which the experts have told us would not occur if we let the tax drop on this oil from 75 percent as in the committee bill to the 60 percent.

Mr. President, I am prepared to vote whenever the others are.

Mr. MOYNIHAN. Mr. President, we are prepared to vote. I do not wish to speak.

Mr. McCLURE. I do wish to make a statement.

Mr. MOYNIHAN. We will be happy to hear the Senator.

Mr. McCLURE. Mr. President, I am a little confused as to the motives of those or the objectives—I do not want to attribute motives, the objectives—of those who propose high taxes upon an energy-producing industry that is already failing to meet the needs of the consumers of this country, and when they do it in the guise of a tax that is in no way related to profit, I am even more puzzled.

If I recall the President's remarks at the time he opted for the decontrol of oil prices—and it is not really decontrol, it is just phased escalation of the regulated price—he said he was doing that in order to enhance production. Then we turn around immediately after that and see the imposition of a tax which discourages production.

I think the Senator is right, the Finance Committee is correct in decontrolling or not taxing the newly discovered oil as an enhancement of production, and I suspect there were some experts who testified, who said that taxation of old oil would not in any way inhibit production.

But if that is correct, if that is the matter of fact, then the President was totally wrong in having allowed a rise in price by way of decontrol because it would not enhance production.

You cannot have it both ways. You are trying to say the President was right when it was decontrolled because that will raise production, and now you are saying but we go ahead and tax it and it will not have anything to do with being a deterrent to production. That is nonsense.

So we have to confess that we marched up the hill and now we are marching down the hill, at least part way, in terms of whatever incentive there may have been in decontrol to produce more by removing at least a portion of that incentive. We will have then reduced a portion of that enhanced production, and to the extent that we have done that the Ayatollah must indeed be smiling in his beard because we have done what he wanted us to do.

At the same time, we have done what President Carter wanted us to do. The administration, by the decontrol of oil, may have done what one of the major oil companies feared in setting the climate under which a tax would become inevitable. One of the major oil companies broke with the rest and said, "Please do not decontrol old oil, just leave us alone on old oil and leave us alone on a tax as to the production of oil," because they could clearly see that the incentives—the dangers were that the disincentives were greater in the control or the taxation of new production than were the dangers of tinkering around with old oil, decontrol or taxation of old oil.

So I commend the Finance Committee for at least having recognized that problem correctly and deciding to leave the new oil alone and only tinker around a little bit with the old oil. But it has done two things, inevitably reduced supply and increased the ultimate cost of energy to the people of this country because every bit of decreased production will increase the strength of the OPEC cartel, and that apparent strength must inevitably raise current prices of oil.

We would not be facing the kind of problem we had when the Shah fell in Iran in December of last year and prices immediately went up. We would not be concerned today with the loss of Iranian oil if we could get 700,000 barrels a day new or maintained or increased production as a result of legislation we would pass here to offset it, and the Ayatollah could go fly his kite or whatever else it is he does in Qom.

But the fact is we are not allowing that to happen, and that is why I invited the attention of the Senator from Alaska and the Senator from Texas, and I would invite the rest of my colleagues' attention to amendment No. 588 which is cosponsored by my good friend whom I see on the floor, the Senator from Mississippi (Mr. COCHRAN), which correctly defines profits and excess profits, or at least defines them, and relates the tax to a profit level and not to simply an excise tax on production, and then correctly assesses the problem by saying those profits being extorted from the American consumers ought to be devoted to the production of energy.

But why is the consumer of the United States better off to exchange one set of extortionists for another? We say we are mad at OPEC for extorting prices from us, but it is all right to have our own Government extort prices from us. That is what we are really doing under this bill, substituting the U.S. Government for the OPEC cartel in ripping off the American consumer.

It is very plain that that is the intention of some who propose high taxes. Get the price up; we will use less if the price is up. How many times have you heard the President say that? We will force conservation by forcing the price up, but we will not let the consumer benefit from that. No, Government will. Government will step in and take away whatever might have happened that was beneficial to the consumer by the higher price in terms of energy production, and therefore, ultimately, in the long run, a lower energy price than it would otherwise be.

I do not suppose my friend from New York is aware that sometimes thieves have a falling out over the split of the loot. There are thieves fighting over this loot: OPEC and the Federal Government, and various special interest groups who want a part of the extorted profits, of the extorted dollars paid by consumers.

Gentlemen, it is evident that we would not be paying exorbitant prices for energy had we our energy house in order. But rather than putting our house in order, we want to inject Government into the middle of the decisionmaking process by which we might find answers.

Is Government the answer? Will Government programs surely produce more energy than if that money were left in the pivate sector to produce energy? Under the amendment which I have introduced, at least we would know that the money was going back into the production of energy; and we know under the Finance Committee bill that not much of that money siphoned off the top will ever go back into energy production. Much of it will be distributed elsewhere. Some of it will be paid under Government programs ostensibly to produce energy or to conserve energy.

But lest Senators believe that that is more efficient than leaving it in the private sector, let me remind you of my favorite comparison of the efficiency of the Government sector and the private sector. Thirty-five years ago, a phone call from New York to San Francisco cost $28, which was equal to the cost of 1,367 letters. Today that same phone call from New York to San Francisco costs $1.30, the equivalent of less than 9 letters, instead of 1,367 just 35 years ago.

If you like that comparison, just have the Government produce your energy. Do you not want to? Would you not like to be ripped off to the tune of 37 cents a gallon for gasoline? That is what it was before the Government got involved in it. But my friends from New York and Rhode Island seem to like $1 a gallon for gasoline, with Government involved in it. I do not like it. I would like to get the Government out of the business. I would like to give the consumer a break. I would like to think that we still believe, if we could get Government out of the way instead of in business, the consumer would benefit more in the long run than by trying to substitute Government for business. That has never worked, and it does not work now.

I think the Senator from Kansas has an amendment that moves in the right direction, and I hope the Senate will have the wisdom to support and adopt the amendment.

Mr. DOLE. Mr. President, I will just take 1 more minute. I understand the Senator from Illinois and others have other commitments. We have presented, I hope, a fair and objective argument in favor of the reduced tax rate. I agree with the comments of the distinguished Senator from Idaho and to a great extent with every other Senator who has spoken. We are all looking for the same thing.

Some of us in the Finance Committee, though not enough of us, felt that the way to retain the production response on tier 1 was not to raise the tax so high;

75 percent is a very high tax. Although the world price for oil may now be about $35 a barrel, it still is a very large tax. I am impressed with the production response figures of the Congressional Budget Office. I confess these figures are probably offset by other factors. Nevertheless, CBO talks about a difference in production response of about 285,000 barrels a day of 1983 as a result of a 75-percent rate. We became tangled in the Finance Committee, day after day, with figures—how many dollars per barrel, how much for the tax incentive, and how much for this and that. Regardless of the figures, commonsense suggests that a 75-percent tax on top of all the other taxes paid by the industry is a fairly stiff tax to pay.

There is something to be said for the oil industry spending the additional money from decontrol by creating additional jobs and working through the private sector. I do not share the views of those who voted for the $28 billion synfuels boondoggle a few weeks ago, and for $88 billion later on. This synfuel proposal represents Government taking over a large part of the energy industry.

I believe the Senate Finance Committee reported a pretty good bill. The Senator from Texas may not agree, and others may not agree. They are not required to agree. Even though it is a good bill, in tier 1 we raised higher than the President wanted. The President wanted a 50-percent tax. The House raised the rate to 60 percent, and for some reason the Senate Finance Committee wanted to go to 75 percent.

All I am asking Senators to do is lower the 75-percent tax rate back down to 60 percent. It is not a big revenue item, but a significant production effect. I hope the amendment might be approved.

Mr. MOYNIHAN. Mr. President, I would sum as follows: I hope the Senate will recall that the bill before us provides that producers of old oil receive—even after the windfall tax—double their present revenue. Second, I would join the Senator from Kansas in saying that we have produced what we think to be a fine piece of legislation, and I would hope the Senate would maintain the integrity of this legislation by refusing the amendment that the Senator from Kansas has proposed.

Mr. President, I am ready to vote.

The PRESIDING OFFICER (Mr. EXON). The question is on agreeing to the amendment, No. 590, of the Senator from Kansas, Mr. DOLE. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Florida (Mr. CHILES), the Senator from Iowa (Mr. CULVER), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. RIBICOFF) would vote "nay."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from New Mexico (Mr. DOMENICI), the Senator from Oregon (Mr. HATFIED), and the Senator from Iowa (Mr. JEPSEN) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "nay."

The PRESIDING OFFICER (Mr. BRADLEY). Are there other Senators in the Chamber wishing to vote?

The result was announced—yeas 32, nays 58, as follows:

[Rollcall Vote No. 419 Leg.]

YEAS—32

Armstrong
Bentsen
Boren
Boschwitz
Byrd,
  Harry F., Jr.
Cochran
Dole
Garn
Goldwater
Hatch
Hayakawa
Heflin
Helms
Humphrey
Johnston
Kassebaum
Laxalt
Long
Lugar
McClure
Pressler
Schmitt
Simpson
Stennis
Stevens
Stone
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NAYS—58

Baucus
Bayh
Biden
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Church
Cohen
Cranston
Danforth
DeConcini
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Hart
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Kennedy
Leahy
Levin
McGovern
Magnuson
Mathias
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Proxmire
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Schweiker
Stafford
Stevenson
Stewart
Talmadge
Tsongas
Weicker
Williams

NOT VOTING—10

Baker
Bellmon
Chiles
Culver
Domenici
Gravel
Hatfield
Jepsen
Matsunaga
Ribicoff

So Mr. DOLE's amendment (No. 590) was rejected.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 634

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, I ask unanimous consent that my amendment No. 634, which is printed, be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 621

(Purpose: To substitute the House-passed version of the windfall profit tax for the reported version and to provide that one-half of the additional revenue raised by the House version be reserved for certain uses)

Mr. BUMPERS. Mr. President, I call up my amendment No. 621 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Arkansas (Mr. BUMPERS) for himself, Mr. KENNEDY, Mr. METZENBAUM, Mr. NELSON, Mr. BIDEN, Mr. LEAHY, Mr. EAGLETON, and Mr. RIEGLE proposes an amendment numbered 621.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 39, beginning with line 4, strike out through line 15 on page 91 and insert in lieu thereof the following:

(a) IN GENERAL.—

(1) AMENDMENT OF SUBTITLE D.—Subtitle D (relating to miscellaneous excise taxes) is amended by adding at the end thereof the following new chapter:

"CHAPTER 45—WINDFALL PROFIT TAX ON DOMESTIC CRUDE OIL

"Sec. 4986. Imposition of tax.
"Sec. 4987. Amount of tax.
"Sec. 4988. Taxable crude oil; the 3 tiers for tax purposes.
"Sec. 4989. Windfall profit; removal price.
"Sec. 4990. Adjusted base price.
"Sec. 4991. Newly discovered oil; certain Alaskan oil; tertiary recovery projects.
"Sec. 4992. Other definitions and special rules.
"Sec. 4993. Records and information; regulations.

"SEC. 4986. IMPOSTION OF TAX.

"(a) IMPOSITION OF TAX.—An excise tax is hereby imposed on the windfall profit from taxable crude oil removed from the premises during each taxable period.

"(b) TAX PAID BY PRODUCER.—The tax imposed by this section shall be paid by the producer of the crude oil.

"SEC. 4987. AMOUNT OF TAX.

"(a) IN GENERAL.—Except as provided in the provisions referred to in subsection (b), the amount of the tax imposed by section 4986 with respect to any barrel of taxable crude oil shall be 60 percent of the windfall profit on such barrel.

"(b) PROVISIONS PROVIDING FOR 50 PERCENT RATE.—For provisions providing tax rate of 50 percent in the case of—

"(1) a certain portion of the windfall profit from newly discovered oil, see section 4991(a)(2), and

"(2) Sadlerochit oil, see section 4991(b)(1)(A).

"(c) FRACTIONAL PART OF BARREL.—In the case of a fraction of a barrel, the tax imposed by section 4986 shall be the same fraction of the amount of such tax imposed on a whole barrel.

"SEC. 4988. TAXABLE CRUDE OIL; THE 3 TIERS FOR TAX PURPOSES.

"(a) TAXABLE CRUDE OIL.—For purposes of this chapter, the term 'taxable crude oil' means all domestic crude oil other than—

"(1) qualified Alaskan oil (within the meaning of section 4992(b)(6)), and

"(2) newly discovered oil and incremental tertiary oil removed (or deemed removed) from the premises after December 31, 1990.

"(b) TIER 1 OIL.—For purposes of this chapter, the term 'tier 1 oil' means domestic crude oil which—

"(1) is lower tier oil, or

"(2) would be lower tier oil if the base production control level for such oil were reduced for January 1980 and each month there after by 1½ percent (instead of 3 percent).

For purposes of paragraph (2), the base

production control level shall be determined under the June 1979 energy regulations as if the producer had elected the 1½-percent monthly reduction for 1979 and the 3-percent monthly reduction thereafter.

"(c) Tier 2 Oil.—For purposes of this chapter, the term 'tier 2 oil' means upper tier oil other than—

"(1) oil described in subsection (b)(2),

"(2) oil removed (or deemed removed) from the premises after December 31, 1990, and

"(3) Sadlerochit oil (within the meaning of section 4991(b)(3)).

"(d) Tier 3 Oil.—For purposes of this chapter, the term 'tier 3 oil' means taxable crude oil other than tier 1 oil and tier 2 oil.

"(e) Lower and Upper Tiers.—For purposes of this chapter—

"(1) Lower tier oil.—The term 'lower tier oil' means domestic crude oil which is or would be subject to the lower tier ceiling price rule of the June 1979 energy regulations.

"(2) Upper tier oil.—The term 'upper tier oil' means domestic crude oil which is or would be subject to the upper tier ceiling price rule of the June 1979 energy regulations.

"Sec. 4989. Windfall Profit; Removal Price.

"(a) General Rule.—For purposes of this chapter, the term 'windfall profit' means the excess of the removal price of the barrel of crude oil over the sum of—

"(1) the adjusted base price of such barrel, and

"(2) the amount of the severance tax adjustment with respect to such barrel provided by section 4992(d).

"(b) Net Income Limitation on Windfall Profit.—

"(1) In general.—The windfall profit on any barrel of crude oil shall not exceed the net income attributable to such barrel.

"(2) Determination of net income.—For purposes of paragraph (1), the net income attributable to a barrel shall be determined by dividing—

"(A) the taxable income from the property for the taxable year attributable to taxable crude oil, by

"(B) the number of barrels of taxable crude oil produced from such property during such taxable year.

"(3) Taxable income from the property.—For purposes of paragraph (2)—

"(A) In general.—Except as otherwise provided in this paragraph, the taxable income from the property shall be determined under section 613(a).

"(B) Certain deductions not allowed.—No deduction shall be allowed for—

"(i) depletion,

"(ii) section 263(c) costs, and

"(iii) the tax imposed by section 4986.

"(C) Taxable income reduced by cost depletion.—Taxable income shall be reduced by the cost depletion which would have been allowable for the taxable year with respect to the property if—

"(i) all section 263(c) costs had been capitalized and taken into account in computing cost depletion, and

"(ii) cost depletion had been used with respect to such property for all periods.

"(D) Section 263(c) costs.—For purposes of this paragraph, the term 'section 263(c) costs' means intangible drilling and development costs which (by reason of an election under section 263(c)) may be deducted as expenses for purposes of this chapter (other than this paragraph). Such term shall not include costs incurred in drilling a nonproductive well.

"(4) Special rules for transfers of proven oil or gas properties.—

"(A) In general.—In the case of any proven oil or gas property transfer which, but for this subparagraph, would result in an increase in the amount determined under paragraph (3)(C) with respect to the transferee, paragraph (3)(C) shall be applied with respect to the transferee by taking into account only costs incurred during periods after such transfer.

"(B) Proven oil or gas property transfer.—For purposes of subparagraph (A), the term 'proven oil or gas property transfer' means any transfer (including the subleasing of a lease) after 1978 of an interest (including an interest in a partnership or trust) in any proven oil or gas property (within the meaning of section 613A(c)(9(A)).

"(5) Special rule where there is production payment.—For purposes of paragraph (2), if any portion of the taxable crude oil removed from the property is applied in discharge of a production payment, the gross income from such portion shall be included in the gross income from the property in computing the taxable income of the producer.

"(c) Removal Price.—For purposes of this chapter—

"(1) In general.—Except as otherwise provided in this subsection, the term 'removal price' means the amount for which the barrel is sold.

"(2) Sales between related persons.—In the case of a sale between related persons (within the meaning of section 103(b)(6)(C), the removal price shall not be less than the constructive sales price for purposes of determining gross income from the property under section 613.

"(3) Oil removed from premises before sale.—If crude oil is removed from the premises before it is sold, the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

"(4) Refining begun on premises.—If the manufacture or conversion of crude oil into refined products begins before such oil is removed from the premises—

"(A) such oil shall be treated as removed on the day such manufacture or conversion begins, and

"(B) the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

"(5) Meaning of terms.—As used in this subsection, the terms 'premises' and 'refined product' have the same meaning as when used for purposes of determining gross income from the property under section 613.

"Sec. 4990. Adjusted Base Price.

"(a) Adjusted Base Price Defined.—For purposes of this chapter, the term 'adjusted base price' means the base price for the barrel of crude oil plus an amount equal to—

"(1) such base price, multiplied by

"(2) the inflation adjustment for the calendar quarter in which the crude oil is removed (or deemed removed) from the premises.

The amount determined under the preceding sentence shall be rounded to the nearest cent.

"(b) Inflation Adjustment.—

"(1) In general.—For purposes of subsection (a) the inflation adjustment for any calendar quarter is the percentage by which—

"(A) the implicit price deflator for the gross national product for the second preceding calendar quarter, exceeds

"(B) such deflator for the calendar quarter ending December 31, 1978 (June 30, 1979, in the case of tier 3 oil).

"(2) First revision of price deflator used.—For purposes of paragraph (1), the price deflator used shall be the first revision thereof.

"(c) Base Price for Tier 1 Oil.—For purposes of this chapter, the base price for tier 1 oil is the lower tier ceiling price (as of May 1979) for such oil under March 1979 energy regulations.

"(d) Base Price for Tier 2 Oil.—For purposes of this chapter—

"(1) In general.—Except as provided in paragraph (2), the base price for tier 2 oil is the upper tier ceiling price (as of May 1979) for such oil under March 1979 energy regulations.

"(2) Monthly increments starting November 1, 1986.—Beginning with November 1986, the base price for tier 2 oil of any grade and location shall include such monthly increments as may be provided pursuant to regulations prescribed by the Secretary (and modified by him from time to time) for the purpose of eliminating (as ratably as may be practicable) over the 50-month period ending December 31, 1990, the gap between the tier 2 base price for such oil and the tier 3 base price for such oil.

"(e) Base Price for Tier 3 Oil.—For purposes of this chapter, the base price for tier 3 oil is the price provided pursuant to regulations prescribed by the Secretary for the purpose of estimating (as nearly as may be practicable) the price at which uncontrolled crude oil of the same grade and location would have sold in December 1979 if the average landed price during such month for imported crude oil were $16 a barrel.

"Sec. 4991. Newly Discovered Oil; Tertiary Recovery Projects; Certain Alaskan Oil.

"(a) Newly Discovered Oil and Tertiary Recovery.—

"(1) Base price to be $17.—The base price for any newly discovered oil and incremental tertiary oil shall be determined by substituting '$17' for '$16' in section 4990(e).

"(2) Rate of tax on rent $9 of windfall profit shall be 50 instead of 60 percent.—For so much of the windfall profit on any barrel of newly discovered oil and incremental tertiary oil as does not exceed $9, the tax rate applicable under section 4987(a) shall be 50 percent instead of 60 percent.

"(3) Additional one-half of 1 percent quarterly adjustment.—

"(A) In general.—The adjusted base price for any barrel of newly discovered oil and incremental tertiary oil shall be determined by substituting for the implicit price deflator referred to in section 4990(b)(1)(A) an amount equal to such deflator multiplied by 1.005 to the nth power where 'n' equals the number of calendar quarters beginning after September 1979 and before the calendar quarter in which the oil is removed (or deemed removed) from the premises.

"(B) Inflation adjustment and additional one-half of 1 percent quarterly adjustment also apply to amount of windfall profit subject to the 50-percent tax.—The $9 figure contained in paragraph (2) shall be adjusted in a manner similar to that provided under subsections (a) and (b) of section 4990 (as modified by subparagraph (A) of this paragraph).

"(4) Severance tax adjustment not to apply to portion subject to 50-percent rate.—For purposes of determining the windfall profit on any barrel of newly discovered oil and incremental tertiary oil, section 4992(d)(1)(B) shall be applied by substituting for 'its adjusted base price' the following: 'its adjusted base price plus $9, adjusted as provided in section 4991(a)(3)(B)'.

"(5) Newly discovered oil defined.—For purposes of this chapter (including the application of the June 1979 energy regulations for purposes of this chapter)—

"(A) In general.—Except as otherwise provided in this paragraph, the term 'newly discovered oil' has the meaning given to such term by the June 1979 energy regulations.

"(B) Reopenings.—The term 'newly discovered oil' does not include crude oil produced from a property from which there has been any production of crude oil after 1969 and before 1979. For purposes of this subparagraph, the term 'property' has the meaning given to such term by the June 1979 energy regulations.

"(C) Behind-the-pipe oil.—The term 'newly discovered oil' does not include crude oil produced from a reservoir on a tract or parcel if—

"(i) the reservoir was penetrated after 1969 and before 1979 by a well (on such tract or parcel) from which crude oil was produced (whether or not such production was from such reservoir), and

"(ii) crude oil could have been produced from such reservoir through such well before 1979.

"(D) Production must have been in commercial quantities.—For purposes of subparagraphs (B) and (C), only production in commercial quantities shall be taken into account.

"(b) Alaskan Oil From Sadlerochit Reservoir.—For purposes of this chapter—

"(1) In general.—In the case of Sadlerochit oil—

"(A) Rate of tax.—The rate of tax provided in section 4987(a) shall be 50 percent instead of 60 percent.

"(B) Base price.—The base price shall be $7.50.

"(C) Adjusted base price increased by TAPS adjustment.—The adjusted base price for any calendar quarter (determined without regard to this subsection) shall be increased by the TAPS adjustment (if any) for such quarter provided by paragraph (2).

"(D) Removal price determined on monthly basis.—The removal price of such oil removed during any calendar month shall be the average of the producer's removal prices for such month.

"(E) Severance tax adjustment not to apply.—The amount of the windfall profit shall be determined without regard to section 4989(a)(2).

"(2) TAPS adjustment.—

"(A) In general.—The TAPS adjustment for any calendar quarter is the excess (if any) of—

"(i) $6.26 plus the product of $6.26 and the inflation adjustment, over

"(ii) the TAPS tariff for the preceding calendar quarter.

"(B) Inflation adjustment.—For purposes of subparagraph (A), the inflation adjustment shall be determined under section 4990(b) as if paragraph (1)(B) thereof referred to the calendar quarter ending June 30, 1978.

"(C) TAPS tariff.—For purposes of subparagraph (A), the TAPS tariff for the preceding calendar quarter is the average per barrel amount paid for all transportation (ending in such quarter) of crude oil through the TAPS.

"(D) TAPS defined.—For purposes of this paragraph, the term 'TAPS' means the Trans-Alaskan Pipeline System.

"(3) Sadlerochit oil defined.—The term 'Sadlerochit oil' means crude oil produced from the Sadlerochit Reservoir in the Prudhoe Bay oilfield.

"(c) Incremental Tertiary Oil Treated as Tier 3 Oil.—For purposes of this chapter—

"(1) Treatment as tier 3 oil.—Incremental tertiary oil which is taxable crude oil shall be treated as tier 3 oil and not as tier 1 oil or tier 2 oil.

"(2) Incremental tertiary oil defined.—

"(A) In general.—The term 'incremental tertiary oil' means the excess of—

"(i) the amount of crude oil which is removed during any month and which is produced on or after the project beginning date and during the period for which a qualified tertiary recovery project is in effect on the property, over

"(ii) the base level for such property for such month.

"(B) Base level.—The base level for any property for any month is the average monthly amount (determined under rules similar to rules used in determining the base production control level under the June 1979 energy regulations) of crude oil removed from such property during the 6-month period ending March 31, 1979, reduced by the sum of—

"(i) 1 percent of such amount for each month which begins after 1978 and before the project beginning date, and

"(ii) 2½ percent for each month (after the last month described in clause (i) or, if no such month, after 1978) which is before the month for which the base level is being determined.

"(C) Minimum amount in case of projects certified by DOE.—In the case of a project described in paragraph (4)(A), the amount of the incremental tertiary oil shall not be less than the incremental production determined under the June 1979 energy regulations.

"(3) Allocation rules.—The determination of which barrels of crude oil removed during any month are incremental tertiary oil shall be made—

"(A) first by allocating the amount of incremental tertiary oil between oil which (but for this subsection) would be tier 1 oil and oil which (but for this subsection) would be tier 2 oil in proportion to the respective amounts of such oil removed from the property during such month, and

"(B) then by taking into account barrels of crude oil so removed in the order of their respective removal prices beginning with the highest of such prices.

"(4) Qualified tertiary recovery project.—The term 'qualified tertiary recovery project' means—

"(A) a qualified tertiary enhanced recovery project with respect to which a certification as such is in effect under the June 1979 energy regulations, or

"(B) any project for the tertiary recovery of crude oil which meets the requirements of paragraph (5).

"(5) Requirements.—A project meets the requirements of this paragraph if—

"(A) the project involves the application (in accordance with sound engineering principles) of one or more tertiary recovery methods which can reasonably be expected to result in a significant increase in the amount of crude oil which will ultimately be recovered from the property,

"(B) the project would be uneconomic without the benefits of this subsection,

"(C) the project beginning date is after May 1979, and

"(D) the operator submits (at such times and in such manner as the Secretary may by regulation prescribe) to the Secretary—

"(i) a certification from a petroleum engineer that the project meets the requirements of subparagraphs (A), (B), and (C) (and continues to meet the requirements of subparagraph (A)), and

"(ii) such other information as the Secretary may by regulations require.

"(6) Definitions and special rules.—For purposes of this subsection—

"(A) Tertiary recovery method.—The term 'tertiary recovery method' means—

"(i) any method which is described in subparagraphs (1) through (9) of section 212.78(c) of the June 1979 energy regulations, or

"(ii) any other method to provide tertiary enhanced recovery which is approved by the Secretary.

"(B) Project beginning date.—The term 'project beginning date' means the date on which the application of the method or methods referred to in paragraph (5)(A) begin.

"(C) Project only affects portion of property.—If a qualified tertiary recovery project affects only a portion of a property, such portion shall be treated as a separate property.

"(D) Significant expansion treated as separate project.—A significant expansion of any project shall be treated as a separate project.

"(d) Front-end Financing for Tertiary Recovery Projects.—If under any energy regulations crude oil receives special price treatment for purposes of providing front-end financing for tertiary recovery projects, for purposes of this chapter, such crude oil shall be treated as tier 2 oil.

"Sec. 4992. Other Definitions and Special Rules.

"(a) Producer.—

"(1) In general.—For purposes of this chapter, the term 'producer' means the holder of the economic interest with respect to the crude oil.

"(2) Exception in case of certain specified amount production payments.—If a portion of the crude oil removed from a property is applied during the taxable year in partial or complete discharge of a production payment which—

"(A) is not limited by time or to a specified number of units, but

"(B) will be fully discharged only when a specified dollar amount (plus interest or other charges, if any) has been received by the holder of the production payment,

then the holder of the economic interest from which the production payment was created (rather than the holder of the production payment) shall be treated as the producer of such portion.

"(b) Other Definitions.—For purposes of this chapter—

"(1) Crude oil.—The term 'crude oil' has the meaning given to such term by the June 1979 energy regulations.

"(2) Barrel.—The term 'barrel' means 42 United States gallons.

"(3) Domestic.—The term 'domestic', when used with respect to crude oil, means crude oil produced from an oil well located in the United States or in a possession of the United States.

"(4) United states.—The term 'United States' has the meaning given to such term by paragraph (1) of section 638 (relating to Continental Shelf areas).

"(5) Possession of the united states.—The term 'possession of the United States' has the meaning given to such term by paragraph (2) of section 638.

"(6) Qualified Alaskan oil.—The term 'qualified Alaskan oil' means any crude oil produced from a well north of the Arctic Circle other than Sadlerochit oil.

"(7) Taxable period.—The term "taxable period' means each calendar quarter beginning after December 31, 1979.

"(8) Energy regulations.—

"(A) In general.—The term 'energy regulations' means regulations prescribed under section 4(a) of the Emergency Petroleum Allocation Act of 1973, as amended.

"(B) March 1979 energy regulations.—The March 1979 energy regulations shall be the terms of energy regulations as such terms existed on March 1, 1979.

"(C) June 1979 energy regulations.—The June 1979 energy regulations—

"(i) shall be the terms of energy regulations as such terms existed on June 1, 1979, and

"(ii) shall be treated as including final action taken pursuant thereto before June 1, 1979, and as including action taken before, on, or after such date with respect to incremental production from qualified tertiary enhanced recovery projects.

"(D) Continued application of regulations after decontrol.—Energy regulations shall be treated as continuing in effect without regard to decontrol of oil prices or any other termination of the application of such regulations.

"(c) Purchaser Collects Tax.—If the removal of any taxable crude oil is determined under section 4989(c)(1)—

"(1) the tax imposed by section 4986 with respect to such crude oil shall be collected by the purchaser of such crude oil by deducting the amount of such tax from amounts payable for such oil,

"(2) the producer shall not be required to file a return of the tax imposed by section 4986 with respect to such oil, and

"(3) the producer shall be treated as having paid the amount of tax collected by the purchaser on the due date prescribed by section 6076 for filing the return for the taxable period in which such oil was removed from the premises.

In determining the amount to be collected under paragraph (1), section 4989(b) shall not apply.

"(d) Severance Tax Adjustment.—For purposes of this chapter—

"(1) In general.—The severance tax adjustment with respect to any barrel of crude oil shall be the amount by which—

"(A) any severance tax imposed with respect to such barrel, exceeds

"(B) the severance tax which would have been imposed if the barrel had been extracted and sold at its adjusted base price.

"(2) Limitation on amount of severance tax.—The amount of severance tax taken into account under paragraph (1) shall not exceed the amount which would have been imposed under the State law in effect on March 31, 1979.

"(e) Special Rules for Post-1978 Transfers of Property.—In the case of a transfer after 1978 of any portion of a property, for purposes of this chapter (including the application of the June 1979 energy regulations for purposes of this chapter), after such transfer—

"(1) crude oil produced from any portion of such property shall not constitute stripper oil or newly discovered oil if such oil would not be so classified if the property had not been divided, and

"(2) the allocation of the base production control level among portions of the property shall be made under regulations prescribed by the Secretary.

"(f) Exemptions for Certain Interests Held by State or Local Governments.—

"(1) In general.—If—

"(A) an economic interest in crude oil is held by a State or political subdivision thereof, or by an educational institution which is an agency or instrumentality of any of the foregoing, and

"(B) under the applicable State or local law, all of the net income received pursuant to such interest is dedicated to public education,

then no tax shall be imposed by section 4986 with respect to crude oil properly allocable to such interest. For purposes of this paragraph, the term 'net income' means gross income reduced by production costs, and severance taxes of general application, allocable to such interest.

"(2) Amounts placed in certain permanent funds treated as dedicated to public education.—The requirements of paragraph (1)(B) shall be treated as met with respect to any net income which, under the applicable State or local law, is placed in a permanent fund the earnings on which are dedicated to public education.

"Sec. 4993. Records and Information; Regulations.

"(a) Records and Information.—Each taxpayer liable for tax under section 4986, each partnership, trust, or estate producing domestic crude oil, each purchaser of domestic crude oil, and each operator of a well from which domestic oil was produced, shall keep such records, make such returns, and furnish such information with respect to such oil as the Secretary may by regulations prescribe.

"(b) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out the purpose of this chapter, including such changes in the application of the energy regulations for purposes of this chapter as may be necessary or appropriate to carry out such purposes."

(2) Clerical amendment.—The table of chapters for subtitle D is amended by adding at the end thereof the following new item:

"Chapter 45. Windfall profit tax on domestic crude oil."

(b) Technical Amendments.—

(1) The first sentence of section 164(a) (relating to deduction for taxes) is amended by inserting after paragraph (4) the following new paragraph:

"(5) The windfall profit tax imposed by section 4986."

(2) Subsection (a) of section 613 (relating to percentage depletion) is amended by inserting before the last sentence the following new sentence: "For purposes of this subsection and section 613A(d)(1), in the case of taxable crude oil (within the meaning of section 4988(a)), gross income from the property shall be reduced by the amount of the windfall profit (within the meaning of section 4989(a) determined without regard to the severance tax adjustment) and taxable income shall be determined without regard to the tax imposed by section 4986."

(c) Time for Filing Return of Windfall Profit Tax; Depositary Requirements.—

(1) Time for filing return of windfall profit tax.—

(A) Part V of subchapter A of chapter 61 (relating to time for filing returns and other documents) is amended by adding at the end thereof the following new section:

"Sec. 6076. Time for Filing Return of Windfall Profit Tax.

"(a) General Rule.—Each return of the tax imposed by section 4986 (relating to windfall profit tax) for any taxable period (within the meaning of section 4992(b)(7)) shall be filed not later than the last day of the second month following the close of the taxable period.

"(b) Cross Reference.—

"For depositary requirements applicable to the tax imposed by section 4986, see section 6302(d)."

(B) The table of sections for such part V is amended by adding at the end thereof the following new item:

"Sec. 6076. Time for filing return of windfall profit tax."

(2) Depositary requirements.—Section 6302 (relating to mode or time of collection) is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) Windfall Profit Tax.—The mode and time for collecting the tax imposed by section 4986 (relating to windfall profit tax) shall be established by the Secretary by regulations."

(3) Technical amendment.—Section 7512 (relating to separate accounting for certain collected taxes, etc.) is amended—

(A) by striking out "or by chapter 33" in subsections (a) and (b) and inserting in lieu thereof ", by chapter 33, or by section 4986", and

(B) by striking out "or chapter 33" in subsections (b) and (c) and inserting in lieu tereof ", chapter 33, or section 4986".

(d) Certain Information Required To Be Furnished.—

(1) General rule.—Subpart B of part III of subchapter A of chapter 61 (relating to information concerning transactions with other persons) is amended by adding at the end thereof the following new section:

"Sec. 6050C. Information Furnished by Purchaser and Operator Regarding Windfall Profit Tax on Domestic Crude Oil.

"(a) Certain Information Furnished by Purchaser.—Under regulations prescribed by the Secretary, the purchaser of taxable crude oil (within the meaning of section 4988) shall furnish to the taxpayer liable for tax under section 4986 with respect to such oil a monthly statement showing the following:

"(1) the amount of taxable crude oil purchased from such taxpayer during such month,

"(2) the removal price of such oil,

"(3) the base price and the adjusted base price with respect to such oil,

"(4) the amount of such taxpayer's liability for tax under section 4986 with respect to such oil, and

"(5) such other information as may be required by regulations prescribed by the Secretary.

"(b) Information Furnished by Operator.—Under regulations prescribed by the Secretary, if the purchaser of taxable crude oil and the operator of the well from which such crude oil was produced make a joint election under this subsection, the monthly statement required to be furnished by the purchaser under subsection (a) shall be furnished by such operator.

"(c) Time for Filing Monthly Statement.—Each monthly statement required to be furnished under subsection (a) or (b) for any month shall be furnished before the first day of the second month which begins after the close of such month.

"(d) Certification Furnished by Operator.—Under regulations prescribed by the Secretary, the operator of the well from which crude oil subject to the tax imposed under section 4986 was produced shall certify (at such time and in such manner as the Secretary shall by regulations prescribe) to the purchaser the base price (within the meaning of section 4990) with respect to such crude oil. For purposes of section 6652(b) (relating to additions to tax for failure to file other returns) such certification shall be treated as a statement of a payment to another person.

"(e) Cross References.—

"(1) For additions to tax for failure to furnish information required under this section, see section 6652(b).

"(2) For penalty for willful failure to supply information required under this section, see section 7241."

(2) Technical and conforming amendments.—

(A) Section 6652(b) is amended by striking out "or section 6051(d)" and inserting in lieu thereof the following: "section 6050C (relating to information regarding windfall profit tax on domestic crude oil), or section 6051(d)".

(B) The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by adding at the end thereof the following new item:

"Sec. 6050C. Information furnished by purchaser and operator regarding windfall profit tax on domestic crude oil."

(e) Criminal Penalty for Failure To Furnish Certain Information.—

(1) In General.—Part II of subchapter A of chapter 75 (relating to penalties applicable to certain taxes) is amended by adding at the end thereof the following new section:

"Sec. 7241. Willful Failure To Furnish Certain Information Regarding Windfall Profit Tax on Domestic Crude Oil.

"Any person who is required under section 6050C (or regulations thereunder) to furnish any statement, information, or certification to any other person and who willfully fails to furnish such statement, information, or certification at the time or times required by law or regulations, shall, in addition to other penalties provided by law, be guilty of a misdemeanor and upon conviction thereof, shall be fined not more than $10,000, or imprisoned not more than 1 year, or both, together with the costs of prosecution."

(2) CLERICAL AMENDMENT.—The table of sections for such part II is amended by adding at the end thereof the following new item:

"Sec. 7241. Willful failure to furnish certain information regarding windfall profit tax on domestic crude oil."

(f) INFORMATION FURNISHED BY PARTNERSHIPS, TRUSTS, AND ESTATES.—

(1) INFORMATION TO BE FURNISHED TO PARTNERS AND TO BENEFICIARIES OF ESTATES AND TRUSTS.—Subpart B of part III of subchapter A of chapter 61 is amended by adding at the end thereof the following new section:

"SEC. 6050D. WINDFALL PROFIT INFORMATION TO BE FURNISHED TO PARTNERS AND TO BENEFICIARIES OF ESTATES AND TRUSTS.

"(a) REQUIREMENT.—Under regulations prescribed by the Secretary, each partnership, estate, and trust producing domestic crude oil for any taxable period shall furnish to each partner or beneficiary, as the case may be, a written statement showing the following:

"(1) the name of such partner or beneficiary.

"(2) information received by the partnership, trust, or estate pursuant to section 6050C,

"(3) such partner's or beneficiary's distributive share of the items referred to in paragraph (2), and

"(4) such other information as may be required by regulations prescribed by the Secretary.

"(b) TIME FOR FURNISHING WRITTEN STATEMENT.—Each written statement required to be furnished under this section with respect to any taxable period shall be furnished before the first day of the third month following the close of such period."

(2) CLERICAL AMENDMENT.—The table of section for such subpart B is amended by adding at the end thereof the following new item:

"SEC. 6060D. Windfall profit information to be furnished to partners and to beneficiaries of estates and trusts."

(g) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1980.

SEC. 102. PROVISIONS RELATING TO THE TAX COURT.

(a) EXCLUSIVE JURISDICTION OVER WINDFALL PROFIT TAX CASES.— Section 7442 (relating to jurisdiction) is amended by adding at the end thereof the following new sentence: "Notwithstanding section 1340 of title 28, United States Code, the Tax Court and its divisions shall have exclusive original jurisdiction of any civil action arising under chapter 45 (relating to windfall profit tax on domestic crude oil). In all proceedings in connection with such actions, the Tax Court shall have the same powers as a United States District Court would have in a civil action brought before it."

(b) NUMBER OF JUDGES.—Subsection (a) of section 7443 (relating to membership) is amended by striking out "16" and inserting in lieu thereof "19".

SEC. 103. RESERVATION OF WINDFALL PROFIT TAX RECEIPTS FOR CERTAIN USES.

The Secretary of the Treasury shall reserve one-half of the amounts attributable to receipts of the tax imposed by section 4986 of the Internal Revenue Code of 1954, until September 30, 1980, or until Congress authorizes and appropriates funds to relieve taxpayers from the combined impact of higher energy costs and increased social security taxes which are scheduled to become effective after 1980, whichever is sooner.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BUMPERS. I am happy to yield.

Mr. ROBERT C. BYRD. I thank the Senator.

TIME LIMITATION AGREEMENTS, CONFERENCE REPORTS—H.R. 4440 AND H.R. 4391

Mr. ROBERT C. BYRD. Mr. President, the transportation appropriations conference report can be called up today. I believe there will be a rollcall vote on that conference report. I wonder if the distinguished author of the amendment and the managers of the bill would be agreeable to our going to the transportation appropriations conference report, say, at 5 o'clock today, with 20 minutes debate on the conference report, equally divided, and to follow that conference report with the military construction conference report.

Mr. MAGNUSON. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. MAGNUSON. I am hopeful that the Senate will also bring up, immediately following the transportation conference report, the report on military construction, which I do not think will need any rollcall or have any amendments. Then we shall get the two of them on their way down to the White House.

Mr. ROBERT C. BYRD. Yes.

Mr. President, if there is no objection from the managers of the bill or Mr. BUMPERS, I ask unanimous consent that, at 5 p.m. today, the Senate turn to the transportation appropriations conference report; that there be a time limitation on that report of 20 minutes, to be equally divided between Mr. MCCLURE and Mr. BAYH; and that, upon the disposition of that conference report—there will be a rollcall vote on that conference report—the Senate then take up the military construction conference report; and that there be a time limitation on that of not to exceed 20 minutes.

Mr. MAGNUSON. That is fine.

Mr. ROBERT C. BYRD. I thank the Senators.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, if the Senator will indulge me just another minute, I ask unanimous consent that the Senate proceed to the transportation appropriations conference report at 5:20 p.m. today, rather than 5 p.m., and that the 20 minutes on the conference report be overall—on any amendment in disagreement, debatable motion, or appeal or point of order, if such is submitted.

Mr. BUMPERS. Reserving the right to object, Mr. President, I make this suggestion to the majority leader: This amendment is the pending business. I am ready to lay it aside now if we are ready to go on the conference report.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator. The managers of the conference report will not be ready until about 20 minutes after 5.

The PRESIDING OFFICER. Without objection, it is so ordered.

CRUDE OIL WINDFALL PROFIT TAX ACT OF 1979

The Senate continued with consideration of the bill.

Mr. BUMPERS. Mr. President, the amendment I have offered is essentially the House bill as a substitute for title I of the Senate Finance Committee bill, with one very major exception. The difference between the revenue raised by the House bill and the Senate bill would be temporarily set aside by the Secretary of the Treasury so that Congress can decide whether it may want to put the additional $135 billion into the social security trust fund, or whether there may be some better use for it.

Mr. President, in 1930, from January 1, 1980, the social security rate will remain constant at 6.13 for employer and 6.13 for employee. The payroll base goes up slightly in 1980, but the real crunch of the increase in payroll taxes for social security will not be felt until 1981, and it is going to be felt very sharply at that time.

It occurs to me that the House version is a good one, it is a fair one. It chooses to accept the whole concept of decontrol, which I did not, but there is no point in debating that here.

The American people, who are going to be asked to separate themselves, on the basis of what I consider to be the most conservative assumptions, from a trillion dollars over the next 10 years, ought to receive at least some kind of break in addition to the low-income assistance in paying their heating bills over the next 10 years. I do not want to go into the philosophy of the need for a windfall profit tax. However, we must look at what has happened to the price of oil this year, Mr. President. OPEC has raised the price of oil to us by 60 percent. Most of the assumptions in this bill are that oil will be $30 a barrel in the fourth quarter of 1979. Then there is a small adjustment, inflation plus 2 percent. Inflation plus 2 percent this year will be 16 percent. Yet OPEC has raised the price by 60 percent.

I do not know of anybody who has any reason to believe that that trend is not going to continue inexorably from now on. The inflation rate is like the dog chasing its tail. We cannot get inflation down until we can stabilize energy prices, and we cannot stabilize energy prices because of the inflation rate.

What are the arguments against any windfall profit tax?

There are those who believe that the energy problems of this country ought to be solved by the pricing mechanism. Mr. President, it has become painfully apparent to me that most people who want to solve it off the backs and out of the hides of working people by seeing how high we can get the price of gasoline are usually the ones who know that they are going to be able to afford it no matter how high it goes.

I recognize that the pricing mechanism has to play a role. I am not so naive that I would tell the Senate that even though OPEC raised the price 60 percent last year, we are going to stabilize energy prices in this country. On the other hand, I do believe that it ought to be borne as equitably by everybody in this country as possible.

Every poll I have ever seen says that, as between pricing and rationing, a majority of people would rather have gas rationing than to see gasoline go to $2 and $3 a gallon.

Even if pricing worked, which it does not, I would have a great deal of trouble with the concept. I have some charts that show what has happened in Italy, France, West Germany, England, and Japan, for the past 5 years. The charts indicate that every time the price of gasoline has increased, consumption has leveled off only for a few short months, then escalated again.

People oftentimes say, and perhaps without very seriously thinking about it, "Why not do what Germany has done, raise the price of gasoline to $2.50 per gallon." What most people do not understand is that Germany does not produce any oil; Japan does not produce any oil; Italy does not produce any oil. I shall have a chart here in a moment to show what happens to that $2.25 and $2.50 a gallon that they charge in those countries. It does not go into the pockets of the oil companies. Part of it covers the cost of petroleum, and the balance of it goes into the respective treasuries of those countries.

What we are being asked to do in this country is vote the American oil interests a full, legal partnership in the OPEC cartel and then say, "But we are going to take some of it back away from you." We are actually participating in a violation of the Sherman Antitrust Act, or we would be, if it were all taking place in this country. We do not have jurisdiction of the OPEC cartel, so we do not have any choice about that. However, we are being asked to knuckle under to a lot of specious reasoning, which is saying, "You have to give us this trillion dollars over the next 10 years so we can drill more wells; you have to give us this trillion dollars so we can get gasoline up to $2.50 and keep these people off the highways and from driving their automobiles."

I want them to drill more wells. I want them to drill more wells, to find more oil, and to develop our alternative energy sources. But I do not want that to be used as an excuse to render about 80 percent of the people of this country destitute.

Mr. President, low-income persons spent roughly $216 on home fuels and utilities in 1972. Findings for 1978 reveal that the average low-income family spent roughly $604 on home heating energy costs. This increase represents an average loss of purchasing power of $265.

Where will it all end?

On the question of exploration, we see all the ads. I do not like to be blind about the major oil companies. But I must say that some of those ads in the New York Times and the Wall Street Journal are an affront to anybody's intelligence when they say they spent more on exploration last year than they did on profits.

That is like a grocery store saying that they paid more for groceries last year than their profits were.

That is the business of the oil industry, to explore. At least, it is supposed to be.

Here are selected financial statistics from the top 20 oil companies. I am not going to reiterate all of those profound statistics for the first 9 months of this year, especially the third quarter. It is now legendary what they were, and all those ads about how they have got to have more money to explore for more oil.

I will say what they did in 1978. Exxon had revenues of $60.355 billion, and it generously spent 1.3 percent of that amount on exploration, or $775 million.

Mobil had revenues of $34.736 billion, it spent eight-tenths of 1 percent for exploration.

Texaco had $28.5 billion in revenues, and it spent seven-tenths of 1 percent exploring for new oil.

Those people say that they have to have another trillion dollars over the next 10 years or they will not find any more oil for us.

There ought to be some element of basic decency somewhere, at least being honest with the American people.

So the list goes on.

Mr. President, I ask unanimous consent that this chart be printed in the RECORD at this point.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

SELECTED FINANCIAL STATISTICS FOR THE TOP 20 OIL COMPANIES, 1978

[In millions of dollars]

Company and rank	Adjusted revenues[1] 1	Net income after taxes[2] 2	Exploration expenses 3	Percent 3÷1	Percent 3÷2
Exxon (2)	60,355	2,760.0	775.2	1.3	28.1
Mobile (4)	34,736	1,124.0	-281.7	.8	25.1
Texaco (5)	28,608	852.5	200.3	.7	23.5
Standard (California) (6)	23,233	1,106.0	306.0	1.3	27.7
Gulf (8)	18,069	791.0	401.0	2.2	50.7
Standard (Indiana) (12)	14,961	1,076.4	495.6	3.3	46.0
Atlantic					
Richfield (13)	12,299	804.3	341.9	2.8	42.5
Shell (14)	11,063	814.0	339.6	3.1	41.7
Continental (17)	9,456	451.3	119.0	1.3	26.4
Tenneco (20)	8,762	466.0	[3] 558.0		
Sun (23)	7,428	365.4	[3] 282.0	3.8	77.2
Phillips (24)	6,998	540.6	250.6	3.6	46.4
Occidental (27)	6,253	6.7	73.5	1.2	1,097.0
Union (33)		383.3			
Ashland (42)[4]	[5] 5,167	171.7	66.0	1.3	38.4
Amerada-Hess (45)	4,701	142.4	29.6	.6	20.8
Cities Service (47)	4,661	202.5	231.3	5.0	114.2
Marathon (48)	4,509	225.2	87.3	1.9	38.8
Standard (Ohio) (66)	5,198	450.2	57.6	1.1	12.8
Getty (72)	3,515	327.8	270.8	7.7	82.6

[1] Sales and other operating income, excluding excise taxes, dividends, interest, and other revenue.

[2] Excludes extraordinary gains and losses.

[3] Figures reflect both exploration and production costs. These combined types of figures probably greatly exceed the costs associated with exploration activities alone. Due to data limitations, however, it was not possible to isolate exploration costs for these particular companies.

[4] Operates on a fiscal year ending Sept. 30.

[5] Excludes the gain on the sale of Ashland Oil (Canada) Limited.

Mr. BUMPERS. Mr. President, for 7 long years now, the decline curve in production in this country has inexorably gone down on an average of 4 percent a year. The only blip in that curve was when Alaskan oil came on stream.

Look at the chart. We see in 1970 the oil company uses their success rate by telling us how many barrels of oil they found each year for each foot they drilled.

When I look up there in 1970, they found 250 barrels of oil for every foot they drilled that year. That is in reserves.

Look at the curve since then.

What they have found has gone down now to where it is less than 25 barrels per foot, or a drop of 1,000 percent for each foot they have drilled.

I will say something, I am certainly not blaming the oil companies for not finding more. They have tried. So far as I know now, they have just about every drilling rig available drilling holes. This country is like a sieve. There are more holes in my State of Arkansas than the whole continent of Africa. That is a staggering statistic, but it is true.

They have been trying. But, unhappily for them and for us, the lower 48, for the most part, has been drilled out.

We have been consuming in the United States on a daily basis what it took God 2 million years to make, and we continue. We have never demonstrated a very serious attack of conscience about it.

I do not want to get maudlin. I certainly do not want to get religious about this thing. But conservation, to me, is religion.

It represents the greatest stewardship we can exercise on behalf of our Maker, to demonstrate we have a great respect for the great Earth He gave us. I am ashamed of what we have been doing to it.

Mr. President, I am not blaming oil companies. God, in all of His infinite wisdom, just made so much oil, and "you cannot find what is not there."

Mr. President, at some point, we have to come to grips with whether or not we are going to keep faith with the American people and return some of these windfall profit taxes to them in a usable form, and in a form they will appreciate.

This is not the time, really, to debate whether we ought to have a tax cut, or not. The recession has not really manifested itself yet, but it is getting ready to, and at some point in the future I think maybe a tax cut might be in order. I would have a tough time voting for one right now.

But I think the most egalitarian thing we could do right now would be to adopt the House version, which I think is eminantly fair. The only reason I voted against the Senator from Kansas amendment to reduce the windfall tax from 75 percent to 60 percent on tier 1 was because I was afraid he would prevail and that might be the end of it.

But the Finance Committee has exempted newly discovered oil, incremental tertiary production, and the first 1,000 barrels per day of stripper oil produced by independents. I do not have any big quarrel with some exemptions. But $135 billion worth of them is just too much.

If we give the oil companies the trillion dollars it looks as though we will give them between now and 1990, and even by conservative estimates. The House tax will leave them with close to $200 billion more.

Mr. President, if they continue to explore at the same rate they did on the chart I just handed in, they will have more money left after the windfall profit tax to do a lot more exploring than they have been doing.

Let me go to the chart and point out a couple of things.

I have already referred to the barrels of oil per foot of drilling here.

Mr. LONG. Will the Senator yield? I would like to ask a question about his first chart?

Mr. BUMPERS. I am happy to yield to the Senator.

Mr. LONG. It seems to me that chart is very misleading. For example, maybe the Senator does not know this, but I am just looking at figures on discoveries of new oil.

Now, there was not 1 year when the discoveries ran over 200,000 barrels of crude oil per new oil well.

Mr. BUMPERS. I am sorry, I did not follow that. Will the Senator say that again?

Mr. LONG. I am looking at the chart here. I assume it is the same information from which the Senator's was taken. It shows that in the year 1970—the year of the Prudhoe Bay discovery—that 974,578 barrels of oil per new well was discovered.

Now, that figure is at least five times as high as any previous year.

I ask this of the Senator: Is it not misleading to put that item up there, when, if you put the years prior to that time, the line would look the way it looked starting in 1971?

In other words, if you put the line on the other side, it would be just about the same as the line on the Senator's right, but you would get that big bulge the year that the Prudhoe Bay field was discovered on the Alaskan North Slope.

So, to say that you are not getting any wells from drilling, if you rely on that chart, merely fails to show that in that particular year, 1970, Prudhoe Bay was discovered and that oil was brought in.

Other than that, what is shown on the lower end of the chart is about the same that is shown on the chart on the left, back to 1959.

It is true that not as much oil is being discovered now as there has been in prior years. But I point out that we have a law that makes it very disadvantageous for people to drill wildcat wells today, because they are condemned under the kind of policies the Senator is advocating.

If you find a new oil well today, if you find a successful wildcat, it is condemned, under the kind of policies we have been pursuing since 1973. These policies say that oil will be subject to price controls and will be handled like a Catch-22 situation: If you find some new oil, you get a better price; but if the price goes up in the future, you do not get the price increase.

It is the same as the case right now with regard to gas. We finally passed a bill saying that you can have deregulation of new gas below 15,000 feet. People plan to go below 15,000 feet and do not plan to produce anything short of 15,000 feet. From their point of view, they do not want the regulation. They say they will try to find gas below 15,000 feet. If we did not have that rule, if we had a situation in which oil were deregulated, all the incentive would be to find new oil—if the new oil price were deregulated.

Mr. BUMPERS. First of all, I think I do owe the Senator from Louisiana an apology. I asked CRS to prepare this chart. I did not specify for them to begin in 1970, where Alaskan oil is shown, and to that extent this chart is unfair. In all fairness, I am going to ask them to prepare another chart and go back to 1969.

Mr. LONG. Go back to 1959, and it will show about the same pattern that the Senator has on the right-hand side.

Mr. BUMPERS. I have no quarrel with how far we go back. What I am concerned about now is this: In 1972, no matter whether it was new, old, or indifferent, it was $3.20 a barrel.

The Senator just mentioned the wildcat oil. If somebody finds a wildcat in a new reservoir today, I do not know what the price of it would be, but I venture to guess that it would be on the order five to eight times more than it was in 1972.

It occurs to me that if we look at the number of drilling rigs that have been in operation for the past 6 years, we can say that we are drilling many more holes than before. Yet, there is a decline curve. I am not talking about production. The Senator and I know that production has continued to decline. Crude oil production alone has gone from about 9 million barrels in 1971 or 1972 down to about 8.3 million barrels now, and that decline has been consistent.

As I say, the only blip in that has been the Alaskan oil. The production in this country has continued to go down, despite these tremendous price increases. I do not have any reason to believe that they are not going to continue to go down.

Mr. LONG. With the kind of situation we have now, in which people were getting a price somewhere between $3 and $4 back in 1972, the price they are getting now, adjusted for inflation, is the same price they were getting then. The price they were getting is what would be called the "going-out-of-business price." In other words, they could not stay in business at that price, so they were not drilling wells. They were striking their rigs and leaving them there. That was the price they were made to stay with for the oil they had prior to 1973. Since that time, they have the upper tier oil, which has been permitted to go to about $13; but adjusted for inflation, that is about twice what the "going-out-of-business price" was. They are required to sell their oil at $13, but to any foreign country, this Nation will pay twice that amount.

So people would feel that the oil is worth a great deal more than that. They are willing to pay Mr. Khomeini, the ayatollah, a great deal more—at least twice what would be paid to our own producers. You are willing to pay the Ayatollah Khomeini twice as much as you would pay an American producer.

A well that can drill for oil can also drill for gas, and you have some very good economics in favor of drilling for gas, especially if you are drilling below 15,000 feet.

So when we speak of finding less oil, it is because Federal policies have been developed to make it attractive not to drill wildcat wells. Therefore, the drilling is going for gas or for offset wells.

Mr. BUMPERS. On that point, the Senator says it is Government policy that is a disincentive. This is what his committee's report says on page 42:

> Under regulations published on May 2, 1979, "newly discovered oil" is defined as crude oil that is sold after May 31, 1979, and that is produced from (1) an outer continental shelf area for which the lease was entered into on or after January 1, 1979, and from which there was no production in calendar year 1978, or (2) an onshore property from which no crude oil was produced in calendar year 1978. Oil produced from a property, as defined by DOE regulations, which previously had been developed but from which there was no production in calendar year 1978 is treated as newly discovered oil under this definition. The determination of whether crude oil production from a particular property may be sold as newly discovered crude oil on or after June 1, 1979, is to be made by the producer, subject to DOE's possible review.
>
> Newly discovered oil sold after June 1, 1979, is allowed the market price.

So the man who goes out to drill the wildcat to which the Senator referred earlier can get whatever the market will bear, under present law.

Mr. LONG. And where that has been the case, where they feel that they are going to get the deregulated price, there has been a lot of increased activity. If they do not think they are going to get the deregulated price, that activity will decline. It will fall right off.

Mr. BUMPERS. To pursue the point I was trying to make a moment ago, we have to consider three charts in order to get the picture.

The first chart deals with the average price of American crude and the number of wells we have been drilling since 1970. In 1970, we drilled more than 6,000 oil wells.

We drilled around 9,000 wells in 1973 and 17,000 wells in 1978. During that same period of time the price went in 1973 from between $3.50 and $4 until it is up now to an average at the end of 1978—it is higher than this now—to a composite of $10 a barrel.

As I just pointed out, new oil is decontrolled. You can get $100 a barrel for it if you find someone willing to pay it.

Consider the number of wells drilled, the fact that price has tripled, even on a composite level, and at the same time the production rate in this country has gone from a little under 10 million barrels in 1970 down to 8.3—8.3 million barrels. That represents a 4 percent decline.

I am not saying that the oil industry should not drill wells. I am not saying that the price should not rise. What I am saying is that there should be some sanity introduced into this, that we do not have to make and should not make the American oil industry the recipient of every benefit the OPEC cartel chooses to bestow on them. It just makes no sense to me.

A lot of oil companies in this country have a working interest in wells in the North Sea. Every time that the OPEC cartel sits down those people get that price for North Sea oil.

Mr. President, when you look at what is happening in production and what, in my opinion, will continue to happen to crude oil production we drill for in the lower 48, they are not going to find very much more oil with that $1 trillion. They have demonstrated what I would have to classify as a rather callous disregard for American intelligence in telling us they have to have a trillion dollars to explore for oil. Most of them are spending less than 1 percent of their revenues on exploration.

As I said earlier, if I thought the pricing mechanism would work, I would be willing to go for it to some extent, but not to the extent we are talking about under any circumstances.

Here is what is happening in the world. The price of gasoline per gallon in New York State in the United States in 1979 was $1.05. Of that $1.05, 13 cents is State and local taxes. And the cost factor is 92 cents. In other words, when you finally pump gasoline out at the pump the cost to the consumer is 92 cents plus that 13 cents tax. But if you figure for just a moment that the jobber-distributor is making about 10 cents to 15 cents and the retailer is making about 10 cents to 15 cents this means that the oil companies are getting about 67 cents a gallon for gasoline. That is for finding it, bringing it here, and distributing it. And that is a rolled-in price of both OPEC and American oil. They are getting 67 cents in 1979 and for 67 cents they have announced as Exxon did profits of $1.1 billion for the last quarter and revenues this year of almost $80 billion.

Mr. President, I ask unanimous consent that the report prepared by the Congressional Research Service of the Library of Congress be printed at the conclusion of my remarks.

The report follows:

LIBRARY OF CONGRESS, CONGRESSIONAL RESEARCH SERVICE

A COMPARISON OF ANNUAL GASOLINE CONSUMPTION, REPRESENTATIVE SUMMER PRICES, AND GASOLINE TAXES IN SELECTED COUNTRIES, 1975–79

[Consumption in billion gallons, price and tax data in U.S. dollars per U.S. gallon equivalent]

	1975	1976	1977	1978	1979
United States:					
(a) Motor gasoline consumed	102.45	107.68	110.48	114.03	NA
(b) Pump price of regular gasoline (New York)	0.64	0.64	0.66	0.68	1.05
(c) Taxes included in the pump price	0.13	0.13	0.13	0.13	0.13
(d) Oil industry cost/price factor	0.51	0.51	0.53	0.55	.92
France:					
(a) Motor gasoline consumed	5.86	5.97	6.08	6.28	NA
(b) Pump price of regular gasoline (Paris)	1.56	1.40	1.70	2.15	2.52
(c) Taxes included in the pump price	0.88	0.77	1.03	1.22	1.59
(d) Oil industry cost/price factor	0.68	0.63	0.67	0.93	.93
Great Britain:					
(a) Motor gasoline consumed	NA	6.03	6.20	6.56	NA
(b) Pump price of regular gasoline (London)	1.27	1.25	1.18	1.40	1.95
(c) Taxes included in the pump price	0.50	0.53	0.64	0.72	.88
(d) Oil industry cost/price factor	.77	0.72	0.54	0.68	1.07
Italy:					
(a) Motor gasoline consumed	NA	3.87	3.79	3.96	NA
(b) Pump price of regular gasoline (Rome)	1.67	1.70	2.06	2.15	2.39
(c) Taxes included in the pump price	1.26	1.22	1.48	1.59	1.58
(d) Oil industry cost/price factor	0.41	0.48	0.58	0.56	0.81
West Germany:					
(a) Motor gasoline consumed	NA	7.56	8.05	8.38	NA
(b) Pump price of regular gasoline (Bonn)	1.25	1.39	1.44	1.68	2.15
(c) Taxes included in the pump price	0.82	0.84	0.92	1.05	1.14
(d) Oil industry cost/price factor	0.43	0.55	0.52	0.63	1.01
Japan:					
(a) Motor gasoline consumed	NA	7.96	8.27	8.86	NA
(b) Pump price of regular gasoline (Tokyo)	1.36	1.36	1.62	2.07	2.24
(c) Taxes included in the pump price	0.48	0.59	0.64	0.98	0.92
(d) Oil industry cost/price factor	0.88	0.77	0.98	1.09	1.32

Sources: OECD, Quarterly Oil Statistics; OPEC, Annual Statistical Bulletins. Energy Week; DOE, International Petroleum Annuals; direct communications with embassies; CRS estimates and computations.

Mr. BUMPERS. Mr. President, if the present trends continue, the top 20 oil companies in the United States by 1982 will have more revenues than the Federal budget.

Mr. WALLOP. Mr. President, will the Senator yield for a question?

Mr. BUMPERS. I am happy to yield.

Mr. WALLOP. I actually have a couple questions.

I ask, first of all, if the Senator would care to define the "American oil industry"?

Mr. BUMPERS. I am sorry. Define what?

Mr. WALLOP. I asked the Senator if he would care to define the "American oil industry." He has mentioned Phillips, Exxon, Mobil Oil, the major oil companies. But we are talking here about a good deal broader industry. I wonder if he cares to define it. Who is it that produces the oil?

Mr. BUMPERS. Everyone that benefits from decontrol.

Mr. WALLOP. All right. The Senator is talking about $1.1 billion in Exxon's third-quarter profit. Is the Senator aware that under the most punitive set of proposals cumulatively, all of them put together that have been offered against the windfall profit tax in the House of Representatives, the Senate, and by the President, less than $100 million of that profit would have been subjected to the windfall profit tax?

Mr. BUMPERS. The Senator will so restate that. I did not follow it. I am sorry.

Mr. WALLOP. Exxon's third quarter profits, no one disagrees with, were $1.1 billion. The Senator is laying the groundwork in the public's mind to think that all of that would have been subject to the windfall profit tax. I am asking him.

Mr. BUMPERS. None of that is subject to the windfall profit tax. That is all before this tax was ever levied.

Mr. WALLOP. Would have been. Let me put it in the realistic arena. I understand that the total cumulative effect of all amendments proposed to the windfall profit tax from the President, the House of Representatives, and the Senate, if all the proposed amendments were back in place, less than $100 million of that profit would have been subject to the windfall profit tax. It is grossly unfair to the domestic oil producer for the Senator to go around talking about those profits. Those produced in America in the last quarter did not have those. In fact the Senator will find out that those profits rose in the area of 36 percent to 42 percent in that quarter over a year ago, which was a bad year. So do not go flinging around the profits of the international oil companies because that is the whole problem with this tax in the beginning. It does not tax those profits which the Senator, the President, and everyone holds out as obscene, and everything else. It taxes the domestic American producers and domestic American wells. And the $1 trillion the Senator talks about that is coming will be taxed. No one is laying the claim that they are going to be exempt from personal and corporate income taxes or some kind of windfall profit tax that Congress is about to pass.

Those will all be there. So there is no $1 trillion. There will be in excess of 60 percent of that $1 trillion, absent any windfall tax, that is going into the Federal Treasury.

But the Senator makes the mistake when he talks about the oil industry and this tax in talking only of Exxon, only of Mobil, only of Phillips, and all the major companies because American oil is produced by domestic producers, the independents. Far and away the greatest percentage of production and far and away the greatest percentage of exploration is taken by people who will never have the kind of profits that the Senator is talking about that come from brokering overseas oil. So it clouds the issue in the Chamber here in the Senator's mind and in the public's mind to talk about those profits in relationship to the windfall profit tax because they will never be affected by it.

Mr. BUMPERS. The Senator's point is well taken. I do not argue with a thing he said.

Exxon made $1.145 billion last quarter and only that part which was subject to that minuscle portion of decontrol which had taken place from June 1 to the end of September would have been subjected to this windfall profit tax.

Mr. WALLOP. That is not my point. My point is if this tax were in place under any set of circumstances with the cumulative effect of all proposals—assume it had passed, and I am not talking about that portion of this; I am just talking about what is going to be taxed.

What is going to be taxed is their domestic oil production, if it were in place now. None of the rest of that was going to be taxed.

I do not know how to get that point across to the Senator or the press or anyone else. All those things that everyone talks about and holds up as obscene and as the ripoff of the American people is not subject to this tax.

Mr. BUMPERS. Let me agree with the Senator again. Maybe I misunderstood his point. If I understand the Senator now, I still agree with the Senator. When Exxon announced they had paid over $1 billion, it quickly issued a little exculpatory statement saying most of this was made overseas. I do not know whether that is true or not. I think that is true.

Yet, I want to tell the Senator two things; I want to remind him of two things: No. 1, whatever portion of Exxon's profits of $300 million that were made in the United States was not subject to a windfall profit tax. What we are doing is subjecting the people of the United States to the same treatment that Exxon has been giving Europeans, namely, let the oil companies charge anything they can, and then we are going to turn around then and take some of it back from them.

Mr. WALLOP. What we are doing is not that. We are giving them all the disadvantages of decontrol and none of the proposed benefits.

The problem is when you speak of these companies you raise up the ogre in the mind's eye of the press, of the population, and of everybody else. What you really are missing is the fact that there is a domestic supply response available produced by domestic oil producers, that are primarily the independents, that are primarily not Exxon—in fact, not only not primarily, but they have not anything to do with Exxon except at some time sell them.

But the point we miss is that the more punitive we get with the windfall profits tax, with the Senator's amendment, the more punitive we get, the more attractive we make it to search for, explore for, produce and broker foreign oil, all at the expense of the domestic producer.

It makes little sense to this Senator, and when you talk about the House-passed bill, make no mistake about it, when the House passed their bill they assumed they were passing a bill that would collect $105 billion. They thought they did, they knew they did, they crowed they did, and the President praised them for having done it.

The $278 billion is only as a result of the assumption we make. I dare say had the House made that same assumption they would not have collected the $278 billion but would have stated somewhere in the neighborhood of what they thought was just when they sought to collect.

Mr. METZENBAUM. Will the Senator yield?

The PRESIDING OFFICER. The Senator from Arkansas has the floor.

Mr. BUMPERS. I yield to the Senator.

Mr. METZENBAUM. Mr. President, I would like to pick up where the Senator from Wyoming was speaking, the subject he was addressing himself to. I think that the Senator makes a very persuasive argument for support of this amendment that Senator BUMPERS, Senator KENNEDY, I and a number of others are proposing because I think the argument——

Mr. WALLOP. I can assure the Senator that was not my intent.

Mr. METZENBAUM. It may not have been the Senator's intent, but he makes a very persuasive argument to vote for it because what he is saying is those profits—that production they have had heretofore would not be subject to the windfall profits tax.

Mr. WALLOP. No, I am not saying that.

Mr. METZENBAUM. What is the Senator saying?

Mr. WALLOP. I am saying the profits from overseas oil are not going to be subject to it. Only domestic American oil is going to be subject to it, and they do not produce it.

Mr. METZENBAUM. Let me address myself to that.

Mr. WALLOP. But they do not produce it.

Mr. METZENBAUM. Let me point out to my friend that this argument about domestic oil and overseas oil, and what are domestic and overseas profits is a very specious one, and the reason why it is a very specious one is what they talk about is they buy oil at a certain price overseas and then they sell it to their domestic subsidiaries, and they say that profit is an overseas profit and is not an American profit.

Well, the fact is these are American companies that went over, it is all part and parcel of the same Exxon, part and parcel of the same Southern of California.

Mr. WALLOP. They did, and that is exactly what they are saying. You are going to make the circumstances where it is more attractive for them to do that. The more you punitively tax the domestic producer and the domestic oil and gas producer, the more attractive it is going to remain to increase our dependence on overseas oil.

Mr. METZENBAUM. I would like to respond to my friend on whether it is punitive. Let me point out to the Senator that the House-passed bill was not drafted by some far out liberals; it was not written by some consumer advocates. The House bill was drafted by oil State Representatives MOORE of Louisiana and JONES of Oklahoma. It is their proposal that we are talking about.

The Senator is saying it is punitive. The trouble with the oil industry is this: That every time they get half a loaf of bread they want the balance. So they got the bill in the House they wanted. Now they are coming over to the Senate and they say "Give us more and more and more," and that is the way it has been over a period of years since there has been an oil, an energy crisis in this country.

These oil State Congressmen did not say that the House bill was too tough. They said it was balanced. They said it was fair, fair to industry and fair to the American people. Listen to what one——

Mr. WALLOP. The Senator is right——

Mr. METZENBAUM. If the Senator does not mind, I have the floor and I would like to finish.

Here is what one Congressman said about the House bill:

> The Jones-Moore proposal is a well-designed plan to encourage the production of newly discovered marginal and incremental tertiary oil. It should succeed in increasing our domestic energy supplies.

I did not say that; DALE BUMPERS did not say it. GILLIS LONG, of Louisiana, said it. So do not let anyone tell you that the House bill is too tough. The House bill was a compromise. What is happening on the floor of the Senate today, and what has been happening and will continue to happen represents the greed and avarice of the oil companies.

No matter what the price of oil, when it was $2 they said $3 would be good.

When it was $3, they said $4.50 would be great. And when it went from $4.50 on up and up and up, they continued to tell the American people it is not enough so that we could have more production and development, and they spent millions of dollars on advertisements on TV and in newspapers telling us how much more they need.

And now we come along and say "You should not have any of these profits. If there were not any decontrol you would not have any of this extra profit. It is a gift that has been given to you by the President of the United States. What we are saying is how much of it should we get back for the American people; how much should come back in the U.S. Treasury," and what we are saying by this amendent is nothing that is outlandish, nothing that is far-fetched. We are saying that those oil States' Congress persons who were in the House of Representatives proposed, made a proposal, and we are prepared to support the proposal here on the floor of the Senate, but the oil companies are saying, "No, it is too much," and that in a nutshell is the real issue before the U.S. Senate today. The question is how far we go with or how good are we going to be to the oil companies of this country, and when are we going to be able to satisfy their greed and their desire for just more and more and more?

Mr. WALLOP addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. WALLOP. I would just reiterate to my friend from Ohio that the House thought it had passed a $105 billion bill. The Senate knows it passed a $138 billion bill. It was clear in their minds what they had done was $105 billion over a period of 10 years. They had no idea in the world they were talking about $278 billion, and that is an assumption that has to be put into this argument before you can legitimately quote them.

Mr. METZENBAUM. The difference is when the bill was in the House oil was $18 a barrel. If it was $105 billion, it is understandable when the assumption of the Finance Committee bill is that oil is going to be $30 a barrel. That is the reason you get $137 billion out of the Finance Committee bill and $105 billion in the House bill. But under the House bill, if we accept this amendment, it will be $277 billion based upon the exact same formula the House adopted, and that is all we are urging today.

Mr. LONG. Mr. President, I believe the Senator will find, if he cares to discuss this matter with those Members of Congress whose names he has called, Mr. MOORE, for example, and Mr. JONES, the one from Louisiana and the other from Oklahoma, that they would say that they thought the House bill went to a ridiculous extreme. They offered an amendment that they thought would make the bill more reasonable. They thought that reducing the 70-percent rate down to 60 percent was about the best they could hope to achieve under the circumstances. As a result, that is the amendment they offered, and that is the amendment agreed to by the House. If the Senator would like to know whether those gentlemen favor the House bill or the Senate bill, I would be pleased for the Senate to inquire of Mr. MOORE and Mr. JONES. I think he would find that they would favor the Senate bill, and feel that the Senate Finance Committee bill is a more reasonable proposal than the House bill.

I am not here to pass on what someone said in debate. I am very friendly with GILLIS LONG. He is not as close a relative as some people think; he is about a fourth or fifth cousin, but I am proud to claim to be kin to him, because he is a good Congressman. I think if the Senator would talk with Mr. LONG, he would probably say this Senate bill is a better bill than the House bill. So if one is debating what he thinks is a bad bill, and trying to moderate it and do what he can, when he is only permitted to offer one amendment, it is an entirely different matter than when one thinks in terms of offering an amendment to a bill where he feels that it is extreme and he is doing the best he can to moderate it.

Mr. President, we have done an awful lot of talking about the trillion dollars that the companies would hope to get. Let us keep in mind that even under the Senate committee bill, the trillion dollars is an amount we are talking about before taxes. Even after 10 years, the amount the companies would have left after all their taxes would be about $313 billion, over a 10-year period.

The testimony we have had from the independent producers—and they back it up with charts, and are willing to provide whatever information the Senator would like to back it up beyond that point; it has gone unchallenged since the first day we held the hearings—is that they are putting back into the ground, and in this figure they are including what they are paying for the leases, 103 percent of their gross revenue on this particular item.

Mr. President, let me ask the sponsor of the amendment, is the Senator hopeful of bringing this amendment to a vote tonight, or are there some other Senators who would like to discuss it?

Mr. BUMPERS. Mr. President, I know there are several Senators who would like to offer amendments to this amendment in the second degree. I do not want to bring it to a vote tonight. Senator PACKWOOD, I know, has an amendment he is trying to get his assistants together on. I have no objection to any amendment to this amendment being offered for consideration.

I am not necessarily prepared to ask for a vote tonight.

Mr. LONG. I just wanted to know what the Senator's thoughts were on the matter, because it is a significant amendment. I look forward, then, to debating the amendment further tomorrow, and I will have more to say about it at that time.

Does the Senator from Wyoming care to make a further statement about it at this moment, or does the Senator from Arkansas wish to go into it further?

Mr. BUMPERS. I have a few more statistics I would like to get into the RECORD at this point.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. BUMPERS. Yes; I am delighted to yield to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I rise today as cosponsor of the amendment to the Crude Oil Windfall Profit Tax Act of 1979 offered by Mr. BUMPERS and myself, as well as Senators METZENBAUM, NELSON, BIDEN, LEAHY, EAGLETON, and RIEGLE. This is a strengthening amendment, designed to accomplish two purposes:

First, it would raise revenues to levels that approach fairness and equity in a bill that was drastically compromised even before it was introduced.

Second, it would place the Senate on record in favor of using a substantial portion of the revenues to reduce the inflationary effects that pending social security tax increases, in combination with oil decontrol and OPEC price increases, are inflicting on our economy and its people.

Before addressing the particulars of this amendment, I would like to recall some of the steps, and missteps, that have brought us here today, and to establish the context for the votes we will take on this bill.

First, it is important to remember that for decades the oil industry welcomed, developed and defended an umbrella of Government regulation and Government subsidies. A variety of requirements to restrain production at the State level, and a Federal quota system that protected the domestic industry from less expensive imports, were jealously guarded as necessary to the industry's health and welfare. During this same period, the oil industry enjoyed billions of dollars in tax subsidies through the percentage depletion allowance and the special deduction for intangible drilling and development costs.

But since 1971, the purposes of Government regulation of the industry have changed. Beginning with the general wage-price freeze imposed by President Nixon and extending through June of this year, a succession of administrations has recognized that the public interest must be balanced against the preferences of industry and that in times of high inflation and soaring energy prices, price controls are a proper mechanism for achieving that balance.

With passage of the Emergency Petroleum Allocation Act of 1973, Congress acted to extend President Nixon's mandatory price regulations in view of the Arab oil embargo. When the OPEC cartel boosted prices sharply, the impact on the U.S. economy was immediate and severe. The increase added $36 billion (1976 prices) to our national fuel bill in 1973. GNP decreased by 7 percent for the first quarter of 1974, and unemployment increased by 425,000. Both consumers and workers felt the double crunch of rising prices and unemployment. The result was a simultaneous siege of double digit inflation and the worst recession since World War II. The impact would have been greater still had not Congress acted to hold down the price of domestically produced oil and prevented it from rising to meet the price levels set by the OPEC cartel.

The EPAA extended the "two tier" pricing system that had been established under President Nixon's phase two price controls. The price of "old oil" (oil from properties producing at their 1972 levels or less) was controlled at one level ($55.25 per barrel national average) and all other oil prices were determined by the cartel-set world price. However, this system resulted in an average price for all domestic oil of over $10 per barrel by mid-1975—a level that Congress felt was much higher than necessary to maximize domestic production.

As a measure of how generous this new pricing schedule had become, William Simon, then Secretary of the Treasury, stated in 1974 that any price higher than $7.00 creates a "windfall price to producers which is more than producers would have anticipated when investments were made and more than that required to produce all that we can in fact expect to be supplied."

So once again, in the Energy Policy and Conservation Act of 1975, Congress acted to extend the system of price controls. The act provided the President with new flexibility to establish different selling prices for different categories of oil, as long as the average price for all categories remained under a prescribed ceiling. The maximum average price of all domestically produced oil was set at $7.66 per barrel, plus 10 percent a year.

Thus, Congress again recognized that, just as our overdependence on OPEC oil could not justify the extreme measure of decontrol, our desire to protect the public from oil price profiteering could not justify permanent price freezes. Reconciling those extremes required the moderating mechanism of price controls that were flexible enough to permit reasonable price increases but which insured that the public would have reasonable protections against sudden, destabilizing price shocks at the hands of OPEC.

President Carter campaigned on behalf of this position in 1976, and when he took office, pledged to uphold these balanced principles for as long as he was President.

Nothing that has occurred in the issue of energy since the President took office suggests that this position was not wise. If anything, the situation that compelled Congress to impose controls in 1973 and extend them in 1975 is even more compelling today. We are now experiencing price increases in OPEC oil that in absolute dollar terms far exceed the increases of 1973–74. Our inflation rate is over 13 percent—the highest it has been in 5 years. The economy is teetering on the brink of a new recession.

Nevertheless, the President chose, last April, to announce his plan to decontrol the price of crude oil, and on June 1, he proceeded with his plan. He was under no compulsion to act in this manner. This was a personal decision for which he must take full responsibility. Controls would not have expired until September, 1981, under the existing law. Yet, he chose the first opportunity available to him to begin decontrol. His timing could not have been worse.

President Carter severely underestimated the cost of his proposal when he announced his decision last April. He estimated that decontrol through 1981 would cost only $15 billion—now the cost is at least twice that figure. He predicted decontrol would add only seven-tenths of 1 percent to the general inflation rate—now the predictions are at least twice that figure. But the President's most egregious miscalculation was his assumption that he could pass an acceptable windfall profit tax after decontrolling crude oil.

In 1977, when the President first proposed the National Energy Act, he included a proposal for a crude oil equalization tax. This proposal would have permitted the industry to charge world prices for all oil. But the tax would have recovered 100 percent of the difference between the controlled price and the world price and returned the revenues to consumers through the tax system. This was a fair proposal that adequately balanced the advantages of letting domestic prices rise to the OPEC cartel price, against the disadvantages that OPEC-determined price levels would inflict on our economy. This proposal passed the House and I supported it in the Senate. However, the measure never survived the Finance Committee, and was lost in the scramble to pass the Natural Gas Policy Act. At that time, the President did not yet have discretionary power to grant the gift of decontrol to the oil industry without the approval of Congress.

Moreover, the President's 1979 proposals represent a dramatic shift in priorities from 2 years ago. In 1977, the President had proposed that all of the revenues from his tax on oil profits should be passed on to hard-pressed consumers. But in 1979, he has proposed that only 20 percent of the tax revenues be returned directly to consumers. As a result, low- and middle-income groups would be left to bear the brunt of skyrocketing oil prices under decontrol, virtually unaided by their Government.

This year, however, the President had that discretionary power to decontrol. Regrettably, he decided to use it. He began to decontrol the price of oil. He asked Congress for a tax only half as strong as his previous proposal. And, he proposed to return only 10 percent of the potential revenues directly to consumers.

The President made these concessions in the vain hope that his bill would be accepted by the industry as a token of friendship and good will. "Surely," the President must have thought to himself, "this bill is so kind to the industry that the oil lobbyists will be grateful and polite and stay home. Decontrol is what they wanted, and I already gave them that."

But wishful thinking never got a bill through Congress. As expected, the House began the process of further weakening the President's weak tax, and the Senate Finance Committee, repeating recent history, knocked it flat. According to the Treasury Department, the Finance Committee bill would recover only $138 billion of the $443 billion in net windfall revenues. This recovery compares to $277 billion under the House-passed bill, and $296 billion under the administration bill.

From the point of view of the average family, these are distressing developments. Because of decontrol, over a trillion dollars will be transferred from consumers to producers, and almost $700 billion of that transfer will be the direct result of increases in the selling price of existing oil made possible by decontrol. That step will cost the average family $1,000 a year for the next 10 years. That represents an enormous upfront drain on the family budget, of which only a very small portion will be restored through such provisions as low-income energy assistance or home heating tax credits.

Therefore, I believe it is important to stress that if our amendment passes, it will help alleviate the burden of decontrol, but it will by no means offset it. As a practical matter, we are urging our colleagues to support a compromise that is far preferable to the Finance Committee bill, a bill that is extremely deficient.

We are offering the House bill, minus the trust fund, as a full substitute for title I of the Senate bill. We recognize at the outset that the House bill raises less revenues than the bill that was reported by the Ways and Means Committee. But the House bill is a bipartisan measure sponsored by representatives of producing States. It was offered by its sponsors because, in the words of Representative JONES of Oklahoma, "It is the right approach. It is good public policy, it will raise revenues and it will substantially increase our base of oil supplies."

The House bill is a compromise between the interests of the general public and the oil industry in the following major respects:

It applies a normal tax rate of 60 percent to windfall revenues.

It subjects marginal oil to tier 2 treatment instead of tier 1 treatment.

It subjects "newly discovered" oil to the 60 percent rate, once the base price reaches $26.

It exempts "newly discovered" oil after 1990.

It exempts "incremental tertiary" oil after 1990.

I would not normally be offering a bill which already contains so many concessions. Nevertheless, in combination with other provisions in the House bill, they represented compromises which were necessary to attract the support of Representatives from producing States. Taken as a whole, it strikes an acceptable balance which can be called, in the words of President Carter, "reasonable."

This substitute would raise $138 billion in additional revenues beyond what would be raised by the Senate Finance Committee bill, for a total of $277 billion. The amendment would still leave the industry approximately $166 billion in windfall profits. According to a study completed in 1978 by Battelle Northwest Laboratories, entitled, "An Analysis of Federal Incentives Used to Stimulate Energy Production," the estimated value of all Government incentives to the oil and gas industry for the 70 years from 1918–77 was $117 billion in 1977 dollars. Thus, in the 10 years, our amendment would give incentives to industry worth nearly 1½ times as much as all the subsidies it has been accorded over the past 7 decades.

We do not propose amending in any way the manner in which the first half of the revenues would be distributed. Thus, $138 billion would be available for the purposes outlined in the Finance Committee bill. Our amendment does, however, specify that the balance of revenues raised—an additional $138 billion over 10 years—can be made available to provide relief to taxpayers, in a manner to be determined by Congress, from the impact of increased social security taxes scheduled to become effective in 1981. Unlike most other tax cuts, a cut in payroll taxes reduces the cost of doing business to employers. It therefore has an anti-inflationary effect, since these lower costs will be reflected in lower consumer prices. In addition a cut in the employee's share of the social security tax may help stimulate U.S. exports by reducing the price of U.S. goods abroad.

Mr. President, the amendment we are offering has three major advantages—it strengthens the windfall profits tax substantially; it fights inflation by using the increased revenues to reduce the current high burden of social security taxes; and it provides an opportunity for * * * tax relief to working men and women. At the same time, the amendment still leaves enormous new revenues for the oil industry—$166 billion over the next 10 years—enough to create a golden decade for the industry, richer than any they have had before.

Mr. BUMPERS. Mr. President, Senators saw the chart I presented a moment ago on oil wells only, but I would like to carry that a step further and quote some statistics on oil and gas. This information is dated September 13, from the CRS.

In 1959, there were 2,071 rigs operating in the United States. In 1971 there were only 976. In 1979, after 6 years of controls were involved, we were back up to 2,033 rigs.

In 1959 we drilled a total of 51,764 wells. I am not sure, but I think 1959 was the high year for all time in the number of wells drilled.

Let me repeat it: 51,764 wells drilled. In 1971, of course, because the number of rigs had dropped in half, we only drilled 27,300 wells of all kinds. But in 1979, again 6 years after controls, 26,000 wells were drilled the first 6 months of 1979. According to the Oil and Gas Journal of July 30 of this year, they say that a year-end total of 48,860 wells is predicted.

New wells drilled in 1959 contained an average of 142,131 barrels of oil. In 1971, the wells contained an average of 195,480 barrels of oil.

Bear in mind, now, that we only drilled half as many wells in 1971 as we did in 1959, and yet the average find went up over 50,000 barrels per well.

In 1978, the latest year for which figures are available, new wells contained 75,795 barrels, or less than half the amount in 1971. Part of that statistic, again, obviously, covers Alaskan oil.

Incidentally, here is another interesting statistic: Annual exploration and development outlays from 1958 to 1968 averaged $4.362 billion. In 1977, the latest year for which data are available, outlays were $16.5 billion, and I will later provide data on the total oil company revenues from 1977, to show you what percentage of their revenues they are putting into exploration.

Finally, Mr. President, just before we quit for the moment, I hope the Senate will not, during the course of this debate, lose sight of what we are trying to do. We are trying to alleviate the tax burden on the American people by taking some of the money that they are being separated from, actually unjustly, and considering whether to give it back to them in the form of a tax cut.

I do not believe anyone can really, seriously and thoughtfully argue on this floor that there ought to be a tax cut for the American people and then vote to separate them from a trillion dollars, which will go into the pockets of the oil companies between now and 1990. That is a contradiction; it does not make sense.

● Mr. JEPSEN. Mr. President, I would like to address myself to section 236(b) of the windfall profits tax bill which pertains to an exemption from distilled spirits rules for alcohol fuel facilities. This section was added as an amendment during committee consideration of the windfall profit tax. I am pleased to have been a cosponsor of the original bill, the Alcohol Regulatory Simplication Act of 1979, and the amendment, both introduced by the senior Senator from Indiana, Mr. Bayh. Simply put, the amendment would allow the Bureau of Alcohol, Tobacco and Firearms to waive certain unnecessary regulations on the licensing of alcohol fuels plants, and particularly, for onfarm stills.

As you know, Mr. President, gasohol has already proved to be a viable and efficient fuel alternative in Iowa, with some 600 gas stations throughout our State selling the product. It can be, and has been, used by consumers, farmers, and industry to expand the conventional fuel supply. Gasohol and alcohol fuels can be particularly valuable to farmers during the harvest season for use in transporting crops to the marketplace. Some farmers, in fact, have discovered ways to use alcohol fuels, produced in their own on-farm stills, in diesel engines. With additional testing, extensive use of alcohol fuels in diesel engines seems just around the corner. This would be a real boost to farmers during the planting season when fuel supplies are lowest and demand is highest.

Unfortunately, in the Midwest, the demand for gasohol and other forms of grain alcohol fuels is presently greater than the supply. One of the reasons for this is because of the complicated set of BATF licensing procedures. Up until now, individuals who have expressed an interest in producing alcohol for fuel have been discouraged from doing so after discovering the mounds of paperwork which await them. At a time when there is such a great interest in alcohol fuels production, and a tremendous need for alternative energy sources to boot, our Federal Government should be encouraging rather than discouraging these private efforts to produce fuel. While the BATF regulations may be relevant to alcohol produced for drinking purposes, the rules are a hindrance to energy producing plants and on-farm stills. Hopefully, the exemption from distilled spirits rules which is contained in this bill will cut the unnecessary redtape and allow the potential small producer the chance to enter the alcohol fuels market.●

● Mr. LAXALT. Mr. President, S. 1246, the Oil Windfall Acquisition Act of 1979, has caused considerable alarm among our allies because of its attempt to assert American jurisdiction over acquisitions by foreign subsidiaries of American companies. Several of those countries have made their concerns known to the State Department and to the Judiciary Committee.

During the committee hearings on S. 1246, Monroe Leigh, former legal adviser to the State Department testified about the bills' international problems and raised some very fundamental issues. He has now had opportunity to review the proposed committee report's handling of his testimony, and has stated, in a letter to Chairman Kennedy, that the report brushes his testimony aside with imprecise and evasive language, and states that in fact some of the language used in the report is so ambiguous that it actually creates greater concern as to the scope of the enforcement jurisdiction of S. 1246 than existed before the report was written.

As the committee nears consideration of S. 1246, I think that Mr. Leigh's letter should be carefully considered, and ask that it be printel in the Record.

The letter follows:

Steptoe & Johnson,
Washington, D.C., November 15, 1979.

Re International Implications of S. 1246.

Hon. Edward M. Kennedy,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: On October 16, 1979, I testified before the Committee on the Judiciary concerning the international implications of S. 1246. At that time, I pointed out that the legislation, if enacted, would create serious difficulties between the United States and its trading partners because of its assertion of virtually unlimited American jurisdiction over acquisitions by foreign subsidiaries of American companies. In particular, I criticized as inadequate the proposed Justice-State Department remedy to these jurisdictional problems, namely the amendment of S. 1246 to provide that it should be applied "in accordance with the principles of international law and comity." That criticism was based on the view that "international law" recognizes no basis for the scope of jurisdiction claimed in the legislation and that "comity" cannot be invoked to solve a jurisdictional dispute where there is no legitimate claim to jurisdiction to begin with.

I have recently had the opportunity to review the draft Judiciary Committee report in support of S. 1246. I am disappointed to find that the problems addressed in my testimony have not been squarely acknowledged or dealt with in the report, but instead have been brushed aside with imprecise and evasive language. Indeed, some of the language in the report is so ambiguous that it actually creates greater concern as to the scope of the enforcement jurisdiction of S. 1246 than has heretofore existed. For these reasons, I am writing this letter to supplement my testimony in light of the draft committee report. I respectfully request that this letter be included in the legislative record developed in connection with S. 1246, so that the international law problems created by this legislation are not obscured.

The draft majority report presents two solutions to the problems created by the bill's assertion of broad extraterritorial jurisdiction. First, it points to the specific exemption now incorporated in the bill for investments in new joint ventures. Unfortunately, although the report states that the bill is not meant "to interfere with the risk sharing activity regularly engaged in to explore for and produce petroleum" (p. 68), the exemption seems narrowly drawn to encompass only the initial formation of a joint venture and to exclude subsequent changes in ownership interests which traditionally occur as such ventures develop.

Second, the exemption is limited to joint ventures engaged directly in energy production and thereby misses those situations in which an overseas operating company is encouraged or required, as a condition of new or continuing opportunities to produce energy in a host country, to invest in joint ventures in such sectors of the host country's economy as agriculture, petrochemicals, or oil and gas transportation systems. I understand that the government of Canada made reference to the desirability of these forms of oil company investment in its recent diplomatic note protesting the interference in Canadian domestic affairs which it believes would result from the enactment of S. 1246.

Third, despite the extensive discussion in the draft report on the adverse consequences of American dependence on foreign oil imports from a limited number of suppliers (pp. 19–20), the exemption does not apply to joint ventures which would increase U.S. access to existing supplies, even though global energy supplies might not thereby be increased.

The draft report also accepts the Justice Department's argument that potential interference with the "requirements, preferences or prerogatives" of foreign governments by the operation of S. 1246 will be avoided by the insertion of a proviso that the legislation is to be "interpreted in accordance with the principles of international law and comity" (p. 57). As I stated in my testimony to the Committee, the United States already claims extraterritorial jurisdiction in antitrust enforcement, under the "effects" doctrine, far broader in scope than most foreign countries are prepared to accept as consonant with international law. Our trading partners view these claims of jurisdiction by the United States as serious infringements on their companies' rights to operate free of foreign interference. In this connection, I am sure that you are aware of the legislation recently introduced in the British Parliament to protect British companies from the extraterritorial enforcement of U.S. antitrust laws.

S. 1246 would go even further, by extending American jurisdiction to acquisitions with no effect on the United States. Such a claim of jurisdiction would not be "in accordance with international law" and will not be accepted as legal by other countries. Indeed, as Section 8 of the authoritative Restatement of the Foreign Relations Law of the United States recognizes, the prescription or enforcement of legal rules by a country which has no jurisdiction to prescribe or enforce such rules under accepted principles of international law is itself a violation of international law. It is therefore no surprise that, since the date of my original testimony, the governments of Canada and Norway have joined Great Britain in lodging protests with the U.S. government concerning the extraterritorial jurisdiction claimed in S. 1246.

Moreover, the doctrine of comity is irrelevant to the jurisdictional conflicts which S. 1246 would create. Comity enjoins forbearance in the exercise of legitimate jurisdiction where another country also has legitimate jurisdiction. It cannot justify an assertion of a jurisdiction which is, in itself, contrary to international law. Thus, from a legal perspective, the invocation of the principles of international law and comity in S. 1246 can do no more than create a temporary illusion that serious disputes with other nations can be avoided.

The language of the draft report itself does not encourage that hope. In explaining how comity would be applied in restraining the reach of S. 1246, the report states:

"Where, for example, the parties to the transaction are foreign, the merger or acquisition complies with foreign laws, the funds generated for it have come from outside the United States, and some important interest of the foreign state is involved, this Act would probably not be applied to that transaction. . . . In circumstances where a vital U.S. interest does appear to be involved in addition to a strong foreign interest, application of the principles of international law and comity should mitigate the problem." [Draft report at 57, emphasis added.]

The report's language implies that the parties to a transaction and the foreign government involved will have the burden of demonstrating that a "strong interest" of the foreign state is involved before the Justice Department will even consider staying enforcement in the circumstances outlined. Most foreign governments can be expected to take the position that such an acquisition would be a purely domestic matter, for which they are not required to answer to the United States government in the first instance. Nor does the draft report give any guidance as to how conflicts are to be resolved where a "vital" U.S. interest is determined to be involved as well as a "strong" foreign interest. Given the sweeping language with which the draft report justifies this legislation, one can expect the Justice Department to find a "vital" U.S. interest in every acquisition, no matter how remotely related to the U.S. economy.

Later, in its analysis of S. 1246's provisions, the report restates the effect of the "international law and comity" provision:

"It is expected that the principles of international law and comity will be applied on a case-by-case basis to acquisitions by foreign firms to determine when the application of this bill would be appropriate. Questions as to the proper application of the bill would most likely arise when both the acquiring and acquired companies are foreign and the transaction does not represent an indirect acquisition by or of a domestic firm." [Draft report at 70, emphasis added.]

In the next paragraph, however, the report goes on to imply that the international law and comity provision should, in fact, have little effect on the administration of the law:

"The prospect of these types of transactions does not, however, create a sufficient need for a statutory exclusion for acquisitions by foreign subsidiaries of U.S. oil producers. The risks of undermining the statute's goals are not insubstantial, as they are in the case of acquisitions by foreign parents and their other subsidiaries. Indeed, any acquisition by a controlled subsidiary would at least appear to be an indirect acquisition by the major producer, a U.S. firm. Foreign policy, jurisdiction, and comity issues will therefore arise less frequently and can be addressed individually to serve both international interests and the energy goals of this legislation." [Draft report at 70, emphasis added.]

The same point is made earlier, at page 56, where the report remarks that in most such acquisitions the foreign affiliate is "merely an agent" of the American company.

This turnabout is all the more disturbing when considered in light of the bill's treatment of U.S. major producers (such as Shell and Sohio) which are subsidiaries of foreign producers. Although acquisitions by foreign parents are formally excluded from the coverage of the bill, the report states that acquisitions by the foreign parent may be treated as indirect acquisitions by the major producers and hence covered by the bill (p. 69). Given the broad definition of "indirect acquisition" which then follows, it appears that the legislative history could provide a basis for the Justice Department to engage in enforcement proceedings against foreign parents of major producers, such as British Petroleum and Royal Dutch-Shell, despite the formal exclusion of those firms from the legislation.

In summary, while the draft report claims on the one hand that the jurisdictional reach of the bill has been narrowed by the exclusion of foreign parents from coverage, the exemption for new joint ventures, and the formal proviso that the legislation be interpreted in accordance with international law and comity, the report's explanation of these changes does not encourage optimism that conflicts with other nations can be avoided. The report nowhere offers a rationale for application of the prohibition to acquisitions financed by revenues generated by major producers or their subsidiaries overseas, and not as a result of decontrol of crude oil prices in the United States. It repeatedly asserts that the prohibition should be enforced as to such acquisitions, unless a foreign government can show a "strong" interest in the acquisition.

From the language in the draft report, it can be predicted that the end result of S. 1246 will be that participation by American firms in the development of new energy resources overseas will become both less feasible and, in the eyes of foreign governments and companies, less desirable. Where they deem it necessary, foreign governments may bar direct American investment or so condition it as to avoid the possible application of S. 1246. Even existing investments may be affected. Contrary to the views expressed in the draft report, S. 1246 will thus have direct and permanent adverse effects on the prospects for American access to new energy supplies.

As I mentioned above, at the time I testified before the Judiciary Committee on the international implications of S. 1246, Great Britain had already dispatched to the State Department a note protesting the excessive scope of jurisdiction claimed in S. 1246. Since that time, Canada and Norway have also sent similar notes on the same point. Those notes underline the fact that our traditional allies and trading partners are not prepared to accept what they regard as unwarranted United States interference in their domestic economic affairs. International law lends strong support to their position. Therefore, I urge that before the Judiciary Committee approves this legislation, it should squarely confront the issue of whether the claimed benefits of extending the coverage of this bill to foreign transactions are worth the inevitable economic and legal conflicts such an extension will cause.

Sincerely,

MONROE LEIGH.●

CARRYOVER BASIS

● Mr. KENNEDY. Mr. President, I regret that I was unable to be present when the Senate voted to repeal section 1023 of the Internal Revenue Code. This provision represented the single most important tax reform contained in the Tax Reform Act of 1976—the repeal of the old forgiveness of tax at death provision and the introduction of a carryover basis rule. Carryover basis very simply insures that all owners of capital assets will be taxed the same when they sell their investments, whether they inherited the investment or purchased the asset in the market.

The old rule which granted a tax exemption whereby all gain in property transferred at death was widely regarded as the most notorious loophole in the Internal Revenue Code. Through this loophole marched $20 billion of untaxed gains every year. Indeed, the gains that would go untaxed every year if carryover basis is repealed would actually exceed the $16 billion in gains which are taxed each year in market transactions.

However, I recognized that the 1976 act provisions did need to be modified to prevent undue hardship for certain groups of taxpayers. To meet the concern that carryover basis will impose an undue burden on those who own capital assets, I believe the current provision should be modified to provide exemptions from the carryover basis rules for:

Farms;

Small businesses; and

Personal residences.

In the simplest possible fashion, this modification would eliminate from the carryover basis system the deserving taxpayers who might be adversely affected by it: Family farmers, owners of small businesses, and homeowners. The pre-1976 rules will continue to apply to them.

I agree that Congress ought to alleviate the impact of carryover basis on the homeowner, the family farmer, and the small business owner. But I can think of no good reason why Congress should at the same time reinstitute a monumental tax avoidance mechanism for owners of other assets, particularly, those whose assets consist of large amounts of stock in some of the wealthiest corporations of the Nation.

The Senate has now expressed its will and I shall not ask it to spend additional time on an issue which has no place on the windfall profits tax bill.

But, as the conferees on the bill seek to reach a compromise concerning carryover basis, I hope they will give serious consideration to the approach I have suggested above. I believe that the modification I have suggested to the carryover basis rule represents a responsible middle ground that appropriately balances the interests of tax fairness and the interests of those who deserve relief from the current rule. The conferees on this legislation will have ample authority to modify the current rule, and I hope they will use the opportunity they have to settle this complex but very important dispute and to settle it fairly for all concerned.●

Mr. TOWER. Mr. President, the windfall profits tax bill is a deception of the American public. It is not an energy bill: it is a tax and regulatory bill, and nothing else. Despite major improvements made by the Finance Committee over the House-passed bill, even this version of the bill fails to provide the maximum production incentives that are essential to meet the immediate energy needs of the United States.

TAX IS COUNTERPRODUCTIVE

It is astounding that we are even considering the matter of a "windfall profit tax" as part of a rational energy policy. This ill-conceived proposal, which calls for a punitive and unprecedented tax on one of this country's most vital industries, will do absolutely nothing to solve the energy problem. Far from assuring our future energy security, this tax, if enacted, will further entrench our increasingly vulnerable position as a substantial oil-importing Nation, a captive to the erratic production schedules and arbitrary pricing decisions of foreign suppliers.

The President's politically inspired "windfall profit tax" scheme is merely the latest example of the vacillating and often counterproductive energy initiatives announced by the Carter administration over the past 3 years. It was intended to free us from our overdependence on imported oil. While at the same time capitalizing politically on the fallacy that American oil companies are somehow responsible for rapidly increasing oil prices and today's inflationary times, by taxing them to the hilt. The American public need not worry, the President comfortably assured us, because at last this is a tax that will only reduce the profits of oil producers and royalty owners; it will not be passed on as higher prices to consumers.

But it should be quite plain to even the most casual observer that just the opposite will result. A tax on so-called windfall profit, like any other added cost of business, will disrupt the orderly pricing mechanism that only a free market provides, increase the concentration of the major oil companies—which, incidentally, have for decades provided this country with an abundance of cheap energy—and increase the cost of production that ultimately must be borne by every user of energy.

TAX IS MISPLACED

The tax is entirely misplaced. It is a tax only on crude oil production in the United States. It imposes no tax whatsoever on oil imported from OPEC nations or any other foreign supplier. Taxing domestic production is an incentive for nonproduction. For every barrel of oil left in the ground in this country, another barrel of oil must be imported. Rising demand, in the face of dwindling supply, will correspondingly increase the price. Thus, higher costs to the American consumer and increased dependence on imported oil is inevitable. The President's premise of import quotas, if implemented, will only intensify this result.

OPEC, INFLATION DISTINGUISHED

Mr. President, every American is justifiably alarmed at the chronic increases in inflation, which many blame largely on spiraling oil prices, and by association, on domestic oil companies that take advantage of OPEC pricing practices. But blame should not be placed so carelessly. Though increasing oil prices are certainly reflected in increased costs of living, inflation is not merely a function of energy prices. It is a phenomenon of low productivity, which has vexed the American economy for the last two decades.

By contrast, Japan and many European nations are overwhelmingly dependent on oil imports from OPEC, but have far exceeded U.S. productivity over this period. I might add that inflation has been with us in this country far longer than we have been at the mercy of a foreign oil cartel. The blame for inflation cannot be placed wholly with erratic pricing policies of OPEC that came into existence after the seeds of inflation had already been firmly implanted in our domestic economy. Vilifying the oil companies and confiscating their profits will do nothing to resolve the problem of inflation. Oil companies cannot fairly be used as scapegoats for our failure to pursue more prudent economic policies that are designed to stimulate productivity.

TAX IS ITSELF A "CONTROL"

President Carter's decision to decontrol domestic crude oil prices took considerable political courage. For the long term, this decision was imperative. It is an indisputable economic fact that production incentives can only be restored by allowing artificial price ceilings to rise to the higher world price. This is a point so obvious that it should not even have to be debated.

But what the President gave the energy-short American public with one hand, he took away with the other, by imposing a surtax on the additional oil production that decontrol was intended to provide. This is because the windfall profits tax is itself a "control," inasmuch as it artificially stifles the incentive to produce more oil. The same result could be achieved by never lifting the price controls in the first place.

TAX IS BASED ON POLITICS, NOT ECONOMICS

There is clearly no economic justification for the windfall profit tax. In the many days of debate in the House and in the Senate Finance Committee, never was it shown how such a tax would generate one drop of additional oil in the next decade. Rather, the impetus behind the President's proposal is only political, and his method, inflammatory. The President does not discuss energy economics with candor and clarity, but prefers instead to castigate the oil-producing sector of our economy in the hope of distorting public opinion. The President's intemperate language, of course, exposes the essential weakness of his case. But he will not relent. He threatens further "punitive" action should the Senate not pass a sufficiently strong windfall profits tax to his satisfaction. While this approach might rebuild a crippled administration's political stature in some regions of the country over the immediate term, it only lowers the level of Presidential communication and does nothing to promote public confidence in the formulation of an effective energy plan.

To the administration, this bill has acquired a symbolic importance more than anything else. The demagoguery and misstatements issued by the President on oil company profitability and its failure to lay blame for energy shortages where it truly should lie, have, by sheer repetition, taken on the aura of validity to some. But many Americans are not deluded. I know the people of my State are not.

TAX IS A "WINDFALL" FOR GOVERNMENT

The main purpose of the President's windfall profit tax, apparently, is not energy independence. It is to create a perpetual "money machine" that takes advantage of higher crude oil prices as a new source of Federal revenues, both to finance still larger Federal budgets and to moderate the embarrassingly large Federal deficits the President has promised to eliminate.

This legislation will generate some $138 billion in "windfall" revenues for the Federal Government, making it by far the largest tax bill ever to be considered by Congress. Every one of the programs that the committee bill provides, and others not mentioned, could be financed in their entirety even without the adoption of this new tax.

Congress should be content with the vast "windfalls" that insure to the Federal Treasury in additional income tax revenue from the simple act of decontrol alone. These Federal income taxes and increased royalty payments will amount to almost $400 billion by 1990. This is to say nothing of the $1 trillion in tax revenues forecast over the next decade from existing tax law.

LESSONS OF PAST ENERGY REGULATION

The history of domestic oil price controls and energy taxes clearly defines the direction in which the current proposal will inevitably lead us in the years to come. The windfall profits tax scheme is symbolic of a Presidential energy policy that does not profit from the mistakes of misguided energy policies in the past—founded on the notion that Government can solve our energy crisis. But Government is unsuited to deal effectively with the energy problem. It cannot successfully legislate economic relationships. It does not understand the concept of risk. It will not competently spend money. It is notoriously inept at allocating resources.

Recent misadventures with the fuel allocation and entitlements programs suggest that the role of the Federal Government should be limited. Unfortunately, this administration sees things quite differently.

The so-called "windfall profit tax" appears to be a substitute for last year's program, the "crude oil equalization tax." That tax, of course, was wisely rejected by Congress when it was perceived as being the greatest single taxing program in history and a direct levy on consumers. The windfall profit tax would only perpetuate the Carter energy theme of imposing enormous taxes and capital costs on the American economy.

This proposal, like others before it, penalizes production to subsidize nonproduction. It is a plan under which low-cost energy will be taxed and high-cost energy will be subsidized, thus assuring that energy produced in the future will be unnecessarily expensive to every consumer.

LET THE MARKET DECIDE PRICES

The United States has vast energy reserves that could be tapped if only the price mechanism allowed it. But, because virtually all the easily accessible oil and gas in the country has already been exploited, more and more expensive sources of supply and technique will have to be used.

The best way—the only way—to achieve the goals of energy conservation and limited imports is to let the market set prices. The virtue of decontrol is to eliminate the production and exploration constraint of price ceilings by permitting the current prices to increase. But today, the only incentive is for oil to be held in the ground to escape the high taxes on production.

Continuing to hold energy prices below the price that would otherwise prevail in a free market will perpetuate shortages, induce consumption, and misallocate resources. This has been the unmistakable pattern set by past pricing and regulatory policy, and it must come to a stop at once.

TAX IS A MISNOMER

We all know by now that the so-called "windfall profit tax" has nothing to do with profits, windfall or otherwise. Rather, the tax is an extremely complicated excise, or severance tax imposed at the wellhead on crude oil which is levied without regard to profits.

PROFITS ARE NOT "EXCESSIVE"

Oil producers are not making "obscene" profits, nor are they "ripping off" consumers. To misrepresent industry earnings so inaccurately reflects a fundamental lack of knowledge about the petroleum industry or any other business enterprise.

Apparently, behind the President's demagogic attack against the allegedly "undeserved" profits of a single industry is the crusade against all profits. Profits are, after all, the most critical component of the economic machine. It is profit that pays for investment. Even proponents of the windfall profits tax must concede that this economy suffers from a lack of investment in productive assets for the future. If the revenues from decontrol are left to the producers themselves, rather than confiscated by the Federal Government through additional taxation, they will be available for the investment necessary for further exploration and development of our energy resources.

But today the nominal levels of profit are actually "phantom." The combination of inflation and accounting methods based on historical, rather than replacement costs greatly exaggerate profits in real terms. The beneficiary of overstated profits, of course, is the U.S. Government, which gladly collects even higher taxes on the illusory earnings.

ADMINISTRATIVE NIGHTMARE

Aside from the pure tax burden that this legislation will impose on oil producers, the windfall profit tax deserves closest attention for its inherent complexity and costly administrative burdens for both Government and industry. Various tax rates are imposed on a multiplicity of crude oil categories arbitrarily based-priced at numerous levels. It is almost impossible to imagine how the thousands of producers, independents, and multinationals, will contend with the administrative nightmare from the bill itself, not to mention the inevitable flurry of interpretative regulations to be issued later by the IRS.

THE MYTH OF "BIG OIL"

Possibly the greatest fraud perpetrated on the American taxpayer is the administration's claim that this is a tax that will be borne only by "Big Oil." This contention totally ignores the fact that business does not pay taxes, people do.

The Government may use the oil companies and other businesses as collection vehicles, but the American people themselves are the ultimate source of all taxes imposed by Congress.

And who owns "Big Oil"? Thousands of American shareholders, many of modest means, directly or indirectly through pension funds and other institutional investments that provide the mechanism for even the smallest savers to pool their limited resources. The idea of a few corporate "fat cats" cornering the market may be popular, but it is quite erroneous.

But taxing the oil companies—and necessarily all energy consumers—drains capital from the only industry capable of solving our energy problems. For years, the petroleum industry has invested 50–60 percent more in energy-related expenditures than it has earned. There is no question that producers will continue to invest heavily in order to find more energy, provided that the incentive of a fair return for risk-taking is maintained.

Mr. President, the windfall profits tax is a massive policy blunder. By setting a precedent for a special "windfall" tax treatment for one industry, the tax will cause repercussions in other areas of the economy as well. In a complex industrialized society the Government simply cannot legislate against one segment without negatively affecting the rest.

What we have before us is a punitive tax that cannot be defended on any grounds of rationality. It discourages the production of domestic oil; imposes billions of dollars in additional, unnecessary taxes on U.S. oil companies, their shareholders, and consumers; subsidizes the production of uneconomic energy alternatives; and creates additional governmental interference within our economy.

Worst of all, few taxes, once imposed, are ever removed. Unless carefully constrained, this legislation may be used as a taxing-and-spending machine that could very easily outlive its intended life and outperform its intended obligation. It is a creation of political expediency that will do more than anything else to perpetuate our servitude to unstable foreign oil supplies, and it should be defeated.

Congress can choose between the disaster of passing an atrocious bill that will produce not one drop of additional oil and the calamity of rejecting another symbolic "energy plan." I would hope that Senators take a hard look at the realities of energy economics and be guided by reason and logic rather than political hysteria. I submit to you that the windfall profits tax proposal simply will not withstand that sort of scrutiny.

DEPARTMENT OF TRANSPORTATION APPROPRIATIONS, 1980—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the hour of 5:20 having arrived, the Senate will proceed to consideration of the conference report on H.R. 4440, which will be stated by the clerk.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4440) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1980, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

THE PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of November 9, 1979.)

The PRESIDING OFFICER. Who yields time?

Mr. BAYH. Mr. President, I yield myself whatever time I might need.

Mr. President, the conference report now before us contains a total of $9,561,312,439 in new budget authority. This represents a reduction of $104,134,500 below the bill as passed the Senate, and is $145,296,657 above the allowance made by the House. As was explained at the time of Senate consideration, there were $713,351,000 in budget amendments requested by the administration, but not considered by the House prior to the conference—this more than accounts for the increase over their figure. This agreement, while maintaining most of the Senate amendments, is $422,007,343 below the budget estimates.

When all appropriations are considered, including advance appropriations and limitations on obligations, this conference report is below the budget submitted by the administration by $537,007,343; the House version by $279,703,343, and $252,234,500 below the bill as passed by the Senate. This is a good compromise and illustrates the restraint that the Congress can show for holding down spending when the situation calls for it, and that this can be done within the framework of the current budgetary process, while meeting the most critical transportation needs we have in this country.

For the first time this year my friend from Oregon, Mr. DUNCAN, led the House conferees. We found him to be a knowledgeable and effective negotiator, but I am happy to report that the spirit of cooperation that has been the hallmark of past conferences on this bill continues to pervade these meetings. Mr. DUNCAN and the ranking minority member, SILVIO CONTE of Massachusetts, represented the House positions very ably with the support of their excellent staff, Tom Kingfield, Larry Johnson, Jeni Leasor, and Martina Pearson.

Of course, Mr. President, I would be negligent if I did not compliment the Senate staff—Jim English, Tim Leeth, Craig Potter, Wally Berger, and Nancy Lee performed their duties with distinction. It has been my good fortune to have the opportunity to benefit from the services of Mr. Berger for some period of time. I understand that he is now being transferred to the HUD subcommittee. We will miss his able assistance.

During the period that the previous ranking member, Senator Case, and I worked together, we found the cooperation of Messrs. Berger and English was really a great combination. I am looking forward to Mr. Potter working similarly with Mr. English.

It has been a great opportunity to work with the distinguished Senator from Idaho (Mr. MCCLURE). I appreciate the spirit of cooperation, as well as the significant amount of expertise that he brought to this whole process, and I thank him. I think the Senate is in his debt.

Mr. President, the entire conference report and statement of managers appears in the CONGRESSIONAL RECORD of November 9 of this year at pages 31824 to 31828. Thus, I will not ask that it be reprinted here but will summarize the key items for my colleagues. For the Federal Highway Administration the conferees included $55,000,000 for the safer off-system roads program. This program assists local government officials maintain and enhance the safety on their local roads which are not part of the Federal-aid highway system.

Also, for those projects of highways on the Federal-aid system, the conferees agreed on a ceiling on obligations from the highway trust fund of $8,750,000,000. This is a compromise between the two Houses. As the Senate knows, for the first time in some years the various States reached the obligation ceiling set in the fiscal 1979 bill. I have been, and continue to be, very concerned about the need to protect the investment we have made in our highway system in this country, and I should point out, have been financed by the users for the past 24 years. Language is included in the conference report which states that if necessary a supplemental budget estimate will be considered should we be faced with a situation this year similar to the one that occurred during 1979.

For the highway safety programs of the National Highway Traffic Safety Administration, the conferees recommended a split between the House and Senate figures and are to be used on the highest priority projects that were in disagreement except that no funds are to be used for the public participation program. On this point, the House conferees were absolutely adamant on this program, both here and in a similar program under the Civil Aeronautics Board. We continue to feel that where rulemaking actions are proposed, all individuals and groups should have their views considered and we will continue to monitor these regulatory activities in that regard.

Mr. President, under the Federal Railroad Administration, the conferees agreed on a split of amounts contained in the Senate and House bill for local rail service assistance. This amount, $80,000,000, is $13,000,000 more than proposed in the budget. The conferees felt that this is a critical program in light of the current and potential difficulties facing the Milwaukee and Rock Island railroads and others. These funds are provided, by formula, to the States to subsidize operations on a 50 percent local-50 percent Federal, or 20 percent local and 80 percent Federal basis for capital improvements projects.

For the Northeast corridor improvement program, the House receded to the Senate position reducing this appropriation by $100,000,000. There is a carryover balance of this amount following the recent release of $100,000,000 in previously appropriated funds being held as indemnification of the prime architectural and engineering contractor. In last year's appropriation, and we have restated it this year, we have applied the provisions of Public Law 85–804 to this program, thus freeing the $100,000,000 for actual program work on the corridor. The conferees do not intend to delay the NECIP any further and this action will allow work to go foward on the full fiscal 1980 work program as outlined in the budget estimate. The conferees also directed that since additional authorizations are required to complete this project, these funds be limited to design projects whose completion depends on those added authorizations.

The conference agreement for grants to the National Railroad Passenger Corporation, Amtrak, totals $873,400,000. Of this amount, $630,400,000 is for operations; $20,000,000 is for service pursuant to section 403(b) trains; $211,000,000 is for capital and labor protection payments. The conferees included report language which will allow Amtrak to contract for the purchase of 200 new low-level passenger cars as the Senate had wished. It is expected that the total price of these vehicles will be $228,000,000 over the next few years and that this commitment will result in a better price per car than if they were purchased on an annual contract basis. We do not intend that Amtrak have such authority to enter into procurements prior to appropriations in any other instance than the one addressed in the conference report.

The House conferees receded to the Senate provision of $6,500,000 for the Alaska Railroad. This sum includes $1,500,000 for operations related to passenger service.

The conferees set the amount for the redeemable preference share program at $100,000,000 and stipulated that $50,000,000 of that amount shall be used to assist railroads with projects to assist in the hauling of coal, as provided in section 803 of Public Law 95–620. When added to the $103,000,000 in carryover funds for this program, the amount provided should be adequate to fund the potential fiscal 1980 need for this program. However, if it is not, the conferees will consider a supplemental budget estimate. The conferees also set the limit on obligations of loan guarantees pursuant to section 511 through 513 of the 4–R Act at $600,000,000. Most recent DOT estimates of the fiscal 1980 requirements are $500,000,000.

Under the Urban Mass Transportation Administration, the conferees took two significant actions that were contained in the Senate version of the bill. First of all, the conferees directed the establishment of two panels to review the procurement policy and specifications related to transit rail cars and buses. These panels will have representatives of the transit supply industry, cities and others with sufficient expertise to assist in this assessment. The conferees intend that the advisory committee for buses shall consider ways to insure cost-effectiveness, reliability, maintainability, and operability of lifts and other attachments to improve access by the elderly and handicapped. Also of concern is standardization where possible.

The second action relates to a provision in the Senate bill which the House conferees agreed to which states that grants for acquisition of rolling stock, including buses, shall be made on consideration of performance, standardization, life-cycle costs in addition to initial capital cost.

For section 3, urban discretionary grants, the conference agreement includes $1,380,000,000. This is $101,200,000 more than the budget request and is a response to the increased importance attached to public transportation as a result of the price and availability of petroleum products. The House conferees receded to the Senate in appropriating $615,000,000 for the section 5 urban formula grants. This represents an increase of $15,000,000 over the budget estimate for the tier II cities.

The Senate receded on the appropriation of $10,000,000 for the waterborne transportation demonstration project. This will continue throughout fiscal 1980 this project which was begun in fiscal year 1979.

Mr. President, a new office within the DOT this year is the Office of Inspector General. The Conferees have provided resources totaling $19,153,000 to establish this office.

In title II the conferees recommended $76,699,000 for the salaries and expenses of the Interstate Commerce Commission. No funds are included for a separate Office of Rail Public Counsel. Instead the conferees included $600,000 above the House allowance and intend that not less than this amount be used to fully develop the record, including supplementing the record where deemed necessary to protect the public interest. The conferees reiterated language contained in the Senate report stating that the ICC should not implement any action by rulemaking or effect adoption of a rule on a general policy which would significantly change past regulatory policy under 49 U.S.C. 10706(b) and 49 U.S.C. 10922.

For directed rail service, the conferees have agreed on $76,000,000 and a limitation on obligations of $80,000,000. The Senate has stated and the conferees agree that directed service is the most expensive alternative to continue essential services and should only be used as a last resort for a temporary period until a more permanent solution can be found.

Finally, the conferees have agreed to a limitation of $650,000,000 for the aircraft loan guarantee program with $150,000,000 available to commuter airlines. This program was reauthorized by the Airline Deregulation Act of 1978 to assist carriers which are acquiring new routes under the provisions of this act to acquire aircraft to better serve these communities.

Mr. President, that concludes my summary of the conference agreement, but before I yield the floor I want to note the diligent work of the Senator from Idaho in his first year as ranking minority member of the Transportation Subcommittee.

I understand that the Senator from Texas, Senator BENTSEN, would like to direct the Senate's attention to an important project in his home State.

Mr. BENTSEN. Thank you very much. As chairman of the Subcommittee on Transportation Appropriations, I know that my friend from Indiana is aware of many projects with great local support and import. I would like to bring to the Senate's attention one such worthy endeavor. I have met with officials from Center, Tex., who have solicited my help in obtaining Federal funding to build a new runway, and needed accessories, for the Center Municipal Airport. This runway is needed in the growing community of Center, because there has been an increase in small jet traffic and general traffic that cannot be accommodated by the current facilities. I know that the legislative hour is late, the conference report is now before the Senate, and legislative language is out of the question at this time. It is my understanding, though, that the sort of project proposed by the city officials in Center is very much in line with the purpose and intent of the legislation now before the Senate. I understand that this proposal would be a very strong candidate for Federal support.

Mr. BAYH. The Senator from Texas is absolutely correct, and I appreciate his bringing this matter to my attention. I agree that the proposed Center Airport runway is very much in line with the intent of this legislation. I hope and indeed I believe it would be a strong candidate for funding, since it is the kind of project we have in mind.

Mr. BENTSEN. I thank the distinguished Senator from Indiana, for his words of interest and support.

The PRESIDING OFFICER. The Chair recognizes the Senator from Idaho (Mr. MCCLURE).

Mr. McCLURE. Mr. President, I first want to compliment Senator BAYH and his staff for their outstanding work on this bill. As the ranking minority member of the Transportation Subcommittee it has been a great pleasure for me and my staff to work with the chairman and his associates on this bill, and I am pleased to voice my strong support for the report of the conference on H.R. 4440. In addition, I think it would be appropriate to acknowledge the thoughtful contribution given to the many matters encompassed in this bill by the chairman and ranking minority member of the House subcommittee, Mr. ROBERT DUNCAN and Mr. SILVIO O. CONTE and their staff.

The conference agreement that we bring to the floor today reflects a stalwart effort to stay within our budget allowance. In connection with that goal, I think it significant to note that the agreement now being considered totals $9.56 billion in new budget authority which is $104.1 million below the Senate bill and $422 million below the President's budget estimates for fiscal year 1980. In addition, it is worthwhile noting that both of these figures reflect some $713.35 million worth of budget estimates not considered by the House, which draws into perspective the fact that this conference agreement is $145.3 million over the House bill. It is always commendable to come to the floor with a conference agreement that is below the total amount approved before conference, and I am proud to have been a part of the effort to reduce spending in this bill.

Naturally, we have had our differences with the House. On the whole, however, I think the Senate fared very well and that we have a bill which we can be very proud of. We have tried to be responsive to the needs and requests of all Members, and as usual, the subcommittee chairman, the distinguished senior Senator from Indiana, Mr. BIRCH BAYH, deserves the highest praise for his efforts on behalf of all those who have shown an interest in this bill.

Our increases have been chosen carefully and our reductions judiciously. We are only $203.1 million over total budget authority for 1979, which is just slightly more than a 2.1-percent increase, and that, I would suggest to my colleagues is very commendable.

As the chairman has pointed out, the entire conference report along with the statement of the managers has previously been printed in the CONGRESSIONAL RECORD of November 9, 1979. In addition, the chairman has commented rather extensively on the results of the conference and I therefore think it would be superfluous for me to further highlight all facets of the conference agreement. Nevertheless, I would like to address a few areas which I feel are of particular significance:

I was very pleased to see an increase in funding for the safer off-system roads program under the Federal Highway Administration for fiscal year 1980. Although authorized at a $200 million level since the current program's inception in 1977, there has been a steady decrease in funding of safer off-system roads to a level in fiscal year 1979 of $15 million. Therefore, the increase in budget authority to the $55 million level for fiscal year 1980 is noteworthy.

One difficulty I see with this program is that the allocation formula, which is statutory in nature, is keyed to the $200 million authorization ceiling. The fact that funds actually appropriated are available on a first-come-first-serve basis can therefore sometimes cause problems in those States not sophisticated enough in their efforts to compete for funding. This is of particular importance when you realize that the basic thrust of this program is supposed to be to assist those very localities which are frequently unable to compete adequately for limited funds.

This problem may, in fact, highlight the need for Congress to modify the existing authorizing legislation. For the present, however, as the ranking member of the Transportation Subcommittee and as the representative of a rural State that must depend heavily on funding from this program, I would just take note of some of the difficulties I see here. Perhaps the Department of Transportation or Federal Highway Administration would care to make some suggestions about how Congress might more adequately address needs in this area. I can assure my colleagues who are interested in this program that I am open to any suggestions and will be taking a good look at improving this program in the months ahead.

Regarding the National Highway Traffic Safety Administration appropriation, I was pleased to see that we did not get bogged down on the airbags issue. I think the compromise that was reached was most reasonable and I certainly hope that objective scientific research can answer some of the questions that now exist about airbags. Certainly, we cannot plunge forward with this program without more information than we currently have.

It is unfortunate that other options in the passive restraint area have been foreclosed, and I am concerned that the experience with the mandatory seatbelt effort may repeat itself. Indeed, the thrust of airbag legislation appears to be in the same direction, and with that in mind it seems clear to me that all avenues, including a reevaluation of seatbelt usage ought to be explored thoroughly.

As many of you know, I am also an advocate of electric vehicles. As the gas lines grow and as our reliance on foreign oil does also, it becomes increasingly apparent to me that electric vehicles are one of the answers to the transportation needs of Americans. In that regard, I would urge NHTSA to continue the spirit of cooperation which is growing between the Department of Energy and the Department of Transportation as the electric vehicle effort actually begins to move off dead center. We are seeing some real technological gains in this area and I, for one, would be hopeful that NHTSA would take an active role in helping pursue this option.

Regarding the Federal Railroad Administration, I was pleased that we were able to increase Local Rail Service Assistance to the $80 million level. This funding will help the ailing Milwaukee and Rock Island Railroads, especially in some of those States adversely affected by the recent change in the rail service assistance allocation formula. In this regard, I think it important to note the current status of the Milwaukee Railroad. I am disturbed by the reports that emergency aid provided by Congress just 17 days ago may not last even until December of this year. That aid, which amounts to $10 million in immediate Federal grants and some $75 million in available loans is being eaten up very quickly and it appears that the actions of the authorizing committees may have merely delayed the Milwaukee crisis.

It is becoming increasingly apparent to me that the solution to this problem is not merely increased availability of Federal subsidies, especially in these times when we must look long and hard at ways to reduce Federal spending. With that in mind, I think the ultimate fate of the western lines of the Milwaukee must be carefully pondered and I urge everyone involved with the Milwaukee to consider all the various options available to provide service, now once again existing, over those 4,800 odd miles of the Milwaukee road west of Miles City, Mont., as well as the many branch lines in Iowa and South Dakota.

In that connection I would just note, as the chairman has, that this subcommittee provided increased budget authority of $76 million for directed service as well as a limit on obligations of $80 million. I would also underscore his expression of hope that the use of this money for directed service should only be a last resort.

Regarding Amtrak, I think it is safe to say that the National Railroad Passenger Corporation has found new friends this year. We have come to the floor with a conference agreement totaling $873.4 million for Amtrak, which is very close to the authorized ceiling.

I have previously indicated my intention to curtail the fiscal practice of providing capital grant allocations in such a way that they can be used to pay off indebtedness. I am hopeful that we are entering an era when all of these matters can be handled in a totally above-board and objective fashion. If that means increased authorization ceilings, then we should recognize the need. Certainly I am pleased that we have, for the first time, provided multiyear capital obligations and I applaud Senator WEICKER for his foresight and leadership in pursuing that objective.

Finally, under the Interstate Commerce Commission, I would just note that although the committee went along with the House recommendation against direct funding for the Office of Rail Public Council, we have provided an additional $600,000 for that function within the ICC and fully intend that this money be used to fully and fairly protect the public interest as directed by the committee in the conference report. We will be carefully monitoring this activity of the Interstate Commerce Commission and will expect strict compliance with congressional intent in this area.

I have not meant to be lengthy in my comments, but merely to highlight some of the more significant aspects of committee action from my standpoint. It has been a special pleasure for me to work with Senator BAYH and his staff, and on behalf of all those interested in this bill, I again extend my gratitude and appreciation to the chairman of our subcommittee for his unfailing courtesy and constant good nature. It is a great honor to work with someone who deals as fair-handedly as he does with committee affairs, and I look forward to a long and fruitful relationship with him on this subcommittee.

In conclusion, I would like to extend a special note of appreciation to Wally Berger, who has staffed the Transportation Subcommittee for the minority for 3 years. Wally has been very helpful to me and my staff as we have begun to take responsibility for this critically sensitive area of the Federal budget and his good work on behalf of all minority members is a credit to the professional staff. I am sure Senator BAYH will join with me in wishing him well as he takes up responsibility for the HUD-independent agencies bill.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, is the time controlled?

The PRESIDING OFFICER. Yes.

Mr. MELCHER. Mr. President, will the Senator yield me 2 minutes?

Mr. BAYH. Mr. President, I yield 2 minutes to the Senator.

Mr. MELCHER. Mr. President, during Senate consideration of the Department of Transportation Appropriations (H.R. 4440) I offered an amendment to preclude the consolidation of the FAA general aviation district offices in Montana. I have conceded to the removal of this amendment in conference upon assurances from Administrator Bond that the consolidation would not take place and that there would be no reduction in the quality of services in Montana. This past June, I had contacted the FAA regarding their intent for the direction finder in the Billings Flight Service Station. I was given a response to the effect that FAA had not finalized its decision. Now, I find out that the FAA is planning on removing the direction finder from the Billings Flight Service Station. This does not square with the assurances I have that no reduction in the quality of services will occur.

I am aware that the direction finder is not being optimally utilized. However, if funds were requested to relocate the direction finder in the Billings area, its operation would be substantially improved. I also understand that the Senate would have little problem with a request for funds to relocate this DF.

However, in the interim, the direction finder should not be decommissioned as the FAA proposes and by this colloquy, I am establishing the intent of Congress that no money contained in this appropriation is to be used for this purpose.

I hope that the manager of the bill can give me that assurance.

Mr. BAYH. Mr. President, I appreciate the concern of the Senator from Montana. I feel that his concern is well founded. It is the intention of the conference and the Subcommittee on Transportation to see that the goal that he is pursuing is met. Funds will not be utilized for the purposes that concern him.

Mr. MELCHER. I thank the Senator.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. BAYH. Mr. President, I yield such time as the Senator from Michigan may need, or such time as remains for disposition.

Mr. LEVIN. How much time remains, Mr. President?

The PRESIDING OFFICER. Two minutes and 20 seconds.

Mr. LEVIN. Mr. President, I rise to address the one issue of disagreement between the House and Senate conferees on the transportation appropriations bill. That issue is the level of appropriation for the Panama Canal Commission, which was higher in the Senate version of the bill than in the House version. The two primary points of disagreement between the two Houses were the questions of whether moneys shauld be appropriated for the Panama Canal emergency fund and for liquidation of past obligations of the Canal Zone government.

The emergency fund was authorized by the Panama Canal Act of 1979, H.R. 111, to be created by the Secretary of the Treasury and to be made available to the Commission in order to defray emergency expenses which were not anticipated at the time the Commission's appropriation was approved by the Congress. Settlement of the Canal Zone government's obligations by the Commission was likewise authorized in H.R. 111.

To clarify the current dispute over the emergency fund, I must return briefly to the conference deliberations on H.R. 111, the implementing bill for the Panama Canal treaties. There was a dispute between the House and Senate during consideration of that bill over whether the Panama Canal Commission, to be created in accordance with the treaty, should be set up as a Government corporation, as the Senate preferred, or an appropriated funds agency, as the House preferred.

In the context of the overall conference compromise, the Senate conferees agreed to recede to the House on this issue. But an integral part of this agreement was the creation of an emergency fund, authorized at $40 million, from which money could be used to meet disasters or unforeseen traffic increases without the necessity for supplemental appropriations. Without such a fund, the Senate conferees feared that the Commission would lack necessary flexibility to operate as the business enterprise which, in fact, it is, and should unanticipated expenses arise, the Commission might be unable to cover them and, therefore, be unable to insure the safe and efficient operation of the canal to which the United States is committed and which all users of the canal have a right to expect from us. The establishment of this emergency fund, I repeat, was integral to the Senate's decision to recede to the House on the issue of the operating form of the Commission.

With respect to liquidation of the Canal Zone government's debts, H.R. 111 authorized the Commission to pay those obligations, but also provided for the unexpended balances of the Government to be covered into the Treasury. Any payments made by the Commission would be covered by accounts receivable of the Government, so there would be no net cost to the Treasury.

The Senate transportation bill appropriated the authorized $40 million for the emergency fund, and approximately $6 million for liquidation of Canal Zone government obligations, but the House refused to do so. The dispute over whether to appropriate these funds revolves around the legal interpretation of the so-called Rudd amendment, which provides that funds appropriated to the Commission may not exceed estimated revenues. The intent of the Rudd amendment was to insure that the Commission would be self-supporting and not become a drain on the Treasury.

However, in my view, which I believe is shared by my Senate colleagues, Rudd was never intended to override the other specific authorizations in H.R. 111 for the two purposes to which I have referred. In order to clarify for the record the position taken by the distinguished chairman of the Armed Services Committee (Mr STENNIS) and myself, I ask unanimous consent that a letter sent by us to Senator BAYH, chairman of the Senate Transportation Subcommittee, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., November 7, 1979.
Hon. BIRCH BAYH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BAYH: We understand that your counterpart on the House Appropriations Subcommittee on Transportation has been informed that it is unlawful for Congress to appropriate money for the Panama Canal Emergency Fund or for the liquidation of past obligations of the Canal Zone Government. We write to strongly express our opposition to this view.

The so-called Rudd amendment (Section 1302(c) (2) of the Panama Canal Act of 1979) is cited as the reason that Congress may not appropriate funds for the Emergency Fund or the carryover obligations. This argument misconceives the nature and scope of the Rudd amendment. That provision controls only the Panama Canal Commission Fund, into which all revenues are deposited and from which appropriations for operations are made. Its purpose was to ensure that in its normal operations the Commission would not require taxpayer support but would be entirely supported by its own revenues.

The Rudd amendment is a general provision and does not override the more specific provision in the Panama Canal Act on the Emergency Fund and carryover obligations. These are separate provisions, each carrying their own explicit authorization for appropriations, and they are not limited by the Rudd amendment.

Regarding the appropriation which covers carryover obligations of the Canal Zone Government, funds from toll and service revenues have already been paid into the general fund of the Treasury to cover these obligations. Section 1301 of the Panama Canal Act deals with the special one-time problem created by the liquidation of the Canal Zone Government permitting the Commission to pay those obligations and authorizing appropriations for that purpose. The taxpayer would not lose a single dollar through this appropriation, which is intended solely to wrap up the affairs of the Canal Zone Government. To make the Commission pay these obligations out of its own operating accounts would be to ask shippers and consumers to pay for these costs twice.

Equally anomalous is the argument that the Emergency Fund is limited by the Rudd amendment. Section 1602 of the Act allows the Commission to set toll levels only to recover the estimated costs of operations. By definition, the Emergency Fund is for unanticipated extra expenses for which there are no other appropriations but that are needed to keep the Canal running. The plain words of the Emergency Fund provision and its legislative history establish that it was intended to stand outside the estimates of revenues and expenses for the coming year, and thus outside the scope of the Rudd amendment. The Emergency Fund would be repaid from tolls collected in future years.

It should also be noted that if the Emergency Fund were in violation of Section 1602, included in the toll base and recovered through revenues, and then were not used up during the year, a payment to Panama of up to $10 million would be generated under Section XIII 4(c) of the Panama Canal Treaty. That was certainly not Congress' intent.

The view of some House members nullifies the purpose of the Emergency Fund in its entirety, and thus reverses one of the key decisions made by the conferees. The Senate conferees reluctantly accepted the appropriated funds agency form for the Panama Canal Commission only with the insurance provided by the Emergency Fund. It is a crucial item in the financial viability of the canal enterprise. Governor Parfitt testified before both Houses that the feasibility of the appropriated funds agency approach was critically dependent on the existence of an Emergency Fund, in place and already appropriated, from which money could be used to meet disasters or unforeseen traffic increases without the necessity for a supplemental appropriation request. And as your bill makes clear the Emergency Fund, when used, is replenished by the Commission either through higher revenues in the year of use or a toll increase in the next year. It is thus consistent with the Rudd amendment, even though its operation is separate and apart from it. The taxpayer loses nothing.

We reiterate our strong concern that these two elements of the Senate Panama Canal Commission appropriation be preserved in conference. They are wholly consistent with the Panama Canal Act, and are needed to ensure a smoothly functioning Commission during this crucial first year of operation.

Sincerely,

JOHN C. STENNIS,
Chairman.

Mr. LEVIN. I should note also, Mr. President, that several of the House conferees on H.R. 111 share my view of the intent of the Rudd amendment. I would ask unanimous consent that a letter from Chairman ZABLOCKI of the House Foreign Affairs Committee to Chairman DUNCAN of the House Appropriations Transportation Subcommittee on this subject be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, D.C., November 8, 1979.
Hon. ROBERT DUNCAN,
Chairman, Subcommittee on Transportation,
Committee on Appropriations,
Washington, D.C.

DEAR MR. CHAIRMAN: I am writing with regard to two issues pending in the Department of Transportation Appropriation Conference on H.R. 4440, relating to the Panama Canal Act of 1979.

There appears to be some misunderstanding regarding the applicability of Sec. 1302 (the Rudd amendment) to Secs. 1301 and 1303 of the Panama Canal Act of 1979. Sec. 1303 authorizes the appropriation of funds from payment of obligations incurred by the Canal Zone Government before October 1, 1979. Sec. 1303 authorizes the appropriation of $40 million for the Panama Canal Emergency Fund.

At issue is whether the Rudd amendment applies to Secs. 1301 and 1303. The law itself is unclear on this matter. In my opinion as a conferee on H.R. 111, it was not the intent of the Conference Committee to apply the Rudd amendment to either of these two sections. Neither of these sections would result in the expenditure of taxpayer funds. Under Sec. 1301, funds are to be covered into the Treasury for that purpose. Sec. 1303 clearly authorizes the appropriation of the Emergency Fund to insure the continuous smooth operation of the Canal.

After House passage of H.R. 111, a technical correction was unanimously agreed to which restored the $40 million Emergency Fund which was inadvertently deleted when the Rudd amendment was adopted. Such a corrective action indicates not only the intention of the House to include the Emergency Fund, but its separability from the appropriated funds toward which the Rudd amendment was directed.

If the Rudd amendment is interpreted to apply to these provisions, it would necessitate an additional tolls increase on the heels of the 29.3% increase effective October 1, 1979. Further, the application of the Rudd amendment would trigger an artificial surplus in Commission revenues which, under Article XIII 4(c) of the Treaty, is payable to the Government of Panama.

Mr. LEVIN. Mr. President, I strongly believe that the creation of an emergency fund was a fundamental part of the conference compromise on the Panama Canal Act of 1979, that appropriations for such a fund have been authorized, and that no legal barriers exist to those appropriations being made in this bill. At the same time, however, I understand the difficult situation in which the appropriations committees find themselves at this juncture. As Representative DUNCAN, chairman of the House Transportation Subcommittee, stated at the conference, the authorizing committees do not yet see eye to eye on this, and their disagreement makes it difficult for the appropriations committees to take action. In view of that situation, and with great reluctance, I accede to the view that the issue should be left to the authorizing committees to resolve, and that when they have reached an agreement the appropriations committees will take the issue up again. I have every confidence that, once an agreement is forthcoming, the appropriations committees will act as expeditiously as possible to provide funds to implement it and to terminate the difficult operating circumstances in which the Panama Canal Commission finds itself because of this confusion.

Mr. President, I do want to make clear, and I hope that the chairman of the subcommittee, the distinguished Senator from Indiana, will agree with me on this, that receding to the House position and removing these funds from the bill should not in any way be construed as acceptance of the House position, or as prejudging the underlying issue. Rather, this action represents our desire to remove this obstacle to passage of the transportation bill, which should not be held hostage to this dispute, and to leave the Panama issue to be resolved by the authorizing committees. With that understanding, I have no objection to the Senate taking such action as is necessary to expedite passage of this important appropriations bill.

Mr. BAYH. Mr. President, I owe a particular debt of gratitude and wish to express by deep appreciation to the distinguished Senator from Michigan, who carried some very hot coals on this critical issue, which this body had to deal with in the appropriations process which had, really, previously been decided in the treatymaking process.

I feel the position he espoused was right on target. We argued until we were almost literally blue in the face and had to accept the language that is presently before the conference. I should like the record to show that, as far as the Senator from Indiana is concerned, this is a decision which should be resolved.

The Senate position, I think, is right, as espoused very articulately by the Senator from Michigan, but there is a differing opinion between Mr. MURPHY and some of his colleagues in the House. That is a matter to be resolved in the authorization process and, I hope, there will be a little more cooperation with the Senator from Michigan in the future and that matter will be resolved promptly.

Mr. LEVIN. I thank my friend from Indiana, both for his kind words about me and for the efforts he made in the conference on this matter. He strove mightily and did not succeed, but we have a good chance on the authorization level.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Senator BELLMON on the conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR BELLMON

I oppose adoption of this Conference Agreement. While it is true that spending under this agreement would be $0.1 billion lower in budget authority and $71 million lower in outlays than the Senate-passed version of the bill, the Conference Report would still result in outlays $0.2 billion higher than assumed in the Second Budget Resolution which passed the Senate last Friday.

This is nearly the last chance the Senate will have to contain spending within the levels assumed in the Second Budget Resolution unless we are to cut Defense, rescind appropriations already enacted, or limit ourselves to a Spring Supplemental Appropriations Bill smaller than it is estimated will be needed to provide for programs for which funding is mandatory.

There are thirteen appropriations bills. We have taken final action on eight. The Continuing Resolution provides full-year funding for the Departments of Labor, and Health, Education and Welfare; and for the Legislative Branch of government. We will be asked to agree—probably today or tomorrow—to the Military Construction Appropriations Conference Report. If we agree now to this Conference Report, that leaves the Defense bill as the only appropriations bill on which the Senate will not have taken final action to authorize appropriations for the entire Fiscal Year.

Understanding that, Mr. President, we must also face the fact that the total of the appropriations already enacted, plus expected later requirements, exceed the binding ceilings in the Second Budget Resolution (to which, I repeat, the Senate agreed last Friday) by about $1.5 billion in budget authority and $1.9 billion in outlays. Under the circumstances, I can hardly support this Conference Agreement. Sooner or later, we must decide where we are going to cut spending, or we are going to bust the Budget. I do not intend to vote to bust the Budget, so I cannot support spending above the levels assumed in the Budget, unless I know from where offsetting savings are going to come.

I think the time has come to face the hard decisions as to where we are going to cut spending. Sending this bill back to Conference would be a good start in that direction. It is $0.2 billion above the Budget assumptions in outlays, and outlays are what create the Federal deficit. I urge rejection of the Conference Agreement.

Mr. BAYH. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAYH. I am prepared to yield back my time, Mr. President, and I do so.

Mr. McCLURE. Mr. President, I know of no requests for time on this side.

I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the conference report. On this question, the yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Florida (Mr. CHILES), the Senator from Iowa (Mr. CULVER), the Senator from Alaska (Mr. GRAVEL), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Hawaii (Mr MATSUNAGA), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of death in the family.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from New Mexico (Mr. DOMENICI), the Senator from Oregon (Mr. HATFIELD), the Senator from Iowa (Mr. JEPSEN), and the Senator from Illinois (Mr. PERCY) are necessarily absent.

The PRESIDING OFFICER (Mr. PRYOR). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 67, nays 20, as follows:

[Rollcall Vote No. 420 Leg.]

YEAS—67

Baucus
Bayh
Bentsen
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Church
Cochran
Cranston
Danforth
DeConcini
Dole
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Goldwater
Hart
Hayakawa
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kassebaum
Leahy
Levin
Long
Lugar
Magnuson
Mathias
McClure
McGovern
Melcher
Metzenbaum
Moynihan
Nelson
Packwood
Pell
Pryor
Randolph
Riegle
Sarbanes
Sasser
Schmitt
Schweiker
Stafford
Stevens
Stevenson
Stone
Talmadge
Tower
Tsongas
Warner
Weicker
Williams
Young
Zorinsky

NAYS—20

Armstrong
Biden
Byrd,
  Harry F., Jr.
Cohen
Garn
Hatch
Heflin
Helms
Humphrey
Laxalt
Morgan
Muskie
Nunn
Pressler
Proxmire
Roth
Simpson
Stewart
Thurmond
Wallop

NOT VOTING—13

Baker
Bellmon
Chiles
Culver
Domenici
Gravel
Hatfield
Jepsen
Kennedy
Matsunaga
Percy
Ribicoff
Stennis

So the conference report (H.R. 4440) was agreed to.

The PRESIDING OFFICER. The clerk will now report the amendments in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 1 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment, and insert: ": *Provided further*, That none of the funds appropriated in this or any other Act shall be available for pay or administrative expenses in connection with shipping commissioners in the United States".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 51 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment and insert: ": *Provided further*, That none of the funds provided under this Act shall be available for the execution of programs the obligations for which can reasonably be expected to be in excess of $80,000,000 for directed rail service under 49 U.S.C. 11125".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 53 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

"Operating Expenses

"For operating expenses necessary for the Panama Canal Commission, including hire of passenger motor vehicles and aircraft; uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901–5902); official reception and representation expense; operation of guide services; residence for the Administrator, contingencies of the Administrator, and to employ services as authorized by law (5 U.S.C. 3109); maintaining and altering facilities of other United States Government agencies in the Republic of Panama and facilities of the Government of the Republic of Panama for Panama Canal Commission use; and for payment of liabilities of the Panama Canal Company and Canal Zone Government that were pending on Septemebr 30, 1979, or that may accrue thereafter, including accounts payable for capital projects, $427,262,000. There may be credited to this appropriation funds received from the Panama Canal Commission's capital outlay account for expenses incurred for supplies and services provided for capital projects and funds received from officers and employees of the Commission and/or commercial insurors of Commission employees for payment to other United States Government agencies for expenditures made for services provided to Commission employees and their dependents by such other agencies."

Capital Outlay

For acquisition, construction, and replacement of improvements, facilities, structures, and equipment required by the Panama Canal Commission, including the purchase of not to exceed forty-eight passenger motor vehicles of which twenty-eight are for replacement only; to employ services authorized by law (5 U.S.C. 3109) for payment of liabilities of the Panama Canal Company and Canal Zone Government that were pending on September 30, 1979, or that may accrue thereafter; to improve facilities of other United States Government agencies in the Republic of Panama and facilities of the Government of the Republic of Panama for Panama Canal Commission use, $36,625,000, to remain available until expended.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 61 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: ", of which $30,000,000 shall be added to the discretionary fund available for distribution pursuant to 49 U.S.C. 1715(a)(3)(B) and (a)(4)(C)".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 64 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: ": *Provided further*, For not more than 90 percentum of the necessary expenses of the functional replacement of publicly-owned facilities located within the proposed right-of-way of Interstate Route I70 in Baltimore, Maryland, '$2.000,000' out of the Highway Trust Fund, to remain available until expended: *Provided*, That the Secretary of Transportation is authorized and directed to proceed with the obligation of the necessary funds for such publicly-owned facilities without regard to the provisions of the National Environmental Policy Act of 1969, as amended: *Provided further*, That actual construction of a highway on the right-of-way with respect to which said funds are expended shall be commenced within a period not exceeding ten years following the date of enactment of this Act or said funds shall be repaid to the Highway Trust Fund with interest.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 66 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: "*Provided*, That the funds in this Act shall be available for the guarantee of loans for the refinancing of aircraft purchased after January 20, 1979, if an application for an aircraft purchase loan guarantee covering such aircraft was filed prior to that date but after October 24, 1978, and if such application meets the requirements of section 42(d) of the Airline Deregulation Act of 1978.".

Mr. BAYH. Mr. President, I ask unanimous consent that the Senate concur in the amendments of the House to the amendments of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, I move to reconsider the vote by which the request was agreed to.

Mr. HARRY F. BYRD, JR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MILITARY CONSTRUCTION APPROPRIATIONS 1980—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of the conference report on H.R. 4391.

Mr. ROBERT C. BYRD. Mr. President, I submit a report of the committee of conference on H.R. 4391 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4391) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1980, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of November 15, 1979.)

Mr. ROBERT C. BYRD. Mr. President, I inquire as to whether or not any Senator intends to ask for a rollcall vote on the adoption of this conference report or in connection with the conference report in any way.

Mr. STEVENS. We have had no such request on this side.

Mr. ROBERT C. BYRD. Mr. President, on that basis, there will be no more rollcall votes today.

Mr. HUDDLESTON. Mr. President, the conference report on the military construction appropriation bill for fiscal 1980 contains a total of $3,770,152,000 in new budget authority.

This is $101,909,000 less than the fiscal 1980 budget request, despite the addition of $57,000,000 requested by the Department of Defense, but unbudgeted, for test facilities for the new MX missile.

It is $288,161,000 more than the bill passed by the House, but $118,991,000 less than the Senate version of the bill.

Mr. President, the entire conference report and statement of the managers appears in the RECORD of November 15, 1979, on page 32785. Consequently, I will not ask that it be reprinted here, but will summarize the principal items.

The conference agreement includes the entire amount of $65.8 million requested for construction of facilities for the space transportation system, or Space Shuttle, at Vandenberg Air Force Base, Calif. In my opinion, this is one of the most important items we considered. The potential of the Space Shuttle in terms of missions and cost efficiency is great. The proposed DOD missions are, in my opinion, essential to our national security. Consequently, I believe we must bring this system to operational status at both the east and west coast launch sites as soon as possible. I am, of course, aware that there have been difficulties in this program, some of which were to be expected because of the new technology involved, others of which probably should not have occurred. As a result, the committee will continue to monitor the program closely, but expect it to move forward expeditiously.

The agreement also includes $8.9 million to secure facilities at the Johnson Space Center, Tex., so that certain DOD missions can be protected.

The MX test facilities, also to be constructed at Vandenberg, are funded at the $57 million level. Although there was no official budget request for these facilities, the Department of Defense proposed the addition and testified in support. By including the funds in the fiscal 1980 bill, the Department indicates that it can award contracts early next year and complete the facilities in time for the first scheduled test launch in 1983. Delaying this appropriation could have resulted in either forcing a production decision on the missile before flight testing or in delaying the projected IOC.

Another $1 million is included for planning assistance to States and localities in potential basing areas.

The conference version of the bill also includes the Senate language prohibiting the use of funds provided in the bill to fashion the MX in such a way as to commit the United States to only one basing mode. This language was offered to the Senate bill by the distinguished Senator from Alaska (Mr. STEVENS) who is a member of the subcommittee.

The conferees agreed to fund several projects associated with the deployment of new weapons systems. Training facilities for the XM-1 tank will be constructed both in Europe and at Ft. Knox, Ky.

For the artillery enhancement program, designed to increase firepower available in Europe, the conferees agreed to split the difference between the House and Senate bills. This means that barracks to support increased personnel will be constructed at three locations, while the Department is directed to seek other needed funding from our allies.

The conferees agreed to fund the polaris missile facilities request for Charleston, S.C., but required a report on storage needs prior to construction of the inert storage building and the small ordnance magazines. They also agreed to fund certain personnel support facilities at Kings Bay, Ga. Both of these are related to our strategic submarine activities in the Atlantic.

On the very difficult question of dependents abroad and the facilities needed to support them, the conferees generally agreed to a split between the House and Senate figures. Schools for dependents are to be funded to eliminate dormitory situations (children living apart from their families in order to attend school), to eliminate the need to bus children through a pass often closed by snow and to remove children from a former mortuary.

The Senate figure of $120 million for the Guard and Reserve—$20 million more than the amount included in the House bill—prevailed in conference. The conferees directed that with the additional funding first priority be given to unfunded projects from previous years and then to other projects mentioned in the House and Senate reports.

The conferees also agreed to a split of the difference between the House and Senate figures for planning and design. While there was concern over the amount of design breakage and loss, it was recognized that adequate funds must be provided so that the Department can bring projects to the 35-percent design stage for submission to Congress.

Within the restored funds, the Navy is to assure design of at least five specified projects for conversion from oil to coal.

The Senate conferees very reluctantly agreed to the establishment of a currency fluctuation account to deal with the shortfall resulting from losses in the value of the dollar abroad. This fund was not authorized by the Armed Services Committees. It applies to a program which is authorized by project on an annual basis and which, as a result, should be subject to adjustment for currency revaluation problems in a timely manner. It would, in my opinion, eliminate a great deal of incentive for the Services to make accurate projections and manage within them. Furthermore, Deputy Secretary of Defense Graham Claytor indicated in a November 14 letter to the conferees that the Senate proposal to continue to use the normal authorization/appropriations process was "administratively preferable" to the Department to the House position that a new fund should be created.

The conferees have included in the statement of the managers the following:

> The conferees have taken this action without prejudice, and request the Armed Services Committees examine the issue.

I certainly hope they will do so.

Mr. LAXALT. Mr. President, the distinguished chairman of our subcommittee, Mr. HUDDLESTON, has provided us with the detail on the agreements reached by the conferees on the Military Construction Appropriations bill for fiscal 1980.

The Senate conferees were able to hold the Senate position on most items. Our conference agreement is $3,770,152,000 in new budget authority. As compared, we are $118.9 million less than the amount reported by the Senate; $101.9 million less than the budget request; and $288.1 million over the House figure.

The Senate position on several major issues was concurred in by the House Among these are $74.7 million for Space Shuttle facilities; $57 million for MX test facilities; and $20 million in additional funds for the Guard and Reserve. The amendment added on the Senate floor concerning the restrictions on funding for the basing mode for the MX was accepted by the conferees.

I believe the Senate position was strongly supported by our conferees. I want to express my thanks to the distinguished chairman of the subcommittee, Mr. HUDDLESTON, on his spirit of cooperation during the conference. It has been a pleasure for me to work with him this year, and I look forward to the next session.

Mr. President, I urge the Senate to accept this conference agreement as reported.

Mr MAGNUSON. Mr. President, will the Senator yield?

Mr. LAXALT. I yield.

Mr. MAGNUSON. Mr. President, I compliment both Senators on getting this conference report ready for reporting.

We just finished the Transportation report, and that will take care of all appropriations bills with the exception of the Defense appropriation, foreign aid, and HEW, which was taken care of in the continuing resolution.

I point out how well the subcommittees of the Appropriations Committee have done their job. We are going to be approximately—I will get the exact figure; I will not know it until the Defense appropriation is through—$9 billion under the President's budget.

And we are also within the figure generally of our own Budget Committee, and this bill is well within that figure. I think all subcommittees should be complimented.

I am only hopeful that the Foreign Aid Subcommittee can complete its work and get it down to the White House. It is in conference. They have had several meetings but they cannot seem to come to an agreement. And then we come to the last one, the Defense appropriations bill.

I just wanted to make those general remarks.

Mr. HUDDLESTON. I thank the Senator.

Mr. YOUNG. Mr. President, if the Senator will yield, it will only take about 4 or 5 legislative days and we will be all through with Defense appropriations bill and that, also, will be under the President's budget by a considerable amount.

I commend the distinguished Senator from Kentucky (Mr. HUDDLESTON) and the distinguished Senator from Nevada (Mr. LAXALT) for a job well done in this appropriations bill.

Mr. HART. Mr. President, will the Senator from Kentucky yield?

Mr. HUDDLESTON. Yes, I am glad to yield.

Mr. HART. Mr. President, with my compliments to my colleague from Kentucky and my colleague from Nevada and with due respect to both of them, I, in spite of the fact we will not have a rollcall vote, must register my opposition to the bill on one simple point. That has to do with a feature in the House bill which the House of Representatives brought to conference and insisted on creating a $100 million so-called slush fund which is to accommodate, in the House's view, currency fluctuations in Europe and other parts of the world having to do with our construction program abroad.

In my judgment, as a chairman of the Armed Services Subcommittee on military construction, this is a very dangerous precedent for authorization purposes and turns over a kind of carte blanche to the Defense Department to use $100 million in ways that are not directly responsible and are not directly under the oversight of our authorizing committees.

I know the Senator from Kentucky opposed this vigorously and still does oppose it but necessarily had to accommodate to the House's view in the conference to get a conference report out, and I respect that.

But I did want him and my colleagues to know that I think this is a very dangerous precedent. I believe our committees should look at this very, very carefully in the next authorization round and do everything we can to resist this becoming a precedent for future years.

Mr. HUDDLESTON. I thank the distinguished Senator from Colorado, who is chairman of the Military Construction and Stockpiles Subcommittee of the Armed Services Committee.

The Senator from Colorado is entirely correct in that the conferees on the Senate side, including myself, had great reservations about creation of this particular fund, although it is similar to one in the Defense appropriations bill. While we recognized that some method had to be devised to accommodate the currency fluctuations which have undermined estimates in the past few years for our military construction projects in Europe and other parts of the world, we hoped to use the normal authorization and appropriations process to deal with this matter at this time.

We argued long and hard, we felt, against the fund on the basis that the authorizing committee should have the opportunity to study, and make recommendations to deal with this problem.

We were not able to prevail and, in order to make sure that we hade a conference report to present in a timely manner, we finally receded on this particular issue with the clear understanding, as the language of the report indicates, that the authorizing committee should consider the matter and make recommendations next year. That is the way the matter stands as far as this particular bill is concerned.

Mr. HART. The Senator will agree that this is a difficult if not dangerous precedent and urges that every effort be made in future years to prevent it from recurring.

Mr. HUDDLESTON. We think that the potential for misuse is substantial. When funds can be used to increase the cost or finance additional payments for the cost of construction without having gone through the normal appropriations and authorization process, there is less incentive to try to make accurate projections and manage within them. I believe now, with the attention that has been focused on this and the determination of the Senator from Colorado, we will have next year a more satisfactory solution to this problem.

Mr. HART. I thank the Senator.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. HUDDLESTON. I yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, as the ranking minority member on the Military Construction Subcommittee of the Armed Services Committee of the Senate, I wish to be associated with the remarks of the distinguished Senator from Colorado.

I think the able Senator from Kentucky has explained the matter. I do feel it is a dangerous precedent, though. But under the circumstances I shall not oppose the report. I hope that in the future we will adhere to the usual custom of not appropriating unless there is an authorization.

I wish to thank the able Senator.

Mr. HUDDLESTON. Mr. President, I wish to express my appreciation to the distinguished Senator from Nevada (Mr. LAXALT), the ranking minority member of the Military Construction Subcommittee of the Appropriations Committee, for his tireless efforts in developing this legislation, and to the staff of the subcommittee, headed by Carolyn Fuller, and including Richard Pierce and Dorothy Douglas.

In closing, I would note that the appropriations contained in this bill reflect a very strong feeling by the members of the subcommittee that we must do everything that we possibly can do to increase the effectiveness of our military forces both here in this country and around the world. We have tried to accommodate the needs of those forces relative to the missions of the various services to the fullest extent possible under the fiscal restraint that we are operating under.

I think the bill before us reflects a proper balance between that fiscal restraint and the need for a strong and effective Military Establishment for the United States.

Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

The PRESIDING OFFICER. The amendments in disagreement will be stated.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 2 to the aforesaid bill, and concur therein with an amendment as follows: "of which $500,000 may be paid for use after 1960 by the Government of the United States of land on Roi-Namur Island, Marshall Islands District of the Trust Territories of the Pacific Islands, as authorized by the Military Construction Authorization Act, 1980".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 4 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$567,000,000".

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the Senate concur in the amendments of the House to the amendments of the Senate numbered 2 and 4.

The PRESIDING OFFICER. Without objection, it is so ordered.

CRUDE OIL PROFIT TAX ACT OF 1979

The Senate continued with the consideration of H.R. 3919.

Mr. ROBERT C. BYRD. Mr. President, what is the pending business before the Senate?

The PRESIDING OFFICER. The pending business before the Senate at this time is H.R. 3919.

Mr. ROBERT C. BYRD. And the pending question is what?

The PRESIDING OFFICER. The pending question is the amendment offered by the Senator from Arkansas (Mr. BUMPERS).

Mr. ROBERT C. BYRD. I thank the Chair.

ADDITIONAL CONFEREE ON H.R. 5395

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. HUDDLESTON be added as a conferee—and I make this request on behalf of Mr. STENNIS—on H.R. 5359, the defense appropriations bill for fiscal year 1980.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERNATIONAL AIR TRANSPORTATION COMPETITION ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. CANNON I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1300.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1300) entitled "An Act to amend the Federal Aviation Act of 1958 in order to promote competition in international air transportation, provide greater opportunities for United States air carriers, establish goals for developing United States international aviation negotiating policy, and for other purposes", do pass with the following amendment:

Strike out all after the enacting clause, and insert: That this Act may be cited as the "International Air Transportation Competition Act of 1979".

SEC. 2. Section 102(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1302(a)) is amended to read as follows:

"DECLARATION OF POLICY: THE BOARD

"FACTORS FOR INTERSTATE, OVERSEAS, AND FOREIGN AIR TRANSPORTATION

"SEC. 102. (a) In the exercise and performance of its powers and duties under this Act, the Board shall consider the following, among other things, as being in the public interest, and in accordance with the public convenience and necessity:

"(1) The assignment and maintenance of safety as the highest priority in air commerce, and prior to the authorization of new air transportation services, full evaluation of the recommendations of the Secretary of Transportation on the safety implications of such new services and full evaluation of any report or recommendation submitted under section 107 of this Act.

"(2) The prevention of any deterioration in established safety procedures, recognizing the clear intent, encouragement, and dedication of the Congress to the furtherance of the highest degree of safety in air transportation and air commerce, and the maintenance of the safety vigilance that has evolved within air transportation and air commerce and has come to be expected by the traveling and shipping public.

"(3) The availability of a variety of adequate, economic, efficient, and low-price services by air carriers and foreign air carriers without unjust discriminations, undue preferences or advantages, or unfair or deceptive practices, the need to improve relations among, and coordinate transportation by, air carriers, and the need to encourage fair wages and equitable working conditions for air carriers.

"(4) The placement of maximum reliance on competitive market forces and on actual and potential competition (A) to provide the needed air transportation system, and (B) to encourage efficient and well-managed carriers to earn adequate profits and to attract capital, taking account, nevertheless, of material differences, if any, which may exist between interstate and overseas air transportation, on the one hand, and foreign air transportation, on the other.

"(5) The development and maintenance of a sound regulatory environment which is responsive to the needs of the public and in which decisions are reached promptly in order to facilitate adaption of the air transportation system to the present and future needs of the domestic and foreign commerce of the United States, the Postal Service, and the national defense.

"(6) The encouragement of air service at major urban areas in the United States through secondary or satellite airports, where consistent with regional airport plans of regional and local authorities, and when such encouragement is endorsed by appropriate State entities encouraging such service by air carriers whose sole responsibility in any specific market is to provide service exclusively at the secondary or satellite airport, and fostering an environment which reasonably enables such carriers to establish themselves and to develop their secondary or satellite airport services.

"(7) The prevention of unfair, deceptive, predatory, or anticompetitive practices in air transportation, and the avoidance of—

"(A) unreasonable industry concentration, excessive market domination, and monopoly

"(B) other conditions;

power; and

that would tend to allow one or more air carriers or foreign air carriers unreasonably to increase prices, reduce services, or exclude competition in air transportation.

"(8) The maintenance of a comprehensive and convenient system of continuous scheduled interstate and overseas airline service for small communities and for isolated areas in the United States, with direct Federal assistance where appropriate.

"(9) The encouragement, development, and maintenance of an air transportation system relying on actual and potential competition to provide efficiency, innovation, and low prices, and to determine the variety, quality, and price of air transportation services.

"(10) The encouragement of entry into air transportation markets by new air carriers, the encouragement of entry into additional air transportation markets by existing air carriers, and the continued strengthening of small air carriers so as to assure a more effective, competitive airline industry.

"(11) The promotion, encouragement, and development of civil aeronautics and a viable, privately owned United States air transport industry.

"(12) The strengthening of the competitive position of United States air carriers, including the attainment of opportunities for United States air carriers to maintain and increase their market share, in foreign air transportation.".

SEC. 3. (a) Section 102(c) of the Federal Aviation Act of 1958 (49 U.S.C. 1302(c)) is repealed.

(b) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the side heading

"SEC. 102. Declaration of policy: The Board." is amended by striking out

"(a) Factors for interstate and overseas air transportation.

"(b) Factors for all-cargo service.

"(c) Factors for foreign air transportation." and inserting in lieu thereof

"(a) Factors for interstate, overseas, and foreign air transportation.

"(b) Factors for all-cargo service.".

SEC. 4. Sections 401(d)(1) through 401 (d)(3) of the Federal Aviation Act of 1958 (49 U.S.C. 1371 (d)(1) through (d)(3)) are amended to read as follows:

"ISSUANCE OF CERTIFICATE

"(d)(1) The Board shall issue a certificate authorizing the whole or any part of the transportation covered by the application, if it finds that the applicant is fit, willing, and able to perform such transportation properly and to conform to the provisions of this Act and the rules, regulations, and requirements of the Board hereunder, and that such transportation is consistent with the public convenience and necessity; otherwise such application shall be denied.

"(2) In the case of an application for a certificate to engage in temporary air transportation, the Board may issue a certificate authorizing the whole or any part thereof for such limited periods as is consistent with the public convenience and necessity, if it finds that the applicant is fit, willing, and able properly to perform such transportation and to conform to the provisions of this Act and the rules, regulations, and requirements of the Board hereunder.

"(3) In the case of an application for a certificate to engage in charter air transportation, the Board may issue a certificate to any applicant, not holding a certificate under paragraph (1) or (2) of this subsection on January 1, 1977, authorizing interstate air transportation of persons, which authorizes the whole or any part thereof for such periods, as is consistent with the public convenience and necessity, if it finds that the applicant is fit, willing, and able properly to perform the transportation covered by the application and to conform to the provisions of this Act and the rules, regulations, and requirements of the Board hereunder.".

SEC. 5. The first sentence of section 401 (e)(2) of the Federal Aviation Act of 1958 (49 U.S.C. 1371(e)(2)) is amended by striking out the words ", insofar as the operation is to take place without the United States,".

SEC. 6. Section 401(g) of the Federal Aviation Act of 1958 (49 U.S.C. 13371(g)) is amended to read as follows:

"AUTHORITY TO MODIFY, SUSPEND, OR REVOKE

"(g)(1) The Board upon petition or complaint or upon its own initiative, after notice and hearings, or pursuant to the simplified procedures under subsection (p) of this section, may alter, amend, modify, or suspend any such certificate, in whole or in part, if the public convenience and necessity so require, or may revoke any such certificate, in whole or in part, for intentional failure to comply with any provision of this title or any order, rule, or regulation issued hereunder or any term, condition, or limitation of such certificate. No such certificate shall be revoked unless the holder thereof fails to comply, within a reasonable time to be fixed by the Board, with an order of the Board commanding obedience to the provision, or to the order (other than an order issued in accordance with the sentence), rule, regulation, term, condition, or limitation found by the Board to have been violated. No certificate to engage in foreign air transportation may be altered, amended, modified, suspended, or revoked pursuant to the simplified procedures of subsection (p) of this section if the holder of such certificate requests an oral evidentiary hearing or the Board finds that, under all the facts and circumstances, an oral evidentiary hearing is required in the public interest.

"(2) Any interested person may file with the Board a protest or memorandum in support of or in opposition to the alteration, amendment, modification, suspension, or revocation of a certificate pursuant to paragraph (1) of this subsection.

"(3) Notwithstanding the provisions of paragraph (1) of this subsection, the Board may suspend or revoke authority of an air carrier to serve any point in foreign air transportation authorized in a certificate issued under this section, upon notice and with a reasonable opportunity for the affected carrier to present its views, but without hearing, if the carrier has notified the Board in accordance with subsection (j) of this section or any regulation of the Board that it proposes to suspend all service provided by that carrier to such point, or, except at a point which is provided seasonal service comparable to that provided during the previous year, if the carrier has failed to provide any service to the point for 90 days preceding the date of the Board's notice to the carrier of its proposed action.".

SEC. 7. Section 402(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1372(b)) is amended to read as follows:

"ISSUANCE OF PERMIT

"(b) The Board is empowered to issue such a permit if it finds (1) that the applicant is fit, willing, and able properly to perform such foreign air transportation and to conform to the provisions of this Act and the rules, regulations, and requirements of the Board hereunder and (2) either that the applicant is qualified, and has been designated by its government, to perform such foreign air transportation under the terms of an agreement with the United States, or that such transportation will be in the public interest.".

SEC. 8. The third sentence of section 402(d) of the Federal Aviation Act of 1958 (49 U.S.C. 1372(d)) is amended by striking out "Such application shall be set for public hearing and the" and inserting in lieu thereof "The".

SEC. 9. Section 402(f) of the Federal Aviation Act of 1958 (49 U.S.C. 1372(f)) is amended by inserting "(1)" immediately after "(f)" and by adding at the end thereof the following new paragraph:

"(2) Whenever the Board finds that the government, aeronautical authorities, or foreign air carriers of any foreign country have, over the objections of the Government of the United States, impaired, limited, or denied the operating rights of United States air carriers, or engaged in unfair, discriminatory, or restrictive practices with a substantial adverse competitive impact upon United States carriers, with respect to air transportation services to, from, through, or over the territory of such country, the Board may, without hearing but subject to the approval of the President of the United States, summarily suspend the permits of the foreign air carriers of such country, or alter, modify, amend, condition, or limit operations under such permits, if it finds such action to be in the public interest. The Board may also, without hearing but subject to Presidential approval, to the extent necessary to make the operation of this paragraph effective, restrict operations between such foreign country and the United States by any foreign air carrier of a third country.".

SEC. 10. Section 407(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1377(a)) is amended by inserting the phrase "or foreign air carrier" immediately after the words "air carrier" each time those words appear therein.

SEC. 11. Section 412 of the Federal Aviation Act of 1958 (49 U.S.C. 1382) is amended by—

(1) striking subsections (a) and (b) thereof;

(2) redesignating subsections (c), (d), and (e) as subsections (a), (b), and (c), respectively;

(3) striking the words ", affecting interstate or overseas air transportation and" in subsection (a)(1), as so redesignated by this section;

(4) inserting the words ", including international comity or foreign policy considerations," immediately after "public benefits"

in paragraph (a) (2) (A) (i), as so redesignated by this section;

(5) inserting the words "affecting interstate or overseas air transportation," immediately after the word "agreement," in paragraph (a) (2) (A) (iii), as so redesignated by this section;

(6) inserting the words "or foreign air carrier" immediately after the words "air carrier" the first two times those words appear in subsection (a) (1), as so redesignated by this section; and

(7) striking out "or (c)", inserting ", the Secretary of State," after "shall provide to the Attorney General", and striking out "such Secretary" and inserting in lieu thereof "either Secretary", in subsection (b), as redesignated by this section.

SEC. 12. (a) The center heading for section 412(a) of the Federal Aviation Act of 1958, as redesignated by section 11 of this Act, is amended by striking out

"AFFECTING INTERSTATE OR OVERSEAS AIR TRANSPORTATION".

(b) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the side heading

"Sec. 412. Pooling and other agreements."

is amended to read as follows:

"(a) Filing and approval of agreements.
"(b) Proceedings upon filing.
"(c) Mutual aid agreement.".

SEC. 13. Section 1002(j) (1) of the Federal Aviation Act of 1958 (49 U.S.C. 1482(j) (1)) is amended to read as follows:

"SUSPENSION AND REJECTION OF RATES IN FOREIGN AIR TRANSPORTATION

"(j) (1) Whenever any air carrier or foreign air carrier shall file with the Board a tariff stating a new individual or joint (between air carriers, between foreign air carriers, or between an air carrier or carriers and a foreign air carrier or carriers) rate, fare, or charge for foreign air transportation or any classification, rule, regulation, or practice affecting such rate, fare, or charge, or the value of the service thereunder, the Board is empowered, upon complaint or upon its own initiative, at once, and, if it so orders, without answer or other formal pleading by the air carrier or foreign air carrier, but upon reasonable notice, to enter upon a hearing concerning the lawfulness of such rate, fare, or charge, or such classification, rule, regulation, or practice; and pending such hearing and the decision thereon, or in the case of a tariff filed by a foreign air carrier if such action is in the public interest, the Board, by filing with such tariff, and delivering to the air carrier or foreign air carrier affected thereby, a statement in writing of its reasons for such suspension, may suspend the operation of such tariff and defer the use of such rate, fare, or charge, or such classification, rule, regulation, or practice, for a period or periods not exceeding 365 days in the aggregate beyond the time when such tariff would otherwise go into effect. If, after hearing, the Board shall be of the opinion that such rate, fare, or charge, or such classification, rule, regulation, or practice, is or will be unjust or unreasonable, or unjustly discriminatory, or unduly preferential, or unduly prejudicial, or in the case of a tariff filed by a foreign air carrier if the Board concludes with or without hearing that such action is in the public interest, the Board may take action to reject or cancel such tariff and prevent the use of such rate, fare, or charge, or such classification, rule, regulation, or practice. The Board may at any time rescind the suspension of such tariff and permit the use of such rate, fare, or charge, or such classification, rule, regulation, or practice. If the proceeding has not been concluded and an order made within the period of suspension or suspensions, or if the Board shall otherwise so direct, the proposed rate, fare, charge, classification, rule, regulation, or practice shall go into effect subject, however, to being canceled when the proceeding is concluded. During the period of any suspension or suspensions, or following rejection or cancellation of a tariff, including tariffs which have gone into effect provisionally, the affected air carrier or foreign air carrier shall maintain in effect and use the rate, fare, or charge, or the classification, rule, regulation, or practice affecting such rate, fare, or charge, or the value of service thereunder which was in effect immediately prior to the filing of the new tariff or such other rate, fare or charge as may be provided for under an applicable intergovernmental agreement or understanding. If the suspension, rejection, or cancellation is of an initial tariff, the affected air carrier or foreign air carrier may file for purposes of operations pending effectiveness of a new tariff, a tariff embodying any rate, fare, or charge, or any classification, rule, regulation, or practice affecting such rate, fare, or charge, or the value of service thereunder, that may be currently in effect (and not subject to a suspension order) for any air carrier engaged in the same foreign air transportation.".

SEC. 14. Section 1002(j) (2) of the Federal Aviation Act of 1958 (49 U.S.C. 1482(j) (2)) is amended to read as follows:

"(2) With respect to any existing tariff of an air carrier or foreign air carrier stating rates, fares, or charges for foreign air transportation, or any classification, rule, regulation, or practice affecting such rate, fare, or charge, or the value of the service thereunder, the Board is empowered, upon complaint or upon its own initiative, at once and, if it so orders, without answer or other formal pleading by the air carrier or foreign air carrier, but upon reasonable notice, to enter into a hearing concerning the lawfulness of such rate, fare, or charge, or such classification, rule, regulation, or practice; and pending such hearing and the decision thereon, or in the case of a tariff filed by a foreign air carrier if such action is in the public interest, the Board upon reasonable notice, and by filing with such tariff, and delivering to the air carrier or foreign air carrier affected thereby, a statement in writing of its reasons for such suspension, and the effective date thereof, may suspend the operation of such tariff and defer the use of such rate, fare, or charge, or such classification, rule, regulation, or practice, following the effective date of such suspension, for a period or periods not exceeding 365 days in the aggregate from the effective date of such suspension. If, after hearing, the Board shall be of the opinion that such rate, fare, or charge, or such classification, rule, regulation, or practice, is or will be unjust or unreasonable, or unjustly discriminatory, or unduly preferential, or unduly prejudicial, or in the case of a tariff filed by a foreign air carrier if the Board concludes with or without hearing that such action is in the public interest, the Board may take action to cancel such tariff and prevent the use of such rate, fare, or charge, or such classification, rule, regulation, or practice. If the proceeding has not been concluded within the period of suspension or suspensions, the tariff shall again go into effect subject, however, to being canceled when the proceeding is concluded. For the purposes of operation during the period of such suspension, or the period following cancellation of an existing tariff pending effectiveness of a new tariff, the air carrier or foreign air carrier may file a tariff embodying any rate, fare, or charge, or any classification, rule, regulation, or practice affecting such rate, fare, or charge, or the value of service thereunder, that may be currently in effect (and not subject to a suspension order) for any air carrier engaged in the same foreign air transportation.".

SEC. 15. Section 1002(j) (5) of the Federal Aviation Act of 1958 (49 U.S.C. 1482(j) (5)) is amended by (1) striking the word "and" at the end of subparagraph (E) thereof, (2) striking the period at the end of subparagraph (F) and inserting in lieu thereof "; and", and (3) by adding at the end thereof the following new subparagraph:

"(G) reasonably estimated or foreseeable future costs and revenues for such air carrier or foreign air carrier for a reasonably limited future period during which the rate at issue would be in effect.".

SEC. 16. Section 1102 of the Federal Aviation Act of 1958 (49 U.S.C. 1502) is amended by inserting "(a)" immediately after "SEC. 1102." and by adding at the end thereof the following new subsections:

"GOALS FOR INTERNATIONAL AVIATION POLICY

"(b) In formulating United States international air transportation policy, the Congress intends that the Secretary of State, the Secretary of Transportation, and the Civil Aeronautics Board shall develop a negotiating policy which emphasizes the greatest degree of competition that is compatible with a well-functioning international air transportation system. This includes, among other things:

"(1) the strengthening of the competitive position of United States air carriers, including the attainment of opportunities for United States air carriers to maintain and increase their market share, in foreign air transportation;

"(2) freedom of air carriers and foreign air carriers to offer fares and rates which correspond with consumer demand;

"(3) the fewest possible restrictions on charter air transportation;

"(4) the maximum degree of multiple and permissive international authority for United States air carriers so that they will be able to respond quickly to shifts in market demand;

"(5) the elimination of operational and marketing restrictions to the greatest extent possible;

"(6) the integration of domestic and international air transportation;

"(7) an increase in the number of nonstop United States gateway cities;

"(8) opportunities for carriers of foreign countries to increase their access to United States points if exchanged for benefits of similar magnitude for United States carriers or the traveling public with permanent linkage between rights granted and rights given away;

"(9) the elimination of discrimination and unfair competitive practices faced by United States airlines in foreign air transportation, including excessive landing and user fees, unreasonable ground handling requirements, undue restrictions on operations, prohibitions against change of gage, and similar restrictive practices; and

"(10) the promotion, encouragement and development of civil aeronautics and a viable, privately owned United States air transport industry.

"CONSULTATION WITH AFFECTED GROUPS

"(c) To assist in developing and implementing such an international aviation negotiating policy, the Secretaries of State and Transportation and the Civil Aeronautics Board shall consult, to the maximum extent practicable, with the Secretary of Commerce, the Secretary of Defense, airport operators, scheduled air carriers, charter air carriers, airline labor, consumer interest groups, travel agents and tour organizers, and other groups, institutions, and government agencies affected by international aviation policy concerning both broad policy goals and individual negotiations.

"OBSERVER STATUS FOR CONGRESSIONAL REPRESENTATIVES

"(d) The President shall grant to at least one representative of each House of Congress the privilege to attend international aviation negotiations as an observer if such privilege is requested in advance in writing.".

SEC. 17. (a) The center heading for section 1102 of the Federal Aviation Act of 1958 is amended to read as follows:

"INTERNATIONAL AGREEMENTS

"ACTIONS OF THE BOARD AND SECRETARY OF TRANSPORTATION".

(b) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the center heading

"TITLE XI—MISCELLANEOUS"

is amended by striking out

"Sec. 1102. International agreements."

and inserting in lieu thereof

"Sec. 1102. International agreements.

"(a) Actions of the Board and Secretary of Transportation.

"(b) Goals for international aviation policy.

"(c) Consultation with affected groups.

"(d) Observer status for Congressional representatives.".

SEC. 18. Section 1104 of the Federal Aviation Act of 1958 (49 U.S.C. 1504) is amended by striking the words "international negotiations and" and inserting in lieu thereof "international negotiations or".

SEC. 19. The third sentence of section 1108 (b) of the Federal Aviation Act of 1958 (49 U.S.C. 1508(b)) is amended by inserting immediately before the period at the end thereof the following: ", unless specifically authorized under regulations prescribed by the Secretary authorizing United States air carriers to engage in otherwise authorized common carriage and carriage of mail with foreign registered aircraft under lease or charter to them without crew".

SEC. 20. Section 1117 of the Federal Aviation Act of 1958 (49 U.S.C. 1517) is amended to read as follows:

"TRANSPORTATION OF GOVERNMENT-FINANCED PASSENGER AND PROPERTY

"TRANSPORTATION BETWEEN THE UNITED STATES AND A PLACE OUTSIDE THEREOF

"SEC. 1117. (a) Whenever any executive department or other agency or instrumentality of the United States shall procure, contract for, or otherwise obtain for its own account or in furtherance of the purposes or pursuant to the terms of any contract, agreement, or other special arrangement made or entered into under which payment is made by the United States or payment is made from funds appropriated, owned, controlled, granted, or conditionally granted or utilized by or otherwise established for the account of the United States, or shall furnish to or for the account of any foreign nation, or any international agency, or other organization, of whatever nationality, without provisions for reimbursement, any transportation of persons (and their personal effects) or property by air between a place in the United States and a place outside thereof, the appropriate agency or agencies shall take such steps as may be necessary to assure that such transportation is provided by air carriers holding certificates under section 401 of this Act to the extent authorized by such certificates or by regulations or exemption of the Civil Aeronautics Board and to the extent service by such carriers is available.

"TRANSPORTATION BETWEEN TWO PLACES OUTSIDE THE UNITED STATES

"(b) Whenever persons (and their personal effects) or property described in subsection (a) of this section are transported by air between two places both of which are outside the United States, the appropriate agency or agencies shall take such steps as may be necessary to assure that such transportation is provided by air carriers holding certificates under section 401 of this Act to the extent authorized by such certificates or by regulations or exemption of the Civil Aeronautics Board and to the extent service by such carriers is reasonably available.

"DISALLOWANCE OF IMPROPER EXPENDITURE BY COMPTROLLER GENERAL

"(c) The Comptroller General of the United States shall disallow any expenditure from appropriated funds for payment for personnel or cargo transportation in violation of this section in the absence of satisfactory proof of the necessity therefor. Nothing in this section shall prevent the application to such traffic of the antidiscrimination provisions of this Act.".

SEC. 21. That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the center heading

"TITLE XI—MISCELLANEOUS"

is amended by striking out

"Sec. 1117. Transportation of Government-financed passengers and property."

and inserting in lieu thereof

"Sec. 1117. Transportation of Government-financed passengers and property.

"(a) Transportation between the United States and a place outside thereof.

"(b) Transportation between two places outside the United States.

"(c) Disallowance of improper expenditure by Comptroller General."

SEC. 22. Section 2 of the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. 1159b) is amended by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and adding a new subsection (b) as follows:

"(b)(1) Whenever the Civil Aeronautics Board, upon complaint or upon its own initiative, determines that a foreign government or instrumentality, including a foreign air carrier (1) engages in unjustifiable or unreasonable discriminatory, predatory, or anticompetitive practices against a United States air carrier or (2) imposes unjustifiable or unreasonable restrictions on access of a United States air carrier to foreign markets, the Board may take such action as it deems to be in the public interest to eliminate such practices or restrictions. Such actions may include, but are not limited to, the denial, transfer, alteration, modification, amendment, cancellation, suspension, limitation, or revocation of any foreign air carrier permit or tariff pursuant to the powers of the Board under the Federal Aviation Act of 1958.

"(2) Any United States air carrier or any agency of the Government of the United States may file a complaint under this section with the Civil Aeronautics Board. The Board shall approve, deny, dismiss, set such complaint for hearing or investigation, or institute other proceedings proposing remedial within 60 days after receipt of the complaint. The Board may extend the period for taking such action for an additional period or periods of up to 30 days each if the Board concludes that it is likely that the complaint can be satisfactorily resolved through negotiations with the foreign government or instrumentality during such additional period, but in no event may the aggregate period for taking action under this subsection exceed 180 days from receipt of the complaint. In considering any complaint, or in any proceedings under its own initiative, under this subsection the Board shall (A) solicit the views of the Department of State and the Department of Transportation and (B) provide any affected air carrier or foreign air carrier with reasonable notice and such opportunity to file written evidence and argument as is consistent with acting on the complaint within the time limits set forth in this subsection.

"(3) Any action proposed by the Board pursuant to this section shall be transmitted to the President pursuant to section 801 of the Federal Aviation Act of 1958 (49 U.S.C. 1461).".

SEC. 23. (a) Section 1002(j) of the Federal Aviation Act of 1958 (49 U.S.C. 1482(j)) is amended by adding at the end thereof the following new paragraphs:

"(6) The Board shall not have authority to find any fare for foreign air transportation of persons to be unjust or unreasonable on the basis that such fare is too low or too high if—

"(A) with respect to any proposed increase filed with the Board on or after the date of enactment of this paragraph, such proposed fare would not be more than 5 percent higher than the standard foreign fare level for the same or essentially similar class of service. No such fare shall be suspended, unless the Board determines that it may be unduly preferential, unduly prejudicial, or unjustly discriminatory or that suspension is in the public interest because of unreasonable regulatory actions by a foreign government with respect to fare proposals of an air carrier; or

"(B) with respect to any proposed decrease filed after the establishment of standard foreign fare levels, the fare would not be more than 50 percent lower than the standard foreign fare level for the same or essentially similar class of service, except that this provision shall not apply to any proposed decrease in any fare if the Board determines that such proposed fare may be predatory or discriminatory or that suspension of any such fare is required because of unreasonable regulatory actions by a foreign government with respect to fare proposals by an air carrier.

"(7) For purposes of paragraph (6) of this subsection, 'standard foreign fare level' means that fare level (as adjusted only in accordance with paragraph (8) of this section) in effect on October 1, 1979 (with seasonal fares adjusted by the percentage difference that prevailed between seasons in 1978), for each pair of points, for each class of fare existing on that date, and in effect on the effective date of the establishment of each additional class of fare established after October 1, 1979.

"(8) The Board shall, not less often than semiannually, adjust each standard fare level established pursuant to paragraph (7) of this subsection for the particular foreign air transportation to which such standard foreign fare level applies by increasing or decreasing such standard foreign fare level, as the case may be, by the percentage change from the last previous period in the actual operating cost per available seat-mile. In determining the standard foreign fare level, the Board shall make no adjustment to costs actually incurred. In establishing standard foreign fare levels pursuant to paragraph (7) of this subsection and making the adjustments called for in this paragraph, the Board may use all relevant or appropriate information reasonably available to it.

"(9) The Board may by rule increase the percentage specified in subparagraph 6(B) of this submission.".

(b) Section 403(c)(1) of the Federal Aviation Act of 1958 (49 U.S.C. 1373(c)(1)) is amended by (1) inserting the words "or foreign air carrier" after the words "air carrier" each time those words appear therein and (2) inserting the words "or foreign air carrier's" after the words "air carrier's".

(c) Section 403(c)(2) of the Federal Aviation Act of 1958 (49 U.S.C. 1373(c)(2)) is amended to read as follows:

"(2) If the effect of any proposed tariff change would be to institute a fare that is outside of the applicable range of fares specified in subparagraphs (A) and (B) of section 1002(d)(4) or subparagraphs (A) and (B) of section 1002(j)(6) of this Act, or specified by the Board under section 1002 (d)(7) or section 1002(j)(9) of this Act, or would be to institute a fare to which such range of fares does not apply, then such proposed change shall not be implemented except after 60 days' notice filed in accordance with regulations prescribed by the Board.".

Sec. 24. Section 1002(c) of the Federal Aviation Act of 1958 (49 U.S.C. 1482(c)) is amended by inserting the words ", subject to section 1102(a) of this Act," immediately before the words "issue an appropriate order".

Sec. 25. (a) Paragraph (1) of section 401 (n) of the Federal Aviation Act of 1958 (49 U.S.C. 1371(n)(1)) is amended to read as follows:

"(1) Notwithstanding any other provision of this title, no air carrier providing air transportation under a certificate issued under this section shall commingle, on the same flight, passengers being transported in interstate, overseas, or foreign charter air transportation with passengers being transported in scheduled interstate, overseas, or foreign air transportation, except that this subsection shall not apply to the carriage of passengers in air transportation under group fare tariffs.".

(b) Paragraph (1) of section 401(n) of the Federal Aviation Act of 1958 (49 U.S.C. 1371 (n)(1)) and the authority of the Civil Aeronautics Board with respect to such paragraph shall cease to be in effect on December 31, 1981.

Sec. 26. Section 414 of the Federal Aviation Act of 1958 (49 U.S.C. 1384) is amended by adding at the end thereof the following new sentence: "Notwithstanding the preceding sentence, on the basis of the findings required by subsection (a)(2)(A)(i) of section 412, the Board shall, as part of any order under such section which approves any contract, agreement, or request or any modification or cancellation thereof, exempt any person affected by such order from the operations of the 'anti-trust laws' set forth in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12) to the extent necessary to enable such person to proceed with the transaction specifically approved by the Board in such order and with those transactions necessarily contemplated by such order.".

Sec. 27. Section 801 of the Federal Aviation Act of 1958 (49 U.S.C. 1461) is amended by adding at the end thereof the following new subsection:

"(c) Any order of the Board pursuant to section 412 of this Act relating to foreign air transportation shall be submitted to the Secretary of State before publication thereof. If the Secretary of State certifies to the Board, within two days after receiving such order, that such order has important foreign policy consequences, the Board shall submit the order to the President for review before publication thereof. The President may disapprove any such order when he finds that disapproval is required for reasons of the national defense or the foreign policy of the United States not later than ten days following submission by the Board of any such order to the President. Any such Board action so disapproved shall be null and void. Any such Board action not disapproved within the foregoing time limits shall take effect as action of the Board, not the President, and as such shall be subject to judicial review as provided in section 1006 of this Act.".

Sec. 28. Section 45 of the Airline Deregulation Act of 1978 (49 U.S.C. 1341 note) is amended by inserting "(a)" after "Sec. 45." and by adding at the end thereof the following new subsections:

"(b) Nothing in this section shall prohibit the Secretary of Transportation or the Administrator of the Federal Aviation Administration from collecting a fee, charge, or price for any test, authorization, certificate, permit, or rating, administered or issued outside the United States, relating to any airman or repair station.

"(c) For purposes of this section, the term 'United States' shall have the meaning given such term in section 101 of the Federal Aviation Act of 1958 (49 U.S.C. 1301.)".

Sec. 29. Notwithstanding any automatic market entry provision of the Airline Deregulation Act of 1978, or any other provision of law, no common carrier operating in interstate commerce may perform regularly scheduled commercial passenger flights in interstate commerce into or from a satellite airport lying within 20 miles of a major regional airport where the major airport is operated under the direction of a regional airport board and where the satellite airport is operated under the direction of a municipality and where the proprietors of such satellite airport and such regional airport board have determined that the public interest and aviation safety of the region are best served by closing said satellite airport to all commercial passenger interstate traffic. Nothing in this section shall apply to the operations of any commuter airline.

Mr. ROBERT C. BYRD. Mr. President, I move the Senate disagree to the amendment of the House, agree to the conference requested by the House, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Cannon, Mr. Long, Mr. Inouye, Mr. Exon, Mr. Packwood, Mrs. Kassebaum, and Mr. Goldwater conferees on the part of the Senate.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to extend beyond 20 minutes and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

U.S. IMAGE AS LEADER IN HUMAN RIGHTS TARNISHED BY FAILURE TO PASS GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the posture of the United States as a leader in human rights is one of stark contrasts. Today I will discuss an example of U.S. human rights standards in South America and compare it to the failure of this Nation to ratify the Genocide Convention.

Last July Bolivia experienced a most unusual transfer of political power. There was a legal, constitutional presidential election which resulted in a civilian government.

In many countries, a sudden military coup would be considered much more of an extraordinary occurrence than a simple national election. Not in Bolivia, however, where there have been about 200 such coups since independence in 1825. By contrast, the civilian government which resulted from July's election was Bolivia's first in 15 years.

All this seemed to herald a great improvement in human rights in the country, and the U.S. State Department was justifiably pleased. Whatever satisfaction there was, however, was short lived, as the fledgling government was overthrown last month by yet another military takeover. When a general strike was called to protest the coup, the new leadership responded by using the air force to strafe demonstrators in the streets. It was clear that the cause of human rights had undergone a tragic turnaround.

The State Department immediately issued a statement deploring the destruction of the constitutional process in Bolivia. At the same time, the United States suspended $27 million worth of economic and military aid.

Over this past weekend, the Bolivian military leadership resigned the presidency and the congress elected Congresswoman Lidia Gueiler as interim President. President Gueiler is the first woman to become President of Bolivia and only the second woman president of a South American country, the other being Isabel Peron of Argentina in 1974. A U.S. State Department spokesman indicated that the United States would reconsider the suspension of economic aid to Bolivia in light of the reestablishment of a civilian government.

The American response to these changing conditions in Bolivia was responsible and consistent with our role as an international leader on the issue of human rights. As such, it was in marked contrast to our lack of action on the Genocide Convention. This fundamental human rights treaty, declaring genocide to be an international crime, has been sidelined by the Senate for 30 years.

There is reason to hope that Bolivia's attempt at democracy can be maintained. Supporting this goal is wise and in harmony with our national values and principles. The same is true for support of the Genocide Convention. I strongly urge my colleagues to ratify this most important agreement.

PETITION FROM RETIRED MILITARY FLAG OFFICERS REGARDING SALT II

Mr. THURMOND. Mr. President, this past week hundreds of retired military leaders visited Members of the Senate to express their opposition to the SALT II agreement.

This effort is related to the announcement that 2,465 retired and reserve general and flag officers have signed a petition to the Senate urging opposition to the ratification of SALT II.

Copies of this petition are being circulated to Members of the Senate along with a letter from Adm. Thomas H. Moorer, former Chief of Naval Operations.

Mr. President, the contents of Admiral Moorer's letter and the names on the petition bring together the views and presence of a great body of American leaders who have distinguished themselves by service to our country.

This expression should carry great weight with Members of the Senate. I therefore ask unanimous consent that Admiral Moorer's letter to me and the attached petition from the 2,465 retired military leaders be printed in the Record.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COALITION FOR PEACE THROUGH STRENGTH,
Washington, D.C., November 13, 1979.
Hon. STROM THURMOND,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR THURMOND: We, the undersigned retired and reserve general and flag officers of all U.S. Military Services respectfully request you to oppose ratification of SALT II.

We are in agreement with most of our fellow Americans in preferring international cooperation and equitable arms-limitation agreements to hostility and competition. But we cannot agree that we can wish this congenial state of affairs into being by blinding ourselves to the stark realities of our strategic situation. In our view, SALT II as now written epitomizes the refusal of some Americans to face the facts. The facts which must be faced are these:

Ten years of U.S. restraint in the strategic nuclear field rooted in our faith in the SALT process has not been reciprocated by the Soviet Union; rather, the Soviets have pursued an unprecedented buildup of nuclear offensive and defensive capability which, as Secretary of Defense Brown points out, is aimed at a war-winning capability.

The concept of Mutual Assured Destruction (MAD) which has shaped U.S. policy since the 1960's was never accepted by the Soviets and has been completely negated by their massive strategic defensive effort including civil defense.

The aggressiveness of Soviet behavior throughout the world has increased ominously as the military balance has tilted in favor of the USSR.

U.S. intelligence capabilities to verify Soviet compliance with arms-control agreements have been seriously eroded through compromise of satellite reconnaissance systems and loss of key monitoring facilities.

It seems to us that there is little disagreement inside or outside government that these are the facts, yet the Senate has been asked to ratify a treaty which apparently ignores those facts. We are told by defenders of SALT II that while this treaty does little to slow down the Soviet military surge, it is necessary to ratify it to preserve the "process." They insist that SALT III and SALT IV will cure the inequities of SALT I and SALT II. This ignores Soviet behavior since SALT I. The Soviets have become harder, not easier, to deal with.

The proponents of SALT II insist that we will improve our security through ratification because the situation would be worse without SALT II.

We find it hard to believe that the Soviets could significantly accelerate their current arms buildup in light of the fact that they are already spending 15 percent of their gross national product on arms. And we find it even harder to believe that ratification of SALT II would be followed by vigorous U.S. efforts to close the widening gaps between U.S. and Soviet military capabilities. It is almost certain that Senate ratification of this treaty would commit the United States to another seven years of pursuing peace through trust of the Soviets and adherence to the obviously bankrupt doctrine of Mutual Assured Destruction (MAD). This means further decline of our capability to deter war or to defend ourselves.

We respectfully submit that the arms-control process has become dominated by a persistent U.S. refusal to face the reality of a failure of the twin policies of detente and disarmament.

SALT II doesn't even limit arms. The image of limitation is provided by alleged equal numbers of launchers and aircraft, not to the real destructive elements of nuclear force—missiles and explosive power—where the Soviets have been allowed a heavy advantage. To make matters worse, the "equal" numbers are contrived by failing to count Soviet delivery systems such as the Backfire, the most advanced strategic bomber in the operational inventory of either side.

We also find the treaty as written unverifiable and attempts to finesse this issue by redefining terms most disturbing. SALT II is much more complex than SALT I and covers qualitative as well as quantitative aspects of nuclear armaments enormously more difficult to monitor. Given the compromise of our key verification satellite systems and the loss of vital monitoring stations in Iran, we cannot insure against Soviet circumvention of the treaty provisions. State Department documents describing SALT II redefine verification. Where adequate verification once required an assurance from U.S. intelligence that attempts by the Soviets to circumvent would be detected, it now requires only that we can detect cheating on such a large scale that it alters the strategic balance in time to assure an appropriate U.S. response.

This new definition completely finesses the problem of adequacy of our intelligence capability since it is totally dependent on one's view of what constitutes a "strategic balance" and an "appropriate response." For those who find the actual balance of strategic capabilities irrelevant, and believe that a single U.S. Poseidon submarine is an adequate deterrent regardless of the size of the Soviet forces, SALT II can be considered "adequately verifiable" with no U.S. intelligence capability at all.

We agree with the Secretary of Defense, Dr. Brown, that the Soviets are building forces capable of fighting and winning a nuclear war with the United States and its allies but we strongly disagree with his view that this aim can be thwarted by ratifying SALT II. Soviet participation in SALT, or any other arms control treaties, is primarily designed to further this goal and to elicit U.S. acquiescence and even cooperation in creating the necessary imbalance of power required by that goal.

In sum, we urge the Senate of the United States to consider the grave consequences of ratifying a treaty which will commit this country to continuation of disarmament policies which, however promising when adopted, have imperiled the security of the United States and its allies and encourage ever more aggressive Soviet behavior. The SALT process is not so sacrosanct that we must accept a lopsided and unverifiable agreement simply to show "progress."

We who know war cherish peace. We are not warmongers, as all who oppose SALT II have been dubbed by some.

As military professionals, and with all due respect for our more circumscribed colleagues still bound by their active service, we strongly urge you to reject SALT II as injurious to the security interests of the United States and its allies.

With Grave Concern,
THOMAS M. MOORER,
Admiral, Retried, USN,
(On behalf of the retired and reserve generals and flag officers listed on the following pages).

COSPONSORS

Rear Adm. James Lloyd Abbot, Jr., USN, Ret.
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Maj. Gen. George A. Acheson, USAF, Ret.
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Rear Adm. William D. Brown, USN, Ret
Brig. Gen. Albert R. Brownfield, USA, Ret.
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Rear Adm. Ross P. Bullard, USCG, Ret.
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Maj. Gen. William A Burke, USAF, Ret.
Maj Gen. John W. Burkhart, USAF, Ret.
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Brig. Gen. John C. Burney, Jr., USA, Ret.
Brig. Gen. John R. Burns, USA, Ret.
Maj. Gen. Merrill D Burnside, USAF, Ret.
Rear Adm. Sherman E. Burroughs, USN, Ret.
Rear Adm. Albert C. Burrows, USN, Ret.
Brig. Gen. Ernest H. Burt, USA, Ret.
Brig. Gen. Charles R. Bushong, USA, Ret.
Brig. Gen. Chester J. Butcher, USAF, Ret.
Maj. Gen. Benjamin J. Butler, AUS, Ret.
Brig. Gen. Ogbourne D. Butler, USAR, Ret.
Maj. Gen. Robert G. Butler, USA, Ret.
Brig. Gen. Thomas F. Butt, USA, Ret.
Rear Adm. Horace B. Butterfield, USN, Ret.
Rear Adm. John L. Butts, Jr., USN, Ret.
Brig. Gen. David O. Byars, USA, Ret.
Brig. Gen. Victor A. Byrnes, USAF, Ret.
Rear Adm. Jose M. Cabanillas, USN, Ret.
Vice Adm. Malcolm W. Cagle, USN, Ret.
Rear Adm. H. H. Caldwell, USN, Ret.
Maj. Gen. William R. Calhoun, USA, Ret.
Maj. Gen. John U. Calkins, USA, Ret.
Vice Adm. William M. Callaghan, USN, Ret.
Rear Adm. Joseph W. Callahan, USN, Ret.
Rear Adm. Roy Callahan, USNR, Ret.
Maj. Gen. Charlie F. Camp, AUS, Ret.
Brig. Gen. Thomas J. Camp, Jr., USA, Ret.
Brig. Gen. John M. Campbell, USAF, Ret.
Rear Adm. Robert L. Campbell, USN, Ret.
Maj. Gen. Roland A. Campbell, USAF, Ret.
Maj. Gen. William B. Campbell, USAF, Ret.
Brig. Gen. W. P. Campbell, USA, Ret.
Brig. Gen. C. Craig Cannon, USA, Ret.
Brig. Gen. Robert H. Canterbury, USA, Ret.
Maj. Gen. W. M. Canterbury, USAF, Ret.
Rear Adm. Carlos M. Cardeza, USNR, Ret.
Rear Adm. Daniel Carlson, USN, Ret.
Rear Adm. Martin D. Carmody, USN, Ret.
Maj. Gen. Edwin H. Carns, USA, Ret.
Rear Adm. Charles L. Carpenter, USN, Ret.
Lt. Gen. John W. Carpenter, III, USAF, Ret.
Rear Adm. Stephen W. Carpenter, USN, Ret.
Rear Adm. Bruce L. Carr, USN, Ret.
General W. Reynolds Carr.
Lt. Gen. Charles W. Carson, USAF, Ret.
Rear Adm. Harry R. Carson, Jr., USN, Ret.
Rear Adm. Joseph M. Carson, USN, Ret.
Rear Adm. Albert S. Carter, USN, Ret.
Rear Adm. Jesse H. Carter, USN, Ret.
Maj. Gen. L. D. Carter, USA, Ret.
Maj. Gen. Wendell E. Carter, USAF, Ret.
Maj. Gen. Hugh J. Casey, USA, Ret.
Lt. Gen. Maurice F. Casey, USAF, Ret.
Brig. Gen. Benjamin B. Cassiday, USAF, Ret.
Rear Adm. George W. Cassleman, USNR, Ret.
Rear Adm. Gordon L. Caswell, USN, Ret.
Maj. Gen. Richard C. Catledge, USAF, Ret.
General Jack J. Catton, USAF, Ret.
Rear Adm. Cecil T. Caufield, USN, Ret.
Maj. Gen. John H. Caughley, USA, Ret.
Rear Adm. Robert W. Cavenagh, USN, Ret.
Maj. Gen. William S. Chairsell, USAF, Ret.
Vice Adm. Alvin D. Chandler, USN, Ret.
Maj. Gen. Charles G. Chandler, Jr., USAF, Ret.
Maj. Gen. Curtis W. Chapman, USA, Ret.
Maj. Gen. Ethan A. Chapman, USA, Ret.
Brig. Gen. Harry M. Chapman, USAF, Ret.
Brig. Gen. James W. Chapman, USAF, Ret.
Brig. Gen. Willis F. Chapman, USAF, Ret.
Brig. Gen. Steve A. Chappuis, USA, Ret.
Vice Adm. P. N. Charbonnet, USN, Ret.
Maj. Gen. Carlos F. Chardon, ARNG, Ret.
Maj. Gen. Charles H. Chase, USN, Ret.
Brig. Gen. William H. Cheeseman, USA, Ret.
Brig. Gen. Robert A. Cheney, USA, Ret.
General Max M. Cherry.
Maj. Gen. John H. Chiles, USA, Ret.
Rear Adm. Ernest E. Christensen, USN, Ret.
Brig. Gen. Keith L. Christensen, USAF, Ret.
Maj. Gen. James G. Christiansen, USA, Ret.
Rear Adm. John S. Christiansen, USN, Ret.
Vice Adm. Ralph W. Christie, USN, Ret.

Rear Adm. Gordon P. Chunghoon, USN, Ret.
Brig. Gen. Bradford G. Chynoweth, USA, Ret.
Rear Adm. Albert H. Clancy, USN, Ret.
Admiral Bernard A. Clarey, USN, Ret.
General Albert P. Clark.
Brig. Gen. Allen F. Clark, Jr., USA, Ret.
Rear Adm. David H. Clark, USN, Ret.
Rear Adm. Jeane R. Clark, USN, Ret.
Admiral John E. Clark, USN, Ret.
Brig. Gen. John M. Clark, USAF, Ret.
General Mark W. Clark, USA, Ret.
Rear Adm. Robert N. S. Clark, USN, Ret.
Maj. Gen. Christian H. Clarke, USA, Ret.
Admiral Ralph S. Clarke, USN, Ret.
Maj. Gen. R. J. Clizbe, USAF, Ret.
Maj. Gen. Winton R. Close, USAF, Ret.
Brig. Gen. John B. Coates, Jr., USA, Ret.
Rear Adm. Leonidas D. Coates, USN, Ret.
Maj. Gen. Wendell J. Coats, USA, Ret.
Rear Adm. Ralph G. Coburn, Jr., USNR, Ret.
Brig. Gen. Loris R. Cochran, USA, Ret.
Brig. Gen. Samuel G. Cockerham, USA, Ret.
Maj. Gen. Joseph J. Cody, Jr., USAF, Ret.
Rear Adm. Benjamin Coe, USN, Ret.
Rear Adm. Clarence E. Coffin, USN, Ret.
Rear Adm. James E. Cohn, USN, Ret.
Brig. Gen. Mike P. Cokinos, USAR, Ret.
Brig. Gen. George P. Cole, USAF, Ret.
Rear Adm. Philip P. Cole, USN, Ret.
Rear Adm. William M. Cole, USN, Ret.
Rear Adm. Lewis E. Coley, USN, Ret.
Lt. Gen. R. W. Colglazier, USA, Ret.
Rear Adm. Dale E. Collins, USN, Ret.
Brig. Gen. John W. Collins, III, USA, Ret.
Maj. Gen. Kenneth W. Collins, USA, Ret.
Rear Adm. John L. Collis, USN, Ret.
Vice Adm. John B. Colwell, USN, Ret.
Maj. Gen. Cecil E. Combs, USAF, Ret.
Rear Adm. Walter V. Combs, Jr., USN, Ret.
Brig. Gen. J. Richard Compton, USAR, Ret.
Brig. Gen. William P. Comstock, USAF, Ret.
Rear Adm. Robert A. Conard, USNR, Ret.
Brig. Gen. Ross R. Condit, Jr., USA, Ret.
Admiral Ray R. Conner, USN, Ret.
Maj. Gen. Raymond C. Conroy, USA, Ret.
Maj. Gen. Louis J. Conti, USMCR, Ret.
Rear Adm. Albert B. Cook, USNR, Ret.
General Orval R. Cook, USAF, Ret.
Rear Adm. Ralph E. Cook, USN, Ret.
Rear Adm. William R. Cooke, USN, Ret.
Vice Adm. Damon W. Cooper, USN, Ret.
Rear Adm. Joshua W. Cooper, USN, Ret.
Maj. Gen. Marcus F. Cooper, USAF, Ret.
Maj. Gen. Paul T. Cooper, USA, Ret.
Maj. Gen. Ralph C. Cooper, USA, Ret.
Brig. Gen. Ralph W. Cooper, Jr., AUS, Ret.
Maj. Gen. Richard H. Cooper, USAR, Ret.
Rear Adm. Bennett S. Copping, USN, Ret.
Maj. Gen. Thomas G. Corbin, USAF, Ret.
Lt. Gen. Charles A. Corcoran, USA, Ret.
Brig. Gen. Virgil N. Cordero, ARNG, Ret.
Rear Adm. Howard G. Corey, USN, Ret.
Rear Adm. Frederic W. Corle, USN, Ret.
Rear Adm. Peter Corradi, USN, Ret.
Brig. Gen. Ted H. Corry, USA, Ret.
Brig. Gen. Thomas P. Corwin, USAF, Ret.
Rear Adm. Edward J. Costello, Jr., USNR, Ret.
Brig. Gen. John T. Coulter, USAF, Ret.
Maj. Gen. Don Coupland, USAF, Ret.
Rear Adm. Roy T. Cowdrev, USN, Ret.
Brig. Gen. Hugh J. Cox, USA, Ret.
Rear Adm. William R. Cox, USN, Ret.
Rear Adm. John S. Coye, Jr., USN, Ret.
Maj. Gen. Jarred V. Crabb, USAF, Ret.
Brig. Gen. Charles F. Craig, USA, Ret.
Rear Adm. Kenneth Craig, USN, Ret.
Maj. Gen. William Craig, USA, Ret.
Rear Adm. Wvatt Craig, USN, Ret.
Rear Adm. Richard S. Craighill, USN, Ret.
General Reginald M. Cram.
Brig. Gen. William J. Crandall, USAFR, Ret.
Maj. Gen. Stephen S. Crane, ARNG, Ret.
Maj. Gen. Albert B. Crawford, USA, Ret.
Rear Adm. B. Hayden Crawford, USNR, Ret.
Rear Adm. Earl R. Crawford, USN, Ret.
Rear Adm. George C. Crawford, USN, Ret.
Rear Adm. Gerard B. Creagh, USN, Ret.
Maj. Gen. Edward I. Creed, USA, Ret.
Rear Adm. Charles H. Crichton, USN, Ret.
Maj. Gen. William J. Crisler, USAFR, Ret.
Maj Gen. Richard G. Cross, USAF, Ret.
Maj. Gen. Thomas H. Crouch, USAF, Ret.
Brig. Gen. Albert B. Crowther, USA, Ret.
Maj. Gen. Harry Crutcher, Jr., USAF, Ret.
Rear Adm. Robert R. Crutchfield, USN, Ret.
Brig. Gen. Allman T. Culbertson, USAF, Ret.
Rear Adm. Charles R. Cundiff, USNR, Ret.
Maj. Gen. William A. Cunningham, USA, Ret.
Brig. Gen. John W. Currier, USA, Ret.
Rear Adm. Neale R. Curtin, USN, Ret.
Maj. Gen. R. D. Curtin, USAF, Ret.
Maj. Gen. Robert H. Curtin, USAF, Ret.
Brig. Gen. Donald Curtis, USMC, Ret.
Maj. Gen. Gilbert Curtis, USAF, Ret.
Maj. Gen. Raymond W. Curtis, USA, Ret.
Vice Adm. Walter L. Curtis, Jr., USN, Ret.
Rear Adm. Charles A. Curtze, USN, Ret.
Lt. Gen. John A. Dabney, USA, Ret.
Maj. Gen. Leo P. Dahl, USAF, Ret.
Rear Adm. Theodore O. Dahl, USN, Ret.
Rear Adm. Carl M. Dalton, USN, Ret.
Brig. Gen. O. T. Dalton, AUS, Ret.
Maj. Gen. William T. Daly, USAF, Ret.
Rear Adm. Winfred P. Dana, USN, Ret.
Brig. Gen. Maurice W. Daniel, USA, Ret.
Maj. Gen. George B. Dany, USAF, Ret.
Maj. Gen. Thomas C. Darcy, USAF, Ret.
Rear Adm. James A. Dare, USN, Ret.
Brig. Gen. Carlton S. Dargusch, USA, Ret.
Maj. Gen. Harry M. Darmstandler, USAF, Ret.
Maj. Gen. Carl Darnell, Jr., USA, Ret.
Maj. Gen. Don O. Darrow, USAF, Ret.
Brig. Gen. Anthony F. Daskevich, USA, Ret.
Maj. Gen. Frederick J. Dau, USAF, Ret.
Brig. Gen. Lester A. Daugherty, USA, Ret.
Brig. Gen. Buddy R. Daughtrey, USAF, Ret.
Rear Adm. Roy M. Davenport, USN, Ret.
Lt. Gen. Garrison H. Davidson, USA, Ret.
General Harry J. Davidson, Sr.
Maj. Gen. Ian M. Davidson, AUS, Ret.
Brig. Gen. Jerry W. Davidson, USAF, Ret.
Brig. Gen. Joseph H. Davidson, USAF, Ret.
Brig. Gen. Charles L. Davis, USA, Ret.
Vice Adm. George M. Davis, Jr., USN, Ret.
Vice Adm. Glenn B. Davis, USN, Ret.
General Raymond G. Davis.
Brig. Gen. Sidney L. Davis, USAF, Ret.
Lt. Gen. Waymond A. Davis, USAF, Ret.
Brig. Gen. William W. Davis, AUS, Ret.
Maj. Gen. Woodward E. Davis, USAF, Ret.
General Michael S. Davison, USA, Ret.
Rear Adm. Thurlow W. Davison, USN, Ret.
Brig. Gen. Kenneth F. Dawalt, USA, Ret.
Maj. Gen. Donald S. Dawson, USAF, Ret.
Rear Adm. Kenneth V. Dawson, USN, Ret.
Maj. Gen. Larry C. Dawson, AUS, Ret.
Rear Adm. Willard H. Day, USNR, Ret.
Brig. Gen. James K. DeArmond, USAF, Ret.
Rear Adm. George H. DeBaun, USN, Ret.
Brig. Gen. Arthur R. DeBolt, USAF, Ret.
Brig. Gen. Chester B. DeGavre, USA, Ret.
Brig. Gen. Merlin L. DeGuire, USA, Ret.
Brig. Gen. John W. Dean, Jr., USA, Ret.
Brig. Gen. Charles P. Deane, AUS, Ret.
Maj. Gen. Elbert Decoursey, USA, Ret.
Rear Adm. Russell Defauver, USN, Ret.
Rear Adm. Clinton G. Defoney, USN, Ret.
Rear Adm. Clifford C. Deford, USN, Ret.
Maj. Gen. Robert L. Delashaw, USAF, Ret.
Maj. Gen. Sylvester T. Del Corso, USA, Ret.
Brig. Gen. Leon Delighter, ANG, Ret.
Maj. Gen. Marvin C. Damler, USAF, Ret.
Maj. Gen. Kenneth C. Dempster, USAF, Ret.
Vice Adm. Francis C. Denebrink, USN, Ret.
Admiral Robert L. Dennison, USN, Ret.
Brig. Gen. Clyde R. Denniston, USAF, Ret.
Lt. Gen. William R. Desobey, USA, Ret.
Brig. Gen. John A. Des Portes, USAF, Ret.
Vice Adm. Harold T. Deutermann, USN, Ret.
Brig. Gen. J. P. S. Devereux, USMC, Ret.
Maj. Gen. Lawrence R. Dewey, USAF, Ret.
Rear Adm. Edwin B. Dexter, USN, Ret.
Brig. Gen. William J. Deyo, USA, Ret.
Brig. Gen. John S. B. Dick, USA, Ret.
Lt. Gen. William W. Dick, Jr., USA, Ret.
Brig. Gen. George W. Dickerson, USA, Ret.
Rear Adm. Clarence E. Dickinson, USN, Ret.
Rear Adm. George W. Dickinson, USN, Ret.
Rear Adm. Neil K. Dietrich, USN, Ret.
Maj. Gen. William A. Dietrich, USAF, Ret.
Brig. Gen. Charles E. Dissinger, USA, Ret.
Rear Adm. Ernest W. Dobie, Jr., USN, Ret.
Brig. Gen. John W. Dobson, USA, Ret.
Brig. Gen. Nevin W. Dodd, USAF, Ret.
Rear Adm. Sydney B. Dodds, USNR, Ret.
Brig. Gen. Roy T. Dodge, USA, Ret.
Rear Adm. Joseph E. Dodson, USN, Ret.
Rear Adm. Oscar H. Dodson, USN, Ret.
Rear Adm. Carl R. Doerfinger, USN, Ret.
Rear Adm. John W. Dolan, Jr., USN, Ret.
Brig. Gen. Joseph C. Dolan, USAR, Ret.
Rear Adm. William A. Dolan, USN, Ret.
Rear Adm. James C. Donaldson, Jr., USN, Ret.
Maj. Gen. John M. Donalson, USAF, Ret.
Lt. Gen. Harold C. Donnelly, USAF, Ret.
Maj. Gen. Jack N. Donohew, USAF, Ret.
Brig. Gen. Philip J. Donovan, USA, Ret.
Lt. Gen. Stanley J. Donovan, USAF, Ret.
Rear Adm. Thomas A. Donovan, USN, Ret.
Brig. Gen. Edward M. Dooley, USA, Ret.
Brig. Gen. George E. Dooley, USMC, Ret.
Brig. Gen. Charles R. Doran, USA, Ret.
Maj. Gen. Charles S. D'Orsa, USA, Ret.
Brig. Gen. Edwin F. Dosek, USAR, Ret.
Brig. Gen. Paul P. Douglas, USAF, Ret.
Maj. Gen. William R. Douglas, USA, Ret.
Rear Adm. Wallace R. Dowd, Jr., USN, Ret.
Admiral James H. Doyle, USN, Ret.
Brig. Gen. William C. Doyle, USA, Ret.
Maj. Gen. Abraham J. Dreiseszun, USAF, Ret.
Rear Adm. Joseph F. Dreith, USN, Ret.
Brig. Gen. Christian F. Dreyer, USAF, Ret.
Rear Adm. Melville M. Driskell, USN, Ret.
Brig. Gen. Donn R. Driver, AUS, Ret.
Rear Adm. Raymond F. DuBois, USN, Ret.
Rear Adm. Thomas Dubois, USN, Ret.
Rear Adm. Francis R. Duborg, USN, Ret.
Brig. Gen. Thomas J. Dubose, USAF, Ret.
Maj. Gen. Charles F. Duchein, USMCR, Ret.
Rear Adm. James R. Dudley, USN, Ret.
Brig. Gen. John H. Dudley, USA, Ret.
Rear Adm. Clifford H. Duerfeldt, USN, Ret.
Rear Adm. Claren E. Duke, USN, Ret.
Vice Adm. Irving T. Duke, USN, Ret.
Brig. Gen. Robert W. Duke, USA, Ret.
Lt. Gen. Leo J. Dulacki, USMC, Ret.
Admiral Charles K. Duncan, USN, Ret.
Maj. Gen. Frederick W. Duncan, AUS, Ret.
Brig. Gen. Donald Dunford, USA, Ret.
Brig. Gen. William D. Dunham, USAF, Ret.
Brig. Gen. Wilbur E. Dunkelberg, USA, Ret.
Brig. Gen. Frank Dunkley, USA, Ret.
Brig. Gen. Charles G. Dunn, USA, Ret.
Brig. Gen. Richard T. Dunn, USA, Ret.
Rear Adm. William A. Dunn, USN, Ret.
Rear Adm. Lewis W. Dunton, USN, Ret.
Brig. Gen. James K. Durham, AUS, Ret.
Rear Adm. William H. Duvall, USN, Ret.
Maj. Gen. R. T. Dwyer, USMC, Ret.
Rear Adm. Victor A. Dybdal, USN, Ret.
Brig. Gen. Charles L. Easterday, USAR, Ret.
Rear Adm. E. R. Eastwold, USN, Ret.
Maj. Gen. Robert E. L. Eaton, USAF, Ret.
Maj. Gen. Samuel K. Eaton, USA, Ret.
Rear Adm. Edward H. Eckelmeyer, Jr., USN, Ret.
Brig. Gen. Harvey W. Eddy, USAF, Ret.
Brig. Gen. Alan C. Edmunds, USAF, Ret.
Lt. Gen. James V. Edmundson, USAF, Ret.
Brig Gen. Morris O. Edwards, USA, Ret.
Maj. Gen. Parmer W. Edwards, USA, Ret.
Brig. Gen. Clarence T. Edwinson, USAF, Ret.
Brig. Gen. Edward S. Ehlen, USA, Ret.
Brig. Gen. Milton Ehrlich, USA, Ret.
Rear Adm. Herbert H. Eighmy, USN, Ret.
Vice Adm. C. E. Ekstrom, USN, Ret.

Maj. Gen. William E. Elder, USAF, Ret.
Brig. Gen. Charles V. Elia, USA, Ret.
Rear Adm. Ernest M. Eller, USN, Ret.
Maj. Gen. Frank W. Elliott, USAF, Ret.
Brig. Gen. Howard V. Elliott, USA, Ret.
Brig. Gen. John C. B. Elliott, USAF, Ret.
Vice Adm. William E. Ellis, USN, Ret.
Rear Adm. Ernest B. Ellsworth, USN, Ret.
Lt. Gen. Hugh M. Elwood, USMC, Ret.
Lt. Gen. William J. Ely, USA, Ret.
Lt. Gen. Henry E. Emerson, USA, Ret.
Maj. Gen. Harry J. Engel, USA, Ret.
Lt. Gen. Jean E. Engler, USA, Ret.
Brig. Gen. Victor H. English, USAR, Ret.
Lt. Gen. William P. Ennis, USA, Ret.
Rear Adm. Horace H. Epes, Jr., USN, Ret.
Rear Adm. Robert B. Erly, USN, Ret.
Brig. Gen. William H. B. Erwin, USAF, Ret.
Brig. Gen. Graydon C. Essman, USA, Ret.
Brig. Gen. Max Etkin, USA, Ret.
Maj. Gen. William E. Eubank, USAF, Ret.
Maj. Gen. Harry L. Evans, USAF, Ret.
Maj. Gen. Thomas B. Evans, USA, Ret.
Maj. Gen. Vernon Evans, USA, Ret.
General F. F. Everest, USAF, Ret.
Rear Adm. Gordon S. Everett, USN, Ret.
Rear Adm. Harry G. Ewart, USNR, Ret.
Maj. Gen. John N. Ewbank, USAF, Ret.
Brig. Gen. Arthur E. Exon, USAF, Ret.
Rear Adm. Francis L. Fabrizio, USNR, Ret.
Rear Adm. D. S. Fahrney, USN, Ret.
Brig. Gen. William H. Fairbrother, USAF, Ret.
Brig. Gen. Gerald G. Fall, Jr., USAF, Ret.
Brig. Gen. Ivan L. Farman, USAF, Ret.
Rear Adm. Eugene H. Farrell, USN, Ret.
Lt. Gen. F. W. Farrell, USA, Ret.
Rear Adm. Ralph E. Faucett, USN, Ret.
Maj. Gen. James B. Faulconer, USAR, Ret.
Vice Adm. Albert J. Fay, USN, Ret.
Rear Adm. Edward L. Feightner, USN, Ret.
General James Ferguson, USAF, Ret.
Maj. Gen. Charles W. Fernald, AUS, Ret.
Rear Adm. William E. Ferrall, USN, Ret.
Brig. Gen. Angelo L. Ferranti, PARNG, Ret.
Brig. Gen. Charles B. Ferris, USA, Ret.
Rear Adm. Harold F. Fick, USN, Ret.
Rear Adm. Richard P. Field, USNR, Ret.
Brig. Gen. Kendall J. Fielder, USA, Ret.
Rear Adm. Ralph E. Fielding, USN, Ret.
Maj. Gen. George G. Finch, USAF, Ret.
Brig. Gen. Rogers B. Finch, USAR, Ret.
Brig. Gen. Russell T. Finn, USA, Ret.
Rear Adm. Alvan Fisher, USNR, Ret.
Brig. Gen. Ralph E. Fisher, USAF, Ret.
Brig. Gen. Richard E. Fisher, USA, Ret.
Rear Adm. John A. Fitzgerald, USN, Ret.
Rear Adm. Phillip H. Fitzgerald, USN, Ret.
Rear Adm. W. F. Fitzgerald, USN, Ret.
Rear Adm. William H. Fitzgerald, USNR, Ret.
Rear Adm. Michael F. D. Flaherty, USN, Ret.
Lt. Gen. Edward M. Flanangan, USA, Ret.
Rear Adm. Francis E. Fleck, USN, Ret.
Rear Adm. Allan F. Fleming, USN, Ret.
Maj. Gen. Lawrence J. Fleming, USAF, Ret.
Rear Adm. Morton K. Fleming, USN, Ret.
Maj. Gen. Orville K. Fletcher, USA, Ret.
Rear Adm. William B. Fletcher, USN, Ret.
Brig. Gen. Lester D. Flory, USA, Ret.
Rear Adm. William O. Floyd, USN, Ret.
Rear Adm. John F. Flynn, USN, Ret.
Brig. Gen. George C. Fogle, USA, Ret.
Rear Adm. Francis D. Foley, USN, Ret.
Rear Adm. Harry J. P. Foley, USN, Ret.
Rear Adm. Joseph F. Foley, USN, Ret.
Rear Adm. Robert J. Foley, USN, Ret.
Rear Adm. Winston P. Folk, USN, Ret.
Brig. Gen. J. E. Fondahl, USMC, Ret.
Rear Adm. Robert S. Ford, USN, Ret.
Brig. Gen. Paul P. Foran, USA, Ret.
Vice Adm. Bernard B. Forbes, USN, Ret.
General G. Foreman
Rear Adm. James E. Forrest, USN, Ret.
Rear Adm. Edward C. Forsyth, USN, Ret.
Lt. Gen. George I. Forsythe, USA, Ret.
Rear Adm. Newton P. Foss, USN, Ret.
Maj. Gen. Hugh F. Foster, Jr., USA, Ret.
Rear Adm. Walter M. Foster, USN, Ret.
Maj. Gen. Maurice C. Fournier, USA, Ret.
Maj. Gen. C. Lyn Fox, AUS, Ret.
Rear Adm. Claud M. Fraleigh, USN, Ret.
Brig. Gen. John W. Francis, USAR, Ret.
Rear Adm. Nickolas J. F. Frank, USN, Ret.
Maj. Gen. John F. Franklin, USA, Ret.
Maj. Gen. Wesley C. Franklin, USA, Ret.
Rear Adm. George K. Fraser, USN, Ret.
Brig. Gen. Joe N. Frazar, Jr., AUS, Ret.
Maj. Gen. Ray D. Free, AUS, Ret.
Rear Adm. Dewitt L. Freeman, USN, Ret.
Rear Adm. Mason Freeman, USN, Ret.
General Paul L. Freeman, Jr., USA, Ret.
Rear Adm. Leonard F. Freiburghouse, USN, Ret.
Rear Adm. Leonard Frisco, USNR, Ret.
Brig. Gen. William J. Fry, USAF, Ret.
Brig. Gen. Edward Moses Frye, USAR, Ret.
Brig. Gen. Thomas Fuller, USA, Ret.
Rear Adm. Robert B. Fulton, II, USN, Ret.
Brig. Gen. Arnold J. Funk, USA, Ret.
Rear Adm. Samuel G. Fuqua, USN, Ret.
Rear Adm. Charles M. Furlow, USN, Ret.
Rear Adm. Frederick R. Furth, USN, Ret.
Rear Adm. John K. Fyfe, USN, Ret.
Vice Adm. Walter D. Gaddis, USN, Ret.
Brig. Gen. Frank L. Gailer, USAF, Ret.
Admiral I. J. Galantin, USN, Ret.
Brig. Gen. George R. Gallagher, USAR, Ret.
Rear Adm. John F. Gallaher, USN, Ret.
Rear Adm. W. Earl Gallaher, USN, Ret.
Brig. Gen. E. B. Gallant, USAF, Ret.
Rear Adm. William O. Gallery, USN, Ret.
Brig. Gen. Clarence J. Galligan, USAF, Ret.
Lt. Gen. Walter T. Galligan, USAF, Ret.
Maj. Gen. James V. Galloway, USA, Ret.
Maj. Gen. Jack K. Gamble, USAF, Ret.
Rear Adm. Wayne N. Gamet, USN, Ret.
Brig. Gen. Vincent DeP. Gannon, USA, Ret.
Maj. Gen. Robert G. Gard, USA, Ret.
Brig. Gen. George W. Gardes, USA, Ret.
Rear Adm. Francis H. Gardner, USN, Ret.
Maj. Gen. E. Blair Garland, USAF, Ret.
Rear Adm. Francis L. Garrett, USN, Ret.
Rear Adm. Robert M. Garrick, USNR, Ret.
Rear Adm. Malcolm E. Garrison, USN, Ret.
Rear Adm. Ralph S. Garrison, USNR, Ret.
Rear Adm. Norman F. Garton, USN, Ret.
Brig. Gen. Andrew J. Gatsis, USA, Ret.
Brig. Gen. Eugene W. Gauch, USAF, Ret.
Brig. Gen. Robert H. Gaughan, USAF, Ret.
Brig. Gen. Edward W. Gaupin, AUS, Ret.
Read Adm. John D. Gavan, USNR, Ret.
Rear Adm. Donald Gay, Jr., USN, Ret.
Rear Adm. J. Edwin Gay, USNR, Ret.
Maj. Gen. Sam R. Gay, Jr., USAR, Ret.
Brig. Gen. Donald A. Gaylord, USAF, Ret.
Vice Adm. William E. Gentner, USN, Ret.
Brig. Gen. Arthur A. Gentry, USAFR, Ret.
Brig. Gen. William F. Georgi, USAF, Ret.
Rear Adm. Harry E. Gerhard, USN, Ret.
Brig. Gen. John H. Germeraad, USAF, Ret.
Maj. Gen. William K. Ghormley, USA, Ret.
Maj. Gen. James J. Gibbons, USA, Ret.
Maj. Gen. David P. Gibbs, USA, Ret.
Rear Adm. Frederic Gibbs, USNR, Ret.
Maj. Gen. Elmer J. Gibson, USA, Ret.
Maj. Gen. Harold B. Gibson, USA, Ret.
Brig. Gen. Kenneth H. Gibson, USAF, Ret.
Rear Adm. W. M. Gibson, USCG, Ret.
Brig. Gen. Raymond A. Gilbert, USAF, Ret.
Brig. Gen. Robert C. Gildart, USA, Ret.
Maj. Gen. Warren C. Giles, AUS, Ret.
Lt. Gen. Alvan C. Gillem, USAF, Ret.
Brig. Gen. Frank W. Gillespie, USAF, Ret.
Rear Adm. Thomas E. Gillespie, USN, Ret.
Rear Adm. Norman C. Gillette, USN, Ret.
Rear Adm. F. B. Gilkeson, USN, Ret.
Maj. Gen. Charles H. Gingles, USA, Ret.
Brig. Gen. William M. Glasgow, Jr., USA, Ret.
Rear Adm. Richard P. Glass, USN, Ret.
Maj. Gen. A. G. Glauch, USAF, Ret.
Brig. Gen. James Glore, USA, Ret.
Brig. Gen. William R. Goade, USAF, Ret.
Brig. Gen. George W. Goddard, USAF, Ret.
Maj. Gen. Guy H. Goddard, USAF, Ret.
Maj. Gen. George A. Godding, USA, Ret.
Rear Adm. William H. Godson, USNR, Ret.
Brig. Gen. Melvin A. Goers, USA, Ret.
Brig. Gen. Robert R. Goetzman, AUS, Ret.
Rear Adm. William B. Goggins, USN, Ret.
Brig. Gen. Morton J. Gold, USAF, Ret.
General William B. Gold, Jr.
Admiral Henry W. Goodall, USN, Ret.
Rear Adm. Alexander S. Goodfellow, USN, Ret.
Rear Adm. Charles V. Gordon, USN, Ret.
Brig. Gen. John C. Gordon, USAF, Ret.
Brig. Gen. Merril W. Goss, AUS, Ret.
Lt. Gen. Gordon T. Gould, USAF, Ret.
Rear Adm. C. L. Grabenhorst, USNR, Ret.
Lt. Gen. Daniel Graham, USA, Ret.
Maj. Gen. Donald W. Graham, USA, Ret.
Brig. Gen. E. F. Graham, Jr., USAF, Ret.
Lt. Gen. Gordon M. Graham, USAF, Ret.
Brig. Gen. James E. Graham
Maj. Gen. Wallace H. Graham, USAF MC, Ret.
Vice Adm. Arthur R. Gralla, USN, Ret.
Brig. Gen. John G. Gramzow, USA, Ret.
Rear Adm. Etheridge Grant, USN, Ret.
Rear Adm. Elonzo B. Grantham, USN, Ret.
Rear Adm. Alfred M. Granum, USN, Ret.
Brig. Gen. Guy J. Gravlee, USAR, Ret.
Rear Adm. Oscar Gray, Jr., USN, Ret.
Rear Adm. James V. Grealish, USNR, Ret.
Maj. Gen. Philip H. Greasley, USAF, Ret.
Brig. Gen. James W. Green, Jr., USA, Ret.
General William O. Green
Maj. Gen. George B. Greene, USAF, Ret.
Rear Adm. William M. A. Greene, USN, Ret.
Maj. Gen. W. D. Greenfield, USAF, Ret.
Rear Adm. John F. Greenslade, USN, Ret.
Maj. Gen. Edward Greer, USA, Ret.
Brig. Gen. Joseph L. Gregory, USAR, Ret.
Vice Adm. Elton W. Grenfell, USN, Ret.
Admiral Charles D. Griffin, USN, Ret.
Rear Adm. Mallie A. Griffin, USN, Ret.
Maj. Gen. James A. Grimsley, USA, Ret.
Lt. Gen. Francis H. Griswold, USAF, Ret.
Brig. Gen. Sidney Gritz, USA, Ret.
Brig. Gen. August H. Groeschel, AUS, Ret.
Rear Adm. Rowland H. Groff, USN, Ret.
Brig. Gen. John V. Grombach, AUS, Ret.
Brig. Gen. Thomas M. Groome, USAF, Ret.
Rear Adm. Royce L. Gross, USN, Ret.
Brig. Gen. Donald H. Grothaus, USA, Ret.
Rear Adm. William H. Groverman, USN, Ret.
Rear Adm. Bradford E. Grow, USN, Ret.
Maj. Gen. R. W. Grow, USA, Ret.
Maj. Gen. Richard A. Grussendorf, USAF, Ret.
Rear Adm. William S. Guest, USN, Ret.
Vice Adm. Dick H. Guinn, USN, Ret.
Brig. Gen. John S. Gulledge, USAF, Ret.
Rear Adm. William M. Gullett, USN, Ret.
Brig. Gen. Brian S. Gunderson, USAF, Ret.
Rear Adm. Frederick A. Gunn, USN, Ret.
Maj. Gen. Karl W. Gustafson, USA, Ret.
Brig. Gen. Kermit L. Guthrie, USA, Ret.
Rear Adm. Frank S. Haak, USN, Ret.
Brig. Gen. Chester E. Haberlin, USAR, Ret.
Maj. Gen. Herbert R. Hackbarth, USA, Ret.
Brig. Gen. Louis J. Hackett, Jr., USA, Ret.
Maj. Gen. James F. Hackler, USAF, Ret.
Rear Adm. Mayo A. Hadden, Jr., USN, Ret.
Rear Adm. Ira F. Haddock, USN, Ret.
Rear Adm. Theodore G. Haff, USN, Ret.
Maj. Gen. Richard D. Hagan, USAFR, Ret.
Brig. Gen. John E. Haggerty, USA, Ret.
Brig. Gen. Oliver L. Haines, USA, Ret.
Rear Adm. Hamilton Hains, USN, Ret.
Maj. Gen. Peter C. Hains, III, USA, Ret.
Maj. Gen. Dudley D. Hale, USAF, Ret.
Rear Adm. Grover B. H. Hall, USN, Ret.
Brig. Gen. Robert W. Hall, USAF, Ret.
Brig. Gen. Stewart L. Hall, AUS, Ret.
Lt. Gen. William E. Hall, USAF, Ret.
Brig. Gen. Ralph J. Hallenbeck, USAF, Ret.
Brig. Gen. Kay Halsell, II, AUS, Ret.
Maj. Gen. Milton B. Halsey, USA, Ret.
Brig. Gen. Lyle E. Halstead, USAF, Ret.
Brig. Gen. Archelaus L. Hamblen, USA, Ret.
Brig. Gen. Edward J. Hamilton
Rear Adm. Thomas J. Hamilton, USN, Ret.
Brig. Gen. Wesley B. Hamilton, AUS, Ret.
General Barksdale Hamlett
Rear Adm. Wellington A. Hammond, USN, Ret.

Maj. Gen. George F. Hamner, AUS, Ret.
Brig. Gen. Rex H. Hampton, USA, Ret.
Brig. Gen. William A. Hamrick, USA, Ret.
Brig. Gen. William L. Hamrick, USAF, Ret.
Maj. Gen. Jack L. Hancock, USA, Ret.
Maj. Gen. William C. Haneke, USA, Ret.
Rear Adm. Charles J. Hanks, USCGR, Ret.
Maj. Gen. Walter J. Hanna, USA, Ret.
Brig. Gen. Clifford P. Hannum, USA, Ret.
Brig. Gen. Joe G. Hanover, USA, Ret.
Rear Adm. Harry J. Hansen, USN, Ret.
Maj. Gen. Norris B. Harbold, USAF, Ret.
Brig. Gen. Eads G. Hardaway, USA, Ret.
Brig. Gen. Robert M. Hardaway, USA, Ret.
Brig. Gen. William L. Hardick, USA, Ret.
Maj. Gen. Harold F. Harding, USA, Ret.
Maj. Gen. Donald L. Hardy, USAF, Ret.
Gen. Robert B. Harkness, Jr.
Vice Adm. F. J. Harlfinger, USN, Ret.
Rear Adm. John Harllee, USN, Ret.
Rear Adm. Edward B. Harp, Jr., USN, Ret.
Maj. Gen. Joseph B. Harper, USA, Ret.
Rear Adm. Talbot E. Harper, USN, Ret.
Rear Adm. Brooks J. Harral, USN, Ret.
Gen. Ben Harrell, USA, Ret.
Maj. Gen. William S. Harrell, USAF, Ret.
Rear Adm. Alfred R. Harris, USN, Ret.
Brig. Gen. Benjamin T. Harris, USA, Ret.
General Hunter Harris, Jr., USAF, Ret.
Vice Adm. Roy M. Harris, USNR, Ret.
Lt. Gen. Bertram C. Harrison, USAF, Ret.
Brig. Gen. Eugene L. Harrison, USA, Ret.
Rear Adm. Lloyd Harrison, USN, Ret.
Brig. Gen. R. H. Harrison, USA, Ret.
Maj. Gen. William H. Harrison, USA, Ret.
Lt. Gen. Charles E. Hart, USA, Ret.
Brig. Gen. Gerald A. Hart, USAFR, Ret.
Brig. Gen. Frederick O. Hartel, USA, Ret.
Maj. Gen. Chester P. Hartford, USA, Ret.
Maj. Gen. Thomas J. Hartford, USA, Ret.
Rear Adm. Charles C. Hartman, USN, Ret.
Rear Adm. Paul E. Hartmann, USN, Ret.
Rear Adm. William H. Hartt, USN, Ret.
Brig. Gen. Robert A. Harvey, USMC, Ret.
Maj. Gen. Robert W. Hasbrouck, USA, Ret.
Brig. Gen. Edward J. Haseltine, USAF, Ret.
Maj. Gen. George M. Haskett, AUS, Ret.
Rear Adm. Enrique D. Haskins, USN, Ret.
Brig. Gen. David C. Hastings, USA, Ret.
Rear Adm. Robert S. Hatcher, USN, Ret.
Brig. Gen. W. G. Hathaway, USAFR, Ret.
Maj. Gen. Victor R. Haugen, USAF, Ret.
Rear Adm. Valery Havard, Jr., USN, Ret.
Lt. Gen. John H. Hay, USA, Ret.
Maj. Gen. John J. Hayes, USA, Ret.
Brig. Gen. Thomas L. Hayes, USAF, Ret.
Rear Adm. Hugh C. Haynsworth, USN, Ret. Ret.
Brig. Gen. Anna Mae V. Hays, USA, Ret.
Vice Adm. John T. Hayward, USN, Ret.
Rear Adm. William R. Headden, USN, Ret.
Maj. Gen. Louis T. Heath, USA, Ret.
Brig. Gen. James A. Hebbeler, USA, Ret.
Brig. Gen. Raymond F. Hebrank
Vice Adm. Truman J. Hedding, USN, Ret.
Lt. Gen. Earl C. Hedlund, USAF, Ret.
Brig. Gen. Edwin C. Heffelfinger, USA, Ret.
Maj. Gen. William T. Hefley, USAF, Ret.
Brig. Gen. Charles A. Heim, USAF, Ret.
Rear Adm. Roger C. Heimer, USCG, Ret.
Rear Adm. Paul R Heineman, USN, Ret.
Lt. Gen. John A. Heintges, USA, Ret.
Lt. Gen. Rolland V. Heiser, USA, Ret.
Rear Adm. Frank V. Helmer, USCG, Ret.
Brig. Gen. Jack W. Hemingway, USA, Ret.
Brig. Gen. A. Lester Henderson, USAR, Ret.
Brig. Gen. William H. Henderson
Maj. Gen. Raleigh R. Hendrix, USA, Ret.
Maj. Gen. Augustus M. Hendry, USAF, Ret.
Maj. Gen. John P. Henebry, USAF, Ret.
Maj. Gen. William H. Hennig, USA, Ret.
Maj. Gen. John B. Henry, Jr., USAF, Ret.
Rear Adm. Karl G. Hensel, USN, Ret.
Rear Adm .Eugene R. Hering, USN, Ret.
Rear Adm. Joseph L. Herlihy, USN, Ret.
Rear Adm. Vincent Hernandez, USN, Ret.
Maj. Gen. John H. Herring, USAF, Ret.
Brig. Gen. William Hesketh, USA, Ret.
Brig. Gen. Erwin A. Hesse, USAF, Ret.
Maj. Gen. Albert G. Hewitt, USAF, Ret.
Maj. Gen. Edwin W. Heywood, AUS, Ret.
Brig. Gen. Daniel H. Hickey, Jr., USA, Ret.
Vice Adm. Robert F. Hickey, USN, Ret.
Brig. Gen. Don R. Hickman, USA, Ret.
Rear Adm. George L. Hicks, USNR, Ret.
Maj. Gen. Gerald J. Higgins, USA, Ret.
Maj. Gen. Hugh R. Higgins, USA, Ret.
Rear Adm. R. D. Higgins, USN, Ret.
Rear Adm. Paul L. High, USN, Ret.
Maj. Gen. John M. Hightower, USA, Ret.
Brig. Gen. Henry W. Hill, USA, Ret.
Maj. Gen. Jim D. Hill, USA, Ret.
Maj. Gen. Roderic L. Hill, USA, Ret.
Maj. Gen. Harry L. Hillyard, USA, Ret.
Vice Adm. William O. Hiltabidle, USN, Ret.
Maj. Gen. John H. Hinds, USA, Ret.
Rear Adm. F. W. Hinrichs, USNR, Ret.
Lt. Gen. John H. Hinrichs, USA, Ret.
Rear Adm. Morris A. Hirsch, USN, Ret.
Brig. Gen. B. J. Leon Hirshorn, USA, Ret.
Maj. Gen. William J. Hixson, USA, Ret.
Lt. Gen. Richard M. Hoban, USAF, Ret.
Brig. Gen. Howard M. Hobson, USA, Ret.
Maj. Gen. James P. Hodges, USAF, Ret.
Rear Adm. John H. Hoefer, USNR, Ret.
Maj. Gen. John A. Hoefling, USA, Ret.
Rear Adm. Herbert L. Hoerner, USN, Ret.
Brig. Gen. James W. Hoerner, USAR, Ret.
Rear Adm. Bartholomew W. Hogan, USN, Ret.
Brig. Gen. R. Wesley Hogan, USA, Ret.
Rear Adm. James H. Hogg, USN, Ret.
Maj. Gen. Frank C. Holbrook, USA, Ret.
Brig. Gen. Robert J. Holbury, USAF, Ret.
Rear Adm. Harold R. Holcomb, USN, Ret.
Brig. Gen. William H. Holcombe, USA, Ret.
Rear Adm. Richard Holden, USN, Ret.
Rear Adm. Billy D. Holder, USN, Ret.
Lt. Gen. James F. Hollingsworth, USA, Ret.
Rear Adm. William R. Hollingsworth, USN, Ret.
General Bruce K. Holloway, USAF, Ret.
Rear Adm. Harland E. Holman, USNR, Ret.
Admiral Ephraim P. Holmes, USN, Ret.
Brig. Gen. Ernest V. Holmes, USA, Ret.
Rear Adm. Carl O. Holmquist, USN, Ret.
Brig. Gen. James W. Holsinger, USA, Ret.
Brig. Gen. Everett W. Holstrom, USAF, Ret.
Maj. Gen. William H. Holt, USAF, Ret.
Maj. Gen. J. Stanley Holtoner, USAF, Ret.
Admiral Ernest C. Holtzworth, USN, Ret.
Vice Adm. Edwin B. Hooper, USN, Ret.
Maj. Gen. John E. Hoover, USA, Ret.
Rear Adm. Leroy E. Hopkins, USN, Ret.
Rear Adm. Lewis A. Hopkins, USN, Ret.
Rear Adm. Charles F. Horne, USN, Ret.
Brig. Gen. Richard C. Horne, USA, Ret.
Maj. Gen. Charles T. Horner, USA, Ret.
Rear Adm. John S. Horner, USNR, Ret.
Brig. Gen. John B. Horton, USA, Ret.
Maj. Gen. Cecil W. Hospelhorn, USA, Ret.
Brig. Gen. Frank O. House, USAF, Ret.
Rear Adm. Herschel A. House, USN, Ret.
Brig. Gen. Edwin B. Howard, USA, Ret.
Rear Adm. James H. Howard, USN, Ret.
Rear Adm. Joseph L. Howard, USN, Ret.
Rear Adm. Hamilton W. Howe, USN, Ret.
Rear Adm. Hugh H. Howell, USNR, Ret.
Rear Adm. Charles C. Howerton, USN, Ret.
Admiral Miles H. Hubbard, USN, Ret.
Rear Adm. Lester E. Hubbell, USN, Ret.
Brig. Gen. Edward M. Hudgins, USA, Ret.
Maj. Gen. W. T. Hudnell, USAF, Ret.
Maj. Gen. Eugene L. Hudson, USAF, Ret.
Brig. Gen. Oscar Conrad Hudson, AUS, Ret.
Brig. Gen. Ronald S. Huey, USAF, Ret.
Brig. Gen. Harry J. Huff, USAFR, Ret.
Maj. Gen. Frederic L. Hughes, USA, Ret.
Brig. Gen. Robert B. Hughes, USAF, Ret.
Brig. Gen. Robert L. Hughes, USA, Ret.
Rear Admiral Harry Hull, USN, Ret.
Rear Adm. John Hulme, USN, Ret.
Maj. Gen. H. E. Humfeld, USAF, Ret.
Maj. Gen. Ladd F. Hunt, USAF, Ret.
Rear Adm. Louis H. Hunte, USN, Ret.
Rear Adm. George P. Hunter, USN, Ret.
Rear Adm. Raymond P. Hunter, USN, Ret.
Rear Adm. Robert N. Hunter, USNN, Ret.
Brig. Gen. William A. Hunter, USAF, Ret.
Maj. Gen. Benjamin L. Hunton, USAR, Ret.
Rear Adm. Jack E. Hurff, USN, Ret.
Brig. Gen. Richard M. Hurst, USA, Ret.
Rear Adm. Samuel H. Hurt, USN, Ret.
Maj. Gen. Eugene L. Hudson, USAF, Ret.
Vice Adm. George F. Hussey, Jr., USN, Ret.
Maj. Gen. Vincent G. Huston, USAF, Ret.
Maj. Gen. Charles R. Hutchinson, USA, Ret.
Maj. Gen. Donald R. Hutchinson, USAF, Ret.
Maj. Gen. Joseph C. Hutchison, USA, Ret.
Admiral John J. Hyland, USN, Ret.
Brig. Gen. Arthur S. Hyman, USA, Ret.
Brig. Gen. Peter C. Hyzer, USA, Ret.
Brig. Gen. George J. Iannacito, USAF, Ret.
Rear Adm. Joseph B. Icenhower, USN, Ret.
Brig. Gen. James M. Illig, USA, Ret.
Maj. Gen. Michael J. Ingelido, USAF, Ret.
Rear Adm. John P. Ingle, Jr., USNR, Ret.
Rear Adm. Walter D. Innis, USNR, Ret.
Maj. Gen. Clare T. Ireland, Jr., USAF, Ret.
Rear Adm. Donald G. Irvine, USN, Ret.
Brig. Gen. Arthur L. Irons, USA, Ret.
Rear Adm. Edward P. Irons, USN, Ret.
Rear Adm. Roy M. Isaman, USN, Ret.
Brig. Gen. Jas. H. Isbell, USAF, Ret.
Brig. Gen. Robert M. Ives, USA, Ret.
Rear Adm. Joseph A. Jaap, USN, Ret.
Maj. Gen. Harvey J. Jablonsky, USA, Ret.
Maj. Gen. William A. Jack, USAF, Ret.
Rear Adm. Alexander Jackson, Jr., USN, Ret.
Rear Adm. David H. Jackson, USN, Ret.
Brig. Gen. Ivan E. Jackson, USA, Ret.
Brig. Gen. Michael J. Jackson, USAF, Ret.
Rear Adm. Milton C. Jackson, USNR, Ret.
Rear Adm. P. W. Jackson, USN, Ret.
Rear Adm. Robert W. Jackson, USN, Ret.
Brig. Gen. Oscar J. Jahnsen, USA, Ret.
Rear Adm. Ralph K. James, USN, Ret.
Rear Adm. William J. James, USN, Ret.
Rear Adm. Frederick E. Janney, USN, Ret.
Lt. Gen. Carl H. Jark, USA, Ret.
Brig. Gen. Irby B. Jarvis, Jr., USAF, Ret.
Brig. Gen. Cecil T. Jenkins, USAF, Ret.
Maj. Gen. Raymond T. Jenkins, USAF, Ret.
Lt. Gen. Hal B. Jennings, USA, Ret.
Rear Adm. M. J. Jensen, USN, Ret.
Rear Adm. John R. Johannesen, USN, Ret.
Rear Adm. Gustave N. Johansen, USN, Ret.
Brig. Gen. Ernest F. John, USAF, Ret.
Maj. Gen. Charles E. Johnson, USA, Ret.
Maj. Gen. E. Gillis Johnson, USAF, Ret.
Maj. Gen. Earl L. Johnson, USAF, Ret.
Brig. Gen. Edwin L. Johnson, USA, Ret.
Vice Adm. Felix L. Johnson, USN, Ret.
Rear Adm. Frank L. Johnson, USN, Ret.
Rear Adm. Henry C. Johnson, USN, Ret.
Brig. Gen. Hubert O. Johnson, Jr., USAF, Ret.
Rear Adm. John B. Johnson, USNR, Ret.
Maj. Gen. Kenneth L. Johnson, USA, Ret.
Vice Adm. Nels C. Johnson, USN, Ret.
Rear Adm. Ralph C. Johnson, USN, Ret.
Brig. Gen. Richard H. Johnson, USA, Ret.
Brig. Gen. Robert L. Johnson, USA, Ret.
Admiral Roy L. Johnson, USN, Ret.
General Warren R. Johnson
Brig. Gen. J. Wilson Johnston, USA, Ret.
Admiral Means Johnston, Jr., USN, Ret.
Brig. Gen. Bruce B. Jones, USA, Ret.
Rear Adm. Carlton B. Jones, USN, Ret.
Rear Adm. Don A. Jones, USN, Ret.
Rear Adm. Edward H. Jones, USN, Ret.
Brig. Gen. George M. Jones, USA, Ret.
Maj. Gen. John D. Jones, USAR, Ret.
Brig. Gen. Morton M. Jones, Jr., USA, Ret.
Maj. Gen. Stanley W. Jones, USA, Ret.
Rear Adm. William C. Jonson, USN, Ret.
Rear Adm. Allen R. Joyce, USN, Ret.
Brig. Gen. Charles E. Jung, USAF, Ret.
Brig. Gen. Carl S. Jungermann, USA, Ret.
Brig. Gen. Arthur J. Junot, USA, Ret.
Rear Adm. William L. Kabler, USN, Ret.
Maj. Gen. John W. Kaine, AUS, Ret.
Rear Adm. Anthony K. Kaires, USN, Ret.
Rear Adm. Joseph I. Kane, USN, Ret.
Brig. Gen. Sumner Z. Kaplan, USAR, Ret.
Rear Adm. Constantine A. Karaberis, USN, Ret.
Rear Adm. Draper L. Kauffman, USN, Ret.
Rear Adm. John H. Kaufman, USN, Ret.

Maj. Gen. Louis Kaufman, AUS, Ret.
Rear Adm. Paul Kaufman, USNR, Ret.
Brig. Gen. Paul A. Kauttu, USAF, Ret.
Brig. Gen. Albert Kaye, AUS, Ret.
Maj. Gen. Lester T. Kearney, Jr., USAF, Ret.
Rear Adm. Robert A. Keating, USN, Ret.
Rear Adm. Edgar S. Keats, USN, Ret.
Maj. Gen. George Keegan, USAF, Ret.
Maj. Gen. Gerald F. Keeling, USAF, Ret.
Maj. Gen. William B. Keese, USAF, Ret.
Rear Adm. Russell Kefauver, USN, Ret.
Maj. Gen. Naiff H. Kelel, USAR, Ret.
Brig. Gen. David B. Kelly, USAR, Ret.
Brig. Gen. Harold K. Kelley, USAF, Ret.
Brig. Gen. Arthur W. Kellond, USAF, Ret.
Maj. Gen. Maurice W. Kendall, USA, Ret.
Maj. Gen. Richard C. Kendall, USA, Ret.
Brig. Gen. John M. Kenderine, USA, Ret.
Maj. Gen. Douglas B. Kendrick, USA, Ret.
Brig. Gen. Kenneth W. Kennedy, USA, Ret.
Brig. Gen. Thomas B. Kennedy, USAF, Ret.
Lt. Gen. William E. Kepner, USAF, Ret.
Rear Adm. Richard A. Kern, USNR, Ret.
Brig. Gen. Redmond F. Kernan, USA, Ret.
Brig. Gen. H. E. Kessinger, USA, Ret.
Brig. Gen. Wayne O. Kester, USAF, Ret.
Vice Adm. Dixwell Ketcham, USN, Ret.
Rear Adm. Gerald L. Ketchum, USN, Ret.
Brig. Gen. Graber Kidwell, AUS, Ret.
Lt. Gen. W. B. Kieffer, USAF, Ret.
Rear Adm. Robert E. Kiena, USN, Ret.
Rear Adm. Richard H. Kiene, USNR, Ret.
Vice Adm. Ingolf N. Kiland, USN, Ret.
Rear Adm. J. O. Kinert, USN, Ret.
Brig. Gen. Benjamin H. King, USAF, Ret.
Brig. Gen. James I. King, USA, Ret.
Vice Adm. Jerome H. King, Jr., USN, Ret.
Brig. Gen. John J. King, USA, Ret.
Rear Adm. Philip V. King, USNR, Ret.
Brig. Gen. Thomas H. King, USAF, Ret.
Brig. Gen. John F. Kinney, USMC, Ret.
Rear Adm. William T. Kinsella, USN, Ret.
Rear Adm. Leon S. Kintberger, USN, Ret.
Brig. Gen. John P. Kirkendall, USAF, Ret.
Rear Adm. John E. Kirkpatrick, USN, Ret.
Rear Adm. Louis J. Kirn, USN, Ret.
Lt. Gen. Harold A. Kissinger, USA, Ret.
Brig. Gen. Bernard J. Kitt, USA, Ret.
Maj. Gen. Julius Klein, AUS, Ret.
Brig. Gen. William H. Klenke, Jr., USMCR, Ret.
Maj. Gen. John W. Kline, USAF, Ret.
Lt. Gen. Richard P. Klocko, USAF, Ret.
Maj. Gen. James B. Knapp, USAF, Ret.
Rear Adm. William L. Knickerbocker, USN, Ret.
Brig. Gen. Albion W. Knight, Jr., USA, Ret.
Brig. Gen. Richard A. Knobloch, USAF, Ret.
Brig. Gen. Thomas M. Knoles, III, USAF, Ret.
Brig. Gen. Harold F. Knowles, USAF, Ret.
Brig. Gen. Frank J. Kobes, Jr., USA, Ret.
Rear Adm. Herman J. Kossler, USN, Ret.
Brig. Gen. Richard S. Kotite, USA, Ret.
Rear Adm. William J. Kotsch, USN, Ret.
Rear Adm. Edgar P. Kranzfelder, USN, Ret.
Brig. Gen. Frederick C. Krause, USA, Ret.
Brig. Gen. Martin R. Krausz, USA, Ret.
Brig. Gen. William G. Kreger, AUS, Ret.
Brig. Gen. Philip F. Kromer, USA, Ret.
Maj. Gen. Clifford J. Kronauer, USAF, Ret.
Lt. Gen. Victor H. Krulak, USMC, Ret.
Rear Adm. Howard F. Kuehl, USN, Ret.
Maj. Gen. John R. Kullman, USAF, Ret.
Rear Adm. Chester A. Kunz, USN Ret.
Brig. Gen. William B. Kunzig, USA, Ret.
General Laurence S. Kuter, USAF, Ret.
Rear Adm. Paul L. Lacy, Jr., USN, Ret.
Rear Adm. John J. Laffan, USN, Ret.
Brig. Gen. James A. Lake, USA, Ret.
Brig. Gen. Kirby Lamar, USA, Ret.
Rear Adm. David Lambert, USN, Ret.
Rear Adm. Valdemar G. Lambert, USN, Ret.
Maj. Gen. F. H. Lamson-Scribner, USMC, Ret.
Maj. Gen. James E. Landrum, Jr., USA, Ret.
Maj. Gen. Robert B. Landry, USAF, Ret.
Rear Adm. Richard Lane, USN, Ret.
Maj. Gen. Clarence J. Lang, USA, Ret.
Maj. Gen. Cyrille P. Laporte, USA, Ret.
Rear Adm. Louis R. Laporte, USNR, Ret.
Maj. Gen. William W. Lapsley, USA, Ret.
Rear Adm. Wharton E. Larned, USNR, Ret.
Vice Adm. Harold O. Larson, USN, Ret.
Brig. Gen. Harold V. Larson, USAF, Ret.
Brig. Gen. Louise W. LaSalle, USAF, Ret.
Maj. Gen. William B. Latta, USA, Ret.
Rear Adm. Robert E. Laub, USN, Ret.
Brig. Gen. John T. Lawler, ANGUS, Ret.
Brig. Gen. John D. Lawlor, USA, Ret.
Brig. Gen. Baskin R. Lawrence, USAF, Ret.
Maj. Gen. Lee Lawrence, USA, Ret.
Rear Adm. Sidney J. Lawrence, USN, Ret.
Lt. Gen. William S. Lawton, USA, Ret.
Maj. Gen. Osmund A. Leahy, USA, Ret.
Rear Adm. William H. Leahy, USN, Ret.
Brig. Gen. John E. Leary, USA, Ret.
Lt. Gen. Eugene B. LeBailly, USAF, Ret.
Brig. Gen. Jonah Lebell, USAF, Ret.
Vice Adm. Fitzhugh Lee, USN, Ret.
Rear Adm. John E. Lee, USN, Ret.
Rear Adm. Lamar Lee, Jr., USN, Ret.
Lt. Gen. Frederick E. Leek, USMC, Ret.
Rear Adm. James E. Leeper, USN, Ret.
Rear Adm. Lawrence C. Leever, USNR, Ret.
Brig. Gen. Albert L. Lemen, USA, Ret.
Rear Adm. Frederick W. Lemly, USNR, Ret.
Brig. Gen. William C. Lemly, USMC, Ret.
Maj. Gen. Kelley B. Lemmon, USA, Ret.
Brig. Gen. William L. Lemnitzer, USA, Ret.
Brig. Gen. Lynwood B. Lennon, USN, Ret.
Maj. Gen. Charles F. Leonard, USA, Ret.
Rear Adm. William N. Leonard, USN, Ret.
Brig. Gen. Cecil P. Lessig, USAF, Ret.
Maj. Gen. Carroll N. Letellier, USA, Ret.
Rear Adm. Joseph W. Leverton, USN, Ret.
Maj. Gen. William P. Levine, USA, Ret.
Rear Adm. B. E. Lewellen, USN, Ret.
Brig. Gen. John David Lewis, USA, Ret.
Lt. Gen. John T. Lewis, USA, Ret.
Maj. Gen. Oliver W. Lewis, USAF, Ret.
Rear Adm. Porter Lewis, USN, Ret.
Maj. Gen. Vernon B. Lewis, Jr., USA, Ret.
Brig. Gen. William D. Lewis, USA, Ret.
Rear Adm. R. E. Libby, USN, Ret.
Maj. Gen. David I. Liebman, USAF, Ret.
Maj. Gen. Lawrence S. Lightner, USAF, Ret.
Brig. Gen. Gerald F. Lillard, USA, Ret.
Rear Adm. Walter E. Linaweaver, USN, Ret.
Lt. Gen. Lawrence J. Lincoln, USA, Ret.
Maj. Gen. Rush B. Lincoln, USA, Ret.
Brig. Gen. William C. Lindley, USAF, Ret.
Lt. Gen. R. C. Lindsay, USAF, Ret.
Brig. Gen. John F. Linehan, Jr., AUS, Ret.
Brig. Gen. Joseph J. Lingle, USAFR, Ret.
Brig. Gen. Andy A. Lipscomb, USA, Ret.
Brig. Gen. John J. Liset, USAF, Ret.
Brig. Gen. Elmer L. Littell, USA, Ret.
Rear Adm. O. L. Livdahl, USN, Ret.
Rear Adm. Olin A. Lively, USCGR, Ret.
Rear Adm. William H. Livingston, USN, Ret.
Maj. Gen. Arthur Y. Lloyd, USA, Ret.
Brig. Gen. B. C. Lockwood, Jr., USA, Ret.
Brig. Gen. Anthony Long, AUS, Ret.
Rear Adm. Thomas A. Long, USN, Ret.
Vice Adm. Victor D. Long, USN, Ret.
Rear Adm. William H. Longley, USNR, Ret.
Rear. Adm. Michael Lorenzo, USNR, Ret.
Lt. Gen. Walter E. Lotz, USA, Ret.
Maj. Gen. Charles E. Loucks, USA, Ret.
Rear Adm. Kenneth Loveland, USN, Ret.
Rear Adm. Benjamin B. G. Lovett, USN, Ret.
Maj. Gen. Curtis R. Low, USAF, Ret.
Maj. Gen. Jessup D. Lowe, USAF, Ret.
Maj. Gen. Sumter L. Lowry, USA, Ret.
Brig. Gen. Bernard R. Luczak, USA, Ret.
Brig. Gen. Garland A. Ludy, USA, Ret.
Maj. Gen. Alvin R. Luedecke, USAF, Ret.
Maj. Gen. Robert P. Lukeman, USAF, Ret.
Maj. Gen. William S. Lundberg, USA, Ret
Brig. Gen. Reginald P. Lyman, USA, Ret.
Maj. Gen. George E. Lynch, USA, Ret.
Brig. Gen. George P. Lynch, USA, Ret.
Rear Adm. John J. Lynch, USN, Ret.
Rear Adm. Ralph C. Lynch, Jr., USN, Ret.
Maj. Gen. Nelson M. Lynde, Jr., USA, Ret.
Brig. Gen. Donald J. Lynn, USAR, Ret.
Lt. Gen. Roy H. Lynn, USAF, Ret.
Brig. Gen. Archibald W. Lyon, USA, Ret.
Rear Adm. Harvey E. Lyon, USN, Ret.
Maj. Gen. Herbert A. Lyon, USAF, Ret.
Rear Adm. Hylan B. Lyon, USN, Ret.
Rear Adm. Raymond R. Lyons, USN, Ret.
Maj. Gen. Clinton S. Lyter, USA, Ret.
Rear Adm. Donald J. MacDonald, USN, Ret.
Rear Adm. Duncan C. MacMillan, USN, Ret.
Rear Adm. Edgar J. MacGregor, USN, Ret.
Rear Adm. John B. MacGregor, USN, Ret.
Brig. Gen. J. W. Mackelvie, USA Ret.
Rear Adm. Robert A. Macpherson, USN, Ret.
Brig. Gen. Robert S. Macrum, USAF, Ret.
Rear Adm. Dashiell L. Madeira, USN, Ret.
Maj. Gen. Frank M. Madsen, Jr., USAF, Ret.
Brig. Gen. W. S. Magalhaes
Rear Adm. Thomas B. Magath, USNR, Ret.
Maj. Gen. John J. Maginnis, AUS, Ret.
General R. J. Maglione, USAF, Ret.
Rear Adm. Charles J. Maguire, USN, Ret.
Rear Adm. Harry P. Mahin, USN, Ret.
Brig. Gen. Thaddeus F. Malanowski, USA, Ret.
Maj. Gen. Robert J. Malley, USA, Ret.
Rear Adm. Ralph W. Malone, USN, Ret.
Maj. Gen. Robert W. Maloy, USAF, Ret.
Brig. Gen. T. B. Mancinelli, USA, Ret.
Brig. Gen. Ben J. Mangina, USAF, Ret.
Maj. Gen. Daniel J. Manning, AUS, Ret.
Rear Adm. Joseph I. Manning, USN, Ret.
Brig. Gen. Alexander Marble, USA, Ret.
Rear Adm. Lewis M. Markham, Jr., USN, Ret.
Rear. Adm. John L. Marocchi, USN, Ret.
Brig. Gen. Theodore H. Marshall, USA, Ret.
Vice Adm. William J. Marshall, USN, Ret.
Rear Adm. Alvo O. Martin, USN, Ret.
Maj. Gen. Clarence A. Martin, USA, Ret.
Brig. Gen. Edward O. Martin, USAF, Ret.
Rear Adm. Gavle T. Martin, USNR, Ret.
Lt. Gen. Glen W. Martin, USAF, Ret.
Maj. Gen. Sherman F. Martin, USAF, Ret.
Lt. Gen. W. K Martin, USAF, Ret.
Brig. Gen. William H. Martin, Jr., USA, Ret.
Vice Adm. William I. Martin, USN, Ret.
Rear Adm. David L. Martineau, USN, Ret.
Rear Adm. Harry C. Mason, USN, Ret.
Brig. Gen. James B. Mason, AUS, Ret.
Maj. Gen. Stanhope B. Mason, USA, Ret.
Brig. Gen. Theo. C. Mataxis, USA, Ret.
Rear Adm. Paul L. Mather, USN, Ret.
Maj. Gen. Salve H. Matheson, USA, Ret.
Rear Adm. Bob O. Mathews, USN, Ret.
Rear Adm. Alfred R. Matter, USN, Ret.
Rear Adm. M. D. Matthews, USN, Ret.
Maj. Gen. Willis S. Matthews, USA, Ret.
Rear Adm. John H. Maurer, USN, Ret.
Maj. Gen. Azro J. Maxham, NGUS, Ret.
Rear Adm. William S. Maxwell, USN, Ret.
Brig. Gen. David E. Mayer.
Rear Adm. Walter S. Mayer, USN, Ret.
Brig. Gen. Archie S. Mayes, USAF, Ret.
Brig. Gen. Richard W. Mayo, USA, Ret.
Rear Adm. John H. McAuliffe, USNR, Ret.
Brig. Gen. Madison M. McBrayer, USAF, Ret.
Brig. Gen. George H. McBride, USA, Ret.
Admiral John S. McCain, USN, Ret.
Maj. Gen. William D. McCain, USA, Ret.
Brig. Gen. Michael C. McCarthy, USAF, Ret.
Maj. Gen. Chester E. McCarty, USAF, Ret.
Admiral J. W. McCauley, USN, Ret.
Brig. Gen. Arthur J. McChrystal, USA, Ret.
Brig. Gen. Clyde F. McClain, USAF, Ret.
Rear Adm. John G. McClaughry, USN, Ret.
Brig. Gen. Glen J. McClernon, USAF, Ret.
Rear Adm. William M. McCloy, USNR, Ret.
Maj. Gen. C. W. McColpin, USAF, Ret.
Rear Adm. Charles E. McCombs, USN, Ret.
Maj. Gen. Charles M. McCorkle, USAF, Ret.

Rear Adm. Francis D. McCorkle, USN, Ret.
Rear Adm. James R. McCormick, USN, Ret.
Rear Adm. William M. McCormick, USN, Ret.
Maj. Gen. Frank T. McCoy, Jr., USAF, Ret.
Vice Adm. John L. McCrea, USN, Ret.
Rear Adm. Victor B. McCrea, USN, Ret.
Brig. Gen. Kenneth A. McCrimmon, USA, Ret.
Rear Adm. John D. McCubbin, USN, Ret.
Rear Adm. Leo B. McCuddin, USN, Ret.
Maj. Gen. Robert H. McCutcheon, USAF, Ret.
Brig. Gen. John A. McDavid, USAF, Ret.
Brig. Gen. Victor L. McDearman, USA, Ret.
Admiral David L. McDonald, USN, Ret.
Brig. Gen. Everett A. McDonald, USAF, Ret.
Rear Adm. Ellsworth D. McEathron, USN, Ret.
Brig. Gen. John A. McEwan, USA, Ret.
Lt. Gen. Thomas K. McGehee, USAF, Ret.
Maj. Gen. Francis M. McGoldrick, USA, Ret.
Brig. Gen. W. F. McGonagle, AUS, Ret.
Maj. Gen. Edward A. McGough, USAF, Ret.
Brig. Gen. Thomas J. McGuire, USA, Ret.
Brig. Gen. Godfrey T. McHugh, USAF, Ret.
Rear Adm. John M. McIsaac, USN, Ret.
Rear Adm. D. E. McKay, USN, Ret.
Lt. Gen. George H. McKee, USAF, Ret.
Brig. Gen. Henry R. McKee, USA, Ret.
Rear Adm. Logan McKee, USN, Ret.
General Seth J. McKee, USAF, Ret.
Brig. Gen. William F. McKee, USA, Ret.
Maj. Gen. Chester M. McKeen, USA, Ret.
Maj. Gen. Henry R. McKenzie, USA, Ret.
Rear Adm. Eugene B. McKinney, USN, Ret.
Rear Adm. William R. McKinney, USN, Ret.
Rear Adm. John R. McKnight, USN, Ret.
Brig. Gen. John H. McLain, USAF, Ret.
Major Gen. Richard E. McLaughlin, USAFR, Ret.
Vice Adm. Ephraim R. McLean, Jr., USN, Ret.
Rear Adm. G. A. McLean, USN, Ret.
Vice Adm. Gordon McLintock.
Rear Adm. Bernard F. McMahon, USN, Ret.
Vice Adm. Frederick W. McMahon, USN, Ret.
Maj. Gen. W. C. McMahon, USA, Ret.
Brig. Gen. Robert McMath, USAF, Ret.
Maj. Gen. Henry W. McMillan, USA, Ret.
Rear Adm. Ira Ellis McMillian, USN, Ret.
Rear Adm. George J. McMillin, USN, Ret.
Rear Adm. Edwin E. McMorries, USN, Ret.
Rear Adm. James A. McNally.
Maj. Gen. Edward P. McNeff, USAF, Ret.
Maj. Gen. Travis R. McNeil, USAF, Ret.
Maj. Gen. Raymond F. McNelly, USA, Ret.
Maj. Gen. Melvin F. McNickle, USAF, Ret.
Rear Adm. Richard R. McNulty, USNR, Ret.
Brig. Gen. James H. McPartlin, USAFR, Ret.
Brig. Gen. Claude M. McQuarrie, USA, Ret.
Brig. Gen. Claude M. McQuarrie, Jr., USA, Ret.
Rear Adm. Charles J. McWhinnie, USNR, Ret.
Maj. Gen. John C. McWhorter, USA, Ret.
Brig. Gen. Keith E. McWilliams, ARNG, Ret.
Rear Adm. States M. Mead, USNR, Ret.
Lt. Gen. Fillmore K. Mearns, USA, Ret.
Maj. Gen. Edward P. Mechling, USA, Ret.
Maj. Gen. John B. Medaris, USA, Ret.
Rear Adm. Francis J. Mee, USN, Ret.
General Vernon E. Magee.
Rear Adm. Roger W. Mehle, USN, Ret.
Rear Adm. John L. Melgaard, USN, Ret.
Maj. Gen. Laclair A. Melhouse, USAR, Ret.
Rear Adm. Robert E. Melling, USN, Ret.
Brig. Gen. Albert L. Melton, USAF, Ret.
Rear Adm. Corwin Mendenhall, USN, Ret.
Rear Adm. W. K. Mendehall, Jr., USN, Ret.
Brig. Gen. William J. Meng, USAF, Ret.
Brig. Gen. Chauncey D. Merrill, USA, Ret.
Rear Adm. Charles H. Mester, Jr., USNR, Ret.
Brig. Gen. Frank Meszar, USA, Ret.
Rear Adm. Ralph M. Metcalf, USN, Ret.
Rear Adm. Alfred B. Metsger, USN, Ret.
Rear Adm. Edward R. Metzer, USN, Ret.
Brig. Gen. Charles R. Meyer, USA, Ret.
Maj. Gen. Richard J. Meyer, USA, Ret.
Rear Adm. Walter C. Michaels, USNR, Ret.
Brig. Gen. Howard E. Michelet, USA, Ret.
Rear Adm. Bill A. Miles, USNR, Ret.
Rear Adm. Edwin S. Miller, USN, Ret.
Maj. Gen. Frank D. Miller, USA, Ret.
Maj. Gen. Frederic H. Miller, USAF, Ret.
Rear Adm. George H. Miller, USCG, Ret.
Rear Adm. George H. Miller, USN, Ret.
Rear Adm. Harold B. Miller, USN, Ret.
Maj. Gen. Junior F. Miller, USA, Ret.
Brig. Gen. Robert B. Miller, USAF, Ret.
Rear Adm. Ward S. Miller, USN, Ret.
Brig. Gen. Eugene J. Mincks, USAR, Ret.
Maj. Gen. Charles F. Minter, Sr., USAF, Ret.
Maj. Gen. Augustus M. Minton, USAF, Ret.
Rear Adm. Clinton A. Mission, USN, Ret.
Brig. Gen. Burt L. Mitchell, Jr., USA, Ret.
Brig. Adm. Cleo N. Mitchell, USN, Ret.
Brig. Gen. William L. Mitchell, Jr., USAF, Ret.
Rear Adm. S. Edward Mittler, USNR, Ret.
Vice Adm. L. A. Moebus, USN, Ret.
Major Gen. Chester J. Moeglein, USA, Ret.
Brig. Gen. Robert L. Moeller, USAF, Ret.
Brig. Gen. Robert E. Moffet, USA, Ret.
Rear Adm. William A. Moffett, Jr., USN, Ret.
Rear Adm. Lloyd W. Moffit, USN, Ret.
Maj. Gen. Henry Mohr, USAR, Ret.
Brig. Gen. Eric S. Molitor, USA, Ret.
Brig. Gen. A. J. Montgomery, USA, Ret.
Brig. Gen. Edmund W. Montgomery, II, USAR, Ret.
Lt. Gen. Richard M. Montgomery, USAF, Ret.
Brig. Gen. Harley F. Mooney, Jr., USA, Ret.
Rear Adm. Benjamin E. Moore, USN, Ret.
Rear Adm. Chauncey Moore, USN, Ret.
Vice Adm. French R. Moore, USN, Ret.
Vice Admiral George E. Moore, II, USN, Ret.
Maj. Gen. Harley L. Moore, Jr., USA, Ret.
Rear Adm. Howard S. Moore, USN, Ret.
Brig. Gen. John B. Moore, USA, Ret.
Lt. Gen. Joseph H. Moore, USAF, Ret.
Brig. Gen. Leon A. Moore, Jr., USAF, Ret.
Rear Adm. Moore Moore, Jr., USNR, Ret.
Maj. Gen. Otis C. Moore, USAF, Ret.
Rear Adm. Robert Brevard Moore, USN, Ret.
Rear Adm. Robert L. Moore, Jr., USN, Ret.
Maj. Gen. Rollin B. Moore, USAF, Ret.
General William G. Moore, Jr., USAF, Ret.
Rear Adm. William T. Moore, USNR, Ret.
Rear Adm. Henry G. Moran, USN, Ret.
Vice Adm. William J. Morgan, USN, Ret.
Maj. Gen. James L. Moreland, USA, Ret.
Rear Adm. Henry S. Morgan, Jr., USN, Ret.
Maj. Gen. Martin J. Morin, USA, Ret.
Brig. Gen. William F. Morr, USA, Ret.
Brig. Gen. Robert H. Morrell, USAF, Ret.
Rear Adm. John H. Morrill, USN, Ret.
Brig. Gen. Albert R. Morris, USA, Ret.
Brig. Gen. John H. Morrison, USA, Ret.
Brig. Gen. Manley G. Morrison, USA, Ret.
Brig. Gen. Richard I. Morton, USA, Ret.
Brig. Gen. Alvin J. Moser, USAF, Ret.
Rear Adm. Charles W. Moses, USN, Ret.
Maj. Gen. Lloyd R. Moses, USA, Ret.
Admiral William C. Mott, USN, Ret.
Rear Adm. Horace D. Moulton, USNR, Ret.
Brig. Gen. Charles F. Mudgett, Jr., USA, Ret.
Maj. Gen. Dolf E. Muehleisen, USAF, Ret.
Brig. Gen. E. L. Mueller, USA, Ret.
General Richard Mulberry, Jr.
Maj. Gen. Hal L. Muldrow, USA, Ret.
Brig. Gen. Eugene Muller, AUS, Ret.
Brig. Gen. Henry J. Muller, USA, Ret.
Lt. Gen. Lewis L. Mundell, USAF, Ret.
Lt. Gen. George W. Mundy, USAF, Ret.
Maj. Gen. George P. Munson, Jr., USA, Ret.
Rear Adm. A. C. Murdaugh, USN, Ret.
Rear Adm. John D. Murphy, USN, Ret.
Rear Adm. John W. Murphy, USN, Ret.
Vice Adm. M. E. Murphy, USN, Ret.
Brig. Gen. Robert F. Murphy, AUS, Ret.
General S. A. Murphy.
Maj. Gen. James L. Murray, USAFR, Ret.
Brig. Gen. Joseph Murray, Jr., USAR, Ret.
Rear Admiral George R. Muse, USN, Ret.
Maj. Gen. Thomas C. Musgrave, USAF, Ret.
Vice Adm. Lloyd M. Mustin, USN, Ret.
Brig. Gen. James H. Myers, USA, Ret.
Brig. Gen. Philip D. Myers, USA, Ret.
Maj. Gen. Warren E. Myers, USAR, Ret.
Rear Adm. Charles D. Nace, USN, Ret.
General Gus G. Nagy.
Brig. Gen. Ezekiel W. Napier, USAF, Ret.
Brig. Gen. Walter W. Nations, ANG, Ret.
Maj. Gen. Nicholas G. Nazarenko, Coss, Ret.
General Joseph J. Nazzaro, USAF, Ret.
Vice Adm. Ray C. Needham, USN, Ret.
Maj. Gen. Spurgeon H. Neel, USA, Ret.
Brig. Gen. Richard C. Neeley, USAF, Ret.
Brig. Gen. Robert B. Neely, USA, Ret.
Brig. Gen. Carson R. Neifert, USA, Ret.
Brig. Gen. Alfred K. Nelson, USAR, Ret.
Maj. Gen. Douglas T. Nelson, USAF, Ret.
Rear Adm. Roger E. Nelson, USN, Ret.
Brig. Gen. Roy W. Nelson, Jr., USAF, Ret.
Rear Adm. William T. Nelson, USN, Ret.
Rear Adm. Lawrence R. Neville, USN, Ret.
Rear Adm. J. H. Nevins, USN, Ret.
Rear Adm. William Neil New, USN, Ret.
Brig. Gen. James P. Newberry, USAF, Ret.
Maj. Gen. Warner E. Newby, USAF, Ret.
Rear Adm. Lyman T. Newell, USN, Ret.
Maj. Gen. Aubrey S. Newman, USA, Ret.
Rear Adm. Langdon C. Newman, USN, Ret.
Brig. Gen. Henry C. Newton, USA, Ret.
Brig. Gen. Charles P. Nicholas, USA, Ret.
Maj. Gen. Franklin A. Nichols, USAF, Ret.
Rear Adm. Richard E. Nichols, USN, Ret.
Rear Adm. Charles A. Nicholson, USN, Ret.
Brig. Gen. Wallace H. Nickell, USA, Ret.
Lt. Gen. Herman Nickerson Jr., USMC, Ret.
Rear Adm. Hugh R. Nieman, Jr., USN, Ret.
Rear Adm. Samuel Nixdorff, USN, Ret.
Admiral Albert G. Noble, USN, Ret.
Rear Adm. Paul R. Norby, USNR, Ret.
Rear Adm. Rollo N. Norgaard, USN, Ret.
Lt. Gen. John Norton, USA, Ret.
Rear Adm. Robert H. Northwood, USN, Ret.
Brig. Gen. William P. Nuckols, USAF, Ret.
Brig. Gen. Paul M. Nugent, USA, Ret.
Brig. Gen. Bernard A. Nurre, USA, Ret.
Maj. Gen. W. H. Nutter, USA, Ret.
Rear Adm. Timothy J. O'Brien, USN, Ret.
Brig. Gen. Howard O'Connor, USAR, Ret.
Rear Adm. Michael G. O'Connor, USN, Ret.
Vice Adm. James W. O'Grady, USN, Ret.
General Timothy F. O'Keefe, USAF, Ret.
Maj. Gen. Charles S. O'Malley, Jr., USA, Ret.
General Andrew P. O'Meara, USA, Ret.
Rear Adm. Warren H. O'Neil, USN, Ret.
Rear Adm. John F. Oakley, USNR, Ret.
Lt. Gen. Arthur W. Oberbeck, USA, Ret.
Brig. Gen. Joseph C. Odell, USA, Ret.
Brig. Gen. Russell G. Ogan, USAF, Ret.
Brig. Gen. Milton L. Ogden, USA, Ret.
Brig. Gen. William U. Ogletree, USA, Ret.
Maj. Gen. Nils O. Ohman, USAF, Ret.
Brig. Gen. Clay Olbon, USA, Ret.
Brig. Gen. Robin Olds, USAF, Ret.
Rear Adm. Richard M. Oliver, USN, Ret.
Rear Adm. William M. Oller, USN, Ret.
Rear Adm. Alfred C. Olney, Jr., USN, Ret.
Rear Adm. Carl B. Olsen, USCG, Ret.
Maj. Gen. O. Donald Olson, USAF, Ret.
Brig. Gen. Gustaf P. Olson, USA, Ret.
Vice Adm. Howard E. Orem, USN, Ret.
Rear Adm. William H. Organ, USN, Ret.
Rear Adm. David P. Osborne, USN, Ret.
Maj. Gen. Ralph M. Osborne, USA, Ret.
Maj. Gen. Frank A. Osmanski, USA, Ret.
Maj. Gen. John L. Osteen, USA, Ret.
General J. A. Ostroph.

Brig. Gen. William D. Ott, USAF, Ret.
Rear Adm. William W. Outerbridge, USN, Ret.
Brig. Gen. Edwin B. Owen, USA, Ret.
Brig. Gen. Robert R. Owen, USAR, Ret.
Rear Adm. Hinton A. Owens, USN, Ret.
Rear Adm. Robert P. Owens, USNR, Ret.
Maj. Gen. Alvin L. Pachynski, USAF, Ret.
Brig. Gen. Leon C. Packer, USAF, Ret.
Brig. Gen. Michael Pahlick, USA, Ret.
Rear Adm. Roger W. Paine, Jr., USN, Ret.
Maj. Gen. Ralph A. Palladino, USAR, Ret.
Rear Adm. Charles J. Palmer, USN, Ret.
Rear Adm. George G. Palmer, USN, Ret.
Brig. Gen. Walter P. Paluch, USAF, Ret.
Brig. Gen. George A. Pappas, Jr., USAF, Ret.
Brig. Gen. Maston S. Parham, USA, Ret.
Rear Adm. Charles W. Parker, USN, Ret.
Maj. Gen. David B. Parker, USA, Ret.
Vice Adm. Edward N. Parker, USN, Ret.
Maj. Gen. Edwin P. Parker, USA, Ret.
Rear Adm. Frank M. Parker, USN, Ret.
Maj. Gen. Hugh A. Parker, USAF, Ret.
Admiral George A. Parkinson, USAF, Ret.
General Harlan C. Parks, USAF, Ret.
Rear Adm. Joel D. Parks, USN, Ret.
Brig. Gen. Frank J. Parrish, USAFR, Ret.
Brig. Gen. Benton K. Partin, USAF, Ret.
Maj. Gen. James E. Paschall, USAF, Ret.
Maj. Gen. Paul F. Patch, USAF, Ret.
Maj. Gen. William A. Patch, USA, Ret.
Rear Adm. Goldsborough S. Patrick, USN, Ret.
Maj. Gen. Frank H. Patridge, USA, Ret.
Rear Adm. Stanley F. Patten, USN, Ret.
Rear Adm. Alex M. Patterson, USN, Ret.
Rear Adm. Richard O. Patterson, USNR, Ret.
Brig. Gen. H. C. Pattison, USA, Ret.
Brig. Gen. Leonard E. Pauley, USA, Ret.
Rear Adm. Albert G. Paulsen, USNR, Ret.
Brig. Gen. Harry O. Paxson, USA, Ret.
Rear Adm. Charles N. Payne, USN, Ret.
Brig Gen. Howard E. Payne, Jr., USAF, Ret.
Brig. Gen. Richard S. Payne, USA, Ret.
Maj. Gen. D. J. Peacher, USMCR, Ret.
Rear Adm. Rufus J. Pearson, USN, Ret.
Rear Adm. Theodore E. Pearson, USNR, Ret.
Rear Adm. John B. Pearson, Jr., USN, Ret.
Lt. Gen. Willard Pearson, USA, Ret.
Rear Adm. Edwin R. Peck, USN, Ret.
Rear Adm. Oscar Pederson, USN, Ret.
Brig. Gen. Byron E. Peebles, USA, Ret.
Lt. Gen. W. R. Peers, USA, Ret.
Maj. Gen. William B. Pendlebury, AUS, Ret.
Lt. Gen. Horad W. Penney, USA, Ret.
Brig. Gen. Donald G. Penterman, USA, Ret.
Rear Adm. Louis W. Perkins, USCG, Ret.
Rear Adm. Adrian Perry, USN, Ret.
Rear Adm. Henry S. Persons, USN, Ret.
Brig. Gen. Howard P. Persons, USA, Ret.
Brig. Gen. Robert E. Peters, USA, Ret.
Brig. Gen. Roy W. Peters, USA, Ret.
Rear Adm. Edward B. Peterson, USN, Ret.
Rear Adm. George E. Peterson, USN, Ret.
Rear Adm. Richard W. Peterson, USN, Ret.
Brig. Gen. Frank I. Pethick, Jr., USAR, Ret.
Maj. Gen. Robert L. Petit, USAF, Ret.
Brig. Gen. Roger E. Phelan, USAF, Ret.
Rear Adm. Thomas C. Phifer, USN, Ret.
Brig. Gen. Tobias R. Philbin, Jr., USA, Ret.
Rear Adm. Chester G. Phillips, USN, Ret.
Brig. Gen. Eugene Phillips, USA, Ret.
Maj. Gen. James H. Phillips, USA, Ret.
Lt. Gen. Jammie M. Philpott, USAF, Ret.
Rear Adm. Ben B. Pickett, USN, Ret.
Maj. Gen. Alberto A. Pico, AUS, Ret.
Maj. Gen. Joseph E. Pieklik, USA, Ret.
General Arthur J. Pierce, USAF, Ret.
Maj. Gen. Russell K. Pierce, USAF, Ret.
Maj. Gen. Milton A. Pilcher, AUS, Ret.
Brig. Gen. Gladwyn E. Pinkston, USAF, Ret.
Maj. Gen. Ernest A. Pinson, USAF, Ret.
Vice Adm. Robert B. Pirie, USN, Ret.
Brig. Gen. Eli P. Plaskow, USAR, Ret.
Rear Adm. William G. Pogue, USN, Ret.
Brig. Gen. Boleslaw H. Pokigo, USA, Ret.
Rear Adm. David P. Polatty, USN, Ret.
Brig. Gen. Douglas C. Polhamus, USAF, Ret.
Brig. Gen. Jack P. Pollock, USA, Ret.
Rear Adm. Joseph G. Pomeroy, USN, Ret.
Rear Adm. Richard L. Poor, USNR, Ret.
Brig. Gen. Rochard B. Port, USAR, Ret.
Maj. Gen. H. C. Porter, USAF, Ret.
Brig. Gen. Mackenzie E. Porter, USA, Ret.
Rear Adm. Robert L. Porter, Jr., USN, Ret.
Brig. Gen. Robert P. Porter.
General Robert W. Porter, Jr., USA, Ret.
Maj. Gen. Alton G. Post, USA, Ret.
Rear Adm. William S. Post, Jr., USN, Ret.
Rear Adm. Norris W. Potter, USNR, Ret.
Brig. Gen. Seymour A. Potter, USA, Ret.
Brig. Gen. Edwin L. Powell, USA, Ret.
General Herbert B. Powell, USA, Ret.
Maj. Gen. James F. Powell, USAF, Ret.
Maj. Gen. Kenneth R. Powell, USAF, Ret.
Maj. Gen. George T. Powers, III, USA, Ret.
Rear Adm. Richard R. Pratt, USN, Ret.
Rear Adm. Arthur W. Price, Jr., USN, Ret.
Admiral Frank H. Price, Jr., USN, Ret.
Brig. Gen. Oran O. Price, USAF, Ret.
Maj. Gen. Fay B. Brickett, USA, Ret.
Admiral Alfred M. Pride, USN, Ret.
Maj. Gen. George S. Prugh, USA, Ret.
Maj. Gen. John R. Pugh, USA, Ret.
Rear Adm. William M. Pugh, II, USN, Ret.
Rear Adm. Harold F. Pullen, USN, Ret.
Brig. Gen. George S. Purple, USAR, Ret.
Maj. Gen. Romulus W. Puryear, USAF, Ret.
Rear Adm. Ira D. Putnam, USNR, Ret.
Lt. Gen. Donald L. Putt, USAF, Ret.
Rear Adm. Schuyler N. Pyne, USN, Ret.
Rear Adm. Frank E. Raab, Jr., USNR, Ret.
Maj. Gen. Edmund A. Rafalko, USAF, Ret.
Rear Adm. William H. Rafferty, USN, Ret.
Rear Adm. Edward C. Raffetto, USN, Ret.
Rear Adm. James D. Ramage, USN, Ret.
Vice Adm. Lawson P. Ramage, USN, Ret.
Vice Adm. Paul H. Ramsey, USN, Ret.
Brig. Gen. Thomas H. Ramsey, USA, Ret.
Brig. Gen. James D. Randall, Jr., USAR, Ret.
Brig. Gen. Edwin H. Randle, USA, Ret.
Adm. John E. M. Ranneft, Royal Neth. Navy, Ret.
Maj. Gen. Henry A. Rasmussen, USA, Ret.
Rear Adm. William T. Rassieur, USN, Ret.
Rear Adm. Clemens V. Rault, USN, Ret.
General Edwin W. Rawlings, USAF, Ret.
Rear Adm. Ralph W. Rawson, USN, Ret.
Rear Adm. Clarence C. Ray, USN, Ret.
Rear Adm. Herman L. Ray, USN, Ret.
Maj. Gen. Harold N. Read, USAR, Ret.
Maj. Gen. George A. Rebh, USA, Ret.
Brig. Gen. Joseph G. Rebman, USA, Ret.
Vice Adm. E. F. Rectanus, USN, Ret.
Maj. Gen. William H. Reddell, USAF, Ret.
Maj. Gen. William N. Redling, USA, Ret.
Brig. Gen. Albert Redman, Jr., USA, Ret.
Rear Adm. Allan L. Reed, USN, Ret.
Rear Adm. Kendall S. Reed, USN, Ret.
Rear Adm. Frederick M. Reeder, USN, Ret.
Rear Adm. James R. Reedy, USN, Ret.
Vice Adm. Eli T. Reich, USN, Ret.
Rear Adm. Herman Reich, USNR, Ret.
Brig. Gen. Michael J. Reichel, USA, Ret.
Brig. Gen. C. E. Reid, USA, Ret.
Rear Adm. Leslie L. Reid, USNR, Ret.
Rear Adm. George H. Reifenstein, USNR, Ret.
Brig. Gen. Stewart E. Reimel, USA, Ret.
Maj. Gen. Richard D. Reinhold, USAF, Ret.
Brig. Gen. William A. Reinken, USA, Ret.
Brig. Gen. Henry J. Reis-El Bara.
Rear Adm. Harry L. Reiter, Jr., USN, Ret.
Brig. Gen. Ivan A. Reitz, USAR, Ret.
Rear Adm. Edward E. Renfro, USN, Ret.
Maj. Gen. Thomas F. Rew, USAF, Ret.
Brig. Gen. Vorley M. Rexroad, USAF, Ret.
Brig. Gen. Emmett R. Reynolds, USA, Ret.
Brig. Gen. George E. Reynolds, USAF, Ret.
Rear Adm. James R. Z. Reynolds, USN, Ret.
Maj. Gen. John M. Reynolds, USAF, Ret.
Brig. Gen. William E. Reynolds, USA, Ret.
Maj. Gen. John K. Rice, USA, Ret.
Rear Adm. Joseph E. Rice, USN, Ret.
Rear Adm. Lester K. Rice, USN, Ret.
Vice Adm. Robert H. Rice, USN, Ret.
Brig. Gen. Clyde K. Rich, USAF, Ret.
Maj. Gen. George J. Richards, USA, Ret.
Rear Adm. Alvin F. Richardson, USN, Ret.
Rear Adm. Clifford G. Richardson, USN, Ret.
Brig. Gen. John W. Richardson, USAF, Ret.
Brig. Gen. Robert C. Richardson, III, USAF, Ret.
Maj. Gen. Walter B. Richardson, USA, Ret.
Brig. Gen. Hugh A. Richeson, USA, Ret.
Brig. Gen. Patrick A. Rickard, IANG, Ret.
Rear Adm. James B. Ricketts, USN, Ret.
Rear Adm. Herman P. Riebe, USN, Ret.
Rear Adm. Charles E. Rieben, USNR, Ret.
Brig. Gen. Nathaniel B. Rieger, USA, Ret.
Rear Adm. Robert E. Riera, USN, Ret.
Rear Adm. Roland Rieve, USN, Ret.
Rear Adm. Cecil D. Riggs, USN, Ret.
Rear Adm. Whitaker F. Riggs, USN, Ret.
General Daniel E. Riley, USAF, Ret.
Rear Adm. Theodore W. Rimer, Sr., USN, Ret.
Brig. Gen. Richard A. Risden, USA, Ret.
Lt. Gen. James P. Riseley, USMC, Ret.
Brig. Gen. Robinson Risner, USAF, Ret.
Maj. Gen. Osmond J. Ritland, USAF, Ret.
Admiral Horacio Rivero, USN, Ret.
Rear Adm. Berton A. Robbins, USN, Ret.
Lt. Gen. Jay T. Robbins, USAF, Ret.
Rear Adm. Joe A. Robbins, USN, Ret.
Brig. Gen. Ernst E. Robert, USA, Ret.
Lt. Gen. Elvy B. Roberts, USA, Ret.
Rear Adm. Levi J. Roberts, USNR, Ret.
Maj. Gen. J. Milner, Roberts, USAR, Ret.
Rear Adm. Armand J. Robertson, USN, Ret
Maj. Gen. Pearl H. Robey, USAF, Ret.
Maj. Gen. Gwynn H. Robinson, USAFR Ret.
Maj. Gen. Ray A. Robinson, USAF, Ret.
Rear Adm. Allan B. Roby, USN, Ret.
Maj. Gen. Harry J. Rockafeller, USAF, Ret
Rear Adm. Walter F. Rodee, USN, Ret.
Maj. Gen. Jermain F. Rodenhauser, USAF, Ret.
Brig. Gen. Rafael Rodriguez-Ema, USA, Ret.
Brig. Gen. Frederick C. Roecker, USA, Ret.
Brig. Gen. Andrew W. Rogers, USA, Ret.
Brig. Gen. Jack A. Rogers, USA, Ret.
Rear Adm. William L. Rogers, USNR, Ret.
Brig. Gen. Lawrence B. Rhode, USA, Ret.
Rear Adm. John R. Rohleder, USNR, Ret.
Brig. Gen. Kenwood B. Rohrer.
Rear Adm. Paul W. Rohrer, USNR, Ret.
Maj. Gen. Andrew P. Rollins, USA, Ret.
Brig. Gen. Michael R. Roman, USA, Ret.
Rear Adm. William K. Romoser, USN, Ret.
Brig. Gen. Harry M. Roper, USA, Ret.
Rear Adm. David L. Roscoe, Jr., USN, Ret.
Brig. Gen. John M. Rose, Jr., USAF, Ret.
Vice Adm. Rufus E. Rose, USN, Ret.
Rear Adm. Philip H. Ross, USN, Ret.
Rear Adm. Richard M. Ross, USCG, Ret.
Rear Adm. Henry J. Rotrige, USN, Ret.
Brig. Gen. John A. Rouse, USAF, Ret.
Brig. Gen. William C. Rousse, USA, Ret.
Vice Adm. Murrey L. Royar, USN, Ret.
Brig. Gen. Charles H. Royce, USA, Ret.
Rear Adm. Edward A. Ruckner, USNR, Ret.
Rear Adm. Thomas J. Rudden, USN, Ret.
Vice Adm. Theodore D. Ruddock, USN, Ret.
Rear Adm. Joseph A. Ruddy, Jr., USN, Ret.
Maj. Gen. Paul E. Ruestow, USAF, Ret.
Gen. Clark L. Ruffner, USA, Ret.
Maj. Gen. J. F. Ruggles, Ret.
Maj. Gen. George Ruhlen, USA, Ret.
Maj. Gen. Louis J. Rumaggi, USA, Ret.
Brig. Gen. Richard G. Rumney, USAF, Ret.
Rear Adm. Edward J. Rupnik, USN, Ret.
Maj. Gen. Joseph R. Russ, USA, Ret.
Rear. Adm. Joseph W. Russel, USN, Ret.
Lt. Gen. Austin J. Russell, USAF, Ret.
Admiral James S. Russell, USN, Ret.
Maj. Gen. Kendall Russell, USAF, Ret.
Rear Adm. Michael P. Russillo, USN, Ret.
Brig. Gen. Clifford G. Ryan, USAF, Ret.

Maj. Gen. Charles W. Ryder, USA, Ret.
Maj. Gen. Sterling R. Ryser, AUS, Ret.
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Brig. Gen. Theodore R. Sadler, USAR, Ret.
Brig. Gen. H. F. Safford, USA, Ret.
Admiral J. Parke Sager, USN, Ret.
Brig. Gen. Edward A. Sahli, USAF, Ret.
Maj. Gen. Charles E. Saltzman, USA, Ret.
Maj. Gen. George R. Sampson, USA, Ret.
Rear Adm. James G. Sampson, USN, Ret.
Brig. Gen. Crawford F. Sams, USA, Ret.
Maj. Gen. Kenneth O. Sanborn, USAF, Ret.
Brig. Gen. Alton Sanders, USA, Ret.
Rear Adm. E. R. Sanders, USN, Ret.
Vice Adm. Harry Sanders, USN, Ret.
Maj. Gen. Homer L. Sanders, USAF, Ret.
Brig. Gen. Horace L. Sanders, USA, Ret.
Rear Adm. Ira T. Sanders, USN, Ret.
Rear Adm. W. H. Sanders, USN, Ret.
Brig. Gen. P. C. Sandretto, USAF, Ret.
Brig. Gen. Leo A. Santini, USA, Ret.
Rear Adm. Merrill H. Sappington, USN, Ret.
Maj. Gen. Gordon P. Saville, USAF, Ret.
Maj. Gen. Edward W. Sawyer, USA, Ret.
Rear Adm. Valentine H. Schaeffer, USN, Ret.
Lt. Gen. George E. Schafer, USAF MC, Ret.
Brig. Gen. Martin H. Scharlemann, USAF, Ret.
Brig. Gen. Evan W. Schear, USAF, Ret.
Brig. Gen. Harold G. Scheie, USA, Ret.
Brig. Gen. Louis J. Schelter, USA, Ret.
Rear Adm. Otto A. Scherini, USN, Ret.
Maj. Gen. Edward C. D. Scherrer, USA, Ret.
Rear Adm. John J. Schieffelin, USNR, Ret.
Rear Adm. Walter F. Schlech, USN, Ret.
Rear Adm. Winston H. Schleef, USN, Ret.
Maj. Gen. Howard F. Schlitz, USA, Ret.
Rear Adm. John W. Schmidt, USN, Ret.
Vice Adm. Frederick H. Schneider, USN, Ret.
Rear Adm. Raymond J. Schneider, USN, Ret.
Vice Adm. William A. Schoech, USN, Ret.
Maj. Gen. William M. Schoning, USAF, Ret.
Rear Adm. Herbert E. Schonland, USN, Ret.
Maj. Gen. Charles W. Schott, USAF, Ret.
Maj. Gen. Robert A. Schow, USA, Ret.
Maj. Gen. Henry C. Schrader, USA, Ret.
Brig. Gen. Ned Schramm, USAF, Ret.
Brig. Gen. George L. Schulstad, USAF, Ret.
Rear Adm. Floyd B. Schultz, USN, Ret.
Rear Adm. Paul G. Schultz, USN, Ret.
Rear Adm. Lester R. Schulz, USN, Ret.
Brig. Gen. Carl F. Schupp, II, USA, Ret.
Rear Adm. Frank D. Schwartz, USN, Ret.
Brig. Gen. Francis F. Schweinler, USA, Ret.
Brig. Gen. A. H. Schwichtenberg, USAF, Ret.
Rear Adm. Albert B. Scoles, USN, Ret.
Brig. Gen. Richard L. Scott, USAF, Ret.
Brig. Gen. Richard M. Scott, USAF, Ret.
Brig. Gen. Robert L. Scott, Jr., USAF, Ret.
Brig. Gen. Tom W. Scott, USAF, Ret.
Lt. Gen. Jonathan O. Seaman, USA, Ret.
Maj. Gen. DeWitt R. Searles, USAF, Ret.
Vice Adm. Harry E. Sears, USN, Ret.
Rear Adm. Norman W. Sears, USN, Ret.
Rear Adm. Eugene T. Seaward, USN, Ret.
Brig. Gen. Wiltz P. Segura, USAF, Ret.
Rear Adm. F. Gordon Selby, USN, Ret.
Rear Adm. George D. Selfridge, USN, Ret.
Maj. Gen. Moise B. Seligman, USAR, Ret.
Vice Adm. Benedict J. Semmes, USNR, Ret.
Maj. Gen. John W. Sessums, Jr., USAF, Ret.
Rear Adm. Paul E. Seufer, USN, Ret.
Maj. Gen. W. T. Sexton, USA, Ret.
Rear Adm. John N. Shaffer, USN, Ret.
Rear Adm. Leland G. Shaffer, USN, Ret.
Vice Adm. John J. Shanahan, USN, Ret.
Rear Adm. Louis D. Sharp, Jr., USN, Ret.
Rear Adm. Raymond N. Sharp, USN, Ret.
Admiral U. S. Grant Sharp, USN, Ret.
Brig. Gen. William J. Sharrow, NG, Ret.
Rear Adm. Charles W. Shattuck, USNR, Ret.
Brig. Gen. Samuel R. Shaw, USMC, Ret.
Brig. Gen. William L. Shaw, ARNGUS, Ret.
Brig. Gen. William H. Shawcross, USN, Ret.
Rear Adm. Maurice W. Shea, USN, Ret.
Brig. Gen. William L. Shea, USA, Ret.
Brig. Gen. Robert M. Shaeffer, PANG, Ret.
Brig. Gen. William F. Sheehan, USA, Ret.
General Ralph A. Sheldrick.
General Lemuel C. Shepherd, USMC, Ret.
Brig. Gen. Paul D. Sherman, USMC, Ret.
Lt. Gen. James C. Sherrill, USAF, Ret.
Rear Adm. Stephen Sherwood, USN, Ret.
Vice Adm. Ralph L. Shifley, USN, Ret.
Maj. Gen. Clarence B. Shimer, USA, Ret.
Maj. Gen. John G. Shinkle, USA, Ret.
Vice Adm. Allen M. Shinn, USN, Ret.
Rear Adm. James M. Shoemaker, USN, Ret.
Lt. Gen. Raymond L. Shoemaker, USA, Ret.
Vice Adm. Wallace B. Short, USN, Ret.
Maj. Gen. Anthony T. Shtogren, USAF, Ret.
Brig. Gen. George M. Shuffer, Jr., USA, Ret.
Brig. Gen. Roland P. Shugg, USA, Ret.
Maj. Gen. William R. Shuler, USA, Ret.
Brig. Gen. Edwin L. Shull, USA, Ret.
Rear Adm. Burton H. Shupper, USN, Ret.
Brig. Gen. Frank H. Schwable, USMC, Ret.
Maj. Gen. Alden K. Sibley, USA, Ret.
Brig. Gen. Thomas N. Sibley, USA, Ret.
Admiral John Sidney, USN, Ret.
Rear Adm. William B. Sieglaff, USN, Ret.
Brig. Gen. Darel R. Sievers, USAR, Ret.
Admiral Owen W. Siler, USCG, Ret.
Maj. Gen. Norman D. Sillin, USAF, Ret.
Brig. Gen. Clifford M. Simmang, USAR, Ret.
Rear Adm. Rupert M. Simmerli, USN, Ret.
Brig. Gen. Robert H. Simmert, USA, Ret.
Maj. Gen. Cecil L. Simmons, USA, Ret.
Maj. Gen. Henry Simon, USAF, Ret.
Rear Adm. Maurice E. Simpson, USN, Ret.
General William H. Simpson, USA, Ret.
Maj. Gen. John F. Sims, NG, Ret.
Brig. Gen. Turner A. Sims, USAF, Ret.
Maj. Gen. John K. Singlaub, USA, Ret.
Lt. Gen. Ray B. Sitton, USAF, Ret.
Brig. Gen. William K. Skaer, USAF, Ret.
Brig. Gen. Robert B. Skinner, USA, Ret.
Brig. Gen. Lecount H. Slocum, USA, Ret.
Rear Adm. Morris Smellow, USN, Ret.
Rear Adm. Curtis S. Smiley, USN, Ret.
Rear Adm. Allen Smith, Jr., USN, Ret.
Rear Adm. Bertram D. Smith, USN, Ret.
Brig. Gen. C. Coburn Smith, USA, Ret.
Maj. Gen. C. Rodney Smith, USA, Ret.
Rear Adm. Charles H. Smith, USN, Ret.
Maj. Gen. Dale O. Smith, USAF, Ret.
Maj. Gen. Donald J. Smith, USAF, Ret.
Brig. Gen. Farmer S. Smith, USAF, Ret.
General Frederic H. Smith, USAF, Ret.
Maj. Gen. George F. Smith, USAF, Ret.
Brig. Gen. Harold L. Smith, USAF, Ret.
Admiral Harold P. Smith, USN, Ret.
Rear Adm. Harry Smith, USN, Ret.
Brig. Gen. Henry A. Smith, Jr., USA, Ret.
Maj. Gen. Howard P. Smith, USAF, Ret.
Rear Adm. Hugh R. Smith, USNR, Ret.
Brig. Gen. James M. Smith.
Vice Adm. John Victor Smith, USN, Ret.
Rear Adm. Judson L. Smith, USNR, Ret.
Brig. Gen. L. W. Smith, USMCR, Ret.
Brig. Gen. Lynn D. Smith, USA, Ret.
Brig. Gen. Paul E. Smith, USA, Ret.
Maj. Gen. Paul T. Smith, USA, Ret.
Rear Adm. Philip W. Smith, USNR, Ret.
Rear Adm. Robert H. Smith, USN, Ret.
Brig. Gen. Roger W. Smith, USAF, Ret.
Rear Adm. Spencer R. Smith, USN, Ret.
Rear Adm. Stuart H. Smith, USN, Ret.
Brig. Gen. Wilbur A. Smith, USAF, Ret.
Maj. Gen. William T. Smith, USAF, Ret.
Brig. Gen. Willard W. Smith, USAF, Ret.
Vice Adm. Roland N. Smoot, USN, Ret.
Brig. Gen. Ralph A. Snavely, USAF, Ret.
Rear Adm. William O. Snead, USN, Ret.
Vice Adm. Edwin K. Snyder.
Maj. Gen. Oscar P. Snyder, USA, Ret.
Maj. Gen. Maxwell C. Snyder, USA, Ret.
Rear Adm. Albin R. Sodergren, USN, Ret.
Brig. Gen. Leo E. Soucek, USA, Ret.
Rear Adm. Harrison B. Southworth, USN, Ret.
Brig. Gen. Richard B. Spear, USAF, Ret.
Brig. Gen. Max H. Specht, USA, Ret.
General John F. Speer.
Brig. Gen. William Spence, USA, Ret.
Brig. Gen. Donald O. Spoon, USA, Ret.
Maj. Gen. Charles E. Spragins, USA, Ret.
Brig. Gen. William W. Spruance, USAF, Ret.
Maj. Gen. James W. Spry, USAF, Ret.
General R. I. Stack.
Rear Adm. George B. H. Stallings, USN, Ret.
Brig. Gen. John E. Stannard, USA, Ret.
Brig. Gen. George R. Stanley, USAF, Ret.
Brig. Gen. Conrad L. Stansberry, USAF, Ret.
Maj. Gen. Allen T. Stanwix-Hay, USA, Ret.
Brig. Gen. James B. Stapleton, USA, Ret.
Rear Adm. Merlin H. Staring, USA, Ret.
Brig. Gen. Albert B. Starr, USAFR, Ret.
Brig. Gen. William A. Stebbins, AUS, Ret.
Maj. Gen. Maxwell W. Steel, USAF, Ret.
Vice Adm. George P. Steele, II, USN, Ret.
Maj. Gen. Wycliffe E. Steele, USAF, Ret.
Brig. Gen. Carl F. Steinhoff, USA MC, Ret.
Maj. Gen. Lawrence W. Steingraus, USAF, Ret.
Rear Adm. Frederick C. Stelter, Jr., USN, Ret.
Rear Adm. I. J. Stephens, USCG, Ret.
Maj. Gen. Ben Sternberg, USA, Ret.
Brig. Gen. John D. Stevens, USA, Ret.
Maj. Gen. John D. Stevenson, USAF, Ret.
Brig. Gen. Floyd W. Stewart, USA, Ret.
Brig. Gen. James L. Stewart, USAF, Ret.
Brig. Gen. LeRoy J. Stewart, USA, Ret.
Maj. Gen. Kenneth Stiles, USAF, Ret.
Maj. Gen. Robert M. Stillman, USAF, Ret.
Brig. Gen. Alden E. Stilson, USA, Ret.
Rear Adm. James J. Stilwell, USN, Ret.
General Richard G. Stilwell, USA Ret.
Maj. Gen. Adrian St. John, USA, Ret.
Brig. Gen. Lewis W. Stocking, USAF, Ret.
Vice Adm. Thomas M. Stokes, USN, Ret.
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Brig. Gen. Jack W. Stone, USAF, Ret.
Rear Adm. Frank B. Stone, USN, Ret.
Rear Adm. Leslie O. Stone, USN, Ret.
Rear Adm. Martin R. Stone, USN, Ret.
Brig. Gen. Watson C. Stoner, Jr., PNG, Ret.
Rear Adm. Aaron P. Storrs, USN, Ret.
Brig. Gen. Donald W. Stout, USA, Ret.
Rear Adm. Charles L. Strain, USN, Ret.
Maj. Gen. Leland S. Stranathan, USAF, Ret.
Rear Adm. William W. Strange, USNR, Ret.
Rear Adm. Elliott B. Strauss, USN, Ret.
Brig. Gen. Eugene L. Strickland, USAF, Ret.
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Maj. Gen. Robert W. Strong, USAF, Ret.
Rear Adm. William A. Stuart, USN, Ret.
Maj. Gen. James G. Styron, USA, Ret.
Brig. Gen. Coulter R. Sublett, USA, Ret.
Rear Adm. Henry Suerstedt, USN, Ret.
Rear Adm. Dennis J. Sullivan, USN, Ret.
Maj. Gen. Henry R. Sullivan, USAF, Ret.
Brig. Gen. John B. Sullivan, USA, Ret.
Rear Adm. John R. Sullivan, USN, Ret.
Rear Adm. William A. Sullivan, USN, Ret.
Brig. Gen. William F. Summerell, USAF, Ret.
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Brig. Gen. Frederick J. Sutterlin, USAF, Ret.
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Maj. Gen. Woodrow P. Swancutt, USAF, Ret.
Rear Adm. Clifford A. Swanson, USN, Ret.
Rear Adm. Leroy V. Swanson, USN, Ret.
Rear Adm. Daniel J. Sweeney, USN, Ret.
Rear Adm. William E. Sweeney, USN, Ret.
Rear Adm. Douglas M. Swift, USN, Ret.
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Rear Adm. Gerald E. Synhorst, USN, Ret.

Brig. Gen. Alden P. Taber, USA, Ret.
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Brig. Gen. Benjamin B. Talley, USA, Ret.
Vice Adm. George C. Talley, USN, Ret.
Maj. Gen. Lawrence F. Tanberg, USAF, Ret.
Brig. Gen. Robert M. Tarbox, USA, Ret.
Rear Adm. Raymond D. Tarbuck, USN, Ret.
Maj. Gen. Thomas M. Tarpley, USA, Ret.
Brig. Gen. August F. Taute, USAF, Ret.
Brig. Gen. Maurice D. Tawes, ARNG, Ret.
Rear Adm. Chester H. Taylor, USNR, Ret.
Rear Adm. Edwin A. Taylor, USN, Ret.
Maj. Gen. Edwin B. Taylor, USAR, Ret.
Brig. Gen. Edwin V. Taylor, USAR, Ret.
Rear Adm. Ford N. Taylor, USN, Ret.
Brig. Gen. George H. Taylor, USAF, Ret.
Rear Adm. Joseph I. Taylor, USN, Ret.
Maj. Gen. Leonard B. Taylor, USA, Ret.
Maj. Gen. R. G. Taylor, USAF, Ret.
Maj. Gen. Robert Taylor, III, USAF, Ret.
Maj. Gen. Robert P. Taylor, USAF, Ret.
Maj. Gen. Paul R. Teilh, AUS, Ret.
Maj. Gen. William A. Temple, USAF, Ret.
Brig. Gen. James M. Templeman, USA, Ret.
Brig. Gen. Joseph N. Tenhet, Jr., USA, Ret.
Maj. Gen. Frederick R. Terrell, USAF, Ret.
Lt. Gen. Robert H. Terrill, USAF, Ret.
Maj. Gen. Roy M. Terry, USAF, Ret.
Maj. Gen. Harold C. Teubner, USAF, Ret.
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Lt. Gen. Herbert B. Thatcher, USAF, Ret.
Maj. Gen. Thoralf T. Thielen, USAF, Ret.
Maj. Gen. Arthur Thomas, USAF, Ret.
Rear Adm. John M. Thomas, USN, Ret.
Rear Adm. Lloyd H. Thomas, USN, Ret.
Maj. Gen. Charles S. Thompson, USAF, Ret.
Maj. Gen. D. A. Thompson, ANG, Ret.
Brig. Gen. Hugh R. Thompson, AUS, Ret.
Brig. Gen. James H. Thompson, USAF, Ret.
Rear Adm. Mark R. Thompson, USNR, Ret.
Brig. Gen. Roy E. Thompson, USA, Ret.
Rear Adm. Walter G. Thomson, USNR, Ret.
Brig. Gen. Wallace O. Thompson, USMC, Ret.
Rear Adm. William Thompson, USN, Ret.
Brig. Gen. William E. Thompson, PAN, Ret.
Maj. Gen. John F. Thorlin, USA, Ret.
Maj. Gen. Henry G. Thorone, Jr., USAF, Ret.
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Brig. Gen. Harrison R. Thyng, USAF, Ret.
Brig. Gen. Paul W. Tibbets, USAF, Ret.
Rear Adm. Murray J. Tichenor, USN, Ret.
Vice Adm. Emmett H. Tidd, USN, Ret.
Rear Adm. Carl Tiedeman, USN, Ret.
Rear Adm. Charles Tighe, USN, Ret.
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Maj. Gen. James B. Tipton, USAF, Ret.
Brig. Gen. Robert F. Titus, USAF, Ret.
Brig. Gen. Adrian W. Tolen, USAF, Ret.
Brig. Gen. Benton C. Tolley, USAF, Ret.
Rear Adm. Kemp Tolley, USN, Ret.
Rear Adm. Rutledge B. Tompkins, USN, Ret.
Brig. Gen. William A. Tope, USAF, Ret.
Rear Adm. Harold W. Torgerson, USNR, Ret.
Rear Adm. Theodore A. Torgerson, USN, Ret.
Brig. Gen. John D. Torrey, Jr., USA, Ret.
Brig Gen. Salvador Torros, AUS, Ret.
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Brig. Gen. Guy M. Townsend, USAF, Ret.
Rear Adm. John S. Tracy, USN, Ret.
Lt. Gen. T. J. H. Trapnell, USA, Ret.
Rear Adm. Charles O. Triebel, USN, Ret.
Brig. Gen. Thomas K. Trigg, USA, Ret.
Maj. Gen. George W. Trousdale, USA, Ret.
Maj. Gen. Orlando C. Troxel, USA, Ret.
Rear Adm. Herman J. Trum, III, USN, Ret.
Rear Adm. Richard B. Tuggle, USN, Ret.
Maj. Gen. Benjamin O. Turnage, Jr., USA, Ret.
Maj. Gen. Carl C. Turner, USA, Ret.
Brig. Gen. Joseph W. Turner, USAF, Ret.
Rear Adm. Myron G. Turner, USN, Ret.
Brig. Gen. Hiram L. Tuttle, ARNG, Ret.
Rear Adm. M. H. Tuttle, USN, Ret.
General Nathan F. Twining, USAF, Ret.
Maj. Gen. Harold H. Twitchell, USAF, Ret.
Maj. Gen. Achilles L. Tynes, USA, Ret.
Vice Adm. John A. Tyree, Jr., USN, Ret.
Admiral A. E. Uehlinger, USN, Ret.
Lt. Gen. Edward H. Underhill, USAF, Ret.
Brig. Gen. Edgar H. Underwood, Jr., USAF, Ret.
Lt. Gen. F. T. Unger, USA, Ret.
Rear Adm. Clarence Unnevehr, USNR, Ret.
Maj. Gen. Fay R. Upthegrove, USAF, Ret.
Brig. Gen. Lee N. Utz, USMC, Ret.
Rear Adm. Lloyd W. Van Antwerp, USN, Ret.
Rear Adm. Clyde J. Van Arsdall, USN, Ret.
Maj. Gen. Lawrence E. Van Buskirk, USA, Ret.
Brig. Gen. William M. Van Harlingen, USA, Ret.
Maj. Gen. Dean Van Lydegraf, USA, Ret.
Rear Adm. Blinn Van Mater, USN, Ret.
Rear Adm. Thaddeus J. Van Metre, USN, Ret.
Brig. Gen. Harry Van Wyk, USA, Ret.
Rear Adm. James E. Van Zandt, USNR, Ret.
Maj. Gen. Arthur W. Vanaman, USAF, Ret.
Rear Adm. Roland B. Vanasse, USN, Ret.
Brig. Gen. Daniel Vance, Jr., USA, Ret.
Rear Adm. George VanDeurs, USN, Ret.
Maj. Gen. Walter M. Vann, USA, Ret.
Vice Adm. Frank W. Vannoy, USN, Ret.
Rear Adm. Lloyd R. Vasey, USN, Ret.
Rear Adm. K. L. Veth, USN, Ret.
Brig. Gen. Fred W. Vetter, Jr., USAF, Ret.
Brig. Gen. Felix L. Vidal, USAF, Ret.
Brig. Gen. Stanley L. Vihtelic, USAF, Ret.
Rear Adm. Warren C. Vincent, USNR, Ret.
Admiral Quentell Violett, USNR, Ret.
Maj. Gen. Norman H. Vissering, USA, Ret.
Maj. Gen. Edward H. Vogel, USA, Ret.
Brig. Gen. Max J. Volcansek, USMC, Ret.
Brig. Gen. Fred J. VonDaacke.
Maj. Gen. Clifton F. Von Kann, USA, Ret.
Rear. Adm. Ernest S. Von Kleeck, USN, Ret.
Brig. Gen. R. W. Volckmann, USA, Ret.
Brig. Gen. F. T. Voorhees, USA, Ret.
Rear Adm. Curtis F. Vossler, USN, Ret.
General Horace M. Wade, USAF, Ret.
Rear Adm. John R. Wadleigh, USN, Ret.
Rear Adm. Ruben E. Wagstaff, USN, Ret.
Rear Adm. Charles L. Waite, USN, Ret.
Maj. Gen. Alden H. Waitt, USA, Ret.
Rear Adm. Samuel S. Wald, USNR, Ret.
Rear Adm. George H. Wales, USN, Ret.
Rear Adm. Edward K. Walker, USN, Ret.
Vice Adm. Thomas J. Walker, USN, Ret.
Brig. Gen. Henry T. Waller, USMC, Ret.
Rear Adm. Harry N. Wallin, USN, Ret.
Rear Adm. Harvey T. Walsh, USN, Ret.
Maj. Gen. Louis A. Walsh, Jr., USA, Ret.
Brig. Gen. Orville E. Walsh, USA, Ret.
Maj. Gen. Robert L. Walsh, USAF, Ret.
General Lewis W. Walt, USMC, Ret.
Rear Adm. Wilfred A. Walter, USN, Ret.
Brig. Gen. Ernest K. Warburton, USAF, Ret.
Brig. Gen. Leonard C. Ward, AUS, Ret.
Rear Adm. Norvell G. Ward, USN, Ret.
Maj. Gen. Robert W. Ward, USA, Ret.
Brig. Gen. William F. Ward, USAR, Ret.
Brig. Gen. Herbert O. Wardell, USA, Ret.
Rear Adm. Frederick B. Warder, USN, Ret.
Brig. Gen. Daniel H. Wardrop, USA, Ret.
Brig. Gen. Paul E. Warfield, AUS, Ret.
Maj. Gen. John S. Warner, USAFR, Ret.
Brig. Gen. Aln D. Warnock, USA, Ret.
Maj. Gen. Henry L. Warren, USAF, Ret.
Rear Adm. Hugh Warren, USNR, Ret.
Lt. Gen. Robert H. Warren, USAF, Ret.
Brig. Gen. Thomas A. Warthin, AUS, Ret.
Brig. Gen. Ralph L. Wassell, USAF, Ret.
Rear Adm. Jacob W. Waterhouse, USN, Ret.
Rear Adm. John R. Waterman, USN, Ret.
Rear Adm. Odale D. Waters, Jr., USN, Ret.
Brig. Gen. William W. Watkin, USA, Ret.
Vice Adm. Frank T. Watkins, USN, Ret.
Maj. Gen. James H. Watkins, USAF, Ret.
Brig. Gen. Tarleton H. Watkins, USAF, Ret.
Lt. Gen. Albert Watson, II, USA, Ret.
Rear Adm. Carl E. Watson, USNR, Ret.
Maj. Gen. Harold E. Watson, USAF, Ret.
Brig. Gen. Paul C. Watson, USAF, Ret.
Rear Adm. Paul W. Watson, USN, Ret.
Brig. Gen. George E. Wear, USA, Ret.
Rear Adm. George A. Weaver, USNR, Ret.
Brig. Gen. Wilburn C. Weaver, USA, Ret.
Maj. Gen. Kenneth Webber, USAF, Ret.
Rear Adm. Alban Weber, USN, Ret.
Brig. Gen. John H. Weber, USA, Ret.
Rear Adm. David A. Webster, USN, Ret.
Brig. Gen. George B. Webster, Jr., USA, Ret.
Rear Adm. Charles S. Weeks, USN, Ret.
Rear Adm. John F. Wegforth, USN, Ret.
Lt. Gen. Walter L. Weible, USA, Ret.
Brig. Gen. Harold F. Weidner, USAFR, Ret.
Brig. Gen. Walter D. Weikel, AUS, Ret.
Maj. Gen. John M. Weikert, USAF, Ret.
Rear Adm. Edward L. B. Weimer, USN, Ret.
Maj. Gen. Frank D. Weir, USMC, Ret.
Rear Adm. Robert O. Welander, USN, Ret.
Brig. Gen. Seth L. Weld, Jr., USA, Ret.
Vice Adm. Charles Wellborn, USN, Ret.
Rear Adm. Joseph A. Wellings, USN, Ret.
Rear Adm. Benjamin O. Wells, USN, Ret.
Lt. Gen. Selmon W. Wells, USAF, Ret.
Rear Adm. David J. Welsh, USN, Ret.
Maj. Gen. Frederick A. Welsh, USAR, Ret.
Brig. Gen. Walton K. Weltmer, USA, Ret.
Maj. Gen. Donald L. Werbeck, USAF, Ret.
Maj. Gen. Arthur T. West, Jr., USA, Ret.
Maj. Gen. Harley B. West, AUS, Ret.
Brig. Gen. Holden C. West, ARNG, Ret.
Brig. Gen. Leslie J. Westberg, USAF, Ret.
Brig. Gen. Edward W. Westlake, ANG, Ret.
Maj. Gen. James H. Weyhenmeyer, Jr., USA, Ret.
Rear Adm. W. B. Whaley, USN, Ret.
Brig. Gen. Lester L. Wheeler, USA, Ret.
Rear Adm. Charles D. Wheelock, USN, Ret.
Brig. Gen. William J. Whelan, USA, Ret.
Rear Adm. David L. Whelchel, USN, Ret.
Brig. Gen. Sherburne Whipple, Jr., USA, Ret.
Brig. Gen. Richard S. Whitcomb, USA, Ret.
Brig. Gen. Roger E. Whitcomb, USA, Ret.
Brig. Gen. Charles F. White, USA, Ret.
Brig. Gen. Charles H. White, Jr., USA, Ret.
Rear Adm. David C. White, USN, Ret.
Rear Adm. Donald M. White, USN, Ret.
Maj. Gen. John W. White, USAF, Ret.
Rear Adm. Marshall W. White, USN, Ret.
Rear Adm. Scott Whitehouse, USNR, Ret.
Maj. Gen. Otis M. Whitney, USA, Ret.
Maj. Gen. Richard W. Whitney, USA, Ret.
Brig. Gen. Howard R. Whittaker, USA, Ret.
Maj. Gen. Lyman P. Whitten, USAF, Ret.
Rear Adm. Carlos W. Wieber, USN, Ret.
Brig. Gen. Geoffrey P. Wiedeman, USAF, Ret.
Vice Adm. Charles W. Wilkins, USN, Ret.
Maj. Gen. John H. Wilkins, USAF, Ret.
Brig. Gen. Charles E. Williams, Jr., USAF, Ret.
Maj. Gen. Collin P. Williams, USA, Ret.
Maj. Gen. George V. Williams, USA, Ret.
Rear Adm. Joseph W. Williams, Jr., USN, Ret.
Rear Adm. Macpherson B. Williams, USN, Ret.
Rear Adm. Richard C. Williams, Jr., USN, Ret.
Lt. Gen. Robert R. Williams, USA, Ret.
Brig. Gen. Robert W. Williams, USA, Ret.
Rear Adm. Roy D. Williams, USN, Ret.
Rear Adm. Russell C. Williams, USN, Ret.
Lt. Gen. Samuel T. Williams, USA, Ret.
Rear Adm. Delbert F. Williamson, USN, Ret.
Rear Adm. Francis T. Williamson, USN, Ret.
Brig. Gen. Charles A. Willis, USA, Ret.
Rear Adm. John H. Willis, USA, Ret.
Maj. Gen. Delmar E. Wilson, USAF, Ret.
Rear Adm. Edwin Mark Wilson, Jr., USN, Ret.
Brig. Gen. George H. Wilson, USAF, Ret.
Brig. Gen. James A. Wilson.
Lt. Gen. James W. Wilson, USAF, Ret.
Brig. Gen. Leigh R. Wilson, ARNG, Ret.

Gen. Louis L. Wilson, Jr., USAF, Ret.
Vice Adm. Ralph E. Wilson, USN, Ret.
Maj. Gen. Thomas N. Wilson, USAF, Ret.
Lt. Gen. Walter K. Wilson, Jr., USA, Ret.
Brig. Gen. William R. Wilson, AUS, Ret.
Vice Adm. L. J. Wiltse, USN, Ret.
Maj. Gen. Loren G. Winslow, USA, Ret.
Rear Adm. Walter C. Winn, USN, Ret.
Maj. Gen. John L. Winston, USMCR, Ret.
Rear Adm. Emile R. Winterhaler, USN, Ret.
Brig. Gen. Jowell C. Wise, USAF, Ret.
Maj. Gen. William H. Wise, USAF, Ret.
Rear Adm. Frederic S. Withington, USN, Ret.
Rear Adm. Narvin O. Wittman, USN, Ret.
Brig. Gen. Frank A. Wittosch, USA, Ret.
Brig. Gen. James W. Wold, USA, Ret.
Lt. Gen. Thomas Wolfe, USAF, Ret.
Rear Adm. Thomas M. Wolverton, USN, Ret.
Maj. Gen. Allan T. Wood, USMC, Ret.
Brig. Gen. Frank P. Wood, USAF, Ret.
Rear Adm. Hunter Wood, Jr., USN, Ret.
Rear Adm. Lester O. Wood, USN, Ret.
Brig. Gen. George S. Woodward, Jr., USA, Ret.
Rear Adm. Robert R. Wooding, USN, Ret.
Brig. Gen. William R. Woodward, USA, Ret.
Rear Adm. Edward L. Woodyard, USN, Ret.
Brig. Gen. Francis A. Woolfley, USA, Ret.
Brig. Gen. Charles E. Word, USAF, Ret.
Rear Adm. Joseph M. Worthington, USN, Ret.
Maj. Gen. Stanley T. Wray, USAF, Ret.
Maj. Gen. Edwin K. Wright, USAF, Ret.
Admiral Jerauld Wright, USN, Ret.
Rear Adm. Thomas K. Wright, USN, Ret.
Rear Adm. Henry J. Wuensch, USCG, Ret.
Rear Adm. John T. Wulff, USN, Ret.
Rear Adm. Don W. Wulzen, USN, Ret.
Maj. Gen. Ira T. Wyche, USA, Ret.
Rear Adm. Evan W. Yancey, USN, Ret.
Rear Adm. Earl P. Yates, USN, Ret.
Brig. Gen. Charles E. Yeager, USAF, Ret.
Brig. Gen. George H. Yeager, USAF, Ret.
Rear Adm. E. E. Yeomans, USN, Ret.
Maj. Gen. Donald A. Yonge, USAF, Ret.
Brig. Gen. Edward M. Yoshimasu, USA, Ret.
Brig. Gen. Emmett F. Yost, USAF, Ret.
Brig. Gen. Charles M. Young, Jr., USA, Ret.
Admiral Edwin J. S. Young, USN, Ret.
Brig. Gen. George H. Young, Jr., USA, Ret.
Brig. Gen. Mason J. Young, USA, Ret.
Brig. Gen. Millard C. Young, USAF, Ret.
Maj. Gen. R. P. Young, USA, Ret.
Maj. Gen. Carl A. Youngdale, USMC, Ret.
Maj. Gen. Paul F. Yount, USA, Ret.
Brig. Gen. Ninian L. Yuille, USAF, Ret.
Brig. Gen. Arvin R. Ziehhadorff, USA, Ret.
Rear Adm. Rupert M. Zimmerli, USN, Ret.
Rear Adm. William T. Zink, Jr., USN, Ret.
Brig. Gen. Kenneth F. Zitzman, USA, Ret.
Brig. Gen. Virgil L. Zoller, USAF, Ret.
Brig. Gen. Jon M. Zumsteg, USAR, Ret.
Admiral Elmo R. Zumwalt, Jr., USN, Ret.
Brig. Gen. Edwin A. Zundel, USA, Ret.

Complete listing as of November 7, 1979.

NEW HOPE FOR A PEACEFUL TRANSITION TO MAJORITY RULE IN ZIMBABWE-RHODESIA

Mr. BRADLEY. Mr. President, after 14 years of bloody conflict, the contending forces in Zimbabwe-Rhodesia have agreed on a formula for a peaceful transition to majority rule. The formula accepted by all parties last week calls for a British transitional government to oversee new elections that would lead to legal independence for the country under black majority rule. The Muzorewa government will turn over control during the interim to a British governor. Military representatives from Britain, the Muzorewa regime, and the Patriotic Front will police a ceasefire, and the elections will be supervised by a council chaired by Britain, with representatives of the front and Muzorewa's regime participating. Commonwealth representatives will observe the elections.

This breakthrough was brought about by the patient, inspired leadership of the Thatcher government and because of the admirable resolve of Bishop Muzorewa and the leaders of the Patriotic Front, Joshua Nkomo and Robert Mugabe, to bring an end to the violence and create a legitimate state. I add my voice to the chorus of praise and encouragement for all parties to the agreement, who in the coming months will face the new challenge of establishing a ceasefire and implementing the political agreements.

I also commend President Carter for the judicious leadership he has shown in carrying out a responsible U.S. policy toward Zimbabwe-Rhodesia, particularly in resisting pressures to lift economic sanctions precipitously.

His decision to associate U.S. policy with the mediation efforts of the British Government while maintaining pressure on all parties to reach a compromise has been vindicated by the outcome of the London Conference.

In London, diplomacy has produced an agreement that offers hope for peace, stability and democracy, a hope which the long and cruel violence of nearly a decade and a half could not hold out. Accordingly, the London success is not just a victory for the people of Zimbabwe-Rhodesia; it is a victory for reason, diplomacy and compromise everywhere.

Much tribute is due the Bishop Muzorewa, who has put aside his own claims in the hopes of achieving a government that is more widely accepted and stable than the one he now heads. Much is also due the leaders of the Patriotic Front, who will lay their arms and show themselves willing to risk a vote to verify their claim to broad popular support. And without the tenacity of the Thatcher government, reinforced by the members of the British Commonwealth, there would have been no agreements. They have been able to win the trust of bitter enemies whom it was thought had exhausted their capacity for trust. Now they bear the burden of proving that this trust was well-placed. In these efforts, the United States and other peace-loving nations should join by offering their support for the transition process and by expressing confidence that there soon will be a new era of peace and unity for all the people of Zimbabwe-Rhodesia.

GEORGE MEANY: NEW YORK LABOR'S FINEST

Mr. JAVITS. Mr. President, this week marks the retirement of George Meany as the president of the AFL–CIO, culminating nearly a quarter century as the head of the federation and as the man honored and beloved by American working men and women and known for decades to Presidents, legislators, and millions of Americans as the voice of our labor unions. Throughout his more than 50-year career in the trade-union movement, the United States has known no greater champion of the rights of working men and women, the cause of social justice, and our system of industrial democracy. I join the host who are expressing our tribute to him during his 24th annual AFL–CIO convention in Washington and wish him happiness in his retirement after such a long and distinguished career and many more good years.

George Meany followed his father as a plumber and officer of the Plumbers local in New York. After serving as a business agent for 12 years he was elected secretary general of the N.Y. Building Trade Council, and in 1934 became president of the New York State Federation of Labor and its chief lobbyist in Albany. He came to Washington in 1940 when he was elected as secretary-treasurer of the AFL and served during World War II on the National Defense Mediation Board and the War Labor Board.

He succeeded William Green as president of the AFL in 1952 and began working on his great accomplishment of solving the endless jurisdictional disputes among the unions and of bringing the voice of labor into a single federation. Through his great organizational skills and powers of persuasion, he succeeded in merging the craft and industrial unions into the AFL–CIO and molding it into a significant national force.

By concentrating so much on labor strife when work stoppages interrupt business operations or public services, it all too often goes unnoticed that the unique American labor movement has been such a great force for stability and progress. The United States has not suffered the ideological battles and class consciousness of other countries because labor in this country has fought its struggles from within the free enterprise system for its share of our output and has sought pragmatic solutions to its disputes and grievances.

George Meany did not invent worker cooperation with management, and with Government. It goes back at least to Samuel Gompers. But he can and should be credited with carrying forward the democratic tradition of labor through a major and critical period of our history and of pursuing goals to better the working conditions of all U.S. workers through the free collective bargaining process and through the enactment of progressive legislation at both national and State levels.

Without the strength of the AFL–CIO, most of the landmark social, economic and labor legislation of recent times would not have been possible. I am deeply gratified to have been associated with this effort in the Senate, which has had the overriding purpose of bringing dignity and security to the workplace and of improving the lives of the poor. Labor's agenda has included the battle for free public education, bringing children out of the mines and other oppressive work, the 8-hour day, the minimum wage, unemployment compensation, voting rights and ending the poll tax, consumer protection, job creation, equal housing, social security, occupational safety and health, medicare and medicaid, food stamps, pension reform, and civil rights.

Indeed, were it not for the strong efforts of the AFL-CIO on behalf of the Civil Rights Act of 1964, there would not have been included a strong prohibition against discrimination in employment on the basis of race, religion, color, national origin or sex.

George Meany has played a critical role in our history and leaves an organization in place to carry forward his tradition as the voice for American working men and women. As he departs his office, he has pointed out that the principles of the AFL-CIO are sound and that they will be adapted in the future to the needs of workers.

Mr. President, I ask unanimous consent that George Meany's farewell editorial in the American Federationist be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD as follows:

"WE WILL NOT QUIT"

As long as people work for a living, they will form unions. And as long as workers are subject to employers whose sole motivation is profit or personal aggrandizement, workers will continue to build stronger and more effective trade unions to protect and advance their collective interests.

And as long as there are such trade unionists, labor will be opposed by those who seek to portray workers and their unions as separate entities—referring to unions as an unneeded "third force," just as the diehard segregationists falsely labeled civil rights organizations as "outside agitators."

There's no reason to believe those facts will change much—not now, on the dawn of the 1980's or in the foreseeable future. Labor's methods may change; allies and enemies will shift occasionally; the jobs and need of our members may change.

But the basic definitions of who we are and what we do will remain. American unions have been and will remain the only major private U.S. organizations whose sole purpose is advancing the cause of American workers. That covers the hours per day people must work, but also the other hours they must live—as citizens, consumers, taxpayers and users of a wide variety of services.

That's why labor's interests are so broad and why the AFL-CIO is so deeply involved in virtually every legislative battle. It is a fact of life that everything that concerns people concerns workers and their unions.

From workers' needs and concerns, we have derived a trade union body of principles which become the "labor response" and reflect our best instincts as citizens and as trade unionists.

It has been my honor and privilege to have served as president of the AFL-CIO for 24 years, as a Federation officer for 40 years and an active trade unionist for more than 60. Yet when I was elected to my first office, I was as much an inheritor of a trade union body of thought as any one today, or will be tomorrow. And the same was true of Samuel Gompers, William Green, Philip Murray or anyone before me.

That body of thought has grown and changed, just as the labor force has changed incredibly. But the more we move to new job descriptions and new colors for our collars, the more we return to our roots—with the college professors of today seeking the same collective strength won long ago by the very first trade unionists.

Our "trade union response" will always be steeped in truths that we believe are self-evident. From them, it is easy to predict that the labor movement of the future:

Will continue to put the defense of the nation and the Constitution first, whether the test be from a foreign foe or from those who would destroy the Constitution for the sake of their own narrow single issue.

Will continue to mold responses born of our own democratic processes through which workers are quite adept at letting their leaders know what they do or don't want. A major milestone in that process was the merger of the AFL and CIO. We have retained and expanded the strength symbolized by that hyphen we put in our name when we united into a single trade union center nearly a quarter century ago.

Will not hesitate to cooperate with the business community when the goal is good and the cause worthy. But it will not hesitate to disagree and fight, for we know that the united strength of labor is greater than all the wealth of the employers and that the common good is not always found on the bottom line of a ledger sheet.

Will stick closely to our credo of watching what elected officials do, not what they say. Our requests for legislative change will not be couched as either begging or demanding, but will be made with a clear perception of whom we represent and they, through COPE, participate in the legislative process. Chief among our legislative goals will be jobs, education, health care and housing—the central concerns of every worker's family. And labor will protect and defend, in every forum and court in the land, our right to assemble freely, to bargain collectively and to withhold our labor. These are rights absolutely essential for all free men and women and we will never surrender our rights nor let anyone take them away.

Will never forget our responsibilities as an integral part of the richest and freest nation in the history of mankind to our brother and sister workers around the world. We will support all free and democratic trade unions against any would-be oppressor. We will aid in every legal and legitimate way all workers now bound by the chains of totalitarianism and who yearn to be free. We will proclaim in every manner possible our sure and certain knowledge that trade union rights and human rights are as interchangeable as they are indispensable. We will not stand idly by for the export of our jobs by those whose motivation is the exploitation of some far-away fellow workers far less equipped than we to protect themselves.

In sum, these are the principles that have always guided us, but they form a living, changing testament. Many of the goals we seek today are goals we have sought every day of the last quarter century. We have not, for example, achieved either tax justice or national health insurance, but we have not and we never will stop trying. And that is a demonstration of the final, enduring strength of the American labor movement: simply that we will not quit.

Labor never quits. We never give up the fight—no matter how tough the odds, no matter how long it takes.

That is the message of this, my final editorial as the president of the AFL–CIO and the editor of this magazine.

Being editor of the Federationist, one of the responsibilities of the president, has been a rich and rewarding experience. It has given me a new appreciation of the importance of the labor press as a method of getting labor's opinion—straight and factually—to a nation whose public press all too often reports labor's position meagerly, if at all, and misinterprets its goals and motives more often than not.

So I particularly add labor editors to the millions of trade unionists whom I both thank and exhort with this final message:

Yours is a good labor movement.

Now go out and make it better.

NICK THEODORE

Mr. THURMOND. Mr. President, recently Gov. Dick Riley of South Carolina appointed former Greenville county legislator Nick Theodore as chairman of the South Carolina Department of Social Services.

A recent editorial in the Greenville Piedmont of Greenville, S. C., expressed how Theodore's previous experience can be an asset to running the agency.

Mr. President, in order to share this fine article with my colleagues, I ask that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THEODORE WILL LEAD DSS WELL

When former Greenville County legislator Nick Theodore lost to Max Heller in a congressional primary election, most observers felt he would return to public life eventually. The only questions involved time and place.

Beginning Nov. 30, Theodore will succeed Bobby Kneece as board chairman for the state Department of Social Services, the result of an appointment from another former Greenville legislator, Gov. Dick Riley.

Ironically, Heller also lost his bid for the congressional seat in the general election and later was appointed as chairman of the state Development Board, a position he fills with zeal and relish.

Gov. Riley thus continues his pattern of rewarding friends and former officials from his own region and political party.

Theodore brings compatible credentials to the DSS position that once was embroiled in controversy over the agency's director and his effectiveness. The new chairman is suited by temperament and experience to give support and leadership to the reorganized department.

DSS programs are necessarily linked to state, federal and local governments; thus, Theodore can call on his previous experience to establish policies and directives. In outlook, he is open to human delivery systems as a necessary role of government.

Although some will fault the DSS's faint-hearted attempts to ferret out fraud on a systematic basis, the agency has improved its accountability in recent months.

Judging from his past performances, Nick Theodore will apply his energy and resources toward a responsible course for the agency.

A LOOPHOLE BIG ENOUGH TO DRIVE AN ICBM THROUGH—THE FRAUDULENT LIMITS OF SALT II

Mr. HARRY F. BYRD, JR. Mr. President, if I sense public opinion accurately, support for approving the strategic arms limitation agreement is eroding.

As the facts concerning the proposed treaty became known, support for the treaty becomes less, and properly so, in my judgment.

I delivered a detailed speech in the Senate in August and additional ones since then. I speak again tonight about a loophole big enough to drive an ICBM through.

In its title and in the rhetoric of its proponents, SALT II is proclaimed to be a treaty limiting strategic offensive arms.

But, in fact, this so-called "Strategic Arms Limitation Treaty" imposes no limits on what is undisputedly the most deadly of all intercontinental strategic arms—the intercontinental ballistic missile.

Article III, paragraph 1 of the proposed treaty states:

> Upon entry into force of this Treaty, each Party undertakes to limit ICBM launchers.

Thereafter, in three separate and key provisions of the treaty, limits are imposed in terms of "launchers" by reference to the provision of article III.

Throughout the treaty, no limits whatsoever are imposed on the numbers of ICBM's permitted each side. Limits, instead, are expressed exclusively in terms of launchers of ICBM's.

Yet, nowhere in the treaty is the term "launcher" defined. Instead, the agreement repeatedly tells us in effect that ICBM launchers are launchers capable of launching ICBM, which is not very helpful.

Moreover, the mere fact that an ICBM is contained by a particular mechanism does not apparently make the mechanism a launcher. In order to be a launcher, it must be a launcher which contains an ICBM. This, too, is less than illuminating.

Obviously, fixed ICBM silo launchers are capable of launching ICBM's and are intended to be counted as ICBM launchers. But what else must be counted as an ICBM launcher under the rules stated in the treaty? At what stage of construction are devices capable of launching ICBM's counted under the limits on ICBM launchers? The answers are crucial.

Article IV, paragraph 6 provides that:

> Each Party undertakes not to have under construction at any time strategic offensive arms referred to in paragraph 1 of Article III in excess of numbers consistent with a normal construction schedule.

Since article III, paragraph 1 refers to ICBM launchers and not to ICBM's, it is apparent that "normal" construction schedules must be maintained only for ICBM launchers. Construction schedules for ICBM's themselves are in no way constrained by the treaty.

Article VI, paragraph 2 states that arms subject to the limits of the treaty, that is, ICBM launchers, are those launchers which are:

> (a) operational; (b) in the final stage of construction; (c) in reserve, in storage, or mothballed; (d) undergoing overhaul, repair, modernization, or conversion.

ICBM launchers which are in the final stage of construction, according to article VI, paragraph 2(c), are those launchers:

> Which are finally assembled in a shop, plant, or other facility *after* they have been brought out of the shop, plant, *or other facility* where their final assembly has been performed (emphasis added).

Thus, an ICBM launcher must be finally assembled and moved from the point of final assembly to be made subject to the limits of the treaty.

This last requirement is important in understanding what may be the greatest and most fundamental defect of the SALT II treaty: A loophole large enough to drive an ICBM through.

Published sources reveal that the SS-9, SS-11, SS-17, SS-18, and SS-19 can all be fired from their storage cannisters if supporting command and control and firing devices are integrated with the cannister.

Published reports indicate that, in 1975, the United States conducted a test launch of a Boeing Minuteman missile in which the missile was fired from its storage cannister using a connected fire control system mounted on the back of a Jeep. This test launch was reportedly successful.

To state the matter bluntly, there is little difficulty in launching an intercontinental ballistic missile from a storage cannister transformed into a launcher, and additionally, there is little difficulty in providing such a missile with data sufficient to permit the missile to achieve great accuracy.

After all, both the United States and Russia have achieved, in their space exploration programs, astonishing accuracy in launching missiles from an erect position without silo support with only a supporting external gantry.

The ICBM silo launcher is chiefly valuable for the protection it affords. But deception can also provide protection.

I point out these technical facts because they bear directly on the importance of the cannister launch loophole of SALT II.

It is now widely known that Russia possesses a reserve force of ICBM's, well in excess of 1,000.

This reserve ICBM force equals or exceeds the entire U.S. land-based ICBM force.

This reserve force of ICBM's in Russia is in addition to the ICBM's contained in at least 1,398 fixed silo launchers.

The exact number of reserve ICBM's in Russia is classified.

On the other hand, in the United States no such reserve force exists. In the United States ICBM silos are effectively equivalent to ICBM's. The United States has no more than about 200 extra ICMB's. Again, the exact number is classified. Suffice it to say that these extra ICBM's are truly replacement and training ICBM's and do not make up an active reserve force of ICBM's, as is the case in Russia.

The United States, for the proposed term of SALT II, has no growth potential in intercontinental ballistic missiles.

The production line for the Minuteman III has been closed and could not be started up again without great expense and substantial delay. Moreover, the first MX missile cannot be available for deployment until 1987, at the earliest.

What, then, does the so-called Strategic Arms Limitation Treaty do to limit the most important strategic offensive arm—the ICBM? In effect, it does absolutely nothing.

The United States is effectively unable to produce during the term of SALT II, or at least does not intend to produce, additional ICBM's. Russia already has more than 1,000 extra reserve ICBM's and is in full production of three major types of new ICBM's—the SS-17, SS-18, and SS-19. Russia has under full-scale development several new types of ICBM's which, during the term of SALT II, will be deployed either as modernization ICBM's or as the one new type light ICBM permitted under the treaty.

The point is that Russia already possesses a massive force of intercontinental missiles and is producing more.

Finally, I want to emphasize the implications of the facts I have outlined.

First, the treaty counts launchers, not missiles.

Second, the storage cannisters for missiles can be made into launchers with few modifications and steps of "final assembly."

Third, the treaty does not count launchers until finally assembled and moved from the place of final assembly or until made fully operational.

Fourth, there is no prohibition in the treaty on creating a reserve force in Russia of more than 1,000 ICBM launchers at presurveyed launch points throughout Russia so long as the final assembly of the launchers occurs at the launch site and some final step is withheld in making the launchers fully operational.

These facts—and they are indisputable—mean that Russia has the capability for a sudden, massive increase in strategic weaponry within the terms of the treaty. These facts mean that Russia, in a moment of crisis, without violating SALT II, could reveal to the world a second-line reserve force of ICBM's and ICBM launchers greater than the entire existing U.S. force of land-based intercontinental ballistic missiles.

On November 7, 1979, by a vote of 8–7, the Committee on Foreign Relations defeated an amendment to the SALT II treaty which would have limited each side to no more than 200 ICBM's in excess of the number of fixed silo launchers permitted to each side. This amendment would have permitted Russia at least 344 ICBM's more than the number permitted the United States but would have denied to Russia the right to retain its present reserve force of more than 1,000 ICBM's or to build unlimited numbers of ICBM's during SALT II.

The amendment was defeated by a one-vote margin. The amendment went to the heart of the SALT II treaty and showed a central defect of the treaty. The amendment brought into the light of day the fraud SALT II would perpetrate if ratified in its present form.

Ambassador Ralph Earle III, chief U.S. representative to the SALT II negotiations, appeared before the Committee on Foreign Relations on November 7 and argued against the amendment limiting reserve missiles.

But that argument would have been too dangerous. It would have pointed out to Senators interested in verification that the entire treaty is inherently unverifiable. For if the total of missiles cannot be verified, how can one maintain that there are verifiable limits on weapons?

So instead, Ambassador Earle argued that the amendment should be defeated because Russia would not accept the amendment. He argued that Russia would never accept the amendment—and this is important—because Russia would be required to destroy too many ICBM's.

At that point, the Committee on Foreign Relations got to the heart of the matter. The committee realized it was dealing with possibly the most important single flaw in SALT II. If Russia would not accept the amendment because Russia would be required to destroy too many ICBM's, what, then, is the point of having the treaty at all?

The American people believe this treaty limits strategic offensive arms. The American people believe this treaty limits ICBM's. Most of them by now recognize that the treaty is unfair and favors Russia. But few, if any, understand that the treaty does nothing, does absolutely nothing at all, to constrain Russia from producing massive numbers of ICBM's.

Furthermore, it does nothing to stop Russia from producing, without limit, massive numbers of ICBM launchers so long as those launchers are not moved from the point of final assembly and so long as some last step is withheld in making the launcher fully operational.

If SALT II is brought before the Senate, I feel confident that the Senate will have the opportunity to consider the amendment defeated by one vote in the Committee on Foreign Relations. One would hope that the amendment would have perhaps a greater chance of success in the Senate than in the committee.

STATEMENT OF FRANZ JOSEF STRAUSS ON MAJOR FOREIGN AND DEFENSE POLICY ISSUES

Mr. TOWER. Mr. President, next year, the Federal Republic of Germany will face an election campaign of major significance, not only for the Federal Republic, but for the North Atlantic Alliance as a whole. The election will, in all likelihood, be between two highly qualified candidates, the incumbent Chancellor, Helmut Schmidt of the Social Democratic Party (SPC), and the challenger, Franz Josef Strauss, who will represent the coalition parties of the Christian Social Union (CSU) and the Christian Democratic Union (CDU).

I would like to call the attention of my colleagues to a major review of defense, foreign policy, and economic issues presented by Mr. Strauss in an address to the September 28–29 Congress of the Christian Social Union. Mr. Strauss is well known to us in the United States as a man with long experience in the defense and economic affairs of the Federal Republic and the Western alliance. During two critical decades he served his country as Minister of Research and Development and as Minister of Finance. He has long been a major leader and spokesman of his party and within the CDU/CSU coalition. His address reflects his broad experience on a number of major issues facing his country and the NATO alliance as a whole.

I am sure that a number of the policy perspectives set forth by Mr. Strauss may be personally supported by Chancellor Schmidt—especially in the area of defense. Regrettably, however, one must recognize the powerful opposition which Chancellor Schmidt faces within his own SPD Party from its vociferous left wing.

The statement of CDU/CSU candidate Strauss is important not only for German, but also for American and alliance policy. It deserves study by the U.S. Congress as we review such important issues as NATO nuclear force modernization, mutual and balanced force reduction negotiations, and economic and energy issues within the alliance.

I ask unanimous consent that the text of excerpts from Mr. Strauss' statement be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

STATEMENT OF FRANZ JOSEF STRAUSS

We now stand a short distance away from a Bundestag election campaign. At the end of this election campaign, we shall have to take a decision whose significance equals that of the year 1949 when the great issue was the introduction of the social market economy versus a socialist planned economy or that of the 1953 and 1957 Elections which hinged on accession to the Western Communities, the Paris Agreements, the Treaties of Rome, entry into NATO and the setting up of German Armed Forces. We must bear in mind that the 1980 Elections will point the way forward and chart our course for the last two decades of this century and thus possess decisive importance, just like the elections of the fifties. Following their 20 years of reconstruction and advance, the CDU and CSU were superseded in 1969 by the SPD and FDP which had meanwhile degenerated into mere bloc parties. Thus, we can divide the history of the Federal Republic of Germany into a number of phases: the constructive pragmatic phase from 1949 to 1969, the visionary-utopian phase from 1969 to 1974 and the unstable uncertain phase from 1974 until today. Our aim now must be for the CDU and CSU to usher in the solid forward-looking phase of our history in 1980.

In order to achieve this goal, the CDU and CSU will have to be political parties in the best sense of the term. By that I mean policy-forming and militant action-promoting associations rather than simply political social clubs, debating societies or study groups on social policies. The CDU and the CSU are people's parties with a large and steadily growing membership, a spacious catchment area and a range of appeal which encompasses all social classes. The soil from which their ideas spring is not just any convenient ideology, but the Christian view of life: the Christian ethical code in the widest possible sense. The CDU and CSU are Christian-social, traditionalist-liberal, modern-conservative; they are national-minded though chastened by the events of history; and they are European-progressive. In this soil and against this background, we have bent our will to shape the political life of Germany, to help in forming Europe and to have a say in world affairs.

The outcome of the European-Elections and of the Elections held in Great Britain and Sweden has demonstrated that the advance towards the collective welfare State is not an irresistible phenomenon to which one can but react with resignation and occasional attempts to arrest its progress—like some impotent creature confronted by a force of Nature. Despite the concerted action taken by the socialist parties and—I would add with regret—the German Trade Unions Federation, the all-out attack launched by the socialists with their battle-cry of "no Europe unless it is socialist" has been successfully repulsed.

In his book "The Road to Serfdom", Nobel-Prize winner Friedrich August von Hayek, the great champion of liberal policies, described democratic socialism as the great illusion of the last generation. He declared that it was not only impossible to bring socialism into being, but also that one could not even try to realize it without achieving something quite different. And he really did mean something quite different, namely the eclipse of the liberal ideal of freedom. And it is to that liberal ideal of freedom and its set of values that we subscribe as the only true Liberals on the political scene of the Federal Republic of Germany. The alternative of freedom or socialism—and I have no wish to calumniate or defame anyone—is simply the outcome of sober thought and political experience. Nor is there any need for us to cite the horrible example of the real Socialism practised in the East bloc countries: it suffices to take a look at democratic socialism in Sweden. The choice between freedom and collectivism is the great intellectual issue of this century and it will remain so right up to the end.

Our goals for the 1980s are to safeguard national freedom and to preserve peace. I have put this goal in first place quite deliberately. Our other aims are to ensure the flow of energy and vital raw materials to our economy at prices which we can afford to pay, to safeguard the orderly administration of the market economy, to regain financial stability, to maintain social peace and thus also political stability, to strengthen the family together with its solidarity and strong unity, to protect and extend the scope of personal freedom and self-responsibility of the individual, to reinforce our free awareness of the State, to regain a realistic, forward-looking outlook for our young people marked by clear-cut values, to strengthen federalism as the basic element of a free political system in Germany and Europe, to build up and consolidate a free fabric of European States and finally to pursue the intellectual and political contest between freedom and collectivism.

I spoke before of our number one goal as being to safeguard national freedom and to preserve peace. Today, we are living through the most dangerous phase of world politics since the end of World War II. That is my firm conviction and I voice it quite openly. Our task must be to ensure—after the second decade of the century and the fifth decade ushered in by 1939—that the ninth decade does not go down in history as yet another decade rent by immense disturbances, violent upheavals and gigantic global "distribution struggles" with their concomitant incalculable consequences. A policy which confounds a yielding attitude with détente and which adopts an ambiguous line on essential defence matters is not likely to reduce the danger; it is only likely to render the danger incalculable. By the same token, the gradual abandonment in the past and the present of our own legal positions on the German and the Berlin questions has served in no small measure to weaken the foundations of the whole of the free West. It has also probably served to promote the illusory calm on the international scene. But what we need is an embarrassing directness and not an easy-going vagueness about the interpretation of the Eastern treaties. It was no less a person than Henry Kissinger who recently declared at a conference of NATO experts that the fate of the Western world in the eighties would be determined by the Soviet Union if the West persisted in its day-to-day policies without any regard for the changes taking place in the world's strategic situation.

There is nothing secret about the balance of military strength. You do not first have to consult the report on the military balance for 1979/80 published by the "International Institute for Strategic Studies" in London, probably the most distinguished of such institutes. All you need do in fact is to peruse the 1979 White Paper on the Security of the Federal Republic of Germany and on the Development of the Federal Armed Forces—a publication which no doubt was carefully varnished in places. The fact remains that the USA's nuclear superiority will finally and irrevocably belong to past history as from the beginning of the 1980s. The fact remains that Soviet medium-range rocket potential constitutes a strategic threat to the alliance in Europe and one which the West cannot at all match. The fact also remains that, with these medium-range SS 20 rockets whose three warheads possess more explosive force than all previous tactical atomic weapons and with their hundred mobile and therefore invulnerable launching ramps, the Soviet Union can hit any desired target in Europe.

That is the great change in the strategic situation and in the interests within NATO. The Warsaw Pact possesses a total of 1,370 medium-range rocket systems compared with NATO's total of 386—though none of them in Europe. The fact remains that the international institute in question proceeds on basis of a theoretical vulnerability of the American intercontinental rockets at the beginning of the 1980s, a development which is bound to profoundly upset the credibiilty of the West's defensive concept. This is particularly the case in view of the undeniable estrangement between the USA and her allies—which cannot be overlooked despite all the careful statesmanlike phrases deployed during meetings—caused by many factors but above all by the increased scale of highly differing interests. The fact also remains that the overwhelming superiority of the Warsaw Pact in the field of conventional forces and particularly in combat tanks is now alarming.

The fact remains that the Soviet Union's super buildup in arms is out of all proportion to the needs of national defence and to her economic capacity and that this super arms build-up is being carried out at the expense of her overall economic system, which is in any case less efficient because it rests on a planned economy. The fact remains that the character of this arms build-up and indeed the build-up in itself is manifestly offensive. That is what you can read in the Federal Government's White Paper. On the other hand, there is a Herbert Wehner and a commander of his favourite unit who think otherwise. The White Paper affirms that the Soviet arms build-up is offensive and not defensive. And, after all, Wehner is endowed with a certain empathy for communist psychology. And the magician's apprentice, Herr Bastian, that wayward commander of the 12th armoured division, wanted us to believe the opposite.

The defensive—peaceful or offensive—combative character of the Soviet arms build-up is not something that can be decided on a majority vote at party conferences and the same applies to individual decisions on the introduction of certain weapons systems. Our defense policy relates to our membership of NATO and rests on a technically modern Bundeswehr based in turn on universal conscription, both of them introduced in the teeth of bitter SPD resistance sometimes degenerating into open incitement and instigation of the public at large. For me personally, the events which I experienced last week are nothing new. Years ago when I began as Minister of Defense and a start was made on setting up the German Armed Forces and providing them with modern equipment, we had the same sort of thing to contend with and precisely the same strange combination of leftist bed-fellows.

Ladies and gentlemen, let me now say a few words on assessing the Soviet arms build-up. I would like to differentiate in my assessment. The build-up must be judged in the light of the USSR's current aims, her present potential and that now being developed, and her long-term planning. I have often said that I do not deem the mutual intentions of the present Soviet leaders as being directed towards a major military struggle with the West, but that one must nevertheless pose the question as to whether this will remain the case after the change in leadership shortly due in the Kremlin. Surely, that is a question which one is allowed to ask! Secondly, I know that the growing and rapidly expanding military potential of the Warsaw Pact with the expeditious reinforcement of the strike components on land, at sea and in the air—and I state the following quite consciously—now permit all sorts of military operations throughout the world and indeed military operations on any scale, including the use of military potential as a means of pressure for enforcing one's own political aims or for holding down reluctant allies in one's own sphere of dominion. Thirdly, the question of long-term planning.

Nobody has the right simply to close his eyes to the dangerous nature of long-term imperialist planning (for example on East Asia, Afghanistan, Africa and world revolutionary objectives) in a spirit of self-appeasement or complaisance. Pursuant to these three criteria, we must undertake an objective, fair and reasonable evaluation of Soviet arms. May I once more refer you to Henry Kissinger who noted at the above-mentioned conference in Brussels that no nation in possession of military superiority had ever in the history of the world waived the possibility of converting this into advantages in foreign policy. And if that happens to be a nation with classical imperialist goals and a declared overall objective of world revolution, the achievement of clear-cut military superiority would signify that this would be translated into all the possible advantages.

These advantages would in turn mean growing and even unbearable disadvantages for us. With this in mind, we must either draw level with them and achieve the capacity of a deterrent or else both sides must reduce their military potential in balanced equilibrium. I feel I can safely say—and this would also apply to a Bonn Government under my leadership—that we are willing also to reduce the modest military potential of the Federal Republic of Germany within the framework of a European, but controlled disarmament and within the framework of balanced force reductions. On the other hand, neither threatening language from an Eastern source nor deluded phrases at home would stop us from fulfilling our duty in this field as the mandate of history enjoins us. That is of course why there is a danger of selective blackmail being carried out against the West, as Kissinger has noted.

Despite this manifest threat to Western Europe and the concomitant danger of voluntarily incurring the fate suffered by Finland due to her difficult military-geographical position (and we do not mean any more than that when we employ the term "finlandization"), despite the dramatically increasing gravity of international economic development and the menace to Europe's supplies of energy and raw materials at payable prices and despite the highly explosive mixture concocted on Europe's door-step pursuant to the events in Iran and their impact upon the Arab world, the geostrategic move by the Soviet Union towards the Middle East, Africa and the Indian Ocean, the smoldering Israeli-Arab issue and the use of oil as a political weapon—despite all of these things, Europe has still not proved capable of finding its way forward to a uniform policy on external relations, security and economic matters. That is something which one can but regret. Unfortunately, the same holds true of the vital sector of supplies of energy and raw materials. But unlike former times, Europe must now definitely assume more responsibility of its own for security and defense than previously.

America with her still undigested trauma of Vietnam and Watergate has become more prone to neo-isolationism following a series of setbacks in the field of foreign policy and difficulties in domestic politics. At any rate, it has become clear that no American President will in the future be willing to state that such and such a thing is indispensable for the defense of Europe. America now wants a clear answer from the Europeans—and one cannot deny her this moral legitimation—as to what the Europeans themselves deem to be necessary for their own protection and what they are willing to do themselves and hold themselves accountable for. America is no longer willing to force Europe into promoting its own security or to accept the fact that European politicians sneak away from their fundamental responsibilities in a spirit of inner-party weakness, party political cowardice, ideological lack of realism and a blue-eyed longing for détente. I need only remind you of the disgraceful example of the discussion about the neutron bomb. Operating on the same wave-length as Radio Moscow, Egon Bahr accused America and her President of perverted thinking. In my view, it is perverted thinking to creep behind the Americans' atomic shield (which will no longer be available for Europe for an unlimited amount of time) but nevertheless to rush forward when the order of the day consists of politically and morally provoking and slandering Europe's major defending power.

True partnership, true friendship and a true alliance need and can take plain speaking and, where necessary, harsh criticism. But they also presuppose a willingness to back one's partner in troubled times with every resoluteness and clarity. By the same token, we too expect America to go easy on her seemingly unlimited capacity for antagonizing friends and upgrading adversaries. Relations between the United States and Europe are not so bad as the Communists might like, yet clearly not so good as they ought to be and indeed might well be. That is why the estrangement which has gradually arisen on both sides of the Atlantic since Vietnam and Watergate must be terminated and reversed. Only a bold and unflinching stance by Europe can restore the old trust, which formed the basis of our security in the Atlantic Alliance for over 30 years. Europe must realize that any weakness in American leadership and any doubts about her will to provide that leadership will create a political vacuum, which the Soviet Union will of course try to fill. Needless to say, the Soviet Union's strategic planners would be unworthy of the name if they did not make such an attempt. It was only because of this that the Soviet Union was able to strengthen and tighten her geostrategic grip on Africa, the Middle East, Iran, Afghanistan and South East Asia by stirring up potential clashes, by exporting ideologies and weapons and by enlisting the services of the Cuban foreign legion and Erich Honecker's Afrika Korps.

The decision on the success or failure of this expansion will soon come within the next few years in Rhodesia, Namibia and South West Africa. I mean this warning to be taken very seriously. It is not in the heart of Europe but at these stormy fringes of the world's political scene that the current threat to Europe lies. The Soviet Union's plan does not consist in direct military aggression, but in the envelopment of Europe from her flanks so as to induce the Europeans to abandon their alliance with America and to seek salvation in neutrality. In this context, I need only draw your attention to the current negotiations on the ratification of SALT II and also to the negotiations of equally direct interest and concern to us Europeans on the so-called balanced force reductions in Central Europe. Although I have no wish to go into detail on this problem, there are two points which I would like to stress.

The first one relates to the area for such reductions, which has definitely been chosen on a very unilateral basis, since it does not, for example, include Hungary. The second point is the potential scale of reduction, equally unilateral in nature because it leaves out the 450,000 men in the GDR's well equipped factory combat units. In this area for reductions, the military potential must be equal on both sides and the details of Western potential must not be stipulated by the Soviet Union. For that would imply a substantial cut in the German Armed Forces with their present-day strength of 500,000 men without the slightest chance or guarantee of this being offset by units from other nations and certainly not from the USA, which has now become reluctant to undertake commitments overseas. Thus, we are faced by certain exigencies and the German people will have to be told about them. I realize that it is much more relaxing simply to talk about future government expenditure or about this goal or the other.

But what we can longer afford to do at this juncture of time and in our geographical position is to indulge in a perilously perfunctory analysis of the international situation and a defence policy laid down by the ideological parties of the Left amid the reassuring applause of Party Congress delegates. We must once more bring home to our people that all our affluence, our security and, what is more, our individual and legal freedoms hinge upon the maintenance of our security.

I noted in second place on my list of tasks—though with no intention of diminishing the importance of other political goals—that the experience of recent years and the discussions of the present time have shown how much the preservation of energy supplies and vital raw materials for our economy has become a matter of crucial significance and indeed life or death of our free social system. It is my hope that this may be universally accepted as a clear-cut fact and that those desirous of a tranquil life and "retour à la nature" will have to look around for more suitable regions to live in. Nobody will prevent them from replacing their motor cars or kitchen appliances or job mobility by other things and seeking their food in the open countryside. The dependence of the Federal Republic and Europe on energy and raw materials poses a threat not only to our economic development but also—as we have seen during recent years and months—to our freedom of political decision.

The European Community must import 57% of its energy supplies from non-EEC countries: for the Federal Republic of Germany the figure is 59%, for France 76%, Italy 82% and Denmark 99%. At the same time, there is a growing danger that the oil monopoly-states (mostly located in the Arab region) will use their oil as a means of achieving political leverage. I voice my thoughts in very cautious languages, although one could speak up much more explicitly when one recalls what Arab statesmen including even the non-demagogic Saudi-Arabian minister Yamani have had to say in recent times.

Another problem is the aggravation of the North-South dialogue and the demand for a new international economic order, i.e. in plain English a world-wide planned economy for all raw materials with the immense consequences, expense and bureaucracy which this involves. Mention must also be made of the increasing trend to construe development policy as a global redistribution scheme for exploiting the industrialized states or even to allege that it is being misused for supporting terrorist, totalitarian "liberation" movements. The existence of differences between rich and poor in the world is something to which we must add the word "unfortunately." It has evolved for a number of reasons.

However, we should stop constantly reiterating the false reasons and drawing the wrong conclusions. Those who declare that the difference between the prosperous and the poorer nations is still a consequence of the colonial age should bear in mind that, after their manifest emancipation from colonialism and their achievement of sovereignty, many countries are economically and administratively in a much worse situation than they ever were before. That is a fact which should be accepted! I say nothing against providing assistance for these peoples, but such help ought not to consist of supplying weapons, fomenting revolutions in potential trouble spots or in arousing the hatred of one tribe or race against another.

Our help should above all consist in furnishing guidance on how to set up on one's own with financial aid and other practical assistance, in procuring the requisite basic craftsmanship and technical know-how, in training middle management and in developing the skills needed for senior management. Those are the decisive issues, and not the redistribution process, and the argument that the rich must become poor so that the poor will become richer in relative terms—as Herr Bahr implied in his observation that poverty in such countries is the fault of the industrialized states. I only wish to deal briefly with this topic. Naturally, I was very impressed by the performance of SPD Party Manager Bahr at the Church Congress on Development Aid at the beginning of this year when he came out clearly in favor of supporting terrorist movements in Africa and of providing financial assistance so as to facilitate their struggle. There can in fact be no agreement between us on this point. We reject the use of force to achieve political goals. We leave completely open the question of whether such aims are legitimate or not. But we also reject the use of force to attain legitimate goals.

What would one say if the 12 or 13 million expellees and refugees in our country were to operate as guerilla troops along our Eastern borders or if their commanders in UMO were to turn up in New York with a submachine-gun in their hands instead of integrating among us and helping with their minds and hands to build up their new homeland by means of extremely hard work and high-quality performance. What would be said then? Even the thought in itself is fantastic! Would it be deemed justifiable in the struggle to promote human rights—and the struggle is obviously already under way in the "GDR", in Poland and elsewhere—if for example bridges were to be blown up in order to win this struggle and if not only civilians but also soldiers and policemen were to be treacherously assassinated? We pursue the fight for freedom with intellectual and political weapons but without violent measures. Our rejection of the use of force is only credible if it is indivisible and if violence is not approved in Africa whilst of course being completely rejected in Europe. The rejection of the use of force must be indivisible if a better world is to emerge.

We are faced by great tasks in the supply of energy. The aims of these tasks are: a more rational and economic use of energy and a limitation on the growth in the use of energy. Clearly, we shall not manage unless we have growth. But then we must ensure that the growth in energy requirements is not so high as the growth in economic development and in fact well below it. No doubt, it will prove possible to employ a large number of technical devices to accomplish this.

Our second task consists in the need to reduce our dependence above all on oil imports, i.e. to diversify our sources of energy still further. We must replace mineral oil by other sources of energy and that will only be possible by a combination of coal and nuclear power. Let there be an end to utopian flights of fancy and ideas about settling the crucial issues in this field by resorting to wind and solar energy in the Federal Republic. Naturally, they must be included, too, but they do not permit us to mislead the general public with hopes of solving the problem in this way. What we really need is research and development and the utilization of substitute and alternative energies. What we need is more provision for maintaining supplies during crises (for example by increasing oil reserves) and an effective foreign policy on energy but on a European basis vis-a-vis the oil producers.

At the present time, there is no alternative to nuclear energy. That must be admitted once and for all instead of continuously deluding the population into believing that we can manage without nuclear energy or that we could manage for a long time without it or perhaps forever or that we might need it now but not for long or perhaps not yet but definitely later and so forth. We are not atomic power fetishists nor are we obsessed with nuclear power. Nevertheless, we cannot just stand idly by and watch the high level of efficiency in our economy and its international competitiveness together with our overall welfare and social system exposed to serious risk and liable one day to lie in ruins because of the mistakes and sins of omission committed by the governments of the 1970s.

Let us make sure we do not just stand by and watch! Precisely those people who never fail to talk of a rational approach now hasten to exploit for their own party goals and tactics the understandable and inherent fear of the atom felt by mankind since the explosion of the first atomic bombs in Japan at the end of World War II—trading as they do so upon the tender moral sensibilities and susceptibilities of young people.

I can hardly claim to be someone known for avoiding embarrassing issues and I shall not avoid them today. The point is this: there are no modern technical achievements that do not involve certain hazards. If you want total safety vis-a-vis technology, you have to go to the jungles of Africa or the Gobi Desert and then only as long as technology has not taken over the steppes or wildernesses there. I was the first Minister for Atomic Energy in the Federal Republic of Germany and even in those days we had a certain idea of the risks involved: in the meantime, of course, scientific research and technical development have multiplied our knowledge. I would add that there exist many sectors of modern technology which undoubtedly involve greater dangers than nuclear power. But as these sectors have not been demonized and invested with diabolical qualities for party political reasons, no mention is made of these dangers: they remain a subject for the specialists and experts engaged in dispassionate debate.

Yet atomic power is invoked in discussions in order to convulse and disintegrate our social system. The very same communists, whose representatives in our country—frequently disguised and wearing war-paint like the civil war fighters of a political subculture—move into battle against modern technical amenities, have meanwhile hurriedly built one atomic power station after the other in their own sphere. But in this context we can also cite France—our European neighbour, friend, ally and of course economic rival (and economic rivalry is always good because it promotes the concept of, and the wish for, good performances). During the same period when not a single nuclear power station was built or approved in our country, France succeeded with effortless ease despite the internal debates there, too, in building and authorizing 33 nuclear power stations.

The real point is that energy policy belongs to those sectors where the decisions have to be taken today so as to ensure that in 10 years time the vital and indispensable preconditions for maintaining our economic and social standards are guaranteed. That is the essential thing.

We adhere firmly to the social market economy and we shall put it back into working order again in all sectors. After all, there is nothing to replace it. For us, it signifies freedom of contract, guarantees on property, ownership of the means of production, free competition, free access to markets, freedom of decision on investment, free choice in consumption, free choice of one's workplace and the free right of employers and employed to conclude collective wage agreements. In economic terms, the entire socio-political debate about freedom versus collectivism turns on one key issue: should the State or society hold the sole means of production or should private ownership of the means of production also be possible? That is the key issue in this debate.

For us, they all form part of a whole: the social market economy, parliamentary democracy, the free constitutional state and the federal system of government. These are the four essential elements, the four mainstays of a humane, efficient and democratic society. The clouds now gathering along the skyline of the world's economy point to an approaching storm. That is all the more reason why we must reinforce the foundations, the walls and the roof of our house against the hazards of the future. What we need is genuine growth attained via the market economy and not government-regimented growth. We need a strengthening of entrepreneurial willingness to invest and capacity to invest by dint of an encouraging return on one's investments. Finally, what we need is a strengthening of entrepreneurs' innovative capacity—not only in large firms but also at all levels of small-scale industry and trade. Only in this way can we achieve the long overdue reduction in employment and the safeguarding of jobs.

As I have already observed, Hitler could not have fascinated millions of people in the way he did without the mass unemployment which existed and then usher in the most terrible epoch of German history with its disastrous conclusion. After the Second World War, we faced a country lying in ruins, a devastated economy, a paralysed transportation system, a ravaged merchant fleet, our severance from the markets of the world and the high seas and moreover the presence of 6, 7, 8, 10 and then 12 million expellees and refugees whose only possessions were the clothes they were wearing. At that time, I was a district administrator and I know what it means when you have to requisition sports centres, gymnasiums or church assembly rooms in order to set up accommodation facilities or even camps hardly fit for human habitation. That was what faced us then. And we were afraid, too. "Good Lord, will it start all over again? Will the universal misery and unemployment generate a new spate of radicalization throughout the population?" That is what we used to ask ourselves.

Let me add at this stage a few words about the German expellees and refugees and our respect, our esteem and appreciation for them. They endured the times of distress and deprivation with great courage and great steadfastness.

Let us not receive ourselves. If we had not introduced the system of the social market economy, we could not have found a humane and befitting solution to the problem of the 12 or 13 million refugees and expellees. At that time, I noted what a Communist newspaper published in a neighbouring Eastern state had to say about the situation. The writer observed that the policy of expelling Germans from their homes was aimed at creating such an internal pressure in the other part of Germany not occupied by the Red Army as to impel the desperate and radicalized masses into the arms of the Communists and their false doctrines.

I am also emboldened to point out the following to our Western friends. The biggest battle for Europe's freedom and thus the biggest battle for democracy took place in the Federal Republic of Germany, whose existence only in fact became at all possible as a result of the unprecedented economic and social advances achieved on the basis of the social market economy. Permit me also to note at this stage that the magnitude of the problems then confronting us was infinitely greater than that of our problems of recent years. If we were able with the help of the social market economy to resolve the enormous problems of those years, then we shall also only be able to cope with today's problems—inasmuch as they lie within our own country or in the field of European cooperation—by means of economic freedom, social justice and democratic human dignity.

Our efforts are also directed toward building up a free system of European states. Helmut Kohl has spoken explicitly and precisely on the European Election and the future prospects. We know how tiring and difficult the path ahead of us will be. We know that our goal, the creation of the United States of Europe, has not yet assumed tangible form. We know that we can only proceed step by step. We know that in the foreseeable future we shall at best set up a tolerably viable confederation of states and that we shall still have a long way to go before a Federal Europe can emerge. That is why we must proceed along two avenues of approach. We must continue to pursue our goal of European unification and not allow ourselves to relapse into national narrow-mindedness or excessive petty preoccupation with national frontiers. At the same time, however, we must cultivate bilateral cooperation with our European neighbours—with France, with England, with Italy and with the smaller states. Many a vital issue will prove more amenable to a solution through a consensus among European statesmen than, for instance, through European organizations incapable of taking real action.

I feel I cannot close this survey without making a last few observations on German policy. In this field, the concept of détente is not proclaimed as a rational and transparent policy—easy to interpret and pragmatic in application—but virtually as a piece of emotive political language and as a political battle-cry and not least as a political expletive useful for disparaging political opponents.

Who then is against détente? No rational person and no responsible politician is against détente. We are completely alive to our responsibilities. Nevertheless, I would like to point out and emphasize three things.

Firstly, the concept of détente and the circumstances which help or harm it or the substance of what does or does not constitute détente cannot be left solely for the Soviet Union to define. No one can say that we deny the Soviet Union a legitimate right to contribute her proposals on détente to the international debate.

But we do deny that she has a monopoly for doing so and we protest against the attempt to depict our commitment to freedom, justice and human dignity in the whole of Germany as a danger or impairment for détente and thus the opposite of what we really mean by détente.

Secondly, détente must not lead to any gradual reduction and paralysis through habituation of our vigilance and preparedness in military defence or in our security against the internal enemies of democracy. Détente is impossible without military vigilance and without military preparedness because it then simply falls apart.

Thirdly, détente is indivisible. We cannot speak in Europe of the great success of détente as long as wars are being waged in Africa by such deputies as the Cuban foreign legion or Konecker's new Afrika Korps, thus virtually undermining Europe's most sensitive and vital foundations—and that of course means oil and raw materials. I am surprised about the short-sighted attitude of the Federal Chancellor—although on second thoughts those who are familiar with this myopia will not in fact be surprised—who recently declared that détente was after all a big success but that it did not function in Africa because no agreement had been reached on it there. Détente must be indivisible or it will never become what every rational and responsible person understands by the word détente.

We must draw a clear distinction between the existing positions of power and the predetermined legal positions. We did not negotiate the Eastern treaties, otherwise they would have had a better, more precise and more explicit tenor and not one capable of different interpretation when so desired in Moscow or in Bonn. That is also the reason why I say that the Eastern contracting parties are entitled to expect us to use the same language vis-a-vis them as we use in our own country. We, too, are entitled to expect reliable and honest interlocutors and conference participants. On a number of different occasions such as my discussion with the Secretary-General of the Soviet Communist Party or more recently on my visit to Hungary, I repeated the words which I first used in the German Bundestag in January 1973: "pecta sunt servanda".

Naturally, the Eastern treaties are valid for us without any ifs or buts. These Eastern treaties were concluded pursuant to the valid provisions of international law; as long as the other side adheres to them, we are obliged to do so, too. What is it then that we have to adhere to? What is the substance of the treaties? How should the treaties be construed? There is only one construction for democrats who advocate the constitutional state and who are aware of constitutional principles; no treaty can be interpreted in a different manner to that which is permissible under German constitutional law. German constitutional law does not stand at the disposal of the drafters of treaties and the negotiators; on the contrary, the latitude inherent in negotiation and now in interpretation stands at the disposal of German constitutional lawyers.

We are proud of the fact that we appealed to the Federal Constitutional Court in Karlsruhe in 1973 and obtained a unanimous judgment setting out the bounds of constitutionality. There is no denying the fact that, in legal terms, the German Reich still exists and that this legal situation can only be ended or altered by a peace treaty. The Eastern treaties are agreements about getting on with each other and living and working with each other in an orderly fashion.

But I would warn left-wing professors of law about denouncing legal positions as a meaningless set of formulas as Herr Ehmke and others have done. For us, there is no denying the fact that there is only one German nationality, not two German nationalities, or that the border between Bavaria and Baden-Württemberg possesses a similar ranking in law to the border between Bavaria and Saxony. Or, to put it the other way round, the border between Bavaria and Saxony has a similar legal ranking to that between Bavaria and Baden-Württemberg. This also signifies that we cannot and do not wish to draw the conclusion and indeed shall not draw the conclusion that these treaties involve an automatic and binding recognition of Germany's division into two nations. After having explained the legal position in public on several occasions, I was criticized by the official Soviet news agency and called upon to accept that the principle of "pacta sunt servanda" on the one hand and non-recognition of the division of Germany into two nations on the other are mutually incompatible.

Those who practise "pacta sunt servanda" should also inevitably include the division of Germany into two nations under the heading of "pacta sunt servanda"! That is the argument with which I was confronted, and Herr Wischnewski and Herr Bahr then proceed to demand further interpretations of "pacta sunt servanda" from me. But there is no need for them to demand any further interpretations from me. We, i.e. the whole of Germany and not merely the Opposition in Bonn, have a right to expect the Federal Government and Helmut Schmidt to finally abandon their dance of the seven veils and to declare whether adherence to the Eastern treaties automatically implies for them a solemn commitment to the division of Germany into two nations. It is not for us to deliver statements, but for the Federal Government at long last to clarify the legal position and to make known their point of view!

We stand by the historic facts of our existence and also consciously accept our national history: we do not merely indulge in a continuous and self-tormenting attempt to come to terms with our recent past. We stand by our history and we know as Christians that human life unfortunately tends to be afflicted with misfortunes just as history also tends to be full of disasters. When we speak of disasters, we have no wish to thrust aside our guilt and our penance. Nor is it our wish to cheat our way out of our responsibility. Nevertheless, German history does not only consist of Hitler, Himmler, Goebbels and Göering. German history also embraces the great emperors of the Middle Ages and the great humanists: it encompasses the great intellectual achievements of the Renaissance and the Age of Enlightment. German history also implies Leibniz and Goethe and Konrad Adenauer, too.

That is the true Germany. We subscribe to the ethics and principles of the Christian religion. We subscribe to Christian humanism and to the fundamental truths which, for a great many generations, have formed the basis of German and European communal life. We stand firmly upon the intellectual and moral fundament of Greek culture, Hellenic-Roman civilization and Christian piety in all faiths. We stand upon the soil from which sprouted the creations of the peoples of Europe: the Romance nations, the Teutons and the Slavs. We stand upon this historic fundament. We are committed to this historical legacy of ours. We have no wish to repudiate it. We wish to preserve it. We wish to develop it. And we reject the irresponsible approach of those who deny their past history. We reject the stupid credulity of those who believe only in theories.

We reject the apostasy of those who deny God and history—an apostasy such as has been systematically preached to us over the years.

For those of us standing on this fundament, the word "liberal" signifies being free, albeit accepting certain values: it does not imply a liberalism devoid of any commitments and still serving as a transmission-belt for Marxism. For us, "conservative" signifies belief in one's homeland and fatherland and belief in a free constitutional order as the product of centuries of historic struggles—many of them bloody and difficult—and the national march of events.

We are aware of the relativity and dependence, the subordination and fragility of human existence. We do not preach a theology of perfection on earth, which can only lead to utopian castles in the air. We know that man exists within the currents of life around him. We know that man is entrapped within his period of time in history. We know that the present is always the point of time at which past history transposes into future development. We know that man must be placed within a nexus of relationships and that the supreme, most sacred and most important relationship is and should be and must remain the family.

We know that man stands within the mainstream of history, of his nation and of his fatherland. We know that man is planted in his locality and environment and that is why we are ardent supporters of the right to one's own homeland free from revenge-seeking or similar thoughts such as are repeatedly imputed to us. This Christian view of life is the binding legacy and at the same time the binding objective for our whole policy.

We stand by the achievements of man's history, which have resulted in more freedom, more progress and more humanity.

We know that the object of our life and work is not to be found in the worldly sphere, that our ways and doings are of a provisional nature, that we can never create heaven on earth and that we cannot in the end bring about any heaven-like conditions. I would also observe as a convinced parliamentary democrat that no political party with a majority and no political combination with a parliamentary majority can take the liberty of creating definitive situations which then become irreversible and irrevocable for a later different majority. One of the fundamental differences between the socialists and ourselves is that we do not wish to attain a final condition of salvation for mankind on earth and that we remain conscious of the relativity of our wishes, of our skills, of our activities and of our accomplishments.

Only in this way can man pursue policies marked by humanity and responsibility, impeccable democracy and due humility. And we do indeed pursue policies marked by humanity and humility—however vigorous our claims may be, however energetic our words, however clear-cut our aims. And that is why we are not willing to declare something to be better only because it is new and only because it is different.

The biggest reforms carried out in Germany this century were the work of the CDU/CSU. What were their reforms? They were the inauguration of the social market economy, the introduction of index-linked pensions and the thrusting aside of a fusty nationalism to make way for truly European vision and a world-wide approach to the issues of our times. These three central decisions have stamped the image of our country and underscored the difference between freedom and dictatorship compared with the other part of Germany. As we point out to our friends in the West, this policy has preserved them from the need to confront communism along their own frontiers.

Our part of Germany, suffering so grievously as it does from its history and our German past, has undertaken thanks to our policies to pay off the great debts owing from the times when we, too, were involved in the events of those fatal years, above all in our capacity as the German people but also in the name of the German policy then pursued.

We have endeavoured to expunge from the pages of history such debts as can be expunged. We have endeavoured to make good what we did wrong. We have endeavoured to render impossible once and for all a relapse into hide-bound nationalism, into nationalistic delusions, into the obsessions of a totalitarian ideology.

And thus the 1980 Elections assume a momentous and epoch-making significance, because they embody the need to bring to an end a development destined to lead us into a baneful future.

They assume this significance because of the need for a return to the principles and achievements of the twenty great years of our post-War history.

And because we acknowledge before God and mankind the responsibility and duty to pass on to our children a Germany fit to live in, a Germany imbued with the spirit of democracy, a Germany marked by the rule of law, a Germany that loves freedom.

SENATOR MOYNIHAN'S REFLECTIONS ON THE SALT PROCESS

Mr. McGOVERN. Mr. President, over the past weekend I read a lengthy piece in the New Yorker magazine of November 19, 1979, by our colleague from New York, Senator PATRICK MOYNIHAN. It is a brilliantly conceived and interestingly written article by a man who has obviously thought deeply about the whole range of nuclear armament, strategic doctrines, and the arms limitation efforts of the past decade. I found Senator MOYNIHAN's piece not only fascinating, but in some respects an uncanny expression of my own conclusions about strategic doctrine in theory and the SALT process in practice.

Like Senator MOYNIHAN, I have been struck by the paradox of an arms limitation process which is accompanied by an escalating arms race. Like the Senator from New York, I have become convinced that the SALT II treaty is not worthy of support unless dependable assurances can be achieved to guarantee genuine mutual reductions following ratification of the treaty.

Senator MOYNIHAN has proposed a formula under which the ratification of the SALT II treaty would be nullified unless significant and substantial reductions in strategic arms were agreed to by the Soviet and American negotiators within 2 years. I agree with the thrust of the New York Senator's proposal. If he offers it on the Senate floor, I may join him in supporting his proposal. I offered a similar declaration in the Senate Foreign Relations Committee consideration of the treaty which was adopted unanimously. My declaration said in effect that our negotiators in SALT III must not submit another treaty to the Senate unless it contains significant and substantial mutual reductions of the strategic levels set by SALT II. It may well be that the Senate should combine the proposals offered by the Senator from New York and me. There can be no doubt that the Senate is not happy with a SALT II treaty that invites both sides to increase their nuclear arsenals. We will simply not tolerate a third treaty that fails to reduce the nuclear levels on both sides.

Senator MOYNIHAN is a liberal Democrat with genuine credentials as an advocate of progressive social change. His years of battling for welfare reform, his commitment to the poor and the handicapped, his imaginative efforts to revitalize urban American, his steady devotion to civil liberties and human rights—these are the concerns of the American liberal. But he has also left no doubt that he is fully committed to the military defense of the Nation. It is this combination of liberalism and energetic commitment to a strong national defense that gives special force to Senator MOYNIHAN's insights on the SALT treaty.

I urge my colleagues to read carefully his views in the November 19 issue of the New Yorker, which I ask unanimous consent be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REFLECTIONS: THE SALT PROCESS

(By DANIEL PATRICK MOYNIHAN)

In the summer of 1978, when it began to be clear that the SALT II treaty would be signed with the Soviet Union, the Select Committee on Intelligence of the United States Senate began to prepare for its role in the procedures by which the Senate would take up a resolution of ratification. As a member of the committee, I journeyed to Geneva to talk to the negotiators of the draft agreement that was taking shape and began to go over the history of SALT I, more formally known as the Interim Agreement on Certain Measures with Respect to the Limitation of Strategic Offensive Arms and the Treaty on the Limitation of Anti-Ballistic Missile Systems, signed in 1972.

It did not take long to establish that, whatever else SALT I might have done, it accomplished little by way of limiting strategic offensive arms. For that matter, it wasn't even an agreement about weapons as ordinarily understood. Rather, it was an agreement to limit the number of launchers each party would have for its long-range ballistic missiles. A launcher (or silo, in the usage of the military) for a land-based missile is a hole in the ground. You could get hurt by falling into one, but it is missiles, and, more specifically, the warheads of missiles, that kill people, and these were not at all limited by SALT I. Nor, it appeared, would they be much limited by SALT II. From the time of the first agreement, the number of American warheads increased steadily, and those of the Soviets more than doubled. It appeared they would double again under SALT II.

This was hardly reassuring. But more troubling still was the realization that this all came as news to me. I had never given great attention to the subject, but from the time of the Treaty Banning Nuclear Weapon Tests in the Atmosphere, in Outer Space, and Under Water, of 1963, I had had the impression that things were going well enough, or at least not badly. I did not have the excuse most persons might have for being vague about the details. I had served in four successive Administrations, from that of Kennedy on. I had known vitually all of the principal arms negotiators and, from university life, a good number of the strategic-arms theorists. I had sat at the Cabinet table of two Presidents listening to reports on progress. Always they *were* reports on progress.

Or such was the impression I took away. I now began questioning my own judgment, then that of others—especially as the Carter Administration began to proclaim the virtues of SALT II in terms I could recognize as essentially the same as those in which the Kennedy, Johnson, Nixon, and Ford Administrations had presented their achievements in arms control. I began to wonder whether anyone from the most recent Administration, or more generally from the world of arms control, would ever describe the agreements in terms that comported with what now appeared to me as a different, even new reality.

I was to wait almost a year, until the morning of Wednesday, July 11, 1979, when Dr. William J. Perry, Under-Secretary of Defense for Research and Engineering, testified on SALT II before the Committee on Foreign Relations. Perry, a mathematician, speaks plainly and, as with many in his rarefied profession, is a man of unassuming appearance and manner. All the more was the contrast with the Caucus Room of the Old Senate Office Building, in which the hearings were held. The Caucus Room is a place of unashamed exhibition and splendor dating from 1906, when Theodore Roosevelt, having built the West Wing of the White House, commenced to challenge the Congress from his new office, and the Senate decided to get itself an office building of its own. Until that period, Presidents had worked in their living rooms, as it were, and senators at their desks in the Senate Chamber. Neither facility had been much expanded from the time of Jefferson, although during the eighteen-forties a kind of box was fitted onto the tops of Senate desks, adding a little storage space. (Daniel Webster declined the extravagance, so that to this day his desk is single-storied.) If the interior of the Capitol can be said to be Palladian and given to republican virtues in design, the Caucus Room, only slightly smaller than the Senate Chamber itself, is Roman Imperial, and make no mistake. It struck me as a not inappropriate setting for Dr. Perry's subject, SALT II.

The Secretary of Defense, Harold Brown, had just finished his prepared statement in favor of the arms-limitation treaty. Curiously, the charts and displays he had brought along to illustrate his points, in the manner of military briefings, were exclusively concerned with recent and prospective improvements in and additions to the nuclear arms of both countries. The capabilities of both the United States and the Soviet Union to destroy so-called hard targets, such as missile silos, were represented as about equal, with the Soviets slightly ahead as of now and maintaining a slight lead through 1990—when both capabilities would have about trebled.

Perry's testimony began. He had no prepared statement, it being his role to provide answers to technical questions the Secretary's testimony might have raised. But he said a few words anyway, and in doing so made perhaps the best case yet presented for SALT II, while describing with a technician's candor its shortcomings. He said:

> SALT I's success was in getting the process started. There was a substantial arms control success in the [Anti-Ballistic Missile] Treaty, but essentially there was no success in reducing the number of offensive weapons. The best evidence of that is, just look to see what happened to the number of warheads indicated on that chart since SALT I. Both the United States and the Soviet Union have added about 3,000 warheads since 1972.
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> The Vladivostok agreement [of 1974] was one more important advance in this process. It did specify upper bounds. It included bombers, not just missiles in the forces, but it still permitted substantial increases in warheads as of that time.
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> President Carter tried to break that upper spiral with his March, 1977, proposal for SALT, and as you well know, that was rejected by the Soviet Union. In fact, it is my belief that any SALT proposal in this time frame that does not preserve the Soviets' right to modernize their ICBM [Intercontinental Ballistic Missile] force would be rejected. My judgment is, they have made a very substantial commitment to that. The ICBM is really the only strong component of their strategic forces, and they seem to be resolutely opposed to making any substantial reduction in it.
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> Therefore, the SALT II treaty which we have arrived at, while it is a major improvement over the Vladivostok agreement . . . still allows significant upward spiral of the number of nuclear weapons.
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> I anticipate that the Soviet Union will continue to pursue the modernization of their ICBM program as indicated in the figures which Dr. Brown showed you, and that we will respond to that, so that both sides then will continue to have significant increases in nuclear warheads.
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> That is the bad news. The good news that comes with that is that SALT II also establishes a process and goals. The most significant goal is the one to achieve a real reduction in nuclear weapons—not in delivery vehicles but in actual weapons. My question then, as a defense planner, is how do we structure our strategic programs in the years ahead to be compatible with that goal—not only to be compatible with it but actually to facilitate the achievement of that goal of getting a reduction, a real reduction, in nuclear weapons in the future.

The master term here is "process." Clearly, neither the first nor the second agreement did much to limit arms. Weapons and weapons systems on both sides continue to accumulate. But the agreements did establish a forum in which the two nations discussed these matters, and entered into a degree of coöperation concerning them. This was the case, I had understood for some time, in the matter of monitoring—the various means by which each nation keeps track of the activities of the other in order to verify that the SALT agreements are being kept. Whether our abilities here are sufficient was the question the Intelligence Committee faced when it began formal hearings on the issue of verification soon after SALT II was signed by Presidents Carter and Brezhnev in Vienna, on June 18th.

Alone of the standing or select committees, the Select Committee on Intelligence normally does its work in closed sessions, which meet in the Capitol dome in a small hearing room that is suspended, you might say, from the cupola. It was built up there for the use of the Joint Committee on Atomic Energy, the first committee of the Congress that routinely did its work in camera. Of the materials the Intelligence Committee deals with, none are more sensitive, because they really are secrets, than those concerning information about Soviet strategic nuclear forces, and, more especially, concerning the means by which that information is obtained. A minuscule fraction of the information comes from agents of one or another sort—HUMINT, is the contraction favored by the intelligence community. Early in the postwar period, it was judged that the Soviet Union was much too closed a society to be penetrated by agents. Machines were put to work, with ever-increasing sophistication; today, by far the greatest portion of our information comes from what are known as "technical collection systems." Basically, there are three such systems. First, a number of satellites continuously circle the earth taking photographs of the Soviet Union, as can now be done with extraordinarily high resolution. (The technicians speak of picking out "the golf ball on the green.") Second, the United States can monitor the radio signals, known as "telemetry," which the Soviet missiles send back in flight. Third, American ships watch incoming missiles in the Pacific firing zones, establishing distances travelled, the pattern in which multiple warheads land (known as the "footprint"), and other such information. The Russians have comparable systems. Either side can effectively count the number of land-based missiles set in silos and ready to be launched on the other side. The number of submarines and launchers are readily enough established, as are the numbers of intercontinental bombers.

Each side, naturally, hopes that the other side will not know when some new advance has been made in detection systems, and on this score there was some difficulty to be resolved as the Senate prepared to consider verification under the SALT II agreement. In recent years, Soviet intelligence in the United States had scored a number of successes that alerted the Russians to the development of new American intelligence technology. In 1975, Soviet agents had obtained information about a major satellite system known as Rhyolite. In 1978, it was learned that agents had also obtained the operating manual for the most advanced of our satellites now in operation, the KH-11. In both instances, the espionage had seemingly been simple and inexpensive; in one case, the materials were acquired, for quite modest amounts of money, from a youthful employee of the TRW corporation, and in the other from an employee of the Central Intelligence Agency itself.

This suggested that the Soviets have no great difficulty learning what we are capable of spotting, and can take appropriate evasive action. In addition, the loss to the United States of listening posts in Iran which monitored activity at a missile range near the Aral Sea, in south-central Soviet Asia, involved a considerable loss of information not easily obtained otherwise. Then, on June 28, 1979, the White House leaked to the New York Times that the United States had a similar station in Norway. The leak was intentional, to reassure those favorable to the treaty, but at the same time it jeopardized the Norwegian "asset," to use another term of the intelligence community. Thus, the question arose as to whether the United States would be able to be certain that the Russians were abiding by the terms of an arms-limitation treaty that would extend through 1985. The record of SALT I was both reassuring and cautionary. There was no conclusive proof that the Soviets had committed any major violations of SALT I strictly construed. By and large, what they agreed not to do they did not do. But where we said we hoped they would not do something they paid not the least attention.

This, as it turned out, was no small matter. One of the principal negotiating objectives on the American side in SALT I was to insure that neither side build any more "heavy" missiles. This is a term for missiles big enough to carry a huge "payload," which can deliver a large number of nuclear warheads capable of reaching and destroying missiles on the other side. They are potential "counterforce" weapons, because they can be used effectively against other forces. (Missiles aimed against cities are called "countervalue" weapons.) As of 1972, the Russians had three hundred and eight heavy SS-9 missiles, while the United States had no modern heavy missiles. In SALT I, it was agreed to freeze both sides, meaning that the Soviets would and we would not have modern heavy missiles. Although this appeared to be an imbalance, American strategic doctrine at that time did not call for counterforce weapons, and we were well enough content. It was understood that the Soviets would replace their SS-9 missiles with a new model, or "generation"—the SS-18. However, the Soviets were then also planning to replace a medium-sized missile, the SS-11, with another new model, the SS-19, which was so much bigger and more accurate as to become, for practical purposes, a new heavy. As the Intelligence Committee stated on October 5, 1979, in the public portion of its report to the Senate on the capabilities of the United States to monitor SALT II:

The Soviets' unanticipated ability to emplace the much larger SS-19 in a slightly enlarged SS-11 silo circumvented the safeguards the United States thought it had obtained in SALT I against the substitution of heavy for light ICBMs.

Similarly, in SALT I the United States conceded to the Soviets the right to build a larger number of missile-carrying submarines than we were permitted, in order to compensate for the Soviets' "geographical disadvantage." (To reach the open Atlantic Ocean, for instance, Soviet submarines must pass through the relatively narrow gaps between Greenland, Iceland, and the United Kingdom; our submarines reach the open ocean at once.) But the range of the SS-N-8, the new Soviet submarine-launched ballistic missile, turned out to be considerably greater than expected, enabling it to be fired at American targets while the submarine remained in the Barents Sea. There is little reason to think the Soviets cheated by misrepresenting the range of their weapon at that time. They simply remained silent about its full potential. But in any case they got an edge on us.

Our monitoring system soon established that the SS-11 had been replaced by the SS-19, although the newer missiles used the same silos, slightly enlarged. The State Department was provided the facts and presented them to the Soviets. It was then that the problem arose. The Soviets agreed, or did not disagree, that they were putting an entirely new strategic-weapons system in place but asserted that nothing in the SALT I agreement prevented their doing this. Nothing did.

SALT I—the Anti-Ballistic Missile Treaty permanently limiting each side's ABM systems, and the "interim" executive agreement that essentially prohibited each side from building additional ballistic-missile launchers for five years—was signed by President Nixon in Moscow on May 26, 1972. In an address to a joint session of Congress on the day he returned to the United States, the President hailed the event, saying, "This does not mean that we bring back from Moscow the promise of instant peace, but we do bring the beginning of a process that can lead to lasting peace." However, two weeks later, in a message transmitting the agreements to the Senate, he stated that while together these were an "important first step in checking the arms race . . . it is now equally essential that we carry forward a sound strategic modernization program to maintain our security and to ensure that more permanent and comprehensive arms-limitation agreements can be reached."

At this time, the Secretary of Defense, Melvin R. Laird, was maintaining that the Congress must go ahead with programs for offensive-weapons systems permitted by SALT I, such as the Trident submarine and the B-1 bomber. In a press conference on June 22, 1972, Nixon stated that Laird was correct in this judgment:

"Mr. Brezhnev made it absolutely clear to me that in those areas that were not controlled by our offensive agreement that they were going ahead with their programs. For us not to would seriously jeopardize the security of the United States and jeopardize the cause of world peace."

SALT I, he added, "while very important, is only the first step, and not the biggest step."

SALT II has so far followed precisely this pattern. Just as Nixon had done, President Carter, immediately upon returning to the United States from his summit meeting, delivered an address to a joint session of Congress last June in which he hailed the agreement, and in the same address (not waiting two weeks) he announced there would be more weapons. Indeed, he asserted that one of the principal advantages of the treaty is that it would enable us to go forward with a new missile system—the MX. This "missile experimental" (one day it will no doubt be named for a Greek god) is to be a mobile land-based missile, our first. It will be more powerful even that the liquid-fueled Atlas and Titan giants of the nineteen-fifties, the only heavy missiles the United States has ever, so far, deployed. On September 7th, President Carter announced the "basing mode" and other specifics of the MX. Each would be placed on a vehicle and moved to a couple of dozen different launching emplacements around a "race track," in random and presumably unpredictable ways, so as not to be "targeted" by Soviet missiles. Each would carry ten warheads, each of these with a yield equivalent to hundreds of kilotons of explosives. (The Hiroshima bomb was twenty kilotons.) The "race tracks" will require thousands of miles of road and an area the size of Massachusetts. The President said the new MX "is not a bargaining chip," to be bartered away in any future arms negotiations, but will represent a permanent "unsurpassed" feature of the nation's strategic nuclear deterrent. Two hundred MX missiles would be deployed in Nevada and Utah. This mode, the President said, met requirements he had set for a mobile missile system: survivability, verifiability, affordability, environmental soundness, and consistency with arms-control goals. On this occasion, Secretary Brown, while predicting that the Soviets would respond "negatively" to this United States announcement, said that if they engaged in "a fruitless race" to try to overwhelm our new system they would strain their economic resources, and that if they created a new land-based missile system of their own they would be vulnerable to United States attack, presumably from the new American system.

The Federation of American Scientists promptly declared the MX to be "not just an inflationary multi-billion-dollar strategic mistake, but an arms-control disaster." The F.A.S., begun in 1946 as the Federation of Atomic Scientists, has since that time been a leading advocate of nuclear-arms control. Its judgment was stern:

"The MX missile announced today contains the seeds of its own destruction since, as a counter force weapon, it will necessarily stimulate the Soviet Union to procure still more warheads which will, in turn, quickly threaten MX quite as much as the Minuteman missiles are presently threatened. In the process, the SALT limits will become untenable. Worse, the Air Force will ask for the right to abrogate the ABM treaty to get anti-ballistic missiles to defend the MX. Thus the ABM treaty will also be threatened and the arms race will really be back with a vengeance."

The F.A.S. warned that there was "no strategic need to imitate the Russian preference for large land-based missiles," and added, "The precipitous quality of the decision to move to match the Soviets in land-based missile throw-weight has been induced by SALT." Induced by SALT? If this seems a contradiction in terms—or, at the very least, "counterintuitive," to use a term of systems analysis—then all the more reason to pay heed. There are systems that exhibit such properties, producing the opposite of their intended outcome, with the consequence that intensifying the effort to achieve the desired one achieves even more of the undesired.

As the summer passed into autumn, attacks on SALT II from arms-control advocates increased. Just two days after the F.A.S. issued its statement, Richard J. Barnet, who served in the Arms Control and Disarmament Agency in the Kennedy Administration, described the treaty in an article in the Washington Post as "something to stir the hearts of generals, defense contractors, and senators from states brimming with military reservations and arms plants." His tone verged on the contemptuous:

"The 100-page treaty, which reads like the prospectus for a bond issue, is neither disarmament nor arms control but an exercise in joint arms management. The treaty has secured the acquiescence of the military in both countries because it ratifies the huge weapons-acquisition programs both are pushing."

In the fall issue of Foreign Policy, Leslie H. Gelb began an essay on the future of arms control with the blunt assertion "Arms control has essentially failed." He had a friendly word for SALT II, which is perhaps not surprising, for, as a director of the Bureau of Politico-Military Affairs from 1977 to 1979, he had had the principal responsibility in the Department of State for conduct of the negotiations once the Carter Administration came to office. But he concluded that in the main the process had not worked.

Only a few weeks ago, the Times, with what measure of irony one cannot say, called for ratification by declaring, "SALT II is a sound agreement that will confine the nuclear arms race to specified channels." It is perhaps not fair-minded to press the images of editorialists too far, but it may be noted that when a diffused flow is forced into a confined channel the result is acceleration. Whatever became of arms control?

At each stage of the SALT negotiations, and with each new aggreement, the nuclear forces on both sides have increased. Those of the Soviets have increased faster than those of the United States, but this trend was present prior to SALT. When the talks were first proposed, in 1967, the Soviets had nine hundred nuclear warheads. They have some five thousand today. At the expiration of the SALT II treaty in 1985, it is now estimated, they will have roughly twelve thousand. During that period, the number of United States warheads will grow, from the present nine thousand two hundred, to about twelve thousand also. By 1985, the Soviets will have four warheads for every county in the United States, and the United States will have four warheads for every rayon, a comparable unit of government in the Soviet Union. But the Soviet warheads in total will have more than three times the megatonnage of the American warheads. Although it is possible that these rates of growth would be greater without the treaties, it is also possible that they would be lower.

At the hearings concerning our ability to verify the Russians' compliance with the treaty, men of formidable learning and experience, some passionate, some detached, came before the Intelligence Committee to argue the probabilities and the difficulties of verification, but always in the context of ever-increasing Soviet numbers. It came to me that, with numbers so great, verification couldn't much matter. Suppose that by foul duplicity, compounded by American incompetence, the number of Russian warheads increased in the years immediately ahead from five thousand to thirteen thousand, rather than to only twelve. If an additional thousand mattered, surely an additional seven thousand mattered more. Well, not necessarily—only if the increase provided the Soviets some special edge. But they would have an edge on megatonnage in either event. Indeed, they already have that edge. There was something unreal about our inquiry. The possibility that the Soviets might increase their nuclear forces at a pace greater than agreed to was an object of much concern, but almost no heed was being paid to the fact that both they and (now) we are roaring ahead in an arms race, and using the treaty as an argument for doing so.

Was this "the bureaucratic mind at work"? Preoccupied with predictability, but scarcely at all distressed when what seems predictable is disaster? In part, yes. The Arms Control and Disarmament Agency has been in place for almost two decades now, and may be assumed to be as committed to the SALT process as the Bureau of Reclamation is to irrigation, and the process can become sufficient unto itself. Jay Forrester, at M.I.T., has contributed the playful maximum that with respect to complex social problems intuitive solutions are almost invariably wrong. Among the intuitive and the severely logical alike, what is happening is known as a vicious circle.

There was, in any event, a more portentous paradox to be resolved, and as the Intelligence Committee hearings droned on my attention drifted away from verification toward the subject of doctrine. The SALT process has its premise in the doctrine of deterrence. The MX missile is incompatible with the doctrine of deterrence. It is, as its advocates in the Administration like to say, a "hard-target-kill counterforce weapon." But the strategic doctrine of deterrence specifically precludes either side from obtaining counterforce weapons. How, then, could we be building the missile that undermines the doctrine in order to sustain the doctrine?

A paradox? Yes, and the makings also of tragedy beyond human dimension. I had best be out with it directly. Deterrance was a stunning intellectual achievement. It "solved" the seemingly insoluble problem of how to control the use of nuclear weapons. But it was flawed and has been undone by the intuitive but wrong assumption that the Soviets would see the logic of our solution and do as we did. Especially that they would see the meaninglessness of strategic "superiority."

As no other subject, strategic-arms doctrine has been the realm of the intellectual and the academic. This is military doctrine, to be sure, but it has never, in this nation, been formulated by military man. It began with the physicists who created the weapons—men such as J. Robert Oppenheimer, Hans Bethe, and Leo Szilard—who were then joined by other physicists and scientists, and also by social scientists. These latter—men such as Albert Wohlstetter, Herman Kahn, Fred C. Iklé, Alain C. Enthoven, Henry Rowen and Henry Kissinger—came to be known collectively as "defense intellectuals." They moved in and out of Washington, but in the main they kept to their campuses and think tanks, or almost always returned to them, where their task, in Kahn's phrase, was "thinking about the unthinkable." Indeed, they have been something of a caste apart, even in academia. Oppenheimer at Alamogordo as the first atomic bomb exploded—"I am become death, the shatterer of worlds"—gives something of the aura of it. They ate at their own tables in the faculty clubs, and held seminars to which few were invited. They met with Russians when few others did.

And they developed the doctrine of deterrence—a doctrine of weapon use of which the first premise was that the weapon must never be used first, and of which the principal object was that it never be used at all. The nuclear power was to deploy its forces so that if attacked it could attack back, inflicting assured destruction on the party that had attacked in the first place. This capacity could be achieved by a fairly limited number of missiles aimed at the cities of the potential adversary. Only two developments could undermine the doctrine. If the adversary developed and deployed a defensive weapon—an ABM—that could protect his cities, then his destruction would not be assured and he could become aggressive and threatening. Or if the adversary possessed an offensive weapon that could destroy the missile force aimed at his cities—which is to say a counterforce weapon—then, also, his destruction could not be assured and he could become aggressive and threatening. SALT I blocked the first development. SALT II seems destined to insure the second.

This has come about, in the main, because the Russians did not keep to our rules. There has been nothing academic about their strategic doctrine, or at least not that we know of. They appear to have just gone plodding on, building bigger and better weapons, until, by an incremental process, they are on the point of being able to wipe out American land-based missiles—a counterforce ability. At one level, this achievement has been spectacular; at another, less so. For all the sophistication involved, nuclear weapons today are still nothing more than improved versions of the V–2 rocket with an atom bomb on top. But the improvements have reached the point where the doctrine that was to prevent their use has evidently been utterly undone. It had been the hope of the early arms-control negotiators that we would teach the Soviets our doctrine and they would abide by it. If there was something patronizing in the notion of "raising the Russians' learning curve," as the phrase went, there was also much respect in the belief that once we had come to the correct solution of a complex problem they could be brought to see that we were indeed correct. These were serious American academics, who held their Russian counterparts in full regard. But the enterprise failed. And why? Because the Russian situation is not our situation, the Russian experience not our experience. If intellect must fail, let it fail nobly; and it is in nobly rejecting the notion of failure that intellect fails most often.

Perhaps that is too strong. To state that an enterprise has failed is to suggest that it might have succeeded. Yet from the outset this has somehow seemed improbable. Let it be said for the postwar strategic nuclear theorists that they were not intimidated by their subject, nor immobilized by it. They did not shrink from action in the face of an incredible new dimension of war.

The influence of the theorists was to be seen early on, when the United States government, in 1946, proposed to turn its atomic bombs over to the United Nations—a proposal that the Soviet Union blocked. Then, for a period, the theorists receded from influence as the United States, with the only strategic nuclear force around, adopted, or said it had adopted, a policy of "massive retaliation," which contemplated the use of nuclear weapons in response to aggression by conventional ones. By the late nineteen-fifties, however, the Soviets commenced to have a strategic nuclear force of their own, whereupon the true issue was joined: How to face an adversary with the same powers of destruction?

In one respect, this was an issue as old as the airborne bomb—a development recognized as revolutionary long before it became so. George Quester, in his fascinating book "Deterrence Before Hiroshima," has traced the "prehistory" of nuclear deterrence. In 1899, the First Hague Conference banned bombing from balloons, but the Germans went ahead even so to develop the first strategic bombing force, using dirigibles, while the British may be said to have prepared for them with a theory. In a study, "Aircraft in Warfare," published in 1916, a British mathematician, F. W. Lanchester, offered a quite contemporary notion of what we think of as the nuclear deterrent:

"A reprisal to be effective must be delivered with promptitude like the riposte of a skilled fencer. A reprisal which is too long delayed possesses no moral weight and has every appearance of an independent act of aggression; it may even plausibly be given as an excuse for a subsequent repetition of the original offense. . . . The power of reprisal and the knowledge that the means of reprisal exists will ever be a far greater deterrent than any pseudo-legal document."

There was much discussion in the pre-nuclear era of the utility of attacking cities, of the ability to defend cities, of preëmpting the enemy's offensive air forces, and the like. In a letter written in 1914, Winston Churchill revealed himself a firm advocate of what would be known as "counterforce." "The great defence against aerial menace," he wrote then, "is to attack the enemy's aircraft as near as possible to their point of departure." However, perhaps because the opportunity was so new, most thinking concentrated on attacking cities.

In this respect, the outlines of an enduring argument were apparent well before the technology itself was at hand. It was in the Second World War that technology created opportunities to implement speculation. What to do with a strategic bombing force? What to do with emerging missile forces? We now know from the United States Strategic Bombing Survey, conducted at the war's end, that the bombing of German cities was less effective in weakening Germany than was thought at the time. We also know that Hitler's V-2 rockets might have had significant impact if, instead of being used as terror weapons against city populations, they had been used against the Channel ports—the staging areas for the Allied offensive into the Continent—which is where some of the German generals wanted to send them.

Consideration of these issues in the nuclear era was surely colored by the use of the atomic bomb against Hiroshima and Nagasaki, in what current theorists would call a "countervalue" mode. So awesome was the scale of destruction from what, by today's standards, was a small bomb that the destruction of whole countries could now be envisioned. Had the distinction between military and civilian targets disappeared? It was this possibility, immobilizing to many, that brought forth the doctrine of deterrence. The problem for the United States, as earlier it had been for Great Britain, was to deter aggression. We were the great power, with no need or desire to attack others but wishing to avoid being attacked. We had not succeeded with Germany and Japan. But the nuclear weapon suggested that the power of retaliation had become awesome indeed—enough to inhibit any would-be aggressor who had any sense of the realities involved. Not only awesome but capable, in Lanchester's words, of being "delivered with promptitude," in contrast to the long buildup that had been required for American forces before they could be effectively used in the Second World War.

Albert Wohlstetter conceived the "second strike" as the key concept of deterrence. This is to say, the nuclear riposte. If an enemy strikes, you will strike back with devastating consequences. In addition, Wohlstetter offered two crucial insights. There is an essential requirement for the invulnerability of one's ability to strike back. The design of strategic forces and their emplacement has to insure this. But it is also the case that this can never be insured once and for all. Any force becomes vulnerable over time, especially if an adversary is working hard at making it so. Hence, there can be no final deterrent.

It was Wohlstetter's insights that made defense planners aware, in the late nineteen-fifties, that the bombers of the Strategic Air Command were becoming vulnerable to Soviet attack. When the Russians had few warheads and no missiles, two dozen dispersed SAC bases were secure enough. But as Soviet capabilities grew in the nineteen-fifties the airplanes became vulnerable. In response, however, from 1962 to 1967 the United States deployed a thousand Minuteman missiles in the Midwest in "hardened" silos—that is to say, in launchers dug deep and heavily protected. This was then an invulnerable second-strike force. But soon enough this invulnerability was in doubt. Not only did the Soviets acquire more missiles and more warheads, which was predictable, but an unpredictably rapid rise in accuracy also took place. Missiles once meant to hit within miles of a target now possessed accuracies prescribed in hundreds of yards. Hardened silos could be destroyed.

Another technology was also being developed—that of destroying missiles in flight with an anti-ballistic missile. Whereupon the issue of defense arose. Essential to the doctrine of deterrence was that neither side have any defense. In effect, each side exchanged hostages, whose lives thereafter depended on their side's good behavior. The Russians were given American cities, to be destroyed instantly if the United States launched a nuclear attack on Russia. This was our guarantee to the Russians that we would not launch such an attack. The Russians were deemed to have given us their cities. But now there was talk of hedging. It seemed the Russians might be developing a means to defend themselves against incoming missiles, much as anti-aircraft defenses were developed in an earlier period. ABM systems are highly technical in design but simple enough in concept. One bullet shoots down another bullet. But if the systems worked, if our second strike did not assure the destruction of Soviet cities, then the Soviets could contemplate a first strike, and deterrence would fail. In this scenario, the nation that defends its cities can strike first, knowing that its cities are no longer hostage. In another scenario, the nation watching this defense being built strikes first, before it has lost its hostage. This is how SALT began.

They are not impersonal intellectuals who made these calculations. Some are intense and committed as few men of the age. But to share their passion it is necessary to enter their logic. What do you mean, one could ask, when you say that we must not defend ourselves because if we do our enemy will attack? The problem of public perception was not great in the nineteen-sixties. A deference system—a willingness to leave difficult decisions to experts—which had been in place since the bomb was built, continued undisturbed. But then heresy appeared in the midst of the close-knit and almost closed community of experts. Some began to talk of defense, or "damage limitation," as it was termed. If damage limitation was possible, how could it be foregone? Wohlstetter talked of defending the missile sites. The logic was impeccable. The Air Force, understandably, was worried about the vulnerability of our Minutemen, and with a straightforward military logic proposed to double their number: with more targets, a Soviet first strike would have less chance of wiping out our second strike. But with twice as many Minutemen the United States could target the Soviet's missiles as well as cities, and so reduce their capacity for a retaliatary strike. Doctrine has it that, given available technology, two warheads must be aimed at a silo to have a satisfactory probability of a "kill." Given the number of Soviet missiles at the time, one thousand single-warhead Minutemen could not be counted on to "take out" the Soviet strike force, but two thousand could. (There is the ever-present problem of "fratricide," whereby the first warhead to land destroys its mate—but enough.) It was our doctrine to deny ourselves any such capacity, lest the Soviets understandably become alarmed. Better to keep to the one thousand, but to defend them. Not so, said others, most especially Robert S. McNamara, the Secretary of Defense. If we defend anything, the demand will spread to defend everything.

John Newhouse begins "Cold Dawn," his account of SALT I, which originally appeared in this magazine, by likening the debate to the disputations of the Church Fathers:

"So much of the substance and vocabulary of SALT are at least as remote from reality, as most of us perceive it, as early Christian exegesis. . . . As in the case of the early Church, contending schools form around antagonistic strategic concepts. The most relevant of these are known as assured destruction and damage limitation, and each can claim broad support and intellectual respectability. Debates between the two schools recall those between the Thomists and the essentially Franciscan followers of Duns Scotus. The Thomists prevailed, as have the proponents of assured destruction, who assert, for example, that ballistic-missile defense of population is immoral because it may degrade your adversary's ability to destroy your own cities in a second strike. His confidence undermined, he might then be tempted in a crisis to strike pre-emptively; in short, knowing you are effectively protected from his second-strike assault and fearing your intentions, he may choose to strike first. Thus, stability, a truly divine goal in the nuclear age, becomes the product of secure second-strike nuclear offenses on both sides."

This is the first thing to know about SALT: The decision to propose talks, and the first agreements, constituted a victory for a specific doctrine—"assured destruction." It was even then a contested doctrine and gave signs of how vulnerable it might be to ideological attack in the form of caricature. In 1969, Donald Brennan, of the Hudson Institute, labelled it "mutual assured destruction," so that the acronym "MAD" came into play, like some new weapons system all its own. But even earlier, in the 1964 film "Dr. Strangelove," Stanley Kubrick had caricatured a proposal of Herman Kahn, "the doomsday machine," which would automatically produce a second strike, so that the victim of a first strike could never hesitate to retaliate and decide instead to surrender. Making a second strike inevitable in order to prevent a first strike was eminently logical, but its proponents could also be made to seem crazy, like the mad scientist in Kubrick's film—a caricature which suggested that because so many of the defense intellectuals were German, their thinking must also be Teutonically rigid.

Looking back, it seems clear that the urgency with which the Americans approached the Russians in the hope of obtaining an arms agreement that would protect the assured-destruction doctrine arose as much out of concern to secure the doctrine in American strategic policy as to introduce it to the strategic policy of the Soviet Union. If it could be codified in an agreement with the Soviets which committed both sides, then the argument at home would be more secure. For good or ill, attacks on MAD had about them a quality of the political left. If the Russians could be shown to have the same dispassionate view of nuclear realities, this might mollify such opposition in the United States. Of course, if Americans of both left and right persuasions would argue later on that assured destruction is a strategy that places exceptional reliance on the good faith and good judgment of quite unreliable adversaries, the adversaries could well remark that this was our idea, not theirs.

But there was also a technological imperative. In the middle nineteen-sixties, the Soviets began to deploy their own missiles in hardened silos, which over time might give them a second-strike capability, and even a first-strike capability, to destroy U.S. land-based missiles in a surprise attack. No great technological feats were involved—just a steady creep of numbers, size, and accuracy.

Planners in the Pentagon and defense intellectuals began to talk of defenses that would preserve our second strike. Wohlstetter advocated an ABM defense of the Minuteman. But doctrine decreed that this, too, would be destabilizing. Once an anti-ballistic-missile defense was perfected, the temptation to use it to defend cities as well as missile silos would grow. And the other side could never be sure that we weren't planning to do exactly that, as quickly as possible, at a time of our own choosing.

The decision point came on December 6, 1966—"the precise beginning of SALT," as Newhouse has it—at a meeting between McNamara and Lyndon Johnson, in Austin, Texas. Instead of going forward with an ABM system, as proposed by the Joint Chiefs of Staff, McNamara urged that a decision be put off until the State Department could explore with Moscow the idea of talks on limiting strategic arms.

In these events, as in others, McNamara emerges as a man of deep feeling and utter integrity, but almost too much of the latter. A Captain Vere without serenity. It was his judgment that assured destruction required an ability to destroy twenty to twenty-five per cent of the Soviet population and fifty per cent of its industrial capacity in a retaliatory strike. He also judged that the Soviets must be convinced that they could do as much damage to the United States if it fell to them to retaliate. Hence, there must be no American missile defense. In a speech at Ann Arbor, in 1962, he had questioned the prudence, even the morality, of such a targeting doctrine, but thereafter he put qualms behind him and did his duty. He held unflinchingly to the proposition that deterrence "means the certainty of suicide to the aggressor." Through the nineteen-sixties, pressure grew for the United States to develop modern heavy missiles, as the Soviets had done, or to double the Minuteman force. He successfully blocked each effort, asserting, in 1967, when the United States had five thousand warheads, that this number was "both greater than we had originally planned and in fact more than we require." He repeatedly warned against the "mad momentum intrinsic to . . . all new nuclear weaponry," adding, "If a weapon system works—and works well—there is strong pressure from many directions to procure and deploy the weapon out of all proportion to the prudent level required."

In June, 1967, seven months after the meeting in Austin, Soviet Prime Minister Alexei Kosygin arrived in Glassboro, New Jersey, for a summit meeting with President Johnson. Dean Rusk, who was Secretary of State at that time, later recalled for Newhouse that the Americans tackled Kosygin in a "go for broke fashion." The Russians, naturally, wondered what we were up to. When told of the dangers of the ABM, Kosygin replied, in effect, "How can you expect me to tell the Russian people they can't defend themselves against your rockets?" This surely is a recognizable political instinct. At about this time, Senator Richard Russell was saying that if there was a nuclear war and only two persons survived he wanted them both to be Americans.

A year later, on June 24, 1968, the Senate voted funds for the deployment of an ABM system known as Sentinel, which had been developed but not put in service. Three days later, Soviet Foreign Minister Andrei Gromyko announced that his government was ready to begin negotiations. Roger P. Labrie, of the American Enterprise Institute for Public Policy Research, writes that "SALT, like all previous attempts at negotiating limitations on nuclear weapons, stemmed from the interaction of new weapon programs with prevailing strategic concepts."

Then the Russians invaded Czechoslovakia. The first SALT talk, scheduled for September 30, 1968, was put off, and before the atmosphere had cleared Richard Nixon had succeeded Lyndon Johnson. But the two Presidents differed little in strategic doctrine. Nixon, if anything, was the more concerned with the nuclear race. Finally, the talks began. Kissinger took over. SALT I was signed.

What was SALT I? First, agreement was reached that neither side would deploy a general ABM defense. This was a success, surely—at least for doctrine. There would be little defense against strategic missiles. (Each party was to be allowed two truncated ABM sites, but no more.) Second, the Soviets obtained agreement to nuclear parity with the United States. This was a large achievement for them, in both symbolic and real terms, but one that doctrine allowed the United States to concede. At the time the SALT process began, McNamara calculated that the United States had a three- or four-to-one advantage in number of warheads, which he considered the true measure of nuclear power. But the doctrine of assured destruction minimizes the question of advantage. As long as the second strike is devastating, it is sufficient. Superiority, in this perspective, loses its meaning. In July, 1974, after the SALT II negotiations had begun, Kissinger responded to a question in a press conference thus: "What in the name of God is strategic superiority? What is the significance of it . . . at these levels of numbers?" After a point, numbers meant nothing—to us.

The doctrine of assured destruction holds that the curve relating numbers of weapons to strategic power flattens out at a fairly early stage. It may or may not be chance that this stage was seen to have been reached at about the number and extent of the weapons systems the United States already had in the mid-sixties. In 1971, two of the most gifted and experienced defense intellectuals, Alain Enthoven and K. Wayne Smith (the former an official of the Kennedy and Johnson Administrations, the latter an official of the Nixon Administration), wrote in their book "How Much is Enough?":

The main reason for stopping at 1,000 Minuteman missiles, 41 Polaris submarines and some 500 strategic bombers is that having more would not be worth the additional cost. These force levels are sufficiently high to put the United States on the "flat of the curve."

It may be said that this judgment was reached at a time when the atmosphere of the Vietnam War made it pointless to consider any increases. Even so, there should be no question that the view was sincerely held.

Again, looking back, it seems clear that this doctrinal consideration took the edge off the American disappointment that SALT I did not provide for any real arms reduction. The United States had hoped to put a freeze on the development of any further heavy missiles, with their greater capacity to knock out an enemy's ability to retaliate after a first strike. But the Russians were going ahead with both their SS–18 and SS–19, and there was no stopping them. In ballistic-missile-firing submarines, the Russians were accorded a numerical advantage of sixty-two to our forty-four to "compensate" for the greater distances their underwater craft would have to travel to be on station. As noted above, they soon equipped these submarines with a longer-range missile, wiping out their disadvantage, and thus coming out ahead of where they had been. If we were disposed to think that such margins didn't matter, clearly the Russians were not. The United States very much hoped to obtain agreement that neither side would deploy a mobile intercontinental ballistic missile—e.g., the MX—but nothing came of this.

The great and debilitating failure of SALT I, however, is that it did not produce any agreement between the two nations on strategic doctrine. It might have seemed that it did, and certainly Americans hoped that it did, but it did not. This failure was made clear in July, 1972—two months after the treaty was signed—by William R. Van Cleave, a political scientist who has served as an adviser to the SALT delegation. In testimony before a Senate subcommittee headed by Henry M. Jackson, Van Cleave made a point that it was time some political scientist made:

"The U.S. arms-control community has always had an academic character and a hyper-rationalistic-approach to arms control that assumes arms control to be an intellectual problem rather than a political one."

Van Cleave was critical of the "eagerness" of the American negotiators for an agreement that, he felt, led them repeatedly to change positions. He was scornful of the belief, as he saw it, that we and the Soviets shared an overriding common goal of strategic stability as defined by American strategic and arms-control concepts. The over-all evidence, he said, "is persuasive that the Soviet leaders do not share our assured-destruction doctrine. That they do is an unsupportable notion."

What doctrine did the Soviets espouse? This seemed evident enough to Van Cleave: "The Soviets—in contrast to the United States—have seen the strategic-force balance as an expression of political power." It had been McNamara's view, and it persisted, "that the strategic-force balance had no important political meaning." Whatever the case, it was clear to Van Cleave that the Soviets thought otherwise. To have the power to blow up the world three times was to have more power than did he who could blow it up only twice. The Soviet military seemed to have a simple notion that more was better than less. There were, at the very least, those among them who were prepared to think of nuclear wars as winnable, in the sense that one side would emerge better off than the other. This sort of thinking, of course, is incompatible with the doctrine of assured destruction.

The Soviet Union's military were, in any event, very much in control. Strategic doctrine in the Soviet Union is not made by professors. In his book "My Country and the World," Andrei D. Sakharov, the Russian physicist, recounts an event in 1955 in Siberia, where he had successfully tested a Soviet hydrogen bomb:

"The evening after the test, at a private banquet attended only by the officials in charge of the tests, I proposed a toast that "our handiwork would never explode over cities." The director of the tests, a high-ranking general, felt obliged to respond with a parable. Its gist was that the scientists' job is to improve a weapon; how it is used is none of their business."

The American negotiators of SALT I were to learn early on just how firmly the Soviet military were in charge when they found that they knew more about Soviet strategic forces than did their Soviet civilian counterparts. Military secrets are not widely shared in the Soviet Union, and at one point in the negotiations a Russian general suggested to an American that it wasn't necessary to talk about such matters in the presence of—what?—unauthorized listeners! Soviet military plans were not, in any significant measure, subject to negotiation with Americans or anyone else. In consequence, the Americans returned home to face a second negotiation with their own military. What seems to happen in SALT talks is that when negotiators have, in effect, agreed with the military forces of another nation that those forces should be increased they are almost required to return and agree with their own military forces that their forces should be increased also. It is a matter of relationships. If the Russians were building a Caribbean fleet, and the United States was either ignoring this or else snarling and snapping and threatening, American admirals, while they would certainly be urging a Baltic fleet or some such countermeasure, could nonetheless be told to stay out of the argument and leave foreign affairs to the President. But once the President had agreed with the Soviets that it was quite acceptable for them to have a flotilla in the Caribbean he simply would not be in a position to tell his own admirals that they would be allowed no compensatory increases. He could, of course, but he would be discredited as a man who preferred the interests of other people's military to his own. In a situation where the Soviet military always insists on more, the process will always end with the American military insisting on more as well.

One display Secretary Brown brought to the Senate Foreign Relations Committee last July compared the Poseidon missile, now deployed in the Poseidon nuclear submarines, with the Trident missile that has been designed for the new Trident submarines, the first of which will go to sea sometime next year. Secretary Brown's display ticked off the revelant information:

TRIDENT IMPROVEMENTS OVER POSEIDON

Weight—15 percent greater.

Fuel—advanced technology, more efficient.

Accuracy—1/3 more accurate at same range.

Range—twice as great.

Explosive power—twice as great.

Those who follow weaponry would have noted that the new missile, with far more destructive power, is nonetheless about the same size as its predecessor. In fact, Trident I missiles can be fitted in the launchers of the Poseidon submarine. (This is now being done, with the result that our submarine fleet will have much greater megatonnage in its warheads even before the new Tridents begin to be commissioned.)

As one thought connects to another, I found my attention drifting away from Secretary Brown's exhibit and back to a sunny June day in 1977, my first year in the Senate, with many things still unfamiliar. The Navy was launching a new submarine, the U.S.S. New York City—the first warship ever named for our town—and I had been asked to speak at the ceremonies in the shipyard of the Electric Boat company, in Groton, Connecticut, where it was to be launched. I had done a spell in the Navy at the end of the Second World War, and shipyards were familiar. But as the official party walked along to the ways where the modest New York City awaited us, a never equalled leviathan hove in sight. There, broadside to the river—for it would fair stretch to the opposite bank if launched in the conventional manner—was the hull of the first Trident submarine. There has never been such a thing, and anyone who has been to sea would know it. My U.S.S. Quirinus, 40-mm. gun mounts and all, could have been taken on board as a ship's launch. James R. Schlesinger, then Secretary of Energy, was walking beside me. He had been Secretary of Defense during the period when the Trident program was getting under way, and he recalled expressing misgivings about it, saying that the boats were too big, too vulnerable—that smaller ones would have done better. What had possessed us? I asked. It was the price of SALT I, he replied.

And so an American buildup of sorts commenced, ending the long freeze of the late nineteen-sixties. But we hadn't our heart in it; we just did it. We never admitted to ourselves that the Russians did not accept deterrence as doctrine; that, unless stopped by the most forceful intervention, they would build until they achieved superiority. They might, for example, have been told in 1969 that this would be a wholly unattainable goal. That we would outspend them two to one. That we would still be spending when they were bankrupt. But this was a threat we could not make, even though, ironically, it is one we could have carried out. I fear that those may turn out to have been the days when the peace of the world was irretrievably lost.

They did not seem so. Nixon deeply desired that a SALT II agreement—a permanent treaty this time—would put an end to increases in nuclear weapons and possibly bring about actual decreases. But he fell, and negotiations made no progress in that direction under President Ford, although he, too, was altogether committed to the process. Then came the new Carter team, including many old faces from the Johnson years. They were hopeful, even exhilarated by the opportunity they now had, and they moved quickly with a bold proposal.

In March, 1977, the Carter Administration, in the person of Cyrus Vance, who had been Deputy Secretary of Defense under Johnson and was now Secretary of State, proposed to Moscow a significant reduction in nuclear weapons. This Comprehensive Proposal would have reduced the number of launchers for MIRVs (multiple independently targetable reentry vehicles) from 1,320, which had emerged as the lowest level the Soviets would accept, to between 1,100 and 1,200, with a separate sublimit of 550 on the number of MIRVed ICBMs, the most accurate and worrisome kind. (A MIRVed missile has been more than one warhead, each of which can be independently aimed at a different target. As the "bus" travels through space, it ejects first one warhead, then another, in different trajectories and at different velocities.) Five hundred and fifty is the number of MIRVed ICBMs the United States has deployed.

Paul Nitze, who has been officially involved in arms negotiations under Presidents Kennedy, Johnson, and Nixon (there are not many qualified persons in this field, and careers show greater durability than in any other field of policy), has testified that Vance's 1977 proposal offered the Soviets "complete assurance against any significant counterforce threat from the United States." But the Russians abruptly turned it down. Gromyko was scarcely polite. He all but suggested that to propose to the Soviets that they reduce strategic arms was an insult. (To be sure, his actual remarks were addressed to the suddenness with which the proposal was made.) In any event, with significant reductions dismissed, the SALT II negotiations proceeded to a wan conclusion, the basic numbers almost unchanged after two and a half years of negotiations by the new team. At Vladivostok, in 1974, President Ford and General Secretary Brezhnev had agreed that each party should have 2,400 strategic nuclear delivery vehicles (missiles and bombers), with a sublimit of 1,320 MIRVed missiles plus bombers capable of carrying cruise missiles. (A cruise missile is essentially a pilotless plane. Unlike a ballistic missile—which simply goes where is has been aimed, like a bullet—a cruise missile can be directed in flight.) SALT II reduces this over-all limit to 2,250 by 1981, but without any consequence. The Soviets will scrap some antiquated missiles they have probably kept around only for bargaining purposes. We will hold on to our B-52s—planes that are now as old as the pilots who fly them. SALT II limits the number of warheads per MIRVed ICBM, but each side is to be permitted an entirely new ICBM and to improve its existing one within limits that may or may not permit fundamental advances. There are no limitations of significance.

Once again, a second negotiation took place back in Washington. The result was the MX. Recall that a principal American objective in SALT I was to prevent the Soviets from building any more heavy missiles, which they proceeded to do regardless. Again, no reduction in modern heavy missiles could be agreed to; thus SALT II provided that the Soviets should continue to have 308 and we should continue to have none. Opponents of SALT II make much of this "imbalance." But, as Ambassador Ralph Earle II, chairman of the American delegation to SALT, told the Senate Foreign Relations Committee in July, the MX, while not a heavy missile, does have as much "equivalent effectiveness as Soviet heavy ICBMs."

In a word, the MX is a counterforce missile. And that is what the issue has been from the first. The United States would now do what we vowed we would never do. And so SALT II produced precisely the advance in counterforce weaponry which SALT I had hoped to prevent. Spokesmen for the Carter Administration began to stress that the content of the treaty really didn't matter much, that it was the process that had to be preserved.

But if the process meant anything, it had to be one that protected assured destruction as a strategic doctrine. The proposal to go ahead with the MX implied that we ourselves were abandoning that doctrine. Of course, by 1979 assured destruction was already in ideological danger in its own sanctuaries. Newhouse, likening much of the debate in the nineteen-sixties to earlier debates about heresy, also notes that heresies somehow never die out.

However much orthodoxy always asserted itself in the end, McNamara continued to have doubts. In 1964, less than two years after his Ann Arbor speech, he declared in a Defense Department "posture statement" that "a damage-limiting strategy appears to be the most practical and effective course for us to follow." Such a strategy would involve trying to destroy some of an adversary's missiles in order that his retaliatory strike would not be so devastating. (Of course, implicit in this concept is the possibility that the United States might, after all, strike first—in response, for example, to a Soviet invasion of Europe.) At this time, United States missiles were presumably aimed at Russian cities. McNamara acknowledged that a damage-limiting strategy would require greater forces than the "cities only" strategy, but he thought it would be worth it, especially with a Chinese nuclear force coming on line. In 1966, he appeared to favor an anti-Chinese ABM system. This would be a "thin" system, designed to defend against only a few missiles. The Russians would know that such a system was not directed against their large and growing force, simply because it would offer no effective defense. The proposal is worthy of note as an example of logic producing illogic. The reasoning that led to the decision was flawless, save that the Chinese had no missiles. McNamara soon enough recanted. In the middle of the Vietnam War, he could scarcely ask for more nuclear weapons, but his doubts were on record. He was not alone.

In the spring of 1968, just as the SALT talks were about to begin, Harold Brown, then Secretary of the Air Force, told the Senate Preparedness Subcommittee:

"In addition to the basic deterrent capacity, our measurements of deterrence should include two other criteria, less central but still important: (1) ratios of surviving population and industry must not be badly adverse to the United States, and (2) the surviving military balance should remain in our favor . . . if deterrence should fail, a favorable surviving military balance could make it easier for us to negotiate and end the war and limit further damage to the United States."

At this time, Schlesinger, still at Rand, commenced to argue that the United States could not allow the Soviets to develop an "asymmetric capacity against us." That is to say, they should not have a counterforce capability greater than our own. For either side to have such a capacity would be fatal to the doctrine of assured destruction, properly construed; for both to have it would be doubly fatal. Schlesinger persisted, and in 1973, as Secretary of Defense, he proposed that the United States develop a "heavy throw-weight" missile to offset Soviet developments. This missile became the MX.

More to the point, in the course of the nineteen-seventies Pentagon officials began to talk openly of targeting Soviet military facilities in terms of "limited strategic options."

The Trident II missile, to be deployed aboard the giant submarine, would verge upon a counterforce capability. (Submarine-launched missiles are still not as accurate as land-based missiles. Thus, while they are fully effective in an assured-destruction mode—they can be sure of hitting Leningrad, for example—they are less so in a counterforce mode, where the target is a hole in the ground ten or fifteen feet in diameter, requiring that a warhead land within several hundred feet or so in order to "kill.") Nothing dramatic by way of a great debate ending in a break with previous policy occurred. Rather, as the Soviets crept toward a first-strike capability, American strategic doctrine slowly changed also. This was never really acknowledged, except in the edginess and growing anxiety of those who could sense the drift of events but could not arrest them.

An episode in the fall of 1976 revealed the depths of this anxiety. Once each year, the intelligence community produces the National Intelligence Estimate, known locally as the N.I.E. A measure of grumbling began about the relative optimism concerning Soviet intentions and kept being repeated. Leo Cherne, of the President's Foreign Intelligence Advisory Board, had the inspired notion to set up competing teams, one to defend the official estimate and one to challenge it. George Bush, as Director of the Central Intelligence Agency had the self-confidence and good grace to agree. The exercise went forward and was concluded. The B Team made a powerful case—more so than had been anticipated. In October, word of the exercise leaked; in December, the Times reported the results. The B Team, headed by Richard Pipes, of Harvard, had come to the conclusion that the Russians were seeking strategic superiority.

The indignation in Washington was palpable. The very suggestion was greeted with horror, as will happen when a doctrine grows rigid. The B Team members were near to anathematized. They had been invited to challenge the conventional wisdom, but they had made too good a case, Senator Malcolm Wallop subsequently observed:

"While consciously refusing to entertain the Soviets' own conception of what they are about militarily, the authors of the NIE's over the years have evaluated Soviet strategic forces using indexes which tend to stress our own doctrine of MAD."

The 1976 N.I.E., Wallop noted, did mention that the Soviets seem to think in terms of ability to win nuclear wars. Nevertheless, the estimates continued to interpret both United States and Soviet forces according to the criterion of assured destruction. But how could this interpretation be reconciled with Soviet conduct? By 1976, they were (as they still are) spending twelve to fourteen per cent of their gross national product on defense—the sign, if the nineteen-thirties offer any evidence, of a country planning to go to war. "Bureaucratic inertia" was an explanation put forth, and it could well be the right one, although "momentum" might be the better term. But after a point larger possibilities had to be confronted. In his 1978 annual report as Secretary of Defense, Brown said that because of "a substantial and continuing Soviet strategic effort," the strategic balance "is highly dynamic." Although puzzled as to "why the Soviets are pushing so hard to improve their strategic nuclear capabilities," he noted that "we cannot ignore their efforts or assume that they are motivated by consideration either of altruism or of pure deterrence." Then, in May, 1979, in the commencement address at Annapolis, Brown asserted that Moscow had long sought to threaten American landbased missiles and would probably be able to achieve this capability in the early nineteen-eighties. In an analysis of the speech, Richard Burt, of the Times, a formidably well informed and well connected journalist, offered the judgment that Brown had accepted the B Team's analysis.

As perspectives on Soviet conduct began to change, American conduct began to be seen in different light also. Was it the case that the Soviets were "catching up"? Were we "falling behind"? It must be understood that these were new questions. In the McNamara era, it had been assumed that American strategic superiority was as certain as was the validity of American strategic doctrine. But now it began to be noted that while the United States budget for strategic arms had been level for a decade and a half, that of the Soviets had continued to rise. In rough terms—they can only be that—the Soviets since 1968 have been outspending the United States in strategic forces by a margin of two to one. Dr. Perry reported to the Foreign Relations Committee that current United States spending on strategic forces is about $12 billion a year, while the Soviets spend on the order of $25 billion. (More recently, the Arms Control and Disarmament Agency reported that the Soviet Union spent a total of $140 billion on all its armed forces in 1977—almost one-third of all military spending in the world. The United States spent $101 billion. Wohlstetter calculates that American strategic spending, in constant dollars, actually peaked back in fiscal 1952.) The Soviet buildup has been steady over a generation now, leading an arms-control expert from the Kennedy era to remark recently that if the familiar man from Mars were to be presented with a chart showing the rise of Soviet weaponry over the past three decades and told that somewhere during that period an arms-limitation agreement was signed with the United States, the visitor would be quite unable to pick the year.

The result is to be seen in numbers of warheads. If plotted, it would be seen that the Soviet curve has been steeper for some time now—up from a more than five-to-one disadvantage in 1967 to less than two-to-one today, on to parity in 1985 and to superiority thereafter, if the trends persist.

Number of warheads, however, is not the only measure of nuclear power. Size matters, and accuracy matters even more. It is not a question of projecting a time when the Soviets will have attained superiority; they have already done so. In this area, Nitze's estimates are indispensable, both because they are his and because they are public. In throwweight—the pounds of "payload" that can be sent aloft—Nitze estimates that the Soviets by 1977 had an advantage of 10.3 million pounds to the United States' 7.6 million, this being the effect of the Soviet heavy missiles. By 1985, he projects a widened gap: 14.5 million for the Soviets, eight million for the United States. The gap is even more dramatic in the critical category of explosive power—in what is called "equivalent megatonnage." Nitze gives the Soviets a nearly three-to-one advantage for 1977, 9,319 equivalent megatons for the Soviets, 3,256 for the United States. For 1985, he projects a slightly widened gap but not greatly increased amounts of megatonnage on either side.

How did this come about? As near an answer as we are likely to get is that a synergistic relationship developed between the doctrine of assured destruction and the combined restraints on the United States imposed by the experience of Vietnam and the hopes aroused by détente. If this seems complicated, let it be said that nothing simple is likely to explain how the world's most powerful military nation lost its advantage over an economically and technologically inferior competitor in the course of a decade—and with almost no one noticing.

The doctrine of assured destruction, as I have noted, holds that the curve relating numbers of weapons to strategic power flattens out at a fairly early stage. One of the virtues of the assured-destruction doctrine was that it permitted the civilians in the Pentagon and in the Bureau of the Budget to form an estimate of what the military really needs. How many warheads, for example, were required to insure that fifty per cent of the industrial capacity of the Soviet Union would be destroyed in a second strike? The doctrine fitted in surprisingly well with the management ethos that McNamara and others brought to defense issues. It suited even better the needs of the government leaders of the later nineteen-sixties who, while seeking strategic-arms limitations, were also waging war in Vietnam. Holding back expenditure in the strategic area eluded the fury that would have arisen had they proposed otherwise, and may have moderated opposition to the war. (An interesting aftermath: those most bitter about the Vietnam policies of the Johnson era are today likely to be most supportive of the strategic policies put in place by that Administration, while those who supported Johnson in Vietnam are likely now to be suspicious of SALT.)

These considerations were, if anything, even more intensive in Nixon's first term. Certain defense intellectuals of the Johnson era began to assert that Soviet strategic behavior was basically imitative of ours—two apes on a treadmill, as the image went—overlooking, presumably, that the fondest hope of the community in the early sixties was that Soviet behavior would become imitative. In any event, this was presented as an argument against increasing American forces. Then Nixon embarked on the policy of détente with the Soviets, which added further grounds for allowing United States force levels to remain frozen. And that is what happened.

The irony of all this was nicely illustrated in an article in the New Republic, in August, 1979, by the journalist Morton Kondracke. At the end of July, Henry Kissinger had testified before the Foreign Relations Committee, declaring himself not so much opposed to SALT II—he allowed he would have initialed the treaty—as in favor of great new military expenditures to prevent a further weakening of the United States of a sort that, he said, had brought about a "crisis situation threatening the peace of the world." Kondracke interpreted this as the familiar (although puzzling) charge that Democrats are somehow soft in these matters. He seems to have taken the charge personally. In any event, he retorted with some vehemence:

"According to Kissinger, when the US left Vietnam, the Republican administration of which he was a part planned to build major new strategic weapons systems: the B-1 bomber by 1981, the MX missile by 1983, the Trident submarine and missile by 1979, and various kinds of cruise missiles in the 1980s. These weapons would have reversed the trend toward Soviet superiority, "but every one of these programs has been canceled, delayed, or stretched out by the current administration."

Kissinger's version of history scarcely squares with the facts or with Pentagon figures. Far from trying to reverse the strategic doctrines of the Johnson administration, Kissinger and President Nixon accepted them completely. The US land-based missile force was not increased by a single launcher during eight years of Republican administration. In fact, the Nixon and Ford administrations cut back on strategic spending from the levels reached in the closing Johnson years. Johnson's last budget called for $22 billion in strategic outlays, but the Ford and Nixon administrations averaged $10 billion a year in comparable dollars. Some cuts were imposed by Congress, but most were called for in Nixon-Ford budgets. It's true, few liberals were impressed when Republican officials boasted that they were continuously cutting defense spending, but they really were."

All true enough. The Nixon-Ford years were a time of unprecedented increase in social spending, and of decline in military spending. Rather like the Hitchcock film in which the diamond is hidden in the chandelier, this information was effectively concealed from the American people by publishing it in the budget. It may well prove that the historic mission (as Governor Jerry Brown might say) of the Carter Administration is to increase defense spending and cut social spending. There is a mild law of opposites in American politics. Republicans frequently do what Democrats promise, and the other way around. President Carter was the most dovish of candidates in 1976, promising to cut the defense budget by five to seven billion dollars a year. Nothing of the sort happened, however. Social spending was effectively frozen, but defense spending began immediately to rise. In an address in Washington on September 27th of this year, Zbigniew Brzezinski, Assistant to the President for National Security Affairs, made a good deal of this:

> While our critics say they would have been strong for defense if they had remained in office, in fact, defense spending in constant dollars declined in seven of the eight years of the Nixon-Ford Administration. For the past decade, there has been a steady decline in the level of the defense budget in real dollar terms. We began to reverse that trend in the first three budgets of the Carter Administration, and President Carter is the first President since World War II to succeed in raising defense spending for three straight years in peacetime.

Brzezinski was not just taking credit for increasing defense spending. He was asserting that his Administration, unlike its predecessors, was awake to the Soviet challenge. It has been a quiet development, this emergent challenge. Those who espy some special cunning at work have a difficult case to make. The plain fact is, as Van Cleave testified in 1972, that the Soviets never gave any indication that they accepted assured destruction as a strategic doctrine and would not seek nuclear superiority. How does the proverb go? The fox knows many things, the hedgehog knows one thing. The one thing their hedgehog generals seemed to know is that more is better. So they kept getting more. In this manner, the Soviets have acquired, or are about to acquire, a first-strike capability against our land-based ICBMs. We hope to do the same to theirs. Everything the SALT process was designed to prevent has come about.

The Soviets did not do this by cheating or by startling technological breakthroughs. They did it by the steady accumulation of more missiles (an additional thousand in the course of the nineteen-seventies) with greater accuracy, and more warheads with greater explosive power. They aimed them, as evidently they have always done, at our silos—in violation, that is, of our doctrine that they should be aimed at our cities, so that they could retaliate with vast destruction in case we attacked first. They either now can or soon will be able to take out our silos, leaving the United States with a much reduced second-strike capability. Not enough, it is generally thought. Besides, Nitze writes, the Soviets now have a third and fourth strike—an ability to deter our retaliatory strike by threatening our surviving cities and population. If it is all unthinkable, the Soviets seem nonetheless to have been thinking about it.

As have we. Heresy and recantation abound, and one of the more striking events of the SALT II debate so far is that both Secretary Brown and Kissinger appear to have joined Schlesinger. In his testimony before the Foreign Relations Committee on July 11th, Brown said that the Administration's primary goal was maintaining essential equivalence with Moscow in nuclear forces, but that to do it "we need to show the Soviets that they do not have an advantage in attacking military targets—that we, too, can do so." And he elaborated a bit, in response to a question from Senator George McGovern: "It is not a matter of us pushing the Soviets into being able to destroy our silo-based missiles. They have gone that route." Brown stressed that the mobile MX missiles, in addition to being able to survive attack, had another attribute: "Because of their accuracy and their warhead capability they will be able to hit Soviet silos, and that will, indeed, give the Soviets a motive for going away from silo-based missiles."

A month after testifying before the Foreign Relations Committee, Henry Kissinger spoke in Brussels at a meeting of military experts. As reported, he said he now believed that successive United States Administrations, including the Nixon and Ford Administrations, were wrong in thinking they could adequately protect the United States and Western Europe against Soviet attack with a strategic nuclear force primarily designed to wipe out Russian cities and factories rather than to strike at missile silos and other military targets. The policy of mutual assured destruction had created a "paradoxical world [in which] it is the liberal, humane, progressive community that is advocating the most blood-thirsty strategies." It was absurd, he continued, "to base the strategy of the West on the credibility of the threat of mutual suicide." It was necessary for the United States to develop a new nuclear "counterforce capability" consisting of missiles designed to be used against military targets rather than civilian ones.

Herein resides the final irony of the SALT process. Not only has it failed to prevent the Soviets from developing a first-strike capability; it now leads the United States to do so. The process has produced the one outcome it was designed to forestall. And so we see a policy in ruins.

What are we to do? First, we must try to get some agreement on what our situation is. Is it wrong to think that something of the sort is emerging? The Washington Post noted on August 1st, "Here it is barely midsummer, and a growing chorus of important voices (whose opposition had been most feared) is saying that the treaty itself is no villain, that its ratification is almost a matter of indifference, that the fundamental strategic problems that most concern them are in fact beyond the power of the treaty, as such, either to remedy or even make much worse."

Jimmy Carter is the exception. On July 31st, the same day Kissinger testified before the Foreign Relations Committee, the President declared, in Bardstown, Kentucky, that SALT II will "stop the Soviets' buildup." It will not do anything of the sort. Nor does anyone in the Carter Administration who is in a position to know argue any longer that it does. Last spring and summer, the Joint Chiefs of Staff, testifying before the Senate Armed Services Committee, were unanimous in their conclusion that Soviet strategic power, under the agreement, would expand beyond what it is now. At the July 11th meeting of the Foreign Relations Committee, the Chairman of the Joint Chiefs, General David C. Jones, said, "Some may conclude that the agreement, by itself, will arrest the very dangerous adverse trends in Soviet strategic forces, including current and projected qualitative improvements. This is simply not the case." And later: "Similarly, the focus on constraining what the Soviets could do without a SALT agreement had obscured the more fundamental recognition of what they have done, are doing, and can do within the SALT framework." The director of the Arms Control and Disarmament Agency, George M. Seignious II, has stated that the Soviets will continue to engage in a "relentless" strategic-arms buildup with or without the SALT II treaty.

We can hope that the President now knows he has been wrong. If this is so, we can hope he will say so. The SALT II treaty is in trouble, because many senators feel it has been misrepresented. A profound change could take place if the President were simply to say that it is a chilling agreement but the best he could get, and that it is in our interests only if SALT III brings true reductions. Secretary Vance, in his letter of June 21, 1979, submitting the treaty to the President for transmission to the Senate, said, candidly enough, "For the first time, we will be slowing the race to build new and more destructive weapons." If the President were to say only as much—that we are at most slowing the race—things could be different. If he does not, there is no alternative save to oppose him on the facts, and try to develop a national policy without him. This is not easily done with a President engaged. But, in my view, it must be done. For those in charge of American strategic policy—including the President, whether or not he has thought it through—are now advocating a course of action which, if successful, will bring about the very nuclear face-off that not ten years ago was unhesitantly defined as the worst-case condition. This is to say that the United States and the Soviet Union will be confronting each other knowing that both have the capacity to attack and destroy the other's land-based missile forces, and can do so in forty-five minutes.

If still further irony is desired, it may be noted that, in the most explicit way, American behavior has turned out to be initiative of the Soviets. This was implicit in the aftermath of SALT I, when the Trident submarine and the B-1 bomber were agreed to. But these weapons were at least compatible with an assured-destruction doctrine. The price of SALT II, negotiated within the Administration before the treaty was even signed, was the MX missile. From the time Schlesinger first proposed it, it has been understood that the MX is a counterforce missile. In other words, after only two rounds of negotiations, acquiring a counterforce capacity has become the condition of salvaging the very negotiations that were begun with the object of preventing either side from obtaining a counterforce capacity.

In any event, the world is sure to be different form the United States, and considerably less secure. Within months, the Soviet Union will have the capacity to destroy the Minutemen, our land-based deterrent. These are the missiles that were meant to deter the Soviets from initiating any nuclear exchange. Following such a first strike by the Soviets, an American President could send in bombers and launch our submarine missiles. No one can estimate the horror that would follow in the Soviet Union and then, of course, in the United States. It may be that this prospect will be sufficient to deter the Soviets from launching a first strike, whatever the degree of provocation or panic. But is there reason to suppose that nuclear superiority will have no effect on their international behavior? Certainly men such as Nitze think otherwise. He writes:

"To some of us who lived through the Berlin crisis in 1961, the Cuban crisis in 1962, or the Middle East crisis in 1973; the last and key judgment in this chain of reasoning—that an adverse shift in the strategic nuclear balance will have no political or diplomatic consequences—comes as a shock. In the Berlin crisis of 1961 our theater position was clearly unfavorable; we relied entirely on our strategic nuclear superiority to face down Chairman Khrushchev's ultimatum. In Cuba, the Soviet Union faced a position of both theater inferiority and strategic inferiority; they withdrew the missiles they were deploying. In the 1973 Middle East crisis, the theater and the strategic nuclear balances were more balanced; both sides compromised.

"It is hard to see what factors in the future are apt to disconnect international politics and diplomacy from the underlying real power balances. The nuclear balance is only one element in the overall power balance. But in the Soviet view, it is the fulcrum upon which all other levers of influence—military, economic, or political—rest.

"In any international crisis seriously raising the prospect that the military arms of the United States and of the USSR might become engaged in active and direct confrontation, those directing U.S. and Soviet policy would have to give the most serious attention to the relative strategic nuclear capabilities of the two sides.

"Unequal accommodations to the Soviet Union would then have resulted not in cooperation and peace but in forced withdrawals."

It had been said that the Soviets have learned to live with American nuclear superiority and that we can learn to live with theirs. No doubt we can. But will anyone assert that in such circumstances we will not be living differently? And if one is drawn to the unhappy conclusion that the SALT process has not limited the number of weapons in the United States and the Soviet Union, what are we to think about the nature of world politics when many nations possess the nuclear weapon? What will be *their* views—the views of India, Pakistan, South Korea, Israel, South Africa, Libya, Argentina, Brazil, perhaps others—on deterrence, assured destruction, and the rest Kissinger suggests that once the present state of affairs is understood, "panic" will spread through the world.

The decisive technological event that led to the shift in the balance of power, it seems to me, was the deployment of MIRVs—a term first used in public in 1967. Packing a number of warheads on each missile no doubt seemed an elegant and economical solution to the problems that the Johnson Administration faced. (In the United States, development of MIRV began in 1965. The first flight tests took place on August 16, 1968. The first Soviet test took place five years later, in August, 1973.) But it profoundly transformed the significance of the Soviets' huge rockets, with their tremendous throw-weight. Once the Soviets could install MIRVs, they were bound to be "ahead." As viewed in hindsight, it might have been perceived that the MIRV technology would work ultimately to the Soviet advantage. If it were the case that the American interest in MIRV was related to a desire to overcome a putative ABM system in Russia, the elimination of ABM should have argued simultaneously for the elimination of MIRV as well. But this assuredly did not happen. So long as no one had a defense, deterrence doctrine tended to ignore the proliferation of offensive weapons.

In what sense, it is asked, do the Soviet heavy missiles mean that the Soviets are "ahead"? This is the question with which adherents assured destruction automatically respond when the Soviet superiority is mentioned. President Carter, in his 1979 State of the Union Message, reported that "just one of our relatively invulnerable Poseidon submarines . . . carries enough warheads to destroy every large and medium-sized city in the Soviet Union." His proposal that the giant new mobile missiles be deployed on a race-track system was openly a response to those who question whether submarines alone provide assured destruction. The *Times*, on September 11th, stated that "President Carter's choice of a new basing system to make American missiles mobile and invulnerable to surprise attack removes the only real obstacle to ratification of the SALT treaty." This is, of course, the Administration's view also; as long as a second strike is assured, received strategic doctrine remains valid, and technicalities such as the size of an adversary's forces are not relevant. This is to say that if the Soviets are "ahead" merely in the sense that they have more, it just doesn't matter that much.

And what happens if we don't, in fact, build the MX? The deference structure that previously surrounded nuclear strategy is no more. (Who, reading this article, can remember noting that the Johnson Administration had decided to develop a multiple independently tragetable reentry vehicle?) In a nation where nuclear power plants can no longer be built, does anyone seriously suppose that the government can dig up Utah and Nevada to put in place our largest missiles without arousing passionate opposition, of which the statement of the Federation of American Scientists is merely a foretaste? The opposition to the Alaska pipeline will be recalled; a key amendment protecting the pipeline from court challenges by environmentalists passed the Senate by one vote. The Air Force has identified thirty-eight federal laws that could have bearing on the MX and on the vast network of shelters that will have to be dug in Utah and Nevada in order to hide it. (This list still overlooks the Wild, Free-Roaming Horse and Burro Act of 1971.) In Washington, it is all too plain that a considerable body of opinion is remaining muffled on the MX so as not to jeopardize SALT II. Once SALT II is adopted, this opposition will become open, and will find leadership in the political world from prominent, even dominant figures such as Governor Brown, who has opposed the MX with special intensity.

If environmental obstacles fail, opposition will surely arise to the spending involved. Indeed, it already has arisen. Early in the debate on SALT II, it was reasonably safe to assume that there was a high correlation between support for the treaty and opposition to defense spending. The correlation was not perfect, but it was significant. Thus, on January 26th, Senator Edward M. Kennedy, a dependable critic of military spending, said, in a detailed statement fiercely attacking the Carter Administration's 1980 budget, "Only defense receives a real increase in funding." He said these increases should be given the closest scrutiny:

"First, in the strategic field, we should not reorient our defense posture more to fight a nuclear war than to prevent it. We should not develop weapons systems that increase the threat of nuclear war. We should not buy weapons to appease the opponents of SALT.

"Here our number one concern ought to be the MX missile and its basing system. The Administration plans to spend nearly $1 billion in the FY 1979 Supplemental and the FY 1980 budget. This billion is but a foot in the door for many additional billions. Even without cost overruns, the system will cost us at least $30 billion to build and deploy.

"The MX missile is highly accurate and devastating. It is so threatening to Soviet nuclear forces that it could tempt Soviet leaders to strike us first in a crisis. The result will be unparalleled destruction to both societies."

But President Carter went ahead in any event. And then went beyond that. Carter had accepted increases in defense spending; he now began to advocate them. Public-opinion polls showed that the strongest argument for SALT II was that it would improve our strategic position. The public felt strongly that we should not cut defense spending if there was a new SALT treaty, and many seemed to think the right course was to have both—SALT II and a bigger defense budget. Whatever the case, SALT II was no more than signed when the President—"to the consternation of liberals," as the political scientist William Schneider observes—began to argue that the new treaty allows for higher United States military spending in order to reach parity with the Soviet Union. More immediately, a number of senators, such as Sam Nunn, began to state that they could not support any treaty unless there was such an increase in military spending. The Administration agreed, and before long the SALT debate had produced what Richard Falk, of Princeton, who does not at all approve, has called "a mood of bipartisan militarism." Senator Ernest F. Hollings said:

"The SALT hearings did have a shocking effect on this Congress and on the people of the United States. . . . Rather than a disarmament arms limitation, we had, in contrast, rearmament hearings and a rearmament conference and a rearmament treaty between the American people and our leadership."

In the course of all this, the Senate doves of a sudden found themselves in a hawk trap. In 1972, the SALT I ABM treaty passed easily, by a vote of 88 to 2, but by the autumn of 1979 it was hard to count thirty-five votes for SALT II. If a resolution of ratification were to pass, a great many undecided votes would have to be obtained, and many of these set as their price an increase in defense spending. Senator Nunn called for a true increase of five per cent per year for the coming five-year period. On September 18th, the Senate, by an overwhelming 78–19 vote, agreed to a true increase of three per cent for the coming fiscal year. (Kennedy voted for the increase, and has come out in favor of development, but not deployment, of the MX.) Next, by a surprising 55–42 vote, a five-per-cent true increase was agreed to for fiscal years 1981 and 1982. The 1982 defense appropriation would be in the neighborhood of $170 billion. The total outlay for fiscal year 1976 was $87.9 billion.

A case can be made for this fall's increases. (I supported both.) But not for the blindness with which the Administration and its supporters are going about it. The dominant mood in the last Congress was to bring a halt to increases in federal spending. This culminated in an amendment to a tax-cut bill in 1978 which was sponsored by Senator Nunn and Senator Lawton Chiles, both Democrats. The amendment, which was passed by the Senate but failed of adoption in the House, would have required that total federal outlays as a proportion of the gross national product decline by stated intervals from 21.5 per cent in 1979 to 19.5 per cent in 1983. Very simply, if the country wants the over-all budget ceiling to come down and the military budget floor to rise, social spending will be crushed. A pretty price for an arms-limitation treaty that increases arms.

Of course, advocates of social spending are at least as influential as those who want to see military outlays increased. The record over the decade, as Dr. Brzezinski's speech of September 27th suggests, is that they are more powerful. There is every reason to think that once SALT II is ratified they will withdraw their support for the military increases, having realized what such costs—the defense budget would about double, to $250 billion by fiscal 1985—will mean to domestic outlays.

There is room for much misunderstanding and not a little bitterness in all this.

And if these pressures are not sufficient, the Soviets will surely launch a determined propaganda campaign. The MX, they will say—have said!—is contrary to the "spirit of SALT." Those who supported SALT will be rallied to oppose this abandonment of SALT principles. In 1978, the Soviets demonstrated that they could reverse with relative ease the United States' decision to deploy the neutron bomb—the "capitalist" bomb that "destroyed people but not property." The MX missile will certainly arouse yet fiercer passions.

For two decades now, the doctrine of deterrence has led us to believe that strategic superiority doesn't matter. "What in the name of God is strategic superiority?" Kissinger asked. There is a simple answer. Strategic superiority is the power to make other people do what you want them to do. Already, the Soviets, approaching a palpable strategic superiority, give signs that it is their intention to control our defense policy. They set out to block the deployment of the neutron bomb in Europe, and they did. They evidently intend also to try to prevent our deployment of intermediate-range Pershing II missiles in Europe. They have given plain notice that they will not permit the United States to deploy an MX missile that would in fact be an "invulnerable" counterforce weapon. In the best of circumstances, the missiles could not be in place until late in the nineteen-eighties. SALT II, if ratified, expires in 1985. By then, the Soviets will know all there is to know about the capabilities of the new American weapon. They know enough already to be certain that it is a counterforce missile, and we do not pretend otherwise. It will have a combination of yield and accuracy that gives to each warhead a kill probability against a Soviet silo without precedent in our missile force. In response, the Soviets need only say that if we go ahead they will have to abandon the "fractionation" limits of a maximum of ten warheads per land-based missile which are imposed by SALT II. President Carter has said that it is these limits which make the MX viable. If the Soviets went to, say, thirty warheads per missile, as the size of their heavy missiles permits, they would effectively have a first-strike capability against the MX. Tom Wicker, writing in the Times, states:

"Without the limit to 10 warheads per missile . . . the treaty would impose, the Soviets could put so many warheads on their giant SS–18 missiles that not even the mobile MX missile system could be made safe."

This, alas, is not the likely "scenario." When the Soviets announce that they are increasing the number of warheads per missile, as they will be permitted to do once SALT II expires at the end of 1985, the President of the United States, whoever he is, will announce that in view of this Soviet action our reaction must be to double the size of the MX. Whereupon the Soviets will announce that they are putting mobile missiles on highways. (A trench system will be too expensive for them.) SALT II will have effectively brought an end not only to the hope of arms limitation but to the SALT process itself.

Is there no hope? There is some, if not much. We should be clear that we are in for a very bad time, and that the longer we put off recognizing our condition the worse it will become. It may just be possible to join hawk and dove, liberal and conservative (hopeless, deceitful terms!) in recognizing that we have held to a strategic doctrine that cannot be sustained. It would work only if the Russians shared it, but evidently they do not, and neither do a growing number of Americans. The physicist Freeman Dyson has argued most vigorously that only defense weapons are moral in a nuclear world, making the nice point that we don't have such defenses in part because there is no elegance in their development. In his memoir, "Disturbing the Universe," some of which originally appeared in this magazine, Dyson writes, "The intellectual arrogance of my profession must take a large share of the blame. Defensive weapons do not spring, like the hydrogen bomb, from the brains of brilliant professors of physics. Defensive weapons are developed laboriously by teams of engineers in industrial laboratories." Engineers!

Dyson continues:

"Mutual assured destruction is the strategy that has led the United States and the Soviet Union to build enormous offensive forces of nuclear bombers and missiles, sufficient to destroy the cities and industries of both countries many times over, while deliberately denying both any possibility of a defense. . . . The basic idea of mutual assured destruction is that the certainty of retaliation will stop anybody from starting a nuclear war."

Dyson is a believer in damage limitation:

"The ground on which I will take my stand is a sharp moral distinction between offense and defense, between offensive and defensive uses of all kinds of weapons. The distinction is often difficult to make and is always subject to argument. But it is nonetheless real and essential. And at least its main implications are clear. Bombers are bad. Fighter airplanes and anti-aircraft missiles are good. Tanks are bad. Anti-tank missiles are good. Submarines are bad. Anti-submarine technology is good. Nuclear weapons are bad. Radar and sonar are good. Inter-continental missiles are bad. Anti-ballistic-missile systems are good."

Just as Dyson's views were being published in The New Yorker, the political scientist Karl O'Lessker was making almost precisely the same point in The American Spectator, an organ of pronounced conservative views:

"Older readers will recall that most notorious of all presidential campaign television commercials, the one in 1964 that showed a little girl plucking the petals from a daisy while the voice-over recited the countdown to an all-obliterating nuclear explosion. Paid for by the Democratic National Committee, it was designed to impute to Senator Barry Goldwater a degree of recklessness, bordering on insanity, that would, were he to be elected President, in all likelihood lead to a nuclear holocaust killing tens of millions of little children around the world. The ghastly irony of that commercial is that at the very time it was receiving the personal approval of President Johnson, his own Secretary of Defense, Robert McNamara, was fixing in concrete an American military strategy that had no options other than this nation's surrender or the indiscriminate slaughter of countless millions of civilians here and in the Soviet Union in a militarily pointless nuclear exchange. What makes it all the more appalling is that the Russians, by contrast, were then elaborating a strategy designed to gain victory by destroying Western armed forces while minimizing civilian casualties: an application of classic Clausewitzian doctrine. . . .

"It is this reality that underlies the anti-MAD, anti-SALT partisans' call for the development of city-protection systems, from fallout shelters to anti-ballistic missiles. And it is one of the sovereign ironies of our age that the proponents of MAD have succeeded in portraying the anti-SALT camp as being indifferent to the horrors of nuclear war, while in point of fact it is MAD, and MAD alone, that postulates the nuclear annihilation of great cities as the logical culmination to international conflict."

Andrei Sakharov, a fervent supporter of SALT II, in a review of Dyson's book in the Washington Post, made a similar point. Sakharov repeats Dyson's words "Somewhere between the gospel of nonviolence and the strategy of Mutual Assured Destruction there must be a middle ground on which reasonable people can stand—a ground that allows killing in self-defense but forbids the purposeless massacre of innocents." Sakharov then comments, "With all my heart and soul, I support this thesis," adding his agreement with George Kennan that first-strike nuclear weapons are both amoral and, in the West, can lead to, in Sakharov's words, "dangerous complacency with regard to conventional weapons." (He refers to the decline of Western conventional arms.)

Moving and humane as such a comment may be, it ignores the fact that, in principle, assured destruction was not an offensive strategy. Cities would be levelled only as a response to aggression: the very terribleness of the response to aggression was supposed to prevent it. It were well that, before abandoning the doctrine, we remember why we adopted it in the first place. But that, in a way, is the most telling point. It is hard to remember just why we did it. As a set of ideas, deterrence theory was perhaps not very complex; but it was too complex.

Political ideas must be simple. Which is not to say they must be facile. To the contrary, the most profound propositions are often the simplest as well. Whitehead's rule to "seek simplicity and distrust it" is appropriately cautionary, but he did first of all say: seek simplicity. Imagine explaining assured destruction to a rally. There was a time when no one had to do that, when the essential information was held in a few hands and a deference system made it possible for decisions to be made without much being questioned. That was the political situation in which assured destruction was adopted as national strategy. That situation no longer exists. We will never knowingly agree to start building the MX merely as a bargaining chip, as some have suggested, intent on stopping as soon as a bargain is reached. A shift in American strategy to defensive modes that the Soviets could not think aggressive or destabilizing would now require an open debate on strategic doctrine of the kind we have not had. For what it may suggest, let me note that after a year's immersion in the subject I have no view of my own, save the disposition to think that political ideas, in order to be viable, must be simple. Assured destruction is the kind of idea that wins acceptance in a faculty seminar. Damage limitation, by contrast, is instinctive—the idea of defending oneself is easy to grasp.

But, above all, it is not possible to return to the simplicity of the idea that nuclear arms should be controlled? Wohlstetter has remarked of SALT that it is a problem posing as a solution. Part of the problem has been the attachment of the process of negotiation to the specific assumptions of a strategic doctrine that only one side entertained. Yet a further problem has arisen from the unreal notion that there is somehow a distinction between "strategic" nuclear weapons and other kinds. The Pershing II missile, which the United States would like NATO to deploy in Western Europe, is as much a strategic weapon as far as Britain and Holland are concerned as is the Trident in the United States. Almost the best case for SALT II is that SALT III could engage the whole panoply of nation-busting nuclear arms. The United States. Almost the best case for SALT II is too many nuclear weapons. They ought not to have any. Yet while the other does, both will. But need we have more and more? Need we sign treaties to make legitimate an arms race that neither side might be willing shamelessly to go forward with unilaterally?

An agreement on principles accompanying SALT II asserts that it is the intention of the parties to achieve in SALT III what are called "significant and substantial reductions in the numbers of strategic offensive arms." But already the Carter Administration—this strangely ambivalent Administration whose pronouncements Senator Charles McC. Mathias, Jr., has described as "an antiphonal chorus of hawk and dove"—has been warning us not to expect anything of the sort. Gelb, in his Foreign Policy article, noting that "many people insist that only through reductions can one achieve 'real arms control,'" warned against "a fascination with reductions." Not many weeks after the article appeared, this became a distinct Administration line. When the Foreign Relations Committee began in mid-October to "mark up" the SALT II treaty, "highly placed" sources were all over Capitol Hill warning against the very thought that SALT III might produce arms reductions. Vernon A. Guidry, Jr., reported in the Washington Star:

"One key SALT analyst still in government, who did not want to be named, says any new treaty will have to include reductions because they have come 'to represent strategic seriousness.'

"But as for making 'deep cuts' the test of any new agreement, he says, 'we've got to get our arms control constituency thinking in a more sophisticated and mature way about these things.'

"Gelb and other analysts point to the need to look more closely at elements within the over-all total of strategic weapons, such as agreements that would help keep missile submarines safe.

"Within government, thorough examination of these questions has only recently begun. There is no expectation of breakthrough negotiations next time. 'The next SALT agreement will indeed be modest,' said one knowledgeable Pentagon official."

Is it truly not possible to propose to the Soviets that some reductions be negotiated forthwith? So that the world, ourselves included, will know that the time is coming when the strength of our respective forces will at last begin to decline? And if the Russians refuse then at least we will know what we are in for.

A senator can take refuge in what the body calls the "pending business." And that is the SALT II treaty. The debate over its ratification ought to be an opportunity for the illumination of our situation, an opportunity to examine the quality of the ideas that have brought us to our present pass. On August 1st, I proposed an amendment to the treaty in the hope that it might prove clarifying. I have taken the language about "significant and substantial reductions in the numbers of strategic offensive arms" from the Joint Statement of Principles and Basic Guidelines for Subsequent Negotiations which accompanies the treaty and inserted it as the last paragraph of the treaty and specified that unless such reductions are agreed to by December 31, 1981, the treaty terminates.

This date corresponds to the period of a protocol accompanying the treaty which prohibits either side from deploying mobile ICBM launchers—an MX, for instance—or deploying sea-launched or ground-launched cruise missile with a range in excess of six hundred kilometers, of the sort we now contemplate placing in Western Europe. The Joint Statement of Principles provides that these issues will be discussed in SALT III. But on October 26th President Carter assured Senate Majority Leader Robert C. Byrd that he was utterly and irrevocably committed to going forward with both the MX and the cruise missiles and would never bargain them away in return for Soviet reductions. And so it has come to this. Determined above all else to win Senate approval for a treaty with arms limitation in the title, a President pledges himself never to limit arms but rather to raise them to unprecedented levels. This, of course, will mean the collapse of SALT III—unless we agree now that by a time certain in the near future actual reductions will be agreed to. This is to say, before the MX momentum is so great that the Russians shift into a yet higher gear in order to outrace us, while we become ever more panicky as the realization spreads that two decades of deterrence have left us desperately exposed to Soviet threat.

I expect all manner of criticism of my particular initiative. It will be argued, by defenders of the SALT process, that two years is too short a time to complete the task. I will be told that wisdom dictates that the pace of arms-reduction negotiations not be forced. Yet one wonders whether such objections by defenders of the process do not indict that very process—by pointing out the futility of trying to make it do what it is supposed to. I will be reminded that the Soviets resisted the proposals for armed reductions offered by Secretary Vance in March of 1977. If they would not agree even to discuss them in 1977, why should they do so now? I believe this question needs to be answered, and as soon as reasonably possible. I think it best that the SALT II treaty itself oblige the Soviets to give us their answer—one way or the other—so that we are no longer able to delude ourselves about our prospects.

We did delude ourselves after SALT I. An amendment by Senator Alan Cranston to the Joint Resolution of Congress that endorsed the Interim Agreement called on the President at the earliest practicable moment to begin "Strategic Arms Reduction Talks (SART)" with the Soviet Union, the People's Republic of China, and other countries. In a prescient speech on the Senate floor on September 14, 1972, Cranston said:

"As I look ahead, I see what looks like endless series of escalators broken only by occasional landings which lead in turn to other escalators. A partial limitation will be followed by a new build-up, which may in turn be limited by a new freeze and superseded by new and sophisticated forms of escalation. And so it will go."

An amendment by Senator Edward S. Brooke declared:

"Congress considers that the success of the interim agreement and the attainment of more permanent and comprehensive agreements are dependent upon the preservation of longstanding United States policy that neither the Soviet Union nor the United States should seek unilateral advantage by developing a first-strike potential."

Clearly, neither expression of congressional intent and desire had the least effect on the outcome of SALT II.

But have we ever probed deeply into Soviet feelings on this matter? We have never asked them to face, directly, the intellectual dilemma of an arms-limitation negotiation that produces arms expansion. Or is this what the Soviets have wanted all along? Surely, they have prospered militarily and geopolitically during the life of the SALT negotiations. Has that been their purpose? We have nothing whatever to lose if we try to find out. At the least, I have been convinced that the SALT process is not self-corrective, and that, accordingly, the energy necessary to change its present direction must be generated from outside the SALT process. It is a process grown unreal, producing results opposite to those intended but thereupon defended as valuable in their own right. Gibbon has been describing as detecting a "leakage of reality" in the late Roman Empire. There was a Pope then, and it didn't help, and it may not help that there is one still. But John Paul II certainly had a point when he said, at the United Nations, that the nuclear buildup shows there is "a desire to be ready for war, and being ready means being able to start it."

Mr. CRANSTON. Mr. President, I want to join my friend and colleague from South Dakota in calling attention to the article written by the distinguished—and highly literate—Senator from New York (Mr. MOYNIHAN) on "The SALT Process" which appears in the current issue of the New Yorker magazine.

I agree with much of what the Senator from New York says. But even if I did not, I would still urge all my colleagues to read the article.

Senator MOYNIHAN, in eloquent language and with cogent logic, expounds on the fundamental issues the Senate must deal with if we are to reach an informed and intelligent decision on the ratification of SALT II.

WHITE HOUSE CONFERENCE ON LIBRARIES PROVIDES FORUM FOR PLANNING THE FUTURE ROLE OF NATION'S LIBRARIES

Mr. RANDOLPH. Mr. President, more than 1,000 delegates from all 50 States have convened in Washington, D.C., for the first White House Conference on Libraries and Information Services.

On Monday, the Senate Subcommittee on Education, Arts and the Humanities, chaired by Senator CLAIBORNE PELL, and the House Subcommittee on Postsecondary Education, chaired by Representative WILLIAM FORD, conducted a joint hearing to receive the recommendations of the conference.

These recommendations seek to determine what new roles will be assumed, what new tasks must be performed by public and institutional libraries, and, of equal importance, what will be the Federal role.

Our expectations are great. Under the leadership of Chairman PELL and Chairman FORD, our committees have sought to expand the the mission of libraries to include innovative programs involving the elderly and the handicapped. The delegates have expressed an awareness of the vital needs of the functionally illiterate, the institutionalized, the poor, and the racial and ethnic minorities.

As ranking majority member of the Education, Arts and Humanities Subcommittee, I have long been involved in developing library programs for the public as authorized under the Library Services and Construction Act, and for school libraries at the elementary, secondary, and higher education levels.

Today's and tomorrow's libraries are called on to provide materials, knowledge, and skills necessary for the continuing education of an increasing number of adults. They need counseling for job advancement purposes, a change of careers, consumer education, new technologies—the list is endless, the potential is unlimited, if libraries are to serve their communities well.

I am certain the delegates to the White House Conference have emphasized the key word, and perhaps the greatest obstacle to be overcome, if they are to return home and serve people.

New technologies are being used, and more efficient ones are being developed, to assure access, information, and referral, and materials dissemination. Libraries are becoming neighborhood information service centers. Hand in hand with new technologies comes the absolute need for improved and expanded library education courses as an acceptable, vitally important career. We must begin to place more emphasis and support on training our librarians—they are the key to assuring competent, concerned library services to the young and old, from any and all walks of life.

During their 4 days of deliberations, the delegates sought to develop a consensus on all library needs, using five major themes:

Meeting personal needs;

Enhancing lifelong learning;

Improving organizations and the professions;

Effectively governing our society; and

Increasing international understanding and cooperation.

These themes were based on an analysis of issues raised by many sources, the major one being the series of State and territorial pre-White House conferences.

On Friday, November 16, the Wall Street Journal carried an interesting advertisement by McGraw-Hill on behalf of the American Library Association for the White House Conference on Libraries and Information Services. The material, entitled "Good Libraries are Good Business," is an informative and constructive assessment of the more than 100,000 libraries in America.

One particularly pertinent paragraph deserves repetition:

> American business is inseparable from a free, democratic American system. A free library system plays a vital role in permitting all Americans, without discrimination, to seek varied views, get the information they need, and make up their own minds.

Mr. President, I associate myself with this joint hearing of the House of Representatives and the Senate Education Subcommittees, and with the work represented by the recommendations of this conference. I commend Chairman PELL for his foresight and dedication in providing this forum of our Nation's library experts.

MESSAGE FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

REPORT OF THE NATIONAL CANCER ADVISORY BOARD—MESSAGE FROM THE PRESIDENT—PM 136

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with Section 410B(g), Part A, Title IV of the Public Health Service Act, I am transmitting to Congress the Annual Report for 1978 of the National Cancer Advisory Board.

This report has been prepared by the National Cancer Advisory Board and submitted to me as required by law. The Report describes the Board's activities in the latter portions of 1978.

JIMMY CARTER.

THE WHITE HOUSE, *November 19, 1979.*

REPORT OF THE NATIONAL SCIENCE BOARD—MESSAGE FROM THE PRESIDENT—PM 137

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

I am pleased to submit to the Congress the Eleventh Annual Report of the National Science Board, *Science Indicators—1978*. This report is the fourth in a series examining important aspects of the state of American science and technology.

Science and technology play a vital role in maintaining our Nation's economic well-being and make fundamental contributions toward the solution of many of our social problems. As this report illustrates, the United States continues to rank high internationally in most areas of science.

Science Indicators—1978 also addresses the balance between fundamental or long-term research and shorter-term applied research and development. Proper investment in basic research is crucial to using and maintaining the Nation's scientific and technical talent. My 1980 budget reflects this Administration's desire to increase support of scientific research and development as an investment in the Nation's future.

This report should be of interest to all those concerned with the Nation's scientific effort. I commend *Science Indicators—1978* to the attention of the Congress and those in the scientific endeavor.

JIMMY CARTER.

THE WHITE HOUSE, *November 19, 1979.*

PRESIDENTIAL APPROVALS

A message from the President of the United States reported that on November 16, 1979, he had approved and signed the following acts:

S. 640. An act to authorize appropriations for the fiscal year 1980 for certain maritime programs of the Department of Commerce, and for other purposes;

S. 838. An act to authorize appropriations for fiscal years 1980, 1981, and 1982 to carry out cooperative programs with the States for the conservation of anadromous fish, and for other purposes;

S. 1160. An act to authorize appropriations for the Federal Fire Prevention and Control Act of 1974, and for other purposes; and

S. 1728. An act to designate the United States Federal Courthouse Building located at 655 East Durango, San Antonio, Texas, as the "John H. Wood, Jr., Federal Courthouse."

The message also reported that on November 17, 1979, he had approved and signed the following act:

S. 1037. An act to establish an actuarially sound basis for financing retirement benefits for police officers, fire fighters, teachers, and judges of the District of Columbia and to make certain changes in such benefits.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-2497. A communication from the Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, the 51 selected acquisition reports and the selected acquisition report summary tables for the quarter ended September 30, 1979; to the Committee on Armed Services.

EC-2498. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the final report on housing displacement; to the Committee on Banking, Housing, and Urban Affairs.

EC-2499. A communication from the Secretary of the Interstate Commerce Commission, transmitting, pursuant to law, notice that the Commission is unable to render a decision in Docket No. 37166, Detention Charges on Coal from Okalahoma to Missouri via SLSF, within the specified 7-month period; to the Committee on Commerce, Science, and Transportation.

EC-2500. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "American Seaports—Changes Affecting Operations and Development"; to the Committee on Commerce, Science, and Transportation.

EC-2501. A communication from the Secretary of the Interior, transmitting, pursuant to law, the annual report on the Guam Development Fund for fiscal year 1979; to the Committee on Energy and Natural Resources.

EC-2502. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report on 18 decisions on land determined not suitable for disposal under the Unintentional Trespass Act; to the Committee on Energy and Natural Resources.

EC-2503. A communication from the Secretary of the Interior and the Secretary of Agriculture, transmitting, for the information of the Senate, the views of their various Departments regarding the Alaska lands conservation bill; to the Committee on Energy and Natural Resources.

EC-2504. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Identifying Boarding Homes Housing the Needy, Aged, Blind, and Disabled: A Major Step Toward Resolving a National Problem"; to the Committee on Finance.

EC-2505. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60-day period prior to November 15, 1979; to the Committee on Foreign Relations.

EC-2506. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a proposed new system of records for the Department of the Air Force for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC-2507. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council of the District of Columbia on October

9, 1979; to the Committee on Governmental Affairs.

EC-2508. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council of the District of Columbia on October 23, 1979; to the Committee on Governmental Affairs.

EC-2509. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council of the District of Columbia on October 23, 1979; to the Committee on Governmental Affairs.

EC-2510. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council of the District of Columbia on October 23, 1979; to the Committee on Governmental Affairs.

EC-2511. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council of the District of Columbia on October 9, 1979; to the Committee on Governmental Affairs.

EC-2512. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new system of records for the Department of Defense for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC-2513. A communication from the President of the National Safety Council, transmitting, pursuant to law, the report of the audit of the financial transactions of the National Safety Council for the fiscal year ended June 30, 1979; to the Committee on the Judiciary.

EC-2514. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on the health professions financial distress grant program; to the Committee on Labor and Human Resources.

EC-2515. A communication from the Chairman of the Federal Election Commission, transmitting pursuant to law, a copy of its fiscal year 1980 pay cost supplemental appropriations request; to the Committee on Rules and Administration.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HARRY F. BYRD, JR., from the Committee on Armed Services, without amendment:

H.R. 5163. An act to authorize the sale to certain foreign nations of certain excess naval vessels (Rept. No. 96-420).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CHURCH, from the Committee on Foreign Relations:

Ex. Y, 96-1. Treaty with the Union of Soviet Socialist Republics on the Limitation of Strategic Offensive Arms and Protocol Thereto (SALT II treaty) (together with supplemental and minority views) (Ex. Rept. No. 96-14).

HOUSE BILL JOINTLY REFERRED

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that H.R. 2626, the Hospital Cost Containment and Reporting Act of 1979, received from the House on November 16, 1979, be jointly referred to the Committee on Finance and the Committee on Labor and Human Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. METZENBAUM (for himself, Mr. WILLIAMS, Mr. RIEGLE, Mr. RANDOLPH, Mr. TSONGAS, and Mr. LEVIN):

S. 2021. A bill to provide effective and efficient youth employment program designed to improve career opportunities for youth between the ages of 18 and 24, particularly economically disadvantaged youth, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. GLENN (by request):

S. 2022. A bill for the relief of Delphi P. Panisa; to the Committee on the Judiciary.

S. 2023. A bill for the relief of Clarita C. Guerrero; to the Committee on the Judiciary.

S. 2024. A bill for the relief of Diana C. Alvarez; to the Committee on the Judiciary.

By Mr. STONE (for himself and Mr. CHILES):

S. 2025. A bill to establish the Biscayne National Park in the State of Florida, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. WILLIAMS:

S. 2026. A bill for the relief of Mrs. Robert Skettini; to the Committee on Governmental Affairs.

By Mr. HAYAKAWA:

S. 2027. A bill for the relief of James Daniel Bronson; to the Committee on the Judiciary.

By Mr. MELCHER (for himself and Mr. McGOVERN):

S. 2028. A bill to adjust target prices for the 1979 and 1980 crop of wheat and feed grains; to extend the disaster payment program for the 1980 and 1981 crops of wheat, feed grains, upland cotton, and rice; and to authorize the Secretary of Agriculture to require that producers of wheat, feed grains, upland cotton, and rice not exceed the normal crop acreage for the 1980 and 1981 crops; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. McGOVERN:

S. 2029. A bill to extend the disaster payment program for the 1980 and 1981 crops of wheat, feed grains, upland cotton, and rice; to the Committee on Agriculture, Nutrition, and Forestry.

By Mrs. KASSEBAUM:

S. 2030. A bill for the relief of Yuk Lam Tsui and his wife, Chung Lau Cheung; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. METZENBAUM (for himself, Mr. WILLIAMS, Mr. RIEGLE, Mr. RANDOLPH, Mr. TSONGAS, and Mr. LEVIN):

S. 2021. A bill to provide effective and efficient youth employment program designed to improve career opportunities for youth between the ages of 18 and 24, particularly economically disadvantaged youth, and for other purposes; to the Committee on Labor and Human Resources.

YOUTH EMPLOYMENT ACT

● Mr. METZENBAUM. Mr. President, Senators WILLIAMS, RIEGLE, RANDOLPH, TSONGAS, and LEVIN join me today in introducing the Youth Employment Act of 1979, a bill designed to create large-scale youth employment projects in the areas of energy conservation and development.

A decade ago, in response to social unrest in our cities, we developed a number of national programs designed to expand opportunity for Americans who have been left out of the economic mainstream. Many of those programs have now been virtually dismantled.

Today, we face a situation among this Nation's young people that could compare in seriousness to that of the late 1960's.

Today, nearly 3 million Americans below the age of 24 are unable to find work. And of those 3 million, a disproportionate number come from minority groups.

Among young blacks, for example, the unemployment rate is now running at the extraordinary level of 35 percent. And even this astronomical figure seriously understates conditions in many of our central cities where youth unemployment levels of 60 and 70 percent are common.

Unemployment may be a temporary phenomenon for many young people. But for others, it will mean moving into adulthood without having had the opportunity to mount the first steps in the career ladder. Unemployment rates drop by half between the teens and early twenties, but for youth who are out of work at age 20 to 24, when careers and families are usually started, the problems are particularly serious.

This Nation cannot afford to raise a whole generation of potential parents and young adults who have never held a job or established themselves in the job market. We cannot afford, in other words, to allow the unemployed youth of today to become tomorrow's welfare recipients.

The bill that we are introducing today is designed to attack youth unemployment by providing training and career opportunities in an area of great national need—energy conservation and development. And this is an area as well that will generate new jobs in a large number in the years to come.

This legislation will create a National Youth Employment Commission, charged with implementing large scale multiyear projects in such areas as weatherization, alternative energy development, mass transportation and lowhead hydroelectric dam restoration. Projects will be located in areas of high unemployment, and will be initiated and developed at the local level.

Unlike current youth employment programs, each of these projects will last a minimum of 2 years, a long enough period to build in upward mobility for participants. Thus, a typical "entry level" participant may in the first year learn good work habits like punctuality, attendance, and job responsibility. In the second year, he or she will be able to move up within the project under the supervision of the skilled tradesmen who will serve as supervisory personnel. Through this structure, participants will have a solid experience in the real world of work and will, I believe, emerge as employable, highly motivated individuals.

Finally, by concentrating on energy conservation and development, the projects will provide individual communities with energy improvements of long-term value. And for the economy as a whole, this program will help to meet our urgent national need for skilled manpower in the energy field. According to the Joint Economic Committee, aggressive development by this country of renewable energy sources could create as many as 3 million permanent jobs by the end of the 1980's.

Mr. President, this legislation is not meant to replace our current youth employment programs. Rather, it will strengthen them by testing a new, innovative and realistic approach to two of the Nation's most critical problems.

Mr. President, I ask unanimous consent that a section-by-section analysis and the text of the bill be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 2021

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Youth Employment Act".

STATEMENT OF PURPOSE

SEC. 2. It is the purpose of this Act to provide for the development, selection, and implementation of multiyear large scale projects in areas of energy development and energy conservation under which youth, particularly economically disadvantaged youth, will be provided with career employment opportunities.

DEFINITIONS

SEC. 3. As used in this Act:

(1) The term "area of substantial unemployment" means any area of sufficient size and scope to sustain a public service employment program and which has an average rate of unemployment of at least 6.5 percent for any three consecutive months within the most recent 12-month period as determined by the Secretary of Labor.

(2) The term "Commission" means the Youth Employment Commission established under section 6.

(3) The term "Executive Director" means the Executive Director of the Youth Employment Commission.

(4) The term "Federal executive agency" means any department, agency, or independent establishment of the executive branch of the Government, including any wholly owned government corporation.

(5) The term "lower living standard budget" means that income level (adjusted for regional, metropolitan, urban, and rural differences and family size) determined annually by the Secretary of Labor based upon the most recent "lower living family budget" issued by the Secretary.

(6) The term "prime sponsor" means any prime sponsor designated under section 101 of the Comprehensive Employment and Training Act.

(7) The term "State" means each of the several States, the District of Columbia, the Commonwealth of Ruerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands and the Northern Mariana Islands.

(8) The term "supportive services" means services which are designed to contribute to the employability of participants, enhance their employment opportunities, assist them in retaining employment, and facilitate their movement into permanent employment not subsidized under the Act. Supportive services may include health care, transportation, temporary shelter, child care, and financial counseling and assistance.

(9) The term "underemployed individuals" means—

(A) individuals who are working part-time but seeking full-time work; or

(B) individuals are working full-time but receiving wages not in excess of the higher of—

(i) the poverty level determined in accordance with criteria as established by the Director of the Office of Management and Budget; or

(ii) 85 percent of the lower living standard income level.

(10) The term "unemployed individuals" means—

(A) individuals who are without jobs and who want and are available for work; or

(B) (i) in cases permitted by regulations of the Commission, individuals who are institutionalized in, or have been released from a prison hospital or similar institution, or are clients of a sheltered workshop; or

(ii) individuals who receive, or whose families receive, supplemental security income or money payments pursuant to a State plan approved under title I, IV, X, or XVI of the Social Security Act or would as defined in regulations to be issued by the Secretary of Labor, be eligible for such payments but for the fact that both parents are present in the home (I) who are determined by the Secretary of Labor in consultation with the Secretary of Health, Education, and Welfare, to be available for work and (II) who are either persons without jobs, or persons working in jobs providing insufficient income to support their families without welfare assistance.

The determination of whether individuals are without jobs shall be made in accordance with criteria used by the Bureau of Labor Statistics of the Department of Labor in defining individuals as unemployed, but such criteria shall not be applied differently on account of an individual's previous employment.

(11) The term "unit of general local government" means any city, municipality, county, town, township, parish, village, or other general purpose political subdivision which has the power to levy taxes and spend funds, as well as general corporate and police powers.

(12) The term "young" means any individual who has attained 18 years of age but has not attained 25 years of age.

AUTHORIZATION OF APPROPRIATIONS; RESERVATIONS

SEC. 4. (a) There are authorized to be appropriated to carry out the provisions of this Act (other than administrative expenses and independent evaluation expenses) $1,000,000,000 for the fiscal year 1981 and for each of the succeeding years ending prior to October 1, 1985.

(b) There are authorized to be appropriated $25,000,000 for administrative expenses including expenses relating to project selection and expenses relating to the independent evaluation of projects assisted under this Act, $25,000,000 for the fiscal year 1981 and $15,000,000 for the fiscal year 1982 and for each of the succeeding fiscal years ending prior to October 1, 1985.

(c) Notwithstanding any other provision of law not less than 5 percent nor more than 10 percent of amounts appropriated for the fiscal year 1981 and for each of the succeeding fiscal years ending prior to October 1, 1985, for—

(1) mass transportation projects supplies assisted by the Department of Transportation,

(2) solar energy development projects supplies assisted by the Department of Energy,

(3) low-head hydroelectric dam projects supplies assisted by the Department of Energy,

(4) Weatherization projects supplies assisted by the Department of Energy and by the Community Services, and

(5) alternative fuels projects supplies assisted by the Department of Energy and by the Synthetic Fuels Corporation Administration,

shall be reserved and made available for projects selected by the Commission and carried out under section 13.

(d) Notwithstanding any other provision of law, unless enacted in specific limitation of the provisions of this subsection, any funds appropriated to carry out this Act, which are not obligated prior to the end of the fiscal year for which such funds were appropriated, shall remain available for obligation during the succeeding fiscal year and any funds obligated in any fiscal year may be expended during a period of two years from the date of obligation.

YOUTH EMPLOYMENT PROGRAM AUTHORIZED

SEC. 5. The Commission is authorized, in accordance with the provisions of this Act to carry out a Youth Employment Program under which eligible energy conservation and energy development projects are selected and developed by the Commission and carried out under agreement with Federal executive agencies, States, units of general purpose local government and nonprofit corporations in order to provide eligible youth with career employment opportunities.

YOUTH EMPLOYMENT COMMISSION ESTABLISHED

SEC. 6. (a) There is established, as an independent establishment of the executive branch of the United States Government, the Youth Employment Commission.

(b) The Commission shall be composed of 9 members appointed by the President, by and with the advice and consent of the Senate. Individuals shall be appointed on the basis of their expertise in the fields of human resource management, energy conservation, energy development and other technical fields related to the functions to be performed by the Commission. In making appointments the President shall give due consideration to individuals who represent business, labor, community-based organizations, representatives of units of general local government and the general public.

(c) The terms of office of each member of the Commission shall be 3 years, except that—

(1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and

(2) the terms of the members first taking office shall be designated by the President at the time of appointment, 3 for a term of one year, 3 for a term of 2 years, and 3 for a term of 3 years.

(d) (1) The President shall select one of the members to serve as chairman of the Commission, and the member so designated shall serve as chairman for the duration of the term of his appointment as a member.

(2) Vacancies in the membership of the Commission shall not impair the power of the Commission. Five members shall constitute a quorum for the transaction of business, but any number may conduct hearings.

(e) The members of the Commission shall receive compensation at a rate equal to the daily rate prescribed for GS–18 of the General Schedule under section 5332 of title 5, United States Code, including traveltime for each day they are engaged in the performance of their duties as members of the Commission and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out functions of the Commission.

(f) No member of the Commission under this Act shall cast a vote on any matter which has a direct bearing on services to be provided by that member (or any organization which that member directly represents) or vote on any matter which would financially benefit the member or the organization which the member represents.

(g) (1) There shall be in the Commission an Executive Director who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following new item:

"(70) Executive Director, Youth Employment Commission.".

FUNCTIONS OF THE COMMISSION

Sec. 7. (a) The Commissioner shall—

(1) establish procedures for the development and selection of eligible projects designed to provide eligible youth with career employment opportunities;

(2) (A) enter into agreements with Federal executive agencies, States, units of general purpose local government and nonprofit private corporations to carry out projects developed and selected under clause (1) of this subsection; and

(B) enter into arrangements, including, if necessary, transfer payments, to carry out the provisions of section 13; and

(3) monitor and evaluate the projects selected under this Act, with particular attention on efficient operation of such projects and evaluation of the potential for success of opening career opportunities to participating youth.

(b) In carrying out its general functions under subsection (a) of this section, the Commission shall—

(1) develop standards and criteria for the selection of eligible projects;

(2) solicit and otherwise encourage the development of innovative proposals for energy conservation or energy development projects suitable for the purpose of this Act;

(3) establish criteria for the rating of eligible projects based upon the potential for projects to provide career opportunities to eligible participating youth and to rate such projects;

(4) identify Federal executive agencies having responsibility for conducting eligible projects and similar energy conservation and energy development projects, and encourage States, units of general local government and nonprofit private organizations to make proposals for eligible projects;

(5) provide for administrative and support services of projects selected through agreements entered into in accordance with section 12, particularly agreements with States, units of general purpose local government, and private nonprofit corporations; and

(6) supervise, monitor, and evaluate projects selected, particularly evaluate the success of such projects in providing career opportunities for participating youth.

(c) The Commission shall prepare an annual report to the President and to the Congress concerning the activities of the Commission, including a description of the progress of projects selected and assisted under this Act and new ideas developed as a result of the conduct of such projects, together with such recommendations, including recommendations for legislation as the Commission deems appropriate.

ADMINISTRATIVE PROVISIONS

Sec. 8. (a) In order to carry out the functions of the Commission under this Act the Executive Director, under the general direction and supervision of the Commission, is authorized to—

(1) prescribe such regulations as he deems necessary to carry out the provisions of this Act;

(2) appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this Act;

(3) receive money and other property donated, bequeathed or devised, without condition or restriction other than that it will be used for the purposes of the Commission, and to use, sell, and otherwise dispose of such property for the purpose of carrying out the functions of the Commission under this Act;

(4) receive, and use, sell, or otherwise dispose of, in accordance with paragraph (3) money and other property donated, bequeathed, or devised to the Commission with a condition or restriction including a condition that the Commission use other funds of the Commission for the purpose of the gift;

(5) conduct such planning studies and hold such hearings as may be required to carry out the provisions of this Act;

(6) secure from any Federal executive agency, including any independent establishment or instrumentality of the United States, or from any State or unit of general local government, information, estimates and statistics required in the performance of his functions under this Act;

(7) obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code;

(8) accept and utilize the services of voluntary and noncompensated personnel and reimburse them for travel expenses, including per diem as authorized by section 5703 of title 5, United States Code;

(9) enter into contracts, grants, agreements or other arrangements, or modifications thereof to carry out the provisions of this Act;

(10) provide for the making of such reports (including fund accounting reports) and the filing of such applications in such form and containing such information as the Executive Director may reasonably require;

(11) withhold funds otherwise payable under this Act, but only in order to recover any amounts expended in the current or immediately prior fiscal year in violation of any provision of this Act, or any term or condition of agreements entered into by the Commission under this Act;

(12) make advances, progress, transfer and other payments which the Administrator deems necessary to carry out the provisions of this Act without regard to the provisions of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529); and

(13) make other necessary expenditures.

(b) Each such Federal executive agency is authorized and directed to furnish such information, estimates, and statistics directly to the Commission upon written request made by the Executive Director.

ELIGIBLE PARTICIPANTS

Sec. 9. (a) Each participant in any project assisted by the Commission under this Act shall be a youth—

(1) who is unemployed or underemployed, and

(2) who resides with a family which has, or if not residing with a family has, an income equal to or less than 85 percent of the lower living standard income level,

and who is not attending an educational institution, as defined by the Executive Director of the Commission, on more than a half-time basis.

(b) Such participants must be citizens or permanent residents of the United States.

(c) For purposes of eligibility for participation in an eligible project under this Act, no youth shall be considered as unemployed unless such youth has been unemployed for at least seven consecutive days.

ELIGIBLE PROJECTS

Sec. 10. (a) No financial assistance shall be provided under this Act and no project shall be conducted under section 13 unless the Commission determines that—

(1) the project—

(A) involves a program of energy conservation or energy development, such as solar energy development, low-head hydroelectric dam restoration, synthetic fuel production weatherization programs, mass transportation programs, and the development of new energy sources, and

(B) offers potential for contributing to career opportunities for youth;

(C) will be located in an area of substantial unemployment;

(D) will provide at least 250 job opportunities for youth;

(E) will take at least two years from the date on which an agreement under section 12 is entered into to complete; and

(F) will offer youth participants a range of employment opportunities and advancement opportunities.

(b) The Commission shall develop objective criteria for the selection of projects consistent with the provisions of this section and section 11 and shall submit the criteria as part of the first annual report to the Congress required under section 7(c).

PROJECT SELECTION

Sec. 11. (a) The Commission shall prescribe standards for the development and selection of projects which encourage proposals for large scale projects designed to meet the requirements of section 10(a).

(b) The standards required by this section shall provide for—

(1) the development of proposals for energy conservation or energy development projects specifying the detailed employment needs and profiles for each such project;

(2) the costs of each such project;

(3) linkages for the youth opportunities element of each such project with prime sponsors and other institutions and organizations, including community based organizations which can contribute to employment opportunities for youth;

(4) a detailed description of administrative arrangements for carrying out the project; and

(5) a list of human resource specialists, engineers and managers required to continually review the proposals developed under this subsection.

(c) (1) The Commission shall, in accordance with the provisions of this subsection, review each planning proposal developed under this section for the purpose of setting time tables and ranking the projects for selection under this Act.

(2) Once in each fiscal year the Commission shall submit the proposals developed under this subsection to independent experts for review and comment.

(3) After the review required by paragraph (2) of this subsection the Commission shall rank the projects in the order of the capacity of such projects to carry out the purpose of this Act and the timeliness with which such projects may be initiated.

ADMINISTRATIVE AGREEMENTS

Sec. 12. (a) From amounts appropriated under section 4(a), the Commission shall provide financial assistance to Federal executive agencies, State agencies, units of general local government, and nonprofit private corporations pursuant to agreements entered into by the head of such agency, government, or organization.

(b) Each such agreement shall contain provisions which—

(1) set forth a full description of the eligible project consistent with the provisions of

sections 10 and 11 together with assurances that a preference will be given for the employ of eligible youth;

(2) set forth arrangements for an employability plan for youth participants which—

(A) describe standards for preference by such youth;

(B) provide assessments at periodic intervals of the performance;

(C) provide procedures for the termination of youth who do not perform adequately;

(D) describe in detail the supportive services for youth; and

(E) assurances that the youth will receive training and education opportunities designed to improve the opportunity of such youth for career advancement;

(3) set forth a description of the special vocational training and education elements of this employability plan described in the previous clause which will be carried out as an integral part of the eligible project and will be designed to increase the career advancement potential of participating youths;

(4) set forth a description of the production and organization techniques which will be employed in carrying out the eligible project and the provisions for adequate materials and supplies which will be available in carrying out the eligible project;

(5) set forth assurances that an adequate number of supervisory personnel, adequately trained in skills needed to carry out the project and to instruct the eligible participating youth, will be available in carrying out the eligible project;

(6) in the case of Federal executive agencies, contain assurances that existing resources and staff will be used in carrying out the eligible project;

(7) contain provisions designed to insure that any appropriate local prime sponsor may, if feasible, be involved in providing supportive services together with provisions for reimbursement for such services;

(8) set forth provisions for administrative and organizational arrangements necessary to carry out the eligible project; and

(9) set forth such other assurances, arrangements and conditions consistent with the provisions of this Act, including the special conditions required under section 14, as the Commission deems necessary.

(c) The Secretary shall, as soon as practicable after the date of enactment of this Act, prepare and issue regulations to carry out the provisions of subsection (a) of this section.

RESERVATIONS FOR SPECIAL YOUTH EMPLOYMENT PROJECTS

SEC. 13. (a) From funds reserved pursuant to section 4(b), the commission is authorized to—

(1) take whatever action and make whatever arrangements, including the transfer of funds, to develop and conduct jointly with the Secretary of Transportation, the Secretary of Energy, and the Director of the Community Services Administration, as the case may be, eligible projects subject to the reservation contained in section 4(b) with the added component of providing eligible youth with career employment opportunities;

(2) make such arrangements with the Secretary of Transportation, the Secretary of Energy, the Director of the Community Services Administration, and the head of any other Federal executive agency, having responsibilities under this section, as the case may be, to carry out jointly the projects to which this section applies pursuant to agreements entered into which substantially comply with the provisions of this Act, especially the provisions of section 12 relating to administrative agreements, and the provisions of section 14 relating to special conditions.

(b) Notwithstanding any other provision of law and to the extent necessary in the administration of this section, the head of any Federal executive agency administering a project which is subject to the provisions of this section shall waive any administrative provision with respect to allocation, allotments, reservations, priorities, or planning and application requirements of the appropriate activity or project which is subject to the provisions of subsection (a) of this section.

(c) The Secretary of Transportation, the Secretary of Energy, the Director of the Community Services Administration, and the head of any other Federal executive agency having responsibilities under this section are authorized and directed to cooperate with the Commission in the administration of the provisions of this section.

SPECIAL CONDITIONS

SEC. 14. (a) The Commission shall not provide financial assistance under this Act for any project unless the following conditions are met.

(b) No eligible youth shall be excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in the administration of or in connection with any eligible project because of race, color, religion, sex, national origin, age, handicap, or political affiliation or belief.

(c)(1) Rates of pay for youth employed in eligible projects under this Act shall be no less than the higher of—

(A) the minimum wage under section 6 (a)(1) of the Fair Labor Standards Act of 1938;

(B) the State or local minimum wage for the most nearly comparable employment; or

(C) the prevailing rates of pay, if any, for occupations and job classifications of individuals employed by the same employer, except that—

(i) whenever the recipient of assistance having an agreement under section 12 of this Act has entered into an agreement with the employer and the labor organization representing employees engaged in similar work in the same area to pay less than the rates provided in this paragraph, youths may be paid the rates specified in such agreement;

(ii) whenever an existing job is reclassified or restructured, youths employed in such jobs shall be paid at rates not less than are provided under paragraph (1) or (2), but if a labor organization represents employees engaged in similar work in the same area, such youths shall be paid at rates specified in an agreement entered into by the appropriate recipient, the employer, and the labor organization with respect to such reclassified or restructured jobs, and if no agreement is reached within thirty days after the initiation of the agreement procedure referred to in this clause the labor organization, recipient, or employer may petition the Commission, who shall establish appropriate wages for the reclassified or restructured positions, taking into account wages paid by the same employer to persons engaged in similar work and rates established by the Secretary of Labor under section 442 (3) of the Comprehensive Employment and Training Act; and

(iii) whenever a new or different job classification or occupation is established and there is no dispute with respect to such new or different job classification or occupation, youths to be employed in such jobs shall be paid at rates not less than are provided in paragraph (1) or (2), but if there is a dispute with respect to such new or different job classification or occupation, the Commission, shall within 30 days after receipt of the notice of protest by the labor organization representing employees engaged in similar work in the same area, make a determination whether such job is a new or different job classification or occupation.

(2) All laborers and mechanics employed by contractors or subcontractors in any construction, alteration, or repair, including painting and decorating of projects, buildings, and works which are federally assisted under this Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 1, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276 (c)).

(d)(1) Eligible projects shall contribute, to the maximum extent feasible, to the elimination of artificial barriers to employment and occupational advancement.

(2) In the administration of eligible projects under this Act, eligible youth participants to be served shall be provided maximum employment opportunities, including opportunities for further occupational training and career advancement.

(3) All eligible projects, to the maximum extent feasible, shall contribute to occupational development, upward mobility, development of new careers, and overcoming sex-stereotyping (including procedures which will lead to skill development and job opportunities for participants in occupations traditionally limited to the opposite sex).

(4) All eligible projects shall be designed, to the maximum extent practicable, consistent with every youth's fullest capabilities, to lead to employment opportunities enabling participants to increase their earned income and to become economically self-sufficient.

(5) Recipients of financial assistance having agreements under section 12 of this Act shall provide such arrangements as may be appropriate to promote maximum feasible use of apprenticeship or other on-the-job training opportunities available under section 1787 of title 38, United States Code.

(e)(1) All eligible youth employed in eligible projects shall be provided workers' compensation, health insurance, unemployment benefits, and other benefits and working conditions at the same level and to the same extent as other employees working a similar length of time, doing the same type of work and similarly classified. Any such classification must be reasonable and must include nonfederally financed employees, but within any single classification a distinction may be made between youth and other employees for purposes of determining eligibility for participation in retirement systems on plans which provide benefits based on age or service, or both.

(2) Appropriate health, safety and other standards for work and training shall be established and maintained.

(f) Recipients of funds under this Act shall assure an adequate number of supervisory personnel for eligible projects, who shall be adequately trained in skills needed to carry out the eligible project and to instruct participants in skills needed to carry out a project.

(g) Financial records relating to eligible projects, and records of the names, addresses, positions, and salaries of all youth employed in eligible projects, shall be maintained and made available to the public.

(h) Where a labor organization represents employees who are engaged in similar work in the same area to that proposed to be performed under the eligible project which may be selected under section 11 of this Act, such organization shall be notified and shall be afforded a reasonable period of time prior to the making of an agreement under section 12 in which to make comments to the recipient and to the Commission.

(i) No nongovernmental individual, institution, or organization shall be paid funds provided under this Act to conduct an evaluation of any program under this Act if such individual, institution or organization is associated with that program as a consultant or technical advisor, or in any similar capacity.

PAYMENTS

SEC. 15. (a) The Commission shall pay to each recipient having an agreement under section 12 of this Act, the amount which the recipient needs to carry out the eligible project under this Act.

(b) Payments made to such recipients may be made in installments, and in advance or by way of reimbursement, and in the case of Federal executive agencies, by transfer, with necessary adjustments on account of overpayments or underpayments, as the Commission may determine.

RECORDS, AUDITS, REPORTS AND EVALUATIONS

SEC. 16. (a) In order to assure that funds provided under this Act are used in accordance with its provisions, each Federal executive agency, State agency, unit of general local government and nonprofit private organization receiving such funds shall—

(1) use such fiscal, audit, and accounting procedures as may be necessary to assure (A) proper accounting for payments received by it, and (B) proper disbursement of such payments;

(2) provide to the Commission and the Comptroller General of the United States access to, and the right to examine, any books, documents, papers, or records as the Commission or the Comptroller General requires; and

(3) make such reports to the Commission or the Comptroller General of the United States as the Commission or the Comptroller General requires.

(b) The Commission shall enter into contracts with qualified independent private organizations to make thorough evaluations of eligible projects assisted under this Act. Evaluations conducted under such contracts shall be made periodically during the operation of the project and at the conclusion of the project with special emphasis on evaluating how the project contributed to career advancement opportunities for youth participants.

SECTION-BY-SECTION ANALYSIS

Section 1. This section identifies the short title of the act as the "Youth Employment Act."

Section 2. Statement of purpose. This section states the purpose of the act as the development, selection and implementation of large scale projects in areas of energy development and energy conservation through which youth are provided career employment opportunities.

Section 3. Definitions.

Section 4. Authorization of appropriations. This section authorizes the following appropriations:

(A) $1 billion, each year from 1981 to 1985;

(B) $25 million for administration for 1981 and $15 million for 1982, to 1985;

(C) Access by Youth Employment Act projects to between five and ten percent of the total funds available in the following areas:

Project supplies for mass transportation provided through the Department of Transportation;

Project supplies for solar energy development provided through the Department of Energy;

Low-head hydroelectric dam project supplies provided through the Department of Energy;

Weatherization project supplies provided through the Department of Energy and the Community Services Administration; and

Alternative fuels project supplies provided through the Department of Energy and by the Synthetic Fuels Corporation.

Section 5. Authorizes the Youth Employment Commission to carry out projects in the area of energy development and energy conservation and to enter into agreements to carry out projects through Federal agencies, States, units of local government and non-profit corporations.

Section 6. Establishes a Youth Employment Commission composed of 9 members appointed by the President for staggered terms. Membership will represent business, labor, community based organizations, general local government and the general public.

Section 7. Describes the functions of the Commission such as to develop, select, carry out, monitor and evaluate projects.

Section 8. Administrative provisions. Allows the Commission to prescribe regulations, appoint personnel, receive money, receive gifts, conduct studies, obtain the services of experts, enter into contracts, withhold funds for agreement violations, and transfer payments.

Section 9. Eligible participants. Describes eligible participants as unemployed or underemployed (employed part-time and seeking full-time employment) youth aged 18 to 25, coming from a family or having an income equal to 85% of the lower living standard.

Section 10. Requires that each project be in areas of energy conservation or energy development, provide career opportunities for youth, be located in areas of substantial unemployment, last at least two years and provide employment for 250 youth.

Section 11. Authorizes the Commission to prescribe standards for the development and selection of projects.

Section 12. Authorizes and establishes the conditions for agreements with other Federal departments, States, non-profit corporations, and local governments.

Section 13. Authorizes agreements with other Federal departments for set-aside funds.

Section 14. Special conditions. This section contains an anti-discrimination clause, provides for safe working conditions, minimum wage, adequate supervisory personnel, notification of appropriate labor unions in the project area, adequate record keeping and a Davis-Bacon provision with regard to payment of supervisory personnel.

Section 15. Allows the Commission to advance payments or make installments.

Section 16. Requires for accurate records, audits, reports and evaluation of projects by the Commission.●

● Mr. LEVIN. Mr. President, I am pleased to join my distinguished colleague from Ohio, Senator METZENBAUM, and other Senators, in introducing the Youth Employment Act. I believe that the program embodied in this bill simultaneously addresses two vital national needs: the need for adequate manpower—and womanpower—to undertake projects which will achieve energy savings through conservation and expediting the transition to alternative energy sources, and the need to provide training and career opportunities for unemployed and underemployed youth.

Mr. President, we hear a great deal about the constraining effects which the energy crisis has had on our economy, about the need for belt-tightening, for reducing our standard of living, and so on. And indeed, it is possible that we will need to make some sacrifices, as a nation, if we are to come to terms with our persistent problem of overdependence upon imported oil. But there is another side to our energy problems as well, a side which offers great potential for stimulating new industries based not on energy growth but rather on energy efficiency.

The new industries which will be developing—and in fact have already begun to spring up—in response to our energy problems will require workers with new and different skills. Job opportunities will be created, and we should make every effort to help train those in our society who have not been able to find satisfactory employment in the past, so that they will have the qualifications to move into productive jobs in the emerging "energy-efficiency" sector of our economy.

That is where the program established by the bill would make a great contribution. The bill establishes a National Youth Employment Commission, which will select and fund energy conservation and energy development projects which provide eligible youth with career employment opportunities. The bill does not restrict the range of projects which would be eligible for assistance from the Commission; they could include mass transit projects, solar energy projects, low-head hydroelectric dam construction or reactivation, weatherization of residential buildings, or many others. The critical point is that these projects will not only contribute to the solution of our long-term energy problems by reducing our reliance on oil, but will also provide training for unemployed youth in those skills which are likely to be in demand in the future as energy-efficiency industries become more prevalent.

Mr. President, I believe that this legislation offers us an opportunity to make a concerted attack on two vital national problems, and I hope that my colleagues will give it their most serious consideration.●

● Mr. RIEGLE. Mr. President, today I am introducing, along with the Senator from Ohio (Mr. METZENBAUM) and others, the National Youth Initiatives Act. As the rest of the country has recovered from the 1974–75 recession, American youth have continued to face extremely high unemployment. The bill we are introducing today will provide jobs for many of these young people in projects such as energy development and conservation which address some of our most pressing national needs.

According to the Bureau of Labor Statistics, unemployment among young people aged 16 to 19 was 16.6 percent in October of this year. Even among young adults aged 20 to 24, unemployment was just below double digits, at 9.5 percent. Clearly, our young people are already facing a severe recession that may cripple their job market records for years to come.

The National Youth Initiatives Act does more than simply provide work experience. I serves our Nation by enabling qualified youths to work in areas where future job growth is anticipated, such as mass transportation, solar energy development, weatherization, and similar fields. And it focuses these projects in areas with unemployment in excess of 6.5 percent.

That 6.5 percent trigger aims these programs at the areas of greatest need. In my State of Michigan, youth unemployment reached 17 percent in 1978. Clearly, matching unemployed young people with our national needs for energy conservation and development is the sort of approach that has been lacking in many Federal, State, and local job programs.

This program differs from traditional approaches to youth employment because it offers jobs in large-scale and long-term projects. As with other youth programs, however, it focuses on young people from low-income households, because they are the ones most in need of skill development. By the time these young people finish a 2-year stint in the program, they will have acquired skills which are in demand in the unsubsidized job market, particularly in the fast-growing energy fields.

Mr. President, I believe this approach is among the most promising new ideas which have come along in the employment area. I look forward to holding hearings in the Labor and Human Resources Committee on the entire area of youth employment, and to marking up this bill in the coming months.●

By Mr. MELCHER (for himself and Mr. McGOVERN):

S. 2028. A bill to adjust target prices for the 1979 and 1980 crops of wheat and feed grains; to extend the disaster payment program for the 1980 and 1981 crops of wheat, feed grains, upland cotton, and rice; and to authorize the Secretary of Agriculture to require that producers of wheat, feed grains, upland cotton, and rice not exceed the normal crop acreage for the 1980 and 1981 crops; to the Committee on Agriculture, Nutrition, and Forestry.

TARGET PRICES FOR THE 1979 AND 1980 CROPS OF WHEAT AND FEED GRAINS

● Mr. MELCHER. Mr. President, I have just introduced a bill for myself and Senator McGOVERN to adjust the target prices for grain in 1979 and 1980 which is intended to keep those target levels, or the official price, close to the inflation rate at which the remainder of the economy is moving.

The bill accepts the increase in the target price level already approved by the House for the 1979 crop of 7 percent over 1978. It adds a 20-percent increase over 1978 for the 1980 crop—an increase that is more than justified by 9-percent inflation last year plus a 11 to 13 percent this year.

The bill makes other adjustments in the current farm law by extending the disaster payments program through 1981 and empowering the Secretary of Agriculture to require program participants to plant within their normal crop acreage (NCA) in years when no set-aside program is in effect.

I ask unanimous consent that a summary of the bill's provisions be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF S. 2028

S. 2028 makes needed legislative changes to provide price and income protection for farmers and assure consumers of an abundance of food and fiber at reasonable prices. The bill—

(1) adjusts the target prices for the 1979 and 1980 crops of wheat and feed grains. Under the bill, the target price for wheat would be $3.63 per bushel in the case of the 1979 crop and $4.08 in the case of the 1980 crop. The target price for corn would be $2.35 per bushel in the case of the 1979 crop and $2.64 in the case of the 1980 crop. The rate for grain sorghums and barley would be such rate as the Secretary of Agriculture determines fair and reasonable in relation to the rate at which payments are made available for corn (under existing law, the target price for the 1979 crop of wheat is $3.40 per bushel; on the basis of preliminary data, the target price for the 1980 crop would be $3.07. Likewise, under existing law, the target prices for the 1979 crops of corn, grain sorghums, and barley are $2.20 per bushel, $2.30 per bushel, and $2.40 per bushel, respectively; on the basis of preliminary data, the target prices for the 1980 crops would be $2.08 for corn, $2.46 for grain sorghums, and $2.35 for barley);

(2) extends the disaster payment provisions for wheat, feed grains, upland cotton, and rice through the 1980 and 1981 crop years. However, in 1981, producers would have the option of choosing between disaster payments on the respective commodity or participating in a shared-cost crop insurance program if enacted into law and available to producers of the 1981 crops (they would not be eligible for both);

(3) authorizes the Secretary to require as a condition of eligibility for loans, purchases, and payments for the 1980 and 1981 crops of wheat, feed grains, upland cotton, and rice that producers not exceed the acreage on the farm normally planted to crops designated by the Secretary (under existing law, the Secretary may require compliance with the normal crop acreage only when a set-aside is in effect for the respective commodity);

(4) authorizes the Secretary to increase the target prices for the 1980 and 1981 crops of wheat, feed grains, upland cotton, and rice above what they would otherwise be whenever the Secretary requires that producers of the commodity not exceed the acreage on the farm normally planted to crops designated by the Secretary (under existing law, the Secretary may increase the target price only when a set-aside is in effect for the respective commodity); and

(5) continues existing law under which the Secretary may increase the target price for any of the other target price commodities in such amount as he determines necessary for the effective operation of the program whenever he adjusts the target price for one of such commodities (however, under existing law, the authority to adjust other target prices may be exercised only when an increase is made in the target price for a commodity for which a set-aside is in effect).●

By Mr. McGOVERN:

S. 2029. A bill to extend the disaster payment program for the 1980 and 1981 crops of wheat, feed grains, upland cotton, and rice; to the Committee on Agriculture, Nutrition, and Forestry.

DISASTER PROGRAMS ARE ABOUT TO RUN OUT

● Mr. McGOVERN. Mr. President, I send to the desk for appropriate reference a bill designed to extend disaster programs under terms acceptable to the U.S. Department of Agriculture for the remaining 2 years of the 1977 farm bill.

For historical reference, let me say that when the Congress passed the 1977 Food and Agriculture Act covering the crop years 1978, 1979, 1980, and 1981, it provided for the extension of disaster programs for only 2 of the 4 years in the bill. The rationale at the time of passage for limiting disaster extension to 2 years was that during this period, the Department would develop an all risk, subsidized Federal crop insurance program available in all counties and covering all crops. It was argued that with the adoption of this program, the much maligned disaster programs would no longer be needed.

It is now Thanksgiving week of 1979—disaster programs will lose statutory authority on December 31 of this year—and the Congress has not yet come forth with the promised all risk, subsidized crop insurance program. In truth and in fact, unless we do something shortly, as of January 1, 1980, farmers are without Federal protection for crops in major food producing areas of this country and the Congress has broken faith with the agricultural community of the Nation.

It should be noted that the Senate has discharged its obligation by adopting a Federal crop insurance bill earlier this year. On the House side, the Agriculture Committee has held hearings and has reported a bill by a slim 20 to 19 vote. Chairman FOLEY, I understand, has indicated that there is no chance that the House will consider this legislation during the first session of the 96th Congress. Obviously there will be no opportunity for a conference this year and farmers will begin 1980 with no protection unless we address the situation directly.

Mr. President, let me point out that the language of the legislation I introduce today is identical to the language contained in the Senate version of the Federal crop insurance bill. It extends disaster provisions through the 1980 crop year and makes disaster programs optional with the producer in crop year 1981 when we will presumably have a crop insurance bill in place and operational. Farmers are specifically excluded from participating in both FCIC and disaster programs in crop year 1981.

Last week, the House passed a target support bill for wheat and feed grains, setting the 1979 target price on wheat at $3.63 and for corn at $2.35. The Senate Agriculture Committee has scheduled a hearing for Tuesday, November 27 to consider this House-passed bill and to possibly attempt to consider a formula for wheat and feed grains for 1981. It is my purpose to propose to the committee at that time that the substance of this bill be added as an amendment to the bill I expect the Senate Agriculture Committee to report out on that date.

Let me point out that the language contained in this bill has earlier been adopted by the Senate Agriculture Committee and has been considered by the Senate when it took up its crop insurance bill. At that time this language survived a Senate rollcall by a 58 to 33 vote. The language is acceptable to the Department of Agriculture as evidenced by a letter to Chairman Foley of the House Agriculture Committee dated November 13, 1979. I ask unanimous consent that the text of this letter be printed at the conclusion of my remarks.

I also understand that the provisions are acceptable to Chairman Foley and to Congressman Ed Jones of Tennessee, chairman of the House Subcommittee on Conservation and Credit.

Let me thus make clear to all that by adopting this legislation as an amendment to the price support bill we are hurting no one and keeping our commitment to farmers. If we in the Senate can pass this language again and hold it in a conference with the House, we give continued disaster protection to farmers. If the same language is contained in any crop insurance bill the Congress passes some time in the future, that language will merely supersede this language since it will be identical. If the Congress fails to pass a crop insurance bill, the passage of this language will give our food producers the traditional protection they deserve and have come to rely on.

Mr. President, I thus submit this bill for printing, referral to the Senate Committee on Agriculture, Nutrition, and Forestry, and that it be considered at the committee hearing to which I referred earlier in this statement.

Mr. President, I ask unanimous consent that the text of the bill, together with the text of the letter mentioned earlier, be printed in the Record.

S. 2029

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

DISASTER PAYMENTS FOR THE 1980 AND 1981 CROP YEARS

Section 1. (a)(1) Section 101(h)(4) of the Agriculture Act of 1949, as added effective for the 1978 through 1981 crops of rice, is amended by—

(A) in subparagraph (B), striking out "Effective only with respect to the 1978 and 1979 crops of rice," and inserting in lieu thereof "Except as otherwise provided in subparagraph (D) of this paragraph, effective with respect to the 1978 through 1981 crops of rice,";

(B) in subparagraph (C), striking out "Effective only with respect to the 1978 and 1979 crops of rice," and inserting in lieu thereof "Except as otherwise provided in subparagraph (D) of this paragraph, effective with respect to the 1978 through 1981 crops of rice,"; and

(C) redesignationg subparagraph (D) as subparagraph (E) and inserting immediately after subparagraph (C) a new subparagraph (D) as follows:

"(D) With respect to the 1981 crop of rice, cooperators on a farm shall not be eligible for disaster payments under this paragraph if the cooperators elect to cover the rice acreage with crop insuance and part of the premium for such insurance is paid by the Federal Crop Insurance Corporation under the Federal Crop Insurance Act.".

(2) Section 103(f)(5) of the Agricultural Act of 1949, as added effective for the 1978 through 1981 crops of upland cotton, is amended by—

(A) in subparagraph (A), striking out "Effective only with respect to the 1978 and 1979 crops of upland cotton," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of upland cotton,";

(B) in subparagraph (B), striking out "Effective only with respect to the 1978 and 1979 crops of upland cotton," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of upland cotton,"; and

(c) adding at the end thereof a new subparagraph (C) as follows:

"(C) With respect to the 1981 crop of upland cotton, producers on a farm shall not be eligible for disaster payments under this paragraph if the producers elect to cover the upland cotton acreage with crop insurance and part of the premium for such insurance is paid by the Federal Crop Insurance Corporation under the Federal Crop Insurance Act.".

(3) Section 105A(b)(2) of the Agricultural Act of 1949, as added effective for the 1977 through 1981 crops of feed grains, is amended by—

(A) in subparagraph (A), striking out "Effective only with respect to the 1978 and 1979 crops of feed grains," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of feed grains,";

(B) in subparagraph (B), striking out "Effective only with respect to the 1978 and 1979 crops of feed grains," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of feed grains,"; and

(C) redesignating subparagraph (C) as subparagraph (D) and inserting immediately after subparagraph (B) a new subparagraph (C) as follows:

"(C) With respect to the 1981 crop of feed grains, producers on a farm shall not be eligible for disaster payments under this paragraph if the producers elect to cover the feed grain acreage with crop insurance and part of the premium for such insurance is paid by the Federal Crop Insurance Corporation under the Federal Crop Insurance Act.".

(4) Section 107A(b)(2) of the Agricultural Act of 1949, as added effective for the 1977 through 1981 crops of wheat, is amended by—

(A) in subparagraph (A), striking out "Effective only with respect to the 1978 and 1979 crops of wheat," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of wheat,";

(B) in subparagraph (B), striking out "Effective only with respect to the 1978 and 1979 crops of wheat," and inserting in lieu thereof "Except as otherwise provided in subparagraph (C) of this paragraph, effective with respect to the 1978 through 1981 crops of wheat,"; and

(C) redesignating subparagraph (C) as subparagraph (D) and inserting immediately after subparagraph (B) a new subparagraph (C), as follows:

"(C) With respect to the 1981 crop of wheat, producers on a farm shall not be eligible for disaster payments under this paragraph if the producers elect to cover the wheat acreage with crop insurance and part of the premium for such insurance is paid by the Federal Crop Insurance Corporation under the Federal Crop Insurance Act.".

(b) The Secretary of Agriculture, upon the enactment of legislation authorizing the Federal Crop Insurance Corporation to pay a portion of the cost of crop insurance premiums and after consultation with the Board of Directors of that Corporation, shall, at least sixty days prior to the beginning of the 1981 crop years for wheat, feed grains, upland cotton, and rice, notify producers of those commodities of their right to elect, with respect to the 1981 crop, between (1) declaring the farm acreage of the respective commodity eligible for disaster payments under the Agricultural Act of 1949, or (2) covering such farm acreage with crop insurance, part of the premium for which is paid by the Federal Crop Insurance Corporation under the Federal Crop Insurance Act. Such notice shall include a statement of the percent of crop insurance premium that will be paid by the Corporation.

Department of Agriculture,
Washington, D.C. November 13, 1979.

Hon. Thomas S. Foley,
Chairman, Committee on Agriculture, House of Representatives, Washington, D.C.

Dear Mr. Chairman: Last June 6, we reported favorably on H.R. 4119, a bill designed to strengthen and improve the Federal Crop Insurance Program. I am pleased that the bill is expected to come to the House floor for final passage within the next few days. We strongly support its enactment.

The Senate passed Crop Insurance Bill, S. 1125, contains authority to offer individual producers a choice between coverage under the Disaster Payments Program and the subsidized crop insurance program through crop year 1981. Each producer of the six crops covered by the Disaster Payments Program would have that choice. No producer would be eligible for both programs.

The Administration does not object to offering producers such a choice through crop year 1981, because it will take approximately that long to perfect the new subsidized crop insurance program.

However, I want to emphasize that the total replacement of the inequitable Disaster Payments Program with an actuarially based program of subsidized crop insurance continues to be a very high priority of this Administration. With the subsidized crop insurance program fully operational and widely available by 1981, we expect the Disaster Payments Program to be terminated. Continued operation of both the payments program and the crop insurance program beyond crop year 1981 would be indefensible and unfair to the Nation's taxpayers.

The Office of Management and Budget advises that there is no objection to submission of this report.

Sincerely,

Jim Williams,
Acting Secretary.●

ADDITIONAL COSPONSORS

S. 123

At the request of Mr. Inouye, the Senator from Nevada (Mr. Cannon) was added as a cosponsor of S. 123, a bill to amend the Social Security Act to provide for the payment under medicare of services by psychologists.

S. 1179

At the request of Mr. Bayh, the Senator from New Jersey (Mr. Williams) was added as a cosponsor of S. 1179, a bill incorporating the Gold Star Wives.

S. 1435

At the request of Mr. Nelson, the Senator from Wyoming (Mr. Simpson) was added as a cosponsor of S. 1435, a bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities.

S. 1570

At the request of Mr. INOUYE, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 1570, a bill authorizing the transfer of surplus Federal real property to a State without charge if used in connection with a public harbor.

S. 1591

At the request of Mr. STONE, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 1591, a bill to allow individuals to deduct separately stated State and local utility taxes on amounts paid for heating and cooling their homes, whether or not they itemize their deductions.

S. 1598

At the request of Mr. NELSON, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 1598, a bill to specifying the period within which contributions, equivalent to social security taxes, should be made by States having in effect agreements for social security coverage of State and local employees under section 218 of the Social Security Act.

S. 1808

At the request of Mr. LAXALT, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 1808, the Family Protection Act.

S. 1859

At the request of Mr. PERCY, the Senator from Kansas (Mrs. KASSEBAUM) was added as a cosponsor of S. 1859, a bill to amend the Internal Revenue Code of 1954 with respect to the special use valuation of farm property for purposes of the estate tax.

S. 1874

At the request of Mr. BAYH, the Senator from Louisiana (Mr. JOHNSTON), the Senator from Alaska (Mr. STEVENS), the Senator from Idaho (Mr. CHURCH), the Senator from Nebraska (Mr. EXON), the Senator from Georgia (Mr. TALMADGE), and the Senator from Utah (Mr. GARN) were added as cosponsors of S. 1874, a bill to amend the act incorporating the American Legion so as to redefine eligibility for membership.

S. 1963

At the request of Mr. HELMS, the Senator from Idaho (Mr. MCCLURE) and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. 1963, a bill to require congressional approval before gold can be sold from the national stockpiles.

SENATE JOINT RESOLUTION 87

At the request of Mr. STONE, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of Senate Joint Resolution 87, a joint resolution expressing the determination of the United States with respect to claims by U.S. nationals for property seized by the Castro regime.

SENATE JOINT RESOLUTION 115

At the request of Mr. RIEGLE, the Senators from Alaska (Mr. GRAVEL and Mr. STEVENS) were added as cosponsors of Senate Joint Resolution 115, relating to National Porcelain Art Month.

SENATE JOINT RESOLUTION 119

At the request of Mr. MATHIAS, the Senator from Maine (Mr. COHEN), the Senator from Alabama (Mr. HEFLIN), and the Senator from Massachusetts (Mr. TSONGAS) were added as cosponsors of Senate Joint Resolution 119, a joint resolution to authorize the Vietnam Veterans Memorial Fund, Inc., to construct a memorial in the District of Columbia in recognition of the men and women of the Armed Forces of the United States who served in the Vietnam war.

AMENDMENT NO. 589

At the request of Mr. BENTSEN, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of amendment No. 589 intended to be proposed to H.R. 3919, the Windfall Profit Tax Act.

AMENDMENT NO. 596

At the request of Mr. STONE, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of amendment No. 596 intended to be proposed to H.R. 3919, an act to impose a windfall profit tax on domestic crude oil.

AMENDMENT NO. 643

At the request of Mr. BENTSEN, the Senator from Connecticut (Mr. WEICKER) was added as a cosponsor of amendment No. 643 proposed to H.R. 3919, an act to impose a windfall profit tax on domestic crude oil.

AMENDMENTS SUBMITTED FOR PRINTING

NATIONAL NUCLEAR WASTE REGULATION AND CONTROL ACT OF 1979—S. 1521

AMENDMENT NO. 646

(Ordered to be printed and referred to the Committee on Environment and Public Works.)

Mr. HART submitted an amendment intended to be proposed by him to S. 1521, a bill to expand the licensing and related regulatory authority of the Nuclear Regulatory Commission over storage and disposal facilities for nuclear waste, to provide for meaningful State participation in the licensing of such facilities, and to establish a schedule for implementation of waste management planning.

Mr. HART. Mr. President, I am today submitting an amendment in the form of a substitute to S. 1521, a nuclear waste regulation bill that was introduced by Senator RANDOLPH, the distinguished chairman of the Committee on Environment and Public Works. This bill is now pending before the Committee's Subcommittee on Nuclear Regulation.

As chairman of the Nuclear Regulation Subcommittee, I am pleased to have this opportunity to work closely with Senator RANDOLPH on legislation that can go far toward dispelling an ominous cloud that hangs over the horizon of nuclear power—the problem of permanently disposing of nuclear wastes. My amendment takes the form of the Nuclear Waste Regulation and Control Act of 1979 and is similar in many respects to the Randolph bill. I am confident that this amendment can help to expedite consideration of several nuclear waste proposals that have been referred to the committee and are now pending before the subcommittee. I am also confident that the subcommittee and the full committee will act promptly to report a major, comprehensive nuclear waste bill to the Senate floor.

The text of my amendment and a section-by-section analysis appear at the conclusion of my remarks.

Mr. President, although the attention of the Nation is now focused on the immediate and long-term safety implications of the Three Mile Island nuclear accident, we are also confronted with the even longer term problem of safely and permanently disposing of wastes generated by nuclear powerplants and other atomic energy facilities. For 35 years, this country has pursued the development of nuclear energy for military and commercial uses. During that period, the Federal Government has generated over 75 million gallons of highly radioactive waste that it now stores in temporary tanks at several Federal facilites.

Over the past 20 years, the commercial nuclear industry has grown to the point that it now consists of 70 licensed nuclear reactors and supplies fully 13 percent of the electricity generated in this country. At the same time, however, it has generated 600,000 gallons of highly radioactive waste and 7,700 metric tons of spent fuel, the latter being stored in temporary "swimming pools" at reactor sites across the country. The amount of commercial spent fuel will double during the next 3 years. Yet, both the Federal Government and the nuclear industry have failed grieviously to develop a comprehensive plan for completely isolating and permanently disposing of nuclear waste.

It is scandalous that we have allowed these wastes to accumulate without knowing the certainty whether we can ever permanently dispose of them. No person would consider building a swimming pool without providing for proper drainage and disposal of the water—but the Federal Government and nuclear industry have done just that.

As chairman of the Environment and Public Works Subcommittee on Nuclear Regulation, I have been deeply troubled by the nuclear waste problem. The subcommittee has already held extensive hearings on nuclear waste legislation last year and this year and will hold its final hearings in November to consider the provisions of this amendment and of other nuclear waste proposals that have been referred to the Environment and Public Works Committee, including those introduced by the distinguished Senator from West Virginia, Senator RANDOLPH, chairman of our committee and a member of the subcommittee; by another esteemed subcommittee member, Senator DOMENICI; by the distinguished Senator from Massachusetts, and by myself on request from the administration.

The problem of permanently disposing of nuclear waste so that it poses no significant hazard to the public health and safety or to the environment does not appear to be unsolvable. A suitable technology for disposing of nuclear waste may even exist today, although the Nuclear Regulatory Commission has not yet tested any proposed technologies against a standard that protects the public health and safety and the environment. We must, however, implement soon a comprehensive plan that applies the safest, most reliable technology available and that addresses the many nontechnological problems that will necessarily accompany attempts to dispose of nuclear waste.

Mr. President, the amendment I offer provides the means to accomplish such a plan:

It broadens and refines the current regulatory authority of the Nuclear Regulatory Commission.

It gives NRC a "consultation and concurrence" role in upgrading existing waste facilities of the Department of Energy to comply with new safety standards, and in regulating new facilities for the exclusive short-term storage of military nuclear waste; also, it extends NRC licensing authority over new Federal R. & D. waste facilities.

It requires the Nuclear Regulatory Commission to begin reducing the Nation's reliance on nuclear power if no safe technology for permanently disposing of nuclear waste exists by January 1, 1985.

It provides for meaningful State participation in the decisions leading to construction and operation of a waste disposal facility, but permits a Federal override of State objections to a facility in order to protect a compelling national interest in disposing of nuclear wastes.

And, finally, it bars the Nuclear Regulatory Commission from licensing an away-from-reactor facility for temporary storage of spent fuel until a licensed permanent disposal facility has begun operating.

Mr. President, I now would like to describe in greater detail several important provisions in my amendment:

It requires the Nuclear Regulatory Commission to report to Congress, by January 1, 1985, as to whether a technology exists that permits permanent disposal of nuclear wastes without presenting a significant hazard to the public health and safety or the environment. If the Commission determines that such a technology does not exist, it must immediately suspend the issuance of construction permits and new operating licenses for nuclear powerplants. For each succeeding year that such a technology has not been developed, the Commission must order a 10-percent reduction in the maximum output of nuclear powerplants across the country.

This provision serves two functions: First, it serves as an action-forcing mechanism aimed at getting the Federal Government to develop a safe technology for waste disposal within a reasonable period; second, it acknowledges that we cannot continue to generate nuclear wastes at the current rate without knowing whether or when we can permanently dispose of them.

The amendment also gives the Commission licensing authority over all new disposal and storage facilities, except those for the short-term storage of military wastes.

The Commission would have a consultation and concurrence role in plans for short-term storage of military wastes and for upgrading existing Department of Energy facilities so that they comply with improved health, safety, and environmental standards. Whenever the Commission does not concur in a plan submitted by the Secretary of Energy, the Congress would have ultimate authority to approve, disapprove, or modify the plan, and to appropriate funds needed to implement an approved plan.

This provision assumes that all nuclear waste, whether generated by commercial, military, or research and development activities, poses a serious hazard to the public health and safety and to the environment. It provides the Nuclear Regulatory Commission with the needed authority to regulate the storage and disposal of these wastes. At the same time, however, the provision balances the need for effective regulation and management of nuclear waste with the national security interest by incorporating the consultation and concurrence mechanism for short-term storage of military wastes and for existing Department of Energy facilities.

The amendment also insures extensive State participation in decisions by the Federal Government to site, design, construct, and operate a permanent disposal facility. It requires the Secretary of Energy to notify the Governor and legislature of any State in which the Secretary intends to explore a site to determine its suitability for a disposal facility. In addition, it permits a State to approve or disapprove of the Commission's issuance of a construction permit or operating license for a disposal facility. A State's disapproval will automatically suspend the effectiveness of a construction permit or operating license. The President may, however, override the State's disapproval if he determines that the facility would not present a significant hazard to the public health and safety or to the environment and that not building the proposed facility would significantly impair the Nation's energy interest. Congress then has the right, by concurrent resolution, to approve, disapprove or amend the President's order overriding the State's disapproval.

This provision guaranteed each State an effective voice in decisions about a nuclear waste disposal facility that affect its interest. At the same time, it gives appropriate weight to the overriding national interest that must necessarily guide a nuclear waste management plan. Further, it relieves the pressure on a single State by permitting the President to compare alternative sites in two or more States before deciding whether to override any one State's disapproval.

Finally, the amendment prohibits the Nuclear Regulatory Commission from licensing an away-from-reactor facility for temporary storage of spent fuel until a licensed permanent disposal facility has begun operating. Reprocessing rather than permanent disposal of commercial spent fuel would produce plutonium suitable for use in atomic weapons. Recognizing the commercial production of plutonium as a threat to the national security, the President has ordered an indefinite moratorium on the Government's program to reprocess commercial spent fuel. This provision, by delaying away-from-reactor storage of spent fuel until a licensed disposal facility is in operation, further reinforces the President's decision not to proceed with the reprocessing program.

In addition to clearly defining the role of the Nuclear Regulatory Commission in a national nuclear waste plan, this amendment offers a comprehensive approach to solving the nuclear waste problem. This problem remains a formidable obstacle to future use of nuclear power. The amendment effectively protects the public health and safety and the environment in seeking a solution to the problem while balancing the need for prompt action with the need to prevent the adoption of ill-considered technology.

Mr. President, for years the American people and the Congress have been lulled into complacency by promises of nuclear experts—in and out of Government—that they will have developed and deployed a technology for permanently disposing of nuclear waste by the time we need it. We need it now.

Undisposed of nuclear wastes represent a potentially serious hazard to the public health and safety and to the environment. Many wastes contain highly radioactive isotopes, such as strontium 90 and plutonium 239. Possessing extremely long half-lives, they will retain their high toxicity for as long as 100,000 years. In addition, microscopic quantities of these isotopes can cause cancer and visit horrible genetic mutations on unborn generations. By promoting the development of nuclear power we have been mortgaging our future to obtain additional electricity today.

It is time to pay off the mortgage. We cannot plan to store nuclear waste indefinitely. Temporary storage of military nuclear waste has already proved extremely unsatisfactory. Over a half-million gallons of these highly radioactive liquid wastes have leaked from the steel temporary storage tanks at the Federal Reservation in Hanford, Wash. Similar leaks have occurred from the temporary storage facilities at Savannah River, Ga. Commercially generated nuclear waste has multiplied so rapidly that utilities have begun to run out of space in which to temporarily store it. By the mid-1980's private utilities will have filled to capacity the temporary storage pools at 16 nuclear powerplants. These plants will literally choke on the waste they have generated unless additional storage space is built onsite. The necessary licensing steps to provide such space should start promptly while longer term steps to provide permanent offsite disposal are taken, as spelled out in my amendment.

Mr. President, in the past few years, the Federal Government has come to recognize the serious obstacle to continued use of nuclear power posed by lack of a permanent waste disposal program. Reports by DOE, NRC, GAO, and the President's Interagency Review Group have documented the problem and recommended solutions. A 10-volume cumulative bibliography of reports related to waste management contains references to 11,308 publications. Even with all this scholarship lining the shelves, the Federal Government has grappled with the nuclear waste problem in a piecemeal, haphazard fashion. It has narrowly focused on isolated details in the development of a technology, while ignoring the overall picture, including the institutional roles of key Federal agencies and the degree of State participation in development of a plan for nuclear waste management.

My amendment seeks to overcome these problems, and I would urge its serious consideration and swift adoption.

Mr. President, I ask unanimous consent that the section-by-section analysis and the text of the amendment be printed in the RECORD at this point.

There being no objection, the amendment and analysis were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 646

Strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. The Act may be cited as the "National Nuclear Waste Regulation and Control Act of 1979."

SEC. 2. (a) Section 202 of the Energy Reorganization Act of 1974 is amended by designating the existing Section 202 as "Section 202(a)" and adding as follows:

"SEC. 202. (b) Notwithstanding the exclusions provided in Section 110 a. or in any other provisions of the Atomic Energy Act of 1954, as amended, the Nuclear Regulatory Commission (hereinafter referred to as the "Commission") shall, except as otherwise specifically provided by section 110 b. of such Act, have licensing and related regulatory authority pursuant to chapters 6, 7, 8, and 10 of such Act as to facilities of the Department of Energy not in use or under construction on the date of enactment of this section for the storage or disposal of low or high level radioactive waste, including irradiated nuclear reactor fuel, non-high-level transuranium contaminated waste, radioactive gas, and decommissioned facilities, and including such materials generated by activities in foreign countries or by activities which are part of research and development of defense programs: *Provided however*, That such facilities which are designed and intended for the exclusive short-term storage of such materials generated by activities which are part of defense programs shall be subject to subsection (f) of this section only.

"(c) Prior to license issuance under the preceding subsection, the Commission shall determine that the facility—

(1) presents no significant hazard to public health and safety or the environment during the toxic life of the waste to be stored or disposed therein; and

(2) incorporates the best combination of available technology and medium for the isolation and containment of such waste.

"(d) For each facility, or portion thereof, of a type described in subsection (a) of this section which is in use or under construction on the date of enactment of this subsection, the Secretary of Energy shall file with the Commission within nine months of such date a report setting forth in detail—

(1) data on public health, safety, and environmental impacts of past storage or disposal, including, but not limited to, evidence of waste migration, instances of failure of containment, contamination of surface or ground waters, and corrective measures employed;

(2) each long-term or irreversible disposal commitment, including, but not limited to, soil contamination, shallow land burial and entombment of contaminated equipment or facilities; and

(3) a plan for remedial measures to assure the facility presents no significant hazard to the public health and safety or the environment, including a schedule for implementation with specific attainment dates.

"(e) Within one year of the submission of each report required by the preceding subsection, the Commission, in consultation with the Secretary of Energy, shall order—

(1) such modifications to the remedial plan contained in such report as are necessary to assure the facility presents no significant hazard to the public health and safety or the environment; or

(2) that it would be impracticable to employ remedial measures to assure the facility presents no significant hazard to the public health and safety or the environment, and such conditions and requirements as are necessary to minimize risk to public health and safety or the environment while facility operations are terminated and the facility is decontaminated and decommissioned.

In the event the Secretary of Energy does not concur in the Commission order within 90 days of such order, the Commission and the Secretary shall submit all documents relevant thereto, including an itemized estimate of cost, to the Committee on Interstate and Foreign Commerce and the Committee on Interior and Insular Affairs of the House of Representatives and to the Committee on Environment and Public Works of the Senate. The Congress may approve, disapprove, or amend such order by concurrent resolution within 90 days of continuous session following the submission thereof. Should the Congress fail to act within such period, such recommendation shall be immediately effective at the expiration thereof.

"(f) For each facility of a type described in subsection (a) of this section that is designed and intended for the exclusive short-term storage of waste generated by activities that are part of defense programs, the Secretary of Energy shall file with the Commission within nine months of enactment of this section a plan setting forth in detail specifications and methods for facility construction and operation, including, but not limited to, data on design, function, capacity, and location. Within one year of the submission of each such plan, the Commission, in consultation with the Secretary of Energy, shall order such modifications thereto, if any, as are necessary to assure the facility presents no significant hazard to the public health and safety or the environment. In the event the Secretary does not concur in such modifications within 90 days of such order the Commission and the Secretary shall submit all documents relevant to the facility plan and the modifications thereto, including an estimate of cost, for each such modification, to the Committee on Interstate and Foreign Commerce and the Committee on Interior and Insular Affairs of the House of Representatives and to the Committee on Environment and Public Works of the Senate. The Congress may approve, disapprove, or amend the facility plan as modified by order of the Commission by concurrent resolution within 90 days of continuous session. Should the Congress fail to act within such period, such order shall be immediately effective at the expiration thereof.

"(g) The Secretary of Energy shall submit to Congress a request for a specific authorization to implement—

(1) a Commission order under subsection (e) of this section, or

(2) a Commission modification to a facility plan under subsection (f) of this section,

as soon as practicable following either concurrence therein by the Secretary, or approval or amendment thereof by the Congress.

(b) The Nuclear Regulatory Commission shall by rule promulgate regulations to implement the procedures established by sections 202(d), (e) and (f) of the Energy Reorganization Act of 1974, as amended by this section, within six months of the date of enactment of this section. Such regulations shall at a minimum provide for:

(1) continuing Commission access to each facility before and after (i) implementation of the plans as modified, required by such subsections, or (ii) decommission and decontamination of such facility;

(2) continuing Commission access to data deemed necessary by the Commission; and

(3) such measures as are necessary to prevent disclosures inimical to the common defense and security.

After the reinspection provided for in this subsection, the Commission shall report to Congress within 90 days on the extent to which the Secretary of Energy has complied with the plan, as modified. Any person may bring a proceeding in the United States District Court for the District of Columbia to require the Nuclear Regulatory Commission to promulgate the rule required by this subsection if the Commission has not promulgated such rule by the date specified herein.

ALTERNATIVE SITE APPLICATIONS

SEC. 3. In addition to any requirement imposed by the National Environmental Policy Act of 1969, as amended, the Nuclear Regulatory Commission shall require each construction permit application submitted under section 202(a) of the Energy Reorganization Act of 1974, as amended, to identify and analyze acceptable alternative facility sites embodying not less than three geologic media and to identify and analyze not less than three acceptable alternative forms of preparation for the waste to be stored or disposed in the subject facility.

STANDARDS AND REGULATIONS

SEC. 4. (a) As soon as practicable, but not later than January 1, 1981, the Administrator of the Environmental Protection Agency shall, by rule, promulgate standards of general application for the protection of the public health, safety, or the environment from radiological and nonradiological hazards associated with permanent repository disposal of high level radioactive waste. Any person may bring a proceeding in the United States District Court for the District of Columbia to require the Administrator to promulgate the rule required by this subsection if the Administrator has not promulgated such rule by the date specified herein. The Administrator may periodically revise any standard promulgated pursuant to this subsection. Within three years after revision of any such standard, the Commission shall apply such revised standard in the case of any license for a facility for the disposal of high level radioactive waste, or any revision or renewal of such a license.

(b) As soon as practicable, but not later than January 1, 1982, the Nuclear Regulatory Commission shall, by rule, promulgate standards and requirements to evalaute the alternatives identified pursuant to Section (3) that will protect the public health, safety, or the environment from radiological and nonradiological hazards associated with permanent repository disposal of high level radioactive waste. Any person may bring a proceeding in the United States District Court for the District of Columbia to require the Commission to promulgate the rule required by this subsection if the Commission has not promulgated such rule by the date specified herein. Such standards and requirements shall conform with applicable general standards promulgated by the Administrator of the Environmental Protection Agency under the preceding subsection. In carrying out the authority provided by this subsection, the Commission is authorized to make such studies and inspections and to conduct such monitoring as may be necessary.

(c) As soon as practicable, but not later than January 1, 1984, the Secretary of Energy shall submit to the Commission applications for construction permits for a permanent repository in each of two or more states. In deciding for which sites to seek construction permits, the Secretary shall give preferred consideration to sites located within the boundaries of Federal lands containing a nuclear waste storage area in existence prior to enactment of this Act. If the Secretary fails to submit such an application by the date specified in this subsection, the Commission shall immediately suspend issuance of construction permits and operating licenses for utilization facilities licensed under Section 103 or 104 b. of the Atomic Energy Act of 1954, as amended.

(d) As soon as practicable, but not later than January 1, 1992, the Commission shall act on the application required by the preceding subsection.

COMMISSION WASTE LICENSING ASSESSMENT

SEC. 5. (a) The Nuclear Regulatory Commission is authorized and directed to investigate and determine—

(1) whether a technology exists for the preparation of high level radioactive waste, non-high level transuranium contaminated waste, and irradiated nuclear reactor fuel, and for an appropriate medium, which would permit the licensing of a facility for the ultimate disposal of such wastes without presenting a significant hazard to public health and safety or the environment during the toxic life thereof, and

(2) What issues, if any, remain to be resolved before an affirmative determination may be made pursuant to the preceding paragraph.

(b) To make the determinations required by subsection (a) of this section, the Nuclear Regulatory Commission shall conduct a public proceeding in accordance with section 553 of the Administrative Procedure Act, as amended. The Environmental Protection Agency, the Department of Energy, the United States Geological Survey, and the National Academy of Sciences shall be parties to such proceeding, and any other person whose interest might be affected shall be permitted to intervene. The Nuclear Regulatory Commission shall report findings and determinations to the Congress and the President on or before January 1, 1985.

(c) If the report required by the preceding subsection contains a negative determination on the question presented by subsection (a)(1) of this section, the Nuclear Regulatory Commission shall—

(1) report to the Congress and the President thereon every year after the initial reporting date, and

(2) suspend issuance of construction permits and operating licenses for utilization facilities licensed under section 103 or 104 b of the Atomic Energy Act of 1954, as amended, and approval of construction thereon pending construction permit issuance, as of January 1, 1985 until such time as the Nuclear Regulatory Commission shall report to the Congress and the President an affirmative determination pursuant to subsection (a)(1) of this section.

COMMISSION ORDERS REGARDING WASTE GENERATION

Sec. 6. The Nuclear Regulatory Commission shall order the reduction of the maximum allowed capacity of each utilization facility licensed under section 103 or 104 b. of the Atomic Energy Act of 1954, as amended, by 10 per centum for each year that—

(1) the date specified in section 5(b) is exceeded without an affirmative determination having been made thereunder, or

(2) the date specified for Commission action in section 4(d) is exceeded without a construction permit for a permanent repository for high level radioactive waste having taken effect:

Provided however, That in any case where the Commission determines that application of the sanction provided herein to a particular facility will result in an impact substantially inimical to the public health and safety, the Commission shall exempt that facility from the order implementing such sanction. In any case where such an exemption is determined to be necessary the Commission shall review the need therefor on a quarterly basis.

STATE PARTICIPATION

SEC. 7. (a) Prior to commencing site exploration, the Secretary of Energy shall notify the Governor and State legislature of an intent to explore a site in such State for a facility for the storage or disposal of low or high level radioactive waste, non-high level transuranium contaminated waste, or irradiated nuclear reactor fuel. The Secretary shall make available to the designated State representative on a continuing basis all data relevant to the planning, siting, development, construction, and operation of the proposed facility.

(b) The Nuclear Regulatory Commission shall afford the designated State representative an opportunity for full participation at every stage of the proceedings for issuance of a construction permit and operating license for a facility of the type described in the preceding subsection. Any construction permit or operating license issued for such a facility shall be without force and effect for a period not to exceed 90 days after the date of issuance. The State may approve or disapprove such construction permit or operating license within such period by action of the Governor or by whatever procedure the State legislature has prescribed. In the event of an approval, such construction permit or operating license shall become immediately effective.

In the event of a disapproval, such construction permit or operating license shall be suspended. Such suspension shall not take effect until the Governnor of the disapproving State submits to the Commission a formal statement of disapproval that states in detail the objections to construction or operation of such facility. In the event the State fails to take either action within the 90 days prescribed, such construction permit or operating license shall take effect on the expiration thereof.

(c) Within 60 days of the filing of a State's disapproval of construction or operation of a facility for the storage or disposal of any of the wastes enumerated in subsection (a) of this section, the President may make a determination that the state's disapproval should be rejected and the construction permit or the operating license should be reinstated upon a finding that—

(1) the proposed facility presents no significant hazard to public health and safety or the environment, and

(2) not building the proposed facility would significantly impair the Nation's energy interest.

The President's determination shall be promptly transmitted to Congress, together with documentation in support of the findings required by paragraphs (1) and (2) of this subsection, and referred to the Committee on Interstate and Foreign Commerce and the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Environment and Public Works of the Senate. In the event the Congress fails to disapprove or amend such a determination by concurrent resolution within 90 days of continuous session, the suspension of the construction permit or the operating license provided by the preceding subsection shall be immediately terminated at the expiration thereof.

LICENSING OF AWAY-FROM-REACTOR STORAGE

SEC. 8. The Nuclear Regulatory Commission shall not license any facility of the Department of Energy for the temporary away-from-reactor storage of commercially generated nuclear reactor fuel under section 202(a) of the Energy Reorganization Act of 1974, as amended:

(1) until such time as a facility for the permanent disposal of such waste licensed by the Commission is in operation; or

(2) for the purpose of facilitating the reprocessing of such waste.

SECTION-BY-SECTION ANALYSIS OF THE AMENDMENT—NATIONAL NUCLEAR WASTE REGULATION AND CONTROL ACT OF 1979

SUMMARY

The amendment generally broadens and refines the Nuclear Regulatory Commission's regulatory authority over new and existing Department of Energy facilities for the storage and disposal of all nuclear wastes.

Section 2(a) Nuclear Regulation Commission Licensing and Related Regulatory Authority

This subsection gives the Nuclear Regulatory Commission ("Commission") the authority to license new Department of Energy ("DOE") nuclear waste facilities except for those used exclusively for the short-term storage of military wastes. It sets a stringent substantive standard that protects the environment as well as the public, against which the Commission must test a proposed facility. Accordingly, the Commission shall not issue a license unless it determines that the facility presents no significant hazard to the public health and safety or to the environment during the toxic life of the waste. This standard recognizes the need to adopt only those technologies that permanently isolate from the biosphere highly toxic nuclear wastes possessing half-lives as long as 24,000 years.

This subsection does not extend the NRC licensing authority over facilities for the exclusive short-term storage of military nuclear wastes. Instead, it acknowledges the compelling national security interest that attaches to military waste and DOE's unique competence in planning the implementing the storage and disposal of this waste.

At the same time, however, it recognizes that all nuclear waste, no matter whether generated by military or commercial activities, presents a significant potential hazard to the public and the environment. The Commission has the particular expertise to review and regulate storage and disposal methods to minimize that risk. Consequently, this subsection sets up a "consultation and concurrence" role for the Commission in connection with plans for the short-term storage of military wastes. It permits DOE to develop a plan for a facility, but then gives the Commission the authority to approve, or to order modifications to, the plan.

If the Secretary of DOE does not "concur" in the Commission order, Congress may exercise its ultimate authority to approve, disapprove, or amend the plan. Thus, the mechanism established in this section does not give the Commission the final authority to approve or disapprove a DOE plan that licensing authority would provide. Instead, it confers such final authority on Congress, which can more properly balance the national security interest against the need to protect public health and safety and the environment.

This subsection establishes a similar "consultation and concurrence" mechanism for upgrading exixsting DOE storage facilities. It requires DOE to submit to the Commission a plan for remedial measures to bring eixsting storage facilities up to standards that protect the public health and safety and the environment, with a schedule for implementing that plan. The Commission must either order any modifications necessary to protect the public health and safety or determine that no practicable remedial measures could bring the facility into compliance with the standard and promulgate requirements to minimize the risk to the public health and safety during decontamination and decommissioning. Once again, the Congress would play an arbiter's role by balancing the costs of decontaminating and decommissioning existing DOE facilities against the need to protect the public health and safety and the environment.

The section also requires the Secretary of Energy to request authorization with itemized estimates, for both remedial plans for existing facilities and modified plans for new facilities intended exclusively to storage and disposal of military nuclear waste.

Thus, it provides Congress the necessary data for performing a cost/benefit analysis that considers both the substantive health and safety standards and the cost of the plan.

Section 2 (b)

This subsection requires the Commission to promulgate regulations that will provide for continued Commission access to facilities, pursuant to the "consultation and concurrence" mechanism. Consequently, it enhances NRC's ability effectively to ensure protection of the public health and safety and the environment by enabling it not only to inspect facilities prior to ordering proper remedial plans but also to conduct followup inspections. This reinspection will permit the Commission to submit accurate reports to Congress on the extent to which DOE has complied with the recommended plan or on the steps DOE must take to safely decommission and decontaminate noncomplying facilities.

At the same time, however, this subsection addresses the need to protect the Nation's national security interest by requiring the Commission to promugate regulations that will prevent disclosures inimical to the common defense and security

Section 3

This section requires DOE or any other applicant for a construction permit, as part of its application, to identify and analyze alternative sites involving not less than three geological media and alternative waste forms for storage or disposal It seeks to broaden the range of choices from which the Commission may choose or draw useful comparisons and to discourage narrowly-focused research and development on only one geologic media, such as salt, or on one waste form, such as glass.

Section 4

This section requires the Environmental Protection Agency (EPA), by January 1, 1981, and the Commission, by January 1, 1982, to promulgate regulations that will protect the public health and safety and the environment from radiological and nonradiological hazards presented by the permanent disposal of nuclear waste. These standards would be used by DOE, or any other applicant, in developing plans to build a permanent waste disposal facility, and by the Commission in developing regulations for reviewing such plans for licensing purposes.

This section also requires the Secretary of Energy, by January 1, 1984, to submit to the Commission an application for a permit to construct a permanent repository. It gives the Secretary two years after the promulgation of the Commission regulations and three years after the promulgation of EPA's standards to develop his proposal.

In addition, the section requires the Secretary, in preparing a proposal for constructing a permanent repository, to give special consideration to locating a repository on Federal lands with existing nuclear waste storage facilities. If the DOE application meets EPA and Commission standards, construction of a permanent repository facility on these sites would likely minimize any public opposition since there are already nearby storage facilities for nuclear wastes, and would obviate the need to ship nuclear wastes long distances from these temporary storage facilities to a repository.

This section requires the Secretary to obtain a permit to construct a permanent waste disposal facility by January 1, 1992, a deadline that triggers a 10 percent annual de-rating of existing nuclear power plants, as provided in Section 6.

Section 5

This section requires the Commission, by January 1, 1985, to report to Congress on an investigation and determination as to whether a technology exists for the permanent disposal of nuclear wastes that meets the licensing standard for protecting the public health and safety and the environment. It contemplates that the Commission will engage in research independent of DOE's research and development efforts and will avoid duplication by monitoring and "double-tracking" DOE's efforts.

If as a result of its independent assessment, the Commission reports to Congress that a technology satisfying the substantive health and safety standard does not yet exist, it must immediately suspend issuance of construction permits and new operating licenses, and make annual followup reports to Congress. The section reflects the policy that the Nation should not increase its reliance on nuclear power as an energy source until it knows with certainty that it can safely and efficiently dispose of nuclear waste.

Section 6

This section requires a reduction in the maximum generating capacity of all nuclear power plants by 10 percent for each year after January 1, 1985, that the Commission reports that a satisfactory licensable technology does not exist for permanently disposing of nuclear waste. It also requires that for each year after January 1, 1992, that the Commission does not issue a permit to construct a permanent disposal facility. Two parallel policies underlie this provision:

a. that the Nation must begin to reduce its waste-generating nuclear activities for so long as it does not know with certainty that it can permanently and safely dispose of the waste it generates, and

b. that a gradual reduction in waste-generating nuclear activities will allow time to adjust gradually to a phasing out of nuclear power and will create an incentive for the Government and the nuclear industry to expand their efforts in developing a technology for permanently disposing of nuclear wastes that meets the substantive health and safety standards, and thereby permits continued use of nuclear power.

The provision also recognizes, however, that a uniform reduction in output from nuclear power plants might have disproportionate impacts on those regions which depend more heavily on nuclear energy. Therefore, it permits the Commission to exempt those facilities whose de-rating will result in an impact substantially inimical to the public health and safety, subject to quarterly re-review by the Commission of such a decision.

Section 7

This section ensures extensive state participation in decisions on siting, designing, constructing, and operating a storage or disposal facility. It requires the Secretary of Energy to notify a State of his intent to explore a site within its boundaries to determine its suitability for a storage or disposal facility. No matter what institutional structure a state establishes for independently reviewing Federal decisions about a storage or disposal facility, the Secretary of Energy must make available all relevant data.

This section also establishes a "consultation and concurrence" mechanism that allows the state to disapprove a construction permit or operating license issued by the Commission. To disapprove, a Governor must file with the Commission a formal, detailed statement of objections that automatically suspends the construction permit or operating license for 90 days. The President may then reject the disapproval and reinstate the construction permit or operating license if he determines both that the facility meets the substantive health and safety standard and that not building the facility would significantly impair the Nation's energy interest. Congress is given the authority to review the President's determination and to disapprove or to modify the President's order within 90 days of continuous session. If the Congress fails to act within that period, then the President's order becomes immediately effective.

This provision seeks to balance the state's interest in protecting the health and safety of its citizens, as well as its environment, against the national interest in developing a comprehensive nuclear waste management plan that uses the best possible sites and technology for permanently disposing of nuclear waste. The provision implicitly recognizes that even those states which do not directly use nuclear energy benefit indirectly whenever nuclear energy "frees up" the other energy sources they do use. Therefore, disposal of nuclear waste is a national problem that ultimately demands a national solution.

Section 8

This section prohibits the Commission from licensing any away-from reactor temporary storage facility until a permanent waste disposal facility has gone into operation. It also specifically bars such a facility for the purpose of facilitating the reprocessing of waste.

This provision seeks to encourage the expansion of existing on-site pools for storage of accumulating commercial spent fuel and to discourage the construction of new away-from reactor facilities. As commercial nuclear power plants continue to generate spent fuel, utilities can plan to store that fuel temporarily even for the full life of the plant, assuming they can expand capacity accordingly.

The provision has as an underlying policy the Administration's indefinite moratorium on reprocessing of commercial spent fuel. Reprocessing produces plutonium that could be used to build nuclear weapons. Consequently, the President has determined that continuation of the reprocessing program could pose a serious threat to the national security. By delaying away-from-reactor storage of spent fuel until a licensed facility has begun operating, this provision further reinforces the President's decision not to proceed with the reprocessing program.

RIVER OF NO RETURN WILDERNESS—S. 2009

AMENDMENTS NOS. 647 AND 648

(Ordered to be printed and to lie on the table.)

Mr. McCLURE submitted two amendments intended to be proposed by him to S. 2009, a bill to designate certain public lands in central Idaho as the River of No Return Wilderness.

WINDFALL PROFIT TAX—H.R. 3919

AMENDMENTS NOS. 649 AND 650

(Ordered to be printed and to lie on the table.)

Mr. MOYNIHAN (for himself, Mr. Bradley, Mr. Nelson, Mr. Ribicoff, Mr. Stone, Mr. Tsongas, and Mr. Weicker) submitted two amendments intended to be proposed by them, jointly, to H.R. 3919, an act to impose a windfall profit tax on domestic crude oil.

AMENDMENTS NOS. 651 AND 652

(Ordered to be printed and to lie on the table.)

Mr. BENTSEN submitted two amendments intended to be proposed by him to H.R. 3919, supra.

AMENDMENT NO. 653

(Ordered to be printed and to lie on the table.)

Mr. HEINZ (for himself, Mr. ROBERT C. BYRD, Mr. FORD, Mr. GLENN, Mr. RANDOLPH, Mr. HUDDLESTON, Mr. BAYH, Mr. SCHWEIKER, Mr. EAGLETON, Mr. BENTSEN, Mr. WARNER, and Mr. STEWART) submitted an amendment intended to be proposed by them, jointly, to H.R. 3919, supra.

AMENDMENTS NOS. 654 THROUGH 658

(Ordered to be printed and to lie on the table.)

Mr. NELSON submitted five amendments intended to be proposed by him to H.R. 3919, supra.

AMENDMENTS NOS. 659 THROUGH 667

(Ordered to be printed and to lie on the table.)

Mr. NELSON (for himself, Mr. WEICKER, Mr. LEAHY, Mr. MCGOVERN, and Mr. TSONGAS) submitted nine amendments intended to be proposed by them, jointly, to H.R. 3919, supra.

AMENDMENTS NOS. 668 AND 669

(Ordered to be printed and to lie on the table.)

Mr. MCGOVERN (for himself, Mr. CULVER, Mr. DURKIN, Mr. MELCHER, Mr. MAGNUSON, Mr. BAYH, Mr. BAUCUS, and Mr. HEINZ) submitted two amendments intended to be proposed by them, jointly, to H.R. 3919, supra.

IMPROVING THE NATION'S RAILWAYS

● Mr. MCGOVERN. Mr. President, today I am pleased to submit an amendment to the windfall profit tax for myself and Senators CULVER, DURKIN, MELCHER, MAGNUSON, BAYH, BAUCUS, and HEINZ.

This amendment would earmark $10 billion of the revenues raised by the windfall profit tax for essential improvements in our Nation's most energy efficient means of transportation, our railroad system.

Mr. President, I ask unanimous consent that both versions of the amendment I have drafted be printed in the RECORD.

There being no objection, the amendments are ordered to be printed in the RECORD, as follows:

AMENDMENT No. 668

On page 37, insert the following on line 13, adding a new section:

RESERVATION OF WINDFALL PROFITS TAX FOR CERTAIN USES

SEC. 5. (a) The Secretary of the Treasury shall reserve, $10,000,000,000 of the .receipts of the tax imposed by section 4986 of the Internal Revenue Code of 1954, until September 30, 1980, or until Congress authorizes and appropriates such funds for improvements in the Nation's freight and passenger railroad systems whichever is later, as follows:

(1) not less than $6,000,000,000 shall be allocated to and administered by the Secretary of Transportation for freight railroad rehabilitation, improvements and acquisition financing. The Secretary's determination of project eligibility shall be based upon the public interest as well as projects which may contribute to more energy efficient freight transportation and improved transportation of domestic energy resources.

(2) not less than $600,000,000 shall be allocated and administered under the provisions of section 5 of the Department of Transportation Act with regard to State rail freight assistance programs; and

(3) not less than $3,400,000,000 shall be allocated to and administered by the Railroad Passenger Corporation for passenger rail rehabilitation, operating assistance and improvements financing.

(b) The Rail Passenger Corporation shall provide financing for projects which are in the public interest and projects which contribute to more energy efficient passenger transportation, other than the Northeast Corridor Improvements Program for which separate authorizations have been enacted under law.

AMENDMENT No. 669

On page 91, insert the following between lines 16 and 17:

RESERVATION OF WINDFALL PROFITS TAX FOR CERTAIN USES

SEC. 102A. (a) The Secretary of the Treasury shall reserve, $10,000,000,000 of the receipts of the tax imposed by section 4986 of the Internal Revenue Code of 1954, until September 30, 1980, or until Congress authorizes and appropriates such funds for improvements in the Nation's freight and passenger railroad systems whichever is later as follows:

(1) not less than $6,000,000,000 shall be allocated to and administered by the Secretary of Transportation for freight railroad rehabilitation, improvements and acquisition financing. The Secretary's determination of project eligibility shall be based upon the public interest as well as projects which may contribute to more energy efficient freight transportation and improved transportation of domestic energy resources.

(2) not less than $600,000,000 shall be allocated and administered under the provisions of section 5 of the Department of Transportation Act with regard to State rail freight assistance programs; and

(3) not less than $3,400,000,000 shall be allocated to and administered by the Railroad Passenger Corporation for passenger rail rehabilitation, operating assistance and improvements financing.

(b) The Rail Passenger Corporation shall provide financing for projects which are in the public interest and projects which contribute to more energy efficient passenger transportation, other than the Northeast Corridor Improvements Program for which separate authorizations have been enacted under law.●

AMENDMENT NO. 670

(Ordered to be printed and to lie on the table.)

Mr. EAGLETON submitted an amendment intended to be proposed by him to amendment No. 589 proposed to H.R. 3919, supra.

AMENDMENT NO. 671

(Ordered to be printed and to lie on the table.)

Mr. DURENBERGER submitted an amendment intended to be proposed by him to H.R. 3919, supra.

● Mr. DURENBERGER. Mr. President, last year Congress added a new provision to the Internal Revenue Code allowing a tax credit for certain qualified residential energy conservation expenditures. This provision of the law was enacted by Congress as a part of the Energy Tax Act of 1978 in order "to provide homeowners and tenants with an incentive to conserve energy by immediate installations of insulation and other energy-conserving components."

The IRS has recently proposed regulations which cast doubt upon the immediate availability of the residential energy tax credit for a highly cost-effective type of insulation, reflective polyester film applied to existing window and door glazing. However, the IRS would allow the tax credit for the identical reflective type film when it is sandwiched between two pieces of glass as a part of a new window. When the Congress enacted the residential energy tax credit it did not anticipate this anomaly in the interpretation of the law. We owe it to American consumers to clarify this matter before another winter season passes. Therefore, I hope this statement will make it clear that reflective polyester film applied to window and door glazing qualifies for the residential energy tax credit.

Reflective polyester film provides substantial winter and summer energy savings when applied to the inside surface of window and door glazing. Reflective window insulation film can reduce the wintertime radiant heat loss through single pane glass windows by as much as 28 to 44 percent. The reduction in summertime solar heat gain through the same window is about 75 percent. These energy savings are confirmed in studies conducted by Matrix, Inc., an independent testing laboratory in Mesa, Ariz.

Mr. President, I recognize that the IRS's omission of reflective type polyester film may have resulted from misconstruing language contained in the Senate Finance Committee's report on the Energy Tax Act of 1978, which directed the Secretary of the Treasury in promulgating regulations to consider whether "polyester film," along with certain other items, should be considered an item which increases the energy efficiency of a dwelling. Congress did not intend by the use of the term "polyester film" to preclude homeowners from obtaining the tax credit for installing reflective polyester window insulation film with exceptional heat-absorbing or heat-reflective properties, since the credit is specifically allowed for such materials as a part of a storm or thermal window or door.

Indeed, the Senate Finance Committee report on the Energy Tax Act of 1978 states that a qualifying storm or thermal window or door is also "to include heat-absorbing or heat-reflective window and door materials."

Under present law, insulation is defined as any item specifically and primarily designed to reduce the heat loss or gain of a dwelling. Reflective polyester films having exceptional heat-absorbing or heat-reflective properties are specifically and primarily designed to prevent radiant heat from escaping through the window in the wintertime and to prevent solar heat from entering through the window in the summer. Such reflective films applied to an existing window or door constitute a type of insulation eligible for the residential energy tax credit. This is consistent with allowing the tax credit for heat-absorbing or heat-reflective glazed windows and other heat-absorbing or heat-reflective window and door materials, as qualifying "storm or thermal doors or windows."

In addition, the use of reflective film is a highly cost-effective means of energy conservation. Reflective film can be applied to an existing single pane window at about one-tenth the cost of a new thermal glass replacement window. Reflective film can even be purchased at the hardware store in kit and applied by cost-conscious consumers on their own at a cost of about $1 per square foot. Yet, the Internal Revenue Service has failed to recognize that the recently enacted energy tax credits are available for reflective films.

I trust that my remarks today will make it clear to the IRS that "reflective polyester film applied to window or door glazing" qualifies for the residential energy tax credit.

Mr. President, I ask unanimous consent that a table of estimated energy savings through the use of reflective films for residential windows be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ESTIMATED ENERGY SAVINGS THROUGH THE USE OF REFLECTIVE FILMS ON RESIDENTIAL WINDOWS

[Window area in typical residence equals 220 ft.² single glazing; estimate made for Baltimore area which is considered a reasonable average in weather conditions for the United States]

	Moderate performance reflective film	High performance reflective film
Annual energy savings per residence.	5.3 million Btu	13.4 million Btu.
Equivalent gallons of oil at 65 percent per conversion efficiency.	60 gal	153 gal.
Barrels of oil saved per year per residence.	1.44 bbl	3.64 bbl.
Dollar savings per year per residence (at $25 per barrel).	$36	$91.
Pay-back period per residence at $1 per ft² retail installation cost.	6.1 yr	2.4 yr.
Total national savings:		
Based on 10 percent of 80 million residences using film. Cost savings at $25 per bbl.	11.5 million bbl per $288 million.	29 million bbl per $725 million.
Based on 1 percent of 80 million residences using film. Cost savings at $25 per bbl.	1.15 million bbl per $28.8 million.	2.9 million bbl per $72.5 million.
"U" value on single glazing	0.94 Btu over hr/ft²/°F	0.69 Btu over hr/ft²/°F.
Shading coefficient	0.37	0.25

Definitions:
"U" value equals heat flow rate over area times temperature diffence equals Btu/hour sq. ft. °F. Shading coefficient—ratio of solar heat gain of window with film over solar heat gain of ⅛ in clear glass.

AMENDMENT NO. 672

(Ordered to be printed and to lie on the table.)

Mr. TOWER submitted an amendment intended to be proposed by him to H.R. 3919, supra.

FEDERAL TRADE COMMISSION ACT—S. 1991

AMENDMENT NO. 673

(Ordered to be printed and referred to the Committee on Commerce, Science, and Transportation.)

Mr. SIMPSON submitted an amendment intended to be proposed by him to S. 1991, a bill to amend the Federal Trade Commission Act to change procedures for agency adjudications and rulemaking, to extend authorizations for the Federal Trade Commission, and for other purposes.

Mr. SIMPSON. Mr. President, some of my previous remarks on this present subject have been entered in the RECORD on September 24, 1979 at page 25870.

I am now offering this amendment to the Federal Trade Commission Act of 1979 (S. 1991).

The first section of my amendment would limit the amount of money that any group could receive in any one given year to what I think is an appropriate and respectable amount, $5,000. In order to prevent any one group from receiving an undeserved bounty of tax funds, I am also recommending that the total amount of money that a group may receive in any given year be limited to $15,000.

The following section of the amendment would insure that any group receiving these funds would actually require the money, as I have already indicated, the evidence in the hearings disclosed that group recipients of these funds already have ample sources of income. Therefore, I am suggesting that if a requesting or selected group has more than 1,000 members, or if it has income exceeding $75,000 it shall not be eligible to receive intervening funds money.

In order to be certain that any group claiming to speak in the public interest does in fact represent a meaningful constituency, I am suggesting that any group receiving these funds shall have a membership of at least 250 persons, each of whom would pay dues of at least $10 per year. In this manner, we will eliminate the problems, arising from giving an aura of credibility to "public interest groups" whose membership consists of three people, a typewriter, a telephone, and a mimeograph machine.

I also recommend that individuals appearing on their own behalf, be limited to receiving no more than $750 in any one year plus an actual per diem and mileage allowance.

Finally, in order to prevent the occurrence of any possible conflict of interest, I am recommending that no person who was a full-time employee of the Commission shall be eligible to receive any funds under this program for a period of 1 year from the date of termination of that person's employment. This restriction is in conformity wth the restrictions imposed by the Ethics in Government Act which was approved by this Congress in the last session.

Mr. President, I believe that these reforms, which I am proposing to the Federal Trade Commission's intervening funding program are in the public interest and that these reforms will serve to strengthen a program that was born in an era of compassion fatigue and which now become badly abused both by the Commission and the recipients of this money.

NOTICES OF HEARINGS

COMMITTEE ON THE JUDICIARY

● Mr. KENNEDY. Mr. President, the Committee on the Judiciary, has scheduled hearings on S. 1679, the Patent Law Amendments Act, to be chaired by Senator BAYH, on November 30, 1979, at 9:30 a.m. in room 5110, Dirksen Senate Office Building.

Any persons wishing to submit written statements for the hearing record should send them to Joe Allen, 102-B Russell Senate Office Building, Washington, D.C. 20510.●

SELECT COMMITTEE ON INDIAN AFFAIRS

● Mr. MELCHER. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Select Committee on Indian Affairs.

The hearing is scheduled for December 10, 1979, beginning at 10 a.m. in room 5110 of the Dirksen Senate Office Building. Testimony is invited regarding S. 1464, a bill to direct the Secretary of the Interior to acquire certain lands for the benefit of the Mills Lacks Band of the Minnesota Chippewa Indians.●

SPECIAL COMMITTEE ON AGING

● Mrs. KASSEBAUM. Mr. President, at the request of our chairman, Senator LAWTON CHILES, I would like to announce that the Special Committee on Aging will hold a hearing on the subject of "adapting social security to a changing work force." I am very pleased to be chairing this hearing and I appreciate the support of Senator CHILES in my exploring this important subject area.

This hearing will focus primarily on two issues: First, the current earnings limitation, and second, treatment of women under social security. This hearis scheduled for Wednesday, November 28, 1979, beginning at 9 a.m. in room 1224, Dirksen Senate Office Building.●

SUBCOMMITTEE ON THE CONSTITUTION

● Mr. BAYH. Mr. President, the Subcommittee on the Constitution has scheduled hearings for November 29, 1979, at 9:30 a.m., in room 318, Russell Senate Office Building, on the subject of constitutional convention procedures legislation.

Any persons wishing to submit written statements for the hearing record should send them to Linda Rogers-Kingsbury, 102-B, Russell Senate Office Building, Washington, D.C. 20510.●

SUBCOMMITTEE ON ENERGY REGULATION

● Mr. JOHNSTON. Mr. President, on Tuesday, December 11, 1979, the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources will hold a hearing to receive updated information on the current price and supply situation for petroleum fuels. Witnesses representing the Energy Information Administration and the International Affairs Division of the Department of Energy will appear.

The hearing will begin at 10 a.m. in room 3110 of the Dirksen Senate Office Building. Questions about this hearing should be directed to Benjamin S. Cooper or James T. Bruce of the subcommittee staff at 224-9894.●

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON MANPOWER AND PERSONNEL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Manpower and Personnel of the Committee on Armed Services be authorized to meet during the session of the Senate today to hold a hearing on military recruiting practices.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Judiciary be authorized to meet during the sessions of the Senate today beginning at 3:30 and Tuesday, November 20, 1979, beginning at 2 to hold markup sessions on S. 1722 and S. 1723, revisions to the criminal code.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AGRICULTURAL PRODUCTION MARKETING, AND STABILIZATION OF PRICES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the subcommittee on agricultural production, marketing, and stabilization of prices of the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate tomorrow to hold an oversight hearing on the effects of casein imports on the U.S. dairy industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Judiciary be authorized to meet during the session of the Senate tomorrow morning, beginning at 9:30 a.m., to mark up S. 1246, Oil Windfall Acquisition Act of 1979, and other legislation, including some judicial and executive nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Wednesday, December 5, 1979, to hold a joint hearing with the Committee on Energy and Natural Resources on the implications for future OCS leasing with respect to the oil spill at Campeche, Mexico.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Tuesday, November 27, 1979, to hold a hearing followed by a markup session on amendments to the Food and Agriculture Act of 1977.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

VIRGINIA MILITARY INSTITUTE

● Mr. HARRY F. BYRD, JR. Mr. President, as America moves toward the 1980's, we find in our Nation a climate of opinion that tends to exalt change, to pay homage to the new and exciting—and, conversely, to neglect tradition.

In the city of Lexington, in my State of Virginia, there stands a bastion of tradition.

I am referring to Virginia Military Institute, which observed its 140th anniversary this year.

The routine and ceremonies of the Institute go on from year to year as they have for decades past.

I confess that I am not entirely objective in my view of VMI, since I am myself an alumnus. But I nevertheless do not hesitate to say that a solid, stable bastion of tradition is not a bad thing to have in a world overly captivated with novelty.

VMI has made, and continues to make, a major contribution to the State of Virginia and to the Nation.

As VMI observed its 140th birthday, the Washington Star published an article describing the atmosphere at this fine old institution.

In it the school's deputy superintendent, Brig. Gen. George H. Ripley, is quoted in these words regarding VMI tradition:

> There are people who say VMI is an anachronism, and perhaps that's true.
>
> It's true if you consider anachronistic the fact the VMI still does exactly what it said it would do 140 years ago.

I request that the text of the article in the Washington Star, by Zofia Smardz, be printed in the Record.

The article follows:

VMI Still Upholds Patriotism, Honor

(By Zofia Smardz)

Lexington, Va.—On the barren campus of the Virginia Military Institute here, the statue of Stonewall Jackson gazes with cold imperiousness out at the windswept parade field at the school's core.

Behind the cannons at the statue's base, a lone cadet passes, pauses and raises his hand to his hat brim in reverential salute to the bronze likeness of the famous Confederate general.

The cadet is a freshman—or "rat" in cadet terminology—and he is performing a ritual that has been repeated here for more than a century by thousands of freshmen initiated into the unusual fraternity of VMI men.

"Nobody thinks it's silly," says a senior cadet, looking on approvingly. "It's just one of the little traditions that make this place so unique."

This unique place in the heart of the Shenandoah Valley—alma mater of Gen. George C. Marshall and Sir Moses Ezekiel, among others—clings tenaciously to its "little traditions."

As VMI enters its 141st year today, its students, administrators and graduates tick off with fierce pride the unaltered traditions under which it functions:

No class cuts at VMI. No opting out of ROTC at VMI. No non-resident students at VMI. No women at VMI.

VMI men still march to class in formation. They still change the guard before the barracks every day. They still adhere to a cadet-run honor system and are given demerits for breaking rules. And they still believe that they will fight for their country and die for it if that's what they have to do.

"I never thought I'd feel this way," says senior cadet John Caplice of Simsbury, Conn. "I was terrified of being drafted. But now if they tell me I have to fight and die, I'll do it."

With a trip to the state capitol in Richmond on Friday to thank Virginia for its support over the last 140 years, the school's 1,250 cadets and numerous alumni and professors kicked off an endowment campaign designed to raise private money so that VMI can stay just what it is—the country's last all-male, all-military, state-supported academic institution dedicated to the concept of training the "citizen-soldier."

It is a concept at least partially abandoned by every similiar institution in the Nation. In the 60s, a decade when both the military and the tradition of the single-sex school came under attack, schools such as the Citadel in South Carolina all relaxed their requirements to admit civilian students and to grant degrees to women at least through night school or summer courses.

But not VMI.

VMI remains, in many eyes, custodian of the patriotic game, guardian of Virginia's honor and last bastion of the male mystique.

Resisting change as it has all its history, the school survived the drop in applications for admission caused by the Vietnam war, and now, in an era of military rejuvenation, it has rebounded to a new position of proud conviction in its legendary "mission."

"There are people who say VMI is anachronism, and perhaps that's true," says Brig. Gen. George H. Ripley, the school's deputy superintendent. "It's true if you consider anachronistic the fact that VMI still does exactly what it said it would do 140 years ago."

Conceived by Lexington attorney John Thomas Lewis Preston in 1839, who modeled his idea on West Point and the Ecole Polytechnique in Paris, VMI claims to offer young men an excellent program of academic study "conducted in and facilitated by a rigorous system of military discipline."

"The idea is to turn out the whole man—self-reliant, self-disciplined, confident, honest and ready to lead in times of need," Ripley said. "We do all that, and we do it better than any place else in the world. We see no need to change."

The "whole men" VMI turns out are required upon graduation to accept commissions into one of the branches of the armed services, but administrators repeatedly stress that only 15 percent of the school's graduates actually make the military a career.

"We are not one of the service academies, and it has never been our goal to be that," Ripley said. "Our first purpose is academics, turning out leaders for every branch of our nation's and our state's society."

VMI has counted among its alumni and faculty some of the nation's and Virginia's most successful citizens.

Stonewall Jackson taught physics there. Besides Marshall and Ezekiel, its graduates include former AT&T president John D. DeButts, former Speaker of the Virginia House of Delegates John Warren Cooke, and former House Majority Leader James M. Thomson.

In addition, Gen. George S. Patton spent a year at VMI before transferring to West Point, Rear Adm. Richard E. Byrd attended the school before going to the U.S. Naval Academy and U.S. Sen. Harry F. Byrd, Jr., spent two years there.

VMI gave Virginia four of its last nine highway commissioners, five of its current college and university presidents and numerous members of the state legislature and influential leaders of the state's business community.

The connection to Virginia is inextricable, both historically and, many say, philosophically, despite the fact that 45 percent of the student body now comes from other states and a number of foreign countries.

The school's motto, "Virginiae Fidem Presto," translates as "Always Faithful to Virginia." In 1864, 10 cadets were killed in the Battle of New Market, fighting as a military unit for the army of the Confederacy.

And the school shares with Virginia a kind of mystical faith in the idea of heritage and history.

"VMI is an old-fashioned, conservative, traditional kind of place, no doubt about it," confirms Maj. James L. Adams, the the last of a breed and we're proud of it.

"And we're proud of what we have done for Virginia and vice versa, absolutely. I think most people would agree that VMI could not be what it is if it were not in Virginia, and Virginia would not be what it is if there had been no VMI."

Many alumni, indeed, do agree. "There is a unique marriage between the institution and the state that no one can deny," says Wyatt Durette, a McLean attorney and former Republican member of the House of Delegates who graduated in the class of '61.

"Certainly most graduates of VMI share the kind of conservative philosophy that reigns in Virginia's political realm—sense of duty, respect for authority, personal freedom and limited government, and a strong national defense.

"And this counts for much in the state," he says. "I know that in many parts of the state, if you say you went to VMI, it establishes your character immediately as a gentleman, a person of strong moral principle."

Beyond that, having gone to VMI puts most graduates immediately in an excellent position for professional success.

"That's why I came to VMI," says one cadet. "I know that when I leave here, I'll have a great chance for a job right away."

VMI graduates in engineering—the core of the school's academic offering—have had a 100 percent rate of placement for the last few years, and placement in other disciplines is also high.

To some, however, such success is merely a reflection of the school's inbred, good ol' boy, "I'll help you if you help me" mentality.

"It's the same old thing of the power structure begetting the power structure," said Norfolk Del. Evelyn Hailey.

And, indeed, an old VMI saw runs: "If you need a job, just look around Virginia and wave your VMI ring."

That such accessibility to a network of success has been denied to women rankles some people, like Hailey, but VMI, surprisingly, has remained relatively immune from attack by feminists.

Recently, a female language instructor who was fired from her job filed suit for admission of women to the school, claiming the lack of female students and near-total lack of female faculty (only one woman, an English professor, remains on the full-time faculty) created an atmosphere of sexual bias at VMI.

But that suit was settled out of court, and otherwise, VMI has never been challenged on its all-male status, although Adams said the admissions office has received several inquiries about applications from women.

And although some administrators privately believe the time will come when VMI may have to open its doors to women, as it finally did to blacks in 1968, everyone questioned on it publicly—to a man—expresses horror at the idea.

"It would be disastrous," says cadet Walter Wood of Manassas, who came to VMI three years out of high school, after "bumming around" and spending time finding himself in anti-war demonstrations and odd jobs. "The point of coming here is because you decide the package is better without women here.

"Bringing in women would change the place too much, and I'd hate to see that."

Now Wood is president of the senior class and a "realist," he says about the military and the exigencies of life.

"VMI helped me form real opinions, understand what's important about national defense and personal strength and appreciate history," he says. "And I wouldn't want to see that change, although it's changing slowly.

"But as long as VMI stays about 40 years behind the times, it'll be all right."●

THE NEED FOR FURTHER INCENTIVES TO STIMULATE INVESTMENT IN THE EQUITY MARKETS

● Mr. WEICKER. Mr. President, last year Congress passed the Revenue Act of 1978, which reduced the effective capital gains tax rate from 49 to 28 percent, in an attempt to stimulate investment in the equity markets.

Three indicators provide evidence that the cutback has had a favorable impact on the market. There has been a sharp price appreciation for the stocks of smaller corporations which are riskier investments but also offer potentially higher returns than investments in large enterprises. While the Dow Jones Average rose only 6.1 percent and the Standard & Poor's 500 rose 12.9 percent between November 1, 1978 and September 30, 1979, the Amex Index increased 57.0 percent and the NASDAQ rose 30.8 percent. Investors apparently have valued the stocks of smaller corporations at substantially higher prices since the capital gains tax reduction.

More importantly, there has been an increase in the number of initial public offerings of small companies. In 1974, there were only 55 new issues, whereas there were 59 new issues in the first half of 1979 alone. There has been a similar sharp increase in venture capital investments. A recent article by Edward I. O'Brien, president of the Securities Industry Association, in the Wall Street Journal chronicles the salutary effect of the capital gains tax cut.

Yet the battle is far from being won. An article in yesterday's Washington Post indicates that there is a growing tendency for business to raise the long-term funds they need by selling bonds rather than going to the equity markets. In 1971, companies raised 20 percent of their long-term financing by issuing new stock, whereas last year only 4 percent was raised by equity offerings. This trend threatens to continue as indicated by a new conference board study showing that many major corporations are planning to increase their use of debt financing.

The impact of the depressed stock market could be fatal for small business. Unlike large corporations, smaller corporations cannot raise funds on the debt markets. They must turn to stock sales for financing growth. However, last year only 21 companies with a net worth of less than $5 million each were able to sell stock to the public, raising $129 million of new capital. This figure represents a marked decline from 1969, when 698 such companies were able to raise $1.4 billion in the equity markets.

Of equal concern is the withdrawal of individual investors from the capital markets. There are nearly 6 million fewer individuals who own stock today than in 1970. Households keep only 12.3 percent of their assets in stocks today, compared with 22.7 in 1970 and 28.3 percent in 1968. In addition to depriving small businesses of an important source of capital, this flight of the individual investor from the securities market has resulted in a growing concentration of economic power in too few hands. Perhaps most importantly, because the individual's stake in the economic system has been sharply curtailed, he is less likely to fight to protect it. This alarming trend therefore threatens to undermine the essence of our free enterprise system.

Mr. President, clearly more must be done to encourage investment in our Nation's smaller businesses. I hope that serious consideration will be given to S. 655, the Small Business Investment Incentive Act. Pursuant to this bill, the investor will be given a tax credit of 10 percent of the first $7,500 invested annually in stock issues made by corporations with a net equity of less than $25 million. This legislation will provide a stimulus needed to get the individual investor to participate in the solution of the capital formation problem of America's small and medium businesses. In addition, other investment incentives should be given careful consideration by the Senate. I shall continue to closely study the crucial matter of small business capital formation.

Mr. President, I request that the article entitled, "Reduction of Tax on Capital Gains Spurs Investment," written by Edward I. O'Brien which appeared in the October 31, 1979 edition of the Wall Street Journal and the article by James L. Rowe, Jr., entitled "Firms Hunt Funds Off Wall Street," which appeared in yesterday's Washington Post be printed in the Record. The material follows:

[From the Wall Street Journal, Oct. 31, 1979]

Reduction of Tax On Capital Gains Spurs Investment

(By Edward I. O'Brien)

With increasing interest in various tax measures designed to stimulate savings and investment, an evaluation of the capital gains tax roll-back enacted a year ago seems to be in order.

The Revenue Act of 1978, passed last October, produced the first capital gains tax cut in over 40 years. Proponents had argued that this would encourage investment. But, within a few months of its passage, attempts were made to discredit the measure based on a lackluster stock market. Ignoring the impact of suddenly increased interest rates, accelerating inflation and impending recession, critics were quick to brand the capital gains tax cut a failure.

More recently, though negative factors continue to plague our markets, evidence of a favorable impact is emerging. There are three principal early indicators: sharp price appreciation for the stocks of smaller-capitalized companies; increased initial public offerings of small companies; and a marked pickup in venture capital investments.

Stock markets span a range of investment opportunities, each associated with a different level of risk and rate of return, ranging from heavily capitalized issues represented by the Dow Jones Average and the Standard & Poor's 500 to smaller-capitalized issues represented by the American Stock Exchange and the NASDAQ indices. The smaller-capitalized issues are relatively more risky and presumably offer potentially higher returns.

Institutions, many exempt from all taxes on income and capital, are predominantly in the larger-capitalized issues, while individuals tend to invest in smaller-capitalized stocks. Thus, any reduction in capital gains taxes, which applies primarily to individuals, should have a different impact on these two kinds of issues.

This is exactly what has happened. From Nov. 1, 1978 (when parts of the revised tax code became effective), to Sept. 30, 1979, the Dow Jones Average rose only 6.1 percent and the S&P 500 12.9 percent. In contrast, the Amex Index increased 57.0 percent and the NASDAQ rose 30.8 percent. It is apparent that individual investors valued the stocks of smaller-capitalized issues at substantially higher prices since the capital gains tax cut.

A host of economic and political variables influence the overall climate for investment which, in turn, exerts the most important influence on the level of initial public offerings. Even so, the impact of tax policy is clearly visible over the past decade.

Common stock: initial public offerings

Year	Share value in millions	No. of issues
First half 1979	$ 256	59
Second half 1978	160	40
First half 1978	54	18
1977	276	49
1976	271	45
1975	236	25
1974	117	55
1973	1,872	177
1972	3,301	646
1971	1,917	446
1970	1,451	566
1969	3,545	1,298
1968	1,742	649

Source: Investment Dealers' Digest.

It is noteworthy that 75 percent of the value of 1978 initial public offerings was issued in the second half of that year, when congressional approval of a capital gains reduction was widely anticipated. Figures for the first half of 1979 show the value of initial public offerings to be about double the level of recent years.

In contrast, the increase in the maximum capital gains tax rate from 25 percent to nearly 50 percent, effective from 1970 through most of 1978, provided a disincentive to investors. Along with the disastrous impact of the 1973–74 bear market on the stock prices of smaller-capitalized companies in particular, this produced a double-barrelled negative effect on individuals' appetite for new issues.

But that appetite changed considerably when it became apparent that Congress would lower the capital gains levy. Thus, during the second half of 1978 the value of new offerings tripled and the number of issues doubled over the first half.

A similarly sharp increase has taken place in venture capital investment. Stanley Pratt, editor of Venture Capital, estimates that private partnership venture capital investments amounted to approximately $22.5 million in 1974. No private funds were committed to venture capital enterprises during 1975. In 1976, such investments amounted to $25.7 million and in 1977, just $20.2 million.

But in 1978, private partnership venture capital investments rose dramatically, to $215 million. The bulk of this increase took place in the fourth quarter, when congressional passage of the capital gains tax cut was imminent. As reported in The Wall Street Journal (William M. Bulkeley and Lindley B. Richert, "Venture Capital is Plentiful Once More, Due in Part to Change in Capital Gains Tax," June 15, 1979), it is believed that venture capital investments will reach close to $300 million in 1979.

Thus, the market indices, new stock issues and venture capital commitments add up to solid evidence that the 1978 capital gains tax reduction has had a positive impact on investment, despite other very negative developments in the U.S. economy. More important, from a public policy viewpoint, the main beneficiaries of the lower capital gains taxes appear to be smaller companies. It is just such young innovative companies that are responsible for the greatest percentage gains in employment.

As joblessness rises along with election year pressures for general tax reduction, it is to be hoped that the efficacy of last year's capital gains tax cut will not be sold short.

Firms Hunt Funds Off Wall Street

(By James L. Rowe Jr.)

New York.—Ten or 15 years ago, Suzanne and Gerald Ives—a prosperous, professional Washington couple—used to invest in stocks. But no more. Today nearly all their investment money is tied up in real estate.

Chuck Rich just made his first investment. The 27-year-old film critic and writer for WTOP-Radio bought government securities. They are not alone.

Millions of Americans who 10 or 20 years ago would have purchased common stocks as their primary investments today instead are buying houses, condominiums, government securities, certificates of deposit, gold, or commodity futures.

Eight years of high inflation and high interest rates have driven stock prices down from their overvalued highs of the late 1960s and kept them relatively low. As a result, many individual Americans have found stocks an unattractive way of holding their wealth. Only Americans over 65 years of age are increasing their stock purchases.

Similarly pension funds, which were big buyers of stock in the late 1960s and early 1970s, are devoting ever-smaller portions of their incomes to equity purchases.

Just as individuals and institutions are finding stock-purchases less desirable, companies have discovered that selling new stocks is a costly, unpalatable way to raise new funds. "We'd sure like to sell more stock. But as long as our stock is selling at 60 percent of book value (the worth of the companys assets), we can't justify it," said William Lowe, vice president for finance at Inland Steel Co. in Chicago.

Instead Inland raises the long-term funds it needs by going into debt or keeping profits rather than paying them out as dividends to shareholders.

Other big companies are doing what Inland is doing. Rather than selling new shares of their stock—which represent a part ownership in the company—they are selling bonds, paying out a smaller percentage of their profits to shareowners or hitting the banks for long-term loans.

Unlike a common stock, where dividend payouts are dependent upon the performance of the company bonds are long-term debt securities that guarantee the owner a fixed payment every year.

Since 1970, the amount of corporate bonds outstanding has increased by more than $230 billion, while new stock issues have totalled less than $80 billion.

Over the same period, companies have reduced their dividend payout rates from about 60 percent of after tax earnings to 40 percent, according to Johann Gouws, a general partner of the investment banking firm Salomon Brothers.

Banks used to make mostly short-term loans to businesses to finance inventories and the like until revenues were realized. Today a significant portion of our loan portfolio is in long-term loans with seven-year or eight-year time horizons, according to George R. Baker, who heads general banking services for Continental Illinois National Bank.

In 1971, when stock prices were high, companies raised more than 20 percent of their long-term funds by selling new stock to the public. Last year new stock sales accounted for about 4 percent of the net new funds raised by American corporations. A new Conference Board study reports that many major corporations are planning to increase their use of bonds in the next 12 months to come up with outside funds they need for investment purposes.

If it wasn't for utilities, the amount of new stock sold by American companies would be even smaller, according to Jeffrey Schaefer, director of research for the Securities Industry Association.

Much of the new stock sold by utilities is sold by the giant American Telephone and Telegraph Corp., which will raise about $1 billion this year through a dividend reinvestment plan. About a quarter of AT&T's 3 million shareholders automatically buy new company stock with their dividend payments.

In 1969 the outstanding value of corporate stock was equivalent to 110 percent of the total gross national product, according to Charles Boothe of the Bank of New York. Last year it was down to 45 percent

New stock sales never have been the primary means by which big companies have generated new capital. But in recent years those sales almost have become an unimportant source of funds to most large companies.

Small companies that might be the International Business Machines of the future, however, often have no alternative but to sell stock if they are to expand. Their profits aren't big enough to provide much in the way of retained earnings, banks aren't willing to take the risk and they can't sell bonds. So these companies have to sell a part of themselves to the public. But in this depressed market they cannot, according to one major investment banker.

In 1969, there were 698 companies with a net worth of less than $5 million each able to sell shares to the public, raising $1.4 billion in the process. Last year only 21 such companies were able to sell stock, and they generated but $129 million in capital.

The stock markets—be they formal trading floors such as the New York Stock Exchange or the loosely knit group of dealers called the over-the-counter market—exist in part to facilitate the raising of new capital.

"As a capital-raising mechanism, it just hasn't been working all that well the last few years," said Leslie J. Silverstone, head of Dean Witter Reynolds' Washington office.

The increasing reliance of American companies on debt capital rather than equity capital could become a cause for concern if it continues. "You need an equity base to support debt," said Robert Salomon, Jr., general partner of Salomon Brothers. When a company hits a slow period, it can reduce or eliminate its dividends (one of the reasons stocks are more risky), but it must continue to pay interest on bonds or bank debt.

"At some point, the system buckles under the debt," Salomon maintained.

For example, Chrysler Corp. has eliminated the dividends it pays, but still must shell out a hefty amount of income to pay its bankers and its bondholders.

Unless stock prices rise, however, the stock market is unlikely to become a vehicle for new sales of equity by companies. Instead the stock market will remain a financial horse race where individuals or institutions can place bets on the relative performance of an individual stock, but their activity will do little to entice companies to raise new capital.

Indeed stock investors seem to be running faster to nowhere.

Although nearly 6 million fewer individuals own stock today than in 1970 and institutions are putting less and less of their income into stocks, trading volume is rising.

In 1970 an average of 11.6 million shares of stock changed hands each day on the New York exchange. Last year trading volume averaged 28.6 million shares a day. In the same period, the Dow Jones industrial average has sunk about 20 percent—at a time when inflation has pushed up prices more than 60 percent.

Is it any wonder that households keep only 12.3 percent of their assets in stocks today compared with 22.7 percent in 1970 and 28.3 percent in 1968?

"You've just got to write off the stock market," argues the manager of a small investment fund.

Not everyone agrees.

Donald Regan, chairman of Merrill Lynch and Co., the nation's largest financial services company, said the nation's equity markets are poised for a substantial recovery. When that happens, companies will find it economical again to sell stocks to raise capital.

"I see in American corporations the greatest undervalued set of assets in existence in the world." Regan said. "Everything else relative to the asset value of American corporations is overvalued: paintings, gold, diamonds, land, timber, etc."

That fact has not gone unnoticed by the companies themselves.

"Companies are finding it cheaper to buy one another than to invest in new facilities themselves," said Boothe of the Bank of New York. If a company is selling for only 60 percent of book value, another company can purchase its stocks at a substantial premium over current trading price and still come away with a bargain.

"Why buy a new 747 for $25 million if you can buy an airline and gets its fleet for the equivalent of $20 million a plane?" asked one banker.

Similarly some companies are buying back their own shares. Not only does it boost our price and earnings per share by reducing the number of shares outstanding, it also reduces the amount of dividends we have to pay out," said the chief financial officer of a company that is buying its own shares.

Some companies even have liquidated themselves: sold off their assets and distributed the proceeds to shareholders.

What has happened? Ten years ago, common stocks were the darling of both individual investors and institutional investors. In 1952, only one American in 16 owned stock. In 1970 it was one in four.

Analysts cite a combination of stocks being overpriced in the late 1960's, the heavy round of inflation and high interest rates that have shadowed the economy since 1970, and tax laws that discourage investors from buying and companies from trying to sell them.

"When you add everything up, it's no mystery why the stock market is performing so poorly," said James Balog, senior vice president of Drexel Burnham Lambert Inc.

Analysts list a host of factors that have hurt the equity markets, among them:

Tax laws that encourage investment in houses—where mortgage interest is deductible—and in tangible assets such as stamps, coins, paintings and the like. "Mortgages are now the largest component of the capital markets," noted Robert Salomon.

The same tax laws that allow companies to deduct interest payments as a cost of doing business but permit them to pay dividends only out of after-tax profits. Furthermore the dividends are taxed again when received by shareholders.

The discouraging impact on investors of the increasing retention of profits by corporations. Unable to sell new stock, companies devote a smaller share of profits to dividends. Because investors have not realized much increase in the price of their stocks, they cannot be comforted by rising dividend payouts. In the last 10 years, dividends have about doubled, while retained earnings nearly have tripled. "It's a self fulfilling prophecy of discouraging people from buying stocks," says Salomon.

High interest rates, which make investing in nearly riskless assets such as Treasury bills and very safe assets such as corporate bonds or high-yielding bank certificates nearly as profitable—and in some periods more profitable—than buying stocks.

Inflation that eats away at the value of corporate rate earnings and makes the replacement cost of current corporate assets (which the tax laws value at original cost) rise sharply every year.

The growth of pension funds and Social Security which discourages individuals from saving at all.

But probably the most important reason investors—first individuals, then institutions—became wary of stocks was the sharp decline in stock prices that began to occur around 1970.

Investors were lured to the market by the sharp growth in stock prices that began in the 1950s and 1960s and was accompanied by strong economic growth and low inflation.

Common stocks began to seem riskless. And most American investors, be they individuals or institutions, are averse to risk.

"It's the simple rule of supply and demand," said Drexel Burnham's Balog. "There was a tremendous influx of cash into the equities markets in the late 1960s. The whole pricing mechanism got out of whack. Stocks were severely overpriced."

As happens with most overpriced items, the stock bubble burst.

"Lo and behold, just when inflation became rampant, stock prices were killing you," Balog said.

Individuals began to get out of stocks. Institutions were slower to do so—today nearly one-third of the stock outstanding on the New York exchange is owned by institutions and 30 percent of the trades are with institutions—but they slowly are moving into other investments as well.

Real estate became the next game. Americans always have preferred to live in their own homes. And just about the time the stock market began to sag, the early members of the postwar baby boom began to search for houses.

Housing prices began to climb, and homeowners, aided by government agencies, found that for small down payments they could buy houses, save on their taxes and watch the value of their real estate climb.

According to Federal Reserve Board figures, households had 17.7 percent of their assets in houses worth $569.7 billion in 1970. Their stock holdings were larger $729 billion.

Today households own residential real estate worth $1.5 trillion—22.8 percent of total assets while their stocks are worth only $790 billion.

They also are showing interest in other things such as gold, and in newly formed investment devices such as stock options and financial futures that permit investors to put up small amounts of cash with the hope of large financial gains.

But the nation's love affair with tangible assets will come to an end just as its love affair with the stock market did a decade ago, many analysts believe.

"It's fine to own a home that keeps increasing in value," said Washington broker Julia Walsh. "But what good is that if you cannot sell it. And we're beginning to see signs of that in Washington right now.

"The young people who have never invested in stocks will begin to realize that they might not be able to sell a stock for quite what they want, but they will always be able to sell it. That's the great virtue of the stock market. It brings together thousands of buyers and sellers," Walsh said.

Indeed liquidity is one of the primary functions of the stock market, according to New York Stock Exchange chief economist William Freund. It is a forum where investors always can exchange their financial assets for cash.

"All we need to change attitudes toward stocks is for enough people to realize that owning things is not always what it is cracked up to be," Souws of Salomon Brothers said. "For example, antique car sales in a West Coast auction last spring fetched prices far beyond what was anticipated. A 1935 Mercedes which was expected to sell for $200,000 went for $400,000. When a similar auction was held here last month, people had high expectations. But only about eight of the 40 cars were sold."

"In our business, people are highly skilled at looking in the rear-view mirror. They haven't noticed that somehow the Standard & Poor's index (of 500 stocks) has sneaked in with a 16 percent return recently," Souws said.

Drexel Burnham's Balog is not so sure that stocks will rebound. "Unless there is a cut in interest rates or an increase in the reward for investment, Americans are not likely to return to the equities markets," he said. "When inflation is as high as it is, are stocks really a bargain?"

Merrill Lynch's Regan noted that there will be a big tax debate in Washington in the coming years that will determine whether the laws will continue to penalize savings and investment.

"Half the interest in buying things like paintings and stamp collections is a desire to save in a way that the government won't get you," said Salmon Brothers' Salmon. If you buy a stock, or put your money in a savings account, they want your Social Security number."

Analysts point out that prices have soared in France, where last year investors were given a tax break for buying French stocks.

Analysts here point out that the reduction in the capital gains tax passed by Congress last year seems to have had some impact on stocks here.

Schaefer, of the Security Industry Association, pointed out that there was a surge in public stock offerings by small companies in late 1978 and early 1979. During the first half of 1978, only one small company sold stock to the public. In the last half of that year, 20 did. During the first half of 1979, another 16 companies made public offerings.●

THE SERVICE OF STANFORD G. ROSS

● Mr. CHURCH. Mr. President, it is with genuine regret that I note the resignation of Stanford G. Ross as Commissioner of Social Security. Because of my great respect for him as a person, I cannot let his tenure as Commissioner pass without commenting on his impressive record of achievement. He exemplifies the highest standard of public service.

My association with Stan Ross began in the early 1970's when, as chairman of the Subcommittee on Multinational Corporations of the Senate Foreign Relations Committee, I called upon his expertise as a tax lawyer to assist our consideration of a host of issues involving complex issues of international policy. During this same period as a lawyer in private practice, Mr. Ross also worked closely with the House Ways and Means and Senate Finance Committees on tax reform matters. In every case, he appeared as a public interest witness at the request of the Congress and never once represented a private interest. His contributions to the public interest were unique and considerable.

In addition to this record of service to the Congress as a private citizen, Stan Ross has a distinguished record of public service within the Government. He worked in the Treasury Department in the administration of John Kennedy and on the White House staff of President Lyndon Johnson. His work in the Treasury Department involved undertaking with Assistant Secretary Stanley Surrey, major tax reform efforts, the results of which have largely shaped tax policy since the 1960's. In the White House, Mr. Ross worked on a variety of domestic issues including the urban economic problem of the riots of 1968. From there, he moved to the Department of Transportation where he played a major role in creating and shaping that Department.

Stan Ross' career is characteristic of an honorable and important public service tradition which permits and, indeed, should encourage people from the private sector with special experience and talents to come into Government to accomplish certain goals that implement the aspirations of a particular administration. It is difficult, if not inappropriate, for career civil servants to be expected to take on these priorities. The career of Stan Ross exemplifies the best of this special tradition of public service and his contribution as Commissioner of Social Security should strengthen the notion that this kind of tradition is essential to insuring vitality and creativity in Government.

Stan Ross came to social security in early 1978 as chairman of the Advisory Council on Social Security, and became Commissioner in October of that same year. He began at a critical time in the history of the program. Social security, a program now nearly 45-years old, has reached a time in its history when it stands to benefit from the perspective and insight of outside professionals.

In this era, any Commissioner of Social Security is confronted with a taxpaying public and, in particular younger workers, who have begun to question the value of social security, no longer viewing it under the influence of firsthand experience with the Great Depression—an experience that gave birth to social security. As Commissioner, Stan Ross, unlike those who preceded him in that job, has led social security in this new era where the tradition of regular program expansion, at the cost of higher social security taxes, is not easily accepted by the American public.

This important social program can no longer protect its future by single-minded pressure for expansion. Social security has reached a time when it requires a fresh look. In a little over a year Stan Ross has provided the pivotal leadership that I am confident will come to be viewed as a period that set in place the elements required to adapt and preserve social security for the future.

Stan Ross began as Commissioner with a goal to restore creativity to the process of policy formulation at a time when the impact of a worsening economy, changing demographics and social behavior, and the emergence of altered expectations of social security require, indeed demand, a fundamental rethinking of social security. While maintaining a strong voice for preserving what is good about social security, Stan Ross has gone about preparing both the programs and the agency which administers them for inevitable change in the future. He has provided the leadership to develop reform of the disability program, shepherding legislation through the House that is soon to be before the full Senate. The bill is an historic piece of legislation.

Stan Ross has also set the course for addressing the treatment of women under social security, an area that he has insisted can no longer be lightly viewed, reminding us that it is imperative that all of the population supporting social security needs to be accorded fair and adequate treatment.

In addition to these specific policy directions, Stan Ross has challenged us to begin rethinking the relationship between social insurance and income maintenance. He has added to our knowledge of social security policy by exploring the experiences of other major industrialized countries, weaving their lessons into the policy formulation process and issuing a major report, "Social Security: A Worldwide Issue," soon to be translated by the International Social Security Association into four other languages.

In the midst of these complex areas of changing social security policy, Mr. Ross has wisely recognized that public confidence in social security must be maintained and strengthened. Since the ultimate success of the program is dependent on public support it is important to face challenges off a base of support that is strong and stable. To do this, Mr. Ross has launched the agency into a vigorous outreach effort to explain to the public how social security works, what its strengths are, and what challenges lie ahead.

The other major emphasis of Stan Ross' tenure as Commissioner has been to revitalize the Social Security Administration. He undertook a major reorganization, recruiting executive talent within and outside the agency providing the leadership to transform the Social Security Administration into a model, modern agency. SSA now administers not only our basic social insurance program, but also the Government's major cash assistance welfare programs. Mr. Ross' goal has been to equip SSA with the tools it needs to become the Government's income maintenance agency. He has put the agency on a solid course to this end.

I suspect that in these times of turbulence within the administration, the full contribution that Stan Ross could make perhaps has been stifled. I sincerely hope, and indeed expect, that as a private citizen, he will remain active in the social security area to speak out as forcefully and clearly as he is capable about the many problems which must be solved in the years ahead. Stan Ross has demonstrated the important contribution to be made by a voice from the outside and I commend his leadership in this area and thank him for his contribution which I consider the essence of creative public service.●

SALT READING

● Mr. MATHIAS. Mr. President, those who are weighing the SALT II treaty and have not yet made a final decision have to compare the price of not proceeding with the treaty with the price of proceeding with the treaty.

Last month in an address in Gainesville, Fla., Secretary of State Vance stated the case for SALT II very clearly. His speech is worth our attention and I request that it be printed in the Record.

The speech follows:

SALT II: Where We Stand

I want to talk to you tonight about where we stand in fulfilling the first purpose of our foreign policy—to promote the security of our nation and the safety of our people.

We meet at a time when the U.S. Senate is in the midst of its work on a crucial element of our security policies—the second strategic arms limitation treaty between the United States and the Soviet Union. At one level that debate is highly technical. The sophistication of modern weapons—and with it the complexity of agreements to limit those weapons—has grown dramatically. Those technical assessments of the treaty's impact are an indispensable part of the work of the Senate.

This evening, however, I want to address one of the broader currents in the public discussion of the treaty. It is a view that is sometimes stated, and sometimes implied by those who are opposed to the treaty. It is the proposition that the United States cannot "afford" this treaty because we are allegedly in a position of weakness in the world.

That contention simply is wrong. It suffers from two fundamental errors.

First, it portrays the United States as weak, when in fact America is strong and growing stronger.

Second, it rests on the erroneous assumption that the SALT II Treaty would detract from America's strength, when in fact the treaty is an integral part of our strategy for maintaining and building our strength.

I do not mean to imply for a moment that the United States does not face serious challenges. We do, we harbor no illusion about the continuing competition with the Soviets in many areas. There has been a steady buildup of Soviet military power over the past several years. It continues. The willingness and ability of the Soviets to take advantage of local conflicts and tensions in many parts of the world are self-evident.

We face other imposing challenges as well. The world is undergoing rapid and fundamental change—political as well as economic. Decisions which directly affect our lives can be made today not only in Washington and Moscow but in a host of other capitals around the world. Scores of developing nations around the world are grappling with a new generation of postindependence problems—problems of growth and equity, of internal consolidation and regional cohesion.

In such a world no single nation, no matter how powerful, can dictate events or impose enduring solutions on others. Increasingly our leadership must take the form of working with others toward goals we share and can best achieve together.

The fact that the world has changed, however, does not mean that America has grown weak or lost its will. The realization that we are not an island in the world should not make us either romanticize the past or fear the future. We have unmatched strengths as a nation. We are moving appropriately and effectively to deal with the challenges we face. And the SALT II Treaty is an important part of that forward-looking strategy.

It is important to emphasize that a confident and outward looking America can thrive in a world of change.

We obviously would jeopardize our future safety if we underestimated the difficulties we face. But our ability to act with clarity and firmness can be equally confused by underestimating America's strengths. For when Americans sell America short, so will our friends and potential opponents abroad.

Let me review our strengths, and how we are responding to new challenges, in the context of three aspects of our national security.

The first is the balance of strategic forces between the United States and the Soviet Union;

The second is the balance in Europe, where we and our NATO allies must be prepared to defend against any level of threat; and

The third involves our influence and leadership throughout the world at a time of profound change in the international order.

U.S.-U.S.S.R. STRATEGIC BALANCE

Let me turn first to the strategic balance. Our strategic nuclear forces must be strong enough to meet two tests. We must be able to deter nuclear aggression by maintaining forces which can respond in kind to any level of attack. And we must also maintain a balance of forces, for a strategic imbalance could lead some of our friends and allies to question our ability to protect our interests and theirs.

Today, we manifestly have the ability to meet both those requirements. The three elements of our strategic forces—land-based missiles, sea-based missiles, and long-range bombers—have a combined striking power that is awesome. Together they carry some 9,000 nuclear weapons. The smallest is several times more powerful than the atomic bomb that destroyed Hiroshima.

The Soviet Union also has great nuclear power, as do we. They lead in some categories; we lead in others. But in practical military terms, the two sides today are effectively the same.

The Soviet buildup of recent years, however, has considerable momentum behind it. We must take steps now to assure that the balance is preserved in the future.

We are doing so. We are modernizing all three legs of our strategic forces—land, sea, and air. Our strategic bombers will be equipped with modern cruise missiles, which will be able to penetrate Soviet air defenses for the foreseeable future. Our new Trident submarines will be more capable than their predecessors. The new Trident missile has more than twice the range of our existing submarine-based missiles. Together these new systems will assure that our deep water forces will continue to be invulnerable. And we are proceeding with an entirely new land-based missile, called the MX, which will be able to deliver more warheads with greater accuracy than our existing land-based missiles. It will also be mobile, so that it can survive a surprise attack.

With or without SALT II, we must make substantial new investments in our strategic forces. But the fact is that those efforts will be more effective and less costly with the SALT II agreement in force than they would be without it.

Let me give you a few of the reasons why this is true.

The treaty limits will hold Soviet strategic forces significantly below where they would otherwise be. Based on past and present rates of construction we can anticipate that the Soviets would have many thousand more warheads by 1985 than will be possible under the treaty and several hundred more systems to deliver those weapons.

Without the treaty our ability to observe Soviet strategic forces—and thus evaluate Soviet capabilities—could be impaired, since there would be no constraints on the deliberate concealment of such forces.

Without the boundaries set by the treaty through 1985, our predictions of the level and the nature of Soviet forces into the future would be less certain. This would make our own defense planning more difficult.

And without the treaty we would also risk the opportunity to achieve further limits on nuclear forces, and thus a greater measure of safety, in the next round of talks.

In light of these advantages, it is simply wrong to imply, as some SALT opponents have done, that by agreeing to the SALT Treaty we are weakening our defenses. Exactly the opposite is true. The treaty will contribute to a strong defense. The most sensible formula for a stable strategic balance is one that includes both greater American strength and restraints on nuclear arms.

STRATEGIC BALANCE IN EUROPE

The second area I want to discuss is the balance in Europe. Here the NATO alliance—the North Atlantic Treaty Organization—is the backbone of our defense. It is an alliance founded both upon collective security and upon common values—a shared determination to defend the ideals of democracy and freedom.

The security of our NATO allies is inseparable from our security. And the strength of our allies multiplies our strength.

Our European partners contribute more than 90 percent of the NATO ground troops stationed in Europe during peacetime.

Some three-quarters of the Western military aircraft in the European theater are supplied by our allies.

Together, we and our allies invest about 25 percent more in defense than the Soviet Union and the Warsaw Pact.

Our allies are stronger, and our alliance is more cohesive than the Warsaw Pact.

Nevertheless, there has been a sustained Soviet military buildup in Europe. Soviet troop levels there have grown significantly over the past 10 years. So have the number and sophistication of their tanks and artillery positioned in Europe. And in recent years they have also been adding significantly to their forces which can deliver nuclear weapons throughout Europe.

NATO is responding to this increased threat. Together, we and our allies have made major strides in strengthening the alliance—to assure its political unity and to enhance its military effectiveness.

In May of 1977, President Carter proposed a comprehensive program to modernize NATO's forces. Such a program was adopted by the NATO heads of state in 1978, and it is now in progress.

To assure that our defense needs are fully met, the NATO allies committed themselves to increase their defense expenditures 3 percent a year after inflation. We met that target in the fiscal year just past, and we are seeking congressional funding that will assure that we meet it again in fiscal year 1980. Our defense efforts must also include the modernization of our nuclear forces in Europe to respond to the Soviet advances in this area.

Recently, the Soviets announced their intention to unilaterally withdraw men and tanks from Eastern Europe. We naturally welcome any step that would reduce Soviet military power in Europe. The Soviets have also offered to negotiate about some of their nuclear weapons directed against Western Europe on the condition that NATO not proceed with the modernization of its forces. The effect of this condition could be to prevent us from responding to the Soviet buildup. It would be a mistake for the alliance to accept any proposal which would perpetuate inequality.

Over the past year, we have been reviewing future modernization plans with our allies. Because these nuclear forces would be stationed in Europe, we must work together with our allies in formulating these plans.

Our allies believe—as do we—that the modernization of nuclear forces in Europe must go hand-in-hand with a genuine effort to negotiate equal limits on such weapons with the Soviets. We believe that a broad consensus can be built in NATO based upon such a parallel approach.

Failure to ratify SALT II, however, would jeopardize that consensus. For as a practical matter, without SALT II there would be no basis for proceeding with SALT III, the forum in which we could pursue serious negotiations on limiting nuclear forces in Europe. It could lead to doubt and uncertainty in Europe. In such an atmosphere difficult political decisions would be even more difficult to make. Thus, defeat of the treaty could jeopardize what the treaty permits and our interest requires—the modernization of our nuclear forces in Europe.

Force modernization is needed in any case. But we cannot change the plain political fact that ratification of SALT II is the necessary foundation for both modernization and arms control.

U.S. LEADERSHIP IN THE WORLD

Finally, let me discuss the outlook for our relations throughout the world. Our international relationships are increasingly diverse and complex. More and more nations share in shaping international events. At the same time within nations, people are seeking a fuller share in the economic and political life of their countries. In such a world of change, the possibilities for turmoil and conflict are ever present.

These conditions can be unsettling. Sometimes they can be harmful. But it is profoundly wrong to conclude that a world of change is inhospitable to America's interests, or that change foreshadows a decline for the values we cherish.

On the contrary, there has been an unmistakable resurgence of democracy in many corners of the world. In southern Europe, in parts of Latin America and Africa, democratic institutions have gained new vitality in recent years. And everywhere the thirst for national independence is great—and works against those who seek to dominate other nations.

We are prepared to assist our friends if outside forces seek to create or exploit local tensions for purposes of their own. That is why we have taken specific actions, in our own hemisphere, to strengthen our ability to assure that Soviet troops in Cuba will not threaten the security of any state in the region.

But it should not and will not be our policy to mirror Soviet tactics in developing nations. Nor will we treat the developing world simply as an arena for East-West competition. For such an approach would deny us our most effective diplomatic instruments.

In times such as these, we must not only be strong militarily; we must appreciate and employ our other powerful assets: our economic strength, our commitment to the growth of developing countries, our capacity to innovate and to share technology, our genuine commitment to peace and the just resolution of disputes, and the resonance between our ideals and the insistence of developing countries upon national integrity and respect.

Thus we are pursuing a positive and forward-looking approach which addresses Third World issues primarily on their own terms. Through our economic and security assistance and our human rights policies, this strategy supports the efforts of Third World nations to develop their own capacity to accommodate internal pressures and to resist external challenges.

It includes greater attention to such dangerous problems as nuclear proliferation and escalating purchases of conventional arms by nations which neither need nor can afford them.

And our strategy involves active and patient efforts to help resolve regional disputes. This can be extraordinarily difficult; the complexity of these disputes is usually matched by their historic bitterness. But persistent effort is essential—to save lives, to spare precious resources, and to remove opportunities for external intervention.

Our strategy toward developing countries is thus one which seeks to bring other nations together rather than drive them apart. It seeks to heal differences rather than inflame them, to address needs rather than exploit them.

And I believe it is working. For our relations with the nations of Asia, Africa, and Latin America are generally stronger today than they have been for many years. Even in these broader relations SALT has a bearing.

It will help us avoid a totally unrestrained arms race, which would both increase international tensions and divert our resources and attention from other pressing priorities.

It will preserve the credibility of our effort to curtail the spread of nuclear arms to more countries. They are watching intently to see if we accept restraint for ourselves as readily as we urge it on others.

And above all, it will have a profound influence on the way our leadership is perceived in the world. Failure to approve the treaty would allow others to appear to be more interested in limitations on the weapons of war than we are. Ratification will reaffirm America's commitment to peace.

SUMMARY

We face challenges—both domestic and foreign—which test our national creativity and will. To deal with these challenges effectively, we must look at the world realistically. It is, of course, a picture of somber as well as brighter hues. But we should not so concentrate on the dangers, that we overlook the opportunities or doubt our ability to seize them.

Approval of the SALT II Treaty will provide a practical contribution to our security. It will also be a sign to the world that Americans are as confident, again as they are strong. It would be new proof that we have the maturity and determination to deal with the world as it is and to help shape a new world as we would like it to be.

DR. RUBEN F. METTLER

● Mr. METZENBAUM. Mr. President, for the past 18 months, the National Alliance of Businessmen, and indeed the Nation, have benefited from the service of my fellow Ohioan, Dr. Ruben F. Mettler, as the national chairman.

The National Alliance of Businessmen, which was founded by President Lyndon Johnson, has for the past 11 years, been one of the principal weapons in our arsenal against unemployment. During this time, Mr. President, the NAB has found jobs for millions of Americans. In the last 18 months alone, 456,000 jobs were filled thanks to the work of the NAB and its national chairman, Dr. Mettler. For this alone, we should all be thankful.

But Mr. President, the NAB has performed another service to our country. It has helped lessen the mistrust and misunderstanding between Government and private industry. As a former businessman, I can attest to the great need for this service. Without the cooperation of Government and industry, we will never be able to solve our problems.

Mr. President, an excellent article about the work of the National Alliance of Businessmen and particularly the work of Dr. Mettler appeared recently in the magazine Industry Week. The article, which announced the naming of Dr. Mettler as an "Excellence in Management Award" winner, honors Dr. Mettler for "his outstanding effort to improve understanding in the relationship between business and Government."

Mr. President, I request that the article, which appeared in the October 29, 1979 edition of Industry Week magazine be printed in its entirety in the Record.

The article follows:

Ruben F. Mettler, Chairman and Chief Executive Officer, TRW Inc.

Each morning for the last 18 months when Dr. Ruben F. Mettler, chairman and chief executive officer of TRW Inc., entered his large, formal office in the third floor of company headquarters in Cleveland and settled in to begin the day's work, the two thick folders were already waiting on his desk. One held TRW business; the other, National Alliance of Businessmen (NAB) affairs. Both were thick. But usually the NAB folder was thicker.

Eleven years ago when America's inner cities were literally burning with the frustrations of blacks, minorities, and the unemployed, President Lyndon Johnson created the National Alliance of Businessmen, an agency he hoped would combat structural unemployment among the nation's hard-to-employ through a public/private-sector coalition.

Henry Ford II served as NAB's first national chairman, followed each year by a CEO from a top U.S. corporation. In April 1978, President Carter asked Dr. Mettler to assume NAB's leadership, as the program's 11th national chairman.

Dr. Mettler, however, was reluctant. He had already served as an NAB regional chairman in the NAB's large midwest sector. Further, TRW's board of directors had elected him chairman only six months earlier, and the added responsibilities of guiding the then $3.4 billion diversified company (that figure has since grown to about $4 billion), were enormous. More importantly, perhaps, Ruben Mettler simply disagreed with much of the Carter Administration's public policy.

Nevertheless, influential business associates such as E. I. du Pont de Nemours & Co. Chairman Irving Shapiro, Bethlehem Steel Corp. Chairman Lew Foy, retired TRW Inc. Chairman Horace A. Shepard, and former Aluminum Co. of America Chairman John Harper urged him to accept. Still, Dr. Mettler was undecided.

RESPONSIBILITY

Ruben Mettler, 55, grew up during the Depression in the rich San Joaquin Valley, a typical small-town kid from a typical American farm community—Shafter, Calif., population, 3,000. The Depression-ridden family struggled through hard times on 60 acres of land, which brought a meager cash crop harvest of grapes, cotton, and potatoes. "That's all we had," recalls Dr. Mettler's brother, Raymond, still a farmer in Shafter, "and it was pretty slim." Each member of the boardroom-sized family of five boys and five girls had chores to do. Sundays without fail the whole Mettler clan filed into church. "I think the values Ruben learned growing up have stayed with him throughout his life," says a sister, Elsie, who also lives in Shafter.

In cynical times it is unpopular to ascribe a more forthright sensibility to the actions and motivations of influential men wielding power from complex, sophisticated, and often, self-serving redoubts. Yet certain individuals, no matter how far they've traveled, still manage to retain at least some connection with a set of straightforward values learned long ago. Ultimately, Ruben Mettler accepted the NAB chairmanship "because the President of the United States asked me to."

On one point, at least, Dr. Mettler and President Carter do not feud: the solution to structural unemployment lies in the expansion of jobs in the private sector. As NAB chairman it has been Dr. Mettler's task to persuade businessmen to reach into the fabric of their particular community and find those who will commit time and resources to the training and hiring of the chronically unemployed.

Over his 18-month tenure—John H. Filer, chairman of Aetna Life & Casualty, took over as NAB chairman two weeks ago—NAB's programs placed 456,000 workers in permanent jobs. That's 22 percent over target.

To Dr. Mettler, NAB is a microcosm of how public/private-sector cooperation ought to proceed. "Structural unemployment," he says, "is a problem narrow enough that everyone understands that it is bad overall—bad for the economy, bad for the unemployed, and bad for society in terms of inflation, higher taxes, and wasted lives. Consequently. NAB's public/private partnership is well-accepted as a proper vehicle for the solution of this particular problem."

Yet when it comes to other economic difficulties requiring similar cooperation and trust, Dr. Mettler notes, the NAB prototype crumbles because public/private partnership is victim to its own deep-seated misunderstandings and animosities. For the sake of the economy, he warns, the rift must be healed.

SHOPPING LIST

Ruben Mettler is a thoughtful, philosophical man who might have been a lawyer had it not been for WW II and the Navy. He attended Stanford University for one year on a scholarship before joining the Navy in 1942. The Navy, delighted that he had some calculus and chemistry in his background, sent him to the California Institute of Technology in Pasadena to learn the blips and beeps of radar systems. He liked science so much so that after the war he forgot about a legal career and returned to CalTech, earning his

B.S., M.S., and Ph.D. in electrical and aeronautical engineering by 1949. During the fifties and sixties his career ascended as smoothly as the many rockets, missiles, and satellites he helped launch for the country's space and defense programs.

"It is rather clear that the U.S. economy is not working as well as it should be," Dr. Mettler asserts, opening his hands wide to define and delineate the breadth of his topic. "We have inflation, high unemployment, a negative balance of payments, and declining productivity." He is optimistic, however, that whatever animosity there is between government and business will eventually yield to common purpose.

"After all," Dr. Mettler notes, "business and government hold a similar economic shopping list. We both want lower unemployment, new jobs, and reduced inflation. Business certainly doesn't like layoffs and cyclical ups and downs," he says, emphasizing that point by creating a series of rhythmic crests and troughs with his outstretched hand.

"The 'scapegoating' of business is really a surface phenomenon," he continues, "created somewhat by the nature of the American political system. A congressman [representative] serves two years, for example; a President, four; a senator, six. In that short time they are trying to accomplish certain objectives, and there is tremendous pressure on them to show immediate, instant results. Politicians are simply trying to resolve long-term problems through short-term solutions. Environmental issues, for example, have been building up for decades. Problems like that don't just get solved in election periods. They stay around between elections." So some of the policies coming out of Washington, Dr. Mettler insists, are often just the result of legislators not understanding well enough the longer-term effects of short-term policies.

Which puts the burden of explanation squarely upon the shoulders of business, Dr. Mettler believes. "It's incumbent on senior business people who do have insight—at least into what makes their own company tick, what influences their decision to invest, to build a new plant, to create new jobs—to make clear to congressmen what works and what doesn't. . . . In the business/government partnership, it's the key responsibility of businessmen to constantly press forward the value of long-term approaches to economic ills."

VITAL LEADERSHIP

Effective programs which succeed because of strong commitment and enlightened cooperation between business and government then, are vital to bolstering our economy, Dr. Mettler is convinced. His own commitment in this endeavor has been considerable. "This is my NAB drawer," he says, sliding open the third from the top drawer in a large darkwood bureau behind his desk. It is overflowing with folders and files, which, in turn, are themselves heavy with correspondence. He selects one, leafing through its contents: current NAB coordinators, nominations for NAB regional chairmen and directors, an analysis of NAB progress in various cities, and statistics on sundry programs. As national chairman, Dr. Mettler labored between three to five days per month coordinating the program and persuading other senior executives to join it. He has made over 50 speeches in 20 major cities during the last 18 months, meeting with community and private industry leaders from over a hundred municipalities. Much of the studying, letter writing, and telephoning to bring these businessmen together, in fact, has been done after work and on weekends at home.

Dr. Mettler has encouraged other TRW executives to become involved as well. Lloyd Hand, a TRW senior executive, was appointed president of the program and served in the NAB Washington office as a loaned executive. Five other TRW employees carry NAB responsibilities, too; and the company itself has trained and hired some 1,500 hard-to-employ workers over the last few years.

DEMOTIVATING

Which returns us to the government's court. "One of the most puzzling things I've observed about government programs," says Dr. Mettler, "is that very often the actions of Washington have the opposite effect of what they are trying to establish. So I feel that the government's role in any public/private venture is that they must try and understand what demotivates business from entering such coalitions in the first place.

"One of them" continues Dr. Mettler, "is trying to coordinate local programs from Washington. You cannot decide from Washington, for instance, that ten machinists ought to be trained in, say, one of TRW's Cleveland plants. Cleveland might not need machinists. When a company or a union or a municipality spends time, money, and energy teaching people skills for which there are no jobs," Dr. Mettler says, "that's very demotivating for everyone."

Government red tape is another fundamental demotivator. "While most of the new jobs in the economy are being created in the smaller companies," Dr. Mettler says, "small businessmen have a real fear of becoming involved in government programs. They're afraid that as soon as they get involved with Washington some auditor with an inch-thick report will show up and they'll end up spending the next year filling out forms. In fact, that's often the way it happens.

"So what we have done with NAB very successfully in some cities," he explains, "is to set up intermediate organizations which take care of paperwork requirements. Government can't expect to keep a small businessman enthused over a program if it's also going to keep him wrestling with red tape for a year or so until he can get started."

Government also misunderstands the role of profits in strengthening the economy, states Dr. Mettler. "Government, consumers, all those in American society, should not only tolerate higher profitability," he asserts, "they should demand it. Profitability gives businessmen the resources to expand and invest in new jobs and new technology. Higher profitability would mean that minority groups would be able to find jobs for their memberships; unions would be able to demand better benefits and higher wages; consumer groups would be able to purchase higher-quality products at lower prices; and government would receive more tax dollars for what they wanted to do."

GOOD GOVERNMENT

Yet the NAB is only the most recent of Dr. Mettler's commitments to bridging the gap between business and government. He is a member of the Conference Board Inc. and the Business Roundtable and a former vice chairman of the Industry Advisory Council of the Dept. of Defense. He has also served on the Task Force of National Science Policy and the Steering Committee that reviews studies of the management of the Dept. of Defense, to name a few—all linking the public with the private sector.

Dr. Mettler also supports TRW's continued efforts toward educating employees about the workings of the American economic system. For years the company has offered a series of college seminars which examine the impact of various economic policies.

Through its Good Government Program, TRW and Dr. Mettler also encourage employees who want to become involved in the political process. Employees can actively seek office, support those who do, or simply contribute money through a voluntary fund.

"I think it's clear," Dr. Mettler stresses, "that CEOs must become more directly involved in the dialog between business and government. The success of their businesses is becoming increasingly dependent on how well they relate to government."●

TAXATION: THE REAL WINDFALL GOES TO GOVERNMENT

● Mr. DOLE. Mr. President, as the Senate debates the proposed "windfall profit," or excise tax on crude oil, it is a good time for us to focus attention on other types of windfalls. The notion seems to be that a windfall is unearned and, therefore, undeserved. We can debate whether revenues to the oil industry as a result of decontrol are a "windfall" in that sense. But there is no question that the prime recipient of a "windfall" is the Federal Government. Because of inflation, the Government receives a windfall in increased tax revenues each year. Those revenues are certainly unearned, and definitely undeserved.

Because of the progressive tax structure, tax liability rises with every increase in income. The rate of tax assessed rises automatically. But this increase occurs whether or not income gains are real. An income that is inflated by 10 percent is taxed more heavily, just as though the income gain were real. As a result, people are automatically assessed a higher tax in periods of inflation. The real effective rate of tax, as a percentage of real income, rises steadily. The Government gets the resulting windfall in tax revenues without having to make a single change in tax policy. Needless to say, neither does the Government earn this windfall by proving to be more productive and efficient.

This problem of "taxflation" is especially troublesome with extended periods of high inflation, such as we have witnessed in this decade, and are experiencing right now. We need, first of all, to have an effective anti-inflation policy. The Federal Reserve has picked up the ball in this area, following the failure of Congress and the President to come to grips with inflation. We all hope the Fed is successful. But we need to realize that at best the changes in Fed policy will take some time to cut into inflation. The Fed is forcing us to face up to the need for a long-term solution, and that means a lengthy process of working the inflationary bias out of our economy.

Mr. President, the initial impact of Fed tightening is to cut the level of economic activity—only later will prices reflect the slowdown. Already we are besieged by requests for measures to cushion the impact of tightening on various sectors of the economy, particularly the housing industry. In short, the pinch will be felt acutely before we begin to reap the benefits in terms of prices.

Thus we are in for a long battle, and we will need to encourage the Fed to stick to its guns and resist pressures to alter its course. But, since we are committed to a long haul, it is all the more important for us to reduce the impact of inflation on taxes. Since inflation may be with us for some time, we owe it to the taxpayer to forgo the automatic windfall in tax revenues that inflation normally brings. That way we will demonstrate that the Government is feeling the pinch, too, and that it is committed to ending the pernicious effects of inflation.

Mr. President, the Tax Equalization Act, S. 12, gives the Government the chance to demonstrate its will to beat inflation. The Senator from Kansas introduced this bill to provide adjustments in the tax code that will take account of inflation. The personal income tax brackets will be adjusted by the percentage rise in the Consumer Price Index. The zero bracket amount and personal exemption will be adjusted in the same way. Tax rates will correspond to real income, as they were meant to. Further, the progressive tax structure will be stabilized and certain.

Mr. President, the Tax Equalization Act would end taxflation once and for all. It demands our attention. The taxflation revenues are a windfall to the Government, and they must be returned to the people.●

A DAY OF PRAYER

● Mr. HUMPHREY. Mr. President, yesterday many Americans throughout this Nation observed a day of prayer and fasting to thank God for the blessings that He has bestowed upon us and to ask that He protect us from our enemies and give us the strength and will to protect ourselves.

This noble effort has proven particularly timely, given the current crisis in Iran and the host of defense-related issues now confronting the leaders of this country. It is only right that we ask God's guidance on these matters.

Richard Viguerie, one of the prime motivators behind the day of fasting, has explained the objective of the day of fasting in the October 1979 issue of the Conservative Digest. I ask that Mr. Viguerie's article, "A Day of Prayer," be printed in the Record.

The article follows:

A Day of Prayer

(By Richard A. Viguerie)

I recently took a vacation out West with my teenage daughters, Renee and Michelle. And when we weren't shooting rapids, sleeping under the stars, or climbing mountains on horses or foot, I read a book that a friend gave me last year.

I have seldom been so moved by one book.

The theme of The Light and the Glory by Peter Marshall and David Manuel is that God actively intervened in the discovery and formation of America.

The authors point out that when Americans remembered to ask for God's help, and also remembered to give thanks and credit to God for what was accomplished, then America prospered and was protected.

Christopher Columbus was a devoutly religious man. His belief and faith in God were strong. But he apparently also had a lot of pride and a strong ego.

He demanded 10 percent of all the gold found in the new world. He also demanded the highest ranking title of the navy—Admiral of the Seas. Plus he insisted that he be made Governor of all of the lands he discovered.

He prayed mightily for the success of his efforts.

But when he had success, probably beyond his own wildest dreams, it appears that Columbus very quickly forgot to give the credit to God.

Columbus' public actions and statements indicate that he took personal credit for his accomplishments.

And Columbus experienced in the last 13 years of his life an enormous amount of suffering, disappointment and failure.

Marshall and Manuel believe Columbus suffered so because he failed to give credit to God for his accomplishments.

How many times in our own lives have we failed to give public credit and thanks to God for our successes?

Like Columbus, most of us are quick to go to God when we're faced with problems, but very seldom do we publicly give credit to God for success.

That brings me to some thoughts about 1979.

Many of us are worried about the Senate passing the SALT II treaty. We worry when we see the Communists gaining military strength daily, and when our President seems uninterested in opposing the Communist conquest of country after country.

But instead of worrying, why don't we as individuals and as a nation go to God and ask Him for forgiveness for our sins?

Instead of worrying, why don't we pray that He protect America from its enemies and give us the strength and will to protect ourselves? Why don't we thank God for the benefits He has bestowed on us as individuals and as a nation?

Perhaps many of our personal and national problems have developed because we have forgotten to thank God for our blessings, our opportunities, our freedoms and our great country.

Some of our Presidents did this. George Washington set aside a day for fasting and prayer when he was President.

Also Abraham Lincoln, twice during the storm of our tragic Civil War, designated "a Sunday for prayer and fasting."

Twice during some of the darkest days of the American Revolutionary War, the Continental Congress declared a day of Fast and Repentance.

Indeed, even Christ, when He knew He was soon to be tempted by the devil, fasted for 40 days.

We Americans today need to pray together in the same spirit.

I recommend that we set aside November 18, the Sunday before Thanksgiving, to pray, fast, mediate and atone for our sins.

I suggest this particular day because this is traditionally a time when Americans give thanks to God for all the blessings that we enjoy.

It will be a true and appropriate commemoration of the Thanksgiving season. And I feel it will make the spirit of Thanksgiving more meaningful to us. Hopefully, we can encourage enough others to join us and it will meet with such success that it will become an annual event.

I personally plan to send letters to thousands of other conservative leaders, journalists, priests, rabbis, ministers and others, asking them to urge their readers, members, or congregations to set aside Sunday, November 18, as a day to abstain from all food . . . a day to devote completely to prayer, meditation, thanks, and repentance for our sins.

Two hundred years ago Dartmouth's minister, Samuel West, preached in Boston:

". . . Our cause is so just and good that nothing can prevent our success but only our sins. Could I see a spirit of repentance and reformation prevail throughout the land, I should not have the least apprehension or fear of being brought under the iron rod of slavery, even though all the powers of the globe were combined against us."

We, as a nation, need collectively to get down on our knees and acknowledge our God and ask for His guidance and blessings, for forgiveness for our sins, and for deliverance from our enemies. We need to give credit to God for all the good in our lives.

There are so many things that could be done to bring this to the attention of all Americans.

Why don't we all, each one of us, call and write our congressman and senators and urge them to help promote a national day of fasting and prayer?

Why not call in to talk shows, write letters to the editor, bring up the subject at our religious, business, fraternal and social meetings?

You could work to have your own city or town council pass such a resolution for your own community.

This is an idea that I feel strongly about, and I wanted to share it with you. I would be pleased to hear from you, if you have any thoughts on this subject.●

SHOPLIFTING

● Mr. MATHIAS. Mr. President, every year about this time, as the holiday shopping season begins, we see and hear references to shoplifting, and it is easy to brush them aside thinking that they do not pertain to us.

But the serious proportions which this crime has reached reveal that the crime of shoplifting does indeed touch each of us. Not only are the losses staggering to the merchants whose goods are stolen, but they affect everyone since the consumer ultimately pays for it.

Losses through theft exceed $8 billion a year and it is one of the fastest-growing crimes in the Nation, increasing at the alarming rate of 15 percent a year. The effect is even more tragic when the shoplifter is a young person who may end up with a criminal record that will haunt the rest of his or her life.

In the fight against shoplifting, and the effort to educate young people about the seriousness of the crime, the young people at Frederick County Vocational-Technical Center in Frederick, Md., are making an outstanding contribution. With the cooperation of local and State law enforcement officials, school officials and merchants associations, these young people are waging an all-out war on shoplifting. They have held sessions to aid merchants in cracking down on theft, and during the week of December 10 they will go to the schools for programs to demonstrate the seriousness of shoplifting.

That week has been proclaimed by the mayor of Frederick, the Honorable Ronald N. Young, to be "Shoplifting Prevention Week" and he has pledged the city's support to the campaign. I invite the attention of my colleagues to the shoplifting factsheet which reveals some startling facts which I believe my colleagues will find both educational and dismaying.

I applaud and support the students of Frederick Vo-Tech Center for their effective and valuable work, and ask that Mayor Young's proclamation and the shoplifting factsheet be printed in the Record.

The material follows:

Proclamation

Whereas, the Frederick County Vo-Tech Center's Distributive Education Clubs of America members are vigorously supporting and participating in an anti-shoplifting campaign in the Frederick community; and

Whereas, the purpose of the campaign is to sell honesty through the power of public advertising and publicity in order to dissuade young people and adults from stealing from retail stores; and

Whereas, shoplifting losses can be controlled to a degree, by motivating people, reminding people, and encouraging people to stop stealing; and

Whereas shoplifting is, indeed, a criminal offense for which shoplifters may be prosecuted and punished; and

Whereas, it is certainly more desirable to prevent thievery than to prosecute it.

Now therefore, I, Ronald N. Young, Mayor of the City of Frederick, Maryland do hereby proclaim December 10–17, 1979 as "Shoplifting Prevention Week" and pledge our city's support of this most important drive, and urge all our citizens to do likewise.

Shoplifting Fact Sheet

1. Shoplifting is the largest monetary crime in the nation with losses estimated to be in excess of $8 billion dollars annually.

2. The consumer pays the cost of shoplifting in the form of increased prices, an average of 5 to 7 percent for retail items. Also, each state loses millions of dollars in tax revenue each year as a result of shoplifting. Recent Federal Bureau of Investigation estimates show that shoplifting is rising at approximately 20 percent each year.

3. More than 45 percent of all shoplifting losses occur during the Christmas selling season, followed by "Back to School" days.

4. Girls shoplift 4 to 1 over boys because they first, shop more frequently; and second, the items which interest them are more accessible (for example, jewelry, cosmetics, clothing, and so forth).

(a) Over 50 percent of shoplifting apprehensions show the most common violator to be between the ages of 13 and 19.

(b) The most common items stolen are jewelry, clothes, perfume, tools, appliances, records, 8-track and cassette tapes, perfume and beauty aids. The average item stolen was valued at $28 due to a considerable percent of expensive items.

(c) For the most part items that were stolen could have been purchased by the shoplifter. A Los Angeles psychologist reported that many young people do not regard shoplifting as a crime but as a game in which to "beat the system."

5. People shoplift for a variety of reasons. The true kleptomaniac, an individual with an uncontrollable impulse to steal is a rarity. Other shoplifters may be classified as either amateur or professional with amateurs accounting for the largest percent.

Professional shoplifters "earn" their livelihoods through frequent thefts. They steal in order to resell their loot for cash and on the average take more expensive items than the amateur. Professional shoplifters are not only hard to apprehend but because of their smooth and skillful techniques they are hard to detect.

While it can usually be determined what kind of items the professional shoplifter will be drawn to, desperate shoplifters (drug addicts, vagrants or others in dire need of money) are quite unpredictable. Their methods are often the result of an impulse which reflects little or no planning in their operation. Because they steal out of desperation the desperate shoplifter is more apt to be violent when stopped in the process.

6. Results of student surveys:

(a) Of over 25,000 high school students surveyed, 70 percent admitted to having shoplifted.

(b) The majority of students surveyed did not think of shoplifting as being a serious crime.

(c) The vast majority of students admitting to previous shoplifting indicated having done so on impulse, a dare, peer pressure, or as a requirement to join a club. They also indicated that in the majority of cases, the article was not needed, and that they had the money to purchase the item had they chosen to do so.

7. Shoplifting Laws: Laws concerning shoplifting vary from state to state. We suggest that you check with your local police department or retail association to determine the restrictions and penalties according to laws relating to shoplifting in your state.

8. Over the last decade shoplifters have been detected and prosecuted at an increasing rate due to more sophisticated devices and a greater concern to halt the growth of shoplifting by retailers.

Some of the more widely used shoplifting prevention devices are:

(a) Closed circuit television cameras aimed at counters displaying goods which are most attractive to shoplifters. Also, some larger department stores use mirror-like domes which contain a camera rotating as much as 360 degrees to cover an entire area. Some stores even mount "dummy" cameras in order to discourage potential shoplifters.

(b) Electronic tags which cause an alarm to ring if someone has not had the cashier or clerk to remove it properly after the item was purchased. There is one drawback to electronic tags, if a clerk has forgotten to remove the tag from a purchased item it might lead to a possible lawsuit against the store from the disgruntled customer.

(c) Guards and more guards.

(d) Radio-communication systems between security personnel in plain clothes and others watching monitors in a back room.

(e) False columns with detective inside looking through an opening during large sales.

(f) Glass panels that look like mirrors.

(g) Store warnings such as signs and posters which remind possible shoplifters that, if caught, the store owner will prosecute.

(h) A device called "Clerk-Alert" which is basically a cable looped through objects on display at retail counters. An electronic current flows through the cable and if someone were to remove, or attempt to remove, an item there would be an audible or inaudible alarm sounding to alert store employees.●

BANKING COMMITTEE WITNESS OUTLINES VIABLE ALTERNATIVES TO CHRYSLER BANKRUPTCY, TREASURY LOAN GUARANTEE PACKAGE

● Mr. HEINZ. Mr. President, as my colleagues may know I am privileged to serve on the Senate Banking, Housing, and Urban Affairs Committee which is in the midst of hearings on the Treasury Department proposal for $1.5 billion in Federal loan guarantees for Chrysler Corp.

Although I am of course keeping an open mind as the committee hears from its panels of expert witnesses, I must say that at this point in the proceedings I have serious reservations—from both a philosophical and practical standpoint—about the merits of the proposed Chrysler aid plan.

Frankly, Mr. President, I have been profoundly disappointed in much of the testimony before the committee. For the most part, the committee has been told that it must choose between the unpalatable options of committing $1.5 billion in taxpayer funds to Chrysler Corp. and facing the supposedly dire economic and unemployment effects of a Chrysler bankruptcy. It was therefore refreshing on Friday to hear from Peter G. Peterson, a former Cabinet member and now chairman of the board of Lehman Brothers Kuhn Loeb Inc.

In his testimony, Mr. Peterson outlined some philosophical objections to the bailout plan and observed that in view of the bleak outlook for the domestic auto industry, Congress needs to consider the long-term viability of Chrysler Corp. As a middle ground between Federal aid and reorganization of the company in bankruptcy, Peterson suggested the alternatives of an informal reorganization and major infusions of equity. Peterson further suggested that should Congress approve loan guarantees to Chrysler, it should establish an independent, professionally staffed review board to administer the aid program.

Mr. President, so that my colleagues in the Senate can have the benefit of Mr. Peterson's enlightening remarks on the Chrysler aid proposal, I ask that his testimony be printed in the RECORD.

The text follows:

Testimony of Peter G. Peterson

INTRODUCTION—A REVIEW OF OUR INVOLVEMENT

On September 18, 1979, we were asked by the Department of Treasury to comment at a meeting on September 20th on the September 15th proposal prepared by the Chrysler management. After a very rapid and necessarily preliminary analysis of that proposal, we drafted a letter and reviewed it with Treasury, which I am submitting for the record. In that letter we raised a number of questions as to the soundness of some of the assumptions underlying the proposal, such as the viability of a full-line strategy, the planned increases in market share, the lack of market size fluctuations, the small car mix, the level of planned price increases, the sales mix assumptions, and the assumed variable margins on the downside if volume falls short of the plan, and, in general, the absence of contingency plans. We also were concerned with the lack of specificity regarding non-Federal sources of funds, including proceeds from asset dispositions as well as new funds from the Chrysler "family" of parties—i.e., those with a direct economic interest in Chrysler's future. We recommend that a group of experts review the alternatives and the Chrysler plan on the government's behalf, and we suggested that a solid operating plan, showing a reasonable range of possibilities and plans for dealing with such contingencies be worked out. We strongly supported Secretary Miller's decision to insist on a more rigorous and comprehensive plan.

I am happy to report to this Committee that, since that time, both Chrysler management and the Treasury Department, together with their advisers, have prepared analyses and additional material that responds to many of our concerns. I would like to express our commendation for the thoroughness with which they are undertaking to assess these most complex and difficult problems and prospects of the Company under extraordinarily difficult time pressures.

May I say that I am also reassured that Lee Iacocca, a man whom I have known and admired for many years, is at the helm and that he has made significant and I am told much needed management changes. The questions before us, however, are not whether these changes are desirable or even necessary; the basic question is whether these are enough, whether this situation is inherently viable over the longer term.

SOME PHILOSOPHICAL THOUGHTS REGARDING THE SITUATION

Our approach has necessarily been limited by the time and information at our disposal and our areas of expertise (we are basically financially-minded people who have no special knowledge of effects on employment, government revenues or broad social and economic policy questions). The Chrysler decision involves extremely complex and broad issues involving economic and even social philosophy, the fundamental relations of government to business, the question of fairness and equity that are extremely far reaching in their implications.

Should the U.S. government with the tax revenues of its citizens assist a large publicly held corporation that is likely to fail without that assistance? Our basic enterprise system assumes that success will be rewarded and failure penalized. Clearly the issue cannot be considered as a discrete problem. Whatever is done for Chrysler establishes a precedent that will be inevitably used to justify assistance to other enterprises in other situations. We know from the experience of Great Britain that this can lead down a road where the enterprise system is increasingly preempted by political intervention.

There is clearly a grave danger here that the ultimate costs of government assistance may escalate far beyond the initial projections and that, even then, the problem will not have been resolved. This is the danger we have observed in Great Britain where, in the case of British Leyland, for example, the government's aid commitment—in a vastly smaller economy, less than a sixth the size of ours—has escalated over the past five years to 1 billion pounds Sterling, while the company's U.K. market share has dropped from 40% to less than 20%.

The British situation also brings out another potential danger of this process, a kind of economic metastasis. Once the system is deflected in order to aid one ailing company, the circumstances that lead to that company's ills are transferred to other companies in that industry and then from one industry to another. To cite the record of the National Enterprises Board, Great Britain's government entity for aiding ailing enterprises, in the two-year period, 1976–78, the number of ailing companies controlled by the government more than tripled from 13 to 46. In light of these results, Denis Healy made the melancholy point the other day in New York that aid for failing companies inevitably helps the weak at the expense of the strong. The U.K. bailouts have been likened to drugs—perhaps pleasant for the first dose, but increasingly expensive, addictive, and fatal in the end.

Furthermore, once the principle is established that at least large enterprises may have recourse to governmental subvention, some pressure for effective cost controls will diminish.

In view of the dangerously declining rate in our productivity growth, which has fallen from roughly 3 percent in the years after World War II to practically zero today, we must be extremely cautious to take any action that will reduce the pressures and resources for increased productivity. Today, we have scarce resources for industrial investment and research and development that is one key to increased productivity and we should to the greatest extent possible apply those resources to the areas where they will have the most direct positive effect on productivity, which means in essence those areas where the U.S. has special strength and comparative advantage. Our Japanese friends—whose international economic record in the last two decades has vastly exceeded ours not only invest more than we do in investment in capital equipment and research and development but invest more of their resources in the industries and companies of the future.

There are also issues of fairness, is it proper to help a very large company because failure would have a greater social impact when small companies are constantly being driven to bankruptcy courts?

There are also questions of the impact of a Chrysler failure in other areas—the exacerbation of unemployment, hardship to individual communities, the effect on pensions and other social benefits of workers. I shall not attempt to consider any of these matters today.

So that you know my basic orientation, I would have no trouble signing the following statement released yesterday by The Business Roundtable in response to inquiries about the Chrysler situation:

"A fundamental premise of the market system is that it allows for both failure and success, for loss as well as profit. Whatever the hardships of failure may be for particular companies and individuals, the broad social and economic interests of the nation are best served by allowing this system to operate as freely and fully as possible.

"The consequences of failure and reorganization under the revised statutes, while serious, are not unthinkable. The loss of jobs and production would be far from total. Under reorganization, the many viable components of the business could be expected to operate more effectively while other elements might be sold off to other producers. It is at this stage that a better case can be made for targeted Federal assistance to deal with any resulting social problems.

"At a time when government, business and the public are becoming more and more aware of the costs and inefficiencies of government intervention in the economy, it would be highly inappropriate to recommend a course of even deeper involvement. Now is the time to reaffirm the principle of 'no Federal bailouts'."

However, as I understand it, Mr. Chairman, you have recently suggested that some Chrysler legislation will pass. Thus, we are dealing here with a condition and not a theory. Thus, I will focus much of my remaining testimony on what might be done to make what government aid is given as prudent, effective and limited as possible.

VIABILITY IN THIS SITUATION

To go beyond these philosophical and far-reaching and highly controversial policy issues, we should try to arrive at a constructive consensus regarding what our objectives should be. Realistically, what specifically do we want to achieve in the Chrysler situation?

For example, if jobs are our goal, we must ask ourselves what kind of jobs do we mean? I believe that we would all agree that we want self-supporting, sustainable jobs rather than subsidized, public service jobs—and certainly long-term jobs rather than temporary jobs.

We also would like to have a company that is really viable long-term; not one that stays alive for the 1980–83 period, but one that is well-poised to compete successfully throughout the 80's and beyond.

What do we mean by viability? By what criteria is it measured? The classic concept of economic viability is that a business enterprise should earn enough profit to enjoy continued access to the capital markets and thus be able to finance its operations on an ongoing basis. In today's world this means, specifically, meeting a whole host of requirements:

The company must be able to sell products that meet consumer wants at competitive prices, yet have an underlying cost structure relative to its world-wide competitors that will enable it to make an adequate profit, based on the volume of the company's products consumers are willing to buy.

The profits must pay for numerous capital costs: interest payments must be met, the debt principal must be repaid, investments must be made in research, development, and capital expenditures to insure the company's competitiveness over the long haul, and finally, the stockholders must earn a fair dividend on their investment.

The company must be responsible to its employees, (for example, it must provide adequately for their pension benefits after they leave the company).

Finally, the company must be a good citizen in the communities it is involved in—by paying taxes, by complying with laws and participating appropriately in various community programs.

We believe that agreed, basic definitions of viability are an important part of the legislative mandate.

SOME FACTORS AFFECTING POTENTIAL SHORT-FALLS IN SALES

We are not automotive industry experts, but a few things we sense about the current environment cause us grave concern.

First, we note that auto sales are off dramatically—for the first 10 days of November, industry sales were down 27 percent from 1978 and Chrysler's sales were down 44 percent.

We appear to be in the throes of a serious economic recession. While no one can predict how long this will last, many people believe that it will get worse before it gets better.

Second, as a parallel concern, the current tight credit, high interest rate environment surely must affect the cost and availability of credit for purchasing automobiles, and this can only further depress sales.

Third, the prospect of a significant cutback in the supply of oil, both from Iran and other Middle Eastern countries, and from oil exporting countries outside the Middle East, appears obviously real.

As my partner George Ball has said on recent occasions, the potential for political instability in many of the principal oil producing countries, e.g., Saudi Arabia, Kuwait, Bahrain and the Gulf Emirates is very high in both the near and intermediate term.

It seems to us that such an oil supply short fall would affect the auto market in two ways—first, consumers would likely be concerned with the uncertainty of fuel availability and consequently defer their purchases, thus reducing the annual unit volume of the auto market. Whereas the Chrysler proposal assumes a 10.1 million unit volume for 1980, and the Treasury study used a base case of 9.3 million units, we have heard very recent estimates from two extremely expert industry sources in the range of 8.2 to 8.6 million units. Second, there would presumably be a shift to smaller cars. This in turn has two implications. First, margins would be significantly reduced, since the variable margins on smaller cars are much smaller than on larger cars. Second, Chrysler, in particular, is already producing small cars at capacity. Thus, a shift in the market toward smaller cars would likely mean a reduction in Chrysler market share.

Fifth, we have heard estimates that some Japanese producers can land automobiles equivalent to Chrysler's in the U.S. with a cost advantage of several hundred dollars. Unfortunately, for U.S. producers, the Japanese combine this cost advantage with capacity to export substantially more smaller cars whereas our domestic manufacturers, as I understand it, are close to capacity. This would certainly explain why, in part, the import's share of the North American market has increased from about 13 percent in 1973 to over 20 percent this year. In light of the continual penetration of the North American market by foreign producers, it is unclear where Chrysler's projected market share increases will come from. Furthermore, Ford, in its difficult situation, can certainly be expected to fight back very hard not to lose market share.

Sixth, the impact of a volume decline on Chrysler's profits and funds needs must be carefully explored. As shown in Table II of our letter to Treasury, on a historical basis when sales have increased rapidly, incremental profits as a percent of sales have been at substantial levels—in the range of 20 percent. However, in years of modest sales growth or in years of sales decline, incremental profits have varied—downward—at a much higher rate; in one year (1970), even in excess of the absolute change in dollar sales. In other words, history would suggest that the favorable effect of significant sales increases on profits is far less than the unfavorable effect on profits from modest sales gains or declines.

Chrysler's profit history, however, is not necessarily a solid basis for predicting the future. It appears certain that Chrysler's current management has been moving rapidly to reduce fixed costs and otherwise alter the company's cost structure. Thus, the future is unlikely to be a repeat of the past. However, before public funds are committed, the government should be satisfied (1) what a downside variance in the company's profit resulting from sales declines is going to be and (2) a specific contingency plan in the event of a "worst case" scenario (which I don't find all that unlikely), actually materializes. I believe Chrysler should be asked to produce a "variable budget" that makes clear the plan and implications of a significant fall off in sales.

I do not intend today to get involved in a "numbers game" since none of us on the outside can really make an independent and objective judgment of how large the losses might be under these circumstances. I can only tell you that our preliminary analysis suggests that the numbers could be substantially larger than what is being assumed.

Finally, in trying to map out a worst case scenario, it is quite sobering to hear that Ford, with twice the market share of Chrysler, is expecting to lose about $1 billion in the North American car business in 1979 and a similar amount in 1980. By way of comparison, the revised Chrysler proposal projects a $482 million loss for Chrysler in 1980. Nor is one comforted by Chrysler's history of loss forecasts for the current year. In early August the forecast was for a $500 million loss—by mid-September the projected loss had risen to $1,073 million. In fairness, Mr. Iacocca and the Chrysler board have made sweeping changes in the management organization in general and the financial controls area particularly. These changes will certainly improve the company's forecasting process. But even with the best financial controls, we cannot forget this is an industry in an environment where extraordinarily large changes in volume combined with high fixed costs can inherently produce large and uncontrollable variations in profits or losses in even the best managed companies in this industry!

STRATEGIC OPTIONS FOR CHRYSLER—GIVEN CURRENT CIRCUMSTANCES

First, in order to bring some stability into this situation, so that prospective buyers or investors or lenders can assume that fatal hemorrhaging, at least in the short term, will be managed, I would see legislation that, among other things, made clear that Chrysler's short term needs, to the extent genuinely not available from non-government sources, would be met. During this early phase, Phase No. 1, an intensive review would be made of the range of real longer term needs, and of the alternative solutions to this problem including:

(1) An informal reorganization or process that substantially restructures the company's obligations and operations.

In situations of this type, a classical approach is to require all parties with a vested interest in the Company's continued existence—lenders, employees, suppliers, dealers, stockholders, state and municipal governments, among others—to share in some way the burden of restructuring the Company's affairs. For example, existing lenders typically can reduce or suspend interest rates, and repayment of outstanding debt. Sometimes banks and other institutional lenders subordinate their existing obligations and even convert a percentage of their debt into equity related securities, thereby providing a broader financial base for the Company's operations. It is also customary in these types of situations to require existing creditors, when possible, to advance new funds in order to assure the Company's viability. This can be done in many ways, including the full range of securities—senior and subordinated debt, preferred stocks, and common stocks. Unusual conditions often are attached to such securities including interest and dividend payments payable only upon realization of prescribed levels of profit.

Lenders we must add are understandably reluctant to undergo any of the restructuring steps and are predictably hesitant to advance new funds unless they foresee a reasonable prospect of repayment on their overall commitment of funds. The free market in this regard enforces a discipline on companies in difficulty and makes its own judgment on the company's long term viability. Lenders typically are very reluctant to force a going concern into bankruptcy unless its prospects seem apparently uneconomic over the long term.

Employees, suppliers and dealers often represent a logical source of financial support because of the obvious nature of their self interest in the long term viability of the troubled company. Typically, they, and other interested parties, make financial accommodations necessary for the businesses' survival. For example, salaries and benefits can be either reduced, deferred or eliminated. Pension funds, individuals and dealers can invest in new securities of the company. Suppliers can provide delayed payment terms with hospitable discounts. Other entities—such as state and local governments—can provide assistance in a variety of ways including tax abatement, purchase and lease facilities and loans.

As financiers, we are impressed by the complexity inherent in the accomplishment of such a restructuring for a major American corporation. Nevertheless, we have seen numerous successful reorganization efforts accomplished both with and without the assistance of the bankruptcy statutes. As the Chrysler plan points out, a commitment for new funds to satisfy the company's need should be forthcoming from existing interested parties. The Treasury plan envisions these aggregate funds to be $1.5 billion, including divestments. Without our having the charter to assess such estimates by working directly with lenders, buyers, or investors, it is not responsible for us to comment specifically on those estimates.

Finally, special word about the common equity holder. It is intrinstic to the notion of equity that the highest risks and highest reward role is that of the common stockholder.

This argues that one of the bases of a comprehensive restructuring should be that existing equity holders be the first to be considered as contributors to the solution.

To be sure, this may mean that such stock may have to be sold at considerable effective discounts, whether the shares are offered in the form of rights offerings targeted to existing shareholders or to new shareholders. Clearly, it is very difficult in circumstances like these to succeed and it may require unusual underwriting methods, including for example, members of the Chrysler "Family" being prepared to contribute standby funds to assure success of public offering.

Another form of equity would be preferred stock. In serious situations like these one would normally consider sale of such preferred to groups with a continuing interest in Chrysler, i.e., the Chrysler family. In view of the potential financial difficulties in these situations the dividends on the preferred stock sometimes are only paid if an agreed level of earnings is achieved and repayment of the preferred stock is only after a long interval of time;

(2) A formal bankruptcy. A reorganization in this case is certainly not made easier by virtue of the fact that Chrysler is a relatively integrated company in which a number of divisions use common facilities. Were the company more clearly and separately divisionalized, the task of "re-rationalization" would obviously be simply, and/or

(3) Major infusions of equity probably from other automotive manufacturers.

May I say I appreciate the difficulty of attracting foreign investment. However, if one, and preferably more, foreign manufacturers could be induced to invest in, or acquire specific Chrysler operations, we would not only have more confidence that long term economic viability would result—given the infusion not simply of money, but of design, technology, know-how and marketing—but more real jobs and long term competitive viability as well.

A foreign investor, however, is unlikely to want to make a significant investment in a situation that is hemorrhaging, perhaps fatally. Likewise, it will take time and a more stable environment to negotiate satisfactory arrangements about what are likely to be unacceptably large, unfunded, vested pension liabilities ($1.5 billion). For example, joint ventures involving specific facilities.

For myself, I would rather put government time and revenues into a situation in which long term competitive viability seems likely than what may be a "short term fix" that turns out to be a very costly long term fix that is ultimately no fix at all. The Vietnam analogy, I know, haunts all of us.

With these three broad alternatives in mind, it might be useful at this point to discuss briefly the issue of whether or not it would be helpful to seek the protection of the bankruptcy statutes to effect the reorganization I discussed above. I am not an expert in the bankruptcy area but, as a businessman, I am not unaware of the respectable intellectual argument that a company in the consumer durable business like Chrysler could suffer significantly—and perhaps even fatally—in terms of decreased sales and market share from the publicity surrounding the word "bankruptcy". Consequently, I favor a middle ground approach such as I have described previously which calls upon Chrysler's lenders, employees, suppliers, dealers, and interested state and municipal governments to make accommodations in the best interests of Chrysler's survival. We have often seen these methods succeed outside the bankruptcy courts and I think we would all agree that this approach is favorable albeit fraught with difficult problems and intense negotiations. Inevitably special problems occur, such as waivers on publicly held debt, which produce unusual and sometimes irreconciliable problems. Nevertheless, the prospect of federal assistance in a substantial amount should provide a "carrot" to induce these parties to participate in the informal reorganization process, if the disbursement of the federal funds is withheld until the private sector provides matching type funds.

Finally, I would not want to see any substantial funds committed until a first-rate, objective analysis of the basic alternatives and of the magnitude of the range of possible needs is clearer—particularly as the economy and energy situation emerge. This is a fundamental purpose of Phase No. 1.

Even thereafter, I would strongly hope that additional moneys would be dispensed deliberately and on a staged basis, always re-examining what are likely to be changing requirements, conditions, and revised contingency plans. This "milestones" or "step-by-step" approach in which one assesses progress against goals and against revised needs is commonly used in industry and I would much prefer it to dispensing the $1.5 billion, or any other number in one large grant.

A PROPOSAL FOR A CHRYSLER REVIEW BOARD

I would recommend that you consider the setting up of a Chrysler Review Board to carry out the mandate of the Congress until all of the government guarantees are repaid.

This Board would be chaired by the Secretary of the Treasury and might include such members as the Comptroller of the Currency, Head of the General Accounting Office, and a majority of private sector people of stature and independence who do not violate the existing Federal conflict of interest statutes (for example, certain bankers, unions, and suppliers). Because of the unique precedential public policy issues posed by the Chrysler situation, the Congress should consider being the appointing authority for the Board's public members, or at least, playing a major role in the process.

Among those categories of backgrounds that might be considered are corporate executives with broad manufacturing, marketing or financial backgrounds, perhaps a distinguished lawyer familiar with corporate finance and reorganization, a person with broad financial or accounting background, an academic with background in labor, industrial organization, or finance, etc.

Generally, the Board would implement the conditions for the movement of any government guaranteed funds. In that role, the Board would consider the short and long term viability of Chrysler Corporation, taking into account all factors relevant to the competitiveness of Chrysler as a business entity and its ability to service and repay the debt.

In order to carry out this mission, the Board would have the authority to set conditions for such loans including seniority, maturity, affirmative and negative covenants, prior infusion of funds from non-government sources, including partial and total divestment, new equity infusions, joint ventures or mergers with other automotive manufacturers, industrial corporations or other sources.

The Board would be expected to implement broad legislative guidelines; for example, the terms of repayment, where possible, should give priority to new monies from the U.S. government, coupled with terms and covenants that provide a proper supervisory role for the government.

May I also say that this Review Board will need not only a first-class staff but ready access to the best outside advisers in legal, accounting, and financial areas. As an ex-government official, I know that the regular staff of our cabinet departments are not really trained, nor frankly do they have the time, for the kind of continuing commitment that this kind of complex negotiation and restructuring will take . . . particularly when negotiating "against" highly skilled bankers and consultants of the quality you will be hearing from shortly this morning.

A final word about this proposal of the Review Board. As I go across the country, many businessmen and others I talk to not only fear that the real commitment may be much larger than anticipated, or that this case may be a model that is multiplied to other companies and other industries, there is an underlying current that this program will get increasingly enmeshed in the 1980 electoral process. Given the profound precedent involved in this case, I hear many Americans saying that if there is to be a Chrysler program at all, they want a *process* that is credible, professional and objective.

LEHMAN BROTHERS KUHN LOEB, INC.
New York, N.Y., November 9, 1979.

Hon. ROBERT CARSWELL,
The Deputy Secretary of the Treasury,
Department of the Treasury,
Washington, D.C.

DEAR BOB: Attached is a copy of a draft letter from our firm to Secretary Miller virtually identical to the one which we reviewed with you on October 2, 1979.

As you will remember, events were rapidly altering facts and assumptions. Nevertheless, since we have now been asked to testify before the Senate Banking Committee, we felt it important that you should have this draft in your permanent records.

Sincerely,

PETER G. PETERSON.

LEHMAN BROTHERS KUHN LOEB, INC.,
New York, N.Y., September 27, 1979.

Hon. G. WILLIAM MILLER,
Secretary of the Treasury, U.S. Department of the Treasury, Washington, D.C.

DEAR MR. SECRETARY: In the hope it may be useful, this letter outlines some of the preliminary comments we made orally to Deputy Secretary Carswell and his colleagues on September 20, in response to your request that we review Chrysler's September 15, 1979 proposal to the Treasury Department. As set forth in that proposal, the Company has asked for the Federal government's assistance in the form of $500 million of loan guarantees and an additional $700 million of contingency loan guarantees.

BACKGROUND OF PROBLEM—OUR FIRM'S ROLE

We recognize the complexity of the problem Chrysler's predicament poses for the United States Government, since it involves not only the determination of facts and the exercise of business judgment but also raises public policy issues of the highest importance. The advice our firm can provide is necessarily limited; we have perceived our role as solely that of financial advisor. It is not within our professional competence to express an opinion whether or not as a matter of national policy the government should provide financial help to Chrysler, even if such an infusion of public funds would be likely to return Chrysler to profitability. Clearly, that decision could have broad implications and the appropriate governmental authorities shall have to consider not only its economic, social and political effects but also its precedential significance.

Before reaching these formidable issues of public policy, however, government authorities will have to make a careful appraisal of Chrysler's economic and financial position. More specifically, the government's appraisal will have to consider such questions as:

1. Can Chrysler remain viable in the long-term by pursuing a carefully designed business and financing strategy without government assistance? What is the fundamental nature of the company's malaise? Is it merely a temporary problem of cash flow or, given the momentum that has been lost in past months and years and new competitive and regulatory requirements, is it a more critical problem of long-term viability?

2. Could Chrysler, with government assistance, pursue a strategy which leads to future independent profitability?

3. Even if the government and Congress were to decide to lend support and can agree on specific preconditions, what are the likely ranges of necessary support and, as a threshold question, what are the limits beyond which such support cannot be justified?

The only document we have before us is the September 15, 1979 Chrysler proposal. Our comments in this letter will focus on that document. Our observations are necessarily limited by time constraints; thus, what we offer are questions and impressions rather than independently researched conclusions. There are probably good answers to many of the questions we raise; nonetheless, we believe they must be asked.

I. SUMMARY COMMENTS ON CHRYSLER CORPORATION PROPOSAL FOR GOVERNMENT ASSISTANCE

The material presented in the proposal, the assumptions underlying the projections and the documented conclusions do not persuade us that the proposal is viable or comprehensive. On one hand, they do not definitely show that Chrysler must necessarily receive government financial assistance in order to achieve profitability. On the other, they do not foreclose the danger that the proposed plan, if adopted, could lead by its insufficiencies to a much larger, if not open-ended, drain on the United States Treasury; they do not conclusively demonstrate that Chrysler could return to profitability even with a massive infusion of new funds. Finally, by not exploring all the reasonable non-government alternatives, this plan does not meet the test of demonstrating that Chrysler must now request government support as a truly last resort. In fairness, we do not know the entire context in which this plan was presented. However, you asked us for our reactions to this plan, and we must tell you it does not meet the strict burden of proof test that would seem to us to be implied in a case that involves such large issues, both of policy and public resources.

We strongly support your decision to insist on a more rigorous and comprehensive plan before taking any further action.

II. SOME SPECIFIC CONSIDERATIONS REGARDING CHRYSLER'S OPERATING PLAN ASSUMPTIONS

A. Product strategy—full line viability:

Chrysler's plan rejects the feasibility of anything less than a full-line product strategy, but the supporting analysis seems to us insufficient. Because the cost structure, resources and market position of each company in this industry is unique, any analogy is imperfect. Still, the experience of American Motors in the early 1970's, which led its management to decide not to offer a full line of passenger cars, but rather to focus on specific market niches, cannot be ignored—particularly in the context of American Motors' performance since then (see Table I). American Motors' net profits, for example, in the 1979 fiscal year are estimated to be about $70 million. Though we would not at this point rule out the logic of a full product line strategy, its necessity has, in our view, not been adequately proved; we would think, for example, that the case for a more limited product line needs to be fully and fairly ventilated.

B. Sales volume at less than projected levels—impact on profits:

We do not believe it prudent to rely solely on the variable profit margins per unit implicit in the Chrysler plan. For example, Table I of the plan indicates that in 1982 one might expect variable profits of $3.511 billion on sales of 2.005 million automobiles and trucks, or approximately $1,750 per unit. Though the plan certainly does not state this, one might conclude that for every vehicle less than the plan sold, profits would be reduced by the same $1,750 per unit, if we assume Chrysler's average price to dealers in 1982 is about $9,000, roughly 20 percent of sales.

However, any reading of actual Chrysler profit history would indicate that variable profits per unit have varied greatly depending upon the volume of production, percent of rated capacity utilized and the rate of volume growth over previous years. As Table II indicates, when sales have increased rapidly (at least 15 percent), incremental profits as a percent of sales have been at substantial levels—in the range of 20 percent. However, in years of modest sales growth (in the range of 5 percent) or in years of sales decline, incremental profits have varied—downward—at a much higher rate; in one year (1970), even in excess of the absolute change in dollar sales. In other words, history would suggest that the favorable effect of significant sales increases on profits is far less than the unfavorable effect on profits from modest sales gains or declines.

Fairness requires us to say that Chrylsler's profit history may not be a solid basis for predicting the future. Major actions have been taken to reduce both the level of costs and their structure. However, given this history, we believe the company should assume the burden of demonstrating what the future effects on profits are likely to be—in the context of a changed cost structure—of more conservative volume and mix contingencies.

C. Projected higher market share—likelihood and impact of shortfalls:

Basic to the Chrysler proposal is the assumption that it will be able to reverse the steady declines in market share suffered by the company during the past decade. In 1968, Chrysler's domestic market share was 16.2 percent. Today it is 10.3 percent and the plan anticipates a return to 12.3 percent by 1985. The basis for that assumption may rest on an implied vote of confidence in the superior—but as yet undemonstrated—skill and vigor of the new management. There is no evidence that Chrysler is planning to introduce any revolutionary changes in its products or, indeed, to make product changes materially different from General Motors or Ford. Nor is there reason to believe that those two companies or foreign competitors will be any less aggressive or effective than they have in the past. To be sure, Chrysler improved its market share substantially during the 1960's from 9.6 percent in 1962 to 16.2 percent in 1968; however, the structure of domestic and foreign competition during that decade may not have been as formidable as that foreseeable for the 1980's.

The somber possibility is that Chrysler could suffer a significant sales disadvantage from the inference consumers may draw from the company's widely known financial difficulties and that its products could become "orphans". In addition, Chrysler may have considerable difficulty keeping its dealership structure intact—in spite of the abilities of its management. There are indications that the competition is already trying to take over its most successful dealers. Also, Chrysler's increase in market share is projected in the face of a planned decrease in advertising budgets of 35 percent. Finally, in the short term the company might suffer some lag effects from the impact of its successful rebate program which could conceivably have accelerated purchases of Chryslers by some who would have bought a Chrysler anyway. (See Table III for effects of previous rebate programs on industry sales.)

A failure to achieve the market share objective could, as shown in Table IV, reduce Chrysler's projected profits by hundreds of millions of dollars annually. For example, if Chrysler's market share remained at the current level, even though all other aspects of the plan worked out (and one accepted their projected variable profits as being operative on reductions in sales volume as well as increases), Chrysler's profits for the 1980 to 1985 period would aggregate about $2.3 billion less than projected. But, as we have indicated earlier, the unfavorable effects on profits of modest increases in sales have, at least in times past, been far greater than the favorable effects of significant volume increases.

If this pattern were to prevail in the future as a result of Chrysler's not achieving its market share objectives, then the aggregate unfavorable effect could conceivably be far greater than $2.3 billion. I must emphasize we are in no sense predicting either this market share result or this aggravated profit effect. Rather, we are trying to demonstrate the critical importance of assessing both the viability of market share projections and the likely range of cost and margin behavior in the event the market share objectives are not met.

It may be that even were it to achieve its objective of increasing its market share to 12.3 percent, Chrysler would still have difficulty remaining viable. In other words, given the current massive costs of retooling to keep pace with market requirements and of meeting the standards of increasingly stringent government regulations in a relatively short period of time, it is possible that there is a critical volume somewhere above 12.3 percent which must be reached if a full-line motor vehicle producer is to survive. In fact, even with a market share of 20 percent to 25 percent, some believe that Ford may have difficulty maintaining profitability in its domestic automobile business. But even putting aside such larger questions, a projected increase in market share seems indubitably essential to the success of Chrysler's plan.

D. Total Market Fluctuations—Projections in Light of Recent History:

The plan assumes a steady, uninterrupted growth in vehicle sales from 1981 to 1985. While the overall rates of growth may be quite reasonable, past history of the industry gives little support for the assumption of such steady growth over such a long time span. Tables V and VI show the much larger historical fluctuations in the car and truck markets compared with the market variations projected in the plan. One clear omission of the plan is the failure to take account of the possibility—indeed, the probability—of adverse political or economic developments in a world environment that has become increasingly precarious. This omission is particularly unrealistic since our energy supplies now heavily depend on the cooperation—and even the survival—of oil producing nations that are increasingly less stable. That lesson should have been brought home to us by our experience of the past few years with several unpredicted occurrences—such as OPEC's price action in 1973 and the Iranian Revolution at the beginning of this year. The problem is illustrated by Table VII which shows the market impact of both the OPEC price increases in 1973 and the shortfall in Iranian production resulting from this year's political developments. Table VIII suggests the profit implications for Chrysler if the total vehicle market should fluctuate along historical patterns. As the table shows, such fluctuations could easily affect Chrysler's profits in a given year by hundreds of millions of dollars—and more—depending upon what assumptions one wishes to make about how profits are affected by significant reductions in volume.

E. Price Increases—Attainability and the Impact on Variable Margin Improvements:

Another ambitious assumption in Chrysler's plan may be its projected increase in its variable margins over the plan period, as shown in Exhibit X of the plan. Variable margin is, of course, a function of both prices and costs. One discouraging element is the fact that the burden of governmental regulations and requirements produced from environmental considerations tend to fall unequally on relatively smaller producers, such as Chrysler, compared with its two larger competitors. When that is added to the adverse effects of energy price increases, the effect must necessarily be to depress variable margins in comparison with the other major producers.

Though we are in no position to pass judgment on the company's cost projections, we have a definite impression that its prices may be optimistic. As shown in Table IX, the plan projects price increases averaging about 6.3 percent per year, or roughly the level of price increases of recent years, and would appear reasonable in light of recent rates of inflation. Yet industry conditions today are more competitive than ever. Only last week, major Japanese producers stated that they were limiting their initial price increases to less than 3 percent on new 1980 models. Further, firms such as General Motors have been able to make much larger productivity-enhancing capital investments than Chrysler. As Table X illustrates, both General Motors and Ford have much higher operating profit margins than Chrysler. They are thus better able to price aggressively, or alternately, to sustain price restraints that may be imposed either by government intervention or market forces. Parenthetically, on the other hand, if Chrysler were to gain a temporary lower-cost union settlement than its principal competitors, this could clearly reduce its competitive disadvantage. Labor costs typically run about 30 percent to 35 percent of total sales in the case of Chrysler.

All things considered, it may be that a plan of the type we would envisage—one that provides for a reasonable range of contingencies and how the company would plan to respond to such contingencies—should show the effects of price increases less than those contemplated.

F. Sales Mix—Impact of More Small Car Sales:

We would suggest a review of Chrysler's assumption that the small car portion of the market will increase from about 54 percent today to only 56 percent in 1985. That may be an overly optimistic profit assumption. Table XI shows that in recent history, at least, the small car portion of the market has shifted much more dramatically. For example, the small car segment increased from about 42 percent in 1977 to about 54 percent in 1979. Moreover, it appears that the trend toward increasingly stringent mileage standards could well extend beyond 1985. Table XII shows that if the small car portion of the market should amount to 60 percent in 1982, instead of the projected 53 percent, it could cost Chrysler well over $100 million in profits for that year alone, if we assume small car variable margins as stated in the plan.

Summary of points regarding the operating plan:

Up to now, we have focused on the operating plan and have emphasized the sensitivity of Chrysler's profits over the plan period to five assumptions: (a) profit sensitivity to volume changes, (b) total market fluctuations, (c) market share, (d) variable margin and (e) sales mix. If all five of these assumptions should not work out, then clearly the cash flow needs could be an order of magnitude higher—billions more. Though it seems unlikely that all five assumptions would fail, it seems quite as unlikely that all five would be fully realized. Even in his latter event, we have illustrated that profits could be much lower than projected. Page 23 of the plan refers to a "maximum" cash deficit of $2.1 billion. Clearly, such characterizations are only as valid as the operating assumptions upon which they are based.

In light of the plan's shortcomings and vulnerability, a more rigorous study is urgently needed. Before sophisticated investors will commit funds to Chrysler, they will have to be convinced that the company's planning is soundly based on realistic assumptions and free from the taint of wishful thinking.

A credible operating plan, showing a credible *range* of projections and related action plans, is an essential precondition to any financing strategy. If one were to proceed further in this matter, one would be well advised to seek the assistance of first-rate, experienced people with relevant backgrounds including, if at all possible, knowledge of the automotive industry. Such individuals would be helpful not only in providing an objective view of any plan that may be developed, but in providing the requisite assurances to potential investors.

G. Financial controls and forecasting—need for a more reliable and credible process:

Added credibility would also be gained by an understanding of the financial control process within Chrysler. Any plan is a statement of probabilities about the future and it is more likely to be achieved, and more credible, if the numbers have been put together with great care and with great knowledge of detail. The Federal government, or a potential investor, could not ignore the recent and not reassuring history of Chrysler's financial forecasts. One wonders whether the underlying facts could have changed so much, or whether Chrysler's understanding of these facts and their financial implications changed significantly.

We would suggest that the credibility of any plan would be greatly enhanced if one were to understand better why such large variances took place, and could be satisfied that new financial control processes and people would result in improved projections.

III. SOURCES OF ADDITIONAL FUNDS

A. Additional funds from further divestments:

Chrysler has already made some significant divestments of subsidiaries, such as: Chrysler Motors do Brasil Limitada (66.7 percent), Chrysler Australia Limited (33.3 percent), Chrysler Realty Corporation (100.0 percent), Chrysler Venezuela S.A. (100.0 percent), Chrysler Colombia (100.0 percent) Chrysler France S.A. (100.0 percent), Chrysler Espana S.A. (100.0 percent), Chrysler United Kingdom Ltd. (100.0 percent). These divestments have both produced additional cash and reduced the company's consolidated debt.

The September 15, 1979 proposal contemplates additional divestments of $900 million but does not specify the particular operations to be divested, or the specific amounts anticipated to be realized for each.

As part of mobilizing all possible resources. Chrysler may need to sell some additional assets beyond those contemplated in the plan. This will involve critical judgment in selection for divestiture of those assets that can realize the most cash in the short-term with the least cost to Chrysler's long-term plans for recovery. A critical decision in this area will be whether Chrysler should sell some of its parts production facilities and thus become less vertically integrated. This classic make-versus-buy decision should be studied thoroughly and expertly.

Prospective candidates for divestiture might include:

Chrysler Financial Corporation (book value of $648 million as of the end of 1978 and 1978 earnings of $49 million. Depending upon the relationship between a new owner, Chrysler and its dealers, this could be a most valuable asset to a number of potential corporate or other buyers),

Chrysler Military Operations Division (While the U. S. Government owns some of these facilities, there is reason to believe that the ongoing operations would be valuable to some companies),

Chrysler de Mexico S.A. (99 percent owned, economic flow through of $640 million),

Chrysler Fevre Argentina S.A.I.C. (49 percent),

Sigma Motors Corporation (Pty.) Ltd. (25 percent) and

Chrysler Motors do Brasil Limitada (33.3 percent).

PSA Peugeot-Citroen—(15 percent holding, carried at a book value of $324 million).

Another category of prospective divestiture candidates includes operating divisions which the DRI/Department of Transportation Study characterizes as "Chrysler Assets Which Are Most Valuable to Outside Purchasers". They indicate the estimated value of New Process Gear's earnings at $350–$450 million and the value of Introl Division's earnings at $40–$70 million.

The DRI/Department of Transportation Study also lists some operations "valuable only for production capacity by other automobile manufacturers". That study "guesstimates" dollar values of two such operations on the basis of tooling costs:

The Kokomo transmission plant ($100–$300 million), and The Belvidere assembly plant ($100–$200 million).

A responsible estimate of funds from additional divestments must necessarily make a searching investigation of each possibility (some are shown in Table XIII), including each one's status as collateral, their relationship of Chrysler's viability and possible market value.

In the absence of such an investigation, we can say only three things: (1) there is no such study in the Chrysler proposal, (2) we think it is reasonable to insist on such a study as part of your consideration of a proposal for government assistance and (3) we could imagine the possibility of aggregate divestments substantially in excess of the $900 million contemplated in the September 15 proposal.

B. Non-Federal sources of additional funds:

1. Funds from the Chrysler "Family":

Notwithstanding our reservations about the existing operating plan, Chrsyler's situation is sufficiently severe to conclude that conventional sources of credit cannot be expected to satisfy Chrysler's need for new funds. Nevertheless, the Chrysler proposal does not adequately support the conclusion that only $700 million of unguaranteed funds can be raised, nor does it identify who the potential categories of investors and lenders considered may be.

We believe that there exists a large enough "family" of potential investors with sufficient economic interests in the future of Chrysler to support substantial additional funding—perhaps even without the assurance suggested in the Chrysler plan that the U.S. government will guarantee additional needs of at least $500 million. As in similar situations involving requests for federal assistance, we believe that the concept of burden-sharing is fundamental; the potential contributions of those most directly concerned (the Chrysler "family") must be a part of an overall and enlarged funding package. We would question whether Federal assistance should be extended that simply insulates the direct beneficiaries of Chrysler's ongoing operation from the dilution or liquidation of their interests that might result from a de facto or de jure reorganization of the company were its future left to the private sector. (We would assume you would want to study in depth the implications of a formal reorganization—including an analysis of the actual effects of past such reorganizations).

We believe the following might be included in the "family" on interested parties: Chrysler's approximately 210,000 shareholders; 19,500 suppliers; 4,800 dealers; 158,000 employees and their pension funds; the United Auto Workers, which represents approximately 110,000 employees; the governments of Michigan, Ohio, and Indiana; the City of Detroit and local businesses; and the governments of Canada and Mexico.

Although specifying the role of the various family members would be premature, numerous possibilities can be envisioned.

Existing shareholders might participate in a rights or other form of equity offering.

Dealers might be willing to invest in a security with a participation in results, but perhaps a relatively short maturity.

Likewise with suppliers, but they clearly should have an incentive to provide funds to Chrysler through the extension of additional credit.

The UAW and pension funds, given adequate consideration of their ERISA obligations, may be able to invest in equity and/or debt of Chrysler.

Employees, in their individual roles, might invest an ongoing portion of their compensation in a participating equity security—perhaps in a manner similar to the Eastern Airlines arrangement whereby employees' compensation varies with the company's profits.

States and foreign governments might also contribute through grants, tax abatements and other programs, or conceivably, even their pension plans.

The possibilities are endless but the basic principle of family participation and burden-sharing is, in our view, fundamental. The Chrysler proposal is silent on this subject.

Chrysler has already received aid from General Motors Acceptance Corporation, which purchased $230 million of receivables from Chrysler Financial Corporation. Further assistance might be available as well from other domestic automobile and truck manufacturers. General Motors, Ford, American Motors and others, beyond the sourcing and sale of parts, have an interest in Chrysler's future in view of its implications for the structure and regulation of the automotive industry.

Federal guarantee programs such as those of the Economic Development Administration, Farmers Home Loan Administration and the Urban Development Action Grant Program are also not mentioned in the plan as having been considered by Chrysler.

Clearly, given the brief time that we have had to study Chrysler's situation, the uncertainty surrounding their operating plan and a lack of direct discussions with existing and potential investors, we cannot estimate the total amount of funds that might be available to the company. Face-to-face negotiations with potential investors will be essential.

2. Sources of funds outside the Chrysler "family":

Finally, careful consideration and encouragement must continue to be given to all possible means of procuring a permanent infusion of equity. It seems unlikely that anyone would at this time be interested in acquiring all of Chrysler—not simply because of the large operating risks but because of the $1.1 billion of unfunded pension liabilities. A minority investment may be possible, depending somewhat on the degree of the investor's operating control.

This would lead one to explore other ways of adding permanent new equity, particularly by a company with a commitment to industry and with the ability to contribute useful financial and nonfinancial resources. A foreign automotive company concerned about its competitiveness in the face of rising exchange rates and the possibility of protectionist actions might be attracted to make such an investment—if the facilities were of appropriate scale, reasonably competitive, the pension and other risks were reasonable, and the price were right. In this connection, the experience of Japanese color television manufacturers coming to the U.S. may be relevant. A number of these Japanese companies established themselves or at least augmented their position in the U.S. by buying existing U.S. operations. (Perhaps the most notable example is Panasonic's acquisition of Motorola/Quasar.) It might be possible to structure joint venture arrangements for particular configurations of Chrysler facilities whereby the purchaser might not incur the unfunded pension liabilities for some period of time, perhaps five years.

None of these possibilities will be easy, or they would probably have already been accomplished. Still, the U.S. government—if the "last resort" philosophy is to be valid—has every right to insist on knowing that such reasonable efforts are being pursued, and perhaps to encourage them as well. Beyond improving the prospect of Chrysler's viability, it might be argued that additional competition and employment would result from this foreign investment.

IV. Public Policy Considerations Beyond the Scope of This Analysis:

Clearly Chrysler's situation raises complex questions that extend far beyond our purview concerning, for example:

The effect on employees, suppliers, dealers, and other members of the Chrysler family,

The effect on cities, states, the Federal government, and their budgets and economies,

The implications of further concentration in the automotive industry and,

Regulatory standards—the possibility of permitting purchases of safety and emission control components from competitors, further delays or changes in regulatory standards, and the like.

In this broad policy area, we make only one small suggestion, namely that you take into account not only our national experience but the experiences in other countries where governments have more freely offered assistance to ailing enterprises, including the automobile industry. Beyond the comments at our meeting of former Under Secretaries of State George W. Ball and Nathaniel Samuels on the experiences of such countries as England, France and Italy, I call your attention to the list of reports and articles contained in Table XIV, which document the approach taken in England. Clearly, you must consider whether the longer-term macroeconomic costs to the economy of the government's propping up what may be uneconomic ventures could be much larger than the costs of not doing so—one of the reasons being that once such a precedent is set, it may be difficult to revert, and the process may tend to become addictive.

Finally, since we saw now persuasive evidence that Chrysler's cash flow problem posed any imminent danger, we strongly supported—and still support—the notion of your insisting on a much more comprehensive, detailed, credible plan that genuinely illuminates answers to the three questions posed at the outset of this letter—Chrysler's viability without government support, Chrysler's viability with government support, and the nature and likely levels, as well as the upper limits, of such support.

These comments are necessarily preliminary and incomplete—more in the nature of questions than answers—since we have had neither the time nor opportunity for searching investigation required for a more definitive judgment. We pass them along to you with the thought that they may be useful.

We are pleased to have been asked for our views. If you would like any further comments or elucidation on any of the points we have made, we would be glad to meet with you further.

With very best wishes.

Very truly yours,

PETER G. PETERSON.

TABLE I.—SELECTED HISTORICAL DATA FOR AMERICAN MOTORS CORP.[1]

[Dollar amounts in millions]

	For the year ended Sept. 30—								
	1971	1972	1973	1974	1975	1976	1977	1978	1979 (estimate)
Vehicles sold (thousands)[2]	345	402	514	545	495	439	381	395	400
Market share[3] (percent)	3.2	3.6	4.1	5.4	5.5	3.8	3.0	3.1	3.6
Sales	$1,232.6	$1,403.8	$1,739.0	$2,000.0	$2,282.2	$2,315.5	$2,236.9	$2,585.4	$2,975.0
Gross margin	164.2	197.9	263.6	202.6	157.9	194.8	226.2	291.0	350.0
Pretax income (loss)	11.2	31.6	75.6	41.9	(35.5)	(34.4)	6.2	40.2	+100.0
Net income (loss) for continuing operations	5.5	16.5	44.5	27.5	(27.5)	(46.3)	8.3	36.7	+70.0
Average employees	25,000	25,469	28,259	33,143	32,940	31,242	29,519	27,517	27,000
Capital expenditures	$25.6	$32.1	$68.4	$95.1	$89.1	$52.4	$46.6	$41.2	$40.0
Total debt as a percent of total capitalization plus current debt	26	28	16	17	35	39	35	30	30

[1] Source: American Motors Corp. annual reports and Lehman Bros. Kuhn Loeb estimates.

[2] Factory sales.

[3] Vehicles sold as a percent of U.S. industry factory sales.

Prepared for the U.S. Department of the Treasury, advisory work regarding Chrysler Corp.

TABLE II.—INCREMENTAL CHRYSLER PROFIT MARGIN ANALYSIS

[Dollar amounts in millions]

	Change in net sales from previous year		Change in operating income from previous year[1]		Dollar change of profit per dollar change of sales[2]
	Amount	Percent	Amount	Percent	
1970	($187)	(3.2)	($237)	(33.8)	$1.27 less.
1971	825	14.7	162	34.9	$0.20 more.
1972	1,318	20.5	293	46.8	$0.22 more.
1973	1,234	15.9	84	9.1	$0.07 more.
1974	(594)	(6.6)	(547)	54.5	$0.92 less.
1975	183	2.2	(148)	(32.5)	$0.81 less.
1976	3,668	42.8	847	275.0	$0.23 more.
1977	819	6.7	(246)	(21.3)	$0.30 less.
1978	559	4.3	(333)	(36.6)	$0.60 less.

[1] Operating income is income before depreciation, amortization of special tools, interest expense, income taxes, and research and development.

[2] Chrysler's projected variable margin appears to be about $0.20 per dollar of sales based on the $3.511 billion variable profit projected on table I of the plan for 1982, divided by the $17.811 billion of revenue projected for 1982 in table 5 of the plan.

Note: Incremental profit margins illustrate the operating income return on sales increases (or decreases) for any given year.

Source: Chrysler Corp. Annual Report 1978.

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TABLE III.—CHANGES IN INDUSTRY SALES AFTER AUTOMOBILE REBATE PROGRAM

[Automobile sales (millions of units) seasonally adjusted annual rates]

	Units	Percent change previous month
September 1974	10.1	(8.2)
October 1974	7.8	(22.8)
November 1974	6.8	(12.8)
December 1974	6.7	(1.5)
Rebates:		
January 1975	8.0	19.4
February 1975	9.1	13.8
March 1975	7.8	(14.3)
April 1975	7.4	(5.1)
May 1975	7.8	5.4
June 1975	8.5	9.0
July 1975	9.2	8.2

Source: Survey of Current Business.

Prepared for U.S. Department of the Treasury, advisory work regarding Chrysler Corp.

TABLE IV.—POTENTIAL IMPACT ON CHRYSLER PROFIT PROJECTIONS FOR NO INCREASE IN MARKET SHARE[1]

[Vechicles in thousands]

Year	Vehicle volume projection [2]	Share [3] (percent)	Projected volume aassuming no increase in market share from 1979 [4]	Share (percent)	Unit shortfall	Chrysler plan variable profit per unit projections [5]	Potential change in Chrysler pre-tax income (millions) [6]: Based on Chrysler plan variable margins (about 20% of sales) [7]	Based on variable margin of 40% of sales	Based on variable margin of 60% of sales	Based on variable margin of 80% of sales
1979	1,434	10.3	1,434	10.3		$1,198				
1980	1,440	10.4	1,434	10.3	6	1,422	($9)	($18)	($27)	($37)
1981	1,675	11.2	1,547	10.3	128	1,630	(209)	(424)	(636)	(848)
1982	1,740	11.7	1,537	10.3	203	1,751	(355)	(720)	(1,081)	(1,441)
1983	1,845	12.0	1,589	10.3	256	1,836	(470)	(954)	(1,431)	(1,907)
1984	1,944	12.1	1,661	10.3	283	1,956	(554)	(1,124)	(1,686)	(2,248)
1985	2,040	12.3	1,713	10.3	327	2,088	(683)	(1,386)	(2,079)	(2,772)
Cumulative total							(2,280)	(4,626)	(6,940)	(9,253)

[1] This table is intended to illustrate the variances from Chrysler's plan which could result from Chrysler's inability to increase its market share. The table assumes that Chrysler's market share stays at its 1979 level and all other assumptions in the plan are held constant. Thus, these figures are simply arithmetic illustrations of the plan's sensitivity to volume assumptions and are clearly not projections. Presumably management steps would be taken to preempt the most substantial indicated potential losses.

[2] Chrysler Corp. proposal for Government assistance, exhibit VIII, pp. 4 and 8.

[3] Derived from Chrysler Corp. proposal for Government assistance, exhibit VIII, pp. 3, 4, 7, and 8.

[4] Based on Chrysler projections (exhibit VII) and a 10.3 percent market share.

[5] Variable profit per unit in 1982 ($1,751) was derived from table I of the Chrysler plan. Projected annual changes in variable profit per unit were derived from the aggregate variable margin improvement projections (exhibit X, p. 1, table 2) and the volume projections contained in exhibit VII.

[6] These figures illustrate Chrysler's exposure to greater downside variable margin sensitivity than implied in the plan. As indicated in table II, relative to declining sales, Chrysler profits have historically fallen at a ratio in the range of 1:.8 to 1:1.3.

[7] Percentage of net sales is derived from the $3.511 billion variable profit projected on table I divided by the $17.811 billion revenue projected for 1982 in table 5 of the plan.

Note: Chrysler plan states that a 1-percent increase in market share is equivalent to a $190,000,000 profit increase for Chrysler. (See p. 18 of Chrysler Corp. proposal for Government assistance.)

Prepared for U.S. Department of the Treasury, advisory work regarding Chrysler Corp.

TABLE V.—AUTOMOBILE SALES

COMPARISON OF YEAR-TO-YEAR TOTAL MARKET SIZE FLUCTUATIONS—HISTORY VERSUS PLAN

[Millions of units]

Year	Units	Percent change versus previous year
Actual, 1960/69: [1]		
1960	6.64	8.9
1961	5.93	(10.7)
1962	7.09	19.6
1963	7.72	8.9
1964	8.10	4.9
1965	9.33	15.2
1966	9.03	(3.2)
1967	8.34	(7.6)
1968	9.66	15.8
1969	9.58	(.8)
Average annual percent change: 1960–69		9.6
Average annual growth rate: 1960–69		4.2
Actual, 1970/79: [1]		
1970	8.40	(12.3)
1971	10.25	22.0
1972	10.95	6.8
1973	11.44	4.5
1974	8.87	[3] (22.5)
1975	8.64	(2.6)
1976	10.11	17.0
1977	11.18	10.6
1978	11.31	1.2
1979	[2] 10.40E	[4] (8.0)
Average annual percent change:		
1970–79		10.8
1973–79		9.5
Average annual growth rate:		
1970–79		2.4
1973–79		(1.6)
Chrysler plan, 1980/85: [2]		
1980	10.50	1.0
1981	11.10	5.7
1982	11.20	.9
1983	11.40	1.8
1984	11.70	2.6
1985	11.90	1.7
Average annual percent change: 1980–85		2.3
Average annual growth rate: 1980–85		2.5

[1] Source: "Facts & Figures," 1974 and 1979 issues, published by the Motor Vehicle Manufacturers Association of the U.S., Inc.

[2] Chrysler Corp. proposal for Government assistance, exhibit VII.

[3] OPEC price increase.

[4] Iran production problems lead to gasoline shortage.

Prepared for U.S. Department of the Treasury, advisory work regarding Chrysler Corp.

TABLE VI.—TRUCK SALES

COMPARISON OF YEAR-TO-YEAR TOTAL MARKET SIZE FLUCTUATIONS—HISTORY VERSUS PLAN

[Millions of units]

Year	Units	Percent change versus previous year
Actual, 1960/69: [1]		
1960	0.96	(0.2)
1961	.94	(2.1)
1962	1.10	17.0
1963	1.27	15.5
1964	1.39	4.1
1965	1.55	11.5
1966	1.64	5.8
1967	1.54	(6.1)
1968	1.83	18.8
1969	1.97	7.7
Average annual percent change: 1960–69		9.4
Average annual growth rate: 1960–69		8.3
Actual, 1970/79: [1]		
1970	1.81	(8.1)
1971	2.10	16.0
1972	2.62	24.8
1973	3.15	20.2
1974	2.69	[3] (14.6)
1975	2.48	(7.8)
1976	3.18	28.2
1977	3.68	15.7
1978	4.11	11.7
1979	[2] 3.50E	[4] (14.8)
Average annual percent change:		
1970–79		16.2
1973–79		16.1
Average annual growth rate:		
1970–79		7.6
1973–79		1.8
Chrysler plan: 1980/85: [2]		
1980	3.40	(2.9)
1981	3.90	14.7
1982	3.70	(5.1)
1983	4.00	8.1
1984	4.40	10.0
1985	4.70	6.8
Average annual percent change: 1980–85		7.9
Average annual growth rate: 1980–85		6.7

[1] Source: "Facts & Figures," 1974 and 1979 issues, published by Motor Vehicle Manufacturers Association of the U.S., Inc.

[2] Chrysler Corp. proposal for Government assistance, exhibit VII.

[3] OPEC price increase.

[4] Iran production problems lead to gasoline shortage.

TABLE VII.—SELECTED SALES PERIODS FOLLOWING SIGNIFICANT ENERGY MARKET DISRUPTIONS AUTOMOBILE SALES (MILLIONS OF UNITS) SEASONALLY ADJUSTED ANNUAL RATES[1]

	"Iran" gas shortage, 1979				OPEC price increases, October 1973		
	Year	Units	Percent change, previous month		Year	Units	Percent change, previous month
August	1973	11.5	(2.5)	January	1979	11.1	(0.9)
September	1973	11.7	1.7	February		11.4	2.7
October	1973	9.9	(15.4)	March		12.4	8.8
November	1973	10.1	2.0	April		11.1	(10.5)
December	1973	9.5	(5.9)	May		11.1	0
January	1974	9.3	(2.1)	June		9.4	(15.3)
February	1974	9.1	(2.2)	July		[2] 10.3	9.6
March	1974	9.2	1.1				
April	1974	9.3	1.1				
May	1974	9.4	1.1				
June	1974	9.0	(4.3)				
July	1974	9.7	7.8				

[1] Survey of Current Business.
[2] Lehman Bros. Kuhn Loeb estimate.

Source: Lehman Bros. Kuhn Loeb Inc., Sept. 20, 1979. Prepared for U.S. Department of the Treasury, Advisory work regarding Chrysler Corp.

TABLE VIII.—ANALYSIS OF IMPACT OF POSSIBLE VARIATIONS FROM TOTAL MARKET SIZE PROJECTIONS[1]

[Thousands of vehicles]

Past	Year-to-year changes[2]	Actual	Chrysler plan projection[3]	Variation from plan if past year-to-year volume changes occurred instead of projected changes[4]	Implied variation from plan for Chrysler volume based on plan market share projections[5]	Potential change in Chrysler pretax income (millions)[6]			
						Based on Chrysler plan variable margin (about 20 percent of sales)[7]	Based on variable margins of 40 percent of sales)[7]	Based on variable margins of 60 percent of sales[7]	Based on variable margins of 80 percent of sales[7]
1973	1,020	1979	(1,200)	2,220	230	$276			
1974	(3,030)	1980		(3,030)	(320)	(455)	($923)	($1,385)	($1,847)
1975	(440)	1981	1,100	(1,540)	(170)	(277)	(562)	(843)	(1,124)
1976	2,170	1982	(100)	2,270	270	473			
1977	1,570	1983	500	1,070	130	239			
1978	560	1984	700	(140)	(20)	(39)	(79)	(119)	(158)
1979	(1,520)	1985	500	(2,020)	(250)	(522)	(1,059)	(1,589)	(2,118)

[1] This table is intended to illustrate the variances from Chrysler's 1979–85 plan which could result if the pattern of year-to-year market fluctuations which occurred in the 1973–79 period were repeated for the 1979–85 period. The table assumes that only the year-to-year fluctuations are different from those presented in the Chrysler plan and that all other assumptions in the plan are held constant. These figures are simply arithmetic illustrations of the plan's sensitivity to volume assumptions and clearly are not projections. Presumably, management steps would be taken to preempt the realization of the substantial indicated potential losses.
[2] Based on figures shown in tables V and VI.
[3] Derived from Chrysler Corp. proposal for Government assistance, exhibit VII.
[4] 1st column minus 2d column.
[5] Chrysler share of total market fluctuations based on Chrysler market projections as derived from Chrysler Corp. proposal for Government assistance, exhibit VIII, pp. 3, 4, 7, and 8.
[6] These figures illustrate Chrysler's exposure to greater downside variable margin sensitivity than implied in the plan. As indicated in table II, relative to declining sales, Chrysler profits have historically fallen at ratios in the range of 1:.8 to 1:1.3.
[7] Based on variable profit margin per unit as derived from Chrysler Corp. proposal for Government assistance. Variable profit per unit in 1982 was derived from Table I of the Chrysler plan. Projected annual changes in variable profit per unit were derived from aggregate variable margin improvement projections (exhibit X, p. 1, table 2) and from volume projections contained in exhibit VII. The percentage of sales was derived from the $3.511 billion variable profit projected in table I divided by the $17.811 billion of revenue for 1982 in table 5 of the plan.

Source: Lehman Bros. Kuhn Loeb Inc., Sept. 20, 1979. Prepared for U.S. Department of the Treasury advisory work regarding Chrysler Corp.

TABLE IX.—CONSUMER PRICE INDEX, NEW AUTOMOBILES

Year	Index[1] (1967=100)	Percent change versus previous year	Implied price increases—Chrysler plan[2]		Year	Index[1] (1967=100)	Percent change versus previous year	Implied price increases—Chrysler plan[2]	
			Year	Percent change versus previous year				Year	Percent change versus previous year
1969	104.4	2.1	1979	5.5	1976	135.7	6.3		
1979	107.6	3.1	1980	8.0	1977	142.9	5.3		
1971	112.0	4.1	1981	6.5	1978	153.8	7.6		
1972	111.0	(.9)	1982	6.5	1979E	165.5	7.6		
1973	111.0	0	1983	5.7					
1974	117.5	5.9	1984	5.6					
1975	127.6	8.6	1985	6.2	Average percent increase		4.5		6.3

[1] Source: Survey of Current Business.
[2] Lehman Bros. Kuhn Loeb estimates based on Chrysler Corp. proposal for Government assistance.

Prepared for U.S. Department of the Treasury, advisory work regarding Chrysler Corp.

TABLE X.—OPERATING PROFIT MARGINS[1] AS A PERCENT OF SALES

	General Motors Corp.	Ford Motor Co.	Chrysler Corp.		General Motors Corp.	Ford Motor Co.	Chrysler Corp.
1979E	13.8	9.5	Loss	1974	10.4	8.1	5.4
1978	15.3	10.9	4.2	1973	17.8	12.6	11.2
1977	15.5	12.2	7.0	1972	19.5	14.4	11.8
1976	15.7	11.0	9.4	1971	19.6	14.4	9.7
1975	12.6	7.8	3.6				

[1] Income before fixed charges, equity in unconsolidated subsidiaries and other income, as interpreted by Lehman Bros. Kuhn Loeb from companies' annual reports. Chrysler data calculated from the 1978 annual report which restates prior years for recent divestitures. Complete restatements are not available and Chrysler data may not be strictly comparable to General Motors and Ford figures.

Prepared for U.S. Department of the Treasury, advisory work regarding Chrysler Corp.

TABLE XI.—SHIFT IN AUTOMOBILE SALES MIX 1977–79 AND PROJECTIONS FROM CHRYSLER PROPOSAL (EXHIBIT VIII, CHRYSLER PROPOSAL, SEPT. 15, 1979)
U.S. CAR INDUSTRY BY SEGMENTS, CALENDAR YEARS

[Retail units in thousands]

	Actual		Projection						
	1977	1978	1979	1980	1981	1982	1983	1984	1985
Industry (units):									
Subcompact	1,989	2,104	2,556	2,195	2,231	2,251	2,311	2,406	2,464
Compact	1,559	1,630	1,620	2,007	1,996	2,059	2,168	2,282	2,357
Small specialty	1,063	1,205	1,465	1,443	1,576	1,654	1,704	1,773	1,844
Total, small	4,611	4,939	5,641	5,645	5,803	5,964	6,183	6,461	6,665
Basic middle	1,915	1,615	1,114	1,036	1,256	1,217	1,217	1,215	1,189
Middle specialty	1,650	1,852	1,439	1,512	1,649	1,667	1,717	1,755	1,785
Total, middle	3,565	3,467	2,553	2,550	2,905	2,884	2,934	2,970	2,974
Basic large	2,270	2,138	1,715	1,727	1,785	1,753	1,697	1,686	1,678
Luxury	564	586	498	578	607	599	586	583	583
Total, large	2,834	2,724	2,213	2,305	2,392	2,352	2,283	2,269	2,261
Total, industry	11,010	11,130	10,407	10,500	11,100	11,200	11,400	11,700	11,900
Mix (percentages):									
Subcompact	18.1	18.9	24.6	20.9	20.1	20.1	20.3	20.5	20.7
Compact	14.2	14.7	15.5	19.1	18.0	18.4	19.0	19.5	19.8
Small specialty	9.6	10.8	14.1	13.7	14.2	14.8	14.9	15.2	15.0
Total, small	41.9	44.4	54.2	53.7	52.3	53.3	54.2	55.2	56.0
Basic middle	17.4	14.5	10.7	9.9	11.3	10.8	10.7	10.4	10.0
Middle specialty	15.0	16.6	13.8	14.4	14.9	14.9	15.1	15.0	15.0
Total, middle	32.4	31.1	24.5	24.3	26.2	25.7	25.8	25.4	25.0
Basic large	20.6	19.2	16.5	16.5	16.1	15.7	14.9	14.4	14.1
Luxury	5.1	5.3	4.8	5.5	5.4	5.3	5.1	5.0	4.9
Total, large	25.7	24.5	21.3	22.0	21.5	21.0	20.0	19.4	19.0
Total, industry	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Prepared for U.S. Department of the Treasury, advisory work regarding Chrysler Corp.

TABLE XII.—EFFECT ON MIX SHIFT ON 1982 PROFIT PROJECTION [1]

	Chrysler plan	Illustrative impact of a mix of autos [2]
Units: [3]		
Small	976,000	1,100,000
Family	533,000	409,000
Truck	496,000	496,000
Total	2,005,000	2,005,000
Variable profit: (per unit):		
Small	$1,315	$1,315
Family	2,409	2,409
Truck	1,903	1,903

	Chrysler plan	Illustrative impact of a mix of autos [2]
Total variable profit (millions):		
Small	1,283	1,447
Family	1,284	985
Truck	944	944
Total	3,511	3,376
Fixed (millions)	(3,265)	(3,265)
Net profit (loss—$135,000,000) (millions)	246	111
Assumed auto mix for entire industry (percent):		
Small	53.3	60
Middle	25.7	25
Large	21.0	15
Total	100.0	100

[1] Derived by Lehman Bros. Kuhn Loeb, from table I, p. 12, of Chrysler Corp. proposal for Government assistance.

[2] Involving 60 percent smaller cars rather than 53 percent.

[3] The "more small" scenario assumes that Chrysler keeps the share of the small car segment of the industry's sales that has been projected in exhibit VIII of its plan.

Prepared for U.S. Department of the Treasury Advisory Work Regarding Chrysler Corporation

TABLE XIII.—*Possible major divestments* (*a*)

Possible divestment and known information (a):

Chrysler Financial Corporation: 1978 income of $49 million; book value of $648 million.

Chrysler Australia Limited (67 percent): One-third interest sold to Mitsubishi for about $30 million in 1979.

Chrysler de Mexico S.A. (99 percent): Chrysler is largest seller of vehicles in Mexico. Plan shows estimated Economic Flow Through of $640 million. (b)

PSA Peugeot-Citroen Stock (15 percent): Carried at book value of $324 million, has a current market value of approximately $130 million but valued at significantly more than $324 million by a European investment banking firm.

Mitsubishi Motors Corp. (15 percent): Carried in 1978 at a book value of $29 million.

Chrysler Fevre Argentina S.A.I.C. (49 percent): Carried in 1978 at a book value of $17 million. Argentinian and Brazilian subsidiaries together showed a loss of $10 million in 1978.

Sigma Motors Corporation (Pty.) Ltd. (25 percent) (South Africa): Carried in 1978 at a book value of $22 million.

Chrysler Motors do Brasil Limitada (33 percent): Carried in 1978 at a book value of $56 million. Brazilian and Argentinian subsidiaries together showed a loss of $10 million.

Chrysler Military Operations Division: While some of the facilities are government-owned, this ongoing operation could be valuable to other companies.

Chrysler Marine Division: Division estimated to have lost $15 million in 1978, but its position in the U.S. market could be valuable.

*New Process Gear Division: Majority of sales to unaffiliated parties. Plan shows estimated sale of value of $350–450 million and estimated Economic Flow Through of $322 million. (b)

*Introl Division (electronic components): Plan shows estimated sale value of $40–70 million and estimated Economic Flow Through of $112 million. (b)

*Amplex (powdered metal products): Plan shows estimated sales to unaffiliated parties of 80 percent and estimated Economic Flow Through of $30 million. (b)

*Belvidere, Illinois Assembly Plant: Plan shows estimated sale of value of $100–200 million and estimated Economic Flow Through of $444 million. (b)

*Mound Road Engine Plant—Detroit: Plan shows estimated Economic Flow Through of $252 million. (b)

*Trenton, Michigan Engine Plant: Plan shows estimated Economic Flow Through of $228 million. (b)

*Windsor, Ontario Engine Plant: Plan shows estimated Economic Flow Through of $206 million. (b)

*Kokomo, Indiana Transmissions Plant: Plan shows estimated sale value of $100–300 million and estimated Economic Flow Through of $513 million. (b)

*Newark, Delaware Assembly Plant: Plan shows estimated Economic Flow Through of $392 million. (b)

*St. Louis Assembly Plant: Plan shows estimated Economic Flow Through of $779 million. (b)

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*Divestiture would result in less vertical integration.

(a) Lehman Brothers Kuhn Loeb has reviewed certain publicly available sources of information concerning these businesses and has also discussed them with selected industry sources. Nevertheless, no reasonable estimate of the potential sale value of each of these businesses can be made without a thorough investigation of each business, including the relevant financial information.

(b) Source: Chrysler Corporation Proposal for Government Assistance, Exhibit XIII.

LEHMAN BROTHERS KUHN LOEB INC.

SEPTEMBER 20, 1979.

(Prepared for U.S. Department of the Treasury Advisory Work Regarding Chrysler Corporation.)

TABLE XIV: *Bibliography of materials regarding British Government experience with the auto industry*

"BL's last battle?". The Economist, September 15, 1979.

British Leyland: The next decade, April 23, 1975, Her Majesty's Stationery Office, London.—Report of a Team of Inquiry to the Secretary of State for Industry regarding a course of action for the Government with respect to British Leyland.

The Campaign Guide, 1977, pp. 149–163. Excerpts from Conservative Research Department regarding nationalisation and State control, British Leyland and Chrysler UK.

The Campaign Guide, 1978, pp. 44–49. Excerpts from Conservative Research Department regarding nationalisation and State control, British Leyland and Chrysler UK.

"Chrysler Expected to Draw on Rescue Fund Soon", Financial Times, January 6, 1976.

"Chrysler Still in the Balance Says Farley", Financial Times, January 5, 1976.

"Closure Could Have Cost £150 m.", Financial Times, January 15, 1976.

Eighth Report from The Expenditure Committee, July 22, 1976, Her Majesty's Stationery Office, London. Minutes of Evidence taken before Trade and Industry Sub-committee regarding Public Expenditure on Chrysler UK Limited.

The Future of the British Car Industry, Report by the Central Policy Review Staff, 1975, Her Majesty's Stationery Office, London—Government paper used by the government when dealing with the Chrysler UK difficulties in 1975.

"Last Chrysler Plan Accepts Aid Package", Financial Times, January 3, 1976.

"Monitoring arrangements for Rolls-Royce 'Satisfactory' ", The Times, January 14, 1976.

"MP's Committee Report Attacks Policy on Leyland", Financial Times, August 13, 1976.

"Mr. Varley Defends Chrysler Rescue Deal", The Times, January 15, 1976.

National Enterprise Board Annual Reports, 1976–78. These reports give details of NEB's aid to troubled enterprises.

"Why We Had to Bail Them Out", The Guardian, January 15, 1976.

"Wilson Warns Car Men Over State Cash", Financial Times, February 6, 1976.

LEHMAN BROTHERS, KUHN LOEB INC.

SEPTEMBER 20, 1979.

(Prepared for the U.S. Department of the Treasury Advisory Work Regarding Chrysler Corporation.)

RAILWAY REVITALIZATION

● Mr. McGOVERN. Mr. President, the Senate will be considering an amendment I have sponsored tomorrow that would earmark certain revenues from the windfall profit tax for both freight and passenger rail revitalization.

Railroads are potentially the most energy efficient means of transportation, yet, unlike mass transit, their needs have not been addressed in the pending legislation.

This amendment has drawn a broad base of support from both the rail industry, labor, and Amtrak. All of these organizations clearly recognize that absent this assistance, our Nation's railroads may never be able to realize their true energy potential. Presently, the freight railroads consume less than 4 percent of the petroleum used in the freight transport sector. Yet the freight rail industry moves more than 32 percent of all intercity freight. Even a small diversion of additional traffic to our railroads would result in substantial energy savings.

Unfortunately, such diversions will not occur unless this country makes a firm commitment to revitalizing essential rail services. The industry already faces a capital shortfall which may exceed $16 billion for the 10-year period ending in 1985. Although deregulation legislation and other rail assistance measures presently pending will increase the industry's ability to meet capital requirements, for many railroads it will be too little too late.

Mr. President, I ask that a letter from the president of the Boston and Maine Railroad be made a part of the RECORD.

The letter follows:

BOSTON AND MAINE CORP.,
North Billerica, Mass., November 19, 1979.
Hon. GEORGE MCGOVERN,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR MCGOVERN: Regarding the fund that will be created by a windfall profit tax on crude oil, I am informed that you will offer an amendment with Senator Durkin and others that will require the Secretary of the Treasury to reserve not less than $6 billion to be administered by the Secretary of the Department of Transportation for freight railroad rehabilitation, improvement and acquisition financing. I enthusiastically endorse this amendment.

Railroads are the energy efficient mode of freight transportation. However, inequitable federal financial treatment of the freight modes has all but destroyed our ability to compete effectively. While we have owned, maintained and paid taxes on our rights-of-way, our highway, airway and waterway competition have had their rights-of-way provided for through public funds. It is estimated that the government plows better than $33 billion into highways, waterways and air support facilities each year. The result is that American railroads are on a downward spiral to the point that they are not self-sustaining today, and face potential collapse as private sector operations.

As you know, the Department of Transportation estimates a shortfall in our capital needs that will approach $16 billion by 1985. That problem must be addressed. Deregulation is simply not the answer. Your amendment is the first serious attempt to address the problem of the intermodal inequity. I commend you for it. A large portion of the carriers in this industry are presently precluded from private markets for substantial railroad rehabilitation and improvement. If capital for this purpose is not made available through government sources, the downward spiral, which may have already taken two major midwest railroads past the point of no return, will be accelerated. Therefore, I feel that this amendment that is being put forward by you, Senator Durkin and others, may be the most important railroad proposal since enactment of the Railroad Revitalization and Rehabilitation Act (4R Act). We feel that any fund relating to promotion of our nation's energy goals must include freight rail transportation.

Attached you will find a copy of my letter to Senator Durkin on this same subject. Please let me know if I can be of assistance to you in the promotion of this amendment.

Sincerely,

ALAN G. DUSTIN,
President.

BOSTON AND MAINE CORP.,
North Billerica, Mass., November 19, 1979.
HON. JOHN A. DURKIN,
Dirksen Senate Office Building,
Washington, D.C.

DEAR JOHN: I very much appreciate the opportunity to discuss with your office an amendment to the windfall profits tax program that would reserve not less than $6 billion for rail freight assistance programs.

As the attached letter to Senator McGovern indicates, I feel that the McGovern-Durkin amendment may be the most important piece of railroad legislation in recent times. As you know, I feel that the capital shortfall which the rail industry is suffering is, in large measure, the direct result of the federal government's inequitable treatment of the freight modes. This amendment is the first serious attempt to correct that inequity with a program of sufficient magnitude that it may begin to make a difference.

Following my conversation with Mr. Applegate of your office, I noted that the amendment was revised so that projects that contribute to "more energy efficient freight transportation and/or improved transportation of domestic energy resources" are included. Also, I note that the new amendment does not have the program administered through the existing Sec. 505 Railroad Revitalization and Regulatory Reform Act mechanism. It creates discretion in administration for the Secretary. I believe these changes are constructive and wish to address both.

I understand consideration was given to administering the new program within the existing Sec. 505 structure. Because of complexities in that program the decision was made to create more discretion for the Secretary than is contained in 505. Since you were involved in the Boston and Maine's three-year long 505 application process that ultimately resulted in a $26 million mainline loan, I know that you fully appreciate the complications and frustrations involved.

Many railroads, such as the Boston and Maine, are in fragile financial condition and are only able to incur additional debt in areas where there are high returns on investment. I certainly do not feel that further 505 financing would be an option for the Boston and Maine. This problem is compounded because of regulations that make corporate viability in terms of repayment protection a major objective of the program. If the government cannot find adequate protection through a liquidation finding, corporate earning test or project earning power test rehabilitation funding becomes impossible.

In my view, if the new program were to be administered through 505 it would be impossible for railroads like the Boston and Maine, the Delaware and Hudson, Conrail, the Milwaukee, and the Rock Island to undertake projects. It should be remembered that the Title V programs were originally created as interim measures. They need to be reviewed and re-oriented. It would be a mistake to run additional funding through them as they are presently constituted. It is important that the financing mechanism for McGovern-Durkin be flexible. Certainly, priority should go to less fortunate railroads serving lines where there is the greatest need.

One possibility of course, is creation of a new financing mechanism. Another is to recharge the 505 program with McGovern-Durkin funds and simplify that program. At the very least, the Secretary should be given authority to forgive loans (cancel redemption of the preference shares), at the front end in cases where there is high public benefit but little or no return on investment. These are questions that can subsequently be addressed by Congress.

The relationship of this amendment to our coal rail transportation system is very important in that rail capacity and rates may be the major factors in our ability as a nation to turn to coal. We on the Boston and Maine are in complete agreement with President Carter's goal to break this nation's dependence on foreign sources of fuel. The only way to accomplish that, of course, is conversion to coal of older facilities and construction of new coal-fired facilities—at least in the short run. We are concerned that the Administration has not focused on the critical element of a good coal rail transportation system. A recent DOE report states that the price of oil and rail transportation of coal are *the* most important factors in our ability to lower our dependence on oil.

Because of the overall financial condition of railroads, conventional debt financing for massive rights-of-way programs has not been available for years. The federal government is the only available source for the kind of rehabilitation and construction funding that will be necessary if we are serious about converting to coal use in this country. Attachment A provides examples of the kinds of projects that should be undertaken soon to build a coal rail transportation system in the northeast that can handle increasing volumes of coal, but smoothly integrate this energy traffic with our other passenger and merchandise traffic.

Attachment B is a copy of my letter to Senator McGovern. Please let me know if I can provide any assistance in helping you to promote this amendment.

Sincerely,

ALAN G. DUSTIN,
President.●

GREATEST UNDERUTILIZED HUMAN RESOURCE

● Mr. DURENBERGER. Mr. President, it is hard these days to pick up a newspaper or listen to a news broadcast without reading or hearing about the lack of leadership in our country. While I think the issue has been somewhat exaggerated by the rhetoric of a Presidential campaign, it is a fact that many Americans feel our Nation is drifting without firm guidance.

For Minnesotans in particular this is an uncomfortable time. My State has been blessed with a long line of outstanding leaders. And, while some of us may question the philosophies of those leaders, none of us can doubt their dedication to their ideals and their commitment to the people they served.

Harold Stassen, throughout his career, has earned the right to be named among those leaders. He has devoted his life to a wide variety of public service ventures and has performed each task with a degree of excellence never surpassed and rarely matched.

Yet, for many reasons, Mr. Stassen has seldom received the credit he is due. His many achievements are often forgotten or overlooked. In this time when leadership has become the dominant issue, it is fitting that Mr. Stassen's record be reviewed. I ask that an article from the Princeton Union Eagle be printed in today's RECORD.

The article follows:

IF PEOPLE WOULD ONLY LISTEN

Not many people are taking Harold Stassen's 1980 campaign for the presidency very seriously. At the recent Republican convention in Alexandria, in a straw vote of several hundred delegates, he received eight votes. Yet, in any objective appraisal of knowledge, experience, intellectual capacity and unblemished record, it would be hard to select a person in either party who could outrank him.

He was elected governor of Minnesota in 1938, the youngest state executive in the nation's history, and secured legislation that has required balanced budget in Minnesota ever since, and a tax law that made it possible for a disproportionate number of top national and international firms to grow and prosper in Minnesota—providing jobs, taxes, and community support. He was with Martin Luther King when he gave his "I Have a Dream" speech.

President Franklin Roosevelt chose him as one of three Republicans named to the United States delegation to the United Nation's charter drafting assembly. He is the only person living who participated in that event.

President Eisenhower selected him for cabinet status in managing our national trade and aid programs. He handled a program dealing with 71 nations and has probably negotiated more international agreements than any other person on earth.

He served as president of the University of Pennsylvania and established a law firm in Philadelphia that has grown and flourished.

When asked why he is a candidate for the presidency he replies that he feels he has the ability and the program to lift and lead our country in the 80s. When asked if he doesn't think he's too old, he smiles and says he's been around long enough to have known Winston Churchill, Konrad Adenauer and Charles DeGaulle and to observe the leadership they provided their countries in a time of crisis and when each was in his seventies.

He has thoughtful, reasonable-sounding solutions to our troublesome problems. One cannot help but wonder what could happen if people would take Stassen's candidacy seriously and listen to what he proposes. He is probably America's greatest underutilized human resource.●

A TRIBUTE TO CHIEF OWEN "RAY" PARENT

● Mr. RIEGLE. Mr. President. I wish to call attention to the retirement of Police Chief Owen "Ray" Parent, of Pleasant Ridge, Mich.. Chief Parent has been with the Pleasant Ridge Police Force for 31 years. He joined the force in 1948, became a sergeant in 1955, a lieutenant in 1957 and became chief in 1973.

Chief Parent was a cryptographer in the Far East during World War II for the Army Air Force. He believes that this experience geared him toward police work, as all code-deciphering students were required to attend military police school.

Ray was born in New Brunswick, Canada in 1919. He and his family moved to Michigan when he was 8. He and his wife Rose grew up within 10 blocks of each other. Ray and his wife have three children, Michael, Kathy and Jeffrey.

Chief "Ray" Parent is someone who is truly in touch with his community. I am certain that Pleasant Ridge will miss his outstanding leadership as police chief, but I am equally certain that Ray will not stay idle. A person with his drive and commitment will continue to make his fine contributions to the community in everything he does. I wish to commend Ray on his distinguished career and to wish him the very best.●

HEALTH WARNING LABELS

● Mr. HUMPHREY. Mr. President, the Senate and House have each passed legislation extending the authorization for Federal alcoholism programs. The Senate bill, S. 440, contains an amendment offered on the floor to place a health warning label on alcoholic beverage containers. The House bill, H.R. 3916, does not contain this proposal. Appointment of conferees is pending.

Let me outline some of the problems with this proposal:

First. The House has not held any hearings on this important and far-reaching issue. Yet on the proposal to place a health warning label on cigarette packages, the House held 5 days of hearings in 1964 and the Senate and the House held 16 days of hearings in 1965. It would be unwise to legislate before more careful consideration.

Second. Testimony indicates that warning labels on bottles containing alcoholic beverages will have no effect in reducing alcoholism in this country. The Alcoholism and Drug Abuse Subcommittee, of which I am a member, held a hearing on this matter on September 14, 1979, 4 months after the Senate voted on the issue. Not a single witness testified that the warning label would have any effect on reducing the alcoholism problem in this country. The NIAAA Director, John DeLuca, while supporting the warning label approach, admitted under questioning that there is no clear evidence to indicate that labeling would be effective. He stated in response to one of my questions that:

> We do not have, and I would not want to suggest that we do have, studies which conclusively say that a health warning label changes individual behavior.

Another witness at the subcommittee hearing, Dr. David Pittman, chairman of the sociology department at Washington University in St. Louis, Mo., testified in opposition to the warning label. Dr. Pittman has been active in alcoholism research and education efforts to combat alcoholism for 25 years. Dr. Pittman noted that:

> There is not a single scientific study which would indicate that health warning labels would raise the public's awareness of alcohol problems or be effective in altering an individual's drinking pattern which is causing him or her problems.

A specialist in the treatment of alcoholism, Dr. Jokichi Takimine, testified in support of the warning label. However, when I asked him, "In your professional experience with individual alcoholics, do you feel any of these men, women, or teenagers would have been deterred by such a warning label?" Dr. Takimine answered:

> No, I don't Senator. There are a lot of stories about alcoholics, that they don't get deterred by anything. Once they are hooked into the disease concept, and have the dependency, they just go on.

The hearing records clearly points out that even those who support warning labels do not believe that the label would prevent a person who abuses alcohol from taking that one drink too many.

Third. Many proponents of the warning label claim that while the warning label may not alter behavior in reducing the alcoholism problem, the label will aid in "raising public awareness," a rather vague proposition. Yet a recent HEW-contracted survey published by the National Center for Education Statistics shows that 98 percent of American young adults understand that "continuous and heavy use of alcohol causes damage to the liver and the brain." Ninety-six percent of 17-year-olds know these facts on the effects of alcohol on the human body. Can we expect a warning label to reach the remaining 2 to 4 percent? I think not.

Fourth. One important consideration that must not be overlooked is the problem of regulatory overload. An eminent sociologist, Dr. Amitai Etzoini, currently a guest scholar at Brookings Institution, has argued that too many warnings bombarding the American public can actually be counterproductive. Too many warnings lead to people's ignoring all warnings. Therefore, we must not require another warning label in the absence of compelling data which indicate that the label would be effective. Otherwise, we dilute the effectiveness of all Government-issued warnings.

Fifth. The May 7, 1979, Senate vote on the Thurmond amendment to require the health warning label was taken in the absence of a hearing record. The Senate voted not to table the surprise amendment after only 1 hour of debate. An hour of debate and no hearing record is not adequate for responsible legislation.

Sixth. The Treasury Department, the agency with the clearest jurisdiction over labeling of alcoholic beverages, opposes the warning label as it is proposed in the Senate bill. The Bureau of Alcohol, Tobacco and Firearms (BATF) of the Department of the Treasury concluded in February of this year after extensive public comment and expert testimony that "it is not yet clear that warning labels would be the best tool to educate the public." The BATF recommended instead that industry undertake a public awareness campaign in cooperation with the Federal Government. This effort is underway.

The Secretary of the Treasury, G. William Miller, recently reaffirmed this view in a letter to the chairmen of the Senate and House committees of jurisdiction in this matter, Senator RIEGLE and Representative WAXMAN. I shall submit this letter from Secretary Miller for the RECORD at the conclusion of my remarks.

In summary, then, there is not a good case to support the warning label proposal. The Federal Government must not take this futile path in its effort to combat the unfortunate problem of alcoholism in this country.

The letter follows:

SECRETARY OF THE TREASURY,
Washington, D.C., November 8, 1979.

Hon. HENRY A. WAXMAN,
Chairman, Subcommittee on Health and the Environment, Committee on Interstate and Foreign Commerce, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: You will be dealing in conference shortly with the issue of whether to require a warning label on distilled spirits products. The Treasury Department, working with the Department of Health, Education, and Welfare, has been dealing with this issue during the last eighteen months, particularly as it relates to Fetal Alcohol Syndrome.

Whatever one's view about labeling in general, I am very concerned that applying a warning label only to distilled spirits would convey a dangerous, misleading message. It would wrongly suggest that wine and beer, as opposed to distilled spirits, are safe. This message would be especially misleading to young people, for whom beer or wine is often the beverage of choice, and to women of child-bearing age, who in fact consume wine more often than other alcoholic beverages. Moreover, should Congress pass legislation requiring a warning label only for distilled spirits, it would not be appropriate to require by regulation a warning label for wine or beer, given the fact that Congress itself elected to require only the distilled spirits label when it considered this issue.

The Department believes that the Federal Government, along with industry, has a responsibility to inform the public of scientifically established health risk related to alcohol. In this regard, Treasury is actively participating with industry in a public awareness campaign on the potential dangers of alcohol consumption by pregnant women. The Department intends to continue to cooperate fully with industry and the Department of Health, Education and Welfare to ensure that relevant information relating to the consumption of alcoholic beverages is brought to the attention of the public.

If you have any questions, please feel free to contact me or Assistant Secretary Richard Davis.

Sincerely,

G. WILLIAM MILLER.●

FORMATION OF CITIZENS GROUP TO SUPPORT FREEDOM IN ASIA

● Mr. STONE. Mr. President, in January, I was pleased to join with my colleague, Senator S. I. HAYAKAWA in serving as honorary cochairman of the "Friends of the Republic of China on Taiwan," an ad hoc coalition dedicated to insuring that the United States make good on its commitments to Taiwan in the aftermath of President Carter's decision to normalize relations with Peking.

The coalition benefited from the active support of several dozen prominent private citizens representing labor, business, the professions, and the clergy. During the time when the Taiwan implementing legislation was being considered by the Senate, the members of the coalition made a distinct contribution to the debate by suggesting or supporting revisions to the legislation that would better protect the independence and security of Taiwan. In my opinion, the coalition's support was a significant factor in our efforts to improve the Taiwan Relations Act.

Upon the passage of the act, the coalition quite properly ceased its activities.

Now, I am pleased to note Dr. Ray Cline, director of the Center of Strategic and International Studies at Georgetown University, has taken the lead in reconstituting the ad hoc coalition and placing it on a permanent footing. The result is the Committee for Asian Peace and Security, an organization that will monitor events in Asia to insure that the vital interests of the free nations of the region are protected. Special attention will be given to the Republic of China on Taiwan.

Some 37 distinguished Americans have already joined the coalition's advisory board.

I believe that now that the relations between the United States and Taiwan are on an "informal" basis, the existence of an organization such as the Coalition for Asian Peace and Security is a most welcome development. The coalition, I believe, can play an important role in assuring that our Government faithfully carries out the commitments to Taiwan delineated in the Taiwan Relations Act. Should the coalition become aware of U.S. defaults in this respect, they will be reported to the Congress.

On October 5, a press conference was held to announce the formation of the coalition and to unveil the list of advisory board members. I was pleased to be in attendance along with several of my colleagues.

Senator S. I. HAYAKAWA made opening remarks the text of which I ask to be printed in the RECORD along with the press release announcing the Coalition's formation.

As a member of the Senate Foreign Relations Committee which has the responsibility to oversee the implementation of the Taiwan Relations Act, I welcome the formation of the Coalition for Asian Peace and Security and I look forward to working with its members in the future.

The remarks and press release follow:

OPENING STATEMENT OF SENATOR S. I. HAYAKAWA

We have assembled here this morning to formally launch an organization dedicated to the cause of peace in Asia and the Western Pacific. It is an organization attuned to the challenges of the new order in the region, directed by public-spirited men and women in a variety of professions. The "Coalition for Asian Peace and Security" has resolved to alert Congress and the American people to destabilizing trends or actions in the Asian-Pacific area, and I believe it can provide a genuine service to the public interests of the United States by performing that role.

Last January, Senator Richard Stone and I co-chaired an ad hoc committee termed the "Friends of the Republic of China on Taiwan" as a gesture of support for our allies, in the wake of a new U.S.-China policy emanating from the White House. As a result of the public awareness generated by that committee, as well as by other concerned Americans, Congress substantially rewrote the draft "Taiwan Relations Bill" submitted by the President, to strengthen and clarify United States interests in the security of Taiwan and the surrounding region. That legislation, enacted into law in April as Public Law 96–8, reaffirms that "peace and stability" in the Western Pacific "are in the political, security and economic interests of the United States." Furthermore, the law states that "any effort to undermine the future of Taiwan by other than peaceful means, including by boycotts or embargoes, is a threat to the peace and security of the Western Pacific area and of grave concern to the United States." Accordingly, Congress and the President pledged to share oversight responsibility, as well as policy decisions affecting the self-defense capability of Taiwan.

Following successful completion of this purpose, and upon enactment of the Taiwan Relations Act, the committee of the "Friends of Taiwan" quite properly disbanded. Many of the members of that committee, however, have now joined together to form the Advisory Board of the new "Coalition for Asian Peace and Security," and I'm pleased to say that it is quite a distinguished, experienced group. You will see from the Advisory Board listing, which is available on the table, a number of noted figures in the military, diplomatic, journalistic, and academic fields, as well as other professions, are on the board.

All are respected leaders in their professions, and all of them share an interest in ensuring that the political and security situation in the Asian-Pacific region is carefully monitored.

In this sense, the new coalition is an outgrowth of the Taiwan Relations Act, and the commitments which it entails. It promises to scrutinize political, economic and military developments in the region; to conduct conferences to analyze these developments; and to publish relevant scholarly materials —all designed to focus public attention on any threats or harrassment which would subvert regional or national stability.

No one knows better than I the tremendous demands which are made on the time and attention of a Member of Congress. As a member of the Senate Foreign Relations Committee, I look forward to receiving periodic reports and analyses from the new Coalition regarding those developments in Taiwan, and in the Asia-Pacific region, which may impinge upon security and stability. If the United States is to fulfill its commitments under law, and to preserve its national interests in the area, then it is essential that we be alert to those dangers that may require our response.

To the extent that the new Coalition for Asian Peace and Security assists in this duty, then it performs a service to the Congress, to the people of the United States and to Asian tranquility.

Coalition for
Asian Peace and Security,
Arlington, Va., October 5, 1979.

"Coalition for Asian Peace and Security" Formed by Noted Public Figures

The "Coalition for Asian Peace and Security" has been incorporated in the city of Washington, D.C. by a group of distinguished American scholars, retired military and diplomatic officers, and other leading public figures.

The announcement was made by Dr. Ray S. Cline, Executive Director of the Georgetown Center for Strategic and International Studies, who will serve as President of the new Coalition. Dr. Cline had served with the U.S. Government for more than thirty years as a senior intelligence officer, most recently, from 1969–1973, as Director of the Bureau of Intelligence and Research in the Department of State.

Members of the Advisory Board of the new Coalition for Asian Peace and Security include Ambassador U. Alexis Johnson, Ambassador Clare Boothe Luce, Admiral Thomas H. Moorer, General Richard G. Stilwell, Professor Parris H. Chang, Professor Paul Seabury, Professor Richard Pipes, Professor Richard Walker, Dr. Edward Teller, Sol C. Chaiken, Leo Cherne, Albert Shanker, and Ben Wattenberg among others. A complete list of the Advisory Board members is attached.

"The Coalition's central purpose," Dr. Cline stated, "is to monitor developments in Asia and the Western Pacific region, and to identify real or potential threats to the security of nations in that area." He said that special emphasis would be given to safeguarding the peace, security, and freedom of the Republic of China on Taiwan in accordance with the Taiwan Relations Act, approved by Congress and enacted by the President in April 1979.

The Taiwan Relations Act declares that "peace and stability" in the Western Pacific "are in the political, security, and economic interests of the United States," and that "any efforts to undermine the future of Taiwan by other than peaceful means, including by boycotts or embargoes, is a threat to the peace and security of the Western Pacific area and of grave concern to the United States." Cline stated, "Our objective is to alert Congress and the American people immediately to any threats or harassment which jeopardize the independence of our Asian allies."

Specific functions of the Coalition, according to Dr. Cline, will include careful study of political and military events in the Asian region, sponsorship of conferences to discuss their implications, publication of press notices and scholarly materials, and recommendations for Congressional action—all designed to focus attention on threats to Asian stability. In this manner, the Coalition will assist Congressional committees in meeting their oversight responsibilities, and in developing recommendations concerning the defense needs of Taiwan.

In addition to Dr. Cline, the Coalition's Board of Directors includes James C. Roberts and Robert L. Downen of Washington, D.C., both specialists in research on Congressional treatment of strategic and foreign-policy issues.

Advisory Board—Coalition for Asian Peace and Security

Murray Baron, Former Trustee, Freedom House.

Adm. Arleigh Burke, USN (Ret.) former Chief of Naval Operations, Chairman Emeritus of Georgetown Center for Strategic and International Studies.

Sol Chaikin, President, International Ladies Garment Workers Union.

John Chamberlain, Syndicated Columnist.

Dr. Parris H. Chang, Professor, Department of Political Science, Pennsylvania State University.

Leo Cherne, Executive Director, Research Institute of America.

Dr. Victor Fediay, President, Institute of American Relations.

Lt. Gen. Daniel O. Graham, USA (Ret.) former Director, Defense Intelligence Agency, Department of Defense.

Bryce Harlow, former Special Assistant to President Gerald Ford.

Dr. Sidney Hook, Philosopher, Hoover Institution.

Dr. Chalmers Johnson, Chairman, Department of Political Science, University of California at Berkeley.

Hon. U. Alexis Johnson, former Undersecretary of State for Political Affairs.

Hon. William R. Kintner, Director, Foreign Policy Research Institute, University of Pennsylvania, former Ambassador to Thailand.

Dr. Jeane Kirkpatrick, Levey Professor, Georgetown University.

Hon. Clare Boothe Luce, former Ambassador to Italy.

Warren Meeker, Chairman of the Board, Research Institute of America.

Hon. William Middendorf, President, Financial General Bankshares, Inc., Former Secretary of the Navy.

Adm. Thomas H. Moorer, USN (Ret.), Former Chairman, Joint Chiefs of Staff.

Michael Novak, Syndicated Columnist.

Dr. Howard Penniman, Professor of Government, Georgetown University.

Dr. Richard Pipes, Baird Professor of History, Harvard University.

Dr. Stefan Possony, Professor, Hoover Institution, Stanford University.

William Rusher, Publisher, National Review.

Dr. Paul Seabury, Professor of Political Science, University of California at Berkeley.

Albert Shanker, President, American Federation of Teachers.

Dr. Gerald Steibel, Managing Editor, Research Institute of America.

Gen. Richard G. Stilwell, USA (Ret.), Former Commander, United Nations Forces, Korea.

Rabbi Marc Tanenbaum, National Interreligious Affairs Director, American Jewish Committee.

Dr. Edward Teller, Physicist.

Dr. Frank Trager, Professor, International Affairs; Director, National Security Program, New York University.

Dr. Cory Ser Vaas, Editor and Publisher, Saturday Evening Post.

Dr. Richard L. Walker, Director, Institute of International Studies, University of South Carolina.

Ben Wattenberg, Chairman, Coalition for a Democratic Majority.

Richard Whalen, Author.

Dr. Eugene P. Wigner, Educator and Nobel Laureate.●

INTERNATIONAL COCOA AGREEMENT

● Mr. HEINZ. Mr. President, in looking at the upcoming negotiations on the International Cocoa Agreement, I would like to second the thoughts of my distinguished colleague from Illinois (Mr. Percy) who spoke on this subject on the Senate floor last Friday. Cocoa costs only 40 to 65 cents per pound to produce. Yet the world market price for cocoa beans is $1.35 per pound. After seeing what small portion of this price accrues to the cocoa farmer, one is justified in asking: Where does the difference go? It certainly does not go to those most in need of international assistance.

Why should the U.S. consumer be forced to guarantee a minimum price that is more than two, three, and four times the cost of production of cocoa? I am not prepared to see the United States underwrite an international commodity agreement for cocoa which would result surely in enriching a few foreign cocoa barons who only sweeten their Swiss bank accounts at the expense of higher inflation and lost jobs here in the United States. I might also add that, in my State, a large portion of the labor force is employed in the chocolate confectionery industry. I am simply not prepared to go back to my constituents and explain to them that the reason many of them lost their jobs was that the U.S. Congress felt it was more important to support an international agreement artificially inflating the price of their products' major raw ingredient so that a few greedy people might benefit.●

EDITORIALS UPHOLD TAIWAN TREATY DECISION

● Mr. GOLDWATER. Mr. President, there recently appeared two excellent editorials discussing the meaning of Judge Gasch's ruling that the President alone cannot abrogate a mutual defense treaty. Each emphasizes the dangerous precedent that will have been set if the court had ruled in favor of the President.

I ask that these editorials may be printed in the RECORD.

The editorials follow:

[From SeaPower, November 1979]

THE "TAIWAN PROBLEM" REVISITED

(By Vincent C. Thomas, Jr.)

Does the President of the United States have the authority under the Constitution, acting strictly on his own volition and without the advice and consent of the Senate—or even of his own defense and foreign policy advisers—to terminate U.S. participation in the North Atlantic Treaty Organization (NATO)? Or to terminate any of several other defense treaties to which the United States of America—not the President as an individual—is a party?

That, whether most Americans realize it or not, is the essence of the question which must be answered by the U.S. Circuit Court of Appeals and, eventually, the U.S. Supreme Court when the case of Goldwater vs. Carter comes up for review.

This case is about, and evolved from: (1) the President's decision, announced on 15 December 1978, to recognize the People's Republic of China; and (2) his publicly announced decision of the same date to abrogate the mutual defense treaty between the United States and the Republic of China (ROC) on the island of Taiwan.

The President made his announcement not only without consulting Congress, but at a time when Congress was out of session. One week after the President's announcement, however, Senator Barry Goldwater (R-Ariz.) and 24 other members of the House and Senate filed suit in the U.S. District Court for the District of Columbia, challenging the President's authority to terminate the mutual defense treaty with Taiwan "without the advice and consent of the United States Senate or the approval of both Houses of Congress."

U.S. District Court Judge Oliver Gasch ruled in favor of Goldwater, et al., on 17 October, and, among other things, ordered that Secretary of State Cyrus R. Vance "and his subordinate officers" not take "any action" to implement the President's notice of abrogation "unless and until" that notice has been approved by two thirds of the Senate or a majority of both Houses of Congress.

The administration is appealing the Gasch decision before the U.S. Circuit Court of Appeals. Oral arguments were scheduled to be heard on 13 November.

No matter what the decision of the Court of Appeals, it seems inevitable the case eventually will go to the Supreme Court.

Unfortunately, most publicity about the case has focused on matters of policy rather than of principle. In general it seems those who approve the President's policy of pursuing "normalization" of relations with Peking also approve almost as an afterthought, his decision to abrogate the mutual defense treaty with Taiwan.

The wisdom as well as one must add the morality—(or the absence of both)—of President Carter's decision are not however, what are at issue. Commenting on Judge Gasch's decision, Senator Goldwater suggested that "we should . . . remember the admonition of Chief Justice John Marshall: 'The peculiar circumstances of the moment may render a measure more or less wise, but cannot render it more or less Constitutional.' "

If left unchallenged Goldwater also said, "the President's unilateral action would set a dangerous precedent, which would enable him or a future President to terminate at will *any* defense treaty, such as the North Atlantic Alliance treaty (NATO), or those with Japan, the Philippines, or South Korea."

In defense of Mr. Carter's decision, administration spokesmen correctly note that Article X of the treaty permits "either party" to cancel it after giving one year's notice. They contend that, as commander-in-chief of the armed forces and "the sole representative" of the United States in foreign affairs, the President implicitly has the power to abrogate treaties between the United States and foreign governments. They argue further that, in any case, the dispute between Congress and the President over the defense treaty is a political matter which does not come under the jurisdiction of the courts. Finally, they add the politically oriented argument that, if the abrogation decision is overturned, the cause of "normalization" will be dealt a serious and perhaps fatal setback.

Regrettably, insofar as those who support the President's policy are concerned, the last argument has little if any legal relevance. The question still is: Did the President exceed his Constitutional authority, or did he not? If he did exceed his authority, the fact that some great national good has resulted, or may eventually result, does not in itself make his act Constitutional.

It is not inappropriate to point out that a large number of Americans disagree vehemently with the President's decision. They believe that whatever alleged benefits may result from closer relations with the People's Republic are not worth breaking the treaty with Taiwan—and possibly destroying, along with it, U.S. credibility as a reliable ally.

However, those arguments also are irrelevant. Again, even if the President's decision was militarily unsound, was directly contradictory to his own human rights policy, and eventually causes serious damage to America's prestige and reputation abroad, it does not matter, provided only that he acted as authorized by the Constitution.

To his great credit, Judge Gasch ignored the weighty substantive arguments on both sides, and concentrated on the Constitutional issues. He determined, among other things: (1) That the President is "the sole organ of communication" with foreign governments, but "is clearly not the sole maker of foreign policy." (2) That a treaty is "the law of the land" which the President can neither amend, nor repeal, on his own authority. (3) That the weight of precedent indicates that, since treaties must be ratified by two thirds of the Senate, they cannot be terminated without approval of two thirds of the Senate. (4) That, finally, the President is required under the Constitution to "take care that the Laws be faithfully executed," and, in the case of the mutual defense treaty, "The President cannot faithfully execute that treaty by abrogating it any more than he can faithfully execute by failing to administer."

If the Supreme Court eventually rules in favor of the President, the treaty is ended—and, in the opinion of many, a dangerous precedent will have been set.

If the Court rules against the President, a request for termination will have to go to Congress, and "The Taiwan Problem" could become a major issue in next year's elections.

In a democracy, that would not necessarily be the worst evil that could befall the nation.

[From the Cincinnati Enquirer, Oct. 27, 1979]

TREATIES—FEDERAL JUDGE FINDS ABROGATION NOT PERMISSIBLE

The Federal court ruling against President Carter's termination of the U.S. defense treaty with Taiwan—if upheld—will ensure American mutual-security agreements globally.

No future President, for example, would be able, willy-nilly, to yank the United States out of the Atlantic Alliance. The same would apply, of course, to all treaties, regardless of their nature. Hence the sweeping potential of U.S. District Judge Oliver Gasch's landmark decision.

We protested Mr. Carter's bypass of Congress from the start and rejoice that Judge Gasch saw what should have been elementary to Mr. Carter and his advisers: That if indeed the Senate must ratify treaties by two-thirds majorities to give them force, its vote should be similarly required on proposed repeals.

This point was made emphatically by Irwin S. Rhodes, of Cincinnati, a nationally noted constitutional lawyer on whom plaintiffs relied and whose position was incorporated in the Gasch ruling. Mr. Rhodes' argument: If the President can't amend a treaty by himself, it's clear he can't terminate it by himself.

The suit was brought by Sen. Barry Goldwater, R-Ariz., seven other senators, a former senator (Carl Curtis, R-Neb.) and 17 members of the House, including Reps. John Ashbrook, R-Ohio, and Dan Quayle, R-Ind. Fifty-two times treaties had been ended with some kind of congressional action, according to Terry Emerson, Senator Goldwater's legal counsel. Only three times was a President known to have broken off a treaty by himself—and then without even notifying Congress. But the three were relatively insignificant. Only once had the United States unilaterally terminated a defense treaty. The alliance with France which Congress—on its own—declared null and void in 1798 when the U.S. and French navies were battling each other.

Another little-known fact is that Goldwater lawyers obtained from Eugene V. Rostow, a former undersecretary of state (in the Johnson administration), his stenographic notes on his extraordinarily relevant conversation in Peking with Vice Premier Deng Xiaoping. Deng not only told Mr. Rostow he wouldn't object if Mr. Carter went to Congress on the defense treaty but that, in Mr. Emerson's paraphrasing, "the Chinese could live with the treaty's *not* being abrogated."

Senator Goldwater was not trying to disturb relations between Washington and Peking, Mr. Emerson emphasizes. His aim was, rather, to ensure U.S. treaties are treated in orderly—and constitutional—fashion. The Gasch ruling, assuming it's upheld, should reassure not only the American people but also their allies. In this sense has the Arizonan, his fellow plaintiffs—and Mr. Rhodes—struck a formidable blow for freedom. We're grateful.●

THE 50TH ANNIVERSARY OF ADM. RICHARD E. BYRD'S EXPLORATION AND TRIP TO THE SOUTH POLE

Mr. PRYOR. Mr. President, I would like to remind my distinguished colleagues in the Senate that 50 years ago, on November 29, we will be celebrating the 50th anniversary of Adm. Richard E. Byrd's famous exploration and trip to the South Pole.

This great event, of course, was taught and is still being taught to every school-child in our great country. It is a part of American history. It is a part of the great American tradition.

Mr. President, on tomorrow to help celebrate the anniversary of that 50-year event, the very distinguished senior Senator from the State of Virginia, who is the nephew of Adm. Richard E. Byrd, is going to basically be making that same trip covering that route that Admiral Byrd took 50 years ago.

Mr. President, there could be no more distinguished individual to represent the Byrd family or to represent the U.S. Senate than Senator HARRY F. BYRD, JR., as he makes the same trip that his famous uncle took 50 years ago.

I, for one, and as one Member of the Senate, as I know my colleagues would like to do, would like to take this moment, if I might, to wish Senator BYRD a most memorable and successful mission on this trip in commemoration of this most historic event of our great country.

I hope our colleague will have the opportunity to relive the great experiences of Admiral Byrd, and to also impart some of the knowledge and experiences he receives on this trip back to us, as his colleagues, upon his return.

THE REENACTMENT OF AN IMPORTANT ANTARCTIC EXPEDITION

Mr. ROBERT C. BYRD. Mr. President, some have declared that this is an age without heroes. Whether this is a fair assessment or not, our country has heroes galore in its history, and champions abundant in the memories of many who have been witnesses to the exciting accomplishments by Americans that have taken place in our own lifetime past.

One of the great moments in the recent line of American achievements was the first aircraft flight over the South Pole in 1929. November 29 will mark the 50th anniversary of that record-setting event, and to commemorate it, a special airplane expedition is scheduled to retrace the route originally taken by Admiral Byrd.

Such an exceptional celebration would probably be newsworthy in its own right, but this particular flight should have a marked significance for the Senate, because two of our distinguished colleagues are going to be on board the ski-equipped Hercules cargo plane that will fly over the South Pole on the 29th.

Senator HARRY F. BYRD, Jr., of Virginia, will be one of the passengers on that plane. This is appropriate indeed, because Senator HARRY BYRD is a nephew of the illustrious Admiral Byrd. Moreover, Senator BELLMON of Oklahoma will also be a member of the expeditionary group.

I want to wish these two colleagues the best as they participate with the team of scientists and specialists in the reenactment of the original flight, to emphasize the importance that Admiral Byrd's efforts had in opening a new era in Antarctic research, exploration, and subsequent value to the United States.

Mr. President, I particularly want to express my personal congratulations to Senator BYRD, as he participates in this event, for I know that it must have deep personal significance for him. Senator BYRD's family can take genuine pride, I believe, in the tradition of service that it has established, not only in relation to the great State of Virginia, but to our entire country. I am pleased, as a result, that this celebration is involving Senator BYRD, and will underline one of the many contributions that this extraordinary family has made to our national heritage.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations on the Executive Calendar beginning with new reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, if the distinguished acting Republican leader has no objection, I ask unanimous consent that the nominations be considered and confirmed en bloc.

Mr. STEVENS. There is no objection, Mr. President.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

The nominations confirmed en bloc are as follows:

SELECTIVE SERVICE SYSTEM

Bernard Daniel Rostker, of Virginia, to be Director of Selective Service.

U.S. AIR FORCE

Brig. Gen. Irvin G. Ray, Air National Guard of the United States, to be major general.

Brig. Gen. Bobby E. Walls, Air National Guard of the United States, to be major general.

Col. William J. Davis, Air National Guard of the United States, to be brigadier general.

Col. Charles K. Evers, Air National Guard of the United States, to be brigadier general.

Col. Richard C. Freeman, Air National Guard of the United States, to be brigadier general.

Col. Ray P. Greenwood, Air National Guard of the United States, to be brigadier general.

Col. William E. Haymes, Air National Guard of the United States, to be brigadier general.

Col. Raymond E. Hebrank, Air National Guard of the United States, to be brigadier general.

Col. Frank L. Hettlinger, Air National Guard of the United States, to be brigadier general.

Col. Edward J. Power, Air National Guard of the United States, to be brigadier general.

Col. Hugh A. Ward, Air National Guard of the United States, to be brigadier general.

U.S. ARMY

Col. William Freemont Engel, to be brigadier general.

Sundry nominations placed on the Secretary's desk in the Air Force, Army, Navy, and Marine Corps.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

Mr. STEVENS. There is no objection. I assume we have confirmed them all, including the military nominations?

Mr. ROBERT C. BYRD. Yes; all through page 3.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I move to reconsider, en bloc, the vote by which the nominations were confirmed en bloc.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, has the Chair ordered the notification of the President?

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

Mr. ROBERT C. BYRD. I thank the Chair.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE REDUCTION OF LEADERS' TIME ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time of the two leaders on tomorrow be reduced to 5 minutes each.

Mr. STEVENS. There is no objection, and I thank the majority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time of the two leaders or their designees on tomorrow be reduced to 5 minutes equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Are there any orders for the recognition of Senators on tomorrow?

The PRESIDING OFFICER (Mr. HUDDLESTON). There are none.

ORDER FOR THE RECOGNITION OF MR. MORGAN ON TOMORROW AND LEGISLATIVE PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the two leaders on tomorrow Mr. MORGAN be recognized for not to exceed 15 minutes, after which the Senate proceed to the consideration of Calendar Order No. 444, S. 2009. This is a bill to designate certain public lands in central Idaho as the River of No Return Wilderness, and for other purposes; that that bill not be subject to a call for the regular order tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I would like to reserve the right to object on that last matter.

The PRESIDING OFFICER. The Senator reserves his right to object.

Mr. STEVENS. It is my understanding that when the majority leader asks that it not be subject to the regular order that he is applying that to the bill itself rather than to a vote on the bill; am I correct on that?

Mr. ROBERT C. BYRD. Yes. I want the Senate to complete action on that bill tomorrow and I did not want any call for the regular order to take it down.

Mr. STEVENS. Yes. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Then, Mr. President, upon the disposition of S. 2009 the Senate would automatically return to the windfall profit tax bill, would it not?

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. STEVENS. May I inquire, Mr. President, there was some discussion of taking up S. 1918. This is Calendar Order 394, a bill pertaining to regular commissioned officers. There was, as I said, some discussion about taking it up tomorrow. Does the majority leader have any intention of calling that bill up tomorrow?

Mr. ROBERT C. BYRD. No, I have no intention of doing so.

Mr. STEVENS. I thank the majority leader.

Mr. ROBERT C. BYRD. I believe there will be some rollcall votes in relation to S. 2009 tomorrow.

Mr. STEVENS. I might say to my friend, the majority leader, that I am informed there will be at least three rollcall votes requested on the wilderness bill tomorrow.

Mr. ROBERT C. BYRD. I thank the distinguished acting Republican leader.

Then, upon the disposition of that measure, there may be rollcall votes in relation to the windfall profit tax measure.

RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 9 o'clock tomorrow morning.

The motion was agreed to; and at 6:36 p.m. the Senate recessed until tomorrow, Tuesday, November 20, 1979, at 9 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate November 19, 1979:

SELECTIVE SERVICE SYSTEM

Bernard Daniel Rostker, of Virginia, to be Director of Selective Service.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

U.S. AIR FORCE

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapter 35, 831, and 837, title 10, United States Code:

To be major general

Brig. Gen. Irvin G. Ray, [redacted]FG, Air National Guard of the United States.

Brig. Gen. Bobby E. Walls, [redacted]FG, Air National Guard of the United States.

To be brigadier general

Col. William J. Davis, [redacted]FG, Air National Guard of the United States.

Col. Charles K. Evers, [redacted]FG, Air National Guard of the United States.

Col. Richard C. Freeman, [redacted]FG, Air National Guard of the United States.

Col. Ray P. Greenwood, Jr., [redacted]FG, Air National Guard of the United States.

Col. William E. Haymes, [redacted]FG, Air National Guard of the United States.

Col. Raymond E. Hebrank, [redacted] FG, Air National Guard of the United States.

Col. Frank L. Hettlinger, [redacted]FG, Air National Guard of the United States.

Col. Edward J. Power, [redacted]FG, Air National Guard of the United States.

Col. Hugh A. Ward, [redacted]FG, Air National Guard of the United States.

IN THE ARMY

The following-named officer for appointment as a Reserve Commissioned officer in the Adjutant General's Corps, Army National Guard of the United States, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be brigadier general

Col. William Fremont Engel, [redacted]

IN THE AIR FORCE

Air Force nominations beginning Clarck E. Abelard, to be first lieutenant, and ending Joseph A. Zirrolli, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on October 19, 1979.

Air Force nominations beginning Bobby R. Baker, to be colonel, and ending Carroll N. Anderson, to be colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on October 29, 1979.

Air Force nominations beginning Robert Bousquet, to be first lieutenant, and ending Bob L. Francis, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on October 29, 1979.

IN THE ARMY

Army nominations beginning Thomas Abercrombie, to be lieutenant colonel, and ending David H. Zuelke, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on October 25, 1979.

IN THE NAVY

Navy nominations beginning Brian W. Aamoth, to be ensign, and ending John H. Rixse, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on October 19, 1979.

IN THE MARINE CORPS

Marine Corps nominations beginning James H. Alameda, to be second lieutenant, and ending Carl A. Youngdale, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on November 6, 1979.

EXTENSIONS OF REMARKS

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations, or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, November 20, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

NOVEMBER 21

9:30 a.m.

*Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee

To resume hearings on S. 1250, to develop techniques for analyzing and stimulating technological and industrial innovation by the Federal Government.

6226 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To continue hearings on S. 1937 and 1965, bills authorizing Federal loan guarantees to the Chrysler Corporation.

5302 Dirksen Building

*Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee

To resume hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of the U.S. maritime policy.

235 Russell Building

NOVEMBER 26

9:00 a.m.

Judiciary

Business meeting, to resume markup of S. 1722 and 1723, bills to reform the Federal criminal laws and streamline the administration of criminal justice.

2228 Dirksen Building

10:00 a.m.

Select on Indian Affairs

To hold hearings on S. 1855, authorizing funds through fiscal year 1982 to provide technical assistance for tribally controlled community colleges.

5110 Dirksen Building

NOVEMBER 27

8:00 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings on and to consider H.R. 3398, to increase target prices for the 1979 crops of wheat and feed grains.
324 Russell Building

9:00 a.m.
Judiciary
Business meeting, to continue markup of S. 1722 and 1723, bills to reform the Federal criminal laws and streamline the administration of criminal justice.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings to examine U.S. and East-West trade and technological competitiveness, focusing on S. 339, to provide identical requirements for determining the eligibility of any Communist state for "most favored nation" status and Export-Import Bank credits, and for reviewing and limiting such credits; S. Con. Res. 47, to approve the extension of nondiscriminatory treatment with respect to the products of China; and to review a report prepared by the Office of Technology and Assessment entitled "Technology and East-West Trade".
5302 Dirksen Building

Governmental Affairs
To hold hearings on the nomination of Inez S. Reid, of New York, to be Inspector General, Environmental Protection Agency.
3302 Dirksen Building

Joint Economic
To resume hearings on the Consumer Price Index figures and inflationary trends.
6226 Dirksen Building

10:30 a.m.
*Commerce, Science, and Transportation
Business meeting to consider pending committee business.
235 Russell Building

2:00 p.m.
Labor and Human Resources
To hold hearings on the nomination of Shirley M. Hufstedler, of California, to be Secretary of Education.
4232 Dirksen Building

NOVEMBER 28

9:00 a.m.
Judiciary
Business meeting, to continue markup of S. 1722 and 1723, bills to reform the Federal criminal laws and streamline the administration of criminal justice.
2228 Dirksen Building

Select on Small Business
To hold hearings on adapting social security to a changing work force.
1224 Dirksen Building

9:30 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices and Foreign Agricultural Policy Subcommittees
To hold joint hearings to examine the implications of grain sales to the Soviet Union on the U.S. transportation system.
457 Russell Building

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To resume hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of the U.S. maritime policy.
235 Russell Building

Rules and Administration
Business meeting, to consider a proposed revision in the procedures used to allocate funds to Senate Committees; and other legislative and administrative business.
301 Russell Building

Joint Economic
To hold hearings to examine the economic outlook for 1980 relative to the housing industry.
1318 Dirksen Building

NOVEMBER 29

8:00 a.m.
Agriculture, Nutrition, and Forestry
Rural Development Subcommittee
To hold oversight hearings on the implementation of rural housing programs relative to loan guarantees administered by the Farmers Home Administration and the Department of Housing and Urban Development.
324 Russell Building

9:30 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices and Foreign Agricultural Policy Subcommittees
To continue joint hearings to examine the implications of grain sales to the Soviet Union on the U.S. transportation system.
457 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To resume hearings on S. 1937 and 1965, bills authorizing Federal loan guarantees to the Chrysler Corporation.
5302 Dirksen Building

Governmental Affairs.
Oversight of Government Management Subcommittee
To hold hearings on Federal agencies spending practices that occur just prior to the end of the fiscal year.
1318 Dirksen Building

Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
Business meetings, to mark up S. 1386, authorizing funds through fiscal year 1985 for the National Endowment for the Arts, National Endowment for the Humanities; and Institute of Museum Services; and S. 1429, authorizing funds through fiscal year 1982 for programs under the Museum Services Act.
4232 Dirksen Building

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

NOVEMBER 30

8:00 a.m.
Agriculture, Nutrition, and Forestry
Rural Development Subcommittee
To continue oversight hearings on the implementation of rural housing programs, relative to home weatherization serving rural areas.
324 Russell Building

10:00 a.m.
Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

DECEMBER 4

10:00 a.m.
*Select on Indian Affairs
To hold hearings on S. 341, 1795, and 1796, bills authorizing certain Indian tribes to file claims for damages for delay in payment for lands claimed to be taken in violation of U.S. laws.
5110 Dirksen Building

DECEMBER 5

10:00 a.m.
Rules and Administration
Business meeting, to resume consideration of a proposed revision in the procedures used to allocate funds to Senate Committees; and other legislative and administrative business.
301 Russell Building

DECEMBER 6

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings to insure equitable mortgage lending practices.
5302 Dirksen Building

DECEMBER 7

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings to insure equitable mortgage lending practices.
5302 Dirksen Building

Joint Economic
To resume hearings on the employment-unemployment situation and price data information for November.
Room to be announced

DECEMBER 10

10:00 a.m.
Select on Indian Affairs
To hold hearings on S. 1464, to acquire certain lands for the benefit of the Mille Lacs Band of the Minnesota Chippewa Indians.
5110 Dirksen Building

DECEMBER 11

9:30 a.m.
Select on Small Business
To hold hearings on the structure of the solar energy industry.
424 Russell Building

DECEMBER 12

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on the scope of laser research and technology, focusing on the principal applications of lasers and future expectations from lasers,
235 Russell Building

9:30 a.m.
Select on Small Business
To continue hearings on the structure of the solar energy industry.
424 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold oversight hearings to review international monetary policy relative to the Eurodollar currency.
5302 Dirksen Building

DECEMBER 13

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To continue oversight hearings to review international monetary policy relative to the Eurodollar currency.
5302 Dirksen Building

DECEMBER 14

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on the scope of laser research and technology, focusing on the principal applications of lasers and future expectations from lasers.
235 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs
International Finance Subcommittee

To continue oversight hearings to review international monetary policy relative to the Eurodollar currency.

5302 Dirksen Building

JANUARY 15, 1980

10:00 a.m.

Banking, Housing, and Urban Affairs
International Finance Subcommittee

To hold hearings to examine U.S. trade and technological competitiveness with other industrialized countries, focusing on a report by the International Trade Commission on international trade in integrated circuits relating to the electronics industry.

5302 Dirsken Building

CANCELLATIONS

NOVEMBER 21

10:00 a.m.

Rules and Administration

Business meeting, to consider legislative and administrative business.

301 Russell Building

NOVEMBER 27

9:00 a.m.

Select on Small Business

To resume hearings on the availability of investment capital to small businesses.

424 Russell Building

NOVEMBER 28

9:00 a.m.

Select on Small Business

To continue hearings on the availability of investment capital to small businesses.

424 Russell Building

9:30 a.m.

Judiciary
Limitations of Contracted and Delegated Authority Subcommittee

To resume hearings to discuss various aspects of issues relative to the investigation of alleged mismanagement practices within the General Services Administration.

6226 Dirksen Building

10:00 a.m.

Judiciary

To hold hearings on pending nominations.

2228 Dirksen Building

Select on Indian Affairs

To hold hearings on S. 1466, to provide for distribution of certain judgment funds in favor of the Delaware Tribe of Indians and the absentee Delaware Tribe of Western Oklahoma.

1202 Dirksen Building

NOVEMBER 29

9:30 a.m.

Judiciary
Limitations of Contracted and Delegated Authority Subcommittee

To continue hearings to discuss various aspects of issues relative to the investigation of alleged mismanagement practices within the General Services Administration.

6226 Dirksen Building

DECEMBER 4

10:00 a.m.

Select on Indian Affairs

To hold hearings on S. 1507, to provide for the purchase of certain facilities, lands, and water rights in and around the San Luis Rey River and Lake Henshaw, Calif., to be operated and maintained by specified bands of Mission Indians.

Room to be announced

HOUSE OF REPRESENTATIVES—*Tuesday, November 20, 1979*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. BRADEMAS).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
November 16, 1979.

I hereby designate the Honorable JOHN BRADEMAS to act as Speaker pro tempore on Tuesday, November 20, 1979.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O Lord God, as we approach our day of national thanksgiving, we again raise our voices in praise and adoration for the blessings our Nation has received. In joyous thanksgiving we acknowledge our freedom and liberty and the abundance of good things available to us by Your providence. May we be faithful to our heritage of human dignity and rights that have strengthened our Nation, and may these values stand as a beacon to people everywhere.

We pray this day for the men and women who do not know these blessings, specially do we remember those innocents who are held hostage. Be with them, O Lord, with Your abiding presence, and may they sense our unity as a nation as we reach out to them praying for their safety and release.

In Your name, O Lord, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4391) entitled "An act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1980, and for other purposes," and that the Senate agreed to the House amendments to the Senate amendments numbered 2 and 4 to the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4440) entitled "An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1980, and for other purposes," and that the Senate agreed to the House amendments to the Senate amendments numbered 1, 51, 53, 61, 64, and 66 to the foregoing bill.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a concurrent resolution of the House of the following title:

H. Con. Res. 214. Concurrent resolution providing for an adjournment of the House from November 20 until November 26, 1979, and a recess of the Senate from November 20 until November 26, 1979.

The message also announced that the Senate recedes from its amendments to the amendments of the House with an amendment to a bill of the Senate of the following title:

S. 1871. An act to extend the existing antitrust exemption for oil companies that participate in the agreement on an international energy program.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1300) entitled "An act to amend the Federal Aviation Act of 1958 in order to promote competition in international air transportation, provide greater opportunities for U.S. air carriers, establish goals for developing U.S. international aviation negotiating policy, and for other purposes," agrees to a conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CANNON, Mr. LONG, Mr. INOUYE, Mr. EXON, Mr. PACKWOOD, Mrs. KASSEBAUM, and Mr. GOLDWATER to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 43. An act to promote safety and health in skiing and other outdoor winter recreational activities; and

S. Con. Res. 53. Concurrent resolution revising the Congressional Budget for the U.S. Government for the fiscal years 1980, 1981, and 1982.

The message also announced that Mr. HUDDLESTON be an additional conferee, on the part of the Senate, on the bill (H.R. 5359) entitled "An act making appropriations for the Department of Defense for the fiscal year ending September 30, 1980, and for other purposes.".

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
November 19, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted November 16, 1979, the Clerk has received this date the following messages from the Secretary of the Senate:

That the Senate passed without amendment H.R. 5811, An Act to allow the Interest Rate Modification Act of 1979, passed by the Council of the District of Columbia, to take effect immediately; and

That the Senate agree to the Report of the Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate and that the Senate agree to the amendment of the House of Representatives to the amendment of the Senate numbered 5 to the joint resolution H.J. Res. 440 entitled "Joint resolution making further continuing appropriations for the fiscal year 1980, and for other purposes.

With kind regards, I am,

Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

ELECTION OF HON. JIM WRIGHT AS SPEAKER PRO TEMPORE DURING THE ABSENCE OF THE SPEAKER

Mr. MINETA. Mr. Speaker, I offer a privileged resolution (H. Res. 490) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 490

Resolved, That Honorable JIM WRIGHT, a Representative from the State of Texas, be, and he is hereby, elected Speaker pro tempore during the absence of the Speaker.

Resolved, That the President and the Senate be notified by the Clerk of the election of Honorable JIM WRIGHT as Speaker pro tempore during the absence of the Speaker.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SWEARING IN OF HON. JIM WRIGHT AS SPEAKER PRO TEMPORE DURING ABSENCE OF THE SPEAKER

The SPEAKER pro tempore. The Chair now asks the gentleman from California (Mr. MINETA) to administer the oath of office to the gentleman from Texas (Mr. WRIGHT), as Speaker pro tempore.

Mr. WRIGHT assumed the chair and took the oath of office administered to him by the gentleman from California (Mr. MINETA).

MESSAGE FROM THE SENATE

The SPEAKER pro tempore (Mr. WRIGHT). The Chair lays before the House the following message from the Senate.

The Clerk read as follows:

Resolved, That the concurrent resolution from the House of Representatives (H. Con. Res. 214) entitled "Concurrent resolution providing for an adjournment of the House from November 20 until November 26, 1979, and a recess of the Senate from November 20 until November 26, 1979", do pass with the following amendment.

The Clerk read the Senate amendment, as follows:

H. CON. RES. 214

Page 1, line 6, strike out "12 o'clock meridian" and insert "10 o'clock a.m.".

The SPEAKER pro tempore. The question is on the Senate amendment.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

THE 40-MILE AMERICAN ZONE FISH LIMIT

(Mr. WEAVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEAVER. Mr. Speaker, one campaign pledge I made in seeking election to Congress in 1974 was passage of the 200-mile limit fish conservation zone. I was proud to see this law enacted in my first session of Congress. We had high hopes for the law, to assure that fish stocks in our coastal waters were not depleted by the unregulated, uncaring voracious foreign fishing fleets, and to assure American fishermen their first right to catch those fish available above the crucial numbers needed for brood stocks.

There has been improvement. At least, the fisheries are not completely devastated and depleted as it would have been if the foreigners had continued their unchecked rampage off our coasts. Yet, there are serious flaws in the present 200-mile law and the law badly needs change.

First, the quotas set for both American and foreign fishing fleets are numbers only and do nothing to protect specific fish grounds. The limited observer program on foreign vessels still leaves much in doubt. Salmon are still being caught illegally.

The foreign vessels often use destructive methods to disrupt our fishing fleets. Cutting lines and running our smaller boats down are such outlaw methods.

Our own American enforcers often spend more time chasing down our own American fishing vessels than they do foreigners. And the 200-mile law has been used to curtail American fishing in ways not reasonable. This year the coho season was cut short at a time when some of the best runs of coho in years could have breathed life and profitability into our fishing industry.

We need our fishing fleets strong, prosperous, and independent. We need those jobs and the processing plants that come with them. And we need that source of food for American dinner tables.

So, I introduce today and urge the passage of a bill to designate an exclusive 40-mile fishing zone off our coasts for American fishing fleets, the American zone.

REMARKS BY DANIEL J. BOORSTIN, LIBRARIAN OF CONGRESS, WHITE HOUSE CONFERENCE ON LIBRARY AND INFORMATION SERVICES

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. BRADEMAS. Mr. Speaker, this last weekend there took place here in Washington, D.C., a meeting attended by nearly a thousand delegates for the purpose of discussing the role of libraries and information services generally in our country.

The meeting to which I refer is the White House Conference on Library and Information Services, chaired by Mr. Charles Benton of Illinois.

One of the most thoughtful statements made during the course of the White House Conference, Mr. Speaker, was an address delivered by the Honorable Daniel J. Boorstin, the distinguished Librarian of Congress.

I insert the text of Dr. Boorstin's address at this point in the RECORD:

REMARKS BY DANIEL J. BOORSTIN

As the Librarian of Congress I speak for a national fortress of Knowledge. In other words, I speak for a Library, and for Libraries. Our relentless Jeffersonian quest tempts us to believe that all technologies (and perhaps, too, all ideas) were created equal. This favored axiom is only slightly clouded by another axiom, equally American. For we have a touching national belief in annual models. In our national lexicon, "newer" is a synonym for "better." The result is illustrated in the title—and I suspect, too, in the preoccupations—of this conference. Libraries—or as you say "Library Services"—are here equated with "Information Services." Which is perilously close to saying that Knowledge can or should be equated with Information.

KNOWLEDGE AND INFORMATION

In the few minutes allotted to me this morning I would like to focus your attention on the distinction between Knowledge and Information, the importance of the distinction, and the dangers of failing to recognize it.

You have a hint of my theme in the melodramatic difference today between the condition of our Knowledge-Institutions and our Information-Institutions. The last two decades have seen the spectacular growth of the Information Industry. We are exhilarated by this example of American ingenuity and enterprise—the frontier spirit in the late 20th Century. A magic computer technology now accomplishes the dreariest tasks in seconds, surpasses the accuracy of the human brain, controls production lines and refineries, arranges inventories, and retrieves records. All this makes us proud of the human imagination.

All this, too, I am glad to say, has produced a widening unpredicted world of profit and employment. The Information Industry, we are happy to note, is flourishing. It is a growth-industry. It enjoys the accelerating momentum of technology and the full vitality of the marketplace.

The Information Industries are a whole new world of business celebrity. The jargon of the stock exchange accurately describes theirs as "glamour" stocks. Their leaders hold the national spotlight, and with good reason. The President of the United States appoints the head of one of the greatest of these companies to be perhaps our most important ambassador—to the Soviet Union.

Meanwhile, what has become of our Knowledge-Institutions? These do not deal mainly in the storage and retrieval of information, nor in the instant flow of today's facts and figures which will be displaced by tomorrow's reports or bulletins. Rather they deal in the enduring treasure of our whole human past. They include our colleges and our universities—and of course our libraries. While the Information Industry flourishes and seeks new avenues of growth, while people compete for a chance to buy into them, our Knowledge-Institutions go begging.

Knowledge-Institutions do not pay the kind of dividends that are reflected on the stock market. They are sometimes called "philanthropic"—which means that they profit nobody except everybody, and their dividends go to the whole community. These Knowledge-Institutions—and especially our public libraries—ask charity, the community's small change, just to keep their heat and their lights on, and to keep their unrenovated doors open. We, the Knowledge-Institutions, are the poor relations. We anxiously solicit, and gratefully acknowledge the crumbs. Today I would like to put into historical perspective the distinction between Knowledge and Information. For it is especially appropriate in this White House Conference that we should focus on the distinction.

PUBLISHING AND BROADCASTING

In my lifetime we have moved from an Age of Publishing into our Age of Broadcasting. In that Age of Publishing launched by Gutenberg, printed materials (bearing the community's memory) wisdom, literary imagination, and knowledge were, of course, widely diffused. The great vehicle was the book. Knowledge was thought to be cumulative. The new books did not displace the old. When today's books arrived people did not throw away yesterday's—as if they were newspapers or out-of-date bulletins of information. On the contrary, the passing years gave a new vitality to the books of past centuries.

We too easily forget that the printed book, too, was a triumph of technology. The dead could now speak, not only to the select few who could afford a manuscript book, but to thousands at home, in schools and in libraries everywhere. The very words of Homer, of Plato, of Machiavelli, of Dickens now could reach everybody. Books became the carriers and the record—also the catalyst and the incentive—for most of the knowledge, the amusement, and the sacred visions of the human race. The printed book has given all humanity its inexpensive, speedy, reliable vehicles across the centuries. Books have conquered time.

But the peculiar, magic vehicles of our Age conquer space. The tube makes us constant eye-witnesses of riots in Iran, airplane wrecks in India, children starving in Cambodia, guerrilla attacks in Rhodesia. Along, of course, with an ever-flowing current of entertainment programs. Yet the special commodity of our electronic Age of Broadcasting is Information—in all its amplitude, in all its formats.

While knowledge is orderly and cumulative, information is random and miscellaneous. We are flooded by messages from the instant—everywhere in excruciating profusion. In our ironic 20th century version of Gresham's Law, information tends to drive knowledge out of circulation. The oldest, the established, the cumulative, is displaced by the most recent, the most problematic. The latest information about anything and everything is collected, diffused, received, stored, and retrieved before anyone can or could discover whether the facts have meaning.

The Mountain-Climbing syndrome rules us. Information is gathered simply because it is there. Electronic devices for diffusion, storage, and retrieval are used, simply because they too are there. Otherwise, the investment would seem wasted! I am not complaining. On the contrary, I am charmed and amazed. For so much of human progress has come from people playing enthusiastically with their new technologic toys—with results that are astonishing, and often productive.

Whatever the motive, we see the Knowledge-Industry being transformed, and even to some extent displaced, by an Information-Industry. In the schoolroom, history tends to be displaced by current events. The resources of science and of literature are overwhelmed and diluted by multiplying journals, by looseleaf services, by preprints, and information stored in computers, quickly and conveniently modified, and instantly retrievable.

To the ancient question, "What is Truth?" we Americans now reply, "Sorry, I haven't yet seen the 7 o'clock news!"

MYOPIA AND MISSION

What does all this mean for the world of knowledge which, of course, is the world of libraries? It should be plainer than ever that our libraries are needed to keep civilization in perspective. The more electronic our society becomes, the more urgent it is that we have prosperous Knowledge-Institutions. Yet this urgency is less noted every year. If you consult the authoritative Encyclopedia of the Social Sciences, published in 1933, and look under "Libraries" you will be referred to "Public Libraries" where you find an extensive article. But if you consult its successor the International Encyclopedia of the Social Sciences, published in 1968, and look for an entry for "Libraries" you will find no article. Instead you find a cross-reference which says, "See under Information Storage and Retrieval."

The fashionable chronologic myopia of our time tempts enthusiasts to forget the main and proper mission of our libraries. "Libraries have been selling the wrong product for years," one such faddist exclaims, "They have been emphasizing reading. The product that we have is information." But these are false messiahs. Of course we must use computer-technology and enlist the whole information industry. At the Library of Congress we have tried to be a leader in these uses and in exploring their applications. We will continue to do so.

In the long run, however, we will not serve the Information Industry, nor our civilization, if we encourage extravagant or misplaced expectations—for the role of information or the devices which serve it up. We must never forget that our libraries are our Fortresses of Knowledge. If we allow these rich and redolent resources—still preserved mainly in books—to be displaced by the latest thing, by today's news and journals and pre-prints and loose-leaf services and telephone conversations and currently revised print-outs, we will isolate the world of scholarship from the world of libraries. To avoid such dangers as these we have set up in the Library of Congress a Center for the Book, to use old and find new ways to keep the book flourishing, to keep people reading books, and to enlist other media to promote reading. One such project, "Read More About It" with the enthusiastic collaboration of CBS, the other night after the showing of "All Quiet on the Western Front" brought our suggested reading list to some 31 million viewers. We must and will do more of this.

If Librarians cease to be scholars in order to become computer experts, scholars will cease to feel at home in our libraries. And then our whole citizenry will find that our libraries add little to their view of the world, but only reinforce the pressures of the imperial instant-everywhere. To enlist scholars more actively and more intimately in the activities of the Library of Congress we are now setting up in the Library a Council of Scholars. They will help us discover the needs of the scholarly world and will help us provide an on-going inventory of the state of our knowledge—and of our ignorance.

FINDING ORDER AND MEANING

A great civilization needs many and varied resources. In our time our libraries have two paradoxical, sometimes conflicting roles. Of course we must be repositories of information. But we must also somehow remain place of refuge from the tidal waves of information—and misinformation. Our libraries must be most conspicuously the treasuries of news that stays news.

The era of the Enlightment, the later 18th century, the age of Franklin and Jefferson, the founding epoch of our nation, was an Age of Publishing. That age has left us a happy phrase. They said that people should read for *"Amusement and Instruction."* This was why they read the poetry of Dryden and Pope, the philosophy of Hume, the history of Gibbon, the novels of Sterne and Fielding. The two delights—"amusement" and "instruction"—were inseparable. The book was the prototypical provider of both. A person who was "a-mused" (from Latin "muser," to idle or pass the time) was engaged in a quite autonomous activity—set off by a catalyst, in the form of a book. In those days book-publishing was an "amusement industry."

Today our Age of Broadcasting tends to displace "amusement" with "entertainment." While we once had to amuse ourselves, we now expect to *be* entertained. The program *is* the entertainment. The amusement is in *us*. But others can and must be our entertainers. Now, of course, there is a flourishing "Entertainment Industry." We generally do not consider book-publishing to be part of it.

This is something to reflect on. It is another clue to our special need for libraries. The more omnipresent is the industry that tries to entertain us, the more we need libraries—where pleasure and amusement are found by the free and active spirit.

It is a cliché of our time that what this nation needs is an "informed citizenry." By which we mean a citizenry that is up on the latest information, that has not failed to read this week's newsmagazine, today's newspapers, or to watch the 7 o'clock news (perhaps also the news at 10 o'clock!)—always for more information, always to be better informed.

I wonder if that is what we need. I suggest, rather, that what we need—what any free country needs—is a *knowledgeable* citizenry. Information, like entertainment, is something someone else provides us. It really is a "service"! We expect to be entertained, and also to be informed. *But we cannot be knowledged!* Each of us must acquire knowledge for ourself. Knowledge comes from the free mind foraging in the rich pastures of the whole everywhere-past. It comes from finding order and meaning in the whole human experience. The autonomous reader, amusing and knowledging himself, is the be-all and end-all of our Libraries.

THE CRISIS IN IRAN

(Mr. DAVIS of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS of Michigan. Mr. Speaker, I would like to express my support, generally, for the President's steadfastness with regard to the crisis in Iran. However, it is my opinion that we seriously should begin to consider the use of our most effective political device—our economic strength—in dealing with this situation.

The President has stated that the United States will not allow any nation to threaten us with economic sanctions.

For this reason, the United States rightly curtailed its importation of oil from Iran as a demonstration of our resolve. This decision has been welcomed by Americans of every political persuasion. Shortly after the President announced the United States would not import any more oil from Iran, the Iranian leadership announced it would not export any oil to us, anyway.

I believe that it is time to consider completing the circle. For this reason, the United States should curtail all trade with Iran, until that regime can demonstrate that it is capable of conducting its affairs in a responsible, internationally acceptable manner.

During the first 9 months of this year, the United States sold to Iran $813 million worth of nonmilitary goods and services, of which about $268 million was agricultural products. The termination of this trade, then, will not significantly affect our international commerce; but it will demonstrate to Iran and the world that our relations—political and economic—are based upon understanding and respect of international conventions.

Last year, 90 percent of Iran's agricultural imports came from the United States. Since then, Iran has diversified its import sources; however, an American embargo would still carry with it a strong expression of American disapproval of Iran's current behavior.

A trade embargo of Iran-bound American goods already has gained the support of the American Farm Bureau. It is my belief that a great many other American citizens and institutions also support such a policy. Consequently, Mr. Speaker, I am introducing legislation deserving of our immediate attention calling for a total embargo of trade between the United States and Iran.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
November 19, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 12:05 P.M. on Monday, November 19, 1979, and said to contain a message from the President wherein he transmits the Eleventh Annual Report of the National Science Board.

With kind regards, I am,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

ELEVENTH ANNUAL REPORT OF NATIONAL SCIENCE BOARD, SCIENCE INDICATORS. 1978 MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Science and Technology:

To the Congress of the United States:

I am pleased to submit to the Congress the Eleventh Annual Report of the National Science Board, *Science Indicators—1978*. This report is the fourth in a series examining important aspects of the state of American science and technology.

Science and technology play a vital role in maintaining our Nation's economic well-being and make fundamental contributions toward the solution of many of our social problems. As this report illustrates, the United States continues to rank high internationally in most areas of science.

Science Indicators—1978 also addresses the balance between fundamental or long-term research and shorter-term applied research and development. Proper investment in basic research is crucial to using and maintaining the Nation's scientific and technical talent. My 1980 budget reflects this Administration's desire to increase support of scientific research and development as an investment in the Nation's future.

This report should be of interest to all those concerned with the Nation's scientific effort. I commend *Science Indicators—1978* to the attention of the Congress and those in the scientific endeavor.

JIMMY CARTER.
THE WHITE HOUSE, *November 19, 1979.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
November 19, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 12:05 p.m., on Monday, November 19, 1979, and said to contain a message from the President wherein he transmits the 1978 Annual Report of the National Cancer Advisory Board.

With kind regards, I am,
Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

☐ 1010

NATIONAL CANCER ADVISORY BOARD ANNUAL REPORT FOR 1979—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

In accordance with Section 410B(g), Part A, Title IV of the Public Health Service Act, I am transmitting to Congress the Annual Report for 1978 of the National Cancer Advisory Board.

This report has been prepared by the National Cancer Advisory Board and submitted to me as required by law. The Report describes the Board's activities in the latter portions of 1978.

JIMMY CARTER.
THE WHITE HOUSE, *November 19, 1979.*

THE AMC AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHLEY) is recognized for 5 minutes.

● Mr. ASHLEY. Mr. Speaker, I am introducing, today, a bill to amend section 503(b) of the Motor Vehicle Information and Cost Savings Act. Section 503(b)(1) of the act provides that the EPA Administrator shall separate a manufacturer's total number of passenger automobiles into two categories:

First. Passenger automobiles which are domestically manufactured; and

Second. Passenger automobiles which are not domestically manufactured.

Each of these categories must comply with the Federal fuel economy standards. In effect, each is treated as if manufactured by a separate manufacturer. For 1978 and 1979, an automobile manufacturer could have a certain number of nondomestic passenger automobiles included in its domestic fleet for the purpose of calculating its average fuel economy. The amendment I am introducing today allows a small automobile manufacturer, defined as one who produced less than 300,000 passenger automobiles in 1978, to have included in its domestic fleet a number of nondomestic passenger automobiles not to exceed 150,000, beginning in the 1980 model year. It is important to note that this amendment does not alter the act's fuel economy standards. Nor, by this amendment, may a manufacturer seek a waiver of those standards.

In addition, any inclusion of nondomestic passenger cars would not be automatic. For each year in which the manufacturer wishes to have a number of nondomestic passenger automobiles included in its domestic CAFE, it must apply to the Secretary of the Department of Transportation for a twofold finding. First, the Secretary must find that the ability of the manufacturer to meet the average fuel economy standard for the model year for which the application is made, is primarily dependent upon reasonably selected technology, including vehicle design, developed by and obtained from, other manufacturers. Second, the Secretary must find that a reasonable and economically practicable technology is not within the ability of the manufacturer to devleop.

Should the Secretary of Transportation make these determinations, the EPA Administrator would include the lesser of the manufacturer's total number of nondomestic passenger cars, or 150,000, in such manufacturer's domestic fleet for the purpose of calculating the manufacturer's average fuel economy.

It should also be noted that this amendment follows the congressional rationale when it adopted the Clean Air Act Amendments of 1977. Under that act, as amended, a small manufacturer could apply to EPA and be given a waiver of the 1981 and 1982 NO_x emission standards upon a twofold finding by the EPA Administrator. First, the Administrator had to find that the ability of the manufacturer to meet the standards was, and is, primarily dependent upon technology developed by other manufacturers. Second, the EPA Administrator had to find that the manufacturer lacks the financial ability to develop the technology.

Mr. Speaker, I must unequivocally state that this bill is critical for the continued viability of an important segment of the highly competitive automotive industry, namely, American Motors Corp. American Motors has always been, and remains committed to, continuing as a viable U.S. automobile manufacturer. It has devoted substantial capital and labor to comply with federally mandated fuel economy standards. In addition, over the past 2 years, it has developed a corporate strategy which focused, in part, on selected vehicle markets with a range of products to satisfy the requirements of the 1980's. Elements of this strategy include:

First. American Motors has reviewed internal operations in order to reduce its costs, to take advantage of profit opportunities, and to assure appropriate deployment of available resources.

Second. The American Motors' product line has been structured to compete in market segments where it has strength. It has introduced new product lines in the smaller, more fuel efficient segment of the market, and has dropped its largest least fuel efficient lines. As a result, American Motors competes in approximately 50 percent of the total automobile market; that is, compact and smaller sizes, including nondomestic passenger automobiles.

Third. American Motors has expanded Jeep production and marketing programs including an increased number of exports to foreign markets.

Fourth. American Motors has entered into agreements with Renault, the French auto manufacturer, which provide for mutual distribution of each company's products in various parts of the world, and more importantly, commencing in 1982, American Motors will manufacture an all new family of high technology, highly fuel-efficient, front-wheel-drive cars at its Kenosha, Wis., facilities. In addition, Renault will provide $150 million in financing to American Motors through a combination of equity, convertible subordinated debt, and subordinated debentures. Renault will also make available up to $50 million in supplier credits or other arrangements for working capital requirements. As the Washington Post stated in an editorial dated October 16, 1979, this agreement and American Motor's developing relationship with Renault:

> * * * certainly serves AMC's interest to obtain stronger financial backing and worldwide distribution of its products. It serves Renault's interest in moving toward the larger scale of operation that it considers essential to its own survival. But above all, it serves the broad interest of the American public in maintaining a sharply competitive automobile market.

However, because of its limited resources, American Motors does not assume the role of a technological innovator in the capital intensive automobile industry. Therefore, American Motors' engineering endeavors are devoted primarily to technology application, involving an element of "lead time" before available technology can be applied to American Motors' automobiles, and thus increasing fuel economy. By applying this "outside technology" and by following its corporate strategy, American Motors will be able to meet the Federal fuel efficiency standards through model year 1981.

However, its ability to meet the standards beyond the 1981 model year depends on its ability to include those Renault vehicles manufactured in part and assembled by American Motors in the United States in the American Motors domestic CAFE.

Mr. Speaker, I believe that enactment of this legislation will benefit the American people as a whole, not only American Motors. By allowing American Motors to continue as a viable automobile manufacturer, the amendment will foster competition in the auto industry, the importance of which is well known.

Moreover, by allowing American Motors to take full advantage of its agreements with Renault, the public will benefit from the high technology, highly fuel-efficient vehicles which will be produced. Enactment of this legislation will also protect the jobs of American Motors' employees, as well as enhance future job opportunities within the corporation.

American Motors currently employs 29,000 persons, principally in Michigan, Wisconsin, Ohio, Indiana, and Ontario, and has 2,200 dealers who employ an additional 46,000 persons.

For this reason, the United Auto Workers support this bill. Finally, this amendment will benefit the U.S. economy as a whole. It will preserve jobs, reduce the likelihood of job exportation, insure the infusion of capital from Renault, and work to reduce our dependence on imported oil.

I include the text of this amendment at this point in the RECORD:

H.R. 5944

A bill to amend the provisions of law enacted by part A of title III of the Energy Policy and Conservation Act to provide an alternative means for small manufacturers to meet the fuel economy standards established under such provisions

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subparagraph (A) of section 503(b)(1) of the Act of October 20, 1972 (Public Law 92–513) as amended by part A of title III of the Energy Policy and Conservation Act (15 U.S.C. 2003(b)(1)(A)) is amended by inserting after "manufacturer" the second place it appears the following: ", and, in applying this subparagraph to a small manufacturer in the case of any model year after model year 1979 and before model year 1987, passenger automobiles which are within that small manufacturer's allowable nondomestic volume for that year".

(b) Subparagraph (B) of section 503(b)(1) of such Act (15 U.S.C. 2003(b)(1)(B)) is amended by inserting after "manufacturer" the second place it appears the following: ", and, in applying this subparagraph to a small manufacturer in the case of any model year after model year 1979 and before model year 1987, are not within that small manufacturer's allowable nondomestic volume for that year".

(c) Paragraph (2) of section 503(b) of such Act (15 U.S.C. 2003(b)(2)) is amended by redesignating subparagraphs (D), (E), and (F), as subparagraphs (F), (G), and (H), respectively, and by inserting after subparagraph (C) the following:

"(D) The term 'small manufacturer' means any manufacturer whose total production (whether or not in the United States) of passenger automobiles, by corporate identity, was for calendar year 1978 less than 300,000.

"(E) For any model year, a small manufacturer shall be considered as having an allowable nondomestic volume of the lesser of 150,000 or the total number of passenger automobiles which were not domestically manufactured by such manufacturer during that model year and which were imported by such manufacturer during such model year, but only if such manufacturer submits to the Secretary an application, containing such information as the Secretary may require, and the manufacturer demonstrates and the Secretary finds that—

"(i) the ability of such manufacturer to meet the average fuel economy standard for the model year for which application is made is primarily dependent upon reasonably selected technology (as defined in section 502(d)(3)(A) but for purposes of this subsection, also made applicable to model years subsequent to the 1980 model year), including vehicle design, developed by and obtained from other manufacturers; and

"(ii) a reasonable and economically practicable technology is not within the ability of such manufacturer to develop.".

SEC. 2. (a) Subsection (1) of section 502 of such Act (15 U.S.C. 2002(1)) is amended by striking our "or" the first place it appears and inserting a comma in lieu thereof, and by inserting "or any finding under section 503(b)(2)(E)," before "notify the Secretary".

(b) Subparagraph (H) of section 503(b)(2) of such Act (15 U.S.C. 2003(b)(2)), as redesignated by subsection (c) of the first section of this Act, is amended by striking out "or 1979," and inserting in lieu thereof "or any subsequent model year,".●

NEEDED FOR THE 1980'S: REFORM ECONOMIC STRUCTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 10 minutes.

● Mr. REUSS. Mr. Speaker, the fiscal and monetary policies we are now pursuing to reduce inflation are not by themselves enough. What the United States needs for the 1980's is a structuralist economic approach: A fundamental commitment to rebuild our economic base, our productive capacity, our cities, and our transportation networks.

An article I have written for the French newspaper Agence Financier et Economique on this subject follows:

The fiscal and monetary policies of the United States are obviously not working. Joint inflation and recession are a national disgrace.

The truth of the matter is that fiscal and monetary policies by themselves cannot cure inflation and recession. If you have a booming inflation, tight monetary and fiscal policies can end it: by causing recession. If you have a wrenching recession, tax cuts and easy money can end it: at the cost of renewed inflation.

Over time, stop-go fiscal and monetary policies, like the blood-letting of the medieval barber-surgeons, sap our economic strength, weaken our institutions, and destroy faith in the ability of government to assure a stable business climate. Investment flees overseas, our vital industries age and falter, our competitive position declines. Sensible fiscal policy becomes impossible; a sensible attack on deep-rooted social problems becomes unpassable; inflation and unemployment worsen together.

A declining, erratic economy generates perverse incentives for banks and other investors. The business climate turns sour. Short-term interest rates rise, and the traditional source of capital for productive investment dry up. Equities take a beating while real estate sharks, commodity speculators and international money market manipulators thrive. "Enterprise becomes the bubble on a whirlpool of speculation," as Keynes wrote. Eventually, the world's central banking authorities step in to restore order. But the blow falls on productive and speculative investment alike.

Once the speculative genie is out of the bottle, there is no painless way that monetary authorities can get it back. Central bankers can admonish lending institutions to be conservative, prudent, and even-handed in distributing credit to the small businessman, the needy farmer, and the home-buyer, as Paul Volcker did recently in a letter to the 5,800 Federal Reserve Member Banks. But such advice runs right against the profit-making grain of every bank—and, worse, even penalizes those who comply to the benefit of those who don't.

Is there an alternative to our continuing inflation-unemployment syndrome? What the United States needs, I suggest, now and for the 1980's, is a structuralist economic approach: a fundamental commitment to rebuild our economic base, our productive capacity, our cities which house those capacities, and our transportation networks which service them. Only with a reformed structure can sensible fiscal and monetary policies hope to bring about full employment without inflation.

On both the unemployment side and the inflation side, structural reform is urgent.

On the unemployment side, discrimination by age, sex, and race, inadequate educational opportunities, jobs located too far from potential workers, make it impossible to get to full employment by macroeconomic expansion alone.

On the inflation side, we have an increasingly obsolescent industrial plant. We concentrate on too many low-productivity industries, while leaving high-productivity subcompact autos, mopeds, consumer electronics, light rail pasenger equipment, color television, and so on, to foreign producers. Our railroads and mass transit systems are a mess. Our methods of delivering health care are high-cost and archaic. Our housing industry is threatened by exorbitant land costs and astronomic interest rates. We continue our disastrous drift to more imported oil. Our federal, state, and local governments are overlapping, duplicative, and inefficient.

We need badly to clean up our act. What we should be doing is what the Germans and Japanese have been doing very successfully for some time: relying not simply on traditional fiscal and monetary policies, but combining them with government-business-labor planning and problem-solving. Applied to our American scene, this cooperative planning would entail teams of American leaders from all walks of life, in each of our leading economic sectors, from steel to transportation to energy to housing, studying and recommending action programs to make jobs and stabilize prices.

American business has to take the lead in this reconstruction. American business has the resources, technological and financial. What seems to be lacking is the incentive to invest in physical plant and equipment in the locations where they are needed. The government's task should be to structure the alternatives facing business so that there is profit in immediate investment in areas needing industrial redevelopment—and pain in doing otherwise.

But although American business must lead, the fact that in so many industries the technological initiative has been seized by aggressive German and Japanese and in some cases French enterprise should not be ignored: it both complicates and simplifies our own problem of adjustment. The existence of Volkswagen, Renault, Datsun, Toyota and Honda makes it very difficult for General Motors, Chrysler, American Motors and Ford, relative newcomers to the field, to win markets for an indigenous high-performance, energy-efficient small car. The technological lead of the foreigners cannot readily be overcome. But alternatives exist. One way is to attract foreign manufacturers to the U.S. by incentives such as those used by Brazil and other developing nations. Already Volkswagen, after only a year or so in Pennsylvania, is the fourth largest American auto maker, with waiting lists recently up to one year for its 40+ mpg Rabbit diesel. A joinder of Renault with American Motors is in the making, with plans just announced to start producing an American Le Car by 1982. RCA just transplanted Japanese techniques back home and opened a super-high-productivity color television plant in the United States. Why not make these marriages of foreign productivity with American labor the key to economic revival and recovery from chronic inflation?

This argument points up a fundamental fact: the United States faces an economic problem that goes far beyond the ordinary difficulties of turning the monetary and fiscal dials to their appropriate settings. If we are to be competitive, prosperous, and a land of opportunity for future generations, we must recognize now that we are already on a path of secular economic decline. We must reverse our slide down that path. We can do so, if we work together, and if we take advantage of the opportunities that exist for productive cooperation with capital from all around the world. ●

CBS/LIBRARY OF CONGRESS PRESENT UNIQUE “READ MORE ABOUT IT” PROJECT

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. BRADEMAS. Mr. Speaker, the Library of Congress and the Columbia Broadcasting System are currently cosponsoring a unique effort to encourage reading by linking special dramatic presentations on television to important books on related subjects.

Called the "Read More About It" book project, the effort includes the offering of information both on the air and through prepared lists about books related to the subjects of selected CBS presentations.

One of the special television programs was broadcast by CBS on November 14; a second is scheduled for this Wednesday, November 21, and a third is to be presented in mid-December.

This program to encourage reading is a credit both to CBS and the Library of Congress and, Mr. Speaker, I believe the project commands the attention and support of us all.

The following, Mr. Speaker, was excerpted from information about the project prepared by the Library of Congress and CBS:

LIBRARY OF CONGRESS AND CBS LAUNCH BOOK PROJECT

"Read More About It" is the theme of a unique effort by the Library of Congress and CBS to encourage reading and the reading habit. The project offers information—both on the air and in prepared lists—about books related to the subject matter of selected CBS presentations.

At the conclusion of selected CBS broadcasts, brief announcements—made by a performer from the program—call viewers' attention to a few specific titles selected by the Library's specialists and refer viewers to their local libraries and bookstores for these and other books on the subject. The books mentioned on the air are chosen from a list of in-print titles that represents a variety of perspectives on the subject. The lists are being made available by the Library of Congress to the library and book trade press for publication in advance of the programs. The lists also are being distributed by CBS to newspapers and CBS affiliated stations.

The "Read More About It" project was developed through the Library's Center for the Book following its 1978 seminar on "Television, the Book, and the Classroom." At that meeting, which emphasized the complementary features of television and books, Librarian of Congress Dr. Daniel J. Boorstin urged broadcasters to explore new ways of encouraging reading and interest in books. Further discussions among Dr. Boorstin, the Center for the Book's executive director John Y. Cole, and Gene F. Jankowski, President of the CBS Broadcast Group, led the project.

Several CBS programs are included in the project during this season. The first was a television adaptation of Erich Maria Remarque's classic "All Quiet on the Western Front," broadcast Wednesday, November 14.

Suggested books for the CBS television special "All Quiet on the Western Frant:"

Barnett, Correlli. "The Swordbearers; Supreme Command in the First World War." Bloomington, Indiana University Press, 1975 [c. 1964] xv, 392 p., illus., $5.95 pbk. (ISBN O-253-20175-6).

Campbell, Patrick J. "The Ebb and Flow of Battle." New York, St. Martin's Press, 1978, 167 p., $8.95 (ISBN 0-312-22518-0).

Chambers, Frank P. "The War Behind the War, 1914–1918; A History of the Political and Civilian Fronts." New York, Arno Press, 1972 [c. 1939] xv, 620 p., $30 (ISBN 0-405-04564-6).

Dos Passos, John. "Three Soldiers." New York, G. H. Doran, 1921, 433 p., $4.95 pbk. from Sentry Editions. Houghton Mifflin (ISBN 0-395-08389-3). Fiction.

Fussell, Paul. "The Great War and Modern Memory." New York, Oxford University Press, 1975, 363 p., $3.50 pbk. (ISBN 0-19502171-L, 483 GB).

Hemingway, Ernest. "A Farewell to Arms." New York, Scribner, 1929, 355 p., $15 (ISBN 0-684-15562-1) $3.95 pbk. (ISBN 0-684-71797-2, S161). Fiction.

Hoobler, Dorothy, and Thomas Hoobler. "An Album of World War I." New York, F. Watts, 1976, 96 p., illus., maps, $6.90 (ISBN 0-531-01169-0). For grade 5 and up.

Lawson, Don. "The United States in World War I: The Story of General John J. Pershing and the American Expeditionary Forces." New York, Abelard-Schuman, 1963, 57 p., illus., maps, $7.95 (ISBN 0-200-71939-4). For grade 7 and up.

Masters, John. "Now, God Be Thanked." New York, McGraw-Hill, 1979, $12.95 (ISBN 0-07-040781-9). Fiction.

Peterson, Horace C., and Gilbert C. Fite. "Opponents of War, 1917-1918." Madison, University of Wisconsin Press, 1957, 399 p., illus., $2.95 pbk. (ISBN 0-295-78560-8 WP 41).

Remarque, Erich Maria. "All Quiet on the Western Front." Boston, Little, Brown [c. 1929] 291 p., $7.95 (ISBN 0-316-73992-8). Fawcett $1.75 pbk. (ISBN 0-449-23180-1, Crest).

Rock, Phillip. "The Passing Bells." New York, Seaview Books, 1979, 433 p., $10.95 (ISBN 08-72235-18-1). Fiction.

Snyder, Louis L. "The First Book of World War I." New York, F. Watts, 1958, 94 p., illus., $5.90 (ISBN 0-531-00675-1). For grade 7 and up.

Taylor, Alan J. P. "Illustrated History of the First World War." New York, Putnam [1964] 224 p., illus. Reprint from A & W, $14.98 (ISBN 999-00-11 71-0).

Tuchman, Barbara W. "The Guns of August." New York, Macmillan, 1962, 511 p., illus., $14.95 (ISBN 0-02-620310-3). Bantam $2.95 pbk. (ISBN 0-553-02669-0, 12239-8). Dell $3.50 pbk.

Vandiver, Frank E. "Black Jack: The Life and Times of John J. Pershing," College Station, Texas A&M University Press, 1977, 2 v., illus., $35 (ISBN 0-89096-024-0).

"Mayflower: The Pilgrims' Adventure," a drama to be broadcast on CBS Television on Thanksgiving eve, Wednesday, November 21, is the second presentation in the Library of Congress/CBS "Read More About It" book project.

Suggested books for the CBS television special "Mayflower: The Pilgrims' Adventure":

Barth, Edna. "Turkeys, Pilgrims, and Indian Corn: the Story of the Thanksgiving Symbols." New York, Seabury [1975] 96 p., $7.95 (ISBN 0-8164-3149-3). For grades 2-6.

Bradford, William. "Of Plymouth Plantation, 1620-1647." Edited by Samuel Eliot Morison. New York, A. A. Knopf, 1952, $15 (ISBN 0-394-43895-7).

Dillon, Francis. "The Pilgrims" Garden City, N.Y., Doubleday, 1975, 250 p., $7.95 (ISBN 0-385-09594-5).

Earle, Alice M. "Home Life in Colonial Days." Stockbridge, Mass., Berkshire Traveller Press [1974] 470 p., $5.95 pbk. (ISBN 0-912944-23-4); Jonathan David, $9.95 (ISBN 0-8246-0203-X). Reprint of the 1898 edition.

Fleming, Thomas. "One Small Candle: the Pilgrims' First Year in America." New York, W. W. Norton [1963] 222 p., $8.95 (ISBN 0-393-05540-X).

Morgan, Edmund S. "The Puritan Dilemma: the Story of John Winthrop." Boston, Little, Brown [1958] 224 p., $5 (ISBN 0-316-58285-9); $3.95 pbk. (ISBN 0-316-58286-7).

Morison, Samuel E. "The European Discovery of America: the Northern and Southern Voyages." New York, Oxford University Press, 1971-1974, 2 v., $38.50 (ISBN 0-19-501848-6).

Noyes, Ethel J. R. C. "The Women of the Mayflower and Women of Plymouth Colony." Detroit, Gale Research, 1974, 197 p., $10 (ISBN 0-8103-3668-5).

Vaughan, Alden T. "American Genesis: Captain John Smith and the Founding of Virginia." Boston, Little, Brown [1975] 207 p., $6.95 (ISBN 0-316-89808-2); $3,95 (ISBN 0-316-89807-4).

Wright, Louis B. "The Atlantic Frontier: Colonial American Civilization, 1607-1763." Ithaca, N.Y., Cornell University Press [1959] 354 p., $4.95 pbk. (ISBN 0-8014-90443-X, CP43).

"The Gift," a drama to be broadcast on CBS Television in mid-December, is the subject of the third presentation in the Library of Congress/CBS "Read More About It" book project. "The Gift" is an adaptation by Pete Hamill of his own novel about a boy growing up in Brooklyn; the books selected by the Library's specialists are all stories for Christmas reading.

Suggested books for the CBS television special "The Gift:"

Capote, Truman. "A Christmas Memory." New York, Random House [1966, c. 1956] 45 p., $8.95 (ISBN 0-394-41931-6).

Davies, Valentine. "Miracle on 34th Street," New York, Harcourt, Brace [1971] 120 p., $5.95 (ISBN 0-15-160239-5); $1.95 pbk. (ISBN 0-15-0660453-1).

Gallico, Paul. "Miracle in the Wilderness: A Christmas Story of Colonial America." New York, Delacorte Press [1975] 53 p., $4.95 (ISBN 0-440-05714-0).

Hamner, Earl. "The Homecoming: A Novel about Spencer's Mountain." New York, Random House [1970] 115 p., $5.95 (ISBN 0-394-41929-4); Avon, 1973, $0.95 pbk.

Lohan, Robert, ed. "Christmas Tales for Reading Aloud." [3d] enl. ed. New York, Stephen Daye Press [1966] 427 p., $9.50 (ISBN 0-8044-2354-5).

Porter, William Sydney. "The Gift of the Magi," by O'Henry. Indianapolis, Bobbs-Merrill, 1978 29 p., $6.95 (ISBN 0-672-52296-9).

Read, Miss. "No Holly for Miss Quinn." Boston, Houghton Mifflin, 1976, 148 p., $6.95 (ISBN 0-395-24768-3).

Robinson, Barbara. "The Best Christmas Pageant Ever." New York, Harper & Row [1972] 80 p., $5.95 (ISBN 0-06-025043-7); Avon, 1978, $1.25 pbk. (ISBN 0-380-40394-3). For grade 3 and up.

Wahtera, John. "The Happening: A Carol for All Seasons." Boston, Little, Brown [1974] 117 p., $4.95 (ISBN 0-316-91750-8).

Remarks by Dr. Daniel J. Boorstin, Librarian of Congress; John Y. Cole, Executive Director, The Center for the Book in the Library of Congress; and Gene F. Jankowski, President, CBS/Broadcast Group

(Recorded as part of a presentation explaining the "Read More About It" CBS/Library of Congress Book Project)

Dr. Daniel J. Boorstin: "Read More About It" is really a project to bring together two of the great technologies of human history . . . The book made it possible to send messages across the centuries, but television made it possible to send messages in ways which the book did not allow or did not make possible—messages across the continent into everybody's living room.

Now, with the "Read More About It" project, we are going to bring those two technologies together to prove that there is not a competition between them but that each has the power to enrich and enliven the other.

This you might say is an obvious idea—the "Read More About It Project." It grew out of an enterprise of the Library of Congress, which was created by Act of Congress, which brought into being the Center for the Book . . . The Center for the Book was charged with the responsibility for finding ways of promoting reading and especially for finding ways to use all the other media—radio and television—to encourage reading.

We had a conference here in the Library of Congress . . . in which representatives of CBS participated, along with representatives of the Office of Education and other parts of the government. And we tried to find ways to promote this objective. This project really is a result of that—trying to find ways to attach recommendations for particular books to particular programs. Programs which we hope are worth watching and books which we think are worth reading.

John Y. Cole: Once the Library of Congress selects the programs that will be part of the project, we sit down with our General Reading Room's Division specialists and compile a large list of books that pertain to the subject. I would like to emphasize that we are picking books that as far as we can tell are in print.

We select books that reflect a variety of approaches to the subject. For example: perhaps a novel, perhaps a work of social history, perhaps a children's book that will illuminate the subject of the program. From this larger list of in-print titles, we then pick three or perhaps four titles that will actually be mentioned on the air.

Of course, the key to the success of our project is getting the word out early enough about the books that are involved in the project. Again, this is a joint responsibility. The Library of Congress is informing the book selling, publishing and library communities by distributing the lists as far as possible in advance of the programs, with press releases for each program. We also are using the Library of Congress Bulletin to inform libraries. On its part, CBS is distributing the list to affiliate stations as well as to newspapers throughout the country.

One of the great opportunities in this project, of course, is at the local level. We hope that the spirit of cooperation reflected at the national level between the Library of Congress and CBS will be reflected in local communities through book stores, libraries and the CBS affiliates getting together to talk about the project and ways that they might work together to encourage reading and the reading habit.

Gene F. Jankowski: Thirty years ago, the doomsayers were saying that television would mean the end of books. How those doomsayers were wrong. In 1978, over 41,000 titles were published, compared with some 8,600 in 1950. That's almost a five-fold increase. Not only has television not meant the end of books, but the two media now enjoy a natural, complementary relationship.

While television presentations provide a taste of a subject, books offer a more in-depth examination. Those who want to dig deeper into particular subjects inspired by television can find more knowledge, background, information and understanding from books. And that's the basis for our project.

When Dr. Boorstin and the Library of Congress approached us about a joint relationship, we leaped at the opportunity to use the popularity and appeal of television to stimulate interest in books by providing information about titles on the subject of specific broadcasts.

The "Read More About It" project reflects our interest and dedication to encourage and support books and reading. But its important to note we're not changing television. Instead, with the Library of Congress, television is being used to its fullest potential—tapping the many opportunities it offers to reach wide audiences of young and old to inform, to stimulate and to motivate. We're excited about the prospects.

The "Read More About It" project was developed through the Library's Center for the Book following its 1978 seminar on "Television, the Book, and the Classroom" (ISBN 0-8444-0303-2). A volume summarizing the discussions at the seminar is available for $4.95 prepaid from the Information Office, Library of Congress, Washington, D.C. 20540. The price includes postage.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Mineta) to revise and extend their remarks and include extraneous material:)

Mr. Ashley, for 5 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Weaver, for 10 minutes, today.
Mr. Gonzalez, for 15 minutes, today.
Mr. Reuss, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Roth) and to include extraneous matter:)

Mr. Lungren.
Mr. Symms.
Mr. Michel.

(The following Members (at the request of Mr. Mineta) and to include extraneous matter:)

Mr. Ashley.
Mr. Anderson of California in 10 instances.
Mr. Gonzalez in 10 instances.
Mr. Annunzio in six instances.
Mr. Brown of California in 10 instances.
Ms. Holtzman in 10 instances.
Mr. Jones of Tennessee in 10 instances.
Mr. Boner of Tennessee in 10 instances.
Mr. Mineta.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 43. An act to promote safety and health in skiing and other outdoor winter recreational activities; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 22892. An act to amend title 38, United States Code, to provide a cost-of-living increase in the rates of compensation paid to veterans with service-connected disabilities and in the rates of dependency and indemnity compensation paid to survivors of veterans, to modify certain veterans' life insurance programs, and to exempt Veterans' Administration home loans from State antiusury laws; to provide for certain assistance in locating individuals who were exposed to occupational hazards during military service; and for other purposes;

H.R. 4391. An act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1980, and for other purposes;

H.R. 4440. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1980, and for other purposes;

H.R. 5811. An act to allow the Interest Rate Modification Act of 1979, passed by the Council of the District of Columbia, to take effect immediately; and

H.J. Res. 440. Joint resolution making further continuing appropriations for the fiscal year 1980, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER pro tempore announced his signature to an enrolled bill of the Senate of the following title:

S. 411. An act to amend the Natural Gas Pipeline Safety Act of 1968 to provide for the safe operation of pipelines transporting natural gas and liquefied petroleum gas, to provide standards with respect to the siting, construction, and operation of liquefied natural gas facilities, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on November 16, 1979, present to the President, for his approval, bills of the House of the following titles:

H.R. 4167. To amend section 201 of the Agricultural Act of 1949, as amended, to extend until September 30, 1981, the requirement that the price of milk be supported at not less than 80 per centum of the parity price therefor; and

H.R. 4930. Making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1980, and for other purposes.

ADJOURNMENT TO MONDAY, NOVEMBER 26, 1979

Mr. MINETA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed.

The SPEAKER pro tempore. Pursuant to the provisions of House Concurrent Resolution 214 of the 96th Congress, the House stands adjourned until 12 o'clock meridian, Monday, November 26, 1979.

Thereupon (at 10 o'clock and 13 minutes a.m.), pursuant to House Concurrent Resolution 214, the House adjourned until Monday, November 26, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2855. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of District of Columbia Act 3–120, "To prohibit the location of chanceries in lower density residential areas of the District of Columbia by clarifying the zoning laws of the District of Columbia," pursuant to section 602(c) of Public Law 93–198, to the Committee on the District of Columbia.

2856. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of District of Columbia Act 3–123, "To amend the act to provide for the abatement of nuisances in the District of Columbia by the Commissioners of said District, and for other purposes, to authorize the Mayor of the District of Columbia to correct conditions on real property violative of law and to establish a special revolving fund for the purpose of financing the correction of such conditions," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2857. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of District of Columbia Act 3–124, "To authorize programs to provide employment for District of Columbia youth, to authorize a program for on-the-job training of adults with one or more dependents and to direct the Mayor to issue regulations to implement this act," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2858. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of District of Columbia Act 3–125, "To permit family choice of funeral establishment for burial of public assistance recipients, indigents and wards of the District of Columbia, and for other purposes," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2859. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of District of Columbia Act 3–126, "To order the closing of part of a public alley in Square 1672, bounded by 42nd Street, 43rd Street, and Davenport Street, N.W., located in Ward 3 (S.O. 77–363)," pursuant to section 602(c) of a Public Law 93–198; to the Committee on the District of Columbia.

2860. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Donald R. Toussaint, and his family, pursuant to section 6 of Public Law 93–126; to the Committee on Foreign Affairs.

2861. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on Foreign Affairs.

2862. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during October 1979, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

2863. A letter from the Clerk, U.S. House of Representatives, transmitting his quarterly report of receipts and expenditures for the period July 1 through September 30, 1979, pursuant to section 105(a) of Public Law 88–454, as amended (H. Doc. No. 96–230); to the Committee on House Administration and ordered to be printed.

2864. A letter from the National Adjutant, Disabled American Veterans, transmitting the proceedings of their 1979 National Convention and an independent audit report as of December 31, 1978, pursuant to section 9(a) of the Act of June 17, 1932, and section 3 of Public Law 88–504 (H. Doc. No. 96–231); to the Committee on Veterans' Affairs and ordered to be printed.

2865. A letter from the Comptroller General of the United States, transmitting a report on the identification of boarding homes where the needy aged, blind, and disabled reside and steps that the Department of Health, Education and Welfare can take to implement section 1616(e) of the Social Security Act; jointly, to the Committees on Government Operations, and Ways and Means.

2866. A letter from the Assistant Attorney General for Legislative Affairs, transmitting a draft of proposed legislation to grant State and local law enforcement officers, designated by the Attorney General, the authority to enforce the Controlled Substances Act of 1970; jointly, to the Committees on Interstate and Foreign Commerce, and the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Government Operations. Report on Department of Labor's Administration of the Comprehensive Employment and Training Act (Rept. No. 96-657). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Report on conserving lower cost rental housing (Rept. No. 96-658). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. ASHLEY (for himself, Mr. Reuss, Mr. Brodhead, Mr. Aspin, and Mr. Corcoran):

H.R. 5944. A bill to amend the provisions of law enacted by part A of title III of the Energy Policy and Conservation Act to provide an alternative means for small manufacturers to meet the fuel economy standards established under such provisions; to the Committee on Interstate and Foreign Commerce.

By Mr. DAVIS of Michigan:

H.R. 5945. A bill directing the President to impose a total trade embargo on Iran; to the Committee on Foreign Affairs.

By Mr. WEAVER:

H.R. 5946. A bill to amend the Fishery Conservation and Management Act of 1976 in order to establish a fishing area within the fishery conservation zone for the exclusive use of U.S. fishermen, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CAMPBELL:

H.J. Res. 448. Joint resolution proclaiming the week of December 3-9, 1979, as "Scouting Recognition Week"; to the Committee on Post Office and Civil Service.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2769: Mr. Goldwater, Mr. Jeffries, and Mr. Lott.

H.R. 5609: Mr. Addabbo, Mr. Barnes, Mr. Brodhead, Mr. Phillip Burton, Mr. Corrada, Mr. Downey, Mr. Drinan, Mr. Edwards of California, Mr. Ford of Tennessee, Mr. Guarini, Mr. Hall of Ohio, Mr. Kildee, Mr. Markey, Mr. Mitchell of Maryland, Mr. Murphy of Illinois, Mr. Rangel, Mr. Roe, Mr. Rosenthal, Mr. Weaver, and Mr. Wolff.

PETITIONS, ETC.

Under clause 1 of rule XXII,

224. The SPEAKER presented a petition of Stephen J. Stutzbach, Missoula, Mont., relative to an investigation of the administration of the Federal Employees' Compensation Act by the Office of Workers' Compensation programs of the U.S. Department of Labor; to the Committee on Education and Labor.

REGULATION OF LOBBYING ACT

In compliance with Public Law 601, 79th Congress, title III, Regulation of Lobbying Act, section 308(b), which provides as follows:

> (b) All information required to be filed under the provisions of this section with the Clerk of the House of Representatives and the Secretary of the Senate shall be compiled by said Clerk and Secretary, acting jointly, as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the CONGRESSIONAL RECORD.

The Clerk of the House of Representatives and the Secretary of the Senate jointly submit their report of the compilation required by said law and have included all registrations and quarterly reports received.

REGISTRATIONS

The following registrations were submitted for the third calendar quarter 1979:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19------- ◀

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.◀

AFFIDAVIT

[Omitted in printing]

PAGE 1◀

A. Thomas G. Abernethy, Sr., 3973 Stuart Place, Jackson, Miss. 39211.

B. U.S. Cane Sugar Refiners' Association, 1001 Connecticut Avenue, Washington, D.C. 20036.

A. Action for Children's Television, 46 Austin Street, Newtonville, Mass. 02160.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Alaska Interstate Co., 2200 Post Oak Tower, 5051 Westheimer Road, Houston, Tex. 77056.

A. Akin, Gump, Hauer & Feld, Suite 400, 1333 New Hampshire Avenue NW., Washington, D.C. 20039.

B. The Great Western Sugar Co., P.O. Box 5308, Denver, Colo. 80217.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.

B. Ringling Bros. Barnum & Bailey Combined Shows, Inc., 1015 18th Street NW., Washington, D.C. 20036.

A. Donald C. Alexander, Morgan, Lewis & Bockius, 1800 M Street NW., Suite 800 North, Washington, D.C. 20036.

B. Committee on Capitol Formation Through Dividend Reinvestment.

A. American Association of Homes for the Aging, 1050 17th Street NW., Suite 770, Washington, D.C. 20036.

A. American Business Council, 1900 L Street NW., Suite 203, Washington, D.C. 20036.

A. American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington, Va. 22209.

A. American Orthotic and Prosthetic Association, 1444 N Street NW., Washington, D.C. 20005.

A. American Society for Medical Technology, 1725 DeSales Street NW., No. 403, Washington, D.C. 20036.

A. American Subcontractors Association, 815 15th Street NW., Suite 902, Washington, D.C. 20005.

A. Mary M. Anderson, ICX Aviation, Inc., 1101 Connecticut Avenue NW., Suite 705, Washington, D.C. 20036.

B. ICX Aviation, Inc., Suite 705, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

A. Robert E. Ansheles, Suite 711, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. CITC Industries, Inc., 1 Park Avenue, New York, N.Y. 10016.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. Federation of Apparel Manufacturers, 450 Seventh Avenue, New York, N.Y. 10001.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. Young, Kaplan, Edelstein, Ziegler & Zisselman, 277 Park Avenue, New York, N.Y. 10017 (for estate of Sigmund Sommer).

A. Milton F. Ashford, Suite 800, 2030 M Street NW., Washington, D.C. 20036.

B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.

A. Associated Builders and Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.

A. Deborah Marie Atwood, Intalco Aluminum Corp., P.O. Box 937, Ferndale, Wash. 98248.

B. Intalco Aluminum Corp., P.O. Box 937, Ferndale, Wash. 98248.

A. George C. Baker, 220 South Clovis Avenue, Fresno, Calif. 93727.

B. U.S. Cane Sugar Refiners' Association, 1001 Connecticut Avenue, Washington, D.C. 20036.

A. Rosalyn Hester Baker, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

A. Samuel J. Baptista, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

A. J. Reynolds Barnes, 111 American Bank Building, 621 Southwest Morrison Street, Portland, Oreg. 97205.

B. Eleanor A. Clark, c/o J. Reynolds Barnes, 111 American Bank Building, 621 Southwest Morrison Street, Portland, Oreg. 97205.

A. Joel T. Barnett, 2605 Apollo Circle, Birmingham, Ala. 35226.

B. Brookwood Health Services, Inc., 2000–D Brookwood Medical Center Drive, Birmingham, Ala. 35209.

A. Roger V. Barth, 1828 L Street NW., Suite 1111, Washington, D.C. 20036.

B. Jackson, Campbell & Parkinson, 1828 L Street NW., Suite 1111, Washington, D.C. 20036 (for L'Enfant Plaza Properties, Inc.).

A. Kathleen A. Bauer, Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.

B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.

A. Robert J. Baughman, 1444 N Street NW., Washington, D.C. 20005.

B. American Orthotic & Prosthetic Association, 1444 N Street NW., Washington, D.C. 20005.

A. T. A. Bellissimo, 2100 Connecticut Avenue NW., Washington, D.C. 20008.

B. Household Finance Corp., 2700 Sanders Road, Prospect Heights, Ill. 60070.

A. Paul C. Bergson, 2550 M Street NW., Washington, D.C. 20037.

B. R. J. Reynolds Industries, Inc., 401 North Main Street, Winston-Salem, N.C. 27102.

A. Beveridge, Fairbanks & Diamond, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. American Paper Institute, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Steven L. Biegel, 1155 15th Street NW., No. 713, Washington, D.C. 20005.

B. American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.

A. Ken Billington, 6537 24th Avenue NE., Seattle, Wash. 98115.

B. Public Power Council, 1310 Main Street, Vancouver, Wash. 98666.

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B. Credit Union Financial Services, Inc., 1211 Connecticut Avenue NW., Suite 501A, Washington, D.C. 20036.

A. Michael K. Blevins, Society of American Florists, 901 North Washington Street, Alexandria, Va. 22314.

B. Society of American Florists & Ornamental Horticulturists, 901 North Washington Street, Alexandria, Va. 22314.

A. Richard William Bliss, 1899 L Street NW., Suite 1200, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

A. Richard William Bliss, 1899 L Street NW., Suite 1200, Washington, D.C. 20036.

B. New England Electric System, 20 Turnpike Road, Westborough, Mass. 01581.

A. Richard William Bliss, Suite 1200, 1899 L Street NW., Washington, D.C. 20036.

B. SUNEDCO, 12700 Park Central Place, Suite 1500, Dallas, Tex. 75251.

A. William J. Boardman, Wheelabrator-Frye, Inc., 2550 M Street NW., Washington, D.C. 20037.

B. Wheelabrator-Frye, Inc., Liberty Lane, Hampton, N.H. 03038.

A. Stephen S. Boynton, P.O. Box 3731, Washington, D.C. 20007.

B. American Fur Industry, 101 West 30th Street, New York, N.Y. 10001.

A. Cynthia H. Braddon, National Newspaper Association, 1627 K Street NW., No. 400, Washington, D.C. 20006.

B. National Newspaper Association, 1627 K Street NW., No. 400, Washington, D.C. 20006.

A. Dan J. Bradley, Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.

B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.

A. Mitchell H. Bradley, American Society of Mechanical Engineers, 2029 K Street NW., Washington, D.C. 20006.

B. American Society of Mechanical Engineers, 345 East 47th Street, New York, N.Y. 10017.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.

B. Committee for Effective Tax Incentives, 1634 I Street NW., Ninth Floor, Washington, D.C. 20006.

A. John B. Brewer, American Movers Conference, P.O. Box 9204, 1117 North 19th Street, Arlington, Va. 22209.

B. American Movers Conference, P.O. Box 9204, 1117 North 19th Street, Arlington, Va. 22209.

A. Theoran Brown, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

A. Browning-Ferris Industries, Inc., P.O. Box 3151, Houston, Tex. 77001.

A. Ronald B. Buckhalt, National Utility Contractors Association, 815 15th Street NW., Suite 838, Washington, D.C. 20005.

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A. Lawrence E. Burch, 1735 Jefferson Davis Highway, Suite 903, Arlington, Va. 22202.

B. Potato Chip/Snack Food Association, 1735 Jefferson Davis Highway, Suite 903, Arlington, Va. 22202.

A. Burke & Burke, 30 Rockefeller Plaza, New York, N.Y. 10020.

B. J. Reynolds Barnes (for Eleanor A. Clark), 111 American Bank Building, 621

Southwest Morrison Street, Portland, Oreg. 97205; John Poinier, 382 Springfield Avenue, Summit, N.J.

A. Bushnell, Gage, Reizen & Byington, 1899 L Street NW., Suite 301, Washington, D.C. 20036.
B. J. Reynolds Barnes (for Eleanor A. Clark), 111 American Bank Building, 621 Southwest Morrison Street, Portland, Oreg. 97205.

A. Butler, Binion, Rice, Cook & Knapp, 818 Connecticut Avenue, Suite 350, Washington, D.C. 20006.
B. City of Houston, 2800 Terminal Road, Houston Intercontinental Airport, Houston, Tex. 77205.

A. Butler, Binion, Rice, Cook & Knapp, 818 Connecticut Avenue NW., Suite 350, Washington, D.C. 20006.
B. Dorchester Sea 3 Products, Inc., 1300 Main, Houston, Tex. 77002.

A. Butler, Binion, Rice, Cook & Knapp, 818 Connecticut Avenue NW., Suite 350, Washington, D.C. 20006.
B. Seatrain Lines, Inc., 1 Chase Manhattan Plaza, New York, N.Y. 10005.

A. David C. Butler, Walgreen Co., 200 Wilmot Road, Deerfield, Ill. 60015.
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A. H. E. Butt Grocery Co., P.O. Box 9216, Corpus Christi, Tex. 78408.

A. California Canning Peach Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

A. California Olive Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

A. California Raisin Advisory Board, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

A. California Westside Farmers, Suite 800, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

A. Camp, Carmouche, Palmer, Barsh & Hunter, Suite 695, 2550 M Street NW., Washington, D.C. 20037.
B. Committee of Railroad Shippers, 2550 M Street NW., Eighth Floor, Washington, D.C. 20037.

A. Camp, Carmouche, Palmer, Barsh & Hunter, Suite 695, 2550 M Street NW., Washington, D.C. 20037.
B. U.S. League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.

A. H. Spofford Canfield, Hill and Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill and Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. William Edward Carmichael, Box One, Great Falls, Va. 22066.
B. American Floral Services, Inc., P.O. Box 12309, Oklahoma City, Okla. 73157.

A. Jim Casey, 1010 16th Street NW., Suite 700, Washington, D.C. 20036.
B. Belle Fourche Irrigation District, Newell, S. Dak. 57760.

A. Jim Casey, 1010 16th Street NW., Suite 700, Washington, D.C. 20036.
B. Twin Falls Canal Co., P.O. Box 326, Twin Falls, Idaho 83301.

A. Cayman Turtle Farm, Lt., P.O. Box 645, Grand Cayman Island, Cayman Islands, British West Indies.

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A. City of Houston, Department of Aviation, 2800 Terminal Road, Houston Intercontinental Airport, Houston, Tex., 77205.

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B. Seaview Petroleum Co., P.O. Box 231, Blue Bell, Pa. 19422.

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B. Vincin & Elkins (for University of Texas System, 201 West Seventh Street, Austin, Tex. 78701), 2100 First City National Bank Building, Houston, Tex. 77002.

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A. Committee for Effective Capital Recovery, 1901 L Street NW., Suite 303, Washington, D.C. 20036.

A. Committee for Effective Tax Incentives, One Farragut Square South, Eighth Floor, Washington, D.C. 20006.

A. Committee To Save Indian Housing, 910 16th Street, No. 1020, Denver, Colo. 80202.

A. Congressional District Action Committee, 23 Cliffview Drive, North East, Md. 21901.

A. Stephen J. Connolly, Suite 650, 1815 H Street NW., Washington, D.C. 20006.
B. Schwartz & Connolly, Inc., Suite 650, 1815 H Street NW., Washington, D.C. 20006.

A. Continental Resources Co., P.O. Box 44, Winter Park, Fla. 32790.

A. Control Data Corp., 500 West Putnam Avenue, Greenwich, Conn. 06830.

A. Council for Rural Development, c/o Greater Boston Development, Inc., One Boston Place, Boston, Mass. 02108.

A. Council of Industrial Boiler Owners, 11222 Silverleaf Drive, Fairfax Station, Va. 22039.

A. David H. Cox, 1828 L Street NW., Washington, D.C. 20036.
B. Jackson, Campbell and Parkinson (for L'Enfant Plaza Properties, Inc.), 1828 L Street NW., Washington, D.C. 20036.

A. Margaret S. Craig, 3433 Sheila Drive, Birmingham, Ala. 35216.
B. Brookwood Health Services, Inc., 2000–D Brookwood Medical Center Drive, Birmingham, Ala. 35209.

A. Charles S. Crawford, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill and Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for Hide Action Program).

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Control Data Corp., 6003 Executive Boulevard, Rockville, Md. 20852.

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A. George D. Crowley, Jr., Groom and Nordberg, Suite 450, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Bally Manufacturing Corp., 2640 Belmont Avenue, Chicago, Ill. 60618.

A. Edward M. Cummins, One United Drive, Fenton, Mo. 63026.
B. United Van Lines, Inc., One United Drive, Fenton, Mo. 63026.

A. Frank C. Damrell, Jr., 5900 Wilshire Boulevard, Suite 2600, Los Angeles, Calif. 90036.
B. Coastal States Gas Corp., 9 Greenway Plaza, Houston, Tex. 77046.

A. Danzansky, Dickey, Tydings, Quint & Gordon, 1120 Connecticut Avenue, Washington, D.C. 20036.
B. National Railway Utilization Corp., 1100 Centre Square East, 1500 Market Street, Philadelphia, Pa. 19102.

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B. Credit Union Financial Services, Inc., 1211 Connecticut Avenue NW., Suite 501A, Washington, D.C. 20036.

A. Detroit Edge Tool Co., 6570 East Nevada, Detroit, Mich. 48234.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. L–5 Society, 1620 North Park, Tucson, Ariz. 85719.

A. Patsy B. Dix, Federation for American Immigration Reform, 1330 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Federation for American Immigration Reform, 1330 New Hampshire Avenue NW., Washington, D.C. 20036.

A. Robert H. Doyle, 1120 Connecticut Avenue NW., No. 310, Washington, D.C. 20036.
B. Plumbing Manufacturers Institute, P.O. Box 484, Glenn Ellyn, Ill. 60137.

A. Anthony V. Dresden, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Mark R. Eaton, Powell, Goldstein, Frazer & Murphy, 1333 New Hampshire Avenue, Suite 970, Washington, D.C. 20006.

B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

A. Linda Ebner, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

A. Peter B. Edelman, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Foley, Lardner, Hollabaugh & Jacobs (for Smith Barney, Harris Upham & Co., Inc.), 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Helen H. Edge, Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.

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A. Sara Ehrman, 444 North Capitol Street NW., Suite 412, Washington, D.C. 20001.

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A. James V. Elder, Sierra Club, 330 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94018.

A. Steven G. Ellis, 1800 M Street NW., Suite 750 South, Washington, D.C. 20036.

B. Burson-Marsteller (for Superior Ball Division, Lydall Inc.), 1800 M Street NW., Suite 750 South, Washington, D.C. 20036.

A. Joseph T. Elvove, P.O. Box 5039, Hilton Head Island, S.C. 29928.

B. Publicker Industries, Inc., 777 West Putnam Avenue, Greenwich, Conn. 06830.

A. Frank E. Evans, c/o Davis, Graham & Stubbs, 1300 19th Street NW., Washington, D.C. 20036.

B. Purgatoire River Water Conservation District, 430 East Main Street, Trinidad, Colo. 81082.

A. Robert S. Faron, LeBoeuf, Lamb, Leiby & MacRae, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. LeBoeuf, Lamb, Leiby & MacRae, 140 Broadway, New York, N.Y.; 1333 New Hampshire Avenue, Washington, D.C. 20036.

A. Federation for American Immigration Reform, 1330 New Hampshire Avenue NW., Suite 1, Washington, D.C. 20036.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002.

B. State of Alaska, Department of Revenue, Pouch S, Juneau, Alaska 99811.

A. Blaine Fielding, American Paoer Institute, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Sheldon I. Fink, Sonnenschein, Carlin, Nath & Rosenthal, 8000 Sears Tower, Chicago, Ill. 60606.

B. First Wisconsin Mortgage Trust, 233 South Wacker Drive, Chicago, Ill. 60606.

A. M. J. Fiocco, 1909 K Street NW., S–410, Washington, D.C. 20006.

B. National Industrial Traffic League, 1909 K Street S–410, Washington, D.C. 20006.

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B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

A. David H. Foerster, National Education Association, 1201 16th Street NW., Washington D.C. 20036.

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A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Smith Barney, Harris Upham & Co., Inc., 1345 Avenue of the Americas, New York, N.Y. 10019.

A. Robert U. Foster, 600 New Hampshire Avenue NW., Suite 420, Washington, D.C. 20037.

B. Shipbuilders Council of America, 600 New Hampshire Avenue NW., Suite 420, Washington, D.C. 20037.

A. Welby M. Frantz, American Movers Conference, P.O. Box 9204, 1117 North 19th Street, Arlington, Va., 22209.

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A. Leslie Ellen Freed, 1660 L Street NW., Suite 201, Washington, D.C. 20036.

B. American Can Co., American Lane, Greenwich, Conn. 06830.

A. David W. Freer, 2101 L Street NW., Washington, D.C. 20037.

B. Western Oil & Gas Association, 727 West Seventh Street, Suite 850, Los Angeles, Calif. 90017.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Suite 1000, Washington, D.C. 20037.

B. Dr. Halla Brown, 2475 Virginia Avenue NW., Washington, D.C. 20037.

A. Edward W. Furia, 3515 East Spring Street, Seattle, Wash. 98122.

B. New England Fish Co., Pier 89, Seattle, Wash. 98119.

A. Edward W. Furia, 3515 East Spring Street, Seattle, Wash. 98122.

B. Weyerhaeuser Co., 2525 South 336th, Federal Way, Wash. 98003.

A. Theodore J. Garrish, 1525 New Hampshire Avenue NW., Washington, D.C. 20036.

B. American Metal Detectors Manufacturers, Inc., 2814 National Drive, Garland, Tex. 75041.

A. John A. C. Gibson, Coal Building, Washington, D.C. 20036.

B. National Coal Association, Coal Building, Washington, D.C. 20036.

A. Thos. G. Godfrey, The Godfrey Building, Elkhorn, Wis. 53121.

B. Kikkoman Foods, Inc., P.O. Box 69, Walworth, Wis. 53184.

A. Alan J. Goldenberg, New York Coffee and Sugar Exchange, Inc., Four World Trade Center, New York, N.Y. 10048.

B. New York Coffee and Sugar Exchange, Inc., Four World Trade Center, New York, N.Y. 10048.

A. Benjamin Gordon, Health Research Group, 200 P Street NW., No. 708, Washington, D.C. 20036.

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A. Irmgard Gordos, Route 2, Peschangs Trailer Court, Jefferson City, Mo. 65101.

B. American Security Council, Boston, Va.

A. Robert A. Grady, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

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B. The Keefe Co. (for Knoxville International Energy Exposition), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

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B. American Hardware Manufacturers Association, 117 East Palatine Road, Palatine, Ill. 60067.

A. Susan L. Gustafson, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

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A. Craig Hackler, 400 North Capitol Street NW, Suite 320, Washington, D.C. 20001.

B. John Finlayson, 147 Cat Rock Road, Cos Cob, Conn. 06904.

A. Craig Hackler, 400 North Capitol Street, Suite 320, Washington. D.C. 20001.

B. National Association of Wheat Growers, 415 Second Street NE., Suite 300, Washington, D.C. 20002.

A. Craig Hackler, 400 North Capitol Street, Suite 320, Washington, D.C. 20001.

B. National Living Centers, 777 50 Post Oak Road, Suite 600, Houston, Tex. 77056.

A. William D. Hager, 1835 K Street NW., No. 515, Washington, D.C. 20006.

B. American Academy of Actuaries, 1835 K Street NW., No. 515, Washington, D.C. 20006.

A. Martin Ryan Haley & Associates, Inc., 1511 K Street NW., Washington, D.C. 20005.

B. Grain Products International, Inc., Forman, N. Dak. 58032.

A. John B. Hallagan, 4303 Americana Drive, No. 102, Annandale, Va. 22003.

B. American Ivory Association, 4303 Americana Drive, No. 102, Annandale, Va. 22003.

A. Patricia Halpern, 5307 Wakefield Road, Bethesda, Md. 20016.

B. National Health Federation, 212 West Foothill Road, Monrovia, Calif. 91016.

A. Bruce Hamilton, Sierra Club, P.O. Box 1078, Lander, Wyo. 82520.

B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.

A. Palmer C. Hamilton, 211 Rapier Avenue, Mobile, Ala. 36604.

B. Alabama River Towing Co., 118 North Royal Street, Mobile, Ala.

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B. Florida Bankers Association, Orlando, Fla.

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. (for California Canning Peach Association).

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for California Olive Association).

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A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

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A. Hankla & Peters, Suite 650, 1815 H Street NW., Washington, D.C.

B. La Jet, Inc., Bank of Commerce Building, Suite 200, Abilene, Tex. 79605.

A. Hansell, Post, Brandon & Dorsey, 3300 First National Bank Tower, Atlanta, Ga. 30303.

B. Pfizer, Inc.; Bristol-Myers Co.

A. Robert P. Hanrahan, 1101 Valley Road, Lake Forest, Ill., 60045.

B. Regional Transportation Authority, 300 North State Street, Chicago, Ill.

A. Harris, Beach, Wilcox, Rubin & Levey, 2 State Street, Rochester, N.Y. 14614; 1730 M Street NW., Washington, D.C. 20036.

B. United Societies of Physiotherapists, Inc., 950 Franklin Avenue, Garden City, N.Y. 11530.

A. Robert H. Harris, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.

A. Harshe-Rotman & Druck, Inc., 1010 Wisconsin Avenue NW., Washington, D.C. 20007.

A. Lawrence R. Herman, 1120 19th Street, Washington, D.C. 20036.

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A. Bert Ingalls Hickman, Jr., 1625 Massachusetts Avenue NW., Washington, D.C. 20036.

B. The Keefe Co., 1625 Massachusetts Avenue NW., Washington, D.C. 20036 (for Fyrnetics, Inc).

A. Bert Ingalls Hickman, Jr., 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

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A. Irvin A. Hoff, 20 Live Oak Road, Hilton Head Island, S.C. 29928.

B. U.S. Cane Sugar Refiners' Association, 1001 Connecticut Avenue, Washington, D.C. 20036.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Wood Energy Institute, P.O. Box 800, Camden, Maine 04843.

A. D. Jeffrey Hollingsworth, 316 Pennsylvania Avenue SE., Suite 400, Washington, D.C. 20003.

B. The American Conservation Union, 316 Pennsylvania Avenue SE., Suite 400, Washington, D.C. 20003.

A. Holt Cicatiello Neiswanger, Inc., 1441 Irving Street, Rahway, N.J. 07065.

B. New York Merchantile Exchange, 4 World Trade Center, New York, N.Y. 10048.

A. Michael J. Horowitz, 810 18th Street NW., Washington, D.C. 20006.

B. National Association of Coin Laundry Equipment Operators, 7225 North Oracle, Tucson, Ariz. 85704.

A. Donald L. Howell, First City National Bank Building, Houston, Tex. 77002.

B. Vinson & Elkins, First City National Bank Building, Houston, Tex. 77002 (for Slurry Transport Association).

A. Hughes, Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.

B. Pepsi Cola Bottlers Association, 3100 East Oakland Park Boulevard, Fort Lauderdale, Fla. 33308.

A. International Maritime Associates, Inc., 1800 K Street NW., Washington, D.C. 20006.

A. James K. Jackson, 818 Connecticut Avenue NW., Washington, D.C. 20006.

B. Federal Cartridge Co., 2700 Foshay Tower, Minneapolis, Minn.

A. Mary E. Jacksteit, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

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A. E. A. Jaenke & Associates, Inc., 1735 I Street NW., Suite 610, Washington, D.C. 20006.

B. Farmland Industries, Kansas City. Mo.

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A. Paul A. Kerschner, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

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A. King & Spalding, 2500 Trust Company Tower, Atlanta, Ga. 30303.

B. Tri-South Mortgage Investors, 1532 Dunwoody Village Parkway, Atlanta, Ga. 30338; Great American Management & Investment, 2850 Equitable Building, Atlanta, Ga. 30303; CMEI, Inc., 300 Interstate North, Atlanta, Ga. 30339.

A. Janie A. Kinney, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.

B. Twin Coasts Newspaper, Inc., The Journal of Commerce, 110 Wall Street, New York, N.Y. 10005.

A. Jerry D. Klepner, National Treasury Employees Union, 1730 K Street NW., Suite 1101, Washington, D.C. 20006.

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A. Stanley E. Kolbe, Jr., The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

A. William H. Kolberg, 1850 K Street NW., Suite 390, Washington, D.C. 20006.

B. Union Camp Corp., 1850 K Street NW., Suite 390, Washington, D.C. 20006.

A. Kominers, Fort, Schlefer & Boyer, 1776 F Street NW., Washington, D.C. 20006.

B. Aeron Marine Shipping Co., Triad Office Center, 2001 Marcus Avenue, Lake Success, N.Y. 11042.

A. Nicholas Kominus, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

B. U.S. Cane Sugar Refiners' Association, 1001 Connecticut Avenue, Washington, D.C. 20036.

A. Chris Koyanagi, 2233 Wisconsin Avenue NW., No. 322, Washington, D.C. 20007.

B. National Council of Community Mental Health Centers, 2233 Wisconsin Avenue NW., Washington, D.C. 20007.

A. E. J. Krabacher, Cincinnati Milacron Inc., 4701 Marburg Avenue, Cincinnati, Ohio 45209.

B. Cincinnati Milacron Inc., 4701 Marburg Avenue, Cincinnati, Ohio 45209.

A. The Kroger Co., 1014 Vine Street, Cincinnati, Ohio.

A. Kutak, Rock & Huie, 1101 Connecticut Avenue NW., 11th Floor, Washington, D.C. 20036.

B. Indiana National Corp., One Indiana Square, Indianapolis, Ind. 46266.

A. James H. Lake, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. California Westside Farmers, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

A. James H. Lake, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. National Potato Council, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

A. James H. Lake, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson and Harding (for California Canning Peach Association), 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

A. Karl S. Landstrom, 510 North Edison Street, Arlington, Va. 22203.

B. Geothermal Resources International, Inc., 5676 Admiralty Way, Suite 503, Marina del Rey, Calif. 90291.

A. Bruce Alan Landy, Cryogenic Vacuum Technology Co., 2700 Virginia Avenue NW., Washington, D.C. 20037.

A. Lane and Edson, Suite 400–S, 1800 M Street NW., Washington, D.C. 20036.

B. Council for Rural Development, c/o Greater Boston Development, Inc., One Boston Place, Boston, Mass. 02108.

A. Laurence F. Lane, 1050 17th Street NW., Suite 770, Washington, D.C. 20036.

B. American Association of Homes for the Aging, 1050 17th Street NW., Suite 770, Washington, D.C. 20036.

A. Michael S. Lang, American Productivity Center, Inc., 1700 West Loop South, Suite 210, Houston, Tex. 77027.

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A. Clifford C. LaPlante, General Electric Co., 777 14th Street NW., Washington, D.C.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.

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B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20015.

A. Jane A. Lawlor, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

B. American Automobile Association, 8111 Gatehouse Road, Falls Chuch, Va. 22047.

A. LeBoeuf, Lamb, Leiby & MacRae, 140 Broadway, New York, N.Y.; 1333 New Hampshire Avenue NW., Washington, D.C.

B. Underwriters at Lloyd's London, c/o Wm. G. Hockensmith, 409 McClure Building, Frankfort, Ky. 40601; c/o John Smith, Lord, Bissell & Brook, 115 South LaSalle Street, Chicago, Ill. 60603.

A. David A. Lefeve, Suite 340, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Merrill Lynch & Co. Inc.

A. Leggett, Lanier and Associates, 400 North Capitol Street, Washington, D.C. 20001.

B. Gino Morena Enterprises, P.O. Box 191, South San Francisco, Calif. 94080.

A. Leggett, Lanier and Associates, 400 North Capitol Street, Washington, D.C. 20001.

B. Northern California Naval Civilian Employees Council, P.O. Box 2321, Alameda, Calif.

A. Leggett, Lanier and Associates, 400 North Capitol Street, Washington, D.C. 20001.

B. Panama Canal Pilots Association, P.O. Box 601, Balboa, C.Z.

A. Leighton Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. The American Psychoanalytic Association, One East 57th Street, New York, N.Y. 10022.

A. Leighton Conklin and Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. MCI Communications Corp., 1150 17th Street NW., Washington, D.C. 20036.

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B. The ROVAC Corp., 100 Rovac Parkway, Rockledge, Fla. 32955.

A. Leonard, Cohen, Gettings & Sher, 1700 Pennsylvania Avenue NW., Washington, D.C.

B. Bowling Proprietors' Association of America, Inc., Arlington, Tex.

A. Charles Leppert, Jr., 1801 K Street NW., No. 230, Washington, D.C. 20006.

B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.

A. Kathleen M. Linehan, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.

A. Barbara A. Ludden, 1435 G Street NW., Suite 935, Washington, D.C. 20005.

B. American National Standards Institute, Inc., 1430 Broadway, New York, N.Y. 10018.

A. Timothy Lynch, American Natural Resources System. 1899 L Street NW., Washington, D.C. 20036.

B. American Natural Service Co., One Woodward Avenue, Detroit, Mich. 48226.

A. Susan Magaw, 1735 Jefferson Davis Highway, Suite 903, Arlington, Va. 22202.

B. Potato Chip/Snack Food Association, 1735 Jefferson Davis Highway, Suite 903, Arlington, Va. 22202.

A. James Timothy Mahoney, Sierra Club, 330 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.

A. Thomas P. Marinis, Jr., 2228 First City National Bank Building, Houston, Tex. 77002.

B. Vinson & Elkins, 2100 First City National Bank Building, Houston, Tex. 77002 (for University of Texas System, 201 West Seventh Street, Austin, Tex. 78701).

A. Mayer, Brown & Platt, 888 17th Street NW., Suite 400, Washington, D.C. 20006.

B. The Nokota Co., P.O. Box 1633, Bismarck, N. Dak. 58501.

A. MBPXL Corp., 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

A. Julie P. McCahill, Mead Corp., Suite 715, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

B. The Mead Corp., Courthouse Plaza NW., Dayton, Ohio 45463.

A. McCandless & Barrett, 1707 H Street NW., Washington, D.C. 20006.

B. Energy Consumers & Producers Association, Petroleum Plaza, Seminole, Okla. 74868.

A. Carolyn Kim McCarthy, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.

B. Hercules Inc., 910 Market Street, Wilmington, Del. 19899.

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B. New Milwaukee Lines, 500 Maynard Building, Seattle, Wash. 98104.

A. Evan M. Migdail, 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.

B. Associated Builders & Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. The Lincoln National Life Insurance Co., 1301 South Harrison Street, Fort Wayne, Ind. 46801.

A. C. Manly Molpus, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.

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A. C. Austin Montgomery, Credit Union Financial Services, Inc., 1211 Connecticut Avenue NW., Suite 501A, Washington, D.C. 20036.

B. Credit Union Financial Services, Inc., 1211 Connecticut Avenue NW., Suite 501A, Washington, D.C. 20036.

A. Donald L. Mooers, 10024 Kendale Road, Potomac, Md. 20854.

B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

A. Helen Dubino Morrison, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for the Budd Co., Troy, Mich.).

A. Helen Dubino Morrison, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for Navajo Indian Nation, Window Rock, Ariz. 86515).

A. National Association of Independent Fee Appraisers, Inc., 7501 Murdoch, St. Louis, Mo. 63119.

A. National Campground Owners Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

A. National Citizens' Coalition for the Windfall Profits Tax, 444 North Capitol Street NW., Washington, D.C. 20001.

A. National Club Association, 1625 I Street NW., Suite 609, Washington, D.C. 20006.

A. National Counsel Associates, Inc., 421 New Jersey Avenue SE., Washington, D.C. 20003.
B. Heublein, Inc., Farmington, Conn.

A. National Counsel Associates, Inc., 421 New Jersey Avenue SE., Washington, D.C. 20003.
B. Toy Manufacturers of America, Inc., 200 Fifth Avenue, New York, N.Y. 10010.

A. National Potato Council, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C.

A. National Railway Utilization Corp., 1100 Centre Square East, 1500 Market Street, Philadelphia, Pa. 19102.

A. National Resource Center for Consumers of Legal Services, 1302 18th Street NW., Washington, D.C. 20036.

A. Carolyn B. Nelson, 1200 Wickford Road, Birmingham, Ala. 35216.
B. Brookwood Health Services, Inc., 2000–D Brookwood Medical Center Drive, Birmingham, Ala. 35209.

A. Mary Elizabeth Neese, National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
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A. Bill Newbold, Bill Newbold & Associates, 1901 North Fort Myer Drive, No. 809, Arlington, Va. 22209.
B. Bill Newbold & Associates (for American Protestant Hospital Association), 1 Woodfield Place, No. 311, 1701 East Woodfield Drive, Schaumburg, Ill. 60195.

A. Bill Newbold, Bill Newbold & Associates, 1901 North Fort Myer Drive, No. 809, Arlington, Va. 22209.
B. Bill Newbold & Associates (for Texas Children's Hospital, St. Lukes Hospital), P.O. Box 20269, Houston, Tex. 77025.

A. Bill Newbold, Bill Newbold & Associates, 1901 North Fort Myer Drive, No. 809, Arlington, Va. 22209.
B. Bill Newbold & Associates (for Texas Hospital Association), P.O. Box 15587, Austin, Tex. 78761.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.
B. First National Monetary Corp., 4000 Town Center, 15th Floor, Southfield, Mich. 48075.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.
B. National Alliance of Coal Consumers, 414 Nicollet Mall, Minneapolis, Minn. 55401.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.
B. National Association of Health Careers Schools, 292 South Glenroy Avenue, Los Angeles, Calif. 90049.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.
B. Northern States Power Co., 414 Nicollet Mall, Minneapolis, Minn. 55401.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.
B. Citizens for Government Fairness, P.O. Box 269, El Centro, Calif. 92243.

A. O'Neill, Forgotson, & Roncalio, 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

A. Philip C. Onstad, Control Data Corp., 500 West Putnam Avenue, Greenwich, Conn. 06830.
E. Control Data Corp., 500 West Putnam Avenue, Greenwick, Conn. 06830.

A. Joseph A. Overton III, 2030 M Street NW., Suite 800, Washington, D.C. 20036.
B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.

A. Thomas J. Owens, 1800 IBM Building, Seattle, Wash. 98101.
B. Mutual Savings Banks Association of Washington, 1800 IBM Building, Seattle, Wash. 98101.

A. W. D. Page, American Plywood Association, P.O. Box 11700, Tacoma, Wash. 98411.
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A. John N. Pannullo, National Utility Contractors Association, 815 15th Street NW., Suite 838, Washington, D.C. 20005.
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A. Alan K. Parver, 1050 17th Street NW., Suite 770, Washington, D.C. 20036.
B. American Association of Homes for the Aging, 1050 17th Street NW., Suite 770, Washington, D.C. 20036.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Alaska Housing Financing Corp., P.O. Box 1020, Anchorage, Alaska 99510.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. American Maritime Association, 1612 K Street NW., Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Bradford National Corp., 80 Pine Street, New York, N.Y.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Chrysler Corp., P.O. Box 1919, Detroit, Mich. 48288.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Committee of Railroad Shippers, 2550 M Street NW., Eighth Floor, Washington, D.C. 20037.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. National Marine Manufacturers Association, 401 North Michigan Avenue, Chicago, Ill. 60601.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Penn Central Corp., 1725 K Street NW., Washington, D.C.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. United Brands Co., 1271 Avenue of the Americas, New York, N.Y. 10020.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. U.S. Industries, Inc., 250 Park Avenue, New York, N.Y. 10017.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

A. Jack Pearce, 1000 Connecticut Avenue NW., No. 1200, Washington, D.C. 20036.
B. U.S.A. Petrochem, 1000 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. Cold Finished Steel Bar Institute, P.O. Box 5631, Chicago, Ill. 60680.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. U.S. Cane Sugar Refiners' Association, 1001 Connecticut Avenue, Washington, D.C. 20036.

A. Pierson, Ball & Dowd, 1200 18th Street NW., Washington, D.C. 20036.
B. American Academy of Family Physicians, 1740 West 92d Street, Kansas City, Mo. 64111.

A. Pilots Rights Association, P.O. Box 7000–367, Redondo Beach, Calif. 90277.

A. Linda Pinegar, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
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A. Peter K. Pitsch, 1100 Connecticut Avenue NW., No. 530, Washington, D.C. 20036.
B. Montgomery Ward & Co., Inc., 1 Montgomery Ward Plaza, Chicago, Ill. 60671.

A. Ronald L. Plesser, Blum & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
B. Twin Coasts Newspaper, The Journal of Commerce, 110 Wall Street, New York, N.Y. 10005.

A. Henry E. Poole, 9 West 57th Street, New York, N.Y. 10019.
B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.

A. Powell, Goldstein, Frazer & Murphy, 1333 New Hampshire Avenue, Suite 970, Washington, D.C. 20036.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

A. Brainard E. Prescott, 670 Main Street, East Aurora, N.Y. 14052.
B. Security New York State Corp., 1 East Avenue, Rochester, N.Y. 14638.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Suite 300, Washington, D.C. 20006.
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A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Suite 300, Washington, D.C. 20006.
B. Seattle Housing Authority, Seattle, Wash.

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B. Tennessee Gas Pipeline Co., P.O. Box 2511, Houston, Tex. 77001.

A. Robert N. Pyle, P.O. Box 3731, Washington, D.C. 20007.
B. American Fur Industry, 101 West 30th Street, New York, N.Y. 10001.

A. E. R. Quesada, P.O. Box 23551, L'Enfant Plaza Station, Washington, D.C. 20024.
B. L'Enfant Plaza Properties, Inc., P.O. Box 23551, L'Enfant Plaza Station, Washington, D.C. 20024.

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A. William Ray, 815 15th Street NW., Suite 610, Washington, D.C. 20005.
B. National Community Action Agency Executive Directors Association, 815 15th Street NW., Suite 610, Washington, D.C. 20005.

A. R. Paul Richard, Suite 370, One Dupont Circle NW., Washington, D.C. 20036.
B. Association of American Law Schools, Suite 370, One Dupont Circle NW., Washington, D.C. 20036.

A. Robert L. Roach, 7426 Piney Branch Road, Takoma Park, Md. 20012.
B. National Audubon Society, 950 Third Avenue, New York, N.Y. 10022.

A. Roadside Business Association, 9001 West Braddock Road, Springfield, Va. 22151.

A. Lois M. Rodney, Credit Union Financial Services, Inc., 1211 Connecticut Avenue NW., Suite 501A, Washington, D.C. 20036.
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A. Rogers & Wells, 1666 K Street NW., Washington, D.C. 20006.
B. The Gregg Co., Ltd., P.O. Box 430, Hackensack, N.J. 07602.

A. Kevin M. Rooney, 1111 19th Street NW., Washington, D.C. 20036.
B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

A. John C. Roots, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washing- D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

A. Robert W. Ross, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
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A. James C. Rowland, Jr., Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.

A. George S. Royal, American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington, Va. 22209.
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A. Dale E. Schell, GATX Corp., 1919 Pennsylvania Avenue NW., Suite 300, Washington, D.C. 20006.
B. GATX Corp., 120 South Riverside Plaza, Chicago, Ill. 60606.

A. Patricia Schifferle, 317 Pennsylvania Avenue SE., Washington, D.C.
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A. Wendy W. Schiller, National Consumer Law Center, Inc., 236 Massachusetts Avenue NW., Washington, D.C. 20002.
B. National Consumer Law Center, Inc., 11 Beacon Street, Boston, Mass. 02108.

A. Lee H. Schmolke & Associates, The Energy Committee of America, 6132 Southwest Valley Ave, Beaverton, Oreg. 97005.
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A. Andrew A. Scholtz, New York Coffee & Sugar Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.
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A. T.A. Schreiner, 1780 Guildhall, Cleveland, Ohio 44115.
B. The Standard Oil Co. Ohio, Midland Building, Cleveland, Ohio 44115.

A. Schwartz & Connolly, Inc., Suite 650, 1815 H. Street NW., Washington, D.C. 20006.

A. Jeffrey H. Schwartz, Suite 650, 1815 H Street NW., Washington, D.C. 20006.
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B. Boat Owners Association of The United States, 880 South Pickett Street, Alexandria, Va. 22304.

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B. Alaska Coalition, 530 Seventh Street SE., Washington, D.C. 20003.

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B. Commodity Exchange, Inc., 4 World Trade Center, Southeast Plaza Building, New York, N.Y. 10048.

A. Armistead I. Selden, 1629 K Street NW., Suite 701, Washington, D.C.
B. Brown & Williamson Tobacco Corp., 1600 West Hill Street, Louisville, Ky. 40232.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.
B. CoaLiquid, Inc., 1215 Citizens Plaza, Louisville, Ky. 40202.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.
B. Encyclopédia Britannica, 425 North Michigan Avenue, Chicago, Ill.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.
B. Guarantee Fuels, Inc., 1120 East Main Street, Independence, Kans. 67301.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.
B. Independent Research Library Association, 185 Salisbury Street, Worcester, Mass. 01609.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.
B. Ryder Systems, Inc., 3600 Northwest 82d Avenue, Miami, Fla. 33166.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.
B. TOSCO Corp., 1919 Pennsylvania Avenue NW., Suite 706, Washington, D.C. 20006.

A. Harvey A. Shipman, The Penn Central Corp., 2021 K Street NW., Suite 700, Washington, D.C. 20006.
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A. Simon, Deitch, Roth Siefman & Tucker, 2550 M Street NW., Suite 300, Washington, D.C. 20037.
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A. Sonosky, Chambers & Sachse, 2030 M Street NW., Washington, D.C. 20036.
B. Assiniboine and Sioux Tribes, Fort Peck Indian Reservation, Poplar, Mont. 59255.

A. Sonosky, Chambers & Sachse, 2030 M Street NW., Washington, D.C. 20036.
B. Confederated Tribes of the Colville Indian Reservation, Nespelem, Wash. 99155.

A. Sonosky, Chambers & Sachse, 2030 M Street NW., Washington, D.C. 20036.
B. Houlton Band of Maliseets, c/o Maynard Polchies, P.O. Box 223, Houlton, Maine 04730.

A Sonosky, Chambers & Sachse, 2030 M Street NW., Washington, D.C. 20036.
B. Standing Rock Sioux Tribe, Fort Yates, N. Dak. 58538.

A. William A. Speary, Jr., Browning-Ferris Industries, Inc., P.O. Box 3151, Houston, Tex. 77001.
B. Browning-Ferris Industries, Inc., P.O. Box 3151, Houston, Tex. 77001.

A. Charles A. Speir, 1980 Shades Crest Road, Birmingham, Ala. 35216.
B. Brookwood Health Services, Inc., 2000–D Brookwood Medical Center Drive, Birmingham, Ala. 35209.

A. Squire, Sanders & Dempsey, 21 Dupont Circle NW., Washington, D.C. 20036.

B. United States Wrestling Federation, 405 West Hall of Fame Avenue, Stillwater, Okla. 74074.

A. Elvis J. Stahr, Martin Dale, North, Greenwich, Conn. 06830.

B. National Audubon Society, 950 Third Avenue, New York, N.Y. 10022.

A. David P. Stang, Stang & Svendson, 1629 K Street NW., Washington, D.C. 20006.

B. Zapata Corp., 711 Louisiana, Houston, Tex. 77001.

A. Michael J. Stanton, Motor Vehicle Manufacturers Association of the United States, Inc., 1909 K Street NW., Suite 300, Washington, D.C. 20006.

B. Motor Vehicle Manufacturers Association of the United States, Inc., 300 New Center Building, Detroit, Mich. 48202.

A. Randolph J. Stayin, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Machinery Dealers National Association, 1110 Spring Street, Silver Spring, Md. 20910).

A. John L. Steele, Time Inc., 888 16th Street NW., Washington, D.C. 20006.

B. Time Inc., Time & Life Building, Rockefeller Center, New York, N.Y. 10020.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Committee for Effective Capital Recovery, 1901 L Street NW., Washington, D.C. 20036.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Pfizer, Inc., 325 East 42d Street, New York, N.Y. 10017.

A. LaVerne Still, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

A. John W. Stillwaggon, New York Coffee & Sugar Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.

B. New York Coffee & Sugar Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.

A. J. Stephen Street, 1806 Barbee Street, McLean, Va.

B. Shipbuilders Council of America, 600 New Hampshire Avenue NW., Suite 420, Washington, D.C. 20037.

A. Norman A. Sugarman, 818 Connecticut Avenue NW., Washington, D.C. 20006.

B. Federal Cartridge Co., 2700 Foshay Tower, Minneapolis, Minn. 55402.

A. Paul Suplizio Associates, 5001 Seminary Road, Suite 310, Alexandria, Va. 22311.

B. National Treasury Employees Union, Suite 1101, 1730 K Street NW., Washington, D.C. 20006.

A. Surrey & Morse, 1156 15th Street NW., Washington, D.C. 20005.

B. National School Transportation Association, P.O. Box 324, Fairfax, Va. 22030.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Kaiser Aluminum & Chemical Corp., 900 17th Street NW., Washington, D.C. 20006.

A. Sutherland, Asball & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Lawyers' Title Guaranty Fund, P.O. Box 2671, Orlando, Fla. 32802.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Texas Scottish Rite Hospital for Crippled Children, c/o Butler, Binion, Rice, Cook & Knapp, Esperson Buildings, Houston, Tex. 77002.

A. Douglass W. Svendson, Jr., Stang & Svendson, 1629 K Street NW., Washington, D.C. 20006.

B. Trailways, 1500 Jackson Street, Dallas, Tex. 75201.

A. Douglass W. Svendson, Jr., Stang & Svendson, 1629 K Street NW., Washington, D.C. 20006.

B. Union Pacific, 345 Park Avenue, New York, N.Y. 10022.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Cincinnati Stock Exchange, 205 Dixie Terminal Building, Cincinnati, Ohio 45202).

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Hanna-Barbera's Marineland, Box 937, Rancho Palos Verdes, Calif. 90274).

A. John F. Terzano, 329 Eighth Street NE., Washington, D.C. 20002.

B. Vietnam Veterans of America, 329 Eighth Street NE., Washington, D.C. 20002.

A. Bruce D. Thevenot, 1155 15th Street NW., No. 424, Washington, D.C. 20005.

B. Casson, Calligaro, Mutryn, 2500 Virginia Avenue NW., Washington, D.C. (for Humana, Inc., 1800 First National Bank Building, Louisville, Ky.).

A. Bruce D. Thevenot, 1155 15th Street NW., No. 424, Washington, D.C. 20005.

B. Oklahoma State Nursing Home Associations, 200 Northeast 28th Street, Oklahoma City, Okla. 71305.

A. Ronald J. Tipton, The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. C. Richard Titus, American Paper Institute, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. David G. Todd, 1025 Connecticut Avenue NW., Suite 507, Washington, D.C. 20036.

B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.

A. John B. Tucker, Jr., National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.

B. National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.

A. Edgar H. Twine, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

A. United Societies of Physiotherapists, Inc., 950 Franklin Avenue, Garden City, N.Y. 15530.

A. United Van Lines, Inc., One United Drive, Fenton, Mo. 63026.

A. U.S.A. Petrochem, 1000 Connecticut Avenue NW., No. 1200, Washington, D.C. 20036.

A. R. Thomas Van Arsdall, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

B. Continental Resources Co., P.O. Box 44, Winter Park, Fla. 32790.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

B. National Committee for Automobile Crash Protection, 1220 19th Street NW., Suite 201, Washington, D.C. 20036.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

B. 25 E Street Associates, 1220 19th Street NW., Suite 400, Washington, D.C. 20036.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

B. Western Crude Oil, Inc., P.O. Box 5568, Denver, Colo. 80217.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

B. Windfarms, Ltd., 402 Jackson Street, San Francisco, Calif. 94111.

A. Richard F. Vander Veen, 1333 New Hampshire Avenue NW., Suite 1120, Washington, D.C. 20036.

B. Brooklyn Union Gas Co., 195 Montague Street, Brooklyn, N.Y. 11201.

A. Richard F. Vander Veen, 1333 New Hampshire Avenue NW., Suite 1120, Washington, D.C. 20036.

B. Gulf States Utilities Co., P.O. Box 2951, Beaumont, Tex. 77001.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036.

B. Vinson & Elkins (for Slurry Transport Association), 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036.

A. John C. Vickerman, American Society of Association Executives, 1101 16th Street NW., Washington, D.C. 20036.

B. American Society of Association Executives, 1101 16th Street NW., Washington, D.C. 20036.

A. Walter D. Vinyard, Jr., Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C. 20036.

B. Hartford Fire Insurance Co., Hartford, Conn. 06115.

A. Walter D. Vinyard, Jr., Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C. 20036.

B. John Nuveen & Co., Inc., 209 South LaSalle Street, Chicago, Ill. 60604.

A. Vorys, Sater, Seymour & Pease, 1800 M Street NW., 800 South, Washington, D.C. 20036.

B. Grocery Manufacturers of America, 1428 K Street NW., Suite 900, Washington, D.C. 20005.

A. Donn L Waage, 1200 Northwestern Bank Building, Minneapolis, Minn. 55480.

B. Northwest Bancorporation, 1200 Northwestern Bank Bldg., Minneapolis, Minn. 55480.

A. Wagner, D'Onofrio, Waller & Stouffer, 1000 University Building, 910 16th Street, Denver, Colo. 80202.

B. Ute Mountain Ute Tribe, Towaoc, Colo. 81334.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. General Telephone & Electronics, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

A. Barbarba Coleman Wallace, 2732 Porter Street NW., Washington, D.C. 20008.

B. Committee to Preserve the Appalachian Coal Market, Suite 311, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Clarke R. Watson, 1429 Larimer Square, Suite 201, Denver, Colo. 80202.

B. Rocky Mountain Oil and Gas Association, 345 Petroleum Club Building, Denver, Colo. 80202.

A. Jack Weber, 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

B. Grocery Manufacturers of America, 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

A. Western Growers Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

A. Western Resource Alliance, Star Route Box 98, Eastsound, Wash. 98245.

A. Wickwire, Lewis, Goldmark & Schorr, 500 Maynard Building, Seattle, Wash. 98104.

B. Mayor and City Council, City of Seattle, Seattle, Wash. 98104.

A. Wickwire, Lewis, Goldmark & Schorr, 500 Maynard Building, Seattle, Wash. 98104.

B. Save Our Railroad Employment, c/o Fife Community Credit Union, 4410 20th Street East, Tacoma, Wash. 98424; New Milwaukee Lines, 500 Maynard Building, Seattle, Wash. 98104.

A. Robert S. Willard, 316 Pennsylvania Avenue SE., No. 502, Washington, D.C. 20003.

B. Information Industry Association, 316 Pennsylvania Avenue SE., No. 502, Washington, D.C. 20003.

A. C. Ronald Williams, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.

B. The LTV Corp., LTV Tower, 1525 Elm Street, Dallas, Tex. 75201.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.

B. Westlands Water District, 567 West Shaw, Fresno, Calif. 93704.

A. Frederick J. Williams, 1900 L Street NW., Suite 203, Washington, D.C. 20036.

B. American Business Corp., 1900 L Street NW., Suite 203, Washington, D.C. 20036.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Burger King Corp., 7360 North Kendall Drive, Miami, Fla. 33152.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Hawaiian Sugar Planters' Association, 1511 K Street NW., Suite 723, Washington, D.C. 20005.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Southland Royalty Co., 1000 Fort Worth Club Tower, Fort Worth, Tex.

A. Nathaniel Williams, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

A. Frederick L. Willford, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.

B. National Association of Furniture Manufacturers, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.

A. Betsy Wilson-Messer, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

A. Dena L. Wilson, 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.

B. American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.

A. Morris Woodrow Wilson, 1012 14th Street NW., Washington, D.C. 20005.

B. The Farmers' Educational and Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.

A. Ann R. Wise, Hollingsworth & Vose Co., 112 Washington Street, East Walpole, Mass. 02032.

B. Hollingsworth & Vose Co., 112 Washington Street, East Walpole, Mass. 02032.

A. Steven H. Wodka, Oil, Chemical & Atomic Workers International Union, 1126 16th Street NW., Washington, D.C. 20036.

B. Oil, Chemical, and Atomic Workers International Union, 1636 Champa Street, Denver, Colo. 20201.

A. George M. Worden, Hill and Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill and Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for Distilled Spirits Council).

A. George M. Worden, Hill and Knowlton Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill and Knowlton, Inc. (for Hide Action Program), 633 Third Avenue, New York N.Y. 10017.

A. John Andrew Young, Suite 207, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

A. Steven S. Zaleznick, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

A. Barnaby W. Zall, Federation for American Immigration Reform, 1330 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Federation for American Immigration Reform, 1330 New Hampshire Avenue NW., Washington, D.C. 20036.

A. L. Andrew Zausner, 1155 15th Street NW., Suite 602, Washington, D.C. 20005.

B. Pennzoil Co., Pennzoil Place, P.O. Box 2967, Houston, Tex. 77001.

A. John J. Zimmerman, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following quarterly reports were submitted for the third quarter 1979:

File One Copy With the Secretary of the Senate and File Two Copies With the Clerk of the House of Representatives:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

Place an "X" Below the Appropriate Letter or Figure in the Box at the Right of the "Report" Heading Below:

"Preliminary" Report ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"Quarterly" Report: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19_______ ◄

REPORT

Pursuant to Federal Regulation of Lobbying Act

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

Note on Item "A".—(a) In General. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) Separate Reports. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. Organization or Individual Filing:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

Note on Item "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. Employer.—State name, address, and nature of business. If there is no employer, write "None."

Note on Item "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. Legislative Interests, and Publications in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.◄

AFFIDAVIT

[Omitted in printing]

PAGE 1◄

COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

NOTE ON ITEM "D."—(a) *In General.* **The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—Section 302(a) of the Lobbying Act.**

(b) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in accordance with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multipurpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In General.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

***Receipts* (other than loans)**

1. $--------Dues and assessments
2. $--------Gifts of money or anything of value
3. $--------Printed or duplicated matter received as a gift
4. $--------Receipts from sale of printed or duplicated matter
5. $--------Received for services (e.g., salary, fee, etc.)

6. $--------TOTAL for this Quarter (Add items "1" through "5")
7. $--------Received during previous Quarters of calendar year

8. $--------TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received

"The term 'contribution' includes a . . . *loan* . . ."—Sec. 302(a).

9. $--------TOTAL now owed to others on account of loans
10. $--------Borrowed from others during this Quarter
11. $--------Repaid to others during this Quarter

12. $--------"Expense money" and Reimbursements received this Quarter

Contributors of $500 or more (from Jan. 1 through this Quarter)

13. Have there been such contributors?

Please answer "yes" or "no": --------

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and Address of Contributor*
	(*"Period"* from Jan. 1 through ------------------, 19----)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE ON ITEM "E".—(a) *In General.* "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—Section 302(b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

***Expenditures* (other than loans)**

1. $--------Public relations and advertising services
2. $--------Wages, salaries, fees, commissions (other than item "1")
3. $--------Gifts or contributions made during Quarter
4. $--------Printed or duplicated matter, including distribution cost
5. $--------Office overhead (rent, supplies, utilities, etc.)
6. $--------Telephone and telegraph
7. $--------Travel, food, lodging, and entertainment
8. $--------All other expenditures

9. $--------TOTAL for this Quarter (Add "1" through "8")
10. $--------Expended during previous Quarters of calendar year

11. $--------TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others

"The term 'expenditure' includes a . . . *loan* . . ."—Sec. 302(b).

12. $--------TOTAL now owed to person filing
13. $--------Lent to others during this Quarter
14. $--------Repayment received during this Quarter

15. Recipients of Expenditures of $10 or More

In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7-15, 8-15, 9-15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

A. Robert J. Aagre, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) $978. E. (9) $253.55.

A. Thomas G. Abernethy, Sr., 3973 Stuart Place, Jackson, Miss. 39211.

B. United States Cane Sugar Refiners' Association, 1001 Connecticut Avenue, Washington, D.C. 20036.

D. (6) $1,500. E. (9) $340.41.

A. ACLI International, Inc., 717 Westchester Avenue, White Plains, N.Y. 10604.

E. (9) $1,134.50.

A. Action for Children's Television, 46 Austin Street, Newtonville, Mass. 02160.

D. (6) $50,484.20. E. (9) $579.10.

A. Bruce Adams, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $3,825.

A. John J. Adams, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Ethyl Corp., 330 South Fourth Street, Richmond, Va.

A. John J. Adams, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Vepco, Seventh & Franklin Streets, Richmond, Va.

A. Kenneth R. Adams, Volkswagen of America, Inc., 475 L'Enfant Plaza SW., Suite 2450, Washington, D.C. 20024.

B. Volkswagen of America, Inc., 27621 Parkview Boulevard, Warren, Mich. 48092.

D. (6) $300.

A. Thomas L. Adams, Jr., 1101 15th Street NW., Washington, D.C. 20005.

B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. Aerospace Industries Association of America, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.

D. (6) $11,494.79. E. (9) $11,494.79.

A. AFL-CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $5,150. E. (9) $5,252.15.

A. Donald G. Agger, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C., 20036 (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France).

A. Donald G. Agger, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW, Washington, D.C. 20036 (for European Aerospace Corp., 1101 15th Street NW., Washington, D.C. 20005).

A. Donald G. Agger, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).

A. Donald G. Agger, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Sofreavia, 75 rue la Boetie, Paris 89eme, France).

A. Air Products & Chemicals, Inc., P.O. Box 538, Allentown, Pa. 18105.

E. (9) $95.50.

A. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.

D. (6) $5,961. E. (9) $5,961.

A. Randolf N. Aires, 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.

B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.

D. (6) $750. E. (9) $226.66.

A. G. Colburn Aker, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue New York, N.Y. 10017.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Alaska Interstate Co., 2200 Post Oak Tower, 5051 Westheimer Road, Houston, Tex. 77056.

D. (6) $500.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Alaskan Petrochemical Co., 3700 Buffalo Speedway, Houston, Tex. 77098.

D. (6) $2,500. E. (9) $23.30.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Beacon Oil Co., P.O. Box 466, Hanford, Calif. 93230.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. City of Houston, City Hall, Houston, Tex. 77001.

D. (6) $10,000.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Coastal States Gas Corp., 9 Greenway Plaza, Houston, Tex. 77046.

D. (6) $12,000. E. (9) $23.30.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. E. & J. Gallo Winery, P.O. Box 1130, Modesto, Calif. 95353.

D. (6) $500.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Goldston Oil Corp., P.O. Box 22568, Houston, Tex. 77027.

D. (6) $750.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Haskins & Sells, 1114 Avenue of the Americas, New York, N.Y. 10036.

D. (6) $500.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Loeb Rhoades, Hornblower & Co., 14 Wall Street, Ninth Floor, New York, N.Y. 10005.

D. (6) $3,500.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. MAPCO, Inc., 1800 South Baltimore Avenue, Tulsa, Okla. 74119.

D. (6) $1,000.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Northwest Pipeline Co., 314 East Second South, Salt Lake City, Utah. 84111.

D. (6) $750.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Sun Co., Inc., 1608 Walnut Street, Philadelphia, Pa. 19013.

D. (6) $5,000. (9) $23.30.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Sun Pipe Line Co., P.O. Box 2039, Tulsa, Okla. 74102.

D. (6) $750.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Ringling Bros. Barnum & Bailey Combined Shows, Inc., 1015 18th Street NW., Washington, D.C. 20036.

D. (6) $750.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. The Great Western Sugar Co., P.O. Box 5308, Denver, Colo. 80217.

D. (6) $15,000.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. United Refining Co., P.O. Box 780, Warren, Pa. 16365.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Vickers Petroleum Corp., P.O. Box 2240, Wichita, Kans. 67201.

D. (6) $750. (9) $23.30.

A. Alaska Coalition, 530 Seventh Street SE., Washington, D.C. 20003.

D. (6) $36,298.05. (9) $46,026.55.

A. Joan H. Albert, National Association of Casualty & Surety Agents, 600 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. National Association of Casualty & Surety Agents, 5225 Wisconsin Avenue NW., Washington, D.C. 20015.

D. (6) $1,200. (9) $154.70.

A. James J. Albertine, Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.

B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.

D. (6) $300.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. Air Florida, A.M.F.P.O. 592337, Miami, Fla. 33159.

D. (6) $1,500.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. American Fishing Tackle Manufacturers Association, 2625 Clearbrook Drive, Arlington Heights, Ill. 60005.

D. (6) $4,500.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. Associated Industries of Florida, 203 South Adams Street, Tallahassee, Fla. 32302.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. Computer Sciences Corp., 650 North Sepulveda Boulevard, El Segundo, Calif. 90245.

D. (6) $3,000.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. Jim Walter Corp., P.O. Box 22601, Tampa, Fla. 33622.

D. (6) $3,000.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. Newspaper-Broadcaster Committee, P.O. Box 3412, San Francisco, Calif. 94119.

D. (6) $10,000.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. Pan American World Airways, Inc., Pan Am Building, New York, N.Y. 10017.

D. (6) $3,000.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. Tampa Electric Co., P.O. Box 111, Tampa, Fla. 33601.

D. (6) $1,500.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. Tampa Port Authority, P.O. Box 2192, Tampa, Fla. 33601.

D. (6) $3,600.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. The Brunswick Corp., 1 Brunswick Plaza, Skokie, Ill. 60076.

A. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

B. The Continental Group, Inc., 633 Third Avenue, New York, N.Y. 10017.

D. (6) $500.

A. Frederick K. Alderson, 1111 19th Street NW., Washington, D.C. 20036.

B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

D. (6) $180. E. (9) $82.15.

A. Alderson, Ondov, Leonard & Sween, 105 East Oakland Avenue, Austin, Minn. 55912.

B. The Hormel Foundation, Austin, Minn. 55912.

A. Claude D. Alexander, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

B. National Food Processors Association. 1133 20th Street NW., Washington, D.C. 20036.

D. (6) $500. E. (9) $113.58.

A. Donald C. Alexander, Morgan, Lewis & Bockius, 1800 M Street NW., Suite 800N, Washington, D.C. 20036.

B. Committee on Capital Formation Through Dividend Reinvestment.

D. (6) $50.

A. Willis W. Alexander, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $1,875. E. (9) $14.40.

A. Maxton M. Allcox, 400 First Street NW., Room 801, Washington, D.C. 20001.

B. Brotherhood of Maintenance of Way Employes, 12050 Woodward Avenue, Detroit, Mich. 48203.

D. (6) $11,125.23.

A. Anne Genevieve Allen, Rockwell International, 2230 East Imperial Highway, El Segundo, Calif. 90245.

B. Rockwell International, 2230 East Imperial Highway, El Segundo, Calif. 90245.

D. (6) $371.83. E. (9) $511.31.

A. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.

E. (9) $2,716.

A. Ricardo R. Alvarado, 6108 Fort Hunt Road, Alexandria, Va. 22307.

B. Lockheed Corp., P.O. Box 551, Burbank, Calif. 91520.

D. (6) $2,000. E. (9) $819.50.

A. Robert Alvarez, 317 Pennsylvania SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $900.

A. Amalgamated Transit Union, AFL–CIO, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Robert S. Amdursky, Willkie Farr & Gallagher, 153 East 53d Street, New York, N.Y.

B. Willkie Farr & Gallagher, 153 East 53d Street, New York, N.Y.

E. (9) $88.

A. Morris J. Amitay, 444 North Capitol Street NW., Room 412, Washington, D.C. 20001.

B. American Israel Public Affairs Committee, 444 North Capitol Street NW., Room 412, Washington, D.C. 20001.

D. (6) $7,500.

A. American Academy of Family Physicians, 1740 West 92d Street, Kansas Cly, Mo. 64114.

D. $1,208.10. (9) $1,208.10.

A. American Advertising Federation, 1225 Connecticut Avenue NW., Washington, D.C. 20036.

E. (9) $341.37.

A. American Arts Alliance, Inc., 424 C Street, NE., Washington, D.C. 20002.

D. (6) $20,589.46. E. (9) $41,565.27.

A. American Association of Meat Processors, 224 East High Street, Elizabethtown, Pa. 17022.

D. (6) $51.02. E. (9) $450.49.

A. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $29,601.43. E. (9) $29,601.43.

A. American Congress on Surveying & Mapping, 210 Little Falls Street, Falls Church, Va. 22046.

D. (6) $3,366.65. E. (9) $8,983.19.

A. American Council for Capital Formation, 1919 Pennsylvania Avenue NW., Suite 201, Washington, D.C. 20006.

D. (6) $2,205.63. E. (9) $1,870.27.

A. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

E. (9) $595.

A. American Dental Association, 211 East Chicago Avenue, Chicago, Ill. 60611.

D. (6) $14,282.62. E. (9) $14,282.62.

A. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068; 425 13th Street NW., Washington, D.C. 20004.

D. (6) $65,286. E. (9) $65,286.

A. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.

E. (9) $144,087.83.

A. American Honey Producers Association, P.O. Box 368, Minco, Okla. 73059.

D. (6) $3,579.90. E. (9) $3,963.08.

A. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.

D. (6) $10,132.98. E. (9) $5,869.

A. American Humane Association, P.O. Box 1266, Denver, Colo. 80201.

E. (9) $1,800.

A. American Institute of Merchant Shipping, 1625 K Street NW., Suite 1000, Washington, D.C. 20006.

E. (9) $1,259.90.

A. American Insurance Association, 85 John Street, New York, N.Y. 10038.

D. (6) $64,107.75. E. (9) $64,107.75.

A. American Israel Public Affairs Committee, 444 North Capitol Street NW., Room 412, Washington, D.C. 20001.

D. (6) $37,466. E. $50,703.06.

A. American League for Exports and Security Assistance, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.

E. (9) $14,415.39.

A. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.

D. (6) $1,859.35. E. (9) $4,080.04.

A. American Maritime Association, 17 Battery Place North, New York, N.Y. 10004; 1612 K Street NW., Washington, D.C. 20006.

A. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007; 1600 Wilson Boulevard, Arlington, Va.

A. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.

D. (6) $2,076.25. E. (9) $30,481.39.

A. American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington, Va. 22209.

D. (6) $631.25. E. (9) $121.20.

A. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.

D. (6) $13,001.33. E. (9) $38,386.89.

A. American Nurses' Association, 2420 Pershing Road, Kansas City, Mo. 64108.

D. (6) $7,219.40. E. (9) $7,219.40.

A. American Optometric Association, c/o Dr. Wendell D. Waldie, 3111 Aloma, Wichita, Kans. 76211.

D. (6) $604.88 E. (9) $604.88.

A. American Petroleum Institute, 2101 L Street NW., Washington, D.C.

D. (6) $118,112. E. (9) $139,350.

A. American Podiatry Association, 20 Chevy Chase Circle, Washington, D.C. 20015.

E. (9) $3,504.64.

A. American Postal Workers Union, 817 14th Street NW., Washington, D.C. 20005.

D. (6) $2,729,151.95. E. (9) $112,999.69.

A. American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.
D. (6) $5,200. E. (9) $16,810.

A. American Pulpwood Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,719.15. E. (9) $1,719.15.

A. American Surveys, Embassy Square, Suite 901, 2000 N Street NW., Washington, D.C. 20036.
B. National Customs Brokers and Forwarders Association of America, Inc., One World Trade Center, Suite 1109, New York, N.Y. 10048.
D. (6) $340.62. E. (9) $269.75.

A. American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
D. (6) $41,798.47. E. (9) $41,798.47.

A. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $10,290.06. E. (9) $50,893.63.

A. American Veterinary Medical Association. 1522 K Street NW., No. 828, Washington, D.C. 20005.
E. (9) $115.

A. The American Waterways Operators, 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $3,495.53. E. (9) $970.

A. Americans for Alaska, Inc., P.O. Box 50, Riderwood, Md. 21139.
E. (9) $40.

A. John G. Ams, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washintgon, D.C. 20005.
D. (6) $1,500. E. (9) $309.24.

A. Jane K. Anderson, 1111 19th Street NW., Suite 310, Washington, D.C. 20036.
B. Kennecott Copper Corp., 161 East 42d Street, New York, N.Y. 10017.
D. (6) $500. E. (9) $100.

A. Anderson, Pendleton, McMahon, Peet & Donovan, 1000 16th Street NW., Suite 701, Washington, D.C. 20036.
B. Embassy of Chile, 1732 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $5,000. E. (9) $139.01.

A. Robert L. Anderson, Deer & Co., John Deere Road, Moline, Ill. 61265.
B. Deer & Co., John Deere Road, Moline, Ill. 61265.
D. (6) $100. E. (9) $2.50.

A. Wayne C. Anderson, 1629 K Street NW., Washington, D.C. 20006.
B. Nabisco, Inc., East Hanover, N.J. 07936.
D. (6) $2,500. E. (9) $956.60.

A. William C. Anderson, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $25.75.

A. Emmet Andrews, American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.
B. American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.
D. (6) $7,578.87.

A. Laureen Andrews, League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $2,181. E. (9) $13.

A. Robert C. Angel, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $300.

A. Jack R. Angell, United Gas Pipe Line Co., 1101 17th Street NW., Washington, D.C. 20036.
B. United Gas Pipeline Co., P.O. Box 1478, Houston, Tex. 77001.

A. J. Donald Annett, 1050 17th Street NW., No. 500, Washington, D.C. 20036.
B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.
D. (6) $200.

A. Robert E. Ansheles, Suite 711 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. CITC Industries, Inc., 1 Park Avenue. New York, N.Y. 10016.

A. Linda M. Anzalone, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $2,500. E. (9) $50.

A. APA Co., 400 First Street NW., Washington, D.C. 20001.
B. University of Health Sciences/The Chicago Medical School, 2020 West Ogden Avenue, Chicago, Ill. 60612.
D. (6) $750.

A. Leonard Appel, Woods, Villalon, Hollengreen & Lindeman, 425 13th Street NW., Suite 1032, Washington, D.C. 20004.
B. Everett Terminal Co., Inc., and Port Gardner Timber Co., Inc., P.O. Box 1478, Hewitt Avenue Marine Terminal, Everett, Wash. 98206.

A. John Archer, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. W. Stanley Armstrong, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $138.48. E. (9) $8.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Family Corp., 1902 Wynnton Road, Columbus, Ga. 31906.
D. (6) $960.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Iron and Steel Institute, 1000 16th Street NW., Washington, D.C. 20036.
D. (6) $720.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $8,750.01.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Realty Committee, 2033 M Street NW., Washington, D.C. 20036.
D. (6) $1,333.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Quintana Petroleum Corp., P.O. Box 3331, Houston, Tex. 77001.
D. (6) $2,188.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Quintana Refinery Co., P.O. Box 3331, Houston, Tex. 77001.
D. (6) $2,188.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Securities Industry Association, 20 Broad Street, New York, N.Y. 10005.
D. (6) $700.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Coal Exporters Association of the United States, Inc., 1130 17th Street NW., Washington, D.C. 20036.
E. (9) $3.10.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Federation of Apparel Manufacturers, 450 Seventh Avenue, New York, N.Y. 10001.
D. (6) $2,800. E. (9) $50.39.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. The London Commodity Exchange Co., Ltd., Cereal House, 58 Mark Lane, London EC3R 7NE, England; International Commodities Clearing House, Ltd., Roman Wall House, 1-2 Crutched Friars, London EC3N, England.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Maritz, Inc., 1355 North Highway Drive, Fenton, Mo. 63026.
E. (9) $50.65.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. MFA Mutual Insurance Co., 1817 West Broadway, Columbia, Mo. 65201.
E. (9) $140.90.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. National Coordinating Committee for Multiemployer Plans, 815 16th Street NW., Suite 603, Washington, D.C. 20006.
D. (6) $500. E. (9) $25.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. The Kroger Co., 1014 Vine Street NW., Cincinnati, Ohio 45201.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. Werner Fleischmann, 300 Jacksonville Road, Pompton Plains, N.J. 07444.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.
B. West Mexico Vegetable Distributors Association, P.O. Box 838, Nogales, Ariz.
D. (6) $928. E. (9) $0.30.

A. Meyer L. Aron, 2901 Avenue I, Brooklyn, N.Y. 11210.

A. Associated Builders and Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
D. (6) $14,650. E. (9) $418.40.

A. Associated Credit Bureaus, Inc., 6767 Southwest Freeway, Houston, Tex. 77036.
E. (9) $214.45.

A. Associated Employers, Inc., 6009 Rittiman Plaza, San Antonio, Tex. 78218.

A. Associated Third-Class Mail Users, Suite 607, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $600. E. (9) $600.

A. Association for the Advancement of Invention and Innovation, Suite 605, 1735 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $2,375. E. (9) $2,406.

A. Association for the Improvement of the Mississippi River, 10 Broadway, St. Louis, Mo. 63102.

A. Association of American Publishers, 1707 L Street NW., Suite 480, Washington, D.C. 20036.
D. (6) $5,166.01. E. (9) $5,166.01.

A. Association of American Railroads, American Railroads Building, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $21,324.75. E. (9) $21,324.75.

A. Association of American Veterinary Medical Colleges, 1522 K Street NW., No. 828, Washington, D.C. 20005.

A. Association of Data Processing Service Organizations, Inc. (ADAPSO), 1925 North Lynn Street, Suite 1100, Arlington, Va. 22209.
E. (9) $615.

A. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.
E. (9) $191.35.

A. Association of Media Producers, 1707 L Street NW., Suite 515, Washington, D.C. 20036.
D. (6) $4,000. E. (9) $6,675.

A. Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20007.
D. (6) $3,751.50. E. (9) $3,751.50.

A. Association on Japanese Textile Imports, Inc., 551 Fifth Avenue, New York, N.Y. 10017.
E. (9) $250.

A. Assure Competitive Transportation, Inc., 10 South LaSalle Street, Suite 1600, Chicago, Ill. 60603.
D. (6) $32,527.04. E. (9) $150.

A. George J. Aste, United Airlines, 1825 K Street NW., No. 607, Washington, D.C. 20006.
B. United Airlines, P.O. Box 66100, Chicago, Ill. 60666.
D. (6) $500.

A. Carl E. Atkinson, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.
D. (6) $140. E. (9) $16.

A. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
E. (9) $2,435.

A. Deborah Marie Atwood, P.O. Box 937, Ferndale, Wash. 98248.
B. Intalco Aluminum Corp., P.O. Box 937, Ferndale, Wash. 98248.
D. (6) $4,250. E. (9) $3,000.

A. James A. Austin, American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
B. American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $2,500. E. (9) $61.97.

A. John S. Autry, Johns-Manville Corp., 1025 Connecticut Avenue, Suite 214, Washington, D.C. 20036.
B. Johns-Manville Corp., Box 5108, Denver, Colo. 80217.
D. (6) $1,200. E. (9) $986.40.

A. Walter C. Ayers, Virginia Petroleum Council, 1809 Staples Mill Road, Richmond, Va. 23230.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Craig H. Baab, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Bache, Halsey, Stuart, Shields, Inc., 100 Gold Street, New York, N.Y. 10038.
D. (6) $700.

A. William Douglas Badger, 12695 Castile Court, Woodbridge, Va. 22192.
B. The Christian Action Council, Inc., 788 National Press Building, Washington, D.C. 20045.
D. (6) $2,600. E. (9) $1,045.16.

A. Baer, Marks & Upham, 299 Park Avenue, New York, N.Y. 10017.
B. Commodity Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.

A. Carl E. Bagge, Coal Building, Washington, D.C. 20036.
B. National Coal Association, Coal Building, Washington, D.C. 20036.
D. (6) $2,040. E. (9) $292.

A. George F. Bailey, Jr., Alabama Railroad Association, P.O. Box 21, Montgomery, Ala. 36101.
B. Alabama Railroad Association, P.O. Box 21, Montgomery, Ala. 36101.

A. William W. Bailey, 1050 17th Street NW., Suite 1050, Washington, D.C. 20036.
B. Merck & Co., Inc., Box 2000, Rahway, N.J. 07065.
D. (6) $1,000. E. (9) $266.

A. Baker & Botts, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Houston Lighting & Powers Co., PO Box 1700, Houston, Tex. 77001.

A. Baker & Botts, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pennzoil Co., Pennzoil Place, PO Box 2967, Houston, Tex. 77002.

A. Baker & Daniels, 1800 M Street NW., Suite 590S, Washington, D.C. 20036.
B. The Consumer Bankers Association, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $975. E. (9) $14.48.

A. Baker & Daniels, 1800 M Street NW., Suite 590S, Washington, D.C. 20036.
B. Indiana Toll Road Commission, P.O. Box 748, South Bend, Ind. 46624.

A. Dennis J. Baker, Norton Co., 1 New Bond Street, Worcester, Mass. 01606.
B. Norton Co., 1 New Bond Street, Worcester, Mass. 01606.
D. (6) $5,721. E. (9) $14.

A. Emil F. Baker, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.

A. George C. Baker, 220 South Clovis Avenue, Fresno, Calif. 93727.
B. United States Cane Sugar Refiners' Association, 1001 Connecticut Avenue, Washington, D.C. 20036.
E. (9) $1,296.05.

A. Jacqueline Balk-Tusa, 1625 I Street NW., No. 809, Washington, D.C. 20006.
B. Boise Cascade Corp., 1625 I Street NW., No. 809, Washington, D.C. 20006.
D. (6) $10,312.

A. Ballard, Spahr, Andrews & Ingersoll, 1101 Connecticut Avenue NW., Suite 406, Washington, D.C. 20036.
B. Alaska Housing Finance Corp., Plaza 201 East Third Avenue, Anchorage, Alaska 99510.
D. (6) $1,000.

A. Ballard, Saphr, Andrews, & Ingersoll, 1101 Connecticut Avenue NW., Suite 406, Washington, D.C. 20036.
B. Idaho Housing Agency, 405 South Eighth Street, Suite 395, Boise, Idaho 83701.

A. Sheila Macdonald Bamberger, 1850 K Street NW., Suite 850, Washington, D.C. 20006.
B. National Restaurant Association, 1850 K Street NW., Washington, D.C.; 1 IBM Plaza, Suite 2600, Chicago, Ill. 60611.
D. (6) $3,000. E. (9) $150.14.

A. Richard M. Bank, Suite 300, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Youth Project, 1555 Connecticut Avenue NW., Suite 501, Washington, D.C. 20036.
D. (6) $3,012.50. E. (9) $44.15.

A. Will G. Barber, 1300 American Bank Tower, Austin, Tex. 78701.
B. Texas Medical Association, 1801 North Lamar Boulevard, Austin, Tex. 78701.
D. (6) $250. E. (9) $80.

A. Robert O. Barker, NAM, 801 Northland Towers West, Southfield, Mich. 48075.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Thomas H. Barksdale, Jr., 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $5,000. E. (9) $120.

A. Donna R. Barnako, National Council of Health Care Services, 1200 15th Street NW., Suite 601, Washington, D.C. 20005.
B. NCHCS, 1200 15th Street NW., No. 601, Washington, D.C. 20005.
D. (6) $720. E. (9) $203.12.

A. John H. Barnard, Jr., 803 Ironbark Place, Orunda, Calif. 94563.
B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Roger H. Barnard, National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.
B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

A. Barnett, Alagia & Carey, 1627 K Street NW., Washington, D.C. 20006.
B. Florida Fruit & Vegetable Association, 4401 East Colonial Drive, Orlando, Fla.
D. (6) $2,500.

A. Larry P. Barnett, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.

B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.

D. (6) $1,387.50.

A. James C. Barr, Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

B. Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $300. E. (9) $158.69.

A. Richard L. Barr, Iowa Railway Association, 620 Capital City Bank Building, Des Moines, Iowa 50309.

B. Iowa Railway Association, 620 Capital City Bank Building, Des Moines, Iowa 50309.

E. (9) $654.79.

A. Barrett, Smith, Schapiro, Simon & Armstrong, 26 Broadway, Suite 1400, New York, N.Y. 10004.

B. New York Cocoa Exchange, Inc. and New York Cocoa Clearing Association, Inc., 127 John Street, New York, N.Y. 10038.

A. Barrett, Smith, Schapiro, Simon & Armstrong, 26 Broadway, Suite 1400, New York, N.Y. 10004.

B. New York Coffee & Sugar Exchange, Inc., and New York Coffee & Sugar Clearing Association, Inc., 4 World Trade Center, New York, N.Y. 10048.

A. Barrett, Smith, Schapiro, Simon & Armstrong, 26 Broadway, Suite 1400, New York, N.Y. 10004.

B. The New York State Urban Development Corp., 1345 Avenue of the Americas, New York, N.Y. 10019.

A. Robert W. Barrie, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.

D. (6) $5,000.

A. William H. Barringer, Arter Hadden & Hemmendinger, 1919 Pennsylvania Avenue NW., Suite 400, Washington, D.C. 20006.

B. Arter Hadden & Hemmendinger, 1919 Pennsylvania Avenue NW., Suite 400, Washington, D.C. 20006.

A. Thea Rossi Barron, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).

A. Thea Rossi Barron, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C., 20036 (for Thomson-CSF (AVS), 178 Boulevard Gabriel Péri, 92240 Malakoff).

A. David S. Barrows, 1201 Southwest 12th, Suite 300, Portland, Oreg. 97205.

B. Association of Oregon & California Land Grant Counties, Douglas County Court House, Roseburg, Oreg. 97470.

D. (6) $1,200.

A. Roger V. Barth, 1828 L Street NW., Suite 1111, Washington, D.C. 20036.

B. Jackson, Campbell & Parkinson, 1828 L Street NW., Suite 1111, Washington, D.C. 20036 (for L'Enfant Plaza Properties, Inc.).

D. (6) $300.

A. Richard A. Barton, Direct Mail/Marketing Association, Inc., 1730 K Street NW., Suite 905, Washington, D.C. 20006.

B. Direct Mail/Marketing Association, Inc., 6 East 43d Street, 12th Floor, New York, N.Y. 10017.

D. (6) $1,400. E. (9) $502.21.

A. James P. Bass, 1101 17th Street NW., Washington, D.C. 20036.

B. American Airlines, Inc., 1101 17th Street NW., Washington, D.C. 20036.

D. (6) $95.

A. Robert E. Bates, Jr., 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

D. (6) $2,250. E. (9) $97.

A. Davis M. Batson, 1155 15th Street NW., Suite 611, Washington, D.C. 20005.

B. Ethyl Corp., 1155 15th Street NW., Suite 611, Washington, D.C. 20005.

D. (6) $1,800.

A. Laurie C. Battle, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.

B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.

D. (6) $2,600.

A. Lynne D. Battle, The College Placement Council, Inc., 1101 Connecticut Avenue NW., Suite 705, Washington, D.C. 20036.

B. The College Placement Council, Inc., P.O. Box 2263, Bethlehem, Pa. 18001.

A. John F. Battles, Massachusetts Petroleum Council, 11 Beacon Street, Room 515, Boston, Mass. 02108.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Batzell, Nunn & Bode, 1523 L Street NW., Washington, D.C. 20005.

B. Independent Terminal Operators Association, 1523 L Street NW., Washington, D.C. 20005.

D. (6) $500.

A. Batzell, Nunn & Bode, 1523 L Street NW., Washington, D.C. 20005.

B. Mount Airy Refining Co., International Energy Building, 256 North Belt East, Suite 150, Houston, Tex. 77060.

D. (6) $500.

A. Gary L. Bauer, Direct Mail/Marketing Association, Inc., 1730 K Street NW., Suite 905, Washington, D.C. 20006.

B. Direct Mail/Marketing Association, Inc., 6 East 43d Street, 12th Floor, New York, N.Y. 10017.

A. Karen J. Bauer, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Kathleen A. Bauer, Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.

B. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.

D. (6) $32. E. (9) $32.20.

A. John E. Baughman, 5081 Stacy Drive East, Harrisburg, Pa. 17111.

B. Pennsylvania State Education Association, 400 North Third Street, Harrisburg, Pa. 17105.

D. (6) $625. E. (9) $204.

A. Tina Marts Beach, General Electric Co., 777 14th Street NW., Washington, D.C.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.

D. (6) $65.

A. Bruce A. Beam, American Electric Power Service Corp., 2 Broadway, New York, N.Y. 10004.

B. American Electric Power Service Corp., 2 Broadway, New York, N.Y. 10004.

D. (6) $102.75. E. (9) $284.85.

A. John E. Bearer, 1001 Broad Street, Johnstown, Pa. 15907.

B. GPU Service Corp., 260 Cherry Hill Road, Parsippany, N.J. 07054.

D. (6) $1,555.50. E. (9) $1,698.48.

A. Donald S. Beattie, Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.

B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.

D. (6) $2,360.06.

A. Christine T. Beatty, 1730 Rhode Island Avenue NW., Suite 911, Washington, D.C. 20036.

B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017.

D. (6) $3,600. E. (9) $66.60.

A. Robert J. Becker, Joint Council of Allergy & Immunology, 401 East Prospect Avenue, Suite 210, Mount Prospect, Ill. 60056; 229 North Hammes Avenue, Joliet, Ill. 60435.

B. Joint Council of Allergy & Immunology, 401 East Prospect Avenue, Suite 210, Mount Prospect, Ill. 60056.

A. Edwin L. Behrens, The Procter & Gamble Manufacturing Co., 1801 K Street NW., Suite 230, Washington, D.C. 20006.

B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.

D. (6) $15.

A. Max J. Beilke, National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.

B. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.

D. (6) $853.58.

A. Alexander B. Bell, 9618 Cottrell Terrace, Silver Spring, Md. 10903.

B. United Association of Journeymen & Apprentices of the Plumbing & Pipe Fitting Industry of the United States & Canada, 901 Massachusetts Avenue NW., Washington, D.C. 20001.

D. (6) $3,750. E. (9) $278.85.

A. Howard H. Bell, 1225 Connecticut Avenue NW., Suite 401, Washington, D.C. 20036.

B. American Advertising Federation, 1225 Connecticut Avenue NW., Washington, D.C. 20036.

A. Winston Everett Bell, P.O. Box 5463. Las Vegas, Nev. 89102.

A. C. Thomas Bendorf, 3615 Overcreek Drive, Columbia, S.C. 29206.

B. The Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20007.

D. (6) $3,000. E. (9) $100.

A. C. Robert Benedict, 643 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. American Osteopathic Hospital Association, 930 Busse Highway, Chicago, Ill. 60068.

D. (6) $870. E. (9) $305.

A. Bruce Benefield, TRW, Inc., 2030 M Street NW., Suite 800, Washington, D.C. 20036.

B. TRW, Inc., 2030 M Street NW., Suite 800, Washington, D.C. 20036.

D. (6) $1,000.

A. Kenneth U. Benjamin, Jr., 1776 K Street NW., Washington, D.C. 20006.

B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.

D. (6) $2,887.50. E. (9) $95.65.

A. W. M. Benkert, American Institute of Merchant Shipping, 1625 K Street NW., Suite 1000, Washington, D.C. 20006.

B. American Institute of Merchant Shipping, 1625 K Street NW., Suite 1000, Washington, D.C. 20006.

D. (6) $1,250. E. (9) $9.90.

A. Douglas P. Bennett, 499 South Capitol Street SW., No. 407, Washington, D.C. 20003.

B. Jacques Borel Enterprises, Inc., 555 Madison Avenue, New York, N.Y. 10022.

D. (6) $2,000. E. (9) $8.

A. Douglas P. Bennett, 499 South Capitol Street SW., No. 407, Washington, D.C. 20003.

B. National Restaurant Association, Suite 850, 1850 K Street NW., Washington, D.C. 20006.

D. (6) $2,000. E. (9) $4.50.

A. James M. Bennett, Jos. Schlitz Brewing Co., 235 West Galena Street, Milwaukee, Wis. 53212.

B. Jos. Schlitz Brewing Co., 235 West Galena Street, Milwaukee, Wis. 53212.

A. Kathleen M. Bennett, Crown Zellerbach, 1660 L Street NW., Suite 215, Washington, D.C. 20036.

B. Crown Zellerbach, 1 Bush Street, San Francisco, Calif. 94119.

A. Paul Bennett, Union of Concerned Scientists, 1025 15th Street NW., Washington, D.C. 20005.

B. Union of Concerned Scientists, 1208 Massachusetts Avenue, Cambridge, Mass. 02138.

D. (6) $4,000.

A. William C. Bennett, Jr., Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

D. (6) $405.

A. Nancy C. Benson, 1625 I Street NW., Suite 401, Washington, D.C. 20006.

B. American Cyanamid Co., Wayne, N.J. 07470.

D. (6) $119. E. (9) $27.65.

A. Jane W. Bergwin, Consumers Power Co., 1333 New Hampshire Avenue NW., Suite 1120, Washington, D.C. 20036.

B. Consumers Power Co., 212 West Michigan Avenue, Jackson, Mich. 49201.

D. (6) $200.

A. David Berick, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $1,800. E. (9) $9.

A. Berman & Associates, 1776 K Street NW., No. 701, Washington, D.C. 20006.

B. CNA, CNA Plaza, Chicago, Ill. 60685.

D. (6) $1,000.

A. Berman & Associates, 1776 K Street NW., Washington, D.C. 20006.

B. Loews Corp., 666 Fifth Avenue, New York, N.Y. 10019.

D. (6) $4,500.

A. Berman & Associates, 1776 K Street NW., Suite 701, Washington, D.C. 20006.

B. Unicare Services, Inc., 105 West Michigan Street, Milwaukee, Wisc. 53203.

D. (6) $5,000.

A. Berman & Associates, 1776 K Street NW., Suite 701, Washington, D.C. 20006.

B. Warner Communications, Inc., 75 Rockefeller Plaza, New York, N.Y. 10019.

D. (6) $15,000.

A. William R. Berman, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. Arthur S. Berner, Inexco Oil Co., 1100 Milam Building, Suite 1900, Houston, Tex. 77002.

B. Inexco Oil Co., 1100 Milam Building, Suite 1900, Houston Tex. 77002.

A. Charles Bernhardt, 1016 16th Street NW., Washington, D.C. 20036.

B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

D. (6) $16.65. E. (9) $16.65.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Centre National Interprofessionnel De L'Economie Laitiere 8, rue Danielle Casanova, 75002 Paris, France.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Cheese Importers Association, 460 Park Avenue, New York, N.Y. 10022.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Committee to Assure the Availability of Casein, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Constructora Nacional de Carros de Ferrocarril, S.A., San Lorenzo 925, 5° Piso, México, D.F., México.

D. (6) $18,412.50. E. (9) $1,874.19.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. East-West Trade Council, 1700 Pennsylvania Avenue NW., Washintgon, D.C. 20006.

E. (9) $10.20.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Energy Consumers & Producers Association, Petroleum Plaza, Box 1726, Seminole, Okla. 74868.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. The Great Western Sugar Co., P.O. Box 5308, Denver, Colo. 80217.

D. (6) $10,687.50. E. (9) $523.04.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Meat Products Group, American Importers Association, 420 Lexington Avenue, New York, N.Y. 10017.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Orkin Exterminating Co., Inc., 2170 Piedmont Road NE., Atlanta, Ga. 30324.

A. Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Western Radiological Group; Armacost Management Services, Inc., Suite 2, 2044 Armacost Avenue, Los Angeles, Calif. 90025.

D. (6) $19,947.15. E. (9) $52.85.

A. Robert A. Best, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.

B. American League for Exports & Security Assistance, Inc., Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.

D. (6) $1,500.

A. Robert A. Best, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.

B. TADCO Enterprises, Inc., 1625 I Street NW., Washington, D.C. 20006; Archer-Daniels-Midland Co., Decatur, Ill. 62525.

D. (6) $600. E. (9) $300.

A. Robert L. Bevan, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C.

D. (6) $1,000. E. (9) $187.76.

A. Beveridge, Fairbanks & Diamond, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. American Paper Institute, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $750.

A. Beveridge, Fairbanks & Diamond, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Florida Power & Light, P.O. Box 013100, Miami, Fla. 33101.

A. Beveridge, Fairbanks & Diamond, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. International Paper, Inc., 1620 I Street NW., Suite 700, Washington, D.C. 20006.

A. Beveridge, Fairbanks & Diamond, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. New England Power Co., 20 Turnpike Road, Westborough, Mass. 01581.

D. (6) $7,800.

A. Beveridge, Fairbanks & Diamond, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Union Mines, 9 West 57th Street, New York, N.Y. 10019.

D. (6) $250.

A. Walter J. Bierwagen, Amalgamated Transit Union, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

B. Amalgamated Transit Union, AFL–CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Thomas E. Biery, Mid-Continent Oil & Gas Association, 1919 Pennsylvania Avenue NW., Suite 503, Washington, D.C. 20006.

B. Mid-Continent Oil & Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.

D. (6) $5,530. E. (9) $99.75.

A. Gerda Bikales, 6711 Pine Creek Court, McLean, Va. 22101.

B. National Parks & Conservation Association, 1701 18th Street NW., Washington, D.C. 20009.
D. (6) $600. E. (9) $25.

A. Billig, Sher & Jones, 2033 K Street NW., Washington, D.C. 20006.
B. The Adherence Group, 21 West Street, New York, N.Y. 10006.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Alaska Railroad Leaseholders Association, P.O. Box 1972, Anchorage, Alaska 99510.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Aleutian-Pribilof Island Association, Inc., 430 C Street, Anchorage, Alaska 99501.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Calista Corp., 516 Denali Street, Anchorage, Alaska 99501.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Coastal States Gas Corp., 9 Greenway Plaza, Houston, Tex. 77046.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Cook Inlet Region, Inc., 2525 C Street, Anchorage, Alaska 99509.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. MAPCO, Inc., 1800 South Baltimore Avenue, Tulsa, Okla. 74119.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Sealaska Corp. Board of Directors, 1 Sealaska Plaza, Juneau, Alaska 99801.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Skan-Kon International, Inc., P.O. Box 57, Fort Yukon, Alaska 99740.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20015.

A. Robert Bird, General Mills, Inc., 1629 K Street NW., Suite 300, Washington, D.C. 20006.
B. General Mills, Inc., P.O. Box 1113, Minneapolis, Minn. 55440.
D. (6) $1,200.

A. C. Thomason Bishop III, National Association of Manufacturers, 704 Lisburn Road, Camp Hill, Pa. 17011.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $212.50.

A. Neal R. Bjornson, National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $2,3000. E. (9) $38.14.

A. Tom Black, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $11.56. E. (9) $11.56.

A. Brent Blackwelder, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $2,250.

A. Steven H. Blackwell, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

A. Donna C. Blair, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $250.

A. Joseph H. Blatchford, Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Government of El Salvador, Office of the President, San Salvador, El Salvador.
D. (6) $3,000. E. (9) $89.87.

A. Joseph H. Blatchford, Berry, Epstein, Sandstrom & Blatchford, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. North American Car Corp., 222 South Riverside Plaza, Chicago, Ill. 60606.
D. (6) $12,500. E. (9) $83.15.

A. David Blatt, Municipal Labor Committee, 818 18th Street NW., Suite 750, Washington, D.C. 20006.
B. Municipal Labor Committee, 140 Park Place, New York, N.Y. 10017.
D. (6) $5,774.94. E. (9) $2,427.18.

A. Kenneth T. Blaylock, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $15,309. E. (9) $1,815.26.

A. Richard W. Blake, 1776 K Street NW., Suite 900, Washington, D.C. 20006.
B. American Sugarbeet Growers Association, 1776 K Street NW., Suite 900, Washington, D.C. 20006.
D. (6) $385.

A. Robert W. Blanchette, Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C.
B. Board of Trade Clearing Corp., 141 Jackson Boulevard, Chicago, Ill.

A. Robert W. Blanchette, Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C. 20036.
B. RCA Global Communications, Inc., 60 Broad Street, Room 700, New York, N.Y. 10004.
D. (6) $50.

A. Michael K. Blevins, Society of American Florists, 901 North Washington Street, Alexandria, Va. 22314.
B. Society of American Florists and Ornamental Horticulturists, 901 North Washington Street, Alexandria, Va. 22314.
D. (6) $5,500. E. (9) $915.66.

A. Jerald Blizin, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. L. Thomas Block, Irving Trust Co., 1 Wall Street, New York, N.Y. 10015.
B. Irving Trust Co., 1 Wall Street, New York, N.Y. 10015.
D. (6) $450. E. (9) $175.

A. Mark Bloomfield, American Council for Capital Formation, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Council for Capital Formation, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $499.95.

A. Mark Andrew Bloomfield, 1661 Crescent Place NW., Washington, D.C. 20009.
B. American Electronics Association, 2600 El Camino Real, Palo Alto, Calif. 94306.
D. (6) $3,600. E. (9) 27.95.

A. Betty Blouin, The American Dietetic Association, 430 North Michigan Avenue, Chicago, Ill. 60611.
B. The American Dietetic Association, 430 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $4,200. E. (9) $791.47.

A. Blum & Nash, 1015 18th Street NW., Washington, D.C. 20036.
B. Association of Independent Corrugated Converters, 110 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

A. Blum & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
B. Computer & Communications Industry Association, 1500 Wilson Boulevard, Suite 512, Arlington, Va. 22209.

A. Blum & Nash, 1015 18th Street NW., No. 408, Washington, D.C. 20036.
B. Merck & Co., Inc., P.O. Box 2000, Rahway, N.J. 07065.
D. (6) $1,200. E. (9) $8.

A. Blum & Nash, 1015 18th Street NW., Washington, D.C. 20036.
B. Northwest Pipeline Corp., P.O. Box 1526, Salt Lake City, Utah 84110.

A. Blum & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
B. Twin Coasts Newspaper, Inc., Journal of Commerce, 110 Wall Street, New York, N.Y. 10005.
D. (6) $4,000. E. (9) $37.

A. Blum & Nash, 1015 18th Street, Suite 408, Washington, D.C. 20036.
B. Zenith Radio Corp., 1015 18th Street, Suite 408, Washington, D.C. 20036.

A. Jared O. Blum, 1730 M Street NW., Washington, D.C. 20036.
B. Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $500. E. (9) $120.64.

A. Wayne F. Boan, National Association of Manufacturers, 601 North Vermont Avenue, Los Angeles, Calif. 90004.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,300.

A. William J. Boardman, Wheelabrator-Frye, Inc., 2550 M Street NW., Washington, D.C. 20037.
B. Wheelabrator-Frye, Inc., Liberty Lane, Hampton, N.H. 03842.

A. Boat Owners Association of The United States, 880 South Pickett Street, Alexandria, Va. 22304.
D. (6) $3,133.48. E. (9) $5,218.21.

A. Theodore D. Bogue, 2000 P Street NW., No. 708, Washington, D.C. 20036.

B. Health Research Group, 2000 P Street NW., No. 708, Washington, D.C. 20036.

A. Robert Z. Bohan, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Christie K. Bohner, 900 17th Street NW., No. 1016, Washington, D.C. 20006.

B. Kaiser Steel Corp., 900 17th Street NW., No. 1016, Washington, D.C. 20006.

D. (6) $144.

A. Patricia M. Boinski, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

D. (6) $80.

A. Robert J. Bolger, National Association of Chain Drug Stores, Inc., 1911 Jefferson Davis Highway, No. 504, Arlington, Va. 22202.

B. National Association of Chain Drug Stores, Inc. (NACDS), 1911 Jefferson Davis Highway, No. 504, Arlington, Va. 22202.

D. (6) $1,650.

A. Jeffrey W. Bolotin, Alston, Miller & Gaines, 1800 M Street NW., Suite 1000, Washington, D.C. 20036.

B. Electro Signal Lab, Inc., 1022 Hingham Street, Rockland, Mass. 02370.

A. Jeffrey W. Bolotin, Alston, Miller & Gaines, 1800 M Street NW., Suite 1000, Washington, D.C. 20036.

B. RCA Global Communications, Inc., 60 Broad Street, New York, N.Y.

A. M. Warren Bolton, 2500 DeKalb Pike, Norristown, Pa. 19404.

B. Provident Indemnity Life Insurance Co., 2500 DeKalb Pike, Norristown, Pa. 19404.

A. A. Dewey Bond, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.

B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007; 1600 Wilson Boulevard, Arlington, Va.

D. (6) $500. E. (9) $19.20.

A. Edward N. Bond, 1700 North Moore Street, Rosslyn, Va. 22209.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) $750. E. (9) $550.43.

A. L. H. Bonin, Jr., 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. Gulf Oil Corp., Pittsburgh, Pa. 15230.

D. (6) $2,400. E. (9) $485.82.

A. Jay Bonitt, 300 Maryland Avenue NE., Washington, D.C. 20002.

B. The Bendix Corp., 300 Maryland Avenue NE., Washington, D.C. 20002.

D. (6) $180. E. (9) $60.

A. Sharon Lee Bonitt, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington. D.C. 20036.

B. Shell Oil Co., One Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.

D. (6) $500.

A. Edward T. Borda, 1625 I Street NW., Washington, D.C. 20006.

B. Association of General Merchandise Chains, Inc., 1625 I Street NW., Washington, D.C. 20006.

E. (9) $4,000.

A. Laurence D. Bory, 1155 15th Street NW., No. 713, Washington, D.C. 20005.

B. American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.

D. (6) $625.

A. G. Stewart Boswell, American Apparel Manufacturers Association, Inc., 1611 North Kent Street, No. 800, Arlington, Va. 22209.

B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, No. 800, Arlington, Va. 22209.

D. (6) $2,166.67. E. (9) $125.93.

A. Charles G. Botsford, The Botsford Co., 1730 M Street NW., Washington, D.C. 20036.

D. (6) $1,500.

A. A. D. Bourland, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich.

D. (6) $3,000. E. (9) $2,428.54.

A. Frank J. Bowden, Jr., Associated Petroleum Industries of Pennsylvania, P.O. Box 925, Harrisburg, Pa. 17108.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. David W. Bowers, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.

B. United States Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.

D. (6) $1,000.

A. Robert R. Bowers, West Virginia Petroleum Council, Suite 714, Atlas Building, Charleston, W. Va. 25301.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Edward L. Bowley, American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C. 20005.

B. American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C. 20005.

D. (6) $11,044.54. E. (9) $2,872.01.

A. Randal Bowman, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $562.50. E. (9) $18.02.

A. Joan Costain Bowyer, Phelps Dodge Corp., 1620 I Street NW., Washington, D.C. 20006.

B. Phelps Dodge Corp., 300 Park Avenue, New York, N.Y. 10022.

D. (6) $150.

A. John G. Boyd, IBM, 1801 K Street NW., Washington, D.C. 20006.

B. International Business Machines, Old Orchard Road, Armonk, N.Y. 10504.

D. (6) $267.90. E. (9) $24.61.

A. Cynthia H. Braddon, National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.

B. National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.

D. (6) $300. E. (9) $35.

A. Robert E. Bradford, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.

D. (6) $2,000.

A. Frank W. Bradley, Chevron U.S.A., Inc., 1700 K Street NW., Washington, D.C. 20006.

B. Chevron U.S.A., Inc., a subsidiary of Standard Oil Co. of California, 1700 K Street NW., Washington, D.C. 20006.

D. (6) $540.

A. Wayne W. Bradley, 535 North Dearborn Street, Chicago, Ill. 60610.

B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.

D. (6) $500. E. (9) $13.55.

A. Charles N. Brady, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. Charles G. Bragg, P.O. Box 12285, Memphis, Tenn. 38112.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

D. (6) $2,775. E. (9) $384.

A. Raymond F. Braggs, Jr., American Petroleum Refiners Association, 1200 18th Street NW., Suite 607, Washington, D.C. 20036.

B. American Petroleum Refiners Association, 1200 18th Street NW., Suite 607, Washington, D.C. 20036.

D. (6) $100.

A. S. Gail Bromblett, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association, 1201 16th Street NW., Washington, D.C.

D. (6) $1,342.40 E. (9) $253.95.

A. Robert M. Brandon, 1300 Connecticut Avenue NW., Room 403, Washington, D.C. 20036.

B. Citizen/Labor Energy Coalition, 1300 Connecticut Avenue NW., Room 403, Washington, D.C. 20036.

D. (6) $1,850. E. (9) $2,160.

A. T. Edward Braswell, Jr., Corcoran, Youngman & Rowe, 1511 K Street NW., Washington, D.C. 20005.

B. Newport News Shipbuilding and Drydock Co., North Washington Street, Newport News, Va.

D. (6) $1,500.

A. Edward T. Breathitt, Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.

B. Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.

D. (6) $1,000.

A. John Henry Brebbia, Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C. 20036.

B. Board of Trade Clearing Corp., 141 West Jackson Boulevard, Chicago, Ill. 60604.

A. John Henry Brebbia, Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C. 20036.

B. RCA Global Communications, Inc., 60 Broad Street, Room 700, New York, N.Y. 10004.

D. (6) $4,625.

A. Breed, Abbott & Morgan, 875 I Street NW., Washington, D.C. 20006.

B. Lasker, Stone & Stern, 20 Broad Street, New York, N.Y.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.

B. The Air Transport Association, 1709 New York Avenue NW., Washington, D.C. 20036.

D. (6) $800.

A Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.

B. American Car Rental Association (ACRA), 1750 Pennsylvania Avenue, Washington, D.C. 20006.

D. (6) $500.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.

B. American Psychiatric Association, 1700 18th Street NW., Suite 610. Washington, D.C. 20009.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.

B. Committee for Effective Tax Incentives, 1634 I Street NW., Ninth Floor, Washington, D.C. 20006.

D. (6) $2,000.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.

B. Hilton International, Inc., 301 Park Avenue, New York, N.Y. 10022.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.

B. Trans World Airlines, 1000 16th Street NW., Suite 704, Washington, D.C. 20036.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.

B. Truck Renting and Leasing Association (TRALA), 1750 Pennsylvania Avenue NW., No. 1303, Washington, D.C.

D. (6) $500.

A. Bregman, Abell, Solter & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.

B. The Washington Psychiatric Society, 1700 18th Street NW., Washington, D.C.

D. (6) $700.

A. Barbara Brendes, 1100 Connecticut Avenue, NW., No. 800, Washington, D.C. 20036.

B. Union Oil Co. of Californa, 461 South Boylston Street, Los Angeles, Calif. 94119.

A. Edward J. Brenner, Suite 605, 1735 Jefferson Davis Highway, Arlington, Va. 22202.

B. Association for the Advancement of Invention and Innovation, Suite 605, 1735 Jefferson Davis Highway, Arlington, Va. 22202.

A. Miles H. Bresee, Jr., 170 Altura Way, Greenbrae, Calif. 94904.

B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. John B. Brewer, American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington, Va. 22209.

B. American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington, Va. 22209.

A. Carolyn Brickey, 133 C Street SE., Washington, D.C. 20003.

B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.

D. (6) $1,788.45.

A. Cyril F. Brickfield, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $2,000. E. (9) $39.

A. Bill Brier, 1025 Connecticut Avenue NW., Suite 402, Washington, D.C. 20036.

B. CF Industries, Inc./Energy Cooperative, Inc., Salem Lake Drive, Long Grove, Ill. 60047.

D. (6) $500. E. (9) $46.97.

A. Claude S. Brinegar, 461 South Boylston Street, Los Angeles, Calif. 90017.

B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.

A. Belva B. Brissett, 1771 N Street NW., Washington, D.C. 20036.

B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.

D. (6) $1,406.25. E. (9) $345.90.

A. David A. Brody, Anti-Defamation League of B'nai B'rith, 1640 Rhode Island Avenue NW., Washington, D.C. 20036.

B. Anti-Defamation League of B'nai B'rith, 823 U.N. Plaza, New York, N.Y. 10017.

D. (6) $1,025.

A. Michael D. Bromberg, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.

B. Federation of American Hospitals, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.

D. (6) $4,500.

A. Henry W. Brook, Nuclear Fuel Services, Inc., Suite 600, 6000 Executive Boulevard, Rockville, Md. 20852.

B. Nuclear Fuel Services, Inc., Suite 600, 6000 Executive Boulevard, Rockville, Md. 20852.

A. Dale E. Brooks, Chevron U.S.A., Inc., 1700 K Street NW., Washington, D.C. 20006.

B. Chevron U.S.A., Inc., a subsidiary of Standard Oil Co. of California, 1700 K Street NW., Washington, D.C. 20006.

D. (6) $300.

A. Phillip W. Brooks, Volunteer State Oil Committee, 18th Floor, Third National Bank Building, Nashville, Tenn. 37219.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $75. E. (9) $24.18.

A. Daniel T. Bross, United Gas Pipe Line Co., 1101 17th Street NW., Washington, D.C. 20036.

B. United Gas Pipe Line Co., P.O. Box 1478, Houston, Tex. 77001.

D. (6) $525. E. (9) $247.16.

A. Donald G. Brotzman, Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $8,000.

A. Charles B. Brown, 900 17th Street NW., Washington, D.C. 20006.

B. Chemical Corp., 900 17th Street NW., Washington, D.C. 20006.

D. (6) $1,050. E. (9) $44.75.

A. Charles T. Brown, Cities Service Co., Box 100, Miami, Ariz. 85539.

B. Cities Service Co., Box 100, Miami, Ariz. 85539.

A. David S. J. Brown, Monsanto Co., 1101 17th Street NW., Washington, D.C. 20036.

B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.

D. (6) $450. E. (9) $74.72.

A. Diane V. Brown, International Paper Co., 1620 I Street NW., No. 700, Washington, D.C. 20006.

B. International Paper Co., 1620 I Street NW., No. 700, Washington, D.C. 20006.

D (6) $400. E. (9) $100.

A. ,Donald K. Brown, 1127 11th Street, Suite 618, Sacramento, Calif. 95814.

B. Summa Corp., P.O. Box 14000, Las Vegas, Nev.

A. Howard C. Brown, Jr., 9618 Carriage Road, Kensington, Md. 20795.

B. Centar Associates, Inc., 369 Passaic Avenue, Fairfield, N.J. 07006.

A. Howard C. Brown, Jr., 9618 Carriage Road, Kensington, Md. 20795.

B. National Association of Life Science Industries, Inc., 1919 Pennsylvania Avenue NW., No. 702, Washington, D.C. 20006.

A. J. D. Brown, American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

D. (6) $500.

A. Jesse B. Brown, Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.

B. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.

A. Theoran Brown, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $2,949.74.

A. Vincent D. Brown, Nebraska Petroleum Council, P.O. Box 95063, 334 South 13th Street, Lincoln, Nebr. 68509.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. William E. Brown, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Ford Motor Co., Dearborn, Mich.

D. (6) $325.50. E. (9) $147.81.

A. Brownstein, Zeidman & Schomer, 1205 Connecticut Avenue NW., Washington, D.C. 20036.

B. International Franchise Association, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

A. Richard L. Brubacher, Minnesota Petroleum Council, 300 Northern Federal Building, St. Paul, Minn. 55102.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Fred J. Bruner, Indiana and Michigan Electric Co., 2101 Spy Run Avenue, Fort Wayne, Ind. 46801.

B. Indiana and Michigan Electric Co., 2101 Spy Run Avenue, Fort Wayne, Ind. 46801.

D. (6) $355.20. E. (9) $425.70.

A. Kathryne M. Bruner, General Atomic Co., 2021 K Street NW., Suite 709, Washington, D.C. 20006.

B. General Atomic Co., San Diego, Calif.

D. (6) $650. E. (9) $25.

A. Michael E. Brunner, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.

B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007; 1600 Wilson Boulevard, Arlington, Va.

D. (6) $3,000. E. (9) $389.28.

A. Joseph A. Bruno, 5110 41st Street NW., Washington, D.C. 20016.

B. FMC Corp., 1627 K Street NW., Washington, D.C. 20006.

D. (6) $3,000. E. (9) $106.13.

A. J. Charles Bruse, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.

B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. J. Charles Bruse, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.

B. Allstate Insurance Cos., Allstate Plaza, Northbrook, Ill. 60062.

A. Harvey F. Brush, 2006 Washington Street, San Francisco, Calif. 94109.

B. Bechtel Incorporated, 50 Beale Street P.O. Box 3965, San Francisco, Calif. 94119

A. Margaret H. Bryant, American Natural Resources System, 1899 L Street NW., Suite 500, Washington, D.C. 20036.

B. American Natural Service Co., One Woodward Avenue, Detroit, Mich. 48226.

D. (6) $250. E. (9) $25.

A. Ronald B. Buckhalt, National Utility Contractors Association, 815 15th Street NW., Suite 838, Washington, D.C. 20005.

B. National Utility Contractors Association, 815 15th Street NW., Suite 838, Washington, D.C. 20005.

D. (6) $1,600. E. (9) $3,763.65.

A. Philip N. Buckminster, Chrysler Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Chrysler Corp., 12000 Lynn Townsend Drive, Highland Park, Mich. 48288.

D. (6) $2,000. E. (9) $155.

A. Michael W. Buckner, 900 15th Street N.W., Washington, D.C. 20005.

B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.

D. (6) $1,379.18. E. (9) $152.50.

A. Robert D. Buehler, B. F. Goodrich Co., 1800 K Street NW., Suite 929, Washington, D.C. 20006.

B. B. F. Goodrich Co., Akron, Ohio 44318.

D. (6) $400.

A. Douglas W. Bulcao, American Textile Manufacturers Institute, Inc., Suite 300, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Textile Manufacturers Institute, 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.

D. (6) $3,000. E. (9) $67.75.

A. David A. Bunn, 1211 Connecticut Avenue NW., Washington, D.C. 20036.

B. Magazine Publishers Association, 575 Lexington Avenue, New York, N.Y. 10022.

D. (6) $4,000.

A. David A. Bunn, Parcel Shippers Association, 1211 Connecticut Avenue NW., Washington, D.C. 20036.

B. Parcel Shippers Association, 1211 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $1,000. E. (9) $600.

A. Lawrence E. Burch, 1735 Jefferson Davis Highway, No. 903, Arlington, Va. 22202.

B. Potato Chip/Snack Food Association, 1735 Jefferson Davis Highway, No. 903, Arlington, Va. 22202.

A. Norman D. Burch, College of American Pathologists, 1333 New Hampshire Avenue NW., Suite 520, Washington, D.C. 20036.

B. College of American Pathologists, 7400 North Skokie Boulevard, Skokie, Ill. 60077.

D. (6) $5,220. E. (9) $55.

A. David G. Burden, 200 East Randolph Drive, Chicago, Ill. 60601.

B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

D. (6) $175. E. (9) $253.50.

A. William J. Burhop, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.

B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.

D. (6) $1,500.

A. Burke & Burke, 30 Rockefeller Plaza, New York, N.Y. 10020.

B. Central Trust of China, One World Trade Center, New York, N.Y. 10048.

D. (9) $25,542.39. E. (9) $542.39.

A. Burke & Burke, 30 Rockefeller Plaza, New York, N.Y. 10020.

B. J. Reynolds Barnes (for Eleanor A. Clark), 111 American Bank Building, 621 Southwest Morrison Street, Portland, Oreg. 97205; John Poinier (for Estate of Helen W. Halbach), 382 Springfield Avenue, Summit, N.J.

D. (6) $2,000. E. (9) $386.69.

A. J. J. Burke, Jr., 40 East Broadway, Butte, Mont. 59701.

B. The Montana Power Co., Butte, Mont. 59701.

E. (9) $46.98.

A. Burley and Dark Leaf Tobacco Export Association, 1100 17th Street NW., Suite 306, Washington, D.C. 20036.

D. (6) $20,859.83. E. (9) $850.02.

A. Phillip C. Burnett, 1918 North Parkway, Memphis, Tenn. 38112.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

D. (6) $193.85. E. (9) $21.06.

A. David G. Burney, United States Tuna Foundation, 2040 Harbor Island Drive, San Diego, Calif. 92101.

B. United States Tuna Foundation, 2040 Harbor Island Drive, Suite 201, San Diego, Calif. 92101.

D. (6) $6,000. E. (9) $3,000.

A. Burns Public Relations Services, Inc., 666 Euclid Avenue, Suite 516, Cleveland, Ohio 44114.

B. DeHart Associates, Inc., 1505 22d Street NW., Washington, D.C. 20037.

D. (6) $420. E. (9) $35.60.

A. Charles S. Burns, Phelps Dodge Corp., 1620 I Street NW., Washington, D.C. 20006.

B. Phelps Dodge Corp., 300 Park Avenue, New York, N.Y. 10022.

D. (6) $1,200.

A. Gerrie Bjornson Burns, B. F. Goodrich Co., 1800 K Street NW., Suite 929, Washington, D.C. 20006.

B. B. F. Goodrich Co., Akron, Ohio 44318.

D. (6) $100.

A. Timothy F. Burns, Chemical Manufacturers Association, 1825 Connecticut Avenue, NW., Washington, D.C. 20009.

B. Chemical Manufacturers Association, 1825 Conecticut Avenue NW., Washington, D.C. 20009.

D. (6) $300.

A. James L. Burridge, 13605 Glennhurst Road, Travilah, Md. 20006.

B. FMC Corp., 1627 K Street NW., Washington, D.C. 20006.

D. (6) $1,500. E. (9) $359.84.

A. Theresa Ann Burt, 1010 Vermont Avenue NW., Washington, D.C. 20005.

B. OPERA America, 1010 Vermont Avenue NW., Washington, D.C. 20005.

D. (6) $637.49. E. (9) $1,170.80.

A. B. Kent Burton, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

D. (6) $6,000. E. (9) $123.31.

A. John M. Burzio, Hydeman, Mason & Goodell, 1220 19th Street NW., Washington, D.C. 20036.

B. Magazine Publishers Association, Inc., Magazine Center, 575 Lexington Avenue, New York, N.Y. 10022.

D. (6) $3,393. E. (9) $577.39.

A. Nicholas J. Bush, Exxon Corp., 1899 L Street NW., Suite 1100, Washington, D.C. 20036.

B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

E. (9) $576.

A. Gary Bushell, Branscomb & Miller, 1700 Bank and Trust Tower, Corpus Christi, Tex. 78477.

B. Atlantic Richfield Corp., 1601 Bryan Street, Dallas, Tex. 75221.

D. (6) $12,500. E. (9) $10,003.28.

A. Gary Bushell, Branscomb & Miller, 1700 Bank and Trust Tower, Box 197, Corpus Christi, Tex. 78477.

B. Hawn Brothers, 101 North Shoreline, Suite 400, Corpus Christi, Tex. 78401.

D. (6) $5,000. E. (9) $133.78.

A. Bushnell, Gage, Reizen & Byington, 1899 L Street NW., Suit 301, Washington, D.C. 20036.

B. J. Reynolds Barnes (for Eleanor A. Clark), 111 American Bank Building, 621 Southwest Morrison Street, Portland, Oreg. 97205.

E. (9) $143.98.

A. Business Executives Move for New National Priorities, 901 North Howard Street, Baltimore, Md. 21201.

D. (6) $606.25. E. (9) $776.35.

A. Business Products Council Association, 330 Brush Street, Oakland, Calif. 94607.

E. (9) $650.96.

A. James J. Butera, National Association of Mutual Savings Banks, 1709 New York Avenue NW., Suite 200, Washington, D.C. 20006.

B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.

D. (6) $2,968.75. E. (9) $328.

A. Michael F. Butler, Andrews Kurth, Campbell & Jones, 1700 Pennsylvania Avenue NW., Washington, D.C.

B. Grocery Manufacturers of America, 1010 Wisconsin Avenue NW., Washington, D.C. 20007.

A. Butler, Binion, Rice, Cook & Knapp, 818 Connecticut Avenue NW., Suite 350, Washington, D.C. 20006.

B. City of Philadelphia, 1660 Municipal Services Building, Philadelphia, Pa. 19107.

D. (6) $28,091.40. E. (9) $6,910.03.

A. Butler, Binion, Rice, Cook & Knapp, 818 Connecticut Avenue NW., Washington, D.C. 20006.

B. City of Houston/Department of Aviation, 2800 Terminal Road, Houston Intercontinental Airport, Tex. 77205.

E. (9) $5,706.49.

A. Butler, Binion, Rice, Cook & Knapp, 818 Connecticut Avenue NW., Washington, D.C. 20006.

B. Inexco Oil Co., 1100 Milam Building, Suite 1900, Houston, Tex. 77002.

A. Kenneth W. Butler, 1155 15th Street NW., No. 713, Washington, D.C. 20005.

B. American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.

D. (6) $622.50.

A H. E. Butt Grocery Co., P.O. Box 9216, Corpus Christi, Tex. 78408.

E. (9) $1,940.

A. John R. Butz, 110 Maryland Avenue NE., Box 43, Washington, D.C. 20002.
B. Non-Commissioned Officers Association of the U.S.A., P.O. Box 33610, San Antonio, Tex. 78233.
D. (6) $1,055.60. E. (9) $106.75.

A. Helen B. Byrd, 730 24th Street NW., Apt. 403, Washington, D.C. 20037.
B. National Parks and Conservation Association, 1701 18th Street NW., Washington, D.C. 20009.

A. John W. Byrnes, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs (for Cabot Corp.), 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. John W. Byrnes, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs (for Insurance Association of Connecticut), 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. John W. Byrnes, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs (for Republic of the Philippines), 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. John W. Byrnes, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs (for American Family Mutual Insurance Co.), 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. John F. Byset, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $1,034.

A. Cable, McDaniel, Bowie & Bond, 900 Blaustein Building, Baltimore, Md. 21201.
B. Crown Central Petroleum Corp., 1 North Charles Street, P.O. Box 1168, Baltimore, Md. 21203.

A. Cadwalader, Wickrsham & Taft, 11 Dupont Circle NW., No. 450 Washington, D.C. 20036.
B. Associated Metals & Minerals Corps., 30 Rockefeller Plaza, New York, N.Y. 10020.

A. Morrison Cain, 1625 I Street NW., Washington, D.C. 20006.
B. Association of General Merchandise Chains, Inc., 1625 I Street NW., Washington, D.C. 20006.
E. (9) $6,250.

A. Alan Caldwell, Del Monte Corp., 1825 K Street NW., Washington, D.C. 20006.
B. Del Monte Corp., 1 Market Plaza, San Francisco, Calif. 94119.
D. (6) $1,000. E. (9) $50.

A. California Canning Peach Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

A. California Olive Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

A. California Raisin Advisory Board, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

A. California Westside Farmers, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
E. (9) $2,500.

A. Frank W. Calhoun, 500 Gulf Building, Houston, Tex. 77002.
B. El Paso Natural Gas Co., P.O. Box 2185, Houston, Tex. 77001.
E. (9) $873.06.

A. F. Patricia Callahan, 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $250. E. (9) $22.40

A. Peter E. Callanan, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Honeywell, Inc., Honeywell Plaza, Minneapolis, Minn. 55408.
D. (6) $875. E. (9) $285.

A. James R. Calloway, Suite 500, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.
D. (6) $500. E. (9) $150.

A. Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.
D. (6) $1,388. E. (9) $20,678.

A. Victoria R. Calvert, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $2,250.

A. Arthur E. Cameron, 918 16th Street NW., Suite 406, Washington, D.C. 20006.
B. Gulf & Western Industries, Inc., 600 New Hampshire Avenue NW., Washington, D.C. 20037.
D. (6) $4,000.

A. Arthur E. Cameron, 918 16th Street NW., Suite 406, Washington, D.C. 20006.
B. LFE Corp., et al., 1601 Trapelo Road, Waltham, Mass. 02154.
D. (6) $3,750.

A. Arthur E. Cameron, 918 16th Street NW., Suite 406, Washington, D.C. 20006.
B. Prismo Universal, et al., 300 Lanidex Plaza, Parsippany, N.J. 07054.
D. (6) $5,499.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street NW., Suite 695, Washington, D.C. 20037.
B. ACLI International, Inc., New York City, N.Y.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street NW., Suite 695, Washington, D.C. 20037.
B. PPG Industries, Inc., 1 Gateway Center, Pittsburgh, Pa. 15222.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street NW., Suite 695, Washington, D.C. 20037.
B. Occidental Petroleum Corp., 10889 Wilshire Boulevard, Suite 1500, Los Angeles, Calif.

A. C. Russell Campbell, Jr., Suite 900, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. General Telephone & Electronics Corp., 1 Stamford Forum, Stamford, Conn. 06904.
D. (6) $500.

A. Carl C. Campbell, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $211.79.

A. Jerry L. Campbell, 831 Chestnut Street, Chattanooga, Tenn. 37402.
B. Tennessee Valley Public Power Association, 831 Chestnut Street, Chattanooga, Tenn. 37402.

A. Thomas D. Campbell, 1000 16th Street NW., Suite 500, Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $1,500. E. (9) $138.20.

A. Can Manufacturers Institute, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.
E. (9) $375.

A. Alyce D. Canaday, Pacific Power & Light Co., 918 16th Street NW., Washington, D.C. 20006.
B. Pacific Power & Light Co., Public Service Building, Portland, Oreg. 97204.
D. (6) $400. E. (9) $423.56.

A. H. Spofford Canfield, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for The Budd Co.).
D. (6) $1,500.

A. H. Spofford Canfield, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for Distilled Spirits Council).
D. (6) $1,500.

A. W. Dean Cannon, Jr., 9800 South Sepulveda Boulevard, Suite 500, Los Angeles, Calif. 90045.
B. California Savings & Loan League, 9800 South Sepulveda Boulevard, Suite 500, Los Angeles, Calif. 90045.
D. (6) $2,000. E. (9) $1,253.15.

A. David L. Cantor, 1111 19th Street NW., Washington, D.C. 20036.
B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $65.

9. Marvin H. Caplan, Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $5,632.25. E. (9) $89.30.

A. Caplin & Drysdale, 1101 17th Street, Washington, D.C. 20036.
B. Council on Foundations, Inc., 1828 L Street NW., Washington, D.C. 20036.

A. Ronald A. Capone, Kirlin, Campbell & Keating, 1150 Connecticut Avenue NW., No. 800, Washington, D.C. 20036.
B. Council of European & Japanese National Shipowners' Association, 17/18 Bury Street, London, EC3A 5AH England.
D. (6) $8,400. E. (9) $972.83.

A. Charles E. Capron, 2401 Calvert Street, No. 905, Washington, D.C. 20008.

A. Arnold P. Caputo, 7600 Tremayne Place, No. 302, McLean, Va. 22101.
B. National Concrete Masonry Association, 2302 Horse Pen Road, Herndon, Va. 22070.
D. (6) $90.75. E. (9) $40.63.

A. Isaac R. Caraco, 4532 Park Monaco, Calabasas Park, Calif. 91302.
B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Norval E. Carey, General Atomic Co., 2021 K Street NW., Suite 709, Washington, D.C. 20006.
B. General Atomic Co., San Diego, Calif.
D. (6) $1,800. E. (9) $55.

A. W. H. Carey, Phillips Petroleum Co., 1825 K Street NW., Suite 1107, Washington, D.C.
B. Phillips Petroleum Co., Bartlesville, Okla.

A. Peter Carlson, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,875.

A. Chapin Carpenter, Jr., Magazine Publishers Association, 1629 K Street NW., No. 603, Washington, D.C. 20006.
B. Magazine Publishers Association, 575 Lexington Avenue, New York, N.Y. 10022.
D. (6) $1,500.

A. Jack M. Carpenter, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $56.99. E. (9) $9.75.

A. Richard M. Carrigan, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $1,884.34. E. (9) $193.

A. John R. Carson, 20 Chevy Chase Circle, Washington, D.C. 20015.
B. American Podiatry Association, 20 Chevy Chase Circle, Washington, D.C. 20015.
D. (6) $8,000.

A. Charles S. Carter, Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $206. E. (9) $120.02.

A. David C. Carter, 1156 15th Street NW., Suite 1019, Washington, D.C. 20005.
B. United States Beet Sugar Association, 1156 15th Street NW., Washington, D.C. 20005.

A. Harlon B. Carter, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $1,625.

A. Joseph L. Carter, Jr., Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $308. E. (9) $108.51.

A. James P. Carty, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $425.

A. Jim Casey, 1010 16th Street NW., Suite 700, Washington, D.C. 20036.
B. American Falls Reservoir District, 1132 Locust Street, Twin Falls, Idaho 83301.
D. (6) $2,000. E. (9) $158.

A. Jim Casey, 1010 16th Street NW., Suite 700, Washington, D.C. 20036.
B. Amfac Nurseries, Inc., 1710 Gilbreth Road, Suite 22, Burlingame, Calif.
D. (6) $1,800. E. (9)$145.

A. Jim Casey, 1010 16th Street NW., Suite 700, Washington, D.C. 20036.
B. City of Virginia Beach, Municipal Center, Virginia Beach, Va. 23456.
D. (6) $500. E. (9) $43.

A. Jim Casey, 1010 16th Street NW., Suite 700, Washington, D.C. 20036.
B. Committee on Power for the Southwest, Inc., 5541 East Skelly Drive, Tulsa, Okla.
D. (6) $3,000. E. (9) $245.

A. Jim Casey, 1010 16th Street NW., Suite 700, Washington, D.C. 20036.
B. Twin Falls Canal Co., P.O. Box 326, Twin Falls, Idaho.
D. (6) $1,600. E. (9) $129.

A. John S. Casey, P.O. Box 266, Heflin, Ala. 36264.
B. Alabama Railroad Association, P.O. Box 21, Montgomery, Ala. 36101.

A. Casey, Lane & Mittendorf, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Kansas Delaware Tribe Indians, Inc., 1090 Aladdin, Norman, Okla. 73609.
E. (9) $11.12.

A. Casey, Lane & Mittendorf, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Wabanex Energy Corp., Ltd., 759 Victoria Square, Montreal, Quebec H2Y 2K4 Canada.

A. James B. Cash, Jr., American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,000. E. (9) $254.55.

A. Eugene I. Casraiss, Jr., United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 1757 N Street NW., Washington, D.C. 20036.
B. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $8,445.62. E. (9) $129.75.

A. John J. Castellani, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $425. E. (9) $21.50.

A. Joseph E. Cavanagh, International Brotherhood of Electrical Workers, 1125 15th Street NW., Washington, D.C. 20005.
B. International Brothrehood of Electrical Workers, AFL–CIO–CLC, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $2,375.

A. Frank R. Cawley, Agricultural Publishers Association, Inc., P.O. Box 2351, Falls Church, Va. 22042.
B. Agricultural Publishers Association, Inc., P.O Box 2351, Falls Church, Va. 22042.
D. (6) $350. E. (9) $182.25.

A. Dorothy D. Cecelski, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,312.47.

A. Cederberg & Associates, 7100 Sussex Place, Alexandria, Va. 22307.
B. RCA, United Technologies, Grumman Corp. & Martin Marietta Corp.
D. (6) $800.

A. Central Lincoln People's Utility District, 255 Southwest Coast Highway, Newport, Oreg. 97365.
E. (9) $4,596.50.

A. Central States Resource Center, P.O. Box 477, Urbana, Ill. 61801.
D. (6) $10,597. E. (9) $8,754.83.

A. CF Industries, Inc., Energy Cooperative, Inc., Salem Lake Drive, Long Grove, Ill. 60047.
E. (9) $1,000.

A. R. S. Chamberlin, Dow Chemical U.S.A., 1800 M Street NW., Suite 700S, Washington, D.C. 20036.
B. The Dow Chemical Co., Midland, Mich. 48640.
D. (6) $680. E. (9) $580.

A. John A. Chambers, 1050 17th Street NW., Suite 680, Washington, D.C. 20036.
B. Satra Corp., 1211 Avenue of the Americas, New York, N.Y. 10036.
D. (6) $3,200. E. (9) $900.

A. Ed Chandler, 7901 Westpark Drive, McLean, Va. 22102.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22102.
D. (6) $500. E. (9) $500.

A. J. W. Chandler, York Division, Borg-Warner Corp., 1101 17th Street NW., Washington, D.C. 20036.
B. York Division, Borg-Warner Corp., South Richland Avenue, York, Pa. 17405.
E. (9) $33.06.

A. William C. Chapman, General Motors Corp., 1660 L Street NW., Suite 805, Washington, D.C. 20036.
B. General Motor Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,000. E. (9) $4,636.01.

A. John E. Chapoton, 2100 First City National Bank Building, Houston, Tex. 77002.
B. Vinson & Elkins, 2100 First City National Bank Building, Houston, Tex. 77002; for Domestic Wildcatters Association, 900 First City National Bank Building, Houston, Tex. 77002.
D. (6) $1,000. E. (9) $287.87.

A. David F. Chavkin, National Health Law Program, 1424 16th Street NW., Suite 304, Washington, D.C. 20036.
B. National Health Law Program, 2401 Main Street, Santa Monica, Calif. 90405.
D. (6) $650.66. E. (9) $960.87.

A. Leslie Cheek III, Crum & Forster Corp., 1120 Connecticut Avenue NW., Suite 1142, Washington, D.C. 20036.
B. Crum & Forster Corp., Madison Avenue at Canfield Road, P.O. Box 2387, Morristown, N.J. 07960.
D. (6) $14,500. E. (9) $939.

A. Jane Cheever, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
D. (6) $11.

A. Jane Cheever, First National Boston Corp. 100 Federal Street, Boston, Mass. 02110.
B. First National Corp., 100 Federal Street, Boston, Mass. 02110.

A. Chemical Specialties Manufacturers Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $278.07. E. (9) $278.07.

A. Chemical Manufacturers Association, Inc., 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $5,000. E. (9) $3,000.

A. Children's Rights, Inc., 3443 17th Street NW., Washington, D.C. 20010.

D. (6) $224.70. E. (9) $217.19.

A. Philip R. Chisholm, National Oil Jobbers Council, Inc., 1707 H Street NW., 11th floor, Washington, D.C. 20006.

B. National Oil Jobbers Council, Inc., 1707 H Street NW., 11th floor, Washington, D.C. 20006.

D. (6) $6,125. E. (9) $514.06.

A. Hal M. Christensen, 1101 17th Street NW., Washington, D.C. 20036.

B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.

D. (6) $3,000.

A. Chugach Electric Association, Inc., P.O. Box 3518, Anchorage, Alaska 99501.

E. (9) $23.79.

A. Donald T. Chunn, Route 2, Box 89, Columbia, Tenn. 38401.

B. Title Asssociates, Inc., Route 2, Box 89, Columbia, Tenn. 38401.

A. James W. Ciarroccki, Natural Gas Supply Association, 1025 Connecticut Avenue NW., Suite 505, Washington, D.C. 20036.

B. Natural Gas Supply Association, 1025 Connecticut Avenue NW., Suite 505, Washington, D.C. 20036.

D. (6) $987.50. E. (9) $117.

A. Citizen Inflation Fighters, Inc., P.O. Box 617, Naples, Fla. 33940.

D. (6) $451.59. E. (9) $308.15.

A. Citizen/Labor Energy Coalition, 1300 Connecticut Avenue NW., Room 403, Washington, D.C. 20036.

D. (6) $2,160. E. (9) $2,160.

A. Citizens Committee for the Right to Keep and Bear Arms, 1601 114th SE., Suite 151, Bellevue, Wash. 98004.

D. (6) $164,379.30. E. (9) $9,014.68.

A. Citizens for Government Fairness, P.O. Box 1336, Brawley, Calif. 92227.

D. (6) $7,800. E. (9) $14,289.46.

A. Citizens for Management of Alaska Lands, Inc., 840 K Street, Suite 205, Anchorage, Alaska 99501.

D. (6) $144,606.80. E. (9) $149,983.29.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.

B. Ashland Oil, Inc., 1401 Winchester Avenue, Ashland, Ky.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.

B. Crown Central Petroleum Corp., 1 North Charles Street, P.O. Box 1168, Baltimore, Md. 21203.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.

B. International Processors, 4100 One Shell Square, New Orleans, La. 70139.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.

B. Toyota Motor Sales, U.S.A., 2055 West 190th Street, Torrance, Calif. 90504.

A. Anne Harrison Clark, Population Resource Center, Inc., 110 Maryland Avenue NE., Washington, D.C. 20002.

B. Population Resource Center, 622 Third Avenue, New York, N.Y. 10017.

D. (6) $862. E. (9) $164.

A. Earl W. Clark, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $1,132.50. E. (9) $66.12.

A. James W. Clark, Jr., American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.

B. American Optometric Association, c/o Dr. Wendell D. Waldie, 3111 Aloma, Wichita, Kans. 67211.

D. (6) $132.93. E. (9) $392.98.

A. Kimball Clark, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.

D. (6) $146.99. E. (9) $125.88.

A. Richard W. Clark, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $2,750.01.

A. Thomas R. Clark, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

D. (6) $139.40.

A. Vernon A. Clark, 1899 L Street NW., Suite 403, Washington, D.C. 20036.

B. Outdoor Advertising Association of America, Inc., 1899 L Street NW., Suite 403, Washington, D.C. 20036.

D. (6) $750. E. (9) $463.

A. Donald M. Clarke, International Harvester Co., 1707 L Street NW., Washington, D.C. 20036.

B. International Harvester Co., 1707 L Street NW., Washington, D.C. 20036.

D. (6) $1,250. E. (9) $417.99.

A. Wade P. Clarke, Jr., Deere & Co., John Deere Road, Moline, Ill. 61265.

B. Deere & Co., John Deere Road, Moline, Ill. 61265.

D. (6) $100. E. (9) $21.50.

A. Clay Pipe Industry Depletion Committee, P.O. Box 6, Pittsburg, Kans. 66762.

A. Jacob Clayman, 815 16th Street NW., Washington, D.C. 20006.

B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $1,375.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Sporting Arms & Ammunition Manufacturers Institute, 420 Lexington Avenue, New York, N.Y. 10017.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Synthetic Organic Chemical Manufacturers Association, 1075 Central Park Avenue, Scarsdale, N.Y. 10583.

D. (6) $1,000. E. (9) $28.50.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

B. Time-Critical Shipment Committee.

D. (6) $350. E. (9) $5.05.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenu NW., Washington, D.C. 20036.

B. Tosco Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.

D. (6) $900. E. (9) $56.50.

A. Frank Clements, 900 15th Street NW., Washington, D.C. 20005.

B. United Mine Workers of America, 900 15 Street NW., Washington, D.C. 20005.

D. (6) $1,697.93. E. (9) $1,334.

A. Ronald D. Clements, 1111 19th Street NW., Washington, D.C. 20036.

B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

D. (6) $455. E. $288.

A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Australian Meat & Livestock Corp., 1 World Trade Center, New York, N.Y. 10048.

D. (6) $300. E. (9) $75.75.

A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Avco Corp., 750 Third Avenue, New York, N.Y. 10017.

D. (6) $4,900. E. (9) $1,225.

A. Clifford & Warnke, 815 Connecticut Avenue, Washington, D.C. 20006.

B. Joint Corporate Committee on Cuban Claims, c/o Lone Star Industries, Inc., P.O. Box 5050, Greenwich, Conn. 06830.

D. (6) $900. E. (9) $270.

A. Clifford & Warnke, 815 Connecticut Avenue, Washington, D.C. 20006.

B. New York Cocoa Exchange, Inc. & New York Cocoa Clearing Association, Inc., 127 John Street, New York, N.Y.; New York Coffee & Sugar Exchange, Inc., 4 World Trade Center, New York, N.Y.

D. (6) $2,920. E. (9) $730.

A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. The Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Warner-Lambert Co., 201 Tabor Road, Morris Plains, N.J. 07950.

A. Walter Clinton, 6845 Elm Street, No. 500, McLean, Va. 22101.

B. Jack McDonald Association, Inc., 6845 Elm Street, No. 500, McLean, Va. 22101 (for The Sugar Association of America, 1511 K Street NW., Washington, D.C. 2005).

D. (6) $800.

A. Stephen J. Cloud, American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington, Va. 22209.

B. American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington, Va. 22209.

D. (6) $575. E. (9) $16.04.

A. CNA, CNA Plaza, Chicago, Ill. 60685.

E. (9) $1,000.

A. The Coalition for Full Nuclear Insurance, Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $5,552. E. (9) $5,552.

A. Coalition of Automotive Associations, 1825 K Street NW., Suite 1103, Washington, D.C. 20006.

A. Thomas B. Coates, Connecticut Petroleum Council, 410 Asylum Street, Hartford, Conn. 06103.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Richard B. Cobb, Petroleum Council of Georgia, 230 Peachtree Street NW., Suite 1500, Atlanta, Ga. 30303.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.

E. (9) $2,067.90.

A. John J. Coffey, 1700 K Street NW., Washington, D.C. 20006.

B. Chevron U.S.A., Inc. (a subsidiary of Standard Oil Co. of California), 1700 K Street NW., Washington, D.C. 20006.

D. (6) $650.

A. David Cohen, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $11,764.40. E. (9) $14.40.

A. Cohen and Uretz, 1775 K Street NW., Fourth Floor, Washington, D.C. 20006.

B. Estate of Sylvia S. Buring, 1837 Harbor Avenue, Memphis, Tenn. 38113.

D. (6) $11,492. E. (9) $4.

A. Cohen and Uretz, 1775 K Street NW., Fourth Floor, Washington, D.C. 20006.

B. Wometco Enterprises, Inc., 306 North Miami Avenue, Miami, Fla. 33138.

D. (6) $8,284.88. E. (9) $89.47.

A. Herbert B. Cohn, Morgan, Lewis & Bockius, 1800 M Street NW., Washington, D.C. 20036.

B. Committee On Capital Formation Through Dividend Reinvestment.

D. (6) $45.

A. E. William Cole, Jr., 1100 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.

D. (6) $900. E. (9) $80.

A. Eleanor Cole, UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C. 20036.

B. UBA, Inc., 1800 M Street NW., Suite 460 South, Washington, D.C. 20036.

D. (6) $1,000.

A. Ken W. Cole, Security Life Building, Denver, Colo. 80202.

B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

A. R. Michael Cole, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $7,857.25. E. (9) $107.25.

A. Robert E. Cole, General Motors Corp., 1660 L Street NW., Washington, D.C.

B. General Motors Corp.

D. (6) $2,500. E. (9) $1,262.02.

A. Stacey W. Cole, New Hampshire Petroleum Council, 23 School Street, Concord, N.H. 03301.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.

B. Cardio Pulmonary Contractors Association, 2550 M Street NW., Washington. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.

B. College of American Pathologists, 7400 North Skokie Boulevard, Skokie, Ill. 60076.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.

B. National Association of Truck Stop Operators, P.O. Box 1285, Alexandria, Va. 22313.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.

B. National Pharmaceutical Alliance, 2550 M Street NW., Washington, D.C. 20037.

D. (6) $7,500.

A. Calvin J. Collier, Hughes Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.

B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.

A. Calvin J. Collier, Hughes Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.

B. M. Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $192.50. E. (9) $2.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. Allied General Nuclear Services, 2120 L Street NW., Suite 245, Washington, D.C. 20037.

D. (6) $500.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.

D. (6) $2,500.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. Can Manufacturers Institute, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. Conoco Coal Development Co., High Ridge Park, Stamford, Conn. 06904.

D. (6) $1,000.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. Fallek-Lankro Corp., 460 Park Avenue, New York, N.Y. 10022.

D. (6) $1,000.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. Ferrous Scrap Consumers Coalition, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

D. (6) $4,000. E. (9) $2,371.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.

D. (6) $700.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20036.

B. Republic of China, Taipei, Taiwan.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. Tool and Stainless Steel Industry Committee, 10 Thomas Jefferson Street NW., Washington, D.C. 20007.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. Wheelabrator-Frye, Inc., Liberty Lane, Hampton, N.H. 03842.

D. (6) $1,250.

A. Bruce Collins, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

D. (6) $344.

A. Frank Collins, Oil, Chemical & Atomic Workers International Union, 1126 16th Street NW., Washington, D.C. 20036.

B. Oil, Chemical & Atomic Workers International Union, 1636 Champa Street, Denver, Colo. 80201.

D. (6) $2,000.

A. George R. Collins, IUE–AFL–CIO, 1126 16th Street NW., Washington, D.C. 20036.

B. IUE–AFL–CIO, 1126 16th Street NW., Washington, D.C. 20036.

D. (6) $600. E. (9) $300.

A. Dale S. Collinson, Willkie Farr & Gallagher, 153 East 53d Street, New York, N.Y. 10022.

B. Willkie Farr & Gallagher, 153 East 53d Street, New York, N.Y. 10022.

E. (9) $176.

A. Robert B. Collyer, UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C. 20036.

B. UBA, Inc., 1800 M Street NW., Suite 460 South, Washington, D.C. 20036.

D. (6) $1,000.

A. Colorado Railroad Association, 420 Denver Club Building, Denver, Colo. 80202.

A. Committee for Do-It-Yourself Household Moving 1100 17th Street NW., Suite 1000, Washington, D.C. 20036.

A. Committee for Effective Capital Recovery, 1901 L Street NW., Suite 303, Washington, D.C. 20036.

A. Committee for Effective Tax Incentives, One Farragut Square South, Eighth Floor, Washington, D.C. 20006.

E. (9) $2,000.

A. Committee For Equality of Citizens Before the Courts, 3401 West Division Street, Chicago, Ill. 60651.

D. (6) $350. E. (9) $572.78.

A. Committee for Humane Legislation, Inc., 2101 L Street NW., Washington, D.C. 20037; 11 West 60th Street, New York, N.Y. 10023.

D. (6) $16,404.72. E. (9) $18,506.93.

A. Committee of Urban Program Universities, 1300 19th Street NW., No. 220 Washington, D.C. 20036.

D. (6) $25,500. E. (9) $9,251.60.

A. Committee On Capital Formation, Through Dividend Reinvestment, 1800 M Street NW., Suite 800N, Washington, D.C. 20036.

E. (9) $142.50.

A. Committee To Assure the Availability of Casein, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Committee To Save Indian Housing, 910 16th Street, No. 1020, Denver, Colo. 80202.

D. (6) $60. E. (9) $804.72.

A. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $1,279,305. E. (9) $323,682.72.

A. Lance Compa, United Electrical, Radio & Machine Workers of America, 1411 K Street NW., Suite 410, Washington, D.C. 20005.

B. United Electrical, Radio and Machine Workers of America, 11 East 51 Street, New York, N.Y. 10022.

D. (6) $3,960.32. E. (9) $97.50.

A. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.

E. (9) $2,530.05.

A. Congress Watch, 133 C Street SE., Washington, D.C. 20003.

D. (6) $29,742.83. E. (9) $29,742.83.

A. Congressional District Action Committee, 700 Euclid Avenue, Wilmington, Del. 19809.

D. (6) $20. E. (9) $38.13.

A. Congressional District Action Committee, No. 7, c/o Joe Tomaino, 2735 Ivy Street, Tampa, Fla. 33607.

D. (6) $50.

A. Congressional District Action Committee, 23 Cliffview Drive, North East, Md. 21901.

D. (6) $2. E. (9) $2.80.

A. Raymond F. Conkling, 1050 17th Street NW., Washington, D.C. 20036.

B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.

D. (6) $200.

A. Jeffrey B. Conley, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) $1,225.

A. Connecticut Bankers Association, 100 Constitution Plaza, No. 956, Hartford, Conn. 06103.

A. Robert J. Conner, Chrysler Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Chrysler Corp., 12000 Townsend Drive, Highland Park, Mich. 48288.

D. (6) $500. E. (9) $814.56.

A. Stephen N. Conner, Route 1, Box 165, Easton, Md.

B. Ministry of Foreign Affairs, Kingdom of Saudi Arabia, c/o Royal Embassy of Saudi Arabia, 1520 18th Street NW., Washington, D.C.

D. (6) $10,000. E. (9) $938.86.

A. Albert J. Conners, Air Force Sergeants Association, Inc., 1608 Pittsfield Lane, Bowie, Md. 20715.

B. Air Force Sergeants Association, Inc., 4235 28th Avenue, Suite 713, Marlow Heights, Md. 20031.

A. John J. Connolly, The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.

B. The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.

D. (6) $495.

A. Jerry C. Connors, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. Consolidated Natural Gas Service Co., Inc., Four Gateway Center, Pittsburgh, Pa. 15222.

A. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.

E. (9) $17,451.95.

A. Constructora Nacional de Carros de Ferrocarril, San Lorenzo 925, 5 Piso, Mexico 12, D.F., Mexico.

E. (9) $19,884.45.

A. Continental Resources Co., P.O. Box 44, Winter Park, Fla. 32790.

E. (9) $6,027.

A. Contract Carrier Conference of American Trucking Associations, Inc., 1730 Rhode Island Avenue NW., Suite 801, Washington, D.C. 20036.

A. Control Data Corp., 500 West Putnam Avenue, Greenwich, Conn. 06830.

E. (9) $100.

A. John T. Conway, American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.

B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.

D. (6) $6,562.50. E. (9) $335.01.

A. Alexandra W. Cook, Electronic Data Systems Corp., 229 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Electronic Data Systems Corp., 229 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $350.08. E. (9) $388.13.

A. Charles F. Cook, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

D. (6) $261.58. E. (9) $12.50.

A. Frederick N. Cook, Vermont Petroleum Association, P.O. Box 566, Montpelier, Vt. 05602.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $750.

A. Harry N. Cook, 1130 17th Street NW., Washington, D.C. 20036.

B. The National Waterways Conference, Inc.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.

B. American Motorcyclist Association, P.O. Box 141, Westerville, Ohio 43081.

D. (6) $183.75.

A. Cook & Henderson, 1735 K Street NW., Second Floor, Washington, D.C. 20006.

B. B.A.T. Industries, Limited, P.O. Box 345, Windsor House, 50 Victoria Street, London SW1H OWL England.

D. (6) $27,699.38. E. (9) $240.34.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.

B. Harley-Davidson Motor Co., Inc., P.O. Box 652, Milwaukee, Wis. 53201.

D. (6) $1,425. E. (9) $171.78.

A. J. Crawford Cook, P.O. Box 50485, Columbia, S.C. 29250.

B. J. Crawford Cook, Inc., P.O. Box 50485, Columbia, S.C. 29250 (for the Kingdom of Saudi Arabia, Riyadh, Saudi Arabia).

E. (9) $4,329.96.

A. J. Crawford Cook, Inc., P.O. Box 50485, Columbia, S.C. 29250.

B. The Kingdom of Saudi Arabia, Riyadh, Saudi Arabia.

D. (6) $2,905.58. E. (9) $36,672.47.

A. K. Richard Cook, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.

D. (6) $475.

A. Robert M. Cook, 4900 Oak Street, Kansas City, Mo. 64112.

B. Livestock Marketing Association, 4900 Oak Street, Kansas City, Mo. 64112.

D. (6) $500. E. (9) $35.26.

A. Eileen D. Cooke, American Library Association, 110 Maryland Avenue NE., Box 54, Washington, D.C. 20002.

B. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.

D. (6) $933.

A. Benjamin Y. Cooper, Printing Industries of America, Inc., 1730 North Lynn Street, Arlington, Va. 22209.

B. Printing Industries of America, Inc., 1730 North Lynn Street, Arlington, Va. 22209.

D. (6) $1,000. E. (9) $16.

A. Edward Cooper, 1600 I Street NW., Washington, D.C. 20006.

B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C. 20006.

A. Janet Cooper, 1016 16th Street NW., Washington, D.C. 20036.

B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

D. (6) $45.50. E. (9) $45.50.

A. Joshua W. Cooper, 626 South Lee Street, Alexandria, Va. 22314.

B. Portsmouth-Kittery Armed Services Committee, Inc., Box 1123, Portsmouth, N.H. 03801.

D. (6) $2,800. E. (9) $807.56.

A. Mitchell J. Cooper, 1001 Connecticut Avenue NW., Washington. D.C. 20036.

B. Council of Forest Industries, 1055 West Hastings Street, Vancouver 1, Canada.

D. (6) $3,000.

A. Mitchell J. Cooper, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

B. Footwear Division, Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $10,500. E. (9) $20.28.

A. Cooperative League of the U.S.A., 1828 L Street NW., Suite 1100, Washington, D.C. 20036.

D. (6) $5,900. E. (9) $875.

A. Darrell Coover, National Association of Independent Insurers, 499 South Capitol SW., Suite 401, Washington, D.C. 20003.

B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.

D. (6) $4,000. E. (9) $217.

A. John F. Corcoran, Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.

B. Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.

D. (6) $1,000.

A. P. H. Corcoran, Association of Oil Pipe Lines, 1725 K Street NW., Washington, D.C. 20006.

B. Association of Oil Pipe Lines, 1725 K Street NW., Washington, D.C. 20006.

A. Samuel C. Corey, 2500 DeKalb Pike, Norristown, Pa. 19404.

B. Provident Indemnity Life Insurance, 2500 DeKalb Pike, Norristown, Pa. 19404.

A. Bennett J. Corn, Coffee, Sugar & Cocoa Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.

B. Coffee, Sugar & Cocoa Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.

A. Donald E. Cornett, Exxon Corp., 1899 L Street NW., Suite 1100, Washington, D.C. 20036.

B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

A. Richard L. Corrigan, 1155 15th Street NW., No. 713, Washington, D.C. 20005.

B. American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.

D. (6) $875.

A. R. H. "Dick" Cory, 1510 American Bank Tower, Austin, Tex. 78701.

B. Central and South West Services, Inc., One Main Place, Suite 2700, Dallas, Tex. 75250.

A. John E. Cosgrove, Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

B. Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $10,224.24.

A. Cosmetic Toiletry & Fragrance Association, Inc., 1133 15th Street NW., Washington, D.C. 20005.

A. David Cosson, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

D. (6) $360.

A. James R. Costello, Jr., American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.

B. American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.

D. (6) $500. E. (9) $74.85.

A. Michael E. Costello, 1660 L Street NW., Suite 901, Washington, D.C. 20036.

B. Texas Eastern Transmission Corp., P.O. Box 2521, Houston, Tex. 77001.

E. (9) $166.17.

A. Carol Coston, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

A. Council of Industrial Boiler Owners, 11222 Silverleaf Drive, Fairfax Station, Va. 22039.

E. (9) $300.

A. Council of State Chambers of Commerce, 499 South Capitol Street SW., Suite 412, Washington, D.C. 20003.

D. (6) $858.80. E. (9) $102.40.

A. James H. Cousins, National Savings and Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.

B. National Savings and Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.

D. (6) $800. E. (9) $80.

A. Douglas Couttee, United Food and Commercial Workers International Union, 1775 K Street NW., Washington, D.C. 20006.

B. United Food and Commercial Workers International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.

D. (6) $564.54.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. American Association of Oral and Maxillofacial Surgeons, 211 East Chicago Avenue, Chicago, Ill. 60611.

E. (9) $20.25.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. American Watch Association, 10 East 40th Street, New York, N.Y. 10016.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Bristol Bay Native Corp., P.O. Box 220, Anchorage, Alaska 99510.

E. (9) $71.10.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Houdaille Industries, Inc., One Financial Plaza, Fort Lauderdale, Fla. 33394.

D. (6) $1,360.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Hugo Neu, 380 Madison Avenue, New York, N.Y. 10017 (for Hugo Neu & Sons, Inc., 380 Madison Avenue, New York, N.Y. 10017).

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Interbank Card Association, 888 Seventh Avenue, New York, N.Y. 10019.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Irving Trust Co., One Wall Street, New York, N.Y. 10015.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Lydall, Inc., 615 Parker Street, Manchester, Conn. 06040.

E. (9) $1.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. National Committee for Limited Profit Housing, c/o HRH Construction Corp., 515 Madison Avenue, New York, N.Y. 10022.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

E. (9) $15.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. New York State Urban Development Corp., One Astor Plaza, New York, N.Y. 10036.

E. (9) $188.16.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Securities Industry Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

D. (6) $1,200.

A. Eugene S. Cowen, 2759 Unicorn Lane NW., Washington, D.C. 20015.

B. American Broadcasting Co., 1150 17th Street NW., Washington, D.C. 20036.

D. (6) $38.40.

A. C. Bryan Cox, P.O. Box 139, Kansas City, Mo. 64141.

B. Kansas City Life Insurance Co., P.O. Box 139, Kansas City, Mo. 64141.

D. (6) $144.50. E. (9) $578.19.

A. David H. Cox, 1828 L Street NW., Suite 1111, Washington, D.C. 20036.

B. Jackson, Campbell and Parkinson, 1828 L Street NW., Suite 1111, Washington, D.C. 20036 (for L'Enfant Plaza Properties, Inc.).

D. (6) $1,500.

A. Kenneth A. Cox, 1150 17th Street NW., Washington, D.C. 20036.

B. MCI Communications Corp., 1150 17th Street NW., Washington, D.C. 20036.

D. (6) $3,855. E. (9) $13.95.

A. William J. Cox, 1707 L Street NW., No. 400, Washington, D.C. 20036.

B. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., No. 400, Washington, D.C. 20036.

D. (6) $8,353. E. (9) $839.

A. Harold P. Coxson, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) $530. E. (9) $28.

A. Cramer and Lipsen, 475 L'Enfant Plaza SW., Suite 4100, Washington, D.C. 20024.

B. Government of Nicaragua, Managua, Nicaragua.

E. (9) $1,693.17.

A. Paul W. Crane, 5 Corte Alegra, Greenbrae, Calif. 94904.

B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Charles S. Crawford, Hill and Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill and Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for Hide Action Program).

D. (6) $3,900.

A. William D. Crawford, 400 First Street NW., Washington, D.C. 20001.

B. Brotherhood Railway Carmen of the United States and Canada, 4949 Main Street, Kansas City, Mo. 64112.

D. (6) $1,470.

A. Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

E. (9) $739.64.

A. Aldene E. Creech, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611; 925 15th Street NW., Washington, D.C. 20005.

D. (6) $1,500. E. (9) $176.70.

A. Kathryn Hilton Creech, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

D. (6) $125.

A. Joseph M. Cribben, 6900 Valley Brook Drive, Falls Church, Va. 22042.

B. United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, 901 Massachusetts Avenue NW., Washington, D.C. 20001.

D. (6) $1,750. E. (9) $45.61.

A. Richard E. Cristol, Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.

B. Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346 (for Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346).

D. (6) $390.

A. Critical Mass Energy Project, 133 C Street SE., Washington, D.C. 20003.

D. (6) $450.63. E. (9) $450.63.

A. P. H. Croft, American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.

B. American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $1,325.01. E. (9) $1,483.79.

A. Robert W. Cromartie, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $125.

A. Donald A. Crosier, Nebraska Petroleum Council, P.O. Box 95063, 334 South 13th Street, Lincoln, Nebr. 68509.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. David T. Crow, The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.

B. The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.

D. (6) $5,000. E. (9) $6,159.19.

A. Jack A. Crowder, American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.

B. American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.

D. (6) $2,000. E. (9) $20.10.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Associated Gas Distributors, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.

D. (6) $600. E. (9) $20.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Commuter Airline Association of America, Inc., 1101 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $300.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Control Data Corp., 6003 Executive Boulevard, Rockville, Md. 20852.

E. (9) $163.88.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Pacific Southwest Airlines, 3225 North Harbor Drive, San Diego, Calif. 92101.

A. George D. Crowley, Jr., Groom & Nordberg, Suite 450, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Bally Manufacturing Corp., 2640 Belmont Avenue, Chicago, Ill. 60618

D. (6) $1,000. E. (9) $650.

A. Cuba Claims Association, P.O. Box 014004, Miami, Fla. 33101.

E. (9) $200.

A. Barry M. Cullen, International Paper Co., 1620 I Street NW., No. 700, Washington, D.C. 20006.

B. International Paper Co., 1620 I Street NW., No. 700, Washington, D.C. 20006.

D. (6) $160.

A. Edward M .Cummins, One United Drive, Fenton, Mo. 63026.

B. United Van Lines, Inc., One United Drive, Fenton, Mo. 63026.

D. (6) $6,000. E. (9) $1,164.18.

A. Cummins Engine Co., Inc., 1000 Fifth Street, Columbus, Ind. 47201.

A. John T. Curran, Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.

B. Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.

D. (6) $12,075. E. (9) $562.92.

A. Curtis, Mallet-Prevost, Colt & Mosle, 100 Wall Street, New York, N.Y. 10005.

B. United States Trust Co. of New York, 45 Wall Street, New York, N.Y. 10005.

D. (6) $39. E. (9) $13.21.

A. Thomas B. Curtis, Curtis, Crossen, Hensley, Allen, Curtis & Altman, 7912 Bonhomme, Suite 304, Clayton, Mo. 63105.

B. Encyclopedia Britannica, 425 North Michigan Avenue, Chicago, Ill. 60611.

D. (6) $1,200.

A. William K. Dabaghi, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $1,541.

A. William Kay Daines, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.

B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.

D. (6) $300. E. (9) $14.50.

A. Donald W. Dalrymple, American Cyanamid Co., Lederle Laboratories & Consumer Products Divisions, 1625 I Street NW., Suite 401, Washington, D.C. 20006.

B. American Cyanamid Co., Wayne, N.J. 07470 (for Lederle Laboratories, Pearl River, N.Y. 10965).

D. (6) $1,975. E. (9) $239.53.

A. John M. Damgard, ACLI International, Inc., 888 17th Street NW., No. 902, Washington, D.C. 20006.

B. ACLI International, Inc., 717 Westchester Avenue, White Plains, N.Y. 10604.

D. (6) $1,000.

A. Frank C. Damrell, Jr., 5900 Wilshire Boulevard, Suite 2600, Los Angeles, Calif. 90036.

B. Coastal States Gas Corp., 9 Greenway Plaza, Houston, Tex. 77046.

D. (6) $100.

A. Tracy Danese, P.O. Box 529100, Miami, Fla. 33152.

B. Florida Power & Light Co., P.O. Box 529100, Miami, Fla. 33152.

D. (6) $446. E. (9) $20.75.

A. John E. Daniel, American Paper Institute, Inc., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Daniels, Houlihan & Palmeter, 1819 H Street NW., No. 340, Washington, D.C. 20006.

B. American Importers Association, 420 Lexington Avenue, New York, N.Y. 10017.

D. (6) $5,000. E. (9) $502.

A. Daniels, Houlihan & Palmeter, 1819 H Street NW., Washington, D.C. 20006.

B. Japan Lumber Importers Association, Tokyo, Japan.

E. (9) $472.33.

A. Joan E. Dannenbaum, 1707 L Street NW., Suite 515, Washington, D.C. 20036.

B. Association of Media Producers, 1707 L Street NW., Suite 515, Washington, D.C. 20036.

D. (6) $4,000. E. (9) $100.

A. Dan Danner, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Armco, 815 Connecticut Avenue NW., Washington, D.C. 20006.

D. (6) $300. E. (9) $247.90.

A. Danzansky, Dickey, Tydings, Quint & Gordon, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Railway Utilization Corp., 1100 Centre Square East, 1500 Market Street, Philadelphia, Pa. 19102.

D. (6) $1,015.

A. William H. Darden, Reynolds Metals Co., 1620 I Street NW., Washington, D.C. 20006.

B. Reynolds Metals Co., 6601 West Broad Street, Richmond, Va. 23261.

D. (6) $750. E. (9) $30.

A. Thomas Roger Dart, Alabama Petroleum Council, P.O. Box 4220, Montgomery, Ala. 36101.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $177.50. E. (9) $24.20.

A. Philip J. Daugherty, Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $5,632.25. E. (9) $346.36.

A. John B. Davenport, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $185.

A. Larry C. Davenport, Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.

B. Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346 (for Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346).

D. (6) $1,200.

A. Daniel I. Davidson, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. Northern California Power Agency, 770 Kiely Boulevard, Santa Clara, Calif. 95051, and the cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Ukiah, Calif., and associate member, Plumas-Sierra Rural Electric Cooperative.

A. John L. Davidson, Jr., The St. Louis Mercantile Library Association, 510 Locust Street, St. Louis, Mo. 63188.

B. The St. Louis Mercantile Library Association, 510 Locust Street, St. Louis, Mo. 63188.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. First Chicago Corp., 1 First National Plaza, Chicago, Ill. 60670.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Inland Steel Co., 30 West Monroe Street, Chicago, Ill. 60603.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.

D. (6) $4,350.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill. 60606.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill 60603.

B. Peoples Gas Co., 122 Southern Michigan Avenue, Chicago, Ill. 60603.

D. (6) $1,575.

A. Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603

B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.

A Charles W. Davis, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.

A. David R. Davis, Indiana Petroleum Council, 714 Harrison Building, Indianapolis Ind. 46204.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Drew M. Davis, National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

D. (6) $305.76. E. (9) $118.46.

A. Edward M. Davis, American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.

B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.

D. (6) $2,887.51. E. (9) $183.19.

A. Kenneth E. Davis, 1899 L Street NW., No. 807, Washington, D.C. 20036.

B. Room & Haas Co., Independence Mall West, Philadelphia, Pa. 19105.

D. (6) $500. E. (9) $225.73.

A. Ovid R. Davis, The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.

B. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.

D. (6) $284. E. (9) $472.80.

A. R. Hilton Davis, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) $453. E. (9) $43.80.

A. Robert W. Davis, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Ford Motor Co., Dearborn, Mich.

D. (6) $1,300. E. (9) $1,216.

A. Walter L. Davis, United Food & Commercial Workers International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.

B. United Food & Commercial Workers International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.

D. (6) $750.

A. William Lee Davis, 299 Park Avenue, New York, N.Y. 10017.

B. Westvaco Corp., 299 Park Avenue, New York, N.Y. 10017.

D. (6) $227.50. E. (9) $225.15.

A. P. M. Davison, Jr., North Dakota Railway Lines, 418 East Rosser Avenue, P.O. Box 938, Bismarck, N. Dak. 58501.

B. North Dakota Railway Lines.

E. (9) $767.93.

A. J. Edward Day, 21 Dupont Circle, NW., Washington, D.C. 20036.

B. Electronic Industries Association, Consumer Electronics Group, 2001 I Street NW., Washington, D.C. 20006.

A. John Russell Deane III, 1825 K Street NW., Suite 1103, Washington, D.C. 20006.

B. Coalition of Automotive Associations, 1825 K Street NW., Suite 1103, Washington, D.C. 20006.

A. John Russell Deane III, 1825 K Street NW., Suite 1103, Washington, D.C. 20006.

B. Specialty Equipment Market Association, 11530 East Slauson Avenue, Whittier, Calif. 90606.

E. (9) $20.

A. Deaver & Hannaford, Inc., 2030 M Street NW., Suite 403, Washington, D.C. 20036.

B. National Venture Capital Association, 2030 M Street NW., No. 403, Washington, D.C. 20036.

D. (6) $3,500. E. (9) $816.51.

A. Robert L. Debo, c/o Missouri Oil Council, 428 East Capitol, Suite 203, Jefferson City, Mo. 65101.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Tony T. Dechant, National Farmers Union, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.

B. The Farmers Educational & Co-Operative Union of America (National Farmers Union), Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.

D. (6) $7,500. E. (9) $83.19.

A. Mark O. Decker, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $42.

A. Winston M. Decker, American Veterinary Medical Association, 1522 K Street NW., No. 828, Washington, D.C. 20005.

B. American Veterinary Medical Association, 1522 K Street NW., No. 828, Washington, D.C. 20005.

D. (6) $115.

A. Winston M. Decker, 1522 K Street NW., No. 828, Washington, D.C. 20005.

B. Association of American Veterinary Medical Colleges, 1552 K Street NW., No. 828, Washington, D.C. 20005.

A. DeHart Associates, Inc., 1505 22d Street NW., Washington, D.C. 20037.

B. Recording Industry Association of America, Inc., 1633 Broadway, New York, N.Y. 10019.

D. (6) $1,550. E. (9) $489.94.

A. DeHart Associates, Inc., 1505 22d Street NW., Washington, D.C. 20037.

B. University of New Mexico, 152 Scholes Hall, Albuquerque, N. Mex. 87131.

A. Myra J. DeLapp, 1901 L Street NW., Washington, D.C. 20036.

B. Security Pacific National Bank, 333 South Hope Street, Los Angeles, Calif. 90071.

D. (6) $684. E. (9) $110.

A. Dell, Craighill, Fentress & Benton, 888 17th Street NW., Suite 1200, Washington, D.C. 20006.

B. Governor Roberto de la Madrid, Gobernador de Baja, California, P.O. Box 286, San Ysidro, Calif. 92073.

D. (6) $4,500. E. (9) $741.59.

A. Dell, Craighill, Fentress & Benton, 888 17th Street NW., Washington, D.C. 20006.

B. Sr. Jesus Almeida, N., Mexican National Confederation of Livestock Producers, 16th Street, No. 3200, Chihuahua, Chihuahua, Mexico.

D. (6) $5,000. E. (9) $160.58.

A. Garry DeLoss, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $2,250.

A. Bradford T. Dempsey, 512 West Maple Avenue, No. 210, Vienna, Va. 22180.

A. Ray Denison, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $11,544. E. (9) $352.30.

A. John H. Denman, Missouri Oil Council, 428 East Capitol, Suite 203, Jefferson City, Mo. 65101.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $440. E. (9) $509.50.

A. Daniel B. Denning, Gulf Oil Corp., 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.

D. (6) $200. E. (9) $7.

A. Wells Denyes, Eastman Chemical Products, Inc., 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Eastman Chemical Products, Inc., P.O. Box 431, Kingsport, Tenn. 37662.

D. (6) $275. E. (9) $28.81.

A. Derrel B. DePasse, Container Corp. of America, 5000 Flat Rock Road, Philadelphia, Pa. 19127.

B. Container Corp. of America, 5000 Flat Rock Road, Philadelphia, Pa. 19127.

D. (6) $8,000.

A. Desautels Associates, Inc., 1725 K Street NW., Suite 811, Washington, D.C. 20006.

B. Flavor & Extract Manufacturers Association of the United States, 900 17th Street NW., Washington, D.C. 20006.

D. (6) $200.

A. Desautels Associates, Inc., 1725 K Street NW., Suite 811, Washington, D.C. 20006.

B. Merrill Lynch, Pierce, Fenner & Smith, Inc., 1 Liberty Place, New York, N.Y. 10006.

D. (6) $1,000.

A. Desautels Associates, Inc., 1725 K Street NW., Suite 811, Washington, D.C. 20006.

B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

D. (6) $750.

A. R. Daniel Devlin, Trans World Airlines, Inc., 1000 16th Street NW., Washington, D.C. 20036.

B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10016.

D. (6) $330.

A. Ralph B. Dewey, Pacific Gas & Electric Co., 1050 17th Street NW., Suite 1180, Washington, D.C. 20036.

B. Pacific Gas & Electric Co., 77 Beale Street, San Francisco, Calif. 94106.

D. (6) $553.50. E. (9) $432.03.

A. Charles J. DiBona, 2101 L Street NW., Washington, D.C. 20037.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $1,875.

A. John M. Dickerman, John Dickerman & Associates, Inc., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Lumber & Building Material Dealers Association, 1990 M Street NW., Suite 350, Washington, D.C. 20036.
D. (6) $13,154.29. E. (9) $636.10.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Agtek International, Inc., 189 Elm Street, New Canaan, Conn. 06840.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. American Fisheries Defense Committee, 2101 L Street NW., 10th Floor, Washington, D.C. 20037.
D. (6) $7,200.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Atlantic Fisheries Association, Inc., P.O. Box 3552, Hampton, Va. 23663.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Custom Automotive Sound Association, Inc., 2101 L Street NW., Suite 1000, Washington, D.C. 20037.
D. (6) $1,000.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Holstein-Fresion Association of America, Holstein-Fresion Services, Inc., Suite 2500, 1500 Main Street, Springfield, Mass. 01115.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C 20037.
B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Kennecott Copper Corp., 161 East 42d Street, New York, N.Y.
D. (6) $3,355.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Marine Engineers Beneficial Association, 444 North Capitol Street, Washington, D.C. 20001.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Mitsubishi International Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. National Federation of Societies for Clinical Social Work, 698 West End Avenue, New York, N.Y. 10025.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Tennessee Gas Transmission Co., P.O. Box 2511, Houston, Tex. 77001.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. United States Tour Operators Association, 1671 Wilshire Boulevard, Los Angeles, Calif. 90017.

A. John R. Dierker, 1150 17th Street NW., Washington, D.C. 20036.
B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166.
D. (6) $300. E. (9) $20.40.

A. Paula A. Dilley, Marathon Oil Co., 1800 M Street NW., Washington, D.C. 20036.
B. Marathon Oil Co., Findlay, Ohio 45840.

A. Timothy V. A. Dillon, 1850 K Street NW., No. 380, Washington, D.C. 20006.
B. Westlands Water District, P.O. Box 5222, Fresno, Calif. 93755.
D. (6) $1,526.43. E. (9) $26.43.

A. Michael F. Dineen, Lumbermens Mutual Casualty Co., Suite 206, 600 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Lumbermens Mutual Casualty, Long Grove, Ill. 60049.
D. (6) $1,800.

A. Harley M. Dirks, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $2,887.50. E. (9) $20.85.

A. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $43,447.42. E. (9) $43,447.42.

A. Discover America Travel Organizations, Inc., 1899 L Street NW., Washington, D.C. 20036.
D. (6) $2,104. E. (9) $2,104.

A. J. L. Disque, 556 Morris Avenue, Summit, N.J. 07901.
B. CIBA-GEIGY Corp., 556 Morris Avenue, Summit, N.J. 07901.
D. (6) $1,760. E. (9) $1,172.18.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France.
D. (6) $11. E. (9) $14,193.72.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. European Aerospace Corp., 1101 15th Street NW., Washington, D.C. 20015.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. Government of Morocco, Rabat, Morocco.
D. (6) $11,557.50. E. (9) $5,786.70.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. Sofreavia, 75 rue la Boetie, Paris 8eme, France.
D. (6) $295. E. (9) $43.12.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. Thomson-CSF (Division Equipements Avioniques), 178 Boulevard Gabriel Péri, 92240 Malakoff, France.

A. H. A. Doersam, 517 Powell Drive, Annapolis, Md. 21401.
B. Household Finance Corp., 2700 Sanders Road, Prospect Heights, Ill. 60070.
D. (6) $1,485. E. (9) $1,033.60.

A. John D. Doherty, Jr., 900 17th Street NW., Washington, D.C. 20006.
B. The Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York, N.Y. 10015.
D. (6) $220. E. (9) $32.69.

A. Hollis M. Dole, Atlantic Richfield, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $950.

A. David P. Dolgen, Seafarers International Union, 815 16th Street NW., Suite 510, Washington, D.C. 20006.
B. Seafarers International Union, 815 16th Street NW., Room 510, Washington, D.C. 20006.
D. (6) $1,233.

A. Julie Domenick, 818 18th Street NW., Suite 750, Washington, D.C. 20006.
B. Municipal Labor Committee, 140 Park Place, New York, N.Y. 10007.
D. (6) $9,125.09. E. (9) $1,518.27.

A. Domestic Wildcatters Association, 900 First City National Bank Building, Houston, Tex. 77002.
D. (6) $10,000. E. (9) $1,023.35.

A. Frank Domurad, Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
B. Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
D. (6) $600.

A. William J. Donovan, National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.
B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.
D. (6) $300. E. (9) $75.86.

A. Francis X. Dooley, 525 School Street SW., Washington, D.C. 20024.
B. American Road & Transportation Builders Association, 525 School Street SW., Washington, D.C. 20024.
D. (6) $3,000. E. (9) $175.

A. Joseph W. Dorn, Kilpatrick & Cody, Suite 400, 2033 K Street NW., Washington, D.C. 20006.
B. Kilpatrick & Cody, Suite 400, 2033 K Street NW., Washington, D.C. 20006 (for Furniture Rental Association of America (FRAA)).
E. (9) $50.

A. James A. Dorsch, 1750 K Street NW., Washington, D.C.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.; 919 Third Avenue, New York, N.Y.; 332 South Michigan Avenue, Chicago, Ill.

A. H. Eugene Douglas, 1970 Chain Bridge Road, McLean, Va. 22102.
B. Memorex Corp., San Tomas at Central Expressway, Santa Clara, Calif. 95052.
D. (6) $5,000.

A. Dow, Lohnes & Albertson, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. Chicago Metropolitan Higher Education Council, et al.
D. (6) $2,850. E. (9) $10,649.24.

A. Dow, Lohnes & Albertson, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. Security Marine Terminal Co.; Hampton Roads Co.
D. (6) $2,325. E. (9) $1,768.05.

A. Richard Morgan Downey, American Speech, Language, Hearing Association, 10801 Rockville Pike, Rockville, Md. 20852.
B. American Speech, Language, Hearing Association, 10801 Rockville Pike, Rockville, Md.
D. (6) $6,875. E. (9) $15.

A. John C. Doyle, Jr., Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington D.C. 20003.
D. (6) $1,500.

A. John P. Doyle, Jr., Bell Helicopter Textron, 1666 K Street NW., Suite 300, Washington, D.C. 20006.
B. Bell Helicopter Textron, 1666 K Street NW., Suite 300, Washington, D.C. 20006.
D. (6) $2,466. E. (9) $450.47.

A. Robert H. Doyle, 1120 Connecticut Avenue NW., No. 310, Washington, D.C. 20036.

B. Plumbing Manufacturers Institute, P.O. Box 484, Glen Ellyn, Ill. 60137.

D. (6) $41.65.

A. Robert H. Doyle, 1120 Connecticut Avenue NW., No. 310, Washington, D.C. 20036.

B. Water Quality Association, 477 East Butterfield Road, Lombard, Ill. 60148.

D. (6) $332.50.

A. Nancy Drabble, 133 C Street SE., Washington, D.C. 20003.

B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.

D. (6) $3,416.66.

A. James E. Drake, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.

B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.

D. (6) $2,984.85. E. (9) $104.08.

A. Andrew Drance, Room 402, 2020 North 14th Street, Arlington, Va. 22201.

B. Media General, Inc., 333 East Grace Street, Richmond, Va., 23219.

D. (6) $171.66. E. (9) $29.

A. Anthony V. Dresden, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Kevin J. Driscoll, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.

B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.

D. (6) $400. E. (9) $50.

A. Thomas E. Drumm, Jr., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

B. Macmillan, Inc., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $400. E. (9) $1,800.

A. Lawrence M. Dubin, 1 First National Plaza, Chicago, Ill. 60603.

B. Peoples Gas Co., 122 South Michigan Avenue, Chicago, Ill. 60603.

D. (6) $1,575.

A. Evelyn Dubrow, International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.

B. International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.

D. (6) $7,533. E. (9) $4,513.88.

A. Morgan D. Dubrow, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $142.

A. Henry A. Dudley, 1737 H Street NW., Washington, D.C. 20006.

B. Republic of Turkey, 1606 23d Street NW., Washington, D.C. 20008.

D. (6) $4,200. E. (9) $649.83.

A. Francis J. Duggan, Association of American Railroads, 412 First Street SE, Suite 200, Washington, D.C. 20003.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.

D. (6) $728.06. E. (9) $429.04.

A. Mervin E. Dullum, 1629 K Street NW., Room 204, Washington, D.C. 20006.

B. Delta Air Lines, Inc., Hartsfield Atlanta International Airport, Atlanta, Ga. 30320.

D. (6) $200. E. (9) $27.10.

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.

B. Adolph Kizas, 2633 Fort Farnsworth Road, Alexandria, Va. 22303.

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.

B. East Bay Regional Park District, 11500 Skyline Boulevard, Oakland, Calif. 94169.

B. Delaware 5.

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.

B. Huron-Clinton, 3050 Penobscot, Detroit, Mich. 48226.

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.

B. Iva May Harvey, Route 7, Box 117, Blythe, Calif. 92225.

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.

B. Kenai Natives Association, Inc., P.O. Box 1210 Wildwood, Kenai, Alaska 99611.

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.

B. Koniag, Inc., P.O. Box 746, Kodiak, Alaska.

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.

B. Mid-West Consumers, P.O. Box 5089, Evergreen, Colo.

A. Duncan, Weinberg, Palmer & Miller, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.

B. Western Fuels Association, Inc., 1835 K Street NW., No. 412, Washington, D.C. 20006.

A. Louise C. Dunlap, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $250.

A. Douglas G. Dunn, Northern Natural Gas Co., 1133 15th Street NW., Washington, D.C. 20005.

B. Northern Natural Gas Co., 2223 Dodge Street, Omaha, Nebr. 68102.

D. (6) $1,500.

A. Mari Lee Dunn, American Council for Capital Formation, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Council for Capital Formation, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Stuart Dunwoody, 1990 M Street NW., Suite 620, Washington, D.C. 20036.

B. Consumer Energy Council of America, 1990 M Street NW., Suite 620, Washington, D.C. 20036.

A. James A. Dupree, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Ford Motor Co., Dearborn, Mich. 48121.

D. (6) $1,625. E. (9) $751.38.

A. Joseph L. Duran, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

D. (6) $504.72 E. (9) $612.27.

A. L. L. Duxbury, Burlington Northern, Inc., Suite 506, 2000 L Street NW., Washington, D.C. 20036.

B. Burlington Northern, Inc., 176 East Fifth Street, St. Paul, Minn. 55101.

D. (6) $5,000. E. (9) $959.04.

A. R. Ken Dyar, 1620 Southeast 127th Avenue, Vancouver, Wash. 98664.

B. Central Lincoln People's Utility District, 255 Southwest Coast Highway, Newport, Oreg. 97635.

D. (6) $1,600. E. (9) $1,354.

A. Jean F. Dye, 12700 Lake Avenue, Lakewood, Ohio 44107.

B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill. 60611.

A. Dennis J. Earhart, 1753 Euclid Street NW., Washington, D.C. 20009.

B. Bonneville Associates, Inc., 200 East South Temple, Suite 300, Salt Lake City, Utah 84111; The Western Regional Council, 200 East South Temple, Suite 300, Salt Lake City, Utah 84111.

D. (6) $4,348.26.

A. Blakeman Early, Sierra Club, 330 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.

A. Jack D. Early, The Madison Building, Suite 514, 1155 15th Street NW., Washington, D.C. 20005.

B. National Agricultural Chemicals Association, 1155 15th Street NW., Suite 514, Washington, D.C. 20005.

A. Roy W. Easley, Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.

B. Association of Maximum Service Telecasters, 1735 DeSales Street NW., Washington. D.C. 20036.

A. East-West Trade Council, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $2,560. E. (9) $6.20.

A. Patricia E. Ebaugh, St. Joe Minerals Corp., 1730 Rhode Island Avenue NW., Suite 911, Washington, D.C. 20036.

B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017.

D. (6) $1,375. E. (9) $28.94.

A. Donald R. Ebe, Goodyear Tire & Rubber Co., 1800 K Street NW., Suite 800, Washington, D. C. 20006.

B. Goodyear Tire and Rubber Co., Akron Ohio 44316.

D. (6) $1,500.

A. Robert E. Ebel, ENSERCH Corp., 1205 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.

B. ENSERCH Corp., 301 South Harwood Street, Dallas, Tex. 75201.

D. (6) $1,450. E. (9) $907.

A. Harold F. Eberle, Independent Insurance Agents of America, Inc., 1120 19th Street NW., Washington, D.C. 20036.

B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.

D. (6) $14,134.68. E. (9) $500.

A. N. Boyd Ecker, Mobil Oil Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

D. (6) $1,500. E. (9) $40.50.

A. Jack Eckard Corp., P.O. Box 4689, Clearwater, Fla. 33518.

E. (9) $317.77.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., No. 460, Washington, D.C. 20006.
B. Airline Passengers Association, Inc., P.O. Box 2758, Dallas, Tex. 75221.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., No. 460, Washington, D.C. 20006.
B. Alaska Airlines, P.O. Box 68900, Seattle, Wash. 98188.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., Suite 460, Washington, D.C. 20006.
B. American Seat Belt Council, P.O. Box 467, New Rochelle, N.Y. 10801.
D. (6) $3,000. E. (9) $126.36.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., Suite 460, Washington, D.C. 20006.
B. National Utility Contractors Association, 815 15th Street NW., Suite 838, Washington, D.C. 20005.
D. (6) $500. E. (9) $1,083.53.

A. Edelman International Corp., 1730 Pennsylvania Avenue NW., No. 460, Washington, D.C. 20006.
B. DGA International, 1225 19th Street NW., Washington, D.C. 20036; Airbus Industrie, 31700 Blagnac, Toulouse, France.
D. (6) $13,990. E. (9) $201.89.

A. Edelman International Corp., 1730 Pennsylvania Avenue NW., Suite 460, Washington, D.C. 20006.
B. Government of Turkey/Embassy of Turkey, 1606 23d Street NW., Washington, D.C.
D. (6) $21,300. E. (9) $8,739.63.

A. Edelman International Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Republic of Haiti/Embassy of Haiti, 4400 17th Street NW., Washington, D.C.

A. Peter B. Edelman, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006. (for Smith Barney, Harris Upham & Co., Inc.).

A. Peter B. Edelman, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Republic of the Philippines).

A. William R. Edgar, 1025 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.
B. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.
D. (6) $2,451.92.

A. Arthur B. Edgeworth, Jr., United States League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill
D. (6) $3,112.50.

A. Edison Electric Institute, 1111 19th Street NW., Ninth Floor, Washington, D.C. 20036.
D. (6) $32,878.04. E. (9) $17,390.31.

A. Stephen L. Edmiston, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $6,022.

A. Jonathan W. Edwards, 507 Second Street NE., Washington, D.C. 20002.
B. Blue Ribbon Sports, Inc., 8285 Southwest Nimbus Avenue, Beaverton, Oreg. 97005.

A. Jonathan W. Edwards, 507 Second Street NE., Washington, D.C. 20002.
B. The Confederated Tribes of Warm Springs, Warm Springs, Oreg. 97761.
E. (9) $100.

A. Jonathan W. Edwards, 507 Second Street NE., Washington, D.C. 20002.
B. The Navajo Nation, Window Rock, Ariz. 86515.
E. (9) $100.

A. Macon T. Edwards, National Cotton Council of America, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $2,062.50. E (9) $104.19.

A. H. Brent Egbert, 1800 K Street NW., Suite 920, Washington, D.C. 20006.
B. BankAmerica Corp., Bank of America Center, San Francisco, Calif.
D. (6) $177.21. E. (9) $217.28.

A. Charles E. Ehrhart, 1800 K Street NW., Suite 924, Washington, D.C. 20006.
B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.
D. (6) $400. E. (9) $134.

A. J. C. B. Ehringhaus, Jr., 1875 I Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, 1875 I Street NW., Washington, D.C. 20006.

A. Sara Ehrman, 444 North Capitol Street NW., Room 412, Washington, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street NW., Room 412, Washington, D.C. 20001.
D. (6) $2,625.

A. Electronic Data System Corp., 229 Pennsylvania Avenue SE., Washington, D.C. 20003.
E. (9) $2,324.86.

A. George K. Eliades, Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.
B. Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.
D. (6) $250. E. (9) $360.

A. J. Burton Eller, Jr. 425 13th Street NW., Suite 1020, Washington, D.C. 20004.
B. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203.
D. (6) $1,000.

A. Charles W. Elliott, Wisconsin Petroleum Council, 25 West Main Street, Room 703, Madison, Wis. 53703.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $116.67.

A. John Doyle Elliott, 5500 Quincy Street, Hyattsville, Md. 20784.
E. (9) $522.70.

A. Perry R. Ellsworth, National Council of Agricultural Employers, 1425 H Street NW., Washington, D.C. 20005.
B. National Council of Agricultural Employers, 1425 H Street NW., Washington, D.C. 20005.
D. (6) $2,000. E. (9) $13.

A. Roy Elson, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $4,200. E. (9) $1,400.

A. Joseph T. Elvove, P.O. Box 5039, Hilton Head Island, S.C. 29928.
B. Publicker Industries, Inc., 777 West Putnam Avenue, Greenwich, Conn. 06830.
D. (6) $10,050. E. (9) $6,412.68.

A. Law offices of Northcutt Ely, Watergate 600 Building, Washington, D.C. 20037.
B. Ocean Mining Associates, Gloucester Point, Va.
D. (6) $6,000.

A. Carl F. Emde, Air Products and Chemicals, Inc., 1800 K Street NW., Suite 1016, Washington, D.C. 20006.
B. Air Products and Chemicals, Inc., P.O. Box 538, Allentown, Pa. 18105.
D. (6) $50.

A. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
E. (9) $1,751.

A. William Emerson, TRW, Inc., Suite 800, 2030 M Street NW., Washington, D.C. 20036.
B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.
D. (6) $1,000.

A. Lowell J. Endahl, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $235.

A. Energy Action Educational Foundation, 1523 L Street NW., No. 302, Washington, D.C. 20005.
D. (6) $675. E. (9) $1,996.91.

A. Energy Consumers and Producers Association, P.O. Box 1726, Seminole, Okla. 74868.
D. (6) $19,013.68. E. (9) $19,013.68.

A. Ralph Engel, 1001 Connecticut Avenue NW., No. 1120, Washington, D.C. 20036.
B. Chemical Specialties Manufacturers Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

A. Patricia Hanahan Engman, Bristol-Myers Co., 1155 15th Street NW., Washington, D.C. 20005.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.
D. (6) $500.

A. M. Dale Ensign, Husky Oil Co., 1800 M Street NW., Suite 295, Washington, D.C. 20036.
B. Husky Oil Co., P.O. Box 380, Cody, Wyo. 82414.
D. (6) $500. E. (9) $112.23.

A. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $39,221. E. (9) $32,782.11.

A. James R. Enyart, Monsanto Co., 1101 17th Street NW., Suite 604, Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
D. (6) $500. E. (9) $71.66.

A. Vickie L. Erickson, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $600.

A. John M. Erskine, Jr., P.O. Box 3092, Houston, Tex. 77001.

B. Standard Oil Co. (Indiana), P.O. Box 3092, Houston, Tex. 77001.
D. (6) $92.26. E. (9) $53.14.

A. George T. Esherick, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.
D. (6) $140. E. (9) $84.

A. Thomas E. Esterly, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $24.20.

A. John T. Estes, 1150 Connecticut Avenue NW., No. 700, Washington, D.C. 20036 .
B. Allied Chemical Corp., P.O. Box 3000–R, Morristown, N.J. 07960.
D. (6) $500. E. (9) $20.

A. Ethyl Corp., 1155 15th Street NW., Suite 611, Washington, D.C. 20005.
E. (9) $1,800.

A. Frank E. Evans, c/o Davis, Graham & Stubbs, 1300 19th Street NW., No. 400, Washington, D.C. 20036.
B. Purgatoire River Water Conservation District, 430 East Main St., Trinidad, Colo. 81082.
D. (6) $2,405. E. (9) $680.70.

A. Joseph O. Evans, 4401 Lee Highway, Apt. 21, Arlington, Va. 22207.

A. Robert D. Evans, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Fawn K. Evenson, 1611 North Kent Street, Suite 900, Arlington, Va. 22209.
B. American Footwear Industries Association, 1611 North Kent Street, Arlington, Va. 22209.
D. (6) $1,200. E. (9) $226.41.

A. Conrad H. C. Everhard, American Hawaiian Cruising Line, Inc., Wall Street Plaza, Suite 1840, New York, N.Y. 10005.
B. American Hawaiian Cruising Line, Inc., Wall Street Plaza, New York, N.Y. 10005.
E. (9) $400.

A. Robbie Exley, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $27.40. E. (9) $27.40.

A. Robert R. Fahs, Cargill, Inc., 1050 17th Street NW., Washington, D.C. 20036.
B. Cargill, Inc., P.O. Box 9300, Minneapolis, Minn. 55440.
D. (6) $2,500.

A. Families Associated for Inalienable Rights, Inc., 1101 Connecticut Avenue NW., No. 800, Washington, D.C. 20006.
D. (6) $24,500. E. (9) $9,950.15.

A. Thomas B. Farley II, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $5,875. E. (9) $111.10.

A. The Farmers' Educational & Cooperative Union of America. Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $107,033.50. E. (9) $50,517.09.

A. Robert S. Faron, LeBoeuf, Lamb, Leiby & MacRae, 1333 New Hampshire Avenue NW., Washington, D.C.
B. LeBoeuf, Lamb, Leiby & MacRae, 140 Broadway, New York, N.Y.; 1333 New Hampshire Avenue NW., Washington, D.C.
D. (6) $4.02.

A. John W. Farquhar, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Dolores L. Farr, American Nurses' Association, 1030 15th Street NW., Suite 408, Washington, D.C. 20005.
B. American Nurses' Association, 2420 Pershing Road, Kansas City, Mo. 64108.
D. (6) $2,640. E. (9) $144.71.

A. Penelope S. Farthing, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. Penelope S. Farthing, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Insurance Cos., Allstate Plaza, Northbrook, Ill. 60062.

A. R. Roy Fausset, 1050 17th Street NW., No. 301, Washington, D.C. 20036.
B. Freeport Minerals Co., 200 Park Avenue, New York, N.Y. 10017.
D. (6) $250.

A. Clinton Fawcett, Coastal States Gas Corp., 9 Greenway Plaza, Houston, Tex. 77046.
B. Coastal States Gas Corp., 9 Greenway Plaza, Houston, Tex. 77046.
D. (6) $1,375. E. (9) $90.

A. Jane Fawcett-Hoover, The Proctor & Gamble Manufacturing Co., 1801 K Street NW., Suite 230, Washington, D.C. 20006.
B. The Proctor & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.
D. (6) $10.42.

A. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $1,192.59. E. (9) $1,192.59.

A. Federation of American Hospitals, 1101 17th Street NW., No. 310, Washington, D.C. 20036.
D. (6) $7,650. E. (9) $7,650.

A. Federation of American Scientists, 307 Massachusetts Avenue NE., Washington, D.C. 20002.
E. (9) $1,820.88.

A. John W. Feist, 900 17th Street NW., No. 1016, Washington, D.C. 20006.
B. Kaiser Steel Corp., 900 17th Street NW., No. 1016, Washington, D.C. 20006.
D. (6) $403.13.

A. Lois M. Felder, United Food & Commercial Workers International Union, 1775 K Street NW., Washington, D.C. 20006.
B. United Food & Commercial Workers International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $723.90.

A. Fellowship Square Foundation, Inc., 11450 North Shore Drive, Reston, Va. 22090.

A. Kenneth E. Feltman, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $400.

A. Bernard Fensterwald, Jr., 2101 L Street NW., Suite 203, Washington, D.C. 20037.
B. Committee for Humane Legislation, Inc., 11 West 60th Street, New York, N.Y. 10023.
D. (6) $6,000. E. (9) $1,898.09.

A. Bernard Fensterwald, Jr., 2101 L Street NW., Suite 203, Washington, D.C. 20037.
B. National Nutritional Foods Association, 7727 South Painter Avenue, Whittier, Calif. 90602.
D. (6) $3,000. E. (9) $226.01.

A. Edward T. Fergus, Bache, Halsey, Stuart, Shields, Inc., 100 Gold Street, New York, N.Y. 10038.
B. Bache, Halsey, Stuart, Shields, Inc., 100 Gold Street, New York, N.Y. 10038.
D. (6) $700.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002.
B. Northwest Alaska Pipeline Co., P.O. Box 1526, Salt Lake City, Utah 84110.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002.
B. United States Borax & Chemical Corp., 3075 Wilshire Boulevard, Los Angeles, Calif. 90010.

A. James H. Ferguson, American Society for Personnel Administration, 1625 I Street NW., Suite 926, Washington, D.C. 20006.
B. American Society for Personnel Administration, 30 Park Drive, Berea, Ohio 44017.
D. (6) $5,000. E. (9) $1,626.

A. Vincent J. Ferri, 444 North Capitol Street NW., No. 820, Washington, D.C. 20001.
B. Professional Air Traffic Controllers Organization, 444 North Capitol Street NW., No. 820, Washington, D.C. 20001.

A. John L. Festa, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Blaine Fielding, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Samuel Stephen Fields, 100 Maryland Avenue NE., Washington, D.C. 20002.
B. National Coalition to Ban Handguns, 100 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $2,694.24. E. (9) $958.43.

A. Manuel D. Fierro, Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.
B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. Herbert A. Fierst, 610 Ring Building, 1200 18th Street NW., Washington, D.C. 20036.
B. Council of Forest Industries of British Columbia, 1500–1055 West Hastings Street, Vancouver V6E 2H1, British Columbia, Canada.
D. (6) $10,625.01. E. (9) $360.

A. Stanley R. Fike, 511 Boston Avenue, Takoma Park, Md. 20012.
B. Fike Metal Products Corp., Blue Springs, Mo. 64015; Fike Chemicals, Inc., Box 546, Nitro, W.Va. 25143.
D. (6) $450.

A. Stanley S. Fine, 22 Light Street, Suite 402, Baltimore, Md. 21202.
B. Scientific Games Development Corp., 2625 Cumberland Parkway NW., Atlanta, Ga. 30339.
D. (6) $100. E. (9) $10.

A. Matthew P. Fink, Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Co. Institute, 1775 K Street, NW., Washington, D.C. 20006.
D. (6) $22.50. E. (9) $6.

A. Sheldon I. Fink, Sonnenschein, Carlin, Nath & Rosenthal, 8000 Sears Tower, Chicago, Ill. 60606.
B. First Wisconsin Mortgage Trust, 233 South Wacker Drive, Chicago, Ill. 60606.
D. (6) $287.50. E. (9) $57.12.

A. Thomas D. Finnigan, Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.
E. (9) $82.

A. M. J. Fiocco, 1909 K Street NW., S-410, Washington, D.C. 20006.
B. National Industrial Traffic League, 1909 K Street NW., S-410, Washington, D.C. 20006.
D. (6) $1,062.50. E. (9) $35.

A. Firearms Lobby of America, 325 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $4,167.10. E. (9) $4,564.79.

A. First Class Mailers Association, Inc., 1101 New Hampshire Avenue NW., Suite 107, Washington, D.C. 20037.
E. (9) $42.

A. First Congressional District Action Committee, 6 Maxfield Court, Barrington, R.I. 02806.
D. (6) $800. E. (9) $695.12.

A. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
E. (9) $5,427.10.

A. First National Boston Corp., 100 Federal Street, Boston, Mass. 02110.

A. Michael D. Fischer, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006. (for Republic of the Philippines).

A. Richard L. Fischer, 1000 16th Street NW., Suite 500, Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $306. E. (9) $48.15.

A. Charles L. Fishman, 633 East Capitol Street SE., Washington, D.C. 20003.
D. (6) $5,500. E. (9) $4,250.

A. T. E. Fitzgerald, Jr., 18913 Quail Valley Boulevard, Gaithersburg, Md. 10760.
B. Household Finance Corp., 2700 Sanders Road, Prospect Heights, Ill. 60070.
D. (6) $1,427.50. E. (9) $700.13.

A. Five Freedoms, Inc., P.O. Box 656, Columbia, Md. 21045.

A. Hilliard J. Fjord, 602 Main Street, Suite 600, Cincinnati, Ohio 45202.
B. The Ohio River Co., 580 Walnut Street, Cincinnati, Ohio 45202.
D. (6) $1,500. E. (9) $160.

A. Susan Garber Flack, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $2,000. E. (9) $19.35.

A. Daniel V. Flanagan, Jr., 1801 K Street NW., Suite 221, Washington, D.C. 20006.
B. Southern Pacific Co., 1 Market Plaza, San Francisco, Calif. 94105.
D. (6) $5,000. E. (9) $616.37.

A. James J. Flanagan, New England Power Service Co., 25 Research Drive, Westborough, Mass. 01581.
B. New England Power Service Co., 25 Research Drive, Westborough, Mass. 01581.
D. (6) $955.68. E. (9) $121.10.

A. M. Kendall Fleeharty, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $1,120. E. (9) $17.32.

A. C. D. Fleet, Jr., 681 Lafayette, Denver, Colo. 80218.
B. N. B. Hunt, 2500 First National Bank of Dallas Building, Dallas, Tex. 75202.

A. Florida Gas Transmission Co., P.O. Box 44, Winter Park, Fla. 32790.

A. James F. Flug, 2904 Brandywine Street NW., Washington, D.C. 20008.
B. Energy Action Educational Foundation, 1523 L Street NW., Washington, D.C. 20005.
D. (6) $1,000.18.

A. John J. Flynt, Jr., Smalley, Cogburn & Flynt, P.O. Drawer A, Griffin, Ga. 30224.
B. AVCO Corp., 1275 King Street, Greenwich, Conn. 06830.
D. (6) $6,229.12. E. (9) $1,229.12.

A. Robert P. Fogarty, NAM, 3499 Ridgewood Drive, Columbus, Ohio 43220.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Family Mutual Insurance Co., 3099 East Washington Avenue, Box 7430, Madison, Wis. 53707.
D. (6) $985. E. (9) $10.98.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Cabot Corp. & Subsidiaries, 125 High Street, Boston, Mass. 02110.
D. (6) $1,950.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Insurance Association of Connecticut, 60 Washington Street, Hartford, Conn. 06106.
D. (6) $4,500.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Republic of the Philippines.
E. (9) $3.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Smith Barney, Harris Upham & Co., Inc., 1345 Avenue of the Americas, New York, N.Y. 10019.

A. Food & Beverage Trades Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $9,908.24. E. (9) $9,908.24.

A. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
E. (9) $11,000.

A. Foodservice & Lodging Institute, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
E. (9) $300.

A. E. David Foreman, Jr., Foreman & Associates, Suite 601, 1776 K Street NW., Washington, D.C. 20006.
B. Ogden Corp., 277 Park Avenue, New York, N.Y. 10017.
D. (6) $8,000.

A. James W. Foristel, American Association of Ophthalmology, 1100 17th Street NW., Washington, D.C. 20036.
B. American Association of Ophthalmology, 1100 17th Street NW., Washington, D.C. 20036.
D. (6) $5,000.

A. Ira N. Forman, 444 North Capitol Street NW., Room 412, Washington, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street NW., Room 412, Washington, D.C. 20001.
D. (6) $6,499.98.

A. Sallie H. Forman, National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.
B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.
D. (6) $700. E. (9) $153.72.

A. David H. Foster, Natural Gas Supply Association, 1025 Connecticut Avenue NW., Suite 505, Washington, D.C. 20036.
B. Natural Gas Supply Association, 1025 Connecticut Avenue NW., Suite 505, Washington, D.C. 20036.
D. (6) $3,150. E. (9) $585.05.

A. Robert U. Foster, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Shipbuilders Council of America, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
D. (6) $10,000. E. (9) $377.

A. Ebert E. Fournace, 3706 Eaton Road NW., Canton, Ohio 44708.

A. Albert A. Fox, Jr., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Allied Chemical Corp., P.O. Box 3000—R, Morristown, N.J. 07960.
D. (6) $400. E. (9) $25.

A. John G. Fox, American Telephone & Telegraph Co., 2000 L Street NW., Washington, D.C 20036; 195 Broadway, New York, N.Y. 10007.
B. American Telephone & Telegraph Co., 195 Broadway, New York, N.Y. 10007.

A. Richard J. Fox, Standard Oil Co. (Indiana), 1000 16th Street NW., No. 503, Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $600. E.(9) $72.18.

A. Donald Fraher, 810 18th Street NW., Washington, D.C. 20006.
B. Handgun Control, Inc., 810 18th Street NW., Washington, D.C. 20006.
D. (6) $4,307.66. E. (9) $43.64.

A. William C. France, National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.
B. National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.

A. William H.G. France, National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.
B. National Motorsports Committee of ACCUS, 1701 K Street NW., Washington, D.C. 20006.

A. Peter Franchot, Union of Concerned Scientists, 1025 15th Street NW., Washington, D.C. 20005.

B. Union of Concerned Scientists, 1208 Massachusetts Avenue, Cambridge, Mass. 02138.

D. (6) $4,375.

A. Walter L. Frankland, Jr., 1717 K Street NW., Washington, D.C. 20006.

B. Silver Users Association, Inc., 1717 K Street NW., Washington, D.C. 20006.

D. (6) $999.90. E. (9) $80.50.

A. George Franklin, Watergate 600, Suite 480, Washington, D.C. 20037.

B. National Soft Drink Association, 1101 16 Street NW., Washington, D.C. 20036.

D. (6) $75. E. (9) $4.

A. Thomas C. Franks, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

D. (6) $1,500. E. (9) $697.86.

A. Welby M. Frantz, American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington, Va. 22209.

B. American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington, Va. 22209.

D. (6) $225. E. (9) $105.16.

A. Donald A. Frederick, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $1,207.

A. Robert M. Frederick, The National Grange, 1616 H Street NW., Washington, D.C. 20006.

B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.

D. (6) $4,062.50.

A. Harry L. Freeman, American Express Co., 1700 K Street NW., Washington, D.C. 20006.

B. American Express Co., American Express Plaza, New York, N.Y. 10004.

A. James O. Freeman, U.S. League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.

B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.

D. (6) $2,625. E. (9) $54.75.

A. David W. Freer, Western Oil & Gas Association, 2101 L Street NW., Washington, D.C. 20037.

B. Western Oil & Gas Association, 727 West 7th Street, Suite 850, Los Angeles, Calif. 90017.

D. (6) $825.

A. Pamela B. Freer, International Ladies' Garment Workers' Union, 1710 Broadway, New York City, N.Y. 10019.

B. International Ladies' Garment Workers' Union, 1710 Broadway, New York City, N.Y. 10019.

D. (6) $4,498. E. (9) $208.31.

A. Verrick O. French, National Retail Merchants Association, 1000 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. National Retail Merchants Association, 1000 West 31st Street, New York, N.Y. 10001.

D. (6) $500. E. (9) $15.

A. Charles H. Fritzel, National Association of Independent Insurers, 499 South Capitol Street NW., Suite 409, Washington, D.C. 20001.

B. Associated Builders & Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.

D. (6) $4,800. E. (9) $188.41.

A. George L. Frick, Delaware Oil Men's Association, 20 East Division Street, Dover, Del. 19901.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Susan Friday, National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.

B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.

D. (6) $1,260. E. (9) $71.64.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. The Nez Perce Tribe, Lapwai, Idaho.

D. (6) $1,874.30. E. (9) $7.50.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. The Oglala Sioux Tribe of the Pine Ridge Reservation, Pine Ridge, S.D. 57770.

D. (6) $1,081.50. E. (9) $6.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Pueblo of Laguna, Laguna, N. Mex.

D. (6) $2,922. E. (9) $9.50.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.

B. Vought Corp., P.O. Box 5907, Dallas, Tex. 75222.

A. Fried, Frank, Harris, Shriver & Kampelman, Suite 1000, 600 New Hampshire Avenue N.W., Washington, D.C. 20037.

B. Schenley Industries, Inc., 888 Seventh Avenue, New York, N.Y. 10019.

D. (6) $884.05.

A. Philip P. Friedlander, Jr., 1343 L Street, N.W., Washington, D.C. 20005.

B. National Tire Dealers & Retreaders Associations, Inc., 1343 L Street NW., Washington, D.C. 20005.

D. (6) $1,000.

A. James M. Friedman, 650 Terminal Tower, Cleveland, Ohio 44113.

B. Cleveland Electric Illuminating Co., 55 Public Square, Cleveland, Ohio 44113.

A. Joseph B. Friedman, 810 18th Street, NW., Washington, D.C. 20006.

B. Lucas, Friedman & Mann, 810 18th Street NW., Washington, D.C. 20006 (for Republic of the Philippines).

A. John A. Friel, American Nurses' Association, 1030 15th Street NW., Suite 408, Washington, D.C. 20005.

B. American Nurses' Association, 2420 Pershing Road, Kansas City, Mo.

D. (6) $2,132. E. (9) $118.16.

A. Gary R. Frink, Watergate 600, Suite 480, Washington, D.C. 20037.

B. Radwaste Management Group, 1800 M Street NW., Washington, D.C. 20036.

A. Owen V. Frisby, The Chase Manhattan Bank, 900 17th Street NW., Washington, D.C. 20006.

B. The Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York, N.Y. 10015.

D. (6) $420. E. (9) $53.08.

A. Charles H. Fritzel, National Association of Independent Insurers, 499 South Capitol Street SW., Suite 401, Washington, D.C. 20003.

B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.

D. (6) $300. E. (9) $130.

A. Jeffrey A. Fritzlen, Tenneco Inc., 490 L'Enfant Plaza East, SW., Washington, D.C. 20024.

B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.

D. (6) $1,000.

A. Cornelius F. Froeb, Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.

B. Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.

D. (6) $240.

A. Gordon H. Fry, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

A. David C. Fullarton, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW.,

D. (6) $760.

Washington, D.C. 20037.

A. Richard G. Fuller, National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.

B. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.

D. (6) $680.

A. Ronald K. Fuller, 1150 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.

B. San Diego Gas & Electric Co., 101 Ash Street, San Diego, Calif. 92112.

D. (6) $600. E. (9) $105.

A. Claudia R. Fuquay, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

D. (6) $500. E. (9) $79.95.

A. Edward W. Furia, 3515 East Spring Street, Seattle, Wash. 98122.

B. Citizens Action Group, Kodiak, Alaska.

A. Edward W. Furia, 3515 East Spring Street, Seattle, Wash. 98122.

B. New England Fish Co., Pier 89, Seattle, Wash. 98119.

D. (6) $3,750. E. (9) $250.

A. Edward W. Furia, 3515 East Spring Street, Seattle, Wash. 98122.

B. Weyerhaeuser Co., 2525 South 336th, Federal Way, Wash. 98003.

D. (6) $17,908. E. (9) $375.73.

A. Nancy H. Fussell, 1700 North Moore Street, Rosslyn, Va. 22209.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) $30.41.

A. G-4 Children's Coalition, 7309 Delfield Street, Chevy Chase, Md. 20015.

D. (6) $557. E. (9) $500.

A. Terry Gabrielson, 490 L'Enfant Plaza SW., No. 3202, Washington, D.C. 20024.

B. Transcontinental Gas Pipeline Corp., 2700 South Post Oak Road, Houston, Tex. 77001.

D. (6) $450.

A. James E. Gaffigan, American Hotel and Motel Association, Suite 1006, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Hotel and Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.

D. (6) $807.70.

A. Norman S. Gaines, 2550 M Street NW., Suite 770, Washington, D.C. 20037.

B. RJR Industries, Inc., P.O. Box 2959, Winston-Salem, N.C. 27102.
D. (6) $566.04.

A. Mark J. Gallagher, 1707 L Street NW., No. 400, Washington, D.C. 20036.
B. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., No. 400, Washington, D.C. 20036.
D. (6) $7,281. E. (9) $839.

A. Robert M. Gants, 1101 15th Street NW., Washington, D.C. 20005.
B. National Constructors Association, 1101 15th Street NW., No. 1000, Washington, D.C. 20005.
E. (9) $12.

A. M. D. Garber, Jr., Phillips Petroleum Co., 2101 L Street NW., Sixth Floor, Washington, D.C. 20036.
B. Phillips Petroleum Co., Bartlesville, Okla. 74004.

A. Gardner, Carton & Douglas, 1120 Connecticut Avenue NW., No. 325, Washington, D.C. 20036.
B. Council of Industrial Boiler Owners, 11222 Silverleaf Drive, Fairfax Station, Va. 22039.
D. (6) $230.

A. Gardner, Carton & Douglas, 1 First National Plaza, Chicago, Ill. 60603; 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Heizer Corp., 20 North Wacker Drive Chicago, Ill. 60606.

A. Gardner, Carton & Douglas, 1120 Connecticut Avenue NW., No. 325, Washington, D.C. 20036.
B. Howard Mobile Village, 701 Cathedral Street, Baltimore, Md., 21201.

A. Gardner, Carton & Douglas, 1120 Connecticut Avenue NW., No. 325, Washington, D.C. 20036.
B. Elmer W. Kneip, 911 West Fulton Street, Chicago, Ill.

A. Gardner, Carton & Douglas, 1120 Connecticut Avenue NW., No. 325, Washington, D.C. 20036.
B. Marathon Oil Co., 1800 M Street NW., Washington, D.C. 20036.
D. (6) $60.

A. Gardner, Carton & Douglas, 1120 Connecticut Avenue NW., No. 325, Washington, D.C. 20036.
B. Small Producers for Energy Independence, 1150 17th Street NW., Washington, D.C. 20036.

A. Gardner, Carton & Douglas, 1120 Connecticut Avenue NW., No. 325, Washington, D.C. 20036.
B. Sealed Power Corp., 2001 Sanford Street, Muskegon, Mich. 49443.

A. Robert P. Gardner, Standard Brands Food Co., 1899 L Street NW., Washington, D.C. 20036.
B. Standard Brands Food Co., Standard Brands, Inc., 625 Madison Avenue, New York, N.Y. 10022.
D. (6) $800.

A. Wendell P. Gardner, Jr., 1211 Connecticut Avenue NW., No. 802, Washington, D.C. 20036.
B. Sears, Roebuck and Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $160. E. (9) $35.27.

A. Theodore J. Garrish, 1525 New Hampshire Avenue NW., Washington, D.C. 20036.
B. American Metal Detectors Manufacturers, Inc., 2814 National Drive, Garland, Tex. 75041.
D. (6) $4,650. E. (9) $2,406.12.

A. Theodore J. Garrish, 1525 New Hampshire Avenue NW., Washington, D.C. 20036.
B. National Outdoor Coalition, 8387 Tamarind Avenue, Fontana, Calif. 92335.

A. James J. Garry, Coffee, Sugar & Cocoa Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.
B. Coffee, Sugar & Cocoa Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.

A. W. Bradford Gary, 3M Co., 3M Center, St. Paul, Minn. 55101.
B. 3M Co., 3M Center, St. Paul, Minn. 55101.
E. (9) $10.

A. Gas Appliance Manufacturers Association, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.
E. (9) $90.

A. Lillian B. Gaskin, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Philip Gasteyer, United States League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $1,762.50.

A. James A. Gavin, Tenneco, Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.

A. Margaret L. Gehres, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $1,132.05. E. (9) $153.38.

A. Robert C. Gelardi, Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.
B. Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346 (Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346).
D. (6) $1,600.

A. Morton A. Geller, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
D. (6) $459. E. (9) $406.02.

A. José A. Gemeil, 1100 17th Street NW., Suite 302, Washington, D.C 20036.
B. Samuel E. Stavisky & Associates Inc., 1100 17th Street NW., Suite 302. Washington, D.C. 20036 (for Brazilian Coffee Institute, 767 Fifth Avenue, New York, N.Y. 10022).
D. (6) $500. E. (9) $540.

A. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.
E. (9) $2,451.92.

A. Joseph G. Gerard, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich.
D. (6) $1,998. E. (9) $1,782.51.

A. Louis Gerber, 1925 K Street NW., Washington, D.C. 20006.
B. Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.
D. (6) $4,018.99. E. (9) $38.

A. Dorothy F. Gevinson, The Proter & Gamble Manufacturing Co., 1801 K Street NW., Suite 230, Washington, D.C. 20006.
B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.
D. (6) $8.33.

A. Wayne Gibbens, Mid-Continent Oil and Gas Association, 1919 Pennsylvania Avenue NW., Suite 503, Washhington, D.C. 20006.
B. Mid-Continent Oil and Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.
D. (6) $5,476. E. (9) $99.05.

A. Anne Marie Gibbons, American Public Power Association, 2600 Virginia Avenue NW., Suite 212, Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Suite 212, Washington, D.C. 20037.
D. (6) $400.

A. William G. Giery, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foodservice and Lodging Institute, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
E. (9) $300.

A. William L. Gifford, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.

A. Arthur P. Gildea, 274 Glenfield Court, Cincinnati, Ohio 45238.
B. Brewery & Soft Drink Workers National Conference, International Brotherhood of Teamsters, Chauffeurs, Warehousemen & Helpers of America, 1400 Renaissance Drive, Park Ridge, Ill. 60068.

A. Michael Gildea, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $11,082.50.

A. John E. Giles, 1600 I Street NW., Washington, D.C. 20006.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C. 20006.

A. Mark W. Gillaspie, Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
B. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
D. (6) $330.41. E. (9) $481.20.

A. Neal P. Gillen, American Cotton Shippers Association, 1707 L Street NW., Suite 460, Washington, D.C. 20036.
B. American Cotton Shippers Association, 1707 L Street NW., Suite 460, Washington, D.C. 20036.
D. (6) $15,000. E. (9) $1,417.73.

A. James T. Gillice, Alliance of American Insurers, 1776 F Street NW., Washington, D.C. 20006.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $125.

A. Robert E. Ginther, Association of Local Transport Airlines, Suite 803, 1801 K Street NW., Washington, D.C. 20006.
B. Association of Local Transport Airlines, Suite 803, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $3,500.

A. Jonah Gitlitz, 1225 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Advertising Federation, 1225 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $181.32.

A. Michael J. Giuffrida, 1019 19th Street NW., Washington, D.C. 20036.

B. National Frozen Food Association, Inc., One Chocolate Avenue, P.O. Box 398, Hershey, Pa. 17033.

D. (6) $105. E. (9) $160.60.

A. George L. Gleason, 1750 K Street NW., Suite 300, Washington, D.C.

B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.

D. (6) $2,625. E. (9) $46.27.

A. John P. Gleason, Jr., 1750 Old Meadow Road, McLean, Va. 22102.

B. Brick Institute of America, 1750 Old Meadow Road, McLean, Va. 22102.

A. George T. Glover, 1111 19th Street NW., Washington, D.C. 20036.

B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

D. (6) $265. E. (9) $354.25.

A. Godfrey Association, Inc., 918 16th Street NW., S-501, Washington, D.C. 20006.

E. (9) $421.02.

A. Godfrey Associates, Inc., 918 16th Street NW., S-501, Washington, D.C. 20006.

B. Patton, Boggs & Blow, 2550 M Street NW., S-501, Washington, D.C. 20037.

D. (6) $2,000. E. (9) $230.80.

A. Horace D. Godfrey, 918 16th Street NW., S-501, Washington, D.C. 20006.

B. Godfrey Associates, Inc., 918 16th Street NW., S-501, Washington, D.C. 20006.

D. (6) $4,800. E. (9) $191.22.

A. J. F. Godfrey, P.O. Box 186, Fort Worth, Tex. 76101.

B. The Western Co. of North America, P.O. Box 186, Fort Worth, Tex. 76101.

D. (6) $16.

A. Patrick L. Godfrey, National Association of Manufacturers, 711 Court A, Tacoma, Wash. 98402.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $1,400.

A. Harvey S. Gold, Velsicol Chemical Corp., 1015 15th Street NW., Suite 909, Washington, D.C. 20005.

B. Velsicol Chemical Corp., 341 East Ohio Street, Chicago, Ill. 60611.

A. Howard S. Goldberg, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc. for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France), 1225 19th Street NW., Washington, D.C. 20036.

D. (6) $1.83.

A. Howard S. Goldberg, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for European Aerospace Corp., 1101 15th Street NW., Washington, D.C. 20005).

A. Howard S. Goldberg, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Sofreavia, 75 Rue La Boetie, Paris, 8eme France).

D. (6) $43.12.

A. Alan J. Goldenberg, Coffee, Sugar & Cocoa Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.

B. Coffee, Sugar & Cocoa Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.

A. Carl Goldfield, American Public Power Association, 2600 Virginia Avenue NW., Suite 212, Washington, D.C. 20037.

B. American Public Power Association, 2600 Virginia Avenue NW., Suite 212, Washington, D.C. 20037.

D. (6) $500.

A. Lloyd L. Golding, National Association of Truck Stop Operators, Inc., 700 North Fairfax Street, No. 505, Alexandria, Va. 22314.

B. National Association of Truck Stop Operators, Inc., 700 North Fairfax Street No. 505, Alexandria, Va. 22314.

D. (6) $1,330.

A. Elliott Goldstein, Powell, Goldstein, Frazer & Murphy, Suite 970, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Dittler Brothers, Inc., P.O. Box 19833, Station N, Atlanta, Ga. 30325.

D. (6) $1,812.

A. Ruth Gonze, American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

D. (6) $100.

A. Don A. Goodall, 1625 I Street NW., Suite 401, Washington, D.C. 20006.

B. American Cyanamid Co., Wayne, N.J. 07470.

D. (6) $815. E. (9) $141.33.

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for European Aerospace Corp., 1101 15th Street NW., Washington, D.C. 20005).

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).

D. (6) $495.

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Sofreavia, 75 rue la Boetie, Paris 8eme, France).

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (Thomson-CSF, (AVS), 178 Boulevard Gabriel Péri, 92240 Malakoff, France).

A. Vance V. Goodfellow, 307 Fourth Avenue South, P.O. Box 15047, Minneapolis, Minn. 55415.

B. Crop Quality Council, 307 Fourth Avenue South, P.O. Box 15047, Minneapolis, Minn. 55415.

D. (6) $8,646.99.

A. Vivian Goodier, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

D. (6) $1,375. E. (9) $163.17.

A. Robert F. Goodwin, Meredith Corp., 1850 K Street NW., Suite 275, Washington, D.C. 20006.

B. Meredith Corp., 1850 K Street NW., Suite 275, Washington, D.C. 20006.

D. (6) $40. E. (9) $17.

A. Frank D. Gorham III, 2550 M Street NW., Suite 770, Washington, D.C. 20037.

B. RJR Industries, Inc., P.O. Box 2959, Winston-Salem, N.C. 27102.

D. (6) $126. E. (9) $4.

A. Peter J. Gossens, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036

B. National Association of Independent Colleges and Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

D. (6) $8,250. E. (9) $288.18.

A. John S. Gottschalk, 1412 16th Street NW., Washington, D.C. 20036.

B. International Association of Fish and Wildlife Agencies, 1412 16th Street NW., Washington, D.C. 20036.

D. (6) $2,500.

A. George B. Gould III, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $9,020.33.

A. Gould, Reichert & Strauss, 2613-20 Carew Tower, Cincinnati, Ohio 45202.

B. Francis J. Rorke, et al.

E. (9) $25.77.

A. Government of El Salvador, Office of the President, San Salvador, El Salvador.

E. (9) $3,078.91.

A. Donald E. Graham, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Lawrence T. Graham, American Hotel and Motel Association, Suite 1006, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Hotel and Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.

D. (6) $807.69.

A. John K. Gram, Public Timber Purchaser Group, 714 Oregon Bank Building, Portland, Oreg. 97204.

B. Public Timber Purchasers Group, 714 Oregon Bank Building, Portland, Oreg. 79204.

D. (6) $1,650. E. (9) $356.96.

A. Edward Shawn Grandis, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $900.

A. Allan Grant, American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.

D. (6) $1,750.

A. Wm. W. Grant, Utah International, Inc., 1150 Connecticut Avenue NW., Washington, D.C. 20036.

B. Utah International, Inc., 550 California Street, San Francisco, Calif. 94104.

E. (9) $588.23.

A. James L. Granum, Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.

B. Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.

D. (6) $1,000.

A. James A. Gray, 7901 Westpark Drive, McLean, Va. 22102.

B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22102.

D. (6) $1,234.50. E. (9) $25.

A. Robert Keith Gray, Hill and Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill and Knowlton, Inc., 633 Third Avenue, New York, N.Y., 10017 (for Distilled Spirits Council of the United States, 1300 Pennsylvania Building, Washington, D.C. 20004).

D. (6) $300.

A. Robert Keith Gray, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for Motorola, 1776 K Street NW., Washington, D.C.).

A. Mark E. Grayson, National Tire Dealers and Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.

B. National Tire Dealers and Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.

A. Samuel A. Grayson, Union Pacific Railroad Co., 611 Idaho Building, 216 North Eighth, Boise, Idaho 83702.

B. Union Pacific Railroad Co., 1416 Dodge St., Omaha, Nebr. 68179.

A. Donald R. Greeley, Celanese Corp., 1101 17th Street NW., Suite 307, Washington, D.C. 20036.

B. Celanese Corp., 1211 Avenue of the Americas, New York, N.Y. 10036.

D. (6) $750. E. (9) $96.60.

A. George R. Green, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.

D. (6) $900.

A. James W. Green, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) $2,057. E. (9) $305.40.

A. Mark Green, 133 C Street SE., Washington, D.C. 20003.

B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.

D. (6) $4,750.

A. Robert M. Greening, Jr., Public Power Council, 1310 Main Street, P.O. Box 1307, Vancouver, Wash. 98666.

B. Public Power Council, 1310 Main Street, P.O. Box 1307, Vancouver, Wash. 98666.

D. (6) $3,125. E. (9) $3,076.89.

A. Margit S. Greenspon, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

D. (6) $850.

A. Saunders Gregg, Entex, Inc., P.O. Box 2628, Houston, Tex. 77001.

B. Entex, Inc., P.O. Box 2628, Houston, Tex. 77001.

D. (6) $785. E. (9) $1,804.06.

A. William G. Greif, Bristol-Myers Co., 1155 15th Street NW., Washington, D.C. 20005.

B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.

D. (6) $10,000.

A. Lori Gribbin, 1899 L Street NW., No. 807, Washington, D.C. 20036.

B. Rohm and Haas Co., Independence Hall West, Philadelphia, Pa. 19105.

D. (6) $500.

A. David R. Griffin, Tenneco, Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.

A. Harold H. Griffin, 1050 17th Street NW., No. 320, Washington, D.C. 20036.

B. Family Health Program, 2925 North Palo Verde Avenue, Long Beach, Calif. 90815.

D. (6) $2,437. E. (9) $300.28.

A. Edward G. Griffith, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

D. (6) $450.

A. A. Jack Grimes, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.

B. National Pest Control Association, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.

D. (6) $219. E. (9) $48.

A. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

A. David B. Gross, Shell Oil Co., Suite 200, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.

D. (6) $1,000.

A. Frank N. Grossman, Santa Fe Industries, Inc., Suite 840, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Santa Fe Industries, Inc., 224 South Michigan Avenue, Chicago, Ill. 60604.

D. (6) $1,500. E. (9) $300.

A. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.

D. (6) $3,273.90. E. (9) $3,273.90.

A. Gail P. Grubb, 1156 15th Street, Suite 312, Washington, D.C. 20005.

B. Home Health Services Association, 1156 15th Street NW., Suite 312, Washington, D.C. 20005.

D. (6) $1,500.

A. Kenneth J. Guido, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $900.

A. Gun Owners of America, Inc., 101 South Whiting Street, Alexandria, Va. 22301.

D. (6) $84,344.80. E. (9) $64,156.72.

A. Thomas M. Gunn, P.O. Box 516, St. Louis, Mo. 63166.

B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166.

A. William B. Gunter, Kilpatrick & Cody, Suite 400, 2033 K Street NW., Washington, D.C. 20006.

B. Kilpatrick & Cody, Suite 400, 2033 K Street NW., Washington, D.C. 20006 (for Furniture Rental Association of America).

E. (9) $50.

A. David Gusky, 1016 16th Street NW., Washington, D.C. 20036.

B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

D. (6) $6,864.

A. C. James Hackett, American Plywood Association, P.O. Box 11700.

B. American Plywood Association, P.O. Box 11700, Tacoma, Wash. 98411.

A. James M. Hacking, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $484.61. E. (9) $124.95.

A. Craig Hackler, 400 North Capitol Street, Suite 320, Washington, D.C. 20001.

B. E. F. Hutton & Co., Inc., 1 Battery Park Plaza, New York, N.Y. 10004.

D. (6) $4,500.

A. Loyd Hackler, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.

B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.

D. (6) $2,000. E. (9) $141.22.

A. William G. Haddeland, Minnesota Petroleum Council, 300 Northern Federal Building, St. Paul, Minn. 55102.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Ronald D. Hagen, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $176.92.

A. Bruce N. Hahn, 9300 Livingston Road, Washington, D.C. 20022.

B. National Tool, Die & Precision Machining Association, 9300 Livingston Road, Washington, D.C. 20022.

A. Thomas F. Hairston, Union Oil Co. of California, 1100 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.

E. (9) $262.60.

A. Haley, Bader & Potts, 1730 M Street NW., Suite 700, Washington, D.C. 20036.

B. Pilots Rights Association, P.O. Box 7000, 367 Redondo Beach, Calif. 90277.

D. (6) $12,248.75. E. (9) $11,015.06.

A. Martin Ryan Haley & Associates, Inc., 1511 K Street NW., Washington, D.C. 20005.

B. Helicopter Association of America, 1156 15th Street NW., Washington, D. C. 20005.

A. Martin Ryan Haley & Associates, Inc., 1511 K Street NW., Washington, D.C. 20005.

B. Kansas Grain & Feed Dealers Association, 1722 North Plum, Hutchison, Kans. 67501.

A. Hall, Estill, Hardwick, Gable, Collingsworth & Nelson, 1750 K Street NW., Suite 350, Washington, D.C. 20006.

B. The Williams Co., P.O. Box 2400, Tulsa, Okla. 74101.

A. Richard F. Hall, Union Oil of California, 1100 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.

E. (9) $344.24.

A. Isabelle Hallahan, The American Dietetic Association, 430 North Michigan Avenue, Chicago, Ill. 60611.

B. The American Dietetic Association, 430 North Michigan Avenue, Chicago, Ill. 60611.

D. (6) $4,680. E. (9) $1,714.57.

A. Joseph Halow, North American Export Grain Association, Inc., 1800 M Street NW., Washington, D.C. 20036.

B. North American Export Grain Association, Inc., 1800 M Street NW., Washington, D.C. 20036.

D. (6) $1,200.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.

B. Belize Sugar Industries, Ltd., Belize City, Belize, Central America.

D. (6) $17,751.99. E. (9) $73.91.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.

B. Beneficial Foundation, 1300 Market Street, Wilmington, Del.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.

B. Government of Republic of Panama, Compania Azucarera La Estrella, S.A., and Azucarera Nacional, S.A., Panama City, Panama.

E. (9) $28.66.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.

B. National Wool Growers Association, 600 Crandall Building, Salt Lake City, Utah 84101.

D. (6) $3,000. E. (9) $83.98.

A. Hamel Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.

B. State of Alaska.

A. Hamel Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.

B. Sugar Association of the Caribbean, Port of Spain, Trinidad.

D. (6) $8,750. E. (9) $208.80.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.

B. United Student Aid Funds, Inc., 200 East 42d Street, New York, N.Y. 10017.

A. Bruce Hamilton, Sierra Club, Box 1078, Lander, Wyo. 82520.

B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.

D. (6) $2,175. E. (9) $1,247.51.

A. James L. Hamilton III, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.

B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.

D. (6) $324.

A. Philip W. Hamilton, 1901 L Street NW., Suite 711, Washington, D.C. 20036.

B. Wilson E. Hamilton & Associates, Inc., 1901 L Street NW., Washington, D.C. 20036.

A. Stanley Hamilton, Common Carrier Conference-Irregular Route, 1616 P Street NW., Suite 204, Washington, D.C. 20036.

B. Common Carrier Conference-Irregular Route, 1616 P Street NW., Suite 204, Washington, D.C. 20036.

D. (6) $500. E. (9) $50.

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for California Canning Peach Association).

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for California Olive Association).

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for California Raisin Advisory Board).

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for MBPXL Corp.).

D. (6) $500.

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for National Campground Owners Association).

D. (6) $500.

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for SunMaid Raisin Growers of California.

D. (6) $750.

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C 20036 (for Western Growers Association).

D. (6) $750.

A. Robert N. Hampton, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue N.W., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $1,856.

A. Handgun Control, Inc., 810 18th Street NW., Washington, D.C. 20006.

D. (6) $207,814.68. E. (9) $66,447.88.

A. Donald K. Hanes, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $540.

A. Christopher G. Hankin, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

E. (9) $672.90.

A. George J. Hanks, Jr., Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.

A. Elisabeth Hanlin, Johns-Manville Corp., 1025 Connecticut Avenue, Suite 214, Washington, D.C. 20036.

B. Johns-Manville Corp., Box 5108, Denver, Colo. 80217.

D. (6) $600.

A. Robert P. Hanrahan, 1101 Valley Road, Lake Forest, Ill. 60045.

B. Regional Transportation Authority, 300 North State Street, Chicago, Ill.

D. (6) $4,500. E. (9) $1,626.21.

A. J. E. Hansen, Brotherhood of Railroad Signalmen, 400 First Street NW., Washington, D.C. 20001.

B. Brotherhood of Railroad Signalmen, 601 West Golf Road, Mount Prospect, Ill. 60056.

D. (6) $350.

A. William E. Hardman, 9300 Livingston Road, Washington, D.C. 20022.

B. National Tool, Die & Precision Machining Association, 9300 Livingston Road, Washington, D.C. 20022.

A. David T. Hardy, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $300.

A. Eugene J. Hardy, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $2,500. E. (9) $1.50.

A. Andrew E. Hare, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.

B. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.

D. (6) $425. E. (9) $214.

A. Bryce L. Harlow, 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

D. (6) $42.69.

A. Donald L. Harlow, Air Force Sergeants Association, Inc., 310 Riley Street, Falls Church, Va. 22046.

B. Air Force Sergeants Association, 4235 28th Avenue, Suite 713, Washington, D.C. 20031.

A. C. Wayne Harmon, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.

D. (6) $250. E. (9) $58.45.

A. W. Risque Harper, National Congress of Petroleum Retailers, Inc., 2021 K Street NW., Suite 303, Washington, D.C. 20006.

B. National Congress of Petroleum Retailers, Inc., 2021 K Street NW., Suite 303. Washington, D.C. 20006.

D. (6) $8,750. E. (9) $3,476.

A. Michael T. Harrigan, 2033 M Street NW., Washington, D.C. 20036.

B. United States Olympic Committee, Box 4000, Colorado Springs, Colo. 80930.

A. Toni Harrington, Suite 905, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.

B. American Honda Motor Co., Inc., 100 West Alondra, Boulevard, Gardena, Calif. 90247.

D. (6) $150. E. (9) $28.73.

A. Robert H. Harris, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.

D. (6) $230.

A. Robert L. Harris, 818 Connecticut Avenue, Washington, D.C. 20006.
B. The Aluminum Association, 818 Connecticut Avenue NW., Washington, D.C. 20006.

A. Saul J. Harris, 1111 19th Street NW., Suite 900, Washington, D.C. 20036.
B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

A. Jim Harrison, Committee of Urban Program Universities, 1300 19th Street NW., No. 220, Washington, D.C. 20036.
B. Committee of Urban Program Universities, 1300 19th Street NW., No. 220, Washington, D.C. 20036.
D. (6) $5,349.99. E. (9) $431.02.

A. Kay Harrold, National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
B. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
D. (6) $226.14.

A. William C. Hart, 1625 I Street NW., Washington, D.C. 20006.
B. Columbia Gas Systems Service Corp., 20 Montchanin Road, Wilmington, Del. 19807.

A. Hartford Fire Insurance Co., Hartford Plaza, Hartford, Conn. 06115.
E. (9) $7,100.

A. Charles D. Hartman, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Charles D. Hartman, 1050 17th Street NW., No. 500, Washington, D.C. 20036.
B. Texaco Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.
D. (6) $574.46.

A. Robert S. Hartmann, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 833 Third Avenue, New York, N.Y. 10017.

A. Norman B. Hartnett, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $14,316. E. (9) $368.89.

A. David H. Hartquist, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. United States Fastener Manufacturing Group, 1505 East Ohio Building, Cleveland, Ohio 44060.

A. Clifford J. Harvison, National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.

A. Lewis B. Hastings, 1776 K Street NW., Suite 200, Washington, D.C. 20006.
B. Motorola, Inc., 1776 K Street NW., Suite 200, Washington, D.C. 20006.
D. (6) $500. E. (9) $30.

A. Walter A. Hasty, Jr., The Proctor & Gamble Manufacturing Co., 1801 K Street NW., Suite 230, Washington, D.C. 20006.
B. The Proctor & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.
D. (6) $270.

A. Rodney E. Haugh, Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $480.

A. Charles W. Havens III, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.
B. Reinsurance Association of America, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.

A. Sidney G. Hawkes, The Mead Corp., 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Mead Corp., Mead World Headquarters, Courthouse Plaza NE, Dayton, Ohio 45463.
D. (6) $450. E. (9) $69.

A. John H. Hawkins, Jr., Alabama Power Co., 600 North 18th Street, Birmingham, Ala. 35291.
B. Alabama Power Co., 600 North 18th Street, Birmingham, Ala. 35291.
D. (6) $8,814. E. (9) $6,765.54.

A. Paul M. Hawkins, 1750 K Street NW., Washington, D.C.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.; 919 Third Avenue, New York, N.Y.; 332 South Michigan Avenue, Chicago, Ill.

A. Robert T. Hayden, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.
B. United Steelworkers of America, 5 Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $7,544.73.

A. Jeffrey A. Hayman, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,219. E. (9) $21.57.

A. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.
D. (6) $92.50. E. (9) $92.50.

A. Health Research Group, 2000 P Street NW., No. 708, Washington, D.C. 20036.
D. (6) $979.80. E. (9) $979.80.

A. Patrick B. Healy, National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $543.75.

A. Heavy Specialized Carriers Conference, Inc., 1155 16th Street NW., Washington, D.C.

A. Edward D. Heffernan, 1125 15th Street NW., Washington, D.C. 20005.
B. Citizens for Management of Alaska Lands (CMAL), Anchorage, Alaska.
D. (6) $12,000.

A. Edward D. Heffernan, 1125 15th Street NW., Washington, D.C. 20005.
B. Ductile Iron Pipe Research Association, Oak Brook, Ill.

A. John F. Heilman, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $10,036. E. (9) $777.07.

A. Steven B. Hellem, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $2,500.

A. Richard L. Hellwege, Lear Siegler, Inc., 1911 Jefferson Davis Highway, Suite 1002, Arlington, Va. 22202.
B. Lear Siegler, Inc., 4141 Eastern Avenue SE., Grand Rapids, Mich. 49508.
D. (6) $546. E. (9) $342.

A. Harry V. Helton, 1800 Southwest First, Suite 520, Portland, Oreg.
B. Reynolds Metals Co., 6601 West Broad Street, Richmond, Va. 23261.
E. (9) $6,925.52.

A. Noel Hemmendinger, Arter Hadden & Hemmendinger, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Arter Hadden & Hemmendinger, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Japan Iron & Steel Exporters Association, Tokyo, Japan; Banco do Brasil, New York.)
D. (6) $500. E. (9) $210.

A. Thomas R. Hendershot, Obermayer, Rebmann, Maxwell & Hippel, 2011 I Street NW., Suite 500, Washington, D.C. 20006.
B. Philadelphia Gas Works, 1518 Walnut Street, Philadelphia, Pa. 19105.
D. (6) $11,323.21.

A. Carol C. Henderson, American Library Association, 110 Maryland Avenue NE., Box 54, Washington, D.C. 20002.
B. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.
D. (6) $535.

A. Douglas F. Henderson, Rocky Mountain Oil & Gas Association, 1155 15th Street NW., Suite 314, Washington, D.C. 20005.
B. Rocky Mountain Oil & Gas Association, 345 Petroleum Club Building, Denver, Colo. 80202.
E. (9) $123.04.

A. John B. Henderson, Textron, Inc., 40 Westminster Street, Providence, R.I. 02903.
B. Textron, Inc., 40 Westminster Street, Providence, R.I. 02903.
D. (6) $2,049. E. (9) $2,608.

A. Richard Dean Henderson, Private Truck Council of America, Inc., 1101 17th Street NW., Washington, D.C. 20036.
B. Private Truck Council of America, Inc., 1101 17th Street NW., No. 1008, Washington, D.C. 20036.
E. (9) $20.

A. Henkel & Lamon, 229 Peachtree Street NE., 2500 Peachtree Center, Cain Tower, Atlanta, Ga. 30303.
B. Colonial Life & Accident Insurance Co., P.O. Box 1365, Columbia, S.C. 29201.
D. (6) $3,850. E. (9) $198.33.

A. Henkel & Lamon, 229 Peachtree Street NE., Suite 255, Atlanta, Ga. 30303.
B. The National Association of Pension, Consultants & Administrators, Inc., Suite 300, 3 Piedmont Center, Atlanta, Ga. 30305.

A. Henkel & Lamon, 229 Peachtree Street NE., 2500 Peachtree Center, Cain Tower, Atlanta, Ga. 30303.
B. Small Business Council of America, Inc., 702 Longfellow Building, 1201 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $620.

A. Edmund P. Hennelly, 150 East 42d Street, New York, N.Y. 10017.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

D. (6) $1,500.

A. George F. Hennrikus, Jr., 201 North Washington Street, Arlington, Va. 22314.

B. The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.

D. (6) $4,122.

A. Donald A. Henriksen, 515 South Flower Street, Los Angeles, Calif. 90071.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

A. Bruce Heppen, 1016 16th Street NW., Washington, D.C. 20036.

B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

D. (6) $69.67. E. (9) $69.67.

A. Herrick, Allen & Davis, 1701 K Street NW., Suite 706, Washington, D.C. 20006.

B. Amusement & Music Operators Association, 35 East Wacker Drive, Suite 1940, Chicago, Ill. 60601.

D. (6) $687.50.

A. Esther Herst, 510 C Street NE., Washington, D.C. 20002.

B. National Committee Against Repressive Legislation, 1250 Wilshire Boulevard, Los Angeles, Calif. 90017.

D. (6) $3,055. E. (9) $2,204.71.

A. Ted A. Heydinger, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) $1,430. E. (9) $202.42.

A. Andrew I. Hickey, Jr., Federal National Mortgage Association, 3900 Wisconsin Avenue NW., Washington, D.C. 20016.

B. Federal National Mortgage Association, 3900 Wisconsin Avenue NW., Washington, D.C. 20016.

D. (6) $15,125. E. (9) $827.37.

A. Bert Ingalls Hickman, Jr., 1625 Massachusetts Avenue, No. 505, Washington, D.C. 20036.

B. The Keefe Co., 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036 (for American Family Assurance Co.).

D. (6) $5,625. E. (9) $560.54.

A. Bert Ingalls Hickman, Jr., 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

B. The Keefe Co., 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036. (For the Cordage Institute).

D. (6) $3,375.

A. Frederic W. Hickman, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Commonwealth Edison Co., 1 First National Plaza, Chicago, Ill. 60603.

A. Frederic W. Hickman, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. First Chicago Corp., 1 First National Plaza, Chicago, Ill. 60670.

A. Frederic W. Hickman, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.

D. (6) $4,350.

A. Frederic W. Hickman, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill. 60606.

A. Frederic W. Hickman, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Peoples Gas Co., 122 South Michigan Avenue, Chicago, Ill. 60603.

D. (6) $1,575.

A. Frederic W. Hickman, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.

A. Paul T. Hicks, c/o Rhode Island Petroleum Association, 154 Francis Street, Providence, R.I. 02903.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. J. Thomas Higginbotham, Mellon Bank, N.A., Pittsburgh, Pa. 15230.

B. Mellon Bank, N.A. and Mellon National Corp., Mellon Square, Pittsburgh, Pa. 15230.

D. (6) $2,000. E. (9) $1,795.48.

A. Kevin M. Higgins, 9 West 57th Street, New York, N.Y. 10019.

B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.

A. Hill, Christopher & Phillips, 1900 M Street NW., Washington, D.C. 20036.

B. Michigan State Housing Development Authority, Plaza One, Fourth Floor, 401 South Washington Square, Lansing, Mich. 48909.

A. Hill, Christopher & Phillips, 1900 M Street NW., Washington, D.C. 20036.

B. Morgan Guaranty Trust Co. of New York, 23 Wall Street, New York, N.Y. 10015.

D. (6) $400.

A. Gerald "Jerry" Hill, No. 6 Executive Park Drive, Atlanta, Ga. 30329.

B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

E. (9) $7.

A. J. Eldred Hill, Jr., UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C. 20036.

B. UBA, Inc., 1800 M Street NW., 460 South, Washington, D.C. 20036.

D. (6) $2,000.

A. E. Joseph Hillings, National Airlines, Inc., 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Airlines, Inc., P.O. Box 592055 AMF, Miami, Fla. 33159.

D. (6) $1,100. E. (9) $50.

A. Janet L. Hirshberg, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

D. (6) $100.

A. Sheila K. Hixson, 1101 17th Street NW., Washington, D.C. 20036.

B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.

D. (6) $3,000.

A. Ralph W. Hoar, Jr., 3532 Highwood Drive SE., Washington, D.C. 20020.

B. National Committee for Automobile Crash Protection, 1220 19th Street NW., Suite 201, Washington, D.C. 20036.

D. (6) $10,500. E. (9) $14,593.95.

A. Lawrence S. Hobart, American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

D. (6) $1,200.

A. Claude E. Hobbs, Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa. 15222.

D. (6) $3,200. E. (9) $728.

A. Valery Hobbs, TRW, Inc., 2030 M Street NW., Suite 800, Washington, D.C. 20036.

B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.

D. (6) $1,000.

A. Howard E. Hoelter, Illinois Petroleum Council, P.O. Box 5034, Springfield, Ill. 62705.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Glenn D. Hofer, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $2,725.

A. Irvin A. Hoff, 20 Live Oak Road, Hilton Head Island, S.C. 29928.

B. United States Cane Sugar Refiners' Association, 1001 Connecticut Avenue, Washington, D.C. 20036.

D. (6) $375. E. (9) $433.41.

A. Ellen S. Hoffman, 1520 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Children's Defense Fund of the Washington Research Project, Inc.

D. (6) $1,028. E. (9) $466.83.

A. Herbert E. Hoffman, American Bar Association. 1880 M Street NW., Washington, D.C. 20036.

B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.

D. (6) $400. E. (9) $50.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. American Hawaiian Cruising Line, Inc., Wall Street Plaza, New York, N.Y. 10005.

E. (9) $5.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.

D. (6) $9,244.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Grocery Manufacturers of America, Inc., 3217 K Street NW., Washington, D.C. 20007.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Guam Power Authority, Agana, Guam.

D. (6) $937.50.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Wood Energy Institute, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

A. Kelly Holley, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Howard Holcomb, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

B. National Association of Independent Colleges & Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

D. (6) $3,600. E. (9) $237.43.

A. John H. Holloman III, O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Pfizer Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. John H. Holloman III, O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Sperry-Rand Corp., 333 Pilot Knob Road, St. Paul, Minn.

D. (6) $500.

A. John H. Holloman III, O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

A. Wendell M. Holloway, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Ford Motor Co., Dearborn, Mich.

D.(6) $1,662. E. (9) $1,259.98.

A. Lee B. Holmes, United States League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.

B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.

D. (6) $3,937.50.

A. Peter E. Holmes, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.

D. (6) $1,000.

A. Holt Cicatiello Neiswanger, Inc., 1441 Irving Street, Rahway, N.J. 07065.

B. New York Mercantile Exchange, 4 World Trade Center, New York, N.Y. 10048.

D. (6) $1,000. E. (9) $624.33.

A. E. Y. Holt, Jr., National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

A. Linwood Holton, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

D. (6) $200.

A. The Hormel Foundation, Austin, Minn. 55912.

A. Robert Jack Horn, 1819 H Street NW., Suite 950, Washington, D.C. 20006.

B. The Detroit Edison Co., 2000 Second Avenue, Detroit, Mich. 48226.

D. (6) $358. E. (9) $35.

A. Michael E. Horrell, American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.

B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.

D. (6) $1,023.75. E. (9) $4.01.

A. John F. Horty, National Council of Community Hospitals (NCCH), 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. National Council of Community Hospitals, 815 Connecticut Avenue NW., Washington, D.C. 20006.

A. Houdaille Industries, Inc., 1 Financial Plaza, Fort Lauderdale, Fla. 33394.

E. (9) $101,707.61.

A. Houger, Garvey, Schubert, Adams & Barer, 1919 Pennsylvania Avenue NW., Suite 850, Washington, D.C. 20006.

B. American Pyrotechnics Association, 407 Campus Avenue, Chestertown, Md. 21620.

A. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.

E. (9) $2,291.89.

A. C. T. Hoversten, 209 West 53d Street, Western Springs, Ill. 60558.

B. National Advertising Co., 6850 South Harlen Avenue, Argo Post Office, Bedford Park, Ill. 60501.

A. Arthur L. Howard, 1100 H Street NW., Washington, D.C. 20080.

B. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.

A. Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.

A. Donald L. Howell, First City National Bank Building, Houston, Tex. 77002.

B. Vinson & Elkins, First City National Bank Building, Houston, Tex. (for Slurry Transport Association).

D. (6) $11,787.50. E. (9) $1,713.14.

A. Joe L. Howell, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.

B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. Joe L. Howell, 1700 Pennsyylvania Avenue NW., Suite 650, Washington, D.C. 20006.

B. Allstate Insurance Cos., Allstate Plaza, Northbrook, Ill. 60062.

A. John B. Howerton, ASARCO Inc., 1730 Rhode Island Avenue NW., Suite 206, Washington, D.C. 20036.

B. ASARCO Inc., 120 Broadway, New York, N.Y. 10005.

D. (6) $1,500.

A. Karl T. Hoyle, Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

B. Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $300. E. (9) $410.94.

A. Tony R. Huerta, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $4,353.56.

A. Randall A. Huffman, Willkie Farr & Gallagher, 153 East 53d Street, New York, N.Y.

B. Willkie Farr & Gallagher, 153 East 53d Street, New York, N.Y.

E. (9) $289.94.

A. David Emery Hughes, Union Mutual Life Insurance Co., 2211 Congress Street, Portland, Maine 04122.

B. Union Mutual Life Insurance Co., 2211 Congress Street, Portland, Maine 04122.

D. (6) $175.

A. Hughes, Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.

D. (6) $275. E. (9) $5.

A. Peter W. Hughes, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $605.76.

A. William G. Hughes, National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.

B. National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.

D. (6) $101.57.

A. Edward L. Huie, Suite 415, Wheaton Plaza North, Wheaton, Md. 20902.

B. National Association of Air Traffic Specialists, Inc., Suite 415, Wheaton Plaza North, Wheaton, Md. 20902.

D. (6) $5,431.14. E. (9) $1,107.14.

A. David C. Hull, National Cotton Council of America, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

D. (6) $300. E. (9) $5.78.

A. William J. Hull, Ohio Valley Improvement Association, Inc., 401 Carew Tower, Cincinnati, Ohio 45202.

B. Ohio Valley Improvement Association, Inc.

A. Craig R. Hume, 1425 K Street NW., Suite 1000, Washington, D.C. 20005; Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Keith R. Hundley, 1625 I Street NW., No. 902, Washington, D.C. 20006.

B. Weyerhaeuser Co., Tacoma, Wash. 98477.

D. (6) $500. E. (9) $64.30.

A. Burt H. Hunley, Chevron U.S.A., Inc., 1700 K Street NW., Suite 1204, Washington, D.C. 20006.

B. Chevron U.S.A., Inc., a subsidiary of the Standard Oil Co. of California, 1700 K Street NW., Suite 1204, Washington, D.C. 20006.

D. (6) $175.

A. Acacia G. Hunt, Suite 850, 2020 K Street NW., Washington, D.C. 20006.

B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.

D. (6) $51.25. E. (9) $2.50.

A. Richard M. Hunt, Suite 1009, Connecticut Building, 1150 Connecticut Avenue NW., Washington, D.C. 20036.

B. NL Industries, Inc., 1230 Avenue of the Americas, New York, N.Y. 10020.

D. (6) $2,000.

A. Robert C. Hunt, 1750 Old Meadow Road, McLean, Va. 22102.

B. Brick Institute of America, 1750 Old Meadow Road, McLean, Va. 22102.

D. (6) $30.02.

A. Milton F. Huntington, c/o Maine Petroleum Association, 283 Water Street, Augusta, Maine 04330.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. John Edward Hurley, 1101 New Hampshire Avenue NW., Washington, D.C. 20037.

A. John Edward Hurley, 1101 New Hampshire Avenue NW., Suite 107, Washington, D.C. 20037.

B. National Association for Free Enterprise, 1101 New Hampshire Avenue NW., Suite 107, Washington, D.C. 20037.

A. Robert R. Hurt, 1050 17th Street NW., Suite 1050, Washington, D.C. 20036.

B. Merck & Co., Inc., P.O. Box 2000, Rahway, NJ. 07065.

E. (9) $47.60.

A. Benjamin Melvin Hurwitz, Coastal States Gas Corp., 1333 New Hampshire Avenue NW., Suite 205, Washington, D.C. 20036.

B. Coastal States Gas Corp., 9 Greenway Plaza, Houston, Tex. 77046.
D. (6) $600. E. (9) $50.

A. John F. Hussey, Monsanto Co., 1101 17th Street NW., Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
D. (6) $500. E. (9) $120.54.

A. Dewey M. Hutchins, Jr., Eastman Kodak Co., 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Eastman Kodak Co., 343 State Street, Rochester, N.Y. 14650.
D. (6) $375. E. (9) $159.

A. Philip A. Hutchinson, Jr., Volkswagen of America, Inc., 475 L'Enfant Plaza SW., Suite 2450, Washington, D.C. 20024.
B. Volkswagen of America, Inc., 27621 Parkview Boulevard, Warren, Mich. 48092.
D. (6) $250.

A. Randy Huwa, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,798.

A. David C. Hyer, c/o Ohio Petroleum Council, 88 East Broad Street, Suite 1960, Columbus, Ohio 43215.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C.

A. Robert D. Hynes, Jr., National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.
B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.
D. (6) $200. E. (9) $193.35.

A. John Iaccio, Seafarers International Union, AGLIW District, 815 16th Street NW., Room 510, Washington, D.C. 20006.
B. Seafarers International Union, AGLIW District, 815 16th Street NW., Room 510, Washington, D.C. 20006.
D. (6) $2,125.

A. John K. Iglehart, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Foundation Health Plan, Inc.
D. (6) $17,250. E. (9) $1,500.

A. Atilla S. Ilkson, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611; 925 15th Street NW., Washington, D.C. 20005.
D. (6) $2,000. E. (9) $71.75.

A. Independent Data Communications Manufacturers Association, Inc., 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,722. E. (9) $1,722.

A. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
E. (9) $21,129.04.

A. Independent Local Newspaper Association, 1050 17th Street NW., Washington, D.C. 20036.
D. (6) $7,500. E. (9) $7,500.

A. Independent United States Tanker Owners' Committee, 1612 K Street NW., Suite 510, Washington, D.C. 20006.

A. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $17,006.02. E. (9) $17,006.02.

A. Deborah A. Insley, 1660 L Street NW., Washington, D.C.
B. General Motors Corp.
D. (6) $2,500. E. (9) $394.70.

A. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.
E. (9) $26,379.47.

A. International Maritime Associates, Inc., 1800 K Street NW., Washington, D.C. 20006.
E. (9) $7.80.

A. International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), 8000 East Jefferson, Detroit, Mich. 48214.
D. (6) $71,509. E. (9) $71,509.

A. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
E. (9) $1,492.91.

A. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.

A. Iron Ore Lessors Association, Inc., 1500 First National Bank Building, Saint Paul, Minn. 55101.
D. (6) $18,520.83. E. (9) $8,579.12.

A. William A. Irvine, 1725 K Street NW., Suite 607, Washington, D.C. 20006.
B. Associated Third-Class Mail Users, 1725 K Street NW., Suite 607, Washington, D.C. 20006.
D. (6) $600.

A. John D. Isaacs, Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C.
B. Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C.
D. (6) $4,278.12.

A. Joseph S. Ives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $133.

A. Robert A. Jablon, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Fort Pierce Utilities Authority of the City of Fort Pierce, et al.

A. James K. Jackson, 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. Federal Cartridge Co., 2700 Foshay Tower, Minneapolis, Minn.

A. Mary Jo Jacobi, 3M, 1101 15th Street NW., Washington, D.C. 20005.
B. Minnesota Mining and Manufacturing Co., 3M Center, St. Paul, Minn. 55101.
E. (9) $2,400.

A. E. A. Jaenke, 1735 I Street NW., Suite 610, Washington, D.C. 20006.
B. E. A. Jaenke & Associates, Inc., 1735 I Street NW., Suite 610, Washington, D.C. 20006.

A. E. A. Jaenke & Associates, Inc., 1735 I Street NW., Washington, D.C. 20006.
B. Cooperative League of the U.S.A., 1828 L Street NW., Washington, D.C. 20036.
D. (6) $1,500. E. (9) $125.

A. E. A. Jaenke & Associates, 1735 I Street NW., Suite 610, Washington, D.C. 20006.
B. Distilled Spirits Committee for International Trade, 1819 H Street NW., Suite 400, Washington, D.C. 20006.
D. (6) $1,000. E. (9) $15.

A. E. A. Jaenke & Associates, Inc., 1735 I Street NW., Suite 610, Washington, D.C. 20006.
B. Farmland Industries, Kansas City, Mo.
D. (6) $500. E. (9) $4.

A. E. A. Jaenke & Associates, 1735 I Street NW., Suite 610, Washington, D.C. 20006.
B. University of Kansas, Lawrence, Kans.
D. (6) $250. E. (9) $6.

A. Leslie A. Janka, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).
D. (6) $301.70. E. (9) $113.55.

A. Leslie A. Janka, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Thomson-CSF (AVS), 178 Boulevard, Gabriel Péri, 92240 Malakoff, France).

A. T. Destry Jarvis, 529 Tennessee Avenue, Alexandria, Va. 22305.
B. National Parks and Conservation Association, 1701 18th Street NW., Washington, D.C. 20009.
D. (6) $2,439.50.

A. Joseph A. Jeffrey, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $302.20. E. (9) $54.93.

A. Joseph S. Jenckes, Abbott Laboratories, 1730 M Street NW., Suite 808, Washington, D.C. 20036.
B. Abbott Laboratories, Abbott Park, North Chicago, Ill. 60064.
E. (9) $342.15.

A. Linda Jenckes, 1750 K Street NW., Washington, D.C.
B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.
D. (6) $92.50.

A. Jenkins, Nystrom & Sterlacci, 2033 M Street NW., Suite 504, Washington, D.C. 20036.
B. Commonwealth of Puerto Rico.

A. James C. Jennings, 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Jennings, Strouss & Salmon, 111 West Monroe, Phoenix, Ariz. 85003.
B. Shamrock Foods Co., 2228 North Black Canyon Road, Phoenix, Ariz. 85009.

A. W. Pat Jennings, Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
B. Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
D. (6) $1,000.

A. Chris L. Jensen, c/o Florida Petroleum Council, 111 North Gadsden Street, Tallahassee, Fla. 32301.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $502.50. E. (9) $819.88.

A. Norman A. Jensvold, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $450.

A. A. W. Jessup, 1899 L. Street NW., No. 1100, Washington, D.C. 20036
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y. 10020.
E. (9) $212.16.

A. Guy E. Jester, J. S. Alberici Construction Co., 2150 Kienlen Avenue, St. Louis, Mo. 63121.

B. Association for the Improvement of the Mississippi River, 10 Broadway, St. Louis, Mo. 63103.

A. Charles E. Joeckel, Jr., Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.

B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.

D. (6) $6,693. E. (9) $1,417.40.

A. Ronald P. Johnson, Columbia Gas System Service Corp., 1625 I Street NW., Washington, D.C. 20006.

B. Columbia Gas System Service Corp., 20 Montchanin Road, Wilmington, Del. 19807.

D. (6) $175. E. (9) $384.60.

A. Bob Johnson, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

D. (6) $2,234. E. (9) $239.56.

A. Bruce T. Johnson, The Bowery Savings Bank, 110 East 42d Street, New York, N.Y. 10017.

B. Bowery Savings Bank, 110 East 42d Street, New York, N.Y. 10017.

D. (6) $7,669. E. (9) $5,132.

A. Calvin P. Johnson, 1750 K Street NW., Washington, D.C. 20006.

B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C. 20006.

A. David H. Johnson, c/o Mississippi Petroleum Council, P.O. Box 42, Jackson, Miss. 39205.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Jess Johnson, Jr., Shell Oil Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Shell Oil Co., One Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.

D. (6) $500.

A. John B. Johnson, Alabama Petroleum Council, P.O. Box 4220, Montgomery, Ala. 36101.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $519.80.

A. Rady A. Johnson, 1000 16th Street NW., Washington, D.C. 20036.

B. Standard Oil Co., 200 Randolph Drive, Chicago, Ill. 60601.

D. (6) $688. E. (9) $233.21.

A. Reuben L. Johnson, 1012 14th Street NW., Washington, D.C. 20005.

B. The Farmers' Educational and Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.

D. (6) $7,107.70. E. (9) $302.87.

A. Richard W. Johnson, Jr., 110 Maryland Avenue NE., Box 43, Washington, D.C. 20002.

B. Non-Commissioned Officers Association of the U.S.A., P.O. Box 33610, San Antonio, Tex. 78233.

D. (6) $2,953.44. E. (9) $408.86.

A. Spencer A. Johnson, Paperboard Packaging Council, 1800 K Street NW., Suite 600, Washington, D.C. 20006.

B. Paperboard Packaging Council, 1800 K Street NW., Suite 600, Washington, D.C. 20006.

A. Stanley L. Johnson, 1050 17th Street NW., Washington, D.C. 20036.

B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.

D. (6) $80.

A. William Johnson, Consumers Power Co., 1333 New Hampshire Avenue NW., Suite 1120, Washington, D.C. 20036.

B. Consumers Power Co., 212 West Michigan Avenue, Jackson, Mich. 49201.

D. (6) $600.

A. James D. Johnston, 1660 L Street NW., Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.

D. (6) $3,600. E. (9) $2,347.42.

A. Joint Corporate Committee on Cuban Claims, c/o Lone Star Industries, Inc., P.O. Box 5050, Greenwich, Conn. 06830.

D. (6) $32,250 E. (9) $1,170.

A. Allan R. Jones, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

B. American Trucking Association, Inc., 1616 P Street NW., Washington, D.C. 20036.

D. (6) $6,000. E. (9) $952 71.

A. Charles W. Jones, Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036.

B. Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036.

D. (6) $300.

A. Gerald Jones, Paralyzed Veterans of America, 4330 East-West Highway, Suite 300, Washington, D.C. 20014.

B. Paralyzed Veterans of America, 4330 East-West Highway, Suite 300, Washington, D.C. 20014.

D. (6) $24,560.

A. James E. Jones, Appalachian Power Co., 40 Franklin Road SW., Roanoke, Va. 24022.

B. Appalachian Power Co., 40 Franklin Road SW., Roanoke, Va. 24022.

A. James E. Jones, Jr., 1776 F Street NW., Washington, D.C.

B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.

D. (6) $875. (E) (9) $149.

A. Norvill Jones, 1630 I Street NW., Washington, D.C. 20006.

B. Reynolds Metals Co., 6601 West Broad Street, Richmond, Va. 23261.

D. (6) $250. E. (9) $111.67.

A. De Soto Jordan, Electronic Data Systems Corp., 229 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Electronic Data Systems Corp., 229 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $484. E. (9) $96 30.

A. Donald L. Jordan, 1776 F Street NW., Washington, D.C. 20006.

B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.

D. (6) $200. E. (9) $125.

A. James V. Jordan III, P.O. Box 2563, Birmingham, Ala. 35202.

B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.

A. Jeffrey H. Joseph, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) $1,365. E. (9) $60.45.

A. Marjorie J. Josiah, 1620 I Street, NW., Washington, D.C. 20006.

B. Visa U.S.A., Inc., 3000 Clearview Way, San Mateo, Calif. 94403.

D. (6) $3,000.

A. James N. Juliana, 1750 New York Avenue SW., Suite 340, Washington, D.C. 20006.

B. Braniff International, P.O. Box 61747, Dallas-Fort Worth Airport, Texas 75261.

A. Robert E. Juliano, Hotel and Restaurant Employees and Bartenders International Union, 1666 K Street NW., Washington, D.C. 20006.

B. Hotel and Restaurant Employees and Bartenders International Union, 120 East Fourth Street, Suite 1300, Cincinnati, Ohio 45202.

D. (6) $9,999.96. E. (9) $1,015.65.

A. Kaiser Steel Corp., 900 17th Street NW., No. 1016; Washington, D.C. 20006.

E. (9) $592.80.

A. Donald J. Kaniewski, Laborers' International Union of North America, AFL–CIO, 905 16th Street, NW., Washington, D.C. 20006.

B. Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.

D. (6) $5,224.98. E. (9) $340.55.

A. Charles W. Karcher, 1780 Guildhall, Cleveland, Ohio 4415.

B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

A. Gene Karpinski, 133 C Street S.E., Washington, D.C. 20003.

B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.

D. (6) $3,249.90.

A. Joseph E. Karth, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.

B. American League for Exports and Security Assistance, Inc., Suite 4400, 475 L'Enfant Plaza, SW., Washington, D.C. 20024.

D. (6) $12,500.

A. Joseph E. Karth, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.

B. General Electric Co., 777 14th Street, N.W., Washington, D.C. 20005.

D. (6) $3,500. E. (9) $1,629.

A. Joseph E. Karth, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.

B. TADCO Enterprises, Inc., 1625 I Street NW., Washington, D.C. 20006; Archer-Daniels-Midland Co., Decatur, Ill. 62525.

D. (6) $3,500.

A. Linda E. Katz, 3350 Huntley Square Drive, No. T–2, Temple Hills, Md. 20031.

B. Chicago Rock Island & Pacific Railroad Co., 352 South Michigan Avenue, Chicago, Ill. 60604.

A. Milton M. Kaufmann, The Fund for Animals, Inc., 19102 Roman Way, Gaithersburg, Md. 20760.

B. The Fund for Animals, Inc., 140 West 57th Street, New York, N.Y. 10019.

D. (6) $3,000.

A. Kathryn Kavanagh-Baran, 2030 M Street, NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $3,399.96.

A. Everett E. Kavanaugh, The Cosmetic Toiletry & Fragrance Association Inc., 1133 15th Street NW., Suite 1200, Washington, D.C. 20005.

B. The Cosmetic Toiletry & Fragrance Association, Inc., 1133 15th Street NW., Suite 1200, Washington, D.C. 20005.

A. Thomas O. Kay, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, Government Affairs Office, 925 15th Street NW., Washington, D.C. 20005.

D. (6) $1,500. E. (9) $796.83.

A. William J. Keating 725 15th Street NW., Washington, D.C. 20005.

B. National Grain & Feed Association, P.O. Box 28328, Washington, D.C. 20005.

A. Howard B. Keck, The Superior Oil Co., 555 South Flower Street, Los Angeles, Calif. 90071.

B. The Superior Oil Co., 555 South Flower Street, Los Angeles, Calif. 90071.

E. (9) $300.

A. Keck, Mahin & Cate, 8300 Sears Tower, 233 South Wacker Drive, Chicago, Ill. 60606.

B. Schwinn Bicycle Co., 1856 North Kostner Avenue, Chicago, Ill. 60639.

D. (6) $55.

A. W. M. Keck, Jr., 1801 Avenue of the Stars, Suite 1110, Los Angeles, Calif. 90067.

A. Patricia Keefer, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $6,200.01.

A. David C. Keehn, Air Products and Chemicals, Inc., 1800 K Street NW., Suite 1016, Washington, D.C. 20006.

B. Air Products and Chemicals, Inc., P.O. Box 538, Allentown, Pa. 18105.

D. (6) $45.50.

A. Keith B. Keener, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

D. (6) $150.

A. Keiki Kehoe, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Environmetal Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $3,000. E. (9) $5.

A. Jefferson D. Keith, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.

B. National Pest Control Association, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.

A. Robert H. Kellen, Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.

B. Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346 (for Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346).

D. (6) $1,650.

A. Candace Keller, Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.

B. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.

D. (6) $1,700.

A. John B. Kelley, 1025 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.

B. Avco Corp., 1275 King Street, Greenwich, Conn. 06830.

D. (6) $1,500.

A. Michael T. Kelley, One Farragut Square NW., Suite 606, Washington, D.C. 20006.

B. Houston Natural Gas Corp. One Farragut Square NW., Suite 606, Washington, D.C. 20006.

A. Paul J. Kelley, 2727 North Central Avenue, Phoenix, Ariz. 85004.

B. U-Haul International, Inc., 2727 North Central Avenue, Phoenix, Ariz. 85004.

D. (6) $2,000. E. (9) $2,207.39.

A. Ty Kelley, National Association of Chain Drug Stores, Inc., 1911 Jefferson Davis Highway, No. 504, Arlington, Va. 22202.

B. National Association of Chain Drug Stores, Inc., 1911 Jefferson Davis Highway, No. 504, Arlington, Va. 22202.

D. (6) $1,500.

A. Stephen S. Kellner, 1001 Connecticut Avenue NW., Suite 1120, Washington, D.C. 20036.

B. Chemical Specialties Manufacturers Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $179.32. E(9) $98.75.

A. Carol A. Kelly, American Textile Manufacturers Institute, Inc., Suite 300, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Textile Manufacturers Institute, 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.

D. (6) $416.40. E. (9) $25.

A. Ernest B. Kelly III, Communications Satellite Corp, 950 L'Enfant Plaza SW., Washington, D.C. 20024.

B. Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.

D. (6) $1,000. E. (9) $382.41.

A. Harold V. Kelly, 1101 15th Street NW., Washington, D.C. 20005.

B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. John J. Kelly, 900 15th Street NW., Washington, D.C. 20005.

B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.

D. (6) $1,672.91.

A. Jeremiah J. Kenney, Jr., Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.

E. (9) $115.70.

A. Peter B. Kenney, National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.

B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.

D. (6) $900. E. (9) $206.

A. Robert T. Kenney, 1050 17th Street NW., Washington, D.C.

B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.

A. Paul A. Kerschner, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $603.12.

A. Robert M. Ketchel, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

B. General Electric Co., 777 14th Street NW,. Washington, D.C. 20005.

A. Gilbert W. Keyes, P.O. Box 3999, Seattle, Wash. 98124.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) $53.22. E. (9) $145.91.

A. Richard F. Kibben, 200 Park Avenue, Suite 2222, New York, N.Y. 10017.

B. The Business Rountable, 200 Park Avenue, Suite 2222, New York, N.Y. 10017.

A. William S. Kies, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.

D. (6) $750.

A. Kilpatrick & Cody, Suite 400, 2033 K Street NW., Washington, D.C. 20006.

B. Furniture Rental Association of America, 1101 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

D. (6) $6,635. E. (9) $88.72.

A. Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.

E. (9) $1,155.30.

A. Richard H. Kimberly, Kimberly-Clark Corp., Executive Suite, 3390 Peachtree Road NE., Atlanta, Ga. 30326.

B. Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.

D. (6) $85.20. E. (9) $665.92.

A. James L. Kimble, American Insurance Association, 1025 Connecticut Avenue, Suite 415, Washington, D.C. 20036.

B. American Insurance Association, 1025 Connecticut Avenue, Suite 145, Washington, D.C. 20036.

D. (6) $1,500. E. (9) $143.09.

A. Edward H. King, Walgreen Co., 200 Wilmot Road, Deerfield, Ill. 60015.

B. Walgren Co., 200 Wilmot Road, Deerfield, Ill. 60015.

A. G. Jack King, Allegheny Airlines, Inc., Washington National Airport, Washington, D.C. 20001.

B. Allegheny Airlines, Inc., Washington, D.C. 20001.

D. (6) $1,000.

A. King & Spalding, 2500 Trust Co. Tower, Atlanta, Ga. 30303.

B. Tri-South Mortgage Investors, 1532 Dunwoody Village Parkway, Atlanta, Ga. 30338; Great American Management and Investment, 2850 Equitable Building, Atlanta, Ga. 30303; CMEI, Inc., 300 Interstate North, Atlanta, Ga. 30339.

D. (6) $15,320. E. (9) $868.99.

A. Charles L. King, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

D. (6) $220.

A. John M. Kinnaird, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

D. (6) $7,500.

A. Janie A. Kinney, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.

B. Twin Coasts Newspaper, Inc., The Journal of Commerce, 110 Wall Street, New York, N.Y. 10005.

D. (6) $1,000. E. (9) $19.

A. Alan G. Kirk II, Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.

B. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.

A. John R. Kirk, Bingham, Dana & Gould, 100 Federal Street, Boston, Mass. 02110.

B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

A. Kirkland & Ellis, 1776 K Street NW., Washington, D.C. 20006.

B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Washington, D.C. 20007.

A. Saul B. Klaman, National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.

B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.

D. (6) $415.38.

A. Catherine B. Klarfeld, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Republic of the Philippines).

A. Arthur E. Klauser, Dow Corning Corp., 1800 M Street NW., Suite 710 South, Washington, D.C. 20036.

B. Dow Corning Corp., Midland, Mich. 48640.

A. Richard P. Kleeman, Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.

B. Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.

A. Joann Klimschot, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $3,600.

A. Richard A. Kline, 1150 17th Street NW., Suite 609, Washington, D.C. 20036.

B. Council of Active Independent Oil and Gas Producers, 1150 17th Street NW., Suite 609, Washington, D.C. 20036.

D. (6) $5,781.

A. William H. Knapp, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) $530. E. (9) $28.

A. John P. Knierim, 115 West Seventh Street, Fort Worth, Tex. 76102.

B. Texas Electric Service Co., 115 West Seventh Street, Fort Worth, Tex. 76102.

D. (6) $80.47. E. (9) $45.25.

A. Gary D. Knight, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

D. (6) $65.94. E. (9) $6.

A. Keith R. Knoblock, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

D. (6) $56.74. E. (9) $3.

A. John C. Knott, Burlington Northern, Inc., Burlington Northern Station, Casper, Wyo. 82601.

B. Burlington Northern, Inc., 176 East Fifth Street, St. Paul, Minn. 55101.

A. C. Neal Knox, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $1,375.

A. Philip M. Knox, Jr., 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.

B. Sears, Roebuck and Co., Sears Tower, Chicago, Ill. 60684.

A. Ruth E. Kobell, 1012 14th Street NW., Washington, D.C. 20005.

B. The Farmers' Educational and Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.

D. (6) $3,530.78. E. (9) $90.92.

A. Bradley R. Koch, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue N.W., Washington, D.C. 20036.

D. (6) $126.80.

A. George W. Koch, 1010 Wisconsin Avenue NW., Washington, D.C. 20007.

B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Washington, D.C. 20007.

A. Robert M. Koch, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

E. (9) $18.40.

A. William H. Kolberg, 1850 K Street NW., Suite 390, Washington, D.C. 20006.

B. Union Camp Corp., 1850 K Street NW., Suite 390, Washington, D.C. 20006.

E. (9) $562.60.

A. Ann Kolker, National Women's Political Caucus, 1411 K Street NW., Washington, D.C. 20005.

B. National Women's Political Caucus, 1411 K Street NW., Washington, D.C. 20005.

D. (6) $2,820. E. (9) $120.

A. Kominers, Fort, Schlefer & Boyer, 1776 F Street NW., Washington, D.C. 20006.

B. Colt Industries, Inc., 430 Park Avenue, New York, N.Y. 10022.

D. (6) $2,600.

A. Nicholas Kominus, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

B. U.S. Cane Sugar Refiners' Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $937.50. E. (9) $24.16.

A. Stephen Koplan, AFL–CIO, 815 16th Street NW., Washington, D.C.

B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.

D. (6) $12,582.89. E. (9) $44.39.

A. Horace R. Kornegay, Suite 800, 1875 I Street NW., Washington, D.C. 20006.

B. The Tobacco Institute, Inc., 1875 K Street NW., Washington, D.C. 20006.

A. Kenneth S. Kovack, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.

B. United Steelworkers of America, Five Gateway Center, Pittsburgh, Pa. 15222.

D. (6) $7,544.73.

A. Chris Koyanagi, National Council of Community Mental Health Centers, 2233 Wisconsin Avenue NW., No. 322, Washington, D.C. 20007.

B. National Council of Community Mental Health Centers, 2233 Wisconsin Avenue NW., No. 322, Washington, D.C. 20007.

D. (6) $3,344. E. (9) $50.

A. E. J. Krabacher, Cincinnati Milacron, Inc., 4701 Marburg Avenue, Cincinnati, Ohio 45209.

B. Cincinnati Milacron, Inc., 4701 Marburg Avenue, Cincinnati, Ohio 45209.

D. (6) $8,600. E. (9) $1,070.

A. Mylio S. Kraja, National Legislative Commission, 1608 K Street NW., Washington, D.C.

B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.

D. (6) $8,283. E. (9) $1,267.16.

A. Amos Kramer, Kansas Petroleum Council, 1414 Merchants Bank Building, Eighth and Jackson Streets, Topeka, Kans. 66612.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Stephen W. Kraus, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

D. (6) $10.

A. Raymond R. Krause, 1700 Pennsylvania Avenue NW., No. 580, Washington, D.C. 20006.

B. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.

D. (6) $300. E. (9) $112.33.

A. Lawrence E. Kreider, Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.

B. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.

A. L. Wayne Krug, 1100 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Union Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.

A. James S. Krzyminski, National Council of Farmers Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $560.

A. M. J. Kuehn, American Plywood Association, P.O. Box 11700.

B. American Plywood Association, P.O. Box 11700.

A. Lloyd R. Kuhn, Aerospace Industries Association, 1725 DeSales Street NW., Washington, D.C. 20036.

B. Aerospace Industries Association of America, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.

D. (6) $10,392. E. (9) $1,242.99.

A. Thomas R. Kuhn, American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.

B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.

D. (6) $1,875.01. E. (9) $99.99.

A. Kurrus, Dyer, & Jacobi, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

D. (6) $17,011.50. E. (9) $2,265.90.

A. Daniel M. Kush, CertainTeed Corp., 1627 K Street NW., Washington, D.C. 20006.

B. CertainTeed Corp., P.O. Box 860, Valley Forge, Pa. 19482.

D. (6) $330. E. (9) $72.94.

A. Kutak, Rock & Huie, 1101 Connecticut Avenue NW., 11th Floor, Washington, D.C. 20036.

B. Citibank, N.A., 399 Park Avenue, New York, N.Y. 10043.

D. (6) $1,500. E. (9) $66.67.

A. Kutak Rock & Huie, The Omaha Building, 1650 Farnam Street, Omaha, Nebr. 68102.

B. E. F. Hutton & Co., Inc., One Battery Park Plaza, New York, N.Y. 10004.

E. (9) $238.

A. Kutak Rock & Huie, 1101 Connecticut Avenue NW., 11th Floor, Washington, D.C. 20036.

B. Indiana National Corp., One Indiana Square, Indianapolis, Ind. 46266.

E. (9) $6.

A. Kutak Rock & Huie, 1101 Connecticut Avenue NW., 11th Floor, Washington, D.C. 20036.

B. Old Stone Bank, 150 South Main Street, Providence, R.I. 02901.

E. (9) $6.

A. Labor Bureau of Middle West, 1200 15th Street NW., Washington, D.C. 20005.

A. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $4,979. E. (9) $5,707.

A. Laborers' International Union of North America, 905 16th Street NW., Washington, D.C. 20006.

E. (9) $24,286.99.

A. Philip A. Lacovara, Hughes, Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.

B. Bristol-Myers Co., 1155 15th Street NW., Washington, D.C. 20036.

D. (6) $100. E. (9) $3.

A. Philip A. Lacovara, Hughes, Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.

B. Merck & Co., Inc., P.O. Box 2000, Rahway, N.J. 07065.

D. (6) $100. E. (9) $3.

A. Philip A. Lacovara, Hughes, Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.

B. Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $100. E. (9) $3.

A. Bruce C. Ladd, Jr., The Upjohn Co., 1660 L Street NW., Suite 205, Washington, D.C. 20036.

B. The Upjohn Co., 7000 Portage Road, Kalamazoo, Mich. 49001.

E. (9) $900.95.

A. Walter B. Laessig, 1101 17th Street NW., Suite 700, Washington, D.C. 20036.

B. National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Suite 700, Washington, D.C. 20036.

D. (6) $450.

A. Sandra LaFevre, 1000 Connecticut Avenue NW., Suite 304, Washington, D.C. 20036.

B. Nationwide Insurance Co. & Affiliates, 1 Nationwide Plaza, Columbus, Ohio 43216.

D. (6) $500.

A. Sarah M. Laird, League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

B. League of Women voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

D. $(6) $3,316. E. (9) $22.

A. Lake Carriers' Association, 1411 Rockefeller Building, Cleveland, Ohio 44113.

A. James H. Lake, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. California Westside Farmers, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

D. (6) $2,500.

A. James H. Lake, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. National Potato Council, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

A. James H. Lake, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for Califorina Canning Peach Association).

A. James H. Lake, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson & Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for Chicago Mercantile Exchange).

A. David F. Lambert III., Suite 1101, 2001 Jefferson Davis Highway, Arlington, Va. 22202.

B. Automotive Occupant Protection Association, Suite 1101, 2001 Jefferson Davis Highway, Arlington, Va. 22202.

D. (6) $10,000. E. (9) $82.14.

A. David R. Lambert, The National Grange, 1616 H Street NW., Washington, D.C. 20006.

B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.

D. (6) $1,648.

A. S. J. Lanahan, Wilmer & Pickering, 1666 K Street NW., Washington, D.C. 20006.

B. Estate of Mary Adams, P.O. Box 1208, Savannah, Ga. 31402.

D. (6) $2.800. E. (9) $4.55.

A. David W. Landsidle, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $225.

A. Karl S. Landstrom, 510 North Edison Street, Arlington, Va. 22205.

B. Geothermal Resources International, Inc., 4676 Admiralty Way, Suite 503, Marina del Rey, Calif. 90291.

D. (6) $750. E. (9) $10.

A. Lane & Edson, 1800 M Street NW., Suite 400 South, Washington, D.C. 20036.

B. City of Baltimore, Mayor William Donald Schaefer, Office of the Mayor, 250 City Hall, Baltimore, Md. 21202.

D. (6) $2,000.

A. Lane & Edson, Suite 400–S, 1800 M Street NW., Washington, D.C. 20036.

B. National Leased Housing Association, Suite 400–S, 1800 M Street NW., Washington, D.C. 20036.

D. (6) $450.

A. Michael S. Lang, American Productivity Center, Inc., 1700 West Loop South, Suite 210, Houston, Tex. 77027.

B. American Productivity Center, Inc., 1700 West Loop South, Suite 210, Houston, Tex. 77027.

A. Robin W. Lanier, National Retail Merchants Association, 1000 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.

D. (6) $132. E. (9) $9.

A. James J. LaPenta, Jr., LIUNA, 905 16th Street NW., Washington, D.C. 20006.

B. Laborers' International Union of North America, AFL–CIO, 905 16th Street NW., Washington, D.C. 20006.

D. (6) $3,903.09. E. (9) $305.45.

A. Clifford C. LaPlante, General Electric Co., 777 14th Street NW., Washington, D.C.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.

A. J. Stephen Larkin, International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.

B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.

D. (6) $500. E. (9) $55.50.

A. Reed E. Larsen, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.

B. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.

D. (6) $135. E. (9) $15.

A. Lawrence C. Laser, Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.

B. Cities Service Co., 1600 L Street NW., Suite 207, Washington, D.C. 20036.

A. Latham, Watkins & Hills, 1333 New Hampshire Avenue NW., Suite 1200, Washington, D.C. 20036.

B. Republic National Bank, 5200 North Shepherd, Houston, Tex. 77018.

D. (6) $561.06.

A. Theodore A. Lattanzio, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $600.

A. Kathryn Lavriha, League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

D. (6) $964. E. (9) $6.

A. Ivan L. Lawyer, GCC Beverages, Inc., 7777 Northwest 41 Street, Miami, Fla. 33159.

B. GCC Beverages, Inc., 7777 Northwest 41 Street, Miami, Fla. 33159.

D. (6) $14,500. E. (9) $1,843.20.

A. Kenneth L. Lay, 641 Via Lugano, Winter Park, Fla. 32789.

B. Florida Gas Transmission Co., P.O. Box 44, Winter Park, Fla. 32790.

A. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.

D. (6) $16,065. E. (9) $16,065.

A. Kevin R. Leary, National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.

B. National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.

D. (6) $3,125. E. (9) $26.02.

A. John I. Le Berre, 900 17th Street NW., Washington, D.C. 20006.

B. Kaiser Aluminum & Chemical Corp., 900 17th Street NW., Washington, D.C.

D. (6) $200. E. (9) $8.

A. LeBoeuf, Lamb, Leiby & MacRae, 140 Broadway, New York, N.Y. 10005; 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Underwriters at Lloyd's London, c/o Wm. G. Hockensmith, 409 McClure Building, Frankfort, Ky. 40601; c/o John Smith, Lord, Bissell & Brook, 115 South LaSalle Street, Chicago, Ill. 60603.

E. (9) $4.02.

A. Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001.

B. Gino Morena Enterprises, P.O. Box 191, South San Francisco, Calif. 94080.

D. (6) $1,825. E. (9) $1,500.

A. Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001.

B. Northern California Naval Civilian Employees Council, P.O. Box 2321, Alameda, Calif.
D. (6) $3,000. E. (9) $3,300.

A. Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001.
B. Panama Canal Pilots Association, P.O. Box 601, Balboa, C.Z.
D. (6) $6,000. E. (9) $3,000.

A. Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001.
B. Somalia Democratic Republic, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
E. (9) $7,300.

A. Robert L. Leggett, 400 North Capitol Street, Suite 323, Washington, D.C. 20001.
B. Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001 (for Somali Democratic Republic, 600 New Hampshire Avenue NW., Washington, D.C. 20037).

A. Joseph M. Leigh, 13800 Northeast Sixth Avenue, Apt. 4, North Miami, Fla. 33161.
B. Senior Pilots Association, P.O. Box 530164, Miami, Fla. 33153.
E. (9) $322.28.

A. Robert J. Leigh, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. The Adhesive & Sealant Council, Inc., 1500 North Wilson Boulevard, Room 1117, Arlington, Va. 22209.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. Alarm Industry Telecommunications Committee of the National Burglar & Fire Alarm Association, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

A. Leighton, Conklin & Lemov, 2033 M Street NW., No. 800, Washington, D.C. 20036.
B. American Association of Nurse Anesthetists, 619 West Higgins Road, Park Ridge, Ill. 60068.

A. Leighton, Conklin & Lemov, 2033 M Street NW., No. 800, Washington, D.C. 20036.
B. American Express Co., 1700 K Street NW., No. 702, Washington, D.C. 20006.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. American Dental Assistants Association, 666 North Lake Shore Drive, Suite 1130, Chicago, Ill. 60611.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. American Telecom of Maryland, Inc., 5110 College Avenue, College Park, Md. 20740.

A. Leighton, Conklin & Lemov, 2033 M Street NW., No. 800, Washington, D.C. 20036.
B. City & Regional Magazine Association, 2033 M Street NW., No. 800, Washington, D.C. 20036.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. Fireman's Fund American Life Insurance Co., 1600 Los Gamos Drive, San Rafael, Calif. 94911.
D. (6) $2,913.50.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. General Atomic Co., 2021 K Street NW., Suite 709, Washington, D.C. 20006.
D. (6) $2,075.

A. Leighton, Conklin & Lemov, 2033 M Street NW., No. 800, Washington, D.C. 20036.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., No. 800, Washington, D.C. 20007.

A. Leighton, Conklin & Lemov, 2033 M Street NW., No. 800, Washington, D.C. 20036.
B. Intraocular Lens Manufacturers Association, 1420 Crestview Avenue, Seal Beach, Calif. 90740.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. MCI Communications Corp., 1150 17th Street NW., Washington, D.C. 20036.
D. (6) $4,000.

A. Leighton, Conklin & Lemov, 2033 M Street NW., No. 800, Washington, D.C. 20036.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

A. Leighton, Conklin & Lemov, 2033 M Street NW., No. 800, Washington, D.C. 20036.
B. National Glass Dealers Association, 1000 Connecticut Avenue NW., No. 802, Washington, D.C. 20036.

A. Leighton, Conklin & Lemov, 2033 M Street NW., No. 800, Washington, D.C. 20036.
B. National Macaroni Manufacturers Association, P.O. Box 336, Palatine, Ill. 60067.

A. Leighton, Conklin & Lemov, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. National Manufactured Housing Federation, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
D. (6) $1,800.

A. Leighton, Conklin & Lemov, 2033 M Street NW., No. 800, Washington, D.C. 20036.
B. TRT Telecommunications Corp., 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Leighton, Conklin & Lemov, 2033 M Street NW., No. 800, Washington, D.C. 20036.
B. Turner Broadcasting System, Inc., 1018 West Peachtree Street, NW., Atlanta, Ga. 30309.

A. Leighton, Conklin & Lemov, 2033 M Street NW., No. 800, Washington, D.C. 20036.
B. Whey Products Institute, 130 North Franklin Street, Chicago, Ill. 60606.

A. Joseph L. Leitzinger, 900 Fourth Avenue, Seattle, Wash. 98164.
B. Simpson Timber Co., 900 Fourth Avenue, Seattle, Wash. 98164.
D. (6) $675. E. (9) $340.31.

A. Gilbert LeKander, 1629 K Street NW., No. 801, Washington, D.C. 20006.
B. Montana Power Co., 40 East Broadway, Butte, Mont. 59701; Washington Water Power Co., Box 3727, Spokane, Wash. 99220.
D. (6) $450.

A. Lynette B. Lenard, 1800 M Street NW., Suite 700S, Washington, D.C. 20036.
B. The Dow Chemical Co., Midland, Mich. 48640.
D. (6) $100. E. (9) $50.

A. Barbara S. Leonard, The Consumer Bankers Association, 1725 K Street NW., Suite 1410, Washington, D.C. 20006.
B. The Consumer Bankers Association, 1725 K Street NW., Suite 1410, Washington, D.C. 20006.
D. (6) $1,000. E. (9) $249.29.

A. Earl T. Leonard, Jr., The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
B. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
D. (6) $560. E. (9) $751.10.

A. Lloyd Leonard, League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $2,338. E. (9) $17.

A. Steven H. Lesnik, Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049.
B. Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049.
D. (6) $300.

A. Dale Lestina, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $1,884.34. E. (9) $170.25.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Cooperative for American Relief Everywhere, Inc., 660 First Avenue, New York, N.Y. 10016.
D. (6) $2,319. E. (9) $39.28.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. General Electric Co., Gas Turbine Division, 1 River Road, Building 500, Room 228, Schenectady, N.Y. 12345.
D. (6) $132.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. National Association for Hospital Development (NAHD), 1700 K Street NW., Washington, D.C. 20006.
D. (6) $200.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. National Council of Community Hospitals (NCCH), 815 Connecticut Avenue NW., Washington, D.C. 20006.
D. (6) $100.

A. Morris J. Levin, 1050 17th Street NW., Washington, D.C. 20036.
B. Association of American Railroads, American Railroad Building, Washington, D.C.
D. (6) $2,000.

A. Morris J. Levin, 1050 17th Street NW., Washington, D.C. 20036.
B. Independent Local Newspaper Association, Suite 240, 1050 17th Street NW., Washington, D.C. 20036.
D. (6) $7,500.

A. Harry LeVine, Jr., General Electric Co., 777 14th Street, NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.
D. (6) $270.

A. Roger N. Levy, Independent Insurance Agents of America, Inc., 1120 19th Street, Washington, D.C. 20036.
B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
D. (6) $8,960.

A. B. P. Lewallen, United Mine Workers of America, 900 15th Street, NW., Washington, D.C. 20005.

B. United Mine Workers of America, 900 15th Street, NW., Washington, D.C. 20005.
D. (6) $1,379.18.

A. E. David Lewis, Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.
B. Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.
D. (6) $110. E. (9) $90.

A. Lewis, Rice, Tucker, Allen & Chubb, 611 Olive Street, Suite 1400, St. Louis, Mo. 63101.
B. The St. Louis Mercantile Library Association, 510 Locust Street, St. Louis, Mo. 63188.
D. (6) $1,175. E. (9) $604.63.

A. Robert G. Lewis, 1012 14th Street, NW., Washington, D.C. 20005.
B. The Farmers' Educational & Co-Operative Union of America (National Farmers Union), Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $1,975.38. E. (9) $28.01.

A. Stuart A. Lewis, 1800 M Street, NW., Suite 1010, Washington, D.C. 20036.
B. Association of Reserve City Bankers, 1800 M Street, NW., Suite 1010, Washington, D.C. 20036.
D. (6) $200.

A. Ronald L. Leymeister, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

A. Wm. J. Lhota, Ohio Power Co., 301 Cleveland Avenue SW., Canton, Ohio 44702.
B. Ohio Power Co., 301 Cleveland Avenue SW., Canton, Ohio 44702, a subsidiary of American Electric Power Co., Inc., 2 Broadway, New York, NY 10004.

A. Herbert Liebenson, National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
B. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
D. (6) $4,500. E. (9) $1,200.

A. Herbert Liebenson, Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.
B. Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.
D. (6) $2.500. E. (9) $1,200.

A. William C. Lienesch, 238 10th Street SE., Washington, D.C. 20003.
B. National Parks & Conservation Association, 1701 18th Street NW., Washington, D.C. 20009.
D. (6) $829.08. E. (9) $24.25.

A. William Lilley III, American Express Co., 1700 K Street NW., Washington, D.C. 20006.
B. American Express Co., American Express Plaza, New York, N.Y. 10004.

A. Edward J. Lincoln, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. United States-Japan Trade Council, 1000 Connecticut Avenue, NW., Washington, D.C. 20036.
D. (6) $100.

A. Charles W. Linderman, Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
B. Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
D. (6) $125.

A. Kathleen M. Linehan, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.

A. Zel E. Lipsen, 1725 DeSales Street NW., No. 800, Washington, D.C. 20035.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C.
E. (9) $500.

A. Robert G. Litschert, 1111 19th Street NW., Washington, D.C. 20036.
B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $509. E. (9) $393.55.

A. Andrew Litsky, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $550.

A. Livestock Marketing Association, 4900 Oak Street, Kansas City, Mo. 64112.
E. (9) $535.26.

A. H. Richard Lloyd, Jr., General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
D. (6) $88.35.

A. Robert H. Loeffler, Morrison & Foerster, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. State of Alaska, Department of Natural Resources, Pouch M, State Capitol, Juneau, Alaska 99811.
D. (6) $297.

A. Loews Corp., 666 Fifth Avenue, New York, N.Y. 10019.
E. (9) $4,500.

A. Law Offices of Sheldon I. London, 1725 DeSales Street NW., Suite 401, Washington, D.C. 20036.
B. American Hardware Manufacturers Association, 117 East Palatine Road, Palatine, Ill. 60067.
D. (6) $1,500.

A. Robert W. Long, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.
D. (6) $114.64. E. (9) $4.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. Association of Bituminous Contractors, 2020 K Street NW., Washington, D.C. 20006.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. Classroom Publishers Association, 2020 K Street NW., Washington, D.C. 20006.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. Industrial Diamond Association, 59 East Main Street, Moorestown, N.J. 08057.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. National Association of Casualty & Surety Agents, 5225 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. National Water Well Association, 500 West Wilson Bridge Road, Northington, Ohio 43085.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. Optical Manufacturers Association, 1901 North Fort Myer Drive, Arlington, Va. 22209.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. Textile Rental Services Association of America, 1150 East Hallandale Beach Boulevard, Hallandale, Fla. 33009.

A. Edward J. Lord, The American Legion, 1608 K Street NW., Washington, D.C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $5,709. E. (9) $363.86.

A. Philip J. Loree, 17 Battery Place North, New York, N.Y. 10004.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $200.

A. Judith A. Lorenson, 1960 Lake Clay Drive, Chesterfield, Mo. 63017.
B. Chromalloy American Corp., 120 South Central Avenue, St. Louis, Mo. 63105.
D. (6) $7,500. E. (9) $11.55.

A. Robert E. Losch, 1716 New Hampshire Avenue NW., Washington, D.C. 20009.
B. American Dredging Co., P.O. Box 328, Fort Washington, Pa. 19034, et al.
D. (6) $10,000. E. (9) $2,503.58.

A. Robert E. Losch, 1716 New Hampshire Avenue NW., Washington, D.C. 20009.
B. Pelican Terminal Corp., 500 Jefferson Building, Suite 2025, Houston, Tex. 77002; Port of Galveston (Galveston Wharves) P.O. Box 328, Galveston, Tex. 77550.
D. (6) $12,501. E. (9) $1,858.53.

A. James F. Lovett, Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.
B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $500. E. (9) $200.

A. Robert C. Lower, Alston, Miller & Gaines, 1200 C. & S. National Bank Building, Atlanta, Ga. 30303.
B. Board of Trade Clearing Corp., 141 West Jackson Boulevard, Chicago, Ill. 60604.

A. Robert C. Lower, Alston, Miller & Gaines, 1200 C. & S. National Bank Building, Atlanta, Ga. 30303.
B. Rosenthal & Co., 141 West Jackson Boulevard, Chicago, Ill. 60604.

A. William C. Lowrey, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.
B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.
D. (6) $1,500.

A. Gerald M. Lowrie, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,000.

A. Freddie H. Lucas, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich.
D. (6) $3,000. E. (9) $701.05.

A. Lucas, Friedman & Mann, 1028 Connecticut Avenue NW., Washington, D.C. 20036.
B. Coushatta Tribe of Louisiana, c/o Ernest Sickey, Tribal Chairman, Elton, La. 70532.
E. (9) $200.

A. Lucas, Friedman & Mann, 810 18th Street NW., Washington, D.C. 20006.
B. Republic of the Philippines.

A. William F. Ludlam, Sr., P.O. Box 5282, Virginia Beach, Va. 23455.
B. American Revolution Bicentennial Association Licensees, P.O. Box 10, Cocoa Beach, Fla. 32931.
E. (9) $1,267.

A. Kathy Luhn, 1899 L Street NW., Suite 403, Washington, D.C. 20036.
B. Outdoor Advertising Association of America, Inc., 1899 L Street NW., Washington, D.C. 20036.
D. (6) $58. E. (9) $9.

A. C. Lance Lujan, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $1,884.34. E. (9) $51.25.

A. Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049.
E. (9) $3,271.73.

A. Milton F. Lunch, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Christian J. Lund, 1125 15th Street NW., Washington, D.C. 20005.
B. United Technologies Corp., United Technologies Building, Hartford, Conn. 06101; 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $10,000. E. (9) $14.10.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $300. E. (9) $9.95.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. National Product Liability Council, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $300. E. (9) $9.99.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Pennsylvania Power & Light Co., 2 North Ninth Street, Allentown, Pa. 18101.
D. (6) $3,764. E. (9) $433.27.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Shanghai Power Co., 100 West 10th Street, Wilmington, Del. 19801.
D. (6) $651.50. E. (9) $18.04.

A. Timothy Lynch, American Natural Resources System, 1899 L Street NW., Suite 500, Washington, D.C. 20036.
B. American Natural Service Co., 1 Woodward Avenue, Detroit, Mich. 48226.
D. (6) $1,500. E. (9) $450.

A. Richard Lyng, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.
B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007; 1600 Wilson Boulevard, Arlington, Va.
D. (6) $500.

A. William T. Lyons, 1800 M Street NW., Suite 280N, Washington, D.C. 20036.
B. CIBA-GEIGY Corp., Ardsley, N.Y.
D. (6) $2,250. E. (9) $1,418

A. Timothy C. MacCarthy, Motor Vehicle Manufacturers Association of the United States, Inc., 1909 K Street NW., Suite 300, Washington, D.C. 20006.
B. Motor Vehicle Manufacturers Association of the United States, Inc., 300 New Center Building, Detroit, Mich. 48202.
D. (6) $320.

A. Russell MacCleery, National Tire Dealers and Retreaders Association, Inc., 1343 L Street NW., Washington, D.C. 20005.
B. National Tire Dealers & Retreaders Association, Inc., 1343 L Street NW., Washington, D.C. 20005.
D. (6) $225.

A. Jack A. MacDonald, National Council of Health Care Services, 1200 15th Street NW., Suite 601, Washington, D.C. 20005.
B. National Council of Health Care Services, 1200 15th Street NW., Suite 601, Washington, D.C. 20005.
D. (6) $731.25. E. (9) $281.42.

A. James E. Mack, National Confectioners Association, 5101 Wisconsin Avenue, Suite 506, Washington, D.C. 20016.
B. National Confectioners Association, 36 South Wabash Avenue, Chicago, Ill. 60603.
D. (6) $18,375. E. (9) $310.65.

A. James H. Mack, 7901 Westpark Drive, McLean, Va. 22102.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22102.
D. (6) $896.75. E. (9) $500.

A. Duncan H. Mackenzie, 3019 Goat Hill Road, Bel Air, Md. 21014.
D. (6) $128. E. (9) $245.90.

A. John P. Mackey, Ad Hoc Committee in Defense of Life, Inc., 810 National Press Building, Washington, D.C. 20045.
B. Ad Hoc Committee in Defense of Life, Inc., 150 East 35th Street, New York, N.Y. 10016.
D. (6) $5,900.72. E. (9) $2,753.44.

A. Thomas J. Mader, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,650.

A. Edward C. Maeder, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).
D. (6) $1,750. E. (9) $305.21.

A. Susan G. Magaw, 1735 Jefferson Davis Highway, Suite 903, Arlington, Va. 22202.
B. Potato Chip/Snack Food Association, 1735 Jefferson Davis Highway, Suite 903, Arlington, Va. 22202.
D. (6) $300. E. (9) $9.25.

A. James Timothy Mahoney, Sierra Club, 330 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $5,625.

A. John F. Mahoney, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $3,865.44. E. (9) $40.55.

A. Robert L. Maier, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Aluminum and Chemical Corp., 900 17th Street NW., Washington, D.C. 20006.
D. (6) $40. E. (9) $4.

A. Andre Maisonpierre, Alliance of American Insurers, 1776 F Street NW., Washington, D.C. 20006.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.

A. J. Wilson Malloy, Jr., Eastman Chemical Products, Inc., 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Eastman Chemical Products, Inc., P.O. Box 431, Kingsport, Tenn. 37662.
D. (6) $625. E. (9) $21.

A. Carter Manasco, 5932 Chesterbrook Road, McLean, Va. 22101.
B. National Coal Association, 1130 17th Street NW., Washington, D.C. 20036.
D. (6) $9,624.99. E. (9) $65.40.

A. Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036.
E. (9) $450.

A. Forbes Mann, 1155 15th Street NW., Suite 1004, Washington, D.C. 20005.
B. The LTV Corp., 1525 Elm Street, Dallas, Tex. 75222.
D. (6) $2,000. E. (9) $550.

A. James H. Mann, 810 18th Street NW., Washington, D.C. 20006.
B. Lucas, Friedman & Mann, 810 18th Street NW., Washington, D.C. 20036 (for Republic of the Philippines).

A. Phillip L. Mann, Fulbright & Jaworski, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Kenneth Lewis, 3300 Northwest Yeon Avenue, Portland, Oreg. 97210.
D. (6) $5,331.19. E. (9) $153.81.

A. Armand G. Manson, 1666 K Street NW., Suite 300, Washington, D.C. 20006.
B. Bell Aerospace Textron, 1666 K Street NW., Suite 300, Washington, D.C. 20006.
D. (6) $2,684. E. (9) $2,684.

A. March for Life, Inc., P.O. Box 2950, Washington, D.C. 20013.
D. (6) $13,861.59. E. (9) $15,600.87.

A. Charles T. Marck, 1800 M Street NW., Suite 700 South, Washington, D.C. 20036.
B. The Dow Chemical Co., Midland, Mich. 48640.
D. (6) $1,000. E. $250.

A. David J. Markey, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $2,000. E. (9) $405.59.

A. Lawrence D. Markley, P.O. Box 3518, Anchorage, Alaska 99501.
B. Chugach Electric Association, Inc., P.O. Box 3518, Anchorage, Alaska 99501.
E. (9) $23.79.

A. John C. Marlin, 309 West Nevada, Urbana, Ill. 61801.
B. Central States Resource Center, P.O. Box 477, Urbana, Ill. 61801.
D. (6) $2,505. E. (9) $288.11.

A. Howard D. Marlowe, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $4,909.20. E. (9) $183.30.

A. D. V. Maroney, Jr., 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

B. Amalgamated Transit Union, AFL-CIO, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Jack D. Maroney, 1300 American Bank Tower, Austin, Tex. 78701.

B. Texas Medical Association, 1801 North Lamar Boulevard, Austin, Tex. 78701.

D. (6) $250. E. (9) $80.

A. Marshall, Bratter, Greene, Allison & Tucker, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

B. ADP Pension Services, Inc., 180 Newport Center Drive, Newport Beach, Calif. 92663.

D. (6) $3,850.

A. Marshall, Bratter, Greene, Allison & Tucker, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

B. Abbotts Dairies Division of Fairmont Foods Co., 333 West Loop North, Houston, Tex. 77024.

D. (6) $3,750.

A. Marshall, Bratter, Greene, Allison & Tucker, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

B. The Institute of Electrical and Electronics Engineers, Inc., 345 East 47th Street, New York, N.Y. 10022.

D. (6) $8,275.

A. J. Paull Marshall, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.

D. (6) $280.50. E. (9) $343.47.

A. David O. Martin, Kimberly-Clark Corp., North Lake Street, Neenah, Wisc. 54956.

B. Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.

D. (6) $145. E. (9) $87.58.

A. John B. Martin, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $457.69.

A. Katherine E. Martin, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.

D. (6) $336.75. E. (9) $167.05.

A. Larry K. Martin, Man-Made Fiber Producers Association, 1150 17th Street NW., Washington, D.C. 20036.

B. Man-Made Fiber Producers Association, 1150 17th Street NW., Washington, D.C. 20036.

D. (6) $150.

A. Thomas A. Martin, 2101 L Street NW., Washington, D.C. 20037.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $225.

A. Steven A. Martindale, Trammell, Rand, Nathan & Lincoln, 1730 K Street, Washington, D.C. 20006.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco; Rabat, Morocco).

D. (6) $900.

A. Joseph J. Martyak, Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.

E. (9) $72.59.

A. Maryland Savings-Share Insurance Corp., 901 North Howard Street, Baltimore, Md. 21201.

E. (9) $58.34.

A. Mike M. Masaoka, The Farragut Building, No. 520, 900 17th Street, NW., Washington, D.C. 20006.

B. American Japanese Trade Committee, 900 17th Street NW., No. 520, Washington, D.C. 20006.

A. Mike M. Masaoka, Association on Japanese Textile Imports, Inc., Suite 520, The Farragut Building, 900 17th Street NW., Washington, D.C. 20006.

B. Association on Japanese Textile Imports, Inc., 551 Fifth Avenue, New York, N.Y. 10017

D. (6) $250.

A. Mike M. Masaoka, The Farragut Building, No. 520, 900 17th Street, NW., Washington, D.C. 20006.

B. Nisei Lobby, The Farragut Building, No. 520, 900 17th Street NW., Washington, D.C. 20006.

A. Mike M. Masaoka, Masaoka-Ishikawa and Associates, Inc., 900 17th Street NW., Suite 520, Washington, D.C. 20006.

B. West Mexico Vegetable Distributors Association, P.O. Box 848, Nogales, Ariz. 85621.

D. (6) $500.

A. W. A. Mason, 442 Ontario, Shreveport, La.

B. Southwestern Electric Power Co., P.O. Box 21106, Shreveport, La. 71156.

A. Cliff Massa III, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $250.

A. William F. Massmann, Dr Pepper Co., P.O. Box 225086, Dallas, Tex. 75265.

B. Dr Pepper Co., P.O. Box 5096, Dallas, Tex. 75265.

A. Charles D. Matthews, National Ocean Industries Association, 1100 17th Street NW., No. 410, Washington, D.C. 20036.

B. National Ocean Industries Association, 1100 17th Street NW., No. 410, Washington, D.C. 20036.

D. (6) $688.38. E. (9) $688.39.

A. Herbert S. Matthews, Box 72, Mechanicsville, Md. 20659.

B. Jacksonville Transportation Authority, P.O. Box 5150, Jacksonville, Fla. 32207.

D. (6) $4,000. E. (9) $268.23.

A. Herbert S. Matthews, Box 72, Mechanicsville, Md. 20659.

B. Martin-Marietta Aerospace, 6801 Rockledge Drive, Bethesda, Md. 20034.

D. (6) $4,200. E. (9) $423.34.

A. Herbert S. Matthews, Box 72, Mechanicsville, Md. 20659.

B. National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.

A. Robert A. Matthews, Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.

B. Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.

D. (6) $562.50.

A. Joanne E. Mattiace, 1211 Connecticut Avenue NW., No. 802, Washington, D.C. 20036.

B. Sears, Roebuck and Co., Sears Tower, Chicago, Ill. 60684.

A. Roberrt R. Mattson, Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

A. C. V. and R. V. Maudlin, 1111 E Street NW., Washington, D.C.

B. Georgia Power Co., 270 Peachtree Street, Atlanta, Ga.

A. C. V. and R. V. Maudlin, 1111 E Street NW., Washington, D.C.

B. Joint Government Liaison Committee, 1111 E Street NW., Washington, D.C.

A. Samuel L. Maury, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.

B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.

D. (6) $153.04. E. (9) $53.91.

A. Thomas H. Maxedon, Kentucky Petroleum Council, 4010 Dupont Circle, Louisville, Ky. 40207.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Albert E. May, Council of American-Flag Ship Operators, 1625 K. Street NW., Washington, D.C. 20006.

B. Council of American-Flag Ship Operators, 1625 K Street NW., Washington, D.C. 20006.

D. (6) $555. E. (9) $2.24.

A. James C. May, Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

A. Arnold Mayer, United Food and Commercial Workers International Union (AFL-CIO), 100 Indiana Avenue NW., Room 502, Washington, D.C. 20001.

B. United Food and Commercial Workers International Union, AFL-CIO, 100 Indiana Avenue NW., Room 502, Washington, D.C. 20001.

D. (6) $11,765. E. (9) $420.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C.

B. Aerospace Industries Association of America, Inc., 1725 De Sales Street NW., Washingtn, D.C. 20036.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C. 20006.

B. Brunswick Corp., 1 Brunswick Plaza, Skokie, Ill. 60076.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C. 20006.

B. The ERISA Industry Committee, Suite 500, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $125. E. (9) $3.50.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C. 20006.

B. Nokota Co., P.O. Box 1633, 316 North Fifth Street, Bismarck, N. Dak. 58501.

A. MBPXL Corp., 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

E. (9) $1,000.

A. H. Wesley McAden, 1707 L Street NW., Suite 650, Washington, D.C. 20036.

B. J. G. Boswell Co., 333 South Hope Street, Los Angeles, Calif. 90017.

D. (6) $3,000. E. (9) $885.

A. H. Wesley McAden, 1707 L Street NW., Suite 650, Washington, D.C. 20036.

B. Salyer Land Co., P.O. Box 488, Corcoran, Calif. 93212.

D. (6) $3,000. E. (9) $885.

A. J. R. McAlpin, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Armco, 815 Connecticut Avenue NW., Washington, D.C. 20006.
D. (6) $600. E. (9) $305.

A. Ann McBride, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $6,816. E. (9) $66.

A. John A. McCahill, 2033 M Street NW., Washington, D.C. 20036.
B United States Olympic Committee, Box 4000, Colorado Springs, Colo. 80930.
E. (9) $58.20.

A. Julie P. McCahill, Mead Corp., Suite 715, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mead Corp., Mead World Headquarters, Courthouse Plaza NE., Dayton, Ohio 45463.

A. William C. McCamant, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $300.

A. John A. McCart, Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. Public Employee Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $2,579.17.

A. McCarty & Noone, 490 L'Enfant Plaza East, Suite 3306, Washington, D.C. 20024.
B. American Medical Technologists, 710 Higgins Road, Park Ridge, Ill. 60068.
D. (6) $540. E. (9) $34.67.

A. James R. McCaul, International Maritime Associates, Inc., 1800 K Street NW., Washington, D.C.
B. International Maritime Associates, Inc., 1800 K Street NW., Washington, D.C.
E. (9) $7.80.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Avon Products, Inc., Nine West 57th Street, New York, N.Y. 10019.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Cities Service Co., Box 300, Tulsa, Okla. 74102.
E. (9) $205.09.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. The Coca-Cola Co., P.O. Box 1734, Atlanta, Ga. 30301.
E. (9) $26.51.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Estate of Chester H. Roth, Parker, Chapin, Flattau & Klimpl, 530 Fifth Avenue, New York, N.Y. 10036.
E. (9) $1.98.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Gulf & Western Industries, Inc., One Gulf & Western Plaza, New York, N.Y. 10023.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Mobil Corp., 150 East 42d Street, New York, N.Y. 10017.
E. (9) $365.42.

A. Joel C. McConnell, Jr., Independent Bankers Association of America, 1625 Massachusetts Avenue NW., No. 203, Washington, D.C. 20036.
B. Independent Bankers Association of America, 1168 South Main, Sauk Centre, Minn. 56378.
D. (6) $5,000. E. (9) $1,000.

A. Richard M. M. McConnell, National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.
B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

A. John L. McCormick, Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $2,250.

A. Robert F. McCormick, Tyler & Reynolds, One Boston Place, Boston, Mass. 02108.
B. Electro Signal Lab, Inc., 1022 Hingham Street, Rockland, Mass. 02370.

A. Sally McCormick, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,000.

A. Robert E. McCoy, 1899 L Street NW., No. 1100, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

A. E. L. McCulloch, Brotherhood of Locomotive Engineers, 819 Railway Labor Building, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood of Locomotive Engineers, Engineers Building, Cleveland, Ohio 44114.
D. (6) $284.60. E. (9) $85.20.

A. Albert L. McDermott, American Hotel & Motel Association, Suite 1006, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $1,633.88.

A. Marianne McDermott, Hill & Knowlton, Inc., 1425 K Street NW., Washington D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Jack McDonald, 6845 Elm Street, No. 500, McLean, Va. 22101.
B. Jack McDonald Associates, Inc., 6845 Elm Street, No. 500, McLean, Va. 22101 (for Lear Siegler, Inc., 3171 South Bundy Drive, Santa Monica, Calif. 90406).
D. (6) $6,000.

A. Jack McDonald, 6845 Elm Street, No. 500, McLean, Va. 22101.
B. Jack McDonald Associates, Inc., 6845 Elm Street, No. 500, McLean, Va. 22101 (for The Sugar Association of America, 1511 K Street NW., Washington, D.C. 20005).
D. (6) $6,000.

A. Jack McDonald Associates, Inc., 6845 Elm Street, No. 500, McLean, Va. 22101.
B. Citizens for Management of Alaska Lands, P.O. Box 3256 DT, Anchorage, Alaska 99510.
D. (6) $4,000.

A. Jack McDonald Associates, Inc., 6845 Elm Street, No. 500, McLean, Va. 22101.
B. Lear Siegler, Inc., 3171 South Bundy Drive, Santa Monica, Calif. 90406.
D. (6) $12,000. E. (9) $12,000.

A. Jack McDonald Associates, Inc., 6845 Elm Street, No. 500, McLean, Va. 22101.
B. Northrop Corp., 1800 Century Park East, Los Angeles, Calif. 90067.
D. (6) $4,999.98. E. (9) $2,450.

A. Jack McDonald Associates, Inc., 6845 Elm Street, No. 500, McLean, Va. 22101.
B. The Sugar Association of America, 1511 K Street NW., Washington, D.C. 20005.
D. (6) $12,000. E. (9) $12,000.

A. James McDonald, 6845 Elm Street, No. 500, McLean, Va. 22101.
B. Jack McDonald Associates, Inc., 6845 Elm Street, No. 500, McLean, Va. 22101 (for Lear Siegler, Inc., 3171 South Bundy Drive, Santa Monica, Calif. 90406).
D. (6) $6,000.

A. James McDonald, 6845 Elm Street, No. 500, McLean, Va. 22101.
B. Jack McDonald Associates, Inc., 6845 Elm Street, No. 500, McLean, Va. 22101 (for Northrop Corp., 1800 Century Park East, Los Angeles, Calif. 90067).
D. (6) $2,250.

A. Michael D. McDonald, Maryland Petroleum Association, 60 West Street, Annapolis, Md. 21401.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Patrick W. McElhoes, United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.
D. (6) $1,379.18.

A. Joseph A. McElwain, 40 East Broadway, Butte, Mont. 59701.
B. Montana Power Co., Butte, Mont. 59701.
E. (9) $93.86.

A. P. Anne McGhee, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $450.

A. Robert M. McGlotten, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $13,026. E. (9) $367.55.

A. Jerome J. McGrath, Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
B. Interstate Natural Gas Association of America, 1660 L Street NW, Suite 601, Washington, D.C. 20036.
D. (6) $500.

A. F. Howard McGuigan, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $13,026. E. (9) $492.63.

A. Peter E. McGuire, National Association of Retired and Veteran Railway Employees, Inc., 400 First Street NW., Washington, D.C. 20001.
B. National Association of Retired and Veteran Railway Employees, Inc., P.O. Box 6060, Kansas City, Kans. 66106; Hotel and Restaurant Employees and Bartenders Union, 1666 K Street NW., Washington, D.C. 20006; International Union of Police Association, 422 First Street SE., Washington, D.C.
D. (6) $5,999.98. (E) $389.22.

A. John J. McHale, Jr., 1817 Biltmore Street NW., Apartment A, Washington, D.C. 20009.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.
D. (6) $1,500.

A. Clarence M. McIntosh, Jr., Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.

B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
D. (6) $1,115.20.

A. Lyn R. McIntosh, American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.
D. (6) $1,050. E. (9) $23.16.

A. Robert S. McIntyre, Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
B. Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.
D. (6) $937.50.

A. William F. McKenna, 1800 M Street NW., No. 950 North, Washington, D.C. 20036.
B. Silver, Freedman, Housley, Taff & Goldberg, 1800 M Street NW., No. 950 North, Washington, D.C. 20036.

A. Susan M. McKenzie, National Treasury Employees Union, 1730 K Street NW., Suite 1101, Washington, D.C. 20006.
B. National Treasury Employees Union, 1730 K Street NW., Suite 1101, Washington, D.C. 20006.
D. (6) $5,964. E. (9) $155.13.

A. C. A. "Mack" McKinney, 110 Maryland Avenue NE., Box 43, Washington, D.C. 20002.
B. Non-Commissioned Officers Association of the United States of America, P.O. Box 33610, San Antonio, Tex. 78298.
D. (6) $6,544.57. E. (9) $9,640.03.

A. John S. McLees, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $790.65. E. (9) $136.25.

A. William F. McManus, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $260. E. (9) $152.30.

A. Jane Pierson McMichael, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $9,231.60. E. (9) $13,917.62.

A. C. W. McMillan, 425 13th Street NW., Suite 1020, Washington, D.C. 20004.
B. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203.
D. (6) $3,000.

A. James D. McMillan, Suite 1100, 1899 L Street NW., Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

A. Craig L. McNeese, P.O. Box 1700, Houston, Tex. 77001.
B. Houston Lighting and Power Co., P.O. Box 1700, Houston, Tex. 77001.
D. (6) $975. E. (9) $776.37.

A. Robert B. McNeil, Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
B. Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
D. (6) $125.

A. James A. McPherson, Mo-Ark Basins Flood Control and Conservation Association, P.O. Box 1160, Kansas City, Kans. 66117.
B. Mo-Ark Basins Flood Control and Conservation Association, P.O. Box 1160, Kansas City, Kans. 66117.

A. George G. Mead, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000.

A. Joseph J. Meder, Interlake, Inc., 1050 17th Street NW., Suite 1160, Washington, D.C. 20036.
B. Interlake, Inc., Commerce Plaza, 2015 Spring Road, Oak Brook, Ill. 60521.
D. (6) $7,380. E. (9) $2,441.07.

A. David O. Meeker, Jr., The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,500.

A. William H. Megonnell, Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $380. E. (9) $73.80.

A. Louis L. Meier, Jr., American Society of Civil Engineers, 1625 I Street NW., Washington, D.C. 20006.
B. American Society of Civil Engineers, United Engineering Center, 345 East 47th Street, New York, N.Y. 10017.
D. (6) $525. E. (9) $185.

A. Kenneth A. Meiklejohn, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $13,026.

A. F. A. Meister, Jr., 1611 North Kent Street, Arlington, Va. 22209.
B. American Footwear Industries Association, 1611 North Kent Street, Arlington, Va. 22209.
D. (6) $350. E. (9) $830.40.

A. Memorex Corp., 1970 Chain Bridge Road, McLean, Va. 22102.
B. Memorex Corp., San Tomas at Central Expressway, Santa Clara, Calif. 95052.
D. (6) $9,000.

A. Ellis E. Meredith, American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.
B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.
E. (9) $23.54.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. Central Gulf Lines, Inc., International Trade Mart, No. 2 Canal Street, New Orleans, La. 70130.
D. (6) $6,250. E. (9) $130.81.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. John Tudor, 18 East 53d Street, New York, N.Y. 10022.
E. (9) $175.32.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. National Association of Recycling Industries, Inc., 330 Madison Avenue, New York, N.Y. 10017.
D. (6) $8,333. E. (9) $856.27.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. Wolf Trap Foundation, 1624 Trap Road, Vienna, Va. 22180.
E. (9) $13.40.

A. Tanya K. Metaksa, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $787.50. E. (9) $8.

A. Metropolitan Washington Board of Trade, 1129 20th Street NW., Washington, D.C. 20036.

A. Metzger, Shadyac & Schwarz, 1 Farragut Square South, Ninth Floor, Washington, D.C. 20006.
B. Melex U.S.A., Inc., 120 Front Street, Raleigh, N.C. 27609.

A. M. Barry Meyer, 818 Connecticut Avenue, Washington, D.C. 20006.
B. The Aluminum Association, 818 Connecticut Avenue NW., Washington, D.C. 20006.

A. James G. Michaux, 1801 K Street NW., Suite 903, Washington, D.C. 20006.
B. Federated Department Stores, Inc., 7 West Seventh Street, Cincinnati, Ohio 45202.
D. (6) $500.

A. Ronald A. Michioli, 425 13th Street NW., Suite 1020, Washington, D.C. 20004.
B. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203.
D. (6) $1,000. E. (9) $38.28.

A. Michigan Knife Co., 120 Pere Marquette Street, Big Rapids, Mich. 49307.
E. (9) $694.13.

A. Mid-Continent Oil & Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.
D. (6) $1,612.14. E. (9) $11,204.80.

A. Joy Midman, National Association of Private Psychiatric Hospitals, 1701 K Street NW., Washington, D.C. 20006.
B. National Association of Private Psychiatric Hospital, 1701 K Street NW., No. 1205, Washington, D.C. 20006.

A. Evan M. Migdail, 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
B. Associated Builders & Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
D. (6) $4,000. E. (9) $68.42.

A. Sharon Mihnovets, 2809 South Joyce Street, Arlington, Va. 22202.

A. Roy H. Millenson, Association of American Publishers, 1707 L Street NW., Room 480, Washington, D.C. 20036.
B. Association of American Publishers, 1707 L Street NW., Room 480, Washington, D.C. 20036.
D. (6) $2,050. E. (9) $78.91.

A. A. Stanley Miller, 910 16th Street, Room 402, Washington, D.C. 20006.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $200.

A. Dale Miller, 1200 16th Street NW., No. 305, Washington, D.C. 20036.

B. Gulf Intracoastal Canal Association, Houston, Tex.

D. (6) $262.50 E. (9) $15.33.

A. Dale Miller, 1200 16th Street NW., No. 305, Washington, D.C. 20036.

B. Texasgulf, Inc., Stamford, Conn.

D. (6) $450. E. (9) $689.25.

A. Robert H. Miller, Tenneco, Inc., 490 L'Enfant Plaza East SW., Suite 2202, Washington, D.C. 20024.

B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.

E. (9) $104.79.

A. Stella L. Miller, National Paint & Coatings Association, Inc., 1500 Rhode Island Avenue NW., Washington, D.C. 20005.

B. National Paint & Coatings Association, Inc., 1500 Rhode Island Avenue NW., Washington, D.C. 20005.

D. (6) $250.

A. Miller Associates, Inc., 2500 Q Street NW., 105, Washington, D.C. 20007.

B. Tosco Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.

D. (6) $1,500. E. (9) $113.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. H. E. Butt Grocery Co., P.O. Box 9216, Corpus Christi, Tex. 78408.

D. (6) $1,940. E. (9) $485.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Hercules, Inc., 910 Market Street, Wilmington, Del. 19899.

D. (6) $870.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. The Lincoln National Life Insurance Co., 1301 South Harrison Street, Fort Wayne, Ind. 46801.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Litton Industries, Inc., 360 North Crescent Drive, Beverly Hills, Calif. 90210.

D. (6) $6,560. E. (9) $85.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Lockheed Corp., Burbank, Calif. 91520.

D. (6) $1,300.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Medical Area Service Corp., Holyoke Center, Cambridge, Mass. 02138.

D. (6) $1,950. E. (9) $489.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Outdoor Amusement Business Association, 4600 West 77th Street, Minneapolis, Minn. 55435.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Trans-Alaska Pipeline Liability Fund, 601 West Fifth Avenue, Suite 700, Anchorage, Alaska 99501.

D. (6) $2,665.

A. Millman, Renfrow & Jaffe, 1730 M Street NW., Suite 908, Washington, D.C. 20036.

B. National Council of Senior Citizens, 1511 K Street NW., Washington, D.C. 20005.

E. (9) $42.25.

A. Wayne L. Millsap, Suite 2300, Clayton Inn Center, 7777 Bonhomme Avenue, St. Louis, Mo. 63105.

B. Seven-Up Bottling Co. of St. Louis, Mo., 555 Brown Road, St. Louis, Mo.

D. (6) $245. E. (9) $15.

A. Edward J. Milne, Jr., 1111 19th Street NW., Washington, D.C. 20036.

B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

D. (6) $317. E. (9) $393.11

A. Thomas F. Mitchell, Georgia-Pacific Corp., 1875 I Street NW., Washington, D.C. 20006.

B. Georgia-Pacific Corp., 900 Southwest Fifth Avenue, Portland, Oreg. 97204.

E. (9) $350.

A. Richard Mizrack, 295 Madison Avenue, New York, N.Y. 10017.

B. Fallek-Lankro Corp., Tuscaloosa, Ala.

A. Michael S. Moe, Tenneco, Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.

A. Robert M. Moliter, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.

D. (6) $106.

A. Michael J. Molony, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $60.

A. John S. Monagan, Whitman & Ransom, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Connecticut Bankers Association, 100 Constitution Plaza, No. 956, Hartford, Conn. 06103.

A. John S. Monagan, 1333 New Hampshire Avenue NW., Suite 650, Washington, D.C. 20006.

B. United States Olympic Committee, Olympic House, 1750 East Boulder Street, Colorado Springs, Colo. 80909.

D. (6) $10,309. E. (9) $19.93.

A. Elizabeth R. Monro, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.

B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.

D. (6) $837.50.

A. Michael Monroney, TRW, Inc., Suite 800, 2030 M Street NW., Washington, D.C. 20036.

B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.

D. (6) $1,000.

A. Montgomery Ward & Co., Inc., 1100 Connecticut Avenue NW., No. 530, Washington, D.C. 20036.

B. Montgomery Ward & Co., Inc., 1 Montgomery Ward Plaza, Chicago, Ill. 60671.

A. G. Merrill Moody, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.

B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.

D. (6) $243.43. E. (9) $213.85.

A. Alan J. Moore, The Atchison, Topeka & Santa Fe Railway Co., Suite 840, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. The Atchison, Topeka & Santa Fe Railway Co., 80 East Jackson Boulevard, Chicago, Ill. 60604.

D. (6) $1,000.

A. Clarence W. Moore, 407 Lincoln Road, Miami Beach, Fla. 33139.

B. National Barrel & Drum Association, 910 17th Street NW., 912, Washington, D.C. 20006.

D. (6) $1,250.

A. Joy E. Moore, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

D. (6) $1,750. E. (9) $437.89.

A. Powell A. Moore, 1155 15th Street NW., No. 424, Washington, D.C. 20005.

B. American Tax Reduction Movement, 6363 Wilshire Boulevard, Los Angeles, Calif. 90048.

D. (6) $80.

A. Powell A. Moore, 1155 15th Street NW., No. 424, Washington, D.C. 20005.

B. Electrolert, Inc., 475 Park Avenue, New York, N.Y.

A. Powell A. Moore, 1155 15th Street NW., No. 424, Washington, D.C. 20005.

B. National Association of Theater Owners, 1500 Broadway, New York, N.Y. 10026.

A. Powell A. Moore, 1155 15th Street NW., No. 424, Washington, D.C. 20005.

B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.

D. (6) $630.

A. Powell A. Moore, 1155 15th Street NW., No. 424, Washington, D.C. 20005.

B. Thomson-CSF, 178, bd Gabriel-Peri, 92240 Malakoff, France.

D. (6) $880.

A. Mark E. Moran, 1407 A North Van Dorn Street, Alexandria, Va.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036. (for Government of Morocco, Rabat, Morocco).

D. (6) $2,340. E. (9) $105.

A. Earl J. Morgan, 1150 17th Street NW., Washington, D.C. 20036.

B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166.

A. Jo V. Morgan, Jr., 1050 17th Street NW., No. 900, Washington, D.C. 20036.

B. The American Humane Association, P.O. Box 1266, Denver, Colo. 80201.

D. (6) $1,800.

A. John Morgan, Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.

B. Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.

D. (6) $588. E. (9) $10.25.

A. Morgan, Lewis & Bockius, 1800 M Street NW., Suite 800N, Washington, D.C., 20036.

B. Committee on Capital Formation Through Dividend Reinvestment.

D. (6) $142.50. E. (9) $95.

A. James A. Morrill, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, Government Affairs Office, 925 15th Street NW., Washington, D.C. 20005.

D. (6) $1,500. E. (9) $474.44.

A. Helen Dubino Morrison, 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for the Budd Co., Troy, Mich.).

D. (6) $2,400.

A. Helen Dubino Morrison, 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for Navajo Indian Nation, Window Rock, Ariz. 86515).

D. (6) $3,600.

A. William C. Morrison, 2001 North Adams Street, Arlington, Va. 22201.

B. Meat Importers Council of America, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.

D. (6) $875.

A. George E. Morrow, 705 Union Planters Bank Building, Memphis, Tenn. 38103.

B. Briarcrest Baptist School System, Inc., 842 Sweetbriar, Memphis, Tenn. 38138.

D. (6) $200. E. (9) $15.

A. George R. Moses, 400 North Capitol Street, Suite 323, Washington, D.C. 20001.

B. Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001 (for Northern California Naval Civilian Employees Council, P.O. Box 2321, Alameda, Calif.).

D. (6) $2,050.

A. George R. Moses, 400 North Capitol Street, Suite 323, Washington, D.C. 20001.

B. Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001 (for Somali Democratic Republic, 600 New Hampshire Avenue NW., Washington, D.C. 20037).

D. (6) $4,000.

A. Sol Mosher, Crown Zellerbach, 1660 L Street NW., Suite 215, Washington, D.C. 20036.

B. Crown Zellerbach, 1 Bush Street, San Francisco, Calif. 94119.

E. (9) $54.

A. John E. Moss, 3300 19th Street, Sacramento, Calif. 95818.

B. National Committee for Automobile Crash Protection, 1220 19th Street NW., Suite 201, Washington, D.C. 20036.

E. (9) $902.85.

A. Lynn E. Mote, Northern Natural Gas Co., 1133 15th Street NW., Suite 503, Washington, D.C. 20005.

B. Northern Natural Gas Co., 2223 Dodge Street, Omaha, Nebr. 68102.

D. (6) $2,000.

A. Motor Vehicle Manufacturers Association of the United States, Inc., 300 New Center Building, Detroit, Mich. 48202.

D. (6) $592.33. E. (9) $592.33.

A. Roger L. Mozingo, The Tobacco Institute, 1875 I Street NW., Washington, D.C. 20006.

B. The Tobacco Institute, 1875 I Street NW., Washington, D.C. 20006.

A. Karen Mulhauser, National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.

B. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.

D. (6) $293.44.

A. William G. Mullen, National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.

B. National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.

D. (6) $5,625. E. (9) $13.50.

A. Mullin, Connor & Rhyne, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

B. Alberto de la Vega-Ripol, c/o Imperme, P.O. Box 75, Marbella (Malaga), Spain.

E. (9) $6.44.

A. Tracy Mullin, National Retail Merchants Association, 1000 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.

D. (6) $100. E. (9) $15.

A. Robert J. Mullins, 1012 14th Street NW., Washington, D.C. 20005.

B. The Farmers' Educational & Co-Operative Union of America, Denver, Colo., 80251; 1012 14th Street NW., Washington, D.C. 20005.

D. (6) $4,707.70 E. (9) $11.12.

A. Municipal Labor Committee, 140 Park Place, New York N.Y. 10007.

D. (6) $34,727.86. E. (9) $34,727.86.

A. Anne G. Murphy, 6009 34th Place NW., Washington, D.C. 20015,.

B. Public Broadcasting Service, 475 L'Enfant Plaza SW., Washington, D.C. 20024.

D. (6) $10,575. E. (9) $659.45.

A. Richard E. Murphy, 2020 K Street NW, No. 200, Washington, D.C. 20006.

B. Service Employees International Union, AFL-CIO, CLC, 2020 K Street NW., No. 200, Washington, D.C. 20006.

D. (6) $1,000. E. (9) $87.46.

A. Richard W. Murphy, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

B. National Food Processors Association, 1133 20th Street NW., Washington D.C. 20036.

D. (6) $625. E. (9) $47.75.

A. William T. Murphy, Jr., American Natural Resources System, 1899 L Street NW., Suite 500, Washington, D.C. 20036.

B. American Natural Service Co., 1 Woodward Avenue, Detroit, Mich. 48226.

D. (6) $2500. E. (9) $1200.

A. William E. Murray, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20035.

D. (6) 179.50.

A. Harold D. Muth, 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.

B. The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.

D. (6) $300. E. (9) $25.

A. Fred J. Mutz, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $3,500. E. (9) $35.

A. Gary D. Myers, The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.

B. The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.

D. (6) $500. E. (9) $1.025.59.

A. Kenneth D. Naden, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Masachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $2,162.

A. Law Offices of Timothy D. Naegele, 1850 K Street N.W., 1280, Washington, D.C. 20006.

B. BayBanks, Inc., 77 Franklin Street, Boston, Mass. 02110.

A. Gerald P. Nagy, National Home Furnishings Association, 1025 Vermont Avenue NW., Washington, D.C. 20005.

B. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654.

D. (6) $560.

A. John J. Nangle, National Association of Independent Insurers, 499 South Capitol Street SW., Suite 401, Washington, D.C. 20003.

B. National Association of Independent Insurers, 499 South Capitol Street SW., Suite 401, Washington, D.C. 20006.

D. (6) $2,000.

A. Bernard Nash, 1015 18th Street NW., Washington, D.C. 20036.

B. Association of Independent Corrugated Converters, 1100 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

A. Bernard Nash, 1015 18th Street NW., No. 408, Washington, D.C. 20036.

B. Computer & Communications Industry Association, 1500 Wilson Boulevard, Arlington, Va. 22209.

A. Bernard Nash, Blum & Nash, 1015 18th Street NW., No. 408, Washington, D.C. 20036.

B. Merck & Co., Inc., P.O. Box 2000, Rahway, N.J. 07065.

D. (6) $1,200. E. (9) $8.

A. Bernard Nash, 1015 18th Street N.W., Washington, D.C. 20036.

B. Northwest Pipeline Corp., P.O. Box 1526, Salt Lake City, Utah 84110.

A. Bernard Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.

B. Zenith Radio Corp., 1000 Milwaukee Avenue, Glenview, Ill. 60025.

A. Hardy L. Nathan, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.

D. (6) $1,500.

A. Raymond Nathan, 4242 East-West Highway, Chevy Chase, Md. 20015.

B. American Ethical Union, 2 West 64th Street, New York, N.Y. 10023.

D. (6) $555. E. (9) $242.97.

A. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.

D. (6) $373,289.44. E. (9) $42,927.41.

A. National Agricultural Chemicals Association, 1155 15th Street NW., Washington, D.C. 20005.

D. (6) $71. E. (9) $71.

A. National Air Carrier Association, 1730 M Street NW., Suite 710, Washington, D.C. 20036.

A. National Associated Businessmen, Inc., 1000 Connecticut Avenue NW., No. 615 Washington, D.C. 20036.

D. (6) $767.50. E. (9) $1,478.11.

A. National Association for Humane Legislation, Inc., P.O. Box 11675, St. Petersburg, Fla. 33733.

D. (6) $4.

A. National Association for Neighborhood Schools, Inc., P.O. Box 14887, Columbus, Ohio 43214.

D. (6) $3,844.28. E. (9) $3,734.15.

A. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.

D. (6) $43,368.61. E. (9) $7,306.84.

A. National Association of Air Traffic Specialists, Inc., Suite 415, Wheaton Plaza North, Wheaton, Md. 20902.

D. (6) $103,719.48. E. (9) $6,538.28.

A. National Association of Chain Drug Stores, Inc., 1911 Jefferson Davis Highway, No. 504, Arlington, Va. 22202.

E. (9) $1,947.

A. The National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.

E. (9) $249.55.

A. National Association of Free Enterprise, 1101 New Hampshire Avenue NW.. No. 107, Washington, D.C. 20037.

A. National Association of Furniture Manufacturers, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.
D. (6) $1,750. E. (9) $1,230.

A. National Association of Independent Colleges & Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.
D. (6) $184,890.40. E. (9) $92,875.95.

A. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $2,509,304.90. E. (9) $77,839.78.

A. The National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $70,172.53. E. (9) $70,172.53.

A. National Association of Margarine Manufacturers, 1724 K Street NW., Suite 1202, Washington, D.C. 20006.

A. National Association of Mutual Insurance Cos., 7931 Castleway Drive, Indianapolis, Ind. 46250.

A. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $12,904.32. E. (9) $12,904.32.

A. National Association of Pension Consultants & Administrators, Inc., 3 Piedmont Center, Suite 300, Atlanta, Ga. 30305.
D. (6) $900.

A. National Association of Personnel Consultants, 1012 14th Street NW., 15th Floor, Washington, D.C. 20005.
D. (6) $1,874.43. E. (9) $6,600.

A. National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
D. (6) $600. E. (9) $600.

A. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611; 925 15th Street NW., Washington, D.C. 20005.
E. (9) $45,261.99.

A. National Association of Truck Stop Operators, 700 North Fairfax Street, No. 505, Alexandria, Va. 22314.
D. (6) $5,785.44. E. (9) $5,785.44.

A. National Association of Wheat Growers, 415 Second Street NE., Suite 300, Washington, D.C. 20002.
D. (6) $25,836.22. E. (9) $31,027.67.

A. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.
D. (6) $10,997.06. E. (9) $4,382.49.

A. National Business Aircraft Association, 1 Farragut Square South, Washington, D.C. 20006.

A. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $8,799.50. E. (9) $9,202.50.

A. National Campground Owners Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
E. (9) $1,000.

A. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203.
E. (9) $3,538.28.

A. National Coal Association, Coal Building, Washington, D.C. 20036.
D. (6) $1,096,753.10. E. (9) $29,367.69.

A. The National Coalition to Ban Handguns, 100 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $83,425.04. E. (9) $95,048.53.

A. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., No. 400, Washington, D.C. 20036.
D. (6) $34,904.76. E. (9) $10,486.47.

A. National Congress of Parents & Teachers, 700 North Rush Street, Chicago, Ill. 60611.
E. (9) $38.65.

A. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 12285.
D. (6) $13,809.10. E. (9) $13,809.10.

A. National Council of Agricultural Employers, 1425 H Street NW., Washington, D.C. 20005.
D. (6) $1,750. E. (9) $2,847.

A. National Council of Farmer Cooperative, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $83,891. E. (9) $100,715.

A. National Council of Health Care Services, 1200 15th Street NW., Suite 601, Washington, D.C. 20005.
D. (6) $3,705.70. E. (9) $1,935.79.

A. National Electrical Manufacturers Association, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $10,537.41. E. (9) $10,537.41.

A. The National Federation of Business and Professional Women's Club, Inc., 2012 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $295,908. E. (9) $6,161.55.

A. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $26,165.25. E. (9) $26,165.25.

A. National Federation of Independent Business, 490 L'Enfant Plaza SW., Washington, D.C. 20024.
B. National Federation of Independent Business, 150 West 20th Avenue, San Mateo, Calif., 94403.
D. (6) $139,459. E. (9) $139,459.

A. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
D. (6) $4,625. E. (9) $2,379.98.

A. National Grain & Feed Association, 725 15th Street NW., P.O. Box 28328, Washington, D.C. 20005.
E. (9) $5.30.

A. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $10,625. E. (9) $6,398.

A. National Guard Association of the United States, 1 Massachusetts Avenue NW., Washington, D.C. 20001.
D. (6) $620,855.20. E. (9) $1,434.65.

A. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654.
E. (9) $935.

A. National Housing Conference, Inc., 1126 16th Street NW., Washington, D.C. 20036.
D. (6) $7,737. E. (9) $13,069.60.

A. National Industrial Traffic League, 1909 K Street NW., S-410, Washington, D.C. 20006.
D. (6) $3,000. E. (9) $2,975.

A. National Leased Housing Association, Suite 400-S, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $450. E. (9) $450.

A. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.
D. (6) $6,589.74. E. (9) $6,589.74.

A. National Maritime Council, 1742 N Street NW., Washington, D.C. 20036.
D. (6) $120,694.47. E. (9) $5,310.

A. National Milk Producers Federation, 30 F Street NW., Washington, D.C.
D. (6) $6,475.43. E. (9) $5,475.43.

A. National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.
E. (9) $832.62.

A. National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.
D. (6) $15,906.50. E. (9) $15,906.50.

A. National Oil Jobbers Council, Inc., 1707 H Street NW., 11th Floor, Washington, D.C. 20006.
D. (6) $140,348.72. E. (9) $22,632.88.

A. National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.
E. (9) $9,488.85.

A. National Pest Control Association, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.
D. (6) $6,300. E. (9) $267.

A. National Potato Council, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

A. National Product Liability Council, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $3,342. E. (9) $27,145.58.

A. National Railway Utilization Corp., 1100 Centre Square East, 1500 Market Square, Philadelphia, Pa. 19102.
E. (9) $1,015.

A. National Realty Committee, Inc., 2033 M Street NW., Washington, D.C. 20036.
D. (6) $2,083. E. (9) $2,083.

A. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.
E. (9) $5,271.

A. National Right to Life Committee, Inc., 529 14th Street NW. No. 341, Washington, D.C. 20045.
D. (6) $88,616. E. (9) $6,661.74.

A. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
D. (6) $4,730. E. (9) $4,730.

A. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
E. (9) $4,038.30.

A. National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
D. (6) $14,424. E. (9) $1,988.04.

A. National School Transportation Association, P.O. Box 324, Fairfax, Va. 22030; 9001 West Braddock Road, Springfield, Va. 22151.
D. (6) $3,313.30 E. (9) $3,313.30.

A. National Security Traders Association, 55 Broad Street, New York, N.Y. 10004.

E. (9) $2,080.10.

A. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.

D. (6) $5,000. E. (9) $1,746.48.

A. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.

D. (6) $12,500. E. (9) $13,450.

A. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

D. (6) $1,665. E. (9) $19,340.24.

A. National Solid Wastes Management Association, 1120 Connecticut Avenue NW., No. 930, Washington, D.C. 20036.

E. (9) $1,000.

A. National Tax Equality Association, 1000 Connecticut Avenue NW., No. 615, Washington, D.C. 20036

D. (6) $5,086.50. E. (9) $8,095.67.

A. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.

E. (9) $2,390.

A. National Tire Dealers & Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.

D. (6) $1,225. E. (9) $1,225.

A. National Water Resources Association, 955 L'Enfant Plaza North SW., Suite 1202, Washington, D.C. 20024.

D. (6) $5,865. E. (9) $7,275.

A. National Woman's Christian Temperance Union, 1730 Chicago Avenue, Evanston, Ill. 60201.

D. (6) $1,706.61. E. (9) $1,988.81.

A. Natural Gas Supply Association, 1025 Connecticut Avenue NW., Suite 505, Washington, D.C. 20036.

D. (6) $75,000. E. (9) $6,205.06.

A. Alexander W. Neale, Jr., Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.

B. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.

D. (6) $2,455. E. (9) $75.05.

A. Alan M. Nedry, 1801 K Street NW., Suite 1041, Washington, D.C. 20006.

B. Southern California Edison Co., P.O. Box 800, Rosemead, Calif. 91700.

D. (6) $100. E. (9) $50.

A. Mary Elizabeth Neese, National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.

B. National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.

D. (6) $1,000. E. (9) $108.04.

A. Gordon E. Nelson, 12005 Millstream Drive, Bowie, Md. 20715.

B. Farm Water Alliance, 955 L'Enfant Plaza SW., Suite 1101, Washington, D.C. 20024.

D. (6) $15,000. E. $1,051.20.

A. L. James Nelson, National Association of Manufacturers, 222 South Prospect Avenue, Park Ridge, Ill. 60068.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $30.80.

A. Lloyd A. Nelson 12200 Brookhaven Drive, Silver Spring, Md. 20902.

B. Fellowship Square Foundation, Inc., 11450 North Shore Drive, Reston, Va. 22090.

A. Robert W. Nelson, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $190.

A. A. S. Nemir Associates, Suite 1230, Pennsylvania Building, Washington, D.C. 20004.

B. Brazilian Sugar & Alcohol Institute, I.A.A,. Rio de Janeiro, Brazil.

D. (6) $25,800. E. (9) $400.17.

A. Michael P. Neumann, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

A. Robert B. Neville, 1850 K Street NW., Suite 850, Washington, D.C. 20006.

B. National Restaurant Association, 1850 K Street NW., Washington, D.C. 20006; 1 IBM Plaza, Suite 2600, Chicago, Ill.

D. (6) $1,000. E. (9) $5.

A. Louis H. Nevins, 1709 New York Avenue NW., Suite 200, Washington, D.C. 20006.

B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.

D. (6) $4,375. E. (9) $2,037.66.

A. Bill Newbold, Bill Newbold & Associates, 1901 North Fort Myer Drive, No. 809, Arlington, Va. 22209.

B. Bill Newbold & Associates (for American Protestant Hospital Association, 1 Woodfield Place, Suite 311, 1701 East Woodfield Drive, Schaumburg, Ill. 60195).

D. (6) $15,000.

A. Bill Newbold, Bill Newbold & Associates, 1901 North Fort Myer Drive, No. 809, Arlington, Va. 22209.

B. Bill Newbold & Associates (for Texas Children's Hospital, St. Lukes Episcopal Hospital, P.O. Box 20269, Houston, Tex. 77025).

D. (6) $3,000.

A. Bill Newbold, Bill Newbold & Associates, 1901 North Fort Myer Drive, No. 809, Arlington, Va. 22209.

B. Bill Newbold & Associates (for Texas Hospital Association, P.O. Box 15587, Austin, Tex. 78761).

D. (6) $3,000.

A. E. J. Newbould, 1130 17th Street NW, Washington, D.C. 20036.

B. National Clay Pipe Institute, P.O. Box 310, Crystal Lake, Ill. 60014.

D. (6) $600. E. (9) $17.15.

A. Kathryn L. Newman, Republic Steel Corp., 1101 15th Street NW., Washington, D.C. 20005.

B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. Thomas E. Newman, National Association of Manufacturers, 2 Militia Drive, Lexington, Mass. 02173.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $250.

A. Janet G. Newport, National Oil Jobbers Council, Inc., 1707 H Street NW., 11th Floor, Washington, D.C. 20006.

B. National Oil Jobbers Council, Inc., 1707 H Street NW., 11th Floor, Washington, D.C. 20006.

D. (6) $3,875. E. (9) $145.71.

A. M. Ray Niblack, 1101 15th Street NW., Washington, D.C. 20005.

B. American Bankers Insurance Co. of Florida, 600 Brickell Avenue, Miami, Fla. 33131.

D. (6) $3,000. E. (9) $168.49.

A. Nicholas John Nichols, American Institute of Certified Public Accountants, 1620 I Street NW., Washington, D.C. 20006.

B. American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, N.Y. 10036.

E. (9) $8,246.

A. F. Clayton Nicholson, Box 15, Route 1, Henryville, Pa. 18332.

B. Northern Helex Co., 2223 Dodge Street, Omaha, Nebr. 68102.

D. (6) $2,087. E. (9) $643.40.

A. John B. Nicholson, 1101 17th Street NW., Suite 700, Washington, D.C. 20036.

B. National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Suite 700, Washington, D.C. 20036.

D. (6) $150.

A. Melissa A. Nielson, Kennecott Copper Corp., 1111 19th Street NW., Suite 310, Washington, D.C. 20036.

B. Kennecott Copper Corp., 161 East 42d Street, New York, N.Y. 10017.

D. (6) $500. E. (9) $172.

A. Donald R. Niemi, Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.

B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.

D. (6) $570. E. (9) $687.11.

A. Patrick J. Nilan, American Postal Workers Union, AFL–CIO 817 14th Street NW., Washington, D.C. 20005.

B. American Postal Workers Union, AFL–CIO, 817 14th Street NW., Washington, D.C. 20005.

D. (6) $12,785.54. E. (9) $4,175.40.

A. Stewart E. Niles, Jr., 225 Baronne Street, 18th Floor, New Orleans, La. 70112.

B. Shipbuilders Council of America.

D. (6) $1,596. E. (9) $181.87.

A. Nan Fielding Nixon, 309 4th Street SE., Apt. 7, Washington, D.C. 20003.

B. Office of Government and Community Affairs, Grays Hall, 16, Harvard University, Cambridge, Mass. 02138.

D. (6) $7,395. E. (9) $637.88.

A. NL Industries, Inc., 1230 Avenue of the Americas, New York, N.Y. 10020.

E. (9) $2,000.

A. Robert W. Nolan, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.

D. (6) $100.

A. H. Christopher Nolde, Chemical Manufacturers Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.

B. Chemical Manufacturers Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.

D. (6) $300.

A. Charles M. Noone, 490 L'Enfant Plaza East, Suite 3306, Washington, D.C. 20024.

B. National Association of Small Business Investment Co., 618 Washington Building, Washington, D.C. 20005.

D. (6) $1,500. E. (9) $226.09.

A. M. Kathryn Nordstrom, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.

D. (6) $500. E. (9) $13.70.

A. Richard B. Norment IV, National Association of Manufacturers, 1719, Route 10, Parsippany, N.J. 07054.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $600.

A. North American Car Corp., 222 South Riverside Plaza, Chicago, Ill. 60606.
E. (9) $12,663.47.

A. North American Export Grain Association, Inc., 1800 M Street NW., Washington, D.C. 20036.
E. (9) $1,200.

A. Northeast Utilities Service Co., Selden Street, Berlin, Conn. 06037.
E. (9) $1,499.13.

A. Clifford F. Northrup, Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Credit Union National Association, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $300. E. (9) $170.01.

A. Nossaman, Krueger & Marsh, 445 South Figueroa Street, Los Angeles, Calif. 90071; 1850 K Street NW., Suite 215, Washington, D.C. 20006.
B. Montco, Billings, Mont. 59107; Nance Cattle Co., Birney, Mont. 59012.

A. Nossaman, Krueger & Marsh, 445 South Figueroa Street, Los Angeles, Calif. 90071; 1850 K Street NW., Suite 215, Washington, D.C. 20006.
B. Ocean Energy Council, Box 57198, Washington, D.C. 20037.

A. N.O.S.I. (Not One Square Inch), 4082 Howard Avenue, Los Alamitos, Calif.

A. Nuclear Fuel Services, Inc., Suite 600, 6000 Executive Boulevard, Rockville, Md. 20852.

A. Franklin W. Nutter, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.
B. Reinsurance Association of America, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.

A. Mark J. Nuzzaco, 7901 Westpark Drive, McLean, Va. 22102.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22102.
D. (6) $418.75. E. (9) $250.

A. Seward P. Nyman, 20 Chevy Chase Circle, Washington, D.C. 20015.
B. American Podiatry Association, 20 Chevy Chase Circle, Washington, D.C. 20015.
D. (6) $850.

A. Hubert K. O'Bannon, 1544 33d Street NW., Washington, D.C. 20007.
B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.
D. (6) $1,200.

A. George O'Bea, Jr., 815 16th Street NW., Suite 304, Washington, D.C. 20006.
B. United Paperworkers International Union, 815 16th Street NW., Suite 304, Washington, D.C. 20006.

A. Coleman C. O'Brien, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $2,062.50. E. (9) $78.70.

A. John F. O'Brien, Connecticut Petroleum Council, 410 Asylum Street, Hartford, Conn. 06103.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Raymond O'Brien, International Telephone and Telegraph Corp., 1707 L Street NW., Washington, D.C. 20036.
B. International Telephone and Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.
D. (6) $300. E. (9) $25.

A. Rosemary L. O'Brien, 1025 Connecticut Avenue NW., Suite 402, Washington, D.C. 20036.
B. CF Industries, Inc./Energy Cooperative, Inc., Salem Lake Drive, Long Grove, Ill. 60047.
D. (6) $500.

A. G. H. Ochenrider, Grumman Aerospace Corp., 1600 Wilson Boulevard, Arlington, Va. 22209.
B. Grumman Aerospace Corp., Bethpage, N.Y. 11714.
D. (6) $2,500. E. (9) $773.

A. William B. O'Connell, 111 East Wacker Drive, Chicago, Ill. 60601.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
D. (6) $2,000. E. (9) $335.75.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.
B. Abt Associates, Inc., Cambridge, Mass. 02138.
D. (6) $1,500.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.
B. American Clinical Laboratory Association, 1919 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.
D. (6) $1,000.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.
B. American Family Life Assurance Co., P.O. Box 1459, Columbus, Ga. 31902.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue, Suite 800, Washington, D.C. 20006.
B. American Public Transit Association, 1100 17th Street NW. Washington, D.C.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.
B. Automotive Parts & Accessories Association. Inc., 1025 Cennecticut Avenue NW., Washington, D.C. 20036.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue, NW., Washington, D.C. 20006.
B. Blyth Eastman Dillon & Co., 1221 Avenue of the Americas, New York, N.Y.
D. (6) $2,500.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Charles River Breeding Laboratories, Inc., 251 Ballardvale Street, Wilmington, Mass. 01887.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Commonwealth of Puerto Rico, 1625 Massachusetts Avenue NW., Washington, D.C. 20006.

A. O' Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. First National Monetary Corp., 4000 Town Center, 15th Floor, Southfield, Mich. 48075.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.
B. Hennepin County, 2300 Government Center, Minneapolis, Minn. 55487.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue, NW., Washington, D.C. 20006.
B. Hospital Financing Study Group, New York, N.Y.
D. (6) $3,000.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.
B. Investors Diversified Services, Inc., Suite 2900, IDS Tower, Minneapolis, Minn. 55402.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.
B. JWK International Corp., 7617 Little River Turnpike, Annandale, Va. 22003.
D. (6) $300.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue, NW., Washington, D.C. 20006.
B. National Committee for Quality Health Care, New York, N.Y.
D. (6) $375.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue, NW., Washington, D.C. 20006.
B. Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.
B. Save Loring Committee, 222 Main Street, Limestone, Maine 04750.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue, NW., Washington, D.C. 20006.
B. Securities Industry Association, 490 L'Enfant Plaza East, SW., Washington, D.C. 20024.
D. (6) $3,851.43.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.
B. Sperry-Rand Corp., 333 Pilot Knob Road, St. Paul, Minn.
D. (6) $1,000.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Suite 800, Washington, D.C 20006.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.
D. (6) $1,504.13.

A. L. L. O'Connor, 20 North Wacker Drive, Chicago, Ill. 60606.
B. Profit Sharing Council of America, 20 North Wacker Drive, Chicago, Ill. 60606.

A. Leonard F. O'Connor, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

A. Larry A. Oday, Combined Insurance Co. of America, Suite 630, 1819 H Street NW., Washington, D.C. 20006.
B. Combined Insurance Co. of America, 5050 Broadway, Chicago, Ill. 60640.
D. (6) $750.

A. Thomas A. O'Day, Alliance of American Insurers, 1776 F Street, NW., Washington, D.C.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $155. E. (9) $116.

A. T. J. Oden, National Forest Products Association, 1619 Massachusetts Avenue, NW., Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $2,250. E. (9) $793.96.

A. Robert C. Odle, Jr., International Paper Co., 1620 I Street NW., No. 700, Washington, D.C. 20006.

B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.

D. (6) $400. E. (9) $100.

A. Ashton J. O'Donnell, 89 Fair Oaks Lane, Atherton, Calif. 94025.

B. Bechtel Inc., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. John A. O'Donnell, 1001 Connecticut Avenue NW., No. 716, Washington, D.C. 20036.

B. Philippine Sugar Commission, Quezon City, Philippines.

D. (6) $1,500. E. (9) $1,262.59.

A. Patrick E. O'Donnell, J. C. Penney Co., Inc., 1156 15th Street NW., Washington, D.C. 20005.

B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.

D. (6) $90.

A. Bradford C. Oelman, Owens-Corning Fiberglas Corp., Fiberglas Tower, Toledo, Ohio 43659.

B. Owens-Corning Fiberglas Corp., Fiberglas Tower, Toledo, Ohio 43659.

A. Therese Ogle, National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.

B. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.

D. (6) $1,720.37.

A. Jane O'Grady, 815 16th Street NW., Washington, D.C. 20006.

B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $12,219. E. (9) $87.43.

A. Bartley O'Hara, 25 Louisiana Avenue NW., Washington, D.C. 20001.

B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.

D. (6) $9,472.32.

A. James G. O'Hara, Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. American Federation of Teachers, Eleven Dupont Circle NW., Washington, D.C. 20036.

D. (6) $750.

A. James G. O'Hara, Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.

D. (6) $1,275. E. (9) $8.

A. Matthew D. O'Hara, General Mills, Inc., 1629 K Street NW., Suite 300, Washington, D.C. 20006.

B. General Mills, Inc., P.O. Box 1113, Minneapolis, Minn. 55440.

D. (6) $197.80.

A. Alvin E. Oliver, 725 15th Street NW., Washington, D.C. 20005.

B. National Grain & Feed Association, P.O. Box 28328, Washington, D.C. 20005.

A. Nancy J. Olson, Johns-Manville Corp., 1025 Connecticut Avenue, Suite 214, Washington, D.C. 20036.

B. Johns-Manville Corp., Box 5108, Denver, Colo. 80217.

D. (6) $400. E. (9) $16.30.

A. William J Olson, 1819 H Street NW, Washington, D.C. 20006.

B. The National Foundation/March of Dimes, 1275 Mamaroneck Avenue, White Plains, N.Y. 10605.

D. (6) $3,514.52. E. (9) $129.52.

A. William J. Olwell, United Food and Commercial Workers International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.

B. United Food and Commercial Workers International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.

D. (6) $3,493.28. E. (9) $115.45.

A. Olwine, Connelly, Chase, O'Donnell & Weyher, 299 Park Avenue, New York, N.Y. 10017.

B. U.S. Industries, Inc., 250 Park Avenue, New York, N.Y. 10017.

D. (6) $250. E. (9) $30.10.

A. Samuel Omasta, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.

B. Bank of America, Bank Investment Securities Division, Bank of America Center, 10th Floor, San Francisco, Calif. 94104.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.

B. Blyth Eastman Dillon & Co., 555 California Street, San Francisco, Calif. 94104.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.

B. Citizens for Government Fairness, P.O. Box 269, El Centro, Calif. 92243.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.

B. Dean Witter Reynolds, Inc., 45 Montgomery Street, San Francisco, Calif. 94104.

D. (6) $15,000.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.

B. Hawaiian Sugar Planters Association, 1511 K Street NW., Washington, D.C.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.

B. INA Corp., 1850 K Street NW., Suite 840, Washington, D.C. 20006.

D. (6) $2,500. E. (9) $30.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.

B. Smith Barney, Harris Upham & Co., 350 California Street, San Francisco, Calif. 94104.

D. (6) $15,000.

A. R. E. Omohundro, National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.

B. National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.

D. (6) $116.41.

A. O'Neill, Forgotson & Roncalio, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Motorola, Inc., 1776 K Street NW., Washington, D.C. 20006.

A. O'Neill, Forgotson & Roncalio, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Paraho Development Corp., 300 Enterprise Building, Grand Junction, Colo. 81501.

A. O'Neill, Forgotson & Roncalio, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Texas Oil and Gas Corp., Fidelity Union Tower, Dallas, Tex. 75201.

A. O'Neill, Forgotson & Roncalio, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Texas Utilities Services, Inc., 2001 Bryan Tower, Dallas, Tex. 75201.

A. O'Neill, Forgotson & Roncalio, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

A. Philip C. Onstad, Control Data Corp., 500 West Putnam Avenue, Greenwich, Conn. 06830.

B. Control Data Corp., 500 West Putnam Avenue, Greenwich, Conn. 06830.

D. (6) $50. E. (9) $50.

A. Charles Orasin, 810 18th Street NW., Washington, D.C. 20006.

B. Handgun Control, Inc., 810 18th Street NW., Washington, D.C. 20006.

D. (6) $3,876.95. E. (9) $88.75.

A. John L. Oshinski, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.

B. United Steelworkers of America, Five Gateway Center, Pittsburgh, Pa. 15222.

D. (6) $7,627.64.

A. J. Denis O'Toole, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $880.

A. Roland A. Ouellette, General Motors Corp., 1660 L Street NW., No. 501, Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.

D. (6) $3,600. E. (9) $4,633.89.

A. Outdoor Power Equipment Institute, Inc., 1901 L Street NW., Suite 700, Washington, D.C. 20036.

A. Joseph A. Overton III, TRW, Inc., 2030 M Street NW., Suite 800, Washington, D.C. 20036.

B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.

D. (6) $1,000.

A. Thomas J. Owens, 207 Olympic National Building, Seattle, Wash. 98101.

B. Mutual Savings Banks Association of Washington, 207 Olympic National Building, Seattle, Wash. 98104.

D. (6) $8,700. E. (9) $5,214.85.

A. William H. Owens, Jr., 1101 17th Street NW., Washington, D.C. 20036.

B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.

D. (6) $1,000.

A. Raymond S. Page, Jr., Mill Creek Terrace, Gladwyne, Pa. 19035.

B. Campbell Soup Co., Campbell Place, Camden, N.J. 08101.

A. Henry S. Palau, The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.

B. The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.

D. (6) $651.

A. J. J. Panella, 1800 M Street NW., Suite 700 South, Washington, D.C.

B. The Dow Chemical Co., Midland, Mich. 48640.

D. (6) $700. E. (9) $250.

A. John N. Pannullo, National Utility Contractors Association, 815 15th Street NW., Suite 838, Washington, D.C. 20005.

B. National Utility Contractors Association, 815 15th Street NW., Suite 838, Washington, D.C. 20005.

D. (6) $800. E. (9) $1,000.

A. Fred Panzer, 1875 I Street NW., No. 800, Washington, D.C. 20006.

B. The Tobacco Institute, 1875 I Street NW., No. 800, Washington, D.C. 20006.

D. (6) $300. E. (9) $100.

A. Paperboard Packaging Council, 1800 K Street NW., Suite 600, Washington, D.C. 20006.

A. G. Oliver Papps, New Jersey Petroleum Council, 170 West State Street, Trenton, N.J. 08608.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Herschell E. Parent, Arkansas Petroleum Council, 302 Commercial National Bank Building, Little Rock, Ark. 72201.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $243.32. E. (9) $364.24.

A. Ann L. Parenteau, National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

A. Carl A. Parker, 449 Stadium Road, Port Arthur, Tex. 77640.

B. Government of Republic of Liberia, Monrovia, Liberia.

D. (6) $4,000.

A. Tom E. Paro, Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.

B. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.

D. (6) $191.35.

A. Linda K. Parson, Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.

B. Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.

D. (6) $72.

A. Robert D. Partridge, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $280.

A. Howard G. Paster, United Automobile, Aerospace, and Agricultural Implement Workers of America, UAW, 1757 N Street NW., Washington, D.C. 20036.

B. International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.

D. (6) $14,024.84. E. (9) $121.45.

A. Richard M. Patterson, 1800 M. Street NW., Suite 700–S, Washington, D.C. 20036.

B. The Dow Chemical Co., Midland Mich. 48640.

D. (6) $500. E. (9) $239.50.

A. Thomas Patterson, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

D. (6) $231.

A. Kenton H. Pattie, National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.

B. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.

D. (6) $2,457.81.

A. David J. Pattison, 1750 K Street NW., Washington, D.C. 20006.

B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.; 919 Third Avenue, New York, N.Y.; 332 South Michigan Avenue, Chicago, Ill.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Ad Hoc Committee on Section 602, 1101 16th Street NW., Suite 300, Washington, D.C. 20006.

D. (6) $495. E. (9) $359.85.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Alaska Housing Financing Corp., P.O. Box 1020, Anchorage, Alaska 99510.

D. (6) $1,650.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. American Imported Automobile Dealers Association, 1129 20th Street NW., Washington, D.C. 20036.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. American Maritime Association, 1612 K Street NW., Washington, D.C. 20006.

D. (6) $41.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. American Society of Association Executives, 1101 16th Street NW., Washington, D.C. 20036.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Armco Steel Corp., General Offices, Middletown, Ohio 45042.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Association of Oil Pipelines, 1725 K Street NW., Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20037.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Bath Iron Works Corp., 700 Washington Street, Bath, Maine 04530.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Benamy International, Inc., 3937 Oakcliff Industrial Court NE., Atlanta, Ga. 30340.

D. (6) $857.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Bixby Ranch Co., 523 West Sixth Street, Los Angeles, Calif. 90014.

D. (6) $11,121.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Boating Industry Association, 401 North Michigan Avenue, Chicago, Ill. 60601; National Association of Engine and Boat Manufacturers, P.O. Box 5555, Grand Central Station, New York, N.Y. 10017.

D. (6) $1,974. E. (9) $217.68.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Bradford National Corp., 80 Pine Street, New York, N.Y.

D. (6) $450.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Central American Sugar Council, 1200 17th Street NW., Washington, D.C. 20036.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Chippewa-Cree Tribe, Rocky Boy Reservation, Box Elder, Mont. 59521.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Chrysler Corp., P.O. Box 1919, Detroit, Mich. 48288.

D. (6) $8,262. E. (9) $1,224.50.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Committee for Expanded Trade, 2550 M Street NW., Eighth Floor, Washington, D.C. 20037.

D. (6) $1,110.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Committee of Railroad Shippers, 2550 M Street NW., Washington, D.C. 20037.

D. (6) $2,131.50. E. (9) $1,550.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Council of State Chambers of Commerce, 1028 Connecticut Avenue NW., Suite 1018, Washington, D.C. 20036.

D. (6) $300.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Diagnostic Imaging and Therapy Systems Division, 2101 L Street NW., Washington, D.C. 20036.

D. (6) $75.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Donaldson, Lufkin and Jenrette, Inc., 140 Broadway, New York, N.Y. 10005.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Handicraft Designs, Inc., 87 Commerce Drive, Talford, Pa. 18969.

D. (6) $857.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Hobby Industry of America, 319 East 54th Street, Elmwood, N.J. 07407.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Independent U.S. Tanker Owners Committee, 1612 K Street NW., Suite 510, Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Institute of Electrical and Electronics Engineers, 2029 K Street NW., Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Institute of Scrap Iron and Steel, Inc., 1627 K Street NW., Washington, D.C. 20006.

D. (6) $1,152.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B Landmark Services, Inc., 900 Ohio Drive SW., Washington, D.C. 20024.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. LOOP, Inc., 1010 Common Street, 250 Bank of New Orleans Building, New Orleans, La. 70112.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Louisiana Pacific Corp., 1300 Southwest Fifth Avenue, Portland, Oreg. 97201.

D. (6) $825.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Mars, Inc., 1651 Old Meadow Road, McLean, Va. 22101.
D. (6) $2,661. E. (9) $123.25.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Mocatta Metal Corp., 35 Broad Street, New York, N.Y. 10004.
D. (6) $241. E. (9) $136.50.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. New Process Co., 220 Hickory Street, Warren, Pa. 16366.
D. (6) $2,000.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Northwest Energy Corp., 315 East 200 South, Salt Lake City, Utah 84111.
D. (6) $28,554.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Ocean Minerals Co., 465 North Bernardo, Mountain View, Calif. 94040.
D. (6) $5,980.50.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Penn Central Corp., 1725 K Street NW., Washington, D.C.
D. (6) $450.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Pepsico, Inc., Purchase, N.Y. 10577.
D. (6) $1,800. E. (9) $12.80.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Jack Philip and Son., Inc., 724 Dupont Plaza Center, Miami, Fla. 33131.
D. (6) $6,048. E. (9) $117.10.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Publicker Industries, 14th Floor, Packard Building, Philadelphia, Pa. 19102.
D. (6) $378.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Pyrotechnic Signal Manufacturing Association, Inc., 1730 K Street NW., Suite 1300, Washington, D.C. 20006.
D. (6) $1050.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Readers Digest Association, Inc., Pleasantville, N.Y. 10570.
D. (6) $4,000.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Retail Tax Committee, 2550 M Street NW., Suite 800, Washington, D.C. 20037.
D. (6) $630. E. (9) $150.73.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. St. Joe Minerals Co., 1730 Rhode Island Avenue NW., Suite 911, Washington, D.C. 20036.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. State of Alaska, Suite 345, 444 North Capitol Street, Washington, D.C.
D. (6) $4,680.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. State of Louisiana, Department of Conservation, P.O. Box 44275, Baton Rouge, La. 70804.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Tax Corporation of America, 2441 Honolulu Avenue, Montrose, Calif. 91020.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. United Brands Co., 1271 Avenue of the Americas, New York, N.Y. 10020.
D. (6) $300.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. U.S. Industries, Inc., 250 Park Avenue, New York, N.Y. 10017.
D. (6) $150.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.
D. (6) $225.

A. Andrew R. Paul, Suite 920, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Gulf & Western Industries, Inc., 600 New Hampshire Avenue NW., Washington, D.C. 20037.
D. (6) $200. E. (9) $25.

A. Richard A. Paysor, 274 Falling Leaves Court, Creve Coeur, Mo. 63141.
B. Chromalloy American Corp., 120 South Central Avenue, St. Louis, Mo. 63105.
D. (6) $600. E. (9) $335.

A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Michigan Knife Co., 120 Pere Marquette Street, Big Rapids, Mich. 49307.
D. (6) $164. E. (9) $8.

A. Barbara Jo Pease, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.
B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. James M. Peirce, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $1,187.67.

A. Pennsylvania Power & Light Co., Two North Ninth Street, Allentown, Pa. 18101.
E. (9) $4,197.27.

A. Dominic V. Pensabene, 1700 K Street NW., Washington, D.C. 20006.
B. Chevron U.S.A., Inc. (a subsidiary of Standard Oil Co. of California), 1700 K Street NW., Washington, D.C. 20006.
D. (6) $375.

A. Gregory M. Pensabene, Santa Fe Industries, Inc., Suite 840, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Santa Fe Industries, Inc., 224 South Michigan Avenue, Chicago, Ill. 60604.
D. (6) $1,000.

A. Barbara Pequet, 1921 Kalorama, Road NW., No. 103, Washington, D.C. 20008.
B. National Consumers League, 1522 K Street NW., Washington, D.C. 20005.
D. (6) $200. E. (9) $85.

A. Elinor Peretsman, 55 Tain Drive, Great Neck, N.Y. 11021.
B. United Action for Animals, Inc. 205 East 42d Street, New York, N.Y. 10017.
D. (6) $3,883.50. E. (9) $669.54.

A. Perito, Duerk, Carlson and Pinco, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Foremost-McKesson, Inc., Crocker Plaza, One Post Street, San Francisco, Calif. 94100.
D. (6) $1,548.75. E. (9) $30.70.

A. Tony Perkins, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $100.

A. Jeffry L. Perlman, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $560. E. (9) $260.43.

A. John P. Perrin, American Osteopathic Association, 1611 North Kent Street, No. 803-A, Arlington, Va. 22209.
B. American Osteopathic Association, 1611 North Kent Street, Suite 803-A, Arlington, Va. 22209.
D. (6) $2,218.85. E. (9) $2,500.

A. Susan Perry, American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.
B. American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.
D. (6) $3,500. E. (9) $113.

A. Tom E. Persky, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $250.

A. John Joseph Pesch, 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.
B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.
D. (6) $685. E. (9) $330.

A. Harold Peterson, 715 Cargill Building, Minneapolis, Minn. 55402.
B. National R.E.A. Telephone Association, 715 Cargill Building, Minneapolis, Minn. 55402.
D. (6) $1,300. E. (9) $348.82.

A. Kenneth Peterson, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $13,286.96. E. (9) $260.96.

A. Mary B. Peterson, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,000. E. (9) $1,444.37.

A. Michael J. Petrina, Jr., 2365 South Queen Street, Arlington, Va. 22202.
B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. Paul F. Petrus, Mobil Oil Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,200.

A. Henry S. Pflanz, Pilots Lobby, 11 Sixth Street SE., Washington, D.C. 20003.

B. Pilots Lobby, 11 Sixth Street SE., Washington, D.C. 20003.

E. (9) $1,915.

A. Henry S. Pflanz, Pflanz & Associates, 9111 Grandhaven Avenue, Upper Marlboro, Md. 20870.

B. Zantop International Airlines, Inc., Willow Run Airport, Ypsilanti, Mich. 48197.

D. (6) $4,250. E. (9) $483.25.

A. John E. Pflieger, Time, Inc., 888 16th Street NW., Washington, D.C. 20006.

B. Time, Inc., Time & Life Building, Rockefeller Center, New York, N.Y. 10020.

D. (6) $1,700.

A. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. John P. Philbin, Mobil Oil Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

D. (6) $1,500. E. (9) $24.

A. John D. Phillips, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

B. National Association of Independent Colleges and Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

D. (6) $11,220. E. (9) $237.

A. Scott H. Phillips, Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.

B. Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.

A. Sam Pickard, Monsanto Co., 1101 17th Street NW., Suite 604, Washington, D.C. 20036.

B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.

D. (6) $500. E. (9) $61.02.

A. Ace Pickens, 1300 American Bank Tower, Austin, Tex. 78701.

B. Texas Medical Association, 1801 North Lamar Boulevard, Austin, Tex. 78701.

D. (6) $250. E. (9) $80.

A. Pierce, Atwood, Scribner, Allen, Smith & Lancaster, One Monument Square, Portland, Maine 04101.

B Great Northern Paper Co., et al., 75 Prospect Street, Stamford, Conn. 06901.

D. (6) $560. E. (9) $36.

A. Pierson, Ball & Dowd, 1200 18th Street NW., Washington, D.C. 20036.

B. Satellite Business Systems, 8003 Westpark Drive, McLean, Va. 22101.

D. (6) $2,500.

A. Pierson, Semmes, Crolius & Finley, 1054 31st Street NW., Washington, D.C. 20007.

B. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.

D. (6) $640.

A. Rena S. Pies, 1611 North Kent Street, No. 900, Arlington, Va. 22209.

B. American Footwear Industries Association, 1611 North Kent Street, Arlington, Va. 22209.

E. (9) $28.

A. Pilots Rights Association, P.O. Box 7000-367, Redonda Beach, Calif. 90277.

D. (6) $14,620. E. (9) $27,701.

A. David E. Piper, Pacific Northwest Generating Co., 10570 Southeast Washington, Portland, Oreg. 97216.

B. Pacific Northwest Generating Co., 10570 Southeast Washington, Portland, Oreg. 97216.

A. Pitney Bowes, 69 Wheeler Drive, Stamford, Conn. 06904.

A. Peter K. Pitsch, 1100 Connecticut Avenue NW., No. 530, Washington, D.C. 20036.

B. Montgomery Ward & Co., Inc., One Montgomery Ward Plaza, Chicago, Ill. 60671.

A. Plains Cotton Growers, Inc., P.O. Box 3640, Lubbock, Tex. 79452.

A. James L. Pledger, National Savings and Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.

B. National Savings and Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.

A. Ronald L. Plesser, Blum & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.

B. Twin Coasts Newspaper, Inc., The Journal of Commerce, 110 Wall Street, New York, N.Y. 10005.

D. (6) $3,000. E. (9) $18.

A. Robert Plett Associates, Ltd., 1200 18th Street NW., Suite 700, Washington, D.C. 20036.

A. Michael M. Pocost, c/o N.Y.S. Petroleum Council, 551 Fifth Avenue, New York, N.Y. 10017.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Frances A. Pollak, Goodyear Tire & Rubber Co., 1800 K Street NW., Suite 800, Washington, D.C. 20006.

B. Goodyear Tire & Rubber Co., Akron, Ohio 44316.

D. (6) $1,000.

A. Richard P. Pollock, Critical Mass Energy Project, 133 C Street SE., Washington, D.C. 20003.

B. Critical Mass Energy Project, 133 C Street SE., Washington, D.C. 20003.

D. (6) $237.50.

A. Nathaniel Polster, 2120 Wyoming Avenue, Washington, D.C.

B. American Cancer Society, Inc., 777 Third Avenue, New York, N.Y. 10017, Research To Prevent Blindness, Inc., 598 Madison Avenue, New York, N.Y. 10022.

D. (6) $5,146.67. E. (9) $5,216.46.

A. Judith A. Pond, Ralston Purina Co., 1800 K Street NW., Suite 924, Washington, D.C. 20006.

B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.

D. (6) $200. E. (9) $104.

A. Robert F. Pontzer, Lear Siegler, Inc., 1911 Jefferson Davis Highway, Suite 1002, Arlington, Va. 22202.

B. Lear Siegler, Inc., 3171 South Bundy Drive, Santa Monica, Calif. 90406.

E. (9) $21.97.

A. Henry E. Poole, 9 West 57th Street, New York, N.Y. 10019.

B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.

D. (6) $100. E. (9) $674.50.

A. Raymond K. Pope, 1639 K Street NW., Suite 800, Washington, D.C. 20006.

B. AMFAC, Inc., 50 O'Farrell Street, San Francisco, Calif. 94108.

D. (6) $4,375. E. (9) $557.25.

A. Population Resource Center, Inc., 622 Third Avenue, New York, N.Y. 10017.

D. (6) $1,294. E. (9) $1,026.

A. S. J. Poray-Tucholski, P.O. Box 1681, Whittier, Calif. 90609.

B. Bermejo River Project Development Association.

A. Joan E. Porte, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.

B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.

D. (6) $1,250.

A. Phillip Porte & Associates, Inc., 1301 Arlington Ridge Road, Suite 208, Arlington, Va. 22202.

B. American Association for Respiratory Therapy, 1720 Regal Row, Dallas, Tex. 75235.

D. (6) $4,500. E. (9) $182.32.

A. Garry C. Porter, 11356 Southeast Black Road, Olalla, Wash. 98359.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) $328. E. (9) $245.

A. Positive Action Committee, Inc., 1800 West Eighth Street, Wilmington, Del. 19805.

D. (6) $244.48. E. (9) $338.20.

A. Everett O. Post, National Association of Service Contractors, 1511 K Street NW., Washington, D.C. 20005.

B. National Association of Service Contractors, 1511 K Street NW., Washington, D.C. 20005.

D. (6) $250. E. (9) $14.05.

A. Alonzo M. Poteet, Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.

B. Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.

D. (6) $2,500. E. (9) $10.50.

A. Potter International, Inc. 900 17th Street NW., Suite 300, Washington, D.C. 20006.

B. Rockwell International, Inc., 600 Grant Street, Pittsburgh, Pa. 15219.

D. (6) $8,750.

A. Potter International, Inc., 900 17th Street NW., Suite 300, Washington, D.C. 20006.

B. Western Shipbuilding Association, P.O. Box 3976, San Francisco, Calif. 94119.

D. (6) $3,000.

A. Ramsay D. Potts, Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., 900-S, Washington, D.C. 20036.

B. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20036.

D. (6) $900. E. (9) $10.

A. John M. Powderly, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.

B. United Steelworkers of America, Five Gateway Center, Pittsburgh, Pa. 15222.

D. (6) $7,544.73.

A. Richard M. Powell, International Association of Refrigerated Warehouses, 7315 Wisconsin Avenue, Washington, D.C. 20014.

B. International Association of Refrigerated Warehouses, 7315 Wisconsin Avenue, Washington, D.C. 20014.

A. Robert D. Powell, 734 15th Street NW., Suite 401, Washington, D.C. 20005.

B. National Business Aircraft Association, One Farragut Square South, Washington, D.C. 20006.

A. Carlton H. Power, 1918 North Parkway, Memphis, Tenn. 38112.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

D. (6) $106.25.

A. John J. Power, 101 Constitution Avenue NW., Washington, D.C. 20001.

B. United Brotherhood of Carpenters and Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.

D. (6) $6,297.41. E. (9) $2,184.45.

A. Graydon R. Powers, Jr., Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

B. Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Suite 610, Washington, D.C. 20036.

D. (6) $200.

A. William C. Prather, United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.

B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.

D. (6) $745.

A. James T. Prendergast, 250 East 87th Street, New York, N.Y. 10028.

B. Staff Builders, Inc., 122 East 42d Street, New York, N.Y. 10017.

A. William B. Prendergast, Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.

B. Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.

D. (6) $3,000. E. (9) $271.97.

A. Brainard E. Prescott, 670 Main Street, East Aurora, New York, N.Y. 14052.

B. Security New York State Corp., One East Avenue, Rochester, N.Y. 14638.

D. (6) $2,000. E. (9) $503.88.

A. Lloyd T. Preslar, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Airbus Industrie, Avenue Lucien Servantry, 31700 Blagnac, France).

A. Lloyd T. Preslar, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for European Aerospace Corp., 1101 15th Street NW., Washington, D.C. 20005.

A. Lloyd T. Preslar, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).

A. Lloyd T. Preslar, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Sofreavia, 75 rue la Boetie, Paris 8eme, France).

A. Paul F. Preston, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 9225 15th Street NW., Washington, D.C. 20005.

D. (6) $2,406.25. E. (9) $27.01.

A. Preston Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Washington, D.C. 20006.

B. Fisheries Development Corp., 17 Battery Place, New York, N.Y. 10004.

D. (6) $885.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Suite 300, Washington, D.C. 20006.

B. National Education Association, 1201 16th Street NW., Washington, D.C.

D. (6) $1,090.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Suite 300, Washington, D.C. 20006.

B. Organization for the Protection and Advancement of Small Telephone Cos., 1104 Gary Court, Wheaton, Ill. 60187.

D. (6) $3,822.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Suite 300, Washington, D.C. 20006.

B. State of Alaska, Juneau, Alaska.

D. (6) $1,087.50.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Suite 300, Washington, D.C. 20006.

B. State of Washington, Department of Ecology, Olympia, Wash.

D. (6) $260.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Suite 300, Washington, D.C. 20006.

B. Transportation Institute, 923 15th Street NW., Washington, D.C.

D. (6) $550.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Suite 300, Washington, D.C. 20006.

B. United States Cruises, Inc., 2200 Sixth Avenue, Seattle, Wash. 98121.

D. (6) $2,210.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher, 919 18th Street NW., Suite 300, Washington, D.C. 20006.

B. WOMETCO Enterprises, Inc., 306 North Miami Avenue, Miami, Fla. 33128.

D. (6) $1;383.50.

A. Forrest J. Prettyman, 730 15th Street NW., Washington, D.C. 20005.

B. Association of Bank Holding Cos., 730 15th Street NW., Washington, D.C. 20005.

D. (6) $668.75.

A. Patricia Pride, Financial Accounting Standards Board, 1129 20th Street NW., Washington, D.C. 20036.

B. Financial Accounting Standards Board, High Ridge Park, Stamford, Conn. 06905.

D. (6) $151.13. E. (9) $72.03.

A. Susan E. Pridgen, Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.

B. Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.

A. Arnold J. Prima, Jr., The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

D. (6) $1,200.

A. Jerry C. Pritchett, Mechanical Contractors Association of America, Inc., 5530 Wisconsin Avenue, Suite 750, Washington, D.C. 20015.

B. Mechanical Contractors Association of America, Inc., 5530 Wisconsin Avenue NW., Suite 750, Washington, D.C. 20015.

A. Pro-Life Congressional District 11, P.O. Box 727, San Carlos, Calif. 94070.

D. (6) $1,885. E. (9) $780.

A. Pro-Life Congressional District Action Committee IND-2, 208 Tinkler, Laxette, Ind. 47901.

D. (6) $147. E. (9) $153.94.

A. Profit Sharing Council of America, 20 North Wacker Drive, Chicago, Ill. 60606.

A. The Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C.

E. (9) $8,124.98.

A. Gerald R. Prout, Burson-Marsteller, 1800 M Street NW., No. 750S, Washington, D.C. 20036.

B. Burson-Marsteller, 1800 M Street NW., No. 750S, Washington, D.C. 20036 (for Gould, Inc., Electric Motor Division, 1831 Chestnut Street, St. Louis, Mo. 63160.

D. (6) $19,990. E. (9) $1,461.29.

A. Jerry Z. Pruzan, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

D. (6) $300.

A. Public Citizen's Tax Reform Research Group, 133 C Street SE., Washington, D.C. 20003.

D. (6) $1,537.50. E. (9) $4,902.19.

A. Public Employee Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $25,870.39. E. (9) $28,375.40.

A. Public Timber Purchasers Group, 714 Oregon Bank Building, 319 Southwest Washington Street, Portland, Oreg. 97204.

D. (6) $43,634.08. E. (9) $5,882.44.

A. Philip N. Pulizzi, Jr., 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $200. E. (9) $25.

A. David E. Pullen, Johns-Manville Corp., 1025 Connecticut Avenue, Suite 214, Washington, D.C. 20036.

B. Johns-Manville Corp., Box 5108, Denver, Colo. 80217.

D. (6) $600.

A. Purcell & Nelson, 1776 F Street NW., Washington, D.C. 20006.

B. The Business Roundtable, 200 Park Avenue, No. 2222, New York, N.Y. 10017.

D. (6) $229.50.

A. Earle W. Putnam, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

B. Amalgamated Transit Union, AFL-CIO, 5026 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Howard Pyle III, 2550 M Street NW., Suite 770, Washington, D.C. 20037.

B. R. J. Reynolds Industries Inc., P.O. Box 2959, Winston-Salem, N.C. 27102.

D. (6) $362.64.

A. Robert N. Pyle, P.O. Box 3731, Washington, D.C. 20007.

B. Independent Bakers Association, P.O. Box 3731, Washington, D.C. 20007.

D. (6) $3,000.

A. E. R. Quesada, P.O. Box 23551, L'Enfant Plaza Station, Washington, D.C. 20024.

B. L'Enfant Plaza Properties, Inc., P.O. Box 23551, L'Enfant Plaza Station, Washington, D.C. 20024.

D. (6) $800.

A. Clifford H. Raber, McDonald's Corp., 1 McDonald's Plaza, Oak Brook, Ill. 60521.

B. McDonald's Corp., 1 McDonald's Plaza, Oak Brook, Ill. 60521.

D. (6) $240.

A. David Racer, National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

D. (6) $81.45. E. (9) $81.45.

A. Alex Radin, American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

D. (6) $495.52.

A. Richard W. Rahn, American Council for Capital Formation, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Council for Capital Formation, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $406.25.

A. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.

D. (6) $38,230. E. (9) $38,230.

A. Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.

A. Gretchen P. Ralph, 303 Kimry Moor, Fayetteville, N.Y. 13066.

B. National Committee for Symphony Orchestra Support, 1100 17th Street NW., Suite 313, Washington, D.C. 20036.

D. (6) $3,500. E. (9) $40.08.

A. Randall, Bangert & Thelen, 1625 K Street NW., Washington, D.C. 20006.

B. American Retail Federation, 1616 H Street N.W., Washington, D.C. 20006.

D. (6) $975.

A. Donald A. Randall, 1625 K Street NW., Suite 1205, Washington, D.C. 20006.

B. Automotive Service Councils, Inc., 188 Industrial Drive, Suite 112, Elmhurst, Ill. 60126.

D. (6) $373.95.

A. Donald A. Randall, 1625 K Street NW., Suite 1205, Washington, D.C. 20006.

B. National Association for Milk Marketing Reform, 1625 K Street NW., Suite 1206, Washington, D.C. 20006.

A. Gary B. Randall, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $126.

A. Wm. J. Randall, Suite 821, 1515 Jefferson Davis Highway, Arlington, Va. 22202.

B. City of Independence, Mo., 103 North Main Street, Independence, Mo. 64050.

D. (6) $1,500. E. (9) $1,332.

A. Wm. J. Randall, Suite 821, 1515 Jefferson Davis Highway, Arlington, Va. 22202.

B. Clifford R. Kirby, Jr., 6916 Lake Drive, Raytown, Mo. 64133; Keith Artman & Soil, Inc., Route 1, Box 188, Excelsior Springs, Mo. 64024.

E. (9) $60.

A. Wm. J. Randall, Suite 821, 1515 Jefferson Davis Highway, Arlington, Va. 22202.

B. United States Railway Association, 955 L'Enfant Plaza, Washington, D.C.

D. (6) $3,000. E. (9) $390.

A. R. Ray Randlett, 1150 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. Allied Chemical Corp., P.O. Box 3000–R, Morristown, N.J. 07960.

D. (6) $140. E. (9) $25.

A. Arthur G. Randol III, 1899 L Street NW., No. 1100, Washington, D.C. 20036.

B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y., 10020.

E. (9) $281.94.

A. Jerry F. Rapp, 1155 15th Street NW., Washington, D.C. 20005.

B. Bristol Myers Co., 345 Park Avenue, New York, N.Y. 10022.

D. (6) $500.

A. D. Michael Rappoport, Salt River Project, P.O. Box 1980, Phoenix, Ariz. 85001.

B. Salt River Project, P.O. Box 1980, Phoenix, Ariz. 85001.

D. (6) $2,250. E. (9) $2,103.76.

A. G. David Ravencraft, 1025 Connecticut Avenue NW., Suite 507, Washington, D.C. 20036.

B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.

D. (6) $2,000.

A. W. Randall Rawson, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

E. (9) $363.03.

A. G. William Ray, NCAAEDA, 815 15th Street NW., Suite 610, Washington, D.C. 20005.

B. NCAAEDA, 815 15th Street NW., Suite 610, Washington, D.C. 20005.

D. (6) $6,000. E. (9) $141.90.

A. J. Gene Raymond, 1016 16th Street NW., Washington, D.C. 20036.

B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

D. (6) $754.90.

A. Sydney C. Reagan, 6815 Prestonshire, Dallas, Tex. 75225.

B. Southwestern Peanut Shellers Association, 6815 Prestonshire, Dallas, Tex. 75225.

D. (6) $150.

A. Susan E. Recce, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $575. E. (9) $30.75.

A. Recording Industry Association of America, Inc., 1633 Broadway, New York, N.Y. 10019.

D. (6) $744,981. E. (9) $96,250.

A. Dwight C. Reed, National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

D. (6) $216.36.

A. John H. Reed, 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.

B. Associated Builders & Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.

D. (6) $8,000. E. (9) $161.57.

A. Jerry Rees, Suite 300, 415 Second Street NE., Washington, D.C. 20002.

B. National Association of Wheat Growers, 415 Second Street NE., Washington, D.C. 20002.

D. (6) $1,049.40

A. Thomas M. Rees, 1101 Connecticut Avenue NW., Suite 403, Washington, D.C. 20036.

B. California Savings & Loan League, 9800 South Sepulveda Boulevard, Los Angeles, Calif. 90045.

A. Thomas M. Rees, 1101 Connecticut Avenue NW., Suite 403, Washington, D.C. 20036.

B. Fluor Corp., 1627 K Street NW., Washington, D.C. 20006.

A. Thomas M. Rees, 1101 Connecticut Avenue NW., Suite 403, Washington, D.C. 20036.

B. Imperial Resources Association, P.O. Box 119, Brawley, Calif. 92227.

A. Robert S. Reese, Jr., American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

D. (6) $6,000. E. (9) $1,440.65.

A. J. Ronald Reeves, Allegheny Airlines, Inc., Washington National Airport, Washington, D.C. 20001.

B. Allegheny Airlines, Inc., Washington National Airport, Washington, D.C. 20001.

D. (6) $2,000. E. (9) $196.86.

A. John T. Reggitts, Jr., Rural Delivery No. 2, Boonton Avenue, Boonton, N.J. 07005.

A. Frank D. Register, National Association of Retail Grocers of the United States, Inc., 11300 Sunrise Valley Drive, Reston, Va. 22091.

B. National Association of Retail Grocers of the United States, Inc., 11800 Sunrise Valley Drive, Reston, Va. 22091.

D. (6) $50. E. (9) $8.50.

A. Reid & Priest, 1111 19th Street NW., Washington, D.C. 20036.

B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

D. (6) $72.

A. Reid & Priest, 40 Wall Street, New York, N.Y. 10005.

B. Shanghai Power Co., P.O. Box 50, Boise, Idaho 83728.

A. Jerry E. Reider, 1745 Jefferson Davis Highway, Arlington, Va. 22202.

B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.

E. (9) $53.55.

A. John A. Reilly, Private, 25th Floor, 530 Fifth Avenue, New York, N.Y. 10036.

B. Estate of Bert N. Adams, P.O. 4215, Yuma, Ariz. 85364.

E. (9) $5.

A. J. E. Reinke, Eastern Airlines, 1030 15th Street NW., Washington, D.C. 20005.

B. Eastern Air Lines, Inc., 1030 15th Street NW., Washington, D.C. 20005.

E. (9) $55.

A. Harry O. Reinsch, 1310 Jones Street, Apt. 902, San Francisco, Calif. 94109.

B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. W. W. Renfroe, 69 Fountain Place-Wilkinson Street, Frankfort, Ky. 40601.

B. Kentucky Railroad Association, 69 Fountain Place-Wilkinson Street, Frankfort, Ky. 40601.

A. Diane Rennert, 1707 L Street NW., Washington, D.C. 20036.

B. Association of American Publishers, 1707 L Street NW., Washington, D.C. 20036.

D. (6) $950. E. (9) $463.93.

A. Jamie Replogle, 1101 16th Street NW., Washington, D.C. 20036.

B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.

E. (9) $25.75.

A. The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.

D. (6) $6,129.

A. Allan R. Rexinger, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $7,999.98. E. (9) $125.

A. Nancy C. Reynolds, 300 Maryland Avenue NE., Washington, D.C. 20002.

B. The Bendix Corp., 300 Maryland Avenue NE., Washington, D.C. 20002.

D. (6) $280. E. (9) $105.

A. William L. Reynolds, National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.

B. National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.

A. Austin T. Rhoads, 910 17th Street NW., Washington, D.C. 20006.

B. International Association of Ice Cream Manufacturers & Milk Industry Foundation.

A. Rice Genocide Research, P.O. Box 7307, Washington, D.C.; 3046 Roosevelt Street, Detroit, Mich. 48216.

E. (9) $213.19.

A. M. Lee Rice, 277 Park Avenue, New York, N.Y. 10017.

B. Ogden Corp., 277 Park Avenue, New York, N.Y. 10017.

A. Theron J. Rice, Conoco, Inc., 1025 Connecticut Avenue, NW., No. 1000, Washington, D.C. 20036.

B. Conoco, Inc., High Ridge Park, Stamford Conn. 06904.

A. Alan H. Richardson, American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.

D. (6) $1,000.

A. Mark E. Richardson, 1900 L Street NW., Suite 710, Washington, D.C. 20010.

B. The Business Roundtable, 1901 K Street NW., Washington, D.C. 20006.

D. (6) $9,000.

A. Russell W. Richardson, Lear Siegler, Inc., Suite 1002, 1911 Jefferson Davis Highway, Arlington, Va. 22202.

B. Lear Siegler, Inc., 3171 South Bundy Drive, Santa Monica, Calif. 90406.

A. Bruce Rickerson, American Society of Civil Engineers, 1625 I Street NW., Washington, D.C. 20006.

B. American Society of Civil Engineers, 345 East 47th Street, New York, N.Y. 10017.

D. (6) $3,000. E. (9) $235.87.

A. Lowell J. Ridgeway, North Dakota Petroleum Council, 314 Thayer Avenue, Box 1395, Bismarck, N.D. 58501.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Peter S. Ridley, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $525.

A. Siert F. Riepma, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

B. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

A. E. Philip Riggin, National Legislative Commission, The American Legion, 1608 K Street NW., Washington, D.C. 20006.

B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.

D. (6) $5,169. E. (9) $217.87.

A. Douglas V. Rigler, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Republic of the Philippines).

A. Morris A. Riley, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.

B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.

D. (6) $1,200.

A. John S. Rippey, 730 15th Street NW., Washington, D.C. 20005.

B. Association of Bank Holding Cos., 730 15th Street NW., Washington, D.C. 20005.

D. (6) $601.88. E. (9) $31.

A. Carol A. Risher, Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.

B. Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.

D. (6) $1,000. E. (9) $84.32.

A. Nancy J. Risque, 1050 17th Street NW., Suite 650, Washington, D.C. 20036.

B. The Standard Oil Co., Midland Building, Cleveland, Ohio 44115.

A. James E. Ritchie, 499 South Capitol Street SW., No. 400, Washington, D.C. 20003.

B. Gaming Industry Association of Nevada, Inc., 1 East First Street, No. 1007, Reno, Nev. 89501.

D. (6) $2,800. E. (9) $1,248.06.

A. James E. Ritchie, 499 South Capitol Street SE., No. 400, Washington, D.C. 20003.

B. National Association of Off-Track Betting, P.O. Box 446, Batavia, N.Y. 14020.

A. James E. Ritchie, 499 South Capitol Street SW., No. 400, Washington, D.C. 20003.

B. Nevada Resort Association, 732 East Sahara Avenue, Las Vegas, Nev. 89104.

D. (6) $4,200. E. (9) $1,874.64.

A. Stark Ritchie, American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Roadside Business Association, 9001 West Braddock Road, Room 310, Springfield, Va. 22151.

D. (6) $1,815. E. (9) $1,815.

A. Brinton P. Roberts, Choate, Hall & Stewart, 60 State Street, Boston, Mass. 02109.

B. New England Tank Industries of New Hampshire, Inc., 135 First Street, Cambridge, Mass.

A. Perry A. Roberts, 8100 Florissant, St. Louis, Mo. 63136.

B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.

E. (9) $1,187.77.

A. William S. Roberts, National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $70.

A. Betty S. Robinson, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 1757 N Street NW., Washington, D.C. 20036.

B. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.

D. (6) $8,340.26. E. (9) $57.

A. Charles A. Robinson, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $245.90.

A. John K. Robinson, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

E. (9) $141.52.

A. Howard W. Robison, 3903 Franklin Street, Kensington, Md. 20795.

B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.

D. (6) $2,250.

A. Antoinette K. Roche, General Atomic Co., 2021 K Street NW., Suite 709, Washington, D.C. 20006.

B. General Atomic Co., San Diego, Calif.

D. (6) $500. E. (9) $25.

A. Betty P. Rocker, Seafarers International Union of NA, 815 16th Street NW., Washington, D.C.

B. Seafarers International Union of NA, 675 Fourth Avenue, Brooklyn, N.Y. 11232.

D. (6) $2,500. E. (9) $51.90.

A. Thomas G. Roderick, Consolidated Natural Gas Service Co., Inc., 1101 16th Street NW., Washington, D.C. 20036.

B. Consolidated Natural Gas Service Co., Inc., 4 Gateway Center, Pittsburgh, Pa. 15222.

A. Ted V. Rodgers, 1000 Connecticut Avenue NW., Suite 304, Washington, D.C. 20036.

B. Nationwide Insurance Cos. & Affiliates, 1 Nationwide Plaza, Columbus, Ohio 43216.

D. (6) $2,500. E. (9) $380.

A. Mitchell Rofsky, 133 C Street SE., Washington, D.C. 20003.

B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.

D. (6) $1,884.62.

A. Bruce N. Rogers, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.

D. (6) $2,500. E. (9) $1,722.35.

A. Donald L. Rogers, 730 15th Street NW., Washington, D.C. 20005.

B. Association of Bank Holding Companies, 730 15th Street NW., Washington, D.C. 20005.

D. (6) $1,270.63.

A. James T. Rogers, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.

D. (6) $600.

A. Margaret Rogers, Printing Industries of America, Inc., 1730 North Lynn Street, Arlington, Va. 22209.

B. Printing Industries of America, Inc., 1730 North Lynn Street, Arlington, Va. 22209.

D. (6) $1,000. E. (9) $66.

A. Terrence L. Rogers, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

D. (6) $5,506.20. E. (9) $283.33.

A. Rogers & Wells, 1666 K Street NW., Washington, D.C. 20006.

B. Tax Equity for Americans Abroad, BCM 4700, London WC1V 6XX, England.

A. Richard A. Rohrbach, 1625 I Street NW., No. 809, Washington, D.C. 20006.

B. Boise Cascade Corp., 1625 I Street NW., No. 809, Washington, D.C. 20006.
D. (6) $16,050.

A. John F. Rolph III, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,500.

A. Kenneth S. Rolston, Jr., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Pulpwood Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Tatiana Roodkowsky, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $2,000. E. (9) $448.32.

A. James E. Rooks, Jr., 1216 16th Street NW., Washington, D.C. 20036.
B. Speiser, Krause & Madole, 1216 16th Street NW., Washington, D.C. 20036 (for Vera C. Clemente, No. 36 Roberto Clemente Street, Ext. San Agustin, Rio Piedras, P.R. 00926; Margarita C. Matias, Yagrumo AD-3, Valle Arriba Heights, Carolina, P.R.; Mrs. Maria Lozano, 519th Street, QC-1, Urb Country Club, Rio Piedras, P.R.).

A. Nicholas Roomy, Jr., P.O. Box 1986, Charleston, W. Va. 25327.
B. Appalachian Power Co., P.O. Box 1986, Charleston, W. Va. 25327 (a subsidiary of the American Electric Power Co., Inc., 2 Broadway, New York, N.Y. 10004).

A. Rose, Schmidt, Dixon, Hasley, Whyte & Hardesty, 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. Institute of Makers of Explosives, 420 Lexington Avenue, New York, N.Y. 10017.
D. (6) $70,960. E. (9) $4,805.

A. Walda W. Roseman, National Public Radio, 2025 M Street NW., Washington, D.C. 20036.
B. National Public Radio, 2025 M Street NW., Washington, D.C. 20036.
D. (6) $10,000. E (9) $1,043.13.

A. Albert B. Rosenbaum III, National Tank Truck Carriers, Inc, 1616 P Street NW., Washington, D.C. 20036.
B. National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.

A. Harvey Rosenfield, 133 C Street SE., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $1,601.92.

A. Barry A. Ross, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
B. National Telephone Cooperative Association, 2626 Pennsylvania Avenue NW., Washington, D.C. 20037.
D. (6) $170.

A. Seymour N. Ross, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW, Washington, D.C. 20036 (for Thomson-CSF (AVS), 178 Boulevard Gabriel Péri, 92240 Malakoff, France).

A. William F. Ross, SC Petroleum Council, 716 Kennan Building, Columbia, S.C. 29201.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Alan J. Roth, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Fort Pierce Utilities Authority of the City of Fort Pierce, Gainesville-Alachua County Regional Electric Water & Sewer Utilities, Sebring Utilities Commission, cities of Homestead, Kissimmee, Lakeland, Starke, Tallahassee, Fla.

A. Barry N. Roth, The Williams Cos., 1750 K Street NW., Washington, D.C. 20006.
B. The Williams Cos., P.O. Box 2400, Tulsa, Okla. 74101.

A Marcus Roth, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $3,265.06.

A. Edwin Rothschild, 1696 Westwind Way, McLean, Va. 22101.
B. Energy Action Educational Foundation, 1523 L Street NW., Washington, D.C. 20005.

A. Donald D. Rounds, South Dakota Petroleum Council, P.O. Box 669, Pierre, S. Dak. 57501.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $493. E. (9) $619.75.

A. William C. Rountree, 1050 17th Street NW., Suite 650, Washington, D.C. 20036.
B. The Standard Oil Co., Midland Building, Cleveland, Ohio 44115.
D. (6) $250.

A. Rouss & O'Rourke, Lawyers Building, 231 East Vermijo, Colorado Springs, Colo. 80903.
B. Union Nacional de Productores de Azucar, S.A. de C.V., (UNPASA) Balderas 36, Mexico, D.F., Mexico.
D. (6) $3,375. E. (9) $2,597.03.

A. Eugene F. Rowan, J. C. Penney Co., Inc., 1156 15th Street NW., Washington, D.C. 20005.
B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.

A. George S. Royal, American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington, Va. 22209.
B. American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington, Va. 22209.

A. John W. Rowland, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, 5025 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Kathryn Coe Royce, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue, NW., Washington, D.C. 20036.
D. (6) $575. E. (9) $97.49.

A. James S. Rubin, Allied Chemical Corp., 1150 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Allied Chemical Corp., P.O. Box 3000-R, Morristown, N.J. 07960.
D. (6) $2,250. E. (9) $50.

A. Steven J. Rukavina, 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
D. (6) $181.50.

A. Leonard H. Ruppert, New Jersey Petroleum Council, 170 West State Street, Trenton, N.J. 08608.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Albert R. Russell, P.O. Box 12285, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis Tenn. 38112.

A. R. M. Russell, 2170 Piedmont Road NE., Atlanta, Ga. 30324.
B. Orkin Exterminating Co., Inc., 2170 Piedmont Road NE., Atlanta, Ga. 30324.
D. (6) $940. E. (9) $600.

A. Wally Rustad, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $25.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., No. 514, Washington, D.C. 20036.
B. American Association of Bioanalysts, International Society of Clinical Laboratory Technicians, 614 Paul Brown Building, St. Louis, Mo.
D. (6) $420. E. (9) $163.60.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., No. 514, Washington, D.C. 20036.
B. American College of Radiology, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $600. E. (9) $163.80.

A. J. T. Rutherford & Associates, Inc., 1660 L Street NW., No. 514, Washington, D.C. 20036.
B. American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $500. E. (9) $290.86.

A. Sheryl P. Rutledge, 1100 H Street NW., Washington, D.C. 20080.
B. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.

A. Ella Marice Ryan, J. C. Penney Co., 1156 15th Street NW., Washington, D.C. 20005.
B. J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $100.

A. John F. Ryan, International Telephone & Telegraph Corp, 1707 L Street NW., Suite 200, Washington, D.C. 20036.
B. International Telephone & Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.
D. (6) $147. E. (9) $5.50.

A. Lyle Ryter, 499 South Capitol Street SW., Washington, D.C. 20003.
B. American Security Council, 499 South Capitol Street SW., Washington, D.C. 20003.
D. (6) $1,463.

A. Charles J. Sabatier, Paralyzed Veterans of America, 4330 East West Highway, Suite 300, Washington, D.C. 20014.
B. Paralyzed Veterans of America, 4330 East West Highway, Suite 300, Washington, D.C. 20014.

A. Fred J. Sacco, New Jersey Petroleum Council, 170 West State Street, Trenton, N.J. 08608.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Arthur B. Sackler, National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.
B. National Newspaper Association, 1627 K Street NW., Suite 400, Washington, D.C. 20006.
D. (6) $1,500. E. (9) $83.

A. The St. Louis Mercantile Library Association, 510 Locust Street, St. Louis, Mo. 63188.

E. (9) $1,779.63.

A. Robert P. St. Louis, 1700 North Moore Street, Rosslyn, Va. 22209.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) $750. E. (9) $765.04.

A. Frank Max Salinger, Truck Trailer Manufacturers Association, 2430 Pennsylvania Avenue NW., Washington, D.C. 20037.

B. Truck Trailer Manufacturers Association, 2430 Pennsylvania Avenue NW., Washington, D.C. 20037.

D. (6) $600. E. (9) $334.64.

A. Frank P. Sanders, The Flying Tiger Line, Inc., 815 Connecticut Avenue NW., Washington, D.C.

B. The Flying Tiger Line, Inc., Los Angeles International Airport, Los Angeles, Calif.

D. (6) $200.

A. Frank P. Sanders, The Signal Cos., 815 Connecticut Avenue NW., Washington, D.C.

B. The Signal Cos., Inc., 9665 Wilshire Boulevard, Beverly Hills, Calif. 90212.

D. (6) $500.

A. Charles E. Sandler, 2101 L Street NW., Washington, D.C. 20037.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $5,000.

A. David Sandler, 2233 Wisconsin Avenue NW., No. 322, Washington, D.C. 20007.

B. National Council of Community Mental Health Centers, 2233 Wisconsin Avenue NW., No. 322, Washington, D.C. 20007.

D. (6) $3,000. E. (9) $150.

A. Peter G. Sandlund, Room 400, 919 18th Street NW., Washington, D.C. 20006.

B. Council of European & Japanese National Shipowners' Associations, 17/18 Bury Street, London EC3A 5AH, England.

D. (6) $300.

A. Donald E. Santarelli, 2033 M Street NW., Suite 700, Washington, D.C. 20036.

B. Kings River Water Users Committee.

D. (6) $3,000. E. (9) $1,836.09.

A. Albert C. Saunders, Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.

A. W. P. Sayles, P.O. Box 841, Abilene, Tex. 79604.

B. West Texas Utilities Co., P.O. Box 841, Abilene, Tex. 79604.

A. Henry Schacht, California Canners & Growers, 3100 Ferry Building, San Francisco, Calif. 94106.

B. California Canners & Growers, 3100 Ferry Building, San Francisco, Calif. 94106.

D. (6) $3,600. E. (9) $1,439.33.

A. Harold A. Schaitberger, International Association of Fire Fighters, 1750 New York Avenue NW., Washington, D.C. 20006.

B. International Association of Fire Fighters, 1750 New York Avenue NW., Washington, D.C. 20006.

D. (6) $8,346.

A. Kenneth D. Schanzer, National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.

B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.

D. (6) $168. E. (9) $231.24.

A. Jay T. Scheck, Jr., Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Ford Motor Co., Dearborn, Mich. 48121.

D. (6) $499.99. E. (9) $435.18.

A. Allan D. Schimmel, 639 South Carolina Avenue SW., Washington, D.C. 20003.

B. Consolidated Rail Corp., P.O. Box 23451, L'Enfant Plaza, Washington, D.C. 20024.

D. (6) $1,206.

A. Jacques T. Schlenger, 1800 Mercantile Bank & Trust Building, 2 Hopkins Plaza, Baltimore, Md. 21201.

B. Maryland Savings-Share Insurance Corp., 901 North Howard Street, Baltimore, Md. 21201.

E. (9) $58.34.

A. Allan D. Schlosser, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

B. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $400.

A. Richard M. Schmidt, Jr., 1333 New Hampshire Avenue NW., Suite 600, Washington, D.C. 20036.

B. Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.

D. (6) $500.

A. Robert L. Schmidt, National Cable Television Association, Inc.. 918 16th Street NW., Washington, D.C. 20006.

B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

D. (6) $227.

A. Lee H. Schmolke, the Energy Committee of America, 6132 Southwest Valley Avenue, Beaverton, Oreg. 97005.

B. Lee H. Schmolke & Associates, the Energy Committee of America, 6132 Southwest Valley Avenue, Beaverton, Oreg. 97005.

E. (9) $572.53.

A. Andy Schneider, National Health Law Program, 1424 16th Street NW., No. 304, Washington, D.C. 20036.

B. National Health Law Program, Inc., 2401 Main Street, Santa Monica, Calif. 90405.

D. (6) $375. E. (9) $460.22.

A. Mahlon C. Schneider, Green Giant Co., Hazeltine Gates, Chaska, Minn. 55318.

B. Green Giant Co., Hazeltine Gates, Chaska, Minn. 55318.

D. (6) $250. E. (9) $465.61.

A. Michael M. Schoor, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.

B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.

D. (6) $2,500.

A. Anthony Schopp, Machinery Dealers National Association, 1110 Spring Street, Silver Spring, Md. 20910.

B. Machinery Dealers National Association, 1110 Spring Street, Silver Spring, Md. 20910.

A. Robert I. Schramm, 1725 K Street NW., Suite 909, Washington, D.C. 20006.

B. The Superior Oil Co. & Superior Farming Co., 1725 K Street NW., Washington, D.C. 20006.

A. A. Kolbet Schrichte, 1850 K Street NW.. Suite 850, Washington, D.C. 20006.

B. National Restaurant Association, 1850 K Street NW., Washington, D.C. 20006; 1 IBM Plaza, Suite 2600, Chicago, Ill. 60611.

A. N. Donald Schroeder, Maryland Petroleum Association, 60 West Street, Annapolis, Md. 21401.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Stanley W. Schroeder, Gas Appliance Manufacturers Association, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.

B. Gas Appliance Manufacturers Association, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.

E. (9) $90.

A. Mark Schultz, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) $6,470. E. (9) $12.

A. William B. Schultz, Public Citizen Litigation Group, Suite 700, 2000 P Street NW., Washington, D.C. 20036.

B. Public Citizen, Inc., Box 19404, Washington, D.C. 20036.

D. (6) $420. E. (9) $10.

A. Robert L. Schulz, c/o Iowa Petroleum Council, 1012 Fleming Building, Des Moines, Iowa 50309.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $411.25. E. (9) $499.25.

A. Donald H. Schwab, Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.

B. Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.

D. (6) $4,050. E. (9) $593.48.

A. Richard Schwartz, Boat/United States, 880 South Pickett Street, Alexandria, Va. 22304.

B. Boat Owners Association of The United States, 880 South Pickett Street, Alexandria, Va. 22304.

D. (6) $2,500.

A. Carl F. Schwensen, 415 Second Street NE., Suite 300, Washington, D.C. 20002.

B. National Association of Wheat Growers, 415 Second Street NE., Washington, D.C. 20002.

D. (6) $2,676.36.

A. William F. Schwind, Jr., Marathon Oil Co., 1800 M Street NW., Washington, D.C. 20036.

B. Marathon Oil Co., Findlay, Ohio 45840.

A. Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Suite 610, Washington, D.C. 20036.

B. Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Suite 610, Washington, D.C. 20036.

D. (6) $5,650. E. (9) $6,312.97.

A. Harold B. Scoggins, Jr., 1101 16th Street NW., Washington, D.C. 20036.

B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.

E. (9) $63.

A. David A. Scott, c/o Mississippi Petroleum Council, P.O. Box 42, Jackson, Miss. 39205.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. John W. Scott, The National Grange, 1616 H Street NW., Washington, D.C. 20006.

B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.

D. (6) $687.50.

A. Earl W. Sears, P.O. Box 12285, Memphis, Tenn. 38112.

B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

D. (6) $650. E. (9) $14.57.

A. Pamela Sederholm, Sheet Metal & Air Conditioning Contractors' National Association, Inc., 8224 Old Courthouse Road, Vienna, Va. 22180.

B. Sheet Metal & Air Conditioning Contractors' National Association, Inc., 8224 Old Courthouse Road, Vienna, Va. 22180.

D. (6) $800. E. (9) $300.

A. Ronald C. Seeley, 701 Fairview, Milford, Mich. 48042.

B. Estate of Bert N. Adams, et al., 1461 West 16th Place, Yuma, Ariz. 85164.

E. (9) $536.45.

A. Sadie E. Seeley, 1016 16th Street NW., Washington, D.C. 20036.

B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

D. (6) $29.55. E. (9) $29.55.

A. Harry Richard Seibert, Jr., National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $275. E. (9) $20.

A. David Seldner, 1155 15th Street NW., No. 713, Washington, D.C. 20005.

B. American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.

D. (6) $400.

A. Stanton P. Sender, 1211 Connecticut Avenue NW., Washington, D.C. 20036.

B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.

D. (6) $700. E. (9) $61.69.

A. Seven Months Session for Congress, 7201 Wood Hollow Drive, No. 337, Austin, Tex. 78731.

E. (9) $458.

A. J. Richard Sewell, 1111 19th Street NW., Suite 1102, Washington, D.C. 20006.

B. Florida Power & Light Co., P.O. Box 529100, Miami, Fla. 33152.

D. (6) $700. E. (9) $202.48.

A. Seyfarth, Shaw, Fairweather and Geraldson, 1800 M Street NW., No. 350N, Washington, D.C. 20036.

B. Dresser Industries, Inc., P.O. Box 718, Dallas, Texas 75221.

A. Seyfarth, Shaw, Fairweather and Geraldson, 1800 M Street, N.W., Washington, D.C. 20036.

B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.

A. Robert L. Shafer, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.

D. (6) $550. E. (9) $229.22.

A. James M. Shamberger, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.

B. Reinsurance Association of America, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.

A. Shamrock Foods Co., 2228 North Black Canyon Road, Phoenix, Ariz. 85009.

A. Lloyd D. Shand, 1101 17th Street NW., Washington, D.C.

B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.

D. (6) $400. E. (9) $27.43.

A. David Lewis Shapiro, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) $1,481. E. (9) $40.

A. Harry D. Shapiro, 1800 Mercantile Bank & Trust Building, 2 Hopkins Plaza, Baltimore, Md. 21201.

B. Maryland Savings-Share Insurance Corp., 901 North Howard Street, Baltimore, Md. 21201.

E. (9) $58.34.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.

B. Ak Chin Indian Community, Route 1, Box 12, Maricopa, Ariz. 85239.

D. (6) $1,250. E. (9) $125.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.

B. Cheyenne River Sioux Tribe, P.O. Box 590, Eagle Butte, S. Dak. 57625.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.

B. Colville Tribe, Box 150, Nespelem, Wash. 99155.

D. (6) $850. E. (9) $125.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.

B. Makah Tribal Council, P.O. Box 115, Neah Bay, Wash. 98357.

D. (6) $500. E.(9) $125.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.

B. Minnesota Chippewa Tribe, Box 217, Cass Lake, Minn. 56633.

D. (6) $400. E. (9) $125.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.

B. Quinault Indian Nation, P.O. Box 1118, Taholah, Wash. 98587.

D. (6) $625. E. (9) $125.

A. Rebecca D. Shapiro & Associates, 111 C Street SE., Washington, D.C. 20003.

B. Yakima Indian Nation, P.O. Box 151, Toppenish, Wash. 98948.

D. (6) $835. E. (9) $75.

A. John J. Sharkey, 1629 K Street NW., Room 204, Washington, D.C. 20006.

B. Delta Air Lines, Inc., Hartsfield Atlanta International Airport, Atlanta, Ga. 30320.

D. (6) $986.50. E. (9) $52.34.

A. Karen Dolmatch Shaw, 1800 K Street NW., Suite 920, Washington, D.C. 20006.

B. BankAmerica Corp., Bank of America Center, San Francisco, Calif.

D. (6) $120.20. E. (9) $304.31.

A. Luther W. Shaw, 1625 I Street NW., Suite 501, Washington, D.C. 20006.

B. Paluszek & Leslie Associates, 1500 Broadway, New York, N.Y. 10036.

E. (9) $41.98.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., 900-S, Washington, D.C. 20036.

B. Association for the Improvement of the Mississippi River, 10 Broadway, St. Louis, Mo. 63102.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., 900-S, Washington, D.C. 20036.

B. Atlas Minerals Division (Atlas Corp.), 2506 Prudential Plaza, Denver, Colo. 80202.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.

B. Cayman Turtle Farm, Ltd., P.O. Box 645, Grand Cayman Island, Cayman Islands, British West Indies.

D. (6) $3,151.25.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., 900-S, Washington, D.C. 20036.

B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.

D. (6) $245. E. (9) $3.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.

B. Institute of Foreign Bankers, 200 Park Avenue, Suite 303, Rm. 23, New York, N.Y. 10017.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., 900-S, Washington, DC. 20036.

B. Investment Counsel Association of America, Inc., 127 East 59th Street, New York, N.Y. 10022.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.

B. Radioactive Waste Management Group, c/o Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.

D. (6) $4,717.28.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.

B. Guaranty Fuels, Inc., 1120 East Main Street, Independence, Kans. 67301.

E. (9) $89.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.

B. New Zealand Wool Board, 139–141 Featherstone Street, Wellington, New Zealand.

A. Maureen Shea, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $6,098.55. E. (9) $98.55.

A. Shearman & Sterling, 53 Wall Street, New York, N.Y.

B. Banc Northwest et al.

D. (6) $32,013.79.

A. John J. Sheehan, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.

B. United Steelworkers of America, 5 Gateway Center, Pittsburgh, Pa. 15222.

D. (6) $9,650.30.

A. John P. Sheffey, National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.

B. National Association for Uniformed Services, 956 North Monroe Street, Arlington, Va. 22201.

D. (6) $1,110.64.

A. Jowanda Shelton, 2101 L Street NW., Washington, D.C. 20037.

B. Committee for Humane Legislation, 11 West 60th Street, New York, N.Y. 10023.

D. (6) $5,600.

A. Nelson Shields, 810 18th Street NW., Washington, D.C. 20006.

B. Handgun Control, Inc., 810 18th Street NW., Washington, D.C. 20006.

D. (6) $6,579.10. E. (9) $3.25.

A. Harvey A. Shipman, The Penn Central Corp., 2021 K Street NW., Suite 700, Washington, D.C. 20006.

B. The Penn Central Corp., 245 Park Avenue, 44th Floor, New York, N.Y. 10017.

A. Fred B. Shippee, American Apparel Manufacturers Association, 1611 North Kent Street, Arlington, Va. 22209.

B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.

A. Mary Frances Shlagel, 1100 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.

A. W. Ray Shockley, American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
B. American Textile Manufacturers Institute, 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
D. (6) $2,550. E. (9) $9.40.

A. Lisa Shulock, Union of Concerned Scientists, 1025 15th Street NW., Washington, D.C. 20005.
B. Union of Concerned Scientists, 1208 Massachusetts Avenue, Cambridge, Mass. 02138.
D. (6) $2,825.

A. Norman D. Shutler, 1525 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Clayton Manufacturing Co., 4213 North Temple City Boulevard, El Monte, Calif. 91731.
D. (6) $5,000. E. (9) $2,304.43.

A. Candice J. Shy, 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.
B. ENSERCH Corp., 301 South Harwood Street, Dallas, Tex. 75201.
D. (6) $900. E. (9) $607.

A. Lawrence E. Siegel, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $3,300. E. (9) $2.

A. Mark A. Siegel, Mark A. Siegel & Associates, 400 North Capitol Street NW., Suite 368, Washington, D.C. 20001.
B. Tadco Enterprises, 1625 I Street NW., Suite 1009, Washington, D.C. 20006.
D. (6) $7,000. E. (9) $139.23.

A. Richard H. Siemsen, 8100 Florissant, St. Louis, Mo. 63136.
B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
E. (9) $240.08.

A. Bernard H. Sieracki, Illinois Petroleum Council, 200 East Randolph Drive, Suite 7209, Chicago, Ill. 60601.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Daniel W. Sigelman, 2000 P Street NW., No. 708, Washington, D.C. 20036.
B. Health Research Group, 2000 P Street NW., No. 708, Washington, D.C. 20036.
D. (6) $450.

A. David Silver, Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $12.50.

A. Silver, Freedman, Housley, Taff Goldberg, 1800 M Street NW., No. 950 North, Washington, D.C. 20036.

A. Silver Users Association, Inc., 1717 K Street NW., Washington, D.C. 20006.
D. (6) $255.25. E. (9) $2,748.43.

A. Althea T. L. Simmons, NAACP, 733 15th Street NW., Suite 410, Washington, D.C. 20005.
B. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $4,000.

A. Stanley C. Simon, Simon & Twombly, 2 Turtle Creek Village, Dallas, Tex. 75219.
B. The Southland Corp., 2828 North Haskell Avenue, Dallas, Tex. 75204.
D. (6) $4,365. E. (9) $461.27.

A. Talmage E. Simpkins, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. AFL-CIO Maritime Committee, 100 Indiana Avenue, NW., Washington, D.C. 10001.
D. (6) $240. E. (9) $732.61.

A. Talmage E. Simpkins, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $1,132.50. E. (9) $159.27.

A. Robert C. Singer, The Soap and Detergent Association, 475 Park Avenue South at 32nd Street, New York, N.Y. 10016.
B. The Soap and Detergent Association, 475 Park Avenue South at 32nd Street, New York, N.Y. 10016.

A. Thomas K. Singer, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Aluminum & Chemical Corp., 900 17th Street NW., Washington, D.C. 20006.
D. (6) $1,388.90.

A. Richard L. Sinnott & Co., 2021 K Street NW., Suite 306, Washington, D.C. 20006.
B. Port of Oakland, Oakland, Calif. 94607.
D. (6) $1,250.

A. Donald E. Sinville, Public Service Co. of New Hampshire, 227 North Street, Manchester, N.H. 03104.
B. Public Service Co. of New Hampshire, Manchester, N.H. 03105.
E. (9) $679.47.

A. William J. Skinner, 815 15th Street NW., Washington, D.C. 20005.
B. United States Pharmacopeial Convention, Inc., 12601 Twinbrook Parkway, Rockville, Md. 20852.
D. (6) $375.04. E. (9) $172.81.

A. Barney J. Skladany, Jr., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,125.

A. Carstens Slack, Phillips Petroleum Co., 1825 K Street NW., Washington, D.C. 20006.
B. Phillips Petroleum Co., Bartlesville, Okla. 74004.

A. F. Slatinshek & Associates, Inc., 218 North Lee Street, Alexandria, Va. 22314.
B. Grumman Aerospace Corp., Bethpage, N.Y. 11714; United Technologies Corp., 1125 15th Street NW., Washington, D.C. 20005; General Dynamics Corp., Pierre LacLede Center, St. Louis, Mo. 63105; Gould, Inc., Government Systems Group, Rolling Meadows, Ill. 60008.
D. (6) $800.

A. G. Bernard Slebos, United Airlines, 1825 K Street NW., No. 607, Washington, D.C. 20006.
B. United Airlines, P.O. Box 66100, Chicago, Ill. 60666.
D. (6) $2,000.

A. William T. Slider, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, Government Affairs Office, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500. E. (9) $932.34.

A. Frank Slover, Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.
B. Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346 (for Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346).
D. (6) $1,950.

A. Slurry Transport Association, 490 L'Enfant Plaza East SW., No. 3210, Washington, D.C. 20024.
B. Slurry Transport Association, 490 L'Enfant Plaza East SW., Suite 3210, Washington, D.C. 20024.
D. (6) $52,000. E. (9) $2,722.76.

A. Small Business Council of America, Inc., 702 Longfellow Building, 1201 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,300. E. (9) $17,689.72.

A. Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.
E. (9) $4,176.08.

A. Small Producers for Energy Independence, 1000 Sutton Place Building, Wichita, Kans. 67202.
D. (6) $48,868.53. E. (9) $5,881.

A. Stephan K. Small, Suite 3212, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Securities Industry Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
D. (6) $937.49.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C. 20006.
B. American Horse Council, 1700 K Street NW., Suite 300, Washington, D.C. 20006.
D. (6) $5,500. E. (9) $9.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C. 20006.
B. American Inland Waterway Committee, 7733 Forsyth Boulevard, St. Louis, Mo.
D. (6) $3,500.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C. 20006.
B. City Gas Co. of Florida, 955 East 25th Street, Hialeah, Fla. 33013.
D. (6) $500. E. (9) $6.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C. 20006.
B. Goldman Sachs, 55 Broad Street, New York, N.Y. 10004.
D. (6) $1,500.

A. Smathers, Symington & Herlong, 1700 K Street NW., Suite 400, Washington, D.C. 20006.
B. Pennzoil Co., Houston, Tex. 77001.
D. (6) $6,000.

A. Donald E. Smiley, 1899 L Street NW., Suite 1100, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.
E. (9) $352.20.

A. John G. Smillie, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Foundation Health Plan, Inc.
D. (6) $21,924.

A. Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.
B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. Smith, Barney Real Estate Corp., 1345 Avenue of the Americas, New York, N.Y. 10019.
E. (9) $3,700.

A. Carl Edward Smith, Electronic Data Systems Corp., 229 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Electronic Data Systems Corp., 229 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $572. E. (9) $48.35.

A. David S. Smith, 1701 Pennsylvania Avenue NW., Suite 1102, Washington, D.C. 20006.

B. Martin, Whitfield, Smith & Bebchick, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Douglas J. Smith and Associates, 2550 M Street NW., Suite 300, Washington, D.C. 20037.

B. Institute of Signage Research, 4020 Fabian Way, Palo Alto, Calif. 94304.

D. (6) $6,250. E. (9) $7,846.12.

A. Douglas J. Smith and Associates, 2550 M Street NW., Suite 300, Washington, D.C. 20037.

B. National Electric Sign Association, 2625 Butterfield Road, Suite 310E, Oak Brook, Ill. 60521.

D. (6) $6,250. E. (9) $7,846.12.

A. Douglas J. Smith and Associates, 2550 M Street NW., Suite 300, Washington, D.C. 20037.

B. Sperry Gyroscope, Great Neck, N.Y. 11020.

A. Marie Odile Smith, 1016 16th Street NW., Washington, D.C. 20036.

B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

D. (6) $225.76. E. (9) $225.76.

A. Michael P. Smith, New York State Bankers Association, 485 Lexington Avenue, New York, N.Y. 10017.

B. New York State Bankers Association, 485 Lexington Avenue, New York, N.Y. 10017.

D. (6) $721. E. (9) $808.

A. Nancy L. Smith, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson and Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for California Olive Association).

A. Nancy L. Smith, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson and Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for California Raisin Advisory Board).

D. (6) $500.

A. Nancy L. Smith, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson and Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for MBPXL Corp.).

D. (6) $500.

A. Nancy L. Smith, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson and Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for National Campground Owners Association).

D. (6) $500.

A. Nancy L. Smith, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson and Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for SunMaid Raisin Growers of California).

D. (6) $250.

A. Nancy L. Smith, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

B. Nelson and Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036 (for Western Growers Association).

D. (6) $250.

A. P. Daniel Smith, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $550. E. (9) $74.60.

A. Robert Bland Smith, Jr., American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

D. (6) $165.

A. Susan E. Smith, Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.

B. Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.

D. (6) $500. E. (9) $54.30.

A. Talbott C. Smith, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) $3,000.

A. William H. Smith, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Assn., 1120 Connecticut Avenue NW., Washington, D.C. 20036.

A. Wayne H. Smithey, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Ford Motor Co., The American Road, Dearborn, Mich. 48121.

D. (6) $1,375. E. (9) $885.21.

A. Arthur V. Smyth, 1625 I Street NW., No. 902, Washington, D.C. 20006.

B. Weyerhaeuser Co., Tacoma, Wash. 98477.

D. (6) $900. E. (9) $23.45.

A. Frank B. Snodgrass, 1100 17th Street NW., Suite 306, Washington, D.C. 20036.

B. Burley and Dark Leaf Tobacco Export Association, 1100 17th Street NW., Suite 306, Washington, D.C. 20036.

D. (6) $850.02.

A. Norman J. Snow, 1660 L Street NW., Washington, D.C. 20036.

B. Rohr Industries, Inc., P.O. Box 878, Chula Vista, Calif. 92012.

D. (6) $640. E. (9) $173.73.

A. Snyder & Ball Associates, Inc., 1700 North Moore Street, No. 1610, Arlington, Va. 22209.

B. Aerojet-General Corp., 9100 East Flair Drive, El Monte, Calif. 91734.

D. (6) $50.

A. Snyder & Ball Associates, Inc., 1700 North Moore Street, No. 1610, Arlington, Va. 22209.

B. Gould, Inc., 10 Gould Center, Rolling Meadows, Ill. 60008.

D. (6) $192.

A. J. R. Snyder, United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.

B. United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.

E. (9) $700.

A. John M. Snyder, 600 Pennsylvania Avenue SE., Suite 205, Washington, D.C. 20003.

B. Citizens Committee for the Right to Keep and Bear Arms, Bellefield Office Park, 1601 114th SE, Suite 151, Bellevue, Wash. 98004.

D. (6) $5,700.

A. Society for Animal Protective Legislation, P.O. Box 3719, Georgetown Station, Washington, D.C. 20007.

D. (6) $14,953.07. E. (9) $10,994.06.

A. Vincent R. Sombrotto, National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. National Association of Letter Carriers, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $2,949.35.

A. Edmund T. Sommer, Jr., Council of American-Flag Ship Operators, 1625 K Street NW., Washington, D.C. 20006.

B. Council of American-Flag Ship Operators, 1625 K Street NW., Washington, D.C. 20006.

A. S. L. Sommer & Associates, Inc., 1800 North Kent Street, Suite 1104, Arlington, Va. 22209.

B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.

D. (6) $1,200. E. (9) $589.

A. Sonosky, Chambers & Sachse, 2030 M Street NW., Washington, D.C. 20036.

B. Assiniboine and Sioux Tribes, Fort Peck Indian Reservation, Poplar, Mont. 59255.

A. Sonosky, Chambers & Sachse, 2030 M Street NW., Washington, D.C. 20036.

B. Shoshone Indian Tribe, Wind River Indian Reservation, Fort Washakie, Wyo. 82514.

A. Sonosky, Chambers & Sachse, 2030 M Street NW., Washington, D.C. 20036.

B. Standing Rock Sioux Tribe, Fort Yates, N. Dak. 58538.

A. Shelby E. Southard, 1828 L Street NW., Suite 1100, Washington, D.C. 20036.

B. Cooperative League of the United States of America, 1828 L Street NW., Suite 1100, Washington, D.C. 20036.

D. (6) $5,900. E. (9) $875.

A. Souther, Spaulding, Kinsey, Williamson & Schwabe, 1200 Standard Plaza, Portland, Oreg. 97204.

B. American Greyhound Track Operators Association, 139 Southeast 14th Lane, Miami, Fla. 33131.

E. (9) $287.58.

A. Souther, Spaulding, Kinsey, Williamson & Schwabe, 1200 Standard Plaza, Portland, Oreg. 97204.

B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

E. (9) $521.72.

A. Souther, Spaulding, Kinsey, Williamson & Schwabe, 1200 Standard Plaza, Portland, Oreg. 97204.

B. Public Power Council, 1310 Main Street, Vancouver, Wash. 98666.

D. (6) $2,845. E. (9) $5.67.

A. Southwest Homefurnishings Association, 4313 North Central Expressway, Dallas, Tex. 75205.

A. Larry Speakes, 1425 K Street NW., Washington, D.C. 20005.

B. Hill and Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Philip J. Spear, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.

B. National Pest Control Association, 8150 Leesburg Pike, Suite 1100, Vienna, Va. 22180.

A. Frank J. Specht, Schenley Distillers, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.

B. Schenley Distillers, Inc., 888 Seventh Avenue, New York, N.Y. 10019.

A. Specialty Equipment Market Association, 11530 East Slauson Avenue, Whittier, Calif. 90606.

A. John F. Speer, Jr., 910 17th Street NW., Washington, D.C. 20006.
B. International Assn. of Ice Cream Mfrs. & Milk Industry Production, 910 17th Street NW., Washinton, D.C. 20006.

A. Speiser, Krause & Madole, 1216 16th Street NW., Washington, D.C. 20036.
B. Mrs. Vera C. Clemente, No. 36 Roberto Clemente Street, Ext. San Agustin, Rio Piedras, P.R. 00926; Mrs. Margarita Cardona Matias, Yagrumo AD-3, Valle Arriba Heights, Carolina, P.R.; Mrs. Maria Lozano, 519th Street QC-1, Urb. Country Club, Rio Piedras, P.R.

A. George Spiegel, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Northern California Power Agency, 770 Kiely Boulevard, Santa Clara, Calif. 95051; cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Ukiah, California; and associate member, Plumas-Sierra Rural Electric Cooperative.

A. Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Northern California Power Agency, et al.

A. Larry N. Spiller, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1155 15th Street NW., No. 713, Washington, D.C. 20005.
D. (6) $900.

A. Joseph L. Spilman, Jr., 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $200.

A. Frederick C. Spreyer, Pacific Resources, Inc., 1990 M Street NW., Suite 560, Washington, D.C. 20036.
B. Pacific Resources, Inc., 1060 Bishop Street, P.O. Box 3379, Honolulu, Hawaii 96842.
D. (6) $500.

A. Earl C. Spurrier, 1101 17th Street NW., Suite 604, Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
E. (9) $225.

A. Squibb Corp., 40 West 57th Street, New York, N.Y. 10019.

A. Squire, Sanders & Dempsey, 21 Dupont Circle NW., Washington, D.C. 20036.
B. American Society of Anesthesiologists, 515 Busse Highway, Park Ridge, Ill. 60068.
D. (6) $1,285.75 E. (9) $6.40.

A. Squire, Sanders & Dempsey, 21 Dupont Circle NW., Washington, D.C. 20036.
B. National Collegiate Athletic Association, U.S. Highway 50 and Nall Avenue, P.O. Box 1906, Shawnee Mission, Kans. 66222.
D. (6) $2,146.25. E. (9) $29.61.

A. Staff Builders, Inc., 122 East 42nd Street, New York, N.Y. 10017.

A. Elvis J. Stahr, National Audubon Society, Martin Dale, North, Greenwich, Conn. 06830.
B. National Audubon Society, 950 Third Avenue, New York, N.Y. 10022.
D. (6) $13,650. E. $2,866.67.

A. Lynn E. Stalbaum, National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $2,093.75. E. (9) $168.15.

A. Joe A. Stamm, 1050 17th Street NW., No. 650, Washington, D.C. 20036.
B. The Standard Oil Company (Ohio), Midland Bldg., Cleveland, Ohio 44115.
D. (6) $312.50.

A. The Standard Oil Company (Ohio), Midland Bldg., Cleveland, Ohio 44115.
E. (9) $3,282.29.

A. David P. Stang, Stang and Svendson, 1629 K Street NW., Washington, D.C. 20006.
B. J. Ray McDermott and Co., Inc., 1010 Common Street, New Orleans, La. 70160.
D. (6) $91.28.

A. David P. Stang, Stang and Svendson, 1629 K Street NW., Washington, D.C. 20006.
B. Ocean Minerals Co., P.O. Box 4531, Mountain View, Calif. 94040.
D. (6) $637.59.

A. David P. Stang, Stang and Svendson, 1629 K Street NW., Washington, D.C. 20006.
B. Fred J. Russell, P.O. Box 54228, Los Angeles, Calif. 90054.

A. Melvin L. Stark, 1707 L Street NW., Washington, D.C. 20036.
B. Hartford Fire Insurance Co.
D. (6) $6,000.

A. John M. Starke III, Phillips Petroleum Company, 1825 K Street NW., No. 1107, Washington, D.C. 20006.
B. Phillips Petroleum Company Bartlesville, Okla.

A. Walter M. Starke, P.O. Box 2563, Birmingham, Ala. 35202.
B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.
D. (6) $900. E. (9) $997.60.

A. State and Federal Associates, Inc., 1101 15th Street NW., Suite 205, Washington, D.C. 20005.
B. Schering-Plough Corp., Galloping Hill Road, Kenilworth, N.J. 07033.
D. (6) $3,000. E. (9) $50.39.

A. Charles D. Statton, 2130 Oaks Dr., Hillsborough, Calif. 94010.
B. Bechtel Power Corp., 50 Beale St., P.O. Box 3965, San Francisco, Calif. 94119.

A. Samuel E. Stavisky, 1100 17th Street NW., Suite 302, Washington, D.C. 20036.
B. Samuel E. Stavisky & Associates Inc., 1100 17th Street NW., Suite 302, Washington, D.C. 20036 (for Brazilian Coffee Institute, 767 Fifth Avenue, New York, N.Y. 10022).
D. (6) $1,000. E. (9) $1,060.

A. Samuel E. Stavisky & Associates, Inc., 1100 17th Street NW., Suite 302, Washington, D.C. 20036.
B. Brazilian Coffee Institute, 767 Fifth Avenue, New York, N.Y. 10022.
D. (6) $1,500. E. (9) $1,600.

A. Randolph J. Stayin, 1800 Massachusetts Ave. NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202

A. Randolph J. Stayin, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Special Committee for Workplace Product Liability Reform, 1800 Massachusetts Avenue NW., No. 708, Washington, D.C. 20036).

A. Eugene H. Stearns, American Petroleum Institute, 200 East Randolph Rd., No. 7209, Chicago, Ill. 60601.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. John L. Steele, Time Incorporated, 888 16th St. NW., Washington, D.C. 20006.
B. Time Incorporated, Time & Life Building, Rockefeller Center, New York, N.Y. 10020.
D. (6) $1,000.

A. Barbara Diane Steigler, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500. E. (9) $475.39.

A. Theodore P. Stein, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,558.

A. Elizabeth Bell Steugel, 9 Seventh Street SE., Washington, D.C. 20003; Suite 402, 100 Maryland Avenue NE., Washington, D.C. 20002.
B. Action for Children's Television, 46 Austin Street, Newtonville, Mass. 02160.
D. (6) $239.58. E. (9) $44.17.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Nuclear Insurers, 270 Farmington Avenue, Farmington, Conn. 06032.
D. (6) $391.28. E. (9) $391.28.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Committee for Effective Capital Recovery, 1901 L Street NW., Suite 303, Washington, D.C. 20036.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.
D. (6) $485. E. (9) $20.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Robert College of Istanbul, Turkey, 380 Madison Avenue, New York, N.Y. 10017.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Talley Industries, Inc., P.O. Box 849, Mesa, Ariz. 85201.
D. (6) $1,400. E. (9) $100.

A. Richard W. Sternberg, 1800 Massachusetts Avenue NW, Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $115.

A. Karen L. Stevens, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $400.

A. Travis B. Stewart, Hoffmann-La Roche, Inc., 1775 K Street NW., Suite 300, Washington D.C. 20006.
B. Hoffman-La Roche, Inc., 340 Kingsland Street, Nutley, N.J. 07110.
D. (6) $1,000. E. (9) $250.

A. LaVerne Still, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $97.50. E. (9) $160.25.

A. John W. Stillwaggon, Coffee, Sugar & Cocoa Exchange, Inc., Four World Trade Center, New York, N.Y. 10048.

B. Coffee, Sugar, Cocoa Exchange, Inc., Four World Trade Center, New York, N.Y. 10048.

A. Edward W. Stimpson, 1025 Connecticut Avenue NW., No. 517, Washington, D.C. 20036.

B. General Aviation Manufacturers Assn., 1025 Connecticut Avenue NW., No. 517, Washington, D.C. 20036.

A. Kenneth F. Stinger, American Trucking Associations, Inc., 1616 P Street NW., Washington D.C. 20036.

B. American Trucking Associations, Inc., 1616 P Street, NW., Washington D.C. 20036.

D. (6) $6,000. E. (9) $190.54.

A. Stephen A. Stitle, 1901 L Street NW., Washington, D.C. 20036.

B. Eli Lilly and Co., 307 East McCarty Street, Indianapolis, Ind., 46206.

D. (6) $3000. E. (9) $164.24.

A. Adam D. Stolpen, Pitney Bowes, 69 Wheeler Drive, Stamford, Conn. 06904.

B. Pitney Bowes, 69 Wheeler Drive, Stamford, Conn. 06904.

A. William M. Stover Chemical Manufacturers Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.

B. Chemical Manufacturers Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.

D. (6) $1,000.

A. David E. Strachan, National Association of Personnel Consultants, 1012 14th Street NW., Washington, D.C. 20005.

B. National Association of Personnel Consultants, 1012 14th Street NW., 15th Floor, Washington, D.C. 20005.

D. (6) $3,000.

A. Richard B. Straus, 444 North Capitol Street NW., Room 412, Washington, D.C. 20001.

B. American Israel Public Affairs Committee, 444 North Capitol Street NW., Room 412, Washington, D.C. 20001.

D. (6) $8,625.

A. J. Stephen Street, 1806 Barbee Street, McLean, Va.

B. Shipbuilders Council of America, 600 New Hampshire Avenue NW., Suite 420, Washington, D.C. 20037.

D. (6) $5,375. E. (9) $78.25.

A. George W. Strong, Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.

B. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.

D. (6) $525. E. (9) $239.69.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.

B. J. Aron & Co., Inc., 160 Water Street, New York, N.Y. 10030.

E. (9) $28.75.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.

B. Office of the Commonwealth of Puerto Rico, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.

E. (9) $20.35.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.

B. Mrs. Patsy Perry, 70 Glen Cove Road, Roslyn Heights, N.Y.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.

B. Scientific Games International, Inc., 1615 Cumberland Parkway NW., Atlanta, Ga. 30339.

D. (6) $1,500.

A. George Strumpf, Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.

B. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.

D. (6) $228.40.

A. Norman Strunk, United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.

B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.

D. (6) $3,625. E. (9) $533.86.

A. Robert B. Stulberg, 2000 P Street NW., No. 708, Washington, D.C. 20036.

B. Health Research Group, 2000 P Street NW., No. 708, Washington, D.C. 20036.

D. (6) $86.

A. Walter B. Stults, 618 Washington Building, Washington, D.C. 20005.

B. National Association of Small Business Investment Co's., 618 Washington Building, Washington, D.C. 20005.

D. (6) $1,000.

A. Eugene F. Sturgeon, 1111 19th Street NW., Ninth Floor, Washington, D.C. 20036.

B. Edison Electric Institute, 1111 19th Street NW., Ninth Floor, Washington, D.C. 20036.

A. Eugene F. Sturgeon, 182 Crater Lane, Kensington, Conn. 06037.

B. Northeast Utilities Service Co., Selden Street, Berlin, Conn.; Edison Electric Institute, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $864.02. E. (9) $635.11.

A. Norman A. Sugarman, 818 Connecticut Avenue NW., Washington, D.C. 20006.

B. Federal Cartridge Co., 2700 Foshay Tower, Minneapolis, Minn. 55402.

A. Sullivan & Beauregard, 1800 M Street NW., Suite 925, Washington, D.C. 20036.

B. Holly Corp., 2001 Bryan Tower, Suite 2680, Dallas, Tex. 75201.

D. (6) $1,255.

A. Sullivan & Cromwell, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. INCO Limited, Toronto-Dominion Centre, Toronto, Ontario, Canada M5K 1E3.

A. Harold R. Sullivan, 1750 K Street NW., Washington, D.C. 20006.

B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.

D. (6) $1,500.

A. Jim Sullivan, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

B. National Association of Independent Colleges and Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

D. (6) $10,402.50. E. (9) $150.72.

A. Roger H. Sullivan, Hawaiian Sugar Planters' Association, 723 Investment Building, Washington, D.C. 20005.

B. Hawaiian Sugar Planters' Association, Alea, Hawaii 96701.

E. (9) $36.75.

A. Scott K. Sullivan, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.

D. (6) $4,888.80.

A. Sullivan & Worcester, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Marion Laboratories, Inc., 10236 Bunker Ridge Road, Kansas City, Mo. 64137.

D. (6) $7,870. E. (9) $368.28.

A. Clyde W. Summerville, 1700 North Moore Street, Rosslyn, Va. 22209.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) $130. E. (9) $72.

A. Duward F. Sumner, Jr., Professional Insurance Agents, 400 North Washington Street, Alexandria, Va. 22314.

B. Professional Insurance Agents, 400 North Washington Street, Alexandria, Va. 22314.

D. (6) $250. E. (9) $350.

A. SunMaid Raisin Growers of California, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

E. (9) $1,000.

A. Susman, Stern, Heifetz, Lurie, Sheehan, Popkin & Chervitz, 7733 Forsyth Boulevard, 22d Floor, St. Louis, Mo. 63105; and 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.

B. American Inland Waterways Committee, 7733 Forsyth Boulevard, 22d Floor, St. Louis, Mo. 63105.

D. (6) $25,000.

A. Susman, Stern, Heifetz, Lurie, Sheehan, Popkin & Chervitz, 7733 Forsyth Boulevard, 22d Floor, St. Louis, Mo. 63105; 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.

B. Midland Enterprises, Inc., 1400-580 Building, Cincinnati, Ohio 45202.

D. (6) $3,750.

A. Susman, Stern, Heifetz, Lurie, Sheehan, Popkin & Chervitz, 7733 Forsyth Boulevard, 22d Floor, St. Louis, Mo. 63105; 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.

B. The Valley Line Co., 120 South Central, Clayton, Mo. 63105.

D. (6) $3,750.

A. W. Thomas Suttle, 204 G Street SW., Washington, D.C. 20024.

B. The Institute of Electrical & Electronics Engineers, Inc., 2029 K Street NW., Suite 605, Washington, D.C. 20006.

D. (6) $975. E. (9) $274.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. American Industrial Clay and Georgia Kaolin Division of Yara Engineering Corp., 511 Westminister Avenue, Elizabeth, N.J. 07207.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Anglo-American Clays Corp., P.O. Box 471, Sandersville, Ga. 31082.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Connecticut Mutual Life Insurance Co., 140 Garden Street, Hartford, Conn. 06115.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Engelhard Minerals and Chemicals Corp., 299 Park Avenue, New York, N.Y. 10017.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Equifax, Inc., P.O. Box 4081, Atlanta, Ga. 30302.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Estate of Cartter Lupton, c/o Miller and Martin, Volunteer State Life Building, Chattanooga, Tenn. 37402.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Freeport Kaolin Division of Freeport Minerals Co., 161 East 42d Street, New York, N.Y. 10017.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. J. M. Huber Corp., Thornall Street, Edison, N.J. 08817.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Kansas Farm Bureau Life Insurance Co., 2321 Anderson Avenue, Manhattan, Kans. 66502; Farm Bureau Mutual Insurance Co., KFB Insurance Co., Manhattan, Kans. 66502.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Kentucky Farm Bureau Mutual Insurance Co., 120 South Hubbard Lane, Louisville, Ky. 40207; FB Insurance Co., 120 South Hubbard Lane, Louisville, Ky. 40207.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Lawyers' Title Guaranty Fund, P.O. Box 2671, Orlando, Fla. 32802.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Massachusetts Mutual Life Insurance Co., 1295 State Street, Springfield, Mass. 01111.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Mullite Co. of America, Andersonville, Ga. 31711.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. The Mutual Benefit Life Insurance Co., 520 Broad Street, Newark, N.J. 07101.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Mutual Life Insurance Co. of New York, 1740 Broadway, New York, N.Y. 10019.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Mutual of Omaha Insurance Co., Dodge at 33d Street, Omaha, Nebr. 68131; United Benefit Life Insurance Co., Dodge at 33d Street, Omaha, Nebr. 68131.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. New England Mutual Life Insurance Co., 501 Boylston Street, Boston, Mass. 02117.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Nord Resources Corp., Ole Town Park, 39 Iron Gate Drive, Dayton, Ohio 45459.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. The Northwestern Mutual Life Insurance Co., 720 East Wisconsin Avenue, Milwaukee, Wis. 53202.

A. Sutherland, Asbill & Brennan, 3100 First National Bank Tower, Atlanta, Ga. 30303; 1666 K Street NW., Washington, D.C. 20006.

B. Oglethorpe Power Corp., 2888 Woodcock Boulevard, Atlanta, Ga. 30341.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Southern Farm Bureau Life Insurance Co., P.O. Box 78, Jackson, Miss. 39205; Southern Farm Bureau Casualty Insurance Co., P.O. Box 1985, Jackson, Miss. 39205; Mississippi Farm Bureau Mutual Insurance Co., Jackson, Miss. 39205.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. Thiele Kaolin Co., Kaolin Road, Sandersville, Ga.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. The Travelers Insurance Co., 1 Tower Square, Hartford, Conn. 06115.

E. (9) $438.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. United Farm Bureau Family Life Insurance Co., 130 East Washington Street, Indianapolis, Ind. 46204; United Farm Bureau Mutual Insurance Co., 130 East Washington Street, Indianapolis, Ind. 46204.

A. Sutin, Thayer & Browne, P.O. Box 1945, Albuquerque, N. Mex. 87103.

B. Office of the Attorney General, State of New Mexico, P.O. Drawer 1508, Santa Fe, N. Mex. 87501.

E. (6) $1,645. E. (9) $494.09.

A. Douglass W. Svendson, Jr., Stang and Svendson, 1629 K Street NW., Washington, D.C. 20006.

B. Trailways, 1500 Jackson Street, Dallas, Tex. 75201.

D. (6) $42.20.

A. Mary V. Swann, Route 1, Box 305, Berryville, Va. 22611.

B. Gulf and Atlantic Coast Ports, P.O. Box 60046, New Orleans, La. 70160.

D. (6) $300. E. (9) $300.

A. Irving W. Swanson, Harris Corp., 11212 Farmland Drive, Rockville, Md. 20852.

B. Harris Corp., 2600 Virginia Avenue NW., Suite 800, Washington, D.C. 20037.

D. (6) $12,028.70. E. (9) $1,528.72.

A. David A. Sweeney, 25 Louisiana Avenue NW., Washington, D.C. 20001.

B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.

D. (6) $11,850.

A. John L. Sweeney, 13931 Esworthy Road, Germantown, Md. 20767.

B. Consolidated Rail Corp., P.O. Box. 23451, L'Enfant Plaza, Washington, D.C. 20024.

D. (6) $6,000.

A. John R. Sweeney, 800 Solar Building, 1000 16th Street NW., Washington, D.C. 20036.

B. Bethlehem Steel Corp., Bethlehem, Pa. 18016.

A. Rosemarie Sweeny, Rosslyn Plaza, 1611 North Kent Street, Suite 803, Arlington, Va. 22209.

B. American Osteopathic Association, 1611 North Kent Street, Suite 803, Arlington, Va. 22209.

D. (6) $1,542. E. (9) $180.15.

A. G. Lee Swift, 1100 17th Street NW., No. 710, Washington, D.C. 20036.

D. (6) $500.

A. Russell A. Swindell, P.O. Box 2635, Raleigh, N.C. 27602.

B. North Carolina Railroad Association, P.O. Box 2635, Raleigh, N.C. 27602.

D. (6) $365.85. E. (9) $313.91.

A. Michael T. Swinehart, 1422 West Peachtree Street NW., Suite 612, Atlanta, Ga. 30309.

B. National Association of Manufacturers, 1776 F. Street NW., Washington, D.C. 20006.

D. (6) $300. E. (9) $262.

A. Howard Symons, 133 C Street SE., Washington, D.C. 20003.

B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.

D. (6) $2,416.67.

A. Lewis M. Taffer, American Express Co., 1700 K Street NW., Washington, D.C. 20006.

B. American Express Co., American Express Plaza, New York, N.Y. 10004.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for American Hospital Association, 444 North Capitol Street, Washington, D.C. 20001).

D. (6) $873.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Cincinnati Stock Exchange, 205 Dixie Terminal Building, Cincinnati, Ohio 45202).

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Family Leisure Centers, Inc., 1906 Highland Avenue, Cincinnati, Ohio 45219).

D. (6) $500.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., No. 800, Washington, D.C. 20007).

D. (6) $102. E. (9) $0.97.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Hanna-Barbera's Marineland, Box 937, Rancho Palos Verdes, Calif. 90274).

D. (6) $350.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Hanna-Barbera Productions, Inc., 3400 Cahuenga Boulevard, Los Angeles, Calif. 90068).

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Sisters of Charity of Cincinnati, Ohio, Mount St. Joseph, Ohio).

D. (6) $5,210. E. (9) $106.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Special Committee for Workplace Product Liability Reform, 1800 Massachusetts Avenue NW., No. 708, Washington, D.C. 20036).

D. (6) $12,000. E. (9) $568.22.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Taft Broadcasting Co., 1906 Highland Avenue, Cincinnati, Ohio 45219).

D. (6) $4,200. E. (9) $5.40.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Werner Von Clemm, 214 East 17 Street, New York, N.Y. 10003).

D. (6) $1,000.

A. Tanaka, Walders & Ritger, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Electronic Industries Association of Japan, 2-2, Marunouchi, 3-chome, Chiyoda-ku, Tokyo, Japan.

D. (6) $2,550.

A. Daniel F. Tandy, 23 Pascack Road, Woodcliff Lake, N.J. 07675.

B. Alaska Coalition, 530 Seventh Street SE., Washington, D.C. 20003.

D. (6) $2,437.50.

A. Susan Tannenbaum, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $6,355.65. E. (9) $105.65.

A. Norman Wilson Tanner, Jr., 1899 L Street NW., Suite 403, Washington, D.C. 20036.

B. Outdoor Advertising Association of America, Inc., 1899 L Street NW., Suite 403, Washington, D.C. 20036.

D. (6) $90. E. (9) $1.

A. C. Michael Tarone, 2033 M Street NW., Suite 700, Washington, D.C. 20036.

B. Kings River Water Users Committee.

D. (6) $3,000. E. (9) $1,836.09.

A. William M. Tartikoff, 1775 K Street NW., Washington, D.C. 20006.

B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.

D. (6) $234. E. (9) $243.71.

A. Clayton C. Taylor, McDonald's Corp., 1 McDonald's Plaza, Oak Brook, Ill. 60521.

B. McDonald's Corp., 1 McDonald's Plaza, Oak Brook, Ill. 60521.

D. (6) $105.

A. David K. Taylor, Jr., Mobil Oil Corp., 1100 Connecticut Avenue NW., No. 620, Washington, D.C. 20036.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

D. (6) $375.

A. Frank Taylor, 1016 16th Street NW., Washington, D.C. 20036.

B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

D. (6) $394.12. E. (9) $394.12.

A. Taylor Group, Inc., 555 Brown Road, Hazelwood, Mo. 63042.

E. (9) $344.

A. Peggy Taylor, 815 16th Street NW., Washington, D.C.

B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.

D. (6) $11,071.50. E. (9) $234.50.

A. Sid Taylor, National Taxpayers Union (NTU), 325 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. National Taxpayers Union, 325 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $1,800. E. (9) $382. •

A. Arthur Earle Teele, Jr., P.O. Box 1877, 135 South Monroe Street, Suite 100C, Tallahassee, Fla. 32302.

B. National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.

A. William K. Tell, Jr., Texaco, Inc., 1050 17th Street NW., Washington, D.C. 20036.

B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.

D. (6) $250.

A. Paul M. Tendler, 2020 K Street NW., Suite 420, Washington, D.C. 20006.

B. Paul Tendler Associates, 2020 K Street NW., Suite 420, Washington, D.C. 20006 (for The National Federation of Licensed Practical Nurses).

D. (6) $1,600. E. (9) $183.

A. Betty-Grace Terpstra, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

D. (6) $1,500. E. (9) $358.54.

A. Robert P. Terzian, 1111 19th Street NW., Washington, D.C. 20036.

B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

D. (6) $222. E. (9) $52.30.

A. Textron Inc., 40 Westminster Street, Providence, R.I. 02903.

D. (6) $2,049. E. (9) $2,608.

A. Bruce D. Thevenot, 1155 15th Street NW., Washington, D.C. 20005.

B. American Tax Reduction Movement, 6363 Wilshire Boulevard, Los Angeles, Calif. 90048.

D. (6) $2,880.

A. Bruce D. Thevenot, 1155 15th Street NW., Washington, D.C. 20005.

B. Casson, Calligaro & Mutryn, 2500 Virginia Avenue NW., Washington, D.C. (for Humana, Inc., 1800 First National Bank Building, Louisville, Ky.).

A. Bruce D. Thevenot, 1155 15th Street NW., Washington, D.C. 20005.

B. Oklahoma State Nursing Home Association, 200 Northeast 28th Street, Oklahoma City, Okla. 71305.

D. (6) $2,280.

A. Bruce D. Thevenot, 1155 15th Street NW., Washington, D.C. 20005.

B. Physicians Placement Group, Inc., 970 Executive Parkway, Suite 101, St. Louis, Mo. 63141.

D. (6) $2,000.

A. Craig G. Thibaudeau, 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 501, Fairfax, Va. 22030.

A. 13th Pro-Life Congressional District Action Committee, 860 Dearborn Place, Gilroy, Calif. 95020.

D. (6) $290. E. (9) $355.09.

A. 39th Congressional District Action Committee, Rural Delivery 2, Allegany, N.Y. 14706.

E. (9) $45.

A. John W. Thomas, 1522 K Street NW., No. 828, Washington, D.C. 20005.

B. American Veterinary Medical Assn., 1522 K Street NW., No. 828, Washington, D.C. 20005.

A. John W. Thomas, 1522 K Street NW., No. 828, Washington, D.C. 20005.

B. Association of American Veterinary Medical Colleges, 1522 K Street NW., No. 828, Washington, D.C. 20005.

A. Robert Thomas, National Assoc. of Priv. Psych. Hospitals, 1701 K Street NW., No. 1205, Washington, D.C. 20006.

B. National Association of Private Psychiatric Hospitals, 1701 K Street NW., Washington, D.C. 20006.

A. Stephen M. Thomas, Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C.

B. Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C.

D. (6) $4,826.22.

A. Susan P. Thomases, Willkie Farr & Gallagher, 153 East 53d Street New York, N.Y. 10022.

B. Willkie Farr & Gallagher, 153 East 53d Street, New York, N.Y. 10022.

D. (6) $1,105.65. E. (9) $153.90.

A. Fred D. Thompson, Thompson & Crawford, 14 Floor, First American Center, Nashville, Tenn. 37238.

B. Westinghouse, 1801 K Street, Washington, D.C. 20006.

D. (6) $1,956. E. (9) $546.69.

A. Kathleen O. Thompson, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $180. E. (9) $5.

A. Kenneth W. Thompson, Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.

B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.

D. (6) $300.

A. Richard L. Thompson, Abbott Laboratories, 1730 M Street NW., Suite 808, Washington, D.C. 20036.

B. Abbott Laboratories, Abbott Park, North Chicago, Ill. 60064.

A. Roger G. Thompson, Kentucky Power Co., 1701 Central Avenue, Ashland, Ky. 41101.

B. Kentucky Power Co., 1701 Central Avenue, Ashland, Ky. 41101.

D. (6) $230. E. (9) $573.92.

A. William D. Thompson, Lear Siegler, Inc., 1001 Connecticut Avenue NW., Suite 601, Washington, D.C. 20036.

B. Lear Siegler, Inc., 3171 South Bundy Drive, Santa Monica, Calif. 90406.

D. (6) $3,000. E. (9) $282.84.

A. James L. Thorne, Tenneco, Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.

A. Gil Thurm, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

D. (6) $2,500. E. (9) $367.73.

A. Cyrus C. Tichenor III, A. H. Robins Co., Inc., 1050 17th Street NW., Washington, D.C. 20036.

B. A. H. Robins Co., Inc., 1407 Cummings Drive, Richmond, Va. 23220.

D. (6) $720. E. (9) $99.05.

A. Drew V. Tidwell, The Consumer Bankers Association, 1725 K Street NW., Suite 1410, Washington, D.C. 20006

B. The Consumer Bankers Association, 1725 K Street NW., Suite 1410, Washington, D.C. 20006.

D. (6) $2,000. E. (9) $11,827.71.

A. Paul J. Tierney, 1100 17th Street NW., No.1107, Washington, D.C. 20036.

B. Transportation Association of America, 1100 17th Street NW., No. 1107, Washington, D.C. 20036.

A. Wallace F. Tillman, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $127.

A. Martin R. Tilson, Jr., P.O. Box 2563, Birmingham, Ala. 35202.

B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.

D. (6) $162. E. (9) $782.58.

A. C. H. Timberlake, Phillips Petroleum Co., 1825 K Street NW., Suite 1107, Washington, D.C. 20006.

B. Phillips Petroleum Co., Bartlesville, Okla.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. Office of the Governor of State of Alaska, 444 North Capitol Street NW., Washington, D.C. 20001.

D. (6) $1,275.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. American Inland Waterways Committee, 7733 Forsyth Boulevard, Suite 2201, St. Louis, Mo. 63105.

D. (6) $385.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $1,163.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. The Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20007.

D. (6) $56.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. Chrysler Corp., P.O. Box 1919, Detroit, Mich. 48228.

D. (6) $1,125.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. H. J. Heinz Co., P.O. Box 57, Pittsburgh, Pa. 15230.

D. (6) $358.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. Major League Baseball, 75 Rockefeller Plaza, New York, N.Y. 10019.

D. (6) $633.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. Middle South Services, Inc., Box 61000, New Orleans, La. 70161.

D. (6) $660.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $719.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. Northrop Corp., 1800 Century Park East, Los Angeles, Calif. 90067.

D. (6) $798.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

B. G. D. Searle & Co., P.O. Box 1045, Skokie, Ill. 60076.

D. (6) $413.

A. Timmons & Co., Inc., 1776 F Street NW., Washington, D.C. 20006.

Standard Oil Co. of Indiana, 1000 16th Street NW., Washington, D.C. 20036.

D. (6) $523.

A. Michael L. Tiner, United Food & Commercial Workers Union, 100 Indiana Avenue NW., Washington, D.C. 20001.

B. United Food & Commercial Workers International Union, 100 Indiana Avenue NW., Washington, D.C. 20001.

D. (6) $3,671.40. E. (9) $35.70.

A. E. Linwood Tipton, 910 17th Street NW., Washington, D.C. 20006.

B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 910 17th Street N.W., Washington, D.C. 20006.

E. (9) $655.61.

A. Eben S. Tisdale, Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

B. Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Suite 610, Washington, D.C. 20036.

D. (6) $1,350. E. (9) $201.82.

A. Title Associates, Inc., Route 2, Box 89, Columbia, Tenn. 38401.

A. S. Richard Titus, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

E. (9) $636.

A. Tobacco Associates, Inc., 1101 17th Street NW., Suite 912, Washington, D.C. 20036.

A. James R. Tobin, Becton Dickinson & Co., Mack Centre Drive II, Paramus, N.J. 07652.

B. Becton Dickinson & Co., Mack Centre Drive II, Paramus, N.J. 07652.

D. (6) $2,000. E. (9) $225.

A. Mary A. Tobin, Exxon Corp., 1899 L Street NW., Suite 1100, Washington, D.C. 20036.

B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

E. (9) $69.18.

A. Patrick F. Tobin, International Longshoremen's & Warehousemen's Union, 417 Fourth Street, SE., Washington, D.C. 20003.

B. International Longshoremen's & Warehousemen's Union, 1188 Franklin Street, San Francisco, Calif. 94109.

D. (6) $5,553.34.

A. Warren D. Toburen, Cities Service Co., 1660 L Street, NW., Suite 207, Washington, D.C. 20036.

B. Cities Service Co., 1660 L Street, NW., Suite 207, Washington, D.C. 20036.

D. (6) $372.

A. David G. Todd, American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

A. M. Douglas Todd, American Nuclear Energy Council, 1750 K Street, NW., Suite 300, Washington, D.C.

B. American Nuclear Energy Council, 1750 K Street NW., Suite 300, Washington, D.C.

D. (6) $1,275. E. (9) $5.85.

A. William R. Tolley, Jr., Harris Corp., Melbourne, Fla. 32919.

B. Harris Corp., Melbourne, Fla. 32919.

E. (9) $18.75.

A. Davis J. Tomasin, The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

B. The American Institute of Architects, 1735 New York Avenue, NW., Washington, D.C. 20006.

D. (6) $6,012.30 E. (9) $307.54.

A. William D. Toohey, 1899 L Street NW., Suite 600, Washington, D.C. 20036.

B. Discover America Travel Organizations, Inc., 1899 L Street NW., Washington, D.C. 20036.

D. (6) $2,000.

A. Howard A. Topel, 1000 Connecticut Avenue NW., Washington, D.C. 20036.

B. Mullin, Connor & Rhyne, 1000 Connecticut Avenue NW., Washington, D.C. 20036 (for Alberto de la Vega-Ripol, c/o Imperme, P.O. Box 75, Marbella (Malaga), Spain).

D. (6) $4.83.

A. Christine Y. Topping, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

B. National Association of Independent Colleges & Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

D. (6) $6,600. E. (9) $214.86.

A. John M. Torbet, 1745 Jefferson Davis Highway, Arlington, Va. 22202.

B. Rockwell International, 1745 Jefferson Davis Highway, Arlington, Va. 22202.

D. (6) $32.25.

A. Jay C. Townley 715 South Harvey, Oak Park, Ill. 60304.

B. Schwinn Bicycle Co., 1856 North Kostner Avenue, Chicago, Ill. 60639.

A. John P. Tracey, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.

B. United States Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.

D. (6) $1,000.

A. Transportation Association of America, 1100 17th Street NW., No. 1107, Washington, D.C. 20036.

A. Transportation Institute, 923 15th Street NW., Washington, D.C.

E. (9) $1,458.68.

A. Paula C. Treat, National Home Furnishings Association, 1025 Vermont Avenue NW., Washington, D.C. 20005.

B. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654.

D. (6) $375.

A. Richard S. Tribbe, Trans World Airlines, Inc., 1000 16th Street NW., Washington, D.C. 20036.

B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10016.

D. (6) $290.

A. Paul E. Trimble, Lake Carriers' Association, 1411 Rockefeller Building, Cleveland, Ohio, 44113.

B. Lake Carriers' Association, 1411 Rockefeller Building, Cleveland, Ohio 44113.

A. William C. Triplett II, Suite 905, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.

B. American Honda Motor Co., Inc., 100 West Alondra Boulevard, Gardena, Calif. 90247.

D. (6) $200. E. (9) $146.84.

A. Glenwood S. Troop, Jr., U.S. League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $9,250. E. (9) $120.

A. George G. Troutman, General Electric Co., 777 14th Street NW., Washington, D.C.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.
D. (6) $100.

A. Thomas L. Trueblood, International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.
B. International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $1,000. E. (9) $443.09.

A. Jerry R. Tucker, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 1757 N Street, Washington, D.C. 20036.
B. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $8,445.62. E. (9) $72.

A. Philip J. Tulifieri, Jr., 9 West 57 Street, New York, N.Y. 10019.
B. Avon Products, Inc., 9 West 56 Street, New York, N.Y. 10019.

A. Richard F. Turney, 1725 K Street NW., Washington, D.C. 20006.
B. Courtney & McCamant, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $300.

A. Shela C. Turpin, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,000.

A. St. Clair J. Tweedie, Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Suite 610, Washington, D.C. 20006.
B. Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Suite 610, Washington, D.C. 20036.
D. (6) $2,100. E. (9) $100.

A. 12th Congressional District Action Committee, 2372 Lida Drive, Mountain View, Calif. 94043.
E. (9) $70.

A. G. John Tysse, Kimberly-Clark Corp., 1730 Pennsylvania Avenue NW., Suite 1000, Washington, D.C. 20006.
B. Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.
D. (6) $300. E. (9) $75.

A. Stewart L. Udall, 1775 Pennsylvania Avenue NW., No. 1200, Washington, D.C. 20006.
B. The Foothills Pipe Lines (Yukon) Ltd., 320 Queen Street, Suite 212 Tower A., Ottawa, Ontario, Canada KIRSKA 2.

A. Jerry G. Udell, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $300. E. (9) $100.

A. Joseph Uehlein, Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $1.644.45. E. (9) $110.70.

A. John C. Uehlinger, 501 North Quaker Lane, Alexandria, Va. 22304.
B. American Congress on Surveying and Mapping (ACSM), 210 Little Falls Street, Falls Chuch, Va. 22046.
D. (6) $591.25.

A. Unicare Services, Inc., 105 West Michigan Street, Milwaukee, Wis. 53203.
E. (9) $5,000.

A. Union Mutual Life Insurance Co., 2211 Congress Street, Portland, Maine 04122.
E. (9) $179.90.

A. United Action for Animals, Inc., 205 East 42d Street, New York, N.Y. 10017.
D. (6) $8,135.36. E. (9) $5,249.99.

A. United Brotherhood of Carpenters, and Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.
E (9) $8,481.86.

A. United Egg Producers, 3951 Snapfinger Parkway, No. 580, Decatur, Ga. 30035.
E. (9) $4,806.

A. United Food and Commercial Workers International Union, AFL–CIO, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $37,263.96 E. (9) $37,263.96.

A. United Gas Pipe Line Co., P.O. Box 1478, Houston, Tex. 77001.
E. (9) $1,041.96.

A. United Mine Workers of America, 800 15th Street NW., Washington, D.C. 20005.
E. (9) $9,793.18.

A. U.S. Cane Sugar Refiners' Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $7,315. E. (9) $5,686.52.

A. United States and Overseas Employees Tax Fairness Committee, 1101 15th Street NW., Suite 1002, Washington, D.C. 20005.
D. (6) $13,350. E. (9) $10,745.30.

A. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $920. E. (9) $920.

A. United States League of Savings Association, 111 East Wacker Drive, Chicago, Ill. 60601.
E. (9) $100,033.91.

A. United States Maritime Committee, Inc., 600 New Hampshire Avenue NW., Washington, D.C. 20037.
D. (6) $4,983.33. E. (9) $30,108.51.

A. United States Olympic Committee, Olympic House, 1750 East Boulder Street, Colorado Spring, Colo. 80909.
E. (9) $10,328.93.

A. United Van Lines, Inc., One United Drive, Fenton, Mo. 63026.
E. (9) $7,164.18.

A. Lloyd N. Unsell, Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $75.

A. Drew A. Upton, Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Suite 610, Washington, D.C. 20036.
B. Scientific Apparatus Makers Association, 1140 Connecticut Avenue NW., Suite 610, Washington, D.C. 20036.
D. (6) $2,000. E. (9) $100.

A. Jack J. Valenti, 1600 I Street NW., Washington, D.C. 20006.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C. 20006.

A. Francis R. Valeo, 818 18th Street NW., Washington, D.C. 20006.
B. United Nations University, D.C., 1180 U.N., New York, N.Y.
D. (6) $6,000. E. (9) $1,739.04.

A. R. Thomas Van Arsdall, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Richard A. Van Deuren, Reinhart, Boerner, Van Deuren, Norris & Rieselbach, 1800 Marine Plaza, Milwaukee, Wis. 53202.
B. National Employee Benefits Institute, 451 New Jersey Avenue SE., Washington, D.C. 20003.
D. (6) $213.25.

A. Nicholas L. Van Nelson, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Alaska Petrochemical Co., 3700 Buffalo Speedway, Suite 806, Houston, Tex. 77098.
E. (9) $65.95.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Allied-General Nuclear Services, P.O. Box 847, Barnwell, S.C. 29812.
E. (9) $11.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. American Institute for Certified Public Accountants, 1620 I Street NW., Washington, D.C. 20006.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Arctic Slope Regional Corp., Barrow, Alaska 99723:
D. (6) $100. E. (9) $233.87.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Basin, Inc., P.O. Box 2297, Midland, Tex. 79702.
D. (6) $130. E. (9) $14.50.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Huntington's Disease Coalition, 250 West 57th Street, New York, N.Y. 10019.
E. (9) $4.50.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Hydro-Energy Associates, Inc., 7612 Route 130, Pennsauken, N.J. 08110.
D. (6) $350. E. (9) $4.50.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. National Committee for Automobile Crash Protection, 1220 19th Street NW., Suite 201, Washington, D.C. 20036.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

B. North Slope Borough, P.O. Box 69, Barrow, Alaska 99723.

D. (6) $100. E. (9) $30.40.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

B. Northern Tier Pipeline Co., 1776 Lincoln Street, P.O. Box 5568, Denver, Colo. 80217.

D. (6) $410. E. (9) $53.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

B. Pacific Gas and Electric Co., 77 Beale Street, San Francisco, Calif. 94106.

D. (6) $550. E. (9) $35.82.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

B. Palm Beach-Broward Farmers Committee for Legislative Action, P.O. Box 396, Boynton Beach, Fla. 33435.

D. (6) $210. E. (9) $43.99.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

B. Republic Geothermal, Inc., 11823 East Slauson Avenue, Suite One, Santa Fe Springs, Calif. 90670.

D. (6) $1,780. E. (9) $110.70.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

B. South Florida Tomato and Vegetable Growers Association, P.O. Drawer B.B., Homestead, Fla. 33030.

D. (6) $210. E. (9) $44.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

B. Southwest Winter Vegetable Growers Association, P.O. Box 1670, Immokalee, Fla. 33934.

D. (6) $210. E. (9) $44.01.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

B. 25 E Street Associates, 1220 19th Street NW., Suite 400, Washington, D.C. 20036.

E. (9) $37.50.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

B. Wheelabrator-Frye, Inc., Liberty Lane, Hampton, N.H. 03842.

E. (9) $74.30.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.

B. Yellowstone Park Co., Yellowstone National Park, Wyo. 82190.

D. (6) $710. E. (9) $21.75.

A. John A. Vance, Pacific Gas & Electric Co., 1050 17th Street NW., Suite 1180, Washington, D.C. 20036.

B. Pacific Gas & Electric Co., 77 Beale Street, San Francisco, Calif. 94106.

D. (6) $1,016.25. E. (9) $669.29.

A. Richard F. Vander Veen, 1333 New Hampshire Avenue NW., Suite 1120, Washington, D.C. 20036.

B. American Seating Co., 901 Broadway Avenue NW., Grand Rapids, Mich. 49504.

D. (6) $93.75.

A. Richard F. Vander Veen, 1333 New Hampshire Avenue NW., Suite 1120, Washington, D.C. 20036.

B. Brooklyn Union Gas Co., 195 Montague Street, Brooklyn, N.Y. 11201.

D. (6) $2,000.

A. Richard F. Vander Veen, 1333 New Hampshire Avenue NW., Suite 1120, Washington, D.C. 20036.

B. Citibank, 399 Park Avenue, New York, N.Y. 10043.

D. (6) $1,275.

A. Richard F. Vander Veen, 1333 New Hampshire Avenue NW., Suite 1120, Washington, D.C. 20036.

B. Consumers Power Co., 212 West Michigan Avenue, Jackson, Mich. 49201.

D. (6) $16,068.75.

A. Richard F. Vander Veen, 1333 New Hampshire Avenue NW., Suite 1120, Washington, D.C. 20036.

B. Gulf States Utilities Co., P.O. Box 2951, Beaumont, Tex. 77701.

D. (6) $3,000.

A. Gerald W. Vaughan, 1850 K Street NW., Suite 390, Washington, D.C. 20006.

B. Union Camp Corp., 1850 K Street NW., Suite 390, Washington, D.C. 20006.

E. (9) $9.

A. Velsicol Chemical Corp., 341 East Ohio Street, Chicago, Ill. 60611.

A. Jerry T. Verkler, P.O. Box 2521, Houston,, Tex. 77001.

B. Texas Eastern Transmission Corp., P.O. Box 2521, Houston, Tex. 77001.

A. C. John Vermilye, U.S Steel Corp., 818 Connecticut Avenue NW.. Washington, D.C. 20006.

B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.

A. Verner, Liipfert, Bernhard and McPherson, 1660 L Street NW., Washington, D.C. 20036.

B. Hellenic Republic of Greece, 2221 Massachusetts Avenue NW., Washington, D.C. 20008.

A. Verner, Liipfert, Bernhard and McPherson, 1660 L Street NW., Suite 1100, Washington, D.C. 20036.

B. Pan American World Airways, Inc., Pan American Building, New York, N.Y., 10017.

D. (6) $450.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Vinson & Elkins (for Continental Resources Co.), 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036.

D. (6) $5,981.25. E. (9) $45.75.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.

B. Vinson & Elkins, 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036 (for Houston Natural Gas Corp.).

D. (6) $187.50.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036.

B. Vinson & Elkins, 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036 (for Slurry Transport Association).

D. (6) $7,162.50.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036.

B. Vinson & Elkins, 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036 (for Texas Eastern Transmission Corp.).

A. Brenda R. Viehe-Naess, American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.

B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.

A. David Vienna, 1523 L Street NW., Suite 200, Washington, D.C. 20005.

B. American Health Planning Association, 1601 Connecticut Avenue NW., Seventh Floor, Washington, D.C. 20009.

A. David Vienna, 1523 L Street NW., Suite 200, Washington, D.C. 20005.

B. National Association of Credit Management, 475 Park Avenue South, New York, N.Y. 10016.

D. (6) $480.

A. David Vienna, 1523 L Street NW., Suite 200, Washington, D.C. 20005.

B. Office of the Controller, Medi-Cal Audit Project, State of California, State Capitol, Sacramento, Calif. 95814.

A. Rudolph A. Vignone, Goodyear Tire & Rubber Co., 1800 K Street NW., Suite 800, Washington, D.C. 20006.

B. Goodyear Tire & Rubber Co., Akron, Ohio 44316.

D. (6) $1,500.

A. Eric Vige, Cities Services Co., 1600 L. Street NW., No. 207, Washington, D.C. 20036.

B. Cities Service Co., 1660 L Street NW., No. 206, Washington, D.C. 20036.

A. Howard A. Vine, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $400.

A. Walter D. Vinyard, Jr., Alston Miller & Gaines, 1800 M Street NW., Washington, D.C. 20036.

B. Hartford Fire Insurance Co. Hartford, Conn. 06115.

D. (6) $1,010. E. (9) $14.

A. Walter D. Vinyard, Jr., Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C. 20036.

B. John Nuveen & Co., Inc., 209 South LaSalle Street, Chicago, Ill. 60604.

D. (6) $2,839. E. (9) $30.

A. Andrew Vitali, Jr., 2101 L Street NW., Washington, D.C. 20037.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $6,000. E. (9) $143.

A. Volkswagen of America, Inc., 27621 Parkview Boulevard, Warren, Mich. 48092.

E. (9) $565.

A. Betty Varhies, United Egg Producers, 499 South Capitol Street SW., No. 411, Washington, D.C. 20003.

B. United Egg Producers, 3951 Snapfinger Parkway, No. 580, Decatur, Ga. 30035.

D. (6) $1,916.

A. Vorys, Sater, Seymour & Pease, 1800 M Street NW., 800S, Washington, D.C. 20036.

B. Grocery Manufacturers of America, 1010 Wisconsin Avenue, Washington, D.C.

D. (6) $3,893.15.

A. Vorys, Sater, Seymour & Pease, 1800 M Street NW., 800S, Washington, D.C. 20036.

B. International Agricultural Development Service, 1133 Avenue of the Americas, New York, N.Y. 10036.
D. (6) $10,050. E. (9) $483.64.

A. Vorys, Sater, Seymour & Pease, 1800 M Street NW., 800S, Washington, D.C. 20036.
B. Ohio Manufacturers Association, 100 East Broad Street, Columbus, Ohio 43215.
E. (9) $7,494.20.

A. Catherine Waelder, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $87.25. E. (9) $87.35.

A. James F. Wagenlander, 910 16th Street, Suite 1020, Denver, Colo. 80202.
B. Committee To Save Indian Housing, 910 16th Street; Suite 1020, Denver, Colo. 80202.
D. (6) $500. E. (9) $152.

A. Joseph S. Wager, Wager & McVey, 1333 New Hampshire Avenue NW., Suite 1220, Washington, D.C. 20035.
B. Zantop International Airlines, Inc., Willow Run Airport, Ypsilanti, Mich. 48197.
D. (6) $950.

A. Robert J. Wager, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
D. (6) $1,215. E. (9) $7.85. .

A. Wagner, D'Onofrio, Waller & Stouffer, 1000 University Building, 910 16th Street, Denver, Colo. 80202.
B. Ute Mountain Ute Tribe, Towaoc, Colo. 81334.
D. (6) $4,506.25.

A. Paul Wagner, Wagner & Baroody, 1100 17th Street NW., Washington, D.C. 20036.
B. Electrolert, Inc., 475 Park Avenue, New York, N.Y. 10016.
D. (6) $6,000. E. (9) $2,881.50.

A. Herbert R. Waite, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
D. (6) $1,450. E. (9) $1,984.09.

A. Wald, Harkrader & Ross, 1300 19th Street NW., Washington, D.C. 20036.
B. Chemtex Fibers, Inc., 850 Third Ave., New York, N.Y. 10022.

A. Robert E. Waldron, Associated Petroleum Industries of Michigan, P.O. Box 10070, Lansing, Mich. 48901.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $505.

A. E. F. Waldrop, Jr., Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $520.02.

A. Charles W. Walker, International Brotherhood of Electrical Workers, 1125 15th Street NW., Washington, D.C. 20005.
B. International Brotherhood of Electrical Workers AFL–CIO–CLC, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $6,250.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Agrico Chemical Co. et al., Bank of Oklahoma Tower, 1 Williams Center, Tulsa, Okla. 74103.
D. (6) $855.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Aluminum Co. of America, 1200 Ring Building, Washington, D.C. 20036.
D. (6) $1,300.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. AMAX, Inc. et al., AMAX Center, Greenwich, Conn. 06830.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Airlines, Inc., 633 Third Avenue, New York, N.Y. 10017.
D. (6) $1,000.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Telephone & Telegraph Co., 2000 L Street NW., Washington, D.C. 20036.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Bechtel Corp., 1620 I Street NW., Washington, D.C. 20006.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Bethlehem Steel Corp., Bethlehem, Pa. 18016.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Dealer Bank Association, 1800 K Street NW., Washington, D.C. 20006.
D. (6) $1,875.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Dresser Industries, Inc., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Eastern Air Lines, Inc., 10 Rockefeller Plaza, New York, N.Y. 10020.
D. (6) $1,000.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Federal National Mortgage Association, 3900 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., The American Road, Dearborn, Mich. 48121.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Goodyear Tire & Rubber Co., 1800 K Street NW., Washington, D.C. 20006.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Lone Star Steel Co., 2200 West Mockingbird Lane, Dallas, Tex. 75215.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill. 60606.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Owens-Illinois, Inc., P.O. Box 1035, Toledo, Ohio 43666.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pan American World Airways, Inc., Pan Am Building, New York, N.Y. 10017.
D. (6) $1,000.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Procter & Gamble Co., Cincinnati, Ohio 45201.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.
D. (6) $625.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10016.
D. (6) $1,000.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. United Air Lines, Inc., P.O. Box 66100, Chicago, Ill. 60666.
D. (6) $1,000.

A. Elaine Nogay Walker, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Can Manufacturers Institute, 1625 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $300. E. (9) $75.

A. Warren W. Walkley, General Electric So., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

A. R. Duffy Wall, 1050 17th Street NW., No. 301, Washington, D.C. 20036.
B. Freeport Minerals Co., 200 Park Avenue, New York, N.Y. 10017.

A. Carl S. Wallace, 1800 K Street NW., Suite 614, Washington, D.C. 20006.
B. Purolator, Inc., 255 Old New Brunswick Road, Piscataway, N.J. 08854.
D. (6) $429.20.

A. Don Wallace Associates, Inc., 232 East Capitol Street, Washington, D.C. 20003.

B. American Sugar Cane League of the United States, Inc., 416 Whitney Building, New Orleans, La. 70130.
D. (6) $9,000. E. (9) $10,133.78.

A. Don Wallace Associates, Inc., 232 East Capitol Street, Washington, D.C. 20003.
B. American Textile Machinery Association, 1730 M Street NW., Suite 804, Washington, D.C. 20036.
D. (6) $3,000.

A. Don Wallace Associates, Inc., 232 East Capitol Street, Washington, D.C. 20003.
B. Cotton Warehouse Association of America, 232 East Capitol Street, Washington, D.C. 20003.
D. (6) $9,375. E. (9) $11,669.31.

A. Don Wallace Associates, Inc., 232 East Capitol Street, Washington, D.C. 20003.
B. Delta & Pine Land Co. of Mississippi, Scot, Miss. 38772.

A. Don Wallace Associates, Inc., 232 East Capitol Street, Washington, D.C. 20003.
B. Diversion Communications, Inc., 60 East 42d Street, New York, N.Y. 10017.

A. Don Wallace Associates, Inc., 232 East Capitol Street, Washington, D.C. 20003.
B. ML Barge Management Corp., 60 East 42d Street, New York, N.Y. 10017.

A. R. Douglas Wallin, Jr., Emerson Electric Co., 1745 Jefferson Davis Highway, Arlington, Va. 22202.
B. Emerson Electric Co., 8100 Florissant, St. Louis, Mo. 63136.
E. (9) $21.60.

A. John F. Wanamaker, 201 North Washington Street, Alexandria, Va. 22314.
B. The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.
D. (6) $1,356.

A. Alan S. Ward, 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. Baker & Hostetler, 818 Connecticut Avenue NW., Washington, D.C. 20006 (for: Soap and Detergent Assn., 475 Park Avenue South at 32nd Street, New York, N.Y. 10016.

A. Gregg Ward, SMACNA, 8224 Old Courthouse Road, Vienna, Va. 22180.
B. Sheet Metal & Air Conditioning Contractors' National Association, Inc., 8224 Old Courthouse Road, Vienna, Va. 22180.
D. (6) $800. E. (9) $300.

A. John E. Ward, 182 Soundview Avenue, White Plains, N.Y. 10606.
B. Meat Importers Council of America, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.

A. Jack Ware, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $6,259. E. (9) $350.

A. Michael O. Ware, Conoco, Inc., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Conoco, Inc., High Ridge Park, Stamford, Conn. 06904.
D. (6) $900.

A. Peter F. Warker, TRW, Inc., 2030 M Street NW., Washington, D.C. 20036.
B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.
D. (6) $500.

A. Warner Communications, Inc., 75 Rockefeller Plaza, New York, N.Y. 10019.
E. (9) $15,000.

A. Betsy R. Warren, 1111 19th Street NW., Washington, D.C. 20036.
B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $431. E. (9) $178.96.

A. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.
E. (9) $887.

A. Washington State NARAL, P.O. Box 15549, Seattle, Wash. 98115.
D. (6) $2,113. E. (9) $2,517.27.

A. Robert B. Washington, Jr., Danzansky, Dickey, Tydings, Quint & Gordon, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Government of Dominica, Roseau, Dominica, West Indies.

A. Nan Waterman, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $5,320.99. E. (9) $70.99.

A. Clarke R. Watson, 1429 Larimer Square, Suite 201, Denver, Colo. 80202.
B. Rocky Mountain Oil & Gas Association, 345 Petroleum Club Building, Denver, Colo. 80202.

A. R. J. Watson, Senior Legislative Liaison Representative, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
B. Rockwell International, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $495.

A. Carolyn Herr Watts, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $50.

A. James L. Watts, 618 Washington Building, Washington, D.C. 20005.
B. National Association of Small Business Investment Co., 618 Washington Building, Washington, D.C. 20005.
D. (6) $2,000.

A. William J. Way, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $2,500. E. (9) $1,231.65.

A. William H. Weatherspoon, North Carolina Petroleum Council, P.O. Box 167, Raleigh, N.C. 27602.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $100.

A. Douglas M. Webb, 1111 19th Street NW., Suite 310, Washington, D.C. 20036.
B. Kennecott Copper Corp., 161 East 42d Street, New York, N.Y. 10017.
D. (6) $500. E. (9) $558.75.

A. Frederick L. Webber, 1111 19th Street NW., Washington, D.C. 20036.
B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $819. E. (9) $230.

A. Jack Weber, 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
D. (6) $41.80.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Society of Radiologic Technologists, 500 North Michigan Avenue, Suite 836, Chicago, Ill. 60611.
D. (6) $2,000.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Families Associated for Inalienable Rights, Inc., 1101 Connecticut Avenue NW., No. 800, Washington, D.C. 20006.
D. (6) $2,000. E. (9) $493.85.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. International Harvester, 401 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $2,500. E. (9) $37.90.

A. Webster & Sheffield, 1750 New York Avenue NW., Washington, D.C. 20006.
B. National Conference of Bankruptcy Judges, c/o Webster & Sheffield, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $7,500. E. (9) $207.73.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Sporting Goods Assn., 717 N. Michigan Ave., Chicago, Ill. 60611.

A. Webster & Sheffield, 1 Rockefeller Plaza, New York, N.Y. 10020.
B. Smith, Barney Real Estate Corp., 1345 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $3,289. E. (9) $169.

A. Fred Wegner, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington D.C. 20049.
D. (6) $457.69. E. (9) $92.13.

A. Donald G. Weinert, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Joan Weinstock, American Optometric Association, 1730 M Street NW., Washington, D.C. 20036.
B. American Optometric Association, c/o Dr. Wendell D. Waldie, 3111 Aloma, Wichita, Kans. 67211.
D. (6) $25.22. E. (9) $54.35.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue NW., No. 317, Washington, D.C. 20036.
B. Canada-France-Hawaii, Telescope Corp., Kamuela, Hawaii 96743.
D. (6) $2,000.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue NW., No. 317, Washington, D.C. 20036.
B. Council of Creative Artists, Libraries & Museums, 250 West 57th Street, New York, N.Y.
D. (6) $500.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue NW., No. 317, Washington, D.C. 20036.
B. National Football League Players Association, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,000.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue NW., No. 317, Washington, D.C. 20036.
B. Trans-Lux Corp., 110 Richards Avenue, Norwalk, Conn. 06854.
D. (6) $1,000.

A. Michael A. Weiss, Tenneco, Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.

E. (9) $25.

A. Morton N. Weiss, National Security Traders Association, 55 Broad Street, New York, N.Y. 10004.

B. National Security Traders Association, Inc., 55 Broad Street, New York, N.Y. 10004.

D. (6) $1,875. E. (9) $205.10.

A. Judith H. Weitz, 1520 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Children's Defense Fund.

D. (6) $786. E. (9) $132.95.

A. Michael D. Welch, 400 North Capitol Street, Suite 323, Washington, D.C. 20001.

B. Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001 (for Gino Morena Enterprises, P.O. Box 191, South San Francisco, Calif. 94080).

D. (6) $750.

A. Michael D. Welch, 400 North Capitol Street, Suite 323, Washington, D.C. 20001.

B. Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001 (for Northern California Naval Civilian Employees Council, P.O. Box 2321, Alameda, Calif.).

D. (6) $500.

A. Michael D. Welch, 400 North Capitol Street, Suite 323, Washington, D.C. 20001.

B. Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001 (for Panama Canal Pilots Association, P.O. Box 601, Balboa, C.Z.).

D. (6) $1,500.

A. Paul S. Weller Jr., National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $7,200. E. (9) $36.

A. L. H. Wells, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.

B. Shell Oil Co., Houston, Tex. 77001.

D. (6) $1,500.

A. James F. Welsh, 4805 Edgefield Road, Bethesda, Md. 20014.

B. Alaska Coalition, 530 7th Street SE., Washington, D. 20003.

D. (6) $2,449.43.

A. Carol Werner, National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.

B. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.

D. (6) $5,247.83.

A. W. R. Werner, CertainTeed Corp., 1627 K Street NW., Suite 610, Washington, D.C. 20006.

B. CertainTeed Corp., P.O. Box 860, Valley Forge, Pa. 19482.

A. Fred Wertheimer, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $10,608. E. (9) $108.

A. West Mexico Vegetable Distributors Association, P.O. Box 848, · Nogales, Ariz. 85621.

E. (9) $500.

A. Harry H. Westbay III, 1625 I Street NW., Suite 805, Washington, D.C. 20006.

B. St. Regis Paper Co., 150 East 42d Street, New York, N.Y. 10017.

D. (6) $1,200. E. (9) $600.

A. The Western Co. of North America, P.O. Box 186, Fort Worth, Tex. 76101.

E. (9) $264.10.

A. Western Growers Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

E. (9) $1,000.

A. Western Radiological Group, Suite 2, 2044 Armacost Avenue, Los Angeles, Calif. 90025.

E. (9) $20,000.

A. Harvey J. Wexler, Continental Airlines, 1025 Connecticut Avenue NW., Suite 1017, Washington, D.C. 20036.

B. Continental Airlines, International Airport, Los Angeles, Calif. 90009.

D. (6) $2,000. E. (9) $1,000.

A. Brian B. Whalen, International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.

B. International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.

D. (6) $1,250. E. (9) $23.58.

A. Edwin M. Wheeler, The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.

B. The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.

E. (9) $25.

A. Thomas E. Wheeler, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 2006.

B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

D. (6) $1,063.

A. William Whichard, Jr., 1100 Connecticut Avenue NW., No. 800, Washington, D.C. 20036.

B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.

A. White & Case, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Joseph E. Seagram & Sons, Inc., 375 Park Avenue, New York, N.Y. 10022.

D. (6) $1,976. E. (9) $4.

A. Donald F. White, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.

B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.

D. (6) $1,000. E. (9) $15.

A. White, Fine & Verville, 1156 15th Street NW., Suite 302, Washington, D.C. 20005.

B. Turlock Irrigation District, P.O. 949, 333 East Canal Street, Turlock, Calif. 95380; Modesto Irrigation District, 1231 11th Street, P.O. Box 4060, Modesto, Calif. 95352.

D. (6) $1,320.

A. John C. White, Private Truck Council of America, Inc., 1101 17th Street NW., Washington, D.C. 20036.

B. Private Truck Council of America, Inc., 1101 17th Street NW., No. 1008, Washington, D.C. 20036.

E. (9) $20.

A. John S. White, Marathon Oil Co., 1800 M Street NW., Washington, D.C. 20036.

B. Marathon Oil Co., Findlay, Ohio 45840.

A. Donald W. Whitehead, 1620 I Street NW., Washington, D.C. 20006.

A. Thetford Corp., Box 1285, Ann Arbor, Mich. 48106.

D. (6) $100. E. (9) $46.80.

A. Alton W. Whitehouse, Jr., 1750 Midland Bldg., Cleveland, Ohio 44115.

B. Standard Oil Co. (Ohio), 1750 Midland Bldg., Cleveland, Ohio 44115.

A. Elizabeth D. Whitley, The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

D. (6) $3,927.04.

A. Louis M. Whitlock, P.O. Box 396, Carlsbad, N.M. 88220.

B. Beker Industries Corp., 124 West Putnam Avenue, Greenwich, Conn. 06830.

A. Gary L. Whittle, North Carolina Petroleum Council, P.O. Box 167, Raleigh, N.C. 27602.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.

B. Allegheny Airlines, National Airport, Washington, D.C. 20001.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.

B. American Airlines, 633 Third Avenue, New York, N.Y. 10017.

D. (6) $40.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.

B. Congaree Ltd., Partnership, 222 West Adams Street, Suite 821, Chicago, Ill. 60606.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.

B. Eastern Air Lines, Miami International Airport, Miami, Fla. 33148.

D. (6) $40.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.

B. Encyclopaedia Britannica, Inc., 425 North Michigan Avenue, Chicago, Ill. 60611.

D. (6) $2,850.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.

B. Hughes Air West, San Francisco International Airport, San Francisco, Calif. 94128.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.

B. Pan American World Airways, Pan Am Building, New York, N.Y. 10017.

D. (6) $40.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.

B. Piedmont Airlines, Smith Reynolds Airport, Winston-Salem, N.C. 27102.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.

B. Ryder System, Inc., 3600 Northwest 82d Avenue, Miami, Fla. 33166.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.

B. Trans World Airlines, 605 Third Avenue, New York, N.Y. 10016.

D. (6) $40.

A. Wickham & Craft, 1050 17th Street NW., Suite 1100, Washington, D.C. 20036.

B. United Airlines, Inc., P.O. Box 66100, Chicago, Ill. 60666.

D. (6) $40.

A. Richard J. Wiechman, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Wilcox & Sharood, 1899 L Street NW., Washington, D.C. 20036.
B. National Association of Stevedores, 1899 L Street, NW., Washington, D.C. 20036.
D. (6) $7,165.70. E. (9) $7,861.78.

A. Rebecca Wilcox, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Foundation Health Plan, Inc.
D. (6) $8,500.

A. Jerry C. Wilkerson, 1025 Connecticut Avenue, Suite 1005, Washington, D.C.
B. International Franchise Association, 1025 Connecticut Avenue NW., Suite 1005, Washington, D.C. 20036.
D. (6) $650. E. (9) $2,290.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. American Society of Travel Agents, Inc., 711 Fifth Avenue, New York, N.Y. 10022.
E. (9) $86.88.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Arapahoe Tribe of Indians, Fort Washakie, Wyo.
E. (9) $3.60.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Association of Data Processing Service Organizations, Inc., 210 Summit Avenue, Montvale, N.J. 07645.
D. (6) $590. E. (9) $25.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Bonneville International Corp., 36 South State Street, Salt Lake City, Utah.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Brigham Young University, Provo, Utah.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Church of Jesus Christ of Latter-Day Saints, 10 East North Temple, Salt Lake City, Utah.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. College Placement Council, 65 Elizabeth Street, Bethlehem, Pa.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Confederated Salish & Kootenai Tribes of the Flathead Reservation, Mont.
E. (9) $6.20.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. State of Hawaii, Department of Regulatory Agencies, P.O. Box 531, Honolulu, Hawaii.
D. (6) $747.50.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Hoopa Valley Tribe, P.O. Box 817, Hoopa, Calif.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Independent Data Communications Manufacturers Association, Inc. (IDCMA), 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,607. E. (9) $115.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Independent Insurance Agents of America, 85 John Street, New York, N.Y. 10038.
D. (6) $4,122.50. E. (9) $302.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. NANA Regional Corp., Inc., Box 49, Kotzebue, Alaska 99752.
E. (9) $16.35.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Shee Atika, Inc., P.O. Box 4578, Mount Edgecumbe, Alaska 99835.
E. (9) $111.95.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Three Affiliated Tribes of the Fort Berthold Reservation, New Town, N. Dak.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. U.S. National Bank, Medford, Oreg. (for the remaining members of the Klamath Indian Tribe, Oreg.)
E. (9) $3.10.

A. Robert S. Willard, 316 Pennsylvania Avenue SE., No. 502, Washington, D.C. 20003.
B. Information Industry Association, 316 Pennsylvania Avenue SE., No. 502, Washington, D.C. 20003.
D (6) $9,258. E. (9) $2,258.

A. Sandra L. Willett, 624 C Street SE., Washington, D.C. 20003.
B. National Consumers League, 1522 K Street NW., Suite 406, Washington, D.C. 20005.
D. (6) $325. E. (9) $200.

A. Ralph E. Willham, 1750 New York Avenue NW., Washington, D.C. 20006.
B. Sheet Metal Workers' International Association, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $5,700.

A. C. Ronald Williams, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for Navajo Indian Nation, Window Rock, Ariz. 86515).
D. (6) $3,750. E. (9) $1,395.25.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. CBS, Inc., 1800 M Street, Washington, D.C. 20036.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. Citizens for Sensible Maine Power, c/o Seth Hedgcock, Farnham Point, East Boothbay, Maine 04544.
D. (6) $20.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. Federal National Mortgage Association (FNMA), 3900 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. Rhode Island Housing & Mortgage Finance Corp., Suite 1700, 17th Floor, 40 Westminster Street, Providence, R.I. 02903.
D. (6) $937.50 E. (9) $1.36.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. William H. Sullivan, Jr., 500 Neponset Avenue, Dorchester, Mass. 02122.
D. (6) $3,025. E. (9) $15.18.

A. Harding deC. Williams, National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.
B. National Savings & Loan League, 1101 15th Street NW., Suite 400, Washington, D.C. 20005.

A. Harry D. Williams, Ashland Oil Co., 1025 Connecticut Avenue NW., Suite 507, Washington, D.C. 20036.
B. Ashland Oil Inc., P.O. Box 391, Ashland, Ky. 41101.
D. (6) $2,000.

A. Williams & King, 1620 I Street NW., Suite 800, Washington, D.C. 20006.
B. American Netting Manufacturers Organization, c/o Ralph J. Sigler, FNT Industries, 927 First Street, Menominee, Mich. 49858.
D. (6) $3,000.

A. Lee Williams, American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,600. E. (9) $3,475.

A. Lucinda L. Williams, 1101 17th Street NW., Suite 310, Washington, D.C. 20036.
B. Federation of American Hospitals, 1101 17th Street NW., No. 310, Washington, D.C. 20036.
D. (6) $3,150.

A. Williams, Myers & Quiggle, 888 17th Street NW., Washington, D.C. 20006.
B. Church Alliance for Clarification of ERISA, c/o Gary S. Nash, 511 North Akard Building, Suite 311, Dallas, Tex. 75201.
D. (6) $12,450. E. (9) $154.20.

A. Nathaniel Williams, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $1,648.46.

A. Robert E. Williams, United Airlines, 1825 K Street NW., No. 607, Washington, D.C. 20006.
B. United Airlines, P.O. Box 66100, Chicago, Ill. 60666.
D. (6) $1,500.

A. John C. Williamson, 1725 K Street NW., Suite 1402, Washington, D.C. 20006.
B. Mortgage Insurance Cos. of America, 1725 K Street NW., Suite 1402, Washington, D.C. 20006.
D. (6) $2,700.

A. John C. Williamson, 1825 K Street NW., Suite 604, Washington, D.C. 20006.
B. National Apartment Association, 1825 K Street NW., Suite 604, Washington, D.C. 20006.
D. (6) $1,000.

A. Frederick L. Williford, 8401 Connecticut Avenue NW., Suite 911, Washington, D.C. 20015.
B. National Association of Furniture Manufacturers, 8401 Connecticut Avenue NW., Suite 911, Washington, D.C. 20015.
D. (6) $500. E. (9) $30.

A. Willkie Farr & Gallagher, 153 East 53d Street, New York, N.Y.
E. (9) $2,331,79.

A. Allen W. Wills, 1970 Chain Bridge Road, McLean, Va. 22102.
B. Memorex Corporation, San Tomas at Central Expressway, Santa Clara, Calif. 95052.
D. (6) $4,000.

A. George S. Wills, 7914 Sherwood Road, Ruxton, Md. 21204.
B. Wills & Associates, Inc., Suite 903, 36 South Charles Street, Baltimore, Md. 21201 (for Americans for Alaska).
D. (6) $40. E. (9) $16.70.

A. Betsy Willson-Messer, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, K Street NW., Washington, D.C. 20049.

D. (6) $252.52.

A. Charlotte M. Wilmer, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $50.

A. Wilmer & Pickering, 1666 K Street NW., Washington, D.C. 20006.

B. Association of American Residents Overseas, Paris France; American Chamber of Commerce in France, Paris, France; The American Club of Paris, Paris, France.

D. (6) $1,725.

A. Wilmer & Pickering, 1666 K Street NW., Washington, D.C. 20006.

B. The Business Roundtable, 1801 K Street NW., Washington, D.C. 20006.

A. Bjorg Opdahl Wilson, 6107 Greentree Road, Bethesda, Md. 20034.

B. Citizens Committee for UNICEF, 110 Maryland Avenue NE., Washington, D.C. 20002.

D. (6) $490. E. (9) $22.62.

A. Charles D. Wilson, 1850 K Street NW., Suite 390, Washington, D.C. 20006.

B. Union Camp Corp., 1850 K Street N.W., Suite 390, Washington, D.C. 20006.

E. (9) $29.18.

A. Dena L. Wilson, 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.

B. The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.

D. (6) $150.

A. James E. Wilson, Jr., 1150 17th Street NW., No. 500, Washington, D.C. 20036.

B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166.

A. Morris Woodrow Wilson, 1012 14th Street NW., Washington, D.C. 20005.

D. (6) $3,703.86. E. (9) $175.78.

A. Winston P. Wilson, 523 North Forest Street, Forest City, Ark. 72335.

B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.

D. (6) $1,230. E. (9) $602.55.

A. Albert Winchester, 2030 M Street, NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $3,558.

A. Joseph B. Winkelmann, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 925 15th Street NW, Washington, D.C. 20005.

D. (6) $1,500. E. (9) $816.40.

A. James E. Winnie, Cities Service Co., P.O. Box 25128, Oklahoma City, Okla. 73125.

B. Cities Service Gas Co., P.O. Box 25128, Oklahoma City, Okla. 73125.

A. Ann R. Wise, 112 Washington Street, East Walpole, Mass. 02032.

B. Hollingsworth & Vose Co., 112 Washington Street, East Walpole, Mass 02032.

D. (6) $200. E. (9) $4,093.06.

A. Jane Wishner, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

D. (6) $2,953.98.

A. Richard F. Witherall, Colorado Railroad Assn., 420 Denver Club Bldg., Denver, Colo. 80202.

B. Colorado Railroad Assn., 420 Denver Club Bldg., Denver, Colo. 80202.

A. Witkowski, Weiner, McCaffrey, & Brodsky, Suite 1130, 1750 K Street NW., Washington, D.C. 20006.

B. Coordinating Council on Manufactured Housing Finance, Suite 1130, 1750 K Street NW., Washington, D.C. 20006.

D. (6) $16,724.50.

A. Witkowski, Weiner, McCaffrey, & Brodsky, 1750 K Street NW., Suite 1130, Washington, D.C., 20006.

B. National Manufactured Housing Finance Association, 1750 K Street NW., Washington, D.C. 20006.

D. (6) $2,658.

A. Glenn P. Witte, 910 17th Street NW., Washington, D.C. 20006.

B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 910 17th Street NW., Washington, D.C. 20006.

D. (6) $1,000.

A. H. C. Witthaus, General Motors Corp., 1660 L Street NW., Suite 501, Washington, D.C. 20036.

B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.

D. (6) $3,000. E. (9) $1,530.17.

A. Kurt D. Witzel, 1601 114th Street SE., Suite 151, Bellevue, Wash. 98004.

B. Citizen's Committee for the Right to Keep and Bear Arms, A.H.U. Division, 1601 114th Street SE., No. 151, Bellevue, Wash. 98005.

A. F. Lorraine Woehrle, National Association of Truck Stop Operators, Inc., 700 North Fairfax Street, No. 505, Alexandria, Va. 22314.

B. National Association of Truck Stop Operators, Inc., 700 North Fairfax Street, No. 505, Alexandria, Va. 22314.

D. (6) $2,514.

A. Erving Wolf, Inexco Oil Co., 1100 Milam Building, Suite 1900, Houston, Tex. 77002.

B. Inexco Oil Co., 1100 Milam Building, Suite 1900, Houston, Tex. 77002.

A. Wolf Haldenstein, Adler, Freeman & Herz, 270 Madison Avenue, New York, N.Y. 10016.

B. Fallek-Lankro Corp., P.O. Box H. Tuscaloosa, Ala.

A. James E. Wolf, The Trane Co., 2020 14th Street, North Arlington, Va. 22201.

B. The Trane Co., 3600 Pammel Creek Road, La Crosse, Wis. 54601.

D. (6) $400.

A. Sidney M. Wolfe, 2000 P Street NW., No. 708, Washington, D.C. 20036.

B. Health Research Group, 2000 P Street NW., No. 708, Washington, D.C. 20036.

D. (6) $40.

A. Kenneth Wollack, 444 North Capitol Street NW., Room 412, Washington, D.C. 20001.

B. American Israel Public Affairs Committee, 444 North Capitol Street NW., Room 412, Washnigton, D.C. 20001.

D. (6) $9,499.98.

A. Ronald Wolsey, 300 East Joppa Road, Suite 507A, Towson, Md. 21204.

B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.

D. (6) $180.72. E. (9) $87.01.

A. Don Womack, 1150 Connecticut Avenue NW., Suite 1013, Washington, D.C. 20036.

B. Texas Utilities Services, Inc., 2001 Bryan Tower, Dallas, Tex. 75201.

D. (6) $1,893. E. (9) $107.54.

A. Charles A. Wood, National Fuel Gas Distribution Corporation, Room 900, 10 Lafayette Square, Buffalo, N.Y. 14203.

B. National Fuel Gas Distribution Corp.; National Gas Storage Corp.; National Fuel Gas Supply Corp.; Seneca Resources Corp.

D. (6) $569.44. E. (9) $529.08.

A. W. Alan Woodford, Chemical Manufacturers Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.

B. Chemical Manufacturers Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.

D. (6) $300.

A. Diane Woodruff, Committee of Urban Program Universities, 1300 19th Street NW., No. 220, Washington, D.C. 20036.

B. Committee of Urban Program Universities, 1300 19th Street NW., No. 220, Washington, D.C. 20036.

D. (6) $1,968.75.

A. M. Alan Woods, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1125 19th Street NW., Washington, D.C. 20036 (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France).

A. M. Alan Woods, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th NW., Washington, D.C. 20036 (for European Aerospace Corp., 1101 15th Street NW., Washington, D.C. 20005).

A. M. Alan Woods, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Sofreavia, 75 rue la Boetie, Paris 8eme, France).

A. M. Alan Woods, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc, 1225 19th NW., Washington, D.C. 20036 (Thomson-CSF (AVS), 178 Boulevard Gabriel Péri, 92240 Malakoff, France).

A. Perry W. Woofter, 2101 L Street NW., Washington, D.C. 20037.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $8,000. E. (9) $210.

A. Ronald L. Wooten, Consolidation Coal Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. Consolidation Coal Co., Consol Plaza, Pittsburgh, Pa. 15241.

D. (6) $408. E. (9) $102.

A. George M. Worden, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for Distilled Spirits Council).

D. (6) $3,750.

A. George M. Worden, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for Hide Action Program).

D. (6) $5,400. E. (9) $5,000.

A. Dee Workman, 150 East 42d Street, New York, N.Y. 10017.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $625.

A. World Federalist Political Education Committee, 600 Valley Road, Wayne, N.J. 07470.
D. (6) $8,298.80. E. (9) $6,546.08.

A. W. R. Worley, 730 Densley Drive, Decatur, Ga. 30033.
B. Georgia Power Co., 270 Peachtree Street NW., Atlanta, Ga. 30303.
D. (6) $3,460. E. (9) $2,083.

A. Steven M. Worth, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Edward E. Wright, 1819 H Street NW., Washington, D.C. 20006.
B. G-4 Children's Coalition, 7309 Delfield Street, Chevy Chase, Md. 20015.
D. (6) $500.

A. Franklin L. Wright, Jr., 1709 New York Avenue, Washington, D.C. 20006.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $2,500. E. (9) $123.65.

A. Richard E. Wyckoff, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $1,500. E. (9) $281.12

A. John Yarmola, Seafarers International Union of North America, 815 16th Street NW., Room 510, Washington, D.C. 20006.
B. Seafarers International Union of North America, 815 16th Street NW., Room 510, Washington, D.C. 20006.
D. (6) $3,500. E. (9) $230.84.

A. Jack Yelverton, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.

A. D. Scott Yohe, Delta Air Lines, Inc., 1629 K Street NW., Room 204, Washington, D.C. 20006.
B. Delta Air Lines, Inc., Hartsfield Atlanta International Airport, Atlanta, Ga. 30320.
D. (6) $330. E. (9) $58.75.

A. A. Steven Young, National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
B. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
D. (6) $1,500. E. (9) $200.

A. Carmen Young, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $48.99. E. (9) $48.99.

A. G. Reynolds Young, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Judith A. Young, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,250. E. (9) $145.45.

A. Kenneth Young, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $12,545. E. (9) $132.75.

A. Pamela K. Young, National Association of Manufacturers, 222 South Prospect Avenue, Park Ridge, Ill. 60068.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $70.

A. Betsy Younkins, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $3,000. E. (9) $165.07.

A. Eugene A. Yourch, 17 Battery Place North, New York, N.Y. 10004.
B. Federation of American Controlled Shipping, 17 Battery Place North, New York, N.Y. 10004.
D. (6) $200.

A. The Youth Project, 1555 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $3,060.90.

A. Harry M. Zachem, Ashland Oil, Inc., 1025 Connecticut Avenue NW., Suite 507, Washington, D.C. 20036.
B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.
D. (6) $2,000.

A. Donald M. Zahn, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
B. National Right to Work Committee, 8316 Arlington Boulevard, Suite 600, Fairfax, Va. 22038.
D. (6) $300. E. (9) $126.

A. Lynn Zakupowsky, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $1,000.

A. Steven S. Zaleznick, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $84.61.

A. John S. Zapp, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $3,960. E. (9) $71.41.

A. Donald P. Zeifang, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $3,000. E. (9) $275.

A. Kathi Schear Zimmer, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $127.

A. Charles O. Zuver, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,000. E. (9) $53.70.

A. Frances Zwenig, 133 C Street S.E., Washington, D.C. 20003.
B. Congress Watch, 133 C Street SE., Washington, D.C. 20003.
D. (6) $3,076.92.

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following reports for the fourth calendar quarter of 19 79 were received too late to be included in the published reports for that quarter:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19......

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
	(Mark one square only)			

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.◄

AFFIDAVIT

[Omitted in printing]

PAGE 1◄

COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

NOTE ON ITEM "D."—(a) *In General.* The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—Section 302(a) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in accordance with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multipurpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In General.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

Receipts (other than loans)

1. $--------Dues and assessments
2. $--------Gifts of money or anything of value
3. $--------Printed or duplicated matter received as a gift
4. $--------Receipts from sale of printed or duplicated matter
5. $--------Received for services (e.g., salary, fee, etc.)

6. $--------TOTAL for this Quarter (Add items "1" through "5")
7. $--------Received during previous Quarters of calendar year

8. $--------TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received

"The term 'contribution' includes a . . . *loan* . . ."—Sec. 302(a).

9. $--------TOTAL now owed to others on account of loans
10. $--------Borrowed from others during this Quarter
11. $--------Repaid to others during this Quarter

12. $--------"Expense money" and Reimbursements received this Quarter

Contributors of $500 or more
(from Jan. 1 through this Quarter)

13. Have there been such contributors?

Please answer "yes" or "no": --------

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and Address of Contributor*
	(*"Period"* from Jan. 1 through ------------------, 19----)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE ON ITEM "E".—(a) *In General.* "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—Section 302(b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

Expenditures (other than loans)

1. $--------Public relations and advertising services
2. $--------Wages, salaries, fees, commissions (other than item "1")
3. $--------Gifts or contributions made during Quarter
4. $--------Printed or duplicated matter, including distribution cost
5. $--------Office overhead (rent, supplies, utilities, etc.)
6. $--------Telephone and telegraph
7. $--------Travel, food, lodging, and entertainment
8. $--------All other expenditures

9. $--------TOTAL for this Quarter (Add "1" through "8")
10. $--------Expended during previous Quarters of calendar year

11. $--------TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others

"The term 'expenditure' includes a . . . *loan* . . ."—Sec. 302(b).

12. $--------TOTAL now owed to person filing
13. $--------Lent to others during this Quarter
14. $--------Repayment received during this Quarter

15. Recipients of Expenditures of $10 or More

In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7-15, 8-15, 9-15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

A. Thomas G. Abernethy, Sr., 3973 Stuart Place, Jackson, Miss. 39211.

B. U.S. Cane Sugar Refiners' Association, 1001 Connecticut Avenue, Washington, D.C. 20036.

D. (6) $1,500. E. (9) $252.06.

A. Albert E. Abrahams, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611; 925 15th Street NW., Washington, D.C. 20005.

D. (6) $5,875. E. (9) $555.86.

A. ACLI International, Inc., 717 Westchester Avenue, White Plains, N.Y. 10604.

E. (9) $1,111.63.

A. Ad-Hoc Committee for Competitive Telecommunications, 520 North Capitol Street, No. 800, Washington, D.C. 20001.

D. (6) $89,603.31. E. (9) $70,702.15.

A. Air-Conditioning and Refrigeration Institute, 1815 North Fort Myer Drive, Arlington, Va., 22209.

D. (6) $21,000. E. (9) $4,810.

A. Roger D. Allan, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. American Citizens' Crusade and Lobby, Inc., 1400 Gulf Boulevard, Apt. 403, Clearwater Beach, Fla. 33515.

D. (6) $493. E. (9) $4,426.31.

A. American Federation of State, County, and Municipal Employees, AFL-CIO, 1625 L Street NW., Washington, D.C.

E. (9) $67,021.

A. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill., 60611.

D. (6) $29,515.80. E. (9) $29,515.80.

A. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.

D. (6) $1,137.74. E. (9) $4,551.21.

A. American Public Transit Association, 1100 17th Street NW., Washington, D.C. 20036.

D. (6) $2,580. E. (9) $13,175.

A. Gwen A. Anderson, American Sign and Indicator Corp., 1220 19th Street NW., Washington, D.C. 20036.

B. American Sign and Indicator Corp., 2310 Fancher Way, Spokane, Wash. 99220.

D. (6) $1,500. E. (9) $824.65.

A. J. L. Anderson, Time, Inc., 888 16th Street NW., Washington, D.C. 20006.

B. Time, Inc., Time and Life Building, Rockefeller Center, New York, N.Y.

D. (6) $2,500. E. (9) $86.

A. Scott G. Anderson, Burlington Northern, Inc., Suite 506, 2000 L Street NW., Washington, D.C. 20036.

B. Burlington Northern, Inc., 176 East 5th Street, St. Paul, Minn. 55101.

D. (6) $1,900. E. (9) $1,017.74.

A. Robert E. Ansheles, Suite 711, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

B. CITC Industries, Inc., 1 Park Avenue, New York, N.Y. 10016.

D. (6) $600. E. (9) $88.

A. Leonard Appel, Woods, Villalon, Hollengreen & Lindeman, 425 13th Street NW., Suite 1032, Washington, D.C. 20004.

B. Everette Terminal Co., Inc., and Port Gardner Timber Co., Inc., P.O. Box 1478, Hewitt Avenue Marine Terminal, Everett, Wash. 98206.

E. (9) $325.

A. Fred Armstrong, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Rodney E. Armstrong, Armstrong, Byrd & Associates, 1606 20th Street NW., Washington, D.C. 20006.

B. Toyota Motor Sales, U.S.A., Inc., 2055 West 190th Street, Torrance, Calif. 90509.

D. (6) $3,000. E. (9) $1,525.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. Commissioner of Baseball, 15 West 51st Street, New York, N.Y., 10019.

E. (9) $18.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. Crown Zellerbach, 1 Bush Street, San Francisco, Calif. 94119.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. Price Waterhouse, 1259 Avenue of the Americas, New York, N.Y. 10020.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. State Farm Mutual Automobile Insurance Co., 1 State Farm Plaza, Bloomington, Ill. 61701.

D. (6) $89. E. (9) $97.

A. Arnold & Porter, 1229 19th Street NW., Washington, D.C. 20036.

B. West Mexico Vegetable Distributors Association, P.O. Box 838, Nogales, Ariz.

D. (6) $6,884. E. (9) $121.50.

A. Mary Aronson, 1625 L Street NW., Washington, D.C. 20036.

B. American Federation of State, County, and Municipal Employees, AFL-CIO, 1625 L Street NW., Washington, D.C. 20036.

D. (6) $5,000. E. (9) $61.30.

A. Joseph Ashooh, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Association on Japanese Textile Imports, Inc., 551 Fifth Avenue, New York, N.Y. 10017.

E. (9) $250.

A. William F. Averyt, Jr., National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Dennis J. Baker, Norton Co., 1 New Bond Street, Worcester, Mass. 01606.

B. Norton Co., 1 New Bond Street, Worcester, Mass. 01606.

D. (6) $6,500. E. (9) $403.50.

A. Emil F. Baker, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.

A. George C. Baker, 220 South Clovis Avenue, Fresno, Calif. 93727.

B. United States Cane Sugar Refiners' Association, 1001 Connecticut Avenue, Washington, D.C. 20036.

D. (6) $437.50. E. (9) $1,358.04.

A. Bally Manufacturing Co., 2640 Belmont Avenue, Chicago, Ill. 60619.

E. (9) $3,052.50.

A. James G. Banks, Washington Board of Realtors, 1511 K Street NW., Suite 439, Washington, D.C. 20005.

B. Washington Board of Realtors, 1511 K Street N.W., Suite 439, Washington, D.C. 20005.

A. Robert D. Bannister, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

D. (6) $11,938. E. (9) $1,933.73.

A. Thomas H. Barksdale, Jr., 2101 L Street NW., Washington, D.C. 20037.

B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

D. (6) $7,500. E. (9) $266.97.

A. Barnes, Richardson & Colburn, 1819 H Street NW., Washington, D.C. 20006.

B. Distilled Spirits Committee for International Trade, Suite 400, Federal Bar Building, 1819 H Street NW., Washington, D.C. 20006.

A. Barrett Smith Schapiro Simon & Armstrong, 26 Broadway, Suite 1400, New York, N.Y. 10004.

B. New York Cocoa Exchange, Inc. & New York Cocoa Clearing Association, Inc., 127 John St., New York, N.Y. 10038.

D. (6) $36,039.54. E. (9) $7,559.08.

A. Barrett Smith Schapiro Simon & Armstrong, 26 Broadway, Suite 1400, New York, N.Y. 10004.

B. New York Coffee and Sugar Exchange, Inc. & New York Coffee and Sugar Clearing Association, Inc., Four World Trade Center, New York, N.Y. 10048.

A. Barrett Smith Schapiro Simon & Armstrong, 26 Broadway, Suite 1400, New York, N.Y. 10004.

B. The New York State Urban Development Corp., 1345 Avenue of the Americas, New York, N.Y. 10019.

A. William Barringer, Arter Hadden & Hemmendinger, 1919 Pennsylvania Avenue NW., Suite 400, Washington, D.C. 20006.

B. Arter Hadden & Hemmendinger, 1919 Pennsylvania Avenue NW., Suite 400, Washington, D.C. 20006; (for Japan Iron & Steel Exporters Association, Tokyo, Japan.)

D. (6) $500. E. (9) $150.

A. Davis M. Batson, 1155 15th Street NW., Suite 611, Washington, D.C. 20005.

B. Ethyl Corp., 1155 15th Street NW., Suite 611, Washington, D.C. 20005.

D. (6) $1,000.

A. Batzell, Nunn & Bode, 1523 L Street, NW., Washington, D.C. 20005.

B. Independent Terminal Operators Association, 1523 L Street NW., Washington, D.C. 20005.

D. (6) $500.

A. Batzell, Nunn & Bode, 1523 L Street NW., Washington, D.C. 20005.

B. Mount Airy Refining Co., International Energy Building, 256 North Belt East, Suite 150, Houston, Tex. 77060.

D. (6) $500.

A. Michael K. Beard, 100 Maryland Avenue NE., Washington, D.C. 20002.

B. National Coalition to Ban Handguns, 100 Maryland Avenue NE., Washington, D.C. 20002.

D. (6) $5,749.98. E. (9) $332.18.

A. Robert J. Becker, Joint Council of Allergy & Immunology, 401 East Prospect Avenue, Suite 210, Mount Prospect Ill. 60056; 229 North Hammes Avenue, Joliet, Ill. 60435.

B. Joint Council of Allergy & Immunology, 401 East Prospect Avenue, Suite 210, Mount Prospect, Ill. 60056.

A. John C. Bennison, American Society of Travel Agents, 1300 19th Street NW., No. 230, Washington, D.C. 20036.

B. American Society of Travel Agents, 711 Fifth Avenue, New York, N.Y. 10022.

A. Nancy C. Benson, 1625 I Street NW., Suite 401, Washington, D.C. 20006.

B. American Cyanamid Co., Wayne, N.J. 07470.

D. (6) $66.50. E. (9) $40.90.

A. Harvey Marshall Berg, 600 Northwest 80th Terrace, Margate, Fla. 33063.

A. Rebecca Berg, 1730 Rhode Island Avenue NW., Suite 213, Washington, D.C. 20036.

B. Brown & Root, Inc., 1730 Rhode Island Avenue NW., Suite 213, Washington, D.C. 20036.

D. (6) $250.

A. Sarah Massengale Billock, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

D. (6) $557.86. E. (9) $57.55.

A. Birch, Horton, Bittner & Monroe, 4400 Jenifer Street NW., Suite 300, Washington, D.C. 20015.

B. Coastal States Gas Corp., 9 Greenway Plaza, Houston, Tex. 77046.

A. Robert Bird, General Mills, Inc., 1629 K Street NW., Suite 300, Washington, D.C. 20006.

B. General Mills, Inc., P.O. Box 1113, Minneapolis, Minn. 55440.

D. (6) $450.

A. Betty Blouin, The American Dietetic Association, 430 North Michigan Avenue, Chicago, Ill. 60611.

B. The American Dietetic Association, 430 North Michigan Avenue, Chicago, Ill. 60611.

D. (6) $4,200. E. (9) $5,858.27.

A. Blum & Nash, 1015 18th Street NW., Washington, D.C. 20036.

B. Association of Independent Corrugated Converters, 1100 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

A. Blum & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.

B. Computer & Communications Industry Association, 1500 Wilson Boulevard, Suite 512, Arlington, Va. 22209.

A. Blum & Nash, 1015 18th Street NW., Washington, D.C. 20036.

B. Northwest Pipeline Corp., P.O. Box 1526, Salt Lake City, Utah 84110.

A. Blum & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.

B. Zenith Radio Corp., 1000 Milwaukee Avenue, Glenview, Ill. 60025.

A. Mary M. Bourdette, 733 15th Street NW., Washington, D.C. 20005.

B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.

D. (6) $644.98. E. (9) $35.50.

A. David W. Bowers, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.

B. United States Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.

D. (6) $1,000.

A. Boyden, Kennedy, Romney & Owens, 1000 Kennecott Building, Salt Lake City, Utah 84133.

B. Northwest Pipeline Co., 315 East Second South, Salt Lake City, Utah.

D. (6) $6,720 E. (9) $479.60.

A. Marguerite Bracy, 1625 L Street NW., Washington, D.C. 20036.

B. American Federation of State, County & Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.

D. (6) $6,000. E. (9) $137.38.

A. Dan J. Bradley, Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.

B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.

D. (6) $121.80.

A. David Alan Bradley, 815 15th Street NW., Room 610, Washington, D.C. 20005.

B. National Community Action Agency, 815 15th Street NW., Room 610, Washington, D.C. 20005.

D. (6) $1,000. E. (9) $375.

A. S. Gail Bramlett, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) $1,342.40. E. (9) $202.

A. Bread for the World, Inc., 207 East 16th Street, New York, N.Y. 10003.

D. (6) $169,366.53. E. (9) $170,943.

A. Cyril F. Brickfield, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.

D. (6) $2,000. E. (9) $54.

A. Diane V. Brown, 1620 I Street NW., No. 700, Washington, D.C. 20006.

B. International Paper Co., 1620 I Street NW., No. 700, Washington, D.C. 20006.

E. (9) $43.40.

A. Thomas H. Brownell, 23820 30 Avenue South, B27, Kent, Wash. 98031.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) $155.80. E. (9) $283.63.

A. Marguerite E. Bryan, Joint Maritime Congress, 444 North Capitol Street, Suite 801, Washington, D.C. 20001.

B. Joint Maritime Congress, 444 North Capitol Street, Suite 801, Washington, D.C. 20001.

D. (6) $159.86.

A. Margaret H. Bryant, American Natural Resources System, 1899 L Street NW., Suite 500, Washington, D.C. 20036.

B. American Natural Service Co., 1 Woodward Avenue, Detroit, Mich. 48226.

D. (6) $250. E. (9) $25.

A. Quentin L. Burgess, 733 15th Street NW., Washington, D.C. 20005.

B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.

D. (6) $115.54. E. (9) $17.

A. Thomas G. Burke, 1625 Massachusetts Avenue NW., Suite 505, Washington, D.C. 20036.

B. The Keefe Co., 1625 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $1,000.

A. Francis X. Burkhardt, 1750 New York Avenue NW., Washington, D.C. 20006.

B. International Brotherhood of Painters & Allied Trades, 1750 New York Avenue NW., Washington, D.C. 20006.

D. (6) $983.88.

A. Burley & Dark Leaf Tobacco Export Association, 1100 17th Street NW., Suite 306, Washington, D.C. 20036.

D. (6) $23,699.30. E. (9) $805.02.

A. David G. Burney, United States Tuna Foundation, 2040 Harbor Island Drive, Suite 208, San Diego, Calif. 92101.

B. United States Tuna Foundation, 2040 Harbor Island Drive, Suite 208, San Diego, Calif. 92101.

D. (6) $6,000. E. (9) $3,000.

A. Burns Public Relations Services, Inc., 666 Euclid Avenue, Suite 516, Cleveland, Ohio 44114.

B. DeHart Associates, Inc., 1505 22d Street NW., Washington, D.C. 20037.

D. (6) $275. E. (9) $135.

A. James L. Burridge, 13605 Glenhurst Road, Travilah, Md. 20760.

B. FMC Corp., 1627 K Street NW., Suite 500, Washington, D.C. 20006.

D. (6) $1,500. E. (9) $441.45.

A. John F. Byset, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

D. (6) $890.

A. Cadwalader, Wickersham & Taft, 11 DuPont Circle, Washington, D.C. 20036.

D. (6) $1,600. E. (9) $76.50.

A. Frank W. Calhoun, 500 Gulf Building, Houston, Tex. 77002.

B. El Paso Natural Gas Co., P.O. Box 2185, Houston, Tex. 77001.

A. David G. Calkins, Hospital Association of New York State, 15 Computer Drive West, Albany, N.Y. 12205.

B. Hospital Association of New York State, 15 Computer Drive West, Albany, N.Y. 12205.

D. (6) $750. E. (9) $102.95.

A. Victoria R. Calvert, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $4,875. E. (9) $11.

A. John E. Campbell, American Hospital Association, 444 North Capitol Street, Washington, D.C. 20001.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

D. (6) $34.89.

A. Anthony P. Carnevale, 1625 L Street NW., Washington, D.C. 20036.

B. American Federation of State, County, and Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.

D. (6) $11,250. E. (9) $369.07.

A. Richard M. Carrigan, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $1,884.34. E. (9) $208.50.

A. Charles T. Carroll, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
D. (6) $2,000. E. (9) $500.

A. R. S. Chamberlin, Dow Chemical, U.S.A., 1800 M Street NW., Suite 700-S, Washington, D.C. 20036.
B. The Dow Chemical Co., Midland, Mich. 48640.
D. (6) $610. E. (9) $530.

A. Donald E. Channell, 1819 H Street NW., Suite 950, Washington, D.C. 20006.
B. Society of Military Widows 861 Sixth Avenue, San Diego, Calif., 92101.
D. (6) $1,800.

A. John E. Chapoton, 2100 First City National Bank Building, Houston, Tex. 77002.
B. Vinson & Elkins, 2100 First City National Bank Building, Houston, Tex. 77002 (for Belco Petroleum Corp., One Dag Hammarskjold Plaza, New York, N.Y. 10017).
D. (6) $15,000. E. (9) $461.99.

A. J. Blair Cherry, Jr., 4611 10th Street, Lubbock, Tex. 79416.
B. Coronado Exploration Co. Inc., 3303 67th Street, Lubbock, Tex. 79413.
D. (6) $400.

A. Sheila M. Cherry, 4611 10th Street, Lubbock, Tex. 79416.
B. Coronado Exploration Co., Inc., 3303 67th Street, Lubbock, Tex. 79413.
D. (6) $375.

A. Yvonne M. Chicoine, 316 Pennsylvania Avenue SE., Suite 400, Washington, D.C. 20003.
B. The American Conservative Union, 316 Pennsylvania Avenue SE., Suite 400, Washington, D.C. 20003.
D. (6) $4,009.63. E. (9) $41.98.

A. Children's Television Workshop, 1 Lincoln Plaza, New York, N.Y. 10023.
E. (9) $1,910.

A. C.A.S.H. (Citizens Against Sugar Hikes), 1012 14th Street NW., Suite 901, Washington, D.C. 20005.

A. Citizens for Management of Alaska Lands, Inc., 840 K Street, Suite 205, Anchorage, Alaska 99501.
D. (6) $216,420. E. (9) $246,605.28.

A. Joseph M. Clapp, 1501 Wilson Boulevard, No. 910, Arlington, Va. 22209.
B. Roadway Express, P.O. Box 471, Akron, Ohio 44309; 1501 Wilson Boulevard, No. 910, Arlington, Va. 22209.

A. Anne Harrison Clark, Population Resource Center, 110 Maryland Avenue NE., Washington, D.C. 20002.
B. Population Resource Center, 622 Third Avenue, New York, N.Y. 10017.
D. (6) $1,366. E. (9) $590.

A. Charles M. Clusen, The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $2,500. E. (9) $28.

A. Timothy A. Colcord, 1620 I Street NW., Washington, D.C. 20006.
B. Visa U.S.A., Inc., 300 Clearview Way, San Mateo, Calif. 94403.
D. (6) $6,875. E. (9) $2,311.68.

A. John M. Collier, 4436 Perrier Street, New Orleans, La. 70115.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $8,300.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Allied General Nuclear Services, 2120 L Street NW., Suite 245, Washington, D.C. 20037.
D. (6) $500.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $2,500.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Conoco Coal Development Co., High Ridge Park, Stamford, Conn. 06904.
D. (6) $1,000.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Fallek-Lankro Corp., 460 Park Avenue, New York, N.Y. 10022.
D. (6) $1,000.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. The Society of Independent Gasoline Marketers of America, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
D. (6) $5,145.94.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Suite 308, Washington, D.C. 20007.
B. Tanners' Council of America, Inc., 411 Fifth Avenue, New York, N.Y. 10016.
D. (6) $64.21. E. (9) $103.67.

A. Collier, Shannon, Rill, Edwards & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Wheelabrator-Frye, Inc., Liberty Lane, Hampton, N.H. 03842.
D. (6) $1,250.

A. Frank Collins, Oil, Chemical, and Atomic Workers International Union, 1126 16th Street NW., Washington, D.C. 20036.
B. Oil, Chemical, and Atomic Workers International Union, 1636 Champa Street, Denver, Colo. 80201.
D. (6) $2,000.

A. Committee for Do-It-Yourself Household Moving, 1100 17th Street NW., Suite 1000, Washington, D.C. 20036.

A. Committee for 806.30 & 807, Inc., 1611 North Kent Street, Suite 800, Arlington, Va. 22209.
D. (6) $12,325.37. E. (9) $13,671.40.

A. Committee for Humane Legislation, Inc., 2101 L Street NW., Washington, D.C. 20037; 11 West 60th Street, New York, N.Y. 10023.
D. (6) $39,116.70. E. (9) $35,866.39.

A. Committee Urging Regulatory Reform For Efficient National Trucking, 1000 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.
D. (6) $3,150. E. (9) $3,170.42.

A. Congressional District Action Committee, c/o Joe Tomaino, 2735 Ivy Street, Tampa, Fla. 33607.
E. (9) $100.

A. Consolidated Edison Co. of N.Y., Inc., 4 Irving Place, New York, N.Y. 10003.
E. (9) $406.26.

A. Consumer Federation of America, 1012 14th Street NW., Suite 901, Washington, D.C. 20005.
D. (6) $20,155. E. (9) $25,702.

A. Continental Resources Co., P.O. Box 44, Winter Park, Fla. 32790.
E. (9) $260.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.

A. Cook & Henderson, 1735 K Street NW., Suite 200, Washington, D.C. 20006.
B. Society of American Florists, 901 N. Washington Street, Alexandria, Va. 22314.

A. Edward M. Cooney, Food Research and Action Center, 2011 Eye Street NW., Suite No. 700, Washington, D.C. 20006.
B. Food Research and Action Center, 2011 Eye Street NW., Suite 700, Washington, D.C. 20006.

A. Benjamin Y. Cooper, Printing Industries of America, Inc., 1730 North Lynn Street, Arlington, Va. 22209.
B. Printing Industries of America, Inc., 1730 North Lynn Street, Arlington, Va. 22209.

A. Allan D. Cors, 1800 K Street NW., Suite 1104, Washington, D.C. 20006.
B. Corning Glass Works, Corning, N.Y. 14830.
D. (6) $450.

A. Glen S. Corso, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $1,669. E. (9) $106.94.

A. Clark R. Cosse' III, 5644 Hawthorne Place, New Orleans, La. 70124.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $7,050.

A. Council for Inter-American Security, 305 Fourth Street NE., Washington, D.C. 20002.
D. (6) $278,197. E. (9) $4,641.66.

A. Roger C. Courtney, American Psychiatric Association, 1333 New Hampshire Avenue NW., Suite 670, Washington, D.C. 20036.
B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009.
D. (6) $1,500. E. (9) $323.

A. R. LaVaun Cox, 180 East First South, Salt Lake City, Utah 84139.
B. Mountain Fuel Supply Co., 180 East First South Street, Salt Lake City, Utah 84139.

A. Cramer and Lipsen, 475 L'Enfant Plaza SW., Suite 4100, Washington, D.C. 20024.
B. Government of Nicaragua, Managua, Nicaragua.
D. (6) $30,000. E. (9) $30,000.

A. Richard C. Creighton, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
D. (6) $4,000. E. (9) $500.

A. James H. Cromwell, Sr., 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

D. (6) $2,500. E. (9) $500.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Pacific Southwest Airlines, 3225 North Harbor Drive, San Diego, Calif. 92101.

A. Douglas A. Crowley, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Culp, Dwyer, Guterson & Grader, 1300 Hoge Building, Seattle, Wash. 98104.

B. Pacific Northwest Utilities Conference Committee, 327 North Wenatchee Avenue, Wenatchee, Wash. 98801.

D. (6) $23,098.85. E. (9) $13,330.60.

A. William E. Cumberland, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

D. (6) $556. E. (9) $841.

A. Jay B. Cutler, American Psychiatric Association, 1333 New Hampshire Avenue NW., Suite 670, Washington, D.C. 20036.

B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009.

D. (6) $3,700. E. (9) $710.86.

A. Frank C. Damrell, Jr., 5900 Wilshire Boulevard, Suite 2600, Los Angeles, Calif. 90036.

B. Coastal States Gas Corp., 9 Greenway Plaza, Houston, Tex. 77046.

D. (6) $100.

A. Alice Daniel, 733 15th Street NW., Washington, D.C. 20005.

B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.

A. Diane Davenny Darneille, Schering-Plough Corp., Galloping Hill Road, Kenilworth, N.J. 07033.

B. Schering-Plough Corp., Galloping Hill Road, Kenilworth, N.J. 07033.

D. (6) $2,320. E. (9) $4,822.76.

A. John C. Datt, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy, Park Ridge, Ill.

D. (6) $7,083.

A. Philip J. Daugherty, Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

B. Industrial Union Department, AFL–CIO, 815 16th Street NW., Washington, D.C. 20006.

D. (6) $5,492.50. E. (9) $140.53.

A. John L. Davidson, Jr., The St. Louis Mercantile Library Association, 510 Locust Street, St. Louis, Mo. 63188.

B. The St. Louis Mercantile Library Association, 510 Locust Street, St. Louis, Mo. 63188.

A. A. R. Davis & Co., P.O. Box 24424 San Jose, Calif. 95154; 15216 Charlotte Avenue, San Jose, Calif.

E. (9) $0.90.

A. Donald S. Dawson, 723 Washington Building, Washington, D.C. 20005.

B. Opticians Association of America, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.

B. Air Transport Association, 1709 New York Avenue NW., Washington, D.C. 20006.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.

B. American Bus Association, 1025 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $2,500.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.

B. Beneficial Finance Co., Morristown, N.J. 07960.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.

B. C.I.T. Financial Corp., 650 Madison Avenue, New York, N.Y. 10022.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.

B. Dial Financial Corp., 207 Ninth Street, Des Moines, Iowa 50307.

D. (6) $2,500.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.

B. Hormel Foundation, Austin, Minn. 55912.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.

B. Legislature of the Virgin Islands, Charlotte Amalie, St. Thomas, V.I. 00801.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.

B. United States Brewers Association, Inc., 1750 K Street NW., Washington, D.C. 20005.

A. Dawson, Riddell, Taylor, Davis & Holroyd, 723 Washington Building, Washington, D.C. 20005.

B. Virgin Islands Gift & Fashion Shop Association, St. Thomas, V.I. 00801.

A. Mark O. Decker, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $42.

A. Brian Deery, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Law Office of Paul H. DeLaney, Jr., 1730 Rhode Island Avenue NW., Suite 310, Washington, D.C. 20036.

B. Cargill Inc., P.O. Box 9300, Minneapolis, Minn. 55440.

D. (6) $5,500.40.

A. Law Office of Paul H. Delaney, Jr., 1730 Rhode Island Avenue NW., Suite 310, Washington, D.C. 20036.

B. Cargill Leasing Corp., 15407 McGinty Road, Minnetonka, Minn. 55343.

D. (6) $12,365.37.

A. Law Office of Paul H. DeLaney, Jr., 1730 Rhode Island Avenue NW., Suite 310, Washington, D.C. 20036.

B. Trade Adjustment Assistance Coordinating Committee.

D. (6) $375.

A. Dell, Craighill, Fentress & Benton, 888 17th Street NW., Suite 1200, Washington, D.C. 20006.

B. Lic. Jose Carlos De Saracho Calderon, Union Nacional de Productors de Hortalizas, Bulevard Emiliao Zapata, No. 2, P.O. Box 712, Culiacan, Sinoloa, Mexico.

D. (6) $10,000.

A. Dell, Craighill, Fentress & Benton, 888 17th Street NW., Suite 1200, Washington, D.C. 20006.

B. Gov. Roberto de la Madrid, Governador de Baja California, P.O. Box 286, San Ysidro, Calif. 92073.

D. (6) $1,500.

A. Dell, Craighill, Fentress & Benton, 888 17th Street NW., Suite 1200, Washington, D.C. 20006.

B. Sr. Jesus Almeida N., Mexican National Confederation of Livestock Producers, 16th Street, No. 3200,, Chihuahua, Chihuahua, Mexico.

A. Dell, Craighill, Fentress & Benton, 888 17th Street NW., Suite 1200, Washington, D.C. 20006.

B. The Honorable Santiago Roel, Secretario do Relaciones Exteriores, Avenida Honoalco, No. 1, Mexico, D.F.

A. Dell, Craighill, Fentress & Benton, 888 17th Street NW., Suite 1200, Washington, D.C. 20006.

B. Sr. Jorge Diaz Serrano, Petroleos Mexicanos, Avenida Merino Nacional, No. 329, Edificio No. 1810, 12° Piso, Mexico, 17, D.F.

A. Daniel B. Denning, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.

D. (6) $427.20. E. (9) $45.70.

A. Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.

D. (6) $11,500. E. (9) $7,319.31.

A. Discover America Travel Organizations, Inc., 1899 L Street NW., Washington, D.C. 20036.

B. Discover America Travel Organizations, Inc., 1899 L Street NW., Washington, D.C. 20036.

D. (6) $2,312. E. (9) $2,312.

A. Domestic Wildcatters Association, 900 First City National Bank Building, Houston, Tex. 77002.

D. (6) $65,000. E. (9) $26,884.40.

A. Leo J. Donahue, 230 Southern Building, Washington, D.C. 20005.

B. American Association of Nurserymen, 230 Southern Building, Washington, D.C. 20005.

A. Thomas J. Donohue, Citizen's Choice, Inc., 1615 H Street NW., Washington, D.C. 20062.

B. Citizen's Choice, Inc., 1615 H Street NW., Washington, D.C. 20062.

D. (6) $2,129.36.

A. Sally L. Douglas, National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.

B. National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.

A. Richard Morgan Downey, American Speech-Language-Hearing Association, 10801 Rockville Pike, Rockville, Md. 20852.

B. American Speech-Language-Hearing As-

sociation, 10801 Rockville Pike, Rockville, Md. 20852.
D. (6) $6,875. E. (9) $15.

A. Stuart Dunwoody, Consumer Energy Council of America, 1990 M Street NW., Suite 620, Washington, D.C. 20036.
B. Consumer Energy Council of America, 1990 M Street NW., Suite 620, Washington, D.C. 20036.

A. A. Blakeman Early, 330 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.

A. Consolidated Edison Co. of New York, Inc., 4 Irving Place, New York, N.Y. 10003.
E. (9) $406.26.

A. Ed Edmondson, Box 11, Muskogee, Okla. 74401.
B. Cherokee Nation, P.O. Box 119, Tahlequah, Okla. 74464.
D. (6) $5,000. E. (9) $1,376.

A. Ed Edmondson, Box 11, Muskogee, Okla. 74401.
B. Doss Aviation, Inc., Fort Rucker, Ala.
D. (6) $5,000. E. (9) $1,856.

A. Clifford E. Edwards, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
E. (9) $7.

A. Thomas Ehrlich, 733 15th Street NW., Washington, D.C. 20005.
B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.
D. (6) $121.80.

A. Phyllis Eisen, Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $271. E. (9) $3.

A. Adelaide K. Eisenmann, 607 G Street SW., Washington, D.C. 20024.
B. Panamanian Committee for Human Rights, 5700 Southwest 59th Court, Miami, Fla. 33143.

A. Richard Eisenmann, 607 G Street SW., Washington, D.C. 20024.
B. Panamanian Committee for Human Rights, 5700 Southwest 59th Court, Miami, Fla. 33143.
E. (9) $185.45.

A. John Ellis, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Steven G. Ellis, 1800 M Street NW., Suite 750 South, Washington, D.C. 20036.
B. Burson-Marsteller, 1800 M Street NW., Washington, D.C. 20036 (for Newport News Shipbuilding & Drydock Co.).
E. (9) $100,797.71.

A. Joseph T. Elvove, P.O. Box 5039, Hilton Head Island, S.C. 29928.
B. Publicker Industries, Inc., 777 West Putnam Avenue, Greenwich, Conn. 06830.
D. (6) $6,750. E. (9) $3,867.69.

A. John W. Emeigh, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

A. Emergency Committee for American Trade, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $12,391.75. E. (9) $12,635.67.

A. Herb Epstein, c/o Solar Lobby, 1001 Connecticut Avenue NW., No. 530, Washington, D.C. 20036.
B. Solar Lobby, 1001 Connecticut Avenue NW., No. 530, Washington, D.C. 20036.
D. (6) $2,359.91.

A. George T. Esherick, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.
D. (6) $165. E. (9) $24.

A. Ethyl Corp., 1155 15th Street NW., Suite 611, Washington, D.C. 20005.
E. (9) $1,000.

A. Conrad H. C. Everhard, American Hawaiian Cruising Line, Inc., Wall Street Plaza, Suite 1840, New York, N.Y. 10005.
B. American Hawaiian Cruising Line, Inc., Wall Street Plaza, Suite 1840, New York, N.Y. 10005.
E. (9) $750.

A. Federal Express Corp., Box 727, Memphis, Tenn. 38194.
E. (9) $73,449.61.

A. Stuart F. Feldman, 1346 Connecticut Avenue NW., Suite 931, Washington, D.C. 20036.
B. Council of Vietnam Veterans, Inc., 1346 Connecticut Avenue NW., Suite 931, Washington, D.C. 20036.

A. C. H. Fields, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $4,216. E. (9) $25.

A. Samuel Stephen Fields, 100 Maryland Avenue NE., Washington, D.C. 20002.
B. National Coalition To Ban Handguns, 100 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $4,000.02. E. (9) $576.20.

A. 5th Pro-Life Congressional District Action Committee, c/o John Kelley, 1120 Michigan Boulevard, Dunedin, Fla. 33528.
D. (6) $25.50. E. (9) $15.30.

A. Stanley R. Fike, 511 Boston Avenue, Takoma Park, Md. 20012.
B. Fike Metal Products Corp., Blue Springs, Mo. 64015; Fike Chemicals Inc., Box 546, Nitro, W. Va. 25143.
D. (6) $450.

A. Theodora Fine, American Psychiatric Association, 1333 New Hampshire Avenue NW., Suite 670, Washington, D.C. 20036.
B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009.
D. (6) $1,620. E. (9) $559.08.

A. First Pro-Life Congressional District Action Committee, 10 North 77th Avenue, Pensacola, Fla. 32506.

A. Mark Fitzgerald, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $6,953. E. (9) $1,376.48.

A. James H. Fitzpatrick, Hospital Association of New York State, 15 Computer Drive West, Albany, N.Y. 12205.
B. Hospital Association of New York State, 15 Computer Drive West, Albany, N.Y. 12205.
D. (6) $340. E. (9) $80.12.

A. Charles D. Fleishman, 2625 Clearbrook Drive, Arlington Heights, Ill. 60005.
B. American Fishing Tackle Manufacturers Association, 2625 Clearbrook Drive, Arlington Heights, Ill. 60005.
D. (6) $1,725. E (9) $10,708.84.

A. Food Research and Action Center, 2011 I Street NW., Washington, D.C. 20006.
B. Food Research and Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
E. (9) $12,058.83.

A. Forest Farmers Association, P.O. Box 95385, Atlanta, Ga. 30347.
E. (9) $416.52.

A. Donald Fraher, 810 18th Street NW., Washington, D.C. 20006.
B. Handgun Control, Inc., 810 18th Street NW., Washington, D.C. 20006.
D. (6) $3,615.36.

A. George Franklin, Watergate 600, Suite 480, Washington, D.C. 20037.
B. The Kellogg Co., 235 Porter Street, Battle Creek, Mich. 49016.
D. (6) $75. E. (9) $4.

A. George Franklin, Watergate 600, Suite 480, Washington, D.C. 20037.
B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $187.50. E. (9) $20.75.

A. Charles L. Frazier, National Farmers Organization, Corning, Iowa 50841, 475 L'Enfant Plaza SW, No. 2250, Washington, D.C. 20024.
B. National Farmers Organization, Corning, Iowa 50841.
D. (6) $2,722.50. E. (9) $1,919.23.

A. Donald A Frederick, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,610.

A. Leslie Ellen Freed, 1660 L Street NW., Suite 201, Washington, D.C. 20036.
B. American Can Co., American Lane, Greenwich, Conn. 06830.
E. (9) $542.14.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Automotive Dismantlers and Recyclers of America, 1000 Vermont Avenue NW., Washington, D.C. 20006.
D. (6) $2,279.05.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue, NW., Suite 1000, Washington, D.C. 20037.
B. Dr. Halla Brown, 2475 Virginia Avenue NW., Washington, D.C. 20037.
E. (9) $38.55.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Information Industry Association, 316 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $454. E. (9) $130.50.

A. Gay H. Friedmann, 1150 Connecticut Avenue NW., Suite 717, Washington, D.C. 20036.
B. Southern California Gas Co., 720 West Eighth Street, M.L. 1208, Los Angeles, Calif. 90017.

D. (6) $4,810. E. (9) $160.

A. Gary R. Frink, Watergate 600, Suite 480, Washington, DC. 20037.

B. Radwaste Management Group, 1800 M Street NW., Washington, D.C. 20036.

D. (6) $1,050. E. (9) $29.

A. William R. Ganser, Jr., 4804 Folse Drive, Metairie, La. 70002.

B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.

D. (6) $1,550.

A. Robert P. Gardner, Standard Brands Food Co., 1899 L Street NW., Washington. D.C. 20036.

B. Standard Brands Food Co., Standard Brands, Inc., 625 Madison Avenue, New York, N.Y. 20022.

D. (6) $500.

A. James J. Garry, New York Coffee and Sugar Exchange, Inc., Four World Trade Center, New York, N.Y. 10048.

B. New York Coffee and Sugar Exchange. Inc., Four World Trade Center, New York. N.Y. 10048.

A. Gas Appliance Manufacturers Association, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.

E. (9) $75.

A. Marie Gavigan, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington D.C. 20006.

A. Leo J. Gehrig, American Hospital Association, 444 North Capitol Street NW., Suite 500, Washington, D.C. 20001.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

D. (6) $2,487.70. E. (9) $95.95.

A. John Gentille, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Claire M. Geoghegan, 520 North Capitol Street NW., Washington, D.C. 20001.

B. Ad-Hoc Committee for Competitive Telecommunications, 520 North Capitol Street NW., No. 800, Washington, D.C. 20001.

D. (6) $8,307.72.

A. Llewellyn H. Gerson, North Washington at Madison, Alexandria, Va. 22314.

B. United Fresh Fruit & Vegetable Association, North Washington at Madison, Alexandria, Va. 22314.

D. (6) $92.30 E. (9) $253.23.

A. Getty Oil Co., 3810 Wilshire Boulevard, Los Angeles, Calif. 90010.

E. (9) $37,695.65.

A. Vernie R. Glasson III, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.

D. (6) $4,771. E. (9) $22.

A. Robert G. Glavin, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611

D. (6) $1,263.69.

A. Lloyd L. Golding, National Association of Truck Stop Operators, Inc., 700 North Fairfax Street, No. 505, Alexandria, Va. 22314.

B. National Association of Truck Stop Operators, Inc., 700 North Fairfax Street, No. 505, Alexandria, Va. 22314.

D. (6) $1,815.

A. William M. Goldstein, Morgan, Lewis & Bockius, 123 South Broad Street, Philadelphia, Pa. 19109.

B. Committee on Capital Formation Through Dividend Reinvestment.

A. John S. Gottschalk, 1412 16th Street NW., Washington, D.C. 20036.

B. International Association of Fish & Wildlife Agencies, 1412 16th Street NW., Washington, D.C. 20036.

D. (6) $2,500. E. (9) $34.10.

A. Donald E. Graham, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Ruth P. Graves, RIF, Inc., 475 L'Enfant Plaza Suite, 4800, Smithsonian Institution, Washington, D.C. 20560.

B. Reading Is Fundamental, Inc., 475 L'Enfant Plaza, Suite 4800, Smithsonian Institute, Washington, D.C. 20560.

D. (6) $320. E. (9) $38.15.

A. Martha W. Gray, 1101 16th Street NW., Washington, D.C. 20036.

B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.

E. (9) $18.60.

A. James W. Green, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) $2,057. E. (9) $346.60.

A. P. Michael Greenwald, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

D. (6) $761.71. E. (9) $26.15.

A. David R. Griffin, Tenneco Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.

A. Charles W. Hackney, Jr., National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

D. (6) $6,656. E. (9) $374.99.

A. Charles T. Hagel, The Firestone Tire and Rubber Co., 1730 K Street NW., Suite 915, Washington, D.C. 20006.

B. The Firestone Tire and Rubber Co., 1200 Firestone Parkway, Akron, Ohio 44317.

D. (6) $5,000. E. (9) $183.54.

A. Peter H. Hahn, 1100 17th Street NW., No. 1000, Washington, D.C. 20036.

B. Chromalloy American Corp., 120 South Central Avenue, St. Louis, Mo. 63105.

D. (6) $500. E. (9) $250.

A. Haley, Bader & Potts, 1730 M Street NW., Suite 700, Washington, D.C. 20036.

B. Pilots Rights Association, P.O. Box 7000-367, Redondo Beach, Calif. 90277.

D. (6) $8,679.42. E. (9) $5,021.04.

A. Cheryl A. Haley, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

D. (6) $1,036.42. E. (9) $91.83.

A. Isabelle Hallahan, The American Dietetic Association, 430 North Michigan Avenue, Chicago, Ill. 60611.

B. The American Dietetic Association, 430 North Michigan Avenue, Chicago, Ill. 60611.

D. (6) $4,500. E. (9) $1,425.90.

A. Seymour Halpern, 540 Madison Avenue, New York, N.Y. 10022.

B. Sydney S. Baron and Co., Inc., 540 Madison Avenue, New York, N.Y. 10022 (for Coordination Council For North American Affairs (Taiwan)).

D. (6) $1,000. E. (9) $391.

A. Martin G. Hamberger, R.D. 3, Glen Rock, Pa. 17327.

B. PEN, Inc., 5013 Central Avenue, St. Petersburg, Fla. 33710.

D. (6) $500. E. (9) $325.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.

B. Belize Sugar Industries, Limited, Belize City, Belize, Central America.

E. (9) $17.70.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.

B. Government of Republic of Panama, Compania Azucarera La Estrella, S.A., and Azucarera Nacional, S.A., Panama City, Panama.

D. (6) $6,026.14. E. (9) $68.83.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.

B. National Wool Growers Association, 600 Crandall Building, Salt Lake City, Utah 84101.

D. (6) $2,000. E. (9) $616.26.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.

B. Sugar Association of the Caribbean, Port of Spain, Trinidad.

D. (6) $8,750. E. (9) $475.47.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.

B. United Student Aid Funds, Inc., 200 East 42d Street, New York, N.Y. 10017.

A. Bruce Hamilton, Sierra Club, Box 1078, Lander, Wyo. 82520.

B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.

D. (6) $1,000. E. (9) $654.50.

A. Thomas A. Hammer, Nelson and Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C.

B. Nelson and Harding, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C.

A. Robert N. Hampton, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusets Avenue NW., Washington, D.C. 20036.

D. (6) $1,856.

A. Handgun Control, Inc., 810 18th Street NW., Washington, D.C. 20006.

D. (6) $113,997.81. E. (9) $23,818.39.

A. Donald K. Hanes, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $864.

A. Doris G. Hardesty, Joint Maritime Congress, 444 North Capitol Street, Suite 801, Washington, D.C. 20001.

B. Joint Maritime Congress, 444 North Capitol Street, Suite 801, Washington, D.C. 20001.

D. (6) $672.80.

A. Kay Harrold, National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.

B. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.

D. (6) $189.20.

A. Charles D. Hartman, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Michael M. Hash, American Hospital Association, 444 North Capitol Street NW., Suite 500, Washington, D.C. 20001.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

D. (6) $7,210.63. E. (9) $213.18.

A. Bruce R. Hawley, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.

D. (6) $3,875. E. (9) $54.

A. Clyde M. Heiner, 180 East First South Street, Salt Lake City, Utah 84139.

B. Mountain Fuel Supply Co., 180 East First South Street, Salt Lake City, Utah 84139.

A. Daniel R. Helmick, 1625 I Street NW., Room 301, Washington, D.C. 20006.

B. Columbia Gas Distribution Cos., 99 North Front Street, Columbus, Ohio 43215.

D. (6) $2,677.50 E. (9) $240.35.

A. Harry V. Helton, 1800 Southwest First, Suite 520, Portland, Oreg.

B. Reynolds Metals Co., 6601 West Broad Street, Richmond, Va. 23261.

E. (9) $3,042.84.

A. Noel Hemmendinger, Arter Hadden & Hemmendinger, 1919 Pennsylvania Avenue NW., Suite 400, Washington, D.C. 20006.

B. Arter Hadden & Hemmendinger, 1919 Pennsylvania Avenue NW., Suite 400, Washington, D.C. 20036 (for: Japan Iron and Steel Exporters Association, Tokyo, Japan; Banco do Brasil, N.Y.).

D. (6) $1,000. E. (9) $300.

A. Douglas F. Henderson, Rocky Mountain Oil and Gas Association, 1155 15th Street NW., Suite 314, Washington, D.C. 20005.

B. Rocky Mountain Oil and Gas Association, 345 Petroleum Club Building, Denver, Colo. 80202.

E. (9) $377.30.

A. Thomas M. Hennessy, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Getty Oil Co., 3810 Wilshire Boulevard, Los Angeles, Calif. 90010.

D. (6) $16,080. E. (9) $682.45.

A. William G. Herrold, 2029 K Street NW., Suite 601, Washington, D.C. 20006.

B. The Institute of Electrical and Electronics Engineers, 2029 K Street NW., Suite 601, Washington, D.C. 20006.

D. (6) $938.50. E. (9) $778.

A. Bert Ingalls Hickman, Jr., 1625 Massachusetts Avenue NW., Washington, D.C. 20036.

B. The Keefe Co. (for American Family Life Assurance Co.), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

D. (6) $5,625. E. (9) $97.50.

A. Bert Ingalls Hickman, Jr., 1625 Massachusetts Avenue, Washington, D.C. 20036.

B. The Keefe Co. (for the Cordage Institute), 1625 Massachusetts Avenue, No. 505, Washington, D.C. 20036.

D. (6) $3,375.

A. Frederic W. Hickman, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Commonwealth Edison Co., 1 First National Plaza, Chicago, Ill. 60603.

A. Frederic W. Hickman, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. First Chicago Corp., 1 First National Plaza, Chicago, Ill. 60670.

A. Frederic W. Hickman, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.

D. (6) $1,550.

A. Frederic W. Hickman, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill. 60606.

A. Frederic W. Hickman, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Peoples Gas Co., 122 South Michigan Avenue, Chicago, Ill. 60603.

A. Frederic W. Hickman, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.

B. Trans-Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.

A. Dave Hill, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.

D. (6) $3,000. E. (9) $70.

A. Stephen Hiniker. 620 C Street SE., Washington, D.C. 20003.

B. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003.

A. Arthur F. Hintze, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. James D. Hittle, 3137 South 14th Street, Arlington, Va 22204.

B. Vought Corp., Dallas, Tex.

D. (6) $3,600. E. (9) $168.

A. Glen D. Hofer, National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $2,044. E. (9) $12.

A. Irvin A. Hoff, 20 Live Oak Road, Hilton Head Island, S.C. 29928.

B. U.S. Cane Sugar Refiners' Association, 1001 Connecticut Avenue, Washington, D.C. 20036.

D. (6) $375. E. (9) $497.76.

A. Gerald F. Hogan, 1012 14th Street NW., Suite 901, Washington, D.C. 20005.

B. Consumer Federation of America, 1012 14th Street NW., Suite 901, Washington, D.C. 20005.

D. (6) $2,000. E. (9) $175.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. American Hawaiian Cruising Line, Inc., Wall Street Plaza, New York, N.Y. 10005.

E. (9) $20.

A. Holiday Inns, Inc., 3742 Lamar Avenue, Memphis, Tenn. 38118.

E. (9) $1,150.

A. Leonard S. Homa, 11320 Rouen Drive, Potomac, Md. 20854.

B. American Congress on Surveying and Mapping (ACSM), 210 Little Falls Street, Falls Church, Va. 22046.

D. (6) $4,000. E. (9) $925.

A. John Hooper, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $1,480.77. E. (9) $101.

A. John F. Horty, National Council of Community Hospitals, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. National Council of Community Hospitals, 815 Connecticut Avenue NW., Washington, D.C. 20006.

A. Hospital Association of New York State, 15 Computer Drive West, Albany, N.Y. 12205.

D. (6) $1,781. E. (9) $1,781.

A. C. T. Hoverston, 209 West 53d Street, Western Springs, Ill. 60558.

B. National Advertising Co., 6850 South Harlem Avenue, Argo P.O., Bedford Park, Ill. 60501.

A. Karetta B. Hubbard, National Treasury Employees Union, 1730 K Street NW., Suite 1101, Washington, D.C. 20006.

B. National Treasury Employees Union, 1730 K Street NW., Suite 1101, Washington. D.C. 20006.

A. Craig R. Hume, 1425 K Street NW., Washington, D.C. 20003.

B. Hill and Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Gregory A. Humphrey, American Federation of Teachers, AFL–CIO, 11 DuPont Circle NW., Washington, D.C. 20036.

B. American Federation of Teachers, AFL–CIO, 11 DuPont Circle NW., Washington, D.C. 20036.

D. (6) $8,679.78. E (9) $108.

A. Richard M. Hunt, Suite 1009, Connecticut Building, 1150 Connecticut Avenue NW., Washington, D.C. 20036.

B. NL Industries, Inc., 1230 Avenue of the Americas, New York, N.Y. 10020.

D. (6) $2,000.

A. Independent Bankers Association of America, 1625 Massachusetts Avenue NW., No. 203, Washington, D.C. 20036.

B. Independent Bankers Association of America, 1168 South Main Street, Sauk Centre, Minn. 56378.

D. (6) $90,371. E. (9) $58,552.28.

A. Institute of Foreign Bankers, 200 Park Avenue, Suite 303–Room 23, New York, N.Y. 10017.

A. International Brotherhood of Painters & Allied Trades, 1750 New York Avenue NW., Washington, D.C. 20006.

E. (9) $1,840.85.

A. International Services Corp., 1776 K Street NW., Suite 605, Washington, D.C. 20006.

B. United States Merchant Marine Academy Alumni Association, Inc. (Kings Point Fund, Inc.), Kings Point, Long Island, N.Y. 11024.

D. (6) $1,250. E. (9) $6,191.66.

A. Herbert N. Jasper, 520 North Capitol Street NW., Washington, D.C. 20001.

B. Ad-Hoc Committee for Competitive Telecommunications, 520 North Capitol Street NW., No. 800, Washington, D.C. 20001.

D. (6) $14,307.72.

A. Philip F. Jehle, 1150 Connecticut Avenue NW., No. 310, Washington, D.C. 20036.

B. SmithKline Corp., 1500 Spring Garden Street, Philadelphia, Pa. 19101.

D. (6) $1,000. E. (9) $972.

A. Walter W. John, Organization of Professional Employees of the U.S. Department of Agriculture, Room 1414 South Building, USDA, Washington, D.C. 20250.

B. Organization of Professional Employees of the U.S. Department of Agriculture, Room 1414 South Building, USDA, Washington, D.C. 20250.

D. (6) $502.

A. Bruce T. Johnson, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

D. (6) $5,400. E. (9) $11,272.

A. Nicholas Johnson, P.O. Box 19101, Washington, D.C. 20036.

B. National Citizens Communications Lobby.

A. David Johnston, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Jane Johnston, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Joint Maritime Congress, 444 North Capitol Street, Suite 8801, Washington, D.C. 20001.

D. (6) $22,946.68. E. (9) $22,946.68.

A. Charlie W. Jones, Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036.

B. Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036.

D. (6) $350. E. (9) $350.

A. Jones, Day, Reavis & Pogue, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Pacific Southwest Airlines, 3225 North Harbor Drive, San Diego, Calif. 92101.

A. Ernest W. Jones, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Gerald Jones, Paralyzed Veterans of America, 4330 East-West Highway, Suite 300, Washington, D.C. 20014.

B. Paralyzed Veterans of America, 4330 East-West Highway, Suite 300, Washington, D.C. 20014.

D. (6) $24,560.

A. Geza Kadar, Jr. 1700 Pennsylvania Avenue NW., No. 200, Washington, D.C. 20006.

B. Blue Cross & Blue Shield Associations, 1700 Pennsylvania Avenue NW., No. 200, Washington, D.C. 20006.

D. (6) $700.

A. Gary Paul Kane, National Association of Home Builders of the United States, 15th & M Streets NW., Washington, D.C. 20005.

B. National Association of Home Builders of the United States, 15th & M Streets NW., Washington, D.C. 20005.

D. (6) $8,312. E. (9) $644.43.

A. Liz Kaplan, 620 C Street SE., Washington, D.C. 20003.

B. Friends of the Earth, 620 C Street SE., Washington, D.C. 20003.

D. (6) $2,048.43.

A. Milton M. Kaufmann, 19102 Roman Way, Gaithersburg, Md. 20760.

B. The Fund for Animals, Inc., 140 West 57th Street, New York, N.Y. 10019.

D. (6) $3,000.

A. Robert J. Keefe, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

B. The Keefe Company (for American Family Life Assurance Co.), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

D. (6) $5,625.

A. Robert J. Keefe, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

B. The Keefe Company (for the Cordage Institute), 1625 Massachusetts Avenue, Washington, D.C. 20036.

D. (6) $3,375. E. (9) $1,478.67.

A. Robert H. Kellen, Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346.

B. Robert H. Kellen Co., 64 Perimeter Center East, Atlanta, Ga. 30346 (for Calorie Control Council, 64 Perimeter Center East, Atlanta, Ga. 30346).

D. (6) $2,250.

A. Paul J. Kelley, 2727 North Central Avenue, Phoenix, Ariz. 85004.

B. U-Haul International, Inc., 2727 North Central Avenue, Phoenix. Ariz. 85004.

D. (6) $2,000. E. (9) $1,029.72.

A. Daniel L. Kiley, 8 North Jefferson Street, Roanoke, Va. 24042.

B. Norfolk & Western Railway Co., 8 North Jefferson Street, Roanoke, Va. 24042.

D. (6) $213. E. (9) $23.35.

A. Roberta D. Kimball, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Dean King, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

E. (9) $14.

A. John M. Kinn, 934 Jaycesmith, Great Falls, Va. 22066.

B. Institute of Electrical & Electronics Engineers, Inc., 345 East 47th Street, New York, N.Y. 10017.

D. (6) $1,800. E. (9) $1,270.

A. Sally Ann Kirkpatrick, American Insurance Association, 1025 Connecticut Avenue, Suite 415, Washington, D.C. 20036.

B. American Insurance Association, 1025 Connecticut Avenue, Suite 415, Washington, D.C. 20036.

D. (6) $5,300. E. (9) $902.01.

A. Jeff Kirsch, Food Research & Action Center, 2011 I Street NW., Washington, D.C. 20006.

B. Food Research & Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.

D. (6) $5,882.01. E. (9) $26.30.

A. John C. Knott, Burlington Northern, Inc., Burlington Northern Station, Casper, Wyo. 82601.

B. Burlington Northern, Inc., 176 East Fifth Street, St. Paul, Minn. 55101.

A. Ann Kolker, National Women's Political Caucus, 1411 K Street NW., Washington, D.C. 20005.

B. National Women's Political Caucus, 1411 K Street NW., Washington, D.C. 20005.

D. (6) $2,636.16. E. (9) $22.75.

A. Nicholas Kominus, 1001 Connecticut Avenue, Washington, D.C. 20036.

B. United States Cane Sugar Refiners' Association, 1001 Connecticut Avenue, Washington, D.C. 20036.

D. (6) $562.50. E. (9) $26.57.

A. William G. Kopit, Epstein, Becker, Borsody & Green, 1900 M Street NW., Suite 730, Washington, D.C. 20036.

B. American Association of Professional Standards Review Organizations, Suite 214, Cabin John Mall, 11325 Seven Locks Road, Potomac, Md. 20854.

D. (6) $2,125.

A. Louis C. Kramp & Associates, 1819 H Street NW., Washington, D.C. 20006.

B. Holiday Inns, Inc., 3742 Lamar Avenue, Memphis, Tenn. 38118.

D. (6) $1,150.

A. Louis C. Kramp & Associates, 1819 H Street NW., Washington, D.C. 20006.

B. National Association of Homes for Children, 200 South Tryon Street, Suite 1500, Charlotte, N.C. 28202.

D. (6) $300.

A. Louis C. Kramp & Associates, 1819 H Street NW., Washington, D.C. 20006.

B. ServiceMaster Industries, Inc., 2300 Warrenville Road, Downers Grove, Ill. 60515.

D. (6) $350.

A. The Kroger Co., 1014 Vine Street, Cincinnati, Ohio.

E. (9) $1,440.

A. James S. Krzyminski, National Council of Farmers Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmers Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Joseph Kuchler, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

D. (6) $1,634.87. E. (9) $30.25.

A. Dan Kuykendall, 918 16th Street NW Suite 402, Washington, D.C. 20006.

B. Southern Furniture Manufacturers Association, 918 16th Street NW, Suite 40 Washington, D.C. 20006.

D. (6) $14,000.01.

A. David M. F. Lambert, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.

B. Jewish Employment Vocational Services, 1727 Locust Street, St. Louis, Mo. 63103.

A. Latham, Watkins & Hills, 1333 New Hampshire Avenue NW., Suite 1200, Washington, D.C. 20036.

B. Republic National Bank, 5200 Shepherd, Houston, Tex. 77018.

D. (6) $12,957.02.

A. Dennis Lavalle, National Association of Plumbing, Heating & Cooling Contractors, 1016 20th Street NW., Washington, D.C. 20036.

B. National Association of Plumbing, Heating & Cooling Contractors, 1016 20th Street NW., Washington, D.C. 20036.

D. (6) $100. E. (9) $35.63.

A. Susannah Lawrence, Solar Lobby, 1001 Connecticut Avenue NW., No. 530, Washington, D.C. 20036.

B. Solar Lobby, 1001 Connecticut Avenue NW., No. 530, Washington, D.C. 20036.

D. (6) $631.14.

A. Robert F. Lederer, 230 Southern Building, Washington, D.C. 20005.

B. American Association of Nurserymen, 230 Southern Building, Washington, D.C. 20005.

A. Charles W. Lee, 207 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Committee for Full Funding of Education Programs, 207 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $35.

A. David A. Leff, Joint Maritime Congress, 444 North Capitol Street NW., Washington, D.C. 20001.

B. Joint Maritime Congress, 444 North Capitol Street, Suite 8901, Washington, D.C. 20001.

D. (6) $1,117.50.

A. Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001.

B. Gino Morena Enterprises, P.O. Box 191, South San Francisco, Calif. 94080.

D. (6) $500. E. (9) $300.

A. Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001.

B. Panama Canal Pilots Association, P.O. Box 601, Balboa, C.Z.

D. (6) $3,000. E. (9) $1,050.

A. Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001.

B. Somali Democratic Republic, 600 New Hampshire Avenue NW., Suite 710, Washington, D.C. 20037.

D. (6) $10,000. E. (9) $6,900.

A. Robert L. Leggett, 400 North Capitol Street, Suite 323, Washington, D.C. 20001.

B. Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001 (for Somali Democratic Republic).

A. Kaye Conniff Leonard, 918 16th Street NW., Suite 402, Washington, D.C. 20006.

B. Southern Furniture Manufacturers Association, 918 16th Street NW., Suite 402, Washington, D.C. 20006.

D. (6) $4,875.

A. Dale Lestina, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) $1,884.34. E. (9) $300.50.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Cooperative for American Relief Everywhere, Inc., 660 First Avenue, New York, N.Y. 10016; American Council of Voluntary Agencies for Foreign Services, Inc.

D. (6) $68.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Montana Power Co., 40 East Broadway, Butte, Mont. 49701.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. National Association for Hospital Development, 1700 K Street NW., Suite 605, Washington, D.C. 20006.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. National Council of Community Hospitals, 815 Connecticut Avenue NW., Washington, D.C. 20006.

D. (6) $1,190.

A. David Levine, Sierra Club, 545 East Fourth Avenue, No. 5, Anchorage, Alaska 99501.

B. Sierra Club, 545 East Fourth Avenue, No. 5, Anchorage, Alaska 99501.

D. (6) $3,375. E. (9) $18.42.

A. Stuart A. Lewis, 1800 M Street NW., Suite 1010, Washington, D.C. 20036.

B. Association of Reserve City Bankers, 1800 M Street NW., Suite 1010, Washington, D.C. 20036.

D. (6) $200.

A. Liberty Lobby, Inc., 132 Third Street SE., Washington, D.C. 20003.

D. (6) $113,505.93. E. (9) $127,705.16.

A. Nira Hardon Long, 1800 M Street NW., Suite 880 South, Washington, D.C. 20036.

B. City of Los Angeles, Los Angeles, Calif. 90012.

D. (6) $5,000.01.

A. Judith A. Lorenson, 1960 Lake Clay Drive, Chesterfield, Mo. 63017.

B. Chromalloy American Corp., 120 South Central Avenue, St. Louis, Mo. 63105.

D. (6) $7,500.

A. Robert C. Lower, Alston, Miller & Gaines, 1200 C&S National Bank Building, Atlanta, Ga. 30303.

B. Board of Trade Clearing Corp., 141 W. Jackson Boulevard, Chicago, Ill. 60604.

D. (6) $612.

A. Lucas, Friedman & Mann, 810 18th Street NW., No. 202, Washington, D.C. 20006.

B. McNamara Construction of Manitoba, Ltd., 255 Consumers Road, Willowdale, Ontario.

A. Charles Emmet Lucey, McDermott, Will & Emery, 1101 Connecticut Avenue NW., Suite 1201, Washington, D.C. 20036.

B. Catholic Press Association, 119 North Park Avenue, Rockville Centre, N.Y. 11570.

D. (6) $50. E. (9) $6.

A. Charles Emmet Lucey, McDermott, Will & Emery, 1101 Connecticut Avenue NW., Suite 1201, Washington, D.C. 20036.

B. Massachusetts Cooperative Bank League, 225 Franklin Street, Boston, Mass. 02110.

A. Barbara A. Ludden, 1435 G Street NW., Suite 935, Washington, D.C. 20005.

B. American National Standards Institute, Inc., 1430 Broadway, New York, N.Y. 10018.

E. (9) $1,275.

A. C. Lance Lujan, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

D. (6) $1,884.34. E. (9) $77.40.

A. Timothy Lynch, American Natural Resources System, 1899 L Street NW., Washington, D.C. 20036.

B. American Natural Service Co., 1 Woodward Avenue, Detroit, Mich. 48226.

D. (6) $500. E. (9) $100.

A. Russell MacCleery, National Tire Dealers and Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.

B. National Tire Dealers and Retreaders Association, Inc., 1343 L Street NW., Washington, D.C. 20005.

D. (6) $600.

A. James T. Mahoney, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $1,176.24. E. (9) $49.

A. Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036.

E. (9) $897.38.

A. Larry K. Martin, Man-Made Fiber Producers Association, 1150 17th Street NW., Washington, D.C. 20036.

B. Man-Made Fiber Producers Association, 1150 17th Street NW., Washington, D.C. 20036.

D. (6) $150. E. (9) $47.38.

A. Jon G. Massey, P.O. Box 8293, Washington, D.C. 20024.

B. Oil Investment Institute, P.O. Box 8293, Washington, D.C. 20024.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.

B. United States Fastener Manufacturing Group, 1505 East Ohio Building, Cleveland, Ohio 44114.

A. Nancy Fifield McConnell, Child Welfare League of America, 1346 Connecticut Avenue NW., Washington, D.C. 20036.

B. Child Welfare League of America, 1346 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $2,772.66.

A. Robert F. McCormick, Tyler & Reynolds, One Boston Place, Boston, Mass. 02108.

B. Electro Signal Lab, Inc., 1022 Hingham Street, Rockland, Mass. 02370.

A. Walter P. McHugh, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

D. (6) $1,987.20.

A. Philip A. McKeaney, American Federation of Teachers, AFL–CIO, 11 DuPont Circle NW., Washington, D.C. 20036.

B. American Federation of Teachers, AFL–CIO, 11 DuPont Circle NW., Washington, D.C. 20036.

D. (6) $6,460.74. E. (9) $90.

A. James D. McKevitt, National Federation of Independent Business, 490 L'Enfant Plaza East SW., No. 3206, Washington, D.C.

B. National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C.

D. (6) $3,500. E. (9) $70.

A. L. Bradley McNally, 1700 Pennsylvania Avenue NW., No. 200, Washington, D.C. 20006.

B. Blue Cross and Blue Shield Associations, 1700 Pennsylvania Avenue NW., No. 200, Washington, D.C. 20006.

D. (6) $800. E. (9) $100.

A. Ronald E. McWilliams, 955 L'Enfant Plaza North SW., Washington, D.C. 20024.

B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.

D. (6) $256.55. E. (9) $27.50.

A. Carl J. Megel, American Federation of Teachers, AFL–CIO, 11 Dupont Circle NW., Washington, D.C. 20036.

B. The American Federation of Teachers, 11 Dupont Circle NW., Washington, D.C. 20036.

D. (6) $81.35. E. (9) $18.

A. Nanine Meiklejohn, 1625 L Street NW., Washington, D.C. 20036.

B. American Federation of State, County, and Municipal Employees, AFL–CIO, 1625 L Street NW., Washington, D.C. 20036.

D. (6) $7,500. E. (9) $9,102.20.

A. Ted H. Meredith, 6030 Warwick Court New Orleans, La. 70114.

B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.

D. (6) $3,219.39.

A. Metropolitan Washington Board of Trade, Board of Trade Building, 1129 20th Street NW., Washington, D.C. 20036.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Lockheed Corp., Burbank, Calif. 91520.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Nuclear Fuel Services, Inc., Suite 600, 6000 Executive Boulevard, Rockville, Md. 20852.

D. (6) $5,362.50.

A. Deborah Imle Miller, National Association of Home Builders, of the United States, 15th and M Streets NW., Washington, D.C. 20005.

B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.

D. (6) $1,875. E. (9) $309.75.

A. Kirk Miller, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy, Park Ridge, Ill.

D. (6) $3,917. E. (9) $72.

A. Donald Craig Mitchell, 1601 F Street, Anchorage, Alaska 99501; 510 A Street NE., Washington, D.C. 20002.

B. Alaska Federation of Natives, 1577 C Street, Suite 304, Anchorage, Alaska 99501.

D. (6) $9,000.

A. Manly Molpus, 1014 Vine Street, Cincinnati, Ohio.

B. The Kroger Co., 1014 Vine Street, Cincinnati, Ohio.

D. (6) $1,000. E. (9) $440.

A. John S. Monagan, 1333 New Hampshire Avenue NW., Suite 650, Washington, D.C. 20006.

B. United States Olympic Committee, Olympic House, 1750 East Boulder Street, Colorado Springs, Colo. 80909.

A. Christopher Monek, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Joy E. Moore, 925 15th Street NW., Washington, D.C. 20005.

B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.

D. (6) $1,750. E. (9) $183.53.

A. George R. Moses, 400 North Capitol Street, Suite 323, Washington, D.C. 20001.

B. Leggett, Lanier and Associates, 400 North Capitol Street, Washington, D.C. 20001 (for Somali Democratic Republic).

D. (6) $5,800.

A. John J. Motley, National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.

B. National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.

D. (6) $2,250. E. (9) $330.

A. Mountain Fuel Supply Co., 180 East First South Street, Salt Lake City, Utah 84139.

A. Perry E. Moyle, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $235.55. E. (9) $75.

A. Daniel J. Mundy, Building and Construction Trades Department, 815 16th Street NW., Suite 603, Washington, D.C. 20006.

B. Building and Construction Trades Department, 815 16th Street NW., Suite 603, Washington, D.C. 20006.

D. (6) $9,124.96. E. (9) $2,180.43.

A. William T. Murphy, Jr., American Natural Resources System, 1899 L Street NW., Washington, D.C. 20036.

B. American Natural Service Co., One Woodward Avenue, Detroit, Mich. 48226.

D. (6) $2,500. E. (9) $1,200.

A. J. Walter Myers, Jr., Forest Farmers Association, P.O. Box 95385, Atlanta, Ga. 30347.

B. Forest Farmers Association, P.O. Box 95385, Atlanta, Ga. 30347.

D. (6) $122. E. (9) $294.52.

A. Kenneth D. Naden, National Council of Farmers Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $2,162.

A. Law Offices of Timothy Naegele, Suite 1280, 1850 K Street NW., Washington, D.C. 20006.

B. Baybanks, Inc., 77 Franklin Street, Boston, Mass. 02110.

A. Law Offices of Timothy Naegele, Suite 1280, 1805 K Street NW., Washington, D.C. 02110.

B. Prulease, Inc., 1255 Boylston Street, Boston, Mass. 02215.

A. Bernard Nash, 1015 18th Street, Washington, D.C. 20036.

B. Association of Independent Corrugated Converters, 1100 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

A. Bernard Nash, 1015 18th Street, No. 408, Washington, D.C. 20036.

B. Computer & Communications Industry Association, 1500 Wilson Boulevard, Suite 512, Arlington, Va. 22209.

A. Bernard Nash, 1015 18th Street NW., Washington, D.C. 20036.

B. Northwest Pipeline Corp., P.O. Box 1526, Salt Lake City, Utah 84110.

A. Bernard Nash, 1015 18th Street, Suite 408, Washington, D.C. 20036.

B. Zenith Radio Corp., 1000 Milwaukee Avenue, Glenview, Ill. 60025.

A. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.

D. (6) $30,997. E. (9) $31,189.

A. National Association of Home Builders of the United States, 15th & M Streets NW., Washington, D.C. 20005.

D. (6) $106,665.38. E. (9) $130,744.44.

A. National Association of Latino Elected & Appointed Officials, Inc., P.O. Box 24266, Washington, D.C. 20024.

D. (6) $2,745. E. (9) $1,430.77.

A. National Association of Plumbing, Heating & Cooling Contractors, 1016 20th Street NW., Washington, D.C. 20036.

D. (6) $435.63. E. (9) $435.63.

A. National Association of Truck Stop Operators, 700 North Fairfax Street, No. 505, Alexandria, Va. 22314.

D. (6) $9,287.62. E. (9) $9,287.62.

A. National Citizens Communications Lobby, Box 19101, Washington, D.C. 20036.

D. (6) $1,390. E. (9) $699.12.

A. National Coalition to Ban Handguns, 100 Maryland Avenue NE., Washington, D.C. 20002.

D. (6) $134,295.24. E. (9) $137,086.77.

A. National Consumer Finance Association, 1000 16th Street NW., Washington, D.C. 20036.

E. (9) $1,300.

A. National Council for a World Peace Tax Fund, 2111 Florida Avenue NW., Washington, D.C. 20008.

D. (6) $11,089.38. E. (9) $14,577.02.

A. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $26,094. E. (9) $121,861.

A. National Counsel Associates, Inc., 421 New Jersey Avenue SE., Washington, D.C. 20003.

B. American Paratransit Institute, Inc., P.O. Box 340276, Coral Gables, Fla. 33134.

D. (6) $15,775. E. (9) $1,293.47.

A. National Counsel Associates, 421 New Jersey Avenue SE, Washington, D.C. 20003.

B. Association of Independent Medical Equipment Suppliers, 3163 Oakcliff Industrial Street, Doraville, Ga. 30340.

D. (6) $15,100. E. (9) $533.20.

A. National Counsel Associates, 421 New Jersey Avenue SE., Washington, D.C. 20003.

B. Heublein, Inc., Farmington, Conn.

D. (6) $28,300. E. (9) $1,780.84.

A. National Counsel Associates, Inc., 421 New Jersey Avenue SE., Washington, D.C 20003.

B. North American Telephone Association, 1030 15th Street NW., Washington, D.C 20036.

D. (6) $33,980. E. (9) $2,020.15.

A. National Counsel Associates, Inc., 421 New Jersey Avenue SE., Washington, D.C. 20003.

B. Southern Railway System, P.O. Box 1808, Washington, D.C. 20013.

D. (6) $5,400. E. (9) $642.67.

A. National Counsel Associates, Inc., 421 New Jersey Avenue SE., Washington, D.C. 20003.

B. Toy Manufacturers of America, 200 Fifth Avenue, New York, N.Y. 10010.

D. (6) $9,000. E. (9) $758.25.

A. The National Federation of Business & Professional Women's Clubs, Inc., 2012 Massachusetts Avenue NW., Washington, D.C. 20036.

D. (6) $550,020. E. (9) $7,232.52.

A. National Federation of Independent Business, 490 L'Enfant Plaza SW., Washington, D.C 20024.

B. National Federation of Independent Business, 150 West 20th Avenue, San Mateo, Calif. 94403.

D. (6) $148,320. E. (9) $148,320.

A. National Federation of Licensed Practical Nurses, 888 Seventh Avenue, New York, N.Y. 10019.

D. (6) $1,765. E. (9) $1,765.

A. National Hairdressers & Cosmetologists Association, 3510 Olive Street, St. Louis, Mo. 63103.

D. (6) $1,146.43.

A. National Organization for the Reform of Marijuana Laws, 2317 M Street NW., Washington, D.C. 20037.

D. (6) $66,710. E. (9) $84,640.66.

A. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.

D. (6) $137,650. E. (9) $83,480.

A. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

D. (6) $1,172. E. (9) $7,622.

A. National Taxpayers Union, 1251 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $2,896.73. E. (9) $4,102.

A. Alan M. Nedry, 1801 K Street NW., Suite 1041, Washington, D.C. 20006.

B. Southern California Edison Co., P.O. Box 800, Rosemead, Calif. 91700.

D. (6) $100. E. (9) $50.

A. J. T. Nelson, Gibson Island, Md. 21056.

B. Household Finance Corp., 2700 Sanders Road, Prospect Heights, Ill. 60070.

D. (6) $1,620. E. (9) $574.03.

A. Bill Newbold, Bill Newbold & Associates, 1901 North Fort Myer Drive, No. 809, Arlington, Va. 22209.

B. Bill Newbold & Associates, 1901 North Fort Myer Drive, No. 809, Arlington, Va. 22209 (for American Protestant Hospital Association, 1 Woodfield Place, Suite 311, 1701 East Woodfield Drive, Schaumburg, Ill. 60195.

D. (6) $15,000.

A. Bill Newbold, Bill Newbold & Associates, 1901 North Fort Myer Drive, No. 809, Arlington, Va. 22209.

B. Bill Newbold & Associates, 1901 North Fort Myer Drive, No. 809, Arlington, Va. 22209 (for Texas Children's Hospital, St. Lukes Episcopal Hospital, P.O. Box 20269, Houston, Tex. 77025.

D. (6) $3,000.

A. Bill Newbold, Bill Newbold & Associates, 1901 North Fort Myer Drive, No. 809, Arlington, Va. 22209.

B. Bill Newbold & Associates, 1901 North Fort Myer Drive, No. 809, Arlington, Va. 22209 (for Texas Hospital Association, P.O. Box 15587, Austin, Tex. 78761).

D. (6) $3,000.

A. Frank Newham, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

A. Stewart E. Niles, Jr., 225 Baronne Street, 18th Floor, New Orleans, La. 70112.

B. Shipbuilders Council of America.

D. (6) $2,126.25. E. (9) $112.50.

A. NL Industries, Inc., 1230 Avenue of the Americas, New York, N.Y. 10020.

E. (9) $2,000.

A. Robert W. Nolan, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.

D. (6) $100.

A. Norfolk & Western Railway Co., 8 North Jefferson Street, Roanoke, Va. 24042.

E. (9) $454.35.

A. Robert B. Norris, National Consumer Finance Association, 1000 16th Street NW., Washington, D.C. 20036.

B. National Consumer Finance Association, 1000 16th Street NW., Washington, D.C. 20036.

A. Neil H. Offen, 1730 M Street NW., Washington, D.C. 20036.

B. Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.

D. (6) $1,000. E. (9) $521.79.

A. Oil Investment Institute, P.O Box 8293, Washington, DC. 20024.

A. John F. O'Neal, law offices of John F. O'Neal, 600 New Hampshire Avenue NW., Suite 952, Washington, D.C. 20037.

B. Commodity Exchange, Inc., Four World Trade Center, Southeast Plaza Building, New York, N.Y. 10048.

D. (6) $1,453.50.

A. John F. O'Neal, law offices of John F. O'Neal, 600 New Hampshire Avenue NW., Suite 952, Washington, D.C. 20037.

B. National REA Telephone Association, 715 Cargill Building, Minneapolis, Minn. 55402.

D. (6) $415.63.

A. Charles Orasin, 810 18th Street NW., Washington, D.C. 20006.

B. Handgun Control, Inc., 810 18th Street NW., Washington, D.C. 20006.

D. (6) $3,230.78. E. (9) $36.50.

A. Kathleen F. O'Reilly, 1012 14th Street NW., Suite 901, Washington, D.C. 20005.

B. Consumer Federation of America, 1012 14th Street NW., Suite 901, Washington, D.C. 20005.

D. (6) $4,350. E. (9) $250.

A. Organization for the Protection and Advancement of Small Telephone Companies, 1104 Gary Court, Wheaton, Ill.

E. (9) $1,488.

A. Organization of Professional Employees of the U.S. Department of Agriculture, Room 1414-S Building, USDA, Washington, D.C.

D. (6) $1,180.58. E. (9) $965.14.

A. J. Allen Overton, Jr., American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

B. American Mining Congress, 1100 Ring Building, Washington, D.C. 20036.

D. (6) $372.34. E. (9) $22.50.

A. Barbro Owens, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. William H. Owens, Jr., 1101 17th Street NW., Washington, D.C. 20036.

B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.

D. (6) $1,000.

A. Pacific Northwest Utilities Conference Committee, 327 North Wenatchee Avenue, Wenatchee, Wash. 98801.

D. (6) $33,567.80. E. (9) $35,825.60.

A. Pacific Seafood Processors Association, 1600 South Jackson Street, Seattle, Wash. 98144.

A. Sara Lynn Parker, Food Research & Action Center, 2011 I Street, NW., Suite 700, Washington, D.C. 20006.

B. Food Research & Action Center, 2011 I Street NW., No. 700, Washington, D.C. 20006.

A. Steven Payne, P.O. Box 1661, Boise, Idaho 83702.

B. The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $189.22. E. (9) $553.17.

A. Jack Pearce, Pearce & Brand, 1000 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.

B. Committee Urging Regulatory Reform For Efficient National Trucking, 1000 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.

D. (6) $2,055. E. (9) $4,248.27.

A. Perito, Duerk, Carlson and Pinco, 1140 Connecticut Avenue NW., Washington, D.C. 20036.

B. Foremost-McKesson, Inc., Crocker Plaza, One Post Street, San Francisco, Calif. 94100.

D. (6) $633. E. (9) $39.

A. Perito, Duerk and Carlson, 1001 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.

B. Society of Real Estate Appraisers, 645 North Michigan Avenue, Chicago, Ill. 60611.

D. (6) $6,400. E. (9) $35.

A. Edmund J. Perret II, American Psychiatric Association, 1333 New Hampshire Avenue NW., Suite 670, Washington, D.C. 20036.

B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009.

D. (6) $1,290. E. (9) $323.

A. Henry S. Pflanz, Pilots Lobby, 11 Sixth Street SE., Washington, D.C. 20003.

B. Pilots Lobby, 11 Sixth Street SE., Washington, D.C. 20003.

E. (9) $701.

A. Henry S. Pflanz, Pflanz & Associates, 9111 Grandhaven Avenue, Upper Marlboro, Md. 20870.

B. Zantop International Airlines, Inc., Willow Run Airport, Ypsilanti, Mich. 48197.

D. (6) $4,250. E. (9) $661.87.

A. Pierson, Bell & Dowd, 1200 18th Street NW., Washington, D.C. 20036.

B. Satellite Business Systems, 8003 Westpark Drive, McLean, Va. 22101.

D. (6) $2,500.

A. Pilots Rights Association, P.O. Box 7000-367, Redondo Beach, Calif. 90277.

D. (6) $33,816. E. (9) $14,554.41.

A. Pitney Bowes, 69 Wheeler Drive, Stamford, Conn. 06904.

E. (9) $250.

A. Ronald L. Plesser, Blum & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.

B. Twin Coasts Newspaper, The Journal of Commerce, 110 Wall Street, New York, N.Y. 10005.

D. (6) $3,000. E. (9) $18.

A. Michael Podhorzer, 1012 14th Street NW., Suite 901, Washington, D.C. 20005.

B. Consumer Federation of America, 1012 14th Street NW., Suite 901, Washington, D.C. 20005.

D. (6) $1,250. E. (9) $100.

A. Ronald F. Pollack, Food Research & Action Center, 2011 I Street NW., No. 700, Washington, D.C. 20006.

B. Food Research & Action Center, 2011 I Street, N.W., No. 700, Washington, D.C. 20006.

A. Nathaniel Polster, 2128 Wyoming Avenue, Washington, D.C. 20008.

B. American Cancer Society, Inc., 777 Third Avenue, New York, N.Y. 10017; Research To Prevent Blindness, Inc., 598 Madison Avenue, New York, N.Y. 10022.

D. (6) $5,416.67. E. (9) $3,520.85.

A. Rafe Pomerance, 620 C Street SE., Washington, D.C. 20003.

B. Friends of the Earth, 620 C Street SE., Washington, D.C. 20003.

D. (6) $3,900.

A. Judith A. Pond, 1800 K Street NW., Suite 924, Washington, D.C. 20006.

B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.

D. (6) $200. E. (9) $104.

A. Robert F. Pontzer, Lear Siegler, Inc., 1911 Jefferson Davis Highway, Suite 1002, Arlington, Va. 22202.

B. Lear Siegler, Inc., 3171 South Bundy Drive, Santa Monica, Calif. 90406.

E. (9) $60.35.

A. Population Resource Center, 622 Third Avenue, New York, N.Y. 10017.

D. (6) $3,652. E. (9) $1,956.

A. M. Elizabeth Powell, 918 16th Street NW., Suite 402, Washington, D.C. 20006.

B. Southern Furniture Manufacturers Association, 918 16th Street NW., Suite 402, Washington, D.C. 20006.

D. (6) $5,000.01.

A. Gerald R. Prout, Burson-Marsteller, 1800 M Street NW., No. 507S, Washington, D.C. 20036.

B. Burson-Marsteller, 1800 M Street NW., Suite 750 South, Washington, D.C. 20036 (for Gould, Inc., 1831 Chestnut Street, St. Louis, Mo. 63160.

D. (6) $10,000. E. (9) $2,000.

A. Steven Pruitt, 1625 L Street NW., Washington, D.C. 20036.

B. American Federation of State, County, and Municipal Employees, AFL-CIO, 1625 L Street NW., Washington, D.C. 20036.

D. (6) $7,500. E. (9) $429.40.

A. Purcell & Nelson, 1776 F Street NW., Washington, D.C. 20006.

B. The Business Roundtable, 200 Park Avenue, No. 2222, New York, N.Y. 10017.

D. (6) $1,012.50.

A. Magda Ratajski, Norfolk & Western Railway Co., P.O. Box 23652, L'Enfant Plaza Station, Washington, D.C. 20024.

B. Norfolk & Western Railway Co., 8 North Jefferson Street, Roanoke, Va. 24042.

D. (6) $120. E. (9) $98.

A. Reading Is Fundamental, Inc., 475 L'Enfant Plaza, Suite 4800, Smithsonian Institution, Washington, D.C. 20560.

D. (6) $1,002,222. E. (9) $609.36.

A. Gladys Reckley/G. G. Reckley Associates, 2737 Devonshire Place, No. 9 NW., Washington, D.C. 20008.

B. Ketchikan Indian Corp., P.O. Box 6855, Ketchikan, Alaska 99901.

D. (6) $747.50. E. (9) $162.59.

A. Gladys Reckley/G. G. Reckley Associates, 2737 Devonshire Place, No. 9 NW., Washington, D.C. 20008.

B. Kootznoowoo, Inc., P.O. Box 116, Angoon, Alaska.

D. (6) $4,093.35. E. (9) $1,114.50.

A. Recording Industry Association of America, Inc., 1633 Broadway, New York, N.Y. 10019.

D. (6) $1,149,678. E. (9) $124,437.

A. Campbell L. Reed, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Reid & Priest, 40 Wall Street, New York, N.Y. 10005.

B. Shanghai Power Co., P.O. Box 50, Boise, Idaho 83728.

A. Research to Prevent Blindness, Inc., 598 Madison Avenue, New York, N.Y. 10022.

E. (9) $1,659.25.

A. Research Officers Association of the United States, 1 Constitution Avenue NE., Washington, D.C. 20002.

D. (6) $1,393.72. E. (9) $6,812.07.

A. Edmund B. Rice, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

D. (6) $2,670.51. E. (9) $24.90.

A. Grace Ellen Rice, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.

D. (6) $3,250. E. (9) $58.

A. John P. Richardson, National Association of Arab Americans, 1825 Connecticut Avenue NW., No. 211, Washington, D.C. 20009.

B. National Association of Arab Americans, 1825 Connecticut Avenue NW., No. 211, Washington, D.C. 20009.

D. (6) $1,635. E. (9) $100.

A. James W. Riddell, 723 Washington Building, Washington, D.C. 20005.

B. The Kellogg Co., Battle Creek, Mich. 49016.

A. James W. Riddell, 723 Washington Building, Washington, D.C. 20005.

B. W. K. Kellogg Foundation, Battle Creek, Mich. 49016.

A. Mark J. Riedy, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

D. (6) $2,062. E. (9) $1,685.

A. Douglas A. Riggs, 516 First Street SE., Washington, D.C. 20003.

B. Citizens for Management of Alaska Lands, P.O. Box 3256 DT, Anchorage, Alaska 99510.

D. (6) $14,400. E. (9) $1,178.37.

A. Selina Rissell, 520 North Capitol Street NW., Washington, D.C. 20001.

B. Ad-Hoc Committee for Competitive Telecommunications, 520 North Capitol Street NW., No. 800, Washington, D.C. 20001.

D. (6) $6,576.93.

A. Valentin Riva, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Brinton P. Roberts, Choate, Hall & Stewart, 60 State Street, Boston, Mass. 02109.

B. New England Tank Industries of New Hampshire, Inc., 135 First Street, Cambridge, Mass.

A. Paula Roberts, Food Research & Action Center, 2011 I Street NW., Washington, D.C. 20006.

B. Food Research & Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.

D. (6) $1,656.48. E. (9) $12.25.

A. Margaret Rogers, Printing Industries of America, Inc., 1730 North Lynn Street, Arlington, Va. 22209.

B. Printing Industries of America, Inc., 1730 North Lynn Street, Arlington, Va. 22209.

D. (6) $1,000. E. (9) $75.

A. David N. Rose, 180 East First South, Salt Lake City, Utah. 84139.

B. Mountain Fuel Supply Co., 180 East First South, Salt Lake City, Utah 84139.

A. Michael O. Roush, National Federation of Independent Business, 490 L'Enfant Plaza SW., Washington, D.C. 20024.

B. National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.

D. (6) $2,250. E. (9) $40.

A. Charles J. Sabatier, Paralyzed Veterans of America, 4330 East West Highway, Suite 300, Washington, D.C. 20014.

B. Paralyzed Veterans of America, 4330 East West Highway, Suite 300, Washington, D.C. 20014.

A. Frank Max Salinger, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

D. (6) $392. E. (9) $2,451.

A. Frank Max Salinger, Truck Trailer Manufacturers Association, 2430 Pennsylvania Avenue NW., Washington, D.C. 20037.

B. Truck Trailer Manufacturers Association, 2430 Pennsylvania Avenue NW., Washington, D.C. 20037.

D. (6) $6,000.

A. Michael S. Sandifer, Food Research & Action Center, 2011 I Street NW., No. 700, Washington, D.C. 20006.

B. Food Research & Action Center, 2011 I Street NW., No. 700, Washington, D.C. 20006.

A. Donald E. Santarelli, 2033 M Street NW., Suite 700, Washington, D.C. 20036.

B. Kings River Water Users Committee.

D. (6) $1,000. E. (9) $167.

A. Jennifer S. Sauve, National Association of Home Builders of the United States, 15th & M Streets NW., Washington, D.C. 20005.

B. National Association of Home Builders of the United States, 15th & M Streets NW., Washington, D.C. 20005.

D. (6) $6,047. E. (9) $967.28.

A. Jerome D. Schaller, 1101 15th Street NW., Washington, D.C. 20005.

B. Minnesota Mining & Manufacturing Co., 3M Center, St. Paul, Minn. 55101.

E. (9) $2,856.39.

A. Denise Schlener, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $1,738.82. E. (9) $105.76.

A. Arthur L. Schmuhl, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Frank Schneller, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, Inc., 1957 E Street NW., Washington, D.C. 20006.

E. (9) $200.

A. Stanley W. Schroeder, Gas Appliance Manufacturers Association, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.

B. Gas Appliances Manufacturers Association, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.

E. (9) $75.

A. James H. Schuyler, National Association of Home Builders of the United States, 15th & M Streets NW., Washington, D.C. 20005.

B. National Association of Home Builders of the United States, 15th & M Streets NW., Washington, D.C. 20005.

D. (6) $8,438. E. (9) $665.42.

A. Roger Schwartz, Food Research & Action Center, 2011 I Street NW., Washington, D.C. 20006.

B. Food Research & Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.

D. (6) $82.29. E. (9) $3.50.

A. Donald A. Scott, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Robert Scowcroft, 620 C Street SE, Washington, D.C. 20003.

B. Alaska Coalition, 620 C Street SE., Washington, D.C.

A. Andrea I. Seemes, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Stanley E. Senner, 431 Steese Highway, Fairbanks, Alaska 99701.

B. The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $2,000. E. (9) $968.30.

A. ServiceMaster Industries, Inc., 2300 Warrenville Road, Downers Grove, Ill. 60515.

E. (9) $350.

A. Dean E. Sharp, Suite 408, 1015 18th Street NW., Washington, D.C. 20036.

B. Independent Health Insurance Institute, Inc., Suite 408, 1015 18th Street NW., Washington, D.C. 20036.

D. (6) $2,500. E. (9) $75.

A. Jonathan R. Sheiner, 4 Irving Place, New York, N.Y. 10003.

B. Consolidated Edison Co. of New York, Inc., 4 Irving Place, New York, N.Y. 10003.

D. (6) $406.26.

A. David Shiah, 620 C Street SE., Washington, D.C. 20003.

B. Alaska Coalition, 620 C Street SE., Washington, D.C.

D. (6) $1,800.

A. Nelson Shields, 810 18th Street NW., Washington, D.C. 20006.

B. Handgun Control, Inc., 810 18th Street NW., Washington, D.C. 20006.

D. (6) $3,730.83. E. (9) $6.

A. Karl Shipley, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Joan Shorey, Solar Lobby, 1001 Connecticut Avenue NW., No. 530, Washington, D.C. 20036.

B. Solar Lobby, 1001 Connecticut Avenue NW., No. 530, Washington, D.C. 20036.

D. (6) $2,112.95.

A. Michael Shorr, 1625 L Street NW., Washington, D.C. 20036.

B. American Federation of State, County & Municipal Employees, AFL–CIO, 1625 L Street NW., Washington D.C. 20036.

D. (6) $8,250. E. (9) $688.61.

A. Sidley & Austin, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006; 1 First National Plaza, Chicago, Ill. 60603.

B. Canadian Pacific Ltd., Windsor Station, Montreal, Quebec, Canada.

D. (6) $31,930.

A. Milton E. Smedsrud, Law Office Building, Fergus Falls, Minn. 56537.

B. Communicating for Agriculture, Inc., Law Office Building, Fergus Falls, Minn. 56537.

D. (6) $14,171.10. E. (9) $14,678.91.

A. Cathy Smith, 620 C Street SE., Washington, D.C. 20003.

B. Friends of the Earth, 620 C Street SE., Washington, D.C. 20003.

D. (6) $2,235.

A. Solar Lobby, 1001 Connecticut Avenue NW., No. 530, Washington, D.C. 20036.

D. (6) $138,033. E. (9) $23,225.

A. Michael L. Solomon, 5726 Thomas Edison Court, Alexandria, Va. 22310.

B. National Apartment Association, 1825 K Street NW., Suite 604, Washington, D.C. 20006.

D. (6) $1,500.

A. Leland R. Sorteberg, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

E. (9) $7.

A. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.

D. (6) $37,076.92. E. (9) $37,076.92.

A. Southwestern Peanut Shellers Association, 6815 Prestonshire, Dallas, Tex. 75225.

D. (6) $150. E. (9) $150.

A. Wilbur D. Sparks, Air-Conditioning & Refrigeration Institute, 1815 North Fort Myer Drive, Arlington, Va. 22209.

B. Air-Conditioning & Refrigeration Institute, 1815 North Fort Myer Drive, Arlington, Va. 22209.

D. (6) $1,600. E. (9) $410.

A. James M. Sprouse, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. John W. Sroka, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. David E. Stahl, National Association of Home Builders of the United States, 15th & M Streets NW., Washington, D.C. 20005.

B. National Association of Home Builders of the United States, 15th & M Streets NW., Washington, D.C. 20005.

D. (6) $3,187. E. (9) $56.47.

A. Elizabeth Bell Stengel, 9 Seventh Street SE., Washington, D.C. 20003; Suite 402, 100 Maryland Avenue NE., Washington, D.C. 20002.

B. Action for Children's Television, 46 Austin Street, Newtonville, Mass. 02160.

D. (6) $1,916.50. E. (9) $153.75.

A. Robert B. Stewart, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Getty Oil Co., 3810 Wilshire Boulevard, Los Angeles, Calif. 90010.

D. (6) $13,123. E. (9) $383.72.

A. Michael Stientjes, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.

B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.

D. (6) $3,500. E. (9) $12.

A. George Stockton, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington D.C. 20006.

E. (9) $200.

A. Adam D. Stolpen, Pitney Bowes, 69 Wheeler Drive, Stamford, Conn. 06904.

B. Pitney Bowes, 69 Wheeler Drive, Stamford, Conn. 06904.

D. (6) $100. E. (9) $464.79.

A. Jim Sullivan, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

B. National Association of Independent Colleges & Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.

D. (6) $9,690. E. (9) $233.50.

A. Susman, Stern, Heifetz, Lurie, Sheehan, Popkin & Chervitz, 7733 Forsyth Boulevard, 22d Floor, St. Louis, Mo. 63105; 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.

B. American Inland Waterways Committee, 7733 Forsyth Boulevard, 22d Floor, St. Louis, Mo. 63105.

D. (6) $25,000.

A. Susman, Stern, Heifetz, Lurie, Sheehan, Popkin & Chervitz, 7733 Forsyth Boulevard, 22d Floor, St. Louis, Mo. 63105; 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.

B. Midland Enterprises, Inc., 1400—580 Building, Cincinnati, Ohio 45202.

D. (6) $3,750.

A. Susman, Stern, Heifetz, Lurie, Sheehan, Popkin & Chervitz, 7733 Forsyth Boulevard, 22d Floor, St. Louis, Mo. 63105; 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.

B. The Valley Line Co., 120 South Central, Clayton, Mo. 63105.

D. (6) $3,750.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.

B. National Association of Life Cos., Suite 1060 Tower Place, 3340 Peachtree Road NE., Atlanta, Ga. 30326.

A. Richard Preston Swigart, 1660 L Street NW., Suite 201, Washington, D.C. 20036.

B. American Can Co., American Lane, Greenwich, Conn. 06830.

E. (9) $710.59.

A. William A. Taylor, Personnel Pool of America, Inc., 303 Southeast 17th Street, Ft. Lauderdale, Fla. 33316.

B. Personnel Pool of America, Inc., 303 Southeast 17th Street, Ft. Lauderdale, Fla. 33316.

A. Mary Teeple, 4002 Balcones, Austin, Tex. 78731.

D. (6) $260. E. (9) $475.

A. Thevenot, Murray & Scheer, 1120 Connecticut Avenue NW., No. 1128, Washington, D.C. 20036.
B. Swaziland Sugar Association, Mbabane, Swaziland.
D. (6) $6,000. E. (9) $1,056.05.

A. Doris I. Thomas, National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
B. National Association of Home Builders of the United States, 15th and M Streets NW., Washington, D.C. 20005.
D. (6) $6,188. E. (9) $277.43.

A. Karin R. Tilberg, 620 C Street SE., Washington, D.C. 20003.
B. Alaska Coalition, 620 C Street SE., Washington, D.C. 20003.
D. (6) $1,800.

A. Ronald J. Tipton, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $282.68.

A. Kim T. Tisdale, 316 Pennsylvania Avenue SE., Suite 400, Washington, D.C. 20003.
B. American Conservative Union, Inc., 316 Pennsylvania Avenue SE., Suite 400, Washington, D.C. 20003.
D. (6) $3,028.82.

A. William D. Toohey, 1899 L Street NW., Suite 600, Washington, D.C. 20036.
B. Discover America Travel Organizations, Inc., 1899 L Street NW., Washington, D.C. 20036.
D. (6) $2,040.

A. W. Glenn Tussey, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill.
D. (6) $5,000.

A. United Fresh Fruit & Vegetable Association, North Washington at Madison, Alexandria, Va. 22314.
D. (6) $92.30. E. (9) $253.23.

A. United States Cane Sugar Refiners' Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $7,315. E. (9) $5,973.53.

A. United States Merchant Marine Academy Alumni Association, Inc. (Kings Point Fund, Inc.), Kings Point, Long Island, N.Y. 11024.
E. (9) $6,191.66.

A. Nicholas L. Van Nelson, American Paper Institute, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, 260 Madison Avenue, New York, N.Y. 10016.

A. Richard F. Vander Veen, 1333 New Hampshire Avenue NW., Suite 1120, Washington, D.C. 20036.
B. American Seating Co.
D. (6) $6,331.25.

A. Richard F. Vander Veen, 1333 New Hampshire Avenue NW., Suite 1120, Washington, D.C. 20036.
B. Consumers Power Co.
D. (6) $9,131.25.

A. Gilda Ventresca, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,400.01. E. (9) $24.92.

A. Ingrid A. Voorhees, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
E. (9) $500.

A. Abe J. Voron, 6204 White Oak Lane, Tamarac, Fla. 33319.
B. National Radio Broadcasters Association, 1705 De Sales Street NW., No. 500, Washington, D.C. 20036.
D. (6) $1,200. E. (9) $1,380.

A. Paul Wagner, Wagner & Baroody, 1100 17th Street N.W., Washington, D.C. 20036.
B. Electrolert, Inc., 475 Park Avenue, New York, N.Y. 10016.

A. Wakefield Washington Associates, Inc., 1129 20th Street NW., Washington, D.C. 20036.
B. National Distillers & Chemical Corp., 99 Park Avenue, New York, N.Y. 10016.
D. (6) $200.

A. Don Wallace Associates, Inc., 232 East Capitol Street, Washington, D.C. 20003.
B. American Textile Machinery Association, 1730 M Street NW., No. 804, Washington, D.C. 20036.

A. Don Wallace Associates, Inc., 232 East Capitol Street, No. 804, Washington, D.C. 20003.
B. Delta & Pine Land Company of Mississippi, Scot, Miss. 38772.

A. Don Wallace Associates, Inc., 232 East Capitol Street, No. 804, Washington, D.C. 20003.
B. Diversion Communications, Inc., 60 E. 42d Street, New York, N.Y. 10017.

A. Don Wallace Associates, Inc., 232 East Capitol Street, No. 804, Washington, D.C. 20003.
B. ML Barge Management Corporation, 60 E 42d Street, New York, N.Y. 10017.

A. Charles S. Walsh, Fleischman & Walsh, 1725 N Street NW., Washington, D.C. 20036.
B. National Cable Television Association, 918 16th Street NW., Washington, D.C. 20006.

A. Washington Board of Realtors, 1511 K Street NW., No. 439, Washington, D.C. 20005.

A. Ralph J. Watson, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
B. Rockwell International.
D. (6) $495. E. (9) $171.20.

A. Michael E. Welch, 400 North Capitol Street, Washington, D.C. 20001.
B. Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001 (for Gino Morena Enterprises, P.O. Box 191, South San Francisco, Calif. 94080).
D. (6) $200.

A. Michael D. Welch, 400 North Capitol Street, Suite 323, Washington, D.C. 20001.
B. Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001 (for Northern California Naval Civilian Employees Council, P.O. Box 2321, Alameda, Calif.).
D. (6) $1,000.

A. Michael D. Welch, 400 North Capitol Street, Suite 323, Washington, D.C. 20001.
B. Leggett, Lanier & Associates, 400 North Capitol Street, Washington, D.C. 20001 (for Panama Canal Pilots Association, P.O. Box 601, C.Z.).
D. (6) $800.

A. Paul S. Weller, Jr., National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Council of Farmer Cooperatives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $5,450. E. (9) $15.

A. Evelyn J. White, 2301 Market Street, Philadelphia, Pa. 19101.
B. Philadelphia Electric Co., 2301 Market Street, Philadelphia, Pa. 19101.
D. (6) $6,250. E. (9) $1,627.

A. Wickwire, Lewis, Goldmark & Schorr, 500 Maynard Building, Seattle, Wash. 98104.
B. Arctic Slope Regional Corp., Inupiat Community of the Arctic Slope, P.O. Box 129, Barrow, Alaska 99723.
D. (6) $600. E. (9) $975.26.

A. Wickwire, Lewis, Goldmark & Schorr, 500 Maynard Building, Seattle, Wash. 98104.
B. Save Our Railroad Employment, c/o Fife Community Credit Union, 4410 20th Street East, Tacoma, Wash. 98424; New Milwaukee Lines, 500 Maynard Building, Seattle, Wash. 98104.
D. (6) $3,130. E. (9) $6,087.17.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Physical Therapy Association, 1156 15th Street NW., Washington, D.C. 20005.
D. (6) $209.25. E. (9) $10.70.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Bangor Punta Operations, Inc., 1 Greenwich Plaza, Greenwich, Conn. 06830.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. C. Brewer & Co., Ltd., P.O. Box 1826, Honolulu, Hawaii 96801.
E. (9) $4.52.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Domestic Petroleum Council, 101 Connecticut Avenue NW., No. 500, Washington, D.C. 20036.
D. (6) $3,275. E. (9) $102.67.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Feather & Down Association, 4441 Auburn Boulevard, Suite O, Sacramento, Calif. 95841.
E. (9) $14.97.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Hawaiian Sugar Planter's Association, 1511 K Street NW., Suite 723, Washington, D.C. 20005.
E. (9) $68.45.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Institute for Due Process for Financial Institutions, 130 17th Street NW., Washington, D.C. 20036.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. IU International Management Corp., 1500 Walnut Street, Philadelphia, Pa. 19102.
D. (6) $1,402.50. E. $98.37.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Lanham Act Preservation Association, 1101 Connecticut Avenue NW., No. 500, Washington, D.C. 20036.
E. (9) $29.75.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. The Louisiana Land & Exploration Co., P.O. Box 60350, New Orleans, La. 70160.

E. (9) $47.05.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Association of Water Cos., Suite 1110, 1019 19th Street NW., Washington, D.C. 20036.

D. (6) $1,000. E. (9) $67.14.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

D. (6) $2,115.55. E. (9) $68.45.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Outdoor Advertising Association of America, 1660 L Street NW., No. 215, Washington, D.C. 20036.

E. (9) $2.14.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. The Pillsbury Co., 608 Second Avenue South, Minneapolis, Minn. 55402.

E. (9) $5.56.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Securities Industry Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.

D. (6) $2,152. E. (9) $48.73.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Southern California Gas Co., 1150 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $4,247.50. E. (9) $88.73.

A. Williams & Jensen, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

B. Student Loan Marketing Association, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

D. (6) $456. E. (9) $19.68.

A. John C. Williamson, 1725 K Street NW., Suite 1402, Washington, D.C. 20006.

B. Mortgage Insurance Cos. of America, 1725 K Street NW., Suite 1402, Washington, D.C. 20006.

D. (6) $2,700. E. (9) $54.

A. John C. Williamson, 1725 K Street NW., Suite 1402, Washington, D.C. 20006.

B. National Apartment Association, 1825 K Street NW., Washington, D.C. 20006.

D. (6) $1,200.

A. Peters Willson, Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.

B. Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $350.

A. Charles D. Wilson, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

E. (9) $26.75.

A. Witkowski, Weiner, McCaffrey & Brodsky, 1750 K Street NW., Suite 1130, Washington, D.C. 20006.

B. Coordinating Council on Manufactured Housing Finance, 1750 K Street NW., Suite 1130, Washington, D.C. 20006.

D. (6) $21,000.

A. Frank R. Wolf, 1901 North Moore Street, No. 804, Arlington, Va. 22209.

B. Gerber Products Co., 445 State Street, Fremont, Mich. 49412.

D. (6) $100. E. (9) $32.

A. Frank R. Wolf, 1901 North Moore Street, No. 804, Arlington, Va. 22209.

B. National Farm & Power Equipment Dealers Association, 10877 Watson Road, St. Louis, Mo. 63127.

A. Burton C. Wood, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

D. (6) $8,275. E. (9) $41,550.

A. Wilbur S. Wood, National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

B. National Rural Letter Carriers' Association, 1750 Pennsylvania Avenue NW., Washington, D.C.

E. (9) $3.50.

A. William E. Woods, National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.

B. National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.

D.(6) $750. E. (9) $150.

A. Dee Workman, 150 East 42d Street, New York, N.Y. 10017.

B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

D. (6) $625.

A. Steven M. Worth, 1425 K Street N.W, Suite 1000, Washington, D.C. 20005.

B. Hill & Knowlton, Inc., 1425 K Street NW., Suite 1000, Washington, D.C. 20005.

A. Wyatt & Saltzstein, 1725 DeSales Street NW., Washington, D.C.

B. American Business Press, Inc., 205 East 42d Street, New York N.Y. 10017.

D. (6) $2,687.50.

A. Jack Yelverton, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.

B. Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.

A. Michael D. Zagata, 18721 Paprika Court, Germantown, Md. 20767.

B. National Audubon Society, 950 Third Avenue, New York, N.Y. 10022.

D. (6) $8,502.09. E. (9) $1,123.47.

A. Barry W. Zander, 6113 Amhurst Street, Metairie, La. 70003.

B. Southern Forest Products Association. P.O. Box 52468, New Orleans, La. 70152.

D. (6) $5,547.36.

A. Edison R. Zayas, National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.

B. National Federation of Independent Business, 490 L'Enfant Plaza East SW., Suite 3206, Washington, D.C. 20024.

A. Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $1,302. E. (9) $2,698.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.

B. Confederated Tribes of the Colville Indian Reservation, P.O. Box 150, Nespelem, Wash. 99155.

D. (6) $139.20. E. (9) $5.67.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.

B. Lummi Tribe of Indians, 2616 Kwina Road, Bellingham, Wash. 98225.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.

B. Makah Indian Tribe, P.O. Box 115, Neah Bay, Wash. 98357.

D. (6) $16.80. E. (9) $1.12.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.

B. Metlakatla Indian Community, P.O. Box 8. Metlakatla, Alaska 99926.

D. (6) $19.20. E. (9) $1.13.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.

B. Northern Cheyenne Indian Tribe, P.O. Box 128, Lame Deer, Mont. 59043.

D. (6) $1,717.20. E. (9) $695.48.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.

B. Quileute Indian Tribe, P.O. Box 279, La Push, Wash. 98350.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.

B. Suquamish Indian Tribe, P.O. Box 556, Suquamish, Wash. 98392.

A. Ziontz, Pirtle, Morisset, Ernstoff & Chestnut, 208 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.

B. Tulalip Indian Tribe, 6700 Totem Beach Road, Marysville, Wash. 98270.

A. Zoological Action Committee, 1320 19th Street NW., Suite 400, Washington, D.C. 20036.

D. (6) $341.24. E. (9) $151.63.

A. Paul G. Zurkowski, 316 Pennsylvania Avenue SE., No. 502, Washington, D.C. 20003.

B. Information Industry Association, 316 Pennsylvania Avenue SE., No. 502, Washington, D.C. 20003.

D. (6) $500. E. (9) $322.

A. Daniel I. Zwick, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

D. (6) $344.61.

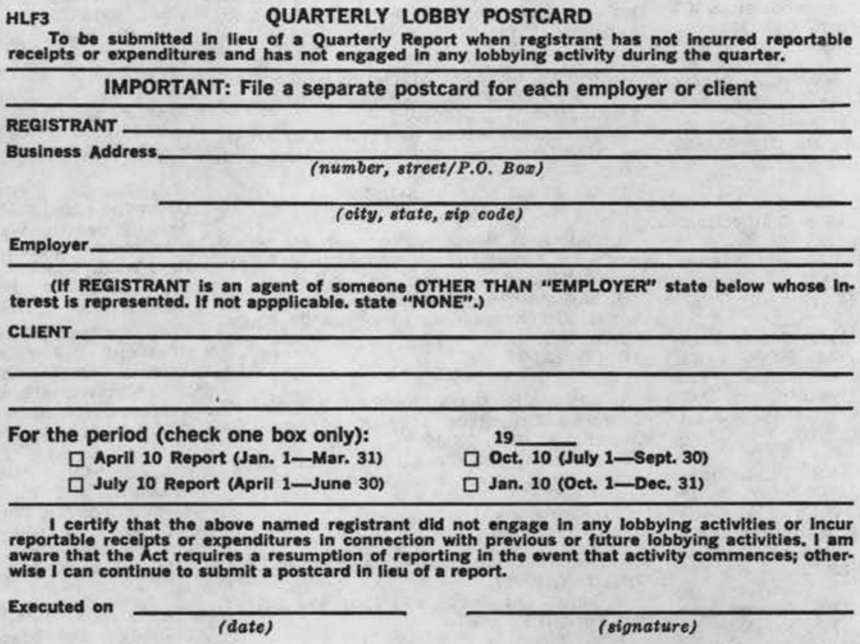
QUARTERLY LOBBY POSTCARD

The following Quarterly Lobby Postcards were filed with the Clerk of the House of Representatives for the second calendar quarter of 1979:

A POSTCARD MAY BE USED WHEN A REGISTRANT HAS NOT INCURRED REPORTABLE RECEIPTS AND EXPENDITURES AND HAS NOT ENGAGED IN ANY LOBBYING ACTIVITY DURING THE QUARTER.

NOTE: THE FOLLOWING INFORMATION IS BEING PROVIDED FOR INFORMATIONAL PURPOSES ONLY.

The Postcard has been reproduced below:



HLF3

QUARTERLY LOBBY POSTCARD

To be submitted in lieu of a Quarterly Report when registrant has not incurred reportable receipts or expenditures and has not engaged in any lobbying activity during the quarter.

IMPORTANT: File a separate postcard for each employer or client

REGISTRANT ______________________________

Business Address ______________________________

(number, street/P.O. Box)

____

(city, state, zip code)

Employer ______________________________

(If REGISTRANT is an agent of someone OTHER THAN "EMPLOYER" state below whose interest is represented. If not appplicable. state "NONE".)

CLIENT ______________________________

For the period (check one box only): 19____

☐ April 10 Report (Jan. 1—Mar. 31) ☐ Oct. 10 (July 1—Sept. 30)

☐ July 10 Report (April 1—June 30) ☐ Jan. 10 (Oct. 1—Dec. 31)

I certify that the above named registrant did not engage in any lobbying activities or incur reportable receipts or expenditures in connection with previous or future lobbying activities. I am aware that the Act requires a resumption of reporting in the event that activity commences; otherwise I can continue to submit a postcard in lieu of a report.

Executed on ______________ *(date)* ______________ *(signature)*

A. John J. Adams.
B. Ethyl Corp.

A. John J. Adams.
B. Virginia Electric & Power Co.

A. Gerald B. Adcock.
B. Joint Council on International Childrens Services from North America.

A. V. J. Adduci.
B. Motor Vehicle Manufacturers Association of the United States.

A. G. Colburn Aker.
B. Hill and Knowlton, Inc.

A. Alaska Fund, Inc.

A. Robert D. Allen.
B. Bechtel Power Corp.

A. Amalgamated Transit Union, AFL-CIO.

A. Amalgamated Transit Union, National Capital Local 689.

A. American Association of Blood Banks.

A. American Frozen Food Institute.

A. American Pulpwood Association.

A. American Radio Relay League, Inc.

A. American Seed Trade Association.

A. M. Kent Anderson.
B. The Trane Co.

A. Jack R. Angell.
B. United Gas Pipe Line Co.

A. Tobias Anthony.
B. Research-Cottrell, Inc.

A. John D. Aquilino, Jr.
B. National Rifle Association Institute for Legislative Action.

A. John Christian Archer.
B. Brown & Root, Inc.

A. Arent, Fox, Kintner, Plotkin & Kahn.
B. Automotive Filter Manufacturers Council.

A. Associated Employers, Inc.

A. Association of Government Accountants.

A. Association of Independent Corrugated Converters.

A. George J. Aste.
B. United Airlines.

A. Frank M. Ault.
B. Norwich-Eaton Pharmaceuticals.

A. John D. Austin.
B. American Mining Congress.

A. Automobile Filter Manufacturers Council.

A. Baker & Daniels.
B. Coalition for Safe Drinking Water.

A. Richard L. Baldwin.
B. American Radio Relay League, Inc.

A. Ballard, Spahr, Andrews & Ingersoll.
B. Idaho Housing Agency.

A. John H. Barnard, Jr.
B. Bechtel Power Corp.

A. Barrett Smith Schapiro Simon & Armstrong.
B. New York Cocoa Exchange, Inc.; New York Cocoa Clearing Association, Inc.

A. Barrett Smith Schapiro Simon & Armstrong.
B. New York Coffee and Sugar Exchange, Inc.; New York Cocoa Clearing Association, Inc.

A. Barrett Smith Schapiro Simon & Armstrong.
B. New York State Urban Development Corp.

A. Thea Rossi Barron.
B. Italian-American Forum.

A. Lucius D. Battle.
B. Communications Sattelite Corp.

A. Lynne D. Battle.
B. College Placement Council, Inc.

A. Karen J. Bauer.
B. American Paper Institute, Inc.

A. E. Richard Beckman.
B. E. R. Beckman & Associates.

A. James Beizer.
B. American Mining Congress.

A. Douglas P. Bennett.
B. Association of Executive Recruiting Consultants.

A. James M. Bennett.
B. Jos. Schlitz Brewing Co.

A. Rebecca Jane Berg.
B. Brown & Root, Inc.

A. O. M. Berge.
B. Brotherhood of Maintenance of Way Employes.

A. Richard B. Berman.
B. Steak and Ale Restaurants of America, Inc.

A. George K. Bernstein.
B. Crum & Forster Insurance Cos.

A. Berry, Epstein, Sandstrom & Blatchford.
B. Orkin Exterminating.

A. Beveridge, Fairbanks & Diamond.
B. New England Fish Co.

A. Walter J. Bierwagen.
B. Amalgamated Transit Union, AFL-CIO.

A. Billig, Sher & Jones.
B. Adherence Group.

A. Robert J. Bird.
B. Occidental Life Insurance Co.

A. Robert J. Bird.
B. Paul Revere Corp.

A. Robert J. Bird.
B. Zachry, Inc.

A. Larry H. Blanchard.
B. Credit Union Financial Services, Inc.

A. Robert W. Blanchette.
B. Board of Trade Clearing Corp.

A. Jerald Blizin.
B. Hill and Knowlton, Inc.

A. Jeffrey W. Bolotin.
B. Alston, Miller & Gaines (for Electro Signal Lab, Inc.).

A. Jeffrey W. Bolotin.
B. Alston, Miller & Gaines (for: RCA Global Communications, Inc.).

A. M. Warren Bolton.
B. Provident Indemnity Life Insurance Co.

A. Rodney A. Bower.
B. International Federation of Professional and Technical Engineers, AFL-CIO/CLC.

A. Boyden, Kennedy, Romney & Owens.
B. Zuni Indian Tribe.

A. Stuart J. Brahs.
B. American Council of Life Insurance, Inc.

A. David C. Branand.
B. American Mining Congress.

A. John Henry Brebbia.
B. Board of Trade Clearing Corp.

A. Miles H. Bressee, Jr.
B. Bechtel Power Corp.

A. John B. Brewer.
B. American Movers Conference.

A. Jeffrey M. Bricker.
B. Fallek Chemical Corp.

A. Howard C. Brown, Jr.
B. Centar Associates.

A. Howard C. Brown, Jr.
B. National Association of Life Sciences.

A. Jesse B. Brown.
B. Potomac Electric Power Co.

A. Law firm of Jon T. Brown.
B. Louisville & Nashville Railroad Co.

A. Michael F. Brown.
B. E. I. du Pont de Nemours & Co., Inc.

A. Stanley R. Browne.
B. E. I. du Pont de Nemours & Co., Inc.

A. Brownstein, Ziedman & Schomer.
B. Mortgage Guaranty Insurance Corp.

A. Brownstein, Ziedman & Schomer.
B. New York State Urban Development Corp.

A. Harvey F. Brush.
B. Bechtel Inc.

A. Philip W. Buchen.
B. Dewey, Ballantine, Bushby, Palmer & Wood (for Stewart Capital Corp.).

A. Lawrence E. Burch.
B. Potato Chip/Snack Food Association.

A. John L. Burke, Jr.
B. Arent, Fox, Kintner, Plotfiin & Kahn (for Automotive Filter Manufacturers Council).

A. J. Bruce Burkland.
B. American Bakers Association.

A. Edward G. Burton.
B. Burr, Pease and Kurtz, Inc.

A. Thomas D. Byrne.
B. Alton Box Board Co.

A. Cadwalader, Wickersham & Taft.
B. Associated Metals & Mineral Corp.

A. Jerry L. Campbell.
B. Tennessee Valley Public Power Association.

A. Paul W. Cane.
B. Bechtel Power Corp.

A. Charles E. Capron.

A. Isaac R. Caraco.
B. Bechtel Power Corp.

A. Michael H. Cardozo.

A. Charles C. Carella.
B. Wagner Electric Corp.

A. Casey, Lane & Mittendorf.
B. Slurry Transport Association.

A. Jim Casey.
B. Belle Fourche Irrigation District.

A. Jim Casey.
B. Garrison Diversion Conservancy District.

A. John Casey.
B. Scudder Stevens & Clark (for Investment Counsel Association of America, Inc.).

A. Allen R. Caskie.
B. American Council of Life Insurance Inc.

A. Daniel J. Cassidy.
B. Chemical Specialties Manufacturers Association.

A. Rita L. Castle.
B. Caterpillar Tractor Co.

A. Henry Chajet.
B. American Mining Congress.

A. John E. Chapoton.
B. Vinson & Elkins (for Belco Petroleum Corp.).

A. John E. Chapoton.
B. Vinson & Elkins (for Lone Star Steel Co.).

A. John E. Chapoton.
B. Vinson & Elkins (for Petroleum Equipment Suppliers Association).

A. John E. Chapoto.
B. Vinson & Elkins (for Quintana Petroleum Corp.).

A. Seymour M. Chase.
B. AST Co.

A. Jane Cheever.
B. First National Boston Corp.

A. Alan Chenkin.

A. Howard P. Chester.
B. Stone, Glass & Clay Coordinating Committee.

A. Children's Television Workshop.

A. Donald T. Chunn.
B. Title Associates, Inc.

A. Bob Clark & Associates.
B. Ryder System, Inc.

A. Gilbert Clark.
B. American Association of Blood Banks.

A. Jean Marshall Clarke.
B. National Organization for Women.

A. Willam E. Clarken.
B. International Council of Airshows.

A. Clay Pipe Industry Depletion Committee.

A. Earle C. Clements.
B. Tobacco Institute, Inc.

A. Cleveland Electric Illuminating Co.

A. Coalition of Concerned Charities.

A. Robert T. Cole.
B. Cole, Corette & Bradfield (for Chase Manhattan Bank, N.A.).

A. Robert T. Cole.
B. Cole, Corette & Bradfield (for American Express Co.).

A. Collier, Shannon, Rill, Edwards & Scott.
B. Allegheny Ludlum, Inc.

A. Collier, Shannon, Rill, Edwards & Scott.
B. American Cylinder Manufacturers Committee.

A. Collier, Shannon, Rill, Edwards & Scott.
B. American Footwear Industries Association, Inc.

A. Collier, Shannon, Rill, Edwards & Scott.
B. Bicycle Manufacturers Association of America, Inc.

A. Collier, Shannon, Rill, Edwards & Scott.
B. Can Manufacturers Institute.

A. Collier, Shannon, Rill, Edwards & Scott.
B. National Broiler Council.

A. Collier, Shannon, Rill, Edwards & Scott.
B. Republic of China.

A. Collier, Shannon, Rill, Edwards & Scott.
B. Society of Independent Gasoline Marketers of America.

A. Colorado Railroad Association.

A. Richard Colvin.
B. Prisoners of Indiana State.

A. James T. Conner.
B. Mobay Chemical Corp.

A. Kenneth Cook.
B. Management Assistance, Inc.

A. Alfred C. Cordon.
B. Buffalo Broadcasting Co., Inc.

A. Samuel C. Corey.
B. Provident Indemnity Life Insurance Co.

A. Samuel C. Corey Jr.
B. Provident Indemnity Life Insurance Co.

A. Bennett J. Corn.
B. Coffee, Sugar & Cocoa Exchange, Inc.

A. Cosmetic, Toiletry & Fragrance Association.

A. Daniel T. Coughlin.
B. Jos. Schlitz Brewing Co.

A. Raymond L. Courage and Mark B. Sullivan.
B. Carl Byoir & Associates, Inc. (for Railway Progress Institute Tank Car Safety Commission).

A. Bobby E. Crow.
B. Columbia Gulf Transmission Co.

A. Crowell & Moring.
B. Associated Gas Distributors.

A. Everett E. Cutter.
B. Oregon Railroad Association.

A. Damon Corp.

A. John E. Daniel.
B. American Paper Institute.

A. David S. Danielson.
B. American Optometric Association.

A. Danzansky, Dickey, Tydings, Quint & Gordon.
B. Government of Antigua.

A. Danzansky, Dickey, Tydings, Quint & Gordon.
B. Japan Atomic Industrial Forum.

A. Stephen I. Danzansky.
B. Danzansky, Dickey, Tydings, Quint & Gordon (for Government of Antigua).

A. Joseph Dauksys.
B. Rubber Manufacturers Association.

A. Gary W. Davis.
B. Pennsylvania State Education Association.

A. George R. Davis.
B. Amalgamated Transit Union, National Capital Local 689.

A. J. Edward Day.
B. Associated Third Class Mail Users.

A. Gaston de Bearn.
B. Hoffmann-La Roche, Inc.

A. Winston M. Decker.
B. Association of American Veterinary Medical Colleges.

A. DeHart Associates, Inc.
B. University of New Mexico.

A. DeKalb AgResearch.

A. Stephen M. Delamater.
B. Halliburton Co.

A. John L. Delano.
B. Montana Railroad Association.

A. Delson and Gordon.
B. Management Assistance, Inc.

A. Bradford T. Dempsey.

A. James T. Devine.
B. Bowling Proprietors' Association of America.

A. Dewey, Ballantine, Bushby, Palmer & Wood.
B. American Can Co.

A. Dickstein, Shapiro & Morin.
B. Atlantic Fisheries Association.

A. Dickstein, Shapiro & Morin.
B. Capeway Seafoods, Inc.

A. Dickstein, Shapiro & Morin.
B. Fass Brothers, Inc.

A. Dickstein, Shapiro & Morin.
B. Holstein-Fresion Association of America.

A. Dickstein, Shapiro & Morin.
B. International Brotherhood of Teamsters.

A. Dickstein, Shapiro & Morin.
B. Marine Engineers Beneficial Association.

A. Dickstein, Shapiro & Morin.
B. Tennessee Gas Transmission Co.

A. Dickstein, Shapiro & Morin.
B. United States Tour Operators Association.

A. Mortimer A. Dittenhofer.
B. Association of Government Accountants.

A. Doctors for Equal Rights Amendment.

A. William D. D'Onofrio.
B. National Association for Neighborhood Schools, Inc.

A. William D. D'Onofrio.
B. Positive Action Committee, Inc.

A. Jack C. Donovan.
B. Cleveland Electric Illuminating Co.

A. H. Eugene Douglas.
B. Memorex Corp.

A. Harry L. Downey, Jr.
B. Firestone Tire & Rubber Co.

A. Anthony V. Dresden.
B. Hill & Knowlton, Inc.

A. Deborah Drudge.
B. Healthy America.

A. W. H. Drushel, Jr.
B. Vinson & Elkins (for Quintana Petroleum Corp).

A. W. H. Drushel, Jr.
B. Vinson & Elkins (for Quintana Refinery Co.).

A. Franklin B. Dryden.
B. Tobacco Institute.

A. Michael F. Duffy.
B. American Mining Congress.

A. Duncan, Weinberg, Palmer & Miller.
B. Delaware 5.

A. Duncan, Weinberg, Palmer & Miller.
B. East Bay Regional Park District.

A. Duncan, Weinberg, Palmer & Miller.
B. Iva May Harvey.

A. Duncan, Weinberg, Palmer & Miller.
B. Huron-Clinton.

A. Duncan, Weinberg, Palmer & Miller.
B. Kenai Natives Association, Inc.

A. Duncan, Weinberg, Palmer & Miller.
B. Adolph Kizas.

A. Duncan, Weinberg, Palmer & Miller.
B. Koniag, Inc.

A. Duncan, Weinberg, Palmer & Miller.
B. Mid-West Consumers.

A. Duncan, Weinberg, Palmer & Miller.
B. Western Fuels Association, Inc.

A. Mari Lee Dunn.
B. American Council for Capital Formation.

A. John H. Dunne.
B. International Federation of Professional & Technical Engineers, AFL-CIO/CLC.

A. Henry I. Dworshak.
B. American Mining Congress.

A. Eaton Associates.

A. Robert E. L. Eaton.
B. Eaton Associates.

A. Edelman International Corp.
B. Republic of Haiti/Embassy of Haiti.

A. V. Anne Edlund.
B. Motor Vehicle Manufacturers Association.

A. Jonathan W. Edwards.
B. Blue Ribbon Sports, Inc.

A. Jonathan W. Edwards.
B. Portland General Electric Co.

A. Timothy L. Elder.
B. Caterpillar Tractor Co.

A. Stephen W. Elliott.
B. Fidelity Union Trust Co.

A. Steven G. Ellis.
B. Burson-Marsteller (for Superior Ball Division, Lydall, Inc.)

A. J. C. B. Ehringhaus, Jr.
B. Tobacco Institute.

A. Ralph Engel.
B. Chemical Specialties Manufacturers Association.

A. Steven L. Engelberg.
B. American Association of Marriage and Family Therapy.

A. John R. Englehorn.
B. Texasgulf, Inc.

A. David C. Evans.
B. Brick Institute of America.

A. Joseph O. Evans.

A. O. Keister Evans.
B. Imported Hardwood Products Association.

A. George Falltrick.
B. Brotherhood of Railway & Airline Clerks.

A. Far West Ski Association.

A. Arthur S. Fefferman.
B. American Council of Life Insurance, Inc.

A. Welles Fendrich.
B. Research-Cottrell, Inc.

A. John L. Festa.
B. American Paper Institute, Inc.

A. Blaine Fielding.
B. American Paper Institute, Inc.

A. H. Barney Firestone.
B. Sullivan & Associates, Ltd. (for Assure Competitive Transportation Inc.).

A. First National Boston Corp.

A. Mary Clare Fitzgerald.
B. Chase Manhattan Bank, N.A.

A. C. D. Fleet.
B. N. B. Hunt.

A. Aaron I. Fleischman.
B. Fleischman & Walsh (for Cablecom-General, Inc.).

A. Aaron I. Fleischman.
B. Fleischman & Walsh (for Warner Cable Corp.).

A. Raymond J. Foley.
B. National Candy Wholesalers Association, Inc.

A. Gordon Forbes.
B. Minnesota Railroads Association.

A. John S. Forsythe.
B. American Council of Life Insurance, Inc.

A. C. Allen Foster.
B. Safari Club International.

A. Joseph L. Fraites.
B. Czarnikow-Rionda Co., Inc. (for Coffee, Sugar & Cocoa Exchange, Inc.).

A. George Franklin.
B. The Kellogg Co.

A. Robert E. Freer, Jr.
B. Kimberly-Clark Corp.

A. Fried, Frank, Harris, Shriver & Kampelman.
B. Cheyenne River Sioux Tribe.

A. Fried, Frank, Harris, Shriver & Kampelman.
B. Metlakatla Indian Community.

A. Fried, Frank, Harris, Shriver & Kampelman.
B. Rosebud Sioux Tribe.

A. Fried, Frank, Harris, Shriver & Kampelman.
B. Seneca Nation of Indians.

A. Gary R. Frink.
B. Radwaste Management Group.

A. Susan Frost.
B. Third Congressional District Committee (Pro-Life).

A. Edward W. Furia.
B. New England Fish Co.

A. Bob Garcia.
B. Winner Wagner & Associates, Inc. (for Southwest Flight Crew Association).

A. Gardner, Carton & Douglas.
B. Heizer Corp.

A. Gardner, Carton & Douglas.
B. Howard Mobile Village.

A. Gardner, Carton & Douglas.
B. Elmer W. Kneip.

A. Gardner, Carton & Douglas.
B. Sealed Power Corp.

A. Gardner, Carton & Douglas.
B. Small Producers for Energy Independence.

A. James J. Garry.
B. Christman Associates (for Coffee, Sugar & Cocoa Exchange, Inc.).

A. Donald H. Gerrish.
B. American Bakers Association.

A. William T. Gibb III.
B. American Council of Life Insurance, Inc.

A. William L. Gifford.
B. General Electric Co.

A. Arthur P. Gildea.
B. Brewery & Soft Drink Workers National Conference, I.B.T.

A. Claude Glaze.
B. Brotherhood of Railway & Airline Clerks.

A. John P. Gleason, Jr.
B. Brick Institute of America.

A. Thos. G. Godfrey.
B. Godfrey, Pfeil & Neshek (for Kikkoman Foods, Inc.).

A. Alan J. Goldenberg.
B. Trademark Commodities Co. (for Coffee, Sugar, & Cocoa Exchange, Inc.).

A. Alan I. Goldman.
B. Management Assistance, Inc.

A. William M. Goldstein.
B. Committee on Capital Formation Through Dividend Reinvestment.

A. Bruce G. Goodman.
B. Damon Corp.

A. Carl F. Graham.
B. Amway Corp.

A. Ruth P. Graves.
B. Reading Is Fundamental, Inc.

A. Robert Keith Gray.
B. Hill and Knowlton, Inc. (for Motorola).

A. Samuel A. Grayson.
B. Union Pacific Railroad.

A. Edward M. Green.
B. American Mining Congress.

A. Michael B. Green.
B. Montgomery Ward & Co., Inc.

A. Dale Greenwood.
B. Washington Railroad Association.

A. Roger F. Griffin.
B. Bechtel Power Corp.

A. Chester A. Groseclose, Jr.
B. South Dakota Railroads Association.

A. Thomas M. Gunn.
B. McDonnell Douglas Corp.

A. Maria Faller Gwaltney.
B. American Hellenic Institute Public Affairs Committee, Inc.

A. C. James Hackett.
B. American Plywood Association.

A. Craig Hackler.
B. National Living Centers.

A. Peter H. Hahn.

A. Martin Ryan Haley & Associates.
B. Agri-Business Inc.

A. Martin Ryan Haley & Associates.
B. Grain Products International, Inc.

A. Martin Ryan Haley & Associates.
B. M&M/Mars Division of Mars, Inc.

A. John B. Hallagan.
B. American Ivory Association.

A. Patricia Halpern.
B. National Health Federation.

A. Halt, Inc.

A. Jerald V. Halvorsen.
B. Allied-General Nuclear Services.

A. Erling Hansen.
B. Group Health Association of America, Inc.

A. Robert E. Harmon.
B. National Education Association.

A. Michael T. Harrigan.
B. U.S. Olympic Committee.

A. William C. Hart.
B. Columbia Gas System Service Corp.

A. Robert S. Hartman.
B. Hill & Knowlton, Inc.

A. David A. Hartquist.
B. United States Fastener Manufacturing Group.

A. Paul Hasse.
B. Halt, Inc.

A. Heavy Specialized Carriers Conference.

A. William H. Hecht.
B. Tobacco Institute.

A. Heinold Commodities.

A. Thomas R. Hendershot.
B. Obermayer, Rebmann, Maxwell & Hippel (for American Gas Association).

A. Thomas R. Hendershot.
B. Obermayer, Rebmann, Maxwell & Hippel (for American Society of Farm Managers and Rural Appraisers).

A. Thomas R. Hendershot.
B. Obermayer, Rebmann, Maxwell & Hippel (for National Customs Brokers and Forwarders Association of America, Inc.).

A. Thomas R. Hendershot.
B. Obermayer, Rebmann, Maxwell & Hippel (for Partnership Placements, Inc.).

A. C. Dayle Henington.
B. Chicago Mercantile Exchange.

A. Donald A. Henriksen.
B. Atlantic Richfield Co.

A. Kevin M. Higgins.
B. Avon Products, Inc.

A. John A. Hodges.
B. Peabody, Rivlin, Lambert and Meyers (for Tuna Research Foundation).

A. Robert L. Holding.
B. Association of Home Appliance Manufacturers.

A. Kelly Holley.
B. American Paper Institute, Inc.

A. Henry W. Holling.
B. Caterpillar Tractor Co.

A. Richard C. Holmquist.
B. American Mining Congress.

A. Gary Hong.
B. Group Health Association of America, Inc.

A. Fortescue W. Hopkins.
B. Graham-White Manufacturing Co.-Graham-White Sales Corp.

A. Michael Horowitz.
B. National Association of Coin Laundry Equipment Operators.

A. Thomas B. House.
B. American Frozen Food Institute.

A. Mary Greer Houston.
B. Wilson E. Hamilton & Associates, Inc. (for Farm Labor Research Committee).

A. C. T. Hoversten.
B. National Advertising Co.

A. Gary E. Hughes.
B. American Council of Life Insurance, Inc.

A. William E. Hughes, Jr.
B. Northeast Utilities Service Co.

A. Craig R. Hume.
B. Hill & Knowlton, Inc.

A. Frederick D. Hunt, Jr.
B. American Academy of Actuaries.

A. Lawrence H. Hunt, Jr.
B. Heinold Commodities, Inc.

A. Peter C. Hunt.
B. Brooklyn Union Gas Co.

A. John Edward Hurley.

A. John Edward Hurley.
B. National Association for Free Enterprise.

A. Bernard J. Imming.
B. United Fresh Fruit & Vegetable Association.

A. Independent U.S. Tanker Owners' Committee.

A. Nancy J. Ingalsbee.
B. Far West Ski Association.
A. G. Conley Ingram.
B. Alston, Miller & Gaines (for Board of Trade Clearing Corp.).

A. E. A. Jaenke & Associates.
B. Midcontinent Farmers Association.

A. Robert L. James.
B. BankAmerica Corp.

A. James C. Jennings.
B. Hill & Knowlton, Inc.

A. Donald A. Johnson.
B. Plains Cotton Growers, Inc.

A. H. Bradley Johnson.
B. American Mining Congress.

A. Spencer A. Johnson.
B. Paperboard Packaging Council.

A. James V. Jordan III.
B. Southern Natural Gas Co.

A. Ardon B. Judd, Jr.
B. Dresser Industries, Inc.

A. James N. Juliana.
B. Braniff International.

A. Richard T. Kaplar.
B. Motor Vehicle Manufacturers Association.

A. Linda Katz.
B. Chicago, Rock Island & Pacific Railroad Co.

A. Everett E. Kavanaugh.
B. Cosmetic, Toiletry & Fragrance Association, Inc.

A. Kaye, Scholer, Fierman, Hays & Handler.
B. Pfizer, Inc.

A. William J. Keating.
B. National Grain and Feed Association.

A. Robert C. Keeney.
B. United Fresh Fruit & Vegetable Association.

A. Donald W. Keller.

A. George J. Kelley.
B. Blue Cross and Blue Shield Associations.

A. Stephen G. Kellison.
B. American Academy of Actuaries.

A. Robert F. Kelly.
B. E. I. du Pont de Nemours & Co., Inc.

A. William T. Kendall.
B. Alliance for Free Enterprise.

A. Vytautas Kerbelis.
B. ARAS.

A. Robert M. Ketchel.
B. General Electric Co.

A. Richard F. Kibben.
B. Business Roundtable.

A. Edward J. Kiernan.
B. International Union of Police Associations.

A. Kikkoman Foods, Inc.

A. Edward King.
B. Walgreen Co.

A. G. Jack King.
B. Allegheny Airlines, Inc.

A. Roger P. Kingsley, Jr.
B. American Speech-Language-Hearing Association.

A. Francis L. Kinney.
B. Northeast Utilities Service Co.

A. Alan G. Kirk, II.
B. Potomac Electric Power Co.

A. Allie C. Kleinpeter, Jr.
B. Louisiana Bankers Association.

A. Jeffrey W. Knight.
B. Friends of the Earth.

A. John C. Knott.
B. Burlington Northern, Inc.

A. Philip M. Knox, Jr.
B. Sears, Roebuck and Co.

A. Horace Robinson Kornegay.
B. Tobacco Institute, Inc.

A. Charles B. Kornmann.
B. South Dakota Railroads Association.

A. Anthony L. Kucera.
B. American Waterways Operators, Inc.

A. M. J. Kuehne.
B. American Plywood Association.

A. Philip Kugler.
B. American Federation of Teachers.

A. Labor Bureau of Middle West.

A. David M. F. Lambert.
B. Jewish Employment Vocational Services.

A. Thomas M. Landin.
B. Smith Kline Corp.

A. Lawrence C. Laser.
B. Cities Service Co.

A. Glenn T. Lashley.
B. American Automobile Association.

A. Latham, Watkins & Hills.
B. National Association of Real Estate Investment Trusts, Inc.

A. Richard A. Leahy.
B. David L. Babson and Co., Inc. (for Investment Counsel Association of America).

A. LeBoeuf, Lamb, Leiby & MacRae.
B. Neratoom, B. V.

A. Robert B. Leflar.
B. Health Research Group.

A. Robert Leibner.
B. American Frozen Food Institute.

A. Leighton, Conklin and Lemov.
B. Adhesive and Sealant Council, Inc.

A. Leighton, Conklin and Lemov.
B. Agri International, Inc.

A. Leighton, Conklin and Lemov.
B. Alarm Industry Telecommunications Committee of the National Burglar and Fire Alarm Association.

A. Leighton, Conklin and Lemov.
B. American Association of Nurse Anesthetists.

A. Leighton, Conklin and Lemov.
B. American Dental Assistants Association.

A. Leighton, Conklin and Lemov.
B. American Express Co.

A. Leighton, Conklin and Lemov.
B. City and Regional Magazine Associates, Inc.

A. Leighton, Conklin and Lemov.
B. Clorox Co.

A. Leighton, Conklin and Lemov.
B. Delex International, Inc.

A. Leighton, Conklin and Lemov.
B. Development Healthcare & Wellness, Inc.

A. Leighton, Conklin and Lemov.
B. Family Practice Life & Health Action Research.

A. Leighton, Conklin and Lemov.
B. GEM Mailing, Inc.

A. Leighton, Conklin and Lemov.
B. Grocery Manufacturers of America, Inc.

A. Leighton, Conklin and Lemov.
B. Intraocular Lens Manufacturers Association.

A. Leighton, Conklin and Lemov.
B. Jet America International, Inc.

A. Leighton, Conklin and Lemov.
B. National Cable Television Association, Inc.

A. Leighton, Conklin and Lemov.
B. National Glass Dealers Association.

A. Leighton, Conklin and Lemov.
B. National Macaroni Manufacturers Association.

A. Leighton, Conklin and Lemov.
B. Security Associates, Inc.

A. Leighton, Conklin and Lemov.
B. TRT Telecommunications Corp.

A. Leighton, Conklin and Lemov.
B. Turner Broadcasting System, Inc.

A. Leighton, Conklin and Lemov.
B. Universal Medical Laboratories, Inc.

A. Leighton, Conklin and Lemov.
B. Whey Products Institute.

A. Richard Lesher.

B. Chamber of Commerce of the United States.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. Bulova Watch Co.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. Commerzbank Akteingesellschaft.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. Consolidated Edison Co. of New York, Inc.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. Eastern Gas and Fuel Association.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. General Cable Corp.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. Glass Packaging Institute.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. National Franchise Association Coalition.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. Union Investment GmbH.

A. James B. Liberman.
B. Public Service Electric and Gas Co., et al.

A. Law offices of John F. Lillard III.
B. American Solar Energy Association.

A. Law offices of John F. Lillard III.
B. National Insulators Association.

A. Theodore M. Littman.
B. Rockwell International.

A. Harold D. Loden.
B. American Seed Trade Association.

A. Nils A. Lofgren.
B. Motor Vehicle Manufacturers Association.

A. Robert C. Lower.
B. Board of Trade Clearing Corp.

A. James E. Lyons.
B. International Federation of Professional & Technical Engineers, AFL-CIO/CLC.

A. Douglas E. MacArthur.
B. Zantop International Airlines.

A. James E. Mack.
B. National Association of Mirror Manufacturers.

A. James E. Mack.
B. Peanut Butter and Nut Processors Association.

A. Curtis T. Mackey.
B. National Insulation Contractors Association.

A. Lee G. Magnussen.
B. Heinold Commodites, Inc.

A. Management Assistance, Inc.

A. Dan V. Maroney, Jr.
B. Amalgamated Transit Union, AFL-CIO.

A. Chalmers H. Marquis.
B. Agency for Instructional Television.

A. Chalmers H. Marquis.
B. Children's Television Workshop.

A. E. C. Marty.

A. J. L. Marty.

A. Mike M. Masaoka.
B. American Japanese Trade Committee.

A. Mike M. Masaoka.
B. Nisei Lobby.

A. Paul J. Mason.
B. American Council of Life Insurance, Inc.

A. William F. Massmann.
B. Dr. Pepper Co.

A. Joanne E. Mattiace.
B. Sears, Roebuck and Co.

A. C. V. & R. V. Maudlin.
B. Georgia Power Co.

A. C. V. & R. V. Maudlin.
B. Joint Government Liaison Committee.

A. Douglas E. McAllister.
B. American Mining Congress.

A. Michael J. McCabe.
B. Allstate Enterprises, Inc.

A. Michael J. McCabe.
B. Allstate Insurance Co.

A. John A. McCahill.
B. U.S. Olympic Committee.

A. A. R. McCammon.
B. Tennessee Railroad Association.

A. Carolyn Kim McCarthy.
B. National Association of Realtors.

A. Robert S. McConnaughey.
B. American Council of Life Insurance, Inc.

A. Robert E. McCoy.
B. Exxon Corp.

A. Marianne McDemott.
B. Hill and Knowlton, Inc.

A. Darryl D. McEwen.
B. Society of American Florists.

A. Stanley J. McFarland.
B. National Education Association.

A. James M. McGarry, Jr.
B. Eaton Associates.

A. Ruth G. McGill.
B. Doctors for Equal Rights Amendment.

A. William F. McKenna.
B. Silver, Freedman, Housley, Taff & Goldberg.

A. Robert E. McVicker.
B. Kollsman Instrument Co.

A. Ronald E. McWilliams.
B. Boeing Co.

A. Gil Meisgeier.
B. National Franchise Association Coalition.

A. R. Otto, Meletzke.
B. American Council of Life Insurance, Inc.

A. Memorex Corp.

A. Milton E. Meyer, Jr.
B. Colorado Bar Association.

A. Joy Midman.
B. National Association of Private Psychiatric Hospitals.

A. Luman G. Miller.
B. Oregon Railroad Association.

A. Paul J. Miller.
B. Sonnenschein, Carlin, et al. (for Investment Counsel Association of America, Inc.).

A. R. Eric Miller.
B. Bechtel Corp.

A. Glenn W. Million.
B. Disabled Officers Association.

A. Richard V. Minck.
B. American Council of Life Insurance, Inc.

A. Charles W. Mitchell.
B. Wills & Associates, Inc. (for Americans for Alaska).

A. Theodore R. Mitchell.
B. Micronesian Legal Services Corp.

A. Stacey J. Mobley.
B. E. I. du Pont de Nemours & Co.

A. Herman J. Molzahn.
B. American Waterways Operators, Inc.

A. Moore McCormack Resources, Inc.

A. Roger Owen Moore.
B. Five Freedoms, Inc.

A. E. Joyce Morgan.
B. American Mining Congress.

A. Earl J. Morgan.
B. McDonnell Douglas Corp.

A. Victor G. Morris.
B. Montgomery Ward & Co., Inc.

A. Helen Dubino Morrison.
B. Hill & Knowlton, Inc. (for Distilled Spirits Council of the United States, Inc.).

A. James Mular.
B. Brotherhood of Railway & Airline Clerks.

A. Robert M. Mulligan.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation.

A. James J. Murphy.
B. Laclede Gas Co.

A. Margaret R. Murray.
B. Schnittker Associates (for DeKalb Ag-Research).

A. Margaret R. Murray.
B. Schnittker Associates (for Heinold Commodities).

A. Law offices of Timothy D. Naegele.
B. BayBanks, Inc.

A. National Alliance of Teenagers, Inc.

A. National Association for Free Enterprise.

A. National Broiler Council.

A. National Council for a Responsible Firearms Policy.

A. National Small Business Index.

A. Lloyd A. Nelson.
B. Fellowship Square Foundation, Inc.

A. Mark D. Nelson.
B. E. I. du Pont de Nemours & Co.

A. Milton E. Neshek.
B. Godfrey, Pfeil & Neshek (for Kikkoman Foods, Inc.).

A. Victor L. Nutt.
B. Gulf & Western Industries, Inc.

A. George O'Brea, Jr.
B. United Paperworkers International Union.

A. Mary Eileen O'Brien.
B. Dow Corning Corp.

A. O'Connor & Hannan.
B. American Public Transit Association.

A. O'Connor & Hannan.
B. Automotive Parts & Accessories Association, Inc.

A. O'Connor & Hannan.
B. City of Minneapolis, Minn.

A. O'Connor & Hannan.
B. Commonwealth of Puerto Rico.

A. O'Connor & Hannan.
B. Hennepin County, Minn.

A. O'Connor & Hannan.
B. Investors Diversified Services, Inc.

A. Ashton J. O'Donnell.
B. Bechtel, Inc.

A. Alvin E. Oliver.
B. National Grain and Feed Association.

A. Van R. Olsen.
B. U.S. Beet Sugar Association.

A. Paperboard Packaging Council.

A. Larry E. Paulick.
B. National Swimming Pool Institute.

A. Beth Peacock.
B. General Foods.

A. Pendleton & McLaughlin.
B. Cooked & Canned Meat Importers.

A. Pepper, Hamilton & Scheetz.
B. Coalition of Concerned Charities.

A. Victor J. Perini, Jr.
B. Highway Users Federation for Safety & Mobility.

A. Bert Perrigan.
B. Brotherhood of Railway & Airline Clerks.

A. Ilbert Phillips.
B. American Council of Life Insurance, Inc.

A. Stuart F. Pierson.
B. Verner, Liipfert, Bernhard & McPherson (for Pan Am, LTV, Consolidated Freightways, Overnite, Trailways, Airline of Portugal, Finnair, Commonwealth of Puerto Rico, Puyallup Indians, Northwest Indian Fisheries Committee).

A. Ronald L. Platt.
B. Burger King Corp.

A. E. Rogers Pleasants.
B. E. I. du Pont de Nemours & Co., Inc.

A. E. A. Potter.
B. NCR Corp.

A. James B. Potter, Jr.
B. American Waterways Operators, Inc.

A. Richard M. Powell.
B. International Association of Refrigerated Warehouses.

A. Prather, Seeger, Doolittle & Farmer.
B. Boyd Lumber Corp.

A. James T. Prendergast.
B. Staff Builders, Inc.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher.
B. Moore McCormack Resources.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher.
B. Seatrain Lines, Inc.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher.
B. Tennessee Gas Pipeline Co.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher.
B. 13th Regional Corp.

A. Preston, Thorgrimson, Ellis, Holman & Fletcher.
B. Washington Natural Gas.

A. Earle W. Putnam.
B. Amalgamated Transit Union.

A. William A. Quinlan.
B. Retail Bakers of America.

A. B. P. Rauwerda.
B. Neratoom, B. V.

A. Julian O. Read.

B. Read-Poland, Inc. (for Central and South West Corp.)

A. Reading Is Fundamental, Inc.

A. Paul Reiber.
B. International Air Leases, Inc.

A. Charlotte T. Reid.
B. Motorola.

A. Harry O. Reinsch.
B. Bechtel Power Corp.

A. Murray P. Reiser.
B. Edward Blankstein, Inc.

A. W. W. Renfroe.
B. Kentucky Railroad Association.

A. Research-Cottrell, Inc.

A. Austin T. Rhoads.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation.

A. Lloyd C. Richardson, Jr.
B. South Dakota Railroads Association.

A. James E. Ritchie.
B. National Association of Off Track Betting.

A. Stark Ritchie.
B. American Petroleum Institute.

A. Robinson, Silverman, Pearce, Aronsohn & Berman.
B. National Realty Committee, Inc.

A. Rogers & Wells.
B. F&M Schaefer Corp.

A. Rogers & Wells.
B. A. Johnson & Co., Inc.

A. Rogers & Wells.
B. Overseas Shipholding Group.

A. Rogers & Wells.
B. Squibb Corp.

A. Rogers & Wells.
B. Teachers Insurance & Annuity Association/CREF.

A. Rogers & Wells.
B. Twentieth Century Fox Film Corp.

A. Kenneth S. Rolston, Jr.
B. American Pulpwood Association.

A. Nicholas Roomy, Jr.
B. Appalachian Power Co.

A. John W. Rowland.
B. Amalgamated Transit Union, AFL-CIO.

A. George S. Royal.
B. American Movers Conference.

A. Eric M. Rubin.
B. Outdoor Advertising Association of America.

A. Perry A. Russ.
B. Society of American Florists.

A. Herbert Y. Schandler.
B. American League for Exports & Security Assistance, Inc.

A. Dale E. Schell.
B. GATX Corp.

A. Andrew A. Scholtz.
B. Scholtz & Co., Inc. (for Coffee, Sugar & Cocoa Exchange, Inc.).

A. Seatrain Lines, Inc.

A. Seyfarth, Shaw, Fairweather & Geraldson.
B. Dresser Industries, Inc.

A. Seyfarth, Shaw, Fairweather & Geraldson.
B. Trans-Union Corp.

A. James Shaw.
B. Brotherhood of Railway & Airline Clerks.

A. Shaw, Pittman, Potts & Trowbridge.
B. Institute of Foreign Bankers.

A. Shea & Gould.
B. New Zealand Wool Board.

A. Michael S. Sher.
B. National Alliance of Teenagers, Inc.

A. Seymour Sheriff.
B. Man-Made Fiber Producers Association, Inc.

A. Russell L. Shipley, Jr.
B. National Candy Wholesalers Association, Inc.

A. James K. Shiver.
B. Hughes, Sears & Shiver, Inc. (for Diamond Shamrock Corp.).

A. I. Frederick Shotkin.
B. Management Assistance, Inc.

A. A. Z. Shows & Co.

A. Karen Sikkema.
B. Union Oil Co. of California.

A. Silver, Freedman, Housley, Taff & Goldberg.

A. Sixth Pro-Life Congressional Action Committee.

A. Robert Wm. Smith.
B. Railway Progress Institute.

A. William H. Smith.
B. American Bankers Association.

A. Carl A. Soderblom.
B. Nevada Railroad Association (for Southern Pacific Transportation Co. and Western Pacific Railroad Co.).

A. Sonosky, Chambers & Sachse.
B. Seminole Indian Tribe of Florida.

A. Sonosky, Chambers & Sachse.
B. Sioux Nation.

A. Mary Sophos.
B. National Food Processors Association.

A. South Dakota Railroads Association.

A. Southwest Homefurnishings Association.

A. Larry M. Speakes.
B. Hill and Knowlton.

A. John F. Speer, Jr.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation.

A. William C. Spence.
B. Columbia Gulf Transmission Co.

A. Squire, Sanders & Dempsey.
B. American Chamber of Commerce in Italy, Inc.

A. Squire, Sanders & Dempsey.
B. American Chamber of Commerce in Spain, Inc.

A. Squire, Sanders & Dempsey.
B. Association of American Chambers of Commerce—European and Mediterranean.

A. Staff Builders, Inc.

A. State and Federal Associates, Inc.
B. National Association of Convenience Stores.

A. State and Federal Associates, Inc.
B. Potato Chip/Snack Food Association.

A. Foy N. Staten.
B. Bethlehem Steel Corp.

A. Charles D. Statton.
B. Bechtel Power Corp.

A. Samuel E. Stavisky.
B. Samuel E. Stavisky & Associates, Inc. (for Broadcast Music, Inc.).

A. Leon P. Stavrou.
B. American Hellenic Institute Public Affairs Committee, Inc.

A. Randolph J. Stayin.
B. Taft, Stettinius & Hollister (for American Hospital Association).

A. Eugene H. Stearns.
B. American Petroleum Institute.

A. John L. Steele.
B. Time, Inc.

A. David J. Steinberg.
B. National Council for a Responsible Firearms Policy.

A. John W. Stillwaggon.
B. Shearson Hayden Stone (for Coffee, Sugar & Cocoa Exchange, Inc.).

A. Edward W. Stimpson.
B. General Aviation Manufacturers Association, Inc.

A. B. R. Stokes.
B. American Public Transit Association.

A. O. R. Strackbein.
B. International Allied Printing Trades Association.

A. John H. Stroh.
B. Taylor Group, Inc.

A. Roger J. Stroh.
B. United Fresh Fruit & Vegetable Association.

A. Sullivan & Cromwell.
B. INCO, Ltd.

A. Daniel C. Sullivan.
B. Sullivan & Associates, Ltd. (for Assure Competitive Transportation, Inc.).

A. John R. Sweeney.
B. Bethlehem Steel Corp.

A. Texas Students for Political Activity.

A. 32d Congressional District Action Committee.

A. John W. Thomas.
B. American Veterinary Medical Association.

A. John W. Thomas.
B. Association of American Veterinary Medical College.

A. Robert Thomas.
B. National Association of Private Psychiatric Hospitals.

A. Paul J. Tierney.
B. Transportation Association of America.

A. Title Associates, Inc.

A. C. Richard Titus.
B. American Paper Institute, Inc.

A. H. Willis Tobler.
B. E. A. Jaenke & Associates.

A. Thomas J. Touhey.
B. Sullivan & Beauregard (for A.R.F. Products, Inc.).

A. Jay Charles Townley.
B. Schwinn Bicycle Co.

A. Transportation Association of America.

A. Philip J. Tulimieri, Jr.
B. Avon Products, Inc.

A. 23d Congressional District Action Committee.

A. Stewart L. Udall.
B. Foothills Pipe Lines (Yukon) Ltd.

A. Mathew Valenice.
B. Halt, Inc.

A. Nicholas L. Van Nelson.
B. American Paper Institute, Inc.

A. Jerry T. Verkler.
B. Texas Eastern Transmission Corp.

A. C. John Vermilye.
B. United States Steel Corp.

A. Verner, Liipfert, Bernhard & McPherson.
B. Hellenic Republic of Greece.

A. R. Eric Vigé.
B. Cities Service Co.

A. Ellen M. Vollinger.
B. Full Employment Action Council.

A. Ethan J. Wagner.
B. Winner/Wagner & Associates, Inc. (for Rockwell International).

A. Herbert R. Waite.
B. First National Boston Corp.

A. Wakefield Washington Associates, Inc.
B. National Distillers and Chemical Corp.

A. Wald, Harkrader & Ross.
B. Chemtex Fibers, Inc.

A. Linda Walker-Hill.
B. Hill and Knowlton.

A. Warren W. Walkley.
B. General Electric Co.

A. Raymond C. Wallace.
B. Amalgamated Transit Union, AFL-CIO.

A. Bonnie B. Wan.
B. Montgomery Ward & Co., Inc.

A. James Wanko.
B. Society of American Florists.

A. Alan S. Ward.
B. Baker & Hostetler (for The Soap and Detergent Association).

A. Robert B. Washington, Jr.
B. Danzansky, Dickey, Tydings, Quint & Gordon (for Government of Antigua).

A. George B. Watts.
B. National Broiler Council.

A. Webster & Chamberlain.
B. Families Associated for Inalienable Rights, Inc.

A. Webster & Chamberlain.
B. National Club Association.

A. Webster & Chamberlain.
B. National Sporting Goods Association.

A. Thomas F. Wenning.
B. Bison and Wenning (for National Association of Retail Grocers of the United States).

A. Thomas F. Wenning.
B. Bison and Wenning (for National Food Brokers Association).

A. Erskine N. White, Jr.
B. Textron, Inc.

A. Bryan Whitehead.
B. Brotherhood of Railway & Airline Clerks.

A. Louis M. Whitlock.
B. Beker Industries Corp.

A. Richard J. Wiechmann.
B. American Paper Institute, Inc.

A. Robert E. Williams.
B. United Airlines.

A. Wilmer, Cutler & Pickering.
B. Dealer Bank Association.

A. Wilmer, Cutler & Pickering.
B. Morgan Guaranty Trust Co.

A. Wilmer, Cutler & Pickering.
B. Motor Vehicle Manufacturers Association of the United States, Inc.

A. Wilmer, Cutler & Pickering.
B. National Corporation for Housing Partnerships.

A. Allen W. Wills.
B. Memorex Corp.

A. Dorothy R. Wilson.
B. Coalition of Concerned Charities.

A. James E. Wilson, Jr.
B. McDonnell Douglas Corp.

A. James R. Winnie.
B. Cities Service Gas Co.

A. Curtin Winsor, Jr.
B. Alliance for Free Enterprise.

A. Richard F. Witherall.
B. Colorado Railroad Association.

A. Glenn P. Witte.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation.

A. Steven M. Worth.
B. Hill and Knowlton, Inc.

A. Frederick S. Wyle.
B. Law of the Sea Delegation of the Congress of Micronesia.

A. Philip F. Zeidman.
B. International Foodservice Manufacturers Association.

A. Philip F. Zeidman.
B. International Franchise Association.

A. John J. Zimmerman.
B. American Mining Congress.

A. Carl E. Zwisler III.
B. International Franchise Association.

SENATE—*Tuesday, November 20, 1979*

(Legislative day of Thursday, November 15, 1979)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by Hon. ROBERT C. BYRD, a Senator from the State of West Virginia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

It is a good thing to give thanks unto the Lord, and to sing praises unto Thy name, O most high:

To shew forth Thy loving kindness in the morning, and Thy faithfulness every night.—Psalms 92: 1, 2.

Our Father-God, we thank Thee for the blessings of life in this free land; for the fruits of the soil, the untold resources of the Earth, the opportunities for work and play and healthful living; for freedom of speech and written word, for public education, and regard for every man's welfare.

As we thank Thee for these and all Thy mercies, we beseech Thee to guide us here in all our actions to complete the mission of this Nation to the end that every citizen may have full civil rights, liberty under law, and a life with dignity and eternal meaning.

Deal graciously now with our fellow citizens in bondage in a distant land. Uplift their spirits, sustain their hopes, preserve them from harm. Guide, by Thy higher wisdom, those who work for their deliverance. Prosper the efforts of the President and all those who strive for peace and justice in the world. Deepen our resolve to do justly, love mercy, and walk humbly with our God. Make this Nation great and strong in the qualities which belong to Thy kingdom, for Thine is the kingdom and the power and the glory, forever. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., November 20, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ROBERT C. BYRD, a Senator from the State of West Virginia, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. ROBERT C. BYRD thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDING OFFICER (Mr. MORGAN). Under the previous order, the distinguished majority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I yield to the acting minority leader.

THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I yield back the remainder of my time.

THANKSGIVING 1979

Mr. ROBERT C. BYRD. Mr. President, as we proceed to work on this Tuesday, we look forward to the day of thanksgiving which, from the beginning of our existence as a country, has been a very special day. This is the day on which our forefathers gathered and gave thanks to the divinity that achieved our country's destiny. Throughout the years we have looked upon this day as the day for expressing our gratitude to God for His watching over this country. I know that on this Thanksgiving Day we will pause to count our many blessings and the many favors which God has bestowed upon this country.

We will also think of our fellow Americans who are being held hostage in Iran, and will give our prayers for their safety and for their early deliverance.

I take this moment to express my support of the efforts of the President and the administration in pressing for world support, the support of the community of nations, in our efforts to have our fellow Americans freed. I think the President has proceeded cautiously, and rightly so, and wisely, but also with firmness.

I want to express the hope that we, all of us, in giving our support, will act and speak with restraint and will offer our prayers for the freedom of those unfortunate Americans who are being illegally held hostage in Iran.

A THANKSGIVING HOPE AND PRAYER

Mr. STEVENS. Mr. President, if the Senator will yield, I certainly join in his statement concerning the hope that the Thanksgiving holiday will lead all Americans to think about our fellow citizens who are in Iran, and that we will approach the issue as calmly and as firmly as possible.

I again thank the majority leader for having arranged a continuous dialog with the administration on what is occurring so that we might better inform Members of the Senate as to the actual developments and the course that the administration is undertaking to meet the problems as they have developed in Iran.

I do personally hope and pray that we will not see the initiation of trials and public spectacles of our fellow citizens over this holiday which means so much to us. But even if we do, it would be my wish, and I join the majority leader as he has expressed his views, that we all try to react as calmly as possible and to keep in mind the consequences of our comments as we return to our homes.

Mr. ROBERT C. BYRD. I thank the Senator.

RECOGNITION OF SENATOR MORGAN

The PRESIDING OFFICER (Mr. BRADLEY). Under the previous order, the Senator from North Carolina (Mr. MORGAN) is recognized for not to exceed 15 minutes.

A "DISASTER" PROGRAM

Mr. MORGAN. Mr. President, today I call the attention of my fellow Senators to what I believe is a serious flaw in our farm program. That flaw has to do with the disaster payments program.

Between 1974 and 1978, the U.S. Treasury has issued checks amounting to nearly $2.2 billion in virtually every State of the country for the disaster program. Slightly over $22 million has gone to farmers in my home State of North Carolina.

This program has two fundamental problems. The first has to do with excessive payments, the second with the fact that the same farmers are in the program on a continual basis.

Because of what I feel is abuse of this program, many farmers have not favored crop insurance, which I believe is the way we should go. I believe we should have a crop insurance program, privately run and financed in areas where feasible and federally run and financed where the private sector cannot do the job.

It is important to head in the direction of crop insurance because crop insurance is the only equitable and economically efficient way to do the job.

An examination of the disaster program reveals that hundreds of farmers have received checks in excess of $50,000 each in 1977, 1978, and 1979. Examination also reveals that 96,570 producers have received disaster payments in 3 out of 4 years totaling nearly $600 million. Another 20,087 producers have received checks in 4 out of 4 years totaling $186,470,473.

Frankly, I would favor the total elimination of this program for the reasons I have just cited. Short of that, I believe that a cap should be placed on the amount that the Federal Treasury will offer a producer. I would suggest a limit of $50,000 per crop year.

The problem of excessive payments in the disaster payments area was remedied in the Food and Agriculture Act of 1977, Public Law 95-113. That law placed a limit on all farm program payments to producers, a limit of $40,000 in 1977 graduated up to $55,000 for the so-called out years of the farm program in 1980 and 1981.

Before the new farm program was on the statute books 6 months, a law was passed exempting disaster payments from the overall payment limitation. I believe the wisdom of hindsight now shows that was a serious mistake.

Now, I would like to point out that we are not talking about massive abuse. There are nearly 2.6 million farmers in this country, many of whom have never received a disaster payment, including many who had eligibility. However, I think that abuse does exist and should be remedied in the manner I suggest.

A review of the record of the disaster program shows that some farmers have received incredible payments through this program.

Since 1977, the Treasury has issued checks for between $100,000 and $200,000 to 30 farmers, checks between $200,000 and $300,000 to nine farmers, checks between $300,000 and $400,000 to three farmers, checks between $400,000 and $500,000 to two farmers, and checks in excess of $700,000 to two single farmers.

When Congress exempted disaster payments from the overall payment limitations in 1978, I do not believe that we could have envisioned such payments.

For the record, three farms in North Carolina received over $180,000 in 1977. Those were outright payments, not loans.

It so happens that the two entities that received the most money are incorporated entities, not individuals. Westlake Farms, Inc., of Kings County, Calif., received $812,836.92—again, an outright payment, not a loan—and River West, Inc., of Kern County, Calif., received nearly 3 quarters of a million dollars, $721,078.02, once again an outright payment, not a loan.

A review of the list of producers who have received payments in excess of $50,000 shows many interesting and unusual names. Many of the names on the list have no apparent direct connection with agriculture. There are real estate companies, seed companies, State governments, and others.

I am especially appalled that the Texas Department of Corrections received $105,002.17 in 1977, a year in which the State of Texas had a budget surplus in excess of $100 million.

The point of all this has nothing to do with who is receiving the money, but simply the fact that people are receiving money of this magnitude. I firmly believe that we will never have a proper allocation of risk in farming unless we eliminate these types of payments.

It is important to note that there is incredible risk in farming, and that much of the risk is due to factors beyond the control of individual farmers. Disaster payments generally occur when there is flooding, drought, or a freeze. These are acts of God, not of man, something that must be recognized. But I believe that we should address these risks through crop insurance, not direct payments.

Crop insurance inherently puts all farmers on an equal footing. Actuaries estimate the risk and premiums are formulated in line with what can reasonably be anticipated. This is the way we should go if we are to put our farm program on a sound economic footing.

We are a nation of small, medium, and large farms. We need a mix of farms to maintain a viable agriculture and system of farms that serves the Nation and its consumers productively and effectively. I would submit that the "risk-free" approach to farming that we have with the disaster program is not in the best interest of a sound farm program.

This Senator has always been a strong and vocal supporter of the farm program. I am a farmer myself and know how important it is that we have a program that will stand intensive public scrutiny and the test of time. Back in 1977, when we were putting together the current farm program, I vividly recall Secretary of Agriculture Bob Bergland saying that he felt that the "disaster programs were a disaster." Now I know what he meant.

Mr. President, I would like to have two documents printed in the RECORD at the conclusion of my remarks. The first is a summary of totals, by State, of producers that received ASCS disaster payments 3 of 4 years and 4 of 4 years, from 1974 through 1977. The second document is a list of producers, by State, that received disaster payments in excess of $50,000 in 1977, 1978, or 1979. I do not have malice toward these individuals or entities but I believe that the public should have the right to see the magnitude of the problem. I ask unanimous consent that these documents be printed in the RECORD.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

SUMMARY TOTALS, BY STATE, OF PRODUCERS THAT RECEIVED ASCS DISASTER PAYMENTS 3 OF 4 YR AND 4 OF 4 YR, 1974/1977

State Code and State	3 of 4 yr		4 of 4 yr	
	Producers	Amount	Producers	Amount
01 Alabama	1,952	$15,236,174	463	$5,697,98
05 Arkansas	1,345	7,552,138	195	1,554,53
06 California	134	2,009,909	38	769,854
08 Colorado	2,092	18,872,603	544	6,130,068
10 Delaware	2	12,985	0	-------------
12 Florida	78	527,305	9	171,468
13 Georgia	655	6,313,993	101	1,223,304
16 Idaho	481	3,715,078	142	1,276,941
17 Illinois	417	1,711,279	42	203,264
18 Indiana	126	306,008	3	9,425
19 Iowa	4,838	25,363,447	481	3,488,659
20 Kansas	7,694	31,051,920	1,388	7,227,113
21 Kentucky	40	160,401	2	19,661
22 Louisiana	540	3,052,807	61	450,670
24 Maryland	1	1,466	0	-------------
26 Michigan	286	638,105	20	73,584
27 Minnesota	4,863	20,255,944	199	988,138
28 Mississippi	2,522	22,736,643	514	6,691,313
29 Missouri	6,889	29,200,739	1,255	7,634,235
30 Montana	128	772,946	22	127,097
31 Nebraska	10,722	49,290,791	2,115	13,966,605
35 New Mexico	1,527	$18,779,442	513	$7,671,529
36 New York	2	3,311	0	-------------
37 North Carolina	610	2,403,078	67	712,511
38 North Dakota	4,135	24,176,388	830	6,579,044
39 Ohio	94	132,326	11	19,200
40 Oklahoma	3,983	22,261,771	1,171	9,908,235
41 Oregon	60	629,180	13	153,022
42 Pennsylvania	21	22,589	0	-------------
45 South Carolina	474	4,865,239	100	1,613,021
46 South Dakota	14,428	94,061,126	3,195	30,792,094
47 Tennessee	3,577	16,295,009	888	6,494,983
48 Texas	20,240	170,574,915	5,593	63,966,516
49 Utah	374	2,313,256	79	686,141
50 Vermont	1	1,488	1	1,483
51 Virginia	118	169,161	2	3,139
53 Washington	20	198,626	1	21,153
55 Wisconsin	1,048	2,809,555	24	94,722
56 Wyoming	53	293,706	9	49,703
U.S. total	96,570	598,772,867	20,087	186,470,473

U.S. DEPARTMENT OF AGRICULTURE,
Washington, D.C.

HON. ROBERT MORGAN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MORGAN: In further reply to your request of September 17, 1979, we are enclosing a listing of names of individuals receiving $50,000 or more in Disaster Program payments for 1977, 1978, and 1979. The listing shows names of individuals with amounts earned by State and county.

Sincerely,

EDWARD J. MATTHEWS,
Chief, Data Operations and Records Branch, Management Services Division.

DISASTER PAYMENTS OF $50,000.00 OR MORE—1977

State: County: Producer	Amount
Alabama:	
Autauga:	
Percy D. Roy	$89,405.43
Autauga Farming Co	130,925.90
McQueen Smith Farms	213,459.44

DISASTER PAYMENTS OF $50,000.00 OR MORE—1977—Continued

State: County: Producer	Amount
Dallas:	
J. C. Sheehan	$53, 471. 34
James A. Minter, Jr	75, 775. 93
Autauga Farming Co	74, 334. 88
Elmore: Freddie L. Strength	64, 831. 03
Escambia: Board of Corrections, Kilby Prison	60, 793. 38
Limestone: H. C. Baucom	51, 861. 56
Madison:	
Ray Vandiver	58, 352. 33
Douglass & Vandiver	66, 637. 53
Pickens: J. C. Randolph	72, 540. 94
Russell: Ben F. Bowden	100, 813. 28
Arizona:	
Pima: Dan W. Clarke	72, 279. 97
Pinal: Isabel Singh	52, 798. 65
California:	
Colusa: Chrisman Estate	62, 152. 50
Fresno: Davis Drier & Elevator, Inc	79, 414. 34
Kern: Blackwell Land Co	57, 071. 46
Modoc: Akers Land & Cattle Co	196, 147. 43
San Luis Obispo: Frank Galainena	55, 395. 10
Colorado:	
Cheyenne: Wild Horse Farms, Inc	56, 388. 29
Kiowa:	
Ira Jay Paulin	55, 894. 55
J. D. Wilson	52, 037. 45
Bill Marx	55, 680. 57
Haswell Farms, Inc	62, 306. 88
Weld:	
Jean Eichheim Est	74, 415. 60
E. E. Foster & Sons, Inc	68, 010. 74
Delaware: Sussex:	
Draper King Cole, Inc	50, 291. 33
Townsends, Inc	71, 969. 64
Georgia:	
Baker: Ichauway Plantation	73, 082. 00
Burke:	
T. R. Rowland	52, 110. 70
G. F. Agerton, Jr	84, 474. 09
G. Frank Williams, Jr	66, 488. 87
Carolyn Dixon	51, 940. 98
Ray Delaigle	59, 350. 47
Roy R. Dixon	62, 096. 46
Minus Sikes, Jr	51, 447. 32
Walter Byron Brown	56, 366. 16
Dilane Plantation	50, 631. 97
Beco Farms, Inc	92, 666. 29
Magrudur Farms, Inc	76, 701. 60
Le Ken Bar Farms	74, 059. 63
Joan R. Collins, Collins Farms	61, 088. 90
Calhoun: Chauncey Taylor	56, 658. 69
Clay: Isler Farms, Inc	57, 430. 08
Crisp:	
S Wayne Adkins	53, 114. 20
James Phil Adkins	53, 114. 18
L E Williams, Jr	50, 029. 00
Dooly:	
William Lloyd Horne, Jr	60, 492. 35
Alton Draughon	53, 289. 65
Ben T Ambrose	62, 137. 84
Madison B. Coley, Jr	64, 732. 28
J. D. Lockerman, Jr	70, 736. 88
Herbert E. Roney	58, 622. 65
Early: Singletary Farms	52, 970. 32
Jefferson: Bryants, Inc	60, 622. 16
Madison: Whitehead Farms	68, 787. 55
Pulaski:	
John W. Dawson	65, 495. 28
W. H. and C. V. Cross	50, 396. 53
Screven:	
Melbourne Godbee	65, 260. 73
Millhaven Co	62, 570. 61
Sumter:	
Shannon Akin	53, 251. 30
J. C. Jones	62, 327. 70
Idaho:	
Bannock:	
Otis W. Hall	115, 540. 56
John McNabb	147, 927. 30
Rose Farms	74, 016. 00
Latah: Gary Morris	63, 106. 71
Nez Perce:	
Tom Wagner	53, 263. 15
Meacham Land & Cattle Co	67, 195. 20
Illinois:	
Hancock: Jerry Grauf	57, 045. 00
Woodford: Pfister Hybrid Corn Co	83, 712. 00
Adair: Audra Gibbs	50, 401. 00
Boone:	
Highway Farms, Inc	57, 449. 00
Powers Land Co	65, 587. 00
George Uthe	107, 669. 50
Walter Jenkins	56, 091. 01
Daryl Morain	66, 704. 00
Carroll: Bruce McLaughlin, Jr	64, 276. 00
Crawford: Empire Land & Cattle	55, 562. 53
Greene:	
Hunter Farms	53, 540. 12
Edward J. Holden	52, 728. 44
Madison: Raur Farms, Inc	83, 395. 74
Marshall:	
R & M Enterprises	51, 079. 00
Leo Dunn Farms, Inc	56, 985. 00
Mills: Charles Phelps	108, 528. 00
Story:	
Clyde Black & Son, Inc	121, 804. 00
New Farms, Inc	68, 920. 47
Woodland Farms, Inc	62, 187. 00
Perrys, Inc	$53, 526. 00
Elmer J. Paul	52, 979. 00
Charles M. Toot	118, 900. 50
Tama: Richard Rubenbauer	60, 539. 00
Warren:	
Larry Hunt	61, 585. 08
Max McCord	77, 620. 50
Kansas: Finney: Roger Ramsey	66, 300. 76
Missouri: Holt: Donald E. Morris	66, 712. 50
Montana:	
Garfield: Dean McWilliams	53, 197. 85
Glacier:	
Del Wahl	91, 077. 56
Terrance Wellman	58, 280. 08
Ralph L. Johnson	53, 269. 95
Toole:	
Bill McCarter	75, 633. 31
State of Montana	72, 144. 53
Nebraska:	
Brown: Colburn Farms, Inc	88, 728. 00
Rock: Gerald R. Kirwan, Jr	53, 914. 00
New Mexico: Curry: Harold House	54, 345. 20
North Carolina:	
Robeson:	
Harvey Z. Edge	65, 126. 74
Wakulla Farms, Inc	66, 958. 77
Scotland: Baker Enterprise, Inc	53, 473. 25
North Dakota:	
Benson: Marvin Logan	65, 083. 02
Foster: Louis S. Reimers	58, 514. 02
Wells:	
Alvin Polries	51, 690. 23
Donald Polries	51, 690. 24
Oregon:	
Lake: Wolfsen M. C. Ranch	51, 029. 18
Umatilla:	
H. T. Rea, Inc	85, 875. 82
Hawkins Co., Inc	56, 853. 69
Wasco: The Miller Ranch Co	52, 111. 00
South Carolina:	
Allendale: W. M. Terry, Jr	55, 055. 97
Bamberg:	
George Cogburn	52, 218. 96
H. D. Free	88, 451. 80
Barnwell: W. S. Morris III	50, 372. 97
Clarendon: H. Fox Tindal	73, 401. 75
Lee:	
E. B. McCutchen	75, 958. 60
W. A. Berry	62, 464. 43
C. E. Atkinson Est	85, 777. 12
J. E. Atkinson	71, 944. 73
Marlboro:	
Lawrence E. Pence	123, 236. 44
Claude P. Polston, Jr	92, 698. 83
Hubbard W. McDonald	62, 846. 01
D. M. Cottingham, Jr	85, 612. 39
Orangeburg: Weathers Farm, Inc	50, 752. 40
Sumter:	
J. F. Bland, Jr	68, 072. 10
Marvell W. Goza	91, 887. 21
South Dakota:	
Hughes:	
Delbert Jones	68, 087. 83
A. L. Jones	66, 402. 64
Lyman: Ehlers Farms, Inc	55, 274. 00
McPherson: Spr Crk Farmers Coop	51, 161. 00
Meade: Donald Handcock, Inc	50, 948. 65
Stanley:	
Yvonne Sivage	117, 139. 20
Lyle Hedman	55, 073. 65
Gene Stoeser	71, 204. 93
Sully:	
C. A. Cannon III	58, 527. 26
Stanley Asmussen	211, 071. 68
W. J. Asmussen	263, 929. 09
Sully: Earl H. Osterkamp	58, 940. 60
Tennessee:	
Franklin: David R. Owens	63, 433. 95
Lake: W. T. Jamison, Jr	52, 184. 60
Tipton: Joe Christmas	75, 861. 46
Texas:	
Andrews: Gene Irwin	70, 816. 18
Brazos: Joe Varisco	51, 294. 79
Crosby: Marvin T. Heinrich	56, 702. 39
Deaf Smith:	
Josef C. Grotegut	56, 631. 78
Billy Wayne Sisson	83, 704. 97
Forrester Ranch	73, 017. 55
Gaines: E. F. Foshee	60, 417. 06
Garza: H. V. Wheeler	53, 772. 49
Kaufman: Phillip N. Jeffers	61, 533. 35
McLennan: Wesley Robinson	54, 819. 70
Martin: Glen Cox	63, 768. 86
Motley: Roy Gene Stephens	57, 978. 84
Parmer: William S. Ingram	80, 019. 35
Refugio: Charles J. Schindler	52, 596. 93
Walker: Texas Department of Corrections	105, 002. 17
Virginia: Orange: Richard P. Harris	51, 604. 00
Washington:	
Benton: Horrigan Farms	58, 071. 47
Columbia: Eslick Farms	53, 102. 17
Grant: Lourence Dormaier	50, 194. 45
Lincoln: State of Washington	112, 127. 13
Walla Walla: Kent Land Co., Inc	61, 555. 87
Whitman:	
Harold Boyd	51, 684. 56
Pfaff Bros., Inc	54, 038. 13
Clark Farms	78, 931. 61
Palouse Grasslands, Inc	55, 938. 10
Wyoming: Niobrara: Frank R. Kaltenheuser	87, 267. 00

DISASTER PAYMENTS OF $50,000.00 OR MORE—1978

State: County: Producer	Amount
Arizona:	
Cochise: Edward Barnes	$68, 281. 72
Maricopa: Kemper Marley	53, 380. 36
Arkansas:	
Ashley: William B. Deyampert	54, 202. 64
Jefferson:	
Earle T. Phillips	52, 893. 96
Lakewood Plantation, Inc	95, 016. 12
Word Farming Co	54, 489. 96
Elms Farming Co	112, 489. 28
New Gascony Farming Co	76, 837. 26
Lake Dick Farming Co	78, 035. 98
Mississippi:	
Clifford Gillespie	51, 558. 68
Rotan Entp., Inc	126, 328. 58
California:[1]	
Fresno:	
Frank R. Telles	75, 332. 17
Clayton Brown	68, 726. 67
V. C. Britton Co	290, 052. 21
Re Al Farms, Inc	54, 450. 21
Tai Hing & Co	50, 212. 88
J. & J. Ranch	70, 803. 69
Harris Farms, Inc	445, 319. 38
Schramm Ranches, Inc	88, 426. 36
D. T. Locke Ranch, Inc	53, 996. 59
Vaquero Farms, Inc	138, 647. 56
Enrico Farms, Inc	140, 166. 36
Goodman Traction Ranch	88, 724. 35
Bowles Farming Co	143, 543. 62
La Cuesta Verde Ranches	140, 951. 41
Hillside Farms	60, 085. 33
Vasto Valle Farms, Inc	342, 349. 53
Cantua Creek Land	126, 940. 48
Kettleman Hills Farming Co., Inc	51, 849. 83
A. G. Gro Inv	56, 787. 31
Don Jackson & Associates	57, 842. 20
Fresno:	
Westward Farms	304, 592. 28
John & Jim Diedrich, Inc	95, 688. 90
Kern:	
P. Spolsdoff	59, 017. 91
Eugene Fanucchi	80, 106. 62
Angelo Fanucchi	80, 106. 61
Jim Eckmann Farms	80, 556. 93
W. H. Rogers	116, 732. 00
Bill G. Destefani	54, 662. 98
Dale Snell Farms	64, 101. 69
Mario Buoni, Jr	50, 737. 06
La Granada Rancho	107, 333. 53
Swearengen & Moore	202, 616. 09
R S R Farms	224, 734. 61
Cerro Bros	82, 240. 71
Belluomini Bros	87, 184. 39
Tony Iafrati	75, 632. 29
O. O. Portwood & Son	169, 531. 01
Elk Grove Ranch	77, 646. 68
Rossi Bros	282, 634. 20
Milham Farms	60, 380. 29
Desert Farms	128, 955. 41
Garone Cattle Co	55, 834. 19
O. Torigiani & Sons	61, 737. 82
BTW Ld & Cattle Co	68, 404. 03
West Side Ranch	94, 630. 38
Worthy Farms	83, 954. 47
Blackwell Land Co	206, 548. 30
Reynold Mettler & Son	67, 197. 53
S V G Farms	248, 012. 11
River West, Inc	721, 078. 02
Crawford Ranches, Inc	71, 160. 96
Mozingo Farms, Inc	71, 160. 95
Ohanneson Enterprises	74, 694. 83
Thomas F. Walsh, Inc	75, 203. 97
Bookland Farms	86, 145. 75
Mirasol Co. Corp	81, 947. 33
Newton Farms	84, 726. 93
DLW Farms	144, 155. 02
Chas & John Parsons	85, 463. 73
Joseph J. Klaren Est	129, 781. 14
N. S. Investments	50, 541. 52
Kings: J. G. Stone Land Co	178, 938. 69
Kings:	
H. L. Yocum & Sons	76, 387. 86
South Lake Farms	64, 414. 68
Westlake Farms, Inc	812, 836. 92
McCarthy Farming Co., Inc	231, 802. 70
Dbl O Ranch No. 3	69, 195. 58
Madera:	
Forrest Clayton	66, 461. 41
John Mancebo	56, 125. 88
Triangle T. Ranch	104, 419. 74
Tierra Buena Ranch	62, 691. 57
Merced:	
David Carlucci	89, 354. 11
David F. Santos	55, 801. 58
Lindemann Panoche Farms	203, 622. 04
Pereira Bros	54, 069. 94
Panoche Farms	58, 160. 66
Hostetler Farms, Inc	60, 185. 57
Tulare:	
Zane J. Smith	85, 174. 26
Walter E. Tank	50, 707. 25
Trinble & Son	60, 565. 74
Athwal Bros., Inc	73, 308. 40
R. A. Hildebrand	64, 070. 90

Footnotes at end of table.

DISASTER PAYMENTS OF $50,000.00 OR MORE—1978—Continued

State: County: Producer	Amount
Colorado:	
Baca: William D. Greathouse	$56,976.76
Crowley: Cleo Montgomery	79,572.02
Kiowa:	
Haswell Farms, Inc	71,893.50
T & L, Inc	64,745.33
Kit Carson:	
Lyle Busby	54,838.12
Paul Gergen	64,041.18
Weld: E. E. Foster & Sons, Inc	73,229.09
Kansas: Finney: Roger Ramsey	51,524.85
Louisiana:	
Bossier: Joe Clark	50,465.13
Morehouse:	
F. Earl Hogan	59,258.13
I. O. Morris, Jr	50,028.37
W. T. Blackwell, Jr	54,688.91
Don Sims	53,525.33
Barham, Inc	65,029.56
Richland: W & W Farms	59,824.65
Mississippi:	
Bolivar: Delta & Pine Land Co	77,828.89
Coahoma: Connell & Co	57,007.31
Humphreys: Tribble Farms, Inc	56,884.82
Leflore: P & H Corp	87,243.73
Washington:	
Dillard & Co., Inc	90,352.19
Torrey Wood & Son	113,167.26
Montana: Rosebud: Wayne Helland	54,761.00
Nebraska: Brown: Schelm Farms, Inc	82,402.43
New Mexico: Chaves: Bogle Farms, Inc	71,122.99
Curry: Harold House	60,901.40
Luna: Jerry Lynn Hilburn	79,549.73
Roosevelt:	
Johnie B. Gammill	58,315.32
J. D. or Patsy Ruth Terral	60,015.00
Oklahoma: Cimarron: Cimarron Ranch	82,130.98
South Dakota:	
Stanley:	
Rex D. Haskins	69,174.70
Lyle Hedman	56,941.00
Sully:	
Stanley Asmussen	99,243.62
W. J. Asmussen	54,819.50
Texas:	
Andrews:	
Leslie Emeinger	79,175.60
Dan Newbrough	54,514.12
Gene Irwin	68,059.46
Jerry Newbrough	54,514.12
Jimmy Rex Etheredge	58,520.11
Mickey Beck	73,884.41
Roger Newbrough	54,571.25
C. R. Bruce	66,359.61
C. W. Callaway	76,166.09
L. L. Banta	67,035.59
Caprock Land Development Co	138,085.18
Bailey: L. J. Mills	57,427.19
Borden: Katherine Stephens	70,034.05
Castro: Rodney Smith	55,723.17
Cochran:	
Darwood Marshall	81,900.54
J. K. Griffith	119,424.99
F. O. Masten	75,888.23
Crosby: Donnie Powell	56,075.73
Culberson:	
Jerry Powell	214,988.11
Green Garden Farms	60,005.64
Dawson:	
Robert F. Hardberger	50,054.48
Ted Turner	50,117.75
E. E. Sumrow	51,365.92
R. M. Middleton	65,161.19
Ronnie Culp	58,412.60
E. D. Adcock	71,574.07
Adcock Farming Co., Inc	54,871.68
Lloyd Cline Farms, Inc	122,877.72
Miers Farms, Inc	82,562.60
Jones Lamesa Farms, Inc	135,296.10
J H M Farms	61,108.75
Deaf Smith:	
Billy Wayne Sisson	64,055.42
Jimmy Cluck	91,681.41
Mrs. N. A. Brown & Sons	51,223.76
Perrin Farms	90,547.55
Fisher: Raymond Scifres	66,978.61
Frio:	
Herman Johnson	51,786.29
Harold Johnson	50,070.46
Jesse M. Lindsey, Jr	64,643.10
Gaines:	
J. A. Grammer	69,496.52
Tommy Lacy	79,167.36
Vester Smith	54,527.60
Douglas Floyd	80,588.85
Bill Moore	57,370.61
Troy Martin	52,009.11
Gaines:	
Jack Keith Addison	53,201.39
Howard Huddle	56,317.52
Gary Smith	69,172.49
J. A. Pebsworth	87,512.43
H. P. McGuire	73,315.96
D. C. Rodgers	$71,564.93
Alton Billings	53,425.45
Mike Jenkins	51,305.93
Wayne A. Clayton	53,956.45
R. D. Gibson	55,135.32
Layton Oliver	76,559.83
Dean Faulkenberry	52,409.84
V. A. Petty	69,254.90
E. F. Foshee	70,232.64
Harvey Reeves	112,741.62
Doyle Neighbors	80,846.77
Leon Chester	52,751.30
Earl Layman	71,482.04
Don Sanders	74,725.51
F & S Farms, Inc	104,105.14
Glasscock:	
Alfred E. Perry	65,814.91
Bernard T. Houston	60,516.44
Roy M. Koonce	55,175.74
Romine Bros	86,589.49
Broughton & Sackett Farms	57,721.62
Hale:	
Ercell Givens	64,270.78
Carl Phillips	73,394.26
Jerry Givens	64,270.74
Hansford:	
R. E. & Rue Sanders	53,583.76
Hidalgo:	
B. W. Kirsch	79,612.70
SW Farm & Ranch, Inc	206,703.29
Hockley: J. Walter Hobgood	68,745.50
Howard: Robert Beall	68,458.92
Howard:	
Robert C. Wegner, Jr	92,346.95
Jerry Iden	111,085.40
Zola Shafer	58,331.97
A. G. Rogers	50,275.14
David Barr	56,343.82
Stanley Farms, Inc	63,708.43
Hudspeth: C. L. Machinery	79,895.06
Jim Wells: W. M. Laughlin	169,296.93
Jones:	
Adell Q. Matchett	83,362.29
Bill Pritchard	56,543.59
Herman A. Propst	60,150.25
Pied Piper Farms	55,829.19
Kinney: Hamilton G. Kenner	50,810.04
Lubbock: Dunlap Co	85,510.79
Lynn:	
W. A. Russ	55,913.30
Bryan Wright	64,411.61
Mack Forbes	50,109.05
Harold Brumit	54,389.42
J. T. Forbes	98,376.81
Martin:	
Buster Haggard	50,393.78
James G. Sawyer	50,699.30
Glen Cox	55,402.90
Eddie Odom	66,205.20
James Billingsley	62,019.37
Marvin Standefer	53,278.73
Holladay Bros	95,180.37
Moore: J. W. Brian	53,298.01
Nolan: Kin Ag Corp	94,380.68
Oldham: Norrien Garrison	58,008.49
Reeves:	
W. C. Adams	75,328.09
W. C. Adams Est	61,555.44
Sherman: Bill Reed	51,487.67
Starr:	
Max L. Jones	169,409.00
Big River Dairies, Inc	79,371.98
Funk Farms	234,010.20
Reavis Farms, Inc	69,097.68
Cameron Land & Cattle, Inc	60,044.35
La Brisa Land & Cattle Co	304,257.49
Swisher:	
Don Crooks	95,329.80
B. Raymond Evans	110,625.41
Terry:	
Larry Sims	57,982.43
Howard Hurd	115,889.27
W. V. Lasiter	53,505.40
Doyle Moss	65,368.15
Norman Caswell	70,663.23
Curtis Griffith	134,203.76
Bonard Stice	61,673.64
W. O. Burris	82,982.75
Wheatley Farms, Inc	61,106.38
Redonion, Inc	51,409.59
Mont Hamm, Inc	56,786.60
Charlie Caswell Farms, Inc	68,650.22
Yoakum:	
Tommy Elmore	58,886.57
Forrest D. Spencer	59,859.65
C. Loran Gayle	69,041.39
Don Thrash	56,001.94
Royce Harvey	162,604.80
Walter Billings	74,507.23
E. O. Winkles	56,266.46
Zapata: Harry W. Labar	1,539,011.78

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[1] Summary: 100,000–199,999=30; 200,000–299,999=9; 300,000–399,999=3; 400,000–499,999=2; 700,000–799,999=1; 800,000 and up=1.

DISASTER PAYMENTS OF $50,000.00 OR MORE—1979

State: County: Producer	Amount
Arkansas: Mississippi: Clifford Gillespie	$73,149.80
Nebraska: Rock:	
Lyle Hartz, et al	57,211.00
Kenneth Hartz	78,140.70
New Mexico: Eddy: Draper Brantley	50,266.75
South Dakota: Potter County A: Crayton Bouchie	482,772.90
Texas:	
Cameron:	
John A. Abbott	87,971.77
Billie Joe Simpson	99,639.85
Dougles S. Cantwell & Son	52,537.77
Labar Bros	56,707.40
Gaines:	
Gary Harvey	76,918.96
H. W. Smith	65,182.87
Brownfield Tractor Co., Inc	66,021.84
Hockley:	
John Dukatnik	56,981.31
J. E. Wisdom	55,041.23
Selmer H. Schoenrock	53,469.99
Lubbock: Robert Melcher	54,109.82
Swisher: Gayle O. Thompson	52,787.48

Mr. MORGAN. I thank the Chair. I yield back the remainder of my time.

CENTRAL IDAHO WILDERNESS ACT OF 1979

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 2009, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 2009) to designate certain public lands in central Idaho as the River of No Return Wilderness, to designate a segment of the Salmon River as a component of the National Wild and Scenic Rivers System, and for other purposes.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. Debate on this bill is limited to 2 hours, to be equally divided and controlled by the Senator from Idaho (Mr. CHURCH) and the Senator from Idaho (Mr. McCLURE), with 30 minutes on any amendment except the McClure amendment on cobalt mining, on which there shall be 1 hour, and the McClure amendment on statutory release of certain lands in Idaho for multiple use, on which there shall be 1 hour; and 20 minutes on any debatable motion, appeal, or point of order.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time be equally charged to both sides on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, it is the intention of the managers of the bill (Mr. CHURCH and Mr. McCLURE) and the leadership that votes on amendments to the pending bill and the final vote on the bill will occur back-to-back.

We are not asking consent at this time that those votes begin to occur at a certain hour. But it is the feeling of the managers that the Senate proceed on the bill and on amendments thereto and that the rollcall votes, when ordered, will then be, by order of the Senate, requested to be back-to-back. So that all the votes will occur in sequence and back-to-back at a particular time once all the debate has ended.

Mr. McCLURE. Mr. President, will the Senator from West Virginia yield to the Senator from Idaho?

Mr. ROBERT C. BYRD. I yield.

Mr. McCLURE. I have no objection at all to that arrangement. I think that accommodates the Members of the Senate who have other business they are attending to in committees this morning.

I add to that, however, that Members who have any desire to participate in the debate or who may have amendments to the pending legislation should be on notice that they at least had better indicate their desire to participate in that way, so that they do not become foreclosed by this procedure; because the first time the bells ring for a vote, that will be too late.

Mr. ROBERT C. BYRD. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. McCLURE. Mr. President, I suggest the absence of a quorum, with the time to be charged equally.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. I yield myself such time on the bill as I may require.

Mr. President, S. 2009 is an original bill reported by the Energy and Natural Resources Committee by a unanimous vote of 17 to 0 on November 5. The legislation would reclassify the existing Idaho and Salmon River Breaks Primitive Areas and certain contiguous national forest lands as a single component of the National Wilderness Preservation System.

The new wilderness which is to be called the "River of No Return Wilderness" lies entirely within the State of Idaho, along either side of the Salmon River. This superlative region of the Rocky Mountains is what Idahoans mean when they refer to our State as "God's country." For me, and for countless other people, the Salmon River—the famous River of No Return—has become a symbol of life. Yesterday is a part of the river which we have already run; it is gone forever. Tomorrow is always unknown, a part of the river which lies around the next bend, obscured by the roar of the next set of rapids, and hidden from sight by the towering cliffs of the canyon.

I can remember my first introduction to the Salmon River wilderness. It came when I was a young man. Around a pinelog fire, out under the canopy of the Milky Way, an old mountain man told me tall tales of that wonderful part of the world. One of the stories which has been written in permanent ink in my memory was the story of the bighorn sheep, one of the amazingly agile creatures that are native to the cliffs and crags of the Salmon River country. The old man told me that one summer morning he was watching this bighorn ram when it decided to jump a great chasm, at least 50 feet wide. The chasm was deep—one slip would mean certain death for the ram. Well, the ram studied the gorge carefully. He backed away from the precipice about 200 feet, made a tremendous run, and a great, arching leap out over the yawning abyss. He was almost to the other side when he realized he wasn't going to make it, so he simply turned around and went back.

While that story typifies mountain humor, the magnificent Salmon River country is the kind that stretches the imagination. It is a vast stage for adventure, and for the nourishment of the spirit within each of us that yearns to be free. When it is designated, through the passage of this legislation, the River of No Return Wilderness will be the largest wilderness in the Lower 48 States and one of the jewels of the National Wilderness System.

Before I describe the details of the bill which we will be debating today, I want to take a few minutes to review the history of the primitive areas which form its core, and talk about this region of rugged beauty and remoteness.

HISTORY OF THE TWO PRIMITIVE AREAS

The Idaho Primitive Area was setaside by an administrative order in 1931. The area originally encompassed some 1 million acres. An additional 145,000 acres were subsequently added to the primitive area, bringing it to a total of 1,224,190 acres as it exists today.

The Selway-Bitterroot Primitive Area, of which the Salmon River Breaks Primitive Area was a part, was established in 1936. The Secretary of Agriculture issued regulations in 1939 providing for the study of all of the then existing primitive areas to see which ought to be administratively reclassified. In 1963, after many delays, part of the Selway-Bitterroot Primitive Area was redesignated the Selway-Bitterroot Wilderness. At that time, primitive area status was continued for some of the breaks along the main Salmon River and the headwaters of the Selway River. This area of 215,860 acres was designated the Salmon River Breaks Primitive Area.

When Congress formally established the National Wilderness Preservation System with enactment of the Wilderness Act of 1964, it had a clear vision of what that wilderness "system" should encompass. The 1964 act established a process whereby the widely disjointed Forest Service "systems" would be consolidated and cohesive wilderness management policies established. Under section 3(a) of the act, the National Wilderness Preservation System was set up and all 54 Forest Service units administratively classified as "wilderness," "wild," or "canoe" areas were included within it. Section 3(b) of the Wilderness Act also instructed the Secretary of Agriculture to review the 34 Forest Service "primitive" areas, within 10 years, and determine their suitability or nonsuitability for inclusion in the Wilderness System, making a report on his findings to the President. In turn, the President was required to send Congress his own recommendations to support, oppose, or modify the Forest Service proposals.

In 1968, Congress passed the Wild and Scenic Rivers Act. That legislation established a national system of "wild," "scenic," and "recreational" rivers. The Middle Fork of the Salmon River, which runs through the Idaho Primitive Area, was designated by that act as one of the original components of the new Wild and Scenic Rivers System, while 237 miles of the main Salmon were to be studied by the Forest Service for possible later inclusion in the system.

The study of the wilderness potential of the Idaho and Salmon River Breaks Primitive Areas, as required under the Wilderness Act, was completed by the Department of Agriculture in the early 1970's. On July 18, 1974, the Nixon administration submitted to Congress a proposal for a Salmon River Wilderness and Idaho Wilderness of approximately 1.1 million acres leaving out completely the Chamberlain Basin, an integral part of the Idaho Primitive Area. No congressional action was taken on that proposal.

President Carter announced his support for a larger wilderness in central Idaho as part of his environmental message of May 23, 1977. The Forest Service was subsequently directed by the President to review and expand the 1974 proposal. This reexamination was recently completed, and on December 20, 1978, the President submitted a revised proposal for a 1.9 million acre wilderness. After the second roadless area review and evaluation, "RARE II," was finished by the Forest Service in early 1979, the administration again modified its proposal by recommending the addition of some 284,000 acres that were examined under the RARE II study.

The study of the Main Salmon River has likewise been completed, and segments of the river were recommended by the President for inclusion within the National Wild and Scenic River System.

THE RESOURCES OF THIS REGION OF IDAHO

Although the proposed River of No Return Wilderness represents about 5 percent of Idaho's landmass, it is truly the heartland of the wild country of the State.

The area boasts a diverse array of rugged mountains, deep canyons, glacial lakes, tranquil basins, and raging glass-clear streams. The wildernes of central Idaho provides ample opportunity for personal challenge, initiative, and adventure. The effects of the forces of nature are in evidence throughout the River of No Return region, while evidence of man's activity is either absent from the region or, where present, generally unobtrusive.

A rich variety of animal and bird life abound here; Some 190 species of wildlife have been identified. Big game includes mule and whitetail deer, elk, moose, bighorn sheep, mountain lion, black bear, and mountain goat. The Middle Fork and Main Salmon River drainages are two of the most important big game winter areas in Idaho. Thousands of deer and elk, as well as most of the State's bighorn sheep and many mountain goats, winter in these canyons. These two drainages also contain the most important salmon and steelhead spawning beds in the entire Columbia River Basin.

As anyone who has ever spent time in the wild region will tell you, it is the best of what Idaho has to offer; it is clearly one of our most valuable resources.

THE THREE ORIGINAL BILLS, THE IDAHO HEARINGS, AND THE COMMITTEE'S PROPOSAL

Earlier this year, I introduced three bills, by request, to reclassify the Idaho and Salmon River Breaks Primitive Areas as wilderness. Two of the proposals were drafted by Idaho groups; one by the River of No Return Wilderness Council and the other by the Idaho Forest Industry Council. The third bill is the Carter administration's proposal.

S. 95, the River of No Return Wilderness Council's bill would designate a 2.3 million acre "River of No Return Wilderness" and would add 237 miles of the Salmon River to the National Wild and Scenic Rivers System.

S. 96, the Idaho forest industry's bill would establish a 1.3 million acre "Central Idaho Wilderness." In addition, it would designate approximately 840,000 acres of this region for multiple-use management.

S. 97, the President's recommendations for the area calls for the creation of a 2.1 million acre "River of No Return Wilderness."

Extensive public hearings were held on these three bills in Lewiston, Salmon, and Boise, in April and May of this year. A subsequent hearing was held here in Washington on June 22. Almost 600 individuals appeared at those hearings to personally present their views. Let no one say that the public was silent on this question.

During the Energy Committee's business meeting of November 5, I offered an amendment in the nature of a substitute to the three earlier bills. After agreeing to numerous amendments to the substitute text, the committee, by a vote of 17 to 0, ordered an original text be reported to the Senate. That text is contained in S. 2009.

MAJOR PROVISIONS OF S. 2009

Mr. President, rather than describing in great detail all of the particulars of this legislation, I would refer Senators to the committee's report. I do, however, feel it is important to describe the major provisions of S. 2009.

The legislation, by map reference, would designate a 2.2 million acre River of No Return Wilderness within the Boise, Challis, Payette, Salmon, Bitterroot, and Nezperce National Forests. This action would officially abolish the previous classification of the two primitive areas.

The bill would also add some 105,600 acres in the so-called Magruder Corridor of the Bitterroot National Forest to the existing Selway-Bitterroot Wilderness area. The Magruder Corridor is a logical addition to the superlative Selway Wilderness. Its designation as wilderness will provide additional protection for this existing wilderness lying north of the River of No Return area, and end a long-festering land allocation controversy.

Under the provisions of section 9 of the bill, 125 miles of the Salmon River would be designated as a component of the National Wild and Scenic Rivers System. Some 46 miles of this total would become a "recreational river" segment and the remaining 79 miles a "wild river."

Besides these three main purposes, the bill serves a fourth and equally important purpose as well: It provides a comprehensive allocation decision for all of the roadless and undeveloped lands in central Idaho. In considering this legislation, we have sought to end the controversy over which of these lands should be designated wilderness and thereby assure that certain adjacent lands, better suited for mutliple uses than for wilderness, will not be kept in perpetual limbo, but managed by the Forest Service as working forests, under existing laws and applicable land management plans.

THE FULLNESS OF TIME

Mr. President, let me close these remarks with a quote from the Reverend Don Ian Smith, a Methodist minister who spent more than 15 years on a ranch within the River of No Return Wilderness while he was pastor of the small church in Salmon, Idaho. Reverend Smith's words sum up my own feelings about the importance of this legislation, which would have the effect of leaving a patch of this planet in approximately the same condition as it was fashioned by the Almighty. He says:

> How much peace and joy would increase in the world if we would all remember that there are many good things that depend not only on our efforts but upon the "fullness of time". Modern man has taken so many things into his own hands that he begins to believe that those hands must always be active or the world will stop. We live in a wonderful world, but we cannot enjoy it. We seem to think if we stop to enjoy the world, the world itself might stop. Forgetting that we have a God who "neither slumbers nor sleeps," we think we can neither slumber nor sleep.
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> Modern man has become so concerned with his part in creation that he can no longer trust what will happen when he isn't there. He can no longer let things happen; he feels he must always make things happen. So life becomes one vast cocktail party where we feel we have failed if we do not keep the conversation moving, if for a few moments there is quietness, with no man saying anything at all.
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> When we become too wrapped up in the doings of man, it is time to go out on a warm spring night, look up into the sky * * *. It is time to ponder the mystery of seed that grows even while a man sleeps, and a kingdom that comes "in the fullness of time" as surely as springtime follows winter, grass grows, flowers bloom, and birds build nests and sing, even when we have not shown them how to do it.

Mr. President, I reserve the remainder of my time.

Mr. McCLURE. Mr. President, I yield myself such time as I may consume.

Let me begin, Mr. President, by saying that the history of the evolution of legislation and legislative proposals has been adequately outlined by my colleague from Idaho, the floor manager of the bill, and I will not repeat that.

However, I want to sketch into that history a couple of other factors that bear upon my consideration of this legislation.

The bill was reported to the floor by unanimous vote of the Energy and Natural Resources Committee, but the opinion concerning the bill was far from unanimous.

I refer my colleagues to the additional views which I submitted and which have been included in the committee report starting on page 43 of that report and ending on page 46 of that report which outline some of my concerns and a couple of particular areas within the legislation which I will address by amendment later this morning.

To say that it was voted by the committee unanimously must obscure the fact that it has been a matter of intense and bitter debate in the State of Idaho over the last several years. That debate, culminating in this legislation, affects not just Idaho but affects the resource base of this country in a couple of very key ways, which will be addressed by legislation later this morning.

I thought the remarks of my colleague perhaps were somewhat prophetic in a couple of ways: the old story of the ram jumping the abyss and seeing he could not make it, turning around and going back, might be symptomatic of the timidity of man rather than just an apocryphal story about a crazy, mixed-up sheep out in Idaho; about our inability to focus upon what are the most important objectives for our Nation, and keeping our eye on that goal, and failing to be diverted from that goal by extraneous or less important matters.

We have one of those issues before us today that does involve an Idaho big horn sheep, and we will be talking later this morning about the conflict between one band of big horn sheep in Idaho and the single source of cobalt in the United States that is absolutely essential to the security of this country.

We might at the last, listening to the words of my very good friend, Rev. Don Ian Smith, remind ourselves that this was not language dedicated to wilderness but language dedicated to the wilderness within the soul of a man, and how a man lives with himself in a nature-created situation as applicable to the center city as it is to the central Idaho wilderness area.

We have in this bill the culmination of years of debate concerning the essential balance that must be struck in the allocation of resources, and this bill lacks the balance that is essential for the good of my State in another respect other than the cobalt, which is of direct and intense national interest, for if we are going to make legislative enactment concerning the establishment of wilderness we should at the same time make legislative enactment concerning the refusal to designate areas of wilderness.

If there is to be truly balance, the right of the wilderness advocates to continue to bring lawsuits to forest wilderness decisions should be balanced against the ability of the resource users to bring lawsuits to force nonwilderness decisions. This bill cuts off one right without affecting the other, and one amendment later this morning will address that question, the so-called release language.

But why is it important to us in Idaho that we have a predictable timber base? Then why is it important to the country that we have a predictable timber base? Most people do not understand the means by which the Forest Service makes decisions about how much timber can be cut in any given year. We have been on a multiple-use sustained-yield basis for a good many years under various congressional mandates with one kind of application of that proposal or that philosophy or another. It has shifted slightly over a period of time, but it has always remained the same in general central purpose.

That is that we should not, as we did in the Midwest, in the upper Midwestern States in the 19th century, cut out and get out, as the great timber companies swept across the land, denuding the lands and moving on to other virgin forests. Seventy-five years ago we decided that was not good enough, and that we should have enough vision of the future that we should never cut from our forests more than we can cut from our forests in the years to come, that we must maintain a stable timber base, that we must let future generations have the assurance that the timber flowing from our forests of the United States on the public lands is a constant flow of timber, that can supply the building needs of this country for decades and generations to come, not just to satisfy the current demand.

But in order to do that, you have to look at the areas where you are not cutting today, in order to know where to cut tomorrow. A lot of people do not understand how decisions you make in areas where there are no present cutting plans affect areas where you are harvesting.

Let me give you a parallel that will perhaps be more familiar to a number of people. Let us assume there is a 3,000-acre patch of grain, a large area of wheat to be harvested, and you move in and harvest that wheat, 100 acres a day. It would take you 30 days to complete the field.

Now, you could harvest 100 acres a day at one corner of the field, or one edge of the field, or you could take 100 acres a day all over the field in 100 different places, taking 1 acre at each place, and you would still know it would take you 30 days to complete the field.

But if you start on one edge of the field and you do not know whether you are going to be able to harvest that wheat on the other side of the field, you might indeed come up, 15 days from now, and find that the Congress of the United States has decided that the other half of the field should be left in wilderness, and therefore you should have been cutting, not at the rate of 100 acres a day, but at the rate of 50 acres a day. So you find suddenly that you have cut too much, and you must stop now—not just reduce, but stop.

That is where we find ourselves in the timber industry as we make decisions from day to day with respect to wilderness designations without knowing what impact it has on the outside of the wilderness designated boundaries.

I will not debate fully the issue of so-called release language at this time, but I will leave the majority of that matter for debate at the time I offer the amendment. But just let me indicate that if we do not have that balance in this bill—as we do not have—the decisions that may be made in the future will endanger the livelihood of men and women in communities in my State. We know that they are vitally concerned, because we have heard from hundreds of them.

There are two areas in the State that are particularly involved, the north side of the Salmon River, in which we have made wilderness boundary designations that will permit the city of Elk City to continue to operate if there are no lawsuits that challenge the operations on those areas that are outside of the boundaries of the wilderness area. My colleague does not seem to accept that, writing into the report language, now that we have made up our minds that there ought to be multiple uses, that somehow that action settles the issue with respect to those areas that are excluded from the wilderness boundary. As a matter of fact, it does not do that at all. It simply reflects the wish on the part of the committee that we do it that way, and if Congress adopts those boundaries, it somehow becomes a wish sanctified by the adoption of the bounds, but it has no legal effect upon the administration, although I must say that my senior colleague has letters from the Assistant Secretary of Agriculture and the Chief of the Forest Service saying that so long as they are there, the Forest Service will abide by that express wish on our part.

But it binds no one else. Any organization, any individual, who does not like the decision is free to bring suit against that decision the day after this bill is passed, or the day after that, or the month after that or the year after following that.

So, instead of having given certainty on the north side of the Salmon River, we have precipitated uncertainty. I hope the Senate will adopt the language which I shall offer later.

All that has an impact upon the people in the cities of this country who desire to get into a home of their own. Right now the housing industry is in the doldrums because of high interest rates, caused by high rates of inflation because of the actions of Congress and the Federal Government over the last several years in living beyond our means.

Because of that impact upon our housing industry, housing starts are down nationwide. Men and women employed in the construction of houses are out of work, and there will be more out of work in the succeeding months. That downturn in the building industry in this country obscures another problem which would be apparent if they were not being slowed down because of high interest rates, and that is the lack of an adequate timber base nationwide to build the number of houses that we need to build in order that citizens can be adequately housed in this country. Softwood imports to the United States increased from 20 percent to 26 percent of our total national consumption last year alone, and we are building for ourselves an OPEC in softwood, just as inevitably and just as surely as we have in energy, and still we refuse to make the decisions that allow public lands managers to manage those lands which we believe ought to be commercial forest lands.

We have established goals repeatedly in this Congress that we need to build 2.3 million housing units per year over a long period of years in order to catch up with the demand for housing in this country. Our Nation's timber lands base will not sustain that rate of homebuilding in this country, and the only thing that has kept us from running into that problem of lack of resources is our inability to control our financial affairs so that people in their own planning could build their own houses in their own time, on their own timetable, without the interference of the disruption caused by Government fiscal management or mismanagement.

If we were successful in having a stable economy, we would then run into the shortage of materials that periodically in the past has driven lumber prices too high, and raised the cost of housing to the point where our citizens find it very difficult to get into a home of their own.

Mr. President, this bill by itself does not cause that problem, but this bill in conjunction with dozens of other pieces of like legislation does add up to the problem. If we are unwilling to confront that in this bill, and unwilling to confront it in other legislation, then we have, by our action or inaction, failed to do what the people of this country have a right to expect of us.

I mentioned that we have two areas of concern. I touched on the wilderness issue as it affects the northern side of the Salmon River. Now let me very briefly address the problem on the south side of the Salmon River.

In the areas where there are a number of sawmills—and I will point to four communities in particular, Council, Cascade, Horse Shoe Bend, and Emmett—if we do not succeed in getting enough timber under management and actually allow some harvest in the area south of the Salmon River, at least one of those four sawmills will close. That is not speculation on my part. That is fact.

We have the opportunity today, in this legislation, to have corrected that, but it is felt that all we can do in the area south of the Salmon River on the Warren Planning Unit, the South Fork Planning Unit, and the Landmark Planning Unit is to say that the court processes embedded in current statutes will be attenuated by an expedited review in the courts.

If everything goes well in the administrative and court review, then we might have a final decision on this within the year. If we are lucky on all three of these areas and we get a final decision on all three of those planning units within a year, none of those four sawmills need close. If we are not lucky, if the events move as I think we have a right to expect that they may and something is going to happen in one of those three units that prevents us from a final decision over the next year, then, inevitably, one of those four communities is going to see its major industry closedown.

Council happens to be the community in which my grandparents lived and where I spent a good deal of my years as I was growing up. I spent all of my summers on their ranch, just outside of town. I know the people of that community and I know the economy of that community. I know what would happen to it if that sawmill closed. It is a very small town, very dependent upon this industry.

Cascade lies just over the mountain to the east in the valley of the Payette River. The people who live in that community are, likewise, dependent for their year-round income on the sawmill. That is why I have heard from dozens of people who work in the sawmill who say, "Please give us some help. Allow us to plan our future. Do not destroy our families. Do not disrupt our communities. Give us a chance to live."

Just south of that, farther down the Payette River at Horse Shoe Bend, where the Payette River makes the great bend as it flows south and turns westward, the only industry in town is the sawmill. And, like Cascade, if we are unable to keep a sufficient timber base, that sawmill may be the one that closes. If it does, Horse Shoe Bend becomes scarcely a slowing point for the people who in the summertime drive from Boise north into the recreation areas, driving through that community; they would have no reason to slow, much less stop.

Just westward, down the Payette River, is the community of Emmett. Emmett has the largest and the oldest of the sawmills. It is also a community that sits on the edge of the mountain area. In the valley below Emmett is a large agriculture and fruitgrowing area. So that that community is about one-half dependent on the sawmill and one-half dependent on the agricultural economy. It also lies only a little over 30 miles from Boise and is becoming a bedroom city as Boise expands. But it would be a severe blow to that community to have that sawmill close. And yet, one of those poor communities will feel the economic impact of our inability to make resource decisions because of the statutes passed by this Congress.

I have reluctantly agreed with Senator CHURCH that perhaps that is the best we can do under the current political climate, and the current political climate that makes it difficult for us to deal with the basic statutory change that says, "Don't tell the people we can give them certainty. Tell them we will support an expedited review and let them hope that will work out."

Mr. President the other issue that is involved in this legislation of national significance is the cobalt area. You will be told that the cobalt area, which lies on the eastern edge of this proposed wilderness, is not essential to national security because the cobalt belt that goes through the Bighorn Crags also extends southward and that the Blackbird Mine, which can be operated lies outside of the wilderness boundary about 6 miles and that that area, therefore, is sufficient to give them operations over a period of years. I will debate the details of that issue a little later.

Let me tell you at this time that it is my intention to offer an amendment that I did offer in the committee and was turned down in the committee, which would place the area in question in a special conservation area, because there is a resource conflict. One of the resources is the largest and most stable herd of bighorn sheep in the State. The other is the existence of the only deposit of commercially minable cobalt in the United States. Which will control our actions, our dedication to the preservation of the habitat surrounding that bighorn sheep herd or the national security demands of the production of cobalt? Cobalt is absolutely essential in the hardening of alloys that are the basis of the machine tool industry in this country. Absolutely essential; irreplaceable with regard to some of the abrasive and cutting tools that are used today in industry; nearly as important but not quite as important to the entire jet aircraft industry.

Over a period of time and with the availability of alternative supplies of other minerals they may be able to shift to a different kind of alloy and maybe, if the Soviet Union is good to us and causes no trouble in the world between now and that time, without regard to the expense that might be involved, we might be able to make that shift. And maybe we can find enough cobalt outside the area of this proposed wilderness so that we do not have to worry about the bighorn sheep. And, maybe, if everything is all right, we do not have to worry at all.

Well, I do not like to play that way with the security of this country. I want to be certain that we have enough cobalt to produce enough of the high tensile, high strength, high temperature alloys that are essential to the jet aircraft industry and to our military preparedness. Again, I will debate some of the details of that issue a little later as I offer my amendment and we debate that amendment.

But, Mr. President, it seems to me that the people of this country are confronted here in the central Idaho wilderness area with a classic conflict in national priorities. We can solve that conflict by saying we will create a special conservation area dedicated to the preservation of the bighorn sheep herd and, at the same time, the availability of the cobalt that may be essential to our country.

I think our land managers are capable of developing a plan that would enable us to do both, although, certainly there would be compromises for each.

Mr. President, it seems to me that these issues, refined and pointed as they are, are but examples of the broader questions of how we mobilize the Nation's resources so that we remain competitive in the world, both militarily and economically.

This morning is not the time to debate the total issue of our national defense nor of our international economic woes. Everyone in the country is aware that we are becoming less competitive in the world in both areas. I think the people of the United States are becoming aware that we are not the best prepared military power on the face of the Earth, that we are today No. 2, and I think without doubt they know of the economic threat to the well being of our people as we face increasingly efficient and increasingly capable foreign producer economic competition.

Mr. President, we cannot continue to go down the line of assuming that we are so wealthy a nation that we can afford anything; that we are so wealthy a nation that we can afford not to produce our own energy; that we are such a wealthy nation that we can afford to import our wood products; that we are such a wealthy nation that we can afford to import tens of thousands of foreign-built automobiles thus throwing American workers out of work; that we are such a wealthy nation that we do not need to produce our own television sets, our own textiles, our own shoes, our own clothing; that we can continue to buy more and more and more from overseas, and then see the value of the United States shrink as it has, the productivity of this country decline as it is, our competitive edge withn the world dsappear as it has, the rate of inflation continue to rise as it continues, the economic uncertainty and threat to our people grow as it grows.

Again, this bill will not solve all of those problems, but the bill before us will have an effect on each of those problems.

Mr. President, might I inquire how much time remains on the bill on both sides?

The PRESIDING OFFICER. The senior Senator from Idaho has 20 minutes and 50 seconds remaining and the junior Senator has 32 minutes and 20 seconds remaining.

Mr. McCLURE. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the time being charged to either side.

Mr. President, I withdraw that request and yield the floor.

The PRESIDING OFFICER. The senior Senator from Idaho.

Mr. CHURCH. Mr. President, the bill before us represents the best effort that the committee could make to fashion legislation reflecting the testimony that we received from so many hundreds of concerned citizens throughout Idaho on an issue which has been inflamed and controversial for many years.

The time has come to put the issue to rest: To determine the proper classification of these lands that form the heartland of our State and which constitute not only extraordinarily important habitat for wildlife, but also comprise the high and fragile ground that must be protected if it is to continue to function as the watershed for much of Idaho.

The bill has drawn the boundaries of this wilderness in such a way as to minimize its impact upon the economy of the State.

I am fully aware of the importance of preserving the Nezperce Forest as a working forest, and the boundaries that we have agreed upon accomplish that objective. Indeed, the lumber companies themselves, those which are located in the Nezperce Forest and are most likely to use the timber available there, find themselves in support of this legislation. I do not remember a time when lumber companies most directly affected by wilderness have endorsed legislation creating such a large wilderness area.

My colleague has spoken of the importance of logging certain regions to the west of this wilderness, lying south of the river. He has also made reference to the Warren planning unit and the Landmark planning unit as being essential to the continued operation of mills located in Council, Horseshoe Bend, and Emmett, Idaho.

I agree that these mills will continue to depend upon logs coming from these particular planning units in the future. The problem has been that conflicts have arisen with respect to the nature of the plan that the Forest Service has presented for the logging of these areas. At the present time, administrative appeals to the Chief of the Forest Service are being considered in connection with both the Warren and the Landmark planning units.

If the Chief of the Forest Service upholds these appeals, then it would be necessary for further revision of these planning units. On the other hand, if the Chief rejects the appeals, then we are on notice that court action will be commenced in connection with at least one of them.

So we know, Mr. President, that appeals are in process now at the administrative level, later at the court level.

I, for one, do not believe that citizens should be denied their right of access to the courts. If they believe that the planning has been wrong, that it does not conform to the laws of the land, and if they can make their case out and prove it to the satisfaction of the courts, then the doors of the courts ought not to be closed to them by decree of Congress.

So, we have done the right thing in this bill. We want to see a resolution of this controversy. We want to avoid the prolongation of the litigation for 2 or 3 or 4 more years. We want the necessary decisions to be made in the proper manner. That is why we have included in this bill provisions to require an expedited review of the questions at issue so that a final court decision can be made within a reasonable time. I know of no better way to solve this particular problem than the one that has been adopted by the committee and incorporated in the bill.

I have one other thing to say, Mr. President, before offering an amendment which I have discussed with my colleague (Mr. McClure), one that I think is acceptable to him. That has to do with his comments concerning the importance of maintaining an adequate base for the future production of lumber and wood products in this country. With that assertion, I fully and wholeheartedly agree. But I suggest that the bill pending before us makes a positive contribution to the base to which we can look for our lumber in the future. Let me read from page 18 of the committee's report.

> Oftentimes the debate over designating an area of national forest land as wilderness centers around whether or not such a decision will reduce the federal timber sale program on the affected national forest(s). It should be noted that most of the land being designated wilderness under this bill has not been used in calculating the "timber base" for the national forests of central Idaho. Thus, the designation of the new River of No Return Wilderness and the addition of the Magruder Corridor to the Selway-Bitterroot Wilderness will have minimal adverse effects on the existing timber sale programs. In fact, the net effect of this bill may very well be an increase in the timber availability in central Idaho.
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> For instance, the Committee's choice of wilderness boundary lines north of the main Salmon River and the corresponding "release" of certain adjacent lands covered either by the *Parker* decision or recommended by the Administration for wilderness designation under the RARE II study, means that significant additional volumes of timber will eventually be made available for harvest on the Nezperce National Forest. The timber can come from areas that have been "deferred"—that is kept in a *de facto* wilderness condition—by the Forest Service pending approval of legislation to reclassify the two primitive areas and certain contiguous lands as wilderness (See table 1, below). With passage of this legislation, these resources should be made available under regular Forest Service planning and management procedures to help ease the timber supply shortage which exists on the Nezperce National Forest.

So, far from cutting back on the amount of timber available to the wood products industry, far from constituting another slice in the salami which, presumably, is reducing our timber base, this bill actually adds to that base. That, I believe, is one of the reasons it is supported by the lumber companies that must look to the Nezperce Forest for their timber supply in the future.

Mr. President, since this bill was reported by the Committee on Energy and Natural Resources, three Idaho newspapers have reviewed the bill with care. They have published supportive editorials. One of these editorials appeared on November 11, 1979, in the Idaho Daily Statesman. Another appeared on the same date in the Lewiston Morning Tribune, and the third appeared in the Idaho Country Free Press on November 14, 1979. It is the third editorial that I think is particularly noteworthy because it was published by a paper that has traditionally opposed wilderness. I quote one sentence from the editorial, which reads:

> While we have opposed wilderness designations in the past, we feel that this current proposal may be the best shot for this area. . . .

Mr. President, I ask unanimous consent that the full text of each of these three editorials be printed at this place in the Record.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the Lewiston (Idaho) Morning Tribune, Nov. 11, 1979]

Not the Best Bill, But Good Enough

Idaho may have its River of No Return Wilderness by the end of the decade. If Congress approves the bill now before it—as it should—the credit will go to Sen. Frank Church. But if it fails to pass both the Senate and the House before the end of the year, the blame goes to Sen. James McClure.

The wilderness bill passed this week by the Senate Energy and Natural Resources Committee is not the best bill it could have been, but it is about as good as could be expected—probably even better.

The Central Idaho Wilderness Act, as it is officially titled, designates about 2.2 million acres of Idaho back country as permanent wilderness, including the Salmon River Breaks and Idaho Primitive Areas that have been managed as wilderness since the 1930's.

The bill as hammered out by Church resolves some long-standing controversies, including wilderness classification of the Magruder Corridor as part of the Selway-Bitterroot wilderness.

It is not a wildernut's dream bill, though some environmentalists like parts of it; nor does it whet the appetite of the timber beast, though some logging firms are satisfied with some of its provisions.

It is a bill for all Idahoans. It meets the demands of Idahoans who have debated long and hard for much of this decade about the future of the rugged heartland of their state. It will preserve elk and bighorn sheep habitat in the Salmon River Breaks, but it also will allow for harvesting of 35 to 40 million board feet of timber on the northern slopes of the breaks in the Nezperce Forest.

It will preserve the Magruder Corridor as wilderness but it also will keep open the road through the corridor that links Elk City to Darby, Montana.

It is a bill for Idaho, but McClure wants to make it a bill for the nation. He is insisting on amendments that please the national timber interests, not the lumber mills of northern Idaho that are directly affected by the legislation.

McClure wants an amendment that would set a national precedent for the release of lands being studied under the Roadless Area Review act, better known as RARE II. He wants statuary language to open to logging the controversial East Meadow Creek, east of Elk City.

Such language is not acceptable to the bill's backers in the House. If McClure is successful in his promised floor fight to include that language, he is sure to scuttle the legislation and leave the future of Idaho's wilderness unresolved for yet another year.

Church knows that and is proposing that the report accompanying the bill make clear to the Forest Service that the area is to be managed for multiple use, including logging. Church proposes to accomplish the same result, but without damaging the bill's prospects for House approval. That's good enough for Bennett Lumber at Elk City, a company that has been a diligent watchdog of its own interests. Statutory language in this bill releasing RARE II lands would be a powerful tool in their arguments for release of RARE II lands in other states.

If McClure insists on protecting the timber interests outside the state, he is likely to torpedo the entire Central Idaho Wilderness Act—a bill that could, and should, be a fitting tribute to a decade of debate about Idaho's most important natural resources.

[From the Idaho County Free Press, Nov. 14, 1979]

Wilderness Proposal Merits Told

While a subcommittee has approved the wilderness proposal for the area of 2.2 million acres, with Idaho's delegation split, we believe that important language is found from both Senators.

Senator Church has promised in a press release that this wilderness addition would be the last for this area.

Indeed, with the state of the lumber industry, such a promise should not be taken lightly.

Senator James McClure, while he does promise a floor fight, did vote to get the legislation out of committee. McClure wants some lands designated multiple use, and also wants a conservation management area for the Panther Creek area.

From the information we have received, we find that a good bit of this wilderness is planned for south of the Middle Fork of the Salmon River.

However, Wilderness areas in this particular County are also proposed.

The Magruder Corridor would be accorded Wilderness status, with 105,000 acres being added to the existing Selway Bitterroot Wilderness to the north, and the rest incorporated as part of the River of No Return Wilderness to the south.

The road from Elk City to Darby, Montana, along with a corridor 300 feet on either side, would be excluded from Wilderness.

East Meadow Creek would be excluded from Wilderness. Sen. Church, in a press release, said language in the report accompanying the legislation would make it clear to the Forest service that this area is to be made available for logging operations and other multiple use purposes.

Other significant areas, the Warren Planning Unit and the Landmark Planning Unit, would have appeals systems instituted to expedite environmental appeals to them.

The main stem of the Salmon River, from its confluence with the North Fork downstream to Long Tom Bar, above Riggins would be included as a part of the Wild and Scenic River System.

Grazing would still be permitted, while airstrips would not be closed if in regular use.

All in all, the agreement seems to offer something for everybody, and not just for environmentalists. While there is always the possibility of other legislation coming up, say 10 or so from now to place more land in the wilderness, we believe that this agreement is better than the current uncertainty which now prevails over this area.

A guarantee of this type is a guarantee that mills in this area will probably be kept open for a long period of time.

All in all, the Wilderness Bill now in Congress could be worse, for now it offers something for almost everybody. While we have opposed wilderness designations in the past, we feel that this current proposal may be the best shot for this area, as other bills may be more restrictive.

Apparently some type of bill is going to pass, this appears to be the lesser of the evils.

[From the Idaho Daily Statesman,
Nov. 11, 1979]

The Wilderness Bill

The River of No Return Wilderness bill before the U.S. Senate is an excellent piece of legislation. The bill strikes such a fine balance it can be supported by both the logger and the backpacker. More importantly, it gives to future generations one of nature's most splendid works, the best of the wild area known as the Salmon River country.

Idaho Sens. Frank Church and Jim McClure have put together a good compromise. But the compromise is flawed by the decision to open the East Meadow Creek roadless area to timber harvest. A 3rd of the water that flows down the Selway River drains out of East Meadow Creek and an adjacent roadless area. The Selway is to the Selway-Bitterroot Wilderness Area what the Middle Fork of the Salmon is to the Salmon River country—an artery of sparkling, life-giving water. The U.S. Forest Service recommended East Meadow Creek become wilderness. Whether timber can be profitably harvested out of the unit with today's technology is in dispute. But the timber won't be needed for 15 years, by Forest Service and industry estimates. Six other roadless areas in the Nezperce National Forest are to be opened to harvest. They will provide an adequate supply of logs for Idaho County's mills. There is no need for a decision on East Meadow Creek now.

Environmentalists say they will fight for East Meadow Creek and also for wilderness classification of the Jersey Jack and Big Mallard roadless areas on the north side of the main Salmon. Gov. John Evans and President Carter urged wilderness classification of part of each of the 2 areas to preserve elk and bighorn sheep habitat and protect the river canyon from erosion. A Church aide says wildlife biologists want the wildlife habitat in the sections in dispute to be improved, which it cannot be under the wilderness designation. Wilderness designation of part of Jersey Jack and Big Mallard is needed to protect the canyon. Logging must not occur in the canyon. If logging occurs above the rim, it must be done carefully.

Environmentalists also will fight for Elk Creek, a tributary in the headwaters system of the Middle Fork of the Salmon on the southwest edge of the Idaho Primitive Area. The legislation requires the Forest Service to rule by Feb. 1 on appeals of decisions to open the nearby Warren, Landmark and South Fork roadless areas to timber harvests. Industry does not need Elk Creek, too.

The bill does not incorporate the stretch of the main Salmon River from Long Tom Bar downstream into the Wild and Scenic River System. This is surprising since the 237-mile length of the river downstream from North Fork was expected to become part of the system. It makes no sense to protect the watershed of the Middle Fork for spawning salmon and build dams on the stretch of the river between Whitebird and the Salmon's confluence with the Snake. Church and McClure agreed the issue could be decided later. It should be decided now.

Another area of dispute is West Panther Creek, on the east side of the Idaho Primitive Area. McClure has proposed amendments that would leave West Panther Creek out of the new wilderness so cobalt could be mined if it is found. A herd of 400 bighorn sheep that lives in the area is a brood stock for reintroduction of the sheep elsewhere.

A Church aide says a known 15-year reserve of cobalt exists near—but outside of—the West Panther Creek area. New claims have been filed south of the roadless area. The bill allows mining through the sinking of shafts from outside the wilderness boundary, and extends the deadline for mineral entry by 5 years. The bill is liberal enough.

Church and McClure disagree on how to open the roadless lands to timber cutting. McClure, through his amendments, wants the decision to be spelled out in a section of the bill. But Rep. Morris Udall, the chairman of the House committee that will act on the bill if it passes the Senate, has said he will not accept such "statutory release language." Church wants to address the issue in a report that accompanies the bill. The Forest Service has said it will honor the report.

This seems like an insignificant issue. If McClure is to serve his constituents at a time when a decision is needed—particularly when Reps. Steve Symms and George Hansen are playing no role because of their blanket pro-development philosophies—he will support the bill even if his amendments aren't attached. The bill might be voted on on Wednesday.

The legislation is likely to decide one of the most significant issues in the history of Idaho. The day for the River of No Return Wilderness has come.

UP AMENDMENT 835

Mr. CHURCH. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Idaho (Mr. CHURCH) proposes an unprinted amendment numbered 835:

On page 12, lines 16–19, strike paragraph "(C)" in its entirety and insert the following:

"(C) The use of motorboats within this segment of the Salmon River shall be permitted to continue at a level not less than the level of use which occurred during calendar year 1978."

Mr. CHURCH. Mr. President, we think it is advisable to change the language of this particular section in order to make clear that the purpose of the section is not to establish a ceiling on motorboat use on the mainstream of the Salmon but, rather, to use the year 1978 as a floor. So revised, the Secretary would retain the necessary flexibility to increase the use of motorboats on the basis of a management plan that he is required to prepare for the river. The language would not result in overuse of motorboats in the future, but would simply prevent a decision on the part of the Secretary that would curtail their use below the level of calendar year 1978.

Moreover, the proposal as written would mean that all of the river users would be accommodated—those using floatboats, those who hike along the banks of the river or fish in it—and the legislative history that we are making today is intended to make it clear to the Secretary that any such management plan should accommodate all types of users.

For many years, one of the principal methods for securing access into this magnificent wilderness has been by jet boat moving from Riggins upstream, along the main stem of the Salmon River and into the heart of this primitive country. We want to make certain that this means of access is not curtailed in the future. That is the purpose of the amendment. I hope that it might be agreed to.

Mr. McCLURE. Mr. President, my senior colleague has suggested to me this morning that some users of the river are concerned about whether or not the language that was in the committee bill, the bill as reported by the committee, would be unduly restrictive of their uses as one segment of those who use motorboats on the river during one part of the year.

That merely underscores the fact that there are different people who use the river in different ways at different times of the year.

I am willing to accept the amendment in order to accommodate their concerns that the 1978 pattern of use not be so restrictive that they might be disadvantaged by a management plan developed pursuant to the language in the bill.

At the same time, I want to express my concern that the growing conflict between motorboat use and float use does present a hazard that the managers of the area are going to have to confront.

At some level of use, at periods of the year when those who float the river and those using jetboats, who come up the river instead of just going down the river, there will be traffic hazards at places where the rapids drop so steeply that those floating down the river cannot see over the crest of the rapids and, at the same time, those coming up the river in jetboats cannot see those approaching the rapids from above.

What we have heard from one segment that says, "Give us a little flexibility, give the managers a little room to accommodate us," we may yet hear from those on the other side who say, "You have opened the door too widely."

So I accept the amendment upon the premise, and I think more than just obvious understanding, that if, as a matter of fact, the managers in the development of the management plan are unable to accommodate the uses under this language, that we may be again approached by someone who asks us to again legislate.

I hope that the managers will be able under this language to resolve those conflicts that are both present and growing and of concern to each of us.

But, Mr. President, I accept the amendment.

Mr. CHURCH. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. McCLURE. I yield back my time.

Mr. CHURCH. I yield back the remainder of my time on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho.

The amendment (UP No. 835) was agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I have no further amendments to the bill, but I believe my colleague does.

Mr. McCLURE. Mr. President, first, before calling up the first of my amendments, let me respond to the remarks my colleague made in response to my earlier comments.

He recites language from the report with respect to the timber allocations that indicate that this may increase the timber base. He emphasized the increase. I want to emphasize the "may" because there is no assurance that it will in fact increase. There is no assurance that it will in fact be balanced. There is no assurance in the legislation that the actions taken will be favorable, and in light of history of RARE I and RARE II, we may, indeed, find that that is the case, that the hope is not met by the reality.

He refers to the editorials in three newspapers and points to one that customarily does not support wilderness designation and refers to the support of the timber industry in that area affected.

There are two timber industries, Bennett Lumber Co. and Wickes Forest Products, which have indicated their support for the legislation. Let me indicate why.

Bennett operates in Elk City, in an area where we have, by drawing the boundaries, excluding certain lands from the wilderness, and they must have a decision now.

Wickes Forest Products operates in Grangeville, just west of this area on the north side of the river, in an area where we rescued them by limiting their opportunities for the future in the Gospel Hump legislation that was passed a couple of years ago.

We legislated that, and they agreed because they did not have any time to argue because they were up against a decision that says, "Take this compromise good or bad, but take it or die." They knew that if they did not take the legislated solution, they would be tied up in court and the mills would close.

Mr. President, they are in precisely the same condition today. They are in no position to bargain because it is a take it or die situation. No wonder they say, "I'll take it." They have some hope for life, rather than immediate death of the industry.

So let us not attach too great a significance to the letters of support for the legislation emanating from those sources.

AMENDMENT NO. 648

Mr. McCLURE. Mr. President, I have amendment No. 648 at the desk and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Idaho (Mr. McCLURE) proposes an amendment numbered 648.

Mr. McCLURE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 11, between lines 18, and 19, add the following new section:

"SEC. 9. Lands within the National Forest System in central Idaho recommended for wilderness, nonwilderness, or further planning designation under the review and evaluation of roadless areas conducted by the Secretary of Agriculture but not designated as wilderness by this Act, and lands within the National Forest System whose designation as primitive areas is terminated and not replaced by designation as wilderness by this Act shall henceforth be managed, notwithstanding any other provisions of law, for uses other than wilderness in accordance with regulations promulgated pursuant to the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended. No such lands shall again be considered for designation as wilderness in the National Wilderness Preservation System unless further study or consideration for such designation is provided by Act of Congress. Such lands shall include the following inventoried roadless areas studied as a part of the Secretary's roadless area review and evaluation (RARE II):

"Area name	RARE II area number
Gospel-Hump (Jersey Jack)	01921
Mallard	01847
Meadow Creek West	C1845
Meadow Creek East	D1845
Rackcliff Gedney	01841
Middle Fork Face	01842
Clear Creek	01844
Kelly Mountain	01857
Silver Creek-Pilot Knob	01849
North Fork Slate Creek	01850
Little Slate Creek	01851
John Day	01852
East Panther Creek	E4504
East Panther Creek	S4504
Jureano	04506
Haystack Mountain	04507
Phelan	04508
Deek Creek	04509
Jeese Creek	04510
Perreau Creek	04511
Taylor Mountain	04502
Camas Creek	E4202
Sulphur Creek (M)	X4066
Spring Basin	04219
Squaw Creek	04217
Greylock	04218
Napolean Ridge	04501".

On page 11, line 19, strike "9" and insert in lieu thereof: "10".

On page 13, line 10, strike "10" and insert in lieu thereof: "11".

Mr. McCLURE. Mr. President, this amendment, which has been printed and is at the desk and is available to all Members, deals with the question of release of those areas which are not included within the wilderness.

Before anybody listening to the debate can assume that my colleague and I are in disagreement about everything on this bill, I hasten to say that the majority of the area and the majority of the decisions are not contested. We are in agreement that more than 2 million acres of land be added to the wilderness system in central Idaho that the existing primitive areas, the central Idaho primitive area and the Salmon River primitive areas, designated by the Forest Service in response to the request of a Republican Governor 45 years ago and maintained by the Forest Service in that category ever since that time, will be included in the wilderness area in the National Wilderness System; that we will take areas outside of that and add to it.

As a matter of fact, RARE II studies were supposed to look at all areas of the Forest Service that were roadless, and suggestions were to be made as to which of those should be included within the wilderness system and those which should not be designated for wilderness systems. All the areas, with one exception, that they suggested be added to the wilderness have been added to the wilderness in this area, and we have added several in addition.

So the balance we are seeking as we add 2 million acres of land to the wilderness is that we declare that 478,000 acres will not be wilderness, by law—not in report language that says that is what we expect or hope, but by law. That is, we say that these areas that are outside the wilderness boundary will not be wilderness.

Mr. President, the entire area of RARE I and RARE II has been met by most people in direct contact with that problem with the resolve that there shall not be a RARE III.

What does "RARE" stand for? Roadless area review and evaluation—a Forest Service look at all the areas that are now roadless. Incidentally, they defined out of existence many roads that did exist by simply saying that if they are not maintained by mechanical means on an annual basis they are not a road. Never mind that wagons and buggies and innumerable horsemen and pickups and cars and jeeps and four-wheel drives and conventional vehicles have been traveling those roads for 75 years. They do not meet the test, and therefore they are not roads. That is another issue.

But RARE I, the first time through, did not yield positive results, and a new administration coming into Washington said:

> We're going to solve this wilderness issue. We're going to have another Roadless Area Review and Evaluation, and thus RARE II.

However, in order that it be a comprehensive solution, they included areas that had not been studied in RARE I. They enlarged the dragnet, bringing in more areas, and they did study more areas, and they submitted their report to Congress.

This administration has made good on its pledge. It was Assistant Secretary Cutler's expectation that when that was done, Congress would legislate, take their recommendations, expand them, contract them, but look at their recommendations, and finally decide the solution by passing a statute that says the areas that are designated shall be the wilderness and the areas that are not designated are released from study for further wilderness designation—not that they could not be added some time in the future by separate legislation, but the land manager would be the authority now to manage those nonwilderness areas under the multiple use statutes.

So, out of this whole area of more than 3.5 million acres that was studied, we have drawn the boundary on the north side of the Salmon River to exclude 478,000 acres of peripheral area, most of which is not in contention, some of which is, and suggest that those areas that are not within the wilderness boundary should be excluded, by statute, from further wilderness consideration by the land manager, the Federal Government. That question is addressed in the committee report by saying that it is our intention that they not be considered further.

Senator CHURCH, as I said earlier, has letters from the Assistant Secretary of Agriculture and from the Chief of the Forest Service, saying that with this kind of language in the report, they will manage the lands as though it had been included in the statute.

I do not doubt their good faith, and I am not questioning their good will. I suspect that if this is passed with nothing but the report language, Secretary Cutler and Chief Peterson will do what they have said in their letters they will do.

However, politics and Government are fragile things at times, and there are changes of personnel that sometimes change attitudes. As a matter of fact, there might be a new Assistant Secretary of Agriculture. I think Senator KENNEDY has something in mind concerning that, and there are some others in this body who have something in mind with respect to changing the current administration. I am certain that none of them is just going through the exercise for the fun of the exercise. They really believe there may be.

Certainly, if that occurs, there will be a change of personnel; and if there is a change of personnel, there easily can be a change of policy.

Besides that, and more important than that, no one else in the United States is bound by that. Out of more than 200 million Americans, there are two who have declared themselves. All the rest are uncommitted, and they are free to challenge that decision, and I think some of them would be honest enough to say that they expect to challenge that decision.

Therefore, if we are to maintain the faith with the people in Elk City, with the people in Grangeville, with the industries which have written those letters, then we should put it in the statute, not just in the report.

BACKGROUND OF RARE I AND RARE II

Mr. President, since 1905, the Forest Service has been committed in practice, and since 1960, has been committed by statute, to multiple use, including wilderness. Decades before the first Wilderness Act of 1964, the Forest Service had set aside millions of acres of spectacular country as wilderness. In 1964, Congress sanctified that wilderness with statutory law which created the National Wilderness Preservation System. In the same act, Congress also gave the Forest Service 10 years to complete studies of the so-called primitive studies, areas temporarily reserved from access pending study of their suitability for wilderness designation. In addition, Congress provided that no future wilderness could be created in the National Forest except by an act of Congress.

In the latter part of the 1960's, on forest after forest, as new sales were advertised, administrative protests were filed, charging that a particular sale would for one reason or another violate the statutory concept of multiple use. Usually, the allegation was that a proposed sale was in an area that ought to be made formal wilderness or that should be devoted to unstructured recreation with no harvesting of timber. With timber sales tied up in such appeals and the orderly progression of forest management disrupted, the Forest Service announced RARE I as a technique for resolving the problem.

During the RARE I process, an inventory of the roadless areas was completed, public comment was gathered, and a list of areas was proposed for recommendation to Congress for inclusion in the wilderness system. These recommended areas or "candidate study areas" were to be drawn from the timber base upon which annual level cuts are calculated, protected against any use that might impair the wilderness character, and included in the environmental impact statement that detailed the reasons for their selection. The process resulted finally in the selection in 1973 of 274 wilderness study areas containing approximately 12.3 million acres. The other roadless areas in the RARE I inventory, having been considered and rejected for possible wilderness designation, were not protected and remained in their full multiple-use status (about 44 million acres nationwide).

Still, there remained the question of whether these roadless areas were lawfully kept in multiple use. On January 1, 1970, the President signed into law the National Environmental Policy Act. It required the executive branch, before making any major decision having a significant impact upon the human environment, to produce a draft and final environmental impact statement.

During the latter part of 1972, as the RARE I process was nearing a conclusion, the Sierra Club filed a lawsuit against the Forest Service. It charged that before the Forest Service took any action to disturb the natural condition of the RARE I roadless areas that supposedly were returned to full multiple-use status, the agency must go through the decisionmaking process prescribed by NEPA. In essence, the Court agreed with the Sierra Club and all activities on the roadless areas were stopped.

As a result of the lawsuit, almost every Western national forest had to start a full-scale revamping of existing land-use plans. On some forests, timber sale levels dropped dramatically below the allowable cuts. On other forests, timber sale levels were maintained, but sales were concentrated on lands outside the RARE I roadless areas. On these forests, the concentration of sales at the full sales volume on a limited area produced legitimate fears that these available areas would be overcut to the detriment of land and watersheds.

This situation produced an obvious need for speed in the land-planning process and the preparation of environmental statements. But with only minor exceptions, the required new planning process was moving at a relatively slow pace. On a few forests where plans were completed, the final plans and accompanying EIS's were met with delaying administrative appeals, followed by lawsuits. Perceiving little basis for optimism, the Forest Service announced the new RARE II proposal.

RARE II

In June 1977 the U.S. Forest Service instituted their RARE II process. This program was intended to survey the roadless and undeveloped areas within the National Forest System and to distinguish areas with wilderness potential from those most appropriate for other uses. The areas recommended for wilderness would be candidates for addition to the National Wilderness Preservation System by congressional action. The remaining roadless lands were designated for nonwilderness uses under the multiple-use planning process or were allocated to further study.

In April of 1979, the President made final recommendations that wilderness designation be given to approximately 15.4 million acres of the original 62-million-acre roadless inventory. Another 10.8 million acres of roadless lands were determined to require further planning before decisions are made on their future management. The balance of the areas—about 35 million acres—were recommended for nonwilderness, multiple use management.

The RARE II process was formulated to expedite the planning process for roadless areas. Depending on its ultimate success or failure, it may be a step toward solving the timber supply and associated jobs and community stability problems, or, on the other hand, it may deepen and prolong these problems.

LEGISLATIVE SOLUTION

Without legislative "release language," there is no assurance that the nonwilderness areas will be available for uses other than de facto wilderness. Moreover, the RARE II program with its programatic EIS has added another layer of possible administrative and judicial review which can add to the delay of releasing these lands for multiple use.

Mr. President, there is an adage that warns us of history repeating itself. In northern California, there is presently a lawsuit filed which would halt management on roadless areas supposedly returned to full multiple use. This case is illustrative of the problems inherent in implementing the nonwilderness portion of RARE II in central Idaho. In this case, the attorney general of California seeks to enjoin any action in 41 areas which were designated as nonwilderness in RARE II until a legally adequate EIS is prepared on each individual area. The plaintiff contends that 41 of the nonwilderness areas, some 991,247 acres, should be instead designated wilderness or held for further planning. This suit could stop activities in nearly half of the total nonwilderness acres in California which were supposedly released for multiple use other than wilderness. (California nonwilderness—171 areas including about 2,340,000 acres.) This same type of suit or a similar court challenge could be lodged against the areas not designated for wilderness in S. 2009.

After 8 years of wilderness review and the expenditure of millions of dollars, we should be able to make these land allocation decisions for central Idaho without continued wilderness review or court challenges. We must end this long period of uncertainty. It is time to remove these lands from limbo.

Without legislative release language, the courts will continue to make land allocation decisions for the roadless areas within the National Forest System. Clarifying the intent of Congress will not preclude a court from blocking activities on nonwilderness lands.

Clear evidence of the administration's intent to manage the nonwilderness areas will not preclude court review. The only way to preclude court review is to enact legislation which releases the land for uses other than wilderness. With the enactment of this release provision, the Congress, not the courts, will be deciding which lands shall be available for multiple use.

In the legislation before us today, we are designating as wilderness some 2.3 million acres of national forest land in central Idaho. To provide for a comprehensive land allocation decision, we must attempt also to insure that contiguous roadless areas will be available for multiple use management. The only way to accomplish this objective is to include release language in the statute.

Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the markup committee discussion.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senator MCCLURE. I think Idahoans understand and appreciate that. But at the same time that papers in Boise last week were discussing the impact on the lives of people in Horseshoe Bend, 70 people in that mill were out of work.

We will have other headlines in the years ahead; not just temporary lay-offs because of economic conditions, but a permanent community disruption because of the restrictive management, unless we can find a way to strike the appropriate balance.

I am not certain that this legislation, although I expect to support it, does any more than have made one side of the equation more certain.

Senator HATFIELD. May I just——

Senator MCCLURE. Of course, I would be glad to yield.

Senator HATFIELD. Mr. Chairman?

Senator CHURCH. Mr. Hatfield.

Senator HATFIELD. I thank the Chairman; I thank the distinguished Minority member of the Committee, Senator MCCLURE, for yielding. Mr. Chairman, I have a great interest in what this bill proposes for a number of reasons.

One, we are neighbors, and what affects Idaho in many ways affects Oregon. Also, because this is the first bill, I believe, that has came before the committee dealing with the results of the RARE II study, even though it does not but take up a portion of the RARE II program as it relates to Idaho. It is very significant in setting a precedent.

Because of that concern I have about precedent, I wanted to make an observation and an inquiry at the same time. First, of all, in my two terms in the Senate I have authored approximately 50 percent of the wilderness in Oregon that now constitutes 1.3 million acres.

I think I can be considered an avid supporter of wilderness. The proposal that will soon come before this committee—dealing with Oregon—will have the entire state involved.

In other words, I have been working on a comprehensive, state-wide program dealing with RARE II in my state. I am very anxious to add to the wilderness.

In fact, my preliminary proposal at this moment would probably add over 100,000 more acres of wilderness than the Administration's proposal. So I do not think anyone could observe that we are stingy on wilderness proposals in my state.

But, Mr. Chairman, I am also very concerned about not getting into RARE III, RARE IV and RARE V. We talk about the need of confidence to make our economy work and run smoothly.

And it is an intangible, and yet very significant. I think we need that in the state of Oregon. We need it because we have an individual in our state who puts down $15 to file a court case against any and all sales that come up—of timber sales in his area.

Just routine, $15, that is all he has to put down, and has held up, by court action, sale after sale. No particular merits to the case, except that he opposes timber sales, period, under any circumstances.

It seems to me it is very important to get release language. And I want statutory release language in the bill dealing with Oregon. Now, you and I know that no Congress can bind a future Congress.

There is as much symbolism, perhaps, in whether you have release language in report language or in statute, but I want to nail it down in statute as it relates to Oregon. I am not in any way attempting to impose that procedure on any other state.

But I am determined that it shall be in the bill dealing with the RARE II matters relating to my state. So my question, Mr. Chairman, and you and I have had an opportunity to discuss this matter, and I have no intention of holding up or in any way delaying the procedure that the Chairman and his colleague, Senator McClure, wish to move on Idaho.

But I do not want in any way to have it interpreted that my acquiescence to the report language of the bill containing the release language sets any precedent for the State of

* * * * *

I will be the first to say that this particular bill, in my view, is not to be regarded as a precedent averse to your objective.

This bill today has a different genesis. I originally——

Senator HATFIELD. Excuse me, would the Senator yield at that point before he goes into the matter further?

Senator CHURCH. Yes.

Senator HATFIELD. To follow up on this point, as the Senator knows, I supported the Gospel Hump proposal last Congress. At that time I think one would find in the legislative record that I said I would like to expect and have the same support for this kind of precedent as it would apply to Oregon down the road.

The Senator at that time assured me of his support. And the Senator knows, also, that we have been working on language, moderate language, not some extra kind of language that would be red flags and obnoxious to people.

But it would be what we call moderate language and I think the Senator has had an opportunity to see that language and know about our efforts.

As the Senator has indicated, this is not precedent. And the Senator would also support my bill when it comes before this committee.

Senator CHURCH. Yes; and let me say that I have the expectation that this question of how to deal with land designated multiple use as a result of the RARE II study may, in the end, be addressed on a scope as broad as the boundaries of the Forest Service itself, that is, the national forests of the United States, because it is a major public policy decision.

I expect that next year or the year after, I do not know when, the Congress is going to face up to it. But it will have to be faced up to.

It will take extensive public hearings, I am sure, in both Houses. But the public policy decision has such importance to the future management of the national forests that I think in due course it will be made by the Congress.

I would hope that one day, when it is made, Gospel Hump might be pointed to as the starting place.

Senator HATFIELD. Yes; and that Oregon is reaffirming Gospel Hump.

(Laughter)

Senator CHURCH. But when we come back to this bill——

Senator HATFIELD. I thank the Senator for his support of the Oregon bill when it comes down the line; thank you very much.

Mr. McCLURE. Mr. President, I reserve the remainder of my time.

Mr. HAYAKAWA. Mr. President, will the Senator from Idaho yield?

Mr. McCLURE. How much time does the Senator desire?

Mr. HAYAKAWA. Six minutes.

Mr. McCLURE. Mr. President, I yield 6 minutes to the Senator from California.

Mr. HAYAKAWA. Mr. President, I support the amendment of the Senator from Idaho (Mr. McClure), which provides so-called release language to the central Idaho wilderness bill, S. 2009.

This amendment does not affect California in any way. Nevertheless, it does set up certain precedents for handling similar problems within our State. Therefore, I find this amendment of considerable interest to me and to California.

The proposed legislation adds about 2.2 million acres to the wilderness system; yet, it releases not 1 acre for uses other than wilderness. In other words, according to the bill as reported by the Senate Committee on Energy and Natural Resources, we would now have 2.2 million acres of additional wilderness, and all remaining lands would then be used by both sides for compromise.

The compromise has already been made, and the decision is to put 2.2 million additional acres into wilderness. That is an awful lot of wilderness, Mr. President. Yet, without release language there is no guarantee that we will have a balance in land allocations. We, therefore, need some assurance that the needs of all citizens are guaranteed, not simply those who support wilderness uses. The McClure amendment provides statutory release for the remaining 915,300 acres that are classified as roadless but that have been rejected for wilderness consideration.

The point about these 915,000 acres is that most of these lands have been in limbo so far as management plans are concerned for 10 years. That is, no decisions have been made, no applications have been made, as I understand it, for any particular uses for any part of this.

Will some people want to use this land for timber resources? Will some people want to use some for mining? Will some people stumble across an area they would like to use for a ski resort or other recreational uses?

These things have not yet been known because I do not think the area is well enough known and remains largely undiscovered, if I understand Senator McClure properly.

So I believe this amendment has merit. It leaves room for future plans, future discoveries, future adjustments as they become necessary with the additional growth of the population of Idaho and with additional exploration and discovery of the possibilities of this area.

So this amendment has merit and it is necessary for the prudent management of our U.S. forest lands. To vote against this amendment, simply because some Members of the House of Representatives disagree with the release language, seems to me not to follow any sound logic whatsoever. Therefore, in order to leave the future free for the people who will follow us in generations hereafter so that they can find the appropriate uses for these lands and/or parts of these lands, I believe that this release language should be included. Therefore, I urge my colleagues to vote for Senator McClure's amendment No. 648 to S. 2009.

I thank the Senator from Idaho.

Mr. McCLURE. I thank the Senator from California for his remarks.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CHURCH. Mr. President, I strongly oppose this amendment. I do so for two reasons.

First, it is unnecessary; second, it will, in my opinion, result in scuttling the bill.

I can document both positions fully, and I intend to do so in the course of this debate.

It is not an accurate characterization of the bill to say that it simply creates a huge new wilderness but does nothing with respect to the lands lying outside but adjacent to that wilderness.

Let me quote first from the committee report. On page 7 of the report in which the committee action is described under the heading "A Comprehensive Decision for Central Idaho," I read the following:

> The Committee's primary objective in reaching this comprehensive land allocation decision has been to finalize the wilderness boundary lines and thereby bring an end to the current public debate over the future status of the inventoried roadless areas in this region. Thus, this legislation consolidates the two primitive areas and important contiguous roadless areas into the new River of No Return Wilderness, and adds lands within the Magruder Corridor to the Selway-Bitterroot Wilderness.
>
> As important as these decisions are, this legislation is necessary and timely from another perspective as well. Under the terms of the so-called "*Parker* decision" (*Parker* v. *U.S.*, D.C. of Colo., 1970, 309 F. Supp. 593, affirmed 448 F. 2d 793, 31 L. Ed. 2d 455), until such time as Congress takes final action on reclassifying these two national forest primitive areas as wilderness, the contiguous roadless lands are not available for any activities which would alter their "wilderness potential." The *Parker* decision means that until legislation such as this is approved, all of the undeveloped land contiguous to the primitive areas will remain unavailable for timber harvesting and other forms of commodity development. Although there has never been a determination by the Forest Service as to exactly how far the *Parker* decision restrictions may apply in the central Idaho region, it appears that these constraints apply to areas which, in the view of the Committee, are better suited for multiple uses other than wilderness.
>
> When Congress designates a wilderness area, it establishes a precise boundary line. Lands within the boundary are to be managed under the provisions of the Wilderness Act, while lands outside that boundary line remain subject to planning and management in accordance with the statutes and regulations applicable to all nonwilderness lands within the National Forest System. This is an important point. The Committee has looked at well over three million acres of roadless land in central Idaho in the context of this legislation. Fully half of that total acreage is made up of the existing primitive areas which have been administered as wilderness since the 1930's. Almost another million acres are steep, rugged, alpine lands which are logically incorporated within the new River of No Return Wilderness or the existing Selway-Bitterroot Wilderness. However, the Committee notes that the comprehensive decision made in this legislation confirms the nonwilderness status of more than 900,000 acres of roadless land lying outside the new wilderness.

Mr. President, this amendment is unnecessary because the Assistant Secretary of Agriculture, Mr. Cutler, and the Chief of the Forest Service, Mr. Peterson, have clearly indicated that all Congress must do to designate land as nonwilderness once it has reviewed the roadless areas in question is to say so in its report. It is not necessary to put this language in the statute. There is no purpose to be served by it other than jeopardizing the bill in the House of Representatives. And the Interior Committee of the House has made it plain that if this amendment is adopted the bill will not be considered in a timely manner because they do not want to deal with the issue of statutory release language at this time.

Mr. President, that is an issue that goes far beyond the region of central Idaho.

It is an issue that extends beyond the boundaries of the State itself, beyond the boundaries of the Northwest. It is indeed an issue that encompasses the entire National forest system.

I, myself, am not adverse to statutory release language if properly formulated and if made applicable to the entire National Forest system.

I would first want to be satisfied that the language was properly drafted; and, second, that it was made applicable only to those areas considered for multiple use as a result of the RARE II study.

Mr. HAYAKAWA. Mr. President, will the distinguished Senator from Idaho yield for a question?

Mr. CHURCH. Yes, I am happy to yield.

Mr. HAYAKAWA. The Senator from Idaho (Mr. Church) said this amendment would, in effect, scuttle the bill. As I understand, the bill deals principally or basically with those 2.2 million acres set up as wilderness. In what sense does that scuttle this bill?

Mr. CHURCH. The bill, if it contains the amendment offered by the Senator from Idaho (Mr. McClure), will raise an issue which the Interior Committee in the House does not propose to address this year, and will certainly not address in connection with a bill that is creating wilderness in one particular State.

The committee regards that issue as one of general applicability to all of the land embraced by the RARE II study, and as a public policy matter of such consequence as to require considerable deliberation, hearings, and time. Therefore, I have been advised by the House committee that the inclusion of this language in the bill as proposed by Senator McClure would mean that the bill itself would receive no further consideration by the committee this year.

Mr. HAYAKAWA. Mr. President, may I proceed with my questioning? The Senator said that these additional 915,000 acres will be left for future deliberation, not immediate present determination.

Mr. CHURCH. No, the Senator misunderstood me. I said this bill covers not only the 2.2 million acres designated for wilderness but it would also result in releasing for multiple-use management over 900,000 acres of adjacent, roadless land, in the region.

Mr. HAYAKAWA. Yes.

Mr. CHURCH. Now, I would like to develop the evidence that supports such an assertion, if the Senator will permit.

Mr. HAYAKAWA. Is that not what the amendment wants to do?

Mr. CHURCH. Pardon?

Mr. HAYAKAWA. Is that not what the amendment wants to do?

Mr. CHURCH. Yes, indeed it does. My position is that it is not necessary for the purposes of this bill to pass this amendment in order to accomplish this objective. It can be done in the committee report.

Mr. HAYAKAWA. Another question: The Senator said on several occasions that the bill establishes precise boundaries, it finalizes the wilderness boundary lines. When you say it finalizes, it seems to me you also are saying in opposing this amendment that you do not want it finalized, you may want part of this for wilderness, still want this part of these 915,000 acres. Is there not ambiguity in your position, Senator CHURCH?

Mr. CHURCH. I think there is no ambiguity whatever in my position because it is my——

Mr. HAYAKAWA. I believe there is.

Mr. CHURCH. Because it is my contention that we can settle the nonwilderness classification of those lands within the region outside of the proposed wilderness by suitable language in the committee report. The Forest Service says we can do it that way, the Department of Agriculture says we can do it that way, and the timber companies most directly affected are satisfied that we can do it that way. Therefore, they oppose the adoption of the McClure amendment.

Mr. HAYAKAWA. Therefore, what you are saying then is that this amendment is really unnecessary to serve its purpose and you do not believe your purposes are greater than Senator MCCLURE's purposes?

Mr. CHURCH. The Senator is correct. The objective we seek is the same, but it is my contention that the adoption of this amendment would greatly reduce prospects for the bill's adoption in this session of the Congress. It is totally unnecessary since the same objective can be secured through the inclusion of appropriate language in the committee report.

Mr. HAYAKAWA. I thank the distinguished Senator for his clarification.

Mr. CHURCH. I thank the Senator from California.

Mr. President, in documenting this position, I ask unanimous consent that a letter dated October 12, 1979, signed by Mr. Rupert Cutler, Assistant Secretary of Agriculture for Natural Resources and Environment, be included at this point in the RECORD, along with a letter dated October 29, 1979, also addressed to me, and signed by R. Max Peterson, Chief of the Forest Service.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., October 12, 1979.

Hon. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CHURCH: Your letter of October 9, 1979, requested further clarification of our views on appropriate language for congressional response to the Administration's wilderness recommendation for certain RARE II roadless areas.

We would consider the following statement if included in the legislative history, preferably House and Senate or Conference Committee Reports, to be an adequate indication of legislative intent to manage for nonwilderness uses a RARE II roadless area that had been recommended as wilderness by the Administration:

"We have carefully examined the Administration's recommendation that —— roadless area (RARE II No. ——) be designated as wilderness. We have determined that the area should not be designated wilderness but should instead be managed for multiple uses other than wilderness."

On those roadless areas for which such congressional consideration has been given, management would be in accord with existing laws and would be subject to land management planning. Accordingly, within such areas, it would be our intention to classify land that is capable and suitable for timber production as commercial forest land, and the timber on it would be included, as appropriate, in the determination of the potential yield and the programed allowable harvest. With regard to terminology, in accordance with section 6 of the National Forest Management Act regulations, the term "potential yield" has been replaced with the term "allowable sale quantity."

I hope this clarification will prove helpful to you as you continue consideration of the River of No Return Wilderness legislation.

Sincerely,

M. RUPERT CUTLER,
Assistant Secretary for
Natural Resources and Environment.

U.S. DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, D.C., October 29, 1979.

Hon. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CHURCH: Thank you for your letter of October 24 which referred to an exchange of correspondence between yourself and Secretary Cutler.

You requested that I respond to the following question:

"Specifically, if Congress provides a precise and unambiguous statement about the desire to reverse a RARE II wilderness recommendation, what will your response be and what direction will you, as Chief, give to your personnel in the field?"

Assuming the President signs into law a specific bill and there is no counter language in House Committee Reports, I would direct our field personnel through the Regional Forester and Forest Supervisor to immediately treat the area as nonwilderness and manage it under existing land and resource plans. It also would be treated as nonwilderness in National Forest Land Management Planning pursuant to section 6 of the National Forest Management Act (NFMA). This planning process would have to consider nondevelopmental (no-action) alternatives in the context of environmental statements for land management plans. However, in the first cycle of land management planning under NFMA, we would not consider recommendation of an area for addition to the National Wilderness Preservation System as a land management alternative.

Sincerely,

R. MAX PETERSON,
Chief.

Mr. CHURCH. These two letters establish without a shadow of a doubt that appropriate language in the report will result in the release of more than 900,000 acres of land in the central Idaho region for multiple-use management by the Forest Service.

Now, my colleague says this may be so, but that does not prevent challenges or lawsuits. Well, Mr. President, I do not know of any challenge to a congressional determination that land, having been reviewed, should be excluded from a wilderness area. I do not see that it matters so much whether Congress makes that determination with appropriate language in the committee report or whether it includes the language in the statute itself.

If there is to be a challenge, it is going to come later. It is going to come at a time when, pursuant to the laws that govern multiple-use management, the Forest Service completes a unit plan for a given part of the forest. No one is suggesting here—I am not, nor do I understand that my colleague is suggesting—that these unit plans should be immune from contest if they are drawn in such a way as not to conform with the standards established by the law.

So, no matter how you approach this question, the amendment is unnecessary.

Furthermore, it is mischievous because we have clear indication from the committee with jurisdiction over this legislation in the other body that the inclusion of this statutory language would scuttle the bill.

Mr. President, there is one other consideration. It will come as no surprise that the conservationists strongly oppose this amendment. The River of No Return Wilderness Council, formed for the purpose of supporting the creation of this particular wilderness, has written to me as follows. I will quote the relevant portion of the letter dealing with the pending amendment. It reads:

> We strongly oppose a Congressional mandate to designate certain lands as nonwilderness which are adjacent to, or in the vicinity of the River of No Return Wilderness. Most lands declared nonwilderness under RARE II in this area will not be contested by state conservationists. If nonwilderness must be outlined at all, then the committee report is the proper forum, in our judgment, for the Congress to express such preferred, prescriptive management direction to the Forest Service.

So the conservationists most interested in the creation of this wilderness strongly oppose the adoption of the McClure amendment. That may come as no surprise, certainly not, to my colleague from Idaho (Mr. MCCLURE). But it is noteworthy that the two lumber companies in the area most directly affected by the creation of this wilderness and the availability of adequate timber for future operations also oppose the amendment. The Bennett Lumber Co., the operations of which are located at Elk City and which is most vulnerable of all, opposes the amendment with the following language:

> We view the River of No Return wilderness bill as a simple classification of existing primitive areas including decisions on lands adjacent to those primitive areas, rather than an all Idaho RARE II bill. Therefore, we would rather address the question of statutory release language for Idaho's RARE II areas in a future Congress when the nation's entire 64 million acres are opened up under Congressional scrutiny.
>
> The question of RARE II and statutory release language we view as a question of National interest with all fifty states having a question in the debate pursuant to their own federal lands. We feel that to promote a release language approach on a local lands bill such as this in Idaho would not assure those other states the proper forum for which to address and debate what actually is a question of National interest.
>
> Until such time as Congress solves the question of RARE II in Idaho the committee language, we feel, is sufficient direction to the Forest Service to manage these few roadless areas adjacent to Idaho's two primitive areas as multiple use.

So we have on record the opposition of the lumber company most vulnerable to cutbacks in the availability of the logs in the adjacent forests. That company says it is against the amendment.

The other company, a large company, Wickes Forest Industries, has also furnished me with a letter in which it takes the same position in opposition to the amendment. They say:

> We can accept the release language in the Senate Committee report approach. This is because of two (2) main reasons.
>
> (1) The agreements already made and documented between your office and the administration state they will abide by the intent of the committee.
>
> (2) Time is of the essence. We do not have time to wait if a delay would result from the release language in the Bill.

So no matter how you cut it, whether you approach it from the standpoint of the wood products industry most directly affected or from the standpoint of the conservationist groups, all of them are united in their opposition to this amendment.

For that reason, Mr. President, I hope very much the Senate will reject the amendment.

I ask unanimous consent that the three letters from which I have quoted be printed in full in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

RIVER OF NO RETURN WILDERNESS COUNCIL,
Boise, Idaho, November 14, 1979.
Senator FRANK CHURCH,
245 RSOB, Washington, D.C.

DEAR SENATOR CHURCH: We appreciate your leadership in the Energy and Natural Resources Committee markup on Monday, November 5, to ward off efforts to weaken the River of No Return Wilderness legislation as embodied in Senate Bill 2009.

We wish to reaffirm our total opposition to all amendments which will weaken the compromise bill passed by the Committee. More specifically, we are categorically opposed to the two amendments which the Committee rightly rejected and which Senator McClure plans to resubmit on the Senate floor. These are:

1. Statutory wilderness release language. We strongly oppose a Congressional mandate to designate certain lands as non-wilderness which are adjacent to, or in the vicinity of the River of No Return Wilderness. Most lands declared non-wilderness under RARE II in this area will not be contested by state conservationists. If non-wilderness must be outlined at all, then the Committee Report is the proper forum, in our judgement, for the Congress to express such preferred, prescriptive management direction to the Forest Service.

2. West Panther Creek (Clear Creek) Conservation Area. As you know, Senator, conservationists worked with you to insure that a line could be delineated which would both protect the critical big horn sheep population located in this drainage and permit exploration and development of possible cobalt mineral reserves. The compromise bill does just that. Any further weakening, as suggested by Senator McClure, is totally unnecessary and it would disrupt the careful balance presently offered in the Committee Bill.

Sincerely,

ERNEST E. DAY,
Vice President.

BENNETT LUMBER PRODUCTS, INC.,
Princeton, Idaho, November 16, 1979.
Senator FRANK CHURCH.
U.S. Senate,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CHURCH: One week has passed now since the mark up of Senate bill 2009. We at Bennett Lumber Products, Inc. want to thank you for your diligence in pursuing the facts surrounding the controversial questions of land allocation within the bill. We are completely satisfied with the outcome of the bill pursuant to the boundary lines North of the main Salmon River. In particular, the Congressional reverses certain land allocation decisions by the Administration and mandates that the adjacent lands be managed for multiple use is satisfying.

In the beginning, many folks thought that the River of No Return Wilderness bill was identified with the land allocation questions pursuant to the Forest Service's massive land allocation study called RARE II. Therefore, many in industry thought that when the Idaho Primitive areas and the Salmon River Break Primitive area were classified under the above bill that statutory release adjacent roadless areas which were being allocated to multiple use. Now, our industry understands that this bill is not a Idaho RARE II bill but rather a continuation of the process that begin several years ago in which Congress has sought to classify the last two of Idaho's oldest primitive areas.

Because of this, we view the River of No Return wilderness bill as a simple classification of existing primitive areas including decisions on lands adjacent to those primitive areas, rather than an all Idaho RARE II bill. Therefore, we would rather address the question of statutory release language for Idaho's RARE II areas in a future Congress when the nation's entire 64 million acres are opened up under Congressional scrutiny.

The question of RARE II and statutory release language we view as a question of National interest with all fifty states having a question in the debate pursuant to their own federal lands. We feel that to promote a release language approach on a local lands bill such as this in Idaho would not assure those other states the proper forum for which to address and debate what actually is a question of National interest.

Until such time as Congress solves the question of RARE II in Idaho the committee language, we feel, is sufficient direction to the Forest Service to manage these few roadless areas adjacent to Idaho's two primitive areas as multiple use.

Sincerely,

TIM A. MUELLER,
Resource Manager.

WICKES FOREST INDUSTRIES,
Grangeville, Idaho, November 15, 1979.
Hon. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CHURCH: We wish to comment on the proposed Central Idaho Wilderness Bill that recently came out of the Senate Committee. My comments are directed to the area located on the Nezperce National Forest only. This bill is intended to determine the status of the Salmon River Primitive Area.

The mills that reply on the Nezperce National Forest for their timber supply need a settlement fast. There are already sales proposed in areas of contention. These sales are required in order to maintain the harvest level. A fast determination is essential to our continuation of the current levels of productivity and jobs in this area.

Even though we feel the release language would best be included as part of the law; we can accept the release language in the Senate Committee report approach. This is because of two (2) main reasons.

(1) The agreements already made and documented between your office and the administration state they will abide by the intent of the committee.

(2) Time is of the essence. We do not have time to wait if a delay would result from the release language in the Bill.

Regarding the area in the Nezperce National Forest, we feel that the boundaries as currently drawn are fair, considering all the users of the forest resources.

Very truly yours,

JAMES L. JOHNSON,
Director of Northwest Operations.

Mr. McCLURE. Mr. President, how much time do I have remaining on the amendment?

The PRESIDING OFFICER (Mr. PRYOR). The Senator has 15 minutes.

Mr. McCLURE. I thank the Chair.

Mr. President, I am always intrigued by the course that debate on this floor may take, and the logical inconsistencies that are often revealed over the course of trying to present diverse and diametrically opposite arguments for a particular point of view.

My colleague has just done that, because he says the amendment is unnecessary, it does not do anything, and in the next breath he cites the evidence of the opposition by a number of outside organizations to the amendment.

Are they opposed because they think it does not mean anything, or are they opposed because they think it does something? They are obviously opposed because they know that it does something.

The Senator cites from the letter of the River of No Return Wilderness Council. I know the man who signed that letter; he is the man who built his cabin in the Sawtooth National Recreation Area before it was a recreation area. After his cabin was built, he asked that the recreation areas be created around it. There are several subdivisions in the recreation area that, after it was created, were outlawed by the Forest Service, that have got to get out, but not his. There are a number of ways in which you can get what you want, if you can pull enough strings behind the scenes.

Who is pulling the strings behind the scenes? The very man who wrote from the timber industry saying, "We oppose the McClure amendment" testified that they were in favor of it when they were before the committee. It is only since that battle was lost that they have made their peace with the senior Senator from Idaho, and have said, "Now, senior Senator, you have saved our bacon and we will make a deal with you, if you will keep on being in favor of us this way."

Well, have they really gotten what they bargained for, or have they not, instead, just bought a little breathing room?

Does Mr. Johnson of Wickes Forest Industries know that there has been a private deal made, that in exchange for that lease from the Forest Service, there has been a little setaside that will save Bennett's bacon and kill Wickes Forest Industries?

Where do the strings lead that my colleague manipulates? He read from the letter of Mr. Johnson of Wickes Forest Industries the words where he stated:

> We can accept the release language.

But, Mr. President, he should have known that I had a copy of that letter, and that he started in midsentence. He started following the semicolon in that sentence. The sentence begins with these words:

> Even though we feel the release language would best be included as part of the law;

Then that is where my colleague took up the reading of the language.

Mr. President, there are within this area some issues which we did not address in the committee. The Magruder corridor area, which lies to the East, affects primarily the mills in the State of Montana, in Darby, Mont., because the timber would feed into those mills across the State line, rather than westward to Elk City or to Rangeville.

I do not contest the inclusion of the Magruder corridor, although at the time the original 1964 Wilderness Act was cerated there were all kinds of assurances to the people from Idaho that the Magruder corridor would remain open, and those assurances have now proven false. I did not make them. I just know they were made. I did not raise the objection, although I did alert my colleagues from Montana to the issue.

I have telegrams of the statements of the AFL–CIO in Idaho and Montana opposing the inclusion of these areas in wilderness and opposing the exclusion of the release language because of the effect it will have on the working men and women in the States of Montana and Idaho. Those telegrams were unheeded by the committee action.

In the letter that Mr. Day sent on behalf of the River of No Return Wilderness Council, it talked of prescriptive management. As a matter of fact, we are not legislating prescriptive management. We are making only one decision, and that one decision is that these areas outside the boundary shall not be wilderness. That is not prescriptive management. That makes no decision, and nothing else.

Mr. President, I am told by my colleague that, indeed, the administration, at least Assistant Secretary Cutler and Chief Peterson will——

Mr. CHURCH. Will the Senator yield to me for a question?

Mr. McCLURE. Surely.

Mr. CHURCH. I understand that while I was temporarily out of the Chamber the Senator made some reference to my having made a deal with the Bennett Lumber Co. I wonder if the Senator would repeat that.

Mr. McCLURE. I did not say you had made a deal. I will be happy to repeat, as best I can, what I said. I said a deal has been made concerning the increase of a timber setaside for small business on the Nezperce Forest in exchange for the language written by Secretary Cutler. But let me indicate——

Mr. CHURCH. Let me just say to the Senator, if that is the case, I am unaware of it. I know nothing of the basis of the charge. Perhaps the Senator, having made the charge, could be more specific.

Mr. McCLURE. It may well be that there are a few other things that my senior colleague is unaware of.

Mr. CHURCH. The charge was made that there is a deal. That suggests, in some way, that I have been involved in making a deal. I want to state for the record that that is untrue.

Mr. McCLURE. Well, let me say to——

Mr. CHURCH. There is no basis for such a charge, if it involves me. And if it does not involve me, then I have no knowledge of it and I would like to know who it does involve.

Mr. McCLURE. I will accept the Senator's word that he does not know anything about it.

I want to read from the record of what Mr. Cutler has said in testimony before the committee and the other body on November 13, 1979. This appears at page 14 of his prepared statement.

He says:

> We are very much aware of the litigation under way in California to test the adequacy of the RARE II environmental statement and determine if the Department was in compliance with the National Forest Management Act with respect to its RARE II allocation of 46 roadless areas in 12 of the national forests in California. Should this or future litigation result in prolonged delay of management activity on the Presidentially designated non-wilderness areas, there may be a need to consider some form of statutory release language. At present, however, we believe such language to be unnecessary.

Mr. President, that is precisely the same man who said we will manage as nonwilderness these areas designated in the report as nonwilderness excluded and, at the same time, my friend from Idaho correctly reports the language in the Wickes Forest Products letter that says we cannot afford delay; therefore the language that Secretary Cutler talks about. If there is undue delay, we may sometime in the future have to talk about release language.

My colleague made some comment about the fact that somehow we interfere with the citizen's right to go before a court and challenge the management plan. Baloney. Sheer, unadulterated baloney.

Mr. CHURCH. Will the Senator yield?

Mr. McCLURE. Just a moment. Let me complete my statement.

Mr. CHURCH. The Senator has not accurately quoted——

Mr. McCLURE. Just a moment and I will be glad to respond to the Senator, if I have time remaining. But allow me to complete my statement.

That statement, as I understood it—and, if, indeed, I did not understand it correctly, I will be glad, at a later point, to have it corrected—but that is baloney because all it does is suggest that the wilderness issue will be determined so far as current management plans are concerned. It does not say anything about what is in the management plan, save and except the single decision of whether or not it has to be managed to preserve its wilderness character while the determination of whether or not it ought to be wilderness is decided.

Mr. President, I would be happy to yield to my colleague from Idaho to correct the RECORD if, as a matter of fact, I did misunderstand the statement he made earlier with respect to the management plan.

Mr. CHURCH. First of all, Mr. President, I think personal references are unfortunate in a debate of this kind. Several have been made in the remarks of the Senator from Idaho (Mr. McCLURE).

I am sure that he does not intend to misquote me, but what I actually said was that I knew of no one, certainly not myself nor my colleagues who wished to interfere with the right of citizens to contest management plans if they felt those plans were contrary to the standards established by the law.

Mr. McCLURE. But would not my colleague agree that it is the intention of the release language to settle the one issue of whether or not it should be continued to be managed in de facto wilderness status until the decision concerning wilderness status is made and the release language would effectively change the presumptions with respect to management pending some future decision with respect to wilderness status? And the release language would, as a matter of fact, say that you cannot go to court to challenge current multiple use management in order to establish a wilderness and keep it in de facto wilderness management pending that decision.

Mr. CHURCH. Well, Senator, you have shifted from the assertion that I challenged. You said earlier—and you called it "baloney"—that I had said something which indicated to you that I favored preventing citizens from challenging management plans as they were developed by the Forest Service. I did not say that. The record will establish that I said just the opposite.

Mr. McCLURE. All right.

Mr. CHURCH. I have one other statement.

Mr. McCLURE. Mr. President, how much time do I have remaining on the amendment?

The PRESIDING OFFICER. The Senator from Idaho has 2 minutes remaining.

Mr. CHURCH. The Senator may go ahead.

Mr. McCLURE. I thank my colleague.

Mr. President, I will be happy to respond to whatever questions the Senator may have. But, as the Chair has indicated, my time has about expired on this amendment.

I will say in closing that it was my hope that we would be able to have had a statewide RARE II solution. That has not been possible for a variety of reasons. It is suggested that because we cannot have a statewide RARE II proposal, we cannot have release language in the central Idaho portions of the RARE II decision and that if we put this release language in this bill, it will destroy the bill.

Well, I do not know what Khomeinis there are in the House that can hold us hostage, but I, for one, want us to legislate in the manner which we believe is correct for us to legislate. I am sure the immense prestige of my colleague from Idaho is sufficient to overcome the resistance of whomever might object over in the other body if, as a matter of fact, we decide this is the right solution for the people of Idaho and the resources which remain in Idaho.

Mr. President, I reserve the remainder of my time.

Mr. STEVENS. Will the Senator answer a question or two for me?

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. McCLURE. Mr. President, I will yield myself that 1 minute remaining and such time as may be consumed on the bill so that the Senator from Alaska may ask his question or questions.

Mr. STEVENS. The Senator has been discussing amendment 648, has he not, the release amendment?

Mr. McCLURE. The Senator is correct.

Mr. STEVENS. Am I correct that all of the areas which would be released have been previously studied for wilderness designation and the decision was made not to designate them as wilderness, and the purpose of the Senator's amendment is to make certain that these lands not designated as wilderness are restored to the multiple use status they were in prior to their designation as RARE II lands?

Mr. McCLURE. The RARE II study and evaluation—both RARE I and RARE II—addressed themselves to the issues. All of the areas in question have been studied under the RARE II study. Most of the areas that I suggest for release, and that both my colleague and I have excluded from the boundaries of the wilderness, were suggested for one wilderness designation under RARE II. A small portion was suggested by the RARE II study to be designated as wilderness. Some of the areas we have suggested be included in wilderness were designated under RARE II as nonwilderness status. But it is the determination of the committee in drawing the boundaries that those which are outside of the designated boundaries shall be nonwilderness. That is a committee decision.

Mr. STEVENS. And what areas specifically would be released under your amendment?

Mr. McCLURE. The areas are listed in the amendment by unit number. That is the best way to do it, rather than try to draw the map. I could do so on the map. They refer to the RARE II study area. There is a list on page 2 of the amendment.

Mr. STEVENS. I want to make certain that Senators understand that these areas which would be restored to multiple use are areas that were studied for wilderness designation but they are not to be designated as wilderness under this bill. Is that correct?

Mr. McCLURE. They will not be designated as wilderness in this bill. All my amendment seeks to do is to say by legislation we have decided not to designate them as wilderness rather than leave that statement to the report language. One of the concerns that I have is while we could write that language in our report in the Senate there is nothing that says that the House will not write something else in their report. Then we have a conflict of legislative history that is irreconcilable. If we write it into the statute, there is clear statutory direction not only to the administration but to all the rest of the 220 million Americans who are not a part of the administration.

Mr. STEVENS. I just want to say to my friend from Idaho that some people look at this issue as being a possible precedent for the Alaska lands bill. It is not. In the Alaska lands bill we have, as the Senator knows, designated the areas that were selected by the administration or the environmental groups for designation as parks, refuges, and so forth, but we have classified them in different ways. We have classified some lands as national parks, others as national park reserves, others as national recreation areas or BLM conservation units. Also, lands that were originally within a boundary for a park have been excluded so that they might be selected by the State or selected by the Alaska Native people who have those rights coming. But we do not have this same concept that the Senator has in RARE II. I do think it is a nationally significant amendment because this is going to happen all over the country. As we go into RARE II, I think it is important for us to say to the executive branch, "Once you have made recommendations to the Congress, and the Congress has reviewed those recommendations and in a piece of legislation makes the decision, those areas that are not designated as wilderness should be restored to the classification they had prior to their being studied as RARE II areas.

In this instance that is, as I understand it, national forest status for multiple use.

Am I correct?

Mr. McCLURE. The Senator is correct.

Mr. STEVENS. I would hope that Members of the Senate will study this amendment very carefully. There are many areas of the country that are affected by RARE II. As I said, this will not affect us in my opinion, because of the way the Alaska lands bill is drafted. We have a similar concept involved in some areas because we will be restoring some lands and there will be BLM lands that will no longer be subject to withdrawls and, therefore, will be managed on a multiple use basis. But I do not think this is a precedent with respect to the consideration of the Alaska lands bill, although I do think it is a precedent for RARE II studies. Had we followed through with the TLUMP plan in southeastern Alaska instead of using legislation we would have had a similar problem in our Tongass Forest as the Senator has here, but we chose not to do that. The Alaska lands bill, following action taken by the President under the Antiquities Act, has a different series of problems to deal with than the Senator and other Senators from forestland States will face in terms of the areas not designated by Congress as wilderness areas. I certainly support the concept that those areas that are not so designated by Congress should be restored to multiple use. I hope the junior Senator from Idaho will agree with this Senator on the effect of his amendment.

Mr. McCLURE. I agree with the Senator's statement and I agree with the plea he has made. I certainly wish to underscore what he has said with respect to precedents concerning Alaska lands. Alaska is kind of a special case all by itself. There is one reason to differentiate this from other statewide RARE II plans. That is that this is not a statewide plan.

What I am seeking to do is balance what we do in central Idaho as we put 2 million acres into wilderness to say let us take 978,000 that we decided should not be wilderness and clearly say they are not going to be wilderness. I think the people are entitled to that. But it is not a statewide RARE II plan and should be distinguished on that basis from others that may be statewide plans which may come along later.

I thank the Senator for his comments.

Mr. President, I reserve the remainder of my time.

Mr. CHURCH. Mr. President, I understand while I was out of the Chamber Senator McClure referred to my reading of a letter by the Wickes Forest Industries in a crafty way.

Mr. McCLURE. Mr. President, will the Senator yield? The terminology "in a crafty way" is the Senator's terminology, not my terminology.

Mr. CHURCH. At least the impression was left that I had attempted to somehow distort the contents of the letter. That is unfortunate. I read those parts of each letter that related to the amendment. Since the letter related to other matters, it did not seem necessary for me to read the entire letter but only the part relating to the amendment.

Just so there can be no confusion about the matter, and I have no intention of trying to distort anything, I ask unanimous consent that the full text of each letter dealing with all of the subjects covered be printed again at this point in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

WICKES FOREST INDUSTRIES,
November 15, 1979.

Hon. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CHURCH: We wish to comment on the proposed Central Idaho Wilderness Bill that recently came out of the Senate Committee. My comments are directed to the area located on the Nezperce National Forest only. This bill is intended to determine the status of the Salmon River Primitive Area.

The mills that rely on the Nezperce National Forest for their timber supply need a settlement fast. There are already sales proposed in areas of contention. These sales are required in order to maintain the harvest level. A fast determination is essential to our continuation of the current levels of productivity and jobs in this area.

Even though we feel the release language would best be included as part of the law; we can accept the release language in the Senate Committee report approach. This is because of two (2) main reasons.

(1) The agreements already made and documented between your office and the administration state they will abide by the intent of the committee.

(2) Time is of the essence. We do not have time to wait if a delay would result from the release language in the Bill.

Regarding the area in the Nezperce National Forest, we feel that the boundaries as currently drawn are fair, considering all the users of the forest resources.

Very truly yours,
JAMES L. JOHNSON,
Director of Northwest Operations.

NOVEMBER 16, 1979.

Senator FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CHURCH: One week has passed now since the mark up of Senate bill 2009. We at Bennett Lumber Products, Inc. want to thank you for your diligence in pursuing the facts surrounding the controversial questions of land allocation within the bill. We are completely satisfied with the outcome of the bill pursuant to the boundary lines North of the main Salmon River. In particular, the Congressional Executive Branch agreement stated within the committee report language which reverses certain land allocation decisions by the Administration and mandates that the adjacent lands be managed for multiple use is satisfying.

In the beginning, many folks thought that the River of No Return Wilderness bill was identified with the land allocation questions pursuant to the Forest Service's massive land allocation study called RARE II. Therefore, many in industry thought that when the Idaho Primitive areas and the Salmon River Breaks Primitive area were classified under the above bill that statutory release language should be instituted for those adjacent roadless areas which were being allocated to multiple use. Now, our industry understands that this bill is not a Idaho RARE II bill but rather a continuation of the process that begin several years ago in which Congress has sought to classify the last two of Idaho's oldest primitive areas.

Because of this, we view the River of No Return wilderness bill as a simple classification of existing primitive areas including decisions on lands adjacent to those primitive areas, rather than an all Idaho RARE II bill. Therefore, we would rather address the question of statutory release language for Idaho's RARE II areas in a future Congress when the nation's entire 64 million acres are opened up under Congressional scrutiny.

The question of RARE II and statutory release language we view as a question of National interest with all fifty states having a question in the debate pursuant to their own federal lands. We feel that to promote a release language approach on a local lands bill such as this in Idaho would not assure those other states the proper forum for which to address and debate what actually is a question of National interest.

Until such time as Congress solves the question of RARE II in Idaho the committee language, we feel, is sufficient direction to the Forest Service to manage these few roadless areas adjacent to Idaho's two primitives areas as multiple use.

Sincerely,
TIM A. MUELLER,
Resource Manager.

Mr. McCLURE. Will the Senator yield so I might clarify the RECORD? I do not know what he has been told about what I said when he stepped out of the Chamber, but what I said was that he started at midsentence in regard to the Wick Forest Industries. The Senator started following the semicolon and omitted the first part of the sentence in which they said, "Even though we feel the release language would best be included as part of the law;" and that does deal with the amendment. That is the addition for the RECORD I would make.

Mr. CHURCH. I think the letters speak for themselves, and the conclusions reached, as I earlier indicated, are unfavorable to the amendment offered by Senator McCLURE. That was the point I had sought to make.

I sum up the case against this amendment, Mr. President, by reiterating that it is unnecessary and unwise—unnecessary because it is clear from the record that the 900,000 acres outside the wilderness that are identified in the report can be and will be managed as multiple-use lands. That is what the Forest Service tells us and that is what the Department of Agriculture tells us. That is all that is necessary to accomplish the objective.

If the Senate adopts this amendment, it proceeds upon a new course without the benefit of hearings, without the careful consideration that should be given to the adoption of a new policy that has ramifications that extend to the entire national forest system in every State. It may be that, at a later date, Congress will want to adopt this method and use statutory release language for such a purpose, but let that decision be made in the regular manner. Let it be made with the proper hearings on both sides of the Capitol, where all concerned citizens—those who favor the proposal and those who oppose it—will have a full opportunity to be heard. Let it be made, as any question of major public policy ought to be made, in a manner that is applicable to the entire national forest system and not to just one region of one State.

For these reasons, Mr. President, I oppose very strenuously the amendment offered by the Senator from Idaho (Mr. McCLURE), and I hope the Senate will reject it. It was discussed in the committee, fully debated there, and Senator McCLURE's amendment was tabled by the committee. I hope that the committee's position will be upheld by the Senate.

I am prepared to yield back the remainder of my time on this amendment, Mr. President.

Mr. McCLURE. Mr. President, I believe the record will show that I have consumed all of my time on the amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. McCLURE. Mr. President, I ask unanimous consent that this amendment be set aside temporarily, under the previous understanding that all the votes on amendments and passage will be had back to back at the conclusion of debate on all.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 647

Mr. McCLURE. Mr. President, I call up my amendment No. 647 and ask that the clerk state it.

The PRESIDING OFFICER. The amendment will be stated by the clerk.

The assistant legislative clerk read as follows:

The Senator from Idaho (Mr. McCLURE) proposes an amendment numbered 647.

Mr. McCLURE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 6, line 2, strike everything following "1989" through line 8 on page 7, and insert in lieu thereof a period.

On page 13, between lines 9 and 10, add the following new section:

"SEC. 10. (a) The following area is hereby established as the Panther Creek Conservation Area in order to provide for the planning and management of the bighorn sheep, mineral, and other resources: That portion of West Panther Creek (RARE II No. W4-504), as designated on the map entitled, 'Panther Creek Conservation Area—Proposed', and dated

"(b) The Secretary of Agriculture shall administer the special management area for the primary purposes of management of bighorn sheep habitat and at the same time and with equal priority providing for the exploration for and development and production of the cobalt mineral resource. Management of the special management area shall be pursuant to the applicable provisions of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, and shall, within three years of the date of enactment of this Act, developed a land use plan for such area. Surface access for mineral exploration and development will be permitted subject to an interim plan so long as it does not conflict with the preparation of the land use plan. Management of the special management area may permit limited timber harvest and other uses if such uses are not incompatible with the primary purposes of this section.

"(c) Any patent issued after the date of enactment of this Act shall convey title only to the minerals, together with the right to use the surface of lands for mining purposes, subject to such reasonable regulations as the Secretary may prescribe.

"(d) As provided in paragraph 4(d)(8) of the Wilderness Act of 1964, nothing in this section shall be construed as affecting the jurisdiction or responsibilities of the State of Idaho with respect to wildlife and fish in the national forests in Idaho.".

On page 13, line 10, strike "10" and insert in lieu thereof: "11".

Mr. McCLURE. Mr. President, this amendment, like every other one, is printed and at the desk. This amendment, in shorthand, deals with the cobalt issue. Let me, at the outset, indicate that, with the addition of Magruder Corridor, there is a linkage between the old Central Idaho Primitive Area and the previously established Selway-Bitterroot Wilderness Area, so there will be a contiguous band of wilderness that extends from the northern end of the Selway-Bitterroot Wilderness Area at the Lochsa River, southward across Idaho, through the Magruder Corridor, down through the Central Idaho and Salmon Breaks Primitive Area, in the conditions we are suggesting here, for 150 miles. There will be a break of 12 miles and then another nearly 40 miles of the Sawtooth National Recreation Area and the wilderness contained as a part of that recreation area. So, in a distance of 200 miles, north and south, we shall have approximately 3.4 million acres of designated wilderness—3.4 mililon acres.

My amendment contests the designation on 45,000 acres out of that nearly 3.5 million acres. Why would I do that? Because, on the eastern edge of this area, if you look at the map, there is a thumb that sticks out, a very short thumb, which is on the upper end of Clear Creek-Panther Creek Drainage. That thumb contains two national important resources. One is the largest and most stable herd of bighorn sheep in Idaho—not the only one, but the largest and most important herd. It goes to the crests of the Bighorn Crags and the alpine lakes and meadows that are in those high mountain peaks, and extends down the drainage to the eastern edge of that management unit boundary. As sometimes occurs, the bighorn sheep are not the only resources present in that area. About 6 minutes south of the Bighorn Crags is an old mine that operated during World War II and the years that followed to produce cobalt, which was necessary to our national interest.

After World War II, foreign sources of cobalt were developed, just as we once had domestic production of oil and we found foreign producers of oil being able to produce more cheaply than we could. Therefore, the cobalt mine at Blackbird closed when cobalt prices fell below $2 a pound.

It has remained closed since that time, but events in recent years have caused an increase in usage of Cobalt and a decrease in the world availability of cobalt and, suddenly, the price rises from $2 a pound to over $6 and then to $25 a pound, with spot prices running to $50 a pound.

Do those figures sound familiar? They almost exactly parallel the per-barrel cost of oil when prices of imported oil, landed on the east coast of the United States, were about $1.90 a barrel, prior to 1973, and, as events transpired in the Middle East and supplies become less available to us, the price rose to $5 a barrel, then to $12 a barrel, then to $14 a barrel then to $23 a barrel, with spot prices to $45 a barrel. Almost precisely the same figures that we apply per pound of cobalt.

Why? Cobalt is produced primarily in the world in Zaire, in the Shaba Province. It is associated with the production of copper. When the world's copper prices are good they are producing copper and when political stability in that disturbed country permit, they produce a lot of copper and the associated cobalt provides 75 percent of our supply.

The next largest producer of cobalt for the free world markets is in Zambia, next door. Again, an associated supply, associated with the production of other minerals.

Mr. President, if we cannot get cobalt from Zaire or Zambia, the only other major source of supply would be the Soviet Union. So, suddenly, we find ourselves hostage to the possibility that there can be a cartel in cobalt that will paralyze this country as surely as a cartel in oil can. The only difference being that oil is all-pervasive and we all, individually and personally, use some of that oil. We perceive that very quickly and very directly and very clearly.

But cobalt is absolutely essential to the machine tool industry. It is used in hardening alloys that provide the cutting tools and the abrasives used in industry in this industrialized country of ours. There is no substitute for it for those purposes.

It is used to manufacture the high temperature alloys used in jet aircraft. It is important in those uses.

It could be substituted. We can develop new alloys which show promise of doing nearly as well as cobalt if we have time to develop the resources. In this instance it happens to be nickel, which we also import from other countries, but more secure countries than Zaire. But those are not quite as good as and more expensive than the alloys alloyed from cobalt.

The Shaba Province happens to be an area of the world that is unstable and in which the Russians with their Cuban mercenary soldiers have been able to provoke continued political conflict.

Every time there is an excursion of rebels from next door that were ousted during the transitions of governments from the old Belgian Congo into the modern African states, the production in the Shaba Province is lost to us.

Most of the cobalt which is produced there is flown out by aircraft, but about 25 percent of it disappears. Where does it go?

There are a number of people who have looked at the recent actions by the Soviet Union in the minerals field and begin to wonder what they are up to, because the Soviet Union has built their own independence of supply on all essential minerals, regardless of their cost.

But in recent months they have not depended wholly upon their own supplies of essential minerals. They are beginning to buy in the international markets. They are competing with us for the supply of cobalt, even though they have adequate supplies of their own.

There is only one deposit of cobalt in the United States that shows promise of freeing us, at least partially, of the interruption of supply from Zaire and Zambia and the dependence upon the Soviet Union. That deposit happens to be in this area of Idaho. The old Black Bird mine will be reopened because of the economic conditions in the world today. The cobalt belt in which that mine is located extends in a northerly and southerly direction, with some of the hoped-for cobalt lying south of the mine and some of the hoped-for cobalt lying north of the mine, and going through the area of the Big Horn crags.

My amendment does not suggest—does not suggest—that we put this area into multiple use management under standard rules. It suggests that we put it in a special conservation area and that the managers of that area be charged with two responsibilities, bighorn sheep and cobalt, with their responsibility to make certain the management does not unnecessarily damage or make unavailable either of those resources, one of which is critical to the United States and the other of which is important to us in a variety of ways.

So, Mr. President, I offered the amendment in the committee asking that out of this expanse of nearly 200 miles, or nearly 3½ million acres of wilderness, we exclude this little extrusion on one side of that area. It sticks out, as I said, like a very short thumb, 45,000 acres, exclude it from the wilderness, but direct that the land managers create a land management plan within 3 years that will maximize the two priorities that have been identified—bighorn sheep and cobalt—and permit that mining within that area which should be conducted if, as a matter of fact, there is any cobalt in there.

They have to be able to explore to determine whether or not there is cobalt in there. They have got to be able to mine if they find it is there. That, Mr. President, is the purpose of my amendment.

Mr. President, I feel a little bit strange today as I debate two issues with my friend from Idaho, both of which make it look as if I am opposed to wilderness.

I am not opposed to wilderness. But I think it needs to be balanced with other resource decisions.

If we designate millions of acres of land, but find no way to meet national priorities on the production of a critical mineral, we have not found legislative balance in the proposal.

Mr. President, I reserve the remainder of my time.

Mr. HAYAKAWA. Mr. President, will the distinguished Senator from Idaho yield me about 8 minutes?

Mr. McCLURE. I yield to the Senator from California 8 minutes.

The PRESIDING OFFICER. The Senator from California.

Mr. HAYAKAWA. I thank the Chair.

Mr. President, I rise in support of the amendment of the Senator from Idaho, Mr. McCLURE, to S. 2009, the Central Idaho Wilderness bill. This amendment pertains to the Panther Creek Conservation Area in the bill.

The amendment deletes language in S. 2009 which allows only for mineral exploration in the area, but which makes mining impossible.

That is, we can explore, but we cannot take out the mineral when we find it.

The McClure amendment recognizes the need to protect the bighorn sheep wildlife resource.

They are a beautiful animal and are

found in few other places in the United States, as I understand it.

At the same time the amendment directs the land manager to prepare a plan within 3 years that will permit the exploration and production of the mineral cobalt, which is an important mineral resource in the area.

The bill as reported out of the Senate Energy and Natural Resources Committee is extremely impractical, as it only recognizes the wildlife habitat for bighorn sheep as being important in that area. The reported bill pretends to recognize the mineral resource as important by allowing for exploration and mining, but without any surface disturbance.

How are we going to mine without surface disturbance? This is something of a mystery to me.

In other words, this language makes it impossible to mine cobalt—makes it impossible to mine it. The McClure amendment proposes to give the best possible protection to the bighorn sheep herd, which is unique, and also allow for mining of an important mineral deposit which is a vital national interest.

The interesting thing about all this is that it is a mineral resource which occurs nowhere else in the United States. The United States is entirely dependent on imports for its primary cobalt.

According to the Bureau of Mines and Mineral Exploration Coalition, most of these imports come from Zaire and Zambia. Everyone here, of course, knows of the long and difficult history of Zaire. It has been torn by several wars repeatedly. These things are not settled to this day, and the country remains in an unstable condition.

The nation of Zambia is ruled by Kenneth Kaunda, who has an army, but he has within his own borders an even larger army of guerrillas from Rhodesia—namely, the armies under the command of Joshua Nkomo, which are simply enough to pressure Kaunda if they find they cannot overthrow the situation in Rhodesia.

As a result, Zaire and Zambia are extremely vulnerable to disruption, and our supply of cobalt from these areas is always in danger. Therefore, it is politically naive of our country to depend entirely on these two areas for our vital supply of cobalt, when we have a valuable cobalt mineral belt in Idaho.

These cobalt reserves in Idaho are extremely significant. These reserves may be adequate to supply the United States with a sufficient supply of cobalt for 50 years at our current rate of use. The mineral cobalt is important in the supply of magnets which are used in electric engines. In addition, cobalt may be used in the liquefaction of coal, which is of increasing importance to us at this time.

Mr. President, I urge my colleagues to join me in supporting the McClure amendment, which takes a balanced approach toward the use of all resources in the Panther Creek Conservation Area.

Mr. McCLURE. I thank the distinguished Senator.

Mr. President, I reserve the remainder of my time.

Mr. CHURCH. Mr. President, I, too, am mindful of the importance of cobalt and am equally interested in having the cobalt mine in Idaho, once operated as the Blackbird mine, reopened and the cobalt in the area extracted. The issue really lies with whether the committee has adequately accommodated this need. In my view, it has.

The committee's bill includes the West Panther Creek (Clear Creek) Area in the wilderness. I support this action wholeheartedly. Lower Clear Creek is winter range for a bighorn sheep herd of some 400 animals, which is the most productive herd in the State of Idaho. The Idaho Fish and Game Department live traps many sheep from this area for transplant throughout Idaho. In addition, the area contains a complex of 13 mountain lakes which are adjacent to the most highly visited area within the wilderness. West Panther Creek was included in the wilderness because of these high quality wilderness and wildlife values.

The committee's boundary in this area will allow for the reopening of the old Blackbird cobalt mine in Lemhi County. This mine was worked during the 1950's when the United States was building up its stockpile of cobalt. It was closed for market reasons and because its associated refinery in Utah was plagued with technical problems.

The committee set the boundary of the new River of No Return Wilderness on top of Gant Ridge, which is about 7 miles north of the Blackbird mine. This decision will protect wilderness and wildlife values of the Clear Creek area while permitting the reopening of the cobalt mine.

There is no question that cobalt is a nationally significant mineral. It has numerous industrial and manufacturing applications. I support the reopening of the Blackbird mine, which has at least 15 years of known reserves of cobalt left in the veins which were previously worked but not exhausted. Other cobalt discoveries north and south of the old mine will undoubtedly extend the lifetime of the mine and possibly allow for expansion of the scope of the operation.

The committee's report addresses this point directly:

> While there have been three government sponsored studies of the Clear Creek-Garden Creek watersheds—two by the Idaho Bureau of Mines and one by the U.S. Geological Survey—there has been little serious exploration of the areas. Recognizing the lack of exploration which has occurred, the committee extended the mineral exploration deadline contained in the 1964 Wilderness Act for 5 years. Thus, the Clear Creek area can be actively examined until January 1, 1989. Under the provisions of section 4 of the Wilderness Act, any valid mining claims containing commercial quantities of minerals can be mined. The approach adopted by the committee precludes neither exploration or eventual production if there proves to be deposits of commercial quantities of cobalt in the area.

So, Mr. President, we not only have established the boundaries well back from the existing mine and the known claims, but also, we have extended the period during which prospecting can continue within the wilderness itself. It is not known whether cobalt will be found there. But if it is found there and a national need for it exists 10 years from now, particularly for a metal that is used in jet engines and could have a national security application, I have no doubt that the necessary mining of that cobalt would take place.

So it is my position that a fair compromise has been struck on this issue.

When the strategic significance of cobalt became apparent in the past few months, I called upon Idaho conservationists to back away from their first proposal, which would have placed the boundary of the wilderness immediately adjacent to the Blackbird mine. They agreed with my suggestion and reluctantly modified their position. To disrupt the balance which the committee has struck would not be a sound decision.

Mr. President, because I share the concern that has been expressed here about the importance of cobalt and its availability in the future, I have reviewed carefully the provisions in the committee bill. It seems to me that there are certain provisions in the bill which, upon reconsideration, should be revised.

Those provisions begin at line 20 on page 6 of the bill. Paragraph (B) and paragraph (C) should be stricken by the amendment I intend to propose at the proper time as a substitute for the amendment offered by Senator McClure. If those provisions were stricken, the effect would be that the language would read as follows:

Beginning at line 9 in order that the full context may appear in the Record:

> Notwithstanding any other provision of law and subject to valid existing rights, the mining of any mineral within a mining claim located before or after the date of enactment of this Act, within that portion of the River of No Return Wilderness depicted on the map entitled, "Underground Mining Area—Clear Creek", dated November 1979, which is on file and available for inspection in the Office of the Chief of the Forest Service, Department of Agriculture, shall be subject to the following restrictions:
>
> (A) all mining operations shall be conducted underground; and
>
> (B) such operations shall be subject to such existing or additional regulations as the Secretary may promulgate in furtherance of paragraph 4(d)(3) of the Wilderness Act.

Mr. President, if we adopt this substitute amendment we will have removed from the bill language which would make mining within this segment of the wilderness more restrictive than it would be under the provisions of the Wilderness Act. I see no reason why there should be language in this bill that has the effect of making it more difficult to mine the cobalt than it would be to mine other minerals within a wilderness area. The end result, then, would simply require that the mining be underground, thus to avoid open pit mines in the wilderness, and that it be subject to the normal regulations that apply to mining in wilderness areas.

I remind the Senate that the period for prospecting and for exploration has been extended under this bill for 5 years beyond the point where it would otherwise be ended under the provisions of the

Wilderness Act. The purpose of this extension is to determine whether or not cobalt actually exists in the area. Combined with the extension and the modification in the terms of the bill that I will propose as a substitute to the McClure amendment, I think we have dealt evenly and fairly with this issue.

STRATEGIC MATERIALS BLACKMAIL

● Mr. SCHMITT. Mr. President, the dangers we face because of excessive dependence on imports of crude oil are potentially small compared to the dangers we face from excessive dependence on imports of other strategic materials. At least in the case of crude oil, we know we could produce our own if we would only decide to do so.

In the case of many other strategic materials, the lack of known mineral deposits, the continued withdrawal of land from possible exploration and production, and the lack of a coherent strategic mineral import policy continue to aggravate an already critical situation. An excellent analysis of their problem was given recently by Simon D. Strauss at the American Mining Congress Mining Convention. I ask that this paper be printed in the RECORD.

The paper follows:

MINERAL SELF-SUFFICIENCY—THE CONTRAST BETWEEN THE SOVIET UNION AND THE UNITED STATES

(By Simon D. Strauss)

Salt II has focused public attention on the relative strengths of the Soviet and United States military establishments. Proponents of the agreement argue that it will maintain parity between the two great superpowers. Those who oppose claim that the agreement will condemn the United States to a position of inferiority.

There can be no question, however, about the relative position of the two countries in another aspect of national strength. In terms of mineral self-sufficiency they are poles apart. The Soviet Union is virtually independent of imported supplies. By contrast the United States is increasingly dependent on imports. For some significant minerals it is wholly dependent.

Why is this important? The leadership of the United States in the Free World—our success in encouraging others to support the cause of individual freedom—is inevitably linked to our economic health. Without a sound industrial position and a stable currency, United States hegemony is threatened. Both the economic welfare and national security depend on adequate supplies of basic raw materials.

The oil embargo of 1973 and the subsequent dramatic rise in the cost of petroleum products have made the American public understand the effect of this country's growing dependence on imports of an essential material—oil. A severe recession in 1974–75 was a direct consequence of that dependence. Slowly and painfully in the years 1976, 1977, and 1978 the country resumed economic growth—but at a heavy cost in terms of inflation and a greatly weakened currency. Now in 1979 the lesson that OPEC holds the whip hand is being learned again. Again a massive increase in oil prices is upsetting the country's balance of payments, undermining the dollar, and threatening renewed recession.

A lot of fine-sounding phrases have been uttered about switching to other sources of energy, about reducing U.S. need for imported oil, about conserving energy. Yet the man in the street sees clearly that no substantial progress has been made since President Nixon first said in 1973 that the goal was to make the United States self-sufficient in energy supply by 1980.

The public at last recognizes the importance of energy self-sufficiency. As people line up in long queues to secure gasoline at prices undreamed of a few years ago, they understand that OPEC can name the tune to which we dance. Not merely our convenience but perhaps our entire economy may be at stake in the energy crunch.

It is less widely recognized that similar considerations apply to other basic industrial materials. A prominent economist for example recently wrote that "It should be emphasized that there is nothing undesirable about import dependency per se for any commodity, whether it be bananas, coffee or cobalt."

I would take issue with that statement. Substitutes can be found for bananas and coffee. This country's economy cannot be held to ransom because a particular food stuff must be imported. The United States can switch to other foods. Over-all this country can feed itself more than amply.

Strategic materials—and cobalt is a good example—are different. They are essential both to this country's economic welfare and its security.

From a military standpoint some observers argue that a confrontation between the Soviet Union and the United States is likely to be a nuclear holocaust. They say the struggle will be ended in a matter of weeks if not days. Hence they think the availability of strategic materials is irrelevant.

Perhaps so. But there is no guarantee either as to the nature or duration of an armed conflict, should one occur, between Russia and the United States. And there has been abundant evidence of conflicts by proxy—as in Korea, Viet Nam and Angola.

Both countries maintain establishments of conventional weapons; they have large numbers of people in armies and navies; and they anxiously monitor territorial developments in remote areas. This must mean that military authorities are at least prepared for the possible contingency of a prolonged struggle, comparable to the two great World Wars of this century.

In both those wars the eventual losers (Germany in the first and Germany and Japan in the second) were armed to the teeth. Their military forces were backed up by vast industrial establishments. In both wars the Achilles heel proved to be their lack of domestic sources of strategic materials. When materials required from overseas sources were cut off the Germans and Japanese were defeated just as a blockade defeated the South in the U.S. Civil War.

Of course the aim is to avert war. Every sane person must hope that the statesmen of the two countries will successfully avert outbreak of armed conflict. Even if they are successful, however, a continued struggle on economic and political grounds between the two conflicting ideologies will certainly continue.

The Soviet Union and the United States are both huge countries. The population of the Soviet Union is about 15 percent above that of the United States; in area it covers more than twice the territorial extent of this country. Both nations have enormous diversity in terrain and climate. Both have outstanding natural resources. Yet while the scope and volume of Soviet mineral production has been expanding markedly since the end of the second World War, the mineral industry of the United States in the eyes of many is facing a period of gradual decline. Why is this? Has this country really exhausted much of its mineral potential while the Soviets are only beginning to exploit theirs?

First consider the Soviet position. In doing so there are serious limitations in that official data on production and consumption are lacking, but reasonably accurate information as to imports and exports is available. To judge the scope of Soviet production and consumption one must rely on estimates. The United States Bureau of Mines, the World Bureau of Metal Statistics and Metallgesellschaft in Germany all publish such figures. Not surprisingly, they do not always agree—but they do establish an order of magnitude. Furthermore, the trade figures indicate that the Soviet Union is normaly self-sufficient in all but six major minerals—bauxite, barites, antimony, fluorspar, tin and tungsten. And even for these six Russia is believed to produce at least half its internal requirements.

Certain basic conclusions can be reached about the policy followed by the leaders in the Kremlin in regard to minerals. They are:

1. Every effort is made to attain self-sufficiency in mineral supply. Economic cost is only a secondary consideration in undertaking or expanding production. The Soviet aluminum industry provides a prime example of self-sufficiency fostered regardless of cost. It is significant, incidentally, that the Soviet leadership is more concerned with mineral self-sufficiency than with food self-sufficiency. The country's rulers are content to import wheat but try to avoid importing copper.

2. Because the economy is totally planned, consumption is permitted to rise only to the extent production is increased or secure supplies are in prospect. The Russians will not allow consumer demand to force them into reliance on mineral imports. Regardless of the prices at which they are prepared to sell, foreign producers have no way to enter the Soviet marketplace unless the central government decides to import.

3. For those materials of which the Soviet Union is clearly a major exporter, trade wherever possible is channeled into hard currency markets thus financing Soviet imports of foodstuffs or machinery.

4. The Russians are very much aware that in five major minerals—chrome ore, platinum metals, manganese ore, asbestos and gold—they and southern Africa together account for the lion's share of world production and trade. This goes a long way toward accounting for Russian and Cuban involvement in African affairs.

5. Little attention is devoted to fostering trade with the countries of the Third World. Even though Russia professes a deep interest in helping the developing nations, there is little evidence that such assistance has in fact been forthcoming.

6. No areas within the Soviet Union are off-limits to mineral exploration. Maintenance of wilderness and protection of endangered species do not take precedence over exploitation of resources in Siberia or elsewhere. Because Soviet producers are not subject to the rigors of international competition, internal prices are determined on the basis of costs. The expense of pollution controls or safety measures is thus simply added to these costs. There is little evidence that anti-pollution or health protection controls command a high order of priority.

To illustrate these observations, some specific examples can be cited.

According to the Metallgesellschaft, production of aluminum by the Soviet Union in 1950 was 209,000 metric tons. By 1977 it had risen more than tenfold to 2,200,000 metric tons. The trade figures show that the Soviet Union exported 500,000 metric tons of aluminum in 1975 and imported none. However, Russia was a substantial importer of two basic constituents of aluminum metal production—bauxite and alumina. Yet it appears that such imports were primarily to produce metal for export.

The United States Bureau of Mines estimates that in 1976 the Soviet Union produced 4.5 million metric tons of bauxite from which it only recovered 548,000 tons of aluminum—a ratio of more than 8 tons of bauxite per ton of aluminum. In most Western countries the ratio is 4 tons of bauxite per ton of aluminum.

Of even poorer quality are two non-bauxitic materials of domestic origin used by the Soviet Union in 1976. The United States Bureau of Mines estimates that in 1976 3.5 million tons of nepheline, yielding 382,000 tons of aluminum, and 600,000 tons of alunite, yielding 45,000 tons of aluminum, were produced.

Western aluminum producers have undertaken experimental production of aluminum from similar raw materials and have concluded that unless bauxite prices rise substantially, use of non-bauxitic sources of aluminum is uneconomic.

All told, the Soviet Union produced 8,600,000 tons of domestic raw materials from which 975,000 tons of aluminum metal was recovered—nine tons of ore per ton of metal.

The Soviet Union imported 1.4 million tons of bauxite in 1976 from which 32,000 tons of aluminum was recovered—high-grade ore comparable with the bauxite used by aluminum producers in the free market countries. It also imported 600,000 tons of alumina.

The use of domestic low-grade ore is not due to a shortage of high-grade bauxite ores elsewhere. From such Third World countries as Jamaica, Guinea, Surinam, Guyana, Haiti and many others; the Soviet Union can readily obtain ample supplies of good quality bauxite for its aluminum industry. Instead the Soviet planners choose to rely primarily on their own low-grade domestic sources. Of the high-grade bauxite imported in 1976, 40% or 600,000 tons came from an Eastern European satellite—Hungary.

Hungary exported both bauxite and alumina to the Soviet Union but its internal production of aluminum metal was much less than its consumption. In 1975 Hungary imported 150.000 tons of aluminum metal, almost all from the Soviet Union. Possibly this was under a toll arrangement by which Hungarian bauxite and alumina exports to Russia were exchanged for imports of metal from the Soviet.

The conclusion is inescapable. To satisfy its aluminum requirements the Soviet Union prefers to use low-grade domestic materials despite undoubted high costs. To the extent that better quality raw materials are imported, an equivalent quantity of metal is exported to world markets. Of Soviet metal exports about three-quarters go to the satellite countries (chiefly Hungary, East Germany and Czechoslovakia) and one-quarter is exported to the market-economy countries to be sold for hard currency.

Obviously the Soviet Union is determined to be wholly self-sufficient in aluminum supply in the event of an emergency. It avoids substantial dependence on imports from overseas sources—even though this means cutting itself off from the most economically attractive raw material supplies.

As mentioned earlier, internal consumption of most metals within the Soviet Union is restricted to the amount of available supplies—chiefly from domestic production. Soviet consumption of some materials is on a scale comparable with that of the United States. This is true, for example, of consumption of coal, steel, manganese and zinc. But for other minerals consumption within the Soviet Union is only a fraction of the quantities used in this country. Thus the Soviet Union consumes only one-quarter as much aluminum as the United States and only half as much copper.

Demand reflects limited production of durable consumer goods. For instance, the Soviet Union produces about 1,300,000 vehicles a year of which only half are passenger cars and the remainder are trucks and buses. This compares with U.S. production of 10,000,000 to 11,000,000 vehicles annually of which 80% are passenger cars.

The Soviet Union has long been a major exporter of chrome ore, platinum metals, manganese ore, asbestos and gold. All its exports of gold and platinum metals are sold for hard currencies in the market-economy countries of the West. About 75% of its chrome ore and 60% of its asbestos exports also go into the hard-currency areas. Only in the case of manganese do Soviet exports to its European satellites exceed its exports to the West.

South Africa is the world's largest supplier of chrome ore, platinum metals and gold. The U.S.S.R. is the world's largest supplier of manganese and asbestos. The two countries together account for more than half the world trade in all five minerals and well over 90% of world trade in platinum and newly-mined gold. If Rhodesia—now called Zimbabwe—is added, then these three countries also account for over 90% of trade in chrome ore.

While political and military factors are often cited to account for Soviet and Cuban involvement in Africa, the Soviet Union surely has not lost sight of possible commercial advantages. Civil disorder in South Africa and Rhodesia on a scale that would interfere with production of these minerals would enormously expand the value of Soviet exports. Left-wing governments with leanings toward the Soviet in South Africa and in Zimbabwe Rhodesia could combine with the Soviet Union to create pricing situations in chrome ore, platinum metals and perhaps manganese fully as effective as the OPEC cartel is in oil. To the Soviets this must look like a "can't lose" situation. A civil war in the area will push up the prices of Russian exports. A quick victory for a left-wing black movement may provide the opportunity for price-hiking collaboration.

Repeatedly trade delegations from developing countries visit the Soviet Union or conversely the Soviet Union sends officials to developing countries. Great expectations of increased trade are raised by these visits. When mining properties or mineral concessions in Third World countries are taken away from foreign investors by host governments, there are rumors that the U.S.S.R. may operate these properties in collaboration with the local governments.

For more than 20 years there have been reports that the Soviets will assist the Third World by buying its mineral output. But the available data on Third World exports show no substantial volume of Soviet purchases.

Occasionally the Soviet will buy the odd lot of copper, lead or zinc concentrates to keep smelters running at capacity, but these originate as often from developed countries such as Canada and Australia as they do from Latin America or Africa. In fact trade statistics show that earlier this year a sizeable parcel (7,000 tons) of lead concentrates mined in the United States was shipped to the U.S.S.R. at a time when U.S. smelting capacity was available and U.S. consumers were hungry for lead.

As for Soviet operation of mineral properties in Third World countries, it has not been possible to identify a single significant mine in Africa or Latin America outside Cuba where this has occurred. There may have been some Russian involvement in India or Iran, two neighboring Asian countries. Frankly one derives the impression from this record of a completely cynical approach by the Soviet to the Third World. Despite all protestations of desire to assist, the U.S.S.R. is unwilling to depend on distant and possibly politically unstable sources for essential raw materials.

In its most recent review of the minerals industry of Eastern Europe and the U.S.S.R., the Bureau of Mines published a map of major mineral developments scattered throughout the territory of the U.S.S.R. The greatest concentration appears to be in Western and Southern Siberia. However, in recent years there have been highly important developments of copper, nickel, platinum, tin and gold deposits in extreme Northern Siberia—in an area which greatly resembles Alaska. Currently under construction north of the famous Trans-Siberian Railroad is a new railroad to tap these resources.

The possibility of adverse effects on the local flora and fauna does not appear to hinder exploitation of resources which the Kremlin leadership feels should be brought into production. Nor have there been press reports of pollution restrictions, or of heavy capital expenditures to deal with air and water quality. One cannot conceive of a Soviet mining project being delayed or suspended because of pressure from local residents over issues of land, air or water pollution.

To repeat: The U.S.S.R. emphasizes self-sufficiency in mineral supply, regardless of economic considerations. To avoid import deficiency, consumption is restricted if necessary. Major exports are channeled into hard currency areas. With respect to five major commodities, Soviet policy in Africa appears heavily motivated by commercial factors. The U.S.S.R. professes great sympathy for the Third World and frequently promises assistance in mineral development, but the actions do not often match the words. Soviet mineral expansion has not been limited by environmental restrictions.

What of the mineral policies of the United States? It is no exaggeration to say that the Federal government today has no carefully thought out set of policies on non-fuel minerals. In 1970 Congress passed the Mining and Minerals Policy Act. Its avowed purpose was to stimulate domestic mining and reduce dependence on imports. But to state a policy is not the same as to effect one. Since the Act was signed into law, no genuine effort has been made to evolve a consistent long-range U.S. policy on mineral supplies.

Congressional concern two years ago led President Carter to establish an inter-agency committee, chaired by Interior, to conduct a Non-Fuel Minerals Policy Review. Phase I of this review, delayed far beyond the original target date, has been carefully monitored this spring and summer by a House Interior and Insular Affairs sub-committee, chaired by Congressman Santini. The hearings reveal the absence of consistent, coherent policy or even of any concept of what policy should be.

As stated before, the U.S. Bureau of Mines study of the U.S.S.R. mineral industry indicated that in 1975 the Soviets depended on imports for only six major mineral commodities. In no commodity was import dependency as high as 50%. The Soviet Union that year was wholly self-sufficient in regard to 21 major minerals.

Taking the same 27 minerals, in the U.S. Bureau of Mines data reveal that in 1975 the United States was self-sufficient in five—anthracite and bituminous coal, copper, aluminum, and phosphates. However, since 1975 this country has again become a net importer of both copper and aluminum. For another nine minerals the United States produced more than half its requirements domestically. But it imported more than half its needs of thirteen. In the case of eight minerals, imports amounted to more than 80% of what was required.

Geological circumstance is the explanation for U.S. import dependence for some minerals—tin, chrome ore, manganese and asbestos. Domestic deposits are of poor quality and not economically viable, yet—were they in Russia—the Soviet Union would surely consider equipping them for production rather than rely on imports.

In certain other minerals, there are potentially important domestic resources. For example, a former director of the U.S. Geological Survey has expressed the opinion that resources in Montana might well satisfy a substantial share of U.S. needs for the platinum group metals. A joint venture of Johns Manville and Standard Oil of California is undertaking an evaluation of these deposits. Assuming a decision is made that the project is economically viable, will it be able to proceed? Will the environmentalist groups that are blocking the development of Montana coal, and that are bringing court actions to prevent exploitation of a Montana copper-silver project, stand aside for a venture to produce platinum—metal in which this country is today largely dependent on Russia and South Africa for its supplies?

Obviously the answer to this question is unpredictable. But any one examining the record must conclude that attaining mineral self-sufficiency is not high on the list of national priorities. A few examples may be cited to support this view.

In 1978, the International Trade Commission concluded that the domestic copper industry had been injured by excessive imports, after a hearing based on an escape clause action brought by the domestic producers. President Carter turned down the recommendation of a quota limitation on imports and in a somewhat brusque statement did not even suggest other ways in which the domestic industry might be assisted.

During 1978 both the Environmental Protection Agency and the Occupational Safety and Health Administration imposed stringent new limits on lead emissions. Both the primary and secondary lead processing industries and many of the consuming industries have advised the agencies that they lack present technology with which to meet these standards. Moreover industry maintains that the agencies have not presented scientific evidence that such stringent standards are in fact necessary to protect public or worker health. The issue is now in the courts. Unless the standards are relaxed, many domestic plants will close. The country faces the prospect that both newly mined lead concentrates and scrap will be exported abroad for conversion into refined metal which will then have to be re-imported to meet domestic needs. Heavy transport costs involved in this two-way traffic will tend to reduce domestic mine production and discourage scrap recovery—at the same time that environmentalists are urging increased recycling.

In the same way, stringent pollution standards are making the country depend on imported coke, while domestic coal is being exported. Last year 5 million tons of coke was imported due to reduced domestic coke-making capacity resulting from what George Stinson of National Steel calls the "inflexibility of pollution control requirements on facilities with limited life expectancy.

Stan Dayton, editor of Engineering and Mining Journal, in the May 1979, issue dramatically summarized the position of the mining industry in Alaska, our largest state. Poised between Siberia, the prime source of the Soviet's mineral production, and the Yukon, perhaps the area of Canada with the greatest non-fuel mineral exploration activity at this time, Alaska by contrast has only two commercial mining operations of any size. One is a gold dredging operation near Nome and the other a coal mine near Fairbanks.

Mr. Dayton stated that Alaska is not only the best place in the Union to prospect for tin and tungsten but it is also rated excellent in the potential for commercially viable amounts of chromite, nickel, cobalt and platinum. He cited a comprehensive list of 244 known major mineral occurrences in Alaska. Only 46 of these are in areas open to mineral location under the mining laws. The others are blocked because of various withdrawals of Alaskan territory from exploration potential. Only 17% of the total land surface of Alaska is fully open to prospecting for minerals. Other priorities—wilderness preservation, endangered species, Eskimo rights, etc.—mean that mining is proscribed or severely limited in 83% of the potentially most attractive mineral areas in the country.

In regard to foreign mineral exploration, however, the U.S. government takes a different attitude. Officials concerned with policy toward the Third World are constantly exhorting the mining industry to invest in exploration for and development of mineral resources in the developing countries. The pressure of the environmental movement has influenced U.S. supported financing for foreign projects in that some loans impose non-degradation concepts. Such limitations are not contained in financial arrangements by other capital-exporting countries. Insurance and financing through government establishments are offered to induce mineral investments. Similar assistance is not available for domestic mining projects, which of course must adhere to Federal and State environmental regulations. Domestic mineral enterprises recognize the widespread public support for preservation of the environment, but as matters now stand they feel the regulatory agencies fail to balance costs imposed against benefits to be derived.

In international trade, the Department of Commerce figures show that for non-ferrous metals the aggregate adverse balance increased from $1.5 billion in 1975 to $4.1 in 1978. Similarly the adverse balance in steel increased from $2.1 billion in 1975 to $5.6 billion in 1978. These are significant portions of the over-all U.S. trade deficit.

On the African front U.S. policy has disregarded commercial considerations. Thus in order to support the cause of black nationalism the United States has denied itself access to Rhodesian mineral resources. There is widespread pressure from various religious and civil liberties organizations to restrict trade and investments with South Africa. To date these efforts have not resulted in any actual restrictions. Should pressure finally result in limits to trade and investment in South Africa, U.S. dependence on mineral imports from Russia would be enormously increased.

One might summarize the contrasting U.S. and Soviet positions in regard to mineral policies as follows:

1. The Soviet Union emphasizes mineral self-sufficiency. The United States has taken no steps toward improving its position in self-sufficiency and seems to disregard this as a matter of national priority.

2. The Soviet Union restricts consumption of minerals if necessary to avoid import deficiencies. The United States as a consumer economy places no limitations on consumption other than to suggest the desirability of increased recycling.

3. The Soviet Union is a major exporter of minerals and uses mineral exports to obtain foreign currency. The United States imports of minerals are steadily increasing. The net effect of this has been to add to the pressures weakening the U.S. dollar.

4. Soviet policy in Africa strongly serves Soviet commercial interests since turmoil in Africa will strengthen the prices of Soviet exports. U.S. policy in Africa is dictated entirely by political considerations. In fact, the Rhodesian embargo has been commercially disadvantageous to the United States.

5. While the Soviet Union expresses sentiments of interest in the Third World, it has in fact not materially assisted developing countries in expansion of their mineral industries. The United States has made capital available on favorable terms and has extended trade concessions.

6. Exploitation of Soviet mineral deposits is in no way inhibited by environmental considerations. In the United States the proliferation of environmental and safety regulations puts a heavy burden of capital and operating costs on the mineral industries. In some instances these regulations are forcing marginal producers to suspend operations. Private groups are permitted, and indeed encouraged by the government, to delay and hinder mineral development through litigation.

These observations are not intended to suggest that the United States should emulate the Soviet example. The Communist form of government is not one that the majority of Americans would welcome. Rigid governmental control of economic, cultural and academic activities would be abhorrent to most Americans. But Americans need to be aware of what is going on behind the Iron Curtain. They need carefully to weigh priorities. The U.S., unlike the Soviet, will not disregard environmental considerations but surely it is in order to suggest that a reasonable balance should be struck between costs and benefits. Today no such evaluation is being made, despite President Carter's promise to analyze the impact of regulations.

The failure to develop a meaningful energy policy in this country in 1977 and 1978 provided a clear signal to OPEC this year that it could twice raise oil prices with impunity. Just as leadership has been lacking on the energy front, even so is the national economic well-being and defense posture today being threatened by an apathetic attitude in Washington toward the erosion of our mineral industry. This audience well understands the issue. But it is an issue of which the vast majority of American citizens are not even aware.

Some years ago Nikita Khrushchev, then Premier of the Soviet, warned the United States that in the long run the Soviet system would bury us. That situation has not yet arisen but a candid appraisal must be that, as of today, in the minerals field the Soviet Union is making progress in that direction. To use the phrase that Secretary James Schlesinger applied in the energy situation—in the minerals field this country is running grave geostrategic risks.

Self-sufficiency in percent—1975

Commodity	U.S.S.R.	U.S.A.
Aluminum	140	102
Antimony	90	51
Asbestos	150	18
Barite	50	68
Bauxite	60	9
Chromite	230	9
Coal-Anthracite	110	110
Coal-Bituminous	100	115
Cobalt	100	2
Copper, refined	130	102
Fluorspar	50	15
Gas, natural	100	90
Gold	240	48
Iron Ore	120	70
Lead, refined	110	89
Manganese	120	2
Nickel in Ore	100	28
Petroleum, crude	120	65
Phosphate	130	105
Platinum Group Metals	140	17
Potash	150	49
Steel, crude	100	91
Sulfur	100	95
Tin in Ore	80	16
Titanium	100	75
Tungsten	70	45
Zinc	110	39

Source: U.S. Bureau of Mines.●

Mr. CHURCH. Mr. President, I am prepared to yield back the remainder of my time on the amendment.

A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. CHURCH. It is my understanding that a substitute amendment may be sent to the desk only after the time has expired on the pending amendment.

The PRESIDING OFFICER. After it has been used or yielded back.

Mr. CHURCH. Very well.

I am prepared to yield back the remainder of my time when Senator McClure is ready.

Mr. McCLURE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLURE. How much time remains on the amendment?

The PRESIDING OFFICER. The Senator has 12 minutes and 21 seconds. The senior Senator from Idaho has 17 minutes and 53 seconds.

Mr. McCLURE. I thank the Chair.

Mr. President, my understanding of what my distinguished colleague has suggested as a substitute is to remove a part of the additional restrictions imposed upon this area but not the one with respect to the limitation on surface mining so that there would be some surface disturbance but there could not be surface mining. Is that the effect of the substitute that he intends to offer?

Mr. CHURCH. Yes; the effect would be to prohibit open pit mining.

Mr. McCLURE. Yes.

Mr. President, I am trying to determine now where we stand from a parliamentary standpoint so that we can try to inform our colleagues what to expect because they had anticipated earlier that we would have a vote on the two McClure amendments and then vote on final passage and they were to be back to back. We were trying to make some arrangements to expedite those votes. Is it the intention of my colleague to ask for a rollcall vote on his substitute?

Mr. CHURCH. Yes.

Mr. McCLURE. Then we have the potential for four rollcalls in a row, I understand that the distinguished Senator from New Mexico may wish to offer one other amendment. We might have to make accommodation for that.

Mr. President, I hope, also, that while I support what my colleague is attempting to do with respect to removing some of the additional restrictions on mining within the wilderness, I do not think they are an adequate substitute. But if mine should fail, I wish to have the opportunity to embrace his, but if he offers his as a substitute I must then necessarily oppose his amendment and hope that it is defeated. If it is defeated, then the vote will occur on mine. If mine passes the issue is dead. If his passes as a substitute the issue is resolved.

If, however, both his is defeated and mine is defeated, then we both might want to try to resolve something in this order.

So, it is my expectation that when we get to the ordering of the votes the first of the two votes would be on the release language and the second on the cobalt issue. So probably the first vote would be on the release language, the second on the substitute by my senior colleague, and the possible third vote on my amendment dealing with cobalt issue. I think that is probably all we can order at this time because we will have to wait to see how the votes come on that to determine whether or not the Senator from New Mexico would offer his, and we might also desire to work something else out with that.

But with that in mind, Mr. President, I am prepared to yield back the remainder of my time on this amendment unless the Senator from New Mexico wishes to speak.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. McCLURE. I am happy to yield to the Senator from New Mexico.

Mr. DOMENICI. I ask both of the Senators: Do I understand the situation to be, then, that if I have an amendment that I want to offer only in the event Senator McClure's cobalt amendment fails parliamentarywise I can wait and if there are not parliamentary inhibitions I can offer it after the disposition of the McClure cobalt amendment? Is that the Senator's understanding?

Mr. McCLURE. That is my understanding.

In order to make that perfectly clear so that there will be no misunderstanding I ask unanimous consent that the first vote occur upon my amendment No. 648 and the second vote occur upon the amendment to be offered in the nature of a substitute by my senior colleague and if necessary the third vote occur on my amendment No. 647.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. That the first of those.

I ask unanimous consent that it be in order to request rollcall votes on each of those three amendments at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I ask for the yeas and nays on each of the three amendemnts.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. Without objection, the yeas and nays are ordered on all three with one show of hands.

The yeas and nays were ordered.

Mr. McCLURE. Mr. President, I ask unanimous consent that the first rollcall be 15 minutes and the second and third rollcalls be 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. And that they will be back-to-back votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I think that adequately answers the question the Senator from New Mexico asked and it does reserve his right and the right of any other Member to offer an amendment following that sequence if they desire.

Mr. DOMENICI. I thank my friend from Idaho.

Does the Senator have any idea when we will start the back-to-back votes?

Mr. McCLURE. Almost immediately, I think the Senator from California has indicated a desire to speak or ask a question, and I would like to accommodate him.

Mr. HAYAKAWA. I thank the Senator from Idaho. I have a couple of questions of fact to ask either the senior or the junior Senator from Idaho about the practicalities of mining from underground.

Mr. McCLURE. Mr. President, the prospects for mining would be almost totally eliminated by the language in the current bill and I think would be substantially eliminated even under the substitute offered by the Senator from Idaho, my distinguished senior colleague. This is not a vein structure. It is a contact body that must be defined by surface core drilling and does not lend itself to the underground type of mining that is associated with vein structures, and certainly access to the surface is necessary with respect to the exploration to define the ore body that will determine or not whether it is worthwhile to go in at all.

So it is impossible under the existing language in the bill, in my opinion, and it is very much more difficult but might be possible under the language that would remain after the substitute of my senior colleague.

Mr. HAYAKAWA. May I then ask the senior Senator from Idaho when this bill said:

> (A) all mining operations shall be conducted underground;
>
> (B) access to such mines shall be underground from outside the wilderness;

This would remain in the bill?

Mr. CHURCH. No, the second part "access to such mines shall be underground from outside the wilderness" is the part that is stricken by my amendment. The parts (B) and (C) are stricken by the amendment I am proposing.

Mr. HAYAKAWA. Well, the question I would like to ask then is granted that further cobalt is found where it has been found before, what kind of underground operation will be necessary? How long will tunneling have to be in order to get access to this cobalt?

Mr. CHURCH. If my substitute amendment is adopted it would be unnecessary to tunnel under the wilderness from outside its boundaries in order to reach the cobalt.

Mr. HAYAKAWA. You could tunnel it right there?

Mr. CHURCH. That is correct.

Mr. HAYAKAWA. From immediately above.

Mr. CHURCH. The Senator is correct. But open-pit mining would be prohibited.

Mr. HAYAKAWA. That answers my question.

Mr. McCLURE. It is my understanding, as I understand it, there will be permitted core drilling to find the body under the usual rules applied to wilderness which, I think, renders it virtually impossible, but not totally impossible, and quite unlikely, and there could be surface disturbances associated with the drilling to define the ore body, and whatever adits and ventilation shafts might be necessary, even under the Senator's amendment.

Mr. CHURCH. The Senator is correct.

Mr. HAYAKAWA. I thank the Senator from Idaho.

Mr. McCLURE. I thank the Senator from California.

Mr. President, I am prepared to yield back the remainder of my time. My understanding is that the voting will start almost immediately.

Mr. CHURCH. I have to send my substitute.

Mr. McCLURE. I yield back the remainder of my time.

UP AMENDMENT NO. 836

(Purpose: Modification of Underground Mining Area)

Mr. CHURCH. I yield back the remainder of my time. I send a substitute amendment to the desk and ask that it be read.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho (Mr. CHURCH) proposes an unprinted amendment numbered 836 in the nature of a substitute for amendment numbered 647:

On pages 6 and 7, delete paragraphs (A), (B), (C), and (D) in their entirety and insert the following:

"(A) all mining operations shall be conducted underground; and

"(B) such operations shall be subject to such existing or additional regulations as the Secretary may promulgate in furtherance of paragraph 4(d)(3) of the Wilderness Act.".

The PRESIDING OFFICER. The Chair points out that the Senator's amendment is not properly drafted as a substitute.

Mr. CHURCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, it is my understanding that the Senator from Idaho, my senior colleague, desires to resubmit his amendment as an amendment to the bill and, therefore, I ask unanimous consent that his amendment may be an amendment to the bill; that the first vote occur upon my amendment No. 648, that the second vote occur on the unprinted amendment offered by my senior colleague, and if his amendment is adopted that I be granted permission to withdraw my amendment; that if his amendment is not adopted that the third vote occur on my amendment No. 647.

Mr. DOMENICI. Mr. President, reserving the right to object—and I hope I do not have to object—I have distributed the unprinted amendment that I contemplate offering in the event the McClure cobalt approach is not adopted, and I wonder if we could agree that after the disposition of the amendments that this Domenici unprinted amendment be in order? I am not asking that anybody accept it but only that it be in order.

Mr. McCLURE. Mr. President, I do not think there is anything in the unanimous-consent request that I have propounded that would in any way interfere with the right of the Senator to offer his amendment following the disposition of the ones that have been outlined.

Mr. DOMENICI. I understand the explanation heretofore given. I would just like to get assurance that it will be in order to call it up, that is all I am asking.

Mr. CHURCH. The problem we have with this amendment, and I have just had a chance to read it, is a germaneness problem. I would like to have a little time to reflect on it. I do not mean at this time to raise the germaneness question, but I would like a little time to review it. I hope we can proceed with this unanimous-consent agreement because in any case the Senator would be offering his amendment after the votes that are embraced within this unanimous-consent agreement are taken.

Mr. DOMENICI. Well, let me say to my good friend, again reserving the right to object, I understand the orderliness of the process, but if the amendment is "tall" on germaneness, I wonder if we could not agree at this point that it would be in order. That is the purpose of the unanimous-consent request, and it is in that context that I pose the request.

I mean it does pertain itself to strategic and critical materials, one of which is cobalt. I do not think either Senator from Idaho would object to getting a concrete assessment of the strategic material and its stockpile situation and need, since we are addressing one of the very critical materials here.

Mr. CHURCH. Mr. President, the reason that I am obliged to check further is that the amendment actually falls outside the jurisdiction of the Energy and Natural Resources Committee, and lies within the jurisdiction of the Armed Services Committee. That is the reason why the question of germaneness is pertinent. I am really unable to speak for the Armed Services Committee, and would need time to have the matter considered by the chairman and other members of that committee.

Mr. DOMENICI. I would say to my good friend, who is always understanding of other Senators' concerns, that I have a genuine concern in this area; I think everyone in this body does. One of the critical materials that is at about half of the strategic requirement is cobalt. It is the most singularly strategic critical material available. I wonder how long it might take for the Senator to make such a determination.

Mr. CHURCH. We will endeavor to get an answer for the Senator as quickly as possible. I personally do not intend to raise an objection to the substance of the amendment, but the Senator understands my problem; I cannot speak for the committee with proper jurisdiction. I will do my best to have the matter reviewed quickly and get some answers back to the Senator.

Mr. McCLURE. Mr. President, I might say I understand what the Senator from New Mexico is attempting to accomplish, and I certainly hope the amendment may be in order, but it will perhaps require unanimous consent to get around the question of germaneness. I am hopeful there will be no objection to that unanimous-consent request, and that he may be permitted to offer the amendment following some other amendments that will be offered.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Mr. President, reserving the right to object, how much time do we have before the time would run on the amendments that are pending? We have about 20 minutes, do we not, between the two?

The PRESIDING OFFICER (Mr. BRADLEY). There are 25 minutes on the votes alone.

Mr. DOMENICI. That is not my question, Mr. President. My question is, the pending amendment still has time remaining——

The PRESIDING OFFICER. Twenty-two minutes.

Mr. DOMENICI. Twenty-two minutes; and if the unanimous-consent request proposed by the distinguished senior Senator from Idaho is not granted, we will have 22 minutes before we vote, before the time elapses on the pending amendment; is that not correct?

The PRESIDING OFFICER. If the unanimous-consent request is not granted now, the pending amendment would not be in order.

Mr. DOMENICI. Well, I am just wondering, from my standpoint, why we cannot get a reading before we vote here, before I agree to unanimous consent for some new process, if we could not use that time to see whether my amendment is going to be in order at the end of this process.

I object to the unanimous-consent request, because that is what I am saying.

Mr. McCLURE. Mr. President, before the Senator objects, may I make a parliamentary inquiry?

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLURE. How much time remains on the amendment of the Junior Senator from Idaho?

The PRESIDING OFFICER. That time was yielded back.

Mr. McCLURE. So if unanimous consent is not granted now, as has been suggested, in order to make the amendment of the senior Senator from Idaho pending, then we proceed immediately to the vote; is that correct?

The PRESIDING OFFICER. On amendment No. 648.

Mr. CHURCH. Mr. President, it would still be open to debate and to the offering of an amendment in the nature of a substitute, would it not?

Perhaps if we just put in a quorum call using the time on the bill, we could reach the leadership and attempt to resolve this question.

Mr. McCLURE. How much time remains on the bill?

The PRESIDING OFFICER. The senior Senator from Idaho has 15 minutes. The junior Senator from Idaho has 3½ minutes, because his time has come off the bill.

Mr. CHURCH. Mr. President, I ask unanimous consent that the time for the quorum call be taken from neither side.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Mr. President, I am going to object on the basis that I want to go ahead and agree to the previous unanimous-consent request.

Let me just say that I did not understand that the time remaining on the pending amendment had been yielded back, and I thought, therefore, I was not wasting any time by delaying things. So I have no objection to the previous unanimous-consent request proposed by the junior Senator from Idaho.

The PRESIDING OFFICER. Is there objection to the request of the junior Senator from Idaho (Mr. McClure)? Without objection, it is so ordered.

Mr. CHURCH. Mr. President, to sum up briefly, the purpose of the amendment that I have offered is simply to make clear that if cobalt is found within the area in question, the mining of that cobalt should be underground mining, rather than open pit mining. But otherwise, it could proceed as mining is permitted under the Wilderness Act.

If open pit mining were permitted in this particular area, it would have a very adverse impact, if not a fatal impact, upon the wildlife values we seek to protect.

● Mr. DOMENICI. Mr. President, This morning's debate has focused our attention on some important facts concerning cobalt which is just one of many of this country's strategic and critical materials.

We have learned, for example, that the United States produces no cobalt but instead imports 97 percent of its cobalt and relies on politically unstable Zaire and Zambia for 70 percent of this supply.

We know the GSA stockpile requirement for cobalt reserves necessary to meet a 3-year national emergency is 44 million pounds short of its goal and to purchase this at today's prices would cost the Government $1.1 billion.

We know the Department of the Interior has identified cobalt as the material most likely to be affected by a supply disruption over the next 5 years and that 1980 and 1981 are the years during which we can most likely expect to experience this disruption.

We know the Bureau of Mines has predicted a worldwide cobalt shortfall of 10 million pounds per year for the next 3 years while U.S. cobalt consumption will increase to 20 million pounds this year.

Mr. President, these are the facts on cobalt that today's debate has highlighted along with the impact on our balance of payments, the economic health of the air transport and aerospace industries, but most importantly the impact on our national defense. Cobalt is an essential ingredient in making jet engines. In fact, 1 ton of cobalt is used in each F-15 fighter. Cobalt supplies could be the Achilles heel of our national defense effort.

What concerns me most is what we don't know about other strategic and critical materials, requirements, reserves and domestic and foreign sources of supply.

Accordingly, I believe the Congress would be well-served by a status report for sources of supply on strategic and critical materials and minerals. Such a report is long overdue and would be of great assistance in future deliberation on natural resource issues.●

Mr. CHURCH. I yield back the remainder of my time on the amendment that I proposed to the bill, if my colleague from Idaho is willing to yield back his.

Mr. McCLURE. I yield back the remainder of my time on the Sisk amendment.

The PRESIDING OFFICER. All remaining time having beeen yielded back, under the previous order, the Senate will now proceed to vote on amendment No. 648 of the junior Senator from Idaho (Mr. McClure). The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Virginia (Mr. Harry F. Byrd, Jr.), the Senator from Florida (Mr. Chiles), the Senator from Alaska (Mr. Gravel), the Senator from Hawaii (Mr. Matsunaga), and the Senator from Connecticut (Mr. Ribicoff) are necessarily absent.

I further announce that the Senator from Georgia (Mr. Talmadge) is absent on official business.

I also announce that the Senator from Mississippi (Mr. Stennis) is absent because of death in family.

I further announce that the Senator from Iowa (Mr. Culver) is absent because of illness.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Oklahoma (Mr. Bellmon), the Senator from Oregon (Mr. Hatfield), and the Senator from Iowa (Mr. Jepsen) are necessarily absent.

The PRESIDING OFFICER. Are there other Senators in the Chamber wishing to vote?

The result was announced—yeas 21, nays 67, as follows:

[Rollcall Vote No. 421 Leg.]

YEAS—21

Armstrong
Cochran
Domenici
Garn
Goldwater
Hatch
Hayakawa
Helms
Humphrey
Kassebaum
Laxalt
Lugar
McClure
Schmitt
Simpson
Stevens
Thurmond
Tower
Wallop
Warner
Young

NAYS—67

Baucus
Bayh
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Church
Cohen
Cranston
Danforth
DeConcini
Dole
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Hart
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Levin
Long
Magnuson
Mathias
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Schweiker
Stafford
Stevenson
Stewart
Stone
Tsongas
Weicker
Williams
Zorinsky

NOT VOTING—12

Baker
Bellmon
Byrd,
Harry F., Jr.
Chiles
Culver
Gravel
Hatfield
Jepsen
Matsunaga
Ribicoff
Stennis
Talmadge

So Mr. McClure's amendment (No. 648) was rejected.

Mr. BENTSEN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. CHURCH. I move to lay that motion on the table, Mr. President.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now recurs on the amendment of the senior Senator from Idaho, UP amendment No. 836. This will be a 10-minute vote.

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON: I announce that the Senator from Virginia (Mr. Harry F. Byrd, Jr.), the Senator from Florida (Mr. Chiles), the Senator from Alaska (Mr. Gravel), the Senator from Hawaii (Mr. Matsunaga), and the Senator from Connecticut (Mr. Ribicoff) are necessarily absent.

I further announce that the Senator from Georgia (Mr. Talmadge) is absent on official business.

I also announce that the Senator from Mississippi (Mr. Stennis) is absent because of death in the family.

I further announce that the Senator from Iowa (Mr. Culver), is absent because of illness.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Oklahoma (Mr. Bellmon), the Senator from Oregon (Mr. Hatfield), and the Senator from Iowa (Mr. Jepsen) are necessarily absent.

The PRESIDING OFFICER. Are there Senators in the Chamber who have not voted and wish to do so?

The result was announced—yeas 58, nays 30, as follows:

[Rollcall Vote No. 422 Leg.]

YEAS—58

Baucus
Bayh
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Church
Cranston
Danforth
DeConcini
Durkin
Eagleton
Exon
Ford
Glenn
Hart
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Levin
Long
Magnuson
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nunn
Packwood
Pell
Percy
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Stevenson
Stewart
Stone
Tsongas
Weicker
Williams
Zorinsky

NAYS—30

Armstrong
Cochran
Cohen
Dole
Domenici
Durenberger
Garn
Goldwater
Hatch
Hayakawa
Helms
Humphrey
Kassebaum
Laxalt
Lugar
Mathias
McClure
Nelson
Pressler
Proxmire
Schmitt
Schweiker
Simpson
Stafford
Stevens
Thurmond
Tower
Wallop
Warner
Young

NOT VOTING—12

Baker
Bellmon
Byrd,
Harry F., Jr.
Chiles
Culver
Gravel
Hatfield
Jepsen
Matsunaga
Ribicoff
Stennis
Talmadge

So Mr. Church's amendment (UP No. 836) was agreed to.

Mr. CHURCH. Mr. President. I move to reconsider the vote by which the amendment was agreed to.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 647

The PRESIDING OFFICER. Under the previous order, the junior Senator from Idaho is recognized for the purpose of withdrawing his amendment numbered 647.

Mr. McCLURE. Mr. President, I so withdraw that amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. McCLURE. Mr. President, I think the vote that was just taken, and the reason I withdraw the amendment, was pursuant to the unanimous consent we had entered into earlier. But I think that typifies the difficulty we have in dealing with complex resource management decisions.

I am satisfied that there are a number of Senators who voted in favor of the Church substitute who did not recognize the impact it will have on the tool steel industry, the machine tool industry, the electrical industry, the defense industry, the aircraft industry in this country.

I think there are some of our friends who voted for the Church amendment who will be confronted by some of their constituents at home who say, "You did not know what you did."

I am sorry that is the way the cookie crumbled this time around. But it is very difficult to get the message through when the Members of the Senate are so distracted by a number of other things and the parliamentary situation, and the issue is oftentimes confused as we come to the floor.

Mr. President, I think the Senator from New Mexico had indicated he had an amendment he wished to offer.

Mr. CHURCH. Yes. There is a question of germaneness as the matter relates to the jurisdiction of the Armed Services Committee.

I hope to be able to confer with Senator HART before we proceed further. I do not want to raise the germaneness issue if it is unnecessary. But I would like to confer with Senator HART before I reach a decision. For that reason, Mr. President, I ask unanimous consent that there be a quorum call and that the time not be taken from either side.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 837

Mr. DOMENICI. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI) proposes an unprinted amendment numbered 837.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 5, line 11, strike the period and add the following:

"; and shall include a report from the Secretary of Defense, after consultation with the Secretaries of Interior, Agriculture, Commerce, Transportation and State and the Federal Emergency Management Agency shall report to the Congress on the strategic significance of the materials and minerals found in the area identified in subsection (5) (d) (1).

In connection with this report, the Secretary shall advise the Congress on: (1) present and projected requirements for strategic and critical materials and minerals; (2) reserve requirements for strategic and critical materials and minerals; and (3) sources of supply, both domestic and foreign, for strategic and critical materials and minerals.

Mr. DOMENICI. Mr. President, I say to the managers of the bill that in the last line of the hand-written part of the amendment they should insert the number "5" before the letter "(d)". So it should read "5(d) (1)," and it is so included in the amendment I have sent to the desk.

I have conferred with the majority manager and the ranking Republican manager of the bill, and I believe they will accept this amendment.

As part of the management plan, a study will take place as to the strategic significance of the materials and minerals found in the area.

I have no desire to take any further time of the Senate. If they accept the amendment, I have nothing further to say.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 837 (AS MODIFIED)

Mr. DOMENICI. Mr. President, I send to the desk a modification of the Domenici amendment.

The PRESIDING OFFICER. The modification of the amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI) proposes an unprinted amendment numbered 837, as modified.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment, as modified, be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

On page 5, line 11, strike the period and add the following:

"; and shall include a report from the Secretary of Defense, after consultation with the Secretaries of Interior, Agriculture, Commerce, Transportation and State and the Federal Emergency Management Agency shall report to the Congress on the strategic significance of the materials and minerals found in the area identified in subsection 5(d) (1).

Mr. DOMENICI. Mr. President, I say to the floor managers of the bill that the amendment is similar in all respects, except that all language is stricken after the hand-written language which concludes with "5(d) (1)." It is the same in all other respects.

I need no further time. If the amendment is acceptable to the floor managers, we can proceed to vote.

Mr. CHURCH. Mr. President, this amendment is acceptable to me, and I am happy to support it.

Mr. McCLURE. The amendment is acceptable to me.

Mr. DOMENICI. I yield back the remainder of my time.

Mr. CHURCH. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. McCLURE. Mr. President, a parliamentary inquiry. Have the yeas and nays been ordered on final passage?

The PRESIDING OFFICER. No, they have not.

Mr. McCLURE. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. McCLURE. Mr. President, before the vote commences, let me simply indicate my opposition to the bill because of the lack of balance.

The bill as approved by the committee majority lacks the balance essential to resource allocation decisions. It does not meet the tests of equity for the economy of the local area and the jobs and community stability so vital to the Idahoans affected. Neither does it meet the test of national security with respect to minerals vital to our national defense or resources essential to our economy and affecting our balance of payments problems.

In any major land allocation decision there are critical trade-offs to be considered. This bill gives lip service to that requirement, but fails any real objective test.

Cobalt is essential to our security and our national economy. Cobalt is used in a number of strategically important applications, including high-temperature alloys for jet engines, magnets for measuring instruments and cemented carbides for metal cutting and drilling. It is also used in the environmentally important application of de-sulphurization of crude oil. This use will expand due to the combined impact of more stringent emission standards and need to use higher sulfur crude oil.

The United States is entirely dependent on imports for its supply of primary cobalt. Statistical data is given in the Mineral Commodity Profiles prepared by the U.S. Bureau of Mines and the Minerals Exploration Coalition. The majority of these imports comes from Zaire and Zambia. The supply from Zaire and Zambia comes from the Shaba province. Supply from both countries is highly vulnerable to disruption. This vulnerability has ben exposed in 1978 and 1979. Scott Sibley of the U.S. Bureau of Mines stated:

> The situation in Zaire is so volatile that companies should be concerned about immediate and distant cobalt supply. * * * If I owned a company, I would not want to rely on available supplies for an indefinite period.

Charles Carson of General Electric stated:

> For these industries (aircraft engines and gas turbines, high-speed tool steels, cemented carbides and magnets), there is no need as acute as cobalt right now. (Business Week, August 28, 1978, p. 40E)

Business Week reported:

> Even slowdowns in the delivery of electronic components are starting to threaten production schedules and worry buyers * * * part of the problem here is a shortage of cobalt, used not only in making integrated circuits and motors, but also in the alloys used in high-speed tools. (Business Week, September 18, 1978, p. 36)

There are several undeveloped applications with major energy implications. Magnets using cobalt have 10 times the energy density of previous magnets and have been used to make a DC electric motor 10 times lighter than existing motors. These motors are important in any electric vehicle program. In addition, these motors may be used in airplane actuator motors, where an all-electric system would have better reliability than hydraulic systems. Cobalt catalysts may be used in the liquefaction of coal.

The cobalt reserves in Idaho are far and away the most significant in the United States. Reserves may be sufficient for 50 years' operation at a rate adequate for U.S. self-sufficiency and longer at lower mining rates. Therefore, extension of the Idaho wilderness area has a major adverse impact on U.S. cobalt consumers.

The committee report says that the mining company's current "estimate of known reserves is in excess of 4 million tons of ore. The ore contains some 0.73 percent cobalt. Thus, the known reserves of cobalt metal are in excess of 30,000 tons. Thus the known reserves at the mine are sufficient to support 2,000 tons of contained cobalt per year operation for a period of 15 years."

The facts are this. Mining at the rate of 1,000 tons of ore per day will result in a yearly production of 350,000 tons. At 100 percent efficiency this would yield approximately 16,660 tons of cobalt concentrate, which is reduced to 2,000 metric tons of cobalt metal, or 4,400,000 pounds. However, the operating efficiency is approximately 80 percent, or a net of 3,520,000 pounds. At an annual consumption of 20,000,0000 pounds, this provides the United States with about 17.6 percent of our needs with a mine life of about 11 years. At a mining rate of 3,000 tons of ore per day, we could meet 52.8 percent of our national needs, but the life of the mine would be reduced to slightly less than 4 years.

Equally important to us in Idaho is the bighorn sheep herd in the West Panther Creek area which is traversed by the cobalt belt. There can be no doubt, either, of the national interest in that important resource. Other wildlife and wilderness values are also high, but not unique. There should be no doubt of my determination to give the best possible protection to the bighorn sheep herd, which is unique, but at the same time to recognize the vital national interest in a mineral deposit that occurs nowhere else in the United States.

The committee response was to put the area in the wilderness but permit exploration and mining without any surface disturbance. That is totally infeasible and they know it.

My amendment to establish a "Panther Creek Conservation Area" from the land included in the RARE II area northern portion of W4-504 West Panther Creek containing about 35,000 acres was considered by the committee but rejected. This amendment recognized the national importance of a favorable cobalt mineralized belt which is our only domestic occurrence known to date of major significance. It is an extension of cobalt mineralization to the south where past mining activity has taken place and is being revived. Cobalt reserves outside the West Panther Creek area estimated to be 10 to 15 years duration. However, in today's unsettled world that is simply not a sufficient supply for our long term needs. Our sources for importing cobalt are Zaire and the Soviet Union which give no assurance at all.

The key wildlife consideration in West Panther Creek is the management of bighorn sheep from which surplus animals are taken annually for stocking other areas in Idaho. My amendment would emphasize the bighorn sheep resource and the cobalt mineral resource be given important and equal consideration during the preparation within 3 years of a land management plan by the Forest Service. One resource need not be sacrificed for the other. We should have enough collective brains to devise a plan that will permit us to develop domestic cobalt potential on a long range basis and at the same time successfully manage an important bighorn sheep wildlife resource. We must not lose sight of the fact that we are a nation that does not have an assured supply from foreign sources for all of our resource needs. Every opportunity we have to develop domestic mineral supplies for our long range needs must be protected. If other resource values, such as wildlife, enter the picture and deserve careful consideration, this challenge to accommodate both resource needs can and must be met. We are not so fortunate a nation that we have the option to foreclose a long range source of cobalt—absolutely necessary for the production of military and civilian jet aircraft engines as well as new/magnetic technology in other fields—from domestic sources. Experience in development of the Alaskan pipeline demonstrate that caribou and development can coexist. We must reject the idea that prudent mining and wildlife management cannot coexist.

The bill as ordered reported by the committee contains some provisions in section 5 that are unworkable. The proviso dealing with the exercise of valid existing mineral rights goes beyond the provisions of the 1964 Wilderness Act. Section 5(d) calling for all underground mining as well as access only from outside the wilderness boundary is from an economic, safety, practical, engineering, geologic, or other prudent test completely not possible.

During Committee debate the statement was made that there are many examples of mining in a wilderness. The Bureau of Mines advises they know of but one small gold mining operation in an area designated as wilderness. Despite the language in the 1964 Wilderness Act (78 Stat. 894.), concerning ingress and egress regarding mineral activity, agency regulations have not in fact provided for reasonable access for mining purposes in wilderness as contemplated in the original act.

The second major flaw in the legislation is its almost total failure to balance wilderness designation with appropriate direction for management of areas not included within the wilderness boundaries. Over 2 million acres will be added to the national wilderness system and only a token suggestion for multiple-use management. That canot be balance.

If we are to maintain a forest industry vital to the people in the area and vital to the hopes for affordable housing in our Nation's cities, we must balance restrictive management decisions on some of our public lands with clear statutory direction for multiple resource management on other public lands.

During the Committee consideration of the bill, a great deal of discussion took place on the subject of "release language" concerning areas that had been considered for wilderness, but not placed within the wilderness preserve. I offered an amendment that would release all roadless areas that had been inventoried in the RARE II program of the Forest Service, and not made part of the Central Idaho Wilderness. This release language would be in the statute. My Idaho colleague argued that release language on these areas would be sufficient if included in the report. I feel strongly that to provide for a truly meaningful release of areas no longer to be considered for wilderness, it is necessary to accomplish this by statute.

During the debate on my "release in statute" amendment, the argument was made that the other body would reject this legislation if it contained statutory release language. It is my view that we in the Senate should totally reject the argument presented by certain members of the other body that we should not send legislation to them from the Senate unless it meets their demands. To knuckle under to this kind of argument makes the Senate hostage to the House.

I will offer amendments on both these subjects and my support for the bill can be given only if the Senate acts favorably on these amendments.

Finally, I must note that there is interest in placing portions of the lower Salmon River down to the confluence with the Snake River in the Wild and Scenic Rivers System. While the committee decided to include the portion of the Salmon from the North Fork down to Long Tom Bar, I feel any consideration of the lower portion should be done in the future, and on the merits of that issue after interested persons have a chance to present testimony and examine such a proposal in depth.

The Domenici amendment was added simply because the bill does not have balance. I think it is recognition of the error of what we have done.

Mr. CHURCH. Mr. President, I thank the members of the committee staff and my personal staff who have worked on this bill.

I will include for the RECORD the names of all so that I will omit the names of none.

Mr. President, this is an excellent bill. It is based upon more testimony than any other with which I have ever been associated. The people have been heard from. The bill has been drafted to reflect the wishes of the people of my State.

The bill creates what will be the greatest single wilderness in the West, and the lines will be drawn in such a way as to have no adverse impact upon the economy of Idaho. I regard it as a well-balanced bill, one which the State and the country will be proud of in the years to come.

Mr. President, I yield back the remainder of my time.

Mr. McCLURE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back and the bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from Florida (Mr. CHILES), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Georgia (Mr. NUNN), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

I further announce that the Senator from Georgia (Mr. TALMADGE) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of death in the family.

I further announce that the Senator from Iowa (Mr. CULVER) is absent because of illness.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Oregon (Mr. HATFIELD), and the Senator from Iowa (Mr. JEPSEN) are necessarily absent.

The PRESIDING OFFICER. Are there other Senators in the Chamber desiring to vote who have not done so?

The result was announced—yeas 69, nays 18, as follows:

[Rollcall Vote No. 423 Leg.]

YEAS—69

Baucus
Bayh
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Church
Cochran
Cohen
Cranston
Danforth
DeConcini
Dole
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Hart
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kassebaum
Kennedy
Leahy
Levin
Long
Magnuson
Mathias
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Schweiker
Stafford
Stevenson
Stewart
Stone
Tsongas
Warner
Weicker
Williams
Zorinsky

NAYS—18

Armstrong
Domenici
Garn
Goldwater
Hatch
Hayakawa
Helms
Humphrey
Laxalt
Lugar
McClure
Schmitt
Simpson
Stevens
Thurmond
Tower
Wallop
Young

NOT VOTING—13

Baker
Bellmon
Byrd, Harry F., Jr.
Chiles
Culver
Gravel
Hatfield
Jepsen
Matsunaga
Nunn
Ribicoff
Stennis
Talmadge

So the bill (S. 2009), as amended, was passed, as follows:

S. 2009

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Central Idaho Wilderness Act of 1979".

SEC. 2. (a) The Congress finds that—

(1) certain wildlands in central Idaho lying within the watershed of the Salmon River—the famous "River of No Return"—constitute the largest block of primitive and undeveloped land in the conterminous United States and are of immense national significance;

(2) these wildlands and a segment of the Salmon River should be incorporated within the National Wilderness Preservation System and the National Wild and Scenic Rivers System in order to provide statutory protection for the lands and waters and the wilderness-dependent wildlife and the resident and anadromous fish which thrive within this undisturbed ecosystem; and

(3) such protection can be provided without conflicting with established uses, such as hunting, fishing, grazing, ranching, and commercial outfitter and guide services.

(b) The purposes of this Act are to—

(1) provide a comprehensive, statutory framework for the protection, administration, and management of the wildlands of the central Idaho region and a portion of the Salmon River through—

(A) the designation of the River of No Return Wilderness;

(B) the addition of certain lands in the "Magruder Corridor" to the existing Selway-Bitterroot Wilderness; and

(C) the incorporation of one hundred and twenty-five miles of the Salmon River as a component of the National Wild and Scenic Rivers System; and

(2) to end the controversy over which lands within the central Idaho region will be designated wilderness—thereby assuring that certain adjacent lands better suited for multiple uses other than wilderness will be managed by the Forest Service under existing laws and applicable land management plans—and by making a comprehensive regionwide land allocation decision.

SEC. 3. In furtherance of the purposes of the Wilderness Act of 1964 (78 Stat. 890; 16 U.S.C. 1131), certain lands in the Boise, Challis, Payette, Salmon, Bitterroot, and Nezperce National Forests, Idaho, situated north and south of the Salmon River which comprise approximately two million two hundred thousand acres, as generally depicted on a map entitled "River of No Return Wilderness, Proposed", dated November 1979, are hereby designated as wilderness and, therefore, as a component of the National Wilderness Preservation System, and shall be known as the River of No Return Wilderness. The previous classification of the Idaho and Salmon River Breaks Primitive Areas are hereby abolished.

SEC. 4. In furtherance of the purposes of the Wilderness Act, certain lands in the Bitterroot National Forest, Idaho, which comprise approximately one hundred and five thousand six hundred acres as generally depicted on a map entitled "Magruder Corridor Proposed Additions, Selway-Bitterroot Wilderness", dated November 1979 are hereby incorporated in, and shall be deemed to be a part of, the Selway-Bitterroot Wilderness as designated by Public Law 88–577, and, therefore a component of the National Wilderness Preservation System.

SEC. 5. (a) (1) Within three years after the date of enactment of this Act, the Secretary of Agriculture (hereinafter referred to as "the Secretary") shall develop and submit to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Interior and Insular Affairs of the House of Representatives a comprehensive wilderness management plan (hereinafter referred to as "the management plan") for the River of No Return Wilderness which shall consider a broad range of land uses and recreation opportunities.

(2) The management plan shall be prepared in coordination with the relevant national forest plans required by section 6 of the National Forest Management Act of 1976 (Public Law 94–588).

(3) The management plan shall include the cultural resources management plan required by section 8(a) (3) of this Act.

(4) In preparing the management plan, the Secretary shall provide for full public participation as required under section 6 of the National Forest Management Act.

(5) The management plan shall, among other things, address the need for, and alternative means of access to, the wilderness, and shall include a report from the Secretary of Defense, after consultation with the Secretaries of the Interior, Agriculture, Commerce, Transportation and State and the Federal Emergency Management Agency shall report to the Congress on the strategic significance of the materials and minerals found in the area identified in subsection (d) (1).

(b) In administering the River of No Return Wilderness, the Secretary shall, to the maximum extent practicable, consistent with the management plan required by this section, clear obstructions from all of the national forest trails within or adjacent to the wilderness on at least an annual basis.

(c) Subject to valid existing rights, the River of No Return Wilderness designated by this Act shall be administered by the Secretary in accordance with the provisions of the Wilderness Act: *Provided,* That any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act: *Provided further,* That with respect to the River of No Return Wilderness, all references in section 4(d)(3) of the Wilderness Act to December 31, 1983, shall be deemed to be December 31, 1988, and any reference to January 1, 1984, shall be deemed to be January 1, 1989: *Provided however*, That all activities resulting from the exercise of valid existing mineral rights on patented or unpatented mining claims within the River of No Return Wilderness Area shall be subject to existing or such additional regulations prescribed by the Secretary as he deems necessary or desirable for the preservation and management of the wilderness.

(d)(1) Notwithstanding any other provision of law and subject to valid existing rights, the mining of any mineral within a mining claim located before or after the date of enactment of this Act, within that portion of the River of No Return Wilderness depicted on the map entitled, "Underground Mining Area—Clear Creek", dated November 1979, which is on file and available for inspection in the Office of the Chief of the Forest Service, Department of Agriculture, shall be subject to the following restrictions:

(A) all mining operations shall be conducted underground; and

(B) such operations shall be subject to such existing or additional regulations as the Secretary may promulgate in furtherance of paragraph 4(d)(3) of the Wilderness Act.

(2) The provisions of this subsection shall also apply to any mining claim patented within such area after the date of enactment of this Act.

SEC. 6. As soon as practicable after enactment of this Act, a map and legal description of the River of No Return Wilderness and a map and legal description of the Selway-Bitterroot Wilderness additions shall be filed with the Committee on Energy and Natural Resources of the United States Senate and the Committee on Interior and Insular Affairs of the House of Representatives, and each such map and legal description shall have the same force and effect as if included in this Act: *Provided*, That correction of clerical and typographical errors in each such legal description and map may be made. Each such map and legal description shall be on file and available for public inspection in the Office of the Chief of the Forest Service, Department of Agriculture.

SEC. 7. (a) Within the River of No Return Wilderness and the Selway-Bitterroot Wilderness additions designated by this Act—

(1) the landing of aircraft, where this use has become established prior to the date of enactment of this Act shall be permitted to continue subject to such restrictions as the Secretary deems desirable: *Provided, however*, That the Secretary shall not permanently close or render unserviceable any aircraft landing strip in regular use on national forest lands on the date of enactment of this Act for reasons other than extreme danger to aircraft, and in any case not without the express written concurrence of the agency of the State of Idaho charged with evaluating the safety of backcountry airstrips;

(2) the grazing of livestock, where established prior to the date of enactment of this Act, shall be permitted to continue subject to such reasonable regulations as the Secretary deems necessary, as provided in paragraph 4(d)(4) of the Wilderness Act; and

(3) commercial services may be performed to the extent necessary for activities which are proper for realizing the recreational or other wilderness purposes of the areas as provided in paragraph 4(d)(6) of the Wilderness Act.

(b) As provided in paragraph 4(d)(7) of the Wilderness Act, nothing in this Act shall constitute an express or implied claim or denial on the part of the Federal Government as to exemption from State water laws.

(c) As provided in paragraph 4(d)(8) of the Wilderness Act, nothing in this Act shall be construed as affecting the jurisdiction or responsibilities of the State of Idaho with respect to wildlife and fish in the national forests in Idaho.

SEC. 8. (a)(1) In furtherance of the purposes of the Wilderness Act, the Wild and Scenic Rivers Act, section 6 of the National Forest Management Act, the Archaeological Resources Protection Act, and the Historic Preservation Act, the Secretary shall cooperate with the Secretary of the Interior and with agencies and institutions of the State of Idaho, in conducting a cultural resource management program within the River of No Return Wilderness.

(2) Such program shall have as its purposes the protection of archaeological sites and interpretation of such sites for the public benefit and knowledge insofar as these activities are compatible with the preservation of the values for which the wilderness and wild and scenic river were designated to protect.

(3) To carry out the cultural resource management program required by paragraph (1) of this section the Secretary shall, as part of the comprehensive management plan required under section 5 of this Act, develop a cultural resources management plan for the wilderness. Such plan shall—

(A) encourage scientific research into man's past use of the River of No Return Wilderness and the Salmon River corridor;

(B) provide an outline for the protection of significant cultural resources, including protection from vandalism and looting as well as destruction from natural deterioration;

(C) be based on adequate inventory data, supplemented by test excavation data where appropriate;

(D) include a public interpretation program; and

(E) comply with all Federal and State historic and cultural preservation statutes, regulations, guidelines, and standards.

(b)(1) Within two years from the date of enactment of this Act, the Secretary shall cooperate with the Secretary of the Interior and with agencies and institutions of the State of Idaho in conducting an inventory of the ranch, homestead, trapper and other cabins, and structures within the River of No Return Wilderness and submit to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Interior and Insular Affairs of the House of Representatives a report on—

(A) the location of these structures;

(B) their historic significance, if any;

(C) their present condition;

(D) recommendations as to which of these structures should be:

(i) stabilized;

(ii) restored;

(iii) maintained; or

(iv) removed;

(E) the estimated cost of such stabilization, restoration, maintenance, or removal; and

(F) the suitability of any of these structures for inclusion in the National Register of Historic Places.

(2) Until such time as the study under this subsection is completed and the required report submitted to the Committees, the Secretary shall not knowingly permit the destruction or significant alteration of any historic cabin or other structure on national forest land within the River of No Return Wilderness.

SEC. 9. (a) The Wild and Scenic Rivers Act (82 Stat. 906, as amended; 16 U.S.C. 1271 et seq.), is further amended as follows: In section 3(a) after paragraph (23) insert the following new paragraph:

"(24)(A) SALMON, IDAHO.—The segment of the main river from the mouth of the North Fork of the Salmon River downstream to Long Tom Bar in the following classes:

"(i) the forty-six-mile segment from the mouth of the North Fork of the Salmon River to Corn Creek as a recreational river; and

"(ii) the seventy-nine-mile segment from Corn Creek to Long Tom Bar as a wild river; all as generally depicted on a map entitled "Salmon River" dated November 1979, which is on file and available for public inspection in the Office of the Chief, Forest Service, United States Department of Agriculture.

"(B) This segment shall be administered by the Secretary of Agriculture: *Provided*, That after consultation with State and local governments and the interested public, the Secretary shall take such action as is required by subsection (b) of this section within one year from the date of enactment of this paragraph.

"(C) The use of motorboats within this segment of the Salmon River shall be permitted to continue at a level not less than the level of use which occurred during calendar year 1978.

"(D) For the purposes of this river segment, there is hereby authorized to be appropriated from the Land and Water Conservation Fund, after October 1, 1980, not more than $6,200,000 for the acquisition of the lands and interests in lands.".

(b) That segment of the main Salmon River designated as a component of the Wild and Scenic Rivers System by this Act, which lies within the River of No Return Wilderness or the Gospel-Hump Wilderness designated by Public Law 95-237, shall be managed under the provisions of the Wild and Scenic Rivers Act, as amended, and the regulations promulgated pursuant thereto, notwithstanding section 10(b) of the Wild and Scenic Rivers Act or any provisions of the Wilderness Act to the contrary.

SEC. 10. (a) Notwithstanding any other provision of law, the Secretary shall render, on or before February 1, 1980, a final administrative decision on any and all administrative appeals pending before him or any other official of the Department of Agriculture on the date of enactment of this Act with regard to the following land management plans and corresponding environmental statements (hereinafter referred to in this section as "the plans and environmental statements"):

(1) The Warren Planning Unit Land Management Plan and Final Environmental Statement, Payette National Forest, Idaho, dated May 9, 1979; and

(2) The Landmark Planning Unit Land Management Plan and Final Environmental Statement, Boise National Forest, Idaho, dated May 17, 1979.

(b)(1) Any petition for review of the decision of the Secretary with regard to any of the plans and environmental statements referenced in this section, shall be filed in the United States District Court for the District of Idaho (hereinafter referred to as "the court") within thirty days after the final administrative decision of the Secretary required by this section, or the petition shall be barred. Such court shall have exclusive jurisdiction to determine such proceeding in accordance with standard procedures as supplemented by procedures hereinafter provided and no other district court or court of appeals of the United States shall have jurisdiction over any such challenge in any proceeding instituted prior to, on, or after the date of enactment of this Act.

(2) Notwithstanding any other provision of law, the court may set rules governing the procedures of any such proceeding which set page limits on briefs and time limits for filing briefs and motions and other actions which are shorter than the limits specified in the Federal Rules of Civil or Appellate Procedure.

(3) Any such proceeding before the court shall be assigned for hearing and completed at the earliest possible date, and shall be expedited in every way. The court shall

render its final decision relative to any challenge within one hundred and eighty days from the date such challenge is brought unless the court determines that a longer period of time is required to satisfy the requirements of the United States Constitution.

(c) (1) The Supreme Court of the United States shall have exclusive jurisdiction to review any interlocutory judgment or order of the court in any case involving an action pursuant to this section. A petition for certiorari or a certification as provided in section 1254 of title 28, the United States Code must be filed within thirty days after the decision of the court or such appeal shall be barred.

(2) Any review by the Supreme Court of the United States shall be assigned for hearing and completed at the earliest possible date, and shall be expedited in every possible way.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, as I had indicated earlier, I want to pay a special compliment to members of the staff, both the committee staff and the personal staff, who worked with me on this bill. The committee staff members who deserve special commendation are Tom Williams, Deborah Merrick, and Robert Kutler. The personal staff members are Fred Hutchison, who is presently on his honeymoon and thus could not be here, Larry LaRocco, Kay Hughes, Pat Osbon, Loren Nelson, and Randy Furniss.

S. 6—MILK PRICE SUPPORT LEGISLATION

Mr. LEAHY. Mr. President, the Senate and House recently approved legislation to extend the milk price support program through 1981 with semiannual adjustments. This is a vital program to farmers and consumers alike.

As every Member of this Chamber is well aware, we here depend heavily on competent and professional staff work to get our jobs done well.

Mr. President, as S. 6 wound its way through the legislative machinery I was fortunate to receive such staffing from four very able and capable members of my staff and the staff of the Senate Committee on Agriculture, Nutrition and Forestry. These professionals are Ken Pierce and David Julyan of my personal staff, and Carl Rose and Dale Stansbury of the committee staff. I come to the floor today to thank these men for the initiative, competence and professionalism which truly characterized their work on S. 6.

SENATOR ROBERT C. BYRD STRESSES UTILIZATION OF COAL

Mr. RANDOLPH. Mr. President, last weekend an important conference was held in West Virginia by those who are active in the surface mining of coal not only in the State of West Virginia but in many States of the Union.

One of those who brought to that conference a knowledge of the energy crisis and the efforts being made to meet it was the majority leader of the U.S. Senate, ROBERT C. BYRD.

The knowledge of the majority leader in the energy area is well known. We have in November of this year made a very substantial step in the passage of the National Security Act, title I which provides for synthetic fuel development. We have, in the Senate, committed ourselves to seeing that fossil fuels and other alternative forms of domestic energy substitute for the petroleum which is coming from overseas, and for those domestic gas supplies that are being used in unnecessary ways in connection with our electric generating plants and certain industrial boilers.

Senator BYRD, in speaking at this conference, stressed not only the challenge but the commitment of many Members of Congress, and hopefully what he and I believe is the commitment of the administration to utilize coal to replace imported petroleum and natural gas in the United States of America.

Senator BYRD said:

> Estimates of U.S. coal reserves run to at least 2.9 trillion tons, and our recoverable coal resources are predicted to be sufficient to meet our energy needs for 2 to 5 centuries.

Some might think that is just a statement, but it is not. It is a fact.

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. RANDOLPH. I yield.

Mr. LONG. Mr. President, I have some difficulty understanding why we are not getting on with the proposal of Governor Rockefeller of West Virginia that we take the plants that have been converted from coal to gas and convert them back from natural gas to coal. That would make available a lot of additional natural gas in areas where fuel oil otherwise would have to be used, and in doing so, it would make a major contribution toward eliminating our energy shortfall.

Can the Senator tell me how we are coming with that proposal? I might say that the President of the United States made reference to it at the White House, and indicated that he was very receptive to the idea. It would seem to me we ought to be getting on with that proposal.

What I am talking about is plants that had previously burned coal, but were converted to natural gas when gas was plentiful. Now that the oil and gas are going to be in short supply, it makes a lot better sense to convert them back to coal than to take coal and try to make a synfuel out of coal, because it would be cheaper and more efficient. Can the Senator tell me where we stand with that proposal at this time?

Mr. RANDOLPH. Yes; the Senator from Louisiana refers, in part, to information gathered by the President's Coal Commission, of which I am a member, stresses the fact that enough oil-fired boilers can be converted to coal in the short term to save as much as 724,000 barrels of oil per day. Another 900,000 barrels per day could be saved in 5 years by accelerating new coal-fired boiler construction. Administration officials recently indicated to me that if the President's windfall profit tax approached the $142 billion a major portion of that amount would be used for this accelerated construction effort, estimated to be approximately $50 billion.

Funds for coal replacement should be part of this windfall profit tax legislation. President Carter apparently supports short-term coal conversion of utilities. Recent statements he has made seem to have been designed to positively affect the supply and consumption of coal. Given the established payoff of directly burning coal in greater quantities, why is it not happening?

There is no doubt that coal, as it has in the past, can provide the substantial answer to most of the world's energy requirements before the turn of the century. Public awareness of how transitions in energy use will affect it, and the reasons behind Government and industry action, will serve to solidly support Government decisions on energy or cause more fear and distrust among our people. We must convince people that coal is the answer. The time to use coal is now. We must mount a crusade for the massive use of coal.

I will say to the Senator from Louisiana (Mr. LONG) that I do think the President, at long last—other Presidents had the opportunity but did not embrace it, and apparently President Carter is at this point embracing the development of a direct coal utilization policy. He has instructed, I believe, certainly encouraged the Secretary of Energy, Mr. Duncan, to move on this issue now.

Very frankly Secretary Schlesinger did not seem to want to move with coal. I think Secretary Duncan does want to move with the use of coal. I appreciate the Senator's interest, as a Senator from an oil-producing State, in rising at this time and indicating that interest. I think Senators generally are attempting to be realists in this matter.

We can today burn high-sulfur coal, and do it cleanly, without hazard to health or environment. The Environmental Protection Agency is saying so and helping utilities to accomplish this on a case-by-case basis.

In New England, we are beginning to do it. In Texas, the Houston Lighting & Power Co. has generating stations now converting to coal.

So what the Senator is saying is certainly a realistic appraisal of the situation. We must move utilities and industries to coal use.

Three administrations have engaged in rhetoric to boost coal use, but for all the apparent affirmative activities, few conversions seem to be taking place. We are still asking the same questions we have been asking since Congress enacted the Energy Supply and Environmental Coordination Act in June 1974. To date, the 12 power stations converted or converting pursuant to final ESECA orders will increase coal use by only 5.2 million tons per year.

Coal is our Nation's cheapest and most plentiful resource. Currently we are depending on foreign oil costing $70 billion annually, but the fact is that the four States of West Virginia, Kentucky, Indiana, and Illinois have twice the British thermal unit (Btu) reserve in coal that all the Arab nations combined have in oil. It takes $4\frac{1}{3}$ barrels of oil imports to provide the same heat as a ton of coal, around $115 at current prices, for the equivalent $4\frac{1}{3}$ barrels of imported oil.

I see in the Chamber the knowledgeable Senator from Wyoming (Mr. WALLOP), who is standing and hopefully will tell us about coal that is not in a 28-inch seam, where we have to get down on kneepads to extract the resource but in wide seams, in perhaps the largest coal mine in the world, near Gillette in his State.

Will the Senator permit me to have the Senator from Wyoming, if he desires, speak?

Mr. LONG. Yes.

Mr. WALLOP. Mr. President, the Senator, of course, is dead right. The good Lord left this country with an extraordinary abundance of coal, not only in West Virginia and the States he mentioned, but in the Rocky Mountain West, in Montana and Wyoming, there is far in excess of anything that has ever been present in the Arab world.

In the mine the Senator is talking about, the seam goes from a low of 20 feet to a height of 120 feet, with only about 60 feet of overburden. As the Senator says, it can be burned cleanly now; we do not have to go through a lot of gimcrackery any longer; environmental cleanliness has been achieved around coal.

While we are talking about energy sufficiency, we dare not allow ourselves to overlook that source of energy as well as the rest of the abundance the good Lord put on us, which is to produce that oil and gas which still remains in this country in great abundance, too, and which needs an economic base to be produced.

Mr. WARNER. Will the Senator yield?

Mr. RANDOLPH. I thank the Senator from Wyoming for his comment.

I recognize the distinguished junior Senator from Virginia (Mr. WARNER) in reference to the matter of the Surface Mining Amendments of 1979 which he has worked very hard on to assure production in the coal industry will continue to increase, while observing proper environmental safeguards. I would like for him to address himself to the comments that we have had back and forth.

Mr. WARNER. I thank my distinguished colleague from West Virginia, and I also thank the distinguished Senator from Louisiana (Mr. LONG) for making the inquiry about where this matter rests in the Senate. The Senate is clearly on record in favor of this amendment, which is popularly referred to as, and rightfully so, the Rockefeller amendment. We have been given the assurance by the majority leader that when he observes a proper piece of legislation which can sustain the germaneness test in the House of Representatives that he will so inform me, my distinguished colleague from West Virginia, and others, such that we may go forth once again and let the expression of the Senate be in the force of a bill.

Mr. RANDOLPH. I say to the Virginian who has just spoken and, speaks to a West Virginian, other costs in the coal cycle are escalating. Freight rates, mining equipment costs, leasing costs, are on the rise. Essential black lung benefits are paid in part as an internal cost; a younger work force is increasing training cost, and large severence taxes are required. With these requirements on the modern coal industry we must assure that mining operations can produce the mineral in a safe, efficient, and environmentally sound manner, rather than having to devote its primary efforts to paperwork compliance imperfectly implemented within agencies, and often poorly coordinated between agencies.

Mr. President, I shall ask unanimous consent to include the text of the speech of the majority leader in his address delivered at White Sulfur Springs to which I have made earlier reference and to reinforce the leadership of the majority leader who is looking for both short- and long-term solutions to our energy problems, to enlist, the cooperation of other Members on both sides of the aisle in this effort. I think it is essential in our energy debate, not to pit one form of domestic energy against another, but to have that cooperative thrust, which is absolutely essential, if America is to have an industrial capacity that is fueled by American energy resources.

Mr. LONG. Will the Senator yield for a question?

Mr. RANDOLPH. Yes.

Mr. LONG. Mr. President, may I say that the Senator is right when he says we should not pit one producer against another producer. There is a big job for all to do and, in recent years, the potential of coal has been neglected. There is no doubt that the potential of coal to make synfuel has a lot of promise. But that is down the road.

Mr. RANDOLPH. Yes.

Mr. LONG. Meanwhile, all kinds of things can be done with coal, as the Senator so well knows.

For example, when I was a little boy, all the locomotives ran on coal.

Mr. RANDOLPH. Yes.

Mr. LONG. I was born and raised within a half a block of the Kansas City switching yards. I felt as though the quiet was overwhelming and I could not sleep at night, if those switch engines would not be moving around. But those engines would come by and puff that smoke out. And that, of course, is something we adjusted ourselves to.

But if you can build a filter to trap that smoke, as you do with a catalytic filter on automobiles, which compresses the exhaust and pushes it through the filter to clean up the exhaust of an automobile, if you can eliminate the smoke and the gas, then that would make it possible to use coal again in a locomotive and you would save a tremendous amount of oil by using coal in locomotives.

Mr. RANDOLPH. I appreciate the further comments of the Senator from Louisiana.

Let us see what happened. These rail systems—like Chessie, Norfolk & Western, Baltimore & Ohio, and others, in the hearts of the coal fields moved from coal not only in the locomotives you have spoken about, but to oil- and gas-generated electricity, in industrial, utility, and residential uses.

So I think what you are saying is—and it is so correct—that there is a reappraisal underway now in Congress which is very wholesome. We need now to be converting 117 electric generating facilities back to coal—now. It will take from 2–8 years to do this. And, we will thus release petroleum for other uses, release the natural gas, of course, for certain uses which are very vital in this country in connection with some manufacturing processes, as we know.

Mr. LONG. Mr. President, it is strange how long it takes an idea to catch on. But it came to my attention as a junior Senator from Louisiana some years ago that there was a time quite a few years ago when the Senator from West Virginia (Mr. RANDOLPH) flew to Washington in an airplane that was powered by liquid fuel made from coal.

Mr. RANDOLPH. That is correct.

Mr. LONG. And he demonstrated at that time that it was practical.

Can the Senator tell us when he made that trip?

Mr. RANDOLPH. I guess there are dates that are embedded in your memory. That was on November 6, 1943. It was a single engine Fairchild aircraft. It was a 175-mile flight across the Alleghenies and the Blue Ridge Mountains into the Washington National Airport.

And I say to you that at that time we might have said, "Well, do you have the technology to do this?" Well, certainly the technology was there. The Lurgi and Fischer-Tropsch, which were already successfully used by the Germans, not only in their peacetime economy, but their preparation for war and the actual prosecution of the war itself and not only on the land, but also in the air.

The Luftwaffe were using synthetic aviation fuel in the planes that were bombing London.

Today we have the potential to regain the initiative provided on April 5, 1944, when President Franklin Roosevelt signed into law the mandate to develop new technologies to produce ethanol, methanol, and other liquid fuels from coal, oil shale, and agricultural wastes. Approximately $82 million were spent on this program prior to its termination in 1955. Synthetic fuels could not compete economically with cheap petroleum and natural gas supplies. When that program was terminated we lost data that could now be used as a statistical base from which to develop a sound synthetic fuels program. Such a base would have assured that the massive amount of funds we are now ready to commit, in the absence of unlimited oil and gas supplies, be applied to specific technologies guaranteed to produce the fuels needed now.

I do not want to continue this except to say that those U-boats went home. They were stopping the petroleum products from coming into the United States during that period in World War II.

But, when the war was over America went back to doing business as usual.

Business as usual will no longer suffice in a country like ours, a growing country which has had its industrial expansion and today has 230 million men, women, and children. It is tragic for us not to move and to move affirmatively, as the Senator has said and other Senators have said and believe, to meet this responsibility and to meet it now.

As we look back we have reason to hang our heads and wonder what happened along the way. However, we still have a chance to square our shoulders and lift our heads again regardless of partisanship. With the leadership of Senator Byrd, Senator Long, Senator Wallop, Senator Warner, and a number of persons in this body and in the House we can move forward. I only hope that we move forward before it is too late. Sometimes we know we will make mistakes, certainly with the program on synthetic fuels, with the size of it and the directions in which it goes. However, I repeat what I have said before, that it is better to make mistakes and do it than to wait and say, "Well, we will try it later."

I say to Senator Long there may come the hour when it will be too late even to make the mistakes. That is what I think all of us in this body must realize, that we move affirmatively, we move constructively, and we move realistically. The people of this country will be very grateful that they and their families can depend on a secure source of energy supplies, in a world often unfriendly to the United States.

Mr. LONG. Mr. President, one wonders what was the matter with the Congress and with the President of the United States. The Senator from West Virginia many years ago, long before the crisis in 1973, introduced a proposal to make a study and to move to make America energy-sufficient for the future.

Mr. RANDOLPH. That was to have a fuels and energy policy for the United States in 1959, 1960, and 1961. I do not want to repeat again, but I said that each year we delay perhaps brings us 1 year nearer to disaster.

Mr. LONG. That was 20 years before the crisis came.

Mr. RANDOLPH. Does the Senator mean with the OPEC cutoff?

Mr. LONG. About 20 years before the Arab boycott put this Nation on its knees. At that time, as the Senator has pointed out, we had the technology to use alternative sources of energy, sources other than oil and gas. We could have used coal at that time. If the Nation had adopted a policy of energy sufficiency and stayed with it, we never would have had the mess that occurred in 1973, or the disastrous situations which have occurred since, or which threaten us and the whole free world in the years ahead.

It really takes very little doing now to use coal for generating purposes and to do it in a way that meets environmental standards. I ask the Senator if that is not correct.

Mr. RANDOLPH. That is correct, yes. That is attested to by Dr. Costle, the Administrator of the Environmental Protection Agency. In fact, he does not hide in a corner on this. He comes and says what can be done. He encourages that it be done and that there be no danger to the health and safety of the American people in doing it.

Mr. LONG. Furthermore, almost everyplace oil is being used for heating, coal could be used just as easily with the techniques which have been developed to grind it into powder or into small bits so it can be fed efficiently into boilers as required; is that correct?

Mr. RANDOLPH. The Senator is correct. I also call attention to the fact that within the last week there was the dedication at Georgetown University of a coal cleaning process called the fluidized bed combustion. It is being used in the powerplant on that campus at Georgetown University, comprised of 51 buildings, and that one facility which is using high sulfur coal with a fluidized bed combustion can cool and heat every building on that university campus. Other universities and colleges are already calling in asking, "What have you done?" They are being invited to come to see what has been done and what can be done.

I commend Georgetown University. Not only were the Federal dollars of some $11 million involved, but they themselves raised $4.5 million because they believed in coal, and that coal could make a contribution to literally hundreds of institutions, educational and medical, throughout the United States, which could follow where they dared to lead.

Mr. LONG. Mr. President, I find myself thinking of the old story of a man who could not seem to get along with anyone. Everything was wrong for him in life; his family broke up and his business failed, and in everything he did he made enemies not friends. He went around the world to find someone who could give him peace of mind. He wound up in the Himalayas looking for some famous guru. He fought his way through a snowstorm at the risk of his life and finally found this great philosopher. He asked the man, "Where and how can I find peace of mind?"

The answer of the guru was, "It is within you."

Mr. RANDOLPH. Yes, "It is within you." I do not want to be facetious but I have read many times the book by Russell Conwell, "Acres of Diamonds." The money raised from his speeches later incorporated in this book brought Temple University into being. The whole idea was that you did not have to search the world for diamonds, that they were actually in your backyard. I will not go into the philosophy of the book. It is a tremendous book and I hope the Senator will read it if he has not read it before.

Within the Senate, within people, within our country here, we are the catalysts for the use of coal for the security of all Americans. I desire to place the speech of the majority leader in the Record at this point.

I thank the Senator (Mr. Long) again.

Mr. JAVITS. Will the Senator yield 1 minute to me?

Mr. RANDOLPH. I am yielding the floor. But, first, Mr. President, I ask unanimous consent—for the majority leaders speech to be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

SPEECH BY U.S. SENATOR ROBERT C. BYRD

I want to thank Harry Herman for his gracious introduction, and I want to thank the steering and coordination committee of this conference for inviting me to speak to you tonight.

Most of us are familiar with the story of Rip Van Winkle. You will recall that Rip drank an enchanted brew and fell asleep for twenty years. When he awoke, his world had been virtually turned upside-down. The United States of America had replaced the thirteen original British colonies from New England to Georgia; George Washington had displaced George III as the sovereign head of a new nation; and republican patriotism had superseded Tory loyalty as the virtue of the land.

Energy-wise and economically, an American who fell asleep in the 1960's and woke today might well feel like a twentieth-century Rip Van Winkle. In the '60's, energy was cheap; personal private passenger transportation was considered normative for the whole country, and the ideal of an automobile for every eligible member of the family did not seem far-fetched; proliferating air-conditioning was turning stores and homes into veritable iceboxes all across America during the hot summer months, and endlessly-running furnaces were producing an "oven-effect" in the cold winter months; the coal industry was viewed as terminally ill by some energy authorities, and petroleum and natural gas held out the promise of an inexpensive, almost pollution-free future for mankind; Mass transit systems were decaying and being abandoned in many cities and areas, and America's soaring energy thirst was apparently going to be slacked by endless streams of foreign crude imported from such regions as the Middle East, Africa, and South America—at two dollars a barrel or less!

But the oil embargo of 1973–74 changed all that. The OPEC cartel took advantage of the Yom Kippur war to escalate the price of oil beyond anyone's most dreadful nightmares. The finite nature of the world's petroleum reserves became widely apparent, even though a handful of energy experts had been sounding a warning about an impending energy crisis for nearly a generation. Vast sums of money, totalling billions of dollars, were transferred from the industrial world to the OPEC nations. Recession, stagflation, gasoline shortages, heating-oil price spirals, and the specter of falling standards of living loomed as chronic problems to be endured in the 1980's. Our modern Rip Van Winkle might wish he had never returned to consciousness!

Against the background of our contemporary energy realities, however, many Americans have remembered that the United States contains within its borders the greatest coal reserve in the world. It has been said that the United States is to coal, as Saudi Arabia is to oil. Estimates of U.S. coal reserves run to at least 2.9 trillion tons, and our recoverable coal resources are predicted to be sufficient to meet our energy needs for two to five centuries.

Coal has been a familiar substance for several millenia. The old testament refers to coal; and Marco Polo, in the thirteenth century, related to an incredulous Europe that the Chinese, whom he had visited, warmed themselves by "burning stones." However, coal did not come into its own until it was harnessed to power the industrial revolution. For generations now, coal energized our transportation, purified our steel, turned the wheels of our industry, and heated our homes.

But when other forms of fuel rose in competition, the polluting characteristics inherent in the combustion of raw coal, and the relatively complicated problems of coal mining, served to reduce its energy-market share. Currently, for example, it is estimated that coal is meeting less than 19 percent of America's total energy requirements, although it constitutes approximately 85 percent of our total fossil fuel energy resources.

The United States has no option, but to turn increasingly once again to coal, in order, realistically, economically, and practically, to meet our immediate and imperative energy needs—especially in the new economic world created by OPEC, and in response to the actual chaos and potential turmoil endemic in many petroleum-producing countries.

For a variety of economic, political, and even ideological reasons, the OPEC cartel has demonstrated itself committed to an apparently endless process of leap-frogging petroleum price increases. While the official OPEC ceiling price is set at approximately $23 per barrel today, "spot market" prices have reached at least $40–$45 per barrel and are expected to jump further in the immediate future, triggering an even higher OPEC ceiling in the months ahead. Some oil economists do not find it beyond imagination to predict prices of $90 per barrel as standard by the end of the 1980's, or even sooner.

Moreover, OPEC countries have learned to "tease" the world petroleum market by alternately tightening and loosening the oil taps, thus driving up the price of crude, reinforcing the perception of OPEC's economic power, throwing the industrial world into disarray and disunity, and exerting influence on the internal and international policies of oil-consuming and energy-dependent nations.

Complicating our national energy future are the flaws that have appeared in our program of nuclear power development, an energy source that was once touted and heralded as a near-panacea for meeting our energy needs. The Three-Mile-Island accident and the apparently naive state of nuclear art and technology have raised widespread suspicions about the unexamined and unchallenged multiplication of nuclear power plants. Coal now appears more attractive than nuclear energy.

But the "second great age of coal" will not be a mere replay of the smokey late nineteenth and early twentieth centuries. A new factor in shaping the future of coal usage in America is the growth of an appropriate concern for the environment. We owe a measure of gratitude to those who have called attention to the hidden liabilities of the indiscriminate burning of partially-processed fossil fuels. Little would be gained from the abundant use of coal if, at the same time, such unregulated consumption were to significantly contribute to the spread of chronic air pollution.

What is called for now, it seems to me, is a balance between our inescapable need to use greater quantities of coal to meet our growing energy demands, on the one hand, and rational consideration, on the other hand, for the total environment in which we live and in which our children and grandchildren must grow to maturity. What is required is a concept of "environmental realism."

In relation to the growth of coal usage, this means the development of second- and third-generation technologies that will change coal from its raw state into more ecologically acceptable forms, or which will eliminate most of the polluting effects of coal combustion.

For instance, the $20 billion Byrd amendment, which I offered to the Interior Appropriations bill and which recently passed the Senate, provides for the promotion of, among other things, the clean-burning coal-derived alcohol called methanol, as a viable alternative to our more limited fossil fuels. Methanol can be competitively produced from coal at today's energy prices in a fuel-efficient fashion.

The technology to produce methanol from coal already exists. In fact, studies by the Department of Energy and by the Office of Technology Assessment conclude that methanol can be produced for between 40 to 80 cents per gallon.

Most ethanol, made from farm products, costs about 80 cents to $1.50 per gallon to produce.

The advantages of methanol from coal extend beyond production costs, however. Methanol is far cleaner than gasoline when it is produced and when it is burned. It can be substituted for gasoline, diesel fuel, kerosene, and home heating oil. Methanol production is clean and free from hydrogen emissions, which makes it cleaner than a typical oil-refinery operation.

Moreover, I have strongly endorsed the construction of two solvent-refined coal demonstration projects, SRC–I at Newman, Kentucky, and SRC–II at Morgantown, West Virginia. Both projects will produce clean fuels from coal. The SRC–II plant at Morgantown would convert high-sulphur coal into a clean-burning liquid boiler fuel and gas byproducts. If the demonstration plant there proves as successful as it promises, it could eventually be enlarged to commercial size, converting 30,000 tons of coal a day into the energy equivalent of 100,000 barrels of oil. In the construction and operation of both SRC plants, environmental factors will be of utmost importance, for these efforts are intended to serve as paradigms for whole new industries.

In addition to new forms of fuel from coal feedstocks, new technologies are currently in use or being researched to consume coal more directly. The versatile fluid-bed boiler process is being applied effectively in approximately twenty locations, of varying scopes, at this moment. This process, when utilizing coal, mixes coal of a fine consistency with limestone in an agitated state, while burning; the limestone absorbs the sulphur pollutants and releases an extremely clean emission into the atmosphere.

Though most of the fluidized-bed boilers are pilot projects, the notable new power plant located on the campus of Georgetown University is proving so successful that it is reportedly convincing many energy experts of the feasibility of the industrial combustion of coal even in highly populated urban and residential neighborhoods.

The point is that technology exists, or is under research now, for the environmentally-sound and fuel-efficient processing and consumption of coal, and this is the result of a logical coalescing of the energy-imperative with environmental concerns.

It is appropriate that all of the parties and people present for this conference have come together to consider the agenda that has been set here. For one thing, this conference will acquaint those directly involved in coal and energy with those deeply concerned about the environment. Representatives of the Sierra Club and the Navajo nation will be able to see that they share many sincere principles with executives of the Consolidation Coal Company and the United Mine Workers, for example. Some may discover that we all agree that America must have reliable new sources of energy, but that no one is advocating deliberately despoiling the land and atmosphere in order to reach energy self-sufficiency.

The great John C. Calhoun authored a concept in our republic called the "doctrine of the concurrent majority." Simply stated, it means that every vital interest in this country should be given a voice and consideration in forging those decisions that touch it significantly, before a final conclusion is reached and a consensus is formed.

One of the purposes of this conference is to serve as a solid step toward reaching the goal of a "concurrent majority" on the relation between coal and the environment. We need coal, and we need clean air; we must mine coal, but we must consider the rights of those who live on the land. No final manifesto may issue from the discussions here, but as responsible citizens, we should recognize that we are searching for a consensus; not an "either/or" concerning coal and the environment, but a "both/and."

The distinguished judge Learned Hand once declared, "the spirit of liberty is the spirit which is not too sure that it is right." That has been an attitude that has set the stage for some of the greatest advances in our history, as every voice found free and responsible expression.

I hope that such a spirit will prevail in the colloquies that take place here in the sessions ahead. Where energy is concerned, we do not enjoy the time-luxury that Rip Van Winkle could boast, but our energy progress must be wise and far-sighted. All of us are part of America, and all of us will help to determine America's future. For that reason, I thank you again for inviting me to be a participant in this conference, and I wish you success in the meetings before you.

CRUDE OIL WINDFALL PROFIT TAX ACT OF 1979

The PRESIDING OFFICER. The Senate will now resume consideration of the pending business, which the clerk will state.

The legislative clerk read as follows:

A bill (H.R. 3919) to impose a windfall profit tax on domestic crude oil.

The Senate resumed consideration of the bill.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. WALLOP. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 681

Mr. WALLOP. Mr. President, I have an amendment which I intend to introduce. It is in the nature of a substitute to H.R. 3919. I send it to the desk and ask that it be printed for consideration at a later time.

The PRESIDING OFFICER. The amendment will be received and printed.

Mr. WALLOP. I thank the Chair.

Mr. President, I suggest the absence of a quorum.

Mr. BUMPERS. Mr. President, will the Senator withhold the request?

Mr. WALLOP. I am pleased to withhold it.

AMENDMENT NO. 621

Mr. BUMPERS. Mr. President, yesterday, in the opening presentation of my amendment, I had charts in the back of the Chamber to which the floor manager objected, and legitimately so, because the chart was designed to show the amount of oil we have been finding per foot drilled. That is a statistic that an oil company uses in determining the success of their drilling and it is expressed in the number of barrels of reserves they find per foot drilled. For example, if they drill a thousand feet and find a thousand barrels of oil, that is one barrel per foot that they have found. So, we calculating those figures on a national basis, the chart showed the decline from 1970 through 1978 to be a very dramatic drop.

The Senator from Louisiana legitimately observed that, 1970, which was the first year shown on the chart and which showed a very dramatic amount of reserves found per foot, was the year in which we discovered most of the Prudhoe Bay oil in Alaska. Following that, of course, the number of barrels per foot drilled dropped very dramatically through 1978, down to 18 barrels.

In 1970, the oil industry in this country found 226 barrels of oil per foot drilled and in 1977, they found 18 barrels per foot drilled. The Senator suggested going back to 1959. I have a small chart here that is not suitable for display, since it is just a small chart done in ink, but I do have those statistics here, and I shall send them to the desk in a moment for entry into the RECORD. For everybody's edification, I wish to give some of the statistics.

In 1959, the industry found 38 barrels of oil per foot drilled. I am not sure how many wells that was, but on this question, it is not very relevant. In 1960, they found 29 barrels per foot; in 1961, 33; in 1962, 25. Going down the subsequent years, there were 28 barrels, 35 barrels, 40 barrels, 45 barrels, 51 barrels, 43 barrels, 35 barrels. Then in 1970, counting the Prudhoe Bay oil, they found 226 barrels per foot drilled.

My point is the same, Mr. President. That is that production in this country has been on an inexorable decline, essentially since 1959.

Mr. LONG. Will the Senator yield at that point?

Mr. BUMPERS. I am happy to yield.

Mr. LONG. It seems to me, Mr. President, that what the Senator is saying supports my argument rather than his. Implicit in what some of us contend, that we need to decontrol newly discovered oil, is the fact that the oil that is the easiest to find—that is, the oil that is nearest the surface—has already been found. It has already been discovered. To find the oil that remains, one needs to drill in less probable places and one needs to drill deeper. The cost is a great deal more to go down deeper. The cost does not increase arithmetically; it tends to increase algebraically. It would certainly cost about four times as much to produce a well, let us say, at 10,000 feet, as it does at 5,000 feet. You go twice as deep, but the cost is about four times as much. That does not mean you are not finding a lot of oil; it just means you have to go down deeper to do it.

When you drill today, you think in terms of drilling for oil and gas down to 10,000 to 20,000 feet. People did not think in those terms 20 years ago. It seemed to me that what the Senator is saying tends to support the case I am making, that in many cases, you are going to drill deeper and not find as much as you did before. There is a huge amount there; it just costs more to get it. You have to drill more to get it.

But you have some things going for you. One of them is that the equipment they are making today is a lot more efficient. The drill turns more rapidly, the drill bit is made of a better quality of steel. It cuts more efficiently. You have better equipment generally, including the safety devices, than we had before. But all that costs money and means that the $6 per barrel price, which was the old oil price, or even the $13 per barrel upper tier price, is just not enough of an incentive for what you have to do to find the oil.

Now, out in the North Sea, for example, I am told that they drilled more than 400 wells before they found anything to justify that type of expensive operation.

But when they eventually found it, of course, they brought in a huge amount of energy, which meant a lot to Western Europe.

Now, those little finds in the Atlantic, which are mainly gas, as I understand it, would not pay for themselves if we were paying $1,000 a barrel, or $200 a million cubic feet.

But, on the other hand, if they do enough drilling, they might find something that would be even better than Prudhoe Bay. Nobody knows how much we have, oil in particular, until they have drilled all these prospects.

Mr. BUMPERS. If I may respond to that in two or three ways, the point the Senator is now making about the cost of drilling is well taken. I am not criticizing the oil companies for the amount of exploration they have been doing. I think they are working as hard as they know how.

I pointed out on yesterday that last year Exxon spent a little over 1 percent of its $65 billion for exploration.

I must say, I do object to their coming in and saying they have to have another trillion dollars over the next 10 years to find more oil. First, I do not think they can find it even if they get $10 trillion; second, I do not think it is fair for them to cry about how they have no incentive when they still only spend 1 percent of their revenues, and they are drilling as hard as they can.

Mr. LONG. Mr. President, I am not familiar with the figures that Senator is talking about. Did the Senator say $600 billion, or $65 billion?

Mr. BUMPERS. Exxon's revenues in 1978 were $65 billion and they invested $775 million in exploration, a total of about 1.3 percent of their revenues.

Mr. LONG. I would like to have that figure checked to see if that is correct. Did the Senator get that figure from the company?

Mr. BUMPERS. This came from CRS. Their revenues were $60 billion—not $65 billion—their net income after taxes was $2,760,000,000 and their exploration expenses $775 million, or 1.3 percent of their total revenues.

I do not think that is a very big commitment.

Mr. LONG. Will the Senator repeat those figures he just gave?

Mr. BUMPERS. Let me do better than that. Let me give the Senator the chart. It is in the RECORD.

Mr. LONG. I would like to have that. It sounded as though the Senator said they had $60 billion gross.

Mr. BUMPERS. That is right, $60 billion gross revenues.

This year it will probably exceed $80 billion for Exxon, and their profits will probably exceed $4 billion.

Mr. LONG. Just looking at the chart the Senator gave me, I suggest it appear in the RECORD so people can see it.

Mr. BUMPERS. It is in the RECORD already.

Mr. LONG. Then just look at the chart. Net income after taxes, $2.76 billion.

Now, exploration expenses listed as $775 million, and that works out——

Mr. BUMPERS. 1.3 percent.

Mr. LONG. 1.3 percent of a completely irrelevant figure.

The relevant figure would be the percentage of the money that is theirs to use.

If we look at net income after taxes, the figure is 28.1 percent.

Mr. BUMPERS. That is a figure I consider irrelevant because when they spent $1 million on exploration, they deducted that. That is a deductible expense. Profits are computed after that is spent.

Mr. LONG. Let me ask a question. Suppose the Government took 93 percent—93 percent—in taxes off the top. In other words, suppose the Government said, "Look, you give us a gross of 93 percent of what you take in."

If the Government took 93 percent and they only had 7 percent left to work with, what would be a relevant figure? What they spend compared to what they had that they could spend, or what they had spent compared to what Uncle Sam took?

It seems to me the relevant figure is based on what they have to work with.

If Uncle Sam throws them on the ground and takes their money and only leaves them about 5 cents, then they take that and put that in the ground, that is like the Biblical story of the widow's mite. She gave what little she had.

I do not see how the people can very well invest the money in the ground when the Government takes it all.

Mr. BUMPERS. Under the Finance Committee bill, taxes amount to 54 percent of all taxes combined—windfall profit, corporate, local, State, and municipal.

Mr. LONG. I put the facts in the RECORD yesterday, the chart, and I put them in on Friday. It will be available today, if need be.

Under the Senate committee bill, Government—and I am including the States as well as the Federal Government—will be taking about 70 percent of all the additional income that the companies and individuals receive.

They will get 70 percent and only 30 percent will be left to be reinvested in energy.

Now, under the House position, governments will take 83 percent—83 percent—and only 17 percent would be left to the producers, be they individuals or be they companies.

Is the Senator aware of that?

Mr. BUMPERS. I am using a CBO study of a comparison between the House and Senate versions.

According to CBO, under the Senate Finance Committee bill, increased revenues to the oil industry in the next 10 years will be $793 billion—almost $800 billion.

Their total Federal tax liability, including windfall profit tax, corporate taxes, and everything, would be $315.5 billion, State and local taxes would be $112 billion, for a total of 54 percent of total taxes out of $800 billion.

That is what CBO says.

In exchange for that, by 1990, they will be producing 7.6 million barrels, or about 1 million barrels less than they are producing today, but 500,000 barrels more than they would produce under the House bill. That is, we get 500,000 barrels more in 1990 than we would get under the House bill, for a cost of $135 billion, and we can produce 500,000 barrels of alcohol for between $10 and $20 billion.

So I do not consider this any big bargain.

Mr. LONG. Mr. President, I am not familiar with the particular figures that have been stated. I will be glad to review them when they are in the RECORD tomorrow.

Let me say this, I do not know whether anybody in the CBO, which is the Congressional Budget Office, knows anything at all about oil and gas.

So far as I know, nobody in the Treasury knows anything about oil or gas.

In terms of producing energy and getting a response, I would not believe them unless they could show me their credentials, and I have not seen anything that impresses me the first whit.

But, on the other hand, I think they know how to add a column of figures—in the Treasury, that is—and the Treasury is supporting the Senator's amendment.

But here is a chart that the Treasury agrees with, and the Treasury ought to know as much about taxes as any of us here.

I would think they would know about as much about taxes as our joint committee staff.

Here is the figure I put in the RECORD, in yesterday's RECORD, November 19, page 33105.

These figures tell us what the Senator's amendment does.

What the Senator's amendment means is that out of $994 billion, or roughly a trillion dollars, generated by decontrol, the Federal Government plus the State governments would take from the producers 83 percent.

So the Government is just hogging up, with Uncle Sam being the great big hog and the States being the small pig by comparison.

Then, looking at the committee bill, the Government would hog up—estimating a somewhat higher receipt of revenue—about 70 percent, compared to the amendment of the Senator from Arkansas, which would hog up 83 percent. That is leaving precious little for somebody to drill a well.

What I am saying is that if you want production, you should not take all the money in taxes and put it into social security, or into funds to give the low-income people and the middle-income people to buy energy, or into welfare and things of that sort. If you want energy, you should leave some of that money with the producers, so that they can produce energy for you.

When you make a comparison and you look at the growth, it would be like saying, "These people are going to have a trillion dollars. Why do they not get along with the trillion dollars?" The reason they will not is that Uncle Sam and the State governments are going to hog up $830 billion out of the trillion dollars and leave about $166 billion over a 10-year period, which is not enough to do the kind of drilling that needs to be done in order to find energy.

Of course, the companies are not required to put it into oil and gas. They could use it in making synfuel. They could use it in mining coal, in producing other sources of energy, if permitted to do so. I do not know of any reason why they should not. Perhaps the Senator does.

But I am positive of this: While you may not be able to solve this problem with oil and you may not be able to solve this problem with gas, I will bet my life that you can solve this problem with money.

If you will put enough money into it, you can have all the energy you want. But it costs money, and you cannot have your cake and eat it. You cannot give your money to Uncle Sam to spend in social programs and use the same money to produce energy. You have to make your choice: Do you want energy or more social welfare programs?

Mr. BUMPERS. I could not agree more with the Senator. We are not going to solve this problem by throwing our money at it. Our Maker just put so much oil in the ground, and you are not going to find any more than He put there.

Mr. LONG. The Senator did not hear me correctly. I said that you can solve this problem with money.

Mr. BUMPERS. Depending on where you spend it.

I agree with the Senator on the point I made earlier. Why would we spend $135 billion for an additional 500,000 barrels of crude oil, even if the oil companies could produce it? I doubt they can. Assuming that they can, why would we do that, when we can produce that much alcohol for about one-tenth of that amount?

Mr. LONG. At this very minute, we have rigs drilling in Louisiana, and they are being used to drill what are perhaps the best natural gas wells in the 48 continental States. Can the Senator tell me why we are not drilling more wells down there?

Mr. BUMPERS. I certainly can.

Mr. LONG. Why?

Mr. BUMPERS. Here is the proof.

In 1971, we drilled 11,000 oil wells, and they found 48 barrels of oil for every foot they drilled. That was in 11,000 wells.

In 1976, we drilled 16,600 wells, and they found 16 barrels of oil per foot, or one-third of what they found in 1971.

In 1977, they increased the number of oil wells drilled by 1,000. We drilled 17,789, and they found 18 barrels of oil per foot.

The reason why they are not drilling more is that the geological opportunities are not there. They are drilling but not finding the product.

Mr. LONG. I will respond to the Senator by saying that is not the reason. The reason why we are not drilling more wells—those deep gas wells in Louisiana, where we are finding some of the finest gas wells that exist anywhere in this hemisphere—is that there is a limit to the number of rigs that are available.

To drill below 15,000 feet, you need bigger and heavier rigs, and they are using all the rigs they can lay their hands on for that purpose, I am told. Those are fantastic wells, some of the best gas wells produced in America—right in Louisiana.

Mr. BUMPERS. None of that gas the Senator is talking about is subject to price controls. They can sell that for any price they want.

Mr. LONG. That is the reason why they are doing so much drilling, which proves my point. When they can drill for gas which is not subject to price controls, they know they are going to get a free-market price for it. They say, "Let's go to it." They go after it as hard as they can. If they had more rigs, they would be doing a great deal more drilling. The answer is to build more rigs.

At the time the energy crisis hit in 1973, half the drilling rigs in this country had been stacked. They were not being used, especially the small rigs. This was because the independents found that they could not compete, and most of the majors curtailed their drilling.

When the energy crisis hit, drillers were told they would get a better price for new oil. As a result, they took the old, rusty, and beat-up rigs out of moth balls and put them to work.

I heard the Department of Energy boast that we had twice as many rigs drilling a year later than when the crisis hit. That was because drillers took out the old, rusted, falling-apart rigs and put them back to work. They should have been building a great many more rigs, rigs that could drill in the areas where the likelihood of production was greatest.

For example, some of the finest locations that could be made available for drilling were on Federal land. Nevertheless, the Federal Government has been very difficult, for environmental and other reasons, about letting people go on the best locations and drill.

I am sure the Senator knows that the President of the United States has used his power under the existing laws to set aside a vast area in Alaska, as big as the State of California, where we believe there are fields as great as Prudhoe Bay. But, of course, we cannot drill in that area because the President set it aside under the Monuments Act, and declared it some kind of monument.

If need be, perhaps workers should dress up like polar bears and go in there to look for oil. They should be permitted to go in there and get some energy, because we need it in the worst way.

The limiting factor at this moment is that we do not have enough rigs to do all the drilling that needs to be done. In Louisiana, for example, I am informed that 80 percent—mind you, this is a State that has been drilling more than any other State in the Union—80 percent of the places where it is believed energy could be produced have not been drilled as yet. There is reason to believe that there may be oil located below some producing structures. There may be oil as far down as 20,000 feet.

Even though it is believed that most oil and gas has been discovered, there are all kinds of places where more hydrocarbons, oil and gas, could be found with additional drilling.

Mr. BUMPERS. I will make a couple of points. Some of my colleagues want to comment on this.

No. 1, the Senator will recall that when we were debating the Natural Gas Policy Act here last year, some of us had charts showing that every rig in the country was taken; and that was before we decontrolled natural gas even on a phase-out basis.

They were out looking for it with grubbing hoes before we decontrolled, because the price already had gone up, even under controls, where it was highly profitable for them.

The other point is that, going back to how much of Exxon's revenues are profits, I disagree with the Senator. I do not think it is relevant to profits, because they compute their profits after they spend money for exploration. Obviously, they can predict how much they should spend in order to have enough profit to pay their shareholders something. They are not going to spend themselves into a zero-profit situation looking for oil.

However, I remind the Senator that it was Exxon that recently was stopped by the Federal Trade Commission from buying Reliance Electric for $1.2 billion.

It occurs to me if Exxon wants to keep faith with this country and wants to come to Congress and say, "We have to have this extra money to find more oil," they should use some of the money they have looking for oil instead of being out trying to buy Barnum and Bailey, Reliance Corp., Marcor Corp., and all these other nonenergy-producing companies.

Mr. LONG. Mr. President, will the Senator yield one moment?

Mr. BUMPERS. Yes.

Mr. LONG. The Senator may be more wrong about that than about anything he has said in this Chamber. Let me tell him why. Exxon estimates that if this new efficient electric motor, that it hopes to offer to the public, is as good as expected, it will save this Nation enough energy to equal all the oil we were bringing in from Iran before we cut the Ayatollah off. Did the Senator know that?

Mr. BUMPERS. The Senator is assuming that Reliance is not going to market that same product even if Exxon does not acquire it. Reliance can market it. Exxon does not have to give three times book value of that corporation in order to get that product marketed.

Mr. LONG. The Senator is assuming that he is right. He is assuming he is right.

Mr. BUMPERS. I am rebutting the Senator's presumption.

Mr. LONG. Here is Exxon's argument. They say that they need a good electrical company in order to put that product on the market and to make it available in all the places where it should be available. Therefore, they need to buy a company. I am not here to say that Exxon necessarily need buy that company. But if Exxon manufactures that equipment, it will not hurt my feelings.

As a matter of fact, I talked just the other day to Mr. Fraser, who is the head of the United Automobile Workers, and he does not like Exxon. He made a statement a while back that the Government should go in the oil business and compete with them. Nevertheless, with the situation they have, and all those jobs they have at stake in Chrysler, they would be willing for Exxon to take it over.

So it all depends on whose ox is being gored. If the Nation needs the energy and needs it the worst kind of way, if we can get as much as the equivalent of 700,000 barrels a day by someone inventing a more efficient engine and doing it at his own expense, that is all well and good.

Mr. BENTSEN. Mr. President, does the Senator have the floor?

Mr. BUMPERS. I have the floor.

Mr. BENTSEN. Mr. President, will the Senator yield for a comment?

Mr. BUMPERS. Just a moment. I am going to yield the floor in a moment and then the Senator will have it to himself.

The PRESIDING OFFICER. The Senator from Arkansas has the floor.

Mr. BUMPERS. Does the Senator have any information that that product is not going to be marketed if Exxon is prohibited from buying it? The product was already invented, developed, and ready for marketing before Exxon ever heard about it. Does the Senator have some information that this product is going to go into limbo unless Exxon mercifully comes in and buys that corporation?

Mr. LONG. I hate to say what I am going to say, but I think it is true, and I studied this matter. I hate to say it but under the American patent laws that exist today if someone has a patent on something very good, he has the right to either put it on the market or withhold it. I hate to say that is true. I did not make that law. I am against the law being that way. But the way the law is today, if someone develops something with his own money and it is a good, useful patent, he can either develop it himself or he can sell it. He can make it available to the public immediately or he can even keep it off the market. I regret that the law is that way. I wish the Senator would join me in amending that law. But that is how the law stands.

Mr. BUMPERS. I say to the Senator if that is an impediment put me down as a cosponsor right now.

As I understand the patent law, Reliance could very easily license to Exxon right now under present law to market that product. They do not have to buy the company.

Mr. LONG. Exxon has the patent, not Reliance.

Mr. BUMPERS. Is there any reason why Reliance cannot go ahead and market it?

Mr. LONG. Exxon could. I assume that Exxon could put the patent in the public domain if they wanted to. I do not know many people who are going to take something that valuable, if they think it is good, and give it away. I think most people, if they had a patent on something that is a very good invention, would wish to market that invention themselves. I have to say, "more power to you."

Mr. BUMPERS. I have already taken too much time. Some of these other Senators wish to talk.

One final word on the acquisition, I heard Mark Russell say the other day that he hoped Gulf, or whoever it was trying to buy Barnum and Bailey, was not successful. He said he was afraid we would wind up with a shortage of clowns.

Mr. BENTSEN. Mr. President, I urge my colleagues to join with me in soundly defeating this amendment. Today America faces its most serious challenge since World War II. Our growing dependence on foreign oil has wounded our national prestige, undermined our economy and threatened our national security. This massive drain on our currency has had a devastating impact on the dollar, and has all but destroyed its role as an international monetary standard. In 1979 we will pay $65 billion for energy imports; a figure that could climb to $80 billion by 1981.

At a time like this, it is incredible that the Senate could be seriously debating an amendment that would dramatically reduce our ability to produce domestic energy resources. According to a recent analysis by the Congressional Budget Office, passage of this amendment will lower U.S. crude production by 500,000 barrels per day by 1990 over the Finance Committee bill. If this amendment becomes law, where will we turn to make up that one-half million barrels in daily shortfall—Iran? Syria? Algeria? Libya?

Mr. President, both the House bill and the Finance Committee bill provide stiff windfall taxes on flowing domestic oil. In fact, the committee bill in some cases actually imposes a heavier tax than the 60 percent rate in the House bill. The important difference is that the Finance Committee has provided full market incentives for oil that has yet to be discovered and for oil that cannot be economically produced under controlled market conditions.

In contrast, this amendment would place a 50 percent windfall on new additions to our domestic energy reserves, new additions. You do not have to be from Texas to doubt the wisdom of that policy. It seems to me that any new oil we can produce in this country at world market prices is a windfall not for the producer, but for the United States. The money we spend for a barrel of newly produced American oil does not go into OPEC coffers. It remains in this country; it pays wages in this country; it contributes to our economic well-being. The single most effective way to encourage exploration for new oil in America is to pay world prices for the product. Any tax on newly-discovered oil is a disincentive to production and a disservice to our country.

This amendment would also impose a 50 percent tax on incremental tertiary production. Incremental tertiary oil is crude that is left behind in the reservoir after normal oil recovery methods have been completed. It is oil that—in the absence of special incentives—will never be produced; that will never be available to displace foreign oil that we will otherwise have to import.

Given the proper economic conditions, the potential for tertiary recovery is tremendous. Normal oil production techniques generally recover less than one-third of a reservoir's original oil in place. Approximately 70 percent of all the oil ever discovered in America—400 billion barrels—is still in the ground. This is the oil that is the target of tertiary recovery. Even if these advanced methods can only recover an additional 10 percent of these resources, we will add 40 billion barrels of oil to our domestic petroleum supply. With current proven recoverable reserves of approximately 30 billion barrels, the widespread use of tertiary recovery could more than double our national oil reserves.

But tertiary oil is not cheap. Although tertiary techniques may vary from reservoir to reservoir, they all share two things in common: They are on the cutting edge of technology and they are very expensive. Some projects involve the piping of natural CO_2 hundreds of miles from Colorado and New Mexico. Other projects require the construction of generators costing millions of dollars to inject that steam into reservoirs in California, Louisiana and Mississippi.

Although many of these techniques have been available for several years, their widespread use has been severely constrained by Federal price controls on domestic oil production. Now that energy prices are being gradually decontrolled. I do not believe we should make the same mistake again—this time by imposing a heavy tax on incremental tertiary production.

Unless we do something very dramatic to encourage investment in this area, I do not think we are going to see many companies sticking their necks out in this high cost, high risk area. The first secondary waterflood in Texas was in 1936 but it was 25 years before these secondary waterfloods were instituted on a large scale. I do not think the country can wait that long for tertiary to be widely applied. If we do, most of our existing fields will be gone.

Mr. President, the Congressional Budget Office tells us that oil decontrol will result in 1.2 million barrels per day in additional production. But if this amendment passes, that additional production will be slashed by two-thirds, cutting out 800,000 barrels per day of potential domestic production. Like many of my colleagues, I hope the United States can someday rely on solar energy, synthetic fuels, and other alternative sources to come to our rescue. But in the short run—in the next 10 years—I doubt if anyone believes that these new sources can contribute the energy equivalent of 800,000 barrels of oil per day. The simple fact is that we cannot afford to do without this production. I urge my colleagues to join with me to defeat this amendment.

UP AMENDMENT NO. 838

(Purpose: To increase certain residential and business energy credits)

Mr. PACKWOOD. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oregon (Mr. PACKWOOD) proposes an unprinted amendment numbered 838 to amendment numbered 621.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the amendment add the following:

On page 100, between lines 1 and 2, insert the following:

(a) Increase in Percentage.—Paragraph (1) of section 44C (b) (relating to energy conservation) is amended by striking out "15 percent" and inserting in lieu thereof "50 percent (except for insulation, airtight wood burning stoves, heat pumps, and replacement oil or gas furnaces or boilers the applicable rate is 15 percent)".

On page 100, line 2, strike out "(a) In General.—" and insert in lieu thereof "(b) Changes in Definitions.—".

On page 100, line 21, strike out "(b)" and insert in lieu thereof "(c)".

On page 101, line 15, strike out "15 percent" and insert in lieu thereof "50 percent".

On page 101, line 21, strike out "(c)" and insert in lieu thereof "(d)".

On page 106, line 2, strike out " 'January 1. 1982,' " and insert in lieu thereof " 'January 1, 1990' ".

On page 106, line 14, strike out "20" and insert in lieu thereof "40".

Mr. PACKWOOD. Mr. President, what this amendment is is an amendment to increase the individual conservation credits in this bill, solar, wind, and geothermal credits, and business cogeneration credits.

We have heard much discussion today about coal. The senior Senator from West Virginia talked at some length about coal and had an exchange with the Senator from Louisiana.

We just heard the Senator from Texas talk about oil.

As I said in my opening remarks on this bill, I think we want to remember that this is not necessarily an oil bill or a coal bill or a sun bill or a geothermal bill. Hopefully, what we are trying to produce is an energy bill, and one that will produce the most energy possible for this country or save the most energy possible and, if we can, at the cheapest price.

I am going to cite some figures, and I will ask the chairman of the Committee on Finance if I am wrong to correct me, but I am taking them from the report of the Committee on Finance on this bill and from the Congressional Budget Office.

If the amendment of the Senator from Arkansas were to pass, which is basically the House windfall profit tax bill, this bill over a period of 10 years would raise roughly $276 billion, the net gain from the windfall profit tax.

If the bill, as passed by the committee, is adopted, it will raise roughly $138 billion net gain from the windfall profit tax, with a difference roughly of $135 billion, just approximately.

Second, the Congressional Budget Office estimate, and this is a November 1979 estimate, is that if we were to adopt the Bumpers amendment, the House windfall profit tax, the reduction in the production of oil by 1990 would be 550,000 barrels a day. At that cost the lost oil production averages out at $133 a barrel or, to put it another way, Mr. President, for a rather dramatic decrease in revenues from this bill we get a relatively slight increase in oil production and certainly a very expensive increase in oil production, $133 a barrel.

If I were from a State whose principal business and principal interest was oil, I might be inclined to say that I am representing my constituents in the principal business in my State, and it is not good for my State and not good for America to have a 550,000-barrel-a-day oil reduction by 1980.

If I were looking at this from a broader perspective, however, I would be inclined to say if we had the additional money that the Bumpers amendment, the House windfall profit tax, would bring in, if we had the additional money, is there something we could do with it that would produce more energy at less cost? That, very simply, is why I have offered my amendment.

What this amendment does is, first, increase the tax credit for individual conservation, residential conservation, from 15 percent to 50 percent. This would not, however, apply to insulation or to the items added to the conservation tax credits by the Finance Committee windfall profit tax bill, and those are airtight woodburning stoves, heat pumps, and replacement oil or gas furnaces or boilers.

I left out of the residential credit an increase of 50 percent for insulation because the case was made in the Finance Committee that we are producing insulation at about the maximum limit that the factories in the United States can produce. Insulation is fiberglass, and the argument was raised that if we increase the credit to 50 percent, we would not produce quickly any more insulation. What we would do would be to force up the price, and there would be a profit for the insulation makers, but there would not be more insulation installed if we did increase the credit.

For clock thermostats and for a whole variety of other devices that will save energy there will be no question but what dramatically more can be produced if there is a market. The capacity to produce them is there.

In increasing the business solar, wind, and geothermal credits from 20 percent——

The PRESIDING OFFICER. This amendment amends the bill and not the Bumpers amendment and, therefore, it is not in order as an amendment to the Bumpers amendment.

Mr. PACKWOOD. I will withdraw the amendment and revise it slightly and then reoffer it in just a moment.

Mr. LONG. Mr. President, I ask for the yeas and nays on the Bumpers amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. METZENBAUM. Mr. President, did the Senator from Louisiana yield the floor?

Mr. LONG. I did not really claim the floor, Senator.

Mr. METZENBAUM. Mr. President, I

came on the floor to hear a rather extended discussion about the Exxon acquisition of Reliance Electric, a company whose home base is in my own home community of Cleveland. The discussion had to do with whether or not that acquisition ought to be permitted to go forward and whether it was in the best interests of the Nation because it would add something like 700,000 or a million barrels of oil a day.

I want to make it clear that that is what Exxon said at the inception when they put out their major press release, talking about the acquisition. But then such prestigious newspapers as the Wall Street Journal, within a few days, took that argument apart and literally devastated it.

The argument does not hold water because the invention, the new process, the new machinery, that Exxon has is, first of all, not that new, not that novel. Second of all, nobody suggests that they could not go forward into production on their own, and they could do that and should have done that and it would have enhanced the competitive aspects of the industrial motors field.

Instead they wanted to use this surplus billions of dollars they have accumulated and presently really do not know what to do with because they are not using enough of them for production and development purposes but rather they wanted to go into an entirely new industry, and that is to go into the industrial motors field by buying up Reliance Electric.

Mr. President, it does not make good sense for companies, oil companies, to come before the U.S. Congress and, on the one hand, say that, "We need billions of dollars more, we cannot afford a windfall profit tax, we need those dollars for the purpose of production and development, research and exploration," and then, at the same time, come forward and say, "But we want to be permitted to go out and buy up as much of American industry as is available to us."

That is the dilemma of the American oil companies—and I call them American oil companies, but there is a question if they are American oil companies or are not actually international oil companies—that is what the whole issue is about, and the fact is that what the Bumpers amendment provides is that we are going to say to the oil companies, "Your profits are good; your profits are not only good, they are great. But the fact is that this windfall that you should not have had in the first place, you ought to give a fair share of it back to the U.S. Government so that we can use it for necessary purposes."

Mr. BOREN. Mr. President, will the Senator yield?

Mr. METZENBAUM. For a question?

Mr. BOREN. For a question.

Mr. METZENBAUM. Without losing my right to the floor.

Mr. BOREN. Yes; for a question.

If you were writing company policy, and let us suppose you had corporation A, which made a certain amount of profit, and you wanted to encourage that corporation to invest—let us say that that corporation had two options, to invest in, let us call it function B or function C. The board of directors was meeting, trying to decide whether they were going to take their profit and invest it in activity B or in activity C. You are on the board of directors.

Now, let us suppose the profit rate for activity B is significantly lower than that for activity C, or let us suppose that the long-term economic climate is worse for B than it is for C. Where are you going to put your money? Are you going to put it in activity B, if you are on the board of directors of the company, or in activity C?

Mr. METZENBAUM. I would put it in the place where it gets the most return.

Mr. BOREN. You are going to put it where it gets the most profit, and where you have the best chance in terms of the economic climate for maximizing the return on your investment; is that true?

Mr. METZENBAUM. That is correct.

Mr. BOREN. Then would you agree that it should be our policy and our goal in this country to encourage companies, particularly oil companies, in the short run, to invest in the exploration and production of more oil in this country, or more energy, perhaps alternate forms of energy?

Mr. METZENBAUM. I will say to my friend from Oklahoma that I want the oil companies to make a profit, but this is not the antipoverty bill for the oil companies, because the oil companies do not have that kind of problem. The oil companies are making a very adequate profit at the moment. They are operating with about a 23 percent return on equity.

What we are talking about today has to do with the fact that the President of the United States, for reasons best known to himself, has seen fit to decontrol the price of oil. If he had not done that, we would not be on this floor today debating this issue. If the President had not done that, which he should not have done, and still in fact could undo; by a stroke of his pen he could reimpose those controls until this Congress passed a decent windfall profit tax. Decontrol would still not be right; it would still be inflationary; but at least it would provide some leverage so that the Members of Congress would be inclined to send him a bill that was fair to the American people.

There is no chance that the oil companies will be prevented from making an adequate profit; they are making more than an adequate profit, and from every indication they are going to be making more and more profit as time goes by.

Mr. BOREN. I understand that is the Senator's position; but I cannot understand how a board of directors would be inclined to invest in a proposition that had less of a future, if putting that money back into production were such a good thing. If that is more profitable than any other activity, I assume they are there to make a profit. We used not to denigrate people for that in this country; that is the way our economic system works.

Why would they reject something that the Senator says is more profitable than anything else, and throw it away and do something less profitable?

Mr. METZENBAUM. I think the answer to that is quite evident. That is that the oil companies have such great profits they cannot find enough places to spend them as far as production and development is concerned.

I have no better authority for that statement than an article in Forbes magazine, I believe it was, or Business Week, an article of about a year ago, which talked about Exxon's problems with its $4 billion to $5 billion a year cash flow, and what a challenge it was for the executives of that company to find a place to put it.

Mr. LEAHY. Mr. President, is the Senator from Ohio willing to yield to me, without losing his right to the floor, for me to engage in a short colloquy with the Senator from Arkansas?

Mr. METZENBAUM. Mr. President, nothing could give me more pleasure than to yield to my friend from Vermont to engage in a colloquy with the Senator from Arkansas, provided I do not lose my right to the floor.

Mr. LEAHY. I ask unanimous consent that it be on that basis, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, it is my understanding that section 4993(b) of the Senator from Arkansas' amendment restores the percentage depletion denial language in the House-passed bill.

Mr. BUMPERS. The Senator from Vermont is correct. That section of my amendment provides that oil income subject to the windfall profit tax shall not qualify as gross income for purposes of computing the percentage depletion allowance.

Mr. LEAHY. I am pleased to endorse the Senator's amendment in its entirety, but am especially pleased to speak in support of the percentage depletion provision.

It makes absolutely no sense to impose a special excise tax because oil revenues resulting from decontrol and OPEC pricing policies are judged to be excessive, and at the same time, to allow those increased revenues to produce proportional increases in the percentage depletion allowance.

Denial of percentage depletion on windfall revenues will increase Treasury revenues over the next 10 years by an estimated $12.9 billion, and will do so with no demonstrable effect on domestic oil exploration and production.

Mr. BUMPERS. The Senator from Vermont is again correct. It is hard to justify increases in the percentage depletion allowance at a time when world oil price increases are, by themselves, reducing the need for this production incentive.

Mr. LEAHY. Again I wish to thank the Senator from Arkansas for his fine leadership on this amendment.

I had intended to offer an amendment to restore the House percentage depletion denial language, but would hope that the majority of my colleagues will support the pending amendment, and thus eliminate the need for my amendment.

I shall introduce my amendment should the Bumpers amendment fail.

So, Mr. President, I am pleased to be a cosponsor of the Senator from Arkansas' amendment now pending before the Senate.

This amendment will restore the well balanced compromise worked out in the House passed windfall profits tax. It recognizes the need to stimulate increased domestic oil production on the one hand, and to capture revenues to promote energy conservation and alternative energy production, and to provide assistance to the poor, on the other hand.

Mr. President, it is clear that efforts to expand domestic oil production must be intensified if we are to have any hopes of reducing our Nation's excessive dependence on foreign petroleum supplies.

With world oil prices soaring past the $30 per barrel mark, I am confident that the incentive to expand oil exploration and production will indeed be far greater than at any time in our recent history—notwithstanding the tax proposed by the Senator from Arkansas, or any other windfall tax the Senate might see fit to adopt.

Mr. President, as urgent as the need to encourage domestic oil production may be, increased petroleum production, by itself, cannot hope to solve our Nation's energy problems. Increased domestic oil production, by itself, cannot hope to usher us into a new era of energy self-sufficiency.

We must move swiftly and in a big way to look for other energy sources, and to encourage Americans and American businesses to conserve energy—energy that, no matter what we do in the Senate here today—will be more and more expensive, and less and less convenient to produce and transport in the decades ahead.

Mr. President, the House has fashioned a well-reasoned and well-balanced compromise tax, and the Senator from Arkansas is to be commended for his able presentation and defense of that tax before the Senate.

It is not a tax that will hamper domestic production. It is not a tax that will leave the oil companies powerless to fulfill their national energy production mandate. It is not a tax that will thwart our national efforts to achieve greater energy self-sufficiency.

It is a tax that will equitably distribute the windfall revenues resulting from decontrol and the pricing policies of the OPEC cartel to our Nation's many competing energy needs.

Mr. President, I am pleased to cosponsor this amendment, and would urge that my colleagues in the Senate give it their full and fair consideration.

Mr. PACKWOOD. Mr. President, will the Senator from Ohio yield for a question?

Mr. METZENBAUM. I am happy to yield to the distinguished Senator from Oregon without relinquishing my right to the floor.

Mr. PACKWOOD. You have been discussing with the Senator from Oklahoma what would be the best investment for the board of directors of an oil company to make, as between investment B and investment C, and that in fact you would make the investment that would give you the best return; I believe that is the point the Senator from Oklahoma was trying to make.

Mr. METZENBAUM. The Senator is correct.

Mr. PACKWOOD. By somewhat of an analogy, it could be said that the Members of Congress are the board of directors of the U.S. Government; and does it not behoove us to invest in the best way possible to produce the most energy for this country?

Mr. METZENBAUM. I agree.

Mr. PACKWOOD. Not necessarily the most oil, not necessarily the most coal, not necessarily the most geothermal; but the most energy.

Mr. METZENBAUM. I am not certain I would take that broad-based an approach, because unless it reduces our oil consumption, I am not certain it will help solve the problems of this Nation. There are oil equivalencies; some do help in that respect, and some do not.

Mr. PACKWOOD. We allow the oil companies now, even today, substantial tax privileges, and of course in the past we gave them substantially more than today. They have intangible drilling costs today; they used to have the oil depletion allowance, and I think at the time there was nothing wrong with that. We wanted to encourage the production of oil.

But as a Member of Congress, the board of directors of this Government, should not our primary concern today be what is the most energy we can get for the taxpayers' money?

When I reintroduce the amendment that I previously had before the Senate, I will prove that for the dollar invested we can do infinitely more in conservation, in solar, in geothermal, and in cogeneration, more for the dollar, produce more barrels or save more barrels per dollar than we would if we were to allow the oil companies to have the extra money and have them be able to produce the slight increase in oil that they can produce. It is all a trade-off.

I would love to be able to produce more oil and have more geothermal and more solar and conserve more. But you have a limited amount of money; taxpayers' money. Is it not incumbent upon us to try to either conserve as much or get as much energy as possible for that limited amount of money?

Mr. METZENBAUM. I totally agree with the Senator from Oregon that a barrel of oil saved is not as good or is far better than a barrel of oil produced.

Mr. PACKWOOD. If, indeed, it took $200 to conserve a barrel of oil and we could produce another barrel for $100, it makes more sense to produce it.

Mr. METZENBAUM. It is not only cheaper, but it means that we are not exporting our dollars and we are using our dollars in this country, which is also a major factor. So I am in complete accord with the Senator from Oregon.

Mr. PACKWOOD. Plus, to the extent we encourage what some people choose to call esoteric sources of energy, like solar—they are not esoteric. They have use for some of us in the country. For many of us who travel to the Middle East, we have seen solar energy on almost every rooftop in Israel. It is the principal form of solar water heating.

But to the extent that we can encourage solar energy with some of the revenues from the windfall profit tax, and to the extent that the cost of producing that new energy from solar is cheaper than the cost of producing more oil, if we lower the windfall profit tax, are we not better off to use a higher windfall profit tax that will provide us per barrel more oil from solar than it will from drilling in the ground?

Mr. METZENBAUM. I lost a part of the Senator's question. But I gather the thrust of your question is: Are we not better off to be producing solar energy than we are to be increasing our expenditures for the production of oil, whether directly or indirectly, through the windfall profit tax?

Mr. PACKWOOD. The point I am driving at is this: Apart from the fact that oil is going to run out one day and we are going to have to change from oil some day—and I am not trying to get in an argument here with the U.S. Geological Survey figures on how much oil is left and how much we can produce. Everybody agrees that at some stage it is going to run out. I am simply talking about what we know we can produce from a given amount of drilling and how much we will lose if we adopt the windfall profit tax. In the House, that figure is roughly 550,000 barrels we will lose. If we adopt the windfall profit tax in the House which is an increase of about $135 billion, that loss, that extra oil, if we produce it and forego the revenues is $133 a barrel to produce. That is the expensive energy.

For that $135 billion, we can produce solar energy, we can produce geothermal energy, we can conserve. And all of them are cheaper, by far——

Mr. METZENBAUM. I could not agree with you more.

Mr. PACKWOOD (continuing). Than the $133 a barrel that it will cost us if we adopt the Senate Finance Committee's windfall profits tax and, in exchange, by 1990 get 550,000 more barrels of oil a day.

Mr. METZENBAUM. I agree with the Senator from Oregon. I think that the Senator from Arkansas (Mr. Bumpers), as I understand it, is prepared to accept your amendment and, as one of the coauthors, I am pleased to join him in that effort.

Mr. PACKWOOD. I had the amendment in the wrong form. It will soon be ready and I will reintroduce it. I will add the name of the Senator from Ohio (Mr. Metzenbaum) as a cosponsor.

Mr. METZENBAUM. I believe the Senator from Massachusetts (Mr. Kennedy) wishes to be recognized.

The PRESIDING OFFICER. The Chair recognizes the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I wish to join this afternoon in underlining what the Senator from Ohio (Mr. Metzenbaum) and the Senator from Oregon (Mr. Packwood) have stated that comparing decontrol and the cost of additional production, the cost of that additional production far outweighs the cost of energy efficiency, productivity, and conservation.

I look forward to hearing from the Senator from Oregon as he makes his presentation on his amendment to the Bumpers amendment, which I welcome the opportunity to cosponsor.

Mr. President, I think it is important to recognize that, with the Bumpers amendment, we do nothing about the other titles of the bill—the residential credits and the business credits in title II, the low-income assistance program in title III, or the carryover basis, repeal of title IV. Those elements, that reach a variety of different efforts to move toward energy efficiency and productivity, with the exception of title IV, I think are valid and worthwhile.

In shaping our energy program, I wish that we had been more responsive to the points which have been raised here by my colleagues towards productivity, efficiency, and conservation. But, nonetheless we have the decision now to move toward decontrol made by the President of the United States. One of the concerns that I have, and I think people in many parts of this country have, is that we try to interrelate the issues of our energy problems and the issues of our economy.

It seems to me, when we were making the decision on decontrol, that we gave very short shrift to the effort in this country to deal effectively with the No. 1 problem that we are facing, and that is the question of inflation. Obviously, what we do in the energy area is going to relate to the question of inflation. You cannot separate that.

In trying to deal with the problems of inflation, it seems to me to be a wise policy to try to find ways of dealing with one of the principal contributors of the problem of inflation, and that is energy policy. Nothing could have been more counterproductive than for the administration to take the step of decontrol. Over the period of these next 2 years, through September of 1981, we will see a significant increase in the whole consumer price index and the other indices which indicate what the American consumer pays for food and other items.

One of the most distressing aspects of the administration's policy, was the fact that it was prepared to couple the relief for the neediest people in our society—the poor, the elderly, and other needy people in our society—with the windfall profit tax. That meant that we were going to see the increase in profits; which I grant have only started in the major oil and gas companies (the most conservative estimates would be an increase of about $3 billion by next year at the very minimum), but, without any assurance that we would see the crisis intervention program for people in our colder climates or even in our warmer climates until we passed the windfall profit tax. The administration linked those two elements together—crisis relief for the needy and the successful passage of the windfall profit tax.

What was not coupled, and what I believe should have been coupled, was the passage of the windfall profit tax and decontrol. The administration chose not to take that step. And we are faced here this afternoon, and in the days ahead, with deciding what action is going to be taken by Congress, given the position that has been taken by the administration for decontrol, and given the efforts that many of us have been making to deal with the issues of energy productivity, efficiency, conservation, solar energy, the other items of an energy program which I strongly support. Study after study indicates that we could back off about as much oil with those steps as we could with the price incentive of decontrol.

As a matter of fact, we would back off considerably more, compared to the development of a synfuels program.

Mr. President, one aspect of the Bumpers amendment which I think deserves the support of the overwhelming majority of the Members of this Congress is the reservation of funds that would allow us to express our interest in earmarking a substantial proportion of those windfall profits to relieve the inflationary pressures of the payroll tax.

One contributor to the rate of inflation is the increase in the payroll tax. Obviously, we understand the importance of preserving the Social Security System, and it was necessary in recent years to take steps to provide for continuation and of the viability of the Social Security System. Quite frankly, I have long favored augmenting the Social Security System through general revenues; that is far less inflationary than the increase in the social security tax. But Congress has responded to that particular issue by raising social security taxes. They increased the rates of the social security tax at a time when we were not facing the problems of inflation at the 13-percent rate which we are facing today. It may be difficult to believe that only 2½ years ago we were still at an inflation rate of approximately 5 percent.

So, Mr. President, I think part of the innovativeness of this particular amendment is that it provides the opportunity for significant relief to those who will be paying increasingly high social security taxes. It is sound from an equity point of view, because it provides relief to middle-income people, and it is sound from an economic point of view. It would provide a strong indication by the Members of the Senate that we wish to exercise every opportunity that comes before this body to battle the problems of inflation.

Mr. WALLOP. Will the Senator yield at that point for a comment?

Mr. KENNEDY. I will yield briefly as I would like to make some further comments.

Mr. WALLOP. I thank the Senator for endorsing the wisdom contained in the Senate Finance Committee windfall profit tax bill. I do not know if the Senator is aware of it, but under the bill under consideration, we established a taxpayers trust fund and such sums as are necessary to offset the payroll increases scheduled for 1981 would be set aside so that Congress can pay for a social security rate lid.

I thank the Senator very much for endorsing the wisdom and procedures contained in the Senate Finance Committee's bill.

Mr. KENNEDY. Do those funds come out of the windfall profit tax or the general revenues?

Mr. WALLOP. They would be out of the windfall profit tax generated to the Government due to decontrol.

Mr. KENNEDY. Was the relief provided by the Finance Committee earmarked from the windfall profit tax or was it going to be relief that would be provided out of general revenues?

Mr. WALLOP. It is earmarked out of general revenues, the increases attendant from the Government's revenue windfall associated with the decontrol of oil prices.

Mr. KENNEDY. Then the Senator does not understand the amendment of the Senator from Arkansas. Furthermore, I understand that the amount which is provided by the Finance Committee was some $18 billion; is that correct? I ask the Senator from Wyoming, am I correct?

Mr. WALLOP. That is correct for the first year and it is presumed to go on.

Mr. KENNEDY. Ours could be $138 billion over a 10-year period. But I welcome the fact that we all at least recognize the problem of social security and are providing some relief from the funds.

Mr. WALLOP. I would suggest that a tax rate——

Mr. KENNEDY. Mr. President, I believe I have the floor. I will not take much more time.

The PRESIDING OFFICER (Mr. BRADLEY). The Senator from Massachusetts has the floor.

Mr. KENNEDY. I will not take much more time, Mr. President, and then I will be glad to yield the floor.

Finally, Mr. President, the argument is made here about the extravagance of this particular proposal or the irresponsibility of this proposal in terms of trying to address the windfalls experienced by the major oil and gas companies. It must have been pointed out that the House provision was sponsored by Mr. JONES and Mr. MOORE, who come from two oil-producing States. Not that we should draw conclusions one way or the other, but it does seem to me that when we are considering what action will actually be taken in the form of tax, it is interesting that the figures which have been established in the House proposal have been set on the floor of the House of Representatives by two Representatives from major oil producing States. They commented, I think persuasively, that their amendment was reasonable, that it was responsible, and that it was fair. I believe their comments are worth referring to in this part of the debate.

Mr. President, I would hope that we would have a successful conclusion to this amendment. It is responsible. It conforms pretty effectively with what the President has advocated. I wish we could hear from the President on this issue which is of such central importance to the American people, that he would only accept an amendment which would effectively recoup 50 percent of the windfall profit.

Granted, this amendment of the Senator from Arkansas, and which I support, does somewhat better. But it seems to me, Mr. President, that 50 percent is a bare minimum that should be expected. The Bumpers amendment appears to me to be the kind of legislation which is wise policy, which provides a degree of fairness and equity to the American taxpayer, and which provides a strong sense of the Senate that we would see some relief in the increase in the social security taxes. It is meaningful for middle-income and working people, and is an important step forward in helping to address the issues of inflation.

I think far too infrequently, we legislate in one particular area of policy without considering the other policy implications. Clearly, that was the case in the step that was taken in the administration's position on decontrol. I know that a majority of the Members of this body have expressed their views on it, but that certainly would be my statement.

Having taken that step, we ought to take every reasonable and responsible step that we possibly can to insure fairness and equity to the taxpayers of this country and also take whatever steps we can to provide some degree of relief for working people, middle-income people, and those that are so heavily impacted by the rate of inflation.

Mr. BOREN. Will the Senator yield?

Mr. LONG addressed the Chair.

Mr. KENNEDY. I am prepared to yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

UP AMENDMENT NO. 839

Mr. LONG. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Louisiana (Mr. Long) proposes an unprinted amendment numbered 839.

Mr. LONG. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

Mr. KENNEDY. Mr. President, reserving the right to object. I should like to hear the amendment.

Mr. LONG. If the Senator wants the amendment read, I have no objection.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk resumed reading as follows:

> On page 26 of amendment No. 621 between lines 2 and 3, add the following:
>
> "Sec. 4992A. Phaseout of Tax.
>
> "(a) Estimates by Secretary.—
>
> "(1) In general.—Each month the Secretary shall make an estimate, on the basis of the best data available as of the time of the estimate, of the target fraction as of the last day of the succeeding month.
>
> "(2) Publication.—Not later than the last day of the month in which the Secretary estimates that the target fraction for the succeeding month will equal 9/10 or more, the Secretary shall publish notice in the Federal Register that—
>
> "(A) such target fraction will equal 9/10 or more for the succeeding month, and
>
> "(B) the provisions of subsection (b) shall apply with respect to crude oil removed from the premises in any month after the target base month.
>
> "(b) Phaseout Exemption.—
>
> "(1) In general.—Notwithstanding any other provision of this chapter, no tax shall be imposed by section 4986 with respect to that portion of taxable crude oil removed from the premises in any month beginning after the target base month as is equal to the product of—
>
> "(A) the total amount of taxable crude oil removed from the premises during such month (determined without regard to this section),
>
> multiplied by
>
> "(B) a percentage (not greater than 100) equal to the product of—
>
> "(i) 3 percent, multiplied by
>
> "(ii) the number of months (including the month for which the computation is being made) beginning after the target base month.
>
> "(2) Allocation rules.—The determination of which barrels of crude oil removed during any month are exempt from tax by reason of this section shall be made—
>
> "(A) first by allocating the amount of the oil determined to be exempt under paragraph (1) between oil which (but for this section) would be tier 1 oil, oil which (but for this section) would be tier 2 oil, and oil which (but for this section) would be tier 3 oil in proportion to the respective amounts of such oil removed from the property during such month, and
>
> "(B) then by taking into account barrels of crude oil so removed in the order of their respective removal prices beginning with the highest of such prices.
>
> "(c) Definitions.—For purposes of this section—
>
> "(1) Target fraction.—The term 'target fraction' means a fraction—
>
> "(A) the numerator of which is the net amount of revenue attributable to the tax imposed under section 4986 (other than any revenue attributable to an economic interest in crude oil held by the Federal Government) during the period beginning on January 1, 1980, and ending on the last day of the month for which an estimate is being made under subsection (a)(1), and
>
> "(B) the denominator of which is $276,800,000,000.
>
> "(2) Target base month.—The term 'target base month' means the first month for which the Secretary estimates under subsection (a)(1) that the target fraction during such month will equal 9/10 or more.

Mr. LONG. Mr. President, it seems to me that if the Senate should decide that it wants to have a higher tax than that which the committee recommended, that the tax nevertheless should not be a tax forever and ever. Back in 1973, the independents were going out of business because of the price of oil. Half of them had gone out of business, and even the major companies had cut back drastically on their drilling, because the price of oil was less than $4 a barrel—about $3-and-something. At that price, they could not stay in business drilling for oil. Some felt that the national policy was simply to put the producers out of business, and those that could afford to produce at that going-out-of-business price should not drill more wells, but just produce what they had. Many people felt that was the policy of the U.S. Government prior to 1973.

The price that the lower tier oil is selling for today translates back to that same "going-out-of-business" price. The bill that we have here for lower tier oil, of course, relates to that same price. Oil discovered after 1972 was given a price that related to what the world price was at that time. Since that time, costs have gone up, the world price has gone up, and it is far more profitable for one to seek to produce oil anywhere on God's green Earth than it is here in the United States. In terms of price, there are few areas where the tax or the government take is greater than it is here in the United States.

It would seem to me, Mr. President, that the idea of saying that it is a windfall to get more than $3.88 or whatever the price was back in 1972, adjusted for inflation, is very difficult for most people to understand. That was the price at which the industry was going broke. To say that to get more than that price for one's resources is a windfall is really ludicrous, absolutely ludicrous. At some point, we should recognize the fact that it does cost more to produce oil. That very argument was made in response to the Bumpers amendment. The principal response was to the effect that you had to do deeper drilling to find oil than you did several years ago. In the main, that is true, which means it costs more to produce the oil. And if we want to be able to produce it here rather than be at the mercy of Iran, then we ought to be encouraging our domestic industry to expand.

It would interest Senators, and I know it will interest the Senator from Massachusetts, to know that the majority of economists do not think it is inflationary in the long run to decontrol oil production. That is based on the theory that in the long run, we shall have world-priced oil here in the United States—in spite of all the things we do to tangle the economy up into knots, to foul it up to where it will not operate, to tie it up in redtape, and to tax it until you cannot recognize it. In spite of all that, in the long run, prices tend to move to the world market. Eventually, that is what we are going to pay for oil here in the United States.

We can josh ourselves and kid ourselves and fool ourselves over a long period of time. In the long run, we shall pay the world market price of oil. The only question is, how long are we going to foul up our economy; how long are we going to tie our producers up in redtape?

For heat with solar energy, we will give a 50-percent tax credit. We pay half the cost out of the Treasury. If they use some geothermal, we will do the same thing. We give a big tax advantage to the development of alternative fuels.

No matter how much of these things we do, in the long run, the price of energy will go to the world market price. It is just the economic fact of life, proven by hundreds of years of history and a study of the history of economics.

That being the case, we are only arguing about how long we want to play around with controls before we finally realize a free market—which has given America the highest standard of living in the world, and which has done more for any country that believes in our form of Government—is the answer to the problem.

The more time we spend in all this frustration about price controls, regulations, and "upside down" economics, the more frustrating it will be. We will eventually wind up paying world market prices for energy, and eventually it will be competitive with others whether we like it or whether we do not.

To pretend the price at which the producers were going broke is the price that can be maintained forever is ridiculous. Even to pretend that the 1972 price, before the world market price went up further, will always be the correct price, is wrong. There is no logic or justice, or anything but maybe a strong political feeling, to support that.

At some point we ought to realize it is utterly ridiculous to say that there can be such things as a windfall that goes on forever. Even Niagara Falls does not go on forever. Even the Mississippi River will not go on forever.

To say that we will have a permanent tax on windfalls because they will last forever and ever just does not make a lot of sense.

Mr. President, I also have to take issue with the suggestion that somehow this bill would cause us to pay $144 for a barrel of oil. All we are really asking for is the right for newly discovered oil and for the very high cost oil to get the same price we pay somebody else. What is that price?

Right now, it is pretty high. It is around $28, maybe $30, a barrel. It might go above that.

Apparently, we are willing to pay that price to get oil from Iran, from other countries that do not like us very much, like Libya and others, and from Mexico, which at this moment is spoiling our beaches with a spill that should have been avoided in the Gulf of Mexico. It is hard, then, to see why we would not be willing to pay that price to get somebody to help achieve our energy independence so we would not be at the mercy of the ayatollah, or Mr. Kadafi, or various other rulers who come and go in all these foreign lands.

To do that, Mr. President, we will have to let the free market operate at some point.

Mr. President, how do we get this estimate of $144 for a barrel of oil? That is a figure the Congressional Budget Office picked out of the air, just absolutely picked out of the air.

They say that they thought this bill would result, under the amendment, in an increase of 500.000 barrels a day. I think it is 5 years from now, some such thing as that.

But, Mr. President, I do not know who made the estimate. I do not know who made the guess. I do not know whether he has had the experience. I would doubt he has, or knows anything about the industry.

But, as a practical matter, his guess would be as good as anybody else's guess because nobody really knows. Nobody on Earth really knows how much additional oil we will get if we have a free market for oil. Nobody can tell us.

All I can say is this: We will get a lot more oil if we permit the producer to get the world market price which everybody else on Earth gets. They get it in Canada, Mexico, all over Latin America, and virtually anywhere else on Earth.

We will get a great deal more oil because people will be willing to take much greater risks for $30 oil, or $28, whatever it happens to be at the time. They will take more risks if they will not be tied up in miles and miles of redtape and not have all kinds of needless regulations forced on them.

Mr. PACKWOOD. Will the Senator yield?

Mr. LONG. Yes.

Mr. PACKWOOD. If the CBO estimate is not correct, what estimate would the Senator have as to how much more production we would get with the Finance Committee bill as opposed to the Bumpers amendment?

Mr. LONG. I can give the Senator a guess right now.

Right now, if we said that all the additional production we can produce will be permitted to have the free price, that the competitive price, the world market price, I think within a year we ought to be getting another 600,000 barrels a day.

Mr. PACKWOOD. How does the Senator come to that conclusion?

Mr. LONG. And that is at the price we pay right now for imported and decontrolled oil. But, we have a lot of wells that are not decontrolled stripper wells. In other words, wells that get up to 10 barrels a day. We have a lot of wells that are getting a little more than 10 barrels, but they are getting not more than a tier 2 price at best.

Those wells, especially those getting 30, 35, 40 barrels a day, are just not getting the attention they ought to receive, for a very simple reason.

The producers feel they are taking a real beating, being cheated. They are just not making the effort to squeeze out as much oil as they would if they were getting a better price. That is just human nature.

From discussing it with people in the business, the estimate I came up with, and this is based on what they told me, is that we have the potential of about 600,000 barrels a day more, just from reworking those wells more often and making them produce more efficiently. That is the thing I think they would be doing if they were going to have a better price.

We can understand that when people feel they are being cheated, when every time they make a sale they get between one-quarter and one-half what their product is worth, they do not perform as well as they do if they feel they are being treated fairly and getting a square deal.

Furthermore, let me say that nobody is going to be producing any oil at $144 a barrel unless he can find somebody to buy it at $144 a barrel. I know people that would buy it at that——

Mr. DOLE. Will the Senator yield?

Mr. LONG. Yes.

Mr. DOLE. This may be a little off the subject, but is there apt to be a vote today on this?

Mr. LONG. I thought about making a motion to table. One of those who favor the amendment urged me to either not to do it, or, if I did, to please give him plenty of notice, because he hoped to get back.

I am afraid that enough Senators have drifted away that it would be unfair to do it right now.

Mr. DOLE. I would like to drift away and I did not want to be too far offshore if anything happened.

Mr. LONG. I am afraid that if I stand here and relieve all tension and say I am not going to make a motion to table, or give assurance that there will be no vote today, I will have no audience. I think I at least should keep Senators a little on the hot seat, just to keep them here.

Mr. DOLE. I think it would be nice to do that, and I can leave.

Mr. LONG. If the Senator gets away, I will get word to him that I am going to make a motion. I am not planning it at the moment; but if the spirit moves me, I will send for the Senator and turn him around.

Mr. DOLE. Mr. President, will the Senate yield for a unanimous-consent request? We have had a lot of concern about the social security tax increase, and I would like to make part of the RECORD the vote on the tax increase that was adopted in December of 1977. I think it would be interesting to see all those who now want to decrease and who then wanted to increase.

Mr. LONG. Mr. President, I ask unanimous consent that I may yield for that unanimous-consent request, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that this material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RECORD VOTE ANALYSIS

YEAS (56)

Republicans (17): Baker, Brooke, Case, Curtis, Danforth, Hansen, Heinz, Packwood, Pearson, Percy, Schweiker, Scott, Stafford, Stevens, Thurmond, Weicker, and Young.

Democrats (39): Bayh, Bentsen, Bumpers, Burdick, Harry F. Byrd, Jr., Robert C. Byrd, Cannon, Clark, Cranston, Culver, Durkin, Ford, Glenn, Hart, Hathaway, Hodges, Hollings, Inouye, Jackson, Johnston, Kennedy, Leahy, Long, Matsunaga, Melcher, Metcalf, Metzenbaum, Morgan, Moynihan, Muskie, Nelson, Pell, Proxmire, Randolph, Ribicoff, Sarbanes, Sasser, Stennis, and Stone.

NAYS (21)

Republicans (14): Bartlett, Bellmon, Dole, Garn, Goldwater, Hatch, Hayakawa, Laxalt, Lugar, McClure, Roth, Schmitt, Tower, and Wallop.

Democrats (7): Abourezk, Biden, Haskell, Nunn, Riegle, Talmadge, and Zorinsky.

LIVE PAIR (1)

Present and Giving: Stevenson—PN.
Receiving: Magnuson—PY.

NOT VOTING (22)

Republicans (7): Chafee—2, Domenici—2, Griffin—2, Hatfield—2AY, Helms—2, Javits—2AY, and Mathias—2.

Democrats (15): Allen—2, Anderson—2PN, Chiles—2, Church—2PN, DeConcini—1, Eagleton—2, Eastland—2, Gravel—1PY, Huddleston—2PY, Humphrey—2AY, Magnuson—2PY, McGovern—1, McIntyre—2, Sparkman—2, and Williams—2.

GENERAL PAIRS

Gravel—PY, Huddleston—PY, Anderson—PN, and Church—PN.

SYMBOLS

AY—Announced Yea.
AN—Announced Nay.
PY—Paired Yea.
PN—Paired Nay.

EXPLANATION OF ABSENCE

1—Official Business.
2—Necessarily Absent.
3—Illness.
4—Other (see temporary Record page No.)

Mr. LONG. Mr. President, the way people decide that they are going out of the oil business is something I know a little about. What they tend to do is to take a look at the wells they have and see how much money they have made since the last time they reworked the well. Then, when the well fills up with sand and paraffin and needs to be cleaned out, they look to see what it costs to put a workover rig on and rework that well. If the amount they have received since the last time they reworked the well did not clear what is costs to put that workover rig on and work that well over, they just shut the well down. That is what they should do, because they are going to make less money after they rework it and before the time comes to rework it again.

When producers look at a marginal well, they have to see whether it makes enough to keep it going. If they are not making that much, then when the time comes to work the well over, to get it back onstream again, it is better judgment to pour concrete in the bottom of the hole and abandon that well. It would not pay to continue to operate it if it does not cover the expenses of cleaning the well out and making it flow again.

So when one thinks in terms of what it costs to produce oil, the people think in terms of how much oil they think is down there and what they think they could make by producing that oil.

That is not what one thinks when one drills a wildcat well. That is what one thinks when one drills an offset—one alongside one where the discovery has been made. When he gets ready to drill an offset, he knows about how thick the sand is, how porous it is, what the hoped for oil recovery would be if the offset well were successful. He can judge whether it would pay to drill an offset well.

But even in terms of drilling wildcat wells, people still tend to think in terms of what the price is, what the risk is that they are taking. They tend to equate one with the other to decide whether they are going to do that drilling.

The fact is that at the world market price of oil or the free market price within the United States, which might not be quite the same as the world market price, a lot of wells will be drilled that would not be drilled at $13 a barrel, the so-called upper tier price.

(Mr. LEVIN assumed the chair.)

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. KENNEDY. The Bumpers amendment effectively exempts any of the newly discovered oil in 1990 in any event. That really is not an issue.

I am interested in how the Senator would respond to the argument that there would be producers who would slow down their production of oil because they would hope that somebody else's oil would be used up at the lower price so that they could get the higher profits.

Mr. LONG. Will the Senator repeat that? I do not get the point.

Mr. KENNEDY. If oil companies have domestic old oil that is being covered by windfall profits, and if the amendment of the Senator from Louisiana would phase out the windfall profit tax, then, if you are an oil producer and you know that once the tax is going to be phased out, you are going to be able to keep all the profits you make, why would you not be a lot smarter to keep your oil in the ground and let somebody else pay the tax until the phaseout is complete, so that you will be able to keep all the profits from your old oil when the tax is phased out under the Long amendment?

Why is that not an incentive to keep oil in the ground, rather than produce it?

Mr. LONG. Usually, you are not drilling on your own land. You are drilling on somebody else's land, on Federal land, or on land belonging to the State.

The standard terms for an oil lease provide that you will produce on that lease, and that you will maintain it. In order to maintain the lease, you have to produce.

There is a difference between how hard you are going to go after oil, if you really think you are doing very well indeed, and how hard you are going to go after it if you do not think you are doing so well. There is a problem of not producing.

You have another problem, and that is where you have very good wells. If one does not produce from his well over a period of time, the fellow next door to you can drain out some oil. There is a limit to how much you can do that.

For example, I do not think much drainage is possible from these stripper wells or these marginal wells that produce just a little more than strippers, because a reservoir is not really a lake of oil underground. It is more like a saturated block of concrete. You could put a pump down and suck some oil out. If it is a marginal well, you would let it rest for a while. After a while some more oil would find its way to the well. These marginal wells do not present the possibility of pumping out as much oil from the other fellow's property as one might think. But one is under an obligation to continue to drill.

Mr. WALLOP. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. WALLOP. It is not only an obligation. Either I misperceive the whole situation here or the Senator from Arkansas has done something to his amendment that has escaped me.

Did I correctly hear the Senator from Massachusetts say that under the amendment of the Senator from Arkansas, new oil has an exemption?

Mr. KENNEDY. The phaseout applies to the newly discovered oil in 1990, yes. It exempts the newly discovered oil in 1990.

Mr. LONG. I think that is great.

Mr. KENNEDY. But the point I was making was that the Long amendment would dampen the pressure for production, for the very reasons he outlined here. There may be some marginal production, but certainly it would be wiser and more prudent and more economically sound not to produce, to hold that oil in the ground, to let your neighbor produce and pay all the taxes, and then your oil is going to be worth a good deal more, because you are not going to be subject to the windfall profit tax.

Meanwhile, when this tax is abolished, the needs still exist in the areas of weatherization, the areas of crisis intervention, the areas of mass transportation, or all the other areas we need, which are not phased out, which are still going to be necessary.

Mr. LONG. Mr. President, in some respects, the Senator is making my point. The incentive is dampened already about as much as you can dampen it.

When a fellow has oil worth about $30 a barrel and produces it and gets $6 a barrel for it, he feels that he is being cheated.

I am glad the Senator said that it dampens incentive when a person does not receive the price he hopes to get. He hopes he will get the price everybody else is selling it for outside the United States.

Mr. President, when we were debating the gas bill a year or so ago we had an estimate which, looking back on it, showed how accurate some of these Government agencies can be. I assume that the same kind of people who made that estimate made this estimate for the CBO. They might even be the same individuals who helped with that one.

They gave us the estimate. And mind you, Mr. President, I must confess my ignorance. When the Secretary of Energy told me that, I did not know any better. It took me a while to learn better. They had an estimate, and Mr. Schlesinger was fooled by that, and he fooled me. So it just shows you how badly people can be fooled. They had this estimate that if you let the price of gas go above $1.65 a thousand, you would not get one additional cubic foot of gas.

We debated that gas bill for a year with that statement being made over and over again.

I see my friend from Wyoming nodding because he knows that was true.

We debated that in the Senate. They debated that in the House of Representatives. The statement was made over and over again. It did not occur to us until late in the game to ask: How did they arrive at that conclusion that you will not get one additional cubic foot of gas by letting the price go above $1.65 a thousand?

We finally got around to looking into it. Glory be, Mr. President. Do you know how they arrived at that conclusion?

That was based on an assumption that you only had a certain number of drilling rigs and that at that price all the drilling rigs would be active.

Mr. President, they did not even take into account the rigs that were under construction at the time, not even those that were then being built. Nor did it ever occur to them that someone might build more rigs than were being built right then. For example, they were estimating, and they were not even counting the 300 being built, that we could only build 300 rigs a year total. They were ignoring the fact that anyone working in a shipyard can make drilling rigs. It is the same kind of skill. All you really need is a welding torch. You need to bend steel around and you need a welding torch to work with.

We found that the skills we had available to us could easily produce at least 1,000 rigs a year and perhaps even 2,000 or 3,000 rigs a year. They were assuming that we could not build any more rigs here in the United States, and they proceeded to give us that estimate on the assumption we could not get any more rigs.

Mr. WALLOP. Mr. President, I might say, if the Senator will yield, people have been up to the same kind of monkey business now that assumed for the purposes of decontrol that merely by having stated the word decontrol, the sum total supply response will be available to this country and it does not matter how much you tax it after that point. The Senator remembers in committee that the Department of Energy said there is no supply response beyond the fact of decontrol; it did not matter how much you taxed oil. This was the same argument they used in the natural gas debate.

The Senator quite rightly points out DOE grossly underestimated the point. The country even has a surplus of that product now.

Mr. LONG. Mr. President, we are presently getting about 1,300,000 barrels a day of production out of Alaska.

The reason we are not getting more than that is that the Trans-Alaska pipeline will not carry any more than that. If the pipeline would haul more, we could have more.

For example, aside from that blowout there in the Gulf of Mexico, the best oil wells in the Western Hemisphere are at Prudhoe Bay on the North Slope of Alaska.

They have wells that produce about 5,000 barrels a day. That is just a lot of oil—5,000 barrels a day. That is one terrific well—5,000 barrels a day.

In Louisiana, if we find a well that produces 400 barrels a day we think we have one terrific well, about the best. Five hundred barrels a day would be about like Lake Maracaibo in Venezuela, thought to be the best in the Western Hemisphere before the North Slope of Alaska came in. At least I thought it was.

Here are these fabulous wells that put Lake Maracaibo to shame and now put to shame anything down here in the old 48 States.

They produce about 10 times as much and that is without pulling too hard on the well so you will not endanger its future productivity.

These fabulous wells of Alaska are right there at Prudhoe Bay. They have not drilled all the locations there at all. I am led to believe there are locations for hundreds of additional wells right there at Prudhoe Bay. Why do they not drill more wells? The reason is, I assume, they cannot get any more oil through the pipeline the way it stands now. They are trying to find a way to make the pipeline carry more oil by some new process to make the oil have less friction against the sides of the pipeline as it goes through. Whether that will work or not I would not know. But I do know they can double that pipeline, they call that looping a pipeline. You just put another pipe alongside the one you have there. They have the right of way.

Hopefully the environmentalists might ease up a little bit. The last time they thought that the pipeline was supposed to cost about $900 million and it wound up costing about $9 billion, about 10 times the estimate. But that was mainly because of the environmental things, and some of the environmental fears have been resolved.

For example, they found that it does not upset the life of the caribou at all to build a pipeline. The caribou love the pipeline. They find it warm to snuggle up to in the wintertime. So you do not have to build all the trestles over it, the way our environmentalist friends thought at that time.

But if you built a pipeline for anything near what it really should cost, it would be easy enough to double production in Alaska.

So, just take those two items: What you could do by making your wells produce everything that could be squeezed out of them in the old 48 States and then doubling your production out of Alaska. Pray the President might see the light someday and rescind his order that put all that area of Alaska, where they have all those sedimentary basins potentially as productive as Prudhoe Bay, on deep freeze so no one can ever go in there and drill at all. Pray that he might amend that order, just as we amended a bill here today, to say that we can do some mining where we need a scarce material.

Mr. President, the potential to produce more energy here in this country is absolutely fabulous. It is that way in terms of natural gas. It is that way in terms of oil. It is that way in terms of coal. If you want to know where the problem is with energy, the problem is not over there in Iran. The problem is right here in Washington, D.C., if you want to know why we cannot get any production. Since the crisis what has Congress done? Instead of providing the incentive, giving the industry its head and saying, "Go to it, fellows; get us some energy," the way America has done in years when we had a shortage, what have they done? They have first raised the tax. Then they have rolled back the price. Then they have wrapped up the industry in so much redtape, it can hardly breathe at all, hardly move in any respect at all, much less perform up to its potential. And then they have given it conversation, talk, talk, and talk.

Just think where we would be if we had given the people the incentive that they need to go ahead and produce.

Mr. President, the potential to produce more oil and gas in this country is utterly fabulous. It is beyond the dreams of these negative thinkers, these men of little faith, who really have given up on American industry. If we just think in terms of providing an incentive for people to produce more energy, I have not the slightest doubt that we can meet this problem, and I am not talking about meeting it by the year 2000.

Mr. President, I am one of those who happens to believe that Richard Nixon was wisely advised when he called the people in whom he thought were best qualified to advise him in 1973. He asked them at that time how long it would take them to give America energy independence. They told him, if they studied it, that they thought they could do it in 7 years.

At that time President Nixon then said, "All right, fellows, it is 7 years. That is what we are going to do."

So he sent down a proposal "Full steam ahead, let us have energy independence."

I regret to say those on my side of the aisle just would have none of it. We had meetings—I recall we met in Democratic Caucuses and all the rest, and I believe it is no secret, and I hope I am not talking out of school, and I apologize if I am, but it was generally the thought of the Democrats that we should not have anything to do with Mr. Nixon's program. He wanted energy independence, we ought to say, "No, we will have our own program," and we had one.

I must say much of it I opposed; I fought against, I even filibustered against some of it on occasion. It looked to me that it was going to achieve just exactly what it has achieved—to put us in worse shape now than we were then.

Back at that time, Mr. President, you realize we were only importing about one-quarter of our oil. Now, after 6 years of diligent leadership, with all sorts of imaginative ideas and conversation on and on, we are in worse shape than we were before. We are now importing half of our oil. At that time we were importing a quarter of it.

What do we have as an answer to the problem? More of the same: The same program that got us in the mess we were in when we were one-quarter dependent. The same people got us in position of 50 percent reliance on foreign oil were the same ones who got us in position of being one-quarter dependent on foreign oil. They are the same people who said you should not preserve the domestic industry; that it was an outrage, that you could buy cheaper oil from overseas, that these foreign nations could produce it cheaper, and that we ought to buy it from them because of that.

They said "Get rid of the defense amendment, knock out quotas," that they could get cheaper oil on the foreign oil market. Yes, they did. They had their way. What did they do? They made us dependent on those OPEC countries. Then, in due course, when OPEC had us where they wanted us, they proceeded to snap the trap on us.

Do you think the people who got us in that mess learned anything? Oh, no, they are still advocating the same thing they were advocating then: More and more programs to hold down the price to the domestic producer even when they do not have foreign oil to depress the price. The foreign people have let them down. The foreign free trade people betrayed them and put the price up at a ridiculous level, higher than it should be. It only costs them about 50 cents a barrel to produce the oil in Saudi Arabia and Kuwait.

Mr. WALLOP. Mr. President, if my colleague will yield for a comment, those very policies of which you speak are the ones that gave OPEC the leverage to ask whatever they wanted for their oil. The very policies that discouraged production of domestic American energy, either oil or coal, are the same ones that gave us the posture where we could not respond domestically to whatever foreign oil producers wanted to do, whether it is a takeover of our Embassy by the ayatollah, or anything else.

There was one other interesting matter. The Senator from Massachusetts was querying you as to what incentives there were in the face of a phaseout on production. If the Senator recognizes anything at all about this phase of the business, if he had any experience—in oil production or another extractive industry—he must admit that once you have money invested in something, your banker, if nobody else, is going to get you to produce. If you put your own money in or somebody else's money and you fail to produce, you are going to go broke.

What is absent is any reason to go on and vigorously use the full technical capabilities of this country and its industries to produce domestic oil. People are always talking about Exxon and Mobil and Shell and all the major companies as though they comprised the entire oil industry. The top 27 companies do not control a fraction of the share of American petroleum business that General Motors controls with respect to automobiles. If they would ever get their eyes out of the stratosphere and look and see who is producing, they would see that the people they are taxing are not Exxon, Mobil, or Gulf, but the 10,000 independent producers whose numbers have been reduced in half by the very programs the Senator from Louisiana has just described. There is so much incredible redtape that it is impossible for many independents to go on.

This windfall profits tax does nothing but continue categorization of these various bizarre classifications of domestically produced oil. This is oil that burns in the same furnace or in your car, oil that was under controls. The only thing we are doing now is transferring controls from the Department of Energy, which the Lord knows has made a mess, enough of a mess of it, to the Internal Revenue Service, which knows even less about the production of energy. But the controls remain and the categories remain.

If, indeed, this is a transition period between the country's reliance on subsidized sources of energy to the country's self-sufficiency in a true cost energy market, somebody has to recognize that you cannot semantically be in a transition forever; that the cost of energy production is going to go up and we will kill the business, if the tax is not ended.

The people who oppose this amendment, curiously enough, are the proud cosponsors of the sunset legislation which is designed to achieve the same goal, which is to force the Congress into taking a responsible second look at legislation.

There is nothing to prevent us from reimposing the tax or imposing it under a different structure or dealing with all the problems in the country. This is the first time, to my knowledge, that anybody has ever tried to forecast 10 years of revenues from one tax. It is the most bizarre and absurd procedure I have seen. There should be a reason and a moment in time when we seize that opportunity to say the transition is over. When the transition is over we will have cited the public need, we will have dealt with the public need, and it will be time for the economy to be meshed in a true market economy.

I support the amendment, and I yield back the remainder of my time.

Mr. LONG. Mr. President, let me just say this: One of these days it is going to dawn on people that sometimes you do the consumer a favor by having an industry that can serve that consumer. Of course, the distinguished Presiding Officer (Mr. LEVIN) knows that it is important to have an industry. He is at this moment, if he can, trying to save a great American corporation, a big payroll, where there are a lot of workers in the State he represents so well.

But if we do not have industries here, first, we do not have the jobs; and second, we do not have the production. As a result, we cannot be a strong industrial giant, as America should always be, unless we are producing things here in this country.

It is even more essential that we be able to produce our energy requirements because machines are not going to do you much good if you do not have the energy to move them around.

There were some of us who contended for a long time that America should have an industry capable of producing its requirements of energy, and we fought for a defense amendment which was for the purpose of bringing that about.

I regret to say that various and sundry people complained that it was causing the price of energy to be above the world market price, and first one exception and then another was made under a different President. The program became riddled with loopholes, some of which involved favoritism, in my opinion, and should never have been agreed to.

Mr. President, I yield to the Senator from New Jersey.

(Mr. WILLIAMS' statement is printed later in today's RECORD.)

Mr. METZENBAUM addressed the Chair.

Mr. LONG. Mr. President, will the Senator allow me to yield for a question that he has? I yielded the floor only for an insertion. I have not finished my statement.

Mr. METZENBAUM. I was not aware of the fact that my friend from Louisiana had not yielded the floor. I thought the Senator from New Jersey was recognized in his own right, and I think he was; am I correct, Mr. President?

The PRESIDING OFFICER. The Senator from Louisiana did yield to the Senator from New Jersey.

Mr. METZENBAUM. Under the parliamentary rules, it is my understanding that no Member of the Senate may yield to another Senator without unanimous consent.

Mr. LONG. Now, Mr. President, I sat here and watched the Senator from Massachusetts (Mr. KENNEDY) do the same thing, yield to Senators to make a statement, and they did not make any great effort to protect themselves, but I will cooperate with the Senator. Does he want so say something? I will cooperate with him.

Mr. METZENBAUM. Yes.

Mr. LONG. I want to finish the statement.

The PRESIDING OFFICER. Let me set the situation straight: Is the Senator from Louisiana yielding to the Senator from Ohio?

Mr. LONG. Could I ask the Senator what he had in mind?

Mr. METZENBAUM. I would like to discuss a subject with the Senator and I want to suggest the absence of a quorum, and I will not object to rescinding the call for the quorum, but I would like to have an opportunity to talk.

Mr. LONG. I would be happy to. But, Mr. President, let me just conclude what I was going to say, which will only take about a minute.

Mr. METZENBAUM. Go ahead.

Mr. LONG. Even so, those of us who felt that we had enough of the potential for producing our requirements of energy still tried to prevail upon the President to administer that defense amendment as we had intended. But, Mr. President, it was not done. The domestic industry was permitted to decline. Where that amendment was intended to assure a price that would keep the producers in business, it was used, in some respects, exactly the other way around, to use the leverage of the lower world markets to hold down the price and put more and more American producers out of business.

Then, those who did not think we should seek to protect this industry or preserve it found they had made a mistake. When the Arabs put that boycott to us in 1973, they really showed what they could do when they had us at their mercy. We could not produce our requirements for energy. At that point, the potential warnings were out, and everybody should have recognized that this Nation was in danger, that the whole free world was in peril, because America could not produce its own requirements of energy, and could not preserve the free world when it turned to us to do so.

I regret that those who were not willing to support a free domestic energy industry had their way. When America found itself at the mercy of the foreign oil producers, they fought our efforts tooth and nail to free the domestic energy industry to produce our energy needs here.

Mr. President, with 6 percent of the world's population, we have 25 percent of all the fossil fuels on Earth, and that is without looking for more. We have enough coal to last us for 500 years. We probably have more, because we can find so much of it so easily, so close to the surface.

With all that going for us, you would wonder, why in the world do we not make this Nation energy independent?

Mr. President, it is a misguided tax consumerism that attempts to make this Nation the hostage of the ayatollah, the hostage of Saudi Arabia, the hostage of Nigeria, or the hostage of Venezuela, any time they want us to be their hostage. Mr. President, that has to be a very unwise policy. Yet the people who got us in this mess had their way, and have made the mess worse for the last 6 years, from 1973 up to 1979. At that time we were importing a quarter of our oil; now we are importing almost half of it.

And, Mr. President, they have not learned yet. Now they are trying to do by taxes what they had done by way of regulation. Their regulatory program has been an utter and miserable failure. We are more and more dependent on foreign sources of energy, more and more subject to being blackmailed by the whole world.

Every consumer in America who had to wait for gasoline last summer, or who saw there was no point in waiting because the filling stations were closed and would not be open until next Monday, knows that that policy was a mess, it was a failure, it let the people down.

But what are they doing? Trying to give us more of the same thing. They would like to continue to insure that total failure. They would like to make this windfall tax so high that they would create by taxes the same miserable fiasco that they gave us by way of regulation.

Mr. President, that is just an unwise program. It is time that we recognize that we are doing the consumer a favor if we make this Nation energy independent again.

Mr. NELSON. Mr. President, I wonder if the Senator will yield to me for the limited purpose of introducing some amendments, a bill, and some statements, and yielding back the floor.

Mr. LONG. Mr. President, I yield to the Senator from Wisconsin for any purpose whatever. I yield the floor.

Mr. NELSON. You certainly do not want me to move to table the pending amendment, do you?

Mr. LONG. Senator, let your conscience be your guide. I never tried to put any condition on what you would do when you took the floor. You could not succeed in that effort, anyway. I have always thought you were a reasonable sort of fellow, even when you have bad ideas.

Mr. NELSON. Mr. President, maybe I should ask unanimous consent for the Senator from Louisiana to withdraw his amendment.

Mr. LONG. I object to that, Mr. President.

AMENDMENT NO. 684

(Purpose: To amend amendment No. 621)

Mr. NELSON. Mr. President, I send to the desk an amendment to Senator Bumpers' printed amendment numbered 621.

Under Senator Bumpers' amendment, newly discovered oil is taxed at a 50-percent rate on the first $9 of windfall profit over a base price of $17 per barrel. The tax rate increases to 60 percent as the selling price exceeds $26 per barrel.

This amendment would exempt from the windfall tax up to 500 barrels of newly discovered oil per day produced by independent producers, provided the selling price of the oil is less than $26 per barrel. In effect, under this amendment independent producers would pay no tax on the first 500 barrels of newly discovered oil as long as the selling price does not exceed $26 per barrel.

Under this amendment when the selling price exceeds $26 per barrel, the producers would pay a 60-percent tax on the difference between the actual selling price and $26.

The Congressional Budget Office (CBO) estimates that in 1990, the Finance Committee bill which exempts newly discovered oil from tax would increase new oil production by 65,000 barrels per day over the House passed bill.

CBO suggests that, if the Senate bill taxed newly discovered oil and tertiary oil above a base price of $26 per barrel, production of both categories of oil would decrease by only 25,000 barrels a day by 1990 from what it would be without a tax.

Basically, this modification to the Bumpers amendment adopts the CBO suggestion and applies it to the first 500 barrels of independently produced new oil.

It provides that the first 500 barrels a day of new oil produced by independents will not be taxed. Independent producers account for more than three-quarters of all new wells drilled in the United States. This amendment would allow these producers to receive up to $26 a barrel for new oil without paying a windfall profit tax.

The PRESIDING OFFICER. The Chair will inform the Senator that the amendment is not in order. There is already a pending amendment to the Bumpers amendment.

Mr. NELSON. Well, I can submit an amendment to the bill. I am not asking for its immediate consideration.

The PRESIDING OFFICER. The Chair understood the Senator was offering an amendment. Do I understand he was submitting the amendment for printing purposes?

Mr. NELSON. Yes.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

AMENDMENTS NOS. 685, 686, AND 687

Mr. NELSON. Mr. President, I send to the desk for printing several amendments dealing with solid waste disposal facilities. I ask unanimous consent that those amendments be printed.

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table.

Mr. NELSON. I thank the distinguished Senator from Louisiana. Am I to understand, just for my special information, so that the tension can be removed, that there will be no further rollcall votes this evening?

Mr. LONG. Mr. President, if I decide to make a motion to table, I will send for the Senator. If I promised that I was not going to make such a motion, my audience might disappear.

Mr. NELSON. The Senator does not have much of an audience.

Mr. LONG. I would rather have people in doubt, so that we will have a few people around to hear the debate.

But if the Senator will leave word where he is and where he can be found, I will send for the Senator.

Mr. NELSON. Fine, I will tell the Senator right now, I will be at home.

Mr. METZENBAUM. Mr. President, I am not going to address myself to the merit or lack of merit of the amendment. I am going to address myself to the merits of our continuing to debate this matter when everyone is going home and wondering why we are inflicting ourselves cruel and unusual punishment.

The Senator from Louisiana knows that if he were to press his amendment at the moment, one or the other of us would be constrained to make a motion to table, which I do not intend to do. But I would like to urge upon the Senator from Louisiana that some kind of understanding proceed forward in connection with this amendment as of Monday, whatever time does not matter to me, but I think it is not fair for some of us to have to be on guard here, so to speak, and know that nothing is going to happen.

Perhaps the Senator from Louisiana has no plans to go home this weekend. I do. For that reason, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to extend beyond 30 minutes and that Senators may speak therein for 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 11 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced the the Honorable Jim Wright, a Representative from the State of Texas, has been elected Speaker pro tempore during the absence of the Speaker.

The message also announced that the House agrees to the amendment of the Senate to the concurrent resolution (H. Con. Res. 214) providing for an adjournment of the House from November 20 until November 26, 1979, and a recess of the Senate from November 20 until November 26, 1979.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker has signed the following enrolled bills and joint resolution:

S. 411. An act to amend the Natural Gas Pipeline Safety Act of 1968 to provide for the safe operation of pipelines transporting natural gas and liquefied petroleum gas, to provide standards with respect to the siting, construction, and operation of liquefied natural gas facilities, and for other purposes;

H.R. 2282. An act to amend title 38, United States Code, to provide a cost-of-living increase in the rates of compensation paid to veterans with service-connected disabilities and in the rate of dependency and indemnity compensation paid to survivors of veterans, to modify certain veterans' life insurance programs, and to exempt Veteran's Administration home loans from State antiusury laws; to provide for certain assistance in locating individuals who were exposed to occupational hazards during military service; and for other purposes;

H.R. 4391. An act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1980, and for other purposes;

H.R. 4440. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1980, and for other purposes;

H.R. 5811. An act to allow the Interest Rate Modification Act of 1979, passed by the Council of the District of Columbia, to take effect immediately; and

H.J. Res. 440. A joint resolution making further continuing appropriations for the fiscal year 1980, and for other purposes.

The enrolled bills and joint resolution were subsequently signed by the President pro tempore (Mr. Magnuson).

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2335. An act to provide for a research, development, and evaluation program to determine the feasibility of collecting in space solar energy to be transmitted to Earth and to generate electricity for domestic purposes.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, November 20, 1979, he presented to the President of the United States the following enrolled bill:

S. 411. An act to amend the Natural Gas Pipeline Safety Act of 1968 to provide for the safe operation of pipelines transporting natural gas and liquefied petroleum gas, to provide standards with respect to the siting, construction, and operation of liquefied natural gas facilities, and for other purposes.

HOUSE BILL JOINTLY REFERRED

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that H.R. 2335, the "Solar Power Satellite Research, Development and Evaluation Program Act of 1979," received earlier today from the House of Representatives, be jointly referred to the Committee on Commerce, Science, and Transportation, and the Committee on Energy and Natural Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOINT RESOLUTION REREFERRED

The Committee on Rules and Administration was discharged from the further consideration of Senate Joint Resolution 119, a joint resolution to authorize the Vietnam Veterans' Memorial Fund, Inc. to erect a memorial, and the joint resolution was rereferred to the Committee on Energy and Natural Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON (for Mr. Hatfield) from the Committee on Energy and Natural Resources, without amendment:

S. 2031. An original bill to designate certain National Forest System lands in the State of Oregon for inclusion in the National Wilderness Preservation System, and for other purposes (Rept. No. 96–421).

By Mr. LEVIN, from the Committee on Armed Services, without amendment:

H.R. 3407. An act to waive the time limitation on the award of certain military decorations to members of the Intelligence and Reconnaissance Platoon of the 394th Infantry Regiment, 99th Infantry Division, for acts of valor performed during the Battle of the Bulge (Rept. No. 96–422).

By Mr. NUNN, from the Committee on Armed Services, without amendment:

S. Res. 284. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 5168. Referred to the Committee on the Budget.

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

H.R. 4998. An act to amend the Federal Reserve Act to require that detailed minutes of Federal Open Market Committee meetings shall be published on a deferred basis (Rept. No. 96–423).

By Mr. NUNN, from the Committee on Armed Services, with an amendment and an amendment to the title:

H.R. 5168. An act to extend certain expiring provisions of law relating to personnel management of the Armed Forces (Rept. No. 96–424).

By Mr. CHURCH, from the Committee on Foreign Relations, without amendment:

S. Res. 285. An original resolution authorizing additional expenditures by the Committee on Foreign Relations for routine purposes. Referred to the Committee on Rules and Administration.

S. Res. 286. An original resolution authorizing supplemental expenditures by the Committee on Foreign Relations for inquiries and investigations. Referred to the Committee on Rules and Administration (Rept. No. 96–425).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CHURCH, from the Committee on Foreign Relations:

Ex. A, 95–2. International Sugar Agreement of 1977 (Ex. Rept..No. 96–15).

Ex. K, 95–2. Convention on the Prohibition of Military or Any Other Hostile Use of Environmental Modification Techniques (Ex. Rept. No. 96–16).

Ex. L, 94–2. Convention Abolishing the Requirement of Legislation for Foreign Public Documents (Ex. Rept. No. 96–17).

Ex. AA, 96–1. Treaty with the Republic of Turkey on Extradition and Mutual Assistance in Criminal Matters (Ex. Rept. No. 96–18).

Ex. I, 95–1. Treaty with the Republic of Finland on Extradition and Mutual Assistance in Criminal Matters (Ex. Rept. No. 96–19).

Ex. A, 96–1. Treaty with the Federal Republic of Germany on Extradition and Mutual Assistance in Criminal Matters (Ex. Rept. No. 96–20).

Ex. M, 96–1. Extradition Treaty with the United Mexican States (Ex. Rept. No. 96–21).

Ex. P, 96–1. Extradition Treaty with Japan (Ex. Rept. No. 96–22).

Ex. CC, 96–1. Extradition Treaty with Norway (Ex. Rept. No. 96–23).

Ex. BB, 96–1. Treaty with the Republic of Turkey on the Enforcement of Penal Judgments (Ex. Rept. No. 96–24).

Ex. Z, 96–1. Treaty with the Republic of Panama on the Execution of Penal Sentences (Ex. Rept. No. 96–25).

By Mr. KENNEDY, from the Committee on the Judiciary:

Warren John Ferguson, of California, to be U.S. Circuit Judge for the Ninth Circuit.

Cecil F. Poole, of California, to be U.S. Circuit Judge for the Ninth Circuit.

Dudley H. Bowen, Jr., of Georgia, to be U.S. District Judge for the Southern District of Georgia.

Milton Lewis Schwartz, of California, to be U.S. District Judge for the Eastern District of California.

William O. Bertelsman, of Kentucky, to be U.S. District Judge for the Eastern District of Kentucky.

Peter Hill Beer, of Louisiana, to be U.S. District Judge for the Eastern District of Louisiana.

James T. Giles, of Pennsylvania, to be U.S. District Judge for the Eastern District of Pensylvania.

Lucius Desha Bunton III, of Texas, to be U.S. District Judge for the Western District of Texas.

Harry Lee Hudspeth, of Texas, to be U.S. District Judge for the Western District of Texas.

By Mr. KENNEDY, from the Committee on the Judiciary:

Alice Daniel, of the District of Columbia, to be an Assistant Attorney General.

George Washington Proctor, of Arkansas, to be U.S. Attorney for the Eastern District of Arkansas.

Frederick A. Rody, Jr., of Florida, to be Deputy Administrator of Drug Enforcement.

Sidney A. Diamond, of Arizona, to be Commissioner of Patents and Trademarks.

(The above three nominations from the Committee on the Judiciary were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. CHURCH, from the Committee on Foreign Relations:

Richard Cavins Matheron, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Kingdom of Swaziland.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

STATEMENT OF POLITICAL CONTRIBUTIONS

Nominee: Richard Cavins Matheron.

Post: Mbabane, Swaziland.

Contributions, amount, date, and donee:

1. Self, None.

2. Spouse, None.

3. Children and Spouses Names; Marguerite, None; Jeanne, None.

4. Parents Names; both deceased.

5. Grandparents Names; all deceased.

6. Brothers and Spouses Names; Dean (½ bro.), None; Wanda, None.

By Mr. CHURCH, from the Committee on Foreign Relations:

Patricia M. Byrne, of Ohio, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Socialist Republic of the Union of Burma.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

STATEMENT OF POLITICAL CONTRIBUTIONS

Nominee: Patricia M. Byrne.

Post: Ambassador to Burma.

Contributions, amount, date, and donee:

1. Self, None.

7. Sisters and Spouses, Names; Dr. Mandel and Eileen (sister) Rubin, None.

By Mr. CHURCH, from the Committee on Foreign Relations:

Angier Biddle Duke, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Kingdom of Morocco.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

STATEMENT OF POLITICAL CONTRIBUTIONS

Nominee: Angier Biddle Duke.

Post: Ambassador to Morocco.

Nominated: September 21, 1979.

Contributions, amount, date, and donee:

1. Self, Angier B. Duke (All joint with Spouse, Robin C.) See attached schedule.

2. Spouse, Robin C. Duke (All joint with Spouse, (Angier B. Except —) $500, June 27, 1979, Reelect Bob Packwood.

3. Children and Spouses Names; Drexel Dario B. Duke, A. B. Duke, Jr., None; Angier S. G. B. Duke, Spouse; Mary Ellen Duke (Subject to Revision).

4. Parents Names; Father (Deceased), Mother, Cordelia B. Robertson,* January 18, 1978, $50, New Yorkers for Robin Duke; May 29, 1978, $100, Reelect Senator Pell Committee.

5. Grandparents Names (Deceased), None.

6. Brothers and Spouses Names: Anthony D. Duke,* See Attached Schedule; Spouse, Maria L. Duke,* None (Subject to Revision).

7. Sisters and Spouses Names; (None).

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*Information being confirmed and will be included in the amended supplemental report referred to in the attached schedules.

SCHEDULE OF FEDERAL POLITICAL CONTRIBUTIONS (ANGIER B. AND ROBIN C. DUKE)

Payee	8 mo ended, 1979	Year ended 1978	1977	1976	1975
Democratic House and Senate Committee	$2,625	$1,375.00			
Sasser For Senate Committee	1,000				
Democratic National Committee	2,000		$5,000	$1,800.00	$2,200
Jimmy Carter Campaign Committee	1,000				
Brooke Committee	200	500.00			
Idaho For Church	250				
Friends of Liz Holtzman	200				
Mr. Paul S. Laks, treasurer, for Congressman Long	100				
New Yorkers For Room Duke		1,293.64	2,250		
Democratic Congressional Dinner Committee		500.00	1,000	250.00	
Reelection of Senator Pell Committee		1,000.00			
National Finance Committee—DNC		2,750.00			
Relection of James Scheuer		225.00			
Betty Talmadge For Congress		250.00			
Citizen's For Brademas		100.00			
Moynihan For Senator Committee		250.00	1,500	1,100.00	
Charles Ravenel For Senator Committee		$100.00			
Moynihan 1982			$200		
Midge Costanza For Congress			500		
The President's Club—DNC			25		
Jimmy Carter Campaign Fund				$1,400.00	
Democratic National Committee Campaign Victory Fund				1,051.30	
Presidential Victory Fund				3,000.00	
Symington For Senator				500.00	
Jackson For President				500.00	
Hubert Humphrey				150.00	$1,000
Green For Senator				450.00	
Abzug				500.00	
John Brademas				125.00	
Sarbanes For Senate				100.00	
Total	7,375	8,343.64	10,475	10,726.30	3,200

Note: All contributions are made jointly ½ each by Angier B. and Robin C. Duke.

Records for the period subsequent to Aug. 31, 1979, are not yet available and a subsequent report amending and updating this report will be filed as soon as the records are available and the data can be assembled.

FEDERAL POLITICAL CONTRIBUTIONS (ANTHONY D. DUKE)

	Year ended 1978	1977	1976	1975
Hodge For Senator	$100			
Reelect Senator Pell Committee	500			
Radway For Congress Committee	25			
Jimmy Carter		$65		
Sanford For President Committee				$500
Total	625	65	None	500

Note: Records for 1979 are not yet available and a subsequent report amending and updating this report will be filed as soon as the records are available and the data can be assembled.

By Mr. CHURCH, from the Committee on Foreign Relations:

Donald R. Toussaint, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Democratic Socialist Republic of Sri Lanka.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

STATEMENT OF POLITICAL CONTRIBUTIONS

Nominee: Donald R. Toussaint.

Post: Ambassador to Sri Lanka.

Contributions, amount, date, and donee:

1. Self, none.

2. Spouse, none.

3. Children and spouses, none. Names, Micheline Claire, Kathryn Noel, David Jules.

4. Parents, none. Names, Hortense Toussaint (mother); father deceased—1964.

5. Grandparents, none. Names (all deceased prior to 1975).

6. Brothers and spouses, none. Names, Howard Jules Toussaint (brother) and Eunice Toussaint (wife).

7. Sisters and spouses, none. Names, none.

By Mr. CHURCH, from the Committee on Foreign Relations:

Richard Wilson Petree, of Virginia, to be Deputy Representative of the United States in the Security Council of the United Nations, with the rank of Ambassador.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

STATEMENT OF POLITICAL CONTRIBUTIONS

Nominee: Richard W. Petree.

Post: United States Mission to the United Nations.

Contributions, amount, date, donee

1. Self, None.

2. Spouse, None.

3. Children and spouses, names, Richard W. Jr., and Theresa Petree, Daniel H., Susan H., None.

4. Parents, names Mrs. Merle W. Petree, None.

5. Grandparents, names, deceased.

6. Brothers and spouses, names, Bruce E. and Barbara Petree; Noel H. and RuthAnn Petree, None.

7. Sisters and spouses, None.

Mr. CHURCH. Mr. President, as in executive session, I also report favorably sundry nominations in the diplomatic and Foreign Service which have appeared previously in the CONGRESSIONAL RECORD and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, the nominations will lie on the Secretary's desk.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD on October 29, 1979, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. JACKSON (for Mr. HATFIELD) (from the Committee on Energy and Natural Resources):

S. 2031. A bill to designate certain National Forest System lands in the State of Oregon for inclusion in the National Wilderness Preservation System, and for other purposes. Original bill reported and ordered placed on the calendar.

By Mr. WILLIAMS (for himself, Mr. CANNON, Mr. STONE, and Mr. JAVITS):

S. 2032. A bill to repeal section 3402(q) of the Internal Revenue Code of 1954 which requires, for income tax purposes, amounts to be withheld from certain gambling winnings; to the Committee on Finance.

By Mr. STEVENSON:

S. 2033. A bill to promote industrial adjustment and redevelopment for achievement of national economic and social goals, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DURENBERGER:

S. 2034. A bill to amend Title II of the Social Security Act as to modify the criteria respecting certain self-employment income for purposes of the Social Security Retirement Test; to the Committee on Finance.

By Mr. NELSON (for himself, Mr. RIEGLE, Mr. LEVIN, Mr. EXON, Mr. WARNER, and Mr. LUGAR):

S. 2035. A bill to amend the Motor Vehicle Information and Cost Savings Act to modify fuel economy standards; to the Committee on Commerce, Science, and Transportation.

By Mr. BOSCHWITZ:

S. 2036. A bill to adjust target prices and loan and purchase levels for the 1979 and 1980 crops of wheat and feed grains; to extend the disaster payment program for the 1980 and 1981 crops of wheat, feed grains, upland cotton, and rice; and to authorize the Secretary of Agriculture to require that producers of wheat, feed grains, upland cotton, and rice not exceed the normal crop acreage for the 1981 crops; to the Committee on Agriculture, Nutrition, and Forestry.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WILLIAMS (for himself, Mr. CANNON, Mr. STONE, and Mr. JAVITS):

S. 2032. A bill to repeal section 3402(q) of the Internal Revenue Code of 1954 which requires, for income tax purposes, amounts to be withheld from certain gambling winnings; to the Committee on Finance.

WAGERING NEUTRALITY ACT OF 1979

● Mr. WILLIAMS. Mr. President, I am today introducing the Wagering Neutrality Act of 1979, a bill to repeal section 3402(q) of the Internal Revenue Code of 1954. I am joined in this endeavor by Senators CANNON, STONE, and JAVITS.

Mr. President, my purpose in introducing this legislation is to remove an unnecessary and ill-advised impediment to the legitimate wagering industry, from which so many of our States derive significant revenues, utilized to advance public policy goals.

This bill does not challenge the overall tax policy of our Nation toward gambling income. However, I will note that the United States is the only country in the world where the incidence of taxation is on revenues from the winnings of individuals, rather than solely from the operations of legal gambling activities.

There appears to be clear and convincing evidence that the section of our tax code dealing with withholding of gambling earnings, section 3402(q), violates our longstanding American tradition of Federal neutrality toward wagering activities. This code section was enacted with the purpose of assuring compliance with the tax laws, and providing increased revenues for the Treasury, but we have no evidence that it has resulted in any additional Federal income. To the contrary, it has induced otherwise law-abiding citizens to patronize illegal gambling activities, and in so doing has caused a fall in State revenues from parimutuel wagering.

Some 32 States now derive significant revenues from racing, and additional sums are raised in some of these States from lotteries and casino operations.

In 1977, the first effective year of section 3402(q), total State revenues from parimutuel activities declined for the first time in 18 years. In 1978, they dropped at a faster rate, with total State losses of $18 million.

For New Jersey, racing revenues declined by 40 percent in 1978. At the Meadowlands racetrack alone, withholding during the first effective year of this code section removed $1,050,000 from the betting stream. Under the industry rule of thumb that the money wagered by race fans is recirculated an average of 3.5 times, this means that the Meadowlands' handle was reduced by $3,675,000—with corresponding cuts in purses, track operating funds, and New Jersey revenues.

The burden of compliance with this tax provision on the separate racetrack facilities was recognized in the final report of the Commission on the Review of the National Policy Toward Gambling, which concluded:

> The withholding measure will increase the advantage to illegal operators, generate minimal revenues to the Government, and unnecessarily increase the administrative burden to the legal gambling businesses.

Revenues from racetrack betting declined in 11 other States besides New Jersey during 1978. Even in those States where revenues have continued to rise, there is strong reason to believe that a substantial portion of wagering activity is being diverted to illegal oddsmakers.

Mr. President, in operation this so-called withholding provision actually constitutes a 20-percent excise tax on that average citizen who is lucky enough to win on a long-shot, "exotic" bet at the racetrack. Despite the fact that 85 percent of these patrons sustained net gambling losses in the year in which these winnings were withheld, less than half were able to recoup this obligatory tax payment from the Treasury. There are two major reasons for this windfall to the Federal Government. First, one must give up the standard deduction, and elect to file an itemized tax return, to get back the withheld winnings. And, second, the IRS accounting standards for substantiating offsetting losses are so burdensome as to deter all but the most stalwart taxpayers. In combination, these two barriers prevent the majority of affected individuals from ever recovering the winnings which are lawfully and rightfully theirs.

Nor has this provision been successful in meeting its proponents' goals for raising revenues. The total winnings withheld in 1978 were only $66 million, despite the IRS's initial claims that Federal receipts would improve by more than $100 million per year. More than $50 million out of that $66 million should have been returned to taxpayers under a fair and reasonable system of substantiating offsetting losses.

Another argument underlying this provision's enactment were allegations that some taxpayers were using various means to evade the reporting requirements for large winnings which existed prior to 1977. However, the only IRS study of racetrack and better compliance with those reporting requirements found it to be "satisfactory." In contrast, it is explicitly clear that the net effect of section 3402(q) has been to boost the already high competitive advantage of illegal gambling activities. The success and scale of illegal wagering, abetted by and lucrative for organized crime, is of far greater consequence to the Nation than the occasional attempts of some individuals to avoid Federal taxes on their gambling winnings.

Finally, Mr. President, I feel it important to reemphasize my familiarity with the harmful addictive effects which gambling can impose on certain individuals. In fact, in January of this year, I introduced S. 255, the National Commission on Compulsive Gambling Act, which would initiate the first national study of the effects of compulsive gambling, and the successful methods which have been developed to treat this syndrome.

However, as I stated at that time:

> Gambling appears to have been with us since the beginning of recorded history. And in all probability, it will always be with us.

Given that reality, I believe it is prudent for us to correct our present deviation from what was a consistent national policy of leaving the legalization and regulation of gambling activities to the individual states. Whatever our individual standards, we should learn from our national experience that attempts to control human conduct too closely through prohibitions or confiscatory taxation only create business opportunities for organized crime.

This is what has taken place in the wake of section 3402(q)'s enactment, at great detriment to the individual States. It provides an inducement to the bettors to patronize illegal gambling, and it forces compulsive gamblers into closer proximity to the bookmakers and loansharks who will multiply the destructive effects of their addiction.

Mr. President, I urge my colleagues to support the repeal of this ill-advised tax provision. I ask unanimous consent that relevant background information from the New Jersey Racing Commission, the American Horse Council, and the Final Report of the Commission on the Review of the National Policy Toward Gambling be printed in the RECORD, together with the text of this proposed legislation.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2032

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Wagering Neutrality Act of 1979".

SEC. 1. Subsection (q) of section 3402 of the Internal Revenue Code of 1954 (relating to extension of withholding to certain gambling winnings) is hereby repealed.

SEC. 2. The repeal made by the first section of this Act shall apply to payments of winnings made after the date of the enactment of this Act.

DIVISION OF NEW JERSEY
RACING COMMISSION,
East Windsor, N.J., October 30, 1979.

Senator HARRISON WILLIAMS,
Senate Office Building,
Washington, D.C.

DEAR SENATOR WILLIAMS: The New Jersey Racing Commission has been advised that you are considering introduction of a Bill to repeal the withholding of racetrack winnings. The introduction and ultimate passage of such a Bill would greatly aid the racing industry in New Jersey by providing the betting public with much better payoffs.

We are confident you are aware of the millions of dollars that the present legislation has cost the racing states and the industry. Since other forms of gambling, such as lotteries and casino games, are not subject to similar withholding programs, it is unfair to burden the racing patron under the present legislation.

The New Jersey Racing Commission, therefore, strongly supports your efforts to repeal withholding on racetrack winnings.

Very truly yours,

JOHN J. REILLY,
Executive Director.

WITHHOLDING OF RACETRACK WINNINGS—A POSITION PAPER

On May 18, 1977, the Internal Revenue Service began requiring pari-mutuel operations—race tracks, off-track betting and jai alai frontons—to withhold 20 percent of winnings over $1,000, provided the odds were at least 300–1. The rationale behind this, although unsubstantiated by any concrete evidence, was that bettors who were lucky enough to win large amounts at long odds were failing to report those winnings on their income tax returns, or were using so-called ten percenters to fill out IRS report form 1099 when they won bets of that nature.

The Treasury Department and the Internal Revenue Service, in imposing withholding on the pari-mutuel industry, originally estimated that revenues from this provision would exceed $500-million; but they later reduced those estimates—some two days later, as a matter of fact—to a slightly more realistic $110-million. In calculating these estimates, however, both IRS and the Treasury Department failed to take into consideration a number of factors which render this provision economically impotent (for instance, the revenue estimates of $110-million apparently represented the amount of money which was expected to be withheld and did not take into consideration the fact that losses could be used to offset this figure, possibly reducing the anticipated revenue by as much as 80 percent; the remaining 20 percent does not necessarily represent new revenue, since taxes were also being paid under the old system of reporting; and finally government revenues will be further reduced by defection of bettors to illegal sources which could further reduce the revenues to government). As a consequence of the latter, withholding is also highly dubious in terms of anti-crime value. As a matter of fact, the principle objection most of the pari-mutuel industry has toward the withholding or race track winnings is in the area of its advantages to illegal sources of wagering.

Among the reasons the withholding of race track winnings as required by Section 3402(q) of the Internal Revenue Code is counterproductive are:

(1) Witholding is economically unproductive for the Federal Government and disastrous for the states with pari-mutuel operations.

The 31 states with legalized wagering on horse racing[1] derived a record $714,629,120 in direct pari-mutuel taxes from the industry in 1976. Dog racing[2] accounted for an additional $106,682,228 to bring racing's total direct contribution to state governments in 1976 to $821,311,348.

In 1977, however, following the imposition of withholding on race track winnings during the last 7½ months of the year, combined state revenues from horse and dog racing showed a decline from the previous year for the first time since 1959, when the industry began keeping such figures. In 1978, the first full year of withholding, combined state revenues declined an additional $18,063,173 to $801,138,465.[3] While it may not be entirely causative, most experts in racing attribute a major portion of the $20-million decline in state revenues to the imposition of withholding.

Although that money represents only the tip of the iceberg—it is more than matched by property and payroll taxes, admissions and concession taxes, sales taxes on breeding fees and equipment, et cetera—it represents a highly significant contribution to the states which benefit from racing. A large percentage of these funds, for example, are earmarked for schools, hospitals, roads, programs for the aged and other programs of social significance.

When you take the money out of the hands of the bettors, as you do under the current withholding provision; or when you drive them away from the legal sources into the hands of the illegal bookmakers, as you do under the current withholding provision, there can only be one result:

Less money is bet with the legal sources;

Therefore, less money goes to the state or local government;

Therefore, less money is available for the aforementioned programs, such as schools, hospitals, etc.;

Therefore, the states will have two choices—raise taxes or seek replacement of those funds from the Federal Government.

The American Horse Council measured the effects of withholding on pari-mutuel wagering for the first year, ending May, 1978. The total value of the payoffs subject to withholding was approximately $330-million and the amount withheld was $66-million. However, the effect on the total betting stream vastly exceeds $66-million when one considers that money at the track is recirculated an average 3.5 times. Thus, it is estimated the total negative effect on handle to be approximately $230-million in one year. Obviously, fewer dollars available for rewagering will result in a reduction of taxes that go to the states and dollars that go to the race tracks to pay expenses, payrolls and purses. During the first fiscal year (May 18, 1978–May 18, 1979), direct state government revenue was reduced by $17-million and industry revenue by $26-million.[4]

As far as race tracks are concerned, withholding almost claimed its first victim. Charles Town in West Virginia has been seriously affected. In January, the racing industry, which contributes more to Jefferson County, West Virginia than any other single industry, through employment and economic stimulation, was about to close. Charles Town was a pioneer of exotic wagering and relied on trifectas and big exactas over the years to attract bettors. This kept people coming through the turnstiles. But the track's drawing card nearly spelled its demise. 20 percent tacked on to the state's takeout made the long trip to West Virginia exceedingly unattractive to many bettors who put large sums through the windows, and they stopped going to the races. Charles Town's handle plummeted and it appeared early this year the track would be forced to close. At Charles Town in 1978 approximately $1.5-million was lost to the industry and went to the federal government in the form of withholding. It is somewhat ironic that attendance and daily revenues also fell by 20 percent in the first year of withholding. The track operating loss was approximately $250,000. If the track were to close permanently nearly $5-million in revenue to the state would also be lost. There is a point where taxation of the pari-mutuel dollar ceases to raise revenue and becomes destructive, as Charles Town clearly shows. If the state legislature had not agreed to give up a portion of its share, Charles Town would be out of business today.

(2) Because of the very nature of pari-mutuel wagering, withholding of race track winnings is confiscatory.

Of every dollar bet at every race track or jai alai fronton across the country, an average of 17½ cents is taken out to provide revenue to the state, to pay the performers and to provide for a place to conduct the event.

Thus, only 82.5 percent of any money bet is returned to the bettor and there can be no net tax liability because, for every winner there must be offsetting losers.

Under present regulations a bettor must file a 1099 form for any ticket worth $600 or more on a $2.00 wager and if the bettor wins more than $1,000 at 300 to 1 odds, the net proceeds are withheld at a rate of 20 percent. Although very few bettors are net winners during a given year, losses from the other bets which were made prior to or after the withholding transaction are not taken into consideration, and the vast majority of bettors are therefore entitled to a refund. [Preliminary results of an American Horse Council study of bettors who had payoffs subject to withholding in 1978 have shown that 84.9 percent of the respondents wound up the year in the red on their pari-mutuel activity and, as such, were entitled to recoup the money which had been withheld.]

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[1] Pari-mutuel horse racing is conducted in 30 states, while Connecticut has no horse racing but holds off-track betting on races in New York.

[2] Greyhound racing is conducted in 13 states, 10 of which also have horse racing.

[3] See attached excerpts from the National Association of State Racing Commissioners' 1978 Statistical Summary of Pari-mutuel Racing.

[4] See attached summary of payoffs subject to withholding.

To get a refund on the withheld moneys, however, the taxpayer must itemize deductions and give up the standard deduction. Since most individual taxpayers use the standard deduction, giving up this deduction is a big penalty to pay for the majority of them. In the AHC study, 58.6 percent of the respondents who were entitled to a refund either could not afford to give up the standard deduction, or were unable to substantiate their losses, so the withholding tax amounted to nothing more than a 20-percent excise tax on their winnings.

Even if the taxpayer does itemize, IRS rules make it exceedingly difficult for him to claim losses and get his refund. There are no clear cut guidelines on record keeping, and yet IRS has rigid accounting requirements which must be met before it becomes satisfied that the bettor has proven his losses. In actual practice it is so difficult for the taxpayer that most do not bother to claim their losses, leaving the government with windfall tax revenue.

(3) Withholding increases the advantages illegal bookmakers have over legal operations, and therefore, ultimately accrues to the benefit of organized crime.

The Final Report of the Commission on the Review of the National Policy Toward Gambling states clearly and unequivocally, "The Commission believes that the expansion of the withholding concept as it applies to pari-mutuel wagering will not raise additional revenue to the Government . . . however; the likely impact of the requirement's driving previous legal participants to illegal games is of great concern unless, of course, Congress specifically intended to increase the competitive advantage the illegal games presently maintain over their legal counterpart."[5]

This point has been reemphasized by Congressman Dan Rostenkowski who said in a recent speech that withholding of race track winnings is "aiding illegal wagering activities, while reducing state revenues from horse racing."

Again, from the Final Report of the Gambling Commission, ". . . Existing Federal tax policies make effective competition with illegal bookmakers impossible."[6]

There are certain natural advantages which tend to encourage bettors, especially big bettors, to deal with illegal bookmakers:

(a) Illegal sources accept telephone bets, whereas the vast majority of legal sources are prevented by law from doing so;

(b) Illegal sources provide credit for their customers whereas all pari-mutuel systems are prohibited by law from doing so;

(c) Illegal sources do not report large winnings to the Federal and/or State governments, which legal sources are required to do.

By requiring 20 percent withholding on certain pari-mutuel winnings at legal sources, the Federal Government has created the single greatest incentive yet to bet with illegal bookmakers. Convenience and credit are adequate incentives, yes, but taking a bettor's money away is the surest form of emphasizing the advantages of the illegal gambler.

In order to put a few derelicts out of business, therefore, the Federal Government has embarked on a policy of great benefit to illegal bookmakers and, through them, to organized crime.

(4) Withholding, as structured under Section 3402(g) discriminates against the most prominent, most productive forms of wagering.

While withholding is required on race track winnings if the net proceeds are $1,000 and the odds are 300-1, winnings from state lotteries are subject to withholding only on amounts in excess of $5,000, and casino games are not subject to withholding at all.

The Gambling Commission Report states:

"Additionally, the exclusion of games such as keno, bingo, slot machines and all casino gambling from any withholding requirement is, at best, arbitrary. At worst, it appears Congress has once again formulated a clearly discriminatory practice against selected gambling industries based on what is apparently a very inexact estimate of anticipated revenue."

Summary: The witholding of certain race track winnings has proven counterproductive for numerous reasons, chief among them:

(1) Withholding is economically counterproductive and is a major cause of a $20-million decline in direct pari-mutuel revenue to the racing states during the past two years.

(2) The nature of pari-mutuel wagering and IRS rules for substantiation of losses have combined to produce what is, in effect, a 20% excise tax on race track payoffs for nearly 60% of the bettors who are entitled to a refund of the money that was withheld from them.

(3) Withholding has minimal effect on so-called "ten percenters" and may, in fact, drive legitimate bettors into the hands of illegal bookmakers.

(4) Withholding, as currently imposed, discriminates against the most productive forms of wagering in terms of state revenue, which are in the neighborhood of $800-million a year.

Therefore, we strongly urge you to support the repeal of Section 3402(q) of the Internal Revenue Code.

Total greyhound and horseracing revenue to states (1959–78)

1978	$801,138,465
1977	819,201,638
1976	821,311,348
1975	766,730,183
1974	650,684,516
1973	605,945,628
1972	569,753,462
1971	567,777,744
1970	539,742,764
1969	508,545,672
1968	468,077,649
1967	432,076,514
1966	424,252,115
1965	402,705,421
1964	379,914,405
1963	443,228,047
1962	313,438,030
1961	287,920,639
1960	280,090,399
1959	262,810,999

TOTAL REVENUE TO GOVERNMENT

State	Total revenue to government: Total	Thoroughbred	Harness	Quarter horse	Mixed	Percent increase or decrease: Total	Thoroughbred	Harness	Quarter horse	Mixed
Arizona	$2,893,669	✓	----	✓	$2,893,669	+10	✓	----	✓	+10
Arkansas	7,914,436	$7,914,436	----	----	----	+17	+17	----	----	----
California	115,697,431	85,513,930	$11,530,526	$10,848,624	7,804,351	+3	+4	−10	+11	+5
Colorado	2,061,483	1,633,250	----	428,233	----	+8	+6	----	+14	----
Connecticut-OTB	8,657,244	✓	✓	----	8,657,244	—	----	----	----	—
Delaware	4,997,774	678,197	4,319,577	----	----	−14	+23	−18	----	----
Florida[1]	18,305,863	15,770,281	1,827,848	99,816	----	−21	−19	−30	−68	----
Idaho	445,030	✓	----	✓	445,030	+21	✓	----	✓	+21
Illinois	73,899,698	37,012,497	36,887,201	----	----	−2	−4	+9	----	----
Kentucky	14,960,379	11,484,588	3,295,489	180,302	----	+12	+14	+9	−39	----
Louisiana	12,843,913	✓	----	✓	12,843,913	−6	✓	----	✓	
Maine	860,391	----	860,391	----	----	−.16	----	−.16	----	----
Maryland	22,277,706	16,701,781	5,575,925	----	----	+15	+11	+29	----	----
Massachusetts	14,696,133	11,728,319	2,967,814	----	----	−22	−21	−25	----	----
Michigan	27,089,556	14,072,825	12,949,856	66,875	----	+4	+40	+4	+16	----
Montana	130,674	✓	----	✓	130,674	+16	✓	----	✓	+16
Nebraska	7,487,765	✓	----	✓	7,487,765	+9	✓	----	✓	+9
Nevada	8,700(E)	✓	----	✓	8,700	—	----	----	----	—
New Hampshire	7,197,353	4,912,572	2,284,781	----	----	−3	−.37	−8	----	----
New Jersey	21,071,979	12,707,522	8,364,457	----	----	−40	−46	−27	----	----
New Mexico	2,924,393	✓	----	✓	2,924,393	+12	✓	----	✓	+12
New York	102,664,964	53,879,084	48,676,596	109,284	----	−7	−7	−5	−90	----
New York-OTB	130,645,453	88,838,909	41,806,544	----	----	+.09	+9	−13	----	----
Ohio	21,344,761	12,400,889	8,867,637	76,235	----	+13	+.21	+36	+428	----
Oregon	2,258,830	✓	----	✓	2,258,830	−20	✓	----	✓	−20
Pennsylvania[2]	32,063,697	18,861,987	13,201,710	----	----	+6	+10	+1	----	----
Rhode Island	813,193	813,193	----	----	----	−1	−1	----	----	----
South Dakota	202,257	✓	----	✓	202,257	+10	✓	----	✓	+10
Vermont	14,301	----	14,301	----	----	—	----	—	----	—
Washington	6,627,080	✓	----	✓	6,627,080	+10	✓	----	✓	+10
West Virginia	10,000,340	10,000,340	----	----	----	−10	−10	----	----	----
Wyoming	7,385	----	----	7,385	----	+9	----	----	+9	----
Total[1]	673,063,831	404,924,600	203,430,653	11,816,754	52,283,906	−4	−6	−4	−11	+22

[1] Total revenue includes additional miscellaneous revenue of $607,918 from all horse tracks, greyhound tracks and jai-alai frontons.

[2] Figure for harness includes $4,710,387 to Philadelphia School District.

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[5] See attached excerpts from "Gambling in America. The Final Report of the Commission on the Review of the National Policy Toward Gambling", created by Congress in the Organized Crime Control Act of 1970 (P.L. 91–452).

[6] Ibid.

GREYHOUND RACING IN THE U.S. 1978

State	Racing days	Number of races	Attendance	Daily average attendance	Parimutuel turnover	Daily average turnover
Arizona	492	7,028	1,176,192	2,391	$97,678,139	$198,533
Arkansas [1]	112	1,634	1,056,755	9,435	106,046,767	946,846
Colorado	355	5,122	1,245,388	3,508	121,804,108	343,110
Connecticut	276	5,413	1,034,783	3,749	98,489,050	356,844
Florida [1]	1,805	29,952	8,938,093	4,952	714,869,809	396,050
Massachusetts	510	6,120	1,976,571	3,876	176,267,475	345,623
New Hampshire	560	8,631	1,306,364	2,333	112,677,541	201,210
Oregon	85	935	570,957	6,717	46,355,486	545,359
Rhode Island	145	2,532	502,600	3,466	49,103,296	338,643
South Dakota	269	3,105	463,108	1,722	32,378,574	120,366
Vermont	102	1,314	203,336	1,993	14,610,422	143,239
West Virginia	300	4,450	623,533	2,078	62,782,040	209,273
Mobile County, Ala	240	3,960	670,529	2,794	64,201,272	280,018
Green County, Ala	250	3,300	503,838	2,015	48,902,680	195,611
Total	5,501	83,496	20,272,047	3,685	1,746,169,659	317,428

[1] Figures do not include charity or scholarship days.

REVENUE TO GOVERNMENT AND STAKES AND PURSE DISTRIBUTION (STATE, COUNTIES, CITIES, SCHOOL DISTRICTS, ETC.)

State	Total revenue	Percent increase decrease	Track licenses	Occupational licenses	Parimutuel taxes	Beakage	Admission taxes	Miscellaneous	Total money distributed
Arizona	$5,493,558	+9		$7,272	$5,475,080			$11,206	$2,764,505
Arkansas	6,867,599	+4	$33,600	7,913	6,362,806	$410,241	$52,739	300	2,159,350
Colorado	6,519,816	+8		5,366	6,513,960			490	2,929,832
Connecticut	8,534,718	−17		8,066	7,879,124	201,139	135,146	311,243	2,743,959
Florida	56,468,122	+9		60,558	52,235,278	2,438,711	956,869	776,706	
Massachusetts	15,187,885	+8	96,300	3,640	14,462,206	449,367		176,372	4,574,308
New Hampshire	8,619,006	−6	178,793	7,925	7,960,783	257,460		214,045	3,168,706
Oregon	2,812,872	−1	18,750	4,388	2,711,226			78,508	1,009,350
Rhode Island	3,100,269	+105		1,490	2,946,258	100,203	51,693	625	
South Dakota	2,497,406	+5	6,500	6,939	2,403,205	79,302		1,460	916,582
Vermont	944,727	−42	380	3,856	852,530	24,397		63,564	441,285
West Virginia	3,619,883	+87	45,000	9,927	3,488,741			76,215	1,796,078
Mobile County, Ala	5,359,983	+5	200	5,220	5,136,342	119,219	65,824	33,178	1,738,732
Greene County, Ala	2,048,790	+294	1,000	6,725	1,966,344		75,471	150	1,333,304
Total	128,074,634	+8	380,523	139,285	120,393,883	4,080,039	1,336,842	1,744,062	25,305,991

PAYOFFS SUBJECT TO WITHHOLDING

(MAY 18, 1977 TO MAY 18, 1978)

	Number of forms	Total value of payoffs	Amount withheld
Thoroughbred	73,115	$134,284,979	$26,856,996
Harness	39,013	79,701,009	15,940,202
Quarter horse	2,720	6,042,202	1,208,440
Jai-alai	7,687	15,559,526	3,111,905
Greyhound	39,911	49,698,429	9,939,686
OTB	24,430	44,270,920	8,854,184
Total	186,876	329,557,065	65,911,413

Number of forms	186,876
Minutes to process	×5
	934,380
	÷60
Man-hours to process	15,573
Amount withheld	$65,911,413
	×3.49
Reduction in total handle	$230,030,831
	×0.0722
Reduction in Government revenue	$16,608,226
Reduction in track revenue (0.0615)	$14,146,869
Reduction in horsemen's revenue (0.0518)	$11,915,597
	$26,062,466
Total loss	$42,670,692

GAMBLING IN AMERICA

(The Final Report of the Commission on the Review of the National Policy Toward Gambling.)

An issue related to taxation of winnings is the withholding of income in anticipation of potential taxes. Such measures are contained in 26 U.S.C. 1441(a), requiring the withholding of 30 percent of all income earned by nonresident aliens, including gambling winnings. That the IRS favored expansion of this concept to other categories of gambling winnings, applicable to U.S. citizens, is evidenced by its support of the withholding provisions of the Tax Reform Act of 1976.

This new act—H.R. 10612—provides for withholding of 20 percent of all "proceeds of more than $1,000 from a wagering transaction, if the amount of such proceeds is at least 300 times the amount wagered." The bill raises the withholding limit to $5,000 or more won in a State lottery, removes the 300-to-1 odds requirement from "sweepstakes, wagering pools, and other lotteries," and excludes bingo, keno, and slot machines from its provisions. Casino games, by omission, are exempt as well.

Congressional interest in this withholding measure is understandable, since, in testimony before the Senate Finance Committee, officials of IRS estimated initially that such a measure would generate $500 million in revenue to the Government; the following day that figure was reduced to $160 million. There is no evidence to support either estimate.

The Commission believes that the expansion of the withholding concept as it applies to parimutuel wagering will not raise additional revenues to the Government. The requirement that information returns be filed applies only to parimutuel wagers for which the odds against winning exceeded 300 to 1. The new withholding provision makes no such distinction and appears to require withholding of 20 percent of all winning parimutuel wagers of $1,000 or more. The administrative burden to the operator of the legal industry to collect these funds is only one immediate concern, however; the likely impact of the requirement driving previous legal participants to illegal games is of greater concern, unless, of course, one is prepared to suggest that Congress specifically intended to increase the competitive advantage the illegal games presently maintain over their legal counterpart. Indeed, no factual basis has been provided to establish the validity of the estimate from IRS that $110 million will be realized by withholding 20 percent of all winning wagers exceeding $1,000 from parimutuel betting. Without such a factual justification, it would only temporarily be in the Government's possession, since losses in any given year will undoubtedly exceed winnings, entitling the return of these proceeds to a taxpayer.

The application of the withholding provision to State lottery prizes over $5,000 is even more questionable. A study conducted by IRS clearly established that all State lotteries properly filed information returns reporting winners of over $600 and that 85 percent of winners voluntarily reported and paid their taxes on such winnings. If these data from IRS are accepted, it is hard to envision any need for additional measures of collection, and it engenders skepticism about the claim of $500 million in additional revenues that are supposed to accrue from such a measure.

The Commission has reviewed this legislation and its likely impact on both legal gambling industries and individual participants in games of chance. It has examined the possibility that substantial administrative burdens might be imposed upon legal gambling businesses, and that illegal forms of gambling might become more attractive to the players, thereby reducing revenues to the States and increasing illegal gambling. It has questioned whether there is a real correlation between winnings on a given day and the overall tax liability of the participant, since gambling losses are deductible from winnings over the course of a year and most players lose on balance. It has sought to determine the amount of revenues that would ultimately be raised by such a measure, and whether such revenues would warrant the administrative expenses and social and economic consequences involved. Using these criteria, the Commission seriously questions whether the new withholding measure would serve to further any identifiable national interest; indeed, it would appear that such withholding interferes with the policies of numerous State governments.

Additionally, the exclusion of games such as keno, bingo, slot machines, and all casino gambling from any withholding requirement is, at best, arbitrary. At worst, it appears that Congress has once again formulated a clearly discriminatory practice against selected gambling industries based on what is apparently a very inexact estimate of the anticipated revenue. In an even more bizarre occurrence, Congress was inadvertently required withholding on any parimutuel winnings in excess of $1,000. The Commission can only hope that Congress will correct this mistake in its next session. Clearly, if the existing policy of taxing gambling winnings from a legal State entity is questionable, then the extension of that policy by withholding on other selected legal wagering entities is insupportable.

Consequently, the Commission concludes that the withholding measure will increase the advantage to illegal operators, generate minimal revenues to the Government, and unnecessarily increase the administrative burden to the legal gambling businesses. The Commission recommends that Congress reexamine the probable impact of section 1207 (d) of the Tax Reform Act of 1976. If, upon reexamination, Congress finds the proposed withholding tax to be destructive of existing legal gambling industries, the Commission recommends that these withholding provisions be repealed.●

By Mr. STEVENSON:

S. 2033. A bill to promote industrial adjustment and redevelopment for achievement of national economic and social goals, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

INDUSTRIAL ADJUSTMENT ACT OF 1979

● Mr. STEVENSON. Mr. President, within weeks Congress must decide the future of the Chrysler Corp. and hundreds of thousands of auto workers. Although evidence is mounting before the Senate Banking Committee that the administration's proposed $1.5 billion bailout is unwise, expediency develops support for the Nation's 10th largest corporation, its suppliers, dealers, and the jobs at stake.

The debate over Chrysler has been cast as a choice between bailout or bankruptcy—with no alternative. The administration has presented only an unconfident prognosis that the company can be saved—and a bleak alternative scenario of financial collapse and total shutdown.

The truth, and a basis for responsible congressional action, lies elsewhere. The proposed loan guarantee is not the cost-free illusion the Treasury suggests—even if it could "guarantee" Chrysler's future. Nor is a complete Chrysler shutdown even remotely likely if the company goes bankrupt. The administration's defense of the bailout rests on a slanted case based on incomplete information and inadequate projections and ultimately on the assumption that economic efficiency and social welfare are incompatible. We have heard no debate about the alternative forms of Government involvement—and alternative uses of $1.5 billion—which could promote both.

The legislation I now introduce presents a mechanism for coping with Chrysler—and the other troubled firms which are sure to follow. It recognizes that decisions to shore up uncompetitive firms and declining industrial sectors—even with seemingly innocuous loan guarantees—result in the serious diversion of resources away from productive, dynamic and efficient enterprises, and constitutes a long-term drag on the economy. It recognizes that bailouts which block the adjustment of workers and firms to the demands of the future are an irresponsible exercise of Government authority. It asserts that economic efficiency and social welfare can be combined and maximized if the Federal Government accepts its responsibility. The alternative to bailing out Chrysler is not Government inaction. It should be, instead, a package of guarantees, loans, and direct grants, when necessary, to firms which would profitably maintain or reshape Chrysler's assets and for assistance to workers in need of retraining, relocation, and new employment. The Treasury Department lacks the authorities, tools, and mandate to construct such a package. It approaches the Chrysler request—as it did Lockheed's—on an ad hoc financing basis and not in the context of U.S. industrial strategy.

That industrial strategy does not now exist. And it will not be developed without a change in our habit of responding with billion dollar bailouts when expedient and reserving only lip service—and small change—for efforts to spur research, innovation and capital for the future. Chrysler's claims on a huge amount of Government and private investment capital must be evaluated in light of both competing economic claims and social goals. But with an ad hoc approach to crises and no systematic approach to adjustment, as in other nations, political pressures in the United States dictate recourse to loan guarantees which simply prop up the existing structures, no matter how futile and wasteful and cruel to the human beneficiaries of our professed solicitude.

The bill I introduce presents a simple alternative. It requires no new agencies of Government, nor any authorities beyond those proposed in this bill for Chrysler or already approved by the Senate in other bills. Rather than guarantee $1.5 billion in loans to an ailing company with a highly uncertain future, it uses the $1.5 billion to guarantee loans to firms which could make something out of Chrysler's assets and to other innovative, viable firms. It would not be difficult to find better investments than Chrysler; it would not be difficult to find firms better managed, with better prospects, and likely to create more employment over the long term than Chrysler can hope to maintain, even over the next 2 years.

We already have an agency which could administer such assistance—the Economic Development Administration. No new bureaucracy, no new structures of Government are required by this bill. EDA already has virtually the entire mandate proposed—or would acquire it under legislation already approved by the Banking Committee and the Senate. This legislation simply gives the President authority to waive certain of EDA's limitations in order to respond to Chrysler's impending collapse and other such crises. With this waiver, and the $1.5 billion in guarantee authority, in addition to its regular authority, EDA could offer loan guarantees of Chryslerian magnitude—but to firms with un-Chryslerian prospects of viability and repayment.

The bill gives clear direction that the expanded loan guarantees—and other adjustment measures within EDA's existing authority—are to be used to facilitate industrial adjustment. The emphasis is on promotion of innovative, expanding, employment-generating sectors, not subsidization of uncompetitive industries.

EDA now has a mandate for "adjustment assistance." It has the tools—the authority to provide direct grants to workers, direct loans, loan guarantees and interest subsidies to businesses. It is moving away from its traditional preoccupation with public works projects in depressed areas. We should support and prod this transition. The agency should become a locus within the Federal Government to help businesses adapt to change, not resist it, and in so doing to develop an industrial policy which steers the Nation to the needs of the future, and the challenges of an increasingly competitive world.

The entire Commerce Department should be infused with this mandate, and its constituent parts—which include responsibilities for exports, productivity, and innovation, as well as economic development—should be drawn to the task. As we move into the 1980's, as U.S. industry moves to meet stiff competition from nations which recognize little distinction between government and industry, the need to redefine the relationship between Government and industry in this Nation becomes more pressing.

With the recent trade reorganization plan, with the domestic policy review on industrial innovation, with the expanded EDA business development programs passed by both the Senate and the House recently, we are developing within the Department of Commerce a capacity for informed and coherent industrial policy. This bill is a part of that effort.

The Treasury Department's tunnel vision could undermine the Government's sluggish movement toward adjustment and industrial innovation. To say the least, this bill would avoid the costly mistake of proceeding with, or against, a bailout for Chrysler. It is a constructive alternative to a narrowly conceived and politically inspired measure.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2033

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Industrial Adjustment Act of 1979."

FINDING AND PURPOSES

SEC. 2. (a) FINDING.—The Congress finds and declares that the federal government needs the capacity to respond quickly and flexibly to the needs of workers and businesses threatened by an economic emergency.

(b) PURPOSES.—The purposes of this Act are:

(1) To develop the federal government's capacity for industrial adjustment measures which facilitate the movement of labor and

capital into innovative, expanding and employment-generating sectors of the economy.

(2) To ensure that such industrial adjustment measures are used to promote economic growth, improve living standards, increase real wages, accelerate productivity growth, stimulate productive investments, facilitate creation of new industries to meet future needs and provide long-term employment opportunities, improve public services, enhance the competitiveness of American products in world markets and otherwise contribute to the economic and social well-being of the United States.

PRESIDENTIAL DETERMINATION AND ORDER

Sec. 3. If the President determines there is the threat of an economic emergency with respect to workers or to a business, he may direct the Secretary of Commerce (hereinafter referred to as "the Secretary"), acting through the Economic Development Administration, to carry out industrial adjustment assistance in accordance with the purposes of this Act—

(1) under section 4, in the case of workers;

(2) under section 5, in the case of businesses; or

(3) under both section 4 and section 5, in the case of both workers and businesses.

WORKERS THREATENED BY AN ECONOMIC EMERGENCY

Sec. 4. (a) Assistance for Workers.—Industrial adjustment assistance under this section shall, in accordance with the purposes of this Act, assist workers threatened by an economic emergency.

(b) Grants.—(1) To carry out the assistance under this section, the Secretary shall rely upon his authority under law to make grants directly to any eligible recipient to provide for—

(A) retraining;

(B) relocation of individuals;

(C) rent supplements;

(D) mortgage payment assistance; and

(E) other assistance which demonstrably furthers the economic adjustment objective of this Act.

(2) Subject to subsection (c), the assistance described in paragraph (1) shall be provided in the manner prescribed by law.

(c) Inapplicability of Certain Requirements.—Except as provided in this Act, provision of assistance under this section shall not be subject to any requirement of law relating to:

(1) Qualification of a private profitmaking entity as an eligible recipient.

(2) Redistribution of assistance by an eligible recipient to a private profitmaking entity.

(3) Eligibility based on area.

(4) Submission and approval of a plan.

BUSINESSES THREATENED BY AN ECONOMIC EMERGENCY

Sec. 5. (a) Assistance for Businesses.—The industrial adjustment assistance under this section shall, in accordance with the purposes of this Act, assist businesses threatened by an economic emergency.

(b) Forms of Assistance.—(1) To carry out the assistance under this section, the Secretary shall rely upon his authority under law to provide guaranteed loans, direct loans and interest subsidies.

(2) Subject to subsection (d), the guaranteed loans, direct loans and interest subsidies described in paragraph (1) shall be provided in the manner prescribed by law.

(c) Limitation on Assistance.—The aggregate amount of assistance provided under this section shall not exceed $500,000,000 for any one business, except that the Secretary may waive such requirement if the Congress, by concurrent resolution, approves such waiver.

(d) Inapplicability of Certain Requirements.—Except as provided in this Act, no project assisted under this section shall be subject to any requirement of law relating to:

(1) Eligibility based on area.

(2) Eligibility based on nature of the activity to be carried out.

(3) Project selection criteria.

(4) The amount of assistance—

(A) for any single loan guarantee or direct loan;

(B) which may be outstanding for any single business or for projects involving businesses of a specified size; or

(C) which may be used for a specified purpose.

(5) Concurrence of any non-federal official.

AUTHORIZATION

Sec. 6. (a) Loan Guarantees.—In addition to assistance which the Secretary is authorized by law to provide, the Secretary to carry out section 5 of this Act, may provide loan guarantees in an aggregate principal amount of not to exceed $1,500,000,000 for fiscal year 1980, subject to such limitations as may be contained in an appropriations Act.

(b) Limitation.—The authority to guarantee loans under this Act expires at midnight on September 30, 1980.●

By Mr. DURENBERGER:

S. 2034. A bill to amend title II of the Social Security Act as to modify the criteria respecting certain self-employment income for purposes of the Social Security Retirement Test; to the Committee on Finance.

● Mr. DURENBERGER. Mr. President, today I am introducing legislation to correct one of the unintended results of the Social Security Financing Amendments of 1977. I am referring to the impact of the retirement test on certain self-employed individuals.

The 1977 amendments changed the test of retirement from a monthly to an annual limit. This change has had an adverse and inequitable impact on some who receive income after retirement for work done previous to their retirement. Independent insurance agents and farmers are two examples of affected retirees.

When an independent insurance agent sells a policy, he or she receives a commission as renewal premiums are paid by the policyholder. These payments can extend into the period of retirement, and often are used by the agent as retirement income. However, with the new annual retirement test, such payments are considered to be employment income and are used to offset social security benefits. The commission is held to be employment income even though the agent is no longer involved in the selling or servicing of policies.

Farmers face a similar situation. Often, a farmer retires before his or her last crop has been sold. All the work has been done, the crop has been harvested, but certain expenses, such as loans, which the farmer incurred during the growing season have not been reimbursed. The farmer sells the crop at some point after the harvest is over, and retirement has occurred. The income is, once again, considered to be employment income, and the farmer has a reduction in social security benefits.

The bill I am introducing today would exclude this income in calculating the retirement test.

Mr. President, I ask unanimous consent that an article written by Robert J. Myers, entitled "The New Social Security Retirement Test and How It Affects Life Underwriters," and published in the March 1978 edition of Life Association News, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

THE NEW SOCIAL SECURITY RETIREMENT TEST AND HOW IT AFFECTS LIFE UNDERWRITERS

(By Robert J. Myers)

The Social Security Amendments of 1977, enacted on December 20, made several sweeping changes in the Old Age, Survivors, and Disability Insurance program. In general, these related to the financing of the system, including raising additional revenues in future years by higher tax rates and earnings bases than had previously been scheduled, and decoupling (or rationalizing) the method of computing initial benefits. Perhaps the most significant other change made was in connection with the earnings (or retirement) test.

The revision of the earnings test, as a result of considerable public pressure, was generally touted to be a liberalization. In most respects this was so, but one change of a deliberalizing nature can have a very serious impact on life underwriters.

This article will first describe the general philosophy underlying the earnings test, and will then explain its specific origins and development. Finally, the revised provisions of the earnings test as a result of the 1977 amendments will be explained, with particular regard to the effect they will have on life underwriters.

PHILOSOPHY OF EARNINGS TEST

Most students of Social Security believe that an earnings test is proper and necessary in the OASDI system. It is argued that the benefit protection afforded has the purpose of insuring against the risk of loss of earned income upon the retirement, disability, or death of the insured worker. To put this argument another way, it is viewed that retirement benefits should not be paid to people who are fully employed (just as an employer does not pay both salary and pension to an employee eligible for retirement but still at work). Along the same line of reasoning, should unemployment insurance benefits be paid to individuals who are fully employed? The earnings test applied not only to retired workers, but also to their dependents and to the survivors of deceased insured workers.

Another reason for having an earnings test is that, if it were eliminated, the cost of the program would be increased significantly. In turn, this would mean that employers and younger workers would have to pay higher OASDI taxes. It would hardly seem fair that younger, low-paid workers should pay higher taxes to finance benefits for older, high-paid employees.

In general, both business and labor organizations have always strongly supported the principle of having an earnings test under OASDI. However a sizeable proportion of the populace has always resented this test. Among the reasons for opposition to the test are the beliefs: (1) that benefits "have been bought and paid for as of age 65," (2) that the test is a disincentive to employment, (3) that people need the employment to supplement the small OASDI retirement benefits, and (4) that the test is unfair by relating only to earned income and not to investment income.

In answer to these criticisms, it can be argued that beneficiaries have not, from an actuarial standpoint, contributed enough to pay the full cost of their benefits and that, besides, what they have been "purchasing" have been retirement benefits, not annuities.

It is correct that some disincentive element is involved in the earnings test, but due to its phased-in nature, this is relatively slight.

If it were true that OASDI benefits are so low that additional employment income is needed so as to provide a minimum floor of protection, then the entire benefit level is too low, because the vast majority of aged persons are not capable of full employment. But this is not the case as to the general level of benefits, as is shown by the fact that only about 10 percent of the population aged 65 and over is receiving supplemental public assistance.

If the test related to unearned income as well as earned income, it would change the nature of the program to a public assistance one. The long term result would be the undesirable diminution of savings effort and need for private pension plans on the part of most of the population. This is because they would feel no necessity for such private-sector arrangements if the results were merely to be subtracted from their governmental public assistance payments.

HISTORICAL DEVELOPMENT OF EARNINGS TEST

The original 1935 Social Security Act provided for a retirement test, although in rather indefinite terms. The 1939 Amendments made this more specific by withholding benefits for any month in which covered wages were $15 or more.

When self-employed persons were first covered under OASDI in 1951, an annual test was introduced in addition to the monthly test. This was done in recognition of the fact that it is difficult (or even impossible) in many cases to measure the monthly income of self-employed persons, whereas the annual income, of course, is readily available from income tax returns. At the same time, it was recognized that some monthly test should be applicable to self-employed persons when they were actually fully or substantially retired.

Over the years, as the general wage level rose, both the monthly and annual earnings tests were liberalized as to exempt amounts, and were modified so as to phase in better the transition between full employment and full retirement.

In 1977, the annual exempt amount of earnings was $3,000, and then for every $2 of earnings above this, there was a loss of $1 of benefits. The monthly earnings test, however, provided that if more favorable results were produced than under the annual test, no benefits would be lost for any month in which the individual neither had more than $250 of wages or "engaged" in self-employment (i.e., rendered substantial services). The latter element has often caused difficulties because of its impression. Administrative rulings have established the criterion that, for most people, less than 45 hours of work per month satisfies the test, but for very highly paid individuals the dividing line is 15 hours. The administrative determination of hours worked is obviously difficult.

In 1977, an important exception to the earnings test was that it would not apply to persons aged 72. Quite obviously this feature is in complete contradiction to the arguments given previously for the presence of the retirement test. This age exception arose from political pressures. When the self-employed were first covered in 1951, it was argued that they would never retire and thus would never receive benefits. Accordingly, an age-75 limit was established then. When the 1954 Amendments brought farmers into coverage, the same argument was again advanced, and the limiting age was accordingly lowered to 72.

CHANGES UNDER 1977 AMENDMENTS

The 1977 Amendments significantly liberalized the annual earnings test and also lowered the limiting age from 72 to 70, to be effective in 1982. With regard to the latter, the House version of the legislation had eliminated the retirement test after age 65, but this was not adopted in the Conference Committee between the House and the Senate. In addition, a significant deliberalization was made by eliminating the monthly earnings test for all years after the initial year of retirement.

The annual earnings test as applicable to persons aged 65 and over (beginning with the year of attainment of that age) was liberalized by increasing the exempt amount beyond what the automatic adjustment provisions would likely provide. The 1978 amount is $4,000 (as against the $3,240 applicable to persons under age 65, and as was to have been applicable for persons aged 65 and over under previous law). The annual exempt amount for persons aged 65 and over is increased on an ad hoc basis by $500 each year after 1978, until it reaches $6,000 in 1982. Thereafter, it will be increased in accordance with changes in the general level of wages, just as will be done for all areas after 1978 for the annual exempt amount of $3,240 for persons under age 65.

The monthly test will, beginning in 1978, be applicable only in the initial year of benefit receipt. Such year is defined as the first year in which the person is both entitled to benefits (by virtue of meeting the eligibility conditions and filing a claim) and has a month in which he both has wages equal to or less than 1/12 of the annual exempt amount and does engage in substantial services in self employment (as defined previously).

Now let us turn to the question of why the monthly test was eliminated (except for the first year of retirement). This was recommended by the 1975 Advisory Counsel on Social Security and by both the Ford and Carter Administrations. The principal reason was that some individuals had apparently received undue windfalls from the monthly test, such as very high-paid persons who worked for only a few months and thus received benefits for all of the other months of the year, even though having had a large annual income. Included in this category were movie stars and university professors. The monthly test was retained for the first year of retirement in order that persons who retire during the year, after having had substantial earnings in the previous months, will be able to receive benefits for the remainder of the year.

Nonetheless, although the elimination of the monthly test may have solved certain apparent problems, this action has also created some new ones. These will be discussed in the following section.

IMPACT OF EARNINGS TEST ON LIFE UNDERWRITERS

Before the 1977 Amendments, the earnings test had certain unique effects on life underwriters. These tended to develop according to whether the individual had been an employee or had been self-employed.

First, dealing with the life underwriter who was an employee, the Social Security taxes are payable on the basis of when commissions are actually received, whether or not this occurs after retirement. Such covered wages may be used to increase future benefits, although this will not necessarily occur in every case.

The earnings test, however, is based on when wages are earned, rather than when they are received. Accordingly, the employee life underwriter who is fully retired and not selling policies will not have his continuing renewal commissions affect the earnings test.

Any occasional policies that he may sell after his formal retirement will result in the entire commissions (both initial and potential renewals) count as earnings in the year of sale. As a result, if the total exceeds the annual exempt amount, benefits may be reduced or even completely withheld. (If it later turns out that not all of the potential renewal commissions have been paid, because of lapse of the policy, a recomputation of the effect of the earnings test on benefits payable is made.) Under these circumstances of selling only an occasional policy after formal retirement, under the basis of previous law, the monthly test would have always permitted the payment of a number of months of benefits.

Next, considering the self-employed life underwriter, once again the Social Security taxes are payable whenever the commissions are actually received, whether or not this occurs after retirement. However, for this category, the earnings test is also based on when the commissions are received. Accordingly, when there are substantial renewal commissions payable after retirement has completely occurred, the annual test might prevent payment of any benefits for the year (at least until the age at which the test no longer applies). But under previous law, the monthly test would have permitted benefit payments for all months of the year when no substantial services were involved.

Under the new law, after the initial year of retirement, it may well be possible that a completely retired, formerly self-employed life underwriter will not receive any benefits if he has substantial renewal commissions, until he reaches age 72 (or, after 1981, age 70). This is so because the renewal commissions count as self-employment income earned in the year of payment.

In the same way, too, such an individual who sells only a few policies (but with substantial commissions) in the years after he formally retires will likely not receive any Social Security benefits under the new law until he reaches the limiting age, whereas under previous law he could have received benefits for any months that he did not engage in substantial self-employment activity.

The same unfavorable result from the elimination of the monthly earnings test will occur for other categories of self-employed persons. For example, the owner of a small unincorporated business who actually completely retires from its operation, but continues to receive its profits will, if these are of moderate size (generally in the neighborhood of $15,000 to $20,000 per year), receive no Social Security benefits until he reaches the age after which the test no longer applies. Under previous law, he received full benefits each month as a result of the provisions of the monthly test.

Certainly, the foregoing results will seem very unfair to those formerly self-employed persons who have completely retired and yet receive substantial self-employment income from their previous efforts. Somewhat less unfairness may be said to be present in those cases where the self-employed individual does have substantial earnings from work in a few months and, as a result, can no longer receive benefits for the months of the year in which he is completely retired (as he formerly could).

What remedies are there to this situation, besides changing the law back to the former basis? The owner of an unincorporated business can solve this problem by merely incorporating it and receiving the profits in the form of dividends. Apparently, the only remedy for the formerly self-employed life underwriter would be to have his future renewal commissions commuted into a lump-sum payment (if this is possible), although this might, on the other hand, have unfavorable income tax effects.

In any event, it does seem that many retired persons who were formerly self-employed, including especially life underwriters, may be in for a rude shock in 1978 as a result of the action of the recent amendments in eliminating the monthly earnings test after the initial year of retirement. It is important to note that during the legislative action on the 1977 Amendments, the National Association of Life Underwriters made strenuous efforts to prevent the repeal of the monthly test, but unfortunately was not successful.●

By Mr. NELSON (for himself, Mr. RIEGLE, Mr. LEVIN, Mr. EXON, Mr. WARNER, and Mr. LUGAR):

S. 2035. A bill to amend the Motor Vehicle Information and Cost Savings Act to modify fuel economy standards; to the Committee on Commerce, Science, and Transportation.

Mr. NELSON. Mr. President, today I am introducing a bill to amend section 503(b) of the Motor Vehicle Information and Cost Savings Act. Section 503(b)(1) of the act provides that the EPA Administrator shall separate a manufacturer's total number of passenger automobiles into two categories:

First, passenger automobiles which are domestically manufactured; and

Second, passenger automobiles which are not domestically manufactured.

Each category must comply with fuel economy standards. In effect, they are treated as if manufactured by a separate manufacturer.

Under existing methods for computing fuel economy, an automobile manufacturer may include nondomestic passenger cars in its domestic fleet if 75 percent of the content of the car is domestically derived. If 75 percent of the manufacturer's component cost of the vehicle originates in the United States, then that vehicle is considered to be domestic, by definition. This amendment, introduced today, would permit an auto manufacturer who produced less than 300,000 passenger cars in 1978, to include in its domestic fleet beginning in 1980, up to 150,000 nondomestic cars which do not meet the 75 percent domestic content requirement.

The Renault which AMC will begin producing in 1983 will have a 50 percent domestic content level that first year, 60 percent in 1984, and 75 percent in 1985. Clearly, the AMC-produced Renault will comply with the spirit of the existing law in 1983 and increasingly thereafter until it meets the legal requirement of 75 percent set by Congress. However, the 75 percent figure might have been established by Congress at 50 percent at the outset, in which case the AMC-produced Renault could have complied with the law initially. Consequently, this legislation attempts to modify a difference of degree, not a difference of kind. This amendment adjusts an existing law for purposes of computation; it does not create an exception where there was none before.

The amendment does not alter the act's fuel economy standards, nor is it a means for a manufacturer to seek a waiver of those standards. In fact, the Department of Transportation in reviewing this bill concluded that the quantitative impact of this bill upon the national fuel economy objective is insignificant. Similarly, the fuel economy of the AMC vehicles is completely unchanged by this amendment since the bill deals only with fuel economy computation.

This bill is in no way connected to a compromise of air quality standards. No reduction in air quality will occur as a result of this bill inasmuch as the amendment does not include an emission control component. All current air quality standards will continue to apply in full force.

Moreover, any inclusion of nondomestic passenger automobiles would not be automatic under this amendment. For each year in which the manufacturer wishes to have a number of nondomestic passenger automobiles included in its fuel economy calculations, it must apply to the Secretary of the Department of Transportation for a twofold determination. First, the Secretary must determine that the ability of the manufacturer to meet the average fuel economy standard for the model year for which the application is made, is primarily dependent upon reasonably selected technology developed by and obtained from other manufacturers. Second, the Secretary must determine that a reasonable and economically practicable technology is not within the ability of the manufacturer to develop. If the Secretary makes these determinations, the Environmental Protection Agency Administrator would then be directed to include up to 150,000 nondomestic passenger cars in such manufacturer's average fuel economy.

Mr. President, this bill is critical for the continued vitality of an important component in the highly competitive automobile industry, namely, American Motors Corp. American Motors is committed to playing a crucial role in U.S. automobile manufacturing. The corporation has devoted substantial capital and labor to complying with federally mandated fuel economy standards. In addition, over the past 2 years, AMC has developed a corporate strategy which limited its participation to selected vehicle markets with a range of products geared to satisfy the requirements of the 1980's. Elements of this strategy include the following:

First. The American Motors' product line has been structured to be competative in market segments where it has strength. AMC has introduced new product lines in the smaller fuel-efficient end of the market, and has dropped its largest, least fuel-efficient lines. As a result, American Motors now competes in approximately 50 percent of the total market, that is, compact and smaller sizes, including nondomestic passenger automobiles.

Second. American Motors has reviewed internal operations to effect cost savings, to take advantage of profit opportunities, and to assure appropriate deployment of available corporate resources.

Third. American Motors has expanded Jeep production and marketing programs especially for increasing exports to foreign markets.

Fourth. American Motors has entered into agreements with Renault of France to provide for mutual distribution of each company's products in various parts of the world. More significantly, this agreement will lead to the American Motors' manufacture of an entirely new family of high technology, fuel-efficient, front-wheel-drive cars beginning in 1982 at its Kenosha, Wis. facilities. In addition, Renault will provide $150 million in financing to American Motors through a combination of equity, convertible subordinated debentures. Renault will also make available up to $50 million in supplier credits or other arrangements for working capital requirements. The Washington Post stated in an editorial dated October 16, 1979, that this agreement and the American Motors' developing relationship with Renault:

> * * * certainly serves AMC's interest to obtain stronger financial backing and worldwide distribution of its products. It serves Renault's interest in moving toward the larger scale of operation that it considers essential to its own survival. But above all, it serves the broad interest of the American public in maintaining a sharply competitive automobile market.

Due to its limited resources, American Motors can not assume the role of a technological innovator in the capital intensive automobile industry. For this reason, American Motors' engineering efforts must be restricted primarily to technology application. This process of application requires "lead time" before available technology can be applied to American Motors' automobiles in order to increase fuel efficiency. By applying technology gained from others and by following its corporate strategy, American Motors will continue to be able to meet the Federal fuel efficiency standards through model year 1981. However, its ability to meet the standards beyond the 1981 model year depends upon permission to include in the fuel economy calculations those Renault vehicles manufactured in part and assembled by American Motors in the United States.

Mr. President, I believe that enactment of this legislation will benefit not only American Motors, but also the American people as a nation. By permitting American Motors to remain a viable automobile manufacturer, the amendment will foster continued competition in the auto industry. Moreover, by allowing AMC to gain from its agreements with Renault, the public will also benefit from the fuel efficient vehicles which will now be produced in the United States. Enactment of this legislation will also protect the jobs of current American Motors' employees, as well as expand future job opportunities within American Motors. American Motors now employs 29,000 persons, principally in Michigan, Wisconsin, Ohio, Indiana, and Ontario. The corporation has 2,200 dealers who employ an additional 46,000 persons as well. This bill will preserve jobs, insure the infusion of foreign capital from Renault, improve the balance of payments, and work to reduce our dependence on imported oil. This bill represents a combination of benefits for which the American people will not have to pay a penny. There will be no financial costs and no Federal revenue tax losses. There will be no environmental compromises and no significant modification of fuel economy. In short, this is a bill which everyone can support.

I ask unanimous consent that the text of this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2035

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 503(b)(1)(A) of the Motor Vehicle Information and Cost Savings Act is amended to read as follows:

"(A) Passenger automobiles which are domestically manufactured by such manufacturer (plus, in the case of model year 1978 and model year 1979, passenger automobiles which are within the includable base import volume of such manufacturer, and in the case of model year 1980 and before model year 1987, for any manufacturer whose production, by corporate identity, for calendar year 1978, was less than 300,000 passenger automobiles worldwide, a number of imports which shall be the lesser of such manufacturer's total number of imports for the applicable model year, or 150,000, if upon application of such manufacturer to the Secretary, containing such information as the Secretary may require by rule, the manufacturer demonstrates and the Secretary finds that—

"(i) the ability of such manufacturer to meet the average fuel economy standard for the model year for which the application is made, is primarily dependent upon reasonably selected technology (as defined in section 502(d)(3)(A), but for purposes of this subsection only, also made applicable to model years subsequent to the 1980 model year), including vehicle design, developed by, and obtained from, other manufacturers; and

"(ii) a reasonable and economically practicable technology is not within the ability of such manufacturer to develop.".

(b) Section 503(b)(1)(B) of such Act is amended by striking "manufacturer.)" and substituting "manufacturer and which, in the case of model year 1980 and before model year 1987, are not included under section 503(b)(1)(A)).".

(c) Section 503(b)(2)(F) of such Act is amended by striking "or 1979," and substituting "and subsequent model years.".

By Mr. BOSCHWITZ:

S. 2036. A bill to adjust target prices and loan and purchase levels for the 1979 and 1980 crops of wheat and feed grains; to extend the disaster payment program for the 1980 and 1981 crops of wheat, feed grains, upland cotton, and rice; and to authorize the Secretary of Agriculture to require that producers of wheat, feed grains, upland cotton, and rice not exceed the normal crop acreage for the 1981 crops; to the Committee on Agriculture, Nutrition, and Forestry.

AGRICULTURAL ADJUSTMENT ACT OF 1979

● Mr. BOSCHWITZ. Mr. President, today I introduce a piece of legislation which will serve to strengthen the farmer's income and thus offer stability within the agricultural sector. An initial glance at current market prices for wheat and corn would indicate that U.S. grain farmers are experiencing a good year. Upon examination of the production estimates, I too would assume that the U.S. farmers are having a banner year. The latest 1979 USDA supply estimates state that corn production will be close to 7.1 billion bushels while wheat production will be close to 2.2 billion bushels. Even with these record high production levels, corn prices are expected to average $2.50 per bushel and wheat $3.90 per bushel this year.

However, upon closer examination of the 1979 agricultural picture, while farm prices are expected to be up 15–20 percent, net farm income is expected to fall 20 percent—from the 1979 level of $31 billion to the projected 1980 level of $25 billion. Why is net farm income expected to decrease in a year when all signs indicate that net farm income should be increasing? The answer lies in the tremendous increase in production expenses which our Nation's farmers are experiencing. The latest USDA cost of production estimates show that costs are expected to rise 12 percent from 1979 to 1980. The largest increase in production expenses from 1979 to 1980 will be in the following categories:

	Percent
Fuel	34
Fertilizer	18
Interest	15
Depreciation	11
Machinery	10

For this reason, I am introducing a bill today which I feel will make the appropriate changes in our current farm program to compensate for the tremendous increases in production expenses.

The bill addresses four major areas. First, target prices for wheat would be set at $3.63 in 1979 and $3.88 in 1980 while target prices for corn would be $2.35 in 1979 and $2.51 in 1980. The increase in the target price in 1979 and in 1980 for both wheat and corn represent a 7-percent increase. This falls well within the President's wage and price guidelines and offers a necessary adjustment to the target price, given that production expenses are rising at a rate of 12 percent per year. However, the 7-percent increase in the target price in both 1979 and 1980 will, in all likelihood, not cause the Federal Government to make deficiency payments to our Nation's farmers. In fact, the 1979 and 1980 national average market price for both wheat and corn are expected to be well above these target price levels. The 7-percent increase in target prices offers the farmers more protection in the event they should experience a natural disaster, according to the formula established under the 1977 Food and Agriculture Act.

The second area addressed by this bill is the loan rates for wheat and corn in 1979 and 1980. At the present time the loan rates for wheat and corn are $2.35 and $2 per bushel, respectively. Under this legislation, the loan rates for both wheat and corn will be raised by 7 percent in 1979 and 1980, to the levels of $2.51 for wheat and $2.15 for corn. The purpose for raising the loan rate is, first, to allow the farmer to take out a Commodity Credit Corporation loan at a value which reflects the actual market price of the grain and, second, to raise the release and the call levels for the farmer-held reserve.

The third area addressed by this bill encompasses a provision previously adopted by the Senate in S. 1125, the Federal crop insurance bill. The disaster payment program was initiated in 1974 and has proven to be a very effective form of risk protection for our Nation's farmers, particularly those who are farming in areas which are highly susceptible to flood or drought.

The authorization for the disaster payment program ends December 31, 1979. Under the Federal crop insurance bill of 1979 (S. 1125), which the Senate passed earlier this fall, the disaster payment program was extended for another 2 years. However, the House has failed to act on their version of the Federal Crop Insurance Act and it does not appear that any House action will take place until early next year. For this reason, I have included as part of my bill a 2-year extension of the disaster payment program. The language included in this bill is the same language which was included in S. 1125.

The final provision of this bill deals with the farm program when the set-aside program is not in effect. Under the 1977 Food and Agriculture Act, a farmer becomes automatically eligible for disaster and deficiency payments, plus grain reserve loans when there is no set-aside in effect.

A typical example of this situation is the recently announced 1980 wheat program. The U.S. Department of Agriculture felt that with feed, food, and expert demand expected to remain strong in 1980, no set-aside program would be required. The problem with this is that many of our Nation's wheat farmers will plant fence-row to fence-row in the coming year. Marginal lands, which have lower yields and which experience a higher rate of soil and wind erosion, will be brought into production.

In order to protect our Nation's farmland from wind and soil erosion and mineral depletion, this bill would require that farmers plant within their normal crop acreage, as determined by the USDA, when no set-aside is in effect.

In summary, this bill would:

First. Establish a 7-percent increase in target prices for wheat and corn for 1979 and 1980;

Second. Establish a 7-percent increase in loan rates for wheat and corn in 1979 and 1980;

Third. Extend the disaster payment program through 1981; and

Fourth. Amend the current farm program so that beginning in 1981, if no set-aside program is in effect, a farmer must plant within his normal crop acreage in order to be eligible for program benefits.

Mr. President, it is my hope that the Senate will act expediently on this legislation so that our farmers will be assured of adequate income protection in 1980.●

ADDITIONAL COSPONSORS

S. 219

At the request of Mr. Moynihan, the Senator from Alabama (Mr. Stewart) were added as cosponsors of S. 219, a bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions.

S. 1163

At the request of Mr. DOLE, the Senator from Iowa (Mr. CULVER) was added as a cosponsor of S. 1163, a bill to repeal carryover basis provisions of the Tax Act of 1976.

S. 1694

At the request of Mr. DOLE, the Senator from New York (Mr. JAVITS) was added as a cosponsor of S. 1694, a bill to allow for deduction for the removal of barriers to the handicapped.

S. 2028

At the request of Mr. MELCHER, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 2028, a bill to adjust target prices for the 1979 and 1980 crops of wheat and feed grains.

SENATE CONCURRENT RESOLUTION 50

At the request of Mr. WILLIAMS, the Senator from New Hampshire (Mr. DURKIN) and the Senator from Michigan (Mr. LEVIN) were added as cosponsors of Senate Concurrent Resolution 50, urging the Soviet Union to allow the emigration of Ida Nudel to Israel.

SENATE RESOLUTION 284—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. NUNN, from the Committee on Armed Services, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 284

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of H.R. 5168, a bill to extend certain expiring provisions of law relating to personnel management of the Armed Forces.

Such a waiver is necessary because section 402(a) of the Congressional Budget Act of 1974 provides that it shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which, directly or indirectly, authorizes the enactment of new budget authority for a fiscal year, unless that bill or resolution is reported in the House or the Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year.

For the foregoing reasons, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to H.R. 5168, as reported by the Committee on Armed Services.

SENATE RESOLUTION 285—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON FOREIGN RELATIONS

Mr. CHURCH, from the Committee on Foreign Relations, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 285

Resolved, That the Committee on Foreign Relations is authorized to expend from the contingent fund of the Senate, during the Ninety-sixth Congress, $30,000 in addition to the amount, and for the same purposes, specified in paragraph 1 of Rule XXVI of the Standing Rules of the Senate.

SENATE RESOLUTION 286—ORIGINAL RESOLUTION REPORTED AUTHORIZING SUPPLEMENTAL EXPENDITURES BY THE COMMITTEE ON FOREIGN RELATIONS

Mr. CHURCH, from the Committee on Foreign Relations, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 286

Resolved, That section 2 of Senate Resolution 75, Ninety-Sixth Congress, agreed to March 7, 1979, is amended by striking out "$1,301,000" and inserting in lieu thereof "$1,464,000".

AMENDMENTS SUBMITTED FOR PRINTING

WINDFALL PROFIT TAX—H.R. 3931

AMENDMENTS NOS. 674 THROUGH 679

(Ordered to be printed and to lie on the table.)

Mr. TOWER submitted six amendments intended to be proposed by him to H.R. 3919, an act to impose a windfall profit tax on domestic crude oil.

AMENDMENT NO. 680

(Ordered to be printed and to lie on the table.)

Mr. JAVITS (for himself, Mr. PERCY, Mr. BRADLEY and Mr. KENNEDY) submitted an amendment intended to be proposed by them, jointly, to H.R. 3919, supra.

INTERNATIONAL OIL SUPPLY DIVERSIFICATION PROGRAM

Mr. JAVITS. Mr. President, for several years, numerous committees of the Congress have considered the question of future world oil supplies and the prospects for finding oil in the non-OPEC developing countries. These reviews as well as those by the Department of Energy and the World Bank have supported the general conclusion that there are significant prospects for new oil discoveries and that some of these will not be explored by private enterprise because of higher economic and political risks.

We know from our experience in the 1978–79 winter, when all Iranian production ceased, that the economic difference between skyrocketing prices and stable, even declining, real prices is 3–5 percent of world oil supply. The addition of just that much capacity can make it difficult for the OPEC cartel to raise prices, and so long as that production is in previously non-producing states, it will be virtually impossible for the cartel to keep them from producing at least the oil for their foreign exchange requirements and development programs. Finally, the developing countries' need for oil is already a devastating burden for poor nations; it will grow as their development plans succeed; the most severely affected victims of OPEC price increases are these very nations.

The World Bank has estimated that oil-importing developing countries will need over a quarter billion 1979 dollars per day in 1990 to pay for their basic oil needs. It is virtually impossible to assume that they can muster the needed foreign exchange for this purpose unless their present circumstances change radically.

Therefore, Mr. President, it is important and appropriate that a part of the revenues we will raise from U.S. oil activity be devoted to overcoming impediments to U.S. oil company development of the non-OPEC developing countries' oil resources.

The Department of Energy, in a September 1979 report, has summarized these possible impediments as follows:

> Exclusionary host government policies including total exclusion of private companies, as in India and Mexico, or, more subtly, favorable treatment of the host government's own national oil company in terms of access to resources,
>
> Boundary disputes, which have precluded any significant activity in a number of promising areas, including the offshore area from the Yellow Sea to the South China Sea, the Gulf of Suez, the Falkland Islands, the Northern Aegean, the Libyan/Tunisian border and other areas,
>
> Political instability has prevented significant levels of activity in Lebanon and South Yemen and has been a factor limiting activity in Angola, Chad, Vietnam, Afghanistan, Bangladesh, Zaire, Philippines, Ghana and other countries,
>
> Nationalizations, confiscations and contract abrogations by some host governments.
>
> Lack of export potential.—Some small discoveries, patricularly those located far from ports, rivers or other good sites for export terminals may be considered uneconomical by the companies, but might still have the potential to supply some significant share of local oil needs. Despite the lack of export prospects, such oil production might displace a comparable volume of imported oil and thus have the same net beneficial impact on world oil balances and prices. However, the prospect of being paid in local currencies is rarely attractive to companies.

Mr. President, the experts who have reviewed these problems agree at least on the point that the United States does not currently have a mechanism to overcome those risks which inhibit a company from undertaking oil exploration activity. Furthermore, there is general agreement that existing multilateral mechanisms are also inadequate.

The World Bank has, this past year, initiated a 5-year $3 billion dollar program of assisting LDC's to prepare for development of oil, gas and coal. This vitally important effort will finance energy planning, geologic surveys, a small amount of assessment drilling and, possibly some production facility investments. It will provide less than half the capital the Bank estimates the LDC's will need by 1985 and it will not cover all 54 countries with oil and gas prospects, and it cannot cover much of the expensive drilling work.

If the Bank had three times as much funding and expertise, or if all areas of geologic interest, including all potential producer nations of strategic interest to the United States, could be covered the Bank effort might suffice. But more is needed than the current effort.

My amendment makes it possible for the Secretary to contribute to multinational energy development funds which accept direct contributions and have purposes like the Bank's fund. It also permits the use of U.S. experts, through the Geological Survey to assist other nations.

And, finally, it offers a number of inducements directly to companies to accelerate their risk-taking by cutting the costs of failure.

These include: insurance to cover larger projects than the limits now permitted under the Overseas Private Investment Corporation programs; insurance against losses from failures; front end guaranteed financing to help smaller firms take on high-risk, high-cost projects, and price guarantees to insure against failure due to unexpected high costs.

These remove the major roadblocks identified by the Congressional Budget Office, by oil companies responding to a survey conducted by Senator PERCY and myself last year, and by numerous private analysts.

There has been a good deal of talk in the Nation and in the Senate about the OPEC cartel. While the world is going to be sufficiently short of oil to keep prices high for the next decade, even if the United States reduces its import dependency, there can be far more competition with the producer states than has yet been realized.

The creation of the institutional framework within the United States to get such competition is second in importance only to strong programs to reduce our own oil use. I think setting up the program to diversify the world's source of oil is one visible and important part of the set of institutions we need. And I ask unanimous consent that my amendment establishing the international oil diversification program be printed in full in the RECORD so that it may be fully debated and, hopefully acted on next week.

Mr. President, I send the amendment to the desk and ask that it be printed for myself and Senators PERCY and BRADLEY. As I said, this amendment establishes an international oil diversification program, and the fundamental purpose of it is to enable far more extended exploration than has taken place in the developing areas of the world which show a likelihood of being the source of oil. This includes some 54 countries.

The estimate is that 10 percent of all the reserves already discovered are in these areas and we should not pass this bill without reaching out for that kind of addition to United States and other free-world oil supplies.

Mr. President, I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 680

On page 97, insert the following between lines 9 and 10:

SEC. 105. INTERNATIONAL OIL SUPPLY DIVERSIFICATION PROGRAM.

(a) INTERNATIONAL OIL SUPPLY DIVERSIFICATION PROGRAM.—The Secretary of the Treasury shall establish an International Oil Supply Diversification Program from the receipts of the tax imposed by section 4986 of the Internal Revenue Code of 1954 for the period beginning October 1, 1981 and ending September 30, 1990 in an amount not to exceed $5,000,000,000 in the aggregate.

(b) PROGRAM DESCRIPTION.—Amounts available to the Secretary of Energy shall be used (after consultation with the Secretary of the Treasury and the Secretary of State) to provide incentives to oil producers in the United States for the exploration and production of new oil outside the United States as defined in sec. 638 of the Internal Revenue Code of 1954 in areas not controlled by the Organization of Petroleum Exporting Countries member governments, with special priority given to developing countries as designated by the Secretary. The Secretary of State may designate nations in which projects shall not be eligible for funds from this program when he determines such designation to be in the national interest of the United States. Such incentives may only be offered where funds or incentives are otherwise unavailable to permit a project otherwise approved by the Secretary to proceed. Such incentives include, but are not limited to—

(1) the establishment of a supplemental insurance program with regard to losses due to political circumstances to be used in coordination with the insurance programs of the Overseas Private Investment Corporation,

(2) insurance against losses connected with exploration in high-risk areas,

(3) loan guarantees for the costs of exploration in high risk areas,

(4) contributions to multi-lateral funds established by or in cooperation with international agencies of which the United States is a member, or

(5) purchase commitments for oil discovered and produced in high-risk areas.

All information gathered in projects financed with assistance under this section shall be available to the United States Geological Survey provided that proprietary rights with respect to the information can be protected.

(c) Assessment of World Energy Resources.—Notwithstanding any other law, the United States Geological Survey shall conduct an assessment of world energy resources in areas other than the Soviet Union, countries which are members of the European Economic Community, and countries who are members of the Organization of Petroleum Exporting Countries. Such assessment shall give priority to oil and gas resources in underdeveloped countries. Such assessment shall be coordinated with the Secretary of Energy with regard to the Foreign Energy Source Assessment Program and title V of the Nuclear Non-Proliferation Act of 1978. Of the sums available under subsection (a), not less than the greater of $5,000,000 or 0.05 per centum of any sums appropriated shall be designated for the purposes of this subsection. Such funds may be used in cooperative projects with governments of nations where such assessments are being conducted.

AMENDMENT NO. 681

(Ordered to be printed and to lie on the table.)

Mr. WALLOP submitted an amendment intended to be proposed by him to H.R. 3919, supra.

AMENDMENTS NOS. 682 AND 683

(Ordered to be printed and to lie on the table.)

Mr. PERCY submitted two amendments intended to be proposed by him to H.R. 3919, supra.

AMENDMENT NO. 684

(Ordered to be printed and to lie on the table.)

Mr. NELSON submitted an amendment intended to be proposed by him to amendment No. 621 proposed to H.R. 3919, supra.

AMENDMENTS NOS. 685 THROUGH 687

(Ordered to be printed and lie on the table.)

Mr. NELSON submitted three amendments intended to be proposed by him to H.R. 3919, supra.

AMENDMENT NO. 688

(Ordered to be printed.)

Mr. LONG proposed an amendment to amendment No. 621 proposed to H.R. 3919, supra.

NOTICES OF HEARINGS

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

● Mr. PERCY. Mr. President, I wish to announce that the Permanent Subcommittee on Investigations will hold hearings on professional auto theft and chop shops on Tuesday, November 27, 1979, at 9:30 a.m. in room 1202 Dirksen Office Building, and on Wednesday, November 28, 1979, Thursday, November 29, 1979, Friday, November 30, 1979, and Tuesday, December 4, 1979 at 9:30 a.m. in room 3302 Dirksen Office Building. Anyone wishing further information will please contact the subcommittee staff.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE OF COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today to hold a markup session on S. 1991, Federal Trade Commission Act of 1979; S. 1442 and S. 1863, Merchant Marine legislation and S. 1656, National Fishery Development Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE OF COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Tuesday, November 27, 1979 to hold a markup session on S. 1946, the Railroad Transportation Policy Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE OBEY-RAILSBACK BILL

● Mr. GOLDWATER. Mr. President, labor union leaders and their liberal supporters in Congress are again attempting to put over a highly discriminatory bill in the name of political reform. This one goes under the name of "Obey-Railsback," and is nothing more than an attempt to limit private support for political candidates while allowing labor unions to continue their massive support for selected candidates. As the Phoenix Gazette said in a recent editorial, the bill would simply "* * * allow unions to buy the best Congress they could afford."

Mr. President, I ask that this editorial be printed in the RECORD.

The editorial follows:

INCUMBENTS' BILL

The Obey-Railsback bill, which passed the House on Oct. 17, masquerades as a measure to place strict limits on private support in electing public officials.

However, the bill does nothing to curb the massive campaign support from unions, thus it is an incumbent's delight. The majority leadership in the House saw to it that the bill went directly to the floor as an amendment to the FEC Authorization bill; thus normal committee hearings and open debate were bypassed.

Reed Larson, president of the National Right to Work Committee, estimates that congressional incumbents enjoy an advantage over their challengers of more than $1 million in taxpayer-funded mailings, staff time, travel expense accounts and other perquisites.

If Obey-Railsback became law, then incumbents favored by the unions would be virtually guaranteed re-election. They would have armies of paid campaign workers, union-funded telephone banks, carpools and offices, partisan get-out-the-vote drives. All this would be paid for from compulsory union dues.

All these services performed by union organizations are called "in-kind," that is, no money is donated—just the services, which may be worth more than cash contributions.

This bill deserves full debate in the Senate, rather than the sneaky shuffle it got in the House. The bill is unfair to the rank-and-file union membership, who have no say as to how their money is spent. It is unfair to voters and to challengers.

Simply put, it would allow unions to buy the best Congress they could afford.●

THE AMERICAN POLITICAL FOUNDATION

● Mr. CRANSTON. Mr. President, leaders of the Republican and Democratic parties have just announced the formation of a new bipartisan institution, the American Political Foundation, to provide an important and unprecedented service in our political process. The foundation will promote "the mutual knowledge and understanding of democratic systems, parties, and political leaders throughout the world, with particular attention to helping foreigners learn about the American system and Americans learn about foreign systems."

The chairman of the new foundation is our former colleague from Tennessee and the current chairman of the Republican National Committee, William E. Brock III. The vice chairman is the distinguished California lawver and banker and current finance chairman of the Democratic National Committee, Charles T. Manatt.

I congratulate both parties for their initiative in embarking upon this endeavor which can bring important benefits to our parties, our country, and the entire democratic world and request the press release be printed in the Record.

The full text of their announcement of the American Political Foundation follows:

American Political Foundation

Washington.—Democratic and Republican leaders today announced creation of the bipartisan American Political Foundation, in Washington, D.C., to conduct a variety of educational programs.

William E. Brock III, Chairman of the Republican National Committee, and Charles T. Manatt, Finance Chairman of the Democratic National Committee, indicated that the primary emphasis of the A.P.F. will be mutual knowledge and understanding of democratic systems, parties, and political leaders throughout the world, with particular attention to helping foreigners learn about the American system and Americans learn about foreign systems.

Mr. Brock is Chairman of the new Foundation. Mr. Manatt is Vice Chairman. Cecil Cheves, Counsel to the Democratic National Committee, is Treasurer; and Ben Cotten, Counselor to the Chairman of the Republican National Committee, is Secretary. These officers will alternate between the parties at two-year intervals. President and Chief Executive Officer of the Foundation is George E. Agree. Directors will be evenly divided between Republicans and Democrats; and there will be an Advisory Board including representatives of business, labor, academic and other sectors of American life.

Accompanying Statement By Chairman Brock and Vice Chairman Manatt

We take great pleasure in announcing the creation of the bi-partisan American Political Foundation, Inc.

This unprecedented joint venture reflects our serious concern about the parties' responsibilities in a time both of domestic political fragmentation and increasing salience of international issues in all democratic countries. The concern is timely and important. As nations become increasingly interdependent, the need for information, understanding, and institutional competence also increases.

Virtually all important sectors of American life—business, labor, church, academic, etc.—have addressed this need by developing mechanisms for international communication. So have important political parties in other countries.

The American Political Foundation will work in appropriate and feasible ways to fill the gaps in communication and information occasioned by the American parties not having their own international departments or party foundations, and to improve party function and the political process generally.

The specific objectives of the American Political Foundation are:

1. To promote foreign understanding of American politics.
2. To promote American understanding of foreign politics.
3. To promote international understanding of common political problems and issues.
4. To promote understanding and exchange of political methods and practices.

The program of the Foundation, which will be implemented as resources become available, includes projects to orient and assist foreign visitors to the United States, provide services for foreign political and press observers of the 1980 elections, send bi-partisan American observer groups to conferences and other international meetings of foreign parties, study comparative political practices, and encourage communication between political scholars and practitioners.

The Foundation is non-profit, educational, and bi-partisan. Mr. Brock is Chairman of the new Foundation. Mr. Manatt is Vice Chairman, Cecil Cheves, Counsel to the Democratic National Committee, is Treasurer; and Ben Cotton, Chief of staff of the Republican National Committee, is Secretary. These offices will alternate between the parties at two-year intervals. President and Chief Executive Officer of the Foundation is George E. Agree. Directors will be evenly divided between Republicans and Democrats; and there will be an Advisory Board including representatives of business, labor, academic and other sectors of American life.●

STATEMENT ON SALT II TREATY BY AMERICAN COMMITTEE ON EAST-WEST ACCORD

● Mr. JAVITS. Mr. President, a large number of prominent Americans from diverse backgrounds and political affiliation have signed a letter to all Senators expressing support for the SALT II Treaty, with all its shortcomings because for the first time the treaty puts a cap upon some of the most destabilizing elements in the strategic arsenals of the two great powers. This letter has been sent to all Senators under the auspices of the American Committee on East-West Accord, a list of whose officers and directors is also appended.

I believe it is important that the Senate take note of this correspondence as it represents support for the SALT II Treaty from citizens of diverse views on other subjects and, therefore, should be made a part of the Record as the Senate prepares for its debate of the treaty. Accordingly, I ask that this letter be printed in the Record.

The letter follows:

American Committee
on East-West Accord,
November 12, 1979.

Hon. K. Javits,
U.S. Senate,
Washington, D.C.

Dear Senator Javits: We, the undersigned members of the American Committee on East-West Accord, solicit your vote in favor of ratification of the SALT II Treaty and its accompanying agreements and understandings without so-called "killer" amendments. We do this with all earnestness and respect for views not in accordance with our own. We believe the questions at stake are so important to the survival and security of the United States that partisanship and peripheral considerations must be set aside.

We are a non-partisan group; we are a diverse group. We are Republicans, Democrats, and Independents, who have strongly supported the democratic process. We come from all walks of life and professions. We are business executives, trade union officers, academics, journalists, and former government officials. We are dedicated to the preservation of the values of Western civilization and the American way of life. We desire for our children the opportunity to live their lives in peace and prosperity.

We are deeply concerned that the arms race is getting out of control and that each new level of armaments creates instabilities and incitements which will try the patience and probity of the best-intentioned and most competent of our national leaders. With all its shortcomings, the SALT II Treaty for the first time puts a cap upon some of the most destabilizing elements in the strategic arsenals of the two great powers. We think this Treaty deserves your support on its merits.

Equally important—perhaps more so—is the need to keep the SALT process going and to demonstrate to our NATO allies and to the Soviet Union that we are a nation capable of dealing with these issues responsibly through our constitutional processes. Nothing would more demean our world-wide stature than a senatorial debate which bogged down in procedural and political maneuvers or failed to deal with the Treaty on its merits.

We recognize that there are differing views in this nation about the Soviet Union and its policies. We recognize that the Soviets are hard bargainers and prone to push their advantages. But we believe they recognize, as we do, the dangers to both sides of an uncontrolled arms race. In these agreements, they have committed themselves to future negotiations designed to produce significant and substantial reductions in the numbers of strategic weapons and to limit their qualitative improvement. We want these negotiations to take place. If this Treaty is rejected, we will not only lose the limitations incorporated in it, but the opportunity to move on to greater reductions.

We support a strong defense for our nation, but we do not believe that a new armaments race will add to our security. It will detract from it.

The Senate ratification debate is a momentous one. We can go forward with realistic hope for the future or we can plunge into the unknown.

Signed by,

Apter, David—President, David Apter & Associates.

Asher, Thomas R.—Attorney, Washington, D.C.

Attwood, William—Former Ambassador.

Berger, Meyer—Chairman, M. Berger Co.

Berman, Harold J.—Story Professor of Law, Harvard Law School.

Bernbach, William—Chairman of the Executive Committee, Doyle, Dane, Bernbach, Inc.

Bertsch, Gary—Senior Rusk Fellow, Political Science, University of Georgia.

Black, Cyril E.—Director, Center for International Studies, Princeton University.

Blier, Bernard B.—Executive Director, Northeastern Pennsylvania Industrial Development Commission.

Bowe, James L.—Vice President, Corporate Relations, Control Data Corp.

Bradley, William L.—President, The Edward W. Hazen Foundation.

Bradshaw, Thornton F.—President, Atlantic Richfield Co.

Branscomb, Lewis—Vice President and Chief Scientist, IBM.

Chambers, John—Vice President, SATRA Corp.

Chase, Stuart—Writer.

Clemens, Walter C.—Professor of Political Science, Boston University.

Cohen, Stephen F.—Director, Russian Studies Program, Princeton University.

Cox, Arthur—Author; Consultant.

Doctorow, Gilbert S.—President, East-West Marketing, Inc.

Donaghue, Hugh P.—Vice President and Assistant to the Chief Executive Officer, Control Data.

Dudley, Tilford E.—President, Property Management & Maintenance.

Edey, Helen W.—M.D.

Edmonds, Helen G.—University Distinguished Professor of History, North Carolina Central University; Advisory Council to the School of International Service, American University; Board of Directors, United Negro Fund.

Feld, Bernard T.—Head, Division of Nuclear and Particle Physics, MIT; Editor-in Chief, Bulletin of Atomic Scientists.

Fenton, Richard C.—President, Fenton International, Inc.

Filner, Joseph—President, Noblemet International, Inc.

Fleet, Julia B.—La Jolla, California.

Fleet, Reginald—Investment Banker.

Foerderer, Norma—Vice President, East-West Marketing, Inc.

Forrest, Henry S.—Senior Vice President, Control Data Corp.

Forrestal, Michael V.—President, US–USSR Trade and Economic Council, Inc.

Fraser, Douglas A.—President, U.A.W.

Freund, Gerald—Dean, Humanities and Arts, Hunter College of the City University of New York.

Fulbright, J. W.—Attorney; Former Chairman, Senate Foreign Relations Committee.

Galbraith, John Kenneth—Former Ambassador; Professor, Harvard University.

Gans, Curtis—Writer; Consultant.

Gaylor, Noel—Admiral (USN, Ret.).

Grossman, Jerome—Member, Board of Directors, Civil Liberties Union of Massachusetts; Member, Massachusetts Democratic State Committee.

Grullow, Leo—Former Editor, The Current Digest of the Soviet Press.

Guertner, Gary L.—Department of Political Science, California State University.

Hammer, Armand—Chairman and Chief Executive Officer, Occidental Petroleum, Inc.

Heer, Nancy—Former President, Immaculate Heart College, Los Angeles, CA.

Hesburgh, The Rev. Theodore M., C.S.C.—President, University of Notre Dame.

Hills, Roderick—Former Chairman, Securities and Exchange Commission.

Hogle, George H.—Clinical Association Professor of Psychiatry, Stanford University.

Hoopes, Townsend—Former Undersecretary of U.S. Air Force.

Hunter, Holland—Chairman, Depatment of Economics, Haverford College.

James, John V.—Chairman and President, Dresser Industries.

Jamgotch, Nish, Jr.—Department of Political Science, University of North Carolina—Chapel Hill.

Jessup, Philip C.—Former Ambassador; Former Judge, International Court of Justice.

Kennan, George F.—Former Ambassador to the Soviet Union; Institute for Advanced Studies, Princeton.

Kistiakowsky, George B.—Former Science Advisor to President Eisenhower; Department of Chemistry, Harvard University.

Kuhlman, J. A.—Chairman, Department of Government and International Studies, University of South Carolina—Columbia.

LeFeber, Walter—Professor of History Cornell University.

Larner, Bernard—Vice President, C–E Lummus Combustion Engineering, Inc.

Lee, John Marshall—Vice Admiral (USN. Ret.).

Leontief, Wassily—Nobel Laureate; Director, Institute for Economic Analysis, New York University.

Linebaugh, David—Former Foreign Service Officer; Writer.

Mannheimer, Robert E.—Dickinson, Throckmorton, Parker, Mannheimer & Raife.

Marcy, Carl—Former Chief of Staff, Senate Foreign Relations Committee; Attorney at Law; Co-Director, American Committee on East-West Accord.

Matthias, Willard C.—Former Member, Board of National Estimates, CIA; Research Director, American Committee on East-West Accord.

Mattison, Jeanne V.—Co-Director, American Committee on East-West Accord.

Mills, Sheldon T.—Former Ambassador.

Morgan, Patrick—Department of Political Science, Washington State University.

Mott, Stewart Rawlings—Chairman of the Board, Fund for Constitutional Government.

Neal, Fred Warner—Chairman, International Relations Faculty, Claremont Graduate School.

Neel, James V.—Lee R. Dice University Professor of Human Genetics, University of Michigan.

Niles, Henry E.—Chairman, Business Executives Move for New National Priorities.

Nyrary, Nicholas—Consultant.

Osborn, Earl D.—President Emeritus, Institute for World Order.

Patterson, Hugh B.—Publisher, Arkansas Gazette.

Patton, James—President Emeritus, National Farmers Union.

Petrov, Vladimir—Professor of International Affairs, The George Washington University.

Pokorny, Gene—Executive Vice President, Cambridge Report, Inc.

Price, Charles C.—Former President, American Chemical Society.

Proehl, Paul O.—Former Vice Chancellor, UCLA; President, International College.

Ravenal, Earl C.—Adjunct Professor of American Foreign Policy, School of Advanced International Studies, Johns Hopkins University.

Reischauer, Edwin O.—Former Ambassador; Harvard University.

Robison, Olin—President, Middlebury College.

Rosenberg, Marvin—Chairman, Ameo Curtains, Inc.

Salisbury, Harrison E.—Columnist, New York Times.

Sanford, Terry—President, Duke University.

Schachter, Marvin—Deputy Director, ACLU of Southern California; Former President Volume Merchandise, Inc.

Scheuer, Sidney H.—Scheuer and Company.

Schmidt, Robert D.—Executive Vice President, Control Data Corp.

Scoville, Herbert, Jr.—Former Deputy Director for Research, CIA.

Singer, J. David—Professor of Political Science, University of Michigan.

Spencer, William—President, Fund For Peace.

Stanley, C. Maxwell—President, Stanley Foundation.

Still, Joseph—Physician, Personal Preventive Medicine.

Stoller, Robert J., MD—Neuropsychiatric Institute, Department of Psychiatry, School of Medicine, USLA.

Stowell, Christopher E.—President, WJ Sloan, Inc.

Tschebotarioff, Gregory P.—Consulting Engineer (ret.)

Tsipis, Kosta—Senior Research Fellow, Center for International Studies, MIT.

Tucker, Robert C.—Department of Politics, Princeton University.

Verity, C. William—Chairman, ARMCO International, Inc.; Co-Chairman, USSR Trade and Economic Council.

Wadsworth, James J.—Former Ambassador.

Warburg, Joan P.—Greenwich, Connecticut.

Wilson, Edward—Vice President & Eastern Europe Manager, International Division, Riggs National Bank.

Wolfe, Gregory B.—President, Florida International University.

Yarmolinsky, Adam—Attorney; Former Special Assistant to Secretary of Defense.

NOTE: Members of the American Committee on East-West Accord serve in their individual capacities, with organizational affiliations listed for identification only.●

PBS FILM SERIES ON PROMINENT AMERICAN WOMEN

● Mr. KENNEDY. Mr. President, I wish to call to the attention of my colleagues an educational television series entitled, "The Stanton Project."

The national series focuses on the lives of several women who made lasting contributions to our nation and our history, by demonstrating true courage, commitment and leadership in improving the status of all women.

The first film of the series, which was aired in Washington on November 7, is entitled "Under This Sky: Elizabeth Cady Stanton in Kansas," and features the noted actress Irene Worth. It recounts the story of two of America's great women—Elizabeth Stanton and Susan B. Anthony—individuals who struggled against many odds to win the vote for women's suffrage in Kansas. It is the story of Elizabeth Stanton's hopes, dreams and dedicated hard work to end the oppression of all women.

The series was produced by Red Cloud Productions, Inc.—a film company based in my home State of Massachusetts—and was largely funded by the National Endowment for the Humanities.

This series of original dramas on the lives of great American women is of great importance not only to our young people, but to all those who care about the basic human rights of individuals. I hope my colleagues will alert their staffs and friends to these important programs.●

DRUG REGULATION REFORM ACT

● Mr. JAVITS. Mr. President, when the Senate considered S. 1075, the Drug Regulation Reform Act, my distinguished colleague from Utah (Mr. HATCH) offered an amendment to the committee bill regarding the subject of "look-alike" drugs. Because of my concern that the amendment might adversely affect the New York State drug substitution law, which requires pharmacists to dispense generic drugs, unless the prescribing physician specifies otherwise, I questioned Senator HATCH about the scope and intent of his amendment. Based on clear assurances I received then from Senator HATCH, and from the distinguished floor manager of the bill, Senator KENNEDY, that drugs that had a similar appearance, but which bore differing markings that were plainly visible, would be permitted, I withheld any objection I might otherwise have had to the amendment.

It has now come to my attention that on October 12, 1979, Senator HATCH placed a statement in the RECORD seeking to clarify the agreement we reached on the floor. I am concerned that this subsequent statement may create some question about the intent of the amendment as expressed when adopted. Therefore, I want to make clear that my understanding of the Hatch amendment at the time we passed this legislation corresponds to that set forth in Senator KENNEDY's reply to Senator HATCH, published in the RECORD on October 30.

As Senator KENNEDY noted in that statement, drugs which bear marks that are so nearly identical that they cannot be distinguished by normal observation would be prohibited.

But, as was stated during floor debate, in a statement specifically agreed to by Senators KENNEDY and HATCH and myself:

> If two products have different marks on them, even though they are the same color, size and shape, they are not affected.

That was my understanding when the amendment passed, and that is my understanding now.●

THE IRANIAN SITUATION

● Mr. HEFLIN. Mr. President, as I speak American citizens are still being held hostage by Iranian revolutionaries in the American Embassy in Tehran.

While I was heartened that some of the hostages have been released, the majority of the Americans still remain captive—and for them and for the Nation this agonizing ordeal continues.

We in this country cannot—and will not—be satisfied until the last American being held against his will in Iran is released unharmed.

I view with great apprehension the news reports which indicate the Ayatollah Khomeini may "try" the remaining hostages as spies in an Iranian court. The prospect of American Embassy personnel being tried by an angry mob of anti-American revolutionaries adds to the horror of this international nightmare.

I reiterate what has been said many times since the takeover, that the holding of innocent hostages—for whatever political reasons—is an unthinkable and unforgiveable act. America must stand firm and not consider any negotiations concerning returning the Shah until all hostages are freed unharmed.

It has been gratifying that the international community has been generally supportive of our position in this crisis. I call upon our traditional allies and other nations around the world to firmly and vociferously condemn the takeover of the American Embassy in Iran and the holding of American citizens as hostages. This blatant violation of international law should be soundly condemned by every civilized nation on Earth.

I strongly support President Carter's cutting off all U.S. imports of Iranian oil. This action clearly shows the Iranians that the United States will not buckle under to their economic blackmail. I also believe we should seriously consider severing all economic ties with Iran—including the sale of American grain and other food products to that country.

Undoubtedly the most effective tool we can use at this time against the ayatollah's government is that of worldwide political and economic condemnation. Surely a worldwide boycott of Iranian products and an economic embargo would tell the ayatollah that this type of high-handed international kidnapping will not be tolerated.

As a former Marine my blood is boiling that we are helpless to free our countrymen who were in Iran on legal international business. However, I recognize that as long as the hostages remain in Iran, our actions must show restraint and discipline.

I firmly believe that a thorough investigation into the status of each Iranian national in this country on a student visa is within the bounds of restraint and discipline and is a legal and proper act.

The Immigration and Naturalization Service and the Justice Department should step up their investigation into foreign students and any of those found in violation of their student visas should be immediately deported.

I applaud the President's action freezing Iranian assets held in American banks as yet another indication of American resolve on this matter.

While we must at this time rely on moral persuasion to secure the safe release of the hostages, I believe we must now begin to take steps to see that this never happens again.

The Department of Defense should train and deploy a special quick-strike force specifically trained to deal with hostage situations. This highly trained force should be on constant alert to act quickly, decisively, and effectively in any future embassy takeover or hostage situation.

The State Department should establish and follow a policy designed to prevent any future embassy takeover. Security around embassies must be tightened—by an increased military presence if needed.

In future situations we might find it necessary to withdraw embassy personnel if the internal politics of the host country indicates such a takeover might occur.

We must take a long, hard look at our future relations with Iran and with other nations around the world. We must let each and every nation on this Earth know that this type of terrorism against the United States will not be tolerated.●

THE NEED FOR FEDERAL GRANT REFORM

● Mr. DURENBERGER. Mr. President, Neal Peirce recently wrote an exposé of the Federal grant-in-aid system. I ask that this article, "Federal Strings Tie Hands of Local Officials," be printed in full in the RECORD.

As Peirce convincingly points out our efforts to give money to State and local governments to implement national programs is close to a disaster.

No one thought, when each categorical aid program was enacted, that the end result would be a system that distorts the balance of power between governments, and weakens the ability of the average citizen to hold Government accountable. No one thought we would produce a system for implementing national goals that is costly to all involved, inefficient and ineffective. However, after the enactment of 492 separate grant programs and the expenditure of $8.2 billion annually (for fiscal year 1979), that is exactly the kind of system we have created. The Federal Government gives one-fifth of its annual budget to State and local governments; that income accounts for 25 percent of all State and local revenue. It is a tremendous expenditure, and a large part of it is being wasted.

Peirce is not the only one who finds fault with the existing system. An OMB draft report, "A Study of Federal Assistance Management" also points to serious flaws. One section of the report summarizes the perceptions of 200 county officials toward grants in aid. Their attitude can be stated in one sentence, and I quote, "In general, most county officials do not believe the federal intergovernmental assistance system works to the benefit of all concerned." County officials had many complaints: the Federal Government does not trust local grant recipients; program requirements are not flexible; Federal officials fail to provide technical and financial assistance to local recipients; the grant reform efforts of the past 10 years have failed; Federal bureaucrats do not manage the grant system properly.

The county officials are right. The Federal Government has not exhibited much trust in grant recipients, as evidenced by the innumerable requirements attached to Federal programs. The 492 separate grant programs carry with them over 150 different citizen participation requirements, for example. The paperwork and reporting requirements cost nearly $2 billion per year. County officials estimate that the paperwork costs to all levels of Government average about 33 percent of each grant award.

The OMB draft report and the Peirce article point to the urgency of trying once again to simplify this complex, ineffective system. Both Congress and the bureaucracy have important parts to play in this process. As a member of the Intergovernmental Relations Subcommittee, I am working on two bills that are designed to improve this chaotic network of intergovernmental aid.

When reading the Peirce article and the OMB report, it seems clear that there must be a better way. We already have the model of a better system in the general revenue-sharing program. That program sidesteps so many of the problems associated with categorical grants: it is built on trust in the intergovernmental system, not suspicion; it supports local decisions and spending priorities instead of distorting them; it does not require massive amounts of paperwork, or monitoring by a huge bureaucracy in Washington.

The debate on the reauthorization of this program has already begun, and its critics have argued that States and local governments do not need these funds, that the Federal Government cannot afford to give these moneys away. I would suggest that these critics compare the efficacy of the general revenue-sharing program to that of other financial aids. It would be a false economy to eliminate this efficient use of Federal tax dollars while continuing to pour money into categorical programs, which, however worthy their goals, have become encrusted with regulations and paperwork requirements that make them ineffective.

The article follows:

Federal Strings Tie Hands of Local Officials

(By Neal R. Peirce)

American federalism, which served the country so well for close to two centuries, was grievously wounded in the 1970s.

Despite all the talk of popular participation during the decade, the average citizen's power to affect government, through the ballot box in his local community, was severely diminished. More was lost, too: the system's traditional balance between competing national and state-local interests, and the clear-cut accountability of government officials at all levels.

The irony is that no one ever intended this result, nor has there been any significant national debate on the subject. Almost invisibly, it happened.

But the reason and the result are now clear enough. There has been an unprecedented expansion of federal funding—and federal controls. Power has shifted from elected officials to bureaucrats. State and local governments, chosen by Congress as delivery agents for a mind-blowing variety of programs, have found their own policy priorities distorted. Their operations became so smothered in detail that responding to local citizen wishes is extremely difficult.

Ironically, the 1970s opened with debate about then President Nixon's "New Federalism," a policy designed to counteract the flood of narrow categorical aid programs under Lyndon Johnson's "Great Society." But promised devolution of power to states and localities proved chimerical. Congress during the '70s added some 150 new categorical aid programs, to reach a new total of 492—"each with its own set of red tape and overhead costs and each with its own propensity for growth," says Vermont Gov. Richard Snelling. Revenue-sharing and other block grants of the New Federalist era, intended to come with less strings, became hemmed in with conditions.

When Johnson left office, total yearly federal aid to states and cities was $20 billion. Today that figure is $82 billion. This volume of activity makes "LBJ look like a piker" in contrast, says David Walker, assistant director of the Advisory Commission on Intergovernmental Relations.

Today virtually no town, village, township, county or Indian tribe in America is without direct ties to Washington, D.C. And there is virtually no function of local government, from police to community arts promotion, for which there isn't a counterpart federal aid program.

It is true, of course, that a major cause of the expansion of federal power has been the state and local governments' unwillingness, or lack of money, to meet real social needs. But under the pressure of a myriad of special-interest groups, Congress has added hundreds of programs, from rat control in cities to protection of estuarine sanctuaries, that lack broad national support or in any event should be handled locally. Outmoded programs are rarely terminated or overlapping ones combined.

The result: a badly overloaded intergovernmental system, in which federal regulation writers struggle to design, for hundreds of programs, rules which can't possibly apply well in the tens of thousands of communities in a continent-sized, highly variegated society.

On top of all this, a bewildering array of crosscutting requirements—31, by one count—have been applied to most federal-aid programs. Among them are equal employment opportunities for women and minorities, rights for the handicapped, civil-service merit rules, citizen participation, historic preservation and environmental impact statements. It's almost impossible to argue against the right or protection sought in each case—all seem desirable, some essential. But the cumulative mass so impedes grants that the whole process is often slowed to a snail's pace.

Walker, the single American who probably keeps the most constant vigil on the state of the federal system, is alarmed. Since the later 1960s, he says, "We've emerged from a relatively simple governmental system to one that is more costly, more inefficient, more ineffective, and above all, less accountable than it has ever been."

Says James Gleason, the elected Montgomery County, Md., executive from 1970 to 1978: "The federal government has absorbed so much of the government jurisdiction that it has become the decider of all programs, and state and local officials have become implementers of those programs. It's not what you think is good for your community as an elected official. It's what they (federal bureaucrats) think. It makes a mockery of the elected franchise."

Gleason exaggerates—some. Local governments' own revenues have grown. Smart local administrators can juggle federal grant money in ways Washington never intended. City halls respond to neighborhood and minority voices far more than they felt necessary in past times.

Still, local leaders are severely constrained by the regulations and separate fund flows of myriad federal programs. The system makes it exceedingly difficult for them to decide on priorities—in other words, to manage intelligently.

To the extent elected officials lose control, so do the voters who choose them. Programs with admirable social goals are so structured that they threaten to emasculate local government—traditionally the schoolyard, the training ground of self-government in America.

In times past, American federalism was likened to a layer cake of neatly divided responsibilities between federal, state and local governments. Since the New Deal, it's been increasingly "marbleized," with higher levels delving into areas once left to lower ones, plus adding countless whole new functions. Walker likens the system today to "a gelatinous mass, oozing, slithering, squishing," with clear-cut responsibilities ever more blurred.

As functions float between levels of government, even government managers lose track of who's in charge in any area. Voters complain about the size of government, but their deeper concern may be to find who is in charge, who can be held accountable.

The 1980s needs to be a time of hard reexamination—not to destroy valuable programs, but to see how they can be accountably delivered. To take account, in other words, of "first things first"—accountability, practicality, and care not to violate the constitutional balances of our federal system.

Such talk is practically taboo in Washington, where the interests continue to lobby Congress and the bureaucracy for every variety of favor and the careers of thousands rest on playing the system for maximum advantage. But unless serious attention is paid, the confusion of the '70s could turn into full paralysis of government in the '80s.

ONE STATE'S TRY AT COMPETITION

• Mr. GARN. Mr. President, one of the many approaches being considered to address the problem of rising health care costs is competition. Although it has not been given the attention that mandatory cost control programs have, it is an alternative that should be explored.

A recent issue of the National Journal contains an article on Utah's voluntary efforts to bring competition into the medical marketplace. This article should be very enlightening to those who feel that Federal programs are the only solution to health care costs.

I ask that "One State's Try at Competition" be printed in the Record.

The article follows:

One State's Try at Competition

Utah has put its money where its anti-regulation sentiment is. Disturbed by the inroads that the federal government was making into the state's health care system, the state legislature in 1977 agreed to spend $250,000, half of it in federal money, for a study to see whether and how the state could go about injecting some competition into the medical marketplace.

Since then, the state has approved a plan of action based on recommendations by Lewin and Associates, the Washington-based consulting firm that produced the study. And on Oct. 15, a privately financed foundation, made up of representatives of labor, business, consumer groups, insurers and health professionals, was established to try to implement it.

The demand for the study grew out of opposition to the "certificate of need" provision of the 1974 health planning law requiring state health planning agencies to review all applications for new capital investment by hospitals and other health care institutions. The federal government, some Utah officials felt, was resorting to regulation to solve a national problem that wasn't necessarily a problem in their state, where hospital use and per capita expenditures on health care were well below the national average.

If the officials expected an indictment of regulation, they didn't get one. The consultants identified three elements of control—self-policing by the profession, market forces and government decision making. More could be done to develop the market, their study concluded, but the state would have to distinguish regulations that would substitute for competition from those that would improve the climate for it.

In line with that thinking—and also to avoid losing federal funds—the legislature earlier this year enacted a "pro-competitive certificate of need law," which has since been approved by the Health, Education and Welfare Department. The law, while fairly traditional, allows planners some flexibility to exempt institutions from the certificate of need process if they determine that competitive forces are working in an area.

Right now, there are not many alternatives to fee-for-service medicine available in the state. There is one health maintenance organization (HMO) in Salt Lake City, with a branch in Ogden, and applications for two others are pending. In addition, a number of family practice clinics offer some competition to traditional practices. But because of the expense involved in creating pre-paid systems and the time it will take to sell the concept to both doctors and the public, the foundation will try to move ahead on other more immediately productive fronts.

It will, for example, encourage employers, when they negotiate insurance for their employees, to pressure insurers to offer a wider variety of benefits packages. It will encourage co-payments or deductibles for discretionary services so that employees will assume more of the cost of their insurance. When it meets in January, the legislature will attempt to amend some of the state's insurance laws to make such changes possible. And it will launch an education campaign to make consumers more aware of the reasons for high health care costs. In line with that, the foundation in the next several months wants to begin publishing the fees the state pays for medicaid patients, in the hope that such a step will spur private insurers to do the same with non-government fees.

Some state officials, finding the recommendations nothing more than common sense, call the study a waste of time and money. But others think it can make a difference. "Government can create a climate where competition can flourish," said State Rep. Charles Parkin, R, who sponsored the study. "This is a complex area to restructure," he said, and it could take as long as five years before any real change becomes apparent. "But most members of the legislature are taking this seriously," he said. "This is not just another study. This is not just for fun." ●

WINDFALL INFLATION TAX

● Mr. DURENBERGER. Mr. President, the Senate is in the midst of an important debate on the so-called crude oil windfall profit tax. There is another windfall tax already in existence. While I support the windfall profit tax on crude oil, there is no way I can support the existing windfall inflation tax. I am referring to the fact that our progressive tax system collects a windfall of tax revenue whenever inflation rages as it is doing today.

There are only two beneficiaries from inflation. Those who borrow to increase current consumption are able to repay debts with inflated, cheap dollars. The other beneficiary is Government through tax collections. For every dollar increase in income due to inflation, the Government collects $1.60 in additional tax revenue because of the progressive tax brackets. Even though an individual's real income may not increase when receiving a cost-of-living adjustment, the real tax burden does increase.

In response to this problem, I introduced the Tax Indexing Act on November 2. My bill would index the tax code for inflation. It would take away the inflation windfall to the Government. The bill would index individual, corporate, and capital gains taxes. The most recent issue of Tax Notes carried an article by Rudolph Penner which analyzes the relationship of inflation to the tax system. Dr. Penner strongly endorses indexing the tax system for inflation. I request that his article be printed in the RECORD.

I would urge my colleagues to read his article which follows:

[From the Tax Notes, Nov. 19, 1979]

INFLATION AND THE TAX SYSTEM

(By Rudolph G. Penner)

Economists were generally far too sanguine for far too long about the effects of moderate inflation. To the extent that inflation was unexpected, it was thought that its main effect was to redistribute income around the economy and that its effects on overall economic efficiency were minor. To the extent that inflation was predicted correctly, it was thought that markets and institutions would adjust and that people could protect themselves against it. Economists admitted a minor problem in that some cash has to be held to finance everyday transactions and inflation erodes the purchasing power value of that cash. But again, this was thought to represent a relatively minor inconvenience as long as hyperinflations were avoided.

As Arthur Okun has pointed out, this analysis ignored the profound effect of inflation in destroying the usefulness of the dollar as a measurement of purchasing power. Without this measuring rod, everyday decision making by consumers and businessmen tends to flounder. No one can forecast the inflation rate with confidence for the rest of this century and, as a result, no one knows how much has to be saved for purposes such as financing an adequate pension or a college education for one's children. Businessmen are also left with little idea of what the true return on various investments will turn out to be.

The psychological costs of this increase in uncertainty are enormous, but the efficiency of the economy is also affected as people attempt to hedge by investing in assets such as gold, paintings and real estate. Major efficiency costs are added because our regulatory institutions and tax system show great inertia and have simply not adjusted to the secular inflation of the post-Vietnam era. For example, financial regulation still forces small savers into passbook savings accounts which yield before-tax interest rates that are far below the inflation rate.

TAX SYSTEM INERTIA

This article focuses on the inertia displayed by our tax system and the resulting impact on equity and economic efficiency. The tax system is affected by inflation in two ways. First, inflation distorts the traditional measures of the tax base, that is to say, the income or wealth concepts to which tax rates are applied. Second, inflation is constantly changing the real meaning of the tax rate structure. Basic exemptions, the standard deduction, the width of personal income, estate, and corporate tax brackets, and many other features of the tax structure are specified by law in terms of nominal dollars. In the absence of changes in the law, inflation constantly erodes their value in terms of purchasing power. The practical result is that taxpayers find themselves constantly pushed into higher and higher tax brackets.

Of the two problems, the distortion of the tax base does the most harm to economic efficiency, and it is also the most difficult problem to solve adequately. Congress has mitigated the problems posed by the effects of inflation on the tax rate structure by providing a series of so-called "tax cuts" which have largely offset the tax increases caused by inflation since the late 1960's. However, the series of discretionary tax cuts has had very different effects on different parts of the tax rate structure and has created a number of problems which will be explored in detail later. But first, the more difficult problems posed by the distortion of the tax base merit extensive discussion.

DEFINING THE RETURN FROM CAPITAL

The most serious problem involves the definition of the taxable return from capital. There are four major components to the problem. The first involves depreciation accounting. Our tax laws base the allowable depreciation deduction on the original cost of the investment. While the asset depreciation range (ADR) system gives the investor considerable flexibility in choosing an assumed life for his equipment, this flexibility is not sufficient to offset the fact that the replacement cost of the capital being worn out far exceeds its original cost because of current and past inflation.

Second, our tax system taxes gains resulting from the increased value of inventory even though this gain may be entirely the result of inflation and need not reflect a positive real rate of return on the inventory investment. LIFO accounting systems mitigate this problem but do not solve it completely.

Third, although 1978 law reduced the capital gains tax on the appreciation of assets, the tax is still applied to nominal gains. Therefore, if the nominal value of an asset goes up by an amount equal to the inflation rate, a tax has to be paid when the asset is sold even though the real before-tax rate of return is zero. Small positive before-tax real returns can easily be converted to negative after-tax returns, or in other words, the true tax rate can easily exceed 100 percent.

Fourth, expected inflation raises nominal interest rates. Borrowers are allowed a deduction based on these inflated rates, while lenders have to pay a tax on them. Suppose that the before-tax interest rate is 10 percent while inflation turns out to be 8 percent. If both borrower and lender are in a 50 percent bracket, the after-tax nominal rate is 5 percent, but adjusted for inflation, the borrower gains an amount equal to roughly 3 percent of the debt every year while the lender loses 3 percent, i.e., both experience negative after-tax real interest rates. If the borrower and lender are in different tax brackets, the after tax returns can obviously differ. In a tax system which is perfectly adjusted for inflation, the borrower would only be allowed to deduct the real interest rate of about 2 percent while the lender would pay a tax on the same rate Where they are both in the 50 percent bracket, both would experience a real after-tax interest rate of about one percent.

THE FELDSTEIN-SUMMERS ANALYSIS

Martin Feldstein and Lawrence Summers[1] have carefully investigated the effects of inflation on the tax burden imposed on the real return to capital used in the corporate sector. The analysis considers inflation-induced distortions which emerge as corporate income passes through both the corporate and personal tax system. They conclude that "the effect of inflation with the existing tax laws was to raise the 1977 tax burden (on the nonfinancial corporate sector) by more than $32 billion. . . . This extra tax raised the total effective tax rate from 43 percent to 66 percent of capital income in the non-financial corporate sector."

Of course, any estimate of this type will be subject to some controversy, and some will question the precise nature of Feldstein and Summers' estimating techniques. How-

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ever, none can question the fact that a very serious problem exists and it is of immense quantitative importance.

However, because the Feldstein-Summers paper is so important, a number of points should be made about the exact estimates. In their analysis, the most important problem involves the depreciation deductions. In 1977, the Department of Commerce estimated the depreciation used for tax purposes fell short of true economic depreciation by $14.7 billion.[2] Feldstein and Summers argue, however, that when depreciation allowances were eased in the early 1950's and again with ADR in 1971, inflation was not considered to be an important issue, and the Congress' real intent was to ease the burden on the real return to investment by an amount equivalent to about $25 billion in 1977. They, therefore, add this amount to the $14.7 billion mentioned above to estimate that the true depreciation insufficiency was $39.7 billion. Given the difficulty of interpreting Congressional intent, it may be argued that the whole $25 billion should not be added to the depreciation insufficiency, but even if none of it is added, an important problem remains.

The Feldstein-Summers analysis also argues that the tax benefit arising from the ability of corporations to deduct nominal inflated interest rates was slightly more than offset by the tax penalty suffered by the holders of the debt, since their effective tax rate was slightly higher than the effective corporate rate. It is obviously important to take account of this offset when investigating the tax burden on the real return to investment as it flows from the ultimate lender to the ultimate user of the funds. But the fact that they estimate that the offset is almost perfect in the aggregate does not imply that the problem can be ignored in designing a perfect tax law. Different borrowers and lenders can be affected very differently depending on the rate of interest when the loan was made, on subsequent inflation rates, and on their respective tax brackets. On the other hand, perfect adjustments would require an enormously complicated tax law, and I shall have to return to this difficult problem later in the analysis.

The Revenue Act of 1978 somewhat mitigated the tax burden on returns to corporate capital by easing capital gains taxes and lowering corporate rates. Unfortunately, the desirable effects of these changes have probably been overwhelmed by the acceleration of inflation since that time. Between 1976 and 1977, the consumer price index rose only 6.8 percent. Between 1978 and 1979, it is very likely to rise by over 10 percent.

While the increase in effective tax rates caused by inflation represents a serious burden on corporate and individual savers, the sheer size of this burden may do less damage to economic efficiency than the fact that the burden varies greatly among different types of investment. Thus we may be misallocating our scarce capital stock in ways which greatly diminish society's real before-tax rate of return. Feldstein and Summers study a variety of manufacturing industries and note that "additional taxes in 1976 caused by historic cost depreciation and existing accounting practices . . . varied from less than 25 percent of actual taxes in a few industries to 100 percent of taxes paid in several others."

Though not investigated by Feldstein and Summers, the distortion created between the corporate and noncorporate sectors may be even more important. In particular, inflation tends to increase the tax subsidy to owner-occupied housing, because the return to such an investment is not taxed while inflated mortgage interest rates can be deducted. When this situation is compared to the increased corporate tax burden caused by inflation, I would suggest that tax factors account for a large part of the recent boom in housing prices relative to the acute illness afflicting stock prices.

THERE AREN'T ANY EASY SOLUTIONS

While the interaction between inflation and the tax system is creating grave problems for investment and, therefore, for economic efficiency, it is not a problem which yields to an easy solution. As has already been noted, any tax law which attempted to define capital income correctly would be enormously complicated—not to say politically devastating, because home owners would have to be told that they could no longer deduct the full value of nominal interest rates.

It is interesting to note that the Meade Committee, after tussling with the problem of defining capital income in the United Kingdom, threw up its collective hands, and recommended that the income from capital should not be taxed at all. While excellent arguments can be made for taxing consumption rather than income even in a noninflationary environment, it was primarily the problem of adjusting capital income for inflation which pushed the Committee to advocate consumption taxes for the United Kingdom.

Since such a drastic reform is unlikely here, or in the United Kingdom for that matter, one is left with advocating highly pragmatic and thus imperfect approaches to the problem in the United States. Because the insufficiency of depreciation allowances represents an important component of the problem, I believe that we should move immediately to make existing depreciation allowances more generous. The Jones-Conable Bill, which shortens asset lives assumed for tax purposes, has much appeal on the grounds of simplicity, but there are, of course, many other possible variants on the same theme.

PROBLEMS OF ECONOMIC EFFICIENCY

Many will argue that it is both inequitable and inefficient to ease depreciation allowances because of inflation, while continuing to allow investors to deduct from taxable profits the nominal interest rate on debt. Looking first at the efficiency issue, it is important to note that even with the enactment of something like Jones-Conable, corporate capital income would, on average, still pay a considerable tax rate with current rates of inflation, mainly because equity income is double-taxed. In other words, we would still not achieve a consumption-type system. A consumption tax system can be approached in a number of ways, one of which would allow the complete expensing of capital investments combined with a perfect integration of the corporate and personal tax system. (Under such a system, the investment tax credit would also have to be eliminated to avoid actually subsidizing savings at the expense of consumption.)

Even through the easing of depreciation allowances can be thought of as a step toward a consumption-type system, it would affect different types of business investment differently and does not completely cure the misallocation of the capital stock. It is a well-known proposition in economic theory that partial steps toward a perfect tax system can acually leave the economy worse off. However, given the current overtaxation of capital income, it is hard to believe that a general reduction of capital taxes would not improve things.[3] I would at least suggest that the burden of proof is on those who may argue the contrary point of view.

A pragmatic easing of depreciation allowances also still leaves the tax burden on capital subject to the whims of the inflation rate. If inflation should accelerate—and I certainly hope that it does not—tax burdens would again increase. With lower inflation, it is theoretically possible for generous depreciation allowances combined with the investment tax credit to result in after-tax returns being greater on some new investments than before-tax returns[4] and this is no more desirable than the reverse situation. But all of this simply implies that the tax system must be constantly re-examined.

EQUITY CONSIDERATIONS

Because different investments are taxed differently, equity, as well as efficiency, considerations emerge. Some will argue that a particular inequity arises between borrowers and lenders when the deduction of inflated interest rates is allowed by the borrower while the lender pays taxes on the whole rate. It should be noted, however, that the entire benefit of more lenient depreciation does not stay with the borrower in this situation. Investment and borrowing will be increased, thus putting upward pressure on nominal interest rates. After-tax real rates will rise for both the borrower and the lender, and the latter thus reaps a portion of the benefit of a bill such as Jones-Conable.

Summarizing to this point, the effect of inflation on the tax burden on capital is creating serious problems. These problems cannot be solved perfectly without creating a tax system which is inordinately complicated. I, therefore, conclude that it is desirable to resort to pragmatic adjustments to the system, and my first priority would be to ease depreciation allowances. It cannot be denied that serious equity and efficiency problems would remain, but it is hard to believe that they would be worse than those inherent under current law.

FOREIGN EXPERIENCE IS SCANT

To my knowledge, no country has adequately dealt with the problem of redefining the tax base to adjust for inflation. A number of countries, have, however, dealt with the interaction of inflation and the tax rate structure by indexing their personal income tax system for inflation. For example, Canada has recently adopted a system which adjusts almost perfectly.

In a perfectly indexed system, all exemptions, standard deductions, tax brackets, and other nominal dollar amounts in the system are increased every year by the same percentage amount that some broad price index, such as our consumer price index, increases. As noted earlier, the lack of indexing in the United States has been offset to some extent by periodic "tax cuts," whereas in Canada, their Parliament tended to spend the "profit" which government derives from inflation. That profit can be enormous. In the U.S. system, every percentage point increase in the inflation rate raises personal income tax revenues by roughly 1.6 percentage points. In other words, if inflation is about 9 percent and the tax law remains unchanged between 1979 and 1980, the Treasury will collect about $12 billion more than is required to maintain the purchasing power value of its income tax receipts.

DE FACTO VERSUS EXPLICIT INDEXING

Although the Congress roughly offset the effects of both real growth and inflation pushing people into higher brackets between 1967 and 1977,[5] the tax cut of 1979 was not sufficient to offset the inflation occurring since 1977. The situation will worsen in 1980 if there is not another tax cut.

Even though Congress has done a good job of de facto aggregate indexing in the long run and may resume this practice in the future, there are good reasons favoring an explicitly indexed system. From the point of view of good public policy, there is something dishonest about elected officials claiming great credit for tax cuts which are not really tax cuts. Moreover, the de facto indexing which has occurred since the late 1960's worked fine in the aggregate, but different taxpayers have

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Footnotes at end of article.

been treated very differently. Obviously, the Congress has the right to redistribute tax burdens any time it wishes, but it would be preferable to do this explicitly rather than letting inflation play a major role in the process. If we had had a perfectly indexed system since the late 1960's, I suspect that the personal tax system would be very different from that which actually evolved.

INFLATION-INDUCED TAX CHANGES

The nature of the actual changes can be illustrated by the following figures. Between 1967 and 1979, the consumer price index will have risen roughly 116 percent. Over the same period, the basic exemption rose from $600 to $1,000, or by about 67 percent. In other words, it eroded in real terms by 23 percent. On the other hand, the standard deduction, which was the lesser of 10 percent of income or $1,000 in 1967 became at flat $3,400 on joint returns in 1979. Thus, it rose by more than 50 percent in real terms, and this was of most benefit to the lower half of the income distribution.

The basic tax rate structure remained unchanged for joint returns for the whole period 1967 through 1978, or in other words, the real value of the tax bracket widths was approximately halved over the period. In 1979, some brackets were combined, some marginal rates were reduced, but generally speaking, tax bracket widths were increased only by 6 percent—a minute adjustment given the inflation over the previous twelve years. The middle 1970's also saw the development of the earned income credit which is only relevant in 1979 to families with children having incomes less than $10,000.

The net result of all these changes combined with the effects of inflation was a tax system which became very much more progressive over the period. Lower income groups tended to be overindexed for the growth in money incomes while the upper middle class drifted into higher and higher tax brackets.

For example, consider a relatively low income and upper middle class family of four, each earning the same real before-tax income in 1967 and 1979. Suppose the low income family earned $4,000 in 1967 and its purchasing power equivalent $8,644 in 1979 while the upper middle class family earned $20,000 in 1967 and $43,220 in 1979. The low income family's average income rate went from a positive 4.3 percent in 1967 to a negative rate of 1.8 percent in 1979.[6] (The earned income credit was greater than the positive tax liability.) The upper middle class family went from a positive rate of 14.7 percent in 1967 to 19.4 percent in 1979.[7] The marginal rate rose from 15 to 26.5 percent for the low income family (12.5 percentage points are added by the phaseout of the earned income credit) and from 25 to 43 percent for the upper middle class family.

It is, of course, marginal rates which are important in determining the quantity and quality of work effort, savings, and the degree of tax avoidance and tax evasion. The Kennedy-Johnson tax cut of 1964 was considered a triumph for economic efficiency because it lowered marginal rates throughout the tax structure by 14 to 30 percent. While we still enjoy the benefits of the reduction of tax rates from 91 to 70 percent at the top of the income distribution and from 20 to 14 percent at the bottom, it is interesting to note that inflation has eroded the value of that cut for a wide range of taxpayers who are in the middle.

Table 1 compares the rate structure on taxable income in 1963 (before the Kennedy-Johnson cut) with the 1979 marginal rates on the same levels of real income.

From a 1979 taxable income of $12,500 to about $150,000, marginal tax rates are now higher than they were in 1963. It is of course, important to note that the table refers to taxable income. The relationship between taxable income and adjusted gross income (AGI) has changed over time as has the relationship between AGI and economic income. Different types of taxpayers have been affected differently by these changes, but making such adjustments for specific taxpayers would not change the overall conclusion, that is to say, over a wide range of 1979 incomes taxpayers face marginal tax rates which are higher than the rates prevailing before the tax cut of 1964. The 1969 Tax Reform Act did make one major improvement by lowering the maximum marginal rate on personal service income to 50 percent, a rate which goes into effect on taxable income above $56,600.[8]

Footnotes at end of article.

TABLE 1.—A COMPARISON OF 1963 AND 1979 MARGINAL TAX RATES ON THE SAME REAL LEVEL OF TAXABLE INCOME

1963 tax brackets	1963 marginal rates	Equivalent 1979 income	1979 marginal rates
0 to $2,000	20 percent	0 to $4,713	14 to 18 percent.
$2,000 to $4,000	20 percent	$4,713 to $9,426	18 to 21 percent.
$4,000 to $8,000	22 percent	$9,426 to $18,853	21 to 28 percent.
$8,000 to $12,000	26 percent	$18,853 to $28,279	28 to 37 percent.
$12,000 to $16,000	30 percent	$28,279 to $37,706	37 to 43 percent.
$16,000 to $20,000	34 percent	$37,706 to $47,132	43 to 49 percent.
$20,000 to $24,000	38 percent	$47,132 to $56,558	49 percent.
$24,000 to $28,000	43 percent	$56,558 to $65,985	49 to 54 percent.
$28,000 to $32,000	47 percent	$65,985 to $75,411	54 percent.
$32,000 to $36,000	50 percent	$75,411 to $84,838	54 to 59 percent.
$36,000 to $40,000	53 percent	$84,838 to $94,264	59 percent.
$40,000 to $44,000	56 percent	$94,264 to $103,690	59 percent.
$44,000 to $52,000	59 percent	$103,690 to $122,543	59 to 64 percent.
$52,000 to $64,000	62 percent	$122,543 to $150,822	64 percent.
$64,000 to $76,000	65 percent	$150,822 to $179,100	64 to 68 percent.
$76,000 to $88,000	69 percent	$179,100 to $207,380	68 percent.
$88,000 to $100,000	72 percent	$207,380 to $235,660	68 to 70 percent.
$100,000 to $120,000	75 percent	$235,660 and above	70 percent.
$120,000 to $140,000	78 percent		
$140,000 to $160,000	81 percent		
$160,000 to $180,000	84 percent		
$180,000 to $200,000	87 percent		
$200,000 to $300,000	89 percent		
$300,000 to $400,000	90 percent		
$400,000 and above	91 percent		

THE EFFECTS OF MARGINAL TAX RATES

Some may argue that high marginal tax rates are unlikely to have a major impact on economic efficiency, because the empirical evidence that work effort or savings is affected is tenuous, to say the least. Furthermore, at high income levels, there are many opportunities for tax avoidance. However, I believe that such arguments miss some of the main effects of high marginal rates. At high income levels few actions are undertaken without assessing their tax consequences. Whether or not total effort or savings are affected, the direction of effort and the distribution of savings most certainly is. A person may be able to avoid the burden of paying taxes to the United States Treasury, but frequently at great cost. Investments may be made which pay low before-tax returns relative to risks and legal, accounting, and syndication fees are often enormous.

In other words, one can often avoid the burden of actually paying taxes, but one cannot escape the burden of contending with the tax system. The costs of avoidance are frequently only marginally lower than the cost of paying taxes. Put another way, there is a large implicit tax which may not differ that much from the explicit tax which would be paid if the opportunities for avoidance did not exist. A reduction of marginal rates would, by inducing the taxpayer into taxable activities, leave both the high-income taxpayer and U.S. Treasury better off, while increasing the efficiency with which our productive resources are used.

THE SILENT, SEDUCTIVE TAX REFORMER

It has been argued above that inflation has been a silent partner in raising the personal tax burden on the upper middle class in a way which probably would not have been politically possible if there had been no inflation. I believe that economic efficiency has suffered as a result.

For completeness, I should note that inflation can also increase the efficiency of certain other aspects of the tax system. For example, I think it important, for both efficiency and equity reasons, to tax unemployment benefits. The 1978 Act begins to tax those benefits on joint returns with income above $25,000. With inflation, a higher and higher proportion of unemployment benefits will be taxed through time. Inflation will also erode the real value of the $100,000 capital gains exemption on sales of owner occupied houses—an exemption which I happen to believe is bad tax law.

I cite these examples partly to illustrate that inflation is not only a silent tax reformer, but a very seductive one as well. It is very tempting to use inflation to reform the tax system where one likes the reforms, but to try to offset inflation-induced reforms where they are not so desirable. Therefore, the fact that everyone can find some inflation-induced reforms which he or she likes does not weaken the case for indexing. All reforms should be debated openly and indexing will bring this about. One might go further and say that reforms brought about silently by growing real income should also be countered by indexing the system to total compensation rather than to prices. It is hard to refute the logic of this case, but it is not nearly as quantitatively important as the argument that inflation should not be allowed to reform the system. I would therefore be quite satisfied with the first step of indexing the system to prices.

INDEXING AND COUNTERCYCLICAL POLICY

Two further arguments against indexing should be countered before concluding. It is often said that indexing would reduce the built-in stability provided by the tax system. In theory, the increase in taxes which results from inflation is supposed to reduce purchasing power, thus countering the inflation which caused the tax increase in the first place. The argument obviously rests heavily on Keynesian theory—a theory which is being challenged more and more as time goes on. However, even if one accepts Keynesian theory in its simplest form, the argument has little merit. In recent years we have been beleaguered by high rates of inflation after the economy has started downward and the tax system has been as destabilizing in Keynesian terms as it has been stabilizing.

More important, practical indexing systems involve time lags. It is, therefore, likely to be next year's tax structure which would be altered by this year's inflation. Even in the traditional Keynesian framework, the resulting "tax cut" is as likely to be stabilizing as it is to be destabilizing.

It is also argued that indexing should be avoided because it would reduce the pain imposed by inflation on the ordinary voter and so make inflation more acceptable politically. Aside from the sadism implicit in the argument, it misses an important point. Indexing might make inflation less painful for the voter, but it also makes it much less profitable for political decision makers. They would no longer have the "inflation tax" with which to provide pseudo tax cuts or new or expanded programs. That may act as a more important curb on inflation than imposing slightly more pain on voters.

FOOTNOTES

[1] Martin Feldstein and Lawrence Summers, "Inflation and the Taxation of Capital Income in the Corporate Sector," National Bureau of Economic Research, working Paper No. 312, Cambridge, Massachusetts, January 1979.

[2] Subsequent revisions of the GNP accounts have lowered this number slightly to $12.0 billion. Unless otherwise noted, I shall use the same estimates used by Feldstein and Summers.

[3] It is more difficult to say where we might stand relative to a true comprehensive income tax system. However, the many actions of the Congress to ease capital taxation suggests that this is not their goal.

[4] Even with current rates of inflation, this situation exists with many tax shelter arrangements.

[5] The ratio of personal and nontax receipts to personal income was 11.1 percent in 1977 and 10.8 percent in 1967.

[6] Assumes standard deduction in both years.

[7] Assumes itemized deductions equal to 16 percent of income in both years.

[8] In all of the above, taxable income has been defined to exclude the $3,400 "zero bracket amount," i.e., the new version of the standard deduction.●

AMENDMENT TO THE WINDFALL PROFITS TAX ESTABLISHING AN INTERNATIONAL SUPPLY DIVERSIFICATION PROGRAM

● Mr. KENNEDY. Mr. President, our present energy difficulties are not so much the result of dependence upon foreign oil as they are the result of dependence upon oil from a very small group of countries located, for the most part, in a politically unstable part of the world. A key part of our Nation's energy policy must involve the encouragement of oil production in new areas of the world.

The failure of private firms to explore and develop in new regions reflects more on the political risks involved than on the absence of geological prospects. The case for support by the U.S. Government in this context is clear. The potential benefits to our country from even modest discoveries of new oil and gas resources are considerable. They are great enough to justify the encouragement of private activity even where the risk is very great.

New oil and gas discoveries can have an immediate and direct benefit to the American people even though they produce energy that never actually reaches our shores. Every additional barrel that is produced, particularly in non-OPEC countries, reduces the pressure on the world market. We may not be able to reach a significant level of production from countries that currently produce no oil or gas. And many of the most promising prospects seem to be in countries which lack the economic infrastructure for rapid development. Nevertheless, the case for doing what we can to help those nations make a beginning is overwhelming.

The amendment to the windfall profits tax introduced today by Senator Javits represents an excellent first step. It has the potential of contributing much, both to our economic and our military security.●

INTERNATIONAL COCOA AGREEMENT

● Mr. SCHWEIKER. Mr. President, the United States is currently participating actively in negotiations for renewal of the international cocoa agreement. The proposal now being considered by the negotiating parties would set a floor price on cocoa, which is the principal ingredient in chocolate, at $1.10 per pound and a ceiling price of $1.60 per pound in an effort to bring some stability to the international cocoa market. I rise today to join with several of my colleagues who have already pointed out that the proposed $1.10 floor price is about double the estimated cost of cocoa production and will, therefore, guarantee inflated cocoa prices for U.S. consumers and candymakers. I would like to join with my colleagues to recommend that the United States insist that the floor price maintained by the agreement not be greater than $1 per pound as originally maintained by U.S. negotiators.

The factory workers in the plants of Hershey, Cadbury, and Mars, Inc., in my State do not deserve to be the victims of an unsound commodity agreement which artificially props up cocoa prices above what the market would otherwise dictate. Analysts predict that foreign cocoa production will increase and American candy eating will decline over the next decade. Lower demand—combined with guaranteed and artificially high cocoa prices—would decimate the American chocolate candy industry, costing many Pennsylvanians their jobs.

Given our recent experience with international cartels, we are all aware of the economic dislocations that can be caused by international price-setting agreements. It would be foolhardy for the United States to endorse inflated commodity prices for any commodity at a time when inflation is skyrocketing and we are threatened with more unemployment. Although stabilizing commodity prices such as cocoa prices may be desirable, that does not mean we should enter into commodity agreements which guarantee that foreign producers will get unreasonably high prices. One is not hard put to imagine the pressures the United States would be under, once a member of the agreement, to endorse even further floor price increases so that the agreement establishes outright foreign aid to cocoa-producing countries at the expense of American candy eaters, candymakers, and their employees.

I strongly urge the U.S. delegation currently at the cocoa negotiating conference to press for a fair and reasonable floor price which both reflects market realities and is in the interests of this Nation's consumers and workers.●

PRELIMINARY NOTIFICATION OF PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million, or in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the Record in accordance with previous practice.

I wish to inform Members of the Senate that three such notifications were received on November 16, 1979.

Interested Senators may inquire as to the details of these preliminary notifications at the offices of the Committee on Foreign Relations, room S–116 in the Capitol.

The notification follows:

Defense Security Assistance Agency,
Washington, D.C., November 16, 1979.
In reply refer to: I–10353/79.
Dr. Hans Binnendijk,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

Dear Dr. Binnendijk: By letter dated 18 February 1976. the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to an African country for major defense equipment estimated to cost in excess of $7 million.

Sincerely,

Ernest Graves,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

Defense Security Assistance Agency,
Washington, D.C., November 16, 1979.
In reply refer to: I–10354/79.
Dr. Hans Binnendijk,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

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The Department of State is considering an offer to an African country tentatively estimated to cost in excess of $25 million.

Sincerely,

Ernest Graves,
Lieutenant General, USA Director, Defense Security Assistance Agency.

Defense Security Assistance Agency,
Washington, D.C., November 16, 1979.
In reply refer to: I–10355/79.
Dr. Hans Binnendijk,
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The Department of State is considering an offer to an African country tentatively estimated to cost in excess of $25 million.

Sincerely,

Ernest Graves,
Lieutenant General, USA Director, Defense Security Assistance Agency.●

EARLY RETIREMENT AT BIA

Mr. PERCY. Mr. President, the Senate will soon consider H.R. 1885, a proposal to resolve a difficult and sensitive situation in the Bureau of Indian Affairs (BIA) and the Indian Health Service (IHS). As a result of 40 years of nonenforcement of Indian preference laws in these agencies, a practice brought to an end in 1974 by the U.S. Supreme Court, many thousands of Federal employees have been placed in an untenable career predicament through no fault of their own.

As ranking minority member of the Senate Committee on Governmental Affairs, which maintains legislative jurisdiction over this area, I support H.R. 1885 as a narrowly focused means to resolve a specific problem existing in two isolated Federal agencies resulting from a unique historical circumstance. However, I believe that the method employed in H.R. 1885 to remedy this situation—luring non-Indian employees out of these agencies through early retirement benefits—sets a questionable precedent. I would hope that it will not become a common practice to attempt to drain nonminority employees out of Federal agencies dealing with minority problems through this or any other similar "back door" measure. While I accept the judgment made by Congress in 1934 that Indians should have a strong voice in their own affairs, I question the wisdom of limiting employment in these Federal agencies based on race, blood, or other nonmerit factors. I wonder whether the policy of this legislation goes beyond simple "preference" for Indians in obtaining employment in the BIA and the IHS, approaching "exclusion" for non-Indian employees.

For the record, I would like to state that it is not my intent, nor that of the Governmental Affairs Committee, that the methodology of H.R. 1885 be viewed as any kind of general precedent to be used in other situations beyond the unique, isolated predicament that currently exists in the Bureau of Indian Affairs and the Indian Health Service.

STATEMENT BY SENATOR JEPSEN

Mr. STEVENS. Mr. President, I ask unanimous consent to have printed in the Record a statement by Senator Jepsen on deregulation of the trucking industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Senator Jepsen on Deregulation of the Trucking Industry

There has been much debate concerning the effects of deregulation of the trucking industry on the overall transportation system in this country. Many people are concerned about the effect of such deregulation on small rural communities. Mr. Virgil Umthun, President of the Umthun Trucking Company of Eagle Grove, Iowa, is particularly concerned about this problem and has sent me an article from Nation's Cities Weekly entitled "Deregulation Interfering with the Flow of Transport Systems." The article deals specifically with the problems which truck deregulation may bring to Iowa. While we may not all agree on the consequences of deregulation of the trucking industry, I believe that this article will be of interest to all of my colleagues. Therefore, I submit the article for the Record.

[From the Nation's Cities Weekly,
Oct. 15, 1979]

Deregulation Interfering With the Flow of Transport Systems

(By Clint Page)

Burlington, Clinton, Dubuque, Ft. Dodge, Mason City, Ottumwa, Waterloo. They sound like stops on a roundabout trip through Iowa, and they are in fact destinations and starting points for passengers and freight moving by all the major means of transportation.

They aren't the largest cities in Iowa (Waterloo's 77,681 people are outnumbered by the residents of Sioux City, Davenport or Des Moines) and they aren't the smallest (Ottumwa at 26,601 is still larger than most Iowa municipalities).

But these seven cities offer a good look at the problems that cities their size and smaller can expect as the pressure to deregulate most forms of transportation grows.

On the map it looks relatively easy to get in and out of these seven cities. Each is on air, rail, truck and bus routes; each is on at least two U.S. highways; three are significant river ports. But the real story is the service that is available on those routes, and for a few of the seven—and for many smaller communities—it's a sad story.

The problems have been brewing for years as rail and air lines have concentrated on the money-making long hauls between major cities. With airlines deregulated, railroads facing financial problems, and trucking facing deregulation, the transportation story in Iowa could get even worse than it is now. The service that is available in these seven cities is less than it used to be, and it could easily end up less than it is.

Air service is already tight. "We've been hit pretty hard by airline deregulation," says a spokesperson for the Waterloo Chamber of Commerce. The city has lost air service to a number of cities, some in Iowa and some outside the state, as Ozark Airlines cut back some of its less profitable routes.

Other cities have felt the same squeeze. Elaine Baxter, a former Burlington city council member, now an official at HUD, points out that the problem in traveling between Burlington and the nation's capital is not the flights in and out of Washington. The problem, she says, is the connecting flights into and out of Burlington, which is served only by a commuter line. There aren't many flights, she says, and they are usually full.

The recent announcement by the Civil Aeronautics Board of what it considers the base-level service for the seven cities may also affect air service. CAB set minimum numbers of seats between each of the cities and other larger cities (The Weekly, Oct. 8). In its announcement, the CAB said that five of the cities already enjoy air service in excess of the base level. For those five cities, CAB expects no problems, and it intends to resolve the problems of deficient service in the remaining two cities.

But there is another way to look at those service levels. Because minimums often turn out to be maximums, the service in excess of a CAB-set base level could be jeopardized if the airline providing it figures the route is unprofitable. Ironically, the same CAB base levels that should improve service to Ft. Dodge and Mason City (where air service is below the base level) could lead to further reductions in Burlington, Clinton, Dubuque, Ottumwa and Waterloo where service is now above the minimum.

Other passenger travel can be just as troublesome. "Amtrak runs through the least populous parts of the state," says Patsy Lawler, a Clinton travel agent who chairs the transportation committee of the local chamber of commerce. The San Francisco Zephyr, which links Chicago to Denver and points west, stops daily in each direction in Burlington and Ottumwa. Dubuque has daily trains service to and from Chicago on the Black Hawk. But Clinton and the other cities don't have any Amtrak service.

Bus service also varies from city to city. Waterloo had to campaign vigorously to keep its regular bus service, says a chamber of commerce official there. Bus service in and out of Clinton is said to be sketchy and undependable, although there is a new Greyhound terminal in town. Trailways links Burlington with Des Moines, Iowa City, Davenport and other cities.

Passenger travel is important in Iowa, as it is anywhere, but the larger problem is freight, and freight means rail or truck shipping. Both have their problems, real or potential. Of the 1,331 communities in the state, 806 have some rail service, leaving 525 that depend entirely on motor carriers for freight shipments, according to figures tabulated by the American Trucking Associations. Figures from the Iowa League of Cities and Executive Director Bob Harpster give a similar picture. Harpster points out that of the state's 955 cities, only 600 or so are served by rail lines, and in half of those the trains won't stop to load or unload anything smaller than a carload lot. "So there's another unknown number of communities depending on trucking."

Both means of moving freight are threatened these days. Of the six railroad lines serving the seven cities, two are having considerable financial problems. The Chicago, Milwaukee, St. Paul and Pacific was $25 million in the red in 1975, the Rock Island Line in worse shape; both are trying to abandon many miles of track in Iowa. Of the seven cities, only one—Ft. Dodge—is not on either line; Dubuque, Mason City and Ottumwa are served by both.

For the cities, rail problems are not serious, but they could be. "I haven't heard of any rail problems from local industry—yet." says a Dubuque Chamber of Commerce official, and Elaine Baxter points out that Burlington's industrial plants are located along the highways and make more use of trucks than they do of trains.

It's the farmers who face the most serious problems as rail service is curtailed. "Rail cutbacks are more a problem of branch lines serving country towns," Baxter says. And in those country towns—the small communities with one grain elevator and a railroad siding—some 150 million bushels of wheat are sitting, Harpster says, waiting for rail cars to move them to market.

For the moment, motor carrier service for the seven cities and throughout the state poses no problems, although everybody worries about deregulation. "If you're looking at deregulation of trucking," says Patsy

Lawler, "look at airline deregulation. Like the airlines, the truck lines will delete service to minor cities and they'll charge higher prices."

So far, that hasn't happened. Each of the seven cities has good motor freight service, ranging from 12 carriers serving Ft. Dodge to 21 serving Waterloo; in every case, more than half the carriers are licensed for interstate shipping.

Trucking, however, depends on highways, and not one of the seven cities is on either of the two interstate highways that cross Iowa, although Interstate-35 passes within seven miles of Mason City. The cities are all on U.S. highways, but in some cases the highways aren't up to the traffic they have to carry. Of the four highways passing through Dubuque, none is adequate, according to a chamber of commerce official, and there are no freeways. In Clinton, says Patsy Lawler, there is an "enormous problem" with U.S. 30. "There are 16,000 vehicles a day on a street designed to handle 6,000," she says, "and the state says there's no money to do anything about it. It's a critical problem, and it gets worse every day."

About the only thing that sounds healthy is river shipping. Three of the seven cities are sizable river ports. Burlington has seven of the 63 barge terminals on the Iowa side of the Mississippi River; Clinton has eight and Dubuque, nine. All told Iowa's barge terminals handle large amounts of freight. In 1977, according to the state department of transportation, 4.8 million tons (174 million bushels) of wheat were shipped out of the barge terminals; more than a million tons of petroleum products and 2 million tons of coal were shipped into the state through these same terminals. Nearly two and a half million tons of other products moved through the barge terminals, including a million tons of fertilizer destined for Iowa farmers.

But transportation systems all work together, and the river shipping in Iowa depends on the rail and truck lines leading to the river ports. This year the state's rail problems have stranded almost as much wheat as was shipped out of the state by barge in 1977. Trucking faces deregulation, and the highways need repair. Airline deregulation has already affected service to the cities that have airports, bus service is less than ideal in some places, and there are lots of places where the passenger trains don't stop.

"The jury is still out on rail," says Bob Harpster. The Iowa league is suing the state over the liquidation of the Rock Island Line, calling for the state to step in and take over the railroad. If the rail mergers and consolidation schemes go through, Harpster says, "we'll go back to the 1800s when everybody feared the railroad robber barons. The impact will fall on the smaller communities on the spur tracks."

If motor carrier deregulation goes through, Harpster says, "we'll end up with economic corridors along the shipping lines and maybe a lot of economic control by the ICC. Nobody will know when, how and at what cost they'll get commodity shipments; they'll cost an arm and a leg."

GEORGE MEANY

Mr. WILLIAMS. Mr. President, November 19, 1979, marked the end of an era. Yesterday, after nearly 60 years as an active trade union member, George Meany stepped down as the president of the AFL–CIO, the only president that organization has had since it was founded in 1955.

I join the millions of working men and women all over the Nation who are paying tribute to George Meany who helped bring greater dignity and security to American workers than they have ever had. No one I know has fought harder for the economic rights of workers and has been more steadfast in his commitment to social justice for all Americans.

He personifies the attributes of a true national leader: high and uncompromising standards, personal courage and honor, and a unique understanding of history and people.

In his long and active career as the president of the AFL–CIO, George Meany has always believed that the mission of the trade union movement was to enhance and improve the living and working conditions of all those who work for wages in our society. In his 1979 Labor Day address, he said:

> American unions have been, and will remain, the only major private U.S. organization whose sole purpose is advancing the cause of American workers.

But beyond that, George Meany has believed that the labor movement's concerns are not merely with the working hours of workers, but with the central concerns of every worker's family: safe, secure jobs, education, health care, and housing.

Mr. Meany has believed that the freedom of men and women to assemble freely and bargain collectively is the cornerstone of a democratic society and that no society without an independent trade union movement is free.

He has believed that independent trade unions and human rights are indispensable if civil liberties are to be guaranteed. For this reason, neither he nor the American trade union movement have ever waivered from the commitment to aid workers around the world who are denied those basic rights by their Government.

The degree of social justice which America enjoys today would be less without George Meany and the achievements the AFL–CIO has realized over the last quarter century. Since December 1955 when the AFL–CIO were merged, he and his organization have been active participants in the landmark legislation which secured equal rights and opportunities for all working Americans: Minimum wage, civil rights, improved health and safety standards in the workplace, and pension benefit guarantees.

The 13th Constitutional Convention of the AFL–CIO honored George Meany by naming him president emeritus for life. It is my sincere hope that his service in this position will be a long and prosperous one. And, it will be hard to replace a man whose colleagues have said of him:

> He is an historic figure—the George Washington, Abraham Lincoln, and Winston Churchill of the labor movement.

Last week, George Meany delivered the keynote address to the 13th Biennial Convention of the AFL–CIO in which he outlined the advances the American trade union movement has made in the last 100 years and the challenges facing it today. The stirring speech says much about the type of men and women who, like George Meany, have committed themselves to improving the lives of their fellow citizens.

It has the very breath and hope of George Meany that American workers will retain the integrity and earnestness of earlier Americans who helped build the strongest and freest economy in the world.

Mr. President, I now ask unanimous consent that Mr. Meany's speech to the 13th Biennial Convention of the AFL–CIO be inserted at this point in the RECORD:

There being no objection, the address was ordered to be printed in the RECORD, as follows:

PRESIDENT GEORGE MEANY'S KEYNOTE ADDRESS TO THE 13TH BIENNIAL CONVENTION OF THE AFL–CIO

Today is the last time I will have the honor of opening a convention of the AFL–CIO. By coincidence it is also an historic anniversary for the American trade union movement.

Ninety-eight years ago on this day—in Pittsburgh, Pennsylvania—107 trade unionists established the first, continuing national trade union center. The AFL–CIO is its direct descendant.

On November 15, 1881 the Federation of Organized Trades and Labor Unions was born for one simple reason—the unions of that day knew—as we know—that in unity there is strength.

Of course, there were many trade unions, assemblies and councils in many cities, even national and international labor unions in 1881. They had already made many important gains. But the founders of this great movement knew that much more could be accomplished through a combination of all those organizations.

So they organized and adopted a charter to "promote the general welfare of the industrial classes and secure that justice which isolated and separated trade and labor unions can never fully command."

Each succeeding generation of trade unions has given that charter life and breath. It has been a torch handed down from generation to generation—sometimes flickering, but never dimmed. It is now our responsibility—individually and collectively—to preserve that charter, to give it life and meaning in our time and to pass it, intact and shining, to those who follow us; to carry that torch high, with pride, with honor.

Despite what some of my friends in the media may believe, I did not attend that convention in 1881. But I have read the proceedings and I believe Gompers, Foster, Leffingwell and all the courageous founders of our movement would look with favor upon the stewardship of their successors.

Examine, if you will, their first platform. They determined to fight for compulsory free public education, an end to child labor, achievement of the 8-hour day, protection against garnishment, apprenticeship laws, payment of wages in legal tender, repeal of conspiracy laws, creation of a national bureau of labor statistics, workers' compensation, use of the ballot to elect friendly legislators. The trade union movement has achieved all these and more.

With equal vision, succeeding generations have extended the platform. They sought social security, unemployment insurance, civil rights, health care for the elderly and the poverty-stricken, minimum wage, occupational safety and health, pensions, a national labor relations act, food stamps, and much much more. And they achieved those goals as well.

And true to our mission to expand the frontiers of human progress, this generation of trade unionists has an agenda of platform items as yet unfulfilled—national health insurance, full employment, equal rights for women, labor law reform, to name but a few. And we recognize the constant need to refine and improve and protect those programs already enacted.

Labor's agenda and labor's platform are the issue of human concern. Labor's goals are economic and social justice, and because human beings are fallible, achieving those goals requires ever new horizons and commands all of our energy.

To achieve our goals, the labor movement cannot be content with defending the status quo, or reliving past glories. We must constantly look to the future, develop new leadership, adapt policies to changing conditions and new technologies—but—always, always—with unswerving loyalty to the mission of the trade union movement as the instrument for improving and enhancing the working and living conditions of those who work for wages.

Two years from today I expect the AFL-CIO will be celebrating, in some form or other, the centennial of the American labor movement.

Because I know so well the calibre of the leaders of this movement, I am sure they will not be content to say smugly, "We've come a long way." Rather, I am confident, they will use that centennial as a launching pad for new campaigns to improve further the conditions of work and life in this land. For the quest for social and economic justice is never ending.

As I leave this office, I am happy and proud to report that the instrument workers created 98 years ago is alive and well and ready to do battle with any foe who would destroy it.

It is growing. Despite the combined effects of technology, unfair international trade policies and continued high unemployment—which have created particular problems in construction, manufacturing and transportation—the traditional bases of organized labor—more workers are covered by collective bargaining agreements today than ever before in this nation's history.

Despite the fact that the labor laws of this nation have been sharply tilted away from protecting the right of workers to organize and bargain collectively, the movement is growing.

Indeed, I am confident that the labor movement is about to embark on another period of significant growth and expansion. The growth in unionization among public workers is continuing at a strong pace—and there are significant organizing breakthroughs by unions in the service trades. White collar and professional workers are seeking organization. Farm workers are proving their strength against the most oppressive tactics used by any employers anywhere in the nation.

The Executive Council report for the past two years clearly demonstrates the good health of this federation. Last year in Missouri we resoundingly defeated a so-called right-to-work referendum, despite a multimillion dollar campaign waged by our enemies. This year in the Congress our combined legislative operations blocked every attempt to destroy or weaken the Davis-Bacon Act. Our civil rights efforts have resulted in strengthened and renewed bonds of cooperation with the major minority and women's organizations. Our combined organizing efforts have made major breakthroughs in areas of the country traditionally hostile to unions. Our state federations blocked efforts in state legislatures to force a constitutional convention that would impose a government-busting balanced budget requirement. Every one of our headquarters departments has made continuing, provable advancements and I am proud of the record established by the department directors and their hard-working staffs.

Yes, the unity in the federation itself is unmatched in our history. Without exception our affiliates are involved in the activities and programs of the federation. The 24 years of merger have proven, once again, that in unity there is strength, that all workers share common interests, needs and expectations—regardless of their craft, the color of the collar they wear or any other artificial distinction.

This federation is the house of labor. It is well-built—ready to stand and to shelter workers long beyond the lifetime of everyone in this hall. And there are plenty of rooms in the house of labor to accommodate all organizations of workers.

Today the American trade union movement is vital, dynamic, growing. It is strong and unified.

But it needs to continue to grow, to consolidate its strength. And, I predict with certainty, it will.

Workers face tough days ahead. The national economy is a mess. America's energy problems are growing while the oil companies reap outrageous profits; inflation is unchecked and family budgets are wrecked; the recession is at hand and, in the bellwether housing industry, the depression is already here, yet the banks raise interest rates to the highest in the nation's history. The shifting, changing economic policies established by the administration have, without exception, failed because they were ill-advised, ill-considered, ineffective and inequitable.

Obviously there is need, at this time of economic crisis, for all elements in society to demonstrate their responsibility. We in the AFL-CIO have already done so.

For the national accord, recently reached between the administration and the AFL-CIO, is a demonstration of labor's willingness to shoulder its share of responsibility on a broad range of national concerns. It is an accord we would have willingly negotiated with the administration a year ago, but there was no real willingness on the part of the administration to treat us as a concerned partner at that time. We intend to do our share—and more—to help develop an economic policy that is fair and workable—that divides the burden of sacrifice equally.

We have the integrity to live up to our end of the bargain. We also have the courage to blow the whistle if the administration fails to fulfill the obligations it has undertaken.

We look for deeds, not rhetoric; programs, not promises. The whole history of this movement is that our word is our bond. We shall keep our word. We expect others to keep theirs.

Now the time has come for me to thank you and the members you represent for the highest honor that could be paid any human being—the honor of leading this great organization of workers who have built this nation. It has been both a humbling and a tremendously rewarding experience.

It has given me the opportunity of knowing and working with the members of the Executive Council—past and present. Each has made significant contributions to the work of the federation. Their counsel has been wise; their support outstanding; their friendship rich and warm.

The officers of each affiliate and constitutional department and all of the state and local central bodies have carried out the programs and made this federation a testament to the foresight of those who gathered in Pittsburgh 98 years ago.

To my assistants and to the staff of the federation—both in the headquarters and the field—goes my gratitude for a job well done.

To you—the delegates to this convention—the representatives of the workers of America—goes my sincere appreciation for this opportunity to serve.

And to my God go my prayers—prayers of thanks for granting me more than one man's share of happiness and rewards, and prayers for His continued blessing on this nation and on this movement and on each of you.

Thank you.

INTERIOR APPROPRIATIONS

Mr. MOYNIHAN. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the Senator from Indiana (Mr. BAYH) concerning the Interior appropriations conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT OF SENATOR BAYH

The Interior Appropriations Bill Conference Report which we approved last week is now on the President's desk awaiting his signature. This appropriations bill has always been one of our most important legislative initiatives. This year this is especially true, and reflects one of the longest and most arduous paths to enactment of all the appropriations measures. This long effort and its final successes reflect the exceptional skills, extraordinary patience and prodigious amount of work of the Interior Subcommittee's most able Chairman, our distinguished majority leader, Senator Robert Byrd, of Senator Walter Huddleston, who did yeoman work assisting the Chairman, and of the distinguished ranking minority member, Senator Ted Stevens. No words of recognition or appreciation regarding the work and accomplishments of this bill would be complete or more appropriate than those directed to the Subcommittee's staff, whose knowledge was formidable, whose judgment was sure, and whose patience and wisdom prevailed so splendidly in the face of many obstacles. For their efforts, Mr. President, we owe Dwight Dyer, Clerk of the Subcommitte, Charles D. Estes, Susan Crystal, and Penny Barnicka of the Majority Staff and Linda R. Richardson of the Minority Staff, a debt of thanks.

ALTERNATIVE FUELS

Probably no provisions in this year's bill are more important than those involving our nation's efforts to develop new sources of energy. Although demands for Federal dollars are high and many important programs are in competition for those dollars, the Interior Appropriations bill contains our first substantial national commitment to assure energy self-sufficiency, economic security, and reduced vulnerability to international blackmail. In this effort to develop new domestic energy sources, $2.2 billion will be available to the Department of Energy this year, with a total commitment of $20 billion to be available in future years for private sector incentives for synfuels development. These funds are designed to provide federal loans, loan guarantees, and purchase and price guarantees for future synfuels plants—thus reducing the risks which have retarded commercialization of these new forms of energy.

Within the energy section, one of the most important items in this legislation is $5.8 million under the Industrial Conservation account which will be used for the preliminary engineering phase of a formcoke demonstration project by Inland Steel in East Chicago, Indiana. This project, which has been advanced as one way to cope with the serious decline in coke-making capacity in this country—a problem of tremendous concern to the steel and coal industries and their workers—holds great promise on a number of economic, environmental, energy and other fronts.

A recent report commissioned by the Economic Development Administration has already confirmed the urgency of moving ahead with innovative technologies utilizing a wide range of coals not usable in cokemaking with present technology. The "Analysis of the U.S. Metallurgical Coke Industry" has recommended that five million tons of new coking capacity be installed during the next five years in order to meet our domestic demand for this processed material vital to steel production. By utilizing formcoke technology, and through other initiatives, I hope we can contirbute toward meeting that goal in a manner consistent with increased productivity, a quality environment, worker safety and a sharp reduction in our reliance on imports of coke from overseas. I was quite pleased that the Committee acted favorably on my amendment to include funding for this project in the bill and I look forward to working with Inland Steel and DOE to make this project a success.

Development of alternate energy sources and conservation measures is not a cause for political rhetoric or wishful thinking but a national imperative. It is a mammoth task, perhaps beyond even our full comprehension at this time. But our nation has filled tall orders before—and it will this time.

FUEL ASSISTANCE

Congress has also provided funds in this bill for those most vulnerable citizens of ours who are least able to bear the brunt of skyrocketing energy prices, which have already driven energy costs past the breaking point for many consumers. For our poorest, including those who are elderly and handicapped, who are on low and fixed incomes, and who must already make impossible choices between medicines or heat, the burdens imposed by this winter's fuel prices could well prove to be intolerable, and the consequences tragic. We have appropriated $1.350 billion in this bill for an emergency program of assistance to low-income persons and families for fuel and heating to prevent forcing unconsionable choices between heating and eating. Added to the $250 million already appropriated in other legislation, there will be a total of $1.6 billion available for assistance to low-income households for this winter. Those of us from states such as Indiana, where the winters and temperatures are so severe and so potentially dangerous, know how essential these funds will be. The $42 million alloted to my own State will be reaching needy recipients with as much dispatch as possible.

LAND AND WATER CONSERVATION FUND

In adopting the Interior Appropriations measure, the Congress also approved funding for the Land and Water Conservation Fund at the level of $509,194,000. I regret that budget constraints have prevented more funding for this program, which is extremely popular in my State. But I am pleased that moves to cut this much needed program below the $500 million mark were unsuccessful. Such cuts would have made it impossible to fund pending applications in Indiana, especially hurting smaller towns and rural areas in my State which are at a disadvantage in competing for funds with larger cities.

The Land and Water Conservation Fund has been the heart of our Federal recreational land acquisition program and our matching grant program to States and localities since its creation in 1964. Since the Fund became operative in 1965, the States have received over $1.85 billion for use in the planning, acquisition, and development of outdoor recreation facilities. The States, in turn, have matched these funds for a total commitment of over $3.7 billion for outdoor recreation purposes in the past 14 years.

Four Federal agencies, the National Park Service, U.S. Forest Service, the Fish and Wildlife Service, and the Bureau of Land Management may receive monies from the Fund to acquire lands and waters for outdoor recreation use. Although the LWCF Act did not require that the Fund serve as the sole source of funding for the acquistion of lands by Federal agencies for outdoor recreation use, this has largely been the case. The expansion of the Redwood National Park authorized by the 95th Congress has been a notable exception. The history which has been established with regard to meeting the authorized level of funding for the LWCF is not a happy one Outdoor recreation has frequently been singled out as an early target in many Administration and Congressional efforts to curtail Federal spending. We are all aware of the need to keep federal spending down, and choosing between competing priorities is difficult. But it is my belief that our citizens want and deserve recreational outlets close to population centers and that we must preserve important segments of our national landscape and provide convenient areas in which Americans can enjoy their leisure time.

I was especially pleased that the Appropriations Committee accepted my motion for funding for the Park and Forest Service to expand and improve the facilities of the Indiana Dunes National Lakeshore, one of our nation's most beautiful recreation areas, which provides a wholesome outdoor area for urban residents in the heavily populated northwest corner of my State.

NATIONAL ENDOWMENT FOR THE ARTS

I also wish to focus for a moment on another effect funded under this bill, and that is the effort to enrich the Nation's cultural life under the aegis of the National Endowment for the Arts.

The National Endowment for the Arts, in my view, Mr. President, is one of the Federal government's true success stories in the past decade.

There is today clearly a flowering of American arts and a broadening interest in the arts throughout the Nation. The Federal government, through the Endowment, is not solely responsible; but it has played an important role as a catalyst as a leader. And part of the reason for this new and growing interest in the arts is to be found within the nature of the Endowment's law, which seeks to encourage a partnership between the Federal Government and others in the public and private sectors. This is true philosophically and is reflected in the way the endowment provides grants.

Most all of the Endowment's grants require at least a one-for-one match; and in the Endowment's Challenge Grant Program—a special effort to stabilize the financial base of arts institutions—the required match is three non-Federal dollars for each Federal dollar. The cumulative results of this pattern of granting has been to maintain decisions regarding the Nation's cultural life on the local level, and to make the financial support system for artistic organizations largely non-Federal.

The extent to which relatively small amounts of Federal dollars have encouraged local commitment is amply demonstrated in the growth of numbers of artistic organizations. When the Endowment was established in 1965, there were 58 professional symphony orchestras; today there are 144. In 1965, there were 27 professional opera companies; today there are 65. Professional theaters, both large and small, have grown from 22 to 270. Professional dance companies have grown from 37 to 200; and special centers for the display of the work of emerging visual artists have grown from none to 200. And most of this growth has taken place outside of New York and the other centers where a wide variety of cultural offerings has traditionally been available.

As I have indicated, the financial base for this growth has not been borne by the Federal government. Endowment support for art institutions is rarely more than eight per cent; and more generally accounts for only three per cent of the budget of an institution receiving Federal funds through the Endowment.

The Business Committee for the Arts estimates that corporate giving to the arts has risen from $22 million in 1968 to $235 million in 1977. The portion of total corporate giving that goes to the arts has also increased in recent years. Corporate contributions going to art and culture were 4.1 per cent in 1972 and by 1976 it was estimated at 8.1 per cent.

Little more than a decade ago, state legislatures were providing only $4 million for the arts; today state legislatures are providing more than $80 million.

Personal and foundation giving to the arts is also on an upswing.

Rather than constrict in any way the cultural life of the Nation, the efforts of the government, primarily through the Endowment, have invigorated more and more artistic activity in greater and greater variety. The broad expanse of this activity is a gratifying reflection of the range of heritages that make up the fabric of the Nation's cultural life.

I am particularly pleased, in fact, that the Endowment, under the creative and energetic chairmanship of Livingston Biddle, is making new efforts to encourage arts activities among the Nation's diverse ethnic communities, and has completed an internal restructuring to provide the Endowment with a broader perspective when making decisions. One of our biggest disappointments this year was the refusal of the House of Representatives to accept initial funding for the new Livable Cities program to be placed within the Department of Housing with a strong advisory role for the National Endowment. However, the long fight for this program had one beneficial effect: it provided an educational experience for the Senate as a whole, most of whom became strongly convinced of the need for a program to bring community-based art to our poorest neighborhoods which are too often desolate areas of concrete and asphalt. And as strong advocates, we are pleased that the National Endowment is seriously exploring the establishment of such a program in the Endowment. Those of us who led the fight for Livable Cities applaud this initiative by the Endowment and pledge our full support next year as it takes yet another step to make the arts and beauty an experience for all our people—particularly in those areas where they are most needed and where community participation and direction will bring not only new spirit to those communities but the fresh talents there to us all.

There is so much in this bill to be proud of. Virtually every American wil benefit from its many programs, not only in fiscal year 1980 but in all the years ahead for which it so wisely lays the foundations.

GENOCIDE CONVENTION IS NOT AN EXTRADITION TREATY

Mr. PROXMIRE. Mr. President, ratification of the Genocide Convention would carry a commitment to the proposition that genocide is a violation of international law and should be treated as such. I believe that one of the reasons for this body's neglect of the treaty is based on an erroneous fear of what this means. I hope that by correcting this misinterpretation I may be able to convince my colleagues to join in pressing for ratification.

More recently, some critics have expressed concern that the treaty would allow for the extradition of Americans to face trial in countries without the legal protection provided by the Constitution. This is not so.

For any American to be extradited to another country, there must first be an extradition treaty with that nation. Such agreements are not entered into by the United States unless we are confident that the other nation's legal system guarantees defendants a fair trial. As an additional procedural safeguard, it is required that both a U.S. court and the executive branch be convinced that the charges are valid and that the defendant should indeed be brought to trial.

The Genocide Convention would do nothing to change this. It is not an extradition treaty, but instead is an accord which would add genocide to the list of crimes which such treaties might cover. Even if genocide were covered by one of our extradition treaties, which is not the present case, no U.S. citizen would be turned over to foreign authorities unless it were clear that the charges were serious and that a fair trial, with due process of law, would follow.

Thus, the Genocide Convention would not in any way jeopardize Americans with groundless legal harassment from abroad. Instead, its approval would create a safer international atmosphere for all people and proclaim our earnest concern on this important global issue.

I strongly urge the Senate to ratify the Genocide Convention.

Mr. President, I suggest the absence of a quorum.

THE INTERNATIONAL COURT OF JUSTICE

Mr. MOYNIHAN. Mr. President, I would like to take a moment of the Senate's time at the end of this day and prior to the Thanksgiving holiday to offer a thought with respect to the situation in Tehran, which I am sure has occurred to the Department of State and may even have been discussed with the President, but which, it seems to me, might usefully also be raised here on the Senate floor.

Mr. President, what we see in Iran today is illegality. We see a clear violation of international law. The President has made clear that while international law is flagrantly violated he will not negotiate and he will not capitulate.

He is right in taking this position, and the American people have supported him as the Senate has supported him.

But I would like to ask, has it occurred to our Government that this is precisely the kind of situation for which the International Court of Justice was established? It has been, from the late 19th century, one of the principal objectives of the Western democracies to establish a regime of law in the world and a series of judicial forums and tribunals to which nations in conflict could apply, and to which nations feeling that law was violated could apply.

The permanent International Court of Justice was an essential element of the League of Nations which Woodrow Wilson helped to fashion, and an International Court of Justice was established as part of the United Nations. But where the permanent Court was the object of many hopes and expectations not fulfilled, the International Court has scarcely been noted in the international scene since its establishment. Even so, it is there, and it has convenants with a clear status of law. As it happens, these convenants specifically obtain as between the United States and Iran.

In the case of the illegal seizure of our Embassy in Iran, the United States has the clear opportunity to exercise its right under the optional protocol to the Geneva Convention of 1961 on diplomatic relations.

Mr. President, both Iran and the United States are parties to the convention and to the optional protocol which confers compulsory jurisdiction upon the International Court of Justice.

So far as I know, and I believe this to be the case, no reservations were made either by Iran or by the United States, and since we would base the jurisdiction of the court on the optional protocol, as it is known, and not on our declaration of 1946, the so-called Connally amendment would not obtain. It is a question where the Connally amendment would not arise.

The first purpose in going to the court would be to ask the court for provisional measures under article 73 of the Rules of Court, as revised in 1978. We would ask the court for an urgent order addressed to the Government of Iran to take the necessary measures to restore the Embassy and its personnel to U.S. control. All other questions of substance would be taken up in subsequent procedures.

Mr. President, I suppose there will be those who ask, what can the International Court of Justice do? I can answer that with, I think, some precision. The International Court of Justice can say what is law and which party has violated it. The U.S. Government has put too much of its hopes and efforts into the rule of law to ignore the institution of the Court at this moment. If we do, it is a declaration which I do not think we ought to make. It seems to me if we will not turn to the Court now, will we ever turn to the Court? Ought anybody ever think of doing so?

I do not offer these thoughts in any criticism of the administration but, to the contrary, in the hope that this might support such voices within the councils of the Department of State and the White House that may have such a measure in mind. If ever the Wilsonian principles of the rule of law can be applied through the institutions of the international community, that can be done today by taking on the Vienna Convention of 1961 on diplomatic relations, the optional protocol, and asking, under the compulsory jurisdiction of the Court, for a ruling to be made. It would greatly strengthen our position in the world today. It would strengthen the Court.

It would be the most prudent and immediate measure we could take. The court, a far more appropriate forum, if I may say, than the Security Council. I sometimes fear that no one has addressed the Court because it has been forgotten that the Court is there. But if I may presume to speak to Secretary Vance, whom we all admire and respect so much—I would like to call to his attention something which he knows very well, which is that there is a looming crisis in the western Sahara at this moment.

There is a war in progress in the western Sahara today, with a greater war in prospect. And it arises because the United States, among other nations, chose to ignore a clear finding, albeit an advisory opinion, of the International Court of Justice, on the status of the Spanish Sahara. It was an advisory opinion requested by the General Assembly, in which the Court unanimously held that Spanish Sahara was not terra nullius, as had been alleged prior to its occupation by Spain, but was an identifiable sovereignty and was entitled to sovereignty in the aftermath of Spanish rule.

This advisory opinion was ignored and, as a result, Spanish Sahara was partitioned between Mauritania and Morocco and the ominous developments of the present time ensued.

So, Mr. President, in concluding this remark, I simply urge the administration, if it is now contemplating such action, to go ahead and go to the Court and exhibit in action its belief in the existence of international law. The world is tumbling into anarchy.

I take the liberty, Mr. President, to ask unanimous consent to have printed in the Record at this point an editorial in the Wall Street Journal which speaks of the collapse of international standards the world over. If we believe in such standards, if we have created a court to uphold them, this, of all times, is the moment to go to that Court and apply for redress under the unique circumstances of compulsory jurisdiction, having been ceded by both parties to the Court with respect to issues of the Vienna Convention.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Civilization Receding

The events in Iran, with their gross violation of diplomatic immunities reaching back into the Middle Ages, are the latest and most dramatic symptoms of a more general collapse of established values and conventions of conduct. Throughout the world, civilization is receding before our eyes.

This decline of what we have thought of as civilized conduct results from the decline of the Western powers that spread these ideals to begin with, and in particular from the decline of American power, will and influence in the last decade. Nowhere is this more clear than in Iran itself.

The past decade of American retreat has stamped its signature on every impulse and calculation of the Ayatollah's mob and every agonized twist of our response to it. The lack of resolve in our policy was one of the things that fatally weakened the shah in the first place; our lack of challenge to the vilification dumped on this country over the past years has shown itself in the vocabulary of anti-Americanism that the Ayatollah's regime so easily adopted and steadily amplified. Our lack of military preparedness has emerged in this crisis as the reason we have no appreciable force available to us in the Gulf area.

These were the large facts of our situation, but a sense of helplessness has also marked our particular responses to the Iranian terror. The U.S. allowed the shah entry but somehow did not think it possible to protect our Tehran embassy against violent reprisal. When the mob took over, our first reaction was not to mobilize and redeploy our forces as a matter of course but to dispatch Ramsey Clark to negotiate.

When all the peace missions failed, the administration began to toughen its pronouncements, to embargo Iranian oil, to freeze Iranian financial assets and to try to round up illegal Iranian immigrants. The chief effect of both the immigration crackdown and financial freeze will be to create a lot of windfall profits for American law firms, but the cosmetics of it all do seem to be winning the administration some points for toughness.

The real tests may yet lie ahead. We can hope that the release of some hostages is a sign that the Ayatollah is having second thoughts, but his threat to try remaining hostages before Islamic courts is hardly comforting. Are we deploying power to react militarily if hostages are killed? If the matter is resolved, are we prepared to protect our own embassy, or will we take the further cosmetic step of breaking relations and abandoning the field? Most of all, will we learn enough lessons to avoid the next Iran?

For the power of barbarism is not flexing its muscle there alone. In Cambodia we've seen by now the kind of wholesale murder that makes the previous authoritarianism there seem like a nursery school in comparison. We can also observe in Indochina the specially crazed horror that comes when rulers like Pol Pot and Heng Samrin show themselves utterly indifferent to historical notions of humanity.

In short, the world that emerges as America declines is proving not to be a very nice place at all, and one that does not hold much truck with the standards of international law and decency that we had such high hopes for in international affairs. Over the past decade America has often been pictured, and often by Americans, as the world's chief offender against international peace and independence. The Tehran crisis and like events in other places are bringing us face-to-face with the possibility that something like the opposite is true: that liberal law and standards have retained influence in the world only insofar as there's been American power to support them.

If this is true, then facing the decline of American influence may mean facing the erosion of values that in their importance go far beyond questions of narrow national self-interest. If the Iranian crisis serves to make that more clear, it will at least have performed some small service in return for the evil it's visited on us.

THE POWER BROKER

Mr. MOYNIHAN. Mr. President, I have the pleasant opportunity to ask unanimous consent to have printed in the CONGRESSIONAL RECORD a marvelous profile of a marvelous man, Mr. Bryce N. Harlow, who has been one of the most familiar and, I do not hesitate to say, beloved men on Capitol Hill and in the administration of some Presidents over this past generation. One scarcely finds the phrase that would equal the affection in which he is held, the honor which he has brought to his various Presidential duties, and the distinction with which he has served this Nation in so many different capacities. This profile by Mr. Stephen Hess, a distinguished scholar at the Brookings Institution, is one which I think that Bryce Harlow would enjoy. I know that his legion of friends in this body and in this Congress would wish to have in the RECORD a testimony of our regard for him.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE POWER BROKER

(By Stephen Hess)

WASHINGTON.—The time is November, 1968. The place is New York city, the Hotel Pierre, transition headquarters of President-elect Richard Nixon. Bryce N. Harlow has been called in to help plan the Republican administration that will take office in January. Mr. Harlow tells the story:

"I'm there in this room, phones ringing, jumping off the walls. Suddenly over runs a little twinkle-eyed secretary. She says, 'Mr. Harlow, President Johnson's calling.' I cut off who I was talking to and I said, 'Yes, Mr. President . . . yuppi yup, yuppity yup, yes sir . . ., And over runs the little twinkle-eyed secretary. I put my hand over the receiver. 'Yes, what do you want?' 'President Eisenhower is calling,' 'Tell him I'm talking to the President and I'll call him right back, or if he prefers, we'll put him on hold.' Believe me, we put President Eisenhower on hold. Now I've got the President [on the line], got the former President waiting. In runs Larry Higby, and he says, 'Mr. Harlow, Mr. Harlow,' very imperiously. 'The President-elect wants you in his office immediately.' "

Who is this Harlow whose counsel was once demanded simultaneously by a former president, a present president, and a future president?

Bryce Harlow has retired in the past year from business and public life, and it seems like an appropriate time to recall a remarkable person. But my purpose is not merely to pay tribute. There is instruction here on how government ought to operate. For Mr. Harlow's career is a reminder that government can only function well if the relations between those who have been given power are based on integrity and trust. No agenda of procedural reforms can ever be a substitute for what Mr. Harlow brought to public service.

Quickly the outlines of a life: Bryce Harlow was born in Oklahoma City, August 11, 1916, received his B.A. and M.A. at Oklahoma University, and came to Washington as the secretary to his district's congressman. During World War II he was a Pentagon liaison officer to Congress; after the war he was chief clerk of the Armed Services Committee in the House of Representatives.

He made one effort to return to Oklahoma, but was lured back to Washington in 1953 when Mr. Eisenhower became president. He served in the White House during Ike's two terms, as a presidential speechwriter, and eventually as head of the congressional relations staff, a job he also held at the beginning of the Nixon administration. President Ford made him a member of his informal "kitchen cabinet." Between periods of White House service, Mr. Harlow directed the governmental realtions office of Procter & Gamble.

There is no law that bears his name, no grand design for restructuring social services or national defense that history will credit to him. Yet he was the "insider's insider" in Washington, who by virtue of his personality, knowledge, skill and tireless effort formed a bridge between executive and legislature.

What were the traits that made Mr. Harlow the quintessential broker of power?

First, he was an incredibly skillful negotiator. As go-between, he had an uncanny knack for discerning what was most crucial to each "player." He knew on what point a legislator could afford to give in, and where the legislator would have to stand firm. He understood that the trick was to insure, if possible, that everyone would be able to claim some victory.

Second, he was always a giver of credit. It was Robert Taft, I think, who once said that it's remarkable how much can be accomplished if you let the other fellow take the credit. In a city of great egos, Mr. Harlow's effectiveness was partly based on an unassuming nature. To those who aspire to see themselves on the network news, Mr. Harlow never posed a threat.

Third, he was eminently practical. There was a sign in his office at the Eisenhower White House: "Have you come with the solution, or are you part of the problem?" Mr. Harlow had firm views on public issues. But, basically, he was a solver of problems. Washington's job, I'm sure he felt, was to defend the nation and improve the lot of the citizenry, rather than to turn legislation into moral imperatives.

Yet others have been skilled in negotiations, practical persons of modest mien. Ultimately, what made him the greatest power broker of his era—at least in the Republican party—was that he was worthy of trust. He reported each side accurately to the other. He did not promise what he could not deliver. He delivered what he promised. He made no cutting comments in drawing rooms or gossip columns. No opponent's motives were ever called into question. Surely there are lessons here for those who are now asking why government doesn't work.

GREASE

Mr. MOYNIHAN. Mr. President, the American musical "Grease" became the longest running show in the history of Broadway on the evening of November 8, 1979, with its 3,243d performance, surpassing "Fiddler on the Roof" which played 3,242 performances from September 22, 1964, through July 2, 1972.

"Grease," set in the 1950's, portrays adolescence and the universal growing pains that every generation experiences. Since it opened in New York at the Eden Theatre on February 14, 1972, "Grease" has introduced to the public a whole new generation of young stage, film and television stars including such celebrated names as Adrienne Barbeau, Barry Bostwick, Jeff Conaway, Candice Early, Greg Evigan, Richard Gere, Randy Heller, Marilu Henner, Judy Kaye, Ilene Kristen, Rex Smith, John Travolta, Chick Vennera, Ted Wass and Treat Williams. The play is a triumph also for its director, Tom Moore; choreographer, Patricia Birch; cocomposers and authors, Jim Jacobs and Warren Casey and for its producers, Kenneth Waissman and Maxine Fox.

In March of 1972, "Grease" received seven nominations for the American Theatre Wing's Antoinette Perry Awards (Broadway's equivalent of Hollywood's "Academy Awards").

On June 7, 1972, the production moved to the Broadhurst Theatre on 44th Street and November 21, 1972 moved once again to the Royale Theatre on 45th Street, which has been its home ever since. On December 23, 1972, Waissman & Fox sent out the first National Touring Company of "Grease." Since then nine touring companies have crisscrossed the United States and Canada, playing engagements in Washington, D.C., seven times; Philadelphia, eight times; Baltimore, seven times; Detroit, six times; Miami, four times; Los Angeles, three times; Boston, three times; as well as repeat engagements in many other cities. The large number of return engagements caused Washington, D.C., Drama Critic Richard Coe to comment, "We look forward to this show each season. A year without 'Grease' is like a year without the Circus."

Total gross in the United States on Waissman & Fox productions of "Grease" New York and National companies is approximately $70,000,000. Capitalized at

$110,000, the musical thus far returned a 4,000-percent profit to its investors.

The film version released by Paramount Pictures on June 13, 1978, starred Olivia Newton-John and former Broadway cast member John Travolta. The film has grossed approximately $200,000,000 to date in the United States and around the world, making it the highest grossing film ever made. It is also the highest grossing film in the history of Paramount Pictures.

In Mexico City, entitled "Vaselina," and performed entirely in Spanish, a live production of "Grease" played for 2½ years. Other foreign productions include: London, Melbourne, Sidney, Tokyo, Johannesburg and a Paris production to be called Brilliantine is in preparation.

Awards that "Grease" has received include citations from the Actors Fund of America, the American Theatre Wing, Cue magazine, the Shubert Organization, the city of New York, the city of Los Angeles, the city of Baltimore, the Variety Club of New York, the Television "Clio" Awards, and the League of New Work Theatres & Producers.

"Grease" began as a local workshop project in 1971 in Chicago. At this embryonic stage, it was more of a play with music than a full-scale musical. Dr. Philip Markin, a Chicago dentist and a former college friend of Kenneth Waissman, suggested he see the workshop production. Mr. Waissman and Miss Fox flew to Chicago to see the play and fell in love with the basic idea of the piece. They brought the authors, Jim Jacobs and Warren Casey to New York to rewrite the play for Broadway and compose a full score. The producers then chose Tom Moore to direct and Patricia Birch to choreograph. Mr. Moore spent each day for 2 months assembling the original cast and each evening working with Jacobs and Casey on the play's structure. Rehearsals began on January 2, 1972, and following 3 weeks of previews, "Grease" premiered on Valentine's Day. The initial notices were mixed but the theatre-going public immediately embraced the show with an enthusiasm that has persisted right into its current eighth season on Broadway.

Kenneth Waissman and Maxine Fox, husband and wife in private life, are 36 and 33 years of age, respectively, and are Broadway's youngest producing team. Other Waissman and Fox productions include the musical "Over Here!" which starred the Andrews Sisters, "And Miss Reardon Drinks a Little" which starred Julie Harris and Estelle Parsons, and "Fortune and Men's Eyes" directed by the late Sal Mineo. The Waissmans produced the entertainment for New York's salute to Congress October 10, 1979, at the Washington Hilton. They also produced the all-star "V.I.P. Night on Broadway" at the Shubert Theatre, April 22, 1979, which netted $150,000 for the purchase of bulletproof vests for New York's policemen.

The phenomenal success of "Grease" is a living tribute to Irving Berlin's immortal phrase "There's No Business Like Show Business!"

IDEOLOGY

Mr. MOYNIHAN. Mr. President, on October 28, 1979, I spoke in New York City, where I was honored to receive the 1979 Distinguished Service Award from the Metropolitan Conference of B'nai B'rith. In my remarks on that occasion, I attempted to develop the theme that anti-Semitism has become a unifying global ideology for the totalitarian left, and that this development has consequences not merely for Israel, but for all of the world's democracies. I ask unanimous consent that the text of my remarks be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR DANIEL PATRICK MOYNIHAN

I shall attempt, today, to discuss one aspect of Israel's present role in the world. It is an important point, yet a difficult one that I shall attempt to make, for it must inevitably engage long-standing sensitivities and, accordingly, is more likely to be misunderstood than otherwise.

I shall speak simply and plainly of ideology, in the full knowledge that such a discussion is not necessarily congenial to the American temperament. And, I shall have to report on troubles of the kind that many people would understandably prefer not to consider.

Last May 30th, I gave the Weizman Institute lecture in London and offered the view that anti-semitism had become a unifying global ideology of the totalitarian left. An intense propaganda campaign, begun in the Soviet Union in the early 1970's and embraced and echoed by radical regimes the world around, had long been discernible. It was designed to undermine the legitimacy of the State of Israel. The Soviets had grounded it in a perverted variant of Marxist analysis: they argued that "imperialism," the supposed enemy of the new states of the world, was a creature of an international Zionist conspiracy, so to speak, with the clear implication that Jews as such played a special role in perpetuating the alleged injustices of international capitalism. The sensitivity to which I refer has to do with the fact that from the first these charges explicitly compared Zionism with Nazism.

In the first articles in Pravda, for example, it is charged that the mass murder of Babi Yar was a collaboration of Zionists and Nazis. I believe that Bernard Lewis has located the historic origin of this identification, and it is not perhaps as diabolically, fiendishly clever as it might seem, but I suggest that even so the charge was so outrageous that many could not—would not—believe it was being made. Given the history of such propaganda, and given our own instinctive response to it as palapably absurd—"no person of education could possibly believe such a charge," that sort of thing—we had been inclined to dismiss this Soviet-sponsored effort as mere boorishness, hopelessly unsophisticated.

And yet, the campaign has drawn response not merely from places one might expect—those states which, for example, have an ongoing battle with Israel—but from cultures as diverse as the Sinic and the African, which have little or no experience either of Jews or of traditional European anti-semitism. Thus Teng Hsio-P'ing (Deng Xiaoping) could speak to the UN General Assembly in April, 1974, and include in his list of evils in the world "Zionism." And when the notorious UN resolution equating Zionism and racism was introduced in 1975, one could find African states among its most vocal backers.

Last September 7, this campaign reached a grotesque culmination, when the so-called Non-aligned states met in Havana. The Final Declaration of that meeting went further than any previous pronouncement labelling Zionism a crime against humanity. Article 237 reads:

"The Heads of State or Government reaffirmed that racism, including Zionism, racial discrimination, and especially apartheid constituted crimes against humanity and represented violations of the United Nations Charter and of the Universal Declaration of Human Rights. (Final Declaration, Conference of Heads of State or Government of the Non-aligned Countries, 3–7, September, 1979, Cuba.)"

This charge (as Article 205) was included in the draft Final Declaration distributed prior to the conference on the stationery of the Cuban Ministry of Foreign Affairs. Much was made of changes in the overall document that took place when the Heads of State or Government met. But not a word was changed in the charge against Israel. Eighty-nine governments endorsed this formulation. So far as is known, not one state even protested this obscenity.

On September 17, I spoke on the floor of the Senate and said:

"I would ask Americans to try to understand what has happened. A long propaganda campaign emanating from the Soviet Union has now culminated. Zionism has been declared a crime against humanity. This is of course precisely the charge leveled against Nazism at the Nuremberg trials. To be a Zionist is to be a criminal under international law according to the declaration of almost two-thirds of the nations of the world, a declaration wholly supported by the Soviet bloc.

"These governments have come near to declaring that it is a crime to be a Jew.

"Our Government remains silent."

Neither this event, nor its precursors, have drawn any special response from our political institutions. There is a history to this avoidance also, a history which I first stumbled upon when I assumed my duties as Permanent Representative at the United Nations in 1975. In truth, I anticipated none of this. I had been sent there to represent an American government interested in working with the new nations, advancing what we thought might be mutual interests. But, out of nowhere, or so it seemed, there appeared that resolution equating Zionism and racism. I was startled by both its audacity and its untruth. And also by the great reluctance of Americans to face the fact that this was happening.

It was necessary to learn the history of something that seemed to come from nowhere, to discover the "somewhere" from whence it had come. I wrote of this history in Commentary in August, 1977:

"A long-established propaganda technique of the Soviet government has been to identify those it would destroy with Nazism, especially with the racial doctrines of the Nazis. Following World War II, for example, pan-Turkish, Iranian, and Islamic movements appeared in the southern regions of the Soviet Union. They were promptly accused of Nazi connections and branded as racist. Jews escaped this treatment until the Six-day War of 1967. The event, however, aroused sufficient pro-Israel, pro-Jewish sentiments within the Soviet Union to evoke the by now almost bureaucratic response. Bernard Lewis writes: 'The results were immediately visible in a vehement campaign of abuse, particularly in the attempt to equate the Israelis with the Nazis as aggressors, invaders, occupiers, racists, oppressors, and murderers.'

"Within the short period of time, and coincidentally with the introduction of 'racist' into currency as a general term of abuse, Soviet propagandists began to equate Zionism per se with racism.

"In a statement released to the press on March 4, 1970, a 'group of Soviet citizens of Jewish nationality'—making use of the facilities of the Soviet foreign ministry—attacked 'the aggression of the Israeli ruling circles,' and said that 'Zionism has always expressed the chauvinistic views and RACIST (my emphasis) ravings of the Jewish bourgeoisie.' This may well be the first official Soviet reference to Zionism as racism in the fashionable connotation of the term.

"Steadily and predictably, these charges moved into international forums. In 1973 Israel was excluded from the regional bodies of UNESCO. In 1974 the International Labor Conference adopted a 'Resolution Concerning the Policy of Discrimination, Racism, and Violation of Trade Union Freedoms and Rights Practiced by the Israeli Authorities in Palestine and Other Occupied Arab Territories.' The charge of racism was now pressed. In June 1975 it appeared at the Mexico City Conference of the International Women's Year.

"* * * The Zionism resolution was adopted by the General Assembly in November 1975. The following February, the United Nations Commission of Human Rights found Israel guilty of 'war crimes' in the occupied Arab territories. The Counts read as if they could have come from the Nuremberg verdicts:

"Annexation of parts of the occupied territories;

"Destruction and emolition;

"Confiscation and expropriation;

"Evacuation, deportation, expulsion, displacement and transfer of inhabitants;

"Mass arrests, administrative detention, and ill-treatment;

"Pillaging of archaeological and cultural property; and

"Interference with religious freedoms and affront to humanity.

"In April 1976, in the Security Council, a representative of the Palestine Liberation Organization spoke of the 'Pretoria-Tel Aviv Axis' making an explicit reference to the 'axis' between Nazi Germany and Fascist Italy in the 1930's. In May, in the same body, the Soviet Union accused Israel of 'racial genocide' in putting down unrest on the occupied West Bank of the Jordan River. The same month, in a General Assembly committee, a PLO document likened Israeli measures to Nazi atrocities during World War II."

The idea has traveled through world politics since then, arriving in Havana, and reaching its culmination there. But it is necessary to say that to those proceedings of September, there has been neither public nor private reaction of any scale. It seems not to be an "issue," as they say.

I am pleased to say that President Carter, when he visited New York City on September 25, denounced the Zionism charge at a town meeting in Queens. And yet I must also say that such a denunciation was not the result, would not have been the result, of any "decision-making process" of our government. It is a result, rather, of the random workings of the political process and the happy coincidence that the President was our guest there. It would never have been proposed by the Department of State.

How easily is silence construed as acquiescence. And how predictable the result. It does not go away; it gets worse. Thus Fidel Castro, speaking before the United Nations General Assembly on October 12, quoted for the world body the remarks he had made at Havana the preceding month:

"* * * we are not fanatics. The revolutionary movement has always learned to hate racial discrimination and programs of any kind. From the bottom of our heart, we repudiated the merciless persecution and genocide that the Nazis once visited on the Jews, but there's nothing in recent history that parallels it more than the dispossession, persecution and genocide that imperialism and Zionism are currently practicing against the Palestinian people. Pushed off their land, expelled from their country, scattered throughout the world, persecuted and murdered, the heroic Palestinians are a vivid example of sacrifice and patriotism, living symbols of the most terrible crime of our era."

There is a grim purpose in all of this, well-identified by Ambassador Yehuda Blum, Israel's representative at the United Nations. As he said on October 16, the purpose of the campaign "is to bring about the gradual delegitimization of Israel . . . to bring about the climate in which it is no longer considered impermissable to act against Israel in a manner that constitutes a violation of international law and norms."

Thus I am driven to return to a theme I have stressed for some years now, and to couple it with an additional observation. It would be tempting to see in this propaganda nothing but bigotry of a quite traditional sort which can, sooner or later, be overcome. But I say to you that the anti-Israel, anti-Zionist campaign is not uninformed bigotry, but conscious politics, that we are dealing here not with the primitive but with the sophisticated, in this instance, the world's most powerful propaganda apparatus, that of the Soviet Union and the dozens of governments which echo it. I must say, further, that this fact of world politics creates altogether new problems for those interested in the fate of democracies in the world, and of Israel in the Middle East. It is no longer only that our adversaries in the world have commenced an effort to destroy the legitimacy of a kindred democracy through the incessant repetition of the Zionist-racist lie. It is that others can come to believe it also. Americans among them.

The events I have described can no longer be dismissed as other than they are. They require our attention and our energy, and above all our intelligence.

If I have described anything these past years, it is the twin phenomena of an ignorance of past history and an avoidance of present reality. Our century has dealt harshly with such lapses. Our enemies today encourage their repetition.

Mr. MOYNIHAN. Mr. President, I see the majority leader is on the floor. I thank the Chair. I yield to the Senator from Michigan.

(Mr. TSONGAS assumed the chair.)

LEGISLATIVE REVIEW OF AGENCY RULES AND REGULATIONS

Mr. LEVIN. Mr. President, last week, I had the opportunity to testify before the Rules Committee of the House of Representatives on the features of S. 1945, a bill I recently introduced with Senator BOREN on legislative review of agency rules and regulations. I am very pleased with the study the Rules Committee has given to this subject and the attention they gave to the procedure contained in my bill, as well as to other approaches. I think the legislative review procedure contained in S. 1945 is a good one and that a majority of the Senate could support it once they became aware of its simplicity and potential effectiveness. For that reason, I ask unanimous consent that my statement before the House Rules Committee be printed in the RECORD, following my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR CARL LEVIN

I am pleased to be here today to testify on the subject of legislative veto. I support legislative review of administrative regulations as a result of 8 years of recent experience with federal regulations as applied to local communities.

I served as a member and President of the Detroit City Council during those years. In that role I initially looked forward to working with the federal government to help us solve our community problems, to ease our financial burden, and to reduce our urban blight. Instead of working with the federal government, however, I ended up battling it for much of that period. And, I found that oftentimes the agencies which we fought were acting either independently of or contrary to legislative intent. I realized that something must be wrong when local government officials, business people, and neighborhood residents spent more time fighting the federal entities that were created to serve and help them than they did the problems which these agencies were designed to solve. I have concluded that to a significant extent, the federal bureaucracy has run amok, has firmly established itself as a coequal and sometime superior fourth branch of government, and that the delicate balance established by our Constitution and faith of our people in this government is being threatened by the all-too-frequent insensitive and arrogant actions of this fourth branch. This is, briefly, why I support the concept of Congressional review of agency rulemaking.

I am not here today, however, to testify about the need for this process. I know you have been holding extensive hearings on this subject for the last several months, and I would assume you have perceived a need for reform of some kind in this area. Instead, I am here to share with you the provisions of a bill, S. 1945, which I and Senator David Boren recently introduced in the Senate and which I think may be of interest to your committee's current inquiry.

S. 1945, the Agency Accountability Act of 1979, if passed, would establish a procedure to allow for the review by Congress of the rules and regulations of all agencies (with certain limited exceptions) before those rules or regulations take effect. This procedure is significantly different from the pending legislative veto bills. Allow me to elaborate.

The procedure consists of the following steps:

(1) Every six months the head of each agency would submit to the Senate and House committee having legislative jurisdiction over it, an agenda of all regulations being developed by that agency. Agencies are already required to prepare such an agenda under the President's Executive Order No. 12044.

(2) The chairperson of any such committee could request and the agency head would then forward a copy of any proposed regulations that the committee chooses to review.

(3) No regulation could become effective until 30 days after publication of the rule as final in the Federal Register. This 30 day period coincides with the 30 day publication period for substantive rules now required by the Administrative Procedures Act. It thus does not add any time period to the present rule-making process.

(4) If during this 30 day period the appropriate committee of either house reports out a joint resolution or bill disapproving the regulation, the regulation could not go into effect.

(5) Congress then has a 60 day period to act on the joint resolution or bill of disapproval reported by the committee. I should point out, however, that if during this 60 day period one house has rejected the resolution or bill of disapproval and nothing comparable is pending in the other house,

the regulation could become effective upon the vote of rejection by the one house.

(6) Both of these measures—the bill or joint resolution—must be passed by both houses and signed by the President.

This process basically allows Congress to do what it can already do, but to do it before instead of after the fact—that is before the regulation becomes effective. It is patterned on the currently existing HUD legislative review procedure which was passed in 1978. I might add that the HUD procedure was recently used by the House Banking, Housing and Urban Affairs Committee with respect to the promulgation by HUD of rules relating to prioritization of tenants in Section 8 housing. HUD had issued final rules which did not create a priority for senior citizens living in the neighborhood of a new Section 8 senior citizen housing project. HUD based this regulation on the statutory requirement of spatial deconcentration. Congresswoman Millicent Fenwick, along with others, objected to HUD's position and submitted a resolution of disapproval. During the hearings on that resolution, enough doubt was cast on the HUD regulations to get HUD to agree to withdraw and reconsider those regulations I would say that the legislative review process worked well in this instance. Most importantly the questionable regulations are not in effect and will not be until all questions about them have been resolved.

With this recent history in mind I'd like to turn to some additional aspects of this procedure and my bill.

First, this process virtually eliminates any constitutional challenges raised to the legislative veto. Because both houses must be involved in the final outcome and the President must exercise his normal legislative function, there is no disruption of the normal legislative process, and thus the major constitutional question has been eliminated.

Second, there is no additional delay for most of the regulations. The committees of either house must act within the 30 day period already required by the Administrative Procedures Act for substantive regulations. Only those very few regulations which actually are subject to serious question could be delayed by the additional 60 day period, and even then there is a provision for effectuating the regulation earlier should one house act to defeat the resolution of disapproval. Given the potential impact of these regulations on the lives of millions of Americans, I do not find this additional period to be objectionable. Further, where there is a compelling need for immediate agency action, the legislative review procedure can be waived by the committee chairperson.

Third, the use of the agenda means that the committee staff does not have the responsibility to read each and every regulation. The agenda provides the opportunity for selection of the more important and less technical regulations.

Fourth, my bill establishes no special treatment for the motion to discharge a resolution of disapproval from committee or for a motion to consider the resolution on the floor. I remain open to suggestions on this issue, but am somewhat reluctant to bypass normal Senate and House procedures for consideration of any resolutions on regulations. Past experience with other forms of legislative veto have led me to believe that members of Congress are conscious of the time frame involved, will act accordingly, and that review of regulations deserves no special treatment in this respect.

Fifth, as opposed to the legislative veto proposals, my bill would not exempt from legislative review rules relieving a restriction. My bill would apply to all types of rules—those that impose restrictions as well as those that would remove restrictions. I find no logic in exempting rules that relieve restrictions, since such a rule can be just as violative of legislative intent and have just as much impact as a rule that imposes restrictions.

Sixth, this bill states clearly that Congressional inaction on or rejection of a resolution of disapproval is not to be viewed as an expression of approval for the rule involved. There is to be no presumption of Congressional opinion if this procedure is not invoked.

That's the bill in a nutshell. It's not a very complicated device, and while it isn't as strong a review mechanism as a one or 1½ house veto.

I think it can do the job. While meeting the objections some have raised to legislative veto legislation, it retains the same objective—to give elected officials the right to reject regulations inconsistent with Congressional intent before the regulation takes effect.

Thank you for giving me this opportunity to present my bill to you. If you have any questions, I would be more than happy to answer them.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—H.R. 3236

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as Calendar Order No. 438, H.R. 3236, is called up and made the pending business before the Senate, there be a time agreement thereon as follows: 2 hours equally divided on the bill, controlled by Mr. LONG and Mr. DOLE; 1 hour equally divided on any amendment; 1 hour on an amendment by Mr. WALLOP anent workmen's compensation; 1 hour on an amendment by Mr. WALLOP eliminating disability insurance for students between 18 and 22; 1 hour on an amendment by Mr. PERCY on the Immigration Act, making a sponsor's affidavit an enforceable agreement; 20 minutes on any debatable motion, appeal, or point of order, if such point of order is submitted to the Senate, and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, reserving the right to object, what is the time for other amendments?

Mr. ROBERT C. BYRD. One hour on any amendment, 2 hours equally divided on the bill.

Mr. JAVITS. Two hours on the bill?

Mr. ROBERT C. BYRD. Yes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The text of the agreement is as follows:

Ordered, That when the Senate proceeds to the consideration of H.R. 3236 (Order No. 438), an act to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes. Debate on any amendment (except two amendments to be offered by the Senator from Wyoming (Mr. Wallop), one dealing with Workman's Compensation and one with eliminating disability insurance for students between 18 and 22 on which there shall be 1 hour each, and an amendment to be offered by the Senator from Illinois (Mr. Percy) to the Immigration Act making a sponsors affidavit an enforceable agreement on which there shall be 1 hour) shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from Louisiana (Mr. Long) and the Senator from Kansas (Mr. Dole): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

UNANIMOUS-CONSENT AGREEMENT—S. 1648

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as calendar order No. 445, S. 1648, the improvements in the Nation's airport and airway system bill, is called up and made the pending business before the Senate, there be a time agreement thereon as follows: 1 hour equally divided on the bill, the time to be controlled by Mr. CANNON and Mr. PACKWOOD; 30 minutes on any amendment; 20 minutes on any debatable motion, appeal, or point of order, if such is submitted to the Senate; and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Reserving the right to object, and I do not object, I appreciate the majority leader giving us the time to clear both these agreements on our side.

Mr. ROBERT C. BYRD. I thank the distinguished acting Republican leader for his cooperation and for the efforts he has made in securing the agreement.

The PRESIDING OFFICER. The Chair did not hear the Senator from Alaska. Did the Senator object?

Mr. STEVENS. No. I thanked the majority leader for his courtesy in allowing us time to clear these on our side of the aisle.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement is as follows:

Ordered, That when the Senate proceeds to the consideration of S. 1648 (Order No. 445), a bill to provide for the improvement of the Nation's airport and airway system, and for other purposes, debate on any amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to hours, to be equally divided and controlled, respectively, by the Senator from Nevada (Mr. Cannon) and the Senator from Oregon (Mr. Packwood): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

DISTRICT OF COLUMBIA REVENUE BONDS

Mr. ROBERT C. BYRD. Mr. President, on behalf of Senator EAGLETON, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 3824.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

> *Resolved*, That the House disagree to the amendments of the Senate to the bill (H.R. 3824) entitled "An Act to amend the District of Columbia Self-Government and Governmental Reorganization Act to authorize the Council of the District of Columbia to delegate its authority to issue revenue bonds for undertakings in the area of housing to any housing finance agency established by it and to provide that payments of such bonds may be made without further approval", and ask a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. EAGLETON, I move that the Senate insist on its amendments to H.R. 3824 and agree to the conference requested by the House on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. TSONGAS) appointed Messrs. EAGLETON, LEVIN, RIBICOFF, MATHIAS, and STEVENS conferees on the part of the Senate.

ORDER FOR COMMITTEES TO HAVE UNTIL 3 P.M. TOMORROW TO FILE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may have until 3 p.m. tomorrow to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS ON MONDAY, NOVEMBER 26, 1979

Mr. ROBERT C. BYRD. Mr. President, are there any orders for the recognition of Senators on November 26?

The PRESIDING OFFICER. There are none.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I ask unanimous consent that following the recognition of the two leaders or their designees under the standing order on November 26, Mr. STEVENS be recognized for not to exceed 15 minutes and Mr. ROBERT C. BYRD be recognized for not to exceed 15 minutes.

Mr. JAVITS. May I have some time?

Mr. ROBERT C. BYRD. And that Mr. JAVITS be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS ON NOVEMBER 26, 1979

Mr. ROBERT C. BYRD. Mr. President, under an order previously entered, does the Senate, following the recognition of Senators under orders previously entered, proceed then to the consideration of the Oregon wilderness bill?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Then on the disposition of that bill, on which there is a time agreement, the Senate will automatically resume consideration of the excess profits tax bill; is that correct?

The PRESIDING OFFICER. That is correct.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 10 a.m. on November 26. After the two leaders or their designees have been recognized under the standing order, Messrs. STEVENS, JAVITS, and ROBERT C. BYRD will be recognized, each for not to exceed 15 minutes, after which the Senate will proceed to consider S. 2031, Calendar No. 451, the Oregon Wilderness Act, on which there is a time agreement. Rollcall votes are expected.

On the disposition of that bill, the Senate will resume consideration of the excess profits tax bill, the pending question thereon being on the adoption of the amendment by Mr. BUMPERS. Rollcall votes are expected throughout the day.

I would expect long daily sessions during next week. I would expect a Saturday session. As a matter of fact, I expect Saturday sessions on December 1, December 8, December 15, and I expect the Senate to be in session until the close of business on Friday, December 21.

So Senators will please plan their schedules accordingly. Rollcall votes are expected daily on each day during the weeks aforementioned.

ORDER FOR RECOGNITION OF SENATOR TSONGAS ON NOVEMBER 26, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the orders for Monday, November 26, include the recognition of Mr. TSONGAS for not to exceed 15 minutes, and that Mr. STEVENS and I be last among the four.

The PRESIDING OFFICER. Without objection, it is so ordered.

BIRTHDAY CELEBRATION FOR SENATOR ROBERT C. BYRD

Mr. STEVENS. Mr. President, I say to the Senator that I was delighted to be asked into the Democratic cloakroom today to share in a cake presented to the Senator from West Virginia to celebrate his birthday. I had not known we almost shared the same birthday, having celebrated mine just on Sunday.

I am delighted to see the Senator has shared his birthday with us.

THANKSGIVING

Mr. STEVENS. Mr. President, I hope this Thanksgiving weekend will be one, as was mentioned at the beginning of business today, that all Americans will think about our hostages in Iran. But, also, I think we have a great deal to be thankful for in terms of our own security and well-being in this country.

I hope Americans will remember the plight of those in Cambodia and our efforts to try to get food and relief to those people who are in dire straits there.

It is something we can remember. We have a great many problems throughout the world, including the one in Iran, which are major national problems, but there are others we are trying to resolve as a nation. I hope we can keep our minds on that, also.

Mr. ROBERT C. BYRD. Mr. President, I join with the distinguished acting Republican leader.

I know that the Americans in Tehran will not enjoy a happy Thanksgiving, but I hope they will feel the presence of God in their midst.

I also feel that Americans everywhere will be praying for a rapid and satisfactory conclusion for the problem that confront us at this time.

It is a time for all Americans to remember that the forebearers of this country had deep conviction that a Supreme Being ruled over the destiny of this Nation, and I believe that we Americans need to reconsecrate ourselves to that belief, that there might be a recrudescence of the spirit in order that we might be able to deal with the problems of the flesh.

RECESS UNTIL 10 A.M. MONDAY, NOVEMBER 26, 1979

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the provisions of House Concurrent Resolution 214, that the Senate stand in recess until 10 a.m. on November 26.

The motion was agreed to; and at 5:30 p.m. the Senate recessed until Monday, November 26, 1979, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate November 20, 1979:

DEPARTMENT OF STATE

William Garton Bowdler, of Florida, a Foreign Service officer of the class of career minister, to be an Assistant Secretary of State.

Gerald Bernard Helman, of Michigan, a Foreign Service officer of class 1, to be the Representative of the United States of America to the European Office of the United Nations, with the rank of ambassador.

Mabel Murphy Smythe, of Connecticut, now Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Republic of Cameroon, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Equatorial Guinea.

INTERNATIONAL ATOMIC ENERGY AGENCY

The following-named persons to be the Representative and Alternative Representatives of the United States of America to the Twenty-third Session of the General Conference of the International Atomic Energy Agency:

Representative: John M. Deutch, of Massachusetts.

Alternate Representatives: Gerard C. Smith, of the District of Columbia; Roger Kirk, of the District of Columbia.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, Section 3962:

To be lieutenant general

Lt. Gen. Marvin Don Fuller, [redacted] (age 58), Army of the United States (major general, U.S. Army).

The following-named officer to be assigned to a position of importance and responsibility designated by the President under the provisions of title 10, United States Code, section 3066(a) in grade as follows:

To be lieutenant general

Maj. Gen. Richard Edward Cavazos, [redacted] U.S. Army.

IN THE NAVY

The following-named officer, having been designated for commands and other duties of great importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment while so serving as follows:

To be vice admiral

Rear Adm. John G. Williams, Jr., U.S. Navy.

The following-named officer, having been designated for commands and other duties of great importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving and for appointment as Senior Navy Member of the Military Staff Committee of the United Nations in accordance with title 10, United States Code, section 711.

To be vice admiral

Vice Adm. Sylvester R. Foley, Jr., U.S. Navy.

EXTENSIONS OF REMARKS

FIFTY-EIGHT YEARS OF AIRCRAFT PRODUCTION

HON. DAN LUNGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 20, 1979

● Mr. LUNGREN. Mr. Speaker, on December 6, 1979, Douglas Aircraft Co., a division of McDonnell Douglas Corp., will be honored by the Harbor Association of Industry and Commerce for outstanding achievements in more than 58 years of aircraft production.

It gives me great pleasure to join in recognizing this great Long Beach-based airplane manufacturing organization. With over 22,000 employees, it is the major employer in the 34th Congressional District. Since October 16, 1941, when its Long Beach facility was officially dedicated, the men and women of Douglas Aircraft Co. have contributed to the technological leadership and security of our Nation. In the Greater Long Beach area, Douglas employees have donated countless hours of their personal time and other resources adding to the quality of life in our community.

Most recently, I personally witnessed a remarkable demonstration of the company's technological leadership in the areas of energy and environmental protection. On November 9, 1979, I viewed the rollout flight demonstration of the DC–9 Super 80 and listened to the amazingly quiet flight characteristics of this efficient aircraft. Reportedly, it operates with 50 percent less noise and 20 percent less specific fuel consumption than any aircraft in its class.

While Douglas Aircraft's beginning concentrated primarily on military aircraft production, today it produces both civil and military jet aircraft as well as components for aircraft.

Douglas Aircraft has delivered more than 43,000 commercial and military planes, including the dependable Douglas commercial (DC) models which have an unmatched history of more than 44 years of continuous service around the world.

Presently in production are the advanced technology McDonnell Douglas DC–10 trijetliners; the DC–9 Super 80, two-engine DC–9 and short-to-medium-range commercial transports and the KC–10A advanced tanker-cargo aircraft for the U.S. Air Force.

Douglas also built and flight tested two YC–15 prototype aircraft as part of the U.S. Air Force's advanced medium STOL transport program.

Moreover, the company conducts basic and applied research in support of its aircraft projects and is engaged in a number of advanced design studies aimed at the development of future new aircraft models.

At Long Beach, some 55 buildings on a 433-acre facility provide almost 7 million square feet of covered area for administration, engineering, test, and production of aircraft and associated products. In addition to its headquarters facility which adjoins Long Beach Municipal Airport, Douglas has manufacturing and support facilities at Lomita and Torrance, Calif. I heartily commend all those individuals who comprise the workforce of Douglas Aircraft Co., past and present, for their tremendous contributions to the Nation's aircraft industry, to our economy, and to the well-being and security of the Nation as a whole, which is felt throughout the world.●

JOE AGUILAR

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 20, 1979

● Mr. BROWN of California. Mr. Speaker, I wish to submit for the RECORD, an article that appeared in the Press Enterprise on October 31, 1979.

Mr. Joe Aguilar, former trustee with the Riverside City College Board of Trustees, is retiring after having served 15 years on the board. Joe's many contributions to the Riverside City College Board of Trustees, and the community at large, fill us with tremendous appreciation. His outspoken and frank approach has often provoked controversy. However, his dedication to the Riverside-San Bernardino communities and its members for so much of his life elicits admiration and gratitude from us all in the 36th Congressional District.

I urge my colleagues to read this article which reflects the enviable record of this public servant to the community.

The article follows:

RCC, COMMUNITY HONOR OUTSPOKEN TRUSTEE

(By Ann Hoffman)

Representatives from Riverside City College and the Riverside community turned out yesterday to speak up for a trustee who did not hesitate to speak out.

About 80 people attended a reception for RCC board member Joseph Aguilar, who will lease his post after election day. Aguilar, 41, owner of Templo Del Sol restaurant and the board's only Mexican-American member, has been on the board since its inception in 1964.

Board members and teachers praised Aguilar for his openness, for his support of minority concerns and for making the meetings of the board truly public.

Aguilar is admittedly outspoken and has often provoked controversy.

"I tend to be outspoken and very frank," Aguilar said before the reception. "Frankness creates abrasiveness. In order to avoid that you have to compromise your beliefs."

Aguilar has done little compromising on remarks he made in February 1978, when he called actions by board president Leroy Gren and trustee Wilfred Airey "racist." Aguilar became outraged when Gren and Airey refused to approve the nomination of Hazel Russell, a Riverside school administrator, to an RCC board post.

Aguilar accused Airey and Gren of opposing Russell because she was black. Both trustees have denied it. (Board member Frances Nelson, a white, was appointed instead, and later won the seat in a special election.)

Saying he was still hurt by the incident, Aguilar said yesterday this was not a reason for his leaving the board. But he maintained, "Leroy and Dr. Airey double-crossed me. They did act in a racist manner."

Gren, who this week praised Aguilar for his inquisitiveness and broad range of interests, said of the incident, "I'm not sure Joe ever recovered from that. I think he became angry with me . . . a little bit more reserved. I don't feel the closeness, the rapport I did prior to that."

Airey, who once taught Aguilar as a student, said the incident had not harmed his personal relations with Aguilar. "I think the charge that racism entered in is entirely fallacious," he said.

Aguilar said, "It's very difficult to be outspoken. We want to be liked. People say, 'Gosh, why isn't he going along with the team?' "

He said one time he failed to go along with the team was in 1973 when, in executive sessions, he backed college president Kenneth Harper while other board members did not. Harper resigned in 1973 after two years as president to take a teaching assignment at the college.

"I intended to be very supportive of Ken Harper," he said. "A man who had reached that stage must have sterling qualities. I was one of those trying to be very objective."

Aguilar viewed his board position as a way to speak for Riverside's minority community. But his frank opinions got him in trouble even with the group he sought to represent.

In December 1977, Aguilar said the college's ethnic studies classes showed "lack of substance," and Aguilar criticized ethnic minorities who "try to make a living off their own people." Students and ethnic studies faculty members converged on a later board meeting and defended the classes as worthwhile.

Commenting on Aguilar's remark, ethnic studies teacher Geraldine Valenzuela de Woods told the board, "As an ethnic minority who sells ethnic food to a mixed ethnic and non-ethnic clientele, Mr. Aguilar lives in a glass house."

Aguilar has also differed in the past with Mexican-American educators on the subject of bilingual education. While some educators believe Mexican-American children should be taught in Spanish if that is their first language, Aguilar has maintained English should be first and foremost.

"Mexican-Americans must learn English and learn it very well—to compete," he said. "I learned it and I didn't have any bilingual education."

Aguilar has been involved in educational controversies since he was a high school Spanish teacher in 1966, when he appeared before the Corona school board to defend his teaching record. Aguilar said he received a poor rating because he talked in class about his support of Mexican-American farm workers. "Because of my activities I was thought of as a monster, even a Communist," Aguilar said yesterday.

Aguilar said he inherited some of his feistiness from his father Joseph, who ran a downtown Riverside barber shop and was an unofficial spokesman for the Mexican-Americans in town. He said his father, a large, well-dressed man, refused to sit in the balcony seats of the Fox Theater assigned to minorities, but sat downstairs instead.

The younger Aguilar, who attended RCC and graduated from the University of California, Riverside, worked as a high school teacher, a San Bernardino school district administrator and a field officer with the federal Equal Employment Opportunities Commission before opening his restaurant in 1970.

He and his wife Josie have three sons, Joseph Albert, age 8; Jaysen Truman Pacelli, 4; and Johnathan Neumann, 2. Aguilar said his plans for the future include gardening among the hundreds of plants in his North University Drive home and tending the hundreds of birds in his aviary. He said he also hopes to travel to South America, Africa and Asia.

At yesterdays reception, Aguilar received a congressional commendation and a copy of a joint resolution of the state Legislature commending his work on the board.

With Aguilar's departure two members from the original board remain—Airey and Pauw, who is seeking re-election next month. Pauw said, It seems like an end of an era." ●

THE FEDERAL CREDIT PROGRAM CONTROL ACT OF 1979

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 20, 1979

● Mr. MINETA. Mr. Speaker, on November 13 and 14, 1979, the task force on the budget process, which I have the honor to chair, held hearings on the current budgetary treatment of Federal credit programs. A unanimous concern raised at these hearings was the fact that current procedures of the congressional budget process virtually ignore credit programs, creating the false impression that these programs are a "free good." This is the same concern which prompted me to introduce H.R. 5683, the Federal Credit Program Control Act of 1979. For the benefit of the membership I would like to take this opportunity to provide a detailed explanation of my bill:

THE FEDERAL CREDIT PROGRAM CONTROL ACT OF 1979

H.R. 5683, the Federal Credit Program Control Act of 1979, proposes the establishment of procedures to set targets and ceilings in the Congressional budget resolutions for gross direct loans and gross loan guarantees by the federal government in a fiscal year. By amending the Congressional Budget Act of 1974, H.R. 5683, if enacted, would make these new procedures an integral part of the Congressional budget process.

BACKGROUND

Federal lending and loan guarantees are becoming an increasingly important means of providing government services. The total volume of new loans and loan guarantees by the federal government, including those by off-budget entities, is expected to be $107.4 billion in fiscal year 1980 (according to OMB estimates), an increase of 30 percent above the actual level of new loans and guarantees in fiscal year 1978. Outstanding loans and loan guarantees are estimated to total $391.4 billion by the end of fiscal year 1980.

While plans for direct and guaranteed loans under individual federal credit programs are reviewed each year during the budget process, there has been no systematic mechanism in the Congress or the executive branch for reviewing the volume of total federal credit activity. Consequently, there has been no systematic way to consider the resource allocation effects of loans and loan guarantees, nor the reasonableness of the total volume. If the federal government wishes to allocate efficiently its credit resources and to coordinate that allocation with its fiscal policy and direct expenditures, it must exercise control over federal credit activities in a manner similar to that for direct spending activities.

OMB is preparing to implement in the fiscal year 1981 budget portions of the federal credit program controls that were promised in both the fiscal year 1979 and 1980 budgets. Specifically, the President's fiscal year 1981 budget will establish the following elements of a credit control system:

Annual limitations will be proposed for commitments for gross direct lending and gross loans guaranteed. These limitations will be proposed for inclusion in the appropriations language for each budget account containing a direct or guaranteed loan program.

Detailed schedules on the status of direct loan and guarantee programs with respect to the limitations will be included in the Budget Appendix.

OMB will require updates of the limitations status schedules several times during the year in connection with the budget reviews and updates. These updates of credit data will constitute the beginnings of a credit control tracking system.

Thus, the President will present to the Congress in his 1981 Budget the basic elements needed for the Congress to begin controlling the federal government's credit programs. H.R. 5683 provides a statutory basis for a credit program control system within the Congressional budget process.

PLAN OF THE BILL

H.R. 5683 establishes its procedures of credit program controls through amendments to Title III and IV of the Congressional Budget Act of 1974. H.R. 5683 adds to Title III, which establishes the concurrent budget resolutions setting targets and ceilings on budget authority and outlays, provisions to expand the target—and ceiling-setting process to gross direct lending and to loan guarantees. Title IV, which establishes procedural mechanisms to prevent future "backdoor" spending, is amended to require appropriations action in order for loan guarantees to become effective.

POINTS OF CONTROL

H.R. 5683 applies to federal credit programs controls similar to those on direct spending programs. Therefore, the first issue that must be decided is the point at which controls are to be placed. Two criteria guided the definition of control points in H.R. 5683.

First, controls should be on a gross basis. Second, controls should be applied at the point in the lending or guarantee process wherein the federal government commits itself and cannot cancel the loan or guarantee arrangement without the agreement of the other party or parties. Simply put, controls should be applied at the point where the government cannot change its mind. Based on these criteria, H.R. 5683 sets the control point for direct lending at the obligations stage and for guaranteed lending at the commitment stage.

Direct loans

Direct federal loans are already included in the unified budget totals on a net of repayments basis. Net lending, the charge recorded in the budget totals for a program for a fiscal year, equals the amount of new loans extended minus the amount of loan repayments on all—new and prior—loans during the fiscal year. In addition to payments of interest and principal by the borrower, current budgetary practices also count as repayments the sales of loans themselves or the sales of certificates of beneficial ownership (CBOs) by the originating federal agency to a third party.[1]

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[1] There are serious conceptual questions about the treatment of CBO sales as repayments instead of agency borrowing. See "Loan Asset Sales: Current Budgetary Treatment and Alternatives" in *Loan Guarantees: Current Concerns and Alternatives for Control, A Compilation of Staff Working Papers* (Congressional Budget Office: January 1979). Resolution of this issue as recommended by that study would reduce the problem of understatement but would not change the provisions of H.R. 5683.

Net lending is an appropriate indicator of the changes in an agency's financial picture resulting from the operations of a direct loan program. It is not, however, a satisfactory indicator or point of control of program activity. Net lending understates the amount of new credit extended by the federal government by the amount of the deducted repayments. These deductions are not trivial. New lending by the federal government for fiscal year 1980 is estimated to exceed $29 billion. Deducting, repayments ($14 billion) and sales of loan assets and CBOs ($12.1 billion) leaves net lending of $2.8 billion. Direct federal lending is thus understated in the budget by over $26 billion. Policymakers should be aware of this $26 billion of federal lending. Even though net extensions of federal credit are estimated to total only $2.8 billion, the full amount of credit diverted by the federal government from the borrowers to whom the marketplace would allocate credit to borrowers selected by the federal government is $29.0 billion.

Because the economic effects of direct federal loans to selected borrowers are assumed to differ from the economic effects of the loans that would have been concluded in the marketplace, the Congress should consider targets and ceilings for gross lending, controlling the gross amounts of credit diverted, not just the net additions of new lending added to the direct loans by the federal government outstanding. Therefore, H.R. 5683 requires that targets and ceilings be set in the concurrent budget resolutions on the gross obligations for the principal amount of direct loans.

For the purposes of H.R. 5683 a direct loan is defined as a disbursement of funds (not in exchange for goods or services) that is contracted to be repaid—with or without interest—or any of the following transactions:

Direct federal participation in loans privately made or held;

Purchase of private loans through secondary market operations; or

Acquisition of federally-guaranteed private loans or collateral in satisfaction of default or other guarantee claims.

By controlling gross obligations, H.R. 5683 makes the controls effective at the stage when the federal government enters contracts legally obligating it to provide the principal of the loan. At that point the obligation is counted against the individual program limitations, which were themselves counted against the targets or ceilings in the budget resolutions. The principal may not be entirely drawn down during the fiscal year, thus resulting in outlays, but at that point the federal government is legally committed to provide the funds. The total for gross obligations is not reduced because of repayments, prepayments, sales of loan assets or CBOs, defaults, or loan forgiveness.

Guaranteed loans

Unlike direct loans, guaranteed loans are not included in the unified budget totals at all. In fact, the definitions of budget authority and new spending authority, in sections 3(a)(2) and 401(c) respectively, specifically exclude the authority to guarantee the repayment of indebtedness incurred by another person or government. Thus, loan guarantees are not at all subject to the targets and ceilings on budget authority and outlays in the concurrent budget resolutions. In the previous section, it was shown that the controls on net direct loans in the budget resolutions needed to be supplemented in H.R. 5683 by controls on gross obligations of direct loans to prevent understatement of the level of direct lending activity.

In contrast H.R. 5683 introduces for the first time controls on total commitments by the federal government to guarantee loan principal in all loan guarantee programs. Two aspects of this point of control merit discussion: applying controls at the commitment stage and counting only guaranteed loan principal against the targets or ceilings.

H.R. 5683 applies controls on loan guarantees at the stage when a federal agency enters into a guarantee agreement that becomes effective at such time as the lender meets stipulated pre-conditions. In a sense, the commitment stage of a loan guarantee arrangement is equivalent to the obligation stage of a direct loan arrangement. The government has entered into an agreement which can be expected, without further intervention, to mature into a financial responsibility to provide loan principal or guarantee a loan's repayment, as the case may be.

Applying controls at the commitment stage of loan guarantees is appropriate because at the point a commitment is granted, there is no reason for the borrower or the lender to search for alternative financing means. At that point the federal government has in a sense "siphoned" credit out of the market and allocated it to a borrower who, without the guarantee, would not have been allocated credit on those terms, or perhaps on any terms at all.

The second aspect of H.R. 5683's controls on loan guarantees that merits discussion is the fact that only the federal government's contingent liability is counted against the individual program limitations and the targets or ceilings in the budget resolution. Where the principal amount of a loan is only partially guaranteed, only the amount of the contingent liability is controlled. For example, a limitation of $500,000 for a program of 90 percent guarantees means that the agency could guarantee loans totaling $555,355; only $500,000 of the principal, however, would be guaranteed by the government. This provision will make it possible for programs of partial guarantees to leverage their limitation of guarantee commitments into a larger total volume of loans than a program of 100 percent guarantees. It may serve to encourage greater use of partial guarantees, with the lenders perhaps taking larger and larger roles as coinsurers.[2]

SECTION-BY-SECTION ANALYSIS: TITLE I—AMENDMENTS TO THE CONGRESSIONAL BUDGET ACT OF 1974

The heart of H.R. 5683 are its amendments to Titles III and IV of the Congressional Budget Act of 1974. Title I of H.R. 5683 essentially piggybacks provisions for setting targets and ceilings for direct and guaranteed loans onto the provisions establishing the first and second concurrent budget resolutions.

Incorporating credit program controls in the first concurrent resolution

Section 101 of H.R. 5683 amends sections 301(a) and 301(c) to include in the required contents of the first concurrent resolution on the budget each year targets on direct and guaranteed loans and to require that the standing committees of the Congress include in their reports to the Budget Committees their views and estimates on credit programs as well as direct expenditures. Specifically, section 301(a) is amended by the addition of two new subsections requiring that the first concurrent resolution of the budget include:

The appropriate level of total gross obligations for the principal amount of direct loans and total commitments to guarantee loan principal; and

The appropriate level of gross obligations for direct loans and of commitments for guaranteed loans for each functional category.

Section 301(c) is amended to require the standing committees to include in their March 15th reports to the Budget Committee their recommendations for credit program levels and their estimates of the amounts of direct and guaranteed loan authority to be provided in their bills to be effective during the fiscal year beginning October 1st. Section 301(c) also includes a special requirement for the Banking Committee in each house to include their recommendations as to the overall levels of federal credit assistance in their March 15th reports. This special responsibility recognizes the expertise of these two committees in the area of the credit economy and the monetary system.

The inclusion of targets for credit programs in the first budget resolution argues that such targets should then be allocated by committee after the resolution has been adopted by the Congress, as section 302 now requires for the targets for budget authority and outlays. Section 102 of H.R. 5683 would amend section 302(a) to require that the joint explanatory statement accompanying a conference report allocate to the standing committees of the House and Senate having jurisdiction over credit programs the appropriate levels of gross obligations for direct loans and of commitments to guarantee loan principal. Section 302(b) would be amended to require that the Appropriations Committees subdivide their allocations among their subcommittees, as they presently subdivide their allocations of budget authority and outlays.

Section 103 of H.R. 5683 amends Section 307 to add to the summary report by the House Committee on Appropriations, which compares its action on regular appropriation bills with the appropriate levels of budget authority and outlays as set forth in the budget resolution, a comparison of the Committee's recommendations on gross obligations on direct loans and total commitments to guarantee loan principal to the levels set forth in the concurrent budget resolution.

Section 308 establishes the scorekeeping procedures. It is amended by H.R. 5683 to include scorekeeping requirements on credit program limitations. Specifically, section 104(a) amends section 308(a) to require that the statement in reports accompanying a bill providing new budget authority state how the limitations on credit programs in the bill compare to the overall totals in the budget resolutions and to the allocations to the Committee under section 302.

Section 104(b) of H.R. 5683 expands the scorekeeping responsibilities assigned to the Congressional Budget Office by section 308(b) by requiring an up-to-date tabulation in the periodic scorekeeping reports of the limitations on gross lending and new commitments compared with the targets in the budget resolutions and the allocations under section 302.

Section 105 of H.R. 5683 amends section 309 to require that action on bills providing limitations on credit programs shall be completed not later than the seventh day after Labor Day, as is required of all bills providing new budget authority.

The second budget resolution: Ceilings on credit program limitations

Incorporating ceilings on credit program limitations into the second required concurrent resolution on the budget is accomplished by amending section 310 of the Congressional Budget Act. Section 106 of H.R. 5683 adds a new subsection to section 310(a) to state that the Committees on the Budget shall, at the same time report in a second resolution any revisions to the budget expenditure aggregates in the first resolution, revise as necessary the limitations on total obligations for direct loans and for new commitments for guaranteed loan principal. The Committees are also to direct which committees having jurisdiction to recommend such changes.

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[2] Coinsurance denotes the practice of requiring the lender to share a portion of the risk. Partial guarantees, wherein the government guarantees less than 100 percent of the principal and/or interest of a loan, are the primary example of coinsurance. Most coinsured loans have a 90 percent federal guarantee, the lender risking only 10 percent. It has been hypothesized that 10 percent does not represent a large enough portion of the risk to encourage active supervision and interest by the lender. To the extent that only recording the contingent liability encourages greater "leveraging" by guarantor agencies, it may be expected that lenders will become more active supervisors of guaranteed loans, as their share of the risk increases to 20 percent and higher.

The ceilings on limitations for credit programs set in the second required concurrent resolution on the budget are given force by an amendment to Section 311 of the Congressional Budget Act. This amendment extends the point-of-order coverage of that section to bills increasing the limitations on obligations for direct loans of commitments to guarantee loan principal above the second resolution levels.

Closing the backdoor on credit: An issue only partially resolved

Section 111 of H.R. 5683 amends Title IV of the congressional Budget Act to set up a two-stage process for loan guarantee authority. A new section 405 would require that authorizations for guarantee authority state that such guarantee authority would be effective for any fiscal year only as approved in appropriation acts. This requirement is enforced by the fact that legislation authorizing guarantees without such a provision could be ruled out of order on the floor of either house.

As drafted in H.R. 5683, the new section 405 would apply only to new guarantee authority or to reauthorizations of existing loan guarantee programs. Coverage of existing loan guarantee programs and of gross obligations for direct loans will depend under H.R. 5683 on the willingness of the Appropriations subcommittees to include such limitations in their bills. Across-the-board coverage is needed to maintain the integrity of the targets and ceilings enacted under the amendments to Title III. H.R. 5683, as drafted, lacks provisions to force this across-the-board coverage.

Applying the May 15th authorizing deadline

The new section 405 of the Congressional Budget Act will effectively set up an authorizing-appropriations two-step process for bills containing the authority to guarantee loans. Section 112 of H.R. 5683 amends section 402 of the Congressional Budget Act to make the May 15th deadline for the reporting of authorization bills to either house effective also for bills authorizing loan guarantees.

Miscellaneous amendments to the Congressional Budget Act

H.R. 5683 makes two additional amendments to the Congressional Budget Act. Section 121 amends section 2, the Declaration of Purposes, to add a subsection declaring control of direct lending and loan guarantees to be a purpose of the bill. Section 122 amends the definitions in section 3 to add a definition for direct loans.

TITLE II—AMENDMENTS TO THE BUDGET AND ACCOUNTING ACT OF 1921

Title II of H.R. 5683 amends the Budget and Accounting Act of 1921 to require that the budget sent to the Congress each January by the President include necessary data on federal credit programs to support the decisionmaking process established in Title I. Section 201 amends section 201(d) of the Budget and Accounting Act to require that the Budget state the President's recommendations as to the appropriate levels of gross obligations for direct loans and commitments to guarantee loan principal, both at the aggregate and functional levels. Section 202 amends section 201(a) to include a new subsection requiring that the Budget include all essential facts regarding direct lending and the guaranteeing of loans by the federal government. These requirements in H.R. 5683 are general. They do not attempt to spell out precisely which data are to be supplied, leaving those issues to negotiation between the OMB and Congressional committees.

TITLE III—EFFECTIVE DATE

Section 301 of H.R. 5683 provides that the amendments to the Congressional Budget Act of 1974 and the Budget and Accounting Act of 1921 contained in the bill would become effective on October 1, 1980 for fiscal years 1981 and thereafter.●

THE IRAN AFFAIR IS A SYMPTOM OF AMERICA'S DECLINING POSTURE IN THE WORLD

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 20, 1979

● Mr. SYMMS. Mr. Speaker, like all Americans I am outraged over the situation in Iran and the threat to our Embassy personnel being held hostage. For the American people, seeing pictures of their fellow citizens, military and civilian, being led blindfolded from one of our Embassies and held hostage is a shocking experience.

Terrible as these present events are, Mr. Speaker, they should not have been totally unexpected. The weak, indecisive foreign policy actions of the Carter administration during the last 3 years combined with the erosion of our military posture and the downgrading of our intelligence capabilities has extended an open invitation to the kind of intimidation and extortion that we are faced with today in Iran. To illustrate my point, consider some of the major foreign policy actions of the Carter administration that have raised questions about American resolve. Unfortunately, all have been supported by the foreign policy leadership of the U.S. Senate and House:

Soon after taking office the Carter administration presents a somewhat equitable SALT proposal to the Soviets only to back away at the first indication of Soviet objection;

After 6 months of complete Soviet intransigence at the SALT bargaining table, President Carter cancels production of the B-1 bomber with no reciprocity asked of the Soviets;

Soon after that, in the midst of a storm of Soviet propaganda, Carter cancels deployment of the neutron warhead as part of our NATO forces in Europe, again without any concessions on the part of the Soviet bloc;

The Panama Canal Treaty was concluded and ratified, thereby surrendering U.S. control of the canal to the pro-Marxist regime in Panama;

The Carter administration has steadfastly supported the Communist-backed guerrilla war against Rhodesia and has ignored the Russian advances in the mineral-rich areas of Africa as well as the Soviet takeover of Afghanistan which, by the way, involved the murder of our Ambassador with Soviet agents present;

Carter's ready capitulation to the demands of Peking that we abrogate our treaty relations with our longtime ally, Taiwan, must have been a surprising sign of weakeness even to Peking, not to mention the rest of the world; and

In addition, the Carter administration offered no resistance to the introduction of nuclear-capable Soviet MIG-23 aircraft and nuclear submarines into Cuba as well as combat forces.

One of the greatest concerns that I have, Mr. Speaker, over the entire Iranian situation was that possibly our intelligence network in Iran failed to anticipate the ambush and capture of our Embassy in Tehran due to a lack of intelligence gathering. Had our intelligence agencies not been downgraded as a result of the activities of Senator CHURCH's Special Select Committee on Intelligence during 1975-76, it is certain that the White House and State Department would have had adequate warning as to what was coming.

Even more disturbing, however, are the reports that the State Department officials disregarded what little intelligence that was coming out of Iran as to the explosive nature of the situation there, thus never alerting the endangered Americans of the imminent threat to the Embassy. On November 1, 1979, three days before the Embassy takeover, the State Department rejected a proposal from White House and Pentagon aides that the coming crisis required immediate emergency planning. In many respects, however, the fact that orders were issued from Washington not to defend the Embassy during the revolution early this year served as an open invitation to the Iranian "students" to make whatever moves they wanted against American personnel.

In reality, this is another in an all-too-long series of misjudgments by officials of the Carter administration who operate from the mistaken premise that we must not make moves that might be construed as opposing the global leftward drift and the growing power of Third World nations. Unfortunately, some 60 American lives are now endangered because of this foolish policy. Many of us, Mr. Speaker, are asking: How much longer can this go on?

Incidents like the terrorist attack on a U.S. Embassy would not have been contemplated, much less implemented, in earlier years when the United States commanded the admiration and respect of all world leaders. The administration's paralyzing inaction in the face of this direct attack on U.S. integrity has caused alarm among our citizens. Other nations, like Iran, Cuba and the Soviet Union have witnessed the increasing U.S. tendency to back away from conflicts, even when vital U.S. interests are involved. To continue these misguided policies would signal the world that the United States has made the decision to accept strategic inferiority. This only undermines the confidence of our allies while encouraging increasingly brazen hostile action by anti-American governments.

Mr. Speaker, I recognize the delicate nature of the present situation, and I am sure that President Carter and the State Department officials are doing all they can to free the American hostages. Yes, one question that I have is: Where is the United Nations? The United Nations is so quick to take action such as the imposition of economic sanctions against countries like South Africa, Rhodesia, and other anti-Communist nations, but where are they in the Iranian affair? Why is not the Carter administration demanding U.N. action against Iran? Where are all those who cry out against alleged human rights violations in South Korea, Taiwan, South Africa, Chile, Nicaragua, and Rhodesia? I would think, Mr. Speaker, that for all the money that the U.S. taxpayers have pumped into the United Nations and given in foreign aid that we could get a little help in return. Maybe its high time for us to seriously reexamine the value of the United Nations. The least we could do is demand that all of these international organizations put maximum pressure on Iran—the same kind that they like to put on the anti-Communist Third World nations—to release the hostages or else lose all U.S. assistance immediately.

If this kind of thing is to be prevented in the future it is imperative that we all face up to the real cause and make the determination to correct our policy mistakes at once. The Carter administration and our congressional leaders responsible for foreign policy must stop dawdling and institute programs to strengthen all facets of our national defense posture. They must put an end to U.S. timidity and let it be known that the United States knows what her interests are and is willing to defend them. Otherwise, we will become more and more vulnerable to political and economic blackmail, backed by superior military force, with the constant threat of a major interruption of our oil supply from the Middle East as well as disruptions in other areas of vital interest.●

PERSONAL EXPLANATION

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 20, 1979

● Ms. HOLTZMAN. Mr. Speaker, I was unable to be present for the following votes on Wednesday, November 14, 1979. Had I been present, I would have voted the following:

Rollcall No. 664, "no."

Rollcall No. 665, "yes." ●

HOUSE OF REPRESENTATIVES—*Monday, November 26, 1979*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious Lord, we come before You this day in the quiet of the moment to ask Your blessing upon Your people. There are about us the urgent matters that cry for attention, the problems demanding resolution, the personal cares that weigh on the spirit. But You have promised, O Lord, to be with us to the end of the world, to sustain us with Your strength, and support us with Your love. Be to us and all people a focus for reconciliation and peace in our lives and in the world that we might do for others those good deeds we would have them do to us. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate insists upon its amendments to the bill (H.R. 3824) entitled "An act to amend the District of Columbia Self-Government and Governmental Reorganization Act to authorize the Council of the District of Columbia to delegate its authority to issue revenue bonds for undertakings in the area of housing to any housing finance agency established by it and to provide that payments of such bonds may be made without further approval," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. EAGLETON, Mr. LEVIN, Mr. RIBICOFF, Mr. MATHIAS, and Mr. STEVENS to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2009. An act to designate certain public lands in central Idaho as the River of No Return Wilderness, to designate a segment of the Salmon River as a component of the National Wild and Scenic Rivers System, and for other purposes.

KENTUCKIANS ARE FURIOUS ABOUT AMERICANS BEING HELD HOSTAGE IN IRAN

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, most of the Members of Congress return to the House of Representatives today after a week of activity in our districts. I believe we sensed back home a unanimity of opinion among our constituents regarding the crisis in Iran.

I assure you that Kentuckians' outrage against Iran and the Ayatollah Khomeini is unprecedented since World War II.

Iran's seizure of American hostages and the continued holding of 49 Americans in our own Embassy in Tehran violates every norm of civilized behavior and international law.

There is a price to be paid for confronting tyranny and resisting despotism. The cost for not doing so in the long run is far greater. Consider last week's burning of our Embassy in Islamabad, Pakistan.

Yes, it appears to me that American people are ready now for whatever it takes to let the terrorists around the world who despise this country know that America is still a great power which is unwilling to accept any more uncontested humiliations and defeats.

DEATH OF JUDGE HAROLD LEVENTHAL GREAT LOSS TO NATION

(Mr. BARNES asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BARNES. Mr. Speaker, a truly remarkable individual left this world during the past few days, and I believe it is appropriate that we in the Congress pause to reflect upon the contributions of one of the greatest and most learned jurists of our time. I refer, of course, to Judge Harold Leventhal of the U.S. Court of Appeals for the District of Columbia.

I had the rare privilege of knowing Judge Leventhal personally throughout my entire life. A close friend of my family, he helped to guide me—as he guided so many young people, particularly his outstanding law clerks—into a life of public service.

As I said just the week before last, when I joined in welcoming Judge Leventhal as a witness before the Subcommittee on Administrative Law and Governmental Relations of the Judiciary Committee, there is literally no person in the world for whom I have more respect and admiration.

The death of Judge Leventhal is, of course, a great personal loss for me, for my family, and for everyone who has been fortunate enough to know this brilliant, witty, warm man as a friend. But it is also a tremendous loss for the law and for our Nation which he served with such wisdom.

I call to the attention of my colleagues an editorial with respect to the life and contributions of Judge Leventhal which appeared in the Washington Post on Thursday, November 22, 1979:

HAROLD LEVENTHAL

When President Johnson appointed Harold Leventhal to the U.S. Court of Appeals for the District of Columbia in 1965, we wrote that this intelligent and prolific attorney "will bring learning, sensibility and a richly reflective mind to the bench." That was quite a tall order, but Judge Leventhal, who died here Tuesday at the age of 64, delivered in full. Not only did he exercise his exceptional talents vigorously, he also coupled his leadership with a deep concern for individual civil liberties and rights.

Judge Leventhal's varied interests and abilities suited this court perfectly, since it was developing a record as a highly visible, often controversial and far-reaching appellate bench. As a productive contributor who usually was aligned with the more open and legally tolerant wing of this "liberal" court, Judge Leventhal wrote widely on numerous topics, from administrative law—one of several specialties—to immigration policies, libel, criminal law and human rights. His scholarly essays and opinions explored and expanded the law—thoughtfully sharpening definitions of constitutional protections. They included ordering free trial transcripts for indigent defendants, help for businesses uprooted by urban renewal, speedy trials, an end to tax exemptions for racially segregated private schools and sharp curbs on police search and seizure powers and on abuses in the handling of anti-war demonstrators.

These decisions were more than the philosophizing of a brilliant legal mind—they were the expressions of a warm and witty man with a down-to-earth feeling for people as individuals, as neighbors and as citizens of a democracy. It was these qualities that made Harold Leventhal such a special person and superior judge.

LET THE NATION'S CHURCH BELLS RING FOR OUR HOSTAGES IN IRAN

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, the church bells rang all over America this Sunday to call the Nation to prayer and contemplation for the safety of our hostages in Iran, and I hope they will continue to ring daily at noon until all the hostages are released.

The request for the bellringing came from a personal friend of mine, Bruce Laingen, the American charge d'affaires in Tehran and the senior American official held hostage there. Ambassador Laingen said this in a Thanksgiving message to the American people:

> In our prayers of thanks for the safe return of the first of the hostages, of hope for the early release of those who remain, and for strength in standing firm for what we believe is right, let us also pray that a process can begin that will ultimately permit the restoration of the traditional friendship between the American and the Iranian peoples. Let us ask God's guidance that the two countries, in all they do and say, will act on that basis and from a posture of humanity and restraint, so that both our peoples and governments can again look to a future of restored understanding and cooperation.
>
> Let the Nation's church bells ring with that message and that hope.

Those church bells did ring, thanks to the efforts of several families of hostages; the use of the good offices of several Members of Congress, including the offices of: Senator William Armstrong, of Colorado; Congressman Ben Gilman, of New York; Congressman Tom Loeffler, of Texas; Congressman Dick Ichord, of Missouri; Congressman John Ashbrook, of Ohio; Congressman Carlos Moorhead, of California; Congressman Dan Marriott, of Utah; Congressman Henry Hyde, of Illinois; and my own; and with the help of volunteers from several religious congregations in Washington led by Mrs. Helen Chapin, a former secretary on Capitol Hill.

Let us hope that bells and community services will continue to sound each day at noon as long as our hostages are held in Iran to call Americans to remember our hostages and to pray for them and for a peaceful resolution of that dreadful situation.

REPRESENTATIVE CARNEY WILL PAY TRIBUTE TO CORPORAL CROWLEY AND WARRANT OFFICER ELLIS

(Mr. CARNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARNEY. Mr. Speaker, the insane behavior of the Ayatollah Khomeini which has spurred mass hysteria and bloodshed throughout the Islamic world has finally reached the shore of the United States. On November 21, 1979, our Embassy in Islamabad, Pakistan was attacked by a crazed angry mob spurred on by the insane behavior of the Ayatollah Khomeini. This action caused the loss of the lives of Marine Cpl. Stephen Crowley of the First Congressional District of New York and Army Warrant Officer Bryan Ellis.

This afternoon I requested a special order to pay tribute to Corporal Crowley and Warrant Officer Ellis.

In addition I ask my colleagues to join with me in this special order calling upon all Americans to act in a unified voice supporting the President in his courageous attempts to resolve this issue.

Mr. Speaker, at the end of all special orders previously entered into for today I ask unanimous consent that I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

U.N. DEBATE ON IRAN

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, United Nations Secretary General Kurt Waldheim, has called a meeting of the U.N. Security Council today to discuss the Iranian Government's takeover of our Embassy and holding American citizens as hostages.

At the very outset our Government has got to make it clear to the U.N. that the release of the hostages cannot be a subject of debate.

If the U.N. does anything other than condemn Iran for violations of the most sacred and essential relationship in international affairs, grave damage will be done to the very foundations of international relations.

Whatever Iran's Foreign Minister might want to say about the Shah, it must be isolated from the primary concern, release of the hostages. There can be no linkage between the two issues. Each nation must understand that the Americans being held hostage represent all nations and their rights.

The position of the United States should be that this is not an issue between our country and the Iranian kidnapers, but between the kidnapers and the civilized world.

The United States has shed the blood of its youth, given billions of dollars and incalculable technological aid to almost every nation on Earth. It is time these nations did something for us, and for themselves as well. First, condemn the Iranian seizure. Then, possibly, the other issues can be debated.

☐ 1210

THE LATE HONORABLE CHARLES E. POTTER AND THE LATE HONORABLE BILLIE S. FARNUM

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, the State of Michigan has been deprived of two of its distinguished citizens in recent days with the deaths of former Senator Charles E. Potter and former Congressman Billie S. Farnum.

I had the pleasure of serving in the House with both men. They were able and dedicated public servants and good friends.

Senator Potter, who died Friday at Walter Reed Hospital, was first elected to Congress in 1947 to fill an unexpired term in the 11th District. In 1952, he was elected to fill the unexpired term of the late Senator Arthur H. Vandenberg of Michigan. He continued in the Senate until 1958. Wounded three times in World War II, Senator Potter lost both legs after stepping on a German landmine.

Congressman Farnum, who died last week in Lansing, Mich., served in the House of Representatives in 1965 and 1966. He represented the 19th Congressional District of Michigan, the district which I now represent.

After leaving Washington, he served as Michigan's last elected auditor and was deputy chairman of the Democratic National Committee. In 1975, he was elected Secretary of the Michigan State Senate, a position he held at his death.

GENERAL LEAVE

Mr. BROOMFIELD. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks and to include extraneous matter on the life, character, and public service of the late Honorable Charles E. Potter and the late Honorable Billie S. Farnum.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CONGRESS MUST RECOGNIZE IMPORTANCE OF ENERGY CONSERVATION

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, the recent events in Iran threaten the world economy with another oil squeeze and another round of petroleum price increases.

In addition, we all know the OPEC ministers are preparing for a series of closed-door discussions in December regarding price hikes of their most precious natural resource—crude oil.

An article in today's Washington Post entitled "Oil Supply Hinges on Saudi Reaction" clearly indicates the extent to which this country is dependent upon the whims of these oil barons. The country from which we import the greatest amount of oil and an ally of this Nation for years, Saudi Arabia, has let it be known in recent months that no longer will it continue to support our craving for crude oil. Presently, Saudi Arabia is pumping some 9.5 million barrels per day and is expected to reduce that amount to 8.5 million.

Mr. Speaker, with the events unfolding in the Middle East as they have, Congress must realize the growing importance of energy conservation measures, development of alternate sources of energy such as synthetic fuels, solar, wind, hydroelectric, and increased domestic production of crude oil.

We cannot sit by and watch the OPEC countries wield their black gold, blackmail weapon against the industrialized and Third World nations. We must pass a strong windfall profits bill before the end of this year, in order to fund these other energy programs.

DUTY SUSPENSION ON CONCENTRATE OF POPPY STRAW

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, I am today introducing a bill to extend for 2 years the duty suspension on imported concentrate of poppy straw, which expires on June 30, 1980.

This extension is necessary because the United States is totally dependent on imported concentrate of poppy straw, which is a raw material used in the production of medicinal codeine and morphine.

It is also a material whose importation and processing into medicine is strictly regulated by the Justice Department due to the Controlled Substances Act.

While the worldwide opium shortage which forced domestic producers to switch from opium to concentrate has somewhat eased, poppy straw concentrate remains a vital ingredient in the production of certain prescription drugs.

As a result of the current duty suspension, production costs have been reduced and prescription drugs containing codeine and morphine are less expensive for consumers.

Rarely do we have an opportunity to pass legislation that has no adverse effect on any U.S. interests and offers real potential savings to those Americans in need of medical care.

I urge the adoption of this much-needed legislation.

CIVIL SERVICE AUTHORIZATION ACT

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, I note with some interest the leadership has scrapped its plans to call up H.R. 5138, the civil service authorization bill, under suspension of the rules today.

While the landmark Civil Service Reform Act of 1978 has been in full force less than 1 year, the same opponents who tried to torpedo the legislation in committee now are working to undercut it. It is an accepted fact that the toughest part of the fight for civil service reform was to get it out of committee, where it was opposed by a substantial part of the majority. It was opposition generated by pressure from the Federal employee unions. Obviously, the same coalition still is intent on strangling the 1978 act.

H.R. 5138 represents a major policy revision of the reform package which won an overwhelming vote of support in this body last year. In place of the unexpiring authorization of funds for the Office of Personnel Management, the Merit Systems Protection Board, the Federal Labor Relations Authority, and the Office of Special Counsel this legislation imposes a 2-year authorization at fixed levels of funding.

Politically, the bill appears to be motivated for the purpose of superimposing committee policy on the administrative functions of these four agencies. By putting these agencies on a short rein, the temptation will exist to supplant executive management decisions with those determined by a handful of committee members. I think legislative oversight is a proper and valuable tool of the legislative process, but we also need to be fair in allowing these fledgling agencies to perform as the Civil Service Reform Act intends them to perform. It is far too early for the type of tinkering this legislation would encourage.

Finally, in a practical sense, the legislation is premature. With the enactment of the Reform Act in October 1978, the Congress made a deliberate decision to provide unexpiring authorization of funds necessary for the administration of that act. Implementation of the comprehensive reform package requires time, and the respective agencies must be allowed some flexibility.

The committee report on this bill admits that expiring authorization is in fact sunset legislation. If the agencies created by the Civil Service Reform Act were suitable to the sunset theory, than that determination should have been made last year. It was not.

The Government-wide functions of the Office of Personnel Management, as well as the other three agencies covered by this bill, do not lend themselves to abrupt abolishment, which would be the case under this bill if no further authorization follows.

No valid argument has been made in support of this legislation. In the obvious absence of need or logic, the bill should be defeated.

THE "COUNTDOWN TO HUMAN RIGHTS DAY" VIGIL FOR CAMBODIA

(Mr. MAGUIRE asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. MAGUIRE. Mr. Speaker, there are 10 legislative days before December 10 which happens to be the day for the worldwide celebration of Human Rights. I invite my colleagues to join me in a special order of the House on December 10 for a colloquium to honor the universal rights of man and to discuss the situations in those regions of the world where these rights are sadly lacking.

Even without the hunger induced genocide occurring right now in Southeast Asia, that terror camp called Kampuchea would be a prime example of a nation which deprives its citizens of the blessings of freedom. But we know that of the 4.7 million people who still exist in that war torn country, 3 million people, 3 million, are in dire danger of starvation and death, 200,000 souls are perishing each month. These individuals cannot wait for Human Rights Day. We must translate our anguish and urgent desire to save the Cambodians into swift congressional action.

Thus, for the next 10 days a number of Representatives will take the floor to discuss the progress of our efforts to stop the starvation in Cambodia. We will monitor the status of the administration's relief efforts to see that the moneys appropriated for hunger are being dispensed with order and the sense of urgency that this mission requires. We must and will take whatever measures we can to see that the hungry are fed.

As the great moral philosopher Reinhold Niebur said:

> Man's capacity for justice makes democracy possible, but man's inclination to injustice makes democracy necessary.

The role of the U.S. Congress in this battle is clearly defined. Through the passage of legislation like the Refugee and Migration Assistance Act of 1979, we will mobilize the resources of our democracy to feed the hungry. Through the colloquium on Human Rights Day and the speeches on the starvation in Southeast Asia which will precede it, we will remind the world of the shelter democracy affords to all.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to, under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

Such rollcall votes, if postponed, will be taken on Tuesday, November 27, 1979.

CREDITING OF CERTAIN FULL-TIME TRAINING DUTY OF MEMBERS OF THE NATIONAL GUARD

Mr. WHITE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5753) to amend title 10, United States Code, to provide that certain full-time training duty of members of the National Guard shall be considered as active duty for training in Federal service for the purpose of laws providing benefits for members of the National Guard and their dependents and beneficiaries, as amended.

The Clerk read as follows:

H.R. 5753

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 3686(2) and 8686(2) of title 10, United States Code, are amended by striking out "sections 316 and 503–505 of title 32" and inserting in lieu thereof "sections 316 and 502 through 505 of title 32".

SEC. 2. The amendments made by the first section of this Act shall apply with respect to full-time training or other full-time duty performed under section 502 of title 32, United States Code, after the date of the enactment of this Act.

The SPEAKER. Pursuant to the rule, a second is not required on this motion.

The gentleman from Texas (Mr. WHITE) will be recognized for 20 minutes, and the gentleman from Alabama (Mr. DICKINSON) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 5753, as amended is a clean bill reported by the Committee on Armed Services that corrects some technical deficiencies in H.R. 1425, the bill that was originally considered, and establishes the date of enactment as the effective date. The amendments to H.R. 5753 are further technical amendments to correct printer errors.

H.R. 5753 will make National Guardsmen who are called to active duty for full-time training duty under section 502 of title 32, United States Code, eligible for the same benefits provided other National Guardsmen or reservists for similar duties.

Currently, National Guardsmen who are called to active duty for a period of time under section 502 of title 32, United States Code, are not entitled to dependent medical care for this period, or credit for purposes of retirement upon the completion of 20 years of active duty. This is an anomaly because National Guardsmen who are called to active duty under sections 503 through 505 of title 32, which relate to annual field training and attendance at military schools, are entitled to these benefits for such service, as are reservists in general who are called to active duty.

The House approved identical legislation during the 90th Congress, but it was never acted upon by the Senate.

Partly at the urging of the Congress, the Department of Defense is currently increasing the number of full-time support personnel for the National Guard and Reserve on a test basis. This is an important step that promises to substantially improve training and readiness in these components. To continue the program on other than the current test basis, section 502 of title 32 must be used as it is the proper authority for calling National Guardsmen to full-time duty. H.R. 5753 will eliminate an inequity in the treatment of National Guardsmen called to active duty for 2 years to support training.

The Department of Defense supports this legislation. The costs are estimated to be $6.4 million in the first year and rise to $19.3 million by the fifth year.

On behalf of the Committee on Armed Services, I urge the passage of H.R. 5753, as amended.

□ 1220

Mr. DICKINSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this bill, H.R. 5753. There is absolutely no opposition to it that I am aware of. Both the administration and the Department of Defense support it and it was reported by the committee unanimously. Its purpose is to correct an oversight or inadvertence in the law. This legislation changes one section of existing law to give National Guard called to active duty under that section the same benefits Army reservists and other guardsmen have when they are on active duty. It makes sense; there is no opposition to it. I urge its passage.

Mr. Speaker, I also rise in support of H.R. 5753 which will correct an inequity in the law which affects guardsmen who are called to active duty for the purpose of providing full-time support for training.

As the chairman has indicated, all other National Guardsmen, when called to active duty for any other purpose, receive the normal Federal benefits of this service, such as medical care for dependents and retirement credit. The fact that guardsmen who are called pursuant to section 502 do not is evidence only of an arbitrary inconsistency in the law and not a conscious decision on the part of the Congress.

It is important that legislation be enacted soon because there will be an increasing number of guardsmen on active duty in the near future, as this appears to be one significant way of improving the training and readiness in the National Guard.

Mr. Speaker, this legislation only entitles National Guardsmen called pursuant to this section to the same benefits that reservists and other guardsmen receive when called to active duty.

This bill should receive favorable consideration by the House.

Mr. Speaker, I yield back the remainder of my time.

● Mr. MONTGOMERY. Mr. Speaker, the House has before it today H.R. 5753 which is a bill that Mrs. HOLT and I introduced, and I appreciate this opportunity to make this statement in support of the measure. The bill amends title 10 of the United States Code to provide that certain full time training duty of members of the National Guard shall be considered as active duty for training in Federal service. The purpose of this amendment is to provide the same benefits for members of the National Guard in full-time training duty that is provided members of the Army and Air Force Reserve for similar duty.

The problem we are correcting with this bill is a statutory oversight. Army and Air Force Reserves serve under the authority of title 10 of the United States Code and their functions and benefits are spelled out in the language of this statute. Likewise, title 32 is the authority for the National Guard. When first written, the functions of these two services were different as were their benefits. Through the years, the National Guard has taken on more Federal duties, and as they have done so, corrective actions have been necessary to equalize the benefits for these Federal duties. In enacting section 714 of the Armed Forces Reserve Act of 1952, which is now codified in sections 3686 and 8686 of title 10, it is clear that the Congress intended to insure that National Guardsmen performing inactive duty training or full-time training duty under title 32 would receive the same military benefits for that duty as members of the Army and Air Force Reserve for the similar title 10 duty. However, in equating full-time duty under sections 316 and 503–505 of title 32 with title 10 active duty for training, we overlooked the fact that section 502 also contained authority for full-time duty. Therefore, persons serving under section 502 are not now eligible for the same benefits as those serving under other sections of title 32 and title 10.

Congress has mandated a test program for conversion of technicians employed by the Army and Air Reserves and National Guard to active military status. Without the language in this bill, there appears to be no authority for providing medical care for dependents of Guard members on full-time duty under 502(f) for periods of more than 30 days, nor to credit that duty toward retirement for length of service. Since the test program for the technician conversion program will be completed and a decision will likely be made during the fiscal year, there is an urgent need for enactment of this legislation during this legislative year.

I am certain we all agree that persons serving similar military duties should be eligible for the same benefits. Congress has acted to correct some of the omissions due to the statutory oversight. Just this year we passed H.R. 5288 correcting a similar problem relating to reemployment rights. Enactment of H.R. 5753 will complete the correction of the omissions in all pertinent statutes, and I urge my colleagues to support this action.

Thank you.●

GENERAL LEAVE

Mr. WHITE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WHITE. Mr. Speaker, I have no further requests for time and yield back the remainder of my time.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. WHITE) that the House suspend the rules and pass the bill H.R. 5753, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

RESERVE OFFICERS' TRAINING CORPS SCHOLARSHIPS FOR MILITARY JUNIOR COLLEGES

Mr. WHITE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5766) to amend title 10, United States Code, to authorize additional Reserve Officers' Training Corps scholarships for the Army, to provide a certain number of such scholarships for cadets at military junior colleges, to authorize the Secretary of the Army to provide that cadets awarded such scholarships may serve their obligated period of service in the Army Reserve or Army National Guard of the United States, and for other purposes.

The Clerk read as follows:

H.R. 5766

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2107 of title 10, United States Code, is amended—

(1) by inserting "and" at the end of clause (4) of subsection (b);

(2) by striking out clauses (5) and (6) of subsection (b) and inserting in lieu thereof the following:

"(5) either—

"(A) agree in writing that he will—

"(i) accept an appointment, if offered, as a commissioned officer in the Army, Navy, Air Force, or Marine Corps, as the case may be, and that, if he is commissioned as a regular officer and his regular commission is terminated before the sixth anniversary of his date of rank, he will accept an appointment, if offered, in the reserve component of that armed force and not resign before that anniversary; and

"(ii) serve on active duty for four or more years; or

"(B) agree in writing that he will—

"(i) accept an appointment, if offered, as a commissioned officer in the Army, Navy, Air Force, or Marine Corps, as the case may be; and

"(ii) serve in a reserve component of that armed force until the eighth anniversary of the receipt of such appointment, unless otherwise extended by subsection (d) of section 2108 of this title, under such terms and conditions as shall be prescribed by the Secretary of the military department concerned.

The performance of service under clause (5) (B) may include periods of active duty, active duty for training, and other service in an active or inactive status in the reserve component in which appointed."; and

(3) by striking out "6,500" the first place it appears in subsection (h) and inserting in lieu thereof "$12,000".

SEC. 2. (a) Title 10, United States Code, is amended by inserting after section 2107 the following new section:

"§ 2107a. Financial assistance program for specially selected members: military junior colleges

"(a)(1) The Secretary of the Army may appoint as a cadet in the Army Reserve or Army National Guard of the United States any eligible member of the program who is a student at a military junior college and who will be under 25 years of age on June 30 of the calendar year in which he is eligible under this section for appointment as a second lieutenant in the Army.

"(2) To be considered a military junior college for the purposes of this section, a school must be a civilian post-secondary educational institution essentially military in nature that does not confer baccalaureate degrees and that meets such other requirements as the Secretary of the Army may prescribe.

"(b) To be eligible for appointment as a cadet under this section, a member of the program must—

"(1) be a citizen of the United States;

"(2) be specially selected for the financial assistance program under this section under procedures prescribed by the Secretary of the Army;

"(3) enlist in a reserve component of the Army for the period prescribed by the Secretary of the Army;

"(4) contract, with the consent of his parent or guardian if he is a minor, with the Secretary of the Army to serve for the period required by the program;

"(5) agree in writing that he will accept an appointment, if offered, as a commissioned officer in the Army Reserve or the Army National Guard of the United States; and

"(6) agree in writing that he will serve in such reserve component for not less than eight years.

Performance of duty under an agreement under this subsection shall be under such terms and conditions as the Secretary of the Army may prescribe and may include periods of active duty, active duty for training, and other service in an active or inactive status in the reserve component in which appointed.

"(c) The Secretary of the Army shall provide for the payment of all expenses of the Department of the Army in administering the financial assistance program under this section, including the cost of tuition, fees, books, and laboratory expenses which are incurred by members of the program appointed as cadets under this section while such members are students at a miliary junior college.

"(d) Upon satisfactorily completing the academic and military requirements of the program, a cadet may be appointed as a reserve officer in the Army in the grade of second lieutenant, even though he is under 21 years of age.

"(e) The date of rank of officers appointed under this section in May or June of any year is the date of graduation of cadets from the United States Military Academy in that year. The Secretary of the Army shall establish the date of rank of all other officers appointed under this section.

"(f) A cadet who does not complete the course of instruction, or who completes the course but declines to accept a commission when offered, may be ordered to active duty by the Secretary of the Army to serve in his enlisted grade for such period of time as the Secretary prescribes but not for more than four years.

"(g) In computing length of service for any purpose, an officer appointed under this section may not be credited with service as a cadet or with concurrent enlisted service.

"(h)(1) The Secretary of the Army shall appoint not less than 10 cadets under this section each year at each military junior college at which there are not less than 10 members of the program eligible under subsection (b) for such an appointment. At any military college at which in any year there are fewer than 10 such members, the Secretary shall appoint each such member as a cadet under this section.

"(2) If the level of participation in the program at any military junior college meets criteria for such participation established by the Secretary of the Army by regulation, the Secretary shall appoint additional cadets under this section from among members of the program at such military junior college who are eligible under subsection (b) for such an appointment.

"(i) Cadets appointed under this section are in addition to the number appointed under section 2107 of this title.".

(b) The table of sections at the beginning of chapter 103 of such title is amended by inserting after the item relating to section 2107 the following new item:

"2107a. Financial assistance for specially selected members: military junior colleges.".

SEC. 3. Section 2108(d) of title 10, United States Code, is amended by striking out the second sentence thereof and inserting in lieu thereof the following: "If a member of the program has been accepted for resident graduate or professional study, the Secretary of the military department concerned may delay the commencement of that member's obligated period of active duty, and any obligated period of active duty for training or other service in an active or inactive status in a reserve component, until the member has completed that study. If a cadet appointed under section 2107a of this title has been accepted for a course of study at an accredited civilian educational institution authorized to grant baccalaureate degrees, the Secretary of the Army may delay the beginning of that member's obligated period of service in a reserve component until the member has completed such course of study.".

SEC. 4. The amendments made by this Act shall take effect on October 1, 1980.

The SPEAKER. Pursuant to the rule, a second is not required on this motion.

The gentleman from Texas (Mr. WHITE) will be recognized for 20 minutes, and the gentleman from Alabama (Mr. DICKINSON) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 5766 is a clean bill that increases the number of scholarships authorized for the Army Reserve Officers' Training Corps (ROTC) program, provides an individual who accepts such a scholarship the option to serve in a Reserve component for 8 years in addition to the current requirement of serving on active duty for 4 or more years, and establishes a financial assistance program for certain cadets at military junior colleges.

As all the Members know, the ROTC program is the single most important source of officers in each of the services. In general, ROTC scholarships have been utilized only to provide active component officers. Today, however, the Army Reserve and Army National Guard are in excess of 4,000 below their requirements for officers in the junior grades. This legislation will provide authority for a total of 12,000 ROTC scholarships for the Army instead of the 6,500 now authorized and will permit individuals who receive these scholarships the option of joining the Reserve components. The Army, unlike the Navy and Air Force, is being constrained by the ceiling on the number of ROTC scholarships because of the large Reserve component requirements and now desires to make greater use of this program to assist the Reserve components.

Another aspect of this bill relates to military junior colleges which—the Members may know—are six schools that meet specific criteria established by the Secretary of the Army and are essentially military in nature. H.R. 5766 will establish in law a financial assistance program for specially selected students at these military junior colleges. Ten scholarships per year will be provided for each of the six schools. The Secretary will select cadets for these schools and can provide additional scholarships if the level of participation in ROTC at the schools increases. The military junior colleges have been providing officers for the military for a number of years. Earmarking these scholarships will strengthen the program at each of the schools.

Mr. Speaker, the Department of the Army testified in support of this legislation, although a formal position from the administration has not yet been received. The cost of the legislation will be about $1.2 million in the first year and will rise to $7.6 million by the fifth year.

Mr. Speaker, I urge the passage of H.R. 5766.

Mr. DICKINSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this legislation. While I do not serve on this particular subcommittee, I am on the full committee and am familiar with it. I would say that we have heard a great deal of conversation and read a great deal about whether or not the All-Volunteer Army works and whether or not we should go back to registration and ultimately to the draft. I would say I do not favor going back to the draft at the present time, and I do favor registration at the present time, but we have already acted on this. This is simply a device or a remedy to get more people through voluntary means to come into the armed services or to be ready for service within the military. It increases by 4,000 slots the number of military. It also has a very real impact on 6 junior colleges throughout the country, and it makes available to them 10 scholarships per junior college. I think it is a good idea. There is no opposition to it, and I would certainly urge the House to support it.

Mr. Speaker, I rise in support of H.R. 5766, legislation to provide the Army more Reserve Officers' Training Corps scholarships and to designate some of these scholarships for military junior colleges.

I am a member of the Committee on Armed Services but I am substituting for the ranking minority member of the Military Personnel Subcommittee who is unable to be present today.

Mr. Speaker, we have heard a great deal in the past several months about major deficiencies in the reserves. One specific deficiency that has not received a great deal of attention is the shortage of junior officers—now in excess of 4,000—for the Army Reserve and Army National Guard. The additional scholarships provided by this legislation are to be used solely for this problem in the reserve components. Further, 60 of these scholarships will be provided to the six military junior colleges in the Nation to strengthen their programs which can be an important source of new officers for the Reserve Components.

Mr. Speaker, if this country intends to maintain an effective all-volunteer military, programs such as this will be necessary to provide the required personnel.

I urge passage of H.R. 5766.

Mr. Speaker, at this time I yield such time as he may require to my good friend, the gentleman from Pennsylvania (Mr. SCHULZE).

Mr. SCHULZE. Mr. Speaker, in the next several days, the Senate of the United States is scheduled to begin its deliberations on the strategic arms limitation agreement. This debate will be one of the most important of this century for it will provide guidelines for the future development of our strategic military capabilities. As important as this subject may be, it should not, however, overshadow the demands and needs of our conventional forces.

Today, the backbone of those conventional forces is our National Reserve and National Guard units, while the House of Representatives has failed to recognize that a severe shortage of manpower does exist and has opted not to reinstate military registration, the fact remains that our Nation's Reserve Forces are inadequate. Shocking statistics indicate that our Reserve Forces are an estimated 500,000 men short of personnel requirements. This anemic condition of our backup forces seriously diminishes our ability to effectively mobilize in the defense of our Nation.

Mr. Speaker, we have before us a bill, H.R. 5766, which would increase the overall number of general ROTC scholarships from 6,500 to 12,000 and would permit the appointment of 60 cadets per year, 10 per military junior college, to receive scholarships.

Obviously this proposal will not alleviate all the problems in assuring an adequate manpower for our Armed Forces. It will, however, make a significant contribution to the longstanding security interests of our Nation. By increasing the total number of scholarships from 6,500 to 12,000, this bill will provide an equivalent number of commissioned officers. Their obligation, in accepting a scholarship, will be to serve for at least 8 years in the Army Reserve or National Guard.

In addition, these scholarships will greatly expedite the training of badly needed Reserve recruits. Both the military junior colleges and ROTC programs produce a highly qualified officer who is motivated, disciplined, and well attuned to the demands of military life. Well trained officers are an important component of any army; they are essential to one that is undermanned.

I would like to make a special point in regard to military junior colleges. I am proud to say that one of the six existing colleges of this kind is located in my district at Valley Forge, Pa. The name of this college, taken from its location, conjures up images of our struggle to become a nation of freedom, dignity, and justice. In order to achieve these goals our country had to show unparalleled bravery in the face of military confrontation. It was a courage that could only be inspired by incredibly competent leaders who understood the demands of this life and death struggle.

In order to preserve those freedoms, that were won by the unyielding courage of our forefathers, we must provide our Nation today with similar leadership; leadership that can inspire the resolution and fortitude necessary to win a modern confrontation.

As I have mentioned, the military junior colleges of our Nation produce competent and courageous individuals, the type of officer proud to serve in the military tradition of our Nation as signified by Valley Forge. These colleges are one of the most effective methods of military training available. Yet, there are no scholarships dedicated to the military junior colleges. This is a grave oversight, especially in light of the quality of officers produced by these schools.

Mr. Speaker, I urge the adoption of H.R. 5766, as a first step toward eliminating the anemic conditions plaguing our military forces. While this bill will not satisfy all of our current Reserve needs, it will help shore up our Reserve units, bolster our Armed Forces, and ultimately enhance the security of our Nation. The bill is worthy of your support.

Mr. WHITE. Mr. Speaker, at this time I yield such time as he may consume to the gentleman from Missouri (Mr. SKELTON).

Mr. SKELTON. Mr. Speaker, I rise in support of H.R. 5766 which I introduced with 45 of our colleagues as cosponsors. This legislation authorizes additional ROTC scholarships for the Army, establishes an ROTC scholarship program for cadets attending military junior colleges and provides that cadets awarded these scholarships may serve their obligated period of time in the Army Reserve or Army National Guard.

Mr. Speaker, the Army Reserve and Army National Guard are vital to our national security. They are the sole available source of trained units to augment the active Army units in the event of mobilization. Yet, the Army Reserve and Army National Guard are currently short more than 4,000 junior officers. This shortfall in leadership personnel is so serious that it threatens our ability to effectively mobilize in defense of our Nation.

Mr. Speaker, the vote on the registration provision in the Defense authorization bill, which took place in the House on September 12, clearly indicates that the majority of the Members of the House are committed to the All-Volunteer Force for the foreseeable future. Therefore we must meet our personnel needs within that framework.

Mr. Speaker, to meet our personnel needs in an All-Volunteer Force, we must upgrade the incentive program. The ROTC scholarship program has been the Army's single most attractive incentive for generating interest in military service among high-quality students. It is a good deal for all concerned: a student is provided with tuition, fees, books, laboratory expenses, and $100 per month for personal expenses while obtaining an education. In return, the Army receives a well-educated, well-trained young officer.

However, under current ceilings only 10 percent of Army ROTC students are on scholarship. This bill would expand the ROTC program so that it might better help meet officer personnel requirements. Moreover, by providing the option of service in the Reserves or National Guard immediately upon successful completion of the program, the bill would provide officers to the area of the greatest need.

Our Nation's six military junior colleges are unique educational institutions which have been turning out superior officers for the military for an average of 109 years. Because of their total military environment and the intensive 2 years of military training offered, they are the only schools authorized to commission a person at the end of the sophomore year. However, these schools have not been able to take full advantage of the ROTC scholarship program because they have not been able to offer scholarships to the students directly out of high school. H.R. 5766 puts the military junior colleges on an equal basis with 4-year colleges by providing ROTC scholarships for 10 cadets each year at each military junior college. This program would enable us to better utilize the ability of these schools to produce highly qualified, highly motivated junior officers for our Reserves and National Guard.

Mr. Speaker, the adoption of H.R. 5766 would be a positive step in assuring that our Nation can meet its needs for junior officers in the Army Reserve and the Army National Guard within the framework of an All-Volunteer Force. I urge all of my colleagues to vote to suspend the rules and to pass H.R. 5766.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. SKELTON. I yield to the gentleman from Texas.

Mr. WHITE. Mr. Speaker, I want to commend the gentleman in the well for being the primary author of this bill, for his persistence in making certain that we had a bill which would be acceptable to all Members, for his work with the various colleges throughout the country and with the administration in bringing out a bill which I find very useful in the defense of this Nation.

Mr. SKELTON. I thank the gentleman very much. It was certainly a pleasure to work with the gentleman, his subcommittee and his committee. I want to thank the gentleman particularly for his patience in working with us to get a clean bill as we finally did.

● Mr. MONTGOMERY. Mr. Speaker, as a cosponsor of Mr. SKELTON'S H.R. 5766, authorizing additional Army ROTC scholarships and establishing a scholarship program for cadets at military junior colleges, I am pleased to see this bill before the full House today. I would like to take this opportunity to urge my colleagues to join me in my support of the measure.

Under the provisions of this bill, cadets awarded ROTC scholarships will be allowed to fulfill their military obligations in the Army Reserve or Army National Guard. This is a key provision and one that could certainly solve some problems these services are now facing. The Army Reserves and National Guard play a vital role in the security of this Nation. Unfortunately, their recruitment and retention record has steadily declined in the past few years. This has resulted in a serious shortage of junior grade officers.

H.R. 5766 was written to help alleviate the diminished numbers in the Reserve and National Guard as well as attract a high quality of men and women into our other armed services. The bill almost doubles the number of ROTC scholarships available to college students. There is a serious shortage of quality junior officers in our Army. This shortfall has serious implications to the defense of our country, especially at this time when we are considering the impact of SALT II and the need for strengthening our NATO commitment. The ROTC has always provided our military with top grade junior officers. By increasing the number of scholarships, extending them to military junior colleges and allowing the cadets at these junior colleges to serve their obligation in the Army Reserve and National Guard, we will be effectively increasing our efforts to attract larger numbers of quality young people in the ranks of Active, Reserve, and National Guard Army junior officers.

Mr. Speaker, I would again urge my colleagues to vote for this bill under the suspension of rules. Thank you for the opportunity to share my thoughts on this important piece of legislation.●

● Mr. HARRIS. Mr. Speaker, I rise in support of H.R. 5766, which authorizes additional ROTC scholarships for the Army and establishes an ROTC scholarship program for cadets attending military junior colleges.

Strengthen our Armed Forces, begin with adequate pay and benefits for military personnel. Army ROTC scholarships provide a significant incentive to young people considering entering the Army, and the program should be expanded.

Too often, Members of Congress think of a strong national defense only in terms of sophisticated technology, missiles, and tanks. Too often we forget that the backbone of America's national defense is the individual serviceman and woman, who have dedicated their careers to the defense of our Nation.

By making available ROTC scholarships to more young people, as H.R. 5766 would do, we will help strengthen our Armed Forces and our Nation. I urge my colleagues to support this measure.●

● Mr. CORRADA. Mr. Speaker, as cosponsor of H.R. 5766, authorizing additional Reserve Officers Training Corps (ROTC) scholarships for the Army, I rise in support of the passage of this bill.

I wish to commend my colleague IKE SKELTON for introducing this bill as well as the members of the Committee on Armed Services for reporting it out favorably.

There is an obvious need for an increase in the number of scholarships under the ROTC program. It is expected that with the passage of this bill the existing shortage of junior officers in the Army Reserve and Army National Guard will be covered. Furthermore, the establishment of a financial assistance program for certain military junior colleges provided in the bill will be an additional mechanism to increase the availability of junior officers.

I support and endorse this legislation and I urge you to vote for it.●

● Mr. WON PAT. Mr. Speaker, as cosponsor of H.R. 5766, I hereby offer for the RECORD my remarks on this important legislation I have cosponsored to authorize additional Army ROTC scholarships for cadets at military junior colleges and for related purposes.

This measure will go a long way toward helping to alleviate the serious shortage of military officers faced by our various services. No nation can long permit itself to allow this condition to exist. The strength and effectiveness of our military is directly in proportion to the quality of our military leadership.

We have an obligation to do whatever we can to help provide a new and expanded source of officer candidates for the military. This is why I was pleased to join with Representative IKE SKELTON who authorized this measure.

H.R. 5766 is a timely proposal. It promises a great return in officer candidates at a very low cost to the taxpayers. I know there are many young men and women who are eager to serve if they had the opportunity. This measure will provide them with the opportunity to become officers and to receive a college education at the same time.

I urge my colleagues to give this measure their support, and thank you for this opportunity to make my views known for the RECORD.●

GENERAL LEAVE

Mr. WHITE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 5766.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. White) that the House suspend the rules and pass the bill, H.R. 5766.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT

Mr. DE LA GARZA. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3546) to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 1 year.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. de la Garza).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3546; with Mr. Danielson in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Texas (Mr. de la Garza) will be recognized for 30 minutes, and the gentleman from Iowa (Mr. Grassley) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. de la Garza).

Mr. DE LA GARZA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 3546, as amended by the committee, extends the funding authorization for the Federal Insecticide, Fungicide, and Rodenticide Act and provides a few amendments to the act.

Under the bill, as reported, the authorization for funding of Federal pesticides control programs is extended for 1 additional year through September 30, 1980. H.R. 3546 authorizes the appropriation of $60,250,000 for fiscal year 1980, with an additional amount of up to $6,000,000 allocated to provide the States assistance for the conduct of applicator training and certification programs.

The authorization is less than the authorization of $70 million for the fiscal year 1979, and less than the appropriation of $68,469,000 for that year. The authorization is, however, $4,000,000 more than the amount requested by the administration and is intended to insure implementation of 1978 amendments to section 23 of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended. This new provision of law authorizes appropriations to fund 50 percent of the anticipated cost to each State or Indian tribe of conducting training and certification programs during the fiscal year, as agreed to under cooperative agreements with EPA.

The committee was advised by EPA that there was budgeted for the fiscal year ending September 30, 1980, only $1,671,985 as Federal support for the State applicator and certification and training program; whereas, the amount required to meet the target of 50 percent for the costs of such programs was estimated at approximately $6,180,000. The budgeted amount came only to 13 percent of the total estimated cost of the program. In the absence of the increased funding authority provided by the committee amendment the States would not have the financial resources necessary to conduct an adequate program. The committee is concerned that if the requirements for classification and use of pesticides on a restricted basis are to be carried out effectively it can only be done if the States have completed an applicator training and certification program that provides the trained personnel necessary for this purpose.

I wholeheartedly support the extension of the funding authorization for FIFRA at the level recommended by the committee and urge the Members to join in voting for this aspect of H.R. 3546. I find myself, however, in the unusual position of asking Members to join in opposing two committee amendments. Only in a rare instance do I find myself forced to oppose a position taken by the Committee on Agriculture. Both the chairman of the committee and I have joined with other Members in asking that the House turn down the Mirex amendment and the congressional veto amendment because of what we consider to be compelling reasons.

H.R. 3546, as amended, provides for the temporary, emergency use of the pesticide Mirex during 1979 and 1980 under EPA regulations in effect on October 1, 1977. Basically, these regulations authorized the aerial application of 0.454 grams of Mirex per acre per year over open areas and prohibited its application over streams, lakes, ponds, ocean areas, forests, or other environmentally sensitive areas. The registration for Mirex was cancelled June 30, 1978, under a settlement agreement reached by the EPA and the sole registrant—Mississippi Authority for the Control of Fire Ants.

The committee adopted the amendment to deal with emergency conditions involving heavy infestations of the imported fire ant in the South.

While I am fully aware of the serious problems facing nine Southern States because of major infestation of fire ants, I oppose the committee amendment because the action was taken during full committee markup without benefit of hearings and without a full investigation of the situation concerning the risks to man and the environment involved in the use of this particular pesticide.

If this amendment is defeated, I will schedule hearings of the subcommittee which I chair on H.R. 3687 a separate bill introduced by Mr. Mathis which will permit a full review of known scientific information about the risks to man and the environment as well as the benefits which would be derived from the proposed action. The alternative which I am suggesting will afford all interested parties an opportunity to testify. If the hearings should develop evidence that legislation is necessary it will be possible to report the bill to the House in time for action before spring application.

The action taken in the committee is contrary to the procedures established for regulating pesticides which was set up under FIFRA. I am concerned that we may have acted in haste without benefit of hearings. This would set an unwise precedent for the future.

There is another issue to be considered by the Members of the House. Since the action was taken in the committee the Environmental Protection Agency has granted an experimental use permit to American Cyanamid for broadcast application on 110,000 acres of one of its products designed to control the fire ant in the South. In addition, there are some other pesticides that are currently available that permit mound to mound application. While this may not be sufficient to provide full protection for the affected areas, it will do much to identify some means of alleviating the situation.

H.R. 3546 also establishes congressional veto procedures for rules and regulations adopted by the Environmental Protection Agency under the Federal Insecticide, Fungicide, and Rodenticide Act. The provision authorizes both Houses of Congress to veto any rule or regulation within 90 days after issuance. If one House has voted disapproval of a rule or regulation, the action would become final unless the other House reverses the action within the prescribed time.

Chairman Foley and I are also opposed to this amendment. FIFRA is unique among regulatory statutes. Under the act as it is presently written, the Administrator must refer both proposed regulations and final regulations which implement FIFRA to the Committee on Agriculture in the House and the Committee on Agriculture, Nutrition, and Forestry in the Senate prior to publication in the Federal Register. Proposed regulations must be so referred 60 days prior to publication and final regulations 30 days in advance of publication.

Thus, the Congress has built into this statute in a unique, and meaningful way, provisions which assure careful consideration of all points of view and which provide a means by which members of the Committee on Agriculture can make their views known to the EPA prior to the publication of any final regulation implementing the FIFRA.

One consequence of this, however, has been to slow the promulgation of final regulations. This situation would, we believe, be exacerbated by the congressional veto amendment. We are afraid that enactment of this language would lead us into a situation where the agency will find itself unable to develop and promulgate regulations in less than a year. This is, as we see it, an intolerable situation which could, in fact, delay the implementation of major substantive amendments to the FIFRA agreed to by the Congress in the Federal Pesticide Act of 1978.

It is important, we believe, that these amendments be implemented in an expeditious manner for the benefit of the American people. The congressional veto language included in H.R. 3546 would delay the implementation of these provisions and could, therefore, prove to be very counterproductive.

The Committee on Agriculture has made a practice of keeping this agency on a short authorization. H.R. 3546 provides for only a 1-year extension of funding authority. As such, the committee will again review EPA's implementation of the pesticide programs and we will, if necessary, develop further amendments to the FIFRA to insure that the program operates efficiently and in accordance with the intent of Congress.

Further, the committee accepted another amendment offered by Mr. MATHIS which sunsets all of the provisions of the act on September 30, 1985, unless Congress specifically acts to extend the law. These are, we believe, sufficient checks on the authority of the Environmental Protection Agency and will insure continued congressional oversight of their activities in the pesticide area.

H.R. 3546 does not make any other changes in the basic charter for regulating the use and distribution of pesticides. Prior to 1978 there had been many problems encountered in administration of the act. The registration process was stalled and the act the subject of much controversy. As a result of extensive oversight by the committee, there was enacted last year a set of comprehensive amendments to FIFRA which I believe dealt with these problems in an even-handed manner. It is my belief that no additional program amendments are warranted at this time until the 1978 amendments can be fully and more accurately evaluated.

I hope the Members will join me in voting in support of the extension for 1 year of the funding authorization of FIFRA. Next year we will again review the administration of the act to determine whether any further changes are necessary.

☐ 1240

Mr. GRASSLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 3546, to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 1 year, that is fiscal year 1980.

This legislation extends the authority for funding of Federal pesticide programs for 1 year through September 30, 1980. It provides for $66,250,000 in funding authority. This legislation as originally reported by the Subcommittee on Department Investigations, Oversight, and Research provided for funding authority of $62,250,000, but an amendment was adopted in full committee adding $4 million to the amount currently budgeted to permit the Environmental Protection Agency (EPA) to share 50 percent of the costs incurred by the States in training and certifying pesticide applicators.

I should point out that the Public Law 96-103 providing appropriations for the Environmental Protection Agency for fiscal year 1980 has been signed into law. The law includes EPA funding for the pesticide program. Congress seems to have the cart before the horse here, for this is an important bill and it should receive House approval.

Three additional amendments were adopted by the full committee. The first of these provides for the temporary emergency use of Mirex, a pesticide to control fire ants, for the calendar years 1979 and 1980. The second amendment deals with the so-called one-House legislative veto which gives Congress the right to veto any future EPA regulations by adopting a resolution of disapproval within 90 congressional session days after promulgation by EPA. The third amendment, a sunset amendment, provides for the expiration of all provisions of FIFRA on September 30, 1985.

The American Farm Bureau endorses this bill as reported by the committee (see letter of October 9, 1979, which I ask unanimous consent to insert in the RECORD after my statement): "The American Farm Bureau Federation urges your support of H.R. 3546 and its amendments as reported by the House Committee on Agriculture."

For some of the Members of the House, it may seem that an inordinate amount of time has been spent on FIFRA over the past few years. During the years 1977 and 1978, numerous hearings were held to try and resolve the conflicts that developed after enactment of the Federal Environmental Pesticide Control Act of 1972 and amendments thereto in 1975. The Federal Pesticide Act of 1978 was designed to cut the redtape in registration and reregisration of pesticides and resolve those issues that practically immobilized the Environmental Protection Agency pesticide program.

Only time will tell.

Deliberate action by the committee in the 1978 act extends the authorization for appropriations for only 1 year through September 30, 1979. For the very same reasoning—keeping this agency on a continuing oversight program—the Committee on Agriculture is recommending this legislation to extend authorization for appropriation only through September 30, 1980. The Environmental Protection Agency is, I believe, responding affirmatively to our committee's oversight activity, but the need continues to exercise effective oversight.

The additions by the committee of the "one-House" legislative veto of regulations and the sunset provision highlight a continuing concern by the committee members that our oversight responsibilities must continue to be actively pursued.

During the hearings held on this legislation, several witnesses indicated that problems were still being experienced with EPA's implementation of the 1978 amendments, but all agreed that an extension of 1 year might be helpful in allowing EPA additional time for implementation of the amendments passed last fall. The witnesses were assured that more extensive oversight hearings would be forthcoming if warranted, and industry concern with EPA's "cite-all" regulations relating to compensation for the use of data leave little doubt that hearings on fiscal year 1981 funding authorizations will address this issue.

In the latter instance I am referring to a problem which was raised at the hearings concerning the EPA's so-called cite-all regulations. The cite-all regulations are part of the newly published EPA regulations on compensation for use of data and appear at 40 C.F.R. sections 162.9-3 and 4—see 44 Fed. Reg. 27945, 27951. Where a generic standard exists for an active ingredient, the cite-all regulations require an applicant to acknowledge that his application relies on all data which, according to the generic standard, support the registrability of each use. Where no generic standard exists, an applicant is required to acknowledge that his application relies on all data in the EPA files which concern the applicant's product, or active ingredient, and are the type of data that EPA requires to be submitted for scientific review.

These regulations compel each applicant for registration to cite-all data in the EPA files which the EPA deems pertinent to the registration, and to offer to pay compensation under section 3(c)(1)(D) for all such data, even if the applicant chooses to rely solely on data that he himself has submitted which are sufficient to satisfy the EPA's data requirements for registration. Several district court cases have been filed which challenge these regulations on the ground that they exceed EPA's statutory authority.

As I have been led to understand the 1978 amendments, section 3(c)(1)(D) establishes a two-track system by which an applicant may satisfy the data requirements for registration. This section provides that an applicant may file either a full description of the tests made and the results thereof upon which his claims are based, or alternatively a citation to data that appears in the public literature or that previously had been submitted to the Administrator.

Under this section, an applicant is not required to cite, or pay compensation for, data submitted by others if he chooses to rely on his own data, as long as his own data satisfy the requirements for registration established under section 3(c)(2)(A). To require applicants to pay for other persons' data when they have submitted satisfactory data of their own would impose needless financial burdens on applicants without contributing to the public safety.

Without the request of an applicant, the Administrator may consider any information in the EPA's files for the purpose of assessing the adequacy of the applicant's data, but the use of data in this manner should not trigger any obligation by the applicant to pay compensation for the data considered.

If the cite-all provisions of the 1978 enactment are not working as I have outlined above—and I understand they are not—then our committee should explore this issue when it considers EPA's fiscal year 1981 authorization for the pesticide programs.

Finally, several of my colleagues have expressed reservations over the Mirex and the legislative veto amendments. EPA has been working for over 2 years to find a pesticide to control fire ants but, frankly, it would appear that the efforts made are lacking in both funding and commitment. If we are told today that EPA has a viable alternative to fight fire ants, I will be pleased to know of this because fire ants themselves are a great health hazard.

The legislative (single House) veto you are all familiar with based on other legislation we have seen this amendment attached to in this session. The "sunset" amendment requires a reestablishment of the entire EPA pesticide enactment by October 1, 1985. If you support "sunset" provisions, as I do, I urge you to support this one.

I urge your favorable consideration of H.R. 3546 as reported by the committee.

Mr. Chairman, I attach the following letter:

AMERICAN FARM BUREAU FEDERATION,
Washington, D.C., October 9, 1979.

Hon. WILLIAM C. WAMPLER,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN WAMPLER: The American Farm Bureau Federation urges your support of H.R. 3546 and its amendments as reported by the House Committee on Agriculture.

H.R. 3546 extends the federal pesticide law (Federal Insecticide, Fungicide, and Rodenticide Act) for one year. Additional provisions, added during committee consideration, provide an additional authorization of $4,000,000 over the Administration's request in order to provide funds to meet cost-sharing commitments to the states for certification of applicator programs, register the pesticide Mirex for the calendar years 1979 and 1980 for fire ant control subject to limitations, provide for Congressional veto of EPA regulations and establish a sunset provision of September 30, 1985 for the pesticide program.

We particularly call to your attention the provision registering the pesticide Mirex. We recognize the Congressional registration of a pesticide is an extraordinary action, however, we are recommending it because of the failure of EPA to carry out the provisions in the law. Although Farm Bureau, by policy, advocates regulatory agency resolution of complex scientific questions, we believe this unusual action is justified because (1) EPA has been derelict in its response to petitions for relief from the fire ant problem which have been pending unanswered for over a year; (2) the registration provided in the bill is subject to the extensive limitations on use that were in effect in October, 1977; and (3) the registration is of limited duration and is intended to provide public protection from the fire ant pending EPA registration of alternative controls.

We thank you for your consideration of our views on this important matter.

Sincerely,

VERNIE R. GLASSON,
Director, National Affairs.

☐ 1250

Mr. DE LA GARZA. Mr. Chairman, I yield 7 minutes to the gentleman from Georgia (Mr. MATHIS).

Mr. MATHIS. Mr. Chairman, I thank the distinguished gentleman from Texas for yielding me this time.

As the author of the three amendments alluded to by the gentleman from Iowa (Mr. GRASSLEY) in his presentation, I feel constrained to say a few words, even though I have a strong feeling that we are going to hear some debate on this matter later in the week when the time comes for consideration of the legislation under the 5-minute rule.

As I understand it, the distinguished chairman of the full Committee on Agriculture, the gentleman from Washington (Mr. FOLEY), is going to move to strike two of the amendments that were adopted by the full Committee on Agriculture. We are going to hear much debate, Mr. Chairman, later in the week, and I am referring to the amendment relating to the one-House veto and also the so-called Mirex amendment.

Let me address very briefly, as the gentleman from Iowa (Mr. GRASSLEY) has done, the need for the Mirex amendment and why the Committee on Agriculture, by a vote of 22 to 11, voted on May 3 to impose upon EPA the mandate that it allow the usage of Mirex.

Mr. Chairman, it was not with any degree of enthusiasm that I offered that amendment in committee, because I do not think that as a basic legislative policy we ought to attempt to mandate to the Environmental Protection Agency those insecticides or pesticides they should or should not use. However, in this particular instance the situation has become so critical, not only in my State but in eight other Southern States, that I simply felt, as do many other Members of this body, that we had no alternative but to attempt to say to the Environmental Protection Agency, "You must allow us to use Mirex until such time as some alternative or viable substitute is found."

Mr. Chairman, it was because of the feeling among many of us that we had no choice in the matter that this amendment was offered, and I think in this case the argument we were able to make in the Committee on Agriculture was one that persuaded the members of that committee that we should in fact take this approach.

I would caution all the Members of this House that the legislation we are talking about is not permanent. It does not allow the continuation of the usage of Mirex over an indefinite period of time. It is not infinite. It simply applies to calendar year 1980.

In essence, the amendment does say that Mirex could be used at the same strict environmentally acceptable levels under which it was used in 1977 through the years 1979 and 1980. But in truth 1979 is gone. The opportunity for the usage of Mirex has passed this year. The only opportunity we would have for aerial application of Mirex now, under the provisions of the Mathis amendment, would be in the spring and fall of 1980 if the House in its wisdom retains this amendment, and, Mr. Chairman, I hope it does.

One of the arguments that has been brought forth by the distinguished gentleman from Texas (Mr. DE LA GARZA) and the distinguished gentleman from Washington (Mr. FOLEY), the chairman of the committee, is that this is not the way that we should approach this problem. They do concede that there is precedent for this approach, because in the 93d Congress there was similar legislation that was introduced to deal with a particular problem that existed in the northwestern part of the country.

The full Committee on Agriculture did in fact vote to create an exemption in that instance for the use of a specific chemical compound to relieve a specific problem that existed in a specific part of the country.

That is exactly what we are talking about here today.

Fortunately for our friends in the northwest, the need for that legislation in the other instance became moot because the Environmental Protection Agency backed off from its previous position and decided to allow the usage of that particular compound that the committee had earlier voted to recommend they be allowed to use. That is not the instance in this case.

However, the gentleman from Texas (Mr. DE LA GARZA) and the gentleman from Washington (Mr. FOLEY) are going to tell us when they offer that amendment that we ought to, at least in the Committee on Agriculture, follow the normal legislative procedures of having full hearings on this amendment in the form of a bill that I introduced earlier this year. I refer now to essentially the amendment that is contained in the legislation before us here. The gentleman from Texas and the gentleman from Washington cite the fact that 3 days of hearings were held in the 93d Congress.

Mr. Chairman, I would submit to the gentleman from Texas and to the other Members that in fact this legislation was reported from the full Committee on Agriculture on May 3. That was 6 months ago, and still not 1 day, not 1 hour, not 1 minute of hearings has been held by the committee relative to this matter. Ample time has presented itself. We have had an opportunity to have hearings.

The truth is that we must act now, and I suspect very strongly, Mr. Chairman, that we will have an opportunity to hear the arguments pro and con, not only on this amendment but on the other amendments by which the gentleman from Washington intends to strike language later on in the week.

I do not want to be redundant, and I do not want to burden the Members of this body with repetitiveness. I just think, Mr. Chairman, that this legislation is the best bill relative to the Environmental Protection Agency that has ever been brought to the floor of the House.

Mr. GRASSLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama (Mr. DICKINSON).

Mr. DICKINSON. Mr. Chairman, I thank the gentleman for yielding.

I would first, Mr. Chairman, like to commend the gentleman from Georgia (Mr. MATHIS) for the statement he just made. He has stated the case adequately, I believe, so that all the Members can understand it.

I intend to support H.R. 3546 as it was reported by the Committee on Agriculture and will oppose the amendment to delete the language added by the gentleman from Georgia in committee. His language will allow the limited use of the pesticide Mirex for the control of fire ants in several Southeastern States.

Fire ants are more than a nuisance in the Southeast, Mr. Chairman; they are really a health hazard. I would certainly hope that all of our colleagues will carefully examine this problem and, because this affects only the Southeast, not dismiss it as a small problem. As evidence as to its severity, I am including with my remarks a copy of a letter I received from one of my constituents, Mr. Jimmy Carlisle of Montgomery, Ala. His comments reflect the feelings of my constituents on this very serious matter.

MONTGOMERY, ALA.,
October 17, 1979.

Hon. WILLIAM L. DICKINSON,
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN DICKINSON: I am writing you concerning Fire Ants and legislation pending in the House, HR 3546. I respectfully request that you vote to pass this legislation as amended by Congressman Dawson Mathis of Georgia.

The problems I've personally had with Fire Ants goes back as far as I can remember. I was born on a dairy farm here in Montgomery County. If you don't think a Fire Ant mound will not damage a bush hog then you need to be sitting on a tractor when it hits one. I have many times had to get back on the tractor because of Fire Ants and move it to another place so I could get under the bush hog and replace the shear pins that had been broken when the bush hog hit the first Fire Ant mound.

I could go on and on about damage we have had to hay mowers and other farm equipment, problems of getting around a pond to fish, or trying to get to a dove or quail after you shot it before the Fire Ants did. Most of this has been 12 to 15 years ago. Imagine what it is like now. They tell me they reproduce faster than rabbits.

Alabama is not the only state with this Fire Ant problem. While living in Mississippi a few years ago, I witnessed an automobile accident one night where a seventeen to eighteen-year-old girl was pulled from the wreck and laid down in a Fire Ant bed. Because of her condition no one knew she was in an ant bed until they themselves were bitten. I understand she had more problems from the massive bites from the Fire Ants than her injuries from the accident.

I suppose I really declared war on Fire Ants last year when my three-year-old son got in a Fire Ant bed while visiting with my wife's grandparents in Mississippi. This bed was around the house, not in the fields. The emergency room bills and doctor bills did not bother me as much as hearing my son scream like he did.

H.R. 3546 is now the only hope we have to control this dangerous pest. I ask you to please vote for the passage of this bill and urge your colleagues to support it.

Sincerely,

JIMMY CARLISLE.

Mr. DE LA GARZA. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, I would just like to say that I appreciate the concern of my colleague, the gentleman from Georgia (Mr. MATHIS). I have personally worked with him in the past, and certainly he has been most diligent in this endeavor.

All of us on the committee have worked from the beginning to try to arrive at some solution to the fire ant problem. Unfortunately, Mirex, which is the name of the chemical that was most commonly used, is no longer available. I would like to summarize the history of the pesticide Mirex and the efforts by the State of Mississippi to develop an alternative called ferriamicide:

Mirex was introduced in 1961. After 1961 it was applied under the sponsorship of the USDA—State fire ant program in all or parts of Texas, Florida, Arkansas, Alabama, Mississippi, Louisiana, Georgia, North and South Carolina. In 1969 termination of the use of Mirex was recommended on the basis of substantial evidence developed under the auspices of the National Cancer Institute that Mirex is a potential carcinogen.

EPA conducted cancellation hearings on Mirex in the period 1973–76. In May 1976 all Mirex registrations were transferred to an agency of the State of Mississippi, the Mississippi Authority for the Control of Fire Ants.

On August 31, 1976, the Mississippi authority proposed a plan providing for the phaseout of Mirex use allowing the compound's continued use for a reasonable period of time during which alternative means of control could be developed.

The plan specifically provided that:

All Mirex registrations would be canceled by June 30, 1978;

No single acre would be treated aerially more than once prior to December 31, 1977, when all aerial applications would end;

Mirex could not be applied within a hydrologically determined coastal zone; and

All Mirex used after January 1, 1977, must be the 10:5 formulation rather than the original and more toxic 4X formulation.

On October 21, 1976, the Administrator accepted the Mississippi plan. Finally, registration of Mirex was canceled as of June 30, 1978.

On December 16, 1977, the Mississippi Department of Agriculture and Commerce requested an emergency exemption for use of a substitute for Mirex called Ferriamicide by aerial, ground, and mound application on 3 million acres in Mississippi. Commissioner Jim Buck Ross also stated that eight other Southern States would apply for a similar exemption to treat 14 million other acres. Ferriamicide contains the active ingredient Mirex and a small proportion of amine and metal salt which enhance the degradation of the toxicant. Ferriamicide is designed to be applied on a corncob grit carrier with a soybean oil attractant. Ferriamicide has basically the same degradation products as Mirex—only degrades faster.

After initial approval by EPA of limited use of Ferriamicide in Mississippi, the Environmental Defense Fund sued EPA to prevent use of Ferriamicide. The judge directed EPA to reopen the comment period on the decision.

After complying with the judge's decision the agency issued a modified approval of Mississippi's request on January 30, 1979. On February 1, 1979, a Canadian study on photo-Mirex, a degradation product of Mirex, indicating that photo-Mirex is 10 to 100 times more toxic than Mirex, was brought to the agency's attention. The agency informed Mississippi that they would review the Canadian data to determine if the risk analysis on Ferriamicide would be affected. Because of the problems associated with Ferriamicide, the agency has not approved its use.

In a recent development EPA has approved the experimental use of a chemical product called 217,300, manufactured by American Cyanamid. Some acreage in the South has been sprayed by aerial application this fall and up to 100,000 acres will be treated in the spring of 1980 to control the fire ant.

I might mention also that our colleague, the gentleman from Georgia (Mr. MATHIS), brought out the fact that this committee had in the past acted on legislation directing the use of a canceled pesticide on lands in the Northwest. This is partly correct. The fact is that there were hearings held in the committee on a separate measure, and the committee then decided that DDT would be allowed to be used for the control of insects on agricultural or forestry lands if certified by the Secretary of Agriculture. That bill did mandate the use of the canceled pesticide, but, rather, what the committee did was to allow the Secretary of Agriculture the leeway to decide when DDT was needed and could be used. If he so decided, then we gave him the authority to do so, circumventing EPA's decision on that matter. That is an entirely different situation than what we have in this instance.

☐ 1300

I might mention, Mr. Chairman, that this is a real problem that could become national in scope. Hopefully, we might be able to contain the fire ant, but it is a national problem, and all of us want to assist in funding a responsible solution to the fire ant problem. They are as far down as my congressional district in south Texas now. But we think the proper procedure is to put together all of the scientific information in hearings so that we have the best information and so that we can see where we are with the 217,300 experimental use permit. Thus we can determine the extent of the problem, with fairness, and see if we can, all working together, try and arrive at some solution. We need a solution.

I know the gentleman from Georgia mentioned, and I assure the Members that I sympathize with the gentleman, that his action was out of frustration that nothing was being done. I assure the Members this may have been the case with the past administration of EPA. We do not think that it is so now. We think we are finding more cooperation because of the changes in the law, because of the changes in personnel, and because of the closeness with which the subcommittee which I chair and this Committee on Agriculture have worked with the present Administrator of EPA. I think that we can, in proper sequence and time, do something, regardless of what happens with this amendment, before the spring application period in 1980.

Mr. MATHIS. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from Georgia.

Mr. MATHIS. I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman for the statement he is making, and I also want to commend the gentleman for his diligence in the past, in terms of understanding the problem.

As the gentleman mentioned, he has an infestation that has occurred in his district, Mr. Chairman, of the fire ants, as well, and I think the gentleman and I have a difference of opinion as to how we must proceed. I must admit that the gentleman was perhaps more restrained in his approach to this problem, and it may be because his district has not suffered the pain and suffering that mine has relative to the fire ant.

I know there are now a large number of Members who are not at this point in time listening to this very interesting debate, Mr. Chairman, but some of them may read it in the RECORD, and I would like, Mr. Chairman, if the gentleman will yield further, just to correct the RECORD relative to the aerial application that has been approved for the compound that he mentioned, the 217,300. The truth is, Mr. Chairman, that 10,000 acres were authorized by the Environmental Protection Agency for a fall test spraying. That test spraying is now complete on 7,000 acres, not on 10,000 acres. In fact, the efforts to spray were thwarted by the people in the Agriculture Department, in the Animal and Plant Health Inspection Service, and we are not going to have as full a test as we would like to have.

Mr. Chairman, I will conclude my very brief remarks by saying that we never would have received authorization from the Environmental Protection Agency for this very limited testing of this promising new compound had it not been for the threat of this House passing this legislation that has been reported from committee. If we do not continue to keep the Environmental Protection Agency on a short leash, then they will go back to being as unresponsive as they once were.

Mr. DE LA GARZA. Mr. Chairman, I appreciate the gentleman's remarks.

I might add to what the gentleman has mentioned, though, that they now have allowed for the spring 100,000 acres aerial application of the product 217,300. I do agree with the statement of the gentleman that the EPA, as I mentioned before, is more responsive. I do not think it is because of this amendment, in all due respect to the gentleman, but because of prior restraint placed on that agency when we were authorizing funding for 30 days or 60 days at a time. I am convinced that they have the same commitment that the gentleman from Georgia, the gentleman from Texas and, I am sure, the gentleman from Washington, the chairman of this committee, have—that regardless of where in the United States the fire ants may be located, the commitment is the same control, and hopefully, completely eradicate this pest. Regardless of the outcome, the gentleman from Georgia is assured of that commitment by the chairman of the committee and the gentleman from Texas.

● Mr. MONTGOMERY. Mr. Chairman, I would like to take this opportunity to state my strong support of the Mathis amendment to H.R. 3546. This Committee on Agriculture supported amendment would grant the use of Mirex for about a year to control fire ant infestations. My State is one of many in the Southeast and Southwest that suffers from the presence of this pest. I would add that it is more than a pest because it can cause death. I believe this may be one of the problems that EPA has with the fire ant—they regard it as a pest that is a nuisance rather than a life threatening insect. I have firsthand knowledge of the devastation these insects are causing the residents of infested areas, and I would like to commend Mr. MATHIS and the members of his committee for their human concern.

The only pesticide available that is effective in controlling the fire ants on a large enough scale is Mirex. Unfortunately, due to excessive efforts of persons more interested in our environment than human life and suffering, Mirex was banned in 1978. Since that time the fire ant has spread from 130 million to 190 million acres. They are now in nine Southern States and their health and economic damage indeed are a threat to the whole temperate climate zone in this country unless measures are taken to control them.

I have encountered numerous reports of unnecessary and unbelievable suffering as a result of stings from the fire ant. In May of this year a Georgia woman died from an allergic reaction to an ant bite, and the next month a Mississippi teenager nearly suffered the same fate. Many children and adults live with the threat of a deadly reaction to stings from the fire ants residing in their States in epidemic proportions.

There are no complete statistics available on the number of deaths and cases of hospitalization, to say nothing of the less serious cases of pain and suffering in which hospitalization was not required. To give you some idea of the magnitude of the threat of this insect, I would like to share with you statistics from a survey made in 1971 in only 143 counties in only three of the nine States affected. At that time, 8 years ago, in the small area surveyed there had been 17 deaths, 12,438 treatments with 6,778 of those receiving secondary treatment, and five amputations, all from the stings of the fire ant. In another report compiled later, there had been over 30,000 cases of hospitalization reported and 24 limb amputations caused by the sting of this insect. This, of course, does not touch on the large numbers of cases of daily suffering on a smaller scale.

Now, let us consider the number of deaths and illnesses that have been caused by Mirex. In the more than 15 years since we began using it, there has not been a single, and I repeat single, case of illness attributed to Mirex and no deaths. The only case that EPA has against Mirex is that the chemical has entered the human body via the food chain and from a test in which extreme, and again I repeat extreme, quantities of Mirex fed to rats caused tumors. From this test on rats they ruled Mirex a "potential" carcinogen in humans. The National Cancer Institute which conducted this research stated in 1976 that their studies were unsatisfactory and they were redoing the tests.

In addition to the human suffering, the economy of these agricultural areas has fallen prey to the fire ant. Crops have been destroyed and fields have been taken over by fire ant mounds. Millions of dollars have been lost due to damage to machinery, crops, farm animals, and the devaluation of property. These are all controllable by the use of Mirex and I question our official's decisions to refuse eradication of these insects.

I feel the time has come for this Congress to intervene and seriously weigh the known benefits against the risks when they are based on such nebulous and uncertain data. There is no doubt in my mind that these nine infested States are in a state of emergency, and I feel it is imperative that the ban on Mirex be lifted to help deal with this emergency until an effective substitute can be developed. Work is being conducted on a number of pesticides, but it may be 2 or more years before any of them could be approved and available in large enough quantity. Meanwhile, there is no effective substitute for Mirex.

Mr. Chairman, considering the information I have presented, I find it hard to believe that we are denying the victims of fire ant infestations the relief that is available and that they desperately need and deserve. I hope this body will not be that insensitive. I would urge my colleagues to support Mr. MATHIS in his efforts to ease the suffering in these nine States and give us the necessary time to develop an effective substitute control of the fire ant.

Thank you.●

● Mr. WAMPLER. Mr. Chairman, I rise as the ranking minority member of the House Agriculture Committee in support of the committee bill H.R. 3546. This bill extends the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) for 1 year through September 30, 1980 and amends the current law in three places. These three amendments are: First, to provide a temporary emergency use of the pesticide Mirex through next year to help nine Southern States combat fire ants; second, to apply the "one house" legislative veto to any EPA regulation; and third, a "sunset" amendment to provide for the expiration of all provisions of FIFRA on September 30, 1985.

For some Members it may seem that an inordinate amount of time has been spent on FIFRA over the past few years. During the years of 1977 and 1978 numerous hearings were held by your committee to try and resolve the conflicts that developed after enactment of the Federal Environmental Pesticide Control Act of 1972 and amendments thereto in 1975. During the last session the Congress redesigned FIFRA to cut the redtape and resolve these controversies that had for all intents and purposes immobilized the Environmental Protection Agency pesticide program. To assure itself that EPA would in fact cut this redtape and get the pesticide program underway as Congress envisaged it, a deliberate move was made to only extend the 1978 authorization for appropriations for 1 year through September 30, 1979.

However, as in years past, even with EPA's promises, our committee has not received the cooperation from personnel at EPA necessary for the committee to actively exercise its oversight responsibilities. Again the committee found it necessary to only recommend the extension of authorization for appropriations in the bill now before you through September 30, 1980.

The additions by the committee of the "one-house" legislative veto of regulations and the sunset provision only highlights the unhappiness felt by the vast majority of the committee members in their individual and collective associations with EPA. I might add that I personally feel that much of the concern the committee has developed with respect to Mirex stems from the apparent attitude and/or philosophy at EPA, which leads one to assume that the regulators at this agency believe they have a "divine mission" to eliminate all pesticides from use rather than to develop technology to control pests to the benefit of mankind.

If one examines the broad, cumulative testimony of EPA before the House Agriculture Committee or its proposals or regulatory actions, one gains the impression quickly that EPA does not consider that pests cause significant damage to man. Therefore one must conclude that EPA considers that any single pesticide has but little benefit in any given regulatory action.

Inasmuch as your committee is charged with the legislative responsibility for the production and distribution of food, fiber and forest products and more recently for inputs into the energy equation for our Nation's wellbeing, and our agricultural experts tell us we are losing 30 percent of our agricultural production to pests, we must dispute EPA's knowledge and wisdom in the total agricultural area when we consider the enactment of laws that deal with pesticides.

During the hearings held on this legislation, a number of witnesses indicated that problems were still being experienced with EPA's implementation of the 1978 amendments but all agreed that an extension of 1 year might be helpful in allowing EPA additional time for implementation of the amendments passed last fall. The witnesses were assured that more extensive oversight hearings would be forthcoming if warranted.

Finally, several of my colleagues have expressed reservations over the Mirex amendment. EPA states that it has been working for over 2 years to find a pesticide to control fire ants, but frankly, it would appear that its research efforts are lacking in both funding and commitment. At this point I request permission to insert the views of Commissioner of Agriculture and Consumer Services, S. Mason Carbough, Commonwealth of Virginia, on the subject of Mirex in the Record.

I urge your support for H.R. 3546.

Commonwealth of Virginia,
Richmond, Va., August 2, 1979.

Hon. William C. Wampler,
House of Representatives,
Washington, D.C.

Dear Bill: My entomology staff have had telephone communications this week with Mr. Bill Fancher, Entomology Consultant to the Mississippi Commissioner of Agriculture, Mr. Jim Buck Ross, pertaining to the use of Mirex bait to control fire ant. It is our understanding that the people living in the infested areas are highly concerned, especially about their children, and are making it known.

There is an improved bait formulation called 10–5 where a reduced amount of Mirex is confined to the outside of the corn cob grits. Since the grit is not being impregnated the bait is effective at the rate of 0.454 grams per acre. This is virtually nothing.

Mr. Fancher, a retired Southern Regional Director of Plant Pest Control for the USDA, stated that since the advent of Mirex and its application, he has worked from Georgia to Texas and has never known of any serious consequences caused by its use.

It is, therefore, our desire that you support the amendment to H.B. 3546, introduced by Congressman Mathis of Georgia, that would extend the authority to use the 10–5 bait through 1980. This is a FIFRA amendment. They have no alternate effective pesticide at this time, but Research and Development are working on an alternate and it is hoped that something will be found by the end of 1980.

The amendment has cleared the Agriculture Committee chaired by Congressman Foley of the State of Washington and has been reported to the House. Your support of this amendment will be very much appreciated.

Sincerely,

S. Mason Carbaugh,
Commissioner. ●

● Mr. WAXMAN. Mr. Chairman, I would like to speak to section 2 of H.R. 3546, the Agriculture Committee amendment that would reauthorize the use of the pesticide, Mirex, for 1979 and 1980. I oppose this amendment and join with the distinguished chairman of the Agriculture Committee, Mr. Foley, and the distinguished chairman of the Subcommittee on Department Investigation, Oversight and Research, Mr. de la Garza, in urging my colleagues to vote to disapprove section 2. I do, however, support a simple 1 year extension of the Federal Insecticide, Fungicide and Rodenticide Act.

I recognize that the fire ant is a significant pest and inflicts a painful sting. However, I feel that aerial application of this pesticide poses a substantial risk to the environment and to those who come into contact with the pesticide and that this risk far outweighs any benefits to be derived by its use. In fact, during the 16 years Mirex was used in the South, the area of infestation of the fire ant increased more than six-fold: from 30 million to 190 million acres.

I am concerned about this amendment because I feel the use of Mirex poses a risk to human health. The National Cancer Institute opposes its reintroduction into commerce because several studies have shown Mirex to be an animal carcinogen and thus a possible human carcinogen. Other studies have shown that Mirex passes through the human placenta to the unborn and that it has been found in human breast milk. Further, 22 percent of those tested in the nine Southern States where Mirex was used most prevalently had Mirex residue in their fat tissue; 45 percent of those tested in Mississippi showed Mirex residue in their fat tissue.

The chemical composition of Mirex is such that it is resistant to human metabolism and it is slow to degrade once applied to the land—this degradation process may take a decade or more and it degrades into components that are even more potent than Mirex. One product of decomposition is Kepone—it was only a few years ago that human exposure to Kepone caused serious health problems in Hopewell, Va.

Finally, there is evidence that Mirex accumulates in terrestrial and aquatic systems and that the level of Mirex in tissue increases in each organism as it progresses up the food chain.

In their additional views in the report accompanying H.R. 3546 (Report 96–147), Chairmen Foley and de la Garza state that the committee may have approved the Mirex amendment without a full review of the scientific information concerning the risks to man and to the environment inherent in the use of Mirex. They state a more prudent course would be to hold full and complete hearings on H.R. 3687, a bill to authorize use of Mirex. I concur in this approach and feel very strongly that the question of whether to permit the use of Mirex should be subject to patient and thorough congressional scrutiny and a careful weighing of the competing interests.

I urge my colleagues to support Chairmen Foley and de la Garza in voting against section 2 of H.R. 3546, the Mirex amendment, when it is considered later this week.

Mr. Chairman, I would like to submit for the Record an editorial that appeared recently in the Washington Star that outlines the choice before us and a more detailed statement pertaining to the possible adverse consequences of employing Mirex against the fire ant.

[From the Washington Star, Oct. 17, 1979]

Fire Ants and H.R. 3546

The House shortly will vote on H.R. 3546, prosaically entitled "To extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended for one year."

That "as amended" is a stick too stout by far.

The target of the amendments is the fire ant, a persistent and aggravating pest that infests hundreds of thousands of acres in the southern United States. But the bill has an ideological booster rocket, reflecting growing displeasure at federal regulation in general: It would re-authorize the use of the banned pesticide Mirex and, in anger over the Environmental Protection Agency's prohibition of the chemical, would end EPA's authority over all pesticides.

That the bill as amended was approved by the Agriculture Committee—without hearings—was unfortunate; its approval by the full House would be thoughtless.

Mirex was in extensive use from 1962 to 1976 against fire ants. Concern over its toxicity led to a three-year formal hearing process, after which EPA concluded that Mirex was potentially more dangerous than beneficial and banned it. A number of laboratory tests, including one by the National Academy of Science, indicated cancer-causing properties in Mirex, and pointed out its resistance to degradation (a half-life of 5 to 12 years); the study found that one product of Mirex's decomposition is Kepone, which has been banned because of evidence of its severe toxicity to humans and the environment—as Virginians are aware after the James River affair.

Rep. Dawson Mathis, D-Ga., the architect of the amendments, and his supporters are understandably upset at the untrammeled existence the fire ant has led since reaching the U.S. early in the century, and especially wroth at the ban on Mirex. The ant has a venomous sting that is annoying to

> the two-footed and can harm the four-footed; in addition, the fire ant energetically constructs mounds measured in feet, not inches, that can impede land use. But the fire ant is not a prime destructive pest to agriculture.
>
> Mirex is considered by those who want it made available again to be the only effective chemical against the insects.
>
> But is Mirex effective? During a decade and a half of extensive use of the pesticide, fire ants extended their domain from 30 million acres to over 200 million. EPA studies have found Mirex residues in the fatty tissue of 45 per cent of the people tested in Mississippi, one of the states of most intense use. Laboratory tests have also shown that Mirex can be communicated to the unborn through the placenta and the pesticide's residue has been found in breast milk.
>
> Those two aspects suggest that the federal ban on Mirex was hardly capricious. If Mirex were the only registered pesticide for use against fire ants, the delicate balancing of benefit against harm would be more difficult. But there are now 10 registered fire-ant pesticides and experimental-use permits have been granted for two others.
>
> If the case against Mirex is not definitive, the evidence that risks outweigh benefits is persuasive. EPA has fulfilled its responsibilities.
>
> But Rep. MATHIS and his supporters want to go well beyond fire ants. In addition to permitting renewed Mirex application, including aerial spraying, the bill's other amendments would strip EPA of its authority over pesticides by 1985 and would provide for a one-house veto over any EPA pesticide action in the interim.
>
> The Environmental Protection Agency is liable, heavens knows, to criticism. The Mathis amendments, however, are unworthy of Congress and, indeed, verge on irresponsibility. The House should excise them from H.R. 3546. The fire ant is a nasty piece of work; but even nastier could be the continued use of a highly suspect agent to control it.

The marginal effectiveness of Mirex is far outweighed by its insult to the environment. EPA's studies have shown that 45 percent of humans tested in Mississippi, and 22 percent of those tested in nine Southern States where Mirex was used, had Mirex residues in their adipose (fatty) tissues; there is a clear correlation between geographical distribution of the pesticide and its appearance in human tissue. The States with a history of the heaviest Mirex usage—Louisiana, Mississippi, and Georgia—have the highest number of human tissue samples with Mirex residues. It has been demonstrated that Mirex can be communicated to the unborn and to the young because it passes through the human placenta to the fetus and it has been found in human breast milk.

The potential for severe environmental insult caused by the use of Mirex is great for a number of reasons. A recent report states:

> Mirex is resistant to degradation and metabolism and has an environmental half-life of five to twelve years. It tends to accumulate in terrestrial and aquatic systems and shows evidence of biomagnification as it moves through these systems. When it undergoes decomposition, one of its degradation products is Kepone . . . the chronicity factor (of Mirex) is one of the highest observed for any pesticide, largely because of the highly cumulative nature of mirex in biological systems and the fact that it is metabolized or excreted at extremely slow rates. The pervasiveness of chronic physiological and biochemical disorders induced by mirex in experiments with various vertebrate species, together with its capacity for bioaccumulation, would tend to bring into question the widespread (broadcast) use of this pesticide.[1]

Several studies have shown Mirex to be a carcinogen. The first bionetics experiment, published in the journal of the National Cancer Institute in 1969, showed that Mirex induced a highly statistically significant increase in liver hepatomas in both sexes of both strains of mice in which it was tested.[2] The report listed Mirex among 11 of the 120 compounds judged to be "clearly tumorigenic" for the strains of mice used at the dose levels tested.

The second bionetics experiment analyzed the effect of Mirex and other chemicals on rats. Several assessments of this study indicated that there was a highly statistically significant increase in liver cancers of both male and female rats fed Mirex. Additionally, there was a very high incidence of hyperplastic nodules of the liver in both sexes of rats fed different levels of Mirex. Hyperplastic nodules are nodules that have reached the stage where they are no longer dependent upon continued exposure to a chemical stimulus; if the chemical is discontinued, the nodules continue to progress and become carcinomas. Still further assessment indicated that Mirex causes a significant induction of liver tumors in test animals.

The first and second bionetics experiments demonstrated that Mirex induces malignant tumors (hepatocellular carcinomas) in mice and rats, including benign tumors that are generally recognized as early stages of malignancies (hyperplastic nodules or neoplastic nodules). Therefore, by employing its "Interim Cancer Assessment Procedures," the EPA has concluded that Mirex is a potential human carcinogen and that the carcinogenic risk that Mirex poses to man depends upon the extent of human exposure to Mirex.

In 1969, a special panel of medical experts, assembled under the auspices of the Department of Health, Education, and Welfare, urged curtailment of the use of Mirex because the National Cancer Institute reported positive results from a cancer test on Mirex. In 1978, the National Cancer Institute performed a second study which confirmed the carcinogenic potential of Mirex.

There is also substantial evidence that Mirex causes widespread changes in populations of aquatic ecosystems and that it is highly toxic to crustaceans, often at miniscule levels of exposure. The effects upon crustaceans range from short-term lethality to more prolongeu and subtle consequences for the development of these organisms. Additionally, it has been demonstrated that Mirex is harmful to nontarget insects, including some natural predators of crop-damaging insects. Mirex has also been shown to cause birth defects and various sorts of nerve damage in experimental animals.

Once put into the environment, Mirex lasts for a substantial period of time and degrades at a very slow rate. During the degradation process, Mirex breaks down to Kepone, itself banned as a carcinogen, and photomirex, which has been found by several recent Canadians studies to be five times more toxic than Kepone, and 100 times more toxic than Mirex.

On March 23, 1973, the Administrator of EPA gave notice of its intention to hold a hearing [3] pursuant to the Federal Insecticide, Fungicide, and Rodenticide Act to determine whether the outstanding registrations of Mirex products, which were at that time held by Allied Chemical Corp., should be cancelled or amended. Hearings were commenced in July of 1973 and continued over the next 3 years, creating a record of more than 13,000 pages. In May of 1976, the Allied Chemical Corp. transferred its Mirex registrations to the Mississippi Authority for the Control of Fire Ants. In September of 1976, the Mississippi authority offered to cancel the registrations of its Mirex products to phase out production, and to suspend the pending administrative proceedings indefinitely.

The Mississippi authority submitted a formal plan for the cancellation of Mirex in stages, with aerial application to cease in 1977, and all use to end by June of 1978.[4] The Administrator of EPA approved the Mississippi authority's plan and in October of 1976 (over the objection of the U.S. Department of Agriculture, which was a party to the administrative proceedings) the cancellation was ordered by EPA.

The cancellation order was accompanied by a "Summary of Evidence and Other Information and Statement of Reasons", which describes the administrative proceedings, the environmental ramifications of the use of Mirex, and offers a justification for the Agency's acceptance of the Mississippi authority's plan.

Those who favor the use of Mirex indicate that there presently does not exist an effective substitute for it, but that by the end of 1980 there will be an effective substitute. Thus, the prohibition on the Agency from banning Mirex as contained in the amendment to H.R. 3546 would fill the gap until an effective substitute is found. However, several pesticides are now allowed for mound control of fire ants (though not for aerial application): Dursban, Baygon, Diazinon and, until 1980, Chlordane. Registration for another pesticide called Imidan is imminent. Additionally, EPA recently granted an experimental use permit to American Cyanamid to test a new compound on 10,000 acres in several States, for ground and aerial application. Also, an experimental compound developed by USDA and manufactured by the Stauffer Chemical Co. is being field tested for possible aerial use.●

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[1] "Kepone, Mirex, Hexachlorocyclopentadiene: an Environmental Assessment" National Research Council National Academy of Sciences, 1978. at 9 and 53, 54.

[2] See EPA's "Summary of Evidence and Other Information and Statement of Reasons" which accompanied EPA's order cancelling the use of Mirex.

[3] See "Summary of Evidence . . ." at 293 for earlier inconclusive Administrative proceedings which generally restricted the use of Mirex.

[4] A group of users of Mirex petitioned the U.S. Court of Appeals for the Fifth Circuit to prevent the settlement between the EPA and Mississippi Authority and to require completion of the suspended Mirex hearing. The Court held that FIFRA did not afford them these rights. *McGill* v. *Environmental Protection Agency*, No. 76–4353, U.S. Court of Apps., 5th Cir., April 20, 1979.

Mr. GRASSLEY. Mr. Chairman, I have no further requests for time.

Mr. DE LA GARZA. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. GRASSLEY. Mr. Chairman, I yield back the balance of my time.

Mr. DE LA GARZA. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MINETA) having assumed the chair, Mr. DANIELSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3546) to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 1 year, had come to no resolution thereon.

GENERAL LEAVE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 3546.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

APPOINTMENT OF CONFEREES ON S. 1871, EXTENDING EXISTING ANTITRUST EXEMPTION FOR OIL COMPANIES THAT PARTICIPATE IN AGREEMENT ON INTERNATIONAL ENERGY PROGRAM

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1871) to extend the existing antitrust exemption for oil companies that participate in the agreement on an international energy program, with the Senate amendment to the House amendments thereto, disagree to the Senate amendment, and request a conference with the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. BROWN of Ohio. Mr. Speaker, reserving the right to object—and I shall not object—I would concur in the request for a conference. There are only two minor issues involved in this piece of legislation, but the legislation is important. It is necessary that we resolve those issues and apparently necessary that we have a conference on that subject. It is hoped on this side of the aisle that that conference can be accomplished swiftly and that the Senate will, happily, concur in the arrangements called for in the House bill and that we may bring this issue back to the House and the Senate for final passage in very short order.

Mr. DINGELL. Mr. Speaker, will the genteman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Speaker, I concur in the comments of my good friend, the gentleman from Ohio (Mr. BROWN).

Mr. Speaker, the bill, S. 1871, is an extension of authorities in the Energy Policy and Conservation Act, which relate to the international energy program. These authorities provide a limited antitrust immunity for oil companies' participation in voluntary agreements to carry out the program. The authorities will expire at midnight on Friday night under the provisions of existing law.

Both Houses have passed similar legislation to extend the authorities. The House chose to extend the authorities until October 31, 1981. The Senate amendment, adopted on November 16, extends the authorities until June 30, 1980. We have been unable to work out the differences informally, but I expect that a conference could quickly resolve this matter and permit us to extend the authorities before they expire at the end of this week. The bill was unanimously reported by our committee and passed the House by voice vote under the Suspension Calendar.

The Senate originally amended this bill with a provision relating to import quotas and fees. The House sent the bill back to the Senate, finding that it was an infringement on the privileges of the Senate. The Senate amendment, which passed on November 16, and is before us, does not contain the provisions relating to import quotas and fees.

Mr. BROWN of Ohio. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. STAGGERS, DINGELL, OTTINGER, SHARP, BROYHILL, and BROWN of Ohio.

There was no objection.

JIM WRIGHT HAS PROVIDED LEADERSHIP TO MOVE CONGRESS FORWARD

(Mr. LEVITAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LEVITAS. Mr. Speaker, when the American people looked to the Congress of the United States for leadership in dealing with the vital energy problem facing our Nation, they found a leader. That leadership appeared in the form of our distinguished majority leader, JIM WRIGHT of Texas. In dealing with an issue which turns men to cowards, JIM WRIGHT moved into the vanguard and provided that drive, foresight, and courage and began to move the Congress forward in adopting legislation necessary for the survival of this Nation.

An article about Congressman WRIGHT appeared recently in the Atlanta Constitution, which I would like to make a part of the RECORD at this point:

[From the Atlanta Constitution, Nov. 15, 1979]

AN ENERGY DIARY: THE ISSUE "TURNS MEN TO COWARDS"

(By Seth Kantor)

WASHINGTON.—The private diary of House Majority Leader Jim Wright, D-Tex., in a June 6, 1979 entry, describes President Carter "in a mood almost approaching despondency" over "the failure to do anything adequate on energy" when Wright and other congressional leaders met with the "discouraged" President.

The unpublished diary also reflects Wright's own deep discouragements as he attempted earlier this year to convince the White House and various members of Congress to take strong steps toward independence from such foreign oil powers as Iran.

One time in early May, when the House overwhelmingly refused to give the president standby authority for gasoline rationing in the event of a serious national emergency, Wright described the loss as "bitter."

"There is something about the whole vast question of energy that seems to turn men into cowards," he wrote in the diary on May 11. "I worry that the fear of public disappointment and the temptations of cheap histrionics have a stronger attraction than the need, to me so clear, to take bold steps."

But Wright soon turned his early 1979 frustrations over the nation's foundering energy policies into personal victories.

Wright is recognized by others on Capitol Hill as the prime mover behind a package of energy reform legislation that has won House passage in a series of votes between June 26 and Nov. 1.

The diary, written in a firm longhand. reveals much of the legislative world of the 25-year congressional veteran. Sometimes it is kept on a daily basis but Wright often only has time to chronicle his thoughts while on plane rides between cities.

Wright agreed to a request by The Atlanta Constitution to examine portions of the 1979 edition of his diary, with a provision by Wright that some of his personal comments about certain other public figures not be made public.

In February, Wright expressed concern in the diary that President Carter appeared to be focusing on energy conservation policies instead of on areas of development.

As a representative of an oil-producing state, Wright was aware that environmentalist groups and others opposed to expanding oil company profits were wary of his views on energy development.

But Wright has been pushing development of new energy resources, with tax incentives for conservation, for the past six years in the House.

With a built-up reservoir of frustration over past failures when measures he sponsored reached the House floor, Wright told his diary on Feb. 12, 1979, that he anticipated getting a ride as President Carter's guest in Air Force One and that he would stress more bold action, while doubting the White House shared his views.

President Carter did share Wright's views that crude oil prices should be deregulated.

But Wright expressed his disgust on May 29 when the House Democratic caucus voted by a 2–1 margin not to support deregulation. Wright promised himself "to do something (he underscored those last two words) to increase our energy supplies."

"The best potential vehicle right now," he wrote, "seems to be a bill from the Banking Committee to amend the Defense Production Act to stimulate synthetic oil production by loan guarantees and to legislate a government guaranteed purchase of some minimum quantity of the oil from coal.

"It is the most positive thing on the horizon at the moment, and we've piddled around far too long with penny-ante efforts."

Right at that point the whole mood of Wright's diary underwent a dramatic change.

June 4 he wrote: "I'm working on a broad-based plan to promote synthetic fuels. It is so exhilerating to have a cause."

Wright has been in Congress since 1954. He has written books, traveled extensively, lectured widely and has been involved as a leader in heavy amounts of major legislation. But he wrote in his diary as if he were a young man experiencing a first-time challenge:

"People look to Congress for action," he wrote. "They'll endure temporary hardships if they see that we have a plan, that we're moving in a consistent direction toward a solution. They haven't seen much evidence of that from this congress, unfortunately.

"About all we've done has been to reject the standby rationing plan and not even take up the other conservation measures requested by the president.

"But conservation alone is puerile. It is retrenchment, alien to American character and experience. It is good to have a vehicle for advance. The Moorhead bill, reported by the banking committee, is a step in that direction. It would commit us to develop a synthetic fuels industry.

"I'm trying to prepare a broad base of support. We'll try to expand the bill on the floor."

Rep. William S. Moorhead, D-Pa., chairman of the Banking Economic Stabilization Subcommittee, authored the synthetic fuels development bill referred to by Wright.

Moorhead's bill was reasonably modest—calling for production of 500,000 barrels a day of fuel derived from coal by 1985.

Wright decided an all-out national energy-producing effort could be made to increase output to 2.5 million barrels a day.

Moorhead agreed to the idea. Wright began lobbying other House leaders with his idea, especially including Rep. John Dingell, D-Mich., chairman of the Commerce Energy and Power Subcommittee.

Dingell not only opposed the Moorhead approach but Dingell felt his own subcommittee should control the drafting of synthetic fuels legislation. Wright's staff contacted other House staff members to try and head off jurisdictional disputes that could bog down the bill to the point of continued inaction.

"I'm more emotionally committed to this than I've been to anything in many months," Wright put down in his diary on June 6.

Wright spoke out optimistically when he and other House and Senate leaders met with President Carter, but Wright said the president seemed to remain "discouraged."

On June 15, Wright met in his own office with then-Energy Secretary James Schlesinger and with Stuart Eizenstat, special assistant to the President for domestic policy.

Eizenstat expressed strong reservations about any White House support for Wright's scaled-up production bill, according to Wright's diary and other witnesses in the room.

Wright "really got angry," according to one witness. "In fact I made no effort to conceal it," Wright said in his diary.

"I reminded him that people wasting time and patience in the gasoline lines this week (June 15) expect us to do something more than just a gesture. They want this problem solved.

"I reminded him of Franklin Roosevelt's pledge in 1942 for a ship (to be built) a week and a thousand planes a month. FDR didn't wonder philosophically what might be a realistic expectation. He saw the need and resolved to meet it."

Wright added in his diary that "I'm not sure how much impression I made (on Eisenstat)."

He apparently impressed Schlesinger, though. Witnesses said Schlesinger privately congratulated Wright on what was said. The next month Schlesinger was fired by President Carter.

After compromising on a two-million barrel a day goal by 1990 and beating back attempts on the House floor by Dingell to alter the bill, the Moorhead-Wright measure won by a 368–25 vote.

"It was sweet," Wright added succinctly in his June 26 entry.

Since then Wright has captained other energy bills, which the Senate has been debating over the past several days. There are a number of basic differences in the House and Senate versions.

These will have to be dealt with in conference committees. Remembering the failures of the energy conference committee two years ago, which staggered through nine months of angry exchanges, Wright hopes to get most current differences agreed to by next month.

"We're racing the clock right now," Wright said Wednesday. "The most effective way we can lay to rest concepts in Iran and elsewhere that this nation is a helpless oil junkie is to make our move now toward energy independence."

RETIREMENT OF J. T. NORRIS, SR., DEAN OF KENTUCKY JOURNALISTS

(Mr. PERKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

• Mr. PERKINS. Mr. Speaker, last week, announcement was made in Ashland, Ky., of the retirement of J. T. Norris, Sr., as chairman of the board of the Ashland Publishing Co.

He has been associated with the Ashland Daily Independent, the largest newspaper published in my congressional district, for 58 years.

J. T. Norris, Sr., richly deserves the title of "Dean of Kentucky Journalism," for he has been a giant in a regional profession of very tall men indeed.

For many years he has been a tower of strength, supporting every move to effect the betterment of his city, his area, and his State.

He has, of course, richly deserved a season of rest and freedom from daily business concerns, but we shall certainly miss him as a force for good in eastern Kentucky.

Mr. Speaker, I include the article announcing his retirement from the November 9, 1979, edition of the Ashland Daily Independent at this point in the RECORD:

J. T. NORRIS SR., RETIRING AFTER 58 YEARS WITH ADI

J. T. Norris, 85, the "dean of Kentucky journalists" and a man associated with the Ashland Daily Independent 58 years, will retire from his post as board chairman of Ashland Publishing Co., effective with his departure tomorrow for a winter vacation in Arizona.

He was one of the original incorporators of Ashland Publishing Co. in July, 1921. He is a native of Augusta, Ky., a graduate of Centre College, and served in the U.S. Marine Corps in World Wars I and II.

Norris was honored in 1970 by the Kiwanis Club here as "Man of the Half-Century." The Kentucky Press Association presented him the Edwards M. Templin Award in 1971 for service to journalism and community. He received an alumni recognition award in 1969 from Centre College and, earlier this year, the college gave him an honorary doctorate in journalism. In 1976, Ashland Typographical Union Local 787 made him a lifetime honorary chapel member.

Norris served as vice president and president of the publishing company and editor of the *Independent* before becoming board chairman in 1964.

His association with the *Independent* began in 1921, when he came to Ashland after briefly operating and then selling the *Pendleton County Democrat* in Falmouth, Ky. He began his career in Ashland as vice president in charge of circulation.

The same year, the Ashland Publishing Co. was formed with the late Benjamin F. Forgey, Norris, U.S. Sen. Ben Williamson, John E. Buckingham, Davis E. Geiger and Paul J. Hughes as stockholders. The corporation purchased the stock of the Ashland Independent Publishing Co., acquiring all the interest of George F. Ginn, who had acquired it in 1911 from Col. G. F. Friel.

In 1924, Norris, Forgey, and Ralph R. Mulligan of New York bought the interest of the other stockholders, and in the subsequent reorganization, Forgey became president and editor and Norris was named vice president and associate editor.

He remained in that position until 1952 when he became president and editor, and Forgey was named board chairman. In 1964, Norris was elected board chairman.

While he served in that position, the *Independent* changed from letterpress to web offset printing in May, 1971. The newspaper expanded into an adjoining 22,500-square-foot building and installed a new seven-unit, 56-page press. Modern composition equipment was also added. The newspaper changed to six-column format.

The newspaper, in 1977, installed a computer system in the editorial and classified advertising departments as video display terminals replaced typewriters.

Norris's son, J. T. Norris, Jr., formerly president and editor, will continue to serve as consultant to the company until the end of the year.•

U.S. ACTIONS AT TIME OF IRANIAN CHANGE OF GOVERNMENT NEED CLARIFICATION

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LAGOMARSINO. Mr. Speaker, at this point in United States-Iranian relations all of our attention is focused, as it should be, on securing the safe release of the American hostages in Tehran.

I support President Carter's warning to the Ayatollah Khomeini about harming any of the hostages. The American people are united on this as they have been on very few issues since World War II. The Ayatollah should have nomisconceptions about the resolve of all the American people in opposition to this callous affront to the United States and the basic principles of international behavior.

Khomeini's actions in holding American citizens as hostages and his incitement to attacks against the United States—as in Pakistan, Turkey and India—is tantamount to an act of war. Khomeini is sadly mistaken if he thinks the American people will sit still for this.

Once the issue of the American hostages is resolved, however, I believe the sequence of events leading to the takeover of the Embassy should be investigated. The question of the U.S. role at the time of the change of Government in Iran is still unclear and, as suggested in today's commentary by Evans and Novak, the administration's action in sending General Huyser to Iran needs to be clarified.

WHO TOPPLED THE SHAH?

(By Rowland Evans and Robert Novak)

Shortly after the second seizure of the U.S. Embassy in Tehran on Nov. 4, Gen. Alexander Haig, in private talks with politicians and businessmen, accused the Carter administration of assigning his NATO deputy to hasten the shah's fall as Iran's ruler a year ago.

That was given by Haig as a major reason for his resignation in July as NATO supreme commander and his retirement from the Army. Never before has undermining the shah been listed as a purpose of the shadowy mission to Tehran early last January by Air Force Maj. Gen. Robert E. Huyser, Haig's deputy.

Haig, who is eyeing a long-shot bid for the Republican presidential nomination, has not gone public with his sensational charge. When asked by Washington newsmen over breakfast Nov. 21 why he had left NATO and the Army, Haig never mentioned the Huyser mission. Nevertheless, his private chats have fired the opening round of a battle with profound political implications: "Who lost Iran?"

Whether or not Haig's interpretation of President Carter's motives is accepted, he is supplying previously unknown information about upper-level Washington intrigue as the shah toppled. Here began the administration's policy of making common cause with revolutionary impulses at the expense of old allies.

The policy took effect with a transatlantic telephone call early last January from Gen. David Jones, chairman of the Joint Chiefs of Staff, to Haig at NATO headquarters in Mons, Belgium. Haig learned for the first time that the Carter administration planned to dispatch Huyser, who had exceptional contacts with the Iranian military and the royal palace, to Tehran.

Huyser's mission, as explained by Jones to Haig, was "to keep the Iranian military united and effective." That meant urging the Iranian generals not to attempt a coup against the shaky new civilian regime of Shahpour Bakhtiar—the description of the mission given the press.

Haig regarded this as a smoke screen. Secretary of State Cyrus Vance, in ascendance over national security adviser Zbigniew Brzenzinski, wanted the shah quickly removed from power. To Haig, the Huyser mission promoted this plan. He informed Jones on the telephone that night that he did not want himself, his deputy or the U.S. military involved in what he viewed as a specious undertaking.

The next morning, word came to Mons from Washington that Haig would have to live with it, like it or not. Deputy Secretary of Defense Charles Duncan, acting secretary during Harold Brown's temporary absence, overruled Haig. Direct orders were transmitted from Duncan to Haig's deputy; Haig was odd man out.

Those secret orders are described as "ambiguous" by those who have seen them. The widely respected Huyser is reported by colleagues to have been unhappy with his task. But as a good soldier, he did not complain then or now (he is currently on active duty at Scott Air Force Base, Ill.).

Haig's theory that Huyser was an instrument of U.S. pressure to drop the shah is strengthened by this fact: his mission coincided with leaked reports out of Washington that U.S. policy-makers finally had concluded the shah must go. U.S. policy at this time was that Bakhtiar could gain influence over the military and win over the Moslem radicals only if the shah were out of the picture.

Whether or not because of Huyser's carrying out his orders, there was no military coup. That did not save Bakhtiar's short-lived regime from being supplanted by Ayatollah Ruhollah Khomeini. Nor did the Carter policy achieve its stated purpose of keeping Iran's officer corps intact. While many officers were executed by Islamic revolutionaries, the chief of staff contacted by Huyser—Gen. Abbas Gherabaghi—is believed to have cooperated with the mullahs running the revolution.

Nobody knows whether a military coup would have brought Iran stability. There are senior U.S. Army officers who believe that, had it not been for the mission imposed on Huyser, the Iranian military would have seized power, exiled the shah (perhaps letting him return as a ceremonial monarch) and established a moderate, pro-Western regime. That theory may well understate the volcanic fury of Khomeini's followers.

The point of Haig's revelations is that the administration's plea that it could do nothing to save the shah is not the whole truth. As with Anastasio Somoza in Nicaragua, the United States contributed to the demise of a repressive authoritarian who had been a longtime ally of this country in hopes of winning favor with his successors. It is that policy, rather than the president's day-to-day conduct of the current crisis, that is most vulnerable to future investigation.

□ 1310

VACATING SPECIAL ORDER

Mr. CARNEY. Mr. Speaker, I ask unanimous consent to postpone my previous special order until the conclusion of tomorrow's business day.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

PRIVACY OF COIN COLLECTORS TO BE PROTECTED BY THE GENERAL SERVICES ADMINISTRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, on February 13, 1979, the House passed H.R. 1902, a bill I introduced which authorizes the General Services Administration to sell nearly 1 million silver dollars that the Government still holds. The bill became law on March 7, 1979. The coins were minted at the Carson City Mint in the late 19th century and were part of nearly 3 million coins discovered in a Treasury vault in 1964. Between 1972 and 1974, the General Services Administration had sold over 2 million of the silver dollars.

The public interest in the sale of these coins has been tremendous. Nearly 200,000 people have written already to the General Services Administration asking for information about the sale of these coins, even though they will not be sold until February 1980.

Following the earlier sales, the General Services Administration sold lists containing the names and addresses of purchasers of these coins. Many collectors were upset by this action. I became concerned that the General Services Administration would do the same this time. As a result, I wrote to Administrator Rowland Freeman, pointing out that this list of coin buyers would be a valuable tool for any burglar or criminal to have. I was also concerned that release of this list would subject the consumers to bombardment with dozens of unwanted solicitations and promotions.

I am glad to report that Administrator Freeman has written and informed me that the General Services Administration concurs with my belief that release of this list would be a clearly unwarranted invasion of the personal privacy of the purchasers. Mr. Freeman also agrees that unlimited access to this list could endanger the physical security of the customers and their homes.

Mr. Speaker, I am pleased that the General Services Administration has accepted my suggestion that the privacy of these purchasers should be honored. I want to thank Administrator Freeman for sharing my concern over this matter and in acting in the best interests of the American consumer and coin collector.●

A TEST OF COURAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 15 minutes.

● Mr. ALEXANDER. Mr. Speaker, for the past 3 weeks, the United States has been forced to a test of courage in its confrontation with the Ayatollah Khomeini, the spiritual and political leader of the Islamic Republic of Iran.

For 3 tense weeks, our people have anxiously awaited some sign of reason from the ayatollah and his radical student followers. For 3 tense weeks, the American people have been disappointed.

The irrational and lawless occupation of the U.S. Embassy in Tehran continues. Forty-nine Americans remain hostages to the unacceptable demand that the U.S. Government disregard international law by returning the deposed Shah of Iran to face certain death.

Because we defied that demand the ayatollah has threatened to try the American hostages as spies—heightening the anguish and uncertainty of the hostages and the American people alike.

It is certain that the Ayatollah Khomeini thought our people and their leaders to be so weak and greedy for Iranian oil that we would simply roll over in abject surrender to his outrageous demands. But he was mistaken.

President Carter made that clear some days ago when he told the world we would no longer buy Iranian oil.

It was an act of restraint.

He made it clear when he responded to the Ayatollah's threat to precipitate a financial crisis by withdrawing $12 billion in Iranian deposits from United States' banks. The President took action to merely freeze rather than seize those Iranian assets.

It was an act of restraint.

It was an act of restraint when the President restated our right to take military action against the Islamic Republic of Iran if the hostages should be harmed.

In fact, President Carter has acted with restraint and sanity in the face of provocation that would have incited a weaker leader to take ill-considered actions that could have led to disaster for the hostages and for the Nation at large. He has acted with restraint and determination in the face of threats that might have caused a weaker man to knuckle under.

And now the Ayatollah has gone a step further in his continuing campaign to test the strength of character of the American people. He has publicly repudiated the debts owed by his government to certain foreign nations and commercial interests.

In so doing, he hopes to disrupt world commerce by rendering the principle of full faith and credit among sovereign nations invalid in those instances where political differences exist among nations.

For that reason, today I have introduced a resolution in the House of Representatives which I believe will serve notice that the U.S. Congress is united in its determination not to yield to economic blackmail.

The resolution, if adopted, will direct the President to take legal action in the appropriate courts to have the Government of Iran declared in default of its indebtedness to the United States in the amount of $472 million. The action, if successful, will allow seizure of currently frozen Iranian assets in this country to be used to repay the full amount of the debt. It would also subject the remaining assets to legal action by the United States to seek compensation and damages for U.S. property lost or destroyed in Iran or for reparation on behalf of the hostages and their families.

The legal bases for the resolution are two in number:

First, as of June 30, this year, the Islamic Republic of Iran was $38 million in arrears in payment of its debt.

Second, the repudiation of its debt by the Iranian Government is legal grounds for a declaration of default on the entire amount of the debt.

I have no illusions that adoption of the resolution by the Congress will cause a change of heart among irrational elements in Iran. I wish it were possible to say that seizure of the Iranian assets in this country would bring about the immediate release of our hostages. But neither do I harbor the illusion that doing nothing will alter the Ayatollah's strategy of extortion.

And his strategy is clear. He is waging unrestricted economic and psychological warfare against the United States of America.

To save his falling regime, he has whipped his followers into a frenzy of hatred toward America and its leaders. He has sought to foment that hatred among other Muslim nations by lies and deceit.

His public allegations that the United States was responsible for the storming of the Holy Grand Mosque in Mecca, Saudi Arabia, led directly to the occupation and destruction of the U.S. Embassy in Islamabad, Pakistan.

He has expropriated American property, nationalized American industry in Iran without just compensation and has caused American visitors and officals to be terrorized in the streets of Iranian cities. But most important, he has demonstrated a profound contempt for international law.

His threat to try the American diplomats and other hostages as spies—with the implicit threat of their execution—puts him squarely outside the law of nations. His demonstrated lack of respect for human rights puts him squarely outside his own Islamic laws. His subjecting of innocent men and women to the agonies of a terrorist kidnaping puts him squarely outside the laws of human decency.

I see no reason why the Ayatollah Khomeini ought not to be considered an international outlaw.

I have said on other occasions that I applauded the President's determination to bring this situation to a peaceful resolution. The safety of the hostages is paramount. But as the situation worsens, and if it becomes clear that reason cannot prevail in the face of irrationality, then I support whatever harsher methods might be necessary to demonstrate to the ayatollah and his followers that the United States of America is not powerless to resist lawlessness and extortion.●

CUT IN PRIME RATE BY BANKERS TRUST CO.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Reuss) is recognized for 5 minutes.

● Mr. REUSS. Mr. Speaker, Bankers Trust Co. today reduced its prime lending rate from 15¾ percent to 15½ percent. I hope other banks will swiftly follow the lead of Bankers Trust and begin reducing their prime rates from present unnecessarily high levels.

There is no justification for the prime rate remaining at these levels when short-term interest rates have peaked and are heading downward, reducing the cost of funds to commercial banks. For instance, the average Federal funds rate has fallen from 15.61 percent during the last week of October to around 13 percent now. Three-month Treasury bills have fallen from a peak of 12.8 percent in mid-October to under 12 percent.

To continue holding prime rates at record levels while short-term rates are falling simply fattens bank profits while jeopardizing the prospects of reducing inflation without precipitating a deep recession. At present levels, prime rates raise the costs of all business unnecessarily, with particular impact on small business, on housing, and on the purchase of capital equipment needed to increase productivity.

Interest rates should come down.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Fazio) is recognized for 5 minutes.

● Mr. FAZIO. Mr. Speaker, due to a previous commitment on the west coast I was unable to remain in the House long enough for the final vote on hospital cost containment legislation (H.R. 2626), rollcall No. 669, Thursday, November 15. I had requested that I be paired but pairs were not available.

Had I been able to be present at that point, I would have voted in favor of the bill. I would be most appreciative if my position on this matter could be officially recorded in the Congressional Record.

Thank you very much.●

A COOL PRESIDENT STAYS IN THE KITCHEN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Van Deerlin) is recognized for 5 minutes.

● Mr. VAN DEERLIN. Mr. Speaker, in the last 3 weeks we have been privileged to watch a President of great moral and intellectual strength in action.

Refusing to be provoked by political opponents and commentators, Mr. Carter has resisted temptations to turn the Iranian crisis into political theater. The President has calmly considered his limited options and pressed forward with a consistent diplomatic effort to resolve the situation.

To those who never learned the lessons of Vietnam and Cambodia, this is not dramatic enough. Yet, it seems clear to me we are now seeing real leadership.

I offer for the Record an editorial page column on the situation by Joseph C. Harsch, in the Christian Science Monitor:

Like Two Plays on Same Stage: Carter's Crisis Management Steals Headlines From Political Foes

(By Joseph C. Harsch)

The American political scene presented a fascinating spectacle during the past week. It was like a stage with two different and conflicting plays going on at the same time.

In one play were the politicians who hope to replace President Carter at the White House next year. They were acting out their roles and speaking their lines in a play which assumes that Carter is a bumbling incompetent, incapable of handling the affairs of the United States in a crisis. But right there in the midst of all of them was Carter managing those affairs in a quiet prudent and competent manner.

It was Carter's most serious international crisis. On Nov. 4 a mob of "students" had broken into the American Embassy in Tehran and had taken some 60 Americans as hostages. Their lives were in immediate and gravest danger. While demagogues bellowed for "bold" and "drastic" action, Carter put first the lives of those people.

He had little to work with. Military action, or even the threat of military action, probably would have led to the immediate massacre of the hostages. No rational way existed of rescuing the hostages by some sudden airborne operation, as at Entebbe. They were being held in a building in the middle of Tehran, far from any airport, and far from the sea, too far from friendly airfields for helicopters.

Carter's only tools were patience and diplomacy. Patience was necessary to safeguard the lives of the hostages. Diplomacy could be useful in isolating Iran and in trying to bring whatever leadership exists there around to a realization that this country had more to gain than lose by behaving responsibly.

The end of the story is not in sight. But world opinion and the actions of other countries were beginning to operate on the situation.

Mexico withdrew its embassy staff to be in a safe condition should the shah be moved back to that country from New York. President Anwar Sadat of Egypt denounced the actions of the Iranian mob and its nominal leader, the ayatollah. That underlined the fact that Iran could not count on a rallying of Islam to his support.

Perhaps more importantly, the president and his staff arranged with other oil-producing states to make up for the loss of oil shipments from Iran. Once they knew they had alternate sources of oil, they announced that they would allow no more Iranian oil to enter the United States. Carter was getting cooperation from oil producers and other major oil consumers.

So careful and so effective were all those opening moves that few prominent political leaders of any party or constituency criticized them. Most had to profess to pledge their support. Yet while refraining from interfering with the president's management of the Iranian crisis, the challengers who hope to displace Carter from the White House next year continued to speak the lines written for them before this crisis broke.

Sen. Edward Kennedy of Massachusetts went off on the campaign trial offering new "leadership." Ronald Reagan of California announced his readiness to heal "the crisis of confidence" which he believes is afflicting the United States. Gov. Jerry Brown of California traveled and talked of his own willingness to provide new leadership.

Each was assuming that he could handle a crisis better than could Carter. Their offers of help to their country would have been more interesting had they been spoken against a backdrop of presidential waffling and fumbling. But the fact was that Carter's quiet and nonobtrusive management of the Iranian crisis took the headline play away from his challengers and pushed their assumptions and their offerings off the front pages.

The challengers were speaking lines written both before this crisis happened and before the reorganization of the White House had been tested. That reorganization dates from mid-July. It was beginning to function around mid-September. But it takes a real crisis to test the effectiveness of an organization.

Perhaps it can be faulted for having allowed the deposted Shah of Iran to be flown to New York for medical treatment. In retrospect, that action, authorized reluctantly, led into the current crisis. Yet how many who criticize that deed now would decide differently had they been in Carter's shoes? He was told that the shah was desperately ill and that New York City was the only place where he could receive the latest and most effective treatment. Would you have said no under the circumstances?

There is an element of the inevitability of classic Greek tragedy in the whole story. Carter must try to extricate the country from the results of something that happened long before his time. Will he succeed?

We do not know the end of the story. We can see that it is providing Carter with an opportunity to show what his reorganized White House can do in a crisis. If it also confounds his challengers, the irony would delight any Greek playwright.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. JEFFORDS (at the request of Mr. RHODES), for November 26 and 27, 1979, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. CARNEY, a special order for 30 minutes, on today.

(The following Members (at the request of Mr. MATHIS) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. WEAVER, for 10 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ALEXANDER, for 15 minutes, today.

Mr. REUSS, for 5 minutes, today.

Mr. FAZIO, for 5 minutes, today.

Mr. VAN DEERLIN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. GRASSLEY, and to include extraneous matter, on previous legislation.

(The following Members (at the request of Mr. WHITTAKER) and to include extraneous matter:)

Mr. SENSENBRENNER.

Mr. FINDLEY.

(The following Members (at the request of Mr. MATHIS) and to include extraneous matter:)

Mr. BENJAMIN.

Mr. ASPIN.

Mr. ANDERSON of California in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Ms. HOLTZMAN in 10 instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. HARRIS.

Mr. DANIELSON.

Mr. EDWARDS of California.

Mr. FITHIAN.

Mr. MAZZOLI.

Mr. SKELTON.

Mr. OBERSTAR.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on November 20, 1979, present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H.R. 2282. To amend title 38, United States Code, to provide a cost-of-living increase in the rates of compensation paid to veterans with service-connected disabilities and in the rates of dependency and indemnity compensation paid to survivors of veterans, to modify certain veterans' life insurance programs, and to exempt Veterans' Administration home loans from State and antiusury laws; to provide for certain assistance in locating individuals who were exposed to occupational hazards during military service; and for other purposes;

H.R. 4391. Making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1980, and for other purposes;

H.R. 4440. Making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1980, and for other purposes;

H.R. 5811. To allow the Interest Rate Modification Act of 1979, passed by the Council of the District of Columbia, to take effect immediately; and

H.J. Res. 440. Making further continuing appropriations for the fiscal year 1980, and for other purposes.

ADJOURNMENT

Mr. MATHIS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 11 minutes p.m.), the House adjourned until tomorrow, Tuesday November 27, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2867. A letter from the Architect of the Capitol, transmitting a report on his expenditures during the period April 1, 1979, through September 30, 1979, pursuant to section 105(b) of Public Law 88-454; to the Committee on Appropriations.

2868. A letter from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting a list of contract award dates for the period November 15, 1979, to February 15, 1980, pursuant to 10 USC 139; to the Committee on Armed Services.

2869. A letter from the Under Secretary of the Air Force, transmitting a draft of proposed legislation to create the office of Deputy Judge Advocate General of the Department of the Air Force, and for other purposes; to the Committee on Armed Services.

2870. A letter from the Secretary of Housing and Urban Development, transmitting the final report on housing displacement, pursuant to section 902 of Public Law 95-557; to the Committee on Banking, Finance and Urban Affairs.

2871. A letter from the Under Secretary of State for Security Assistance, Science and Technology, transmitting an addition to the previously-submitted report on arms sales proposals considered eligible for approval during fiscal year 1980, pursuant to section 25(d) of the Arms Export Control Act, as amended; to the Committee on Foreign Affairs.

2872. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on the impact on the foreign relations of the United States of the reports required by the Foreign Assistance Act of 1961 on the human rights practices of foreign governments, pursuant to section 504(b) of Public Law 96-53; to the Committee on Foreign Affairs.

2873. A letter from the Administrator, Agency for International Development, transmitting a report on the status of the contingency fund for the fourth quarter of fiscal year 1979, pursuant to section 451(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2874. A letter from the Chairman, Foreign Claims Settlement Commission of the United States, transmitting the annual report of the Commission for calendar year 1978; to the Committee on Foreign Affairs.

2875. A letter from the Assistant Secretary of the Treasury for Administration, transmitting a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2876. A letter from the Deputy Administrator of Veterans' Affairs, transmitting a report on the agency's disposal of foreign excess property during fiscal year 1979, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

2877. A letter from the Secretary of the Interior, transmitting the annual report for fiscal year 1979 on the administration of the Guam development fund, pursuant to section 6 of Public Law 90-601; to the Committee on Interior and Insular Affairs.

2878. A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to change the name of Moores Creek National Military Park to Moores Creek National Battlefield; to the Committee on Interior and Insular Affairs.

2879. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to establish a reservation for the Confederated Tribes of Siletz Indians of Oregon; to the Committee on Interior and Insular Affairs.

2880. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on the primary health care needs of each of the specific tribes of American Indians and Alaska Natives, pursuant to section 116(b) of Public Law 95-626; to the Committee on Interstate and Foreign Commerce.

2881. A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to provide protection for the Cabinet Department Heads and their second ranking officers, and for other purposes; to the Committee on the Judiciary.

2882. A letter from the Director, Administrative Office of the United States Courts, transmitting a report on the suspension of Speedy Trial Act time limits in the Eastern District of North Carolina, pursuant to 18 U.S.C. 3174(d); to the Committee on the Judiciary.

2883. A letter from the Comptroller General of the United States; transmitting a report and recommendation concerning the claim of Campanella Construction Co., Inc., for payment for work done under contract with the Department of the Army, pursuant to the act of April 10, 1928 (45 Stat. 413, 31 U.S.C. 236); to the Committee on the Judiciary.

2884. A letter from the Chairman, Copyright Royalty Tribunal, transmitting the second annual report of the Tribunal, covering fiscal year 1979, pursuant to 17 U.S.C. 808; to the Committee on the Judiciary.

2885. A letter from the Adjutant General, United Spanish War Veterans, transmitting the proceedings of the stated convention of the 80th National Encampment, United Spanish War Veterans, Inc. held in Des Moines, Iowa, September 16-21, 1978 (H. Doc. No. 96-232); to the Committee on Veterans' Affairs and ordered to be printed.

2886. A letter from the Chairman, Nuclear Regulatory Commission, transmitting the 17th report on abnormal occurrences at licensed nuclear facilities, covering the second calendar quarter of 1979, pursuant to section 208 of Public Law 93-438; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

SUBSEQUENT ACTION ON BILLS INITIALLY REFERRED UNDER TIME LIMITATIONS

Under clause 5 of rule X,

H.R. 4660, a bill to amend the Small Business Act and an act to amend the Small Business Act (Public Law 94-305, 90 Stat. 669) to provide regulatory flexibility for small businesses and small organizations to minimize unnecessary burdens in complying with Federal rules and reporting requirements, which was referred to the Committee on the Judiciary, extended for an additional period ending not later than February 15, 1980.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, bills and resolutions of the following titles were introduced and severally referred as follows:

By Mr. ANDREWS of North Dakota (for himself and Mr. Van Deerlin):

H.R. 5947. A bill to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Louis L'Amour; to the Committee on Banking, Finance and Urban Affairs.

By Mr. APPLEGATE:

H.R. 5948. A bill to amend the Immigration and Nationality Act of 1952, Title 8, U.S.C. Section 1251 relating to the general classes of deportable aliens; to the Committee on the Judiciary.

By Mr. HARRIS (for himself and Mr. Rodino):

H.R. 5949. A bill to amend the Antitrust Civil Process Act to authorize the Department of Justice to use agents in connection with the enforcement of the antitrust laws; to the Committee on the Judiciary.

By Mr. ROBERTS (by request):

H.R. 5950. A bill to amend title 38, United States Code, to increase from $40,000 to $60,000 the maximum amount of mortgage protection life insurance which the Veterans' Administration may provide veterans with service-connected disabilities; to the Committee on Veterans' Affairs.

H.R. 5951. A bill to amend title 38, United States Code, to provide an incentive for severely disabled veterans entitled to an aid and attendance allowance for non-service-connected disabilities to live outside of an institutional setting; to the Committee on Veterans' Affairs.

By Mr. SCHULZE:

H.R. 5952. A bill to continue until the close of June 30, 1982, the existing suspension of duties on concentrate of poppy straw; to the Committee on Ways and Means.

By Mrs. SPELLMAN:

H.R. 5953. A bill to preserve, protect, and maintain the original boundary stones of the Nation's Capital; to the Committee on Interior and Insular Affairs.

By Mr. ZABLOCKI (for himself, Mr. Fascell, and Mr. Yatron) (by request):

H.R. 5954. A bill to amend the Foreign Assistance Act of 1961 to authorize assistance in support of peaceful and democratic processes of development in Central America, with special attention to re-establishing conditions of stability and growth in the Nicaraguan economy, and to provide additional economic support for other countries in Central America and the Caribbean, and for other purposes; to the Committee on Foreign Affairs.

By Mr. ALEXANDER:

H. Res. 491. Resolution asking that the assets owned by the Islamic Republic of Iran within the jurisdiction of the United States be seized in payment of debts owed by the Islamic Republic of Iran to the United States of America; in reparation for damages to United States property under the protection of the Islamic Republic of Iran, and for compensation to American citizens illegally held hostage by agents of the government of the Islamic Republic of Iran; to the Committee on Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 628: Mr. Shannon.

H.R. 2289: Mr. Wirth.

H.J. Res. 407: Mr. Gaydos.

H. Con Res. 212: Mr. Runnels, Mr. St Germain, Mr. Courter, Mr. Ertel, Mr. Moffett, Mr. Coelho, Mr. Dixon, Mr. Dingell, Mr. Sawyer, Mr. Ottinger, and Mr. Waxman.

H. Res. 446: Mr. Bingham, Mr. Patterson, Mr. Downey, Mr. Weaver, and Mr. Zablocki.

PETITION, ETC.

Under clause 1 of rule XXIII,

225. The SPEAKER presented a petition of Jack Alotto, and others, relative to American hostages in Iran; to the Committee on Foreign Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5461

By Mr. BEARD of Tennessee:

—Page 2, line 3, strike out "January 15" and insert in lieu thereof "third Sunday in January".

Page 2, after line 3, insert the following new section:

SEC. 2. Section 6103 of title 5, United States Code, is amended by redesignating subsection (c) as subsection (b) and by inserting after subsection (b) the following new subsection:

"(d) For the purpose of statutes and Executive orders relating to pay and leave of employees, the birthday of Martin Luther King, Junior, the third Sunday in January, shall not be considered a legal public holiday.".

SENATE—*Monday, November 26, 1979*

(Legislative day of Thursday, November 15, 1979)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. Howell Heflin, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Dear Lord and Father of mankind, grant us faith to believe that more things are wrought by prayer than this world dreams of. May the prayers of our hearts transcend the words of our lips. Read our hearts, test our longings, have regard for our devotion. Equip us to labor in this place at this time knowing that the destiny of men and nations may turn on what we say and how we say it, what we do and the way we do it. Work Thy will among the nations bringing release to the captives, justice to the oppressed, and peace to the whole world. And to Thee shall be the praise and the thanksgiving. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Magnuson).

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., November 26, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Howell Heflin, a Senator from the State of Alabama, to perform the duties of the Chair.

Warren G. Magnuson,
President pro tempore.

Mr. HEFLIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REPORT OF COMMITTEE ON FOREIGN RELATIONS ON SALT II

Mr. ROBERT C. BYRD. Mr. President, over the Thanksgiving holiday I took occasion to read the report of the Committee on Foreign Relations dealing with the SALT II treaty. That report is a very thorough, informative, and comprehensive report. I have been impressed from the beginning by the thorough conduct of the hearings conducted by the Foreign Relations Committee under the chairmanship of Mr. Church and the ranking minority leadership of Mr. Javits.

A reading of this report can only impress the reader with that thorough procedure utilized by the Foreign Relations Committee in making its judgment.

I recommend that all Senators who have not yet made a final decision on the treaty, and there are many in that category, read this report in its entirety before they make a decision. It is illuminating.

The committee hearings extended over a period of several weeks, as my colleagues know, and the markup itself took several days. Many, many witnesses were heard both in public and in executive sessions.

The committee in its markup adopted 23 amendments, I suppose we could call them, to the Resolution of Ratification. The committee did not resort to the usual categorization of such amendments by use of the terms reservations, understandings, conditions, et cetera, but it laid out a format of three categories into which the various reservations would follow.

One of these categories would require the consent, I suppose that word would be appropriate, or the acquiescence, or agreement of the Soviet Union before the treaty would go into effect. And there were two such amendments in that category.

Another category would require that the Soviet Union be notified of the content of the provision, but the consent and/or agreement by the Soviet Union would not be required.

The third category, which is number one in the series of three categories, would require only that our own Government, our own executive branch, take notice. Nine of the amendments were rejected.

I say that it will be an education in itself for any individual who wishes to know the contents of the treaty and the various meanings of the various articles, and there are 19 of them, to read this committee report.

I take this occasion, therefore, to commend the chairman, Mr. Church, the ranking minority member, Mr. Javits, and all the members on both sides in the committee. Both the minority and the majority, the opponents and the proponents were most cooperative and most considerate of each others' viewpoints.

I also commend again, as I say, the reading of this report to Senators who have not yet made up their minds.

I have studied the transcripts of the hearings. I have read the treaty a number of times. I am not an expert on it. But I studied the treaties and the transcripts and other documents for more than 4 months before I reached my own decision.

Again I urge those Senators who have not yet decided to read this committee report. It will not only be good reading but it will give them a good basis for whatever decision they may reach.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. PROXMIRE. Mr. President, I thank the majority leader for calling the attention of the Senate to the Foreign Relations Committee report. I think too often in this body we fail to study the reports which give us the results of the hearings that are held by committees and which should be the principal basis for our decision.

The Senator is correct in calling attention to this most remarkable report, which is very comprehensive, with outstandingly qualified witnesses on both sides who appeared for and against the treaty. It is an excellent analysis, and it is a very, very thorough report on what will be perhaps the most important decision we make this year in this body, a decision that is going to affect the security of this country and the peace of the world. I think the majority leader has rendered a great service to this body by calling our attention to it and by asking Senators to read it.

As I understand, it was a thorough line-by-line analysis of this treaty.

Mr. ROBERT C. BYRD. That is true.

Mr. PROXMIRE. As one who has not made up his mind I am sure this is going to be very helpful to me.

Mr. ROBERT C. BYRD. It is not only a line-by-line layout of the treaty, but also it has the executive branch comments with respect to each article, and also has the Foreign Relations Committee staff comments in relation to each article.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

I thank the distinguished Senator for his comments, and I am glad he joined me in feeling that this is a thorough report and one which ought to be read by Senators, if they have not already reached a judgment—and some have, and that is their right—those who still have not reached a final judgment, and I think their time would be well spent in reading this report.

Now, Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 2 minutes.

MEETING OF THE U.N. SECURITY COUNCIL ON IRAN

Mr. ROBERT C. BYRD. An urgent meeting of the U.N. Security Council has been called by Secretary General Waldheim to deal with the continuing problems in Iran.

I welcome this meeting of the U.N. Security Council and hope that it will make clear the strong international support for the release of the Americans being held hostage in Iran and the opposition to Iran's actions.

This situation warrants strong, active support for the United States by the international community. The takeover of the Embassy in Tehran and the holding of the hostages violates all precepts of international law and diplomatic practice.

The people of this Nation feel very strongly about this emotional and explosive issue. Our primary concern at this point continues to be obtaining the release of those 49 hostages who have been held in Tehran since November 4.

All of the American people welcomed the 13 Americans who were released and returned to this country on Thanksgiving Day. We stand united in wanting to see those remaining 49 hostages safely returned.

It has been encouraging to hear statements of international support for the release of the hostages, such as last week's statement by the Council of Europe. The Council, which is composed of 21 member nations, condemned the hostage taking as a flagrant violation of international law and urged the Iranian authorities to put an end to a situation which dangerously impairs international relations.

There can be no question that this situation does have potentially serious and dangerous ramifications in international affairs—clearly justifying the urgent meeting of the Security Council.

Already we have seen evidence of how rumor and misinformation about this volatile situation can lead to violence and tragedy, such as occurred in Pakistan last week. Reports that the United States was somehow implicated in the invasion of the holiest Moslem religious site, the Grand Mosque in Mecca, led to anti-American demonstrations in several Moslem countries. In fact, such reports of U.S. involvement were, of course, totally without justification. Indeed, the Grand Mosque was apparently attacked by a group of Moslem fanatics. Reportedly, Saudi Arabian troops have now regained control in Mecca.

Demagogic statements and charges, with no basis in fact, can further fuel this highly-charged situation.

Thus, we must continue our efforts to bring international pressure to see the hostages released. The Carter administration states that it is utilizing all available channels for this purpose.

While we are concentrating our efforts on bringing an end to this gross outrage in Iran, we must also be considering steps we should take to strengthen our own position and decrease our potential vulnerability to bizarre and vindictive actions by others.

I have spoken before of the need to strengthen our capability to react quickly to situations overseas, which means improving our communications and logistical systems and overall military preparedness. I believe that strong support for such improvements is increasingly evident.

I have also repeatedly emphasized the need for this Nation to reduce its vulnerability in the energy area. We must minimize the degree to which we are dependent on the whims of other nations, on developments which are really beyond our control. The Senate has taken some important steps in bolstering our Nation's energy policy. The events of recent weeks in Iran and elsewhere in the Persian Gulf area have underlined the absolute necessity of moving ahead with a broad-based energy program in this country. This week the Senate will be continuing its consideration of important energy-related legislation which will help strengthen our Nation.

The ACTING PRESIDENT pro tempore. The majority leader's time has expired.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting minority leader is recognized.

Mr. STEVENS. Mr. President, I yield such time as he may require of my time to the Senator from Virginia (Mr. Warner).

REPORT ON BREAKFAST MEETING WITH FORMER DEPARTMENT OF DEFENSE OFFICIALS

Mr. WARNER. Mr. President, I thank the Senator.

I wish to commend the distinguished majority leader for bringing to the attention of the Senate the report of the Foreign Relations Committee. I likewise have studied it with great interest and find it a valuable contribution to this subject so vital to our Nation.

I wish to inform my colleagues concerning a breakfast meeting on SALT II held this morning in the Mansfield Room. About a dozen Senators hosted the former Secretary of Defense, Mr. Rumsfeld, the former Deputy Secretary of Defense, Mr. Clements, now Governor of Texas, together with the three service Secretaries, Middendorf, Navy; Hoffman, Army; and Reed, Air Force, who were the team in the Department of Defense at the time of the Vladivostok consideration of SALT.

I ask unanimous consent that their prepared release be included in today's Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

A STATEMENT ON THE SALT II ACCORDS

This week the question of ratification of SALT II may reach the floor of the United States Senate. The five of us, as the senior civilians in the Department of Defense, were responsible to the President for national security matters until January 20, 1977. As a result, we feel that the Senate and the American people should have our considered views of the pending SALT II proposals.

Each of us was involved in the arms limitations considerations having spent hundreds of hours grappling with these complex issues. All of us hoped the SALT process would bring forth a suitable treaty. We hoped an agreement could be achieved about which we could be as confident that the U.S. security would be enhanced as the Soviets appear to believe that the pending agreement will increase theirs.

We have considered the treaty as it finally emerged, examined the changing strategic balance, and made our individual views known to the Senate and the American people in some detail. Copies of our statements are available here this morning.

In summary, it is our unanimous view that the pending SALT II Treaty, the Protocol, and the various "understandings" do not merit Senate approval. The proposed bargain is a bad one for the United States—and by a significant margin.

We believe that in the mid-seventies the United States could have achieved a treaty comparable to that now before the Senate. It was our view then that such a treaty would not be in the best interests of the United States. It is even more our view today.

A number of able individuals have agreed that this is not a good treaty, but they have taken the position that this treaty, despite its defects, is better than none at all. We strongly disagree.

This is the time to face up to reality, to face the facts of our military posture vis-a-vis the Soviet Union. We are convinced that ratification of SALT II will postpone that reckoning, and that the reckoning, whenever it occurs, is bound to have an impact on U.S.-Soviet relationships whether or not SALT II has been ratified. Whenever the Soviets come to understand that their 15-year military buildup will no longer be abetted by U.S. force reductions and weapons cancellations there is bound to be a debate on that hard fact. Better to face that reality now, while the Soviets are gaining the upper hand, than after several more years when that Soviet upper hand has grown to an iron fist.

Our Nation's situation is more dangerous today than it has been any time since Neville Chamberlain left Munich setting the stage for World War II.

Since World War II, the U.S. has successively moved from exclusive control of nuclear weapons to overwhelming superiority to essential equivalence and now to certain vulnerability by the early 1980's. The massive shift in power—strategic, theater nuclear, conventional and naval—is having the inevitable effect of injecting a fundamental instability into the world equation.

I. SALT II IN RELATION TO NATO

(Donald Rumsfeld)

Several arguments have been put forward by the present Administration in their efforts to gain support for SALT II. A recent claim is that Senate defeat would disrupt, if not destroy, the NATO Alliance. Having dealt with NATO in a variety of capacities, beginning in 1973 as U.S. Ambassador to NATO, I find such a foreboding forecast irresponsible.

Our NATO allies have consistently looked to the United States for leadership on nuclear matters, particularly on U.S.-Soviet strategic arms. Since the current Administration is so vigorously supportive of this SALT II agreement, it comes as no surprise that European officials have followed suit publicly. Nonetheless, many knowledgeable Europeans are concerned about SALT II and what it portends for future arms agreements. This agreement would be an unattractive stepping off point for SALT III negotiations.

I have more confidence in NATO as an institution and in our allies as members than do those alleging that NATO would unravel in the wake of a Senate decision that SALT II should be renegotiated. The Alliance is not that fragile.

I believe this Administration has used NATO recklessly in its efforts to sell a bad treaty. If our allies foresee an era of continuing erosion of U.S. strength relative to the Soviet Union, that will contribute to a loss of confidence. What is needed instead is U.S. leadership and strength.

II. SALT II AND THE GRAY AREA SYSTEMS

(Martin R. Hoffman)

Our European allies have reason to be concerned, since we have displayed an uncharacteristic disregard for their and our interests. The treaty is casual about "gray area" systems (Backfire and the SS-20) which this Administration claims do not pose a threat to the U.S. They represent a very real challenge to western Europe. At the same time, the U.S. has compromised its cruise missile advantages. The strategic arms agreement reached at Vladivostok by President Ford was superior to that concluded in Vienna by President Carter in these regards.

Vladivostok left open the matter of the Backfire bomber for further negotiation *in tandem* with negotiations on cruise missiles. At that time, the Backfire was just coming into operation and there was debate within the U.S. Government as to its capability. Now most agree that Backfire has intercontinental range. Nonetheless, it is left outside the legal SALT II package, while cruise missiles are included. Air-launched cruise missiles, a new American technology, would be restricted in both deployment and payload characteristics. The Protocol obviously will be a precedent for SALT III, and under it sea-launched cruise missiles would be restricted in their nuclear and in their conventional or non-nuclear role. Ground-launched cruise missiles, left open at Vladivostok, would also be restricted, in both nuclear and conventional roles, to the disadvantage of the U.S. and our allies.

In short, the SALT II package creates an unprecedented situation in European security affairs by limiting NATO's Europe-related military capabilities—cruise missiles—to accommodate Soviet arms control pressures. SALT II and the Protocol would: a) place into question the ability of the U.S. to help the Europeans modernize their nuclear and conventional forces; b) possibly limit the U.S. ability to modernize our own defense forces in and around Europe; and c) leave the Soviets' Euro-strategic nuclear forces—primarily the mobile SS-20 missiles and the Backfire bombers—unconstrained by the documents.

III. AMERICAN DEFENSE CAPABILITIES THEN AND NOW

(Thomas C. Reed)

In January of 1977 the United States at least enjoyed something called essential equivalence as President Ford had commenced rebuilding our strategic forces:

The TRIDENT submarine and missile programs were well under way, with an operational first boat expected this year.

The B-1 had been committed to production. The first production aircraft would have been delivered to the Air Force last summer. The first two wings would have been operational by 1982 with the entire force delivered and deployed by 1985.

The cruise missile had been reinvented with modern technology. Air and sea launched versions were to have been deployed two months from now.

The ICBM assembly lines and industrial base had been kept open.

Guidance system improvements and a new, higher yield warhead had been ordered for Minuteman.

The Air Force seriously addressed the need for ICBM modernization and settled on a design, known as M-X. By January of 1977 there were no technical uncertainties to preclude immediate full scale development and production of a 100-ton M-X that would fit in the Minuteman silo, but with ten times the destructive power of that aging missile. The budget submitted to Congress in January of 1977 called for initial operational deployment of M-X in 1983, with means to accelerate that to 1982 if desired. More importantly, the budget submission of January 1977, envisioned the maintenance of essential equivalence at the very least. But in that month there arrived a new and different view of national security.

The Carter Administration recommended immediate cuts in defense programs. Over the four year life of this Administration they would constitute a $50 billion reduction from plans that were in place when they took over. Consider:

The first TRIDENT submarine will not be operational until 1981 and there is no program for deployment of the TRIDENT II missile in that boat.

The B-1 program has ceased to exist, and the Administration has yet to announce how it plans to get the so-called replacement weapon system—cruise missiles—off the ground, away from ground zero, and somewhere near the Soviet Union in the event of surprise attack.

The cruise missile program itself has been delayed at least two years—to the end of 1982.

ICBM production lines have been closed and key personnel have scattered.

M-X has been studied to death, with an initial operational capability delayed to 1986, and a complete force not available until 1990.

On the average, the strategic programs of the United States will have slipped three years during the four years of this Administration. Not a brilliant record. Yet this Administration now is seeking a vote of confidence in these strategic arms policies by proposing a SALT II treaty.

These policies if pursued will be catastrophic for the United States. They have set the stage for the politico-military inferiority of the United States in the early to mid-1980's. They do not deserve a vote of confidence, and the SALT II treaty should not be ratified as proposed.

IV. TRIDENT, SEA CONTROL, AND THE TRANQUILIZER EFFECT

(J. William Middendorf)

This Administration has placed great weight on the Submarine Launched Ballistic Missile as a guarantor of stability. Even in this critical area the Carter Administration is ignoring reality.

The Poseidons are old. They are confined to areas of the ocean that will sooner or later make them susceptible to detection. Yet the TRIDENT submarine program has been reduced. The TRIDENT II missile program with its improved range, payload accuracy—which would have vastly expanded the operational areas of the TRIDENT submarine—has been postponed indefinitely. And this neglect is only one example of what has happened to the United States Navy.

The Navy shipbuilding program has been emasculated. We worked for three years to bring forward a Navy shipbuilding program that would, by 1990, give us a "sea control Navy" of 580 ships. Despite the vast Soviet naval build-up, this Administration's current program will have the effect of cutting the Navy to about 300 ships in 1990, a cut of more than half in terms of capability.

These reductions are part of a dangerous pattern, in some respects arising from the SALT process itself. This process has had the effect of lulling the American people into believing that an agreement in itself—rather than the real relative capabilities—can assure U.S. national security. Our proper goal should not be an arms agreement per se, but rather peace and the preservation of freedom. To the extent that such an agreement can contribute to that goal—and to that extent alone—it is desirable. I do not believe SALT II as drafted so contributes.

Rather, I believe it contributes to a dangerous tranquilizing effect—a feeling that all is well because the Administration has said so.

V. THE SALT PROCESS AND SOME CONCLUSIONS

(William P. Clements)

This combination of induced public tranquility, determined Soviet progress, and a casual attitude by the U.S. Government towards defense, these factors have all combined to bring us to the brink of mortal peril. During my four years as Deputy Secretary of Defense, I was a member of the National Security Council and was also a member of all of the subcommittees.

The record is clear that over that four year period I supported a proper SALT treaty. My colleagues and I are all in favor of nuclear arms limitation treaties. I was also a strong advocate of the Vladivostok accords. And I strongly advocated "equal aggregates with freedom to mix". But SALT II as it has emerged does not represent a net improvement over the Vladivostok accords. On the contrary, the contentious issues of Backfire and cruise missiles have been resolved in ways largely unfavorable to the U.S., while problems involving verification, survivability of U.S. missiles, and the preponderance of Soviet throw weight have been left to haunt us in the future.

This treaty should not be ratified. Any new treaty must cover the inequities generated by the Soviet "heavy ICBMs", must clarify U.S. rights to build the appropriate mobile ICBM system, must recognize that Backfire is a strategic system, must resolve ambiguities and limitations on U.S. cruise missile technology, and must assure verification.

At the same time, the Congress and the Administration must support immediate defense investment to recover from the false economies of recent years. The widely discussed 5 percent real increase represents roughly $6.5 billion per year. This figure falls far short of meeting the true defense needs of the country. It has taken several years to create this problem, and it will now require a real increase in defense spending of $20 to $25 billion per year with emphasis on strategic systems to have any hope of recovery by the late nineteen eighties.

We all want peace and security for our Nation. The question is how to assure that peace and security.

Leadership and determination are required. We could have had this SALT II agreement years ago. It was not acceptable then. We do not recommend its ratification now.

Mr. WARNER. Mr. President, although I am placing the statements of these former Department of Defense officials in the RECORD, I wish to make clear that I reserve final judgment with respect to the contents of their statements. As a group these distinguished former Defense officials are unique in their experience in the formative stages of the SALT II negotiations upon which their opinions and conclusions rest. I recommend to my colleagues a study of their release, another valuable contribution to this vital national issue.

At the conclusion of our breakfast meeting, I shared with them my belief, which I first addressed to the Senate in a colloquy with the distinguished majority leader on September 25 that there is a middle ground in terms of the Senate's constitutional responsibility with respect to SALT II, namely that we, as a body of statesmen, may come to recognize that in order to keep the SALT process alive we should find a means by which to recommit the treaty to the President, and recommit it in a manner that in no way denigrates the efforts of the President on behalf of the SALT process. We may come to the recognition that now is not the time for the Senate to make a final determination for or against this particular treaty for these reasons.

We have a political year rapidly coming upon us, we have the consideration of America's 5-year defense program, which cannot be guaranteed by an administration with just 1 year remaining in office and we wish to avoid the consequences of a deadlock between the President and the Senate experienced during the debate on the historic Treaty of Versailles following World War I. Therefore, it will be my recommendation to the Senate—and I will express this recommendation in the form of my statement to be filed with the Armed Services Committee report on SALT, which should be forthcoming this week—that a final determination by the Senate on SALT II be deferred until after such time as the United States elects its President in November of 1980.

Such action by the Senate must reflect our genuine and clear concern for arms control and global peace and security. It should not be perceived as a breakdown or collapse of our constitutional system with respect to treaties, nor should it represent a rejection of the total efforts by the President, the negotiators of SALT II, and Cabinet advisors.

If the Soviets are sincere about their intentions to achieve meaningful arms control, they should accept the reality of such a deferral. There is legal precedent in international relations for the signatory powers to a treaty to live within the spirit of the terms pending final action by either signatory. Further the United States and the Soviet Union are presently observing this international law respecting two treaties signed but awaiting final disposition by the Senate: Threshhold Test Ban Treaty, signed in 1974; and the Peaceful Nuclear Explosions Treaty, signed in 1976.

Thank you Mr. President.

PRAVDA WARNING ON MISSILES

Mr. STEVENS. Mr. President, I join in commending my good friend, the majority leader, for his comments about the work of the Foreign Relations Committee. I have on many occasions listened to our ranking member on that committee, Senator Javits of New York, brief those in the leadership on our side of the aisle as to the progress being made by the committee, and we all know it was a most thorough and painstaking job that they undertook in considering the issues that were presented to their committee.

As one who is not totally committed one way or the other on this SALT Treaty, I found an article in this morning's newspaper a little disquieting. It was an article entitled "Pravda Warning on Missiles."

The article, datelined Moscow, is very short so rather than place it in the Record I will just read it:

> Commentary in the Communist Party newspaper Pravda said American strategists are striving for nuclear-weapons superiority over the Soviet Union, and warned that Moscow would retaliate for any attempt to place new missiles in Western Europe.
>
> The article referred to Soviet officials' trips to Bonn and Rome to press the Soviet case against NATO missile modernization plans. These efforts were believed in the West to have failed to dissuade either Italy or West Germany from accepting new types of medium-range missiles.
>
> The NATO alliance is to meet next month to decide whether to place nearly 600 new missiles, aimed at the Soviet Union, in Italy, West Germany, Belgium, the Netherlands and Britain.

I am sure the Senate realizes that part of the consideration that led to the treaty was the balance that we were told existed for the period that the treaty would cover, and that balance is contingent upon, at least in part, the deployment of the so-called cruise missile, the range of which has been limited and which can only be placed in the countries allied with us under NATO, particularly, Italy and West Germany.

There are other nations whose locations would be equally advantageous. It disturbs me to learn that the Soviets, having entered into this agreement which limits the range of our new cruise missiles, which missiles, when deployed would offset Soviet weapons already in place, and would not be an escalation of the arms race, are trying to frustrate the intent of the treaty before it is even ratified. These are missiles which are included within the concept of SALT II.

If we are to sign an agreement and ratify a treaty that would hinge upon our being able to deploy the cruise missile, and then learn that the Soviets are using their powers of persuasion to prevent these missiles from being located on the Continent, then I fail to see how we could achieve an agreement that would be considered in the best interests of the United States. I, for one, hope that the Foreign Relations Committee will ask for, receive, and be prepared to answer questions concerning the adequate explanation of this issue from the Soviet Union. It is my further hope that the committee will be able to explain to some of us who are uncommitted as to how this would affect deployment of missiles covered by SALT II, and in particular, as I mentioned, the cruise missile, which I consider to be one of the most important missile systems that we have in the offing, and one that is currently capable of being deployed, as I understand the situation.

Does the Senator from North Carolina seek time? Mr. President, may I inquire how much time I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 3 minutes of leadership time remaining.

Mr. STEVENS. I yield 1 minute to the Senator from North Carolina.

Mr. HELMS. I thank my friend from Alaska.

SENATOR McCLURE SAVES TAXPAYERS $1.9 BILLION

Mr. HELMS. Mr. President, I want to commend the able and distinguished Senator from Idaho (Mr. McClure) for the effective role he played in the development of the Agriculture Appropriations bill, H.R. 4387.

One of his accomplishments on that bill, in particular, warrants special recognition. During conference committee deliberations, the administration asked the conferees to increase food stamp spending to a total of $1.9 billion more than either the Senate or the House voted in their respective versions of the bill. No authorization exists for such a funding level, so the appropriation of these additional funds was to be made "subject to authorization."

Senator McClure promptly questioned this request and, after investigation, revealed the effort for exactly what it was—a legislative "end run." The Senator's lucid explanation of the circumstances surrounding that proposal led the conference committee to dismiss the request. Now, as is proper under our appropriations process, that proposal will be considered in a thorough and timely manner by all of Congress as a supplemental appropriations request next year.

Senator McClure's well reasoned efforts which caused the blockage of that extravagant proposal have helped preserve the appropriations process. And, most importantly Senator McClure's good work has preserved the oversight prowess of the Agriculture Committee when it is needed most—with the food stamp program.

Mr. President, we are very fortunate to have among us a Senator with the ability, judgment, and skill of Jim McClure.

The citizens of Idaho should be proud of his efforts to bring wasteful spending under control.

Mr. PROXMIRE. Mr. President, if the minority leader has time remaining, I would appreciate if he would yield it to me.

Mr. STEVENS. If it is on the same subject we have been discussing, I will be happy to yield the Senator my time.

Mr. PROXMIRE. No.

Mr. STEVENS. I notice that the Senator from Massachusetts (Mr. Tsongas) is waiting. He does have a special order.

Mr. PROXMIRE. I beg the Senator's pardon.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. STEVENS. I do yield the remainder of my time.

SALT II

Mr. ROBERT C. BYRD. Mr. President, the questions that have been raised by the distinguished acting Republican leader are extensively treated in this report. First, the cruise missile, sea launch and ground launch, are included in the protocol. Testing can continue; development can continue; deployment cannot continue with respect to those that have a range in excess of 600 kilometers.

But the Foreign Relations Committee provided, in one of its categories, that the extension of the protocol in part or in its entirety could take place only in the event of consent by the Senate, by a two-thirds vote.

The committee also dealt with the noncircumvention clause in a way that makes absolutely clear that the United States will continue its collaboration with its allies with respect to the modernization of theater nuclear weapons.

I am not surprised at all by the Pravda editorial. I would have anticipated it. I saw that Mr. Gromyko had visited Germany and talked with Chancellor Schmidt. Mr. Brezhnev made his offer some time ago, which was quite transparent; and so I am not surprised at all at the article. I would just hope that Germany, Italy, and the other allies will go right ahead plowing a straight furrow, and make their decisions based on the interests of the allies, including ourselves.

I would hope that this body would act on the treaty after a reasonable length of time, and act favorably, so that our NATO allies can get encouragement from such action as they seek to go forward with the modernization of the TNF.

Mr. STEVENS. Mr. President, I ask unanimous consent that the special order for the Senator from New York come after that of the Senator from Massachusetts.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from Massachusetts is recognized.

MR. KISSINGER AND THE SHAH

Mr. TSONGAS. Mr. President, I would like to speak on two matters this morning. One is the rather startling posture assumed by former Secretary of State Henry Kissinger, who, as Senators know, has seen fit to comment on the recent events in Iran. I ask unanimous consent to have printed in the RECORD at the end of my remarks an editorial entitled "Kissinger's Cheap Shot," published in the Boston Globe on Saturday, November 24, 1979, and also an article written by Curtis Wilkie that appeared in the Globe on the same day, entitled "Kissinger Threat Alleged."

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. TSONGAS. I will read just the first paragraph of the Wilkie story:

> Henry Kissinger threatened to hold the Carter administration accountable for the death of the deposed Shah if the exiled Iranian ruler was not permitted to come to the United States for cancer treatment, according to a high State Department official.

I will read the last paragraph of the editorial:

> It is also sad to hear the former Secretary of State suggest to American audiences that a different kind of leadership for the past 2 years, and maybe some show of military strength, would have made a material difference in the course of events in the turbulent world of Islam, events that have been building up for decades.

Mr. President, if I were former Secretary Kissinger, having pleaded the United States into an alliance with the former Shah, and never having attempted to persuade him to soften his authoritarian role, I would disappear and try not to be interviewed. But in some contrast, he is out making speeches—at, I am sure, a rather tidy sum per speech—saying that somehow if he were Secretary of State today, it would be different.

I recall when I was running for the Senate Henry Kissinger said that being a Peace Corps volunteer gave one no insight into foreign policy. It seems to me that what this country needs, beyond a 5-cent cigar, is either Henry Kissinger's silence or his 2-year stint in the Peace Corps.

EXHIBIT 1

[From the Boston Globe, Nov. 24, 1979]

KISSINGER'S CHEAP SHOT

One need have no sympathy with those who now seem to hold power in Iran to have very serious doubts about the assertions coming from Henry Kissinger about how we all got where we are right now.

The former Secretary of State recently told a meeting of Republican governors in Austin, Tex., that vacillating American policy under President Carter had somehow lost Iran, the implication being that the United States was in a position to control events in that troubled country.

Kissinger's argument is in some respects a safe one. There is always appeal to the notion that the party in power at the time of a setback ought to take the blame for setback, no matter how deep-seated the causes of the problem.

Kissinger implies that Carter could have put a stopper in the bottle of traditionalist ferment throughout the Islamic world; that he could have overcome the authentic Iranian revulsion at the wrongs of the shah's regime; that he could have provided a military solution to an essentially politico-religious movement that was conspicuously nationalist in character.

Kissinger's complaints would be more believable if there was anything to indicate that he and his colleagues in government had done anything while they held power to convince the shah that he had to change his own policies. Kissinger might have urged the shah, for instance, to encourage the development of local governmental responsibilities to drain off the energies and hostilities of those who ultimately made the Iranian revolution an inevitable success. Apart from his willingness to accept domestic violence as part of his mode of government, the shah's chief failing was his intolerance of sharing power among all levels of society—and Kissinger seems never to have made any attempt to change that policy.

There are ugly features to the Islamic revival—the rising talk of conflict between Islam and blasphemy, for example. The world has moved too far to fall victim to calls for a holy war and it is sad to have the Ayatollah Khomeini issue such a call—and be heard sympathetically by his more volatile followers.

It is also sad to hear the former Secretary of State suggest to American audiences that a different kind of leadership for the past two years, and maybe some show of military strength, would have made a material difference in the course of events in the turbulent world of Islam, events that have been building up for decades.

KISSINGER THREAT ALLEGED

(By Curtis Wilkie)

WASHINGTON.—Henry Kissinger threatened to hold the Carter Administration accountable for the death of the deposed shah if the exiled Iranian ruler was not permitted to come to the United States for cancer treatment, according to a high State Department official.

The message was conveyed "pretty directly" to Secretary of State Cyrus Vance last month during Kissinger's efforts to persuade the Administration to let the shah come to New York, the official said.

The decision to permit the shah to enter the United States was made after his advocates—including Kissinger and New York banker David Rockefeller—made a "persuasive argument that the shah was seriously ill," the official said.

State Department physicians concluded that the shah was gravely ill from cancer after they reviewed medical records turned over to them by Dr. Benjamin Kean, a specialist who was dispatched by Rockefeller last month to examine the shah in Mexico, according to another senior Administration official.

However, the medical information was coupled with the political threat from Kissinger, the State Department official said. "He told us that if the shah died elsewhere without obtaining treatment here, then he would put our tit in the wringer."

(The "wringer" phrase was the official's choice of words, rather than Kissinger's. The phrase came into prominence during the Watergate investigations, when John Mitchell, former attorney general, used the phrase in a warning to the publisher of the Washington Post.)

Kissinger could not be reached for comment yesterday.

President Jimmy Carter, who sources said acted on the advice of Vance, agreed to let the shah come to this country on Oct. 20, in a gesture described by White House aides as "humanitarian."

The shah has been a patient at the New York Hospital-Cornell Medical Center since Oct. 22 and is still receiving treatment for cancer. Meanwhile, 49 Americans have been held hostage in Tehran for nearly three weeks by Iranian revolutionaries demanding the shah's extradition to Iran.

The shah underwent an operation for gallstones after his arrival in the United States, and he reportedly is to have another stone removed before his doctors will allow him to leave the hospital. However, the gallstone condition apparently was not an issue in the State Department's determination that the shah was seriously ill.

Kissinger's role in geting the shah into this country and his subsequent comments on the Iranian situation have aroused deep resentment within the Administration.

White House aides were furious this week over Kissinger's speech before a Republican governors conference in Austin, Tex., in which he accused the Administration of weak leadership in the Iranian crisis and said the American people are "sick and tired of being pushed around."

"He'll go off and make a cheap political statement, and then he'll call up privately and assure us that he supports the way the President is handling the situation," a White House official said. The officials said Kissinger made one of these calls to a Carter ally outside of government this week, after the Austin speech.

"Henry Kissinger is a devious and dishonorable man," the official, who is one of Carter's closest advisers, said.

"He's been trying to get the shah into this country since February or March," the White House official said. "He's been going around the Georgetown cocktail circuits, sticking it to us."

The Wall Street Journal reported yesterday that Administration officials initially resisted Kissinger's pleas that the shah be admitted but reconsidered when Kissinger linked the matter to his position on the Strategic Arms Limitation Treaty. Although many observers believe Kissinger's support of SALT is necessary to Senate ratification, a ranking Administration official yesterday said, of the Journal report, "That's just not true."

Kissinger has not endorsed the treaty and has said he has reservations about it in its present form.

The Administration had been reluctant to let the shah come to the United States because of concern Iranian revolutionaries would retaliate against the American embassy, a concern that was realized on Nov. 4, two weeks after the shah entered a New York hospital.

During his campaign to win admission for the shah, Kissinger often deplored the Administration's refusal to receive the deposed leader. In one speech, Kissinger compared the shah's homeless plight to that of the "flying Dutchman" and he insisted that the shah should be offered a haven here because of his long friendship with the United States.

Iran was closely allied with the United States during the shah's 37-year reign. During the Nixon and Ford administrations—when Kissinger was the chief foreign policy adviser—the shah became one of the biggest overseas customers for American-made warplanes and weapons.

The ties with the shah were continued by the Carter Administration, and during a state visit to Tehran two years ago, Carter hailed the shah's country as an "island of stability." However, the Administration was unwilling to rally behind the shah during the revolution that swept him out of power early this year. This led Kissinger to lament in Austin that the present Administration had not been "able or willing to offer him support or even understanding."

"Could it be," Kissinger asked the audience rhetorically, "that there is no penalty for opposing the United States and no reward for friendship to the United States?"

The remarks annoyed one of Carter's foreign policy advisers. "I think Kissinger's becoming more political than statesmanlike," he said, "and I find it sort of sad. I think he's forfeiting his credibility."

DOMESTIC OIL FROM DOMESTICATED DINOSAURS

Mr. TSONGAS. Mr. President, several months ago, having listened ad nauseam to the discussion of oil production as an answer to our energy problems, I asked one of my staff to sit down and come up with a real oil production plan. The speech about it was written months ago, but the time never seemed right, or, since it was somewhat tongue in cheek, it seemed perhaps inappropriate for the Senate floor. After the last few months, however, I have changed my mind, and would like to tell my colleagues that we do indeed have a plan for the increased production of oil.

HOW TO PRODUCE OIL

Mr. President, every day Washington gets the message: the simple solution to the oil shortage is to increase production. Newspaper ads have headlines like "Don't Limit U.S. Oil Production" and "Unleash the U.S. Oil Industry." Those advertisements were probably written by the same public relations firm that wanted to "Unleash Taiwan."

Lately there has also been a television commercial with a famous comedian and golfer gushing with eagerness to produce new oil.

Let us face it: New oil production is more appealing than alternative energy strategies. Conservation, for example, is a clear inconvenience to the American people, even though the energy project of the Harvard Business School recommended conservation over all alternatives. Cogeneration is kind of like recycling: It seems chintzy. Solar energy sounds too good to be believed. Low-head hydroelectricity is hard to get excited about. Windmills were used years ago: How can we go back to them and call it progress?

My enthusiasm for producing new oil was jolted when I looked between the lines the oil pushers are handing us. All the world's oil is old, and all we do is extract it, you do not produce oil; you simply extract it. Even synthetic fuels—the summer sensation—are finite. They are derived from our existing supply of fossil fuels.

Since we politicians, including Members of the Senate, do not want to change our ways—nor does the public—I am announcing today a new plan to make the new oil that everyone is talking about and counting on.

All this talk about producing more oil, but no one is talking about how oil is produced. The old-fashioned recipe for oil comes to us from the age of reptiles. Mother Nature put animals and plants in water, smothered them with sediment, and waited. This earthy pressure cooker produced oil and gas, sometimes as fast as a million years. Experts believe that most oil came from plants and one-celled organisms. But making new oil from little-bitty plankton and plants is not going to inspire Americans.

This Nation's vision must be bigger and better. If we are really serious about producing new oil, I suggest that the best, the simplest, indeed the only solution is a major research and development program in dinosaur resources. We will raise them, bury them, and produce oil from them.

DINOSAUR DEVELOPMENT

A dinosaur domestication program for new, domestic oil must ask: Why not the best? In energy, we continue to believe biggest is best, and so the prime target of dinosaur R. & D. should be the dignified Diplodocus.

As my distinguished colleagues may recall, the Diplodocus is a warm-blooded beast. The creature runs around 60,000 pounds, and can reach 87 feet in length. It stays in shape with water sports, which are made easier by nostrils right between the eyes. It follows a strictly vegetarian and fish diet.

An Energy Department expert advises my office informally that each 60,000-pound Diplodocus might yield about 20,000 gross pounds of crude oil. That is over 70 barrels of oil per beast. With a modern manufacturing process, we ought to be able to extract most of that.

Now there are chronic critics—pessimists who dislike innovation. They may say that there are no more Diplodoci, and that we cannot make them in a laboratory.

I say that reports of their death may be greatly exaggerated. We all know how things get blown out of proportion in the news. Have we really been looking for them lately, or just going our own separate way? And what about the Loch Ness monster? Dinosaurs dominated the Earth for over 100 million years. It is awfully hard to believe that they would just disappear.

I am hopeful that at least a couple of these economy-size sauropods can be captured somewhere, maybe while munching on their daily quarter-ton diet. Then highly trained counselors could encourage a meaningful relationship between them. Before too many generations, the civilized world would be crawling with the creatures.

It is possible that dinosaurs other than Diplodoci may produce themselves first. Varieties that flourished toward the end of the Age of Reptiles would be ideal because that was the Earth's prime time for oil formation. Half of North America was covered with water. Genetic experts might mate a Tyrannosaurus rex with a duck-billed Trachodon. This could create a heavy, high-energy breed that would not be flashing its teeth all the time.

If we must start from scratch in a test tube—a rather large test tube—the Diplodocus should be our national goal. Let the energy doomsdayers scoff. I am confident the nation that achieved lasers, lunar landings, polio vaccine and the Gong Show can produce an uncomplicated dinosaur. Modern technology may even cut production time under the million-year mark.

To make oil from deceased Diplodoci, technicians would store them under heat and pressure in the absence of oxygen. Ages ago this happened only infrequently. For example, a Stegosaurus basking by a fast-flowing stream might fall in and drown—and end up centuries later as oil beneath sedimentary rock. Now we can insure proper, oil-producing burial for all dinosaur resources.

MANY BENEFITS

A related benefit is that cradle-to-grave care for domesticated dinosaurs is "labor-intensive." Dinosaur oil production will create many needed jobs.

Let us not forget that dinosaurs will be right at home in our future climate. The end of the age of reptiles had a hot, steamy climate with water everywhere. The industrialized world is headed in the same direction because of the "greenhouse effect" caused by increased carbon dioxide in the atmosphere from burning fossil fuels. Thus one dividend of using more coal and gas will be a whole Earth surrounded by hot air laden with carbon dioxide. Another cause of the greenhouse effect is the disappearance of half of the world's forests in the past 30 years. At the present rate, two-thirds of what remains will be gone by the year 2000.

The greenhouse effect is expected to warm the globe and melt part of the polar icecaps. Eventually the United

States may be two islands—Appalachian Island and Rocky Islands—with dinosaurs in swamps all around. Offshore drilling rigs in places like Kansas will overflow with new oil. Deposits near abandoned vaults of nuclear waste might even gush with oil that glows in the dark.

One final point in favor of massive dinosaur oil production is safety. Dinosaurs' high-energy systems do not create dangerous hydrogen bubbles. There is no record of a single human life ever being lost in a dinosaur accident. The Diplodocus, in particular, has only a small mouth and none of the antisocial tendencies of the Tyrannosaurus.

Mr. President, a crash program for domestic oil from domesticated dinosaurs may have complications, but it sounds so good. Washington craves simple solutions that sound good, as demonstrated by the deification of synthetic fuels. It is impolitic to point out certain realities. For example, just 4 pounds of coal per person in the world will be mined this year, and any more than that is more than your fair share.

We can fill the air with rhetoric about how the United States is "the Saudi Arabia of coal" until the air is so filled with carbon dioxide, particulates, and other debris that it is unfit to breathe. We could become "the Saudi Arabia of conservation," but that is too boring and too easy. We prefer the hard path.

We like the large-scale, high-risk route. We are loaded with bravado and billions to shelter our lifestyles from reality. And so we might as well go all the way with the dream that old ways will save us in a new age.

So much has been said about producing new oil—why not really give it a try? Yes, it will take a million years, but our descendants will thank us. And more importantly, it will give aid and comfort to all the politicians and oil executives who talk about oil production. And it will give Americans something to feel good about while we are shivering in the cold and in the dark after consuming all the oil from Mother Nature's first round of oil production.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Senator from Alaska (Mr. STEVENS) is recognized.

Mr. STEVENS. Mr. President, I ask that the special order for the Senator from New York (Mr. JAVITS) be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Under the previous order, the Senator from Alaska (Mr. STEVENS) is recognized for not to exceed 15 minutes.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum and that the time be charged against my time.

The ACTING PRESIDENT pro tempore. The clerk will call the roll. The time will be so charged.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. How much time remains of my special order?

The ACTING PRESIDENT pro tempore. The Senator has 9½ minutes remaining.

OIL AND GAS DEVELOPMENT IN ALASKA

Mr. STEVENS. Mr. President, I would like to once again call attention to the problem that exists in my State concerning oil and gas exploration and development. In today's Wall Street Journal there is an article entitled "Fruitless Search: After 200 Dry Holes, Oil Companies Turn Cool Towards Alaska. No Major Commercial Fields Have Been Hit Since '68; Some Drilling Continues."

I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AFTER 200 DRY HOLES, OIL COMPANIES TURN COOL TOWARD ALASKA

(By Richard D. James)

ANCHORAGE.—The search for oil in Alaska is going badly.

Ever since 1968, when North America's largest known oil field was discovered at Prudhoe Bay, most energy experts have regarded the state as the hottest prospect for cutting U.S. dependence on foreign oil. The auspicious beginning on the North Slope stirred expectations of more big oil strikes in Alaska soon. In 1969, oil companies shelled out $900 million to the state for rights to explore elsewhere on the North Slope.

However, the high hopes that oil executives held for Alaska aren't bearing fruit, and the industry's euphoric "Prudhomania" is waning.

Since the Prudhoe Bay finds, no significant commercial discoveries have been made in Alaska either onshore or in nearby waters. About 200 exploratory wells drilled in the past decade all have been practically dry holes. About half the wells were drilled on the North Slope outside the Prudhoe field; so the industry has almost nothing to show for the $900 million that it paid the state in 1969—plus the huge outlays for the actual drilling. Nearly all the oil currently being produced in the state flows from discoveries made more than 10 years ago.

POOR BATTING AVERAGE

Even including those early discoveries, the effort in Alaska has been somewhat disappointing. On the average, only one commercial field has been discovered in Alaska for every 26 wildcat wells. "Either Alaska is overrated, or we're on the brink of a huge discovery," wryly observes Roger Herrera, a senior Alaska oil geologist for Standard Oil Co. (Ohio).

The industry and others blame a variety of problems. Besides just plain bad luck, they cite foot dragging by the state and federal governments in leasing acreage for exploration and hostile state policies that discourage drilling on what little acreage has been made available.

"Alaska may have been the nation's great white hope for easing the energy crunch, but right now it's beginning to turn tattletale gray," says John Silcox, Western regional exploration manager for Chevron U.S.A., a subsidiary of Standard Oil Co. of California.

As a result, oil companies have scaled back exploration in the state. The number of state permits for exploration wells last year was the lowest since 1972, and the total so far this year is still lower. In the first six months of 1979, the average number of drilling rigs at work in the state declined 13 percent from a year earlier, and the number at work at the end of October had dropped to 10 from 15 a year before.

Williams W. Hopkins, executive director of the Alaska Oil and Gas Association, adds: "Probably a good indicator of industry commitment to Alaska exploration is the maintenance of company exploration staff in Alaska. From 1971 through 1978, at least 20 oil companies that had offices in Alaska have closed them."

The cutback comes at a time, of course, when political instability in the Mideast and soaring prices of foreign oil make new domestic supplies more important than ever. Right now, Alaska supplies more than 15 percent of the nation's total daily production. (Only Texas produces more; it accounts for 32 percent.) However, output from Prudhoe Bay, Alaska's main producing area, is expected to decline in eight or 10 years—about the time required to bring new discoveries, if any, into production. Thus, there is nothing in sight to take the slack.

NOT BEATEN YET

But the industry isn't giving up on Alaska, at least not yet. An oil-lease sale scheduled for next month and covering acreage in the Beaufort Sea just north of the Prudhoe field has stirred substantial interest. The area is regarded as having the greatest oil potential in the U.S., and a recent major discovery in the Canadian sector of the Beaufort Sea has helped whet the industry's appetite.

However, if the sale is delayed—a strong possibility because of potential challenges over environmental risks, sale terms and the ordinances adopted by the North Slope Borough to govern the use of coastal land—or if the area turns out dry, oil exploration in Alaska could be chilled for years to come. "The Beaufort sale will make or break Alaska as to the future level of activity," Sohio's Mr. Herrera says.

Of all the industry's disappointments in Alaska, perhaps the biggest has been in the Gulf of Alaska off the southern coast. Estimating that the area could hold two billion barrels of oil or more, the companies spent $560 million in 1976 for exploration rights. Shell Oil drilled first on a lease that cost nearly $62 million, and the well turned up dry. Since, then, 10 more dry holes have been drilled by other companies, and now the industry is giving up. Of the 76 leases sold by the federal government, 32 have been turned back even though they have two more years to run.

"It's surprising we didn't find something," says R. H. Nanz, Shell Oil vice president in charge of exploration in the Western region. "We thought there was a good chance for a large field."

The disappointment is continuing 300 miles west in Cook Inlet, where the industry spent nearly $400 million for leases in 1977. Earlier this year, Marathon Oil Co. abandoned the first wildcat well drilled there after finding oil only in noncommercial amounts. Several other wells have been drilled and subsequently abandoned. "It will take a few more holes to be sure, but the area has been very bleak to date," says Mr. Silcox of Chevron, which is drilling a well in the area.

Even the national petroleum reserve, in the state's northwest corner, has proved mostly dry so far. Thinking that the area was awash in oil, the federal government established the reserve in 1923, but 19 wells drilled under the Interior Department's $500 million exploration program in the past five years haven't been productive. The department was ready to abandon the effort on September 30, but Congress kept it going. Five more wells will be drilled this winter.

The program's failure to date has been so frustrating that some oil executives and Congressmen have accused the U.S. Geological Survey, which is conducting the work, of incompetence and even of deliberately trying to avoid finding oil. "That's an insult to some very dedicated people," responds George Grye, chief of the petroleum reserve, but he acknowledges a drop in enthusiasm. The Geological Survey has slashed its estimate of the reserve's potential recoverable oil to three billion barrels from 10 billion.

The oil companies' charge that the state and federal governments have moved slowly on leasing acreage for exploration particularly concerns many offshore areas, such as the Beaufort Sea, deemed to be prime oil prospects. The federal government, which controls the outer continental shelf, has leased only 1.7 million acres of it in Alaska. "That's a pittance compared with the total" of about 380 million acres, Mr. Silcox says. The Alaska Oil and Gas Association says six Alaska offshore lease sales originally scheduled for the past three years have been postponed by the Interior Department; only one sale was held in that period. The delays have run as much as six years.

LOW PRIORITY?

The industry blames the delays on a lack of a sense of urgency in the Carter administration. "Until recently, I don't think the Secretary (Interior Secretary Cecil Andrus) considered offshore sales one of the high priorities," the association's Mr. Hopkins says.

As a result of the delays, an oil-company geologist says, "We have exploration ideas we can't capitalize on because the acreage hasn't been available."

Yet the industry sees some encouraging signs. A leasing schedule proposed by the Interior Department in June advances some sale dates and includes some interesting areas that were excluded previously. The state also may be speeding up. Earlier this year, it proposed 15 lease sales through 1983, compared only with one sale in the prior five years.

However, oil companies generally would like even more sales. Shell Oil, for example, has proposed a schedule that would nearly triple, to 26 from 10, the federal offshore sales this year through 1985. "We don't understand why we have to wait so long," Mr. Nanz says. He estimates that Shell's proposal would result in Alaskan production of four million barrels a day by 1995, compared with one million barrels under the government's proposal.

TAX INCREASES ASSAILED

The industry also blames Alaska's political climate for slowing exploration; it particularly cites tax increases on oil companies. "There's no question that the ever-increasing tax burden has taken the bloom off (Alaska), and it will take a real bonanza to make it pay" to hunt for oil in the state, says Crandall D. Jones, manager of Alaska exploration for Exxon.

The state legislature has raised oil taxes 13 times and about 90 percent in the 11 years since the Prudhoe discovery. A study earlier this year by the Merrill Lynch White Weld Capital Markets group for the legislature states: "The rapidity and constancy of changes in the tax law have helped to create an atmosphere of instability and triggered a gun-shy attitude among present and potential investors alike."

Robert E. Le Resche, Alaska's commissioner of natural resources, defends the increases. He says the "legislature and people of the state felt the state sold those (Prudhoe Bay) leases too cheaply, so we're remedying the matter through taxes." However, he concedes that "it's a lousy way to do business," and he predicts that state lawmakers won't change the tax structure significantly for a long time to come. The taxes that were needed are in place."

Mr. STEVENS. Mr. President, the article is not an inaccurate one. What it fails to note, however, is that the Federal Government still controls over 90 percent of the land mass of Alaska. The 1968 major discovery at Prudhoe Bay took place on lands owned by the State of Alaska. There has been no new Federal oil and gas lease issued in Alaska since 1965. Again, this is despite the fact that over half the lands owned by the U.S. Government are in my State.

In the time that we face now, when it is absolutely certain that the United States must accelerate its activities in attempting to locate, develop, and make available to our markets our own oil and gas resources, it appears to me to be timely to point out that there is no act of Congress that prohibits the full exploration of Alaska. The Great Arctic Wildlife Range, which was created by Executive order in 1960, is still subject to oil and gas leasing under stipulations to protect the wildlife, particularly the caribou. But the President of the United States could order the leasing of the Arctic Wildlife Range today. He could order the Secretary of the Interior to lease the balance of Alaska's Federal lands that are not specifically reserved for national parks today.

Oil and gas leasing is permitted in wildlife refuges. It is permitted in wildlife ranges. The vast portion of Alaska that is controlled by the Federal Government is subject to leasing by Executive order. Yet we find that the oil industry is concluding that Alaska is not the place to be concentrating its efforts, mainly because the acreage to explore has not been made available by the current administration.

It seems to me that there must be some way for the American people to become awáre of the vast potential of Alaska. As I have repeatedly stated, the estimates indicate that 60 percent of all the petroleum the United States will consume between now and the end of the hydrocarbon age will come from either onshore or offshore Alaska. Yet today we have but one major field discovered in the Arctic. The reason is that the administration, rather than making more land available, is doing everything it can to totally close these lands off to exploration and ultimate development.

I hope that there will be increasing emphasis placed upon Alaska's potential, and that the Congress and the public, and I hope our friends in the news media, will bring increasing pressure upon the administration to make the decisions only it may make as far as permitting the eventual leasing of these lands.

Strangely enough, the Federal Government is insisting that leasing take place in the Beaufort Sea.

I believe that the risks are greater in the Beaufort Sea than anywhere else in the world. Our people are not opposed to risks which are necessary in the interests of national security, but why, Mr. President, when the only risk that we know of onshore in the Arctic Wildlife range is the risk to the caribou that are only on the Arctic plains 6 weeks each year? Why is it that we must lease the offshore area under the pack ice where there are myriad species which will be risked by oil and gas development? Why could we not have a policy to explore totally onshore first before exposing the creatures of the Beaufort Sea to this risk?

There is a second article on that subject, Mr. President, and I ask unanimous consent that it be printed in the RECORD. It is entitled "Pack Ice Is Biggest Foe in Search for Oil Off Alaska." It is also an accurate story appearing in the New York Times of today, November 26, 1979.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PACK ICE IS BIGGEST FOE IN SEARCH FOR OIL OFF ALASKA

(By Sarah Overmyer)

ANCHORAGE, November 25.—Conservationists and Eskimos, concerned that oil wells in the Arctic pack ice could jeopardize the existence of the bowhead whale, have sued in Federal courts to block or limit the sale of drilling rights in the waters off the North Slope.

But the greatest foe of the oil companies is not the environmentalists, the Eskimos or the politicians. It is the ice—the shifting, grinding polar ice that can crush an oil rig in seconds.

Opponents of the scheduled Dec. 11 sale of oil leases for 514,191 acres of Arctic waters are using the ice as an ally in their battle. They say the oil companies lack the technology to deal with the ice and severe weather conditions, and they worry about oil spills in the fragile Arctic environment.

The companies reply that their technology is equal to the challenge, in the form of rocks and gravel that will support the rigs and fend off the treacherous ice.

Geologists say the area could contain up to 1.25 billion barrels of oil and 3.125 trillion cubic feet of natural gas. The estimate would make it the biggest oil bonanza since Prudhoe Bay.

Last Wednesday the North Slope Borough, which represents the Eskimos of Alaska's northern rim, filed suit in Washington seeking to block the sale of leases in the deep waters beyond the Barrier Islands. The Eskimos are particularly concerned that offshore drilling might disturb migratory patterns of whales, a mainstay of their diet.

VIOLATION IS CHARGED

A lawsuit filed by nine conservation organizations in Washington Friday went further, seeking to halt the entire sale. Dave Burwell, a staff attorney for the National Wildlife Federation, said the suit contends that the Interior Department violated the Endangered Species Act by failing to determine if drilling in the area would harm the bowhead before making an "irrevocable commitment of resources" to the oil companies.

Permission for the joint Federal-state Beaufort Sea lease sale, to be held in Fairbanks, was given after years of debate on the environmental risks.

Gov. Jay Hammond of Alaska and Secretary of the Interior Cecil D. Andrus worked out a compromise for drilling, initially permitting rigs in water only up to 39 feet deep. Exploration in deeper waters would be postponed at least two years, while the oil companies show that the gravel islands can withstand the onslaught of the ice pack at greater depths.

Some of the tracts to be offered are in water 60 feet deep. Exxon Company USA says it has already designed an artificial island that can be used safely in waters up to 30 feet deep and is working on a design for 39 feet of water.

15-FOOT ICE SHEET

The Beaufort Sea is choked with ice most of the year. During the dark, frigid winter months it is covered with a slow-moving ice sheet as much as 15 feet thick.

Exxon engineers say their gravel islands can ward off the ice. The islands, to be made of gravel taken from the North Slope, will be set up in likely spots. The rigs will be built on top of the islands and the workers will drill through them to the oil they hope is beneath the ocean floor.

Two types of islands are being designed, said J. S. Templeton 2d, an Exxon engineer. The exploration island will have a working surface about 400 feet in diameter and a life expectancy of up to two years. This island, expected to cost $8 million to $12 million, will have devices to monitor the pressure of surrounding ice and to alert workers when ice threatens the island, engineers say.

"It will have a rough sandbag beach slope to resist sliding, a steep bluff to cause jamming, a berm to trigger pileups and a buffer zone to accommodate override," Mr. Templeton said.

NEW ISLAND OVER WELL

If oil is found, the rig will be removed and a stronger production island will be built over the well or wells.

This island, costing $20 million to $40 million, is designed to protect drilling operations without backup monitoring devices. It is planned to withstand the worst possible ice storm during its 30-year life span.

Eskimos have testified that they have seen the ice in the Beaufort Sea buckle and bunch and rear up into 70-foot ridges in seconds. They say such ice could topple a steel drilling rig almost as quickly.

"We have worried about that in the design of the island," said Fred Hudspeth, engineering manager for Exxon's Alaska operations. "But the ridges have keels that would tend to ground before they posed a threat to the island. The ice would then serve as resistance to other ice moving into the island."

Hans O. Jahns, another Exxon engineer, said the ice ridges could erode the islands' underwater slopes but would not reduce the overall strength of the islands.

Critics remain skeptical.

"We're saying that if they are so confident, let them put one of these structures out in the deeper water," said Jon Buckholdt of the North Slope Borough. "We want to see how these structures they say are so impervious to ice override work."

Mr. STEVENS. Mr. President, we have no ultimate control over what the Federal Government does on the Outer Continental Shelf, nor does any State, but I do think that those who are interested in the total development of Alaska should be concerned about this inconsistency in Federal policy. The estimates they say are that the Beaufort Sea could contain up to 1.26 billion barrels of oil. That, Mr. President, is one-eighth of Prudhoe, one-eighth of the onshore find at Prudhoe Bay.

We have estimated that the Arctic wildlife range should contain at least as much oil as Prudhoe Bay, 10 billion barrels, and there are estimates of up to 30 billion barrels that have been applied to the national petroleum reserve, the old Naval Petroleum Reserve No. 4.

The important thing, Mr. President, is that there is no question but that executive action taken now with due concern for environmental protection could proceed with oil and gas exploration that could take place in the spring of 1980. It appears that that will not happen unless Congress places the pressure on the administration to go ahead and require the leasing of these lands onshore that have such great potential.

It is my hope that as we continue our discussion in this Congress of the Alaska lands issue that more and more Members of the Senate and of the total Congress will become aware of the stakes which are involved in terms of energy independence.

If we are to achieve energy independence at all, Mr. President, it will only be through full exploration and development of Alaska's oil and gas potential.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

RECOGNITION OF SENATOR ROBERT C. BYRD

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from West Virginia (Mr. Robert C. Byrd) is recognized for not to exceed 15 minutes.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business for not to extend beyond 15 minutes and that Senators may be allowed to speak therein up to 5 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER TO VITIATE ORDER FOR RECOGNITION OF SENATOR ROBERT C. BYRD

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that my order be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS TODAY UNTIL 9:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in recess until the hour of 9:45 a.m. tomorrow morning.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

OREGON WILDERNESS ACT OF 1979

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of S. 2031, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 2031) to designate certain National Forest System lands in the State of Oregon for inclusion in the National Wilderness Preservation System, and for other purposes.

The Senate proceeded to consider the bill.

The ACTING PRESIDENT pro tempore. Under the previous order, the debate on this bill is limited to 30 minutes. to be equally divided and controlled by the Senator from Washington and the Senator from Oregon, with 10 minutes on any amendment, debatable motion, appeal, or point of order.

The Senator from Washington.

Mr. JACKSON. Mr. President, S. 2031, as reported from the Senate Energy and Natural Resources Committee, would designate approximately 506,000 acres of national forest system land in Oregon for inclusion in the national wilderness preservation system. The measure would also establish a 134,000-acre national conservation area in the State of Oregon.

This legislation, which is sponsored by my good friend from Oregon (Mr. Hatfield), is an outgrowth of RARE II—the Forest Service's second roadless area review and evaluation. As many of my colleagues know, the Forest Service, since 1971, has twice undertaken an inventory and evaluation of the remaining roadless lands within the national forest system. Most recently, in June of 1977, the Forest Service instituted their second review and evaluation. The purpose of this exercise was to inventory or identify roadless and undeveloped lands within the national forest system and to distinguish areas with high wilderness potential from those most appropriate for uses other than wilderness.

On April 16, 1979, the administration made their final recommendations to Congress relative to the almost 3,000 identified roadless areas comprising some 62 million acres. From this inventory, the President has recommended that 15.4 million acres be designated by the Congress as wilderness. In addition, another 10.8 million should, in the view of the administration, be studied further before making any final recommendations. Finally, as a result of RARE II, the President has recommended that the remainder of the inventoried roadless areas, about 36 million acres, be available for uses other than wilderness.

Since the President's recommendations in April, a number of proposals concerning these RARE II areas have been introduced both here and in the House. In addition to this measure before us today, there are proposals pending in the Energy and Natural Resources Committee relative to RARE II lands in Missouri, South Dakota, Colorado, and California. Last Tuesday, the Senate passed and and sent to the House, S. 2009. This measure, introduced by Senator Church, is designed to deal with a number of RARE II roadless areas in central Idaho contiguous to the Idaho primitive area.

Mr. President, in the weeks and months to come, the Energy Committee, and, more specifically, the Parks, Recreation, and Renewable Resources Subcommittee, chaired by Senator Bumpers, will undoubtedly consider a number of additional RARE II wilderness proposals. As these measures are introduced, I can assure my colleagues that the members of the committee will examine these proposals carefully and judiciously on a State-by-State basis.

In the case of the bill before us today, S. 2031, Senator Hatfield, the committee's ranking minority member, is to be commended for his efforts to resolve the RARE II issue in Oregon expeditiously and fairly. As in the past, Senator Hatfield has taken a very balanced approach to the "wilderness versus multiple use" battle in his State and has crafted a good compromise.

This measure was ordered reported unanimously from the Energy Committee and I urge my colleagues to join with me in supporting S. 2031.

Mr. HATFIELD. Mr. President, first, I express my gratitude, as I have frequently on the floor, to the chairman of our committee (Mr. Jackson), who has been always most helpful and cooperative in matters of national and international import that we deal with in the Committee on Energy and Natural Resources. Most especially has he been supportive and cooperative on matters dealing with the Pacific Northwest and especially in matters that concern me in the State of Oregon. I appreciate and treasure this working relationship that I have with our chairman.

Mr. President, I am pleased to bring to the Senate this morning my proposed Oregon Wilderness Act S. 2031. It was just 2 years ago that I stood before my colleagues in this Chamber, and, along with Senator Church, presented the Endangered American Wilderness Act—a bill which added almost 300,000 acres to the wilderness preservation system in my State. Since that time, the Forest Service has completed an intensive inventory of all the roadless areas on our national forests. In Oregon, some 2.9 million acres were studied for their wilderness potential under the roadless area review and evaluation, called RARE II.

Because of that study and the administration's recommendations which resulted from it, I again come before my colleagues to add significantly to the wilderness system in Oregon. At the same time, my proposed bill helps resolve the crucial question of the availability of nonwilderness lands for purposes other than wilderness. For the State of Oregon, the administration recommended that some 415,860 acres be designated by Congress as wilderness. My bill proposes a total of 506,000 acres—an increase of almost one-fourth. With a few minor exceptions, I have accepted those administration recommendations for wilderness and suggested additional lands of my own for such protective classification.

Should this proposal be adopted by the Senate, it would bring the total wilderness acreage in Oregon to nearly 11 percent of our national forest land; 1.7 million of 15.5 million acres would be devoted to this singular use. I believe this is appropriate and necessary for the protection of these unique roadless lands.

In addition, S. 2031 designates some 78,950 acres in Oregon as a national conservation area. For many years, I have expressed concern about lands which merit some form of protection, but may require limited management uses not in accord with the Wilderness Act of 1964. My advocacy for "backcountry," or management in a near-natural state, is based on the fact that we cannot afford to be singular in purpose if lands—or public needs—do not lend themselves to such exclusive purpose.

The forest land on the Cascade Range, which includes Windigo-Thielsen and Cowhorn Roadless Areas, is particularly and uniquely suited to such an intermediate category—one close to wilderness, but which allows recreational and management options which are not realistically available or permissible under restrictions of the Wilderness Act.

I believe it is appropriate to use a land classification developed by Congress several years ago and applied to some Bureau of Land Management lands. The National Conservation Area (NCA) would accommodate the special needs of this area.

Because of its location on the Cascade Range, which houses the spectacular Pacific Crest Trail, its adjacency to Crater Lake National Park, as well as the heavily used Diamond Lake composite, and its unique scenic and dispersed recreational opportunities, such a special category is desired here. The primary resource conflicts in this area are not timber, but rather motorized recreation. The designation is also aimed at allowing flexibility to control certain insect infestation problems in the forest in order to protect the remaining resource.

Finally, my bill addresses a key issue which has kept a significant portion of our national forest land "in limbo" for some 8 years, while wilderness review requirements were carried out. This provision—so-called release language—attempts to prevent delaying lawsuits on large land areas based on an alleged lack of wilderness review. It is my view, and the view of many others, as well, that 8 years and millions of dollars expended on the review of these roadless lands for a single use—wilderness—is adequate to meet requirements of study. I believe strongly that at the same time I have proposed legislation which adds substantial acreage to the wilderness system, it is appropriate to assume that lands designated as nonwilderness in the RARE II process will remain available for nonwilderness uses. My release language provision does this.

It is important to understand, however, that this release language does not: Preclude or limit further agency review of wilderness, either through the land planning process or as a result of congressional mandate;

Neither does it limit the prerogatives of a future Congress;

Nor does it restrict the Forest Service management of an area as small "w" wilderness, that is, roadless back country;

It does not prescribe management of the area but rather places the area into the planning process;

My proposed release language does not limit lawsuits under applicable law except where the suit is based on an allegation that there was a lack of wilderness review for an area. For example, one can bring suit to stop development of a roadless area because the area cannot be reforested, the soils are unstable, the slope is too steep, fisheries will be damaged, and numerous other reasons.

Finally, it does not apply to national forest land outside Oregon.

What my proposed release language does do, is to lessen uncertainty over amount of land available for nonwilderness multiple use. As a result, future timber supply can be estimated.

It does limit court challenges on one of the uses of the nonwilderness areas—the wilderness use;

It insulates the Forest Service from lawsuits which seek to halt activities in nonwilderness area because there has not been adequate wilderness review;

And finally, it does help implement the nonwilderness portion of the RARE II process. Without this language, the nonwilderness portion of the RARE II process is meaningless and there are only wilderness and further planning recommendations.

I believe that I have prepared a balanced bill which appropriately makes important additions to our national wilderness system, while at the same time resolving some of the uncertainty surrounding the question of nonwilderness usage. I urge my colleagues in the Senate to act favorably on this proposal.

Mr. President, I am convinced it is important to add to the wilderness of our State. In the 12 years since I have been in the U.S. Senate, I have offered bills which have added 47 percent to the wilderness of the State of Oregon, out of the 1.2 million acres.

I feel, therefore, that as one who has authorized more wilderness bills than any other person in my State, it is a bill that is balanced.

I might say that further evidence of that is that I do not know many groups that like the bill.

The Governor does not like it because his proposal was 60,000 acres only. Therefore, my bill is much too much addition to the wilderness.

The wilderness groups, many of them, are unhappy because it does not include enough acreage and the release language is obnoxious to them.

Also, the timber industry does not like it because it has added too many acres of wilderness.

But I think, by and large, I can say this best represents the public interest. It may not represent the vested interests. It may not have the support of the vested interests, whether they be the wilderness vested interests or the timber harvest vested interests. But I do believe the general public has been properly served and the wilderness of the State will be properly enhanced by the passage of this bill.

In closing, Mr. President, I again thank not only the chairman of the committee for his support and my colleagues on the committee who passed this bill out unanimously, but I thank the majority staff of the committee, particularly Tom Williams, who is on the floor today, and the chief counsel, Mike Harvey, on the majority side; and also on the minority side, Tom Imeson of the staff, Jenna Oldfield, Steven Crow, and

Tony Bevinetto of the minority staff of the Energy Committee.

Everyone has been very helpful and cooperative in developing this bill.

Mr. JACKSON. Mr. President, I am prepared to yield back the remainder of my time.

Mr. HATFIELD. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. EXON). The bill is open to amendment. If there be no amendment to be offered, the question is on third reading and passage of the bill.

The bill (S. 2031) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 2031

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Oregon Wilderness Act of 1979".

FINDINGS AND POLICY

SEC. 2. (a) The Congress finds that—

(1) many areas of undeveloped public lands in Oregon possess outstanding natural characteristics giving them high values as wilderness and will, if properly preserved, contribute as an enduring resource of wilderness for the benefit of the American people;

(2) review and evaluation of roadless and undeveloped lands in the National Forest System in Oregon have identified those areas which, on the basis of their landform, ecosystem, associated wildlife, and location, will help to fulfill the National Forest System's share of a quality National Wilderness Preservation System; and

(3) review and evaluation of roadless and undeveloped lands in the National Forest System in Oregon have also identified those areas which should be available for multiple uses other than wilderness.

(b) The purposes of this Act are to—

(1) insure that certain National Forest System lands in Oregon be promptly available for nonwilderness uses including, but not limited to, campground and other recreation site development, timber harvesting, intensive range management, and watershed and vegetation manipulation; and

(2) designate certain other National Forest System lands in Oregon for inclusion in the National Wilderness Preservation System in order to promote, perpetuate, and preserve the wilderness character of the land and to protect watersheds and wildlife habitat, preserve scenic and historic resources, and to promote scientific research, primitive recreation, solitude, physical and mental challenge, and inspiration for the benefit of all the American people.

SEC. 3. In furtherance of the purpose of the Wilderness Act and in accord with the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, the following lands in the State of Oregon comprising approximately 451,000 acres and as generally depicted on maps appropriately referenced, dated November 1979, are hereby designated as wilderness, and therefore, as components of the National Wilderness Preservation System—

(1) certain lands in the Mount Hood National Forest, which comprise approximately eight thousand three hundred acres, are generally depicted on a map entitled "Salmon Butte Wilderness Area—Proposed" and shall be known as the Salmon Butte Wilderness;

(2) certain lands in the Mount Hood and Willamette National Forests which comprise, approximately twenty-six thousand seven hundred acres, are generally depicted on a map entitled "Bull-of-the-Woods Wilderness Area—Proposed" and shall be known as the Bull-of-the-Woods Wilderness;

(3) certain lands in the Mount Hood National Forest, which comprise approximately forty thousand nine hundred acres, are generally depicted on a map entitled "Columbia Wilderness—Proposed" and shall be known as the Columbia Wilderness;

(4) certain lands in the Mount Hood National Forest, which comprise approximately fourteen thousand acres, are generally depicted on a map entitled "Badger Creek Wilderness—Proposed" and shall be known as the Badger Creek Wilderness;

(5) certain lands in the Ochoco National Forest, which comprise approximately thirteen thousand four hundred acres, are generally depicted on a map entitled "Black Canyon Wilderness—Proposed" and shall be known as the Black Canyon Wilderness;

(6) certain lands in the Ochoco National Forest, which comprise approximately six thousand three hundred and twenty-five acres, are generally depicted on a map entitled "Bridge Creek Wilderness—Proposed" and shall be known as the Bridge Creek Wilderness;

(7) certain lands in the Fremont National Forest, which comprise approximately seven thousand eight hundred and twenty-five acres, are generally depicted on a map entitled "Coleman Rim Wilderness—Proposed" and shall be known as the Coleman Rim Wilderness;

(8) certain lands in the Siuslaw National Forest, which comprise approximately six thousand five hundred acres, are generally depicted on a map entitled "Oregon Coast Wilderness—Proposed" and shall be known as the Oregon Coast Wilderness;

(9) certain lands in the Umpqua National Forest, which comprise approximately nineteen thousand eight hundred and twenty acres, are generally depicted on a map entitled "Boulder Creek Wilderness—Proposed" and shall be known as the Boulder Creek Wilderness;

(10) certain lands in the Umatilla National Forest, which comprise approximately sixty-five thousand five hundred acres, are generally depicted on a map entitled "North Fork John Day Wilderness—Proposed" and shall be known as the North Fork John Day Wilderness;

(11) certain lands in the Rogue River and Winema National Forests, which comprise approximatley one hundred and thirteen thousand acres, are generally depicted on a map entitled "Sky Lakes Wilderness—Proposed" and shall be known as the Sky Lakes Wilderness;

(12) certain lands in the Ochocho National Forest which comprise approximately fourteen thousand four hundred acres, are generally depicted on a map entitled "Mill Creek Wilderness—Proposed" and shall be known as the Mill Creek Wilderness;

(13) certain lands in the Deschutes and Willamette National Forests, which comprise approximately six thousand acres, are generally depicted on a map entitled "Mount Washington Wilderness Additions—Proposed" and which are hereby incorporated in, and shall be deemed to be a part of, the Mount Washington Wilderness as designated by Public Law 88–577;

(14) certain lands in the Deschutes National Forest, which comprise approximately eight thousand two hundred acres, are generally depicted on a map entitled "Diamond Peak Wilderness Additions—Proposed" and which are hereby incorporated in, and shall be deemed to be part of, the Diamond Peak Wilderness as designated by Public Law 88–577;

(15) certain lands in the Deschutes National Forest, which comprise approximately twenty-seven thousand three hundred acres, are generally depicted on a map entitled "Three Sisters Wilderness Additions—Proposed" and which are hereby incorporated in, and shall be deemed to be part of, the Three Sisters Wilderness as designated by Public Law 88–577;

(16) certain lands in the Fremont National Forest, which comprise approximately three thousand seven hundred and thirty acres, are generally depicted on a map entitled "Gearhart Mountain Wilderness Additions—Proposed" and which are hereby incorporated in, and shall be deemed to be a part of, the Gearhart Mountain Wilderness as designated by Public Law 88–577;

(17) certain lands in the Malheur National Forest, which comprise approximately thirty-five thousand one hundred acres, are generally depicted on a map entitled "Strawberry Mountain Wilderness Additions—Proposed" and which are hereby incorporated in, and shall be deemed to be a part of, the Strawberry Mountain Wilderness as designated by Public Law 88–577; and

(18) certain lands in the Wallowa-Whitman National Forest, which comprise approximately thirty-four thousand three hundred acres, are generally depicted on a map entitled "Eagle Cap Wilderness Additions—Proposed" and which are hereby incorporated in, and shall be deemed to be a part of, the Eagle Cap Wilderness as designated by Public Law 88–577.

SEC. 4. (a) In order to conserve and protect, in a substantially undeveloped condition, an area within the National Forest System in Oregon having unique geographic, topographic, biological, ecological features and possessing significant scenic, wildlife, dispersed recreation, and watershed values, there is hereby established, within the Umpqua, Williamette, Winema, and Deschutes National Forests, the Oregon Cascades National Conservation Area (hereinafter referred to in this Act as the "Conservation Area").

(b) The Conservation Area shall comprise approximately one hundred and thirty-three thousand nine hundred and fifty acres as generally depicted on a map entitled "Oregon Cascades National Conservation Area" dated November 1979. Except as otherwise provided in this section, the Secretary of Agriculture (hereinafter referred to as the "Secretary") shall administer and protect the Conservation Area in accordance with the laws and regulations applicable to the National Forest System so as to enhance scenic and watershed values, wildlife habitat, and dispersed recreation.

(c) Within the Conservation Area as designated by this Act—

(1) roads, except for existing Forest Roads numbered 398 and 399, shall not be available nor constructed for general public use: *Provided,* That nothing in this paragraph shall preclude the Secretary from constructing and maintaining such roads as he deems necessary for proper administration and management of the Conservation Area;

(2) the harvesting of timber shall not be permitted, except where the Secretary determines that such harvesting is necessary to control insects or disease or to protect the values for which the Conservation Area is established; and

(3) the use of motorized recreation vehicles may be permitted within the Conservation Area in accordance with the Conservation Area Plan developed by the Secretary pursuant to subsection (g) of this section. Such plan shall identify and designate specific and appropriate areas and routes for the use of motorized recreational vehicles within the Conservation Area.

(d) (1) Subject to valid existing rights, all mining claims located within the Conservation Area shall be subject to such reasonable regulations as the Secretary may prescribe to insure that mining will, to the maximum extent practicable, be consistent with the purposes for which the Conservation Area is established. Any patent issued after the date of enactment of this Act shall convey title only to the minerals together with the right to use the surface of lands for mining purposes subject to such reasonable regulations as the Secretary may prescribe.

(2) Effective January 1, 1984, and subject to valid existing rights, the minerals located within the Conservation Area are hereby withdrawn from location, entry, and patent under the United States mining laws and disposition under the mineral leasing laws.

(e) Within the Conservation Area, the Secretary may permit, under appropriate regulations those limited activities and facilities which he determines necessary for resource protection and management or for visitor safety and comfort, including—

(1) those necessary to prevent and control wildfires, insects, diseases, soil erosion, and other damaging agents;

(2) those necessary to maintain or improve wildlife habitat, water yield and quality, healthy silvicultural conditions, forage production, and dispersed outdoor recreation opportunities;

(3) livestock grazing, to the extent that such use will not adversely affect the resources of the Conservation Area;

(4) visitor use facilities such as fire grills, tables, trail shelters, toilets, campgrounds, drinking water developments, signs, exhibits and other facilities needed to guide or instruct visitors or to interpert special features; and

(5) public service land occupancies, including those for power transmission lines, but only where there is no feasible alternative location, and, in the judgment of the Secretary, there is a clear public need.

(f) The following lands within the Conservation Area are hereby designated as wilderness in accordance with subsection 3 (c) of the Wilderness Act, and shall, notwithstanding any other provision of this section, be administered by the Secretary in accordance with the applicable provisions of the Wilderness Act: Certain lands in the Umpqua and Willamette National Forests which comprise approximately fifty-five thousand acres, are generally depicted on a map dated November 1979, entitled "Mount Thielsen Wilderness—Proposed" and shall be known as the Mount Thielson Wilderness.

(g) Within two years after the date of enactment of this Act, the Secretary shall prepare an integrated management plan for the Conservation Area and the wilderness area designated by this section. The plan shall be prepared in accordance with the applicable regulations and guidelines promulgated pursuant to the National Forest Management Act of 1976.

SEC. 5. (a) Notwithstanding any other provision of law, with respect to lands within the National Forest System in Oregon which have been studied as a part of the Secretary of Agriculture's Roadless Area Review and Evaluation Program (RARE II) and which are not identified by the Secretary for further planning, not designated as wilderness by section 3 of this Act, or not included in the Conservation Area by section 4 of this Act—

(1) Congress does not intend to designate any of these lands for inclusion in the National Wilderness Preservation System;

(2) these lands shall continue to be available for uses other than wilderness under the existing Forest Service plans applicable to the national forest within which such lands are located, or under such plans as amended or hereafter modified; and

(3) no department or ageny of the United States shall study these lands for the single purpose of determining their suitability or nonsuitability for inclusion in the National Wilderness Preservation System.

(b) Nothing in the land management planning process required by section 6 of the National Forest Management Act of 1976 (16 U.S.C. 1604) shall be deemed to preclude multiple use management for uses other than wilderness on any land subject to such planning process.

(c) The enactment of this legislation shall be conclusive as to the legal and factual sufficiency of the environmental impact statement prepared relative to RARE II with respect to National Forest System lands in the State of Oregon and no court shall have jurisdiction to consider questions respecting the sufficiency of such statement under the National Environmental Policy Act of 1969 (42 U.S.C. 4321–61).

SEC. 6. Subject to valid existing rights, each wilderness area and wilderness addition designated by this Act shall be administered by the Secretary in accordance with the provisions of the Wilderness Act: *Provided*, That any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act.

SEC. 7. As soon as practicable after enactment of this Act, a map and a legal description of each wilderness area, wilderness addition, and Conservation Area designed by this Act shall be filed with the Committee on Energy and Natural Resources of the United States Senate and the Committee on Interior and Insular Affairs of the House of Representatives, and each such map and description shall have the same force and effect as if included in this Act: *Provided*, That correction of clerical and typographical errors in each such legal description and map be made. Each such map and legal description shall be on file and available for public inspection in the Office of the Chief of the Forest Service, Department of Agriculture.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR SCHMITT TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized on tomorrow under the standing order, Mr. SCHMITT be recognized for not to exceed 15 minutes, after which the Senate resume consideration of the windfall profit tax measure, H.R. 3919.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Chair recognizes the majority leader.

LEGISLATIVE SCHEDULE

SATURDAY, DECEMBER 1—AIRPORT AND AIRWAY SYSTEM IMPROVEMENTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on this coming Saturday at 10 a.m. the Senate proceed to the consideration of Calendar Order No. 445, S. 1648, a bill to provide for the improvement of the Nation's airport and airway system.

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

SATURDAY, DECEMBER 1—SOCIAL SECURITY ACT AMENDMENTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon disposition of S. 1648 on Saturday the Senate proceed to the consideration of Calendar Order No. 438, H.R. 3236, an act to amend title II of the Social Security Act to provide better work incentives and improved accountability to the disability insurance program.

Mr. STEVENS. That is the disability insurance program.

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

MONDAY, DECEMBER 3—CRUDE OIL WINDFALL PROFIT TAX ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that if action on S. 1648 and H.R. 3236, either or both, is not completed, and there are time agreements on both, that on Monday the Senate resume consideration of the windfall profit tax bill.

Mr. STEVENS. Mr. President, reserving the right to object, is it the majority leader's intention to have those bills set aside to continue with the windfall profit tax bill and then to resume consideration of whichever one of those bills was not finished, under the same time agreement in the following week, or how soon?

Mr. ROBERT C. BYRD. Yes. I shall answer by asking unanimous consent that if action on either or both of those bills is not completed on Saturday the Senate on Monday, following the recognition of the two leaders or their designees, resume consideration of the windfall profit tax bill, H.R. 3919, and that the uncompleted action on either or both of the bills for this Saturday be carried over to the following Saturday.

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the distinguished acting Republican leader.

CONVENING TIME THROUGH MONDAY, DECEMBER 3

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate convene daily this week at 10 a.m.; that on Saturday the Senate convene at 9:30 a.m.; and that on next Monday it convene at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO RECESS DAILY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business each day daily throughout this week, including Saturday, it stand in recess.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO RECESS FROM SATURDAY, DECEMBER 1, 1979, UNTIL 10 A.M., MONDAY, DECEMBER 3, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business Saturday it go over until Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

RECESS UNTIL 12 O'CLOCK MERIDIAN

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 12 noon today.

There being no objection, the Senate, at 11:27 a.m., recessed until 12 o'clock meridian; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BUMPERS).

CRUDE OIL WINDFALL PROFIT TAX ACT OF 1979

The PRESIDING OFFICER. The clerk will state the pending business.

The legislative clerk read as follows:

A bill (H.R. 3919) to impose a windfall profit tax on domestic crude oil.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and it will be a live quorum.

The PRESIDING OFFICER (Mr. BOREN). The clerk will call the roll.

The legislative clerk called the roll and the following Senators entered the Chamber and answered to their names: BOREN, BUMPERS, ROBERT C. BYRD, GARN, and HELMS.

The PRESIDING OFFICER. A quorum is not present.

Mr. ROBERT C. BYRD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators, and I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from North Dakota (Mr. BURDICK), the Senator from Virginia (Mr. HARRY F. BYRD, JR.) the Senator from California (Mr. CRANSTON), the Senator from New Hampshire (Mr. DURKIN), the Senator from Alaska (Mr. GRAVEL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Michigan (Mr. LEVIN), the Senator from Washington (Mr. MAGNUSON), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Maine (Mr. MUSKIE), the Senator from Georgia (Mr. NUNN), the Senator from Rhode Island (Mr. PELL), the Senator from Tennessee (Mr. SASSER), the Senator from Illinois (Mr. STEVENSON), the Senator from Georgia (Mr. TALMADGE), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Arizona (Mr. GOLDWATER), the Senator from Iowa (Mr. JEPSEN), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from Maryland (Mr. MATHIAS), the Senator from Delaware (Mr. ROTH), and the Senator from New Mexico (Mr. SCHMITT) are necessarily absent.

The PRESIDING OFFICER. Are there other Senators in the Chamber wishing to vote?

The result was announced—yeas 72, nays 1, as follows:

[Rollcall Vote No. 424 Leg.]

YEAS—72

Armstrong
Baucus
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Byrd, Robert C.
Cannon
Chiles
Church
Cochran
Cohen
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Eagleton
Exon
Ford
Garn
Glenn
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Huddleston
Humphrey
Jackson
Javits
Johnston
Laxalt
Leahy
Long
Lugar
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Nelson
Fackwood
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Schweiker
Simpson
Stafford
Stennis
Stevens
Stewart
Stone
Thurmond
Tower
Tsongas
Wallop
Warner
Young
Zorinsky

NAYS—1

Weicker

NOT VOTING—27

Baker
Bayh
Burdick
Byrd,
Harry F., Jr.
Chafee
Cranston
Durkin
Goldwater
Gravel
Hollings
Inouye
Jepsen
Kassebaum
Kennedy
Levin
Magnuson
Mathias
Matsunaga
Muskie
Nunn
Pell
Roth
Sasser
Schmitt
Stevenson
Talmadge
Williams

So the motion was agreed to.

The PRESIDING OFFICER. With the addition of Senators voting who did not answer the quorum call, a quorum is present.

AMENDMENT NO. 688

The question is on agreeing to the amendment of the Senator from Louisiana.

Mr. LONG addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Mr. President, have the yeas and nays been ordered on the pending amendment?

The PRESIDING OFFICER. They have not been ordered on the pending amendment.

Mr. MOYNIHAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MOYNIHAN. What is the pending amendment?

The PRESIDING OFFICER. It is the amendment by the Senator from Louisiana to the amendment of the Senator from Arkansas.

Mr. MOYNIHAN. I thank the Chair.

Mr. LONG. Mr. President, I might want to move to table the Bumpers amendment, but I do not want to deny Senators an opportunity to be heard on it.

Of course, if that amendment were tabled, it would carry with it the pending amendment.

There might be Senators who desire to be heard on the Bumpers amendment. If so, I do not desire to cut them off.

Mr. BUMPERS. Will the Senator yield?

Mr. LONG. Yes.

Mr. BUMPERS. I appreciate the Senator's concern with those who wish to speak on either the phaseout or the amendment I have offered. I wonder if we could perhaps enter into an agreement. I am willing to vote at a time certain.

Mr. LONG. I would be inclined to make a motion to table in due course. But I do not want to deny Senators the opportunity to be heard. I would like to make that motion today. But I do not want to deny Senators who want to speak to that amendment the opportunity of speaking to it. It is a significant amendment. If they want to speak to it, I am not here to deny them their right.

Mr. BUMPERS. I wonder if the majority leader has a commitment made as to a rollcall. Apparently not, since we have had one vote already. Sometimes there is a commitment that there will not be a rollcall vote on the pending business until 2 o'clock or 3 o'clock on a Monday afternoon. I do not know whether or not any such commitment has been made. I personally would like to speak a little more on my amendment, even though the pending amendment is the Senator's amendment on the phaseout provision.

I think that perhaps three or four other Senators might like to be heard before a motion to table is made.

I have no desire to prolong this. I am perfectly willing to get the show on the road. But I do think there may be a few Senators who would like to be heard.

We might get a show of hands among those present as to whether anyone else wishes to speak.

Mr. NELSON. If the Senator will yield for a question, the pending amendment is the amendment of the Senator from Louisiana; is that it?

Mr. LONG. Yes, that is an amendment in the second degree to the amendment of the Senator from Arkansas (Mr. BUMPERS).

It was my thought, as manager of the bill, that before we vote on the pending amendment, I would like to move to table the Bumpers amendment. If the Bumpers amendment is not to be tabled, I would like to insist on a vote on the pending amendment to the Bumpers amendment.

But prior to that time, some Senators may desire to speak on the Bumpers amendment, which is an amendment in the first degree to the committee amendment.

I would be glad to wait until they have made their speeches before I move to table.

Mr. NELSON. I have an amendment to the Bumpers amendment that I would like to call up at some stage. Is it the intent of the Senator to move to table before any amendments to the Bumpers amendment can be called up?

Mr. LONG. It would not be in order at this point, but if the Bumpers amendment is not to be tabled, obviously, we could vote on amendments to that amendment.

Mr. NELSON. I wanted the Senator to know that if the amendment that is pending is disposed of, I would like to call up an amendment to the Bumpers amendment. I do not need much time on it, but I would like to at least call it up.

Mr. BUMPERS. Is it the Senator's intention to move to table before any disposition is made of the pending amendment?

Mr. LONG. Yes. But I am not here to deny any other Senator any right he might have, any motion that he might want to make.

But some Senators might want to speak on the Bumpers amendment and, if they do, I certainly would like to accord that opportunity. They might want to speak on the pending amendment. That is fine, too. I have made my speech. I think I have addressed myself to both the pending and the Bumpers amendments.

Mr. NELSON. I am not clear about that. Does the Senator intend to dispose of the pending amendment before he moves to table the Bumpers amendment?

Mr. LONG. No, I do not.

Mr. NELSON. Then there would not be an opportunity to call up any other amendments.

Mr. LONG. If any Senator wants to offer an amendment to the bill, of course, that would take precedence. I believe under the rules that would take precedence to a vote on the Bumpers amendment, or the amendment to it.

That being the case, it would be in order for Senators to call up amendments. But if they want to call one up at this time, it would have to be to the bill, not to the Bumpers amendment, because the pending amendment is in the second degree.

Mr. NELSON. That is why I raise the question. I would like to call up an amendment to the Bumpers amendment. But it cannot be called up until the pending amendment is disposed of, one way or the other.

So is it the intention of the Senator from Louisiana to move to table before any other amendments can be called up on the Bumpers amendment?

Mr. LONG. Yes, it is. Because there are pending amendments, in the first and second degrees, to the committee amendment, calling up amendments to the Bumpers amendment is the only legislative option that is foreclosed at this moment. If the Senator wants to offer an amendment to the bill, he may do so.

Mr. METZENBAUM. Mr. President, will the Senator yield for a question?

Mr. LONG. I yield.

Mr. METZENBAUM. The Senator from Louisiana is being very fair in not offering his motion to table until everyone has an opportunity to be heard, and I appreciate that. Therefore, I ask this question, with that thought in mind: Under those circumstances, would the Senator from Louisiana feel it inappropriate if one of us saw fit to offer a motion to table his amendment to the Bumpers amendment?

I do not want to be unfair to the Senator from Louisiana, who is trying to be fair to the other Members of the Senate.

Mr. LONG. The Senator has that right.

Mr. METZENBAUM. The Senator from Louisiana would not feel that out of line, in view of his fairness in permitting debate to continue?

Mr. LONG. I seldom pass judgment on Senators making whatever motion they think is appropriate. If the Senator wants to make a motion, that is his privilege.

Mr. METZENBAUM. I would not want to do that without giving the Senator from Louisiana notice. I think the Senate might want an opportunity to have a test vote on whether or not we want a phaseout of the windfall profit tax. A motion to table the amendment of the Senator from Louisiana would provide the Senate with that kind of opportunity.

I would not want to do that until there was an adequate time for debate, but I would not want to do it precipitately to the Senator from Louisiana, without giving him advance notice.

Mr. LONG. I thank the Senator.

Mr. President, I believe the Senator indicated that he would like to speak. If the Senator would like to speak to either amendment, I will be happy to yield. I simply wanted to announce my position.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I should like to speak to the phaseout amendment which is proposed by the distinguished Senator from Louisiana, and I should like to do so in light of the developments over the weekend in Saudi Arabia.

We find the situation in which we, in the Senate, are debating whether or not there should be a windfall profit tax, how large it should be, and whether there should have been a windfall profit tax bill to begin with or whether there should be any windfall profit tax.

Now we find, from a completely separate area, Saudi Arabia, that the Saudi Arabians, our major supplier of imported oil, are saying to us, "You are not working toward an effective windfall profit tax bill."

We read this in the New York Times of November 25:

> Secretary of the Treasury G. William Miller said today that Saudi leaders were annoyed at American oil companies for failing to pass the benefits of lower Saudi prices along to consumers and that they might raise their prices as a result.
>
> Speaking after a day of meetings with King Khalid and key economic ministers, Mr. Miller told American reporters traveling with him that the Saudis "feel they have been taken advantage of by the oil companies."

To that, I can only say that the American consumer finds himself in the same position.

I read further:

> They feel the price they are selling at has not gone to the benefit of consumers and that it has been raked off by the oil companies," he said, "and they are very upset about it.

I can understand the Saudis being upset about it, because they have concern—and have publicly expressed that concern—about the fact that they were selling their oil at $18.50 a barrel and the American oil companies that were buying it from them were not passing that on to the American people but, instead, were increasing their price to a minimum of the world oil price of $23.50.

What an absurd situation. The Saudis are concerned that the American economy is in a runaway inflation situation. They are concerned that our economy cannot be stable unless we can hold down the inflationary spiral. So, in contradistinction to the other nations of the world which sell us oil, they hold down the price. They think that will help to hold down the inflationary spiral—which, I say parenthetically, has contributed five direct points to the full rate of 14 percent, and I do not know how many additional indirect points by reason of the ripple effect.

So what is happening is that Saudi Arabia is trying to keep the price of oil down in this Nation, trying to hold down inflation, but the American companies, according to the statement of the Secretary of the Treasury, have been raking off—that is his phrase—the American people.

Mr. President, I have difficulty comprehending the solution that the Secretary of the Treasury has come up with; because instead of coming back and saying to the American oil companies, "You owe it to the American people and you owe it to the Saudis to hold down the price of oil; that is your responsibility," what does he do? Instead of that, he tells them as follows, and I now quote from today's Wall Street Journal:

> The Secretary also criticized U.S. oil companies——

Good enough. What next?

> and indicated that the Carter administration wouldn't be upset if the Saudis take a bigger cut of their profits.

Is that not absurd? Is that not unbelievable—that he is on one of these great, big American Air Force jets, flying over to Saudi Arabia? The Saudi Arabians are telling him that the oil companies are charging the American people too much for their oil, and what does the Secretary of the Treasury suggest? He suggests: "Maybe you (the Saudis) ought to increase your price."

What kind of concern is this for the American people? What kind of feeling can the Secretary of the Treasury and the Carter administration have? He said he was not speaking for the consumer. He says that the Carter administration would not be upset if the Saudis take a bigger cut of their profits.

What is the use of standing on this floor and talking about having punitive windfall profits taxes? What is the sense of just talking about taxing and taxing and taxing, which is another part of what Mr. Miller said on the trip, that maybe we will come back and add more taxes on to the price of oil? That, too, was reported in this morning's Wall Street Journal.

What about the American people—the people who are trying to find the money to pay for their fuel oil, the people who are trying to find money to buy gasoline to drive back and forth to work or to do the voluntary work they do? Is there no element of compassion, is there no element of concern, or do we think only of how we can charge the American people more and more and more?

So, while he is in Saudi Arabia, Mr. Miller suggests that maybe they should charge the oil companies more. What kind of delusions does he have? What is he dreaming about? Does he truly think that is going to be effective in bringing about conservation in this country?

The price of oil has gone from $2 a barrel to $23.50 and $25 a barrel. The price at the gasoline pump has gone from about 35 cents or 40 cents to $1, $1.07, and $1.10, and the American people are not cutting back.

It is true that a little less has been used because more people are buying Volkswagens and Mazdas and other imported automobiles, and more American manufacturers are getting the message and are starting to convert to the smaller cars, such as the Chevrolet Citation. But the fact is that the American people want their automobiles and want to drive them. Whether you raise the price to a $1 or $1.25 or $1.50 or $2, you are not going to cause much conservation in this country, and it is time the administration got that message and got it loud and clear.

It is time that there be some element of concern for the people of this country. We talk about what we are going to do about fighting inflation. Every politician on the street talks about how we have to fight inflation and every American is concerned about how we fight inflation. You cannot win the battle against inflation as long as the administration policy is to push oil prices higher and higher and higher, whether it is by giving the oil companies more profits or whether it is by telling the Saudi Arabians that they should increase their prices. It is so totally ludicrous that it is hard to believe. If you did not read it in the Wall Street Journal, the New York Times, and in other reputable papers throughout the country, you would think that someone was pulling your leg; it must be a great joke. Only this joke is a joke on the American people.

We are going to argue out here for days on end, and we are now debating the Long amendment to phase out windfall profit taxes. We should not be phasing out windfall profit taxes. The first thing we should do is the President should withdraw decontrol until we send him a bill that has some teeth in it, is strong and has some real effectiveness and protection for the American people.

What is so magical about a phaseout in 1990? What is going to happen in 1990 to cause the American people to have to do more and more and more for the oil companies? There is plenty of decontrol in effect without the President's act. The fact is why should the oil industry after 1990 keep 100 percent of the OPEC price on oil that has been coming up out of the ground for years? And a great deal of that oil comes out of the ground in the waters that are offshore on the lands and waters owned by the American people.

We are not talking about a depressed industry. We are talking about an industry that is having a problem trying to make ends meet. This is an industry that has a surplus of cash and surplus of riches, so much so that they spend it day in and day out looking for new kinds of businesses to acquire.

The only thing good about 1990 is that it is not here today. But in 1990 why should there be a phaseout? Why should there be a phaseout at any point of windfall profits? The oil companies are not deserving of them. They did not earn them. They only come about by reason of one stroke of the pen by the President.

A phaseout creates an incentive for the industry to hold back their production until after 1990. If ever there were a counterproductive proposal made in the Chamber of the Senate, it is one to phase out windfall profit taxes. If you phase it out, you do not have to be a genius to understand that tomorrow your oil is going to be worth more than it is today because you are not going to have to pay as much taxes on it.

So how can we, who talk about more production and talk about our concerns during the eighties, seriously consider phasing out a windfall profit tax that gives a message loud and clear to the oil companies that if you wait just a little longer you will pay a lot less in taxes? That certainly will not help this Nation. That actually will drive up prices even that much more because there will be that much greater shortage.

We can decide a phaseout if someday it becomes necessary to do so. We can talk about a phaseout when production is running at a point that we think it is the only fair thing to do for the oil industry. But there is not any reason under the Sun—and that includes my distinguished friend from Louisiana who is so expert in this field—for us to put an amendment in this legislation that is going to hurt our country as much as the phaseout would.

It will hurt us in the fact that we will not have those dollars available to the Federal Treasury. It will hurt us in that the oil companies will be holding back their production. It will hurt us in that it will be inflationary and there is not any good logic or reason to do so.

That is the reason that I think the Senate should at an appropriate time have an opportunity to indicate its view that this is not a measure that it looks with favor upon, and that is the reason at an appropriate time I will offer a motion to table the pending amendment. I shall not do it now.

Mr. DOLE. Mr. President, I take this time to indicate that I do not agree with the amendment offered by the distinguished Senator from Arkansas, Senator BUMPERS. There are a number of flaws in the Bumpers amendment, but I only suggest that if we are really concerned about an energy problem, and we did make certain exemptions in the Finance Committee—as I recall the vote on newly discovered oil was nearly unanimous, maybe there was one negative vote on exempting newly discovered oil—under the Bumpers amendment that exemption would go by the boards. The President requested that we exempt heavy oil, and that was done in the Finance Committee bill, not in the House. That would go by the boards. Oil produced from tertiary or enhanced oil recovery projects was exempted by the Senate committee, I think with a fairly substantial vote. Again the heavy oil as I recall was unanimous. I do not know of any dissent on exemption of heavy oil requested by the President.

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. DOLE. I yield to my chairman.

Mr. LONG. Is it not true that the vote on exempting the heavy oil involves exactly the same principle as the vote on tertiary production? That is, you are talking about something that is far more expensive to produce than oil is generally. Therefore, it was recommended by the President, in view of the fact that this so-called heavy oil had to be heated in order to get it up to the surface or had to be treated with chemicals, it was desirable to decontrol and not to put the windfall profit tax on it. That was the President's recommendation.

Does not exactly the same principle apply when we are talking about incremental tertiary production? That is a situation, just as it is with heavy oil, in which it is very expensive to produce. Does not every element of logic that suggests that heavy oil be exempted also suggested that tertiary production be exempted?

Mr. DOLE. That is the way the Senator from Kansas understood it. The committee had 5 or 6 weeks of executive sessions and hearings and the heavy oil recommendation was made by the administration. I may be incorrect. But I do not know of any dissent on the exemption of heavy oil.

Mr. LONG. The vote as I recall was 14 to 2 in the committee.

Mr. DOLE. It was a very strong vote.

With reference to newly discovered oil, according to all the studies a tax on newly discovered oil will retard production. This was supported by statements by experts before the committee. If we are going to retard production, then the country will have to make up the shortfall by more imports. Most Americans understand today, if they did not understand last week or the week before or month before or 6 months ago, that we must stop our dependence on imports. We have to reduce our dependence on oil imports.

I hope the crisis in Iran, wherever you may look, leads us to the view that it is incumbent upon us to make certain that we leave adequate incentives so that we can try to make up some of the shortfalls through new production.

There is uncertainty associated with any estimate of future discoveries. I do not think anyone knows with any certainty how much oil reserves we have or how much oil there is that has not been discovered. However, in testimony before the Senate Finance Committee on June 11, an oil industry spokesman estimated future domestic crude oil discovery volume at 60 billion barrels.

It should be noted that the U.S. Geological Survey estimates the undiscovered domestic oil at between 50 billion and 100 billion barrels. We must provide incentives. The committee bill in its wisdom, provides the correct approach.

Certainly the costs are higher for newly discovered oil, just as the distinguished Senator from Louisiana pointed out they are higher for heavy oil and oil recovered from tertiary techniques.

The committee also—and I know it is controversial and probably will be the subject of some discussion—exempts certain stripper wells producing 10 barrels or less when produced by an independent.

There must be some incentive to preserve the resource of these very small oil wells that are not very profitable. In some instances the wells average less than half a barrel a day production.

In the State of Kansas, for example, the average stripper well produces about 3 barrels per day. The total produced in Kansas in a year's time is about 56 million barrels or about 1 week of what we import into this country. It is a resource, and we are happy that we have it in the State of Kansas. We wish we had more because we want to help meet our energy needs. That is another reason why if we adopted the approach of Senator **Bumpers**, the exemption for that category would be eliminated.

Mr. President, the amendment introduced by the Senator from Arkansas will accomplish many things. However, two things come to mind. First, it will reduce the tax on flowing oil, that is existing production, and it will increase the tax on oil that has not even been discovered. The amendment is bad policy. It will inhibit future production.

Mr. President, the amendment indicates very clearly that there are a number of individuals in this Chamber who are not interested in providing fuel to heat homes, propel our automobiles, and turn the wheels of commerce. There are those who would like to, for some unknown reason, dismantle the oil industry. There are those who would like to raise more and more taxes to distribute for dubious projects. Whatever the case, the result is more Government, more regulation, and more taxes.

Everybody is looking for an enemy, and they have found the enemy, he is the oil industry. They are a nice, easy target, a big target. They are making profits, so it is easy to stand up and criticize the oil industry.

There are those who would like to raise more and more taxes to distribute for other dubious projects. A couple of weeks ago in this very Chamber the Senate passed, not with this Senator's vote, a public corporation that is going to spend about $88 billion over the long run in public money in the energy business. I suggest when that gets going full tilt, you are going to see more Government, more bureaucracy, and probably not much else.

And for those who find fault with the operation of the post office, I would suggest have you ever thought of buying your gas from the post office? Because if we just create another giant corporation and fund it at about $88 billion—the consumer will pay.

Mr. President, the Senate Finance Committee has been criticized for watering down the windfall profit tax. That is an almost unbelievable charge.

If one thing is certain, the Crude Oil Tax of 1979 will generate enormous revenues for the Federal Government. This is clearly the largest tax bill which has ever been considered by Congress. Its impact will change the course of economic and social events of the country for decades to come. In the next 10 years, at least $138 billion will accrue to the Federal Government from the net windfall profit tax. This is in addition to the almost $400 billion that will be added to the Treasury because of the Federal income tax and increased royalty payments. Thus, the Federal Government will be the greatest beneficiary of any "windfall profits" that might be generated.

Again the $400 billion is a conservative figure that will be added to the Treasury because of the Federal income tax and the increased royalty payments paid by those in the oil industry which will result. So that is only $538 billion over the next 10 years, and that is a conservative estimate, and that is all coming from the oil industry.

For those who want to zap the oil industry that is a pretty good amount.

If the amendment now being considered is adopted, the windfall profit tax would almost double.

The windfall profit tax concept was first proposed, the administration was considering raising somewhere in the neighborhood of $50 billion. Last summer, the administration wanted $140 billion to fund their entire energy program. I might add about $20 to $25 billion of the $140 billion was a diversion of increased income taxes resulting from decontrol.

It just seems to me that the thirst for Federal revenue is unquenchable. Everybody wants more and more.

I noticed Saudi Arabia endorsed a windfall profit tax. They did not go into detail. They did not discuss tertiary or heavy oil or newly discovered oil, they did not discuss stripper production because they do not have it in Saudi Arabia. Now Saudi Arabia has told us in the Senate what we should do.

Mr. WALLOP. Mr. President, will the Senator yield for a comment?

Mr. DOLE. I would be pleased to yield.

Mr. WALLOP. I was amused, and a little bit shocked, that a foreign government would seek to interject itself into the affairs of the U.S. Senate, and I frankly doubt that they did. But, on the other hand, if they did it only bears out what the Senator from Wyoming has been saying. The reason why the Saudis would endorse the windfall profit tax is because it continues to make it a more attractive business deal for American oil companies to search for and develop and broker foreign oil than it does to look for and produce American oil. This is because the windfall profit tax is not going to tax those oil company profits that the Secretary of the Treasury was talking about.

Either the Secretary of the Treasury does not know anything about the windfall profit tax or he has deliberately set out to deceive the public of the United States. I say this because the windfall profit tax is not going to touch the profits of international oil companies he was talking about, and by taxing the producers of domestic oil we are making it obviously a much better deal for people to continue to increase our reliance on foreign sources; namely, the Saudi Arabians. So if they endorsed the tax, I can see why. It is the best deal they can find in town.

Mr. DOLE. I certainly agree with the Senator from Wyoming. The tax applies only to domestic oil, so I do not really understand their interest in our domestic policies. But the reason the Senator has given—and I do not suggest the Secretary of the Treasury does not understand the tax. In any event, I thought it was at least unique that they would be commenting on domestic tax policy.

Mr. WALLOP. Mr. President, if my colleague will yield one more time, I cannot help but think that the Saudis are intelligent enough to know what kind of tax bill this is. I doubt seriously that the Saudis think it is going to take care of the international oil companies profits mentioned in Secretary Miller's comment.

Now, he may not have made such a remark, but there has been no clarification from the Treasury on it. We called and asked for a clarification, and they have not seen fit to offer one.

The plain fact is that both Saudi Arabia and the Secretary of the Treasury were talking about a tax bill that is not in front of the Senate.

Mr. DOLE. I think it is fair to say the Saudis—and, of course, they are friends—did not comment on any specific proposal. They talked about a windfall profit tax. I assume everybody would be for a windfall profit tax. It is difficult to have a windfall profit tax on newly discovered oil. You cannot have a windfall profit on something you do not have. But that is not the approach we took in the Senate Finance Committee.

I will say that—the bottom line—and I read the Washington Post yesterday about all these little phrases going around Washington, and this is a good one, the bottom line—is whether or not the country wants more production or more taxes. We can impose taxes, and we have demonstrated that ability on this floor many times. The American people pay them every day. Are we going to impose another $500 billion in taxes or another $700 billion or more?

But there are some in this country who may be concerned about revenues but are also concerned about energy. It was the thinking of this Senator, at least, in the Senate Finance Committee there should be some balance. There will be a tax. There are some Members of this body who do not want any tax and, I assume, at the appropriate time, the Senators are going to be debating that point at length. There are some who say it is heresy to advocate a tax and come from an oil-producing State, a small oil-producing State. I am realistic enough to know that there has to be a balance between some reasonable tax and energy production.

Where is that balance? It seemed to most of us on the Senate Finance Committee that we found the balance. There are more nonoil-producing States represented on that committee than there are oil-producing States. So it was not a bill shoved down the throats of nonoil-producing States represented on that committee. It was a nonpartisan approach to the energy problem.

There are some on the Republican side who do not believe we should have any tax. There are some on the other side, the Democrat side, who probably do not believe there should be any tax. There will be a tax. There probably should be a tax. But there should be a balance. Congress should not tax oil to a point where we do discourage production.

Now, estimates provided to the members of the Finance Committee indicate that about 4 million barrels of oil a day could be produced in the late 1980's without a windfall profit tax. That is 4 million barrels a day we will not have to import. That is a lot of oil. So, those who say we should not have any tax make a good argument. If you are concerned about energy, let us not have a tax. Let us go out and just produce and produce and we will get up to 4 million barrels.

But now we are considering an amendment that would destroy any benefit from oil decontrol. The version of this bill that came out of the House of Representatives would, if enacted, destroy domestic production of 2 million barrels of oil a day by the late 1980's. The bill of the Finance Committee, while an improvement on the House version, would reduce it 1 million barrels a day over decontrol with net tax. We went halfway. We said, "The House went too far. We will go halfway."

The reason is very simple. Profits do provide and attract capital which, in turn, finance the exploration for and production of more oil. Tax the profits away and we will tax capital away, and this means we produce less oil.

Now, where is the cutoff point? Where is this balance? Where is the balance that is being sought? Certainly the Senator from Arkansas (Mr. BUMPERS) is trying to find a balance. The Senator from Ohio (Mr. METZENBAUM) wants a balance. The Senator from Kansas wants a balance. Where do we find this balance, recognizing that the easiest target in town and the best politics is to stand up and kick around the oil industry. But it does not do much good to say, "Well, if we had the product, you could buy it for half of what it is today. We do not have it. But if we ever have it, you could have it at bargain rates."

This Senator does not believe the American consumer will buy that argument when they cannot find the product, whether it is gasoline, or heating oil. So we had an obligation and we had one in the Senate Finance Committee. We spent about 85 hours in markup sessions debating the bill in the committee.

I hope there is enough confidence in the Finance Committee to table the House bill. There can be differences. There are differences; there should be differences. But I do believe that if you look at the diversity on the committee and the final result of a 15-to-1 vote that was agreed to, there indicates a great deal of support.

We addressed the tax side, we addressed the production side, and we addressed tax credits through the efforts of the distinguished Senator from Oregon (Mr. PACKWOOD). We addressed low-income assistance, as we should have addressed low-income assistance. We addressed mass transit. We looked to the efforts of the distinguished Senator from Delaware (Mr. ROTH) in creating a trust fund to put a freeze and to roll back social security taxes.

So it seems to this Senator that we have acted responsibly in the committee. But where is that cutoff? Do we want 4 million additional barrels of oil a day? If that is the case, we would not have any tax. And that is what some on this floor will argue tomorrow or next week or the following weeks.

Do we want 2 million barrels a day? Do we want 3 million or 2 million barrels a day? It seems to me that the Senate Finance Committee came down in the middle with a rather fine and delicate balance. We exempt certain categories of oil on the theory that they were high costs. We exempt, as I said, newly discovered, tertiary, stripper, and heavy oil as advocated by the President.

I only hope that when the vote to table the amendment comes, if it comes, that we keep this in mind.

The Senator from Kansas knows of the interest of both Senator BUMPERS and Senator METZENBAUM in production. We share the same interest in production. We may see it differently. The final judge will be the total membership of this body and, finally, the conference which I hope will take place soon.

But it seems to me that we could make some progress and I hope we can move quickly on this matter. During the consideration we had a lot of advice. We had testimony from the private sector, as we should have had, and we had advice from the private sector. There were even a few lobbyists around from the oil industry. I do not know where this big oil lobby is. They must be a secret organization. However, a few did show up.

The Treasury Department was represented. As I indicated earlier, the administration was represented through the Treasury and through the Department of Energy. They had different estimates right along. They keep going up and up and up, because it looks so easy to keep raising money.

And we have had staff assistance and we have had the Joint Committee on Taxation. I think, all in all, we have had a lot of diverse but objective input. And then we tried to act as the judge or jury to determine which would be the best way to go.

Mr. President, during the Finance Committee's consideration of this bill, we had the Treasury Department and an outside expert prepare an analysis of the relative percentage that Federal, State, and local taxes, including the proposed windfall excise tax, will claim of the income resulting from decontrol.

This analysis revealed that the Federal and State governments will be by far the greatest beneficiaries of decontrol. Under the 60-percent windfall profit tax provided by the House bill and assuming no reinvestment by the producer, the Federal Government will receive approximately 77 percent of an individual producer's additional income from decontrol. State governments will claim about 13 percent of the decontrol income. The share of a noncorporate producer—that is the person who has taken all the risk and actually produced the oil—is only about 10 percent of the income from decontrol. Thus, under a 60-percent windfall excise tax, the individual producer will receive only one thin dime for each dollar of decontrol income. This is hardly a bonanza for oil producers, but it is a bonanza for Federal and State governments which will be awash with decontrol income.

Mr. BOREN. Will the Senator yield?

Mr. DOLE. I am happy to yield to the distinguished Senator from Oklahoma.

Mr. BOREN. I have been listening to the comments of the Senator from Kansas, and I certainly agree with the thrust of what the Senator is saying. I was also listening on both today and on Tuesday, to the comments by the Senator from Ohio (Mr. METZENBAUM) and the Senator from Arkansas (Mr. BUMPERS) in regard to his amendment and also the pending amendment to it. Most of the discussion that I have heard from the proponents of the original amendment by the Senator from Arkansas (Mr. BUMPERS) has been about the profits. We heard the statement allegedly made in Saudi Arabia over the weekend.

I wonder if the Senator could help me with this, because I have difficulty in understanding it.

Of course, we know the oil companies' profits are within two-tenths of 1 percent of the average for all manufacturing in this country for the past 2 years, anyway, so I do not see any reason for concern. But let us assume there were some reason for concern over the amount of profits recently earned by the international oil companies. The analysis of those increases, over the past 9 months, indicates that 80 percent of the increases are due to the overseas operations, overseas production, and overseas marketing by these international companies.

Now, if it is an overseas operation, I wonder if the Senator from Kansas can help me understand how in the world it is going to help stop excessive profits on overseas operations to tax the domestic production of crude oil in this country, much of it being done, much of the oil being produced by the independent producers, who not only do not own any pipelines, refineries, or retail outlets, but they certainly do not own any overseas oil operations.

How are you going to get at the overseas profit by putting a tax on domestically produced oil? Would it not make more sense to put a tax on oil we are bringing in from overseas, that is produced overseas? Why in the world, because some people are upset with the profits the international companies are making on their overseas operations, should we put on a tax that would harm independent domestic producers?

Mr. METZENBAUM. Mr. President, will the Senator yield?

Mr. BOREN. Can the Senator from Kansas tell how putting a tax on domestic independent producers with no foreign operations will help stop excessive profits on overseas operations of international companies?

Mr. DOLE. Mr. President, I have the same difficulty the Senator from Oklahoma is having in trying to make any sense out of that.

I think it is uncontroverted that the noncorporate producer now gets about one thin dime out of every dollar after taxes, after the State tax and after the Federal tax. I believe if we wanted to we could take it all, but it seems to me what we in effect are doing is sort of driving the industry overseas by just loading it up with taxes and adding other burdens on domestic production.

This Senator has said there would be no tax. I have also said some do not want a tax; but there has to be a limit, as the Senator from Oklahoma has pointed out. There are all kinds of figures. I am not here to defend the oil industry; they can do it on their own. They do not do it very well, but they could.

But let me point out a few facts:

Over the last decade, the oil industry's return on stockholders equity averaged 13.9 percent compared with a 13.7 percent return for all manufacturing companies—and this includes the abnormal years 1973 and 1974 when oil companies rate of return rose sharply. The oil industry's rate of return was below that of total U.S. manufacturing in 5 of the 10 years. Oil companies were below nonoil companies in each of the last 3 years.

The Treasury Department's own testimony to the Finance Committee confirmed that the oil industry profits have not been extraordinarily profitable and generally have been slightly below nonoil manufacturing corporations. For example, the Treasury Department pointed out that in 1977 while all nonoil companies sampled had an aftertax rate of return of 14.8 percent; oil extraction companies earned slightly less, 14.7 percent; and integrated oil and refining companies still less, 13.5 percent.

During the first 9 months of 1978 the return on stockholders equity for 25 top oil companies trailed investment returns in other U.S. industries. The oil companies return was 13.3 percent last year compared to a 16.1-percent return for the nonoil companies. In the current year's 9-month period, the oil companies return rose above that of the nonoil companies. The return on stockholders equity for the 25 oil companies was 21.3 percent compared with 16.8 percent for 77 leading nonoil companies. A Citibank analysis of industries with a high return on net worth in 1978 demonstrated that the oil industry's profitability is far below a number of other industries.

Let us take, for example, return on net worth:

For the oil industry, 14.3 percent.

Soft drinks, 22.8 percent, I do not have it for beer saloons.

Office equipment, computer, 22.5 percent.

Building, heating, and plumbing equipment, 21.9 percent.

Drugs and medicines, 21.5 percent.

Soap and cosmetics, 20.8 percent.

Baking, 20.1 percent.

Tobacco products, 19.8 percent.

Lumber and wood products, 19.7 percent.

Cement, 19.7 percent.

Aerospace, 19.7 percent.

As the Senator from Oklahoma just pointed out, foreign operations have been the principal source of oil industry earnings growth. Oil company earnings in the United States compared with their earnings abroad show that domestic operations are relatively less profitable this year.

A detailed analysis on 12 large oil companies indicated that nearly 80 percent of profit growth in the third quarter of 1979 was derived from foreign operations.

Mr. BOREN. Will the Senator yield again, just at that point?

Mr. DOLE. Yes.

Mr. BOREN. I wanted to point out, when we were talking about it being puzzling why those concerned with overseas profits would be supporting this bill that, as the Senator from Kansas well knows, this is not a tax on profits, anyway; this is an excise tax on domestically produced oil, and the tax will work out—depending on the tier of oil we are dealing with, it may be a $4-a-barrel tax or it may be a $3-a-barrel tax, but that tax is on a barrel of oil, and not on profits. That tax will be levied on every domestically produced barrel of oil, whether a company has 5 percent total profit or 15 percent total profit.

What I cannot understand, again, is if this is an excise tax and not a profit tax on domestically produced oil, how in the world putting a tax of $3 or $4 a barrel on oil produced within the United States would do anything to reduce the profit on overseas oil operations by international companies, since it is not a tax on their profits, and it is not a tax on the oil that they produce overseas, it is not a tax on the oil any company buys in Saudi Arabia and sells in Europe, for example, on the world spot market; it does not tax that at all. Yet it is those people who propose to put a tax on independent oil producers in Oklahoma, Texas, Kansas, Louisiana, Alabama, or wherever they happen to be. How in the world are they penalizing those companies, if they do not like what they are doing, by putting an excise tax on domestically produced oil? Can the Senator understand that?

Mr. DOLE. It is also puzzling to the Senator from Kansas. In the Finance Committee, we looked at all the options, including the option suggested by the Senator from Ohio and the Senator from Arkansas. As I said before, I do not question the motives of the Senators, although I do not agree with them. Fundamentally, their proposal does not make a great deal of sense. The figures that I just put in the RECORD demonstrate that 80 percent of the recent oil company profits come from overseas. We can keep taxing and taxing and taxing, but it will not affect that profit picture very significantly. It will simply drive everybody overseas. It will not create any jobs in this country. Essentially it will tell that little producer in Kansas, Oklahoma, and some in Ohio, "We are going to take 80 percent of your petroleum dollar, leaving you the remainder for more production." I must say that does not leave much incentive for more production.

It is hard to believe that the oil industry is the underdog in this battle, but they are indeed the underdog. They are the underdog because the American people do not like higher prices.

They are the underdog because we have been told night after night on the nightly news and day after day by the Wall Street Journal and other publications that the oil companies are making too much money. Anybody who stands up, not to defend the companies but to talk about energy production and some balance between the tax and production, is somehow in the hands of the oil companies, or better yet, in their back pockets.

That makes a better story.

As a result there has not been much objective debate. We have one group saying, "Sock it to them," and another group, which I hope includes many moderates saying, "There has to be some balance in the bill so that we do not take away all their money."

As the Senator from Oklahoma accurately observed, we can raise the taxes on domestic oil industries, but not if we expect to increase our oil production. Someone in my State suggested that we ought to impose a tax on the cattle producers because they are making a little money. Higher beef prices are indeed costing consumers more, so the rationale of this bill would suggest cattle producers should be subject to a special tax so we can get a little of their profits.

I do not claim that the OPEC price is a free price. Nevertheless if you have a product and somebody wants it, that demand will inevitably drive up the price. I understand the price of wood has tripled in New Hampshire because some people have it and other people want it.

We should be out finding more alternate sources of energy instead of focusing our attention on taxes, taxes. taxes. Sooner or later the consumers will get stuck with the burden of tax.

I do not know what is so bad about

leaving producers with a little more money. I still think we missed the boat by not including a plowback provision in this bill. Perhaps we will still have a chance to consider a plowback. I am convinced that such a provision would create jobs and find more energy. I regret the oil industry did not support some kind of a plowback provision. That does not mean, however, that we cannot offer a plowback provision, and we do intend to offer one later on.

Mr. BOREN. Some people have said they are alarmed about the money being made by those companies making automobiles overseas, that it is hurting our domestic automobile industry. We know our domestic automobile industry is in some difficulty and we are concerned about the loss of jobs in our domestic automobile industry. With the solutions being proposed here as we are concerned about our reliance on overseas petroleum, people are coming along saying tax the oil produced here but do not tax the oil produced over there. That is what this bill is, a tax on domestic oil.

That is like saying we are concerned about all these foreign cars being imported into the United States. We want to save the jobs of the carmakers in the United States, so as a solution let us not put any tax on cars that are being brought in from overseas, but let us tax every automobile made in the United States, about $5,000 per car, so that we can help the domestic auto industry keep our jobs here at home and quit buying all those cars from overseas because those companies are making profits on those cars they are making overseas. Let us solve it by putting a $5,000-per-car tax on every car produced in the United States.

Would that not be about the same kind of logic that we see here in terms of wanting to turn oil production back to this country, the energy production in this country? They say let us tax the production in this country and not tax the production in other countries.

I just do not see——

Mr. METZENBAUM. Will the Senator from Oklahoma yield for a question, reserving the right of the Senator from Kansas to the floor?

Mr. BOREN. I would be happy to.

Mr. METZENBAUM. The Senator from Oklahoma seems to be talking about the concept of this bill as an excise tax on domestic producers. Was the Senator not part of that Finance Committee, as well as the Senator from Kansas and the Senator from Louisiana, that brought to the floor of the Senate the bill that does the very thing about which he is now complaining?

Mr. BOREN. Surely I was part of that committee. As a member of that committee I offered amendments and supported amendments to try to reduce the tax on domestic production, where it would do some good to reduce it, on tertiary recoveries, to go back into the old fields, on stripper production, to prolong it.

As the Senator knows, in the legislative process, just because someone has said, "I think this proposal is less bad than another proposal" does not mean an endorsement.

I think the Senate Finance Committee bill is less bad. It will cause less discouragement of production than the House-passed bill.

Mr. METZENBAUM. But the Senator voted for it, did he not?

Mr. BOREN. I voted for it as the lesser of evils, which I think we find ourselves many times on the floor of the Senate confronted with, not with the choices we would like to make but with the choice of the lesser of evils.

Mr. METZENBAUM. Did the Senator from Oklahoma or any other member of the Finance Committee propose any amendment that would have directed itself to the concern which the Senator from Oklahoma has just mentioned, that is, that it is a tax on domestic producers and not on foreign producers? Did the Senator offer an amendment to that effect?

Mr. BOREN. Yes. In fact, I supported the amendment of the Senator from Texas that would have exempted independent domestic producers on the first 4,000 barrels per day of production. I think that would have been a great step in the right direction and would have caused us to stop penalizing the companies here at home who do not like what is being done overseas.

Mr. METZENBAUM. Did the Senator offer any amendment that would have taxed the foreign profits as well, as he has suggested ought to be the case?

Mr. BOREN. I did not offer any such amendment because I think we can use all the capital we can possibly gather as long as it is put back into production here at home. I think if we do not tax the domestic production as much we will be encouraging those companies to come back here and put it back into production.

Mr. METZENBAUM. How much would the Senator from Oklahoma say is enough? Would the Senator from Oklahoma remember when the price was $2 and the oil producers wanted $3 or $4, when it was $4 they wanted $6, and when it was $6, they wanted $8? The Senator from Oklahoma knows that the average cost to produce oil last year in this country was $1.83, and the average receipts were about $8.50. Now the price is far in excess of that. The price has now gone up on the world market to $23.50, and more. What would the Senator from Oklahoma say was an adequate price so that the windfall profit tax or some other tax ought to be applicable and that the oil companies were getting enough?

Mr. BOREN. I would say this to the Senator from Ohio, and I do not know how he calculates his figures per barrel——

Mr. METZENBAUM. My figures come from the administration study that they submitted to members of the Finance Committee.

Mr. BOREN. Let us look at the overall profitability of the companies. Over the past 10 years that overall profitability has been in the range of, I believe it is, 15 percent, 14 or 15 percent, within two-tenths of the average for all manufacturing. Even in this past year we had several basic industries, aerospace, forestry, some pharmaceutical products, broadcasting, newspaper publication, many other companies, that——

Mr. METZENBAUM. Is the return now actually running 23 percent for the oil industry and going up?

Mr. BOREN. Over the last 10 years the average is what you have to look at.

Mr. METZENBAUM. Would the Senator from Oklahoma say we are never going back to the last 10 years? We know things have changed in the world. We know there will never be $2 oil again.

Mr. BOREN. I will say this to the Senator from Ohio: All I am saying is let us look at the past decade, because 1973 was an unusual year, and this is an unusual year. If we follow the right policies in this country, quit sending all the money overseas, we will start encouraging domestic production. Let me say that we need to develop enough capital in this country. How much is enough? Enough to bring about our energy independence. That is how much we need. As the Senator knows, it costs money to drill an oil well; it costs money to build a solar energy panel.

Mr. METZENBAUM. How much does the oil industry need? When will they be satisfied?

Mr. BOREN. Let me ask the Senator a question. It costs money to dig a coal mine, to build a solar energy panel, to build a synfuel panel, as well as to drill an oil or gas well.

Now, if the money needed to do all of that to get us to domestic energy independence comes from the profits of the private companies, that is one way you can pay for it. You can develop energy supplies in this country from the profits and have the private companies do the job through the free enterprise system. Where else do you want to get the money? Do you want to raise taxes or get the American people to pay for it?

Mr. METZENBAUM. The American oil companies have so much money, they have tried to buy Ringling Brothers, Barnum and Bailey Circus, tried to buy life insurance companies, they have come to my community and tried to buy Reliance Electric for about $1.1 billion—an unbelievably high rate. They are just so loaded with money that they do not know what to do with it. Forbes Magazine had an article that said Exxon Co. has a problem with its excess cash flow of $4 billion to $5 billion a year. That article was written a year or two ago. It is certainly higher now.

Mr. BOREN. Has the Senator from Ohio also seen the projected exploration and development plans for next year of the companies?

Mr. METZENBAUM. I do not believe I have. They do not share that information with me.

Mr. BOREN. Many of the companies have made public their plans. I have seen several of them announced in the press and they are plans for spending billions of dollars.

We can get up and say $1.4 billion here, $2 billion there. But the fact is that, according to experts, it is going to take almost a trillion dollars—almost a trillion dollars—between now and the year

2000 to develop enough energy in this country to make us energy-independent and to maintain full employment for our people so that we shall have the energy to run the factories and the hospitals.

Now, where is the Senator going to get that $1 trillion to develop the energy supply for this country? Where does he want it to come from? If he does not want it to come from profits, and if the Senator wanted to propose an amendment to force the plowback of all profits into production, fine. I can be for that. But if the Senator does not want the money to come from profits, where is he going to get the money?

Mr. METZENBAUM. I point out to my friend from Oklahoma that, in spite of his protestations, in spite of the oil companies' wonderfully slick TV ads, in spite of their articles in the newspaper, their advertisements, the fact is that they are not meeting their responsibilities as far as putting their money back into exploration and development. In yesterday's New York Times, an article stated as follows:

> The $10.1 billion that they plowed back into their operations consisted of $7.8 billion in capital outlays plus $2.3 billion in current expenditures on exploration and similar activities. In contrast to the 75 percent increase in profits, these "capital and exploration expenditures" increased only 13 percent over the amount laid out in the comparable 1978 period, though capital expenditures commonly lag profits in good times and lead them in lean times.

What they are doing with the difference is going out and trying to buy up American industry and they are being very successful about it.

The article further points out that of their profits, they are only putting about 50 percent back into exploration and development.

Mr. President, I ask unanimous consent that this entire article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Nov. 26, 1979]

OIL MONEY: WHERE IT IS SPENT

(By Anthony J. Parisi)

So far this year, the five largest American oil companies have earned a record $7.9 billion in profits, or 75 percent more than they made in the first three quarters of 1978. At the same time, according to their financial reports, they have poured $10.1 billion back into their businesses, roughly two thirds of which went toward finding and developing new energy supplies.

Thus it is probably true, as some oil companies contend, that the industry is spending more money to assure the nation's future energy supplies than it is currently reaping in profits. But this assertion is at best incomplete. The full picture of how the oil industry is using its money includes not only profits but also other components of cash flow, such as depreciation and depletion.

Using the cash-flow yardstick, the $10.1 billion that was reinvested by the five largest companies amounts to only a bit more than half of the $19 billion in funds available for such purposes during the first nine months of the year, the companies' financial disclosures show.

This is the main finding from a detailed analysis of the companies' financial statements undertaken by The New York Times after the oil companies reported huge gains in their third-quarter profits. Those profit increases, which exceeded even the sharply higher earnings of the two previous quarters, prompted widespread anger, suspicion and concern among the industry's critics.

OTHER DISBURSEMENTS

The analysis shows that, in addition to their capital reinvestments, these companies also paid out $2.7 billion in dividends, committed $1.9 billion to buy other companies and earmarked $1.5 billion for a variety of other disbursements. After all this, $2.8 billion still remained in their businesses as retained earnings.

The $10.1 billion that they plowed back into their operations consisted of $7.8 billion in capital outlays plus $2.3 billion in current expenditures on exploration and similar activities. In contrast to the 75 percent increase in profits, these "capital and exploration expenditures" increased only 13 percent over the amount laid out in the comparable 1978 period, though capital expenditures commonly lag profits in good times and lead them in lean times.

The companies covered by the analysis were the Exxon Corporation, the Mobil Corporation, Texaco Inc., the Standard Oil Company of California and the Gulf Oil Corporation. They were chosen not only because they are the biggest but also because they are the most integrated and most international of the domestically based oil companies. Together, they accounted for almost half of the $16.3 billion in overall profits reported by the top 25 domestic oil companies during the first nine months of the year.

The data came mainly from the 10–Q reports that the companies are required to file with the Securities and Exchange Commission each quarter. In addition, on request, the companies provided further details on the figures in these reports, which are themselves more detailed than the financial reports routinely sent to shareholders. Not all five broke out the figures in the same way, however, so some of these breakdowns had to be estimated.

The analysis showed the following:

About 40 percent of the companies' $7.9 billion in profits came from their domestic operations, yet more than half of their $10.1 billion in capital and exploration outlays was invested in the United States. Including acquisitions, the companies reinvested a total of nearly $12 billion domestically.

Worldwide, roughly two thirds of their capital and exploration expenditures went toward exploration and production of oil and gas, about 15 percent went into refining and marketing, 10 percent into other forms of energy and into non-energy operations and 5 percent into their chemical businesses. Of the $2.3 billion reported as current (as opposed to capital) expenditures, exploration itself accounted for $1.8 billion.

Profits provided less than half (about 47 percent) of the companies' total capital funds. The rest came from funds generated by depreciation charges and similar deductions (41 percent) and from a variety of other sources, including new borrowings and assets that were sold off (12 percent).

Similarly, the $7.8 billion in reinvested capital accounted for less than half (about 47 percent) of the capital funds at the companies' disposal. The rest went into retained earnings (17 percent), to shareholders in the form of dividends (16 percent), into acquisitions, notably Exxon's purchase of the Reliance Electric Company and Mobil's purchase of the General Crude Company, (11 percent) and toward paying off loans and making miscellaneous investments (9 percent).

Of the $2.8 billion in retained earnings that the companies reported, the biggest individual increase was Texaco's $1.2 billion, although Exxon's $691 million addition to capital reserves might have exceeded Texaco's if Exxon had not bought Reliance Electric. Even with that $1.1 billion purchase, however, Exxon reinvested $3.2 billion into its existing operations, or two and a half times as much as any of the other four.

THE DEPRECIATION FACTOR

In assessing a company's strength, financial analysts consider its cash flow more revealing than its profits alone, since cash flow covers other sources of funds, including borrowing. In particular, depreciation is a major source of additional investment funds.

Depreciation is simply a charge against current revenues to help recover the cost of assets that last more than a year. Where natural resources are concerned, depreciation is known as depletion, a charge to recover the cost of finding and developing those resources. The idea is to match an asset's cost with the revenues it helps to produce.

Suppose, for example, a company pays cash for a $10,000 truck that is expected to last five years. As it reckons its profits, it would deduct $2,000 each year as a cost until the $10,000 is recovered.

But unlike payroll expenses, for instance, or money spent on supplies, the yearly depreciation charge is not an actual cash outlay. The $2,000 remains at the companies' disposal, just as profits do. Ordinarily, analysts say, companies must invest at least an equivalent amount in new capital assets, or they will shrink.

Thus, when oil executives point out that the companies are spending more money than they make, some people think that means the companies must be going deeper into debt. They are not, at least not for that reason. Most industries, particularly capital-intensive ones, spend more than they make, simply because their depreciation expenses are so large that they make relatively little on each dollar of sales.

Mobil, for example, reported profits of $1.4 billion on revenues of $33.5 billion for the first nine months of 1979. During the same period, Mobil said, its capital and exploration expenditures totaled $2.4 billion, of which $2.0 billion went into energy.

But the company's cash-flow statement shows that $2.1 billion of the $2.4 billion total was capitalized—that is, entered on its balance sheet as an asset to be depreciated. Moreover, $782 million of the capitalized portion covered its purchase of the General Crude Oil Company, so only about $1.3 billion was money actually used to keep its existing operations going. Although Mobil made these outlays this year, the capitalized portion will be charged off in the years ahead, generating capital for reinvestment and for other disbursements as it is.

By the same token, in the first nine months of this year, Mobil charged against its earnings some $1.1 billion that it capitalized in past years. In addition, the company's cash-flow statement showed that $123 million in other funds were also available for disbursement during the first three quarters. These sums, coupled with its profits of $1.4 billion, provided Mobil with more than $2.6 billion in working capital during the nine-month period.

In all, Mobil took in enough money during this period to cover all its capital outlays. The company did not have to dip into its cash reserves and it did not have to borrow—even to acquire a sizable independent producing company.

Mr. BOREN. We are intruding on the time of the Senator from Kansas. May I ask one last question of the Senator from Ohio?

Mr. DOLE. Certainly.

Mr. BOREN. If the Senator from Ohio is right about everything he says, which he says he is and I think he is not—if he were, if he were correct that there are some major international companies that are earning too much overseas—by his definition too much; if he were correct that he did not want oil companies buying up other kinds of business instead of putting this money back into more energy production—I want to see them put it back into more energy production, too. Suppose those two problems are real. Then, why does the Senator solve those two problems by taxing companies, independent domestic companies, for example, that are not buying up any other kinds of companies, that put back 105 percent, as the Senator knows, of their earnings for the past 10 years into production and exploration? They do not own anything overseas. How does he solve the problem by penalizing those people? Why does he not just propose an amendment to tax the profitability of overseas operations if he wants to do that, and put some limitation on the ability to use the profits to buy other kinds of businesses? Why put a tax of so many dollars on every barrel of oil produced by every single domestic company, including those that are putting back 105 percent of what they earn?

Mr. METZENBAUM. Because I believe that we should not permit the OPEC countries to set the price of oil in this country, although in this instance about which I spoke today, the OPEC did not set the price. They set it lower and the oil companies set it higher. The real question is how much is enough and how much do you need to reinvest?

Every time I go back to Ohio which is certainly not comparable to Oklahoma and not comparable to Louisiana or Kansas as far as oil exploration and development are concerned, I find somebody else sitting at a table having a bite to eat with me and telling me that he is now in oil and gas and he is now an independent developer of oil and gas, and telling me what a great business it is. I find people—one who was a newspaper publisher is telling me now he is putting together syndicates for oil and gas.

Yesterday, I had some fellow sitting next to me and he told me that he is now in oil and gas and he told me the various States he is in. He has no more knowledge of oil and gas from the past than one of these pillars in the Senate Chamber. But he has gone into it because the independents have been doing well enough at the prices presently set that they do not need any more. I think enough is enough. I think we had better start concerning ourselves about the destruction and devastation that we are doing to the American economy by just pushing prices of energy up, up, and up.

Mr. BOREN. Will the Senator from Kansas allow me one 30-second comment before I yield? I do not want to intrude on his time any more.

I want to say if we are getting more and more people to invest their dollars into the production of energy here at home, thank goodness. That is what our aim is. Our aim is not to produce more taxes. Our aim is not to produce more bureaucracy. That is all that has been produced out of this Nation's Capital in the last 5 years—more taxes, more bureaucracy.

Our aim is to produce something more for the American people. We might be beginning to see a glimmer that it is beginning to work, that people are investing their dollars into more energy at home.

I want to go on record as saying I am not in agreement with the Senator from Ohio. I am not against Americans investing more dollars into energy in the United States, I am for it. I am for our doing something that will get our neck out from under the boot of OPEC, and that is to produce more energy and I am delighted to see signs of it occurring.

Mr. LONG. Will the Senator yield?

Mr. DOLE. First, I want to comment that I hope the meal the Senator had in Ohio was hot, because that means somebody had some energy left to heat it up for him. We kept that energy going for him for several years.

I concur with the statement of the Senator from Oklahoma. There should be more people in this country investing in energy and we should not take away the incentive to do so.

I am happy to yield to the chairman.

Mr. LONG. Mr. President, in line with the point that was raised by the Senator from Ohio, I ask the Senator, is it not true that there are a lot of independent companies and independent individuals that are anxious to recruit capital to go into drilling ventures around the country and that they look for it wherever they can find it, including Wall Street, which is the capital market of the United States? So if we are permitting the industry to make the kind of profits that one hopes it would make, in a time of shortage, it should be attractive for investors to put money with small companies and even individual drilling ventures organized as partnerships that offer people an opportunity to invest money and take a fractional interest in the success of the venture. I ask the Senator, if we were doing what we should be doing would we not make it sufficiently profitable that people who have money to invest would invest their money into the effort to find oil and gas for the consumers of this country?

Mr. DOLE. I think the chairman is right, and I think the comments of the Senator from Ohio are very encouraging. It indicates that people are willing to invest their money if they can make a profit, even if they are in the newspaper business. That does not mean you should not make a profit, just because you are in the newspaper business. You have a right in this country to invest and to diversify. I do not know all the facts about Exxon and the proposed purchase of Reliance Electric. Nevertheless, when you are buying stocks, you do not just buy one stock, you try to diversify your portfolio and to hedge a bit. I suspect that is what Exxon is doing. In addition Exxon can use any profits from Reliance to put more into oil production.

But the chairman is right. That is why, even though we had to compromise a bit in the Senate Finance Committee, we came out with a balanced windfall bill, which leaves enough incentive to encourage more investment and, hopefully, more oil production. That is what we are really after—more oil production.

Mr. LONG. I say to the Senator, Mr. President, a couple of years ago, I happened to be in New York. I visited with a friend I had known for many years. He was working there, selling people investments in drilling ventures.

He told me over lunch that he had an appointment to talk to a wealthy person who had a lot of money to invest. He hoped he was going to persuade that person to invest in oil and gas ventures because he was specializing in putting together oil and gas ventures.

At that particular time, he explained, that it was hopeless because it would be a better investment for that wealthy person to put the money into tax exempt State and municipal bonds.

He said that he knew it was a better deal for that investor because he used to sell tax exempt State and municipal bonds.

All one had to do was some mathematics to see how it came out on the bottom line; the person would be much better off to put his money into tax-exempt securities.

That is the kind of investment I always thought we ought to have for little widows and people who could not afford to take a chance. The kind of people who are millionaires many times over, who have large amounts of money they inherit or make themselves, ought to be taking the chances to drill wildcat wells and to drill in areas where the investment has a very high risk. They are not the kinds of people who should be putting their money in tax-exempt securities when the Nation very much needs energy, if we are looking after the Nation's economy.

So, I say to the Senator, I share his views that it is good news, that at long last it is now attractive for someone who is looking for the areas where he can take a big risk, but where he might make a big profit if it is successful, to put his money in developing oil and gas.

Obviously, he will not put all his money in it, but a substantial investment would help. For altogether too long, it simply has not been a good place to put money.

Mr. DOLE. I again indicate that the chairman is correct. I mean, there are risk takers in our society. They are not a full-time anything. Some may be in some business, profession, or labor union. If they have a profit, are willing to take a risk and can afford it, it is, in some degree, a responsibility.

So I go back to my comment that I am encouraged by the comments of the Senator from Ohio who indicates the people in Ohio are beginning to understand there is an energy problem and some are beginning to invest.

Of course, Ohio has a little bit of production, about 16,000 little stripper wells. They produce less than about 1¼ barrels a day. They would be severely taxed by the so-called Bumpers approach. Maybe that is not much oil. It is only about 7 million barrels—that is 1 day of imports.

I think we want to keep all the production we have in this country, not tax them out of existence. So, Ohio is very important. One day—we can reduce our imports 1 day. We should double that production in the State of Ohio, double that in Ohio and other States, by giving some incentive.

I notice a letter to our colleagues dated November 16 and signed by eight of our distinguished colleagues—Senators METZENBAUM, BUMPERS, KENNEDY, NELSON, LEAHY, BIDEN, EAGLETON, and RIEGLE. I am particularly interested in Senator RIEGLE's signature on that letter. He is asking for help to bail out Chrysler, a giant corporation on the skids because of Government interference, to a certain degree, on emission standards and mileage standards.

I hope he would not try to do in the oil industry at the very moment he is asking us to help him in his efforts with another giant that is on its knees because of, perhaps, mismanagement. Their problem was not making a profit, but perhaps mismanagement and too much regulation.

But it seems strange we would have that letter the very day we are talking about whether or not we should impose a heavy burden on another giant private industry in America.

Mr. President, the record should contain the statement that it is hard to be objective because nobody wants to be objective. If one is for less tax, he is somehow for big oil; if one is for more tax, he is against big oil and for the American consumer; and somehow he is against the consumer if one does not want to tax too much. That is the politics of it.

But the costs have gone up. A few examples are that in Illinois there are some wells at about 3,300 feet. It cost, in 1973, about $21 a foot and is now up to $57. That is a 171-percent increase.

Let us look at west Texas where we go about 5,000 feet. It has gone from $12 a foot to $32.

In Kansas where we go sometimes to 4,500 feet to find three barrels of oil a day, the cost has gone from $11 to $33 a foot, a 200-percent increase.

The gulf coast, where we go down to 11,000 feet, it has gone from $49 to $144 a foot. The so-called Delaware Basin, $74 a foot to $180 a foot, east Texas, from $46 to $143, a 211-percent increase.

That is an increase in contractor's fees, drilling mud, cement and cementing, well logging, perforating and stimulating, and everything else.

Mr. President, I ask unanimous consent to have printed in the RECORD the Texaco, Inc., cost experience. It is information furnished by an oil company, which probably makes it suspect, but if it is in the RECORD people can study it. It might even be accurate. It is provided by Texaco, Inc.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TEXACO, INC., COST EXPERIENCE

TOTAL WELL COST, COMPLETED BASIS (DOLLARS PER FOOT) 1973-79

SCALE $5 INCREMENTS $10 TO $70

	Amount	Percent
3,300 ft Illinois	$21-$57	171
10,000 ft West Texas	22- 48	118
5,000 ft South Texas	17- 46	170
2,200 ft Sour Lake	17- 40	135
5,000 ft West Texas	12- 32	166
6,500 ft Oklahoma	13- 35	169
4,500 ft Kansas	11- 33	200
1,170 ft Electra	12- 20	66
SCALE $10 INCREMENTS $40 TO $200		
20,000 ft Delaware Basin	$74-$180	143
11,000 ft Gulf coast	49- 144	194
9,100 ft East Texas	46- 143	211

COST INCREASES, 1973-79

Item	Range of percent increase
Contractors fees	110-190
Drilling mud	150-240
Cement and cementing	130-230
Well logging	186-250
Perforating and stimulating	116-180
Tubulars	95

Mr. DOLE. Finally, Mr. President, on May 7, 1979, Mr. Emil Sunley, Deputy Assistant Secretary of Treasury testified before the Senate Finance Committee. He supplied a variety of helpful statistics on the oil industry in this country. In view of some of the confusing figures that were given on the floor the other day, I thought it would be helpful to relate some of Mr. Sunley's information.

This is a governmental agency, the Department of Treasury. It is not tied in with any oil companies, small, large, middle, heavy, tertiary, stripper, newly discovered, or any other kind.

According to the Department of Treasury, companies that just engage in oil and gas extraction spent over 100 percent of their cash flow on capital outlays every year since 1971. The figures are lower for integrated petroleum and refining companies, although still substantially greater than the percentage of other manufacturing companies. In 1977, the last year for which data is available, oil and gas extraction companies spend 108 percent—108 percent—of cash flow on capital expenditures; integrated companies spent 92 percent; while other manufacturing companies spent only 62 percent. This is not the record of an industry that is hoarding, or salting away its profits, or going out buying up everything else in America as some on this floor would have us believe.

When we look at capital expenditures as a percent of net income the figures are even more dramatic. Salomon Bros. testified before the Finance Committee in July that the 33 oil companies in their study have invested in their business between 1971 and 1978 175 percent of their net income.

Again, this is a private group making an independent study. These are the figures they gave to the Senate Finance Committee. I assume they have some credibility. They are not furnished by the oil industry, or anybody on their behalf.

In 1975 alone, the industry's capital expenditures were more than twice total industry net income.

Because corporations do not retain the entirety of their net income, but are obliged to pay out an appropriate portion to their shareholders, Salomon Bros. also considered the level of industry capital expenditures relative to the contributions to retained earnings, that is, net income less dividends.

On this basis, it noted that common dividends for the period averaged 40 percent of net income, placing the oil industry at the median of 83 industry groups in terms of its payout ratio. Considering this relationship in terms of the growth of these two figures, the Salomon Bros.' study noted that while the capital expenditures level in 1978 of $25.7 billion was $15.5 billion greater than the 1971 level, contributions to retained earnings in 1978 of $8.1 billion exceeded the 1971 figure by only $4.9 billion. In other words, the increase in the oil industry capital expenditure budget between 1978 and 1971 was in excess of 300 percent of the increase in retained earnings contributions.

This clearly challenges the implicit assumption of the windfall profit tax about the private sector's use of its profits and its ability to mobilize massive financial resources for energy development.

In other words, the increase in the oil industry capital expenditures budget between 1971 and 1978 was in excess of 300 percent of the increase in retained earning contribution.

I hope that those who may be listening in their offices will consider seriously this information. It clearly challenges the implicit assumption in the windfall profit tax about the private sector's use of its profits and its ability to mobilize massive financial resources for energy development.

So we are right back to where we started.

Chase Manhattan Bank, in testimony, outlined the profit picture of U.S. oil companies by stating:

> Until 1974, the return on equity in the oil industry was generally below that for all manufacturing. Then as a result of the rapid 1973–1974 run-up in OPEC oil prices, the rate of return in the U.S oil industry accelerated in comparison to the rate obtained in all manufacturing. In the 1975–1976 period, the return was higher in the oil industry. However, by 1977, the differential had disappeared and by 1978 reversed. This comparison highlights the important fact that, on average, oil industry profits are comparable to those of other industries. Furthermore, there is no indication that monopoly profits have been made by the oil industry. However, by 1977, the differential measures of profit are employed.

The Chase Manhattan representatives went on to say:

> Unfortunately, there seems to be a persistent belief on the part of the Administration, and the public for that matter, that the petroleum industry is extraordinarily profitable and that price controls are needed to keep oil industry profits within reasonable bounds. This belief is not supported by the facts. Regardless of whether one uses traditional accounting measurements of return, such as return on equity, assets or sales, or measures of return based on discounted cash flow concepts or stock market performance, there is no evidence that the oil industry taken as a whole has had above average profitability, let alone excessive profits.

Perhaps this testimony is suspect, because it comes from somebody who understands oil industry investment—the Chase Manhattan Bank. They have the expertise, the staff, and the data. This was their testimony before the Senate Finance Committee.

In taking an objective look at this tax we should look at the facts, we should look at production, and we should look at the amount of the tax.

Then, we have to consider whether to keep the proposal of Senator PACKWOOD to expand the business energy tax credits, which will be stricken when we table the Bumpers amendment. We must also decide whether to keep the provisions concerning low income assistance, which was a bipartisan effort. These provisions are not in the Bumpers amendment, so I assume they can be added later.

The bill we have now, is the result of a lot of effort by members of the Senate Finance Committee, who may not be perfect. Nevertheless, the final vote was 15 to 1 in favor of the Finance Committee approach. We did not go all the way, either way. We did not say there should not be any tax. With no windfall tax, you might have 4 million more barrels of production by late 1990. If you take the House bill, production would be cut in two, which is about 2 million barrels, and the Finance Committee decided to make it 1 million barrels less. The committee hopes to increase conservation by tax credits.

If the chairman moves to table the so-called Bumpers amendment, I hope it will be supported. I do not question the motives of the distinguished Senator from Arkansas—after all Arkansas produces some oil. There are 6,736 stripper wells in Arkansas which produce about 6 million barrels a day or about what we import in a day. If we double that production in Arkansas, we will do away with 1 day of imports.

One way of encouraging incentive for production in any State, including my State and Ohio and Arkansas, I ask unanimous consent to have printed in the RECORD all the stripper wells as of January 1978.

There being no objection, the survey was ordered to be printed in the RECORD, as follows:

NATIONAL STRIPPER WELL SURVEY AS OF JAN. 1, 1978

State	Number of stripper wells	Production from stripper wells (barrels)	Abandonments	Average daily production per well	Acres
Alabama	78	139, 210	2	4. 89	2, 680
Arizona	7	6, 709	0	2. 62	800
Arkansas	6, 736	6, 171, 489	17	2. 51	128, 451
California	28, 328	51, 409, 560	782	4. 97	221, 890
Colorado	990	2, 017, 045	57	5. 58	33, 110
Illinois	23, 499	23, 614, 200	420	2. 75	590, 216
Indiana	5, 056	5, 255, 264	97	2. 85	305, 560
Kansas	42, 273	44, 189, 776	605	2. 86	1, 410, 540
Kentucky	14, 046	5, 420, 819	220	1. 06	280, 840
Louisiana	13, 189	7, 739, 510	226	1. 61	274, 260
Michigan	3, 276	6, 233, 004	34	5. 21	87, 445
Mississippi	654	1, 349, 305	29	5. 65	26, 160
Missouri	161	59, 535	12	1. 01	1, 360
Montana	1, 945	3, 255, 272	7	4. 58	60, 390
Nebraska	919	2, 012, 309	14	6. 00	49, 085
New Mexico	10, 956	11, 547, 173	417	2. 89	480, 140
New York	4, 913	813, 000	455	. 45	25, 000
North Dakota	687	1, 145, 859	3	4. 57	72, 762
Ohio	16, 122	7, 251, 183	202	1. 23	241, 830
Oklahoma	56, 239	74, 400, 427	793	3. 62	1, 441, 880
Pennsylvania	28, 400	2, 659, 414	1, 034	. 26	662, 358
South Dakota	16	14, 520	1	2. 49	2, 720
Tennessee	213	194, 087	5	2. 50	3, 120
Texas	92, 887	127, 886, 421	3, 057	3. 77	2, 642, 234
Utah	74	136, 368	56	5. 05	13, 630
Virginia	4	1, 742	1	1. 19	220
West Virginia	13, 875	2, 384, 000	13	. 47	229, 000
Wyoming	3, 387	5, 224, 744	441	4. 23	135, 480
Total	368, 930	392, 531, 945	9, 000	2. 91	9, 423, 161

Mr. DOLE. However, 20 million barrels a year of all types of oil are produced in the State of Arkansas. They get about 6 million from strippers. Arkansas makes a great contribution to the energy situation of this country.

We hope we can help in the effort by finding the balance between what the Senator from Arkansas would like to have and others would like. It is my opinion that we have reached that balance through a lot of effort and compromise by increasing the tax to 75 percent on certain categories, leaving it at 60 percent on others, and by exempting certain categories. The committee will still raise as much revenue as the administration wanted. In fact, three times as much revenue as proposed initially.

So the reason why we should not replace the Finance Committee bill—and this is a point I have tried to make—is that to do so would retard production in this country.

We can talk about taxes and production and about the fact that the Energy Security Corporation is going to take $88 billion and tie the Government into the energy business.

Mr. President, the first and most important reason why the House bill should not replace the Finance Committee substitute is because such an action by the Senate will seriously and permanently retard the production of oil and gas in this country. This is exactly the opposite of what we should be trying to do.

The Finance Committee, as has been said here repeatedly, tried to strike a balance between raising revenues for low-income Americans and helping develop a synthetic fuel industry on the one hand and increasing production on the other hand. In fact, I feel the committee tipped the balance slightly against production. We should be trying to right this balance—not tip it further toward revenues and away from production.

The CBO production figures demonstrate the degree to which the proponents of the House bill would retard production in this country. According to the CBO, using continued controls as a base case, no "windfall profit tax" would increase production by 1,165,000 barrels per day by 1990. The Senate bill would result in 875,000 barrels per day of new production. By contrast, the House bill would result in only 425,000 barrels per day of new production. This is a 450,000 barrel per day reduction from the Senate bill. This is a reduction we cannot afford.

The figures from industry are even more alarming. The industry believes that by 1990 it can produce 4,000,000 barrels per day of new oil—over continued controls—with no windfall profit tax. The Senate bill would permit 3,000,000 barrels per day of this oil to be produced. The House bill results in only 2,000,000 barrels per day. In short, the oil industry believes that 1,000,000 barrels per day of production will be lost by 1990 if we adopt the House bill. Such a loss can only result in stunted economic growth and eventual long gasoline lines.

The point is that I hope those on this side of the aisle will look at the amendment very closely. After we move to table the amendment, we can go on to some other amendments and take them one at a time. I think the Senator from Wyoming has a complete substitute, which we can talk about tomorrow. Ninety-six amendments are pending, and the best way to make progress would be by tabling the so-called Bumpers amendment.

Mr. President, I am prepared to yield the floor.

ORDER FOR STAR PRINT

Mr. NELSON. Mr. President, I send to the desk a corrected amendment to No. 684, and I ask unanimous consent that a star print of that amendment be made.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I have talked to the distinguished floor manager about the time on a motion to table. Some Senators are absent today who I am sure would support him, and some are absent who would support me. Some Senators will be here in a couple of hours and would like to vote on this matter, on both sides. Perhaps, in the interests of the Senate and the country, it would be best if we went ahead and voted.

I have a few comments before we vote, not necessarily to sound a warning or to indicate that the walls of the temple are going to fall if the motion to table is agreed to, but I think it would be very helpful for all of us to recount a few things about this whole concept of windfall profits.

Mr. President, you heard it said that this is the biggest tax ever levied on an industry. You heard it said that this is the biggest tax ever levied, period. There is one thing about that that I think is worth correcting or at least putting in perspective. This is not a tax on the oil companies. The decontrol of oil prices was, in effect, a tax on the American people of $1 trillion. If you want to say that is the biggest tax ever levied on the American people, you are absolutely correct.

All we are debating here is whether or not we are going to recoup any of this on behalf of and for the benefit of those people who are paying it in the first place.

We are talking about an assumption of $30 a barrel of oil together with inflation plus 2 percent on an annual basis giving the oil companies $1 trillion in added revenues over the next 10 years and the American people paying that. However, so far in 1979 OPEC has increased prices 60 percent. By using the Finance Committee projection that oil prices are going to go up at the rate of inflation plus 2 percent and applying that to the year 1979, you are only going to be 45 percent short. Inflation this year is 13 percent, add the 2 percent, that gives you 15 percent, which the Finance Committee uses to make its projections, and yet OPEC has already raised the price 60 percent this year.

Mr. President, if that continues, the oil companies are not going to derive $1 trillion in additional revenues over the next 10 years. It is going to be on the order of $2, $3, or $4 trillion, and we are standing here debating whether we are going to take back $135 billion or $270 billion.

What we are really talking about are peanuts compared to what the American people are being asked to cough up. In exchange for this they are asked to believe that the marketplace will decide, because it supposedly served us so well. However, the marketplace cannot decide because OPEC decides for the marketplace. It is just that simple. The marketplace can never determine anything unless the supply equals the demands or exceeds it. It does not now or will it ever again in the future, so far as petroleum is concerned. The marketplace cannot decide. OPEC will decide.

The oil companies understand that. Right now Saudi Arabia is producing 9.5 million barrels of oil per day, a million more than they want to, in order to accommodate the United States.

However, the four American sisters, Aramco, are getting 90 percent of it or 8.5 million barrels, and they are buying it at $18 and $19 a barrel. The OPEC price is $23 and very few members of OPEC are selling it so low. Mr. President, the spot price of oil in this world is running at $40 to $50 a barrel. The Saudis are sitting there getting increasingly agitated because they are trying to do the American consumer a favor by holding down the price. What are the Four Sisters doing with that 8½ million barrels? They certainly are not giving that $5 a barrel advantage to the American consumer, for whom it was intended. Of the 8½ million barrels, they bring about 1 million barrels of it in the United States. The rest goes to Japan and Western Europe where there are no controls, so they can charge as much as they want to for it. They bring the highest priced oil into this country, because they are paid on the basis of what they can pass through their costs.

Someone can say, "Well, Senator, that is a great argument for doing away with controls. If they had had decontrol they would have brought the oil to this country and not sent it to Japan and Western Europe." That is true. They would not. I guarantee you would have paid just as much for it if there had been no controls.

I say that simply to tell you that these are the same people who tell us they will find more oil for us if we will just give them another trillion dollars. These are the people who fly under the American flag. These are the people who benefit from instability in the Middle East. These are the people who benefit every time OPEC sits around the table and decides to raise the price.

It is argued that most of the profits in these outlandish profit figures, which you have seen for the past 3 months, were made overseas. They probably were. I just gave you a good reason why they were.

Then they are expected to believe that if you will just give them another trillion dollars they will explore and find more oil for us.

Texaco says they are working to keep America's trust. Texaco proved it last year by putting less than 1 percent of its revenues back into exploration. That is how hard they are working to keep America's trust.

Exxon, the biggest of all, the biggest dinosaur in the world, out of $60 billion in revenues in 1978 put the gigantic sum of $775 million back into production and boasted that was almost as much as they made in one quarter's profits. One percent of the revenues of about the top 20 oil companies went back to exploration.

That does not sound like someone who really believes that oil is out there. That does not sound like the companies who tell us, "The geological opportunities are unlimited in the country and we just need the money to drill."

The truth of the matter is that since the year 1970 production has been on the decline in this country and the only blip is when we started shipping Alaskan oil in this country, and it was found in 1967 through 1971.

What are the economics of it? The Senate Finance Committee bill produces $135 billion; the House version produces about $270 billion, or twice as much. And for the difference between the two bills, the oil companies say, "If you will just go with the Senate version, if you will just adopt that little old $135 billion bill, for the other $135 billion you leave us we will find you 500,000 barrels more oil than we would otherwise find."

Of course, that tells us something, because that is a form of extortion.

What are the economics of it? For $135 billion they will give us 500,000 barrels of crude, and for $20 billion we can produce our own alcohol at 500,000 barrels per day. Even if you assume that alcohol has only half the Btu equivalent of gasoline, raise it to $40 billion, and it still only costs a third of what the Senate Finance Committee bill would cost.

Look at the production figures. Senators saw the charts I had in the back of the Chamber last week. The decline is inexorable. In 1971 they were finding 45 barrels of oil for every foot they drilled, and they now find 16, by drilling almost twice as many wells.

Now you can argue these things all day long, and some of the arguments I think that really trouble me the most, and are the most dismaying to me, are those which say if you just give them enough money they will find it just as though God had nothing to do with how much there is out there.

In the last 70 years, 2 million wells have been sunk in this country in the lower 48. And the handwriting is on the wall and it has been for a very long time. Finally we are told if you just raise the price high enough people will quit driving. There is just enough truth in that to be appealing, particularly to those in high income categories who know they are not going to quit driving no matter how high the price goes.

Unhappily, I represent a State that is indeed poor. We admit it. We have struggled for years to overcome it. We do everything we can think of. And I might just digress to say I am sort of like Tom McCall of Oregon. We have a beautiful State. It is gorgeous. And my goal is not to see how many people we can pack into it. I am not interested in population growth for my State because I know what goes with it. But our people do not have mass transit. They have to get to work however they can, and, believe me, that can sometimes be a pretty sad way. Six of them get in the back of a pickup truck on cold mornings and ride 23 miles to the furniture factories to work for $4 and $5 an hour. Try to tell them to curb their energy consumption or you are going to raise the price to $2 and $2.50 a gallon. Those are the same people who have lost 4½ to 5 percent of their disposable income this year because of energy prices already. And inflation is 13 percent, 4 to 5 percent of which is caused by high energy prices, and their incomes are up 7 percent, 8 percent, or maybe 10 percent. Even if it is up by 10 percent, by the time that increase is taxed, they have been ripped off 5 percent. They are worse off by 5 percent than they were a year ago because of high energy prices.

What have high energy prices done in Western Europe and Japan? The chart which I had in the back of the Chamber last week showed every time the price of gasoline goes up in those countries, consumption levels off for 3 or 4 months and then starts back up at the same old rate.

So those are the arguments, and you judge them for yourselves.

There is one nice thing about independents. The Senator from Wisconsin has offered an amendment to my amendment, which he will not now get an opportunity to offer, unless we refuse to table this amendment. That amendment would exempt 500 barrels a day for independents. I am for that for a very simple reason: They find 75 percent of all the oil that is found in this country. They spend 100 percent of their revenues for exploration. So I am willing to give them a break.

Mr. President, in 1973, when the OPEC cartel quadrupled prices, the value of oil and gas reserves in this country went up $800 billion that very moment, which amounts to $10,000 for every family in America thanks to OPEC.

By decontrolling oil prices we are voting the American oil industry a full-fledged membership in the OPEC cartel. Every time they sit around the table and set the price for the next 6 months until they decide to raise it again, the American oil companies will benefit from it, and the American people will suffer.

There has been some talk here about what Yamani told Bill Miller over the weekend. Well, I do not blame the Saudis. They know they are subsidizing the world to the tune of $90 million a day. They are selling that 9.5 million barrels of oil every day for $90 million less than they can be getting for it.

They say to us that they want to cut their production in order to leave as much of their oil in the ground as they can. They add that if we do not pass a good stiff windfall profits tax, they will. That is bad news for the American people, and that is a threat to us.

However, that is music to the oil industry's ears, because every time OPEC raises its price, that industry gets the benefit of it.

You know if all the predictions of cutoffs in the Middle East and all the dire predictions about scarcity come true, it will be terrible for the American economy, but it will be great for the American oil companies since scarcity means higher and higher prices.

Consider the Alaskan pipeline. The Alaskan pipeline was built so that you could put two pumping stations on it and pump 1.6 million barrels a day through it. But the two pumping stations were not built. I do not know why they were not built, but my guess is that as long as only 1.2 million barrels goes through it instead of 1.6 million barrels there will be a 400,000-barrel shortfall, as we had last spring. You saw the lines in Washington that resulted.

Situations such as that in Iran will occur again to interrupt our supplies. Neither Iran nor the shortages last spring would have meant anything if we had those two pumping stations on the Alaskan pipeline, but we did not, and we do not.

No one seems to want rationing, but people say, "Why does Congress not do something?" What they really are saying is "Why do you not make us do something? Why do you not make America conserve?"

All I can say is "We haven't got the votes."

Some say the solution is a refund to the poor—what a magnanimous, charitable offer on behalf of the U.S. Congress to send back $3 billion or $4 billion to the people who make a median family income and below. Out of $1 trillion, we are going to give them back $3 billion or $4 billion to help them pay their heating bills.

Consider home heating oil prices. You heard the arguments in this Chamber in 1976 that the decontrol of home heating oil would guarantee an ample supply. Unfortunately, nobody made the argument as to what the price would be, and the rest is history. There were only 32 of us voted against it. Happily I am not running for President, but if I were, I would sure go to New Hampshire and tell those people I did not vote for it.

Home heating oil now costs a dollar per gallon, and it will certainly go higher. We have been told that the oil companies are making most of their profits overseas. However, in May of 1978 their refinery margins were 6 cents; in January of 1979 they were 7.6 cents, only a 1.6-cent increase over a period of 8 months; and from January 1979 until May of 1979 the price jumped to 11 cents. Now it is between 12 and 14 cents a gallon. That is the refinery margin on home heating oil.

These are the people who are working to keep your trust. I do not know whether we are in a recession, I do not know whether we are going into one or how deep it is going to be or how long it is going to last, but there is already a lot of talk on this floor about tax reform, tax cuts. We are going to have to give business some more incentives, we are going to have to give people a break. It is nonsense to talk about tax cuts while we stand here imposing a $1 trillion tax bill on those people for whom we profess such great concern.

Finally, I want to say, Mr. President, if you really want to give a tax cut, here is an opportunity, because my amendment provides that Congress will vote whether to use the increased amount of money which my amendment would provide to go into the social security trust fund.

In 1980, the rate of social security is not going up, but the payroll base will. It is not going to be terribly devastating, even though the working people of this country are already being wiped out. In 1981 the devastation starts. You can look at the rates that you are asking American working people to pay for social security beginning January 1, 1981, from there to 1985, and look at the payroll base. Now there is a tax. If your concern is for the employer, and particularly the small business people who are going to be asked to cough up that 7.65 percent, or 1.5 percent more in payroll taxes between now and 1986, do not vote to table this amendment. Give Congress an opportunity to give them and their workers just some small break.

Finally, Mr. President, if we table this amendment, there will not be an opportunity to amend it. I think the Senator from Wisconsin has a good amendment in his amendment to exempt the independent producers. There are some other things that I think might be fair and equitable; but I would rather take this bill and work downward than take the Senate Finance Committee's bill and try to work upward.

This is an opportunity that will not again present itself soon. Senators will have the opportunity to go to the American people over the Christmas holidays, and those who are running for election next year can go to their voters next year, as they watch those prices continue to go up at the pump, and as they watch their home heating bills go higher and higher. Senators are going to have a chance to go home and say, "Out of that trillion dollars, we saved $3 billion to $4 billion to help you pay your home heating bills." I have a feeling they will not be too well received.

Mr. President, I am not going to belabor this issue. I just simply want to say that this is an opportunity for the Senate to do something right. I know that some of my appeals here this afternoon have been highly populistic in tone, and I do not apologize for that. I feel very strongly about it.

I am not trying to denigrate the American oil industry. I am not trying to destroy them. I just want them to act right, and I want the American people to be treated fairly.

Mr. President, I yield the floor.

Mr. LONG. Mr. President, in a few moments I am going to move to lay the amendment of the Senator from Arkansas on the table. I have tried to notify Senators that I intend to do so, and that we will vote in a short while.

The Senator from Arkansas indicated, in the course of his speech, that he really felt the small independents should be exempted from his amendment, which indicates that the Senator does believe that there is a lot of merit to the idea of letting someone make a profit if he finds new oil and can produce more for it. I am glad to see that at least the Senator has made some headway in his thinking.

But, Mr. President, the proposal before us would mean an 83-percent tax on all new revenue flowing to the industry as a result of decontrol. The committee is proposing what amounts to a 70-percent tax. Obviously, no one can invest in finding energy the money that the Government takes. He can only invest the part that he is able to keep out of the cash flow, or the part that he is able to borrow, and of course his cash flow limits his ability to borrow.

Mr. MAGNUSON. Mr. President, I rise in support of the amendment offered by my good friend, the Senator from Arkansas (Mr. BUMPERS).

I believe this amendment offers the best opportunity to strengthen the windfall profits tax.

This is a very simple, straightforward amendment. It would substitute the tax rate adopted by the House of Representatives for the figures adopted by the Finance Committee in title I of this bill. This would double the revenue from the windfall profits tax without reducing the incentives the oil companies need for further exploration.

Now, the oil industry claims that the revenue figures in the House bill will destroy their incentives to go out and explore for additional oil.

I do not buy this argument.

The oil companies are already making huge profits.

Let me just mention the profits reported by U.S. oil companies during the third quarter of 1979.

Mobil up 130 percent over the same period in 1978.

Exxon up 118 percent—with third quarter profits of over $1 billion.

Gulf up 97 percent.

Conoco up 134 percent.

Standard Oil of Indiana up 49 percent.

Arco up 45 percent.

Standard Oil of Ohio up 191 percent.

Sun Oil up 65 percent.

Occidental Oil up almost 1,000 percent.

I think the oil companies have plenty of "incentive" right now.

The oil companies maintain that much of this profit came from "overseas operations"; but the fact remains that these huge profits represent hundreds of millions of dollars out of the pockets of American consumers.

Higher oil prices are fueling this Nation's inflation and causing increased unemployment.

That is why, Mr. President, the Congress must be careful that we do not give the oil companies unnecessary incentives—at the expense of the American people.

Let me turn for a minute to a specific case: A windfall profit tax on new oil.

The oil companies maintain that this tax as contained in the House bill and this amendment, will substantially reduce exploration for oil.

Again, I do not agree with their analysis.

The oil company advertisements tell us that they are working day and night to find new oil—new oil that is priced right now at about $14 per barrel.

The experts tell us that the administration's program to decontrol oil will raise the price to about $30 per barrel over the next 2 years—more than double the current price. The House windfall profit tax would take about $6.50 per barrel on new oil—that still leaves a lot of "incentive."

The Congressional Budget Office estimates that the House windfall tax on new oil would result in 65,000 barrels per day less than the Finance Committee bill. This is a drop in the bucket compared to this Nation's daily consumption of about 18 million barrels per day. The 65,000 barrel per day difference represents less than one-half of 1 percent of U.S. oil consumption.

The House windfall profit tax on new oil would generate about $71 billion over the next decade. Money that could go to develop alternative energy resources, improve transportation efficiency, help low-income families that are hurt by high fuel prices, and other purposes.

By my calculations, the "incentive" of not putting an excise tax on new oil is worth about $84 per barrel to the oil companies.

That is an unnecesssary "incentive."

Without any windfall profit tax, the decontrol of crude oil would increase oil company revenues by over one trillion dollars between 1980 and 1990. After paying regular U.S. taxes, the oil companies would have an addition $443 billion left as a result of decontrol.

The Finance Committee windfall tax bill would take $138 billion—about 29 percent.

The House-passed bill would take $277 billion in windfall profits from the oil companies over the next decade. The House bill would leave the oil companies with $166 billion to stimulate new production.

That is $166 billion over and above the profits they were making before the decontrol of oil prices.

Mr. President, if the oil companies use this money wisely, if they do not waste it on too many corporate jets and too many fat corporate salaries—then Mr. President, I believe that $166 billion, plus the profits the oil companies are currently making should provide plenty of incentive to find new oil and reduce this Nation's dependence on foreign oil supplies.

Mr. President, I ask unanimous consent to have printed in the RECORD a very fine editorial that appeared last Friday in the Washington Post at the end of my remarks. The editorial supports the House windfall tax revenues in place of the Finance Committee figures.

I want to read the final paragraph:

> Without a stiff tax on oil, the rush of revenues from decontrol and a soaring world price promise severe damage to the American economy. If the companies put all the money into drilling, they will rapidly push exploration far beyond the point of diminishing returns. If they use the money to diversify into other businesses, the implications for competition and diversity in the American business world are unwholesome. This tax is a device to maintain a crucial balance that is in danger of being lost.

Mr. President, the American people want increased domestic energy supplies—but they do not want to give the oil companies unnecessary additional profits and they do not want to give the oil companies more control over our economy.

The House windfall tax, contained in this amendment, strikes a sensible balance. It will promote more domestic production by offering reasonable incentives. And this amendment increases windfall profits revenues by $138 billion over the next 10 years.

Before I close, I want to say that I understand that the distinguished Senator from Arkansas wants to reserve the additional revenue that his amendment would generate for reductions in social security taxes.

The Senator knows about my concern about establishing uncontrollable trust funds—I will have more to say about this subject later.

The Senator from Arkansas and I have discussed this matter and the reserve created by this amendment would be subject to the Congress budget process and to the appropriate authorizing and appropriations committees.

Therefore, I am pleased to support this amendment and I urge its adoption.

There being no objection, the editorial was order to be printed in the RECORD, as follows:

THE OIL WINDFALL TAX

To make up your mind about the windfall oil profits tax, now under vigorous debate in the Senate, it helps to begin with a little arithmetic. President Carter has committed the country—properly and necessarily—to decontrolling oil prices over the next two years. If you assume, as most people do, that the world price will be over $30 a barrel by then, the gross revenues of the U.S. domestic oil producers will double over those two years. Their revenues will increase by some $60 billion.

The windfall profits tax has nothing to do, in fact, with profits. It is an excise tax—that is, a tax on each barrel of oil produced. The questions now before the Senate are how high to set that tax, and whether to vary it on the different categories of oil. The bill being debated in the Senate, drafted by its Finance Committee, would raise about half as much money as the version passed by the House last June. Which is right?

The evidence weighs heavily in favor of the House bill. The oil industry objects that the House bill would destroy incentives for further exploration. That's nonsense. Under the House bill, a barrel of newly discovered oil sold at $30 would pay a windfall tax of $6.50. That's hardly confiscatory—particularly when you remember that a similar barrel of newly discovered oil today is sold, under the controls, for less than $14, and exploration continues at a high rate.

Under the Senate bill, newly discovered oil would pay no tax at all. It would be exempt, to stimulate further discovery. But the Congressional Budget Office, like most other analysts, warns that domestic production is very unlikely to rise, regardless of prices offered. The only real question is how fast production falls. The higher the price, the slower that decline—but large differences in price incentives seem to offer only modest differences in the amounts of oil that will be found and brought to the market.

There are several basic principles that this new tax ought to reflect. It ought to follow, in general, the House bill in cutting down excessive incentives. But it could well follow the Senate bill in tilting decisively in favor of new discoveries, rather than heavy production from old fields. Third, the idea of segregated trust funds is a fundamentally bad one. Both bills would put this tax's revenues in trust funds; the normal appropriations process works a great deal better.

Without a stiff excise tax on oil, the rush of revenues from decontrol and a soaring world price promise severe damage to the American economy. If the companies put all of the money into drilling, they will rapidly push exploration far beyond the point of diminishing returns. If they use the money to diversify into other businesses, the implications for competition and diversity in the American business world are unwholesome. This tax is a device to maintain a crucial balance that is in danger of being lost.

Mr. LONG. It seems to me, Mr. President, that the issue has been pretty well discussed, and I therefore move that the Bumpers amendment be laid on the table.

THE PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

Mr. LONG. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Arkansas. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from California (Mr. CRANSTON), the Senator from New Hampshire (Mr. DURKIN), the Senator from Alaska (Mr. GRAVEL), the Senator from South Carolina, (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Michigan (Mr. LEVIN), the Senator from Maine (Mr. MUSKIE), the Senator from Georgia (Mr. NUNN), the Senator from Rhode Island (Mr. PELL), the Senator from Tennessee (Mr. SASSER), the Senator from Illinois (Mr. STEVENSON), the Senator from Georgia (Mr. TALMADGE), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that, if present and voting, the Senator from New Hampshire (Mr. DURKIN), the Senator from Michigan (Mr. LEVIN), and the Senator from Rhode Island (Mr. PELL) would each vote "nay."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Iowa (Mr. JEPSEN), the Senator from Kansas (Mrs. KASSEBAUM), and the Senator from Delaware (Mr. ROTH) are necessarily absent.

The PRESIDING OFFICER. Are there other Senators in the Chamber wishing to vote who have not done so?

The result was announced—yeas 50, nays 32, as follows:

[Rollcall Vote No. 425 Leg.]

YEAS—50

Armstrong
Baucus
Bellmon
Bentsen
Boren
Boschwitz
Burdick
Byrd, Robert C.
Cannon
Chafee
Cochran
Danforth
Dole
Domenici
Durenberger
Garn
Glenn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Humphrey
Johnston
Laxalt
Long
Lugar
Matsunaga
McClure
Melcher
Percy
Pressler
Pryor
Randolph
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stone
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NAYS—32

Bayh
Biden
Bradley
Bumpers
Chiles
Church
Cohen
Culver
DeConcini
Eagleton
Exon
Ford
Huddleston
Jackson
Javits
Kennedy
Leahy
Magnuson
Mathias
McGovern
Metzenbaum
Morgan
Moynihan
Nelson
Packwood
Proxmire
Ribicoff
Riegle
Sarbanes
Stewart
Tsongas
Weicker

NOT VOTING—18

Baker
Byrd,
Harry F., Jr.
Cranston
Durkin
Gravel
Hollings
Inouye
Jepsen
Kassebaum
Levin
Muskie
Nunn
Pell
Roth
Sasser
Stevenson
Talmadge
Williams

So the motion to lay on the table was agreed to.

The PRESIDING OFFICER. The amendment of the Senator from Arkansas (Mr. BUMPERS) is tabled, taking with it the pending second-degree amendment offered by the Senator from Louisiana (Mr. LONG).

Mr. LONG. I move to reconsider the vote.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Message from the House.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that Mr. Sheets of my staff be accorded the privilege of the floor during consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, the amendment offered by the distinguished Senator from Arkansas presented a difficult choice. The primary task before us is to strike the appropriate balance between increasing domestic oil production and redistributing windfall revenues accruing to the oil companies for necessary and urgent public purposes. To some, it would appear that the amendment to substitute in toto the House-passed version of the windfall profit tax for the Finance Committee bill is the best way to vote for increased tax revenues. The Finance Committee bill raises $138 billion over the 11-year period from 1979 to 1990, while the House bill raises revenues of $276 to $278 billion over the same period.

There can be no question that we must enact a meaningful windfall profit tax. The American public, viewing the extraordinary profits accruing to the oil companies as a result of decontrol and soaring world oil prices, expects nothing less. However, I do not believe that adoption of the House bill is the best or most effective way to achieve that result and for that reason I voted to table the amendment. We are not seeking to punish the oil industry. We are seeking to devise the best possible tax which will provide a blueprint for our Nation's energy future.

The prodigious efforts of the Finance Committee have produced legislation which should serve as the starting point for consideration of specific measures to increase tax revenues. The balance between private sector profits and public sector revenues must be carefully weighed. There is no single formula, therefore, which achieves this balance. Rather, the expertise of the Finance Committee bill should be used as the basis for refining this legislation to arrive at a fair, equitable, and meaningful tax.

I can appreciate the sincere dedication that was manifested by those who voted against the tabling motion and who supported the amendment offered by the very distinguished Senator from Arkansas. I can understand their strong feeling that the bill that is before the Senate should perhaps be tightened up in one way or another so as to raise additional revenues. However, I felt that the Finance Committee, having worked long and diligently and hard to report a bill, that the Senate should at least work its will on the basis of that measure, amending it where it feels that it should be amended, rather than to substitute for that work the bill that had been reported from the House. It is for that reason that I voted to table it.

(Mr. ZORINSKY assumed the chair.)

Mr. MOYNIHAN. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. MOYNIHAN. May I say how gratified I was to hear the distinguished majority leader describe the bill on the floor as a starting point? I ask the majority leader—rhetorically, obviously: He is aware, I am sure, that a number of members of the Committee on Finance have amendments at the desk which, we feel, would improve these measures. These are proposals supported by the administration. They are sound, in our view. They will come very close to the amendments that the majority leader has spoken of. He indicates that he is aware of this and, as he knows, we shall be presenting these in the course of the day.

Mr. ROBERT C. BYRD. Yes; I am well aware of these amendments and I may very well vote for some amendments and I may vote against some others. But I feel the Senate should work its will on the bill that has been reported by the Senate's committee. I do not feel that we ought to reject the product of many weeks or even months of work on the part of our own Committee on Finance and accept, in toto, a House bill on the same subject. I do not believe that all wisdom is reposited on the other side of the Capitol. I think there is a good bit of wisdom over there, but I have long favored having our own committees work, examining the product of craftsmanship on the part of those committees, and having the Senate work its will on the basis of the Senate product, improving that if it feels it can be improved, and then going to conference to work out the areas of difference that need to be resolved in conference.

As I say, I shall study the amendments that are called up from time to time to this bill. I shall undoubtedly support some of them. I shall not support all of them, I venture to say, because I understand there are 80-some amendments at the desk now.

I certainly want to see the Senate Committee on Finance have its opportunity to defend its product. I want to see the bill that has been reported by the Senate Finance Committee carefully examined on the floor of the Senate. We have the process, that has been duly refined over a period of almost two centuries now, whereby we can amend the Senate bill. I am glad that the Senate voted for the tabling measure, because I think the Senate bill is entitled to that kind of consideration. I do not say this to cast any kind of aspersions or reflections on the Senators who voted against the tabling motion. This is my own opinion that I am expressing, but I am expressing it from the standpoint of a Member of the institution who believes that we ought to give our just regard to the product that has been brought to the floor after a long period of time by one of our own committees and have the Senate work its will on that bill.

Mr. MOYNIHAN. I am very happy to hear the remarks of the majority leader.

Mr. JAVITS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. JAVITS. It is a fact, that this would have represented, if the tabling motion had gone down, the substitution of the House bill for the Senate one; but it is a fact, is it not, that the House vehicle could have been amended just as readily?

Mr. ROBERT C. BYRD. Yes.

Mr. JAVITS. So this was not a vote on substituting the House bill for the Senate bill. I would have voted the other way if it were the House bill as a substitute. But, in all fairness to those who voted no, I believe, speaking only for myself, that it was a question of the principle of adopting another framework in order to operate on that by way of amendment. Any part of the Senate bill could have been amended. Indeed, Senator Long had already introduced one.

So as I say, I feel I would have voted the other way if I thought this would have ended it. But the Senate had one view; I and others had another view.

Mr. ROBERT C. BYRD. The Senator is correct, that the Senate would have had an opportunity to amend the House bill.

Mr. JAVITS. And could have rejected it.

Mr. ROBERT C. BYRD. And could have rejected it, that is true. But as I say, I feel I owe it to the Senate committee, whatever committee it may be—Labor and Human Resources or whatever committee it is—to support the product of that committee at least up until the final vote.

I may vote against the bill. I have done that before, also. But I am not for substituting a House bill, ordinarily, for the product of a Senate committee. That is what I am saying.

Mr. JAVITS. The Senator felt so strongly about it that he decided to cut it off today.

Mr. PERCY. Will the Senator yield for a comment?

Mr. ROBERT C. BYRD. Yes.

Mr. PERCY. I very much appreciated the statement of the majority leader because it so well reflected the thought I can take into account fully what the distinguished senior Senator from New York has said, but in looking at the Senate bill, I felt it is a basis, and I shall vote, probably, for some amendments. But I think there are some basic principles that ought to be preserved.

For instance, if the House bill were the vehicle on which we build, we begin with the fact that there will be no exemption for newly discovered oil or for tertiary recovery until 1990. I do not know whether the world can wait that long. I do not know whether the United States can wait that long.

Do we not know today approximately how much it is going to cost for tertiary recovery?

I have been in the oil fields in Southern Illinois and in other areas, in laboratories, and we know it is going to cost $30 to $35 a barrel. The oil is there. We are capping the wells before we go after it.

If we get in, we might as well get it while we are working on those wells. But we have to recognize it will cost more money and we have to have a good deal more incentive, just as for newly discovered oil.

I think the Finance Committee is absolutely right in what it has done. The foundation is laid. Certainly, these exemptions are exactly what we want—the incentive to go out and discover more domestic oil, bring it onstream, not by 1990, but in the 1980's when we really need it. We need it today.

I commend the committee for its foresight and the research it has done in these areas which I fully support.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Illinois for his comments.

I have only a few more remarks and then I will yield the floor.

Mr. President, the windfall profit tax, as has been indicated by the distinguished chairman, is the largest single tax bill on any industry which has ever been considered by the Congress. The revenues which potentially can be raised are startling to contemplate. This is more than a measure to promote the production of energy, although that must remain one of our foremost considerations. This debate will require each of us to examine some of the fundamental assumptions which underlie our present tax and budget policies. There is little question that our deliberations here will affect this Nation's future for the next generation to come. We must exercise the greatest wisdom and restraint as we consider the issues before us.

One of the most critical components of our program to reduce foreign oil imports is the production of more domestic oil and natural gas. This was the primary motivation behind the President's decision to decontrol the price of domestic crude oil, in the hopes that higher prices will spur greater production and conservation. I believe that this decision was the correct one, and will ultimately lead to increased energy self-sufficiency. However, as a result of decontrol and rapidly escalating world oil prices the producers of oil will reap tremendous profits that are not necessarily attributable to increased costs of production. The President initially proposed that a windfall profit tax be imposed upon a portion of those revenues, returning those funds to the Treasury for uses which benefit all the American people, such as mass transit, assistance to the poor and elderly and alternate energy development.

Acting under their appropriate constitutional mandate, the House passed its windfall profit tax bill in late June. Attempting to strike a balance between domestic oil production in the private sector and tax receipts that could be used in the public sector, the House bill raises significant revenues while still leaving substantial funds in the hands of the oil producers to be used for future exploration and development. The House bill does not approach the difficult problem of distributing the revenues which are to be raised.

Over the last several weeks, the Finance Committee has considered in great detail each of the policy and legal issues which comprise this legislation. I take this opportunity to congratulate the distinguished chairman of the Finance Committee, my good friend Senator Long, for his leadership in this endeavor. His wisdom and expertise guided the deliberations of the committee and his good sense of humor made a difficult and arduous task a little easier. I must also commend the distinguished Senator from Kansas (Mr. Dole) for his able assistance as well. Each member of the committee offered significant contributions to the deliberations and the committee's careful study of the issues involved, as incorporated in the lengthy committee report, will aid each of us in this debate.

Strong opinions have been registered regarding the necessity of this tax. Spirited disagreement has characterized committee consideration of the amount of revenue the tax should raise and the uses to which the revenues should be applied. Some believe that the proceeds from decontrol should be returned to the oil companies for reinvestment in new domestic energy production.

While any windfall profits tax must be fair and equitable, with the purpose of producing the maximum amount of energy, there is a limit to the amount of money that can be effectively put to use for oil exploration and development. Recent oil company profits demand that we take a hard look at how the extraordinary profits to be derived from oil price decontrol are to be distributed.

Many believe that higher prices will not result in significantly greater oil production or that the cost of such incremental production will far exceed the cost of alternate fuel development. We are witnessing an unprecedented transfer of wealth from the consumers of energy to the producers of oil, which carries with it profound implications for the balance of strategic and economic power in the world. This transfer of wealth also jeopardizes the financial security of many of our citizens and imposes an intolerable burden upon the poor and the elderly, who are least prepared to cope with skyrocketing energy costs. While we must resist the temptation to cure all our economic ills with this measure, there is little question that sufficient revenues may be raised by this tax to further important public purposes.

This matter is of the utmost importance to the future of our country. The decisions we will make on these questions will, to a large measure, affect our course at home and abroad for the next decade and beyond. The eyes of the American public are focused on the Senate and we are expected to take meaningful action. This is a time for careful thought and deliberation as we consider this critical legislation.

Mr. President, I yield the floor.

Several Senators addressed the Chair.

Mr. HEINZ. Mr. President, first, let me say to the majority leader that I did not mean in any way, shape, or form to inadvertently interrupt his very learned discourse a moment ago. If I even caused him to hesitate at all, I apologize to him for having had the conversation I did with the distinguished chairman of the committee.

Mr. ROBERT C. BYRD. I think the Senator is very gracious to say this. We all forget at times and engage in our conversations on the floor, and I do the same, always without any intention or even thought I may be disturbing some other Senators.

Mr. HEINZ. I thank the distinguished majority leader for his understanding.

AMENDMENT NO. 653

(Purpose: To eliminate the exclusions applicable to coke and coke gas under the alternative energy property rules)

Mr. HEINZ. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. Matsunaga). The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. HEINZ), for himself and Mr. ROBERT C. BYRD, Mr. FORD, Mr. GLENN, Mr. RANDOLPH, Mr. HUDDLESTON, Mr. BAYH, Mr. SCHWEIKER, Mr. EAGLETON, Mr. BENTSEN, Mr. WARNER, and Mr. STEWART, proposes an amendment numbered 653.

Mr. HEINZ. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 115, between lines 22 and 23, insert the following new subsection:

(b) COKE AND COKE GAS.—

(1) IN GENERAL.—Subparagraph (A) of section 48(l)(3) (relating to alternative energy property) is amended by striking out "(other than coke or coke gas)" in clauses (iii) and (v).

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply, under the rules applicable under section 48(m) of the Internal Revenue Code of 1954 (relating to application of certain transitional rules), after the date of enactment of this Act.

On page 115, line 23, strike out "(b)" and insert in lieu thereof "(c)".

Mr. HEINZ. Mr. President, I offer this amendment, which has been printed as No. 653, on behalf of the following cosponsors: The Senator from West Virginia (Mr. ROBERT C. BYRD), the Senator from Kentucky (Mr. FORD), the Senator from Ohio (Mr. GLENN), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Indiana (Mr. BAYH), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Missouri (Mr. EAGLETON), the Senator from Texas (Mr. BENTSEN), the Senator from Virginia (Mr. WARNER), and the Senator from Alabama (Mr. STEWART).

This amendment would make coke-gas producing equipment eligible for the alternative energy property investment tax credit. In the last Congress an identical amendment was offered by my colleague from Pennsylvania (Mr. SCHWEIKER) and was passed by the Senate, but dropped in conference.

This amendment rectifies a glaring anomaly in present law. At the same time, it will help to remedy our balance-of-payments deficit, bolster our weakening steel industry, and decrease our need to rely upon foreign oil. It thereby responds directly to some of the most urgent problems facing our Nation's economy today.

When the Energy Tax Act of 1978 was enacted, coke-producing equipment was excluded from consideration as alternative energy property. It is ineligible for the alternative energy property investment tax credit. But there is no warrant whatsoever for this exclusion. Coke ovens convert coal into coke, which is used primarily by the steel industry to fuel its blast furnaces. In so doing, they produce a medium-Btu byproduct gas that is used by industry as a substitute for petroleum and natural gas. It is estimated that the equivalent of one barrel of oil is obtained in the form of this byproduct gas for each ton of coke produced. The fact of the matter is that coke ovens are presently the only full-scale production-tested coal gasifiers in commercial operation in the United States. They are, in short, exactly the kind of alternative energy property this tax credit was intended to further, making possible shifts from oil and natural gas to other fuels.

It is not just the principle of the thing that makes our amendment so important, and prompts us to renew our efforts. There has been a growing and well-documented decline in the U.S. coke production capacity. And unless immediate steps are taken to check this trend, grave consequences are threatened for our economy as a whole in the coming decade.

In 1978, for the first time in 40 years, the U.S. metallurgical coke industry produced less than 50 million tons of coke, an output 14 percent below our consumption requirements. And that output was 9.2 percent lower than the year before. Our Nation's coke production capacity has been declining for years; in all likelihood, the rate of decline will only worsen as we enter the 1980's. By 1985, we can expect to be capable of producing over 16 million tons less coke than 10 years earlier.

At the heart of the problem is the age and deteriorating condition of our coke production facilities. Much of the equipment has decayed to the point where it cannot be operated efficiently or in compliance with environmental regulations, necessitating rehabilitation or complete replacement. But the costs are staggering; in the last 10 years, the price of installing a 1-million-ton coke-oven battery has increased almost 150 percent, to $200 million. Consequently, coke ovens are now being retired faster than they can be replaced. Many have had to be retired prematurely in order to avoid violating environmental regulations.

Because of the inadequate domestic supply, our steel industry has had to turn increasingly to imported coke to meet its needs. There is great irony in this, since the United States has the largest and best coking-coal reserves in the industrialized world. Last year we imported 5.7 million tons of coke, amounting to 10 percent of our requirements, a jump of 1.8 million tons from the year before, and the sixth consecutive year that we have imported over 1 million tons.

Those 5.7 million tons of imported coke represent over a half-billion dollar contribution to our balance-of-payments deficit.

Because we did not produce that coke domestically, we lost the equivalent of 10 million barrels of oil in by-product coke gas. At current prices for imported oil, that would represent an additional $200 million contribution to the trade deficit.

So the coke we import puts a double burden on our trade balance.

But the human side of the problem is even sadder. Those 5.7 million tons of imported coke represent the jobs of 3,400 coke-plant workers and 6,000 coal miners.

Should this erosion of coke production capacity be permitted to continue, we could easily be importing 10 million tons of coke a year by the early 1980's. That would represent over a $1 billion annual contribution to our trade deficit. It would also mean the loss each year of the equivalent of 20 million barrels of oil, not to mention the jobs of upward of 15,000 steel and coal workers.

Of course, these figures all assume that we would be able to import the coke we need in the future; however, there is real question about that. Imported coke is readily available at the moment, but only because it is not needed elsewhere. West Germany is our principal foreign supplier, and the German steel industry has lately been operating far below capacity. But should the demand for steel increase, German coke producers would be obliged to accord priority to their domestic customers. The price of coke exported to the United States would rise steeply—that is, if there was any coke left over to be exported. Other nations could not be counted on to supply our needs, since coke production capacity has been declining worldwide. We could be faced with the sorry spectacle of an American steel industry forced to remain partly idle in periods of peak demand, while American needs were met by increased imports of steel at high noncompetitive prices.

We have no alternative but to respond to this situation the only way we can, and that is, to rebuild our coke production facilities. Steelmaking processes that use other fuels have their limits; electric blast furnaces, for example, must be fed with scrap iron, and there is hardly enough of that for our needs. But the costs of rebuilding—which would have to be borne by a steel industry already desperately short of capital—are, as I mentioned earlier, enormous. Adding the capacity for an additional 6 million tons of coke production would require an investment of $120 million per year for 10 years. And that figure must be combined with the yearly capital outlay needed to replace deteriorating coke ovens. If we were to adopt the same rate of replacement as our foreign competitors, the annual U.S. steel industry investment in coke oven facilities would have to come to $560 million per year.

The amendment I am offering provides an incentive toward renovating coke production facilities at an accelerated rate. It extends the 10 percent supplemental alternative energy property tax credit to investments in the replacement or rebuilding of coke ovens. And combined with the affirmative commitment provisions of the Windfall Profit Tax Act, it makes this credit available for costs incurred in coke oven reconstruction before January 1, 1991, so long as engineering studies have been completed and necessary environmental and contruction permits have been applied for before January 1, 1983, and binding contracts to acquire at least 50 percent of the cost of all permanent equipment have been entered into before January 1, 1986. The effect will be to facilitate steel companies' planning and investment; and encourage them to advance their time schedules for rehabilitating coke ovens. Lost coke production capacity caused by premature equipment retirement would be more rapidly replaced. And the sooner our domestic production decline can be checked, the less foreign coke we will need to import in the years ahead.

The cost of this amendment would be a cumulative maximum of $277 million over 6 years.

I strongly urge your support. We have here a way to respond to so many critical problems in a reasonable and constructive manner. We can bring an industry into compliance with environmental regulations not by forcing it to shut down operations, but by encouraging it to rebuild and modernize. We can take advantage of coal lying ready-to-hand under our own soil, rather than going to the costly absurdity of importing a coal product from abroad. We can boost our production of a proven alternative fuel, and decrease our need to rely upon uncertain foreign sources for our energy supply. The benefits will be greater energy self-sufficiency, more jobs for workers in regions of our Nation that suffer from chronic underemployment, stronger domestic steel and coal industries, and a check on the perilous burgeoning of our balance-of-payments deficit.

Mr. President, I have discussed this amendment with the minority manager of the bill and with the majority manager. I understand that Senator DOLE supports the amendment, and I know of no objection to it.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. HEINZ. I yield.

Mr. DOLE. Mr. President, the Senator from Kansas has no objection to the amendment. In fact, I support the amendment and supported it at the time it was discussed in the committee.

I am not certain that the Senator recited the cost per barrel, but it is about $9.

Mr. HEINZ. According to the figures prepared for us by the Joint Committee on Taxation, the cost per barrel saved over the 3 years of this amendment would be approximately $9.23. Obviously, when you are paying $18 or $23.50 for the on-the-spot market price of $30 or $40 per barrel, that is an investment we should not pass up.

I thank the Senator for raising that point.

Mr. DOLE. I have no objection to the amendment.

Mr. HEINZ. I yield the floor.

Mr. LONG. Mr. President, this is not a minor amendment. This amendment does have a revenue impact that the Senate would like to know.

It is estimated that this would cost $17 million in calendar year 1980. Over a period of time, the cost would increase as the credit would be used in more and more facilities, and by 1982 it is estimated that the cost would be $277 million. If this were extended through 1990, the cost would go up to about $858 million.

Mr. President, this matter was considered when the Senate was considering another major energy bill which was reported by the Finance Committee some 2 years ago, and the amendment was agreed to by the Senate. It was not agreed to in conference because of opposition on the House side.

Mr. President, I am very much aware of the support for the amendment. The Senator from Pennsylvania is joined by the majority leader, Mr. ROBERT C. BYRD, by the Senator from Kentucky (Mr. FORD), the Senator from Ohio (Mr. GLENN), the senior Senator from West Virginia (Mr. RANDOLPH), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Indiana (Mr. BAYH), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Texas (Mr. BENTSEN), the Senator from Virginia (Mr. WARNER), and the Senator from Alabama (Mr. STEWART).

Mr. President, personally, I have no objection to the amendment, and I am not aware of anyone who is strongly opposed to it. I assume that there may be some opposition on the House side. However, for the purpose of offering the Senate the opportunity to vote on it and to propose that the House consider it, I would be willing to vote for the amendment. If anyone cares to oppose the amendment, I will be glad to hear the argument. I am not aware of any opposition to the amendment here.

● Mr. GLENN. Mr. President I join my colleagues in urging passage of this amendment to the Crude Oil Windfall Profit Tax Act of 1979. This amendment, which I have cosponsored with Senator HEINZ and others, would assure the eligibility of coke-gas producing equipment for the additional 10-percent alternative energy property tax credit enacted last year.

Passage of this legislation is of critical importance to our Nation's balance of payments, the modernization of our steel industry and the economic viability of Ohio's coking industry.

Coke is an essential fuel in the production of iron and steel. The U.S. steel industry presently derives approximately two-thirds of its energy needs from coke and coke-gas. In recent years, however, the U.S. steel industry has seen its domestic supplies of coke diminish at an alarming rate. Since 1970, U.S. coke production has fallen 25 percent, with Ohio coke production down 33 percent. This dramatice decline has been matched by a dramatic rise in coke imports. According to a report on the U.S. coke industry, coke imports jumped from 1.8 million tons in 1977 to 5.7 million tons in 1978. These alarming statistics are particularly disturbing in light of the fact that the United States has the largest and best coking coal reserve in the world and that Ohio itself accounts for 16 percent of U.S. coke production.

This growing dependence on foreign sources of coke is unnecessary and can be overcome. The shortage of coking capacity in the United States is due to the lack of capital required to build new coke ovens and bring old ovens into compliance with environmental standards. This amendment would provide an incentive for new investments in the modernization and expansion of coking facilities. In so doing it would help to reinvigorate the U.S. steel industry and stabilize employment in Ohio's steel communities where readily available coal and an abundance of skilled labor await this opportunity to revive America's coking capacity.●

Mr. ROBERT C. BYRD. Mr. President, I am pleased to cosponsor an amendment to the windfall profits tax that will assure the eligibility of coke-gas producing equipment for the alternative energy tax credit enacted in 1978.

In 1973, total U.S. coke production was 63.5 million tons. The 1979 total is estimated to be about 52.5 million tons. The reduction of 11 million tons translates into 16 to 19 million tons of metallurgical coal, which would be mined by 10,800 coal miners. In West Virginia alone, here are 8,500 metallurgical coal miners unemployed today and countless others that are working shortened work weeks.

The cumulative effect of certain environmental regulations may hinder efforts by the coke industry to maintain and expand its currently reduced manufacturing capacity. The industry must replace rapidly aging equipment and invest in required environmental controls. This is the kind of investment that the alternative energy tax credit should encompass in order to encourage the use of nonpetroluem energy sources and increase our energy selfsufficiency. The promotion of coke production through such investment will insure the industry's vitality and guarantee maximum employment opportunities for our coal miners.

Mr. HEINZ. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. HEINZ. Mr. President, we have sent a "Dear Colleague" letter on this amendment and advised each Senator's office. I am aware of no objection to the amendment. On that basis, I would be willing to yield back the remainder of my time.

Mr. LONG. Mr. President, I believe the Record sufficiently shows what the merits of the amendment are. So far as I am concerned, I am prepared to vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania.

The amendment was agreed to.

Mr. HEINZ. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, while waiting for someone to offer an amendment, the Senator from Kansas will take a few moments to discuss amendment No. 629, which I may call up later or may modify or revise to accommodate the interests of other Senators. I will not offer the amendment at this time.

My amendment is designed to ease the troublesome cash flow problems faced by fuel oil dealers as a result of greatly increased oil prices. These increases are due, in part, to the decontrol of domestic oil prices, and therefore, this issue is tied directly to the measure before us. The amendment simply increases the statutory ceiling on Small Business Administration guaranteed loans to fuel oil dealers from the current $500,000 to $1 million. While such an amount may seem excessive on its face, the fact that fuel oil prices have nearly doubled in the last year means that the increase actually keeps the maximum amount of the available loans in line with the amount that was available to dealers last year.

Mr. President, everyone is concerned about the impending fuel oil crisis created by rising OPEC prices and decontrol of domestic oil. Most people are aware of the impact of higher prices on consumers, particularly the aged and poor who live on fixed incomes or very limited, already strained budgets.

We are familiar with the horror stories of old people freezing and poor people having to choose between food and heat, and we are demanding that something be done to solve the problem. The Senate spent 3 days recently addressing that very issue, and both the Finance Committee and the Labor and Human Resources Committee devoted several weeks to the problem this fall.

There is a related problem that has not had the same kind of attention—a problem that is particularly prevalent in areas where heating oil is widely used. That problem is the impact of greatly increased oil prices on small and medium sized fuel oil dealers. We had testimony on the issue before the Finance Committee.

I think to summarize the problem, in some areas because of the increased OPEC prices and because of the shortened credit terms, some of the fuel oil dealers are almost required to demand cash on the barrelhead when the fuel oil is delivered.

The financial stability of fuel oil dealers is an integral part of the energy crisis facing us this winter. If we do not take steps to assure the viability of these businesses, the impact on consumers will be much harsher than many realize. The Better Home Heat Council is predicting that 300 fuel oil dealers in New England alone will go out of business in the next 30 months unless some assistance is provided, and business failures in the industry could mean homes without heat during the winter.

My staff and I have spent the last several weeks discussing this matter with fuel oil dealers, bankers, accountants, and others who are familiar with the financial crisis which is brewing. I have learned that fuel oil companies, which are generally family businesses with traditionally low profit margins, are facing new capital demands this year which can only be described as frightening.

The problem facing fuel oil dealers is one of cash flow, that is, having sufficient money on hand to pay their own bills while waiting to receive payments due from customers. There are two factors which contribute to the cash flow problem.

On the supplier side, dealers have to pay more for the product they buy and they have to pay sooner (within 10 days or less) without receiving cash discounts previously available to them for early payment. Unfortunately, oil producers and suppliers have not been responsive to suggestions that they improve credit terms to dealers. It would certainly go a long way toward solving the cash flow problem for dealers if the suppliers would return to the 30-day credit terms of last year. But now I understand in most cases it is probably 10 days or less. That is on the supplier side.

On the customer side, dealers accumulate greater customer debt for the fuel they sell, although they do not sell a larger volume than last year, and their customers are having more trouble paying in a timely manner. Some banks have instituted agreements with dealers to allow customers to buy heating oil with credit cards. While this is helpful, many of the problems with collecting on customer accounts will remain despite such financing arrangements.

To put it simply, on the one hand, dealers have to come up with substantially more money in a shorter period of time to pay their suppliers, and on the other hand, they are owed a lot more money which they often have to wait longer to get. If the fuel oil dealers do not pay their suppliers, they are cut off immediately. If their customers do not pay them, the dealers generally end up carrying them on the books for an extended period.

The fuel oil dealers feel they are at the mercy of their suppliers, many of which are large oil companies. As one New Hampshire small businessman put it, "The oil companies have us in a compromising position. We can't get supplies anywhere else. They say 'We are raising the price,' and we have to say 'Thank you very much'."

A lot of concern has been expressed in this Chamber that consumers are having their heating oil supplies cut off. While it is true that some consumers have been cut off, that is the exception rather than the rule. Most often a fuel oil dealer only makes the decision to cut off a customer if the alternative is the failure of his business.

A Massachusetts dealer told me that a customer recently called to explain his financial problems and showed that he would be unable to meet the $75-a-month budget payment plan which the dealer had set up for him. The dealer agreed that the man could pay $50 a month instead and asked that he pay additional amounts whenever he had the money.

A fuel oil dealer in Vermont explained the problem in depth:

> The impact on consumers will be about double this year. There are widows and elderly people up here who live on limited incomes. They want to do what's right, and they feel awful about not being able to pay their bills, but they have nowhere to turn. I don't want to cut them off, so I carry them. But that means I have to finance their debt, and it's costing me more than 14 percent interest. I'll pay a minimum of $30,000 in interest charges this year. If I go out of business, then what will my customers do?

These concerns are echoed by fuel oil dealers everywhere.

When you put the supplier and the customer sides of the accounting equation together, you come up with a much larger debt to be financed through bank loans this year than last. Simply, because of higher fuel prices, most dealers will have to borrow between 50 and 100 percent more than they borrowed last winter.

This is sort of the Catch-22. The banks, of course, when they want to increase the loan or double the loan, take a look at the dealer's net worth, which really has not grown in the past year. They are, therefore, reluctant to lend them the additional money they need to stay in business. This reluctance is justifiable because oil distributor margins have not adequately covered the increased costs being experienced.

One Maine dealer, who has had his company's needs analyzed in a detailed accounting study, found that in 1980 he will have to borrow a minimum of $435,000 compared to $100,000 last year. He is trying to get additional money from the bank using his accounts receivable as collateral—something never done before. If the bank does not go along, he will probably have to go out of business. As he pointed out, he is one of the more sophisticated dealers who has an established line of credit with the bank. There are a lot of small fuel oil dealers in New York, New England, Minnesota, Wisconsin, and all across the country in areas where heating oil is used.

The Small Business Administration (SBA) has not been idle on this question in the last several months. SBA recognized the problem facing the fuel oil dealers and began making administrative changes earlier this year to assist them and I commend the SBA for that. Among the actions taken are the following:

First. Several task forces have been set up around the country to look into the fuel oil dealers' cash flow problems and to make recommendations for legislative and administrative changes in the current SBA program to mitigate those problems. The task forces are made up of small- and medium-sized retail fuel oil dealers, bankers, accountants, State energy officials, and SBA officials.

Second. Size standards for retail heating oil dealers eligible for SBA loan programs have been increased from $2 million annual gross revenues to $6 million. There is a pending plan to allow dealers with 100 employees or less to qualify as well, since the dollar sales volume standard may quickly go out of date.

Third. SBA is making special efforts to extend to fuel oil dealers the program which guarantees up to 90 percent of loans made by banks for a seasonal line of credit. The statutory ceiling on such loans is $500,000.

Fourth. Fuel oil dealers and jobbers in all 50 States have been declared eligible for special low-interest economic dislocation loans up to $100,000. This is in recognition of the fact that they are caught in a crunch between high wholesale oil prices and a lack of credit.

The New England SBA task force, after seven meetings over the last 3 months, made its final recommendations to SBA last week. The recommendations, which are directly keyed to the needs of the fuel oil dealers, are as follows:

Increase the statutory ceiling on SBA guaranteed loans to fuel oil dealers from $500,000 to $1 million with a 90-percent guarantee and interest at prime rate.

Increase the statutory ceiling on economic dislocation loans to fuel oil dealers at 8¼ percent interest from $100,000 to $500,000.

My amendment would implement the first recommendation only. Since fuel oil dealers have just recently been made eligible for economic dislocation loans, I do not feel it would be appropriate to seek to increase the ceiling on those loans at this time.

It is my understanding that in the past the Small Business Committee has rejected an increase to $1 million in the statutory ceiling on regular SBA loans on the basis that such a sum is out of the realm of small business. I certainly understand the reluctance of the committee members to approve such a large increase, particularly as a general rule. However, I believe the situation faced by fuel oil dealers is unique and merits a drastic increase. These retailers have experienced a doubling of prices in recent months so the increase actually keeps the maximum loan available at a level equal to last year's ceiling.

It is anticipated that this amendment will have little or no cost. As under existing SBA guaranteed loans, fees will be charged to cover administrative costs and actions will be taken by SBA to minimize loan defaults. Since the banks will be making the initial credit judgment on the dealers, it is unlikely the increased loans would be provided to anyone who is going to fail.

Admittedly, I am not suggesting that this change in the current SBA loan program will cure all ills faced by the small- and medium-sized fuel oil dealers. Efforts to provide low- and middle-income consumers with assistance to pay their fuel bills are also important.

Furthermore, the continued pressure should be put on oil suppliers to ease their credit terms to the dealers. Down the road, some consideration will need to be given to providing guaranteed loans to retail fuel oil dealers to acquire failing fuel oil companies.

This is a matter that we hoped to incorporate in this bill but are not doing at this time. It is my view that we should adopt this even though it is not under the purview of the Finance Committee, because it is something that must be done in addressing the needs of many Americans in the next few months.

For now, the increased guaranteed loans provided under this amendment will help many fuel oil dealers to stay in business despite current price aberrations. Eventually other factors will bring oil prices back in line with the rest of the economy. In the interim, this amendment will help to maintain private sector funding for fuel oil dealers thereby providing protection for consumers and small businesses and warding off a real disaster this winter.

Mr. President, notwithstanding the weather pattern that has occurred across much of the country in the past several weeks, and even part of today, winter will soon be coming. I am not certain when this bill will finally pass and be on the President's desk for signature but, hopefully, before the new year begins. It will probably take all of that time for the bill to pass the Senate, and go to conference, and for the conference report to be approved by the House and by the Senate. Therefore, if we really intend to do anything this year, this is the appropriate vehicle.

We are dealing with energy, we are dealing with taxes, we are dealing with low-income assistance, we are dealing with the energy problem, and I certainly hope this amendment No. 629 could be accepted in that spirit.

Again, I understand what might be some reluctance to accept the amendment since the Finance Committee does not have jurisdiction. We are in the process of contacting members of the Small Business Committee who have indicated their interest in the general subject.

Let us keep in mind fuel oil prices have tripled since 1973; they have nearly doubled in the past year; and small- and medium-sized retail fuel oil dealers face severe cash flow problems because the credit extended by their suppliers has been shortened from 30 days to less than 10 days in some cases; and they have been required to borrow larger sums of working capital from banks, even though their net worth remains pretty much the same, and, in many cases, has declined.

We have a $500,000 limit on loans now in the Small Business Administration, and what we seek to do here is to increase that to $1 million for fuel oil dealers, to maintain the guarantee level of 90 percent, and the interest rate under the current program.

Costs are negligible. The administrative costs will be covered by fees to the dealers, which will be offset by slightly lower interest rates than the market rate. The banks will take precautions to minimize losses; they will be scrutinizing the borrowers, as they would do in any case, and I assume in most cases it will be customers they have had for a long period of time in any event, so there should not be many defaults.

I think along with this we need to do several other things. We must urge suppliers to improve their credit terms to retail fuel oil dealers, and hopefully even this concern expressed today will encourage the supplier to take that step. We should give consideration to providing SBA-guaranteed loans to fuel oil dealers for the acquisition of failing fuel oil dealerships as well, since some dealers are going out of business and their customers will have to be served.

We should give consideration to raising the statutory ceiling on SBA economic dislocation loans to fuel oil retailers.

We should grant middle-income consumers of fuel oil a tax credit to help them to pay their fuel oil bills.

Finally, energy assistance to low-income consumers of fuel oil should be greater and more timely than in the past, and certainly that is an area we will be addressing in the overall bill.

Mr. President, as I indicated at the outset, I will not call up the amendment at this time. I would like to discuss it with Senator NELSON, Senator WEICKER, and others who have indicated an interest.

Since there is nobody else here to speak on the pending amendment, I thought it might be an opportunity to explain what I propose to do and which will save us some time later on.

I am perfectly willing to yield the floor.

Before I suggest the absence of a quorum, I want to express not my pleasure, in a sense that the amendment of the Senator from Arkansas was tabled, but my hope that that vote will be an indication of some confidence in the Senate Finance Committee.

As the distinguished majority leader said, the Senate Finance Committee worked weeks and weeks and weeks and we believe that our bill is a good one. There may well be some changes in part of the bill. Not all of the wisdom resides in the Senate Finance Committee, but there are some diverse views and opinions expressed in that committee from time to time.

The distinguished Senator from New York indicated he would have some amendments to the Senate Finance Committee bill. I am not certain what those amendments are, but there probably will be some amendments addressed to certain provisions of the bill reported to the floor.

Mr. BUMPERS. Mr. President, will the Senator yield for a question?

Mr. DOLE. Yes; I would be happy to yield.

Mr. BUMPERS. Does the Senator have any feel for how the Finance Committee as a whole would feel about exemptions for independents of 500 barrels per day? I think maybe the Senator from Texas has an amendment of 1,000 barrels per day.

Mr. DOLE. Well, the Senator from Kansas would support the Bentsen amendment on the theory that in conference—and I do not know what will happen in conference—a thousand barrels a day is a stronger position.

Mr. BUMPERS. I expressed my opinion about the whole thing earlier, but one of the concerns I have is that I thought if my amendment was not tabled, it would be much easier, for example, for me to vote for the Bentsen amendment, and I would certainly be happy to vote for the Nelson amendment. I have a lot of independent producers in my State, and they spend just about all they take in exploring, and those people are entitled to some consideration.

One of my big concerns is that the Bentsen amendment, I think, will cost on the order of $40 billion. By taking that off the $135 billion total of the Finance Committee bill would only leave about $95 billion in it. Are those figures correct so far as the Senator from Kansas knows?

Mr. DOLE. I am not certain about the costs of the Bentsen amendment because the committee bill contains a 1,000 barrels a day amendment of stripper production. The cost would be absorbed in the cost of the Bentsen amendments.

Mr. BUMPERS. We may be talking about two different things, Senator.

I think the Senator from Texas has two amendments, one dealing with 1,000 barrels per day stripper exemption and the other a 1,000 barrel per day exemption of the independent producers. I think they overlap a lot, but it was my understanding, that the Nelson amendment would exempt 500 barrels per day for the roughly 12,000 independent producers in this country, and that the exemption would cost on the order of $21 billion.

I just assumed that if we went to a thousand barrels a day, that exemption could cost on the order of $40 billion.

Mr. DOLE. The staff is checking, not the exact figure but the estimated projected cost of the Bentsen amendment as compared in the cost of the 1,000-barrel exemption for strippers now in the bill. Is that information available to the Senator from Montana?

Mr. BAUCUS. Mr. President, if the Senator will yield, the staff informs me that the amount we reported on in the committee was $9.9 billion for 10 years.

Mr. BUMPERS. $9.9 billion?

Mr. BAUCUS. $9.9 billion, that is correct, over and above the $16 billion already provided for. That would be roughly $26 billion.

Mr. BUMPERS. $26 billion for what, the stripper exemption?

Mr. BAUCUS. All producers.

Mr. BUMPERS. That would cost what, roughly $26 billion?

Mr. BAUCUS. That is correct, of which, according to my understanding, $16 billion is already provided for.

Mr. BUMPERS. Did I correctly understand that the Senate Finance Committee did not except secondary and tertiary recovery?

Mr. BAUCUS. Tertiary was exempted, but not secondary.

Mr. BUMPERS. What did the Finance Committee project the cost of the tertiary exemption would be?

Mr. BAUCUS. According to the estimate, the exemption for tertiary production amounts to $27 billion over 10 years.

Mr. BUMPERS. How about secondary? Does the Senator have a figure for what secondary would cost?

Mr. BAUCUS. We do not have a precise estimate for that, but as a general rule of thumb, secondary recovery amounts to half of the domestic oil production in the United States.

Mr. BUMPERS. Or roughly 5 million barrels a day?

Mr. BAUCUS. Approximately. Closer to 4 million barrels a day.

Mr. BUMPERS. Did the House make any exemption for secondary and tertiary recovery?

Mr. BAUCUS. No; none whatsoever. It was not even considered, either on the floor or in committee.

Mr. BUMPERS. I thank the Senator.

Mr. DOLE. The point I want to make—if I understood the Senator from Arkansas correctly as to the exemption of the first thousand barrels per day stripper oil production by independents as it is now in the committee measure—is that it will reduce revenues in the House bill by $16 billion. It is my understanding the so-called Bentsen amendment, which would broaden the exemption across the board for independents, would reduce revenues by an additional $9.9 billion. I do not know where the figure of $40 billion may have come from, but I do not find that anywhere in the tables.

Mr. BUMPERS. Yes. If we exempt 1,000-barrel strippers and 1,000 barrels total for independents, those would overlap. I do not know whether we can get a cost on both of them or not, but I would like to see the figures for each, and then the composite figure for the two.

Mr. DOLE. I will be glad to get that for the Senator from Arkansas. I think if we adopt the Bentsen amendment, we would be adding—or losing, depending on how it is viewed—about $9.9 billion over a 10-year period. We are looking at trying to offset that by either increasing the production we now have or increasing the incentive to produce. But the amendment we have in the bill for independent producers, the cost of that amendment over a 10-year period is about $16 billion.

I will obtain those figures. I think perhaps, based on the way the model works and how it all adds up, it might be well if we could get that information together. I ask unanimous consent that when it is gathered together, it be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Revenue loss of independent stripper exemption, $16.2 billion.

Revenue loss of independent exemption of 1,000 barrels per day, $9.9 billion.

Mr. DOLE. We can have the information requested by the Senator from Arkansas.

I see the Senator from Texas has arrived. We were discussing the total impact of the amendment that the Senator from Texas may be offering today regarding a 1,000-barrel exemption. How much additional revenue loss there would be if that replaced the 1,000-barrel provision we now have in the Senate Finance Committee bill.

Mr. BENTSEN. That is approximately a $9.9 billion revenue loss over 10 years, but by the same token, we would bring on increased production of approximately 1 billion barrels over 10 years. What that means is, you would have a cost of finding new oil of something less than $10 a barrel, and certainly that is a lot cheaper than any synthetic program we have thought of or put in this bill—which I supported, incidentally.

This is the cheapest way. Of course, again, we are thinking about providing additional competition. We are talking about the group of people who put it back in the ground. The testimony before our committee showed that we are talking about 105 percent of the revenue paid at the wellhead is put back into exploration by independents, and they, in turn, are finding most of the new oil.

If you really want something to keep jobs in this country, help in our balance of trade, and try to bring on new energy at a cheaper cost, then anything we can do along the lines of trying to encourage that independent is something we should do.

Mr. DOLE. I thank the Senator. I certainly support his amendment.

The Senator from Arkansas has requested certain information on the approach of the amendment of the Senator from Texas, and I will provide that information for the RECORD.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 840

(Purpose: To require Congressional review of any rule, regulation or order establishing limits on the total volume of petroleum imported into the United States or any fee on such imports)

Mr. JOHNSTON. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. JOHNSTON) proposes an unprinted amendment numbered 840.

Mr. JOHNSTON. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 179, after line 21, insert the following new section:

SEC. 402. OIL IMPORT RESTRICTIONS.

(a) FINDINGS.—Congress finds that—

(1) action by the President establishing a quota on the total volume of petroleum imported into the United States or a fee, duty or tariff on such imports, in order to limit their total volume, will have far-reaching effects on the energy policy of the United States;

(2) such action may require the imposition of Federal petroleum price and allocation controls or other Federal intervention in domestic fuels markets to insure the attainment of the public policy objectives set forth in the Emergency Petroleum Allocation Act of 1973 (15 U.S.C. 751 through 760), as amended;

(3) such action may significantly affect the rates of production of domestic energy resources and alter the pace of the development and commercialization of alternative forms of energy;

(4) such action may significantly influence policy planning and capital construction decisions for the domestic fuels supply system, including the domestic refining industry;

(5) such action may have severe effects on interstate commerce, the domestic economy, and the national security of the United States; and

(6) the implications of such action should be examined by Congress and the public and an opportunity afforded Congress to veto any proposal by the President to establish a fee, duty, tariff, or quota on imports of petroleum.

(b) PURPOSE.—It is the purpose of this section to require the President to submit to Congress for review under expedited procedures any rule, regulation or order which establishes limits on the total volume of petroleum imported into the United States or any fee, duty or tariff on such imports to limit such total volume.

(c) AMENDMENT TO THE ENERGY POLICY AND CONSERVATION ACT.—Part A of title I of the Energy Policy and Conservation Act (Public Law 94–163) is amended by inserting at the end thereof a new section as follows:

"LIMITATIONS ON OIL IMPORTS

"SEC. 108. (a) Notwithstanding any other provision of law, the President may not make effective any rule, regulation or order establishing limits on the total amount of crude oil, residual fuel oil or any refined petroleum product imported into the United States or any fee, duty or tariff on such imported crude oil, residual fuel oil or any refined petroleum product unless such rule, regulation or order—

"(1) has been transmitted as if it were a rationing contingency plan to Congress in accordance with section 552 and

"(2) has not been disapproved by a joint resolution adopted into law after passage by both Houses of Congress in accordance with such section 552, as amended by the Emergency Energy Conservation Act of 1979 (Public Law 96–102).

"(b) As used in this section the term 'United States' means the States, the District of Columbia, Puerto Rico and the territories and possessions of the United States."

Mr. JOHNSTON. Mr. President, this is the same amendment that the Senate passed a couple of weeks ago by a vote of 70 to 23. It is supported by the administration, by partisan support, as well as the oil companies, labor, and just about everybody else I know. It would prohibit the President from establishing an import fee or quota unless the proposition was sent down to Congress and Congress had a chance to act on it.

In order for Congress to veto it, it would take a joint resolution, both Houses, which joint resolution, of course, could in turn be vetoed by the President and that veto, in turn, could be overridden only by a two-thirds vote of each House.

So what this does, Mr. President, is represent, as we indicated in the debate which we had on this measure previously, a compromise that maintains the position of Congress in our constitutional system. A measure as far reaching as a quota or fee should involve Congress, and that is precisely what this measure does. And because of that, of course, this Senate passed it previously by a vote of 70 to 23.

The reason we are putting it on this bill, Mr. President, is that the House Ways and Means Committee considered this measure as a revenue measure when it went over to the House as an amendment to the International Energy Agency legislation. It is an amendment to the Trade Expansion Act and they are rather jealous about their jurisdiction. I hope that because of the broad support for this measure in the House that they would overlook whatever jurisdictional deficiencies it had. Nevertheless, because of the jurisdictional problem, they blue-slipped the measure and, for that reason, we need to put it in on this bill.

Today I am asking, with the concurrence of the distinguished floor manager for the majority (Mr. LONG), that the Senate reaffirm its position that the Congress should have a role in any decision by the President to impose a quota on the total volume of petroleum imported into the United States or a substantial fee, duty or tariff on such imports.

On October 30, 1979, by a vote of over 3 to 1 (70 to 23) the Senate adopted the concept embodied in the language I am offering today. That vote added an amendment to S. 1871, a bill extending the life of the provisions of the Energy Policy and Conservation Act which provide a limited antitrust defense to oil companies participating in the international energy program. Subsequently, the House of Representatives returned S. 1871 to the Senate on the grounds that this amendment, while not necessarily objectionable on substantive policy grounds, nevertheless infringes on the prerogatives granted to the House under the Constitution to originate legislation affecting the revenues of the Federal Government. I recognize this strongly held view of the House.

I am, therefore, offering essentially the same amendment to H.R. 3919, a revenue bill (of immense revenue proportions) which in fact originated in the House. The policy proposed is the same: That the Congress ought to have a meaningful role in decisions of the magnitude, in economic terms, of the establishment of a quota on the total volume of petroleum imports or the limitation of such imports through the pricing mechanism, using a fee, duty, or tariff. This issue transcends jurisdictional considerations. I know that the managers of the bill are in agreement with me on this point. Therefore, I am confident that they will lend the full force of their influence in support of this provision in the House-Senate conference on H.R. 3919.

The administration did not oppose this amendment when it was offered on October 30, 1979, to the legislation extending the life of the statutory antitrust defense for oil companies cooperating with the International Energy Agency. The administration does not oppose it now. This is a welcome recognition by the executive branch of the need for cooperation and national unity on an issue of such major economic importance as the issue of the level of U.S. petroleum imports. To be credible in the international community, and credible with the OPEC cartel, the United States must espouse a unified, coherent position. This amendment assures that this will be the case with regard to petroleum import policy.

The legislative history of this provision should be clear with regard to the impact of my amendment on the President's authority to implement, without congressional review, a limitation on the importation of petroleum from a particular nation for purposes of national security. The President has exercised authority currently available to him under section 232(b) of the Trade Expansion Act of 1962 to prohibit the importation of crude oil and petroleum products produced in Iran. The vast majority of the American people and, I believe, a substantial majority of Congress, are in support of this action by the President.

My amendment would not in any way restrict the authority of the President to take this action or another similar to it. This amendment addresses the bottom line with regard to petroleum imports, that is, the total volume of imports, not the value of individual terms in the equation for the calculation of that bottom line. What we are attempting to do is to prevent the President from employing his authority under existing law to create gasoline lines or heating oil shortages without congressional involvement. The existence of any such shortage is a function of the total level of imports of petroleum into the United States. A limitation on imports from a particular nation (such as Iran) need not limit this total volume of U.S. petroleum imports. And the President, in forbidding Iranian oil imports, has not in fact proposed any limitation on the total volume of petroleum imported into the United States. The amendment I am offering would leave the President free to control imports from a particular nation for purposes of national security, while requiring congressional review of any proposal to limit the total volume of imports (or a fee on imports) from all countries supplying the United States with imported petroleum.

Mr. President, the amendment I am offering has passed the test of Senate approval in previous action on the Senate floor. That action did not result in serious consideration of this very important policy issue by the House because of institutional (rather than substantive) considerations.

I hope to overcome the institutional barriers to consideration of the substantive issues with the introduction of this amendment to H.R. 3919. I hope the Senate will reaffirm its support of these basic policy considerations in its support of my amendment.

I would like to move the adoption of the amendment.

Mr. BAUCUS. Mr. President, will the Senator from Louisiana yield?

Mr. JOHNSTON. Yes.

Mr. BAUCUS. Has this amendment been cleared with the chairman of the committee?

Mr. JOHNSTON. Yes. And, of course, the chairman is off the floor at this point. I just asked the staff if it was suitable to bring it up at this point and their reply, I believe, was that it would be. If they have any different indication at this point, I would be glad to lay it aside until the chairman comes back.

Mr. BAUCUS. Would the Senator mind if we hold this at this time until the chairman is present?

Mr. JOHNSTON. That is fine. I asked that question of the staff and they said there is no reason not to proceed. But I certainly, out of an abundance of caution, would prefer to wait until the chairman is back, if there is any doubt at all.

Mr. President, I ask unanimous consent that the amendment, unless somebody has a question to ask of me at this point, be laid aside until the chairman comes back. If there is any question to be asked at this point, I will be glad to yield to that.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Oklahoma is recognized.

UP AMENDMENT NO. 841

(Subsequently numbered amendment No. 698)

(Purpose: To provide an exemption from the tax for all stripper oil)

Mr. BOREN. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. Boren) proposes an unprinted amendment numbered 841:

Strike line 19 page 59 through line 15 page 64 and insert in lieu thereof the following:

"'(d) Stripper Oil.'—For purposes of this chapter (including the application of the June 1979 energy regulations for purposes of this chapter), the term 'stripper oil' means crude oil removed from a stripper well property as defined in the June 1979 energy regulations.".

Mr. BOREN. Mr. President, this amendment would simply extend the stripper oil definition to apply to all stripper wells, that is those wells producing 10 barrels per day or less. Congress has long recognized that there should be a policy of providing special treatment for stripper wells. After Congress provided for special treatment, decontrolling the price of stripper wells several years ago, the number of abandonments of those wells went down by 500 percent, preserving this very valuable resource for the people of this country. That is the reason that I am proposing that we extend this exemption to cover all stripper wells, so that we can have economic incentives for preserving all of the production of this kind in the United States.

Mr. BENTSEN. Mr. President.

The PRESIDING OFFICER. Does the Senator yield to the Senator from Texas (Mr. Bentsen)?

Mr. BOREN. I yield to the Senator from Texas.

UP AMENDMENT NO. 842

(Subsequently numbered amendment No. 699)

Mr. BENTSEN. I have an amendment in the nature of a substitute that I send to the desk and ask that it be reported.

The PRESIDING OFFICER. Is the Senator from Oklahoma (Mr. Boren) yielding for that purpose?

Mr. BOREN. I yield for that purpose.

The PRESIDING OFFICER. The clerk will report.

Mr. BENTSEN. I would ask that we check the amendment number of the Senator from Oklahoma to be sure I have the right number on that.

The legislative clerk read as follows:

The Senator from Texas (Mr. Bentsen) for himself and Mr. Boren proposes an unprinted amendment numbered 842 to unprinted amendment numbered 841 by the Senator from Oklahoma (Mr. Boren).

Mr. BENTSEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter proposed to be inserted by the Boren amendment No. 841 insert the following:

On page 59, beginning with line 19, strike all through page 64, line 15, and insert in lieu thereof the following:

"(d) Qualified Stripper Oil.—For purposes of this chapter—

"(1) In general.—The term 'qualified stripper oil' means so much of an eligible taxpayer's qualified production during any taxable period beginning after September 30, 1980, as does not exceed the product of—

"(A) 1,000 barrels, multiplied by

"(B) the number of days during the taxable period.

"(2) Definitions and special rules.—For purposes of this subsection—

"(A) Qualified production.—

"(i) In general.—A taxpayer's qualified production during any taxable period is the number of barrels of crude oil—

"(I) which are removed from any property during such taxable period; and

"(II) with respect to which such taxpayer is liable for the tax imposed by section 4986 (determined without regard to this subsection and section 4988(a)(4)).

"(ii) Royalty owners.—In the case of the holder of any royalty or similar interest, the qualified production of such taxpayer from each property shall be equal to an amount which bears the same ratio to the amount of the total barrels of production of such taxpayer from such property (determined without regard to this subsection) as—

"(I) the working interests held by eligible taxpayers, bears to

"(II) the working interests held by all taxpayers.

"(iii) Transferred production.—A taxpayer's qualified production shall not include production from a property to the extent the taxpayer's interest in such property was held by an integrated oil company on October 24, 1979.

"(B) Eligible taxpayer.—The term 'eligible taxpayer' means any taxpayer other than—

(i) an integrated oil company or a partnership, or

(ii) any Member of Congress serving during the Ninety-sixth Congress or any member of such Member's family (within the meaning of section 267(c)(4)).

"(C) Integrated oil company.—The term 'integrated oil company' means any taxpayer described in paragraph (2) or (4) of section 613A(d).

"(D) Allocation among related persons.—

"(i) In the case of persons who are members of the same related group during the taxable period, the 1,000 barrel amount contained in paragraph (1) for days during such period shall be reduced for each person by allocating the 1,000 barrels among all such persons in proportion to their respective qualified production during such period.

"(ii) Related group.—For purposes of clause (i), the term 'related group' means—

"(I) a controlled group of corporations (as defined in section 613A(c)(8)(D)(i)),

"(II) a group of entities among which an allocation would be made under subparagraph (B) of section 613(c)(8), and

"(III) members of the same family (as defined in section 613A(c)(8)(d)(iii)).

"(3) Treatment of partnerships.—

"(A) In general.—For purposes of this subsection, the qualified production of a partnership—

"(i) shall be equal to the qualified production of the partnership (determined without regard to this paragraph) reduced, under regulations prescribed by the Secretary, by an amount which bears the same ratio to such amount as the interest of partners in such production who are not eligible partners bears to the interest of all partners in such partnership, and

"(ii) as so reduced, shall be allocated to eligible partners in the manner provided under this paragraph.

"(B) Allocation.—In the case of the qualified production of a partnership from any property, an eligible partner shall—

"(i) for purposes of paragraph (1), be treated as having produced, and

"(ii) for purposes of section 6429, be treated as having paid the tax,

with respect to an amount equal to his eligible partnership interest in so much of the qualified production of the partnership as does not exceed the product determined under paragraph (1) for such taxable period.

"(C) Definitions.—For purposes of this paragraph—

"(i) Eligible partnership interest.—The term 'eligible partnership interest' with respect to any qualified production means that portion of such production which bears the same ratio to the total production as an eligible partner's interest in such production bears to the interest of all eligible partners.

"(ii) Eligible partner.—The term 'eligible partner' means any partner who would be an eligible taxpayer with respect to such production.

"(4) Computation of tax for excess production.—If the qualified production of an eligible taxpayer during a taxable period exceeds the amount which may be treated as qualified stripper oil under paragraph (1), the windfall profit, for purposes of determining the amount of the tax imposed by section 4986 with respect to such excess, shall be equal to an amount which bears the same ratio to the amount of windfall profit on the total barrels of qualified production (determined without regard to this subsection) as—

"(A) the number of barrels of such excess, bears to

"(B) the number of barrels of such qualified production."

Mr. BENTSEN. Mr. President, this is an amendment that has been discussed for some time. And this is an amendment that, in effect, is what I had previously proposed which has a substantial number of cosponsors.

I would like to explain very briefly what this amendment is. I think it is a necessary component of any rational national energy program in this country.

My amendment would exempt from the windfall profit tax the first 1,000 barrels per day of oil production by independent producers.

Mr. President, in all the controversy, in all the debate about the windfall profit tax, I have yet to hear anyone suggest that it is not in our best interest to encourage increased domestic production of oil and gas.

The logic of increased domestic production is overpowering. Every additional barrel of oil produced in America is one less barrel of oil we are forced to purchase from OPEC. Increased domestic production does not require long lead times or high startup costs. American dollars spent for American oil are recycled through our economy, creating wages, jobs, investment, dividends, and capital for more exploration and more production right here in the United States.

In discussing this a little earlier with Senator Dole, we got to talking about what this means in the way of lost tax revenue.

The estimate of the joint tax committee is that this will mean a loss in tax revenue of $9.9 billion. But there are estimates that also say it will mean an increase of approximately 1 billion barrels of oil over that period of time. So what you are talking about is the cost of finding new oil being something less than $10 a barrel. I do not know of any synthetic program that we have considered, that we have evaluated in the Finance Committee, that we have talked about on the floor of the Senate or in the House of Representatives, that approaches that kind of a cost. All of them have been substantially more.

If we are going to do something about the balance of trade, if we are going to do something about the horrendous cost of importing increased amounts of oil into this country, then let us do something about increasing production in this country, something about doing it within our domestic borders.

I am hopeful that in the years to come we will discover new processes, new sources of energy that will power America in the 21st century and relieve our dangerous, expensive dependence on foreign sources of supply. But those breakthroughs will not come this year or next. They are at least a decade away.

One of the most efficient and effective ways to cope with the immediate crisis is increased production of domestic oil and gas. And most of that increased domestic production will be gained through the efforts and risktaking of America's independent producers.

Twenty-five years ago there were 20,000 independent oil and gas producers in this country. With our history of price control, the proliferation of Government redtape and regulation—with the escalating expense and difficulty of finding new energy resources in this country, the ranks of the independents have been depleted. Today their number stands at 12,000.

For a variety of reasons, some of which are not generally known or appreciated, our independent producers constitute a vital energy asset for America.

Year in and year out they drill 90 percent of the wildcat wells in this country.

They find 75 percent of the new oil and gas fields.

They are responsible for 54 percent of new domestic oil and gas discoveries.

I know some of my friends are going to say, "Well, you are talking about an exemption of $25 a barrel that will involve almost $10 million a year."

Let us understand what that means. We are not talking about a mom and pop operation; of course we are not. But mom and pop with a divining rod going out in the back yard trying to find oil is not the way it is done. We are talking about drilling 5,000- to 10,000-foot wells, wells that can cost $1 million or more.

If you are talking about $10 million of gross revenue, and that is what you are talking about—you are not talking about $10 million worth of profits; you are talking about the gross amount including all the costs, all the costs of leasing it out, going out and finding it, drilling the wells, all of those being costs in the $10 million of recovery—then the net is far below that. The figures we had before the committee showed that these folks were spending 105 percent of the oil income that was produced at the wellhead. Of the money they received for the oil produced at the wellhead, they were putting back into the ground 105 percent of it in drilling to find new oil and gas. That is from $10 million worth of gross income.

These independent operators are finding most of the oil and gas which is found within the domestic limits of the United States. They are the real speculators. They are the gamblers. It is not the majors who are finding most of this oil.

These independent producers are the driving force in discovering new energy resources in this country.

In 1978 there were 50,000 wells drilled in America, and independents were credited with 42,000 of them, or 84 percent.

It is clear, Mr. President, that independent producers—not the majors—are the driving force in our efforts to discover new energy resources in this country.

But that is only part of the story. Between 1973 and 1977, total gross wellhead revenues for independent producers came to $33.3 billion. But the same producers, over the same period of time, spend $34.9 billion—105 percent of gross revenues—on drilling, exploration, and production activities.

These are not the fellows who buy department stores or electric motor companies. These are the fellows who are committed to trying to find new oil and gas in this country, and that is what we ought to be trying to encourage. It is important to understand that they are not conglomerates, they are not multinational corporations, they are not concerned with whether their assets are being seized in Iran, because their assets are here. They are employing U.S. employees. They are paying U.S. taxes. They are not involved in refining, transportation, marketing. Finding new oil and gas in this country is their business. That is their sole source of income.

It has been demonstrated beyond any doubt, over an extended period of time, that the independents use their revenues—105 percent of their revenues—to look for more energy.

Our tax laws are written in such a way as virtually to guarantee that this trend will continue into the future.

We really have a very simple choice here. Do we provide incentives for increased production of American energy, or do we instead cripple the ability of our independents to produce by imposing a windfall profit tax on their earnings?

The vast majority of independent producers, Mr. President, are unincorporated. They are liable for a maximum Federal tax of 70 percent on their income; they do not benefit from the 46 percent corporate tax rate.

The unincorporated independent producer who realizes $100 in income from decontrol must pay a State severance tax; he must then pay a 60-percent windfall profit tax, and then he is liable for Federal income tax at the rate of 70 percent. When this orgy of taxation finally runs its course, he is left with a small slice of pie; he is left with very little incentive to invest and produce.

We had Jim Schlesinger before us when he was Secretary of Energy and we asked him that question: If you put all these taxes on, what is left? What does the independent producer have that will make him go out and gamble it all in the hopes that he is going to find that one out of nine that hits? The rest of them are dusters and the one out of nine is the commercial producer that is going to bring greater production. What does he have left that encourages him to do it if we pass this tax? This is what Secretary Schlesinger said before the Finance Committee when he answered this question:

> Undoubtedly any windfall profits tax will to some extent dampen incentives. I think your questions about the independents are well taken.
>
> They do drill 90 percent of the wells. One of the characteristics of this act is that it does bear more heavily on unincorporated independents than it does on either incorporated independents or on major oil companies. In that they are subject to the 70–percent tax rate as opposed to the 46-percent corporate tax rate. As a consequence of which, for such an unincorporated independent, instead of getting an additional 20 cents at the margin.

And that is 20 cents if he hits. He continues:

> He may be getting something on the order of 7 or 8 cents which is indeed, dampened incentives.

That is what he will have left for taking the gamble, for betting the farm that he is going to be able to find new oil and gas.

Mr. President, when it comes to increased domestic production, I do not think this Nation can afford to dampen the incentives. I think we must increase them. I think we have an obligation to produce every drop of oil we can in this country, and if anyone doubts that assertion, they might consider the situation in Iran. Every dollar we take from the independents in a windfall profits tax is 1 dollar that will not be devoted to exploration and drilling in America. That is why this amendment is so vitally important.

It may be argued, Mr. President, that since any oil found in the future by independents will be "new" oil, exempt from the windfall profits tax, there is no reason to provide an additional exemption for the first 1,000 barrels of daily production. Because we have already exempted "new" oil, why exempt the first 1,000 barrels of production.

There is a reason for this exemption, a compelling reason. It is called capital formation. You do not find new oil on a shoestring.

How many banks do you think will finance a wildcat well? Frankly, I have not found one. So how are you going to finance wildcats? How are you going to get the new production? The only way you are going to do it is out of cash flow. The only way you can do it is out of your current production. If you stick this kind of tax on them, the outfit is going to have that much less to put back in the ground.

We are not talking about a mom and pop operation, because they are not the ones who go out and explore for oil today. They cannot pay the thousands of dollars a day that they have to pay now for a rig. They do not have the assets to take the risks that are inherent in oil and gas discovery. And you had sure better not underestimate those kinds of risks.

We are always hearing about the fellow who hit when it comes to oil. That is the one we are talking about, the big winner. He is the big hitter. That is the way we typify the oil industry.

It is a little like that fellow that hits the daily double at the racetrack. That is the one where you turn to the sports page and there it is, the daily double today paid such and such. That is a record. But they do not tell anything about all those tornup ticket stubs that are all over the pavement out there from the fellows who did not win.

That is the way it is in the oil business. How many people have come into that business because they were going to find the mother lode, and all of a sudden they were going to be rich; and all of a sudden they were broke? That is most of them, time and time again.

Why, 25 years ago, did we have over 20,000 of these folks and now, 25 years later, less than 12,000?

(Mr. **TSONGAS** assumed the chair.)

Mr. **LONG**. Will the Senator yield at that point?

Mr. **BENTSEN**. I am delighted to yield to my distinguished chairman without losing the floor.

Mr. **LONG**. I know it is folklore in the business, but was it not a small independent in Texas who discovered the East Texas field, which at that time was the largest field ever found in North America?

Mr. **BENTSEN**. That is correct. It sure was.

Mr. **LONG**. My impression is that that particular independent would sell a little interest in his well to a waitress in a cafe, or wherever he happened to be, to try to do more drilling.

Mr. **BENTSEN**. He sure was not able to borrow the money from the bank. The Senator is absolutely right.

He is the same fellow who went right back in and, as I recall the story, lost it all trying to find some more. That is the nature of this kind of operation.

We have found all the easy oil in America, all the huge reservoirs and shallow deposits. There are still billions of barrels of oil available, but it is harder and more expensive to find than at any time in our history.

So, what are we doing now? We are finding the independent is going in and he is going for the small target. The big majors say, "With our overhead, we just cannot do that; we cannot afford that. Our costs are too high." But with low overhead, with proper administration, he can go in and go for that small target. And he ends up collectively, when you put it all together, finding and bringing into production a lot more oil than the majors bring in within the domestic limits of the United States.

We have to keep doing that. It means that the risks are longer. It also means that the rewards, they hope, will not be penalized by an excessive tax.

In the future, we shall have to drill deeper for our oil. We shall have to explore in hostile environments. We shall develop areas that have previously been overlooked or considered too difficult or too expensive to drill.

We will need new technology and equipment to bring this oil to the surface. The costs and the risks will increase geometrically, but we need that oil. We need it desperately, and it is clearly in our interest to provide the incentives, the resources, and the capital to enable our independent producers to go out, take the risks, and make the investments necessary to find it.

I was listening the other day to talk about oil companies going into other types of investments and pillorying some of them for going into other types of investments. What do you think is going to happen if you put the tax so high on the independent that, as Jim Schlesinger says, when you get all through with the State taxes, severance taxes, and other taxes, he finally only has 7 percent left out of the dollar? Do you think he is going to drill? No, he is not going to drill. He is going to divert his income into other sources of investment.

Seven percent. He can put it in Government bonds that will pay him more than that, and debentures. He can put it into CD's that will pay him 14 percent today. There is nothing that compels him to put it back in the ground if the risks and the rewards no longer correlate. And when you get it down to 7 percent, they do not. No reasonable man is going to take those kinds of risks.

Mr. President, we are not going to solve our energy problems through increased domestic production, but we can certainly help relieve them. We can gradually replace Iranian production, and we can show the world that America is serious about developing its energy assets, if we pass an amendment such as this.

Mr. President, despite the obvious imperative for increased domestic energy production and the key role played by independent producers in that process, some will oppose this amendment, I know, on the grounds of purported revenue loss. The best estimate I have seen is that this proposal will result in a net revenue loss of $9.9 billion over the next decade.

Even if that figure happens to be correct, if you balance that off against a billion more barrels of oil found, that sure is a cheap investment. That means that we do that much more toward lessening the amount of oil that is coming in and try to help on the balance of trade, try to help on the strengthening of the dollar.

But is this $9.9 billion a windfall for the independent producers? No, it is not. It is a windfall for the United States of America because that money—and more—will be plowed right back into activities that will yield new production of American energy; millions of barrels of domestic oil, billions of cubic feet of gas that would not be available without additional capital to finance new exploration by the independents.

When it comes to the search for energy resources in this country, we do not have to create a new Government department to show us the way. We have 12,000 independent producers ready, willing, and able to do the job. Money invested in the search for new domestic oil and gas is a sound investment in our energy future, especially in the short run. It will yield twice as much energy as a dollar invested in synthetic fuels.

Our independent producers have a proven track record of effective exploration and technological innovation. All they need is the resources, the capital, to do the job, and this amendment will help provide it.

One other point, Mr. President. We can all agree that there is a great deal of resentment in this country directed against the major producers—the so-called Seven Sisters.

I think they do about the worst public relations job of any outfit I know. That kind of resentment is aimed at the so-called Seven Sisters.

It has become fashionable to talk about how the majors have a hammerlock on our energy assets. Well, that is not true at all. The majors have some serious competition, and they have it in the finding of new oil in this country, and that is from the independent producers.

It is true, as was stated here the other day, the majors do not put all their money back in finding new oil, in new exploration. But, again, the testimony and the evidence we had before us in the committee is that the independent does. Once again, 105 percent of what he generates in the well here. It is a trend that leads to greater self-sufficiency for America.

I think it goes a long way toward working toward energy self-sufficiency in this country if we encourage that independent. It is a trend we ought to encourage by exempting from this tax the first 1,000 barrels of daily production by an independent producer.

Mr. President, I urge the adoption of this amendment.

Mr. **MOYNIHAN** addressed the Chair.

The **PRESIDING OFFICER**. The Senator from New York.

Mr. **MOYNIHAN**. Mr. President, my friend and colleague, the distinguished and able Senator from Texas, has made the case for this matter forcefully to the whole of the Senate, just as he did forcefully and well and with great conviction to the Committee on Finance itself.

He will not be surprised, or I hope disappointed, because that would trouble me if he were, to know that I have not been persuaded by his observations any more than was the majority of the committee, or any more than I anticipate will be the Senate itself.

The matter comes to a simple definition of our purpose in this legislation, which is to encourage the production of new energy, oil primarily, to provide funds for the development of new sources of energy, to provide funds to distribute more equitably the huge increases in energy costs which are coming about in consequence of decontrol and of a world monopoly which seems to have no limits in its capacity to extract wealth from our consumers and our economy.

Mr. President, there is a first fact to be made. I wish to identify on the floor who is the author of the existing exemption for the first 1,000 barrels per day of stripper oil production.

The author of the existing exemption is the distinguished Senator from Texas who knows this industry, who knows its people, who knows its terrain, who knows its psychology, because it is an industry in which psychology is obviously more than normally important.

The Senator from Texas was able in the Finance Committee to provide an exemption for the first 1,000 barrels per day of stripper oil production. A stripper oil well, Mr. President, is one which produces only 10 or fewer barrels of oil per day.

The Senator from Texas, ably assisted by others, including, if I am not mistaken, our new colleague and friend from Oklahoma, persuaded us—not all members of the committee, but the majority—to include this exemption, a $16.2 billion exemption—$16.2 billion.

In order that we should not get too accustomed to these numbers, Mr. President, I would like to say here as a small point of history, a billion minutes ago Cleopatra was on the Nile.

The Senator from Texas feels very strongly about this exemption. Others might feel just as strongly in the other direction. It is a judgment.

The committee majority made the judgment that an exemption for stripper oil production was defensible in terms of the threefold purposes of this bill.

It is arguable that the exemption makes a stripper oil well a valuable property because if we have one of these wells that produces eight barrels a day, we get 992 barrels exempt from some gushers we may have brought in on the north shore.

But the capacity of the Federal Government to create wealth is wonderful. Some say that they cannot create wealth. They are wrong.

In my city of New York, if we have a particularly noxious foundry and want a right to exhaust the foundry's filth into the air, and someone comes along who wants to put up a larger, more efficient plant, he has to find someone who will sell him the right to dump that much stuff into the air. The Federal Government has, by legislation, created a value in smog.

Here is an otherwise unproductive stripper well that produces eight barrels a day. If we can get one of those, we can exempt the other 992 from vast cornucopia that appeared in Wyoming as an unanticipated offshoot of cattle ranching.

So the stripper wells will be pretty valuable now, and lucky the Senators who represent their interests so well and ably.

But, Mr. President, there surely are limits. The Finance Committee bill has not been advertised as a bill of excessive severity with respect to the producers of petroleum. No one has described it as punitive in nature.

The Senator from Wyoming is disposed to think it is such. But his basic warm disposition prevents him from saying this. The sense of the importance of his own credibility was very high in this Chamber. He would not want to jeopardize it—I hope he would not.

In any event, there are not many outside this Chamber who think this is an excessively severe bill.

The Bentsen amendment would give $9 billion of altogether unanticipated windfall to property owners who are now earning money from oil being pumped from the ground.

I am sure there are producers who have searched for oil unsuccessfully who are out of business. They will not benefit from this bill. They are out of business. The people who benefit from this amendment are people who are in business and doing very well.

The Senator from Louisiana, with his nice sense of the specific, the person, the place against the abstract, recalled the old wildcatter who brought in the east Texas field and sold it all to his waitresses. Then what was left over, he lost looking for a west Texas field. One shares that drama of American enterprise and discovery. I can give him a similar story, even more heart wrenching.

On an occasion some years ago, I had the great honor to be inducted into the American Philosophical Society which was founded by Benjamin Franklin in 1754. There are 500 members in the American Philosophical Society. It was founded for the advancement of useful knowledge. That is what Franklin had in mind. Jefferson was our president for many years.

At the banquet at which the new members were being inducted, I found myself sitting next to a mild-looking gentleman, a man obviously of intellectual bent and academic pursuit, with no visible signs of worldly splendor whatever.

Respectfully, as becomes a new member, I inquired of his profession. He said he was a geologist. I said: "That field always fascinated me. What has your specialty been?"

From across the table, his wife, in a rather loud voice, said, "Tell him what you did, George."

He said in an equally quiet voice, "I found the Arabian oil fields."

He did not even sell it to waitresses. He just wrote it up in the Journal of American Geology and may have gotten to be an associate professor, at $9,000 a year, in consequence.

So the world is full of discovery, and we should encourage it. But this oil has been discovered; this oil is already there. People are making money out of it today, and they will make a lot more money out of it tomorrow.

There is no need for this amendment. It will not produce an extra barrel of oil. It does not meet the criteria of this bill, which are threefold: We want to produce more oil. We want to find funds for producing new forms of energy. We want to find funds for easing the high cost of energy on the low-income persons in this country.

The amendment fails on all three scores. It will not add any oil. It will reduce revenues. On top of a $16.2 billion exemption, it will add another $9 billion.

I can understand the argument by the Senator from Texas—made with such great force that something no one thought was doable was done by him in exempting stripper oil wells. He now, I think, goes beyond even his capacity for persuasion, and that suggests the verge of incredulity.

Mr. BENTSEN. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I am happy to yield.

Mr. BENTSEN. I say to my distinguished friend that I appreciate his giving me authorship of the stripper aspect. I am sure that the stripper has one connotation on 45th Street and quite a different one in Texas.

Mr. MOYNIHAN. Forty-second Street. [Laughter.]

Mr. BENTSEN. Forty-second Street.

However, I think the Senator from Kansas really deserves that distinction. I was happy to participate and assist him in that regard.

There are quite a number of cosponsors of this amendment, people who share the belief that this would increase production substantially in the country, and I would like to list them at this time. They are the following Senators: BAUCUS, BAKER, BOREN, BOSCHWITZ, COCHRAN, DOMENICI, FORD, HART, HATCH, HAYAKAWA, HELMS, HUMPHREY, JOHNSTON, KASSEBAUM, LAXALT, LUGAR, PRESSLER, RIEGLE, SCHMITT, SIMPSON, TOWER, ZORINSKY, YOUNG, and WALLOP.

We will be very delighted to have any additional cosponsors who want to sign the amendment.

Mr. MOYNIHAN. Mr. President, will the Senator yield for an observation?

Mr. BENTSEN. I yield.

Mr. MOYNIHAN. I would be delighted to see more cosponsors, as well, because it would mean there were more States with oil in them. [Laughter.]

Mr. BENTSEN. I say to my good friend that in this kind of situation, I suppose it has to be as it is with my friend because of the makeup of his State, with a substantial amount of experience in certain fields, that these people, who in general are from oil-producing States, do have a substantial amount of experience.

Mr. MOYNIHAN. A good point.

Mr. BENTSEN. Since the debate we had in the Finance Committee, we have had some major changes, and we have seen what has happened in Iran. We have seen how fragile and uncertain the situation is and the lack of stability with respect to the oil supply from the Middle East.

That emphasizes, once more, how important it is that we increase production in this country. That is why I have been working to gain some additional support for this amendment.

I say to the Senator from New York that when he was talking about the amount of production for strippers, the average number of barrels for a stripper well is more on the order of 2.9 barrels a day.

Also, when we are talking about what this independent exemption would provide, we are talking about their plowing back some $10.4 billion into the search for additional production. That would bring about the drilling of an additional 15,200 wells.

When I was talking about a billion additional barrels of oil, I was relating that to the 10 years. If you run the string out until you develop all that oil and deplete those reservoirs, you are talking about finding for this country an additional 1.7 billion barrels, not just the billion barrels. You are talking about a productive capacity, in addition, by the year 1987 of some 300,000 barrels a day. So it is a very substantial increase in production that results from this.

Mr. MOYNIHAN. Mr. President, I wish to correct a mistake I made, which the Senator from Texas, in his characteristically generous way, pointed out when he need not have done so.

I suggested that the exemption for stripper wells in the bill before the committee, a thousand barrels per day, was his work, and I am properly corrected in that matter. The particular measure which was agreed to was the work of the Senator from Kansas, the able and distinguished ranking minority member of the committee, who has done much to bring this measure forward. As a matter of fact, as it might be useful, the Senator from Texas introduced a 3,000 barrel exemption, which did not succeed. The Senator from Oklahoma wished to exempt production, which did not succeed. It was the Senator from Kansas who introduced the successful measure, moderate by that which had preceded it, but excessive in the view of a minority of the committee.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I am happy to yield.

Mr. RIBICOFF. I think it should be pointed out that those of us from the consumer States worked and voted for an exemption from the windfall profit tax on newly discovered oil and tertiary oil. Is that not correct?

Mr. MOYNIHAN. I believe that is exactly the case.

Mr. RIBICOFF. And I believe that only one member of the Finance Committee voted "no."

Mr. MOYNIHAN. I think that is exactly the case.

Mr. RIBICOFF. Yet, this was a position that was basically different from the positions many of us had taken in the past in considering legislation involving tax problems and tax consequences in the whole field of energy. Is that not correct?

Mr. MOYNIHAN. The Senator is correct.

Mr. RIBICOFF. Philosophically, we did so because we felt, basically, that what we were dealing with was not a tax bill but an energy bill and that the tax consequences were incidental, because we wanted to make sure that we did everything possible to develop new oil and new energy in the United States.

What bothers me is that when we talk about independents, the proponents give the impression that we are talking about the small companies who are scratching out a living from the soil: In the backyard, mom and pop have a well and they are getting three or five barrels.

Mr. MOYNIHAN. Two point nine.

Mr. RIBICOFF. Two point nine barrels of oil a day.

However, I point out that when talking about independents, we really are talking about big business. We are not talking about small business.

Let me list some of the 71 independents who really are producing on a nonintegrated basis.

Let us start out with the Superior Oil Co., in the first half of 1979, $88.9 million. Their percent of change was 95 percent, and their profits for the first quarter of 1979 were $48.6 million and from 1978 plus 11 percent.

Then we go to Louisiana Land Exploration Co. Their percent of change from 1978 was 75 percent and their first quarter was $53.5 million, 95 percent. There are Texas Oil and Gas Corp., Enserch Corp., Freeport Minerals Co., Natomas Co., Tesoro Petroleum Corp., Napco Inc., Belco Petroleum Corp. Mesa Petroleum Co., Helmerich and Payne, Inc., Southland Royalty Co., and so forth.

I go all the way down the line and we find for a total net profits, percent of change from 1978, 44 percent and the first quarter of 1978 in millions of dollars $419 million and the percent of change from 1978 is 88 percent.

So we are not talking about a situation where we are dealing with a group of companies that have made an awful lot of money.

I cast no reflection on the advocates of these proposals because they are dedicated, sincere men. But I do not find that they have taken the same point of view as the Senator from New York, the Senator from Connecticut, and the Senator from New Jersey took in the Finance Committee. We were willing to forego what we considered a regional break for the people who consumed, but I have not found a correlative yielding from the regional producers of oil when we look at the national interest because there is a national interest involved and that is getting more production. I am willing to forego any tax break for anyone in the State of Connecticut if it will get more production. It does not concern me that the oil producers are making a heavier profit if they will produce more energy and more production. We have taken very good care in this Congress and in this country of the independent.

Let me give the Senator an example of the breaks that we have given to the independent producer, and they are not bereft. The independent producer already receives a number of substantial special tax benefits. The independent still is allowed to use a percentage depletion allowance to reduce his taxable income. The tax benefit for percentage depletion on oil for 1980 is estimated to equal $1.2 billion of which $700 million is attributable to the independent producer. He is allowed to write off his intangible drilling costs in 1 year rather than capitalizing them over the life of the investment, a benefit estimated to reduce tax liabilities by somewhat over $2 billion in 1980. We give them all this extra break.

How much are the so-called independent producers—and they are not little mom and pop, they are big companies—entitled to? If we in the consuming areas of the country are willing to forego a benefit for ourselves, I think the time has come to expect those people in the regions that produce oil not to be pushing for the last dime and they have got an obligation to be concerned with the national interest. And the profits will be large enough that they will receive in the production of newly discovered oil or tertiary oil.

We have made it very clear and when amendments are brought out on the floor to take away or to tax new production or tertiary, I will vote against that position because I think the production of that new oil is essential. But we are going to have to do so much that I think the time has come that we should expect the so-called independents to do their fair share. And they are not little mom and pop operations. They generate a sufficient amount of oil, sufficient amount of capital, and a sufficient amount of profits. What determines the additional capital flow with the so-called large independents are the profits they will make. I do not think there is any question.

We started off in the Finance Committee talking about the price of oil being on the basis of $18 or $19 a barrel. While the measure was being marked up, it went to $23. There is no question in any of our minds that it is $30 a barrel. It is going to go up to $40 a barrel and I predict that in a year it will be $50 a barrel. I do not think that the regional producers of oil should hold the people of this country enthralled. I think they have an obligation to do as much for this country and not squeeze the last bit of profit out of their production and say to the United States "We are doing you a favor." They are not doing a favor at all and as the price of world oil goes up, they are going to be the beneficiary of it. I do not think they should squeeze the American consumer because as the price is going up we are paying over $1 a gallon for gasoline. It is going up to $1.25 and $1.50. Within a year or two, it will be $2 a gallon.

If we are going to have a sense of equity or a sense of fairness in this country with the problems that we face, I think the time has come for the people in other sections of the country producing oil to do their share and not expect the burden to be borne by everyone else in the country except them. It is not a burden. It is a question of making really excess profits that are beyond what this country is gagging over because to do so will be a situation that will be almost tragic by setting up one group of people over the others.

I had thought that over the years the

oil companies had learned a lesson. And the one thing that I have found in 40 years in politics is that there is a sense of fairness in the people of this country. Once they feel that a segment of our society or economy is greedy and grabbing for more than their fair share, they have their way of retaliating.

I have not agreed with the President in his attacks on oil companies. I do not agree with many of my liberal colleagues who want to deprive the oil companies of enlarging, integrating, and going into alternate sources of energy because they are in the oil business. Sure they are greedy, but I think what we are up against is this: We are up against OPEC that is greedy and we are up against the American oil companies that are greedy.

Basically, we are not going to win from the consumer standpoint. I would rather keep the dollars in the United States of America. I would rather have production in this country where we have control of any type of energy. I am willing to encourage anyone who can produce energy. But I think we are entitled to a sense of fairness.

I hope that before we are through with this measure we can have the cooperation of the distinguished chairman of this committee and the distinguished Senator from Texas who are dedicated to their Nation, know the oil business, and know what is right and what is wrong to give them a fair return and a fair profit but not to squeeze down the American people because what will happen is this:

If they do so—and even if they prevail—I think their position will be rejected in the House of Representatives and in the conference and we will throw into the next political campaign one basic issue. It will be the American people against the oil companies of America. And there could be no graver disservice in this type of American travail and American leadership to have the political campaign in 1980 run against the oil companies of America because the whole country will be the loser. But if those people who come from the regions that produce oil insist and prevail that they are going to get every break and the consumer is going to be the loser in the long run, they will be the loser as they will set up obloquy by the voters of this country, and I hate to see the next political campaign run against the oil companies of America.

Mr. MOYNIHAN. Mr. President, I hope that the words of the Senator from Connecticut were heard and absorbed. Those were the words of a statesman. Those were the words of a man with no political ambitions, nothing. Everything a man could do, he did. He is a man who led the consumer groups in our committee speaking wisdom, prudence, and to the true purposes of this legislation.

May I say, to remind the Senator—he was meeting with the Vice President when we first spoke to the point—this provision will not produce another barrel of oil, not one barrel. Every bit of this oil has been discovered and is being pumped now.

Another point the Senator would be interested to know, and I am sure he does know, is that almost one-third of the $9 billion exemption here will go to persons who merely have a royalty interest in these wells, are not in the business of discovering oil and producing it at all. They do not bear the costs of production or development. This amendment was rejected, in part, in the Finance Committee, and I hope it will be rejected on the floor.

Does the Senator from Connecticut want to make a further point?

Mr. RIBICOFF. No. All I plead for is a sense of fairness and a concern for what is happening in the world today.

I do believe that the President has failed to really take advantage of the problems with Iran. I think what I find is a lack of urgency in conservation, with the failure and the refusal either from Iran or ourselves to not take 800,000 barrels of Iranian oil a day—what a great opportunity there is to make a commitment that we conserve 800,000 barrels of oil a day and not try to find a substitute for the 800,000 barrels a day in the spot market, which will put the price up.

Mr. MOYNIHAN. The price at Rotterdam.

Mr. RIBICOFF. There are conservation measures that are of such grave urgency that I find in a week in the State of Connecticut the people of all walks of life are willing to march in tandem to achieve this. Whether we can do this in this bill I do not know.

I suggested to the Vice President and suggested to Mr. Sawhill in the Vice President's office a few minutes ago that they should get together with the distinguished Senator from New Jersey (Mr. BRADLEY) who came through with a proposal that the Finance Committee adopted, and it could be achieved to a greater extent.

Last week Mr. Freeman, head of TVA, testified before the Governmental Affairs Committee, and for the first time I learned that TVA had instituted a program of conservation within their jurisdiction.

TVA makes available to every homeowner their inspectors to inspect the individual premises and to make an inventory of what has to be done to save energy in that particular home.

Then they have a list of certified contractors who do good work and are legitimate, and a contractor comes in and bids as to the price for doing that work.

The Tennessee Valley Authority then lends money interest-free to the homeowner to retrofit. Then, after the work is done, that work is inspected to make sure it is proper, and after the inspection is made and the work is proper the contractor gets paid.

Mr. Freeman says they have retrofitted 150,000 homes in the Tennessee Valley Authority jurisdiction.

Both Mr. Yergin of Harvard and Mr. Freeman contend—and I brought them together with Mr. Sawhill, who confirms their finding—that if all the utilities in America undertook the TVA approach we would be able to save by conservation a million barrels of oil a day. This is the type of objective we should have, and I hope that Senator BRADLEY and the Energy Department can find a way within the jurisdiction of this bill to come up with a proposal to save that million barrels of oil a day.

Senator BRADLEY will be studying this in the next 24 hours to see if he cannot amend his proposal, that was adopted by the Finance Committee, and eliminate the independent corporation and the redtape, and we can involve the Governors of all the States working with the utilities of the States and, of course, the other utilities do not have the capital resources of TVA. But there is enough money, believe me, in the windfall profits tax fund to guarantee to the utility companies of this country the TVA approach. That is what I hope we can achieve, and that is the objective.

I hope we can agree to fight off these amendments which seem to be a grab for special favors for one group of our society as against the other; and also to join with those Senators from the oil-producing States to keep free the new oil and the tertiary oil, keep them from being subject to tax. I am willing to help to that extent, but I hope correlatively that we can have the same cooperation from the Senators of the oil-producing States.

Mr. MOYNIHAN. I certainly second the Senator's remarks.

Mr. BENTSEN. Perhaps, Mr. President, I can answer some of the comments that were made.

The PRESIDING OFFICER. The Senator from Texas.

Mr. BENTSEN. Mr. President, I do not think there is anybody in the Senate I have more respect for or admiration for than the Senator from Connecticut. He is a distinguished public servant. He is a man who has the national interest at heart. He does not have a monopoly on national interest, however. There are lots of us who think we have that.

I do not think it is limited to consumer States or to some of the producer States. I have got a lot more consumers than I have producers in Texas, and I try to represent all of them. I also try to work for the national interest.

If my friend from Connecticut had heard what I had to say before he came in, I went to great lengths to say that these were not mom and pop operations. I said they were not, and I said it repeatedly. I said it was not somebody with a divining rod coming out of the garage, working in the backyard and finding oil and gas these days. It is a sophisticated operation. It is high technology. We are talking about $10 million a year of income to these people, but we are not talking about profits. We are talking about gross income, we are talking about gross revenue, and that is what we have limited it to.

My friend from Connecticut has supported an exemption for tertiary and heavy oil and he is right in that. I happen to think he is wrong in this one because I do not think he fully understands how the independent operates in this country, and the fact that he cannot finance these wildcats at the bank, that he has to do it out of his cash flow, and out of that 1,000 barrels that are coming in he has to find the money to bring about the production. He can choose the Superior Oil and the Louisiana Oil and Gas, but that is not whom I am concerned about. I am concerned about 12,000 independents in this country, that used to be 20,000 independents. I am concerned about 12,000 independents that are finding most of the oil and gas in this country today.

No, I do not think they are doing it as a favor to anyone. I think they are doing it because they think it is a sound business speculation, that the risk-reward ratios are there; but they are not there if you cut that down to 7 percent. They are not going to go out there—I do not care how charitable they might be—and invest their funds and put them back in the ground to bring in a wildcat with the odds so very much against them if the return, as Secretary Schlesinger says, after you get through with your severance taxes and all the rest of it, is 7 percent.

It does not make any sense. So they are going to spend their money elsewhere. They are going to do other things, and we are going to have $9.9 billion not spent on additional production in this country. It means the 7 percent return that Secretary Schlesinger said they would have is not going to be adequate.

So it is not a question of doing anyone a favor. It is a question of making prudent investments that will give a reasonable return. If the return is 7 percent to go to a wildcat, if this tax is put into effect, Secretary Schlesinger said, it can be that minimal, then they might as well go put it into a CD at 14 percent or they might as well invest it in apartments or something else.

Wisdom and prudence would dictate that. Again, it is not a question of favoritism or trying to favor someone; it is a question of what is in the national interest. The estimates are that this would bring on 1 billion barrels in that 10 years, and the estimates are it would cost less than $10 a barrel to produce. That is a very good investment in the national interest of the people of this country, and I hope very much that the Senate will adopt this amendment.

Mr. DOLE. Mr. President, first of all, I wish to express my appreciation to everyone who has spoken today. It indicates the degree of unanimity we had in the Senate Finance Committee on some of the very major areas. Certainly, as has been stated by the distinguished Senator from New York and the distinguished Senator from Connecticut, in some areas we had agreement, and we are going to have agreement on tertiary and newly discovered oil. There is no inclination to tax newly discovered oil, tertiary, or heavy oil. I do not recall any significant opposition to the recommendation of President Carter to tax heavy oil.

In any event, I certainly want to express my thanks to the Senator from Connecticut and the Senator from New York for their help. We did not always agree, and we probably do not agree on the amendment before us. I have the highest regard for the Senator from Connecticut and the Senator from New York. I also have a high regard for the Senator from Texas. Maybe we are biased, since we have a little, though not much, oil production in Kansas. We produce about half as much oil as New York produces milk, and we are not suggesting any windfall profit tax on that.

Mr. MOYNIHAN. Mr. President, will the Senator from Kansas yield?

Mr. DOLE. Yes.

Mr. MOYNIHAN. As an indication of national perspective, the State of New York does produce oil. The city of Olean is noted for its field that came in around 1857. The only fault I have ever found with the citizens of Olean is that they started producing oil in 1857 and stopped in 1858.

Mr. DOLE. That is correct. I have just discovered that there are 4,819 stripper wells in the State of New York, that produce about 813,000 barrels of oil. The average well produces about half a barrel per well per day.

Mr. MOYNIHAN. The Senator from New York would have been well advised not to make that intervention.

Mr. DOLE. I will take only a few moments. It seems to me it is a very close question. The word "greed" has been used. The question is, Where do we draw the line? As the Senator from Arkansas said this morning, when is enough is enough? I suggest there has to be a trade-off. There has to be a balance. It seems to me that for the most part that balance was found by the Senate Finance Committee.

The history of the so-called exemption for independents, I think, was initiated, as the Senator from New York correctly stated, by the Senator from Texas (Mr. BENTSEN). There were a total of three amendments offered on October 2, and they have been properly identified.

It was the feeling of the committee that 3,000 barrels a day was too much, and that effort was rejected. It was the feeling of the committee it was not appropriate to exempt all stripper production, and that amendment was rejected. But at the same time, there was a majority of the committee who felt there was a middle ground between the amendment of the Senator from Oklahoma (Mr. BOREN) and the amendment of the Senator from Texas (Mr. BENTSEN). The committee finally settled on my amendment at 1,000 barrels per day of stripper oil produced by independents. It passed by 11 to 7 votes, with two members not voting.

I support the efforts of the Senator from Texas. By oversight, I have not been made a cosponsor of that amendment.

Mr. BENTSEN. Mr. President, will the Senator yield?

Mr. DOLE. Yes.

Mr. BENTSEN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. BRADLEY). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. I would like to be made a cosponsor of the amendment, and I so request.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the name of the Senator from Kansas and the Senator from Montana (Mr. MELCHER) be listed as a cosponsor of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I note that my colleague, Senator KASSEBAUM, was an original cosponsor.

We have gone through this a number of times in the Finance Committee. I am not certain whether it will produce a billion barrels or more or less than that figure. We saw very early that the production response figures depend on where the figures come from. I think we finally agreed in the committee that it was impossible to reach any firm conclusion about the production response. The Congressional Budget Office figures or the API figures or Department of Energy figures, or administration figures from some other source, or Citibank or Chase Manhattan, are all a bit different. It was the general consensus that independents put their money back into more exploration and more production, and I think that was at least the genesis of the Bentsen effort, the Boren effort, the Dole effort, and other efforts in the committee to look at the taxation of independents. Independent oil producers have accounted for about 90 percent of wildcat drilling and about 80 percent of all domestic drilling. They find slightly more than 50 percent of new reserves.

These ratios were confirmed by a study made by the American Association of Petroleum Geologists for the years 1969 to 1973.

We need to do everything possible to produce domestic sources of oil and gas. The independent exemption from the tax will reduce the disincentive created by the so-called windfall profit tax.

I listened with interest to the Senator from Texas who elaborated on the successes and failures of independents. He is correct—there are a great many more failures than successes, but we never talk about those failures, and we do not talk about the losses. As the Senator from Kansas inserted in the RECORD today, there has been an increase in production costs of over 200 percent in certain areas of Texas in the cost per foot and a 200-percent increase in my own State of Kansas in the cost per foot to drill. These are facts that we tend to overlook. We talk about profits, but we do not talk about cost, expenses, cash flow, or reinvestment. This is the area that is being addressed by the pending amendment.

In 1956 the over 90 percent of gross wellhead revenues was reinvested. During the period from 1973 to 1977 the reinvestment was in excess of 100 percent of gross revenues in both crude oil and natural gas.

We had testimony before the Finance Committee, which according to my recollection is uncontroverted; that independents are reinvesting their profits, trying to find more energy, and that is the purpose of this incentive.

Independent producers have only one primary source of income, and that is the wellhead sale of oil and natural gas. They have no other source of income. They have to go out and attract investors, and they have only one primary method of utilization of their funds. That is through reinvestment in exploration and production.

Finally, with reference to the independent exemption, the Senator from New York stated that we are not going to produce one more barrel of oil with this exemption. I guess, from a narrow interpretation, he may be correct.

On the other hand, if we exempt a thousand barrels a day, we do provide more cash, more cash flow, more exploration, more production, more American jobs, more money spent in this country, and less reliance on the likes of Khomeini, who, as indicated by the Senator from Maryland, lacks something.

I do not know of anyone in this Chamber, or any place in the country, or the world, for that matter, who knows with any degree of certainty what the potential oil and gas reserves may be. There has been a lot of speculation on the floor, a lot of speculation in the committee, a lot of speculation in the administration, and a lot of speculation in the oil companies. No one knows.

But I suggest that somewhere out there may be a new oilfield that is larger than the last discovery in the State of Alaska. But you have to have money. You have to pour money, and pour money, and pour money into a lot of failures in the oil industry that no one ever really focuses on.

And they are not all mom and pop operations, as the Senator from Connecticut (Mr. RIBICOFF) correctly pointed out. But where they are, they are taxed as individuals and not corporations and, therefore, taxed at the 70-percent marginal rate rather than the 46-percent corporate rate. Hence the independents are much more severely impacted by any crude oil excise tax.

I would hope for an extension of the spirit that prevailed in our committee deliberations, we must look for more production, not some way to punish the oil industry. Some may feel they deserve it, and they may deserve it to some extent. But notwithstanding that, as the Senator from Connecticut (Mr. RIBICOFF) pointed out, and I think every other Senator who has spoken, our primary responsibility, not as Republicans or Democrats or from producing or nonproducing States, is to find some way to increase production.

There are some precedents for the thousand barrel a day figure, because that is where the depletion allowance is going to level out in 1980. It is going to become permanent. You can claim depletion on a thousand barrels. Depletion has gone down. It was 2,000 barrels a day in 1975. It went down to 1,800 in 1976; 1,600 in 1977; 1,400 in 1978; 1,200 in 1979; and in 1980 it goes to a thousand a day.

There should be some preferential treatment, not so they can make a profit, but so they can use those profits, as they have demonstrated time after time, to pour money back into exploration and production that would increase the energy supply, which would benefit American consumers and, hopefully, lessen the costs and lessen our dependence on the Khomeini's of the world. Who else may be lurking around that we are not aware of? And what could happen next week or next month that would make action on this bill and this amendment very important?

I would close by suggesting, in the proper spirit, that whatever happens on this amendment, I believe the Senate, as indicated earlier today by a vote of 50 to 32, is not about to adopt blindly the House version; that there is a great deal of wisdom in the Senate Finance Committee and the Senate itself; that we understand our obligation in this body; and that we have done a good job as far as raising revenue—$138 billion over 10 years is a pretty good sum of money—and that we are attempting, through our efforts in the Senate, to increase production.

We have provided tax incentives for conservation through the efforts of Senator PACKWOOD and many others on the committee. We have also addressed the low-income assistance program through the efforts of Senators on both sides of the aisle.

We have also addressed the problem of mass transit and minimizing the impact of increased social security payroll taxes. We have addressed, I might add, the tax credit for increases in the cost of home heating oil and propane. It is a comprehensive piece of legislation that took about 3 or 4 months—I am not certain of the exact number of days—to put together.

It is my hope that we would adopt the Bentsen amendment. It is a compromise for the Senator from Texas (Mr. BENTSEN). Originally, I think, the amendment was for a 3,000-barrel/day exemption. It seems to me that this does not do violence to the revenues. We are talking about $9.9 billion spread over a 10-year period. It would have an impact on more production. It would provide more capital. It would mean more wells being drilled. I am not certain of the number of wells drilled last year, but they are going up a little bit. But they have gone down from about 50,000 to a much lower number. So, all in all, it seems to this Senator that this is a step in the right direction.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. RIBICOFF. Mr. President, I will make a few brief points.

The Bentsen amendment would modify the committee substitute by replacing the exemption for stripper oil with one for any taxable oil produced by independent producers, without regard to who controls the property. That means that the royalty owners would be eligible for the exemption on an amount of oil equal to 1,000 barrels per day. So we are not talking about producers, we are talking about passive royalty owners and investors.

The exemption would apply to oil that is subject to price controls currently, and, furthermore, the amendment would reduce the revenue estimated to be raised by this bill by $9.042 billion between the years 1980 and 1990.

It would seem to me that the Bentsen amendment should not be agreed to.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I compliment the author of the amendment and the floor manager of the bill at the moment, the Senator from New York, the Senator from Connecticut, and the Senator from Texas, all of whom have presented very well reasoned and logical arguments in connection with this pending amendment.

I commend the Senator from Connecticut for having pointed out so ably the fact that this is not an amendment that helps just the little guy. The language really is very broad because in the Bentsen amendment, referring to section 13 of the Tax Code it defines an independent producer as one who does not have more than $5 million of retail sales or more than 50,000 barrels a day refinery capacity.

There are a lot of companies that are not in the retail business at all and they are very large oil companies. There are a lot of companies that are not in the refining operation, and yet they are very large companies.

This amendment could be considered to have a great deal of merit if in some way at the end of the road we could say, "We pass this amendment and somehow we are going to have a lot of new oil, we are going to produce more oil."

That is the argument because all of us are standing on the floor telling the world how our position is going to be better for our Nation, is going to be better for oil production, is going to be better in some way for the energy problems of this country.

But the fact is, and it has been stated before and it should be repeated, that there is now in the Finance Committee bill an exemption for new oil, an exemption for tertiary production, and an exemption for 1,000 barrels a day of stripper oil. So what are we really saying about this amendment? What we are saying about this amendment, and in all fairness to the Senator from Texas he has explained it well and has set it forth very accurately, is we need this amendment, according to the Senator from Texas, because with this amendment the small producers will be able to accumulate more capital; they are not in a position to go to the banks and they cannot get their money in any other way other than going out and earning it.

Well, somebody did some research on that subject, about the question of the small producers having the ability to borrow capital in contradistinction to the larger ones. The facts do not bear out the point that the smaller producers need more assistance, need more right to these windfall profits, than the larger ones.

The administration has sent over to everybody in the Senate, I believe, a copy of their report on this very point, in which they say:

> Third, it is sometimes contended that small independent oil producers, like small businesses generally, depend more heavily on equity, initial investments by owners, and retained earnings to finance the assets they use in their business and, therefore, ought to be accorded preferential tax treatment. But the evidence of oil companies, like that for other industry categories, does not support this contention. The relationship between size and dependence on equity is generally the reverse.

Mr. President, I think the Senator from Kansas has stated the issue very well. I believe there really is only one issue in this amendment and that is it has to do with, as he put it, more money, more money. I could not agree more. The issue is, are we going to give more money, more money to the oil producers, and when are they going to be satisfied that they have enough? When are we going to have some concern for the American consumer?

The Senator from Kansas talked about there being some way to increase production. I was not able to follow him when he indicated that not all of these producers are corporations and, therefore, some of them may go up to a rate as high as 70 percent. Let me say that the personal individual rate in some instances may go up to as high as 70 percent, and I could not disagree with that point, but I think he is realistic enough to know and I am realistic enough to know and the Members of the Senate are realistic enough to know that that is not the way it is in the real world because the oil producers, small or large, are not paying a 70-percent rate.

This issue is very elementary. We will not get any more production. There will not be any more oil. As a matter of fact, there certainly will not be any more conservation. I could not agree with the distinguished Senator from Connecticut more than I do when I say it is true that the effort to produce mandatory conservation in this country is an important and integral part of any national energy policy.

The Presiding Officer of the Senate at the moment has a good bill on that subject. I am a cosponsor.

The Senator from Connecticut was talking about the question of having an audit made by the TVA. I point out to him that there is now in the law a provision that as of January 1 every public utility in the country will have to make available an audit any time it is requested.

It is a fact that the other night on the floor of the Senate we passed a measure and included in the synthetic fuels bill an amendment that some of us fought for in the Energy Committee requiring a mandatory audit at the time of transfer with respect to real estate transactions in this country.

So there are other ways of achieving conservation in this country. The fact is that the administration and the Congress have been reluctant to take those steps because, with no exception, every time you take one of those steps you step on somebody's toes.

I think this amendment does not step on anybody's toes except the American people. I think this amendment should be defeated and laid to rest. I think we are doing enough for the oil industry without the Bentsen amendment.

Mr. DOMENICI. Might I ask the Senator from Colorado, I do not wish to speak long, but I understand the Senator has time problems?

Mr. HART. The Senator should take however long he needs. I thank the Senator.

Mr. DOMENICI. Will the Chair advise me when I have used 3 minutes?

Mr. MOYNIHAN. Will the Senator yield for an observation?

Mr. DOMENICI. I yield.

Mr. MOYNIHAN. If he needs enough time to justify this amendment, we might be around for a long session and perhaps we should ask the majority leader to make an announcement.

Mr. DOMENICI. Perhaps we can find out about that in just a few minutes.

First I want to say it has been my privilege to join with the Senator from Texas in this amendment and work with him in explaining it to our colleagues. I think everything has been said about the independent oil producers in this country that can be said. I have three more points to stress.

First of all, this Senator has been supporting long-term solutions to America's energy crisis, such as America spending huge amounts of money by way of guarantees and the like to see if we can convert synthetics into usable transportation fuels.

In all of that there is a risk involved. We do not know if it is going to work and we know it is extremely long-term.

The second point: Everybody admits that there are substantial quantities of crude oil left in America but it is going to be extremely expensive and difficult to get it out of the ground so Americans can use it.

The third point: The independents have a history of investing almost every penny that they get from the sale of oil back into development, wildcatting, and the production of oil for America. In fact, the last statistic is 105 percent of what they get, they invest. So with what they get for it, they go out and acquire investors and put more money into the ground to try to find oil.

Given that and given the fact that we are involved in a game of risks today—nothing is certain and nobody can say with certainty that this entire bill before the Senate is good for the United States; there are risks involved in this bill—why do I support the amendment? I support the amendment because 10,000 to 12,000 independent American businessmen are asking that we leave the money in their hands that they get from a freed-up oil market and that we let them go out and use it.

I submit there is more assurance that 10,000 or 12,000 independent businessmen with a history of producing oil, if given the money to go out and find it, will invest and they are apt to be more prudent than we. They are apt to have a program that is better than we can invent. They are just apt to produce oil with the money they will get—12,000 independent decisionmakers who will get the money from the oil and go out and find more. No other source of money, no integrated-type companies; just active businessmen who have a history of taking risks.

I submit we ought to put the risk where it is more apt to benefit America. That is with the independent oil producer. That is where we are apt to benefit from taking a risk. We will not benefit from taking their money and bringing it up here to the U.S. Treasury and making some big decisions on how we are going to cause America, in the short term, to become less dependent.

So it seems to me the issue is not a consumer issue. Somebody talked about consumers a minute ago. I did not know that by taking taxes, we were lowering the price of oil. I think the consumer is going to pay the same price for oil at market value whether we take part of it in taxes or not. So it is not a consumer issue.

In my opinion, it is foolhardy for the United States to let foreign countries get the full dollar and say to our 10,000 to 12,000 independents, "We know how much you can use prudently and we shall use it better than you, so we'll take it away from you and we'll put it in the Federal Treasury to do some great kind of risk-taking, Government style."

So it seems to me the risks are on the side of going with those who actually develop and find and who have a history of investing it for that purpose.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DOMENICI. I thank the Chair.

Mr. MOYNIHAN. Mr. President, I shall shortly move to table the measure before us. I make two points before doing so.

First, I confirm what the Senator from Kansas has said with the candor and the straightforwardness that we value him for in this Chamber. He said he could not say how much of an effect upon production this measure would have. Mr. President, he could not say because there will be no effect on production.

This oil has already been discovered. It is in the ground; it is being pumped out. Newly discovered oil is exempt under the Finance Committee bill and that is what matters.

Second, Mr. President, I point out, as to the Senator from Oklahoma, whose measure I shall move to table, his amendment exempting all stripper oil would have a revenue loss of $33 billion. Mr. President, $33 billion. The Senate now must be serious and get about its business in this matter.

• Mr. HART. Mr. President, I support the amendment by Senator BENTSEN to exempt small independent producers from the windfall profit tax. Senator BENTSEN's amendment would exempt producers who produce no more than 1,000 barrels a day from this tax proposal.

In general, I support the windfall profit tax on old oil because it will return to the taxpayers through Federal programs or tax cuts part of the money they spend on higher oil prices in this country. This is fair because part of those higher oil prices do not result from higher costs of production, but instead result from the monopolistic actions of the OPEC oil producers.

It would be self-defeating, however, to enact a windfall profit tax which discouraged the search and development of new oil supplies within the boundaries of the United States.

This proposal will allow the independent producers the full incentive provided by deregulation.

My support for this proposal to exempt the independent producers from the windfall profits tax is based on evidence that independent producers, unlike the majors will use their increased revenues resulting from deregulation for the search for new oil reserves.

Over the last few years, the independent petroleum producers have spent $33 billion in the search for and development of oil production capabilities. During this same time preiod, those independent producers sold oil worth $32 billion.

This figure is startling in its importance. Independent producers do not merely invest an amount of money equivalent to the profits that they make from oil production; they invest an amount of money equal to the total revenues they receive from oil production.

This practice by the independent producers is strikingly different from that of the larger producers. Over the same time period, the larger producers earned revenues of $89 billion, but made expenditures of only $63 billion in new oil supplies. While the independent producers invest over 100 percent of their gross receipts from the sale of oil, the major oil companies reinvest only 70 percent.

There is another reason to vote for the independent producers exemption. Production of oil in this country is dominated by several very large producers. The incentives offered by the independent producers exemption will help the smaller companies expand and compete with the major oil companies. For sake of competition, I urge my colleagues to vote for the independent producers exemption.

CORRESPONDING TAX INCREASE

Mr. President, I do not favor the independent producers exemption in isolation. The independent producers exemption would reduce total revenues from the Finance Committee's windfall profit tax bill by approximately $10 billion.

In fairness to the consumers in this country, I feel we must raise the tax on previously discovered oil to a higher level. To this end, I will cosponsor an amendment later to increase the tax on old oil to 75 percent.

In particular, I will cosponsor an amendment offered with Senators BRADLEY and CHAFFEE to raise the tax on upper tier old oil to 75 percent. Because this tax is on previously discovered oil, it will not inhibit production. Yet by adding more revenues to the Treasury, it can allow greater tax cuts in the 1980's, when the budget is balanced.

I strongly support this independent producer exemption, and hope my colleagues also support a lighter tax on old oil.●

● Mr. SIMPSON. Mr. President, as a cosponsor of this amendment, I wish to add a further note to this debate on the pending amendment.

One cannot at this point in the debate escape the issue that domestic production will indeed be responsive to the level of tax proposed in this legislation. All figures derived by the Congressional Budget Office, Joint Taxation Committee, and Finance Committee confirm that fact.

I may yet find myself in general support of major portions of the tax structure proposed by the Senate Finance Committee. Yet, I too believe that even with an exemption for newly discovered oil, domestic production will decrease in the not too distant future.

As much as this country desperately needs production from new discoveries, we also need to structure our fiscal policy to provide the incentive for improved production from existing fields. Production from my State of Wyoming is a case in point. Most of that production was begun prior to 1973 and the production equipment is presently in need of significant upgrading.

Such a decision should be one made using good business judgment with a clear eye on the rate of return from such an investment. I support the amendment since it creates a fine incentive for increasing the production from those areas with proven reserves—in existing fields.●

Mr. MOYNIHAN. Mr. President, I move to lay the amendment of the Senator from Oklahoma on the table. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay the amendment of the Senator from Oklahoma on the table. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from Nevada (Mr. CANNON), the Senator from California (Mr. CRANSTON), the Senator from New Hampshire (Mr. DURKIN), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PELL), the Senator from Illinois (Mr. STEVENSON), the Senator from Georgia (Mr. TALMADGE), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) would vote "yea."

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Tennessee (Mr. BAKER), the Senator from Mississippi (Mr. COCHRAN), and the Senator from Iowa (Mr. JEPSEN) are necessarily absent.

The PRESIDING OFFICER. Are there other Senators in the Chamber desiring to vote who have not done so?

The result was announced—yeas 32, nays 52, as follows:

[Rollcall Vote No. 426 Leg.]

YEAS—32

Biden
Bradley
Chafee
Cohen
Culver
Danforth
DeConcini
Durenberger
Eagleton
Glenn
Heinz
Jackson
Javits
Kennedy
Leahy
Levin
Magnuson
Mathias
Matsunaga
Metzenbaum
Morgan
Moynihan
Nelson
Nunn
Packwood
Proxmire
Ribicoff
Sarbanes
Sasser
Stafford
Tsongas
Weicker

NAYS—52

Baucus
Bellmon
Bentsen
Boren
Boschwitz
Bumpers
Burdick
Byrd, Robert C.
Chiles
Church
Dole
Domenici
Exon
Ford
Garn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heflin
Helms
Hollings
Huddleston
Humphrey
Johnston
Kassebaum
Laxalt
Long
Lugar
McClure
McGovern
Melcher
Percy
Pressler
Pryor
Randolph
Riegle
Roth
Schmitt
Schweiker
Simpson
Stennis
Stevens
Stewart
Stone
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NOT VOTING—16

Armstrong
Baker
Bayh
Byrd,
  Harry F., Jr.
Cannon
Cochran
Cranston
Durkin
Gravel
Inouye
Jepsen
Muskie
Pell
Stevenson
Talmadge
Williams

So the motion to lay the amendment (UP No. 841) on the table was rejected.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I have been counseled, advised, implored, and beseeched, but not beseiged, by several Members on both sides of the question, urging that the vote on the amendment by Mr. BENTSEN be held on tomorrow at a specific hour. Mr. BENTSEN is ready to go forward now with a vote, or he is willing to go over until tomorrow.

It seems to be the consensus that it would be agreeable, and possibly advisable, to go over and have a vote at 12:30 p.m. tomorrow on the amendment by Mr. BENTSEN, with one hour and a half preceding that vote to be equally divided between Mr. BENTSEN and Mr. MOYNIHAN.

So I make that request.

The PRESIDING OFFICER. Is there objection?

Mr. METZENBAUM. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Does the Senator have a suggestion?

Mr. METZENBAUM. I just want to be accorded an opportunity to have at least a half hour for debate. Since 45 minutes would be accorded to the Senator from New York, I would like to have an ample opportunity to be heard. Other than that, I have no objection.

Mr. ROBERT C. BYRD. We will start on the bill about 11 o'clock.

Mr. BENTSEN. I have no objection to making it an hour on each side, to accommodate the manager of the bill.

Mr. ROBERT C. BYRD. Would the Senator from Ohio be willing to speak now, while he has good attention?

Mr. METZENBAUM. Yes.

Mr. ROBERT C. BYRD. Would he like a half hour now, and then we could proceed as aforementioned?

Mr. METZENBAUM. Surely.

Mr. ROBERT C. BYRD. Mr. President, I make my request again, with the understanding that Mr. METZENBAUM will have 30 minutes, beginning now.

Mr. STEVENS. Mr. President, do I correctly understand that the vote will occur at 12:30? Is that the request?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. At a time certain?

The PRESIDING OFFICER. The Senator is correct.

Mr. BENTSEN. Mr. President I ask for the yeas and nays.

The PRESIDING OFFICER. Is there objection to the request of the majority leader?

Mr. McCLURE. Mr. President, reserving the right to object—and I do not intend to object—do I correctly understand that it will be an up-and-down vote on the amendment?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. And no other type of motion will be in order with respect to the amendment?

Mr. ROBERT C. BYRD. No motion to table would be in order.

Mr. McCLURE. What I am concerned with is whether we would get more than one vote starting at 12:30 tomorrow.

Mr. ROBERT C. BYRD. The vote would be on the Bentsen amendment.

Mr. McCLURE. Up and down on the Bentsen amendment, at 12:30.

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. I have no objection.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DOLE. Mr. President, have the yeas and nays been requested?

The PRESIDING OFFICER. They have been requested.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. Mr. President, there will be no further votes this evening, is that correct?

Mr. ROBERT C. BYRD. Does the Senator know of any other amendment to be proposed or a substitute amendment?

Mr. MOYNIHAN. I do not know of any.

Mr. ROBERT C. BYRD. There will be no more rollcall votes today.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 30 minutes.

UP AMENDMENT NO. 840

Mr. METZENBAUM. The Senator from Louisiana has indicated he wants 2 minutes to present a matter.

Mr. JOHNSTON. I thank the Senator from Ohio.

Mr. President, I think it would take unanimous consent, but the matter temporarily laid aside I ask that it be reported, the amendment that I previously had temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, this amendment was previously passed by the Senate by a vote of 70 to 23. It is agreed to by the administration, by the majority and minority.

It was passed previously, but with blue slips, by the House on the ground that it was an amendment to the Trade Expansion Act and, therefore, constituted a revenue measure which must originate in the House of Representatives.

Not being one to quarrel with the Constitution, Mr. President, therefore I accept with good grace their verdict. Therefore, I want to put this amendment on this matter. It is precisely the same amendment previously passed.

As Senators will recall from the previous debate, it permits the President to impose a general quota or fee unless Congress, by joint resolution, opposes that, and then if Congress, by joint resolution, should, in effect, veto the President's quota or fee, then the President, in turn, can veto that joint resolution, which, in further turn, can be overridden by a two-thirds vote of both Houses.

What it does is it constitutes a compromise whereby the constitutional position of Congress as the raiser of taxes can be protected by involving it at least in a veto manner in matters of tax quota and, I might add, it does not prevent the President from imposing quotas without any statement at all from Congress provided it is the kind that pertains to one country.

This deals only with a quota on the total volume of petroleum products, so that it permits the President without any confrontation at all to propose a quota on any country except Iran.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON. Yes.

Mr. LONG. Can we understand that this will not prevent the President from doing what he has done in Iran?

Mr. JOHNSTON. Precisely, it will not prevent him from doing so.

Mr. LONG. Mr. President, in view of the fact that the Senate has approved this previously, and it appropriately should be an amendent to a revenue bill, I think we should just as well add it to this bill. It should have the attention of the House of Representatives. I personally hope the Senate will see fit to accept the amendment.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. JOHNSTON. Yes.

Mr. DOLE. I associate myself with the remarks of the chairman of our committee, Senator LONG, and I have no objection to the amendment.

Mr. JOHNSTON. I thank the Senator.

The PRESIDING OFFICER (Mr. PRYOR). The question is on agreeing to the amendment of the Senator from Louisiana.

The amendment was agreed to.

Mr. JOHNSTON. I move to reconsider the vote by which the amendment was agreed to.

Mr. LONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. METZENBAUM. Mr. President, I rise to address myself to not only the Bentsen amendment but to what has transpired here this afternoon on the final result that is obvious with respect to the windfall profits tax bill.

It is obvious that nothing I am going to say now is going to change the view of any Senator. Yet I feel I would be doing less than my job if I did not address myself to this whole question.

The U.S. Senate has obviously made up its mind that the less the amount of windfall profit tax, the better will be the bill. We went from $276 billion to $138 billion. We are down to $128 billion, and the raid has not yet been concluded.

I can understand people who would advocate lower taxes. But the fact is these funds are needed for a host of necessary projects, and the fact is that the lower taxes will not produce any new oil, and the fact is that oil companies of this country are having a heyday in the U.S. Congress.

Only this afternoon at about 2 o'clock a gentleman came to my office from Canada, from the Canadian Broadcasting Co., and he said to me, "Senator, some people say that the oil companies are stronger than the U.S. Congress or the President of the United States." And I said to him, "I know some people say that. I say it."

I say it again this afternoon: The oil companies have more votes here than the administration has, and more votes here than the people of the United States have, because what we are going to do is we are going to say we do not care about the fact that the oil companies are making billions upon billions of dollars; that the oil companies are causing the problems of inflation and our economy in this country to be driven totally askew. We could not care less because the oil companies want to pay less taxes and they want more dollars.

It started off when the administration, through the President, saw fit to decontrol the price of oil. That was his first mistake.

His second mistake is that he has not withdrawn that order decontrolling the price of oil. Maybe today's action will cause him to do so, and say to the oil companies and the Congress of the United States, "There will be no decontrol, there will be no windfall profit tax, unless I have a windfall profit tax bill on my desk that is satisfactory, that meets the standards that I have set."

Not the standards that somebody else has set, but the standards that the President has set. He is the only man in the United States who has the power to do something about what the oil companies are doing to our economy, doing to his administration, and doing to the U.S. Congress.

Oil company profits went up billions of dollars; 130 percent; 200 percent—pick a number, and that is the amount they went up.

And everybody said, "Boy, this will really cause Congress to be tough on the oil companies, won't it?" No way. We got 32 votes on the Bumpers amendment. We got 32 votes on the Moynihan motion to table the Bentsen amendment. No more, no less. And if you have another amendment, if you want to cut off another $10 billion—and there will be some—or $20 billion, it will pass. It will pass; there may be 32, 33, or 34 votes against it, but it will pass. This Congress is determined that the oil companies shall pay the least possible amount of taxes.

I do not know why I raise my voice, because I really feel sad, not mad. I feel sad that this is what is happening in this Nation, when even the Saudi Arabians yesterday told us, "You need an adequate windfall profit tax." I guess they did not use the word "adequate," but I do not think there can be anything other implied that they thought it ought to be a windfall profit tax with some meaning to it, not just a shadow of that which it might be.

I have heard all the arguments about that it will be 70 percent or 80 percent of the total extra profits the oil companies will get. Mr. President, you can do a lot of things with numbers. You can figure out what tax rates are on paper, and then you can figure out what tax rates really are.

Corporate profits taxes in this country are a maximum of 48 percent, but there is not an oil company in this country that pays 48 percent. The oil companies have had a God-given right to be blessed, blessed by the Congress of the United States and blessed by administrations, whether Democratic or Republican. They had the depletion allowance, and they had the right to write off drilling costs. They had every right Congress could give them.

Some of us thought that maybe, with all these profits and concerns, maybe Congress would stand up to the oil industry and pass an acceptable windfall profit tax. The President of the United States goes on TV and talks about "We may become punitive."

When? When, then? How long do we have to wait?

We do not want to become punitive. We want to be just, fair, and equitable—fair and equitable with the oil companies, but fair and equitable also to the American people, the American consumers.

There is not any element of that taking place on the floor of the Senate today. The bill that we turned down, the bill that BUMPERS, myself, KENNEDY, and a number of other Senators proposed, was not any consumer lobby bill. It was the bill of the oil companies. It was the modified bill that came to the House floor and was supported by the representatives from Texas, Oklahoma, and Louisiana. They said it was their bill.

That is what Senator BUMPERS and the rest of us tried to put in today, not some radical kind of bill, not some bill that was punitive. That is the bill that the oil companies wanted when they were in the House of Representatives.

What kind of an industry is this, that no matter what you give them, no matter how you treat them, they want more and more? The distinguished Senator from Kansas stated it well when he said, "More money; more money, that is what it is all about."

Certainly no one disagrees that under the free interprise system the oil companies are entitled to a fair profit; but how far do we have to go? How much do we have to destroy this economy? How high does the inflation rate have to go? A 14-percent inflation rate, and 5 of those points come from energy. That is without the ripple effect, which is good for a couple of more points, or 50 percent of the total inflation rate in this country.

There is no reason under the sun why this Congress, why this Senate, should be unwilling to pass an effective, decent, fair windfall profit tax bill. But the votes this afternoon indicate clearly and unequivocally, and without any chance of contradiction, that the U.S. Senate is prepared to do that which the oil companies want.

These are not the small oil companies. That has been debated earlier. These are oil companies some of which make $200 million a year. That is hardly a small company, or one of those in the middle ground, some of which make $15 million, $20 million, $40 million, $60 million, and $100 million a year. A lot of them. And we are going to see to it that they make that much more.

Mr. President, it is with a great deal of sadness that I ask "What is happening on the floor of this Chamber?" I see the greatest giveaway of all time. First of all, there was the trillion-dollar giveaway by the President of the United States when, with one stroke of the pen, he increased oil company income a trillion dollars—an amount so large that nobody ever discusses it.

Then we talked about passing a windfall profit tax bill that had some equity to it. There is not any chance that it will be a fair windfall profit tax bill. The circumstances are obvious and the difficulties are apparent, and the conference committee is not going to come out with anything much more than the U.S. Senate passes. Maybe it will be something in between. But when all is said and done, this will be one of the great days that the oil companies have had in the Congress of the United States.

It is not alone the votes we took today; it is an indication of the votes we will take tomorrow. We will vote on other amendments. We will accept those that the oil companies want.

We had a couple of amendments early on that were just for fun and games, so Senate Members could say back home that they had voted against the oil companies. But the real gutsy amendments, the Bumpers amendment, the Bentsen amendment, and the amendments that are still to come, those are the real amendments, and they are the amendments that the American people are going to be forced to take.

It is a sad day. It is a day that I would have thought the Senate would pass a reasonably effective windfall profit tax bill. I did not think it would be as much as the House had sent over, even though that was the oil companies' bill, because I am a realist. But the fact is that before we get done, this will not be a windfall profit tax bill, it will become known as a Christmas tree bill. This will be the Christmas tree itself, the entire piece of legislation. We have lost the ball game. The oil companies have won it, and the American people, the American economy, and the American free enterprise system will pay the price.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Does the Senator from Ohio (Mr. METZENBAUM) yield back his remaining time?

Mr. METZENBAUM. I do.

The PRESIDING OFFICER. The Senator from New York (Mr. MOYNIHAN) is recognized.

THE DEATH OF RICHARD H. ROVERE

Mr. MOYNIHAN. Mr. President, this day in the U.S. Senate ought not to conclude without our taking note of the death this past weekend of Richard Rovere who, for two generations of Americans, in politics, as it were, wrote the "Letter from Washington" column in the New Yorker magazine.

There has not in our time been a more perspective, fruitful and truthful reporter of this Capital. And say what it will about us, the reporting was not done from Washington at all, but rather from a small town in the Hudson Valley where Richard Rovere chose to live and observe from a distance the affairs of the Nation in the Nation's Capital.

Those who knew him now know how privileged we have been, and I was one who not only knew him but also one who, in the deepest sense, loved him.

I would like to record, and I think the Senate would share my view, that a great light has gone out and things are dimmer in the aftermath.

Mr. President, I ask unanimous consent to have Richard Rovere's obituary in the New York Times published in the RECORD.

There being no objection, the obituary was ordered to be printed in the RECORD, as follows:

[From the New York Times, Nov. 24, 1979]

RICHARD H. ROVERE IS DEAD AT 64; WROTE ON POLITICS FOR NEW YORKER

(By David Bird)

Richard H. Rovere, who wrote some of the most penetrating and respected commentaries on American politics as a columnist for The New Yorker magazine, died yesterday of emphysema at Vassar Brothers Hospital in Poughkeepsie, N.Y. He was 64 years old and lived in Barrytown, N.Y., where he did most of his writing.

Although he wrote about Washington, Mr. Rovere seldom visited the capital. He once explained: "With public figures in general, my feeling has been that the advantages of acquaintance are often more than offset by the disadvantages and that in general it is best to confine oneself to material that is fixed in the record and cannot be repudiated."

But when he did appear in Washington, his presence was noted. Reviewing Mr. Rovere's book "Arrivals and Departures, a Journalist's Memoirs" in The New York Times two years ago, Robert Sherrill said:

"The only time I ever laid eyes on him was at one of those White House conferences on something or other that the Johnson Administration was always throwing in the Shoreham Hotel. Into the big, spiritless room came this fellow who did have something of a different air about him, particularly because he was attended by a retinue, a small retinue to be sure, but still clearly a retinue. "There, the reporter sitting next to me said with husky awe, 'goes Richard Rovere of The New Yorker.' "

DID NOT "BULLY OR PONTIFICATE"

Mr. Sherrill said Mr. Rovere revealed little of his personal life in his memoirs, but the reviewer said he was left "with the pleasant feeling that here's a fellow who has seldom used his marvelous talents to bull or pontificate and who has always taken good care of the language."

"He deserves a retinue," he added.

In addition to his column for The New Yorker, Mr. Rovere wrote more than half a dozen books. Perhaps the most widely acclaimed was "Senator Joe McCarthy," published in 1959, two years after the death of the Republican Senator from Wisconsin. In the book Mr. Rovere called the Senator a "liar," "barbarian," "seditionist" and "cynic" who was "in many ways the most gifted demagogue ever bred on these shores."

Reviewing the book in The Times, Anthony Lewis called it "a vividly written, sophisticated re-creation of a political episode whose manic qualities already begin to seem unbelievable." Mr. Rovere's thesis was that Senator McCarthy did not have any specific goal, but took up whatever causes seemed to win him the strongest response.

HIS 1956 VIEW OF NIXON

In his book "Affairs of State: The Eisenhower Years," which appeared in 1956, Mr. Rovere described Richard M. Nixon, who was then Vice President, this way:

"Nixon appears to be a politician with an advertising man's approach to his work. Policies are products to be sold to the public—this one today, that one tomorrow, depending on the discounts and the state of the market."

He added that Mr. Nixon moved from intervention in Indochina "to anti-intervention with the same ease and lack of anguish with which a copywriter might transfer his loyalties from Camels to Chesterfields."

Some time later, evaluating the American Presidency, Mr. Rovere wrote: "A head of state, particularly in a diverse and democratic society, is necessarily a kind of philanderer, and in dealing with the numerous mistresses, or constituencies, he is bound to make false professions of one sort or another."

William Shawn, editor of The New Yorker, who hired Mr. Rovere in 1944 and persuaded him to begin writing the "Letter from Washington" column in 1948, said yesterday:

"Richard Rovere was among the fairest, most nearly objective, most brilliant writers on American politics. He wrote with tremendous skill, with care, with humor, with style. He was a great clarifier. He brought an extraordinary clarity of mind to bear on complex and confused political situations and made them comprehensive. The New Yorker has suffered a great loss."

A NATIVE OF JERSEY CITY

Richard Halworth Rovere was born on May 5, 1915, in Jersey City. His father was an electrical engineer, a job that the son thought was so "unglamourous" that he told friends when he was growing up that his father was a fireman.

The family later moved to the Upper West Side of Manhattan, and Richard Rovere went off to the Stony Brook School on Long Island.

"I disliked the atmosphere of the classroom," he recalled of his time there, and he accumulated "the lowest all-around record ever made." In his junior year he became the editor of the school's newspaper, The Bulletin.

He went on to Bard College at Annandale-on-Hudson in 1933 and, like many students of the time, drifted toward Communism. He described himself as a "Marxist-Leninist with only a sketchy reading of Marx and an even sketchier one of Lenin" who never joined the Communist Party or attended its meetings because he found them "almost intolerably dull."

OTHER MAGAZINE EXPERIENCE

After graduating from Bard in 1937, Mr. Rovere joined The New Masses, a magazine that he said "consistently, indeed slavishly, followed the Communist line." Unable to follow that line any longer, he left the magazine in 1939 and went to The Nation a year later. In 1943 he joined the magazine Common Sense and a year later went to The New Yorker.

He wrote the Washington column, the name of which was changed to "The Affairs of State" several years ago, for more than 30 years at the rate of about once a month. The last column appeared this year in the magazine's Aug. 6 issue.

Mr. Rovere is survived by his wife, the former Eleanor Alice Burgess, whom he married in 1941, and three children, Ann, Richard and Elizabeth.

The family said that the body would be cremated and that there would be no funeral service.

Mr. METZENBAUM. Will the Senator from New York yield?

Mr. MOYNIHAN. I am happy to yield to the Senator from Ohio.

THE VOICE OF LIBERAL CONSCIENCE

Mr. METZENBAUM. Mr. President, a man who has come to be known as not only the "voice of liberal conscience," but "* * * for a whole generation a voice—not still and small, but loud and sometimes abrasive—of the American political conscience" is truly a remarkable human being. A man who has felt the pressure of battle under Gen. Douglas MacArthur, who has served not one, but two of the most distinguished jurists in the history of this Nation, and who has had a major role in virtually every important piece of domestic legislation in the last three decades must certainly be a man of elected office, or a member of the Cabinet. But, Mr. President, this is not the case. He is a private citizen for whom involvement is not just a part-time job, but a way of life. His name is Joseph Rauh.

Most of us, Mr. President, have come to know Joe Rauh in one way or another. As an ally, we have come to appreciate his wisdom, guidance, and diligence. As an opponent, we have seen him as a formidable foe who fights with everything within his power to win. Either way, Joe Rauh has earned our respect and admiration.

As I mentioned earlier, Mr. President, Joe Rauh has had an active role in the formation of our domestic policies. As a young attorney in 1948, Joe Rauh wrote the minority civil rights plank in the Democratic Party Platform. He led the fight for the 1960 Kennedy Civil Rights Platform, and, as a cofounder of the Americans for Democratic Action, Rauh has been involved in a number of other civil rights programs from the inception.

Mr. President, as a Senator from Joe Rauh's home State, I am extremely pleased and honored to offer an excellent article about Joe Rauh for the Record. The article, entitled "The Fighting Liberal," appeared in the Sunday, October 7, 1979 edition of the Washington Post. I request unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, Oct. 7, 1979]

THE FIGHTING LIBERAL

(By Michael Kernan)

The most deeply involved in the shaping of their times make the worst historians.

If you had told Napoleon that he was the father of nationalism, he would doubtless have replied, "Well, I don't know about that, but you should have seen us coming up out of the fog at Austerlitz, and wasn't I something else on the bridge at Lodi?"

Joseph L. Rauh Jr. will wince to see himself in the same sentence with Napoleon. But it's true: Ask him a general question, and he'll tell you an anecdote.

Rauh, a founder of Americans for Democratic Action, has been called the embodiment of the American liberal. He's the guy who wrote the historic minority civil rights plank in the 1948 Democratic platform (and therefore, some would say, the man who invented Hubert Humphrey). He's the guy who led the fight for the 1960 Kennedy civil rights platform, who helped clean up the rival delegation mess at other conventions, who defended playrights Arthur Miller and Lillian Hellman, who was the influential counsel for Walter Reuther's United Auto Workers through the tough '50s, who has been for a whole generation a voice—not still and small, but loud and sometimes abrasive—of the American political conscience.

"He's the white liberal," someone said, "that the blacks had in mind when they broke loose to form the black power movement."

Rauh likes that. "That's what we were fighting for," he says. "I can die happy because they're their own leaders now. Felix Frankfurter (whose law clerk Rauh was) was a founder of the NAACP in 1909. It's wonderful they don't need us now. There are 60 blacks on the board now, and four of us whites. Though I wish they'd listen a little more to the old man. . . ."

He chuckles. He loves to talk. Ask him about the time he got thrown out of the postmortem meeting on the firing of Andrew Young from the U.N.:

"Just after it happened I got a telegram inviting me to a black leaders' meeting in New York the next morning. I wasn't sure about this so I called Robert Hooks and got his assistant who assured me I was invited.

"But I still wasn't convinced I was really wanted, so I called Kenneth Clark, a friend of mine, and he said, 'You got to come, Joe, we need you badly.' So I went up there, and I was standing around talking to people, when this guy comes up and says the leadership of the meeting thinks I shouldn't be there. I showed him my telegram, and Hooks and Clark and I went into the next room."

The problem, it developed, was that if Rauh were publicly rejected, "half the place will leave with you," and then the media story would be Rauh, and not Young's firing, the real issue.

"Hooks said there'd be a lot of crazies in the meeting. I asked him if as executive vice president of the NAACP it would be in the interests of civil rights for me not to go into that room, and he said yes. I said okay."

So Rauh sat in the anteroom, and others brought him progress reports. "It's just that the meeting was so anti-white that my presence would cause trouble. The sad thing is that we had reached that stage. However, I feel we can get together again. It's a fight in a marriage, not a divorce."

The reason for his exclusion was not so much his being white, some observers remarked later, as for his being Jewish.

Still, race was partly the problem, dating, it is said, from black rage at the Bakke decision.

"I felt it was very unfortunate," commented Clarence Mitchell, Rauh's comrade in NAACP leadership for at least 28 years. "The NAACP has never drawn a color line on anything, and Joe's a board member. He showed real statesmanship and charity, I thought. If I'd been there I'd not have stayed. I think the issue would never have escalated so far out of proportion if it hadn't been such an attractive way of getting on TV."

Some of the people at that meeting weren't even born yet when Joe Rauh was picketing the National Theater in 1947 because it didn't allow blacks. Several groups took turns picketing (his was Friday night) despite threats of redneck violence. The pickets closed the place for months.

Then there were the sit-ins at restaurants and other public spots in Washington. And the time in 1951 when Rauh represented Philip Randolph, the great black union leader, trying to join an all-white association of railway executives for which he was eligible.

"We sued 'em and won, of course, and we went to the suite in the old Hamilton Hotel. They were sitting around and didn't invite us to sit. That was okay for me, but imagine: Randolph, there is this beautiful, dignified old man and we were standing there against the wall.

"And the president of the railway clerks, George Harrison, says, 'Randolph (no Mister), it'll cost you so much to belong. You have the money? Yes. We meet every once so often. Yes. Well, that will conclude our business.' They dismissed us, and we went outside and stood on the northeast corner of 14th and K, and I said, 'Mr. Randolph, we should have a drink to celebrate.' He said, 'Well, Mr. Raw (he never did get my name straight), where can we go?'

"I told him, either to my house or to Union Station. He looked at me and after awhile he said, 'Mr. Raw, we have just had a symbolic drink. I bid you goodnight.' "

There are not many blacks in the ADA. It's a disappointment to him. "Still some social barriers," he mutters, recalling the time he debated the Bakke case at his temple only to be attacked by a woman who fumed, "We've done enough for THEM!" He shouts the line bitterly, for it is exactly this attitude that he has been confronting all his life.

"The basic problem with '76 (a number which in Rauh-ese stands for the Carter election) was that many who were in it allegedly on an idealistic basis backed out. The idealism crumbled: that's the explanation of Carter. After the liberals lost in '68 and got the s - - t kicked out of us in '72, they got hungry."

At one debate he met a young party worker who had sweated in the vineyards for Gene McCarthy and McGovern, and he threw his arms around the young man. So glad you're back in the fight, he said.

"Oh no, Joe," the guy replied, "I've got to be with the winner."

"Maybe," Rauh adds as he tells the story, "it's asking too much to ask human beings to turn their liberalism into an idealism which doesn't further their self-interest."

You don't find a 68-year-old idealist around every corner these days. Perhaps there were more of them in 1946, after World War II, when it was still fun to be a liberal. In those days the big question was how to be liberal without being Communist, and in that year theologian Reinhold Niebuhr brought together some of his friends.

"There was Reinie and Jim Loeb and Jimmy Wechsler, who was an ex-Communist, and Art Schlesinger and me. I was probably the least skilled in politics of them all at the time. We were the NCL, The Non-Communist Left."

A year later Mrs. Franklin D. Roosevelt and two of her children enlarged the group to 144 people—what commentator Elmer Davis called the "government in exile," this being in Harry Truman's conservative early period—and called it the ADA, offering a liberal alternative to the Communists and to Henry Wallace.

Mrs. Roosevelt was their heroine, Rauh recalls. "She had such a sense of what had to be done. She set me fund-raising right away, and I went to David Dubinsky of the garment workers union, and he pledged $5,000, and that's how it started. She was a practical potato from the beginning."

Never large in terms of numbers, ADA was always a leadership organization, running close to 60,000 members ("a little better today because of Kennedy"), and a force to be dealt with at every election. Many Democratic politicians understand the need to score fairly high on ADA's line but they hate to fit the perfect ADA silhouette.

As for Ted Kennedy, who comes very close to the silhouette, Rauh feels the ADA is of less use to him than he is to them. "He brings practical possibilities to liberalism. The hardest thing is if you get a conservative Democrat for president. He's the head of your party, so you're kind of boxed in. You can't sock it to him as you could a Republican president.

"I presume Kennedy won't run as a 100 percent ADA-er. It would be stupid to expect that. If he has to make compromises, we have to understand."

And what would that mean, a 100 percent ADA-er? Or, put another way, what is a liberal? ADA's 1950 constitution asserts, "We believe that rising living standards and lasting peace can be attained by democratic planning, enlargement of fundamental liberties and international cooperation. We believe that all forms of totalitarianism, including communism, are incompatible with these objectives . . . "

Rauh, profoundly uncomfortable with generalities, merely says that the liberal sees government as a means of helping those who can't help themselves. It is the familiar argument that we need Big Government to defend us from Big Business. (The phrase "democratic planning" seems to be a euphemism for federal programs.)

Ask Joe Rauh if the American liberal is obsolete, and his bow tie jiggles indignantly. He comes back with a list of issues and incidents where the liberal view triumphed. Press him, and he talks about Carter's lack of ideology.

Some of his colleagues, notably David Cohen, president of Common Cause, an old friend and former ADAer, would come up with an analysis of the problem: liberals "whose last hurrah with the old FDR coalition was with Humphrey in '68" must figure out a way to enlist the antigovernment forces which so far they have abandoned to single-issue mavericks like Howard Jarvis. They must quit relying on ever-bigger government as the stock answer and deal with "the new constituencies, the conservationists and consumers, and new positions, like deregulation and the citizen right to safety from crime, which we've left to the conservatives for a decade . . ."

But this is not Rauh's style. He has been faintly praised as "a master tactician," and maybe that's not such a bad thing after all, in a time when grand statements of purpose draw only scowls, hoots and yawns.

Then too, he doesn't have to tell people where he is coming from. Seldom in American politics has one person been so completely identified with a point of view. For this reason, like all unambiguous people, he makes an easy target. Some young lawyers take issue with his stand against the "hired gun" theory: he feels that lawyers "shouldn't do things that are contrary to their own view of the public interest."

Argue with him, however, and he doesn't come back with a manifesto; he gives examples, case histories.

He does the same thing when you ask him about his life. Where did this hunger and thirst for justice come from? He has no idea. "My parents were Republicans," he says, with some wonder.

His sister, Dr. Louise Rauh of Cincinnati, offered a few insights. Their father migrated from Germany at age 16. He wanted to be a doctor but was too poor and had to work at anything he could get. Eventually he did make money as owner of a small shirt factory in Cincinnati, and he gave the three children every opportunity he could. (The oldest brother is dead.) Joe went to private school. Harvard (magna cum laude 1932), Harvard Law (magna cum laude LL.B), and Louise became a pediatrician.

"Our parents were very community-minded," she said. "They were wonderful to us. Very generous."

There were plenty of political arguments at the dinner table. Discourse was continual and natural. "Even at 6 or 7, Joe used to ask his father what was going on at the plant. Oh, we were a thorn in his side. We had to hold back a bit when he got older."

When Rauh's own sons, Michael and Carl, were growing up the talking continued.

"They're both more conservative than we are," said Olie Rauh, who is active in Planned Parenthood and other causes. Carl is a U.S. attorney (a prosecutor! how does the old defender feel about that? "Not a problem, I empathize with him. I cried when he lost the Yeldell thing. I hope he stays in the field"), and Michael is in private practice.

One of the three grandchildren, Michael Jr., a Young Democrat at the University of Rhode Island, has a collection of 300 Kennedy buttons.

After serving as law clerk to both Frankfurter and Justice Cardozo, Rauh went to the Pacific on Gen. MacArthur's staff, wound up a lieutenant colonel. He served with some government agencies, and his ADA offices include head of the National Executive Committee, national vice president and president.

There we go again: Try to get at the man and you wind up with the career. Practically everyone in town has had dealings with him—whether as a father of D.C. home rule, or counsel to the UAW, or ally of Walter Reuther ("the greatest labor leader of our time") and the murdered Jock Yablonski, or Democratic party stalwart, or private lawyer.

The Liberal Career of "The Man Who Invented Hubert Humphrey"

From the clips:

"Joseph L. Rauh, Jr., attorney and a principal figure in the successful four-year effort to oust United Mine Workers President W. A. (Tony) Boyle, said yesterday he no longer is active in the union's affairs. 'I don't think it looks well to lead a crusade and then try to benefit from it,' Rauh said. . . . (1973)

". . . And had it not been for Joseph L. Rauh, Jr., who did some personal recruiting, it is almost certain that every Jewish organization that expressed interest in the DeFunis (reverse discrimination) case would have been on the opposite side from every black group that took a stand on the case. . . ." (1974)

"Said Joseph L. Rauh, Jr., counsel to the Leadership Conference on Civil Rights, 'For myself, I would not consider an extension of the Voting Rights Act without adequate protection for Mexican Americans a victory for civil rights. . . .' " (1975)

"Attorneys for the American Civil Liberties Union, led by Joseph L. Rauh, Jr., contended that there is no history of radical demonstrators attempting to storm the White House and that even if it happened in the future, there are adequate safeguards to protect the president. . . ." (1973)

"The federal government was ordered yesterday to pay $97,500 in legal fees to the local law firm of Rauh and Silard, which handled a successful court suit to achieve strict enforcement of elementary and secondary school desegregation in 17 states, including Maryland and Virginia. . . ." (1974)

"Joseph L. Rauh, Jr., a longtime backer of Mayor Walter E. Washington, has left the mayor's campaign committee because he feels the candidate is too closely allied with the Metropolitan Washington Board of Trade. . . ." (1974)

" 'I guess Joe Rauh and I were working at home rule support longer than God,' mused Polly Shackelton, a former member of the District's presidentially appointed city council, as she announced her candidacy in the first city election in more than 100 years. . . ." (1974)

"A very aggressive kind of guy," one said. "In '68 he was hot for McCarthy, and he was abusive to the Kennedy people. But he's a realist." He even made his peace with Lyndon Johnson, when the time came.

(Johnson, by the way, signed a picture in Rauh's office: "To Joe Rauh: a fighter." He could accommodate, too.)

"I'm an extrovert," Rauh likes to say, and he can be as opaque as most extroverts. He can be casual about what he wears, from the worn shoes to the trademark bow tie, and about what he says to a reporter—and endearing trait in tight-mouthed Washington. He probably wouldn't know how to talk sotto voce. But then, he doesn't have to.

Maybe the best thing is not to try too hard to squint into his psyche. Maybe the best thing is to stick to the anecdotes. He tells one about a fight he had with Walter Reuther at the '64 convention when Rauh, no longer with the UAW, was counsel for the Mississippi Freedom Democrats. He was winning the platform battle, and Johnson got worried.

"Johnson brought Walter in to stop us, not because he was an ordinary guy but because he thought Walter could handle me. Walter gave me an order to accept the proposals. I said, 'Walter, you can't give me that order.' For six months he didn't speak to me."

It was the kind of thing that can sour some politicians for a lifetime. Rauh told more stories about Reuther the autocrat, chuckling, but when you mentioned the famous news photos of the labor leader, the one with bloody nose, the one with his arm in a sling, Rauh remembered them better than you did, remembered the dates and the details and what Reuther had said and how he had felt and what had happened next. Some things, he seemed to be saying, are more important than politics.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMERICAN BAR ASSOCIATION SUPPORTS GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, for many years one of the strongest arguments against ratification of the Genocide Convention was that the American Bar Association was against it. The ABA, one of this country's most respected professional organizations, was indeed an early critic of the convention. Having this group on record against the treaty lent credibility to those who sought to block our participation in this international human rights agreement.

This is no longer the case. The treaty had been a matter of great debate within the ABA for decades, and in 1976 that organization's House of Delegates voted overwhelmingly to reverse its previous position and to recommend ratification of the Genocide Convention. Testifying before a Foreign Relations Committee hearing on the convention in 1977, a representative of the ABA said,

> . . . there appears no provision in the Constitution that would support a successful attack on constitutional grounds, and no objections asserted on a legal basis justify delaying ratification.

He concluded:

> The United States is now reestablishing its moral leadership in the world. If it now ratified this Convention, it would be a clear demonstration that it is faithful to its pledge under the U.N. Charter. More than that, it would also be acting in its own best national interest.

In giving public support to the treaty, the ABA is among distinguished company. The American Baptist Convention, the American Civil Liberties Union, and the United Auto Workers are only three of the many civic and professional groups that have joined in calling for ratification. Individuals who have spoken out in favor of the treaty range from Justice Arthur Goldberg to author William F. Buckley. In addition, every President of the United States since Harry Truman has endorsed the Convention.

The list of those favoring the Genocide Convention goes on; with the shift of the American Bar Association, there remain relatively few major sources of opposition. I urge my colleagues to ratify the Convention now.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, not to extend beyond 15 minutes, and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Officer laid before the Senate a message from the President of the United States submitting the nomination of Charles B. Renfrew, of California, to be Deputy Attorney General, which was referred to the Committee on the Judiciary.

MESSAGES FROM THE HOUSE

At 2:50 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to the amendment of the House to the text of the bill (S. 1871) to extend the existing antitrust exemption for oil companies that participate in the agreement on an international energy program; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STAGGERS, Mr. DINGELL, Mr. OTTINGER, Mr. SHARP, Mr. BROYHILL, and Mr. BROWN of Ohio were appointed as managers of the conference on the part of the House.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. NUNN, from the Committee on Governmental Affairs:

Special report entitled "Labor Union Insurance Activities of Joseph Hauser and His Associates" (S. Rept. No. 96–426).

"LABOR UNION INSURANCE ACTIVITIES OF JOSEPH HAUSER AND HIS ASSOCIATES"—REPORT OF THE SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

● Mr. NUNN. Mr. President, on behalf of the Senate Committee on Governmental Affairs, I submit a report of its Permanent Subcommittee on Investigations entitled "Labor Union Insurance Activities of Joseph Hauser and His Associates."

Mr. President, this report contains the subcommittee's findings, conclusions and recommendations based upon its 3-year investigation of a scheme by Joseph Hauser and his associates involving the sale of insurance to several union employee health and welfare benefit plans.

The investigation began in September of 1976. Hearings were held October 10–12, 17–19, 28 and 31, 1977 and November 1, 2, and 4, 1977, at which 27 witnesses were examined under oath. Additional evidence was received in the form of exhibits and sworn affidavits. The subcommittee conducted subsequent studies of the Department of Labor's enforcement program, including hearings on labor management racketeering held on April 24 and 25, 1978, and a September 28, 1978, report by the U.S. General Accounting Office entitled "Laws Protecting Union Members and Their Pension and Welfare Benefits Should Be Better Enforced."

I wish to express my gratitude to Senator PERCY, the ranking minority member of the subcommittee, and the other Senators who participated in our inquiry for their cooperation and attention to the important national issues raised in this investigation.

The Hauser inquiry was an outgrowth of previous subcommittee staff studies in June 1976 and March 1977 of a highly questionable whole life insurance plan sold to union employee severance pay trust funds by a group headed by Louis C. Ostrer. The effect of Ostrer's plan was to extract high insurance premiums and excessive commissions from the trust funds by selling them whole life policies rather than much less expensive term policies. In the course of that inquiry, the staff identified the Hauser group, which also was selling questionable whole life insurance policies to union employee benefit plans in Florida.

As noted in the report, the subcommittee's investigation subsequently revealed that Hauser actually sold insurance to 20 plants located in eight States during the period 1973 to 1976. These insurance contracts generated $39 million in premiums paid by these funds to Hauser's companies. Of this amount, the subcommittee identified over $11 million in diversions and questionable expenditures by Hauser and his associates, including misappropriations of cash, worthless investments, payments of questionable commissions, and other items.

The insurance and other companies victimized by Hauser's scheme were forced into receivership and either liquidation or reorganization proceedings. A number of the employee welfare funds which purchased insurance contracts from Hauser sustained substantial losses.

The greatest loss—about $7 million—was suffered in 1976 by the Teamsters Central States, Southwest and Southeast Areas Health and Welfare Fund. The contract placed by the Teamsters fund was one of the largest ever put on the market and provided $2.6 billion of insurance for 180,000 Teamsters Union members. The annual premium amounted to $23 million.

In addition, thousands of individual policyholders of insurance companies, which failed as a consequence of Hauser's scheme, have lost cash values and insurance protection. The investors in these companies have also sustained substantial losses.

Hauser and three of his associates were indicted by a Federal grand jury in Phoenix, Ariz., based upon activities that had been explored by the subcommittee. The indictment charged Hauser and the other defendants with conspiracy to conduct a racketeer influenced and corrupt organization, and interstate transportation, receipt and disposition of unlawfully converted funds of labor union trust funds.

On February 5, 1979, Hauser pleaded guilty to three counts of the indictment. Another defendant, Bernard Rubin, a major figure in the laborers' union in Florida, pleaded guilty to a single count on December 4, 1978. Defendant Brian Kavanagh entered a guilty plea in October 1979. Both Hauser and Rubin had previous convictions on unrelated matters. Hauser was found guilty in March 1977 of bribing and attempting to bribe union officials in California to do business with a health insurance firm that he owned. Rubin was found guilty in October 1975 of embezzling funds of Florida union and union welfare plans.

The collapse of the Hauser operations also was followed by many civil suits, many of which are still unresolved.

The record of this case presents an alarming picture of the relative ease with which an unscrupulous operator like Hauser can obtain control of insurance companies; how he can acquire insurance awards from several large union employee benefit plans, which generated millions of dollars of premium payments to his insurance companies; and how he can then loot the assets of his own insurance companies.

The investigation demonstrated the particular vulnerability of employee benefit plans to insurance-related fraud schemes. The subcommittee concluded that this vulnerability stems in large part from serious weaknesses in the regulation of insurance, and that corrective Federal legislation and State action is required.

Hauser was able to exploit the wide variations among the States in their legal requirements for licensing and regulating insurance companies and the ineffectiveness of State enforcement attributable to jurisdictional and other problems in dealing with multi-State insurance companies.

Hauser conducted his operation primarily through Farmers National Life Insurance Co., a small Florida carrier licensed in four other States, and through Family Provider Life Insurance Co., a virtual shell licensed only in Arizona.

After his initial success in Florida, Hauser expanded his operation into Indiana, Massachusetts and Illinois—States in which neither Farmers National nor Family Provider were qualified to do business. To do so, Hauser entered a form of reinsurance agreement, known as a "fronting" arrangement, with Old Security Life. Old Security was licensed in 49 States and primarily a credit life insurance company. Although a small company, its assets were considerably greater than either Farmers National or Family Provider.

Reinsurance is a method commonly used by insurance carriers to spread the risk of insurance, whereby the company issuing the policy risk reinsures a portion of its risk to another company which receives a commensurate share of the profit. However, under Hauser's fronting arrangement with Old Security, Old Security issued the policies, but merely as a front for Hauser's companies. The Hauser group conducted the selling effort, obtained control over most of the premium income, and reinsured 80 to 100 percent of the risk. Old Security received a percentage of the premiums as its profits, but did not maintain reserves or perform any other significant functions. Old Security failed even to conduct an adequate background investigation of Farmers or Family Provider prior to entering these arrangements.

The details and implications of these reinsurance arrangements were not brought to the attention of the trustees of the employee benefit plans. In the case of two Arizona laborers' union funds, the Farmers National and Family Provider submitted their own bids in competition with their reinsurance partner, Old Security. However, the trustees awarded the contract to Old Security because of their desire to deal with a more substantial carrier. The trustees were unaware that by doing so, they actually were awarding their business to Family Provider. That information was kept from them.

The most egregious example of abuse of reinsurance was in the Teamsters fund case. The Teamsters fund trustees awarded the $23 million contract to Old Security. However, under the fronting arrangement, 80 percent of the risk was reinsured to Family Provider, which obtained control of initial Teamster premium payments. Much of the premium payments were misappropriated by Hauser.

Due to Arizona's low capitalization requirements, Hauser was able to activate Family Provider with only $250,000 in capital. This company had one employee and that employee answered telephone calls only with a telephone number.

In June 1976, Hauser purchased control of National American Life Insurance Co. (NALICO), a Louisiana-based carrier, using part of the Teamster fund premiums he misappropriated. At the time Hauser was under indictment returned by a Federal grand jury in California in March 1975. Louisiana law did not require prior approval of this purchase and, thus, did not review his background and qualifications to manage an insurer before he bought the company. In July 1976, despite objections from the Teamsters fund, Old Security assigned the remainder of its interest in the fund's policy to NALICO. As a result, Hauser gained control over additional fund premiums which he then diverted.

The subcommittee's report notes testimony received from Gov. Bruce Babbitt of Arizona indicating that the National Association of Insurance Commissioners' computerized system to pool data about insurance companies is not working effectively. This was more recently confirmed in a GAO report on State insurance regulation. Governor Babbitt and James Hanna of the Florida Department of Insurance also pointed out that jurisdictional problems impede the States' regulation of multi-State insurance carriers. The subcommittee also received a letter from the Securities and Exchange Commission stating that its experience in its enforcement activities (including an action concerning Hauser's takeover of NALICO) indicates the growing complexity of possible misconduct and the difficulties faced by State regulators, with their limited jurisdiction and resources, in attempting to deal with the varieties of problems presented by multi-State insurance companies.

The subcommittee concurs with Governor Babbitt's appraisal that there is a "big vacuum" between Federal regulation and the "State model which breaks down because of the interstate nature of virtually all commerce today."

The subcommittee's proposals for corrective action to deal with the weaknesses in insurance regulation include Federal legislation: First, amending the Employee Retirement Security Act (ERISA) to direct the Secretary of Labor to establish minimum standards that insurance companies would have to meet before an employee benefit plan could deal with them; and second, amending the Securities Exchange Act of 1934 to delete a provision exempting insurance companies from a requirement that their financial statements be audited by independent public accountants.

The subcommittee also calls upon the States to strengthen their respective insurance laws and regulations relating to licensing, capitalization and reserves of insurance companies, and the investigatory and enforcement powers of their insurance departments. The subcommittee believes that State laws should: First, require advance State approval of transfers of control and thorough background checks to assure that dishonest and other unreliable persons are excluded from managing and controlling insurance companies; second, prohibit the use of reinsurance as a fronting device to circumvent State laws; and third, effectively regulate insurance company transactions with their management and other affiliates to prevent overreaching of the insurer.

The subcommittee also recommends that the States enter into interstate compacts which would: First, enable them to obtain prompt enforcement of their subpenas, injunctions, and other orders relating to their domestic insurers doing business in other jurisdictions; and second, require the exchange of data obtained in investigations and other information among State insurance departments. The report proposes Federal legislation giving advance approval to such compacts. The subcommittee further recommends that the Federal Government and State insurance authorities take steps to improve cooperation in the reporting of information about possible violations of Federal and State laws and regulations.

The subcommittee's investigation also revealed Hauser's modus operandi, in that he cultivated influence through payments and other inducements and exploited less than vigilant businessmen, including an insurance consultant and trustees of some of the plans.

The records showed a disturbing pattern of payments by Hauser in connection with the insurance awards by employee benefit plans. Many of these payments were purported commissions paid by Hauser's insurance companies to agencies controlled by Hauser. Other payments were made and inducements offered to persons who were in positions to influence the award of employee benefit contracts. The subcommittee found these expenditures were of no or questionable benefit either to the employee benefit plans or the insurance companies involved.

Some of the recipients of Hauser's payments were fiduciaries, such as Bernard Rubin, a trustee of certain of the Florida laborers' welfare plans. Rubin, who received the use of an expensive sports car leased by Hauser, was intrumental in the insurance awards by the laborers' union to Hauser's companies.

Other persons, while not fiduciaries, had contacts with persons who were in influential positions. For example, in the Indiana Laborers' Fund case. Hauser established Paul Fosco in insurance agency business and paid him about $260,000. Fosco, the grandson of the then president of the Laborer's International Union, had a close relationship with one of the fund's trustees. No documentation existed to support a correlation between the payments to Fosco's agency and the amount of the insurance business generated by that agency.

In the Teamsters Fund case, former U.S. Attorney General Richard Kleindienst received a $250,000 fee from Hauser, half of which Kleindienst gave to public relations executives Thomas Webb and I. Irving Davidson pursuant to a fee splitting arrangement. Kleindienst did not occupy any formal position with the fund. He received the fee for his efforts in behalf of Hauser and Old Security in contacting Teamsters fund trustee Frank Fitzsimmons, with whom Kleindienst had a personal relationship. The subcommittee found that Kleindienst's contacts with Fitzsimmons apparently triggered Fitzsimmons' interest in pursuing the Old Security bid and was one of the significant factors contributing to the fund's award to Old Security.

In this connection, Hauser failed to disclose the Kleindienst fee to the Teamster fund, despite the desire of the Fund, expressed in its specifications, that finder's fees and commissions not be paid in regard to the underwriting of the contract. Had the fee been disclosed, the unusual size of the fee—about 10 times Old Security's annual profit—quite likely would have put the trustees on notice that this was not a bona fide deal. Indeed, Hauser actually paid the $250,000 to Kleindienst out of the proceeds of the Teamsters funds initial premium payments that he—Hauser—had misappropriated.

Fees of this nature also raise questions under State insurance laws. For example, the director of Insurance of Arizona, as receiver of Family Provider, filed a civil action against Kleindienst, Webb, and Davidson, seeking recovery of the $250,000 fee, which was repaid in an out-of-court settlement of that action. The complaint charged that the receipt of the fee by the defendants constituted, among other things, unjust enrichment at the expense of Family Provider.

The subcommittee recommends legislation which would require disclosure of these kinds of payments and which would provide criminal penalties for willful false misstatements and concealment of material facts. One of our proposals would require an insurance company, prior to selling an insurance contract to an employee benefit plan, to disclose all finder's fees, commissions, and other payments paid and proposed to be paid in connection with any sale. Another proposal would require fiduciaries and other parties in interest to an employee benefit plan to disclose the receipt of payments from, and financial relationships with, firms doing business with the plan.

These proposals would provide trustees and other fiduciaries of employee benefit plans information necessary to assess the prudence, propriety, and legality of their decisions involving commitments of plan assets. The disclosure would supplement existing ERISA restrictions on transactions by a plan in which a fiduciary or other party in interest of the plan participates for his own account. In this connection, the subcommittee also suggests that Congress extend the definition of "party in interest" to include relatives of union officials and, thus, subject payments to such persons to the existing prohibited transactions provisions of ERISA and to the recommended disclosure requirements applicable to parties in interest.

The subcommittee examined the role of Tolley International Corp. as insurance consultant to the Teamsters fund and to the laborers' funds in Indiana and Massachusetts in those funds awards to Old Security. The subcommittee found that Tolley International's conduct fell well short of the standards of care and independence that an employee benefit plan should expect of its insurance consultant.

For example, the subcommittee found that Tolley International either knew or should have known that Old Security was fronting for Hauser's companies and should have brought that information to the attention of the trustees. Tolley International also had a less than arm's length relationship with Hauser. The record shows that the firm acted as consultant to these employee funds with the expectancy that Hauser would use his union contacts to assist it to obtain new union fund consulting business. The weight of the evidence also indicates that in the Teamsters fund case, Tolley International aided the Hauser group by, among other things, giving it advance inside bidding information concerning how to make its bid competitive. In making the award to Old Security, the trustees said they relied on Tolley International's recommendation. The subcommittee concluded that Tolley International's questionable and undisclosed relationship with Hauser was one of the important factors contributing to the Teamsters fund award to Old Security.

Tolley International's representative testified that Tolley acted in accordance with usual industry practice, and that he did not believe Tolley was a fiduciary under ERISA. However, the subcommittee believes that Tolley International's performance demonstrates rather persuasively the need for insurance consultants to employee benefit plans to adhere to the standards of care and independence applicable to fiduciaries under ERISA. Because of their special expertise, insurance consultants exercise considerable influence on employee plan decisions.

Thus, the subcommittee recommends that the Department of Labor issue interpretive regulations which would specify that consultants selected by employee benefit plans to evaluate insurance matters are fiduciaries under ERISA whenever they render advice or related services that will be relied upon by the plan or otherwise be a significant factor in any decision or action by the plan. The subcommittee also urges the Department of Labor to issue interpretive regulations specifying the circumstances under which professionals and other persons proving specialized services to employee benefit plans will be considered fiduciaries.

The report also addresses a common method of compensating insurance consultants to employee benefit plans under which the consultant receives a commission paid by the plan's insurance company based upon a percentage of the aggregate premium payments. This method of compensation appears to be sanctioned by an exemption from ERISA granted by the Department of Labor. The subcommittee found that this method constitutes an irreconcilable conflict of interest, since a consultant would benefit from the award of a more expensive insurance plan. The subcommittee recommends that the Department repeal the exemption.

The report also notes the lack of adequate competitive bidding procedures by certain employee plans. In the Indiana laborers' fund case, one of the trustees unilaterally caused the rebidding of the fund's insurance program and permitted Hauser's representatives to prepare the bidding specifications. The subcommittee found this conduct to fall far short of the standards which an employee benefit plan should expect of its trustees.

The subcommittee also found that a contributing factor to Hauser's success in winning the Teamster's insurance contract was the failure of the fund trustees and other officials to assure that the contract was awarded strictly on the basis of sealed, timely bids and in strict conformity with the bid specifications and procedures. Our report points out that the Teamsters fund received an apparently late supplemental bid from Old Security, which offered to negotiate a reduction in its retention if relieved of the claims processing functions. The fund did not maintain a date and time receipt record, nor did it have a bid opening procedure designed to assure compliance with the deadline. In another supplemental bid, Old Security advised the fund of the amount of the reduction in its bid. This supplement was received well after the bid deadline and just one day before the trustees made the award to Old Security and accepted Old Security's supplemental proposal to be relieved of claims processing.

Old Security's suggestion that it be relieved of the claims processing deviated from the specifications, which required the carrier to perform this function. Moreover, the amount of the reduction in Old Security's bid was not negotiated by the fund's staff. Circumstances indicate that the reduction was worked out in discussions between Hauser and Allen Dorfman of Amalgamated Insurance Agency, which has been the Fund's claims processor for several years. The subcommittee found that Hauser's agreement to let Amalgamated process claims under the contract was one of the significant factors contributing to the award to Old Security.

Dorfman's involvement was contrary to fund policy, according to the testimony of Daniel Shannon, who was the fund's executive director at the time. Also, the specifications called for the winning insurer to process claims because Shannon wanted to remove this function from Amalgamated. Among the reasons Shannon gave for this position were difficulties the Fund had experienced in working with Amalgamated; "subservience" of the fund to Amalgamated; Amalgamated's solicitation of fund participants for the sale of add-on insurance; and Dorfman's 1972 conviction for accepting a kickback in connection with a transaction by Teamsters pension fund, a sister fund of the Teamsters health and welfare fund.

At the April 30, 1976, meeting at which the trustees awarded the contract to Old Security, the trustees did not ask obvious questions, such as whether all bidding companies were given an equal opportunity to reduce their bids if relieved of claims processing.

They did not ask what the basis of the reduction of Old Security's bid was. Nor did they question the discrepancy between two prior meeting agendas, which reported that Tolley International recommended the Prudential bid as the most attractive, and the Tolley International's recommendation at the April 30 meeting in favor of Old Security.

Contemporaneous with the award to Old Security, the Teamsters fund trustees granted Amalgamated a 10-year extension on the claims processing contract without soliciting competitors' bids, an action which was later rescinded upon advice of counsel.

At the subcommittee's November 1977 hearings, Dorfman cited his Fifth amendment privilege and declined to answer any questions about his involvement in the Old Security award or Amalgamated's role as the fund's claim processor.

Dorfman, who was first investigated by the subcommittee 20 years ago in connection with his ties to organized criminals and labor racketeers, is a longtime associate of Fitzsimmons. Four years before this meeting with Hauser, Dorfman had been found guilty of accepting a $55,000 kickback while serving as a consultant of the Teamsters Central State Pension Fund. Following Dorfman's conviction Fitzsimmons only removed him as consultant to the pension fund but took no action with respect to the Dorfman firm serving claims for the welfare fund. When asked to justify the inconsistency in positions with respect to Dorfman. Fitzsimmons said:

> It is like a horse that will bite one person but won't bite another one. As the report notes Fitzsimmons explanation demonstrates a marked insensitivity to his obligation to protect the Health and Welfare Fund from the risk of abuse attendant to retention of the services of a person who violated a position of trust and confidence with the sister Pension Fund.

Despite Dorfman's 1972 conviction, his contacts with Hauser in connection with the Old Security award, Shannon's opposition to doing business with Amalgamated, and Dorfman's refusal before the subcommittee account for his role in the Old Security award or as the Fund claims processor, the fund executed a 3-year contract with Amalgamated on January 31, 1979. The award was made after solicitation of bids from several insurance companies; however, the adequacy of the competitive bid procedures are being litigated in a suit against the fund trustees by the Department of Labor. Whatever the merits of the Labor Department suit, the subcommittee found that, the decision of the fund's trustees to continue to do business with Dorfman constitutes a highly questionable business judgment.

The record underscores the need for vigilance by employee benefit plan trustees and other fiduciaries, who have an obligation under ERISA to act prudently and, thus, to prevent overreaching by persons dealing with the plan. The subcommittee proposes that the Department of Labor adopt interpretive regulations setting forth the minimum standards that fiduciaries would have to meet in order to comply with the "prudent man" standard. The report states, among other things, that the regulations should require plan trustees to adopt written internal control and accountability procedures which are designed to prevent and detect fraud, breaches of fiduciary duty, and prohibited transactions. In this regard, the subcommittee recommends that these regulations require the adoption of competitive bidding procedures for purchases of insurance and other appropriate transactions, and that they emphasize the need for plan trustees to be watchful for deviations from established procedures and other irregularities. The subcommittee believes that the "prudent man" guidelines would complement our other recommendations and heighten the awareness of persons vested with responsibility for managing employee benefit plans as to what is required of them as fiduciaries.

The subcommittee's report also examines the Labor Department's actions relating to the October 1975 conviction of Bernard Rubin for embezzling $400,000 from union and union employee benefit plans. The Labor Department refused to act as a trustee or monitor of those unions and plans, as had been requested by the Department of Justice following Rubin's indictment and conviction. Also, the laborers' international union did not place the unions into trusteeships until 2 years later after the Justice Department had moved for revocation of Rubin's bond on the basis of evidence that Rubin had embezzled another $2 million of union and union trust funds. In this regard, the court of appeals stayed an order by the district court under the racketeer influenced and corrupt organizations (RICO) statute, which required Rubin to forfeit his union and plan positions.

The subcommittee found that the Labor Department and laborers' international union failed to take timely action to protect the union and union employee plan assets from further looting of these assets. It also found the granting of the stay by the court of appeals, while apparently within the discretion of the court, created a substantial risk that the union and plan assets would not be adequately protected from a repetition of the kind of conduct for which Rubin was convicted.

The subcommittee also recommends legislation to provide that a union or employee official, who is subject to a RICO order requiring him to forfeit his position, shall be suspended from performing any functions if the order is stayed pending appeal. The subcommittee also recommends that the provisions of ERISA and the Labor Management Reporting and Disclosure Act (LMRDA) which disqualify a person convicted of certain crimes from holding positions with employee benefit plans and unions, respectively, be amended to provide for similar suspensions pending consideration of any appeal.

Another recommendation calls for expanding the disqualifying crimes under LMRDA pertaining to unions so that these LMRDA crimes will conform to the broader list of disqualifying crimes under ERISA, which pertains to employee benefit plans. The report also proposes legislation to make it clear that corporate and other entities which employ or are controlled by a disqualified person are subject to the disqualification provisions.

The subcommittee also proposes legislation specifically authorizing the Department of Justice to obtain preconviction restraints on union and employee plan officials who have been indicted for misusing union and plant assets. Another proposal calls for legislation to give the Department of Labor civil enforcement authority to seek remedies for breaches of fiduciary duty by union officials and other violations of title V of LMRDA.

The subcommittee also finds fault with the Department of Labor's recent response to a September 1978 GAO report which found serious deficiencies in the Department's criminal and civil enforcement programs. In its response, the Department asserts that it is committed to "aggressive" enforcement. However, it continues to disclaim responsibility for the initial detection and investigation of embezzlement or kickbacks relating to employee benefit plans, and to resist making effective use of field audits as investigative tools. The Department also fails even to acknowledge most of the serious deficiencies found by the GAO, including the lack of adequate manpower.

The subcommittee recommends legislation to clarify the Labor Department's criminal investigative responsibility. The subcommittee also urges the Department to promptly fill the remaining 8 of 90 positions it promised to assign to the Department of Justice Organized Crime Strike Forces. The subcommittee also asks the Department to reassess its position with respect to the GAO report and to submit a detailed report to the subcommittee within 60 days.

The need for the Labor Department to carry out a vigorous criminal and civil enforcement program cannot be emphasized too strongly. At stake are the billions of dollars of assets of labor organizations and pension and welfare plans which are contributed by millions of American workers. There can be no excuse for anything less than a total commitment by the Labor Department.●

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

Mr. CANNON. Mr. President, as in executive session, from the Committee on Commerce, Science, and Transportation, I report favorably sundry nominations in the Coast Guard, which have previously appeared in the CONGRESSIONAL RECORD and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, the nominations will lie on the Secretary's desk.

(The nominations ordered to lie on the Secretary's desk appeared in the RECORD on November 6, 1979, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DURENBERGER:

S. 2037. A bill to establish a Commission to hear, determine, and pay claims against the United States for money damages for the injuries to individuals who contracted the Guillain-Barre Syndrome after receiving immunizations under the national swine flu immunization program, and for other purposes; to the Committee on Governmental Affairs.

By Mr. MATHIAS:

S. 2038. A bill to preserve, protect, and maintain the original boundary stones of the Nation's Capital; to the Committee on Energy and Natural Resources.

By Mr. MAGNUSON:

S. 2039. A bill to amend the Congressional Budget Act of 1974 to limit the levels of total budget outlays contained in certain concurrent resolutions on the budget; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to order of August 4, 1977.

By Mr. NELSON (for himself, Mr. HUDDLESTON, Mr. CULVER, Mr. BAUCUS, Mr. STEWART, and Mr. LEVIN):

S. 2040. A bill to amend the Small Business Act to increase assistance to small businesses in exporting; to the Select Committee on Small Business.

By Mr. MATHIAS:

S. 2041. A bill for the relief of Michael Whitlock; to the Committee on the Judiciary.

By Mr. BOREN:

S. 2042. A bill to establish a procedure for congressional review of all proposed agency rules, and for other purposes; to the Committee on Governmental Affairs.

By Mr. MELCHER:

S. 2043. A bill to provide for research in the diagnosis, prevention and control of malignant tumors in domestic animals, poultry and wildlife; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. TOWER:

S. 2044. A bill to amend the Interstate Commerce Act by repealing 49 U.S.C. 10729 dealing with incentive rates associated with capital investments; to the Committee on Commerce, Science, and Transportation.

By Mr. DECONCINI:

S. 2045. A bill to provide for open meetings of the Judicial Conference of the United States and of each judicial council, public access to transcripts of meetings of the Judicial Conference of the United States and of each judicial council, and for other purposes; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DURENBERGER:

S. 2037. A bill to establish a Commission to hear, determine, and pay claims against the United States for money damages for the injuries to individuals who contracted the Guillain-Barre Syndrome after receiving immunizations under the national swine flu immunization program, and for other purposes; to the Committee on Governmental Affairs.

GUILLAIN-BARRE SYNDROME COMPENSATION COMMISSION ACT

● Mr. DURENBERGER. Mr. President, I am pleased to join my colleague in the House of Representatives, Congressman ROMANO MAZZOLI, in introducing legislation which would establish a Commission to expeditiously adjudicate and settle the claims of those persons who contracted the Guillain-Barre Syndrome (GBS) as a result of participating in the national swine flu immunization program.

In 1976, the Federal Government undertook a massive immunization program to protect the American people from a feared epidemic of a rare strain of influenza known as the swine flu. Pursuant to this initiative, the Congress, at the administration's request, enacted the Swine Flu Act. This legislation made the Government liable for personal injury or deaths resulting from the program unless the manufacturers could be proved negligent in the production of the vaccine.

It is now 3 years later, and fortunately, the dreaded epidemic of the swine flu did not materialize. But, unfortunately, some Americans, who responded to the Government's request that everyone be immunized, became instead paralyzed, and in some cases even died, by a rare neurological ailment called GBS. Regrettably, despite the passage of the Swine Flu Act, most of these victims have not yet been compensated. Such inaction and insensitivity by the Government is unconscionable.

Mr. President, my legislation would establish a seven-member Commission to settle claims from the injuries and deaths of individuals who contracted GBS after receiving immunization in accordance with the national swine flu immunization program. This legislation stipulates that once a claim is filed, the Commission will have a maximum of 240 days in which to conduct hearings, make determinations, and award payments.

Some may argue that this relief measure will be too costly. I strongly disagree. First, I believe that the Commission will actually save the Federal Government money, for it would spare us the agony of expensive and protracted lawsuits if the claimants were forced to pursue their full legal remedies.

Second, I believe that if we do not act promptly and equitably, we could do incalculable future damage to our Nation. For failure to settle these claims undermines the good faith upon which any immunization program is based. And, if we lack that faith, we may remove the ability of the Government to obtain the cooperation of the public for any subsequent immunization program.

But, perhaps most importantly, the case for this legislation rests on grounds of fundamental fairness. In the law of the land we promised the American people that the U.S. Government would compensate them if the flu shots caused any damage. For some Americans, the damage has occurred. And we cannot now renege on our promise and refuse to compensate.

Mr. President, as many of my colleagues know, my chief legislative assistant—who did not have a flu shot—contracted GBS last February. Through his 7-month ordeal, I became aware of how virulent, painful, and debilitating the syndrome can be. It enrages me to think that there are hundreds of individuals in this country who have experienced similar or worse cases of GBS as a result of the immunization program and who have not yet been compensated and, indeed, have no immediate prospects for compensation. We must right this terrible wrong.

I ask my colleagues to support this important legislation and to help restore confidence in the words and in the actions of our Government.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2037

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Guillain-Barre Syndrome Compensation Commission Act".

ESTABLISHMENT

SEC. 2. There is established a commission to be known as the Guillain-Barre Syndrome Compensation Commission.

PURPOSE OF COMMISSION

SEC. 3. The purpose of the Commission is to fairly and expeditiously hear, determine, and pay claims against the United States for money damages for the injuries to individuals who contracted the Guillain-Barre Syndrome after receiving immunization pursuant to the swine flu program.

MEMBERSHIP

SEC. 4. (a)(1) The Commission shall be composed of seven members as follows:

(A) Three individuals who are doctors of medicine or osteopathy and who are authorized to practice medicine and surgery in one or more States, appointed by the Secretary.

(B) Four individuals who are not doctors of medicine or osteopathy, appointed by the Secretary.

(2) Appointments may be made under this subsection without regard to section 5311 (b) of title 5 of the United States Code.

(3) Members shall be appointed for the life of the Commission.

(b)(1) A vacancy in the Commission shall be filled in the same manner in which the original appointment was made.

(2) If any member of the Commission who was appointed to the Commission as a doctor of medicine or osteopathy loses the authorization to practice medicine and surgery in one or more States, or if any member of the Commission who was appointed from individuals who are not doctors of medicine or osteopathy becomes a doctor of medicine or osteopathy, such member may continue as a member of the Commission for not longer than the 30-day period beginning on the date such member loses such authorization or becomes a doctor, as the case may be.

(c)(1) Except as provided in paragraph (2), each member of the Commission shall be entitled to receive the daily equivalent of the maximum annual rate of basic pay in effect from time to time for grade GS–18 of the General Schedule for each day (including travel time) during which such member is engaged in the actual performance of the duties of the Commission.

(2) Members of the Commission who are full-time employees or appointed or elected officials of the United States shall receive no additional pay by reason of their service on the Commission.

(d) Five members of the Commission shall constitute a quorum of purposes of conducting the business of the Commission.

(e) The Chairperson and Vice-Chairperson of the Commission shall be designated by the Secretary.

DIRECTOR AND STAFF OF COMMISSION

SEC. 5. (a) The Commission shall, without regard to section 5311(b) of title 5 of the United States Code, have a Director who shall be appointed by the Commission and who shall be paid at the minimum annual rate of basic pay in effect from time to time for grade GS–18 of the General Schedule.

(b) The Chairperson may appoint such staff as such Chairperson considers appropriate and shall fix the pay of the staff.

(c) The Director and staff of the Commission may be appointed without regard to the provisions of title 5 of the United States Code governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, respectively.

(d) The Chairperson may procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code, at rates not to exceed the daily equivalent of the minimum annual rate of basic pay in effect from time to time for grade GS–18 of the General Schedule.

(e) Upon request of the Commission, the head of any agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this Act.

DUTIES AND POWERS OF THE COMMISSION

SEC. 6. (a) The Commission shall hold hearings at such times and places as are necessary to carry out this Act.

(b)(1) The Commission may issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to the liability of the United States for damages to a claimant under this Act. Such attendance of witnesses and the production of such evidence may be required from any place within the United States at any designated place of hearing within the United States.

(2) If a person issued a subpoena under paragraph (1) refuses to obey such subpoena or is guilty of contumacy, any court of the United States within the judicial district within which the hearing is conducted or within the judicial district within which such person is found or resides or transacts business may (upon application by the Commission) order such person to appear before the Commission to produce evidence or to give testimony relating to the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(3) The subpoenas of the Commission shall be served in the manner provided for subpoenas issued by a district court of the United States under the Federal Rules of Civil Procedure.

(4) All process of any court to which application may be made under this section may be served in the judicial district in which the person required to be served resides or may be found.

(c) The Chairperson of the Commission may secure directly from any agency of the United States information necessary to enable it to carry out this Act, except that the Commission may not secure information which is exempted from disclosure under section 552(b) of title 5 of the United States Code.

PROCEDURE FOR CLAIMS, HEARINGS, DETERMINATIONS, AND PAYMENTS

SEC. 7. (a) Any claim for relief under this Act shall be submitted in writing to the Commission within twelve months after the date of enactment of this Act.

(b) Within 120 days after the date that the Commission receives a claim for relief under subsection (a), the Commission shall hold a hearing to (1) determine, under the standards set forth in subsection (c), whether a claimant is eligible for damages under this Act, and (2) determine the amount of any damages that a claimant is due under this Act.

(c) A claimant is eligible for damages under this Act if the Commission determines that—

(1) the claimant filed a timely claim for damages under this Act;

(2) the claimant contracted Guillain-Barre Syndrome within 20 weeks after receiving an immunization in accordance with the swine flu program; and

(3) the claimant has not received an award in full settlement of the claims of such claimant against the United States with respect to injuries arising out of the swine flu program.

(d) Within 60 days after the conclusion of a hearing on a claim relief, the Commission shall make its determinations with respect to the eligibility of the claimant and the amount of any damages due.

(e)(1) Within 60 days after the date of its determinations under subsection (d), the Commission shall pay to the claimant the amount of any damages due such claimant under such determination.

(2) Any payment to a claimant under this section shall be in full settlement of all claims of such claimant against the United States arising out of the swine flu program.

REPORT

SEC. 8. The Commission shall transmit to the President and to each House of the Congress such interim reports as the Commission considers appropriate and shall transmit a final report to the President and to each House of the Congress not later than three years after the date of enactment of this Act. Each report shall contain a detailed summary of the determinations of the Commission which were based on hearings conducted pursuant to this Act, the amount of damages paid pursuant to this Act, and any recommendations which the Commission may have for legislative or administrative action.

TERMINATION

SEC. 9. The Commission shall cease to exist on the date designated by the Secretary as the date on which the work of the Commission has been completed.

DEFINITIONS

SEC. 10. For the purpose of this Act—

(1) "agency" has the meaning given such term in section 5551(1) of title 5 of the United States Code;

(2) "Commission" means the Guillain-Barre Syndrome Compensation Commission;

(3) "Secretary" means the Secretary of Health and Human Services; and

(4) "swine flu program" means the National Swine Flu Immunization Program of 1976 (42 U.S.C. 247b).●

By Mr. MATHIAS:

S. 2038. A bill to preserve, protect, and maintain the original boundary stones of the Nation's Capital; to the Committee on Energy and Natural Resources.

NATIONAL CAPITAL BOUNDARY STONES ACT

● Mr. MATHIAS. Mr. President, the question of a permanent site for the national seat of Government was debated by Congress from 1783 until 1791. In that year, President Washington signed into law an amendment to the Residence Act of 1790 expanding the site of the Nation's Capital to include the eastern shore of the eastern branch of the Anacostia River and including the Port of Alexandria, Va.

The site of our Nation's Capital was, thus, finally determined—a 100-square mile district, with boundary lines 10 miles on each of its four sides.

Perhaps because they feared the decision on a permanent site would somehow be abrogated, President Washington and Secretary of State Thomas Jefferson wasted no time in engaging a surveyor as well as private individuals to begin quietly purchasing property on behalf of the Government.

To survey and mark the boundaries of the new District of Columbia, Mr. Jefferson immediately commissioned Maj. Andrew Ellicott of Philadelphia.

Ellicott was a well-known surveyor possessing some of the most advanced surveying instruments in the United States at that time. Most of those instruments are now housed in the Smithsonian Institution.

Ellicott accepted the commission and quickly began looking for an assistant to make the astronomical observations upon which the survey lines and markers would be based. He turned to Benjamin Banneker, a free black man who was a friend and neighbor of his cousin in Ellicott Mills, Md.

Banneker, a self-taught astronomer, was over 60 at the time. He readily agreed to make the astronomical observations for the south corner stone while Ellicott and field crews did the actual surveying. Between February and April of 1791, Banneker made observations and mathematical calculations upon which the first stone marker was placed at Jones Point on the Potomac River in Alexandria, Va. Ill health forced him to return home in April.

Ellicott completed the survey and setting of markers—40 in all—by January 1793.

The 39-year-old surveyor described the marker stones, which were of sandstone quarried at Acquia, Va., as follows:

> Lines are opened and cleared forty feet wide that is twenty feet on each side of the lines limiting the Territory, and in order to perpetuate the work I have set up square mile stones marked progressively with the number of miles from the beginning on Jones' Point to the West corner thence from the West corner to the North corner to the East corner and from thence to the place of beginning on Jones' Point; except in a few cases where the miles terminated on declivities or in waters; the stones are then placed on the first firm ground, and their true distances in miles and poles marked on them. On the sides of the stones facing the Territory is inscribed, "Jurisdiction of the United States." On the opposite side of those placed in the commonwealth of Virginia is inscribed "Virginia." And on those in the State of Maryland, "Maryland." On the third and fourth sides, or faces, inscribed the year in which the stone was set up, and the conditions of the Magnetic Needle at that place.

Those sandstone markers are now 186 years old. They have fallen on hard times with no one really charged with their maintenance and upkeep. Yet they are important testimonials to the history of the founding of the Nation's Capital, the work of Andrew Ellicott and Benjamin Banneker and the history of early surveying and civil engineering in the United States.

The stones are category II landmarks designated by the Joint Committee on Landmarks of the Nation's Capital. This local designation means they should be preserved or restored, if possible. They are not, however, on the National Register of Historic Places although I understand the State historic preservation officers of the District of Columbia and Virginia are prepared to nominate them to the register.

In 1914, a committee of the District of Columbia Daughters of the American Revolution set about reclaiming the boundary markers. Over the course of the following 3 years, members of the DAR once again located the stones, secured "deeds" from affected property owners to place a fence, installed protective iron fences around them, marked them with a bronze plaque, and assigned continued maintenance responsibility for each stone to one of its chapters.

Were it not for this pioneering preservation effort by the Daughters of the American Revolution, it is very likely the boundary stones of the Nation's Capital would not have survived to today. But development, traffic, remote locations, and vandalism have all taken their toll. The DAR, while as committed as ever to continuing its stewardship role, can no longer assume the financial and personal burden necessary to assure the maintenance of these stones.

Thanks to the efforts of the National Capital section of the American Society of Civil Engineers, in cooperation with the DAR, and the National Capital Planning Commission, a conditions report was prepared on the stone markers as a bicentennial project.

That report titled, "Boundary Markers of the Nation's Capital: A Proposal for Their Preservation and Protection" is a careful history of the survey of the District of Columbia and the current status of the markers.

There are several stones overgrown with weeds; a few are missing; some have been relocated; some badly weathered. Yet others are well cared for by concerned citizens.

There is a clear need to fix responsibility for the stones and their protection and maintenance. It is with this purpose in mind that I am introducing legislation today that assigns responsibility for the preservation, protection, and maintenance of the boundary stones to the National Park Service. Such continuing maintenance needs are to be identified by the District of Columbia Daughters of the American Revolution and reported directly to the National Park Service Director for appropriate action. This arrangement, I believe, will continue the DAR's stewardship of those important historic markers and assure their continued maintenance.

A rough estimate of costs for surveying the stones, preparing a conditions report, and preparing a relocation, replacement and marker plan is $40,000 according to the National Capital section of the Society of Civil Engineers. They estimate that capital costs to replace protective fences, replace DAR markers, clean and protectively coat the stones against weathering, and trim the immediate area around those stones now neglected is $200,000. Once these initial costs have been borne, annual upkeep should be about $20,000.

The second purpose of my bill is to assure recognition for the two original surveyors of the Nation's Capital, and the history of their survey, its instruments and techniques. As I noted earlier, many of Andrew Ellicott's surveying instruments are held by the Smithsonian Institution. My bill directs the National Park Service in coordination with the Smithsonian to develop such a display, which I hope would be in one of the Smithsonian museums.

Mr. President, too often we find ourselves mourning the loss of some significant historical feature of our Nation. The boundary markers of the Nation's Capital are such endangered monuments of the history of the Federal City. Despite rather overwhelming odds these markers have survived 186 years. With just a little bit of care, they can be assured of preservation for decades to come.

Mr. President, I ask unanimous consent that several letters supporting the purposes of this legislation, together with the text of the bill, be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2038

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That this Act may be cited as the "National Capital Boundary Stones Act."

SEC. 2. (a) Congress finds that because of the deteriorating condition and neglect of the forty original boundary stones delimiting the ten mile square first set aside by the State of Maryland and the Commonwealth of Virginia as the "seat of government of the United States", there is a need to provide for the preservation, protection, and maintenance of such stones.

(b) The purposes of this Act are to—

(1) assign responsibility for the preservation, protection, and maintenance of the boundary stones;

(2) assure perpetuity of these important historic boundary stones for future generations of Americans to view and enjoy;

(3) provide an adequate mechanism for ensuring that the boundary stones are protected and maintained; and

(4) to make available to the public information, data, and items involving or pertaining to the history of the original survey of the Nation's Capital, including the surveyors, and the instruments and techniques used in connection therewith.

SEC. 3. (a) The Secretary of the Interior, acting through the National Park Service, shall have the responsibility for the preservation, protection, and maintenance of the boundary stones referred to in section 2 of this Act.

(b) Within the twelve month period following the date of the enactment of this Act, the Director of the National Park Service shall prepare and submit to the Secretary for his approval a program for preserving, protecting, and maintaining such boundary stones. Such program shall include—

(1) a location and condition survey of each corner stone and boundary stone, conducted in consultation with the District of Columbia Daughters of the American Revolution, which shall be referenced to the appropriate State Plane Grid Coordinate System with appropriate ties to property lines and which shall provide for the results to be shown on plats of survey in such form as may be suitable for recording purposes;

(2) with respect to each boundary stone located at each of the four cardinal points of the compass at the corners of the ten mile square delineating the original site of the Nation's Capital a plan for preserving, protecting, and maintaining such corner stones;

(3) with respect to each of the other boundary stones, a plan to preserve, protect, and maintain each such boundary stone;

(4) a relocation, replacement, and marker plan for those boundary stones which have been moved or which are missing or which cannot be placed in the original location;

(5) alternative plans for the long-term care, protection, and maintenance of the boundary stones which may include agreements among private individuals, the Federal Government, local governments of areas within the State of Maryland or the Commonwealth of Virginia within which such boundary stones are located, and the governments of the State of Maryland, the Commonwealth of Virginia, and the District of Columbia;

(6) a schedule and financial plan for providing such preservation, protection, and maintenance of such boundary stones; and

(7) in coordination with the Smithsonian Institution, a plan setting forth a display on the history of the survey of the District of Columbia conducted during the years 1791 and 1792, the original surveyors, the instruments and techniques used by such surveyors in conducting the survey of the District of Columbia, and surveying methods and techniques currently in use.

(c) Within the twenty-four month period following the date of the approval by the Secretary of the Interior of the program pursuant to subsection (b) of this section, the Secretary of the Interior, acting through the National Park Service, shall, in consultation with the District of Columbia Daughters of the American Revolution, implement such program and provide for the preservation, protection, and maintenance of such boundary stones.

SEC. 4. In carrying out the program approved pursuant to section 3 of this Act, the Secretary of the Interior is authorized to acquire, by donation, purchase with appropriated or donated funds, exchange, or condemnation, such lands and interests therein (including easements), together with improvements thereon, as may be necessary to carry out such program.

SEC. 5. Whoever willfully damages or removes any boundary stone referred to in this Act shall be fined not more than $500, or imprisoned not more than six months, or both.

SEC. 6. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C.

Mr. CHARLES CONRAD,
Executive Director, National Capital Planning Commission, Washington, D.C.

DEAR MR. CONRAD: We are pleased to comment on the revised publication entitled "Boundary Markers of the Nation's Capital" a proposal for their preservation and protection prepared by the staff of the Commission. We applaud the document and look forward to your continued leadership in assuring that these historic properties receive appropriate preservation.

The National Park Service strongly supports the preservation of the stones for their historical value to the Nation's Capital. We believe that this office, with the necessary legislative authority, could assume this responsibility and provide for the continued preservation and interpretation of the stones subject to appropriated funds.

We are pleased to offer the following comments on the recommendations in order form.

1. We concur with the concept that the stones should be in the ownership of the U.S. Government. However, some of the stones are located within private residential homesites. Thus, we do not agree that access for public viewing of the stones should be a mandatory requirement. Possibly easement for maintenance may be in order in these cases.

2. We support the recommendation of placing the stones on the National Register of Historic Places.

3. We feel that a special Office of the Keeper of the Boundary Stones is not necessary. However, we recommend that the responsibility for the care of the stones be clearly identified through the legislative process. The National Capital Region could assume this responsibility pursuant to legislation. We would be happy to work with the staff of the Commission on a legislative proposal.

4. Additional lands must be identified and funds appropriated in order to implement the recommendation that four Cornerstone Parks be created. Presumably, these parks would be contained in the legislative proposal.

5. The subject of the future use of the lighthouse at Jones Point should be left open for future planning discussion between National Capital Planning Commission and the National Park Service.

6. We concur in this recommendation.

7. We concur in this recommendation.

8. We concur in this recommendation.

9. We concur in this recommendation.

10. We concur in this recommendation.

The National Park Service looks forward to working with you and your staff on this project.

Sincerely yours,

JACK FISH,
Regional Director,
National Capital Region.

SMITHSONIAN INSTITUTION,
Washington, D.C., August 15, 1977.

Mr. MARTIN J. RODY,
Assistant Director, Special Projects Branch, National Capital Planning Commission, Washington, D.C.

DEAR MR. RODY: Although I had reviewed the attractively produced Boundary Stone Report some time ago, I failed to submit my comments before departure on extended absence outside the country. I am including them herewith in the event that they are still of interest.

The boundary stones and mile markers of the ten-mile square should become the property of the U.S. Government and placed under the care of an appropriate agency, such as the U.S. Park Service. The agency responsible for them should also be able to physically care for the stones with its own staff. It probably would be necessary to have an appropriate agreement with the District of Columbia, and the states of Maryland and Virginia before transfer to the U.S. Government can be achieved. Such a plan would completely eliminate any role in the project for the Daughters of the American Revolution.

It will be necessary to distinguish between care of or ownership of the stones themselves, and that of the land on which they are. Therefore, a first step will be to review the history of the land on which the stones are found, particularly that which is now private property. If indeed the stones are located precisely on, or by today's survey near, the boundary line between D.C. and the two states, the problem may be complex. Thus, it may be desirable to treat stones on public versus private property separately.

STONES ON PUBLIC PROPERTY

These stones, which include at least 23 of the total of 40 stones and a small portion of the land on which they are situated should become the property of an appropriate U.S. agency. The land involved might be as small as three feet square.

Wherever possible and practical, the stones should be restored. Where the stone has deteriorated beyond recognition it should be replaced with a replica. A protective barrier, similar to those erected by the DAR earlier in this century, would be appropriate, together with a label at each site describing the stone and its significance. As feasible, each of the markers should be retrevened to its original site, or as close to the actual location as possible.

STONE ON PRIVATE PROPERTY

Although it may not be difficult to obtain U.S. government control of the physical stones, it is not clear at this time whether control of a small parcel of land on which the stones are situated could ever become the property of the U.S. government. The stones themselves should be restored or replaced as noted for those on public property.

It may be necessary to develop individual agreements with each of the owners of private property concerning the erection of erecting a protective barrier and concerning access.

It would be eminently desirable to establish a park at one of the four corners of the original ten-mile square. One would be adequate. The south stone site at the Jone's Point lighthouse seems to be the most desirable location because of it prime role as the starting point of the survey and the site of Andrew Ellicott's base camp during the first phase of the boundary survey. Additionally, this site is already a park, on ground set aside for this purpose, and furthermore has a lighthouse structure of local and historical interest.

However, the South stone should be moved back from the water's edge to a safer location, with a replica on the actual site. Attractive outdoor displays could easily be erected to tell the history of the boundary markers.

Careful thought must be given to the practicality of establishing a museum facility at this location, or of converting the lighthouse to a museum. Although there is merit in having such a facility to preserve and display objects and documents associated with the boundary story, the physical location of a museum at any one of the four corner points removes it from proximity with local monuments and other national attractions by at least several miles, and the ratio of full-time museum staff required to the number of annual visitors may not be economically feasible. Of the four corners however, the South point remains the most desirable location for a museum, and its situation along the route between Washington, Alexandria and Mount Vernon is a factor in its favor.

One stone marker which is in good condition should be transferred to the Smithsonian or the Capital Park Service for preservation and display. The National Park Service operates a number of museum-type sites in the Washington area, and if they are to have the responsibility for maintaining the stones and their sites, it should be possible to include exhibits about the boundary surveys, including objects, into one of the museum locations currently under their jurisdiction, to supplement the outdoor displays at Jones' Point.

It is recommended that all stones, that are removed from the ground as fragments thereof, be preserved even if the stone is not totally recognizable.

Any preservative steps taken to maintain the markers in site should be done only after consultation with experienced experts. The Conservation-Analytical Laboratory of the Smithsonian Institution is available for consultation to provide information for this and other aspects of preservation.

There appears to be no justification for establishing a separate agency or organization to oversee the preservation and maintenance of the boundary markers. This function appears to be clearly within the jurisdiction of the National Capital Park Service. The inclusion of all the stone markers in the National Register of Historic Places is eminently desirable, and should be pursued as soon as feasible.

Sincerely,

SILVIO A. BEDINI,
Deputy Director.

THE COMMISSION OF FINE ARTS,
Washington, April 12, 1977.

Hon. DAVID M. CHILDS,
Chairman, National Capital Planning Commission, Washington, D.C.

DEAR MR. CHILDS: The Commission of Fine Arts reviewed the draft National Capital Planning Commission report on District of Columbia boundary markers. In his presentation to the Commission, Mr. Rody pointed out the historical significance of these very special monuments of the Washington plan. The Commission generally approves the concept of protecting them and establishing cornerstone parks and treating the intermediate stones with some degree of protection. We particularly endorse the preservation of the Jones Point Lighthouse and park as one of the elements of the program and hope that the conditions on this site can receive the immediate attention they deserve. Though we realize the Planning Commission recommendations may take some time to implement, the Commission of Fine Arts hopes to assist you with design-related matters as the project moves forward.

Sincerely yours,

J. CARTER BROWN,
Chairman.

BOUNDARY MARKERS OF THE NATION'S CAPITAL, A PROPOSAL FOR THEIR PRESERVATION AND PROTECTION

(Report of the Joint Committee on Landmarks, April 21, 1977)

The Joint Committee is pleased to have the opportunity to review and comment on this handsome and informative report on the Boundary Stones of the District of Columbia, a Category II Landmark of the National Capital.

The Joint Committee is in general agreement with Recommendations Nos. 1 through 6 and 10, and particularly supports the proposed preservation and use of the Jones Point Lighthouse, a Category II Landmark of the National Capital.

The Committee is concerned by the proposals in Recommendations Nos. 7 and 8 that the best preserved marker (Southeast No. 6) be removed and given to the Smithsonian and that other damaged stones be replaced by duplicates. The Department of the Interior's regulations state that National Register properties "should be moved only when there is no feasible alternative for preservation. When a property is moved, every effort should be made to reestablish its historic orientation, immediate setting and general environment." Unless the National Park Service is convinced that the property's historical integrity has not been destroyed by the move, the property will be deleted from the National Register. In view of the fact that the significance of the Boundary Stones is based almost entirely on their location the Committee recommends that every possible alternative to moving any of the markers from its original site be meticulously explored.

The Joint Committee is also concerned by the proposal in Recommendation No. 9 that the markers be treated with a protective coating. While the Committee agrees that every effort should be made to preserve the markers in situ and to protect them from further deterioration, it feels that great care must be used in choosing a method of treatment. The Committee recommends that a professional conservator with expertise in the preservation of stone surfaces be consulted before any such action is taken. The Committee further recommends that alternative means of in situ preservation be explored.

AMERICAN SOCIETY OF CIVIL ENGINEERS,
Washington, D.C., April 4, 1977.

Mr. CHARLES H. CONRAD,
Executive Director, National Capital Planning Commission, Washington, D.C.

DEAR MR. CONRAD: I want to express appreciation, on behalf of the officers and Board of Directors of the National Capital Section, ASCE, and of our Bicentennial Committee, for distributing with your memorandum of January 17th the copies of the Commission's report on the "Boundary Markers of the Nation's Capital."

This report, both as to its format and substance, has been very well received by our membership and is a commendable production. Also, we have taken especial pleasure in reviewing it, for, as you will recall, it was at the instigation of our Bicentennial Committee that the National Capital Section wrote on August 18, 1975 urging the National Capital Planning Commission to take the lead in developing recommendations for the preservation of the boundary stone markers.

I am now pleased to advise that our Board of Directors at its March meeting resolved to support the Commission's recommendations and further to recommend that a draft of legislation be prepared to establish federal jurisdiction and implement the report's ten recommendations. Our representatives are available to cooperate in this drafting process at your convenience.

Sincerely,

L. G. BYRD,
President.

AMERICAN SOCIETY
OF CIVIL ENGINEERS,
Washington, D.C., September 18, 1979.

Senator CHARLES M. MATHIAS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MATHIAS: The Nation's Capital is truly a city that is unique to the history and heritage of our nation. It was established in 1789 as the Seat of Government and actually marked on the ground in 1792 by the placement of sandstone monuments.

The area so marked formed a ten mile square parcel of land which was ceded to the United States by the State of Maryland and the Commonwealth of Virginia. Subsequently that portion ceded by Virginia was returned, but not before the stone markers had been placed. There were 40 stones installed and most of these still remain today.

Although they no longer serve as critical survey points, they do however serve as physical reminders of a significant part of our Nation's history and heritage. They remind us too of the work done by Benjamin Banneker and Andrew Ellicott in placing them. These stones should be protected and preserved for this and future generations, we believe.

The National Capital Section, after having worked with the staff of the National Capital Planning Commission and the Daughters of the American Revolution is of the opinion that the initiation of appropriate legislative action in the Congress could substantially enhance the establishment of a program of protection and preservation. With respect to this we have prepared and are enclosing A Prospectus For Preserving the Boundary Stone Markers of the District of Columbia.

This prospectus sets forth, in greater detail, background and support for legislation. There is also enclosed, as an attachment to the prospectus, draft legislation which would define an overall legal and formal responsibility for the stones as well as for the development of a program. The introduction of an appropriate bill would significantly aid in assuring the preservation and protection of these historical markers.

While you may note that the prospectus has been prepared by our Committee on History and Heritage, it has also been unanimously approved by our Board of Directors on September 11, 1979. We appreciate, therefore, the opportunity of furnishing you with this prospectus and for any support which you may find appropriate respecting this legislative need.

Sincerely,

WALLACE J. COHEN,
President.

Enclosure.

DISTRICT OF COLUMBIA
DAUGHTERS OF THE
AMERICAN REVOLUTION,
Washington, D.C., September 15, 1977.

Mr. MARTIN J. RODY,
Office of Special Projects,
National Capital Planning Commission,
Washington, D.C.

DEAR MR. RODY: Enclosed is a copy of the Resolution concerning the Federal City

Boundary Stones which was passed on March 1, 1977 at the State Conference of the District of Columbia Society of the Daughters of the American Revolution.

Please let me know if I should send copies to any one else.

The District of Columbia Society DAR appreciates your great help in having the Boundary Stone book printed. It has been well received by the members.

Sincerely,

Mrs. Arthur Edmon Bbown.

Resolution

Whereas the District of Columbia Daughters of the American Revolution was designated by the United States Government in 1914 as Steward of the Boundary Stones of the Federal City with supervision shared with Governmental Agencies; and

Whereas maintenance of these stones has been a heavy financial burden, and stones are placed on a long boundary and the often in areas difficult or dangerous to reach; and

Whereas after study, the National Capital Planning Commission has recommended that an Agency be created for maintenance of the stones and appropriate park areas, with Stewardship vested in the District of Columbia Daughters of the American Revolution, which is to make annual inspections and reports;

Resolved that the District of Columbia Daughters of the American Revolution cooperate with the National Capital Planning Commission in implementing the ten recommendations as set forth in the booklet entitled "Boundary Markers of the Nation's Capital"; and

Resolved that the District of Columbia Daughters of the American Revolution continue the care and stewardship of these important historic markers.

The above resolution was adopted at the 76th D.C. DAR State Conference, March 1, 1977.

Washington, D.C.,
September 5, 1978.

Mr. Martin J. Rody,
Assistant Director, Special Projects Branch, National Capital Planning Commission, Washington, D.C.

Dear Mr. Rody: Thank you for sending the Draft of a Bill to preserve the District of Columbia Boundary Stones. You are to be commended on your effort to preserve these historical markers. I sincerely appreciate your help in securing the printing of the Bicentennial book on the stones.

I continue to be terribly interested in the preservation of the Boundary Stones even though the present District of Columbia State Historian is now responsible for the Daughters of the American Revolution's care of the stones. The following are the names and addresses of the State Regent and the State Historian:

Miss Alice H. Wilson—D.C. State Regent—telephone 894-9049, 2118 Gaither Street, Hillcrest Heights, Maryland 20031.

Mrs. Richard Powell Taylor—D.C. State Historian—telephone 983-1999, 8801 Belmart Road, Potomac, Maryland 20854.

Again, sincere thanks for your assistance during the Bicentennial years.

Cordially,

Mrs. Arthur Edmon Brown.

The Maryland-National Capital
Park and Planning Commission,
Silver Spring, Md. March, 11, 1977.

RE: File No. 1502

Mr. Charles H. Conrad,
Executive Director,
National Capital Planning Commission,
Washington, D.C.

Dear Mr. Conrad: At our regular meeting held on March 10, 1977, the Montgomery County Planning Board reviewed your recently published report "Boundary Markers of the Nation's Capital."

As you requested we are reacting to the tentative recommendations of the National Capital Planning Commission beginning on page 31 of your report. Our Board approved the recommendations contained in the attached staff report for transmittal to your Commission.

We thought your report was very informative and well done.

Sincerely,

Royce Hanson,
Chairman.

Memorandum

To: Montgomery County Planning Board.
From: Community Planning Staffs.
Re: Mandatory Referral from the National Capital Planning Commission re Boundary Markers Preservation and Protection.

NATURE OF REFERRAL

The National Capital Planning Commission (NCPC) approved the circulation of a report, "Boundary Markers of the Nation's Capital—A Proposal for their Preservation and Protection." NCPC has invited comments and suggestions on the report which gives the history and background of the boundary stones and explains the present status of the stones and the problems now faced.

A background report provides a very informative review of the activities leading up to the selection of the present site of the District of Columbia as the Nation's Capital. It relates the state of surveying technology in the 1790's and the fact that Andrew Ellicott was engaged, along with a free black mathematician, Benjamin Banneker, to survey the 10-mile square Federal territory.

There has been a gradual deterioration of the boundary stones which were placed at each of the four corners and at each mile along the sides. Many have been buried or destroyed. In 1915 the Daughters of the American Revolution undertook to fence and preserve the stones but further effort on the part of the public is now felt to be necessary to preserve and protect the stones. The NCPC report is an attempt to create a public awareness of the problem and to suggest some actions to be taken.

COMMENTS ON NCPC RECOMMENDATIONS

Following are the general recommendations of NCPC and our staff reactions to them:

NCPC SUGGESTED RECOMMENDATIONS	MCPB STAFF RECOMMENDATIONS
1. All boundary stones should be in the ownership of the U.S. Government.	Agree.
2. The boundary stones should be placed on the National Register of Historic Places.	While they do have historic interest, the bounary stones should not rank with buildings where historic events occurred and which have architectural merit. They should retain the Category II Landmark designation.
3. An appropriate land managing agency or agencies should be given specific responsibility for the preservation and maintenance of the boundary stones and fences. An "Offices of the Keeper of the Boundary Stones" should be created.	Rather than create a new office or agency, the National Park Service should be assigned responsibility for the boundary stones.
4. A "Cornerstone Park" should be created at each of the four cornerstone markers.	This would be especially appropriate for the North Cornerstone which lies just off East-West Highway in the west portion of Silver Spring at the western extremity of the Falkland apartment complex. Subject to consideration of safety, a highway turnoff should be considered. An historical marker sign with explanatory text would be helpful to the visiting public. Ultimately a bikeway might provide additional access.
5. Create a "Boundary Stone Museum" at the lighthouse at Jones Point in Alexandria, Virginia, site of the South Boundary Stone.	We agree with the general concept but raise a concern over the annual cost of maintaining what would amount to a limited-purpose visitor center which is in an unprominent location. Instead, we suggest that an exhibit be added to the Smithsonian's Museum of History and Technology current display on surveying the National Capital.
6. For historical integrity, all boundary markers that have been moved should, if possible, be placed in their original location. Otherwise, plagues should indicate relocations.	Agree.
7. One of the mile markers should be acquired by the Smithsonian Institution for permanent preservation (probably S.E. No. 6).	Agree: It could be part of the display recommended in our comment on item 5 above.
8. Each of the missing, badly decayed stones, or broken stumps should be replaced.	Agree.
9. All of the stones should be treated with a protective coating.	Agree.
10. The DAR's role in the stewardship of these monuments should be continued.	Agree.

RECOMMENDATIONS

The Planning Board should approve the above comments for transmittal to NCPC.

THE MARYLAND HISTORICAL TRUST,
Annapolis, Md., February 3, 1977.
Attention: Mr. M. J. Rody.
Re: NCPC File No. 1502.
NATIONAL CAPITAL PLANNING COMMISSION.
G Street, NW.,
Washington, D.C.

DEAR MR. RODY: Please accept the thanks of the Maryland Historical Trust for the copy of "Boundary Markers of the Nation's Capital", (National Capital Planning Commission, Summer 1976), an attractive publication.

The Maryland State Historic Preservation office is ready to cooperate with the nomination of the boundary stones to the National Register Historic Places. In fact, I had thought the National Capital Planning Commission staff had prepared such a nomination several years ago.

The recommendations for preservation on the whole, seem sound. I do wonder why a separate, new federal agency was suggested as a custodian. I feel an existing agency could handle the responsibility.

Sincerely,
JOHN N. PEARCE,
State Historic Preservation Owner.

COUNTY OF FAIRFAX,
Fairfax, Va., February 11, 1977.
Mr. CHARLES H. CONRAD,
Executive Director,
National Capital Planning Commission,
Washington, D.C.

DEAR CHARLIE: The Office of Comprehensive Planning has reviewed your report, Boundary Markers of the Nation's Capital—A Proposal for Their Preservation & Protection. We make the following comments and recommendations:

1. Since some of these stones are in privately owned yards on suburban streets, it will be difficult, and perhaps undesirable, to assure public access to all the stones. Perhaps all the stones should be publicly owned, but visitors should be directed to concentrate on certain selected stones, such as the proposed cornerstone parks.

2. This office would be happy to cooperate in preparation of a nomination to the National Register if that would be desirable. (We have already prepared inventory forms on the stones listed in Fairfax County.)

This office endorses the remaining recommendations.

We appreciate the opportunity to have commented on this report.

Sincerely yours,
D. WAYNE PUMPHREY,
Acting Director.

COMMITTEE OF 100 ON THE FEDERAL CITY,
Washington, D.C., September 21, 1979.
Hon. CHARLES MATHIAS,
U.S. Senate,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR MATHIAS: When you spoke to the Committee of 100 last June, you indicated you would consider introducing legislation to provide for the preservation of the original boundary stones marking the boundaries of the District of Columbia in 1792.

We understand that a draft of such legislation with supporting documentation has been completed recently by the American Society of Civil Engineers in cooperation with the National Capital Planning Commission and is now presented for your consideration.

At its meeting of September 20, the Committee of 100 voted to support this proposal and advise you on its interest in seeing that the legislation was introduced and approved by the Congress at an early date.

Sincerely,
MRS. JAMES H. ROWE, JR.,
Chairman.

COMMONWEALTH OF VIRGINIA,
Richmond, Va., October 10, 1979.
Re: D. C. Boundary Stones, Fairfax County
Mr. Marion Morris
Legislative Assistant
Senator Charles McC. Mathias, Jr.
358 Russell Senate Office Building
Washington, D.C. 20510

DEAR MR. MORRIS: Thank you for sending the information on the D.C. Boundary Stones. The stones are a remarkable series of landmarks and I fully support the bill to guarantee their preservation. I trust you will keep me informed of action on the legislation and its implementation.

It is gratifying to know of Congress's interest in this matter.

With best wishes, I am
Sincerely,
TUCKER HILL,
Executive Director.

THE LEAGUE OF AMERICAN WHEELMEN, INC.,
Arlington, Va., January 30, 1977.
Re: NCPC File No. 1502
Mr. M. J. RODY,
N.C.P.C.
G Street NW.,
Washington, D.C.

DEAR MR. RODY: I find the boundary marker report to be excellent; a first class effort.

On page 27, picture No. 2 refers to S.W.–3 as an example of neglect. On page 28, SW–3 is said to be in good condition.

That's a minor comment; I'm proud of the report and I think N.C.P.C. did a terrific job.

Sincerely,
ALAN HIERKSEN.

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
Washington, D.C., November 26, 1979.
Hon. CHARLES McC. MATHIAS, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MATHIAS: It has come to our attention that you plan to introduce legislation to insure the preservation and maintenance of the remaining markers placed in the 18th century to identify the boundaries of the District of Columbia.

Mr. Robert L. Moore, the State Historic Preservation Officer for the District of Columbia, supports the proposed nomination of the boundary markers to the National Register of Historic Places. A copy of a report from Mr. Moore is enclosed.

We are ready to cooperate with the Maryland and Virginia State Historic Preservation Officers and the National Capital Planning Commission to find a workable solution to the preservation and maintenance of the boundary markers.

We appreciate your leadership in this matter.

Sincerely yours,
BARBARA C. WASHINGTON,
Assistant City Administrator for Intergovernmental Relations.

MEMORANDUM

To: Barbara Washington, Assistant City Administrator for Intergovernmental Affairs.

From: Robert L. Moore, State Historic Preservation Officer for the District of Columbia.

Subject: Preservation of the Original Boundary Markers of the District of Columbia.

It has come to my attention that there is growing concern and interest in the preservation of the remaining boundary markers set up by Andrew Ellicott during his 1791–1792 survey establishing the boundaries of the District of Columbia.

Thirty-eight of the original forty markers are extant, but many of them have been damaged over the years. They are designated Category II* Landmarks of the National Capital listed on the District of Columbia's inventory of historic places but are not listed in the National Register of Historic Places. The District's historic preservation office ought to work with the historic preservation offices in Maryland and Virginia toward the nomination and listing of the markers in the National Register.

As the National Capital Planning Commission's 1976 study showed, there are a number of possible steps which could be taken to insure the markers preservation. These possibilities ought to be studied further and a workable solution found before the markers suffer additional damage and deterioration.

I understand that Senator Mathias is going to introduce a bill calling for the markers preservation. The District of Columbia ought to assist Senator Mathias in anyway possible in this matter.●

By Mr. MAGNUSON:

S. 2039. A bill to amend the Congressional Budget Act of 1974 to limit the levels of total budget outlays contained in certain concurrent resolutions on the budget; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to order of August 4, 1977.

● Mr. MAGNUSON. Mr. President, I have a bill which I am introducing, which would limit Federal spending to a percentage of the gross national product (GNP).

It is an amendment to the Budget Act.

Congressman JAMES JONES has introduced a similar bill in the House.

The basic difference between the two versions is that, frankly, mine is tougher and more restricted.

This bill would place a cap of 21 percent on Federal spending in fiscal 1981.

It would be 20 percent in fiscal 1982, and 19 percent in fiscal 1983 and following years.

In the last 4 years, we have come a long way toward a balanced budget.

In fiscal 1976 the deficit was $79 billion.

In 1977 it was $68 billion.

In 1978 $48 billion.

In 1979 $27 billion and 1980 is expected to be about the same.

For fiscal 1980, the Appropriations Committee is already nearly $8 billion below the President's request.

I suspect that figure will be closer to $9 billion below the President by the time we finish all of the bills.

This amendment would be tougher than the congressional budget resolution which assumes 21.4 percent in fiscal 1981 and 20.6 percent in 1982.

If there were unusual circumstances—like a natural disaster or a war—the provisions in this bill could be overriden by a majority of the Members.

We are currently spending at a rate in excess of 21 percent.

I would point out that for every percentage drop in the GNP relative to Federal spending, $25 billion would be cut from Federal spending.

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*Landmarks of importance which contribute significantly to the cultural heritage or visual beauty and interest of the District of Columbia and its environs, and which should be preserved or restored if possible.

Mr. President, 68 percent of the voters in my State adopted an initiative earlier this month which imposes similar limitations upon spending in Washington State.

I urge quick action on this proposal. We will begin our hearings on the fiscal 1981 budget in less than 2 months.●

By Mr. NELSON (for himself, Mr. Huddleston, Mr. Culver, Mr. Baucus, Mr. Stewart, and Mr. Levin):

S. 2040. A bill to amend the Small Business Act to increase assistance to small businesses in exporting; to the Select Committee on Small Business.

SMALL BUSINESS EXPORT EXPANSION ACT OF 1979

● Mr. NELSON. Mr. President, for 40 consecutive months, the United States has run a trade deficit which reached a staggering $28.5 billion in 1978 alone. International commerce remains the province of the largest U.S. corporations as only 200 firms account for more than 85 percent of all U.S. exports. Substantial export expansion cannot occur unless many more companies are drawn into export trade. Small- and medium-sized companies are a virtual pool of untapped export potential and are an important key to solving our trade problems.

That is why I am today introducing the Small Business Export Expansion Act of 1979. I am pleased that Senators Huddleston, Culver, Baucus, Stewart, and Levin are cosponsoring this measure.

This comprehensive measure is designed to address the major obstacles faced by small businesses entering into international trade. First, the bill establishes a grant system for States or local jurisdictions to establish an individualized export assistance program for small businesses. All too often, small businesses lack the personnel to master customs documents, shipping and marketing in foreign countries and foreign languages. They are simply unable to develop an international marketing program.

Under the grant program established by title I of the bill, a State, port authority, small business development center or any other local jurisdiction would be eligible to receive a grant from the Small Business Administration to develop an individualized international marketing program for a business. Assistance, free of charge, would be provided in the following areas:

Analyzing markets to determine the nature of a company's export potential;

Training and advising on matters concerning export pricing, shipping, documentation, financing, and business customs;

Identifying and contacting potential foreign customers and distributors for a company's products; and

Managing and sponsoring foreign trade missions for participating firms to meet with prescreened buyers, distributors, sales representatives and organizations interested in licensing or joint ventures.

This provision of the bill will give small businesses the direct assistance they need to export successfully. It is modeled after the extremely successful international trade program run by the Massachusetts Port Authority and the Smaller Business Association of New England. In 2 years, this program has created $1.6 million in cash sales and there is estimated 2 to 3 times that amount in contracts outstanding.

Title II of the bill would help make the Federal Government more responsive to the problems of small business engaged in international trade. It would organize in the Commerce Department regional offices, one-stop information centers providing companies with all necessary information on Government export programs. These centers would be staffed by a full-time representative of the Commerce Department, the Small Business Administration, the Internal Revenue Service, the Export-Import Bank and the Overseas Private Investment Corporation. This title would not create any new job positions but it would mean improved staffing in Commerce's regional offices. In doing this, it will minimize the bureaucratic runaround that the businessman receives when he approaches his government with questions about export programs.

Title III of the bill amends the Small Business Act by explicitly authorizing the SBA to make loan guarantees to small business exporters under its normal business loan program and by authorizing the guaranteeing of bridge financing loans for small businesses with verified contracts for the sale of products overseas. All too frequently, a small businessman needs a working capital loan to help him complete the terms of a contract. Banks are reluctant to make such loans because of the risks involved and because they are short-term loans with low profitability. This title of the bill helps resolve this financing problem by having the SBA guarantee such loans to small business exporters and thus spreading the risk.

Finally, title IV of the bill provides equity financing to new-to-export firms by authorizing the SBA to guarantee a percentage of a loan made by a small business investment company.

Although the United States still leads the world in actual dollar volume of trade, the country's relative position has been deteriorating. U.S. exports rose from $34 billion in 1968 to $144 billion in 1978, but the U.S. share of world exports declined from 16.3 percent to 12.2 percent. At the same time, Japanese exports rose from $13 billion to $98 billion and Japan's share of world exports increased from 6 percent to 8.3 percent.

If exports were as important to our economy as Japan's are to its economy we would have exported an additional $69 billion worth of goods and services in 1978. That would have credited a positive balance of trade, provided a tremendous boost to job creation, strengthened the dollar, and helped fight inflation.

The United States has the worst export policy among the world's major trading nations, a survey of executives of the 1,000 leading industrial corporations shows. The survey, conducted by Egon Zehnder International, Inc., one of the world's largest management consulting firms, Japan has a 96 percent rating in promoting exports. The corporate executives gave the United States an 11 percent rating, a rating below that given to West Germany, Taiwan, France, Switzerland, Brazil and the United Kingdom.

A fundamental problem is simply that too few American businesses engage in export trade because they lack marketing knowledge. The Commerce Department estimates there are 20,000 U.S. companies which could export successfully, but do not. A key element of U.S. export policy must be to get these companies involved in international trade.

Small businesses have proven they are innovative enough, more productive and efficient enough, and more than ready to enter this field. But they need direct assistance to export successfully, and they need to spread the risk exporting creates. The Small Business Export Expansion Act will help small business successfully overcome these problems and contribute to a better balance of trade. This, in turn, will shore up the dollar abroad, increase employment at home, and help tackle one of our country's toughest domestic problems, inflation.

Mr. President, I ask unanimous consent that the Small Business Export Expansion Act of 1979 be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2040

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. This act may be cited as the "Small Business Export Expansion Act of 1979."

TITLE I—SMALL BUSINESS EXPORT EXPANSION ASSISTANCE

Sec. 101. Section 7(d) of the Small Business Act is amended by adding at the end thereof the following new paragraph:

"(3) (A) The Administration is authorized to make grants to a qualified applicant to encourage the development and implementation of a small business international marketing program. Each qualified applicant under this title may receive a grant not to exceed $150,000 annually: Provided, That no more than one-third of the total funds received under this section may be used for the purpose of hiring personnel.

"(B) (i) To be eligible for a grant under this paragraph, an applicant proposing to carry out a small business international marketing program must submit to the Administration an application demonstrating that, at a minimum, program services will be provided to small business concerns through outreach services at the most local level practicable; on the date of application, the applicant has an established working relationship with at least one international marketing office; the small business international marketing program will provide market analyses of the export potential of small business concerns, training and advice on export pricing, shipping, documentation, financing and business customs, identification of and development of contacts with potential foreign customers and distributors for small business and concerned products, arrangements and sponsorship of foreign trade missions for small business concerns to meet with identified potential customers, distributors, sales representatives, and organizations interested in licensing or joint ventures, and a plan describing how export promotion activities undertaken as part of a grant shall be coordinated with export promotion activities and progress administered by the Department of Commerce.

"(ii) Each small business international

marketing program shall have a full-time staff director to manage program activities, and access to export specialists to counsel and assist small business clients in international marketing.

"(C) (i) Each small business international marketing program shall establish an advisory board of nine members to be appointed by the Governor of the state in which the applicant is located. Not less than two-thirds of the members of each such board shall be small business persons or associations representing small businesses.

"(ii) Each advisory board shall elect a chairman and advise, counsel and confer with the staff director of the small business international marketing program on all policy matters pertaining to the operation of the program (including who may be eligible to receive assistance and how to maximize local and regional private consultant participation in the program).

"(D) The Administration shall maintain a central clearinghouse to provide for the collection, dissemination and exchange of information between small business international marketing programs.

"As used in this paragraph, the term "applicant" means a State agency or instrumentality thereof, or Administration-designated Small Business Development Center, or any combination of such entities, which will carry out an international marketing program; and the term "international marketing office" means a facility located in a foreign country which can identify potential foreign customers, establish contact with such customers or distributors and assist in the management and sponsorship of foreign trade missions for small business concerns.".

SEC. 102. Section 20 of the Small Business Act is amended by adding at the end thereof the following new subsection:

"(h) There are authorized to be appropriated to the Administration $7,650,000 for each fiscal year 1980, 1981 and 1982 to carry out the program provided for in section 7(d) (3).".

TITLE II—EXPORT PROMOTION CENTERS

SEC. 201. Section 4(b) of the Small Business Act is amended by redesignating subsection 4(b) as subsection 4(b) (1) and inserting at the end thereof the following:

"(b) (2) The Administrator, after consultation with the Secretary of Commerce, the Export-Import Bank of the United States, the Internal Revenue Service, and the Overseas Private Investment Corporation, shall establish a single Export Promotion Center in each regional office of the Department of Commerce.

The Export-Import Bank of the United States, the Internal Revenue Service, the Overseas Private Investment Corporation and the Administration shall each designate at least one full-time employee to serve as such agency's full-time representative in each such center. Each person designated by the Administration shall be familiar with the needs and problems of small business exporting and shall serve without regard to the provisions of Title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51, and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at a rate not less than the rate of GS–15 nor more than the rate of GS–17 of the General Schedule. Each Export Promotion Center shall serve as a one-stop information center on Federal Government export assistance and financing programs available to small business.".

SEC. 202. (a) Not later than six months after the enactment of this Act, the Administrator shall report to the Senate Select Committee on Small Business and the Committee on Small Business of the House of Representatives on the progress made in implementing the provisions of title.

(b) The Administration shall establish a plan for an evaluation of the international marketing program which may include the retaining of an independent concern to conduct such an evaluation. The evaluation shall be both quantitative and qualitative and shall determine the effectiveness of the program in developing and expanding small business exports. Such evaluation shall be submitted to the Senate Select Committee on Small Business and the Committee on Small Business of the House of Representatives by January 1, 1981, and annually thereafter.

TITLE III—SMALL BUSINESS EXPORT FINANCING ASSISTANCE

SEC. 301. Section 7(a) of the Small Business Act is amended by striking the word "sale:" and inserting in lieu thereof "sale, or exports:".

SEC. 302. Section 7(a)(3) of the Small Business Act is amended by striking the period at the end thereof and adding ", except that participation by the Administration shall be 90 per centum of the balance of the loan for export purposes which is outstanding at the time of disbursement.".

TITLE IV—SMALL BUSINESS INVESTMENT COMPANIES

SEC. 401. Title III of the Small Business Investment Act of 1958 is amended by adding at the end thereof the following:

"SEC. 320. The Administration, in its discretion may, by contract, make commitments to guarantee qualifying investments by small business investment companies licensed pursuant to this Act, subject to the following conditions:

"(1) Such contracts shall be limited as to each such company to a specified aggregate amount of the guaranteed portions of qualifying investments not to exceed the amount of such company's combined private paid-in capital and paid-in surplus. The aggregate amount of guarantee eligibility of each such company shall not at any one time exceed the amount specified in such contract less losses paid by and claims pending against the Administration, and the Administration's share of balances of such guaranteed investments remaining outstanding.

"(2) Such guarantees shall be granted only with respect to initial investments in eligible small business concerns, and with respect to subsequent investments made in the same concerns, after the effective date of this section, and shall not exceed 50 percent of each net investment loss, taking into consideration all recoveries and distributions received by such company, based on actual disbursements not exceeding the limitation of section 306(a) of this Act, without regard to anticipated profits.

"(3) Such guarantee shall be granted only with respect to an investment in a small business concern which is or will be engaged in a regular and continuous export business operation. In guaranteeing qualifying investments under this section, the Administration shall give preference to new-to-export small business concerns which have demonstrated that their product(s) are capable of penetrating the markets into which are exported. For purposes of this subsection, a "new-to-export small business concern" means (1) any small business concern which has not had direct or indirect export sales in excess of $1,000,000 in its five most recent fiscal years, or (2) any small business concern which has had no export sales in its three most recent fiscal years.

"(4) To qualify for a guarantee, each such investment shall require the prior written approval of the Administration as to the eligibility of the investment pursuant to this section. Each application for such approval shall be accompanied by a guarantee fee of 2 percent of the amount guaranteed, such fee to be refunded by the Administration in the event of disapproval or failure to consummate the investment. The Administration shall act upon each such application within fifteen working days from its receipt of such application. The Administration shall by regulation prescribe the form and content of such application.

"(5) If such company or any other person be determined pursuant to section 308(d) or 309 of this Act to have violated or failed to comply with any provision of this Act or of regulations prescribed thereunder, the Administration may, in its discretion, in addition to any other right or penalty to which the Administration may be entitled, void such contractual commitment, or suspend its effectiveness until such time as such violation or failure to comply has been cured.

"(6) Subject to the foregoing, the Administration shall, within 90 days after any claim of loss is filed with the Administration under the guarantee, pay to the claimant in cash the Administration's pro rata share of the guaranteed amount. The filing of a certificate of loss shall be presumptive evidence of the loss and the amount thereof. As a condition precedent to such payment, such company shall assign to the Administration the securities subject to the guarantee.".

SEC. 402. The table of contents of the Small Business Investment Act of 1958 is amended by inserting after "Sec. 319." the following:

"SEC. 320. Export Financing.".●

Mr. LEVIN. Mr. President, I am pleased to be a cosponsor of the Small Business Export Expansion Act of 1979.

I believe that U.S. industry has problems in exporting and the problems for small business are even greater. On April 12, 1979, The Senate Small Business Committee of which I am a member held hearings on the impact of the Multilateral Trade Agreement (MTA) on small business. At that hearing, the committee heard about obstacles which small business face trying to export, what various Federal agencies are trying to do to assist small business which have or desire to enter the field, and the potential overseas markets hold for this sector of our economy. On September 25 and 28, further hearings were held on small business and exports, which I cochaired. The conclusions which I drew from these hearings were that because of the MTA and other conditions, the potential for exports is there and becoming greater and this potential is not close to being realized. A second conclusion is that the U.S. export assistance programs are not providing the type of comprehensive services to small business that are needed if this potential is to be fulfilled.

The U.S. trade figures for 1978 revealed a deficit of nearly $28.5 billion. In terms of absolute dollars, the United States continues to be the world leader, but in percentage of GNP, we are the lowest of any industrialized nation. While I realize that petroleum imports account for some part of that deficit, it is also true that we are failing to fulfill the potential that U.S. goods have in overseas markets. Our policies must reflect the importance to the economy of increasing exports and the need to be aggressive in seeking outlets for our goods on overseas markets. Where does small business stand in this situation.

There are about 300,000 manufacturing firms in the United States. Only 25,000 export regularly, and 85 percent of our total exports can be attributed to 250 firms. Small business accounts for about 10 percent of our annual exports. The Department of Commerce estimates that an additional 20,000 to 30,000 small businesses could be exporting.

I might add that the failure of the United States to take advantage of export opportunities effects jobs. It is estimated that for every billion dollars of additional exports, 40,000 jobs are created. If we were able to balance our trade deficit by increasing our exports by $30 billion, 1.2 million new American jobs could be created. The potential is there; we only need to develop the means to capture it. I am concerned that the Federal Government make the means available for a small businessperson who might have the inclination to enter the export field.

Doing business overseas can appear to be overwhelming and often is a complicated task. But it is one that can be mastered and one in which good profits can be made. Our export assistance program must provide the know-how and help take that small businessperson through whatever procedures and around whatever barriers that they may encounter. That includes, but is not limited to: overseas market information; locating potential buyers; direct assistance abroad (with language and customs, et cetera); financing, insurance, international banking assistance; transportation of goods.

At present, a number of Federal agencies are involved in providing services to small businesses wishing to export: Department of Commerce, SBA, Export-Import Bank, OPIC, State Department, and Treasury. While they are beginning to work together, I believe that these services are still segmented and in developing a national export policy, we must look to providing a unified service approach to assisting small business.

The Small Business Export Expansion Act addresses a number of my concerns very well. First, it provides for a grant program to States for the purpose of implementing a small business international marketing program. Grants would not exceed $150,000 annually and the grant program would terminate after 3 years. The grantees would provide market analysis, advice on export pricing, shipping, financing and business customs, identification and establishment of contact with potential foreign buyers and arrangement and sponsorship of trade missions with prescreened buyers. By providing these services and other technical assistance to small businesses, I believe the incentive will be present for many small businesses who are now reluctant to enter the area because of lack of expertise and resources.

Second, the bill establishes in Commerce Department regional offices, one-stop information centers of Government export programs. This unified, or "one-stop" approach will make the Government work better for business and make export assistance more rational for the small businessperson, who will no longer have to run from one agency to another in order to assemble needed information on exporting. Finally, the act assists the small exporter with several financing programs. SBA will be authorized to provide financing to businesses who are in need of short-term working capital necessary to complete a contract and to guarantee investments by small business investment companies in new-to-export businesses.

The Small Business Export Expansion Act will address some of the problems small businesses face in developing overseas markets. It will benefit small business and also should benefit the entire economy by reducing our trade deficit. It is with great pleasure that I join several of my colleagues in cosponsoring this important piece of legislation.

By Mr. BOREN:

S. 2042. A bill to establish a procedure for congressional review of all proposed agency rules, and for other purposes; to the Committee on Governmental Affairs.

CONGRESSIONAL REGULATORY REVIEW ACT OF 1979

● Mr. BOREN. Mr. President, as a candidate for the U.S. Senate a year ago, I promised the people of Oklahoma that if they elected me I would never forget who sent me to Washington. I have not. Nor, Mr. President, have I forgotten why the people of Oklahoma sent me here.

I have heard from many people in Oklahoma who feel that government in general and the U.S. Government in particular has taken a firm, militant and unwelcome hold on all of our lives and furthermore our ability to do anything about it seems to diminish in direct proportion to the increasing interference.

This feeling is not limited to the borders of my State. Mr. President, it rolls on waves of anger and frustration to every corner of this country. The number of bills introduced in this session to reform the regulatory process grows steadily. One or more speeches echo through this Chamber every week decrying the cost, the growth and the need to control the unofficial fourth branch of Government—the Federal bureaucracy. The list of Senators who sponsor those bills and make those speeches cross all party and ideological lines.

In the face of all this, it is proper to ask why so little has been done—why does this creature of Congress continue to grow in size and power despite the perceived displeasure of its creator? The answer to that, Mr. President, is both complex and depressing and also the reason that I am today introducing my own answer to this dilemma—the Congressional Regulatory Review Act of 1979.

My proposal addresses itself to an elusive but fundamental element in the debate over regulatory reform. At the same time, it provides a solution to the very first problem facing citizens of this country who wish to do something about governmental encroachment.

The fundamental issue to which I refer, Mr. President, is the will of the Congress to act.

A strong case can be made that none of the reform measures now before us is really needed. Congress created the bureaucracy and Congress, with existing procedures, could instruct it, modify it or completely dismantle it—if Congress so chooses—if there is sufficient will for any of those actions.

In point of fact, from time to time, Congress has taken some modifying action, but there have been relatively few all out efforts to gain control.

It could be argued, Mr. President, that Congress has the will and the means to solve this problem, but cannot agree on the direction to take. Such a contention is not without precedent, as the energy debate of the last few years testifies.

However, we are moving on energy, Mr. President, and our differences on approach in the fields of synfuels and windfall profit and gas rationing and all the rest are being worked out in the give and take of the legislative process.

Certainly, the issues involved are no more complicated than the issues involved in the bureaucratic crisis and the effects on the American people are equally as costly.

The difference is that, for the moment, the energy crisis is more visable and most importantly, the American people know exactly where the responsibility rests for addressing this issue—in Washington, in the Congress.

I submit the same approach is needed in regulatory reform. If we give the American people a firm idea of where they can go to air their grievances against the bureaucracy, where they can go to receive a prompt and fair hearing, where they can go to find someone accountable—we will, at last, be making meaningful progress toward reform. I would be willing to predict something else, Mr. President, if we give the American people that kind of clear-cut, easily understood accountability where it ought to be—with their elected representatives, instead of the very agencies against whom their grievances are lodged—the will of those elected representatives to pursue these grievances will rise dramatically.

That is the purpose of my bill. It provides a congressional review of existing regulations and for those already in place. I want my constituents to know they can come to me to represent them in these matters and that I will have some realistic chance to help them if help is warranted.

There is no doubt in my mind that agencies who know that the rules they propose or employ will be reviewed by the Congress on behalf of the people will be more concerned about what Congress intended in granting the rulemaking authority and what the people want.

This would be true of executive department agencies and the so-called independent agencies, which—while they have been rightly insulated against undue pressure—were certainly never intended to be independent from the people.

Mr. President, I want to make it clear that I fully appreciate the good that regulatory agencies do produce, particularly in the health, safety, and environmental areas—areas, which I must also say, have been fertile grounds for abuse.

Senator RIBICOFF, chairman of the Governmental Affairs Committee, has pointed out the value of controls on patent medicines, meat and poultry inspection, pasteurization, aviation safety, highway safety, and drug testing among others.

These kinds of results were the intent of the Congress when they delegated authority to the appropriate agencies. Where we have failed is in not consistently and systematically following up to be sure our intent was reflected in the result.

There is no mischief, Mr. President, in the concept of delegating tasks, if you do not abdicate control at the same time. The Congress should and does bear the weight of ultimate responsibility and my bill accepts that responsibility and focuses public attention on it.

The bill calls for a legislative veto, Mr. President, and I am fully aware of the legal questions thus raised.

I have studied the issue and I agree with the statements made just last week by my good friend from New Mexico, Senator SCHMITT. The legislative veto "will vastly increase the effectiveness of the Congress in representing the concerns of our constituents with regard to lawmaking in the form of Federal regulations and in assuring agency compliance with the intent of Congress in national policy formulation."

There are 295 provisions of law containing legislative veto, Mr. President, and I agree with Senator SCHMITT that a court challenge is likely. I am equally confident of the outcome of such a challenge.

Mr. President, my introduction of this bill should not be taken as any lessening of the resolve I have to press for the passage of other regulatory reform efforts I have cosponsored.

In particular, I want to re-emphasize my support for Senator SCHMITT's amendment to the FTC authorization bill and for Senator LEVIN's "Agency Accountability Act of 1979" upon which I am the principal cosponsor.

I was particularly interested in Senator LEVIN's testimony before the Rules of the House Subcommittee of the House Rules Committee on November 15.

He recounted his experience as president of the Detroit City Council. It was an office in which Senator LEVIN had looked forward to working with the Federal Government "to help solve our community problems, to ease our financial burden, and to reduce our urban blight."

Instead, Mr. President, Senator LEVIN's testimony reflected what happened:

> I ended up battling it for much of that period. And, I found that oftentimes the agencies which we fought were acting either independently of or contrary to legislative intent. I realized that something must be wrong when local government officials, business people, and neighborhood residents spent more time fighting the federal entities that were created to serve and help them than they did the problems which these agencies were designed to solve.

Senator LEVIN concluded, as have I, that the Federal bureaucracy is running out of control. Only elected officials should ultimately make laws, because only they are fully accountable to the people. Anything short of that accountability is tyranny and not representative democracy. We can reestablish that accountability by giving Congress the power to veto bureaucratic rules and regulations.

Criticisms of today sound like echos of the Declaration of Independence itself. The declaration, in citing the abuses of the King, said:

> He has erected a Multitude of new Offices, and sent higher Swarms of Officers to harrass our People, and eat out their Substance."

The tyranny of bureaucracy raises its head again, as it did in 1776. This time it is not by license of any king, but by license of Congress. Congress has allowed this bureaucracy to become a tyranny. Congress has delegated the power to the bureaucracy. Congress can take it back. It is high time it did.●

By Mr. MELCHER:

S. 2043. A bill to provide for research in the diagnosis, prevention, and control of malignant tumors in domestic animals, poultry, and wildlife; to the Committee on Agriculture, Nutrition, and Forestry.

ANIMAL CANCER RESEARCH ACT

● Mr. MELCHER. Mr. President, I introduce and send to the desk the Animal Cancer Research Act.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2043

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Animal Cancer Research Act.

SEC. 2. Congress finds:

(a) that basic research on malignant tumors or cancers is essential to protect the health of domestic animals, poultry and wildlife, including birds;

(b) that carcinogenic agents have not been adequately identified in domestic animals, poultry and wildlife management;

(c) that basic research in diagnosis, prevention and control of malignant tumors in animals and birds has not been adequately coordinated;

(d) that significant theories of a common factor in malignant tumors, such as chorionic gonadotropin, have not been pursued in depth; and

(e) that research on diagnosis, prevention and control of cancer in animals and birds will be beneficial to identify any such common factors in both human and animal malignant tumors, if such exist.

SEC. 3. There is hereby authorized to be appropriated to the Science and Education Administration of the Department of Agriculture $1,500,000 for fiscal year 1980, $3,000,000 for fiscal year 1981 and $5,000,000 annually thereafter for the conduct of basic research on cancer in animals and birds at appropriate facilities within the Department of Agriculture or by grants to other qualified veterinary research facilities.●

By Mr. TOWER:

S. 2044. A bill to amend the Interstate Commerce Act by repealing 49 U.S.C., section 10729, dealing with incentive rates associated with capital investments; to the Committee on Commerce, Science, and Transportation.

CAPITAL INCENTIVE RATE ACT OF 1979

○ Mr. TOWER. Mr. President, I am today introducing a bill to repeal the authority of the Interstate Commerce Commission to establish rail common carrier freight rates under the capital incentive rate provision of the Railroad Revitalization and Regulatory Reform Act of 1976, the so-called 4-R Act. My bill would also permit the reopening and investigation of certain contested capital incentive rates now in effect or which may be made effective in the near future.

The capital incentive rate provision, formerly contained in section 15(19) of the Interstate Commerce Act, is now codified in the revised Interstate Commerce Act as section 10729, title 49, United States Code. The provision applies, essentially, to rail freight rate schedules which, if implemented, would require a total capital investment of $1 million or more. A rate becomes effective under the capital incentive rate section unless the Interstate Commerce Commission determines the rate to be unlawful within a period of 180 days after the rail carrier gives notice of intent to file the new rate. Once established, a capital incentive rate generally may not be suspended or set aside for a period of 5 years from its effective date.

The congressional intent in including the capital incentive rate section in the 4-R Act was to encourage shippers and carriers to negotiate rate agreements for innovative services requiring large capital investment in rail related facilities. In the words of the ICC, "There is no question that the primary purpose of the 4-R Act's capital incentive provision was to encourage large-scale negotiated rates."

Unfortunately, the real purpose of the provision, to encourage large-scale negotiated rates, has largely been thwarted by the language of the section itself. As approved by Congress, the provision contains no requirement for shippers and carriers to agree on the rate. Both the ICC and the only Federal court yet to construe the provision have ruled that the absence of such a requirement allows railroads to file unilaterally-imposed capital incentive rates.

Notwithstanding the laudable intent of the capital incentive rate provision, its application in practice often has had a devastating impact on shippers, particularly captive coal shippers such as coal-burning electric utilities and industries as previously noted, there is no requirement that the rates be negotiated, and many coal shippers simply do not have enough economic clout to be able to moderate the railroads' pricing demands on coal traffic.

Electric utilities and industries that burn western coal, or are in the process of converting their boilers from oil or gas to coal, are in an especially vulnerable position under these circumstances. Economic pressures of rising oil and gas prices, an increasingly strict Federal coal conversion policy, and clean air rules which penalize or preclude the use of high-sulfur coal have combined to place a high premium on relatively low-sulfur western coal. Western rail carriers have a virtual monopoly over coal transportation, and western railroads have used their market power to take full advantage of the situation.

As a result, in the only three capital incentive rate cases decided by the ICC, the railroads sought and the ICC sanctioned extremely high coal freight rates at a level far exceeding all costs associated with the movement of the coal.

These cases involved Arizona Electric Power Cooperative, Houston Lighting and Power Co., and Celanese Chemical Co. Each of these cases involved the transportation of western coal by western rail carriers and each rate was approved over the vigorous opposition of the shippers.

The coal freight rates approved by the ICC in these three capital incentive cases have made the realization of our energy policy goals more difficult and have placed an excessive burden on affected utility rate payers and industries. Yet under present law, these established capital incentive rates cannot be reopened or reviewed for 5 years.

Thus, despite the fact that the ICC in several subsequent noncapital incentive cases has altered the methodology it utilizes to decide coal rate cases, I believe it is time not only to repeal the capital incentive provision, but also to permit the reopening of existing rates established under that provision.

The bill I am introducing would repeal the capital incentive rate section. Any capital incentive rate which became effective prior to June 30, 1980, would remain in effect in accordance with its terms, but for no longer than 5 years from its effective date.

However, the ICC would be required, upon request of an affected shipper, to conduct an investigation into the lawfulness of any capital incentive rate which was contested by the affected shipper but nevertheless became effective prior to June 30, 1980. The ICC would be required to complete the investigation proceeding within 180 days of such a request, with the burden of proof in the proceeding being upon the carrier. Also, during the 5-year period, the ICC could order the rate revised at a level equal to the variable cost of providing the transportation if the ICC finds that the level then in effect reduces the going concern value of the carrier.

This bill will not achieve all that needs to be achieved in this policy area, but it is essential that this much be done now. Other, broader issues, such as those dealing with substantive standards in cases such as these, can and should be addressed in connection with pending legislation now being considered in the Committee on Commerce, Science and Transportation. I would be pleased to work with the members of the Commerce Committee to help further these needed policy changes.●

By Mr. DECONCINI:

S. 2045. A bill to provide for open meetings of the Judicial Conference of the United States and of each judicial council, public access to transcripts of meetings of the Judicial Conference of the United States and of each judicial council, and for other purposes; to the Committee on the Judiciary.

JUDICIAL CONFERENCE AND COUNCILS IN THE SUNSHINE ACT

Mr. DECONCINI. Mr. President, the Judicial Conference of the United States is the coordinating body of the Federal judiciary, established in 1922 by an act of Congress. The conference, first chaired by Chief Justice William Howard Taft, was conceived to be a body devoted primarily to assessing the need for and reassigning judges, and promoting uniform Federal procedures. The conference has been a moving force behind the streamlining of the Federal judiciary since its inception. It has taken primary responsibility for promulgating uniform rules of procedure, assessing the judicial needs of the various Federal districts and circuits, and advising the Congress on the state of the judicial system.

The conference has not been without critics, however. Even during the debate on the establishing legislation (H.R. 2103, 67th Cong.) Senator John Shields of Tennessee pressed an argument that is still heard today. Senator Shields feared that the conference would expand and encroach upon executive and legislative functions. He stated on the Senate floor:

> They should be wholly judges, always judges, and nothing but judges.

In the final vote, however, the necessity of having a coordinating body to direct the workload of the judiciary outweighed the concerns of Senator Shields and his allies. Yet those early criticisms of the conference have proven to be of some merit. Indeed, while sitting as members of the conference, judges are acting in more of an administrative and legislative fashion than in a judicial role. As a group, the conference makes position statements about matters of policy, enacts rules of conduct for judges, recommends procedural rules, and, when requested, offers advice to Congress on legislation affecting the judiciary.

Corresponding closely to the functions and goals of the Judicial Conference are those of the judicial councils. The functions of the judicial councils complement those of the Judicial Conference and include the formulation of policy and promulgation of orders that will expedite the effective administration of business by the courts within the circuit. The district judges within the circuit are required by statute to promptly carry into effect all orders of the judicial council. The functions of the judicial councils are, therefore, often quasi-administrative and quasi-legislative in nature and thus open to much of the same criticism as that directed at the Judicial Conference.

Mr. President, the quasi-legislative, quasi-administrative functions of the Judicial Conference does not disturb me as it did Senator Shields in 1921. As chairman of the Subcommittee on Improvements in Judicial Machinery, I can state that the conference, under the leadership of Chief Justice Warren Burger, has been one of the most effective and productive Government entities in upgrading the Federal judiciary. Chief Justice Burger, because of his prodigious work in judicial administration, has unquestionably secured for himself a place in history as one of the great Chief Justices.

The judicial councils, under the leadership of the chief judge of each circuit, have also been very successful in improving the administration of justice within their respective circuits. They have proved themselves to be invaluable and indispensable in the struggle to expedite the ever-increasing caseloads burdening the circuits.

For the Judicial Conference and circuit judicial councils to achieve these accomplishments while operating in a purely judicial role would be impossible, and not even a strict interpretation of the separation of powers doctrine requires judges to operate as "wholly judges, always judges, and nothing but judges." No serious student of the administration of justice would argue for sacrificing the Judicial Conference or councils on the altar of theoretical purity. Despite the hybrid nature of their functions, the accomplishments of those bodies have been a credit to the wisdom Congress showed in creating them.

There is one aspect of this hybrid nature that concerns me: The closed meeting policy of the conference and the councils. When a judge or panel of judges sits as a court, secrecy in the deliberation process is required to protect the opinion of the judges from outside pressures and to guarantee due process to the litigants. When a body of judges sits in a conference or council meeting to decide matters of court administration, however, there is no need for secrecy. Rather, the same considerations that caused Congress to enact open-meeting or "sunshine" legislation for itself and for administrative agencies apply to meetings of the Judicial Conference and councils. As Senator Sam Ervin stated in 1970:

> They certainly do not act as judges when they vote to approve or disapprove of pending legislation, or adopt rules of financial disclosure for their colleagues. Why, then, should the conference meet in secret? I believe that when judges act as policy makers and lobbyists, it follows that their discussions should be public. If the conference supports or opposes a bill, the Congress and the public should have free access to the conference's debate on that proposal. The Congress should know how carefully the Judicial Conference researches its position so that it can attach relative weights to them.

Mr. President, the powers of the judiciary are vested in men and women appointed for life who make their decisions on matters before the court in secrecy. The Founding Fathers wisely circumscribed this broad power by limiting the jurisdiction of the courts, and by vesting the power to organize the lower courts in the Congress. The Congress created the Judicial Conference and councils in furtherance of its duties to provide for the administration of Federal courts.

In maintaining the delicate balance of power between the Congress and the judiciary, it is important that Congress recognize that its creations, the Judicial Conference and councils, are not courts—that their judges do not sit as judges. They sit in a sense as administrators and legislators in their area of competence. In these proceedings and deliberations the judges are neither bound by legal precedent nor by jurisdictional requirements. The shroud of secrecy necessary to protect the impartiality of a judicial decision does not appropriately cloak the Judicial Conference and judicial councils. Rather, like the Congress and the various administrative agencies, the Judicial Conference and councils should conduct their meetings in public. Open meetings will in no way hinder proper function of those bodies. They will instead foster greater public understanding of and respect for the institutions and the men and women who conduct the affairs of the Government.

Mr. President, today I am introducing this important legislation which is entitled the "Judicial Conference and Councils in the Sunshine Act" and I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2045

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Judicial Conference and Councils in the Sunshine Act".

SEC. 2. (a) Chapter 15 of title 28, United States Code, is amended by adding the following new section immediately after section 334:

"§ 335. Open meetings of the Judicial Conference and the judicial councils.

"(a) The provisions of this section apply to the meetings of the Judicial Conference of the United States, each committee and subcommittee of the Judicial Conference, and each judicial council.

"(b) For purposes of this section, the term—

"(1) 'judicial entity' means the Judicial Conference of the United States, each committee and subcommittee of the Judicial Conference, and each judicial council of the circuits;

"(2) 'meeting' means a deliberation of at least the number of individual members required to take action on behalf of the judicial entity in which such deliberation determines or results in the joint conduct or disposition of official business, but does not include deliberations required or permitted by subsection (e) or (f); and

"(3) 'member' means, as the case may be, a member of—

"(A) the Judicial Conference of the United States;

"(B) any committee or subcommittee of the Judicial Conference of the United States; and

"(C) a judicial council of a circuit.

"(c) Members shall not jointly conduct or dispose of business of the judicial entity other than in accordance with this section. Except as provided in subsection (d), every portion of every meeting of each judicial entity shall be open to public observation.

"(d) Except in a case in which the judicial entity finds that the public interest requires otherwise, the second sentence of subsection (c) shall not apply to any portion of a meeting of that judicial entity, and the requirements of subsections (e) and (f) shall not apply to any information pertaining to such meeting otherwise required by this section to be disclosed to the public, if the judicial entity properly determines that such portion of its meeting or the disclosure of such information is unlikely to—

"(1) involve accusing any person of a crime, or formally censuring any person; or

"(2) disclose information of a personal nature and such disclosure would constitute a clearly unwarranted invasion of personal privacy.

"(e) (1) Action under subsection (d) shall be taken only when a majority of the entire membership of the judicial entity votes to take such action. A separate vote of the members of that judicial entity shall be taken with respect to each meeting a portion or portions of which are proposed to be closed to the public pursuant to subsection (d), or with respect to any information which is proposed to be withheld under subsection (d). A single vote may be taken with respect to a series of meetings, a portion or portions of which are proposed to be closed to the public, or with respect to any information concerning such series of meetings, so long as each meeting in such series involves the same particular matters and is scheduled to be held no more than thirty days after the initial meeting in such series. The vote of each member of that judicial entity participating in such vote shall be recorded and no proxies shall be allowed.

"(2) Whenever any person whose interests may be directly affected by a portion of a meeting requests that the judicial entity close such portion to the public for any of the reasons referred to in paragraph (1) or (2) of subsection (d), the judicial entity, upon request of any one of its members, shall vote by recorded vote whether to close such meeting.

"(3) Within one day of any vote taken pursuant to paragraph (1) or (2) of this subsection, each judicial entity shall make publicly available a written copy of such vote reflecting the vote of each member on the question. If a portion of a meeting is to be closed to the public, the judicial entity shall, within one day of the vote taken pursuant to paragraph (1) or (2) of this subsection, make publicly available a full written explanation of its action closing the portion, together with a list of all persons expected to attend the meeting and their affiliation.

"(f) (1) Each judicial entity shall publicly announce, at least one week before the meeting, the time, place, and subject matter of each meeting, whether it is to be open or closed to the public, and the name and phone number of the official designated to respond to requests for information about the meeting. Such announcement shall be made unless a majority of the members determines by a recorded vote that business requires that such meeting be called at an earlier date, in which case the judicial entity shall make public announcement of the time, place, and subject matter of such meeting and whether open or closed to the public, at the earliest practicable time.

"(2) The time or place of a meeting may be changed following the public announcement required by paragraph (1) only if the judicial entity publicly announces such change at the earliest practicable time. The subject matter of a meeting, or the determination to open or close a meeting, or portion of a meeting, to the public may be changed following the public announcement required by this subsection only if (A) a majority of the entire membership determines by a recorded vote that business so requires and that no earlier announcement of the change was possible, and (B) the judicial entity publicly announces such change and the vote of each member upon such change at the earliest practicable time.

"(3) Immediately following each public announcement required by this subsection, notice of the time, place, and subject matter of a meeting, whether the meeting is open or closed, any change in one of the preceding, and the name and phone number of the official designated to respond to requests for information about the meeting, shall also be submitted for publication in the Federal Register.

"(g) (1) For every meeting closed pursuant to paragraph (1) or (2) of subsection (d), the Chief Justice of the United States, the chief judge of the circuit, or the chairperson of the committee or subcommittee, as the case may be, shall publicly certify that in his or her opinion, the meeting may be closed to the public and shall state each relevant exemptive provision. A copy of such certification, together with a statement setting forth the time and place of the meeting, and the persons present, shall be retained by the judicial entity. The judicial entity shall maintain a complete transcript or electronic recording adequate to record fully the proceedings of each meeting, or any portion of a meeting, closed to the public.

"(2) Each judicial entity shall promptly make available to the public, in a place easily accessible to the public, the transcript or electronic recording of the discussion of any item on the agenda, or of any item of the testimony of any witness received at the meeting, except for such items of such discussion or testimony as the judicial entity determines contain information which may be withheld under subsection (d). Copies of such transcript, or a transcription of such recording disclosing the identity of each speaker, shall be furnished to any person at the actual cost of duplication or transcription. The judicial entity shall mantain a verbatim copy of the transcript, or a complete electronic recording of each meeting, or portion of a meeting, closed to the public, for a period of at least two years after such meeting.

"(h) (1) The Judicial Conference and each of the judicial councils shall, within one year after the date of enactment of this section and following published notice in the Federal Register of at least 30 days notice and opportunity for written comment by any person, promulgate regulations to implement the requirements of subsections (c) through (g) of this section. The regulations promulgated by the Judicial Conference shall apply to the Judicial Conference and to the committees and subcommittees of the Judicial Conference.

"(2) The Judicial Conference and each of the judicial councils shall transmit a copy of the complete text of each final rule to the Senate and the House of Representatives on the day on which the final rule is published in the Federal Register. No final rule shall become effective if, within 60 calendar days of continuous session of Congress after the date of transmittal of the rule to the Congress, either House passes a resolution stating in substance that that House does not favor any part or all of the regulations submitted pursuant to this section.

"(3) For the purposes of this subsection—

"(A) continuity of session is broken only by an adjournment sine die; and

"(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of calendar days of continuous session.

"(i) Any person may bring a proceeding in the United States District Court for the District of Columbia to require the Judicial Conference or any of the judicial councils to promulgate regulations if such regulations have not been promulgated within the time period specified in subsection (h). Subject to any limitations of time provided by law, any person may bring a proceeding in the United States Court of Appeals for the

District of Columbia to set aside regulations issued pursuant to this subsection that are not in accord with the requirements of subsections (c) through (g) of this section and to require the promulgation of regulations that are in accord with such subsections.

"(j)(1) The district courts of the United States shall have jurisdiction to enforce the requirements of subsections (c) through (g) of this section by declaratory judgment, injunctive relief, or other relief as may be appropriate. Such actions may be brought by any person against a judicial entity prior to, or within sixty days after, the meeting out of which the violation of this section arises, except that if public announcement of such meeting is not initially provided by the judicial entity in accordance with the requirements of this section, such action may be instituted pursuant to this section at any time prior to sixty days after any public announcement of such meeting. Such actions may be brought in the district court of the United States for the district in which the meeting is held or in which the judicial entity in question has its headquarters, or in the United States District Court for the District of Columbia. In such actions a defendant shall serve his answer within thirty days after the service of the complaint. The burden is on the defendant to sustain his action. In deciding such cases the court may examine *in camera* any portion of the transcript, electronic recording, or minutes of a meeting closed to the public, and may take such additional evidence as it deems necessary. The court, having due regard for orderly administration and the public interest, as well as the interests of the parties, may grant such equitable relief as it deems appropriate, including granting an injunction against future violations of this section or ordering the judicial entity to make available to the public such portion of the transcript, recording, or minutes of a meeting as is not authorized to be withheld under subsection (d) of this section.

"(2) Any Federal court otherwise authorized by law to review action by any judicial entity may, at the application of any person properly participating in the proceeding pursuant to other applicable law, inquire into violations by the judicial entity of the requirements of this section and afford such relief as it deems appropriate. Nothing in this section authorizes any Federal court having jurisdiction solely on the basis of paragraph (1) to set aside, enjoin, or invalidate any action by any judicial entity (other than an action to close a meeting or to withhold information under this section) taken or discussed at any judicial entity meeting out of which the violation of this section arose.

"(3) The court may assess against any party reasonable attorney fees and other litigation costs reasonably incurred by any other party who substantially prevails in any action brought in accordance with the provisions of subsection (i) or of this subsection, except that costs may be assessed against the plaintiff only where the court finds that the suit was initiated by the plaintiff primarily for frivolous or dilatory purposes. In the case of assessment of costs against a judicial entity, the costs may be assessed by the court against the United States.

"(k) The Judicial Conference and each of the judicial councils shall annually report to the Congress with respect to its compliance with the requirements of this section, including a tabulation of the total number of meetings open to the public, the total number of meetings closed to the public, and the reasons for closing such meetings. The report of the Judicial Conference shall include the information required under the first sentence of this subsection for each of the committees and subcommittees of the Judicial Conference.

"(l) Nothing in this section expands or limits the rights of any person under section 552 of title 5 of the United States Code, except that the exemptions set forth in subsection (d) of this section shall govern in the case of any request made pursuant to section 552 of such title to copy or inspect the transcripts or recordings described in subsection (g) of this section. The requirements of chapter 33 of title 44 of the United States Code, shall not apply to the transcripts or recordings described in subsection (g) of this section.

"(m) This section does not constitute authority to withhold any information from Congress, and does not authorize the closing of any meeting of a judicial entity or portion thereof required by any other provision of law to be open.

"(n) Nothing in this section authorizes any judicial entity to withhold from any individual any record, including transcripts or recordings required by this section, which is otherwise accessible to such individual under section 552a of title 5 of the United States Code.".

(b) The table of sections for chapter 15 of title 28, United States Code, is amended by adding immediately after the item relating to section 334 the following new item:

"335. Open meetings of the Judicial Conference and the judicial councils.".

ADDITIONAL COSPONSORS

S. 336

At the request of Mr. MATHIAS, the Senator from Illinois (Mr. PERCY) has been added as a cosponsor of S. 336, a bill to amend the Internal Revenue Code of 1954.

S. 736

At the request of Mr. DOLE, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of S. 736, a bill to amend the Internal Revenue Code of 1954 to clarify the standards used for determining whether individuals are not employees for purposes of employment taxes.

S. 1121

At the request of Mr. HAYAKAWA, the Senator from New Hampshire (Mr. HUMPHREY) and the Senator from Colorado (Mr. ARMSTRONG) were added as cosponsors of S. 1121, a bill to amend the Saccharin Study and Labeling Act.

S. 1693

At the request of Mr. MELCHER, the Senator from Arizona (Mr. DECONCINI) and the Senator from New Hampshire (Mr. HUMPHREY) were added as cosponsors of S. 1693, a bill to amend the National Labor Relations Act to provide that any employee who is a member of a religion or sect historically holding conscientious objection to joining or financially supporting a labor organization shall not be required to do so.

S. 1793

At the request of Mr. COCHRAN, the Senator from South Dakota (Mr. MCGOVERN), the Senator from Colorado (Mr. ARMSTRONG), the Senator from Pennsylvania (Mr. HEINZ), the Senator from South Carolina (Mr. THURMOND), the Senator from Wyoming (Mr. WALLOP), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. 1793, a bill to amend title 10, United States Code, to authorize the Secretary of the Army to establish an Army Reserve career interest program for persons between the ages of 14 and 18.

AMENDMENTS NOS. 582 AND 583

At the request of Mr. MELCHER, the Senator from South Dakota (Mr. MCGOVERN) was added as a cosponsor of amendments Nos. 582 and 583 intended to be proposed to H.R. 3919, an act to impose a windfall profit tax on domestic crude oil.

AMENDMENT NO. 627

At the request of Mr. DOLE, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of amendment No. 627 intended to be proposed to H.R. 3919, a windfall profit bill.

AMENDMENTS SUBMITTED FOR PRINTING

GI BILL AMENDMENTS ACT OF 1979—S. 870

AMENDMENT NO. 689

(Ordered to be printed and to lie on the table.)

Mr. PRESSLER submitted an amendment intended to be proposed by him to S. 870, a bill to amend title 38, United States Code, to extend the delimiting date for veterans under certain circumstances; to limit the time for filing claims for educational benefits based upon disability; to modify the standards of progress requirements; to modify the 50-percent employment requirements; to eliminate the requirements for counting BEOG's and SEOG's in the 85–15 enrollment ratio; to modify payment of educational benefits to incarcerated veterans; to permit certain foreign training; to pay benefits for certain continuing education programs; to strengthen statutory provisions on measurement of courses and on overpayment of educational benefits; to repeal the authority for pursuit of flight and correspondence training; to repeal the authority for pursuit of certain PREP training; and for other purposes.

VETERANS CAREER DEVELOPMENT ADVANCEMENT, AND TRAINING ASSISTANCE

Mr. PRESSLER. Mr. President, during the Senate consideration of S. 870, the GI Bill Amendment Act of 1979, I will call up an amendment which I am introducing today to provide needy and deserving disabled and Vietnam veterans meaningful careers, training, and advancement opportunities. The average Vietnam veteran is 34 years old, is married with two children, has more than a high school education, and desires and deserves a role in society comparable with his age, abilities, and aspirations. The majority of Vietnam combat veterans have been separated from the service more than 10 years and are no longer eligible for GI bill benefits.

The only readjustment and employment programs available to these veterans today are ineffectual social welfare programs which leave Vietnam veterans years behind their peers in opportunities and careers. My amendment would establish a career development, advancement, and training program. This program would accord Vietnam veterans the assistance and opportunities they need to acquire careers and roles in the labor force equal to those they probably would have attained had they not served their country during the Vietnam war.

The career development, advancement, and training program will allow needy veterans to use their earned GI bill entitlement to provide direct financial incentives to public and private employers to hire, train, and promote unemployed or underemployed veterans.

A veteran's acquisition of permanent full-time employment with advancement and training opportunities is a prerequisite to the allocation of any career development, advancement, and training allowances under the program.

Under a program of career development and advancement a veteran would be authorized to use readjustment entitlement to subsidize an employer for up to one-third of the cost of the veterans wages in a public or private sector job for a period of 6 to 18 months. The career development and advancement allowance would provide a direct financial incentive for employers to hire and/or promote qualified unemployed and underemployed Vietnam veterans for meaningful careers or to advance underemployed veterans in their current careers.

Under a program of career development and training the veterans earned readjustment entitlement would be used to reimburse employers for up to 50 percent of the veteran's training and wages. By directly subsidizing training costs, the program will encourage the hiring and training of veterans for specialized occupations. It will also provide the skill upgrading necessary to advance underemployed veterans in their chosen careers.

Employers participating in the program must agree that the employment and advancement opportunities will continue after the payment of careers development, advancement, and training allowances end. The allowance would vary from case to case. Vietnam era veterans (without service in Vietnam) would be able to draw on 6 months entitlement, veterans with service in the Indochina theater of operation on 9 months, and disabled veterans on 12 months. Veterans, who after counseling are determined to have serious readjustment, rehabilitation or employment problems, would be able to draw on 18 months entitlement.

The career development, advancement and training program will cost approximately $3,000 per veteran. This is far less than the cost of institutional training under the GI bill ($10,000), CETA public service employment ($7,800) or unemployment compensation to unemployed or underemployed veterans. The career development, advancement and training program is:

Drawn entirely upon existing entitlements;

"Sunsetted" and will terminate within 4 years after the effective date;

Needs tested, as veterans must be unemployed or underemployed to participate and be making less than $13,000 for disabled and combat veterans, or $11,000 for era veterans at the time of application to participate;

Designed to use existing delivery systems, generate a minimum of paperwork, and require no new staff other than those temporarily needed to handle applications for the program; and

Far less costly and more effective than the alternatives, which include education and training with no employment, opportunities under the current GI bill, unemployment, underemployment, public service employment, and the major social, economic and personal costs stemming from the failure of Vietnam veterans to make productive readjustment to society.

The Congressional Budget Office estimates that there will be 250,000 participants in the program at a 5-year cost of $723 million. This is half as much as the cost of a 15 percent cost-of-living increase in GI benefits. More importantly, however, this amendment will target the money to those Vietnam veterans that need it the most. With an effective date of September 1, 1980, the program is within the parameters of the fiscal year 1980 budget resolution.

I ask unanimous consent that there be printed at this point in the RECORD an analysis of the career development, advancement and training program and the text of my amendment.

There being no objection, the amendment and analysis were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 689

On page 57, between lines 19 and 20, insert a new title as follows:

TITLE VII—VETERANS CAREER DEVELOPMENT, ADVANCEMENT, AND TRAINING ASSISTANCE

SEC. 701. (a) Part III of title 38, United States Code, is amended by adding at the end thereof the following new chapter:

"Chapter 45—VETERANS CAREER DEVELOPMENT, ADVANCEMENT, AND TRAINING ASSISTANCE

"Subchapter I—Purpose; Definitions

"Sec.
"2101. Purpose.
"2102. Definitions.

"Subchapter II—Eligibility and Entitlement

"2103. Eligibility; entitlement; duration.
"2104. Time limitations for completing a program of career development or training.
"2105. Occupational and vocational counseling.

"Subchapter III—Enrollment

"2111. Selection of program.
"2112. Applications; approval.
"2113. Disapproval of enrollment in certain program.
"2114. Discontinuanee for unsatisfactory conduct or progress.

"Subchapter IV—Payments to Eligible Employers

"2121. Career development and advancement and career development and training allowances.
"2122. Computation of career development and advancement and career development and assistance allowances.
"2123. Payment of career development and advancement or career development and training assistance allowances.

"Subchapter V—Approval

"2131. Approval of programs.
"2132. Authority for approval.
"2133. Approval of career development and training programs.
"2134. Notice of approval of programs.
"2135. Disapproval of programs.
"2136. Overpayments to eligible employers.
"2137. Discontinuances of allowances; examination of records; false or misleading statements.
"2138. Change of program.
"2139. Compliance surveys.
"2140. Responsibilities of Secretary of Labor.
"2141. Veterans information and outreach.
"2142. Program effective and termination dates.

"Subchapter I—Purpose; Definitions

"§ 2101. Purpose

"The Congress hereby declares that a career development, advancement, and training program is created by this chapter for the purpose of—

"(1) extending the benefits of a meaningful career to qualified and deserving persons who might otherwise be unable to attain a career opportunity,

"(2) providing vocational readjustment and restoring lost career opportunities to those service men and women whose careers have been interrupted or impeded by reason of active military duty after August 4, 1964,

"(3) aiding such persons in attaining the vocational and occupational status which they might normally have aspired to and obtained had they not served their country, and

"(4) providing an opportunity for such persons to attain their full employment capability, to increase their earned income, and to attain economic self-sufficiency.

"§ 2102. Definitions

"For the purposes of this chapter—

"(a) (1) The term 'eligible veteran' means any veteran who—

"(A) served on active duty for a period of more than 180 days, any part of which occurred after August 4, 1964, and before January 1, 1977, and was discharged or released therefrom under conditions other than dishonorable;

"(B) contracted with the Armed Forces and was enlisted in or assigned to a Reserve component prior to January 1, 1977, and as a result of such enlistment or assignment served on active duty for a period of more than 180 days, any part of which commenced within twelve months after January 1, 1977, and was discharged or released from such active duty under conditions other than dishonorable; or

"(C) was discharged or released from active duty, any part of which was performed after August 4, 1964, and before January 1, 1977, or following entrance into active service from an enlistment provided for under clause (B) of this paragraph, because of a service-connected disability.

"(2) For purposes of paragraph (1)(A) of this subsection and section 1661(a) of this title, the term 'active duty' does not include any period during which an individual (A) was assigned full time by the Armed Forces to a civilian institution for a course of education which was substantially the same as established courses offered to civilians, (B) served as a cadet or midshipman at one of the service academies, or (C) served under the provisions of section 511(d) of title 10 pursuant to an enlistment in the Army National Guard or the Air National Guard or as a Reserve, Marine Corps Reserve, or Coast Guard Reserve unless at some time subsequent to the completion of such period of active duty for training such individual served on active duty for a continuous period of one year or more (not including any service as a cadet or midshipman at one of the service academies).

"(b) The term 'eligible employer', when used with respect to the employment of a veteran, means any public or private employer (other than a veteran who is self-employed) who meets the criteria set forth in this chapter and such other criteria as the Administrator considers necessary and appropriate.

"(c) The term 'dependent' means—

"(1) a child of an eligible veteran;

"(2) a dependent parent of an eligible veteran; and

"(3) the spouse of an eligible veteran.

"(d) The term 'career development and advancement program' means a program under this chapter that will assist an eligible veteran to acquire full-time permanent employment or to advance in such veteran's chosen career and to increase such veteran's earned income and economic self-sufficiency through a partial subsidy of such veteran's wages and benefits.

"(e) The term 'career development and training program' means a program under this chapter that will assist an eligible veteran to acquire full-time permanent employment, to advance in such veteran's chosen occupation, and to increase such veteran's earned income and economic self-sufficiency through a subsidy of training costs and partial subsidy of such veteran's wages and benefits.

"Subchapter II—Eligibility and entitlement

"§ 2103. Eligibility; entitlement; duration

"(a) Subject to the criteria set forth in section 2122 of this chapter, an eligible veteran is entitled to a career development and advancement allowance or a career development and training allowance in an amount equal to the amount of the entitlement of such veteran, and for the period of the entitlement of such veteran, remaining under the provisions of section 1502 or 1661 of this title.

"(b) Such entitlement may not exceed eighteen months of entitlement at the rate payable to a veteran pursuing a full-time program of institutional training as set forth in column II, III, IV, or V (whichever is applicable as determined by the veteran's dependency status) of section 1682(a)(1) of this title.

(c) A veteran described in clause (1), (2), or (3) of section 2122 (a) of this title whose annual income exceeds $13,000 or a veteran described in clause (4) of such section whose annual income exceeds $11,000 at the time of application for assistance under this chapter may not participate unless the Administrator determines that the participation of such veteran is necessary and appropriate for such veteran's readjustment, rehabilitation, or productive employment.

"§ 2104. Time limitations for completing a program of career development or training

"Notwithstanding the provisions of section 1662 of this title, an eligible veteran may pursue a program of career development and advancement or a program of career development and training if such person otherwise meets the eligibility criteria set forth in this chapter.

"§ 2105. Occupational and vocational counseling

"In addition to the counseling available under section 1663 of this title, the Administrator shall make available such additional occupational skills assessment counseling and assistance as the Administrator considers to be necessary and appropriate for the effective implementation of this chapter.

"Subchapter III—Enrollment

"§ 2111. Selection of program

"Subject to the provisions of this chapter, each eligible veteran may select a program of career development and advancement or a program of career development and training with an eligible employer to assist such veteran in attaining an occupational, professional, or vocational objective or advancement in such veteran's chosen career field (approved in accordance with the provisions of this chapter) selected by the eligible veteran, if such eligible employer hires such veteran into its regular work force with the expectation of permanent employment of the veteran after the training and career development assistance ends.

"§ 2122. Applications; approval

"Any eligible veteran who desires to initiate a program of career development and advancement or career development and training under this chapter shall submit an application to the Administrator which shall be in such form and contain such information as the Administrator shall prescribe. The Administrator shall approve such application unless the Administrator finds that such veteran is not eligible for or entitled to the career development and advancement or career development and training assistance applied for, that the veteran's program of career development and advancement or career development and training fails to meet the requirements of this chapter, or that the veteran is already qualified or such veteran's readjustment or employment would not be assisted or advanced by participation in such program.

"§ 2113. Disapproval of enrollment in certain program

"The Administrator shall not approve the enrollment of an eligible veteran in a career development and advancement or career development and training program of an eligible employer for employment—

"(1) which consists of seasonal, intermittent, or temporary jobs;

"(2) which pays less than $4 per hour (exclusive of benefits and other nonmonetary remuneration) unless the Administrator determines in a particular case that this clause shall not apply;

"(3) which is outside the United States or its territories or possessions;

"(4) under which commissions are the primary source of income;

"(5) which involves political or religious activities;

"(6) which is in an industry in which a substantial number of experienced and able workers are unemployed;

"(7) under which the job is above entry level, except when applicable personnel procedures and collective bargaining procedures regarding the advancement of currently employed workers are complied with;

"(8) which would result in the displacement of any currently employed worker (including partial displacement such as a reduction in the amount of non-overtime work); or

"(9) in a job which if filled would replace any worker who is on layoff or on strike.

"§ 2114. Discontinuance for unsatisfactory conduct or progress

"(a) The Administrator shall discontinue the career development and advancement allowance or the career development and training allowance of an eligible veteran if the Administrator finds that according to the standards that the Administrator may prescribe, or the regularly prescribed standards of the eligible employer, the veteran's conduct or progress is unsatisfactory. Unless the Administrator finds there are mitigating circumstances, progress will be considered unsatisfactory at any time the eligible veteran or person is not progressing at a rate that will permit such eligible veteran to complete training, retain such employment, or advance in such career field according to criteria set forth in this chapter or in agreements certified to the Veterans' Administration or within such other length of time (exceeding such approved length) as the Administrator determines to be reasonable in accordance with regulations.

"(b) The Administrator may renew the payment of the career development and advancement allowance or the career development and training allowance only if the Administrator finds that—

"(1) the cause of the unsatisfactory conduct or progress of the eligible veteran has been removed; and

"(2) the program which the eligible veteran now proposes to pursue (whether the same or revised) is suitable to the aptitudes, interests, and abilities of such veteran.

"Subchapter IV—Payments to eligible employers

"§ 2121. Career development and advancement and career development and training allowances

"The Administrator shall, in accordance with the applicable provisions of this title, pay to each eligible employer on behalf of each eligible veteran pursuing a program of career development and advancement or career development and training under this chapter an allowance to meet, in part, the expenses of such veteran's wages, benefits, and training and other necessary or appropriate costs.

"§ 2122. Computation of career development and advancement and career development and training allowances

"(a) Subject to the applicable provisions of subsections (b) and (c) of this section, an eligible employer participating in a program of career development and advancement or career development and training shall be paid a monthly assistance allowance not to exceed the amount set forth in section 1682 (a)(1) of this title for a veteran pursuing a full-time program of institutional training as is applicable as determined by the eligible veteran dependency status, for a period of—

"(1) eighteen months, for an eligible veteran who after counseling under the provisions of section 1663 of this title are found to be experiencing serious rehabilitation, readjustment, or employment problems that require an extension of the time period normally authorized to pursue a program of career development and advancement or a program of career development and training;

"(2) twelve months, for an eligible veteran with a service-connected disability who served on active duty during the Vietnam era and is entitled to disability compensation under laws administered by the Veterans' Administration;

"(3) nine months, for an eligible veteran who served on active duty in the Indochina theater of operations or Korea during the Vietnam era;

"(4) six months for all other eligible veterans of the Vietnam era.

"(b) The career development and advancement allowance paid to an eligible employer on behalf of an eligible veteran—

"(1) may not exceed one-third of the gross wages and benefit paid by such employer to such eligible veteran; and

"(2) may not exceed the amount of increased gross wages and benefits of any eligible veteran whose career is advanced under this program.

"(c) The career development and training allowance paid to an eligible employer on behalf of an eligible veteran—

"(1) may not exceed the lesser of the actual cost of training as provided in section 2133 of this title or 50 per centum of the wages and benefits paid by such employer to such eligible veteran, except when intensive training or additional training arrangements are necessary for veterans with severe employability problems, particularly for disabled veterans; and

"(2) may not exceed by more than twice the annual amount of increased gross wages and benefits of any eligible veteran whose career and income has been advanced through training under this program.

"(d) The career development and advancement allowance and career development and training allowance paid under the authority of this section shall be charged against the period of entitlement of eligible veteran under section 1661(a) of this title.

"§ 2123. Payment of career development and advancement or career development and training allowances

"(a) A career development and advancement allowance may not be paid to an eligible employer on behalf of an eligible veteran employed by such employer and pursuing a program of career development and advancement until the Administrator has received—

"(1) from such veteran a certification as to such veteran's actual employment and attendance during such period; and

"(2) from the eligible employer, a certification or an endorsement on the eligible veteran's certificate, that such veteran or person was satisfactorily employed and pursuing a program of career development and advancement during such period.

"(b) A career development and training allowance may not be paid to an eligible employer on behalf of an eligible veteran employed by such employer and pursuing a program of career development and training until the Administrator has received—

"(1) from such veteran a certification as to such veteran's actual employment, attendance, and training during such periods; and

"(2) from the eligible employer providing the training, a certification (or an endorsement on the veteran's certificate) that such veteran is employed and satisfactorily progressing while pursuing a program of career development and training during such period.

"Subchapter V—Approval

"§ 2131. Approval of programs

"An eligible employer may receive a career development and advancement allowance or a career development and training allowance on behalf of an eligible veteran in a career development and advancement program or a career development and training program offered by such employer only if such program is approved in accordance with the provisions of this chapter.

"§ 2132. Authority for approval

"Subject to the appropriate provisions of this title and such regulations the Administrator may prescribe, a program of career development and advancement or career development and training may be approved—

"(1) by the Secretary of Labor, a prime sponsor designated under section 101 of the Comprehensive Employment and Training Act or, in the case of a program of career development and training involving apprenticeship by an approving agency meeting the standards of apprenticeship published by the Secretary of Labor pursuant to section 2 of the Act of August 16, 1937 (commonly referred to as the 'National Apprenticeship Act') (20 U.S.C. 5a); or

"(2) by such other means as the Administrator may consider necessary and appropriate.

"§ 2133. Approval of career development and training programs

"(a) Any entity having authority under section 2132 of this title to approve programs under this chapter (hereinafter in this chapter referred to as an 'approving agency') may approve a program of career development and training (other than a program of apprenticeship) only if it finds that the career which is the objective of the training is one in which progression and appointment to the next higher classification are based upon skills learned through organized and supervised training (to include cooperative training as defined in section 1682(a)(2) of this title), and not on such factors as length of service and normal turnover, and that the provisions of subsections (b) and (c) of this section are met.

"(b) The employer or training establishment offering training which is desired to be approved for the purposes of this chapter must submit to the appropriate approving agency a written application for approval which in addition to furnishing such information as is required by the approving agency, contains certification that—

"(1) the wages and benefits to be paid the eligible veteran (including the career development and training allowance authorized under this chapter) are not less than the wages and benefits paid for the job for which the eligible veteran is to be trained;

"(2) the career development and training allowance paid to such employer does not exceed the actual cost of training the eligible veteran or 50 per centum of the wage paid to such veteran unless intensive training or additional training arrangements are necessary for veterans with severe employability problems and particularly for disabled veterans; and

"(3) there is reasonable certainly that the career or position for which the eligible veteran is to be trained will be available to such veteran at the end of the training period.

"(c) As a condition for approving a program of career development and training (other than a program of apprenticeship), the approving agency must find (upon investigation) that the following criteria are met:

"(1) The training content of the course is adequate to qualify the eligible veteran for appointment to the career for which such veteran is to be trained.

"(2) The career or position customarily requires full-time training for a period of not less than four months.

"(3) The length of the training period is not longer than that customarily required by employers and training establishments in the community to provide a person with the required skills and to arrange for the acquisition of job knowledge, technical information, and other facts which the eligible veteran will need to learn in order to become competent in the career or position for which such veteran is being trained.

"(4) Provision is made for related instruction for an individual eligible veteran who may need related instruction.

"(5) There is in the training establishment or place of employment adequate space, equipment, instructional material, and instructor personnel to provide satisfactory training on the job.

"(6) Adequate records are kept to show the progress made by each eligible veteran toward such veteran's career objective.

"(7) The course of training is not given to an eligible veteran who is already qualified by training and experience for the career or position.

"(8) A signed copy of the training agreement for each eligible veteran including the training program and wage scale as approved by the approving agency, is provided by the employer to the veteran, the Administrator, and the approving agency.

"(9) Reasonable efforts are made to provide special training and employment opportunities and working conditions for disabled veterans.

"(10) The program meets such other criteria as may be established by the approving agency.

"(11) There is a reasonable certainty that the position for which the eligible veteran was hired or the position to which the eligible veteran was promoted will be available to such veteran at the end of the period for which a career development and advancement allowance was paid to the eligible employer.

"(c) As a condition for approving a program of career development and advancement, the approving agency must find (upon investigation) that the following criteria are met:

"(1) The employer is in compliance with the provisions of section 2113 of this chapter.

"(2) The selection of eligible veterans for hiring, upgrading, promotion, or advancement is based upon the potential and qualifications of such veterans for the career or advancement the veteran is seeking.

"(3) The program of career development and and advancement provided eligible veterans with reasonable progression, resulting in qualification for a recognized position of greater skill, responsibility, remuneration, or career advancement in the service of such eligible employer.

"(4) Adequate personnel, attendance, and progress records are maintained.

"(5) The program is designed, to the extent feasible, so that additional vacancies are created for new entry level employment and training opportunities for women and members of minority groups (as determined by the Administrator in consultation with the Director of the Office of Personnel Management.)

"(6) Compensation is paid by the eligible employer at rates, including periodic increases, as are deemed reasonable, considering such factors as industry practice, skill requirements, individual proficiency, geographical region, and the eligible veteran's age, dependency status, and previous work experience.

"(7) The employer is financially sound and capable of fulfilling its commitments.

"(8) A comprehensive job description for each job or position for which approval is requested is made available.

"(9) The eligible employer does not exceed enrollment limitations as established by the approving agency.

"(10) If a career development and advancement program is for or from positions covered by a collective bargaining agreement, arrangements with the eligible employer to carry out the program have the concurrence of labor organizations representing employees in such positions.

"§ 2134. Notice of approval of programs

"The approving agency, upon determining that an eligible employer has complied with all the requirements of this chapter, shall issue a certification to such employer setting forth the jobs or positions which have been approved for a program of career development and advancement or a program of career development and training for the purposes of this chapter and shall furnish a copy of such certificate and any subsequent amendment of such certificate to the Administrator and to the Secretary of Labor. The certificate of approval shall be accompanied by a copy of a catalog or bulletin of the eligible employer, as approved by the approving agency, which shall contain the following information:

"(1) Date of certification and effective date of approval of programs.

"(2) Address and name of the eligible employer.

"(3) Authority for approval and conditions of approval, referring specifically to the approved catalog or bulletin published by the eligible employer.

"(4) Name and description of each job, career, position, or advancement opportunity approved.

"(5) If applicable, enrollment, hiring, and advancement limitations.

"(6) Signature of responsible official of the appropriate approving agency.

"(7) Such other fair and reasonable provisions as are considered necessary by the appropriate approving agency.

"§ 2135. Disapproval of programs

"Any program of career development and advancement or career development and training approved for the purposes of this chapter which fails to meet any of the requirements of this chapter shall be immediately disapproved by the appropriate approving agency. An eligible employer which has its program disapproved by an approving agency shall be notified of such disapproval by a certified or registered letter of notification, and a return receipt shall be secured.

"§ 2136. Overpayments to eligible employers

"Whenever the Administrator finds that an overpayment has been made to an eligible employer on behalf of a veteran enrolled in a program of career development and advancement or career development and training of such employer as the result of (1) the willful or negligent failure of such employer to report, as required by this chapter and applicable regulations, to the Veterans' Administration excessive absences from work, or discontinuance or interruption of a program of career development and advancement or career development and training by such veteran, or (2) false certification by an eligible employer, the amount of such overpayment shall constitute a liability of such employer and may be recovered in the same manner as any other debt due the United States. This section shall not preclude the imposition of any civil or criminal liability under any other law.

"§ 2137. Discontinuances of allowances; examination of records; false or misleading statements

"(a) (1) The Administrator may discontinue the career development and advancement or career development and training allowance paid to an eligible employer on behalf of an eligible veteran if the Administrator finds that the program of career development and advancement or career development and training or any job, career or position in which such veteran is enrolled or employed fails to meet any of the requirements of this chapter or applicable provisions of this title, or if the Administrator finds that the employer offering such program or employment has violated any provision of this chapter or fails to meet any of the requirements of applicable provisions of this title.

"(2) Any action by the Administrator under paragraph (1) of this subsection to discontinue (or suspend) assistance provided to an eligible employer on behalf of an eligible veteran under this chapter shall be based upon evidence that the eligible employer or eligible veteran is or was not entitled to such assistance. Whenever the Administrator so discontinues any such assistance, the Administrator shall immediately provide written notice to such employer and such eligible veteran of such discontinuance, including a statement of the reasons therefor.

"(b) Notwithstanding any other provision of law, the records and accounts of eligible employers pertaining to eligible veterans who have received career development and advancement or career development and training assistance under the provisions of this chapter or applicable provisions of this title, as well as other records which the Administrator determines necessary to ascertain compliance with the requirements of this chapter, shall be available at a reasonable time for examination by authorized representatives of the Government.

"(c) Whenever the Administrator determines that an eligible employer has willfully submitted a false or misleading claim, or that a veteran, with the complicity of an employer has submitted such a claim, the Administrator shall make a complete report of the facts thereof to the appropriate approving agency and, if considered advisable, to the Attorney General of the United States for appropriate action.

"§ 2138. Change of program

"(a) Except as provided in subsections (b) and (c) of this section, each eligible veteran may make not more than one change of program of career development and advancement or career development and training, but an eligible veteran whose program has been interrupted or discontinued due to the veteran's own neglect, or the veteran's own lack of application, shall not be entitled to any such change.

"(b) The Administrator may approve one additional change (or an initial change in the case of a veteran not eligible to make a change under subsection (a)) in program if the Administrator finds—

"(1) the program of career development and advancement or career development and training which the eligible veteran proposes to pursue is suitable to the veteran's aptitudes, interests, and abilities; or

"(2) in any instance where the eligible veteran has interrupted, or failed to progress in the veteran's program due to the veteran's own misconduct, the veteran's own neglect, or the veteran's own lack of application if there exists a reasonable likelihood with respect to the program which the eligible veteran proposes to pursue that there will not be a recurrence of such an interruption or failure to progress.

"(c) The Administrator may also approve additional changes in program if the Administrator finds such changes are necessitated by circumstances beyond the control of the eligible veteran.

"(d) As used in this section, the term 'change of program of career development and advancement or career development and training' shall not be considered to include a change from the pursuit of one program to pursuit of another when the first program is a prerequisite to, or generally required for, entrance, promotion, or advancement into pursuit of the second.

"§ 2139. Compliance surveys

"The Administrator shall periodically conduct compliance surveys of eligible employers offering one or more programs of career development and advancement or career development and training approved for the enrollment of eligible veterans under the provisions of this title. Such surveys shall assure that the eligible employer and the approved programs are in compliance with applicable provisions of this title.

§ 2140. Responsibilities of Secretary of Labor

"(a) The Secretary of Labor shall provide for the participation of eligible veterans and persons in career development and advancement and career development and training programs authorized under this Act and section 121(b) (2) (A) of the Comprehensive Employment and Training Act. In carrying out this responsibility, the Secretary of Labor shall consult with and solicit the cooperation of the Administrator. Actions by the Secretary of Labor under this section shall include the development of career development and advancement and career development and training programs, supportive services, technical assistance and training, support for community-based veterans programs, and such other programs or initiatives as are necessary to serve the unique readjustment, rehabilitation, and employment needs of veterans.

"(b) The Secretary of Labor shall make special efforts to acquaint eligible veterans with the career development and advancement and career development and training opportunities available under this chapter and to coordinate such opportunities with those activities authorized under chapters 41 and 42 of this title and other similar activities carried out by other public agencies and organizations.

"(c) Entities which are prime sponsors under the Comprehensive Employment and Training Act shall provide such arrangements (to include program approval) as may be necessary and appropriate to promote maximum feasible development and use of career development and advancement and career development and training programs and opportunities authorized under this chapter.

"§ 2141. Veterans information and outreach

"The Administrator, in consultation and cooperation with the Secretary of Labor and the Secretary of Health, Education, and Welfare, shall provide for an outreach and public information program utilizing, to the maximum extent, the facilities of the Department of Labor to exercise maximum efforts to develop career development and advancement and career development and training programs and opportunities for eligible veterans and to inform such veterans about employment, job development, advancement, and training opportunities under this title and other provisions of law, and to inform prime sponsors, Federal contractors and subcontractors, Federal agencies, labor unions, educational institutions, and employers of their legal responsibilities and opportunities with respect to such veterans and to provide them with technical assistance and training in meeting those responsibilities.

"§ 2142. Program effective dates and termination dates

"The programs of career development and advancement and career development and training established by this chapter shall become effective on September 1, 1980, in the case of eligible veterans with serious readjustment, rehabilitation, or employment problems, disabled veterans, veterans who served in the Indochina theater of operations or Korea, and eligible persons. Such programs shall become effective in the case of all other eligible Vietnam era veterans on April 1, 1981. An eligible veteran must apply for a program of career development and advancement or career development and training under the provisions of this chapter within eighteen months after the effective date of this chapter with respect to such veterans. No career development and advancement or career development and training allowance may be paid to an eligible employer on behalf of an eligible veteran after the end of the 36-month period beginning on the effective date of this chapter with respect to such veteran.".

(b) The tables of chapters at the beginning of such title, and at the beginning of part III of such title, are amended by adding after the item relating to chapter 43 the following new item:

"45. Veterans Career Development, Advancement, and Training Assistance ---------------------- 2101.".

On page 57, line 20, strike out "VII" and insert in lieu thereof "VIII".

On page 57, line 22, strike out "701" and insert in lieu thereof "801".

On page 57, line 24, strike out "702" and insert in lieu thereof "802".

On page 58, line 7, strike out "703" and insert in lieu thereof "803".

SECTION-BY-SECTION ANALYSIS

CAREER DEVELOPMENT ADVANCEMENT, AND TRAINING AMENDMENT

The amendment establishes a new chapter 45 at the end of part III of title 38 United States Code to provide for a program of "Veterans Career Development, Advancement, and Training Assistance".

Subchapter I—Purpose; Definitions

Section 2101—Purpose. Section 2101 defines the purpose of the Career Development Advancement, and Training to:

1. Extend the benefits of a meaningful career to eligible veterans and persons who might otherwise not be able to attain such career opportunities,

2. Provide vocational readjustment and restore lost career opportunities to persons

whose careers were interrupted or impeded by active military duty during the Vietnam era.

3. Aid such veterans in attaining the vocational or occupational status they might normally have aspired to and obtained had they not served their country;

4. Provide an opportunity for Vietnam veterans to attain their full employment capability and increase their earned income and economic self-sufficiency.

The purpose of the Career Development, Advancement and Training Program is the same objective as the educational assistance provided veterans under the GI Bill except the Career Development, Advancement and Training Program guarantees a veteran a job whereas institutional training provides him with education and training which may help him acquire a job. A meaningful career, or career advancement is the ends which the GI Bill was intended to be the means towards, but until the Career Development, Advancement and Training Program, could not insure.

Section 2102—Definitions. Defines "eligible veteran" as a veteran who served between August 4, 1964 and before January 1, 1977 and would otherwise be eligible for GI Bill benefits under chapters 31 or 34 of title 38 U.S.C.

(2) Defines "eligible employer" as any public or private employer excluding self employment that meets the criteria set forth in the program,

(3) Defines "dependent" as:

(a) a child of an eligible veteran;

(b) a dependent parent of an eligible veteran; and

(c) the spouse of an eligible veteran.

(4) A "Career Development and Advancement" program means a program that will assist an eligible veteran to obtain full-time permanent employment or advancement in their chosen career field and increase their earned income and economic self-sufficiency by partially subsidizing an employer's cost of the veterans wages and benefits (excluding training).

(5) A "Career Development and Training" program means a program that will assist an eligible veteran to obtain full time employment, advance in their chosen occupation, and increase their earned income and economic self-sufficiency through the partial subsidization of an employer's training costs, and a partial subsidization of the cost of the veterans' wages and benefits (including training).

Subchapter II—Eligibility and Entitlement

Section 2103—Entitlement.

Entitles a veteran to the amount of readjustment or rehabilitation entitlement they have earned under chapters 34 (Veterans Educational Assistance) or chapter 31 (Vocational Rehabilitation), and still have remaining for periods ranging from 6 to 18 months.

The Career Development, Advancement and Training Program draws solely from the readjustment or rehabilitation benefits veterans have already earned either for vocational rehabilitation (63 months of entitlement) or for education and training (45 months of entitlement). The vast majority of veterans (estimated 90 percent) have sufficient entitlement remaining to participate in the program if they are otherwise eligible. No veteran participating in the program would receive any more benefits than he has already earned or more than any other similarly circumstanced veteran not participating in the program is entitled to.

(b) Limits the entitlement to eighteen months payable at the rate the veteran would be paid (including applicable dependency status) if he were attending school full time under the GI Bill.

Thus an employer participating in a Career Development, Advancement and Training Program would receive in maximum subsidies no more a month than the veteran would receive each month if he were attending college.

(c) Imposes income limitations on veteran applying to participate in the program: $13,000 annual income for disabled and Indochina theater of operations veterans, and $11,000 for Vietnam era veterans who did not serve in Indochina. The Administrator is authorized to wave the income ceilings if he determines a veterans participation in the program is necessary and appropriate for the veterans readjustment, rehabilitation and/or productive employment.

The income ceilings will insure that the program is targeted to needy unemployed and underemployed veterans. The VA contends that 70 percent of Vietnam era veterans have incomes in excess of $13,000, thus unless they demonstrated need they would be ineligible to participate. This will limit the cost of the program while only having a small effect on program effectiveness. Under the current GI Bill many of the most needy and deserving veterans can not afford to participate in training, while many veterans who are less needy are receiving full benefits for attending community colleges at night. The use of the current GI Bill has been and still is inverse to the need for readjustment assistance. The Career Development, Advancement and Training Program's use will be directly related to unemployed and underemployed veterans who have the greatest need for employment, training, and advancement assistance.

Section 2104 Waiver of time limitation for program completion.

This section waives the 10 year "delimiting period" for use of readjustment benefits.

This provision will insure that needy veterans who are otherwise eligible will be able to participate in the Career Development, Advancement and Training Program notwithstanding that they have been separated from the service for more than ten years.

Section 2105 Occupational and vocational counseling.

This section entitles eligible veterans to vocational and occupational counseling authorized under chapter 34 and such additional counseling as may be necessary and appropriate for an effective Career Development, Advancement and Training Program.

Subchapter III—Enrollment

Section 2111 Selection of program.

This section authorizes a veteran to select a program provided it complies with the provisions of this act and results in fulltime permanent employment after the employer's Career Development, Advancement and Training subsidy ends.

Section 2112 Applications and approval.

Authorizes the Veterans Administrator to devise application forms containing relevant requests for information to determine eligibility, and to disapprove persons who are ineligible or already qualified.

Section 2113 Disapproval in certain programs.

This section precludes Career Development, Advancement and Training Programs for:

1. Seasonal, intermittent, or temporary jobs,

2. Jobs that pay less than $4.00 an hour,

3. Jobs outside of the United States and its possessions,

4. Jobs where commissions are the primary source of income,

5. Jobs that involve political or religious activity,

6. Jobs found in industries with substantial numbers of experienced and able workers who are unemployed,

7. Jobs above entry level unless collective bargaining and applicable personnel procedures are complied with.

8. Jobs that would displace currently employed workers,

9. Jobs that would replace workers on layoff or strike,

10. Self-employment.

Section 2114 Discontinuance for unsatisfactory conduct or practice.

Authorizes the Administrator to discontinue payments for unsatisfactory progress, and establishes criteria for renewing payments.

Subchapter IV—Payments to Eligible Employers

Section 2121 Authority for payment of allowances to employers.

This section authorizes to pay eligible employers Career Development, Advancement and Training Allowances.

Section 2122 Computation of allowance payments.

A Career Development and Advancement Allowance will be paid to an eligible employer to partially subsidize the wages of an eligible veteran who is permanently employed by such employer for a period of 6 to 18 months. The allowance can not exceed one third of the monthly wages paid to the veteran or the monthly amount the veteran would receive in chapter 34 (educational) benefits for full time training predicated upon his or her dependency status.

The sliding scales would provide incentive for employers to hire disabled and combat veterans and advance veterans to higher paying positions because of greater Federal subsidation: Maximum allowances under the program would be:

(A) Veterans and eligible persons determined after counseling to have serious rehabilitation, readjustment or employment problems up to eighteen months of entitlement would be permited:

1. No dependents, $5,598.
2. One dependent, $6,660.
3. Two dependents, $7,596.
4. Each additional dependent, $468.

(B) Disabled veterans would be entitled to 12 months of assistance:

1. No dependents, $3,732.
2. One dependent, $4,440.
3. Two dependents, $5,064.
4. Each additional dependent, +$312.

(C) Veterans who served in the Indochina Theater of Operations and Korea and eligible persons would be entitled to 9 months of assistance:

1. No dependents, $2,799.
2. One dependent, $3,330.
3. Two dependents, $3,800.
4. Each additional dependent, +$224.

(D) Vietnam era veterans who did not serve in Indochina and Korea would be entitled to 6 months of assistance:

1. No dependents, $1,866.
2. One dependent, $2,220.
3. Two dependents, $2,799.
4. Each additional dependent, +$156.

The majority of veterans would fall into category (D) thus the cost per veteran placed, advanced or trained would be kept to a minimum.

The allowance could not exceed the amount of wage increase in the case of a veteran whose career is advanced through promotion under the program. A promotion from a $12,000 job to a $13,500 job would entitle an eligible employer to a career advancement allowance of $1,500.

A career development and training allowance will be paid to cover the actual cost to training and a partial wage subsidation not to exceed fifty percent of the wages and benefits paid to an eligible veteran or person. Exceptions are permitted where intensive training or additional training arrangements are necessary for persons with severe employability problems particularly disabled veterans. Criteria for approval are established in the legislations. The training allowance cannot exceed twice the annual amount of increased wages of a person whose career and income is advanced under this program.

Thus the VA could pay up to $4,000 if

that were the actual cost of training to increase a $10,000 career to $12,000.

The career development advance and training allowances paid eligible employers will be drawn against the existing GI Bill entitlement of eligible veterans and persons in the amount used.

Section 2123. Payment of career development advancement and training allowances.

No employer will be paid a career development and advancement allowance or a career development and training allowance unless the Veterans Administrator has received:

1. from the veteran or eligible person a certification or voucher certifying his/or employment attendance and wages during the period for which payment is sought.

2. from the employer a certification, voucher or endorsement of the eligible veterans or persons voucher or certification of such persons employment, attendance and wages.

Where the program involves training the certification or voucher must also attest to satisfactory progress in the required training.

This system of employee-employer checks and balance will preclude abuse of and fraud in the program and is compatible with the system used in VA OJT and Apprenticeship benefit programs.

Subchapter V—Approval

Section 2131. Approval of programs.

Provides that no career development, advancement or training payments shall be made unless programs are properly approved.

Section 2132. Authority for approval.

Subject to the provisions of program, title 38 and such regulations the Administrator may prescribe a program may be approved by:

1. A State Approving Agency authorized under chapter 36 of title 38.

2. The Secretary of Labor.

3. A CETA prime sponsor subject to the provisions of this act.

4. An approving agency meeting the standards of apprenticeship publicized by the Secretary of Labor.

5. By such other means as the Administrator deems necessary and appropriate.

Section 2133. Approval of career development and training programs.

Establishes comprehensive standards for approval of career development and training programs to insure quality training programs and preclude abuse. The standards are comparable to those required for Veterans Administration on the Job Training Programs.

Establishes comprehensive standards for the career development and advancement program to insure program effectiveness and preclude abuse. Assures that high standards in hiring and promotion are adhered to. The criteria are similar to those required of CETA skill upgrading programs.

Section 2134. Notice of approval of programs.

Provides for the announcement of approved programs, and a discretion of career development and advancement and career development and training opportunities offered by such employers.

Section 2135. Disapproval of programs.

Provides for the disapproval of programs failing to meet the requirements of the program, and notification of disapproval.

Section 2136. Overpayments to eligible employers.

Provides for the collection of overpayments as a result of willful misconduct or false certification on the part of an employer in the manner of debt owed to the United States.

Section 2137. Discontinuance of allowances; examination of records; false or misleading statements.

This section grants the necessary authority to insure program quality, prevent abuse, and make necessary evaluations. It also grants the Administrator the authority to prevent and take action against false and misleading statements.

Section 2138. Change of program.

Authorizes one change of program. Provides sanctions and counseling provisions for veterans who are not satisfactorily progressing in their programs.

Section 2139. Compliance surveys.

Authorize the Administrator to make compliance surveys of participating employers.

Section 2139. Cooperation.

Requires extensive and comprehensive cooperation and coordination with the Department of Labor in the implementation of the program to include:

1. Approval of eligible employers.

2. Development and enforcement of approval standards

3. Development of informational material as may be necessary for the program.

Section 2140. Department of Labor responsibilities.

Requires the Secretary of Labor to take appropriate steps to provide for participation of eligible veterans and persons in career development and advancement and career development and training programs; in cooperation with the Veterans Administration. Such steps include program development, supportive services, technical assistance and training, support for community based veterans programs, and such other programs or initiatives as are necessary to serve the unique readjustment, rehabilitation and employment needs of veterans. These steps are mandated Department of Labor Responsibilities under CETA.

This section requires CETA prime sponsors to develop in cooperation with the VA approval arrangements.

Section 2141. Veterans information and outreach.

Requires the Veterans Administration in cooperation with other Federal agencies to carry out a comprehensive outreach and information program to develop career development and advancement and career development and training opportunities for eligible veterans.

Section 2142. The effective date of this program is as follows:

September 1, 1980 for those veterans, who after counseling are determined to have serious, readjustment, rehabilitative or employment problems, for disabled veterans, and for Indochina theatre of operations veterans; March, 1981 for Vietnam era veterans.●

WINDFALL PROFIT TAX—H.R. 3919

AMENDMENT NO. 690

(Ordered to be printed and to lie on the table.)

Mr. JOHNSTON submitted an amendment intended to be proposed by him to H.R. 3919, an act to impose a windfall profit tax on domestic crude oil.

OIL IMPORT RESTRICTIONS

Mr. JOHNSTON. Mr. President, I intend to offer an amendment to H.R. 3919 with the concurrence of the distinguished floor manager for the majority (Mr. LONG) that the Senate reaffirm its position that the Congress should have a role in any decision by the President to impose a quota on the total volume of petroleum imported into the United States or a substantial fee, duty or tariff on such imports.

On October 30, 1979, by a vote of over 3 to 1—70 to 23—the Senate adopted the concept embodied in the language I am offering today. That vote added an amendment to S. 1871, a bill extending the life of the provisions of the Energy Policy and Conservation Act which provide a limited antitrust defense to oil companies participating in the international energy program. Subsequently, the House of Representatives returned S. 1871 to the Senate on the grounds that this amendment, while not necessarily objectionable on substantive policy grounds, nevertheless infringes on the prerogatives granted to the House under the Constitution to originate legislation affecting the revenues of the Federal Government. I recognize this strongly held view of the House.

I am, therefore, offering essentially the same amendment to H.R. 3919, a revenue bill (of immense revenue proportions) which in fact originated in the House. The policy proposed is the same: That the Congress ought to have a meaningful role in decisions of the magnitude, in economic terms, of the establishment of a quota on the total volume of petroleum imports or the limitation of such imports through the pricing mechanism, using a fee, duty, or tariff. This issue transcends jurisdictional considerations. I know that the managers of the bill are in agreement with me on this point. Therefore, I am confident that they will lend the full force of their influence in support of this provision in the House-Senate conference on H.R. 3919.

The administration did not oppose this amendment when it was offered on October 30, 1979, to the legislation extending the life of the statutory antitrust defense for oil companies cooperating with the International Energy Agency. The administration does not oppose it now. This is a welcome recognition by the executive branch of the need for cooperation and national unity on an issue of such major economic importance as the issue of the level of U.S. petroleum imports. To be credible in the international community, and credible with the OPEC cartel, the United States must espouse a unified, coherent position. This amendment assures that this will be the case with regard to petroleum import policy.

Mr. President, the legislative history of this provision should be clear with regard to the impact of my amendment on the President's authority to implement, without congressional review, a limitation on the importation of petroleum from a particular nation for purposes of national security. The President has exercised authority currently available to him under section 232(b) of the Trade Expansion Act of 1962 to prohibit the importation of crude oil and petroleum products produced in Iran. The vast majority of the American people and, I believe, a substantial majority of Congress, are in support of this action by the President.

My amendment would not in any way restrict the authority of the President to take this action or another similar to it. This amendment addresses the bottom line with regard to petroleum imports, that is, the total volume of imports, not the value of individual terms in the equation for the calculation of that bottom line. What we are attempting to do is to prevent the President from employing his authority under existing law to create gasoline lines or heating oil shortages without congressional involvement. The existence of any such shortage is a function of the total level of imports of petroleum into the United States. A limitation on imports from a particular nation (such as Iran) need not limit this total volume of U.S. petroleum imports. And the President, in forbidding Iranian oil imports, has not in fact proposed any limitation on the total volume of petroleum imported into the United States. The amendment I am offering would leave the President free to control imports from a particular nation for purposes of national security, while requiring congressional review of any proposal to limit the total volume of imports (or a fee on imports) from all countries supplying the United States with imported petroleum.

Mr. President. The amendment I am offering has passed the test of Senate approval in previous action on the Senate floor. That action did not result in serious consideration of this very important policy issue by the House because of institutional (rather than substantive) considerations.

I hope to overcome the institutional barriers to consideration of the substantive issues with the introduction of this amendment to H.R. 3919. I hope the Senate will reaffirm its support of these basic policy considerations in its support of my amendment.

AMENDMENTS NOS. 691 THROUGH 693

(Ordered to be printed and to lie on the table.)

Mr. BELLMON submitted three amendments intended to be proposed by him to H.R. 3919, supra.

AMENDMENT NO. 694

(Ordered to be printed and to lie on the table.)

Mr. PERCY submitted an amendment intended to be proposed by him to H.R. 3919, supra.

AMENDMENT NO. 695

(Ordered to be printed and to lie on the table.)

Mr. DOLE (for himself and Mr. ARMSTRONG) submitted an amendment intended to be proposed by them, jointly, to H.R. 3919, supra.

AMENDMENT NO. 696

(Ordered to be printed and to lie on the table.)

Mr. NELSON submitted an amendment intended to be proposed by him to H.R. 3919, supra.

AMENDMENT NO. 697

(Ordered to be printed and to lie on the table.)

Mr. TOWER submitted an amendment intended to be proposed by him to H.R. 3919, supra.

AMENDMENT NO. 698

(Ordered to be printed.)

Mr. BOREN proposed an amendment to H.R. 3919, supra.

AMENDMENT NO. 699

(Ordered to be printed.)

Mr. BENTSEN (for himself and others) proposed an amendment to H.R. 3919, supra.

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

● Mr. MELCHER. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of an open business meeting of the Select Committee on Indian Affairs.

The meeting is scheduled for December 5, 1979, beginning at 10 a.m. in room 6228, Dirksen Senate Office Building. The following bills are to be considered for markup: Senate Joint Resolution 108, a bill to validate the effectiveness of certain plans for the use or distribution of funds appropriated to pay judgments awarded to Indian tribes or groups; S. 1730, a bill to declare that title to certain lands in the State of New Mexico are held in trust by the United States for the Ramah Band of the Navajo Tribe; S. 1832, a bill to extend the authority of the Secretary of the Interior to declare and proclaim land to be Indian reservation land; and, S. 1273, a bill to restore the Shivwits, Kanosh, Koosharem, and Indian Peaks Bands of Paiute Indians of Utah as a federally recognized sovereign Indian tribe, to restore to certain bands of Paiute Indians of Utah and its members those Federal services and benefits furnished to federally recognized American Indian tribes and their members, and for other purposes.

For further information regarding the business meeting you may wish to contact Max Richtman of the committee staff on 224–2251.●

SUBCOMMITTEE ON ENERGY RESOURCES AND MATERIALS PRODUCTION

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public that the Subcommittee on Energy Resources and Materials Production of the Committee on Energy and Natural Resources has scheduled a closed hearing to review the current status of the Strategic Petroleum Reserve program.

The hearing will be held on December 13, 1979, at 8:30 a.m. in room S–407 of the Capitol.

Questions regarding this hearing should be directed to George Dowd of the subcommittee at (202) 224–2564.●

SUBCOMMITTEE ON AGRICULTURAL PRODUCTION, MARKETING, AND STABILIZATION OF PRICES

● Mr. STONE. Mr. President, I wish to announce that the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices chaired by Senator HUDDLESTON, and the Subcommittee on Foreign Agricultural Policy which I chair, have scheduled joint hearings on potential problems in the U.S. transportation system. Specifically, the two subcommittees will consider the impact of the recent Soviet grain sales on the transportation capabilities of the United States. The subcommittees will hear from invited witnesses only, but statements submitted for the record are welcome.

The hearings will be held on November 28 and 29 beginning at 9:30 a.m. in room 457, Russell.

Anyone wishing further information should contact the Agriculture Committee staff at 224–2035.●

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT

● Mr. LEVIN. Mr. President, I wish to announce that the Subcommittee on Oversight of Government Management, of which I am chairman, will conduct oversight hearings on rushed, or "hurry-up" spending by Federal agencies at the end of the fiscal year, on Thursday, November 29, at 9:30 a.m. in room 1318 of the Dirksen Senate Office Building.●

SELECT COMMITTEE ON INDIAN AFFAIRS

● Mr. MELCHER. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of an oversight hearing before the Select Committee on Indian Affairs.

The hearing is scheduled for December 17, 1979, beginning at 10 a.m. in room 1202, Dirksen Senate Office Building. The purpose of the hearing is to determine whether the April 1, 1980, statute of limitations deadline for commencing actions on behalf of an Indian tribe, band, or group by the Federal Government should be extended.

For further information regarding the hearing you may wish to contact Pete Taylor of the committee staff on 224–2251. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Select Committee on Indian Affairs, U.S. Senate, Washington, D.C. 20510.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today to hold an executive session for a State Department briefing on the situation in Iran, Saudi Arabia, and Pakistan.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the sessions of the Senate today and Tuesday, November 27, 1979, beginning at 2 p.m. to hold markup sessions on the Criminal Code.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, November 29, 1979, to hold a markup session on Senate Concurrent Resolutions 51 and 52 concerning Rhodesia.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMER SUBCOMMITTEE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Consumer Subcommittee of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Friday, November 30, 1979, to hold a hearing on FTC oversight on divestiture.

The PRESIDING OFFICER. Without objection, it is so ordered.

PERMANENT INVESTIGATION SUBCOMMITTEE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Permanent Investigations Subcommittee of the Committee on Governmental Affairs be authorized to meet during the sessions of the Senate on Tuesday, November 27, 1979, Wednesday, November 28, 1979, Thursday, November 29, 1979, Friday, November 30, 1979, and Tuesday, December 4, 1979, to hold hearings on professional motor vehicle theft.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Judiciary be authorized to meet during the session of the Senate on Thursday, November 29, 1979, to hold a hearing on pending judicial nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

OVERSIGHT OF GOVERNMENT MANAGEMENT SUBCOMMITTEE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Oversight of Government Management Subcommittee of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Thursday, November 29, 1979, to hold a hearing on hurry-up spending.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

AMENDMENTS TO FISHERMEN'S PROTECTIVE ACT OF 1967

● Mr. PACKWOOD. Mr. President, I have introduced an amendment to the Fishermen's Protective Act which will allow American fishermen to finally receive the benefits Congress intended for them. The Committee on Commerce, Science, and Transportation has unanimously adopted my amendment and reported it to the Senate for approval.

For years, Russian, Polish, Japanese, Spanish, and Mexican fishermen have taken advantage of America's abundant fishery resource. This year, foreign harvests within the 200-mile U.S. fishery zone will amount to 2½ times the domestic harvest. Each year they inflict damage to boats and gear of American fishermen amounting to hundreds of thousands of dollars. In the past, various complicated subsidized loan programs were created to help American fishermen purchase new gear to replace that damaged by the foreign fishing vessels. Sometimes the United States was reimbursed by the guilty foreign fishing operations. More often than not, however, the United States was never able to collect.

Last Congress, we amended section 10 of the Fishermen's Protective Act, and did away with this cumbersome mechanism. Under that legislation, foreign fishermen are finally forced to bear the financial responsibility for the damage they inflicted upon U.S. fishing gear and vessels.

Foreign vessels fishing within the 200-mile U.S. fishery conservation zone are assessed a foreign fishing fee, the receipts from which are placed in the fishermens compensation fund. The moneys in the fund are used to compensate fishermen for damage to their vessels if caused by foreign or U.S. fishing activity within our 200-mile fisheries zone, and for damage to their gear if caused by foreign fishing activity or acts of God, such as hurricanes.

The average payment received thus far has been about $8,000. In my own State of Oregon, several fishermen have received payments ranging from $2,452.02 to $12,456.77. The new program is in its infant stages, yet shows promise of being workable and capable of fulfilling our intent. However, a problem has arisen.

Under current law, fishermen must file a claim within 60 days after discovering the damage. Due to administrative delays, the fishermen's compensation program was not formally begun until this November, 11 months after we intended it to start. In fact, the claim application forms have yet to be printed as of this date. Thus, many fishermen who suffered damages did not learn of the program until after their 60-day filing deadline had elapsed.

Now that the program is on its feet, and informational workshops are being conducted throughout the country, fishermen are learning of the availability of compensation.

The amendment I have offered, and which the Commerce Committee has accepted, would temporarily waive the 60-day filing requirement until January 24, 1980, which is 60 days after the final regulations for the program become effective and well after fishermen throughout the Nation have learned of this program's existence. In Oregon, at least four fishermen have been denied eligibility because they filed their claim after the 60-day filing deadline. This is hardly fair, since the National Marine Fisheries Service did not inform those four fishermen of the program's existence until after the 60-day filing period had elapsed. My amendment will allow those four fishermen, and dozens of others throughout the country, to file a claim.

This is one Federal program which will not be charged to U.S. taxpayers. The Russians and Japanese, among other foreign fishermen, are paying for this program. It will not cost U.S. taxpayers one cent.

I am pleased that the administration has recognized the intent of the legislation we passed last year, and now supports this amendment.

This legislation is part of a comprehensive plan to protect American fishermen from government-financed fishing operations of foreign countries. Our goal must be to displace all foreign fishing within our 200-mile fishery zone. Making the foreign fishermen pay for the damage they inflict upon U.S. vessels and gear is another step in that direction.●

ESSENTIAL RAIL SERVICES MUST BE PRESERVED

● Mr. CULVER. Mr. President, a recent editorial by the Des Moines Register posed a central question concerning the future of American railroads: Should they be operated as a public service, purely as a private business, or some hybrid combining elements of both? The question is also an extremely timely one for Congress, which has debated the future of Amtrak, the Rock Island Railroad, and the Milwaukee Railroad this year.

The Register article answers this question by forcefully arguing that railroads—indeed, all modes of transportation—must be viewed as more than a private business enterprise. Like utilities, they often provide essential services to small communities and rural areas that cannot be duplicated effectively or economically by other modes or entities. While the editorial does not favor "freezing" our existing rail network in place—we can all agree that there is an excess of track and some outmoded lines must be abandoned—it does recognize that essential lines must be preserved, even when they cannot be guaranteed to make a profit.

I believe that it is time for this country to undertake a comprehensive effort to revitalize our Nation's critically important lines. Congress must make the same commitment to the railroads as it did for highways when it authorized the Interstate Highway system. We must repair the rail beds, purchase new boxcars, hopper cars and locomotives, and improve efficiency at switching yards. A sound, modern rail system is potentially the most energy-efficient mode of transportation we have.

In order to take the necessary first step in rebuilding our railroads, Senators McGOVERN, DURKIN, and I will introduce an amendment to the windfall profit tax legislation to provide $10 billion to revitalize our freight and passenger rail system when the Senate considers this legislation. This amendment is an investment which will pay great dividends in the future and will help provide the capital needed to begin building the kind of railroad system America needs.

I ask that the editorial which appeared in the Register be printed in the RECORD.

The editorial follows:

SERVICE OR PROFIT FIRST?

Should railroads be operated like highways for public service, as in most of the world, or as business enterprises with some elements of public service, as in the United States? Albert Karr of the Wall Street Journal, in an article on this page, is mildly hopeful that government policy may be swinging toward the business concept.

Is that a cause for rejoicing anywhere except in corporate boardrooms? Is a profit-only reorganization of the remains of the doomed Rock Island Lines and Milwaukee

Road in the best interest of Iowans? It has long been understood that transportation and communication cannot be limited to areas that pay their own way—that if profits from well-situated routes don't cover losses of less-favored ones, public support is necessary.

Railroads, like electric utilities, provide important services that are tied to specific areas. If Chrysler cars should no longer be manufactured, General Motors and Ford would build more, and nobody, anywhere, would be deprived of a car. But if, in the corporate death of the Rock Island, the line through, say, Pocahontas should be torn up, Pocahontas would lose all rail service. Not every branch of a rail network built in the pro-highway era should be saved, but a worsening energy outlook demands an improved rail system in which not every line can be measured solely by profit-loss figures.

Neither nationalized nor private railroading is divinely right, and neither is inherently wrong. Pragmatism decided the issue in Canada nearly 60 years ago when a prospering rail system was left in the private sector while the federal government gathered the bankrupts into what has become a prospering national system.

Pragmatism ruled in Europe, too. Most European railroads began as private companies, and many continued so into the 1930s (France) and the 1940s (Britain). When the going got tough, though, governments did not allow the railroads to decay, as has happened in much of the United States, they nationalized and they maintained and improved service.

In this country, unlike Europe, long freight hauls and an always relatively small passenger operation have kept the railroads healthy longer than in Europe. Quite a few are still making good money and providing good service. It is instructive to remember that the first major collapse occurred in the Northeast, where traffic and operating conditions most resembled those of Europe.

Now the spotlight has moved to the Midwest, where two railroads are dying and several others are sickly. Karr points out approvingly that the government has long wished that the Rock Island would go away, as a means of reducing excess trackage. But this is a rough, inequitable means of doing what indeed does need to be done.

In theory, essential routes will be acquired by railroads that have been more successful as money-makers. In practice, what is likely to be saved are lines that have a potential for profit.

This is not an argument for federal money to save every branchline that serves two grain elevators. It is a suggestion that transportation is more than just a business—a fact Americans recognize with highways, waterways and airways, and the rest of the world recognizes with railways, too.●

CONGRESS DOES NOT NEED TAXFLATION

● Mr. DOLE. Mr. President, there are a number of reasons why the Congress has failed to index the Federal income tax for inflation. One of the arguments most frequently heard is that Congress prefers to make periodic tax cuts so that it can structure tax reduction in response to the appeals of special interest groups. The consequence of this preference is is that tax cuts do not really match the effects of inflation, and people regularly pay higher taxes, despite tax cuts.

There are many arguments, based on political, economic, and ethical considerations, why this situation should not be allowed to continue. The Senator from Kansas has elaborated on many of these points. But it also ought to be pointed out to the Members of Congress that their own interests would be better served by automatic inflation adjustments in the tax system.

The problem with periodic tax cuts is that there are always so many interest groups that feel entitled to a new tax break. Others simply want to preserve an existing benefit under the tax code. No Member of Congress can possibly satisfy all of the interests to which he feels obliged. The probability is that more of the petitioners for tax breaks will be disappointed than are satisfied. This is not a recipe for Members to gain a political advantage out of tax cuts. The problem is particularly acute when Members know that the revenues they are cutting were simply generated by inflation, so that they get a free ride in handing out tax benefits.

There is also the general public interest to consider. As people realize that tax reductions are largely a holding action against inflation, their gratitude for such reductions is less and less. As a matter of political arithmetic, the equation will become increasingly unfavorable for Congress. The more often the cycle of phantom tax cuts recurs, the worse the arithmetic will become. The Members of Congress need a way out of this cycle.

Mr. President, the way is available. I have introduced the Tax Equalization Act, S. 12, which would index the Federal income tax for inflation. Tax brackets, the zero bracket amount, and the personal exemption would be changed automatically to reflect the previous year's inflation. Congress would not need to set forth a tax package every year just to compensate for inflation.

Mr. President, there would be another benefit. Congress would still need to change the tax laws, but they would do so in order to address fundamental social and political problems. That is what we ought to be doing anyway. Indexing will make tax policy clearer, and the policy-making process will be less burdensome for Congress. There is no need to make things more uncertain, for both Congress and the people, by constantly fiddling with the tax rates. The Tax Equalization Act gives us an opportunity to get back on the track, and it is an opportunity we should seize.●

FIFTIETH ANNIVERSARY OF THE INAUGURATION OF HERBERT HOOVER AS THE 31ST PRESIDENT OF THE UNITED STATES

● Mr. HATFIELD. Mr. President, in recent years, Herbert Hoover's standing has surged in the eyes both of historians and the American people, as the true magnitude of his intellect and achievements have come to be realized. Fortunately, this improvement in his standing began during his lifetime, so that Hoover knew that those who derided him, and judged him insensitive to the suffering widely experienced during the Great Depression, did not express the final judgment. At Hoover's 75th and subsequent birthdays, for example, there were great outpourings of positive public sentiment and warmth, led by festivities in his honor and editorials in newspapers across the country.

Eugene Lyons, noted author of two biographies of Hoover, has submitted to me excerpts from his second biography which summarize his own view of Hoover, and describe the public outpouring of affection for "the chief" beginning at his 75th birthday.

Lyons recalls Hoover's own words at West Branch, Iowa during the celebration of his 80th birthday:

> Among the delusions offered us by fuzzy-minded people is that imaginary creature, the common man. The whole idea is another cousin of the Soviet proletariat. The uncommon man is to be whittled down to size. It is the negation of individual dignity, and a slogan of mediocrity and uniformity.
>
> The common man dogma may be of use as a vote-getting apparatus. It supposedly proves the humility of the demagogues.
>
> The greatest strides of human progress have come from uncommon men and women. You have perhaps heard of George Washington, Abraham Lincoln, or Thomas Edison. They were humble in origin, but that was not their greatness. The humor of it is that when we get sick, we want an uncommon doctor. When we go to war, we yearn for an uncommon general or admiral. When we choose the president of a university, we want an uncommon educator.
>
> The imperative need of this nation at all times is the leadership of the uncommon men or women. We need men and women who cannot be intimidated, who are not concerned with applause meters, nor those who sell tomorrow for cheers today.
>
> Eighty years is a long time for a man to live. As the shadows lengthen over my years, my confidence, my hopes and dreams for my countrymen are undimmed. This confidence is that with advancing knowledge, toil will grow less exacting; that fear, hatred, pain and tears may subside; that the regenerating sun of creative ability and religious devotion will refresh each morning the strength and progress of my country.

Mr. President, I request that the excerpts from Mr. Lyons' book, as well as a brief biographic sketch of the author, be printed in the RECORD, as one of the series of essays offered to commemorate the 50th anniversary of the inauguration of Hoover as our 31st President.

The material follows:

BIOGRAPHIC SKETCH OF EUGENE LYONS

Born: July 1, 1898.

Education: City College of New York, 1917–18; Columbia, 1918–19.

Professional experience: Erie (PA) Dispatch, 1920; Boston Telegram, 1922; Editor, Soviet Russia Pictorial, 1922–23; Assistant Director, Tass Agency, 1923–27; United Press correspondent in Russia, 1928–34; Member, Ames and Norr, Public Relations, 1935–39; Editor, The American Mercury, 1939–44; Editor, Pageant, 1944–45; Roving Editor, The Readers Digest, 1946–52; and Senior Editor, The Readers Digest, 1952–68.

Publications: The Life and Death of Sacco and Vanzetti, 1927; Moscow Carousel, 1935; Assignment in Utopia, 1937; Stalin, Czar of all the Russias, 1940; The Red Decade, 1941; Our Unknown Ex-President, a Portrait of Herbert Hoover, 1948; Our Secret Allies: The Peoples of Russia, 1953; The Herbert Hoover Study, 1959; Herbert Hoover, a Biography, 1964; David Sarnoff, a Biography, 1966; Workers Paradise Lost: 50 Years of Soviet Communism: A Balance Sheet, 1967; Editor:

We Cover the World, 1937; and Six Soviet Plays, 1934.

THE TIME OF VINDICATION

(Chapter 33 of Herbert Hoover: a biography, by Eugene Lyons.)

The crescendo of Herbert Hoover's restoration to public favor reached a high point on his seventy-fifth birthday, on August 10, 1949. Apparently the magic figure seventy-five offered a welcome occasion for expressing admiration, on the one hand, and on the other for a psychological catharsis: the atonement of an injustice that weighed on the country's conscience.

His birthday in the preceding year, the seventy-fourth, decidedly had not been slighted. He had returned to his native West Branch, Iowa, as guest of the state. Some twenty thousand people crowded into the Quaker village to do him honor. From coast to coast, press and radio fulsomely reported and greeted the event. The subject of Hoover's address was "The Meaning of America," which he had first learned, he said, in his boyhood, then deepend through living in many foreign lands. The core of that meaning was freedom. If preserved, its moral and spiritual essence would assure "centuries of further greatness for America."

But it was the seventy-fifth birthday that somehow crystallized national sentiment and defined the "image" of Hoover which thereafter gained prominence in the public mind. Never before had a living former President been the object of such a vast and sentimental outpouring of eulogy. The dominant emotions, in some cases explicit and everywhere implicit, were regret over past vilification and delight that he was still alive to witness the great change of heart.

Having recalled that "his distinguished career of public service was forgotten in a storm of insult and criticism," *Collier's* editorially declared itself "happy that Mr. Hoover's deserved reward of public esteem has come to him in his lifetime." The Miami *Herald*, to quote one of hundreds of statements in the same vein, wrote:

Honesty compels the admission that the American people humiliated their ex-President. Hoover accepted the situation with dignity. He was confident that time would vindicate him. It has. What is particularly gratifying on his seventy-fifth birthday is that he has lived to see the vindication.

A number of Hoover's friends had decided that the three-quarters of a century milestone called for a big birthday party. This thought they relayed to loyal Hoover-men in a number of communities. There was no committee, no chairman, no "program"—just an idea tossed into the air. But it caught on and spread fast. The idea was that the country ought to let its thirty-first President know how it felt about him "while he was still alive to hear it."

The first difficulty was with the Chief himself. It developed that he preferred fishing to parties and had already arranged a fishing expedition for the natal week. Pressures and maneuvering were required before he agreed to speak on August 10 at Stanford University. As the day approached, what was to be a local home-town observance snowballed into a nationwide and even worldwide celebration.

Congress, in a joint resolution extending "its cordial greetings," expressed "admiration and gratitude for his devoted service to his country and to the world," and "hope that he be spared for many years of useful and honorable service." Democrats joined Republicans on the floor of both chambers in presenting oratorical bouquets.

A dozen governors issued eloquent tributes in the name of their citizenry. Literally hundreds of notables from all departments of American life joined the chorus. Some one hundred foreign organizations and governments added their mead of praise.

There were words of homage to Hoover on hundreds of radio programs and birthday editorials in virtually every newspaper in the country. It all amounted to a national reassessment, largely in a spirit of regret and reproof for past abuse, and it reached all but unqualified agreement that Hoover was "a great American" and "a great humanitarian." There was considerably less than unanimity on the conclusion that he was also "a great President." Those who withheld this particular accolade, however, emphasized that he had not been as bad as he was painted, having been falsely and unjustly blamed for sins in the Presidency that he had not committed. The always recurring words in the massive tribute were "integrity" and "selfless service."

David Hinshaw read and analyzed over two thousand of the editorials from all forty-eight states. A year later, in his book, *Herbert Hoover, American Quaker*, he published pagefuls of typical or significant excerpts. Fewer than two dozen, of all, he found, still clung to some of the old anti-Hoover clichés. They were still annoyed with his high collars, which he had long since discarded, and with statements like "prosperity around the corner," which he had never made. A few still resented his handling of the prohibition issue. But 98 percent of the editorial writers played on their typewriters enthusiastic variations on the themes of affection, gratitude, and admiration, with some high notes of reverence.

Running through many of these birthday eulogies, inevitably, was the recognition that Hoover was not a dexterous politician. In this week of celebration, however, that fault rang like a special Hooveresque virtue. "His sin," said one newspaper, "was that he was not also a great politician. Essentially a man of reason and intellect, he was not an emotional leader capable of inflaming the minds of others." Another summed him up as "an honorable gentleman, one perhaps not fitted by nature for the rough-and-tumble hurly-burly of partisan politics, because he would not make tongue-in-cheek promises, because he would not sway with the political winds, because he would not align class against class for political expediency—but nevertheless one of our greatest citizens and one whom history undoubtedly will recognize as one of our greatest Presidents."

What follows is an attempt to make what movie people in their own medium call a "montage"—a single eulogy based on dozens cited by Hinshaw, every word drawn from an actual editorial:

There is a man whose name has been vilified but whose countrymen have now come to love and respect him as indisputably our most distinguished private citizen. That man is Herbert Hoover. The sunshine of the nation's gratitude is in his afternoon; full and fair the sunlight falls on Herbert Hoover. The people of the Shadow, his detractors? They have passed "in a desperate disarray over the hills and far away."

The American people acknowledge the high stature of Herbert Hoover, his contributions to the public welfare and his personal virtues of integrity and constancy in the fact of unjust and undeserved belittlement and criticism. The American people have slowly become aware of his great worth and the magnitude of the injustice that was done him. He is honored, in truth, not so much as a former President but as a great American.

Not often has there been so widespread and spontaneous a desire to honor such a man in his lifetime. Herbert Hoover is growing in strength among his fellow Americans and to him they turn more often when words of wisdom are needed. He has come to be one of the most respected and admired Americans that ever lived.

People are just beginning to recognize the solid virtue of this man who is so typically American. Herbert Hoover, influenced by the Quaker faith to which he adhered, never developed the capacity to hate those who criticized and reviled him. He hated only those things which he conceived to be wrong, and when he was stirred to anger on this score he was always righteously indignant. Through it all he kept, even as now, his faith in the everlasting righteousness of justice and fair play. He enjoys the admiration and respect now of many people who once hated and abused him. But he has always been what he is today, a fine unselfish public citizen devoted to the welfare of his country and the world.

Like only one or two other statesmen in our history he has been able to go from service to service, making the Presidency only one step in a career which reaches its climax in the total and cumulative record of work done, good causes unselfishly pursued and arduous responsibilities carried through to the end. If ever a man is entitled to feel the deepest kind of satisfaction and content, it is Mr. Hoover at this milestone.

Few men have in their lifetimes undergone such profound fluctuations in public esteem. He has maintained his dignity and composure in victory and defeat. In perspective it can be seen that his public service was all of a piece—patriotic, sincere, humanitarian, and staunchly built on unshakable principle.

The American people are showing a somewhat belated sense of justice in honoring a man who has been viciously and savagely maligned during most of his career. The present high position of Mr. Hoover, along with the great esteem and appreciation in which, regardless of party or class, he is held by the American people generally, is a thrilling demonstration that occasionally the right really does prevail and this appreciation comes before it is too late.

From the peak of achievement he was plunged into a morass of misrepresentation and vilification which would have broken the heart of anyone less valiant. But when abuse was at its highest, Herbert Hoover was at his serenest. And now time is working a revenge for him—the only kind which a man of his Quaker upbringing could accept. Today he enjoys the confidence and esteem of all men of good faith, regardless of creed or party.

It can already be assumed that the name of Herbert Hoover will be recorded with special luster, redeemed from the unjust and undeserved blame that party, parochial politics attached to his courageous, dignified and fundamentally sound efforts to direct the country during his presidential regime. Millions are already sorry for being taken in by the politicians whose tirades made Mr. Hoover the whipping boy of the depression.

Time was when Herbert Hoover was thought cold, but in this also, time has shown us the error. What was so casually and unfairly believed to be chilliness of spirit now is seen to have been something of shyness and something of dignity, alike native to the man's character. Those who flippantly and callously misjudged him were blinded by the disasters of the period. They requited his fidelity by naming his scapegoat. Now they know they were wrong.

Twelve thousand people were gathered on the campus of Stanford University for the birthday party of their most cherished alumnus and neighbor. In his address Hoover said little about himself. Instead, under the title "Think of the Next Generation," he spoke of trends in government that raise "some grave questions as to our whole future as a nation," and called for a return to certain principles of government and morals, if we would preserve the rights and dignity of men to which this nation is dedicated." He said:

We must wish to maintain a dynamic progressive people. No nation can remain static and survive. But dynamic progress is not made with dynamite. And that dynamite today is the geometric increase of spending by our governments—federal, state and local. . . . In the end these solutions of national problems by spending are always the same—power, more power, more centralization in the hands of the state.

And in his concluding words, too, there was no allusion to the nationwide tributes of which he was that day the object. He remained on the plane of impersonal, historic imperatives:

> A splendid storehouse of integrity and freedom has been bequeathed to us by our forefathers. In this day of confusion, of peril to liberty, our high duty is to see that this storehouse is not robbed of its contents. We dare not see the birthright of posterity to independence, initiative and freedom of choice bartered for a mess of a collectivist system.
>
> My word to you, my fellow-citizens on this seventy-fifth birthday is this: The Founding Fathers dedicated the structure of our government "to secure the blessings of liberty to our posterity." We of this generation inherited this precious blessing. Yet as spendthrifts we are on our way to rob posterity of its inheritance.
>
> The American people have solved many great crises in national life. The qualities of self-restraint, of integrity, of conscience and courage still live in our people. It is not too late to summon these qualities.

In a number of European cities, also, that birthday was marked by public meetings. The one in Stuttgart has been described by Louis Lochner in his book *Herbert Hoover and Germany*. At a gathering for both children and adults in the ex-President's honor, the principal speaker was Frau Elly Heuss, wife of the man who subsequently became President of the Federal Republic of Germany. She addressed herself particularly to the children:

> We want to celebrate a birthday—and our birthday child is already completely grown up: he will be seventy-five years old today! I've been wondering whether Mr. Hoover this morning thought of the fact that within our area in Germany many thousands of children even in their vacation camps and hostelries are starting out with their little pots and pans in happy anticipation of a decent, warm Hoover lunch. It must be a beautiful thought for him.

Her audience rose and shouted, "Hoover, *hoch, hoch, hoch!*"

Every succeeding birthday, too, was hailed across the nation, as if the accumulation of Hoover's years were a kind of national achievement. Perhaps there are in all of us vestigial traces of ancient patriarchal systems. Or possibly, in Freudian terms, the durable, self-confident Hoover, stern and virtuous, offered a consoling "father image" in times of cold war, nuclear jitters, and other anxieties. However that may be, the habitual sneering at Hoover gave way to no less habitual respect.

Increasingly, with distance and perspective, even the years of the Presidency were reconsidered and found deserving of belated praise. Said a New York editorial on his seventy-eighth birthday: "It is getting dangerous to go on fighting Mr. Hoover. Too many people are coming alive to the fact that he was a great President, just as he is a great man." A popular columnist, Robert Ruark, wrote that same week: "I just wish we could re-run Herbert Hoover for President, because I am certain sure we could win with him and fetch a little sanity back home."

Once, while he was in the Florida Keys for bonefishing, Hoover took ill and was rushed to a hospital. The news was reported in the press, of course. This was the first time in seventy-eight years of life that he remained in a hospital overnight. Clarence Buddington Kelland, the popular novelist, was a guest on the Chief's chartered houseboat. To a fellow Hooverite, Neil MacNeil, he wrote:

Immediately there commenced to arrive a veritable flood of sympathy and good wishes. Telegrams and letters from people of consequence—but the amazing and significant thing was the deluge of printed "get well" cards from all over the nation—cards of the sort one can buy at the corner drug store for a nickel. These from inarticulate people, butchers, bakers, candlestick makers who revered the Chief and knew no other way to express their affection and sympathy. These cards came not by dozens but by thousands, until there were bushel-baskets full of them.

On Hoover's eightieth birthday in 1954, Congress once more attested, in a joint resolution, its affection and gratitude, and the press again confirmed that the Congress was reflecting the sentiments of the citizenry. The ex-President was then in the midst of his second analysis of the Executive branch of the government. The picture of an octogenarian engaged in a great public undertaking—not only the oldest but the hardest-working among the several hundred executives and professional men whom he had mobilized for the job—touched the nation's heart. In the New York Times Magazine, R. L. Duffus wrote:

> Today Mr. Hoover is not so much an ex-President living on past glory as an active and influential citizen, a sort of one-man "Task Force" working for what he conceives to be the welfare of his country. . . . If he is more widely popular now than he was when he was President, it is not because he has worked at it, but rather because a perception of his character and personality has percolated down to the man in the street.

Collier's featured a birthday editorial that began by identifying Hoover as "one of the most misunderstood and maligned men of our time," and ended on a note of content:

> The perspective of years has finally revealed Herbert Hoover to all for what he is—a man to be cherished in a day when "glamor" sometimes serves as a substitute for integrity in public life, a man of wisdom, courage, forebearance and, above all, humaneness and dedication.

The writers of history textbooks have been, as a group, the tardiest in accepting the latter-day estimate of Hoover—perhaps, as one of them explained to me, because most new textbooks are rewrites of old ones. It is useful, therefore, to cite one such book which, quite coincidentally, was published in the year of the eightieth birthday. *Recent American History*, by Leland D. Baldwin, said in part:

> Hoover has been maligned unjustly as callous, reactionary, inept and even stupid. His policies may or may not have been shortsighted and mistaken, but it is evident that he always kept before him a zeal for promoting human welfare and with this as his guide and principle never flagged or deviated. His shortcomings—if these be such—lay in too great a faith in human reasonableness and in too great a faith that the economic forces which had made us great must continue to operate.
>
> He was an old-fashioned liberal who believed in local responsibility and preferred voluntary association to imposed controls. He believed in democracy and its precious diversities; but, he also knew that if two men ride the same horse, one must go on the rump. He was equally opposed to control by special privilege of any economic class and control by Big Government; though he increased the number of service bureaus during his presidency, he actually reduced the total payroll. When he praised rugged individualism he was praising self-reliance, not predatory self-interest.

Since the vocabulary of esteem is limited and repetitive, I resist the temptation of offering more quotations. Suffice that the comment in that year, in editorials and articles and personal messages was consistent with the "image" established five years before. That image bids fair to blot out and supersede the earlier unpleasant and defamatory stereotype. Future textbooks, it seems a safe guess, will give our school children a more fair-minded portrait of Hoover than those still conditioned by the caricatures of the 1930s.

On August 10, 1954, Hoover returned to West Branch, at the invitation of the Iowa state legislature and the governor. Sheaves of congratulatory telegrams and cables from all over the world were awaiting his arrival that morning. Already thousands were beginning to gather in the village. Hoover visited the graves of his parents, then the cottage in which he was born—by now it was a neat, whitewashed shrine maintained by the state of Iowa.

From a platform put up for the great occasion, the governor and other Iowa dignitaries voiced the boundless pride of their state in its native son. Telegrams were read from President Eisenhower and ex-President Truman. The large audience showed almost filial satisfaction that their whitehaired guest, at eighty, stood erect and stalwart, clear-eyed, his voice barely touched by the years, his ideas fondly familiar. Said Hoover simply:

> I am glad to come to West Branch. My grandparents and my parents came here in a covered wagon. In this community they toiled and worshipped God. They lie buried on your hillside. The most formative years of my boyhood were spent here. My roots are in this soil.

He wanted to discuss, he said—"not in the tones of Jeremiah but in the spirit of Saint Paul"—the forces that make for progress and those "which may corrode away the safeguards of freedom in America." For the corrosions, he said, "the remedies . . . are not revolution" but "mostly jobs of marginal repairs around a sound philosophy and a stout heart," and he warned:

> Even if security from the cradle to the grave could eliminate the risks of life, it would be a dead hand on the creative spirit of our people. Also, the judgment of the Lord to Adam about sweat had not been repealed. When we flirt with the Delilah of security for our productive group, we had better watch out, lest in our blindness we pull down the pillars of the temple of free men.

Some years earlier Hoover had published, in the magazine This Week, a little essay rejecting "the cult of the Common Man," which has been often quoted and reprinted. He returned to this theme in the West Branch address:

> Among the delusions offered us by fuzzy-minded people is that imaginary creature, the Common Man. The whole idea is another cousin of the Soviet proletariat. The Uncommon Man is to be whittled down to size. It is the negation of individual dignity and a slogan of mediocrity and uniformity.
>
> The Common Man dogma may be of use as a vote-getting apparatus. It supposedly proves the humility of the demagogues.
>
> The greatest strides of human progress have come from Uncommon Men and Women. You have perhaps heard of George Washington, Abraham Lincoln, or Thomas Edison. They were humble in origin, but that was not their greatness.
>
> The humor of it is that when we get sick, we want an uncommon doctor. When we go to war, we yearn for an uncommon general or admiral. When we choose the president of a university, we want an uncommon educator.
>
> The imperative need of this nation at all times is the leadership of the Uncommon Men or Women. We need men and women who cannot be intimidated, who are not concerned with applause meters, nor those who sell tomorrow for cheers today.

And in conclusion:

> Eighty years is a long time for a man to

live. As the shadows lengthen over my years, my confidence, my hopes and dreams for my countrymen are undimmed. This confidence is that with advancing knowledge, toil will grow less exacting; that fear, hatred, pain and tears may subside; that the regenerating sun of creative ability and religious devotion will refresh each morning the strength and progress of my country.

The pattern of nationwide acclaim, its tone becoming ever less political and more affectionate, held true when Hoover reached the age of eighty-five. The Saturday Evening Post editorially said:

> It is too often forgotten that Herbert Hoover, who celebrated his eighty-fifth birthday August tenth amid glowing tributes from people of all shades of political opinion, was the victim of one of the most vicious, expensive and skillfully engineered smear campaigns in the country's history.

The caption on the editorial read: "Herbert Hoover's Service to the Nation Shames Those who 'Smeared' Him."

Normally, of course, affection even unto reverence for a former President, rich in years and removed by time from the wars of his prime, would hardly be remarkable. A nation craves heroes, in whom it can see, as in a mirror, reflections of its own most cherished attributes; it is a species of self-flattery. But in Hoover's case there was that long interval of eclipse, contempt, and even persecution. What the American people witnessed and savored, therefore, was a vindication, complete and ungrudging, and suffused, by a glow of relief that a wrong had been righted, a blot erased. His life seemed in some measure a comforting morality play, in which Good triumphs over Evil.

Thousands of those who thought they "hated" Hoover were now hard put to remember why. For their "hatred" had been directed against a symbol bearing his name, rather than the flesh-and-blood man. There remained plenty of criticism of his policies, philosophy, and personality, but there was no longer a receptive audience for malice against the thirty-first President.

FOREWORD

In the final pages of this book I record that Herbert Hoover, "though frail and under continuing medication, appears to be slowly regaining strength; his spirits are good, his mind unclouded." This still held true when the biography was published on August 10, 1964, his ninetieth birthday.

But ten weeks later, on the morning of October 20, the thirty-first President of the United States died. The news touched off great tides of eulogy, attesting the affection and admiration in which he was held by his countrymen and in many foreign lands. President Lyndon Johnson proclaimed a thirty-day period of mourning. Tens of thousands filed reverently past the former President's casket in St. Bartholomew's Episcopal Church in New York and then in the Capitol Rotunda in Washington. The passions of the election campaign then under way were briefly stilled as all four candidates for President and Vice President came to honor Hoover at the simple funeral service at St. Bartholomew's.

On Sunday, October 25, Hoover was laid to rest in West Branch, Iowa, at a site he had himself selected: a gentle knoll overlooking the tiny cottage in which he was born. In accordance with his wishes, the body of his adored wife, Lou Henry Hoover, had been transferred from Palo Alto, California, where she was interred twenty years ago, for reburial at his side.

Within hours after Hoover's death, I was asked to write a short obituary for a magazine about to go to press. Because my grief was fresh and sharp, I had the courage of my sentiments and wrote in part:

How does one sum a life so rich and eventful, so dramatic in its contrasts of light and shadow, in a few paragraphs? The words that come to mind, as one gropes for clues to his essence, are simple, homely words, the kind so rarely applied or applicable to outstanding public figures in our time that they have an almost archaic flavor. Herbert Hoover was gentle and kind, honest and modest and shy. He was capable of great angers against injustice and corruption and brutality, but not of malice against people. There was so little hate in his make-up that the monumental slanders to which he was subjected left him more puzzled and incredulous than bitter. . . .

There is another strange thing as one seeks to appraise Hoover. Somehow his colossal accomplishments, the substance of his many careers, recede into the background. These are for the history books, the biographies. What obtrudes, overshadowing his deeds, is the man himself. . . .

Herbert Hoover had a great mind and immense erudition in many fields. He had unique powers of organization and command in vast enterprises, from global engineering to global relief. Beyond most men he knew the many faces of evil, in war, famine, catastrophes of every dimension. Yet there was about him a great simplicity, an almost childlike innocence. One token of it, I think, was in the fact that among those who knew him and loved him best, he inspired protective sentiments, an anxiety to shield him against the harshness of life. . . .

The most characteristic fact about Herbert Hoover was his unlimited love for children. His inhibitions seemed to drop away when he talked or wrote to youngsters. Their sorrows moved him to unabashed tears. He brought tremendous gifts to hundreds of millions of children on all continents, in bread and milk and new hope. But the greatest gift of all is the example of his own life and character. Youth craves and needs heroes. We who are no longer young can honor his memory best by helping a new generation to understand the shining integrity, the moral greatness, of Herbert Hoover.

Nearly seventeen years have passed since I wrote my original biography of our thirty-first President, published by Doubleday under the title of Our Unknown Ex-President: A Portrait of Herbert Hoover. Nearly all of it—recast, dispersed, and for the most part rewritten—has been absorbed in the present book. The extensive new materials added and the record of the intervening years explain and justify its issuance as a new biography.

Once, after the publication of the original book, Hoover hinted that he didn't like the description of himself as "unknown." I defended the word. He was unknown, I said, or at least insufficiently known, in the sense that the "real" Hoover had been distorted in the public mind by slanderous myths. He shrugged and the matter was not again mentioned. But in retrospect I came to agree with him that the title, though it may have been appropriate a few years earlier, had become obsolete. Even in 1948, when the book was published, the myths were beginning to wear thin and the popular conception of the man was closer to reality. Certainly by the time he was reaching ninety there was little excuse for considering him "unknown" in any sense.

Hoover was more than seventy-four years old when the original biography was brought out. It was a reasonable assumption, therefore, that his career was substantially completed. The assumption proved wrong. In fact the years that followed added enormously to his life's story, giving it, indeed, new dimensions of significance. I refer not alone to the important public services he performed—such as the monumental study of government operations by two successive Hoover Commissions—and the books he wrote. I refer to the profound and wholesome change in American attitudes toward the ex-President. The national conscience, deeply disturbed by Hoover's long ordeal by vilification, was eased by his vindication, and there was a universal feeling of gratitude, widely articulated in the press, that he was still alive to witness the transformation.

Hoover's life exemplified, on the highest plane, the conventional American "success story." But it contained, too, elements of immense pathos. He was the self-made man who from the humblest beginnings rose to transcendant heights—to the summit of his vocation, which was the mining of metals; to the pinnacle of his avocation, which was benevolence; to the highest office in the Republic. Then, with startling suddenness, his destiny took tragic turns.

Rightly credited with genius in the administration of economic resources, he was fated to preside over a catastrophe of economic disintegration. A Quaker whose name had become synonymous with compassion, he found himself accused of callous indifference to the sufferings of his own countrymen. From the luminous mountain peaks he was driven into the valley of shadows, there to wander for more than fifteen years in unmerited ignominy, a man mocked and defamed, pilloried and stoned, for wholly imaginary sins.

Happily the legend was dissipated in his own lifetime. The landscape of his ninety years thus has the sweep of a great human drama, the counterpoint of brilliant light and melancholy shadows. His life seems in some measure a comforting morality play, in which Good triumphs over Evil.

A clear head under the control of a compassionate heart kept Hoover from succumbing to the catch-phrases and shibboleths of the hour. While devoting his life to helping the weak and the destitute, he never tried to flatter the masses by glorifying weakness and destitution. He sought to stir them, rather, to new strength and self-reliance. Without planning it, by merely acting as his mind and conscience dictated, in disregard of prevailing social pretensions and intellectual fashions, he became the spokesman and a symbol of vital and enduring truths.

New York, *November 10, 1964.*

Eugene Lyons.●

RESOLUTION ON IDA NUDEL

● Mr. DOLE. Mr. President, on November 13, I joined Senator Percy and 27 other colleagues in cosponsoring a resolution (S. Con. Res. 50) on behalf of Ida Nudel.

Arrested in June 1978 and charged with "malicious hooliganism," Ida Nudel is guilty of the crime of less-communism: Wanting to emigrate to Israel. She had been applying for permission to leave the Soviet Union since 1971. Her request met with repeated refusals. One can well imagine the desperation that led her to finally express her plea through a banner hung outside her apartment, stating in pathetic simplicity "Give me my visa."

There is no denying that such public appeals are viewed with embarrassment by the Soviets as admissions that all is not well within the Soviet garden of Eden. A wish to leave one's country is never paired with an ideal situation in the homeland. Expatriates do not lightheartedly choose their fate. If the ideological climate of the Soviet Union is grim, so is its economic outlook.

One of the provisions of the Helsinki Final Act sought to promote freedom of movement across borders. This provision has yet to be implemented by the Soviet Union. It is true indeed that the Soviets have increased their emigration figures this past year. It is also true that this trend is expected to continue through 1980. But we should not let ourselves be misled by these "gains." The case of Ida Nudel, serving a 4-year sentence of internal exile in Siberia, the only woman in a barracks full of hardened male criminals, is one of the many reminders that "there is nothing new under the Sun" in the steppes of the U.S.S.R.

Increases in emigration do not reflect a change in policy. They merely attest the importance in which the Soviets hold the obtainment of hope-for trade agreements and the ratification of SALT II, for which they are simply willing to throw in a few more chips on the bargaining table.

We should not lose sight of the unique opportunity that we presently hold in insisting that the Soviet Union abide past international agreements. By raising the case of Ida Nudel once again, we are demonstrating the seriousness with which we intend to pursue our efforts toward the fulfillment of human rights.●

TRIBUTE TO JUDGE HAROLD LEVENTHAL

● Mr. KENNEDY. Mr. President, it has been said that grief is for the living. It measures not the end of life, but the loss in lives which go on.

By that standard, there is no measure of the grief we feel at the passing of Circuit Judge Harold Leventhal. He was, without question, a giant of judicial courage and craftsmanship. He towered in a court of great distinction, by virtue of his burning intellect, his energy and exhaustive analysis, and his unerring sense of justice and humanity.

Those who argued before him found his probing as fair and relevant as it was unrelenting, and they remember those electric interchanges as among their most precious moments. Those who tried to predict him found that he defied prediction, and there was no surprise that he cast so many deciding votes. Those who received his judgments found in them a measure of thoughtfulness and understanding which serve as a model of judicial temperament. And those who watched the evolution of the law found him at its cutting edge, probing its reaches and its limits with a quiet, professional responsibility which served to channel his brilliance.

Many will review Judge Leventhal's accomplishments in disparate areas—from criminal law to immigration, from civil liberties to President prerogatives. The limits which he set will pass with time, and the great advances will seem smaller in the larger marches. But the energy, the vigor, the towering reponsibility will live. They exist today in a thousand separate spirits touched by the vision and the vitality of this man. They are his gift to life and law—a precious reminder of our capabilities.●

LIFESAVING TECHNIQUES FOR CHOKING VICTIMS

● Mr. PERCY. Mr. President, earlier this year, I requested the General Services Administration (GSA) and the Department of Defense (DOD) to require that lifesaving techniques for choking victims be posted in all food service facilities under their jurisdictions and that all food service personnel be instructed in and be familiar with the proper execution of such techniques. I recently made a similar request to the Architect of the Capitol regarding congressional facilities. The benefit of saving thousands of lives far outweighs the relatively minimal cost involved for the printing of these posters and their distribution to Federal food service facilities.

I have received favorable responses to each of these requests, and request that the letters which I received on October 17, 1979, from GSA Administrator Freeman, on October 18, 1979, from Assistant Secretary of Defense Moxley, and on November 20, 1979, from the Architect of the Capitol be printed in the RECORD. I hope other operators of food service facilities will follow their excellent example.

The letters follow:

UNITED STATES OF AMERICA,
GENERAL SERVICES ADMINISTRATION,
Washington, D.C., October 17, 1979.

Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: This is in response to a recent telephone conversation with Ms. Zanetti of your office regarding the display of posters on first aid for choking victims in our food service facilities.

Since our letter to you of July 5, 1979, indicating our action on this matter, our regional offices have advised us that either the "Heimlich Maneuver" or the "First Aid for Choking" posters are being displayed in our food facilities. They are visible to food service personnel, enabling them to be familiar with the proper techniques that could result in saving lives of choking victims. Many food service employees have already received, or will be receiving, training in these techniques from food service managers, local Red Cross chapters, fire departments, or Public Health Service health units.

Thank you for your interest in this vital matter and we will be pleased to provide any additional information you may desire.

Sincerely,

R. G. FREEMAN III,
Administrator.

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., October 18, 1979.

Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: This is in final reply to your letter of May 30, 1979 concerning dissemination of information about the Heimlich maneuver.

Our inquiry to the Military Departments reveals that treatment of an obstructed airway is included now in the training of all medical department personnel in cardiopulmonary resuscitation (CPR). Beyond that, with the exception of the Navy, there is little training or education of others in this technique. We agree that it is a valuable treatment and that further dissemination is appropriate.

Accordingly, we are directing (see enclosure) the Military Departments to extend hands-on training to all permanent staff of facilities which serve food and to encourage inclusion of information about the Heimlich maneuver in the first aid treatment of all hands, to include the appropriate use of posters and other audio-visual aids. I believe these measures will result in an appropriate increase in knowledge of this technique among our personnel.

Thank you for your interest in this important matter.

Sincerely,

JOHN H. MOXLEY III, M.D.

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., October 18, 1979.

Memorannum for the Assistant Secretary of the Army, M&RA, the Assistant Secretary of the Navy, MRA&L, the Assistant Secretary of the Air Force, MRA&I.
Subject Enhanced Teaching and Training in the Heimlich Maneuver to Treat Victims of Choking on Food.
Reference PDASD(HA) Memo of July 17, 1979, same subject.

Replies to our initial inquiry, referenced above, indicated that the Heimlich maneuver (or Heimlich hug) is universally taught to medical department personnel as a part of hands-on training in cardio-pulmonary resuscitation (CPR). I am pleased that this is so because of the technique's usefulness in treating the unfortunate victims of food aspiration. However, I believe that two additional steps are appropriate to further dissemination of knowledge of this treatment method. Since the vast majority of upper airway obstruction from aspiration arises from food, often when alcohol has been consumed as well, it is particularly necessary that all permanent personnel working in mess halls, dining facilities and service clubs be carefully instructed in this technique. Also, since food may be aspirated at a time when neither medical nor food service personnel may be available, it is important that there be general knowledge of the technique. Therefore, some basic information about the technique should be included in the curriculum of all first aid training. The purpose of this memorandum is to direct that the above steps be taken to the extent that they have not already been implemented as a result of Service initiatives. This teaching should be reinforced by the appropriate display of posters to reinforce the knowledge of this technique.

I know that I can count on your support in emphasizing the importance of this simple but effective method of saving lives in our personnel.

JOHN H. MOXLEY III, MD.

A PERSON CHOKING ON FOOD WILL DIE IN 4 MINUTES—YOU CAN SAVE A LIFE USING THE HEIMLICH MANEUVER

Food-choking is caused by a piece of food lodging in the throat creating a blockage of the airway, making it impossible for the victim to breathe or speak. The victim will die of strangulation in four minutes if you do not act to save him.

Using the Heimlich Maneuver (described in the accompanying diagrams), you exert pressure that forces the diaphragm upward, compresses the air in the lungs, and expells the object blocking the breathing passage.

The victim should see a physician immediately after the rescue. Performing the Maneuver could result in injury to the victim. However, he will survive only if his airway is quickly cleared.

If no help is at hand, victims should attempt to perform the Heimlich Maneuver on themselves by pressing their own fist upward into the abdomen as described.

What to look for, the victim of food-choking:

1. Cannot speak or breathe.
2. Turns blue.

Heimlich Sign: Hand to neck signals: "I am choking!"

3. Collapses.

HEIMLICH MANEUVER

Rescuer standing, victim standing or sitting.

Stand behind the victim and wrap your arms around his waist.

Place your fist thumb side against the victim's abdomen, slightly above the navel and below the rib cage.

Grasp your fist with your other hand and press into the victim's abdomen with a quick upward thrust.

Repeat several times if necessary.

When the victim is sitting, the rescuer stands behind the victim's chair and performs the maneuver in the same manner.

OR

Rescuer kneeling, victim lying face up.

Victim is lying on his back.

Facing victim, kneel astride his hips.

With one of your hands on top of the other, place the heel of your bottom hand on the abdomen slightly above the navel and below the rib cage.

Press into the victim's abdomen with a quick upward thrust.

Repeat several times if necessary.

The Architect of the Capitol,
Washington, D.C., November 20, 1979.

Hon. Charles H. Percy,
U.S. Senate,
Washington, D.C.

Dear Senator Percy: In response to your letter of November 5, I am pleased to advise that arrangements have been completed for Senate Restaurant employees to receive training in the life saving techniques for choking victims.

The development of this program has been coordinated with the Office of the Attending Physician, and members of Dr. Cary's staff will conduct the training sessions. We have elected to provide advanced training to Restaurant personnel in order that immediate assistance may be rendered to choking victims, and the training will be provided on a continuous basis so that new employees are knowledgeable in the various techniques.

In addition, for the benefit of patrons who may be unfamiliar with these life saving techniques, we will post instructions therefor in various Restaurant facilities.

I am grateful to you for your interest in this program and I look forward to hearing from you when I can be of further assistance.

Cordially,

George M. White, FAIA,
Architect of the Capitol. ●

VIEWS OF SENATOR KENNEDY ON QUESTIONS OF IMPORTANCE TO BUSINESS

● Mr. RIEGLE. Mr. President, our Nation is in the midst of an ongoing debate concerning the most appropriate solutions to our economic problems, including the serious energy shortages which confound them. That debate reaches well beyond the walls of this Chamber—to the smallest and furthest of our communities, to the boardrooms of corporate offices, to the halls of academia, and to the leadership of the Democratic Party. Our colleague, Senator Kennedy, has been an active participant in that debate throughout his distinguished career in the Senate, and as we all know, his participation has intensified in recent months. One vital aspect of this debate is the role and responsibility of our business community in the economic life and health of this Nation. Over the past decade, Senator Kennedy has spoken several times about that important role of business, and about the issues of most concern to business. Especially in the current political context, those several expressions of views are of interest to all of us in the Senate, and to all Americans. For this reason, I offer for inclusion in the Record a number of materials expressing Senator Kennedy's views on questions of importance to business.

I submit the following materials for printing in the Record, with the index listed below:

Senator Kennedy Speaks on Issues of Concern to Business

Address in Manchester, New Hampshire, November 21, 1979.

Address to Investment Association of New York, September 27, 1979.

Address to National Federation of Independent Business, June 11, 1979.

Address to Joint Leadership Conference of the American Enterprise Institute for Public Policy Research and the National Journal, May 21, 1979.

Interview in Barron's National Business and Financial Weekly, April 30, 1979.

Address to Greater Boston Chamber of Commerce, February 9, 1976.

Address Before United Nations' Conference on New Structures for Economic Interdependence, May 15, 1975.

Report on Regulation and Competition in the Wall Street Journal, April 24, 1975.

Address to Fall River, Massachusetts Chamber of Commerce, January 8, 1973.

Address to Economic Club of Detroit, April 8, 1969.

Address of Senator Edward M. Kennedy at Sheraton Wayfarer Hotel, Manchester, N. Hamp., November 21, 1979

I have come to this state to discuss energy policy because the families of New Hampshire and New England now face the crisis in its most immediate form—home heating oil prices that will cost you more this winter and leave you colder.

The motto of New Hampshire speaks clearly to our challenge. We must live free of the oil cartel. We must live free of excessive dependence on foreign energy supplies. We cannot allow America's economy at home and its leadership in the world to falter or to die.

Few issues in the 1980 election are more central to our future than energy. In few specific areas do I have sharper differences with President Carter. On few issues has the ineffective presidency of these years been starker or more confused.

This Administration did not create the energy problem. For decades, the American economy was built on a foundation of cheap energy. Between 1940 and 1973, the cost of energy actually declined in real terms. Buildings were designed, cities were raised up, suburbs were divided, and freeways were extended with little or no awareness that energy would become scarce and expensive.

Our heavy industries could dominate world markets when oil was at $2 a barrel; now they are struggling to compete.

All of this was painfully visible by 1976. And the Democratic nominee of that year pledged a set of specific programs. But the solutions are nowhere in sight. Instead, his presidency has become a source of new and greater difficulties over energy. We heard a series of promises in 1976. But none of us could depend on them.

In 1976, Mr. Carter promised "strong measures to conserve energy." Yet the latest version of his shifting energy policy, the most expensive energy proposal in the history of the nation, hardly mentioned conservation.

Four years ago, Mr. Carter attacked President Ford for "a policy that is simple to describe—a large and sudden increase in the price of oil." Since then, Mr. Carter has rushed to embrace the Ford policy of decontrol. His campaign rhetoric in 1975 has become the epitaph for his own program in 1979.

On energy, we have endured three years of an inconsistent and confusing Presidency. The only principle they have followed is to change the policy constantly.

The trial of broken promises and bewildered purpose has left the nation uncertain of our goals, and angry about a policy that offers no respite to the relentless march of higher prices.

Two years ago, when the Senate was considering the decontrol of natural gas, the President only had to persuade two Senators to support his position and decontrol would have been defeated. He could not change a single vote. Then, this year, he unilaterally decontrolled the price of crude oil. He handed the oil companies an enormous giveaway over the coming decade, extracted from consumers in the higher prices due to decontrol.

The Administration did not say, first a windfall profits tax, then decontrol. But the President did insist that fuel assistance for low and middle income families be held hostage until the Congress approved the windfall tax.

The President will not even suggest to the oil companies that they hold their prices down. This month, he refused to meet oil executives face to face himself. He delegated the task to subordinates, who barely whispered the word "price restraint."

By fits and starts, by default and defeat, the Administration has consistently fumbled opportunities to achieve a responsible energy policy. The only policy they have is a policy of prolonged energy inflation. The moral equivalent of war has become the practical equivalent of surrender to OPEC, to the oil companies, and to a windfall profits tax that is no more than a transparent fig leaf over the industry's enormous profits.

I do not believe that controls on the price of oil and gas should be a permanent condition of our economy. But I do say that decontrol at the present time, when we are already facing double digit inflation, is an economic disaster for the people of New Hampshire, and Massachusetts, and every other state.

Indeed, the most urgent need is to re-impose controls on home heating oil—and to do so now, before the winter brings harsh weather and even harsher heating bills to the homeowners of Manchester.

Supporters of decontrol argue that higher prices are the most effective means to encourage conservation of energy and exploration for new sources of production.

But the available estimates do not justify these assertions. The benefits of decontrol are marginal in terms either of the increased conservation forced on people by higher prices or the increased production stimulated by higher profits. In my view, the backbreaking economic burden of decontrol is out of all proportion to the modest benefits likely to be achieved.

The fantastic current multiplication of oil profits should provide more than enough incentive to find new oil. If the industry will not respond when average profits climb 105 percent, if Texaco will not re-invest when profits increase 211 percent, then the companies have taken leave of their corporate senses. What profit increases will they next demand—300 percent? If the four hundred billion dollar gift of decontrol is too little, then how much more must be given—a trillion dollars in the next decade?

I also reject the view that decontrol is a fair policy to enforce energy conservation. Factory workers in this area have to drive to work. The elderly have already turned their thermostats down to 65 degrees. How much lower can they go—to 50 degrees? Families in Nashua and Manchester have already closed off rooms in their homes. How much more of their homes can they abandon for the winter? Are they all supposed to huddle together in a single room?

Decontrol is a form of rationing—rationing by price. It will cost the average family a thousand dollars a year. It is a regressive plan that imposes the heaviest burdens on those who can least afford them. Perhaps higher prices will compel families in New Hampshire to consume less oil to heat their homes; perhaps decontrol will drive them into living in a permanent chill—and pay more for the privilege of getting sick. Perhaps families will eat less in order to pay the bill for fuel. But surely this was not what the American people thought Jimmy Carter offered in 1976 when he talked of bold energy decisions to insure that our future is bright.

America's energy future does not have to be a dark one, based on endless sacrifice and spartan hardship. We do not have to lose the war against inflation to win our way out of the energy crisis. We need not be permanent beggars at the OPEC banquet tables—or in the boardrooms of the great oil corporations.

There are answers to our energy problems. What we need is a leadership of constant purpose and competence.

I see five imperative steps to a secure energy future.

First, we must establish specific incentives for conservation, rather than relying on the cruel and random weapon of decontrol and soaring prices.

We can no longer accept the wasteful and inefficient use of energy. We must set—and meet—a major goal of minimum energy waste and maximum energy efficiency in our homes and factories.

In areas such as automobile manufacturing, regulation has already mandated efficiency and substantial savings have been made. But in other areas, we must provide new incentives for energy saving.

With your own Senator and my friend, John Durkin, and with Senator Henry Jackson of the State of Washington and with a bipartisan group of Democratic and Republican Senators, I have proposed a comprehensive plan for each sector of the economy.

For commercial buldings, low interest loans would be offered to reduce the loss of heat in the winter and the use of air conditioning in the summer. For industries, the plan calls for accelerated research and development and incentives to modernize their energy systems. For homeowners, it offers incentives for insulation and other forms of weatherization, including direct subsidies for low and middle income families.

This proposal makes far better energy sense than decontrol. The difference is easy for any homeowner to understand. The Administration wants to inflate the price of heating oil and let the people take the consequences. My program emphasizes insulation, so Americans can heat sufficiently and conserve substantially at the same time.

The Carter Administration pays lip service to the principle of energy efficiency. But the latest plan they favor would achieve only one tenth of the possible energy savings. Under the plan I favor, we can do far more. Through conservation and efficiency alone, we can realize the full savings promised by President Carter's entire program of last July.

The second imperative of energy policy is to protect our economy from any future oil embargo. To do so, we must establish a strategic reserve of petroleum supplies, capable of providing additional oil during any such emergency.

A petroleum reserve is as indispensable an element of national defense as an arsenal of weapons. An oil boycott can threaten us as surely as an armed attack. If the world believes that we are weak, then we will be weak—our vulnerability will be exploited.

I was one of the original Senate advocates of legislation to create a strategic reserve. Six years later, we still lack the capacity to ride out an embargo on foreign oil.

I also proposed that we establish regional reserves. so that each geographical area of the country will have prompt access to oil that is already refined. In case of another oil embargo, New England should have a supply of heating oil close at hand, not half a continent away in Louisiana.

The strategic reserve is a victim of official misdirection and mismanagement. The Administration has moved with painful slowness to fill the reserve. In August, the White House announced that it was postponing the program once again. They have missed every goal they set. They have even opposed the concept of regional reserves.

Inaction has been compounded by incompetence. The Energy Department has poured 92 million barrels of oil into salt domes for storage. But they forgot to put the equipment in place to pump the oil back out. We had a reserve in name that could not be tapped in fact during the first Iranian shut-down. Ironically, some of the oil is now seeping out into the ground, and can never be recovered.

This nation must stock the reserve without delay. We must also plan in advance how to reduce oil consumption in a shortage. We had no plan at all at the time of the Iranian cut-off last January. And so the gas lines lengthened while the Administration scrambled for some solution.

Each time we confront a cut-off, the President should not have to summon a conference of Governors at the White House—and ask them what to do. We should have options short of compulsory rationing. The President should take the lead in developing federal, state, and local contingency plans to distribute oil fairly during any national emergency.

Finally, we should seek a reserve of production as well as supply. It is possible to raise domestic oil production significantly on a temporary basis. Yet in the last crisis domestic production actually dropped. The Administration should negotiate arrangements with the oil companies to pump more oil during an embargo. Our federal oil leasing policy should insure that the government can order increases in production when imports are cut off.

The third imperative of energy policy is to promote greater diversity in international sources of oil and gas. We cannot afford to accept the status quo, with our future and our fate so tied to a small group of shiekdoms in the Persian Gulf.

We have not even begun to tap the potential for oil in the far places of the world. We have drilled more holes in Arkansas than in all of Latin America, more holes in North America than in the rest of the world combined. There is more recoverable heavy oil in Venezuela at current prices than all the oil that has ever been consumed since petroleum was first taken from the ground in 1859 in Titusville, Pennsylvania.

We must begin by looking to our own hemisphere. The Administration bungled the natural gas negotiations with Mexico. It has delayed a year and a half in dealing with simple questions about oil production in South America. Such hesitation wastes oil as surely as any waste from homes that are overheated or from automobiles that guzzle gas.

A year ago, I called for a new alliance for energy in North America and the Western Hemisphere. It is an idea whose time has now arrived. Governor Brown has taken up the idea. And just last week, Governor Reagan also seconded the proposal. It must not become an excuse for sudden exploitation of our neighbors, but a recognition of our common interests.

In addition, the United States should support and participate in the efforts of the World Bank to aid oil exploration in the developing countries. The Bank has identified fifty-four nations in need of assistance to carry out such exploration. The best answer to the challenge of a cartel is to challenge it with competition from other sources. Every barrel of new oil we find around the world can become a barrel of additional pressure on the OPEC nations.

Our fourth imperative is to pursue a comprehensive approach to the development of alternative sources of energy.

We need a strong coal conversion program, including a rapid shift of oil-burning facilities to coal.

We need to realize the full potential of hydroelectric, power, especially in New England and the West.

We need a responsible and balanced program for the development of synthetic fuels. What we do not need is the wasteful, big spending program embraced by the Carter Administration. Last summer at the height of the gasoline lines, the President abruptly subscribed to an incredible $88 billion proposal that puts the cart before the horse. It calls for the massive development of synthetic fuels before the technology is even tested.

We also need to do much more on solar energy. It has been written that humanity is the only species on earth "that has made friends with fire."

The human race must now forge a similar friendship with the sun. We must harness the sun and winds and tides. We must tap the geothermal potential of the heat within the earth. For the second time in history, we must discover fire.

In 1976, Mr. Carter promised to "increase dramatically the amount of research and development funds that go into solar energy." Yet he has given us the first Administration ever to reduce funds for solar research and development. Since the Department of Energy was created in 1977, he has not even bothered to appoint the key official responsible for solar energy.

As one of the original sponsors of the Solar Energy Research Institute, I have fought to shift federal priorities to solar enterprise. The next President should lead that fight. This nation need never run short, if it has the wisdom to rely primarily on renewable sources of energy like the sun.

In the face of government apathy, local and private endeavors have brought solar power to the point of practicality. Now government itself must help move the nation toward a solar economy. We should build on community-based systems, not replace them as some energy bureaucrats would prefer.

There is one area of energy where we need more prudence. I speak of nuclear power. In 1976, Mr. Carter told the country that a nuclear accident could be more devastating than an Arab oil embargo. At that time, he said nuclear power should be a last resort. Since then, it has become a priority of his Presidency. He wants to speed up the construction of nuclear plants. He wants to build them quickly. I take a different view. I have called for a two-year moratorium on construction permits for new plants. Unless and until we can build them safely, they should not be built at all.

I am committed to the principle that we do not have to destroy our environment in order to save ourselves from the crisis over energy. We must not open gaping holes in our health and environmental laws in a frantic search for quick energy solutions.

The fifth imperative of energy policy is to improve the competitive structure of our energy industry. We must establish a free enterprise system that is free in reality as well as name. The next Administration must collect the necessary data about anti-competitive practices in the oil industry, which this Administration has neglected to do. And it must share that data with the antitrust agencies, which the Energy Department now refuses to do. We must insist that a foreign cartel shall not be beaten, only to be replaced by domestic concentrations of private power.

Moreover, the oil industry should not be permitted to mis-invest the windfall profits of decontrol in corporate acquisitions that undermine our energy effort.

I am now working in the Senate on legislation to prohibit the oil conglomerates from buying up any company with assets over $50 million. To justify an acquisition, a company will have to demonstrate that the purchase clearly enhances competition or promotes energy production. Mobil Oil should not be spending your hard-earned energy dollars to purchase Montgomery Ward. The industry claims it needs the windfall profits to seek more oil. But it is hardly likely that Mobil will drill for oil in the aisles of a department store.

The energy crisis of the past six years has eroded the confidence of Americans in government. Vietnam showed how wrong government's policy could be. Watergate showed how corrupt government could become. Now the continuing crisis over energy shows how incompetent government can be.

The people have lost faith in government because government has let them down. But they have not lost confidence in themselves. If Americans believe that energy policy has a clear and practical goal, they will cooperate and conserve. They will work, and work hard, for a new prosperity built on the realities of the future.

The decades of easy energy will never be retrieved. But a coherent policy can resolve the energy dilemma. It can also begin to restore the credibility of government and release the native abilities of the people.

The poet Robert Frost, who lived in this state and loved this rocky land, once wrote:

"Something we were withholding made us weak,

"Until we found out that it was ourselves."

We do not lack the resources to be economically strong, to light our cities, to warm our homes, or to power our industry. Together, we can tap not only the energy of earth and sun, but also the energy within ourselves. And in so doing, we shall guarantee that, in our generation, the promise of America will again be kept.

ADDRESS OF SENATOR EDWARD M. KENNEDY TO THE INVESTMENT ASSOCIATION OF NEW YORK, NEW YORK CITY, SEPTEMBER 27, 1979

It is an honor to address the Investment Association of New York this evening and to share with this influential group of business and financial leaders my views on the direction of the nation and the major issues confronting the American people.

Let me begin by emphasizing that I come before you as a lifelong member of the Democratic Party, a Senator committed to a broad range of initiatives in foreign and domestic policy, and above all as an American who deeply believes in the historic mission of this country as a beacon of hope and justice, of freedom and opportunity, that has lighted the world for the past two centuries and that continues to light the world today. That beacon is as ancient as the landing of the Mayflower at Plymouth Rock, and as recent as the defection of the Russian ballet dancers in New York and Los Angeles.

I refuse to believe that America is past its prime, or that this vital nation has entered an age of economic senility. I refuse to believe that we can no longer hold our own in the face of serious domestic challenges here at home and the growing pressures and competition of friendly and not-so-friendly nations overseas.

As citizens, the people of this country are not asking much from government. They are asking for the simple things that make a difference in their lives. They want jobs where they can work. They want prices at the supermarket their budgets can afford. They want reasonable interest payments on their homes. They want schools that can bring their children a decent education. They want safe streets where they can walk at night. They want America to stand tall among other nations, to be strong and effective and admired throughout the world.

But it has not worked out that way. On issue after issue of both foreign and domestic policy on questions that cut broadly across regional, partisan and philosophical lines, the aspirations of the people have failed to be fulfilled. None of us, whether in public or private life, can afford to be complacent about the erosion of American power and influence in the world.

The root of our present troubles has been the decline of the American economy because of our serious and persistent inability to deal with rising prices, chronic unemployment, declining productivity, excessive dependence on foreign oil, and a variety of other critical economic issues.

You know the facts as well as I do. Inflation rates above 10 percent for the eighth consecutive month; interest rates at the highest levels since the Civil War; unemployment at 6 percent and rising; zero or even negative growth in productivity; the price-wage guidelines in disarray; huge imbalances in foreign trade; and half the stocks on the New York Stock Exchange selling at below book value.

When the economy is wrong, nothing else is right. I yield to no one in my strong support for the basic social programs enacted by Congresses and Administrations over the past two decades. But I also hold equally firmly to the belief that a strong economy is the greatest social program America ever had, the source of all our strengths and greatness as a nation.

And yet, the decade of the 1970's may well be recorded as the worst economic decade in our history, except for the 1930's.

Two hundred years ago, Alexander Hamilton of New York wrote that America's unequalled spirit of free enterprise was the inexhaustible mine of our national wealth and would make America the admiration and envy of the world.

Seldom has the prediction of a public figure been more auspicious or more accurate. For two centuries, the free and open and competitive American economy has been the cornerstone for our unprecedented and incredibly diverse and dynamic economic growth.

The goal we share is not to turn back the clock in nostalgia for a time gone by. We do not ask to bring back the New Deal or restore the New Frontier to life. Instead, we seek to evoke a nobler spirit adequate to these different and unruly times, to generate once again the "can do" attitude that has always been the hallmark of America at its best.

But history does suggest that we are entitled to a little optimism in our present straits. After all, this is the same nation that pulled itself out of the Great Depression. It is the same nation that ended the stagnation of the 1950's and launched the longest period of uninterrupted growth and price stability in our history. It is the same nation that, but a decade ago, put the footprints of America in the valleys of the moon.

America will be judged in the 1980's, as it was judged in the 1930's and 1960's, by our ability to bring our sick economy back to health, by our willingness as one people with a common larger interest—business and labor, North and South, Wall Street and Main Street—to share fairly and equitably the burden of the present difficulty and of the future action we undertake.

Issues of this magnitude cannot be resolved in a single speech or by a single program. It will take months of debate and perhaps years of action by the best thinkers and managers in the nation to begin to make a difference. Tonight, however, I would like to address a few important areas in which we share a common interest, and which can contribute significantly to the restoration of a stable, productive and competitive economy.

One important area is that of foreign trade. I have often said, as part of the debate over the nation's health care system, that America is the only major industrial nation in the world without a comprehensive system of national health insurance. But we are also the only major industrial nation in the world without a comprehensive approach to the coordination of international trade and industry.

I come from a region of the country renowned for Yankee ingenuity, the birthplace of the industrial revolution on this continent. And I can tell you that several generations of Yankee traders and captains of New England clipper ships would be turning in their graves if they could see America today, taking a back seat in global trade and commerce to Germany and Japan.

Over the past two decades, the American share of world markets has dropped from 20 percent to 14 percent. That decline is unacceptable. An increase of just a single percentage point would be enough to eliminate the trade imbalance that has had such a crippling effect on our economy today.

Obviously, to end the current deficit in trade, we have to reduce our dependence on foreign oil. But we also have to devise more effective ways to sell American products overseas and compete in other lands. Other nations, not blessed with our magnificent natural resources, have learned to sell in order to survive, and America can learn as well.

A major challenge for this nation in the 1980's, therefore, is to create effective openings in foreign markets. The successful completion of the recent Mutilateral Trade Negotiations, for which Ambassador Robert Strauss and the Carter Administration deserve great credit, has laid the groundwork for seizing new opportunities for the expansion of foreign markets. That task is primarily for American business to undertake, but the federal government has a role to play as well. I look forward to the future decade as an era of new and productive partnership between government and business in this essential undertaking. I see America strong again around the world, renowned for the power of our system of free enterprise, bringing vast benefits to our own citizens and to the four billion other human beings who share this planet with us.

A second area of major challenge and opportunity is to modernize American industry. The basic need here is to take comprehensive action to reverse the alarming sag in productivity and to foster a new era of innovation and competition.

The key to prosperity is productivity. We do not have to abandon demand-side economics to recognize the importance of supply-side economics in our modern life. Without growth in productivity, the nation consigns itself to carving up a shrinking pie and fighting over ever smaller slices. With increasing productivity, the pie expands to create larger portions for all.

Over the past decade, however, U.S. productivity growth has fallen significantly below that of our major foreign competitors. And in the second quarter of this year, the rate plunged more sharply than at any time since the measurements began in 1947. Unless we halt that slide, it may well be impossible to achieve our other economic goals.

A related key to prosperity is innovation. From the electricity of Benjamin Franklin to the electronics of the space age, America has been renowned for its innovative genius. In recent years, the computer, the Xerox machine, and the semiconductor have revolutionized old industries and created entire new ones. The great communications advance—telephones and television, mass-produced automobiles and jet airplanes—did not merely make a country out of a continent. They changed the way we think of space and time.

As Chairman and a member of the Congressional Office of Technology Assessment, I have had the privilege of working closely with some of the nation's most distinguished and creative scientists and engineers. I have great confidence in their ability to launch a new innovative revolution in America, if only we can find the proper key to unlock the talent that is waiting to respond.

A top priority on our economic agenda, therefore, must be a major new national commitment to the twin goals of productivity and innovation. That means new incentives for savings and investment, for entrepreneurs and business firms. It also means new mechanisms to strengthen the other side of the equation—the market demand for innovation throughout the economy. I see seven major initiatives that can be used to reach these goals.

First, we must provide additional incentives to encourage capital formation and to enable industries to bring their plants and equipment into the modern world. While I do not endorse the details of the 10–5–3 Capital Cost Recovery Act because of its enormous budget cost, I do endorse its principle of helping American industry deal with the central issue of replacement cost in these inflationary times. It is time to revise the tax treatment of depreciation, to insure that it is better designed to meet the four important goals of capital formation, efficiency, equity and simplicity. As you will recall, the enactment of the investment tax credit in 1962 helped launch the unprecedented period of prosperity in that decade, and our goal should be to act with equal imagination for the decade of the 80's.

Second, we must devise targeted incentives to stimulate ventures that hold promise of substantial innovation. We can encourage business leaders to lift their sights beyond the bottom line on the next quarter's financial report, and take other steps to insure that thinking for the longer run becomes a more immediate concern of our major industries.

Third, we must revamp the antiquated patent system. The challenge here is ambitious—to create a vital new marketplace of ideas, where competitive forces will play a greater role in generating innovation in the economy. This means providing more effective patent protection, computerizing the patent process, reducing the burden of patent litigation, and shifting the 30,000 government-held patents to the private sector on terms that protect the investment and interest of the public. In ways like these, we can restore patents in the 1980's to the powerful and brilliant concept visualized by the Founding Fathers when they wrote the role of patents into the Constitution two hundred years ago.

Fourth, we must strengthen market demand for innovation through more imaginative use of government procurement and similar procedures. Here, for example, we can encourage communities to pool their demand for new technology in important public fields like mass transit, water purification, waste recycling and other areas where innovation lags today because demand is too isolated, weak, and fragmented.

Fifth, we must provide small business firms with new incentives to stimulate innovation. In recent decades, small business has accounted for nearly half of all major U.S. innovations. It has produced four times as many innovations per dollar of R & D as medium-sized firms, and 24 times as many as large firms. We can build on this record for the future, by assuring small business and new ventures a greater share of federal dollars for R & D, greater access to venture and investment capital, and greater assistance in the complex technical, managerial, and regulatory problems they face.

Sixth, we must determine whether America's competitive position would be enhanced by joint, cooperative research programs among companies, in order to increase productivity on an industry-wide basis. Our major foreign competitors now carry out such programs, but individual American firms are often unable to try them alone.

Seventh, we must revitalize the foundation for new technology, by strengthening the nation's basic and applied research, and by bolstering education and career development for scientists and engineers. The National Science Foundation, for example, is now carrying out a successful program created by Congress in 1977 to encourage joint industry-university cooperative research.

Together, initiatives like these can lead to a new birth of industry in America and a new flowering of technology that can launch us on a path of growth, vitality, and prosperity to the end of the century and beyond. We know that strong markets are essential to spur the modernization we need. Neither individuals nor firms will take new risks unless they have the promise of adequate rewards.

Government and industry have a role to play together here. If we succeed, then American productivity and innovation can once again be the envy of the world.

It is also time to end the guerrilla warfare between business and consumer groups. We cannot afford a bitter or divisive dialog in which business groups automatically equate the public interest with private loss, or in which consumer groups automatically label business as suspect.

The challenge is to reduce the gaps that divide our people, to make government more effective but limited to areas where it belongs, and to demonstrate that a vigorous, creative and profitable private sector is not only consistent with the public interest, but essential to our liberty.

Finally, let me mention briefly the area of deregulation, where we also share a common interest, and where government and business can work more closely and effectively together to reduce the burden of excessive regulation.

In this area, we are making a clean break with the New Deal and even the 1960's. We reject the idea that government knows best across the board, that public planning is inherently superior or more effective than private action. There is now a growing consensus, which I share, that government intervention in the economy should come only as a last resort, when market forces fail to meet important needs such as the protection of public health and safety.

Yesterday in the Senate, for example, we enacted the most significant prescription drug reform legislation since 1938. That bill, five years in the making, is a comprehensive overhaul of the Food and Drug Administration. It reduces delays and paperwork, streamlines the regulatory apparatus, adds significant new consumer protections, brings new drugs more quickly to the market, and provides major new incentives both for exports and for increased research and development. In areas like these, where regulation is needed, government can act to make its procedures more efficient, for the lasting benefit of consumers and industry alike.

In other areas, however, such as naturally competitive industries like trucks and airlines, the overwhelming evidence of recent years is that the free marketplace itself can do a better job than any government regulator.

Airline deregulation is a case study that proves the point. When our Senate investigation began in 1974, we found that the CAB itself was the cause of high air fares and inefficient service. New firms were denied entry to the market. The enormous competitive energy of the airlines was directed into the frivolous search for gourmet meals, theaters in the sky and other costly frills.

As a result of deregulation, the airlines started charging less and making more. Now, more people are flying, more communities are being served, and more workers are employed. Passengers saved over two and a half billion dollars in lower fares last year, yet the airlines increased their profits by 54 percent. And all because government got out and let the market work.

It was such a simple idea. For America, it was almost like reinventing the wheel. We rediscovered competition. The scheme of government regulation was a house of cards. It was no longer working, and at last we were wise enough to tear it down. There have been few more satisfying achievements in Congress in recent years than the success of airline deregulation. It has been good for the industry, good for the consumer, good for business, and good for the country too.

In ways like these, the decade to come will be a period in which both government and business reappraise their respective roles of action in the public and private interest. The primary challenge we face is to act as partners, not as adversaries, in restoring the magnificent potential of American enterprise.

Woodrow Wilson once wrote that the United States was built for men and women on the move. To a large extent, the future hope of this nation rests on business and labor together, the men and women who understand what it takes to keep America on the move. For two centuries, our system of competition and free enterprise has served this nation well. I intend to do my best to see that the system we hand on to our children will serve us well for many years to come.

Address of Senator Edward M. Kennedy to the National Federation of Independent Business

It is an honor to be introduced by one of the most effective spokesmen for small business in this country—George Burger. For over 20 years, George has been an eloquent advocate on behalf of small and independent businesses.

I am also pleased to be here with Mike McKevitt—who, like George, is an active, articulate and aggressive advocate for small business.

One of our greatest strengths as a nation is our belief in a free, and open, and competitive American economy. And one of the principle keys to our progress as a nation—to the growth of our economy and the protection of our consumers—is the strength and survival of small and independent businesses. That is the foundation not only for our economic system, but for our political system as well.

Alexander Hamilton wrote in the Federalist Papers that the "unequalled spirit" of free enterprise is the "genius of the American merchants," and the "inexhaustible mine of our national wealth." He said that spirit would make America "the admiration and envy of the world." He was right.

The immigrants who built this country did not ask to be given a better life. All they asked was the chance to build one for themselves. The sum of their individual efforts is the source of our greatness as a people. America is the product of a million individual dreams and of the freedom which allowed those dreams to flourish.

Those dreams are no less important today than they were at the beginning of our nation. But somewhere along the line we began to lose the sense of individual craft and accomplishment. Somehow in the rush of events and technology, we came to believe that size and wealth were the measures of worth. We lost the value of diversity, the checks and balances of competition, and the belief in individual accomplishment. And in their place we built new idols: Big business and big government. We too easily sacrificed the most precious elements of our heritage.

Our task is to restore those elements and create a new economic climate in which individual initiative will be rewarded, and independent enterprise will flourish.

As chairman of the Judiciary Committee, I have made a strong personal commitment to competition as the fundamental principle which should guide the economic policies of this country. In that commitment I have worked in partnership with NFIB which, more than any other business or professional organization, has committed its resources to preserving the free enterprise system that has made our country great.

We have some differences. But we also have many things in common. Let me mention six major pieces of legislation where we share a common interest.

Last Congress I introduced, with Senator Howard Cannon, the Airline Deregulation Act, which has increased competition dramatically in the airline industry.

This year, with NFIB support, I have introduced, after 19 days of hearings, a bill to eliminate price fixing and to reduce the heavy hand of government regulation in the trucking industry.

This year, again with NFIB support, I introduced the Competition Improvements Act, to increase competition in other regulated industries.

This year, again with NFIB support, I introduced the small and independent business protection act of 1979, to limit mergers by our largest corporations.

Last month I also introduced, "The Small Business Innovation Research Act", to strengthen significantly the role of small, innovative firms in federally funded research and development.

And just last week, I introduced "The Administrative Practice and Regulatory Control Act of 1979", a bill for which I ask your support, to require the President and Congress to review major government agencies to determine whether their goals can be achieved through other, non-regulatory means.

Of course, not every bill I have introduced has your support of encouragement. Two important examples where we have differed are national health insurance and my public participation bill. Even these bills, however, have much in them which should help small business, and I hope you will keep an open mind.

I believe every American has a right to decent health care at a reasonable cost. The "Health Care For All Americans Act", which I proposed last month, will guarantee that right. I want you to know that I have been sensitive to the needs of small business by including in the legislation provisions to assist certain small businesses in meeting the costs of a mandatory health care plan.

But we must also be sensitive to the enormous burden that spiralling health care costs are imposing on the nation.—on business, and labor alike. This nation will spend $180 billion on health care this year. It will spend $250 billion by 1981 if we do nothing at all. The only way to control those costs effectively is through a comprehensive national health insurance plan with a system of prospective budgeting.

Under my proposal, the Nation will spend *less* after four years of the plan, than if no legislation were enacted. The bulk of those savings will be in the private sector.

Left unchecked, health care costs will bankrupt this country. That is not in the interest of small business. It is not in your employees' interest. It is not in this country's interest.

In the area of public participation, my bill would give small businesses and other persons funds to appear before regulatory agencies in order to provide the agencies with points of view which would not otherwise be presented. In the past, NFIB has opposed this legislation because of concern that the funding would be used by consumer and environmental groups to challenge business.

I would urge you to re-think that opposition. In agencies where such funding has been tried, a significant portion of the funds have gone to small business, so that your interests may be better represented.

In a related area, I am presently working with Senator DeConcini and Senator Domenici on legislation, supported by NFIB, which will provide attorneys fees, in appropriate situations, to small businesses which successfully challenge illegal government actions.

In the next few days, you will be hearing from a number of distinguished speakers. Some of those speakers hope to have nationwide responsibilities.

I urge you to ask those speakers what they have done to commit themselves to small business and to increasing competition. I urge you to ask them to speak not in generalities, but in specifics. Ask them where they stand on the competition improvements act, on trucking deregulations, on the merger act.

And when you hear their promises of support, listen carefully for two things: a commitment for protection against unwarranted corporate power through vigorous enforcement of the antitrust laws, and a commitment for protection against unwarranted government power through regulatory reform. Both are essential to preserve the strength and vitality of small and independent businesses.

In the corporate world, our task is to stem the growth of giant conglomerate empires. They are literally swallowing the best and most promising of our independent companies. And those which they cannot absorb, they are driving from the market. In 1955, the top 500 industrials controlled 65% of all manufacturing and mining assets in this country. By 1965, the figure has climbed to 73%, and by 1977 it had reached an incredible 83%. Less than 3% of all industrial firms now control over 80% of all industrial assets. The top 100 firms now control the same share of manufacturing assets as did the top 200 thirty years ago. And the top 200 now control the same share as did the top 1000 in 1941.

Those figures are staggering to contemplate. And the merger wave is growing, not receding. It is producing corporate empires which can no longer be considered businesses in the ordinary sense.

We cannot afford to become a nation which even Fortune magazine has warned will end up completely dominated by conglomerates "happily trading with each other in a new kind of cartel system."

In our Judiciary Committee hearings, we have heard the opponents claim time and again that big business is the wave of the future, that small business is an anachronism, that independent firms can no longer compete effectively in the modern national and international economy.

I reject those assertions. The legislation I favor is not based on the view that bigness is bad. It is based on the view that smallness must survive. Massive concentrations of unaccountable corporate power are inconsistent with the democratic values in this country. Our economic institutions are out of scale and out of proportion.

Executives of great corporations scoff at such feelings. They see them as nothing more than naive nostalgia for a simpler lifestyle no longer possible in today's complex modern world.

But they are wrong. The need for scale and proportion in human institutions has always been recognized by thoughtful people. The ancient world had no difficulty understanding why democracy sprang from the small Greek city-states and not from the wealthy and powerful Persian empire. The public is not clamoring for mom-and-pop stores served by horse-drawn delivery carts. What they fear is an unnecessary giantism in our institutions. The largest of our companies have already grown larger than many nations. Long ago they began to fit Edmund Burke's memorable description of the East India company in the 18th century as "a nation in the disguise of a merchant."

By contrast, we know the virtues of small business. It is the single best source of new jobs in our economy. It is the single best guarantee of free and open competition. It is the single best source of innovation.

The elevator was the idea of a small businessman named Otis.

The airplane was the idea of two brothers who owned a bicycle shop.

And in my home state, it was the high technology firms on Route 128 that helped invent the "silicon chip" for data processing, which some have called the most significant contribution of the decade.

No society can allow its small businesses to be swallowed up by big business. It is time to limit the merger of giant corporations, and reduce their power to absorb smaller firms.

By a vote of over two to one, the NFIB has endorsed the pending anti-merger bill. Mike McKevitt and the NFIB stood with us in the Senate office building earlier this year, as we proclaimed that the days of indiscriminate takeover must end. The best answer to growing corporate power is the strictest possible enforcement of our antitrust laws, and the passage of new laws to plug the serious loopholes in existing law.

But protection against corporate power is not enough. Protection against big government is also necessary. NFIB knows better than most, the stifling influence of endless governmental regulation. The burden is especially great for small businesses, because they can least afford the costs of compliance with a maze of complex and often contradictory requirements.

Between 1975 and 1978, the regulatory establishment more than doubled. It may cost American industry as much as $100 billion to comply with regulations. It may cost our economy as much as $50 billion in paperwork alone. But no one can measure the additional costs in frustration to businesses trying to figure out the rules. One small business in Massachusetts spent over 1300 hours sending forms to different State and Federal agencies.

Sometimes the frustration has a lighter side. A businessman wrote to Senator Culver that he had received a questionnaire which asked him "How many employees do you have, broken down by sex?" He wrote back: "None, our problem here is alcohol."

Economic regulations imposed by Government are often self-defeating. They work against the basic principles of competition and free fair pricing. They work against small businesses trying to compete effectively in the market place by offering lower prices and better services.

That was the major lesson in the fight over an airline deregulation. The C.A.B., the Federal agency in charge of regulation, was the primary cause of high air fares. The agency had effectively outlawed price competition. It channeled competitive energies into gourmet meals, theaters in the sky, and other high-priced frills. When Congress took away that regulatory scheme, the airlines started charging lower fares. They also started making more money. Now, more people are flying, more routes are being scheduled, and more people are employed in the industry. Passengers saved over 2 and one-half billion dollars in fares last year.

The airlines increased their profits by 54% to a record $1.2 billion. And all because we got rid of Government interference.

Much of that advantage accrued to small businesses. The airline industry had been a bastion of protectionism. Now, the barriers have come down. As Milt Stewart told the Judiciary Committee, commuter airlines expanded their operations significantly the year after deregulation occurred. New lines have come into existence. A year ago, there were 116 commuter airlines. Today, that number has grown to 141.

It was such a simple idea. For America, it was almost like re-inventing the wheel. We rediscovered competition. The scheme of Government regulation was a house of cards. It wasn't working, and at last we were wise enough to tear it down. There have been few more satisfying achievements in Congress in recent years than the success of airline deregulation. It's been good for the industry, good for the consumer, good for small business and good for the country.

That same oppressive weight of regulation exists in other sectors of our economy. Take the trucking industry, for example. Since 1935, we have regulated trucks. We have forced them to use listed routes.

We have accepted the fiction that they must rely upon huge capital investments and need protection against wasteful competition. We have regulated their rates—not to keep them low but to keep them high—and thus to protect the monopoly value of their government licenses. We have even gone so far as to legalize price-fixing behind closed doors, through rate agreements that would be a felony in other industries under the Sherman Act. But the trucking industry has an exemption from this most basic of all the antitrust laws.

As a result, government regulation has effectively and systematically reduced competition in the trucking industry. And who gets hurt the most? Small businesses. They are frozen out. Last month in committee, we heard testimony from the president of a small Massachusetts trucking company. He told us he had spent the last thirty years in a bottle. He says his company was frozen in the role of the small carrier—frozen by the I.C.C. itself. If he could ever make the I.C.C. understand, he says, he could provide better service at lower rates than other carriers.

Government regulation of trucking has two results—poorer service and more expensive service. Small trucking firms are prevented from competing. They are prevented from offering lower prices. The way to ensure more service at lower rates—and lower prices for all consumers—is to rely more heavily on competition, free enterprise and the market place, rather than on the decisions of bureaucrats in Washington. That's the way our system of free enterprise is supposed to work. And that's the way it can work again, if we are willing to do something about this present excessive regulation.

So ask the speakers who come before you a few specific questions—if they give lip service to regulatory reform and competition, ask them if they'll stand with you on trucking deregulation. Ask if they'll stand with you against giant corporate mergers.

In specific ways like these, we can make our system of free enterprise work the way it should. In every case, we should start with a presumption which favors a competitive, unregulated market place. Government intervention should come only as a last resort when market forces fail to meet important needs such as protection of the public health and safety, and protection of competition itself. Let us work toegther to build a stronger nationwide alliance for the benefit of our free enterprise system. The common interest we share cuts across all geographical, partisan, and philosophical lines—our interest in restoring competition as the prevailing principle in the economic policy of our country.

Woodrow Wilson once wrote that America was built for men and women on the move, not for those who have it made. The hope of this nation resides in citizens like yourselves who are on the move. What happens to small business is of vital importance to the future of our country. You are a central part of the American dream, the basis of this country's past greatness. I am confident that you will play a major role in guiding our nation safely to the future. And I am proud to stand here with you today.

ADDRESS OF SENATOR EDWARD M. KENNEDY TO THE AMERICAN ENTERPRISE INSTITUTE FOR PUBLIC POLICY RESEARCH AND THE NATIONAL JOURNAL JOINT NATIONAL LEADERSHIP CONFERENCE "REGULATORY REFORM: STRIKING A BALANCE"

I am pleased to be speaking before this National Leadership Conference on Regulatory Reform. The National Journal's coverage of regulatory issues has been fair, detailed and helpful. And AEI's contribution to our thoughts on regulation has been substantial. In a hundred ways—through testimony on specific legislation, through studies and think pieces, through seminars, symposia, and Regulation magazine—The American Enterprise Institute has planted important seeds, focussed Congressional and Executive attention on major problems or perverse effects of regulation, and acted as a stimulant in the growing debate. I may not have agreed with all the positions AEI has taken in recent years. But its ability to inform—and amplify—discussion is undeniable.

While examining regulatory reform, Senator Culver, Chairman of the Administrative Practice Subcommittee, received a letter from a constituent fed up with filling out forms instead of running his business. He had received an EEO questionnaire which asked, "How many employees do you have, broken down by sex?" He wrote back: "None. Our problem here is alcohol."

My own concern with regulatory reform is not new. And neither is the country's. Regulation touches all of us because the cost of transportation and energy, the safety of food, drugs, jobs, and the quality of the environment, are crucial for all of us. If Americans are to believe in their government, regulation must be—and seen to be—fair, reasonable and effective.

In 1860, Ralph Waldo Emerson wrote that "the government, which was meant for protection and comfort of all good citizens, becomes the principal obstruction and nuisance. The cheat and bully we meet everywhere is the government." Twenty years later Congress created the ICC; 100 years later we are trying to uncreate it. In the 1930's Orwell articulated the terrifying vision of a government without limits, whose only constraint was that there were no more people or actions to dominate.

And since that time the growth of government has been explosive. Now we hear that regulation may cost the economy between $25 and $50 billion in paperwork alone; that the regulatory establishment grew 115 percent between 1975 and 1978, incurring annual budget costs of nearly $5 billion; that industry's regulatory compliance costs may be over $100 billion; that regulation may cost jobs, hit small business more heavily, be partly responsible for inflation, and at the same time may be ineffective.

But these costs do not mean that we can turn back the clock and return to the days of Ralph Waldo Emerson. Unlike Mr. Emerson, we live in a complex technological society where consumers have neither the knowledge nor the power to bargain for their interests.

Social regulation brings benefits not just costs. Clean air. A safe working place. Promotion of minority employment. Controlling sickle cell anemia. Safe automobiles. And the difficulty of measuring these benefits is no argument that they do not exist. It is a demonstration that cost-benefit analysis has limited utility in this sphere. That conclusion is confirmed by the fact that cost data comes from interested businessmen whose accountants routinely tally them, while the public has no way or incentive to tally the benefits.

Thus to pay too much attention to cost-benefit analysis or its brother, cost-effectiveness analysis, is to decide policy by relying on only one side of the ledger. That is unacceptable in a society which places a high premium on life, liberty and the pursuit of happiness.

Nor do these costs of regulation mean that we should plunge headlong into deregulation in every area of governmental activity. The history of unregulated markets too clearly shows that they often can prove detrimental to consumers and businessmen alike. Recent revelations indicate that major asbestos firms were well aware of their product's harmful effects on workers and school children, but covered up that knowledge for generations. The power company's behavior at Three Mile Island scarcely justifies a benign faith in the workings of the market. And complete decontrol of oil prices may well constitute a case of the Invisible Hand belonging to a mugger instead of an agent for the general good.

The procedures of government must clearly be updated and revamped to achieve greater speed, openness, fairness and efficiency. But procedural changes in regulation are unlikely to achieve change in its substantive results. Procedure alone will not give us lower prices, better health and safety, or a cleaner environment. And it is results that count.

Time has borne this out. For many years we thought agencies would regulate properly because they were merely transmission belts without power to make substantive policy, authorized only to apply Congress' orders to practical situations. But it is clear, agencies are not just gear wheels, they make policy all the time.

During the New Deal, we admitted this policy role but convinced ourselves that management by experts, controlled by basic precepts—"the science of the regulatory art"—would yield better results. This faith has been a snare and delusion. There is no "science" of regulation; the proper allocation of rates, air routes, fuel oil, or protective respirators cannot be decided by abstract neutral principles.

The procedural answer of the 1960's was to open the regulatory process—to provide more information to participants and allow participation by all potentially affected groups. We are still pursuing that effort, and more needs to be done. But such participation is seldom sufficient by itself to change regulation's basic course.

This is not to say that increased procedural fairness, expertise and participation are undesirable. To the contrary, they are critical in a democratic society. But we cannot count on procedure alone to produce major improvements in regulatory effectiveness.

How then are we to bring about meaningful change? I am convinced the key lies in agency-by-agency examinations of specific regulatory programs. Government bodies outside the agency concerned must take the time and effort needed to force change; they need the help of outside groups committed to fundamental reform. In that work they should be guided by a "regulation as last resort" philosophy. I would call this approach "least restrictive alternative" regulation.

That is the basic rule of our antitrust laws. Under those laws, when firms enter into an agreement, a court asks whether it will interfere with competition. It then asks whether the agreement is necessary to achieve an important public purpose. And it allows the agreement only if it is "the least restrictive alternative" available to achieve that purpose.

This approach applies to government regulation too. If we start out in favor of a competitive, unregulated marketplace, the government should intervene only when that market does not work properly—when it fails to fulfill an important public need. And when the government does intervene, it should choose the least restrictive means available before turning to self-perpetuating commands-and-controls. At the very least, it should examine available alternatives in a regular, structured manner before choosing that route.

Practical consequences flow from this view. First, in the area of social regulations—traffic safety, food purity, drug efficacy, environmental protection, job safety and health—deregulation is unlikely to be an answer. There are too many powerful reasons—rooted in fairness, social justice, relief for the disadvantaged and under-represented—that will not allow such regulation to be wiped away. We can never stop trying to make social regulation more effective and incorporate new approaches. But past experience with unregulated drugs, pollution, and job conditions shows that relying on totally free markets here would invite chaos. Consumers do not have the knowledge or power to protect their best interests, and the protective efforts of more conscientious firms would be driven to the lowest common denominator. Here the choice will be how to regulate—not between regulation or none.

Second, where health and safety are not paramount, and industry consists of several firms in a reasonably competitive market, the most likely answer is not to regulate. Instead we should rely on the discipline of that market, backed by antitrust policy. This has proved true for airlines. It also applies to trucking and other regulated industries. The best example is the Civil Aeronautics Board.

My Administrative Practice Subcommittee studied the CAB for over 18 months. We found that government regulation itself was the prime cause of high air fares. The CAB had effectively outlawed price competition, while channeling the airlines' competitive energies into excessive scheduling, gourmet meals, and other frills. The result was too many empty seats—for which ticket buyers paid.

Now airlines have been deregulated. And now they are charging lower fares and making more money. Demand has risen, and they are carrying more people to more places than ever before. In 1978:

The real average domestic ticket price dropped nearly ten percent, compared with the Consumer Price Index;

Air customers saved over two and a half billion dollars in fares;

Carriers made record profits of $1.2 billion dollars, for a 19 percent return on equity;

The industry added 12,000 new jobs, including 1,100 at Boston alone.

This is how sensible deregulation can promote efficiency and reduce inflation at the same time.

Trucking is another patient that needs a healthy dose of competition. Since 1935 we have regulated trucks like trains. We have forced them to use listed routes, pretending they were like rail lines whose huge investments in private track needed protection from wasteful competition. We have regulated their rates—not to keep them low, but to keep them high—to protect the monopoly value of their government licenses. We have even allowed them to set prices collusively—behind closed doors—in ways that are felonies in every other industry.

But trucks are not trains, and we should stop regulating as if they were. What is more, trucks are not public utilities. This is not a case where only a handful of firms can operate efficiently. The way to insure fair truck rates—and lower prices for all consumers—is to unleash competition, not cage it more tightly.

Comprehensive legislation to reduce trucking regulation will soon be before Congress. I have already introduced S. 710, which would end legalized price-fixing and limit the ICC's ability to outlaw competitive rates filed by carriers. This is an important step. And beyond it we must move to erase outmoded restrictions on entry, on mergers and acquisitions, on other aspects of truck operations.

I believe we will succeed in this trucking effort. Many of our opponents in this fight for free enterprise are those who often urge less government intervention—for others, not themselves. Indeed, many members of the business community support regulatory reform, but always in someone else's area of business. But with help from the American Enterprise Institute and others, we can win this battle for the American people.

In other regulatory areas, however the answer will not be to wipe the slate clean, but to make regulation less intrusive, less bumbling and bureaucratic. There are many tools the government can use to stop short of—or supplement—direct command-and-control regulation. The government can institute regulatory taxes. It can require more disclosure. It can encourage bargaining among private parties. The practical difficulties with these techniques should not be understated. But they may well make health, safety, and environmental regulation more effective and less cumbersome.

In the environment, for example, the goal is to encourage industry to use less polluting production methods. Environmental taxes as supplements to direct standards have long been advocated by many environmentalists and some in industry. EPA is currently experimenting with systems of "marketable rights" under which new firms can buy rights to pollute from older firms, creating a profit motive for existing and new firms to reduce emissions in the most cost-effective ways. Regulatory taxes have been used to increase the price of throw-away cans and non-returnable bottles, encouraging buyer shifts to more socially-desirable products. They might also be used to regulate the price of cigarettes with dangerous levels of tar and nicotine, or to raise the prices of automobiles with low gasoline efficiency.

We might also use increased disclosure to warn consumers away from products we do not want to forbid. We use mandated disclosure as a regulating technique in drug labelling, in food packaging, at the gas pump, in the stock market. It is less restrictive and sometimes more effective than banning a substance or product. As we discover that more and more necessary food substances also carry risks, we may want to require food labels warning consumers to eat what they want, but not too much of any one thing. Some have suggested a "dangerous food" area in each grocery store for products whose intake should be restricted, though not banned entirely. And as a result of the saccharin mess, FDA itself is exploring the possibility of regulating only "involuntary exposures" to food additives, not the hopeless task of regulating exposures which consumers with full knowledge still desire.

We might also make more use of informal bargaining to attain regulatory goals. In some European countries, workplace safety problems are negotiated between unions, management and a government representative. Certain firms have quietly begun to work with OSHA to explore such techniques here. This process can take place on an informal plant-by-plant basis, producing more effective regulation as well as freedom from unwieldly requirements. It can also make direct government enforcement a matter of last resort rather than one of first instance.

Finally, in some areas it will not be possible to avoid direct regulation. Thalidomides must be banned. Nor would it be wise to rely solely on the market place for the purity of our air or drinking water. Effective regulation is as important to parents filling a prescription as to the worker who breathes the air in his plant. Government safety standards are equally important to the traveler in his plane and the machinist at his workbench. There must be a Federal Aviation Administration and there must also be direct government concern with worker safety. Reform here will be complex. It may involve giving agencies more resources, or changes in procedure. It may involve increased enforcement, or systems that encourage more voluntary compliance. It may also involve an admission that what works for General Foods is not right for the corner grocer.

But in all these cases we can do more. We can encourage others to follow the same case-by-case approach, and to do so by pro-competitive means. We can legislate a system that will encourage scrutiny of individual agencies and require detailed reform plans. And we can promote regular examination of less restrictive alternatives to attain legitimate regulatory ends.

This week I will introduce legislation which adopts this substantive-reform approach. The bill has three basic objectives.

First, it will institutionalize substantive reform on a case-by-case basis, analyzing each agency by asking these questions:

What is the market defect that justifies regulation by this agency?

Are the methods used to correct this defect effective in achieving that goal?

Are there less restrictive alternatives?

The bill contains a "High Noon" provision which, by two trigger mechanisms, will expose a specific regulatory agency each year to the kind of piercing light that should uncover any defects.

The first trigger requires the President, with a newly established Committee on Regulatory Evaluation—a committee with a fundamentally pro-competitive outlook—to propose a regulatory reform bill and report dealing with one listed agency each year. Wherever possible, this report will review alternatives to direct regulation, evaluate pro-competitive improvements, favor consumers.

The legislation mandates presidential review of ten categories of agencies in the decade between 1982 and 1992, including the ICC, the FMC, the FCC, environmental agencies, and banking and financial regulatory agencies.

Once in Congress, these reform proposals will be referred to the appropriate committee, which has 360 legislative days to consider the bill, amend it, report it out.

Then comes the second trigger—a procedual trigger. If the committee does not act within a year, the bill can be discharged for privileged floor consideration. Thus, while it would still take two houses of Congress and the President to enact regulatory reform, and the appropriate committees still retain jurisdiction, this bill obviates the procedural tie ups which frequently prevent Congress from getting to the heart of the matter.

Second, the bill will focus on the daily substantive activities of regulatory agencies. Agencies concerned with economic regulation would be forced to consider whether their aims might be achieved through less restrictive alternatives and greater reliance on competition. This is an approach to reduced regulation which relies on agency. rather than congressional initiative.

This proposal will increase the use of competition as a regulatory tool. It targets the four types of federal regulatory activity which substitute direct economic regulation for the marketplace and which have historically had severe anticompetitive effects: limits on entry, control over prices, restraints on the amount of goods and services which may be produced or distributed; and approval of anti-competitive agreements among competitors.

An agency may regulate in these ways only after it has considered the competitive effects of the action and concluded that action is the least anti-competitive alternative available to achieve its goals. Agencies may still regulate in the manner they deem necessary, but would be required to consider competition to the maximum degree possible.

Third, the bill will increase the amount of meaningful public participation in agency rule making. This is critical not only for fairness but for improved agency decision making.

The bill increases public participation in four ways:

It reforms the barebones "notice and comment" requirements for agency rule making and requires that rules which have a major impact must give the public an increased opportunity to understand the arguments made and rebut them.

It expands the kinds of rules which are subject to public participation by removing across-the-board exemptions for a number of agency functions presently immune from public scrutiny: the military, foreign policy functions, procurements, the giving of grants and benefits.

It requires agency officials to log and summarize all communications made to them about a rule from persons outside the government after the proposed rule is published in the Federal Register.

And the bill provides public participation funds for those persons and groups who will provide important points of view that should be taken into account in rule making.

Finally, the bill improves the quality of agency procedures by setting up a committee in the Administrative Conference to create a uniform code of administrative procedures.

These provisions are consistent with the major regulatory reform bills now before the Senate, the Ribicoff bill and the Administrations proposal. They complement and strengthen those bills. And they are consistent with what lies beneath those efforts—the widespread belief that there is too much costly and obtrusive government regulation that Congress has created as many regulatory problems as it has solved, and that there is need for greater public participation in agency rule making procedures.

As we approach the 1980's, the issue of government credibility—its ability to respond sensibly and effectively, to know when to stay out as well as leap in—has grown larger.

Our citizens and businesses feel overregulated. But to most Americans regulation is not the President. It is not the Secretary of Energy or HEW. It is not even Washington. It is the energy allocation guidelines no one can understand. It is the government contract officer who puts people through hoops before he will look at their applications. It is the inspector from FAA or USDA or OSHA who may hold life and death power over their businesses but does not seem to understand their operations and acts unwilling to learn.

Striking the proper balance between compulsion and choice for individual citizens must be our focus. That is where gains must be made if we are to make a real difference. For if faith in government's good sense, and even sanity, continues to decline, the will to respond where national response is truly needed will soon be gone too.

The high cost of regulation, inflation, the general public feeling the government intervenes too much in our lives, and the breakdown of classical rationales for federal regulation are the mainsprings of the current debate over regulatory reform. They are the reasons this subject has become more than the preserve of academics and commissions whose reports gather dust on Washington's bookshelves.

The answers to this debate will not be found in a return to the government of Franklin Roosevelt. But they will not be found in a return to McKinley's either. They will require new approaches and much hard work. But that is something America has never been afraid of. Let us renew that fearless belief in new ideas. Let us strive together to make government work better for all the people.

[From Barron's, Apr. 30, 1979]

WHAT KENNEDY WANTS—TRUCKING DEREGULATION, FEWER MERGERS, MORE COMPETITION

WASHINGTON.—Edward M. Kennedy is a Senator on the run—even if he's not officially running. His working pace since he became chairman of the Senate Judiciary Committee in January seems out of step with the more measured tread of Congress as a whole. About him and his suite and his staff in the Dirksen Senate Office Building hangs an air reminiscent of earlier Kennedys, whose photos cover the walls. And, of course, he has inherited the Kennedy political mystique—whatever he says on virtually any subject, no matter how cursory or casual, commands instant press, often read unhappily by the business community. Last week, the editors of Barron's sat down with the Senator for an informal and somewhat discursive airing of his views on a sweep of subjects from health care to tax reform. The accompanying Q. and A. is the result of the session.—Roscoe C. Born.

Barron's: In the span of about three weeks recently, one syndicated column called you "business' hair shirt" and generally depicted you as the *bete noir* of the corporate world, while another syndicated column called you soft on business and accused you of placating the "fat cats." Which characterization would you more readily identify with?

Kennedy: It's better, rather than to just look at the labels of recent times, to examine what I've been trying to do over the last several years in the area of competition—since I've been a member of the Judiciary Committee. That committee, of course, has the prime responsibilities in the area of competition, through the Antitrust Subcommittee. We started 4½ years ago, the first real hearings on airline deregulation legislation. And through the leadership of Sen. Cannon, myself and others in the Congress we have brought about increased profits for the airline industry; we've increased employment; we've increased return for the stockholders and the investors; and we have made some very small steps forward in the battle against inflation.

Q. And you're now looking to take some other such steps?

A. Even before we had completed the final legislative signing on airline deregulation, we were already looking to see how we could take those same lessons and apply them to the trucking industry. Again, to bring about a heavy reduction of government interference, to permit more competition through the elimination of the antitrust exemption of the Motor Rate Bureaus. But we have faced the very powerful forces in the Congress of those that are particularly interested in supporting the position of the truckers and the Teamsters.

Q. Well, Senator, do you think the Administration really made a bad deal on this one?

A. Well, if I could just sort of finish * * *

Q. Sorry. Go ahead.

A. This is really predicated on my very strong view that in the area of economic competition the federal government role can be very dramatically reduced. That the decision making by American industry and business ought to be done by businessmen and women. This is something that I believe in, and we can do it in other areas of economic regulation.

Q. What other areas do you have in mind?

A. For example, energy competition. I believe that we are much better served as a country if we have competition between energy sources. I believe that the decision about the future of various alternative energy sources ought to be made by the free market, not in the board rooms of just one energy resource which happens, because of its economic power, to be able to control other energy sources. We have tried in other areas to respond positively and constructively to many of the concerns that businessmen and women have about the role of regulation—and I think we are making some progress. Through all of this, basically, we have been trying to foster a pro-competitive spirit.

Q. Do you find any contradictions between your approach in the energy sphere and in an area like health care, where seemingly you do want to have an administered structure?

A. Yes. You see, first of all, with regard to regulation, I think that there is a distinction that has to be noted. I think that there is a role in the narrow but extremely important area of protecting health and safety protection by the government. There is an appropriate role, obviously, for the Food & Drug Administration.

Q. We were thinking more in terms of health insurance.

A. On the issue of health and health insurance, the program that I support now builds on the private sector. It would build on the private insurance companies. It would, for the first time, have an effective cost-control mechanism, but within that cost-control mechanism we would permit competition within the private sector. That competition does not effectively exist today. The competition which now exists within the private health industry is what we call "experience rating" or "community rating." A company will try and offer a health-insurance package at a lower rate—because the group that it hopes to serve is the healthiest. Meanwhile, the people who are the sickest, who have sick children or have some kind of pattern of previous illness and sickness, are excluded from the system. And that has to be remedied. I believe we can reach the issues of cost control and the issues of equity by working with the private sector, and that will be the basis of the legislation that we'll introduce in the next couple of weeks.

Q. Do you think there is something peculiar about health care that makes health. . . .

A. Sure, sure.

Q. . . . the only sector that would be controlled, really.

A. A very important distinction. If you have three hospitals next to each other, you don't find that the competitive forces work as if you have three different types of widgets or three different types of automobiles. If you have three different hospitals, the prices of all the rooms go up, because the provider is basically the decision-maker in the distribution of services as well as in technology. If you have three hospitals, each of them wants the latest in terms of technology; they all want CAT scanners, they all want the trained personnel to use the CAT scanners. And the net result is that the free-enterprise system does not effectively function. When an individual goes into the hospital, it is the provider that is making the decision, not the purchaser. And that is a very basic and fundamental difference between going into a hospital and deciding whether I take United Airlines or TWA or Delta. That's a very fundamental difference.

Q. On trucking deregulation, it seems that the Administration has made the decision to play down deregulation as part of a ploy to get a satisfactory agreement on wages. They ended up with neither. Do you think there's any hope for trucking deregulation in this session?

A. It could be probably the single most important action that could be taken by the Congress to deal with the problem of inflation. Our estimates, after some 15 days of hearings, conservative estimates, are that the consumer would save \$2½ billion nationwide. Barry Bosworth of the Council on Wage & Price Stability has estimated it would be \$5 billion.

Now, you can ask, well, are those really realistic estimates? If you take a look at the GAO report, it showed that the savings in airline deregulation were \$2½ billion for the consumers, which was about 40 percent higher—30 percent-40 percent higher—than the estimates which we had placed on it previously, a year ago. I think the same kinds of savings would apply in the area of trucking.

Q. How do you rate your chances?

A. It's basically a tough and difficult and uphill battle. We have a major educational job to do and we need the help and support of the business community to be able to do it. It's very, very important, but its' going to be a tough job.

Q. Do you think rail deregulation will come ahead of truck deregulation.

A. Well, on the legislative program it appears to have a higher priority. Of course, rail deregulation has different characteristics from truck deregulation. Trucking, for example, is one of those fields it's easiest to enter; it's more competitive because the capital investment is more manageable. With railroads, it's much more difficult in terms of entry—and entry has a very important impact on competitive forces.

But the best example of where competition can function and work is in trucking. About 40 percent of it is already effectively deregulated; that 40 percent is in agricultural products. There, we get good service. Their increases in the cost to the consumers have run less than increases in the Consumer Price Index over the last 10 years, as a result of competition. And there we get service to smaller communities and good performance.

Q. Could we go to the antibusiness image you have?

A. Haven't we got you convinced yet?

Q. There's great fear and trembling about your proposal to contain mergers.

A. Well, let me just say that I've been very much heartened by the kind of support—the bipartisan support—that we have received. For example, a freshman Senator, Larry Pressler from South Dakota, who represents a state of small shops, small businesses, and an agricultural and rural community, a Republican; he's a strong supporter of this legislation. I've been impressed by the support that we received from the National Federation of Independent Business, 570,000 businessmen and women. I've been impressed by the eloquent testimony that we received from the chief executive officer of Control Data Corp. before our committee supporting this legislation. And, basically, what I'm hearing from each of those groups is the same kind of concern that we hear from others; how are we going to preserve the forces of competition within our society?

Q. How did you arrive at the figures—the exact billions of sales and billions of assets that would mean a company was restrained from merging?

A. These were basically figures that were selected to deal with the largest economic kinds of concentrations. They dealt with the top 100 economic units, and then the next phase would be the next 400. . . .

Q. But you are postulating, it seems, setting up another bureaucratic structure. Somebody is going to have the power to say yes or no, and presumably to get that power you are going to have to have investigatory powers.

A. Basically, the issue that we are addressing is the explosion of conglomerate power and authority and growth in the period of these last three years or so—14 mergers of companies of over \$100 million in '75, 41 in '77, 80 in 1978. Look at every statistic and we see the explosions of these mergers. I am not against bigness or size. I think companies that are attempting to develop new industries, to provide better services at cheaper prices for the American consumer, are making a very important contribution to the American free-enterprise system.

I can think of the difference, for example, in the attitude that has been taken by one of the major companies of this country, Exxon. As a matter of management decision, Exxon has been involved in developing new competitive entities to compete with existing entities, which has meant more jobs, better service at lower prices for consumers generally. However, other major oil companies have committed themselves to merger. For the most part, this has not provided any additional services or efficiencies. And I think that if the trend to merger continues, we will see a very important dampening-down of the effective potential forces for competition in our society.

Q. On that list of endorsements, we're sure you didn't have one from a society of shareholders. Because, for several years there, mergers were the only thing that kept Wall street alive and made any money for investors. There is an argument that many poor corporate managements will be insulated by your bill, will perpetuate themselves because they know they don't have to worry about being taken over.

A. That, of course, wouldn't be so, because under the provisions of the legislation, we permit the spinning-off of comparable assets by a company which wants to make an acquisition. And then we have also established a business efficiency test for the second tier.

Q. What would you hope to achieve by all this?

A. Basically what we're interested in is the strengthening of competition within the system. We are very much concerned about this very recent phenomenon, which I think has to be troublesome to not only American industry and businesses, but I would think to the American people. You can't on the one hand have the concern that the American people have about big government—whether it's big federal government or state or local government—and not feel that the American peole are concerned about the concentrations of power and authority in units which are controlling their lives and over which they have very little influence and control.

Q. Of course, the states, in a way, have functioned in this area. They have been rather effective lately in blocking mergers. The legislation might just atrophy another state power.

A. I don't think so. As one who strongly supported the provision in our last Law Enforcement Assistance Act to provide resources to the states to help them in antitrust development, I strongly believe in a vigorous effort on their parts and will certainly work with them.

Q. Do you feel that you are out of sync with Proposition 13 psychology?

A. I think Proposition 13 psychology is a reflection of the weariness of the American people in dealing with the continued growth of inflation in our society. They are anxious about whether they are going to be able to afford tuition for their children's education, whether they're going to be able to afford the taxes on their homes, the interest rates on their mortgages, and the fuel oil for next winter. And with that has come the sense of frustration about decision-makers. And the easiest way for them to express this is at the polls. I think that anxiety is one all of us have to share with them. I think the No. 1 problem that we face in the nation is how to deal with inflation. And I think that there are things that can and must be done.

Q. What?

A. I think deregulation was one positive step that helped us in one industry to try and come to grips with it. We've seen reductions of tariffs in airlines of up to 50% in some areas. And we see a backlog of orders in airplanes, we see record profits, and we've increased jobs—I know just at the Logan Airport, 2,000 jobs.

Q. You are using a period of general prosperity in measuring the impact of deregulation; it'll be interesting to see what happens to the airline industry if we have a recession. But in any case, how do you feel about mandatory price and wage controls? Do you think that is a solution to inflation?

A. No, I would be opposed to those.

Q. Let's turn to the Illinois Brick decision, in which the Supreme Court said that only direct, primary purchasers of goods whose prices had been illegally fixed could claim damages against the fixers—that indirect or secondary purchasers could not sue for damages. Why are you trying to overturn that decision by legislation?

A. The fact of the matter is that prior to the Illinois Brick decision, the idea of the indirect purchasers being able to recover their loss as a result of price fixing functioned and worked. It did in the Ninth Circuit. And my own belief is that the most effective enforcement of anti-trust should be through the private sector. We need a strong anti-trust division, but I think inherently the enforcement of antitrust laws should be in the private sector. And if you deny the opportunity to a very significant group of injured groups. . . .

Q. You mean the indirect purchasers?

A. Yes, the indirect purchasers. If they cannot sue, then I think we lessen the effectiveness in the enforcement of antitrust through the private sector, and I think we also fail to have these individuals compensated for wrongdoing from price fixing and the like.

Q. How do you rate the chances for legislation to do that?

A. It's close. I think it's close.

Q. One last question. Is tax reform—in you view and by your lights—dead?

A. I think the American people have shown their enormous local interest in tax equity and the size of taxes, enormous interest in the taxing process, whether it's been at the local or at the state level. It hasn't been as targeted in our discussions or debates on the Internal Revenue Code, but my own sense is that it will be. The last really important debate that we had on the tax issues was in '76. Let me just make a final point on this. There's great focus and attention, as there should be, on the appropriations of the Congress and Senate. It seems to me the fastest growing federal spending today is through tax expenditures. And the growth of those tax expenditures have the same impact as direct appropriations on the size of the deficit. . . .

Q. Tax expenditures? We're talking about tax breaks, right?

A. There's a whole range of different provisions in the Internal Revenue Code that differentiate between how income is treated and evaluated. Now it seems to me that we in the Congress of the United States have to try and use a similar standard for appropriations as for tax expenditures. Is the public purpose being served—a legitimate national purpose? And are we better off doing it through a direct appropriation or through a tax expenditure?

Q. Could you give an example?

A. Well, home ownership is desirable for the American people. Are we not wiser to do it through the tax system than we are through a direct appropriation? Clearly so. And so we use the taxing mechanism to do that in terms of mortgage deduction. Now, once we decide that we use the taxing mechanism, then is the taxing mechanism that we use the most efficient and effective from a public-policy point of view to carry forward the public purpose?

Q. Was that essentially your objection to capital gains relief?

A. I believe the tax incentives for investments are both needed and justified. But I also believe that the incentives have to be efficient. I favored a reduction of two percentage points in the corporate tax rate last year as a more efficient method of stimulating capital formation than a reduction in capital-gains tax. I called the capital-gains tax cut a Rube Goldberg device because it was so poorly designed to achieve the legitimate goal of promoting business investment.

We could have obtained a great deal more investment for the same revenue cost through a corporate rate cut. The same would be true of increased depreciation allowances or an expanded investment credit, for that matter. Either of these alternatives would have been preferable to a reduction in capital gains taxes. This would lead to the development of new capital, which would mean new jobs, new innovation, new technology.

Q. Do you put tax shelters for oil in the same basket as the others you obviously think are inefficient or inequitable?

A. Well, sure. Yes. The question is whether you'd want an energy tax shelter, the benefits from which go, very substantially, to a dentist in Chelmsford, or whether such benefits should go to those that are really taking the risk.

Address of Senator Edward M. Kennedy Before Greater Boston Chamber of Commerce, February 9, 1976

It is a pleasure to be here with you this morning and to see so many good friends and leaders in the business community of our city and Commonwealth.

I am especially grateful to Al Kelley for his generous introduction. As Dean of Boston College and Chairman of the Chamber's National Issues Council, Al has been an outstanding leader in both education and business life, and I am proud to join him here today.

Over the years, the Greater Boston Chamber of Commerce has played an effective role in shaping important public policy issues affecting Boston and our entire Commonwealth and nation.

I see many here with whom I've worked closely in the past. I look forward to working with you in the future as we try to deal with the serious challenges facing us at every level—Federal, state and local.

REGULATORY REFORM: A CONFUSED NATIONAL ISSUE

I want to share my thoughts with you and offer some possible approaches on one such challenge we face—the reform of Federal regulation. You all have noticed how the issue has come increasingly to the fore. Publications as diverse as Business Week, the Wall Street Journal, Harper's and the New Republic have written thoughtfully about the problem.

But it is more than just a philosophical question in a newspaper or magazine. It is a bread and butter issue for every businessman and woman in Massachusetts. You are the ones on the firing line. You understand the crisis over regulation, because you know it in your business, you see it on your balance sheet, and you feel it in your pocketbook.

Slogans calling for deregulation and less government strike a responsive chord in all of us. There is widespread disillusionment among our people about the quality, and sometimes even about the sanity of their government. If you want to ruin the day for a Boston businessman, especially a small businessman, ask him what he thinks about the Federal agencies called the Occupational Safety and Health Administration, the Environmental Protection Agency, or the Consumer Product Safety Commission.

In the wake of Watergate and Vietnam, it is natural that there should be deep skepticism about local, state and federal government, and growing doubts about the health of our democracy itself. But the campaign rhetoric these days is overblown. This may simply be one of the occupational weaknesses of politicians in a year divisible by four. But it adds to the cynicism and distrust that is plaguing all of us in public life.

I think we can thread our way through these divisive passions and come up with much more constructive answers than the slogans being handed out to us along the campaign trail. The task for all of us—in business as well as politics—is to start making sense out of the maze of Federal regulation. If we achieve anything in this bicentennial year, let it be a commitment to a new era of better government for America.

And when I say better government, I do not mean simply bigger government that crowds out the private sector. I do not mean more expensive government that throws more tax money at age-old problems. I do not mean a more intrusive government poking ever more deeply into the affairs of business.

We cannot solve the problems of the Seventies by reverting to the government of Franklin Roosevelt's New Deal or even the New Frontier of John F. Kennedy.

But we also cannot solve our problems by reverting to government in the image of William McKinley or Herbert Hoover. The solutions appropriate to those simpler eras of American life are inadequate today. To recall those eras in today's enchantment with nostalgia may be harmless and entertaining. But to recreate them in today's government or along the campaign trail is dangerous and irresponsible.

I say to you, beware of candidates whose message for America is to turn back the clock, switch off the light, roll up the sidewalk, and put out the cat. We cannot hope to move America forward, if America's leadership is always looking backward.

We have had some serious failures of government in this country. But we have also had some great successes. Now, as the passions of the recent past begin to fade, let us develop a modern role for government, a role that will be as responsive to the nation's modern needs as government used to be at our finest moments in the past.

I believe that the first and most important step we can take to reach that goal today is to do a more effective job of reforming the Federal agencies and improving the strained relationship between government and business.

The challenge is not a new one. Some historians believe that most bad government has grown out of too much government. People have been grumbling about government in democracy since the days of ancient Athens.

Plato wrote in the Republic that, "Until philosophers take to government, or those who now govern become philosophers, so that government and philosophy unite, there will be no end to the miseries of States."

The great English historian Macaulay wrote that, "Nothing is so galling to a people, not broken from birth, as a meddling government."

And Ralph Waldo Emerson of Boston wrote in 1860, "The teaching of politics is that the government, which was set for protection and comfort of all good citizens, becomes the principal obstruction and nuisance with which we have to contend. The cheat and bully and malefactor we meet everywhere is the government."

So the challenge is not a new one for America. A few years after the Interstate Commerce Commission was created in the Nineteenth Century, a report appeared, recommending basic changes. Those early recommendations have never been followed by anything except decades of additional reports and similar proposals. We have seen the recommendations of every President from Harry Truman to Gerald Ford. The Hoover Commission, the Landis Study and the Ash Council have come and gone passing across the Federal sky like meteors that flash brightly for a moment and then return to darkness.

Today, however, we are beginning to detect some motion, because regulatory reform has a new and special urgency. The costs to business and consumers caused by ineffective regulation are hard enough to bear, even when times are good. But they become intolerable in times of severe recession and ruinous inflation. It is bad enough for government regulation to stifle healthy competition, or frustrate invention and innovation, or cause higher prices and inferior products when the economy is on an even keel. But it is even worse for government to impose these costs when inflation and unemployment are soaring hand-in-hand to double digit levels and producing hardships for millions of our people.

Over the past two years, I have begun to acquire a better understanding of the problem. I have presided over a series of hearings and studies in the Senate on the problems of federal regulation, especially the problems affecting the operations of three specific agencies—the Federal Energy Administration, the Civil Aeronautics Board, and the Food and Drug Administration.

The rulings of these agencies have an impact on all of us—as businessmen, consumers, and citizens. The Federal Energy Administration can mean life and death for the homes and factories of New England. The Civil Aeronautics Board controls the costs and service of the airlines for Boston and almost every other city. The Food and Drug Administration tells us which prescription drugs shall be available on the market, and guarantees that the drugs we buy are safe and effective for our use.

My investigations in the Senate have tried to lift the corner of the rug in all these agencies. And I can tell you that what I have found is shocking evidence of incompetence and ineffectiveness. If a doctor treated his patients the way these agencies treat American business and the American consumer, the patient would be dead and the doctor would be guilty of malpractice.

Let me take them briefly, one by one, to suggest what we are finding.

ENERGY REGULATION BY THE FEDERAL ENERGY ADMINISTRATION

The Federal Energy Administration had the job of fairly and efficiently allocating our limited supplies of oil during the Arab oil embargo. In addition, among its other major tasks, the FEA has continuing responsibility to enforce the price regulations for petroleum.

The FEA's performance is an almost classic example of government red tape. We found, for example, that the net result of FEA's enforcement effort was the collection of nearly a million dollars in penalties against small wholesalers and retailers of petroleum. But not one penny was collected from the large refiners and the giant integrated oil companies. The disparity is not explained by better compliance with the regulations by the larger companies. Rather, the FEA explained, the big companies with their batteries of lawyers and accountants were able to find the loopholes in the rules and tiptoe safely through them—within the letter of the law, perhaps, but hardly within its spirit.

As one FEA official told us, a small independent producer had to keep his records in a log book on the back of a pickup truck. He could not even understand the regulations, let alone comply with them. The agency even managed to confuse itself. The FEA regional office in Boston found the enforcement regulations so complicated and unclear in 1974 that it had to request guidance from the national office on 38 specific questions. At the time of our hearing in 1975, a year had passed, but the FEA had still not answered any of the questions.

We also found that the FEA devoted little or no time to enforcing regulations on natural gas. One witness told us that consumers may have been overcharged as much as a billion dollars because of this neglect

Equally disturbing was the finding that inadequate FEA regulation was driving independent oil producers out of business and leading to increased concentration in the petroleum industry.

In case after case, we found that government regulation was producing precisely the opposite result intended by our national energy policy of promoting competition in oil and gas and lower prices to consumers.

So far, we have developed more than twenty specific recommendations from our inquiry into FEA. We have suggested that the agency should reorient its enforcement program to provide greater benefits to consumers and more equal treatment for businesses of every size. We have urged the development and publication of clearer guidelines and criteria. Both industry and the public need greater information about what the agency is doing, and the agency staff needs greater guidance in carrying out its mission fairly and efficiently. We have also recommended that the agency adopt more precise practices for identifying and dealing with violations, in order to remove much of the delay and aimless drift involved in the present operation.

AIRLINE REGULATION BY THE CIVIL AERONAUTICS BOARD

The story is different but just as dismal when we look at airline regulation. Simply put, the Civil Aeronautics Board, which is supposed to keep airline fares at reasonable levels, is itself the major cause of higher fares.

A few examples make the point dramatically. Prices on flights regulated by the CAB are twice as high as prices for comparable flights not regulated by the agency. A Boston businessman or woman pays about $50 to fly to Washington, D.C. But a traveler in California pays only half as much to travel a similar distance on flights not regulated by the CAB. He pays only $20 to fly from Los Angeles to San Francisco, and he pays only $30 to fly from San Diego to Sacramento. The same is true in Texas, another state large enough—and therefore fortunate enough—to have airlines free of the CAB.

On routes like these in Texas and California, the CAB is not around to stop new airlines from entering the field. And it is not around to stop existing carriers from competing with each other by cutting prices. The result is lower fares and more frequent service in California and Texas, but higher fares and poorer service in Massachusetts and all the other states that live on routes controlled by this curious federal agency.

CAB regulation has obviously hurt consumers. But ironically, it has not even helped the airlines. The high price policies promoted by the Board have led the airlines down the ruinous path of excessive service—too many planes are flying, and too many are flying empty.

As one witness told us, a passenger is often pleased to find an empty seat beside him for his briefcase. But he might not be so pleased to learn he was paying another full fare as well, for the luxury of the empty seat and the cushion for his briefcase.

You might think the CAB would allow new carriers to enter the industry, so that consumers could have a choice of lower fares and fuller planes. Your expectation would be disappointed. For 37 years, in disregard of its statutory mandate, the agency has prevented any new firms at all from starting up in competition with the original domestic airlines. Since 1950, not one of the 79 applications by new firms to provide new service has been approved. In fact, only a handful of these applications were even granted the courtesy of a simple hearing by the Board. Even now, there is one firm that would still like to make scheduled flights from East to West at half the price of current service. The CAB has sat on that proposal since 1967, and it is still sitting on it today.

To remedy these problems, I do not propose more control or better controls. To the surprise of the Wall Street Journal, the Republicans in Congress and the Ford Administration—and to the dismay of those in the airline industry who are comfortable with the status quo—I have concluded that the proper medicine is less government regulation and greater freedom for private industry.

In simple terms, economic regulation of this inherently competitive industry should be ended. My forthcoming Subcommittee report proposes a step-by-step plan of prudent deregulation to reach this goal over the next few years.

I recognize that an industry regulated for nearly forty years cannot be deregulated overnight. The long-run goal is a truly free enterprise system that will serve the consumer and reward the initiative of the businessman. America will be better served by the invisible hand of competition, instead of the all-too-visible and oppressive hand of the CAB.

PRESCRIPTION DRUG REGULATION BY THE FOOD AND DRUG ADMINISTRATION

The third agency I have investigated involves another form of regulation and another type of problem. Over the past year I have conducted a lengthy oversight investigation of the Federal Food and Drug Administration and the way the agency regulates the American pharmaceutical industry. We have found fundamental defects in the procedures by which prescription drugs are cleared by the FDA for marketing in this country.

The current system would be a delight for Lewis Carroll. But it is a potential nightmare for the nation. We approve a drug for a particular use. We spend millions of dollars and years of time developing the proof. But once the drug is finally approved, we turn it loose on the unsuspecting public, free from all controls and follow up.

We have no idea how drugs are actually used in America. We have no method for identifying adverse drug reactions. We have no way of finding new uses for old drugs.

Doctors may use a drug any way they want—for any purpose, in any dosage, and for any condition. And all these problems are compounded in the case of drugs approved for chronic diseases involving years of daily use.

The real victim of this system is the patient, who is on his own because everyone else has washed his hands of responsibility. Redress can be sought, but only after harm is done. And often, the harm can never be undone.

The FDA itself is over-extended and undermanned. Its responsibilities are staggering. It must guarantee the safety and effectiveness of all drugs and medical devices. It must guarantee that the nation's food supply is safe and uncontaminated. It must guarantee that cancer-causing substances do not reach the family dinner table. It must police the cosmetics industry and carry out an endless list of other major responsibilities. Yet the FDA is asked to do these massive jobs on a shoestring budget that starves the agency and provides inadequate manpower and resources.

These problems are compounded by the fact that the agency has failed to attract and to keep top level scientists. Yet they are the only ones who can adequately review the scientific data on new drugs. As a consequence, FDA substitutes caution and delay for expertise and scientific judgment. Both the public and the pharmaceutical industry pay the price. Some drugs are delayed from joining the fight against disease—not because they are dangerous; not because they are unsafe; but because of FDA's own well-deserved inferiority complex about its scientific judgment.

There are even more ominous findings, however, concerning the safety and quality of America's drug supply. Most drugs today are approved on the basis of tests in animals and humans. Yet the results of our most recent hearings suggest that drugs are sometimes allowed to reach the market despite strong indications of potential danger and inadequate prior investigation. It is possible that millions of Americans are being exposed to drugs approved on the basis of sloppy, misleading, inaccurate or even fraudulent scientific data supplied to FDA.

In December, in response to our investigation, FDA withdrew its approval for a product of G. D. Searle, one of America's major drug companies, apparently because of concern about discrepancies in the experimental data supporting the company's application for the drug. At the time the approval was withdrawn, the drug had not yet reached the market.

But similar discrepancies had previously been demonstrated in the same company's data on two other products. In these two cases, however, the drugs had been on the market for the past ten years before the discrepancies were noted. The drugs are both best sellers in the trade. They remain on the market today while the FDA ponders the significance of the new and troubling findings.

In January, an unprecedented FDA investigation of seven major products of this same company has confirmed the incredibly sloppy and unreliable nature of the firm's research. The Justice Department is now contemplating possible criminal action against the company.

This case history raises distressing questions about the FDA's ability to regulate the drug-approval process. It also raises questions about the caliber of research in other firms. FDA Commissioner Alexander Schmidt is himself uncertain of the answers. He has taken the unprecedented action of launching a plan to monitor research throughout the industry. At the present time, those companies whose work is valid and accurate are suffering a serious loss in public confidence and trust. They will lose much more if the entire industry becomes tainted by the scandal. Only a thorough investigation and assessment of the industry can allay the doubts and restore the integrity that is being lost.

The incidents I have discussed so far relate to the testing of drugs in animals. But in a related development that increases the fears we already have, a new study by the Congressional General Accounting Office has now called into question the adequacy of the way drugs are being tested in human subjects. The GAO found defects—defects serious enough to discredit the tests—in 74 percent of the cases monitored in the investigation. In some of the tests, the procedures for record keeping and patient observation were questionable enough to make the data scientifically unreliable. In other tests, there were violations of the basic rights of the patients subjected to the tests—procedures so flagrant that the patients were wantonly exposed to potential harm, in clear violation of the strong FDA rules for the conduct of such tests.

Each day, a quarter of a million Americans are participating in tests like these for drug research. Many of them are facing unnecessary danger to their lives and health. Yet the FDA as now constituted seems incapable of monitoring what is going on, incapable of even detecting this major breakdown in the way its rules are carried out.

Finally, in this area, let me tell you the story of one additional finding we have made. Premarin is the name of one of the most popular precription drugs in America. It is widely used by American women to relieve the symptoms of menopause. It is the fifth largest selling drug in the nation. Its sales reached $80 million in 1974.

Premarin made its first appearance in American drug stores in 1942. And then in 1975—one year ago, after 33 years of sales—the discovery was made that American women taking Premarin have five to eleven times the chance of developing a particular type of cancer compared to women who do not use the drug.

That discovery is alarming enough. But what is also alarming is that the discovery was not made by the company that developed and marketed the drug. It was not made by any of the countless doctors who have prescribed the drug for a generation. It was not even made by the FDA, whose duty is to protect the public from cancer causing drugs.

No, the discovery was made by a young PH. D. in Southern California named William Finkle, who was working for the Kaiser Foundation Health Plan and who spent a total of $1,600 reviewing records and data that could have been discovered by others at any time in the past 15 or 20 years.

But the story isn't over yet. According to the FDA, Premarin is intended only for the temporary physical symptoms of menopause. But it was widely sold, and widely advertised and promoted, as a tranquilizer for relieving the daily tensions of women in their older years. As a result of this promotion, five million American women took Premarin in 1974, even though only a little over one million actually went through menopause that year.

There you have the makings of a real American tragedy. Millions of women have been exposed to cancer for more than thirty years. Many have died. And many more persons took the drug than actually needed it because they found it beneficial, and they presumed that it was safe. And all because no one thought to spend the few dollars—barely more than the cost of a sneeze inside the Pentagon—to follow up the drug and see the results that were obvious to anyone who looked.

We simply have no idea how much damage like this we may be doing to ourselves. One expert testified that, as a result of the flood of drugs and pesticides and other substances we have unleashed since World War II, we may well have condemned ourselves to an epidemic of cancer. It may be too late to protect the present generation, but it is not too late to protect our children's generation and the generations that will follow.

There are some, even in the Senate, who believe that the Federal Government should take over the entire responsibility for all drug research and development. I do not accept that view. America's world leadership in the development of new and valuable drugs stands to the credit and hard work of our pharmaceutical industry, not our government. And that is where the initiative must remain if we are to keep our role of leadership.

Basic changes must be made—but they must be made in a way that builds on the strengths of existing regulations, that deals with the present overwhelming problems and that provides the resources needed by the regulators to insure that drugs are safe.

The legislation I have proposed to achieve these goals is quite unlike the remedy for the FEA or the CAB. The Food and Drug Administration is a classic case of the need for better regulation. Less regulations or no regulation is not the answer. It would be irresponsible to deregulate food and drugs. We cannot leave the health and safety of the American people to the trial and error of the marketplace.

SOME SUGGESTIONS FOR REGULATORY REFORM

I have spent some time discussing these three agencies because they illustrate so many different aspects of regulatory reform. In each area, I have made specific proposals for change, either in the form of legislation or as recommendations to the agency. But I also feel that the investigations suggest a general framework for a wiser approach to some of the broader issues of regulatory reform.

Sometimes we need less regulation, as in the case of naturally competitive industries like the airlines. Sometimes we need more but better regulation, as in the case of the pharmaceutical industry and other areas where the public health and safety are involved. Sometimes we need regulations that is capable of dealing quickly with a shortage or other sudden emergency, as in the case of the Arab oil embargo.

Simple slogans cannot deal with this complexity. When the Ford Administration tells you it is time for the government to get off the backs of business, they are only telling you a portion of the truth. There are many cases in which government should get off the backs of business. But there are other cases in which government should get on your backs a little harder. The real test of leadership in this area is whether your leader knows the difference.

The government has a large array of options to use in regulation. There are the traditional methods of setting rates or imposing health and safety standards. There are also such methods as antitrust policy and the taxing power. There is the possibility of even more direct government intervention, such as through the creation of public corporations, like TVA. And, of course, there is also the option to do nothing—for government to keep out.

As past experience makes clear, some of these options have been used too much, while others have been used too little. The most important challenge of regulatory reform is to choose which tool to use. As we begin to meet that challenge, I would offer a few principles and suggestions:

1. To regulate or not to regulate

First, where health and safety considerations are not paramount and where an industry is made up of several firms in a reasonably competitive marketplace, the most likely answer is not to regulate. Instead, we should rely on the discipline of the market itself and antitrust policy. This is certainly true in the airline industry, where regulation has led to excessive capacity and higher fares. I suspect the same is true for the regulation of trucking by the Interstate Commerce Commission and the regulation of shipping by the Federal Maritime Commission.

Many persons in public life are beginning to understand this view. Even the most die-hard New Dealers are beginning to see their failures in cases where misguided faith in regulation has spawned serious setbacks for competition and needless inflation for consumers.

Ironically, the persons who are most fearful and distrustful of the free enterprise solution are often those who manage the regulated firms. Just as we should beware of bureaucrats with a vested interest in government controls, so we should beware of managers with a vested interest in the protection that regulation gives their firms.

Competitive freedom will not mean, of course, a perfect marketplace. There will be defects, and even occasional injury and unfairness. But in these areas, the alternative to the imperfect marketplace is the use of even more imperfect regulation.

Regulators are human. They are subject to intense political pressures. They must operate through, and often in spite of large bureaucracies. They are presented with tasks of enormous and sometimes insurmountable complexity. It is no wonder that in basically competitive industries, regulation stifles competition, frustrates change, and raises prices. It is no wonder that regulation is often ineffective, is frequently mistaken and is occasionally corrupt.

Of course, competitive freedom does not mean the absence of all kinds of government intervention. Market forces are the appropriate way to keep air fares down. Airlines should have the freedom to determine their own prices and enter the markets of their choice. But they must continue under strict safety regulation, and the regulation must continue to be carried out by the government. I doubt that any of you would want it any other way.

Moreover, as the business community also understands and accepts, a free market does not mean a market free of vigorous antitrust enforcement. Without effective antitrust laws, price fixing and other restrictive practices would flourish, competition would be destroyed, and government regulation would be inevitable. In this sense, a vigorous antitrust policy is the wise restraint that makes the market free.

2. Use of the taxing power in Government regulation

The second suggestion proposes wider use of the taxing power in situations where competition is flourishing, but where the forces of the free marketplace do not always serve widely accepted social goals. The challenge here is to steer competitive energies in directions they would not go if left alone.

We already use the Internal Revenue Code heavily to provide tax preferences and incentives for many worthwhile, and some not so worthwhile, economic and social goals. But we have been reluctant to use the Code in the other direction, as a means of regulation where increased taxes would be required.

The discrepancy is largely caused by politics and votes. Ask a President or Governor, or a State or Federal legislator, to lower taxes and he will not wait for reasons. But ask him to levy a higher tax and he will have a thousand reasons for delay. The result is that a potentially effect tool of regulation is often never used.

But the wise use of the taxing power can encourage consumers and producers to adopt habits more in keeping with our goals. Where the problem is one of producing or consuming "more" or "less", rather than "all or none", an iron fisted response by government is inappropriate. The response should not always be to ban, forbid or proscribe, on the one hand, or to require and mandate, on the other.

Instead we can achieve the results we want by gently nudging the private sector through wise and effective use of the taxing power. We need not always rely on arbitrary government prohibitions and the arbitrary government bureaucracies those prohibitions always seem to spawn.

A search for ways to substitute tax mechanisms for absolute government standards could bear fruit in several areas.

In the case of the environment, the task is to encourage consumers to buy fewer polluting products, and to encourage industry to use less polluting methods of production.

A regulatory tax can raise the price of cans and non-returnable bottles. It can raise the price of cigarettes with dangerous levels of tar and nicotine, as in the case of a Senate bill I introduced two weeks ago. It can raise the price of automobiles with low mileage to the gallon, as Congress has just enacted into law.

A regulatory tax could also help in managing problems caused by certain shortages, where free competition might allow the highest bidder to corner the market on limited supplies, but where more extensive government regulations might cause needless complexity, delay, and inefficiency.

The case of natural gas is another obvious example. Our present problems might have been less severe if we had used the taxing power in the past instead of relying on the government to set the price. The problem arose because, as new natural gas became more expensive to find, producers of old gas found that they could charge high prices and make huge profits. Through regulation, the Federal Power Commission kept down the price of gas, but at the risk of discouraging the production of new gas. A tax on the difference between the old gas lost and the market price—with the proceeds directed back to consumers—might have proved a more effective way of dealing with the problem than the futile procedures used by the FPC.

There are, to be sure, numerous practical difficulties. How shall we determine the level of the tax? What producers will be taxed? How can we minimize the adverse effects on the cost of living?

These and other problems must be solved before a regulatory tax is launched. But, that process should begin. If we are serious about finding responsible alternatives to the usual form of government regulation, it is worth the effort. In areas of "more" or "less", a regulatory tax may be no more difficult to apply than other types of regulation. But it might be considerably more effective.

And it would surely be more consistent with the goal of less government and less bureaucracy—and therefore more faithful to our democratic traditions of individuality and free choice. I suspect that opposition to such taxes will significantly diminish, once they are seen for what they really are—replacements for, not additions to, rigid government regulation and vast government bureaucracy.

3. Regulation involving health and safety

The third principle is that in matters of health and safety, the presumption must be in favor of a relatively extensive regulation through standards set by government. The effort here must be directed toward improving the quality of the regulation.

What we found in our work with the FDA is true in most health and safety regulation. The market place cannot adequately protect or police itself, because the public cannot judge the quality and safety of the products in its midst.

Strict, swift and scientific regulation is as important to the parents filling a drug prescription for their child, as it is to the worker who breathes the emissions from his plant. And government safety standards are as important for the traveler in his airplane as they are to the machinist at his work bench. There must be a Federal Aviation Administration and there must also be an Occupational Safety and Health Administration.

But that is only the beginning of analysis, not the end. An over-zealous agency can injure business and the public as easily as an ineffective agency. Burdensome and unnecessary and trifling requirements have often been imposed. They raise the costs of production for large firms, and threaten small firms with extinction. Agency delay may keep valuable drugs from getting to the public, as easily as agency incompetence may be a danger to the public.

There is, of course, no magic solution to the bureaucratic problem. What is clear, however, is that these problems will continue to fester unless we significantly raise the quality of personnel serving in these agencies and give them the resources to do the job required.

Greater sophistication and more confident expertise should replace bureaucratic caution and delay. But civil service traditions sometimes block the way. We must create more attractive career plans and pay scales that will encourage first-rate scientists and economists and other experts to serve in government. We must encourage others to make tours of duty in public service without seriously interrupting their careers in business or in academic institutions. Although the bureaucratic establishment may resist it, we may have to waive civil service requirements to set pay commensurate with what is offered elsewhere. That means creating inequalities among different classes of civil servants. But, we must find a way to provide the expertise. Better regulation in areas where regulation is necessary is as vital to the interest of the businesses that must comply as it is to the consumers who are protected. I have already proposed such steps for FDA, and I believe that similar steps must be taken for other agencies.

4. Making agencies more accountable

The fourth suggestion is that we must begin to consider basic changes in agency structure and procedure. Although such measures may not constitute the centerpiece of regulatory reform, they can play an important supporting role.

In some cases, the concept of the independent agency has long outlived its usefulness. We no longer accept on faith the view that an agency insulated from effective control by the President will automatically operate in the interest of the people.

The New Deal experts believed that independence would mean more "scientific" regulation—management by "experts" whose discretion would be controlled by the basic precepts of what might be called the "science of the regulatory art". But that faith has been a snare and a delusion. We now doubt that there is a "science" of rate making. The proper allocation of airline routes cannot be determined by reference to a body of principles of scientific management.

Nor have the regulators turned out to be experts. Rather the regulatory commissions have proved to be a haven for the failed political candidate, the rich campaign contributor, the occasional aging bureaucrat, and the crony of those in power.

Too often, it is the agency's independence that insulates the agency from the only means we have for achieving continuing public accountability. Independence as a practical matter has come to mean independence from the public interest.

I suspect the time has come to adopt the recommendations of the Landis and Ash commissions, and turn over the powers of at least the worst multi-headed Federal agencies to a single head, and make that head directly responsible to the President.

I do not expect great improvements from such change. But at least the change would make clear where the responsibility for inadequate agency performance lies. By doing so, the change might promote better agency appointments. And in legislating the change, Congress itself would be obligated to reexamine the agency's functions and legislative mandate, as would the new Administrator of the agency.

Practical reasons might lead us to pass over agencies about which there are few complaints. But agencies like the CAB and ICC and Federal Maritime Commission should lead our lists for change.

5. Improving oversight by Congress

Fifth and finally, regulatory oversight by Congress itself is in need of its own reform. The enormous task of effective oversight is often avoided because of lack of expertise, jurisdictional jealousies between Congressional committees, low priority among competing and more highly visible issues, lack of both time and interest, and inadequate resources and expertise.

Congress had a similar problem in the past in the effort to oversee the Federal Budget. And we responded by creating a Congressional Budget Office and two new Congressional committees. That reform is already giving the legislative branch much more effective control over Federal spending. It is the most successful Congressional reform enacted in many years.

I believe we should follow that model to improve our oversight of Federal agencies. We already have Senate and House Committees with primary jurisdiction in the area of oversight. But we should also establish a new Congressional Oversight Office, whose full time function will be to service the oversight committees and continuously review the operations of the Federal agencies. For the first time, that office would give Congress the ability and the resources to insure that regulatory agencies are engaged in the faithful execution of the laws.

As we enter our third century of national life, we must avoid the errors of old age. Our unprecedented national prosperity was not built by excessive caution, but by bold innovation and vigorous competition.

Regulatory reform is a legitimate goal. But, it is a possible goal only if we are willing to experiment with new approaches to our problems. If we wait until every cost and benefit is proved beyond a reasonable doubt, then we shall wait forever before changing the status quo.

Our country was launched as a great experiment. We cannot allow our increased comfort and material wealth to deter us from our traditional confidence in dealing with difficult challenges. The results will justify the effort, and the outcome will be a fitting reward as we try in this bicentennial year to make America work again.

ADDRESS BY SENATOR EDWARD M. KENNEDY BEFORE THE UNITED NATIONS CONFERENCE ON "NEW STRUCTURES FOR ECONOMIC INTERDEPENDENCE," MAY 15, 1975

It is a great privilege and pleasure for me to join with you, today, and with the four sponsoring institutions, in this important conference on "new structures for economic interdependence."

I am particularly happy to join in support of efforts focussed in the United Nations to meet today's great issues of the global economy—today's search for greater equality and economic justice among nations. For it was fourteen years ago that President Kennedy spoke to the UN General Assembly and proposed the United Nations Decade of Development. "Development", he said then:

"... can become a cooperative and not a competitive enterprise, to enable all nations, however diverse in their systems and beliefs, to become in fact as well as in law free and equal nations."

It is in that spirit that we meet here, today, in the midst of the UN's second development decade, dedicated to efforts that will bring reality to the dreams of people everywhere.

Mr. Secretary-General, at the moment my own country is going through a period of difficult change and adjustment following the end of the Vietnam War. We are all deeply concerned by yesterday's events of Cambodia—raising new questions, new doubts, new dangers. Our continuing concern is also for the refugees from that conflict—a concern that you have shared, and where your efforts are so valuable in relieving human suffering, wherever it is found.

At the same time, the American people are struggling to turn from their preoccupation with Indochina, to look at the great issues that face us and other nations in the world. For as the Chinese proverb says, "in time of strife and turmoil, great matters become small and small matters become great; it is only in times of peace that great issues are seen for their true importance."

For the first time in living memory, we are looking toward a time when the great issues are not primarily those that concern the risks of war between the great powers of the world. Strife and conflict in the world remain; most recently in yesterday's military action in Cambodia; and there is still serious risk of another war in the Middle East. But there is hope that the great powers can prevent major conflict between themselves—and particularly mankind's final war in a nuclear holocaust. Yet even this does not mean peace among nations and peoples. As President Kenneth Kaunde has reminded us:

> "The absence of war does not necessarily mean peace. Peace, as you know, dear brothers and sisters, is something much deeper, much deeper than that."

Nor does peace mean only absence of military conflict. It is critical in other realms as well. Today, the attention of the United States is turning increasingly to a set of dangers and difficulties in another area—that of the global economy. In this concern we are joined by virtually all other nations of the world—great and small, rich and poor. For it is clear to all that the structure of the global economy, set forth for most of the world at Bretton Woods and Havana at the end of the Second World War, is no longer adequate to meet the needs that lie ahead. The rich, industrial nations of the world must find new ways of effectively managing their economic relations with one another. The developing nations—both those with newly-won wealth and economic power, and those which have made dramatic, sustained progress in modernizing their economies—must have greater influence in making rules for the world economy. And today's true have-not nations and peoples need greater help and cooperation from all others in the world community.

From the centers of great economic power, to the poorest village in Asia, Africa, or Latin America, there is a crying need to make the global economic system work increasingly for all—in ways that combine efficiency with compassion and equity.

Here in the United States—and elsewhere in the industrial world—we hear the new demands made by nations and peoples of the developing world. We hear voices raised here at the United Nations—and in other international meetings—demanding a fairer distribution of the earth's bounty. And we must respond.

There are some who choose to ignore these concerns; who are offended by loud demands; who prefer that the United Nations place decorum and civility about honest debate and a clear expression of national views; who prefer a counter-offensive in style without meeting the needs of substance.

I do not agree with that view. I believe that the world's developing countries are right in using the United Nations to express their interests and demands. This is consistent with the highest purposes which delegates sought to achieve when they gathered in San Francisco to create a United Nations just three decades ago.

For it is only in the clash of ideas, in full and free debate, that nations assembled in this great institution can begin to understand one another—can begin to work together on shaping their common destiny. This need not be a threat to the UN system; nor a tyranny of the majority—provided we use the UN system as the charter provides, as an instrument "to harmonize the actions of nations" . . . provided that we not only air differences, but also seek agreed solutions in common. For rhetoric, however valuable, is no substitute for hard thought and concrete action, but action that respects the standards of justice and equality that have been the hallmark of his institution.

Most important, the UN gives us a chance—our only chance—for rich and poor to meet together in a common forum. And what happens here no nation can ignore.

As Secretary of State Kissinger said on Tuesday:

> ". . . the poorer countries can gain a sense of responsibility and participation only from the sense that their concerns are taken seriously."

We in the industrial world can and must listen to what is being said by others. We must not join in a dialogue of the deaf; but join with others in finding common means to solve common problems.

There is a difference, today, from the demands made by other countries in the past on the distribution of the world's economic product. The nature and distribution of economic power in the world is changing significantly. Rising prosperity in the industrial world places new demands on the world's resources. Economic development is taking hold in country after country, thereby adding to the strain. And the rigid political forms of the cold war have given way to a time of greater involvement of many nations and peoples in major decisions affecting the future of the world.

Today, we in the West are confronted with the reality of new economic power—and a greater measure of organization to assert that power—in countries once poor and powerless. There is also real and increasing interdependence of nations—in food, fuel, fertilizer, and other raw materials, investment, the environment, and the law of the seas.

But above all the debate about the meaning of this new economic world—and the response from nations either rich or poor—three facts stand out:

First, however rich and powerful, no nation—or limited group of nations—can manage the world economy alone.

Second, no nation can escape the consequences of economic changes taking place in distant parts of the world.

Third, no nation can ignore the rest of the world in deciding its own internal economic policies, since these decisions can have a profound effect on economic efforts of other countries.

We are in this together; and our fortunes together will be largely determined by our wisdom and foresight at this moment. Even the United States cannot act in ignorance of, or isolation from, the rest of the world.

Can we be wise enough to see that all nations will lose in a reckless, divisive, economic conflict that pits nation against nation—the North against the South? Will we have the foresight to understand that at bottom we are not enemies of one another . . . to understand that in building on opportunities we all can gain, we all can help make this planet a decent and hospitable place to live?

I believe we can turn away from conflict, and face these problems together. I believe we can work towards new global economic compact, drawing together seemingly conflicting economic needs and interests and converting them into mutual advantage.

Rich countries as well as poor stand to gain from these efforts—from new global economic agreement. What together we can achieve in restructuring world economy will also aid the internal economic policies of rich countries, providing greater stability, predictability, and confidence in the future. It can help generate new investments and new jobs. It can help solve the curse of inflation.

The United States lags far behind the other industrial nations of Europe and Japan in understanding the new demands—the new promise. And in doing so, the U.S. risks the erosion of its influence in international institutions. It risks failing to exercise the leadership so critically needed in the world today . . . for reform of the global economy . . . for the success of trade negotiations . . . for reducing inflation and ending recession. It risks both western cooperation and the reaching out to nations of the developing world.

The attitudes that men and nations bring to the problems of the global economy will largely determine our success in meeting and overcoming the difficulties that lie ahead. This will not be easy in an uncertain world. Yet we can all be guided by our knowledge of the consequences if we fail—a world economy ruled by chaos. In the future, no nation can gain in prosperity by eroding or destroying that of another. No nation—rich or poor can long profit from economic confrontation. Rather we must understand the continued importance of sustained progress in all countries . . . the importance of worldwide economic growth—but a growth that is more equitably shared, both within and among countries. Growth need not be the energy of greater economic justice; rather they can and must go hand and hand. As Prime Minister Wilson said earlier this month:

> "It is fundamental that there should be more wealth—more wealth to be shared more equitably. Shared more equitably within nations; but shared more equitably between nations and peoples."

We must also understand that economic rights and responsibilities go together. Neither alone can satisfy the needs of any nation or of the total world economy. Neither alone is enough to promote economic agreement that will last, to build an economic system that will work.

We must begin by understanding what we cannot do. We cannot reach a global compact to solve the world's economic problems, at a single conference, in a single year, or in a rigid understanding that will last for all time. The complexity of the modern world ensures that there cannot be a few simple formulas for regulating and managing the world economy—meeting the needs of both efficiency and equity.

But we can do this: we can recognize the changing character of economic power. We can seek to understand together the magnitude of our common problems. And we can set in train a process of working together that will itself become the most important factor in achieving our goals.

The time to begin is now. For in the world of the Cocoyoc Declaration:

> "In a sense, a new economic order is already struggling to be born. The crisis of the old system can also be the opportunity of the new."

This is indeed the opportunity. But can the citizens of my country . . . and yours . . . work together for their common benefit?

First, there must be much greater involvement of different nations—and groups of nations—in making decisions for the global economy. We have already learned that the group of 10 is no longer an appropriate forum in which to make rules for the world's monetary system. What was begun with institutions like the Committee of Twenty, the Group of Twenty-Four, and the Interim Committee of the IMF, must be continued.

It can and must also be continued in the traditional institutions of economic order, by adjusting voting power and contributions in the IMF, the world. There must be a greater role for countries willing to accept new responsibilities . . . willing to support the efforts of others. No lasting bargain can be struck where all parties to shaping and administering it are not fairly represented, or do not see their interests as being fairly served.

Many major decisions cannot be effectively reached by all the world's nations meeting together. While the UN General Assembly brings all together—while other groupings bring together representatives of either rich or poor or smaller churches of both—the hard work of restructuring the global economy requires delegation of authority. How this is done—on the basis of regions, functional problems, or economic interests—is less important than a shared commitment to a means of reaching economic decisions that can work for all.

Yet in order to do this, we must preserve the United Nations as a place where all nations have a stake in common effort. All eventually will lose, if this institution is used by any nation, great or small, to advance parochial interests at the expense of a common good. We must preserve what is best in the functional workings of the UN, and not allow it or its specialized agencies to become embroiled in political disputes that will destroy its ability to carry on the vital task we have before us, today.

Second, there are many great problems that we must face, together. But as we begin to rebuild the world economy, we must meet the immediate, staggering needs of the world's poor countries—those most seriously affected by the global economic crisis. For none of us can welcome the future if hundreds of millions of people continue to live on the edge of starvation. Without hope, with no future at all.

My own country has fallen far behind in recent years, in its response to the demands of development. Having launched the first development decade, we left the responsibility for fulfilling its goals to others, as we turned our attention elsewhere. Together, we must make a serious and sustained effort to help the worst-off nations and the worst-off peoples within each nation. Together, we must support the fourth IDA replenishment, and other multilateral aid efforts. Not just the traditionally rich countries are challenged to help; so too are those with new-found economic wealth, new-found ability to meet the needs of developing countries. And political leaders in all countries—mine and yours—are challenged to meet squarely the problems of social justice at home as well as abroad.

In meeting the needs of the world's poorest nations, there are many tools, both old and new—in aid, in expanding opportunities for trade, in a fairer distribution of special drawing rights, in concessional sales of oil and food to those countries most in need.

The World Food Conference in Rome stands out as a major creative effort—starting us on the way to a period of constructive economic effort to rival the late 1940s. In my own country, we must support what was done at Rome by making a basic commitment to provide a major share of our own food abundance to those nations most in need. The time is past when embargoes on the sale of commodities—in food or other raw materials—are acceptable to the effective and fair working of the global economy. And in the United States we must see that political purposes do not deflect our food aid from these peoples most in need.

US efforts in food must be combined with those of other nations following the Rome Conference. We all need to create a world food reserve; to take steps that can insure greater stability of food prices, while providing both adequate cereal supplies and a fair return to producers; and to support the International Agricultural Development Fund proposed at Rome, along with its efforts to increase world food production. There is little value in food aid, if developing countries are not thereby sustained and encouraged to expand their own production, to grow most of the half-billion tons of extra food a year the world will need in 1985. There is little value in food aid, if efforts are not made to help as many poor countries as possible gain greater self-sufficiency in food, while great tracts of arable land lie fallow and yields are unnecessarily low.

Third, the commitment to rapid economic development for the world's poor countries—as a shared goal and responsibility of every nation—must also meet the age-old issue of commodity prices. For too many countries, fluctuating prices of agricultural commodities and industrial raw materials spell boom one year and bust the next—and make it more difficult for these nations to plan their economic futures. For consumers, as well, such fluctuations have meant rising inflation, the discouraging of long-term investment and expansion of raw material supplies and the destabilizing of their own economies. The time has come for consuming and producing countries to make greater efforts to bring more stability to commodity markets—through actions in those areas where concrete progress is possible, and where the interests of all countries can be served.

This is a critical issue as we meet today. Only a few weeks ago, a preparatory conference convened in Paris to bring oil producers and consumers together broke down in disagreement. The industrial consumers wished the conference to be centered on problems of oil. The producers and other developing countries wished the negotiations to devote equal attention to other commodities and development issues. There were legitimate arguments on both sides; but paralysis is no solution.

The commitment must be there to examine all the issues seriously, and reach results soon. For our part in the oil-consuming countries, we must now accept that there is merit in the effort to see the problems of commodities and of finished goods as part of the same larger problem.

I also hope that the oil producers—and other nations concerned with the relative prices of goods—will recognize that real solutions to real problems cannot be found in a single conference, a single grand design. I therefore believe that we should seek, through a series of forums, to understand the issues . . . the competing interests . . . the demands of equity and justice. We should seek to solve global energy problems, as we have together worked to meet the next decade's needs in food. We should all make use of the forthcoming Seventh Special General Assembly on Development, as well as other forums concerned with individual commodities. Tomorrow, I shall introduce a Senate Resolution urging constructive U.S. efforts at the Special General Assembly.

Only by committing ourselves to serious negotiations and accommodation can we hope to succeed in this vital task. Only by progressively relating each part to the whole can we hope to emerge with new approaches that can be sustained . . . that will meet the interests and the needs of all.

This effort is now new. As long ago as 1942, the Great British Economist, Lord Keynes, proposed an international commodity organization to be part of the new institutions then being built. He asked then: "Is not centralized international action capable of effecting a vast improvement of the system?" Today, we are reaching the time when we can confidently answer: "It is, and we will find the way."

Fourth, there are many other aspects of the world economy that must be reappraised, as we seek new economic agreement. One concerns the operations of the multinational corporations. Their investments—their trade—have reached staggering size, and brought in their wake new frictions and new misunderstandings among nations—along with great economic achievements and promise of support for modernization and industrialization.

A way can and must be found to regulate relations between multinational firms and the countries in which they act. The United Nations has made serious efforts to improve understanding of this problem.

The time has now come for creating both a real dialogue on this issue, and a means of surveillance over the multinational firms. It must be an effort to meet the interests of firms, home governments, and host countries alike—an effort to ease political tensions without destroying real economic possibilities. This may not be easy to achieve. Yet if we use the methods I have proposed here—in a broader sharing of economic decision-making, in meeting each new difficulty in its own terms but in relationship to the whole—I am confident we can succeed.

We can build constructive relations, and reduce potential conflict, by agreeing on rules of conduct for multinational firms, and for the role of foreign investment in general.

At the same time, we should seek to provide greater international support to foreign investment, in ways that will lead to denationalizing investment itself. Among other benefits, this approach can help to ensure that needed investments will be made in raw materials—in all parts of the world—both to provide maximum benefits to raw material products, and to avoid critical shortages.

We need to build upon the new oil facility of the IMF to channel oil revenues to where they are most needed. We need cooperation of both oil consumers and producers in meeting the shared problem of recycling. And we need to support a third window at the World Bank—to provide loans on intermediate terms.

There are other proposals before these institutions that deserve support, including a strong contribution by the United States. All these efforts can be in the interests of rich and poor countries alike, by increasing economic stability, placing funds where they are most needed, and providing new energies for economic growth and development.

Today, I have spoken of some of the elements that must be present in new economic negotiations among nations—in the search for new global economic compact—in the restructuring of the economic system for the benefit of all. The task will not be easy; sources of tension and discord will not quickly disappear; no nation will gain all that it wants; there will continue to be competing interests that cannot be resolved. But if the commitment and the will are there—on the part of both rich and poor—we can hope for an economics of plenty that will also be an economics of social justice.

Most important, we must remember our most basic concern, here, today—the 3 billion people who inhabit the earth. For at heart the global economy is about people—about their lives, their hopes, their aspirations, and their basic human need to live without want or fear.

For the first time in history, we have the resources and the knowledge to move towards the age-old goal of decent lives for all mankind. We may not get there in this generation or even the next; we will still face new challenges to our will and our ingenuity that we have not even envisioned. But if we can at least understand what is demanded of us—if we can understand and respond to new needs, and new facts of economic life—at least we can begin to move towards a new global economic compact to ensure increased opportunity and a better life for everyone.

As Secretary General Waldheim has said:

". . . we shall only succeed if we continue, despite all obstacles and frustrations, to believe that those goals are attainable, and to work towards them with all our convictions and understanding."

And in that conviction and understanding of what is attainable—and in our knowledge of what is right and just—we can all work and prosper together.

[From the Wall Street Journal, Apr. 24, 1975]

OVERFLIGHT

(By Alan L. Otten)

WASHINGTON.—Wall Street Journal readers will probably find bizzare the image of Senator Edward Kennedy crusading for less government regulation and more marketplace competition.

Yet that's precisely what Mr. Kennedy has been doing, with considerable impact and success, in the airline field. In the process, he's also been graphically demonstrating the enormous potential of welldone legislative oversight.

Oversight, as has been frequently noted here, is a conspicuously neglected congressional chore. Trying to determine whether a government program is working well, or is working as Congress intended, is tedious labor. Frequently, the committee charged with oversight is stacked with lawmakers who have close ties to the people administering the program or benefitting from it. Unless it hits scandal or other publicity-rich pay dirt, tough oversight gains an ambitious legislator far fewer friends than most other things he could be doing.

All the more surprising then that Mr. Kennedy should invest substantial amounts of time and energy in this sort of activity. Yet last summer, looking around for a new task for his Judiciary Subcommittee on Administrative Practice, he worked out with Harvard law professor Stephen Breyer plans to study the way different government agencies now regulate economic activity—starting with the Civil Aeronautics Board.

"For a long time," Mr. Kennedy says, "I'd been working on getting better air service and lower fares for New England. And I'd gradually become convinced that less regulation would actually benefit the consumer and still strengthen the industry."

Since last Summer, Mr. Kennedy, ranking subcommittee Republican Strom Thurmond, and the subcommittee staff have bombarded CAB members and their top aides—with detailed questionnaires, private staff discussions, specially commissioned academic analyses, and beginning in early February, public hearings.

How could intrastate airlines in Texas and California, free from federal regulation, manage to charge much lower fares and still operate so profitably? Why does the board freeze out major new competition from airline routes? Wouldn't the threat of new competition help keep down airlines fares?

Even if lower fares made airlines cut back service, might not people accept less service in order to fly more cheaply? Why does the CAB rate formula include a fat 12 percent rate of return? How could the board justify higher fares at a time of sharply slumping traffic?

And CAB policies changed. Recently the board has begun to entertain new route applications; dropped an earlier plan to force higher charter rates and instead proposed more low-cost charter flights; permitted a no-frills, low fare for National Airlines; and set up an internal group to consider the desirability of broader competition.

"Much of this never would have been proposed, let alone approved, six months ago," contends antitrust expert Breyer.

Certainly there may be some argument over just why it's all happening now. The recent recession, cutting into passenger volume and industry profits, made many airlines ready to compete harder. Key officials at the Council of Economic Advisers and the Departments of Justice and Transportation were independently moving towards a deregulation policy anyhow, and President Ford promised this in his economic report in early February.

Yet at the very least the Kennedy subcommittee catalyzed these and other forces. Its announcements of plans to start hearings Feb. 6 prodded the administration to pull a policy together by then. Several CAB reversals of direction were actually announced at the hearings, under specific subcommittee questioning.

In addition to the "why now?" question, there's the even greater debate over whether deregulation is the correct policy. Most airlines say emphatically not, and the CAB so far has seemed to agree.

Industry executives admit that less regulation may lower fares at first, but insist that profits will also gradually drop, airlines will have to merge or fold, small towns will lose service, technological innovation will slow, and safety standards will suffer. Ultimately, they contend, fares will rise higher than ever.

But the judiciary subcommittee and apparently the Ford Administration believe the contrary. "Testimony by independent experts and other witnesses," Sen. Kennedy said in hailing a new Ford deregulation pledge last week, "indicated that a more flexible regulatory policy, one that leads to greater competition, is likely to lead to lower fares and fewer empty seats"—and sounder airlines.

The subcommittee's report, now in preparation, will probably urge far easier airline qualification for new routes, still more liberal charter rules, freedom for airlines to raise or lower fares within a specified range without CAB approval, and several restrictions on the board's power to grant antitrust immunity for airline agreements reducing frequency of flights.

Mr. Ford has indicated the administration's bill will be along much the same lines, and the subcommittee is pleased. "A lot can be done by the board without legislation," Mr. Breyer says, "but then there's the risk of a relapse later. It's safer to have legislation." He admits, though, it may be hard to sell the current liberal Congress on the deregulation approach. "Liberals don't have a bias against government regulation," he understates.

To be sure, the Kennedy operation has had some luck. The Senator's name commands press attention even for dull subjects. Watergate created doubts about too-close government-industry ties. The declining economy heightened interest in the health of the airlines. "We caught the issue at the right time," Mr. Kennedy concedes.

Yet the investigation also required long, hard work, as good oversight always must. And it showed that with hard work—and a little bit of luck—oversight can do a vital job.

TRIBUTE TO INDUSTRY

(Address of Senator EDWARD M. KENNEDY to the Chamber of Commerce, Fall River, Mass., January 8, 1973)

Congresswoman Heckler, Mayor Driscoll, Mr. Donovan, Mr. Dator, distinguished guests, ladies and gentlemen. I want to thank the Fall River Chamber of Commerce for bringing us together tonight. I am honored to be with you and especially pleased to take part in this Tribute to Industry.

For it is industry on which our past material progress has been based, and industry which has taken the lead in the revival of the Fall River area over the last decade. After 150 years of reliance on the textile industry, Fall River suffered heavily from 1930 to 1960 when the mills closed and the ranks of the unemployed swelled.

In the 1960's the tide turned, industry began to revive and diversify, and the entire Fall River area experienced an economic resurgence. Along with the traditional garment industry, your new Industrial Park has brought a variety of firms in fields like foam rubber, light fixtures, kitchen cabinets, paper tubing, computer paper processing, key punching, and other diversified fields.

The total renovation of your downtown area promises to place Fall River in the forefront of urban renewal throughout the nation. Building your City Hall over a highway is probably one of the most ingenious approaches yet devised. For it not only saves valuable space, it assures that the city fathers will be fully atuned to the problems of automobile noise and air pollution.

But as recent events show, the economic battle is far from won. The figures just released show the Fall River area with a jump of 1.2% in unemployment to a total of 6.2%—which is 1% above the national figure. Adjusting to the closing of the Firestone plant, which employed 1500 at its peak, is not an easy matter.

But easy or not, the nation must find a way to reduce persistent unemployment and let all of our citizens share in the prosperity which modern technology now makes possible. The problem is not with our resources or our technical knowhow, but with inadequate policies at the Federal and State level to enable municipalities like Fall River to realize their full potential. Just as you're renovating your City Hall, we need to renovate our policies for manpower, productivity, research, innovation, and industrial incentives.

Inadequate national policies have led to distortions throughout our economy which hurt all of us—the businessman, the white collar and blue collar worker, the consumer, and even the government official who must answer for inadequate public services.

Consider the growing problem of worker alienation—the listless dissatisfaction with their work which prevails among so many of our workers. The problem is not just one of their psychological repudiation of their work.

Their alienation is expressed in their growing dependence on drugs, with all the health and crime problems that follow—in their increased absenteeism, with its adverse impact on productivity and in their inattention to their work, thereby lessening the quality of products and services.

The irony of this situation is that today for the first time in history we have the knowhow and flexibility to redesign our plants and offices and reshape our work patterns. And to reshape them in a way that responds to the human needs of the worker, at the same time that it increases productivity and enhances the quality of the end product. But we have not put our knowhow to work on the problem of job alienation.

Few people in American have ever heard of Lordstown, where auto workers have tied up the lines more than once to protest the robotlike monotony of a 36 second interval assembly process.

Few of us can understand why a worker recently went berserk in the Eldon axle plant in Detroit and shot three foremen. His defense was insanity, brought about by working in the noise and filth and danger of that plant. The judge and jury visited the plant and their verdict was unanimous. It was a verdict for acquittal.

That is the extreme. But how many men

and women unnecessarily suffer mental or physical illnesses whose cause it linked to their jobs? What is the extent of use of drugs and alcoholism among young workers? How many men and women could function more effectively as parents and citizens if they did not feel dissatisfied with their jobs?

Equally important for the economic vitality of the Nation is the effect of worker discontent on productivity. The National Commission on Productivity states that in at least one major industry, absenteeism increased by 50 percent, worker turnover by 70 percent, worker grievances by 38 percent, and disciplinary layoffs by 44 percent in a period of 5 years. How much does that cost the economy in lost time, in retraining new workers, in lower productivity?

It is clear that worker alienation affects not only the worker and his immediate family, but the businessman and the consumer as well. Solving this problem is to the benefit of all of us.

Last August I introduced the Worker Alienation Research and Technical Assistance Act. The bill provides for research into worker alienation and for technical assistance to those attempting to do something about it. We weren't able to complete action on it in the last Congress, but I intend to re-introduce it shortly and to press for prompt enactment.

The same kind of economic distortion inhibits technical innovation in industry. We have national economic policies which subsidize and protect large corporate interests, but don't provide adequate help for the medium and small businesses which are the mainstay of the nation.

We provide hundreds of millions of dollars of backing for loans to Lockheed—to bail out inefficient management—but don't provide adequate funding to the Small Business Administration. We give vast depletion allowances to support the inflated profits of the oil industry, but who worries about the depletion of plant and equipment faced by the small businessman whose profit margins are too narrow to replenish his facilities?

And finally last week we encountered the most flagrant instance of such distortion when the Defense Department purchased preferred stock in an ailing aerospace contractor to provide him with increased working capital. Can anyone believe that the free enterprise system is furthered by Federal purchase of stock in selected corporations?

The absurdity of this is clear when one examines the significant role played by smaller enterprises in technical innovation. Economists now generally recognize that technical innovation is the crucial stimulus to economic growth.

Now the key to technical innovation is the creative matching of new scientific capabilities with economic opportunity and social needs. This has best been performed over the years by imaginative individuals and small firms, not by the giant corporations.

Thus out of 61 important innovations throughout the 20th century, over half stemmed from independent inventors or small firms.

Two thirds of the major inventions from 1946 to 1955 resulted from independent investors and small companies.

Large corporations have accounted for only one in seven of the important inventions in the aluminum industry.

Of 13 major innovations in the U.S. steel industry, four came from Europe, seven came from independent inventors, and none came from inventions by American steel corporations.

And all seven of the major inventions in the petroleum refining industry have been made by independent inventors.

We need national policies which provide small technical firms with an economic environment conducive to innovation. This means adequate supplies of venture capital. The ability to carry forward tax losses long enough to prove out innovations. Special licensing arrangements which enable such firms to bring non-patentable innovations to a point at which they could compete fairly with large corporations. Special incentives to attract and retain top executive and technical talent. And other such measures which recognize the creative potential of small technical firms and enable them to play a key role in revitalizing the economy.

The same distortion in our economy is seen in space and defense versus civilian industry. Engineers can propel nuclear ships around the globe with the energy from a bucketfull of fuel—yet our cities are increasingly beset with power blackouts and brownouts.

We can cruise on the moon's surface—yet we can't commute from suburb to city without traffic jams, air pollution, and no parking at our destination. We can build beautiful, enclosed shopping malls in the suburbs—yet we can't begin to cope with the housing crisis in the cities. We can design high-speed computers to process billions of bits of data instantly—yet we can't teach all our children to read effectively.

Why is it that cities have to be put on pollution alert, so that mothers have to be concerned about their children playing out of doors? Why is it that household appliances continually break down and that their repair is not only costly but often unreliable?

Why is it that thousands of American children burn to death each year because they wear highly flammable fabrics? Why is it that decent housing is increasingly out of reach of more and more of our citizens? Why is it that millions of Americans are undernourished in an age of affluence? Why is it that there are only kidney dialysis facilities for two thousand of our citizens when fifty thousand need such care?

Why is it that we haven't been able to use modern technology to reduce the mounting costs of educating our children?

We know that computer aided diagnosis, computer monitoring of serious hospital cases, and technological aids to emergency medical care can save thousands of lives each year—yet why is it that we don't make wider use of these devices?

The list is endless, but the lesson is clear. The potential of science is nowhere being matched by its performance. We have the technical knowledge, but we haven't made the concerted effort necessary to put it to use for the benefit of all our people.

As Shakespeare so aptly put it: "The fault lies not in our stars, but in ourselves." The nation's scientists and engineers have the skills, the imagination, and the inventive ability to tackle and solve these problems. But we have let them down. We have not given them the go-ahead; we have not provided them with the support and resources to do the job.

We are all aware that productivity in American industry has been lagging in recent years, especially in comparison to Japan and Western Europe. Yet how many realize that part of the answer for this lies in American underinvestment in civilian research and technology? A Department of Commerce study shows that Western Europe, when its gross national product is only one third of the U.S. GNP, has a third more technical personnel employed in civilian research. And Japan, with only half the population of the U.S. and one-seventh of our GNP, had 70 percent as many scientists and technical personnel employed in civilian research and development.

If we make the necessary national commitment to tackle these problems, if we provide the nation's scientists and engineers with the wherewithal to do the job, I am confident they can solve many of these problems and make a giant step forward on earth toward making this the kind of society we want for our children, and their children to come.

Yet at this time of maximum need—when the nation's problems with the environment, with health, with economic productivity and with the quality of life in our society—when these problems need to be tackled with all the talent we can muster, we find technical unemployment higher than it has ever been in history. Last year, of the nation's approximately three million scientists, engineers, and technicians, from five to ten percent were either unemployed or seriously underemployed.

This situation is intolerable. America's strength springs from the skill of its people. Scientists and engineers have a major share of those skills. The nation must assure them the opportunity to use their skills for the benefit of all of us.

Last August the Senate passed a bill I had introduced directed at meeting that goal. Unfortunately the House of Representatives was not able to complete action on it before Congress adjourned. But I re-introduced it last week and intend to press for its enactment into law this year.

This bill, the National Science Policy and Priorities Act, would put $1.8 billion into civilian research and engineering aimed at meeting human needs. It sets up a new program like the Space agency; but instead of moving men to the moon, it would focus on our communities here at home.

The new program would provide 400,000 jobs throughout the nation, about 25,000 of them in Massachusetts. In addition, it would create a host of new products, services, and industries; help increase productivity; revitalize the civilian economy; and strengthen the nation's international competitive position.

I believe this program can become the dramatic focus for science in the decade of the Seventies, in much the same way as the Space Program did in the Sixties. But the results will be of direct benefit to all our citizens here and now—not at some future date.

Before this decade is up, let the nation's engineers design and demonstrate a totally new community—a citizens' community, which shows us what is possible for all Americans in all communities. Clean air and clean water—rapid, reliable, and even comfortable mass transit—computerized health services and educational systems available to all hospitals, clinics, and schools—underground utilities which can be repaired and expanded without ripping up the streets—public safety systems which use modern technology to assure safe streets and safe homes.

This is the goal for technology in our time. This is the way to create jobs, revitalize the economy, and help revive the national spirit.

Another economic distortion stems from the dichotomy between energy and the environment. At a time when our energy needs are increasing by leaps and bounds, we find that our methods of producing and using energy contribute to environmental degradation and pollution.

And we find ourselves in an artificial shortage situation where thousands of homeowners in the mid-west are on the verge of being without heat and electricity, at the same time that our import quotas restrict the flow of fuel from abroad and inflate fuel prices to the American consumer.

The energy crisis is due to inadequate national policies. We have enough energy resources and enough resources are available abroad to meet all our needs for years to come; and we have the basic scientific knowledge to meet our future needs for centuries to come.

But we do not have adequate national planning to manage the disposition of our current resources to avoid shortages and prevent pollution. And we do not have oil import and pricing policies designed to assure an adequate flow of fuel from abroad. And we do not have adequate research programs to assure environmentally and economically sound energy resources for the future.

The irony of this situation is that for the first time in history modern science has given man the power of unlimited sources of energy. The development of controlled nuclear fusion holds forth the prospect of unlimited supplies of energy. And even if fusion power doesn't prove as environmentally sound as scientists predict, the development of economically feasible solar power is only a matter of time if we apply our technical talent to the problem.

Once we can draw directly on the energy of the sun to provide our power needs, energy will become as free and bountiful as fresh air and water once were to our forebearers. Once again, the problem is not one of technical know how, but of national policy to make the benefits of technology available to our citizens.

We live in a world increasingly shaped by man, with technology as the principal tool for shaping it. But technology is a two edged sword: with every new capability come new problems; and with every problem come new opportunities.

As a nation, we have to find better ways of anticipating the problems, and exploiting the opportunities. The Congress has recently taken a major step in this direction by passing a bill I sponsored to establish an Office of Technology Assessment. The new Office will provide Congress with the necessary technical expertise to make the nation's technology programs responsive to our needs.

It will examine proposals of new technology programs and assess their probable impact on the economy, on the environment, on society in general, and on individual human values.

For example, how would the Supersonic Transport—the SST—affect our environment and benefit our economy? What is the economic and scientific value of the Space Shuttle and how do its benefits compare to unmanned space exploration and other non-space research programs? How do we balance the advantages and disadvantages of pesticides and chemical additives to food and drugs? How do we assess the impact of computerized data banks on the privacy of the individual?

It is doubtful that an Office of Technology Assessment at the turn of the century could have foreseen the extent of automobile pollution in the 1970's. But such an Office hopefully would have alerted the Congress to the problem much earlier than was the case. If the problem had been clearly presented to Congress in the late 1940's, for example, it's possible that national transportation policy may have been significantly different over the intervening decades. The public roads program may have been handled differently, and much more intensive research would have been directed toward alternative transportation systems, such as urban mass transit or electric cars.

Another example is the expected proliferation of microwave systems for us in homes, automobiles, and boats. This will lead to car telephones becoming as common as car radios are today, to automotive radar systems which avert collisions or automatically inflate air bags when they are about to occur, and to a host of other applications.

Now scientists have shown that microwave radiation can be harmful to living organisms, but there is uncertainty over the levels of radiation required to produce significant effects.

The time to find answers to these questions is now, not after individual microwave devices pervade our economy. The purpose is not to prevent new developments of this sort from occurring, but to assure that they are channeled so as to achieve the maximum benefit for society.

An example of particular importance to Massachusetts is the anticipated use of large tankers to bring natural gas in from the middle east. Boston harbor would be a likely entry point for such vessels, which would be highly explosive. If an accident were to occur it could result in enormous economic and environmental damage, not to mention the possibility of loss of life and injury to people in the vicinity.

Natural gas is an environmentally desirable source of energy; and the economics of this approach might prove attractive. But these factors have to be weighed against the risks involved and compared with the benefits and problems associated with alternative energy sources.

This is what our new Office of Technology Assessment will do. As Chairman of the Congressional Technology Assessment Board, I intend to make this Office a vital force for maximizing the benefits of technology to all our citizens. It will not be used to stifle technology development, but to promote technology in the public interest.

Industry will be a principal beneficiary of technology assessment. Because it will promote technology of benefit to the society, with attendant profits for industry. And it will help industry avoid the mis-development of technology in ways that may lead to later dismantling of facilities at great loss of investment.

The point is that we have the technical knowhow to build the kind of world we want. What we need are wise policies and the will to implement them.

We need a partnership in progress between business and labor; between Federal, State and local governments; between the engineer and the environmentalists; and even between the Congress and the Executive Branch.

When a landmark law is enacted over the President's veto to provide billions of dollars for the elimination of water pollution throughout the nation, we need an Executive Branch that will not impound these desperately needed funds because of shortsighted economic policy.

I understand that last week the Fall River City Council rejected the bus company's application for an $81,000 subsidy, and that as a result 100,000 people in your area are without public transportation.

I don't presume to comment on the merits of that dispute. But I do believe that the situation could have been averted if we had the proper planning and partnership between Federal, State, and local government, and between industry, labor, and the consumer.

In recent years a cynicism has spread throughout the country a belief that all segments of society are at odds with one another—that each group is out for its own self-interest at the expense of others.

There is no doubt that our society is made up of many divergent groups with a variety of interests. But the genius of American democracy has always been the welding together of all these interests for the common good.

The cynical acceptance of conflicting interests, without the compensating factor of cooperation toward common objectives is a national disgrace. I for one cannot accept it, and I know the American people will not long accept it either.

And I'm confident the members of this audience—the business leaders of the Fall River community—will not accept that cynical approach. What you have done for Fall River in recent years demonstrates your dedication to the public good.

And I know the business community of the nation will not accept that cynicism, but will recognize its common interest with labor, the consumer, the environmentalist, and even the government official. The extensive movement toward public responsibility in business firms in recent years attests to this fact.

For the old business adage is as true as ever—what's good for the customer is good for us.

I am proud to join in the Tribute to Industry tonight. I commend you for what you have accomplished to date. And I look forward with confidence to your future achievements.

Thank you.

ADDRESS BY SENATOR EDWARD M. KENNEDY BEFORE THE ECONOMIC CLUB OF DETROIT, APRIL 8, 1969

I appreciate this opportunity to meet with you today to exchange views on public policy, and to discuss the interests we all have as Americans in a vigorous and growing economy. This Club is known throughout the United States as a forum for discussion of national affairs, and this city is looked upon as an important hub of American industry. It is a city that creates great products and hundreds of thousands of jobs—yet a city, like many in America, with its problems, its crises, and its hopes.

Although much has been accomplished in Detroit, much remains to be done. The work of the New Detroit Committee in housing and job training, in youth recreation and cultural affairs, and in bridging the often deep divisions within a large community, has given leadership in our national effort.

So too, the industry of Detroit has, through its drive and competence, provided economic leadership for the nation in meeting its urban problems. And the leadership given this country by many members of this Club is a clear example of the primacy of Detroit in turning industrial skills to the solution of national problems.

In times past, agriculture and industry, industry and labor, business and government have seemed to be in bitter clash with one another. That time is gone forever. We have reached the point in our national development where business prospers only when our country is strong and gaining strength, for we are one nation with common goals and a common destiny. Whether it is under Democrats or Republicans, there is common agreement about the ingredients of a sound economy and stable society. The political parties no longer align themselves with one segment of the economy against another. Each segment of the economy has a role to play for the benefit of all.

All of us who hold leadership positions in the Congress recognize that business is an important force driving the economy up and ahead, and that the health of American business is essential to the health of the nation. We have also learned that the Federal Government can play a constructive role in assuring steady economic growth, in creating a favorable climate for business investment and wage earner prosperity. And it can do so in a way that does not replace government judgment for business judgment, within the framework of our accepted traditions and laws.

We can all agree that crime and hunger, poverty, segregation, and riots are not good business. Opportunity is. It is true today, as it was when the immigrants came from Europe, that by creating jobs we reduce the burden of welfare, we reduce the incidence of civil disorder, and we reduce the toll of crime. We have learned that social justice is not just a national necessity, it is also sound economics.

Over the past decade, we have made real strides in achieving social justice. Not all our efforts have been successful. And over the past decade we have learned much about achieving sound economic growth. This too has been less than fully successful.

And so today, one of the most significant issues facing this current session of the 91st Congress is the need for prompt fiscal action to combat the strong inflationary pressures now gripping our economy. The facts of inflation are obvious. Given the high growth rate of the economy, the rising prices and interest rates, and the severe budget impact of the Vietnam War, it is clear that our government has a responsibility to act, and to act promptly. I therefore commend the Administration for the recent announcement of its decision to seek an extension of the 10 per cent surcharge originally imposed last year.

At the same time, as you may know, there is strong feeling in Congress and elsewhere that extension of the surcharge should be accompanied by substantial Federal tax reform. Indeed, in a number of discussions in recent weeks, I have found that the concern for tax reform has been heightened significantly by the current debate over the surcharge. As a matter of sound economic policy, the issues are closely intertwined.

In recent years, as the use of the tax surcharge reveals, we have achieved a new degree of sophistication in the role of the government in insuring economic stability and growth. The bold principles of the "new economics" have now achieved broad and nonpartisan public acceptance. Throughout our economic history, the nation suffered chronic periods of inadequate growth, prolonged high levels of unemployment, and repeated recessions. Our economic policy was primarily a response to emergency. Now, by contrast, we have begun to act on the principle that the tools of economic policy are most valuable when the economy is not threatened by crisis, that they are best used as preventive medicine to maintain the good health of the economy.

The practical benefits flowing from application of these principles have become obvious. For eight years, we have enjoyed a period of unprecedented and uninterrupted economic growth that has brought enormous prosperity to millions of Americans. Today, a responsive fiscal policy and a flexible monetary policy are widely accepted as the twin pillars of effective management for our modern, dynamic economy.

The lesson now is clear. The use of our tax system in a responsive fiscal policy is a two way street. If we are quick to support tax reduction when needed to stimulate the economy—we must be willing to accept the burden of higher taxes when necessary to combat inflation.

But it must also be clear that public acceptance of the tax system as a device for orderly economic growth depends upon the faith of the public in the fairness of the system itself.

The fundamental logic of the surcharge demands that it be coupled with tax reform. Indeed, the fair and effective operation of our tax system is vital to our entire competitive free enterprise system, and therefore to our democratic society. If we permit unreasonable tax advantages to divert resources away from their best use, we distort our profit system and lose many of the benefits of the free market.

The time is now ripe to enact substantial tax reforms. Extensive progress has already been made by the Ways and Means Committee of the House of Representatives, and the Administration will soon submit its own proposals for reform. I believe that at least a first step toward basic tax reform should be made a part of any law extending the surcharge. By taking such action, we gain a double benefit. We insure that the surcharge falls more evenly on all our citizens, and we lay the groundwork for comprehensive tax reform to insure the most efficient allocation of all the resources in our society.

To the extent we generate new revenues from tax reform, funds can be made available for other important programs. Or, if the proper timing can be worked out, the revenues gained from tax reforms could be used to provide a meaningful reduction—perhaps one or even two percentage points—in the surcharge rate for individuals.

But the adoption of basic tax reforms is not enough. We must also be sure that the tax dollar is not spent by our government in programs that are wasteful, inefficient or unnecessary.

Traditionally, Congress has put the cost of non-defense domestic programs under the most intense scrutiny, analyzing both the need for the programs themselves and the need for funding them at requested levels. It is these domestic programs that annually bear the brunt of the drive to reduce Federal spending. It is these programs that were particularly hard hit by the spending cut required by the Revenue and Expenditure Control Act last year.

Let me give you three examples: in 1968, Congress passed the Juvenile Delinquency Prevention and Control Act, and authorized appropriations of $25 million for fiscal year 1969. Recognizing the need for budget austerity, the President requested funds of $19 million under the Act, but Congress appropriated only $5 million, or one-fifth of the amount originally authorized. In the new subsidized college housing program, Congress authorized $10 million—but appropriated only $3 million. For the program for educationally deprived children, Congress authorized $2.7 billion—but appropriated only $1.1 billion.

The list of underfunded domestic programs is long. All too clearly, it demonstrates that in the effort to restrict Federal expenditures, to help bring order into our fiscal and monetary disorder, Congress has tended to focus primarily on our domestic social programs. By contrast, Congress has not, as a rule, given the same sharp scrutiny to programs of the Department of Defense.

No member of Congress seriously questions our need for a sound national defense, for an effective and modern military establishment. No one can question our need for continuing research and development programs to constantly upgrade our security.

Too often, however, it has been the practice in Congress to accept on faith the recommendations of the Pentagon. Indeed, because our national security is of such vital importance, it has been considered almost unpatriotic to question defense recommendations. Yet, today many of us in Congress—and many leaders of industry and commerce—are increasingly concerned about the effectiveness, the efficiency, and the economy of our defense spending. Many of us believe that it is time to begin to give the same intense examination to Pentagon programs we regularly give to our domestic social programs. Business Week magazine put it well, I think, in its editorial of April 5, entitled "The Pentagon's Costly Mistake":

"There is no more important problem for President Nixon and the Congress than to establish adequate supervision and control of Defense Department programs, without hampering operations of the agency. The Pentagon as well as powerful companies will fight any attempt to curb their activities. But a method to check the proliferation of unnecessary and unsound military programs must be found. The alternative is sure disaster."

The Defense budget for the current fiscal year totals some $80 billion, nearly three times the total amount of all corporate income taxes paid to the Federal Government in 1968. The defense budget supports a uniformed armed force of over 3 million men, and a civilian employment of almost 1.5 million. We have 6,000 military bases in the United States, and over 400 bases abroad. The defense budget provides direct employment for 10 per cent of the United States work force. And it permits a return on net worth for defense contractors of 18 percent, as opposed to a return of only 11 percent for comparable civilian plants.

Senator Stuart Symington, a former Secretary of the Air Force, recently pointed out that we have spent over $23 billion on missile systems deployed and then abandoned. We have been told in Congress that the cost overruns on the C–5A, the world's largest aircraft, will run to something like $2 billion, or more than the yearly budget for the entire poverty program. A recent detailed examination of 13 major aircraft and missile programs, all with sophisticated electronic systems, revealed these astonishing results:

Only four of the programs, totaling $5 billion, could be relied upon to perform at more than 75 percent of their specifications;

Five, costing $13 billion, failed 25 percent more often than promised;

Two, costing $10 billion were dropped within three years because of low reliability; and

Two, after an outlay of $2 billion, were dropped outright because they performed so ineffectively.

This same study revealed that complex electronic systems generally cost 200 to 300 per cent more than the Pentagon predicts, and are generally delivered to the military two years later than promised.

This is not the time or place to cite the full range of such cases that even preliminary examination has discovered. But I think the examples reveal enough to indicate why so many persons share the concern of the editors of Business Week, members of Congress, and others around the nation for adequate supervision of our military programs.

There is no reason in logic or national security that defense programs should be above the careful review accorded to all other Federal programs. We in the Congress cannot abrogate our responsibilities to carry out such a review. The analogy is often made between the Congress and a corporate board of directors. The board, responsible to its stockholders, must review the proposals and budgets of the corporation's various operating divisions, balancing the projected income and expenses within the divisions against those of the corporation as a whole. While this analogy is not exact, it is, I think, apt, for we in the Congress seek many of the same goals—efficiency and effectiveness in operations, economy in performance, and consistency with the priorities we have established for other basic national programs.

There is thus a great similarity between the questions we in Congress are asking and the questions you ask as leaders of industry when you deal with a proposal for an expensive new program: Is it needed? Will it work? How much will it cost? How will the competition respond? Is this the wisest allocation of the company's scarce resources? You ask these questions because you are spending your investors' money. We ask these questions because we are spending your money.

Today there is one Pentagon program that is receiving the scrutiny usually reserved for domestic programs: the proposal by the President to deploy an anti-ballistic missile system. Originally, we learned of this program as the Nike-X; later its name was changed to Sentinel; now it is called Safeguard. But the concept of the ABM system—by whatever title it is known—is basically the same. Its name has been changed to make it more acceptable. But the only major change is the cost, which goes steadily upward as the program is juggled.

The questions being asked in Congress and across the country about the ABM system are many and diverse. But their common theme is clear: Is this the right weapons system, at the right time?

The Secretary of Defense has put forward a number of justifications for deployment of an ABM. Many of us in Congress do not find them convincing. Much has been made recently, for example, of the Soviet SS–9 missile. Yet, we first learned of this missile in 1962. Obviously, for almost seven years, our defense planners had discounted the Soviet missile in developing our own forces. The Secretary of Defense assures us that the Soviet Union is seeking a "first strike" capability; the Secretary of State assures us it is not. Further, the Secretary of Defense has suggested broadly that our Polaris fleet might be vulnerable to attack in the early or mid-1970's. This position flies squarely in the face of strong testimony to the contrary last year by the Chief of Naval Operations and other high ranking naval experts.

It is also claimed that the ABM system would not provoke the Soviets into counter efforts, because the ABM is defensive in nature. Surely this is an historical and logical folly. When the Soviets began to deploy their own ABM system around Moscow—totaling only about 100 missiles—the U.S. promptly responded by accelerating the development of new penetration aids and multiple warheads on our nuclear weapons. At the time, the Pentagon assured the Congress that the Soviet ABM presented no clear or present danger to the U.S.—principally because we had over 1,700 long-range missiles, and needed to launch only 100 of them against Moscow to overwhelm, and thus nullify, the Soviet ABM.

We must also consider what the American reaction would be should the Soviets deploy an ABM system around their own offensive missiles. Would we take no step to counter their move? Or, far more likely, would we consider it absolutely imperative to develop a counter measure of our own?

For these and other reasons, historical and logical, deployment of our ABM system would be highly provocative, and would significantly raise the ante in the arms race. And this is so whether we call the ABM system offensive or defensive, because the inevitable effect of its deployment is to force a positive response from the Soviets.

In addition, a number of the most prominent scientists and engineers in the nation have expressed deep reservations as to whether the ABM system would even function as proposed. It is undeniably the most complex weapons system ever designed. Yet, major components have not yet even been tested. Other components will not reach the prototype stage for years.

Opposition to the deployment of an ABM system is bi-partisan. The debate is only just beginning in Congress. Neither the authorization nor the appropriation bills have reached the floor of the Senate or the House. Consequently, we have ample time to weigh the evidence presented to us. Not all of that evidence is yet available. But before the legislation for the ABM system comes to a vote, we will have considerably more information than we now do.

The candid and responsible discussion now going on in Congress over the ABM system must be brought to the nation at large. Because the ABM system has been put under such intense scrutiny, and because that scrutiny is constantly uncovering new facts, many eminent Americans believe that the downpayment of $7 billion requested for the ABM system will not add at all to our defense, but will give us only false security: false because it may not work; false because it will provoke a new arms race; false because the arguments on its behalf are those not of logic but of fear.

There is a larger lesson in the issues I have discussed. As we know from the past, the divisions of today produce the agreements of tomorrow. The coming debates on the economy, on the surcharge and tax reform, on government spending and the military budget will be difficult and hard-fought. But the crucial question now is how these debates will be approached. If we come to them with candor and fact, if we search for realistic solutions without seeking partisan advantage, if we recognize that these issues are vital to our national interest, then we will insure not only greater public knowledge, but greater public acceptability of the answers we reach. It is a difficult path, but a path we must travel. There is no other path to follow if our system of government is to succeed in meeting the challenge of the Seventies.

IRAN

Mr. MATHIAS. Mr. President, the United States and the American people are being severely tested by the terrible events in Iran. The 49 Americans held hostage in the American Embassy in Tehran, are in Iran as representatives of the American people. When the American Embassy was breached, American soil was violated. When the American hostages were taken, all Americans were brutalized.

The Ayatollah Khomeini has overturned international law. He threatens the lives of innocent people in flagrant violation of the principles of diplomatic immunity. He taunts and insults the President of the United States. For 22 days, despite the pleas of caring people throughout the world, the Ayatollah has encouraged an act of terrorism abhorrent to all civilized people.

At the same time he has suggested that the American people do not support the President in his refusal to give in to blackmail. He has attempted to divide the American people from their government by propaganda and from each other by releasing only female and black hostages.

The time has come to tell the Ayatollah that he is deluded.

Khomeini has badly misjudged the temper and the character of the American people. Never since World War II has this Nation been so unanimous as it now is in its desire to see the hostages freed without giving in to blackmail. The President of the United States has the wholehearted and overwhelming support of the American people in his refusal to bow to terrorism. And it is high time the Ayatollah got his message.

Americans have shown great and commendable restraint in this tragic and difficult situation. It is a proper restraint and it must continue.

But we must also show the Ayatollah unmistakably that he is dealing with a united America.

I have, therefore, today written to the leaders of every professional, fraternal, civic, and interfaith organization in Maryland calling on them to encourage each member of their organization to write or cable Ayatollah Khomeini as witness to this Nation's unity of purpose and its determination to achieve the release of the hostages without succumbling to blackmail. I now urge each Member of the Congress to contact similar organizations in their States so that we may have a truly inspiring outpouring of support for the release of the hostages, a tidal wave of support that will be irresistible.

I ask unanimous consent that a copy of my letter to Maryland organizations outlining this proposal be included in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEAR ———: I am writing to enlist your help and the help of every member of your organization in an effort to send a clear unequivocal message to the authorities in Iran that the American people unanimously support President Carter's refusal to give in to blackmail to obtain the release of the 49 American hostages still held in Iran.

The Ayatollah Khomeini has suggested that the American people do not support the President in his efforts to obtain the release of these hostages in accordance with the principles of international law. By his selective release of some hostages, the Ayatollah has attempted to pit American against American and America against its government.

It is urgent, therefore, that we act decisively and in unity to show the Ayatollah that he deludes himself in thinking that Americans are not solidly behind the President and his policies.

All of us share, in some measure, the agony of the hostages and of their relatives, many of whom live in Maryland. In the course of the last 22 terrible days, each of us has asked: What can I do to help? We have restrained hostile acts and demonstrations and we have prayed.

Now there is something more we can do. We can and we must get the message to Iran that the American people—every man, woman, and child among us—demands the release of the hostages.

I, therefore, urge you to encourage each member of your organization to write or cable the Ayatollah Khomeini insisting that the hostages be released and expressing support for a policy of no submission to blackmail. Communications should be sent directly to Ayatollah Khomeini, Qum, Iran, or sent in care of the Iranian Embassy, Washington, D.C. 20008.

I earnestly hope that response to this appeal will be overwhelming and I enclose a copy of a statement I made today in the Senate seeking the support of my colleagues nationwide.

With best wishes,

Sincerely,

CHARLES MCC. MATHIAS, Jr.,
U.S. Senator.

Mr. MATHIAS. I thank the Senator from Kansas for yielding time.

Mr. DOLE. I thank the distinguished Senator from Maryland. I think it is an excellent idea that he is proposing and that he has already implemented in the State of Maryland.

LEAVE OF ABSENCE

Mr. JAVITS. Mr. President, I ask unanimous consent that I may have leave of the Senate to be absent tomorrow on official business in Mexico in my capacity as a member of the Foreign Relations Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Later the following occurred:)

Mr. JAVITS. Mr. President, I ask unanimous consent that the permission granted for me to be absent this week be vacated.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEATH OF W. VERNIE REED

Mr. JACKSON. Mr. President, W. Vernie Reed, general secretary-treasurer of the Laborer's International Union, died last month after a lifetime devoted to making the lives of working men and women a little better. Vernie was a native of my home State of Washington, and a dear friend for many years.

Vernie Reed was born in 1915 in Tacoma, to a large family consisting of seven brothers and sisters. The tragic and untimely death of his father made Vernie a wage earner at a time in life when most of us are mere schoolboys. His working life began as a laborer on one of the early new Deal projects. He was a tunnel miner at Mud Mountain Dam, east of Tacoma, in the Cascade Mountains. During those early years, in the depths of the Great Depression, Vernie devoted his time and efforts to fighting poverty and strife and to make life better for the poor and needy.

His love and compassion for his fellow man led him to the labor movement where he rose quickly through the ranks. He began in the office of Laborers' local 252 in his hometown and then moved successfully through the building trades and onward to the staff and executive board of the Laborer's International Union of North America. In 1975, Vernie became secretary-treasurer of his international union and served with distinction until his death October 5. He will be sorely missed.

Vernie Reed's life was characterized by a love and compassion for people. It dominated all other motives in his work on behalf of the American trade-union movement. His life's work does honor to himself and to his origins. In our home State, Vernie was widely known for his interest and work with young people, as well as for his determination to create a safe working environment for his members. He was active in the politics of Washington State, and served on a number of commissions and councils under the appointment of successive Governors of the State.

My own relationship with Vernie Reed goes back to my first days as a Congressman from the Second District of Washington. I have been honored by his friendship, trust and counsel during all of those years, and I am proud of that honor as of any other that has come my way.

Vernie Reed was always searching and fighting and finding new ways to help the poor and the needy. He was an honest and dedicated man. His life was successful. At a time when some Americans are questioning themselves and the direction of our Nation, they should perhaps look to Vernie Reed whose life could well serve as an inspiration to all Americans.

DAVID WATSON

Mr. HEFLIN. Mr. President, today I have learned the sad news of a great tragedy—a tragedy for the State of Alabama and for each Member of the Senate.

Our friend David Watson, a member of the Senate Democratic Cloakroom staff, was killed late last night in the crash of his small airplane in a mountainous area near Anniston, Ala.

Killed along with David were three other fine young Alabamians—all of whom were returning to Washington after spending the Thanksgiving Day holiday with their families in Alabama.

David was a person of great accomplishment for his young age and in his short 19 years he earned the respect, admiration, gratitude, and friendship of all of those present in this Chamber.

David was the son of an ordained Baptist minister, Rev. Abraham Watson, who now serves as executive director of the Southwest Mental Health/Mental Retardation Board and of his mother, Mrs. Carolyn Watson, who lives in Monroeville, Ala.

He first came to Washington during his sophomore year in high school as a page for former Alabama Senator JOHN SPARKMAN. Here his talent for making friends easily served him well and as his year as a page ended other Senators, including former Majority Leader Mike Mansfield, made it possible for David to stay in Washington.

David continued as a page and graduated from high school at the Capitol Page School. He stayed in Washington, working in the cloakroom, and was in his second year of studies at the Northern Virginia Community College.

David Watson was intelligent, articulate, gentle, and industrious. He tackled his every endeavor with enthusiasm and good nature and built up quite an impressive record of successes. He was selfless and generous and was quick to give of himself both in his job and in his personal life.

He will be sorely missed by his friends, his colleagues, and by each Member of the Senate. His affability, wit, and easygoing nature earned for him a very special place in the hearts of everyone who knew and loved him.

Mr. President, I express my heartfelt grief over the passing of this fine young man and extend my prayers to his family.

Mr. METZENBAUM. Mr. President, I wish to associate myself with the remarks and the sincere concern of feeling that all of us feel about the loss of this fine young man. I appreciate the Senator from Alabama expressing it so well on behalf of all of us.

Mr. JOHNSTON. I want to associate myself with the remarks the Senator from Ohio made about David Watson.

Mr. RANDOLPH. Mr. President, I think that sometimes we hesitate or are reluctant to speak in this Chamber about the passing of someone who is closely associated and has the confidence of Senators.

David Watson was one of our trusted coworkers. I would not call him so much an employee in the cloakroom—that young man who often was answering the phones. No, I think of him as a gentleman in the very best sense of the word; as one who was diligent and affable as we knew him day by day and into the nights so very often; and as an individual who was very much a part of the operation of the Senate. David was dedicated to the Senate and its vital responsibilities, and always so very cooperative. That was the hallmark of David as I knew him.

I paused today in my own office with no one present and expressed a prayer for this young man who has gone away.

We frankly think often of some young man or woman who has left us—to quote from accounts in an obituary—as having had an untimely death. But I could not feel that way about David because any young or middle-aged person, or older man or woman, when that individual you know is a child of our Creator and believes in Him and lives the life of the spirit as well as of the World, there is no untimely passing.

David Watson is at peace, and God will take care of him.

Mr. LONG. Mr. President, I am very much distressed that David Watson is lost to us. He was one of the most exemplary young men whom I have had the opportunity to know. It was my privilege to designate him as a page. In this position, David did an exceptional job for me.

I had the highest admiration for David, and I am sure every Senator who came into contact with him shared that feeling. This fine young man set a very worthy example for all of us. He was respected and loved by everyone who had the pleasure of knowing or working with him.

I am very much distressed about the news the Senator brings us. All of us who knew him well mourn David's loss.

Mr. CHILES. Mr. President, I associate myself with the very fine remarks.

I think it is always a great thing to see a young man grow. From the time David started working here, you know, I think all of us had an opportunity to see him grow in the job he was doing, the way he handled himself, and the way he built his friendships and his confidences with his fellow employees and with the Members of the Senate.

I think he was a young man you could literally sort of watch grow every day. I think the loss we all feel is our loss now because of the pleasant associations we had with him and in the way he would always try to accommodate to any wishes that we had.

I certainly feel a great loss on that basis, and I agree with the distinguished Senator from West Virginia that there is no untimeliness in receiving the call. We are all going to spend a brief journey in this life, and then we are going to go on. I think we just gather together in our sorrow today in the loss of David and we join in sympathy to his family in knowing that David is there, now probably, in the Great Beyond.

Mr. MATSUNAGA. Mr. President, I wish to join with my colleagues in expressing deep regrets on the passing of David Watson. I think his attitude toward his work was a wholesome, healthy one. The courtesy which he extended to all Senators, the respect that he showed with whomever he dealt, I think, are attributes which speak highly of David. David was a real credit to the Senate which he so well served. We certainly will miss him.

Mr. STEWART. Mr. President, I have just learned of a great tragedy that has taken the life of an employee of the Senate. Last night, near my home town of Anniston, Ala., a plane crash caused the death of four young Alabamians. One of those four was David Watson, who worked in the Senate Democratic Cloakroom. Many of us knew David and some of us were fortunate enough to know him well. He was a personal friend of mine, my family, and my staff. Since coming to Washington, we all were helped by David, who went out of his way to make us feel at home. Though young, David had been in the Senate for a number of years, starting with his appointment by Senator JOHN SPARKMAN as a page. From that beginning, David fell in love with the Senate. With the passing of David Watson, the Senate lost one of its most loyal, decent, and brightest young people.

Though I did not personally know the others, my heart also goes out to the families of the others who died in this tragedy. One of these victims was Louise Tate, who worked for my predecessor, Senator Jim Allen, before taking a job with the National Association of Manufacturers. Another victim was Jack Farish. Like David, Jack was from Monroeville, Ala., and was a staff assistant to Congressman JACK EDWARDS. Finally, the crash took the life of Cathy Stewart, from Newton, Ala., and a member of the staff of Congressman BILL DICKINSON.

Words cannot suffice at a time like this. I can only say that four young lives have been taken before their time. I ask that each of you remember the families of these young people in your prayers.

Mr. President, I would just like to join my colleague from Alabama and associate myself with his remarks and those of the Members of the Senate which they made about David.

We are all deeply saddened by the loss of this 19-year-old boy, as anybody would be. As his father said, he wanted those of us up here to know that he felt his son had a full life in many respects by the time he reached the age of 18 by being associated with Members of this body. I am quite sure it is true.

I want to say to my colleague that I thank him very much for taking the time to share with the Members of the Senate the events that took place and to give us the opportunity to make these comments and remarks.

A PROMISE TRAGICALLY INTERRUPTED

Mr. ROBERT C. BYRD. Mr. President, with deep sorrow, I regret to hear of the death of one of the best known and well-liked young employees of the Senate. Our colleague (Mr. HEFLIN) announced earlier this afternoon to the Senate that the tragedy had occurred in which Mr. W. David Watson of Monroeville, Ala., who was a staff assistant in the Democratic cloakroom and a former chief page of the Senate, was fatally injured last night in the crash of a private plane while enroute back to Washington following the Thanksgiving recess.

David was born in Louisville, Ky., and had celebrated his 19th birthday this past summer. Some time after his birth, David had been carried to Alabama by his parents, and had resided subsequently in Bruton and Monroeville in that State.

In 1975, David became a Senate page and was enrolled in the Capitol Page School, from which he graduated in 1978. He was named chief page in 1977, and staff assistant in the cloakroom in January 1978. At the time of his passing, he was also pursuing a baccalaureate degree at Northern Virginia Community College.

I am sure that everyone who met David was impressed by his firm and admirable character, his diligence, his promptness, his courtesy, and his precocious sense of responsibility. Moreover, he was attractive, well-groomed, gentlemanly, and bright, and set high standards of performance and achievement among his friends and associates, by whom he was considered a leader.

Mr. President, I am certain that I speak for all the Senators and Senate employees who knew David Watson, in expressing sincere condolences to his parents, his family, and friends, for the incalculable loss that they have suffered. David was an outstanding young man of real potential, who made genuine and unique contributions to the Senate in the service that he faithfully rendered during the years he worked on Capitol Hill, and he will be profoundly missed by those here who were privileged to know him.

Mr. STEVENS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. Mr. President, on behalf of all Members on our side, I hope the majority leader will make that a statement on behalf of the Senate as a whole.

We, too, regret deeply the news we received of another plane crash.

I am saddened, as the majority leader would know, because of my personal experience in one of those crashes, to hear that so many of our young assistants have suffered as a result of this crash.

I heard the statement earlier by the Senator from Alabama. It is a sad day for all of us.

I particularly would like to join with the Senator from West Virginia in paying our respects to this young man who was such a distinguished employee of the Senate as a whole.

Mr. ROBERT C. BYRD. Mr. President, I thank my friend.

RETIREMENT PROVISIONS FOR CERTAIN BUREAU OF INDIAN AFFAIRS EMPLOYEES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 407.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 1885) to amend Civil Service retirement provisions as they apply to certain employees of the Bureau of Indian Affairs and of the Indian Health Service who are not entitled to Indian employment preference and to modify the application of the Indian employment preference laws as it applies to those agencies.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

● Mr. McGOVERN. Mr. President, I wish to express my strong support for the provisions in H.R. 1885, and urge my colleagues to approve this long overdue resolution to a Government employment "Catch 22" problem.

As a cosponsor of the Senate companion bill, S. 844, in this Congress, as well as other sessions where the Senate has acted favorably on the same measure, I believe the Government employees affected by it deserve this final consideration.

We have, within the Federal Government, a group of employees that has been denied advancement for several years for no fault of their own. This group is made up of non-Indians who work for the Indian affairs agencies, and who are stymied in their present job level because of preference hiring done in those agencies. This legislation does not address the preference issue; it merely allows non-Indian employees to elect early retirement because of their unique situation.

This bill affects about 4,000 individuals, most of whom have communicated with me over the last few years. They are, in most cases, highly specialized employees who have been frustrated in their status quo positions and in the unsuccessful attempts made to transfer them to other agencies.

I ask support for this bill, which has been approved here before, on behalf of the nonpreference employees and the need for fairness in this unfortunate situation.●

● Mr. MELCHER. Mr. President, I appreciate the action of the Government Affairs Committee, particularly the chairman, Senator RIBICOFF, and the subcommittee chairman, Senator PRYOR, in bringing H.R. 1885 to the floor for action. I also want to recognize the work of Senator STEVENS who originally carried the ball on this legislation in the 94th and 95th Congresses.

This bill, with virtually identical provisions, passed the Senate in the 95th Congress only to die in the House. In the 94th Congress a more generous bill passed Congress, only to be vetoed. It is essential that we no longer delay action to bring a measure of equity to the non-Indian employees of the BIA and the Indian Health Service.

Because of the Supreme Court's interpretation of the Indian preference law relative to employment in these two agencies, non-Indian employees are denied the opportunity of promotion, or even of lateral transfer within the agencies. They are effectively frozen in their jobs. S. 1885 will have a double benefit. It will permit non-Indian employees with long years of service to retire earlier. Further, such a policy will open up more opportunities for competent Indian professionals in these agencies.

I urge the Senate once again, for the third, and, I hope, the last time to pass H.R. 1885. This time, because of the approval of the administration, including the Secretary of Interior, Office of Management and Budget and the Office of Personnel Management this long-delayed legislation will become law.●

Mr. STEVENS. Mr. President, I urge quick passage of H.R. 1885, which is almost identical to S. 844 introduced by the distinguished Senator from Montana. For the last two Congresses, I have sponsored and supported similar legislation to remedy the intolerable situation existing at the Bureau of Indian Affairs and the Indian Health Service.

Last year, we came close to resolving

this issue. S. 666, a bill I introduced, passed the Senate. Now, we have the opportunity to pass the House's version and remedy the increasingly intolerable situation in the two Indian agencies. Indian preference in hiring and promotions, though desirable, has locked non-Indian employees into dead end jobs.

H.R. 1885 will achieve a certain degree of equity for these non-Indian employees by allowing them to retire earlier than normally would be the case. It will also, to the extent that it enncourages retirement, release those jobs which are now held by the non-Indians so that they can be filled by the relatively greater number of qualified and educated Indians who are anxious to work within the Bureau of Indian Affairs and the Indian Health Service.

The bill would provide increased retirement benefits to those non-Indians who retire after completing 25 years of service or after completing 20 years of service at age 50. Also, these employees must be employed by the Bureau of Indian Affairs or the Indian Health Service on the date of the enactment of this act, and not otherwise entitled to annuity under any other sections of the civil service retirement, nor can they be entitled to a preference under section 12 of the Wheeler-Howard Act, or any other provision of law granting a preference to Indians in promotions or other personnel actions.

In addition, the annuity formula in the bill is carefully calculated to effectively, but not unnecessarily, encourage non-Indian employees to retire. This is an essential factor in the legislation, in my opinion, in view of the fact that early retirement is the key to the success of this bill. The cost of the bill is clearly outweighed by the benefits to be derived from it—both for Indians and non-Indians. In fact, the cost will be substantially less than last year's bill because the annuity formula devised in this bill only awards the additional sums to the period of service the affected employees worked after the lower court decision upholding Indian preference.

Mr. President, we must act soon. The longer we wait, the more unfair the situation becomes. Non-Indian employees who are continually retiring are being penalized with low retirement benefits solely because they were subject to Indian-preferred promotions.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 1885) was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER TO RECESS ON FRIDAY UNTIL 9 A.M. ON SATURDAY, DECEMBER 1, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on Friday, it stand in recess until the hour of 9 o'clock Saturday morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR REDUCTION OF TIME FOR LEADERS ON SATURDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Saturday, the time of the two leaders be reduced to 3 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF S. 1648 ON SATURDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, following the recognition of the two leaders on Saturday, the Senate then proceed to the consideration of Calendar Order No. 445, S. 1648; a bill to provide for the improvement of the Nation's airport and airway system, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I think that had already been ordered except for the time change.

The PRESIDING OFFICER. The Senator is correct.

ORDER FOR CONSIDERATION OF CERTAIN TREATIES ON WEDNESDAY, THURSDAY, FRIDAY, AND SATURDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, as in executive session, that on Wednesday, after the two leaders have been recognized under the standing order, the Senate proceed to the consideration of Calendar Orders Nos. 9 and 10 on the Executive Calendar, these being Executive K, Convention on the Prohibition of Military or Any Other Hostile Use of Environmental Modification Techniques; and Executive L, Convention Abolishing the Requirement of Legalization for Foreign Public Documents; that there be not to exceed 20 minutes, to be equally divided between Messrs. CHURCH and JAVITS; after which the Senate proceed to a vote—that will be a rollcall vote—on the two treaties en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the vote en bloc, of the motion to reconsider, if made, that there be no time for debate thereon; and that the Senate, upon the disposition of the two treaties, and then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, this means that one rollcall vote will count for two in the RECORD.

Mr. President, I make the same, identical request with respect to Thursday, and that the treaties involved in that instance to Calendar Orders Nos. 11, 12, and 13.

Mr. STEVENS. Reserving the right to object, is the time the same for convening on that day?

Mr. ROBERT C. BYRD. Well, the time for debate on the treaties would be the same, 20 minutes equally divided. They would be voted on en bloc, with one vote counting for three. Undoubtedly, that will be a rollcall vote and we shall order the rollcall votes in advance.

Mr. STEVENS. Still reserving the right to object, it is the majority leader's intention that these votes occur after the leadership time and before any special orders?

Mr. ROBERT C. BYRD. The request would be that, immediately after the leaders have been recognized, we proceed with consideration of the treaty. As a general rule, if orders are entered in the interim for the recognition of Senators, these orders will get ahead of those matters.

Mr. STEVENS. They will precede the treaty? That is what I want to make sure.

Mr. ROBERT C. BYRD. Yes. Let me make it absolutely clear.

Mr. President, I ask unanimous consent that, on Wednesday, or Thursday, on Friday and on Saturday, immediately after the recognition of the two leaders or their designees under the standing order, or after the recognition of any Senators for whom orders have been entered for recognition, the Senate then proceed on Wednesday to vote en bloc after 20 minutes of debate, equally divided as aforesaid, on Calendar Orders Nos. 9 and 10 on the Executive Calendar; on Thursday, on Calendar Orders Nos. 11, 12, and 13; on Friday, on Calendar Orders Nos. 14, 15, and 16; and on Saturday, on Calendar Orders Nos. 17 and 18.

Mr. STEVENS. Mr. President, I do not object. I thank the majority leader for his clarification.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order at any time to order the yeas and nays on the aforementioned treaties with one show of seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

TREATIES

Mr. ROBERT C. BYRD. Mr. President, I am authorized by the distinguished chairman of the Foreign Relations Committee to make the following request:

I ask unanimous consent as in executive session that the various treaties which have been cleared for action on Wednesday, Thursday, Friday, and Saturday be considered to have passed through the various legislative stages up to and including the presentation of the resolution of ratification.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONVENTION ON THE PROHIBITION OF MILITARY OR ANY OTHER HOSTILE USE OF ENVIRONMENTAL MODIFICATION TECHNIQUES; EX. K—95TH CONGRESS, 2D SESSION

The PRESIDING OFFICER. Without objection, the first treaty will be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification, which the clerk will state.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention on the Prohibition of Military or Any Other Hostile Use of Environmental Modification Techniques, signed at Geneva on May 18, 1977 (Executive K, 95th Congress, 2d session).

CONVENTION ABOLISHING THE REQUIREMENT OF LEGALIZATION FOR FOREIGN PUBLIC DOCUMENTS; EX. L—94TH CONGRESS, 2D SESSION

The PRESIDING OFFICER. Without objection, the next treaty will be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification, which the clerk will state.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Convention Abolishing the Requirement of Legalization for Foreign Public Documents, the Ninth Session of the Hague Conference on Private International Law on October 26, 1960. (Executive L, 94th Congress, 2d session.)

TREATY WITH THE REPUBLIC OF TURKEY ON EXTRADITION AND MUTUAL ASSISTANCE IN CRIMINAL MATTERS; EX. AA—96TH CONGRESS, 1ST SESSION

The PRESIDING OFFICER. Without objection, the next treaty will be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification, which the clerk will state.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate Advise and Consent to the ratification of the Treaty with the Republic of Turkey on Extradition and Mutual Assistance in Criminal Matters, signed at Ankara on June 7, 1979. (Executive AA, 96th Congress, 1st session.)

EXTRADITION TREATY WITH FINLAND; EX. I—95TH CONGRESS, 1ST SESSION

The PRESIDING OFFICER. Without objection, the next treaty will be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification, which the clerk will state.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Extradition Treaty with Finland, signed at Helsinki on June 11, 1976. (Executive I, 95th Congress, 1st session.)

EXTRADITION TREATY WITH THE FEDERAL REPUBLIC OF GERMANY; EX. A—96TH CONGRESS, 1ST SESSION

The PRESIDING OFFICER. Without objection, the next treaty will be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification, which the clerk will state.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Extradition Treaty with the Federal Republic of Germany, signed at Bonn on June 20, 1978. (Executive A, 96th Congress, 1st session.)

EXTRADITION TREATY WITH THE UNITED MEXICAN STATES; EX. M—96TH CONGRESS, 1ST SESSION

The PRESIDING OFFICER. Without objection, the next treaty will be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification, which the clerk will state.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Extradition Treaty with the United Mexican States, signed at Mexico City on May 4, 1978. (Executive M, 96th Congress, 1st session.)

EXTRADITION TREATY WITH JAPAN; EX. P.—96TH CONGRESS, 1ST SESSION

The PRESIDING OFFICER. Without objection, the next treaty will be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification, which the clerk will state.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate Advise and Consent to the ratification of the Extradition Treaty with Japan, signed at Tokyo on March 3, 1978. (Executive P., 96th Congress, 1st session.)

EXTRADITION TREATY WITH NORWAY; EX. CC—96TH CONGRESS, 1ST SESSION

The PRESIDING OFFICER. Without objection, the next treaty will be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification, which the clerk will state.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate Advise and Consent to the ratification of the Extradition Treaty with Norway, signed at Oslo on June 9, 1977. (Executive CC, 96th Congress, 1st session.)

TREATY WITH THE REPUBLIC OF TURKEY ON THE ENFORCEMENT OF PENAL JUDGMENTS; EX. BB—96TH CONGRESS, 1ST SESSION

The PRESIDING OFFICER. Without objection, the next treaty will be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification, which the clerk will state.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate Advise and Consent to the ratification of the Treaty with the Republic of Turkey on the Enforcement of Penal Judgments, signed at Ankara on June 7, 1979. (Executive BB, 96th Congress, 1st session.)

TREATY WITH THE REPUBLIC OF PANAMA ON THE EXECUTION OF PENAL SENTENCES; EX. Z—96TH CONGRESS, 1ST SESSION

The PRESIDING OFFICER. Without objection, the next treaty will be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification, which the clerk will state.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate Advise and Consent to the ratification of the Treaty with the Republic of Panama on the Execution of Penal Sentences, signed at Panama on January 1, 1979. (Executive Z, 96th Congress, 1st session.)

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider all the nominations on the Executive Calendar on pages 3, 4, and 5, beginning with New Reports.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

The assistant legislative clerk proceeded to read the nominations on the Executive Calendar.

Mr. ROBERT C. BYRD. Mr. President, if it is agreeable with the distinguished acting Republican leader, I ask unanimous consent that the nominees be considered and confirmed en bloc.

Mr. STEVENS. That is agreeable.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

THE JUDICIARY

Warren John Ferguson, of California, to be U.S. circuit judge for the 9th circuit.

Cecil F. Poole, of California, to be U.S. circuit judge for the 9th circuit.

Dudley H. Bowen, Jr., of Georgia, to be U.S. district judge for the southern district of Georgia.

Milton Lewis Schwartz, of California, to be U.S. district judge for the eastern district of California.

William O. Bertelsman, of Kentucky, to be U.S. district judge for the eastern district of Kentucky.

Peter Hill Beer, of Louisiana, to be U.S. district judge for the eastern district of Louisiana.

James T. Giles, of Pennsylvania, to be U.S. district judge for the eastern district of Pennsylvania.

Lucius Desha Bunton III, of Texas, to be U.S. district judge for the western district of Texas.

Harry Lee Hudspeth, of Texas, to be U.S. district judge for the western district of Texas.

DEPARTMENT OF JUSTICE

Alice Daniel, of the District of Columbia, to be an Assistant Attorney General.

George Washington Proctor, of Arkansas, to be U.S. attorney for the eastern district of Arkansas.

Frederick A. Rody, Jr., of Florida, to be Deputy Administrator of Drug Enforcement.

DEPARTMENT OF COMMERCE

Sidney A. Diamond, of Arizona, to be Commissioner of Patents and Trademarks.

DEPARTMENT OF STATE

Richard Cavins Matheron, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Swaziland.

Patricia M. Byrne, of Ohio, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Socialist Republic of the Union of Burma.

Angier Biddle Duke, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Morocco.

Donald R. Toussaint, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic Socialist Republic of Sri Lanka.

UNITED NATIONS

Richard Wilson Petree, of Virginia, to be Deputy Representative of the United States of America in the Security Council of the United Nations, with the rank of Ambassador.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE DIPLOMATIC AND FOREIGN SERVICE

Diplomatic and Foreign Service nominations beginning James H. Kirk, to be a Foreign Service information officer of class 2, a consular officer and a secretary in the Diplomatic Service of the United States of America, and ending Ingrid Pfanzelt, to be a consular officer of the United States of America, which nominations were received by the Senate on October 26, 1979, and appeared in the CONGRESSIONAL RECORD of October 29, 1979.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nominations were considered and confirmed en bloc.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation en bloc of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10:15 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 10:15 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF MR. LUGAR AND MR. TSONGAS ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the recognition of Mr. SCHMITT under the order previously entered, Mr. LUGAR be recognized for not to exceed 15 minutes, and that he be followed by Mr. TSONGAS for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS TO 10:15 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 10:15 a.m. tomorrow morning.

The motion was agreed to; and at 7:04 p.m., the Senate recessed until tomorrow, Tuesday, November 27, 1979, at 10:15 a.m.

NOMINATION

Executive nomination received by the Senate November 26, 1979:

DEPARTMENT OF JUSTICE

Charles B. Renfrew, of California, to be Deputy Attorney General, vice Benjamin R. Civiletti.

CONFIRMATIONS

Executive nominations confirmed by the Senate November 26, 1979:

DEPARTMENT OF JUSTICE

Alice Daniel, of the District of Columbia, to be an Assistant Attorney General.

George Washington Proctor, of Arkansas, to be U.S. attorney for the eastern district of Arkansas for the term of 4 years.

Frederick A. Rody, Jr., of Florida, to be Deputy Administrator of Drug Enforcement.

DEPARTMENT OF COMMERCE

Sidney A. Diamond, of Arizona, to be Commissioner of Patents and Trademarks.

DEPARTMENT OF STATE

Richard Cavins Matheron, of California, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Swaziland.

Patricia M. Byrne, of Ohio, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Socialist Republic of the Union of Burma.

Angier Biddle Duke, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Morocco.

Donald R. Toussaint, of Virginia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic Socialist Republic of Sri Lanka.

UNITED NATIONS

Richard Wilson Petree, of Virginia, a Foreign Service officer of class 1, to be Deputy Representative of the United States of America in the Security Council of the United Nations, with the rank of Ambassador.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

THE JUDICIARY

Warren John Ferguson, of California, to be U.S. circuit judge for the ninth circuit.

Cecil F. Poole, of California, to be U.S. circuit judge for the ninth circuit.

Dudley H. Bowen, Jr., of Georgia, to be U.S. district judge for the southern district of Georgia.

Milton Lewis Schwartz, of California, to be U.S. district judge for the eastern district of California.

William O. Bertelsman, of Kentucky, to be U.S. district judge for the eastern district of Kentucky.

Peter Hill Beer, of Louisiana, to be U.S. district judge for the eastern district of Louisiana.

James T. Giles, of Pennsylvania, to be U.S. district judge for the eastern district of Pennsylvania.

Lucius Desha Bunton III, of Texas, to be U.S. district judge for the western district of Texas.

Harry Lee Hudspeth, of Texas, to be U.S. district judge for the western district of Texas.

DEPARTMENT OF STATE

Diplomatic and Foreign Service nominations beginning James H. Kirk, to be a Foreign Service information officer of class 2, a consular officer and a secretary in the Diplomatic Service of the United States of America, and ending Ingrid Pfanzelt, to be a consular officer of the United States of America, which nominations were received by the Senate on October 26, 1979, and appeared in the CONGRESSIONAL RECORD of October 29, 1979.

EXTENSIONS OF REMARKS

THE DANGER OF ATROCITIES IN IRAN

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 26, 1979

● Mr. BINGHAM. Mr. Speaker, "when doctrine is expressed in violence, atrocities become sacramental."

That memorable sentence, which casts the current situation in Iran in a vivid and frightening light, comes from an article by George Ball in the Washington Post for November 21.

Another memorable passage from the article is the following:

> Fanaticism is the dark face of religion and, in the words of the French encyclopedist, Diderot: "There is only a step between fanaticism and barbarism." In Iran today, Khomeini has taken that step.

The text of Mr. Ball's noteworthy article follows:

A VIOLATION OF PRINCIPLE

(By George W. Ball)

In holding Americans hostages in our Tehran Embassy Ayatollah Khomeini's followers are violating a principle of diplomatic inviolability respected by civilized nations for 4000 years.

The ancestors of the present Iranians, the ancient Persians, showed a decent respect for that rule. Herodotus relates how the Persian

King Darius sent emissaries to Athens and Sparta to demand Persian control over land and sea—or, symbolically, "earth and water." The Athenians responded by throwing the one group of emissaries into a pit and the Spartans threw the other into a well, telling them scornfully to carry earth and water to their king from those two places.

Herodotus speculates that Athens' subsequent destruction by the Persians may well have been in punishment for that insolent action. The Spartans suffered also, concluding, with the post hoc, propter hoc logic of classical mythology, that their mistreatment of the Persian envoys was the reason that favorable omens no longer resulted from their sacrifices. With remorse born of panic, they enlisted two young noblemen volunteers to offer their lives in penance to the Persian king. But Xerxes, who had by then succeeded his father, Darius, rejected the offer with the disdainful comment, "Persians would not behave like the Spartans, who, by murdering the ambassadors of foreign power, had broken the law which all of the world holds sacred."

All that, of course, was centuries before Persia fell under the periodic sway of fanatical Shi'ites, who just 150 years ago displayed their contempt for the law "all the world holds sacred" by an action that, up to a point, remarkably parallels the current lamentable developments.

In 1828, a famous Russian satirical writer and diplomat, Alexander Sergeyevich Griboyedov, negotiated the Treaty of Turkmanchai, by which Persia ceded Georgia to the Russian Empire. Soon thereafter, the Russian government sent Griboyedov to Tehran as ambassador and "acting head of the Russian Embassy" to oversee the execution of the treaty.

In the course of his duties in Tehran, the new ambassador gave sanctuary in the embassy to several Georgian women who by the treaty had become Russian subjects. The fact that they had escaped from Persian harems and that he was thus challenging an honored institution incensed fanatical Shi'ite leaders. The chief mujahid (roughly equivalent to an ayatollah) denounced Griboyedov and demanded his death, announcing that Persians could legally rescue the refugee women from the infidel Russians.

Inflamed by these exhortations and acting with the apparent support of the shah (whose cousin was one of the most violent of the agitators), a mob of perhaps 100,000 stormed the Russian Embassy where Griboyedov was living. Though Griboyedov bravely mounted a defense, the mob killed not only his guards but the whole diplomatic mission and staff—a total of 37. The mob then mutilated Griboyedov's body to the point where other Russian representatives could later identify it only by an old dueling scar.

Fearing the wrath of the Russian Empire, the shah did not respond in the manner of the Spartans by offering as penance the lives of two noblemen—or even two noblewomen; instead, he gave the Russians a huge diamond from the famous Peacock Throne. That throne—the ultimate in conspicuous consumption—had been built for Tamerlane and was among the spoils taken by the fierce Persian conqueror Nadir Shah when he captured Delhi from the last of the great Mogul emperors—a voluptuous monarch who was reputed never to have been "without a mistress in his arms and a glass in his hand." The stone turned over to the Russians—which had become known as the "Shah Diamond"—is now part of the collection in the Kremlin.

Since optimism is the only useful working hypothesis, one must assume that the world has made at least marginal progress since 1828 and that the hysterical rabble surrounding our embassy (it insults education to call them "students") will not physically injure the hostages. Nevertheless, the fact that fanatical Shi'ites have once again stirred up a mob to assault a foreign embassy, as they did a century and a half ago, suggests the inevitable excesses of a theocratic state—and the dangers of ever entrusting political power to religious zealots. Since religious passions perverted into hatred acquire inhuman ferocity, it is not surprising that religious wars have been among the bloodiest in history; for when doctrine is expressed in violence, atrocities become sacramental.

Nations maintain peaceful relations with one another by constant compromises that reconcile one people's interests with another's. But dogmatic religions are based on too many absolutes—and all too often their prophets are too intolerant to acknowledge the interests of others. Moreover, religion armed with the powers of the state is a force without accountability since it recognizes no man-made constraints.

At many times and in many places, bigots from Savonarola to the archbishop of Salzburg to Oliver Cromwell have destroyed freedom and placed stifling shackles on the boldest and noblest minds. Men of like tendency can also—as in Iran today—debauch a people by inflicting on a whole nation the wild lunacy of mob action. Fanaticism is the dark face of religion and, in the words of the French encyclopedist, Diderot: "There is only a step between fanaticism and barbarism." In Iran today, Khomeini has taken that step.

For Americans the lesson should be clear: our founding fathers were inspired to insert into the First Amendment of the Constitution a clause forbidding the making any laws "affecting the establishment of religion." That clause required the separation of church and state. Those few words are a heritage we must jealously guard.●

AGAINST FTC REGULATION OF WATER STANDARDS

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 26, 1979

● Mr. DASCHLE. Mr. Speaker, I would like to follow up on what has been said in hope that the FTC be prohibited from a proposed trade regulation covering the voluntary standards and certification process.

There are presently 20,000 existing standards applied throughout the country that would be affected by this ruling. I am especially concerned about the effects of this ruling on water standards.

Currently, procedures regarding water utility management and standards are handled voluntarily with a minimum of difficulty that benefit our citizens through improved water supplies at low costs. At this time, around 120 standards projects are established through the American Water Works Association. These standards cover everything from the treatment of water, to what kind of pipes, valves, and hydrants should be used.

The association has estimated that if the FTC rule is imposed it will cost approximately $750,000 to $1 million to comply with. The association is a nonprofit organization that supplies information on standards for a nominal cost to city water officials, contractors, and others. It is thus reasonable to assume that these additional costs will have to be borne by those people who utilize this information.

Furthermore, and most importantly, an across-the-board procedure for developing standards imposed by the FTC will stifle future developments and updating of standards, and will lead to the inclusion of standards and products that may not only be inferior, but also dangerous to the public health. Needless to say, the established standards developed under current procedures have been formulated by knowledgeable and expert people. These people would be locked into procedures that may be totally contrary to the level of development they have established regarding water standards.

Finally, I would like to say that the FTC proposed rule is too encompassing and restrictive. Due to a few isolated instances, we now face regulation over thousands of standards and certifications, many of which like the water industry, have developed a responsible and effective approach to the unique elements within the industry. For over 100 years, these standards have been developed that work to supply our Nation with over 30 billion gallons of water a day, at no cost to the Government and little cost to consumers.

I fear that the only benefits accrued by FTC intervention will be increased costs accompanied with the likelihood that the quality of our Nation's water will be severely compromised in the process. I for one see no reason to take this chance and would request that the FTC be prohibited from regulating and voluntary standards and certification process, and request my colleagues to support the one-House veto as a means to accomplish this.●

HARRIS ANTITRUST PROCEDURAL IMPROVEMENT ACT GAINS SUBCOMMITTEE APPROVAL

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 26, 1979

● Mr. HARRIS. Mr. Speaker, today I am introducing a bill to authorize the Department of Justice to use nongovernmental experts and facilities in antitrust investigations.

Enforcement of our antitrust laws is usually a laborious and complex task.

The CID is a tool that is used very often by Justice to determine whether they should pursue allegations of antitrust violations. In effect, it is a precomplaint civil discovery tool. Present law, however, states that materials obtained pursuant to a CID may be prepared for official use by any duly authorized "official or employee" of Justice. Use of the phrase "official or employee" has been argued to limit the organization, processing, analysis and evaluation of CID materials to those with full-time employee status. The fact of the matter is, however, that Justice does not have the manpower, and very often, the expertise, to decipher and organize the complex and voluminous material presented in response to a CID.

My bill would allow Justice to use "agents" (as well as "officials or employees") in their investigations. An "agent" would be defined as "any person retained by the DOJ in connection with the enforcement of the antitrust laws." In effect, this will permit DOJ to contract with outside experts and consultant firms to effectively and efficiently process, analyze, evaluate and utilize materials produced pursuant to a CID. Use of these contractor services would most frequently occur where a civil antitrust investigation required the production and analysis of great numbers of documents, or involved complex issues.

My bill would also impose the same criminal sanctions for the unauthorized disclosure of trade secrets and information discovered during the examination of the CID upon the "agents" that are already imposed upon Justice employees.

My Speaker, to help expedite the enforcement of our antitrust laws I urge my colleagues to support this important bill.●

UNITED STATES COULD TAKE IRAN TO WORLD COURT

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 26, 1979

● Mr. FINDLEY. Mr. Speaker, debate in the Security Council over the crisis in Iran is now scheduled to get underway. Perhaps this will lead to the release of the American hostages held in our Embassy, although at this point it is difficult to foresee just how that might occur.

Another avenue which the administration would do well to consider is taking the issue to the International Court of Justice at The Hague. As I explain in the following letter to President Carter, Iran's detention of our Embassy personnel flagrantly violates an international treaty to which both the United States and Iran are parties. The World Court is uniquely capable of giving a ruling upon the legality of the Iranian seizure of our citizens and property, and it may be that the Iranians would welcome this international forum as fulfilling their own domestic needs, and thereby permit the Americans to come home. In any case, a World Court decision in our favor would provide President Carter with ample justification (if he does not have it already) for taking the strongest possible steps to secure release of the 49 men and women who are still held captive.

CONGRESS OF THE UNITED STATES,
November 21, 1979.

HON. JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: In this critical and complicated crisis I suggest a further initiative the United States could take at this time.

The detention of the American Diplomatic officials in the Embassy seems to be in clear violation of international law. The Vienna Convention on diplomatic relations states:

ARTICLE 22

1. The premises of the mission shall be inviolable. The agents of the receiving state may not enter them, except with the consent of the mission.

2. The receiving state is under a special duty to take all appropriate steps to protect the premises of the mission against intrusion of damage and to prevent any disturbance of the peace of the mission or impairment of its dignity.

3. The premises of the mission, their furnishings and other property thereon and the means of transport of the mission shall be immune from search, requisition, attachment or execution.

ARTICLE 29

The person of a diplomatic agent shall be inviolable. He shall not be liable to any form of arrest or detention. The receiving state shall treat him with due respect and shall take all appropriate steps to prevent any attack on his person, freedom or dignity.

Both Iran and the United States are signatories to the Vienna Convention and therefore bound by its terms. Since apparently there is a dispute between our two countries over the application of that Convention to this current situation, I recommend that the United States move in the International Court of Justice at the Hague to secure a binding opinion on the applicability of the Vienna Convention to the current status of our diplomatic personnel in Iran.

There are several factors which favor this course of action.

1. First and foremost, of course, is the virtually unanimous opinion among all international lawyers in the world that the American Embassy officials—regardless of their assignment—must have their diplomatic immunity restored. In short, on this issue, all agree that the United States would prevail on the merits.

2. There is no way Iran or any other nation can prevent the United States from taking the dispute to the World Court. In fact, a separate protocol to the Vienna Convention—a protocol to which both Iran and the United States are signatory—states:

"Disputes arising out of the interpretation for application of the Convention shall lie within the compulsory jurisdiction of the International Court of Justice and may accordingly be brought before the Court by an application made by any party to the dispute being a party to the present protocol."

Thus, the United States does not need the support of the United Nations nor the agreement of Iran to take the controversy to the World Court and get an opinion declaring Iran's conduct illegal. The initiative is realistic. It can be accomplished, and Iran probably cannot stop it.

3. It is even possible that Iran might support putting this aspect of the controversy before the International Court of Justice. Iran has long sought a forum at the United Nations to discuss the broader issues involving the Shah and his property. A trial at the World Court would provide the government of Iran with a world forum to raise whatever issues it chooses.

Undoubtedly the Court would feel it had no jurisdiction to rule on these extraneous issues. Nevertheless, the Iranian government would have a forum to discuss whatever it deems important or relevant. For our part, the United States could agree to be bound by any decision of the International Court of Justice on the status of our diplomatic staff, and in return the Iranian government should immediately restore control of the American Embassy to the United States pending the decision of the World Court.

Regardless of whether Iran agrees to accept the arbitration of the World Court on the status of our Embassy personnel, I believe that the United States should undertake this initiative. Even if Iran rejects it totally and fails to present any evidence or arguments, the World Court should still feel under an obligation to rule on the question since both countries have agreed to the Court's complusory jurisdiction. Moreover, you would assume the highest moral plain should it become necessary for you to take some action to "enforce" a World Court decision against Iran.

Finally, I urge you to make it abundantly clear that the United States is prepared to act with strong military measures if Iran carries through with its threats to put on trial the forty-nine American hostages remaining in our Embassy.

To show that we mean business, you should notify all other Americans still in Iran, and all foreign diplomatic personnel stationed in Iran, that the United States will not be responsible for their safety at such point as any trial of Americans begins. In the coming days and weeks, we should make the silence of foreign tongues in Iran deafening to all Iranians.

Sincerely yours,

PAUL FINDLEY,
Representative in Congress.●

NO MORE MILWAUKEE ROAD BAILOUTS

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 26, 1979

● Mr. SENSENBRENNER. Mr. Speaker, the time has come to reorganize the Milwaukee Railroad into a line which will exist without the necessity of providing millions of dollars of additional operating subsidies. Implementation of the bankruptcy court trustee's reorganization plan will do just that.

The Milwaukee Railroad Reorganization Act enacted earlier this month establishes specific deadlines for shippers and employees of those routes to be abandoned under the trustee's plan to come up with an employee-shipper ownership plan. Should they fail to do so, or should the Interstate Commerce Commission reject that plan, the reorganization should proceed forthwith without any more taxpayer subsidies.

Two Wisconsin newspapers have editorialized along these lines. I include them herewith:

[From the Milwaukee Journal, Nov. 8, 1979]

PROLONGING A RAILROAD'S AGONY

President Carter poured money down a rathole when he signed legislation to keep the Milwaukee Road operating on all 9,000 miles of its rail lines. The $15 million a month in federal loans that will be available until Dec. 15 is an economic waste. The operations it will finance aren't viable.

Politics plainly influenced Carter's decision. The western states that supported the measure, restoring Milwaukee Road service on 4,800 miles of track from Montana to the Pacific Northwest, are important to Carter's re-election bid. These states understandably are concerned over the loss of Milwaukee Road rail service sanctioned by a federal judge in an effort to save the bankrupt line.

But the unpleasant fact is that the 4,800 miles of track that the judge allowed the Milwaukee Road to abandon are economic losers. The only hope of maintaining the Milwaukee Road as a solvent transportation enterprise is to pare it to the core. That is what the judge ordered, and what Carter's own Transportation Department supported.

The new legislation embodies the dreamy notion that somehow between now and the middle of December shippers and rail employes on the railroad's western routes will be able to formulate a financially workable plan to maintain operations on the abandoned track. In actually, the new law simply prolongs the railway's economic agony while diverting the communities and shippers along the railroad's western tracks from the search for realistic transportation alternatives. Meanwhile, more debt is piled on the Milwaukee Road and the taxpayer is asked to shell out.

[From the West Bend (Wis.) News, Nov. 17, 1979]

RESCUING THE MILWAUKEE ROAD

The emergency legislation rushed through Congress and signed the same day last week by President Carter will allow resumption of freight service on the Milwaukee Road's western lines, but it is not a long-range solution for the railroad's problems.

The federal government is going to guarantee loans of up to $15 million a month while awaiting action by employees and/or shippers to come up with a plan to buy and operate the railroad. The deadline on such a plan, however, is Dec. 15.

If that plan fails, the railroad's court-appointed trustee can start selling off unprofitable trackage or cutting off service. The railroad has 2,500 miles of freight lines from Miles City, Mont. to Tacoma, Wash., and another 2,200 miles of lines in South Dakota, Iowa, Minnesota, Wisconsin, Illinois and Michigan which are losers. The trustee wants to cut service back to an inner core of trackage in the Midwest.

Railroad men often refer to the Milwaukee Road as "a railroad which never should have been built." It has been going bankrupt for several decades now.

In the meantime, the federal government in general, and the Interstate Commerce Commission, in particular, have not addressed the basic problem. Action should have been taken long ago to merge the railroad's unprofitable trackage with competitors, or authorize a suspension of service.

The important factor is that shippers along the Milwaukee Road's trackage should be served by a railroad with financial stability. And a railroad needs more than government subsidies or loan guarantees to achieve such stability.●

PUERTO RICO NATIONAL GUARD

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 26, 1979

● Mr. CORRADA. Mr. Speaker, I want to include in the RECORD a letter dated October 24, 1979, by the Governor of Puerto Rico, the Honorable Carlos Romero-Barceló, to the Honorable Harold Brown, Secretary of the Department of Defense, regarding the recent 4-week period of duty of the Puerto Rico National Guard in the Dominican Republic during the emergency created by Hurricane David. Some elements of the Puerto Rico National Guard were mobilized by orders of President Carter.

This is an excellent example of how well Puerto Ricans can serve to close the gap created by the cultural differences between the United States and our Latin American neighbors. The hurricane-stricken people of the Dominican Republic will now feel closer to the United States and will understand our friendly policies toward them.

I feel proud of these elements of the Puerto Rico National Guard and want to make a public recognition of their accomplishments.

The text of the letter is enclosed:

OFFICE OF THE GOVERNOR,
LA FORTALEZA, SAN JUAN, PUERTO RICO,
October 24, 1979.

THE HONORABLE HAROLD BROWN,
U.S. Department of Defense,
The Pentagon,
Washington, D.C.

DEAR MR. SECRETARY:

Elements of the Puerto Rico National Guard recently completed a four-week period of duty in the Dominican Republic, in support of United States aid efforts in that neighboring, hurricane-stricken nation. This utilization of our Guardsmen marked a first in National Guard history, in that they were federalized and deployed as part of an international support effort by the United States Government.

At the close of operations on 7 October 1979, the National Guardsmen had logged over 766 flying hours in more than 162 mercy missions, including transportation of over 600,000 pounds of cargo (including food and medical supplies) and more than 1,000 persons (the sick and injured, engineers, doctors, nurses, liaison officers and personnel attached to the U.S. Evaluation Team, among others). Our equipment was maintained in a high state of readiness despite the intensive use to which it was put. Through the efforts of our Guardsmen, many individuals and families in isolated rural areas received timely assistance.

Everywhere they went, our troops were warmly received and their assistance acknowledged by a grateful population. The good will generated by the actions of the Puerto Rico National Guard will no doubt be remembered for many years to come. At the same time, of course, the image of the U.S. Government and its Armed Forces was unquestionably enhanced throughout the Dominican Republic.

I would submit that there are lessons to be learned from this experience. Clearly the ethnic heritage and bilingual capability of our Puerto Rico Guardsmen renders them ideally suited for service in the Caribbean and Latin American area. Their ability to communicate in Spanish was a major contributor to the establishment of an excellent rapport and working relationship with the Dominican authorities.

I have no doubt that the deployment of elements of the Puerto Rico National Guard in similar circumstances in the future is not only desirable but also advisable. The possibility of implementing other types of activities and interchanges involving the use of the Puerto Rico National Guard in the region should also be considered.

In conclusion we feel very proud of the constructive role which has been played by the Puerto Rico National Guard in the recent Dominican emergency. Should the President wish to make similar use of our personnel on a future occasion we shall stand ready as patriotic American citizens, to respond to his call with vigor.

Sincerely.

CARLOS ROMERO-BARCELÓ.●

TRIBUTE TO MS. HIBEL

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 26, 1979

● Mr. MAVROULES. Mr. Speaker, I would like to take this opportunity to bring to the attention of this body the work of one of his country's greatest artists.

Edna Hibel, a resident of Massachusetts, has been drawing, painting and preparing lithographs for many years. Her moving and sensitive renderings, renowned throughout the world, are housed in many museums and galleries. I believe that it is indicative of the esteem in which the artistic community holds Ms. Hibel to note that she is the only living American woman artist to whom a museum has been dedicated.

Ms. Hibel has had the opportunity to travel and study throughout the world. Her work reflects this universal perspective. Her work transcends races, international boundaries and time. In the faces of her subjects one can see the entire spectrum of human emotion and experience.

Known especially for her paintings of mothers and children, Ms. Hibel expresses a message of tenderness, peacefulness and the youthfulness of the human spirit. She has completed a Mothers Day series of collectors plates (executed by Royal Doulton China), and has prepared several lithographs in honor of the International Year of the Child. I have found Ms. Hibel's work particularly moving at a time such as this when mothers and their children are suffering across the world.

The friends of Edna Hibel, with my enthusiastic support, have nominated her work to be used on a commemorative postage stamp. It is our feeling that her paintings would beautifully symbolize Mothers Day or a number of other, humanistic themes.

I would be happy to share her work with you and urge you to drop by my office to view it. After seeing these beautiful paintings, I'm sure that you will share my enthusiasm for this project.●

BIOMASS AS A SOURCE OF ENERGY

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 26, 1979

● Mr. FITHIAN. Mr. Speaker, in the past few weeks, much has been said about the need for our Nation to renew its commitment to free itself from dependence on foreign sources of energy.

I am inserting, for the benefit of my colleagues, a copy of my remarks before the First Intern-American Conference on Renewable Sources of Energy. I hope that my comments on the promise of biomass as a source of energy for our country and for other nations in the Western Hemisphere will be of some help in this regard.

The remarks follow:

THE REMARKS OF THE HONORABLE FLOYD J. FITHIAN

We are gathered here with a common problem. Every nation represented here—nearly every nation of the Western Hemisphere—pays an economic price for our reliance on OPEC oil. For some the price is the bleeding away of capital desperately needed for their nations' economic development. For others—

more fortunate—who have their own energy resources, the price they pay is passed through to them when they buy goods from OPEC dependent nations. For all of us the final price is brutal inflation which robs our people individually and weakens the influence of our hemisphere on the international scene.

Since 1973, OPEC has learned that manipulation of international oil supplies—aimed at keeping the world market tight—is its most effective long-term price-setting tool. In the past 11 months alone we have seen OPEC prices rise a staggering 65 percent as a result of Iranian oil interruptions and Saudi cutbacks. The production cuts used to justify these price hikes were not large by volume—a decline of four to five million barrels a day at most. But they demonstrate the importance to OPEC of maintaining a tight world oil market. Indeed, the first business of the cartel now seems to be avoiding oil surpluses by seeing that the excess productive capacity of some OPEC members is not translated into excess production.

Any action we can cooperate in to relieve the stress of OPEC's tight market and escalating prices is worth the most serious investigation. The classical way by which the monopolistic pricing of cartels has been broken is to create new producers. This is where biomass energy comes in.

Experts estimate that four to five million barrels of oil would be enough to influence OPEC's price-setting mechanism. The source of that extra four or five million barrels is not particularly important, nor is its destination for consumption. Whether it comes from one new oil field or from a thousand small alcohol plants scattered across our hemisphere, it still affects the energy market and lessens OPEC's stranglehold on energy prices.

I argue that biomass energy offers a common answer we can work together to achieve. We will also pursue individual avenues such as oil shale and tarsands, but biomass development offers something to every one of us. The equivalent of four or five million barrels of oil per day is a reasonable, reachable goal for biomass development in the Western Hemisphere. Although such fuels cannot end all dependence on imported oil, through biomass development we can collectively work to ward off future OPEC price increases.

As the authors of the Harvard Business School's report Energy Future observed, an ideal solar collector has already been designed. Requiring virtually no maintenance, it is economical and nonpolluting; it uses an established technology and it stores energy. It is called a plant. That plant is biomass.

When we talk of biomass conversion technology, we are really talking about ways of tapping the stored energy of plants. We can burn them directly for energy; we can let them decompose under controlled conditions to produce methane; we can heat them under pressure to produce oil and natural gas substitutes. Or we can ferment their sugars to produce a premium liquid fuel, alcohol.

The U.S. Department of Agriculture estimates that approximately 485 million dry tons of unused wood are left to rot in U.S. Forests every year. Assuming that half of this could be recovered and economically converted to energy in an environmentally sound way, it could produce up to 4.1 quads of energy per year,[1] or about 5.2 percent of the annual energy consumption in the United States. To this we could add crop residues not needed for soil enrichment and municipal solid waste. Using conservative figures, the total energy contribution biomass resources could make in the United States is staggering. The combined result of wood, crop residues, and urban waste could contribute between 6.2 and 6.8 quads of energy every year at least [2] or about 8 percent of the total U.S. energy consumption.

Beyond what the United States can develop, take a moment to scan the panorama of biomass resources across the face of our hemisphere. We see the great stretches of farmland across the North American plains and Argentina, the sugar cane residues of Brazil, the dense forests of Central America and the Amazon basin, the city wastes of every metropolis in North and South America. These are wastes which we have commonly burned, or buried, compressed or otherwise paid handsomely to dispose of. Now is the time for us to recognize these wastes as something other than a blight and a burden. We should drop the word waste altogether. Now these are resources.

The average ton of city garbage contains 57 gallons of ethyl alcohol—obtainable through a cellulosic conversion process developed at Purdue University. Bagass, the residue left from processing sugar cane, will convert into ethyl alcohol at the refinery equal to two cents per pound of sugar refined.

To those critics who believe that biomass can only be used by denuding the land, raping the forests, and robbing a hungry world of protein, I say look at the waste material that lies at our feet and that should be a resource. Excitment about making useful what has been useless is sweeping the farm belt not only of my own state of Indiana and the North American corn belt, but also is reaching into the forest country and to the gates of the cities as well.

Biomass energy can have impact on OPEC's market, but biomass plants will not be built for that reason alone. Private businessmen and governments—the people who will decide whether plants are constructed—will not ask "will it break OPEC," but rather "will it pay?"

Fortunately, the answer is yes, it will pay.

Brazil, now a world leader in bioenergy, proves the point. Long dependent on imported oil for industrial development, Brazil spent $3.8 billion in 1977 to pay for oil imports—eleven times what it spent in 1972. Seeing the disastrous economic consequences of a growing dependence on imported oil, the Brazilian government launched a massive National Alcohol Program aimed at achieving 20 percent of its motor fuel requirements from alcohol by 1980. This goal will allow Brazil to reduce its oil imports by 10 percent, generating the equivalent of half a billion dollars of foreign exchange savings yearly.

Congressman Bedell will be describing other examples of people and companies who have found a positive answer to the question, "will it pay."

It is not without irony that we meet here today in New Orleans, the Queen city of the southern United States. From her port over the years, hundreds of millions of tons of sugar have departed. Yet today the Louisiana sugar industry is on the verge of economic disaster bordering on total collapse. At the same time through this and other port cities in the U.S. we import over sixty billion dollars worth of oil. The net result is a not so subtle debasing of the dollar and with it the erosion of the U.S. economy.

We are just now becoming aware not only of this irony but that there is a common sense solution to it. I commend the organizers of this conference for their efforts to promote an awareness of this common sense approach. For one day we shall do it—and then look back and ask ourselves why we didn't do it earlier

How might we maximize both our hemispheric strength an our determination to use that strength to reduce the adverse impact of spiraling world energy prices spurred on by OPEC decisions? Would it not be in our collective best interests to form a Hemispheric Organization to Maximize Energy Resources (HOMER) to work under the umbrella of the OAS? The purpose would be to exchange information, to work on cooperative research, and to speed the day when the renewable resources of this hemisphere play their rightful role in our energy future. The objective of such an organization would be not only to promote expensive technology affordable only in nations capable of large capital formation but to develop and disseminate technical information about small, inexpensive rural technology—a necessity for countries with extraordinary foreign exchange problems and an inability to afford capital-intensive energy production facilities.

Efforts of this type are already underway in several developing countries in other parts of the world. China currently has close to a million small biogas plants in operation, and India, which has pioneered this technology more than thirty years ago, has 80,000. Scientists feel that biogas would eventually fulfill half of rural India's fuel needs.

We stand today on the threshold of a new era. Like all eras before it, it can be either the closing of an age or the beginning of a new one. I challenge you to make it a beginning. I challenge you as pacesetters and leaders of the Western Hemisphere to be unafraid to look backward in order to move forward, to be unfraid to mingle the best of the past with the brightest of the future, and to fear not to apply the most recent discoveries to the oldest energy sources in order to deliver renewable biomass energy to a needy hemisphere, a hemisphere trying to solve its newest major problem—energy cost. For one day we shall do it—and then look back and ask ourselves why we didn't do it earlier.●

WALKER TANNER

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, November 26, 1979

● Mr. JONES of Tennessee. Mr. Speaker, I rise today to express my deepest sympathy to the family of a dear friend of mine, Mr. Walker Tanner of Union City, Tenn., who died recently. Mr. Tanner was a successful businessman and a citizen active in the civic affairs of his community.

He served in various capacities in the civic organizations in Union City, and contributed greatly to its growth and development. In addition, Mr. Tanner was my very dear friend. He was a man whose word could be counted upon, whose integrity was beyond question, and whose loyalty was unswerving. I know his passing is a great loss to his family and to his community. It is also a great loss to those of us who knew him well.

I want to take this opportunity to insert into the Record the article that appeared in the Union City Daily Messenger on the occasion of his death:

Walker Tanner Dies, Services Set Sunday

Walker Tyree Tanner, 86, founder and chairman of the board of the First Federal Savings and Loan Association of Union City and longtime civic and business leader, died about 5 p.m. Friday at the Union City Health Care Center.

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[1] 4.1 quads/year equals roughly 2 million barrels of oil/day for a year.

[2] 6.2–6.8 quads/year equals roughly 3–3.3 million barrels of oil per day for a year.

Tanner, a resident of the Old Troy Road, was seriously injured in an automobile accident on July 3, 1977 and had been in ill health for a number of months.

Services will be held at 3 p.m. Sunday at the White-Ranson Funeral Home Memorial Chapel.

The Rev. Kenneth Adcock, pastor of the First Christian Church, and Dr. Bob Lloyd, pastor of the First Presbyterian Church, will conduct the services.

Burial will be in East View Cemetery.

Active pallbearers will be James Williams, Elwyn Oliver, John Howard, Campbell Garth, J. T. Vaughn, Ray Terrell, E. L. Jessup and Bob Terrell.

Honorary pallbearers will be Tom Elam, Dave Shatz, Barry White, Jim Rippy Jr., Robbert Adkinson, Carl Timm, Garland Bennett, John Pruett, James Rippy Sr., Ed Stone, Jeff Stone, Robert Cultra, Bert Cox, Jim White, Hayden Kirkland, Dr. W. B. Dunlap, J. M. Andrews, R. H. Armstrong, Charles Miles III, Dick Schaedle, Dr. Robert Latimer, Dr. J. Kelley Avery, Robert McAdoo, Gene McAdoo, James McAdoo, Dixon Williams and Johnny Semones.

Tanner was born in Obion County March 17, 1893, son of the late I. W. Tanner and Mrs. Mamie Walker Tanner.

He completed the Union City Training School and attended the University of Tennessee before returning to Obion County to travel as a representative of the old Union City Child Specialty House (an outlet for children and ladies ready-to-wear).

In 1917, he was married to the former Dorothy Beck. Mrs. Tanner, who was also seriously injured in the automobile accident in the summer of 1977, died in January of 1978.

Tanner was both a civic and business leader in his community. He became vice president of the Reelfoot Packing Co. of Union City and later organized the Union City Insurance Co. and founded the First Federal Savings and Loan Association of Union City.

He was also a past president of the Obion County Farm Bureau, past president of the Obion County Fair Association, past president of the Union City Rotary Club and was a Paul Harris Fellow with Rotary.

He was a member of the First Christian Church of Union City.

Survivors include two sons, Emerson B. "Buz" Tanner and W. W. "Bill" Tanner, both of Union City; five grandchildren, Mrs. Lynn Bowlin, Tommy Tanner, John Tanner, Roger Tanner and Ty Tanner, all of Union City, and five great-grandchildren.

Friends may call at the funeral home after 7 tonight.●

PERSONAL EXPLANATION

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 26, 1979

● Mr. OBERSTAR. Mr. Speaker, during the sessions of November 15 and 16, 1979, I was absent from the House on official business in my district.

For the RECORD, I would like to indicate that had I been present on November 15, 1979, I would have voted:

"Nay" on rollcall No. 668, agreeing to the substitute to provide voluntary efforts to control hospital costs, rather than mandatory controls as provided in the legislation reported by the House Commerce Committee;

"Yea" on rollcall No. 669, passage of H.R. 2626, Hospital Cost Containment Act of 1979;

"Yea" on rollcall No. 670, motion to recede from disagreement and concur with Senate amendments to H.R. 4440.

On Friday, November 16, I would have voted:

"Nay" on rollcall No. 671, instructing conferees on H.R. 2440, Airport and Airway Development Act;

"Nay" on rollcall No. 672, agreeing to the conference report on H.R. 4391, military construction appropriations, 1980;

"Nay" on rollcall No. 673, passage of H.R. 2335, Solar Power Satellite Research, Development, and Evaluation Program Act of 1979;

"Nay" on rollcall No. 674, conference report on S. 1319, Military Construction Authorization Act, 1980;

"Yea" on rollcall No. 675, agreeing to House Resolution 473, providing for the consideration of H.R. 3994.

"Yea" on rollcall No. 676, agreeing to House Resolution 416, providing for the consideration of H.R. 3546;

"Yea" on rollcall No. 677, agreeing to House Resolution 438, providing for the consideration of H.R. 3580.●

ALAN BARTH

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 26, 1979

● Mr. EDWARDS of California. Mr. Speaker, with deep sadness, I must advise my colleagues of the death in Washington last week of Alan Barth.

With Alan Barth's passing, those of us who knew him personally lost a gentle and loving friend. All others lost an eloquent voice for decency and fair play in our society.

Mr. Speaker, the material I am inserting in the RECORD tells of Alan's massive contributions to civil rights, due process, constitutional rights, and all of the key safeguards that make our country unique.

On my part, I will remember Alan Barth with gratitude for the friendship and counsel he gave me in the 17 years of our relationship. And for all of us in the Congress I send sympathy to his widow, Adrienne, his son, Andrew, his daughter, Flora Wolf, and his three grandchildren.

Mr. Speaker, I insert in the RECORD from the November 21 edition of the Washington Post the lead editorial and the moving obituary by Jean R. Hailey:

ALAN BARTH

Alan Barth, who died yesterday at the age of 73, was more than just our colleague on this editorial page for over a quarter-century. He was also our friend. That personal entanglement with him, a mixture of admiration and love, makes impossible the cool, objective appraisal we normally try to present here of the lives of people who have been important in the region or the country. Instead, we want to try to tell you why Alan Barth was a very special person to us and why we think the world in which we all live is better because of him.

When Alan joined the staff of the editorial page in 1943, he had a reputation as a staunch supporter of civil rights and civil liberties. This newspaper did not. When he retired in 1972, his reputation had grown enormously and this newspaper had changed. His views on desegregation, equal rights, freedom of speech and a host of other issues had become, by and large, our views. His insistence on standing up for the constitutional rights of every American, no matter how difficult that might be, had become our insistence. His imprint on editorial policies in those matters is so deep it can never be erased.

We like to think—and you can judge for yourself whether it is true—that these views made a difference not only to this newspaper but to this city and the country. Alan's voice was the voice of reason, arguing—before it was popular—for peaceful desegregation of the schools, for equal rights for everyone, for protection of the rights of criminal defendants and witnesses before congressional committees, for the widest possible interpretation of that great guarantee of "free speech," and against guilt by association. He stated the case for these positions passionately in hundreds of unsigned editorials and in a stream of books and bylined articles that made his name better known to a generation of college students than it was to our readers. In time, many of the things he argued for came to pass, although some are still a matter of strenuous debate. His professional career, we think, was a remarkable example of the ability of one man to influence the way all men think.

It was not always easy, either for Alan or for this newspaper, to be at the cutting edge of such controversies. The accusations made against us and him, personally, were often quite bitter. Words like "pinko," "pro-communist" and "nigger-lover"—in the days when those were still part of the debased currency—were thrown at him during the McCarthy days and the original school desegregation fights. Alan never flinched and his support for the causes in which he believed never wavered. We concede that others on this newspaper were sometimes deeply concerned about the road down which he was taking us. But when it was suggested he had gone too far, that he had defended the rights (as distinct from the deeds) of one too many criminals or political pariahs, he would merely smile that wry smile and start all over again the process of persuading others that the rights of no American are safe unless the rights of all Americans are safe.

Alan never controlled the editorial policies of this newspaper even on those subjects; control rested elsewhere. But he dominated them by persuading his colleagues, through scholarship and force of intellect, that he was right. He was helped, and directed, by his ability to find just the right phrase or just the right quip to bring laughter to a heated internal argument. But it was hard to maintain a disagreement with a man who had distilled so much of the learning of the country's great scholars and judges. There were, however, subjects on which his views did not dominate our policies. When such subjects came up in our daily conferences, he seemed to love the exposure of our differences almost as much as he loved their resolution in his favor. His joy, in other words, was almost as great in intellectual combat as in victory.

That is part of what made Alan so special to us. The rest is strictly personal. He was a man who loved life and people. Those whose personal lives crossed his, as ours did, were enriched by the encounter. He was gentle and kindly, full of wit and humor, always ready to offer help and whatever you might need. He surrounded himself with friends of all kinds. You could find them at his home in the evenings and on weekends—eating, playing softball and, above all, gabbing. You never knew when you went just what to to expect or whom you might see, but you did know that when you left you would be glad you had been there.

Oliver Wendell Holmes Jr., one of those whose writings greatly influenced Alan, once wrote of what he regarded to be the best service one could do for his country or for himself:

"To see so far as one may, and to feel the great forces that are behind every detail—for that makes all the difference between philosophy and gossip—to hammer out as compact and solid a piece of work as one can, to try to make it first rate, and to leave it unadvertised."

We cannot think of a more fitting epitaph for our colleague and friend.

Alan Barth, Retired Post Writer, Dies

(By Jean R. Hailey)

Alan Barth, 73, an eloquent advocate of civil liberties and an editorial writer for The Washington Post for more than a quarter of a century, died of cancer yesterday at the Veterans Administration Hospital in Washington.

From the time he joined The Post in 1943 until his retirement in 1972, Mr. Barth wrote powerfully in support of the wider definitions of constitutional rights toward which the country was slowly moving.

Sometimes his editorials were sharp and stinging as were those that challenged the investigations conducted by the late senator Joseph R. McCarthy (R–Wis.). At other times, they were full of the humor and sense of the absurd that marked his own view of the world.

Although Mr. Barth did not set the policy of The Post's editorial page, he was often its spokesman on critical issues. He was instrumental, soon after he joined the newspaper, in changing its views on racial issues. It was in his words that The Post, in 1945, denounced the threat of Washington's white bus drivers to strike if the transit company hired black drivers. "To bar men from serving in these jobs because of their race or color is at once to hamper the war program and to subvert the principles for which the war is being waged."

And it was in his words that the paper vigorously defended freedom of speech and freedom of association during the McCarthy era. Mr. Barth's unwavering support for the constitutional rights of everyone, including some wrong-headed and even odious characters and causes, occasionally brought him into conflict with others on the newspaper's staff.

Philip L. Graham, the late publisher of The Washington Post, was furious with a Barth editorial in 1950 that defended the performance of Earl Browder, head of the American Communist Party, before the McCarthy investigating committee.

Mr. Browder had refused to identify his associates, and Mr. Barth had written: "In refusing to identify and stigmatize certain persons whose names were presented to him . . . Mr. Browder was patently in contempt of the committee's authority. But this contempt was pretty well earned by the drift and character of the questions . . . Not everyone in America tests a man's loyalty to his country by his willingness to betray his former friends."

The editorial became the centerpiece of a campaign against The Post, which already had been labeled pro-Communist, and Mr. Graham thought Mr. Barth had gone too far. He was intent upon firing Mr. Barth until Justice Felix Frankfurter persuaded him not to.

Through it all, Mr. Barth never wavered. He had been hired by Eugene Meyer, Mr. Graham's father-in-law and the newspaper's publisher then, who knew of his reputation as a strong liberal. Mr. Meyer said he wanted his editorial writers to "write with an assurance of freedom within their area of competence."

When he retired, Mr. Barth said, "I was never asked to grind anybody's ax or stuff anybody's shirt or pander to anybody's prejudice or pull any punches or consider the interests of any advertisers or politicians."

A mild-mannered, soft-spoken man, courtly in his ways, Mr. Barth did not often write under his byline in The Post. Editorials were then, as now, unsigned. But his personal views were expressed fully in a series of books, articles and speeches.

His first book, "The Loyalty of Free Men," was written at the height of the McCarthy era. It spread his reputation nationwide as it quickly became part of the common culture of college students. It set forth his philosophy.

"Congressional abuse and the distortion of the investigating power is threatening to establish in this country a legislative tyranny. Such abuse is threatening to overthrow the American form of government by upsetting its tripartite balance of power and usurping the powers reserved to the people," he wrote.

"Certainly there are real dangers to be faced. Espionage and sabotage are not imaginary threats to national security. . . . But the antidote is not repression: it is free and unlimited discussion."

Mr. Barth also was deeply concerned about the abuse of academic freedom and of police investigative powers. He dealt with these matters in later books, "Government by Investigation" in 1955, "The Price of Liberty" in 1961, and "Heritage of Liberty" in 1965.

In the "Price of Liberty," he was sternly critical of the often common police practice of detaining crime suspects without immediate arraignment and of unauthorized wiretapping. He wrote:

"Every society is obliged to see a rational balance between public safety and private rights—to choose between the exigencies of law and order on the one hand and the imperatives of freedom on the other."

Mr. Barth also was an advocate of gun controls. After the assassination of President John F. Kennedy, he waged a fruitless battle on The Post editorial pages against the National Rifle Association, which opposes controls. He wrote more than 1,000 editorials calling for gun controls, 77 of them on consecutive days.

But more often he saw his uncompromising positions on civil rights and civil liberties upheld. He favored school desegregation, and it came about with the Supreme Court decision in 1954. He wanted home rule for the District of Columbia, where he had lived since the 1930s, and saw the nation's capital win the vote.

In 1974, Mr. Barth published his fifth book, "Prophets with Honor," in which he wrote about 10 major dissenting opinions handed down in Supreme Court cases involving individual rights or liberties guaranteed by the Constitution.

Just as many of his own early and controversial positions on civil rights later were vindicated, so were those court dissents, which he noted "in time came to be recognized as right and to be adopted by the court majorities."

Mr. Barth was born in New York City, where his family was in merchandising. He attended Phillips Academy in Andover, Mass., spent a year traveling around the world, and then earned a degree from Yale University.

He was in merchandising for several years, and then went to Beaumont, Tex., where he worked as a reporter for the Enterprise in 1936 and an editorial writer for the Journal during 1937–38.

From there, Mr. Barth came to Washington as a correspondent for the McClure Newspaper Syndicate. He was an editorial assistant to secretary of the Treasury Henry Morgenthau Jr. from February 1941 to January 1942, when he joined the Office of War Information. He was with OWI when he was hired by Meyer.

Mr. Barth received many honors. In 1948, he was awarded a Nieman fellowship and studied American history and constitutional law at Harvard University.

In 1957, he was visiting professor of journalism at Montana State University, and in 1958–59, visiting professor of political science at the University of California at Berkeley.

He received awards from the Sidney Hillman Foundation and Sigma Delta Chi, the professional journalism society, which called his editorials "informative, persuasive and written in clean, clear English."

He was cited by the Washington Area Council of the American Veterans Committee, the District branch of the NAACP, the American Newspaper Guild, the Education Writers Association and Americans for Democratic Action.

In 1964, Mr. Barth was presented the first Oliver Wendell Holmes Bill of Rights Award of the National Capital Area Civil Liberties Union.

His awards came for his work in civil rights. But Mr. Barth wrote on other matters too. In 1961, he gave a first-hand account of what it was like when he and 105 other persons aboard a jet airliner had to circle Omaha airport for a lengthy period, preparing to make a crash landing because of a defective landing gear. The plane finally made it to the ground safely.

On another occasion, while walking his dog near his home in Washington, Mr. Barth witnessed a gun slaying. That too produced a first-hand account from him.

Mr. Barth had his light side, which appeared in a number of his signed columns that appeared on the page opposite The Post's editorial page.

"Something comes over the male animal on the day after Christmas," he wrote in 1967. "The spirit of giving gives way suddenly to the spirit of getting. He turns shopper, as every retail merchant, especially the haberdashers, know full well, and he becomes a bargain hunter with the relentless ferocity of a stag who has just harkened to a mating call."

One of his greatest pleasures was the softball team that he and lawyer Joseph Rauh, another civil liberties advocate and close friend, put together for the benefit of their sons. It soon attracted their own friends, and the Barth-Rauh game went on every Sunday afternoon for more than 25 years at the ballfield across the street from Mr. Barth's home in Washington. It was Mr. Barth's game.

He is survived by his wife, Adrienne, of Washington; a son, Andrew, of Columbia, Md.; a daughter, Flora Wolf of Philadelphia, and three grandchildren.

The family suggests that expressions of sympathy be in the form of contributions to the American Civil Liberties Union.●

TIM LEE CARTER

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 26, 1979

● Mr. MAZZOLI. Mr. Speaker, Turkey Neck Bend on the Cumberland River in Monroe County, Ky., will regain the services of an American and a distinguished Kentuckian when my friend and colleague, Tim Lee Carter leaves the House of Representatives after a long and productive career as Congressman from the Fifth District.

Although we sit on opposite sides of the aisle, Tim Lee has been my good friend since my arrival in this House in 1971. I shall miss his insight, his diligence and his friendship when he goes back home to Kentucky.

But, on a broader scale, all members

of the Kentucky delegation and every Member of the House will miss "Doc" CARTER.

He is a special man and a decent man and a constant gentleman. There are few to match him in the Congress.

When he announced his retirement, TIM LEE asked God to bless this House in which he has served so long and so effectively. Today, I ask God to bless TIM LEE and his lovely wife, Kathleen, so that they may enjoy many, many years of health and happiness surrounded by the green fields, the beautiful mountains and the rushing rivers of our beloved Kentucky.●

JUANITA M. KREPS

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 26, 1979

● Mr. CORRADA. Mr. Speaker, recently President Carter accepted with regret the resignation of Juanita M. Kreps as Secretary of Commerce. Mrs. Kreps resigned for personal reasons.

As Mrs. Kreps returns to rejoin the world of academia at Duke University, she can, however, look back on a long string of accomplishments during her tenure as head of the Department of Commerce.

As the first woman Secretary of this complex agency, she performed her work with high distinction, with a true sense of professional competence in bringing a strong degree of mission to an agency which, in some manner, touches the lives of all of us through the wide variety of programs.

Her record in identifying and employing Hispanics was a sound one and she successfully identified many problems of concern to minorities in this Nation and focused the resources of her department to bear in solving them.

As a manager, as a visionary who saw the long-reaching effects of trade agreements with the growing market in China, Mrs. Kreps mark will long be felt in the agency she headed for 3 years.

We wish her well as she departs Washington.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings, when scheduled, and any cancellations, or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, November 27, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

NOVEMBER 28

9:00 a.m.

Special on Aging

To hold hearings on adapting social security to a changing work force, focusing on current earnings limitation and the treatment of women under social security.

1224 Dirksen Building

9:30 a.m.

Agriculture, Nutrition, and Forestry

Agriculture Production, Marketing, and Stabilization of Prices and Foreign Agricultural Policy Subcommittees

To hold joint hearings to examines the implications of grain sales to the Soviet Union on the U.S. transportation system.

457 Russell Building

Governmental Affairs

To hold oversight hearings on the activities of the Energy Information Administration, Department of Energy.

6226 Dirksen Building

Governmental Affairs

Permanent Investigations Subcommittee

To continue hearings on professional motor vehicle theft and the potential in it by organized crime.

3302 Dirksen Building

*Judiciary

Business meeting, to continue markup of S. 1722 and 1723, bills to reform the Federal criminal laws and streamline the administration of criminal justice.

2228 Dirksen Building

10:00 a.m.

*Banking, Housing, and Urban Affairs

International Finance Subcommittee

To hold hearings to examine U.S. and East-West trade and technological competitiveness, focusing on S. 339, to provide identical requirements for determining the eligibility of any Communist state for "most favored nation" status and Export-Import Bank credits, and for reviewing and limiting such credits; S. Con. Res. 47, to approve the extension of nondiscriminatory treatment with respect to the products of China; and to review a report prepared by the Office of Technology and Assessment entitled "Technology and East-West Trade".

5302 Dirksen Building

Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To resume hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of the U.S. maritime policy.

235 Russell Building

Environment and Public Works

Water Resources Subcommittee

Business meeting, to consider S. 1241, proposing certain changes in water resource policy.

4200 Dirksen Building

Rules and Administration

Business meeting, to mark up S. 2018 and S. Res. 281, measures to simplify and clarify the system by which Senate committees are provided funds for their operating expenses, including staff salaries; and to consider other legislative and administrative business.

301 Russell Building

Joint Economic

To hold hearings to examine the economic outlook for 1980 relative to the housing industry.

1318 Dirksen Building

NOVEMBER 29

8:00 a.m.

Agriculture, Nutrition, and Forestry

Rural Development Subcommittee

To hold oversight hearings on the implementation of rural housing programs relative to loan guarantees administered by the Farmers Home Administration and the Department of Housing and Urban Development.

324 Russell Building

9:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To hold oversight hearings on NASA's proposed reprograming of funds for Jupiter orbit mission (project Galileo).

1224 Dirksen Building

9:30 a.m.

Agriculture, Nutrition, and Forestry

Agricultural Production, Marketing, and Stabilization of Price and Foreign Agricultural Policy Subcommittees.

To continue joint hearings to examine the implications of grain sales to the Soviet Union on the U.S. transportation system.

457 Russell Building

*Governmental Affairs

Oversight of Government Management Subcommittee

To hold hearings on Federal agencies spending practices that occur just prior to the end of the fiscal year, the "hurry-up spending problem."

3118 Dirksen Building

Governmental Affairs

Permanent Investigations Subcommittee

To continue hearings on professional motor vehicle theft and the potential in it by organized crime.

3302 Dirksen Building

Judiciary

Constitution Subcommittee

To hold hearings on S. 3 and 1710, bills to provide procedures for Federal constitutional conventions for the purpose of proposing amendments.

318 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs

Business meeting, to mark up S. 1937 and 1965, bills authorizing Federal loan guarantees to the Chrysler Corporation.

5302 Dirksen Building

Environment and Public Works

Water Resources Subcommittee

Business meeting, to resume consideration of S. 703, to provide for the study, advanced engineering and design and/or construction of certain public works projects for navigation and flood control on rivers and harbors in the U.S. and trust territories.

4200 Dirksen Building

Foreign Relations

To hold closed hearings on U.S. military assistance to Egypt.

S-116, Capitol

Labor and Human Resources

Education, Arts, and Humanities Subcommittee

Business meetings, to mark up S. 1386, authorizing funds through fiscal year 1985 for the National Endowment for the Arts, National Endowment for the Humanities; and Institute of Museum Services; and S. 1429, authorizing funds through fiscal year 1982 for programs under the Museum Services Act.

4232 Dirksen Building

2:00 p.m.

Conferees

Closed on S. 673, authorizing funds for

fiscal years 1980 and 1981 for national security programs of the Department of Energy.
S-407, Capitol

Foreign Relations
Closed business meeting, to consider S. Con. Res. 51 and 52, resolutions rejecting the determination of the President, set forth in the report of the President transmitted to the Congress on November 14, 1979, that it is in the national interest of the U.S. to continue sanctions against Zimbabwe-Rhodesia.
S-116, Capitol

2:45 p.m.
Governmental Affairs
Oversight of Government Management Subcommittee
To continue hearings on Federal agencies spending practices that occur just prior to the end of the fiscal year, the "hurry-up spending problem."
S-126, Capitol

3:00 p.m.
*Judiciary
To hold hearings on the nominations of Jose A. Cabranes, to be U.S. District Judge for the District of Connecticut; Robert J. McNichols, to be U.S. District Judge for the Eastern District of Washington; Horace T. Ward, to be U.S. District Judge for the Northern District of Georgia; David K. Winder, to be U.S. District Judge for the District of Utah; Juan M. Perez-Gimenez, to be U.S. District Judge for the District of Puerto Rico; and L. T. Senter, Jr., to be U.S. District Judge for the Northern District of Mississippi.
2228 Dirksen Building

NOVEMBER 30

8:00 a.m.
Agriculture, Nutrition, and Forestry
Rural Development Subcommittee
To continue oversight hearings on the implementation of rural housing programs, relative to home weatherization serving rural areas.
324 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold oversight hearings on the Federal Trade Commission's authority to order divestiture in certain antitrust proceedings.
235 Russell Building

Governmental Affairs
Permanent Investigations Subcommittee
To continue hearings on professional motor vehicle theft and the potential in it by organized crime.
3302 Dirksen Building

Judiciary
To hold hearings on S. 1679, to reduce delays and legal expenses in the issuance of patents.
2228 Dirksen Building

10:00 a.m.
Armed Services
Procurement Policy and Reprograming Subcommittee
To receive testimony on optional financial spending programs for the civil reserve airfleet of the Department of Defense.
224 Russell Building

Appropriations
Agriculture and Related Agencies Subcommittee
To hold oversight hearings on the activities of the Farmers Home Administration.
1318 Dirksen Building

DECEMBER 4

9:30 a.m.
Governmental Affairs
Permanent Investigations Subcommittee
To resume hearings on professional motor vehicle theft and the potential in it by organized crime.
3302 Dirksen Building

10:00 a.m.
*Select on Indian Affairs
To hold hearings on S. 341, 1795, and 1796, bills authorizing certain Indian tribes to file claims for damages for delay in payment for lands claimed to be taken in violation of U.S. laws.
5110 Dirksen Building

DECEMBER 5

9:00 a.m.
Commerce, Science, and Transportation
To hold joint oversight hearings with the Subcommittee on Energy Resources and Materials Production of the Committee on Energy and Natural Resources to review implications for future Outer Continental Shelf leasing, relative to the oil spill at Campeche, Mexico.
3106 Dirksen Building

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To hold joint oversight hearings with the Committee on Commerce, Science, and Transportation to review implications for future Outer Continental Shelf leasing, relative to the oil spill at Campeche, Mexico.
3106 Dirksen Building

Rules and Administration
Business meeting, to resume markup of S. 2018 and S. Res. 281, measures to simplify and clarify the system by which Senate committees are provided funds for their operating expenses, including staff salaries; and to consider other legislative and administrative business.
301 Russell Building

Select on Indian Affairs
Business meeting, to mark up S.J. Res. 108, to validate the effectiveness of certain plans for the use or distribution of funds to pay judgments awarded to Indian tribes; S. 1730, declaring that title to certain lands in New Mexico are held in trust by the United States for the Ramah Band of the Navajo Tribe; S. 1832, authorizing the Secretary of the Interior to declare certain land to be Indian reservation land; and S. 1273, to restore Federal recognition to certain bands of Paiute Indians in the State of Utah.
6228 Dirksen Building

DECEMBER 6

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings to insure equitable mortgage lending practices.
5302 Dirksen Building

DECEMBER 7

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings to insure equitable mortgage lending practices.
5302 Dirksen Building

Joint Economic
To resume hearings on the employment-unemployment situation and price data information for November.
Room to be announced

DECEMBER 10

10:00 a.m.
Select on Indian Affairs
To hold hearings on S. 1464, to acquire certain lands for the benefit of the Mille Lacs Band of the Minnesota Chippewa Indians.
5110 Dirksen Building

DECEMBER 11

9:30 a.m.
Select on Small Business
To hold hearings on the structure of the solar energy industry.
424 Russell Building

10:00 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To receive testimony on the current price and supply situation for petroleum fuels.
3110 Dirksen Building

DECEMBER 12

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on the scope of laser research and technology, focusing on the principal applications of lasers and future expectations from lasers.
235 Russell Building

9:30 a.m.
Select on Small Business
To continue hearings on the structure of the solar energy industry.
424 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold oversight hearings to review international monetary policy relative to the Eurodollar currency.
5302 Dirksen Building

DECEMBER 13

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To continue oversight hearings to review international monetary policy relative to the Eurodollar currency.
5302 Dirksen Building

DECEMBER 14

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on the scope of laser research and technology, focusing on the principal applications of laser and future expectations from lasers.
235 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To continue oversight hearings to review international monetary policy relative to the Eurodollar currency.
5302 Dirksen Building

JANUARY 15, 1980

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings to examine U.S. trade and technological competitiveness with other industrialized countries, focusing on a report by the International Trade Commission on international trade in integrated circuits relating to the electronics industry.
5302 Dirksen Building

CANCELLATIONS

NOVEMBER 29

10:00 a.m.
Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

NOVEMBER 30

10:00 a.m.
Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building